

Hiring intentions upbeat despite softening in key sectors

NEW ZEALAND (12 September 2017) – Hiring intentions have eased for the last quarter of the year as New Zealand employers await the outcome of the election with five out of seven tracked industries reporting weaker employment expectations than the same time last year. However, employment expectations remain in positive territory sustaining an 8-year run of strong hiring intentions.

The *ManpowerGroup Employment Outlook Survey* for 4Q17 records a Net Employment Outlook (NEO)¹ of +11% for New Zealand, signalling that more companies expect to increase staffing levels than not heading into the last quarter of the year. The survey collects data from over 59,000 employers in 43 countries, including 650 in New Zealand.

INSERT GRAPH OF NEW ZEALAND NEO FROM 2010

While remaining positive and within a steady band, employers in most sectors and regions across the country have recorded a weaker Outlook for payrolls both quarter-over-quarter and year-over-year.

Despite the decline, ManpowerGroup Australia & New Zealand Managing Director Richard Fischer believe the latest data affirms the strength of the New Zealand employment market while pointing to some key differences across the country.

“New Zealand has now sustained eight years of strong hiring expectations. Employers are signalling that they intend to continue this vigorous competition for talent as we head into the fourth quarter”, said Mr Fischer.

“However, there are clear differences across the country with the Mining and Construction sector continuing to drive the positive Outlook at +18% while other sectors are more subdued. It is evident that reconstruction in Christchurch continues to underpin a strong employment Outlook in that market.”

Steady workforce gains are forecast for three sectors with Outlooks of +12% - the Public Administration & Education sector, the Transportation & Utilities sector and the Wholesale & Retail Trade sector. Respectable hiring activity is also anticipated in the Finance, Insurance

¹ The Net Employment Outlook is calculated by subtracting the percentage of employers anticipating a decrease in hiring activity from the percentage of employers anticipating an increase in employment. Seasonal adjustment is then applied to the data.

& Real Estate sector and the Services sector, with Outlooks standing at +11%. Meanwhile, the weakest Outlook of +9% is reported in the Manufacturing sector.

Quarter-over-quarter, Outlooks weaken in five of the seven industry sectors. Finance, Insurance & Real Estate sector employers report the most notable decrease of nine percentage points. Hiring plans are six percentage points weaker in the Mining & Construction sector, while declining by five percentage points in both the Manufacturing sector and the Transportation & Utilities sector. However, slight improvements of two percentage points are reported in both the Public Administration & Education sector and the Services sector.

Hiring intentions also weaken in five of the seven industry sectors when compared with this time one year ago. The Outlook for the Mining & Construction sector declines by nine percentage points, while decreases of five percentage points are reported in both the Manufacturing sector and the Wholesale & Retail Trade sector. Employers in two sectors – the Finance, Insurance & Real Estate sector and the Services sector – report declines of three percentage points. Meanwhile, hiring prospects improve by two percentage points in both the Public Administration & Education sector and the Transportation & Utilities sector.

INSERT SECTOR COMPARISON GRAPH OF NEO – BAR GRAPH

Employment levels are forecast to increase in all three regions during the coming quarter. The strongest labour market is anticipated in Christchurch where employers report a Net Employment Outlook of +12%. Elsewhere, Outlooks stand at +11% and +10% in Auckland and Wellington, respectively.

However, when compared with 3Q 2017, hiring prospects weaken in Christchurch and Auckland, where employers report decreases of five and three percentage points, respectively. However, the Outlook for Wellington is two percentage points stronger.

Auckland employers report a moderate decline of five percentage points when compared with this time one year ago, but Outlooks remain relatively stable in both Christchurch and Wellington.

REGIONAL COMPARISON GRAPH OF NEO – BAR GRAPH

Within the Asia Pacific region, New Zealand reported stronger employment expectations than Australia, which has a Net Employment Outlook of +10%. Japan has the strongest Outlook at +23%. Elsewhere, the United States is recording an Outlook of +17%.

Large businesses are also driving New Zealand's strong employment expectations with an Outlook of +24%. Large businesses also had the biggest year-on-year gain with a jump of 20 percentage points. All other businesses reported declining expectations for 4Q17.

Mr Fischer said that overall New Zealand's employment Outlook is stable. He expects a rise in hiring intentions for the Retail sector and demand for retail workers over the coming months:

“Retailers are currently reporting more subdued expectations than a year ago but the Outlook remains positive. Employment expectations for the sector are likely to pick up once the election is over and the critical Christmas shopping period gets closer, resulting in fierce competition for retail talent.”

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About ManpowerGroup

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