

MARGIN INDEX |

Q1 2022

An insight into the UK's Recruitment Margins

As we enter 2022 and the first quarter of the calendar year, overall, there is little change in the sectors compared to the previous quarter. Moreover, there are more increases in sectors than decreases on the whole. With the rising interest rates, recruiters' margins could be expected to decrease. However, we could predict the upcoming quarter to bloom with all restrictions completely ending in the UK, including the self-isolation rule when testing positive for Covid. In addition, the labour market continues to show strength with the highest number of vacancies recorded. Now more than ever, recruiters expertise are needed to support businesses with their recruitment campaigns.

COMMERCIAL

+2.15%

24.43%

Commercial increased to **24.43%**. This increase is inevitable during the seasonal months running up to Easter. In addition, categories including clothing and footwear online retail within the commercial sector have restored their sales to pre-pandemic levels, causing businesses to be busier. However, economists are closely viewing the commercial sector due to the biggest rise in the cost of living. Therefore, the commercial sector is estimated to fall in the upcoming months.

Construction remained the same as the previous quarter at **13.93%**. The cause of this is a mix of the housebuilding sector fast-growing and the rising cost of materials and labour across the UK. Material and labour cost rises caused some developments to be delayed due to customers waiting for costs to lower. However, some projects still progressed with the high cost of labour and materials, causing a steady demand for staff. Consequently, creating a balance in the sector.

CONSTRUCTION

-0.03%

13.93%

AUTOMOTIVE

+0.18%

22.11%

SALES

+0.99%

27.28%

We saw a slight rise in the **Automotive** sector to **22.11%** and **Sales** to **27.28%**. Compared to the same quarter the previous year, commercial vehicle manufacturing climbed by 2%. According to the latest numbers from the Society of Motor Manufacturers and Traders, the UK automotive sector is off to a good start in 2022, with 115,087 new cars registered (SMMT). In addition, a sales increase in automotive saw Battery electric (BEV), plug-in hybrid (PHEV), and hybrid (HEV) vehicles account for 71.5% of the increase in registrations. With 14,433 BEVs and 9,047 PHEVs registered last month, plug-in cars accounted for 20.4% of the market, nearly one in three new cars joining the British roads in January 2022 to be electric.

NEED TO CALCULATE YOUR MARGINS? TRY OUR

[MARGIN CALCULATOR](#)



Margin = Sales less payroll costs, which is made up of contractor/temp wages including NI where applicable. Percentage figures shown = margin/sales x 100

POWERED BY
simplicity[™]
For faster smarter growth

MARGIN INDEX |

An insight into the UK's Recruitment Margins

Q1 2022

FINANCIAL

There is a small growth in the **Financial** sector, reaching **12.12%**. Rising interest rates around the UK fuel the strengthening of the financial sector. Fears of a recession prompted recurrent stock sell-off areas of the market; ultimately, this reflects in the increase in the financial sector. Financial and business services are predicted to be the largest contributor to GDP growth after recovering pre-pandemic output levels by Q1 2022. It will be interesting to see how this sector reacts in the upcoming months.

+0.79%

12.12%

HOSPITALITY

-0.27%

18.68%

Hospitality dropped to **18.68%**. This sector decreased due to entering the quarter after the difficult festive period. Owing to the omicron variant, UK sales in pubs, restaurants and bars fell by 60% on Christmas day, 31% on boxing day and 27% on new years eve compared to the sales in 2019. Therefore, many businesses struggled to survive during the first quarter of 2022, decreasing the demand for candidates.

OIL & GAS

+1.42%

23.02%

Oil & Gas has increased this quarter to **23.02%**. Currently, the UK has put a ban on importing Russian Oil & Gas into the UK, resulting in the cost of these materials vastly increasing. Therefore, the REU is setting out a plan to reduce the scale of gas imports. Due to the uncertainty of this sector, margins have increased. If oil & gas prices remain high, we should expect the same increase in recruitment margins over the upcoming quarters.

NEED TO CALCULATE YOUR MARGINS? TRY OUR

[MARGIN CALCULATOR](#) 

Margin = Sales less payroll costs, which is made up of contractor/temp wages including NI where applicable. Percentage figures shown = margin/sales x 100

POWERED BY
simplicity[™]
For faster smarter growth