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## **Hiring prospects for the third-quarter of 2017 are the strongest since 1Q 2015 in Brazil according to ManpowerGroup Employment Outlook Survey**

*The hiring prospects increased 15 percentage points when compared to the same period last year and 5 percentage points when compared to the last quarter. The forecast for Brazil has improved steadily for four consecutive quarters. Improving employer confidence in the Agricultural, Services and Manufacturing sectors help boost Outlook to positive territory.*

**Brazil, São Paulo, June 13, 2017** - ManpowerGroup, the world leader in innovative solutions for people hiring and management, announces the results of its quarterly ManpowerGroup Employment Outlook Survey for Brazil for the third quarter of 2017. The study interviewed 850 employers in Brazil, and 58.688 employers in 43 countries and territories.

The survey shows that hiring intentions for the third quarter of the year, July-September 2017, have improved to +2% in Brazil, once seasonal variations are removed from the data. The third-quarter forecast represents an increase of 15 percentage points year-over-year and 5 percentage points quarter-over-quarter. These hiring prospects are the strongest – and the first positive – forecast since 1Q 2015. The Brazilian survey reveals that 12% of employers expect to increase staffing levels during the next three months, 11% anticipate a decrease and 71% forecast no change to their current workforces.

"After two years of negative indicators, Brazilian employers finally appear to be growing more optimistic, and they may be responding to signs that Brazil's business environment is improving. Employers forecast gains in six of the eight industry sectors. Employers in the Agriculture, Fishing & Mining sector report the strongest hiring intentions, +24%. The services sector was one of the main drivers, with 1% optimism level – 10 percentage points improvement from the previous quarter. Manufacturing was also a highlight, with employers reporting a +5% Outlook, 7 percentage points stronger when compared to the previous quarter," says ManpowerGroup Brasil CEO, Nilson Pereira.

### **Sector Comparisons**

Employers forecast payroll gains in six of the eight industry sectors during the coming quarter. The strongest hiring prospects are reported in the Agriculture, Fishing & Mining sector, where the Outlook stands at +24%. Modest job gains are anticipated by

Manufacturing sector employers, with an Outlook of +5%, while Outlooks stand at +3% in the Public Administration & Education sector and the Wholesale & Retail Trade sector. However, staffing levels are expected to decline in two sectors, with Outlooks standing at -16% and -5% in the Construction sector and the Transportation & Utilities sector, respectively.

When compared with 2Q 2017, hiring plans strengthen in seven of the eight industry sectors, most notably by 10 percentage points in the Services sector. Wholesale & Retail Trade sector employers report an improvement of 9 percentage points, while Outlooks are 7 and 6 percentage points stronger in the Manufacturing sector and the Agriculture, Fishing & Mining sector, respectively. Meanwhile, the Outlook for the Public Administration & Education sector declines by 3 percentage points.

Year-over-year, hiring prospects improve in all eight industry sectors. Sharp increases of 32 and 23 percentage points are reported for the Agriculture, Fishing & Mining sector and the Manufacturing sector, respectively, while Services sector employers report an improvement of 22 percentage points. Elsewhere, the Outlook for the Transportation & Utilities sector is 13 percentage points stronger and Outlooks improve by 12 percentage points in both the Construction sector and the Public Administration & Education sector.

### **Regional Comparisons**

Employers in three of the five regions expect to increase payrolls during the next three months. The strongest hiring prospects are reported in Great São Paulo, where the Net Employment Outlook stands at +4%, while Outlooks of +2% are reported in both Minas Gerais State and Parana State. Meanwhile, employers report uncertain hiring prospects in Rio de Janeiro State and São Paulo City, with Outlooks of -2% and -1%, respectively.

Hiring intentions strengthen in all five regions when compared with the previous quarter. Rio de Janeiro State employers report the most noteworthy increase of 11 percentage points, while Outlooks are 4 percentage points stronger in both São Paulo City and Great São Paulo. Elsewhere, increases of 2 percentage points are reported in both Minas Gerais State and Parana State.

When compared with this time one year ago, Outlooks improve in all five regions, most notably by a steep margin of 29 percentage points in Rio de Janeiro State. Hiring plans are 19 percentage points stronger in Great São Paulo and improve by 13 percentage points in São Paulo City. Minas Gerais State employers report a considerable increase of 12 percentage points while the Outlook for Parana State is 8 percentage points stronger.

### **São Paulo City**

Employers report uncertain hiring prospects for the upcoming quarter with a Net Employment Outlook of -1%. While the Outlook has now been negative every quarter for more than two years, hiring prospects improve by 4 and 13 percentage points when compared with 2Q 2017 and 3Q 2016, respectively.

### **Great São Paulo**

The strongest – and first positive – labor market in more than two years is anticipated in 3Q 2017. Employers report a Net Employment Outlook of +4%, improving by 4 and 19 percentage points quarter-over-quarter and year-over-year, respectively.

### **Rio de Janeiro State**

Employers continue to forecast a decline in staffing levels, reporting a Net Employment Outlook of -2% for the next three months. Hiring prospects have been negative every quarter for two years. However, the Outlook improves by a considerable margin of 11 percentage points when compared with the previous quarter and is 29 percentage points stronger when compared with 3Q 2016.

### **Minas Gerais State**

Reporting a Net Employment Outlook of +2%, employers expect the strongest – and first positive – hiring pace in more than two years during the coming quarter. Hiring plans are 2 percentage points stronger when compared with 2Q 2017 and increase by 12 percentage points when compared with this time one year ago.

### **Parana State**

The strongest – and first positive – labor market in more than two years is forecast for the third quarter of 2017. Employers report a Net Employment Outlook of +2%, improving by 2 and 8 percentage points quarter-over-quarter and year-over-year, respectively.

### **Organization Size Comparisons**

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 in large firms forecast some hiring opportunities in 3Q 2017, reporting a Net Employment Outlook of +10%. However, staffing levels are expected to decline by micro- and small-size employers who report Outlooks of -10% and -3%, respectively. Meanwhile, medium employers expect a flat labor market, reporting an Outlook of 0%.

Quarter-over-quarter, the Outlook for medium employers is 5 percentage points stronger, while increases of 4 percentage points are reported by small- and large-size employers. Micro employers report relatively stable hiring intentions.

When compared with 3Q 2016, hiring prospects are considerably stronger in all four organization size categories. Large employers report the most noteworthy increase of 17 percentage points, while the Outlook for medium employers is 15 percentage points stronger. Elsewhere, improvements of 12 and 11 percentage points are reported by small- and micro-size employers, respectively.

### **International Comparisons**

The forecast indicates payrolls will grow by varying degrees in 41 of 43 countries and territories over the next three months. An overview of the global results indicates

employer confidence is similar to that reported in the second quarter with the majority of respondents content to either retain current staff or grow payrolls marginally as they await more definitive signals from the marketplace.

Some employers expect to encounter headwinds in the coming months. For instance, employer confidence in India dips to its least optimistic level since their survey was launched. Similarly, forecasts in Panama and Peru are the weakest reported since their surveys began, while job prospects in Singapore decline to a level not seen since the recession. Conversely, the forecast in Brazil has improved steadily for four consecutive quarters and Brazilian employers report positive hiring plans for the first time in more than two years.

When compared to the prior quarter's results, forecasts improve in 17 countries and territories, decline in 16 and remain unchanged in 10. However, a more confident pattern emerges when forecasts are compared with last year at this time as hiring intentions improve in 26 countries, decline in only 15 and remain unchanged in two. Globally, the strongest third-quarter hiring plans are reported in Japan, Taiwan, Hungary and the United States. The weakest forecasts are reported in Italy, the Czech Republic and Finland.

**EMEA (Europe, Middle East & Africa):** In the Europe, Middle East & Africa (EMEA) region workforce gains are forecast in 23 of 25 countries. Hiring plans improve in nine countries quarter-over-quarter, weaken in 10 and are unchanged in six. In a year-over-year comparison, Outlooks improve in 15 countries and decline in 10. Hungarian job seekers can expect the region's strongest third-quarter hiring plans. Additionally, the outlook in Turkey rebounds with more than one in every four employers planning to add to their payrolls in the next three months. Italian employers report the region's weakest outlook as well as the only negative hiring intentions among the 43 countries and territories surveyed.

**ASIA PACIFIC:** Payrolls are expected to grow in all eight Asia Pacific countries and territories. Net Employment Outlooks improve in only two countries and territories when compared to the prior quarter, decline in three and are unchanged in three. In a year-over-year comparison the hiring pace is expected to improve in five countries and territories, decline in two and remain unchanged in one. Employers in Japan and Taiwan report the most optimistic forecasts, both regionally and globally. The region's weakest forecasts are reported by employers in China and Singapore.

**AMERICAS:** Positive Outlooks are reported in each of the 10 countries surveyed in the Americas. Hiring confidence strengthens in six countries, dips in three and is unchanged in one when compared to the April-June quarter. Similarly, the year-over-year comparison reveals employers in six countries report improved hiring prospects, while hiring plans weaken in three and are unchanged in one. For the fourth consecutive quarter employers in the United States report the strongest hiring plans in the Americas, while opportunities for job seekers are expected to be weakest in Brazil, Peru and Panama.

## 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%. Brazil'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 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 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:

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