

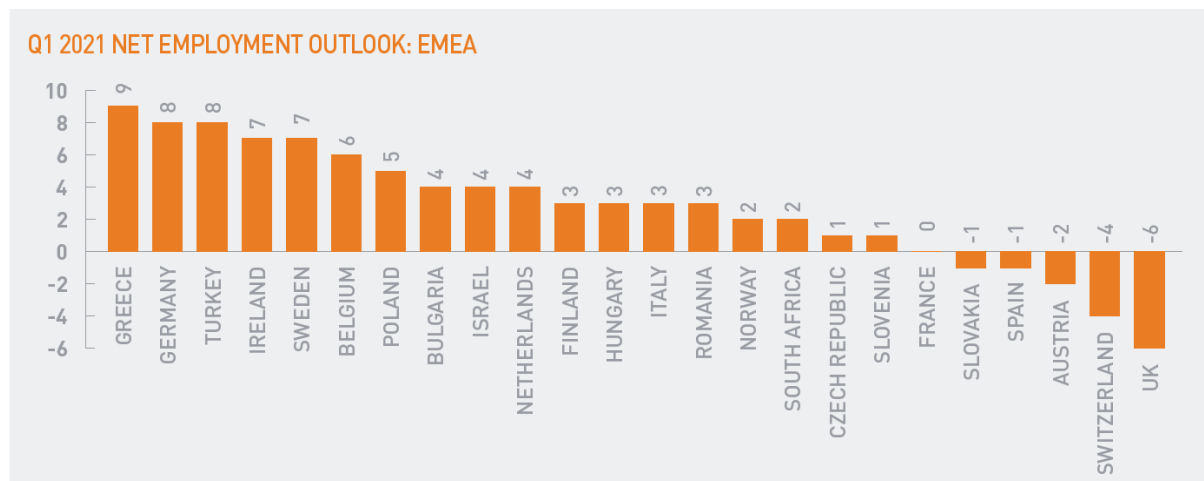


2021 Brings Improving Jobs Outlook But London Hits All-Time Low

- **UK employment Outlook least positive in Europe**
- **Optimism returns in vital finance and business services sector**
- **Exodus of EU workers creates opportunity for UK workforce but skills shortages loom in key sectors like Construction**

LONDON, 8 December 2020: The UK jobs Outlook has rebounded six points in the last six months to -6%, according to the latest ManpowerGroup Employment Outlook Survey, but the picture is disappointing compared to the rest of Europe and the labour market is increasingly divided. Sharp improvements in finance and business services and construction are offset by new falls in retail and hospitality, while the outlook in London has hit an all-time low.

The ManpowerGroup Employment Outlook Survey is based on responses from 1,306 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.



Mark Cahill, Managing Director, ManpowerGroup UK says: “The headline numbers are steadily moving in the right direction, and we are seeing a continued resurgence in key sectors like finance and business giving us reasons to be cheerful as we head into 2021. However, despite this positive trajectory, the UK remains the least optimistic in Europe, with continued uncertainty over Brexit and the effects of a second COVID-19 wave still looming large. Looking further ahead, our data also shows that only 49% of employers expect their hiring to return to pre-pandemic levels within the next 12 months.”

Retail and hospitality is down two points to -13%, the weakest on record. Cahill continues: “The further decline of Britain’s high streets is deeply concerning. Shops, restaurants, and bars have remained mostly shut across the country, and the young people who make up a large proportion of workers in this sector have often borne the brunt. Stalwarts like Pret a Manger and TM Lewin are closing their doors as demand for quick lunches, smart shirts and suits has dried up, while Caffe Nero is on the brink of insolvency.”

Nowhere is this more evident than in London which has also seen a double dip: the capital’s Outlook fell to -12% in Q3, then rose marginally to -11% in Q4, before dropping back to -15%, an all-time low. Cahill adds: “London’s shuttered shops are a stark reminder of the economic impact of the pandemic. Many of the city’s largest companies stuck to their hiring plans at the start of the first lockdown but are now adopting a ‘wait and see’ approach, deferring hiring until the impact of the EU-Exit and the COVID-19 in the new year is clearer. There is also a broader move away from the London-centric economy, with more flexible working policies providing a larger pool of candidates from anywhere in the UK.”

The lack lustre picture in London comes despite a nine-point surge in optimism among finance and business services. At +2%, it has returned to positive territory for the first time since the pandemic started. Cahill again: “Despite a tough year, many financial services firms have been able to adapt quickly to remote working, and this is most evident from the sector’s medium sized businesses. There is also strong demand for business admin, HR, and management roles as more businesses prepare for long-term remote work and for the EU-Exit.”

Construction is also much improved on -1%, from -7% last quarter, driven by pent up demand from the first lockdown. Cahill adds: “The increase in Outlook for the sector, along with a boom in the housing market, points to a potential gap, which may be further accentuated by Brexit. Migrant workers have been especially hard hit by the fallout from COVID-19, and nearly half a million have left the UK since March. The question will be how do we manage skills shortages through 2021, particularly in high-demand, skill-specific sectors like construction and healthcare? While some areas of the economy are going to be hit worse than others, employers need to take responsibility to bridge workers and help them upskill and reskill to prepare them for the future.”

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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](http://www.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 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 hundreds of thousands of organizations 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 and Talent Solutions – creates substantial value for candidates and clients across more than 75 countries and territories and has done so for over 70 years. We are recognized consistently for our diversity - as a best place to work for Women, Inclusion, Equality and Disability and in 2020 ManpowerGroup was named one of the World's Most Ethical Companies for the eleventh year - all confirming our position as the brand of choice for in-demand talent.