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Press Release

Romanian Employers Continue to Forecast an Active Hiring Pace for the April – June 2020 Period. Employers in the Construction Sector are the most optimistic.

ManpowerGroup Employment Outlook Survey 2Q 2020

- Payrolls are expected to grow in all seven industry sectors, headed by the **Construction sector** (+29%) and the **Finance & Business Services sector** (+26%), and **Restaurants & Hotels sector** employers report their strongest hiring intentions in 11 years with an Outlook of +25%;
- In all eight Romanian regions, employers anticipate job gains during the coming quarter, including healthy hiring plans for the **Center** (+23%) and the **South-East** (+23%);
- Across organization size-categories, Large employers report healthy hiring plans with an Outlook of +25%.

Bucharest, March 10th, 2020 – A favorable hiring climate is expected to continue in Romania during the second quarter of 2020, according to the latest ManpowerGroup Employment Outlook Survey conducted by 625 Romanian employers, part of a panel of nearly 59,000 employers around the world.

Romanian employers report upbeat hiring plans for the second quarter of 2020, with a seasonally adjusted Net Employment Outlook (NEO) of +20%. Hiring plans improve by 5 percentage points when compared with the previous quarter and are 10 percentage points stronger in comparison with last year at this time.

“Romanian employers report confident hiring plans for the second quarter of 2020. The most optimistic employer continues to be the ones in Construction sector and Finance & Business Services sector, followed by the employers in Restaurants & Hotels sector which reported the strongest hiring plans in 11 years.”, says Nuno Gameiro, ManpowerGroup South East Europe Regional Managing Director.

Regional Comparisons

Employers in all eight Romanian regions expect to grow payrolls gains during the forthcoming quarter. Outlooks uptick in six of the eight regions when compared with the previous quarter, while declining in two. In a comparison with this time last year, hiring intentions strengthen in seven regions.

The strongest regional hiring pace is anticipated in two regions, the Center and South-East, both reporting Outlooks of +23%. Employers in the Center region report a decline of 8 percentage points when compared with the previous quarter, although the Outlook is 11 percentage points stronger year



over-year. Employers in the South-East report improved hiring intentions of 8 and 13 percentage points compared to 1Q 2020 and 2Q 2019, respectively.

Although still favorable, perspectives in the West region are the weakest across the country with an Outlook standing at +14%. Hiring sentiment in the region remains relatively stable both quarter-over-quarter and year-over-year.

Sector Comparisons

During the next three months, Romanian employers anticipate payroll gains in all seven industry sectors. Hiring intentions strengthen in six of the seven sectors in comparison with both the prior quarter and the second quarter of 2019.

Construction employers report the strongest sector hiring plans, standing at +29%, the sector's Outlook reflects healthy hiring intentions, improving by 5 and 22 percentage points from 1Q 2020 and 2Q 2019, respectively.

In the Finance & Business Services sector (+26%), employers continue to report stronger hiring intentions than the national Outlook, unchanged when compared with the previous quarter and 13 percentage points stronger year-over-year.

"The results of our survey for the next three months are reflective of the strengthening Romanian economy. Last year GDP continued to grow, partly sustained by consumption and investment in the construction sector. Those working in the Construction sector are continuing to benefit from the positive impact and favourable fiscal conditions as a result of the allowances granted by the Romanian State. Romanian employers reported a solid Net Employment Outlook of +29% and are anticipating one of the strongest job markets for the second quarter of 2020.

However, unemployment has reached a record low and labour shortages have intensified. Positions such as skilled electricians, welders, mechanics and construction workers are in top 10 hardest jobs to fill across Romania (as per ManpowerGroup Talent Shortage 2019 edition).

The access to skilled talent continues to be of critical importance for employes. In order to find the talent that will drive their business growth, Romanian companies are exploring new ways of up-skilling their workforce and find new talent pools, including looking for workers outside the country's borders.

Even though Covid-19 (coronavirus) outbreak has evolved recently, it's too soon to anticipate the impact on the Romanian hiring climate. However, we expect that many employers will be even more flexible in terms of work from home", concluded Nuno Gameiro.

An Outlook of +25% is reported by Restaurants & Hotels sector employers for 2Q 2020. This is the strongest Outlook reported in 11 years, increasing by 5 percentage points quarter-over-quarter and by 26 percentage points when compared with this time one year ago.

Sector hiring prospects are weakest in the Other Production sector, where the Outlook of +8% remains relatively stable in comparison with 1Q 2020 and improves by 6 percentage points in comparison with 2Q 2019.



Organization Size Comparisons

Hiring prospects continue to be positive in all four **organization size** categories during the coming quarter. The strongest hiring pace is expected by Large firms (+25%), while the weakest Outlooks of +12% are reported by Micro- and Small-size employers. Medium firms anticipate also optimistic job growth, reporting an Outlook of +22%.

International comparison

In the ManpowerGroup research for the second quarter of 2020, employers in 42 of 43 countries and territories surveyed expect to increase payrolls in the April to June period.

When compared with the first quarter of 2020, hiring intentions strengthen in 23 of the 43 countries and territories, while employers in 11 report weaker hiring plans, with no change reported in nine. The strongest hiring activity is anticipated in Croatia, Greece, Japan and Taiwan, while the weakest labor markets are expected in Panama, Hong Kong, Poland and South Africa.

Note to Editors:

Full survey results for each of the 43 countries and territories included in this quarter's survey, plus regional and global comparisons, can be found at www.manpowergroup.com/meos. The next ManpowerGroup Employment Outlook Survey will be released on 9th of June 2020 and will detail expected labor market activity for the second quarter of 2020.

**Note: The Net Employment Outlook is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from it the percentage of employers expecting to see a decrease. Net Employment Outlooks for countries and territories that have accumulated at least 17 quarters of data, including Romania, are reported in a seasonally adjusted format unless otherwise stated.*

About the ManpowerGroup Employment Outlook Survey:

The ManpowerGroup Employment Outlook Survey is the longest-running, most extensive, forward-looking employment survey in the world, commencing in 1962 and now polling nearly 59,000 employers in 43 countries and territories to measure their intentions to increase or decrease the number of employees in their workforce during the next quarter. The survey serves as a bellwether of labor market trends and activities and is regularly used to inform the Bank of England's Inflation Reports, as well as a regular data source for the European Commission, informing its EU Employment Situation and Social Outlook report the *Monthly Monitor*. ManpowerGroup's independent survey data is also sourced by financial analysts and economists around the world to help determine the health of labor markets. The ManpowerGroup 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 55 years and is one of the most trusted surveys of employment activity in the world.

For the 2Q 2020 research, all employers participating in the survey worldwide are asked the same question, "How do you anticipate total employment at your location to change in the three months to the end of June 2020 as compared to the current quarter?"

Methodology

The ManpowerGroup Employment Outlook Survey is conducted using a validated methodology, in accordance with the highest standards in market research. The survey has been structured to be representative of each national economy. In Romania, the 2Q 2020 survey was conducted by InfoCorp Ltd. on a representative sample of 625 employers. The margin of error for all national, regional and global data is not greater than +/- 4.0%.

*From 2Q 2020, the industry sector categories used in EMEA countries have been updated. The total number of sectors has been reduced from 10 to seven. Five of the seven are unchanged (Manufacturing, Construction, Wholesale & Retail Trade, Restaurants & Hotels, Finance & Business Services). Two new sectors have been created.



The new Other Production sector includes: Agriculture, Hunting, Forestry & Fishing; Electricity, Gas & Water; Mining & Quarrying. The new Other Services sector includes: Public & Social; Transport, Storage & Communication. Historical trend information continues to be available for all seven sectors, incorporating these changes.

Seven sectors considered:

1. Construction;
2. Finance, Insurance, Real Estate & Business Services;
3. Manufacturing;
4. Other Production (Agriculture, Hunting, Forestry & Fishing; Electricity, Gas & Water; Mining & Quarrying)
5. Other Services (Transport, Storage & Communication; Public & Social)
6. Restaurants & Hotels;
7. Wholesale & Retail Trade.

Eight Romanian regions:

1. Bucharest & Ilfov: Bucuresti, Ilfov;
2. Center: Alba, Brasov, Covasna, Harghita, Mures, Sibiu;
3. North-East: Bacau, Botosani, Neamt, Iasi, Suceava, Vaslui;
4. North-West: Bihor, Bistrita Nasaud, Cluj, Maramures, Satu Mare, Salaj;
5. South: Arges, Calarasi, Dambovita, Giurgiu, Ialomita, Prahova, Teleorman;
6. South-East: Braila, Buzau, Constanta, Galati, Tulcea, Vrancea;
7. South-West: Dolj, Gorj, Mehedinti, Olt, Valcea;
8. West: Arad, Caras-Severin, Hunedoara, Timis.

Organization size:

1. Micro businesses: less than 10 employees;
2. Small businesses: 10 to 49 employees;
3. Medium businesses: 50 to 249 employees;
4. Large businesses: 250 or more employees.

**The survey was conducted between January 6 and January 28 before the global escalation of Covid-19*

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 hundreds of thousands of organizations every year, providing them with skilled talent while finding meaningful, sustainable employment for millions of people across a wide range of industries and skills. Our expert family of brands – Manpower, Experis and Talent Solutions – creates substantially more value for candidates and clients across 80 countries and territories and has done so for over 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 tenth year, confirming our position as the most trusted brand in the industry. See how ManpowerGroup is powering the future of work: www.manpowergroup.com

About ManpowerGroup Romania

ManpowerGroup Romania, the national leader in innovative workforce solutions, creates and delivers services that help clients meet their business and workforce objectives while enhancing their competitiveness. The company specializes in permanent, temporary and contract recruitment, payroll, contract administration, outsourcing, consulting, project solutions and end-user services through its brands Manpower, Experis and Proservia. We operate nationally with presence in: Bucharest, Brasov, Cluj-Napoca, Craiova, Ploiesti, Pitesti, Sibiu and Timisoara. More information on ManpowerGroup Romania is available at www.manpower.ro.

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