

## News Release

**MARKET SENSITIVE INFORMATION**  
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# Report on Jobs: Scotland

## January sees further fall in permanent placements

### Key points:

- Permanent placements decline further while temp billings increase
- Slower rises in demand for both permanent and temporary staff
- Salary growth quickens

### Summary:

The Report on Jobs: Scotland contains original data from the survey of recruitment and employment consultants in Scotland. The report is designed to provide a comprehensive and up-to-date guide to labour market trends and the data are directly comparable with the UK Report on Jobs.

Scotland's labour market conditions continued to deteriorate in the opening month of 2017, according to the latest Report on Jobs, as recruitment consultancies reported a further marked decline in permanent placements. Salary growth picked up at a robust pace yet availability of permanent staff decreased further. On the temporary job side, a strengthening in contract staff billing was recorded and wages rose again, albeit at a slower rate.

### Marked drop in permanent placements

Survey data collected during January showed a substantial decline in the number of people placed into permanent jobs. The rate of contraction was broadly in-line with December's 90-month record. However, the trend in Scotland diverged from that across the UK level, where jobs growth was evident at a marked pace.

In contrast, billings received by consultancies from the employment of temporary staff rose at the sharpest pace for 13 months. However, the rate of increase was only slightly faster than the long-run series average.

### Salary growth quickens

Salary inflation accelerated in January, picking up since December's 46-month low. That said, the rate of wage growth for permanent placements remained weaker than the average across the UK.

Meanwhile, hourly rates of pay for temporary staff rose during the month, but the pace of wage inflation eased to the weakest since October 2016.

### Candidate availability declines further

Scottish recruiting companies reported a substantial decline in the availability of candidates for permanent vacancies during January. However, the rate of decrease softened since the end of 2016 and was weaker than the UK average.

The availability of temporary staff in Scotland remained unchanged during January, following a slight decline recorded in December.

### Higher demand for staff reported

The number of permanent job vacancies in Scotland increased further in January. The pace of growth remained relatively marked, but weakened for a third successive month. The rise in demand for temp jobs also eased to a five-month low. Nursing/Medical/Care saw the sharpest rise in demand for both permanent and temp staff.

*Continues...*

**Comments:****REC Chief Executive Kevin Green says:**

*"The jobs market in Scotland continued to deteriorate in January, with recruiters reporting a decline in permanent placements for the fourth consecutive month.*

*"Scotland's economy is not as strong as the rest of the UK. The energy sector has weakened, and ongoing political uncertainty is affecting business confidence.*

*"Vacancies in Scotland remain in growth, so demand for staff is robust despite employers showing hesitancy when it comes to investment decisions. This suggests that the market could pick up again quickly if confidence is restored."*

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**Note to Editors:**

This report, compiled by Markit, is based on a monthly survey of around 100 recruitment and employment consultants, and provides up-to-date information on Scottish labour market trends and is seasonally adjusted.

The information in this report is directly comparable with the REC Report on Jobs survey for the UK, which uses an identical methodology. The REC index for the UK has a strong track record of accurately anticipating changes in unemployment, employment and average earnings.

All Index numbers are calculated from the percentages of respondents reporting an improvement, no change or decline. These indices vary between 0 and 100 with reading of exactly 50.0 signalling no change on the previous month. Readings above 50 signal an increase or improvement; readings below 50 signal a decline or deterioration. Reasons given by survey respondents for any changes are analysed to provide insight into the causes of movements in the indices and are also used to adjust for expected seasonal variations.

IHS Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from IHS Markit. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

A regional Report on Jobs series is now available comprising five regional reports tracking labour market trends across the Midlands, the North of England, the South of England, Scotland and London. The reports are designed to provide a comprehensive and up-to-date guide to labour market trends and the data are directly comparable with the UK Report on Jobs.

**About the Recruitment & Employment Confederation**

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