

News Release

MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 00:01 (UK Time) 12 January 2011

Report on Jobs

Jobs growth maintained at solid pace in December. Faster rise in temp availability.

Key points:

- Growth of permanent placements remained solid despite easing slightly.
- Stronger rise in demand for staff.
- Permanent salaries increased at faster pace.
- Improved availability of short-term staff dampened temp pay inflation.

Summary:

The Recruitment and Employment Confederation (REC) and KPMG Report on Jobs – published today – provides the most comprehensive guide to the UK labour market, drawing on original survey data provided by recruitment consultancies.

Growth of staff appointments eased slightly

Permanent staff placements and temporary staff billings both continued to rise in December, but the rates of growth were slightly weaker than the three-month highs recorded in November.

Solid increase in vacancy levels

Demand for staff continued to rise at a solid pace in December. Permanent staff vacancies increased at the sharpest rate in four months, while growth of temp vacancies accelerated to a six-month high.

Weak rise in permanent staff availability...

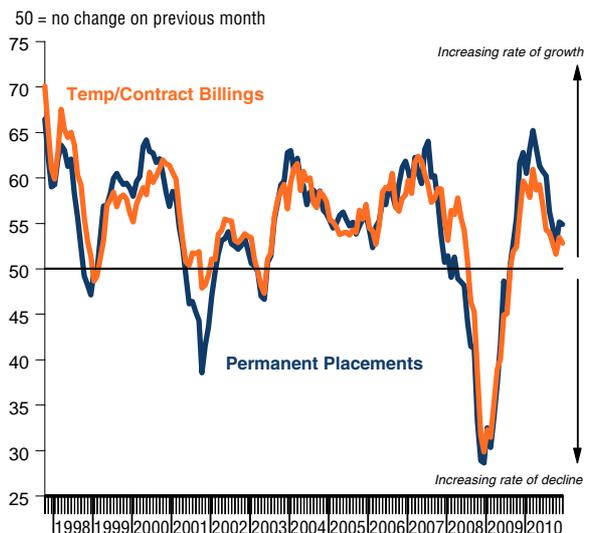
Although the availability of permanent staff increased for the third month running in December, the latest improvement was only marginal and the slowest in that sequence. Correspondingly, permanent staff salaries rose at a stronger rate as employers competed for skilled candidates.

...but temp availability improved at marked pace

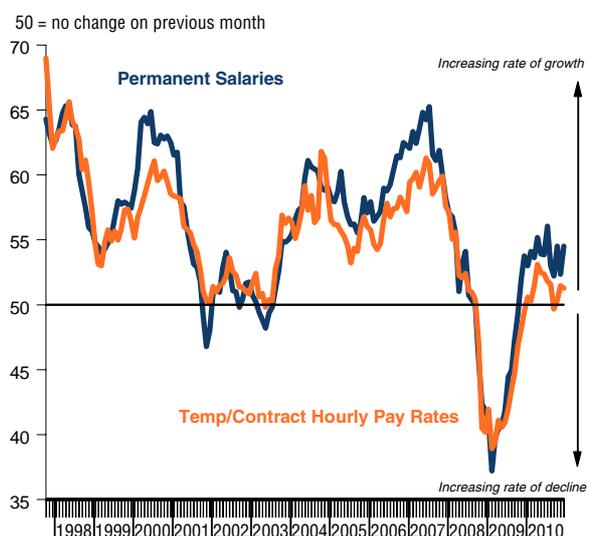
Recruitment consultants reported a stronger improvement in the availability of candidates for temporary/contract jobs in December, with growth

the fastest in thirteen months. This acted to constrain temp pay inflation, which remained subdued.

Staff Appointments via Recruitment Consultancies



Pay Pressures





Comments:

Kevin Green, Chief Executive of the Recruitment & Employment Confederation, says:

"While these figures continued to show private sector employment doing well, the next few months will be very tough for the jobs market in the UK. With public sector cuts, the VAT rise and slowing economic growth, we expect to see businesses being much more cautious about hiring in the short term.

"We are delighted that the Government is saying it intends to be pro business, pro growth and pro jobs. We'll wait to see the proposals in full but addressing the issue of one million young people under 24 not in education or employment is critical for the long term success of our economy and must be a priority for the government in 2011."

Bernard Brown, Partner and Head of Business Services at KPMG comments:

"The latest data suggests again that the UK job market is on the road to recovery as growth of permanent placements remained solid and demand for staff rose strongly. A look at the sectors indicates that the private sector is mainly responsible for the overall positive picture, with IT and computing as well as executive and professional staff most in demand. Whilst demand has been strong, we are entering a critical phase for the UK job market with two big question marks. First, the impact of government cut backs in public sector spend and employment, which should start to bite over the coming months. Second, the impact of the recent VAT increase and whether this will affect UK consumer demand and job creation."



Full reports and historical data from the Report on Jobs are available by subscription. Please contact economics@markit.com

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Note to Editors:

The Report on Jobs is a monthly publication produced by Markit on behalf of the Recruitment & Employment Confederation and KPMG. The report features original survey data which provide the most up-to-date and comprehensive monthly picture of recruitment, employment and employee earnings trends available.

The Report features original research data from Markit, collected via questionnaire from a panel of 400 UK recruitment and employment consultancies. In 2000, some 1,326,000 people were employed in either temporary or contract work through consultancies and over 450,000 people were placed in permanent positions through consultancies. Data for the monthly survey were first collected in October 1997 and are collected at the end of each month, with respondents asked to specify the direction of change in a number of survey variables.

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.

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 Markit. Please contact economics@markit.com.

KPMG

KPMG LLP, a UK limited liability partnership, is a subsidiary of KPMG Europe LLP and operates from 22 offices across the UK with nearly 11,000 partners and staff. The UK firm recorded a turnover of £1.6 billion in the year ended September 2009. KPMG is a global network of professional firms providing Audit, Tax, and Advisory services. We operate in 144 countries and have more than 137,000 professionals working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG International provides no client services.

Recruitment and Employment Confederation

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The REC is the representative association for the UK's £22.5 billion private recruitment and staffing industry with more than 8,000 recruitment agencies and 6,000 recruitment consultants in membership. There are more than 1 million temporary workers registered with UK agencies who are deployed in industry, commerce and the public services every day.

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Markit is a leading, global financial information services company with over 1,900 employees. The company provides independent data, valuations and trade processing across all asset classes in order to enhance transparency, reduce risk and improve operational efficiency. Its client base includes the most significant institutional participants in the financial market place. For more information, see www.markit.com

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