



# Global Talent Market Quarterly

---

Q1 2021



The global economy saw a GDP decline of 3.9% in 2020, largely due to COVID-19 pandemic disruptions. GDP growth of 4.4% is predicted for 2021 as economies are expected to reopen and recoveries begin. Vaccination rollout plans will play a key role in lifting restrictions and strengthening economic and employment growth.

GDP Growth



Unemployment Rate



# AMER

**With major vaccine rollouts expected to be well underway by mid-2021, GDP is expected to rebound. Brazil, Canada, and the US are forecast to see declining unemployment in the coming years.**

**BRAZIL:** The reopening of industries and the massive fiscal stimulus provided some relief, but Brazil suffered negative GDP growth of 4.6% overall in 2020. Unemployment is expected to slowly fall over the coming years as the country slowly adds back jobs lost during the shutdown.

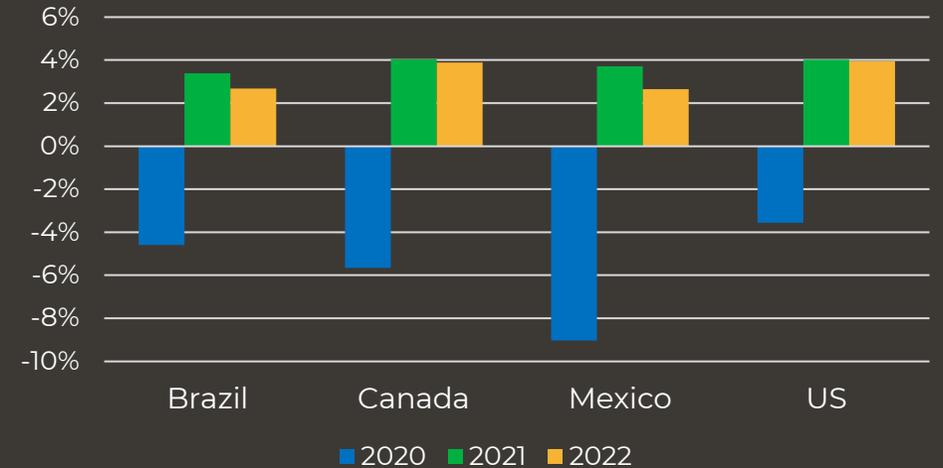
**CANADA:** In January 2021, consumer sentiment improved to its highest level since February 2020. Household consumption growth will significantly contribute to the projected 4.0% GDP growth in 2021. Optimism surrounding the COVID-19 vaccine roll out also leads to projections of the economy opening and unemployment declining.

**MEXICO:** Fourth quarter indicators point to a slow but present recovery, due in part to a stronger-than-expected US import market. The labor market still has 2.4 million jobs to add until it returns to pre-COVID levels.

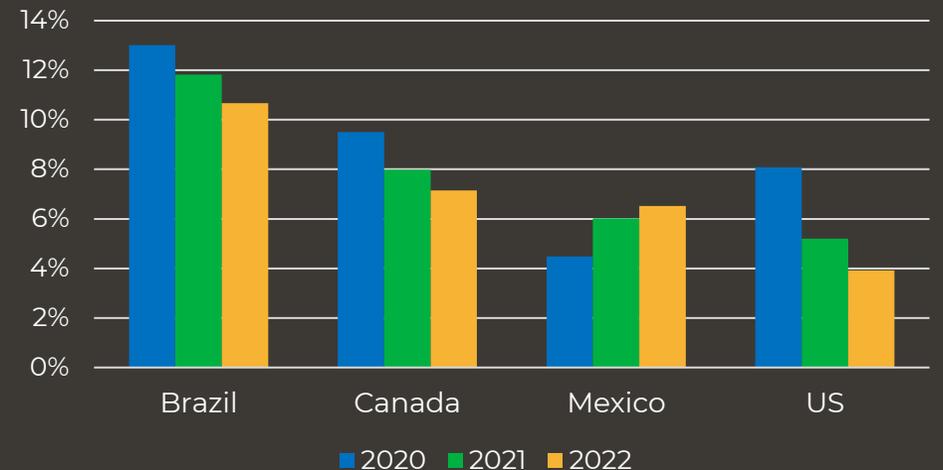
**US:** Fiscal stimulus is expected to boost Q1 and overall, 2021 GDP growth. Coupled with the expectation of a successful vaccination campaign, a stronger recovery is expected in the second half of 2021, leading to 4.0% GDP growth and a declining unemployment rate.

Sources: IHS Markit (January 2021)

GDP Growth



Unemployment Rate



# APAC

**China was one of the only major countries to show GDP growth in 2020. Although the APAC region leads global growth trends, the timeline for vaccine availability and recovery varies across countries.**

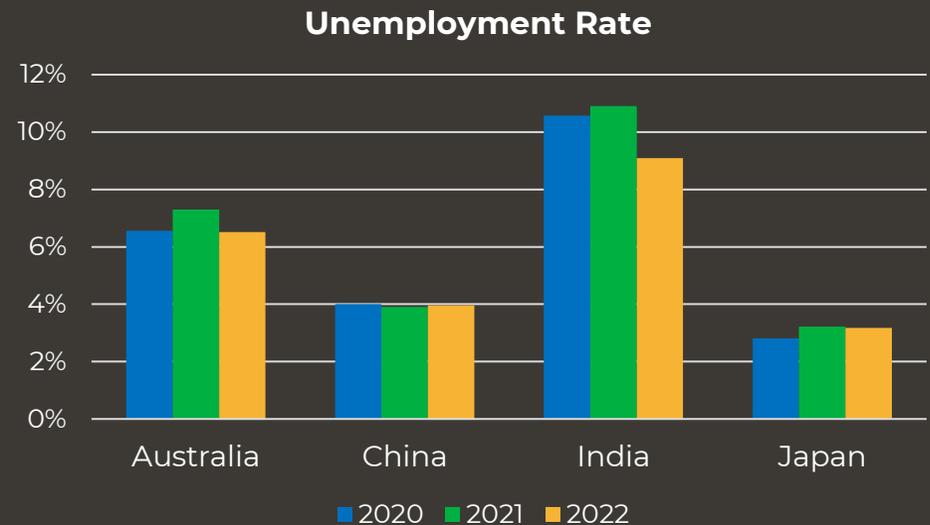
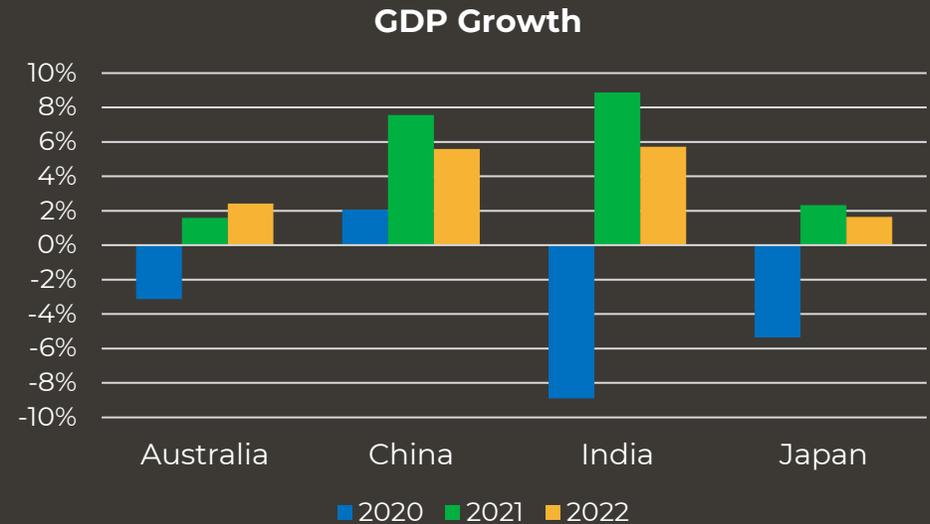
**AUSTRALIA:** The Australian economy contracted 3.1% in 2020 due to the bushfires of early 2020, sustained drought conditions, and significant COVID-19 outbreaks and the resulting shutdowns. Modest growth is projected for 2021.

**CHINA:** China ended 2020 with a positive GDP growth rate of 2.1%. Output of the agriculture, industrial, and service sectors rose significantly in both Q3 and Q4 of 2020, helping to keep the annual GDP growth rate positive despite deceleration in hospitality and catering services.

**INDIA:** Employment conditions declined significantly in 2020, leading to lower-than-expected consumer demand. Recovery is expected later in 2021 as employment and wages increase due to the incremental opening of the economy.

**JAPAN:** Japan started 2021 by declaring a state of emergency as COVID-19 cases spiked. However, Japan is projected to see growth later in the year with support from the vaccine rollouts and delayed stimulus. Japan is expected to see growth of 2.3% in 2021.

Sources: IHS Markit (January 2021)



# EMEA

**Economic restrictions due to COVID-19 are being reintroduced and hurting GDP growth in many countries. Fiscal and monetary policies have been expanded in order to help mitigate economic impacts and help spur growth later into 2021.**

**FRANCE:** France's economy is expected to decline in Q1 2021 for the second consecutive quarter. COVID-19 outbreaks have led to tighter restrictions and have diminished domestic demand, the main driver of economic growth in 2021.

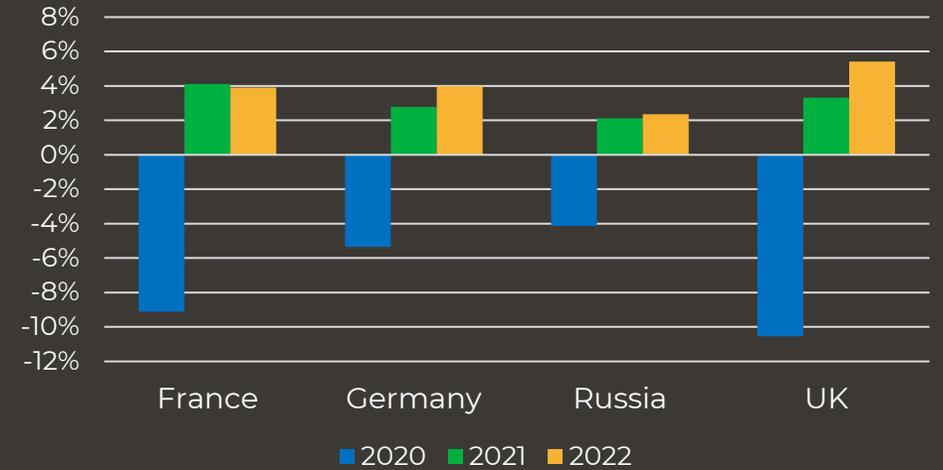
**GERMANY:** Lockdown extensions have been put in place due to growing numbers of COVID-19 infections. An economic rebound is expected to begin during the second quarter, but a return to pre-pandemic activity levels will likely be delayed until 2022.

**RUSSIA:** The decline in external demand for oil, decreasing private consumption, and concerns about COVID-19 led to a 4.3% decline in 2020 GDP growth. Russia's labor market also will continue to struggle as labor inputs are limited.

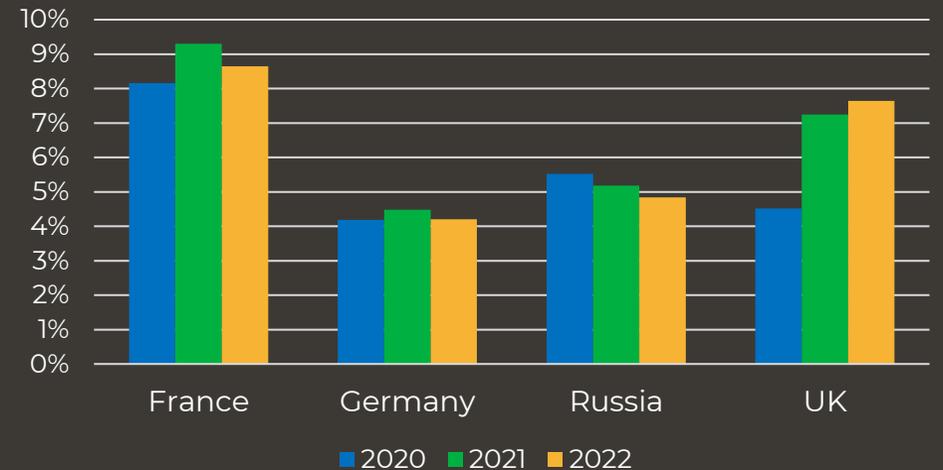
**UK:** The UK had a relatively large decline in GDP, -10.6% in 2020. COVID-19 lockdowns are still in place in early 2021, but vaccination rollouts and easing of restrictions will help spur growth in the second half of the year.

Sources: IHS Markit (January 2021)

GDP Growth



Unemployment Rate



## Employee wages and benefits are being strengthened in 2021 with actions such as higher minimum wages and extended parental leave. Mexico's president proposed a bill that would create challenges for the temporary help industry while legislation in Indonesia removes some barriers.

### CANADA

The Digital Charter Implementation Act (DCIA) was introduced in the House of Commons in November 2020. The DCIA would significantly overhaul Canada's federal privacy laws and aligns closely with Europe's General Data Protection Regulations (GDPR).

### US

President Biden has proposed a \$15-an-hour federal minimum wage. A bill introduced by Democrats in late January would increase the wage floor to \$15 an hour four years after the new law's effective date.

### MEXICO

President Andrés Manuel López Obrador announced a bill that, if enacted, would have a significant impact on outsourcing and the use of labor suppliers.. This bill would only allow subcontracting where the activities contracted out require specialization that is outside the scope of the company's trade or business.

### SPAIN

Two Royal Decrees passed in October 2020 together introduce new provisions on implementing pay equality plans, salary transparency, and equal pay between men and women.

### FRANCE

Starting the first of July 2021, the length of paternity leave will be doubled from 14 to 28 days, of which seven days will be mandatory. Adoption leave has also been increased from 10 to 16 weeks.

### SWITZERLAND

The collective agreement (CLA) covering the staffing sector was renewed through 2023, including wage increases set for 2022 and 2023. Also, the canton of Geneva has set the world's highest minimum wage, CHF 23 (USD 26 or EUR 21) per hour as of November 2020.

### AUSTRALIA

The Fair Work Amendment introduces for the first time at the Federal Level criminal sanctions for dishonest and systematic wage underpayments. The amendment aims to increase compliance with the Fair Work Act.

### INDONESIA

Indonesia's Job Creation Law has, among other provisions, abolished restrictions on labor suppliers who previously could only be used for supporting services or activities not directly related the core function of the user company. Businesses can now subcontract any work to any third party.

### CHINA

China's Civil Code provides a clear definition of "sexual harassment" for the first time in national legislation. It also requires employers to provide an internal mechanism for employees to lodge complaints and to make reasonable efforts to prevent sexual harassment in the workplace..

### COVID-19 VACCINES

#### US EMPLOYERS CAN REQUIRE THAT THEIR EMPLOYEES BE VACCINATED.

Employers can require their employees to be vaccinated, provided they meet the legal requirements, which present a significant hurdle. Surveys indicate that US employers may prefer to encourage, versus require, employees to get vaccinated.

#### OUTSIDE THE US, EMPLOYERS ARE FAR LESS LIKELY TO BE ABLE TO MANDATE THE VACCINE:

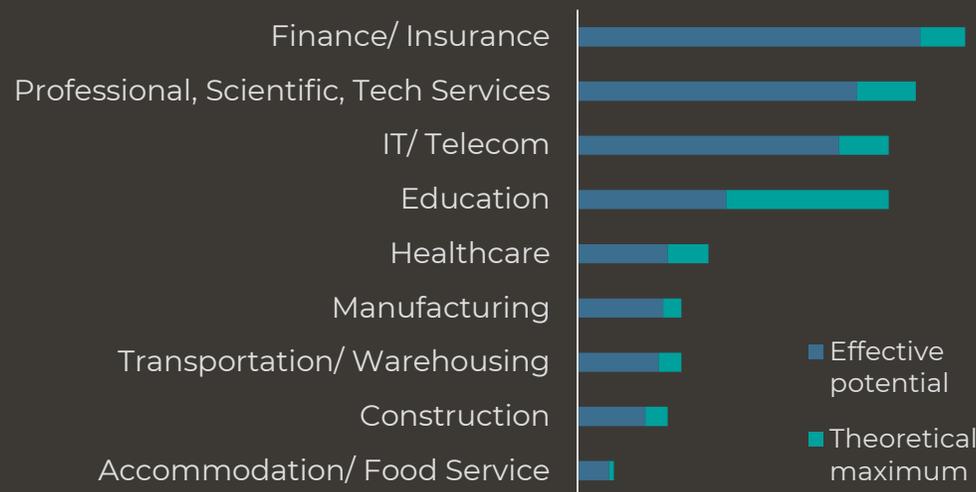
Outside the US, approaches to encouraging and mandating vaccination are likely to vary widely by country.

In Europe, experts say employers are unlikely to be able to mandate vaccination for employees. "The concept of private employers mandating any form of vaccine goes against principles of autonomous decision making, fairness, and excessive employer involvement in employees' private lives," reads one article delving into the issue.

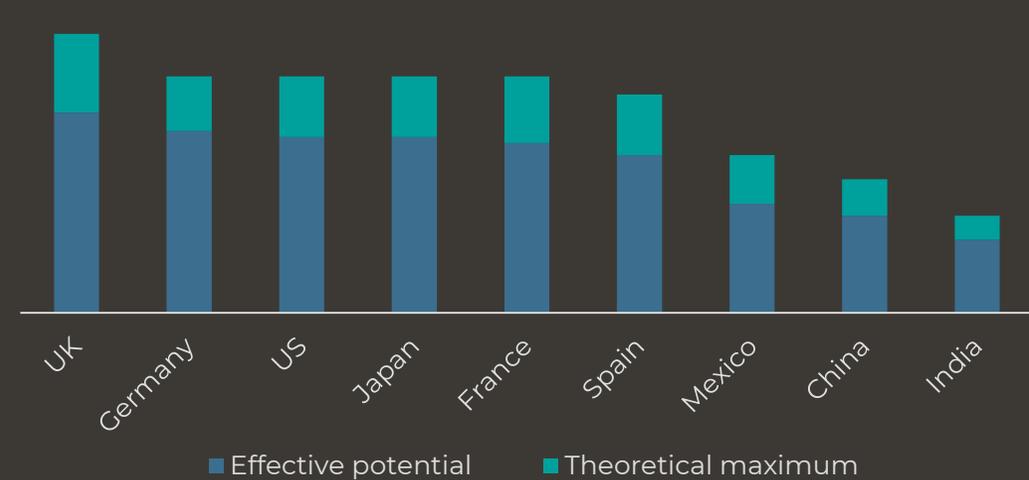
**Remote work has become a reality for many companies and workers during the COVID-19 pandemic shutdowns. But not all jobs or workers are suited for remote working, raising questions about how work is getting done in the short term and the ramifications of remote workforces in a post-pandemic world. While remote work is being embraced, even for job categories once assumed to require physical presence, the equity gap among different kinds of workers is expanding.**

Recent research from McKinsey found that the potential for remote work is highest among highly skilled, highly educated workers in a handful of industries, jobs, and/or geographies. On the other hand, jobs with less potential for remote working tend to be lower wage, in developing nations, and/or more at risk from broad trends such as automation and digitization.

Potential for Remote Work by Sector



Potential for Remote Work by Country



Remote work potential includes two metrics; the maximum potential, including all activities that theoretically can be performed remotely, and a lower bound for the effective potential for remote work, which excludes activities that have a clear benefit from being done in person.

### About Kelly®

Kelly Services, Inc. (Nasdaq: KELYA, KELYB) connects talented people to companies in need of their skills in areas including Science, Engineering, Education, Office, Contact Center, Light Industrial, and more. We're always thinking about what's next in the evolving world of work, and we help people ditch the script on old ways of thinking and embrace the value of all workstyles in the workplace. We directly employ nearly 440,000 people around the world, and we connect thousands more with work through our global network of talent suppliers and partners in our outsourcing and consulting practice. Revenue in 2019 was \$5.4 billion. Visit [kellyservices.com](https://www.kellyservices.com) and let us help with what's next for you.