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ManpowerGroup Employment Outlook Survey: One in Four Bulgarian Employers Plan New Hirings in Q2 2017

Manufacturing and Trade Sector Employers Anticipate Biggest Increase of Staffing Levels.

Sofia, Bulgaria, March 14th, 2017 – Bulgarian job seekers can expect the strongest hiring pace since the launch of ManpowerGroup Employment Outlook Survey in 2011, according to Bulgarian employers who report a Net Employment Outlook¹ of +13% for April – June period, taking into account seasonal variations. Anticipated hiring prospects remain stable compared to the previous quarter and year-over-year with employers in all 10 industry sectors in the 5 regions planning to increase payrolls in Q2 2017.

Of the 620 companies surveyed, 24% expect to increase staffing levels in the next three months which is an increase of 10% from Q1 2017 and a three percent increase compared to the same period last year. Four percent of Bulgarian employers plan workforce reductions and 69% do not anticipate any change in staffing levels. The final three percent of employers are not sure about their hiring intentions, resulting in a seasonally adjusted Net Employment Outlook of +13% - an increase by one percentage point both quarter-over-quarter and year-over-year.

quarter	Increase employment %	Decrease employment %	No change %	Don't know %	Net Employment Outlook (seasonally adjusted) %
Q2 2017	24	4	69	3	13
Q1 2017	14	7	74	5	12
Q2 2016	21	2	77	0	12

‘Although hiring prospects remain relatively stable, employers are being cautious with their payroll plans in view of the current political and economic situation in the country and the forthcoming parliamentary elections. What is more, the demographic crisis and depopulation in some regions in Bulgaria, as well as the ever growing mismatch between available jobs and needed skills, seriously impede their business expansion and if not addressed immediately both

¹ The Net Employment Outlook is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting a decrease in hiring activity.

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by companies and individuals, this alarming problem will worsen. Nurturing learnability is the key to ensure that people's skills are kept up-to-date and relevant to the jobs currently available on the market because learnability means employability in the long run', commented Nadia Vassileva, managing director of ManpowerGroup Bulgaria.

Nationwide, employers in all 10 industry sectors expect payrolls to increase in the next three months. The most active labour markets are anticipated in the Manufacturing (+26%) and Wholesale & Retail (+23%) sectors which report the strongest hiring pace since the launch of the survey in Q1 2011. The third sector to report a significant payroll growth with an Outlook of +19% is Finance, Insurance, Real Estate & Business Services while the weakest Outlook is reported in the Agriculture, Hunting, Forestry & Fishing (+3%).

Five of the 10 industry sectors report stronger hiring prospects when compared with the previous quarter with the Electricity, Gas & Water Supply sector (+11%) showing the most noteworthy improvement of 9 percentage points, followed by the employers from the Construction sector (+16%) who report an increase of 5 percentage points. On the other hand, hiring prospects weaken in three sectors, namely in Transport, Storage & Communication (+8%) where employers report a decline of 5 percentage points and the Public & Social sector (+4%) where hiring intentions decrease by 4 percentage points.

MANPOWERGROUP EMPLOYMENT OUTLOOK SURVEY	SA				
	Q2 16	Q1 17	Q2 17	NEO Qtr on Qtr Change Q117 to Q217	NEO Yr on Yr Change Q216 to Q217
NATIONAL TOTAL: BULGARIA	12	12	13	1	1
AGRICULTURE, HUNTING, FORESTRY & FISHING	-2	6	3	-3	5
CONSTRUCTION	17	11	16	5	-1
ELECTRICITY, GAS & WATER SUPPLY	10	2	11	9-3	1
FINANCE, INSURANCE, REAL ESTATE & BUSINESS SERVICES	14	19	19	0	5
MANUFACTURING	20	22	26	4	6
MINING & QUARRYING	5	9	11	2	6
PUBLIC & SOCIAL	10	8	4	-4	-6
RESTAURANTS & HOTELS	8	7	7	0	-1
TRANSPORT, STORAGE & COMMUNICATION	12	13	8	-5	-4
WHOLESALE & RETAIL TRADE	12	19	23	4	11

Workforce gains are expected in all five regions in the next three months. The strongest labor market is anticipated by Plovdiv employers who report the most optimistic Outlook since the survey began. The region's solid Net Employment Outlook of +23% shows an improvement of 8 and 10 percentage points from 1Q 2017 and 2Q 2016, respectively. Elsewhere, Sofia employers forecast steady hiring activity with an Outlook of +16%, while the Outlook for Varna stands at

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+9%. The most cautious hiring intentions are reported in Rousse and Burgas, with Outlooks of +6% and +5%, respectively.

MANPOWERGROUP EMPLOYMENT OUTLOOK SURVEY	SA				
	Q2_16	Q1_17	Q2_17	NEO Qtr on Qtr Change Q117 to Q217	NEO Yr on Yr Change Q216 to Q217
NATIONAL TOTAL: BULGARIA	12	12	13	1	1
BURGAS	10	8	5	-3	-5
PLOVDIV	13	15	23	8	10
ROUSSE	13	8	6	-2	-7
SOFIA	13	14	16	2	3
VARNA	12	13	9	-4	-3

Among the five regions, employers in all four organization size categories expect to increase staffing levels during the coming quarter. The strongest hiring prospects are reported by large employers (250+ employees) with an Outlook of +29%, followed by medium businesses (50-249 employees) and small companies (10-49 employees) where the Outlooks stand at +15% and +10% respectively. The weakest Outlook of +7% is reported by micro companies with less than 10 employees.

Complete results for Bulgaria's ManpowerGroup Employment Outlook are available to download at www.manpower.bg. Results for all 43 countries and territories surveyed can be explored with ManpowerGroup interactive tool at <http://manpowergroupsolutions.com/DataExplorer/>.

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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 ManpowerGroup Bulgaria

ManpowerGroup Bulgaria is one of the leaders on the 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, ManpowerGroup Bulgaria has provided organisations in the country with a continuum of staffing solutions from the incidental to the strategic for nine years

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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, ManpowerGroup Bulgaria leverages its trusted brand to develop a deep talent pool, providing clients with access to the people they need, fast. ManpowerGroup 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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