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**UNDER STRICT EMBARGO:**

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## **UNCERTAIN ELECTION RESULT COULD RELIEVE HARD BREXIT JOBS HEADACHE**

- **Election result offers employers fearful of skills drought a chink of light**
- **Buoyed by weak pound and outside investment, manufacturing powers up**
- **Public sector Outlook plummets to lowest level since 2011**

**13 JUNE 2017:** In the first employment survey to be published since the General Election, ManpowerGroup reveals that companies have demonstrated cautious optimism about hiring with an Outlook of +5%. Whilst on first glance the election uncertainty might appear unhelpful to employers, ManpowerGroup believes that the shock result could offer hope for businesses who had feared the impact of a hard Brexit on hiring.

The ManpowerGroup Employment Outlook Survey is based on responses from 2,109 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 statistic by both the Bank of England and the UK Government.

James Hick, ManpowerGroup Solutions Managing Director, said: “Employers have faced a triple whammy of uncertainty over the last few months - a snap election, the triggering of Article 50, and weak economic data for the first half of 2017. You might have expected hiring confidence to have taken a real hit, but employers have been standing firm. However, unquestionably they feared the outcome of a hard Brexit on the jobs market.”

“The election result throws into question the Conservative commitment to slash immigration to the “tens of thousands” and double the levy on non-EU workers to £2,000. The simple truth is that some sectors will stall without skilled workers from overseas, which could result in the UK economy entering a tailspin.”

Hick continues: “To fill the gaps that the end of free movement of people will create, we will need hundreds of thousands of unemployed Britons to find work. People might be surprised to learn that in the last year 80,000 Bulgarians and Romanians entered the UK workforce, while the size of the UK-born workforce did not increase at all<sup>1</sup> – demonstrating just how accustomed we have become to a steady stream of labour from overseas. Slamming the door shut will leave us seriously exposed.”

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<sup>1</sup> Office for National Statistics, UK labour market statistical bulletin, May 2017.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/employmentbycountryofbirthandnationalityemp06>

While bellwether sectors such as retail and construction have been hit hardest by the prospect of levies and skills shortages, other sectors are powering ahead. For the first time since 1997, manufacturing is the strongest performing sector in the UK, with an Outlook of +7%. A confident outlook for manufacturing is underlined by makers of Dulux paint, AkzoNobel's commitment to open a brand new £110m manufacturing facility in Ashington, Northumberland. A spokesman for the company said "The UK is an important market for AkzoNobel and having a dedicated facility producing Dulux in the North East will improve our efficiency. Brexit has not affected our commitment to invest in innovation and jobs in the UK."

Hick continues: "Manufacturing is the stand-out sector this quarter, driven by investment from outside the UK; following the shock election result, currency is cheap and sterling's weakness is manufacturing's strength."

While manufacturing is top of the league, public sector hiring confidence has slumped to a six-year low of -6%. The rock-bottom Outlook suggests that employers don't expect hiring in the sector to pick up post-election, despite commitments made by politicians on the campaign trail. Hick again: "Both main parties pledged a rise in NHS spending. However, with the public sector Outlook in the doldrums, employers don't seem to think that hiring is going up any time soon. With about 10% of our doctors coming from EU countries, and record numbers of EU nurses already looking to leave the NHS, the health system faces a very real staffing crisis unless these potential skills shortages are rapidly addressed."

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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](http://manpowergroup.co.uk/meos), or by calling the Press Office on 0207 404 5959/ [manpower@brunswickgroup.com](mailto:manpower@brunswickgroup.com)

For international comparisons and visual library with graphs, visit [manpowergroup.com](http://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](http://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) is the world's workforce expert, creating innovative workforce solutions for nearly 70 years. As workforce experts, we connect more than 600,000 people to meaningful work across a wide range of skills and industries every day. Through our ManpowerGroup family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – we help more than 400,000 clients in 80 countries and territories address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2016, ManpowerGroup was named one of the World's Most Ethical Companies for the sixth 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 makes powering the world of work humanly possible: [www.manpowergroup.com](http://www.manpowergroup.com).