



Press Release

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ManpowerGroup Employment Outlook Survey: Hiring confidence in Germany remains cautiously optimistic

- More than one in ten employers plans to hire new staff
- Employment outlook is strongest in Munich
- Employers expect setback in the construction industry sector

Eschborn, 13th June 2017 – Hiring confidence among employers in Germany remains at a cautiously optimistic level in the third quarter of 2017. 11 percent of employers are planning to hire new staff from July to September 2017. This represents an increase of two percentage points compared to the same quarter of the previous year. As with the previous quarter, the seasonally adjusted Net Employment Outlook for the third quarter of 2017 stands at +7 percentage points. “For many employers, the result of the French elections is a positive signal which points toward future economic stability in Europe. This has strengthened the positive mood of German employers,” says Herwarth Brune, CEO of ManpowerGroup Germany. “Apart from the agriculture and transport sectors, more employers are planning to increase rather than reduce staff levels across all industries.” Hiring confidence is particularly strong in the finance, real estate, insurance and corporate service sector at a seasonally-adjusted +11 percentage points. These are the results of the Manpower Employment Outlook Survey for the third quarter of 2017, for which 1,000 employers in Germany were surveyed.

+++ You can find the results of the study in a compact format as a video and infographics [here](#) +++

The seasonally adjusted Net Employment Outlook is positive for the third quarter of 2017 in seven of the nine surveyed industries in Germany. This means that more employers are planning to increase rather than reduce staff levels. Among the German employers participating in the survey, 84 percent plan to keep the same number of staff. This is one percentage point more than in the previous quarter. The only negative third-quarter forecast is reported by agriculture/forestry and fishing sector employers with a seasonally adjusted Net Employment Outlook of -3 percent. Compared to the previous quarter, the transport sector has lost one percentage point and remains flat at +/-0 .

As in the previous quarters, the most positive mood can be found among the finance, real estate, insurance and corporate service sector. The seasonally adjusted employment outlook for the third quarter of 2017 is unchanged quarter-over-quarter and remains at a favorable +11 percentage points. Only public service providers, education and health are able to post higher figures (226,000 people).

The most notable improvement is reported by employers in the mining industry, where the realignment of many companies in the sector is proceeding. Here, the seasonally-adjusted employment outlook for the third quarter of 2017 improves 5 percentage points from the prior quarter and stands at +1 percent. Employer confidence in the construction industry has suffered a setback, however. The seasonally-adjusted employment outlook for this industry has fallen by six percentage points to +4 percent. “The decline is consistent with news from the German Federal Statistical Office who report that the number of building permits has fallen for the first time in five years,” said Mr. Brune.

The outlook for the gas, water and electricity industry has become more stable. After a faltering outlook in the second quarter of 2017 (0 percent), this industry faces a more optimistic future for the months from July to September with +2 percent. Compared to the same quarter of the previous year, the outlook has declined considerably from +11 percent.

Munich and Frankfurt employers report the strongest employment outlooks

From a regional perspective, the employment outlook is strongest in Munich at +13 percent. This represents an increase of nine percentage points compared to the second quarter of 2017 and is unchanged from last year at this time. The outlook for the South has climbed for two consecutive quarters to +10 percent and two percentage points stronger than last year at this time.

“The automotive sector remains a very powerful industry in Southern Germany,” says Brune. “What’s more, the Bavarian capital is a champion of the German economy due to its dense concentration of manufacturers, suppliers, universities and research centers.”

Frankfurt’s forecast has climbed slightly from three months ago to +9 percent, and the outlook is considerably stronger than last year at this time when the forecast dipped to a weak -4 percent. After Frankfurt am Main, Munich is the second most important banking location – and therefore also benefits from the growth dynamics of the finance sector. In the banking city of Frankfurt, the employment outlook has improved again after posting +7 percent in the second quarter. With an increase of two percentage points, the city on the River Main reaches +9 percent for the months from July to September. “The growing employer confidence that we are seeing from Frankfurt’s employers may be the collective expectation that Frankfurt will benefit as a financial center following the UK’s Brexit,” noted Brune.

Employers in Berlin hold back on hiring new staff

The employment outlook in Berlin has become extremely gloomy. Although employers in the German capital reported the second quarter’s strongest forecast, employer hiring intentions

have declined sharply since then and the third-quarter outlook stands at a much more modest +2 percent. “The euphoria in the construction industry has cooled off and the hype of founding start-ups as part of the digitization process has been impacted by more than Twitter’s decision to pull out of the city. The Berlin-based company Rocket Internet (RI) is also battling with declining figures,” notes Brune.

The Ruhr region is experiencing a similar downward trend. At -1 percent, the area’s forecast has dipped five percentage points compared to the previous quarter, which is the weakest result since the beginning of 2016.

Across Germany, large and medium-sized companies continue to plan to hire new staff. +24 percent of the large companies and +18 percent of the medium-sized ones are planning to boost their staff numbers. The trend from the previous quarters – that mainly larger employers are looking to hire – is therefore confirmed here. The outlook for small companies stands at +12 percent, which is one percentage point lower than in the previous quarter. Small businesses remain at a low level of hiring at just +1 percent and plan to keep their employment levels constant.

Forecasts mixed across the globe

The forecast indicates payrolls will grow by varying degrees in 41 of 43 countries and territories over the next three months. An overview of the global results indicates employer confidence is similar to that reported in the second quarter with the majority of respondents content to either retain current staff or grow payrolls marginally as they await more definitive signals from the marketplace.

Some employers expect to encounter headwinds in the coming months. For instance, employer confidence in India dips to its least optimistic level since their survey was launched. Similarly, forecasts in Panama and Peru are the weakest reported since their surveys began, while job prospects in Singapore decline to a level not seen since the recession. Conversely, the forecast in Brazil has improved steadily for four consecutive quarters and Brazilian employers report positive hiring plans for the first time in more than two years.

When compared to the prior quarter’s results, forecasts improve in 17 countries and territories, decline in 16 and remain unchanged in 10. However, a more confident pattern emerges when forecasts are compared with last year at this time as hiring intentions improve in 26 countries, decline in only 15 and remain unchanged in two. Globally, the strongest third-quarter hiring plans are reported in Japan, Taiwan, Hungary and the United States. The weakest forecasts are reported in Italy, the Czech Republic and Finland.

In the Europe, Middle East & Africa (EMEA) region workforce gains are forecast in 23 of 25 countries. Hiring plans improve in nine countries quarter-over-quarter, weaken in 10 and are unchanged in six. In a year-over-year comparison, Outlooks improve in 15 countries and decline in 10. Hungarian job seekers can expect the region’s strongest third-quarter hiring

plans. Additionally, the outlook in Turkey rebounds with more than one in every four employers planning to add to their payrolls in the next three months. Italian employers report the region's weakest outlook as well as the only negative hiring intentions among the 43 countries and territories surveyed.

Payrolls are expected to grow in all eight Asia Pacific countries and territories. Net Employment Outlooks improve in only two countries and territories when compared to the prior quarter, decline in three and are unchanged in three. In a year-over-year comparison the hiring pace is expected to improve in five countries and territories, decline in two and remain unchanged in one. Employers in Japan and Taiwan report the most optimistic forecasts, both regionally and globally. The region's weakest forecasts are reported by employers in China and Singapore.

Positive Outlooks are reported in each of the 10 countries surveyed in the Americas. Hiring confidence strengthens in six countries, dips in three and is unchanged in one when compared to the April-June quarter. Similarly, the year-over-year comparison reveals employers in six countries report improved hiring prospects, while hiring plans weaken in three and are unchanged in one. For the fourth consecutive quarter employers in the United States report the strongest hiring plans in the Americas, while opportunities for job seekers are expected to be weakest in Brazil, Peru and Panama.

You can find more detailed results from the ManpowerGroup Employment Outlook Survey for all participating countries including infographics [here](#).

About the survey

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 43 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.

About ManpowerGroup

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