While share buybacks have historically been more prevalent in the US than other advanced economies, they rose to new records worldwide in 2022.

According to research by asset manager Janus Henderson, the world’s 1,200 largest public companies repurchased a record $1.3 trillion of their own shares in 2022, a 3-fold increase from a decade ago. By contrast, total dividends among the same universe of companies grew 54% over the same 10-year period. The energy sector (oil) led all industries last year in the pace of buybacks at $135 billion, a 4-fold increase over 2021.

The headwinds for share repurchase activity in 2023 remain formidable: slower earnings growth, higher stock valuations, lower oil prices and increased policy and bank sector uncertainty. However, after a modest decline in 2023, many analysts are forecasting share buybacks to increase again in 2024.

Notably, the SEC recently passed a new rule requiring public companies to disclose more information on share repurchases, including the number of shares purchased and average price paid.

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