

U.K. Loses Most Jobs Since 2015 as Labor Market Shows Strain

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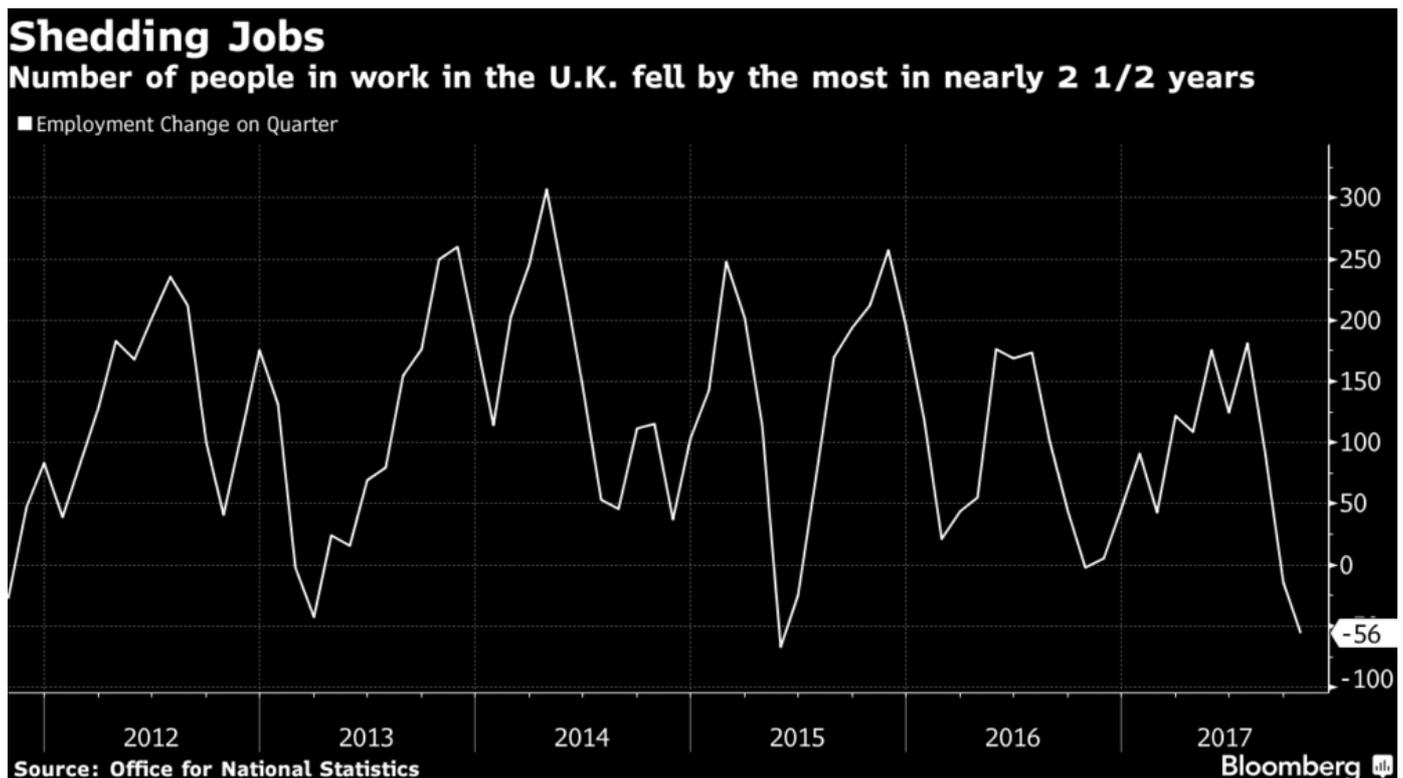
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- Employment falls 56,000, more than decline seen by economists
- Wage growth picks up but still lags well behind inflation

Britain shed jobs at the fastest pace in almost 2 1/2 years between August and October in a sign that the labor market is slowing.

The number of people in work fell by 56,000, the most since the period through May 2015, the Office for National Statistics said on Wednesday. The decline exceeded the median forecast of economists.



Unemployment also fell, leaving the jobless rate at a 42-year low of 4.3 percent. That's because people left the labor force. A falling participation rate may be sign of weaker jobs demand, according to Bloomberg Economics.

Basic wages rose 2.3 percent in the latest period, the highest since January. Pay growth still lagged well behind an inflation rate that averaged 3 percent, meaning a fall in real terms. Pay including bonuses rose 2.5 percent, the fastest rate this year.

The pound strengthened 0.2 percent to \$1.3344 as of 9:38 a.m. London time.

For Bank of England officials, the debate centers on the amount of slack remaining in the labor market. The number of people classified as inactive rose by 115,000 between August and October.

Officials raised interest rates for the first time in more than a decade last month, saying supply constraints could fuel inflation, but questions remain about how the labor market will fare in the face of Brexit uncertainty and the prospects of slowing economic growth. Markets expect no further rate increases until late 2018,

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