

***Under strict embargo until 00:01 GMT December 13<sup>th</sup>, 2016***

***Press Release***

## **ManpowerGroup: Employers in Bulgaria send hopeful signs to job-seekers for the first three months of 2017 with an Outlook of +11%**

### **Highlights:**

- With 14% of employers in Bulgaria expecting to increase staffing levels, 7% forecasting a decrease and 74% anticipating no change, the Net Employment Outlook for 1Q 2017 is +7%.
- Once the data is adjusted to allow for seasonal variation, the Outlook stands at +11%. All results discussed in this document are seasonally adjusted.
- Hiring prospects are unchanged both quarter-over-quarter and year-over-year.
- The ManpowerGroup Employment Outlook Survey for the first quarter of 2017 was conducted by interviewing a representative sample of 620 employers in Bulgaria. 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 2017 as compared to the current quarter?”*
- Payrolls are forecast to grow in all five regions during the next three months. The strongest labor markets are anticipated by employers in both Sofia and Varna, where Net Employment Outlooks stand at +13%.
- Employers in all 10 industry sectors expect to grow staffing levels during 1Q 2017. The strongest labor market is anticipated in the Finance, Insurance, Real Estate & Business Services sector, where the Net Employment Outlook stands at +24%.
- Staffing levels are forecast to grow in all four organization size categories during 1Q 2017. Large employers report the strongest hiring prospects with a healthy Net Employment Outlook of +24%.
- Employers in 40 of 43 countries globally intend to add staff in varying degrees after the start of 2017, and this trend is valid also for hiring managers in 23 of 25 countries in the Europe, Middle East & Africa (EMEA) region.

**Sofia, Bulgaria, December 13<sup>th</sup>, 2016** – Bulgarian employers report favorable signs for job seekers in the forthcoming Q1 2017. The survey reveals that 14% of employers expect to increase staffing levels, 7% forecast a decrease and 74% anticipate no changes. Once the data is adjusted to allow for seasonal variation, the Outlook stands at +11%. Hiring prospects are unchanged both quarter-over-quarter and year-over-year.

The ManpowerGroup Employment Outlook Survey for the first quarter 2017 was conducted by interviewing a representative sample of 620 employers in Bulgaria. 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 2017 as compared to the current quarter?”*

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MANPOWERGROUP EMPLOYMENT OUTLOOK SURVEY	Seasonally Adjusted Data				
	Q1 2016	Q4 2016	Q1 2017	NEO Qtr on Qtr Change Q416 to Q117	NEO Yr on Yr Change Q116 to Q117
<b>NATIONAL TOTAL: BULGARIA</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>0</b>
AGRICULTURE, HUNTING, FORESTRY & FISHING	3	15	6	-9	3
CONSTRUCTION	21	14	11	-3	-10
ELECTRICITY, GAS & WATER SUPPLY	9	4	1	-3	-8
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	13	15	24	9	11
MANUFACTURING	17	15	22	7	5
MINING & QUARRYING	3	-7	9	16	6
PUBLIC & SOCIAL	7	8	8	0	1
RESTAURANTS & HOTELS	30	8	8	0	-22
TRANSPORT, STORAGE & COMMUNICATION	13	10	13	3	0
WHOLESALE & RETAIL TRADE	8	15	20	5	12
BURGAS	6	8	9	1	3
PLOVDIV	15	12	12	0	-3
ROUSSE	16	11	10	-1	-6
SOFIA	9	12	13	1	4
VARNA	12	8	13	5	1
MICRO	3	8	5	-3	2
SMALL	12	10	10	0	-2
MEDIUM	12	6	14	8	2
LARGE	17	21	24	3	7

**Source: ManpowerGroup**

*“Bulgaria’s forecast for the January-March time frame indicates that job seekers may benefit from a steady supply of opportunities. However, employers in Bulgaria are continuing to struggle to find qualified candidates for their job openings. A recent ManpowerGroup survey showed that in 2016, 62% of companies in the country suffer from Talent Shortage, compared to 50% in 2015. For example, employers are looking to hire blue collar employees in the very same locations where their production sites are due to exhaustion of specific regional workers where major foreign investment are. Employers are very much interested in training the skills they need in favor of maintaining low remuneration as a direct cost of employment. Due to high demand of certain skills on the market, candidates are in a stronger position to jump for different jobs and thus turnover in some companies and sectors is reaching above the average for the market levels,”* Nadia Vassileva, Managing Director, ManpowerGroup Bulgaria commented.

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### **Regional Comparisons**

Payrolls are forecast to grow in all five regions during the next three months. **The strongest labor markets are anticipated by employers in both Sofia and Varna**, where Net Employment Outlooks stand at +13%. Plovdiv employers expect steady workforce gains, reporting an Outlook of +12%, while cautiously optimistic Outlooks of +10% and +9% are reported in Rousse and Burgas, respectively.

Quarter-over-quarter, hiring prospects in Varna are 5 percentage points stronger. Meanwhile, Outlooks remain relatively stable in Burgas, Rousse and Sofia, while Plovdiv employers report no change.

When compared with 1Q 2016, slight improvements of 4 and 3 percentage points are reported for Sofia and Burgas, respectively. However, the Outlook for Rousse declines by 6 percentage points, while Plovdiv employers report a decrease of 3 percentage points. In Varna, hiring intentions remain relatively stable.

### **Sector Comparisons**

Employers in all 10 industry sectors expect to grow staffing levels during 1Q 2017. **The strongest labor market is anticipated in the Finance, Insurance, Real Estate & Business Services sector, where the Net Employment Outlook stands at +24%**. Manufacturing sector employers forecast a healthy hiring pace with an Outlook of +22%, while the Outlook for the Wholesale & Retail Trade sector is +20%. Elsewhere, steady hiring activity is expected in both the Transport, Storage & Communication sector and the Construction sector, with Outlooks of +13% and +11%, respectively, while Mining & Quarrying sector employers report an Outlook of +9%. The most cautious Outlook of +1% is reported by employers in the Electricity, Gas & Water Supply sector.

Quarter-over-quarter, hiring intentions strengthen in five of the 10 industry sectors. **The most noteworthy increase of 16 percentage points is reported in the Mining & Quarrying sector**, while Outlooks are 9 and 7 percentage points stronger in the Finance, Insurance, Real Estate & Business Services sector and the Manufacturing sector, respectively. However, employers in three sectors report weaker hiring plans, including the Agriculture, Hunting, Forestry & Fishing sector, where the Outlook declines by 9 percentage points.

**When compared with 1Q 2016, hiring prospects improve in six of the 10 industry sectors, most notably by 12 and 11 percentage points in the Wholesale & Retail Trade sector and the Finance, Insurance, Real Estate & Business Services sector, respectively.** Elsewhere, the Outlook for the Mining & Quarrying sector is 6 percentage points stronger, while Manufacturing sector employers report an improvement of 5 percentage points. However, employers report weaker hiring intentions in three sectors, including a steep decline of 22 percentage points for the Restaurants & Hotels sector. Construction sectors report a decrease of 10 percentage points while the Outlook for the Electricity, Gas & Water Supply sector is 8 percentage points weaker.

### **Organization 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.

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Staffing levels are forecast to grow in all four organization size categories during 1Q 2017. **Large employers report the strongest hiring prospects with a healthy Net Employment Outlook of +24%.** Elsewhere, Outlooks of +14% and +10% are reported by Medium- and Small-size employers, respectively, while the Outlook for Micro firms stands at +5%.

When compared with the previous quarter, Medium employers report an increase of 8 percentage points and the Outlook for Large employers is 5 percentage points stronger. However, Micro employers report a decline of 3 percentage points, while the Outlook for Small employers is unchanged.

Year-over-year, Large employers report an improvement of 7 percentage points while Outlooks are 2 percentage points stronger in both the Micro- and Medium-size categories. However, Small employers report a decline of 2 percentage points.

*“Recent stats show that in the third quarter of 2016 Bulgaria has marked the second strongest growth in the EU after Romania. GDP grew by 3.5% yoy, while economists' expectations are for growth to reach around 3% for the full year. Forecasts for 2017 are similar - a result slightly lower than in 2016, and it is mainly because of deterioration in the external environment. There are some cases when owners and managers of companies which work mainly for foreign markets, have available funds, but do not dare to invest in expanding capacity due to the uncertain economic environment and lack of qualified staff,”* Nadia Vassileva, Managing Director, ManpowerGroup Bulgaria commented.

### **Global Employment Outlook**

ManpowerGroup interviewed nearly 59,000 employers across 43 countries to forecast labor market activity<sup>i</sup> in Quarter 1 2017. All participants were asked, *“How do you anticipate total employment at your location to change in the three months to the end of March 2017 as compared to the current quarter?”*

The research from ManpowerGroup indicates job seekers across the globe will likely find some opportunities through the first three months of 2017. Hiring activity is expected to continue in the majority of the world's labor markets and most outlooks remain relatively stable or improve from three months ago and last year at this time. Altogether, employers in 40 of 43 countries intend to add to their payrolls by varying degrees at the start of 2017, and the survey reveals few signs that uncertainty associated with the Brexit vote or the U.S. election will result in any significant labor market volatility.

Instead, employers appear content to keep a watchful eye on marketplace conditions and adjust workforce levels according to their business needs.

Overall, forecasts are mixed in comparison to the Quarter 4 2016 and Quarter 1 2016 surveys. Hiring plans improve in 19 of 43 countries and territories when compared quarter-over-quarter, decline in 17, and are unchanged in seven. Outlooks strengthen in 20 countries and territories year-over-year, weaken in 18, and are unchanged in four. First-quarter hiring confidence is strongest in Taiwan, India, Japan, Hungary and Slovenia. The weakest forecasts are reported in Brazil, Switzerland and Italy.

### **EMEA Employment Outlook**

Employers expect staffing levels to increase by varying degrees in 23 of 25 countries in the Europe, Middle East & Africa (EMEA) region. When compared quarter-over-quarter, hiring plans improve in 12 countries, weaken in 10 and are unchanged in three. In a year-over-year comparison, outlooks improve in 15 countries, decline in seven and are unchanged in two.<sup>ii</sup> ManpowerGroup interviewed nearly 21,000

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employers in 25 countries in the Europe, Middle East and Africa (EMEA) region. Some level of job growth is expected in all of the countries during the January-March time frame except in Italy and Switzerland.

Employers in Hungary and Slovenia report the strongest first-quarter forecasts, and hiring intentions in both countries are the most optimistic reported since their respective surveys were launched. Hungary's upbeat outlook is fueled by unprecedented optimism in both the Construction and Wholesale & Retail Trade sectors. Similarly, Slovenia's forecast is underpinned by the most optimistic forecasts reported to date in five of the country's 10 industry sectors, with the Construction and Wholesale & Retail Trade sector outlooks also included among the five.

Job seekers will likely find similarly favorable first-quarter hiring opportunities in **both Romania and Bulgaria**. Romania's outlook is the strongest since Quarter 4 2008, with most hiring activity expected in the Manufacturing and Wholesale & Retail Trade sectors where approximately three of every 10 employers say they intend to add to their payrolls. **Bulgaria's forecast is highlighted by the strongest outlooks reported in the Finance, Insurance & Real Estate, Manufacturing, and Wholesale & Retail Trade sectors since the survey began - Q1 2011.**

Conversely, the weakest employer sentiment is reported in Switzerland where the outlook slips into negative territory for the first time in two years and in Italy where labor market activity is expected to be flat in the first three months of the year.

#### **About ManpowerGroup:**

ManpowerGroup® (NYSE: MAN) is the world's workforce expert, creating innovative workforce solutions for nearly 70 years. As workforce experts, we connect more than 600,000 people 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 2016, ManpowerGroup was named one of the World's Most Ethical Companies for the sixth 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](http://www.manpowergroup.com).

#### **About ManpowerGroup Bulgaria**

ManpowerGroup Bulgaria is one of the leaders on the Bulgarian market in contingent and permanent recruitment workforce solutions. It is part of ManpowerGroup, the world leader in innovative workforce solutions, which creates and delivers high-impact solutions that enable clients to achieve their business goals and enhance their competitiveness. With branches in Sofia, Plovdiv, Burgas and Varna, ManpowerGroup Bulgaria has provided organisations in the country with a continuum of staffing solutions from the incidental to the strategic for nine years now, working with businesses from all industry sectors to help them win. In the Human Age, where talent has replaced access to capital as the key competitive differentiator, ManpowerGroup Bulgaria leverages its trusted brand to develop a deep talent pool, providing clients with access to the people they need, fast. ManpowerGroup Bulgaria creates powerful connections between organisations and the talent they need to enhance their competitiveness and unleash their workforce potential. By creating these powerful connections, we help everybody achieve more than they imagined, and power the world of work. [www.manpower.bg](http://www.manpower.bg)

#### **For further information and to arrange an interview, please contact:**

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<sup>i</sup> *Commentary is based on seasonally adjusted data where available. Data is not seasonally adjusted for Portugal.*

<sup>ii</sup> *Portugal joined the survey in Quarter 3 2016 and has no year-over-year trend data to compare at this point.*