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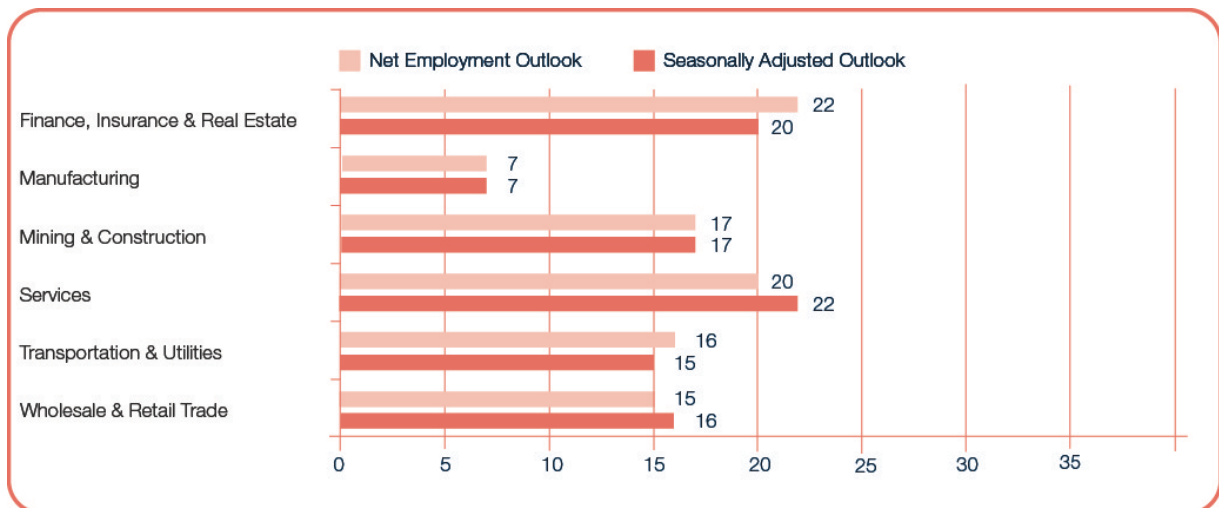
Hong Kong Employers Expect Positive 1st-Quarter Hiring Plan Strongest labor market is forecast in the Services sector

HONG KONG (Dec 12, 2017) – First quarter results for the 2018 ManpowerGroup Employment Outlook Survey (MEOS) released today indicates that Hong Kong employers report positive hiring intentions for the January-March time frame.

Taking seasonal variations into account, Hong Kong’s Net Employment Outlook ¹stands at +16%. Hiring prospects remain relatively stable when compared with the previous quarter, and improve by 3 percentage points in comparison with the first quarter of 2017.

19 percent of the 770 employers surveyed forecast an increase in staffing levels in 1st Quarter 2018, while 3 percent predicted a decrease. 78 percent of overall employers surveyed anticipated no employment changes in Q1 2018.

Workforce gains are anticipated in all six industry sectors during 1Q 2018, with Services sector employers reporting the strongest Net Employment Outlook of +22%. Finance, Insurance & Real Estate sector employers expect an upbeat hiring pace, reporting an Outlook of +20%, and the Outlook for the Mining & Construction sector stands at +17%. Year-over-year, employers in five of the six industry sectors report stronger hiring intentions. The most noteworthy increase of 5 percentage points is reported in the Finance, Insurance & Real Estate sector, while the Outlook for the Wholesale & Retail Trade sector improves by 4 percentage points.



¹ A “Net Employment Outlook” is calculated by subtracting those employers who plan to reduce staffing levels from those who plan to hire staff. A positive result indicates that more employers plan to increase rather than decrease staffing levels; a negative result reflects the opposite.



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Reporting a Net Employment Outlook of +22%, employers in **Services** sector anticipate solid workforce gains during the first quarter of 2018. The Outlook remains relatively stable quarter-over-quarter, and is 2 percentage points stronger when compared with this time one year ago.

“Employers in the Services sector may be responding to the expected surge in demand for IT specialists, especially those dealing with cyber operation systems and cybersecurity as we now live in a world of cybercriminals which could threaten financial institutions, banking systems and different enterprises.” said Lancy Chui, Senior Vice President at ManpowerGroup Greater China region.

“With Hong Kong being the second most targeted place in Asia for cyberattacks during the past 3 years, we are seeing an uptick of awareness in cybersecurity issue among various corporations. This result reflects an increased interest in reinforcing cybersecurity roles to minimize the chance of being attacked and the leakage of sensitive data. As such, concerns over cybersecurity are likely boosting hiring activities in Services sector,” she continued.

“Against the backdrop of digitalisation, various companies are doing business in a digital way through adopting a personalized digital roadmap in strategy formulation and execution. This has accelerated the hiring rate of talents in the areas of data analysis, cloud computing, apps development positions within the Services sector. As such, we expect job seekers will continue to benefit from the positive hiring sentiment,” she said.

“Aside from technology, employers are also seeking professional services talent for auditing, risk and compliance to meet regulatory requirements and to minimize risks,” she stated.

The upbeat hiring pace is forecast to continue in 1Q 2018, with **Finance, Insurance & Real Estate** employers reporting a Net Employment Outlook of +20% for the second consecutive quarter. When compared with this time one year ago, the Outlook improves by 5 percentage points.

“Hong Kong developers continue to launch different property projects, which is stimulating the favorable sales of the primary property market. This is good news for job seekers as the competition for property agencies heats up and triggers ongoing opportunities in this sector,” said Ms. Chui.

“In the meantime, the growth in Chinese enterprises provide investment opportunities to overseas capital, reflecting the expected surge in demand for frontline sales staff in financial services, especially fund managers and Investor Relations candidates. Furthermore, the strong demand from Chinese firms and high-net-worth individuals for global asset allocation, may be prompting banking employers to expand the talents pools to fuel the business growth in asset management sector,” added Ms. Chui.



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Job seekers can expect a favorable hiring climate in **Mining & Construction** sector in the January-March time frame, according to employers who report a Net Employment Outlook of +17%. Hiring prospects are 2 percentage points weaker when compared with 4Q 2017, and are unchanged in comparison with the first quarter of 2017.

“A plunge in actual construction of private residential units during the past few months is a key factor that leads to the construction workers not having enough work, which is clearly having an effect on employer hiring confidence in the Construction sector,” said Ms. Chui.

“Yet, the Government pledged 97,000 new private flats to be completed over the next 3 to 4 years, resulting in anticipated demand of highly skilled construction workers. Based on this plan, we can still expect to see a positive hiring pace in this sector. Furthermore, nearly half of existing workers have reached aged 50 or above and approaching the retirement age of 65. These older workers will soon need to be replaced and this adds pressure to locate and hire new blood to join the industry,” she added.

The strongest labor market in more than four years is expected in **Wholesale & Retail Trade** sector during the coming quarter. Employers report a Net Employment Outlook of +16%, improving by 3 and 4 percentage points quarter-over-quarter and year-over-year, respectively.

“We are seeing a significant increase in inbound tourism – jumping 6.6 percent, not least mainlanders, prompting the hiring confidence of retailers. Meanwhile, we are also seeing an uptick in retail sales, rising 3.9 percent year on year, especially in the sale of luxury merchandise, and this significant improvement is evidently prompting many of the employers to further accelerate their hiring plans,” said Ms. Chui.

Employers in **Transportation & Utilities** sector expect a favorable hiring pace in the next three months, reporting a Net Employment Outlook of +15%. Hiring plans decline by 4 percentage points when compared with the previous quarter, but remain relatively stable in comparison with 1Q 2017.

“In response to the Belt and Road Initiative, we are seeing increasing numbers of direct flights to Middle East countries throughout various airline companies, thus triggering employer hiring plans to cope with business growth in aviation industries. Moreover, the growth in passenger traffic and aircraft transport has further stimulated the hiring activities in Transportation & Utilities sector,” Ms. Chui explained.

Employers in **Manufacturing** sector continue to expect modest hiring activity, reporting a Net Employment Outlook of +7% for the upcoming quarter. Hiring intentions are unchanged when compared with the previous quarter, and improve by 2 percentage points year-over-year.

“PMI rose slightly to 50.7 in November from 50.3 in October, which underlines the increase in both output and client demand from Mainland China. As such, we expect to see modest improvements in the labour



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market throughout the Manufacturing sector as business conditions improved slightly midway through the fourth quarter. However, the hiring confidence in this sector is expected to be impacted as the result of a decline in new orders and client demand. As such, a cautious index is reflected in this sector,” she explained.

Hong Kong is one of 43 countries and territories that take part in the ManpowerGroup Employment Outlook Survey. In the Asia Pacific region, the most optimistic hiring activity is expected in Taiwan, while those in China and Singapore report the weakest.

The next ManpowerGroup Employment Outlook Survey will be released on Mar 13.th 2018 and will detail expected labor market activity for the second quarter of 2018. A complimentary copy of the ManpowerGroup Employment Outlook Survey is available to the public through their local Manpower representative in participating countries. To receive e-mail notification about the forthcoming quarter hiring expectations from Hong Kong employers, interested individuals are invited to contact us via email at marketing@manpower.com.hk.

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 in the ManpowerGroup Press Room at www.manpowergroup.com/meos.

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About ManpowerGroup[®]

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