

Press Release

8th June 2021

Portuguese Employers Optimistic About Hirings on the 3rd Quarter of 2021

ManpowerGroup Employment Outlook Survey: 3rd Quarter 2021

- *Net Employment Outlook stands at +5%, fending the negative trend from last quarter and up 17 percentage points from a year ago.*
- *Payrolls are expected to grow in all seven industry sectors, with an especially optimistic Outlook for the Finance and Business Services sector.*
- *Hiring plans are stronger in the North and South, as well as in medium-sized organizations.*

Portuguese employers expect a positive hiring climate in the third quarter of 2021. The forecast, from the ManpowerGroup Employment Outlook Survey, presents a Net Employment Outlook of +5%, for the period from July to September, up 6 and 17 percentage points from the previous quarter and from the same quarter in 2020, a period when COVID-19 already had an impact on businesses' hiring activity.

The study, which presents seasonally adjusted data for Portugal for the first time, provides encouraging signs for applicants, in the next quarter: of the 552 national employers interviewed, 10% expect an increase in their payrolls, 2% project a decrease and 80% do not anticipate any change, resulting in a non-seasonally adjusted Outlook of 8%.

"The Outlook for this quarter finally shows us strong improvements in hiring intentions, while at the same time providing us with a clear measure of the impact the pandemic has had on the economy and employment in Portugal. We know, however, that the pace of recovery will not be the same for everyone. If the reopening of business activities and the investments of the Recovery and Resilience Plan constitute an opportunity to restart for many companies, the effort to pay the debt, with the end of the moratoria, could be a strong threat for many others." says **Rui Teixeira, Chief Operations Officer of ManpowerGroup Portugal.**

"The labor market will therefore continue to be very dynamic, with some companies and sectors dismissing talent, while others struggle to cover positions for different skills profiles. Addressing this mismatch is one of the main challenges of economic recovery. The answer must necessarily include the upskilling and reskilling of our talent base, identifying the adjacent skills that will allow candidates to move into positions with greater demand, and investing in their training to foster their employability and their relevance to meet the current needs of companies." he concludes.

Restaurants & Hotels sector with hiring intentions up 41 percentage points from Q3 2020

Employers across the seven industry sectors forecast a labor market growth over the next three months. However, it is the Finance and Business Services sector that has the strongest hiring plans, with a Net Employment Outlook of +15%, and a notable growth of 38 percentage points, from the third quarter of 2020, as well as 12 percentage points increase, when compared to the previous quarter.

More cautious, but still optimistic, are the hiring intentions for the Other Services sector, where an Outlook of +9% is expected, representing an improvement of 9 percentage points over the last quarter. This Outlook is the result of the combined effect observed in the Public sub-sector, where hiring prospects continue to show encouraging signs, and stand at +7%, and the Transport, Logistics and Communications sub-sector, where the Outlook is of some stability in hiring, at +3%. Although both sectors improve their projections in comparison to the previous quarter, on a year-on-year analysis, the Public sector falls 3 percentage points, while Transport, Logistics and Communications shows a 23 percentage points growth.

The Other Production sector, which includes the Agricultural and the Utilities sub-sectors, reports an Outlook of +8%, the same value as the Industrial sector. Both show a positive evolution, when compared to the previous quarter, of 8 and 13 percentage points, respectively. In the Industrial sector, the evolution with regards to the same period of 2020 is one of the most steep, increasing 19 percentage points.

Equally positive are employers in the Construction sector, who anticipate a mild hiring pace and a Projection of +6%. This represents an 8 percentage points increase when compared to the last quarter. The Restaurant and Hotel sector foresees a Net Employment of +4%, a moderate Outlook, but one that represents the most notable

growth of all sectors, increasing by 14 percentage points, quarter on quarter, and by 41 percentage points, year on year.

More cautious are employers in the Wholesale and Retail Trade sector, who anticipate a Net Employment Outlook of +2%. This represents an increase of 5 percentage points since last quarter and 13 percentage points over the July-September 2020 period.

Strong hiring forecasts for the North and the South regions

For the next three months, payrolls are expected to increase in all Portuguese regions, with the North and South displaying the most optimistic Outlooks, at +10%, while in the Centre, the estimate, at +3%, is slightly below.

Hiring intentions are up in all regions when compared to the previous quarter, with a notable 18 percentage points increase in the South. In the other regions, improvements of 9 and 8 percentage points are revealed in the Centre and North, respectively. Regarding the same period last year, the Outlook is considerably stronger in all three regions, with an improvement of 19 percentage points in the North, 17 percentage points in the South and 13 percentage points in the Centre.

The Greater Lisbon area displays a more cautious forecast for the hiring activity, with employers pointing to an Outlook of +3%. However, this figure shows a positive evolution, as it is 11 percentage points higher than in the previous quarter and 20 percentage points stronger than in the same period of 2020.

A favorable increase in payrolls is also expected in the Greater Porto area, where the Net Employment Outlook, for the next three months, stands at +11%. This represents an increase of 6 and 21 percentage points, when compared with the previous quarter and with the same period last year.

Medium-sized companies are the ones that plan to hire the most

Regardless of size, Portuguese companies expect to grow their payrolls between July and September. However, Medium-sized organizations are the ones forecasting the fastest pace of hiring, with a Net Employment Outlook of +12%, in contrast to the negative forecast of -1% from the previous quarter.

Large companies anticipate a moderate hiring activity, with an Outlook of +7%, up 4 percentage points from the previous quarter.

Small and Micro businesses anticipate Outlooks of +5% and +4%, respectively. When compared to the previous quarter, these projections are up 6 and 10 percentage points, respectively.

Compared to the same period in 2020, Medium businesses report the most notable increase, of 30 percentage points. Elsewhere, hiring prospects increase by 16 percentage points for Micro employers, 14 percentage points for Large employers, and 12 percentage points for Small employers.

Global hiring prospects

Globally, hiring prospects are also positive. 42 out of 43 countries and territories surveyed expect to add to payrolls in the third quarter of the year, a list led by the United States, Taiwan and Australia, as opposed to Hong Kong, Argentina, Panama and South Africa, which have the most pessimistic projections.

When compared to the previous quarter, there is a stronger hiring sentiment in 31 out of 43 countries and territories, whereas, on a year-on-year comparison, Outlooks are up in 42 out of 43 countries and territories.

In the EMEA (Europe, Middle East and Africa) region, hiring pace is expected to increase in the 26 countries surveyed. However, Portuguese employers are among the countries with the least optimistic Outlook, only preceding Spain and the Czech Republic, both with an Outlook of +4%. On the other hand, it is in Ireland and Greece that the strongest hiring plans are seen, both at +15%, an increase of 3 and 6 percentage points, respectively, when compared to the last quarter.

ManpowerGroup's quarterly survey interviewed over 45,000 employers in 43 countries and territories. The interviews were conducted during the exceptional circumstances of the outbreak of COVID-19, so the survey results are likely to reflect the impact of the global health emergency and subsequent economic disruption. The full results of the ManpowerGroup Employment Outlook Survey for the third quarter are available at www.manpowergroup.com/meos.

The next ManpowerGroup Employment Outlook Survey will be released on September 14th and will reveal the labor market outlook for the fourth quarter of 2021.

For more information, please contact:

Raquel Alfredo

E. raquel.alfredo@thesquare.pt

T. 916 954 670

Sara São Miguel

E. sara.saomiguel@thesquare.pt

T. 918 525 630

ManpowerGroup Portugal

Daniela Castelbranco

Marketing Manager

E. daniela.castelbranco@manpowergroup.pt

T. 924 493 718

About the ManpowerGroup Employment Outlook 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.

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 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 2021 ManpowerGroup was named one of the World's Most Ethical Companies for the 12th year - all confirming our position as the brand of choice for in-demand talent.

In **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.