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The outlook for new hiring in Brazil remains negative, however fewer employers expect to reduce workforces

A ManpowerGroup survey shows a slight retraction in the number of employers who expect to dismiss in the next quarter, from January to March 2016

Brazil, São Paulo, 8 December, 2015 - ManpowerGroup, the world leader in innovative solutions for people management and hiring, announced the results of its quarterly survey on the Employment Outlook in Brazil for the first quarter of 2016. In Brazil, the study interviewed 851 leading human resources executives.

The survey shows that activities in the labor market are expected to remain negative in the first quarter of 2016. The expected hiring rate for the period is -13%, against -9% for the last quarter of 2015. However, compared to data from the last quarter of 2015, the percentage of employers who anticipate reducing their workforce between January and March 2016 dropped 4 percentage points, from 23% to 19%. I.e. fewer employers are expected to dismiss employees. The volume of those who would not be altering their workforce rose three points from 65% to 68%, and those who intend to hire remained unchanged from the prior quarter at 9%.

“The data shows a certain stability in the domestic labor market. If on the one hand the expectations for hiring are frozen, on the other hand we saw a slight decrease in the intention to dismiss, as more companies would be able to keep their workforce intact until the end of the surveyed period. Many business owners are cautious, hoping to better understand how 2016 is expected to unfold before considering any new hiring,” according to ManpowerGroup CEO Riccardo Barberis.

Comparison by industry

Staffing levels are expected to decline in six of the eight industry sectors during the coming quarter. Employers in the Finance, Insurance & Real Estate sector report cautiously optimistic hiring intentions with an Outlook of +9%. The weakest Net Employment Outlook of -32% is reported in the Construction sector. Elsewhere, dim hiring prospects are evident in the Transportation & Utilities sector and the Manufacturing sector, where Outlooks stand at -16% and -14%, respectively. Services sector employers forecast a gloomy labor market with an Outlook of -11%, while Agriculture, Fishing & Mining sector employers report pessimistic hiring plans with an Outlook of -10%. Employers in four of the eight sectors report the weakest hiring prospects since the survey began in 4Q 2009: the Construction sector, Agriculture, Fishing & Mining sector, Services sector and Transportation & Utilities sector.

Quarter-over-quarter, Outlooks decline in five of the eight industry sectors. Construction sector employers report the most noteworthy decrease of 6 percentage points, while the Outlook for the Agriculture, Fishing, & Mining sector declines by 4 percentage points. However, Outlooks strengthen in three sectors, most notably by 5 percentage points in both the Finance, Insurance & Real Estate sector and the Wholesale Trade & Retail Trade sector.

When compared with 1Q 2015, hiring prospects decline in all eight industry sectors. Sharp decreases of 27 percentage points are reported in two sectors – the Construction sector and the Services sector. Transportation & Utilities sector employers report a decline of 19 percentage points while the Agriculture, Fishing, & Mining sector Outlook is 17 percentage points weaker. In the Public Administration & Education sector employers report a decrease of 15 percentage points, while the Outlook for the Wholesale Trade & Retail Trade sector declines by 11 percentage points.

Regional comparison

Employers in all five regions expect staffing levels to decline in 1Q 2016. The weakest hiring prospects are reported in both São Paulo City and Rio de Janeiro State, with Net Employment Outlooks standing at -14%. Great São Paulo employers also forecast a gloomy hiring climate, reporting an Outlook of -12%, while sluggish Outlooks of -8% and -6% are reported in Minas Gerais State and Parana State, respectively.

When compared with 4Q 2015, hiring intentions weaken in two of the five regions. The Outlook for Rio de Janeiro State declines by 6 percentage points while São Paulo City employers report a decrease of 5 percentage points. Meanwhile, employers in Great São Paulo report an improvement of 2 percentage points. Elsewhere, the Outlook for Parana State is unchanged and Minas Gerais State employers report relatively stable hiring plans.

Year-over-year, Outlooks decline in all five regions, most notably by 24 and 20 percentage points in Rio de Janeiro State and São Paulo City, respectively.

Hiring prospects decline by 15 percentage points in Great São Paulo and are 14 percentage points weaker in both Parana State and Minas Gerais State.

Comparison by business size

Companies that participated in the survey were classified in four sizes. Micro - Less than 10 employees; Small - 10 to 49 employees; Medium – 50 to 249 employees; Large – More than 250 employees.

The study's outlook reveals that hiring expectations are pessimistic in all categories, but especially among micro-companies, with a new hiring rate of -13%. This represents a decline of 5 percentage points in the quarter and 18 in the annual variation.

International Comparison

According to the first-quarter research from ManpowerGroup, employers in 39 of 42 countries and territories intend to add to their payrolls by varying degrees at the start of 2016. However, the survey reveals few trends that signal labor market momentum is building in one direction or another. Opportunities for job seekers are expected to remain similar to those available in the final three months of 2015, and results for the January-March time frame indicate that a small majority of employers are content to either retain current staff or grow payrolls at modest levels while they await more definitive signs in the marketplace.

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. 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.

EMEA (Europa, Médio Oriente e África): 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.

• **Asia:** • 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. According to the survey 7% of Chinese should hiring during the period.

• **Americas:** • 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.

All **Employment Expectation Surveys**, in addition to the **2015 Talent Shortage Survey**, are available for free download on the ManpowerGroup website:

<http://www.manpowergroup.com.br/pesquisas>

Methodology

The Manpower 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%. The margin of error for Brazil's national Net Employment Outlook is +/- 3.6%.

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. 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 applied to the data for all participating countries except Finland. ManpowerGroup intends to add seasonal adjustments to the data for Finland as more historical data is compiled. Note that in Quarter 2 2008, ManpowerGroup adopted the TRAMO-SEATS method of seasonal adjustment for data.

About ManpowerGroup

ManpowerGroup™ (NYSE: MAN) has been the world's workforce expert, creating innovative workforce solutions, for more than 65 years. As workforce experts, we connect more than 600,000 men and women to meaningful work across a wide range of skills and industries every day. Through our ManpowerGroup family of brands — Manpower®, Experis™, Right Management® and ManpowerGroup™ Solutions— we help more than 400,000 clients in 80 countries and territories address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2015, ManpowerGroup was named one of the World's Most Ethical Companies for the fifth consecutive year and one of Fortune's Most Admired Companies, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup makes powering the world of work humanly possible:www.manpowergroup.com.

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