

## US-China trade war

HOME OPINION ALL STORIES

# Companies scramble to hire as production shifts from China to cheaper Asian centres amid deepening trade war

PUBLISHED : Monday, 17 September, 2018, 8:30am  
 UPDATED : Monday, 17 September, 2018, 11:19am

COMMENTS: 26



Enoch Yiu



52 SHARES



RELATED TOPICS

US-China trade war

Hong Kong and mainland companies are planning to hire more staff in cheaper regions of Asia as trade tensions between Washington and Beijing prompt firms to shift parts of their production lines to India, Bangladesh, Vietnam, and Malaysia, according to an international headhunter.

**SCMP TODAY: HK EDITION**  
 Get updates direct to your inbox

Enter your email

By registering you agree to our T&Cs & Privacy Policy

Executive search company DHR International, which has its headquarters in Chicago, said the search to diversify production from China was among the major drivers behind the talent search.

“Mainland China remains an important manufacturing base for many companies. However, we have seen more hiring demand in Southeast Asian countries as many manufacturers are now expanding their production outside the mainland to prepare for the trade war,” according to Christine Greybe, DHR’s president and head of international.

David Nagy, the headhunter’s managing partner of Asia-Pacific industrial practice, said manufacturers are also expanding to other regions because of rising mainland labour costs in recent years.

### Hong Kong’s industrialists are moving out of mainland China to safer havens in Sino-US trade war →

Favoured destinations for relocation include Thailand, Vietnam and Malaysia, Nagy said.

“These companies are not completely moving out of the mainland, but they want to set up additional production lines in the Southeast Asia countries,” Nagy added.

Jerry Chang, managing director at international headhunter Barons & Company, has also received enquiries from many companies regarding recruitment in Southeast Asia.

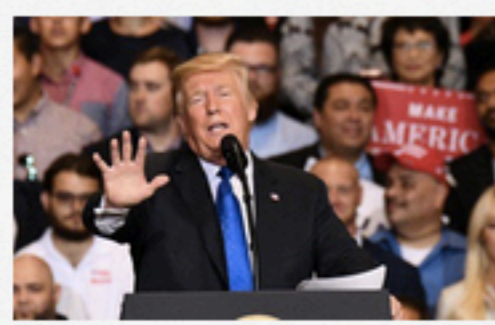
“Since the trade war started from this summer, we have received more enquiries from companies who would like to know about employment regulation and other issues in Malaysia, Vietnam, India and Bangladesh as they are considering moving part of their operations from mainland China to these countries,” Chang said.

“They may not do it immediately as it takes a long time to set up a factory in the Southeast Asia market, but they are in the process of getting more recruitment information for hiring needs.”

Chang said he believed the trend was likely to continue, fuelled by rising operating costs on the mainland.

### Bank of East Asia expects financing boom as mainland factories pull up stakes in search for cheaper locales →

#### Related Articles



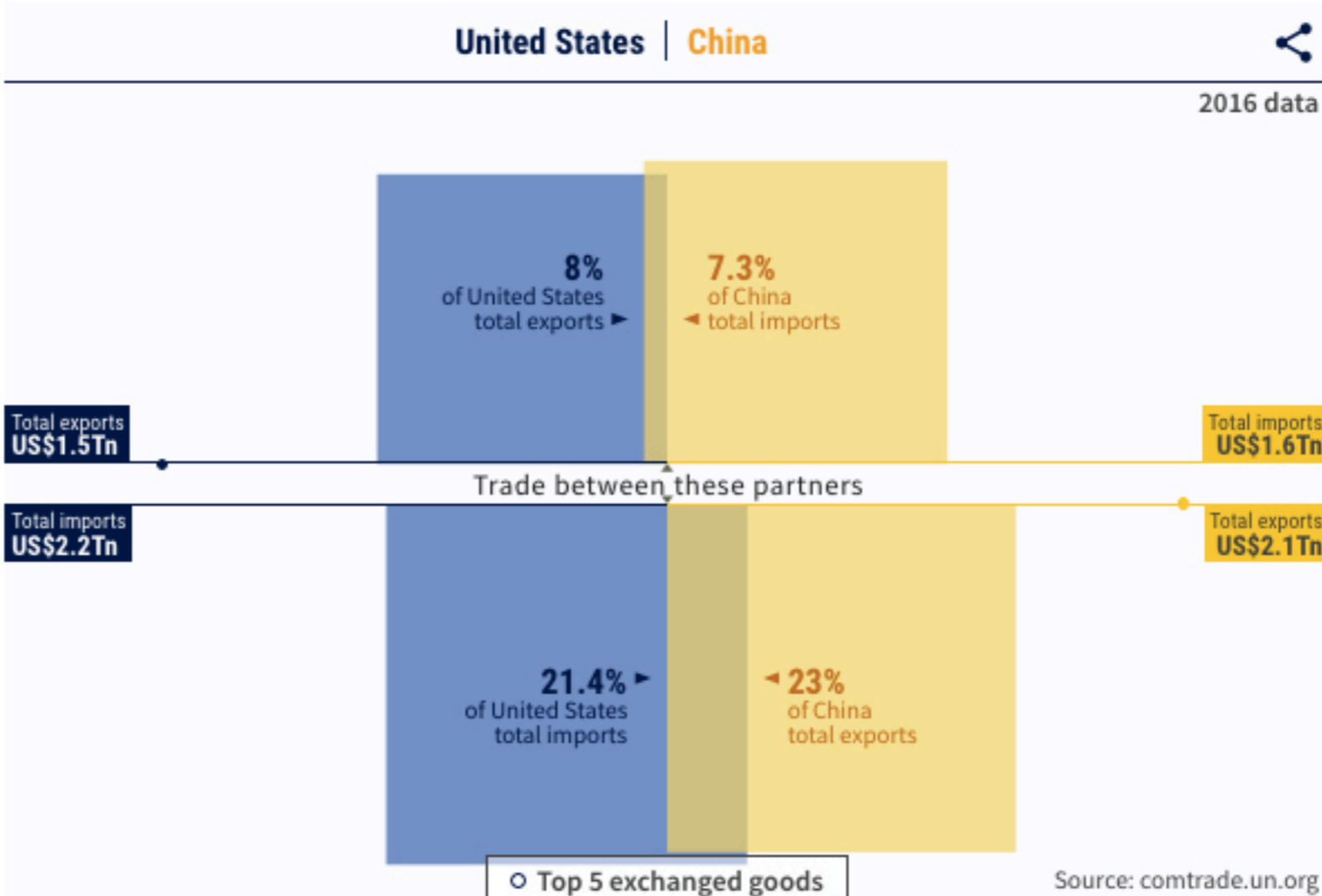
**DIPLOMACY**  
 Trade war: Trump says it's 'time to take a stand' on China  
 21 Sep 2018



**NEWS**  
 China's top export financing bank to help firms hit hard by trade war  
 21 Sep 2018



**OPINION**  
 Can trade war rivalry reset US-China relations for the better?  
 21 Sep 2018



The world’s two largest economies have been engaged in a tit-for-tat trade war since early July, with each side levying 25 per cent tariffs on US\$50 billion worth of respective goods imports.

Trade tensions are expected to further escalate this week as the administration of US President Donald Trump is poised to announced within days new tariffs of as much as US\$200 billion in Chinese goods, according to a report by *The Wall Street Journal*.

The White House is planning a 10 per cent tariff, less than the 25 per cent tariff announced in August, which could go into effect within weeks, the report said.