

# Britain: 15,000 jobs in retail and leisure under threat, as jobs go throughout economy

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In the space of two weeks, some 15,000 jobs in the UK retail and leisure sectors have been wiped out or are under threat. On top of this, thousands more jobs in engineering are set to be slashed to prop up company profits.

Home electronics firm Maplin and retailers Toys R Us and have both gone into administration, which could lead to the closure of some 300 stores with the loss of 5,500 jobs. Restaurant chains Prezzo and Jamie's are to shut down nearly 140 outlets, placing at least 1,000 jobs at risk.

Floorcovering chain Carpetright announced its third profit warning in just four months, with the future of one quarter of its 400 stores in danger, threatening thousands of jobs. Shares in the company fell to an historic low, costing nearly £12 million in lost value, as the firm said it was in discussion with the banks about its existing loans. Retail chain Mothercare also announced last week it was talking to bankers, leading to a 21 percent drop in its share value, wiping out £6 million from the firm.

In Scotland, budget airline Ryanair is to cut the number of flights from Glasgow, endangering 300 jobs. In Northern Ireland, Sensata, which makes a wide range of sensors and electrical protection equipment, is to cut 125 jobs at its Carrickfergus factory. In Wales, management could seek up to 4,000 redundancies between the two companies once a merger of Tata Steel with ThyssenKrupp goes ahead. This has now moved closer following agreement by the IG Metall union in Germany.

On the High Street, falling sales at That's Entertainment outlets have led to the company's owners, musicMagpie, saying it was reviewing the long-term viability of its stores, "which in the worst-case scenario would lead to the closure of all 29 current

outlets by the end of May 2018."

Facing pre-tax losses of £123.5 million last year on a 10.7 percent fall in like-for-like sales, fashion retailer New Look has sought a company voluntary agreement (CVA) as a means of staving off bankruptcy. It plans to close 60 of its nearly 600 UK stores, placing the future employment of nearly 1,000 staff at risk. However, if the CVA proves unsuccessful many more of the firm's 15,300 UK workforce could lose their jobs.

Among the big four supermarket chains, Morrisons has announced it is cutting 1,500 shop floor jobs. Market leader Tesco is slashing 1,700 jobs in managerial and supervisory roles after already imposing 1,200 redundancies at its head office last year. As part of an ongoing restructuring plan, Sainsbury's is also eliminating many more senior roles, with staff being offered lower-paid jobs or facing redundancy.

Factors that have impacted negatively on the high street retail and leisure sectors include uncertainty over the impact of Brexit, and the changing face of shopping with the growth of online giants such as Amazon taking away business.

Other closures include: Coca Cola, which is to shut two bottling plants with the loss of 288 jobs; 2 Sisters Food Group, the UK's largest supplier of supermarket chicken, could close three poultry plants at a cost of 900 jobs; department store chain Debenhams has marked 320 management jobs for the axe in a major cost-cutting exercise.

The decline in UK manufacturing jobs is set to continue, with European plane maker Airbus saying up to 3,700 jobs could go across the four "home" countries where it manufactures—UK, France, Germany and Spain—due to falling orders for its A380 and A400M aircraft. One union representative put the possible job

losses in the UK at 500.

At engineering giant Rolls Royce, thousands of highly skilled and relatively well-paid jobs in its 22,000 UK workforce could go as the company continues its cost-cutting drive to boost profits. This enabled the firm to return £4.9 billion in pre-tax profits for 2017, after having faced a £4.6bn loss the previous year.

Chief executive Warren East told the *Telegraph* the introduction of a more “simplified staff structure” would have “implications for jobs” but refused to say how many.

Engineering company Babcock is to axe 500 jobs, ten percent of the workforce at its Devonport dockyard, where it services Royal Navy warships and submarines. The cuts follow a year-long review, which the company said was to “ensure that as a business we remain competitive.”

This week it was announced that an additional 87 people have lost their jobs as a result of the collapse of Carillion—the UK’s second largest construction firm and major government contractor—earlier this year. The number of redundancies resulting from the collapse now stands at almost 1,460.

As these new job losses were being announced, figures from the Office for National Statistics (ONS) revealed that unemployment in the UK was already rising at its fastest rate in nearly five years, with young people particularly hard hit. The 1.47 million jobless reported by the ONS conceals a much higher figure, when those who no longer register unemployed or who are under-employed are considered.

The composition of the UK workforce has changed significantly over the last quarter century. Manufacturing jobs, once the backbone of the British economy, have fallen from almost 7 million in 1978 to just under 3 million today.

While the numbers in employment (including self-employment) have risen from 19.6 million in 1992 to 26.6 million at the end of 2017, this masks many important structural changes.

The numbers of those in part-time employment has risen considerably over this period, among women by a quarter, and by a staggering 130 percent among men. The increase in those now classed as working in self-employed jobs is even higher, rising some 147 percent from just over 1.8 million in 1992 to 4.5 million in 2017.

At the same time, wages for most workers have stagnated or sunk as they failed to keep up with inflation. This has seen the growth of the “working poor,” with 60 percent of those in Britain classed as poor in 2017 living in a household in which at least one person works.



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