

HR Report

Quarter 3 2020 • Vol.3

>Talent needs in
Asian markets

>HR and Labour news



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▶ Talents needs in Asia countries

East Asia 3

South East Asia 5

▶ HR and Labour news 8

Our group operates in 12 markets across Asia Pacific to meet the needs of our customers.

This report introduces the latest recruitment trends across the region, as well as various data and survey results. Recruitment trends were based on data from about 100,000 placement orders in the past year.

As a leading HR solutions company, we aim to create greater value and growth for society. We hope that this report will help towards the growth of our customers and our organisation.

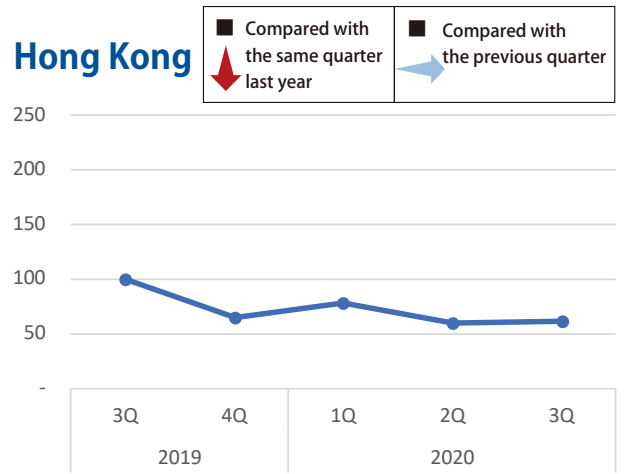
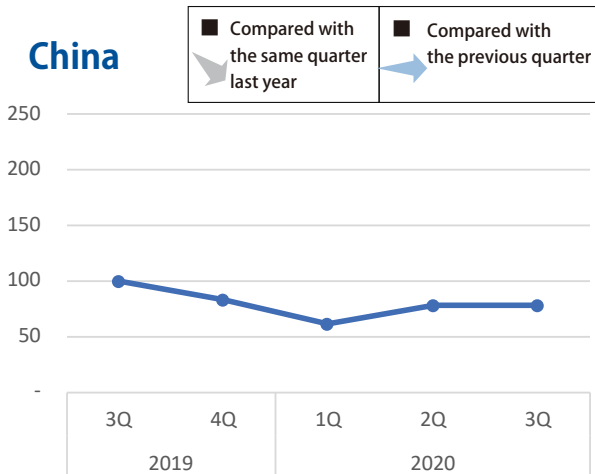
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Talent needs in Asia countries (East Asia)



The following graphs compares data from the most recent quarter in 2020 with the previous four quarters in 2019. These graphs show the data trends in 2019, and provides comparison between this quarter and the same period last year. The following data belongs to PERSOLKELLY's Japan desk.

Compared with the same period in the last year Significantly Increasing Gradually Increasing Stable Slightly Decreasing Significantly Decreasing

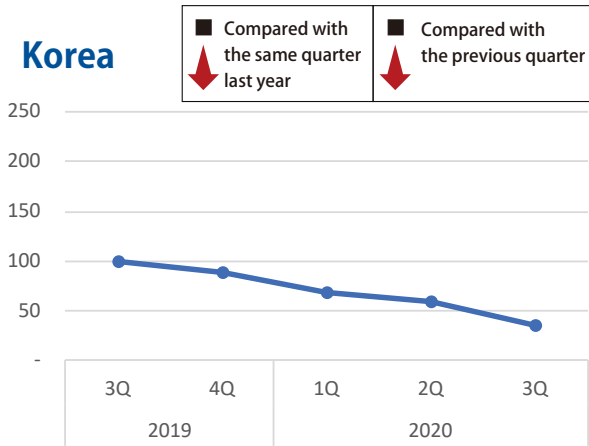


In the finance/banking industry, the number of job openings in Q3 was 4.9% higher than in the same period last year. The economy has recovered from the impact of COVID-19 and the growth rate increased by 1.7% from Q2. This shows that the economic recovery momentum is also becoming obvious. The number of new job openings in Q3 2020 increased by 5% compared to Q2, but fell by about 20% when compared to the same period last year. The number of jobs in the manufacturing industry increased by 4% compared to Q2. Companies' operations and productions started later than before due to COVID-19, so the job market demand picked up at once in Q3. With the incentive to produce and sell new energy vehicles, the number of technical positions has dramatically increased. Despite this high demand, there is a shortage of labour force for technical development, pre-sales, and technical support positions. In the meantime, there has been an enormous drop in the demand for back office jobs, such as HR and general administration, compared to the same quarter last year due to the labour cost reduction resulting from the COVID-19 outbreak. In the trade/import/export industry, the number of job opportunities was about the same as in the previous quarter. Job vacancies in the apparel/retail industry jumped 20% from the previous quarter. It was up 10% compared to the same period last year. The Ministry of Commerce reported that China's e-retail sales in the first three quarters of 2020 increased by 9.7% YoY. Therefore, the number of jobs in e-commerce and mobile site operations increased by about 10% YoY. The number of job vacancies in the consulting industry increased by 40% compared to the second quarter. However, the number of new jobs in the industry is low as most jobs are for replacement. Demand for jobs in the real estate/construction industry doubled sharply based on capital investment and real estate development investment. The number of job openings for back and middle office and sales positions increased due to the impact of talent mobility. The number of job openings in the logistics/warehouse industry is flat compared to the previous quarter because of the recovery in the trade/import/export industries, but has recovered to the level of the end of last year. As a result, sales vacancies have risen. The number of jobs in the IT/telecom industry declined by 15% QoQ and nearly 50% QoQ last year. In the finance/banking industry, the number of job openings remained flat compared to the previous quarter. However, there was a growing need for highly specialised professionals in areas such as legal and compliance.

In Q3, there has been some movement across different niches within the Insurance industry and most companies are still looking to backfill replacements. The Corporate Banking and Asset Management market has some intensive hiring needs for middle office roles. On the other hand, candidates are more conservative as they care more about job security. Due to the third wave outbreak of the COVID-19 situation in Hong Kong, Q3 ended up to be a very slow quarter in terms of new job orders for the IT sector. The job market also saw more active candidates and many hiring employers did end up finding candidates through their own channels. Market outlook in retail and food service industry has been shrinking. The number of job openings in Q3 has almost halved year-over-year and showed downward trends since Q2. The third wave of COVID-19 in Hong Kong made a huge impact on the industry. Job openings in customer service industry in Q3 dropped compared to last year. The impact of the third wave of COVID-19 stopped the movement and companies have changed their plans significantly. More companies have postponed filling the vacancies. Job openings in manufacturing industry showed downward trends since Q2 2019. Many sales businesses have been forced to cancel their business trips to potential client in Southeast Asia and decrease their job openings as well. Job demand in the logistics industry in Q3 has halved year-over-year. As for hiring, they are required to secure the operational workforce for replacement because of the characteristic of this industry. On the other hand, many companies are hiring new talent in response to a global expansion of e-commerce.



Korea

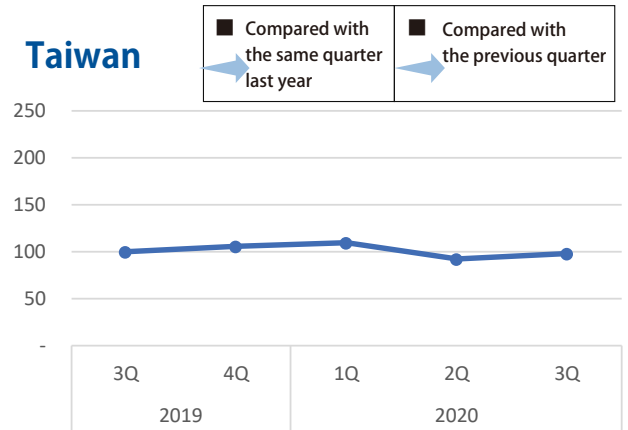


Since the beginning of Q3, the number of COVID-19 cases has increased, and remote work has continued at major Korean, foreign, and Japanese companies. The chemical, electronics, electrical, and factory automation industries seem to be on a recovery track, with some companies continuing production operations in Q2 and others resuming them from Q3.

Nevertheless, new recruitment is still inactive, and the number of job offers is on a downward trend. The business outlook in the materials, electronic components, and the manufacturing industry is not as poor as in other industries. Some Japanese companies have built or expanded their production factories, resulting in a slight increase in job openings. In the semiconductor, IT, and electronic materials industries, business is relatively healthy, but the recruitment process is narrow because of the large number of job openings that require the ability to work immediately.

According to Seoul Japan Club (SJC) member companies, the movement to boycott Japanese products (No Japan) since last year has had a powerful impact on the transportation service and lifestyle industry. It has caused an over 30% decrease in sales on average and a fall in the number of job openings. When the social distancing level was lowered to the first level in Korea, many companies continued to work from home under the instructions from their head office in Japan. In some cases, employees have continued to work from home since February, and overall, the hiring situation is frozen.

Taiwan



Taiwan's Directorate General of Budget and Accounting Statistics Bureau (DGBAS) reported that GDP growth in Q3 2020 was 3.33%. It was a turnaround from the previous quarter (-0.58%) and the first growth rate in nine quarters. Strong performance in exports pulled the overall economy forward, and there was also an improvement in private consumption. Based on the results of Q3, DGBAS has raised its growth forecast for the whole year 2020.

Except for the Web/IT/Communications industry, overall job openings in the Q3 were almost unchanged from the Q2 and continue to be below the level of the previous year. Manufacturing recovered to 95%, services, and others to 90%, and trade/shopping to only 71% compared to the previous year. Overall, the economy has recovered to 92 percent YoY, and Q4 will expect to be about the same as last year.

Taiwanese companies' recruitment intentions picked up in Q4, according to a survey by a Taiwan-based recruitment agency. The same period of the job market is usually the off-season, but recruitment activity this year is steadily ongoing due to COVID-19.

Particularly, there is an increased demand for hiring in domestic demand-oriented service industries such as real estate development and F&B.

Compared with the same period in the last year



Significantly Increasing



Gradually Increasing



Stable



Slightly Decreasing



Significantly Decreasing

Talent needs in different industries (South East Asia)



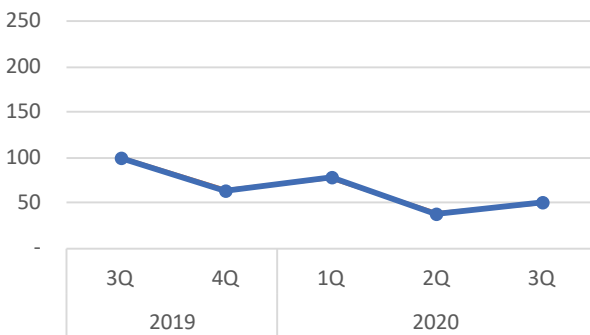
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Compared with the same period in the last year

- ↑ Significantly Increasing
- ↗ Gradually Increasing
- Stable
- ↘ Slightly Decreasing
- ↓ Significantly Decreasing

Singapore

■ Compared with the same quarter last year ↓	■ Compared with the previous quarter ↑
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The economy in Q3 has gradually become active, and there is a growing trend of foreigners entering the country.

However, the hiring of foreign talent is not as active as it used to be, and domestic professional recruitment continues to be the norm. Besides, the unemployment rate has reached a record high of 3.6%, a further increase of 0.2% from the previous quarter. As a result, government measures to increase the employment rate of its citizens has been continuously strengthened. As one of the measures, the requirements for getting a work visa (Employment Pass) have been raised further since October.

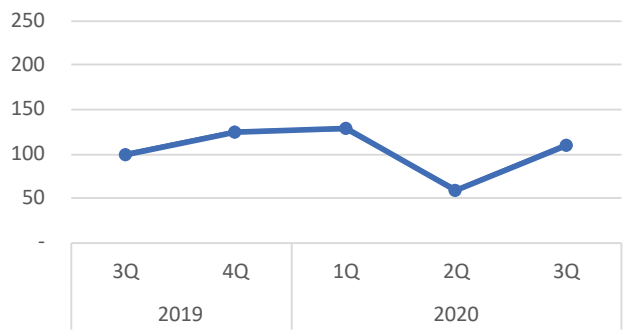
In the manufacturing sector, the number of job openings at Japanese companies increased by about 30% compared to the previous quarter. The construction and real estate sectors have been recovering. It is up 35% from Q2 since the number of orders has increased due to the resumption of projects and office renovations accommodating to changes in work styles.

The number of job openings in the retail and consumer goods sectors increased by about 2.5 times compared to the previous quarter because of the gradual increase in economic activity in Q3. The number of jobs in the IT and other service sectors remained almost flat.

In comparison, the number of job openings is still only about half of last year's level, and it is expected to take some time before the number returns to normal.

Malaysia

■ Compared with the same quarter last year ↗	■ Compared with the previous quarter ↑
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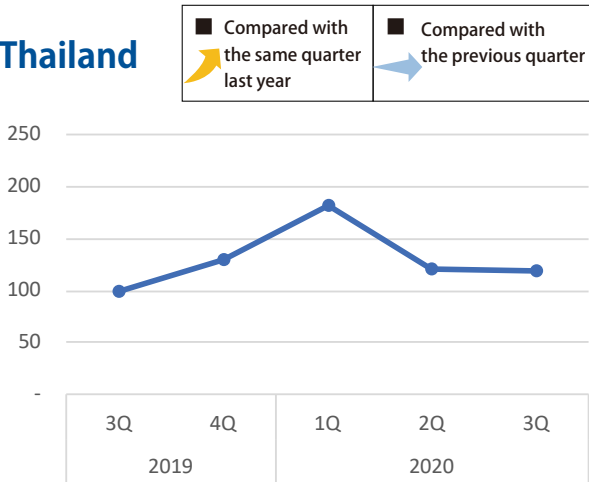


In the third quarter, consumer spending was up, and business activity resumed as the government relaxed some of its measures to prevent the spread of COVID-19. The number of job offers increased by 67% compared to Q2, but decreased by about 17% YoY, the same as in the second quarter.

The Department of Statistics Malaysia reported an unemployment rate of 4.7% for August 2020. This had improved for two consecutive months from 5.3% in May, the worst since 1986, but the rate has remained high since then. In the meantime, COVID-19 and the Movement Control Order (MCO) have had a lasting impact on economic activity. The Immigration Department of Malaysia urged companies planning to hire foreigners to post their job openings on Jobs Malaysia, a government job site, to provide employment opportunities for Malaysians first. For Japanese companies, this measure will significantly affect their HR strategies, including the hiring of foreigners. The number of job openings in the IT industry, especially in e-commerce and food delivery service, continued to increase by 38% compared to Q2.



Thailand



Since the lifting of the state of emergency in late May, the number of job openings has slightly increased by 22% compared to Q2, and the human resources market is gradually returning to its pre-COVID-19 situation.

The number of jobs in the medical equipment and pharmaceutical industries increased as demand significantly rose after the COVID-19 outbreak, and the Board of Investment of Thailand (BOI) announced that they are investing in these sectors.

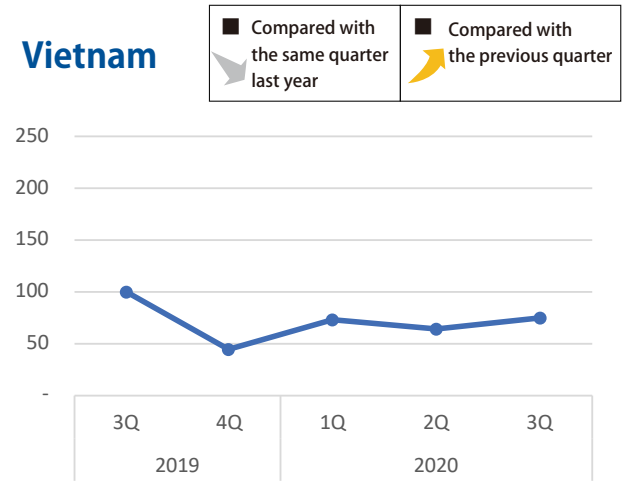
Many companies are considering entering new businesses, such as converting their expertise in existing products and services into a new type of service, to gain stable profits in the future. Therefore, they are looking for people who have experience in launching new businesses and who are ready to work immediately.

These companies are hiring contract employees instead of permanent employees and are implementing a variety of employment styles.

National Statistical Office of Thailand (NSO) stated that the unemployment rate, which had been stable until September, dropped by 0.3% to 2.1% in October. The number of unemployed persons increased by 16.9% to 812,200 compared to September.

We expect the job market situation to remain tough until Q1 2021.

Vietnam



On July 25, for the first time in 99 days, a case of COVID-19 was reported in the central city of Da Nang.

Quarantine and other measures were implemented in some areas to prevent the spread of infection since the new case, but it was removed as of November. According to the General Statistics Office (GSO) of Vietnam, the unemployment rate in Q3 was 2.5%, an improvement from Q2. Besides, the number of job openings also increased to 115.5% QoQ. However, the GSO has said that GDP growth in Q3 was only 2.62%, the lowest in the last 10 years, and the number of job openings was 74.1% compared to the same period last year.

The tourism and hotel industries have continued to cut back on staff, suspend operations, and cut wages because of the lockdown. According to the GSO, retail sales for the January-October period increased by 1.3% YoY. Domestic demand is picking up, and the need for hiring executives is on the rise in anticipation of market expansion. In the manufacturing industry, the Index of Industrial Production (IIP) for the January-October period increased by 2.7% YoY, but this has not led to a significant increase in the number of job openings. In the IT industry, the number of job opportunities remains strong due to the lack of chronic engineers.

Compared with the same period in the last year



Significantly Increasing



Gradually Increasing



Stable



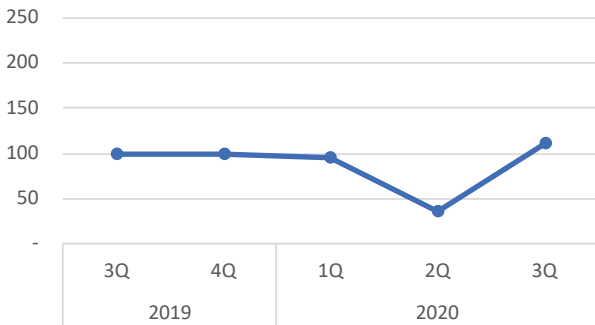
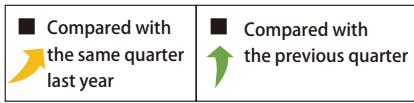
Slightly Decreasing



Significantly Decreasing

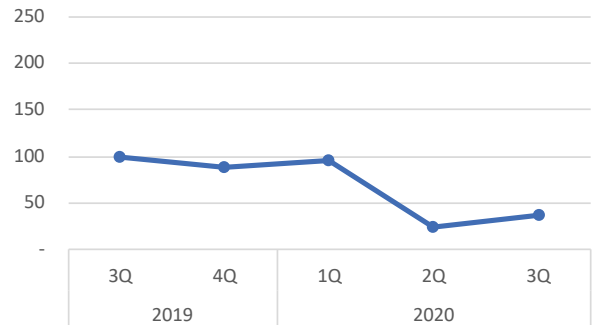
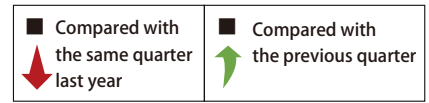


Indonesia



The labour market situation improved in Q3 compared to Q2. Expatriates who had temporarily left for Japan are now returning, and recruitment activity has been gradually recovering, although it is still weak compared to previous years. Overall, the number of job openings jumped 304% compared to Q2 but compared to the same period last year, it was only about half. The number of job openings has continued to increase in the manufacturing sector, with factories still running. On the flip side, many companies in the non-manufacturing sector seem to take a wait-and-see attitude. With visa processes back to normal in October, the number of Japanese hiring locally will also return in Q4 and into 2021.

Philippines



The Philippine Statistics Authority (PSA) announced on September 3, the unemployment rate for July 2020 was 10.0%, and the number of unemployed was about 4.6 million. While the lockdown remains in effect, the number of jobs increased by 14% compared to Q2. The lockdown policy, which is expected to last until July, was extended, and it became stricter for the Metro Manila region in August. This lowered many companies' hiring motivations and the number of job seekers declined because of the difficulty of movement. As a result, the manufacturing industry, which had gradually resumed hiring, has frozen recruitment activity in and around Manila, where work from home is encouraged. There is an increase in the number of consultations for companies considering layoffs and reviewing their HR systems.

※As PERSOLKELLY has a business partnership with John Clements since 2017, this information is based on job data from their Japan desk.

Compared with the same period in the last year



Significantly Increasing



Gradually Increasing



Stable



Slightly Decreasing



Significantly Decreasing



This page provides information on employment, visas, and other HR and labour issues in Southeast Asia.

※Information is accurate as of 20th Nov.

Singapore

Country entry requirements>

People arriving from Japan had been able to apply for a 14-day quarantine at home since November 4. From November 22, people arriving from Japan will now need to quarantine in dedicated facilities, due to the rapid increase in the number of infected people in Japan.

Job Market>

According to an October 30 announcement by the Ministry of Manpower (MOM), the unemployment rate in September 2020 remains severe at 3.6%, the highest level since June 2004 after the SARS epidemic. The government is taking a tough stance on the issuance of work visas (EPs) to foreigners to enhance employment opportunities for its citizens. Besides, before a company can apply for a work visa, the job openings must post on *MyCareersFuture.sg for 14 days. However, from October 1, the regulation was strengthened such that a company must now post the job opening for 28 days.

*This job portal site is run by the government to provide fair work opportunities for Singaporeans.

Malaysia

Country entry requirements>

Effective October 12th, the quarantine rule changed for people from Japan that they can choose to stay between at the government's designated quarantine centers or hotels.

Job Market>

According to Statistics Malaysia, the unemployment rate was 4.7 % in August 2020.

It was the second consecutive month of improvement, down from 5.3 % in May, which was the worst figure since 1986, but has remained high since then.

This was due to the COVID-19 outbreak and its countermeasure, conditional movement control order (CMCO), which has had an effect on economic activity. Furthermore, the CMCO will be extended to December 20 in some districts such as Kuala Lumpur and Selangor, even though the total number of cases has been curbed. Economic activity is still unstable, with the government encouraging companies to work remotely and ordering some factories to shut down in order to reduce the risk of infection. As a result, the job market is also expected to remain stagnant.

Thailand

Country entry requirements>

As of November 22, travellers to Thailand must present a certificate of negative COVID-19 test result taken within 72 hours and a Fit to Fly certificate to the health authorities at the airport. They would then need to quarantine for 14 days at an Alternative State Quarantine (ASQ) approved hotel or hospital.

Job Market>

Employers' Confederation of Thai Trade and Industry (ECOTHAI) is concerned about the impact of the new coronavirus infection as well as rising anti-government protests on the country's economy and employment recovery and expects the country's employment environment to remain challenging until the first quarter (January-March) of 2021.



Vietnam

Country entry requirements>

The entry process remains unchanged with regard to (1) Special entry measures and *(2) Regular entry measures. On the other hand, regular flights continue to be out of service, and people who travel from Japan to Vietnam need to take special JAL or ANA flights.

*(2) Regular entry measure process

1: Approval from the government → 2: Immigration approval → 3: Visa approval → 4: Deciding the hotel for quarantine and receiving instructions from Ministry of Health of Vietnam → 5: Boarding arrangements → 6: Entry into the country → 7: 14 days in quarantine → 8: Start work

Job Market>

According to the General Statistics Office of Vietnam (GSO), the unemployment rate in Q3 was 2.50%, which was an improvement from Q2. The number of job openings is also up 115.5% from the previous quarter.

However, the GSO reported that GDP growth in Q3 (July-September) was only +2.62%, the lowest in the last 10 years, and similarly, the number of jobs is at 74.1% compared to the same period last year.

Indonesia

Country entry requirements>

Since October, expat work visa issuance has resumed and returned to the normal process. All foreigners still can not enter the country without a visa, but work pass holders can work or travel to the country with a visa.

Job Market>

The statistics have released that the unemployment rate in the country is rising to 7 % as of August.

Considering that many companies have stopped hiring contractors and conducted early retirement, the unemployment rate could rise further during the year.

Labour law>

The Indonesian House of Representatives has ratified the Jobs Creation Bill (RUU Cipta Kerja and widely known as the "Omnibus Law") on 5 October 2020. 76 laws are being amended under the Omnibus Law which is aimed to boost investments and create more jobs in Indonesia. This law will significantly change employment and labour rules. From the perspective of foreign companies, including Japanese companies, it could make it easier for them to operate their businesses in Indonesia, but it remains how it will be going.

Philippines

Country entry requirements>

Foreigners do not allow to enter the country, but the Japanese who have a visa have gradually started entering the country since July. However, the government will not be open the border for ordinary foreigners like tourists by the end of this year.

Job Market>

The Philippine Statistics Authority (PSA) reported the unemployment rate hitting 10% as of July, it shows the overall employment situation in the country is poor under the lockdown. On the other side, the recruitment status(the number of job openings) in Japanese companies started recovering.

Labour law>

While the Philippine government has announced that it will not accept a delay of 13th-month pay at the end of the year, etc., it has granted an extension of the termination of temporary employment from the usual six months to one year.

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