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Press Release

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Manpower Employment Outlook Survey

2Q16 FRANCE OUTLOOK: FRENCH EMPLOYERS CONTINUE TO REPORT WEAK HIRING INTENTIONS FOR THE NEXT THREE MONTHS

EMPLOYERS IN THE RESTAURANTS & HOTELS AND IN THE PUBLIC & SOCIAL SECTORS ARE THE MOST PESSIMISTIC FOR THE QUARTER AHEAD

- For the second quarter of 2016, employers surveyed by ManpowerGroup in France report reserved hiring intentions. Once the data is adjusted to allow for seasonal variations, the Outlook stands at -1%, which reflects no improvement when compared to 1Q2016. Hiring intentions decrease by 2 percentage points year-over-year.
- For the April-June 2016 time frame, 3% of employers surveyed expect an increase in their workforce, while 4% of them plan on a decrease. More than 9 out of 10 (91%) employers now expect to leave their current workforces unchanged for the next quarter, a proportion that has been increasing for three quarters in a row.
- Within the five regions covered by the survey, employers in the South and West Centre regions report positive hiring activity for the quarter ahead, with Outlooks at +2% and +1%, respectively. Employers in the Paris region are the most pessimistic with a negative Net Employment Outlook for Q2 2016 reaching -5%, followed by employers in the East Centre and the North regions, with Outlooks standing at -2% and -1%, respectively.
- In a quarter-over-quarter comparison, the Net Employment Outlook improves in 3 out of 5 regions. A consistent improvement of 6 percentage points is reported in the East Centre, followed by 4 and 3 percentage points in the South and the West Centre regions. Meanwhile, the Outlook in the Paris region declines by 6 percentage points, and 1 percentage points in the North.
- In a year-over-year comparison, the Outlook decreases in three of the five regions, most notably by 8 percentage points in the Paris region and by respectively 5 and 3 percentage points in the East Centre and North regions.
- For Q2 2016, payrolls are expected to increase in only three out of the 10 industry sectors surveyed. For the quarter ahead, employers in the Construction (+9%) and in the Electricity, Gas & Water (+2%) sector as well as those in the Transport, Storage & Communication (+1%) sector are the most optimistic. The Outlook is flat (0%) for both the Finance & Business Services and the Manufacturing sectors. Conversely, employers in the Restaurants & Hotels (-8%), Public & Social (-2%), Mining & Quarrying (-1%) and Wholesale & Trade (-1%) sectors foresee a decrease in their hiring activity.

- When compared with the previous quarter, hiring prospects are expected to improve in six of the 10 industry sectors surveyed. The sharpest increase in the Outlook is reported by employers in the Construction (up 18 percentage points), the Transport, Storage & Communication (7 percentage points stronger), and the Electricity, Gas & Water (up 5 percentage points) sectors. Meanwhile, hiring prospects are expected to weaken in four sectors, the Agriculture, Hunting, Forestry & Fishing (down 4 percentage points), the Restaurants & Hotels (down 4 percentage points), Finance & Business Services (down 3 percentage points), and the Wholesale & Trade (down 1 percentage point) sectors.
- Year-over-year, hiring prospects decrease in six out of 10 industry sectors. The strongest decline in the Outlook is reported by employers in the Restaurants & Hotels sector (down 8 percentage points), while the Finance & Business Services and the Public & Social sectors are respectively down 6 percentage points. Conversely, employers in the Mining & Quarrying sector and the Construction sector report notable increases in their hiring intentions, up 16 and 9 percentage points respectively.
- Of the four organization-size categories, Small businesses and Medium size businesses, forecast an increase in their hiring activities, reporting Net Employment Outlooks of +1% and +2% respectively for the coming quarter. On the other hand, Micro businesses continue to anticipate a decline in staffing levels with an Outlook of -2%.
- In the Europe, Middle East & Africa (EMEA) region, the hiring activity is expected to remain positive in the quarter ahead with 22 out of 24 countries planning to add to their payrolls during the next three months. However, in a quarter-over-quarter comparison, forecasts decline in 11 countries, improve in five and remain stable in eight.
- Employers in Bulgaria (+13%) are the most optimistic, followed by employers from Turkey (+12%), Hungary (+11%), Poland (+10%), and Romania (+10%).
- France is the only country in the region where employers are reporting a negative hiring forecast for Q2 2016 (-1%).

EMPLOYERS IN THREE OF FIVE REGIONS REPORT NEGATIVE OUTLOOKS FOR THE NEXT QUARTER

NOTE: The following data have been seasonally adjusted.

For Q2 2016, employers in the Paris region are the most pessimistic (with a NEO of -5%), followed by employers in the East Centre and North regions, where Outlooks reach -2% and -1%, respectively. Conversely, employers in the South and the West Centre regions report a positive Outlook of respectively +2% and +1%.

Quarter-over-quarter, employers report improved hiring intentions in three of the five French regions. Hiring prospects in the East Centre, South, and West Centre regions are respectively up 6, 4, and 3 percentage points. Meanwhile, the Outlook weakens by 6 percentage points in the Paris region and by 1 percentage point in the North region.

Year-over-year, the Net Employment Outlook declines in three of the five regions. Outlooks in the Paris, East Centre and North regions are respectively down 8, 5 and 3 percentage points. Conversely, the Outlook in the West region is up 3 percentage points, while Outlook in the South is unchanged.

The following content examines changes in the Net Employment Outlook for Q2 2016 for all five regions, compared with the Outlook for the previous quarter (Q1 2016) and figures for the same period last year (Q2 2015).

- Employers in the **Paris** region anticipate the weakest forecasts since 3Q 2012, with a negative Net Employment Outlook of **-5%** for the April-June time frame. Hiring prospects decline by 6 percentage points when compared with the previous quarter and by 8 percentage points when compared with the previous year.
- In the **East Centre** region, employers expect a decline in their workforces for the coming quarter with a Net Employment Outlook of **-2%**. While the Outlook improves by 6 percentage points quarter-over-quarter, it is 5 percentage points weaker year-over-year.
- A subdued hiring pace is expected to continue during the upcoming quarter in the **North** region, with a Net Employment Outlook of **-1%**. Hiring plans remain relatively stable quarter-over-quarter and decline by 3 percentage points year-over-year.
- Employers in the **West Centre** region expect moderate payrolls gains, reporting a Net Employment Outlook of **+1%**. The Outlook is 3 percentage points stronger quarter-over-quarter and year-over-year.
- In the **South** region, job seekers can expect a moderate hiring activity during the coming quarter, according to employers, with a Net Employment Outlook of **+2%**. While the Outlook is 4 percentage points stronger quarter-over-quarter, it remains stable year-over-year.

POSITIVE HIRING INTENTIONS IN ONLY THREE OUT OF 10 SECTORS

Employers in only three of the 10 industry sectors forecast an increase in staffing levels during the next three months. The strongest hiring climate is anticipated in the **Construction** sector where the Net Employment Outlook stands at **+9%**—the strongest forecast reported in the sector since 2007. Encouraging signs are also reported in the **Electricity, Gas & Water** sector, with an Outlook of **+2%**, followed by the **Transport, Storage & Communication** sector (**+1%**). However, employers in four other sectors expect to reduce their payrolls, most notably in the **Restaurants & Hotels**, the **Public and Social**, the **Wholesale & Trade**, and **Mining & Quarrying** sectors with negative Outlooks standing, respectively, at **-8%**, **-2%** et **-1%**.

Compared with the previous quarter and last year at the same period, the most notable change in the Outlook is reported by employers in the **Construction** sector (up 18 percentage points quarter-over-quarter and 9 percentage points year-over-year).

- In the **Construction** sector, significant workforce gains are anticipated in 2Q 2016 with a Net Employment Outlook of **+9%**. The Outlook is up 18 percentage points quarter-over-quarter and 9 percentage points year-over-year.
- In the **Electricity, Gas & Water** sector, a cautious labor market is expected for the next three months, with a Net Employment Outlook of **+2%**. Hiring intentions are 5 percentage points stronger both quarter-over-quarter and year-over-year.
- Job seekers in the **Transport, Storage & Communication** industry can expect a moderate hiring pace in the forthcoming quarter, with employers reporting a Net Employment Outlook of **+1%**. Hiring plans are 7 percentage points stronger quarter-over-quarter but decline by 1 percentage point when compared with 2Q 2015.
- A flat hiring environment is forecast in the **Finance & Business Services** industry, with a Net Employment Outlook of **0%**. The Outlook is 3 percentage points weaker when compared with the previous quarter. Year-over-year, hiring plans decline by 6 percentage points.

- Job seekers can expect a flat hiring activity in the **Manufacturing** in the upcoming quarter, according to employers who report a Net Employment Outlook of **0%**. Hiring prospects increase by 2 percentage points quarter-over-quarter but decline by 2 percentage points year-over-year.
- Job seekers can expect the weakest hiring pace since 1Q 2014, in the **Agriculture, Hunting, Forestry & Fishing** sector for 2Q 2016, according to employers who report a Net Employment Outlook of **0%**. Hiring prospects are 4 percentage points weaker quarter-over-quarter and year-over-year.
- In the **Mining & Quarrying** sector, the labor market is expected to remain sluggish during the next three months with a Net Employment Outlook of **-1%**. The sector Outlook has now been negative for five consecutive quarters. While hiring plans are 1 percentage point stronger quarter-over-quarter, employers report a 16 percentage point improvement year-over-year.
- With a Net Employment Outlook of **-1%**, employers in the **Wholesale & Retail Trade** sector anticipate a disappointing labor market in the coming quarter. While the Outlook is 1 percentage point weaker quarter-over-quarter, it improves by 4 percentage points year-over-year.
- An adverse hiring climate continues to be reported in the **Public & Social** sector in the April-June period, with a Net Employment Outlook of **-2%**. The Outlook is 1 percentage point stronger quarter-over-quarter, but declines by 6 percentage points in comparison with Q2 2015.
- Employers in the **Restaurants & Hotels** report the most pessimistic hiring prospects for the upcoming quarter with a Net Employment Outlook of **-8%**. The Outlook declines by 4 percentage points quarter-over-quarter and 8 percentage points year-over-year.

A GLOBAL LABOUR MARKET MOSTLY FAVORABLE TO JOB SEEKERS, NOTWITHSTANDING DECLINING HIRING INTENTIONS

- **Globally, employers in 39 of 42 countries and territories surveyed intend to add to their payrolls during the April-June time frame.** However, hiring intentions are mostly on the downward trend in Q2 2016 in comparison with the previous quarter and the same period last year.
 - **Overall, employers optimism weakens in comparison to Quarter 1 2016 research.** In a quarter-over-quarter comparison, forecasts decline in 22 countries and territories, improve in eight and are unchanged in 12. Year-over-year, forecasts decline in 23 countries and territories, improve in 12, and are unchanged in seven.
 - **Second-quarter hiring confidence is the strongest in India, Japan, Taiwan, Colombia and Guatemala. The weakest—and only negative—forecasts are reported in Brazil and France. Hiring intentions in the U.S. continue to stay positive with a favorable Net Employment Outlook of +16%.**
- ➡ **In the EMEA Region, Positive Single Digit Forecasts Dominate Labor Market**
- **In the Europe, Middle East & Africa (EMEA) region, employers in 22 of 24 countries expect workforce gains.** In a quarter-over-quarter comparison, hiring intentions improve in five countries, weaken in 13 and remain stable in eight. When compared to Quarter 2 2015, employer confidence is stronger in six countries, weaker in 13 and stable in five.
 - Opportunities for job seekers are expected to be strongest in **Bulgaria (+13%), Turkey (+12%), Hungary (+11%), Poland and Romania (+10%)**. The least encouraging prospects are found in **France (-1%)**, the only country in the region reporting a negative Outlook for 2Q 2016.

➤ In the Americas, Employers in Brazil are the most Pessimistic in the World

- Of the 10 countries surveyed in the Americas, positive Outlooks are reported in nine with a worsening Net Outlook Employment for Brazil now reaching its lowest at -10%. When compared with the previous quarter, the Outlook improves in three countries but declines in four. In a year-over-year comparison, forecasts strengthen in five countries and decline in three.
- Hiring intentions for the 2Q 2016 are strongest in **Colombia** and **Guatemala** (+18%), followed by the **United States** (+16%), **Costa Rica** (+14%), **Mexico** and **Panama** (+13%). The weakest prospects are reported by employers in **Brazil**, reporting the only negative Outlook in the region (-10%).

➤ In the Asia-Pacific region, India's Outlook is the Strongest Globally

- Payrolls are expected to increase in all eight Asia Pacific countries and territories. However, the hiring pace weakens in seven of the eight countries and territories in a quarter-over-quarter and year-over-year comparison.
- Employers in **India** are the most optimistic across the globe with an Outlook at +38%, followed by employers in **Japan** (+22%) and **Taiwan** (+20%). Conversely, the region's weakest forecast is reported by employers in **Australia** (+4%) and **China** (+5%) where hiring intentions are back to their weakest point.

Manpower Employment Outlook Survey – Quarter 3 2016
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About the survey

The Manpower Employment Outlook Survey for the second quarter of 2016 was conducted from January 13 until January 26, 2016 with over 58,000 employers in 42 countries and territories, including both private companies and public bodies, of which 1,005 are based in France. The study involved analyzing data obtained in response to a single question: "How do you anticipate total employment at your location to change in the three months to the end of June 2016 as compared to the current quarter?" Throughout the report, we use the term "Net Employment Outlook." This figure is derived by taking the percentage of employers anticipating total employment to increase and subtracting from this the percentage expecting to see a decrease in employment at their location in the next quarter. The result of this calculation is the Net Employment Outlook, which may be positive or negative. The survey is the only one of its kind and is conducted among companies not included in the Manpower customer database. Data have been seasonally adjusted to provide a more realistic assessment in each case. These adjustments smooth out the impact of seasonal variations, which generally occur during the same periods each year. Adjusted data is therefore more representative in the long term. Data is not seasonally adjusted for Finland.

Data on all 42 countries is available through our new interactive resource, "Manpower Employment Outlook Explorer": <http://manpowergroupsolutions.com/DataExplorer/>

About ManpowerGroup

ManpowerGroup™ (NYSE: MAN) has been the world's workforce expert, creating innovative workforce solutions, for nearly 70 years. As workforce experts, we connect more than 600,000 people to meaningful work across a wide range of skills and industries every day. Through our ManpowerGroup family of brands — Manpower®, 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

About ManpowerGroup France

ManpowerGroup, *HR Experts for a World of Challenges*, provides a portfolio of services in France ranging from temporary employment and permanent recruitment (Manpower), skills assessment and training to skills development (FuturSkill), recruitment of high-level experts and professional services (Experis), outsourcing and consulting (ManpowerGroup Solutions), career management and outplacement (Right Management). With 7,500 employees in France, ManpowerGroup is ISO 9001-certified and generates a €4.2 billion turnover in 2015. <http://www.manpowergroup.fr/>

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