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Press Release

Embargoed until 0:01 GMT 14 March

ManpowerGroup Employment Outlook Survey: German employers remain cautiously optimistic; one in ten plans to hire new staff in the second quarter

- One in five employers in Berlin plans to hire new staff
- Employer hiring plans in the USA remain upbeat

Eschborn, 14th March 2017 – Employers in Germany have a cautiously optimistic outlook for the second quarter of 2017. Ten percent of employers are planning to hire new staff in April to June 2017. This represents an increase of three percentage points compared to the same quarter of the previous year. The seasonally adjusted Net Employment Outlook for the second quarter of 2017 has reached +7 percentage points. The mood therefore remains cautiously optimistic in comparison to the previous quarter.

“The positive mood of the German economy is becoming increasingly tinged with uncertainty regarding the implications of the US elections and an overheated real estate market. Furthermore, in the light of the latest figures from the German Federal Statistical Office, we believe it to be possible that the boom on the German labor market has reached its peak,” says Herwarth Brune, CEO of ManpowerGroup Germany.

Hiring plans are particularly strong, reaching +20 percentage points in Berlin. These are the results of the ManpowerGroup Employment Outlook Survey for the second quarter of 2017, for which 1,000 employers in Germany were surveyed.

+++ You can find the results of the study in a compact format as a video and infographics [here](#) +++

The seasonally-adjusted Net Employment Outlook is positive for the second quarter of 2017 in seven of the eight surveyed regions. This means that more employers are planning to increase rather than reduce staff levels. While ten percent plan to hire new staff, four percent expect to make redundancies. 83 percent plan to keep the same number of staff.

From a regional perspective, the Employment Outlook of +20 percentage points in Berlin is the strongest. This corresponds to an increase of nine percentage points compared to the first quarter of 2017 and, following three consecutive quarters of improvement, is the strongest result since 2011. 21 percent of the surveyed employers in the German capital are planning to hire new staff in the second quarter of this year.



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Only one percent expects to employ fewer staff in the coming three months. This clearly positions Berlin employers as the most confident for the whole of Germany in the April-June time frame. Just one year ago, the Employment Outlook in the capital was negative (Q2 2016: -1 percentage point), while employers in Frankfurt am Main and Munich were significantly more optimistic. .

The number of employees reached a new peak in Berlin in 2016 with 1,889,400 people. In comparison to the previous year, this represents an increase of 2.5 percentage points. Berlin therefore displays the strongest growth rate of all the Federal States with regard to the development of employment.

Northern Germany follows in second place (+9 percentage points). For employers in cities like Hamburg, Kiel and Rostock, there is a growth in the Employment Outlook of four percentage points. The south also performs comparatively well at +8 percentage points and comes in third place with an increase of three percentage points. In the other large cities of Frankfurt am Main (+6 percentage points) and Munich (+4 percentage points), the Employment Outlook has weakened slightly.

Finance and Construction sectors as well as large companies are hiring new staff

The strong industry sectors in Berlin are reflected in the whole of Germany. As in the previous quarters, the most positive mood is found in the Finance sector and among corporate service providers. Here, the seasonally-adjusted Net Employment Outlook for the second quarter of 2017 comes to +11 percentage points. “The sector’s second-quarter forecast appears to correspond with recent government statistics. Approximately 5.9 million people were working for corporate service providers in 2016. According to the German Federal Statistical Office, this is an increase of 131,000 people,” noted Brune.

Employers in the Construction sector report an equally positive outlook for the months of April to June 2017: The Employment Outlook has risen here by nine percentage points to stand at +11 percentage points. This is the strongest result since the beginning of 2014. The Manufacturing sector forecast improved by two percent to stand at +8 percentage points.

The outlook is more reserved for the Logistics and Communications sectors than in the previous quarter. The Employment Outlook has fallen here by six percent to its current



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level of +1 percentage point. Retail and Gastronomy remain at a low level of +/-0 percentage points.

By contrast, major banks, building companies and industrial companies plan to continue hiring new staff. Small firms in the Retail and Communications sectors are focusing instead on maintaining their staff levels. Across all the industries, it is mainly the large companies that are planning to hire new staff in the second quarter of 2017. The Employment Outlook for large companies stands at +23 percentage points. This represents a growth of six percent compared to the first quarter of 2017 and of 15 percentage points in comparison with the previous year. 27 percent of major companies are planning to hire greater numbers of staff between April and June. While medium-sized companies also aim to recruit rather than dismiss staff, their Employment Outlook has fallen by three percent to a current level of +13 percentage points. Smaller companies also report an outlook of +13 percentage points, which is, however, a slight increase compared to the previous quarter. Micro-firms are at the weakest hiring level of +/-0 percentage points and plan to maintain their current staff levels.

International: EMEA labor market forecasts are mainly positive – greater hiring confidence also in the USA

Hiring plans remain strong in the USA. Announced measures like the relaxation of financial market regulations and the restructuring of international agreements in favor of a more protectionist trade policy have ensured continued optimism among employers there. The Net Employment Outlook has increased by one percent to +17 percentage points.

Although US President Donald Trump's politics are creating uncertainty among employers in Europe and elsewhere, the labor market situation remains strong on the whole. Employers in 21 of 24 surveyed countries in the region of Europe, Middle East and Africa (EMEA) are planning to hire more staff rather than make redundancies.

The outlook for employers is particularly positive in Slovenia (+22 percentage points), Hungary (+17 percentage points) and Romania (+16 percentage points) in the foreseeable future.

The hiring pace in both Bulgaria (+13 percentage points, increase of 1 percent) and Poland (+12 percentage points, increase of 4 percent) is also expected to be steady. Outlooks in Greece (+9 percentage points) and Spain (+5 percentage points) have improved by two percent compared to the previous quarter.



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The mood is less positive on the Italian labor market, where the Employment Outlook for the second quarter of 2017 stands at -2 percentage points – a fall of one percent compared to the previous quarter. Belgium has lost six percent since the first quarter of 2017 and now stands at +/-0 percentage points. Switzerland has gained one percent, but the forecast is still among the three weakest in the EMEA at +/-0 percentage points.

You can find more detailed results from the ManpowerGroup Employment Outlook Survey for all participating countries including infographics [here](#).

About the survey

The ManpowerGroup Employment Outlook Survey is the longest-running, most extensive, forward-looking employment survey in the world, commencing in 1962 and now polling nearly 59,000 employers in 43 countries and territories to measure their intentions to increase or decrease the number of employees in their workforce during the next quarter. The survey serves as a bellwether of labor market trends and activities and is regularly used to inform the Bank of England's Inflation Reports, as well as a regular data source for the European Commission, informing its EU Employment Situation and Social Outlook report the *Monthly Monitor*. ManpowerGroup's independent survey data is also sourced by financial analysts and economists around the world to help determine the health of labor markets.

About ManpowerGroup

ManpowerGroup™ (NYSE: MAN) has been the world's workforce expert, creating innovative workforce solutions, for nearly 70 years. As workforce experts, we connect more than 600,000 men and women to meaningful work across a wide range of skills and industries every day. Through our ManpowerGroup family of brands — Manpower®, Experis™, Right Management® and ManpowerGroup™ Solutions— 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 2016, ManpowerGroup was named one of the World's Most Ethical Companies for the sixth 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 makes powering the world of work humanly possible: www.manpowergroup.com.

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