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Press Release

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ManpowerGroup Employment Outlook Survey

**3Q 2018 FRANCE OUTLOOK:
EMPLOYERS CONTINUE TO EXPECT MODEST HIRING GAINS**

While job prospects remain mostly positive, hiring activity is expected to grow more subdued in sectors like Wholesale & Retail Trade and Utilities

Key takeaways of this edition include:

> Though France's GDP growth slowed down (+0.3% over the first three months of 2018 according to the Banque de France), some payroll gains are expected, as employers forecast a similar hiring pace as in the prior quarter which was the strongest forecast reported since 2008. **Once the data is adjusted to allow for seasonal variation, the Outlook stands at +5%**, 3 percentage points stronger when compared with this time one year ago.

> The **strongest** third-quarter forecasts are reported in the **East Center, South and West Center** regions. Meanwhile, hiring activity is expected to be significantly **slower** in the **North** and in the **Paris area** (a decline of 5 and 2 percentage points, respectively, compared with the previous quarter).

> **Through the third quarter of 2018, job seekers can expect to find the most opportunities in the Finance, Manufacturing and the Mining & Quarrying sectors.** Conversely, subdued hiring activity is forecast in the Electricity, Gas & Water and in the Transport sectors, and most of all in the **Retail Trade** sector, where the Outlook is **4 percentage points weaker quarter-over-quarter, and down 12 percentage points from year-ago levels.**

> Micro-employers report **improvements of 1 percentage point** when compared with **Q2 2018**, and of **3 percentage points** in a year-over-year comparison.

"As reflected by the survey, employer confidence is somewhat more optimistic than recent economic indicators might suggest, emphasizes Alain Roumilhac, President of ManpowerGroup France.

Hiring expectations remain very positive in the Construction and Manufacturing sectors. However, after a record growth of employment in 2017, the hiring pace is slowing in the sectors who recruited the most last year. Still, the third-quarter forecast indicates that job seekers may benefit from some opportunities in the months ahead."

Third-quarter forecast remains largely unaffected by the decline in growth

- Overall, the employers surveyed in France by ManpowerGroup report cautiously optimistic hiring plans. **Once the data is adjusted to allow for seasonal variation, the Outlook remains unchanged** from the prior quarter.
- The modest hiring plans are the result of the **stabilizing of GDP growth**, which stood at a mere 0.3% in the first quarter of 2018 vs. 0.7% in the final quarter of 2017. However, according to the Banque de France, economic progress is expected to trend more favorably over the year, to around 2%.

Job prospects are contrasted from region to region

- Hiring forecasts remain positive in all five regions. **The strongest increase is reported in the East Center region, where the Outlook is up 7 percentage points** when compared with the prior quarter and with Q3 2017. It is a belated awakening of an industrial basin where payroll gains have for a long time been weaker than elsewhere.
- Meanwhile, a slower hiring pace is anticipated in both the **North** and the **Paris region**, where the Outlook is **respectively 5 and 2 percentage points weaker** quarter-over-quarter.
- Employer confidence is strong in the **South** and **West Center**, as hiring intentions rise by **5 and 4 percentage points**, respectively, when compared with the prior quarter.

Positive hiring plans in the Manufacturing sector, but a slowdown in the Retail trade sector

- Of the 10 sectors covered by the ManpowerGroup Employment Outlook Survey, **forecasts dip in 5 compared with the previous quarter**, while employers in **5 sectors anticipate an increase of staffing levels or no change at all**.
- The steepest increase is expected in the **Manufacturing** sector, where the Net Employment Outlook stands at +10%, up 7 percentage points from the prior quarter and 9 percentage points year-over-year. The forecast is the strongest reported in more than five years. This uptick is due in large part by the surge of demand in France's domestic and export markets.
- Employers of the **Mining & Quarrying sector** also forecast a growth in their Outlook (+6%). The sector, whose staffing levels have for a long time dwindled or stagnated, is now catching up.
- The labor market is set to slump down in the **Electricity, Gas & Water** sector, where hiring plans drop by 7 percentage points quarter-over-quarter and by 3 percentage points in a year-over-year comparison. This evolution is no surprise after the production shrunk by 3.3% in the sector in March 2018, according to the French National Institute for Statistics and Economic Studies.
- In the **Wholesale & Retail trade** sector, hiring forecasts are 4 percentage points weaker when compared with the prior quarter, and fall by 12 percentage points when compared with this time one year ago. After being one of the major contributors of employment growth in 2017, the hiring pace appears to be coming to a standstill.

Small companies lower their hiring plans

- Of the four organization size categories of this survey, Micro businesses are the only ones to report an improvement in their recruitment forecasts: +4% (up 1 percentage point when compared with the previous quarter). In **Large companies** (more than 250 employees) and **Medium-size companies** (50-249 employees), the Outlook remains unchanged quarter-over-quarter but it is stronger than this time one year ago, up 2 and 4 percentage points, respectively.
- The **most noteworthy decline** is observed in **small companies** (10-49 employees). Though hiring plans remain positive (+7%), they drop by 3 percentage points compared with the prior quarter.

INTERNATIONAL

Japan, Croatia, Taiwan and Hungary lead the way in projected hiring

In a quarter-over-quarter comparison, hiring intentions strengthen in 19 of 44 countries.

- **Croatian** employers report the EMEA region's strongest third-quarter hiring plans, and also share with **Japan** the strongest hiring intentions worldwide. **Italian** employers report the region's weakest Outlook and, as noted above, the only negative hiring intentions among the 44 countries and territories surveyed.

- Employers in the **United States** continue to anticipate strong job prospects. The Outlook stands at 18%, up 1 percentage point from year-ago levels.

Data on all 44 countries is available at www.manpowergroup.com/meos

About the survey

The ManpowerGroup Employment Outlook Survey for the third quarter of 2018 was conducted from April 18 until May 1, 2018 with nearly 60,000 employers in 44 countries and territories, including both private companies and public bodies, of which 1,000 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 September 2018 as compared to the current quarter?"* ».

The "Net Employment Outlook" figure used in this survey is the result of subtracting the percentage of employers expecting an increase in their workforce from the percentage of employers expecting a decrease. This results in a net balance (either positive or negative) of the employment outlook. Data have been seasonally adjusted in order to better reflect the reality of projected hiring. 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.

About ManpowerGroup

ManpowerGroup (NYSE: MAN), the leading global workforce solutions company, helps organizations transform in a fast - changing world of work by sourcing, assessing, developing and managing the talent that enables them to win. We develop innovative solutions for over 400,000 clients and connect 3+ million people to meaningful, sustainable work across a wide range of industries and skills.

Our expert family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – creates substantially more value for candidates and clients across 80 countries and territories and has done so for 70 years.

In 2018, ManpowerGroup was named one of the World's Most Ethical Companies for the eighth consecutive year and one of Fortune's Most Admired Companies, confirming our position as the most trusted and admired brand in the industry.

ManpowerGroup France, led by President Alain Roumilhac since November 2012, has a staff of 8,200 permanent employees and a revenue of 4.8 billion euros in 2017.

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