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Press Release

ManpowerGroup Employment Outlook Survey for Q3 2018:

Hiring pace in Israel is expected to accelerate in July--September quarter

- **Employers in Israel report uptick: the Net Employment Outlook stands at +13%, representing a 2% uptick year-over-year**
- **Of the 752 employers that took part in the survey, 16% expect an increase in payrolls, only 3% predict a decrease in headcount, while 78% anticipate no change.**
- **A sector-by-sector analysis forecasts upbeat growth in the restaurants and hotels sectors**
- **Employers in all six geographies expect an increase in payrolls in Q3 2018.**
- **Hiring intentions are strongest for Q3 in Japan, Croatia, Taiwan, Hungary and the United States. The weakest forecasts were reported in Italy, Panama and Spain**

The ManpowerGroup Employment Outlook Survey for Q3 2018 was conducted by interviewing a representative sample of 752 employers in Israel. The participants in the survey were asked "How do you anticipate general employment in your geography to change in the three months (to the end of *September 2018*) as compared to the current quarter?"

The Israeli employers report favorable hiring plans for the July-September timeframe. 16% of employers in Israel expect job gains, 3% predict a decrease, while 78% anticipate no change to their current staffing levels. Following adjustment to take into account seasonal variations, the Outlook stands at +12%. Hiring plans strengthen by 4 percentage points when compared with the previous quarter and increase by 2 percentage points when compared with Q3 2017.

Throughout this report, we use the term "Net Employment Outlook." The "Net Employment Outlook" is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting a decrease in hiring activity at their location in the next quarter. The result of this calculation is the Net Employment Outlook.

From this point onwards, all data in the commentary have been seasonally adjusted, unless stated otherwise.

Employment Forecast for Q3 2018 - Israel

Sector forecast

Looking ahead to the next quarter, employers in nine of the ten industry sectors forecast an increase in staffing levels. Employers in the Mining & Quarrying sector report especially encouraging hiring intentions, with a net employment outlook of +32% and an upbeat hiring pace also expected in the Restaurants & Hotels sector, with an outlook of +19%. Elsewhere, steady increases in headcounts are also expected in the Construction sector and in the Public & Social Services sector, with a forecast of +15% and +13% respectively. An increase in headcount is also expected in the Manufacturing-Durables sector, with an outlook of +12% while an outlook of +11% is expected in the Finance, Insurance, Real Estate & Business Services sector as well as in the Wholesale & Retail Trade sector. In contrast, employers in the Electricity, Gas & Water Supply sector forecast uncertainty in the labor market, with an outlook of -1%.

Compared to the second quarter of 2018, employers report an uptick in the hiring plans in eight of the 10 industry sectors. A considerable improvement (of 21 percentage points) is reported in the Mining and Quarrying sector. The outlook is upbeat by 5 and 7 percentage points respectively in the Restaurants & Hotels sector and in the Public and Social Services sector. In contrast, the employers in the Electricity, Gas & Water Supply sector report a decrease of 7 percentage points whereas the forecast for the agriculture, hunting, forestry and fishing sector weakens by 5 percentage points.

Year-over-year, hiring prospects are stronger in five out of ten industry sectors according to employer reports. Mining & Quarrying increases sharply by 24 percentage points and a robust improvement is also reported in the Restaurants & Hotels sector and in the Agriculture, Hunting, Forestry & Fishing sector, with an increase of 8 and 6 percentage points, respectively. At the same time, hiring intentions in four sectors, including the Electricity, Gas & Water Supply sector, report weakening, where employers are reporting a considerable decrease of 11 percentage points.

	Net Employment Outlook, Q3, 2018 *	Net Employment Outlook, Q2, 2018 *	Net Employment Outlook Q3 2017*
Agriculture	+10%	+13%	+4%
CONSTRUCTION	+15%	+14%	+12%
ELECTRICITY, GAS & WATER SUPPLY	-1%	+9%	+10%
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	+11%	+11%	+11%
MANUFACTURING	+12%	+12%	+12%



PUBLIC & SOCIAL SERVICES	+13%	+8%	+13%
RESTAURANTS & HOTELS	+19%	+12%	+8%
TRANSPORT, STORAGE & COMMUNICATION	+4%	+3%	+6%
WHOLESALE & RETAIL TRADE	11%+	8%+	8%+

* Net Employment Outlook has been seasonally adjusted.

Results by geographies:

Employers in all six geographies expect an increase in payrolls in Q3 2018. The strongest labor markets are forecast in both Jerusalem and Tel Aviv, with employers in both regions reporting a net employment outlook of +15%. Steady headcount growth is also forecast in the Center, with an outlook of +12%. More modest hiring activity is expected in the North, with an Outlook of +10%, as well as in Haifa and in the South, where employers forecast outlooks of +7% and +9%, respectively.

In a quarter-over-quarter comparison, employers in the Center report the strongest forecast improvement (6 percentage points), while in Haifa and Tel Aviv the forecasts improve by 3 percentage points. Employers in Jerusalem and the North report relative stability in hiring forecasts whereas in the South, the forecast remains unchanged.

Employers in Jerusalem and Tel Aviv alike report a mild uptick in hiring intentions, year-over-year, with an increase of 7 and 6 percentage points, respectively. However in the Center, the outlook decreases by 3 percentage points and by 2 percentage points in Haifa.

	Net Employment Outlook, Q3, 2018 *	Net Employment Outlook, Q2, 2018 *	Net Employment Outlook Q3 2017*
Jerusalem	+15%	18%+	5%+
The Center	+12%	6%+	15%+
Haifa	+7%	5%+	9%+
North	+10%	9%+	9%+
South	+9%	8%+	9%+
Tel Aviv	+15%	10%+	9%+

* Net Employment Outlook has been seasonally adjusted.

Organization-Size Comparisons

Participating employers are categorized into one of four organization 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.

An increase in payrolls is expected in the coming quarter in organizations from all four organization-size categories. The strongest hiring intentions were reported by the large employers, with a Net Employment Outlook of +20%. On the other hand employers in Small organizations and Medium organizations report a forecast of +11% and +9% respectively, whereas for Micro organizations the forecast is +6%.

Compared to Q2 2018, Large employers report a slight improvement of 3 percentage points. Meanwhile, employers in Medium organizations report relatively stable hiring intentions whereas the outlook among Small and Micro businesses has remained unchanged.

The improvement in the forecast for Small-size employers is 5 percentage points year-over-year, while Large employers report a decrease of 2 percentage points. Relative stability is reported in hiring intentions for both Micro organizations and Medium organizations.

	Net Employment Outlook, Q3, 2018 *	Net Employment Outlook, Q2, 2018 *	Net Employment Outlook Q3 2017*
Micro businesses (less than 10 employees)	+6%	7%+	2%+
Small businesses (10 to 49 employees)	+11%	11%+	10%+
Medium businesses (50 to 249 employees)	+9%	8%+	9%+
Large businesses (over 250 employees)	+20%	17%+	22%+

* Net Employment Outlook has been seasonally adjusted.

Global Employment Outlook:

Net Employment Outlook

ManpowerGroup personnel have interviewed close to 60,000 employers in 44 countries and territories to form a forecast of the expected activity* in the job market in the third quarter of 2018. The participants in the survey were asked "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?"

Third-quarter results indicate that despite the uncertainty as to the geopolitical situation, global employer confidence levels have not been affected. Growth in headcounts is expected in all countries and territories with the exception of Italy, where a negative forecast has been reported the second consecutive quarter. A clear majority of employers participating employers stated they would be seeking stability or increases in workforce and only a minute fraction plans downsizing headcounts. Notable examples of optimism are reported in Finland, where the strongest outlook was reported since the survey began in this country and in China, where employers are reporting the most optimistic hiring plans in the last three years. Panama, on the other hand, reports the weakest forecast since the survey began there in 2010. New Zealand also has reported the least optimistic forecast since 2009.

Compared with the quarter-over-quarter results, forecasts improve in 19 countries and territories, weaken in 18 and remain unchanged in seven. A more upbeat pattern emerges compared with the quarter-over-quarter forecasts: hiring plans improve in 24 countries, decrease in only 12 and remain unchanged in seven. ** In a global perspective, the most robust Q3 hiring plans were reported in Japan, Croatia, Taiwan, Hungary and the United States. The weakest forecasts were reported in Italy, Panama and Spain.

Employers in 25 out of the 26 countries in EMEA expect job gains. Quarter-over-quarter, hiring plans improve in 12 countries, weaken in 10 and remain unchanged in four. Year-over-year, the forecast improves in 13 countries, weakens in six and remains unchanged in six. Compared with Q3, employers in Croatia report the strongest hiring intentions in the region, in fact the strongest hiring intentions worldwide - including Japan. Among employers in Italy the weakest forecast in the region was reported and, as mentioned above, this is also the only country in all 44 countries and territories participating in the survey reporting negative hiring intentions.

Onboarding is expected to increase in all eight Asia-Pacific countries and territories in the next three months. Net employment outlooks improve in five countries and territories when compared with the previous quarter; decreases are recorded in two countries while one

country remains unchanged. Year-over-year, the hiring pace is expected to improve in six countries and territories, compared with a slower hiring pace expected in one country and stability in one country. In Japan and Taiwan, employers are reporting the most optimistic forecasts in a regional perspective, compared with the weakest forecasts reported in New Zealand and Australia.

Positive outlooks have also been reported in the 10 countries participating in the survey in the Americas. At the same time, compared with the April-June timeframe, employer hiring confidence strengthens in only two countries, weakens in six and remains unchanged in two. Compared with the previous year, an improvement in the outlook was reported in five countries and territories, whereas a weakening was reported in five others. Employers in the United States, for the fourth consecutive third quarter, report the strongest hiring plans in the Americas. On the other hand employers in Panama and Brazil are reporting the weakest hiring plans.

About the ManpowerGroup Employment Outlook Survey

The ManpowerGroup Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease their payrolls during the next quarter. ManpowerGroup's comprehensive hiring intentions survey has been running for over 50 years. It reports the employers' forecasts and is considered 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.

Basis for the Data: The survey is based on interviews with close to 60 thousand 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 geographies 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 Q3 2018 survey, 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. The 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 made 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), one of the largest workforce solutions companies in the world, assists organizations to change direction in the rapidly changing world of work - through sourcing, evaluation, development and management services of the talents which will facilitate their success. Every year we develop innovative solutions for hundreds of thousands of organizations, delivering skilled talent and helping millions of individuals across a broad spectrum of industry sectors and skillsets to find long-term meaningful employment. Our specialized family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – has been creating greater value for candidates and clients in 80 countries and territories worldwide for 70 years. In 2018, ManpowerGroup was named one of the World's Most Ethical Companies for the ninth consecutive year and one of Fortune's Most Admired Companies for the sixteenth year, confirming our position as the most trusted and highly esteemed brand in the sector. See how ManpowerGroup makes powering the world of work humanly possible: www.manpowergroup.com

The full results of the quarterly survey for all 44 participating countries and territories, as well as regional and global comparisons, are available at: www.manpowergroup.com/meos. Manpower's next Employment Outlook Survey will be published on September 11, and will report on anticipated job market activity in the fourth quarter of 2018.