

Economic indicators at a glance – January 2013

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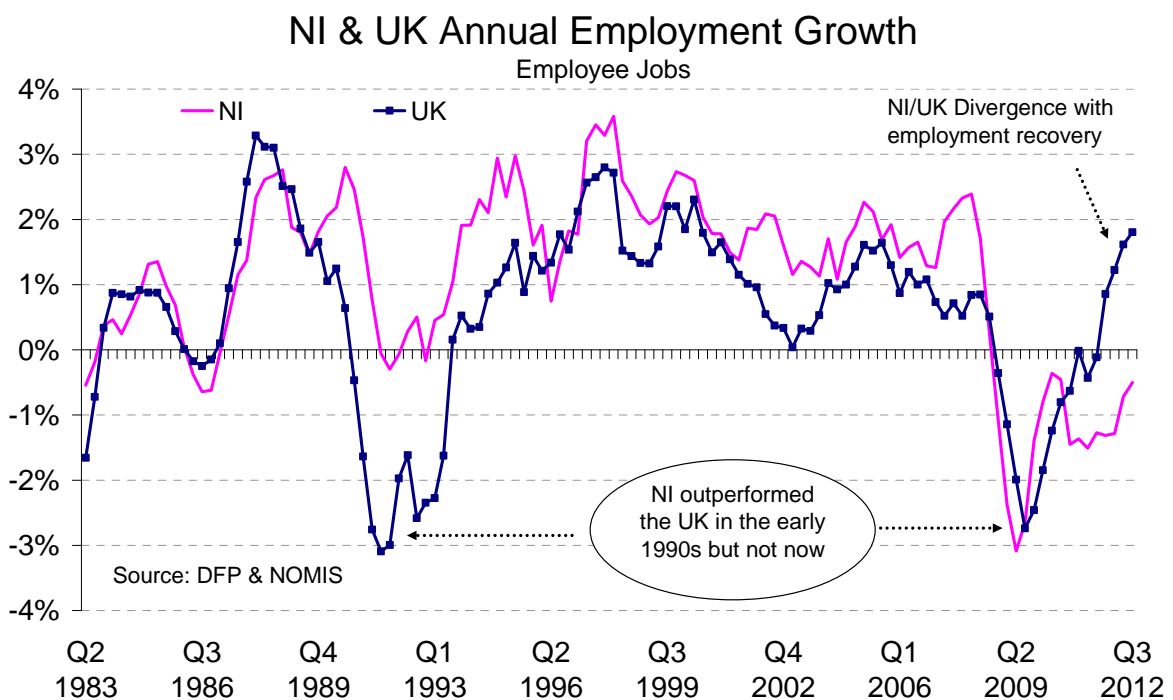
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Chart of the Month – NI's employment stabilizes in Q3 whilst the UK posts further gains

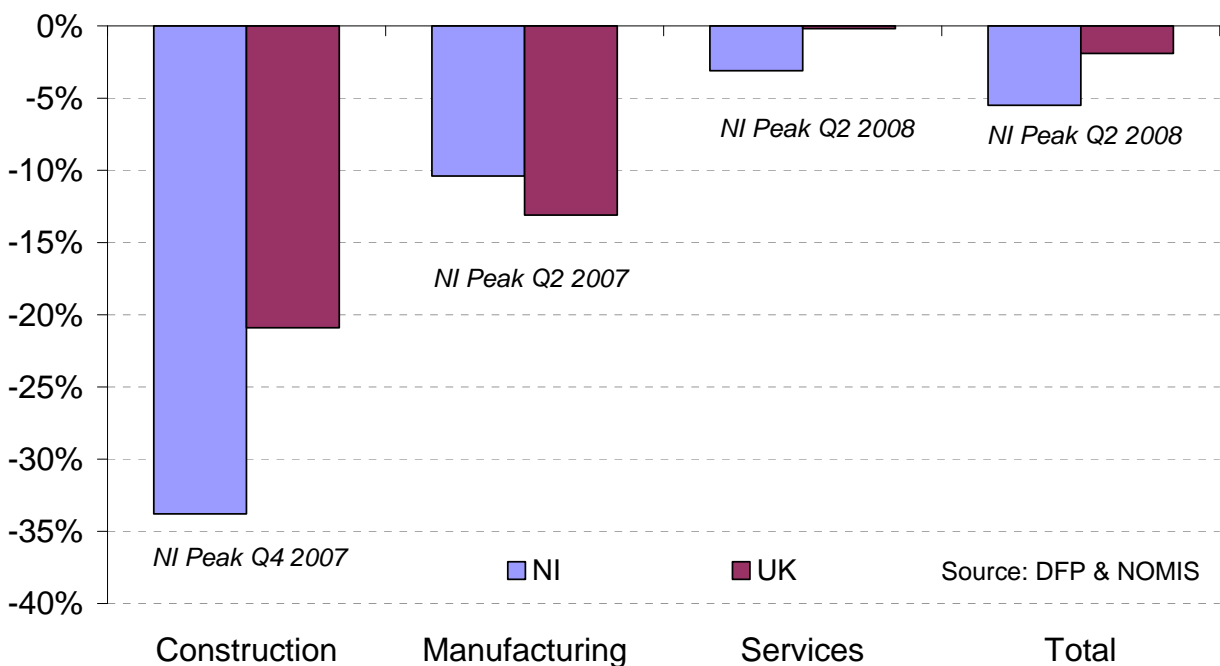
Whilst the focus is normally on the monthly unemployment figures, the spotlight shifted last month to the quarterly employee jobs survey (QES) for Q3 2012. This measures the number of actual jobs (*excluding self-employment*), termed 'employee jobs', as opposed to the number of individuals working. In terms of employment, the UK has experienced something of a 'V-shaped' recovery. Indeed, the annual rise (+1.8%) in UK employee jobs in Q3 2012 represented the fastest rate of growth in 12 years. Meanwhile, in NI, employment has largely just stabilised with no year-on-year employment growth in the last 5 years. The latest figures for Q3 2012 saw a marginal quarterly rise in the total number of jobs (+260 jobs) in NI. However, in percentage terms the increase was broadly flat and compared with a 0.2% rise for the UK. The latest statistics for NI represent the second successive quarter that employment has not fallen, following the 0.2% rise in Q2 2012. The NI economy has clearly not managed to replicate the labour market recovery experienced within the UK as a whole. Relative to its pre-recession peak, UK employment initially fell by 3.8%. Since Q4 2010, however, half of these job losses have been recouped. As a result, UK employment (*excluding self-employment*) has risen by 2% and is now 1.9% below its pre-recession peak (Q3 2008). If the self-employed are included total UK employment is now less than 0.5% below its pre-recession employment peak. By comparison, NI has experienced a jobs recovery one tenth of that recorded in the UK. It is noted that the number of jobs in NI (*excluding the self-employed*) remains 5.5%, or 40,590 jobs, below its pre-recession employment peak (Q2 2008). One key reason why NI's economic recovery is diverging with the UK is its exposure to the Republic of Ireland's economy. It is noted that the Republic of Ireland has experienced a fall in employment around three times that of NI. That is total employment in the Republic of Ireland is over 15% below its Q3 2008 peak.



No meaningful jobs recovery outside of manufacturing

Since the downturn began, Northern Ireland’s services sector has lost the largest number of jobs in numerical terms. However, given that it is the largest sector in the economy it has shed fewer jobs in percentage terms relative to both manufacturing and construction. NI’s construction sector has posted net job losses in 17 out of the last 18 quarters. Cumulatively, employment (*excluding self-employed*) within the construction sector has fallen by over one third relative to its Q4 2007 peak. This compares to a decline of 21% for the UK over the same period. Meanwhile NI’s manufacturing employment has increased by 3.2% over the last two years. Nevertheless, the number of employee jobs is still 10.4% below its Q2 2007 peak, which compares favourably with the UK (-13.1%). The NI-UK divergence is most noticeable within services. The UK has recouped almost all of its employment lost in the downturn. In Q3 2012, UK service sector employment levels were just 0.2% below their peak levels of Q2 2008 whereas in NI the corresponding figure is 3.1%.

Employee Jobs Q3 2012 relative to recent peaks



Job losses more prevalent with men and full-timers

Outside of sector differences, there are notable disparities between genders and full-time versus part-time employees. Over the last four years, male employees accounted for 64% of the job losses as opposed to 36% for females. This is due to the male dominated construction and manufacturing sectors bearing the brunt of the job losses. Similarly, full-time employment (-7.2%) has fallen by over twice the rate of part-time employment (-3.5%) since Q2 2008. In the UK, full-time employment has fallen by 3.7% over this period with part-time employment some 1.8% higher. In NI, male employees have accounted for three-quarters of the job losses in full-time employment. Full-time male employment has fallen by over 9% since Q1 2008 (*the peak in full-time employment*) which compares to a 4.7% fall for female full-time employees. Meanwhile, male part-time employment has remained broadly unchanged over the last four years whereas female part-time employment has fallen by 3% over the same period.

NI Employee Jobs Q3 2012 relative to recent peaks



Richard Ramsey,
17th December 2012

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