

**UNDER STRICT EMBARGO UNTIL 04.06.20 AT 00.01 (EST)**

**- Press Release -**

**ManpowerGroup Global Employment Survey**  
**Employers report pessimistic employee recruitment outlooks for the**  
**third quarter of 2020**

**10% of the employers forecast that they will only be resuming business**  
**as usual at the end of the year**

- The downbeat forecasts in the global labor market due to the Coronavirus pandemic is materializing in Israel as well - the survey, which was conducted during this extraordinary period coinciding with the outbreak of the Coronavirus pandemic reflects the impacts of the global health crisis.
- The ManpowerGroup Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease their payrolls during the next quarter. ManpowerGroup's comprehensive hiring intentions survey has been ongoing for over 55 years; it reports the employers' forecasts and is considered one of the most reliable surveys in the world in the field of employment activities
- 10% of the employers forecast that they will only be resuming business as usual at the end of the year
- The employers are reporting the weakest hiring intentions since the quarterly survey began in 2011
- In the North, the employee hiring pace is expected to be the weakest in the country
- The sector in which the greatest impact has been reported on the business turnaround is, not surprisingly, the restaurants and hotels sector - with a weighted decrease in activity of 68%

**Tel Aviv, Israel, June 4, 2020** - the survey, which was conducted during this extraordinary period coinciding with the outbreak of the Coronavirus pandemic reflects the impacts of the global health crisis. The survey results differ dramatically from the results in the previous quarters.

The ManpowerGroup Employment Outlook Survey for Q3 2020 was conducted by interviewing a representative sample of employers in Israel. The participants in the survey were asked "How do you anticipate general employment in your geography to change in the three months (to the end of *September 2020*) in comparison to the current quarter?"

**Israeli employers report pessimism in their hiring plans** - 20% of employers in Israel expect a decrease in new employee hiring, 58% predict no change and only 13% anticipate an increase in their

payrolls. Therefore, **the Net Employment Outlook in Israel stands at -7%**. *The Net Employment Outlook 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.*

**In addition, in order to understand the impacts of the global health crisis on the employment forecasts in Q3 2020, employers in Israel were asked how the Coronavirus crisis impacted their business activity in the past three months and how long they expect the crisis to continue:**

- 16% of employers responded that their business activity had shut down completely (a 100% decrease)
- 13% of employers reported that activity had declined by 80-99%
- 21% of employers reported that activity had declined by 50-80%
- 24% of employers reported that activity had declined by up to 50%
- 1% of employers reported that their business activity had increased during the crisis

**The sector in which the greatest impact has been reported on the business turnaround is, not surprisingly, the restaurants and hotels sector - with a weighted decrease in activity of 68%.**

- **54% of the employers forecast that they will be resuming business as usual already in the coming three months**
- **22% of the employers forecast that they will only be resuming business as usual in another 4-9 months**
- **10% of the employers forecast that they will only be resuming business as usual at the end of the year**
- **2% of the employers forecast that return to business as usual will take more than a year**
- **8% are unable to forecast when (if at all) they will be able to resume business as usual**

#### **Employment Outlook by Geography**

**The employers are reporting the weakest hiring intentions since the survey, covering the entire country, began in 2011**

The weakest hiring pace is expected in the North, where the Net Employment Outlook stands at -14%, reflecting pessimistic hiring intentions. In Tel Aviv and in the South, the net employment outlooks are of -13% and -11%, respectively. At the same time, employers in the center are reporting reduced hiring intentions and an employment forecast of -4% (and -3% in Jerusalem). In Haifa, the employers are reporting an unclear outlook of -1%.

Hiring prospects weaken in all the six regions when compared with the previous quarter. Sharp falls of 24 and 21 percentage points were recorded in Tel Aviv and in the North, respectively, while in the South a decrease of 19 percentage points was recorded. Employers in the Center report a considerable decrease of 13 percentage points in their outlooks. In Haifa and Jerusalem the outlook weakens by 9 and 5 percentage points, respectively. In comparison to the third quarter in 2019, the

outlook weakens in all six regions. The most significant falls were reported in Tel Aviv, with a decrease of 21 percentage points and in the North, where a decrease of 20 percentage points in the outlook has been recorded. In two geographies a decrease of 16 percentage points was recorded – Jerusalem and the South – while in the center and in Haifa a decrease of 11 and 7 percentage points, respectively, is expected.

### **Net Employment Outlook by Sector**

#### **The employers are reporting the weakest hiring intentions since the survey began in 2011 in all industry sectors**

The weakest hiring intentions were reported in the Manufacturing-Durables, Restaurants & Hotels sectors. In the construction sector, employers forecast a hesitant hiring pace with an outlook of -9% while in the Wholesale & Retail Trade sector, employer reports indicate an outlook of -5%. Compared with the same quarter last year, hiring intentions weaken in all seven industry sectors, with especially weak performance in the Manufacturing sector with a decrease of 25 percentage points and a decrease of 24 percentage points in the Restaurants & Hotels sector. A sharp decrease has also been reported in the construction sector, with a weakening of 22 percentage points while in the Finance and Business Services sector a decrease of 20 percentage points is reported. A decrease of 13 and 11 percentage points was reported in the Other Services sector and in the Wholesale & Retail Trade sector, respectively.

Year-over-year, the surveyed employers also report weaker hiring plans in all seven industry sectors. Sharp declines of 24 percentage points were reported in two sectors – the Finance and Business Services sector and the Manufacturing sector; in the construction sector a decrease of 21 percentage points was reported in the outlook, in the Restaurants & Hotels sector, employers are reporting a decrease of 19 percentage points and in the Other Services sector there is a decrease of 13 percentage points in the outlook.

### **Employment Outlooks by Organization-Size Comparisons**

#### **In the next quarter, payrolls are expected to shrink in all four organization size categories.**

The employers in the medium-size organizations category are reporting the weakest hiring intentions for the coming quarter, with a Net Employment Outlook of -19%. At the same time, micro employers are reporting a disappointing outlook of -5% and only in the small and large categories was the outlook positive (+4%).

Participating employers are categorized into one of four organization sizes: Micro businesses have less than 10 employees; Small businesses have 10-49 employees; Medium businesses have 50-249 employees; and Large businesses have 250 or more employees.

### **Global Employment Outlook**

#### **Employers forecast a certain increase in headcounts only in the United States.**

ManpowerGroup personnel have interviewed over 34,000 employers in 43 countries and territories to form a forecast of the expected activity\*

Employers in 35 of 43 countries and territories that participated in the ManpowerGroup survey for the third quarter of 2020 forecast a reduction of headcounts for the period ending in September 2020; in

seven countries the headcount is expected to increase and a flat labor market is expected in one country.

Compared to the second quarter 2020, hiring intentions weaken in 42 of the 43 countries and territories and are unchanged in one country only. Also year-over-year, employers in all 43 countries and territories report weaker hiring intentions. The most robust hiring pace is expected in Japan, India, in the United States, China and in Taiwan. According to employer forecasts, the weakest labor markets are expected in Singapore, Costa Rica, Colombia, Peru and South Africa.

In the coming quarter, employers in 24 of the 26 countries in the Europe, Middle East and Africa (EMEA) geography forecast reductions of headcounts, however a slight growth in headcount is expected in Croatia and in Germany. Hiring intentions weaken in all 26 EMEA countries compared both to the previous quarter and to the same period last year. The strongest labor markets are expected in Croatia and in Germany, and the weakest - in South Africa, Slovakia and Romania.

In four of the seven countries and territories surveyed in the Asia Pacific region, employers forecast growth in headcounts in the coming three months, a decrease in headcounts is expected in two and hiring will be flat in one country. Compared to the second quarter 2020, hiring intentions weaken in six countries and territories and are unchanged in one country, however year-over-year, employers in all seven report a weakening in hiring intentions. In Japan and India, employers forecast the most robust activity in their geography's labor market and the weakest activity is forecast in Singapore and Australia.

In the July to September timeframe, headcounts are expected to decrease in nine out of ten countries in the Americas; only in the United States are employers forecasting a certain increase in headcounts. In all 10 countries surveyed in the Americas, hiring intentions weaken both compared to the second quarter 2020 and in comparison to Q3 2019. In the United States employers forecast strongest hiring pace compared with Costa Rica, Colombia and Peru, where employers forecast the weakest labor markets.

### **About ManpowerGroup**

**ManpowerGroup** is the world leader in advanced workforce solutions in the human resources sector, while assisting organizations and companies cope with the changing labor market through recruitment services, employment services, assessment, development and management of talent and outsourced services in the field of Human Resources.

**ManpowerGroup** has been operating in Israel for 50 years under the leadership of the Group's chairman Amnon Reder. It provides solutions for over 10,000 customers through an up-to-date database of over a million candidates with dozens of branches nationwide.

Thanks to the vast knowledge, the resources and modern tools provided by **ManpowerGroup** Global, and after years of specialization and establishing contacts throughout the domestic market, **ManpowerGroup** Israel has successfully coped with the changing employment conditions throughout the various work spaces. It has been equally successful in meeting the challenges of the "human era" over the past decades.

The Group's services are provided through three brands:

- **Manpower** - specializes in managing people and knowledge in the fields of human resources, labor recruitment and placement in all sectors including senior and executive levels, career consulting and support, outplacement processes, long-term care services and translation and localization services.
- **Talent Solutions** -specializes in outsourcing, management and running of manpower-related, management- and logistics-related projects of various sizes
- **Experis** - specializes in technology, IT, and cyber security services, training, employment and recruitment into the high-tech and technology worlds.

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