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Hungary's fourth-quarter in 2018 ManpowerGroup Employment Outlook Survey still among the strongest in the EMEA region!

Employer confidence in the Manufacturing and Construction sectors expected to have the greatest impact on Hungary's labor market

Budapest, 11th of September 2018 - Hungarian employers report respectable hiring intentions for the final quarter of 2018, with 19% of employers anticipating an increase in staffing levels, 4% expecting a decrease and 76% forecasting no change.

Once the data is adjusted to allow for seasonal variation, the Outlook stands at +18%. Hiring plans remain relatively stable in comparison with the previous quarter and the final quarter of 2017.

Ottó Vég, Country General Manager of ManpowerGroup Hungary said: „Hungarian employers expect the upbeat hiring pace to continue in the October-December period. The forecast indicates, that hiring prospects are the strongest since the survey began nine years ago in the Manufacturing sector and the second strongest Net Employment Outlook is reported in the Construction industry. More than 1.5 million square meters of real estate are in construction phase, and the value of the investments exceeds 680 billion HUF.”

“The average number of unemployed people decreased by 31,000, the unemployment rate decreased by 0.7 percentage point to 3.6%, and the number of registered employment increased by 55,000 compared to last year this time.”

Sectoral comparisons

Employers in all nine industry sectors expect to grow staffing levels during the next three months. Manufacturing sector employers report the strongest hiring intentions with a bright Net Employment Outlook of +33%. Elsewhere, employers forecast healthy payroll gains with Outlooks of +26% and +25% in the Construction sector and the Transport, Storage & Communication sector, respectively. Wholesale & Retail Trade sector employers anticipate a steady hiring pace, reporting an Outlook of +17%, and Outlooks of +14% are reported for both the Electricity, Gas & Water sector and the Finance, Insurance, Real Estate & Business Services sector. Meanwhile, Restaurants & Hotels sector employers report the weakest hiring plans with an Outlook of +2%.

“Hungary's Manufacturing sector Outlook is the strongest reported this quarter in EMEA. And the automotive industry is driving some of this optimism. For instance, the volume of the automotive manufacturing investments remains high, as it has been confirmed by a 320 billion HUF expansion of the industry in Debrecen, which will create at least 1000 new jobs in the near future.”

Quarter-over-quarter, hiring prospects improve in four of the nine industry sectors, most notably by 4 and 3 percentage points in the Manufacturing sector and the Construction sector, respectively. However, employers in four sectors report weaker hiring intentions. The Outlook for the Restaurants & Hotels sector declines by a considerable margin of 10 percentage points, while Finance, Insurance, Real Estate & Business Services sector employers report a decrease of 7 percentage points.

Hiring prospects strengthen in five of the nine industry sectors when compared with this time one year ago. Transport, Storage & Communication sector employers report an improvement of 5 percentage points, while Outlooks are 4 percentage points stronger in both the Agriculture, Hunting, Forestry & Fishing sector and the Electricity, Gas & Water sector.



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However, considerably weaker hiring intentions are reported by employers in two sectors, with Outlooks decreasing by 15 and 10 percentage points in the Restaurants & Hotels sector and the Finance, Insurance, Real Estate & Business Services sector, respectively.

“Agriculture, Hunting, Forestry & Fishing sector employers also report their strongest Outlook since the survey began. Last year, livestock farmers were the most active, nearly 59 billion HUF were spent on development, about 40 % more than in the previous year. Within the sector poultry farms developed the most, followed by dairy industry and pork farming. Although the developments financed from bank loans have doubled over the last year, it’s only 11.5 percent of the total investments. The agricultural investors are still developing from their own resources. The value of the investments covered by the EU funds has declined steadily over the past few years, in 2017 only 0.9 percent was financed from them.”

“The least optimistic sector is the Restaurants & Hotels sector, with the weakest Outlook in more than three years. One of the reasons for the sector’s slow down might be the end of the summer festival season in Hungary and the other reason could be the decrease in the sectors’ developments, because the last couple of year’s massive investments got to it’s end.”

Regional Comparisons

Payrolls are expected to grow in all eight regions during the upcoming quarter. Central Hungary employers report the strongest hiring intentions with a healthy Net Employment Outlook of +23%, while Outlooks stand at +22% in Central Transdanubia. Both in Southern Transdanubia and Western Transdanubia employers report upbeat hiring prospects with an Outlook of +18%, while steady workforce gains are forecast in Budapest with an Outlook of +17%, and in Northern Hungary where the Outlook is +15%. Meanwhile, the most cautious regional Outlook of +14% is reported in Northern Great Plain and Southern Great Plain.

Hiring prospects improve in four of the eight regions when compared with the previous quarter. A moderate increase of 2 percentage points is reported in Central Hungary and Central Transdanubia, and Outlooks are 1 percentage point stronger in Budapest and Western Transdanubia, respectively.

“The strongest hiring activity was forecasted in Central Hungary. The increase in the Net Employment Outlook of the region can be explained by an automotive manufacturer company’s new factory investment of 46 billion HUF, which is creating more than 700 new jobs in the region.”

The weakest of the eight regional labor markets are expected in two regions with Outlooks of +14%: The Northern Great Plain Outlook declines by 2 and 10 percentage points from 3Q 2018 and 4Q 2017, respectively. In Southern Great Plain, the Outlook declines by 6 percentage points when compared with the previous quarter, but remains relatively stable in comparison with 4Q 2017.

“Even though the Northern Great Plain region’s Outlook declines in Q4 2018, we’re looking forward to the upcoming two quarters in 2019, because we believe that the current automotive investments in the region – expansion in Debrecen - will bring significant changes in the Net Employment Outlook.”

Hiring prospects strengthen in four of the eight regions when compared with this time one year ago, most notably by 7 and 2 percentage points in Central Hungary and Central Transdanubia, respectively. Meanwhile, Outlooks weaken in three regions, including Northern Great Plain, with a decline of 10 percentage points, and Budapest, where employers report a decrease of 4 percentage points.

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Net Employment Outlook Comparison by Region Q4 2018		Quarter-on-Quarter Change	Year-on-Year Change
NATIONAL	+18%	↓ (-1%)	↓ (-1%)
BUDAPEST	+17%	↑ (+1%)	↓ (-4%)
CENT. HUNGARY	+23%	↑ (+2%)	↑ (+7%)
CENTRAL TRANSDANUBIA	+22%	↑ (+2%)	↑ (+2%)
NORTHERN GREAT PLAIN	+14%	↓ (-2%)	↓ (-10%)
NORTHERN HUNGARY	+15%	↓ (-5%)	(0%)
SOUTHERN GREAT PLAIN	+14%	↓ (-6%)	↑ (+1%)
SOUTHERN TRANSDANUBIA	+18%	↓ (-6%)	↑ (+1%)
WESTERN TRANSDANUBIA	+18%	↑ (+1%)	↓ (-2%)

Comparisons by company size

Employers in all four organization size categories expect to add to payrolls during 4Q 2018. Large employers report bright hiring prospects (+33%) while the most cautious Outlook of +11% is reported by Small employers.

The ManpowerGroup Employment Outlook Survey for the fourth quarter 2018 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 December 2018 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