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MANPOWERGROUP EMPLOYMENT OUTLOOK SURVEY – MEOS Q2 2020

Belgian employers remain confident in their recruitment forecasts for the 2nd quarter of 2020

Employment prospects are positive in the three regions of the country and all the sectors surveyed by ManpowerGroup

- *The Net Employment Outlook remains very favorable (+13%) and relatively stable (1 percentage point increase) compared to the previous quarter and the 2nd quarter of 2019.*
- *Recruitment activity should be much more dynamic in Flanders (+15%) and Brussels (+14%) than in Wallonia (+7%).*
- *The employment outlook remains positive in all sectors surveyed, with very optimistic forecasts in the Manufacturing and Construction sectors (both at +18%).*
- *Employers from large companies (≥250 employees) and medium-sized companies (50-249 employees) are the most optimistic and report Net Employment Outlook (NEO) at +26% and +19%, respectively.*
- *Globally, employment prospects are positive in 42 of the 43 countries and territories surveyed worldwide and in all 26 countries surveyed in the EMEA region (Europe, Middle East, Africa).*
- *Complete results are available on the ManpowerGroup Knowledge Center. Download our infographic (www.manpowergroup.be).*

Brussels, Belgium, 10th March 2020 – According to ManpowerGroup's Employment Outlook published today, Belgian employers will continue to create jobs during the second quarter of 2020. Of the 752 employers surveyed at the end of January by ManpowerGroup, 15% plan to increase their workforce by the end of June 2020 and only 2% plan to make cuts. 82% forecast no change. After seasonal adjustment, the Net Employment Outlook (*) – the difference between the percentage of employers expecting to hire staff and the percentage of those planning to reduce staff – stands at an optimistic +13%, remaining relatively stable (one percentage point better) in comparison with both the prior quarter and this time one year ago.

*"While it is too early to predict the potential impact of Covid-19 on the labor markets (**) and despite lingering economic and political uncertainties, Belgian employers plan to maintain their hiring pace in the second quarter," explains Philippe Lacroix, Managing Director of ManpowerGroup BeLux. "According to the latest forecasts from the Federal Planning Bureau, 53,000 jobs should still be created in Belgium in 2020 (compared to 71,000 in 2019). At the same time, the gap between skills supply and demand is widening, as highlighted in the latest ManpowerGroup Talent Shortage Survey. It's never been this hard for companies to find qualified workers. Recruitment difficulties affect 35% of companies in Belgium; 55% in Flanders, 43% in Brussels and 27% in Wallonia. Companies need to attract and retain the right talent in order to upskill the next generation of workers to meet the skill needs for the most in-demand roles. It is a strategic priority."*



Optimism in Flanders and in Brussels

The strongest labor markets are anticipated in Flanders and Brussels, with employers reporting NEO of +15% and +14%, respectively. Almost one in five employers in Flanders plans to increase their workforce by the end of June. Conversely, hiring pace activity is expected to slow in Wallonia. Hiring plans in Wallonia decline by 4 percentage points in comparison with the previous quarter and by 5 percentage points in comparison with this time one year ago.

Positive Outlooks in all industry sectors

Payroll gains are anticipated in all industry sectors during the coming quarter. The strongest labor markets are forecast in both the Construction sector and the Manufacturing sector, where NEO stand at +18%. In the Manufacturing industry (+18%), employers report the strongest NEO for 11 years. Employers in the Construction sector anticipate a strong hiring pace too (+18%). In the Services sector, hiring intentions fell 5 percentage points quarter-over-quarter and year-over-year to reach the positive value of +15%. We also observed a drop for the second consecutive quarter in the Wholesale and retail trade sector (+10%); Hiring pace in the sector 'Other Production' (***) remains relatively stable (+10%).

A more in-depth analysis of employment prospects in the services sector reveals positive forecasts in the following sub-sectors: Public services, health, education and public services (+14%), Transport and Logistics (+12%), Finance, insurance, real estate and business services (+11%) and Restaurants and Hotels sector (+11%).

Optimism in large and medium-sized companies

According to the survey, the NEO remains positive in the four business segments classified by their size: +5% in micro-enterprises (<10 employees), +8% in small businesses (10-49 employees), +19% in medium-sized companies (50-249 employees) and +26% in large companies (≥ 250 employees).

Positive forecasts in all 26 countries surveyed in the EMEA region (Europe, Middle East, Africa)

ManpowerGroup interviewed over 21,000 employers across 26 countries in the EMEA region (Europe, Middle East, Africa) who anticipate payroll gains during the second quarter of 2020. When compared with the prior quarter, hiring prospects strengthen in 15 countries, but weaken in seven. In a comparison with the second quarter of 2019, outlooks improve in nine countries, but decline in 12.

After recording a decline in the last four quarters, hiring intentions are picking up in Germany (+13%). Despite a slight drop of 2 points, the NEO remains encouraging in France (+11%). Italian employers match their strongest hiring intentions (+8%) since the survey began 17 years ago, anticipating a fair hiring pace in the next three months, while in the context of Brexit, hiring intentions remains stable in the United Kingdom (+8%). Finally, recruitment intentions improved slightly in the Netherlands (+12%, up 2 percentage points) and are at a level similar to Belgium (+13%).

The next Manpower Employment Outlook Survey will be released on June 9th 2020 to report hiring expectations for the third 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 survey was conducted between January 6 and January 28 before the global escalation of Covid-19

(***) 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 first quarter of 2020 was conducted between 6th and 28th January 2020 by interviewing a representative sample of employers from more than 58,000 private companies and public organizations in 43 countries and territories around the world (752 in Belgium). 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 June 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.

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/>.

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