

United Kingdom

Staff placements growth eases further in July

- Permanent appointments rise at slowest rate in over two years
- Marked candidate shortages
- Pay growth remains strong, albeit at 18-month low

Latest evidence from Markit's recruitment industry survey showed a continued slowdown in growth of recruitment activity during July. The *KPMG/REC Report on Jobs*, published today, signalled that the number of staff placed in permanent roles by recruitment consultancies increased at the weakest rate for 26 months. Agencies' temporary/contract staff billings also rose at a slower pace, with the latest rise the least marked since June 2013.

The survey data add to recent evidence of a labour market coming off the boil, following the news that unemployment rose for the first time in two years in the March-May period. However, recruitment consultants suggested that growth of staff appointments was again held back by shortages of suitable candidates, with permanent and temporary staff availability both showing further marked declines in July. Job vacancies growth eased, although continued to run at a strong pace overall.

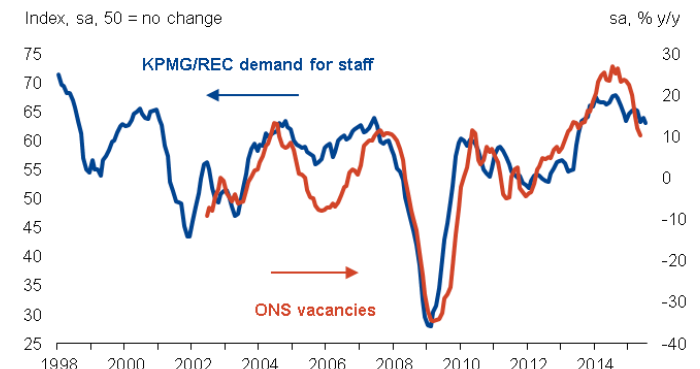
On the pay front, permanent salary growth eased to an 18-month low, although remained at an historically strong level, while temporary staff pay growth quickened to the fastest since April. The data therefore suggest average earnings growth is likely to remain robust, having accelerated to a five-year high of 3.2% in the three months to May.

Employment



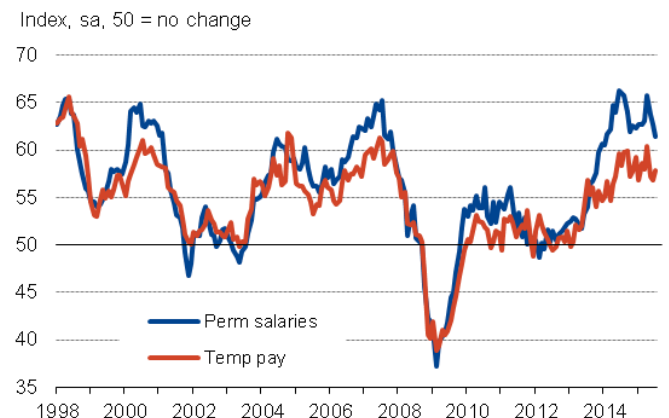
Sources: Markit, ONS via Ecwin.

Vacancies



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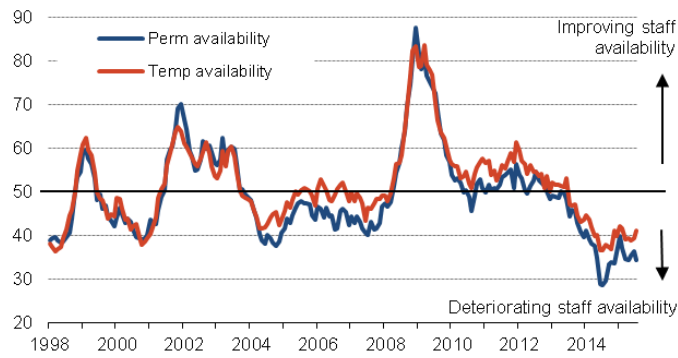
Wage pressures



Source: Markit

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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