



ManpowerGroup

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CONSTRUCTION BOOM KEEPS NEW ZEALAND EMPLOYMENT OUTLOOK POSITIVE

Manpower Employment Outlook Survey Q4 2016

NEW ZEALAND (13 SEPTEMBER 2016): The latest Manpower Employment Outlook Survey, released today, has found New Zealand employers are entering the final quarter of 2016 anticipating reasonable job gains across all regions and most industries.

The survey of more than 650 local businesses found 19 per cent employers are poised to increase their headcount in the October to December timeframe, while the majority (75 per cent) indicate they would make no change to their current workforce.

The resulting national Net Employment Outlook (NEO)¹ of +14% is up two percentage points from the third quarter of 2016 and year-on-year.

Richard Fischer, Managing Director, ManpowerGroup Australia and New Zealand, said the nation's hiring intentions continued to increase despite some macro challenges for the economy.

"The overall hiring mood in New Zealand is positive despite some nervousness in various sectors. This positive outlook is underpinned mainly by the construction boom, particularly in the main centres of Auckland and Christchurch, while the dairy industry's sluggish run has seen a slight uplift with a recent improvement in wholesale milk prices that has alleviated some of the turmoil plaguing farmers over the past 12 months.

"It's encouraging to see we're maintaining overall strong employment levels and jobs growth in the face of concerning economic factors such as a continued lack of annual wage inflation, a record low official cash rate and a high New Zealand dollar exchange rate. However, this is offset by heartening recent labour market data that shows a drop in the unemployment rate and an increase in New Zealand's labour force to 1.5 per cent, the largest increase since December 2004," said Mr Fischer.

Employers in the majority of the industry sectors across the country are anticipating job growth in next the quarter. Opportunities within the Mining & Construction industry are expected to be the strongest, with employers reporting a NEO of +28%, up 12 percentage points from last quarter and increased by 13 percentage points year-on-year. A significant 28 per cent of employers in this sector are expecting to increase their headcount in the next three months. Employers in the Wholesale Trade & Retail Trade sector are also anticipating an upbeat hiring environment in the next three months, with the NEO of +18% represents an eight percentage points increase year-on-year.

"Construction continues to lead the way showing consistently strong demand. Residential construction in particular continues to surge with a further 18,000 new houses being built in Auckland. Record net migration figures of 67,619 in the last 12 months has fuelled population growth in this region and exacerbated the housing shortfall. As a result, the strong demand for candidates has resulted in a talent shortage, which is driving wage inflation in the market."

¹ The Net Employment Outlook is calculated by subtracting the percentage of employers anticipating a decrease in hiring activity from the percentage of employers anticipating an increase in employment. Seasonal adjustment is then applied to the data.

On the flipside, employers in the Transport and Utilities sector reported the fourth quarter's weakest NEO of +9%, down four percentage points from last quarter, and a decrease of 15 percentage points year-on-year.

Meanwhile, employers in medium-sized businesses are expecting the strongest hiring environment in the October to December timeframe with 28 per cent of employers planning on increasing headcount, resulting in a NEO of +23%. On the other hand, 16 per cent of larger employers are planning on decreasing staff numbers, reporting a NEO of +18%, down three percentage points from last quarter.

"Medium sized businesses are also benefitting from the downstream effect of a rising housing market that is providing more buyer confidence in consumer goods. We're also seeing increased demand for digital expertise and talent in these businesses, as the need for cloud and improved user experience grows.

"Simultaneously, increased automation and digitisation are having a negative effect on large organisations. Efficiencies driven by technology are reducing their need for staff, putting downward pressure on hiring intentions," said Mr Fischer.

Regionally, employers in Auckland reported the strongest outlook, with an increase of three percentage points over the quarter, to a NEO of +16%, followed by those in Christchurch, who reported a NEO of +12%. In comparison, hiring intentions softened slightly in Wellington with employers reporting a NEO of +11%, down three percentage points from last quarter.

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Table 1. Net Employment Outlook Comparison by Region

	Q4 2016	Quarter-on-Quarter Change	Year-on-Year Change
NATIONAL	+14%	↑ (+2%)	↑ (+2%)
AUCKLAND	+16%	↑ (+3%)	↑ (+3%)
CHRISTCHURCH	+12%	↑ (+4%)	↑ (+6%)
WELLINGTON	+11%	↓ (-3%)	↓ (-1%)

Table 2. Net Employment Outlook Comparison by Sector

	Q4 2016	Quarter-on-Quarter Change	Year-on-Year Change
Finance, Insurance & Real Estate	+13%	↑ (+13%)	↓ (-4%)
Manufacturing	+13%	↑ (+3%)	↑ (+7%)
Mining & Construction	+28%	↑ (+12%)	↑ (+13%)
Public Administration	+10%	- (-/+0%)	↑ (+1%)
Services	+14%	- (-/+0%)	- (-/+0%)
Transportation & Utilities	+9%	↓ (-4%)	↓ (-15%)
Wholesale Trade & Retail Trade	+18%	↑ (+2%)	↑ (+8%)

Table 3. Net Employment Outlook Comparison by Organisation size

	Q4 2016	Quarter-on-Quarter Change	Year-on-Year Change
Micro (<10)	+11%	↑ (+3%)	↑ (+2%)
Small (10-49)	+17%	↑ (+6%)	- (-/+0%)
Medium (50-249)	+23%	↑ (+6%)	↑ (+14%)
Large (>250)	+2%	↓ (-18%)	↓ (-21%)

Table 4. APAC Q4 2016 results

Country	Q4 2016	Quarter-on-Quarter change	Year-on-Year change
AUSTRALIA	+11%	↑ (+2%)	↑ (+5%)
CHINA	+5%	↑ (+3%)	- (-/+0%)
HONG KONG	+13%	↑ (+1%)	↓ (-2%)
INDIA	+32%	↓ (-3%)	↓ (-10%)
JAPAN	+23%	↑ (+1%)	↑ (+1%)
NEW ZEALAND	+14%	↑ (+2%)	↑ (+2%)
SINGAPORE	+7%	↓ (-2%)	↓ (-5%)
TAIWAN	+21%	↑ (+2%)	↓ (-13%)

About ManpowerGroup

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