

Under strict embargo until 00:01 GMT September 13th, 2016

Press Release

Manpower: Bulgarian employers continue to report favorable hiring intentions for the last quarter of 2016 with an Outlook of +11%

Highlights:

- While 15% of Bulgarian employers expect to increase staffing levels, 9% anticipate a decrease and 74% forecast no change.
- Once seasonal adjustments are applied to the data, the Net Employment Outlook stands at +11%.
- The strongest hiring prospects are reported in three regions with Net Employment Outlooks of +12% – Plovdiv, Rousse and Sofia.
- Employers in the Agriculture, Hunting, Forestry & Fishing sector report the most optimistic hiring plans with a Net Employment Outlook of +16%.
- Staffing levels are expected to decline in the Mining & Quarrying sector, where employers report a sluggish Outlook of -8%.
- Large employers anticipate an active labor market, reporting a Net Employment Outlook of +21%.
- The Manpower Employment Outlook Survey for the fourth quarter of 2016 was conducted by interviewing a representative sample of 621 employers in Bulgaria. 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 2016 as compared to the current quarter?”*
- Throughout this report, we use the term “Net Employment Outlook.” This figure is derived by taking the percentage of employers anticipating total employment to increase and subtracting from this the percentage expecting to see a decrease in employment at their location in the next quarter. Once seasonal adjustments are applied to the data, the result of this calculation is the Net Employment Outlook.
- From this point forward, all data discussed in the commentary is seasonally adjusted, unless stated otherwise.

Sofia, Bulgaria, September 13th, 2016 – Bulgarian employers report conservative hiring intentions for the October-December time frame. While 15% of employers expect to increase staffing levels, 9% anticipate a decrease and 74% forecast no change. Once the data is adjusted to allow for seasonal variation, the Outlook stands at +11%. Hiring prospects remain relatively stable both quarter-over-quarter and year-over-year.

“The labor market is expected to remain stable for the last three months. Even according to EUROSTAT the unemployment in Bulgaria is now down to 7,2%, which ranks Bulgaria in the three countries with the largest drop in unemployment for the last year when it was 9,7%,” Nadia Vassileva, Managing Director of Manpower Bulgaria, Serbia and Croatia commented. “This is good news for Bulgarian job seekers,

particularly in the Construction sector where nearly one out of every four employers interviewed told us they plan to hire in the last three months of the year.”

Regional Comparisons

Employers in all five regions anticipate an increase in payrolls during the October-December time frame. The strongest hiring prospects are reported in three regions with Net Employment Outlooks of +12% – Plovdiv, Rousse and Sofia. Elsewhere, moderate workforce gains are anticipated in Varna and Burgas, with Outlooks standing at +8% and +7%, respectively.

“For the last couple of months we observe constant expansion of large companies which have already settled on the Bulgarian market. An example for this trend is T-Market chain of stores, which will invest approximately EUR 7,6 million to open 13 new stores and Multivac Bulgaria Production which will invest BGN 37 million for the opening of a new factory. Another example is the Danish furniture company JYSK which will continue to expand its business and will open its eighth shop in Bulgaria in Asenovgrad, Plovdiv region. These are some of the reasons why hiring in the regions is expected to slightly increase,” Nadia Vassileva, Managing Director of Manpower Bulgaria, Serbia and Croatia commented.

Quarter-over-quarter, hiring intentions remain relatively stable in Burgas, Plovdiv, Sofia and Varna. Meanwhile, Rousse employers report no change in the Outlook. When compared to 4Q 2015, hiring plans weaken in three of the five regions. Varna employers report a decrease of 4 percentage points while Outlooks are 3 and 2 percentage points weaker in Rousse and Plovdiv, respectively. Meanwhile, the Outlook for Sofia improves by 4 percentage points and Burgas employers report an increase of 2 percentage points.

Sector Comparisons

Payrolls are forecast to grow in nine of the 10 industry sectors during 4Q 2016. Employers in the Agriculture, Hunting, Forestry & Fishing sector report the most optimistic hiring plans with a Net Employment Outlook of +16%. Elsewhere, employers expect a steady hiring pace in three sectors with Outlooks of +15% – the Finance, Insurance, Real Estate & Business Services sector, the Manufacturing sector and the Wholesale & Retail Trade sector, while the Outlook for the Construction sector stands at +14%.

When compared with the previous quarter, hiring prospects improve in six of the 10 industry sectors. The most noteworthy increase of 10 percentage points is reported in the Agriculture, Hunting, Forestry & Fishing sector. Wholesale & Retail Trade sector employers in Bulgaria report an improvement of 5 percentage points and Outlooks are 3 percentage points stronger in both the Construction sector and the Finance, Insurance, Real Estate & Business Services sector. Meanwhile, hiring plans weaken in three sectors, including the Mining & Quarrying sector where employers report a considerable decline of 12 percentage points.

Year-over-year, Outlooks also strengthen in six of the 10 industry sectors, including the Agriculture, Hunting, Forestry & Fishing sector with a considerable increase of 18 percentage points. An improvement of 11 percentage points is reported by employers in the Wholesale & Retail Trade sector, while Outlooks are 8 and 5 percentage points stronger in the Electricity, Gas & Water Supply sector and the Transport, Storage & Communication sector, respectively. However, weaker hiring plans are reported in four sectors, with the most notable decrease of 20 percentage points in the Mining & Quarrying sector.

	SA		
	Q4_15	Q3_16	Q4_16
NATIONAL TOTAL: BULGARIA	10	10	11
SECTORS			
AGRICULTURE, HUNTING, FORESTRY & FISHING	-2	6	16
CONSTRUCTION	12	11	14
ELECTRICITY, GAS & WATER SUPPLY	-2	6	6
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	16	12	15
MANUFACTURING	17	14	15
MINING & QUARRYING	12	4	-8
PUBLIC & SOCIAL	7	7	6
RESTAURANTS & HOTELS	9	9	10
TRANSPORT, STORAGE & COMMUNICATION	6	13	11
WHOLESALE & RETAIL TRADE	4	10	15
REGIONS			
BURGAS	5	6	7
PLOVDIV	14	11	12
ROUSSE	15	12	12
SOFIA	8	11	12
VARNA	12	7	8
ORGANIZATION SIZE			
MICRO	1	6	8
SMALL	9	7	9
MEDIUM	15	8	6
LARGE	18	21	21

Organization Size Comparisons

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 organizations have 50-249 employees; and large businesses have 250 or more employees.

Payrolls are forecast to grow in all four organization size categories during 4Q 2016. Large employers anticipate an active labor market, reporting a Net Employment Outlook of +21%, while Outlooks stand at +9% and +8% for employers from small and micro companies, respectively. Employers from medium sized companies forecast modest job gains with an Outlook of +6%.

About ManpowerGroup:

ManpowerGroup® (NYSE: MAN) is the world's workforce expert, creating innovative workforce solutions for nearly 70 years. As workforce experts, we connect more than 600,000 people to meaningful work across a wide range of skills and industries every day. Through our ManpowerGroup family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – we help more than 400,000 clients in 80 countries and territories address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2016, ManpowerGroup was named one of the World's Most Ethical Companies for the sixth 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 makes powering the world of work humanly possible: www.manpowergroup.com

About Manpower Bulgaria

Manpower is one of the leaders on Bulgarian market in contingent and permanent recruitment workforce solutions. It is part of ManpowerGroup, the world leader in innovative workforce solutions, which creates and delivers high-impact solutions that enable clients to achieve their business goals and enhance their competitiveness. With branches in Sofia, Plovdiv, Burgas and Varna, Manpower has provided organisations in Bulgaria with a continuum of staffing solutions from the incidental to the strategic for nine years now, working with businesses from all industry sectors to help them win. In the Human Age, where talent has replaced access to capital as the key competitive differentiator, Manpower Bulgaria leverages its trusted brand to develop a deep talent pool, providing clients with access to the people they need, fast. Manpower Bulgaria creates powerful connections between organisations and the talent they need to enhance their competitiveness and unleash their workforce potential. By creating these powerful connections, we help everybody achieve more than they imagined, and power the world of work.

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