

HR REPORT

for Japanese Corporations in Asia

Q1
2024

>Talent Needs in Asia Countries



► Talent Needs in Asia Countries

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PERSOLKELLY Group operates in 13 countries and regions in the Asia-Pacific, and supporting our clients' talent needs. This report summarizes the latest job trends in each country based on around 100,000 hiring needs per year (*), which are submitted to our group in Asia-Pacific countries. We hope this report will be helpful to your organization's growth.

※Numbers 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.

Please refer to the graph for the changes by quarter through the year as well as the trends in job openings in each country from the previous quarter and the same period last year.

*The information has been put together based on the job openings data belonging to PERSOLKELLY's overseas subsidiaries and partner companies.

Information in each section is accurate as of the end of March 2024. For the latest trends, please contact the sales executive in charge.

Compared with the same period in the last year



Significantly Increasing



Gradually Increasing



Stable

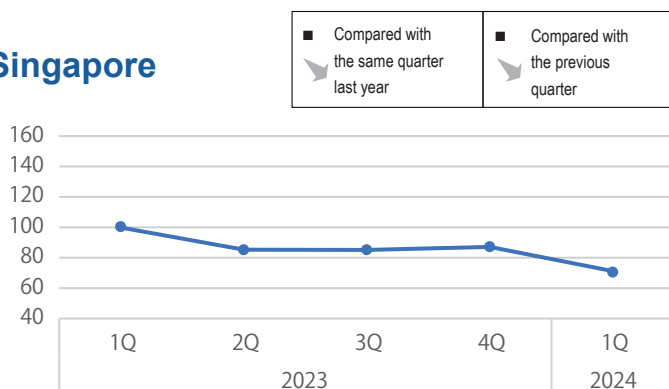


Slightly Decreasing



Significantly Decreasing

Singapore



Written by:

Amily Yoong, PERSOL Singapore

In 2023, Singapore's employment landscape exhibited resilience, characterized by low unemployment rates and consistent wage growth, particularly buoyed by demand in sectors such as healthcare and technology. The sectors with the strongest hiring intentions were information and communications (48%), professional and business services (47%), and manufacturing (46%). In nominal terms, salaries for workers in Singapore increased 4% in 2023 and are projected to increase at the same level again in 2024.

However, challenges emerged amidst this backdrop, notably the tightening labor market and a notable uptick in retrenchments. Based on Ministry of Manpower's advanced labour market estimates, Singapore experienced a significant surge of retrenchments in 2023 to 14,320. This figure is more than twice that of 2022's record low of 6440.

Transitioning into 2024, developments from January to March underscored shifts in hiring practices, with a notable preference emerging for hybrid work arrangements over fully remote setups. According to humanresrouces.net, 48% of employers responded that flexible work arrangements are currently practiced in their organizations. This trend reflects a strategic balance between flexibility and in-person collaboration, as employers strive to cater to the evolving needs of their workforce. In addition, there's been a discernible uptick in the rigor of background checks for foreign hires, signaling heightened scrutiny on candidate qualifications and credentials to ensure a skilled and trustworthy workforce.

Also, there's notable focus on fostering workplace relationships and preparing for an aging workforce, as businesses recognize the significance of adaptable strategies amidst evolving labor dynamics. Data collected from the Ministry of Manpower affirmed that not only is 27% of Singapore's resident labor force today is made up by workers aged 55 and above, but it is also estimated that by 2030, there will only be 0.7 local workers entering the workforce for every worker exiting. Therefore, for companies to sustain competitiveness, they must ensure that their employees possesses the necessary knowledge and skills regardless of age.

In the first quarter of 2024, Manufacturing jobs made up over 33% of total job orders received followed by Construction, 16% and Retails and Consumer Goods, 8%, IT and Telecommunications making up about 4% of job orders. For Japanese Speaking job opportunities, there is an increased demand for Japanese speakers in administrative, coordination and support roles.

Overall, the trajectory of Singapore's workforce in 2024 is poised to evolve in response to these ongoing trends and challenges, with a steadfast focus on fostering flexibility, promoting skills development, and nurturing supportive work environments conducive to sustained productivity and growth.

Talent Needs in Asia Countries (Malaysia)



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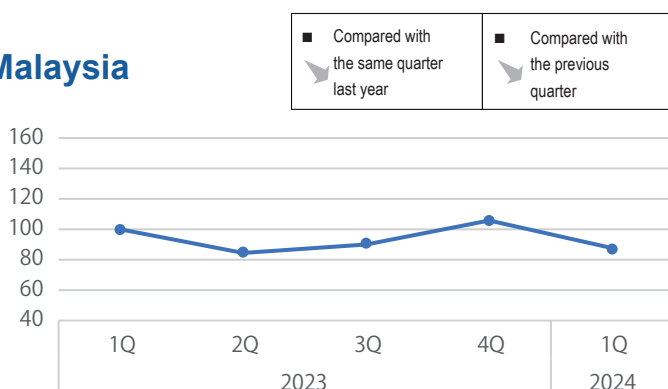


Slightly Decreasing



Significantly Decreasing

Malaysia



Written by:

Shion Kurakawa, PERSOL Malaysia

According to the Bank Negara Malaysia (BNM), the Malaysian economy is expected to grow between 4% and 5% in 2024, supported by resilient domestic demand and improvements in external demand. The service sector and manufacturing sector are predicted to be the main drivers of the economy this year. The service sector, particularly consumer-related subsectors, is expected to benefit from tourism activities from China and India, as well as a favorable labor market environment. The expansion of the electrical and electronics (E&E) cluster, driven by the recovery of the global high-tech cycle, is expected to lead the manufacturing sector and contribute positively to exports other than E&E, thereby improving the regional economy.

On March 8, the Department of Statistics Malaysia (DOSM) released the "January 2024 Labor Force Statistics" focusing on statistics from January 2023 to January 2024. The Malaysian labor market is said to have maintained a continuous upward trend. The outlook for 2024 is supported by positive factors within the country, such as the improvement in tourism activities, the continued implementation of infrastructure projects, increased investment, and government initiatives. With improved flight connectivity and an increase in tourists from China and India, the government expects international tourist arrivals to surpass pre-pandemic levels.

The employment rate increased from 67.3% (16.16 million people) in January 2023 to 67.9% (16.48 million people) in January 2024. The unemployment rate decreased from 3.6% (596,100 people) in January 2023 to 3.3% (567,300 people) in January 2024, according to data from DOSM.

According to MIDF (Malaysian Industrial Development Finance), the average number of job vacancies in 2024 is predicted to range from 100,000 to 120,000 per month, supported by the recovery of external trade and robust domestic demand. This gradual growth is expected due to the sharp increase in job vacancies after the economic reopening following the pandemic (206,700 people in 2021, 396,100 people in 2022, and 173,500 people in 2023).

In the job market, there is a growing demand for professionals with specialized knowledge in environmental, social, and governance (ESG) and sustainability, particularly in the financial services, energy, technology, consumer goods, and healthcare industries. Many industries are focusing on improving operational efficiency, enhancing customer experience, and strengthening competitiveness through digital transformation (DX), resulting in a high demand for talents in DX and automation.

In the first quarter of 2024, the job openings received in PERSOL Malaysia were 43% in the construction industry, 29% in the financial industry, followed by 14% in the service industry, and others.

For Japanese job seekers, there is still a significant demand for Japanese language skills in the BPO industry, and there is also an increase in job opportunities in the manufacturing, IT, and service industries. Many Japanese job seekers aim to relocate with their families for their children's international education, and they often find positions in the BPO industry, where specific career backgrounds are not always required.

Talent Needs in Asia Countries (Thailand)



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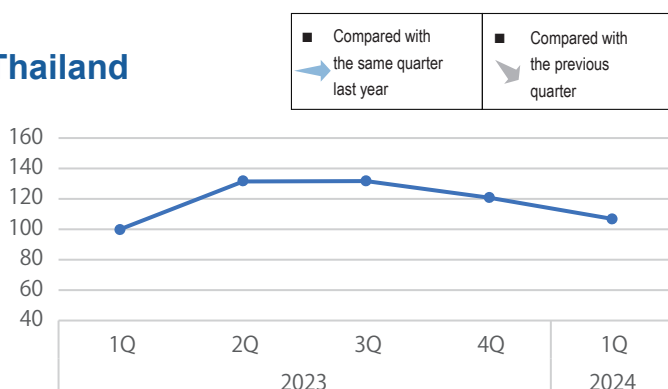


Slightly Decreasing



Significantly Decreasing

Thailand



Written by:

Yuko Otsuka, PERSOL Thailand

The National Economic and Social Development Council (NESDC) of Thailand announced on February 19 that the real GDP growth rate for the fourth quarter of 2023 (October-December) was 1.7% compared to the same period of the previous year. This result fell below market expectations of a 2.6% increase. Furthermore, it marked a seasonally adjusted decline of 0.6% compared to the previous quarter, resulting in negative growth for the first time in a year. The full-year GDP growth rate for 2023 was also lower than the government's previous growth rate forecast of 2.5%, at an increase of 1.9% compared to the previous year. While the tourism industry and personal consumption saw significant growth throughout the year, it was offset by a decline in the manufacturing sector and public investment, resulting in lower-than-expected overall growth. In response to these results, Prime Minister Srettha had requested an interest rate cut, but the Bank of Thailand decided to maintain the interest rate at 2.5% during the Financial Policy Committee meeting held on April 10. The government has long aimed for a 5% GDP growth rate, but the average growth rate over the past 10 years has been a modest 2% increase. The projected GDP growth rate for 2024 is 2.6%. Additionally, the number of foreign tourist visitors is forecasted to be 35.5 million.

According to the National Statistical Office (NSO) of Thailand, the unemployment rate for February 2024 was 1.0%, a decrease of 0.1 percentage points compared to the previous month. While it decreased in Bangkok and the northern regions, it increased in the northeastern and southern regions. The unemployment rate, which worsened to 2.3% in the third quarter of 2021 due to the impact of the pandemic, has been declining since the fourth quarter of 2021. From September to December 2023, it remained at 0.8% for four consecutive months, but it rose to 1% starting from January 2024.

The number of new job openings received from Japanese companies at our company has seen a significant year-on-year increase since the fourth quarter of 2021. However, the growth rate has slowed since the beginning of 2024. Nevertheless, in Thailand, where the aging population and declining workforce present challenges, the competition for talent acquisition is severe, particularly for managerial positions, as highlighted by a survey conducted by JETRO. Enhancing productivity is a significant theme in the Thai market, as indicated by this survey.

According to the Thai Chamber of Commerce University, the Consumer Confidence Index for February 2024 was 63.8 (where 100 or above indicates favorable sentiment), marking a seven-month consecutive increase. It was the highest result since March 2020. In reality, seeing many foreigners in the streets has become a daily occurrence, making it easier for consumers to perceive economic recovery. Furthermore, on March 28, the Thailand Board of Investment (BOI) approved preferential measures to attract large-scale international concerts, sports events, and festivals. This is a supportive policy promoted by the government, and it has resulted in a significant number of concerts by foreign artists, including those from Japan. As an individual living in Bangkok, while I would like to be optimistic about Thailand's economy, it seems that the situation will vary greatly depending on the industry and sector.

Talent Needs in Asia Countries (Indonesia)



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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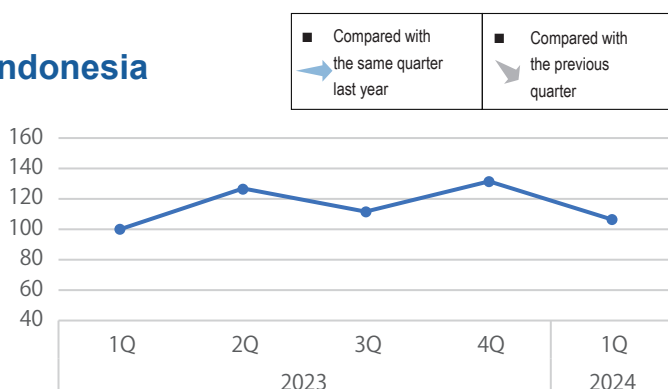


Slightly Decreasing



Significantly Decreasing

Indonesia



Written by:

Junpei Miyata, PERSOL Indonesia

The GDP growth rate in Indonesia for the period of October to December 2023 exceeded the expected 5% with a year-on-year growth rate of 5.04%. This improvement was observed compared to the growth rate of 4.94% recorded in the previous quarter. The overall growth rate for 2023 was 5.05%, showing a slight deceleration from the previous year's 5.31%, but indicating a steady and resilient trend.

When analyzed by industry, all sectors experienced growth compared to the same period the previous year, although the growth rates in the tertiary and primary sectors have slowed down. Looking at specific sectors, the transportation and warehousing sector led the growth with an increase of 13.96%, followed by other service sectors with a growth of 10.52%, and the hotel and restaurant sector with a growth of 10.01%, all recording double-digit growth.

Regarding job trends in 1st quarter 2024, the number of new job openings decreased compared to the previous quarter by 97.2%, but increased by 125.8% compared to the same period the previous year. Although there was a slowdown from the previous period, there was a consistent level of new job opportunities throughout the year, and candidate mobility remained high. In the Japanese market, the demand for locally hired Japanese employees has increased due to localization efforts, resulting in a candidate-driven market for locally hired Native Japanese candidates. Consequently, our survey on the local recruitment market for Native Japanese candidates showed an approximate 15% increase in desired salaries compared to the pre-pandemic market, and more companies are offering additional benefits such as housing allowances.

As for local national staff job openings, the market for Japanese speakers has been changing. While it used to be a favorable market for employers until last year, the impact of inbound demand (meaning, increased job opportunities for foreigners who want to work in Japan) has made it particularly challenging to hire candidates with Japanese language proficiency at the N2 to N1 levels in Indonesia.

In Japan, there is a growing shortage of manpower in the service industry as the number of inbound tourists recovers. For example, despite an increase in passenger numbers in the aviation industry, employee attrition during the pandemic has resulted in a shortage of manpower, with some airports in urban areas experiencing a nearly 20% decrease in total employees. This phenomenon extends beyond the aviation industry and affects all sectors. Therefore, it is expected that the demand for hiring Japanese speaking candidates in Japan from overseas will continue to rise, and Japanese companies based in Indonesia are likely to face the high competition in recruiting Japanese speaking local candidates.

As of August 2023, the unemployment rate in Indonesia was 5.32% (overall) and 6.40% (urban areas), showing significant improvement, particularly in urban areas. However, it is expected that the unemployment rate will increase based on statistics from the end of the previous fiscal year.



Many companies are starting their new fiscal year in April, and there has been an increase in inquiries regarding new business set up in Indonesia and hiring talents who can work in Japan. It is anticipated that in 2024, there will be a growing number of consultations regarding various HR issues at different stages of businesses. We aim to strengthen our services to provide solutions in a wide range of areas such as recruitment, labor management, HR systems, and training, in order to support the changing recruitment market and the needs of Japanese companies.

> Talent Needs in Asia Countries (Vietnam)



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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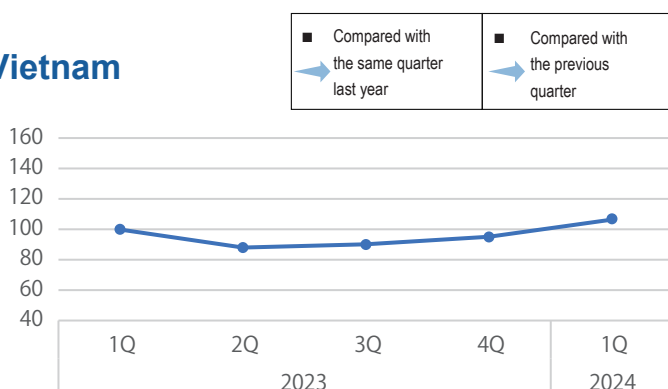


Slightly Decreasing



Significantly Decreasing

Vietnam



Written by:

Kento Ishikawa, PERSOL Vietnam

According to the announcement by the General Statistics Office (GSO) of Vietnam, the estimated GDP growth rate for the period of January to March 2024 was +5.66% compared to the same period of the previous year. This is the highest growth rate in the past four years, indicating signs of economic recovery in Vietnam. The industrial and construction sectors experienced a growth rate of +6.28%, while electricity production and sales increased by +11.97% and manufacturing grew by +6.98%, driving the economic growth. The service sector was active in commercial activities, and the tourism industry showed a strong recovery due to stimulus measures, with transportation and warehousing growing by +10.58% and accommodation and food services by +8.34%. The composition of GDP was dominated by the service sector at 43.48%, followed by the industrial and construction sector at 35.73%, and the agriculture, forestry, and fisheries sector at 11.77%. Strong recovery is expected in various industries in the future.

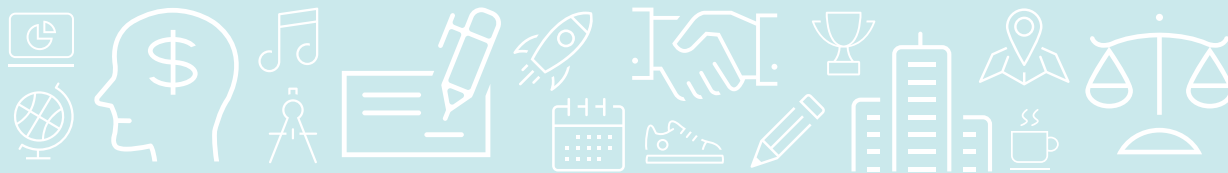
The United Overseas Bank (UOB), a Singaporean bank, maintained its GDP growth rate forecast for Vietnam in 2024 at +6.0%, the same as its previous report published in January. The forecast aligns closely with the Vietnamese government's target range of +6.0% to +6.5% and anticipates the recovery of the semiconductor industry, steady growth in China and neighboring regions, and the reconstruction of the international supply chain to drive Vietnam's growth, thus providing further expectations for GDP growth.

Regarding the unemployment rate, according to the GSO announcement, the unemployment rate among the labor force in the period of January to March 2024 decreased by ▲0.02 percentage points compared to the previous period and decreased by ▲0.01 percentage points compared to the same period of the previous year, reaching 2.24%. The urban unemployment rate was 2.64%, while the rural unemployment rate was 1.99%.

The average monthly salary of wage workers during the same period increased by +7.7% compared to the same period of the previous year, amounting to 8.5 million VND (approximately \$520) for both male and female workers. Male workers had an average monthly salary of 9 million VND (approximately \$550), while female workers earned an average of 7.9 million VND (approximately \$480).

The industries that experienced an increase in average monthly salaries compared to the same period of the previous year were real estate (+15.3%), electricity, gas, and heat supply (+12.7%), finance, banking, and insurance (+12.7%), accommodation and food services (+9.3%), and transportation and warehousing (+9.2%).

In terms of hiring situation in Vietnam during the period of January to March 2024, although the overall number of job openings decreased by 81% compared to the same period of the previous year, there was still a considerable number of job openings for



Native Japanese positions. This was due to the increased positions for Native Japanese candidates locally hired to fill the positions vacated by Japanese expatriates returning to Japan. The number job openings for Native Japanese candidates decreased by 96% compared to the same period of the previous year but remained relatively close to last year's figures. Furthermore, in both Hanoi and Ho Chi Minh City, there has been an increase in inquiries from companies considering new investments and actual recruitment for positions involving Japanese and Vietnamese individuals during the process of new business setups. We believe that there will be a continued increase in job openings related to new business setups in the future.

Talent Needs in Asia Countries (Philippines)



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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Gradually Increasing



Stable

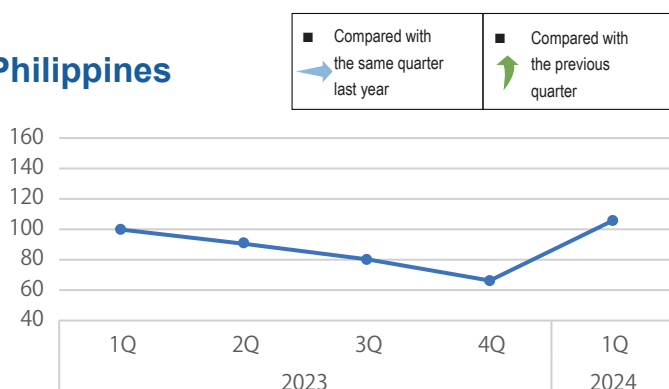


Slightly Decreasing



Significantly Decreasing

Philippines



Written by:

Ayahito Takayama, PERSOL Philippines

According to the Philippine Statistics Authority (PSA), the Integrated Wholesale Price Index (GWPI) for February 2024 stood at 137.8, indicating a 2.8% increase compared to the same month of the previous year. Concurrently, the Consumer Price Index (CPI) for the same month reached 125.5, marking a 3.4% year-on-year increase, and signaling an expansion in growth rate for the first time in five months. The surge in prices, particularly in staple foods like rice, which saw a 23.7% increase, propelled inflation to a 15-year high. There are concerns about the potential acceleration of inflation again due to factors such as the rise in minimum wage. Regionally, the inflation rate widened both in the Manila metropolitan area, increasing from 2.8% to 3.2%, and outside the capital region, rising from 2.8% to 3.5%.

On the other hand, the core inflation rate, which excludes food and energy, decreased nationwide from 3.8% to 3.6% compared to the previous month. While the consumer price growth rate rebounded from a low point of 2.8% to 3.6%, unemployment remains at 4.5%, with an increasing number of jobless individuals.

The projected real Gross Domestic Product (GDP) growth rates for the Philippines are 5.9% for 2024 and 6.2% for 2025. However, inflation rates are forecasted to average 3.4% in 2024 and 3.2% in 2025. Concerns arise over the resurgence of inflation and rising unemployment rates potentially dampening consumer spending and investment. Consequently, the government is contemplating policies aimed at stabilizing supply and mitigating inflation.

In the labor market, the Philippines stands as one of the global leaders in outsourcing and Business Process Outsourcing (BPO) industries, with many foreign companies entrusting services like call centers and back offices to the country. This sector continues to expand, providing substantial employment opportunities. Additionally, there is increasing demand for technical professions such as Information Technology (IT) and engineering. However, the difficulty in finding suitable candidates is high, emphasizing the need for projects to foster the creation of skilled manpower at a national level.

A significant portion of the Philippine labor force works overseas as Overseas Filipino Workers (OFWs), whose remittances contribute approximately 10% to the GDP, aiding in domestic economic growth and stability. Nevertheless, the outflow of skilled talent as OFWs presents challenges in the domestic recruitment market, where overseas positions become competitors. Ensuring adequate compensation and benefits commensurate with skills and abilities is crucial to attract and retain top talent, thereby fostering an environment conducive to long-term employment.

In PERSOL Philippines, we aim to contribute to addressing the challenges faced by Japanese companies in the Philippines by providing comprehensive human resources services, including not only recruitment services but also labor law consulting services and a revision of HR systems.