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Hungary's first-quarter in 2018 ManpowerGroup Employment Outlook Survey forecast remains favorable

Outlooks positive across all industry sectors during 1Q 2018

Budapest, 12. December 2017 Hungarian employers report respectable hiring plans for the first quarter of 2018. Of the 752 Hungarian employers interviewed, 15% of employers anticipate an increase in staffing levels, 4% forecast a decrease and 78% expect no change to payrolls through the first three months of the year.

Once the data is adjusted to allow for seasonal variation, the Outlook stands at +14%. Hiring is expected across all industry sectors, regions and organization-size categories. However, overall job prospects weaken by 4 percentage points when compared with the previous quarter, and decline by 3 percentage points in comparison with the first quarter of 2017.

Ottó Vég, Country General Manager for ManpowerGroup Hungary said: „Hungary's employers are starting to make careful movements but the intent to increase the employment is still high, so the Net Employment Outlook remains strong.

Employers report optimistic hiring intentions, however they might be concerned, that the 8.2% minimum wage increase - which will take effect on January 1st, 2018 – and talent shortage, will put a significant burden on them.”

Employers in the Manufacturing and Transport, Storage & Communications sectors expect the most active first-quarter hiring pace

Staffing levels are expected to increase in all nine industry sectors during 1Q 2018. The strongest hiring pace is forecast in the Manufacturing sector, with a Net Employment Outlook of +27%. Elsewhere, Transport, Storage & Communication sector employers anticipate healthy hiring activity with an Outlook of +23%, and upbeat Outlooks of +19% and +16% are reported in the Construction sector and the Finance, Insurance, Real Estate & Business Services sector, respectively. Respectable workforce gains are forecast in two sectors with Outlooks of +12% □ the Restaurants & Hotels sector and the Wholesale & Retail Trade sector. Meanwhile, Public & Social sector employers report the weakest Outlook of +1%.

“The Manufacturing sector forecast remains the strongest in the country for the second consecutive quarter, and much of the employer confidence reported here may be attributable to ongoing strength in the automotive industry.

In the automotive industry more than 150,000 people are currently working, and we expect an additional 10-15% growth in this area.”

Hiring prospects weaken in eight of the nine industry sectors when compared with the previous quarter. The most noteworthy declines of 7 percentage points are reported in both the Construction sector and the Public & Social sector. Finance, Insurance, Real Estate & Business Services sector employers report a decrease of 6 percentage points, while Outlooks are 4 percentage points weaker in the Electricity, Gas & Water Supply sector, the Manufacturing sector and the Wholesale & Retail Trade sector. However, the Outlook for the Transport, Storage & Communication sector improves by 4 percentage points.

When compared with this time one year ago, hiring intentions decline in five of the nine industry sectors, most notably by 13 percentage points in the Wholesale & Retail Trade sector. Public & Social sector employers report a decrease of 9 percentage points, and Outlooks are 8 and 7 percentage points weaker in Construction sector and the Restaurants & Hotels sector, respectively. Elsewhere, hiring prospects strengthen in two sectors, with

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increases of 5 percentage points in the Manufacturing sector and 4 percentage points in the Transport, Storage & Communication sector.

Regional Comparisons

Employers in all eight regions expect to increase staffing levels during 1Q 2018. The strongest hiring pace is forecast in Budapest, where the Net Employment Outlook stands at +22%. Elsewhere, employers report upbeat hiring prospects in Western Transdanubia and Central Hungary, with Outlooks of +18% and +17%, respectively, while respectable payroll gains are expected in both Central Transdanubia and Southern Great Plain, with Outlooks of +15%. Meanwhile, the most cautious hiring plans are reported in Southern Transdanubia, where the Outlook stands at +4%.

"The Hungarian investment environment is still favorable for foreign manufacturers. A Hungarian subsidiary of a foreign multinational company, with its investment of 3.15 billion is expanding the capacity of the production plant in the Central Hungary area, where the Net Employment Outlook stands at +18% while another foreign organisation invests into a factory nearly 15 billion forints in a town in the Southern Great Plain.

"The government provides billions of HUF non-refundable support to job-creating investments that will generate thousands of new jobs in the coming years."

In comparison with the final quarter of 2017, hiring intentions weaken in six of the eight regions. Northern Great Plain employers report a considerable decline of 18 percentage points, while Outlooks are 12 and 6 percentage points weaker in Southern Transdanubia and Central Transdanubia, respectively. Elsewhere, hiring prospects improve in one region, with employers reporting an increase of 3 percentage points in Southern Great Plain.

When compared with this time one year ago, Outlooks weaken in four of the eight regions. The most noteworthy decline of 17 percentage points is reported in Northern Great Plain. Southern Transdanubia employers report a decrease of 15 percentage points, and the Outlook for Northern Hungary is 5 percentage points weaker. However, hiring prospects improve in three regions, including Central Hungary and Budapest, with Outlooks increasing by 7 and 4 percentage points, respectively.

Budapest

Employers continue to report the strongest hiring plans since the survey began more than eight years ago, with a Net Employment Outlook standing at +22% for the third consecutive quarter. When compared with 1Q 2017, the Outlook for the coming quarter improves by 4 percentage points.

Net Employment Outlook Comparison by Region Q1 2018		Quarter-on-Quarter Change	Year-on-Year Change
NATIONAL	+14%	↓(-3%)	↓(-1%)
BUDAPEST	+22%	(0%)	↑(+4%)
CENT. HUNARY	+17%	↓(-2%)	↑(+7%)
CENTRAL TRANSDANUBIA	+25%	↓(-6%)	↓(-2%)
NORTHERN GREAT PLAIN	+6%	↓(-18%)	↓(-17%)
NORTHERN HUNGARY	+12%	↓(-2%)	↓(-5%)
SOUTHERN GREAT PLAIN	+15%	↑(+3%)	↑(+1%)



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SOUTHERN TRANSDANUBIA	+4%	↓ (-12%)	↓ (-15%)
WESTERN TRANSDANUBIA	+18%	↓ (-2%)	(0%)

Comparisons by company size

Employers in all four organization size categories forecast job gains in the January-March time frame. The strongest labor market is anticipated by Large employers with a Net Employment Outlook of +27%. Elsewhere, Outlooks stand at +17% and +12% for Medium- and Small-size employers, respectively, while the Outlook for Micro firms is +8%.

Quarter-over-quarter, Medium employers report a considerably weaker Outlook, declining by 13 percentage points, while decreases of 3 and 2 percentage points are reported for Small- and Large-size employers, respectively. Meanwhile, Micro employers report relatively stable hiring intentions.

In a comparison with 1Q 2017, hiring prospects weaken in three of the four organization size categories. Micro employers report a decline of 6 percentage points, while Outlooks are 5 and 3 percentage points weaker for Small- and Medium-size employers, respectively. However, Large employers report a slight improvement of 3 percentage points.

The ManpowerGroup Employment Outlook Survey for the first quarter of 2018 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 March as compared to the current quarter?"

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 over 400,000 clients and connect 3+ million people to meaningful, sustainable work across a wide range of industries and skills. Our expert family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – creates substantially more value for candidates and clients across 80 countries and territories and has done so for nearly 70 years. In 2017, ManpowerGroup was named one of the World's Most Ethical Companies for the seventh 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 is powering the future of work: www.manpowergroup.com.