Brazilian employers expect slightly slower hiring pace for third quarter 2018, according to ManpowerGroup Employment Outlook Survey

Third quarter hiring prospects dropped 3 percentage points when compared to the last quarter but increase 2 percentage points when compared the same period of the last year. The strongest labor market is forecast by Finance, Insurance & Real Estate sector employers who report a Net Employment Outlook of +9%.

Brazil, São Paulo, June 12, 2018 - 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 third quarter of 2018. The survey shows that the Outlook stands at +4%, a drop of 3 percentage points when compared with the previous quarter, but 2 percentage points stronger in comparison with 3Q 2017. In all, 10% of employers anticipate an increase in staffing levels, 7% forecast a decrease and 81% expect no change.

"This slight decline reported in the third quarter points to the uncertainty associated with the upcoming electoral period. Many employers are apparently adopting a 'wait-and-see' approach and holding off hiring decisions until they see what the election will bring. In fact, more than 8 out of 10 employers surveyed said they planned to keep their current staffing levels unchanged at least through the end of September. We hope that, as in other electoral periods, once the elections are decided, the economy will once again accelerate and generate new employment opportunities for the country", says Nilson Pereira, Country Manager ManpowerGroup Brasil.

The study interviewed 850 employers in Brazil, and nearly 60.000 employers in 44 countries and territories. All participants were asked, "How do you anticipate total employment at your location to change in the three months to the end of June 2018 as compared to the current quarter?"

Brazil's Sector Comparisons
Employers expect to grow staffing levels in six of the eight industry sectors during 3Q 2018. The strongest labor market is forecast by Finance, Insurance & Real Estate sector employers who report a Net Employment Outlook of +9%. Elsewhere, employers report fair hiring prospects in two sectors with Outlooks of +7% − the Agriculture, Fishing & Mining sector and the Public Administration & Education sector − while Wholesale & Retail Trade sector employers report

an Outlook of +5%. However, Construction sector employers expect payrolls to decline, reporting an Outlook of -2%.

Hiring plans weaken in six of the eight industry sectors when compared with the previous quarter. The most noteworthy decreases of 8 and 7 percentage points are reported in the Manufacturing sector and the Transportation & Utilities sector, respectively, while Outlooks are 3 percentage points weaker in both the Agriculture, Fishing & Mining sector and the Services sector. Meanwhile, hiring intentions strengthen in two sectors, increasing by 5 percentage points in the Public Administration & Education sector, and by 4 percentage points in the Construction sector.

Employers in five of the eight industry sectors report improved hiring prospects when compared with this time one year ago. Construction sector employers report a considerable increase of 13 percentage points, while Outlooks are 5 and 4 percentage points stronger in the Transportation & Utilities sector and the Finance, Insurance & Real Estate sector, respectively. However, hiring plans weaken in three sectors, most notably by 15 percentage points in the Agriculture, Fishing & Mining sector, and by 5 percentage points in the Manufacturing sector.

Brazil's Regional Comparisons
Employers in four of the five regions forecast an increase in staffing levels during 3Q 2018. The strongest labor market is anticipated in Minas Gerais State, where employers report a Net Employment Outlook of +8%. Some job gains are expected in São Paulo City, with an Outlook of +6%, while Outlooks stand at +3% and +1% in Great São Paulo and Parana State, respectively. However, Rio de Janeiro State employers expect a decline in payrolls, reporting an Outlook of -5%.

When compared with the previous quarter, Parana State employers report a considerable decline of 9 percentage points, and Outlooks are 3 and 2 percentage points weaker in Great São Paulo and Minas Gerais State, respectively. Meanwhile, hiring prospects remain relatively stable in both São Paulo City and Rio de Janeiro State.

Hiring plans strengthen by 6 percentage points in Minas Gerais State when compared with this time one year ago, while São Paulo City employers report an improvement of 5 percentage points. Elsewhere, Outlooks decline by 4 and 2 percentage points in Rio de Janeiro State and Great São Paulo, respectively. Parana State employers report relatively stable hiring prospects.

Organization Size Comparisons
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.

Large employers expect to increase staffing levels in 3Q 2018, reporting a Net Employment Outlook of +10%. However, Micro employers forecast a decline in

payrolls with a sluggish Outlook of -6%. Elsewhere, Small employers anticipate flat hiring activity with an Outlook of 0%, while the Outlook for Medium firms stands at -1%.

When compared with the previous quarter, Large employers report a decline of 9 percentage points, and Outlooks decrease by 3 and 2 percentage points for Medium- and Micro-size employers, respectively. Meanwhile, the Outlook for Small firms remains relatively stable.

In a comparison with 3Q 2017, hiring plans improve by 3 percentage points for Micro- and Small-size employers. However, Medium- and Large-size employers report no change.

International Comparisons
Third-quarter results indicate that, despite an uncertain geopolitical outlook, employer confidence remains mostly resilient across the globe. Payrolls are expected to grow by varying degrees in all countries and territories with the exception of Italy where the Outlook is negative for the second consecutive quarter. A clear majority of employers polled indicate they will maintain or add to their workforces, and only a fraction plan to reduce payrolls. Examples of notable optimism include Finland where the Outlook is the strongest reported since the country started the survey nearly six years ago, and in China where employers report their most optimistic hiring plans in three years. Conversely, the forecast in Panama is the weakest reported since the survey was launched in 2010. And New Zealand's forecast is the least optimistic reported since 2009.

When compared to the prior quarter's results, forecasts improve in 19 countries and territories, decline in 18 and remain unchanged in seven. A more favorable pattern emerges when forecasts are compared with last year at this time as hiring intentions improve in 24 countries, decline in only 12 and remain unchanged in seven. Globally, the strongest third-quarter hiring plans are reported in Japan, Croatia, Taiwan, Hungary and the United States. The weakest forecasts are reported in Italy, Panama and Spain.

EMEA (Europe, Middle East & Africa): In the Europe, Middle East & Africa (EMEA) region workforce gains are forecast in 25 of 26 countries. Hiring plans improve in 12 countries quarter-over-quarter, weaken in 10 and are unchanged in four. In a year-over-year comparison, Outlooks improve in 13 countries, decline in six and are unchanged in six. Croatian employers report the 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.

ASIA PACIFIC: Payrolls are expected to grow in all eight Asia Pacific countries and territories. Net Employment Outlooks improve in five countries and territories when compared to the prior quarter, decline in two and are unchanged in one. In a year-over-year comparison the hiring pace is expected to improve in six countries and territories, decline in one and remain unchanged

in one. Employers in Japan and Taiwan report the region's most optimistic forecasts, with the region's weakest forecasts in New Zealand and Australia.

AMERICAS: Positive Outlooks are also reported in the 10 countries surveyed in the Americas. However, when compared to the April-June quarter, hiring confidence strengthens in only two countries, dips in six and is unchanged in two. In the year-over-year comparison, hiring prospects improve in five countries and weaken in the remaining five. For the third consecutive quarter employers in the United States report the strongest hiring plans in the Americas, while opportunities for job seekers are expected to be weakest in Panama and Brazil.

Outlooks in the participating countries in South America are for the most part modest. Employers in Colombia report the most optimistic hiring plans, but the year-over-year decline is the most pronounced among the four with Outlooks declining in all but one industry sector and in all but one region. Argentina's employers remain cautiously optimistic with positive hiring plans reported in all sectors and regions. Similarly, positive forecasts are reported across all industry sectors and all but one region in Peru. The weakest forecast reported on the continent is in Brazil where the hiring pace is expected to remain subdued.

About the ManpowerGroup Employment Outlook Survey
The ManpowerGroup Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforces during the next quarter. ManpowerGroup's comprehensive forecast of employer hiring plans has been running for more than 50 years and is one of the most trusted surveys of employment activity in the world. Various factors underpin the success of the Manpower Employment Outlook Survey:

Unique: It is unparalleled in its size, scope, longevity and area of focus.
Projective: The ManpowerGroup Employment Outlook Survey is the most extensive, forward-looking employment survey in the world, asking employers to forecast employment over the next quarter. In contrast, other surveys and studies focus on retrospective data to report on what occurred in the past.
Independent: The survey is conducted with a representative sample of employers from throughout the countries and territories in which it is conducted. The survey participants are not derived from ManpowerGroup's customer base.
Robust: The survey is based on interviews with nearly 60,000 public and private employers across 44 countries and territories to measure anticipated employment trends each quarter. This sample allows for analysis to be performed across specific sectors and regions to provide more detailed information.
Focused: For more than 55 years the survey has derived all of its information from a single question:
For the 3Q 2018 research, all employers participating in the survey worldwide are asked the same 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?"

Methodology

The ManpowerGroup 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%.

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 data for other countries 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), 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 hundreds of thousands of organizations every year, providing them with skilled talent while finding meaningful, sustainable employment for millions of people 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 ninth year and one of Fortune's Most Admired Companies for the sixteenth year, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup is powering the future of work: www.manpowergroup.com

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