

Under Embargo until Sept 13, 2016 (HK time: 00:01)

For Immediate Release

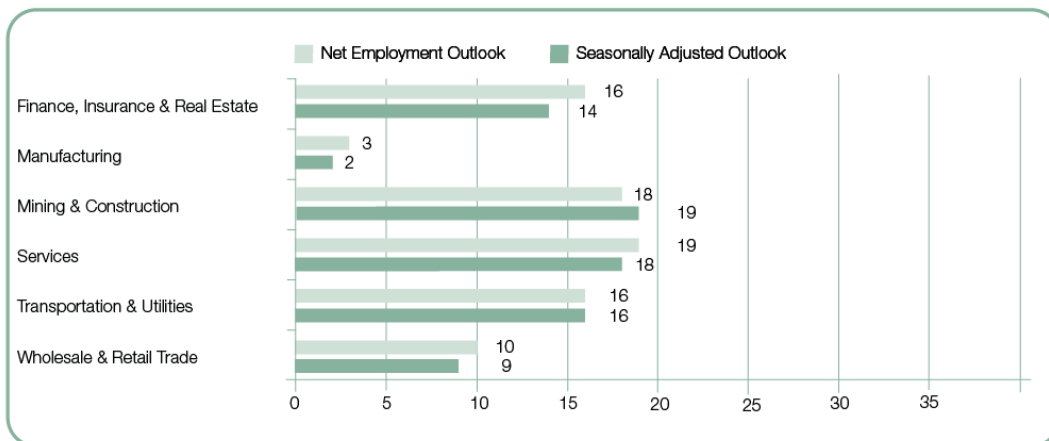
Contact:
Simon Leung
+852 2912 5544
simon.leung@manpower.com.hk

**Hong Kong employers report respectable fourth-quarter hiring plans
The strongest labor markets are forecasted in the Mining & Construction sectors:
Manpower Employment Outlook Survey**

HONG KONG (Sept 13th, 2016) – The Quarter 4 results of the 2016 Manpower 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 Outlook¹ stands at +13%. Hiring intentions remain relatively stable when compared with the previous quarter but decline by 2 percentage points year-over-year. 16 percent of the 740 employers surveyed forecasted an increase in staffing levels in 4th quarter 2016, while 3 percent predicted a decrease. 81 percent of overall employers surveyed expect no employment changes in Q4 2016.

Employers in all six industry sectors expect to increase staffing levels during 4Q 2016. The strongest labor market is anticipated in the Mining & Construction sector, where the Net Employment Outlook stands at +19%. Elsewhere, employers report upbeat hiring intentions with Outlooks of +18% and +16% in the Services sector and the Transportation & Utilities sector, respectively. Employers in four of the six industry sectors report weaker hiring prospects when compared with 4Q 2015. Services sector employers report the most noteworthy decline of 9 percentage points, while the Outlook for the Finance, Insurance & Real Estate sector is 6 percentage points weaker.



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.



Employers in **Mining & Construction** sector forecast a favorable hiring climate in the next three months, reporting a Net Employment Outlook of +19%. Hiring intentions are 4 percentage points stronger quarter-over-quarter but decline by 2 percentage points when compared with 4Q 2015.

“Architectural and engineering firms are gearing for a hiring spike as an expected infrastructure boom of construction project. This exerts pressure on talent demand in building construction field,” said Lancy Chui, Senior Vice President at ManpowerGroup Greater China region.

“A number of infrastructure projects will commence in the next few years, along with the estimated average of 23,000 new flats supply per year announced by the Government which stimulate the hiring intention of employers to look for surveyors, engineers and construction supervisors to complete projects. However, employers are facing a decrease in the number of Macau and Mainland projects, and some consider restructuring to lower their operation costs, the overall hiring paces remains steady in this sector,” said Ms Chui.

An upbeat hiring pace is expected in 4Q 2016 with **Services** employers reporting a Net Employment Outlook of +18%. However, the Outlook is the weakest reported since 1Q 2014. Hiring prospects remain relatively stable when compared with the previous quarter but decline by a considerable margin of 9 percentage points year-over-year.

“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. “Employers in hotels and catering are still hesitating to increase staff levels in an uncertain business environment,” she continued.

“Hiring confidence remains buoyant in IT industry. Cyberattacks threaten financial institutions and banking systems, which stimulate employers’ hiring intention on cybersecurity roles to minimize the chance of being attacked and the leakage of sensitive data,” she said. “New technology development across industries, like Virtual Reality (VR), deepens the demand of talent, together with the talent demand in data analysis, cloud computing, apps development, support positive hiring index in 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 economy,” she added.

Employers in **Transportation & Utilities** sector anticipate the strongest labor market since 1Q 2011, reporting a Net Employment Outlook of +16% for the upcoming quarter. The Outlook is 7 percentage points stronger quarter-over-quarter and remains relatively stable year-over-year.

“Public transport’s employers are facing challenge to attract new entrants to join the industry. More staff in transport industry is meeting the retirement age, which accelerate the hiring pace to recruit new staff and offer trainings. Moreover, with the growth of aircraft movement and passenger traffic, and the project launch

of Three-Runway System (3RS) continue to stimulate the hiring plans in the aviation companies.” Ms. Chui explained.

“The increasing demand of logistic services in Hong Kong also stimulates the hiring pace in transportation sector. We are seeing multinational freight companies set up regional headquarters in Hong Kong, The launch of Qianhai metals trading platform in 2017 has further stimulated the hiring intentions of warehousing and logistics providers in Hong Kong, thus bringing a knock-on effect on hiring activities within logistics and transportation companies,” said Ms. Chui.

Job seekers can expect the steady hiring pace to continue in **Finance, Insurance & Real Estate** sector in the coming quarter, according to employers who report a Net Employment Outlook of +14%. The Outlook is unchanged when compared with the previous quarter but declines by 6 percentage points year-over-year.

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

“Growth in new flats supply over the next three to four years is projected by the Government. Additionally, the favorable sales of primary and secondary property market has prompted property agencies to expand their branches, thus triggering positive hiring activities,” added Ms Chui.

With a Net Employment Outlook of +9%, employers in **Wholesale & Retail Trade sector** forecast a cautiously optimistic hiring pace in the October-December period. Hiring plans are 2 percentage points weaker when compared with the previous quarter while remaining unchanged year-over-year.

“The uncertain business environment and the changing shopping pattern of mainland tourists led the purchasing power of Mainland people continued to decline. This has heightened Hong Kong retailers’ awareness as the sales of luxury goods drop. In addition, with the devaluation of the yuan, the gold price continued to surge which may further decrease the purchasing power of Mainland visitors,” said Ms. Chui.

“A continuous drop in retail sales has slowed hiring pace amongst employers in this sector, where the slowdown of overall growth of inbound tourism is still impacting Hong Kong’s retail industry,” she continued.

The weakest labor market for seven years is anticipated in **Manufacturing** sector during the October-December period. Employers report a Net Employment Outlook of +2%, declining by 3 and 4 percentage points quarter-over-quarter and year-over-year, respectively.

“The PMI rose slightly to 49.0 in August from 47.2 in July, but still remained in contraction mode. In August, the operating conditions start getting stabilized. However, with the new orders from mainland China



Manpower®

continued to decline and inflationary pressure intensified, thus bringing a slowdown effect on hiring intention among employers in 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 fourth-quarter hiring plans, while those in China and Singapore report the weakest.

The next Manpower Employment Outlook Survey will be released on 13 December 2016 and will detail expected labor market activity for the first 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>.

- END -



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®.

Enter the Human Age at: <http://www.manpower.com.hk/human-age.aspx>

About ManpowerGroup®

ManpowerGroup® (NYSE: MAN) is the world's workforce expert, creating innovative workforce solutions for nearly 70 years. As workforce experts, we connect more than 600,000 people to meaningful work across a wide range of skills and industries everyday. Through our ManpowerGroup family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – we help more than 400,000 clients in 80 countries and territories address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2016, ManpowerGroup was named one of the World's Most Ethical Companies for the sixth consecutive year and one of Fortune's Most Admired Companies, confirming our position as the most trusted and admired brand in the industry.

See how ManpowerGroup makes powering the world of work humanly possible: www.manpowergroup.com