

**Press Release**

**Manpower Employment Outlook Survey for the First Quarter of 2016**

**ManpowerGroup's quarterly research indicates Israel's hiring pace likely to soften in January-March time frame**

- **Israel's Net Employment Outlook of +6% declines slightly in comparison to prior quarter and last year at this time.**
- **Among the 752 survey participants: +12% forecast an increase in payrolls; +78% expect that there will be no change in the employee headcount; +7% of employers report layoff intentions.**
- **A sectorial analysis indicates recovery in the Construction Industry; employers in the Hotels & Restaurants sector forecast moderate reductions.**
- **Employers report the strongest hiring intentions in the North and Tel Aviv regions, and the Finance and the Wholesale & Retail Trade industry sectors.**
- **Globally: The strongest forecasts are reported in India, Taiwan, Japan, Turkey and the United States; the weakest—and only negative— forecasts are reported in Brazil, Finland and France.**

According to the Manpower Employment Outlook Survey released today, Israeli employers expect job seekers will likely benefit from some hiring opportunities in the first quarter of the year. However, the survey of Israeli employers and hiring managers, in both the private and public sector, indicates that hiring will proceed at a more conservative pace than reported three months ago and last year at this time.

All employers participating in the quarterly research were asked, "How do you anticipate total employment at your location to change in the three months to the end of March 2016 as compared to the current quarter?"

Of the 752 Israeli employers who participated in the survey, 12% said they expected an increase in staffing levels, 7% expected to reduce staffing levels, and 78% indicated their current staffing levels were likely to remain unchanged through the next three months. Once seasonal variations are removed from the data, Israel's Net Employment Outlook stands at a cautiously optimistic +6%. The forecast represents slight declines of 3 and 2 percentage points when compared quarter-over-quarter and year-over-year, respectively.

First-quarter opportunities for job seekers are expected to be the most favorable in the Finance, Insurance, Real Estate & Business Services sector and Tel Aviv region



**Employment Forecast for the Fourth Quarter of 2015**

	<b>Net Employment Outlook*</b>	<b>Increase</b>	<b>Decrease</b>	<b>No Change</b>	<b>Don't know</b>
	%	%	%	%	%
1Q 2015	8	15	8	72	5
2Q 2015	8	15	5	78	2
3Q 2015	11	16	4	74	6
4Q 2015	9	13	5	80	2
1Q 2016	6	12	7	78	3

\* Net Employment Outlook has been seasonally adjusted.

**Sectorial comparisons: Transport, Storage and Communication are expanding; Restaurants & Hotels sector are tumbling while the Construction sector is recovering**

Employers in 8 of 10 industry sectors forecast job gains in the January-March time period. The strongest hiring pace is anticipated in the Finance, Insurance, Real Estate & Business Services sector where the Net Employment Outlook stands at +17%. Respectable payroll gains are also expected in the Wholesale & Retail Trade sector with an Outlook of +14%, and the Transport, Storage & Communication sector, where the Outlook is +13%. Mining & Quarrying sector employers forecast a hopeful hiring climate with an Outlook of +11%, while the Outlook for the Electricity, Gas & Water Supply sector stands at +9%. At the same time, a flat labor market is expected in two sectors, which have been reporting an Outlook of 0% – the Construction sector and the Public & Social sector.

When compared with the previous quarter, hiring intentions weaken in seven of the 10 industry sectors. Restaurants & Hotels sector employers report a decline of 8 percentage points and Outlooks are 7 and 5 percentage points weaker in the Public & Social sector and the Manufacturing sector, respectively. Increases of 3 percentage points are reported both in the Finance, Insurance, Real Estate & Business Services sector and the Transport, Storage & Communication sector.

Year-over-year, employers in five of the 10 industry sectors report stronger hiring intentions. A considerable improvement of 18 percentage points is reported in the Transport, Storage &



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Communication sector while the Mining & Quarrying sector Outlook is 6 percentage points stronger. However, hiring plans also weaken in five sectors, most notably in the Public & Social sector (16%). Noteworthy declines of 7 and 6 percentage points are reported in the Manufacturing sector and the Restaurants & Hotels sector, respectively.

	Net Employment Outlook 1Q 2016*	Net Employment Outlook 4Q 2015*	Net Employment Outlook 1Q 2015
Agriculture	7%	9%	10%
CONSTRUCTION	0%	-1%	3%
ELECTRICITY, GAS & WATER SUPPLY	9%	11%	8%
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	17%	14%	13%
MANUFACTURING	2%	7%	9%
MINING & QUARRYING	11%	12%	5%
PUBLIC AND SOCIAL	0	7%	16%
RESTAURANTS & HOTELS	2%	10%	8%
TRANSPORT, STORAGE & COMMUNICATION	13%	10%	-5%
Wholesale & Retail Trade	14%	16%	10%

\* Net Employment Outlook has been seasonally adjusted.

**Regional comparisons: the strongest employment forecast is reported by employers in Tel Aviv and in the north**

Payrolls are forecast to grow in all six regions during 1Q 2016. Employers report the strongest hiring intentions in the North and Tel Aviv, where Net Employment Outlooks stand at +12%. Employers in Jerusalem are cautiously optimistic, with an employment outlook of +9%, while the Outlook for the South stands at +8%. Some job gains are anticipated in both Haifa and the Center, with Outlooks of +4%.



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Hiring plans weaken in four of the six regions when compared with the previous quarter. The most noteworthy declines of 4 percentage points are reported in the Center and Haifa, while the Outlook for the North is 3 percentage points weaker. Meanwhile, Jerusalem employers report no quarter-over-quarter change and the Outlook for the South remains relatively stable.

Year-over-year, Outlooks decline in five of the six regions. Employers in the Center report a considerable decrease of 9 percentage points. At the same time Outlooks are 3 percentage points weaker in both Jerusalem and Haifa. However, the Outlook for the North improves by 9 percentage points.

	Net Employment Outlook 1Q 2016*	Net Employment Outlook 4Q 2015*	Employment Outlook 1Q 2015*
Jerusalem	9%	9%	12%
The Center	4%	8%	13%
Haifa	4%	8%	7%
North	12%	15%	3%
South	8%	7%	9%
Tel Aviv	12%	13%	13%

\* Net Employment Outlook has been seasonally adjusted.

### Organization Size Comparisons: Large employers retain a high hiring pace

Workforce gains are forecast in all four organization size categories during 1Q 2016. The strongest hiring pace is anticipated by large employers with a Net Employment Outlook of +15%, while the Outlook for Small employers stands at +9%. At the same time, Outlooks of +6% and +3% are reported in the Medium- and Micro-size categories, respectively.

Quarter-over-quarter, hiring intentions weaken by 2 percentage points for Small- and Medium-size employers. Large employers report relatively stable hiring prospects and the Outlook for Micro firms is unchanged.

Year-over-year, Outlooks decline by 6 and 3 percentage points for Medium- and Large-size employers, respectively. However, Micro employers report an improvement of 3 percentage points.



	<b>Employment Outlook 1Q 2016*</b>	<b>Employment Outlook 4Q 2015*</b>	<b>Employment Outlook 1Q 2015*</b>
Micro businesses (less than 10 employees)	3%+	3%+	0%
Small businesses (10 to 49 employees)	9%+	11%+	8%+
Medium businesses (50 to 249 employees)	6%+	8%+	12%+
Large businesses (over 250 employees)	15%+	16%+	18%+

\* Net Employment Outlook has been seasonally adjusted.

**Global Employment Outlook: Positive Outlooks in India, Taiwan, Japan, Turkey and the United States; negative Outlooks in Brazil, Finland and France.**

According to the first-quarter research from ManpowerGroup, employers in 39 of 42 countries and territories intend to add to their payrolls by varying degrees at the start of 2016. However, the survey reveals few trends that signal labor market momentum is building in one direction or another. Opportunities for job seekers are expected to remain similar to those available in the final three months of 2015, and results for the January-March time frame indicate that a small majority of employers are content to either retain current staff or grow payrolls at modest levels while they await more definitive signs in the marketplace.

Overall, forecasts are mixed in comparison to the Quarter 4 2015 and Quarter 1 2015 surveys; hiring plans improve in 23 of 42 countries and territories when compared quarter-over-quarter, decline in 13, and are unchanged in six. Outlooks strengthen in 19 countries and territories year-over-year, weaken in 18, and are unchanged in five. First-quarter hiring confidence is strongest in India, Taiwan, Japan, Turkey and the United States. The weakest—and only negative—forecasts are reported in Brazil, Finland and France.

Workforce gains are forecast in 22 of 24 countries in the Europe, Middle East & Africa (EMEA) region. Hiring plans improve in 14 countries quarter-over-quarter and weaken in only seven. In a year-over-year comparison, Outlooks improve in 12 countries and decline in eight. Once again, Turkish job seekers will likely benefit from the strongest employer hiring plans in the EMEA region.



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In addition, employers in Slovakia are reporting their most optimistic hiring plans since their survey was launched in Quarter 4 2011, while employers in Italy are reporting positive hiring expectations for the first time since the first quarter of 2011. Employers in Finland and France forecasts report the upcoming quarter's weakest EMEA forecasts.

Payrolls are expected to increase in all eight Asia Pacific countries and territories. When compared to the prior quarter, Net Employment Outlooks improve in four countries and territories and decline in two. However, employer forecasts are trending weaker in a year-over-year comparison with the hiring pace expected to slow by varying margins in five countries and territories and strengthen in only two. Employers in India are reporting, for the second consecutive quarter, the most optimistic Outlooks of all of the participants in the survey, compared with the weakest forecast from employers in China.

Positive Outlooks are reported in nine of the 10 countries surveyed in the Americas. Hiring confidence strengthens in five countries and declines in four when compared to the final three months of 2015. Year-over-year, employers in five countries report improved hiring prospects, while those in the remaining five report weaker forecasts. Employers in the United States are reporting, for the third consecutive quarter, the strongest hiring plans in the Americas. In Brazil employers are reporting the weakest hiring plans, for the fourth consecutive quarter, as well as the least optimistic hiring plans among the 42 countries participating in the survey.

### **About the Manpower Employment Outlook Survey**

The Manpower 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 Manpower Employment Outlook Survey:**

- Unique: It is unparalleled in its size, scope, longevity and area of focus.
- Projective: The Manpower Employment Outlook Survey is the most extensive, forward-looking employment survey in the world, asking employers to forecast employment over the



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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 over 58,000 public and private employers across 42 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 2016 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 2016 as compared to the current quarter?"

## **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 Finland. 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.



## About ManpowerGroup

ManpowerGroup™ has been the world's workforce expert, creating innovative workforce solutions for more than 65 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 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 2015, ManpowerGroup was named one of the World's Most Ethical Companies for the fifth consecutive year and one of Fortune's Most Admired Companies, confirming our position as the most trusted and admired brand in the industry.

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