Press Release

Israeli Labor Market Forecast Remains Cautiously Optimistic

ManpowerGroup Global Employment Outlook Survey for the First Quarter of 2019:

Employment Outlook in Israel

The ManpowerGroup Employment Outlook Survey for Q1 2019 was conducted by interviewing a representative sample of 751 employers in Israel. All the employers are asked the same question: *"How do you anticipate total employment in your region to change in the next three months (January to the end of March 2019) as compared to the current quarter?"*

The Israeli employers report modest hiring plans for the January-March timeframe. 11% of employers in Israel expect an increase in payrolls, 6% predict a decrease, while 80% anticipate no change.

Following adjustment of the data to take into account seasonal variations, the Outlook stands at a modest +7%.

Employers throughout Israel are anticipating some opportunities for job seekers to continue throughout the January-March time frame. However, hiring prospects are the weakest reported for more than two years. The first-quarter forecast of +7% indicates employer confidence will remain relatively stable in a quarter-over-quarter comparison, but drops by 6 percentage points year-over-year.

Throughout this report, we use the term "Net Employment Outlook". 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 a decrease in hiring activity at their location in the next quarter. The result of this calculation is the Net Employment Outlook.

From this point onwards, all data in the commentary have been seasonally adjusted, unless stated otherwise.

Employment Forecast for the Fourth Quarter of 2018 - Israel

	Net Employment Outlook*	Increase	Decrease	No Change	Don't know
	%	%	%	%	%
Q1 2018	11+	14	5	77	6
Q2 2018	10+	14	4	80	2
Q3 2018	13+	16	3	78	3
Q4 2018	7%+	11	4	81	4
Q1 2019	**5%+**	**11**	**6**	**80**	**3**

* Net Employment Outlook has been seasonally adjusted

Sectorial Employment Outlook

Employers in 9 out of 10 industry sectors anticipate job gains in the first quarter of 2019. Mining & Quarrying sector employers forecast the most robust hiring activity, reporting a Net Employment Outlook of +12%. Elsewhere, employers in the Electricity, Gas & Water Supply sector, and in the Restaurants & Hotels sector report cautious optimism, with outlooks of +10%, whereas the outlooks in the Transport, Logistics & Communication sector stand at +9%. Additionally, employers forecast minor uptick in workforce in two sectors, with outlooks of +8% in the Public and Social Services sector, and in the Wholesale & Retail Trade sector. However employers in the construction sector forecast cuts to headcount, reporting outlooks of -2%.

In a quarter-over-quarter comparison, the hiring prospects are weaker in 5 out of 10 industry sectors. Employers in the construction sector report a considerable decrease of 20 percentage points, and a decrease in outlook of 7 and 6 percentage points in the Transport, Logistics & Communication sector and in the Restaurants & Hotels sector, respectively. Elsewhere, hiring plans improve in three sectors. Especially noteworthy is the 6 percentage points increase in the Mining and Quarrying sector, and the 5 percentage points increase in the Wholesale & Retail Trade sector.

Year-over-year, hiring intentions are weaker in 6 out of 10 industry sectors. Significant declines of 13 and 10 percentage points are reported in the construction sector and the Agriculture, Hunting, Forestry & Fishing sector, respectively. The outlook for the Manufacturing sector is of a decrease of 7 percentage points , and employers report a decrease of 4 percentage points in the Restaurants & Hotels sector. However employers in the Transport, Logistics & Communication sector report a slight improvement of 6 percentage points.

	Employment Outlook Net, Q1, 2019*	Employment Outlook Net, Q4, 2018*	Employment Outlook Net, Q1, 2018*
AGRICULTURE	+2%	+5%	+14%
CONSTRUCTION	-12%	+16%	+11%
ELECTRICITY, GAS & WATER SUPPLY	+10%	+9%	+9%
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	+7%	+8%	+7%
MANUFACTURING	+9%	+7%	+16%
PUBLIC & SOCIAL SERVICES	+8%	+10%	+11%
RESTAURANTS & HOTELS	+10%	+16%	+11%
TRANSPORT, LOGISTICS & COMMUNICATION	+9%	+16%	+7%
WHOLESALE & RETAIL TRADE	8%+	3%+	9%+

* Net Employment Outlook has been seasonally adjusted.

Employment Outlook by Geography

Employers expect increases in payrolls in all six geographies during Q1 2019. The strongest job market is expected in Jerusalem, with a Net Employment Outlook of +12%. Employers in the north report cautious optimism, with outlooks of +10%, whereas in the south, outlooks stand at +9%. Mild hiring is expected in two geographies, with outlooks of +6% in the center and in Haifa, as opposed to outlooks of +5% in Tel Aviv.

Compared with the last quarter of 2018, employers in Jerusalem employers report an improvement of 4 percentage points while the outlook in Tel Aviv is weaker by 5 percentage points. Elsewhere in Israel, hiring intentions remain relatively unchanged.

Employers in the Center and in Tel Aviv relatively weak report hiring intentions year-over-year, with a drop in outlook of 8 and 7 percentage points, respectively. In addition, employers in Haifa report a slight decrease of 4 percentage points. Meanwhile, hiring intentions remain relatively stable in Jerusalem and in the north, and remain unchanged in the South.

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	Employment Outlook Net, Q1, 2019*	Employment Outlook Net, Q4, 2018*	Employment Outlook Net, Q1, 2018*
Jerusalem	12%+	7%+	11%+
The Center	6%+	5%+	10%+
Haifa	6%+	7%+	14%+
North	10%+	9%+	14%+
South	9%+	11%+	8%+
Tel Aviv	5%+	10%+	13%+

* Net Employment Outlook has been seasonally adjusted.

Employment Outlook by Organization Size

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.

Job gains are expected in the coming quarter in all four organization-size categories. Large employers forecast the most robust job market, with a net employment outlook of +17%, whereas in the Medium and Small organizations the outlook will be +9%. Micro employers, however, report relatively cautious hiring intentions, with an outlook of +1%.

In a quarter-over-quarter comparison, medium employers report a slight improvement of 2 percentage points. Elsewhere, the outlook remains relatively steady for micro employers and large employers, whereas the small employers report no change.

Year-over-year, hiring prospects are considerably weaker among large employers, decreasing by 13 percentage points. The outlooks among micro employers also decreases by 3 percentage points, however small and medium employers are reporting relatively steady hiring intentions.

	Employment Outlook Net, Q1, 2019*	Employment Outlook Net, Q4, 2018*	Employment Outlook Net, Q1, 2018*
Micro businesses (less than 10 employees)	1%+	1%-	5%+
Small businesses (10 to 49 employees)	9%+	9%+	10%+
Medium businesses (50 to 249 employees)	9%+	8%+	10%+
Large businesses (over 250 employees)	17%+	18%+	25%+

* Net Employment Outlook has been seasonally adjusted.

Global Employment Outlook:

Global Employment Outlook

ManpowerGroup interviewed over 60,000 employers in 44 countries and territories to form a forecast of the expected activity* in the labor market in the first quarter of 2019. All the employers are asked the same question: "How do you anticipate total employment in your region to change in the next three months (January to the end of March 2019) as compared to the current quarter?"

The ManpowerGroup survey for the first-quarter of 2019 indicates an increase in payrolls in 43 of 44 countries and territories until the end of March.

Ahead of the coming quarter, an uptick in the hiring plans was recorded in 16 of the 44 countries and territories when compared with the previous quarter, weakening is expected in 23 whereas in five the expectation remained unchanged. Year-over-year, the outlook improves in 21 countries and territories, weakens in 20 and remains unchanged in two**. Japan, Taiwan, United States, Slovenia, Greece and Hong Kong registered the highest confidence level regarding hiring employees, whereas employers in Argentina, Switzerland, Italy, Panama and Spain are reporting the weakest hiring intentions.

According to the survey, job gains are expected in all 26 countries in the Europe, Middle East and Africa (EMEA) during the first-quarter of 2019. When compared with the previous quarter, employers in eight countries are reporting improved hiring prospects, while in 15 other countries, Hiring intentions weaken. Year-over-year, the outlooks strengthen in 12 countries but weaken in 13. The most robust labor markets in the EMEA region during the coming quarter are expected in Slovenia and in Greece, whereas in Switzerland, employers are reporting the weakest hiring intentions.

Job gains are forecast in all eight Asia Pacific countries and territories in the coming three months. When compared with the previous quarter, outlooks are stronger in four countries and territories – but weaker in two.

Year over year, the employers in five countries and territories are reporting stronger hiring intentions, and weaker outlooks are reported in two. In Japan and Taiwan, employers are reporting the most robust hiring intentions in the region, compared with the employers in China and in Singapore, who are reporting the weakest outlooks.

In the January-March timeframe, 9 of the 10 countries surveyed in the Americas are expecting increased payrolls; only the employers in Argentina expect decreased headcounts ahead of the coming quarter. When compared with the last quarter of 2018, there is an uptick in hiring intentions in four of the American countries, and weakening in six. Compared to last year at this time, the outlook improves in four countries but weakens in five. The most optimistic hiring intentions for the first quarter were reported in the United States and in MEXICO, as opposed to employers in Argentina and Panama, who are reporting the weakest forecasts of all the countries surveyed in that geography.

The full results of the quarterly survey for all 44 participating countries and territories, as well as regional and global comparisons, are available at: **www.manpowergroup.com/meos.** ManpowerGroup's next Employment Outlook Survey will be published on March 12, 2019, and will report on anticipated labor market activity in the second quarter of 2019.

*The interpretation is based on seasonally adjusted data in the relevant locations. There is no seasonal adjustment for the data in Croatia or Portugal.

** Year-over-year comparisons are currently possible only in 43 of the participating countries and territories; Croatia does not yet have data from consecutive years.

About the ManpowerGroup Employment Outlook Survey

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 50 years; it reports the employers' forecasts and is considered one of the most trusted surveys of employment activity in the world. Various factors underpin the success of the ManpowerGroup Employment Outlook Survey:

Unique: It is unparalleled in its size, scope, longevity and area of focus.
Projective: The ManpowerGroup Employment Outlook Survey is the most extensive, forward-looking employment survey in the world, asking employers to forecast employment over the next quarter. In contrast, other surveys and studies focus on retrospective data to report on what occurred in the past.
Independent: The survey is conducted with a representative sample of employers from throughout the countries and territories in which it is conducted. The survey participants are not derived from ManpowerGroup's customer base.
Basis: The survey is based on interviews with over 60,000 public and private employers across 44 countries and territories to assess anticipated employment trends each quarter. This sample allows for analysis to be performed across specific sectors and geographies to provide more detailed information.
Focused: For more than five decades the survey has derived all of its information from a single question:

> For the Q1 2019 research, all employers participating in the survey worldwide are asked the same question, "How do you anticipate total employment at your location to change in the three months to the end of March 2019 as compared to the current quarter?"

Methodology

The ManpowerGroup Employment Outlook Survey is conducted using a validated methodology in accordance with the highest standards in market research. The survey has been structured to be representative of each national economy. The margin of error for all national, regional and global data is not greater than +/- 3.9%.

Net Employment Outlook
Throughout this report, we use the term "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. The 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.

Seasonal adjustments have been made to the data for all participating countries except Croatia and Portugal. ManpowerGroup intends to add seasonal adjustments to the data for other countries in the future, as more historical data is compiled. Note that in Q2, 2008, ManpowerGroup adopted the TRAMO-SEATS method of seasonal adjustment for data.

About ManpowerGroup

ManpowerGroup® (NYSE: MAN), on of the largest workforce solutions companies in the world, assists organizations to change direction in the rapidly changing world of work - through sourcing, evaluation, development and management services of the talents which will facilitate their success. Every year we develop innovative solutions for hundreds of thousands of organizations, delivering skilled talent and helping millions of individuals across a broad spectrum of industry sectors and skillsets to find long-term meaningful employment. Our specialized family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – has been creating greater value for candidates and clients in 80 countries and territories worldwide for 70 years. In 2018, ManpowerGroup was named one of the World's Most Ethical Companies for the ninth year and for over 16 years it has been one of Fortune's Most Admired Companies, confirming our position as the most trusted and highly esteemed brand in the sector. See how ManpowerGroup makes powering the world of work humanly possible: www.manpowergroup.com