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MANPOWERGROUP EMPLOYMENT OUTLOOK SURVEY – MEOS Q3 2020

Hiring Intentions in Belgium at 17 Year Low for Q3/2020, Though Many Expect a Return Within 12 Months

- *ManpowerGroup Employment Outlook survey shows the first effects of the Covid-19 crisis on hiring plans in Belgium and around the world*
- *The Net Employment Outlook stands at its weakest and first negative level since the survey began in Belgium in 2003*
- *7 Belgian employers out of 10 expect to return to pre-COVID-19 hiring levels within 12 months*

Brussels, Belgium, 9th June 2020 –

The world is going through an unprecedented crisis. According to the ManpowerGroup Employment Outlook Survey published today, 71% of 461 employers surveyed at the end of April in Belgium said their normal business activity has been partially or completely suspended by the Covid-19 outbreak. The survey reveals that activity has been halved in 40% of cases, whilst it has continued almost normally in one in four companies. As every quarter, ManpowerGroup has measured employers hiring intentions for the next three months.

In Belgium, 11% of employers surveyed plan to increase their workforce by the end of September 2020 and 16% forecast a decrease. 62% anticipate no change and 11% are undecided. After seasonal adjustment, the NEO (*) – the difference between the percentage of employers expecting to hire staff and the percentage of those planning to reduce staff – stands at a negative -5%. It is a steep decline of 18 percentage points when compared with the previous quarter and by 12 percentage points in comparison with the same period last year. It is the weakest and first negative forecast since the survey began in Belgium in 2003

Outlooks also reached their weakest level in 17 years in Flanders (-7%) and Brussels (-1%), while the Net Employment Outlook remains slightly positive in Wallonia (+3%). Hiring plans weaken in all three regions when compared with the previous quarter and the same period last year – and especially in Flanders (with a decrease of 22 and 19 percentage points).

"As might be expected following the Covid-19 crisis, the Net Employment Outlook is negative, indicating the prospect of a first contraction in employment in Belgium by the end of September," explains Philippe Lacroix, Managing Director of ManpowerGroup BeLux. "In the short term, we might have feared an even worse negative forecast, but the international results of our survey show that Belgian employers are less pessimistic than most of their European counterparts - with weaker Outlooks in 16 out of 22 countries surveyed in Europe. The market offers little visibility in this context of great uncertainty. The impact of this pandemic on employment will depend how quickly activity resumes in the various sectors and the maintenance or implementation of new measures to support businesses. As we gradually return to work, health and safety must remain the top priority, by extending teleworking or taking action to protect workers in the workplace."



Declining forecasts in all industry sectors surveyed

Only employers in the Construction sector (+ 5%), Manufacturing (+ 3%) and Transport and Logistics (+ 1%) report slightly positive Net Employment Outlooks. Employers in the Other Production sector (**) anticipate a flat labor market (0%) during the next quarter. Meanwhile, employers in the remaining four sectors expect to trim payrolls and report their weakest Outlook ever recorded since the launch of the survey in Belgium 17 years ago : Finance, insurance, real estate and business services (-7%), Wholesale trade and retail (-10%), Public services, health, education and social services (-11%), Restaurants & Hotels sector (-14%). The employment outlook is down in all sectors, both compared to the previous quarter and compared to the 3rd quarter 2019.

"The situation is particularly worrying in the Horeca sector – one of the sector severely affected by the lockdown – , where more than one in five employers surveyed (22%) anticipate redundancies by the end of September, " points out Philippe Lacroix. According to the survey, employers in three of the four organization size categories anticipate a decline in payrolls over the next quarter. The weakest hiring pace is forecast by Small employers (10-49 employees), with a downbeat Net Employment Outlook of -11%.

72% of employers surveyed expect recruitment activity to return to normal within 12 months.

According to the ManpowerGroup survey, more than 7 Belgian employers out of 10 expect to return to pre-COVID-19 hiring levels within 12 months. Recovery in the recruitment market is likely to be gradual: within three months according to 34% of the employers surveyed, between 4 and 9 months for 23% of them, between 10 and 12 months for 15%. Almost one in 10 employers estimate that it will take more than a year. This confidence in the future is notable in all three regions: 69% in Flanders, 75% in Brussels and 76% in Wallonia.

This relative optimism is not shared by the majority of the 12,500 employers interviewed by ManpowerGroup in 26 countries in the EMEA region.

In fact, only slightly more than one in two employers (55%) surveyed at European level believe that the hiring pace will return to normal within 12 months. This doubt about recovery in the recruitment market is also observed in Poland (25%), Spain (38%), Sweden (41%), °, Germany (48%), Netherlands (35%), Switzerland (56%), the United Kingdom (57%), France (60%) and, Italy (63%). *"The survey showed that many employers remain uncertain about their forecasts in Belgium (16%), which could tip the balance one way or the other. What is sure is that all stakeholders on the job market must join forces to recreate conditions that will allow a recovery, in complete safety"* added Philippe Lacroix.

For the next quarter, hiring intentions are negative in 24 of the 26 countries surveyed, with employers in Croatia (+2%) and Germany (+1%) being the only ones to report slightly positive Outlooks. In most countries, the Net Employment Outlook reaches its weakest level since the launch of the survey: that is the case in the United Kingdom (-12%), in France (-11%) and in the Netherlands (-4%), while Italian (-5%) and Spanish (-12%) employers report the lowest hiring intentions for six and seven years, respectively.

Elsewhere in the world, the Net Employment Outlook is positive in Japan (+ 11%), India (+ 5%), China (+ 3%, the weakest forecast for four years) and in the United States (+ 3%, the weakest forecast since Q1 2010), while Outlooks are negative in Brazil (-15%) and Singapore (-28%, the weakest hiring intentions of all countries and territories surveyed).

The next Manpower Employment Outlook Survey will be released on September 8th, 2020 to report hiring expectations for the fourth quarter 2020.

(*) 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. Commentary is based on seasonally adjusted data where available. Data is not seasonally adjusted for Croatia or Portugal.

(**) The sector 'Other Production includes : Agriculture, Hunting, Forestry & Fishing; Electricity, Gas & Water; Mining & Quarrying.



Presentation of the Survey

The ManpowerGroup Employment Outlook Survey for the third quarter of 2020 was conducted between 13th and 28th April 2020 by interviewing a representative sample of employers from more than 34,600 private companies and public organizations in 43 countries and territories around the world (including 461 in Belgium and 445 that responded to our survey about the impact of Covid-19 on employment). The aim of the survey is to measure employers' intentions to increase or decrease the number of employees in their workforce during the next quarter. All survey participants were asked the same question: "How do you anticipate total employment at your location to change in the three months to the end of September 2020 as compared to the current quarter?" It is the only forward-looking survey of its kind, unparalleled in its size, scope, longevity and area of focus. The Survey has been running for more than five decades and is one of the most trusted surveys of employment activity in the world. It is considered a highly respected economic indicator.

Note that in Quarter 2 of 2008, the survey adopted the TRAMO-SEATS model for seasonal adjustment of data. As a result, you may notice some seasonally adjusted data points change slightly from previous reports. This model is recommended by the Eurostat department of the European Union and the European Central Bank and is widely used internationally. (including 461 in Belgium, 445 of which provided answers to our survey on the impact of Covid-19 on employment)

We have conducted a review and update of the MEOS survey to make it more relevant to the global business environment as we enter the 2020. From 2Q 2020, the industry sector categories used in EMEA countries have been updated. The total number of sectors has been reduced from 10 to seven, prior to the current quarter, data for some of the countries and territories included in the survey were weighted by industry sector and organization size. ManpowerGroup has decided to phase out weighting entirely across all countries and territories in the survey from 2Q 2020. From this point, all 43 countries and territories will receive findings based on target quota interviewing, increasing consistency across the survey. Seasonal adjustment of the data to reflect local labor market patterns will continue to be applied in all countries and territories taking part for more than four years.

Note to Editors

Full survey results for each of the 43 countries and territories included in this quarter's survey, plus regional and global comparisons, can be found in the Manpower Press Room at www.manpower.com/meos. In addition, all tables and graphs from the full report are available to be downloaded for use in publication or broadcast from the ManpowerGroup Online Visual Library, also located in the Press Room on <http://www.manpowergroup.com/library> results for all 43 countries can be viewed in the new interactive Manpower Employment Outlook Survey Explorer tool at <http://manpowergroupsolutions.com/DataExplorer/>.



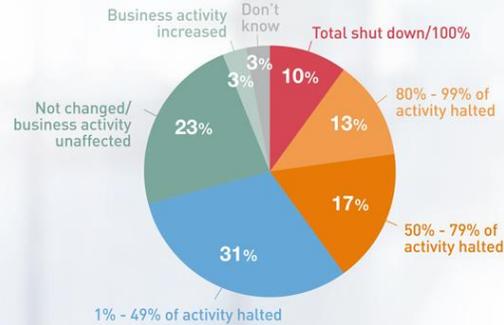
ManpowerGroup™ EMPLOYMENT OUTLOOK SURVEY Q3 2020



71%

of employers in Belgium said their normal business activity has been partially or completely suspended by the Covid-19 outbreak

71% in Flanders - 72% in Brussels - 69% in Wallonia



ManpowerGroup™ EMPLOYMENT OUTLOOK SURVEY Q3 2020



72%

of employers in Belgium expect hiring to return to pre-COVID-19 levels within the next 12 months



Never 2% - Don't know 17%

461 BELGIAN EMPLOYERS WERE ASKED:

"How do you anticipate total employment at your location to change in the three months to the end of September 2020, as compared to the current quarter?"

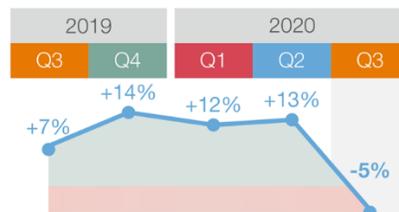


Q3 2020



ManpowerGroup Employment Outlook Survey

NET EMPLOYMENT OUTLOOK



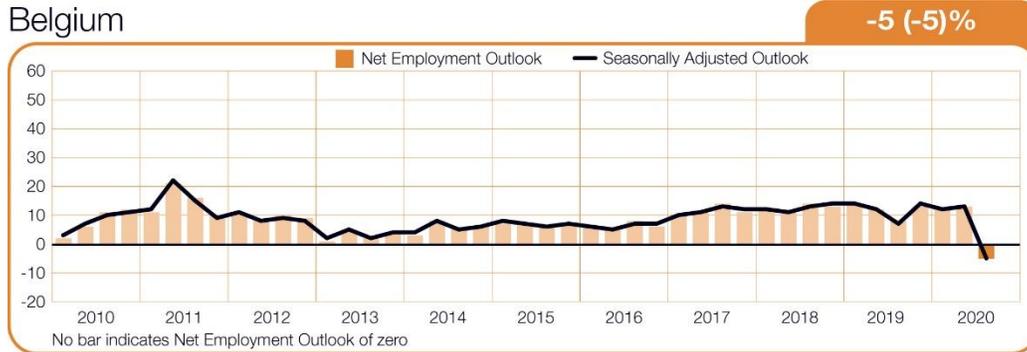
Q3 2020



ManpowerGroup Employment Outlook Survey



Belgium



WEAKEST HIRING PLANS EVER IN FLANDERS AND BRUSSELS

- 7% Flanders**
 ↘ 22 points vs Q2/20
 ↘ 19 points vs Q3/19
- 1% Brussels**
 ↘ 13 points vs Q2/20
 ↘ 8 points vs Q3/19
- +3% Wallonia**
 ↘ 4 points vs Q2/20
 ↘ 3 points vs Q3/19

Q3 2020

DECLINING FORECASTS IN ALL INDUSTRY SECTORS SURVEYED

+5%	Construction	-6%	Services
+3%	Manufacturing	-10%	Wholesale & Retail Trade
0%	Other production (Agriculture, Hunting, Forestry and Fishing, Electricity, Gas and Water, Mining and Quarrying)		

SERVICES

+1%	Transport, Storage & Communication	-11%	Public administration, Health & Community Services
-7%	Finance, Insurance, Real Estate & Business	-14%	Restaurants & Horeca

Q3 2020

ManpowerGroup Employment Outlook Survey

BRUSSELS

2019	2020			
Q3	Q4	Q1	Q2	Q3
+7%	+12%	+13%	+12%	-1%

Q3 2020

The seasonally adjusted Net Employment Outlook is also **slightly negative in Brussels (-1%)**, with 12% of employers planning to hire staff against 15% anticipating layoffs. **Hiring intentions weaken** both quarter-over-quarter and year-over-year, declining by 13 and 8 percentage points, respectively.

FLANDERS

2019	2020			
Q3	Q4	Q1	Q2	Q3
+12%	+15%	+9%	+15%	-7%

Q3 2020

Employers are **most pessimistic in Flanders (-7%)**: 9% of Flemish employers plan to increase their workforce by the end of September while 16% plan to reduce them. It is a **strong decrease** by 22 percentage points when compared with the previous quarter and are 19 percentage points weaker in comparison with the third quarter of 2019.

WALLONIA

2019	2020			
Q3	Q4	Q1	Q2	Q3
+6%	+12%	+11%	+7%	+3%

Q3 2020

Employers in Wallonia (+3%) anticipate a **slight increase in payrolls** during the upcoming quarter, with 15% of employers anticipating staff increases against 12% planning reductions. However, **hiring plans decline** by 4 and 3 percentage points in comparison with the prior quarter and last year at this time, respectively.

ManpowerGroup Employment Outlook Survey



About ManpowerGroup®

ManpowerGroup® (NYSE: MAN), the leading global workforce solutions company, helps organizations transform in a fast-changing world of work by sourcing, assessing, developing and managing the talent that enables them to win. We develop innovative solutions for hundreds of thousands of organizations every year, providing them with skilled talent while finding meaningful, sustainable employment for millions of people across a wide range of industries and skills. Our expert family of brands – Manpower, Experis and Talent Solutions – creates substantial value for candidates and clients across 80 countries and territories and has done so for over 70 years. We are recognized consistently for our diversity - as a best place to work for Women, Inclusion, Equality and Disability and in 2020 ManpowerGroup was named one of the World's Most Ethical Companies for the eleventh year - all confirming our position as the brand of choice for in-demand talent.. In 2020, ManpowerGroup Belux earned Gold Star CSR Rating, the highest score on EcoVadis's environmental, social and ethical supplier performance assessment.

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