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Slovenian hiring atmosphere remains encouraging despite softening in key sectors in the past six months

ManpowerGroup Employment Outlook Survey: Quarter 2, 2020

- According to the ManpowerGroup Employment Outlook Survey the Net Employment Outlook for the second quarter of 2020 stands at +9%.
- Workforce gains are anticipated in all seven industry sectors. The strongest labor market is forecast by Finance & Business Services sector employers with a Net Employment Outlook of +18%. However, in a quarterly comparison hiring prospects weaken in three sectors and four of the seven industries Outlooks have weakened when compared with this time one year ago.
- The weakest labor market in three years is anticipated in the Other Production sector (Mining & Quarrying; Agriculture, Hunting, Forestry & Fishing; Electricity, Gas & Water).
- Job seekers can expect the weakest labor market in two years in Restaurants & Hotels sector.

Ljubljana, 10th March 2020 – The results of the ManpowerGroup Employment Outlook Survey reveal that Slovenian employers report cautiously optimistic hiring plans for the upcoming quarter. With 13% of employers anticipating an increase in payrolls, 4% forecasting a decrease and 83% expecting no change, the resulting Net Employment Outlook (NEO) is +9%. Hiring plans remain relatively stable in comparison with the prior quarter but decline by 2 percentage points when compared with this time one year ago.

*“While it is too early to predict the potential impact of Covid-19 on local and global hiring, the reality today is that unemployment remains low in many markets and organizations globally are still struggling to find people with the right skills,”¹ comments **Nuno Gameiro, Regional Managing Director for South Eastern Europe.** “The upturn trend from the past three years is slowing down and we can see that Slovenian employers are embracing a more cautious position in their hiring policies. The general climate of economic uncertainty, in and outside of the EU, has impacted this quarter’s forecast,” notes **Gameiro.***

Looking at the **industry-specific data**, workforce gains are anticipated in all seven industry sectors. The strongest labor market is forecast by Finance & Business Services sector employers with an Outlook of +18%. Wholesale & Retail Trade sector employers also anticipate a steady hiring pace, reporting an Outlook of +11%, while Outlooks of +10% are

¹ The survey was conducted between January 6 and January 28 before the global escalation of Covid-19.

reported for three sectors – the Construction sector, the Manufacturing sector and the Other Services sector. Meanwhile, limited payroll growth is expected in the Other Production sector with an Outlook of +4%, and in the Restaurants & Hotels sector where the Outlook is +2% and is the weakest labor market in two years.

Hiring intentions strengthen in four of the seven industry sectors when compared with the previous quarter. The most noteworthy increase of 12 percentage points is reported in the Finance & Business Services sector, and Outlooks improve by 8 and 4 percentage points in the Wholesale & Retail Trade sector and the Manufacturing sector, respectively. However, hiring prospects weaken in three sectors, including the Construction sector with a decline of 6 percentage points, and the Restaurants & Hotels sector where the Outlook decreases by 5 percentage points.

When compared with this time last year, employers in four of the seven industry sectors report weaker hiring plans. A considerable decline of 12 percentage points is reported in the Restaurants & Hotels sector, and Outlooks decrease by 8 and 5 percentage points in the Manufacturing sector and the Other Production sector, respectively. Elsewhere, Outlooks strengthen in two sectors, most notably by 5 percentage points in the Finance & Business Services sector.

Employers in **all four regions** expect to add to payrolls during the second quarter of 2020. The strongest hiring prospects are reported in both Central and North East Slovenia, where NEOs stand at +10%. Elsewhere, employers in both the South East and South West regions forecast a mild hiring pace, reporting Outlooks of +6%.

Hiring prospects strengthen in two of the four regions when compared with the previous quarter, with increases of 3 percentage points reported in both Central and South East Slovenia. Meanwhile, the Outlook for the South West remains relatively stable, but North East employers report a slight decline of 2 percentage points. In a year-over-year comparison, Outlooks weaken in three of the four regions, most notably by 9 percentage points in the South East. South West employers report a decrease of 6 percentage points and the Outlook for the North East declines by 3 percentage points. However, hiring prospects improve by 2 percentage points in Central Slovenia.

Employers expect to grow staffing levels in **three of the four organization size categories** during the forthcoming quarter. The strongest hiring pace is anticipated by Large employers who report a NEO of +20%. Medium employers forecast respectable job gains with an Outlook of +14% and the Outlook for Small firms is +9%. However, Micro employers anticipate flat hiring activity, reporting an Outlook of 0%.

Global and EMEA results

ManpowerGroup interviewed over 58,000 employers in 43 countries and territories to forecast labor market activity² in the second quarter of 2020. The research reveals that employers in 42 of 43 countries and territories surveyed expect to increase payrolls in the April to June period.

The strongest hiring activity is anticipated in **Croatia, Greece, Japan and Taiwan**, while the weakest labor markets are expected in **Panama, Hong Kong, Poland and South Africa**. When compared with the first quarter of 2020, hiring intentions strengthen in 23 of the 43 countries and territories, while employers in 11 report weaker hiring plans, with no change reported in nine. In a comparison with this time one year ago, employers in 14 countries and territories report stronger hiring prospects, while hiring plans decline in 22, and are unchanged in seven.

² Commentary is based on seasonally adjusted data where available. Data is not seasonally adjusted for Croatia or Portugal.

Workforce gains are expected in all 26 Europe, **Middle East & Africa (EMEA)** region countries surveyed during the second quarter of 2020. When compared with the prior quarter, hiring prospects strengthen in 15 countries, but weaken in seven. In a comparison with the second quarter of 2019, Outlooks improve in eight countries, but decline in 13. Employers in Croatia and Greece expect the strongest labor markets during the forthcoming quarter, while the weakest hiring sentiment is reported in Poland and South Africa.

Employers in all seven **Asia Pacific** countries and territories expect to grow payrolls in the April to June period. In a comparison with the previous quarter, hiring prospects strengthen in two countries and territories, but weaken in three. When compared with this time one year ago, hiring intentions decline in five countries and territories, while improving in one. Employers expect the strongest hiring pace in Japan and Taiwan during the next three months, while the most cautious hiring plans reported in Hong Kong.

Payrolls are expected to grow in nine of the 10 **Americas** countries surveyed during the second quarter of 2020, while Panamanian employers continue to anticipate a subdued hiring climate. When compared with the prior quarter, hiring plans strengthen in six Americas countries, but decline in one. In a year-over-year comparison, employers in five countries report stronger hiring sentiment, but hiring prospects weaken in four. Americas employers expect the strongest hiring activity in the U.S. and Brazil during coming quarter, while the weakest labor market is anticipated in Panama.

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Full survey results for each of the 43 countries and territories included in this quarter's survey, plus regional and global comparisons, can be found at www.manpowergroup.com/meos. The next ManpowerGroup Employment Outlook Survey will be released on **9 June 2020** and will detail expected labor market activity for the third quarter of 2020.

About the Manpower Employment Outlook Survey

The ManpowerGroup Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforces during the next quarter. ManpowerGroup's comprehensive forecast of employer hiring plans has been running for more than 55 years and is one of the most trusted surveys of employment activity in the world.

About ManpowerGroup

ManpowerGroup® (NYSE: MAN), the leading global workforce solutions company, helps organizations transform in a fast-changing world of work by sourcing, assessing, developing and managing the talent that enables them to win. We develop innovative solutions for hundreds of thousands of organizations every year, providing them with skilled talent while finding meaningful, sustainable employment for millions of people across a wide range of industries and skills. Our expert family of brands – Manpower, Experis and Talent Solutions – creates substantial value for candidates and clients across 80 countries and territories and has done so for over 70 years. We are recognized consistently for our diversity - as a best place to work for Women, Inclusion, Equality and Disability and in 2020 ManpowerGroup was named one of the World's Most Ethical Companies for the eleventh year - all confirming our position as the brand of choice for in-demand talent. See how ManpowerGroup is powering the future of work: www.manpowergroup.com.