



ManpowerGroup™

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Manpower Employment Outlook Survey for Q3 2016:

Summer labor market expected to remain relatively stable

The spring job optimism of employers will continue into the summer months, with the most jobs expected from large enterprises. The Net Employment Outlook has increased by five percentage points in one year. However, a decline is expected for the Stockholm-Uppsala region, while Skåne employers are expecting substantial employment gains. The industry survey shows that job seekers have the greatest chance of finding work in the Finance, Real Estate & Business sector, and in the Hotel & Restaurant sector, where employer confidence appears to be surging following period of disappointing job forecasts.

Sweden's Net Employment Outlook (see *footnote*) now stands at +7 percent, which is unchanged quarter-on-quarter, but represents a year-on-year increase of five percentage points. At +36 percent, large enterprises report very high demand for labor, while the smallest companies remain at a cautiously optimistic +6 percent.

"Employers in large enterprises report a strong upswing, which bodes well for the Swedish labor market. Good signs can also be seen in the fact that employers in the Hotel & Restaurant sector, which is sensitive to economic fluctuations, are expecting a busy summer and that Skåne and Norrland employers have reported stronger job forecasts. However, there is some cause for concern in regards to the labor market in Stockholm and Uppsala as well as the Construction industry, all of which show signs of declining employer confidence as we head into the summer months," says **Lars Forseth**, CEO of ManpowerGroup Sweden.

Stockholm and Uppsala take a big hit, but Skåne is on the rise

Employers in five out of six regions report positive job forecasts for the third quarter. The only negative forecast is the one reported by Stockholm and Uppsala employers with a Net Employment Outlook of -3 percent, a considerable quarter-on-quarter decrease of 16 percentage points. However, hopeful forecasts have come in from Skåne employers who report an upbeat outlook of +13 percent, and from Norrland at +12 percent. Employers in Västra Götaland posted a significant year-on-year increase of 17 percentage points, while the Östra Götaland forecast is down slightly quarter-on-quarter. The forecast for Mellansverige remains conservative but does climb by a considerable margin of 11 percentage points from last year at this time.

Hotel & Restaurant gaining ground

Of the industry sectors surveyed, employers in nine out of ten report positive employment forecasts, while those in the Construction industry forecast zero growth. Just as in the previous four surveys, the strongest demand is reported by employers in the Finance, Real Estate and Business sector, which has increased by five percentage points from three months ago. Meanwhile, the Hotel & Restaurant sector forecast is up 20 percentage points both quarter-on-quarter and year-on-year to an optimistic +22 percent. The energy sector is performing relatively well in spite of a slight quarter-on-quarter decrease. On the other hand, things are not looking as well for the Construction industry, where employers now expect a stagnant hiring environment during the summer months. The forecast of construction employers is thus down both quarter-on-quarter and year-on-year.

Global outlook remains mixed

On the global level, positive job forecasts were reported by 40 out of 43 countries surveyed. Few countries reported more substantial gains, while several countries, including major economies such as China and Brazil, continue to report a falling Net Employment Outlook. The strongest global forecasts came in from India, Japan, Taiwan and Guatemala. The weakest were reported by employers in Brazil, Italy and Switzerland.

Chinese employers have once again reported cautious employment forecasts, while the US forecast continue to look favorable. And for the first time in eight years, not a single negative national forecast was reported in the EMEA region, with employers in Romania reporting the highest need for labor with those in Italy and Switzerland accounting for the weakest forecasts. Portugal was included in the survey for the first time.

Footnote: The Net Employment Outlook is defined as the percentage of employers who anticipate an increase in hiring activities, minus the percentage who project a decrease. During the third quarter of 2016, 11% of Swedish employers expect to increase hiring, 4% expect to reduce staff, while most (84%) expect employment to remain unchanged. The employment outlook for Sweden is therefore +7% and after adjustment for seasonal variations, the Net Employment Outlook is still +7%.

Diagram 1: Net Employment Outlook for Sweden 2005–2015.

Diagram 2: The Net Employment Outlook by region for Q3 2016.

Diagram 3: The Net Employment Outlook by sector for Q3 2016.