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Press Release

ManpowerGroup Employment Outlook Survey Q2 2016:

**The ManpowerGroup research indicates employers are reporting cautious optimism
for the months April to June**

Manpower Global Employment Outlook for the Second Quarter of 2016:

**According to ManpowerGroup's quarterly survey, an uptick in Israel's hiring pace is
expected in the months April to June**

- **Employers in Israel are slightly more optimistic: the Net Employment Outlook stands at +7%, indicating an uptick when compared with the previous quarter.**
- **Of the 750 employers interviewed in the survey: 13% expect an increase in payrolls; 81% anticipate no change in the number of employees, while 4% expect a decrease and 2% don't know.**
- **A comparison of sectors indicates significant gains in the Public & Social Sector, while the Transport, Storage and Communication Sector report a marked decline.**
- **Employers in all six regions expect to grow staffing levels in the April-June time frame. The strongest hiring climate is anticipated in Tel Aviv with a Net Employment Outlook of +10% .**
- **Globally, employers report more optimistic hiring plans; conversely, employers in France report weaker hiring plans and a negative forecast.**

Michal Dan-Harel, CEO Manpower Israel:

The Employment Outlook Survey for the months of April to June 2016 indicates optimism among employers in Israel and market stability. The most significant gains in the coming spring months are expected in the Hotels & Restaurants sector. Manufacturing and Construction, which had experienced steady decline, are recovering and strengthening substantially.



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At the same time, areas such as Finance, Insurance and transport are witnessing a downward trend. Real Estate has also posted a sharp fall, but hiring intentions remain positive. In contrast, the Public & Social sector is gaining strength, while Agriculture, in particular, has posted the most significant gains year-over-year. However, it appears that the security situation is starting to take its toll on new hiring in Jerusalem.

Globally, France is the only country in the West and Asia that has posted a negative forecast regarding hiring intentions, in all likelihood due to pessimistic trends arising from the recent terrorist incidents. It is noteworthy that with the exception of China, the countries of the East and the Balkans are gaining strength and posting the most optimistic Employment Outlooks, while Western European countries are displaying evidence of modest hiring plans.

According to the Net Employment Outlook survey conducted by **Manpower**, for the second quarter of 2016 among 750 employers, the hiring pace in the second quarter of 2016 maintains a positive Outlook for employment opportunities, and also indicates strengthening of the hiring pace both in the private and the public sectors, quarter-over-quarter.

Employers participating in the survey were asked "How do you anticipate total employment at your location to change in the three months (to the end of June 2016) as compared to the current quarter?"

Of the 750 employers who participated in the survey, 13% anticipated an increase in payrolls. 81% forecast no change. The total net hiring figure expected for the coming quarter according to the Manpower Employment Forecast Survey stands at +7% after seasonal adjustment of the data. An increase of one percentage point, quarter-over-quarter.

Hiring opportunities for job seekers in the second quarter are expected to be greater in the Public & Social sector and the Restaurants & Hotels sector and in the Central Region and the Haifa Region.

Global Employment Outlook for the First Quarter of 2016

	Net Employment Outlook*	Increase	Decrease	No Change	Don't know
	%	%	%	%	%
Q2 2015	+8	15	5	78	2
Q3 2015	+11	16	4	74	6
Q4 2015	+9	13	5	80	2
Q1 2016	+6	12	7	78	3
Q2 2016	+7	13	4	81	2

* Net Employment Outlook has been seasonally adjusted.

The results by industry sector: growth in the Public & Social sector and the Restaurants & Hotels sector; a surge in Construction

Employers forecast payroll gains in all 10 industry sectors during the coming quarter. The strongest hiring activity is expected in two sectors with Net Employment Outlooks of +11%: the Electricity, Gas & Water Supply sector and the Public & Social sector. Agriculture, Hunting, Forestry & Fishing Sector employers report cautiously optimistic hiring plans with an Outlook of +9%, while Outlooks of +8% are reported in both the Mining & Quarrying sector and the Restaurants & Hotels sector. Meanwhile, the weakest sector Outlook of +5% is reported in the Transport, Storage & Communication sector.

When compared with the previous quarter, hiring intentions strengthen in five of the 10 industry sectors. Employers in the Public & Social sector report the most noteworthy improvement: 10 percentage points. Conversely, the Outlook in the Restaurants & Hotels sector is only 6 percentage points stronger. However, Outlooks weaken in four sectors, including the Transport, Storage & Communication sector, where employers report a decline of 8 percentage points. Hiring prospects are 5 percentage points weaker in both the Finance, Insurance, Real Estate & Business Services sector and the Wholesale & Retail Trade sector.

Year-over-year, employers report weaker hiring plans in six of the 10 industry sectors. Finance, Insurance, Real Estate & Business Services sector employers report a considerable decline of 9 percentage points while Outlooks are 4 percentage points weaker in both the Manufacturing sector and the Wholesale & Retail Trade sector. Elsewhere, stronger hiring prospects are reported in four sectors. The Outlook for the Agriculture, Hunting, Forestry & Fishing sector improves by 10 percentage points while Public & Social sector employers report an increase of 5 percentage points.



	Net Employment Outlook Q2 2016*	Net Employment Outlook Q1 2015	Net Employment Outlook Q2 2015
AGRICULTURE	+9%	9%	-1%
CONSTRUCTION	+7%	4%	3%
ELECTRICITY, GAS & WATER SUPPLY	+11%	10%	8%
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	+6%	11%	15%
MANUFACTURING	+8%	5%	12%
PUBLIC & SOCIAL	+11%	1%	6%
RESTAURANTS & HOTELS	+8%	2%	10%
TRANSPORT, STORAGE & COMMUNICATION	+5%	13%	7%
WHOLESALE & RETAIL TRADE	+6%	11%	10%

* Net Employment Outlook has been seasonally adjusted.

Regional comparisons: the strongest employment forecast is reported by employers in Tel Aviv and Haifa

Employers in all six regions expect to grow staffing levels in the April-June time frame. The strongest hiring climate is anticipated by employers in Tel Aviv who report a Net Employment Outlook of +10%. Elsewhere, employers in the Center report a cautiously optimistic Employment Outlook of +9%, while the Outlook for Haifa stands at +7%. Employers in both Jerusalem and the South report Outlooks of +6%, while the weakest regional Outlook of +4% is reported in the North.

Quarter-over-quarter, employers report weaker hiring prospects in four of the six regions. The most noteworthy decline of 7 percentage points is reported in the North, while the Outlook for Jerusalem is 3 percentage points weaker. Meanwhile, hiring plans strengthen in two regions, with increases of 5 and 3 percentage points reported in the Center and Haifa, respectively.

Year-over-year, hiring intentions also weaken in four of the six regions, most notably by 6 percentage points in the North. Tel Aviv employers report a decline of 4 percentage points while the



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Outlook for the South is 3 percentage points weaker. However, Jerusalem employers report an improvement of 5 percentage points while the Outlook in Haifa is 3 percentage points stronger.

	Net Employment Outlook Q2 2016*	Net Employment Outlook Q1 2016*	Employment Outlook Q2 2015
Jerusalem	+6%	+9%	1%
The Center	+9%	+4%	11%
Haifa	+7%	+4%	4%
North	+4%	+11%	10%
South	+6%	+7%	9%
Tel Aviv	+10%	+12%	14%

*Net Employment Outlook has been seasonally adjusted.

Organization Size Comparisons: Large employers retain a high hiring pace

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.

Employers forecast an increase in employment levels in three of the four organization size categories during the coming quarter. Large employers report the most optimistic Net Employment Outlook of +16%, while Outlooks stand at +9% and +5% in the Small- and Medium-size categories, respectively. However, Micro employers anticipate a decline in payrolls, reporting an Outlook of -2%.

Quarter-over-quarter, Large employers report a slight improvement of 2 percentage points, but the Outlook for Micro employers declines by 5 percentage points. Elsewhere, the Outlook for Small employers is unchanged while Medium employers report relatively stable hiring prospects.

When compared with Q2 2015, Outlooks weaken by 6 and 2 percentage points for employers in the Medium- and Large-size categories, respectively. However, Small employers report an improvement of 2 percentage points. Micro employers report relatively stable hiring plans.



	Employment Outlook Q1 2016*	Employment Outlook Q4 2015	Employment Outlook Q1 2015
Micro businesses (less than 10 employees)	-2%	3%	-1%
Small businesses (10 to 49 employees)	+9%	9%	7%
Medium businesses (50 to 249 employees)	+5%	6%	11%
Large businesses (over 250 employees)	+16%	14%	18%

*Net Employment Outlook has been seasonally adjusted.

Global Employment Forecast: positive forecasts in India, Japan, Taiwan, Colombia, Guatemala; negative forecasts for Brazil, France and Italy.

ManpowerGroup’s second-quarter research reveals that job gains are expected in 39 of 42 countries and territories during the April-June time frame. However, despite little indication of labor market contraction, hiring intentions in most countries and territories continue to

Remain modest. In fact, some key labor markets, such as Germany, France and Italy, are clearly struggling to gain traction amid the current economic uncertainty. Faced with the slowdown in China and ongoing turmoil in commodity markets, most employers across the globe appear to be taking the measured approach of adding staff only when needed.

Despite some anticipated job gains, actual job growth is expected to slow by varying degrees with a slim majority of employers in countries and territories scaling back their hiring plans in both quarter-over-quarter and year-over-year comparisons. Hiring plans strengthen in only eight of 42 countries and territories when compared with the first three months of 2016 and weaken in 22. Outlooks improve in 12 countries and territories when compared with Quarter 2 2015 but decline in 23. Second-quarter hiring confidence is strongest in India, Japan, Taiwan, Colombia and Guatemala, while the weakest hiring prospects are reported in Brazil, France and Italy.

Employers in 22 out of the 24 countries in EMEA expect job gains. Hiring plans improve in five countries quarter-over-quarter but weaken in 11. In a year-over-year comparison, job gains are expected to improve in six countries and decline in 13 others. For the first time in the EMEA region, employers in Bulgaria report the most optimistic hiring intentions, ending Turkey’s five year claim to the region’s most active labor market.

Conversely, French employers report the weakest hiring plans, as well as the only negative forecast in EMEA.



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Staffing levels are expected to grow in all eight Asia Pacific countries and territories during the April-June time frame. However, second-quarter forecasts weaken in seven countries and territories when compared with the first three months of the year. Similarly, hiring plans decline by varying margins in seven countries and territories in a year-over-year comparison and strengthen only in Japan. For the third consecutive quarter, employers in India report the most optimistic regional and global hiring plans, while the region's weakest hiring intentions are reported by Australian employers.

Employers in nine of 10 countries in the Americas region expect some workforce gains in the upcoming quarter. Outlooks improve in three countries and decline in four in a quarter-over-quarter comparison. Year-over-year, hiring prospects are stronger in five countries and decline in only three. Employers in Colombia, Guatemala and the United States report the region's most optimistic second-quarter hiring plans, while for the fifth consecutive quarter employers in Brazil report an overall decline in payrolls as well as the weakest hiring plans in the region and across the globe.

About the Manpower Employment Outlook Survey

The Manpower Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforces during the next quarter. ManpowerGroup's comprehensive hiring intentions survey has been ongoing for over 50 years; it reports the employers' forecasts and is considered one of the most reliable surveys in the world in the field of employment activities.

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 42 countries and territories to measure anticipated employment trends each quarter.



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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 Q2 2016 research, 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 June 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 for Israel’s sample 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

ManpowerGroup® (NYSE: MAN) is the world's workforce expert, creating innovative workforce solutions for nearly 70 years. As workforce experts, we connect more than 600,000 people to meaningful work across a wide range of skills and industries every day. Through our ManpowerGroup family of brands – Manpower®, Experis®, Right Management ® and ManpowerGroup® Solutions – we help more than 400,000 clients in 80 countries and territories



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