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Press Release

Manpower Employment Outlook Survey for the Second Quarter of 2017:

**According to research by ManpowerGroup, employers forecast a steady hiring pace
in the April-June time frame**

**The Manpower Employment Outlook Survey for the Second Quarter of 2017:
According to ManpowerGroup's quarterly survey, the hiring pace in Israel is expected to
remain steady in the April-June time frame**

- **Employers in Israel report stability: the Net Employment Outlook stands at +10%, representing a slight uptick year-over-year.**
- **Of the 753 employers interviewed in the survey: 14% forecast an increase in payrolls; 79% anticipate no change in headcount, while 4% expect a decrease, and 3% don't know.**
- **An analysis by sector reveals an upbeat hiring pace in the Agriculture sector, but weaker Outlooks in the Restaurants & Hotels sector and the Public & Social sector.**
- **Employers in all six regions expect to grow staffing levels in the April-June time frame. The strongest hiring climate is anticipated in the South, with a Net Employment Outlook of +12%.**
- **Globally, employers in Taiwan, Japan, Slovenia and India report the most optimistic hiring plans, while employers in Brazil, Italy, Belgium and Switzerland report the weakest forecasts for the second quarter**



According to the Employment Outlook Survey conducted by **Manpower** for Q2 2017 among 753 employers in Israel, the hiring pace in Israel in the second quarter of 2017 is expected to retain a positive Outlook in terms of hiring opportunities, and employers in Israel report being cautiously optimistic about their hiring plans.

Employers participating in the survey were asked: "How do you anticipate total employment at your location to change in the three months (to the end of June 2017) as compared to the current quarter?"

Of the 753 Israeli employers who participated in the survey, +14% anticipated an increase in payrolls, and +79% forecast no change. The Manpower Employment Outlook Survey stands at +10% after seasonal adjustment of the data. Hiring intentions remain fairly stable quarter-over-quarter, and post a 2 percentage point gain year-over-year.

Opportunities for job seekers in the second quarter are expected to be strongest in the Agriculture sector and in the Wholesale & Retail Trade sector, and in the Center and South region.

Employment Forecast for Q1 2017

	Net Employment Outlook*	Increase	Decrease	No Change	Don't know
	%	%	%	%	%
Q2 2016	+8	13	4	81	2
Q3 2016	+8	13	4	80	3
Q4 2016	+10	19	8	71	2
Q1 2017	+10	11	4	82	3
Q2 2017	+10	14	4	79	3

* Net Employment Outlook has been seasonally adjusted.

Results by industry sector: growth in the Agriculture sector; decline in the Restaurants & Hotels sector

Looking ahead to the next quarter, employers in nine of the ten industry sectors forecast an increase in staffing levels. The strongest job market is expected in the Agriculture sector, with a Net Employment Outlook of +18%. Mining & Quarrying sector employers report stable hiring prospects, with an Employment Outlook of +14%, while the Outlook for the Wholesale & Retail Trade sector



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stands at +13%. Respectable growth in workforce levels is also expected in the Manufacturing sector and in the Finance, Insurance, Real Estate & Business Services sector, with Outlooks of +12% and +11%, respectively. Hiring opportunities are also expected in the Construction sector and in the Public & Social sector, with a forecast of +7% and +2%, respectively. At the same time, employers in the Restaurants & Hotels sector anticipate a flat second-quarter hiring environment and report an Outlook of +0%.

Quarter-over-quarter, employers report an improvement in hiring intentions in five of the ten industry sectors. Employers in the Agriculture sector report the most significant increase - 8 percentage points - while the Public & Social sector remains flat and the Wholesale and Retail Trade sector posts an increase of 4 percentage points in the Outlook. Conversely, the Outlook is weaker in three sectors. Employers in the Restaurants & Hotels sector report a significant decrease of 20 percentage points. The Outlook for the Electricity, Gas & Water Supply sector was weaker, by 4 percentage points.

Year-over-year, hiring prospects are stronger in five out of ten industry sectors. Employers in both the Agriculture sector and the Wholesale & Retail Trade sector report a significant increase of 10 percentage points in the Outlook, while employers in the Mining & Quarrying sector and in the Manufacturing sector report a strengthening of 7 and 4 percentage points in the Outlook, respectively. Conversely, employers in four sectors report weaker hiring plans. The most significant decline, of 10 percentage points, was reported in the Restaurants & Hotels sector, while the Electricity, Gas & Water Supply sector and the Construction sector posted declines of 7 and 5 percentage points, respectively.

	Net Employment Outlook Q2 2017*	Net Employment Outlook Q1 2017*	Net Employment Outlook Q2 2016*
AGRICULTURE	+18%	+10%	+8%
CONSTRUCTION	+7%	+9%	+12%
ELECTRICITY, GAS & WATER SUPPLY	+4%	+8%	+11%
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	+11%	+11%	+8%
MANUFACTURING	+12%	+11%	+8%
PUBLIC & SOCIAL	+2%	+2%	+1%
RESTAURANTS & HOTELS	+0%	+20%	+10%
TRANSPORT, STORAGE & COMMUNICATION	+4%	+1%	+4%
WHOLESALE & RETAIL TRADE	+13%	+9%	+3%

* Net Employment Outlook has been seasonally adjusted.



Regional comparisons: the most robust employment forecast is reported by employers in the Center and South region

Employers in all six regions expect an increase in payrolls in the second quarter of 2017. The strongest hiring prospects were reported in the South and the Center, with a Net Employment Outlook of +12% and +11%, respectively. Employers in the North report cautious optimism in hiring plans, with an Outlook of +9%, while employers in both Jerusalem and Haifa report an Outlook of +7%. The most cautious Outlook was reported in Tel Aviv, of +6%.

Compared to the first quarter of 2017, hiring prospects are weaker in three of the six regions; in particular, by 5 and 3 percentage points in Tel Aviv and Jerusalem, respectively. However, employers in two of the regions report stronger hiring prospects, with an increase of 3 percentage points in the Center and 2 percentage points in the South.

Employers in three of the six regions report a stronger Outlook compared to the second quarter in 2016. Hiring prospects in the South improved by 7 percentage points, while the North and the Center reported increases of 5 and 4 percentage points, respectively. At the same time, the Outlook for Tel Aviv improves by 5 percentage points, while employers in Jerusalem report an increase of 2 percentage points.

	Net Employment Outlook Q2 2017*	Net Employment Outlook Q1 2017*	Net Employment Outlook Quarter 2 2016
Jerusalem	+7%	+10%	+9%
The Center	+11%	+10%	+9%
Haifa	+7%	+7%	+7%
North	+9%	+10%	+4%
South	+12%	+10%	+5%
Tel Aviv	+6%	+11%	+11%

*Net Employment Outlook has been seasonally adjusted.

Organization-Size Comparisons

Participating employers are classified as 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.

Employers in all four organization size categories forecast job gains during Q2 of 2017, and this is most noticeable among Large employers, who are reporting a Net Employment Outlook of +19%. At



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the same time, the Outlook for the Medium and Small size businesses stands at +9%, whereas in the Micro businesses category, employers report an Outlook of +6%.

Quarter-over-quarter, employers in the Micro businesses group report a slight decrease of 2 percentage points, compared with relative stability in the Outlooks of Medium and Small businesses and among the Large employers.

Compared to the first quarter of 2016, Large employers report an improvement of 6 percentage points. The Outlook is also stronger by 3 percentage points for Medium businesses and by 2 percentage points among employers in the Micro businesses category. Small employers also report stability year-over-year.

	Employment Outlook, Q2 2017*	Employment Outlook, Q1 2017*	Employment Outlook Q2 2016*
Micro businesses (less than 10 employees)	+3%	+5%	+3%
Small businesses (10 to 49 employees)	+8%	+9%	+6%
Medium businesses (50 to 249 employees)	+11%	+9%	+7%
Large businesses (over 250 employees)	+16%	+17%	+16%

*Net Employment Outlook has been seasonally adjusted.

Global employment forecast: the most optimistic forecasts are in Taiwan, Japan, Slovenia and India; **the least optimistic forecasts** are for Brazil, Italy, Belgium and Switzerland

The ManpowerGroup survey for the second quarter indicates that employers in 39 of the 43 countries and territories participating in the survey intend to increase their payrolls by varying degrees in the months April to June.* Overall, opportunities for jobseekers are expected to remain at the same level as in the first quarter of 2017: employers in most of the countries and territories report their intention to maintain existing staffing levels or a moderate increase in headcount, while monitoring ongoing developments in the market.

Quarter over quarter, hiring plans improve in 17 of the 43 countries and territories; 15 post a decrease and 11 report no change in hiring intentions. Year-over-year, a more significant increase is revealed, with the Outlook strengthening in 25 countries and territories, softer in 14, and unchanged



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in three.** The greatest hiring confidence for the second quarter is posted in Taiwan, Japan, Slovenia and India. The weakest forecasts were reported in Brazil, Italy, Belgium and Switzerland.

Staffing levels are expected to grow in 22 of the 25 countries in the Europe, Middle East and Africa region (EMEA). Quarter-over-quarter, the forecast improves in 12 countries, weakens in six and remains unchanged in seven. Year-over-year, the Outlook improves in 18 countries and declines in six. It appears that job seekers in Slovenia, Hungary, and Romania can expect a favorable quarter in view of the strongest hiring plans in these countries out of all the EMEA countries. Furthermore, employers in Slovenia, and likewise, employers in Bulgaria, report the most optimistic hiring plans since the survey began in those countries. The weakest forecasts were reported in Italy, Belgium and Switzerland.

Payrolls are expected to increase in all eight Asia-Pacific countries and territories in the next three months. Quarter-over-quarter, the Net Employment Outlook is weaker in three countries and territories, stable in four, and improves in only one. Year-over-year, an improvement in hiring pace by varying degrees is expected in four countries and territories, as opposed to a decline in the other four. Employers in Taiwan, for the second consecutive quarter, report the most optimistic forecasts in the region (and even out of all of the participants in the survey), as opposed to the weakest forecast reported by employers in China for the fourth consecutive quarter.

Positive Outlooks for the next quarter are reported in nine of the 10 countries surveyed in the Americas. Employer hiring confidence strengthens in four countries and declines in six compared to the first quarter of 2017. Year-over-year, reports indicate an improvement in hiring prospects in three countries, weakening in four, and stability in three. Employers in the United States, for the third consecutive quarter, report the strongest hiring plans in the Americas. In Brazil, employers are reporting the weakest hiring plans, for the ninth consecutive quarter.

The full results of the quarterly survey for all 43 participating countries and territories, as well as regional and global comparisons, are available at: www.manpowergroup.com/press/meos. The ManpowerGroup's next Employment Outlook Survey will be published on June 13, 2017, and will report on anticipated job market activity in the third quarter of 2017.

*The interpretation is based on seasonally adjusted data, in the relevant locations. The data are not seasonally adjusted for Portugal.



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**Portugal joined the survey in the third quarter of 2016, and therefore at present, there are no data on year-over-year trends for it.

About the Manpower Employment Outlook Survey

The Manpower Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease their payrolls during the next quarter. ManpowerGroup's comprehensive hiring intentions survey has been running for over 50 years; it reports the employers' forecasts and is considered 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 Manpower 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 over 58,000 public and private employers across 32 countries and territories to measure anticipated employment trends each quarter. This sample allows for analysis to be performed across specific sectors and geographies to provide more detailed information.
- **Focused:** For more than five decades the survey has derived all of its information from a single question:
- For the Q2 2017 survey, 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 June 2017 as compared to the current quarter?"

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 designed in a manner representative of the economy of each country. The margin of error for all national, regional and global data is not greater than +/- 3.9%. The margin of error in respect of the sample in Israel is +/- 3.6%.



Net Employment Outlook

In this report we often use the term Net Employment Outlook. This is derived by taking the percentage of employers forecasting an increase in hiring activity and subtracting from this the percentage of employers expecting a decrease in hiring activity in their region 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 Finland. 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) is the world's workforce expert, creating innovative solutions for nearly 70 years. As workforce experts, we put over 600,000 workers in touch with meaningful jobs every day in a wide range of skills and sectors. Through our ManpowerGroup family of brands: ManpowerGroup®, 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

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