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ARGENTINE EMPLOYERS EXPECT A FLAT LABOR MARKET FOR THE NEXT QUARTER

ManpowerGroup Employment Outlook Survey Quarter 2 2019

- The Net Employment Outlook for the second quarter of 2019 is 0%, representing an improvement of 4 percentage points compared to the previous quarter, and a drop of 6 points compared to the same period last year.
- The strongest hiring intentions are registered in Cuyo with 14 points, followed by Patagonia with 7. Employers report the weakest Outlook in the NOA region, with -8%.
- When it comes to industrial activities, Agriculture & Fishing leads the results with an Outlook of 7%, followed by Public Administration & Education and Transportation & Utilities, both with forecasts of 4%.

Buenos Aires, March 12nd 2019. – ManpowerGroup presented today the results of its Employment Outlook Survey corresponding to the second quarter of 2019. More than 800 Argentine employers have been consulted and reported a Net Employment Outlook of 0%. This result represents an improvement of 4 percentage points with respect to the values of the previous quarter, and a weakening of 6% when compared to the result of the same period last year.

The Net Employment Outlook is the result of the subtraction between the percentage of employers that expects to increase their endowments and the percentage that expects a decrease during the next quarter.

"Although the Net Employment Outlook reflects an outlook of 0%, we begin to see a slight improvement in intentions in comparison to the results of the previous quarter." explains Fernando Podestá, COO of ManpowerGroup Argentina, who also adds: "The 4 points of improvement compared to the previous quarter are driven by the sectors of Agriculture and Fishing, Administration & Education and Transportation & Utilities."

Sector Comparisons

For the second quarter of 2019, four of the nine industrial sectors analyzed show positive expectations. Agriculture & Fishing is the leading activity in the survey, with an Outlook of 7%, followed by the Public Administration & Education and Transportation & Utilities, both with 4%; and Construction with 1%. On the other hand, the Wholesale Trade & Retail Trade sector reports the weakest intentions, with an Outlook of -5%, followed by the Manufacturing and Services



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sectors, both with -1%. Finally, both Mining and Finance, Insurance & Real Estate report zero expectations (0%).

Compared to the previous period in Q1, hiring plans are strengthened in seven of the nine industry sectors. Transportation & Utilities is the sector that shows the highest growth, with 14 percentage points above the previous value. Construction and Public Administration & Education reflect an improvement of 11 and 7 points respectively. There are also 4 points of improvement in Agriculture & Fishing and Manufacturing, and 1 in Finance, Insurance & Real Estate and Services. On the contrary, Mining remains the same, while Wholesale and Retail Trade reports the largest decrease, with 2% less.

If we analyze the interannual contrast, the perspectives weaken in eight of the nine sectors studied. Employers in the Agriculture & Fishing sector are the only ones that report an improvement of one point with respect to the same period of the previous year. On the other hand, those in the Wholesale and Retail Trade sector report a strong 10% decrease. There is also a weakening in the sectors of Finance, Insurance & Real Estate (-9%), Manufacturing and Construction (both -8%) and Mining (-7%). Lastly, Public Administration & Education reflects a 4-digit decrease, and Services and Transportation & Utilities, 2 points less.

Regional Comparisons

During the next quarter, positive recruitment prospects are expected in two of the six regions. The region of Cuyo is the one that reflects the highest intentions, with 14 percentage points, followed by Patagonia with 7. The Pampean region, on the other hand, reports a null Outlook, while AMBA (City of Buenos Aires) and NEA (North – East) report -1% and -6%, respectively. NOA (North-West) is the region with the lowest expectation, with an Outlook of -8%.

It is important to highlight that all regions report better intentions with respect to the results of the previous quarter, with Cuyo being the one that expects the highest increase, with +12. It is followed by the Pampean region, AMBA (City of Buenos Aires) and Patagonia with 5, 3 and 2 points. The intentions grew moderately in NEA (North – East) and NOA (North-West), which reported only 1 point higher than in the previous period.

Finally, in comparison to what happened 12 months ago, Cuyo and Patagonia are the only regions that report improvements, with 13 and 4 points respectively. NOA (North-West) and Pampeana are on the opposite side, reporting the largest decreases with 14 and 13. AMBA (City of Buenos Aires) and NEA (North – East) report 6 and 2 digits less.

Rest of the world

Among the 10 countries studied in the Americas, all report positive intentions except for Argentina. For the second consecutive quarter, the United States and Mexico show the strongest hiring expectations, while Argentina and Panama register the weakest.

Compared to the previous quarter, globally hiring intentions are stronger in 15 of the 44 countries analyzed, weakening in 18 and remain unchanged in 11. The prospect of hiring for the second



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quarter has greater strength in Croatia, Japan, Greece, the United States, Hong Kong and Taiwan; while Argentina, Hungary, Spain and Turkey report the weakest.

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The next Manpower Employment Outlook Survey will be released on June 11, 2019 to reporting hiring expectations for the third quarter of the year. The ManpowerGroup report is available free of charge to the public and can be freely downloaded from www.manpowergroup.com.ar.

The results of the 44 countries can be seen in the new interactive tool of the Employment Expectancy Survey of ManpowerGroup in www.manpowergroup.com/meos