



VIETNAM ONLINE EMPLOYMENT INDICATOR – Q3 2007

Measuring Human Capital Demand and Supply in Vietnam

Introduction

The Vietnam Online Employment Indicator is a quarterly review of labor demand and supply based on the number of jobs advertised and resumes posted on VietnamWorks.com. It tracks online trends in specific job categories and in various regions throughout Vietnam.

The following report highlights the changes that took place during the Third Quarter of 2007. Results are compared to the Second Quarter of 2007.

The Demand Index is based on the number of job opportunities available in Vietnam¹. It represents the total number of jobs publicly advertised within a three-month period.

The Supply Index represents the number of people actively seeking new jobs² in Vietnam. It reflects the quarterly average number of CVs posted online and is measured in aggregate by industry and functional category.

Demand on its best peak ever while Supply tailing after slowly

Just as predicted, Demand once again made a significant upsurge in the 3rd quarter of the year (15,964), growing 152% over the past 18 months. This change made no surprise. Talent expert has foreseen this to come as the market has recently observed the crazy job hopping trend of talent and the effort to keep up with that of companies in Vietnam, which results in high turn over rate and certainly a severe thirst for talent. Moreover, the booming economics has led to the rise of FDI, the noticeable decrease of unemployment rate together with the salary increasing rate in the market. These 3 factors help heat up the need for talent as more local opportunities are created rapidly. Averagely, employees get a new job every 2 years and the fact that companies from big to small, foreign to local all are looking for the same few good (wo)men makes the market even 'hotter'.

Table 1. Quarterly Online Labor Demand Index

Quarter	Q3'07	Q2'07	Q1'07	Q4'06	Q3'06	Q2'06	Q1'06
Total Demand Index	15,964	15,025	10,550	7,792	6,163	6,345	5,060

Despite of exciting factors that help shoot up the demand index, Vietnam is still suffering from a big shortage of talent and this has remained the trend for over a year. Supply Index after a slightly escalation in quarter 2 of 2007 has once again gone down to 10,719 in quarter 3. Compared to the surprisingly upward trend of demand, supply can't catch up. Over the last 18 months, Supply increases 119% and is still tailing after demand (152%). In fact, during this period of the year when Tet is coming and employees are looking forward to receiving year end bonus, the turn over rate has somewhat reduced greatly and so is labor supply.

¹ Measured by the number of jobs advertised on VietnamWorks.com

² Measured by the quantity of resumes posted on VietnamWorks.com and excluding applications sent directly to employers.

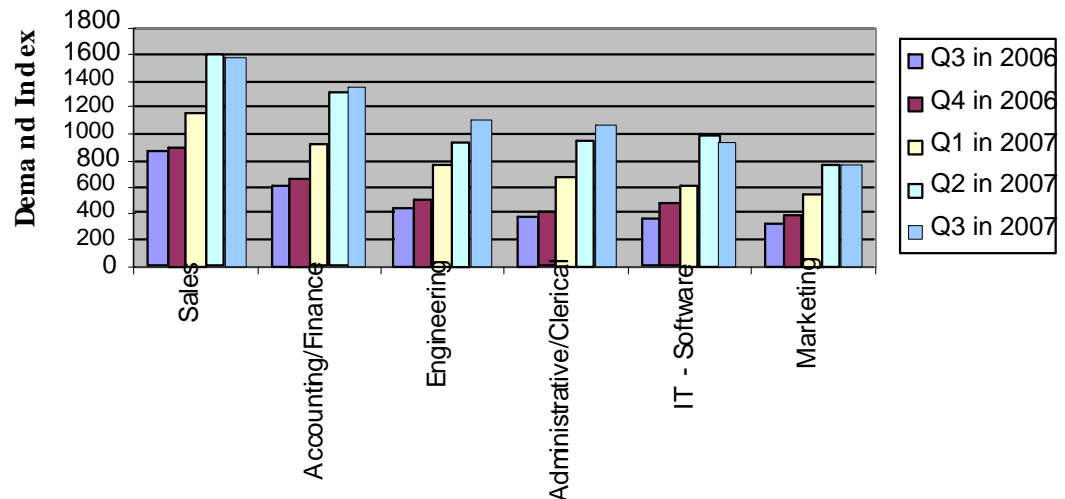
Table 2. Quarterly Online Supply Index

Quarter	Q3'07	Q2'07	Q1'07	Q4'06	Q3'06	Q2'06	Q1'06
Total Supply Index	10,719	11,580	8,864	9,661	10,254	4,894	5,424

Labor market still favors skilled workforce

It seems like Sales, Accounting/Finance, Engineering, Administrative/Clerical, IT-Software and Marketing are dominating the labor market when leading top 6 of Online Labor Demand for two consecutive quarters. Though Vietnam labor market is diversified and plenty, the quality is still questionable and thus, there is a strong need for skilled workforce.

Top Six Labor Demand Categories for Q3 2007



Manufacturing, the next 'it' industry

It is interesting to learn that companies in Manufacturing have been pushing up the salary rate in order to win the best talent. Apart from Finance, Manufacturing could be the next industry that offers high range of salary. In quarter 3, Manufacturing took second place in the top 6 of Growth in Labor Demand by Volume with 141 points increased. With this positive change, Manufacturing is possibly the next industry that drives much attention from talent in Vietnam.

Other top 6 includes Engineering, Administrative/Clerical, Entry Level/Internship, IT-Hardware/Networking and Construction.

Table 3. Growth in Labor Demand by Volume			
Section	Demand Index		Change (+)
	Q2 '07	Q3 '07	
Engineering	938	1102	+164
Manufacturing	607	748	+141
Administrative/Clerical	947	1070	+123
Entry level/Internship	538	631	+93
IT - Hardware/Networking	483	568	+85
Construction	404	482	+78

Table 4. Growth in Labor Demand by Percentage			
Section	Demand Index		
	Q2 '07	Q3 '07	Change (%)
Environment/Waste Services	26	46	77%
Real Estate	117	176	50%
Health Care/Medical	83	112	35%
NGO/Non-profit	165	207	25%
Manufacturing	607	748	23%
Security Service	9	11	22%

On another hand, Sales is dropping down in term of labor demand by 22 points. Though Sales has been considered as the high turn over industry where job hoppers fall in the most, it seems that Salesmen tend to stay and earn the year end bonus before thinking of moving around. Thus, there is less demand in this category.

Table 5. Decline in Labor Demand by Volume			
Section	Demand Index		Change (-)
	Q2 '07	Q3 '07	
IT - Software	986	927	-59
Pharmaceutical/Biotech	187	147	-40
Telecommunications	216	180	-36
Customer Service	236	203	-33
Sales	1,599	1,577	-22

Ho Chi Minh City and Hanoi still attracts a great pool of talent

The gap is still far between the two biggest cities in Vietnam and the rest. Ho Chi Minh City takes up 46% while Hanoi ranks 2nd with 34%. If closely follow, we would observe the slight catching up of Hanoi in term of job location distribution over HCMC because the demand of talent in Hanoi for two quarters has been increasing a great deal.

According to VNA, "Municipal authorities in Hanoi is expected to create 90,000 jobs each year for the next 5 years". However, Quan Doi Nhan Dan Newspaper also

made an impactful forecast, “HCM City alone is projected to create over 230,000 jobs every year between now and 2010 for skilled and unskilled labor across various industries’ and rest assure, this trend is going to maintain real long”. These important predictions certainly make the competition between the two cities even more exciting.

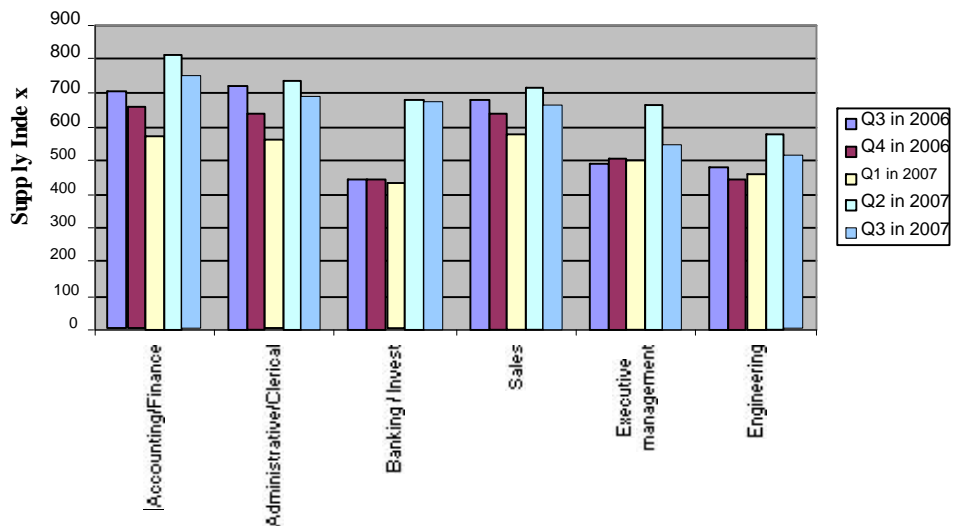
Let’s take a look at this quarter ranking.

Location	Q2 '07	Q3 '07
Ho Chi Minh	50%	46%
Ha Noi	32%	34%
Binh Duong	4%	4.5%
Dong Nai	1%	1.7%
Hai Duong	1%	1%

And so are Accounting/Finance and Banking/Invest

With the big flow of new established banks, and investment firms in Vietnam, and the support from the government in focusing developing these industries, it has been clearly persuaded that a great pool of talent have chosen these fields as their careers of choice. And this trend might remain in the upcoming periods of 2008. Here is a snap shot of top 6 Online Labor Supply in quarter 3.

Top Six Labor Supply Categories for Q3 2007



Hot fields on the growth

First of all, we have to mention Expat. After a slight decrease in quarter 2, Expat grows by 48 points and 104% in term of labor supply. This change is a good signal after the Draft of dismissing the constraint on the number of Expat in an organization.

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This is good news for companies to be able to use skillful and experienced foreign employees and the fact that they can recruit more than 3% of the total employees have urged the needs even more.

It is not complete without mentioning Real Estate. Ever since the first growing debut of the year, Real Estate continued its upsurge and actually taking the second place in term of Growth in Labor Supply by Volume in this quarter.

Last but not least, the very Entry Level/Internship. The trend of internship and hiring freshmen has resulted in a large supply of this group.

Section	Supply Index		Change (+)
	Q2 '07	Q3 '07	
Expat	46	94	+48
Real Estate	107	126	+19
Entry level/Internship	269	286	+17
Chemical / Biochemical	161	171	+10

Section	Supply Index		Change (%)
	Q2 '07	Q3 '07	
Expat	46	94	+104%
Security Service	6	8	+33%
Real Estate	107	126	+18%
Health Care/Medical	31	34	+10%

Potential lack of quality talent begins

It is somehow worrisome looking at the table of Categories with Decline in Labor Supply: Executive Management, Accounting/Finance, Marketing, and Telecommunications have reduced in both volume and percentage. The need for high level and quality workforce is going to be severe when employees become frequent job hoppers and companies are fighting hard to win them. This practice has formed a 'disease' or 'a circle' that makes the supply become rare, especially skilled workforce. In order to get away from this issue, as early as now, companies should develop talent winning strategies and build their strong brand that help catch the interest from talent. And last, they should always remember 'prevention' is better than 'cure', and should not overlook what is the most basic such as compensation, HR policies, title, etc...

Section	Supply Index		Change (-)
	Q2 '07	Q3 '07	
Executive management	666 547		-119
Export-Import	414 331		-83
Customer Service	505 435		-70
Engineering	576 511		-65
Accounting/Finance	813 751		-62

Table 10. Labor Supply Categories Showing Decline by Percentage			
Section	Supply Index		Change (%)
	Q2 '07	Q3 '07	
Temporary/Contract	32	25	-22%
Consulting	226	179	-21%
Telecommunications	256	204	-20%
Export-Import	414	331	-20%
Marketing	203	165	-19%
Executive management	666	547	-18%

VIETNAMWORKS EMPLOYMENT INDICATOR - DEMAND INDEX*

Section	Demand Index				
	Q3 in 2007	Q2 in 2007	Q1 in 2007	Q4 in 2006	Q3 in 2006
Accounting/Finance 1364		1303	920	669	612
Administrative/Clerical 1070		947	675	415	371
Advertising/Promotion/PR	364	380	243	182	143
Agriculture/Forestry	27	29	34	32	22
Architecture 188		175	93	95	62
Arts/Design	178	189	151	114	103
Banking / Invest	634	588	413	267	207
Chemical / Biochemical	138	133	76	51	39
Construction	482	404	308	240	199
Consulting	120	122	86	46	42
Cosmetics	20	34	24	9	8
Customer Service	203	236	171	95	89
Education/Training/Library 178		180	130	84	97
Engineering	1102	938	761	516	436
Entry level/Internship	631	538	291	618	14
Environment/Waste Services	46	26	22	14	16
Executive management	752	737	524	270	184
Expat	56	69	35	31	38
Export-Import 288		277	153	107	107
Food/Beverage 110		107	61	48	32
Footwear	27	25	31	40	6
Furniture/Interior Design	99	85	49	39	34
Health Care/Medical	112	83	60	69	38
Human Resources	454	421	304	222	190
Insurance	114	94	62	26	26
Interpreter/Translator	305	289	169	134	114
IT - Hardware/Networking	568	483	306	195	172
IT - Software	927	986	611	474	352
Legal	173	144	95	73	54
Manufacturing	748	607	468	278	232
Marketing	767	760	547	383	322
Media/Newspaper	71	91	51	21	17
NGO/Non-profit	207	165	142	144	122
Oil/Gas/Mineral	93	95	54	54	16
Other	16	20	11	11	17
Pharmaceutical/Biotech	147	187	113	109	107
Purchasing	171	175	137	71	72
Real Estate	176	117	80	68	32
Restaurant/Food Service	56	60	73	45	62
Retail/Wholesale 48		51	22	14	10
Sales	1577	1599	1152	901	868
Security Service	11	9	10	5	4
Securities 75		0	0	0	0
Telecommunications 180		216	162	83	87
Temporary/Contract 3		9	12	12	12
Textiles/Garments 207		184	142	82	66
Tourism/Hotel	308	287	250	182	178
Transportation/Logistics	304	293	206	111	90
Warehouse 69		78	60	43	42

* Demand Index is the total job advertisements quarterly

VIETNAMWORKS EMPLOYMENT INDICATOR – SUPPLY INDEX*

Section	Supply Index				
	Q3 in 2007	Q2 in 2007	Q1 in 2007	Q4 in 2006	Q3 in 2006
Accounting/Finance 751		813	573	659	701
Administrative/Clerical 692		738	558	643	723
Advertising/Promotion/PR	378	435	328	368	407
Agriculture/Forestry 53		52	41	57	59
Architecture 60		72	61	63	64
Arts/Design	144	166	134	149	153
Banking / Invest	673	678	433	443	444
Chemical / Biochemical	171	161	121	123	133
Construction	252	266	224	226	229
Consulting	179	226	164	186	185
Cosmetics	64	69	57	63	70
Customer Service	435	505	389	420	436
Education/Training/Library 202		207	169	186	211
Engineering	511	576	460	446	481
Entry level/Internship	286	269	218	223	205
Environment/Waste Services	104	109	78	85	96
Executive management	547	666	504	505	490
Expat 94		46	49	78	75
Export-Import 331		414	319	356	379
Food/Beverage 149		148	123	139	140
Footwear 24		28	26	23	23
Furniture/Interior Design	70	74	58	69	68
Health Care/Medical	34	31	24	27	34
Human Resources	420	457	338	362	404
Insurance 65		72	50	58	59
Interpreter/Translator	189	211	152	163	188
IT - Hardware/Networking	373	413	337	365	388
IT - Software	388	419	337	368	403
Legal 65		62	47	52	59
Manufacturing	319	353	286	292	315
Marketing	165	203	152	174	201
Media/Newspaper 77		79	59	62	70
NGO/Non-profit	194	232	177	200	234
Oil/Gas/Mineral	140	149	114	112	119
Other	164	194	154	187	186
Pharmaceutical/Biotech	103	100	73	85	96
Purchasing 60		64	48	50	47
Real Estate	126	107	77	72	69
Restaurant/Food Service	56	66	50	62	68
Retail/Wholesale 91		97	70	84	89
Sales	665	713	575	640	679
Securities 130		0	0	0	0
Security Service	8	6	7	8	8
Telecommunications 204		256	195	217	252
Temporary/Contract 25		32	26	33	30
Textiles/Garments	78	88	71	72	67
Tourism/Hotel	284	318	237	272	280
Transportation/Logistics	69	83	67	76	76
Warehouse 57		57	54	58	61

* Supply Index represents quarterly average resume postings

ABOUT VIETNAMWORKS.COM

VietnamWorks.com is the largest job website in Vietnam, and a web-recruiting pioneer, matching people with jobs, and matching companies with top talent over the Internet since 2002. We provide richly featured recruiting services for thousands of companies and hundreds of thousands of jobseekers that utilize our job-posting and candidate resume databases. For jobseekers, VietnamWorks.com provides access to the most jobs, the best companies, and the best resources for career advancement. For employers, VietnamWorks.com provides job posting services, a searchable database in which nearly three-hundred-thousand jobseekers have posted CVs, and print job advertisement in popular Vietnamese and English newspapers.

For more information about VietnamWorks.com - Vietnam Online Employment Indicator, please contact Ms Nguyen Thi Minh Tam at (08) 404 1373 or tam@navigosgroup.com.

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