



# PRESS RELEASE

Embargoed until 00:01 Thursday 2 February 2012

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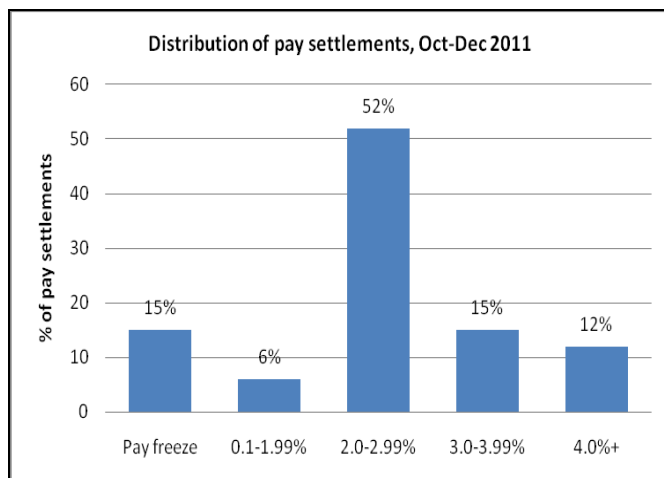
## 2012 pay deals higher than last year

Private sector pay settlements for 2012 are coming in at higher levels than the median recorded during most of 2011, according to early indications from IDSPay.co.uk. This is due to higher awards in the manufacturing sector, particularly in general engineering and car and components manufacturing.

Of the 30 pay awards recorded so far this year, almost two-thirds (63 per cent) are at 3 per cent or above. Many of these awards are subsequent stages under multi-year deals with either guaranteed rises or increases linked to RPI inflation, but new January deals are also coming in above the 2.5 per cent median that pertained for much of 2011. Firms in the motor industry – whose awards are watched closely by other manufacturers – have settled at a median of 4 per cent. Negotiations in many other parts of the economy are still ongoing, so a complete picture will continue to emerge over the coming weeks.

### 2011 pay awards

The latest analysis shows that pay settlements in the final quarter of 2011 were at similar levels to those recorded throughout the year, with a median increase of 2.5 per cent and more than half of all deals being worth between 2 and 2.99 per cent. However the contrast between the level of pay awards in manufacturing and private services continued, with the median in the manufacturing sector at 3.1 per cent while the median for the private services was 2.5 per cent.



Source: IDSPay.co.uk



Ken Mulkearn, Editor of IDS Pay Report, said: 'Private sector pay settlements look like they could be higher on average than last year, but the picture so far is only a partial one. If this turns out to be the case, and inflation continues to fall, private sector workers are likely to welcome the prospect of an easing-off in the squeeze on their incomes that most of them experienced over the past 12 months'.

<b>Summary of key settlement data</b>	
For the three months to the end of December 2011, based on 52 settlements covering 835,280 employees in total	
Median (whole economy)	2.5%
Average (whole economy)	2.4%
Weighted average (whole economy)	2.5%
Interquartile range (whole economy)	2.0% to 3.0%
Median by sector	
Private sector	2.5%
Manufacturing & production	3.1%
Private services	2.5%
Not-for-profit & related services	0.9%

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**IDS Pay.co.uk** is a new online source of all the remuneration data collected by IDS, on pay settlements, pay levels and executive compensation. Visit [www.IDSPay.co.uk](http://www.IDSPay.co.uk) to see a demonstration or to sign up for a free trial.

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