

## **Press Release**

March 9<sup>th</sup>, 2021

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# **Downbeat hiring climate for the second quarter of 2021**

*ManpowerGroup Employment Outlook Survey: 2<sup>nd</sup> quarter of 2021*

- *The Net Employment Outlook stands at -1%<sup>1</sup>, reversing the positive trend of the last two quarters*
- *A decline in the workforce is expected in four of the seven industry sectors surveyed, with a notable decline in the Restaurants & Hotels and the Wholesale & Retail Trade sectors*
- *Employers in the Center and South are the most pessimistic, with the Greater Lisbon area anticipating the strongest decrease in payrolls*
- *Large employers are optimistic and communicate an Outlook of +5%, contrarily to micro businesses that move into negative territory.*

**LISBON, (MARCH 09, 2021)** -- Portuguese employers predict a disappointing hiring climate for the second quarter of 2021. According to the ManpowerGroup Employment Outlook Survey, Net Employment Outlook stands at -1%, down six percentage points from the previous quarter estimates and decreasing 14 percentage points when compared to the pre-pandemic forecast of the same period last year.

Among the 514 Portuguese companies surveyed only 5% anticipate an increase in hiring intentions, during the second quarter of 2021, while 6% expect to reduce their workforce and 81% anticipate no change.

**Rui Teixeira, Chief Operations Officer of ManpowerGroup Portugal**, states that “*The recent measures launched to address the pandemic have had an undeniable effect on economic indicators. And, despite the fact that the negative consequences in this wave are lighter than what we have experienced in March and April, once again we are facing a two-speed reality, with the sectors most severely affected by these measures being strongly limited in their ability to create or maintain jobs, in the immediate and the long term. It is essential, therefore, to continue to develop solutions that enable us to support all those who are being impacted by job destruction. Identifying adjacent skills, which allow workers to make the transition to high demand jobs, and investing in their upskilling*

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<sup>1</sup> Net Employment Outlook 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.

*and reskilling are the main challenges we must overcome, in this new context, to increase people's employability and build an agile and resilient workforce for these times of change and disruption."*

### **Restaurants & Hotels: the most affected industry sector**

Four out of the seven industry sectors surveyed display negative hiring intentions for this second quarter. Nevertheless, even in those sectors that show positive intentions, forecasts are well below the values shown in previous periods.

Employers in the Restaurants & Hotels sector announce the most pessimistic hiring plans, with a Net Employment Outlook of -6%. This figure represents a reduction of 27 percentage points from the pre-pandemic estimates, announced a year ago. However, it also shows an increase of 10 percentage points when compared to the first quarter of 2021. In the Wholesale & Retail Trade sector the same sentiment is observed, with an Outlook of -5%, decreasing by three and 18 percentage points when compared with the previous quarter and the second quarter of 2020, respectively.

In the Manufacturing sector and the Construction sector, employers also show slow-paced hiring intentions, with Outlooks of -3% and -2%, respectively. These estimates also decrease when compared to the ones announced in the previous quarter.

Contrariwise, the Finance & Business Services sector stands out with the most solid hiring activity, posting a Net Employment Outlook of +5% for the second consecutive quarter. Nevertheless, in comparison with the same period last year, it displays one of the most significant reductions, falling by 23 percentage points.

The Other Services sector and Other Production sector also show cautious optimism, reporting an Outlook of +1%, and a decrease of nine and 11 percentage points respectively in comparison with the previous quarter.

### **Employers in the North are more optimistic**

In this second quarter, hiring prospects deteriorate in all regions, when compared to the ones announced for this year's first quarter and for the same period one year ago. Employers in the North shows cautious optimism, with an Outlook of +1%, a figure that represents, however, a drop of four percentage points from previous quarter's estimates.

Greater Porto shows the best Outlook for this period, at +4%, down one percentage point from the first quarter.

The Center reveals the most pessimistic hiring intentions, with an Outlook of -3%, ten percentage points less than in the previous quarter. In the Greater Lisbon area, hiring prospects are down eight percentage points in the quarterly comparison, with the Net Employment Outlook standing at -5%.

The South is forecasting an uncertain labor market, with an Outlook of -1%. This represents a reduction of two percentage points from previous quarter's estimates and a 16 points drop when compared to the same period last year.

### **Only Large Organizations confirm hires**

Three out of the four categories of company sizes surveyed anticipate payroll reductions during the next quarter.

Large employers anticipate the strongest labor market, with an Outlook of +5%. Nevertheless, these employers report a decline of six percentage points from last quarter figures and 23 percentage points reduction when compared to the same period in 2020.

Contrarily, micro businesses are more pessimistic and anticipate moderate workforce reductions. The Outlook stands at -6%, down nine percentage points when compared with the previous quarter and 10 percentage points below the forecast for this same time last year.

### **Global hiring perspectives**

Globally, 31 of the 43 surveyed countries and territories expect to strengthen their workforce during the next quarter, while 10 anticipate a decrease in payrolls. Taiwan, the U.S., Australia and Singapore represent the strongest labor markets, while the UK, South Africa, and Panama have the most pessimistic Outlooks.

In Europe, hiring opportunities remain limited. Same as in Portugal, Spain and Italy present trim perspectives for the labor market. In Spain, employers report a Net Employment Outlook of -1%, the same value as in the previous quarter, and in Italy the Outlook stands at -2%, four percentage points below the forecast for the January-March period.

In Greece, France and Germany the forecasts are more optimistic, with a Net Employment Outlook of +7% announced for the first two countries and +3% for the third. Nevertheless, all three countries register decreases in hiring intentions when compared with the last quarter and the same period in 2020.

ManpowerGroup's quarterly survey interviewed over 42,000 employers in 43 countries and territories. The interviews were performed during the exceptional circumstances of the outbreak of COVID-19 and the results may reflect the impact of the global health emergency and resulting economic disruption.

To view complete results for the ManpowerGroup Employment Outlook Survey, visit: [www.manpowergroup.com/meos](http://www.manpowergroup.com/meos). The next ManpowerGroup Employment Outlook Survey will be released on June 8th and will reveal the labor market outlook for the third quarter of 2021.

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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.