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## **ManpowerGroup Employment Outlook Survey Q2 2018**

**Under Embargo until 00:01 GMT, 13 March 2018**

### **South African Employers Report Encouraging Signs for Job Seekers in Q2 2018**

**Opportunities for job seekers are expected to be strongest in the Finance, Insurance, Real Estate & Business Services sector and weakest within the Electricity, Gas & Water Supply sector.**

**Provincially, employers in the Western Cape report the strongest hiring intentions for the first quarter of the year, while employers within the Free State report the weakest hiring intentions.**

*Johannesburg, 13 March 2017* – South African employers report encouraging signs for job seekers in the forthcoming quarter. While 14% of employers expect to increase staffing levels, 5% anticipate a decrease and 80% forecast no change, resulting in a seasonally adjusted Net Employment Outlook of +8%.

Hiring prospects improve by 2 percentage points when compared with the previous quarter, and are also 2 percentage points stronger when compared with this time one year ago.

Lyndy van den Barselaar, Managing Director of ManpowerGroup SA, provides insights into why South African employers are reporting encouraging hiring intentions for the April to June time frame: “While the economy is still weighed down by economic uncertainty, environmental factors such as the drought in the Cape and a fluctuating currency – business and consumer confidence seems to have improved, with the consumer confidence index improving from -8 to -9 in the second quarter of 2017 and improving again in the fourth quarter. This has again improved surrounding the news of the election of Cyril Ramaphosa as South Africa’s president. While the country still faces challenges in terms of repairing years of economic stagnation, promises of “policy certainty and consistency” from the government seem to have had a further positive effect on confidence and the strength of the economy thus far. These factors combined make for a more positive backdrop for employment in the country,” she says.



## Regional Comparisons

Staffing levels are expected to increase in all five regions during 2Q 2018. Employers report the strongest hiring prospects in Western Cape with an Outlook of +11%, and in Gauteng where the Outlook is +10%. Kwazulu Natal employers forecast moderate hiring activity with an Outlook of +9%, and the Outlook for Eastern Cape stands at +6%. Meanwhile, the weakest hiring climate is anticipated in Free State where the Outlook is +1%.

When compared with 1Q 2018, hiring prospects are 5 percentage points stronger in Gauteng, and improve by 2 percentage points in Kwazulu Natal. Elsewhere, employers report relatively stable hiring intentions in Eastern Cape, Free State and Western Cape.

Hiring plans weaken in Free State and Western Cape when compared with this time one year ago, with Outlooks declining by 7 and 2 percentage points, respectively. However, Gauteng employers report an improvement of 6 percentage points, while Outlooks for Eastern Cape and Kwazulu Natal remain relatively stable.

“As the Western Cape province continues to struggle under a debilitating drought, businesses are making large investments into securing water supply. It was recently reported that many firms in the province have already invested heavily into grey water systems, rainwater harvesting, boreholes and equipment to reduce water use. This is more than likely leading to the planned uptake in hiring in the province, as employment opportunities are being created through the provision of goods and services for alternative water supplies and saving,” explains van den Barselaar.

## Sector Comparisons

Payroll gains are anticipated in nine of the 10 industry sectors during the coming quarter. The strongest labour market is forecast in the Finance, Insurance, Real Estate & Business Services sector, where the Net Employment Outlook stands at +15%. Elsewhere, a steady increase in staffing levels is expected by Restaurants & Hotels sector employers, with an Outlook of +12%, and by employers in two sectors with Outlooks of +11% – the Manufacturing sector and the Transport, Storage & Communication sector. Public & Social sector employers report modest hiring plans with an Outlook of +7%, while some payroll gains are forecast for the Mining & Quarrying sector, where the Outlook stands at +6%. Meanwhile, the Outlook of -1% for the Electricity, Gas & Water sector reflects uncertain hiring prospects.



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“As businesses in the country look to make smart decisions around their financial investments, take advantage of the economic improvements and invest wisely around environmental factors like the drought, the Finance, Insurance, Real Estate & Business Services sector is gaining momentum,” says van den Barselaar.

Hiring intentions improve in five of the 10 industry sectors when compared with the previous quarter. The most noteworthy increase of 15 percentage points is reported in the Manufacturing sector. Finance, Insurance, Real Estate & Business Services sector employers report an increase of 4 percentage points, and the Outlook for the Construction sector is 3 percentage points stronger. However, hiring plans weaken in five sectors, most notably by 9 percentage points in the Agriculture, Hunting, Forestry & Fishing sector.

When compared with the second quarter of 2017, hiring prospects also strengthen in five of the 10 industry sectors. The Manufacturing sector Outlook increases by a considerable margin of 10 percentage points, while the Outlook for the Finance, Insurance, Real Estate & Business Services sector is 6 percentage points stronger. Increases of 5 percentage points are reported in two sectors – the Mining & Quarrying sector and the Restaurants & Hotels sector. However, Outlooks weaken in four sectors, including the Electricity, Gas & Water sector with a decline of 12 percentage points, and the Wholesale & Retail Trade sector, where employers report a decrease of 6 percentage points.

### **Organisation-Size Comparisons**

Participating employers are categorised into one of four organisation 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.

Payroll gains are forecast for all four organisation size categories during 2Q 2018. The strongest labour market is anticipated by Large employers with a Net Employment Outlook of +18%. Elsewhere, Medium employers report steady hiring prospects with an Outlook of +11%, while Outlooks stand at +5% and +3% for Small- and Micro-size employers, respectively.



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When compared with the previous quarter, hiring prospects are 5 percentage points stronger for Medium employers, and Micro employers report an improvement of 4 percentage points. Meanwhile, the Outlook for Small employers remains relatively stable, but Large employers report a decline of 5 percentage points.

In a comparison with 2Q 2017, slight improvements of 4 and 2 percentage points are reported by Medium- and Small-size employers, respectively, but Micro employers report a decline of 2 percentage points. Large employers report relatively stable hiring plans over the same period.

Globally, employers forecast varying levels of job gains in 43 of 44 countries and territories during the April-June time frame, including Croatia where employers, surveyed for the first time, report healthy hiring intentions based on unadjusted survey data. When forecasts are compared with those reported in the first-quarter, hiring intentions improve in 17 countries and territories, decline in 17 and are unchanged in nine. Some upward momentum is detected in the year-over-year comparison with forecasts improving in 25 of 43 countries and territories, declining in 13, and remaining unchanged in five. Among the countries and territories featuring seasonally adjusted data, confidence is strongest in Taiwan, Japan, Hungary and the United States, while the weakest hiring prospects are reported in Italy, the Czech Republic and Switzerland.

## **ENDS**

The next ManpowerGroup Employment Outlook Survey will be released on 12 June 2018 to report hiring expectations for the third quarter of 2018. The ManpowerGroup Employment Outlook Survey is available free of charge to the public through local Manpower representatives in participating countries. To receive e-mail notification when the survey is available each quarter, please complete an online subscription form at:  
<http://www.manpowergroup.com/investors/alerts.cfm>.



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### **About the ManpowerGroup Employment Outlook Survey**

The ManpowerGroup 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 forecast of employer hiring plans has been running for more than 55 years and is 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.

**Robust:** The survey is based on interviews with over 59,000 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 regions 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 2Q 2018 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 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%. South Africa's margin of error is +/-3.6%.

### **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



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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. 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 Croatia and 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), the leading global workforce solutions company, helps organizations transform in a fast-changing world of work by sourcing, assessing, developing and managing the talent that enables them to win. We develop innovative solutions for over 400,000 clients and connect 3+ million people to meaningful, sustainable work across a wide range of industries and skills. Our expert family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – creates substantially more value for candidates and clients across 80 countries and territories and has done so for 70 years. In 2018, ManpowerGroup was named one of the World's Most Ethical Companies for the eighth 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 is powering the future of work: [www.manpowergroup.com](http://www.manpowergroup.com)