

## **For immediate release**

### **Record high hiring trends across Asia point to an economic rebound with more companies planning to hire in 2004 than in the past three years**

*Hudson Global Resources releases the comprehensive Hudson Report for Quarter One 2004*

**HONG KONG, 17 December 2003** – The term ‘economic recovery’ is being dropped by many firms in Asia in favour of the term ‘economic rebound’ as Asia looks beyond the troubles of 2003 to a brighter future in 2004. The year that will be remembered most by the SARS epidemic, war and terrorism brought unforeseen challenges to companies across Asia. With an economy that began to recover in the fourth quarter, many firms are now planning for substantial boosts to their businesses and the economy. This is evidenced by the permanent hiring expectations of companies in China, Hong Kong, Japan and Singapore now being the strongest it has been in well over a year.

Hudson Global Resources, one of the world’s leading professional staffing, outsourcing and human capital solution providers (formerly known as TMP Worldwide eResourcing) and a division of Hudson Highland Group, Inc. (NASDAQ: HHGP), today released findings of its comprehensive quarterly Hudson Report for Asia. With a reputation as a key socio-economic indicator in the current marketplace since its Asia launch in December 1998, the survey has been built on the premise that employers’ expectations of an increase or decrease in net staffing levels represent a significant indication of their optimism in the growth of their organisation and their industry as a whole. It represents the expectations of nearly 2,000 key employment decision makers from multinational organisations of all sizes in all major industry sectors. The four locations surveyed were China, Hong Kong, Singapore and Japan.

#### **Asian hiring trends for Q1 2004**

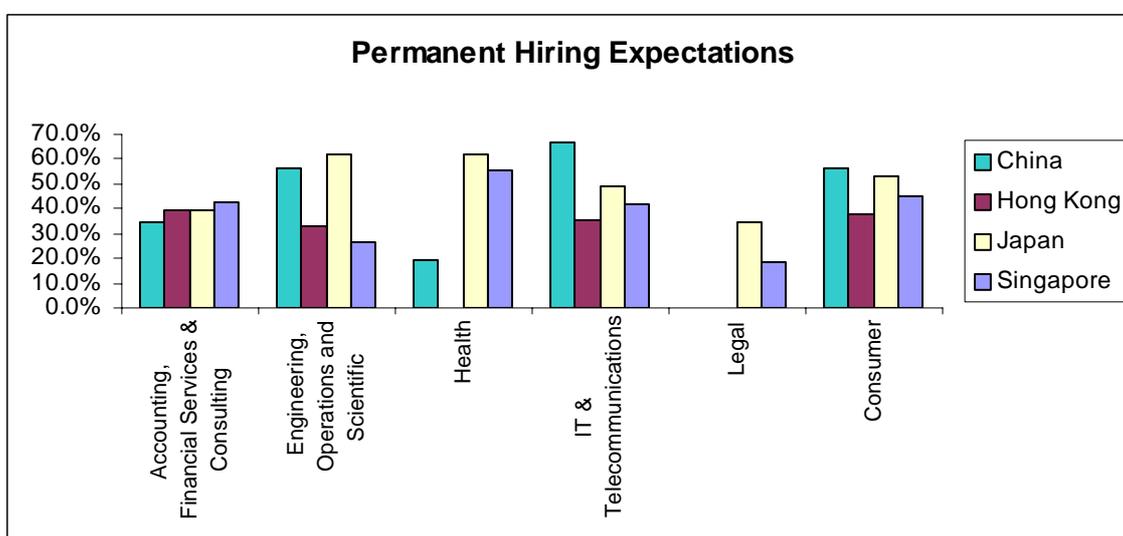
China is once again leading Asia’s employment trends with 51.7% of businesses looking to increase permanent headcount – that’s now two quarters in a row with over 50% of businesses actively expanding their teams. The most aggressive sectors hiring in China this quarter are IT & Telecommunications companies with 66.7% of those surveyed planning to increase staff, followed by the Engineering, Operations and Scientific sector at 56.4% looking to hire. The Consumer sector is developing steadily in China with a strong 56.1% of companies in this sector planning on increasing employment when compared to 52.8% from last quarter. Companies within this sector will be among the first to benefit from the growing levels of wealth and the fact that people are spending more than ever in the country. The Accounting, Financial Services and Consulting sector continues steadily with 35% of companies looking to hire, which is

down from 45.5% last quarter due to companies looking to simply maintain headcount levels. The upside is that no companies are looking to downsize where 9.1% did last quarter.

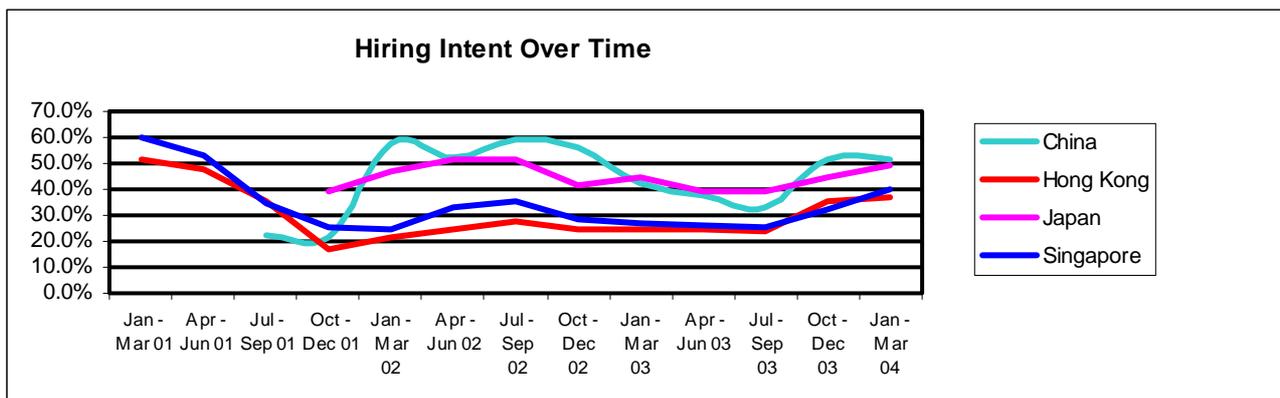
Japan is a close second with nearly half of all companies surveyed (49.4%) planning to increase headcount this coming quarter, compared to 44.6% that said the same last quarter and 39.1% that said so the quarter before that. Companies in the Health sector are among those that have made the biggest jump in hiring intentions of all sectors in Japan this quarter with 61.9% of companies now planning on increasing staff levels, compared to 48.5% last quarter. The Engineering, Operations and Scientific sector in Japan is also very positive with 61.9% of all companies planning to increase headcounts in early 2004.

Singapore sees continued growth with 39.7% looking to hire in the coming quarter, which is up from 32.4% last quarter and 25.3% from the quarter before. Singapore's health sector is expecting the greatest numbers of new permanent hires with 55.9% planning to add staff. The consumer sector in Singapore is rebounding like elsewhere in Asia with 45.3% looking to increase headcount and 51.2% looking to remain steady, which means they will be adding staff to replace positions that often become vacant at the end of the year. Substantial numbers of new hires will be made in the IT & Telecommunications sector with 42.2% planning to hire and also the Accounting, Financial Services & Consulting sector with 42.3% of surveyed firms increasing staff numbers.

Hong Kong is also seeing a rebound with 37.1% of all companies surveyed looking to increase staffing levels over the next three months, a substantial rise from only 23.6% just six months ago. The Accounting, Financial Services and Consulting sector in Hong Kong is the most aggressive in its recruitment needs going forward, with 41.5% of all companies in this industry saying they plan to increase headcount levels in the first quarter of 2004. The Consumer industry is rebounding with consumer spending up and 37.8% of all companies surveyed in this sector said they were planning to increase their hiring activities compared to the 35.1% that said the same last quarter.



“Companies began to prepare themselves for an economic recovery last quarter. After having to shrink their operations and face numerous tough choices over the past two years, they are now recovering and getting back to building and growing their businesses” said Gary Lazzarotto, CEO Asia, Hudson Global Resources. “Now that most firms have reshaped their structures and filled the gaps that were caused by the downturn, these companies are now set to really grow again.”



## Salary levels across Asia

Most companies across Asia are either increasing or maintaining basic salary levels across Asia in 2004. Companies in China lead the region with 43% looking to increase basic salaries, 44.4% planning to maintain salaries, and none of the surveyed companies are planning to decrease salaries. Singapore firms are nearly as likely to increase pay as China-based firms with 42% planning to increase basic salaries and 45% planning to maintain salaries. Only 1.9% of surveyed companies plan to decrease basic pay.

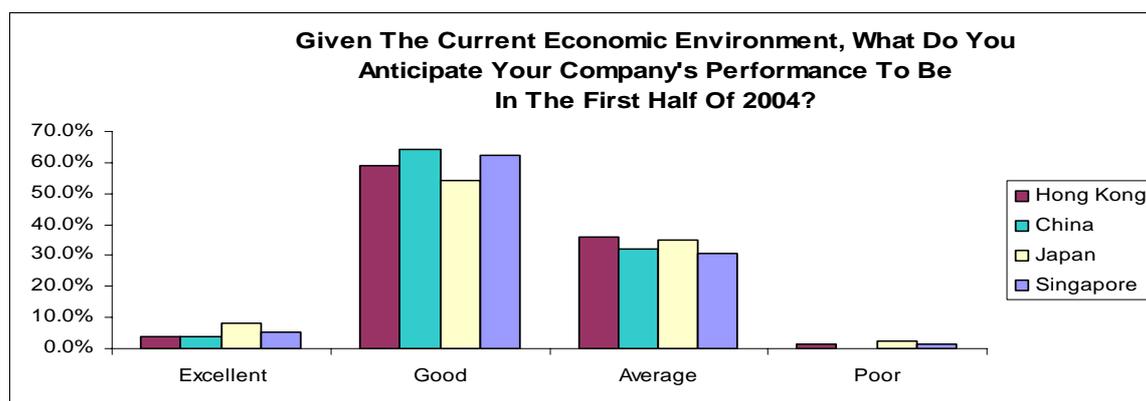
Hong Kong employees can also be quite positive as 33.5% of surveyed firms plan to increase pay and 39.5% plan to maintain basic salaries. Only 0.4% of these Hong Kong firms intend to lower basic salaries. Japan-based companies have the most conservative plan to increase salaries (25.1%) and many are opting to maintain salaries at current levels (52.2%). Just 0.7% of surveyed firms expect to decrease basic salaries.

## How companies expect to perform in the first half of 2004

In China, 100% of all companies surveyed anticipate an average, good or excellent company performance in the first half of the year, the majority (64.3%) expecting ‘Good’ performance. Hong Kong has a combined 98.7% of all companies are anticipating ‘Average’ (36%), ‘Good’ (58.8%) or ‘Excellent’ (3.9%) performances in the first half of next year. Overall, 98.6% of Singapore companies anticipate ‘Good’ (62.5%), ‘Average’ (30.9%) or ‘Excellent’ (5.2%) performances in the first half of 2004. In Japan, 97.6% of companies believe they are going to have an ‘Average’ (35.2%), ‘Good’ (54.4%) or ‘Excellent’ (8%) performance for the first half of the year. Another indication of an economic rebound by the nearly 2000 firms surveyed across Asia

is that the average percentage of companies across the entire region expecting poor performance in the first half of next year is below 1.5%.

“With companies having the most optimistic business outlook across Asia in over two years and levels of growth across all markets, this indicates that the troubles many firms faced in 2003 are quickly becoming history. The new year should bring even more improvements in the Asian economy based on the figures we are now seeing,” said Lazzarotto.



## The hot jobs in Asia

The strong demand for Sales candidates continues in every market surveyed across Asia, with Sales proving the most sought after job function by companies in each market. Of companies planning to hire in Asia, 39.3% to 29.1% of them are after Sales professionals. Also continuing from last quarter, a large number of companies are looking to fill specialist roles in the Engineering, Operations and Technical area; this discipline remains a strong focal point for companies in Singapore, Japan, and China. Another sign of continued improvement is that no discipline in any market has a negative intent to hire for the coming quarter.

## Hiring people who have been out of work for over a year

Companies in Asia are willing to employ people who have taken time out, but they want to know what their prospective employees have been doing with their time. Singapore firms are most willing to hire someone who has been out of work for over one year with a combined 87.9% willing to employ someone who has been out of work (48.8%) or would consider it ('Depends', 39.1%). A combined 79.3% of all Hong Kong employers surveyed said either they would be willing to employ a candidate that has taken time out (36.2%) or would consider it ('Depends', 43.1%). Companies in Japan and China are not as willing as firms in Hong Kong and Singapore to hire people who have been out of work for some time with over 44% of companies in China 'Unsure' and 12.3% of companies in Japan stating they would not hire someone who has been out of work for over one year.

## **Notes to Editors:**

'Net Effect'. Net Effect is the result of subtracting the percentage of employers who indicated that they intend to decrease employment from the percentage of employers who indicated they intend to increase.

## **About Hudson Global Resources**

Hudson delivers specialized professional staffing, outsourcing and human capital solutions worldwide. From single placements to total solutions, the firm assesses, recruits and develops talent to meet the specific business needs of each client. Global practice areas include Accounting & Finance; Engineering, Operations & Scientific; Healthcare; Human Resources; IT & Telecommunications; Legal; and Sales & Marketing.

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