Singapore Market Highlights
Q1 2018

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BANKING AND FINANCIAL SERVICES

With the economic recovery gathering pace and growth rates accelerating, we expect financial services to benefit from the improvement in the overall business climate. The rapidly evolving banking and financial services ecosystem is also seeing institutions accelerate their transformation into more strategically focused, technologically modern, and operationally agile businesses.

Front Office

Institutional Banking & Global Markets
- Banks remain keen to hire senior bankers with strong origination skills and networks in specific sectors (e.g. aviation, metals & mining, agriculture). The ability to open up new markets and cross sell are key as banks focus on increasing revenue from fee income
- Product specialisation preferred e.g. event/structured financing, syndication, asset financing
- Several banks continue to decrease their focus in Asia, while some are still restructuring their loan books hence having less credit and risk appetite for new deals
- Global markets was relatively flat with continued cuts and some replacement hires

Investment Management
- Shrinking AUM, active versus passive investing debate and fee compression slowed down hiring for portfolio managers/investment teams for traditional managers
- Newly setup Asia based investment managers have been steadily increasing. These new entrants and family offices continue to hire
- Some pick up in intermediary and retail sales, tapping into the retail and Private Banking/HNW segment
- The emergence of quantitative funds and multi-asset funds has led to some increased hiring of quant portfolio managers.

Retail Banking & Wealth Management
- As customers expect simpler and more seamless digital banking experiences, banks are re-imagining their customer journeys from front to back to address customer pain points and identify new opportunities to provide better service.
- There is significant increase in demand for professionals with strong customer experience, digital transformation and innovation expertise, with or sometimes without, prior financial services experience.
• Big data, artificial intelligence and advanced predictive analytics used to anticipate customers’ needs, are now front and center of strategies being deployed, driving high demand for these skillsets.
• The premier or priority banking segment has been vibrant with substantial increases in hiring for relationship managers in both onshore and offshore markets.
• Bancassurance distribution in banks has been growing in Asia, as insurers leverage the market penetration, client relationships and marketing expertise of the banks. Candidates with strong product, partnership management and actuarial backgrounds are sought after.

Private Banking
• Private Banks continue to be interested in hiring senior private bankers with significant AUM and an ability to generate ROI, as well as experienced investment advisors and product advisors who can work closely with private bankers to help them generate revenue within a short time frame, given the high cost-income ratios.
• Discretionary portfolio management continues to grow as the industry migrates towards fee based advisory models as compared to the traditional commission models.
• Digital transformation has also been a key theme.

Corporate Functions

Finance and Operations
• Hiring has been relatively flat
• In Finance, demand has mainly been in Regulatory reporting (due to regulatory developments e.g. MAS610, IFRS9), Business Finance / Financial Planning & Analysis, and Balance Sheet Management
• In Operations, demand has mainly been in transformation and control functions to help banks automate, drive efficiencies and strengthen governance oversight.
• Finance and Operations functions have begun adopting artificial intelligence or robotics process automation in some areas, and we anticipate the demand for candidates with these expertise to increase.

Risk and Compliance
• Risk recruitment has remained steady across levels although external hires reduced due to re-organization or restructuring, resulting in oversupply of internal candidates.
Some hiring in regulatory risk continued especially with demand for candidates with direct experience dealing with Asian regulators.

Banks have been seeing more competition from regulators, exchanges and buy-side firms for risk candidates, as these institutions have been developing their risk capabilities.

Credit risk hiring was more focused on sector experience, including in specialised financing and financial institution coverage.

Hiring in market and operational risk has been relatively flat.

Growth in risk modelling and data analytics functions, fuelled demand for quantitative talent with mathematical and programming skills, or with both risk and technology experience. This was driven by growing portfolio review and model validation functions as regulations push for standardisation and validation of risk models adopted by the banks, complex data tools required to allocate capital and resources efficiently.

Technology risk has seen significant increase in hiring with cybersecurity and digital risk expertise being highly sought after.

Compliance recruitment tightened in 2017 as there was a spike in hiring in 2015 and 2016.

Hiring was still driven by demand from regulatory developments and financial crime compliance (e.g. Basel III, AML/Sanctions/CFT), and compliance advisory roles requiring specialist business knowledge.

There has been an increase in hybrid roles requiring compliance experience coupled with project management skills, technology/systems knowledge or data analytics, as well as compliance monitoring roles due to increased governance required for 3rd line defence.

Audit

Audits on Corporate Governance – with increased scrutiny from regulators to assess enterprise-wide risks and controls, we expect to see audits conducted around corporate governance (e.g. conduct risk, governance culture and general risk appetites), via specialist audit teams.

Data Analytics and Machine Learning – there have been rapid adoption of Data Analytics and Machine Learning, to allow Audit to be more forward-looking function. FIs and NBFIs of scale have moved Data Analytics from Technology Audit to the Audit COO function to cover both business and technology audits.
• General Pool of Talent versus Specialisation – Some institutions have reverted to generalist models. Proponents of this view feel that it allows for cross-training between functions and segments, and more efficient use of resources. The counter-argument is that the audit functions lose their specialist skillsets within the functions and segments and this causes them to be less effective in their audits, and consequently less credible with their auditees. This debate will run and run!

• Regulatory Pressures on NBFIs – Regional regulators continue to tighten the guidelines around NBFIs, which have been under far less scrutiny than banks. Insurance companies, asset management firms and fund managers continue to build out their governance teams. The talent pool with direct domain and segment knowledge is understandably thin and hiring managers have taken to looking at skilled talent from banks or regulators, instead.
TECHNOLOGY

FinTech
- Fintech companies are now being viewed by banks with interest - either as threats, partners for collaboration, or for potential acquisition, thereby increasing interest in candidates with fintech experience.
- Banks and NBFIs are now taking a serious look at, and investing in, emerging disruptors such as Artificial Intelligence ("AI"), Internet of Things ("IoT") networks, and Machine Learning.
- Digital transformation is another key focus. Organisations are looking at overhauling their digital channels and platforms, to improve accessibility to end customers. For traditional channels, efforts have been made to incorporate automation, where appropriate, to improve workflows and enhance customer experience.
- Singapore has emerged as one of the top Fintech hubs in the world due to numerous government initiatives. These initiatives include the establishment of the FinTech regulatory sandbox; the launch of the inaugural Singapore Fintech Festival and the provision of monetary incentives to attract FIs to set up their innovation labs in Singapore.

Transformation PM/BAs
- Organisations are hungry for project managers and business analysts who can strategise how technology can be used in innovative ways to improve both top and bottom lines. They are expected to possess the ability to influence, drive and eventually implement, change.
- Candidates from external consulting firms with strong implementation experience are in demand for these roles.
- Candidates from more technologically-advanced industries like telcos have also crossed over to financial services.

Data Analytics
- Quality of data has been greatly enhanced in the last year as organisations have invested heavily in ensuring that data is better captured through more channels with greater accuracy and in a more timely fashion. Centre of Excellence ("COE") data analytics teams are created within different business units (front office through to corporate functions including finance, risk, audit, compliance and human resources) with the evolution of data-as-a-service ("DaaS").
• We continue to see demand for data engineers, data warehouse engineers, data scientists, data visualisation analysts and data business analyst. In particular, data engineers who are familiar with both open source technology (Hadoop / Redshift) and enterprise data warehouse (Teradata / Oracle / SAP) will in demand. Data scientists from research institutes (with no or limited experience in Financial Services) were in demand in 2017. However, we anticipate a shift towards talent with direct sector experience as organisations are looking for quick results.

Cybersecurity
• Digital banking and cybersecurity are usually discussed in the same breath. With the exponential growth in digital banking, it is no surprise that cybersecurity continues to be one of the most discussed technology topics. With the evolution of malware and new attacks, traditional perimeter protection tools and approaches on security can no longer keep up. As a result, we observed more investments into new approaches including the use of data analytics to improve the accuracy and efficiency in threat detection, attack analysis and prevention.
• We anticipate that organisations in key sectors (financial services, telecommunications, transport, healthcare, and energy) will take more proactive measures in hiring qualified security professionals in response to the new proposed cyber security bill by Cyber Security Authority (“CSA”).
• Apart from updating security policies and building out cybersecurity teams, organisations are also actively renewing core infrastructure to host new technologies and incorporate regulatory requirements. There will be continuous demand for strong hands-on technical specialists in network security, endpoint security, data protection, application security and penetration testing.

Software Engineers
• With the whole digitalisation drive, organisations are starting to invest in software engineers/developers who have experience in web and mobile application development
• Full stack developers, UI engineers, UX designers will continue to be in demand

Singapore Core
• Remains a key focus for financial institutions
• Strong demand especially for overseas returnees
COMMERCE

B2C Industries – FMCG, Retail and Consumer Healthcare

FMCG and Consumer Healthcare industry is still undergoing consolidation
There is a general sentiment of change, right sizing and optimization across the industry, especially within organizations that have had stronger performance in Asia than in Western economies. Some Global and Regional offices have moved out of Singapore, with the responsibilities being redistributed across the region or returned to home territories. Increased demand in health and wellness categories have led to companies rapidly expanding product offerings via both organic and inorganic means.

The FMCG and Retail Landscape has changed towards being O2O with increasing profitability of e-Commerce and slowdown of physical retail presence
E-commerce is becoming the focus for both retailers and brand owners, with China becoming the world’s largest e-commerce market. As retail and virtual channels converge, retailers are exploring multichannel solutions—such as click-and-collect stores, pop-up shops, etc to continue engaging consumers from online to offline and vice versa.

Tech Giants and market share
Since the launch of Apple Watch in 2015 and progression to the Series 3 in 2017, traditional Watches and Accessories players have encountered increasing competition for market share. The likes of Fossil and Swatch are now up against the tech giant, and Luxury Watch brands are also expanding their product range to include smart watches. The future could see the rest of the Retail industry competing against traditional Technology firms and incorporating tech features into their products.

More talent in CRM, e-Commerce and Digital
Compared to 2 years ago, the talent pool in CRM, e-Commerce and digital is no longer as scarce but such candidates still do command a premium. Hiring in functions such as e-Commerce, CRM and Digital marketing candidates continues to be robust and now employers are more receptive to hiring candidates directly from marketing agencies, without brand exposure. Specialised functions such as Shopper Marketing and Market Research, especially at the regional and global level are also gaining popularity.
Hiring remains robust in traditional Retail functions

Retail Operations, Sales Management (Regional Distributor / Franchise Management, Domestic Market), Training / Education, Store Design and Visual Merchandising talent focusing on brick and mortar stores are still in demand. 2017 has seen the entrance of some new brands across categories to the Singapore market, for example in Beauty, Mass Fashion / Accessories and Mass Footwear. Both brand principals and distributors continue to experiment with ways to excite consumers; we foresee this trend continuing in 2018.

B2B Industries - Building & Construction, Semiconductor, Industrial

BCA forecasts a pickup in construction sector, projecting the total value of Singapore contracts awarded in 2018 at between $26 billion and $31 billion - compared to the $24.5 billion awarded last year, with major boost from public sector work. With the strong economic outlook and upturn in property market sentiment, 2018 construction sector is on course to start a strong year. Singapore leads the rest of ASEAN for 2018 property market growth forecasts. We also continuously see more technological shift and adoption in the Construction Industry. From a talent perspective, the majority of the construction sector companies are looking to further strengthen their sales forces in Singapore market.

The semiconductor industry is expected to continue growing in 2018. As the demand for Advanced Analytics & Automation Technology, which is called the 4th industrial revolution, is increasing, so the demand for semiconductors and displays, which are key components, is likely to be large and growing. It is estimated that the global investment in semiconductor equipment will reach US$90.8 billion this year according to the report of IC Insights, while the total investment in South Korea's Samsung Electronics will reach US$26 billion, accounting for more than 20%. As a result, it’s expected to affect job markets in positive ways in 2018.

For generic industrial sectors, hiring for Sales & Marketing talent has picked up since Q4 2017 as many organisations complete their business re-organisations and are ready to bring in the right talent to bring the business forward. Demand for business development and market creation roles remain strongest as companies look at talent who are well-networked and able to bring in business quickly, to win over market share. We have observed a steady increase in hiring for Digital Marketing positions in the B2B space as more organisations start to feel the impact of digitalisation in their business segment. The trend continues for hiring companies to be very selective with candidates outside of the industry finding it difficult to convince hiring managers that their transferable skillsets can bridge the gap of their lack of industry knowledge. With the stabilising oil
prices and political sentiments, coupled with the subdued market in the last few years, 2018 should be a year of business recovery and growth with companies across the B2B sector taking advantage of the upward trend to bring in new headcount to grow the business.

**Energy and Commodities**

**Oil**

Brent is holding on above $60 per barrel. The International Energy Agency predicts that oil production will exceed consumption in the first half of 2018 as US output booms, along with Russian Oil producers eager to increase production. Alternative energy remains a long term threat to oil revenues. We anticipate that there will be modest increase in headcounts going into 2018, with the exception of replacement head counts in analytics, trade and structured finance, market risk management.

**Coal, gas and power**

China’s coal consumption rebounded earlier in 2017, after 3 years of decline. There has been shortage of gas for industry and reports of people facing extreme cold in their homes, hence increasing the continued reliance on coal. China’s imports of LNG have soared, creating a bonanza for suppliers of LNG in Asia markets. For many LNG suppliers, liquefaction capacity holders and LNG traders, 2017 ended on a high: the winter market of 2017/18 looks unexpectedly tight, with Asian LNG prices close to USD 10/MMBtu and oil prices on the rise. The global LNG market readily absorbed around 30 mt of additional supply in 2017. As the demand for short term / spot contracts continues to increase, supply entering the market is also on the rise. 2018 is looking to be an exciting year for downstream and trading players in these sectors as power consumption steadily increases in Asia. Demand for talent in business development, origination, corporate finance, freight operations is likely to take centre stage.

**Metals and mining**

As the consumer of about half of the world’s raw materials, China will remain the big influence on commodity markets in 2018. Metals and minerals have been buoyant. Helped by solid economic growth, metals have returned 24 percent in 2017, according to the S&P GSCI Industrial Metals Total Return index. In steel, a shift away from environmentally polluting mills to ones that are more efficient, will fuel a need for high-grade iron ore, boosting the profitability of the big suppliers such as BHP Billiton, Vale and Rio Tinto.
Agriculture
Rising freight rates and the increasing likelihood of an occurrence of the La Nina weather phenomenon are among the risks that farmers, investors and commodities traders face in 2018. Traders and farmers will also need to keep a close watch on the movements of speculative investments which have risen sharply. Integrated agriculture players should withstand the headwinds in 2018, as commodities such as coffee, cocoa show signs of growth with increased consumerism and product innovation.

Across these sectors, demand for finance talent with corporate development and working capital management capabilities will continue as players seek to maximise their return on investments and increase profit margins.

Health and Life Science
Oncology and Rare Diseases led the market in hiring needs and opportunities throughout 2017. Working in either of these therapeutic areas could energize the career and improve possibilities for advancement. Big pharma remained under pressure to operate and be seen to be operating, to the highest ethical standards. The industry began to embrace powerful new technologies with increasing collaboration between pharma and tech giants in R&D. 2017 continued to see a great number of deal activities as the Pharma Majors sought to expand their portfolios and achieve economies of scale.

Another common theme in 2017 was litigation between the biosimilar applicant and the reference product sponsor. Only three more biosimilars have received FDA approval since 2015 and only two are available on the market. Biosimilars still remain as a tantalizing promise of savings to consumers. A lack of generics competition caused drug shortages and rising prices. Since 50% was sold by only two players in 2017, there was a trend towards decreased competition which drew the attention of government policymakers.

For 2018 we anticipate that the new product growth in specialty markets is a trend that will shift market share from the large pharmaceutical companies, to the mid-sized pharmaceutical companies, creating different career options for the more entrepreneurial candidates. Immune-oncology and rare disease will continue to be the top therapeutic areas for development, promotion and hiring. Cardiology and diabetes will also remain big growth areas in 2018.
**Commerce Finance**

The hiring outlook for Finance recruitment within Commerce & Industry is largely positive. There is a sustained demand for Finance business partners, supporting different organisations – sales, supply chain, manufacturing etc. As organisations are digitalising their business, there is increasing demand for Finance professionals who can relate to e-commerce platforms and analytics. In a similar vein, there is continued demand for expertise in business intelligence and data mining.

Employers are increasingly seeking geographically mobile professionals to assume key leadership positions based in emerging markets. As organisations go through transformation and change management, Finance professionals have to demonstrate the capabilities to take on special projects.

Increasingly, governance professionals are required to have prior commercial operations exposure, in addition to traditional audit experience. As tax audits become more rigorous, tax professionals have to demonstrate stronger commercial acumen.

**Human Resources**

Recruitment volume remained stable across most sectors throughout 2017. Senior HR professionals who are both strategic and operationally adept, remained in high demand. In this era of constant change and disruption, we see strong demand for HR professionals who have solid experience in organisational design, HR transformation and change. Organisational and leadership development is also a focus as many businesses invest more in talent retention than acquisition. There is on-going demand for strong global mobility professionals as global organisations are encouraging talent mobility across the region as a talent retention tool.

Demand for local Singaporean talent remains at an all-time high as organisations are pushing for a core Singaporean talent pool. Compensation & Benefits specialists remain in high demand for many organisations to benchmark salaries in remaining competitive when attracting talent. However, there is a severe shortage of seasoned C&B specialists. Delayering has also resulted in flatter HR organisations due to stronger emphasis in cost management. Consequently, organisations are keen to hire HR professionals with strong commercial acumen who demonstrate strong multi-task abilities and provide strategic business partnership.