

アジア日系企業

HR REPORT

by PERSOL in Asia Pacific

Quarter 3
2022

>Talent needs in Asia countries



▶ Talents needs in Asia countries

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Our group operates in 13 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.

※Number of recruitment cases in 13 countries and regions in Asia and the Pacific

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Talent needs in Asia countries (Singapore)



The following graph shows the number of new job openings we received from Japanese and non-Japanese companies, and compares it to the same period last year, set at 100.

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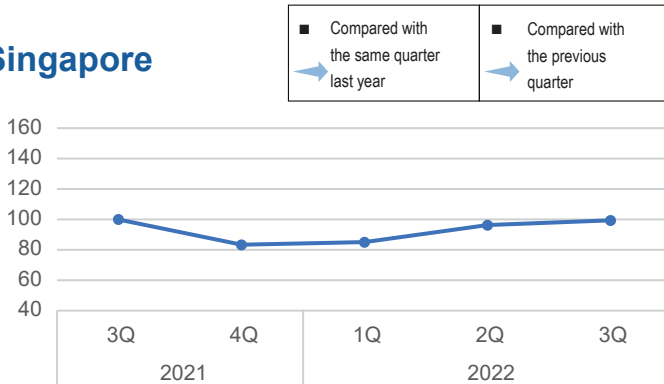
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Compared with the same period in the last year

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

Singapore



Written by:

Amily Yoong, PERSOL Singapore

Singapore's Ministry of Trade and Industry has recently revised the country's Gross Domestic Product growth, from 3% to 5% down to 3% to 4%. The revision was necessary from the bleak outlook of the global economy as well as high inflations experience throughout the globe.

Singapore's economy grew by 4.4% in the first half of 2022. Although this was lesser than what was predicted in July, the growth is positive compared to the 3.8% growth performed in the first quarter of the year.

The Food and Beverage industry grew the most, by 28%, in Q2 of 2022 while most of the other industries and sectors are spotting healthy growth of an average of 8%. However, experts continue to warn that the ongoing Ukraine-Russia conflict will dampen the global economy growth and disrupts the supply chain.

Singapore was able to attract \$6.3billion of fixed asset investment in Q2 of 2022. These investments are expected to create over 5,100 jobs in the future. In 2021, \$11.8billion worth of fixed asset investments were recorded by the city state. Over 17,000 new jobs were projected to be created by these investments over the next five years.

70% of these jobs created are for Professionals, Managers, Executives and Technicians (PMETs) and includes roles and positions within the functions of Cyber Security, Electronics, Biomedical Manufacturing and Information Communications.

The total employment in Singapore grew in Q2 of 2022 as well. This is largely contributed by an increase in foreign labour within the construction and manufacturing sectors ever since the country's border restrictions relaxed in April. Excluding migrant domestic workers, total employment grew by 64,400 or 1.9% in the second quarter.

The unemployment rate in June 2022 was recorded at 2.1% and the number of retrenchment remained at a low 1,000 in the second quarter of the year. These layoffs were part of organisation restructuring or reorganisation.

In August, Singapore's Ministry of Manpower announced a new work visa as well as several other changes to the current work visas available. As a step to combat talent crunch faced by multiple industries, a new five-year visa allowing foreign expats earning more than \$30,000 a month to hold jobs for multiple companies.

Among the new changes to the current visas were extension of visa validity for tech professionals from a period of up to three years to a period of five years. The processing time for employment passes will also be shorten to 10 days.

Overall, job orders increased by 3% in quarter 3 as compared to quarter 2. This is a result of increased job orders from clients within the industries such as Transport and Storage, Financial and Insurance Services, Manufacturing and Constructions.

Talent needs in Asia countries (Malaysia)



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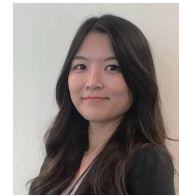
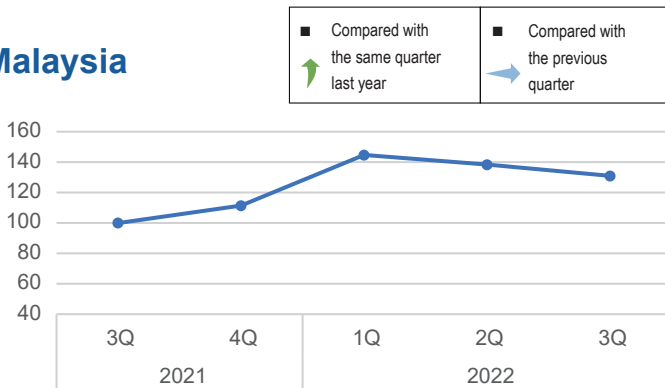
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Malaysia



Written by:

Wan Hao Lor, PERSOL Malaysia

Overall Market Conditions & Trends in Economic Growth

A report published by Bank Negara Malaysia in August 2022, Malaysian economy registered a stronger growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%). Domestic demand continued to strengthen, underpinned by the steady recovery in labour market conditions and ongoing policy support. The higher growth was also reflective of normalising economic activity as the country moved towards endemicity and reopened international borders. Exports remain supported by strong demand for E&E products. By sector, the services and manufacturing sectors continued to drive growth.

On the other hand, Malaysian companies from palm oil plantations to semiconductor makers are forced to refusing orders and forgoing billions in sales, due to shortage of more than a million workers. Manufacturers, contributed nearly one-fourth of the country economy, forgoing billions of sales amid foreign labor shortage. In greater picture resulting the fear of losing customers to other countries as growth picks up. The same goes to F&B business, which is heavily relying on immigrants on the business operation. Restaurants are facing short of floor staff & kitchen helper.

Despite the lift of Covid-19 freeze on recruiting foreign workers in February, Malaysia is yet to see a significant return of migrant workers due to slow government approvals and protracted negotiations with Indonesia and Bangladesh over worker protections.

Unemployment rate

The unemployment rate in Malaysia declined to 3.7 percent in July 2022, the lowest since February 2020, from 4.8 percent in the same month a year earlier, as the economy recovered from the coronavirus hit. The number of unemployed plunged 20.2 percent from a year earlier to 620.7 thousand, while employment increased 4.5 percent to 15.98 million

Remarkable industries about Job Trends (e.g. describe rapidly increasing by industry or position and those background)

Based on a HR report on 10 August 2022, Malaysia's job market recorded a 31% growth in job demand in June 2022, indicating "a spree in hiring activity on an annual basis", as the Monster Employment Index (MEI) suggests. With that, the number of employed persons continued on its upward trend. With an additional 126,300 persons compare to Q1 2022. On year-on-year comparison, employed person grew by 3.2% (493,900 persons) from 15.21mn persons in Q2 2021.

Other than Information Technologies & Manufacturing sector, Hospitality sector (up 65%) is also seeing a huge inflow of demand for professionals in tourism and travel-related industries, with the user penetration rate nearing the pre-pandemic levels. Since

Malaysia re-open international borders in April 2022, consequently improved business sentiments and airline travel ramping up, tourism in the country has picked up, accompanied by the rise in demand for skilled talent. According to the MEI, logistics, courier/ freight/ transportation, shipping/marine (up 51%) also noted a significant increase in hiring activity.

Job orders trends received from the client (describe comparison of YoY or quarter over quarter)

The employment market continued to observe positive growth in the leading industry such as IT, Manufacturing, Retail & Hospitalization. High demand of job orders for sales, engineering, IT, language speakers and etc. It's worth to highlight that there is notable increase number of employees who are looking for work life balance since the pandemic. The down side of this resulted also the difficulties to recruit talent for shift working positions.

Japanese speakers remain high demand in the market, especially within BPO & ICT center. Due to huge jump of salary adjustment for certain companies in securing Japanese speakers, it has created a great salary gap in the market. Left companies trapped at bottleneck for those cannot afford to recruit Japanese speakers with competitive remuneration package.

With the increase demand especially for IT, feedbacks received from HR that more often than pre-Covid period, they have lost potential new hires over company counter offer. Knowing the difficulties to attract new talent now, companies tend to prefer counter offer resigned employees who has already familiarized with the role and company operation, rather than risk the role being vacant for months without successful new hire.

Talent needs in Asia countries (Thailand)



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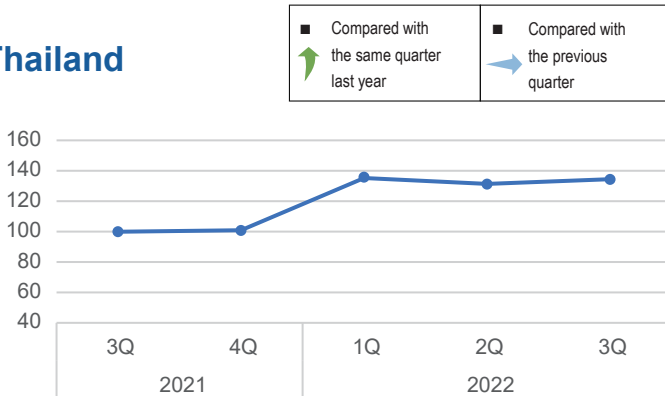
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Thailand



Written by:

Yuko Otsuka, PERSOL Thailand

In Thailand, the weekly average number of COVID-19 cases as of September 13 was about 1,000 per day, showing a significant decline from the peak of 25,000 in early April. The Thai government has announced that COVID-19 would be treated as an endemic from July, but this plan was postponed in effect.

However, at a meeting on August 19, the government announced its intention to dissolve the Centre for COVID-19 Situation Administration (CCSA) and to end the declaration of the Declaration of an Emergency Situation at the end of September.

Meanwhile, entry restrictions were already abolished entirely in July. The number of visitors entering Thailand from abroad was over 1.1 million in July. Visitors from Japan also totaled 28,394, which is 46 times more compared to the same period last year. The traffic jams and the sight of tourists wearing pants with elephant prints in Bangkok show that pre-COVID life is gradually being restored.

Taking a look at the labor market, the Office of the National Economic and Social Development Council (NESDC) announced on August 26 that the unemployment rate was 1.37% for the second quarter. This was an improvement from the previous quarter's 1.53% and the lowest since the pre-COVID record low of 1.03% in the first quarter of 2020. The NESDC stated that the labor market has improved to near pre-pandemic levels and that a shortage of workers is seen in both the skilled and unskilled labor force.

PERSOLKELLY Thailand won 30% more jobs in the third quarter than in the previous quarter and 200% year-on-year. The latest trends show an increase in jobs in the retail industry and EC-related companies by industry, and a 10% increase in engineering jobs by job type compared to last year.

By salary range, a slight increase was seen for both staff-level jobs with salaries below THB31,000 and jobs with salaries above THB120,000. Conversely, jobs with salaries in the THB32,000-120,000 range showed a slight decline. This could be due to the need to expand the workforce and to hire more work-ready talent.

Non-Japanese companies also began mass hiring, with an insurance company employing as many as 100 individuals, mainly for customer service positions.

Since potential job seekers who remained in their positions without changing jobs during COVID began their job search in May and June, we receive more job offers from companies that need to replace leavers.

Moreover, the current market allowing candidates to choose jobs has skyrocketed salaries and increased preferred conditions (e.g., availability of telecommuting). Since each candidate concurrently applies for jobs at several companies, some decline the scheduled interviews, thus, a review is needed not only for the hiring process but also for the terms and conditions of employment.

Some Japanese companies have been successful in reducing the number of expatriates and either supplementing them with locally hired Japanese or Thai people with Japanese language skills. Competition to acquire talent is expected to intensify further with the approach of the upcoming bonus payment in December.

Talent needs in Asia countries (Indonesia)



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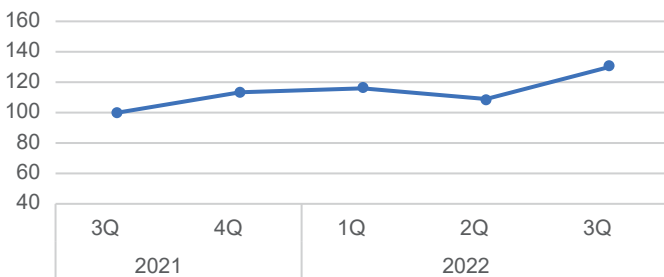
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Indonesia

↑ Compared with the same quarter last year	↘ Compared with the previous quarter
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Written by:

Daisuke Tabuchi, PERSOL Indonesia

It is already September, and we have only about three months left in 2022. Compared to 10 years ago, when I first came to Indonesia, the cityscape changed a lot with the subway in operation and roads well-paved. Indonesia, as a whole, seems to be making great progress. At this time of the year, the formulation of business plans for 2023 and beyond, after the end of COVID-19, is a common topic during business meetings with our clients.

Let me walk you through the recent economic situation in Indonesia. Its GDP growth rate is 5.4% for April-June 2022, which is at the same level as other Southeast Asian countries. The trade balance also showed a surplus of USD4.226 billion, second only to Malaysia in the regions including Southeast Asia and India. However, the unemployment rate in February 2022, which is slightly outdated data, was 5.8%, remaining at a certain level, despite having escaped the worst period. The number of open positions is expected to increase by 10% compared to the second quarter of 2022, but is currently at about 80% compared to last year, when there was special demand for various projects. However, we have high hopes for a recovery in business confidence going forward, given the significant increase in the number of travelers after the Indonesian government opened its doors to foreigners.

Let's take a look at the situation of job seekers. Looking at applications from foreign job seekers (mainly Japanese), PERSOLKELLY Indonesia saw a 44% increase in new recruitment inquiries compared to the previous quarter of the same year, and applications from outside Indonesia appear to be gaining momentum. The talent mobility of (Indonesian) national staff remains active in the context of the domestic unemployment rate of around 5%.

As we continue to offer new job consultations, we clearly see an improvement in the quality of job seekers. Both job seekers and companies looking to fill positions now have higher requirements. Job seekers who would have found jobs five years ago are now unable to get jobs under the same conditions. In addition, job seekers are demanding better benefits, and the salary levels offered by Japanese-affiliated companies do not meet the expectations of job seekers.

This is partly due to the fact that, after COVID, telecommuting and online work became more prevalent, which enables Indonesians who used to work outside of Indonesia to apply for jobs from companies offering a higher level of remuneration that are based in other Southeast Asian countries or in the US and Europe while residing in the country, and this tendency seems to be common throughout Southeast Asia.

Many Japanese companies have asked for advice regarding operations being unclear from the outside, undefined compensation systems, and harassment by long-standing employees, which sometimes leads to a negative spiral, such as an increase in the turnover of highly productive employees. We are willing to go beyond recruitment to provide assistance in a range of advisory capacities, such as those mentioned above.

Talent needs in Asia countries (Vietnam)



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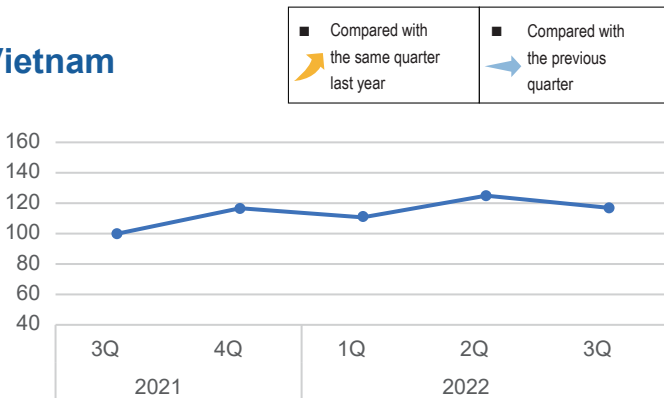
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Vietnam



Written by:

Yuichi Nakano, PERSOL Vietnam

In Vietnam, there were 2,963 active COVID-19 cases on September 15, 2022. That raised the total caseload to 11,450,999. In March this year, Vietnam began accepting foreign visitors for the first time in two years. Currently, visitors from visa-exempt countries are exempt from visa requirements for stays of 15 days or less and do not need to undergo voluntary quarantine and rapid tests after entering the country. Negative certificates, proof of vaccination, and installation of apps prior to entry are no longer required. According to the General Statistics Office, the number of foreign visitors (estimated) in August was 38% higher than the previous month, and the total number of foreign visitors from January to August was 13.7 times higher than the same period last year. Due to the impact of an increase in business travelers resulting from simplified entry into the country, the number of new foreign-funded companies and branches, sales offices, and representative offices established nationwide in August 2022 increased 10.76% month-on-month, while a 24.2% year-on-year increase was seen in the January-August period of 2022, according to the Department of Planning and Investment. The PMI for August 2022 was 52.7, up by 1.5 points from the previous month and above 50 for the 11th consecutive month, while the index of industrial production (IIP) was up 2.9% month-on-month and 15.6% year-on-year. In addition, the estimated retail sales for August were up 0.6% from the previous month, while those for the January-August period were up 19.3% from the same period last year. With more positive news in industry and general consumption on an ongoing basis, the unemployment rate for April-June 2022 dropped to 2.32% from 2.46% in the previous quarter. The unemployment rate for the third quarter has yet to be announced.

In Ho Chi Minh City, the number of open positions we received from Japanese companies in the third quarter of 2022 was 219% year-on-year, significantly higher than during the lockdown in 2021. Job consultations from companies making inroads into the Vietnamese market also continue to increase, and we are receiving job offers related to the establishment of new companies from several industries, including general consumer goods, manufacturing, and IT offshore locations. Looking at trends by industry and job type, many open positions are available in the construction, real estate, manufacturing, trading, general consumer goods, and IT in terms of industries, with sales being a popular job type.

In Hanoi, as in Ho Chi Minh City, a significant increase in the number of job openings has resulted in job consultations with companies newly entering the market, with a particularly sharp increase in IT and manufacturing industry positions.

Despite an increase in the number of job openings with high demand for local recruitment of Japanese nationals, Japanese job seekers in Japan are still reluctant to seek employment overseas. Vietnamese job seekers continue to actively seek new jobs, and companies are struggling to retain them.

Talent needs in Asia countries (Philippines)



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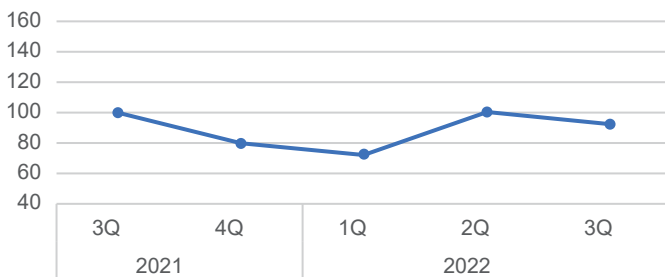
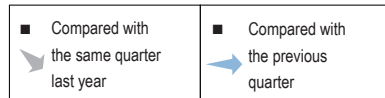
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Philippines



Written by:

Junpei Miyata, PERSOL Philippines

In 2017, PERSOLKELLY set up a business partnership with John Clements and the following information is based on the data on job openings from their Japan desk.

On June 30, former Senator Ferdinand Marcos Jr. became the 17th president of the Philippines, taking office after former President Duterte. During his six-year term, he will press for a post-COVID economic recovery and a speedy response to address the current inflation.

As part of the COVID-19 measures, the Philippine government has allowed fully vaccinated foreign visitors from countries and regions exempt from entry visa requirements to enter the country without a visa, starting February 10. The Department of Tourism, Philippines, announced that the number of foreign visitors to the country reached 1.1 million in the six months from February, when entry restrictions were eased, to August 7 (Source: The Philippine News Agency, August 13), making it easier for Japanese business travelers to travel to and from the country.

From September 12, people are not required to wear masks outdoors any longer (but they are required to do so indoors), showing further relaxation of COVID restrictions.

In terms of economic growth trends, the real GDP growth rate for the second quarter of 2022 (April-June) rose by 7.4% year-on-year, according to the economic growth rate announced by the Philippine Statistics Authority. However, the quarter-on-quarter growth rate (growth rate from the first quarter (January-March) to the second quarter of 2022, seasonally adjusted) was minus 0.1 %.

By industry, the increase was as high as 9.1% in the service sector and 6.3% in the mining and other industries compared to the same period of the previous year. On the other hand, the growth rate of agriculture, forestry, and fisheries industry was as low as 0.2%. In the service sector, there was a notable increase of 29.9% year-on-year in accommodation/food & beverage and 27.1% in transportation/warehousing. The government has eased behavioral restrictions and entry restrictions that were imposed during COVID and currently drives the resumption of economic activities through the promotion of vaccinations and other measures, indicating a recovery in the movement of people and goods whose activities had been restrained due to COVID. Recruitment trends show active hiring by companies on an ongoing basis, with new orders of 99% compared to the second quarter of the year and 104.5% compared to the same quarter of last year.

Looking at the breakdown of open positions, as in the previous period, there is a strong need for hiring Japanese speakers due to the new entry of Japanese companies, replacement and departure of expatriates, and IT engineers in the BPO industry and at offshore bases. Overall job demand is high in the manufacturing, transportation, and service industries, regardless of the type of work. There is also an increasing demand for locally hired Japanese nationals due to business expansion.

The increase in the number of open positions has resulted in a complete seller's market for job seekers, and salary levels at the time of job offers are soaring. For companies intending to recruit, it is becoming increasingly important to review the entire recruitment process, including revision of salary tables and initiatives for expedited hiring.

More and more Filipino job seekers are looking for new jobs in pursuit of higher salaries as a result of inflation and higher employment rates. Companies are required to take aggressive measures to retain existing employees and to primarily improve their benefits in response to price hikes.