

UNDER STRICT EMBARGO:

NOT FOR PUBLICATION BEFORE 00.01 GMT 11 September 2018

ManpowerGroup Employment Market Barometer:

German employers report strongest hiring plans in seven years

- Outlook for employment in Berlin at its strongest level since records began
- 17% of all construction sector employers plan to recruit new employees in Q4 2018
- One in two major companies plans to recruit new employees

Eschborn, 11 September, 2018—Employers in Germany are optimistic; and according to the latest ManpowerGroup Employment Outlook Survey this employer confidence is likely to result in a more favorable hiring environment for German job seekers. Roughly one in seven employers surveyed plan to recruit new employees in the next three months. Discounting seasonal jobs, the net outlook for employment in Q4 2018 is likely to remain relatively stable at +10%. This is the strongest forecast reported in seven years; a similarly positive outlook was last achieved in 2011. Compared to the previous quarter, willingness to recruit has risen by 1%. Compared to Q4 2017, the increase is 4%. “The mood on the employment market is excellent; overhasty reports regarding an economic downturn have proven untrue. As a result, German companies are expecting to recruit new employees once again towards the end of the year,” reports Herwarth Brune, Executive Chairman of the ManpowerGroup Germany. “Higher wages and a high level of job security have led to a boom in private consumption and thus in retail and logistics. But public authorities are also investing, and the building boom continues.” New buildings are particularly being built in the capital city, where companies have a more optimistic employment outlook than they have ever had in the last fifteen years. But the boom applies not only to the construction industry; the general mood in Berlin is positive, and many employers surveyed in Berlin plan to recruit new employees. These are the results of the ManpowerGroup Employment Outlook Survey for the fourth quarter of 2018, for which 1,014 employers in Germany were questioned.

+++ A summary of the results of the study can be viewed via [this link](#)+++

According to the latest ManpowerGroup Employment Market Barometer, German employers are feeling optimistic. 14% of the respondents in Germany intend to increase their workforce, with a further 82% planning to keep the number of employees stable. Across the country—north, south, east, and west—the net employment outlook is positive in all regions. But Berlin, where the net employment outlook is an impressive +26%, is providing more impetus than any



ManpowerGroup™

Press release

other German city or region. This figure represents a 10 percentage point increase compared to the previous quarter—which was strong in its own right—and an incredible 20 percentage point increase compared to Q4 2017. It is the highest result ever attained in Berlin since the quarterly records began in 2003.

Nearly 3 of every 10 employers surveyed in Berlin (29%) aim to recruit new employees this year; 69% intend to keep the number of employees in their workforce stable. Only 1% of employers in Berlin are thinking about reducing their workforce. “By a clear margin, Berlin is more willing than any other region to recruit new employees,” says Brune. “The city benefits from the influx of new companies and from citizens who have more free cash at their disposal. With state coffers comfortably full, public authorities are also spending freely. Ramona Pop, Senator for Economic Affairs, reckons with higher than average economic growth totaling 3% and an almost 4% increase in the number of jobs paying national insurance contributions, compared with a national increase of 2.3%.

Boom for the Ruhr Region—other regions remain stable

There is a huge gap between the figures for Berlin and those for other cities: discounting seasonal jobs, the outlook for employment in Frankfurt am Main and Munich is +10%. For Frankfurt, this represents a slight decrease of 1 percentage point; for Munich, it is a slight increase of 2 percentage points. In both cities, one in six employers is looking to recruit new employees; the majority aim to keep their workforce numbers stable. In Munich, however, 4% are still uncertain as to whether or not to recruit; presumably they await economic developments and the outcome of trade disputes. Employers in other regions are also taking a wait-and-see approach: figures for regions in the east of Germany remain stable at +6%, for the north at +7% and +9% in the south.

But whilst most regions and cities—excepting Berlin—display virtually no change, developments in the Ruhr region are positive. Discounting seasonal jobs, the employment outlook of employers in the Ruhr region is up by 4%, and now totals +12%. Compared to last year’s figures, this represents an impressive increase of 20%. Overall, this is the highest figure for companies since the middle of 2011. 17% of all companies based between Dortmund and Duisburg intend to recruit new employees before the end of the year. “The regional economy is booming. The main focus in this region is on the metal and electronics industries, and these companies are developing most positively,” reports Brune, Chairman of the ManpowerGroup. “The Ruhr region is also benefiting from the private and public building boom. Companies in Bochum, Dortmund, and Castrop-Rauxel have exhausted their capacities and are now looking for new, qualified employees.” The Ruhr region is not the only area, however, to be experiencing a building boom; the optimism prevalent amongst Berlin companies is attributable in part to major building projects. According to the regional branch of the German

Association of Hotels and Restaurants, 36 new hotels have been built this year alone, as well as huge commercial premises and residential buildings.

The construction industry is recruiting—the financial sector, logistics industry, and suppliers are in high spirits

The building industry is impressive not only on a regional level, but throughout Germany: here, the employment outlook is stronger than in any other industry, totaling an impressive +14%. Compared to Q4 2017, this represents an 8% increase. In May, the total value of orders in companies employing 20 or more people was the highest since recording began, with official statistics citing the volume of turnover at seven billion euros over a twelve month period. However, the peak for demand has now been reached; compared to the extremely strong third quarter, this represents a decrease of 5%. Nonetheless, companies in this sector are still seeking qualified professionals. 17% of all companies wish to recruit new employees, a higher percentage than in any other industry.

The high level of willingness to recruit new employees is not restricted to the construction industry alone. In 8 out of the 9 industry sectors surveyed, the net employment outlook is positive (discounting seasonal jobs). Only in the areas of agriculture and forestry is the figure -1%. “The extreme summer conditions led to crop failures causing millions of euros worth of damage,” reports Brune. “And trade disputes and customs duties have also led to a downturn in exports. An upswing in consumer spending has left wholesalers and retailers in a predominantly good position.” The employment outlook for wholesale companies and in the retail industry is currently +5%, representing a 3% decrease compared to the previous quarter. Consumer spending in retail has also left its mark on the logistics industry (transport, storage, communication). In particular, internet orders have led to an 8% increase compared to the last quarter, and now total 10%. Compared to last year, the increase is 12%. However, companies in the communication industry have benefited less than logistic companies.

The second strongest result of +13% goes to companies in the financial sector (including Business Services); this is 6% higher than Q3 2018 and as high as Q4 2017. The industry is doing consistently well. 16% of companies currently wish to recruit new employees. A similar number of companies from the public economy sector and the social sector are also seeking new recruits. This industry is also doing well with +11%—which is 2% higher than the last quarter and 5% higher than last year. The figure for electricity, gas, and water suppliers is +10%, a 6% increase compared to last quarter and 10% higher than last year.

Companies continue to recruit

The developments in the Q3 2018 are set to continue during the fourth quarter: large companies in Germany are recruiting new manpower. Discounting seasonal jobs, the net



employment outlook here is a strong +40%—representing a 6% increase compared to the last quarter and the previous year. It is the highest result ever attained since the Barometer began in 2008. Virtually one in two major companies (48%) intend to recruit new employees between October and December this year. In SMEs, the outlook is +26%, representing a slight (1%) increase compared to the last quarter. One in three medium-sized company intends to recruit new employees (33%). Small companies are more reticent; their outlook is +11%, representing a 1% decrease compared to the last quarter. The result for micro-companies remains constant at a moderate +4%.

Boom on the North American employment market—Japan has the best outlook on the Asian market

On a global scale, the willingness to recruit new employees remains resilient despite trade disputes. A survey of almost 60,000 employers in 44 countries and territories showed virtually no changes to the trend for employment for October to December. In 22 out of 44 countries, employers are indicating a higher willingness to recruit new employees compared to the last quarter. Demand in 14 states has decreased, whilst 8 countries report no changes. Employers in the USA, Canada, and Mexico have particularly positive expectations. Employers in Argentina and Panama expect the weakest levels of growth. Employers in Asia-Pacific countries and regions expect their workforces to grow during the fourth quarter. From October to December, Japanese employers expect the highest recruitment rate worldwide. The outlook in China is also positive, though employers report the weakest recruitment plans in the region.

In Europe, the Near East, and Central America (EMEA), employers are particularly optimistic about the last months of 2018. Employers in 25 out of 26 countries within the EMEA region report a positive employment outlook for the fourth quarter. Only Swiss employers expect payroll declines and report an outlook of -2%. This is a 6% decrease compared to the last quarter, and 2% lower than last year. However, Swiss companies remain positive; it is international risks such as trade conflicts which have been responsible for dampening expectations. With an employment outlook of +5%, Austria is down 2% from the previous quarter and 4% lower than last year. France has lost 3% compared to the previous quarter but is up 2% on last year. The highest employment outlook in the EMEA is in Slovenia, with a result of +19%; this is up by 8%, and is also the greatest increase compared to the third quarter. Romania also achieved an excellent result (+19), as did Hungary (+18).

Detailed results for all participating countries from the ManpowerGroup Employment Market Barometer, including an infographic, can be viewed via this link: <https://www.manpowergroup.de/neuigkeiten/studien-und-research/arbeitsmarktbarometer/>.

Background information

The ManpowerGroup publishes the ManpowerGroup Employment Market Barometer on a quarterly basis. The survey asks more than 60,000 employers in 44 countries about their recruitment and redundancy plans for the coming quarter. A method is then applied to adjust the results thus gained to account for seasonal fluctuations. The survey, entitled “ManpowerGroup Employment Outlook Survey”, is the longest running survey to assess future developments on the employment market. The results are globally acclaimed by economists, employment market experts, and finance analysts. Amongst other things, the survey is regularly used by the European Commission as a source for its monthly monitoring report on the European job market situation and the social situation in the EU.

For more information about the ManpowerGroup Employment Market Barometer, please visit <https://www.manpowergroup.de/neuigkeiten/studien-und-research/arbeitsmarktbarometer/>.

About ManpowerGroup

The ManpowerGroup is a global leader in the provision of innovative solutions and services which enable companies to successfully master changing challenges in the world of work. With more than 29,000 employees, the ManpowerGroup is one of the three biggest recruitment agencies in Germany. The Group, which includes companies such as Manpower, Stegmann, Experis, ManpowerGroup Solutions, Proservia, and Right Management, as well as other specialist brands, is active at 360 locations across Germany.

For more information, please visit <http://www.manpowergroup.de>.

Press contact

Faktenkontor GmbH
Clemens Hoh / Christine Probst
Wiesenhüttenplatz 26
60329 Frankfurt am Main
Phone: +49 (0)69 2474980-20
Email: manpower@faktenkontor.de