



**Horton International**

**ASIA PACIFIC  
REGIONAL  
REVIEW  
Q3 2021**



Welcome to our 2021 Asia Pacific review. As we did last year, each office has written about the current business climate, notable events and some predictions for the future. We haven't dwelt on covid – sadly, we all know about that very well. Instead, you will read some personal statements about life in each country, mixed in with some on-the-ground economic and business assessments.

There are two countries to highlight this year: China and Indonesia. In China and Hong Kong, Janet Lui and her superb team have worked closely with other Horton offices worldwide, and we are delighted to welcome them, formally this year, as a Partner. As for Indonesia, James Umpleby and his thoroughly professional team at ProCapita have collaborated with several Horton offices – with complete client satisfaction – and mutual gratification at beneficial outcomes. James has kindly provided a commentary on Indonesia as a guest contributor, for which we thank him.

If you wish to know more about any country, please contact the relevant office directly. Or, if you prefer, come back to me and I will be happy to help in any way.

With best wishes for your business success

Gary Woollacott  
Regional Director, Asia Pacific





Janet Lui  
Managing Partner  
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## Horton International China 中国

Like all other offices around the world, 2020 was an extremely difficult year for our business in Hong Kong and China. While life was pretty much back to normal since June 2020, as our clientele are mostly multinational companies, the impact to us came after the headquarters of these businesses were hit by Covid. We understand from the market that recruitment from domestic companies was a lot more resilient.

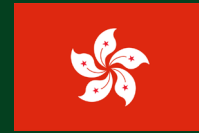
Luckily, searches that were put on hold or slowed down in 2020 did actually get revived. Our business (HK and China) has seen extremely strong pick up since March 2021 (after Christmas and Chinese New Year, which traditionally are low season). With a hint of luck, we can have a very strong year of 2021! On the broader level, the Chinese government has been very successful in controlling the

pandemic. The country almost has no domestic cases for 2021; for the few cases that came out, the drastic measure taken ensured that there is no widespread of the disease. In addition, the vaccination is being done in an extremely efficient manner. Up to June 28, 2021, 1.2 billion doses have been administered. However, with such success, it is expected that the Chinese government will be on the cautious side when it comes to opening the border.

Domestic consumption remains strong, especially in the luxury sectors. With no international travel, purchasing power is to be released in China. It is a usual scene to see lines outside of luxury brands in shopping malls in China in 2021. On the other hand, domestic travel is recovering well.



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## Horton International Hong Kong 香港

Hong Kong has been having tough years since 2019. The social unrest started in Hong Kong in the second quarter of 2019 and the pandemic started in 1st quarter of 2020. In 2019, the city was rocked by seven straight months of violent democracy, based on China's encroaching and increasingly stringent rule. These spilled over into 2020, prior to the Covid-19 outbreak reaching its shores. As such, the economy contracted by 6.1% in 2020. Hong Kong's GDP is expected to resume a positive growth rate by 5% in 2021.

Under the epidemic, all industries are in depression and the unemployment rate rises sharply. The seasonally-adjusted unemployment rate in Hong Kong rose quickly from 3.3% in

October-December 2019 to 6.3% in September-November 2020. From the perspective of income levels, the unemployment rate is negatively correlated with industry median income. The unemployment rate of high-income groups is relatively low, within which the unemployment rates of managers and administrators, and professionals are only 3.1% and 2.7%. However, the majority of low income earners rely on "part time jobs" and are unable to work from home.

The financial market is relatively less affected by the epidemic. In addition, the capital market also remained stable. The HKEX is expected to raise approximately HK\$ 390 billion in IPO funds in 2020, ranking second in the world with a year-on-year 24% increase.



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## Horton International India भारत

### Indian economy:

India, like China and South Africa, fared relatively better than the other major economies during the first quarter of 2021, even as global trade recovery from Covid-19 impact reached a new high. The Indian Government's infrastructure push, incentives for manufacturing, continued support to boost rural incomes and ramped up vaccine rollout will support India's accelerated recovery. Increased Government expenditure on healthcare, water and sanitation will also strengthen the country's resilience against future pandemics.

Investments into India continue, albeit temporarily muted – but are expected to pick up strongly from July 2021.

### Pandemic second wave:

India's second wave of the pandemic began around mid-March 2021, peaking around the end of April, and are pretty much under control with a combination of localised lockdowns and increased vaccinations.

The economic impact of the second wave is expected to be relatively muted. Pent-up demand, global recovery and easy financial conditions will decidedly boost this.

**Trends for the recruitment industry:**

Industries such as Banking/Financial Services, Production & Manufacturing, Telecom, Media & Entertainment are witnessing a decline from March 2021 due to the pandemic resurgence. Travel and hospitality are stressed due to the pandemic.

**However:**

- Hiring in IT/IT Services has increased on the back of an increased adoption of digital technologies in India.
- Indian manufacturers are looking poised to take a leap into the gig working culture, with greater hiring of the flexible and variable workforce.
- End to end Logistic firms have stepped up their hiring for hubs and delivery centres.
- The pandemic has pushed up demand for medicines and healthcare infrastructure showing exponential growth.
- The FMCG sector continues to be buoyant, especially with unrelenting demand for essentials and a surge in online-shopping.



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## Horton International Laos

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Where Thailand goes, Laos is sure to follow. Later in this document, you will find my summary of the Thai office; in Laos, we maintain a virtual office and manage, as best we can, the workload from Bangkok. As economic activity in Thailand has contracted, so too in Laos, which relies greatly on cross-border cooperation and trading. With borders shut, that has been almost impossible.

Pleasingly, Laos has recorded an extraordinarily low number of Covid infections and a tiny number of deaths. There are doubts in some countries about the veracity of government figures, but, in Laos (just as it is in Thailand), the number of excess deaths has actually declined. Put simply, fewer people have died since the pandemic than would normally be expected. In

both countries, were it not the case, there would be plenty of anecdotal evidence of additional cremations (the preferred method) – something that is hard to hide.

We completed three assignments for our foreign banking client in Laos in the past twelve months, as well as our own BD and responding to a considerable number of enquiries. We aren't always successful in securing business: our fees are at least double those of the local competition and it's difficult to secure a retainer (as we require). Even so, we are well placed to benefit when the economy picks up, as it surely will. It would be ideal to have someone based on the ground in Vientiane, so, if you know anyone who might be interested, please tell me.



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**Director and Vice President for Business Services**  
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## **Horton International Philippines Pilipinas**

The pace of the Philippines' economic recovery is lagging behind its regional counterparts, due mostly to the surge in coronavirus infections, very long lockdowns, and the slow pace of vaccinations. Our GDP growth, which averaged 6.4% in the last 9 years prior to the pandemic, has contracted to 4.2% at the start of 2021. The most optimistic forecasts are at 5.5% towards the end of 2021.

While some industries are projected to have a longer recovery, sectors such as food and agriculture, digital services, education, health & wellness were seen to have fared much better. The country's business process outsourcing sector continued to grow in 2020, despite the economic contraction.

Our firm has been fortunate to be positioned strongly in the outsourcing sector. At the height of the pandemic, we have found ourselves responding to very urgent growth demands from global client companies moving key roles to the Philippines as a cost-saving strategy.

Among our key milestones were the successful start-up of a global digital agency's Center of Execution in Manila, which required building up a team of 150 people (including all leadership roles). Obviously, the executive search requirements for such a project is a small percentage. But we are very happy with the business.

We worked on two other similar projects in 2020 (110 positions for a US healthcare company and 60 positions for a French energy company), with most revenue booked under our non-executive search business.

We continue to see the same opportunities in 2021. We are now in the first phase of building up a start-up team for another global digital agency. By the end of the year, the target is to complete a team of 50-80 people across all levels.



On the business development side, Karmeli is putting in more time to support due diligence efforts of global research firms (like Everest) and Big 4 Consulting firms (like PWC and Deloitte). Since 2020, she has supported studies for at least 6 EU and US companies interested to locate in the Philippines. However, as a firm, we need to be prepared to support total recruitment requirements. Focusing on just executive search will weaken our competitive advantage for these opportunities.

Since the pandemic, our regular search assignments have been skewed towards the fintech/tech/e-commerce. This is an area that we want to continue to serve. Our business from other sectors (like retail, real estate, and traditional banking) have been few and far between, with some completely on hold.



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## Horton International Thailand

ประเทศไทย

At the time of our last regional round-up, about a year ago, we could not have known that the Thai office would have almost zero income in Q2 2020. Thankfully, business activity picked up in Q3 and Q4 (some pent-up demand and an acceptance that Covid is with us long-term), and we have maintained that momentum into 2021. In fact, by the time this document is published in July 2021, we will probably have surpassed total revenues for the entire year of 2020. That's good news!

But for Thailand itself, the news is not so rosy. Covid infections were, initially, unusually low and deaths mercifully rare. In hindsight, this may have made the authorities a little too relaxed when it came to procuring vaccines. Now, alarmingly, we find ourselves in the middle of a virulent wave of infections and no real prospect of any significant numbers of vaccines within the next several months. This has had a catastrophic effect on the economy: international tourism was around 12% of GDP in 2019, and that has totally disappeared – in essence, for three peak seasons; the knock-on effects are significant and the various WFH edicts have decimated domestic consumption.

GDP sank precariously last year and looks set to do the same in this one. A local economist claims that the output gap of GDP will amount to 30% over the next decade; a frightening statistic for anyone.

All that said, there are pockets of hope and, for us, business. The 65 million citizens still need to be fed and watered, even if they aren't doing as much of that as they were. Sales of consumer goods have declined, although services, unsurprisingly, are growing. Some time ago, we repositioned ourselves to be a smaller, leaner player, and this is now paying dividends. We could certainly benefit from an experienced consultant in either – or both – of Life Sciences and Industrial/Manufacturing; we're looking around and open to recruit.

In the meantime, please feel free to contact your friendly colleagues over here in Thailand: Matt Grose (Partner), Nuengruethai Samthong (Principal Consultant); Amornrat Saelao (Office Manager); or me, Gary Woollacott.



Alice Phan  
Principal Consultant  
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## Horton International Vietnam Việt Nam

2021 Vietnam is a promising market and ideal choice of many global investment organisations. It opens a lot of opportunities for Horton Vietnam to select and decide on our quality standards. In the Covid-19 situation, the survivor is the winner. We are catching up the coming opportunities together, keeping an eye open for all crisis movement. The balancing between specialisation and multifunctionality is an optimal formula for a higher adaptation.

Several clients are proactively approaching Horton as the result of our long-term branding strategy. We continue our focusing on manufacturing, aquaculture, and advertising industries. In May 2021, we have a revenue forecast enough for a whole year expense.

This is definitely the time for us to earn more and get profit. On the other hand, our mission here in Vietnam is following Horton's value of sharing and supporting people to support their business and career.

Finally, a stable mental and good body health of each team member are our highest attention. These are the key factors to make our endurance and effort result positively. The good news is that we currently have only three here to be well took care of; one Dr. Simon Vancliff (Vietnam-Cambodia Partner), one Alice Phan (Principal Consultant), and one Windy Tran (Assistant to Principal Consultant). We are ready and happy to have a connection with all global Horton colleagues.



**James Umpleby**  
**Managing Director**  
**ProCapita Indonesia**  
**Guest Contributor**



## Indonesia

Hello from ProCapita Indonesia! My name is James Umpleby and I established our Jakarta-based headhunting business seven years ago. Gary Woollacott (at Horton Thailand) and I connected in late 2019, and we have had the pleasure of successfully collaborating on a few Indonesia-based assignments. I hope to have introductions to make back into Thailand! I am excited to see the potential of a broader working relationship with Horton. With 270 million people, Indonesia is a huge emerging market and the largest nation in South East Asia. Most MNCs have a presence or are actively entering. Tier 1 cities are rapidly growing and becoming more modernised, albeit with terrible traffic!

As a boutique, we are “Indonesia Specialists” and assist corporates across all industry segments; our expertise is at the C-Level, but we have flexibility to go down to the Manager level (where the salary is at least US\$2,500+ a month).

I am a British national, spent my childhood in Hong Kong and Jakarta, began my career in the UK as an Investment Banker, and made the transition into headhunting in 2010 when I relocated to Singapore. Originally, I spent various years with Korn/Ferry International, focused on C-Level Financial Services Search across South East Asia. K/F asked me to relocate to Jakarta in 2012 to boost the local team. After a few years with K/F in Jakarta, it was clear that there is wide-scale resistance to significant retainer fees locally. Plus, there is an abundance of mass market recruitment agencies promoting themselves as “Headhunters” but who are solely reliant on Job Board postings, active candidates, and in general providing a weak client service. With that in mind, I left K/F and established ProCapita to offer a traditional direct approach, only headhunting, global quality standards and client experience, quick action and results, combined with a willingness to work on a contingency basis.

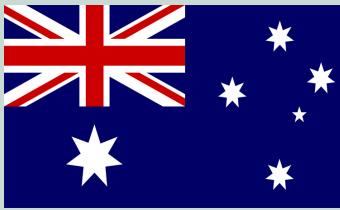
This combination has thankfully worked well. From being a one-man band, I have grown the team into seven: four consultants and three researchers.

Indonesia is a huge market, and the general talent pool is vast, but there remains a serious supply and demand issue – most firms, for senior appointments, are all chasing the same high-calibre local candidates; those with an MNC background, overseas education / work experience are the true diamonds. The talent war is particularly intense in high-growth segments, such as Digital, where salaries for top people are getting quite crazy, and to move, pay-rises of 30%+ are often demanded. Alongside this, for senior roles, there are no “real” pay-ranges – compensation is all over the place. It means that candidate access and an efficient hiring process are critical to success. With that in mind, we are big on data and database and have intensively talent mapped pretty much every local industry and job function.

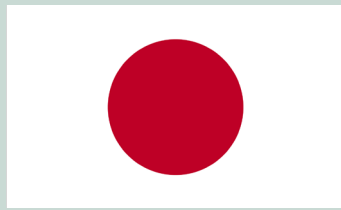
Personally, a lot of my time is spent assisting Private Equity funds with their associated hiring, which has provided strong access into senior expat and local appointments. But with the pandemic and the inability of investors to fly in to interview, this work has been scarce for the last 15 months or so. We do a lot of hiring in Consumer Goods, Healthcare & Industrials, all of which are seeing significant annual growth as the local middle-class population expands year on year. We also have a solid track record across Natural Resources. Leigh McKiernon, Associate Director, leads our dedicated Digital and Technology practice, which sees large volumes but provides many headaches, as top talent that are open to a move are typically hit with multiple offers simultaneously. We have also completed a lot of assignments for professional services, the legal sector and financial services. In essence, each of our consultants focuses on two or three industries where they spend most of their time. Whilst our preference is high-quality MNC clients, we also assist local conglomerates and SMEs, but as they are “higher risk”, we tread carefully. In general, it is certainly “Unicorn candidates” that are paying the bills in these difficult times.

## ELSEWHERE IN ASIA PACIFIC

And for the countries not listed above? Well, we have been busy cultivating collaborators (potential partners one day?) across the region. We can now service clients by working with trusted companies in the following markets:



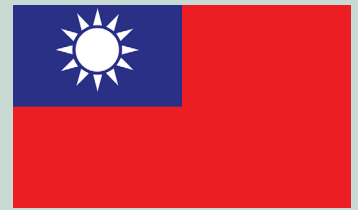
**AUSTRALIA**



**JAPAN**



**KOREA**



**TAIWAN**

Contact Gary Woollacott, Regional Director Asia Pacific, [woollacott@hortoninternational.com](mailto:woollacott@hortoninternational.com) if you have any searches to pass on or queries on any other Asia Pacific topic.

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