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Dutch labor expectations decrease for the first time since 2016

Financial sector employers report weakest forecast in nearly three years

Diemen, November xx, 2017 – **For the first time since the third quarter of 2016, Dutch employers are less optimistic about the national labor market. Employment is expected to grow at a slightly slower pace in the first quarter of 2018, according to the latest edition of the ManpowerGroup Employment Outlook Survey (MEOS Q1). The first quarter forecast stands at +4% and represents a 2% decrease since last quarter. The most notable decrease occurred in the financial sector. Since the third quarter of 2017, this figure has dropped from +16, to +8 and now +2%, signaling growing uncertainty among employers in the financial sector. The survey was conducted among 750 Dutch employers, part of a panel of nearly 59,000 employers worldwide.**

"These figures are not an indicator of economic setback", says José Brenninkmeijer, Managing Director of ManpowerGroup. "The forecast still indicates that there are more employers anticipating workforce gains than those forecasting a decrease. But the forecast is the softest reported in nearly three years. Part of this more cautious hiring forecast may also be influenced by the growing shortages in the Dutch Labor Market flowing from the current economic boom and the difficulties employers face with finding the right kind of talent. This results in higher wages and an incentive for employers to focus on improving workforce productivity thus lowering their hiring expectations."

Hiring expectations for the financial sector decrease yet again

The financial sector shows yet again a notable decline in positivity, and the Outlook has now declined over the last two quarters from +16% in Q3 2017 to +2% now. Brenninkmeijer: "Of all sectors, this is the sector with the biggest decline in positivity. On one hand it could very well have to do with a tightened labor market. However, concerns about the Brexit and its effect on financial institutions in the Netherlands creates a lot of uncertainties that may be influencing employers in the sector." However, the financial sector forecast remains positive, as are most of the other first-quarter sector forecasts. The only Dutch sector that shows negative labor market expectation is the agricultural, fishing and forestry sector (-2%).

Economic prosperity

When looking at the other sectors, eight out of nine report positive labor expectations for the coming quarter. Mining and Utility sector employers report the strongest first quarter Outlooks of +13%. "The Dutch economy is in full swing, which increases the need for raw materials and other commodities", says José Brenninkmeijer. "There are however factors that could inhibit further growth. One of these is the tightening labor market, also the Brexit and the existence of a cryptocurrency bubble could spell trouble in the future."

European forecast
In the meanwhile, employers in most European countries continue to report positive labor market forecasts. However employment rates for Italy and Austria have cooled down to zero, with employers there expecting a flat hiring pace for the coming quarter. Fluctuations in other European are limited. Germany remains stable at +5%, whereas Outlooks in both Belgium and the United Kingdom decrease by a single percentage point to +2% and +4%, respectively. The Outlook in the United States stands at a respectable +19%, an increase of 2% in regard to last quarter and the strongest forecast reported by U.S. employers in more than 10 years.

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Notes to the editor, not for publication
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