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## **Hiring intentions of Hungarian employers remains upbeat but skills shortage persists according to ManpowerGroup**

### **Strong second-quarter employment outlooks in the Manufacturing, Construction and Transport, Storage & Communication sectors**

- 23% of employers expect to increase staffing levels in the next three months, 71% anticipate no change, 3% forecast a decrease
- Once adjusted for seasonal variation, Hungary's employment outlook stands at +17%--remaining the strongest forecast reported by Hungarian employers since the survey began in 2009.
- Most opportunities for job seekers expected in Manufacturing, Construction and Transport, Storage and Communication sectors
- Positive outlooks for all sectors, regions and company sizes

**Budapest, 14<sup>th</sup> of March 2017** – According to the ManpowerGroup Employment Outlook Survey released today by ManpowerGroup, 23% of the 750 employers expect to increase staffing levels, 3% forecast a decrease and 71% anticipate no change at all in the second quarter of 2017. Once the data is adjusted to account for seasonal variation, the Employment Outlook stands at +17%. Hiring intentions are the unchanged when compared to the previous quarter and have increased in comparison with forecasts reported in the same period of last year.

*"The second-quarter survey is certainly good for job seekers. However, although employers are willing to hire, they are having difficulty finding candidates with the necessary skill sets. Those with the skills employers are looking for are lured away by higher wages elsewhere on the continent. And those candidates who remain often don't have the skills the available jobs require. This raises two important questions: 'How much does the lack of a trained workforce limit the growth of the Hungarian economy?' And 'Will rising wages harm the competitiveness of Hungarian companies?' One possible solution to the labour shortage that the Government could look into is to explore retraining some of the nearly 220 thousand people currently on public works programs," - commented Ottó Vég, Country manager for ManpowerGroup Hungary.*

The ManpowerGroup Employment Outlook Survey for the second quarter of 2017 was conducted by interviewing a representative sample of 750 employers in Hungary. All survey participants were asked, "How do you anticipate total employment at your company/organization 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.

### **Sectoral comparisons**

Employers in all nine industry sectors forecast an increase in staffing levels during the forthcoming quarter. Manufacturing sector employers report the strongest hiring prospects with a Net Employment Outlook of +24%, and solid workforce gains are also expected in two sectors with Outlooks of +23% – the Construction sector and the Transport, Storage & Communication sector. Employers in the Finance, Insurance, Real Estate & Business Services sector report upbeat hiring plans with an Outlook of +19%, while Outlooks of +15% are reported in both the Electricity, Gas & Water Supply sector and the Restaurants & Hotels sector. Elsewhere, the most cautious hiring intentions for the coming quarter are reported in



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the Public & Social sector and the Agriculture, Hunting, Forestry & Fishing sector, with Outlooks of +6% and +7%, respectively.

Hiring prospects weaken in five of the nine industry sectors when compared with 1Q 2017. The most notable decline of 12 percentage points is reported in the Wholesale & Retail Trade sector, while employers in the Restaurants & Hotels sector report a decrease of 5 percentage points. However, hiring intentions strengthen in four sectors. Electricity, Gas & Water Supply sector employers report the most noteworthy increase of 10 percentage points, while Outlooks are 5 and 4 percentage points stronger in the Transport, Storage & Communication sector and the Finance, Insurance, Real Estate & Business Services sector, respectively.

Year-over-year, hiring plans improve in all nine industry sectors. Considerable increases of 15 and 13 percentage points are reported in the Finance, Insurance, Real Estate & Business Services sector and the Construction sector, respectively. Electricity, Gas & Water Supply sector employers report an improvement of 9 percentage points, while hiring prospects increase by 8 percentage points in the Manufacturing sector and by 6 percentage points in the Transport, Storage & Communication sector. Meanwhile, hiring intentions remain relatively stable in both the Agriculture, Hunting, Forestry & Fishing sector and the Restaurants & Hotels sector.

**Regional comparisons**

Payrolls are forecast to grow in all eight regions during the next three months. Employers in Central Hungary report the strongest hiring prospects with a solid Net Employment Outlook of +25%. A healthy hiring pace is also expected in Western Transdanubia, where the Outlook is +21%, while Budapest employers report an Outlook of +19%. Steady workforce gains are expected in Central Transdanubia, with an Outlook of +17%, and in both Southern Great Plain and Southern Transdanubia, where Outlooks stand at +16%. The most cautious hiring intentions are reported in Northern Great Plain and Northern Hungary, with Outlooks of +9% and +13%, respectively.

When compared with the previous quarter, hiring prospects improve in four regions, most notably by 18 percentage points in Central Hungary, and by 3 percentage points in Western Transdanubia. However, employers in three regions report weaker hiring plans. Northern Great Plain employers report a considerable decline of 13 percentage points while the Outlook for Northern Hungary is 4 percentage points weaker.

Hiring intentions strengthen in five of the eight regions when compared with 2Q 2016. Employers in Central Hungary report the most noteworthy increase of 13 percentage points while Outlooks are 12 percentage points stronger in both Southern Transdanubia and Western Transdanubia. Elsewhere, employers in three regions report no year-over-year change – Central Transdanubia, Northern Great Plain and 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 second quarter of 2017 employers in all four categories expect increase in hiring. At large enterprises they are the most optimistic with an outlook of +30%, while it is of +24% at



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medium-sized and +14% at small enterprises respectively. At micro-companies the outlook stands at +8%.

When compared to the previous quarter, employers report stronger hiring plans in two of four categories. At large and medium-sized enterprises the employment have increased by 7% and 5%. Meanwhile hiring prospects weaken in micro and small enterprises by 6% and 3%.

Year-over-year outlooks have increased in three of four company sizes. At large and medium size enterprises by 14%, at small-size enterprises by 4. At micro enterprises there is no change in hiring intentions.

**About ManpowerGroup™**

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