



Positive market sentiment hints of economic recovery

Singapore confident despite slow global economic outlook

Despite a gloomy economic outlook and two years of negative inflation, Singapore's economy grew 1.8 percent year-on-year, beating forecasts of 1 to 1.5%. This growth was the lowest we have seen since 2009 - during the global financial crisis. Whilst there seems to be a stabilisation of the economy, we observed a bearish market sentiment as economists remained downbeat about their forecasts for the year.

On the global economic front, growth continues to remain flat, mirroring the outlook for jobs. Although the main bulk of retrenchments is likely to be over, we expect to see small pockets of redundancies being made in some areas of oil & gas and banking. As such, many organisations prefer to adopt a 'wait-and-see' approach till the market stabilises.

Despite the uncertainty however, businesses are adapting quickly to new business realities and transforming the way they operate. As a result, demand for talent to drive these initiatives has kept hiring momentum up.

Employee sentiment is also surprisingly positive, Randstad's Q4 2016 Workmonitor report uncovered that local employees recorded a higher than global average confidence in the economy. 68% of Singapore employees expected to receive a year-end bonus and 58% were confident of receiving a salary increment in 2017.

Manufacturing revival supporting economic recovery

The start of 2016 saw a decline of the manufacturing sector, following a dip in global demand for electronic devices. Expectations for the sector were muted, with analysts predicting a move from manufacturing to areas which provide a higher level of professional value-added services, particularly in the areas of finance, technology and life sciences.

Despite the lacklustre outlook, the manufacturing sector made a strong comeback toward the end of 2016. The manufacturing sector grew 14.6 percent on-year in the fourth quarter, annualized and seasonally adjusted, compared with the third quarter's contraction of 8.1 percent on-quarter. Overall, the manufacturing sector expanded 6.5 percent on-year, driven primarily by the electronics and biomedical segments.

Hiring demand in the life science industry within the manufacturing space saw a large up-shift in 2016. Demand for talent in manufacturing was amongst the most in-demand talent for the entire life science sector. In particular, regulatory affairs specialists to ensure



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manufacturing is meeting local and international standards as well as research & development professionals to support innovation in the sector, were much sought-after by life science organisations in manufacturing.

The recent Committee on the Future Economy report revealed that in 2016, the manufacturing sector in Singapore accounted for around 20% of GDP and 14% of total employment. Manufacturing is expected to remain a key pillar for the Singapore economy with the committee proposing that manufacturing should still contribute 20% of economic output in the longer term.

Reshuffling of skills in the workforce

Organisations are continuing to move towards digital strategies that lead to a lower reliance on labour, whilst also allowing them to achieve exponential growth. Companies are actively exploring how to realise this new reality and take advantage of the benefits that increased personalisation, artificial intelligence and machine learning can deliver over the longer term.

This reduced reliance, however, does not equate to the reduction of manpower in the workforce. Instead we are noticing a shift of skills within the working population in specific areas to cater to the new digital reality. Standard job functions have been adjusted to include digital expertise and skills to suit new business models, something we have seen across all industries and roles.

Hiring managers are also starting to look for candidates who have experience with innovation in an effort to bring a change-focused mindset into their businesses. We are increasingly seeing a growing skill gap within the mid-management level, with talent in this layer facing pressures to upskill digitally to fit new business strategies.

With organisations looking to embark on their digital transformation journey, we also noted a strong demand for IT talent across all industries - from startups to SMEs to MNCs. Developers, UX/UI specialists and business analysts are particularly sought after to help these companies push their digital strategies and improve their operating efficiencies.



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If you enjoyed this update, you might want to check out this report that we released recently - featuring our insights on the [five key job trends in the Singapore's accounting and finance sector for 2017](#).



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