

## Demand for IT contractors falls yet some roles remain 'credit crunch resistant'

Contractors who work in the IT sector won't be surprised to hear that the latest [e-skills](#) bulletin reveals a 27% drop in demand for IT contractors from the third to fourth quarters in 2008. What may be surprising to some, though, is that there are IT roles and skills showing increased demand.

However, the e-skills Quarterly Review of the ICT Labour Market leaves contractors with a sombre warning: "It would seem prudent, if you are in work, to bed down and make the most of what you've got, particularly in the contract market."

Highlighting how complicated the current situation is, according to data from the [Office of National Statistics](#), the e-skills figures come against a backdrop of the highest levels of ICT workers in employment in seven years and a fall in ICT worker unemployment.

The market, it seems, is intent on sending mixed messages.

### 'Crunch resistant' tech skills

It not all doom and gloom, particularly as e-skills highlights that today is "nothing like what was happening in the post Y2K period when redundancies, employment levels, IT expenditure and labour demand were all in much worse shape than at present."

Some skills are evidently in greater demand, as there have been an increasing number of adverts for both permanent and contract staff with the following skills:

- o WAP
- o COM
- o Active X
- o Sage.

The top ten skills demanded by employers in the fourth quarter of 2008 were SQL, C, C#, .NET, SQL, SVR, Java, Oracle, ASP, C++ and Unix. Not only is this good news for contractors who these skills, but it also provides encouraging news to others about what they should focus their training on.

### Falling contractor IT demand

Every major discipline within in the IT contracting sector showed a decline in the number of vacancies from the third to fourth quarters in 2008. And all of these had fallen for more than four consecutive quarters, with the exception of internet and software engineering contracts.

To add to contractors' woes, the number of ads for contractors fell by 27% to 23,000 in the same period, although December is recognised as a low point in the contracting calendar, with few clients making hiring decisions and agents therefore placing fewer ads.

**“ It would seem prudent, if you are in work, to bed down and make the most of what you've got, particularly in the contract market ”**

e-skills

Although first quarter 2009 figures from e-skills will not be available for some months, a survey in February by contractor screening firm [Powerchex](#), showed slow signs of recovery in the financial sector, with demand IT contractors for financial services showing 11% growth on January's figures.

### Not a sector in decline

Firms might be spending less on contractors right now, but investment in IT infrastructure continues, with both hardware and software spending increasing. In fact, according to the e-skills report, the turnover of the UK IT sector grew by 16% to £21bn at the end of 2008.

How much of an impact government cost-cutting will have on the fortunes of IT contractors and the IT sector as a whole remains to be seen, as the billions of savings forecast by the Chancellor in April's Budget were not backed up by any published plans.

But as organisations in both the private and public sector are increasingly reliant on IT not only to deliver improvements and efficiencies in performance, but also to enable them to deliver core products and services, it means IT contractors will always be in demand.

**Published: Tuesday, April 28, 2009**

[Tweet](#)

want to use any content you have seen on this site then please [request our media pack](#) and ask for details of our Content Licencing Service.

Readers Comments...



Be the first to comment on this article

Also of interest...

Related News:

- Lower jobless rates among contractors signals clients' shifts in IT strategies
- Contractor Calculator Market Report April 2009

Related Guides:

- Writing the killer CV
- Negotiation for contractors

Related Calculators:

- Contractor Financial Profile Calculator

Related Internet Links:

- e-skills
- Powerchex



ABCe verified website - last audit confirmed **130,682 monthly unique visitors**

© Copyright 2011 Byte-Vision Limited UK. All rights reserved [Copyright notice](#)