

Economic indicators at a glance – April 2012

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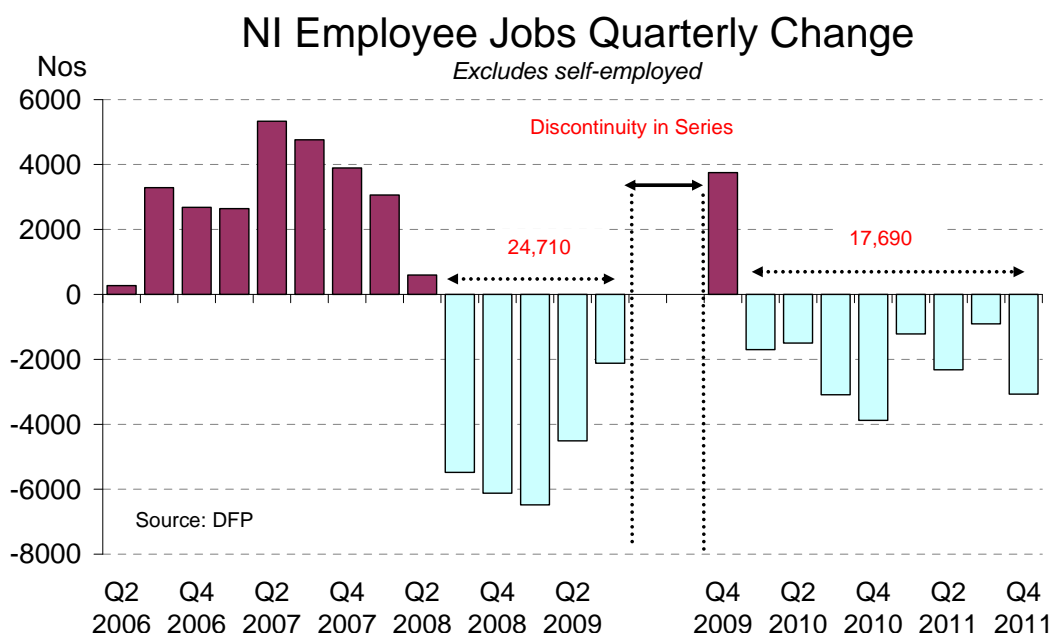
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Chart of the Month – The number of jobs falls for 8th consecutive quarter

Whilst the focus is normally on the monthly unemployment figures, the spotlight shifted last month to the quarterly employee jobs survey (QES). This measures the number of jobs (*excluding self-employment*) as opposed to the number of individuals in employment. Incidentally, the latter hit a record of 805,000 using the Labour Force Survey (LFS) in the three months to January 2012. The LFS employment measure, however, includes individuals who have completed at least one hour's work (*paid or unpaid*) in the week prior to the interview. As such, it does not provide a measure of job numbers. The latest QES survey for Q4 2011 signalled the eighth consecutive decline in the number of jobs. Indeed, Northern Ireland has experienced 13 quarterly declines during the last 14 quarters (*this uses two data sets which are not directly comparable but are used for indicative purposes only*). Northern Ireland's employment peak was in Q2 2008. Since then, the number of employee jobs has fallen by 38,650 (5.3%) to 694,420 in Q4 2011. This broadly takes the number of jobs back to late-2004 levels. In Q4 2011, the number of employee jobs decreased by 3,070 q/q (-0.4%), its sharpest quarterly decline in four quarters. Furthermore, the number of jobs in Q4 2011 was 7,520 (1.1%) below the corresponding quarter in Q4 2010. Within the employment figures it is noted that the number of jobs in the private sector decreased by 2,220 or -0.5% q/q in Q4 2011. Meanwhile, the public sector posted a similar percentage decline over the latest quarter (-980 jobs). The public sector employment total of 215,060 includes around 4,000 (*estimate*) of employees within part-nationalised financial institutions classed as public sector employment.

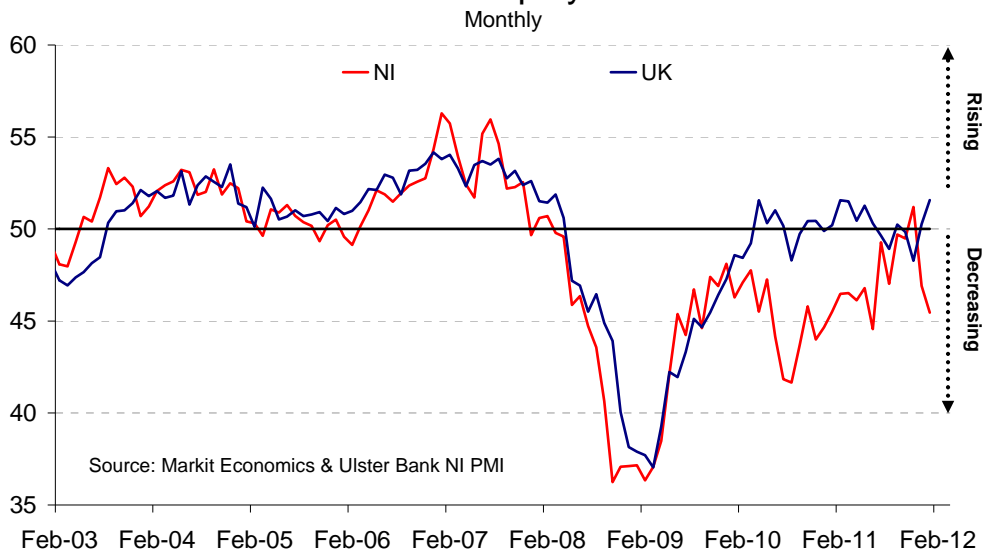


Further job losses expected in the months ahead

The latest QES survey relates to Q4 2011 and includes all sectors within the economy. Meanwhile, the Purchasing Managers Index, or PMI, has signalled that the rate of job losses has accelerated in Q1 2012 (*3 months to February*). The PMI signals that all sectors witnessed job losses in the three months to February with the steepest declines remaining within the construction and services industries. The PMI covers the private sector and excludes agriculture. Nevertheless, the PMI has been a reasonably good predictor of the QES. Going forward, it should be noted that the PMI will underestimate future job losses as it does not cover

the public sector. The public sector employment total of 215,060 includes around 4,000 (*estimate*) of employees within part-nationalised financial institutions classed as public sector employment. We anticipate that public sector employment will return to the levels that prevailed in the late 1990s (*i.e. sub 200,000*) during the next 4/5 years.

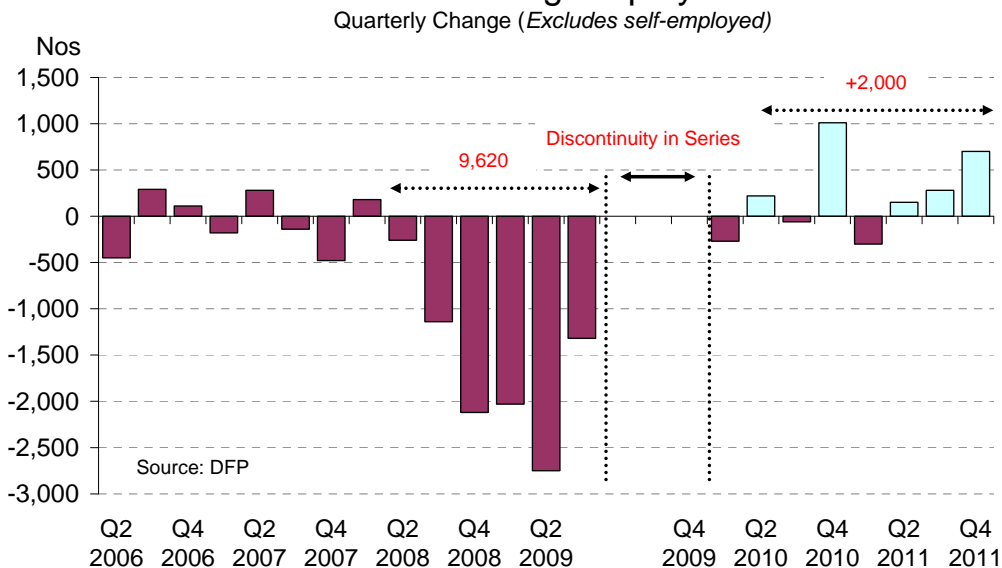
Private Sector Employment Levels



Manufacturing sector continues to buck the trend with jobs growth

At a sector level, NI's local manufacturing firms continue to buck the wider employment trend by posting their 3rd consecutive quarter of employment growth. Local manufacturing last strung together three successive quarters of employment growth in 1997. Indeed, NI's manufacturing firms have recorded employment growth in five of the last seven quarters and have created 2,000 jobs in the process. Again this is a feat not achieved since 1997. Back in 1997 (Q2), however, the level of manufacturing employment stood at 105,040. Since then, the number of manufacturing jobs has fallen by 28% (29,900 jobs). The latest figures for Q4 2011 indicated that there were 75,170 jobs within the local manufacturing sector. Despite the recent gains over the last 7 quarters, manufacturing employment remains almost 11% (8,930 jobs) below the recent 2007 peak.

NI Manufacturing Employee Jobs



Richard Ramsey,
23rd March 2012

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