



AIRINC 
WORKFORCE GLOBALIZATION

Deploying Talent in APAC: Local Plus

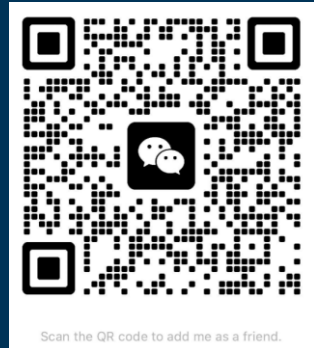
May 2023

LISTEN | PARTNER | DELIVER

Today's Presenters

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Agenda

-  Mobility Trends
-  Talent Deployment into vs. within APAC
-  Local Plus Practices in China, HK and Singapore
-  Market Updates on Housing & Inflation

Currently, is your company purposefully using Global Mobility to attract and retain talent?



Key:

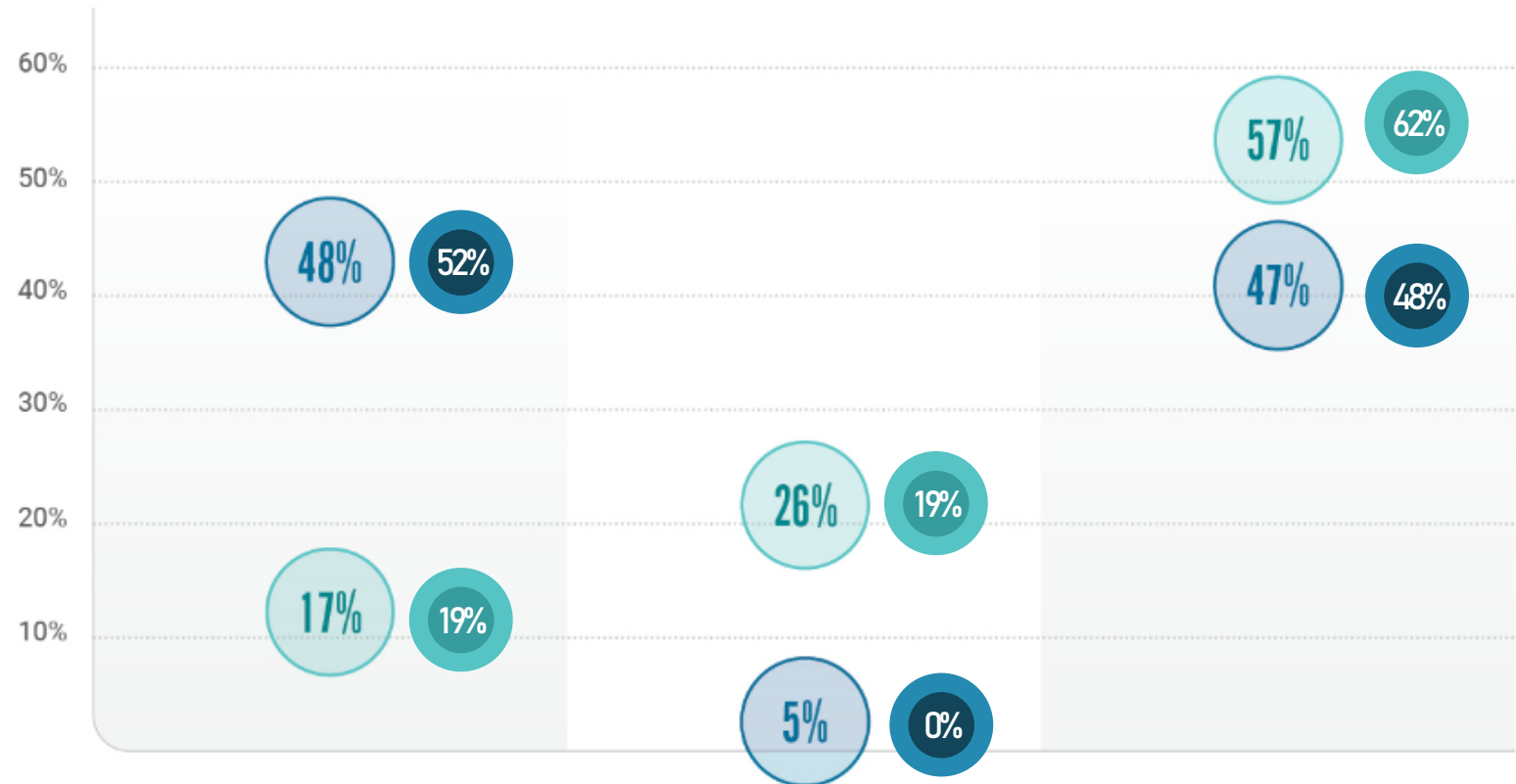
General Industry



APAC



Companies



Yes, GM is purposefully being used to attract/retain talent

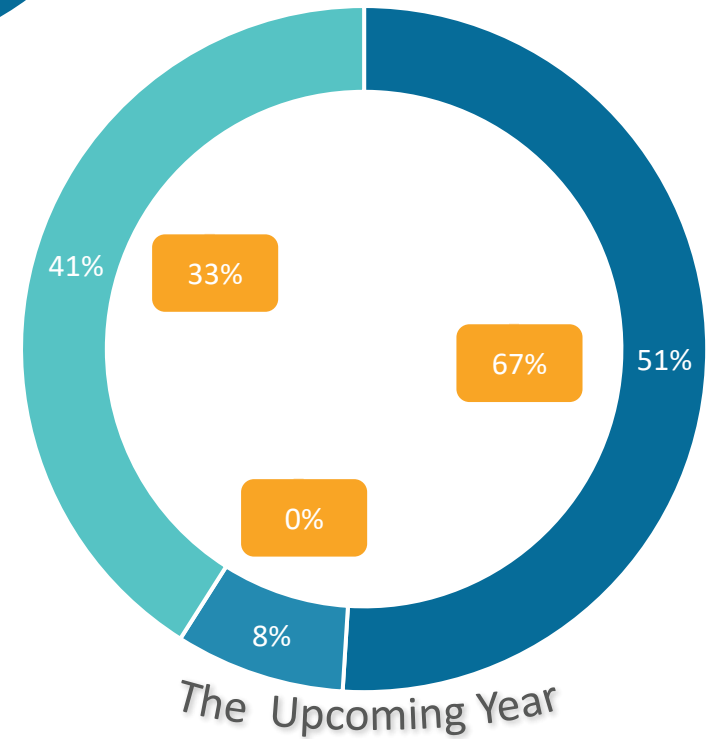
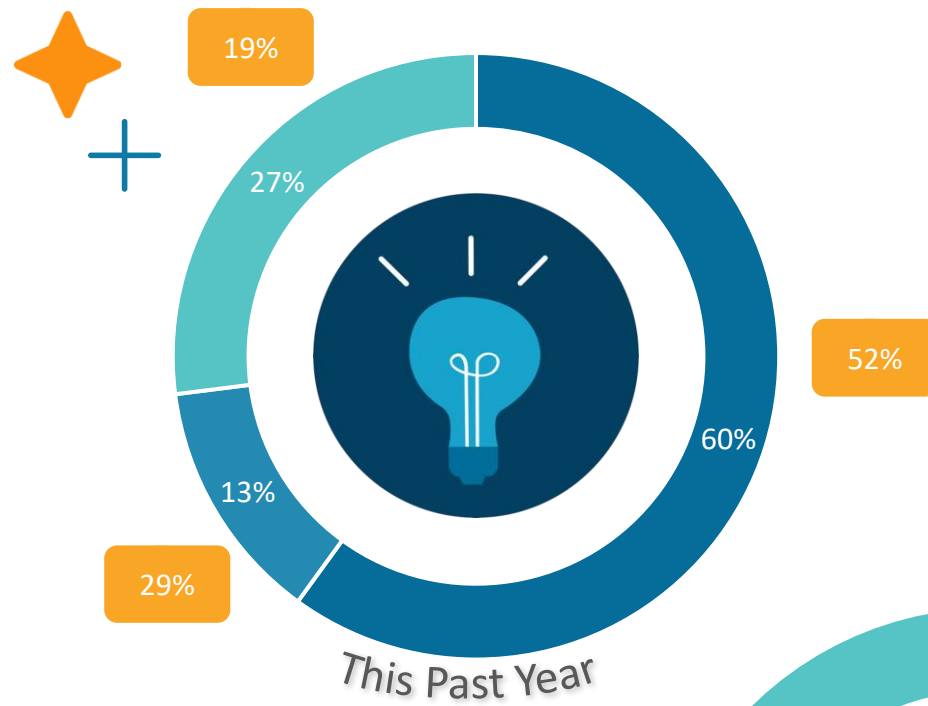
No, GM is not purposefully used to attract/retain talent

Somewhat, GM is sometimes used to attract/retain talent



Has your overall global mobility activity (assignments, transfers, etc.) increased, decreased, or remained the same?

- Increased
- Decreased
- Remained about the same
- APAC



In your organization, what do you consider to be the most common reason for an international assignment?



| | General Industry | APAC |
|---|------------------|------|
| To fill staffing needs in locations where skills or knowledge are not available | 4.5 | 4.4 |
| To provide strategic business direction | 4.1 | 4.1 |
| To provide professional development and global skills for employees | 3.9 | 4.0 |
| To provide training/development for staff in host offices | 3.7 | 3.7 |
| To spread organizational values and culture | 3.3 | 3.2 |
| To accommodate employee-requested assignments | 2.7 | 2.6 |

Key:

- 1 = Strongly disagree
- 2 = Somewhat disagree
- 3 = Neither agree nor disagree
- 4 = Somewhat agree
- 5 = Strongly agree



General Industry

APAC

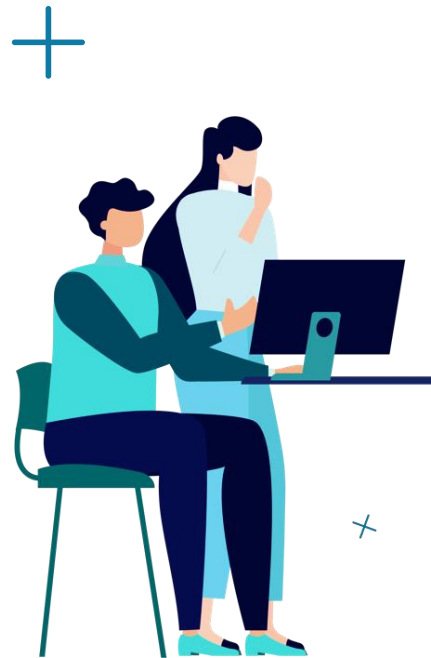
| | General Industry | APAC |
|--|------------------|------|
| Short-Term Assignment | 87% | 76% |
| Long-Term Assignment: Home-Based | 75% | 57% |
| International One-Way Transfer | 71% | 48% |
| Localization (Expat to Local) | 57% | 43% |
| Domestic Relocation | 51% | 33% |
| Business Traveler | 41% | 52% |
| Developmental/Graduate/Intern Program | 36% | 5% |
| Commuter | 33% | 14% |
| International Remote Work | 33% | 14% |
| Locally Hired Non-National | 31% | 24% |
| Long-Term Assignment: Globalist | 27% | 29% |
| Long-Term Assignment: Home-Based "Light" | 22% | 5% |
| Host-Plus Assignment | 21% | 19% |
| Domestic Remote Work | 17% | 10% |
| Volunteer/Employee Accommodation | 12% | 0% |
| Virtual Assignment | 10% | 5% |
| Rotator (e.g., 28 days on, 28 days off) | 9% | 5% |

What policies do you currently have in your cross-border mobility suite?

Select all that apply.



What is your expectation for policy usage in the upcoming year?

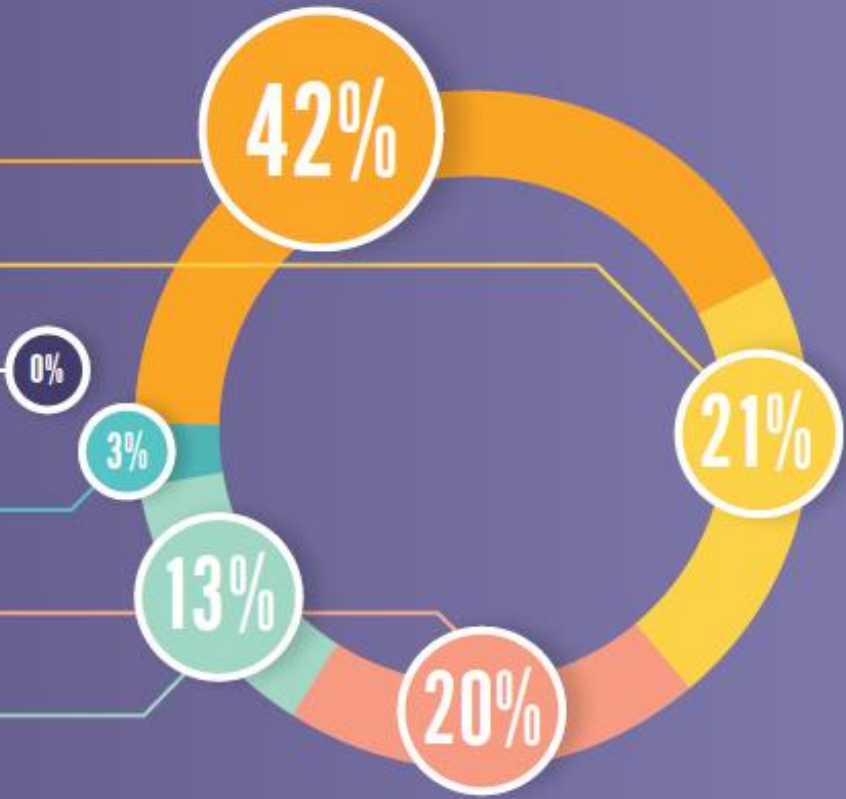


| | Increase | Decrease | No change | N/A |
|--|----------|----------|-----------|-----|
| International One-Way Transfer | 42% | 0% | 21% | 37% |
| Short-Term Assignment | 33% | 11% | 39% | 17% |
| International Remote Work | 22% | 0% | 33% | 44% |
| Business Traveler | 35% | 5% | 25% | 35% |
| Developmental/Graduate/Intern Program | 32% | 5% | 16% | 47% |
| Commuter | 11% | 5% | 21% | 63% |
| Long-Term Assignment: Home-Based | 11% | 0% | 53% | 37% |
| Locally Hired Non-National | 21% | 0% | 37% | 42% |
| Localization (Expat to Local) | 26% | 5% | 47% | 21% |
| Domestic Remote Work | 11% | 5% | 26% | 58% |
| Domestic Relocation | 17% | 6% | 33% | 44% |
| Host-Plus Assignment | 26% | 0% | 11% | 63% |
| Virtual Assignment | 24% | 0% | 12% | 65% |
| Volunteer/Employee Accommodation | 0% | 0% | 29% | 71% |
| Long-Term Assignment: Home-Based "Light" | 0% | 0% | 22% | 78% |
| Long-Term Assignment: Globalist | 11% | 11% | 26% | 53% |
| Rotator (e.g., 28 days on, 28 days off) | 0% | 0% | 22% | 78% |



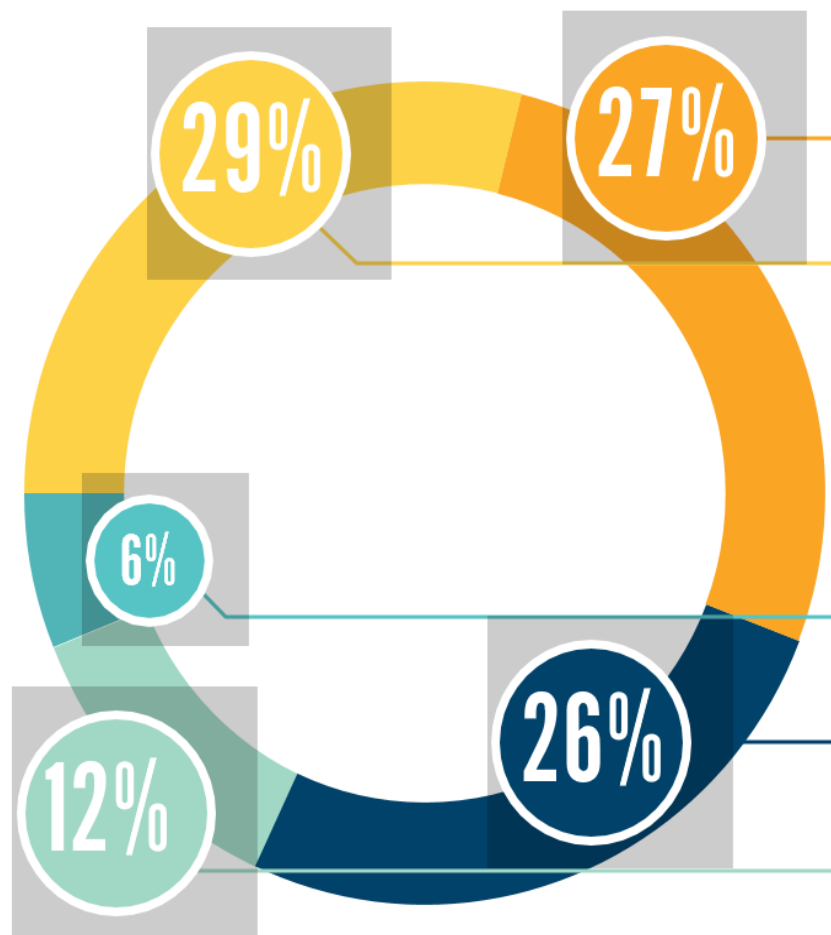
Deploying Talent in APAC

| RESPONSE # | % | |
|------------|------|---|
| 38 | 42% | We use long-term assignments |
| 19 | 21% | We use one-way moves |
| 0 | 0% | We use reduced long-term assignments |
| 3 | 3% | N/A, we don't have moves into the APAC region from non-APAC locations |
| 18 | 20% | We use local-plus packages |
| 12 | 13% | Other |
| 90 | 100% | Total Responses |



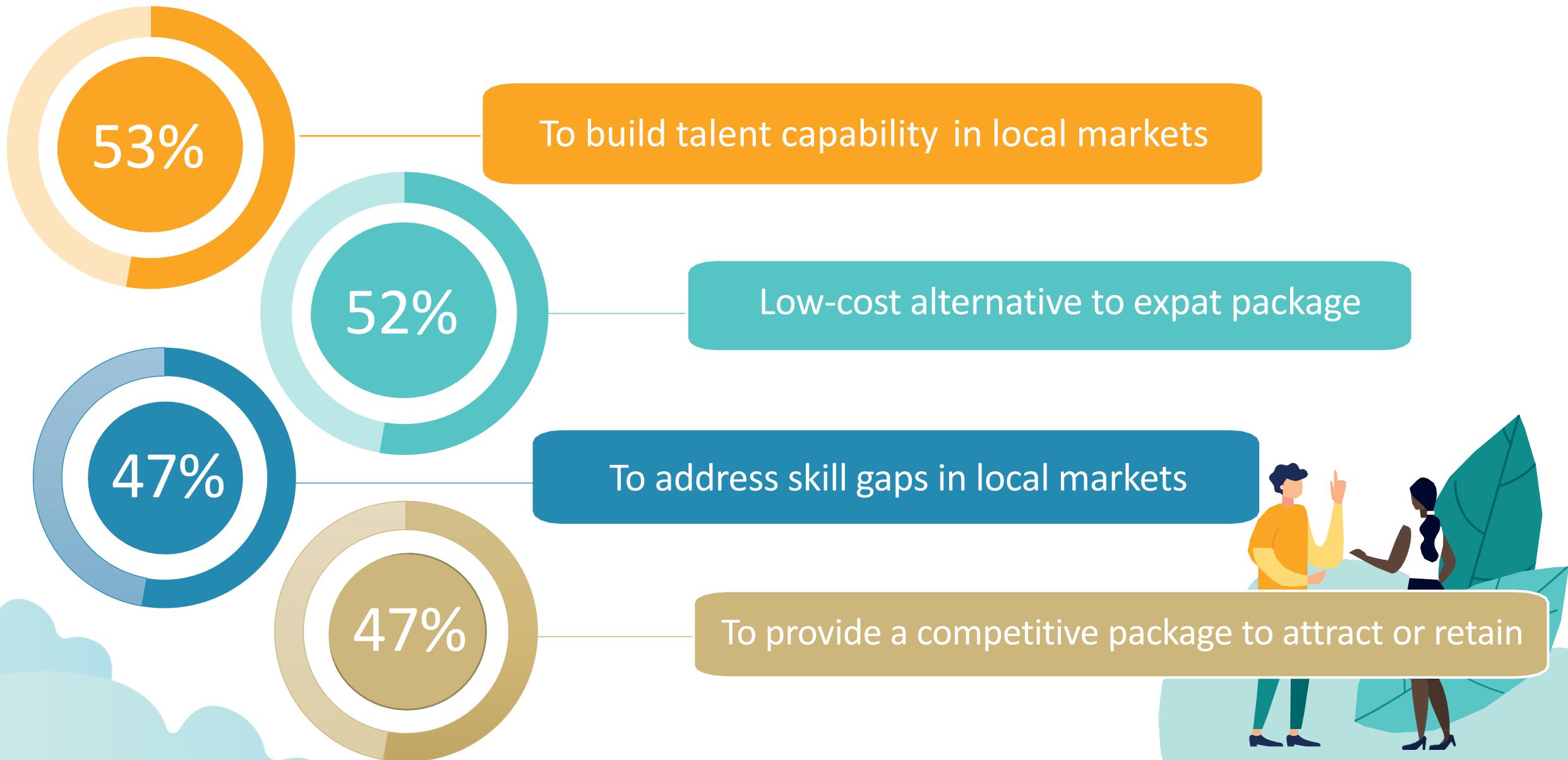
Other responses indicate a mix of the various approaches, most commonly a mix of long-term assignments and local plus.

Moving Talent within APAC



| | % | RESPONSE # |
|---|-------------|------------|
| We use long-term assignments | 27% | 24 |
| We use one-way moves | 29% | 26 |
| We use reduced long-term assignments | 0% | 0 |
| N/A, we don't have moves into the APAC region from non-APAC locations | 6% | 5 |
| We use local-plus packages | 26% | 23 |
| Other | 12% | 11 |
| Total Responses | 100% | 89 |

Why Local Plus?



Local Plus – Salary Approach

Host salary based on local market rates of compensation



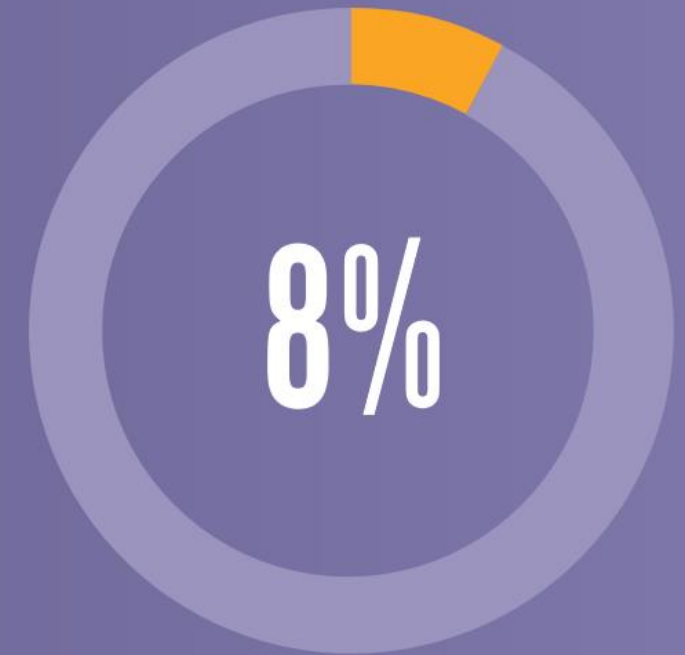
Response Number: 53

Host salary determined by converting home salary to local currency



Response Number: 9

Host salary higher than local market rate of compensation



Response Number: 7



Local Plus - Typical 'Plus' Elements

CHINA

| | Always | Only for certain job levels | Only for certain job roles | Case by case | Not provided |
|----------------|--------|-----------------------------|----------------------------|--------------|--------------|
| Housing | 44% | 16% | 2% | 28% | 14% |
| Cost of living | 21% | 2% | 0% | 21% | 57% |
| Education | 44% | 17% | 2% | 28% | 13% |
| Home Leave | 33% | 9% | 0% | 27% | 33% |

HONG KONG

| | Always | Only for certain job levels | Only for certain job roles | Case by case | Not provided |
|----------------|--------|-----------------------------|----------------------------|--------------|--------------|
| Housing | 26% | 30% | 2% | 28% | 23% |
| Cost of living | 17% | 11% | 3% | 22% | 58% |
| Education | 36% | 20% | 2% | 36% | 13% |
| Home Leave | 29% | 20% | 2% | 22% | 37% |

Local Plus - Typical 'Plus' Elements

SINGAPORE

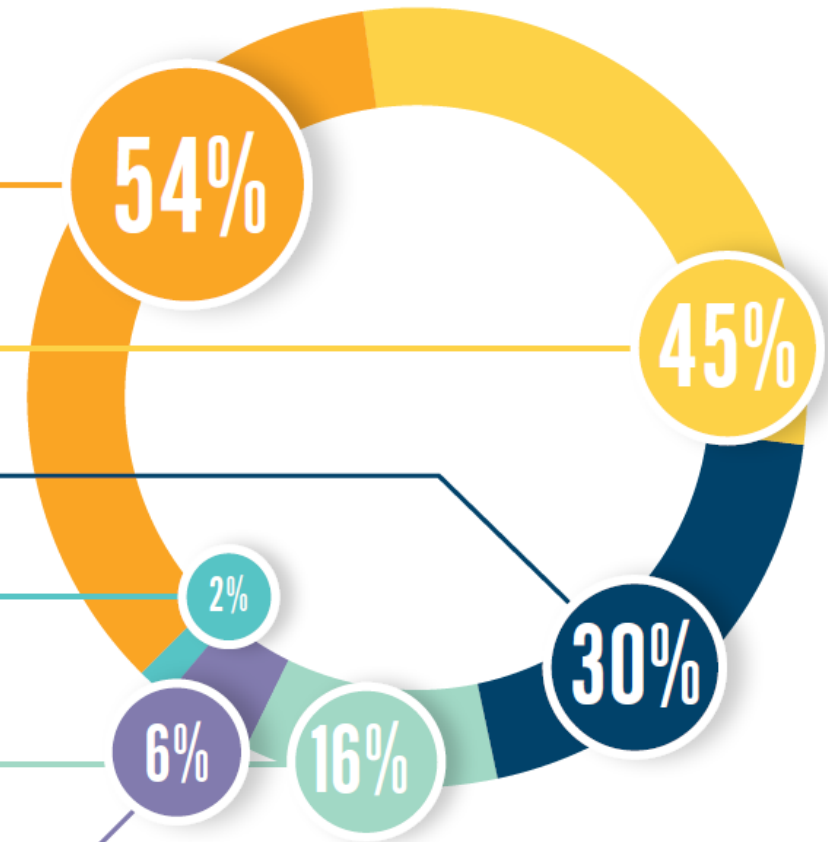
| | Always | Only for certain job levels | Only for certain job roles | Case by case | Not provided |
|----------------|--------|-----------------------------|----------------------------|--------------|--------------|
| Housing | 28% | 26% | 4% | 26% | 26% |
| Cost of living | 17% | 9% | 6% | 17% | 66% |
| Education | 46% | 20% | 4% | 28% | 11% |
| Home Leave | 28% | 15% | 5% | 28% | 33% |

Income Tax Treatment for 'Plus' Elements

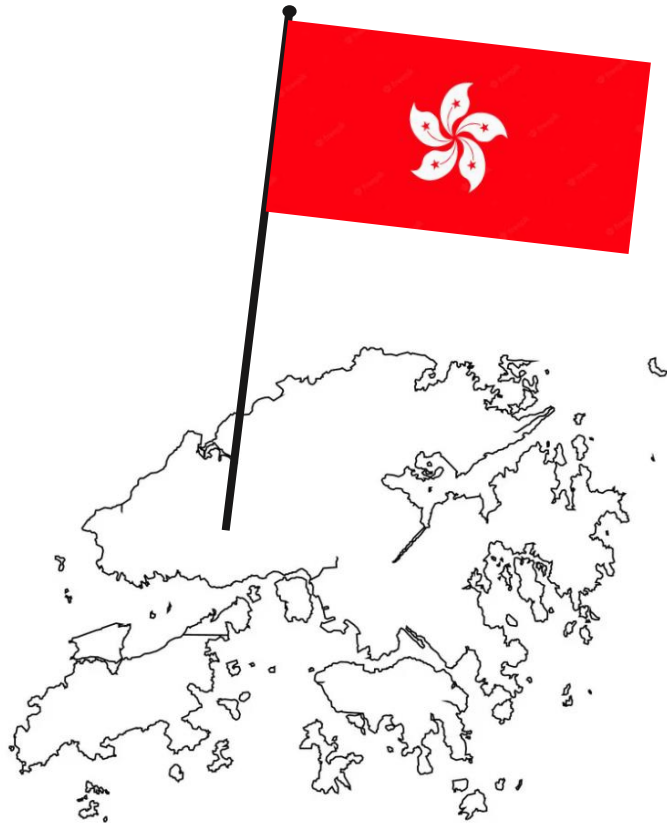
| | The employee pays all income taxes on the "plus" components | The company assists with the income tax costs (e.g., via gross up) | This "plus" component is not provided | Other |
|----------------|---|--|---------------------------------------|-------|
| Housing | 54% | 34% | 7% | 4% |
| Cost of living | 33% | 21% | 38% | 9% |
| Education | 33% | 55% | 6% | 6% |
| Home Leave | 35% | 37% | 24% | 5% |

Local Plus - Relocation Assistance

| RESPONSE # | % | |
|------------|------|--|
| 45 | 54% | Yes, we offer services in kind |
| 37 | 45% | Yes, we pay a one-time relocation lump sum |
| 25 | 30% | Yes, we reimburse actual costs |
| 2 | 2% | No, we don't assist with relocation |
| 13 | 16% | N/A, we don't have local plus packages in APAC |
| 5 | 6% | Other |
| 127 | 100% | Total Responses |



Hong Kong



City statistics: (12 months)

| | |
|---------------|---------------|
| G&S Inflation | + 4.2% |
| Exchange Rate | Pegged to USD |

- **Housing** – Rents have dropped in mid-2022 as strict pandemic containment measures, combined with the uncertainty of new leadership, have caused some companies to relocate to Singapore, leading to decreased demand for rentals. Towards the end of 2022, the rents remain steady but it still has not recovered to pre-Covid levels.
 - *Year-over-Year: -3.5% (decrease)*
- **Utility** – Hong Kong experienced a surge in electricity tariffs over the 12 months.
 - *Year-over-Year: +50% (increase)*
- **Hardship** – No Change

Singapore



Country statistics: (12 months)

| | |
|---------------|--------|
| G&S Inflation | + 7.4% |
| Exchange Rate | + 1.0% |

- **Housing** – There is high demand from all sectors and job levels as the expatriate population continues to grow. The supply of properties is very limited across the city and the market is very competitive. Landlords have the upper hand in this market and bidding wars among renters are possible.
- The inflow of expatriates is expected to continue but market watchers also anticipate the completion of some new housing stock later this year which should moderate increases to rents and slow the rapid pace of growth seen in the past year and a half. The supply of landed properties is expected to remain limited.
 - *Year-over-Year: 40-45% (increase)*
- **Hardship** – No change

China

- **Housing** – Locals and expatriates compete on the same housing options. The market is active, which drives the steady rise of rentals especially in Shanghai, Shenzhen and Guangzhou.
 - *Year-over-Year increase*
 - *Shanghai: 10-17%*
 - *Guangzhou: 12-18%*
 - *Shenzhen: 15%*
 - *Beijing: 4%*
- **Hardship** – COVID restrictions come to an end. The restrictions on freedom of movement has alleviated significantly.



Country statistics: (12 months)

| | |
|---------------|--------|
| G&S Inflation | + 3.0% |
| Exchange Rate | - 8.1% |

Thank you!



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Questions?

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