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Press Release

ManpowerGroup Employment Outlook Survey for the First Quarter of 2017:

According to the ManpowerGroup survey, employers forecast a steady hiring pace for the January-March timeframe

The ManpowerGroup Employment Outlook Survey for the first quarter of 2017:

According to ManpowerGroup's quarterly survey, Israel's hiring pace is expected to remain steady in the January-March timeframe

- **Steady hiring pace expected by employers in Israel: the Net Employment Outlook stands at +10%, indicating a slight uptick year-over-year.**
- **Of the 752 employers interviewed in the survey: 11% forecast an increase in payrolls; 82% anticipate no change in number of employees, while 4% expect a decrease and 3% don't know.**
- **An analysis by sector indicates an upbeat hiring pace in the Restaurants & Hotels sector, and weaker outlooks in the Construction industry and in the Public and Community Services sector.**
- **Employers in all six geographies forecast an increase in staffing levels in the January-March time frame. The strongest hiring climate is anticipated in Jerusalem with a Net Employment Outlook of +12%.**
- **Globally, employers in Guatemala, the United States, Hungary, and Slovenia report the most optimistic hiring plans, while employers in Brazil, Switzerland, and Italy report a negative first-quarter forecast**



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According to the ManpowerGroup Employment Outlook Survey for Q1 2017 among 752 employers in Israel, the hiring pace in Israel in the first quarter of 2017 is expected to remain positive in terms of job opportunities. In a year-over-year comparison, the forecast also indicates job seekers will benefit from a slightly stronger hiring pace in the January-March time frame.

All participants were asked, “How do you anticipate total employment at your location to change in the three months to the end of March 2017 as compared to the current quarter?”

Of the 752 Israeli employers who participated in the survey, 11% anticipated an increase in payrolls and 82% forecast no change. The Manpower Employment Outlook Survey stands at +10% after seasonal adjustment of the data with Hiring intentions remaining relatively stable in a quarter-over-quarter comparison and 2 percentage points stronger in comparison to the first quarter of 2016. Opportunities for job seekers in the first quarter are expected to be greater in the Restaurants & Hotels sector and in the Electricity, Gas & Water Supply sector, in the Jerusalem, Tel Aviv and Northern regions.

Employment Forecast for the First Quarter of 2017

	Net Employment Outlook*	Increase	Decrease	No Change	Don't know
	%	%	%	%	%
1Q 2016	6+	12	7	78	3
2Q 2016	7+	13	4	81	2
3Q 2016	9+	13	4	80	3
4Q 2016	11+	19	8	71	2
Q1 2017	10+	11	4	82	3

* Net Employment Outlook has been seasonally adjusted.

The results by industry sector: growth in the Restaurants & Hotels sector; a decrease in Construction

Staffing levels are expected to increase in the next quarter in all 10 industry sectors. The most active Job Market is expected in the Restaurants & Hotels sector, with a Net Employment Outlook of +20%.



In other sectors, stable workforce growth is expected in the Mining & Quarrying sector (+13%) and in the Finance, Insurance, Real Estate & Business Services sector (+12%) compared to an expected

+11% forecast in the Manufacturing sector. Electricity, Gas & Water Supply sector employers are cautiously optimistic, with a +10% forecast, whereas in the Agriculture, Hunting, Forestry & Fishing sector and in the Construction industry a forecast of +9% was reported. On the other hand more modest forecasts of +1% and +2% were reported in the Transport, Storage & Communication sector and in the Public & Social sector, respectively.

Quarter-over-quarter, weaker forecasts are reported in four of the ten industry sectors, most notably in the Public & Social sector and in the Construction Industry, with a decrease of 8 and 7 percentage points, respectively. At the same time, there has been a certain improvement in hiring intentions in two sectors, including the Restaurants & Hotels sector, where employers are reporting an increase of 2 percentage points.

Compared to the first quarter of 2016 stronger hiring intentions are reported in six of the ten industry sectors, including in the Restaurants & Hotels sector, where employers are reporting a considerable improvement of 20 percentage points. Increases of 6 percentage points are reported in the Construction sector, whereas an increase of 5 percentage points is reported in the Manufacturing sector and in the Mining & Quarrying sector. At the same time, hiring prospects are weakening in three sectors, especially in the Transport, Storage & Communication sector and in the sector Retail and Trade sector, with decreases of 12 and 4 percentage points, respectively.

	Net Employment Outlook, Q1, 2017*	Net Employment Outlook Q4, 2016*	Net Employment Outlook, Q1, 2016*
AGRICULTURE	+9%	+10%	+9%
CONSTRUCTION	+9%	+16%	+3%
ELECTRICITY, GAS & WATER SUPPLY	+10%	+9%	+7%
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	+12%	+12%	+14%
MANUFACTURING	+11%	+11%	+6%
PUBLIC & SOCIAL	+2%	+10%	+1%
RESTAURANTS & HOTELS	+20%	+18%	+0%
TRANSPORT, STORAGE & COMMUNICATION	+1%	+1%	+13%
WHOLESALE & RETAIL TRADE	8%+	8%+	12%+



*Net Employment Outlook has been seasonally adjusted.

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

Payrolls are forecast to grow in all six geographies during Q1 2017. The employers in Tel Aviv are reporting the strongest recruitment forecasts, with a Net Employment Outlook of +12% and a respectable growth in the workforce is also expected in Jerusalem, where the forecast stands at +11%. Both in the Center and in the North, employers are cautiously optimistic with forecasts of +10%, compared with more moderate forecasts reported in both the Haifa and South regions, with outlooks of +7% and +9%, respectively.

Quarter-over-quarter, employers in Haifa report a slight decrease of 5 percentage points, compared with a 3 percentage points weakening of the outlooks in both Jerusalem and the Center. At the same time, hiring prospects in the North, the South and in Tel Aviv are expected to remain unchanged.

Year-over-year, hiring plans improve by 4 percentage points in the Center, while employers in Jerusalem and in Haifa are reporting a slight increase of 3 percentage points. Elsewhere, the forecast remains relatively unchanged both in the North and in the South, as opposed to the employers in Tel Aviv, who are reporting an unchanged forecast.

	Net Employment Outlook, Q1, 2017*	Net Employment Outlook Q4, 2016*	Employment Outlook Q1 2016
Jerusalem	11%+	14%+	8%+
The Center	10%+	13%+	6%+
Haifa	7%+	12%+	4%+
North	10%+	10%+	11%+
South	9%+	9%+	8%+
Tel Aviv	12%+	12%+	12%+

*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



Employers in all four organization size categories forecast job gains during Q1 of 2017, and this is most noticeable among Large employers, who are reporting a Net Employment Outlook of +19%. At the same time, the forecast for the Medium and Small size businesses stands at +9%, whereas in the Micro businesses category, the employers are reporting a forecast of +6%.

Quarter-over-quarter, employers in the Micro businesses group report a slight decrease of 2 percentage points, compared with relative stability in the outlooks of medium and small businesses and among the Large employers.

Compared to the first quarter of 2016, Large employers are reporting a 6-point improvement and a more robust forecast by 3 percentage points for Medium businesses and by 2 percentage points among employers in the Micro businesses category. Small employers are reporting sustained stability Year-over-year.

	Employment Outlook, quarter 1 2017*	Employment Outlook Q4 2016	Employment Outlook Q1 2016*
Micro businesses (less than 10 employees)	6%+	8%+	4%+
Small businesses (10 to 49 employees)	9%+	10%+	9%+
Medium businesses (50 to 249 employees)	9%+	8%+	6%+
Large businesses (over 250 employees)	19%+	18%+	13%+

*Net Employment Outlook has been seasonally adjusted.



Global employment forecast :

Overall, the employers are reporting mixed forecasts in comparison to the survey held in the fourth quarter of 2016 and in the first quarter of 2016. When compared with the previous quarter, hiring plans improve in 19 of the 43 countries and territories; in 17 there is a decrease and seven are reporting unchanged hiring intentions. Outlooks strengthen in 20 countries and territories year-over-year, weaken in 18, and are unchanged in four. The highest level of employer hiring confidence for the first quarter is in Taiwan, India, Japan, Hungary and Slovenia. The weakest forecasts were reported in Brazil, Switzerland, and Italy.

Job gains are expected in nine of the 10 countries surveyed in the Americas . Employer hiring confidence strengthens in four countries and declines in two when compared to the last quarter of 2016. Compared with the same quarter last year, the hiring intentions strengthen in four countries but weaken in six. The strongest hiring intentions for the first-quarter were reported in both Guatemala and the United States, as opposed to the employers in Brazil, who forecast a reduction in their workforce for the eighth consecutive quarter and they are reporting the weakest Hiring intentions in the region and in the entire world.

Employers are reporting forecasts of workforce gains of one kind or another in 23 of the 25 countries in the Europe, Middle East & Africa (EMEA) region. Quarter-over-quarter, hiring plans improve in 12 countries, weaken in 10 and remain unchanged in three. Year-over-year, the forecast improves in 15 countries, declines in seven and remains unchanged in two.** The most optimistic Hiring intentions for the first-quarter in this region were reported in Hungary and Slovenia, while in these two countries the employers forecast the most robust activity in the Job Market since each of them began taking part in the survey. On the other hand the weakest employer reports are arriving from Switzerland, where for the first time in two years the forecast has slid into the negative zone, and from Italy, where a flat labor market is expected in the first quarter of the coming year.

Job gains are forecast in all eight Asia Pacific countries and territories in the January-March timeframe. A comparison between the outlooks for the coming quarter and the last quarter of 2016, the Hiring intentions strengthen in three countries/territories, weaken in three and remain flat in two. Year-over-year, an increase in the hiring pace is expected only in New Zealand, a decrease in five countries/territories, and they remain flat in two. Employers in Taiwan forecast the strongest hiring pace in the region, and even globally. On the other hand employers in China are reporting the most cautious Hiring intentions in this region.

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. ManpowerGroup's next Employment Outlook Survey will be published on March 14, 2017, and will provide details on the anticipated job market activity in the second 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.

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: Manpower®, 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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