ManpowerGroup Employment Outlook Survey Q4 2018

Under Embargo until 00:01 GMT, 11 September 2018

South African Employers Report Conservative Hiring Intentions for Q4 2018

Opportunities for job seekers are expected to be strongest in the Agriculture, Hunting, Forestry & Fishing sector and weakest within the Construction sector.

Provincially, employers in KwaZulu-Natal report the strongest hiring intentions for the last quarter of the year, while employers in the Eastern Cape report the weakest hiring intentions.

Johannesburg, 11 September 2018 – **South African employers report conservative hiring intentions for the upcoming quarter. With 14% of employers expecting to increase staffing levels, 8% forecasting a decrease and 78% anticipating no change, the resulting Net Employment Outlook is +6%.**

Once the data is adjusted to allow for seasonal variation, the Outlook also stands at +6%. Hiring intentions are unchanged when compared with the previous quarter, and remain relatively stable in comparison with 4Q 2017.

Lyndy van den Barselaar, Managing Director of ManpowerGroup SA, provides insights into why South African employers are reporting conservative hiring intentions for the October to December time frame: "South Africa's economy continues to be weighed down by slower-than-expected economic growth, which can translate into employers being cautious about hiring and spending-related activity, especially in the run up to the year end holiday season. This is reflected in the fact that 78% of responding companies are expecting to make no change in their hiring strategies in the last quarter of the year," she explains.

Regional Comparisons

Payrolls are forecast to increase in three of the five regions during the final quarter of 2018. Kwazulu Natal employers report favourable hiring prospects with a Net Employment Outlook of +13%, while employers in both Gauteng

and Western Cape report encouraging signs for job seekers with Outlooks of +8% and +7%, respectively. However, Free State employers anticipate a flat labour market with an Outlook of 0%, while Eastern Cape employers expect to trim payrolls, reporting an Outlook of -5%.

"The province of KwaZulu-Natal continues to be a focus for investment and projects that are expected to boost the economy and create employment. For example, pulp and paper giant Sappi has announced major planned upgrades at its Saiccor Mill in Umkomaas, Durban, which will be worth R7 billion. The investments are reported to include a R2,7 billion capacity expansion project and a planned R5 billion investment over five years in various continuous improvement initiatives and upgrade projects," explains van den Barselaar.

"These kinds of investments would certainly be expected to create further employment opportunities in the region. Once again, it is surprising that further employment from these projects have not been reflected in the forecast for the construction sector, in the coming quarter," she adds.

In comparison with 3Q 2018, Gauteng employers report a moderate improvement of 5 percentage points, while Outlooks are 3 and 2 percentage points stronger in Western Cape and Kwazulu Natal, respectively. However, Eastern Cape employers report a considerable decline of 10 percentage points, and the Outlook for Free State is 6 percentage points weaker.

Hiring prospects strengthen in both Kwazulu Natal and Gauteng when compared with this time one year ago, increasing by 8 and 2 percentage points, respectively. Meanwhile, Eastern Cape employers report a decrease of 7 percentage points, and the Free State Outlook declines by 4 percentage points.

Sector Comparisons

Job gains are forecast in nine of the 10 industry sectors during the coming quarter. The strongest labour market is anticipated in the Agriculture, Hunting, Forestry & Fishing sector, where employers report a Net Employment Outlook of +18%, and steady payroll gains are also forecast for the Wholesale & Retail Trade sector, with an Outlook of +16%. Elsewhere, Transport, Storage & Communication sector employers report moderate hiring prospects, with an Outlook of +10%, while some workforce gains are anticipated in both the Restaurants & Hotels sector and the Mining & Quarrying sector, with Outlooks of +8% and +6%, respectively. However, Construction sector employers forecast a sluggish labour market, reporting an Outlook of -7%.

"South Africa's agricultural sector over the short to medium term, is now beginning to experience some growth again. It was recently reported that wine and wool exports, especially to China, have offered the sector some relief; as have an increase in international prices, which lent support to domestic pork and poultry prices," says van den Barselaar. "The expected growth in the Wholesale & Retail Trade sector are also typical of the last quarter of the year, as consumers begin to spend and buy more, leading up to the festive season."

In comparison with 3Q 2018, hiring intentions strengthen in four of the 10 industry sectors. Considerable improvements of 13 and 12 percentage points are reported for the Agriculture, Hunting, Forestry & Fishing sector and the Wholesale & Retail Trade sector, respectively, while Outlooks are 3 percentage points stronger in both the Mining & Quarrying sector and the Restaurants & Hotels sector. However, employers report weaker hiring plans in four sectors, most notably with considerable declines of 10 percentage points in both the Electricity, Gas & Water sector and the Transport, Storage & Communication sector.

Hiring prospects weaken in five of the 10 industry sectors when compared with this time one year ago. Construction sector employers report a considerable decline of 11 percentage points. Elsewhere, the Manufacturing sector Outlook is 6 percentage points weaker, and Outlooks decrease by 4 percentage points in both the Electricity, Gas & Water sector and the Restaurants & Hotels sector. Meanwhile, hiring plans strengthen in four sectors, including a sharp increase of 21 percentage points reported for the Agriculture, Hunting, Forestry & Fishing sector. Wholesale & Retail Trade sector employers report an improvement of 12 percentage points, and the Outlook for the Mining & Quarrying sector is 8 percentage points stronger.

Organisation-Size Comparisons

Participating employers are categorised into one of four organisation 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 forecast workforce gains in all four organisation size categories during the next three months. Large employers report the strongest hiring intentions with a Net Employment Outlook of +20%. Elsewhere, some payroll gains are likely in the Medium-size category, where the Outlook is +6%, and also for Micro- and Small-size employers, with Outlooks of +3%.

In comparison with the previous quarter, Large employers report an improvement of 3 percentage points. Meanwhile, Outlooks remain relatively stable for Medium- and Micro-size employers, while Small employers report no change.

Year-over-year, hiring prospects strengthen by 4 percentage points for Micro firms, while Small employers report an increase of 2 percentage points. However, Medium employers report no change, while the Outlook for Large employers declines by 3 percentage points.

Globally, Fourth-quarter hiring confidence is strongest in Japan, Taiwan, the U.S., Romania and Slovenia, while the weakest hiring prospects are reported in Switzerland, Argentina, France and Italy.

ManpowerGroup's fourth-quarter research reveals that some job gains are expected in 43 of 44 countries and territories during the October-December time frame. However, there is little evidence of notable surges in hiring activity. Overall employer confidence is little changed from prior quarters and most employers remain resilient, appearing content to engage in modest levels of hiring activity against a backdrop of challenges associated with a realignment of global trading partners and on-going tariff negotiations.

Fourth-quarter hiring plans strengthen in 22 of 44 countries and territories when compared to the July-September time frame, weaken in 14 and are unchanged in eight. When compared to last year at this time, Outlooks improve in 23 countries and territories, weaken in 13 and are unchanged in seven.**

** Only 43 countries and territories eligible for year-over-year comparison; Croatia has no year-over-year data at this point.

ENDS

The ManpowerGroup Employment Outlook Survey for the fourth quarter 2018 was conducted by interviewing a representative sample of 750 employers in South Africa. All survey participants were asked, "How do you anticipate total employment at your location to change in the three months to the end of December 2018 as compared to the current quarter?"

The next ManpowerGroup Employment Outlook Survey will be released on 11 December 2018 to report hiring expectations for the first quarter of 2019. The ManpowerGroup Employment Outlook Survey is available free of charge to the public through local Manpower representatives in participating countries.

To receive e-mail notification when the survey is available each quarter, please complete an online subscription form at: http://www.manpowergroup.com/investors/alerts.cfm.

About the Manpower Employment Outlook Survey
The Manpower 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 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 59,000 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 five decades the survey has derived all of its information from a single question:

> For the 4Q 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 December 2018 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 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%.

Net Employment Outlook
Throughout this report, we use the term "Net Employment Outlook." This figure is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting to see a decrease in employment at their location 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), 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 hundreds of thousands of organizations every year, providing them with skilled talent while finding meaningful, sustainable employment for millions of people 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 2018, ManpowerGroup was named one of the World's Most Ethical Companies for the ninth year and one of Fortune's Most Admired Companies for the sixteenth year, 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

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 50 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 3Q 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 September 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%.

Net Employment Outlook
Throughout this report, we use the term "Net Employment Outlook." This figure is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting to see a decrease in employment at their location 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 Portugal. 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), the leading global workforce solutions company, helps organisations 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 hundreds of thousands of organisations every year, providing them with skilled talent while

finding meaningful, sustainable employment for millions of people 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 2018, ManpowerGroup was named one of the World's Most Ethical Companies for the ninth year and one of Fortune's Most Admired Companies for the sixteenth year, 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