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ManpowerGroup Employment Outlook Survey

1Q18 FRANCE OUTLOOK: EMPLOYERS REPORT POSITIVE HIRING INTENTIONS FOR MORE THAN TWO YEARS NOW

AT NATIONAL SCALE, THE CONSTRUCTION SECTOR HIRING PLANS ARE PICKING UP WHEREAS EMPLOYER CONFIDENCE IN THE TRANSPORT, STORAGE & COMMUNICATION WEAKENS CONSIDERABLY

As the holiday season is upon us, the ManpowerGroup Employment Outlook Survey provides a picture of the hiring prospects for the 1Q 2018.

Amongst the main findings of this edition:

> The first quarter of 2018 continues to be cautiously optimistic for job seekers, with **encouraging hiring plans that confirm the sustained confidence French employers have been reporting for more than two years now.**

> Although hiring plans are stable at national level, the situation varies from one region to another. Paris and the East Center are the two main areas where employers forecast flat hiring activity.

> Looking into employment prospects from a sectoral perspective, **the Construction sector is back on track, unlike the Transport, Storage & Communication and the Wholesale & Retail Trade sectors, where hiring intentions are notably weaker.** It should be noted that the uptick glimpsed in the Agriculture, Hunting, Forestry & Fishing sector seems set to endure; it is the most promising sector for the forthcoming quarter. Overall, employers in seven of 10 industry sectors and three of five regions expect to add to their payrolls by varying degrees through the first three months of 2018.

> Globally, the hiring climate is largely upbeat and payroll gains are forecast in each of the countries surveyed, aside from Italy and Austria, whose employers forecast a flat hiring pace through the first three months of the year.

“The results of our last survey show that employers have shown high levels of confidence for over two years. This, along with other market indicators, signals that employers appear more willing to add to their payrolls. While this upturn has been mostly beneficial so far to the Transport and Wholesale & Retail Trade sectors, hiring plans are poised to decrease in both sectors but they should be compensated for by the boom in the Construction industry. It is also interesting to point out the acceleration of recruitments from large corporations that should have a positive impact on the smaller businesses in the next few months,” analyzes Alain Roumilhac, President of ManpowerGroup France.

Promising first-quarter hiring plans

- Employers surveyed in France for the ManpowerGroup Employment Outlook Survey anticipate positive first-quarter job activity. **Once the data is adjusted to allow for seasonal variations, the Outlook stands at +2%.**
- Though hiring plans are unchanged compared to year-ago levels and despite a slight contraction from last quarter (a decline of 2 percentage points), it is worth noting that French employers' confidence has been modest—but positive—for more than two years now.

A regional hiring climate poised to change over the forthcoming quarter; East Center first affected by gloomy market conditions

- In three of the five regions covered by the survey, employers anticipate job gains for the quarter ahead. It is one region fewer from last quarter, but the trend at regional scale is changing.
- As it turns out, this confidence, though subdued compared with the previous quarter, still prevails in the South (+1% vs. +2% at Q4 2017) and North (+3% vs. +7% au Q4 2017). Meanwhile, the West Center region regains some of its optimism, with an Outlook of +5% vs. 1-% last quarter.
- After the very encouraging signs glimpsed over the last three months of 2017, it is worth noting that employers from the Paris area are somewhat more cautious, as a flat hiring pace is expected for the next three months in the capital and its region. A subdued hiring pace is also predicted in East Center, where expectations have declined steadily for three consecutive quarters.

Hiring prospects decline notably in the Transport, Storage & Communication and Wholesale & Retail Trade sectors, but improve in the Construction sector

- For 1Q 2018, payrolls gains are anticipated in seven out of the 10 industry sectors surveyed. In a year-over-year comparison, hiring prospects are contrasted depending on the sectors.
- Transport, Storage & Communication sector employers, who had reported upbeat intentions for seven consecutive quarters, succumb to pessimism (declining 12 percentage points from the previous quarter), reporting gloomy outlooks for the beginning of the year (-6%). A more alarming pattern emerges when forecasts are compared with last year at this time, as hiring intentions decrease by 23 percentage points.
- The same holds true for Wholesale & Retail Trade employers, who expect the hiring pace will slow down after the holiday season and thus report an Outlook of -2% for the forthcoming quarter (down 8 percentage points from 4Q 2017). Similarly to the previous sector, the situation of the Wholesale & Retail Trade industry deteriorates, though less so, in a year-over-year comparison, as the Outlook is down 4 percentage points.
- Employers from the Electricity, Gas & Water and the Manufacturing sectors are true to the pessimistic mood they have been showing steadily for one year, with Outlooks down 4 and 3 percentage points, respectively.
- Conversely, the Construction sector is enjoying a spectacular recovery, up 8 percentage points quarter-over-quarter and posting an encouraging Net Employment Outlook of +7%. Incidentally, this uptick has proven to last, as the forecast is 5 percentage points higher from year-ago levels.
- Agriculture, Hunting, Forestry & Fishing sector employers predict steady payroll gains (+3%) for the second consecutive quarter, which confirms the recovery following an adverse year. Hiring prospects look even more promising when compared to last year levels: an improvement of 12 percentage points from 1Q 2017.
- Year-over-year, employer confidence is also on the rise in other sectors including the Mining & Quarrying sector (9 percentage points); the Finance & Business Services sector (a 7 percentage point improvement) and the Restaurants & Hotels sector (up 3 percentage points).

The larger the business are, the stronger their hiring plans are

For Q1 2018, all four organization-size categories forecast an increase in their hiring activities. The strongest hiring intentions are reported by Small businesses (10-49 employees) and Medium-size employers (50-249 employees).

- The Net Employment Outlook stands at +1% for Micro businesses (less than 10 employees), +7% for Small businesses, +11% for Medium employers and +19% for Large companies (over 250 employees).
- In a year-over-year comparison, the trend is identical, with +1% for Small businesses, + 5% for Medium-sized companies and +8% for Large businesses. Micro-employers prove more cautious with a flat Outlook compared to last year's level.

Italy and Austria lagging behind the others in terms of hiring plans

At global scale, employers in 41 of 43 countries and territories surveyed intend to add to their payrolls between January and March 2018. In a quarter-over-quarter comparison, forecasts increase in 22 countries and territories, decrease in 15 and remain unchanged in 8.

- Like the previous quarter, the strongest first-quarter hiring plans are reported in Taiwan, Japan, India and Costa Rica. The last member of this Top 5 is the United States (+ 19%), ranking right before Costa Rica as American employers report their most encouraging prospects since 2007.
- The weakest hiring pace is reported by Austrian (0% vs +8% in 4Q 2017) and Italian (0% vs +3% in 4Q 2017) employers, with a Net Employment Outlook of 0%. While Italy has been reporting negative forecasts quite often since the launch of the Survey, the slump recorded by Austria, who normally report upbeat prospects, is more of a surprise.
- Interestingly, hiring prospects in Peru surge by 10 percentage points from the last quarter, recording the most important increase of this edition of the ManpowerGroup Employment Outlook Survey.

Compared with year-ago levels, forecasts improve in 26 countries and territories, decline in 11 and remain unchanged in six. It should also be noted that Austrian employers report their weakest hiring plans since 2012.

In the EMEA (Europe, Middle-East and Africa) region, the employers of 24 out of the 25 countries covered by the survey forecast payroll gains.

- Quarter-over-quarter, hiring prospects improve in almost all countries and territories. Only Italy and Switzerland report outlooks weaker from the prior quarter.
- Elsewhere, the hiring climate is mostly favorable in Eastern Europe, as 9 countries anticipate job gains and report outlooks in excess of 10% (Slovenia, Romania, Hungary, Bulgaria, Greece, Israel, Poland and Turkey).

When compared to 1Q 2017, employer confidence is stronger in 14 countries, weaker in 8 and remains stable in 3.

ManpowerGroup Employment Outlook Survey – Quarter 2 2018
Publication of Results: Tuesday, March 13, 2018

About the survey

The ManpowerGroup Employment Outlook Survey for the first quarter of 2018 was conducted from October 18 until October 31, 2017 with over 58.000 employers in 43 countries and territories, including both private companies and public bodies, of which 1.003 are based in France. The study involved analyzing data obtained in response to a single question: *“How do you anticipate total employment at your location to change in the three months to the end of March 2018 as compared to the current quarter?”* Throughout this report, we use the term “Net Employment Outlook.” This figure is derived by taking the percentage of employers anticipating total employment to increase and subtracting from this the percentage expecting to see a decrease in employment at their location in the next quarter. The result of this calculation is the Net Employment Outlook. Data have been seasonally adjusted to provide a more realistic assessment in each case. These adjustments smooth out the impact of seasonal variations, which generally occur during the same periods each year. Adjusted data is therefore more representative in the long term. Data is not seasonally adjusted for Portugal.

Data on all 43 countries is available through our new interactive resource, “ManpowerGroup Employment Outlook Explorer”: www.manpowergroup.com/meos

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 address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2017, ManpowerGroup was named one of the World's Most Ethical Companies for the seventh 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

About ManpowerGroup France

ManpowerGroup, HR experts for a challenging world, is an HR services group that helps companies define and implement their HR strategy through one or more of the following solutions:

- Flexibility management and recruitment under the **Manpower** brand
- Recruitment of mid- and top-level managers under the **Experis Executive** brand
- Training and skills development (classroom-based and online) and outsourced training management under the **FuturSkill** brand
- Business and services transformation: HR strategy consulting and implementation, and outsourced HR management solutions, under the **ManpowerGroup Solutions** brand
- Outsourcing of IT infrastructure and end-user support services under the **Proservia** brand
- Human capital optimization solutions for talent and career management under the **Right Management** brand

In 2016, ManpowerGroup boasted 7.500 employees and a revenue of €4.4 billion in France.

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