

## ***Press Release***

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# **Portuguese Labor market remains strong in the second quarter of 2020**

**The results from the latest ManpowerGroup Employment Outlook Survey indicate record expectations for job creation in the Construction and Finance & Business Services sectors**

- Net Employment Outlook for Portugal is at +13%<sup>1</sup>, three percentage points higher than in the previous quarter.
- Finance & Business Services employers remain the most optimistic, with an Outlook of +28%, the highest in the last four years.
- Large Companies reveal the strongest hiring plans, with a forecast of +28%.
- Hiring intentions in the Center, with an Outlook +16%, improve five percentage points when compared to the first quarter of 2020.

**March 10, 2020** - The labor market in Portugal will remain dynamic in the second quarter of the year. According to data from the ManpowerGroup Employment Outlook Survey, employers' intentions reveal strong payroll gains in the period from April to June, with a Net Employment Outlook of +13%, three percentage points above that of the first quarter of 2020. When compared to the same period last year, this figure remains stable.

In a universe of 628 Portuguese companies surveyed, 16% of employers anticipate an increase in the workforce in the second quarter of 2020. Only 3% of employers expect to cut payrolls, while 79% do not foresee any change.

“Despite a context of deceleration in European economies, and excluding the potential impact of the Coronavirus threat<sup>2</sup>, which is not reflected in these results, once more the hiring projections for the next quarter are quite optimistic, as a result of the current Portuguese outlook, still marked by economic growth. Naturally, those sectors most exposed to external trade, such as Manufacturing and Other Production sectors, are more conservative in their

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<sup>1</sup> This figure is derived by taking the percentage of employers anticipating total employment to increase and subtracting from this the percentage expecting to see a decrease in employment at their location in the next quarter.

<sup>2</sup> The survey was conducted between January 6 and January 28 before the global escalation of Covid-19

projections. However, in other areas, such as Finance & Business Services, Construction, with housing credit recovering in 2019 the volumes of 2008, or Restaurants & Hotels, strongly impacted by the tourism boom in Portugal, companies must necessarily expand their hires in order to grow”, stresses Rui Teixeira, Chief Operations Officer at ManpowerGroup Portugal.

“In view of this situation, and taking into account that the unemployment rate remains at very low levels, companies have to explore different roadmaps to be able to optimize their talent management strategies. It is increasingly important to take a new look at internal talent and enhance its development and its ability to generate value, through reskill and upskill strategies. When approaching the candidates market, they also have to define and communicate a differentiated value proposition. This comprises innovating in the work models, in the forms of retribution, in the possibilities of job flexibility and in the challenges and opportunities of development that they can offer. Finally, they must adapt the way in which they evaluate this talent - both internal and external - so that it can be much more prospective and analytical, measuring future potential more than the past path. Only through the correct response to this triple challenge will companies be able to attract and engage the talent they need for their development. ”

### **Finance & Business Services and Construction at record expectations for job creation**

The study points to a favorable hiring climate in the seven industry sectors surveyed, during the period from April to June. The strongest pace of hiring is expected in the Finance & Business Services sector, with an Outlook of +28%, the highest since 2016. This figure rises 11 and 9 percentage points when compared to the first quarter of 2020 and to the second quarter of 2019, respectively.

The Restaurants & Hotels sector also foresees solid gains in its workforce, with an Outlook of +21%, five percentage points above the figures registered both in the previous quarter and in the same period last year.

The Construction sector, at +18%, also reports the highest value in the last four years, and very favorable hiring prospects. This Outlook is, respectively, 10 and 12 percentage points above that of the previous quarter and of the same period of 2019.

The Manufacturing sector and the Wholesale and Retail Trade sector both indicate the most conservative intentions, with projections of +8% and +13% respectively. In the case of Manufacturing, this figure remains unchanged when compared to the previous quarter,

whereas in the Wholesale and Retail sector we observe a strong growth, rising eight percentage points.

### **Hiring prospects rise in the three regions of the country**

Strong workforce gains are foreseen in the three regions analyzed. Larger gains are expected in the Center, where hiring prospects are at +16%, up five percentage points from the first quarter of 2020 and 2 percentage points higher than in the same period of 2019. With a Net Employment Outlook of +17%, the Greater Lisbon region presents this quarter the highest values recorded since the beginning of this study in Portugal, in 2016.

The South region also displays an encouraging hiring climate, with an Outlook of +15%. This value represents an increase of 11 percentage points when compared to the projections for the first quarter of 2020 and is stable when compared to the same period last year, reflecting the usual seasonality of job creation in this region.

Payrolls are also expected to grow in the North, with employers reporting optimistic hiring forecasts and an Outlook of +11%. These hiring intentions remains stable when compared to the previous quarter, but rise two percentage points when compared to the previous year.

Likewise, an increase in payrolls is expected on all four sizes of organizations analyzed. Large Companies are the ones that declare the strongest hiring plans, with an Outlook of +28%, and an increase of 11 percentage points when compared to the first quarter of 2020. Employers of Medium sized organizations also indicate very optimistic hiring intentions, at +21%, a figure that grows six percentage points when compared to the same period last year, but in a slight drop - of five percentage points – from the first quarter of 2020. Small and Micro Companies also anticipate payroll gains, but slightly more conservative, with +11% and +4% respectively, and growing in comparison with the previous quarter.

### **Global positive hiring intentions**

Globally, the study reveals that employers in 42 of the 43 countries and territories surveyed expect to increase their workforce in the period from April to June.

Compared to the first quarter of 2020, we observe an increase in the hiring intentions of 23 countries and territories. Employers report weaker hiring plans in 11 countries, while no change is indicated in nine of them.

The strongest Workforce gains are expected in Croatia, Greece, Japan and Taiwan, while weaker labor markets are anticipated in Panama, Hong Kong, Poland and South Africa.

ManpowerGroup's quarterly study gathers the hiring intentions of more than 58,000 employers in 43 countries and territories. To view complete results for the ManpowerGroup Employment Outlook Survey, visit: [www.manpowergroup.com/meos](http://www.manpowergroup.com/meos).

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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 58,000 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 substantially more value for candidates and clients across 80 countries and territories and has done so for over 70 years. In 2019, ManpowerGroup was named one of Fortune's Most Admired Companies for the seventeenth year and one

of the World's Most Ethical Companies for the tenth year, confirming our position as the most trusted brand in the industry. See how ManpowerGroup is powering the future of work: [www.manpowergroup.com](http://www.manpowergroup.com)

### **About ManpowerGroup Portugal**

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