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Hungarian Employers Report Most Optimistic Forecast Since Launch of Employment Outlook Survey

Positive hiring prospects reported in every sector, region and company size

- While 17% of employers expect to increase staffing levels in the next three months and 78% anticipate no change, only 3% forecast a decrease.
- Most opportunities for job seekers expected in Financial & Business Services and Manufacturing sectors.
- Positive outlook for all sectors, regions and company sizes.

Budapest, 14th of June 2016. – ManpowerGroup released today its quarterly Manpower Employment Outlook Survey: while 17% of the 751 employers surveyed expect to increase staffing levels, only 3% forecast a decrease while 78% anticipate no change at all in the third quarter of 2016. Once the data is adjusted to account for seasonal variation, the Employment Outlook stands at +13%, the most optimistic forecast reported by employers since Hungary joined the survey in the third quarter of 2009. Hiring intentions have grown slightly when compared to the previous quarter and they are moderately stronger when compared to the same period of the last year.

„The shortage of skilled workers is manifested more and more in the Hungarian labour market. Hiring intentions are extraordinarily strong in the financial and business service sector, which is due mainly to the fact that service centers in Hungary are continuously facing the difficulty in finding properly skilled workers who speak foreign languages. In the field of manufacturing one employer out of four expressed a willingness to hire in the coming quarter, but for the best specialists they have to compete not only with each other but with other European companies as well. However, as far as the salaries are concerned, Hungarian firms cannot compete with the strongest European economies and with the neighbouring countries either,”
- comments László Dalányi, Country Manager for ManpowerGroup Hungary.

The Manpower Employment Outlook Survey for the third quarter of 2016 was conducted by interviewing a representative sample of 751 employers in Hungary. All survey participants were asked, “How do you anticipate total employment at your company/organization to change in the three months to the end of September as compared to the current quarter?”

The following data are adjusted to account for seasonal variation.



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Sector comparisons

Employers in all nine sectors expect staffing levels to increase in the next three months. The strongest hiring intentions are reported in the the Financial and Business Services sector where the outlook is at +22%. Prospects remain positive in the Manufacturing sector, where the outlook stands at +20%, while in the Transport, Storage & Communications sector employers report a favorable outlook of +18%. Nearly one of every five employers in the Construction sector have also indicated they intend to hire, and the sector's outlook stands at an upbeat +12% outlook. Similarly, the Public & Social sector the outlook stands at +11%. A less optimistic forecast is reported in the Public Utility Services and the field of Agriculture, Hunting, Forestry & Fishing sectors where the outlooks stand at +4% and +3%, respectively.

When compared to the previous quarter, employers expect staffing levels to increase in four of the nine industry sectors. The Net Employment Outlook for the Finance & Business Services sector climbs 15 percentage points, while the Public & Social sector forecast improves 6 percentage points. Meanwhile hiring prospects weaken in 4 sectors, with the most notable drop of 6 percentage points reported in the Restaurant & Hotel sector.

When compared to the previous quarter the outlook is unchanged in the Agriculture, Hunting, Forestry & Fishing sector.

Year-over-year, employers report stronger hiring intentions in six out of the nine sectors. The strongest improvement is reported in the Financial & Business Services sector where the forecast improves by 21 percentage points, while the Public Utility Services and the Public & Social sectors have each strengthened by 12 percentage points. The outlook for the Manufacturing sector is 8 percentage points stronger than one year ago. However, hiring prospects weaken in two sectors, when compared to the same period of last year. The biggest decrease of 8 percentage points is reported in the Restaurant & Hotel sector. The outlooks in the Agriculture, Hunting, Forestry & Fishing and the Wholesale & Retail Trade sectors are relatively stable when compared to the same period of the last year.

Regional comparisons

Job gains are anticipated in all eight regions during the next three months. The strongest labor markets are forecast by employers in both Southern Great Plain and Western Transdanubia, where Net Employment Outlooks stand at +16%. Steady payroll growth is anticipated in Northern Great Plain, where employers report an Outlook of +15%, and in Northern Hungary, with an Outlook of +14%. Elsewhere, Outlooks stand at +13% in both



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Budapest and Central Transdanubia, while Central Hungary employers report an Outlook of +12%. The weakest of the eight regional Outlooks stands at +5% in Southern Transdanubia.

Quarter-over-quarter, hiring intentions improve in six of the eight regions, most notably by 8 percentage points in Southern Great Plain. Western Transdanubia employers report an increase of 7 percentage points, while the Outlook for Northern Great Plain is 6 percentage points stronger. However, employers in Central Transdanubia report a quarter-over-quarter decline of 4 percentage points.

When compared with 3Q 2015, Outlooks strengthen in seven of the eight regions. Considerable increases of 19 and 13 percentage points are reported for Northern Great Plain and Southern Great Plain, respectively, while the Outlook for Western Transdanubia is 12 percentage points stronger. Elsewhere, the Budapest Outlook improves by 6 percentage points and Outlooks are 5 percentage points stronger in both Central Hungary and Northern Hungary. Meanwhile, Southern Transdanubia employers report a decline of 4 percentage points.

Comparisons by company size

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.

Staffing levels are expected to grow in all four organization size categories during 3Q 2016. Large employers anticipate the strongest labor market, reporting a Net Employment Outlook of +20%, while Outlooks stand at +17% and +12% for Medium- and Small-size employers, respectively. Micro employers forecast a modest hiring pace with an Outlook of +7%.

When compared with the previous quarter, hiring intentions are 6 percentage points stronger for Medium employers. Outlooks improve by 3 and 2 percentage points in the Large- and Small-size categories, respectively, but Micro employers report a decline of 2 percentage points.

Year-over-year, hiring plans improve in all four organization size categories. The Outlook for Small employers is 9 percentage points stronger, while Medium employers report an increase of 8 percentage points. Outlooks are 7 and 6 percentage points stronger for Large- and Micro-size employers, respectively.

About the Survey

The Manpower 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 50 years and is one of the most trusted surveys of employment activity in the world.



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About ManpowerGroup™

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