

# Q4 / 2007

## Manpower Employment Outlook Survey Hong Kong

A Manpower Research Report

Q4/07

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# Hong Kong Employment Outlook

The Manpower Employment Outlook Survey for the fourth quarter of 2007 was conducted by interviewing a representative sample of 806 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 2007 as compared to the current quarter?”

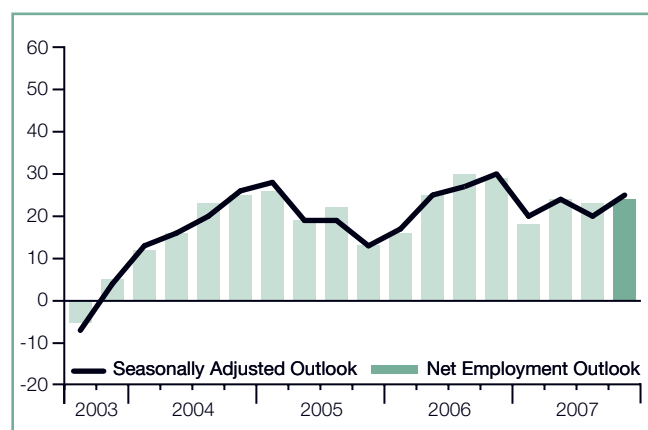
The proportion of employers in Hong Kong expecting an increase in staffing levels for the fourth quarter is 27% while only 3% of employers expect to reduce their workforce. The majority of employers [67%] do not expect to change their staffing levels.

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.

Without seasonal adjustments, the Net Employment Outlook remains healthy at +24%. This follows a 1 percentage point quarter-over-quarter increase, though a moderate decrease of 5 percentage points is revealed year-over-year.

After seasonal adjustments are applied the Outlook for the fourth quarter of 2007 stands at a solid +25%. This follows a moderate increase of 5 percentage points from the previous quarter, and a decrease of 5 percentage points when compared to the same quarter of 2006.

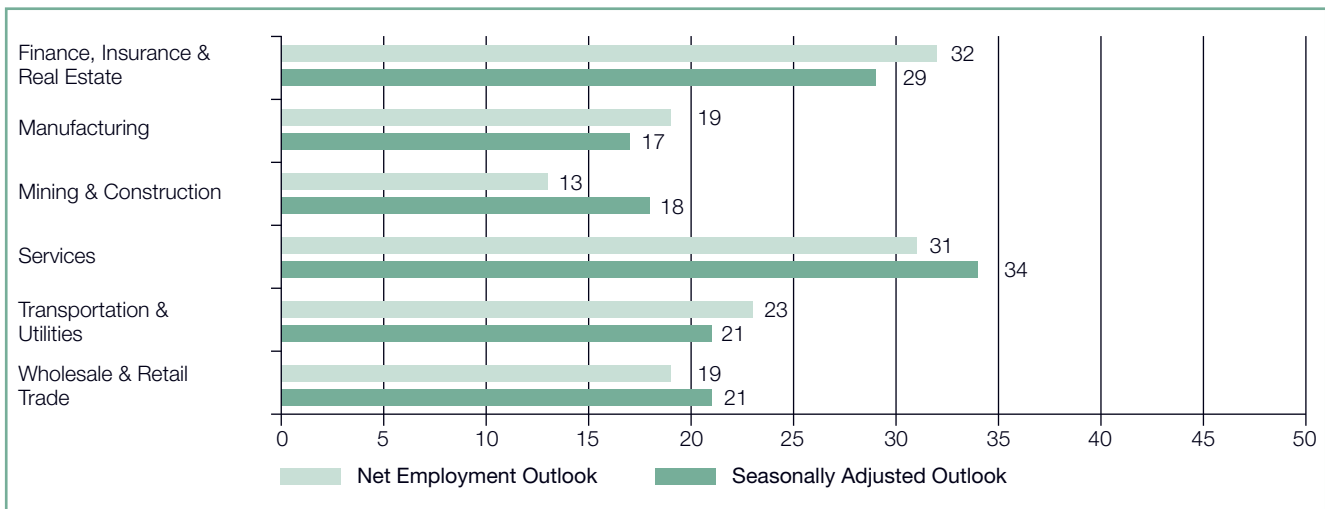
	Increase	Decrease	No Change	Don't Know	Net Employment Outlook	Seasonally Adjusted
	%	%	%	%	%	%
<b>4th quarter 2007</b>	<b>27</b>	<b>3</b>	<b>67</b>	<b>3</b>	<b>+24</b>	<b>25</b>
3rd quarter 2007	25	2	68	5	+23	20
2nd quarter 2007	26	2	71	1	+24	24
1st quarter 2007	20	2	75	3	+18	20
4th quarter 2006	33	4	62	1	+29	30



## Sector Comparisons

On looking at the raw data, employers across all six industry sectors expect to increase their staffing levels in the fourth quarter of 2007. In comparison with the previous quarter, only two industry sectors report a moderately improved Net Employment Outlook for the upcoming quarter (Finance, Insurance & Real Estate and Services). When year-over-year comparisons are made, employers in all six industry sectors report a decline in hiring activity, with Finance, Insurance & Real Estate showing the greatest decrease [13 percentage points].

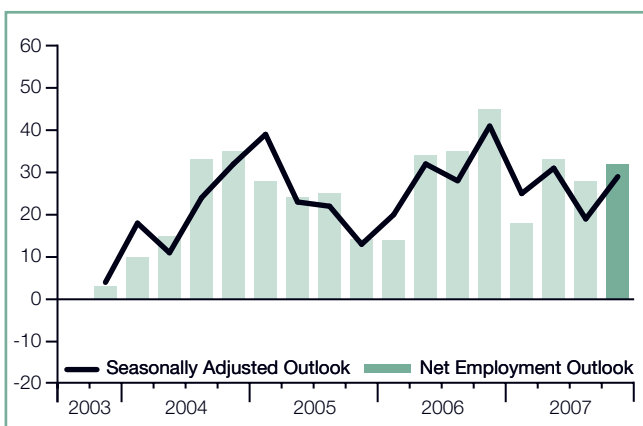
With seasonal adjustments, employers in all six industry sectors anticipate positive hiring activity in the upcoming quarter, with five out of the six showing an increase and the final sector showing no change when compared to the previous quarter. However, when compared to the same quarter of the previous year, all six reveal a decline with Finance, Insurance & Real Estate again showing the greatest decrease [12 percentage points].



### Finance, Insurance & Real Estate +32 (29)%

Without seasonal adjustments, employers in the Finance, Insurance & Real Estate industry sector report a strong Net Employment Outlook of +32%, the strongest Outlook of all sectors for the third consecutive quarter. This represents a slight increase of 4 percentage points quarter-over-quarter. Compared to the fourth quarter of 2006, the Outlook has declined considerably by 13 percentage points.

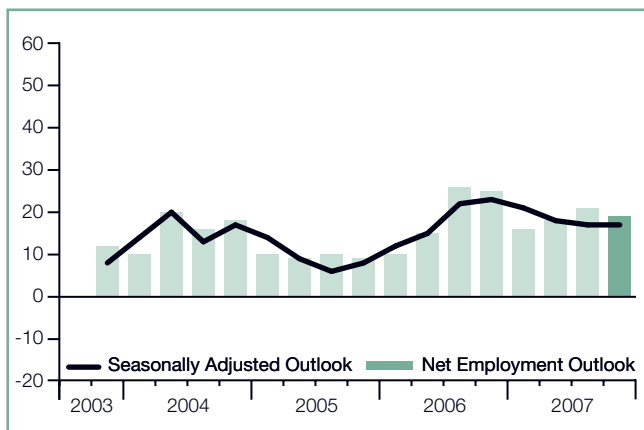
On a seasonally adjusted basis, employers in the Finance, Insurance & Real Estate industry report a considerable increase [10 percentage points] since the previous quarter, but a considerable decrease since the same quarter of 2006 [12 percentage points]. The Outlook remains strong at +29%.



## Manufacturing +19 (17)%

For the first time in three consecutive quarters, the unadjusted data shows that the Outlook for the Manufacturing industry sector has declined slightly when compared to the previous quarter [2 percentage points]. The Net Employment Outlook now stands at a positive +19%. Year-over-year this represents a 6 percentage point decrease.

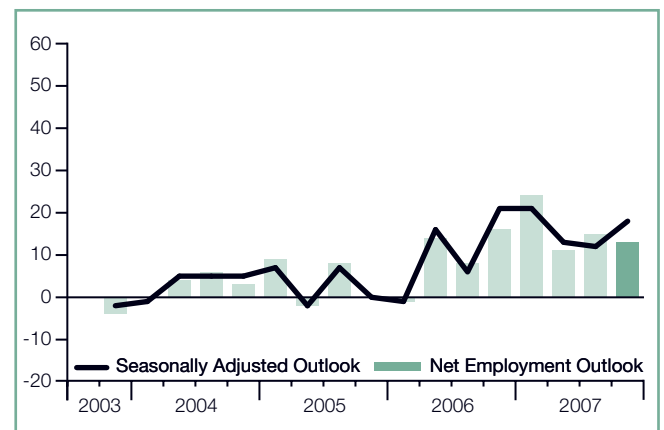
With seasonal adjustments, employers anticipate positive hiring activity with a Net Employment Outlook of +17%. This represents no change in Outlook since the third quarter of 2007, while year-over-year a moderate decrease of 6 percentage points is revealed.



## Mining & Construction +13 (18)%

Without seasonal adjustments, employers in the Mining & Construction industry sector anticipate the weakest Outlook this quarter at +13%. Quarter-over-quarter, this represents a moderate decline of 2 percentage points and year-over-year, a decrease of 3 percentage points is revealed.

After seasonal adjustments have been applied, the Outlook for the Mining & Construction industry is stronger at +18%. Quarter-over-quarter, this represents a moderate increase in Outlook of 6 percentage points, but also a slight decrease of 3 percentage points in hiring activity since the corresponding quarter of 2006.

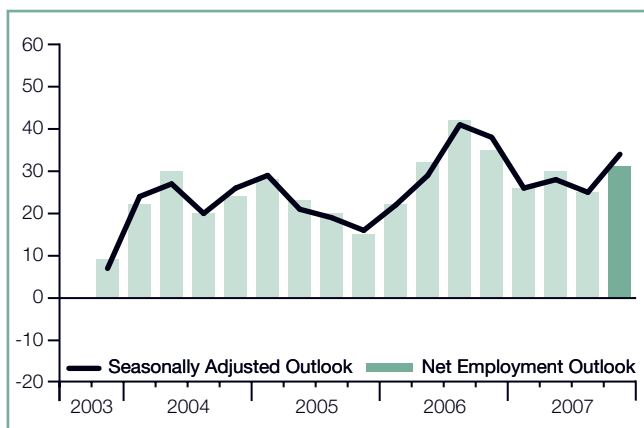


No bar indicates Net Employment Outlook of zero.

## Services +31 (34)%

On looking at the raw data, the Net Employment Outlook for the Services industry sector is robust at +31%. This represents a moderate increase of 6 percentage points since the previous quarter while a decrease of 4 percentage points is revealed year-over-year.

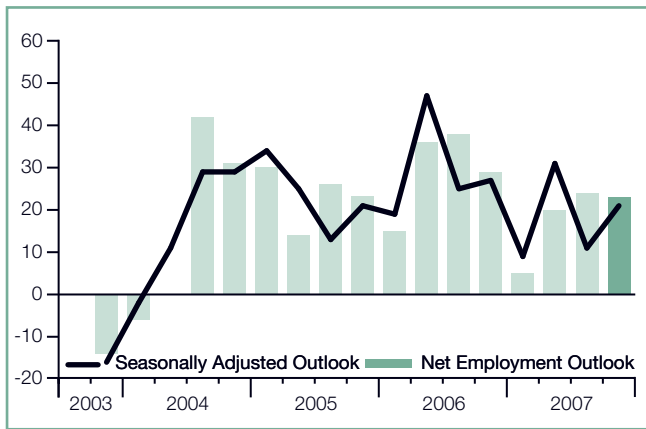
After seasonal variation, a healthy Outlook of +34% is the strongest reported by any industry sector in Hong Kong this quarter. While this represents a considerable increase of 9 percentage points when compared to the previous quarter, a slight decrease in hiring intentions is reported year-over-year [4 percentage points].



### Transportation & Utilities +23 (21)%

Without seasonal adjustments, employers in the Transportation & Utilities industry sector report a healthy Net Employment Outlook of +23%. This represents decreases both quarter-over-quarter and year-over-year of 1 and 6 percentage points respectively.

On a seasonally adjusted basis, the Outlook remains active at +21%. This represents a considerable increase quarter-over-quarter [10 percentage points] but shows a moderate decrease of 6 percentage points when year-over-year comparisons are made.

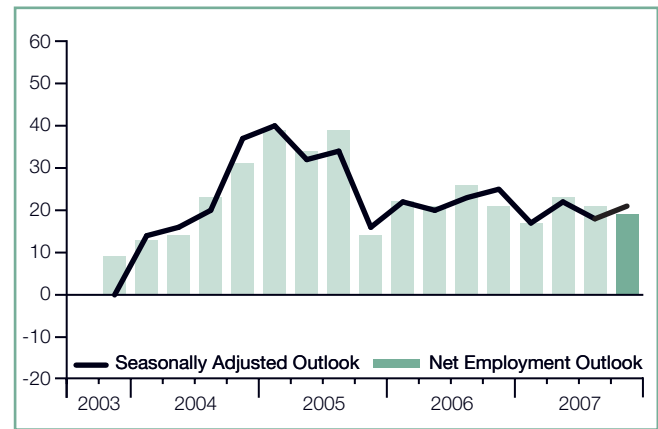


No bar indicates Net Employment Outlook of zero.

### Wholesale & Retail Trade +19 (21)%

The raw data shows that the Net Employment Outlook for the Wholesale & Retail Trade industry sector remains upbeat at +19%. However, this represents slight decreases of 2 percentage points when compared to the data from both the previous quarter and the corresponding quarter of 2006.

After seasonal adjustments have been applied, the Outlook stands at a positive +21%. While a decrease of 4 percentage points is revealed when compared to the same quarter of 2006, a slight increase of 3 percentage points is seen when a quarter-over-quarter comparison is made.



# Global Employment Outlook

Nearly 52,000 employers have been interviewed across 27 countries and territories to measure anticipated employment trends\* between October and December 2007. Fourth-quarter hiring is expected to be mostly positive but with varying degrees of optimism across the 27 countries and territories surveyed, with only Italian employers reporting uncertainty about hiring plans. No

negative Outlooks were reported for Quarter 4, 2007. Notably, employers in Australia, Costa Rica, Germany, Japan, India, Peru and Sweden are reporting their most optimistic hiring intentions since the survey began in these countries.

\* Comments in this section are based on seasonally adjusted data where available.

Americas	Net Employment Outlook			Qtr on Qtr Change Q3 2007 to Q4 2007	Yr on Yr Change Q4 2006 to Q4 2007
	Quarter 4 2006	Quarter 3 2007	Quarter 4 2007		
	%	%	%		
Argentina	-	32	32	0	-
Canada	18 (21) <sup>1</sup>	28 (18) <sup>1</sup>	16 (19) <sup>1</sup>	-12 (1) <sup>1</sup>	-2 (-2) <sup>1</sup>
Costa Rica	25	22	34	12	9
Mexico	20 (19) <sup>1</sup>	19 (20) <sup>1</sup>	21 (20) <sup>1</sup>	2 (0) <sup>1</sup>	1 (1) <sup>1</sup>
Peru	48	48	55	7	7
United States	20 (20) <sup>1</sup>	22 (18) <sup>1</sup>	18 (18) <sup>1</sup>	-4 (0) <sup>1</sup>	-2 (-2) <sup>1</sup>

Asia Pacific	Net Employment Outlook			Qtr on Qtr Change Q3 2007 to Q4 2007	Yr on Yr Change Q4 2006 to Q4 2007
	Quarter 4 2006	Quarter 3 2007	Quarter 4 2007		
	%	%	%		
Australia	27 (26) <sup>1</sup>	24 (26) <sup>1</sup>	29 (29) <sup>1</sup>	5 (3) <sup>1</sup>	2 (3) <sup>1</sup>
China	24	18	12	-6	-12
<b>Hong Kong</b>	<b>29 (30)<sup>1</sup></b>	<b>23 (20)<sup>1</sup></b>	<b>24 (25)<sup>1</sup></b>	<b>1 (5)<sup>1</sup></b>	<b>-5 (-5)<sup>1</sup></b>
India	42	39	47	8	5
Japan	17 (24) <sup>1</sup>	16 (21) <sup>1</sup>	22 (31) <sup>1</sup>	6 (10) <sup>1</sup>	5 (7) <sup>1</sup>
New Zealand	26 (27) <sup>1</sup>	24 (27) <sup>1</sup>	26 (27) <sup>1</sup>	2 (0) <sup>1</sup>	0 (0) <sup>1</sup>
Singapore	36 (31) <sup>1</sup>	51 (49) <sup>1</sup>	49 (42) <sup>1</sup>	-2 (-7) <sup>1</sup>	13 (11) <sup>1</sup>
Taiwan	14	14	11	-3	-3

* EMEA	Net Employment Outlook			Qtr on Qtr Change Q3 2007 to Q4 2007	Yr on Yr Change Q4 2006 to Q4 2007
	Quarter 4 2006	Quarter 3 2007	Quarter 4 2007		
	%	%	%		
Austria	11 (12) <sup>1</sup>	12 (10) <sup>1</sup>	8 (9) <sup>1</sup>	-4 (-1) <sup>1</sup>	-3 (-3) <sup>1</sup>
Belgium	9 (9) <sup>1</sup>	8 (6) <sup>1</sup>	5 (6) <sup>1</sup>	-3 (0) <sup>1</sup>	-4 (-3) <sup>1</sup>
France	4 (3) <sup>1</sup>	6 (6) <sup>1</sup>	4 (3) <sup>1</sup>	-2 (-3) <sup>1</sup>	0 (0) <sup>1</sup>
Germany	5 (6) <sup>1</sup>	14 (13) <sup>1</sup>	12 (13) <sup>1</sup>	-2 (0) <sup>1</sup>	7 (7) <sup>1</sup>
Ireland	15 (17) <sup>1</sup>	11 (8) <sup>1</sup>	5 (7) <sup>1</sup>	-6 (-1) <sup>1</sup>	-10 (-10) <sup>1</sup>
Italy	2 (4) <sup>1</sup>	6 (4) <sup>1</sup>	-1 (0) <sup>1</sup>	-7 (-4) <sup>1</sup>	-3 (-4) <sup>1</sup>
Netherlands	9 (7) <sup>1</sup>	9 (10) <sup>1</sup>	8 (6) <sup>1</sup>	-1 (-4) <sup>1</sup>	-1 (-1) <sup>1</sup>
Norway	12 (14) <sup>1</sup>	25 (23) <sup>1</sup>	18 (21) <sup>1</sup>	-7 (-2) <sup>1</sup>	6 (7) <sup>1</sup>
South Africa	26	19	27	8	1
Spain	4 (8) <sup>1</sup>	13 (10) <sup>1</sup>	9 (14) <sup>1</sup>	-4 (4) <sup>1</sup>	5 (6) <sup>1</sup>
Sweden	7 (11) <sup>1</sup>	16 (12) <sup>1</sup>	14 (17) <sup>1</sup>	-2 (5) <sup>1</sup>	7 (6) <sup>1</sup>
Switzerland	8	11	13	2	5
UK	11 (10) <sup>1</sup>	15 (14) <sup>1</sup>	13 (12) <sup>1</sup>	-2 (-2) <sup>1</sup>	2 (2) <sup>1</sup>

\* EMEA - Europe, Middle East and Africa.

1. Number in parentheses is the Net Employment Outlook when adjusted to remove the impact of seasonal variations in hiring activity. Please note that this data is not available for all countries as a minimum of 13 quarters worth of data is required.

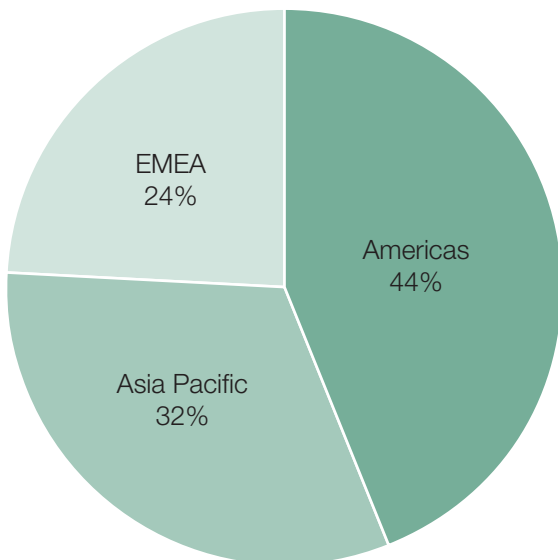
## Manpower Employment Outlook Survey Hong Kong

Employers in 11 countries and territories are reporting improved hiring intentions compared to the third quarter. When compared to Quarter 4 2006, Outlooks improved in 14 countries. The strongest fourth-quarter hiring prospects reported globally were in Peru, India, Singapore, Costa Rica, Argentina and Japan. Conversely, employers in Italy, France, Netherlands and Belgium reported the least robust hiring plans.

Regionally, employers in the Americas continue to report positive Net Employment Outlooks, with employers in Costa Rica and Peru reporting the strongest hiring plans. In the U.S., Quarter 4 job prospects are expected to remain steady when compared to Quarter 3, but hiring intentions are slightly softer when compared to last year at this time. Hiring expectations in Asia

Pacific have mostly rebounded after a mixed third quarter, with employers in India and Singapore reporting the most optimistic Outlooks in the region. In the Europe, Middle East & Africa (EMEA) region, the majority of Outlooks softened from three months ago but the majority are improved compared to Quarter 4 2006. The optimism reported in the German labor market in the previous two quarters looks set to continue through the remainder of the year.

## Survey Respondents by Region



Research for the Quarter 4, 2007 Manpower Employment Outlook Survey involved surveying nearly 52,000 human resources directors and senior hiring managers from public and private organizations worldwide. 44% of respondents came from six countries in the Americas; 32% from eight countries and territories across Asia Pacific; and 24% from 13 countries in EMEA.



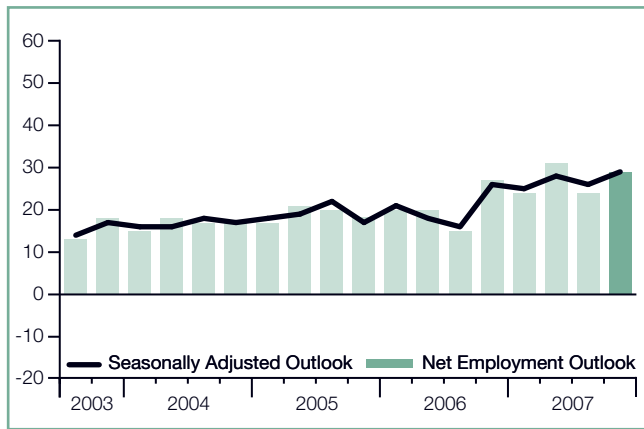
# International Comparisons - Asia Pacific

Over 16,000 interviews have been conducted across the Asia Pacific region to measure anticipated hiring activity between October and December of 2007.

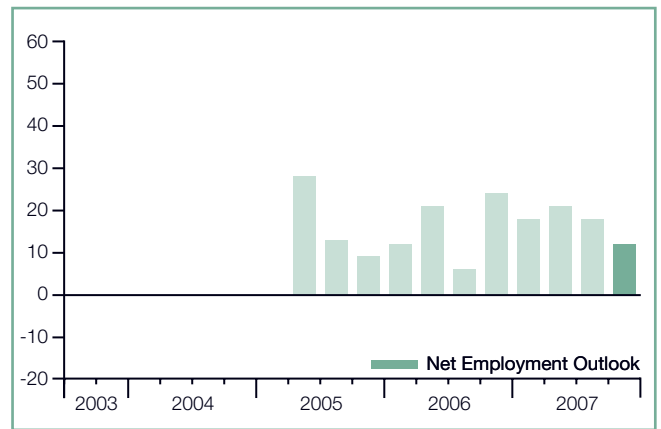
Employers across the eight countries and territories surveyed in the region are reporting varying degrees of positive hiring Outlooks. Outlooks improved from Quarter 3 and one year ago in four of the eight countries and territories surveyed.

Employer hiring expectations are strongest in India, Singapore, Japan and Australia. Employers in India, Japan and Australia are also forecasting the most optimistic Outlooks since the survey began in these countries. Taiwanese employers are reporting their least optimistic Outlook on record and the weakest in the region. Notably, employment projections in China fell across all regions and sectors on both a quarter-over-quarter and year-over-year basis.

## Australia

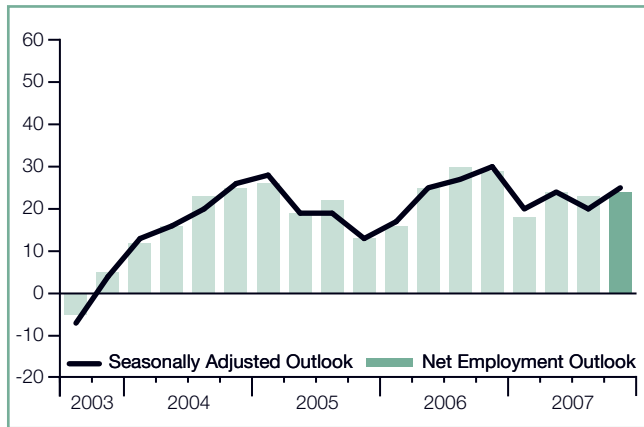


## China

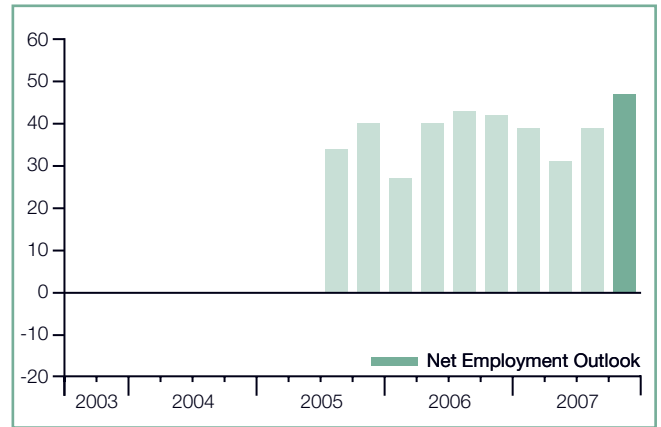


China joined the survey in Q2 2005.

## Hong Kong

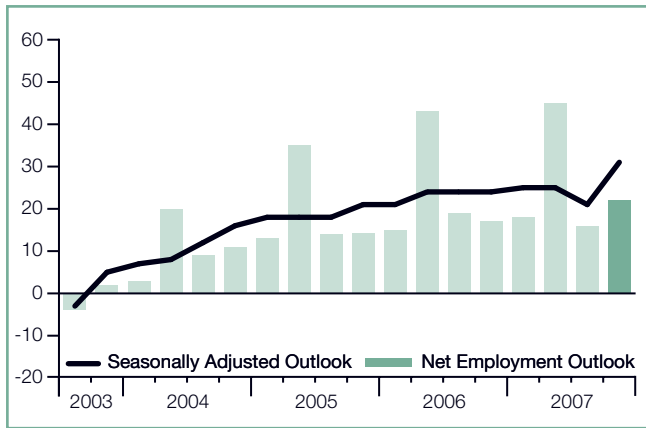


## India

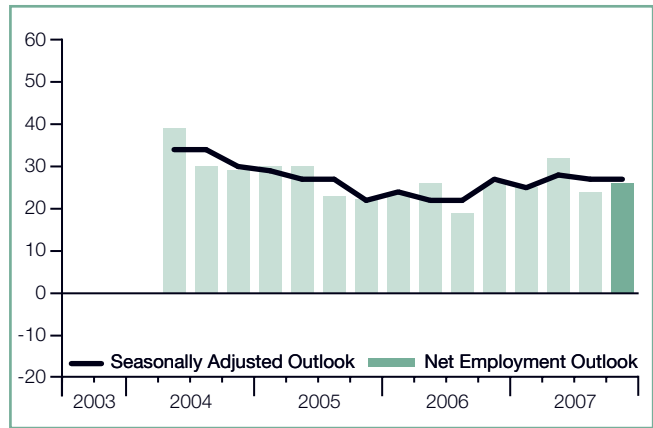


India joined the survey in Q3 2005.

Japan

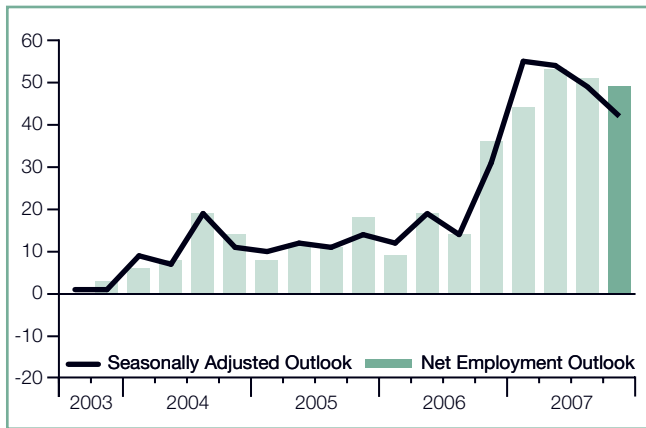


New Zealand



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

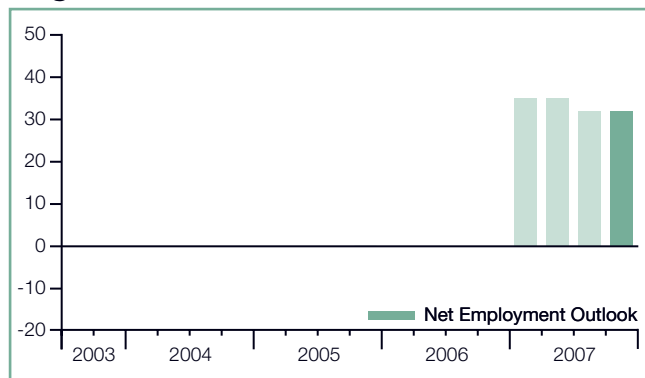
Nearly 23,000 interviews have been conducted across Argentina, Canada, Costa Rica, Mexico, Peru and the United States to measure anticipated hiring activity for Quarter 4, 2007.

The data indicates that the same steady but selective hiring patterns seen over the last two quarters is expected continue in the U.S. and Canada. Mexican

employers continue to report one of their strongest hiring forecasts, continuing a strong stable trend that began in 2004.

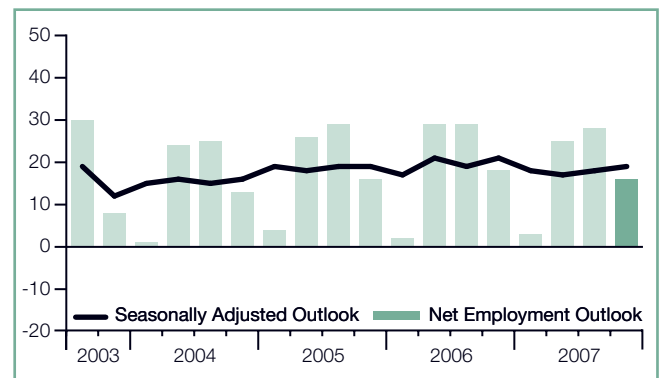
Elsewhere in the Americas, employers in Peru, Costa Rica and Argentina are anticipating the strongest hiring activity. Peruvian and Costa Rican employers also expect to accelerate hiring activity from three months ago, reporting the most optimistic Outlooks since the survey began in these countries.

## Argentina

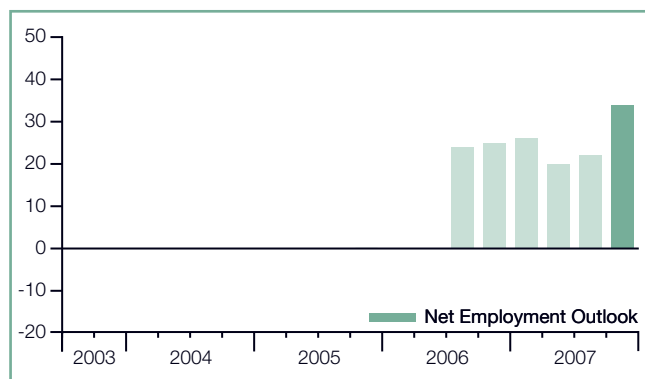


Argentina joined the survey in Q1 2007.

## Canada

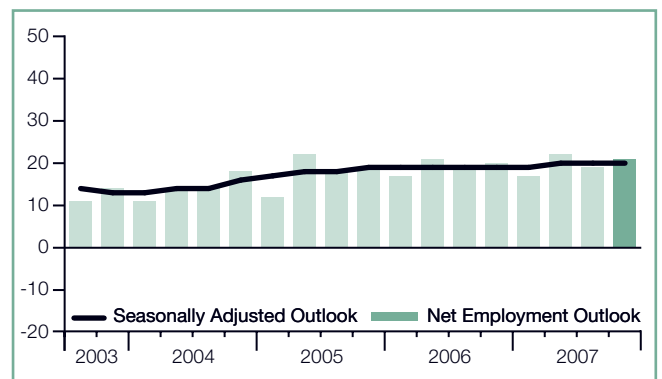


## Costa Rica

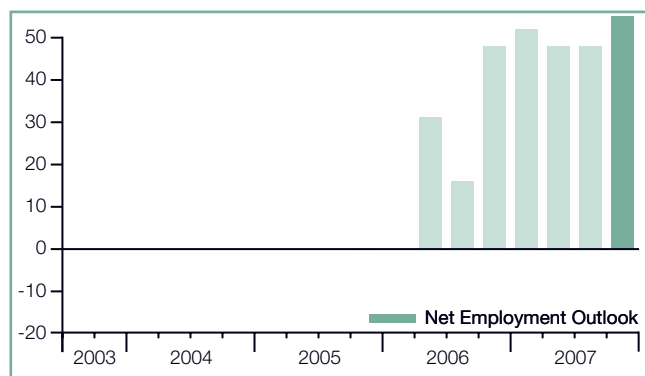


Costa Rica joined the survey in Q3 2006.

## Mexico

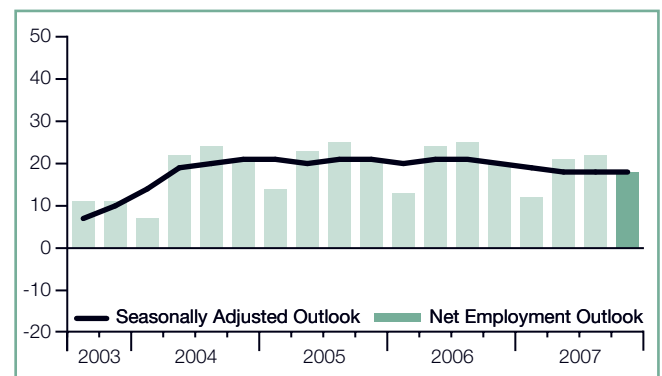


## Peru



Peru joined the survey in Q2 2006.

## USA



## International Comparisons - Europe, Middle East & Africa (EMEA)

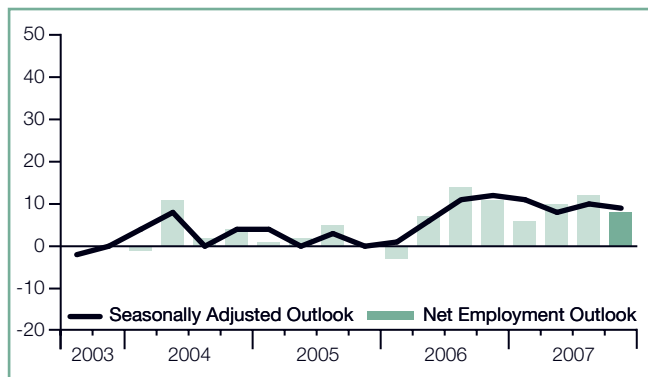
Over 12,000 interviews have been conducted with employers across 13 EMEA countries to measure anticipated hiring activity for Quarter 4, 2007. Employers across the region continue to report varying degrees of positive hiring activity.

Employers in Norway, Sweden, Spain and Germany are the most optimistic about adding to their workforces. Hiring expectations in all of these countries increased

moderately compared to the fourth quarter of 2006. Swedish employers are reporting their most optimistic Outlook since the survey was established in this country, while the German Outlook is identical to last quarter's positive forecast, which was the country's most optimistic survey result to date. In contrast, hiring intentions among Irish employers declined considerably from one year ago.

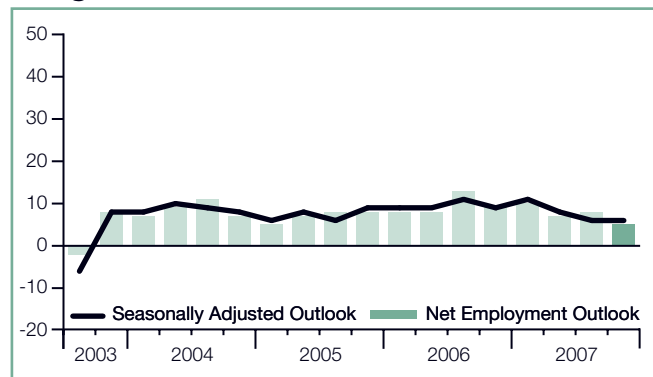
Italian employers reported a Net Employment Outlook of zero, which means the number of employers expecting to add to their payrolls equals those expecting to reduce their staff.

### Austria

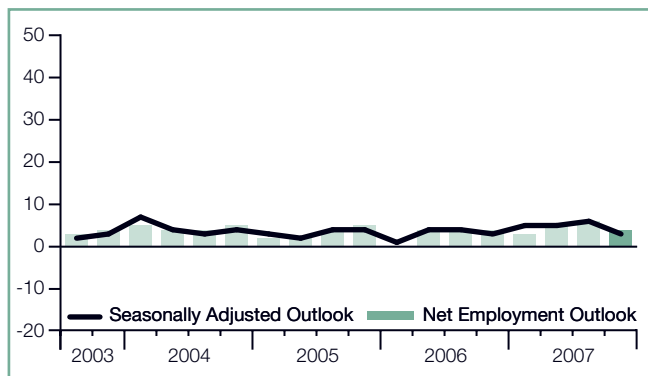


No bar indicates Net Employment Outlook of zero.

### Belgium

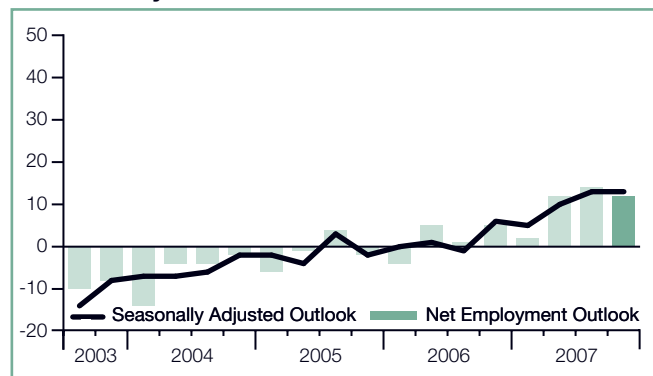


### France

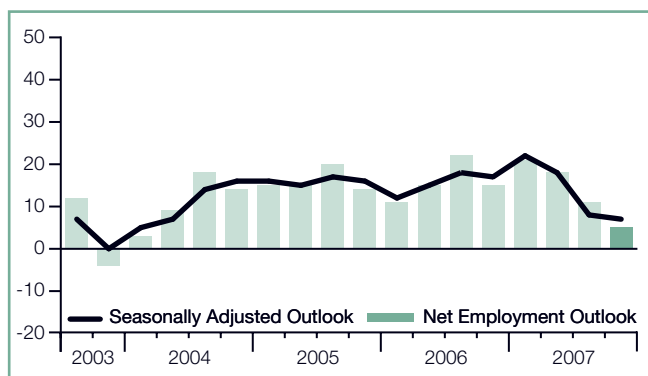


No bar indicates Net Employment Outlook of zero.

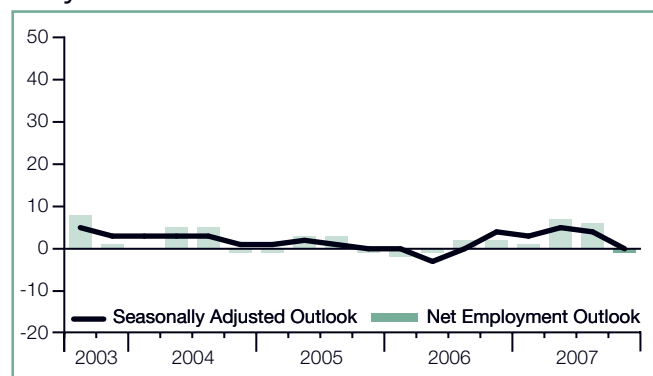
### Germany



### Ireland

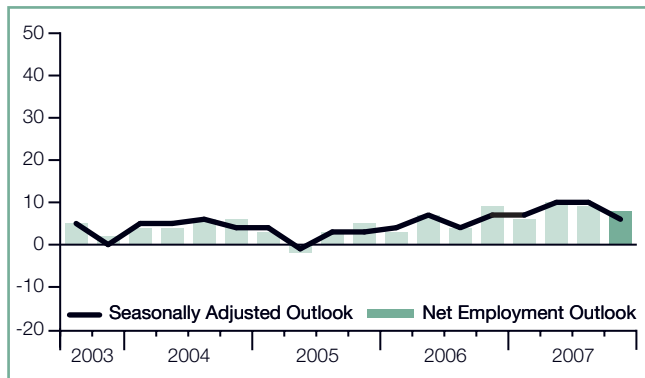


### Italy

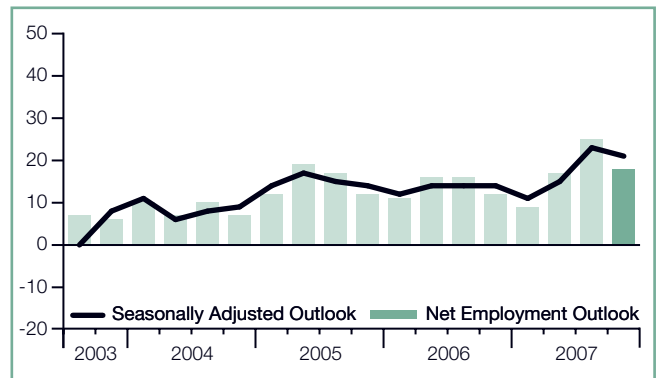


No bar indicates Net Employment Outlook of zero.

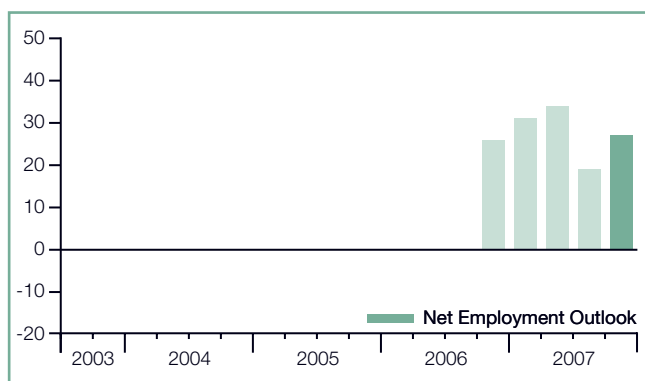
## Netherlands



## Norway

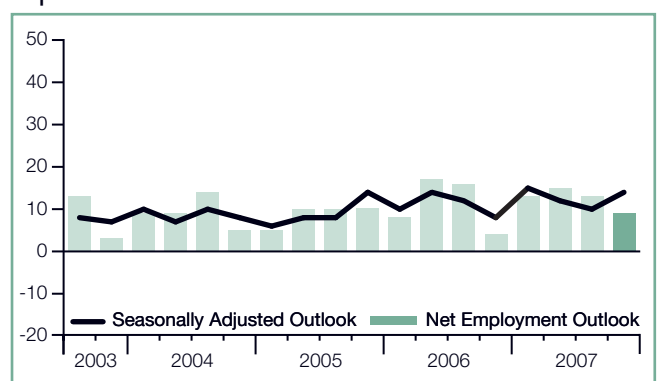


## South Africa

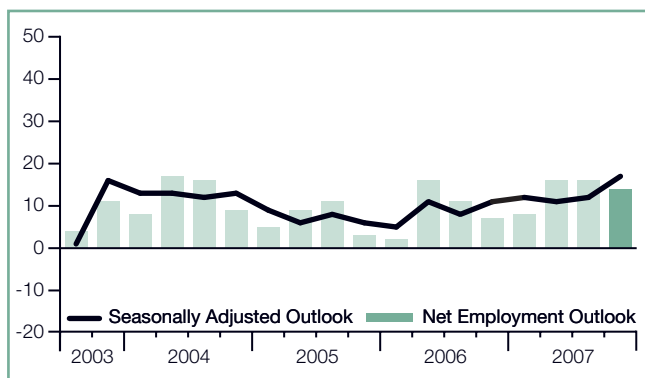


South Africa joined the survey in Q4 2006.

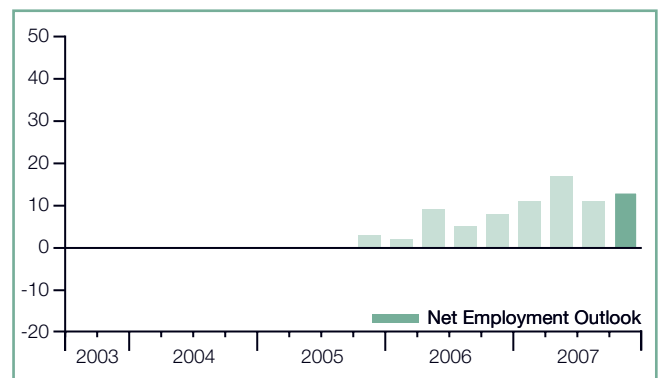
## Spain



## Sweden

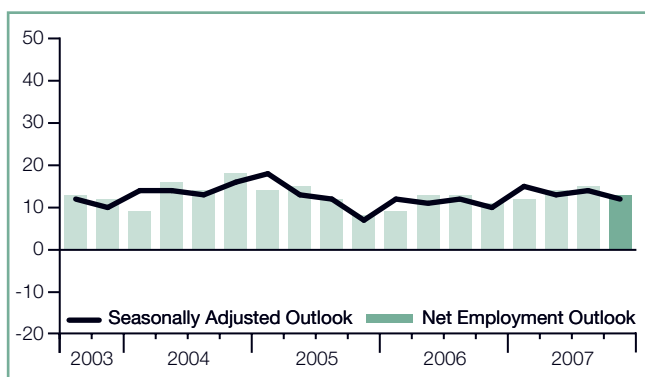


## Switzerland



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

## UK



## 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 nearly 52,000 public and private employers across 27 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 27 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, Grupo IDM, DATUM Research and SEL Consultores. 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 the Manpower Call Center and includes 806 employers. With this number of interviews, the margin of error for the Hong Kong Survey is +/- 3.4%.

## 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 2007 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 expecting 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 Australia, Austria, Belgium, Canada, France, Germany, Hong Kong, Ireland, Italy, Japan, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, United Kingdom and the United States 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.
- 2006** Manpower operations in Costa Rica and Peru joined the survey program. Surveys in Australia, Austria, Belgium, France, Germany, Hong Kong, Ireland, Italy, Japan, Mexico, Netherlands, Norway, Singapore, Spain and Sweden add seasonally adjusted data in the third quarter. Manpower operations in South Africa launch the Manpower Employment Outlook Survey.
- 2007** Manpower operations in Argentina join the Manpower Employment Outlook Survey. The survey in New Zealand adds seasonally adjusted data in the first quarter.

## About Manpower Inc.

Manpower Inc. (NYSE: MAN) is a world leader in the employment services industry; creating and delivering services that enable its clients to win in the changing world of work. The \$18 billion company offers employers a range of services for the entire employment and business cycle including permanent, temporary and contract recruitment; employee assessment and selection; training; outplacement; outsourcing and consulting. Manpower's worldwide network of 4,400 offices in 73 countries and territories enables the company to meet the needs of its 400,000 clients 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 across their total workforce, enabling clients to concentrate on their core business activities. Manpower Inc. operates under five brands: Manpower, Manpower Professional, Elan, Jefferson Wells and Right Management. More information on Manpower Inc. is available at [www.manpower.com](http://www.manpower.com).

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