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ManpowerGroup Employment Outlook Survey: Hong Kong Employers Report Respectable Hiring Intentions in 4th-Quarter 2019

- The Outlook is the weakest reported in two years, declining by 2 percentage points when compared with the previous quarter and by 3 percentage points weaker in comparison with the final quarter of 2018.
- When the six sector Outlooks are compared, hiring plans are reported strongest in two sectors with Outlooks standing at +18% in both the Mining & Construction and Service sectors.

HONG KONG (September 10, 2019) – According to the fourth quarter results of the ManpowerGroup Employment Outlook Survey released today, Hong Kong employers forecast respectable payroll gains in the next three months, reporting a seasonally adjusted Net Employment Outlook of +14%.

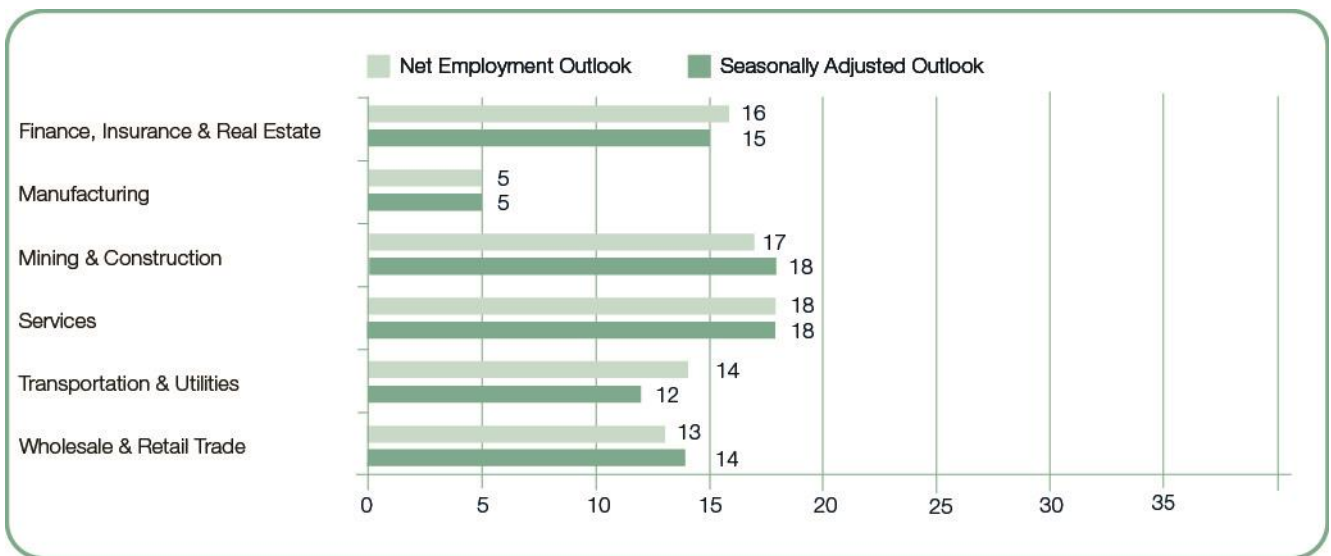
Hiring prospects are the weakest reported in two years, declining by 2 percentage points in comparison with the previous quarter and by 3 percentage points when compared with this time one year ago. Of the 425 employers surveyed, 15% forecast an increase in payrolls, 1% anticipate a decrease and 79% expect no payroll changes.

Employers expect to increase headcount in all six industry sectors during the upcoming quarter. However, hiring intentions weaken in all six sectors when compared with the previous quarter, most notably by 7 percentage points in the Transportation & Utilities sector.

In the Mining & Construction sector (+18%), the Outlook declines by 2 percentage points quarter-over-quarter, but remains relatively stable in comparison with last year at this time. Hiring intentions in the Services sector (+18%) are the weakest in three years, declining by 3 and 5 percentage points from 3Q 2019 and 4Q 2018, respectively.

Finance, Insurance & Real Estate sector employers anticipate steady job gains with an Outlook of +15%, with hiring plans declining by 4 and 6 percentage points from 3Q 2019 and 4Q 2018, respectively, resulting the weakest forecast reported in three years.

As has been the case every quarter for more than six years, Manufacturing sector employers report the weakest of the six sector forecasts. The Outlook of +5% reported in the sector remains relatively stable both quarter-over-quarter and year-over-year.



“The seasonally adjusted unemployment rate went up by 0.1 percentage point to 2.9%, after remaining unchanged for over a year. In addition, the unemployment rate of the retail, accommodation and food services sectors increased from the preceding three-month period. Under an uncertain global and local economic outlook, cautious optimism is returning to the Hong Kong labor market for the coming quarter,” said Lancy Chui, Senior Vice President at ManpowerGroup Greater China.

“Moreover, Hong Kong’s import and export trade sector has been facing increasing pressure attributed to shrinking trade flows. According to Airport Authority’s figure, a 12% decline was recorded in both imports and transshipments in July. The slower external trading environment has weakened the logistics sector and has put job prospects under pressure,” Chui continued. “The drop of inbound tourists has impacted employers’ hiring intentions in some sectors. Hotel and tourism industries have become more conservative in their hiring. Recently, the US-China trade war, caution in local consumer sentiment and slow growth in visitor arrivals is having an impact on retailers. The value of total retail sales in July 2019 decreased by 11.4% compared with the same month in 2018. Performance of retail sales will likely remain slow in the near-term, as the current economic situation and other headwinds continue to influence on the retail sector. Some retailers will maintain hiring plans or reduced new hire headcounts, as the demand for temp staff and part-time staff decreases,” Chui stated.

“The PMI index has further dropped to a historical low point at 43.8 in July. The decline in the PMI index reflected the ongoing US-China trade war and political protests in Hong Kong have further worsened off the new order and new demand for Hong Kong’s goods and services.” Chui said

“Despite the uncertain economic environment, we are seeing a demand in banking and technology industries. Along with an increase in high technology development, demand for professionals in IT



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management, data analyst and web content development are contributing to a positive and stable hiring pace in services sector. Also, some banks are targeting growing assets in the private banking sector,” Ms. Chui continued.

Hong Kong is one of 44 countries and territories that take part in the ManpowerGroup Employment Outlook Survey. In the Asia Pacific region, the strongest labor markets in the next three months are expected in Japan and Taiwan, while employers in China and Singapore anticipate the weakest hiring pace.

About the ManpowerGroup Employment Outlook Survey

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.

The next ManpowerGroup Employment Outlook Survey will be released on December 10, 2019 and will detail expected labor market activity for the first quarter of 2020. A complimentary copy of the ManpowerGroup Employment Outlook Survey is available to the public through their local ManpowerGroup 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.

Full survey results for each of the 44 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.

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About ManpowerGroup Hong Kong

ManpowerGroup Greater China Limited (Stock code: 2180) started its business in Hong Kong and Taiwan in 1997. Since that time, it has accelerated its market expansion and now provides services to its clients in over 130 cities in the Greater China markets and operates in more than 20 offices. ManpowerGroup Inc. (NYSE: MAN), our largest shareholder, is a world leader in workforce solutions and services -- with a long operating history of more than 70 years.

We commit to unleashing the power of the human potential for progress. We are well recognized by clients and associations through our contemporary offerings of flexible staffing, head-hunting, recruitment process outsourcing, talent management and training, and other integrated service solutions. As a testament to our commitment, we have received such honorable recognitions as “Asia-Pacific Human Resources Service Leading Enterprise”.

ManpowerGroup Hong Kong (Registered as Manpower Services (Hong Kong) Limited) 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. We help both companies and individuals achieve more than they imagined.