



**UNDER STRICT EMBARGO:
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Press Release

Manpower Employment Outlook Survey for the Second Quarter of 2017:

**According to the ManpowerGroup survey, employers expect a steady hiring pace in
July-September**

Manpower Employment Outlook Survey for Q3 2017:

**According to the ManpowerGroup survey, the hiring pace in Israel is expected to improve
slightly in July-September**

- **Employers in Israel some job gains: the net employment outlook stands at +10%, representing a slight uptick year-over-year.**
- **Of the 750 employers interviewed in the survey: 13% forecast an increase in payrolls, 79% anticipate no change in headcount, 2% expect a decrease, and 6% don't know.**
- **An analysis by sector reveals an upbeat hiring pace in public and community services, and weaker outlooks in agriculture and in the wholesale and retail sectors.**
- **Employers in all six regions expect an increase in staffing levels in July-September, with the strongest headcount expected in the central region with a net employment outlook of +17%.**
- **Globally, employers in Japan and Taiwan report the most optimistic hiring plans, while the weakest—and only negative—hiring plans are reported in Italy.**



According to Manpower's Employment Outlook Survey for Q3 2017 among 750 employers in Israel, the hiring place in the third quarter of 2017 is expected to maintain the positive outlook in terms of hiring opportunities, and employers report significant hiring plans.

Employers participating in the survey were asked, "How do you anticipate total employment at your location to change in the three months (to the end of September 2017) as compared to the current quarter?"

Of the 750 Israeli employers who participated in the survey, +13% anticipated an increase in payrolls and +79% forecast no change. After seasonal adjustment of the data, the Manpower Employment Outlook Survey stands at +10%, with the forecast remaining relatively stable when compared to the previous quarter, and with a 2 percentage point gain compared to the same quarter last year.

Job opportunities for job seekers in the third quarter are expected to be strongest in the public and community services sector in the central and north regions.

Employment Forecast for Q2 2017

	Net Employment Outlook*	Increase	Decrease	No Change	Don't know
	%	%	%	%	%
Q3 2016	+8	13	4	80	3
Q4 2016	+10	19	8	71	2
Q1 2017	9+	11	4	82	3
Q2 2017	9+	14	4	79	3
Q3 2017	+10	13	2	79	6

* The net employment outlook has been seasonally adjusted.

Results by industry sector: growth in the public and community services, restaurants and hotels sector; decline in the agriculture sector

Looking ahead to the next quarter, employers in all ten industry sectors forecast an increase in staffing levels. The strongest job market is expected in the public and community services sector, where employers report a net outlook forecast of +15%. In other sectors, an increase in staffing levels is expected in the restaurants and hotels sector (outlook of +12%), as well as in the construction, financial, real-estate and business services, manufacturing, mining and quarrying, in which the outlook is +11%. On the other hand, employers in the agriculture, hunting, forestry and fishing sector report the most cautious hiring plans, with an outlook of only +3%.

When compared to the previous quarter, hiring plans strengthen in five of the 10 industry sectors. Employers in the restaurants and hotels sector report a considerable increase in outlook – 9 percentage points, whereas the public and social sector, as well as the construction sector, record an increase of 8 percentage points and 4 percentage points, respectively. On the other hand, the hiring forecast weakened in three sectors, including a decrease of 14 percentage points in the agriculture, hunting, forestry and fishery sector should be noted, a decrease of 3 percentage points in the mining and quarrying sector and a decline of a single percentage point in the wholesale and retail trade sector.

Compared to the same quarter last year, employers report improvements in the hiring outlook in six of the ten industry sectors. The outlook improves by 9 percentage points in the public and social sector, as well as in restaurants and hotels. In the construction sector, employers report an increase of 8 percentage points, whereas an improvement of 7 percentage points and 6 percentage points are reported in the mining, quarrying and transportation, and in the logistics and communications sectors, respectively. Conversely, the employment outlook weakens in three sectors. The decrease of 8 percentage points in the agriculture, hunting, forestry and fishery sector should be noted, as well as a decrease of 4 percentage points in the wholesale and retail sector.

	Net Employment Outlook Q3 2017*	Net Employment Outlook Q2 2017*	Net Employment Outlook Q3 2016*
AGRICULTURE	3%+	+17%	+11%
CONSTRUCTION	+11%	+7%	+3%
ELECTRICITY, GAS & WATER SUPPLY	+7%	+5%	+8%
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	+11%	+11%	+11%
MANUFACTURING	+11%	+11%	+10%
PUBLIC & SOCIAL SERVICES	+15%	+7%	+6%
RESTAURANTS & HOTELS	+12%	+3%	+3%
TRANSPORT, LOGISTICS & COMMUNICATION	+6%	+4%	+0%
WHOLESALE & RETAIL TRADE	+7%	+13%	+11%

* The net employment outlook has been seasonally adjusted.

Regional comparisons: the most robust employment outlook is reported by employers in the central region and in Tel Aviv

Employers in all six regions expect an increase in payrolls in the third quarter of 2017. The strongest hiring prospects were reported in the south and the center, with a net employment outlook of +13%



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And +12%, respectively. Employers in the north report cautious optimism in hiring plans, with an outlook of +9%, while employers in both Jerusalem and Haifa report an outlook of +7%. The most cautious outlook of +6% was reported in Tel Aviv.

Compared to the second quarter of 2017, hiring prospects are weaker in three of the six regions, in particular by 5 and 3 percentage points in Tel Aviv and Jerusalem, respectively. However, employers in two of the regions report stronger hiring prospects, with an increase of 3 percentage points in the center and 2 percentage points in the south.

Employers in three of the six regions report a stronger outlook compared to the third quarter in 2016. Hiring prospects in the south improved by 7 percentage points, while the north and the center reported an increase of 5 and 4 percentage points, respectively. At the same time, the outlook for Tel Aviv improved by 5 percentage points, while employers in Jerusalem report an increase of 2 percentage points.

	Net Employment Outlook Q3 2017*	Net Employment Outlook Q2 2017*	Net Employment Outlook Quarter 3 2016
Jerusalem	+10%	+8%	+8%
Center	+17%	+13%	+8%
Haifa	+8%	+7%	+3%
North	+11%	+9%	+7%
South	+9%	+12%	+13%
Tel Aviv	+10%	+5%	+9%

*The net employment outlook has been seasonally adjusted.

Organization-Size Comparisons

Participating employers are categorized into one of four organization sizes: microbusinesses 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 categories forecast increases in headcount in Q3 2017. Large employers expect an active labor market, with a net employment outlook of +23%, while medium-size employers forecast +11%. Conversely, small-size employers report an outlook of only +6%, whereas microbusinesses report a net employment outlook of +5%.

Large employers report an improvement of 6 percentage points in the outlook compared to the previous quarter; on the other hand, small-size employers report a decrease of 3 percentage points. Microbusinesses report a relatively stable hiring level, which is also reflected among medium-size employers.



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Large employers report a significant increase of 12 percentage points compared to the same period last year. The forecast among microbusinesses strengthens by 2 percentage points, whereas medium and small-size employers report a relative stability in their hiring plans.

	Employment Outlook, Q3 2017*	Employment Outlook, Q2 2017*	Employment Outlook Q3 2016*
Microbusinesses (less than 10 employees)	+5%	+4%	+3%
Small businesses (10 to 49 employees)	+6%	+9%	+7%
Medium businesses (50 to 249 employees)	+11%	+11%	+10%
Large businesses (over 250 employees)	23%+	+17%	+11%

*The net employment outlook has been seasonally adjusted.

Global employment forecast: the most optimistic forecast is in Japan and Taiwan. The weakest hiring plans are reported in Italy.

The ManpowerGroup survey for the third quarter points to a varying degree of growth in the number of employees in 41 of the 43 countries and territories. A general survey of global results shows that the level of confidence among employers is similar to that reported in the second quarter, where most employers report they want to maintain existing staffing levels or increase it moderately until market conditions become clearer.

Certain employers expect difficulties in the next few months. For example, the level of confidence among employers in India decreases to the lowest level since the survey began in that country.

Similarly, the forecast in Panama and Peru are the weakest ever reported, while in Singapore, the opportunities of employment are decreasing to a level not seen since the recession. On the other hand, this is the fourth consecutive quarter Brazil has recorded continuous improvement, and employers in this country report positive hiring plans for the first time in two years.

Compared to the results of the previous quarter, the forecasts improve in 17 countries and territories, weaken in 16, and remain unchanged in 10. Compared to the same period last year, there is a pattern of increased confidence and improved hiring plans in 26 countries, weakening in only 15, and no changes in two. At the global level, very strong hiring plans were reported in Japan, Taiwan, Hungary and the United States. The weakest outlooks were reported by Italia, the Czech Republic and Finland.



Employers in 23 out of 25 countries in Europe, the Middle East and Africa (EMEA) expect their staffing levels to grow. Compared to the previous quarter, hiring plans are improving in nine countries, weakening in 10 countries, and remain unchanged in six. Compared to the same period last year, there is an outlook of improvement in 15 countries compared to a slowdown in 10. Job seekers in Hungary can expect the strongest hiring plans in the region in the third quarter. Moreover, the outlook in Turkey is also improving, with more than one employer out of four planning to increase its staff in the next three months. In Italy, employers report the weakest outlook in the region, indicating the only negative hiring plans among the 43 countries and territories surveyed. Payrolls are expected to increase in all eight Asia-Pacific countries and territories in the next three months. Compared to the previous quarter, the net employment outlook has improved in only two countries/territories, weakened in three, and remained unchanged in three. Compared to the same period last quarter, the hiring pace is expected to improve in five countries and territories, compared to a decrease in pace expected in two countries, and a stable pace in one country. Employers in Japan and Taiwan report the most optimistic forecasts both regionally and globally. The weakest forecasts in the region are reported by employers in China and Singapore. Positive outlooks are reported in each of the 10 countries surveyed in the Americas. Compared to the second quarter, employer hiring confidence strengthens in six countries, weakens in three and remains unchanged in one. Similarly, compared to the same quarter last year, employers in six countries report improved hiring forecast, compared to a weakening in three countries and stability in one. Employers in the United States report, for the fourth consecutive quarter, the strongest hiring plans in the Americas. On the other hand, employers in Brazil, Peru and Panama report the weakest hiring plans.

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. The next

ManpowerGroup Employment Outlook Survey will be published on September 12, 2017, and will report on the anticipated job market activity in the fourth quarter of 2017.

*The interpretation is based on seasonally adjusted data in the relevant locations. The data are not seasonally adjusted, except for Portugal.



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.

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 Manpower 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 58,000 public and private employers across 32 countries and territories to measure anticipated employment trends each quarter. This sample allows for analysis to be performed across specific sectors and geographies to provide more detailed information.
- **Focused:** For more than five decades the survey has derived all of its information from a single question:
- For the Q4 2016 survey, 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 December 2016 as compared to the current quarter?"

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 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%. The margin of error in respect of the sample in Israel 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. The 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

ManpowerGroup® (NYSE: MAN) is the world's workforce expert, creating innovative workforce 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 sector. See how ManpowerGroup makes powering the world of work humanly possible: www.manpowergroup.com.

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