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Fourth-quarter hiring intentions improve slightly in Brazil according to Manpower Employment Outlook Survey

Employer hiring confidence grows slightly stronger—reversing five-year downward trend. But Outlook still indicates tough times ahead for job seekers.

Brazil, São Paulo, September 13, 2016 - ManpowerGroup, the world leader in innovative solutions for people hiring and management, announces the results of its quarterly survey on the Employment Outlook in Brazil for the fourth quarter of 2016. In Brazil, the study interviewed 850 leading human resources executives.

The survey shows that hiring intentions for the fourth quarter of the year reached the -7% level in Brazil once seasonal variations are removed from the data. The forecast for the October-December time frame marks the first quarter in five years where the Outlook for Brazil has improved, increasing by 5 percentage points when compared with 3Q 2016, and by 4 percentage points year-over-year.

“Brazil is going through a period of economic and political instability, and this reflects directly on the opportunities in the labour market, resulting in increased unemployment. However, the scenario for the coming months has a better outlook, with the possibility of reversal of the contractions employers have been reporting for the past five years. The forecast indicates that, on balance, payrolls are still expected to decline, but at a slower pace than we have seen recently,” says ManpowerGroup Brasil CEO, Nilson Pereira.

Sector Comparisons

Staffing levels are forecast to decline in six of the eight industry sectors during 4Q 2016. The strongest – and only positive – hiring plans are reported in the **Public Administration & Education sector**, with a Net Employment Outlook of +6%, while **Finance, Insurance & Real Estate sector** employers report flat hiring intentions with an Outlook of 0%. Elsewhere, employers in two sectors report subdued hiring prospects, with Outlooks of -2% and -3% reported for the **Agriculture, Fishing & Mining sector** and the **Services sector**, respectively.

Sluggish hiring activity is likely in the **Wholesale Trade & Retail Trade sector**, where the Outlook stands at -5%, and the **Manufacturing sector**, with an Outlook of -6%. Meanwhile, gloomy hiring prospects are reflected in Outlooks of -11% and -27% for the **Transportation & Utilities sector** and the **Construction sector**, respectively.

When compared with the previous quarter, Outlooks strengthen in seven of the eight industry sectors. The most noteworthy increases of 17 and 14 percentage points are reported in the **Services sector** and the **Public Administration & Education sector**, respectively. **Manufacturing sector** employers report an improvement of 11 percentage points, while Outlooks are 6 percentage points stronger in the **Agriculture, Fishing & Mining sector**, the **Finance, Insurance & Real Estate sector** and the **Transportation & Utilities sector**. However, **Construction sector** employers report no quarter-over-quarter change.

Year-over-year, hiring plans improve in six of the eight industry sectors, most notably by 11 and 10 percentage points in the **Manufacturing sector** and the **Services sector**, respectively. **Agriculture, Fishing & Mining sector** employers report an increase of 7 percentage points while the Outlook for the **Public Administration & Education sector** is 5 percentage points stronger. Meanwhile, hiring prospects weaken in two sectors, including the **Construction sector** where employers report a decline of 3 percentage points.

Regional Comparisons

Employers anticipate a decline in staffing levels are expected in all five regions during 4Q 2016. The strongest labor markets are reported in Parana State and Great São Paulo, with Net Employment Outlooks of -1% and -3%, respectively. Elsewhere, Minas Gerais employers forecast a sluggish hiring pace, with an Outlook of -7%, while gloomy hiring climates are expected to continue in São Paulo City and Rio de Janeiro State, with Outlooks of -12% and -20%, respectively.

Quarter-over-quarter, hiring intentions strengthen in four of the five regions. Great São Paulo employers report the most noteworthy increase of 11 percentage points, while Outlooks are 4 and 3 percentage points stronger in Parana State and Minas Gerais State, respectively. Meanwhile, hiring plans are unchanged in Rio de Janeiro State.

When compared with 4Q 2015, hiring prospects improve in three of the five regions, most notably by 14 percentage points in Great São Paulo. Parana State employers report an increase of 6 percentage points and the Outlook for Minas Gerais State is 3 percentage points stronger. However, Outlooks decline by 10 and 2 percentage points in Rio de Janeiro State and São Paulo City, respectively.

Organization Size Comparisons

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.

Payrolls are forecast to decline in all four organization size categories during the next three months. The least pessimistic hiring plans are reported by Large employers, with a Net Employment Outlook of -3%. Elsewhere, Outlooks stand at -6% and -8% for Medium - and Small - size employers, respectively, while Micro employers report gloomy hiring intentions with an Outlook of -17%.

Quarter-over-quarter, hiring prospects improve in all four organization size categories, most notably by 13 percentage points for Medium employers. Small employers report an increase of 8 percentage points, while Outlooks are 4 and 3 percentage points stronger for Micro - and Large-size employers, respectively.

Year-over-year, the Outlook for Medium employers is 11 percentage points stronger, while increases of 4 and 2 percentage points are reported by Small - and Large-size employers, respectively. However, Micro employers report a year-over-year decline of 9 percentage points.

International Comparisons

The research reveals staffing levels are expected to grow by varying degrees in 42 of 43 countries and territories through the end of the year. Only employers in Brazil expect payrolls to decline in the October-December time frame. Uncertainty associated with the slowdown of the global economy, the Brexit referendum and continued financial market volatility appears to have had little impact on employer hiring confidence. Slightly more than half of the forecasts strengthen by varying margins when compared to results reported three months ago, with hiring plans improving in 23 of 43 countries and territories, remaining unchanged in nine, and declining in 11. Outlooks improve in 21 countries and territories when compared with Quarter 4 2015, are unchanged in six, and decline in 15. Hiring confidence is strongest in India, Japan, Taiwan and the United States, while employers in Brazil, Belgium, Finland, Italy and Switzerland report the weakest hiring plans.

EMEA (Europe, Middle East & Africa): Employers in all 25 countries in the Europe, Middle East & Africa (EMEA) region expect some level of staffing level growth over the next three months. In a quarter-over-quarter comparison, forecasts improve in 12 countries, weaken in six and are unchanged in seven. When compared year-over-year, job prospects are expected to improve in 16 countries, decline in six and remain unchanged in two. Employers in Ireland and Israel report the region's strongest fourth-quarter hiring plans, while the weakest outlooks are reported in Belgium, Finland, Italy and Switzerland. As was the case in the third-quarter report, employers in each of the EMEA region's 25 countries expect varying degrees of positive hiring activity.

ASIA: Job gains are expected in all eight countries and territories surveyed in the Asia Pacific region. Hiring plans improve in six countries & territories in comparison to Quarter 3 2016 and decline in only two. However, fourth-quarter forecasts weaken in four countries and territories when compared year-over-year, improve in three and are unchanged in one. For the fifth consecutive quarter, employers in India report the most optimistic regional and global hiring plans. China's forecast improves slightly from three months ago, but employers here again report the region's weakest fourth-quarter hiring plans.

AMERICAS: Payrolls are expected to increase by varying degrees in all 10 countries except Brazil where employers report negative hiring intentions for the seventh consecutive quarter. However, employer confidence is mixed when compared to prior reports with forecasts improving by varying margins in five countries in comparison to the July-September period, declining in three and remaining unchanged in two. When compared to Quarter 4 2015, forecasts weaken in five countries, strengthen in two, and are unchanged in three. Employers in the United States, Colombia and Mexico report the region's most optimistic fourth-quarter hiring plans, while opportunities for job seekers are expected to be weakest in Brazil.

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%.

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. 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 Portugal. ManpowerGroup intends to add seasonal adjustments to the Portuguese data 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:

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