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Press Release

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Portuguese employers continue to report favorable hiring plans for the next three months

ManpowerGroup Employment Outlook Survey: Quarter 3 2018

The ManpowerGroup Employment Outlook Survey for the third quarter of 2018 reveals that employment is expected to continue to increase, with employers in Large Companies, the Restaurants & Hotels sector and the Center of the country reporting the strongest hiring plans for the July-September time frame.

- The third quarter forecast* in Portugal is +15%, and represents the strongest hiring plans reported by employers since Portugal joined the survey two years ago;
- The Outlook is relatively stable when compared with the previous quarter and the third quarter of 2017;
- Workforce growth is forecast in all regions and all industry sectors;
- The strongest third quarter hiring pace expected in Restaurants & Hotels sector where employers report a Net Employment Outlook of +22%;
- Employers in Center region report strongest third quarter projections (+17%);
- Across organization-size categories, Large company employers anticipate strongest third quarter hiring pace, reporting an Outlook of +34%;
- Overall, payrolls are mostly positive across the globe; strongest employer hiring plans reported in Croatia and Japan (+26%). Italy's employers report the weakest (-2%) third quarter forecast.

Portuguese employers report hopeful hiring intentions for the third quarter of 2018. While 18% of employers expect to increase staffing levels, 3% anticipate a decrease and 77% expect no change, resulting in a Net Employment Outlook of +15%.

Employers expect to increase payrolls in all nine industry sectors during 3Q 2018. The strongest hiring prospects are reported in the Restaurants & Hotels sector, where the Net Employment Outlook stands at +22%. In comparison with the previous quarter, Outlooks weaken in five of the nine industry sectors, most notably by 8 percentage points in the Transport, Storage & Communication sector, and by 7 percentage points in the Restaurants & Hotels sector. However, hiring plans improve in four sectors, including the Electricity, Gas & Water sector, with an increase of 14 percentage points, and the Wholesale & Retail Trade sector, where employers report an improvement of 9 percentage points.

Hiring intentions strengthen in five of the nine industry sectors when compared with this time one year ago. Considerable increases of 18 and 14 percentage points are reported in the Electricity, Gas & Water sector and the Agriculture, Hunting, Forestry & Fishing sector, respectively, while Outlooks are 6 percentage points stronger in both the Construction sector and the Manufacturing sector. Elsewhere, Outlooks weaken in three sectors. The most noteworthy declines of 8 and 7 percentage points are reported in the Finance, Insurance, Real Estate & Business Services sector and the Restaurants & Hotels sector, respectively.

“The ManpowerGroup Employment Outlook Survey projections for the third quarter of 2018 reflect the growing trend of the Portuguese labor market, projecting the current positive environment in the hiring intentions for the next three months. It is undeniable that the digital transformation and technological enhancement have enabled new business models that contribute to stimulate the economy and the growth of employment. This growth forecast has to be analyzed at two levels: by companies that want to develop a workforce that requires new skills and by those who are determined to evolve in their professional careers,” mentions **Raúl Grijalba, ManpowerGroup Mediterranean Regional Managing Director**.

“It is a new reality that requires a constant skills adaptation - necessary and available, and reduces the ability of companies to find the right Talent for certain positions. We are witnessing a Skills Revolution, and brands have a key role to play in ensuring that they are able to attract the Talent they need and on the other hand that people have the tools they need to improve their skills, technical or behavioral, being able to adapt to an increasingly competitive and more digital world of work,” adds Raúl Grijalba.

Employers expect an increase in staffing levels in all three regions during the upcoming quarter. The strongest labor market is anticipated in the Center, where the Net Employment Outlook stands at +17%, and steady workforce gains are also forecast for the North and the South, with Outlooks of +13% and +11%, respectively.

When compared with the second quarter of 2018, employers in the Center report an improvement of 4 percentage points, but the Outlook for the South declines by 7 percentage points. Meanwhile, employers in the North report no change.

Employers in all four organization size categories forecast an increase in staffing levels during 3Q 2018. The strongest hiring prospects are reported by Large employers with a bright Net Employment Outlook of +34%. Steady hiring activity is anticipated by Small- and Medium-size employers, reporting Outlooks of +17% and +15%, respectively, while Micro employers report a cautious Outlook of +4%.

“The projections for job creation in the third quarter of the year, and particularly for the Restaurants & Hotels sector, allow us to keep good prospects for the candidates active in job search. This positive trend of hiring is reinforced by the intentions reported, especially by Large companies and companies in the Central region,” said Grijalba.

“The continuity of the positive hiring trends from earlier this year allows us to understand the effort made by Portuguese companies to innovate and become more technological, but also points out the difficulties felt in attracting Talent. This development is mostly reflected in the operational daily life, but it needs to be communicated and to follow each company culture, since the quality of the projects presented to candidates assume an increasingly important role for the decision making of professional changes.

“Facing this reality, companies will be increasingly focused in developing the skills of their employees, allowing them to be requalified through specific training programs so that they can explore more diverse and at the same time attractive career paths,” concluded Raúl Grijalba.

The ManpowerGroup Employment Outlook Survey for the third quarter 2018 was conducted by interviewing a representative sample of 625 employers in Portugal. All survey participants were asked, “*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?*”

Employers in 43 countries report positive hiring intentions

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.

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.

Full survey results for each of the 44 countries and territories included in this quarter's survey, plus regional and global comparisons, can be found at www.manpowergroup.com/meos. The next ManpowerGroup Employment Outlook Survey will be released on 11 September and will forecast labor market activity for the fourth quarter of 2018.

* The projection for net job creation is the difference between the percentage of employers who plan to increase their workforce and the percentage of employers who plan to reduce it.

** Portugal is not among the countries whose data is compared with the same quarter of the previous year, since it joined the ManpowerGroup Employment Outlook Survey in the third quarter of 2016.

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 55 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 1Q 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 March 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%.

Nine sectors considered:

1. Agriculture, Forestry and Fisheries;
2. Construction;
3. Electricity, Gas and Water supply;
4. Finance, Insurance, Real Estate and Services;
5. Industry;
6. Public Sector;
7. Catering and Hospitality;
8. Transport, Logistics and Communications;
9. Wholesale and Retail.

Dimensions of companies

1. Micro companies: less than 10 workers;
2. Small companies: 10 to 49 workers;
3. Medium companies: 50 to 249 workers;
4. Large companies: 250 or more workers.

Five Portuguese regions

1. North;
2. Center;
3. South;
4. Greater Lisbon;
5. Greater Porto.

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 nearly 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. See how ManpowerGroup is powering the future of work: www.manpowergroup.com

In Portugal:

ManpowerGroup® started its activity in Portugal in 1962, through a franchising. In 2008, ManpowerGroup acquired franchising, having started to reorganize the company and the brand, which has been transforming its presence in Portugal.