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Press Release

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Modest employer optimism in the Norwegian labor market: ManpowerGroup Employment Outlook Survey 1Q 2017

Employer optimism in the Norwegian labor market is stable when compared to the cautiously optimistic forecasts reported in the prior quarter and last year at this time. For the fifth consecutive quarter, Norwegian employers expect modest hiring activity in 1Q 2017, according to ManpowerGroup's quarterly survey of employer hiring plans. – For the first time in five quarters, forecasts in all surveyed sectors are either neutral or optimistic, says CEO in ManpowerGroup Maalfrid Brath.

According to the ManpowerGroup Employment Outlook Survey released today, Norwegian employers are reporting a seasonally adjusted Net Employment Outlook of +3% for 1Q 2017. Compared with 4Q 2016, hiring prospects have strengthened in five sectors and three regions.

– The survey tells us that key sectors, such as Manufacturing, Retail & Hospitality and Mining & Quarrying are returning towards their long-run averages. Although the reported employment expectations are cautious, it signals a certain sustained optimism among employers, says Maalfrid Brath, CEO in ManpowerGroup Maalfrid Brath.

When compared with the same quarter of last year, the hiring prospects decline in six sectors and three regions year-over-year.

– The decline year-over-year is not an indication of a longer trend as cyclical factors explain much of the variation in sectors, says Brath.

South/West is still the most positive region

The most optimistic regional Outlook stands at +6% in the South/West, despite a reduction of hiring intentions by 4 percentage points both quarter-over-quarter and year-over-year. South/West region employers have reported outlooks that have routinely exceeded the national forecast by an average of five percentage points through the year.

– This trend is positive for job seekers in the South/West, who may be struggling due to the slow-down in the oil industry. This continues the trend we observed in Q4 2016, where the government's counter-cyclical measures finally gained momentum," says CEO in ManpowerGroup, Maalfrid Brath.

Meanwhile, employers in Northern Norway report the weakest regional forecast. Standing at -2%, the Outlook remains relatively stable quarter-over-quarter but declines by 7% points year-over-year. This continues a downward trend in the region, with employment outlooks steadily dropping for five consecutive years.



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Large- and Micro-size employers report strongest forecasts

Payroll gains are also expected in all four organization size categories for 1Q 2017. Large- and Micro-size employers expect the strongest payroll gains, reporting Outlooks of +4%. Small- and Medium-size employers report more cautious hiring plans, with Outlooks of +2%.

– In 4Q 2016, the Public and Social sector employers were the most optimistic. That the biggest corporations and employers in the private sector are most optimistic for 1Q 2017 is positive for the entire labor market, as they often take the lead, says Brath.

Positive prospects in private sector

Of the nine sectors surveyed, the strongest hiring prospects are currently in the Finance & Business Services and Retail & Hospitality sectors. These Outlooks stand at +8% and +7%, respectively. Hiring prospects in the Finance & Business Services sector are 5 percentage points stronger quarter-over-quarter, a third consecutive quarter with increasing employment expectations.

Two sectors struggle, with a net increase in employment of 0%. In Agriculture, Hunting, Forestry & Fishing, employers report a quarter-over-quarter improvement of 3 percentage points but a year-over-year decline of 6 percentage points.

Both are reporting employment outlooks below their long run trend.

Employers in Electricity, Gas & Water have the largest number of employers reporting status quo, with 94 % reporting no change in employment. Their hiring plans are thus reduced by 3 and 7 percentage points from 4Q 2016 and 1Q 2016 respectively.

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