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## ManpowerGroup Employment Outlook Survey: **Setback for German employers' plans to hire new staff**

- Employment Outlook falls by four percentage points
- Lowest level for six quarters
- 35% of large employers plan to hire in third quarter

Frankfurt, 11 June 2019 – The Employment Outlook in Germany has received a setback for the first time in two years. After six quarters of consistently high staffing requirements, employers are now comparatively cautious. In the latest ManpowerGroup Employment Outlook Survey, 89% of employers say they plan to keep their staff levels stable and do not intend to hire any new staff between July and September 2019. The seasonally adjusted Net Employment Outlook for the third quarter of 2019 stands at +5%. Compared to the second quarter of 2019 and the third quarter of 2018, hiring plans fell by four percentage points, respectively.

“Trade conflicts like the one between China and the USA, the upcoming Brexit and a gloomy economic outlook are forcing employers to be more cautious. However, rising salaries and continued consumer confidence are mitigating the consequences in Germany,” says Frits Scholte, CEO of ManpowerGroup Germany. “Employers are first waiting to see what the effects of national and international developments will be. The weaker Employment Outlook for Germany does not necessarily mean redundancies, however. Employers have built up their staff levels over the last few years and are now keeping them at a high level. Skilled workers are still being sought and hired.”

In particular, large employers as well as electricity, gas and water suppliers plan to hire new staff. These are some of the results and interpretations of the Manpower Employment Outlook Survey for the third quarter of 2019, for which 1,001 employers in Germany were surveyed.

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

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Despite the less optimistic economic outlook, the job prospects for people applying to large companies remain positive. Of large employers, 35% plan to hire new staff, while 4% are planning redundancies and 60% plan to maintain current levels. The Net Employment Outlook of +31% for the third quarter of 2019 represents an increase of two percentage points compared to the second quarter of 2019. Compared to the strong prior-year third quarter, this corresponds to a fall of three percentage points, with smaller employers affected more seriously.

Small and medium-sized companies as well as micro-firms are reporting a less optimistic Employment Outlook compared to the previous quarter. The Employment Outlook for medium-sized companies stands at +17%, which is one percentage point lower than the previous quarter. When measured against the third quarter of 2018, this is eight percentage points lower. At +11%, small companies are three percentage points below the second quarter of 2019 and two percentage points below the third quarter of 2018. Micro-firms have an Employment Outlook of 0%, which is three percentage points lower than the previous quarter and four percentage points lower than the previous year.

“Large employers are still greatly in need of qualified workers,” says Frits Scholte. “When their orders decrease, many of them first save costs on workforce providers. This is reflected in the way the industries are developing. Company service providers, logistics companies and communications firms, in particular, are looking for fewer workers in the third quarter of this year.”

## **Boom comes to an end for the logistics sector**

After experiencing a boom during Q2 2019, the logistics sector is now one of the main losers. Companies in the Transport, Storage and Communications sector report a hesitant Net Employment Outlook of +2%, having suffered a fall of 13 percentage points compared to the previous quarter, and one percentage point on the previous year. Companies in the Finance and Corporate Services sector forecast an Outlook of +7%, having lost five percentage points since the previous quarter and one percentage point compared to the third quarter of the previous year. This is the lowest level since the middle of 2016.

“Much less is ordered via the internet and delivered during the summer vacation periods. The logistics sector, in particular, is directly dependent on orders from the construction industry, manufacturing industries and retail – and all three sectors are affected by a downturn in hiring plans,” states ManpowerGroup Germany CEO Scholte.

In the third quarter of 2019, the Construction sector has an Outlook of +4%, declining just one percentage point on the previous quarter but 16 percentage points on the same quarter of the previous year. The Wholesale, Retail, Restaurant and Hotel sector has recorded a Outlook of +1% for Q3 2019, a loss of one percentage point compared to the previous quarter and seven percentage points on the previous year. At +9%, the Manufacturing sector is still in a solid position, although they have suffered a loss of four percentage points since the second quarter and two percentage points compared to same period the previous year. Ten percent of employers plan to hire new staff, down from 16 percent in the previous quarter, with the majority planning to keep their staff levels stable between July and September 2019.

“The wholesale trade and manufacturing industries have been affected by international trade disputes, and the automotive industry is also facing a drop in orders and the threat of auto

tariffs,” adds Scholte. “However, specialists are still being sought in all sectors, even in the logistics business. Digitization and trade changes, such as that caused by Brexit, create new challenges for companies. Employers are looking for internationally experienced logistics specialists, call center agents, people for data input and technicians. Industry requires experts for machine operating, metal workers, engineers and chemical technicians.”

## **Utilities and social services seek skilled workers**

The most optimistic outlook among all sectors in the third quarter of 2019 was recorded by utility companies in the Electricity, Gas and Water sector with an Employment Outlook of +11%. Not one employer in this industry plans to make redundancies, while 11% plan to recruit new staff and 89% want to keep the number of employees stable. It is the only industry that has not lost ground on the previous quarter or year.

“Utility companies are regarded as pioneers with regard to certain digital projects, such as artificial intelligence. This sector needs experts in order to push ahead with things like smart energy supplies and smart home solutions,” explains Scholte. “In the competition for labor, they still have some catching up to do, however.”

With an Net Employment Outlook of +8%, companies in the Public and Social sector expect a relatively vivid labor market. The level corresponds to that of the previous quarter and is one percentage point down on the third quarter of 2018. Six percent of employers plan to hire additional staff and none plan redundancies.

“As we now stand on the threshold of demographic change, skilled workers are being sought in the health and care sector. Geriatric nurses, teachers and preschool teachers are in increasingly short supply. What’s more, these sectors are unaffected by international conflicts,” add Scholte.

## **Regions: Munich robust, Berlin in steady decline**

Munich has the strongest results of all the regions, with a Net Employment Outlook at +13%. Compared to the previous quarter, this is four percentage points down, yet five percentage points up on the same quarter of the previous year. This is proof of the city’s extremely robust labor market. Frankfurt am Main is the only city where the Employment Outlook has increased compared to the previous quarter – by one percentage point to +9%. This represents a drop of three percentage points on the previous year. These two cities are supported by many large and established employers.

Berlin, by contrast, expects a decline in hiring plans. The Net Employment Outlook for Berlins stands at +5%, a 2 percentage point drop compared to the previous quarter and a 10 percentage point decline compared to the same period last year.



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“Berlin’s economy grew significantly for a long time, partly thanks to major building projects and a strong digital economy. However, the boom years are now over in the construction industry. The large number of small IT firms are also experiencing difficulties in finding skilled workers,” says Scholte. “But even in Berlin there will be no wave of redundancies, just a weaker degree of growth.”

The Net Employment Outlook for the Ruhr Valley has gained two percentage points compared to the second quarter of 2019 and stands at +6%, although it has lost one percentage point on the same quarter of the previous year. The North of the country is equally strong with a Net Employment Outlook of +6%, but it loses four percentage points on the previous quarter and gains five percentage points on the previous year. Compared to the previous year and quarter, the South has lost ground and now has a Outlook of +5%. Eastern Germany has also seen a decline compared to the same time periods and now has an Net Employment Outlook of +4%, while Western Germany has lost seven percentage points on the same two periods, falling to +2%.

### **EMEA: Positive Employment Outlook for most countries**

The willingness of companies to hire new staff remains largely positive worldwide. The ManpowerGroup study shows expected employment growth for the third quarter of 2019 in 43 out of 44 countries and territories surveyed.

Hiring expectations for the coming quarter are stronger in 18 out of 44 countries and territories compared to the previous quarter, weaker in 18 areas and unchanged in eight regions. Compared to the same quarter of the previous year, recruiting plans improved in twelve areas, weakened in 26 countries and territories and remained unchanged in six. The readiness to hiring in the second quarter of 2019 is strongest in Japan, Croatia, Taiwan, Greece, Slovenia and the USA. The weakest recruitment intentions are in Hungary, Argentina, Italy and Spain.

In Europe, the Middle East and Africa (EMEA), the employment outlook for the third quarter of 2019 is negative in only one of the 26 countries. Hungary has the weakest employment outlook, at -2%. Quarter on quarter, outlooks are improving in five countries but weakening in 14. Particularly high is the loss with -21% to the previous year for Hungary. The outlook for Slovenia increased by 11% compared to the previous quarter and now stands at +20%.

Austria loses 1% to the first quarter and 4% to the previous year and is on an employment outlook of +3 percent.

The winners include, for example, Greece (+20%, 0% on the previous quarter, 5% on the previous year), Slovenia (+20%, 11% on the previous quarter, 8% on the previous year) and Romania (+14%, profit of 2% on the previous quarter and 0% on the previous year).



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It is noteworthy that Britain stands relatively stable despite Brexit chaos. The employment outlook for the third quarter of 2019 is +4 %. The values remain unchanged compared to the previous year and quarter. Since the beginning of 2013, the value is almost continuously in the range of +4 to +7%, without big outliers.

You can find more detailed results from the Manpower Employment Outlook Survey for all participating countries including infographics here:

<https://www.manpowergroup.de/neuigkeiten/studien-und-research/arbeitsmarktbarometer/>

### Background information

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 44 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.

You can find more information about the Manpower Employment Outlook Survey at <https://www.manpowergroup.de/neuigkeiten/studien-und-research/arbeitsmarktbarometer/>.

### 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®, Right Management® and ManpowerGroup® Solutions – creates substantially more value for candidates and clients across 80 countries and territories and has done so for over 70 years. In 2019, ManpowerGroup was named one of the World's Most Ethical Companies for the tenth year and one of Fortune's Most Admired Companies for the seventeenth year, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup is powering the future of work: <http://www.manpowergroup.de>.

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