

## Manpower Employment Outlook Survey Q1 2016

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### Encouraging signs expected for job seekers in Q1 2016

**Opportunities for job seekers are expected to be strongest in the TRANSPORT, STORAGE & COMMUNICATIONS and PUBLIC & SOCIAL sectors; and weakest within the CONSTRUCTION sector. Provincially, employers in KwaZulu-Natal report the strongest hiring intentions for the first quarter of the year, while employers within the Eastern Cape report the weakest hiring intentions.**

*Johannesburg, 8 December 2015* – South African employers report encouraging signs for job seekers in the upcoming quarter. While 13% of employers anticipate an increase in staffing levels, 6% forecast a decrease and 77% expect no change. Once the data is adjusted to allow for seasonal variation, the Outlook stands at +5%. Hiring intentions decline by 2 percentage points when compared with the previous quarter and are 6 percentage points weaker year-over-year.

Lyndy van den Barselaar, Managing Director of Manpower SA, provides insights into why the South African employment market is expected to provide encouraging signs for job seekers in the January to March time frame, “Following a year fraught with economic and labour market hardships, South African employers are cautiously optimistic going into 2016. For some businesses, the New Year will mean new employees, and for 77% the New Year will mean no change in the number of employees. Stability in the job market creates opportunities for foreign investment into some of the country’s main industries, creating opportunities for growth. The festive season also provides growth for many industries, helping to spur growth within the first quarter of 2016.”

#### Regional Comparisons

Job growth is forecast in four of the five regions during the January-March time frame. Employers report the strongest hiring prospects in KwaZulu-Natal, with a Net Employment Outlook of +8%. Elsewhere, Outlooks stand at +6% in three regions – Free State, Gauteng and Western Cape. However, Eastern Cape employers anticipate an uncertain hiring climate, reporting an Outlook of -1%.

“KwaZulu-Natal is South Africa’s second largest economy, housing two of the country’s largest and busiest ports. The city of Durban is currently experiencing an increase in construction for business and residential purposes, indicating an increase in investment into business and the tourism industry in the region. This, together with an increase in imports into South Africa, is contributing to the positive employment outlook for the province,” explains van den Barselaar.

When compared with the previous quarter, Outlooks weaken in three of the five regions. Eastern Cape employers report a decline of 7 percentage points while hiring prospects are 5 and 2 percentage points weaker in Western Cape and Gauteng, respectively. Meanwhile, Outlooks improve by 3 percentage points in both Free State and KwaZulu-Natal.

Year-over-year hiring prospects decline in all five regions, most notably by 12 percentage points in both Eastern Cape and Western Cape. Gauteng employers report a decrease of 3 percentage points while Outlooks are 2 percentage points weaker in both Free State and KwaZulu Natal.



## Sector Comparisons

Employers anticipate an increase in staffing levels for eight of the 10 industry sectors during 1Q 2016. The strongest hiring plans are reported in two sectors with Net Employment Outlooks of +10% – the Public & Social sector and the Transport, Storage & Communication sector. Cautiously optimistic hiring intentions are also reported in three sectors with Outlooks of +9% – the Agriculture, Hunting, Forestry & Fishing sector, the Manufacturing sector and the Restaurants & Hotels sector. Meanwhile, payrolls are forecast to decline in two sectors. The Outlook for the Construction sector reflects pessimistic hiring plans, standing at -8%, while Mining & Quarrying sector employers report an Outlook of -6%.

“Increased imports into the country owing to the current drought and the current push towards installing last mile fibre to the home (FTTH) and fibre to the business (FTTB) are contributing factors in the growth in the Transport, Storage & Communications sector. Meanwhile, South Africa’s need for skilled teachers and nurses are possible contributing factors to the expected growth in the Public & Social sector, as more businesses and organisations offer bursaries and courses in this regard,” says van den Barselaar.

When compared with 4Q 2015, hiring intentions weaken in five of the 10 industry sectors. Construction sector employers report the most noteworthy decline of 16 percentage points. Elsewhere, employers report decreases of 9 percentage points in the Wholesale & Retail Trade sector and 5 percentage points in the Electricity, Gas & Water Supply sector. Meanwhile, Outlooks strengthen in five sectors, most notably by 5 percentage points in the Public & Social sector. Employers in the Finance, Insurance, Real Estate & Business Services sector and the Manufacturing sector report improvements of 4 percentage points.

Year-over-year, hiring prospects weaken in seven of the 10 industry sectors, including a steep decline of 23 percentage points reported for the Construction sector. Outlooks are 8 percentage points weaker in both the Electricity, Gas & Water Supply sector and the Mining & Quarrying sector, while Finance, Insurance, Real Estate & Business Services sector employers report a decline of 5 percentage points. Elsewhere, hiring plans remain relatively stable in the Agriculture, Hunting, Forestry & Fishing sector, the Public & Social sector and the Restaurants & Hotels sector.

## Organisation-Size Comparisons

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.

Employers forecast job gains in all four organisation size categories during the next three months, with the strongest hiring pace anticipated by Large employers who report a Net Employment Outlook of +18%. Elsewhere, Outlooks stand at +6% and +5% for Medium- and Small-size employers, respectively, while Micro employers report an Outlook of +2%.

Quarter-over-quarter, Outlooks are 3 and 2 percentage points weaker in the Medium- and Large-size employer categories, respectively. However, Small employers report an improvement of 2 percentage points.

When compared with 1Q 2015, hiring prospects decline in all four organisation size categories. Medium employers report the most noteworthy decrease of 8 percentage points, while the Outlook for Large firms declines by 7 percentage points. Elsewhere, Outlooks are 6 and 3 percentage points weaker for Micro- and Small-size employers, respectively.

“It is imperative that the current socio-economic and industrial challenges are faced with effective policies and plans, in order to create economic recovery and create employment opportunities. It is important that opportunities are created for the training and up-skilling of



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current employees to equip them with the necessary skills for the rapidly evolving technological space and business environment,” she concludes.

Across the globe, first-quarter hiring confidence is strongest in India, Taiwan, Japan, Turkey and the United States. The weakest—and only negative—forecasts are reported in Brazil, Finland and France.

Overall, forecasts are mixed in comparison to the Quarter 4 2015 and Quarter 1 2015 surveys; hiring plans improve in 23 of 42 countries and territories when compared quarter-over-quarter, decline in 13, and are unchanged in six. Outlooks strengthen in 19 countries and territories year-over-year, weaken in 18, and are unchanged in five.

## **ENDS**

The next Manpower Employment Outlook Survey will be released on 8 March 2015 to report hiring expectations for the second quarter of 2016. The Manpower Employment Outlook Survey is available free of charge to the public through local Manpower representatives in participating countries. To receive e-mail notification when the survey is available each quarter, please complete an online subscription form at: <http://www.manpowergroup.com/investors/alerts.cfm>.

## **About the Survey**

The Manpower Employment Outlook Survey for the fourth quarter of 2015 was conducted by interviewing a representative sample of 753 employers in South Africa. All survey participants were asked, *“How do you anticipate total employment at your location to change in the three months to the end of March 2016 as compared to the current quarter?”*

Unlike other surveys, which operate in hindsight and analyse the previous quarter of the year, the Manpower Employment Outlook Survey is unique in that it forecasts the future shape of the employment industry for the next quarter.

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 nearly 59,000 employers in 42 countries and territories. The survey serves as a bellwether of labour 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 labour markets are headed.

## **Note to Editors:**

Commentary is based on seasonally adjusted data where available. 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 in the ManpowerGroup Press Room at [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 Website at: <http://www.manpowergroup.com/press/meos.cfm>. ManpowerGroup has also released its Manpower Employment Outlook Survey Explorer tool, a new interactive way to examine and compare its data. The tool can be viewed at <http://www.manpowergroupsolutions.com/DataExplorer/>

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