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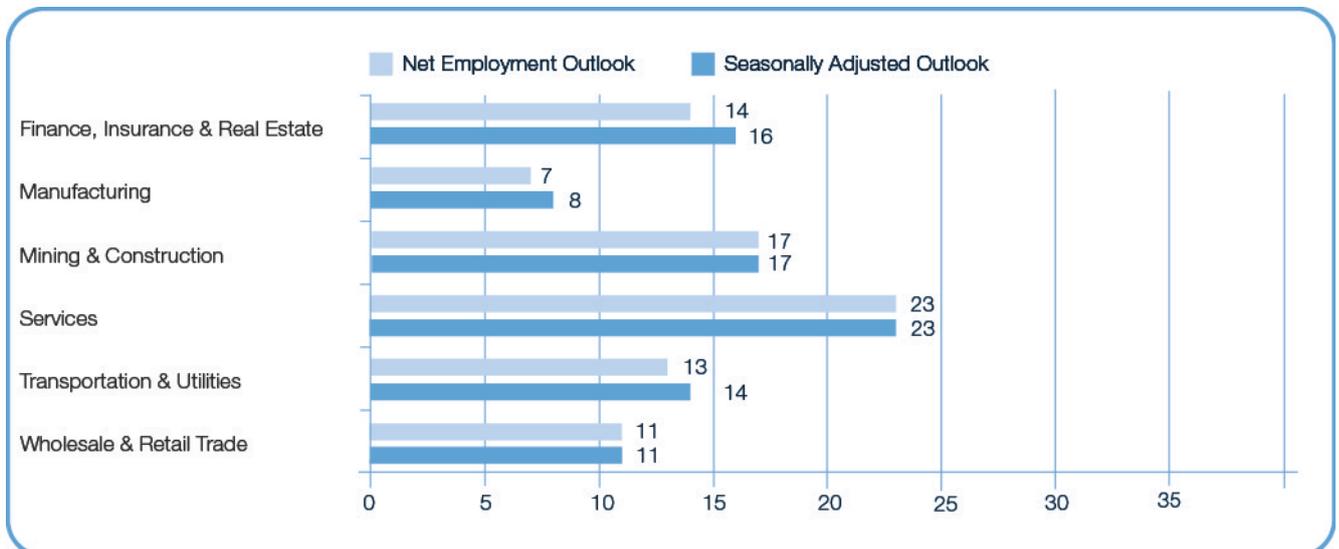
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Hong Kong Employers Expect 2nd-Quarter Hiring Pace to Remain Steady. The strongest labor market is forecasted in the Services sector

HONG KONG (Mar 14th, 2017) – The 2017 second quarter ManpowerGroup Employment Outlook Survey (MEOS) released today reports steady hiring intentions projected by Hong Kong employers with the most active hiring environments anticipated in the Services sector.

After removing seasonal variations from the survey data, Hong Kong’s Net Employment Outlook¹ stands at +14%. Hiring prospects remain relatively stable both quarter-over-quarter and year-over-year. 17 percent of the 750 employers surveyed forecast an increase in staffing levels in the next quarter, while 3 percent predict a decrease. 78 percent of overall employers surveyed anticipated no employment changes in Q2 2017.

Employers in all six industry sectors expect to grow staffing levels during the second quarter of 2017. The strongest labor market is anticipated in the Services sector, with a Net Employment Outlook of +23%. Respectable workforce gains are forecast in the Mining & Construction sector and the Finance, Insurance & Real Estate sector, where employers report Outlooks of +17% and +16%, respectively. When compared with the previous quarter, hiring prospects improve by 3 percentage points in the Services sector and are 2 percentage points stronger in the Manufacturing sector. However, Hiring plans are slightly weaker in the Mining & Construction sector and the Finance, Insurance & Real Estate sector when compared with the second quarter of 2016, declining by 3 and 2 percentage points, respectively.



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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Employers in **Services** sector anticipate an active labor market in the second quarter of 2017. The Net Employment Outlook stands at +23%, improving by 3 percentage points quarter-over-quarter. When compared with 2Q 2016, hiring prospects are unchanged.

“More pressure is being put on an inadequate information technology (IT) talent pool within Services sector by the growing demand in experienced and skilled IT professionals.” said Lancy Chui, Senior Vice President at ManpowerGroup Greater China region.

“With the growing trend of financial technology (Fintech) and digitization across different industries, we’re seeing the potential of an increase in the number of cyberattacks. Cyberattacks not only threaten financial institutions and banking systems but also different enterprises, so we’re seeing increased interest in reinforcing cybersecurity roles to minimize the chance of being attacked and the leakage of sensitive data. Likewise, the talent demand in data analysis, cloud computing, apps development stimulates companies to hire within the Services sector. As such, we expect job seekers will continue to benefit from the positive hiring sentiment. Aside from technology, employers are also seeking professional services talent for auditing, risk and compliance to meet regulatory requirements and to minimize risks, especially in a sluggish business environment,” she said.

“Benefits from the recent improvement in inbound tourism and the growth of hotels’ occupancy rates during the Chinese New Year, employers in hotel industry are planning to expand and this is likely to lead to increasing staff levels,” she continued.

A steady hiring pace is forecast for 2Q 2017 with **Mining & Construction** employers reporting a Net Employment Outlook of +17%. Hiring plans remain relatively stable when compared with the previous quarter but decline by 3 percentage points year-over-year.

“Nearly 100,000 housing supply is projected for the coming years, which stimulates hiring intention of employers in construction. However, the retirement of aging construction workers and the reluctance of young people to join the industry, employers are experiencing added pressure to hire new blood to join the industry. In addition, the cost of materials and the uncertain business environment will affect the hiring plan for employers, overall hiring pace will remain stable,” she expressed.

Job seekers can expect the favorable hiring climate to continue in **Finance, Insurance & Real Estate** sector in the next three months, according to employers who report a Net Employment Outlook of +16%. Hiring prospects are unchanged when compared with the previous quarter but decline by 2 percentage points year-over-year.

“Global financial headwinds continue to prompt many investment banks and financial institutions to reduce their staffing levels or implement restructuring plans,” said Ms. Chui.



“However, Hong Kong developers continue to launch different property projects, which is stimulating the favorable sales of primary property market and triggering ongoing positive hiring activities. As a result, the hiring outlook within the Finance, Insurance & Real Estate sector remains positive,” added Ms Chui.

The favorable hiring climate is forecast to continue during 2Q 2017 with **Transportation & Utilities** employers reporting a Net Employment Outlook of +14% for the second consecutive quarter. Hiring intentions remain relatively stable when compared with the second quarter of 2016.

“A year-to-year downward trend in cargo volume and the increased competitive pressure from Mainland Chinese container ports have impacted the hiring confidence among employers in logistics industry. However, the hiring pace in the sector is expected to remain steady as the result of growth in passenger traffic and aircraft transport,” Ms. Chui explained.

Job seekers can expect respectable hiring opportunities in the **Wholesale & Retail Trade** sector in the coming quarter, according to employers who report a Net Employment Outlook of +11%. Hiring prospects remain relatively stable both quarter-over-quarter and year-over-year.

“Despite the recent improvement in inbound tourism, the uncertain business environment and declining retail sales as the result of the diminished purchasing power of mainlanders, employers’ hiring intention remain hopeful,” said Ms. Chui.

“To face to the sluggish global market, we are seeing retailers operate pop-up stores to stimulate the sales for new products launch. This drives employers’ intention to add part-time and short-term staff to support their daily operation,” she continued.

With a Net Employment Outlook of +8%, employers in **Manufacturing** sector report encouraging signs for job seekers in the April-June time frame. Hiring intentions are 2 percentage points stronger quarter-over-quarter and improve by 3 percentage points when compared with this time one year ago.

“The PMI slipped to 49.6 in February from 49.9 in January. In February, the operating conditions continued to be stagnated and remained fragile. The index was dragged by a continuous fall in both outputs and new orders. In addition, weak economic conditions and a strong exchange rate, which led to client demand from Mainland China continues to decline. As such, employer hiring intent remains cautious.” she explained.



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Hong Kong is one of 43 countries and territories that take part in the ManpowerGroup Employment Outlook Survey. In the Asia Pacific region, employers in Taiwan and Japan report the strongest second-quarter hiring plans, while those in China, Singapore and Australia report the weakest.

The next ManpowerGroup Employment Outlook Survey will be released on June 13th 2017 and will detail expected labor market activity for the third quarter of 2017. A complimentary copy of the Manpower 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.

Results for all 43 countries and territories can be viewed in the new interactive ManpowerGroup Employment Outlook Survey Explorer tool at <http://manpowergroupsolutions.com/DataExplorer>.

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About ManpowerGroup Hong Kong

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