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ManpowerGroup Employment Outlook Survey: Finnish hiring intentions improve only slightly

The ManpowerGroup Employment Outlook Survey for the first quarter of 2017 was conducted by interviewing a representative sample of 620 employers in Finland. Finnish employers report cautious hiring plans for the January-March time frame, with 8% of employers forecasting an increase in staffing levels, 7% anticipating a decrease and 84% expecting no change. The seasonally adjusted Net Employment Outlook thus stands at +4%. Hiring prospects are 2 percentage points stronger both quarter-over-quarter and year-over-year. Payrolls are expected to increase in all four regions. 7 out of 10 sectors forecast an increase in staffing levels.

According to the ManpowerGroup Employment Outlook Survey released today, Finnish employers report cautious hiring intentions for the first three months of 2017. 8% of employers forecast an increase in staffing levels, 7% anticipate a decrease and 84% expect no change. The seasonally adjusted* Net Employment Outlook for the first quarter of 2017 is +4%. Hiring prospects are 2 percentage points stronger both quarter-over-quarter and year-over-year.

Most payroll gains are expected in the Construction sector followed by the Manufacturing sector. The hiring climate is weakening the most for job-seekers in the Restaurants & Hotels sector.

“Construction has seen good growth through the year, and has created thousands of new jobs. The indicator suggests that the positive employment effect will continue although some within the industry predict that the growth will slow down, compared to this past year,” analyzes **Mika Wilén** ManpowerGroup’s Communications Director in Finland.

In Europe, the region’s most optimistic first-quarter hiring plans are reported in Hungary and Slovenia with Outlooks of +17%, the strongest labor markets since the surveys were launched in the countries. Conversely, the weakest employer sentiment is reported in Switzerland where the Outlook slips into negative territory (-2%) for the first time in two years and in Italy where labor market activity is expected to be flat in the first three months of the year. In the Nordics, Swedes have slightly more

positive hiring intentions with an Outlook of +7%. Meanwhile employer confidence in Norway lags behind Finland with an Outlook of +3%.

Regional analyses – Eastern Finland sees strongest labor market since survey began

Payrolls are forecast to increase in all four regions during the first quarter of 2017. The strongest labor markets are anticipated in Southern Finland and Eastern Finland, where employers report Net Employment Outlooks of +14%. In Eastern Finland the indicator is the strongest since the survey began in 2012. Some job gains are expected in Northern Finland, where the Outlook is +7%, and in Western Finland, with an Outlook of +4%.

When compared with the previous quarter, Northern Finland employers report a considerable improvement of 20 percentage points, while Outlooks are 11 and 8 percentage points stronger in Eastern Finland and Western Finland, respectively. However, employers in Southern Finland report a decline of 4 percentage points.

“Northern Finland has strengthened its position among international tourists, and employment needs are expected to increase during the high season in particular,” Wilén says.

Year-over-year, hiring prospects strengthen in all four regions. The most noteworthy increases of 21 and 19 percentage points are reported for Northern Finland and Eastern Finland, respectively. Elsewhere, Outlooks improve by 8 percentage points in Southern Finland and by 4 percentage points in Western Finland.

“The strengthening ruble affects the number of Russian tourists which partially explains the positive forecast in Eastern Finland,” comments Wilén. “It is of course good news for Finland if the predicted growth of Russia’s economy is realized next year. It would give reason for hoping that the numbers of Russian tourists keep climbing, although they would still be far from the busiest years.”

Industry sector analyses – Construction grows 36 percentage points year-on-year

Employers in seven of the 10 industry sectors forecast an increase in staffing levels during the first quarter of 2017. In Construction, job seekers can expect the strongest labor market since the survey began in the fourth quarter of 2012 with employers reporting an Outlook of +15%. Elsewhere, Manufacturing sector employers expect a steady hiring pace with an Outlook of +13%, while the Outlook for the Finance, Insurance, Real Estate & Business Services sector stands at +10%. A fair hiring climate is forecast for both the Transport, Storage & Communication sector and the Public & Social sector, with Outlooks of +9% and +7%, respectively. However, payrolls are expected to decline in three sectors, most notably the Restaurants & Hotels sector, where the Outlook stands at -7%.

Quarter-over-quarter, Outlooks strengthen in four of the 10 industry sectors, including the Transport, Storage & Communication sector, where employers report a sharp increase of 37 percentage points. Construction sector employers also report a noteworthy improvement of 18 percentage points.

Meanwhile, hiring plans weaken in three sectors, including the Electricity, Gas & Water Supply sector and the Restaurants & Hotels sector, with decreases of 14 and 7 percentage points, respectively.

In year-on-year comparison, hiring prospects improve in eight of the 10 industry sectors. A steep increase of 36 percentage points is reported for the Construction sector, while Transport, Storage & Communication sector employers report an improvement of 13 percentage points. Elsewhere, Outlooks are 5 percentage points stronger in both the Finance, Insurance, Real Estate & Business Services sector and the Wholesale & Retail Trade sector. However, considerably weaker hiring intentions are reported in both the Restaurants & Hotels sector and the Electricity, Gas & Water Supply sector, where Outlooks decline by 16 and 12 percentage points, respectively.

“The survey suggests modestly positive hiring intentions for the winter. For instance, Public and Social sector as well as Finance, Insurance, Real Estate & Business Services represent steady industries where the indicator has been positive for quite some time already,” analyzes Wilén. “The amount of employers decreasing their payrolls seems to be falling in the first quarter of the year. Although employers are showing weak signs of increased optimism, there are plenty of uncertainty factors and question marks in the global economy. It remains to be seen, what impact they will have, particularly on export companies and, through them, the effect trends outside of our country have on employer hiring intentions among Finnish employers.”

Company size comparisons – Growth expected in all four categories

Employers in all four organization size categories expect to grow staffing levels during the January-March period. The strongest hiring prospects are reported by Medium-size employers with a Net Employment Outlook of +26%. Steady job gains are anticipated by Small- and Large-size employers, reporting Outlooks of +18% and +16%, respectively, while the Outlook for Micro firms stands at +4%. When compared with the previous quarter, Medium employers report an increase of 5 percentage points while Outlooks are 3 percentage points stronger for Small- and Micro-size employers. However, Large employers report a decline of 4 percentage points.

Year-on-year, Medium-size employers report a considerable improvement of 17 percentage points. Outlooks are 7 and 6 percentage points stronger for Large- and Small-size employers, respectively, while Micro employers report an increase of 4 percentage points.

* Following the accumulation of more than four years of data, Finland’s ManpowerGroup Employment Outlook Survey now features seasonally adjusted data. Seasonal adjustment is a calculation method used to standardize time series for regularly occurring seasonal variation. This allows presentation of the data without the effect of fluctuations triggered by commonly encountered events such as seasonal weather changes, public holidays, harvests or school schedules. Seasonal adjustment makes it easier to observe cyclical and other underlying trends in data collected over time.

The following files are available for download at <http://www.manpowergroup.fi/ajankohtaista1/>

- Full report
- Diagrams
- Infographics
- Photo of Mika Wilén, Director, Marketing & Communications

The Q2/2017 ManpowerGroup Employment Outlook Survey will be published on 14 March 2017. Results for all 43 countries can be viewed in the new interactive [ManpowerGroup Employment Outlook Survey Explorer tool](http://manpowergroupsolutions.com/DataExplorer) at <http://manpowergroupsolutions.com/DataExplorer>

About the ManpowerGroup Employment Outlook Survey

The ManpowerGroup Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforces during the next quarter. ManpowerGroup's comprehensive forecast of employer hiring plans has been running for more than 50 years and is one of the most trusted surveys of employment activity in the world. Various factors underpin the success of the ManpowerGroup Employment Outlook Survey:

Unique: It is unparalleled in its size, scope, longevity and area of focus.

Projective: The ManpowerGroup 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 nearly 59,000 public and private employers across 43 countries and territories to measure anticipated employment trends each quarter. This sample allows for analysis to be performed across specific sectors and regions 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 1Q 2017 research, 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 March 2017 as compared to the current quarter?"

¹ The Net Employment Outlook for the first quarter of 2017 in Finland is +4%. The Outlook is calculated 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 data has been seasonally adjusted.

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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 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 industry. See how ManpowerGroup makes powering the world of work humanly possible: www.manpowergroup.com.