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Press Release

ManpowerGroup Employment Outlook Survey 4Q 2019: Croatian employers expect modest workforce gains

- **Hiring plans decline 16 percentage points when compared with the previous quarter**
- **Construction sector employers forecast the most robust labor market**
- **Medium firms report the strongest hiring prospects with a Net Employment Outlook of +15%**
- **The weakest regional forecast is reported in the South Croatia, where the Outlook declines by 32 percentage points in comparison with 3Q 2019**

Zagreb, 11 September 2019 — The healthy hiring intentions reported by Croatian employers in 2Q 2019 and 3Q 2019 have been replaced with a more cautious forecast for the coming quarter, with the Net Employment Outlook¹ standing at +7%. Hiring plans are 16 percentage points weaker when compared with the previous quarter, but only 2 percentage points lower than the same period last year.

Despite the weaker forecast, the survey of 622 Croatian employers indicates modest employment gains are still expected during the last three months of the year, but at a considerably slower pace than in the previous two quarters. When industry sectors and regions are considered separately, payrolls are anticipated to grow in seven of eight industry sectors and three of four regions during the upcoming quarter. When compared with 3Q 2019, hiring plans strengthen in seven of the eight industry sectors and all four regions.

“In order to stabilize the Croatian labor market, we need to be aware that many vacancies are not being fulfilled in timely manner, mainly due to the gap between employers’ requirements and employees’ expectations. The reasons often due to skills or wage discrepancies, as well as the demographic shifts around us. These changes are significantly affecting our labor market, emphasizing the importance of new skill sets as well as lifelong learning programs and improvement in the education system,” **commented Aleksandar Hangimana, Managing Director, ManpowerGroup Balkans.** *“The overall decline in Croatia’s Net Employment Outlook is likely the result of less hiring activity as tourism slows down and related services decline, and employers simply don’t need as much help,”* added Hangimana.

Workforce gains are forecast for seven of the eight industry sectors during the final quarter of 2019. The strongest labor market is expected in the Construction sector, where employers report a healthy Net Employment Outlook of +28%. A steady hiring pace is anticipated by

¹ The Net Employment Outlook is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting a decrease in hiring activity.



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Finance, Insurance, Real Estate & Business Services sector employers with an Outlook of +15%, and Outlooks of +12% are reported in both the Public & Social sector and the Transport, Storage & Communications sector. Elsewhere, modest hiring activity is expected in the Wholesale & Retail Trade sector and the Agriculture, Hunting, Forestry & Fishing sector, with Outlooks of +7% and +6%, respectively. However, Restaurants & Hotels sector employers expect to trim payrolls, reporting an Outlook of -11%.

In regional terms, steady workforce gains are forecast for Central Croatia, where the Net Employment Outlook stands at +13%, and some hiring opportunities are anticipated in both the East and the West, with Outlooks of +10% and +5%, respectively. However, employers in the South expect to trim payrolls, reporting an Outlook of -8%, a steep decline of 32 percentage points quarter-over-quarter but a 2-percentage point increase compared to the same period last year.

Workforce gains are anticipated in all four organization size categories during the coming quarter. Medium firms report the strongest hiring prospects with a Net Employment Outlook of +15%, while the Outlook for Large employers stands at +12%. Elsewhere, Small- and Micro-size employers report Outlooks of +6% and +3%, respectively.

You can find more detailed results from the ManpowerGroup Employment Outlook Survey for all participating countries at www.manpowergroup.com/workforce-insights/data-driven-workforce-insights/manpowergroup-employment-outlook-survey-results.

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