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ManpowerGroup Employment Outlook Survey: **Hiring confidence in Germany remains stable / Employers await new year with cautious optimism**

10% of German employers surveyed plan to hire new staff

Energy providers with strongest results since the first quarter of 2011

Munich outperforms Frankfurt in hiring expectations

Eschborn, 12th December 2017 – First-quarter hiring confidence among German employers remains stable in comparison to both the prior quarter and the first quarter of 2017. As with the previous quarter, the seasonally adjusted Net Employment Outlook for the first quarter of 2018 has reached a result of +5 percentage points. 10 percent of all surveyed employers are planning to hire new staff from January to March 2018. This is three percentage points lower than the final quarter of 2017. Nevertheless, the outlook is extremely positive in many industries despite the winter. “The positive economic situation, particularly in private households, will help many industries deal with the otherwise gloomy labor market figures in the winter. Retail, public utilities and skilled trades will benefit from this with varying degrees of payroll gains forecast by the more than 1,000 German employers surveyed. Many private households are modernizing, renovating or investing with the help of public funds from the KfW banking group, for example. This money lands directly in the hands of skilled trade companies,” says Herwarth Brune, CEO of ManpowerGroup Germany. The outlook in the trade industry sector improved by 13 percentage points compared to the previous quarter. This level is exceeded by the gas, water and electricity industry, where the Net Employment Outlook rose by 14 percentage points in both a quarter-on-quarter and year-on-year comparison. The employers in the utilities sector have the most positive outlook toward the new business year. The result is stronger than at any other time in the industry for the last seven years. These are the results of the Manpower Employment Outlook Survey for the first quarter of 2018, for which 1,002 employers in Germany were surveyed.

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

92 percent of large German employers with more than 250 employees will either maintain current workforce levels or grow them in the first quarter of 2018. Almost one in three employers are looking for new staff to hire in the first quarter of 2018. Among large employers, the seasonally adjusted Net Employment Outlook stands at +32 percent. This is six percentage points weaker than in the previous quarter.

This figure is still very high, however, and shows that many employers are urgently seeking new staff. “Employers have still not filled some 55,000 positions for IT specialists, for example,” says Brune. “In many sectors, we are still at the beginning of the digitization process. This means that the search for qualified staff remains a key issue for many employers.”

Medium-sized employers also continue to be optimistic. 91 percent of all medium-sized employers plan to maintain current payrolls or recruit new staff. This is an increase of 3 percentage points compared to the previous quarter. Among the small employers, the seasonally adjusted Net Employment Outlook has fallen by 3 percentage points to a cautiously optimistic +7 percent.

Trade stops downward trend – utilities with strongest growth since 2011

The biggest winner among the nine surveyed industry sectors comes from the utilities, gas, water and electricity sector. With a seasonally adjusted Net Employment Outlook of +15 percent, employers in this industry report their strongest forecast since the last quarter of 2010.

Employers from the trade and hospitality industries are also entering the first quarter with great optimism. The negative trend from the last two quarters has been turned around with the Net Employment Outlook standing at a modest +7 percent, an increase of 13 percentage points from three months ago. Although hiring plans have not increased, far fewer employers are planning to make redundancies in the first quarter of 2018 than in comparable quarters.

The Net Employment Outlook for the finance, real estate, insurance and corporate service providers sector has reached +10 percent, which represents a slight decline of 3 percentage points.

Munich overtakes Frankfurt in city ranking

With a Net Employment Index of +12 percent in the first quarter, Munich has overtaken the financial powerhouse of Frankfurt am Main (+11 percent). Whereas one in six employers were planning to hire new staff in Frankfurt in the last quarter of 2017, this figure now stands at 10 percent of the surveyed employers. The Net Employment Outlook for Hamburg for the next quarter has undergone a noticeably negative development. It has fallen by 17 percentage points compared to the previous quarter. Employers in Berlin are looking ahead more positively. Following a gain of a single percentage point, they will enter the new year with a Net Employment Outlook of +8 percent. Employers in the industrial and services region of the Ruhr Valley also have reasons to be cheerful. The surveyed employers in this area see potential for new jobs and the figure has risen by 10 percentage points. Once again, Eastern

Germany has been left behind during this good economic climate. Only one in twenty employers there plan to hire new staff in the first quarter of 2018.

Global Employment Outlook remains strong

From an international perspective, employers in most countries and territories have plans to hire new staff at the beginning of 2018. According to the survey, employers in 41 of 43 countries and regions expect to increase their workforces in the period between January and March. In fact, employers in many countries, including Australia, Japan, Norway, Poland, Romania and the United States, report plans to hire more staff than at any time for the last five years or more.

Italy and Austria are the only exceptions among the surveyed countries. In contrast to other European employers, the employers in these countries are not looking positively toward the next quarter as both record a Net Employment Outlook of +/- 0 percent. In Austria, the figure fell by 8 percentage points and in Italy by 3 percentage points.

Employers in Switzerland await the new quarter comparatively cautiously with a Net Employment Index of +3 percent. However, the outlook in Switzerland has recovered from the negative index figure of -1 percent in the previous quarters and -1 percent in the first quarter of 2017.

You can find more detailed results from the Manpower Employment Outlook Survey for all participating countries including infographics [here](#).

About the survey

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 43 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/>.

Press Release



About ManpowerGroup

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