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Employers Remain Cautious in Q3 2024, But Most Sectors Still Expect to Hire: Latest ManpowerGroup Employment Outlook Survey

- Singapore's Net Employment Outlook (NEO) for Q3 2024 is +20%, weakening 4 percentage points from Q2 2024 and 14 percentage points year-over-year.
- Transport, Logistics & Automotive employers report a robust NEO of +47%, the strongest hiring sentiment in Singapore and second strongest globally.
- 76% of Singaporean employers said they have already adopted AI or are intending to adopt it within the next 12 months.
- 57% Singaporean employers expect to increase headcount due to AI and machine learning over the next two years, with the Communication Services sector (72%) leading the way.

SINGAPORE (11 JUNE 2024) – Hiring sentiments in Singapore soften for the third consecutive quarter, but most sectors are still expecting to increase headcount, reveals the latest ManpowerGroup Employment Outlook Survey.

Out of the 525 employers in Singapore surveyed about their hiring plans for the July to September period, 44% plan to hire, 24% anticipate a decrease in their staffing levels, while 32% do not expect any change. The Net Employment Outlook (NEO) after seasonal adjustment is +20%, weakening 4 percentage points from last quarter and 14 percentage points year-over-year.

Used internationally as a bellwether of economic and labor market trends, the NEO is calculated by subtracting the percentage of employers who anticipate reductions in staffing levels from those who plan to hire.

Employers in eight of nine sectors expect to increase headcount, with the most competitive sector being Transport, Logistics & Automotive, with a NEO of +47%, rising by 22 percentage points from last quarter and 28 percentage points since the third quarter of 2023.

“Green initiatives driving domestic emission reduction are expected to boost job growth in Singapore's Transport, Logistics & Automotive sector,” comments Ms. Linda Teo, Country Manager of ManpowerGroup Singapore. “With investments flowing into the transition to electric vehicles (EV), companies are actively seeking skilled talent proficient in EV management and charging infrastructure navigation.”

- **Hiring Outlooks in Singapore dip for the third consecutive quarter:** Singapore's NEO for Q3 is +20%, weakening 4 percentage points from last quarter and 14 percentage points year-over-year. While 8 out of 9 sectors reported positive hiring outlooks, hiring sentiments are weaker in 6 sectors when compared to Q2.
- **Hiring demand in Singapore to be led by the Transport, Logistics & Automotive sector:** The sector reports a robust Outlook of +47%, improving by 22 percentage points from last quarter and 28 percentage points from this time last year. Notably, Singapore's Transport, Logistics & Automotive's Outlook ranks second globally, behind Ireland (+50%).
- **Hiring dips in Financials & Real Estate sector:** Hiring outlook declined 30 percentage points from the previous quarter, and 36 percentage points from the same time last year, resulting in a NEO of +15%.
- **The weakest job market remains to be the Communication Services sector:** Communication Services sector's employers report a NEO of -33%, further weakening by 4 percentage points quarter-on-quarter and 64 percentage points year-over-year.
- **Strong hiring demand in Asia Pacific region:** Hiring managers across the region anticipate the second strongest regional Outlook (23%), a decline from both the previous quarter (-4%) and when compared year-over-year (-8%).

"The bulk of the dip in hiring sentiment can be attributed to companies making strategic moves to streamline their business and looking offshore to cut costs or fill the skills gap. As flexible working arrangements gain more traction in the country, more companies are likely to consider remote workers to fill the growing discrepancy between workers' skills and the demands of available jobs," says Ms. Teo.

Besides employment outlooks, the report also shed light on Singapore companies' progress on the adoption of growing technologies such as Artificial Intelligence (AI), Generative AI and Machine Learning (ML), as well as engaging the next generation of workers.

- **Majority of Singapore employers keeping up with tech advancements:** More than half of Singapore employers say they have already adopted AI, including generative AI and ML. Another 1 in 5 expects to adopt AI in the next 12 months.
- **Challenges of AI adoption:** High cost of investment (42%), workers lacking the skills to use the technology effectively (36%), and concerns about privacy and regulations (35%), are key challenges cited by Singapore employers.
- **Having better technology tools is the most effective way to engage the newer workforce:** Employers report improving technology tools (78%) and an emphasis on wellbeing (78%) as the most effective ways to engage the newer generation and increase their productivity.

"Adoption of growing technology is not only a business strategy, but also something HR needs to consider to keep today's employees engaged," Ms. Teo adds. "In light of today's talent shortage and rapid technological advancements, employers may find it beneficial to prioritize soft skills, particularly adaptability and learning agility, when making hiring decisions. Coupled with a focus on upskilling and reskilling initiatives, this approach can help bridge the skills gap and meet the evolving demands of the workforce."

To view complete results for the ManpowerGroup Employment Outlook Survey, visit: www.manpowergroup.com.sg/meos. The next survey will be released in September and will report hiring intentions for the fourth quarter of 2024.

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ABOUT THE SURVEY

The ManpowerGroup Employment Outlook Survey is the most comprehensive, forward-looking employment survey of its kind, used globally as a key economic indicator. The Net Employment Outlook is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting a decrease in hiring activity.

SURVEY METHODOLOGY

The methodology used to collect NEO data has been digitized in 42 markets for the Q3 2024 report. Survey responses were collected from April 1-30, 2024. Both the questions asked, and the respondent profile remain unchanged. The size of the organization and sector are standardized across all countries and territories to allow international comparisons.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements, including statements regarding labor demand in certain regions, countries, industries, and economic uncertainty. Actual events or results may differ materially from those contained in the forward-looking statements due to risks, uncertainties and assumptions. These factors include those found in the Company's reports filed with the SEC, including the information under the heading "Risk Factors" in its Annual Report on Form 10-K for the year ended December 31, 2023, which information is incorporated herein by reference. ManpowerGroup disclaims any obligation to update any forward-looking or other statements in this release, except as required by law.

ABOUT MANPOWERGROUP SINGAPORE

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ABOUT MANPOWERGROUP

ManpowerGroup® (NYSE: MAN), the leading global workforce solutions company, helps organizations transform in a fast-changing world of work by sourcing, assessing, developing, and managing the talent that enables them to win. We develop innovative solutions for hundreds of thousands of organizations every year, providing them with skilled talent while finding meaningful, sustainable employment for millions of people across a wide range of industries and skills. Our expert family of brands – Manpower, Experis, and Talent Solutions – creates substantially more value for candidates and clients across more than 70 countries and territories and has done so for more than 75 years. We are recognized consistently for our diversity – as a best place to work for Women, Inclusion, Equality, and Disability, and in 2024 ManpowerGroup was named one of the World's Most Ethical Companies for the 15th time – all confirming our position as the brand of choice for in-demand talent.