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Hiring intentions of Hungarian employers continue to be strong, labour shortage is perceptible for more than one year

Positive employment outlook in every sector, region and company size

- 15% of employers expect to increase staffing levels in the next three months, 76% anticipate no change, 5 % forecast a decrease
- Most opportunities for job seekers expected in Manufacturing and in Transportation, Storage & Communication sectors.
- Positive outlook for all sectors, regions and company sizes

Budapest, 13th of September 2016 – According to the Manpower Employment Outlook Survey released today by ManpowerGroup 15% of the 751 employers expect to increase staffing levels, 5% forecast a decrease and 76% anticipate no change at all in the fourth quarter of 2016. Once the data is adjusted to account for seasonal variation, the Employment Outlook stands at +11%. Hiring intentions have decreased slightly when compared to the previous quarter and they are equal with the ones of the same period of the last year.

„The shortage of skilled workers seems to be stabilizing in the Hungarian labour market. High hiring intentions in the field of manufacturing show that Hungarian employers have to face more and more the competition of the neighbouring countries. The companies working in this field are trying to lure the employees from each other since the sources ran dry and the shortage of skilled workers threatens the competitiveness. Although it seems that more and more employers realize that without rising the salaries there is no chance to compete for the labour force, Hungarian market conditions and high charges of the wages do not make possible to offer for the workers salaries which are competitive not only on the national but on the regional level as well. This is serious problem because the manufacturing, particularly the car industry, is a leading sector in Hungary” - comments László Dalányi, Country Manager for ManpowerGroup Hungary.

The Manpower Employment Outlook Survey for the fourth quarter of 2016 was conducted by interviewing a representative sample of 751 employers in Hungary. All survey participants were asked, “How do you anticipate total employment at your company/organisation to change in the three months to the end of December as compared to the current quarter?” The following data are adjusted to account for seasonal variation.

Sectoral comparisons

In all the nine sectors employers expect staffing levels to increase in the next three months. The strongest hiring intentions are reported in the field of Manufacturing where the outlook is at +24%. Prospects have been staying positive in Transportation, Storage & Communication and in Restaurant & Hotel sector where the outlook stands at +20% and at +18% respectively. Nearly one fifth of the employers of the Wholesale & Retail Trade sector have equally shown positive plans, with a +12% outlook, while in the Financial & Business Services the outlook is at +11%. A less optimistic increase is expected in the Public & Social sector, in the Public utility services and in the field of Agriculture, Hunting, Forestry and Fishing: in these sectors the outlook stands at +4%, +3% and +2% respectively.

When compared to the previous quarter, employers expect staffing levels to increase in four of the nine industry sectors. The most optimistic hiring intentions are reported in the Restaurant & Hotel sector with a Net Employment Outlook of +10%, while in Wholesale & Retail Trade the outlook has risen by 4%. Meanwhile hiring prospects weaken in 5 sectors,



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with highest level, 11% in Financial & Business services, while the outlook has weakened by 7% in the Public & Social sector.

Year-over-year, hiring prospects worsen in five of the 9 sectors. The biggest drop is reported for the Agriculture, Hunting, Forestry and Fishing with 10%. It is followed by the Restaurant & Hotel where the decrease is of 5%. When compared to the same period of the last year, there is no change in the outlook of the Construction however growth is reported in three sectors. The outlook for Manufacturing has thrived by 12 percentage points, while the outlook for Transportation, Storage & Communication is bigger by 11 percentage points than one year ago.

Regional comparisons

Employers in all eight regions expect to grow payrolls during the next quarter. The most optimistic hiring intentions are reported in Southern and in Western Transdanubia with a Net Employment Outlook of +19% and of +17% respectively. A strong, +15% outlook is reported for the Northern Hungarian Region, while it stands at +12% in the Central Hungarian Region and in Central Transdanubia. The weakest hiring prospects are reported from the Northern Great Plain where the outlook is at +1%.

Hiring intentions decrease in five of the eight regions when compared to the previous quarter, in the highest degree in Northern Great Plain, by 14 percentage points. In Southern Great Plain the outlook is decreased by 8, in Budapest by 6 percentage points. However higher outlook is reported for the Southern Transdanubian Region when compared to the previous quarter, by 13 percentage points. The outlook for the other regions is relatively stable when compared to the previous quarter.

Year-over-year, employers report stronger hiring plans in four of the eight regions. In Southern Transdanubia employers reported a 14% increase, while Budapest and the Western Transdanubian Region produced an increase of 5 and 4 percentage points. At the same time the outlook for Northern Great Plain has weakened by 9 percentage points and by 6 for Northern Hungary.

Comparisons by company size

Employers in the survey were grouped in 4 categories: micro-enterprises have less than 10 employees. 10-49 employees work in small enterprises. A company is considered medium-sized where the number of employees is between 50 and 249, above 250 employees an enterprise is considered big.

In the fourth quarter of 2016 employers in all four categories expect increase in hiring. At big enterprises they are the most optimistic with an outlook of +18%, while it is of +11% at medium-sized and +9% at small enterprises respectively. At micro-companies the outlook stands at +8%.

When compared to the previous quarter, only micro-enterprises reported an increase, only of 1 percentage points. At medium-sized enterprises and at small enterprises the employment have weakened by 6% and 3% respectively. Big enterprises reported a 1% decline.

Year-over-year, outlooks have weakened in three company sizes. On the highest level at medium-size enterprises, by 5 percentage points, while at small and big companies it is declined by 2% and 1% respectively. Micro- enterprises are more optimistic than one year ago: the outlook has grown by 3 percentage points at this company size.



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About ManpowerGroup™

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