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## Press Release

# For the Last Quarter of 2019 Romanian Employers Forecast the Weakest Hiring Intentions in More Than Four Years

## ManpowerGroup Employment Outlook Survey 4Q 2019

- Workforce gains are expected in seven of the eight Romanian regions, with employers in West region reporting the most optimistic Outlook.
- The strongest sector labor market in the next three months is forecast by Romania's Construction sector employers, and the weakest Outlook is reported by employers in Transport, Storage & Communications sector.
- Payrolls gains are expected in three of the four organization size categories during 4Q 2019, led by upbeat hiring intentions by Large- and small-sized employers.

**Bucharest, September 10th, 2019** – According to the latest ManpowerGroup Employment Outlook Survey released today, Romanian employers report modest hiring intentions for 4Q 2019, with a seasonally adjusted Net Employment Outlook of +8%. The 4Q 2019 Outlook is the weakest reported by Romanian employers in four years, declining by 4 percentage points when compared with the previous quarter and by 11 percentage points in comparison with the final quarter of 2018.

“Some sectors, such as the Transport, Storage & Communications, Wholesale & Retail Trade and Manufacturing sectors, are anticipating notable declines in employment activity. Moreover, the forthcoming presidential elections are likely to put some businesses and investments on hold. However, it's commonly known that this happens during elections period,” says Nuno Gameiro, ManpowerGroup South East Europe Regional Managing Director.

### Regional Comparisons

During the next three months, Romanian employers anticipate payroll gains in seven of the eight Romanian regions. However, hiring prospects weaken in six regions quarter-over-quarter, and decline in seven regions when compared with last year at this time. The strongest regional Outlook stands at +18% in the West, improving both quarter-over-quarter and year-over-year, by 3 and 4 percentage points, respectively. Hiring intentions are notably stronger than the national Outlook in other two regions. The North-West Outlook of +12% remains relatively stable in comparison with 3Q 2019 but dips by 4 percentage points year-over-year. In the South, where the Outlook is also +12%, hiring plans decline by 2 and 16 percentage points from 3Q 2019 and 4Q 2018, respectively.

The weakest regional labor market is anticipated in the South-East region where employers expect to trim payrolls and report a sluggish Outlook of -6%, the lowest in three years. Hiring prospects decline by 14 percentage points quarter-over-quarter and by 29 percentage points when compared with this time one year ago, anticipating the steepest decline in the region. Outlooks in a further three regions are the weakest in three years, Bucharest & Ilfov (+9%), Center (+9%) and the North-East (+3%).

### Industry Comparisons

Employers in nine of the 10 Romanian industry sectors anticipate payroll growth during the October to December period. Reporting a Net Employment Outlook of +19%, employers in the Construction sector anticipate an upbeat hiring pace, resulting in the strongest sector labor market for the next three months. The Outlook improves by 3 percentage points when compared with the previous quarter but declines by 11 percentage points in comparison with the final quarter of 2018.

Hiring intentions are also notably stronger than the national Romanian Outlook in two further sectors. Wholesale Trade & Retail Trade sector employers anticipate steady hiring activity, reporting an Outlook of +13%, despite decreases of 15 and 9 percentage points from 3Q 2019 and 4Q 2018, respectively. The Finance, Insurance, Real Estate & Business Services sector Outlook of +11% decreases by 4 percentage points quarter-over-quarter and is 12 percentage points weaker in comparison with the same period last year.

"It is notable that our latest survey results for the Construction industry sector reflect the positive impact of the allowances granted by the Romanian State to the construction firms, creating favourable fiscal conditions, including an income tax waiver for workers in the sector. We see that hiring intentions in Romania remain positive, although the Net Employment Outlook figure is slightly lower than in the previous quarter. Employers should consider this period of relatively weaker labor demand to focus on effective talent strategy, rethink their people practices, invest in learning and development, build in-house talents and increase employee retention rates in order to have the talent on hand and to avoid losing business opportunities once the market will recover," says Nuno Gameiro.

Manufacturing sector employers report their weakest hiring intentions in nine years, with an Outlook of +10%, decreasing by 14 percentage points when compared with the previous quarter and by 21 percentage points when compared with this time one year ago. Employers in the Transport, Storage & Communications sector forecast a decline in staffing levels, reporting an Outlook of -4%.

Quarter-over-quarter, Outlooks weaken in seven of the 10 industry sectors, most notably by 19 points in the Transport, Storage & Communications sector. In a comparison with same period one year ago, Outlooks weaken in all 10 industry sectors, including sharp declines of 22 percentage points in the Transport, Storage & Communications sector and 21 percentage points in the Manufacturing sector.

### Organization Size Comparisons

Employers in three of the four organization size categories report optimistic forecasts, with Large-employers and Small-size employers both anticipating positive hiring intentions with a Net Employment Outlook of +10%. Medium employers also report moderate hiring plans with an Outlook of +9%. However, Micro employers report an uncertain Outlook of -1%.

Considerably weaker hiring plans are reported by Large- and Medium-size employers when compared with this time one year ago, with Outlooks decreasing by 18 and 17 percentage points, respectively. Elsewhere, Micro employers report a moderate decline of 6 percentage points, while the Outlook for Small firms is unchanged.

### International comparison

The ManpowerGroup research for the final quarter of 2019 reveals employers expect to grow payrolls in 43 of 44 countries and territories surveyed in the period up to the end of December 2019, with employers in one country forecasting no change to hiring intentions. The strongest hiring prospects are

reported in Japan, Taiwan, the U.S., India and Greece, while the weakest hiring activity is expected in Spain, the Czech Republic, Argentina, Costa Rica and Switzerland.

**Note to Editors:**

Full survey results for each of the 44 countries and territories included in this quarter's survey, plus regional and global comparisons, can be found at [www.manpowergroup.com/meos](http://www.manpowergroup.com/meos). The next ManpowerGroup Employment Outlook Survey will be released on 10 December 2019 and will detail expected labor market activity for the first quarter of 2020.

*\*Note: The Net Employment Outlook is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from it the percentage of employers expecting to see a decrease. Net Employment Outlooks for countries and territories that have accumulated at least 17 quarters of data, including Romania, are reported in a seasonally adjusted format unless otherwise stated.*

**About the ManpowerGroup Employment Outlook Survey:**

The ManpowerGroup Employment Outlook Survey is the longest-running, most extensive, forward-looking employment survey in the world, commencing in 1962 and now polling over 59,000 employers in 44 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 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 the health of labor markets. The ManpowerGroup Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforces during the next quarter. ManpowerGroup's comprehensive forecast of employer hiring plans has been running for more than 55 years and is one of the most trusted surveys of employment activity in the world.

For the 4Q 2019 research, all employers participating in the survey worldwide are asked the same question, "How do you anticipate total employment at your location to change in the three months to the end of December 2019 as compared to the current quarter?"

**Methodology**

The ManpowerGroup Employment Outlook Survey is conducted using a validated methodology, in accordance with the highest standards in market research. The survey has been structured to be representative of each national economy. In Romania, the 4Q 2019 survey was conducted by InfoCorp Ltd. on a representative sample of 626 employers. The margin of error for all national, regional and global data is not greater than +/- 4.0%.

**Ten sectors considered:**

1. Agriculture, Hunting, Forestry & Fishing;
2. Construction;
3. Electricity, Gas & Water;
4. Finance, Insurance, Real Estate & Business Services;
5. Manufacturing;
6. Mining & Quarrying;
7. Public & Social;
8. Restaurants & Hotels;
9. Transport, Storage & Communication;
10. Wholesale & Retail Trade.

**Eight Romanian regions:**

1. Bucharest & Ilfov: Bucuresti, Ilfov;
2. Center: Alba, Brasov, Covasna, Harghita, Mures, Sibiu;



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3. North-East: Bacau, Botosani, Neamt, Iasi, Suceava, Vaslui;
4. North-West: Bihor, Bistrita Nasaud, Cluj, Maramures, Satu Mare, Salaj ;
5. South: Arges, Calarasi, Dambovita, Giurgiu, Ialomita, Prahova, Teleorman;
6. South-East: Braila, Buzau, Constanta, Galati, Tulcea, Vrancea;
7. South-West: Dolj, Gorj, Mehedinti, Olt, Valcea;
8. West: Arad, Caras-Severin, Hunedoara, Timis.

**Organization size:**

1. Micro businesses: less than 10 employees;
2. Small businesses: 10 to 49 employees;
3. Medium businesses: 50 to 249 employees;
4. Large businesses: 250 or more employees.

**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®, Right Management® and ManpowerGroup® 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 the World's Most Ethical Companies for the tenth year and one of Fortune's Most Admired Companies for the seventeenth year, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup is powering the future of work: [www.manpowergroup.com](http://www.manpowergroup.com)

**About ManpowerGroup Romania**

ManpowerGroup Romania, the national leader in innovative workforce solutions, creates and delivers services that help clients meet their business and workforce objectives while enhancing their competitiveness. The company specializes in permanent, temporary and contract recruitment, payroll, contract administration, outsourcing, consulting, project solutions and end-user services through its brands Manpower, Experis, Proservia and ManpowerGroup Solutions. We operate nationally with presence in: Bucharest, Brasov, Cluj-Napoca, Craiova, Ploiesti, Pitesti, Sibiu and Timisoara. More information on ManpowerGroup Romania is available at [www.manpower.ro](http://www.manpower.ro).

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