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Hungary's second-quarter in 2019 ManpowerGroup Employment Outlook Survey forecast positive in most industry sectors

The weakest hiring prospects in over five years

Budapest, 19th of February 2019 - Hungarian employers report cautious hiring plans for the April-June time frame. While 4% of employers expect to increase payrolls, 1% anticipate a decrease and 95% forecast no change, resulting in a Net Employment Outlook of +3%.

Once the data is adjusted to allow for seasonal variation, the Outlook stands at 0%. Hiring prospects are the weakest reported in over five years, declining by 15 percentage points when compared with the previous quarter and by 18 percentage points in comparison with this time one year ago.

Ottó Vég, Country General Manager of ManpowerGroup Hungary said: "The numbers are indicating that employers don't expect to be hiring at the same pace in quarter 2 as in previous quarters but won't be reducing their workforce either, rather they expect to hold steady, a more wait and see approach. One reason behind it is that after the aggressive workforce extension of last year they can put more focus on retaining their employees. Another explanation behind the decreasing numbers believed to be deepening recruitment difficulties are taking place. Although companies are formulating hopeful employment plans as a result of a favorable business environment, they are unable to implement. The proportion of companies with recruitment difficulties has been growing significantly in the last years, and in 2018 it has reached the peak point. The average number of employees reached 4,494 thousand, while the unemployment rate dropped to another 0.2 percentage point to 3.6% September-November last year."

Sectoral comparisons

Payrolls are forecast to grow in eight of the nine industry sectors during the upcoming quarter. Electricity, Gas & Water sector employers report the strongest hiring intentions with a Net Employment Outlook of +7%. Elsewhere, job seekers can expect moderate hiring activity in the Construction sector and the Wholesale & Retail Trade sector, where Outlooks stand at +6% and +5%, respectively. Limited workforce gains are also anticipated in the Manufacturing sector where the Outlook is +4%, and in the Finance, Insurance, Real Estate & Business Services sector with an Outlook of +3%. However, Agriculture, Hunting, Forestry & Fishing sector employers expect to trim payrolls, reporting an Outlook of -3%.

"Hiring prospects weaken in almost all industry sectors when compared with the previous quarter. The most notable decrease of 18 percentage points is reported in the Manufacturing sector which has been far the strongest."

Job seekers in Agriculture, Hunting, Forestry & Fishing sector can expect the weakest – and first negative – hiring pace in four years during the coming quarter, according to employers who report a Net Employment Outlook of -3%."

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When compared with this time one year ago, hiring intentions weaken in all nine industry sectors. Steep declines of 31 and 23 percentage points are reported for the Construction sector and the Transport, Storage & Communications sector, respectively. The Manufacturing sector Outlook is 20 percentage points weaker, while Outlooks decrease by 19 percentage points in the Public & Social sector and by 18 percentage points in the Finance, Insurance, Real Estate & Business Services sector.

“The Construction labor market second quarter 2019 forecast is at its weakest point compared to the last three years. Employers report a Net Employment Outlook of +6%, declining by 8 percentage points when compared with the previous quarter.”

The strongest of the nine industry sector Outlooks stands at +7% in the Electricity, Gas & Water sector. Hiring prospects are unchanged in comparison with the first quarter of 2019, but decline by 12 percentage points year-over-year”

Regional Comparisons

Employers in seven of the eight regions expect to add to payrolls in the second quarter of 2019. Central Hungary employers report the strongest hiring plans with a Net Employment Outlook of +5%. Elsewhere, slow-paced workforce gains are anticipated in three regions with Outlooks of +3%: Budapest, Northern Great Plain and Northern Hungary. Soft labor markets are anticipated in both Southern Great Plain and Western Transdanubia with Outlooks of +2%, and in Southern Transdanubia, where the Outlook is +1%. However, Central Transdanubia employers expect to trim payrolls, reporting an Outlook of -2%.

“When Hungary’s eight regions are compared, Central Hungary employers report the strongest hiring plans with an Outlook of +5%. However, hiring intentions decline by 11 percentage points quarter-over-quarter and by 16 percentage points when compared with this time one year ago, resulting in the weakest forecast for five years.”

When compared with the previous quarter, hiring intentions weaken in all eight regions. The most notable decreases of 16 percentage points are reported in Central Transdanubia and Southern Transdanubia. Budapest employers report a decline of 12 percentage points, and Outlooks are 11 and 9 percentage points for Central Hungary and Southern Great Plain, respectively.

“The weakest regional Outlook of -2% is reported in Central Transdanubia, declining by 16 and 25 percentage points from 1Q 2019 and 2Q 2018, respectively. Hiring plans are now the weakest reported in five years.”

Hiring intentions also weaken for all eight regions when compared with the second quarter of 2018. Central Transdanubia employers report a sharp decline of 25 percentage points. Elsewhere, the Outlook for Northern Great Plain is 19 percentage points weaker, while decreases of 18 and 17 percentage points are reported for Northern Hungary and Southern Great Plain, respectively. Hiring prospects are 16 percentage points weaker in two regions: Budapest and Central Hungary.

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Net Employment Outlook Comparison by Region Q2 2019		Quarter-on-Quarter Change	Year-on-Year Change
NATIONAL	0%	↓ (-15%)	↓ (-18%)
BUDAPEST	+15%	↓ (-12%)	↓ (-16%)
CENT. HUNGARY	+16%	↓ (-11%)	↓ (-16%)
CENTRAL TRANSDANUBIA	+14%	↓ (-16%)	↓ (-25%)
NORTHERN GREAT PLAIN	+8%	↓ (-5%)	↓ (-19%)
NORTHERN HUNGARY	+10%	↓ (-7%)	↓ (-18%)
SOUTHERN GREAT PLAIN	+11%	↓ (-9%)	↓ (-17%)
SOUTHERN TRANSDANUBIA	+17%	↓ (-16%)	↓ (-14%)
WESTERN TRANSDANUBIA	+9%	↓ (-7%)	↓ (-15%)

“Employers forecast the weakest hiring pace in four years in Budapest, reporting a Net Employment Outlook of +3%. Hiring plans decline by 12 percentage points when compared with the previous quarter and are 16 percentage points weaker in comparison with 2Q 2018.”

Comparisons by company size

Employers in both the Micro- and Medium-size organization categories forecast a slight increase in staffing levels during the coming quarter, reporting Net Employment Outlooks of +4%. Meanwhile, Large employers expect to trim payrolls with an Outlook of -2%, and the Outlook for Small firms stands at 0%, reflecting flat hiring prospects.

When compared with the previous quarter, hiring plans weaken in all four organization size categories. Large employers report a sharp decline of 31 percentage points, while the Outlook for Small employers is 11 percentage points weaker. Elsewhere, Outlooks decrease by 7 percentage points for both Micro- and Medium-size employers.

In a year-over-year comparison, steep declines of 35 and 23 percentage points are reported by Large- and Medium-size employers, respectively. The Outlook for Small employers is 18 percentage points weaker and Micro employers report a decrease of 6 percentage points.

“Employers in two of the four organization size categories anticipate job gains in 2Q 2019, Meanwhile, Large employers expect to trim payrolls.”

The ManpowerGroup Employment Outlook Survey for the first quarter 2019 was conducted by interviewing a representative sample of 752 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 June 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 2019, ManpowerGroup was named one of Fortune's Most Admired Companies for the seventeenth year and one of the World's Most Ethical Companies for the ninth year in 2018,

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