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First-Quarter Manpower Employment Outlook Survey Reveals:

**Chinese employers' hiring intentions improve slightly in 1Q 2016**

China's employers remain cautiously optimistic even without aggressive stimulus measures despite downward pressures at home and abroad

- *Chinese employers hiring plans show some encouraging signs during the January-March period, with 10% of employers expecting to increase staffing levels, and 3% forecasting a decrease. Once the data is adjusted to remove seasonal variations, Mainland China's Net Employment Outlook stands at +7%, 2 percentage points stronger quarter-over-quarter.*
- *Staffing levels are expected to grow by varying amounts in all six industry sectors and all nine regions during 1Q 2016. Employers in Services sector report the most respectable hiring intentions with a Net Employment Outlook of +10%.*
- *Employers in Beijing report the strongest regional hiring intentions with Outlook of +11% for 1Q 2016.*
- *Employers in China's Medium-size organizations forecast the strongest labor market for the coming quarter, with an Outlook of +10%, while the Outlook for Micro-size organizations is the most conservative for second consecutive quarter.*
- *Employers in India, Taiwan, Japan, Turkey and the US report the most optimistic first-quarter hiring prospects globally.*

**8 December 2015 [Shanghai, China]**

The first quarter 2016 Manpower Employment Outlook Survey report released by ManpowerGroup, the world leader in innovative workforce solutions, reveals the overall hiring mood shows some encouraging signs; opportunities for job seekers in all industries are expected to be slightly increase compared to last quarter. The ManpowerGroup research reveals Chinese employers expect to grow staffing levels in all six industry sectors and all nine regions. China's Net Employment Outlook<sup>2</sup> of +7% (seasonally adjusted<sup>1</sup>) is 2 percentage points stronger quarter-over-quarter, but 4 percentage points weaker year-over-year.

"The first-quarter hiring intentions increase slightly quarter-over-quarter indicating that Chinese employers are remaining cautiously optimistic as we enter the New Year," said Mr. Zhang Jinrong, Managing Director of ManpowerGroup China. "China's economy is still fundamentally stable and grows within the reasonable range despite downward pressures at home and abroad. Internal rebalancing and structural adjustment, such as labor market reform, more investment in education and innovation as well as industrial structure adjustment, are vital to China's economy. And stimulating entrepreneurship is

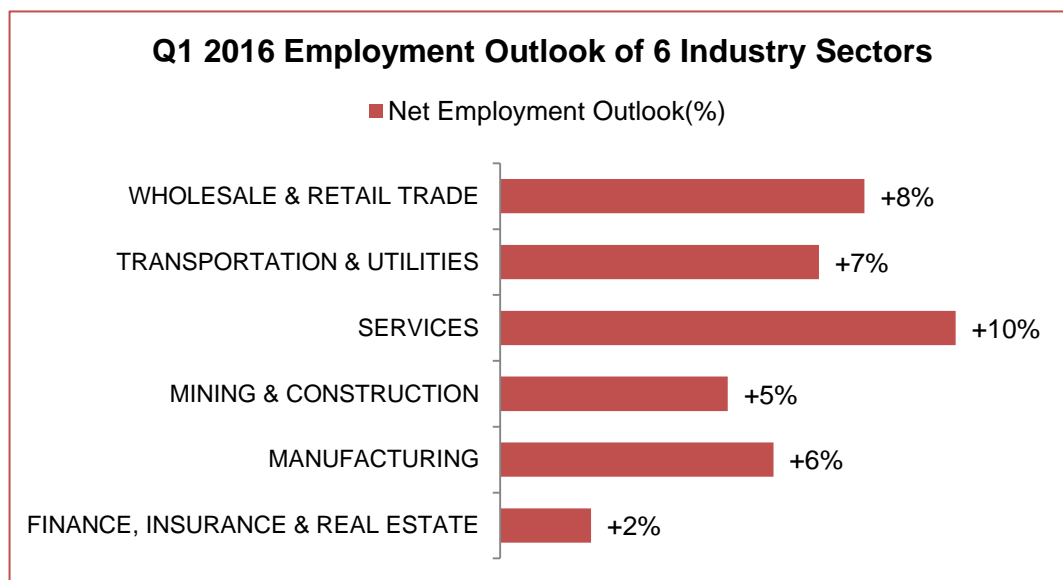
essential for China's business growth."

ManpowerGroup interviewed 4,200 employers in mainland China to gauge labor market activity between January and March 2016. The survey reveals that 10 percent of Chinese employers expect to increase their staffing levels, while only 3 percent plans to decrease the number of employees. According to the research, 44 percent of Chinese employers report that they don't expect to make any changes to their current workforces in the next three months, which is 9 percentage points fewer than a quarter ago.

### Employers in Services sector report the strongest hiring intentions in first quarter 2016

Staffing levels are expected to grow by varying degrees in all six industry sectors during 1Q 2016, according to employers.

Employers in the Services sector report the most hopeful hiring pace with Net Employment Outlook standing at +10%. The Outlook in the Services sector is 3 percentage points stronger quarter-over-quarter but 4 percentage points weaker year-over-year. Elsewhere, a moderate hiring intentions is anticipated in the Wholesale & Retail Trade sector and Transportation & Utilities sector, with employers reporting the Outlook of +8% and +7%, respectively. Quarter-over-quarter, the Wholesale & Retail Trade forecast improves 3 percentage points and the Transportation & Utilities forecast improves 2 percentage points. Employers in the Manufacturing sector, the Mining & Construction sector and the Finance, Insurance & Real Estate sector all anticipate a mild hiring pace, and report Outlooks of +6%, +5% and +2%, respectively.



Source: Manpower Employment Outlook Survey

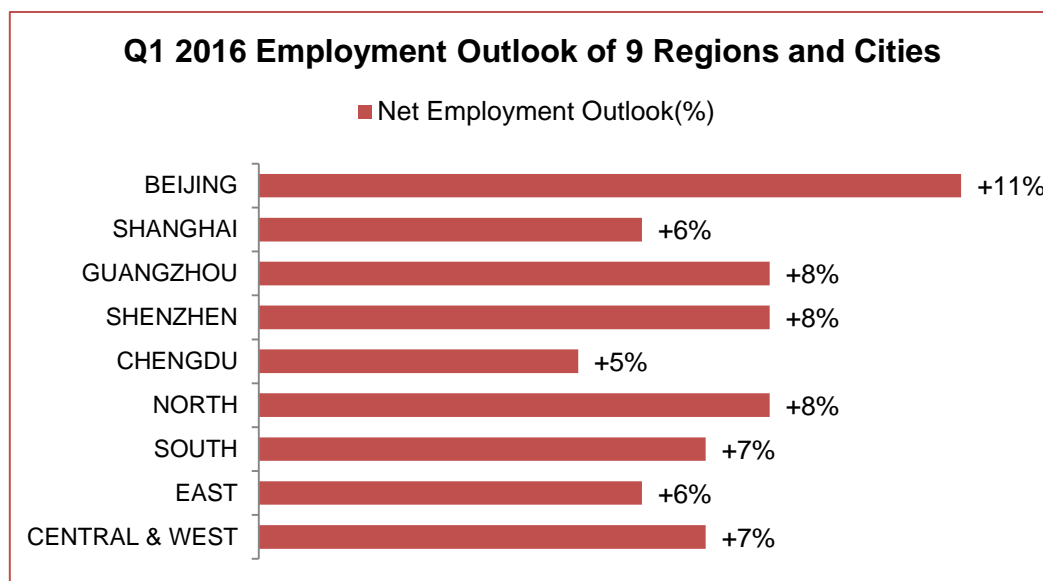
"Payrolls are expected to grow in all six sectors by varying margins in the first quarter of 2016, and most employers report stronger hiring plans compared to last quarter," added Mr. Zhang Jinrong. "As China is deploying more resources and manpower to develop its fast-growing modern service industry, the industry has provided fresh opportunities for foreign investors, with China's service trade volume increasing by 15.9 percent on a year-on-year basis. Also, the government is integrating the service

sector with modern manufacturing sector, to ensure the realization of productive service sector; we believe this accounted for over 60% of the entire service sector in 2020. All of these measures are expected to further stimulate employment in the Services sector.”

“However, the survey indicates the Finance sector is expected to lose momentum in the months ahead, and institutions such as insurance, securities and trusts will likely be affected by the continuing turbulence in the capital markets,” continued Mr. Jinrong.

### Employers in Beijing report the strongest regional hiring intentions among Mainland China’s nine regions and cities<sup>3</sup>

Employers in all nine regions and cities forecast workforce gains during the next three months. And hopefully employers in all nine regions and cities report stronger hiring intentions in quarter-over-quarter comparisons. Among the regions, employers in four all anticipate moderate hiring intentions in the next three months, while employers in North report the most encouraging hiring intentions, with the Outlook of +8%. As for cities, the strongest labor market is anticipated in Beijing, where Outlook stands at +11%. Elsewhere, hiring intentions in Guangzhou, Shenzhen and Shanghai are all cautiously optimistic, and employers report Outlooks of +8%, +8% and +6%, respectively.



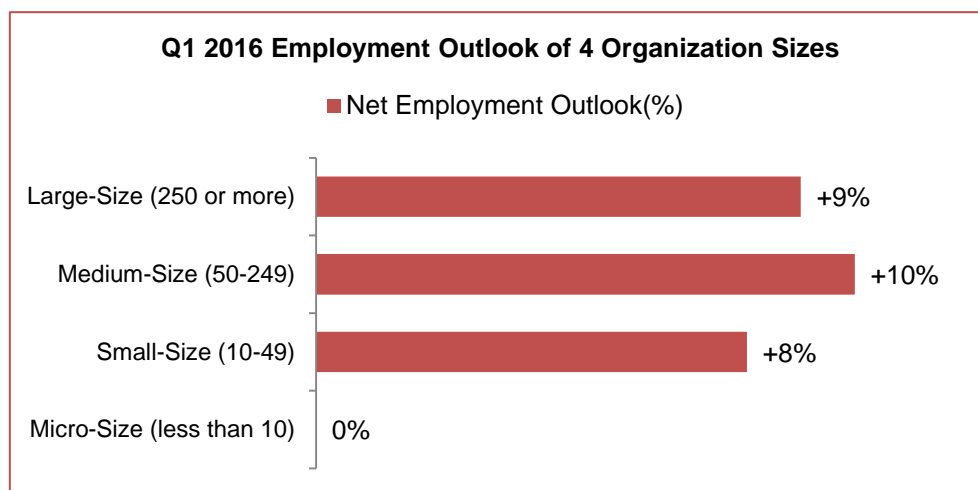
Source: Manpower Employment Outlook Survey

“The Beijing Economic-Technological Development Area is playing a leading role in the country's high-tech industries, attracting foreign investment and fostering overseas expansion. The Area is progressing through rapid technological upgrading and industrial reshuffling, and it has attracted both talented people and companies at home and abroad,” added Mr. Zhang Jinrong. “At present, Beijing’s total economy rose to 2 trillion Yuan, the contribution rate of the tertiary industry in Beijing has reached to 92.9%.”

### Employers in Medium Businesses<sup>4</sup> forecast the most upbeat hiring intentions in first quarter 2016

Staffing levels are expected to grow by varying degrees in three organization sizes except micro-size business during 1Q 2016, according to employers.

Employers in medium businesses report the most respectable hiring intentions, with an Outlook of +10%. However, the Outlook remains unchanged quarter-over-quarter and 7 percentage points weaker year-over-year. Elsewhere, a mild hiring pace is reported in large and small businesses, with employers reporting the Outlook of +9% and +8% respectively. Meanwhile, Micro employers still anticipate a flat labor market in 1Q 2016, reporting an Outlook of 0%.



Source: Manpower Employment Outlook Survey

“Small and medium-sized enterprises (SMEs) are a significant force in vitalizing the economy, promoting innovation, increasing tax revenue and creating jobs. The State Council plans to set up the national SMEs development fund to encourage entrepreneurship in the country. We see that the Outlook of small-size business is 3 percentage points stronger quarter-over-quarter, and employers in medium businesses forecast the most upbeat hiring intentions in the first quarter of 2016,” added Mr. Jinrong. “However, despite a series of policy initiatives such as expanded preferential tax policies, reduced tax burden etc., credit conditions have still remained tight for SMEs.”

### **Globally, strongest hiring intentions reported in India, Taiwan, Japan, Turkey and the US**

Globally, on the basis of seasonally adjusted survey data\*, employers anticipate an increase in staffing levels in 39 of the 42 countries and territories during the coming quarter, compared with 36 in 4Q 2015. Hiring plans improve in 23 of 42 countries and territories when compared with the previous quarter, but decline in 13. Outlooks strengthen in 19 countries and territories year-over-year but weaken in 18. The most optimistic Net Employment Outlooks are reported in India, Taiwan, Japan, Turkey and the US while the weakest and only negative hiring intentions are reported in Brazil, Finland and France.

Staffing levels are expected to increase in all eight Asia Pacific countries and territories during 1Q 2016. Net Employment Outlooks improve in four countries and territories when compared with the previous quarter, but decline in two. Year-over-year, hiring plans strengthen in two countries/ territories but decline

in five. The strongest hiring plans are reported in India, while Chinese employers report the weakest Outlook in the region.

Employers in nine of 10 Americas countries expect to grow staffing levels in the coming quarter. When compared with the previous quarter, the Net Employment Outlook improves in five countries but declines in four. Year-over-year, hiring prospects are stronger in five countries but weaker in five. As in 4Q 2015, employers in the United States report the most optimistic hiring prospects in the region, while the weakest labor market is forecast in Brazil.

Payroll growth is forecast in 22 of the 24 EMEA countries during 1Q 2016, while employment levels are expected to decline in two countries. Hiring intentions strengthen in 14 countries when compared with the previous quarter, but weaken in seven. Employers in 12 countries report stronger Outlooks year-over-year, but Outlooks weaken in eight countries. The strongest hiring plans are reported in Turkey, while the weakest labor market is expected in Finland.

\* Data is not seasonally adjusted for Finland

The Manpower Employment Outlook Survey is available free of charge to the public through <http://cn.manpowergroup.com/employmentOutlookSurvey.html>. In addition, results for all 42 countries can be viewed in the new interactive [Manpower Employment Outlook Survey Explorer tool](#). The next Manpower Employment Outlook Survey will be released on 8 March 2016 to report hiring expectations for the second quarter of 2016.

#### **Note To Editor**

1. Seasonally adjusted data is a statistical process that allows us to present the survey data without the effect of fluctuations that normally occur through the course of the year, as a result of seasonal events such as changes in weather, public holidays, etc. Removal of the seasonal effect gives us the ability to observe the current labor market trends more meaningfully. All industry sector data reported above is seasonally adjusted. Regional and city data has not been adjusted to account for seasonal variation.
2. The Net Employment Outlook is derived by taking the percentage of employers anticipating an increase in hiring activity less the percentage of employers who expect to reduce their workforces.
3. Since Q1 2012, the previous 16 cities surveyed in mainland China are collected into 9 regions and cities. The five cities include Beijing, Shanghai, Guangzhou, Shenzhen, and Chengdu. The four regions include North, South, East and Central & West. The North region includes Beijing, Tianjin, Dalian and Chengdu, while the South region includes Guangzhou, Shenzhen, Xiamen and Changsha. The East region includes Shanghai, Nanjing, Suzhou and Hangzhou; and the Central & West region includes Chengdu, Chongqing, Xi'an and Wuhan.
4. Since Q1 2015, Manpower Employment Outlook Survey shows the organization sizes data. 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.

Full survey results for each of the 42 countries and territories included in this quarter's survey, plus regional and global comparisons, can be found at [http:// www.manpowergroup.com/meos](http://www.manpowergroup.com/meos). In addition, all tables and graphs from the full report are available to be downloaded for use in publication or broadcast

from the ManpowerGroup Web site at [http://www.manpowergroup.com/press/meos\\_landing.cfm](http://www.manpowergroup.com/press/meos_landing.cfm)

### **About the Survey**

The global leader in innovative workforce solutions, ManpowerGroup releases the Manpower Employment Outlook Survey quarterly to measure employers' intentions to increase or decrease the number of employees in their workforce during the next quarter. It is the longest running, most extensive, forward-looking employment survey in the world, polling near 59,000 employers in 42 countries and territories. 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 where labor markets are headed.

### **About ManpowerGroup China**

As workforce expert, ManpowerGroup has rooted in China for more than 20 years, we provide comprehensive human resource solutions through our local expertise as well as combination of global resources and experience.

ManpowerGroup China boasts over 5,000 multinational and local companies, and increases over 5,000,000 selected middle-to-senior managing talents every year. We provide customized solutions for companies to fit their talent needs and achieve business strategic goals, including recruitment services, employment services, talent management and talent strategy. Also our products and services cover talents career cycle, including job seeking, job consultation, career development, skill advancement and career transition. In 2015, ManpowerGroup China was awarded "Asia-Pacific Human Resources Service Leading Enterprise Award" and "Customer Satisfaction Award for HR Service in Greater China".

ManpowerGroup provides comprehensive solutions for companies and individuals through ManpowerGroup Solutions, Experis, Manpower, Caden, Right Management and two investments in China ReachHR and XAFesco.

ManpowerGroup China, as a socially responsible organization, took the ownership to build and operate Manpower Ningqiang Elementary School in China Wenchuan, the hit area of the 5.12 earthquake.

For more information about ManpowerGroup China, please visit: [cn.manpowergroup.com](http://cn.manpowergroup.com)