

UNDER EMBARGO UNTIL 00:01 GMT June 9, 2020

THE LABOR MARKET IS AFFECTED BY COVID-19 EPIDEMICS

Prague, 9 June 2020 – In the Czech Republic, employers expect a labor market slump during the next three months, reporting a seasonally adjusted Net Employment Outlook of -8%. Hiring plans are the weakest since the survey began in 2008, declining by 13 and 19 percentage points from 2Q 2020 and 3Q 2019, include respective COVID-19 data & insights.

"As a result of the epidemic, the economy has frozen for more than two months. While layoffs began to occur, which was reflected in a slight increase in unemployment, most companies decided to wait and used of state support programs to maintain employment. It remains to be seen what condition their product and service markets will be in after the end of the emergency. There will now be major shifts in the labour market between companies and individual sectors, and this concerns permanent employees, freelancers, agency employees and foreigners. Some companies are hiring new employees to make up for the outages of foreign workers. Some companies in the Czech Republic will not find a replacement for foreign specialists, craftsmen, technicians and mechanics and must move the delivery times of their products and services, as is happening in the construction industry, for example. However, as the ManpowerGroup Employment Outlook Survey shows, most employers are rather pessimistic about adding to payrolls," said Jaroslava Rezlerová, Managing Director of ManpowerGroup Czech Republic.

Industry sector comparisons

A decline in staffing levels is forecast for six of the seven Czech industry sectors during the upcoming quarter. Hiring prospects weaken in six sectors when compared with the previous quarter and decline in all seven sectors in comparison with last year at this time. Employers in both the Finance & Business Services sector and the Restaurants & Hotels sector anticipate the weakest hiring activity since the survey began. The most resilient sector labor market is reported in the Other Production sector, where the Outlook of 0% is unchanged in comparison with the prior quarter, while declining by 5 percentage points year-over-year. The Wholesale & Retail Trade sector Outlook of -2% is stronger than the national Outlook, despite declines of 12 and 11 percentage points from 2Q 2020 and 3Q 2019, respectively. Hiring intentions for the Construction sector are also stronger than the national Outlook, standing at -3%. However, hiring prospects in the sector weaken by 11 and 23 percentage points quarter-over-quarter and year-over-year, respectively. Restaurants & Hotels sector employers anticipate the weakest hiring pace with a dim Outlook of -28%. Hiring plans sink sharply in comparison with both 2Q 2020 and 3Q 2019, by 31 and 38 percentage points, respectively.

Regional comparisons

Payrolls are expected to decline in all three regions during the next three months, reflecting weaker Outlooks for all three both quarter-over-quarter and year-over-year. Moravia employers anticipate the strongest hiring pace, although the region's Outlook of -1% reflects subdued hiring plans, declining by 6 and 10 percentage points from 2Q 2020 and 3Q 2019, respectively. The weakest regional Outlook of -17% is reported in Prague. Hiring prospects are the weakest since the survey began, declining sharply by 24 and 31 percentage points quarter-over-quarter and year-over-year, respectively.

Organization Size Comparisons

In all four organization size categories, employers expect payrolls to dip during the coming quarter. The strongest hiring pace is forecast by Large employers (-2%), while Small employers (-8%) report the weakest hiring plans.

Global Overview

In total, 34,601 employers were surveyed by ManpowerGroup in 43 countries and territories, to measure employer hiring intentions for the third quarter of 2020. Interviewing was carried out during the exceptional circumstances of the COVID-19 outbreak. The survey findings for the third quarter of 2020

are likely to reflect the impact of the global health emergency, and the subsequent economic shutdown in many countries.

Employers in 35 of the 43 countries and territories surveyed by ManpowerGroup for the third quarter of 2020 expect to reduce payrolls in the period up to the end of September 2020, while payroll gains are expected in seven countries and a flat labor market is anticipated in one. In a comparison with the second quarter of 2020, hiring prospects weaken in 42 of the 43 countries and territories, while no change is reported in one. Employers in all 43 countries and territories report weaker hiring sentiment when compared with this time one year ago. The strongest hiring pace is anticipated in Japan, India, the United States, China and Taiwan, while employers in Singapore, Costa Rica, Colombia, Peru and South Africa forecast the weakest labor markets.

The next ManpowerGroup Employment Outlook Survey featuring the forecast for the 4Q 2020 period will be published on 8 September 2020.

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Note to Editors

Commentary is based on seasonally adjusted data where available. 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 in the ManpowerGroup Press Room at www.manpowergroup.com/meos. In addition, all tables and graphs from the full report are available to be downloaded for use in publication or broadcast from the ManpowerGroup Web site at: <http://www.manpowergroup.com/press/meos.cfm>

ManpowerGroup has also released its ManpowerGroup Employment Outlook Survey Explorer tool, a new interactive way to examine and compare its data. The tool can be viewed at <http://www.manpowergroupsolutions.com/DataExplorer/>

This survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforce during the next quarter. The Czech Republic is one of 43 countries and territories participating in the quarterly measurement of employer hiring intentions. The survey for Quarter 3 2020 was conducted by interviewing a representative sample of 750 employers in the Czech Republic and asking the same question: "How do you anticipate total employment at your location to change in the three months to the end of September 2020 as compared to the current quarter?"

The global ManpowerGroup Employment Outlook Survey has been running for more than 55 years, and uses a validated methodology in accordance with the highest standards in market research. This survey helps to identify the hiring intentions of both regional and industry sector employers, and facilitates preparation for labor market pressures.

About the Survey

The global leader in innovative workforce solutions, ManpowerGroup releases the ManpowerGroup Employment Outlook Survey quarterly to measure employers' intentions to increase or decrease the number of employees in their workforce during the next quarter. It is the longest running, most extensive, forward-looking employment survey in the world, polling over 34,000 employers in 43 countries and territories. For 3Q 2020, sample sizes are smaller than in previous quarters, reflecting the impact of the global health emergency. The survey serves as a bellwether of labor market trends and activities and is regularly used to inform the Bank of England's Inflation Reports, as well as a regular 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 where labor markets are headed.

About ManpowerGroup™



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.

In January 2011, at the World Economic Forum Annual Meeting in Davos, Switzerland, ManpowerGroup announced the world has entered the Human Age, where talent has replaced capital as the key competitive differentiator. This concept of talentism as the new capitalism continues to resonate and was echoed as a core theme of the 2012 Annual Meeting of the World Economic Forum in Davos. Learn more about this new age at www.manpowergroup.com/humanage.

Gain access to ManpowerGroup's extensive thought leadership papers, annual Talent Shortage surveys and the ManpowerGroup Employment Outlook Survey, one of the most trusted indices of employment activity in the world, via the ManpowerGroup World of Work Insight iPad application. This thought leadership app explores the challenges faced by employers navigating the changing world of work and provides in-depth commentary, analysis, insight and advice on strategies for success.

Enter the Human Age at: www.manpowergroup.com/humanage

About ManpowerGroup Czech Republic

Through a network of over 35 offices, we provide staff (nearly 12,000) for around 1,200 clients. With employment opportunities in the public and private sector, on both a permanent and temporary basis, we make it easy for people to find employment and for companies to find staff with the skills they need. Solutions include permanent and temporary positions, holiday, maternity or sick coverage, through to large workforce transformation and outsourcing contracts.

More information available on www.manpowergroup.cz.