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

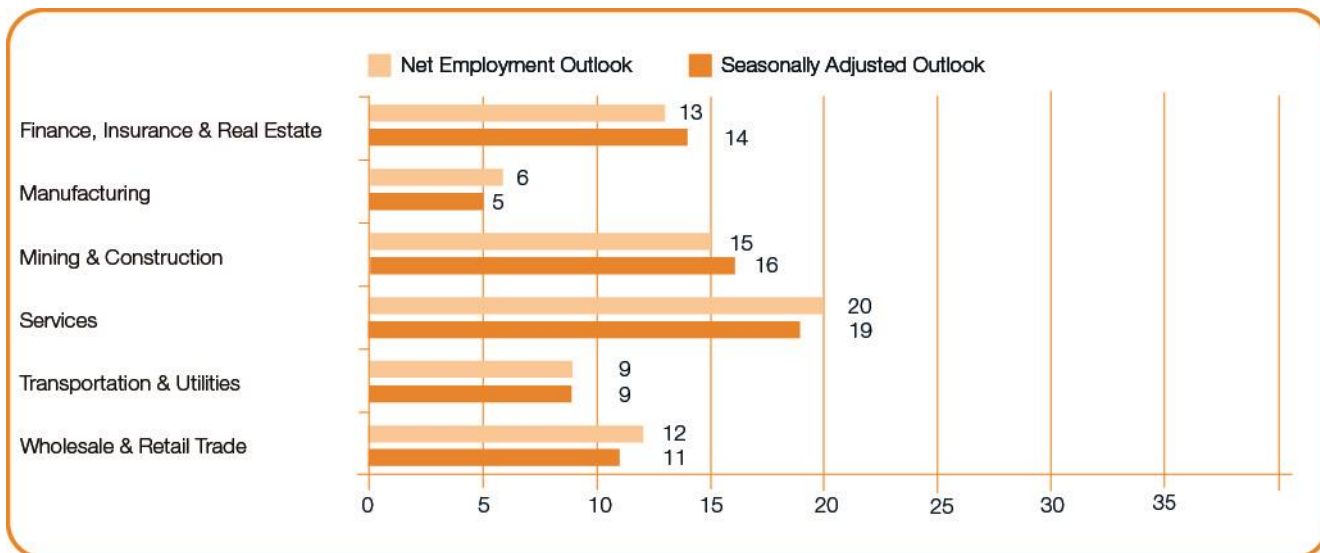
Hong Kong employers report respectable hiring plans
 The strongest labor markets are forecast in the Service sectors

HONG KONG (Jun 14th, 2016) – Quarter 3 results released today from the 2016 Manpower Employment Outlook Survey (MEOS) indicates that Hong Kong employers expect staffing levels to increase at a steady pace during the next three months.

Hiring intentions declined by 3 and 4 percentage points quarter-over-quarter and year-over-year, respectively, resulting in the weakest Outlook since 2Q 2013. However, after removing seasonal variations from the data, Hong Kong’s Net Employment Outlook still stands at a respectable +12%.

18 percent of the 744 employers surveyed forecast an increase in staffing levels in 3rd quarter 2016, while 5 percent predict a decrease. 75 percent of overall employers surveyed expect no employment changes in Q3 2016.

Employers in all six industry sectors expect to increase payrolls during the coming quarter. When compared with the previous quarter, hiring intentions decline in four of the six industry sectors. The most noteworthy decreases of 5 percentage points are reported in both the Services sector and the Transportation & Utilities sector, while outlooks are 4 percentage points weaker in the Finance, Insurance & Real Estate sector and the Mining & Construction sector.





The most favorable hiring climate over the next three months is anticipated in the **Service** sector, with employers reporting a Net Employment Outlook of +19%. However, the outlook is the weakest reported since 1Q 2014, declining by 5 and 6 percentage points quarter-over-quarter and year-over-year, respectively.

“Demand in IT talent boosts the hiring pace in the service sector,” said Lancy Chui, Senior Vice President, ManpowerGroup Greater China region. “Buoyant IT development across industries deepens the demand of talent, especially in data analysis, cloud computing, and app development. We observe that staff possessing technology and communications skills are the hardest for employers to find,” she continued. “Aside from technology, employers are also seeking professional services talent in audit, risk and compliance to meet regulatory requirements and to minimize risks, especially in a slowing economy.”

“In hotels employers are also facing uncertainty due to a drop in the numbers of inbound tourists and the state of the overall economy. As such, declining room rates will add pressure on company profitability and, by extension, to increase payrolls,” she added.

With a Net Employment Outlook of +16%, employers in **Mining & Construction** sector forecast steady job gains during the July-September period. However, hiring intentions decline both quarter-over-quarter and year-over-year, decreasing by 4 and 5 percentage points, respectively, resulting in the weakest outlook reported since Q1 2014.

“Decreasing construction activity and property market consolidation has created a slowdown of hiring in construction sector. Moreover, the effort of industries and government to build the branding of industry has lowered the hiring pressure of construction employers. However, workforce demand - fueled by numerous infrastructure projects - is challenged by the ongoing aging problem of construction workers in the industry. Steady hiring to complete projects is required to replace retiring workforce,” said Ms Chui.

Job seekers in the **Finance, Insurance & Real Estate** sector can expect the weakest hiring pace since Q1 2014 in the upcoming quarter, according to employers, who report a Net Employment Outlook of +14%. Hiring prospects decline by 4 percentage points when compared with the previous quarter and 6 percentage points weaker year-over-year.

“Despite this, there is still demand for talent in AML compliance and private banking due to tightened regulations. Continued global financial concerns continue to prompt many international banks and financial institutions to reduce staffing levels or implement restructuring in order to lower costs, and these ongoing efforts are evidenced by the sector’s slightly weaker third-quarter Outlook,” added Ms. Chui.



Job seekers can expect a respectable hiring pace in the **Wholesale & Retail Trade** sector in the July-September time frame, according to employers who report a Net Employment Outlook of +11%. The Outlook remains relatively stable quarter-over-quarter and unchanged year-over-year.

“In the retail sector over the near term, the sluggish global market remains difficult and the uncertainty of levels of spending from tourism is still bringing pressure to retail employers, who keep a cautious employment outlook,” she said.

“Looking ahead, an uncertain business environment and the declining purchasing power of Mainland visitors continue to heighten Hong Kong retailer’s uncertainty as sales drop in luxury goods such as jewelry and watches. Nevertheless, high staff turnover rates may still stimulate employers to build on part-time and short-term staff to support their daily operations,” she added.

The weakest labor market in over three years in the **Transportation & Utilities** sector is forecast for Q3 2016, with employers in the sector reporting a Net Employment Outlook of +9%. Hiring intentions decline by 5 percentage points both quarter-over-quarter and year-over-year

“A year-to-year downward trend in total import and export of goods has rattled hiring confidence in logistics and transportation employers. We are seeing a hiring slowdown in the aviation industry, however, despite weakened forecasts, the growth in passenger traffic and aircraft movements earlier this year was encouraging and the hiring outlook within the transportation sectors remain positive,” explained Ms. Chui.

Employers in **Manufacturing** continue to forecast modest hiring activities, reporting a Net Employment Outlook of +5% for the second consecutive quarter. Year-over-year, the Outlook declines by 2 percentage points.

“The PMI slipped to 45.3 in April from March’s 45.5 where client demand, especially across Mainland China, both in outputs and new business continues to fall. We believe this significant adverse effect is reflected in weaker hiring intentions reported among employers in the manufacturing sector,” 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 India and Japan report the strongest third-quarter hiring plans, while those in China and Australia report the weakest.

Globally, staffing levels are expected to grow in 40 of 43 countries and territories report positive during the July-September time frame. However, a number of employers also indicate that overall payroll growth is likely to proceed at a more conservative pace than in the prior quarter or last year at this time. Notable upturns in overall employer confidence are few, and some declining trajectories reported previously—most notably in Brazil and China—continue unabated. Third-quarter hiring confidence is strongest in India,



Japan, Taiwan, Guatemala, Romania and the United States, while employers in Brazil, Italy and Switzerland report the weakest hiring plans.

The next Manpower Employment Outlook Survey reporting employer hiring intentions for the fourth quarter of 2016 will be released on the Sept 13th 2016. 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

ManpowerGroup Hong Kong was established in 1964 as a franchise operation. In April 1997, Manpower Inc. (renamed to ManpowerGroup™ in March 2011) achieved wholly owned subsidiary status of the Hong Kong operation and the franchise was purchased outright. With over 50 years of experience locally, ManpowerGroup Hong Kong 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. ManpowerGroup 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®. More information on ManpowerGroup Hong Kong is available at www.manpower.com.hk.

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