

## Contractor calculator market report - March 2008

- o IT contractors enjoy stable demand with about 1% growth
- o Oracle contractors see 26% demand rise
- o Demand for Engineers continues to grow at 75%
- o Construction is stable but sees no further growth
- o British Economy creeps ahead at 0.6% GDP growth

In a period of economic turbulence, demand for contractors remains stable across the board.

The London-based [Institute of Directors](#) estimates that there is no let up in demand for contractors across all sectors. IT contracting remains stable as demand in the City continues to grow, albeit much more slowly than in previous months. Engineers continue to enjoy the greatest demand as the shortage of qualified personnel continues to guarantee good rates for these contractors. And demand in construction remains stable as well.

### Financial Services Continues Strong

IT contractors are still needed throughout the country, the Institute of Directors estimates, although the City continues to maintain the highest rate of demand with more than 100,000 IT contractors on the job there.

The fears over job vacancies expressed by some candidates in October 2007 have proved unfounded, according to Tara Ricks, managing director of [Joslin Rowe Associates](#). Says Ricks: "There were 8.5% more vacancies to be filled by employers in January 2008 than the previous month – up from 17,630 to 19,130. Temporary job vacancies also increased, from 12,330 to 14,480, over the same period – a 17.4% rise."

### Oracle Contractors in Great Demand

Oracle is already the second most in-demand skill for contract jobs in 2008, according to the London-based recruitment company [Technojobs](#), and demand is rising at the rate of 26% per month. The average Oracle contractor daily rate for the past three months was 418 pounds according to the recruitment agency. Continued investment in corporate and public sector strategy ERP projects - as well as the general IT skills shortage - means demand for Oracle skills is likely to rise this year

“ There was a 17.4 percent rise in demand for IT contractors in the City ”

Tara Ricks-Joslin Rowe

### Survey Shows Continued Worldwide Demand for IT Professionals

But IT contractors have additional reason to be complacent. A new worldwide survey of CEO/CIO-level executives commissioned by the non-profit, independent IT Governance Institute, based in Rolling Meadows, Illinois, has found that more than one-third (38%) of CEOs and CIOs worldwide point to problems relating to staff with inadequate skills while 58% say that insufficient number of staff remains the most common problem experienced in the last 12 months, compared to 35% in a similar survey conducted in 2006.

"Despite recent economic news and employee layoffs, we are seeing an increased demand for qualified information technology professionals throughout the industry," said Lynn Lawton, international president of ITGI. "Without a well-trained, fully staffed IT department, the bottom line is that many organisations around the world are needlessly sacrificing money, productivity and competitive advantage. Executives need to direct their IT for optimal advantage, reduce IT-related risks and measure the value provided by IT. All of which means more need for qualified professional contractors and full-time staff."

### Indian IT Operator Opens in City

Back in the UK, the much -feared Indian offshore industry is now hiring here. This year the Mumbai-based [Cognizant](#) will open an IT development facility in Canary Wharf. Cognizant UK managing director Sanjiv Gossain expects to employ many contractors as the company continues to enjoy 70% annual business growth in the UK over the last two years.

### Project Managers Earn Most

In the IT field, the biggest-earning contractors are project managers, with contractor rates going to more than 100 pounds per hour. According to the Heywood, Lancashire-based agency [ArrassPeople](#), rates have ceased increasing for project management contractors, while some have begun drifting back into employment. The high salaries offered for these managers explains the migration.

### Engineers Have Solid Market As Always

As always, engineers enjoy the most solid market of all due to the rampant skills shortage in their area. The London-based Engineering Council estimates that demand for engineering contractors across the board continues to grow at the rate of about 75%.

The clear-cut commitment by the UK government to developing a robust nuclear energy programme will only increase this level of demand. Whitehall has already completed the studies for national nuclear development, so the head hunting will begin shortly.

### Construction Still Growing But Slowly...

The UK construction sector showed a solid increase in activity in January but the rate of growth was the weakest since September 2006, according to the CIPS/NTC monthly survey issued on February 24.

Both commercial and civil engineering activity continued to expand, albeit at a reduced rate while construction in the housing sector fell for the second consecutive month the CIPS Index showed.

### ...Like the UK Economy

The creeping economic slowdown is responsible for the lack of growth in construction. UK GDP growth is down to 0.6% according to the [Bank of England](#). Housing prices are down, and consumer confidence is at its nadir.

This sentiment is not echoed by economic performance however, as, apart from banks writing off subprime losses, most industry in the UK is still in the black. It will take 6 months or so, but many observers believe there will be a positive change of direction once the Bank lowers interest rates.

Says economist Robert Barrie of the London-based investment bank [Credit Suisse](#): "The UK is an interest rate sensitive economy, so I would expect the economy to make the best of it once the bank lowers rates."

A drop in the exchange rate would also help to make British business more competitive abroad, but that make not happen quite so soon.

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Robert Barrie - Credit Suisse

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