

Press Release

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Hiring intentions on slight rise after historical minimum on the third quarter

ManpowerGroup Employment Outlook Survey: 4th quarter 2020

- *Net Employment Outlook is + 2%, an improvement of eleven percentage points when compared to the previous quarter*
- *The Public sector anticipates the largest increase in hiring intentions, with an Outlook +13%, in contrast with the pessimism of the Construction sector, at -9%*
- *Employers in the South region foresee the weaker regional labor market, but Center and North are on positive ground*

The ManpowerGroup Employment Outlook Survey for the fourth quarter of 2020 points to a limited growth on the workforce in Portugal. Given the current context, Portuguese employers are cautious and only 11% expect to increase payrolls between October and December. At the national level, the **Net Employment Outlook is +2%**, a value that rises 11 percentage points when compared to the previous quarter but remains eight points below that registered in the same period of 2019.

In a universe of 440 Portuguese companies surveyed, 9% of employers foresee a decrease in the workforce and 71% do not make any changes.

“The results of the survey for the 4th quarter reflect the first signs of cautious optimism, as a result of the effects of the end of the lockdown and the gradual resumption of “normal” activity by sectors and companies. Nevertheless, the job destruction caused by the health crisis is significant, as evidenced by the increase in almost 92 thousand people who registered in the employment centers, since last February. However, we know that this situation does not affect everyone equally. Workers in the undifferentiated roles in sectors such as Restaurants & Hotels, Real Estate or Retail are among the most affected by job losses, whereas Digital Transformation, Cybersecurity or E-commerce activities are growing and in need of talent with

the right skills. This sharpens the skills gap in the market, something that at ManpowerGroup we have clearly identified for several years. ” says **Rui Teixeira, Chief Operations Officer at ManpowerGroup Portugal.**

““This is one of the great challenges for companies and governments in managing the post-pandemic. And the solution requires the commitment of everyone - companies, institutions and workers. The digital transformation of companies, making them more resilient to a VUCA context, together with the upskilling and reskilling of workers, whose focus should be on development and learning throughout their career, are fundamental steps in tackling the economic crisis and for creating sustainable development bases for Portuguese companies.”

The Construction sector is the most pessimistic

During the next quarter, an increase in payrolls is expected in four of the seven sectors of activity analyzed. The Finance and Business Services sector shows the greatest growth in hiring intentions, with a Net Employment Outlook of +12% and an increase of 31 percentage points when compared to the previous quarter. Nonetheless, this Outlook is still eight percentage points below the figure reported for the same period last year.

The Other Services sector has a forecast of +8%, registering an increase of 10 percentage points in comparison to the previous quarter. This growth is strongly fueled by the Public subsector, which, with a projection of +13%, boasts the highest hiring rate in all sectors analyzed, same as it did in the last quarter.

The Wholesale and Retail Trade sector, with an Outlook of +5%, improves 15 percentage points compared to the previous quarter, when it reached its historical minimum. Nevertheless, it is still 4 percentage points below the last quarter of 2019.

Both the Manufacturing sector and the Transport, Logistics and Communications sector show flat hiring intentions, with an Outlook of 0%. Nevertheless, Manufacturing employers show optimistic signs, with projections rising 12 and 2 points respectively when compared to the last quarter and the same period last year.

Despite not having stopped during the peak of the pandemic, construction employers are now the most pessimistic, as a result of a reduction in the order book, both in terms of private investment and in public procurement contracts. They reveal the weakest hiring intentions since the beginning of this study, four years ago. The Net Employment Outlook is -9%, a value

3 and 25 percentage points below that reported in the previous quarter and in the fourth quarter of 2019, respectively.

Employers in the Restaurants & Hotels sector, particularly affected by the pandemic, display the same pessimist sentiment and report an Outlook of -8%, 21 percentage points stronger than in the July to September period, but 21 percentage points below the value declared for same quarter last year.

More optimism in the Center and with Medium and Large organizations

Labor force gains are expected in two of the three Portuguese regions in the next three months. The strongest regional forecast, of +8%, is reported in the Center, representing an increase of 16 percentage points when compared to the previous quarter and a drop of five percentage points year-over-year.

In the North, employers expect a slow hiring pace and indicate an Outlook of +3%, which improves hiring prospects by 12 percentage points compared to the previous quarter, but is still eight points below the same period in 2019.

The impact of the plunge in tourism figures significantly affects the South region, with employers anticipating the weaker regional labor market, at -9%, the lowest since the beginning of this study. This figure reflects a reduction of five and 11 percentage points when compared to the previous period and to the last quarter of 2019.

Analyzing in terms of organization sizes, three of the four categories expect to increase their workforce during the next quarter. The stronger labor market is anticipated by employers of Large and Medium-sized companies, who report an Outlook of + 6%. Small Businesses point to an Outlook of +4%, while Micro Enterprises indicate more pessimistic hiring plans, at -3%.

Global hiring intentions expected to pick up in Q4

Globally, employers in 22 of the 43 countries and territories surveyed expect to increase their payrolls over the next three months. In 16 countries, employers expect to reduce their workforce and in five, no change is expected.

The strongest hiring intentions are reported in Taiwan, the USA, Turkey, Japan and Greece, while the weakest labor markets are expected in South Africa, the United Kingdom and Croatia.

In Europe, two of the three largest economies anticipate slow gains in hiring. In France, a +3% Outlook presents the last quarter of the year with more optimism, while in Germany, like in Portugal, employers report cautious hiring plans, of +2%. In both countries, the recovery is driven by the expected workforce gains in the Construction and Finance and Business Services sectors, while the Manufacturing sector is slowly recovering, with Outlooks of -3% and 1% respectively.

In Italy, employers continue to show moderate hiring prospects, with an Outlook of -1%, as do Spanish employers, who point out prospects of -3%.

Finally, in the UK, employers continue to report a significant drop in the labor market, with an Outlook of -8%.

ManpowerGroup's quarterly survey interviewed over 38,000 employers in 43 countries and territories. Interviewing was carried out during the exceptional circumstances of the COVID-19 outbreak. The survey findings for the October to December 2020 period reflect the impact of the global health emergency, and the subsequent economic shutdown in many countries.

To view complete results for the ManpowerGroup Employment Outlook Survey, visit www.manpowergroup.com/meos. The next survey will be released on 8 December 2020 and will report hiring expectations for Q1 2021.

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About the Survey

The Manpower Employment Outlook Survey is the longest-running, most extensive, forward-looking employment survey in the world, commencing in 1962 and now polling over 34,000 employers in 43 countries and territories to measure their intentions to increase or decrease the number of employees in their workforce during the next quarter. The survey serves as a bellwether of labor market trends and activities and is regularly used as data source for the European Commission, informing its EU Employment Situation and Social Outlook report the *Monthly Monitor*. ManpowerGroup's independent survey data is also sourced by financial analysts and economists around the world to help determine the health of labor markets.

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 more than 75 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.

About ManpowerGroup Portugal

ManpowerGroup® started its activity in Portugal in 1962, through a franchising. In 2008, ManpowerGroup acquired the franchising, which led to the reorganization of the company and the brand, renovating its presence in Portugal.