

Under Embargo until 0:01, 12 March 2019

The Spanish labor market expected to remain stable

ManpowerGroup Employment Outlook Survey

- **Spanish employers report cautious plans for the second quarter of 2019 and the Outlook stands at 0%**
- **Once again, North East employers report the strongest hiring plans with a Net Employment Outlook of +7%**
- **Workforce gains are anticipated in five of the 10 industry sectors during the upcoming quarter**

March 12th, 2019- According to the data from the ManpowerGroup Employment Outlook Survey for the second quarter of 2019, hiring intentions among Spanish employers are stable. Of the 1,001 Spanish employers who participated in the second-quarter survey, 6% plan to add to their workforce in the next three months, 5% intend to reduce staff and 86% plan no changes. Once the corresponding seasonal adjustments have been made, **Spain's Net Employment Outlook stands at +0%** and is the weakest reported in over four years.

Hiring prospects decline by 3 percentage points when compared with the previous quarter and are also 3 percentage points weaker when compared with this time one year ago.

The ManpowerGroup Employment Outlook Survey, which was conducted in Spain for the first time in 2003, analyzes the intention of employers worldwide to increase or reduce their teams quarterly, through interviews done by more than 59,000 employers in 44 countries. All employers responded to the question, "How do you anticipate total employment at your location to change in the three months to the end of June 2019 compared to the current quarter?".

Payroll gains in four regions

The study carried out by ManpowerGroup divides the country into six regions in order to calculate the Outlook in each of them: Center (Castile-La Mancha and Madrid); East (The Valencian Community and Murcia); North (Aragon, Cantabria, La Rioja, Navarre and the Basque Country); North East (The Balearic Islands and Catalonia);

North West (Asturias, Castile and León, and Galicia); and South (Andalusia, The Canary Islands and Extremadura). Using this classification, the data anticipates payroll gains in four of the six regions.

In concrete terms, the strongest labor market is anticipated in the North East, where the Net Employment Outlook is +7%. Elsewhere, limited job gains are anticipated in the Centre where the Outlook is +4%, and Outlooks of +1% are reported in both the East and the North. However, employers in the South and the North West expect to trim payrolls, reporting Outlooks of -10% and -2%, respectively.

Net Employment Outlook by regions					
Regions	2Q18	3Q18	4Q18	1Q19	2Q19
Centre	0%	1%	5%	6%	4%
East	7%	0%	9%	4%	1%
North	8%	0%	4%	8%	1%
North East	3%	4%	8%	10%	7%
North West	0%	3%	4%	1%	-2%
South	2%	1%	-1%	-3%	-10%

Source: ManpowerGroup

When compared with the previous quarter, employers in all six regions report weaker hiring prospects. The most noteworthy declines of 7 percentage points are reported for the North and the South, while Outlooks are 3 percentage points weaker in three regions – the East, the North East and the North West.

Hiring intentions weaken in four of the six regions when compared with this time one year ago. A considerable decrease of 12 percentage points is reported in the South, while employers report declines of 7 and 6 percentage points in the North and in the East, respectively. Meanwhile, Outlooks improve by 4 percentage points in both the Centre and the North East.

Payrolls expected in 5 of the 10 industry sectors

Employers in five of the 10 industry sectors expect to add to payrolls during the upcoming quarter. Electricity, Gas & Water sector employers report the strongest hiring intentions, with a Net Employment Outlook of +6%. Modest payroll gains are forecast for two sectors where Outlooks stand at +5% – the Mining & Quarrying sector and the Wholesale & Retail Trade sector – while the Construction sector Outlook is +4%. However, employers in four sectors expect to trim payrolls, most notably in the Restaurants & Hotels sector where the Outlook stands at -8%. Elsewhere, muted hiring plans are reflected in Outlooks of -4% for both the Agriculture, Hunting, Forestry & Fishing sector and the Public & Social sector.

Hiring prospects weaken in six of the 10 industry sectors when compared with the previous quarter. Considerable decreases of 9 percentage points are reported for both the Agriculture, Hunting, Forestry & Fishing sector and the Public & Social sector, while the Restaurants & Hotels sector Outlook declines by 7 percentage points. Elsewhere, hiring intentions are 5 percentage points weaker in both the Transport, Storage & Communications sector and the Wholesale & Retail Trade sector. Meanwhile, Outlooks improve in three sectors, most notably by 8 and 5 percentage points in the Electricity, Gas & Water sector and Mining & Quarrying sector, respectively.

When compared with this time one year ago, employers report weaker hiring plans in six of the 10 industry sectors. A steep decline of 28 percentage points is reported in the Restaurants & Hotels sector, while Agriculture, Hunting, Forestry & Fishing sector employers report a decrease of 12 percentage points. In the Transport, Storage & Communications sector, the Outlook is 8 percentage points weaker, and decreases of 5 percentage points are reported for both the Construction sector and the Public & Social sector. However, hiring intentions strengthen in four sectors, including the Mining & Quarrying sector with an increase of 10 percentage points. Elsewhere, Outlooks are 5 and 4 percentage points stronger for the Wholesale & Retail Trade sector and the Finance, Insurance, Real Estate & Business Services sector, respectively.

Large employers report the strongest hiring prospects

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.

Payrolls are expected to increase in three of the four organization size categories during the next three months. The strongest hiring prospects are reported by Large employers with a Net Employment Outlook of +16%. Medium employers also expect steady workforce gains with an Outlook of +12%, while the Small employer Outlook stands at +6%. However, Micro employers expect to trim payrolls, reporting an Outlook of -2%.

Net Employment Outlook by size					
Size	2Q18	3Q18	4Q18	1Q19	2Q19
Micro	1%	0%	4%	2%	-2%
Small	5%	7%	5%	7%	6%
Medium	19%	6%	16%	16%	12%
Large	28%	18%	25%	20%	16%

Source: ManpowerGroup

Hiring intentions are 4 percentage points weaker for Micro-, Medium- and Large-size employers when compared with the previous quarter. However, Small employers report a relatively stable Outlook.

In a comparison with 2Q 2018, Large employers report a considerable decline of 12 percentage points, and Outlooks decrease by 7 and 3 percentage points for Medium- and Micro-size firms, respectively. Meanwhile, Small employers report relatively stable hiring plans.

Croatian and Greek employers report the strongest hiring prospects in EMEA

The ManpowerGroup research for the second quarter of 2019 reveals that payroll gains are expected in 40 of 44 countries and territories in the period up to the end of June.

Hiring intentions for the coming quarter are **stronger in 15 of 44 countries** and territories when compared with the prior quarter, weakened in 18 and are unchanged in eleven. In a comparison with this time one year ago, Outlooks improve in 13 countries and territories, decline in 27, and are unchanged in four.

The most positive hiring sentiment is reported in Croatia, Japan, Greece, the U.S., Hong Kong and Taiwan, while the weakest labor markets are expected in Argentina, Hungary, Spain and Turkey.

An increase in payrolls is forecast for 23 of 26 Europe, Middle East & Africa (EMEA) region countries during the second quarter, while flat hiring activity is forecast for three. Hiring intentions improve in 10 countries when compared with the previous quarter, but decline in eight. In comparison with this time one year ago, employers report stronger hiring plans in 10 countries, but Outlooks weaken in 15. Croatian and Greek employers report the strongest hiring prospects for the coming quarter, while the weakest labor markets are forecast for Hungary, Turkey and also Spain.

Workforce gains are expected in all eight Asia Pacific countries and territories surveyed during the second quarter of 2019. The strongest hiring activity is forecast in Japan and Hong Kong, while Chinese employers anticipate the most cautious hiring climate.

Employers in nine of the 10 Americas countries surveyed expect to add to payrolls in the next three months, with a flat labor market forecast in one country. The most optimistic hiring intentions are reported in the U.S. and Mexico, while Argentinian and Panamanian employers report the weakest Outlooks.

Note to Editors:

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 <https://www.manpowergroup.com/workforce-insights/data-driven-workforce-insights/manpowergroup-employment-outlook-survey-results>. The next Manpower Employment Outlook Survey will be released in June 2019 to report hiring expectations for the third quarter of 2019.

About the Survey

The Manpower Employment Outlook Survey is the longest-running, most extensive, forward-looking employment survey in the world, commencing in 1962 and now polling over 59,000 employers in 44 countries and territories to measure their intentions to increase or decrease the number of employees in their workforce during the next quarter. The survey serves as a bellwether of labor market trends and activities and is regularly used to inform the Bank of England's Inflation Reports, as well as a regular data source for the European Commission, informing its EU Employment Situation and Social Outlook report the *Monthly Monitor*. ManpowerGroup's independent survey data is also sourced by financial analysts and economists around the world to help determine the health of labor markets.

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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 2019, ManpowerGroup was named one of Fortune's Most Admired Companies for the seventeenth year and one of the World's Most Ethical Companies for the ninth year in 2018, 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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