

UNDER STRICT EMBARGO:

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‘BORIS BOUNCE’ IN UK JOBS OUTLOOK NOW FACING UNCERTAINTY

- **National Outlook saw post-election hiring intentions double in Q2 2020 from Q1**
- **North of England set to surge ahead while London stalled**

LONDON, 10 MARCH 2020: After a string of Brexit false starts and the UK’s third general election in five years, employers are set to increase hiring on the back of newfound political certainty, according to the Q2 ManpowerGroup Employment Outlook Survey. However, the spread of the COVID-19 coronavirus may put the brakes on this new-found confidence.

Employers in all sectors across the UK intended to take on staff in the second quarter of 2020, bringing the national Outlook to +4%.* The picture was particularly bright in the North of England where employers in regions such as Yorkshire and the Humber reported an Outlook of +12%.

The survey asks 2,101 UK employers whether they 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 indicator by both the Bank of England and the UK Government.

Mark Cahill, Managing Director, ManpowerGroup UK says: “The good news is that UK employers have been buoyed by greater clarity over Brexit after December’s general election – and a level of political stability not seen since before the 2016 referendum. Q1 was the weakest outlook in nearly a decade, but the data for Q2 had bounced back to +4%. This is a good indicator of employer hiring intentions that we hope will continue.”

The survey was conducted before the COVID-19 (Coronavirus) escalated globally. Cahill again: “While it is too early to predict the potential impact of Covid-19 on hiring, we are hearing from employers with global supply chains that they are considering altering their hiring plans to take account access to materials, slowing business demand and staff availability. The UK has faced a great deal of uncertainty in recent years and employers have remained resilient in the face of previous challenges; early indications from our clients suggests employers remain calm and are preparing their contingency plans.”

Cahill continues: “The regional Outlook for the second quarter of the year was particularly striking. The government’s efforts to spread investment across the country saw the North of England doing much more than “levelling-up” its hiring intentions. We were seeing a

significant uplift in demand for staff in import and export hubs such as Grimsby as trade was beginning to pick up again. This was having a positive impact on the region, with Yorkshire and the Humber going from negative territory at the start of the year to +12% this quarter, reaching its highest level since before the 2008 financial crisis. Similarly, the North East went from -4% to +7% and the North West is at +4%.”

Cahill adds: “While the north of the country was off to the races, it is worrying that London had slumped even further to -2%, the first time we have recorded a consecutive negative Outlook in the capital since 2009. There are significant headwinds in London’s financial sector as looming IR35 rule changes are causing real issues. In a month’s time responsibility for assessing the tax status of contractors will shift from the individual contractor to the company that hires them. Finance sector contractors are particularly affected, and the likes of Barclays, Lloyds, Morgan Stanley and RBS have already announced that they will stop hiring limited company contractors in order to avoid any risk associated with the reforms. At a time when the UK needs to be attracting and retaining the best talent in a competitive global jobs market, the legislative changes could be extremely challenging.”

Hiring in the Utilities sector was predicted to rise to a chart-topping +9%. But the sector was not necessarily in rude health, argues Cahill: “While we were seeing a rebound following the 15-year low last quarter as nationalisation fears during the 2019 election campaign disappeared, the sector remains under ever more hiring pressure. Scottish Power has recently invested a record £2bn in its renewables business to expand its operations off the Norfolk coast, generating a significant number of jobs. Huge ongoing infrastructure projects such as Hinckley Point means the finite supply of highly skilled talent is stretched even further.”

For further information, please contact:

Brunswick – Nick Cosgrove / Daniel Holgersson 020 7404 5959

Email: manpower@brunswickgroup.com

Twitter: [#MEOSUK](https://twitter.com/MEOSUK)

NOTES TO EDITORS

*The survey was conducted between January 6 and January 28 before the global escalation of Covid-19

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 43 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 ManpowerGroup 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 over 58,000 employers across 43 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 organisations 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 organisations 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