



**EMBARGO UNTIL TUESDAY, JUNE 12, 2018 AT 00.01 GMT**

ManpowerGroup Employment Outlook Survey:

## **Hiring plans among German employers remain encouraging for job seekers**

- **12 percent of German employers plan to hire new staff**
- **39 percent of Germany's Large companies want to recruit new staff**
- **Strongest employment outlook in the Construction sector for 15 years**

Eschborn, 12<sup>th</sup> June 2018 – The mood among German employers appears to remain confident, as one in eight is planning to hire new staff over the next three months. The seasonally adjusted Net Employment Outlook for the third quarter of 2018 is relatively stable at an optimistic +8 percentage points. Compared to the previous quarter, hiring plans are at the same level although there is a two percent increase compared to the third quarter of the previous year. The overwhelming majority of German employers – 85 percent – wants to keep its staff levels stable. This reflects a moderate slowdown of the positive trend. “The mood on the labor market remains positive and the unemployment figures are low. However, economic growth in the eurozone cooled off in the first few months of this year, while the GDP in the major economies in particular, including Germany, is weak. The threat of trade conflicts has also had a slightly adverse impact on the boom,” says Herwarth Brune, CEO of ManpowerGroup Germany. “Wholesale and retail are still benefitting from the full coffers in business and private households. A strong European demand continues to drive exports, despite international differences.” The strongest forecast among industry categories is in the Construction sector: 27 percent of employers in the construction industry are planning to hire new staff between July and September. These are the results of the Manpower Employment Outlook Survey for the third quarter of 2018, for which 1,014 employers in Germany were surveyed.

**+++ You can find the results of the study in a compact format as a video and infographics [here](#): xxxxxxxx+++**

According to the latest ManpowerGroup Employment Outlook Survey, German employers remain in a confident mood. 97 percent of the surveyed employers in Germany plan to increase their staff levels or keep them stable. The Net Employment Outlook is positive in all nine surveyed industries. The Construction sector, in particular, is a driving force in this development. More than one in four companies in this sector is planning to hire new staff in the summer of 2018. The Employment Outlook stands at a respectable +19 percent. This is the strongest forecast since the beginning of the MEOS records in 2003. The figure stood at +15 in the previous quarter, while an increase of 17 percentage points has been achieved



since the third quarter of 2017. “As this forecast indicates, the construction boom is not just about the summer season. The low interest rates continue to attract building developers, especially as the ECB’s low-interest-rate policy appears to be coming to an end,” says Brune. “Full order books make it difficult to take on new projects, despite the rising prices, because there is a huge shortage of skilled workers. Manual workers are desperately needed.”

The Wholesale and Retail sector is also experiencing a positive development with a seasonally adjusted Net Employment Outlook of a moderate +8 percent. This figure stood at +7 percent in both the previous quarter and the previous year. At the moment, this is the strongest forecast in the sector since the beginning of 2013. Strong domestic demand in the European Union remains largely unaffected by international trade conflicts. The export-dependent Manufacturing industry sector is still being carried by this trend, but has already lost some ground. In the third quarter of 2018, the seasonally adjusted Net Employment Outlook is still a respectable +11 percent, which, however, corresponds to a decline of 3 percentage points compared to the strong previous quarter. Nevertheless, 12 percent of employers still plan to hire new staff while just 1 percent plan to make redundancies.

It is more noticeable in other industries that the air at the top end of the boom is getting thinner. The transport, logistics and communications sectors have lost 9 percentage points to stand at a still positive +1 percent in the third quarter. There is a particularly wide gap here between the good economic situation, on the one hand, and a sense of insecurity on the other: 15 percent plan to hire new staff between July and September, while 13 percent plan to make redundancies. “The logistics industry faces two problems. Firstly, it is dependent on free global trade with low customs duties, and this situation is now facing difficulties. Secondly, there is a serious shortage of truck drivers and other skilled workers. Logistics companies cannot fill the positions that growing globalization and online trade are demanding,” explains ManpowerGroup CEO Herwarth Brune.

The energy and utilities industry has lost 6 percentage points compared to the second quarter and now has a Net Employment Outlook of +4 percent. The previously booming sector for finance, real estate, insurance and corporate service providers has suffered a slight loss of 1 percentage point to stand at +7 percent, although this represents a decline of 4 percentage points compared to the previous year. The finance and corporate service provider sector therefore has the worst figures since 2016.

## **Corporations to continue hiring new staff**

The development from the second quarter of 2018 is set to continue in the summer. Medium-sized companies and corporations, in particular, are planning to hire new staff. 39 percent of major employers and 30 percent of medium-sized companies are planning to hire new staff in the third quarter. However, the boom is in decline here. The major employers are prospering and are reporting the strongest Employment Outlook at +31 percent, although this figure is 4



percentage points down on the previous quarter. The outlook for medium-sized companies has also fallen by 4 percentage points to a still healthy +25 percent. The smallest employers, on the other hand, have made a slight gain of 1 percentage point to a cautious +4 percent. Small companies have lost 1 percentage point to stand at a seasonally adjusted Net Employment Outlook of +12 percent. 14 percent of small employers are planning to hire new staff.

## **Berlin-based employers plan to hire new staff – East and Ruhr Valley with strong gains**

Berlin is still the driving force among German cities and regions. The Net Employment Outlook here stands at a promising +14 percent, while 17 percent of employers in Berlin are planning to hire new staff. The trend in the German capital is starting to weaken, however, as Berlin's Employment Outlook fell by 4 percentage points compared to the second quarter. Frankfurt am Main takes second place with +11 percent, although the seasonally adjusted Net Employment Outlook here for the period from July to September has also fallen by 4 percentage points compared to the previous quarter. Munich has recorded +7 percent, which is a decline of 5 percentage points on the previous quarter.

The regions of Eastern Germany and the Ruhr Valley have achieved a positive development. The seasonally adjusted Net Employment Outlook in the Ruhr Valley has increased by 3 percentage points since the second quarter to stand at +6 percent. This also represents an increase compared to the previous year of 8 percentage points. Eastern Germany has gained two percentage points compared to the previous quarter to reach a current level of +6 percent. This represents a gain of 7 percentage points on the previous year. "Eastern Germany benefits more than Western Germany from well-trained immigrants, who fill the gaps in the number of applicants in many professions and boost the local economy. The duty of business and politics is now to integrate these people successfully into the labor market," says Brune.

## **Positive trends in Europe, the Middle East and Africa (EMEA)**

The results for the third quarter largely show a robust degree of employer confidence at the global level – despite the uncertain geopolitical situation. A total of almost 60,000 employers in 44 countries and territories were surveyed. A large majority is either planning to hire new staff or at least expects to maintain current staff levels. Finland has proven to be particularly optimistic in this quarter – with an Employment Outlook at its strongest level for six years – and so too has China. Employers in the People's Republic have reported the most optimistic hiring plans of the last three years. Conversely, the outlook for Panama has reached the lowest figures since the beginning of the survey. Compared to the previous quarter, the outlook has improved in 19 countries and territories, fallen in 18 and remained unchanged in seven. There is, however, a much more positive picture for the year-on-year comparison. Compared to the previous-year period, the Employment Outlooks have improved in 24 countries, fallen in just twelve and also remained unchanged in seven.

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There is a positive Employment Outlook in 25 of 26 countries in the EMEA region for the third quarter of 2018. In a quarterly comparison, the Employment Outlooks have improved in twelve countries, declined in ten and remained unchanged in four. In the year-on-year comparison, the Employment Outlook has increased in 13 countries, dropped in six and remained unchanged in another six. Employers in Croatia have reported the strongest result in the region, reporting the world's strongest Employment Outlook, together with Japan, for the coming quarter. The only pessimistic exception is Italy, where the Employment Outlook is negative for the second consecutive quarter. Employers in Germany's neighboring countries of Austria and Switzerland remain optimistic. Austria has recorded an Employment Outlook of +7 percent, representing a slight increase of 1 percentage point compared to the previous quarter. Switzerland has achieved +5 percent – a gain of 3 percentage points.

In addition to employers in Croatia, those in Hungary report positive hiring plans. Hungary's Outlook stands at a favorable +19 percent and matches the most optimistic forecast every reported in the country. For Great Britain, the outlook for the period from July to September has fallen by 1 percentage point to +4 percent, which is the weakest Outlook reported since the end of 2012. "The British economy is hardly growing at the moment and the GDP increased by just 0.1 percent in the first quarter of 2018," added Brune. "One reason for this is Brexit, which is continually weakening the previously buoyant mood in the UK economy. Bad weather and cold spells have also had a detrimental effect on retail and the construction industry."

You can find more detailed results from the Manpower Employment Outlook Survey for all participating countries including infographics [here](http://bit.ly/1p9QDys): <http://bit.ly/1p9QDys>

## Background information

The ManpowerGroup Employment Outlook Survey is the longest-running, most extensive, forward-looking employment survey in the world, commencing in 1962 and now polling nearly 60,000 employers in 44 countries and territories to measure their intentions to increase or decrease the number of employees in their workforce during the next quarter. The survey serves as a bellwether of labor market trends and activities and is regularly used to inform the Bank of England's Inflation Reports, as well as a regular data source for the European Commission, informing its EU Employment Situation and Social Outlook report the *Monthly Monitor*. ManpowerGroup's independent survey data is also sourced by financial analysts and economists around the world to help determine the health of labor markets.

You can find more information about the Manpower Employment Outlook Survey at <https://www.manpowergroup.de/neuigkeiten/studien-und-research/arbeitsmarktbarometer/>.

## About ManpowerGroup

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## Press contact

Faktenkontor GmbH

Clemens Hoh / Nicole Schütze

Wiesenhüttenplatz 26

60329 Frankfurt am Main

Tel.: +49 69 2474980-20

E-mail: [manpower@faktenkontor.de](mailto:manpower@faktenkontor.de)