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Press Release

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Strongest expected growth in Norwegian labor market in five years: ManpowerGroup Employment Outlook Survey 1Q 2018

The number of Norwegian employers reporting plans to increase staffing levels is the highest since 2012. Payrolls are expected to grow in all nine surveyed sectors and in every part of the country, according to ManpowerGroup's quarterly survey of hiring plans. "The moderate optimism we have seen in the Norwegian labor market through 2017 is picking up as we head into 2018," says **Managing Director in ManpowerGroup, Maalfrid Brath.**

Norwegian employers expect to increase their staffing levels in 1Q 2018, reporting a seasonally adjusted Net Employment Outlook of +7%. This means that in the first three months of 2018, more employers are planning to hire than there are employers who are planning to downsize. When compared with the 1Q 2017 results, hiring prospects strengthen in all sectors except Finance, and in all regions except South/West.

Among employers surveyed, one in eight (13%) are planning to staff up. 80 percent are planning to retain their current staff, while only five percent are planning to lay off. Maalfrid Brath, Managing Director in ManpowerGroup, sees the Norwegian labor market continuing its steady recovery.

"We have noticed an increase in optimism among employers all over Norway in 2017. As we are entering 2018, this optimism translates into increased hiring plans across all sectors. For the first time in five years, more employers in all surveyed sectors and regions are planning to staff up," says the Managing Director.

Manufacturing boom, optimism in Construction

Manufacturing is expected to continue its growth trajectory with employers reporting forecasts of +13%. Norwegian manufacturers, benefiting from a wide recovery in the economy, see the need for more skilled labour.

"Coming from a small, open economy, the Norwegian manufacturing sector is exposed to technological disruption and competition from companies in every corner of the world. As a consequence, employers in manufacturing companies are looking for increasingly specific skills. This underlines the need for a continuous upskilling and reskilling of the workforce to remain competitive," says Brath.

Three sectors are also expecting significant payroll increases. The Mining & Quarrying sector, the Transport, Storage & Communication sector and the Wholesale, Retail, Restaurants & Hotels sector all have seasonally adjusted Outlooks of +11%.



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Public & Social sector employers report cautiously optimistic hiring intentions, with an Outlook of +9%, while Outlooks of +8% is reported in the Construction sector. This is the second consecutive quarter the Construction sector reports an Outlook of +8%.

Meanwhile, Finance, Insurance, Real Estate & Business Services sector report the weakest hiring plans with an Outlook of +1%. This is a decline of 7 percentage points compared to 1Q 2017.

Subdued South/West

While Greater Oslo and Mid Norway have optimistic hiring intentions with Outlooks of +11% and +7%, the Outlook for the South/West is more cautious at +2%. This is the second consecutive quarter the South/West reports a +2% Outlook. When compared with 1Q 2017, hiring plans in the region decreases by 4 percentage points in the South/West.

“The oil price drop that shocked the Norwegian economy in 2014 and 2015 was felt the hardest in the South/West. The efforts made by organizations and government initiatives to maintain activity in the region have ensured that hiring plans—while trending softer—have remained positive,” says Brath.

When compared with 1Q 2017, Outlooks improve in four of the five regions, most notably by 17 percentage points in Northern Norway. Hiring prospects are 10 and 8 percentage points stronger in the Eastern region and Greater Oslo, respectively, while Mid Norway employers report an increase of 2 percentage points.

Big organizations are most optimistic

Employers anticipate workforce gains in all four organization size categories during the next three months. Businesses with more than 250 employees have the strongest expected hiring pace with an Outlook of +15%.

“Employers from Large businesses have slowly increased their hiring expectations through 2017. Large businesses had an Outlook of +1% one year ago, and took a longer time than the smaller businesses to considerably increase their expectations. But now, the Large businesses expect the highest workforce gains in the next quarter,” says Brath.

Elsewhere, Small- and Medium-size employers report Outlooks of +14% and +10%, respectively, while the Outlook for Micro firms is +6%.

The ManpowerGroup Employment Outlook Survey for the first quarter 2018 was conducted by interviewing a representative sample of 752 employers in Norway. All survey participants were asked, “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?” The Net Employment Outlook is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting a decrease in hiring activity.



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