



WeldingWorld

Labour market update for November paints a mixed picture

Employment has fallen slightly and real pay growth remains negative, but the unemployment rate stays at a 42 year low

The CBI/Pertemps Labour Market Update for November 2017 paints a mixed picture of the UK labour market. Employment has fallen slightly for the first time in over two years. It is a notable change, though the warning is that we should be cautious about drawing long-term conclusions from one quarter's data.

Unemployment continues to fall, and remains at a 42-year low. This is welcome news, though it is suggested we should be mindful of any complacency, as there was a slight increase in the numbers registered as long-term unemployed.

Falls in both headline employment and unemployment levels are explained by a significant increase in the numbers registered as economically inactive.

Real wages continued to fall, and have now been negative for seven months in a row. In the three months to September 2017, real regular pay (excl. bonuses and adjusting for CPIH inflation) fell by 0.5%.

Despite this hampered pay growth, there is positive news on the productivity front, with labour productivity - output per hour – increasing markedly by 0.9% in Q3. This follows two quarters of negative output growth. Maintaining this positive development in labour productivity will be essential to reversing declining real wage growth.

Some regions continued to see employment rise, but by no means all. However, no part of the country saw any increase in unemployment.