



4th Quarter 2005

# Manpower Employment Outlook Survey

Hong Kong

**MANPOWER**<sup>®</sup>



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**Please note that throughout this report, the figure used in all graphs is the “Net Employment Outlook”. This figure is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers that expect to see a decrease in employment at their location in the next quarter.**

## Hong Kong Employment Outlook

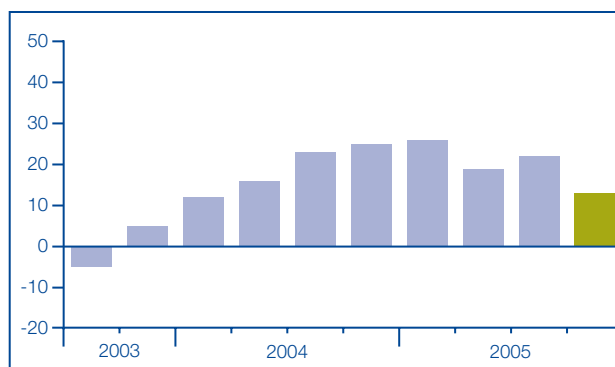
The Manpower Employment Outlook Survey for the fourth quarter of 2005 was conducted by interviewing a representative sample of 620 employers in Hong Kong. All survey participants were asked, *“How do you anticipate total employment at your location to change in the three months to the end of December 2005 as compared to the current quarter?”*

The proportion of employers in Hong Kong expecting an increase in fourth quarter hiring activity stands at 14%. With only 1% expecting to reduce their workforce and three quarters of employers anticipating no change [76%], the Net Employment Outlook stands at a steady +13%.

	Increase	Decrease	No Change	Don't Know	Net Employment Outlook
	%	%	%	%	%
<b>4th quarter 2005</b>	<b>14</b>	<b>1</b>	<b>76</b>	<b>9</b>	<b>+13</b>
3rd quarter 2005	26	4	68	2	+22
2nd quarter 2005	21	2	65	12	+19
1st quarter 2005	30	4	63	3	+26
4th quarter 2004	27	2	63	8	+25

The 9 percentage point decrease in Net Employment Outlook at the national level is mainly due to the large fall in the proportion of employers expecting an increase in hiring activity in the upcoming quarter. There is also a higher proportion of employers in the ‘don’t know’ category. Year-over-year the Net Employment Outlook among employers in Hong Kong has halved.

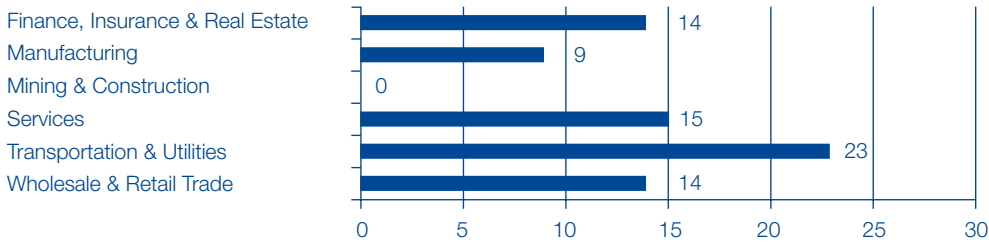
Throughout this report, we use the term “Net Employment Outlook.” This figure is derived by taking the percentage of employers anticipating total employment to increase, and subtracting from this, the percentage expecting to see a decrease in employment at their location in the next quarter. The result of this calculation is the Net Employment Outlook.



## Sector Comparisons

Employers in five of the six industry sectors anticipate positive hiring activity in the upcoming quarter, the exception being the Mining & Construction industry sector which reported a neutral Outlook. All industry sectors anticipate both quarter-over-quarter and year-over-year decreases in the fourth quarter of the year.

For the sixth consecutive quarter, employers in the Mining & Construction industry sector anticipate the weakest levels of hiring activity with a Net Employment Outlook of 0%. Employers in the Transportation & Utilities industry sector anticipate the most optimistic hiring intentions for the quarter ahead.

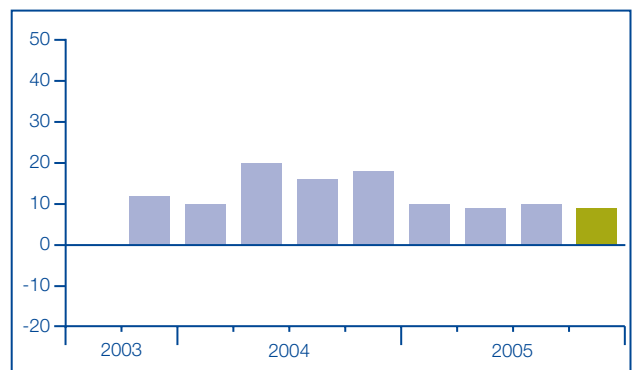
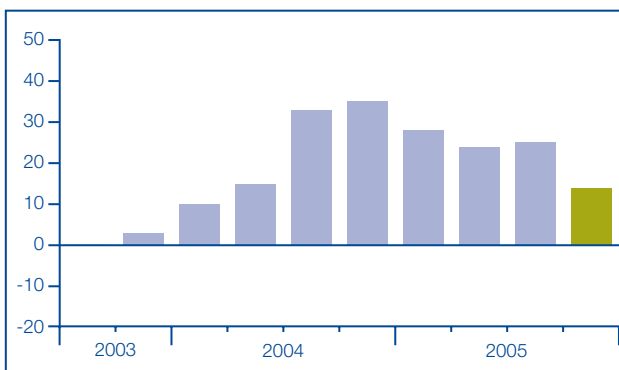


## Finance, Insurance & Real Estate

For the first time in 2005, a substantial decrease in hiring activity in the Finance, Insurance & Real Estate industry sector is reported. The Net Employment Outlook has fallen 11 percentage points to a less solid +14%. When a year-over-year comparison is made, the Net Employment Outlook for the fourth quarter of 2005 stands 21 percentage points lower than at the corresponding period of 2004.

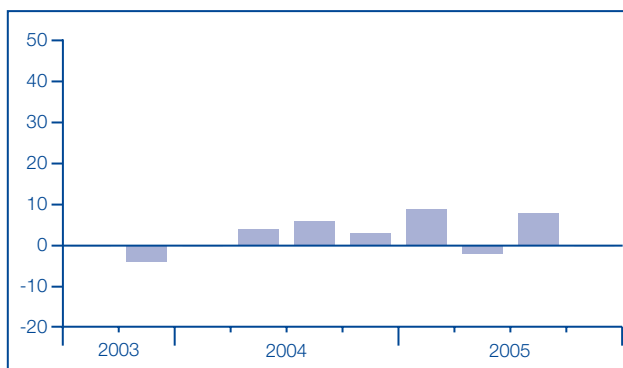
## Manufacturing

The Net Employment Outlook for the Manufacturing industry sector remains relatively stable for the fourth quarter of 2005 and stands at a conservative +9%. However, when a year-over-year comparison is made, a 9 percentage point drop in anticipated hiring activity is seen.



### Mining & Construction

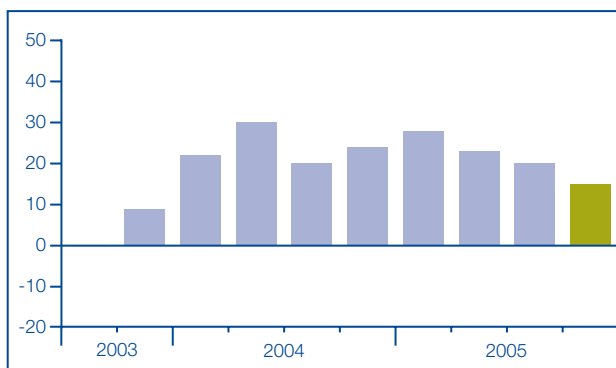
Despite the slight upturn during the previous quarter, employers in the Mining & Construction industry sector anticipate an 8 percentage point decrease in fourth quarter hiring activity. The Net Employment Outlook of 0% is the lowest reported by employers in any Hong Kong sector this quarter.



No bar indicates Net Employment Outlook of zero.

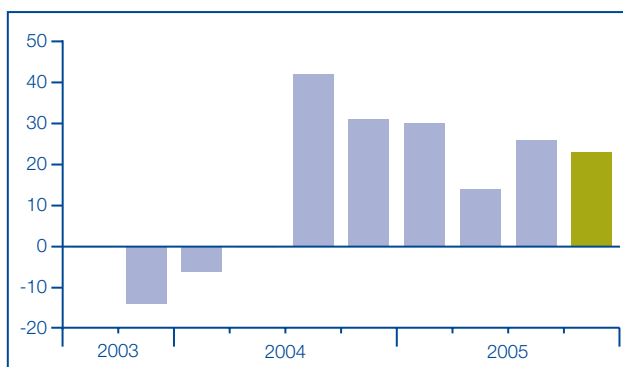
### Services

The steady fall in optimism of employers in the Services industry sector this year continues in the final quarter of 2005. Nevertheless, the decrease of 5 percentage points quarter-over-quarter and 9 percentage points year-over-year leaves the Net Employment Outlook standing at a steady +15%.



### Transportation & Utilities

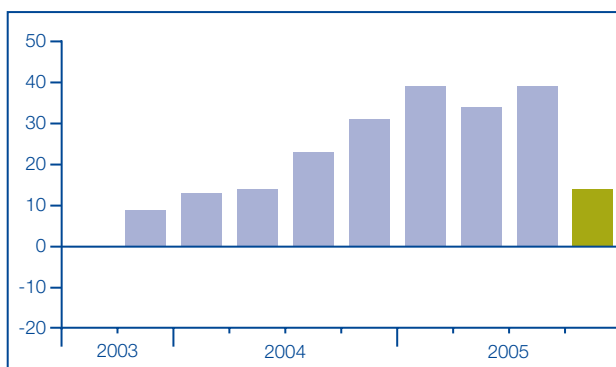
Only a slight fall in hiring activity [3 percentage points] is expected by employers in the Transportation & Utilities industry sector. The Net Employment Outlook is not as solid as it was during the last quarter of 2004, but it still remains healthy at +23%.



No bar indicates Net Employment Outlook of zero.

### Wholesale & Retail Trade

The largest quarter-over-quarter decrease in hiring activity in Hong Kong is found among employers in the Wholesale & Retail Trade industry sector [25 percentage points]. This is also the first quarter since the survey began when a year-over-year increase in hiring intention has not been reported by employers in this industry sector. The Net Employment Outlook stands at a respectable +14%.



# Global Employment Outlook

Over 45,000 employers have been interviewed across 23 countries and territories to measure anticipated employment trends between October and December 2005.

## Regional and International Comparisons

Employers in 20 of the 23 countries and territories surveyed expect to add staff during the fourth quarter of 2005, although 13 of the 23 countries and territories are reporting weaker employment prospects than three months ago. Compared to the fourth quarter of 2004, labor markets are expected to improve in eight of 23 countries. Employers in India, New Zealand, Canada and the United States reported the strongest hiring expectations, while those in Germany, Italy and Austria

anticipated the weakest hiring activity. German employers reversed their positive third quarter hiring expectations with a negative outlook for the final quarter of 2005.

In the United States and Canada, seasonally adjusted results reveal continued solid hiring activity. In the United Kingdom, however, seasonally adjusted figures indicate a decidedly weaker outlook than a year ago at this time.

Americas	Net Employment Outlook			Qtr on Qtr Change	Yr on Yr Change
	Quarter 4 2004	Quarter 3 2005	Quarter 4 2005	Q3 2005 to Q4 2005	Q4 2004 to Q4 2005
	%	%	%	%	%
Canada	13 (17) <sup>1</sup>	29 (18) <sup>1</sup>	16 (20) <sup>1</sup>	-13 (2) <sup>1</sup>	3 (3) <sup>1</sup>
Mexico	18	18	19	1	1
United States	21 (20) <sup>1</sup>	25 (21) <sup>1</sup>	21 (20) <sup>1</sup>	-4 (-1) <sup>1</sup>	0 (0) <sup>1</sup>

Asia Pacific	Net Employment Outlook			Qtr on Qtr Change	Yr on Yr Change
	Quarter 4 2004	Quarter 3 2005	Quarter 4 2005	Q3 2005 to Q4 2005	Q4 2004 to Q4 2005
	%	%	%	%	%
Australia	17	20	18	-2	1
China	-	13	9	-4	-
<b>Hong Kong</b>	<b>25</b>	<b>22</b>	<b>13</b>	<b>-9</b>	<b>-12</b>
India	-	34	40	6	-
Japan	11	14	14	0	3
New Zealand	29	23	22	-1	-7
Singapore	14	11	18	7	4
Taiwan	-	24	16	-8	-

Europe	Net Employment Outlook			Qtr on Qtr Change	Yr on Yr Change
	Quarter 4 2004	Quarter 3 2005	Quarter 4 2005	Q3 2005 to Q4 2005	Q4 2004 to Q4 2005
	%	%	%	%	%
Austria	4	5	0	-5	-4
Belgium	7	8	8	0	1
France	5	4	5	1	0
Germany	-2	4	-2	-6	0
Ireland	14	20	14	-6	0
Italy	-1	3	-1	-4	0
Netherlands	6	3	5	2	-1
Norway	7	17	12	-5	5
Spain	5	10	10	0	5
Sweden	9	11	3	-8	-6
Switzerland	-	0	3	3	-
UK	18 (14) <sup>1</sup>	12 (12) <sup>1</sup>	8 (5) <sup>1</sup>	-4 (-7) <sup>1</sup>	-10 (-9) <sup>1</sup>

1. Number in parentheses is Net Employment Outlook when adjusted to remove the impact of seasonal variations in hiring activity for Canada, the United Kingdom and the United States.

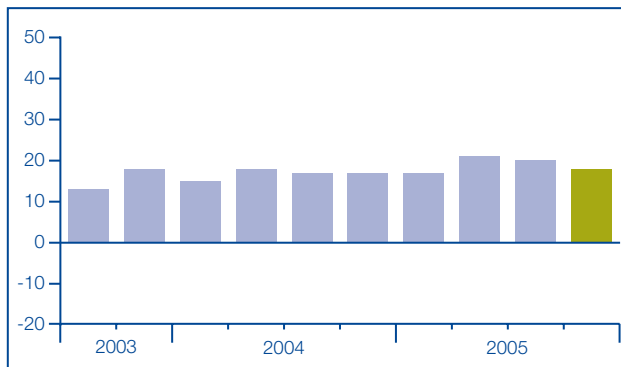
## International Comparisons - Asia Pacific

Nearly 13,000 interviews have been conducted across Asia Pacific to measure anticipated employment trends between October and December 2005.

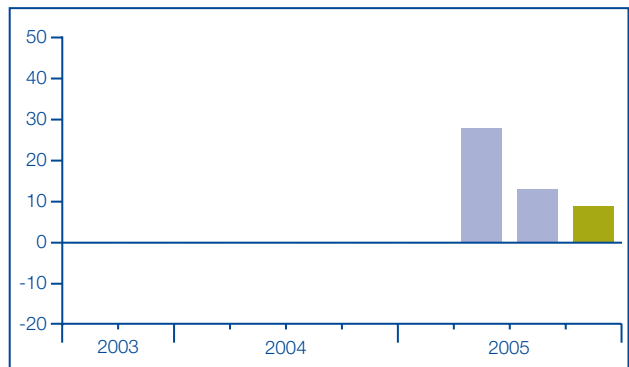
Employment prospects are positive in all countries surveyed by Manpower in Asia Pacific, although employers in Hong Kong, Taiwan, China, Australia and New Zealand expect to hire at a slower pace compared to three months ago. Indian employers reported the most optimistic hiring expectations in Asia Pacific and among the other 22 countries and territories surveyed

internationally. Chinese employers were the least optimistic in the region about their hiring activities for the three months ahead. Notably, Japanese employers reported their strongest fourth quarter Net Employment Outlook to date, which remained unchanged from last quarter. Employers in Singapore, Japan and Hong Kong reported considerably improved fourth quarter employment prospects compared to those Net Employment Outlooks recorded in quarter four of 2003 when the survey first began in those countries.

### Australia

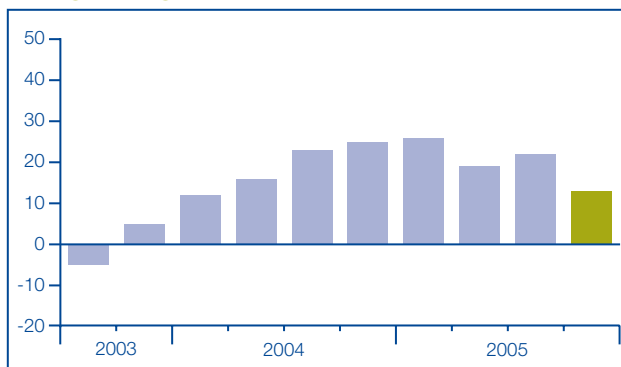


### China

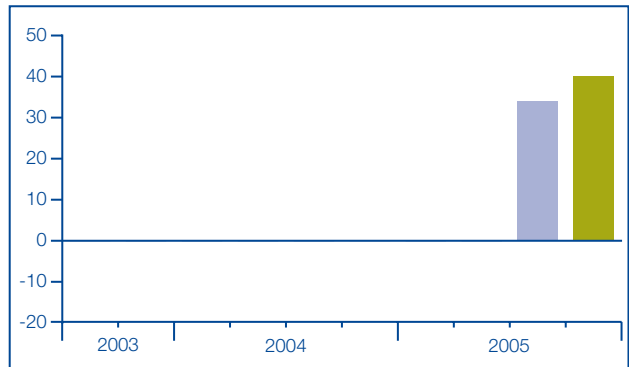


China joined the survey in Q2 2005

### Hong Kong



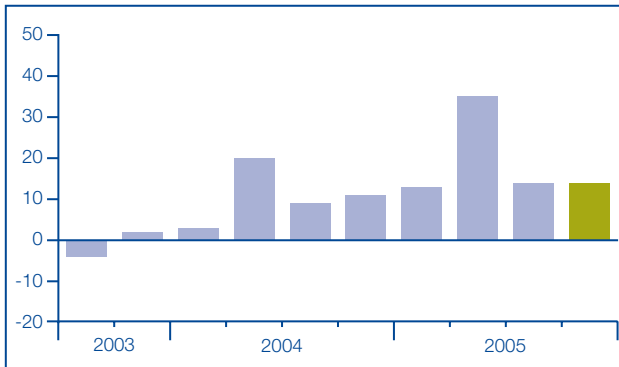
### India



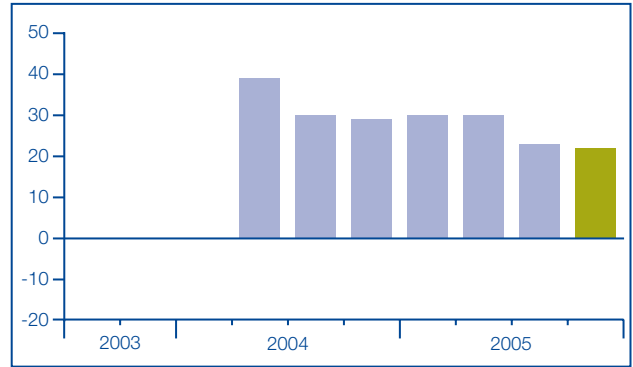
India joined the survey in Q3 2005



### Japan

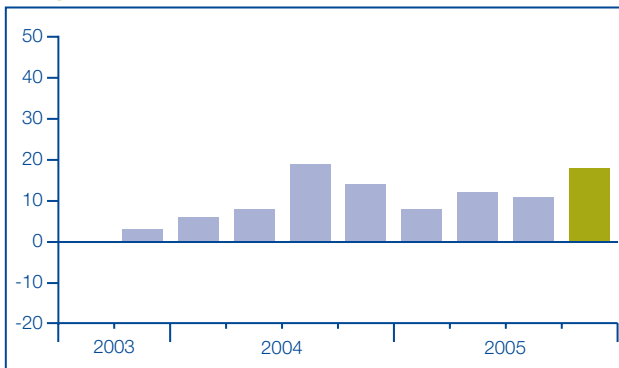


### New Zealand



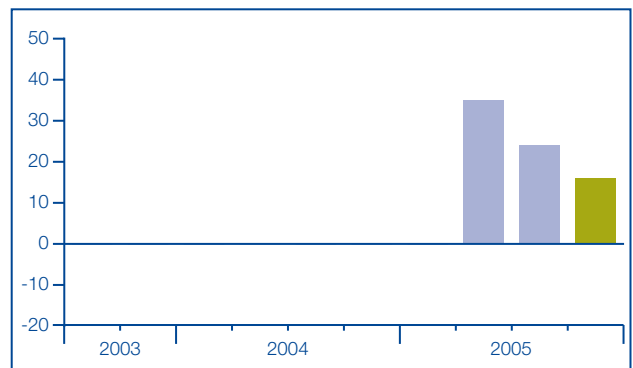
New Zealand joined the survey in Q2 2004.

### Singapore



No bar indicates Net Employment Outlook of zero.

### Taiwan



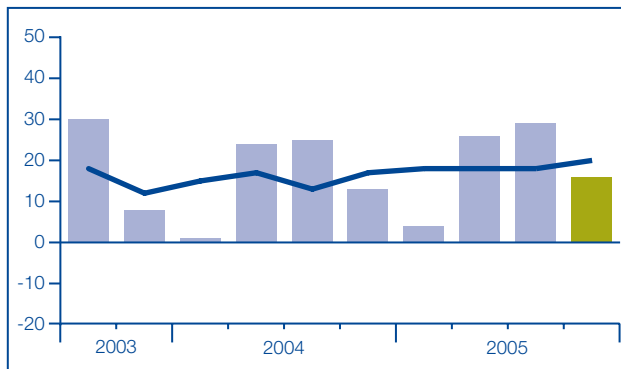
Taiwan joined the survey in Q2 2005

## International Comparisons - Americas

Over 21,000 interviews have been conducted across the United States, Canada and Mexico to measure anticipated employment trends between October and December 2005. The overall regional outlook is positive, with employers in all three countries following the same stable hiring patterns seen throughout the year.

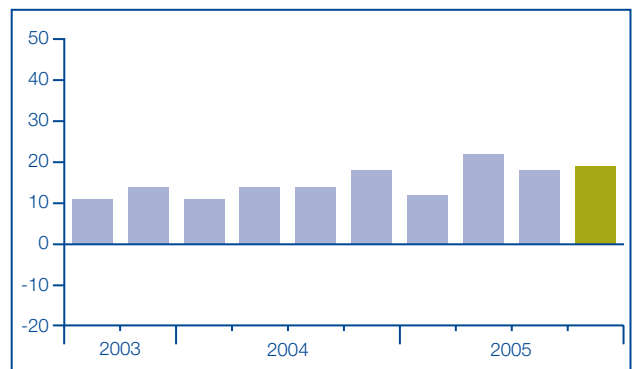
Employers in the United States and Canada are most optimistic about hiring, while Mexican employers also expect a solid hiring pace in the next three months. Fourth quarter hiring expectations among Canadian employers are the strongest they have been in five years, based on seasonally adjusted data.

### Canada

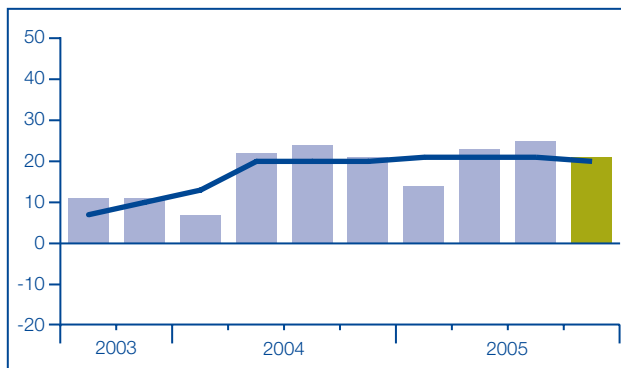


Line shows seasonally adjusted data.

### Mexico



### USA



Line shows seasonally adjusted data.

## International Comparisons - Europe

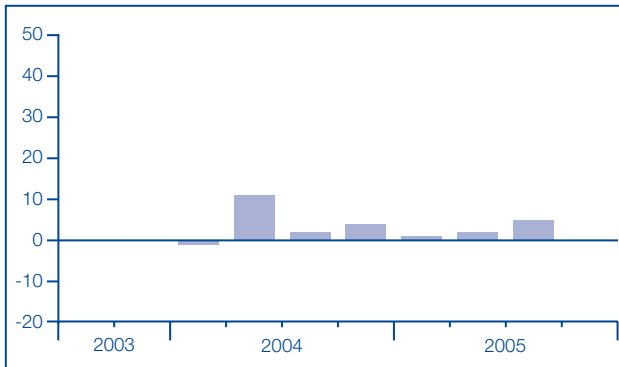
Over 11,000 interviews have been conducted across 12 European nations to measure anticipated employment trends between October and December 2005. Within the majority of the European labor markets surveyed, employers reported positive Net Employment Outlooks, however, employers in seven of the 12 countries expect the seasonal slowdown in hiring that typically occurs on the continent in the fourth quarter.

Employer hiring expectations are strongest in Ireland, Norway and Spain. The least optimistic and only negative employment prospects were reported by

German and Italian employers. Irish employment prospects are considerably improved compared to the fourth quarter two years ago when employers recorded negative hiring outlooks. Conversely, employment prospects in Austria returned to zero, a Net Employment Outlook last reported by employers there in quarter four of 2003.

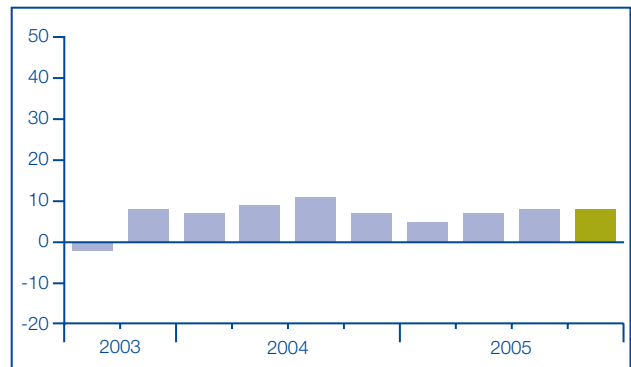
Compared to one year ago, labor market activity is expected to be similar in most countries, however, based on seasonally adjusted data, employer hiring expectations are notably lower in the United Kingdom.

### Austria

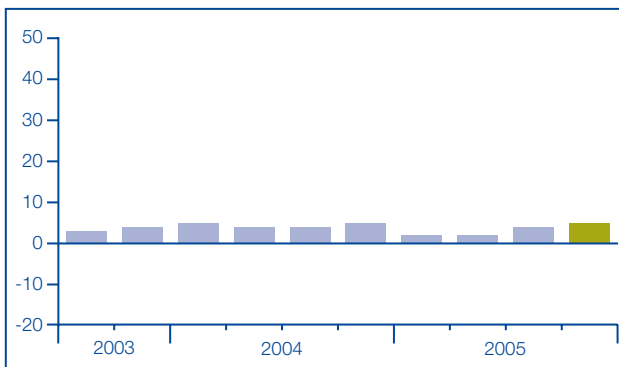


No bar indicates Net Employment Outlook of zero.

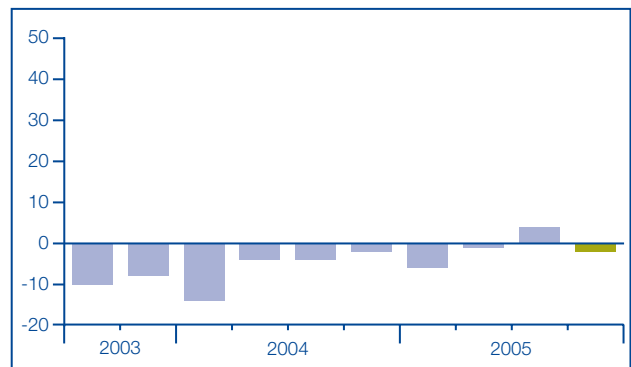
### Belgium



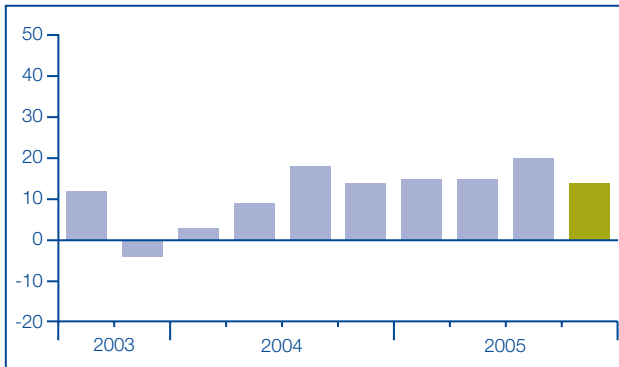
### France



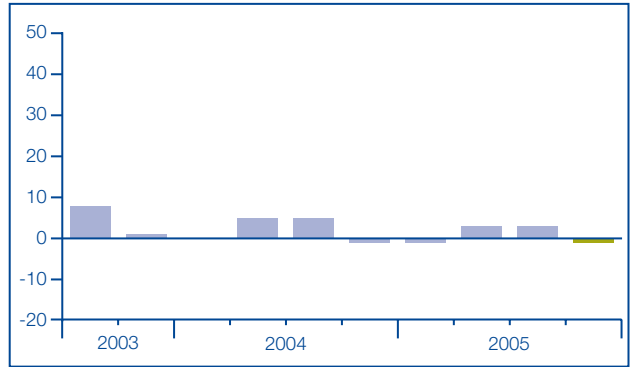
### Germany



**Ireland**

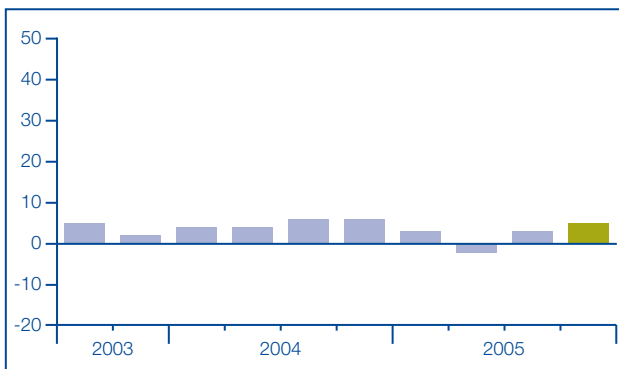


**Italy**

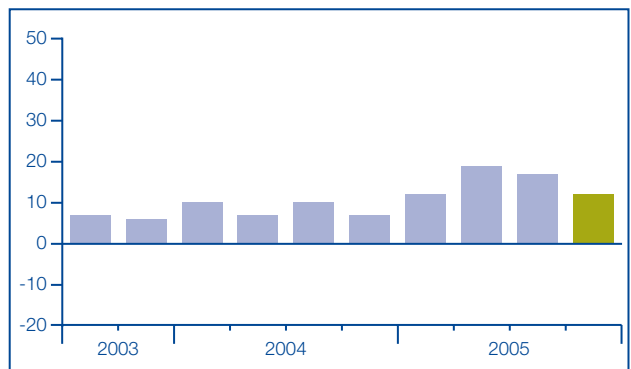


No bar indicates Net Employment Outlook of zero.

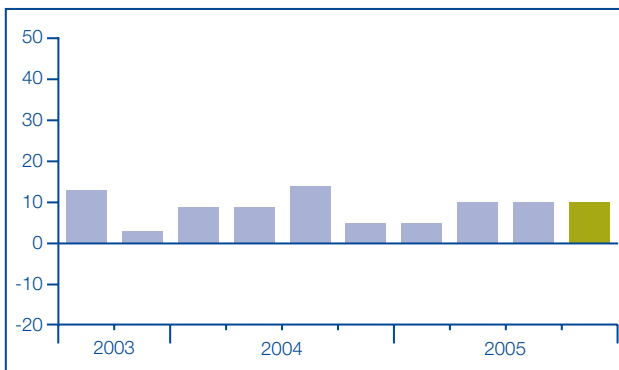
**Netherlands**



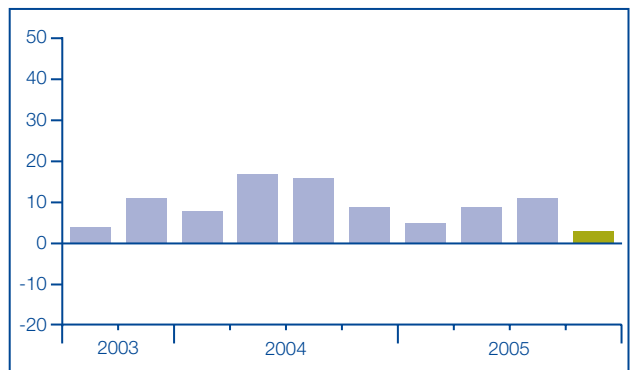
**Norway**



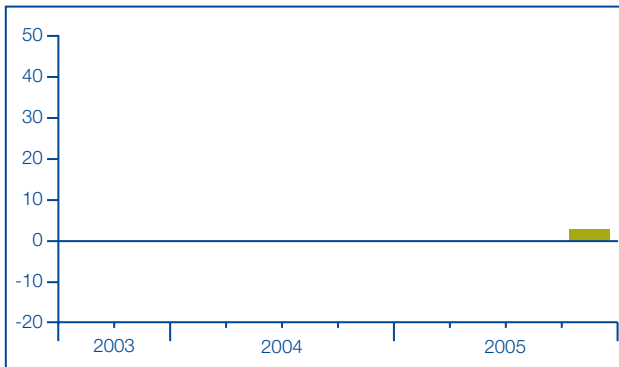
**Spain**



**Sweden**

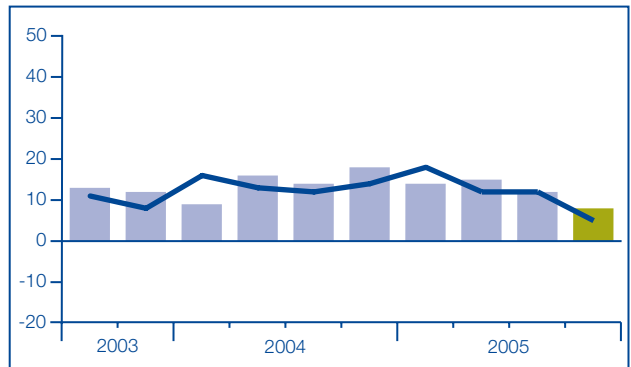


**Switzerland**



Switzerland joined the survey in Q3 2005.  
No bar indicates Net Employment Outlook of zero.

**UK**



Line shows seasonally adjusted data.

## About the Survey

The Manpower Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforce during the next quarter. The survey has been running for more than 40 years and is one of the most trusted surveys of employment activity in the world. Various factors underpin the success of the Manpower Employment Outlook Survey:

**Unique:** It is unparalleled in its size, scope, longevity and area of focus.

**Projective:** The Manpower Employment Outlook Survey is the most extensive, forward-looking employment survey in the world, asking employers to forecast employment over the next quarter. In contrast, other surveys and studies focus on retrospective data to report on what occurred in the past.

**Focused:** For more than four decades, the survey has derived all of its information from a single question.

**Independent:** The survey is conducted with a representative sample of employers from throughout the countries in which it is conducted. The survey participants are not derived from Manpower's customer base.

**Robust:** The survey is based on interviews with more than 45,000 public and private employers across 23 countries and territories to measure anticipated employment trends each quarter. This sample allows for analysis to be performed across specific sectors and regions to provide more detailed information.

## Methodology

The Manpower Employment Outlook Survey is conducted using a validated methodology, in accordance with the highest standards in market research. The research team for the 23 countries and territories where the survey is currently conducted includes Manpower's Market Intelligence team; the Organization Research and Analysis Division of Right Management Consultants - an independent operating division of Manpower Inc.; NOP World and Grupo IDM. The survey has been structured to be representative of each national economy. The margin of error for all national, regional and global data is not greater than +/- 3.9%.

In Hong Kong, the national survey is conducted by external surveyors and includes 620 employers. With this number of interviews, the margin of error for the Hong Kong Survey is +/- 3.9%.

## Survey Question

All employers participating in the survey worldwide are asked the same question, "How do you anticipate total employment at your location to change in the three months to the end of December 2005 as compared to the current quarter?"

## Net Employment Outlook

Throughout this report, we use the term "Net Employment Outlook." This figure is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers that expect to see a decrease in employment at their location in the next quarter. The result of this calculation is the Net Employment Outlook.

## Seasonal Adjustment

Seasonal adjustments have been applied to the data for Canada, the United States and United Kingdom to provide additional insight into the survey data. These adjustments make it possible to review the data without the employment fluctuations that normally occur at the same time each year, thus providing a clearer picture of the data over time. Manpower intends to add seasonal adjustments to the data for other countries in the future, as more historical data is compiled.

## History of the Survey

- 1962** 1st generation of the Manpower Employment Outlook Survey launched in the United States and Canada.
- 1966** Manpower's UK operation launches the equivalent of the United States survey, naming the report the Quarterly Survey of Employment Prospects. The survey adopts the same forward-looking research format as the United States survey and is the first of its kind in Europe.
- 1976** 2nd generation of Manpower's Employment Outlook Survey launched in the United States and Canada. Research methodology is updated to evolve with advancements in the field of market research.
- 2002** Manpower UK's Quarterly Survey of Employment Prospects is updated to adopt an enhanced research methodology. Manpower's operations in Mexico and Ireland launch the survey in their respective countries.
- 2003** 3rd generation of the Manpower Employment Outlook Survey is launched, expanding the program to a total 18 countries worldwide: Australia, Austria, Belgium, Canada, France, Germany, Hong Kong, Ireland, Italy, Japan, Mexico, Netherlands, Norway, Singapore, Spain, Sweden, United Kingdom and United States.
- 2004** Manpower operations in New Zealand launch the Manpower Employment Outlook Survey.
- 2005** Manpower operations in China, India, Switzerland and Taiwan launch the Manpower Employment Outlook Survey.

## About Manpower Inc.

Manpower Inc. (NYSE: MAN) is a world leader in the employment services industry, offering customers a continuum of services to meet their needs throughout the employment and business cycle. The company specializes in permanent, temporary and contract recruitment; employee assessment; training; career transition; organizational consulting services and professional financial services. Manpower's worldwide network of 4,300 offices in 68 countries and territories enables the company to meet the needs of its 400,000 customers per year, including small and medium size enterprises in all industry sectors, as well as the world's largest multinational corporations. The focus of Manpower's work is on raising productivity through improved quality, efficiency and cost-reduction, enabling customers to concentrate on their core business activities. In addition to the Manpower brand, the company operates under the brand names of Right Management Consultants, Jefferson Wells, Elan and Brook Street. More information on Manpower Inc. is available at [www.manpower.com](http://www.manpower.com).



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