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Press Release

Manpower Employment Outlook Survey Q4 2016:

According to the ManpowerGroup survey, employers anticipate a steady hiring pace for the months October-December

Manpower Employment Outlook Survey for 4Q 2016:

According to ManpowerGroup's quarterly survey, Israel's hiring pace is expected to pick up in the October-December time frame

- **An uptick in optimism among employers in Israel: the Net Employment Outlook stands at +12%, representing a slight increase in both quarter-over-quarter and year-over-year comparisons.**
- **Of the 750 employers interviewed in the survey: 19% expect an increase in payrolls; 71% anticipate no change in number of employees, while 8% expect a decrease and 2% don't know.**
- **An analysis by sector indicates an upbeat hiring pace in the Restaurants & Hotels sector, and weaker prospects in the Wholesale & Retail Trade sector.**
- **Employers in all six regions expect to increase staffing levels in the October-December time frame. The strongest hiring climate is anticipated in Jerusalem with a Net Employment Outlook of +15%.**
- **Globally, employers in India, Japan, Taiwan and the United States report the most optimistic hiring plans, while employers in Brazil, Belgium, Finland, Italy and Switzerland report weakest hiring plans; Brazil's employers report the fourth quarter's only negative forecast.**



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According to the Net Employment Outlook survey conducted by **Manpower** for 4Q 2016 among 750 employers in Israel, the hiring pace in the fourth quarter of 2016 is expected to remain positive. The forecast is also slightly stronger in both quarter-over-quarter and year-over-year comparisons.

All participants were asked, “How do you anticipate total employment at your location to change in the three months to the end of December 2016 as compared to the current quarter?”

Of the 750 employers who participated in the survey, +19% anticipated an increase in payrolls. +71% forecast no change. Once seasonal variations are removed from the data, the Manpower Employment Outlook Survey stands at +12%, improving 4 percentage points quarter-over-quarter and 3 percentage points year-over-year.

Opportunities for job seekers in the fourth quarter are expected to be greater in the Restaurants & Hotels sector and Construction sector in the Jerusalem, Center and Haifa regions.

Employment Forecast for 4Q 2016

| | Net Employment Outlook* | Increase | Decrease | No Change | Don't know |
|----------------|-------------------------|-----------|----------|-----------|------------|
| | % | % | % | % | % |
| 4Q 2015 | +9 | 13 | 5 | 80 | 2 |
| 1Q 2016 | +7 | 12 | 7 | 78 | 3 |
| 2Q 2016 | +7 | 13 | 4 | 81 | 2 |
| 3Q 2016 | +8 | 13 | 4 | 80 | 3 |
| 4Q 2016 | +12 | 19 | 8 | 71 | 2 |

* Net Employment Outlook has been seasonally adjusted.

Results by industrial sector: growth in the Construction sector; surge in the Restaurants & Hotels sector

Employers in all ten industry sectors anticipate job gains in the fourth quarter of 2016. The strongest hiring intentions were reported in the Restaurants & Hotels sector, with a Net Employment Outlook of +18%. Steady employment growth is also anticipated in the Construction sector and the Electricity, Gas & Water Supply sector, with an Outlook of +16% and +15%, respectively. Elsewhere, employers expect respectable growth in the workforce in two sectors, with Outlooks of +12% in the Finance, Insurance, Real Estate & Business Services sector and in the Mining and



Quarrying sector, compared with reports of Outlooks of +11% and +10% expected in the Public & Social sector and in the

Manufacturing sector, respectively. The Transport, Storage & Communication sector has reported the most cautious Outlook: +3%.

Quarter-over-quarter, employers report an improvement in hiring intentions in seven of the 10 industry sectors. A substantial increase of 16 percentage points is reported in the Restaurants & Hotels sector, while the Outlooks are stronger by 11 and 9 percentage

points in the Construction sector and in the Mining & Quarrying sector, respectively. At the same time, hiring plans were weaker in three sectors, including the Wholesale & Retail Trade sector, where employers report a decline of 2 percentage points.

Compared with the fourth quarter of 2015, Outlooks are stronger in six of the 10 industry sectors. The most significant improvement, of 19 percentage points, was posted by employers in the Construction sector. The Outlook for the Restaurants & Hotels sector is also stronger by 10 percentage points, while gains of 4 percentage points were posted in both the Mining & Quarrying sector and the Public & Social sector. However, employers in three sectors report weaker hiring intentions. The Outlook in the Wholesale & Retail Trade sector declines by 7 percentage points, while the Transport, Storage & Communication sector reports a decline of 6 percentage points.

| | Net Employment Outlook 4Q 2016* | Net Employment Outlook 3Q 2016* | Net Employment Outlook 4Q 2015* |
|--|--|--|--|
| AGRICULTURE | +9% | +10% | +9% |
| CONSTRUCTION | +16% | +5% | -3% |
| ELECTRICITY, GAS & WATER SUPPLY | +15% | +11% | +19% |
| FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES | +12% | +11% | +11% |
| MANUFACTURING | +10% | +11% | +8% |
| PUBLIC & SOCIAL | +11% | +8% | +7% |
| RESTAURANTS & HOTELS | +18% | +2% | +8% |
| TRANSPORT, STORAGE & COMMUNICATION | +3% | +0% | +9% |
| WHOLESALE & RETAIL TRADE | +8% | +10% | +15% |

* Net Employment Outlook has been seasonally adjusted.



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Regional comparisons: the most robust employment forecast is reported by employers in the Jerusalem, Center and Haifa regions

Payrolls are forecast to grow in all six regions during the fourth quarter of 2016. The strongest hiring intentions were reported in Jerusalem, with a Net Employment Outlook +15%. The Center and Haifa also anticipate steady workforce growth, with Outlooks of +13%, as does Tel Aviv with an Outlook of +12%. Moderate hiring is expected both in the North and in the South, where employers report Outlooks of +8%.

Compared with the third quarter of 2016, employers in Haifa report a significant improvement of 10 percentage points, while the Outlook in Jerusalem shows an improvement of 8 percentage points. Employers in the Center report an improvement of 5 percentage points while the Outlook in Tel Aviv improves by 3 percentage points. Elsewhere, hiring forecasts have remained relatively stable.

Year-over-year, hiring plans improve in four of the six regions. Increases of 7 percentage points are reported in both Jerusalem and the Center, while an increase of 5 percentage points is reported in the Outlook in Haifa. Conversely, employers in the North report a decline of 4 percentage points.

| | Net Employment Outlook 4Q 2016* | Net Employment Outlook 3Q 2016* | Employment Outlook Quarter 4 2015 |
|------------|--|--|--|
| Jerusalem | +15% | +7% | +8% |
| The Center | +13% | +8% | +6% |
| Haifa | +13% | +3% | +8% |
| North | +8% | +7% | +12% |
| South | +8% | +7% | +8% |
| Tel Aviv | +12% | +9% | +11% |

*Net Employment Outlook has been seasonally adjusted.

Organization-Size Comparisons

Participating employers are classified as 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.

In the next quarter, payrolls are expected to grow in all four organization size categories. The strongest hiring intentions were reported by the large employers, with a Net Employment Outlook of +19%. In the other organizations, employers report cautiously optimistic hiring plans, with an Outlook of +10% among small employers and +9% among both micro and medium employers.



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In a quarter-over-quarter comparison, an improvement of 6 percentage points is reported by employers in the micro-business group, compared with a strengthening of 5 and 3 percentage points in large businesses and in small businesses, respectively. At the same time, employers in medium businesses are reporting no change quarter-over-quarter.

Year-over-year, the Outlook strengthens by 6 and 3 percentage points for medium and large employers, respectively. Meanwhile, employers in medium businesses report relatively stable hiring intentions, while the Outlook for micro businesses sees no change.

| | Employment Outlook Q4 2016* | Employment Outlook Q3 2016 | Employment Outlook Q4 2015 |
|---|------------------------------------|-----------------------------------|-----------------------------------|
| Micro businesses (less than 10 employees) | +9% | +3% | +3% |
| Small businesses (10 to 49 employees) | +10% | +7% | +10% |
| Medium businesses (50 to 249 employees) | +9% | +9% | +8% |
| Large businesses (over 250 employees) | +19% | +14% | +16% |

*Net Employment Outlook has been seasonally adjusted.

Global Employment Forecast: the most optimistic forecasts in India, Japan, Taiwan and the United States; **least optimistic forecasts** for Brazil, Belgium, Finland, Italy and Switzerland

Staffing levels in 42 out of the 43 countries and territories are expected to increase by varying degrees by the end of the year. Only employers in Brazil expect a decrease in the workforce in the October-December period. Evidently, uncertainties relating to the overall slowdown in the global economy, the referendum in the United Kingdom on leaving the European Union, and the ongoing volatility in the financial markets, had very little impact on employer optimism regarding hiring activity. Just over half the forecasts strengthen by varying degrees compared to the results reported three months ago; hiring plans improve in 23 of 43 countries and territories, remain unchanged in nine countries, and decline in 11 countries. An improvement in the forecast was posted in 21 countries and territories, compared to the fourth quarter of 2015; six countries posted no change, and 15 countries



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expect a decline. Hiring confidence was highest in India, Japan, Taiwan and the United States, while employers in Brazil, Belgium, Finland, Italy and Switzerland report the weakest hiring plans.

In the Americas, fourth quarter job gains are expected in nine of the 10 countries participating in the survey. However, employer confidence is mixed compared to previous reports; five countries reported an improvement in Outlooks of varying degrees compared to the period July to September; three countries witnessed a decline, and two posted no change. Compared to the fourth quarter of 2015, the forecasts have weakened in five countries, strengthened in two countries, and remained unchanged in three countries. Employers in the United States, Colombia and Mexico report the most optimistic hiring intentions in the region for the fourth quarter, while Brazil anticipates the weakest opportunities for job seekers.

Employers in all 25 countries in the Europe, the Middle East & Africa (EMEA) region forecast some job gains over the next three months. Quarter-over-quarter, forecasts improve in 12 countries, weaken in six countries and remain unchanged in seven. Year-over-year, job prospects are expected to improve in 16 countries, it to weaken in six, and to remain unchanged in two. Employers in Ireland and Israel report the most brisk hiring intentions in the region for the fourth quarter, while the weakest forecasts have been posted in Belgium, Finland, Italy and Switzerland. As in the third-quarter report, employers in every one of the 25 EMEA countries forecast positive hiring activity by varying degrees.

Job gains are forecast in all eight countries and territories surveyed in the Asia-Pacific region. Hiring intentions improve in six countries and territories compared to the third quarter of 2016 and weaken in just two countries. However, year-over-year, a weakening in forecasts was posted for the fourth quarter in four countries and territories, an improvement in three countries, and stability in one country. For the fifth consecutive quarter, employers in India report the most optimistic regional and global hiring plans. The forecast in China improves slightly compared to the forecast for the previous quarter; however, employers once again report the weakest hiring intentions in the region for the fourth quarter.

The full results of the quarterly survey for all 43 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 December 13, 2016, and will report on anticipated job market activity in the first quarter of 2017.



About the Manpower Employment Outlook Survey

The Manpower 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 Manpower 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.
- **Robust:** The survey is based on interviews with over 58,000 public and private employers across 43 countries and territories to measure anticipated employment trends each quarter. This sample allows for analysis to be performed across specific sectors and regions to provide more detailed information.
- **Focused:** For more than five decades the survey has derived all of its information from a single question:
- For the 4Q 2016 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 December 2016 as compared to the current quarter?"

Methodology

The Manpower Employment Outlook Survey is conducted using a validated methodology, in accordance with the highest standards in market research. The survey has been designed in a manner representative of the economy of each country. The margin of error for all national, regional and global data is not greater than +/- 3.9%. The margin of error in respect of the sample in Israel is +/- 3.6%.



Net Employment Outlook

In this report we often use the term Net Employment Outlook. This is derived by taking the percentage of employers forecasting an increase in hiring activity and subtracting from this the percentage of employers expecting a decrease in hiring activity in their region in the next quarter. The result of this calculation is the 'Net Employment Outlook'. 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 applied to the data for all participating countries except Finland. 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

The ManpowerGroup® (NYSE: MAN) is the world's workforce expert, creating innovative solutions for nearly 70 years. As workforce experts, we put over 600,000 workers in touch with meaningful jobs every day in a wide range of skills and sectors. Through our ManpowerGroup family of brands: ManpowerGroup®, Experis®, Right Management® and ManpowerGroup Solutions®, we help more than 400,000 clients in 80 countries and territories address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2016, ManpowerGroup was named one of the World's Most Ethical Companies for the sixth consecutive year and one of Fortune's Most Admired Companies, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup makes powering the world of work humanly possible: www.manpowergroup.com

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