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Press Release

Nanterre, 13 December 2016

ManpowerGroup Employment Outlook Survey

1Q17 FRANCE OUTLOOK: FRENCH EMPLOYERS REPORT POSITIVE HIRING INTENTIONS FOR THE THIRD QUARTER IN A ROW

EMPLOYERS IN THE TRANSPORT, STORAGE & COMMUNICATIONS SECTORS ARE THE MOST OPTIMISTIC FOR THE QUARTER AHEAD

- For the third quarter in a row, employers surveyed by ManpowerGroup in France report positive hiring intentions. Once the data is adjusted to allow for seasonal variations, the Outlook stands at +2% for Q1 2017, the strongest forecast reported since Q3 2015. Hiring intentions remain stable quarter-over-quarter and increase by 3 percentage points year-over-year.
- For the January-March time frame, 5% of the employers surveyed plan on an increase in their workforce, while 4% of them plan on a decrease. Nearly 9 out of 10 (89%) employers expect to leave their current workforce unchanged in the next quarter.
- Employers in four of the five regions covered by the survey report positive hiring activity for the quarter ahead, with Outlooks standing at +5% in the South, +3% in the West Centre, and +2% in the North and the East Centre regions. Employers in the Paris region are the most pessimistic, with the only negative forecast at -1% for Q1 2017.
- In a quarter-over-quarter comparison, the Net Employment Outlook improves in three regions but decreases in two. A substantial improvement of 5 percentage points in the Outlook is reported in the East Centre region. On the contrary, the hiring pace is down 3 and 1 percentage points in the Paris and the South regions respectively.
- Year-over-year, the Outlook improves by varying margins in four out of the five regions. The forecast is up 10 percentage points in the East Centre, 8 percentage points in the South, 6 percentage points in the West Centre, and 2 percentage points in the North region. It decreases by 2 percentage points in the Paris region.
- For Q1 2017, payrolls are expected to rise in six out of the 10 industry sectors surveyed. For the quarter ahead, employers in the Transport, Storage & Communication sector are the most optimistic with a favorable Net Employment Outlook of +15%, followed by those in the Manufacturing (+4%), the Construction (+3%), the Electricity, Gas & Water (+2%), the Public & Social (+2%), and the Wholesale & Retail Trade (+2%) sectors. Conversely, employers in the Agriculture, Hunting, Forestry & Fishing (-8%) sector are by far the most pessimistic, followed by those in the Mining & Quarrying (-5%), the Finance & Business Services (-3%), and the Restaurants & Hotels (-2%) sectors.

- When compared with the previous quarter, hiring prospects improve in only three out of the 10 industry sectors. The strongest change in the Outlook is reported by employers in the Transport, Storage & Communication sector with a considerable increase of 14 percentage points. Hiring prospects also improve in the Electricity, Gas & Water (up 4 percentage points), and the Public & Social (up 3 percentage point) sectors. Conversely, employers expect to lay off staff in six sectors, and particularly in the Manufacturing (down 5 percentage points), in the Finance & Business Services and the Restaurants & Hotels sectors (down 4 percentage points each).
- Year-over-year, hiring prospects improve in seven out of 10 industry sectors. The most notable increase in the Outlook is reported by employers in the Transport, Storage & Communication (up 24 percentage points) followed by employers in the Construction sectors (up 13 percentage points). The strongest decline in the Outlook is reported by employers in the Agriculture, Hunting, Forestry & Fishing sector (down 14 percentage points).
- All four organization-size categories forecast an increase in their hiring activities for the January-March time frame with Net Employment Outlooks of +12% for Large businesses, +6% for Small and Medium businesses, and +1% for Micro businesses.
- Employers surveyed by ManpowerGroup in the Europe, Middle East & Africa (EMEA) region report mostly positive hiring intentions for the quarter ahead with those in 23 countries out of 25 planning to add to their payrolls during the next three months. In a quarter-over-quarter comparison, forecasts are expected to improve in 12, decline in 10, and remain stable in three countries.
- For Q1 2017, employers in Slovenia and Hungary are the most optimistic among the EMEA region with a Net Employment Outlook for the coming quarter at +17%. The weakest outlook is reported in Switzerland with a NEO of -2%, while employers in Italy expect flat hiring activity for the coming quarter (0%).

EMPLOYERS IN FOUR OF FIVE REGIONS REPORT POSITIVE OUTLOOKS FOR THE NEXT QUARTER

NOTE: The following Net Employment Outlooks (NEO) have been seasonally adjusted.

For Q1 2017, employers in all five regions but one forecast an increase in their workforces with a Net Employment Outlook of +5% for the South region, +3% for the West Centre, and of +2% for the East Centre and the North regions. Conversely, employers in the Paris region forecast to lay off staff with a NEO of -1%.

Quarter-over-quarter, hiring intentions are up 5 percentage points in the East Centre. Meanwhile, the Outlook weakens by 3 percentage points in the Paris region. In the three other regions, the hiring activity is relatively stable on a quarterly comparison.

Year-over-year, the Net Employment Outlook increases in four regions. The Paris region is the exception with employers reporting the only decrease in the Outlook (down 2 percentage points).

The following content examines changes in the Net Employment Outlook for Q1 2017 in all five regions, compared with the Outlooks for the previous quarter (Q4 2016) and figures for the same period last year (Q1 2016).

- Employers in the **South** region anticipate the strongest forecast for Q1 2017, with a positive Net Employment Outlook of +5% for the January-March time frame. The Outlook is relatively stable quarter-over-quarter and increases by 8 percentage points year-over-year.

- In the **West Centre** region, job seekers can expect a positive hiring activity during the coming quarter with a Net Employment Outlook standing at **+3%**. While the Outlook is relatively stable quarter-over-quarter, it increases by 6 percentage points year-over-year.
- A positive hiring pace is expected for the upcoming quarter in the **East Centre** region, with a Net Employment Outlook of **+2%**. Hiring plans increase by 5 percentage points quarter-over-quarter and by 10 percentage points year-over-year.
- Employers in the **North Centre** region also expect payroll gains for the next quarter, reporting a Net Employment Outlook of **+2%**. The Outlook is up 1 percentage point quarter-over-quarter and 2 percentage points year-over-year.
- Employers in the **Paris** region are the most pessimistic for the quarter to come with a Net Employment Outlook standing at **-1%**, the only negative forecast for the quarter to come. The Outlook declines by 3 percentage points quarter-over-quarter, and by 2 percentage points year-over-year.

POSITIVE HIRING INTENTIONS IN SIX OUT OF THE 10 SECTORS SURVEYED

Employers in six out of the 10 industry sectors surveyed forecast an increase in their payroll for the next three months. The strongest hiring climate is expected in the **Transport, Storage & Communication** sector where the Net Employment Outlook stands at **+15%**. Positive signs are also reported in the **Manufacturing (+4%)**, **Construction (+3%)**, **Electricity, Gas & Water (+2%)**, **Public & Social (+2%)**, and **Wholesale & Retail Trade (+2%)** sectors. Employers in four sectors expect to reduce their payroll, most notably in the **Agriculture, Hunting, Forestry & Fishing** sector, with an Outlook of **-8%**, in the **Mining & Quarrying (-5%)**, in the **Finance & Business Services (-3%)**, and in the **Restaurants & Hotels (-2%)** sectors.

Compared with the previous quarter and the previous year at the same period, the most favorable changes in the Outlooks are reported by employers in the **Transport, Storage & Communication** sector (up 14 percentage points quarter-over-quarter and up 24 percentage points year-over-year) and employers in the **Construction** sector (up 14 percentage points year-over-year). Conversely, employers in the **Agriculture, Hunting, Forestry & Fishing** sector report the most considerable decline in the Outlook (down by 14 percentage points).

- Employers in the **Transport, Storage & Communication** sector report the strongest hiring climate since Q2 2014 with a Net Employment Outlook standing at **+15%**. Hiring intentions are 14 percentage points stronger quarter-over-quarter and up 24 percentage points year-over-year.
- In the **Manufacturing** sector, employers report modest workforce gains in the next three months, with a Net Employment Outlook at **+4%**. Hiring intentions are 5 percentage points weaker quarter-over-quarter but up 5 percentage points year-over-year.
- In the **Construction** sector, some payroll growth is expected in the next three months, with a Net Employment Outlook of **+3%**. Whereas hiring intentions are relatively stable quarter-over-quarter, they improve by 13 percentage points year-over-year.
- In the **Electricity, Gas & Water** sector, employers anticipate a cautious hiring pace for the next three months, with a Net Employment Outlook standing at **+2%**. Hiring prospects are up 4 percentage points quarter-over-quarter and 6 percentage points year-over-year.
- With a Net Employment Outlook standing at **+2%**, employers in the **Public & Social** report the first positive hiring prospects since 3Q 2015. The Outlook is 3 percentage points stronger quarter-over-quarter and improves by 6 percentage points year-over-year.

- Employers in the **Wholesale & Retail Trade** sector expect a small but positive change in their staffing levels for the forthcoming quarter, with a Net Employment Outlook at **+2%**. The sector's Outlook is positive for two quarters in a row for the first time since Q4 2011. Hiring plans are relatively stable quarter-over-quarter but 3 percentage points stronger when compared with Q1 2016.
- With a Net Employment Outlook of **-2%**, employers in the **Restaurants & Hotels** sector anticipate a disappointing labor market for the quarter to come. While the Outlook decreases by 4 percentage points quarter-over-quarter, it improves by 2 percentage points year-over-year.
- An adverse hiring climate is reported in the **Finance & Business Services** sector for the January-March time frame, with a Net Employment Outlook standing at **-3%**. Hiring intentions are 4 percentage points weaker quarter-over-quarter and down 5 percentage points year-over-year.
- In the **Mining & Quarrying** sector, employers expect the labor market to keep on slumping during the next three months with a Net Employment Outlook of **-5%**. Hiring plans are down 3 percentage points quarter-over-quarter and 5 percentage points year-over-year.
- Employers in the **Agriculture, Hunting, Forestry & Fishing** sector report the most pessimistic hiring prospects for the upcoming quarter with a Net Employment Outlook of **-8%**. The Outlook remains stable in a quarter-over-quarter comparison but decreases by 14 percentage points year-over-year.

A GLOBAL LABOUR MARKET THAT REMAINS WIDELY FAVORABLE TO JOB SEEKERS

- **Globally, employers in 40 of 43 countries and territories surveyed intend to add to their payrolls during the January-March time frame.** In a quarter-over-quarter comparison, forecasts increase in 19 countries and territories, decrease in 17 and remain unchanged in seven. Year-over-year, forecasts improve in 20 countries and territories, decline in 18, and remain unchanged in four.
- **Q1 2017 hiring confidence is the strongest in Taiwan, India, and Japan. The weakest forecast is reported in Brazil (-9%) with a negative Outlook for the eighth quarter in a row. Employers in Switzerland plan a decrease in their payroll with a NEO at -2%. Employers in Hungary and Slovenia both report their strongest forecasts since their respective surveys began at +17%.**

➔ In the EMEA Region, Positive Forecasts Dominate the Labor Market

- **In the Europe, Middle East & Africa (EMEA) region, employers in 23 countries out of 25 expect workforce gains.** In a quarter-over-quarter comparison, hiring intentions improve in 12 countries, weaken in 10 and are unchanged in three. When compared to Quarter 1 2016, employer confidence is stronger in 15 countries, weaker in seven and unchanged in two¹.
- Opportunities for job seekers are expected to be the strongest in **Hungary (+17%), Slovenia (+17%),** and **Romania (+15%).** The weakest prospects are reported in **Switzerland** with a Net Employment Outlook of **-2%** and in **Italy** where the NEO stands at **0%**.

¹ Portugal joined the survey in Quarter 3 2016 and has no year-over-year trend data to compare at this point.

➤ **A still Dynamic Labor Market in the Americas while Employers in Brazil are the most Pessimistic Globally**

- **Nine of the 10 countries surveyed in the Americas report strong and positive hiring plans for the quarter to come.** The employment market in **Brazil** is expected to be the least dynamic in the world, with employers reporting a negative Outlook of **-9%**. When compared with the previous quarter, the Outlook increases in four countries, declines in four and is unchanged in two. In a year-over-year comparison, forecasts strengthen in four countries and decline in six.
- Q1 2017 hiring intentions are the strongest in the **United States** and **Guatemala** (+16%), followed by **Mexico** (+14%), **Costa Rica** (+12%), and **Canada** (+11%).

➤ **The Strongest Hiring Paces Still Expected in the Asia-Pacific Region. Taiwan Employers are now the most Optimistic in the World.**

- **Payrolls are expected to increase in all eight Asia Pacific countries and territories.** In a quarter-over-quarter comparison, the hiring pace improves in three out of the eight countries and territories, declines in three and is unchanged in two. However, in a year-over-year comparison, the Outlook weakens in five, improves only in one and remains unchanged in two. Employers in **Taiwan** now report the most optimistic regional and global hiring plans. **China's** employers report the region's weakest hiring plans for the third quarter in a row.
- Employers in **Taiwan** are the most optimistic across the globe with an Outlook at **+25%**, followed by employers in **India** (+24%) and **Japan** (+23%). The region's weakest but still positive forecast is reported by employers in **China** (+4%).

ManpowerGroup Employment Outlook Survey – Quarter 2 2017 **Publication of Results: March 14, 2017**

About the survey

The ManpowerGroup Employment Outlook Survey for the first quarter of 2017 was conducted from October 19 until November 1, 2016 with nearly 59,000 employers in 43 countries and territories, including both private companies and public bodies, of which 1,001 are based in France. The study involved analyzing data obtained in response to a single question: "How do you anticipate total employment at your location to change in the three months to the end of March 2017 as compared to the current quarter?" Throughout the report, we use the term "Net Employment Outlook." This figure is derived by taking the percentage of employers anticipating total employment to increase and subtracting from this the percentage expecting to see a decrease in employment at their location in the next quarter. The result of this calculation is the Net Employment Outlook, which may be positive or negative. The survey is the only one of its kind and is conducted among companies not included in the Manpower customer database. Data have been seasonally adjusted to provide a more realistic assessment in each case. These adjustments smooth out the impact of seasonal variations, which generally occur during the same periods each year. Adjusted data is therefore more representative in the long term. Data is not seasonally adjusted for Portugal.

Data on all 43 countries is available through our new interactive resource, "ManpowerGroup Employment Outlook Explorer": <http://manpowergroupsolutions.com/DataExplorer/>

About ManpowerGroup

ManpowerGroup™ (NYSE: MAN) has been the world's workforce expert, creating innovative workforce solutions, for nearly 70 years. As workforce experts, we connect more than 600,000 people to meaningful work across a wide range of skills and industries every day. Through our ManpowerGroup family of brands — Manpower®, Experis™, Right Management® and ManpowerGroup® Solutions— we help more than 400,000 clients in 80 countries and territories address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2016, ManpowerGroup was named one of the World's Most Ethical Companies for the sixth consecutive year and one of Fortune's Most Admired Companies, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup makes powering the world of work humanly possible: www.manpowergroup.com

About ManpowerGroup France

ManpowerGroup, *HR Experts for a World of Challenges*, provides a portfolio of services in France ranging from temporary employment and permanent recruitment (Manpower), skills assessment and training to skills development (FuturSkill), recruitment of high-level experts and professional services (Experis), outsourcing and consulting (ManpowerGroup Solutions), career management and outplacement (Right Management). With 7,500 employees in France, ManpowerGroup generates a €4.2 billion turnover in 2015. <http://www.manpowergroup.fr/>

Press Contact – ManpowerGroup France

Stéphanie Prévost / +33 (0)6 27 02 32 12 / +33 (0)1 57 66 11 40

stephanie.prevost@manpower.fr