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Press Release

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ManpowerGroup Employment Outlook Survey Q1/2018: The Austrian Labor Market Forecast Stagnates

Austria's employers are cautious about the first quarter of 2018. According to the latest ManpowerGroup Employment Outlook, which surveyed around 753 employers in Austria, a seasonally adjusted Net Employment Outlook of 0% is reported for the first quarter of 2018 indicating Austrian employers anticipate a flat period of job gains in the next three months.

This is the weakest Net Employment Outlook reported in more than two years. Hiring prospects decline by 8 percentage points when compared with the previous quarter and by 6 percentage points when compared with this time one year ago.

"Employers appear to be more reluctant to hire for the first quarter of 2018. However, this stagnation must not be equated with planned reductions in this period 1:1. This sentiment only reflects a slowdown compared to the very good last quarter of 2017 with an employment outlook of +8%. Employers have already hired new employees in the last quarter of 2017 and are therefore planning fewer hires at the beginning of the next year," explains Erich Pichorner, Managing Director of ManpowerGroup Austria. "Looking more closely at the industrial sectors, the outlook for the Finance/Business Services and the Manufacturing sector remains cautiously optimistic. The stagnating overall forecast is likely to be triggered mainly by the Construction sector as well as by the Restaurants and Hotels sector. Seasonal recruitment should be completed in these two sectors," adds Pichorner. "However, despite the cautious nature of first-quarter forecast, other indicators of Austria's business climate appear a bit more optimistic, and it will be interesting to see if employer sentiment remains the same or improves marginally in the second quarter of the year."

The results of MEOS Q1/2018 in a nutshell:

- Austrian employers report disappointing hiring plans for the first quarter of 2018. With 6% of employers expecting to increase staffing levels, 9% anticipating a decrease and 84% forecasting no change. Once seasonal adjustments are applied to the data the Outlook stands at a flat 0%
- Employers in five of the nine regions expect to increase staffing levels during 1Q 2018. The strongest hiring plans are reported in Oberösterreich, where the Net Employment Outlook is +13%.
- Tirol employers forecast moderate hiring activity with an Outlook of +7%, while some payroll gains are expected in Salzburg and Steiermark, where Outlooks stand at +5% and +4%, respectively.



- However, employers in four regions forecast a decline in staffing levels, including Voralberg (-11%), Vienna (-10%), Kärnten (-8%) and Burgenland (-6%).
- Employers in five of the 10 industry sectors anticipate an increase in staffing levels during the next three months. The strongest Net Employment Outlook of +7% is reported by Finance, Insurance, Real Estate & Business Services sector
- A modest hiring pace is expected in 1Q 2018, with employers reporting a Net Employment Outlook of +6%. However, the Outlook declines by 3 and 5 percentage points quarter-over-quarter and year-over-year, respectively.
- The weakest labor market in nine years is forecast for the January-March time frame. Employers report a Net Employment Outlook of -4%, declining by 13 percentage points quarter-over-quarter and by 6 percentage points when compared with this time one year ago.
- Payrolls are expected to increase in three of the four organization size categories during the next three months. Large employers report healthy hiring plans with a Net Employment Outlook of +25%. Elsewhere, Medium- and Small-size employers report Outlooks of +14% and +8%, respectively. However, Micro employers anticipate a decline in staffing levels, reporting an Outlook of -4%.

Regional Comparisons: Strongest labor markets in Oberösterreich, weak uptrend in Tirol, Salzburg and Steiermark

Employers in five of the nine regions forecast an increase in staffing levels during 1Q 2018. The strongest labor markets are anticipated in Oberösterreich (+13%) and Tirol (+7%)
Employers in Salzburg and Steiermark also expect a modest hiring pace, reporting an Outlook of +5% and +4%

However, employers in four regions forecast a decline in staffing levels, including Voralberg, with a gloomy Outlook of -11%. Viennese employers anticipate a sluggish hiring pace, reporting an Outlook of -10%, and pessimistic Outlooks of -8% and -6% are reported for Karnten and Burgenland, respectively.

Hiring prospects weaken in seven of the nine regions when compared with the previous quarter. Sharp declines of 25 and 21 percentage points are anticipated in Vienna and Voralberg. In Steiermark employers report a considerable decrease of 18 percentage points, while the Outlook for Kärnten declines by 6 percentage points. Meanwhile, Outlooks strengthen in two regions, most notably by 5 percentage points in Salzburg.

In comparison with the first quarter of 2017, Outlooks weaken in five of the nine regions. Voralberg employers report a steep decline of 29 percentage points, and the Outlook for Vienna decreases by 14 percentage points. Burgenland employers report a considerable decline of 12 percentage points, while the Salzburg Outlook is 8 percentage points weaker. However, hiring plans improve in three regions, including Oberösterreich and Steiermark, with employers reporting increases of 8 and 6 percentage points..



Industry sector comparisons: Best job prospects in the Finance, Insurance, Real Estate & Business Services sector

Employers in five of the 10 industry sectors anticipate an increase in staffing levels during the next three months. The strongest labor market with +7% is anticipated in the Finance, Insurance, Real Estate & Business Services sector, while Outlooks stand at +6% and +5% in the Manufacturing sector and the Mining & Quarrying sector. Meanwhile, payrolls are expected to decline in four sectors, including the Public & Social sector, with an Outlook of -4%, and the Restaurants & Hotels sector, where the Outlook is -3%.

When compared with 4Q 2017, hiring prospects weaken in eight of the 10 industry sectors. The most noteworthy reductions are reported in the Restaurants & Hotels sector, where the Outlook is 14 percentage points weaker, and in both the Public & Social sector and the Transport, Storage & Communication sector, with decreases of 13 percentage points. Elsewhere, Outlooks decline by 6 percentage points in both the Electricity, Gas & Water sector and the Wholesale & Retail Trade sector, while Agriculture, Hunting, Forestry & Fishing sector employers report a decrease of 5 percentage points. Meanwhile, hiring plans strengthen in two sectors, including the Construction sector with an improvement of 2 percentage points.

When compared with 1Q 2017 hiring intentions also decline in eight of the 10 industry sectors, most notably by 17 percentage points in the Agriculture, Hunting, Forestry & Fishing sector. Construction sector employers report a decrease of 11 percentage points, and Outlooks are 6 and 5 percentage points weaker for the Public & Social sector and the Manufacturing sector, respectively. However, hiring plans improve in two sectors, including a considerable increase of 12 percentage points reported by employers in the Mining & Quarrying sector.

Organization-Size Comparisons: Large employers expect strongest labor market with an solid Net Employment Outlook of +25%

Payrolls are expected to increase in three of the four organization size categories during the next three months. Large employers report healthy hiring plans with a Net Employment Outlook of +25%. Elsewhere, Medium- and Small-size employers report Outlooks of +14% and +8%, respectively. However, Micro employers anticipate a decline in staffing levels, reporting an Outlook of -4%.

Micro employers report a considerable decline of 11 percentage points when compared with the previous quarter, while Outlooks are 2 percentage points weaker for both Small- and Medium-size employers. Meanwhile, Large employers report relatively stable hiring plans.

In a comparison with 1Q 2017, Medium employers report a moderate improvement of 5 percentage points, and Outlooks are 4 and 3 percentage points stronger for Small- and Large-size employers, respectively. However, Micro employers report a considerable decline of 9 percentage points.



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*[*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.]*

Global Outlook: Employers in 41 of 43 countries report positive hiring activities for Q1 2018

Overall, 58,712 employers in the 43 countries and territories surveyed by ManpowerGroup were interviewed to measure employer hiring intentions for the first quarter of 2018.

Based on seasonally adjusted survey data, employers forecast an increase in staffing levels for 41 of the 43 countries and territories during the coming quarter.

The strongest Net Employment Outlooks are reported by employers in Taiwan, Japan, India, the US and Costa Rica. Meanwhile, employers report the weakest hiring prospects in Austria, Italy, Belgium and France. For the second consecutive quarter since the global recession in 2009 there are no negative Outlooks reported across the 43 countries and territories surveyed.

Press Contact

Mag. (FH) Renate Kaiser
Manager Marketing & Public Relations
T: 43-1-516 76-2011
E: renate.kaiser@manpowergroup.at

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.

The survey is based on interviews with over 58,712 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.

The ManpowerGroup Employment Outlook Survey for the first quarter 2018 in Austria was conducted by interviewing a representative sample of 753 Austrian employers. 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?"*

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.

Note to Editors

Commentary is based on seasonally adjusted data where available.

About ManpowerGroup



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ManpowerGroup® (NYSE: MAN), the leading global workforce solutions company, helps organizations transform in a fast-changing world of work by sourcing, assessing, developing and managing the talent that enables them to win. We develop innovative solutions for over 400,000 clients and connect 3+ million people to meaningful, sustainable work across a wide range of industries and skills. Our expert family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – creates substantially more value for candidates and clients across 80 countries and territories and has done so for nearly 70 years. In 2017, ManpowerGroup was named one of the World's Most Ethical Companies for the seventh 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 is powering the future of work: www.manpowergroup.com

Full survey results for each of the 43 countries and territories included in this quarter's survey, plus regional and global comparisons, can be found at www.manpowergroup.com/meos.