

Companies

Extended US-China trade war may see Hong Kong employers hold back on hiring, say recruiters

- Hong Kong's employment market has yet to take a hit from the US-China trade war, but could suffer in the event of an extended dispute
- Technology and financial services sectors appear likely to grow, regardless of trade tensions



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The technology, innovation and financial services sectors are expected to offer a healthy job market in Hong Kong, regardless of a protracted trade dispute. Photo: Bloomberg

Hong Kong's strong employment market could take a hit from an extended US-China trade war, headhunters said, as companies watch carefully for any effects stemming from a new round of tariffs implemented last week.

Manufacturing, freight, and re-export businesses are likely to bear the brunt if the two nations are unable to reach a truce, but technology and financial services sectors are expected to remain unscathed, buoyed by government incentives and investment in Greater Bay Area development, the recruiters said.

"In general, most companies will be very cautious in making big investment plans including big numbers of new recruits at the moment. It's a very, very cautious situation," said Felix Lee, head of KPMG China's executive search and recruitment services, noting that the employment outlook for 2019 remains positive.

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Hong Kong's decade-low unemployment rate has so far avoided any ill effects from the trade war, as only a narrow subset of its export businesses have been affected by tariffs since the trade war began last year, according to several recruitment firms.

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"I don't see companies shrinking down their recruitment at this moment because of this trade war, but if it continues to last then the headcount revision could come into place," said Jerry Chang, managing director of Barons & Company.

Industries relating to the transport of retail goods through container terminals, and freight are among those that have already been hit by the levied tariffs, according to Sharon Cheng, group chief people officer, Tricor Group.

"This has resulted in more and more companies reviewing recruitment plans as Hong Kong and mainland China's overall trade sectors and supply chains take a hit," Cheng said.

If the conflict continues unresolved, affected companies may lean on temporary staff, instead of permanent recruits, as they navigate the uncertain business outlook. They may even freeze pay rises and bonuses as a precaution to offset any negative financial impact, according to Adam Johnson, managing director at Robert Half Hong Kong.

[Hong Kong still attractive for bankers despite high living costs, headhunter says](#)

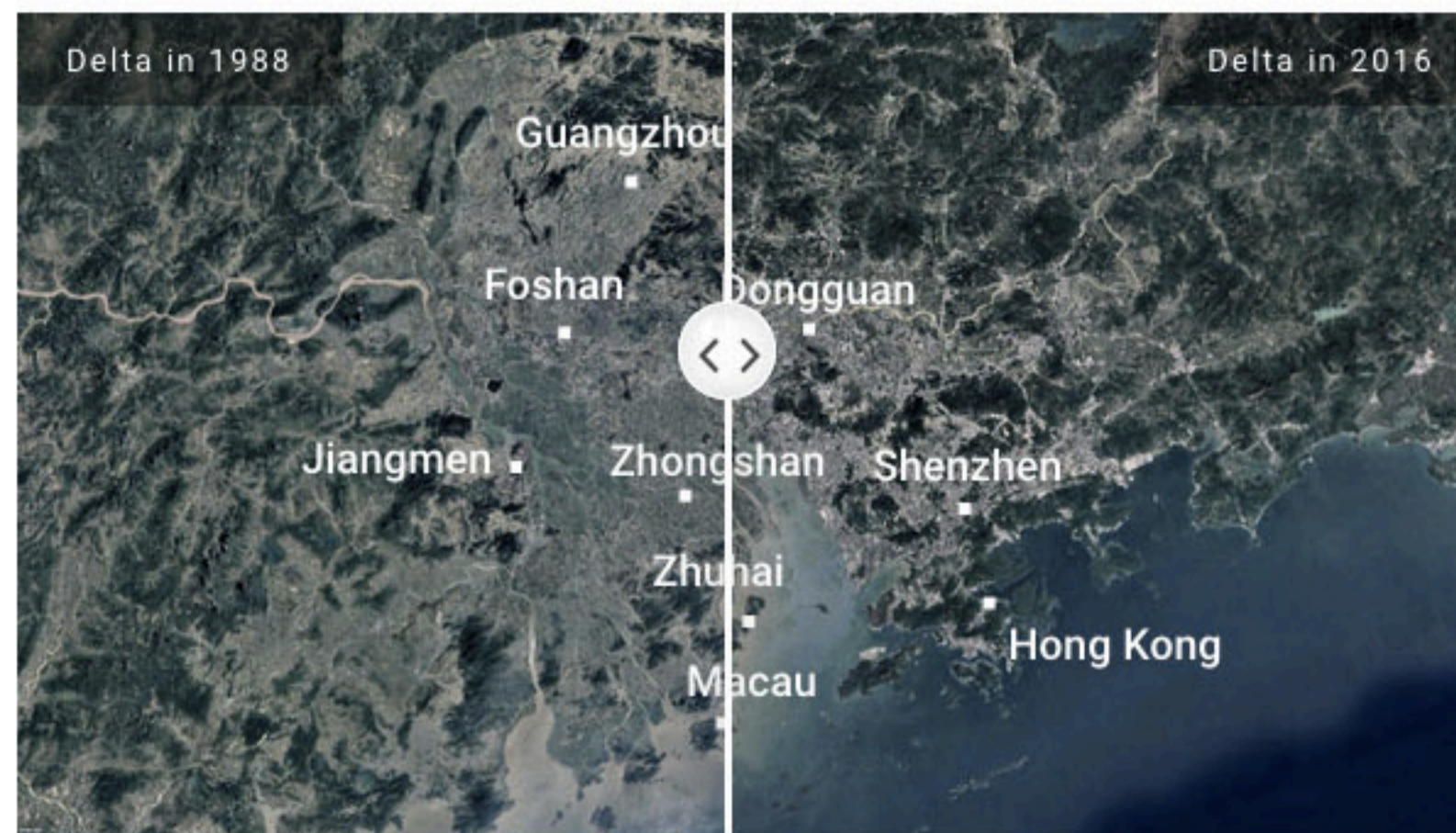
"There is a high level of uncertainty around the outcome of the US-China trade war. When companies are confronted with such levels of economic uncertainty, in the short-term, they tend to put on hold their recruitment plans to hire additional staff," Johnson said.

"The emphasis will lie primarily on replacing existing headcount, rather than growing headcount."

The technology, innovation and financial services sectors are expected to offer a healthy job market for skilled professionals, regardless of a protracted trade dispute.

The Greater Bay Area Plan

The Pearl River Delta in China's south has grown from an agricultural area in 1980 to Asia's largest and most populous urban area.



These sectors enjoy the benefits of government incentives and the development of the Greater Bay Area, as the government-led scheme to connect Hong Kong, Macau and neighbouring mainland cities into a Silicon Valley-like hub is set to receive top-down funding and investment.

“There has been a growing need for business expansion, strategic advisory, IT and technology talent in recent years, mainly due to the digital transformation process in Hong Kong and the expansion of the Greater Bay Area. In spite of the trade war, we believe this trend will continue,” said Tricor Group’s Cheng, expressing a widely echoed sentiment among headhunters.

“Despite the present situation, we predict that competition for talent across a variety of industries will be more fierce,” she said.

The Greater Bay Area is also looking to open up more regional opportunities for Hong Kong’s highly skilled professionals and executives.

The majority of Hong Kong executives would consider job opportunities in other Greater Bay Area cities, with 53 per cent of a pool of nearly 500 executives surveyed reporting they would consider relocation, according to a KPMG China employment trends report released on Thursday in Hong Kong.

US-China trade war

Jobs

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