

# Employment and investment

## Hiring and investment plans soften

**The decline in activity growth expectations led to less upbeat predictions towards employment and capital expenditure in October.**

In total, a net balance of +18% of UK businesses expects to increase staffing levels over the forthcoming year, the lowest since October 2022. This was wholly driven by the manufacturing sector where the net balance fell sharply from +25% to +12% (services remained at +18%). Nevertheless, overall UK employment predictions remained higher than in both the eurozone (+2%) and globally (+9%).

Capital expenditure forecasts remained positive but only slightly, with net optimism (+3%) a third of the level recorded in the previous survey (+9%) and the joint-

lowest in two years (alongside October 2023). Manufacturers and service providers were alike in expressing less positive investment intentions for capital projects.

Intentions towards research and development turned negative for the first time in a year (-1%), driven by pessimism at service sector companies. Manufacturers on the other hand planned an increase in R&D (+6%), although the degree of positivity weakened from June.

For both capex and R&D spending, forecasts at the national level were lower than those seen worldwide. Capital expenditure plans at global firms softened slightly in October, whereas R&D forecasts remained stable and positive.



