Press Release

Under embargo until 11 December 2018 (00.01 GMT)

ManpowerGroup Employment Outlook Survey:

German employers remain cautiously optimistic for 1Q 2019 and plan to hire new staff

- **Munich surpasses Berlin with strongest Employment Outlook of all regions**
- **Employers in 17 percent of industrial companies plan to hire new staff in first quarter of 2019**
- **Recruitment drive among large companies continues**

Eschborn, 11 December 2018 – Employers in Germany are still looking to hire new staff. In the latest ManpowerGroup Employment Outlook Survey, employers in more than one in ten companies have stated that they intend to recruit more employees between January and March. The seasonally adjusted Net Employment Outlook for the first quarter of 2019 is relatively stable at +8 percent. Compared to the first quarter of last year, hiring confidence has risen by two percentage points. When set against the previous quarter, which recorded the strongest level for seven years, there has been a slight decrease of one percentage point. "Initial predictions of a downturn in the Eurozone's economic climate have not yet materialized in German employers' hiring plans," says Frits Scholte, CEO of ManpowerGroup Germany. "While Brexit and increasing trade barriers have created uncertainty, consumer spending in Germany continues to support demand. This explains why jobs are being advertised in Munich and Leipzig, in corporate groups and medium-sized companies, in industry and the construction sector. The only thing holding back the speed of the labor market is the excessive demand for well qualified experts, rather than the lack of orders." These are among the observations and results of the ManpowerGroup Employment Outlook Survey for the first quarter of 2019, for which 1,000 employers in Germany were surveyed.

+++ You can find the results of the study in a compact format as infographics *here* +++

Excellent prospects for job seekers in Germany's southernmost metropolis. Employers in Munich will begin the new year planning plenty of interviews. Employers in 21 percent of companies there plan to hire new staff between January and March 2019, 76 percent will maintain the same staffing levels, while just 3 percent are considering redundancies. With +20 percent, Munich has recorded the most positive Employment Outlook of all the regions. The Bavarian capital has improved its performance compared to both the previous quarter and the previous year by 9 percentage points. "Munich has always been one of Germany's most thriving regions and hiring confidence has been almost continuously very high," added Mr. Scholte. "It has now reached its strongest level since 2012 and also comes up trumps compared to other cities. The city on the River Isar has just claimed first place in the 2018 comparison of German cities conducted by the Wirtschaftswoche magazine. The study praised the city's business culture and outstanding labor market with so many DAX-listed companies and well paid jobs."

Regions: Munich ahead of Berlin, East ahead of South Germany

When it comes to dynamic developments in the comparison of cities, Munich has pushed Ingolstadt off the podium and forced Berlin into second place. The MEOS also puts Munich ahead of the capital. While Berlin was ahead of the Bavarian city over the last three quarters of 2018, it has now fallen clearly behind. With an Employment Outlook of +16 percent, the German capital takes second place among the regions, yet loses 10 percentage points on the previous quarter. However, Berlin has gained 7 percentage points compared to last year. 18 percent of Berlin-based employers plan to hire new staff and 77 percent will maintain the same staffing levels. Frankfurt am Main is next with an Employment Outlook of +12 percent, which is 1 percentage point up on both the previous quarter and previous year.

"Berlin has so much innovation power, a dynamic start-up scene and plenty of companies working on the big topic of digitization," says Scholte "Nevertheless, the solid family-run and large companies in Munich have got their noses ahead in anticipation of an overall economic downturn. Employers there are more concerned with not being able to find skilled workers to expand production – particularly in the retail, automotive and consumer goods industries."

Munich stands out from its surroundings, as the forecast for rest of southern Germany is somewhat gloomier for the beginning of the year. The Employment Outlook stands at +5 percent, which is a decrease of 4 percentage points on the previous quarter and 6 percentage points compared to last year. The share of companies undecided on whether to hire new staff is particularly high in the South at 5 percent.

Unlike the otherwise so highly praised South, Eastern Germany is in much better shape with an optimistic +10 percent. The outlook has risen by 4 percentage points on the previous quarter and 15 percentage points compared to last year. One in eight employers (12 percent) plan to hire new staff, 82 percent will maintain the same staffing levels, and 6 percent will make redundancies.

+8 percent is predicted for the Ruhr Valley, representing a fall of 5 percent compared to both the previous year and the previous quarter. Overall, the West stands at 4 percent, losing 2 percentage points on the previous year and quarter. The North finishes in bottom place for the first quarter of 2019. At 3 percent, this region has lost 3 percentage points on the previous quarter and 5 percentage points compared to last year. Just 7 percent of companies there plan to hire new staff, with 10 percent planning redundancies.

Industry comparison: industrial and construction sectors seek skilled workers

The manufacturing industries in Germany look forward to a particularly positive future with a respectable +12 percent. This level has risen by 5 percentage points compared to the previous quarter and 7 percentage points compared to last year, making this the most optimistic sector in the Employment Outlook Survey. “The problems regarding the new test regulations for cars slowed the important automotive industry down,” according to Scholte. “However, production is up and running again, and the growth forces in Germany’s manufacturing industries will gain the upper hand again by the beginning of the new year. This will boost demand for qualified employees again.” 17 percent of employers in this sector plan to hire new staff, 74 percent will maintain the same staffing levels, and 6 percent will make redundancies.

The mood among employers is positive in other areas too. The Employment Outlook is positive in eight out of nine industries, with only agriculture/forestry recording a disappointing -7 percent.

The Employment Outlook in the construction sector (+12%) and in the finance and services sector (+12%) is just as high as in the manufacturing industries. The increase, however, is not so strong here. Compared to the high performing fourth quarter of 2018, both sectors have reported losses, with the construction sector down by 2 percentage points and the finance sector down by 1. However, they have both made gains on last year (plus 4 and plus 3 percentage points respectively).

The electricity, gas and water suppliers managed to record a positive Employment Outlook of +9 percent, but lose 2 percentage points compared to the previous quarter and 6 percentage points compared to last year, putting them among the biggest losers. In comparison to the fourth quarter of 2018, the mining industry (-5 percentage points), the public economy (-4 percentage points) and the logistics sector (-3 percentage points) also faced losses. However, these sectors experienced a positive development when compared to last year. The logistics companies made up a total of 10 percentage points on the first quarter of 2018, while 14 percent of transport and logistics companies plan to hire new staff at the beginning of 2019. Wholesale and retail remains unchanged from the previous quarter and falls by 3 percentage points compared to the first quarter of 2018.

Large companies have strongest hiring confidence since 2003

Hiring activity is expected to continue growing for Germany’s large companies, and corporate groups are right at the top with an Employment Outlook of a booming +42 percent. This corresponds to an increase of 1 percentage point on the previous quarter and 10 percentage points on last year. 37 percent of large firms plan to hire new staff in the first quarter of 2019, while 56 percent will maintain the same staffing levels. The share of companies undecided on whether to hire new staff has risen to 4 percent. This means that the corporate groups have recorded their best results since the beginning of the MEOS back in 2003.

Germany’s medium-sized companies are also in good health at +23 percent, although they are down by 3 percentage points compared to the previous quarter but up by 5 percentage points on last year. 23 percent of employers plan to hire new staff between January and Match of 2019.

The small businesses are performing increasingly better. The Employment Outlook stands at +13 percent, corresponding to an increase of 2 percentage points compared to the previous quarter and 6 percentage points up on last year. 15 percent of them plan to hire new staff. Micro-firms boast an outlook of just +1 percent, which corresponds to a slight decrease of 3 percentage points on the previous quarter and 1 on last year.

International:

From a global perspective, companies’ hiring confidence remained mostly positive despite trade disputes.

The ManpowerGroup research for the first quarter of 2019 reveals that payroll gains are expected in 43 of 44 countries and territories in the period up to the end of March.

Hiring intentions for the coming quarter are stronger in 16 of 44 countries and territories when compared with the prior quarter, weaken in 23 and are unchanged in five. In a comparison with this time one year ago, Outlooks improve in 21 countries and territories, decline in 20, and are unchanged in two**. First-quarter hiring confidence is strongest in Japan, Taiwan, the U.S., Slovenia, Greece and Hong Kong, while employers report the weakest hiring intentions in Argentina, Switzerland, Italy, Panama and Spain.

Job gains are expected for all 26 Europe, Middle East & Africa (EMEA) region countries in the survey during the first quarter of 2019. In comparison to last quarter, employers in eight countries report stronger hiring prospects, but hiring plans weaken in 15. When compared with the same period last year, forecasts strengthen in 12 countries but decline in 13. The strongest EMEA labor markets in the coming quarter are anticipated in Slovenia and Greece, while Swiss employers report the weakest hiring plans.

You can find more detailed results from the Manpower Employment Outlook Survey for all participating countries including infographics here: https://www.manpowergroup.de/neuigkeiten/studien-und-research/arbeitsmarktbarometer/

Background information

The ManpowerGroup Employment Outlook Survey is the longest-running, most extensive, forward-looking employment survey in the world, commencing in 1962 and now polling nearly 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.

You can find more information about the Manpower Employment Outlook Survey at https://www.manpowergroup.de/neuigkeiten/studien-und-research/arbeitsmarktbarometer/.

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.

More information is available at http://www.manpowergroup.de.

Presse Contact

Faktenkontor GmbH

Clemens Hoh / Christine Probost

Wiesenhüttenplatz 26

60329 Frankfurt am Main

Tel.: +49 69 2474980-20

E-mail: manpower@faktenkontor.de