

LEGAL 08/09

Salary

SALARY & EMPLOYMENT FORECAST

Michael Page
LEGAL

WELCOME

Welcome to the 2008/2009 Michael Page Legal 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 Legal 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 Legal 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:

- Finance
- Financial Services
- 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

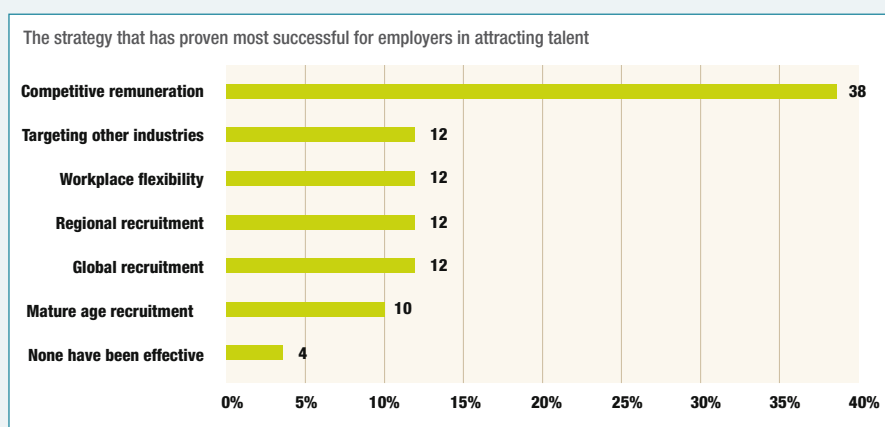
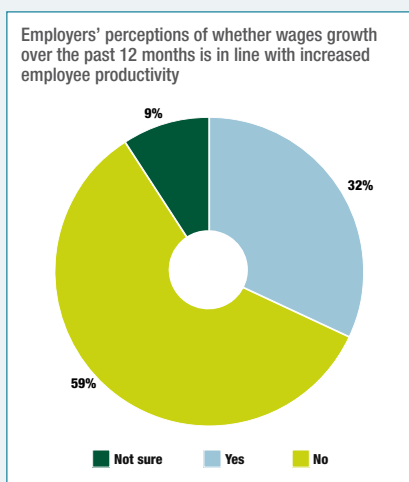
MARKET OVERVIEW

Positive economic conditions, increased business activity and direct investment in China are creating a very buoyant market for legal professionals in Hong Kong. Competition for talent is intense and employers across both private practice and in-house functions are constantly seeking new ways of attracting and retaining staff.

There has been an increasing number of international law firms setting up operations in Hong Kong to take advantage of the buoyant Asian economy. Firms in the United States and Europe with no prior presence in the Asia market are moving into Hong Kong and investing heavily in China to capitalise on rapid market growth. This is placing additional pressure on existing law firms and in-house teams who are competing for the same talent.

There is a growing trend in companies expanding their legal teams to mainland China cities, including Shanghai and Beijing, to have practicing specialists who understand the local regulatory and business environment. As a result, we are seeing an increase in the number of China based legal roles, particularly at the middle to senior levels.

To help broaden the talent pool, some employers are targeting candidates from other Asia Pacific countries such as Singapore. There is also an increasing number of overseas lawyers moving to Asia due to weakening economic conditions in markets such as the United States and London, which is improving the local talent supply.



SKILLS IN DEMAND

Demand continues to exceed supply, resulting in strong competition for talent and inflationary pressure on salaries. Our survey results support this with 73% of employers expecting to increase staff numbers over the next 12 months. Furthermore, 30% of employers cite new positions as the main reason for increasing headcount.

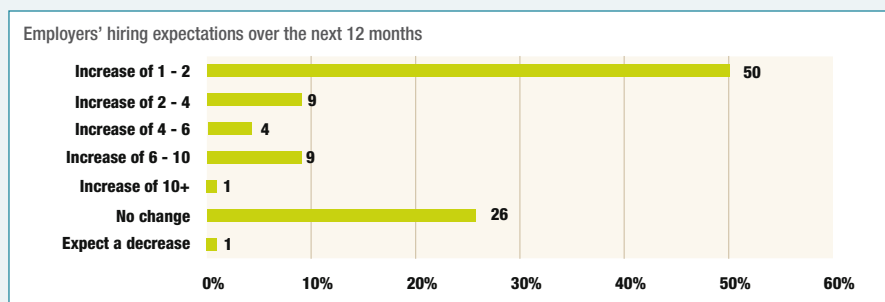
The in-house market continues to see high levels of recruitment activity with many companies preferring to expand their internal legal capabilities as opposed to outsourcing the legal function due to cost efficiencies. Positive economic and business conditions are driving demand for in-house lawyers with fluency in Mandarin and regional experience.

While financial institutions remain positive about their growth plans in Asia, there is caution regarding increasing permanent headcount due to uncertainty in financial markets globally. As a result, we expect to see a slight drop in demand

for in-house banking lawyers in the short-term, particularly from companies with their global headquarters overseas. For Asian based banks and other financial services sectors including insurance and asset management, this provides an opportunity to secure experienced candidates in a less competitive market.

Private practice is experiencing a severe talent shortage at the junior and middle levels, where increasing numbers of lawyers

moving in-house and the expansion of international law firms is creating intense competition. We anticipate increased demand for lawyers with insolvency, litigation and China practice experience. Paralegals and company secretaries are also highly sought after as more companies are listed and their compliance requirements increase.



RECRUITMENT CHALLENGES

While higher salaries have traditionally been the preferred method of attracting legal talent, employers are considering alternative ways of retaining staff due to increased competition. International law firms are establishing operations in Hong Kong, placing additional pressure on the local skills supply.

Organisations that differentiate their offering in the market are reaping the rewards. While financial incentives such as salary and bonuses are important, employers need to look beyond these to other incentives and benefits. Some of those currently being offered by best practice law firms and in-house legal functions include extra annual leave, club memberships, paid life/health/family/dental insurance and additional contributions to the Mandatory Provident Fund (MPF).

We also encourage employers to invest more heavily in career progression, work-life balance and training and development to help retain their most valuable staff. Our survey results show that 70% of employees believe their company's training and career development opportunities are average or below average. In addition, 46% of employees cite career advancement as the primary reason for their last job change.

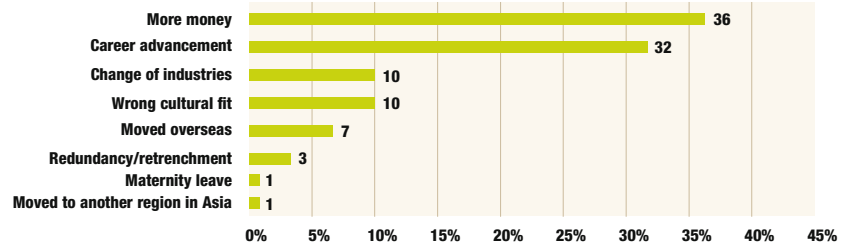
It is vital for companies to have a professional and efficient recruitment process in the current competitive environment. Those organisations that are capable of making

a fast decision create a favourable impression, whilst those who act slowly will miss out on good candidates and run the risk of losing them to competitors.

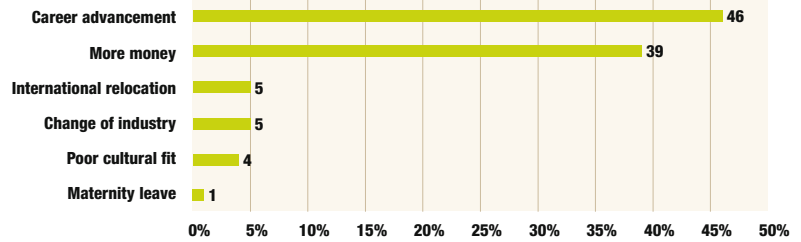
To help broaden the talent pool, we encourage employers to consider candidates with transferable skill sets from other industries. Organisations who hire candidates based on potential and ability rather than

a specific industry skill set will benefit from receiving a larger number of applications. To address the skills shortage, we also encourage employers to keep an open mind to sourcing talent from overseas and other Asia Pacific countries such as Singapore.

Employers' perceptions of the major contributing factors in people leaving



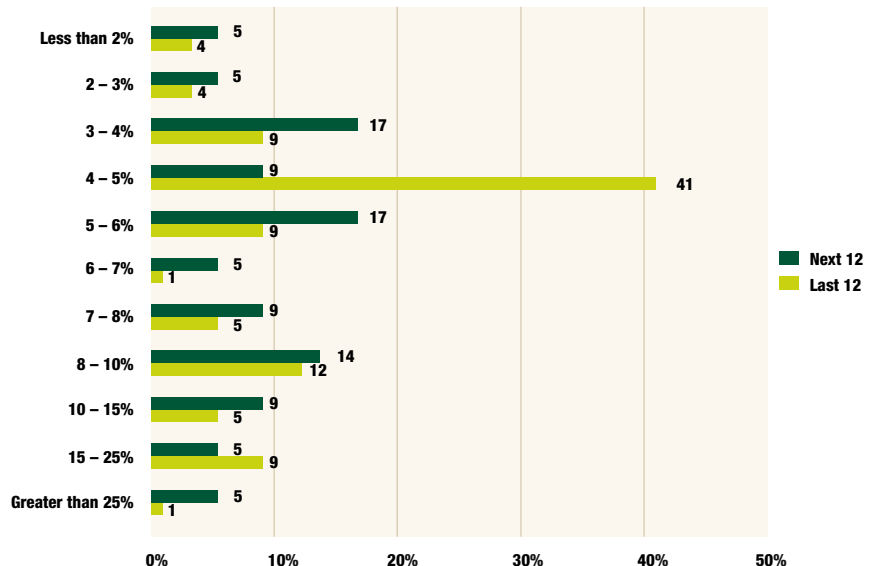
Employees' main reason for changing jobs



SALARY INFLATION

We expect demand for legal professionals to remain strong over the next 12 months as competition for talent increases. In-house lawyers can expect average salary increases of 5-10%, with slightly lower increases for lawyers working in the financial services industry. We predict average salary increases of 8-12% for lawyers in private practice, dependent on the size and scope of the firm.

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



SALARY TABLES

HONG KONG

PRIVATE PRACTICE

EXPERIENCE	HK\$'000
PRIVATE PRACTICE	
Newly Qualified	624–840
1 year PQE	672–930
2 years PQE	760–1 million
3 years PQE	830–1.1 million+
4 years PQE	900–1.2 million+
5 years PQE	1–1.4 million+
6 years PQE	1.1–1.5 million+
7 years PQE	1.1–1.6 million+
8 years PQE	1.2–1.6 million+
US PRIVATE PRACTICE	
Newly Qualified	852–1.2 million
1 year PQE	936–1.3 million
2 years PQE	1–1.3 million
3 years PQE	1.2–1.4 million
4 years PQE	1.3–1.6 million
5 years PQE	1.4–1.8 million
6 years PQE	1.6–1.9 million
7 years PQE	1.6–2 million+
8 years PQE	1.7–2.1 million+

IN-HOUSE

EXPERIENCE	HK\$'000
IN-HOUSE CORPORATES	
Newly Qualified	520–720
1 year PQE	640–780
2 years PQE	720–880
3 years PQE	756–936
4 years PQE	780–960
5 years PQE	870–1 million+
6 years PQE	900–1.1 million+
7 years PQE	950–1.2 million+
8 years PQE	1–1.6 million+

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. Since there are often specific circumstances relating to individual companies, please call us for additional information.
- The above table includes salary data collected from leading and international law firms

PARALEGALS & LEGAL SECRETARIES

ROLE	EXPERIENCE	HK\$'000
PARALEGALS – PRIVATE PRACTICE (NON-INCLUSIVE OF US FIRMS) & IN-HOUSE		
Law Clerk (e.g. litigation & conveyancing)	Entry-level	144–264
Paralegal	1–5 years	180–276
Paralegal	6–10 years	240–420
Senior Paralegal	10+ years	420–516
LEGAL SECRETARIES – PRIVATE PRACTICE (NON-INCLUSIVE OF US FIRMS) & IN-HOUSE		
Junior Legal Secretary	1–3 years	144–180
Legal Secretary	4–8 years	180–324
Senior Legal Secretary	9–14 years	300–420
Partner Secretary	12+ years	384–504

CORPORATE SECRETARIES

ROLE	HK\$'000
PRIVATE PRACTICE	
Clerk (Search & Filing)	120–192
Company Secretarial Assistant	180–264
Senior Company Secretarial Assistant	216–312
Company Secretarial Supervisor I / II	264–360
IN-HOUSE	
Company Secretarial Assistant	180–264
Company Secretarial Officer	216–312
Senior Company Secretarial Officer	312–420
Assistant Company Secretarial Manager	384–480
Company Secretarial Manager	420–576
Company Secretary	480–840

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- The above table includes salary data collected from international and leading local law firms, local companies, listed companies and multi-national corporations