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Manpower Employment Outlook Survey 4Q 2016: Hiring Outlook Finally Improves Following Five Consecutive Quarters of Decline

Employers in Manufacturing sector anticipate the most vigorous hiring pace

Taipei, Taiwan (13 September, 2016)

Job seekers in Taiwan might benefit from more opportunities in the next three months according to the Manpower Employment Outlook Survey (MEOS) released today. Results of the forecast of Taiwan's fourth-quarter labor market activity indicate that employer confidence has rebounded slightly following five consecutive quarters of gradual decline. Despite the improvement, employer hiring plans are still considerably weaker than reported a year ago.

ManpowerGroup interviewed a total of 1,005 Taiwanese employers to measure the labor market activity between October and December in 2016. According to the survey, 27% of Taiwanese employers interviewed anticipate an increase in staffing levels in the next three months, 5% forecast a decrease and 65% expect no changes. Once seasonal variations are removed from the data, Taiwan's net employment outlook for the fourth quarter stands at +21%, 2 percent stronger than the previous quarter and 13 percent weaker year-over-year. Taiwan ranks third out of 43 countries and territories surveyed in the quarterly research.

"The employment outlook is signaling some slight growth after five quarters of decline, which is a positive sign for the labor market's recovery. A pick up in employer optimism in the Manufacturing sector is driving up the overall hiring perspective. Although employers remain more cautious than they have been for most of the last seven years, we should keep in mind that Taiwan's forecast remains stronger than all but India's and Japan's. Taiwanese employers appear to be feeling more confident about the market in general," said Joan Yeh, the Manpower Staffing Service Director of ManpowerGroup Taiwan.

The global economy remains in a state of recovery at the moment. However, Taiwan's export-driven economy may hold the key for future growth. The Manufacturing sector's net employment outlook of +26% is the strongest reported, with more than three of every 10 employers interviewed saying they expect to add to their workforces in the next three months. In a quarter-over-quarter comparison, the forecast climbs by 6 percentage points, and is the only sector with positive quarter-over-quarter improvement among all six industry sectors this time. However, the forecast dips 4 percentage points year-over-year.

“Although this year’s global economy slowdown diminished orders from overseas, employers seem to be growing optimistic in the fourth quarter as new products of mobile device are coming out in the second half of the year, especially for semiconductor and electronics manufacturing companies. Also, the mobile gaming craze may accelerate consumers’ willingness to purchase high end devices. Therefore, employers are expecting to add their workforce in response to the trend,” indicated Joan.

Employers in the Finance, Insurance & Real Estate sector also report active hiring plans for the upcoming quarter with a net employment outlook at +25%. Hiring intentions drop from the prior quarter and the same period last year by 3 and 15 percentage points, respectively. Employers in Finance and Insurance industries continue to seek qualified candidates with IT background and knowledge. “As can be seen, there are plenty of opportunities in FinTech industry. However, it may not be easy for employers to find qualified ones in the talent pool due to talent shortage,” Joan pointed out as one of the reasons why employers in the Finance and Insurance sector expect the hiring pace to remain strong.

Positive hiring activity is also forecast in the Wholesale & Retail Trade sector with a net employment outlook of +24%, remaining unchanged from the previous quarter. When compared with a year earlier, hiring intentions drop by 10 percentage points. “Food & beverage industries and restaurants have contributed to a huge part of sales growth in the Wholesale & Retail Trade sector, which consequently raises employers’ hiring intentions,” said Joan. As e-commerce continues to get more and more convenient, fewer and fewer customers do shopping in physical stores. Therefore, department stores and shopping centers have been recently adding more restaurants, food courts, and dining areas, by which they hope to attract more customers to walk in to stay. Additionally, in response to the worker days-off regulation which has not been confirmed by the government, some employers in this sector are planning to add workforce, such as store sales-based positions, to avoid any potential penalties associated with employees working overtime.

The Service sector’s net employment outlook stands at +19%. The forecast dips by 1 percentage point quarter-over-quarter, while in year-over-year comparison the forecast drops by 23 percentage points. “The drop in the numbers of inbound Chinese tourists since Q1 of this year has caused concern among employers in the hotel and hospitality industries, thus employers have reservations about adding workforce. But on the other hand, the Information Technology Services industries have been key to boosting the hiring pace in the Service sector. Hiring demand in mobile application developers, data analysts, and digital marketers still remain high,” mentioned Joan.

The hiring forecast in the Mining & Construction stands at +13%, with a 2-percentage decrease in quarter-over-quarter comparison. However, when compared with the same period last year, hiring intentions go down by 11 percentage points. “Restrained by low demand volume in the housing market, it seems that employers are waiting for more signs of recovery before committing to additional payrolls, so they stay cautious,” said Joan.

The hiring prospects in the Transportation & Utilities sector again remain the least optimistic among the six industry sectors during October-December time frame. The employment outlook of +8% turns weaker by 2 percentage points in comparison to previous quarter’s forecast. On a yearly basis, the forecast shrinks considerably by 26 percentage points to its weakest level since Q1 2009. E-commerce business correspondingly moves up employers’ hiring plans for more workforces on logistics and delivery services. But most employers in Transportation industries prefer to remain conservative at this moment. “From the negative influence which was caused by decreasing numbers of inbound Chinese tour groups, we have noticed that the employers in the Transportation sector are worried, thus they have less confidence for the near future and are hopeful that cross-strait relations will get back to normal soon,” said Joan.

Full survey results for each of the 43 countries and territories included in this quarter’s survey, plus regional and global comparisons, can be found at www.manpowergroup.com/meos.

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About the Survey

The global leader in innovative workforce solutions, ManpowerGroup™ releases the Manpower Employment Outlook Survey quarterly to measure employers’ intentions to increase or decrease the number of employees in their workforce during the next quarter. It is the longest running, most extensive, forward-looking employment survey in the world, polling nearly 59,000 employers in 43 countries and territories. The survey has been running for more than 50 years and is one of the most trusted surveys of employment activity in the world. The survey serves as a bellwether of labor market trends and activities and is regularly used to inform the Bank of England’s Inflation Reports, as well as a regular data source for the European Commission, informing its EU Employment Situation and Social Outlook report the ‘Monthly Monitor’. ManpowerGroup’s independent survey data is also sourced by financial analysts and economists around the world to help determine where labor markets are headed.

About ManpowerGroup

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