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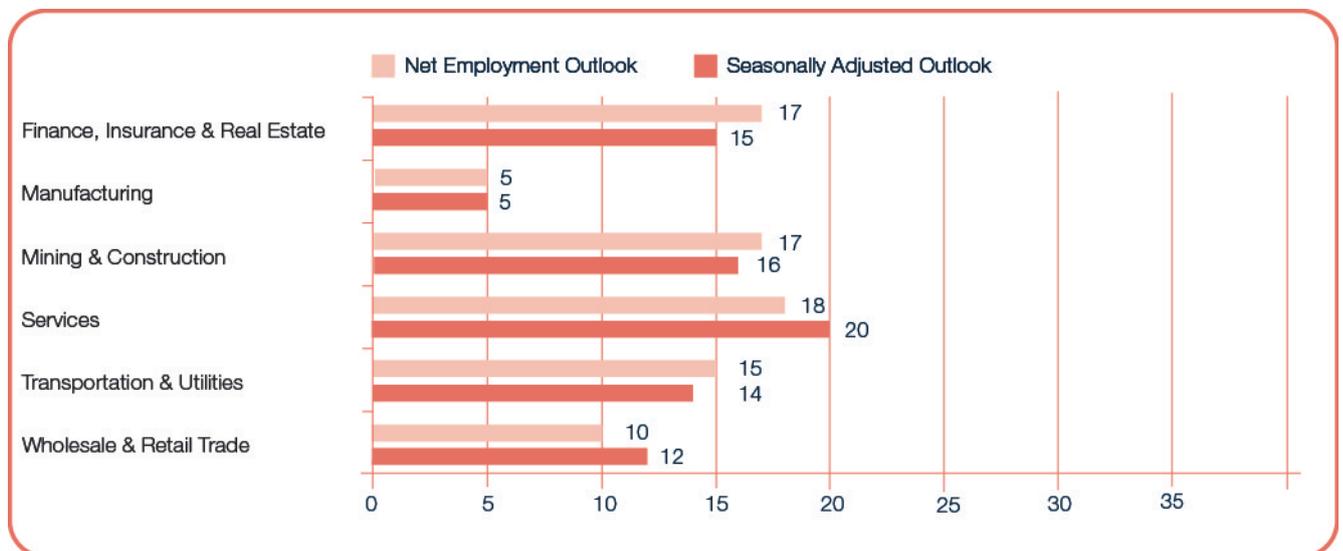
Contact:
Simon Leung
+852 2912 5544
simon.leung@manpower.com.hk

Hong Kong employers report respectable first-quarter hiring plans The strongest labor markets are forecasted in the Services sectors

HONG KONG (Dec 13th, 2016) – First quarter results for the 2017 ManpowerGroup Employment Outlook Survey (MEOS) released today indicates that Hong Kong employers expect staffing levels to increase during the next three months at a steady pace.

After removing seasonal variations from the survey data, Hong Kong's Net Employment Outlook stands at +13%. Hiring intentions remain relatively stable when compared with the previous quarter but decline by 2 percentage points year-over-year. 17 percent of the 728 employers surveyed forecast an increase in staffing levels in 1st quarter 2017, while 4 percent predict a decrease. 79 percent of overall employers surveyed expect no employment changes in Q1 2017.

Employers expect to grow staffing levels in all six industry sectors during 1Q 2017. The strongest hiring prospects are reported in the Services sector, with a Net Employment Outlook of +20%. Elsewhere, employers anticipate steady payroll gains in the Mining & Construction sector and the Finance, Insurance & Real Estate sector, with Outlooks of +16% and +15%, respectively. When compared with 1Q 2016, hiring prospects decline in four of the six industry sectors. The most notable decrease of 7 percentage points is reported by Mining & Construction sector employers while the Outlook for the Finance, Insurance & Real Estate sector is 5 percentage points weaker.





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An upbeat hiring pace is anticipated in 1Q 2017 with **Services** employers reporting a Net Employment Outlook of +20%. Hiring prospects improve by 2 percentage points when compared with the previous quarter but decline by 3 percentage points year-over-year.

“Strong demand for technology talent continues to accelerate hiring intentions in Service sector,” said Lancy Chui, Senior Vice President at ManpowerGroup Greater China region.

“Nowadays, different industries are moving towards digitization, along with an increasing number of cyberattacks. Cyberattacks not only threaten financial institutions and banking systems but also different enterprises, which stimulate employers’ hiring intention on 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 bring a knock-on effect on hiring activities within the service sector. 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.

“The hotel industry is affected by the unfavorable performance of inbound tourism, thus employers have put the focus on promotion to attract customers,” Ms Chui said. “Furthermore, the uncertain global market conditions have tightened overall hiring activities across the hotel industry,” she added.

Employers in the **Mining & Construction** sector forecast a hopeful hiring climate in the first quarter of 2017, reporting a Net Employment Outlook of +16%. However, hiring plans are 3 percentage points weaker quarter-over-quarter and decline by 7 percentage points year-over-year.

“The recent underemployment rate highlighted an increase in the foundation and superstructure works of the construction sector. It indicated that the uncertain business environment and the postponement of construction projects temper hiring plans in the construction sector. However, employers are still gearing for a hiring spike to fill the skills gap, especially skilled trade positions in construction field. As a result, construction employers adopt a positive hiring approach.” Ms. Chui explained.

With a Net Employment Outlook of +15%, employers in **Finance, Insurance & Real Estate** sector anticipate a steady hiring pace in the January-March time frame. Hiring prospects remain relatively stable when compared with the previous quarter but decline by 5 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 in order to lower cost,” said Ms. Chui.



“A sharp increase in stamp duty rates on property transactions for non-first time buyers is imposed by the Government. This exerts pressure on the sales of secondary property market, resulting in property agencies to suspend the expansion and freeze their hiring plans,” added Ms Chui.

“Additionally, Mainlanders are banned using state-backed bank cards to buy investment-related insurance products in Hong Kong. These developments have heightened uncertainty among insurance employers and we believe have contributed to an overall slowdown of hiring activities in finance sector,” she added.

Reporting a Net Employment Outlook of +14%, employers in **Transportation & Utilities** sector forecast a steady increase in staffing levels during the next three months. The Outlook declines by 2 percentage points quarter-over-quarter but is unchanged year-over-year.

“With increased competitive pressure from Mainland Chinese cities, a year-to-year downward trend in cargo volume has rattled 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 movements is contributing to employer hiring confidence within transportation sectors” Ms. Chui explained.

Respectable payroll gains are likely in the January-March period, according to employers in **Wholesale & Retail Trade** sector. The Net Employment Outlook stands at +12%, improving by 3 and 4 percentage points quarter-over-quarter and year-over-year, respectively.

“Despite the decline in both retail sales and inbound tourism has slowed, the uncertain business environment and the drop in retail sales and inbound tourism in the past are still impacting Hong Kong’s retail industry, leading to employers’ hiring intention remain cautious. However, the upcoming Chinese New Year holiday allows employers to expand their seasonal workforce in Q1 and in hiring outlook remain positive,” she continued.

Job seekers can expect some hiring opportunities in **Manufacturing** sector in the upcoming quarter, according to employers who report a Net Employment Outlook of +5%. The Outlook improves by 2 percentage points when compared with 4Q 2016 but is 2 percentage points weaker year-over-year.

“Hong Kong’s manufacturing sector employers are apparently feeling the effects of a continuing decrease in both outputs and new orders, especially across mainland China. As a result, job seekers can expect some opportunities in the sector through the first three months of 2017, but the overall hiring pace is expected to be modest,” she explained.

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



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The next Manpower Employment Outlook Survey will be released on March 14th 2017 and will detail expected labor market activity for the second 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 can be viewed in the new interactive Manpower Employment Outlook Survey Explorer tool at <http://manpowergroupsolutions.com/DataExplorer>.

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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 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.

Note to Editors

Commentary is based on seasonally adjusted data where available. Full survey results for each of the 42 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. In addition, all tables and graphs from the full report are available to be downloaded for use in publication or broadcast from the ManpowerGroup Web site at: <http://www.manpowergroup.com/press/meos.cfm>

About ManpowerGroup Hong Kong

Manpower Hong Kong has over 50 years of experience locally and provides employers a range of services and solutions for the entire employment and business cycle including permanent, temporary and contract recruitment; employee assessment and selection; training; outsourcing and consulting. Manpower helps both companies and individuals navigate the ever-changing world of work, helping employers and candidates to make sense of the forces shaping tomorrow's workplace. In Hong Kong, the ManpowerGroup suite of solutions is offered through ManpowerGroup™ Solutions, Manpower®, Experis™ and Right Management®.

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