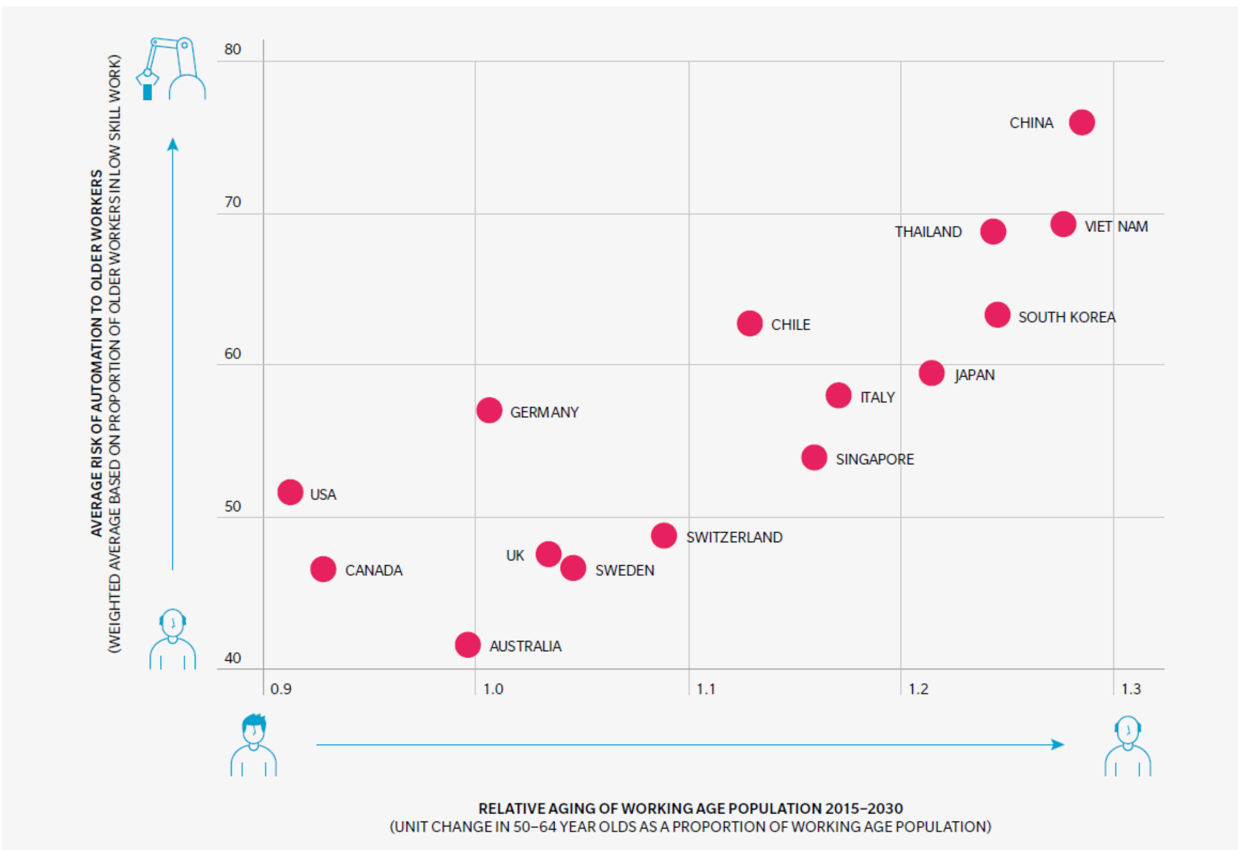
NEWS RELEASE

76 Percent of Older Chinese Workers' Jobs Are Automatable
World Faces The Twin Threats of Aging and Automation

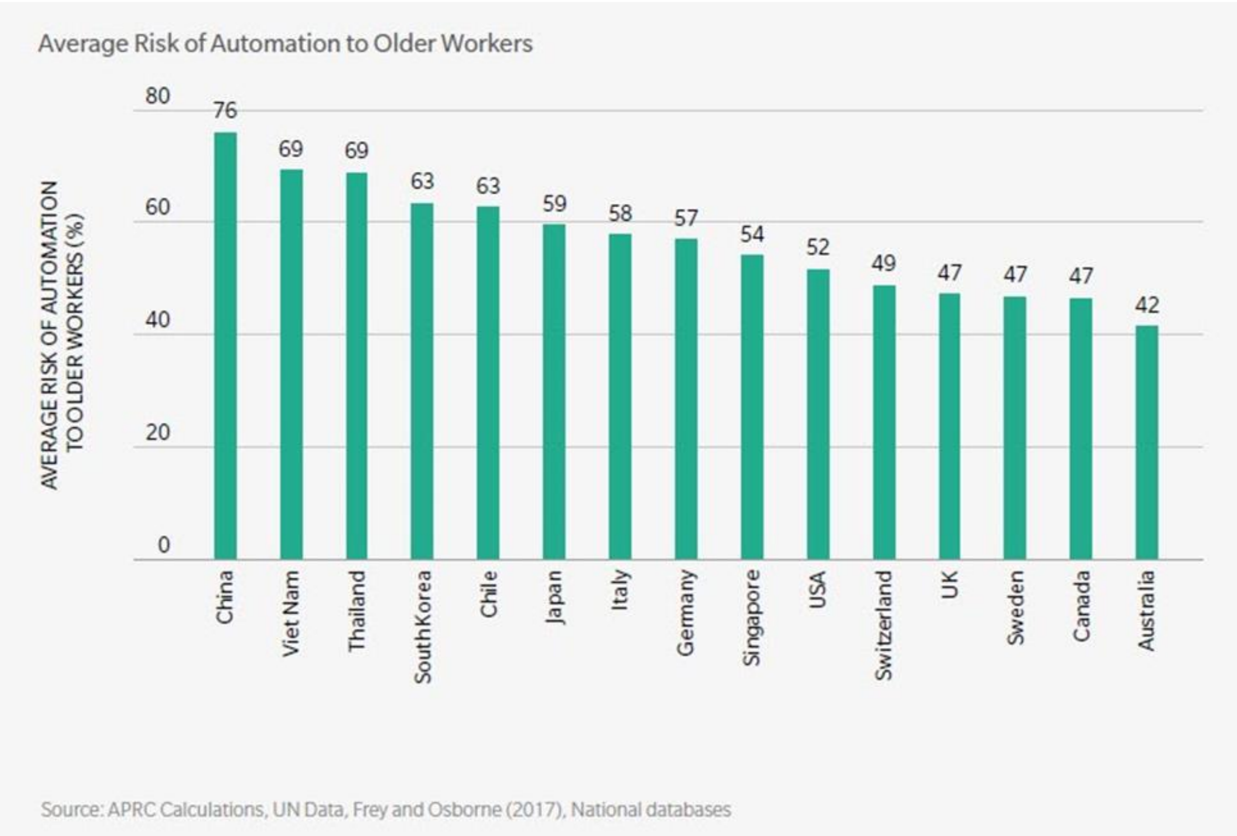
Shanghai, July 25, 2018 – Older workers in China and other Asian nations are most vulnerable to displacement from the increasing adoption of workplace automation, according to a newly released report. The report identified China as the country most at risk. On average, Chinese older workers are doing jobs that are 76 percent automatable. UN data shows that its working-age population as a percent of the total population will shrink by 5 percent between 2015 and 2030, and more than 30 percent of the working age population will be between 50-64 years of age by 2030. This means that China is likely to face serious repercussions from the displacement of older workers at the hands of technology. (see "Figure 1")

Figure 1: Risks of Aging and Automation



The new report, "*The Twin Threats of Aging and Automation,"* was released by Marsh & McLennan Companies' (NYSE: MMC) Global Risk Center. To garner insight into the related risks of societal aging and workplace automation, the Global Risk Center brought together experts from two of Marsh & McLennan Companies' leading professional services firms, Mercer and Oliver Wyman, to aggregate and analyze market-specific economic data to quantify the risk posed by automation to older workers in 15 countries across Asia, Europe and the Americas (see "Figure 2").

Figure 2: Weighted average risk of automation to older workers (50-64)



The convergence of an aging global population with workplace automation is expected to have significant economic and societal consequences, particularly in major Asian countries, where low-skilled workers between the ages of 50 and 64 are becoming an increasingly larger proportion of the active workforce. The study found that five out of the top six countries – China, Vietnam, Thailand, South Korea and Japan – were located in Asia Pacific.

"While businesses today are racing to adopt intelligent technologies, the fallout of this shift could disproportionately impact older workers, leading to unemployment, widening inequality and greater strain on safety nets," said Axel Miller, Oliver Wyman partner and co-author of the report. "Even as older workers in aging nations are willing and able to engage in meaningful work, those skilled in the 'yesterday' work environment might be at risk of being excluded from the economy of tomorrow."

Key Findings of the Report Include:

- Older worker jobs in China are at the greatest risk of displacement. On average, Chinese older workers are doing jobs that are 76 percent automatable. (Figure 1)
- China, Vietnam, and Thailand are classed as 'high-risk emerging Asia', combining extremely high rates of projected older worker growth, and large swathes of older workers employed in

highly automatable work. As manufacturing hubs, these nations are at a high risk of worker displacement at the hands of advancing technology across all age groups and particularly older workers

- Even in countries with high concentrations of advanced-skill workers whose jobs are typically harder to automate – including Singapore, Japan, South Korea, Germany and Italy – older worker jobs are still relatively susceptible to automation and worker displacement can occur across occupations and age groups.
- Canada (47 percent) and Australia (42 percent) have the lowest rates of aging of the 15 markets analyzed and the lowest risk scores, making older workers in these countries relatively less susceptible to automation.
- In the United States, older workers are doing jobs that are on average 52 percent automatable.

"Automation enables unprecedented levels of productivity and gives firms the ability to invest in new revenue streams and younger workers," said Patty Sung, a principal with Mercer and co-author of the report. "However, investing in younger workers will become challenging as the younger population shrinks. Governments and companies should not – and cannot – ignore older workers, and need plans that address older workers in addition to their larger digital strategies."

-End-

To download the full report, please click the link below
http://www.oliverwyman.com/our-expertise/insights/2018/jul/the-twin-threats-of-aging-and-automation.html

Official account of Oliver Wyman:

OLIVER WYMAN

About the Report:
Using data from the United Nations (UN), the authors calculated the number of older workers employed in each of the UN's nine categories of employment. For most countries, older workers are defined as those still active in the workforce between the ages of 50 and 64 – with the exception of Canada (45-64) and the United States (55-64). By mapping these nine categories to "risk of automation" values from University of Oxford researchers Martin Frey & Carl Osbourne, the authors then generated weighted-average scores for the automation risk to older workers for each nation, computing the Average Risk of Automation to Older Workers score.

About Mercer, Oliver Wyman and Marsh & McLennan Companies' Global Risk Center
Marsh & McLennan Companies (NYSE: MMC), is the world's leading global professional services firm in risk, strategy and people. Marsh & McLennan Companies' Global Risk Center Center addresses the most critical challenges facing enterprise and societies around the world by

bringing together leaders from industry, government, non-governmental organizations, and the academic sphere to explore new approaches to problems that require shared solutions across businesses and borders. Mercer delivers advice and technology-driven solutions that help organizations meet the health, wealth and career needs of a changing workforce. Mercer's more than 23,000 employees are based in 44 countries and the firm operates in over 130 countries. Oliver Wyman is a global leader in management consulting. With offices in 50+ cities across nearly 30 countries, Oliver Wyman combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization transformation. The firm has more than 4,700 professionals around the world who help clients optimize their business, improve their operations and risk profile, and accelerate their organizational performance to seize the most attractive opportunities. Oliver Wyman has offices in Hong Kong, Shanghai and Beijing in Greater China. For more information, visit www.mercer.com and www.oliverwyman.com. Follow Mercer on Twitter @Mercer and Oliver Wyman @OliverWyman.

With nearly 65,000 colleagues and annual revenue of over $14 billion, Marsh & McLennan helps clients navigate an increasingly dynamic and complex environment through its market-leading companies including Marsh, Guy Carpenter, Mercer and Oliver Wyman. For more information, visit mmc.com, follow us on LinkedIn and Twitter @mmc_global or subscribe to *BRINK*.

Oliver Wyman Press Contact:

Eva Tong
Direct: (86) 21 8036 9313
Eva.Tong@oliverwyman.com

# # #