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Press Release

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ManpowerGroup Employment Outlook Survey

2Q19 FRANCE OUTLOOK: EMPLOYER CONFIDENCE REMAINS STABLE

The Outlook grows stronger in the Manufacturing and the Restaurants & Hotels sectors, but falls sharply in the Transport, Storage & Communication sector

Key takeaways of this edition include:

> According to the French National Institute for Statistics and Economic Studies (Insee), private payroll employment accounted for 106,000 new jobs in 2018, i.e. three times less than in 2017. This trend is mostly due to the slowdown of the French economy, as full-year growth, according to Insee's estimates, came in at 1.5%, down sharply from 2.3% in 2017. Additionally, the 'Yellow Vest' crisis is adding to the uncertainty about the country's economic growth in the next few months. This downturn is reflected in degraded hiring plans that remain positive, yet do not grow quarter-over-quarter.

> In the East-Center and West-Center, job prospects continue to improve (by 4 and 3 percentage points, respectively, in comparison with 1Q 2019). The hiring pace weakens in the Paris area (down 2 percentage points year-over-year).

> **Healthy job gains are anticipated** in the **Manufacturing sector**, with the Outlook increasing by 10 percentage points quarter-over-quarter and by 13 percentage points in comparison with the same period in 2018. However, the labor market is expected to lose momentum in the **Transport, Storage & Communication** sector, where the forecast drops by **24 percentage points** in comparison with 1Q 2019 and down 10 percentage points in comparison with the same period in 2018.

> **Medium businesses** report the **most subdued hiring pace, declining by 12 percentage points quarter-over-quarter**. The Outlook of Small businesses, on the other hand, is 3-percentage points stronger than this time one year ago.

'The results of the survey reflect the slowdown of France's economic growth, says Alain Roumilhac, President of ManpowerGroup France. Employers are proving cautious in the face of the current economic and social uncertainties.'

Second-quarter forecasts unchanged from the previous quarter

- Employers surveyed by ManpowerGroup in France report positive hiring intentions overall. Once the data is adjusted to allow for seasonal variation, the **Net Employment Outlook** stands at +5%, unchanged from the prior quarter and 1 percentage point stronger than **year-ago levels**.
- This stability is due to the fact that the European Commission lowered its GDP growth forecast for France in 2019, down 1.3% from 1.6% anticipated last autumn.

When compared with the prior quarter, the Outlook improves in all regions but the South

- Of the five regions surveyed, four report an improved hiring climate when compared with the first quarter of 2019. **The sharpest increase is reported in the East-Center**, where the forecast **grows by 4 percentage points quarter-over-quarter** and by 7 percentage points year-over-year.
- In the **South** region, the forecast declines by **1 percentage point in comparison with the prior quarter** but is growing by **4 percentage points when compared with this time one year ago**.
- In the **West-Center** region, hiring prospects improve by **4 percentage points year-over-year** and by **3 percentage points in comparison with 1Q 2019**.

Positive Outlooks reported in the Manufacturing and Restaurants & Hotels sectors, while a downturn is expected in the Transport and Finance sectors.

- In **8 of the 10 industry sectors** surveyed, employers report stronger or stable hiring activity in comparison with the prior quarter.
- The sharpest increase in the Outlook is reported in the **Manufacturing** sector, with employers anticipating a considerable improvement of 10 and 13 percentage points, respectively, quarter-over-quarter and year-over-year
- Some workforce gains are also anticipated in the **Restaurants & Hotels sector**, where the **Outlook increases by 8 percentage points** when compared with this time one year ago. In the **Commerce** sector, the forecast is up 3 percentage points in a quarter-over-quarter comparison but decreases by 1 percentage point when compared with 2Q 2018.
- Hiring momentum is expected to slow in the Transport, Storage & Communications sector, with the forecast decreasing by **24 percentage points compared with the prior quarter** and by **10 percentage points when compared with this time one year ago**.
This downturn is the result of the current social movement, which itself stems from the degradation of the general business climate, all doing little to help employer confidence in this particular industry sector.

The hiring pace slows down in Medium businesses

- Hiring intentions are stronger than in the prior quarter in three of the four organization-size categories surveyed.
- **Medium-sized businesses** (50–250 employees) report the weakest Net Employment Outlook, 12 percentage points down when compared with 1Q 2019 and 7 percentage points down from 2Q 2018.

- **Large businesses** (250+ employees) anticipate positive job growth. The forecast is up 2 percentage points when **compared with the first quarter of 2019, but down 4 percentage points from year-ago levels.**
- The Outlook of **Small businesses** (11–49 employees) improves by 3 percentage points both quarter-over-quarter and year-over-year.

INTERNATIONAL

The strongest second-quarter hiring intentions are reported in Croatia, Japan and Greece

When compared with the first quarter of 2018, hiring plans improve or remain stable in 26 countries out of the 44 surveyed.

—**Croatia** comes out at the head of the standings, with **34%** of the businesses surveyed anticipating payroll gains, up 20 percent from the prior quarter (unadjusted data).

—**Japan** is second, with **27%** of the businesses surveyed anticipating payroll gains, unchanged from the prior quarter.

—**In third position comes Greece**, where **21%** of employers anticipate to add to their payrolls in the next three months. The country's Net Employment Outlook increases by 2 percentage points when compared with the previous quarter and by 6 percentage points year-over-year.

—In the **EMEA (Europe, Middle East and Africa) region**, the strongest forecast is reported by **Croatian** employers: **34%** of them are expecting some job gains, up 5 percentage point year-over-year. Meanwhile, **Hungarian, Spanish and Turk** employers report flat hiring plans.

Full survey results for each of the 44 countries included in this quarter's survey can be found at www.manpowergroup.com/meos.

About the survey

The ManpowerGroup Employment Outlook Survey for the second quarter of 2019 was conducted from January 16 until January 29, 2019, with over 59,000 employers in 44 countries and territories, including both private companies and public bodies, of which 1,000 are based in France. The study involved analyzing data obtained in response to a single question: *'How do you anticipate total employment at your location to change in the three months to the end of June 2019 as compared to the current quarter?'*

The 'Net Employment Outlook' figure used in this survey is the result of subtracting the percentage of employers expecting an increase in their workforce from the percentage of employers expecting a decrease. This results in a net balance (either positive or negative) of the employment outlook. Data have been seasonally adjusted in order to better reflect the reality of projected hiring. These adjustments smooth out the impact of seasonal variations, which generally occur during the same periods each year. Adjusted data is therefore more representative in the long term. Data is not seasonally adjusted for Portugal.

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 over 400,000 clients and connect 3+ million people to meaningful, sustainable work across a wide range of industries and skills. Our expert family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – creates substantially more value for candidates and clients across 80 countries and territories and has done so for 70 years. In 2019, ManpowerGroup was named one of Fortune's Most Admired Companies for the seventeenth year and one of the World's Most Ethical Companies for the ninth year in 2018, confirming our position as the most trusted and admired brand in the industry.

ManpowerGroup France, led by President Alain Roumilhac since November 2012, has a staff of 8,200 permanent employees and a revenue of 4.8 Billion Euros in 2017.

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