

United Kingdom

Job placements growth accelerates at end of 2014

- **Permanent placements growth picks up from 18-month low**
- **Temp billings also rise at faster rate**
- **Tight candidate availability fuels further rise in starting salaries**

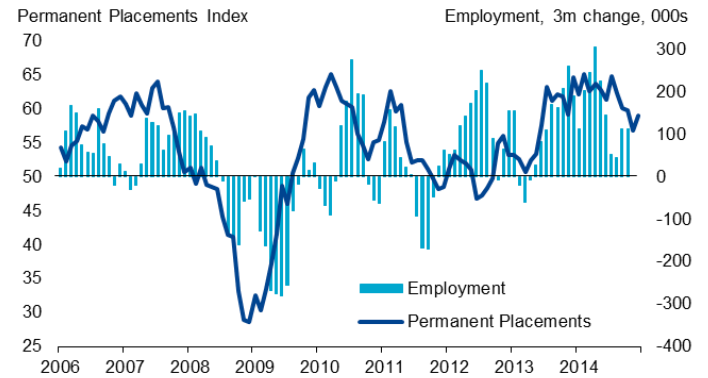
Recruitment consultants reported a faster rise in staff placements in December, after growth had eased during the autumn. The KPMG/REC Report on Jobs, compiled by Markit, signalled that permanent and temporary staff appointments both increased at stronger rates. In the case of the former, this represented an improvement on November's one-and-a-half year low.

The data go some way to allaying fears that the labour market recovery had been tailing off. Latest official statistics showed that unemployment fell to 1.96 million in the three months to October, down nearly half a million on the same period one year previously. Nevertheless, the latest three-month drop in unemployment of 63,000 was the smallest in over a year. Meanwhile, the Report on Jobs survey's headline permanent placements index in November had stood almost six points lower compared with its recent peak in July.

Skill shortages continued to be encountered by many recruiters, according to the latest survey. The rate of decline in permanent candidate availability remained marked, despite easing to the slowest in eight months, while temp availability was also down considerably. A range of skill sets were reported in short supply, including a number of roles in engineering, finance and IT.

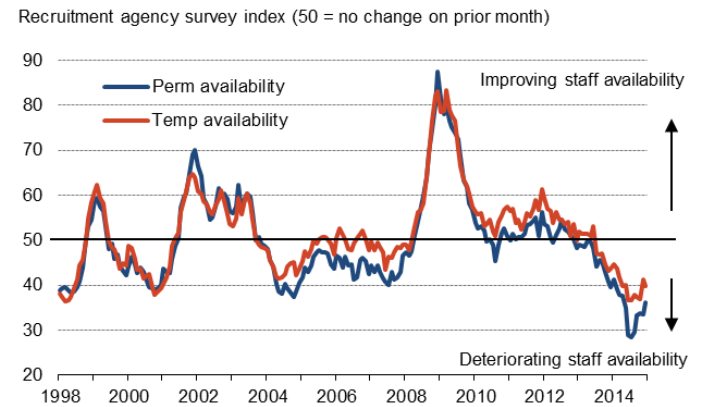
This contributed to further growth in starting salaries, with the rate of increase little-changed from November's marked pace. Temporary/contract staff hourly rates of pay meanwhile rose at the fastest pace in three months. Sustained increases in pay for new hires offers hope that earnings growth across the wider workforce will eventually pick up from current subdued levels as the year progresses.

Employment



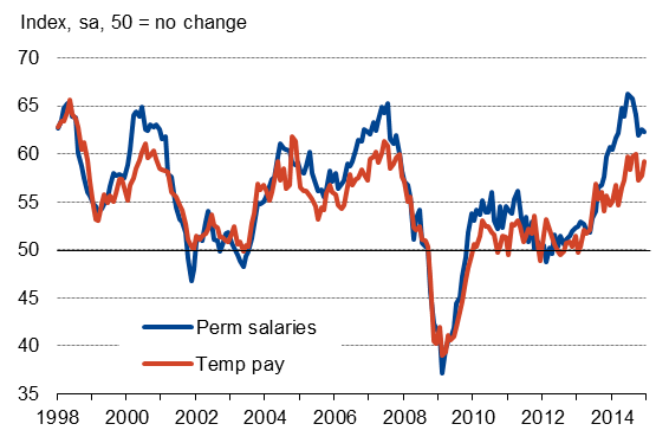
Sources: Markit, ONS via Ecwin.

Recruitment survey staff availability



Source: Markit (KPMG/REC Report on Jobs).

Wage pressures



Source: Markit

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