

FINANCE 08/09

Work Salary

SALARY & EMPLOYMENT FORECAST

Michael Page
FINANCE

WELCOME

Welcome to the 2008/2009 Michael Page Finance Salary & Employment Forecast for Greater China.

Michael Page International is a world-leading specialist recruitment consultancy. Growing entirely organically, rather than by mergers or acquisitions, we now have over 5,500 people in 166 offices in 28 countries worldwide. Coming from all industry sectors, our clients range from market-leading multinationals to small and medium sized firms.

Our consistent organic growth strategy and continued investment through business cycles is driving our growth in the specialist recruitment market in Greater China. Since opening our first office in Hong Kong in 1994, we have expanded significantly with offices currently in all of the main business centres including Hong Kong, Sha Tin, Shanghai, Shenzhen and Beijing.

This year, the format of our Salary Survey has changed to reflect our business growth and make it easier for employers and employees to stay abreast of current employment market and salary trends across key industries.

While most industry surveys provide qualitative insight on hiring intentions and salary levels, the Michael Page Finance Salary & Employment Forecast combines both quantitative and qualitative research, derived from our survey of employers and job seekers and our extensive involvement in the professional labour market in Hong Kong and Mainland China.

The survey, completed by approximately 450 employers and 1600 employees, covers a range of issues and trends relevant to today's corporate sector and establishes the Salary & Employment Forecast as a highly reputable report, based on in-depth industry research.

The Finance Salary & Employment Forecast provides employers and employees with useful insights into the hiring expectations, recruitment challenges and salary forecasts of key hiring managers over the coming year and covers eight key industries as detailed below:

- Financial Services
- Legal
- Retail & Sourcing
- Human Resources
- Engineering & Supply Chain
- Property & Construction
- Sales & Marketing

I wish to thank everyone who contributed to this year's Salary & Employment Forecast and trust you find the new report helpful and informative. We welcome your feedback and encourage you to contact us for further information or market specific advice.



Dan Chavasse
Managing Director, Greater China
& Southeast Asia

MARKET OVERVIEW

Hong Kong's standing as an international financial services hub and its strong economic ties with China continue to drive demand for accounting and finance professionals. Despite the economic slowdown in the United States, the buoyant Asian economy and increasing number of multinationals setting up operations in Hong Kong are creating sustained employment growth across the finance industry. Our survey results support this with 61% of employers planning to increase headcount over the next 12 months and only 4% expecting a decrease.

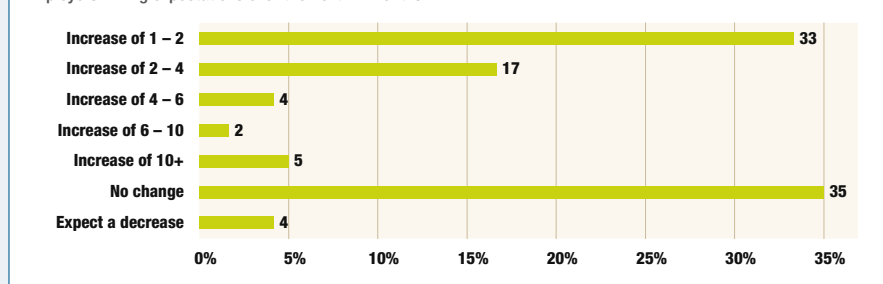
We continue to see a shortage of candidates to satisfy demand and this is further exacerbated by employers in China recruiting from the Hong Kong talent pool. The skills gap is most acute at the junior and middle levels where the shortage of high calibre local candidates has escalated to critical levels over the past few years.

The rapid growth of the gaming and hospitality industries in Macau is also driving demand for accounting and finance professionals. Competition for senior finance candidates is intense and some employers are looking overseas to countries such as the United States and Australia to source talent with highly sought after skill sets.

We are seeing a growing preference from employers to recruit Chinese nationals

and returnees rather than expatriates. Accounting and finance professionals with fluency in Mandarin and regional or international work experience are the most highly sought after. Chinese returnees who have completed their CA or CPA qualification overseas are also in high demand with many receiving multiple job offers.

Employers' hiring expectations over the next 12 months



SKILLS IN DEMAND

It is a buoyant employment market for accounting and finance professionals due to Asia's sustained economic growth and business expansion into China. There is a shortage of high calibre candidates and the market for qualified professionals with three to eight years experience is particularly competitive.

The manufacturing, retail and gaming industries are experiencing strongest demand for accounting and finance talent, particularly at the junior and middle management levels. Business expansion into China, increased consumer spending and the booming gaming and hospitality industry in Macau are all fuelling recruitment activity in Hong Kong.

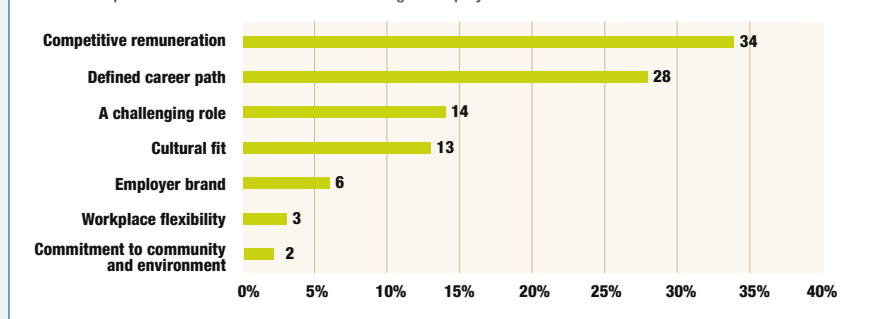
Financial analysts and financial planners are in high demand due to the growing China market and escalating international trade. Internal auditors, treasury accountants and tax managers are also highly sought after

due to the increasing complexity of tax law and accounting reporting standards.

There is an acute shortage of accountants in the commercial sector as business is booming for the Big Four and they are investing heavily in remuneration and talent management strategies to attract and retain staff. In the past graduates

traditionally commenced their careers with the Big Four, and they would then join the commercial sector, which was perceived to pay higher salaries. However there is now a trend developing where accountants are remaining in the professional services sector for longer because of improved remuneration and the variety of work on offer.

The most important factor for candidates in choosing an employer



RECRUITMENT CHALLENGES

With the requirement for accounting and finance professionals increasing and employers in China recruiting from the Hong Kong talent pool, competition for candidates will remain intense. As a result, employers will need to be more proactive in their recruitment strategies to successfully attract and retain talent.

It is a candidate driven market and accounting and finance professionals have a wealth of opportunities in the current environment, making it increasingly difficult for employers to retain talent. Turnover rates are high, particularly at the junior level and today's accountants will change jobs if there is uncertainty over their career path or a lack of interest in their career progression. Our survey results support this with 55% of employees citing career advancement as the main reason for their last job change. It is therefore vital that companies invest in career development to avoid staff turnover. We encourage employers to respond to their staff's career goals and ambitions and provide a structured career path with opportunities for progression and regional exposure.

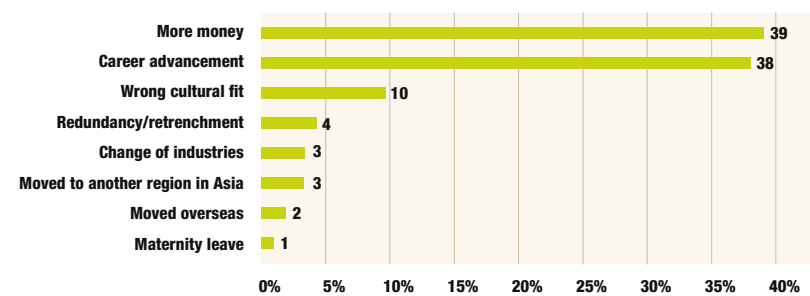
Employer branding is also becoming increasingly important as companies try to differentiate their offering in the market. Multinationals have a distinct advantage over smaller companies when it comes to recruiting and retaining staff because they can provide international

secondments and attractive remuneration and benefits packages. Competition for quality talent will only increase as more multinationals enter the market.

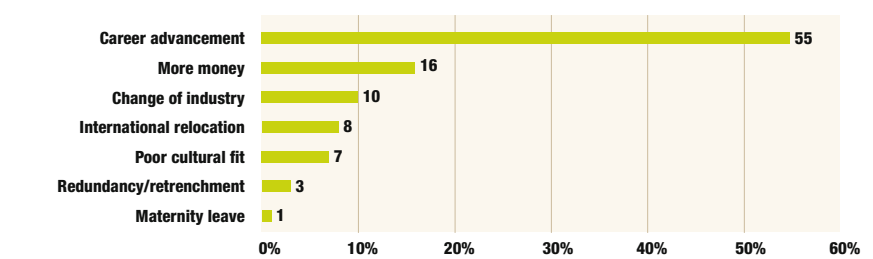
To attract talent, companies need to position themselves as an employer of choice and promote the benefits of working for them. Most candidates will consider more than one job offer before accepting a position, making

it essential for employers to differentiate their brand in the market. Professional development and training, work-life balance and additional annual leave are just some of the benefits companies are offering to stand out from the crowd. Of the employees surveyed, 98% ranked work-life balance important or very important in their career.

Employers' perceptions of the major contributing factors in people leaving



Employees' main reason for changing jobs

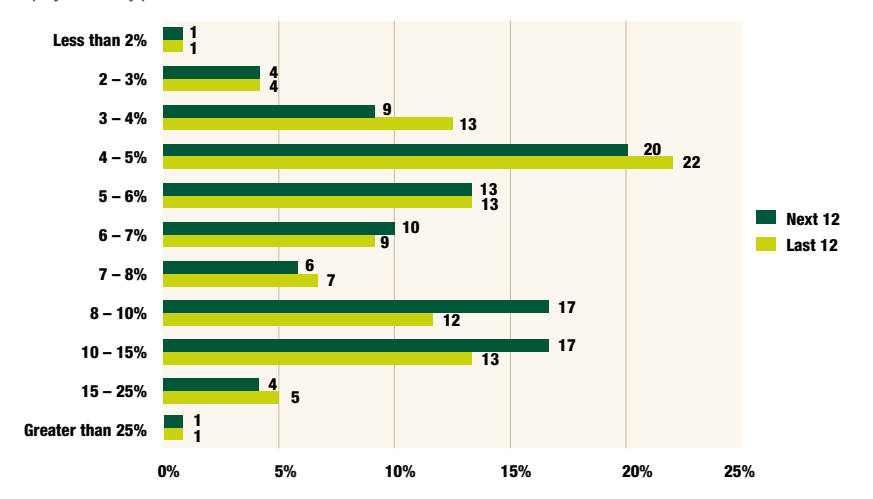


SALARY INFLATION

We expect salaries in the accounting and finance profession to moderate slightly but continue to rise over the next 12 months. Employers are no longer hiring people based purely on salary and are increasingly looking at other incentives and benefits to attract and retain talent in the long-term.

We predict salary increases in the vicinity of 5% across the board with increases of at least 10–15% for candidates moving jobs. Senior professionals and those with hard to find skill sets have greater negotiating power and can still expect to receive salary increases of 20% or more.

Employers' salary predictions next 12 months vs. last 12 months



MARKET OVERVIEW

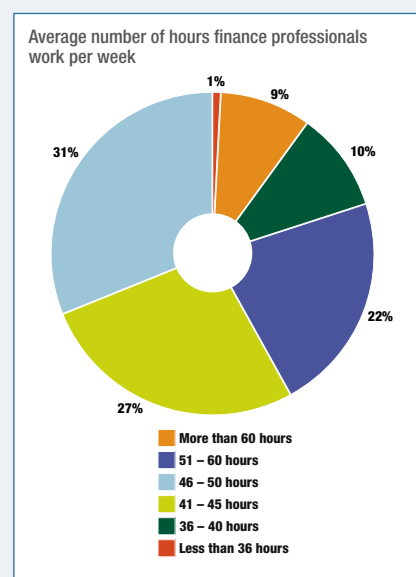
Business confidence is high due to sustained economic growth and companies continue to expand operations to capitalise on the positive market conditions. This is driving demand for accounting and finance professionals, particularly in the booming manufacturing, retail and property industries.

Companies are investing heavily in China's second and third tier cities, which is creating additional demand for accounting and finance professionals. An increasing number of organisations are moving or setting up their headquarters in newly established industrial parks on the outskirts of Shanghai and Beijing. However, finding and retaining accountants to work in these areas, when demand from Shanghai and Beijing is also high, is a significant challenge.

To address the local skills gap, employers are targeting talent from other Asia Pacific locations such as Hong Kong. For those

job seekers willing to move to China, the career opportunities are diverse. With the region undergoing such rapid growth, it is an exciting place for finance professionals to work and can offer excellent career prospects for those looking to progress up the corporate ladder and gain exposure to one of the world's fastest growing economies.

The future for finance and accounting professionals in China is very bright. However, with demand outweighing supply, employers are under considerable pressure to attract and retain talent to sustain current levels of business growth. The companies that are most successful are those that provide a defined career path and invest in staff development and training rather than simply increasing salaries.



SKILLS IN DEMAND

Accounting and finance professionals are highly sought after in China's booming economy which continues to grow at a double digit rate. There is a significant shortage of adequately experienced local talent, especially at the middle and senior management levels and we expect demand to remain high for the foreseeable future.

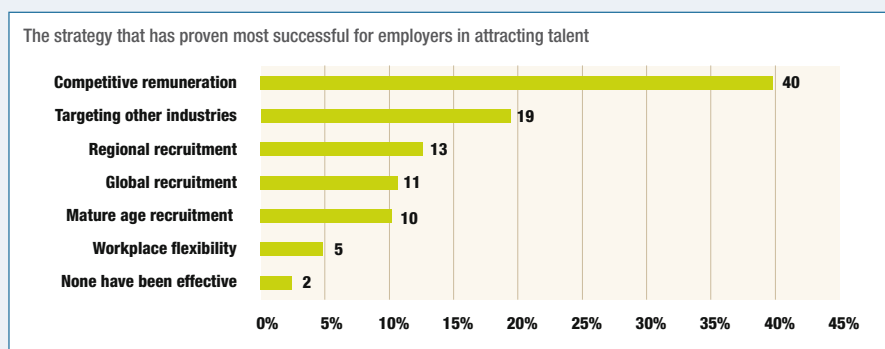
Senior finance professionals with investment banking and private equity experience are highly sought after to meet the growing emphasis on corporate investment in China. Tax and treasury accountants are also in demand as companies set up tax and treasury operations in China to support business expansion, as opposed to Singapore and Hong Kong where these functions have traditionally been based. Internal audit functions remain a challenging area in which to satisfy demand as companies place greater emphasis on internal controls and processes due to rapid business growth.

Chinese returnees who have worked or studied overseas and gained exposure to

international markets are very highly sought after. However, the acute shortage of local candidates means some companies have to recruit from the Hong Kong and Singapore talent pools to satisfy demand. Opportunities for professionals from outside China with no China experience or Mandarin language skills are increasingly limited, with expatriate positions usually only at the very senior level.

In another trend, we are seeing growing demand for technically skilled people who

also have strong interpersonal skills. While a strong technical background will always be mandatory, companies are increasingly seeking professionals with commercial acumen and communication skills who can liaise with business stakeholders. As accounting continues to evolve as a value adding business function, we expect candidates with both technical proficiency and strong communication skills to become even more highly sought after.



RECRUITMENT CHALLENGES

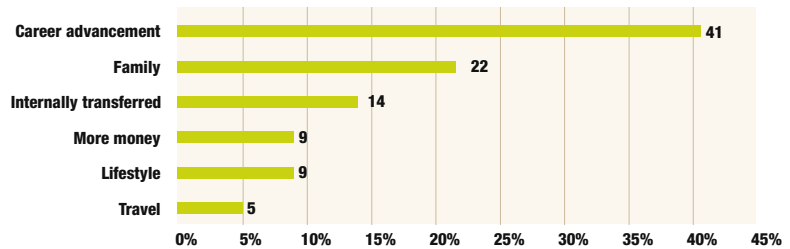
The employment market for accounting and finance professionals in China is highly competitive and this is compounded by high staff turnover. Competition will only increase as more companies penetrate the China market, making it even more important for employers to retain their best staff and differentiate their offering to potential job seekers.

In a market where quality candidates have multiple job offers and can afford to be discerning, employers need to offer more than just competitive remuneration. Candidates are increasingly looking for training and career progression and employers who fail to invest in career development can find it difficult to attract and retain high quality talent. Our survey results support this with 45% of employees citing opportunities for career advancement and promotion as the one incentive or benefit that would influence them most to stay with their employer, followed by increased base salary at 36%.

We encourage employers to take a long term view and be more proactive rather than reactively recruiting when people leave. With the China market continuing to grow, it is important for companies to predict their hiring needs in advance and implement structured talent management and succession planning programs to retain quality staff. Only 22% of employers surveyed believe they could replace senior members of their team internally if they were to leave, highlighting the importance of succession planning in sustaining future business growth.

The speed of the recruitment process is also vital in securing accounting and finance professionals in the current competitive market. Some companies still rely on multiple interviews before making an appointment, or need to consult various stakeholders, which can result in the loss of valuable candidates to competitors. Employers need to move quickly to secure top talent as candidates are likely to be considering a number of options.

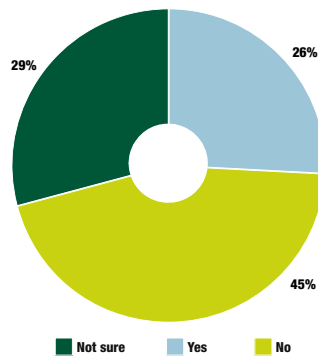
Employees' main reason for working overseas



SALARY INFLATION

It is a very buoyant employment market for accounting and finance professionals in China and we expect this to continue over the next 12 months. We anticipate average salary increases of 5–8% across the board for professionals remaining in the same job, with slightly higher increases of 10–15% for those moving jobs. Professionals with specialist skill sets and significant experience can still receive increases of up to 30%.

Employers' perceptions of whether wages growth over the past 12 months is in line with increased employee productivity



SALARY TABLES

HONG KONG

ROLE	HK\$'000
FINANCE & ACCOUNTING	
Chief Financial Officer – Established Company	1.7–3 million+
Group Financial Controller – Listed Group	1–1.5 million
Finance Director – Regional	1.2–2.2 million
Finance Director – Country Level	900–1.3 million
Financial Controller – Regional	900–1.2 million
Financial Controller – Country Level	800–1 million
Plant Controller (PRC)	800–1.3 million
Business Unit Controller – Regional	800–1.2 million
Finance Manager – Regional	700–900
Finance Manager – Country Level	600–850
Head of Financial Planning & Analysis	950–1.5 million
Financial Planning & Analysis Manager	700–900
Senior Financial Analyst	450–650
Financial Analyst	350–500
Senior Accountant (Qualified)	400–550
Accountant (PQ/Qualified)	300–400
Assistant Accountant (PQ/Qualified)	200–300
BUSINESS DEVELOPMENT	
Business Development Director	900–1.6 million+
Business Development Manager	600–900
TREASURY	
Treasury Director – Regional/Corporate	1–2 million+
Treasury Manager – Regional	800–1.2 million
Treasury Accountant	450–600
CREDIT CONTROL	
Credit Control Manager – Regional	650–900+
Credit Control Manager – Country	350–500
TAXATION	
Tax Director – Regional	1.2–1.8 million+
Tax Manager – Regional	750–1.2 million
Tax Accountant	300–550
INTERNAL AUDIT	
Internal Audit Director – Regional/Corporate	1.2–2 million+
Senior Internal Audit Manager	900–1.3 million
Audit Manager	600–900
Internal Auditor	400–600

Please note:

- Salaries indicated are based on basic salary, excluding bonus/incentive schemes.
- Market rates are becoming much less uniform. While we have taken great care, these salary ranges can only be approximate guides, as there are often specific circumstances relating to individual companies. Please call us for additional information.

MAINLAND CHINA

ROLE	RMB'000
FINANCE & ACCOUNTING	
Group CFO/Regional CFO	1.2–1.8 million+
Regional Finance Director	960–1.4 million
Finance Director, China	720–1.4 million
Regional Financial Controller	600–1.2 million
Financial Controller, China/Division	480–840
Finance Manager	240–540
Management Accountant	120–240
Financial Accountant	120–180
Accounting Manager	120–180
Accountant	120+
Assistant Accountant	120+
Head of Strategy/Business Development/M&A	850–1.8 million+
Financial Planning & Analysis Manager	360–780
Senior Financial Analyst	240–540
Financial Analyst	120–300
TREASURY	
Head of Treasury	720–960
Regional Treasury Director	720–1.2 million+
Treasury Manager	300–660
Treasury Accountant	120+
TAXATION	
Vice President/Head of Tax	900–1.6 million
Regional Tax Director	900–1.4 million
Tax Director, China	600–1.3 million
Tax Manager	300–660
Tax Accountant	120+
INTERNAL AUDIT	
Head of Audit/Director of Audit	840–1.2 million
Senior Internal Audit Manager	480–720
Audit Manager	240–600
Internal Auditor	180–300

Please note:

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- Market rates are becoming much less uniform. While we have taken great care, these salary ranges can only be approximate guides, as there are often specific circumstances relating to individual companies. Please call us for additional information.
- Salaries indicated for China reflect multinational businesses in primary cities in China (Shanghai, Beijing and Guangzhou)