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Hungary's first-quarter in 2019 ManpowerGroup Employment Outlook Survey: forecast remains positive across all industry sectors

Manufacturing remains the strongest for the third consecutive quarter

Budapest, 11th of December 2018 - Hungarian job seekers can expect a favorable hiring climate in the first quarter of 2019, with 15% of employers anticipating an increase in staffing levels, 3% expecting a decrease and 81% forecasting no change.

Once the data is adjusted to allow for seasonal variation, the Outlook stands at +15%. Hiring plans decline by 2 percentage points when compared with the previous quarter but remain relatively stable in comparison with 1Q 2018.

Ottó Vég, Country General Manager of ManpowerGroup Hungary said: " Domestic employers continue to be optimistic, as employment growth is expected to be very favorable in the next period at least through the end of March. The forecast shows that the strongest mood for hiring in is in the Manufacturing sector, which continues to be the strongest among the industries for the third consecutive quarter, and it is largely due to the steady development of the automotive industry.

"In the period of July–September 2018, the average number of unemployed people was 178 thousand, 10 thousand fewer than a year earlier, and the unemployment rate decreased by 0.2 percentage point to 3.8%," added Mr. Vég.

Sectoral comparisons

Payrolls are forecast to increase in all nine industry sectors during the coming quarter. Manufacturing sector employers anticipate the strongest labor market, reporting a Net Employment Outlook of +25%. Elsewhere, steady job gains are expected in two sectors with Outlooks of +18% the Construction sector and the Wholesale & Retail Trade sector while the Outlook for the Finance, Insurance, Real Estate & Business Services sector stands at +17%. Respectable workforce growth is forecast for the Transport, Storage & Communications sector with an Outlook of +14%, and in the Electricity, Gas & Water sector where the Outlook is +13%. Meanwhile, Public & Social sector employers anticipate modest hiring activity, reporting an Outlook of +6%.

"For the third consecutive quarter, the strongest of the nine Hungarian industry sector Outlooks is reported in the Manufacturing sector. Standing at +25%, the Outlook declines by 7 and 3 percentage points from 4Q 2018 and 1Q 2018. Much of the employer confidence reported here may be attributable to ongoing strength in the automotive industry.

"The domestic automotive sector accounts for 28.8 percent of industrial production, and approximately 168,000 people are currently working in the industry."

In comparison with the final quarter of 2018 hiring prospects weaken in six of the nine industry sectors, most notably by 9 percentage points in the Transport, Storage & Communications sector. Moderate decreases of 7 percentage points are reported in both the Construction sector and the Manufacturing sector, while Public & Social sector employers report a decline of 3 percentage points. However, Outlooks strengthen by 9 percentage points in the Restaurants & Hotels sector and by 4 percentage points in the Finance, Insurance, Real Estate & Business Services sector.

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Employers in four of the nine industry sectors report improved hiring prospects when compared with this time one year ago. An increase of 6 percentage points is reported in the Wholesale & Retail Trade sector, and Outlooks are 5 and 3 percentage points stronger in the Public & Social sector and the Electricity, Gas & Water sector, respectively. Meanwhile, hiring plans weaken in four sectors, most notably by 10 percentage points in the Transport, Storage & Communications sector. Elsewhere, Outlooks in both the Construction sector and the Manufacturing sector decrease by 3 percentage points.

“Public & Social sector employers report the weakest sector Outlook (+6%), declining by 3 percentage points when compared with the previous quarter, but improving by 5 percentage points year-over-year.”

Regional Comparisons

Employers in all eight regions expect to grow payrolls during the next three months. The strongest hiring intentions are reported in two regions with Net Employment Outlooks of +19% Central Hungary and Southern Transdanubia. Steady job gains are also anticipated in Central Transdanubia where the Outlook is +18%, and in Budapest with an Outlook of +17%. Southern Great Plain employers forecast respectable payroll gains with an Outlook of +13%, while Outlooks of +12% are reported in both Northern Great Plain and Western Transdanubia.

“Northern Hungary employers report the weakest regional forecast of +10%. Declining by 4 percentage points both quarter-over-quarter and year-over-year, the Outlook is the weakest reported in more than three years. But the survey indicates that more than 9 of every 10 employers surveyed plan to either maintain or add to current headcount levels.”

When compared with the previous quarter, hiring intentions weaken in four of the eight regions, including notable declines of 5 and 4 percentage points in Western Transdanubia and Northern Hungary, respectively. Elsewhere, Outlooks are unchanged in four regions – Budapest, Northern Great Plain, Southern Great Plain and Southern Transdanubia.

“The Southern Transdanubia Outlook is unchanged when compared with the previous quarter but improves by a considerable margin of 14 percentage points in comparison with the same period last year. The region is steadily developing as a new 100-hectare industrial park is being developed in Tolna county.”

Year-over-year, hiring prospects also decline in four of the eight regions. Western Transdanubia employers report a moderate decrease of 7 percentage points, and Outlooks are 4 percentage points weaker in both Budapest and Northern Hungary. However, Southern Transdanubia employers report a considerable improvement of 14 percentage points, and the Outlook for Northern Great Plain improves by 3 percentage points.

| Net Employment Outlook Comparison by Region Q4 2018 | | Quarter-on-Quarter Change | Year-on-Year Change |
|-----------------------------------------------------|------|---------------------------|---------------------|
| NATIONAL | +15% | ↓ (-2%) | ↑ (+1%) |
| BUDAPEST | +17% | (0%) | ↓ (-4%) |
| CENT. HUNGARY | +19% | ↓ (-2%) | ↑ (+1%) |
| CENTRAL TRANSDANUBIA | +18% | ↓ (-3%) | (0%) |
| NORTHERN GREAT PLAIN | +12% | (0%) | ↑ (+3%) |
| NORTHERN HUNGARY | +10% | ↓ (-4%) | ↓ (-4%) |
| SOUTHERN GREAT PLAIN | +13% | (0%) | ↓ (-3%) |
| SOUTHERN TRANSDANUBIA | +19% | (0%) | ↑ (+14%) |
| WESTERN TRANSDANUBIA | +12% | ↓ (-5%) | ↓ (-7%) |



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Comparisons by company size

Job gains are forecast for all four organization size categories during the next three months. Large employers expect the strongest hiring pace, reporting an Outlook of +29%, while Micro employers report the most cautious Outlook of +11%.

The ManpowerGroup Employment Outlook Survey for the first quarter 2019 was conducted by interviewing a representative sample of 750 employers in Hungary. 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 2019 as compared to the current quarter?”

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 over 400,000 clients and connect 3+ million people to meaningful, sustainable work across a wide range of industries and skills. Our expert family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – creates substantially more value for candidates and clients across 80 countries and territories and has done so for 70 years. In 2018, ManpowerGroup was named one of the World's Most Ethical Companies for the eighth 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 is powering the future of work: www.manpowergroup.com