

Press Release

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2021 kicks off with mild hiring intentions

ManpowerGroup Employment Outlook Survey: 1st quarter 2021

- A Net Employment Outlook of +5% is expected for the period between January and March.
- The Public Sector anticipates the biggest increase in hiring intentions, with an Outlook of +17%.
- The Restaurants & Hotels sector is the most pessimistic, with an Outlook of -16%.
- Employers in the South face a stagnant labor market, whereas the Center region reveals the strongest rate forecast

The first quarter of 2021 should not bring major changes to the Portuguese labor market. According to the ManpowerGroup Employment Outlook Survey, Portuguese employers remain cautious and report moderate hiring intentions for the period between January and March, which result in a Net Employment Outlook of +5%. Hiring prospects are up 3 percentage points from the previous quarter, but still fall 5 points below the figure recorded in the first quarter of 2020.

Among the 463 Portuguese employers surveyed, only 13% expect to increase payrolls, while 76% expect no change and 8% point to a decrease.

"Once again, we see how the consequences of the pandemic and the safety measures have a different impact on the various sectors of our economy. The forecasts advanced by the Restaurants & Hotels and Retail employers clearly reflect the seriousness of the crisis these sectors are experiencing, putting thousands of jobs at risk. At the same time, we see how the demand for professionals in Healthcare, Technology and Digital Transformation, or Ecommerce, is increasing without a sufficient response in terms of Talent available.

The management of the current economic and social crisis has to address this imbalance, and the mismatch of skills associated with it. And the answer necessarily lies in training and reskilling people, providing them with the skills that will enable them to develop their careers into areas of

greater demand. This is a challenge that requires a joint and transversal effort, uniting companies, governments, institutions and workers in the development and promotion of programs that make the training effort beneficial, with a commitment to employability. In this area, digital will certainly play a key role, but other areas of training for technical skills, traditionally requiring talent should not be neglected. The response to the crisis and the plans for economic recovery should have a priority focus here", stresses Rui Teixeira, Chief Operations Officer of ManpowerGroup Portugal.

Restaurants & Hotels foresee gloomy days for hiring

During the next quarter, an increase in the workforce is expected in five of the seven sectors surveyed. The strongest labor market is anticipated by employers in the Public sub-sector which, with an Outlook of +17%, rises by 4 percentage points over the previous quarter and 12 points year-over-year. This sub-sector is integrated in the Other Services sector, which declares an Outlook of +10%, being negatively impacted by the pessimism of the Transport, Storage & Communications sub-sector, where stagnant hiring prospects are expected (0%).

Better scenarios are foreseen in the Other Production sector, reporting an Outlook of +12%, the highest value registered in the last two years. This result is as effect of the optimistic projections of +12% in the Agriculture sub-sector and +13% in the Utilities sub-sector. Hiring plans for this sector are up 10 percentage points, when compared to the forecast of the previous quarter, and 2 percentage points with regards to the 1st quarter of 2020.

Contrarily, employers in the Restaurants & Hotels sector, heavily impacted by the pandemic, continue to anticipate dark days for hiring, with an Outlook of -16%. This figure decreases 8 percentage points, over the previous quarter, and falls by a steep margin of 32 percentage points, year-over-year. Meanwhile, employers in the Wholesale & Retail Trade sector also report poor hiring prospects (-2%). The Outlook for this sector is 7 percentage points below the one estimated for both the previous quarter and the period from January to March 2020.

In the Construction, Industry and Finance & Services sectors a mild rate of hiring is expected, with an Outlook of +5%. In the Construction and the Manufacturing sectors, the hiring prospects improve by 14 and 5 percentage points over the previous quarter, respectively. However, in the Finance & Services sector, the trend is more pessimistic, with a drop of 7 and 12 percentage points over the previous period and the same quarter of 2020.

The Center region and Large Companies are the most optimistic

Employers in the three regions surveyed expect an increase in payrolls over the next three months. The strongest pace of hiring is expected in the Center, where the Net Employment Outlook stands at +7. The Northern region expects more modest gains, with an Outlook of +5% and, in the South region, employers point to a practically stagnant labor market, with an Outlook of +1%.

Compared to the previous quarter, hiring perspectives are stronger in the South and in the North, improving by 10 and 2 percentage points, respectively, whereas employers in the Center report stable hiring intentions. All three regions decrease their projections, when compared to the same period last year.

During the first quarter of 2021, employers expect to increase payrolls in three of the four categories of organization size. Large companies predict the strongest rate of hiring (+11%), while Small companies are the most cautious (0%).

Global hiring intentions regain pace

Employers in 34 of the 43 countries and territories analyzed expect to increase their workforce in the next quarter. Seven countries and territories anticipate payroll reductions, and two countries anticipate a stagnant hiring activity. Taiwan, the USA, Singapore, Australia and Brazil are the countries that reveal the strongest hiring plans, whereas Panama, the UK, Switzerland, Austria and Hong Kong show the most pessimist forecast.

In the Europe, Middle East and Africa (EMEA) region, payrolls are expected to increase in 19 of the 26 countries, decrease in five and remain stagnant in two. The strongest regional hiring plans are reported in Greece, Turkey and Germany, while the weakest forecasts are indicated by employers in the UK, Switzerland and Austria.

The quarterly ManpowerGroup study interviewed 37500 employers in 43 countries and territories. The interviews were conducted during the exceptional circumstances of the COVID-19 outbreak, so the results are likely to reflect the impact of the global health emergency and economic disruption felt in some countries.

The next ManpowerGroup Employment Outlook Survey will be released on March 9, 2020 and will reveal the labor market outlook for the second quarter of 2021.

For further information, please contact:

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About the Survey

The Manpower Employment Outlook Survey is the longest-running, most extensive, forward-looking employment survey in the world, commencing in 1962 and now polling over 34,000 employers in 43 countries and territories to measure their intentions to increase or decrease the number of employees in their workforce during the next quarter. The survey serves as a bellwether of labor market trends and activities and is regularly used as data source for the European Commission, informing its EU Employment Situation and Social Outlook report the *Monthly Monitor*. ManpowerGroup's independent survey data is also sourced by financial analysts and economists around the world to help determine the health of labor markets.

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 more than 75 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.

About ManpowerGroup Portugal

ManpowerGroup® started its activity in Portugal in 1962, through a franchising. In 2008, ManpowerGroup acquired the franchising, which led to the reorganization of the company and the brand, renovating its presence in Portugal.