Stockholm March 14, 2017

Manpower Employment Outlook Survey for Q2 2017:

Swedish labor market slowdown expected in the spring

After a more optimistic start to the year, Swedish employers expect a slight decline in hiring, though bright spots can be seen in several places. The biggest changes are expected in Norrland, where opportunities for job seekers appear to be heading for a sharp decline as employers report their first negative forecast in three years. The Skåne forecast is also slipping, while employers in the other four regions report more upbeat hiring plans. Of all industries in the survey, the largest decline is in the Wholesale & Retail Trade sector, while employers in both the Construction industry and Green industries expect to add some jobs over the next quarter.

Sweden's Net Employment Outlook (*see footnote*) now stands at +2%—down five percentage points both quarter-over-quarter and year-over-year.

> "It is encouraging that employers in the large and important Stockholm-Uppsala region still believe in job growth, at the same time that signals from Norrland in particular, but even Skåne, suggest a rather hefty downturn in the spring and early summer when many companies are usually running at full speed – which usually means adding jobs instead. The negative signals from retail trade, also seen in forecasts other than our own, are worrisome too. The somewhat erratic results suggest increased uncertainty in several areas," says Lars Forseth, CEO of ManpowerGroup Sweden.

> "Globally, we see few changes compared with the beginning of 2017. Many companies appear to be holding on to their current workforce and monitoring world events, ready to adjust depending on the changes that arise in the global arena," says Lars Forseth.

Norrland retreats while Stockholm-Uppsala remain strong

Employers in four of the six regions expect hiring gains in the second quarter of the year. The strongest report comes from Östra Götaland with a Net Employment Outlook of +15 percent, followed by the Stockholm-Uppsala region with +11 percent. Norrland plummeted 20 percentage points, down to a pessimistic –11 percent, while Skåne retreated 12 percentage points to a clearly negative –9 percent. Västra Götaland remains at about the same level as previously, while central Sweden slipped seven percentage points on a quarterly basis.

Wholesale & Retail Trade plummets after a solid start to the year

Of all industries in the survey, employers in six of ten report positive hiring forecasts. The strongest forecast comes from employers in Finance, Real Estate and Consulting, with a Net Employment Outlook of +14 percent. The Green industries (agriculture, forest management, and fishing) and the Construction industry are also strong. The Wholesale & Retail Trade forecast is not doing as well, sliding 19 percentage points, though the Net Employment Outlook still remains a cautiously optimistic +5 percent. The Mining industry forecast declined to negative territory after a relatively positive 2016, while employers in the Transportation sector are signaling cutbacks during the upcoming quarter.

Labor markets worldwide relatively unchanged

Globally, employers from 39 of 43 surveyed countries report upbeat job forecasts and demand for labor remains at about the same levels as at the beginning of the year. The greatest demand for labor worldwide continues to come from Taiwan, followed by Japan and Slovenia. Employers in Brazil, Italy and Belgium report the weakest forecasts. In Europe, employers in Slovenia and Bulgaria report the strongest hiring plans.

Footnote: The Net Employment Outlook is defined as the percentage of employers who anticipate an increase in hiring activities, minus the percentage who project a decrease. During the second quarter of 2017, 10 percent of Swedish employers expect to increase hiring, 6 percent expect to reduce staff, while most (84 percent) expect employment to remain unchanged. The employment outlook for Sweden is therefore +4%, but after adjustment for seasonal variations, the Net Employment Outlook is +2%.