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Press Release

The ManpowerGroup Employment Outlook Survey for the Q1 2018:

According to the ManpowerGroup quarterly survey, the hiring pace in Israel is expected to retain a positive outlook in the January - March timeframe

Manpower Israel CEO Michal Dan Harel:

"We are happy to report the labor market appears to be continuing its positive trend of positive hiring forecasts in all sectors. There is, however, one sector which stands out from the rest - the Manufacturing sector, in which employers are reporting the most upbeat hiring forecasts following notable gains in comparison to the prior quarter and last year at this time. Furthermore, opportunities for job seekers are expected to be mostly favorable across the country, with employers in Haifa and the North region forecasting a "winter rain" of jobs and with the most optimistic outlooks in the country when it comes to jobs which are expected to open up."

According to the Employment Outlook Survey conducted by **ManpowerGroup** for Q1 2018 among 750 employers in Israel, the hiring pace is expected to retain a positive outlook in terms of hiring opportunities, and the hiring plans improve by 3 percentage points in a quarter-over-quarter comparison and by 2 percentage points in comparison with the previous quarter last year. At the same time Israeli employers report modest hiring plans for the coming quarter.

Employers participating in the survey 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?" Of the 750 employers that took part in the survey, 14% expect an increase in their payrolls, 5% predict a decrease in headcount, while 77% anticipate no change. Following adjustment of the data to take into account seasonal variations, the Outlook stands at +11%.



Israel Employment Forecast for Q1 2018

	Net Employment Outlook*	Increase	Decrease	No Change	Don't know
	%	%	%	%	%
Q1 2017	9+	11	4	82	3
Q2 2017	9+	14	4	79	3
Q3 2017	10+	13	2	79	6
Q4 2017	8+	12	5	79	4
Q1 2018	11+	14	5	77	6

* Net Employment Outlook has been seasonally adjusted.

Results by industry sector:

Robust growth in the Manufacturing-Durables sector, Agriculture, Construction, the Public and Social sector and in the Restaurants & Hotels sector. The more cautious results are in the Finance, Insurance companies, Real Estate, Transport and Communication sectors.

Employers in all ten industry sectors anticipate an increase in the headcount in the coming quarter. The strongest hiring intentions were reported by the Manufacturing sector, with a Net Employment Outlook of +16%. Respectable payroll growth is expected also in the Agriculture, Hunting, Forestry & Fishing Sector, with an outlook of +14%. Elsewhere, an upbeat forecast of an 11% increase has been reported in three sectors: Construction Industry, the Public and Social sector, and the Restaurants & Hotels sector. The Mining & Quarrying sector reported an outlook of +10%. –The most cautious hiring intentions were reported in the Finance, Insurance, Real Estate & Business Services sector and in the Transport, Storage & Communication sector, where the Net Employment forecast stands at +7%.

In comparison with the last quarter of 2017, employers in seven of the ten industry sectors are reporting an upturn in their recruitment forecasts. In the Agriculture, Hunting, Forestry & Fishing sector there was a substantial uptick in the forecast – 11 percentage points, compared with an increase of 9 and 8 percentage points in the Manufacturing sector and the Restaurants & Hotels sector, respectively. Employers in the Mining & Quarrying sector report an increase of 7 percentage points, while the forecast for the Public and Social sector increases by 4 percentage points. On the other hand, a downturn in hiring intentions is reported in three sectors, most notably (a 5 percentage point decline) in the Finance, Insurance, Real Estate & Business Services sector.

Compared to the first quarter of 2017, employers report an improvement in hiring intentions in six of the ten industry sectors. Increases of 8 percentage points are reported in the Public and Social sector, whereas an increase of 7 percentage points is reported in the Manufacturing sector. Both in the Agriculture, Hunting, Forestry & Fishing sector and in the Transport, Storage & Communication sector, employers are reporting an increase of 6 percentage points in their forecast. On the other



hand, a decrease in the forecast is recorded in three sectors, including a decrease of 7 percentage points and 5 percentage points in the Restaurants & Hotels sector and in the Finance, Insurance, Real Estate & Business Services sector, respectively.

	Net Employment Outlook, Q1 2018*	Net Employment Outlook Q4 2017*	Net Employment Outlook Q1 2017*
AGRICULTURE	+14%	3%+	+8%
CONSTRUCTION	+11%	+14%	+9%
ELECTRICITY, GAS & WATER SUPPLY	+9%	+6%	+7%
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	+7%	+12%	+12%
MANUFACTURING	+16%	+7%	+9%
PUBLIC & SOCIAL SERVICES	+11%	+7%	+3%
RESTAURANTS & HOTELS	+11%	+3%	+18%
TRANSPORT, STORAGE & COMMUNICATION	+7%	+5%	+1%
WHOLESALE & RETAIL TRADE	9%+	11%+	9%+

* Net Employment Outlook has been seasonally adjusted.

Results by geographies:

The most robust employment forecast is reported by employers in the in Haifa and northern region, and in Tel Aviv the forecast is also substantial. The weakest forecast is in the south.

Increases in payrolls are forecast in all six geographies during Q1 2018. The strongest labor markets are forecast in two geographies, Haifa and the north, with net employment outlooks of +14% reported in both. Employers in Tel Aviv are reporting positive hiring intentions, with a forecast of +13%, compared with employers in Jerusalem and the center, who are reporting a forecast +11% and +10%, respectively. In the South, the weakest geographical forecast is reported, although employer hiring plans remain a cautiously optimistic +8%.

When compared with the previous quarter, hiring intentions strengthen in five of the 6 geographies. The most substantial improvement, of 7 percentage points, is reported by employers in the Center, compared with a strengthening of 6 and 3 percentage points in the North and in Haifa, respectively. Conversely, employers in the South report no change.



Year-over-year, Hiring intentions are stronger in five of the six geographies. The most substantial improvement, of 7 percentage points, is reported by employers in Haifa, compared with a strengthening of 4 and 2 percentage points in the North and in the Center, respectively. Conversely, employers in the South report a decline of 2 percentage points.

	Net Employment Outlook, Q1 2018*	Net Employment Outlook Q4 2017*	Net Employment Outlook Q1 2017*
Jerusalem	11%+	10%+	10%+
The Center	10%+	3%+	8%+
Haifa	14%+	11%+	7%+
North	14%+	8%+	10%+
South	8%+	8%+	10%+
Tel Aviv	13%+	11%+	12%+

* Net Employment Outlook has been seasonally adjusted.

Organization-Size Comparisons

Participating employers are categorized into one of four employers sizes: microbusinesses have less than 10 employees; small businesses have 10-49 employees; employers have 50-249 employees; and large businesses have 250 or more employees.

For the coming quarter, Employers in all four organization size categories expect job gains in all four organization size categories. Large employers report the strongest hiring intentions with a Net Employment Outlook of +25%, while Outlooks of +10% and +8% are reported by Medium- and Small-size employers, respectively, and in the Micro businesses category, employers report a forecast of +5%.

Quarter-over-quarter, large employers report substantial strengthening of the hiring outlook of 16 percentage points, whereas the outlook among small-size employers improves by 3 percentage points. Relative stability in the Hiring intentions is reported both in the Micro businesses category and in the medium-size businesses category.

Year-over-year, an improvement of 8 and 2 percentage points has been noted among large and small employers. Meanwhile, Medium-size employers report relatively stable hiring intentions whereas the outlook among Micro businesses has remained unchanged.



	Net Employment Outlook, Q1 2018*	Net Employment Outlook Q4 2017*	Net Employment Outlook Q1 2017*
Micro businesses (less than 10 employees)	5%+	6%+	5%+
Small businesses (10 to 49 employees)	10%+	7%+	8%+
Medium businesses (50 to 249 employees)	8%+	7%+	9%+
Large businesses (over 250 employees)	25%+	9%+	17%+

* Net Employment Outlook has been seasonally adjusted.

Global Employment Outlook:

Overall, outlooks are strengthening or remain unchanged in most countries and territories.

ManpowerGroup personnel have interviewed close to 59,000 employers in 43 countries and territories to form a forecast of the expected activity* in the job market in the first quarter of 2018. All the employers are asked the same question: "How do you anticipate total employment in your region to change in the next three months (January to the end of March 2018) as compared to the current quarter?"

According to the survey, for the January-March timeframe, workforce growth of varying degrees is forecast by employers in 41 of the 43 countries and territories taking part. Furthermore, this is the second consecutive quarter since the financial meltdown of 2009, in which none of the employers in any of the 43 countries and territories taking part in the survey reported negative forecasts. It is even more encouraging to note that employers in some countries, including Australia, Japan, Norway, Poland, Romania and the United States are reporting the most robust hiring plans in five years or more. There have been signs of stabilization in several countries, most significantly in Brazil, China and India.

Overall, outlooks are strengthening or remain unchanged in most countries and territories. Compared with the Compared to the last quarter of 2017, the hiring pace is expected to improve in 20 of the 43 countries and territories, to decrease in 15, and remain stable in eight. Year-over-year, there is a pattern of increased confidence and improved hiring plans in 26 of the 43 countries and territories, weakening in only 11, and remaining stable in six.

Ahead of the first quarter of 2018, employers are reporting forecasts of workforce gains in 23 of the 25 countries in the Europe, Middle East & Africa (EMEA) region. In 10 countries in this region there has been an improvement in hiring plans in a quarter-over-quarter comparison, a weakening has been recorded in 10 and the remaining five remain stable. Year-over-year, the outlook improves in 14 countries and weakens in eight, while remaining stable in three. Job seekers in Romania and Slovenia may be benefitting from the robust hiring intentions in the EMEA region first-quarter,



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compared with the weakest forecasts, which have been reported in Austria and Italy, where employers expect the hiring pace to stagnate in the first three months of the year.

In all of the 8 Asia-Pacific countries and territories, a trend of worker job gains is expected in the coming three months and a general positive trend in the outlook. Compared with the last quarter results, the outlook improves to one degree or another in five countries and territories, weakens in only two and remains stable in one country. Year-over-year, a strengthening in hiring intentions has been noted in hiring plans in six of the countries, with unchanged plans in the remaining two countries. Employers in Taiwan are reporting the most optimistic forecasts in the region (and even among all of the participants in the survey). The weakest forecasts in the region have been reported by employers in China and in Singapore.

Positive outlooks have been reported in all ten countries participating in the survey in the Americas. Employer hiring confidence strengthens in five countries and declines in three, while remaining stable in two when compared to the final three months of 2017. Year-over-year, there is an outlook of improvement in recruitment activity in six countries, a slowdown is expected in three and one country expects to remain unchanged. The strongest hiring intentions for the first-quarter were reported in both the United States and Costa Rica, as opposed to the employers in Brazil and Panama, who forecast the weakest hiring intentions.

The full results of the quarterly survey for all 43 participating countries and territories, as well as regional and

global comparisons, are available at: www.manpowergroup.com/meos

ManpowerGroup's next Employment Outlook Survey will be published on March 13, 2018, and will report on anticipated job market activity in the second quarter of 2018.

*The interpretation is based on seasonally adjusted data, in the relevant locations. The data are not seasonally adjusted, except for Portugal.



About the ManpowerGroup Employment Outlook Survey

The ManpowerGroup Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease their payrolls during the next quarter. ManpowerGroup's comprehensive hiring intentions survey has been running for over 50 years. It reports the employers' forecasts and is considered one of the most trusted surveys of employment activity in the world. Various factors underpin the success of the Manpower 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 close to 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 geographies 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 Q1 2018 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 2018 as compared to the current quarter?"

Methodology

- The ManpowerGroup 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 data for other countries 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.



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About ManpowerGroup

ManpowerGroup® (NYSE: MAN) is the world's workforce expert, creating innovative workforce solutions. The company assists organizations to change direction in the rapidly changing employment world - through sourcing, evaluation, development and management services of the talents which will facilitate their success. We develop innovative solutions for over 400,000 customers and put over 3 million workers in touch with meaningful, sustainable jobs every day in a wide range of skills and sectors. Through our ManpowerGroup family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – we have been creating greater value for candidates and clients in 80 countries and territories worldwide for close to 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 sector.

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