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UNDER STRICT EMBARGO:

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DISUNITED KINGDOM - JOBS MARKET IN REST OF UK LAGS BUOYANT ENGLAND

- **Employers in England report highest confidence in 18 months (+7%)**
- **But 2018 is the worst year for overall UK hiring intentions since 2012**
- **Smart metering deadline drives strongest Utilities outlook in over a year**

11 SEPTEMBER 2018: 2018 has been the weakest year for jobs confidence among UK employers since 2012, according to ManpowerGroup, with a UK national Outlook of +4% this quarter. But the headline data belies stark differences between upbeat employers in England and much lower levels of optimism in the devolved nations.

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 indicator by both the Bank of England and the UK Government.

Employers in England report an Outlook of +7%, the strongest reported since Q1 2017. In contrast, Northern Ireland (-4%) has slipped further into the red, rounding off a downbeat year, and recording its least optimistic Outlook than at any time since mid-2014. Wales is the biggest faller this quarter, down 11 points to -8% – an eight-year low. Although Scotland remains in positive territory at +3%, it is significantly down on England.

Mark Cahill, Managing Director, ManpowerGroup UK: “New analysis reveals the fault lines in the UK jobs market since the Brexit vote two years ago. Just before the Brexit vote, in Q2 2016, England’s Outlook was at +7%, Northern Ireland and Scotland were level pegging at +6%, and Wales was at +4%. Fast forward to 2018 and the picture is very different: England remains on a relatively rosy +7%, but Wales and Northern Ireland have plummeted into negative territory, while Scotland lags England by four points.

Cahill continues: “The Centre for Cities¹ recently warned that Wales would be badly hit in the event of a hard Brexit, due to finance making up 81% of Cardiff’s services sector, and, with over ten per cent of Edinburgh’s population employed in financial services, Scotland is also vulnerable. When you factor in the ongoing conundrum over the Irish border perhaps we shouldn’t be surprised that when it comes to jobs confidence we are anything but a united kingdom.”

¹ London Links, Centre for Cities, 26 July 2018 <http://www.centreforcities.org/press/brexit-cities-stand-lose-bad-services-deal-reached/>

Looking at the UK overall, 2018 ends as the least positive year for hiring intentions since 2012. Cahill again: “The six-year low in hiring intentions reflects the fact that the UK is edging closer to full employment, limiting the number of roles on offer. For those companies that are still hiring, there’s often a mismatch between the skills they need and the candidates available.”

“Changing immigration patterns are one driver of this talent mismatch. The number of EU nationals in the labour market fell by 86,000 to 2.28 million according to ONS data from August. Many of the companies we work with are crying out for candidates with French and German language abilities – there are currently thousands of multi-lingual roles available – but while the numbers of eastern European workers in the UK remain steady, the largest outflow of workers we are currently seeing is from EU 15 countries like France and Germany.”

The Utilities sector Outlook has leapt to +12% this quarter. With the British Infrastructure Group recently reporting that the government is likely to miss its own deadline to have 53 million smart meters installed in 30 million homes and businesses by the end of 2020, we are seeing a strong push to achieve the target. This is driving hiring in the sector, which is at its strongest level in over a year.

Kate Davies, Chief Operating Officer of the Energy and Utility Skills Group, comments on the sector’s jump in hiring plans this quarter: “Smart metering is important, but it isn’t the only factor. As the single largest contributor to the £6bn National Infrastructure Plan, the Energy and Utilities sector is also growing its workforce directly through new energy builds, such as Hinkley Point C, while also supporting other infrastructure projects ranging from airport expansions to HS2 to local housing developments. The sector faces the challenges of future skills gaps, changing technologies and an ageing workforce, but these findings demonstrate how Energy and Utilities underpins the whole economy, and it’s promising to see this workforce growth.”

In the English regions, Yorkshire and the Humber continues its optimistic upswing from the last quarter, increasing by three points to +11%. The East Midlands is equally optimistic, bouncing back from its slump last quarter to see a six-point increase - rounding out the most confident year for the region since 2015. Confidence in the North West and South West remains strong and steady at +9%. This contrasts with the East of England which sees a marginal increase to +3%, the lowest in the country, with London and the North East slightly more optimistic with both on +4%. The South East and West Midlands are in line with the English outlook overall on +7%.

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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 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 in 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 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