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Manpower Employment Outlook Survey 3Q 2016: Hiring Outlook Remains Positive but Drops to Its Weakest Level since 3Q 2009

Employers in Finance, Insurance & Real Estate sector expect the most active hiring pace

Taipei, Taiwan (14 June, 2016)

Employers in Taiwan expect the hiring pace to remain positive across all industry sectors during the next three months. However, in a year-over-year comparison, the sharp decreases reported in all industry sectors suggest most employers are definitely growing more conservative and scaling back their hiring as the labor market grows tighter. The forecast has now been declining for five consecutive quarters and is now weaker than at any point since Q3 2009.

Manpower Employment Outlook Survey (MEOS) interviewed a total of 1,026 Taiwanese employers to measure the labor market activity between July and September in 2016. According to the survey, 27% of Taiwanese employers interviewed anticipate an increase in staffing levels in the next three months, 5% forecasting a decrease and 66% expecting no changes, creating a 22% net employment outlook. Once seasonal variations are removed from the data, Taiwan's net employment outlook for the third quarter stands at +17%, 3 percent weaker than the previous quarter and a sharp drop of 23 percent year-over-year. Despite the downturn, hiring expectation among Taiwan's employers is exceeded only by those in India and Japan among the 43 countries and territories that participate in the survey.

"The current job market turns a bit stagnant and tighter than the previous quarter, which prompts most employers to continue exercising caution when hiring. For job-seekers, on the other hand, they prefer to wait until they have been satisfied with the compensation and benefits package, so it takes longer to carefully consider career move," said Sunny Chen, Experis Area Manager of ManpowerGroup Taiwan.

Employers in the Finance, Insurance & Real Estate sector report the most vigorous hiring outlook for the upcoming quarter with a net employment outlook at +28%. Hiring intentions slightly grow from the previous quarter by 1 percentage point, but when compared with the same period last year, hiring intentions drop by 10 percentage points. Employers in Finance and Insurance industries express higher demands on adding workforce. "However, hiring requirements have changed today," Sunny pointed out. "Talents with IT

background and knowledge today are in high demand, as Bank 3.0 and FinTech businesses are booming. Besides, with more frequent cooperation and deeper engagement in Southeast Asian markets, Finance and Insurance companies continue to seek candidates with Southeast Asian language skills and global perspectives.”

Hiring activity is also forecast to be optimistic in the Wholesale & Retail Trade sector. Employers in this sector report a net employment outlook of +26%. Hiring intentions increase 2 percentage points from the previous quarter. When compared with a year earlier, hiring intentions drop by 14 percentage points. Seasonal demand triggers consumer confidence and people’s willingness to spend in the upcoming festival and holiday season, which lift the market’s sales growth from grocery retailers, department stores, food & beverage industries, and restaurants. “Steady domestic demand has accordingly raised employers’ hiring intentions, particularly for temporary workforces needed for promotional events,” said Sunny. “Besides, e-commerce has been gradually minimizing the need for physical stores. When more and more short-term stands or counters appear, employers swing to rely on more temporary workforces.”

The Service sector ranks third among all sectors with the outlook of +20%, dropping 8 percentage points and 26 percentage points quarter-over-quarter and year-over-year, respectively. “Connecting with the trend of e-commerce and online payment services, the Information Technology Services industries have been the key in recent quarters,” mentioned Sunny. “Hiring demand in e-Commerce, Internet of Things (IoT), and Big Data has been climbing since the second half of last year, which results in job positions of mobile application developers, data analysts, and digital marketers are highly needed. However, the problem of e-Commerce talent shortage has become a challenge to employers.”

As one of Taiwan’s key trading partners, China’s economic downturn may be exposing Taiwanese employers’ weaker confidence in the Manufacturing sector. The Manufacturing sector’s net employment outlook stands at +15%, marking its weakest level since Q3 2009. The forecast dips by 2 percentage points and 26 percentage points quarter-over-quarter and year-over-year, respectively. The lower-than-expected sales on mobile devices dwindled the production of manufacturers in the supply chain. Falling export orders made the prospect in the Manufacturing sector more unforeseeable. “Due to the slow global economic recovery, employers take a cautious approach. They prefer to wait for more concrete signs coming out in the market before committing to additional payrolls,” indicated Sunny.

The forecast in the Mining & Construction sector shows a slight rebound following three consecutive quarters of decline, and the third-quarter outlook stands at a hopeful +15%. The forecast for this sector shows the greatest improvement among all sectors, growing 5 percentage points in a quarter-over-quarter comparison. When compared with the same period last year, however, hiring intentions drop by 24 percentage points. “Although uncertain government policies slowed down the process of public

infrastructure projects, employers in the Mining & Construction sector expect some labor market activity to improve with the expected recovery in the housing market,” added Sunny.

Employers in the Transportation & Utilities sector report an outlook of +10%. The outlook declines 5 percentage points when compared with the previous quarter. While in year-over-year comparison, the forecast shrinks by a substantial margin of 32 percentage points. Demands coming from e-commerce on logistics and delivery services basically sustain the workforce demands. However, declining numbers of Chinese tourists recently more or less weaken employers’ hiring plans in the Transportation industries, so most of them are still keeping their eyes on the market trend. The outlook falls behind the other five industry sectors, and is the weakest on record since Q1 2009.

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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