

Under strict embargo until 00:01 GMT, 10 March 2020

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Croatia anticipates the strongest hiring activity globally for the second quarter of 2020

ManpowerGroup Employment Outlook Survey: Croatian Net Employment Outlook for the forthcoming quarter stands at +24%

- **The outlook for Croatia is one of the four strongest globally in the ManpowerGroup survey for 2Q 2020, along with Japan, Taiwan and Greece.**
- **The optimistic Croatian Outlook is partially fueled by sharp increase in hiring in the Restaurants & Hotels sector, where employers also reported the most notable quarter-over-quarter improvement with an increase of 57 percentage points. Additionally, workforce gains are anticipated in all seven industry sectors.**
- **Hiring gains are forecast in all four regions during the upcoming quarter. Hiring sentiment also improves in all four regions when compared with the previous quarter, however, hiring prospects weaken in all four regions in a year-over-year comparison.**

Zagreb, 10th March 2020 – The ManpowerGroup Employment Outlook Survey reveals that Croatian employers report healthy hiring intentions for the second quarter of 2020. With +26% of employers expecting to increase payrolls, -2% anticipating a decrease and +72% forecasting no change, the Net Employment Outlook (NEO) is +24%. This is also one of the four strongest forecasts globally in the ManpowerGroup survey for 2Q 2020, alongside Japan, Taiwan and Greece. Croatian hiring intentions improve by 19 percentage points when compared with the previous quarter, but decline by 10 percentage points in a comparison with the same period last year.

“Croatia is strongly connected to the thriving of the tourism sector, fueling this quarter’s overall strong hiring activity and positioning Croatia as one of the four strongest employment Outlooks globally. However, the recent impact of Covid-19 on the traditionally high demand for seasonal workers in the Restaurants & Hotels sector is still not clear,” comments **Nuno Gameiro, Regional Managing Director for South Eastern Europe**. *“While it is too early to predict the potential impact of Covid-19 on local and global hiring, the reality today is that unemployment remains low in many markets and organizations globally are still struggling to find people with the right skills,”*¹ concludes Gameiro.

Looking at the **industry-specific data**, employers in all seven industry sectors expect to add to payrolls during the second quarter of 2020. Restaurants & Hotels sector employers report the strongest hiring plans with a bright NEO of +40%. A prosperous labor market is also

¹ The survey was conducted between January 6 and January 28 before the global escalation of Covid-19.

anticipated in the Construction sector, where the Outlook is +36%, while healthy job gains are forecast for two sectors with Outlooks of +21% - the Manufacturing sector and the Other Services sector. Employers expect a steady hiring pace in the Wholesale & Retail Trade sector where the Outlook is +19%, and in the Finance & Business Services sector, with an Outlook of +16%. The weakest Outlook of +10% is reported in the Other Production sector.

Hiring prospects strengthen in all seven industries when compared with 1Q 2020, most notably by a steep margin of 57 percentage points in the Restaurants & Hotels sector. Considerable improvements of 15 percentage points are also reported in both the Other Services sector and the Wholesale & Retail Trade sector, while Outlooks are 7 and 4 percentage points stronger in the Finance & Business Services sector and the Construction sector, respectively.

When compared with last year at this time, hiring intentions weaken in six of the seven industry sectors. Restaurants & Hotels sector employers report the most noteworthy decline of 18 percentage points. Elsewhere, Outlooks decrease by 16 percentage points in two sectors – the Manufacturing sector and the Other Production sector – and Finance & Business Services sector employers report a decline of 14 percentage points. Meanwhile, hiring intentions are unchanged for the Wholesale & Retail Trade sector.

Workforce gains are forecast in **all four regions** during the upcoming quarter. The strongest labor market is anticipated in the West, where employers report a robust Net Employment Outlook of +32%. Solid payroll growth is expected in both the South and Central regions, with Outlooks standing at +25% and +24%, respectively, while the Outlook for the East is +18%.

Hiring sentiment improves in all four regions when compared with the previous quarter. Sharp increases of 34 and 25 percentage points are reported in the South and the West, respectively. Elsewhere, the Outlook for Central Croatia improves by 13 percentage points and employers in the East report an increase of 7 percentage points. In a year-over-year comparison, hiring prospects weaken in all four regions. The most notable decreases of 17 and 15 percentage points are reported in the West and the South, respectively. In the East, employers report a decline of 10 percentage points, while the Central region Outlook decreases by 4 percentage points.

Job gains are anticipated in **all four organization size categories** during the coming quarter. The strongest labor market is forecast by Medium employers with a NEO of +36%. Elsewhere, healthy payroll growth is expected by Large- and Small-size employers with Outlooks of +29% and +28%, respectively, while the Outlook for Micro firms stands at +11%.

Global and EMEA results

ManpowerGroup interviewed over 58,000 employers in 43 countries and territories to forecast labor market activity² in the second quarter of 2020. The research reveals that employers in 42 of 43 countries and territories surveyed expect to increase payrolls in the April to June period.

The strongest hiring activity is anticipated in **Croatia, Greece, Japan and Taiwan**, while the weakest labor markets are expected in **Panama, Hong Kong, Poland and South Africa**. When compared with the first quarter of 2020, hiring intentions strengthen in 23 of the 43 countries and territories, while employers in 11 report weaker hiring plans, with no change reported in nine. In a comparison with this time one year ago, employers in 14 countries and territories report stronger hiring prospects, while hiring plans decline in 22, and are unchanged in seven.

² Commentary is based on seasonally adjusted data where available. Data is not seasonally adjusted for Croatia or Portugal.

Workforce gains are expected in all 26 Europe, **Middle East & Africa (EMEA)** region countries surveyed during the second quarter of 2020. When compared with the prior quarter, hiring prospects strengthen in 15 countries, but weaken in seven. In a comparison with the second quarter of 2019, outlooks improve in eight countries, but decline in 13. Employers in Croatia and Greece expect the strongest labor markets during the forthcoming quarter, while the weakest hiring sentiment is reported in Poland and South Africa.

Employers in all seven **Asia Pacific** countries and territories expect to grow payrolls in the April to June period. In a comparison with the previous quarter, hiring prospects strengthen in two countries and territories, but weaken in three. When compared with this time one year ago, hiring intentions decline in five countries and territories, while improving in one. Employers expect the strongest hiring pace in Japan and Taiwan during the next three months, while the most cautious hiring plans are reported in Hong Kong.

Payrolls are expected to grow in nine of the 10 **Americas** countries surveyed during the second quarter of 2020, while Panamanian employers continue to anticipate a subdued hiring climate. When compared with the prior quarter, hiring plans strengthen in six Americas countries, but decline in one. In a year-over-year comparison, employers in five countries report stronger hiring sentiment, but hiring prospects weaken in four. Americas employers expect the strongest hiring activity in the U.S. and Brazil during coming quarter, while the weakest labor market is anticipated in Panama.

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Full survey results for each of the 43 countries and territories included in this quarter's survey, plus regional and global comparisons, can be found at www.manpowergroup.com/meos. The next ManpowerGroup Employment Outlook Survey will be released on **9 June 2020** and will detail expected labor market activity for the third quarter of 2020.

About the Manpower Employment Outlook Survey

The ManpowerGroup Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforces during the next quarter. ManpowerGroup's comprehensive forecast of employer hiring plans has been running for more than 55 years and is one of the most trusted surveys of employment activity in the world.

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 hundreds of thousands of organizations every year, providing them with skilled talent while finding meaningful, sustainable employment for millions of people across a wide range of industries and skills. Our expert family of brands – Manpower, Experis and Talent Solutions – creates substantial value for candidates and clients across 80 countries and territories and has done so for over 70 years. We are recognized consistently for our diversity - as a best place to work for Women, Inclusion, Equality and Disability and in 2020 ManpowerGroup was named one of the World's Most Ethical Companies for the eleventh year - all confirming our position as the brand of choice for in-demand talent. See how ManpowerGroup is powering the future of work: www.manpowergroup.com.