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## **Hiring pace for the first-quarter of 2017 expected to remain sluggish in Brazil according to ManpowerGroup Employment Outlook Survey**

*Hiring prospects improve by 2 percentage points when compared with the same period last year. But Outlook still indicates tough times ahead for job seekers.*

**Brazil, São Paulo, December 13, 2016** - ManpowerGroup, the world leader in innovative solutions for people hiring and management, announces the results of its quarterly ManpowerGroup Employment Outlook Survey for Brazil for the first quarter of 2017. In Brazil, the study interviewed 850 leading human resources executives.

The survey shows that hiring intentions for the first quarter of the year, January-March 2017, reached the -9% level in Brazil once seasonal variations are removed from the data, improving by 2 percentage points year-over-year while remaining relatively stable in comparison to the prior quarter's results. The Brazilian survey reveals that 10% of employers expect to increase staffing levels during the first three months of the year, 18% anticipate a decrease and 68% forecast no change to their current workforces.

"The impact of prolonged economic downturns and crises are directly affecting professionals opportunities and are also increasing unemployment in Brazil. However, the small growth that we see in the year-over-year comparison indicates some hope that the worst may be behind us and that our country's hiring climate may start to improve in the near future", says ManpowerGroup Brasil CEO, Nilson Pereira. "Additionally, slightly more than two thirds of the employers interviewed said they planned to keep their current workforce intact at least through the first three months of the year."

### **Sector Comparisons**

Employers in five of eight industry sectors report negative hiring plans for the coming quarter. When compared with 4Q 2016, hiring prospects strengthen in four sectors. Year-over-year, Outlooks improve in five sectors.

Public Administration & Education sector employers continue to forecast the strongest sector hiring plans, with an Outlook of +5%. Other positive sectors are Agriculture, Fishing & Mining and Finance, Insurance & Real Estate with +2%. However, employers in five sectors report subdued hiring prospects, with Outlooks of -4% (Manufacturing); -8% (Wholesale Trade & Retail Trade); -10% (Transportation & Utilities sector) and -15% (Services sector). Standing at -27%,

the Outlook for the Construction sector is once again the weakest in Brazil for the eighth consecutive quarter.

When compared with the previous quarter, Outlooks strengthen in four of the eight industry sectors. The most noteworthy increases of 3 and 2 percentage points are reported in the Agriculture, Fishing & Mining sector and Finance, Insurance & Real Estate, respectively. Manufacturing sector and Transportation & Utilities sector employers report an improvement of 1 percentage point.

Year-over-year, hiring plans improve in five of the eight industry sectors, most notably by 10 and 9 percentage points in the Manufacturing sector and Agriculture, Fishing & Mining sector, respectively. Transportation & Utilities sector employers report an increase of 6 percentage points while the Outlook for the Public Administration & Education and Construction sector is 2 percentage points stronger. Meanwhile, hiring prospects weaken in three sectors, including the Finance, Insurance & Real Estate sector where employers report a decline of 2 percentage points, Wholesale Trade & Retail Trade with a decline of 7 percentage points and finally, the Services sector where employers report a considerable decline of 12 percentage points.

### **Regional Comparisons**

Employers in all five regions expect payrolls to continue shrinking in the coming quarter. The least pessimistic hiring plans are reported in Great São Paulo, with an Outlook of -4%. Hiring intentions are unchanged quarter-over-quarter and improve by 7 percentage points year-over-year.

In Parana State and Minas Gerais State, employers report Outlooks of -5% and -8%, respectively. While gloomy hiring climates are expected to continue in São Paulo City and Rio de Janeiro State, with Outlooks of -10% and -21%, respectively.

Quarter-over-quarter, hiring intentions strengthen only in one of the five regions. São Paulo City employers report the most noteworthy increase of 1 percentage point, while Outlooks are -1, -2 and -4 percentage points weakest in Minas Gerais State, Paraná State and Rio de Janeiro State respectively. Meanwhile, hiring plans are unchanged in Great São Paulo.

When compared with 1Q 2016, hiring prospects improve in three of the five regions, most notably by 7 percentage points in Great São Paulo. São Paulo City employers report an increase of 2 percentage points and the Outlook for Paraná State is 1 percentage point stronger. However, Outlooks decline by 7 percentage points in Rio de Janeiro State. Hiring plans are unchanged in Minas Gerais State.

### **Organization Size Comparisons**

Staffing levels are forecast to decline in all four organization size categories during 1Q 2017, with the most optimistic Outlook of -1% reported by Large employers. Meanwhile, Micro employers report the weakest Outlook of -14%. Outlooks stand at -10% and -11% for Small - and Medium - size employers, respectively. Participating employers are categorized into one of four organization sizes: Micro businesses have less than 10 employees; Small businesses have 10-49 employees; Medium businesses have 50-249 employees; and Large businesses have 250 or more employees.

Quarter-over-quarter, hiring prospects improve in two organization size categories, most notably by 3 percentage points for Large employers and 2 percentage points for Micro employers. Small employers and Medium employers report an decrease of 2 percentage points.

Year-over-year, the Outlook for Large employers is 5 percentage points stronger, while increase of 2 percentage points are reported by Medium employers. However, Micro and Small employers report a year-over-year decline of 1 percentage point.

### **International Comparisons**

The research from ManpowerGroup indicates job seekers across the globe will likely find some opportunities through the first three months of 2017. Hiring activity is expected to continue in the majority of the world's labor markets and most outlooks remain relatively stable or improve from three months ago and last year at this time. Altogether, employers in 40 of 43 countries and territories intend to add to their payrolls by varying degrees at the start of 2017, and the survey reveals few signs that uncertainty associated with the Brexit vote or the U.S. election will result in any significant labor market volatility. Instead, employers appear content to keep a watchful eye on marketplace conditions and adjust workforce levels according to their business needs.

Overall, forecasts are mixed in comparison to the Quarter 4 2016 and Quarter 1 2016 surveys. Hiring plans improve in 19 of 43 countries and territories when compared quarter-over-quarter, decline in 17, and are unchanged in seven. Outlooks strengthen in 20 countries and territories year-over-year, weaken in 18, and are unchanged in four. First-quarter hiring confidence is strongest in Taiwan, India, Japan, Hungary and Slovenia. The weakest forecasts are reported in Brazil, Switzerland and Italy.

**EMEA (Europe, Middle East & Africa):** Employers expect staffing levels to increase by varying degrees in 23 of 25 countries in the Europe, Middle East & Africa (EMEA) region. When compared quarter-over-quarter, hiring plans improve in 12 countries, weaken in 10 and are unchanged in three. In a year-over-year comparison, outlooks improve in 15 countries, decline in seven and are unchanged in two. The region's most optimistic first-quarter hiring plans are reported in Hungary and Slovenia with employers in both countries expecting the strongest labor market activity since the surveys were launched in their respective countries. Conversely, the weakest employer sentiment is reported in Switzerland where the outlook slips into negative territory for the first time in two years and in Italy where labor market activity is expected to be flat in the first three months of the year.

**ASIA:** Employers in all eight Asia Pacific countries and territories expect workforce gains in the January-March time frame. When first-quarter forecasts are compared with the final three months of 2016, hiring plans strengthen in three countries/territories, weaken in three and are unchanged in two. In a year-over-year comparison hiring is expected to accelerate only in New Zealand, slow in five other countries/territories and remain unchanged in two. Taiwanese employers expect the strongest hiring pace in the region as well as across the globe. Meanwhile, Chinese employers report the region's most cautious hiring plans.

**AMERICAS:** Job gains are expected in nine of the 10 countries surveyed in the Americas. Hiring confidence strengthens in four countries, declines in four, and is unchanged in two when compared to the final three months of 2016. Year-over-year, hiring prospects improve in four countries but weaken in the remaining six. The strongest first-quarter hiring plans are reported in both Guatemala and the United States, while employers in Brazil expect payrolls to shrink for the eighth consecutive quarter and report the weakest hiring plans across the region as well as across the globe.

## **Methodology**

The Manpower Employment Outlook Survey is conducted using a validated methodology, in accordance with the highest standards in market research. The survey has been structured to be representative of each national economy. The margin of error for all national, regional and global data is not greater than +/- 3.9%. With a panel of 850 Brazilian employers, the margin of error for Brazil's survey is +/-3.4%.

## **Net Employment Outlook**

Throughout this report, we use the term "Net Employment Outlook." This figure is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting to see a decrease in employment at their location in the next quarter. The result of this calculation is the Net Employment Outlook. Net Employment Outlooks for countries and territories that have accumulated at least 17 quarters of data are reported in a seasonally adjusted format unless otherwise stated.

Seasonal adjustments have been applied to the data for all participating countries except Portugal. ManpowerGroup intends to add seasonal adjustments to the Portuguese data in the future, as more historical data is compiled. Note that in Quarter 2 2008, ManpowerGroup adopted the TRAMO-SEATS method of seasonal adjustment for data.

## **About ManpowerGroup:**

ManpowerGroup® (NYSE: MAN) is 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](http://www.manpowergroup.com).

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