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2Q 2016 Hungarian Employment Outlook Survey points to continuing job gains Hiring prospects remain upbeat for the third consecutive quarter

- While 16% of employers expect to increase staffing levels in the next three months, only 3% forecast a decrease and 76% anticipate no change.
- Opportunities for job seekers strongest in Transportation, Storage & Communications and Manufacturing sectors
- Positive outlook for all sectors, regions and company sizes.

Budapest, 8th of March 2016. – ManpowerGroup released today its quarterly Manpower Employment Outlook Survey: while 16% of employers expect to increase staffing levels, 3% forecast a decrease and 76% anticipate no change at all in the second quarter of 2016. Once the data is adjusted to account for seasonal variation, the Employment Outlook stands at +11%. Hiring plans are relatively stable when compared to the previous quarter and they are unchanged when compared to the same period of the last year. The outlook, based on interviews with 751 Hungarian employers, is one of the strongest reported since the beginning of the survey in the third quarter of 2009.

*„It seems that Hungarian employers have to face continuing shortage of skilled workers. Since the lack of skilled workers is a worldwide phenomenon, skilled employees can choose from job proposals, and obviously they choose those which offer the best working conditions and the highest salaries. As a result of this, low wages will likely hamper the attempts of employers to attract qualified talent and harm the competitiveness of businesses. However, Hungarian salaries remain far below the Western European and the regional salaries as well. The first signs can be seen – for instance in trades – that employers try to keep the skilled workers by raising the salaries, but this phenomenon has not been general yet, and the level of increase in salaries has been modest.” - comments **László Dalányi, Country Manager for ManpowerGroup Hungary.***

All of the 751 survey participants were asked, “How do you anticipate total employment at your company/organisation to change in the three months to the end of June as compared to the current quarter?”

The following data are adjusted to account for seasonal variation.

Sector comparisons

Employers in all nine industry sectors anticipate an increase in staffing levels during the April-June period. The strongest labor market is forecast for the Transport, Storage & Communication sector where employers report a Net Employment Outlook of +18%. Elsewhere, Manufacturing sector employers report hopeful hiring plans with an Outlook of +15% and the Outlook for the Restaurants & Hotels sector stands at +12%. Wholesale & Retail Trade sector employers forecast respectable job gains with an Outlook of +11% while cautiously optimistic hiring plans are reflected in the Outlook of +10% reported by Construction sector employers. Meanwhile the most cautious hiring activity is anticipated in two sectors with Outlooks of +4% – the Electricity, Gas & Water Supply sector and the Public & Social sector.

When compared with the previous quarter, employers in five of the nine industry sectors report weaker hiring prospects. The most noteworthy declines of 9 and 6 percentage points are reported for the Restaurants & Hotels sector and the Finance, Insurance, Real Estate & Business Services sector, respectively. Elsewhere, Outlooks strengthen in four sectors, most notably by 7 percentage points in the Construction sector.

Year-over-year, hiring prospects also weaken in five of the nine industry sectors. Construction sector employers report a moderate decline of 8 percentage points while Outlooks are 6 and 4 percentage points weaker in the Finance, Insurance, Real Estate & Business Services sector and the Restaurants & Hotels sector, respectively. However, employers in four sectors report stronger hiring intentions. A considerable improvement of 16 percentage points is reported in the Electricity, Gas & Water Supply sector, while Transport, Storage & Communication sector employers report an increase of 5 percentage points.

Regional comparisons

Workforce gains are forecast in all eight regions during 2Q 2016. The strongest hiring prospects are reported in Central Transdanubia, where the Net Employment Outlook stands at +18%. Elsewhere, employers in Northern Hungary report respectable hiring intentions with an Outlook of +12%, while Outlooks of +11% are reported in both Central Hungary and Budapest. Employers are cautiously optimistic in both Northern Great Plain and Western Transdanubia, reporting Outlooks of +9%, while the Outlook for Southern Great Plain stands at +7%. Meanwhile, the weakest regional Outlook of +3% is reported in Southern Transdanubia.

When compared with 1Q 2016, hiring prospects strengthen in four of the eight regions, most notably by 5 percentage points in Central Transdanubia. However, employers also report weaker hiring intentions in four regions. Outlooks decline by 8 percentage points in both Northern Hungary and Western Transdanubia, while the Outlook for Southern Transdanubia is 7 percentage points weaker.

Year-over-year, employers in four regions also report stronger hiring plans. The Outlook for Central Transdanubia improves by 5 percentage points while an increase of 3 percentage points is reported in Budapest. Elsewhere, hiring prospects weaken in four regions, including Southern Transdanubia and Western Transdanubia with declines of 5 and 3 percentage points, respectively.

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.

Job gains are anticipated in all four organization size categories during the coming quarter. Large employers report the strongest hiring prospects with a Net Employment Outlook of +17%. Elsewhere, the Outlook for Medium firms stands at +11%, while Small- and Micro-size employers report cautiously optimistic hiring plans with Outlooks of +9%.

Quarter-over-quarter, hiring intentions are 2 percentage points weaker in both the Medium- and Large-size categories. Meanwhile, Micro- and Small-size employers report relatively stable hiring prospects.

When compared with 2Q 2015, Micro employers report an increase of 5 percentage points, but Outlooks decline by 5 and 2 percentage points for Medium- and Small-size employers, respectively. Large employers report no year-over-year change.

About ManpowerGroup

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