

# United Kingdom

## Permanent placements growth eases to 20-month low, but underlying demand for staff remains strong

- **Slower rise in staff placements during January**
- **But vacancies increase at faster pace**
- **Growth of starting salaries remains strong**

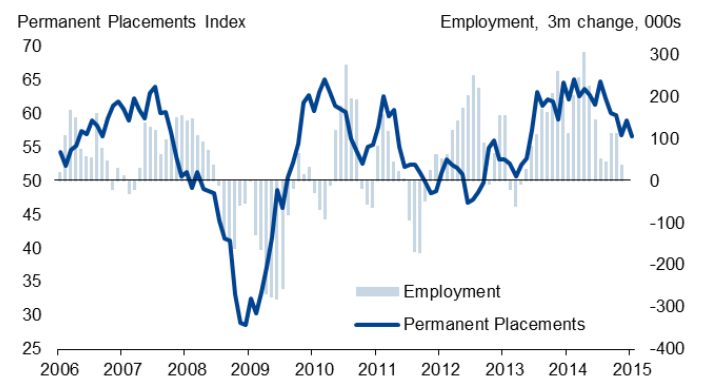
Latest data from Markit's survey of recruitment consultancies signalled a moderation in the rate of growth of permanent staff appointments at the start of 2015. The KPMG/REC *Report on Jobs*, published today, pointed to the slowest rise in placements for 20 months, albeit still sharper than the average since the survey started in 1997.

Placements growth has eased noticeably from the heady rates seen in early to mid-2014, a trend which has been mirrored by slower gains in employment as shown by official data. However, there remains cause for optimism that the labour market recovery is not completely running out of steam. The survey's measure of overall job vacancies showed the strongest increase in three months, with growth well above the survey's long-run average. Higher levels of demand were reported for all broad staffing categories in the latest month, with healthcare workers and engineers particularly sought-after.

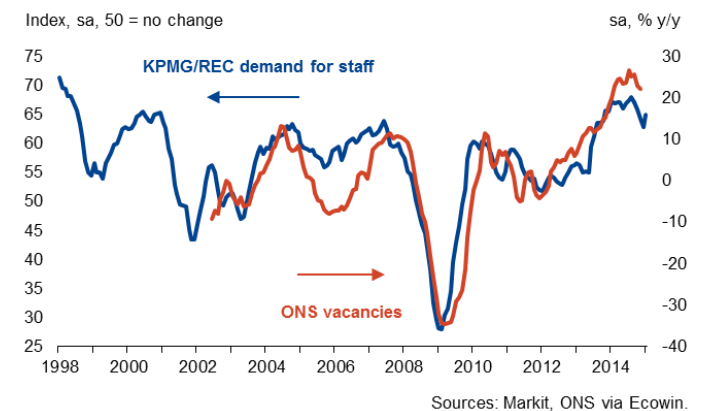
Correspondingly, starting salaries for new recruits continued to rise at a strong rate. The latest increase was the sharpest in four months, with a number of consultants citing competition between employers for qualified staff and greater volumes of senior-level placements. Sustained pay increases for new hires offers hope that earnings growth across the wider economy will improve further from recent depressed levels as we move through the year.

The availability of candidates for permanent roles was reported to have declined again in January, as has been the case throughout the past 21 months. That said, the rate of decline eased to the least marked for a year.

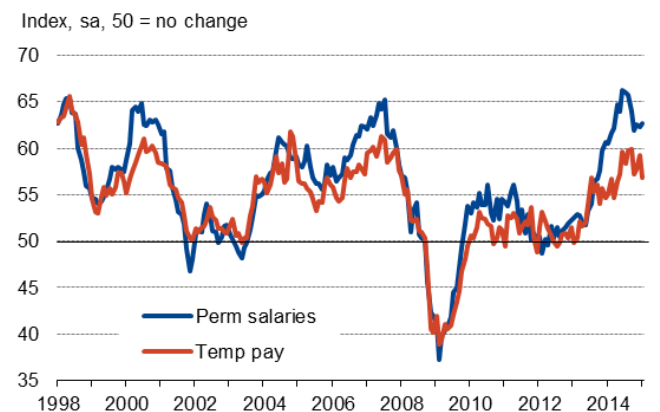
### Employment



### Vacancies

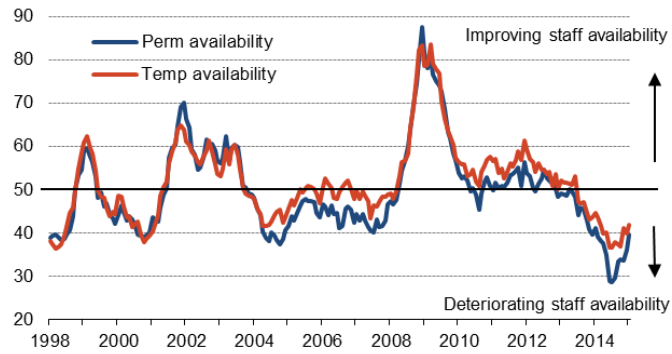


### Wage pressures



### Recruitment survey staff availability

Recruitment agency survey index (50 = no change on prior month)



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

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