

# HONG KONG

## COUNTRY OVERVIEW

Hiring activity was extremely slow at the start of the year, with February and March proving to be particularly light on recruitment activity. Consolidation took place across the market and organisations focused on up-skilling existing staff rather than recruiting externally.

When organisations did make business critical hires they were generally very selective and sought the very best candidates in the market. Pockets of demand were still evident, despite the difficult economic conditions, and revenue generating roles and positions geared towards reporting and compliance were in highest demand.

The second half of the year saw higher levels of recruitment activity and many businesses reported higher than expected profits due to successful cost saving initiatives and something of a return of market confidence. Many financial services companies realised they had over-engineered their restructures and this also prompted a number of new hires.

2010 will see an increase in the volume of roles across the market as confidence continues to grow. Candidates are also expected to feel more secure about changing roles and as many professionals' bonus expectations remain unmet we anticipate greater movement across the market. As hiring increases and top talent becomes harder to find we anticipate salary levels for top achievers will start to rise.

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## LEGAL

The legal recruitment division in Hong Kong specialises in recruiting lawyers at all levels of seniority into leading international and local law firms, multinational corporations, investment banks and financial institutions.

### Market Overview

#### Commerce & Industry

The in-house commerce and industry market saw recruitment activity improve towards the end of 2009 with relatively strong hiring levels seen in quarter four. There was a notable increase in the demand for qualified lawyers in the FMCG and IT&T sectors with industry experience, and lawyers specialising in intellectual property. As demand began to strengthen, we saw appetite for both local candidates and those from overseas with international exposure and experience in global organisations.

#### Financial Services

Demand for in-house lawyers within financial services was limited in early 2009. Due to retrenchments and market instability, many lawyers seeking work were more flexible in terms of their total compensation and benefits packages, with some even willing to accept a lower salary than their previous position in return for job security.

As investment banks and financial institutions began to regain confidence at the end of the year, we saw increased demand for in-house lawyers. Particular demand was seen for candidates with solid equity derivatives, structured products and funds experience. We also saw a rising demand for candidates with exposure to private wealth management.

Aside from these areas, there was increased candidate competition across the financial services market as many lawyers were keen to move from private practice to in-house roles within financial services. In line with this, employers became much more stringent throughout 2009, with stricter interview

requirements and lengthier processes to ensure they hired ideal candidates.

#### Private Practice

There was a marked decrease in hiring activity within private practice in 2009 due to the effects of the global financial crisis. Redundancies were most prevalent in the areas of commercial property, real estate and corporate mergers and acquisitions. Staff reductions were made across the market with some firms reducing headcount by up to 20%. Despite this, Hong Kong fared relatively well with more severe headcount reductions made by the same firms in international locations such as the UK and Europe.

Despite the high number of redundancies, hiring activity continued in areas such as employment, insolvency, restructuring and financial services litigation, reflecting the economic situation. In relation to banking, there was specific demand for lawyers with securities, derivatives, asset management and funds experience as Hong Kong remained the hub of the Asian capital markets.

Partners and senior associates who had a substantial following were in high demand throughout the year as many international law firms tried to bolster their practices. In addition, lawyers with Mandarin and Cantonese language skills were highly sought-after.

Law firms took a conservative approach to salaries and bonuses in response to the market downturn. Salary freezes were prevalent across the board and where increases were seen, they were far lower than increments witnessed in 2008. In line with cost saving strategies, many firms turned to temporary recruitment solutions throughout the year to overcome fixed headcount restrictions.

#### Outlook for 2010

Organisations were cautiously optimistic at the end of 2009 and as business confidence continues to improve, we anticipate increased demand for legal professionals in 2010 from both legal firms and for in-house roles. This will likely lead to an increase in salaries and bonuses payable, and we predict that salaries will re-adjust in line with market levels seen prior to the downturn as organisations struggle to retain their key talent.

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## LEGAL

ROLE	PERMANENT SALARY PER ANNUM \$HK
	2010
<b>In-house</b>	
7 yrs' PQE	\$970k - 1.3m+
6 yrs' PQE	\$920k - 1.2m+
5 yrs' PQE	\$880k - 1.1m+
4 yrs' PQE	\$800 - 990k
3 yrs' PQE	\$770 - 950k
2 yrs' PQE	\$740 - 900k
1 yr PQE	\$660 - 790k
Newly-qualified	\$550 - 750k
<b>Private Practice - Non US firms</b>	
7 yrs' PQE	\$1.25 - 1.6m+
6 yrs' PQE	\$1.2 - 1.5m+
5 yrs' PQE	\$1.15 - 1.4m+
4 yrs' PQE	\$920k - 1.25m+
3 yrs' PQE	\$850k - 1.2m+
2 yrs' PQE	\$780k - 1.05m
1 yr PQE	\$700 - 950k
Newly-qualified	\$640 - 840k
<b>Private Practice - US firms</b>	
7 yrs' PQE	\$1.65 - 2m+
6 yrs' PQE	\$1.6 - 1.95m
5 yrs' PQE	\$1.45 - 1.8m
4 yrs' PQE	\$1.35 - 1.65m
3 yrs' PQE	\$1.25 - 1.45m
2 yrs' PQE	\$1.05 - 1.35m
1 yr PQE	\$950k - 1.3m
Newly-qualified	\$870k - 1.25m

NB: Figures are basic salaries exclusive of benefits/ bonuses unless otherwise specified.

The legal division is a recently opened recruitment division - 2009 salary data is therefore unavailable.