

LONDON HIRING CONFIDENCE HALVES

MANPOWERGROUP EMPLOYMENT OUTLOOK SURVEY REVEALS HIRING INTENTIONS IN LONDON ARE ON THE DECLINE

- **Outlook of +4% for the region, down from +8%**
- **London struggles to attract international talent**
- **Fewer suitable candidates available or applying for jobs**

12 SEPTEMBER 2017: Against the backdrop of record employment and ongoing Brexit negotiations, employers in London are bearish about hiring, according to ManpowerGroup, the world's workforce experts.

The ManpowerGroup Employment Outlook Survey is based on responses from 2,100 UK employers. It asks whether employers intend to hire additional workers or reduce the size of their workforce in the coming quarter. It is the most comprehensive, forward-looking employment survey of its kind and is used as a key economic statistic by both the Bank of England and the UK government.

Simon Edwards, Operations Director for Manpower said: "The sluggishness of the London jobs market suggests concern that challenges lurk around the corner. We are seeing this in the City with a hiring slowdown for core finance positions, such as general accountancy. Businesses also don't seem to be investing in bigger projects which require temporary workforces. As Brexit concerns begin to bite, we know businesses are struggling to attract talent from outside the UK. Employers who ran programmes encouraging international applicants are now concerned about imminent talent shortages."

"Broadly, there are fewer job applicants in London, particularly for technical jobs. It has been hard to find strong candidates for construction, mechanical and electrical engineering jobs. Those that do apply for jobs are sometimes unsuitable, and those that are suitable already have multiple job offers. All in all, London jobs sentiment is currently fragile."

Nationally, employers have recorded a one point uptick in optimism with a national Outlook of +6%. A surge in positivity among public sector employers is a key factor in the improved national picture, with hiring intentions in this sector up 4 points to +2%, the biggest rise since 2015.

James Hick, ManpowerGroup Solutions Managing Director: "This is the first time in over a year that public sector hiring plans have been in positive territory. June's general election outcome was seen in part as a rejection of austerity, and it looks like the public sector is powering on, as hiring ramps up. At the beginning of the year there were 86,000 vacancies in the NHS; the government recently announced that it will train an additional 1500 doctors a year and create 20,000 new mental health posts. However, with the health service so heavily dependent on EU nationals, these hiring targets are going to be extremely difficult to meet."

And that's just the NHS; there are tens of thousands of vacancies in other government departments."

Hick explains: "The tough reality lurking beneath all these positive indicators is that these hiring intentions may not come to fruition because of difficulties attracting and retaining skilled employees. Take construction, where companies are reporting a stronger pipeline of work than they have for years with an Outlook this quarter of +11%, up six points from last quarter. However, without a pool of skilled workers to actually do the work, buildings will go unbuilt and projects will flounder. There is lots of talk around what we need to do to fix the UK's ailing housing market at present but politicians' promises are just hot air without the essential skilled talent needed to deliver these programmes."

Regionally, the East of England forecast tops the charts at +11%, while employers in the South East maintain their confident streak with an Outlook of +10%. Another winner is Northern Ireland following the DUP-negotiated "supply and demand" deal resulting in a cash injection of at least £1 billion. This has already boosted hiring optimism in Northern Ireland, where employers report a surprise jump ahead of the UK national average to +7% this quarter.

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NOTES TO EDITORS

A 'Net Employment Outlook' is calculated by subtracting those employers who plan to reduce staffing levels from those who plan to hire staff. A positive result indicates that more employers plan to increase rather than decrease staffing levels; a negative result reflects the opposite. [% increase - % decrease]

Commentary and full details on every sector and region can be found in the survey report at manpowergroup.co.uk/meos, or by calling the Press Office on 0207 404 5959/ manpower@brunswickgroup.com

For international comparisons and visual library with graphs, visit manpowergroup.com

Commentary is based on seasonally adjusted data where available. Full survey results for each of the 42 countries and territories included in this quarter's survey, plus regional and global comparisons, can be found in the ManpowerGroup Press Room at www.manpowergroup.com/meos. In addition, all tables and graphs from the full report are available to be downloaded for use in publication or broadcast from the ManpowerGroup Web site at: <http://www.manpowergroup.com/press/meos.cfm>

Note that in Quarter 2 2008, the Survey adopted the TRAMO-SEATS model for seasonal adjustment of data. As a result, you may notice some seasonally adjusted data points change slightly from previous reports. This model is recommended by the Eurostat department of the European Union and the European Central Bank, and is widely used internationally.

About the Survey

The world leader in innovative workforce solutions, ManpowerGroup releases the Manpower Employment Outlook Survey quarterly to measure employers' intentions to increase or decrease the number of employees in their workforce during the next quarter. It is the longest running, most extensive, forward-looking employment survey in the world, polling nearly 59,000 employers in 42 countries and territories. The survey serves as a bellwether of labour 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 where labour markets are headed.

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 over 400,000 clients and connect 3+ million people to meaningful, sustainable work 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 nearly 70 years. In 2017, ManpowerGroup was named one of the World's Most Ethical Companies for the

seventh consecutive year and one of Fortune's Most Admired Companies, 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