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# Northern Ireland Labour Market

*Update*

Issued 14<sup>th</sup> December 2012

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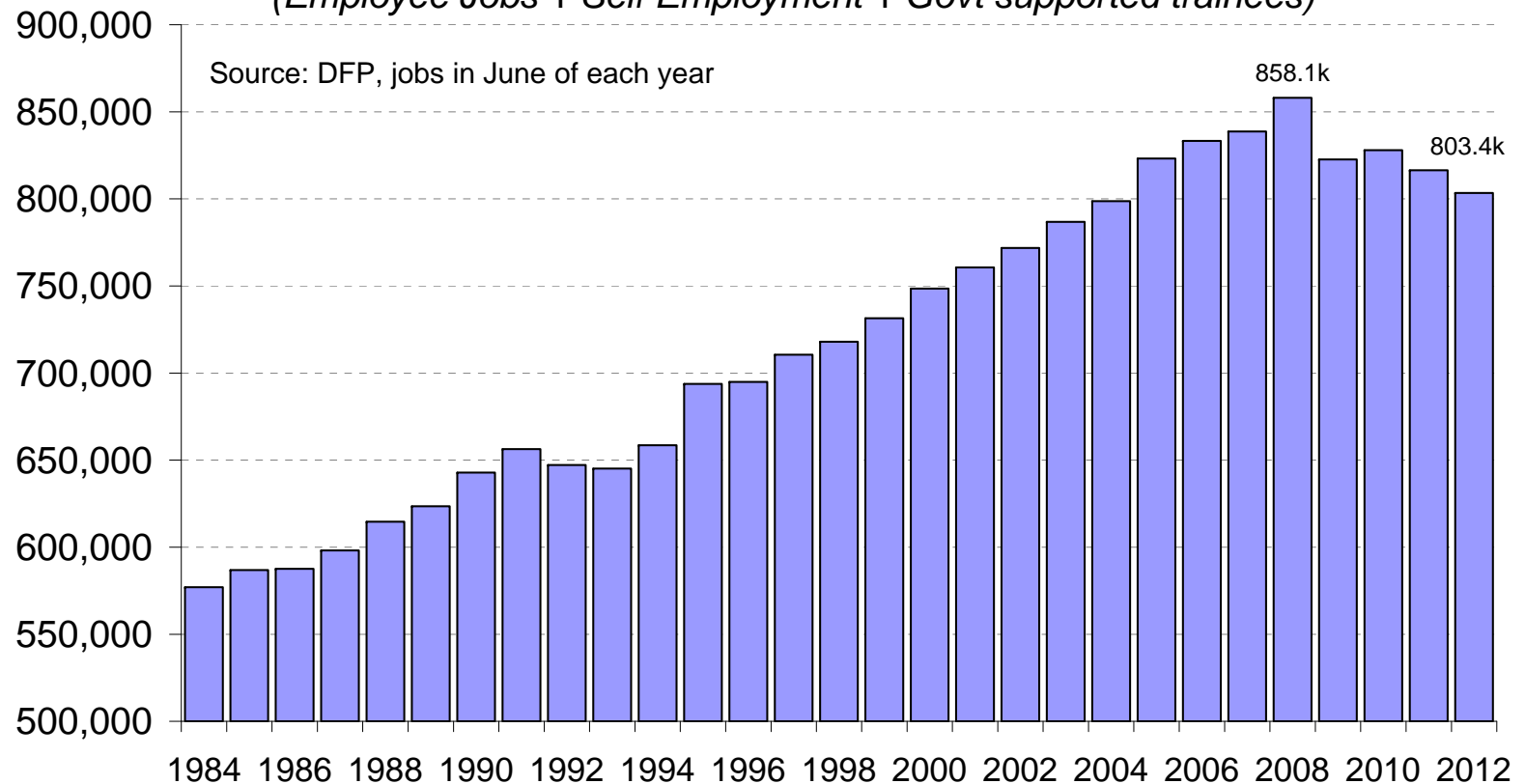
# *Workforce Jobs*

*Employee Jobs + Government Supported  
Trainees + Self-employed*

*54,700 fewer workforce jobs in June 2012 relative to June 2008 – a fall of 6.4% (only updated annually)*

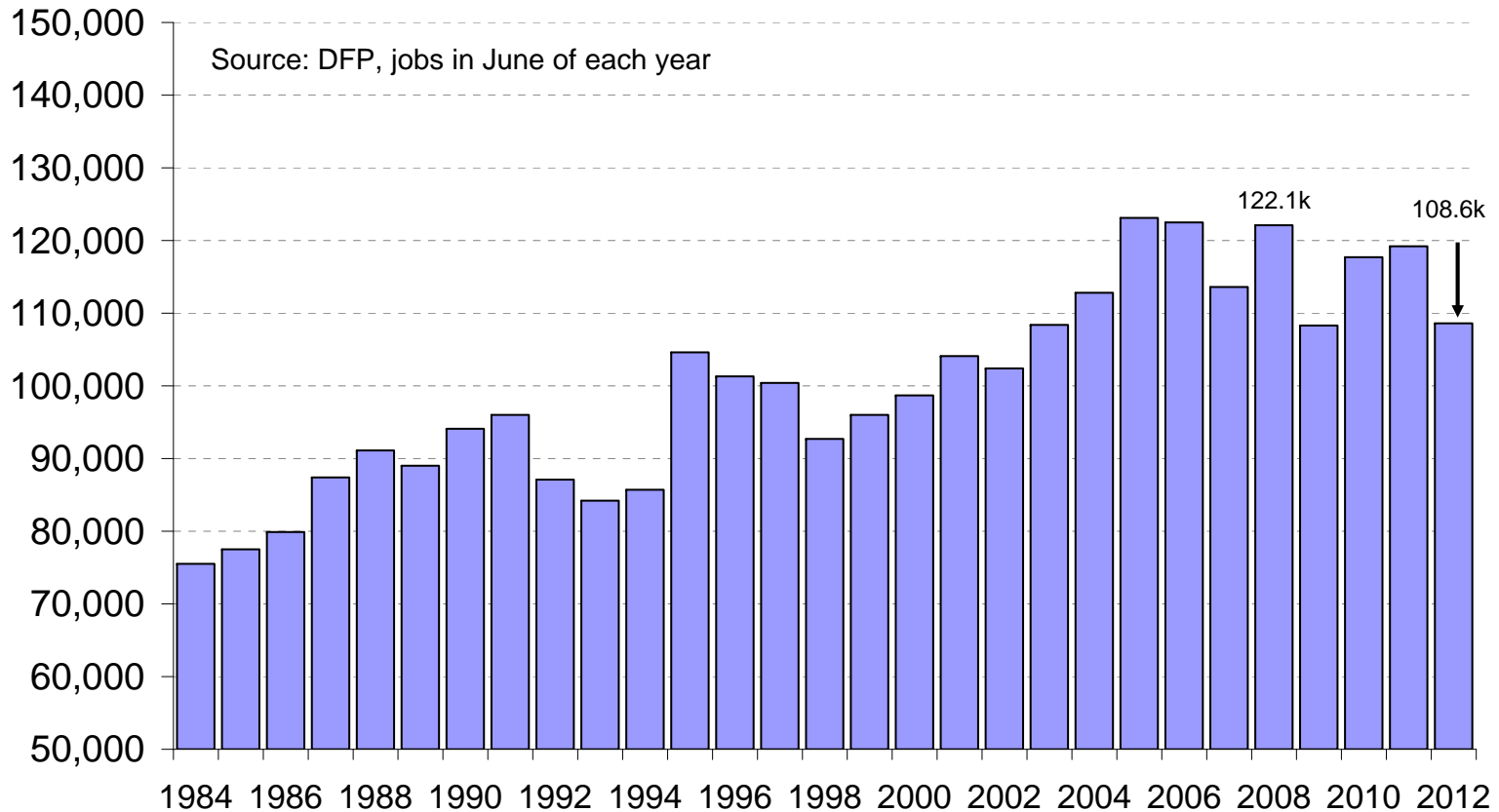
## NI Workforce in Employment Jobs

*(Employee Jobs + Self Employment + Govt supported trainees)*

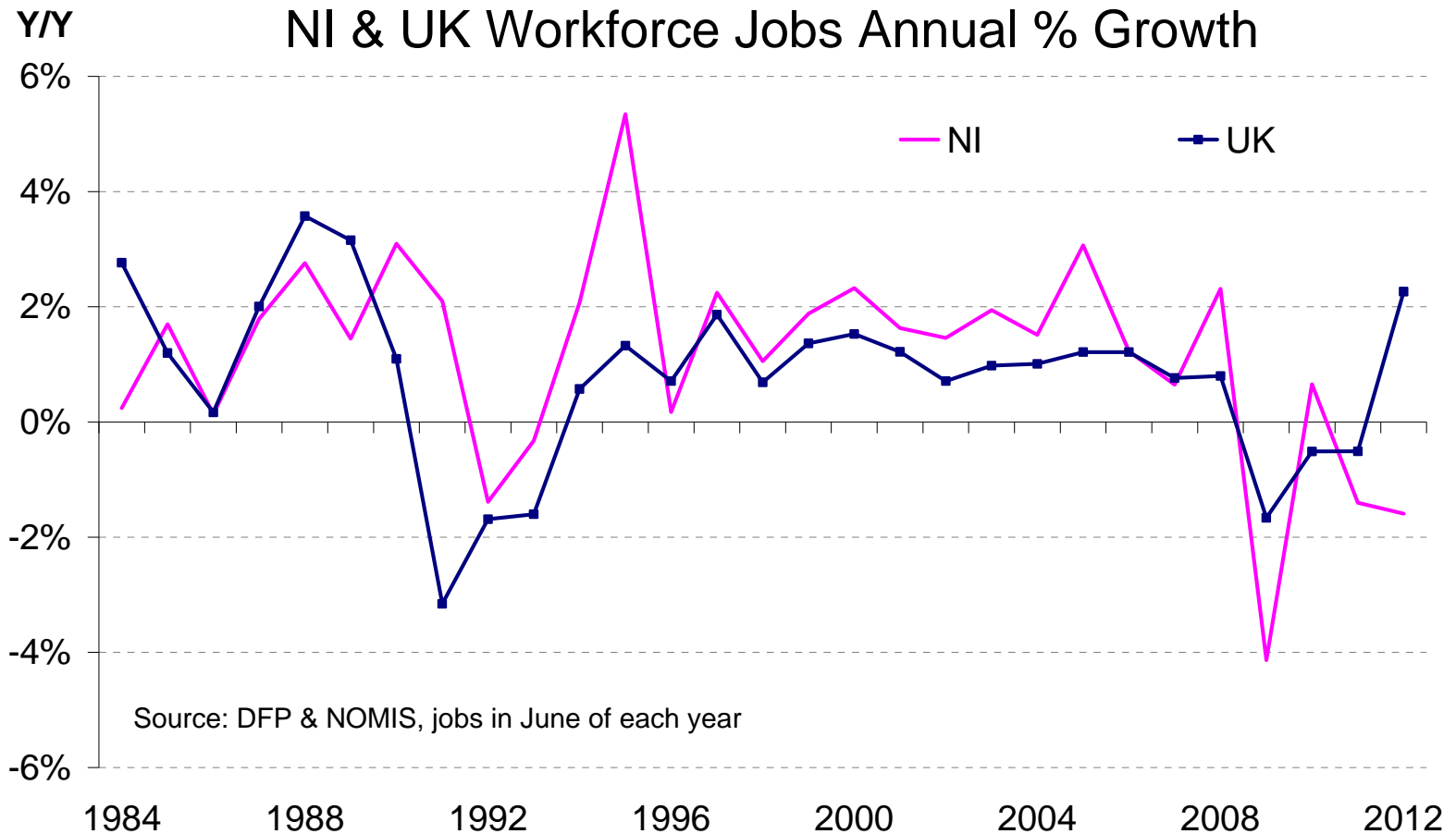


*13,500 fewer self-employed jobs in June 2012 relative to June 2008 – a fall of 11% (only updated annually in Sept)*

## NI Self-Employment Jobs

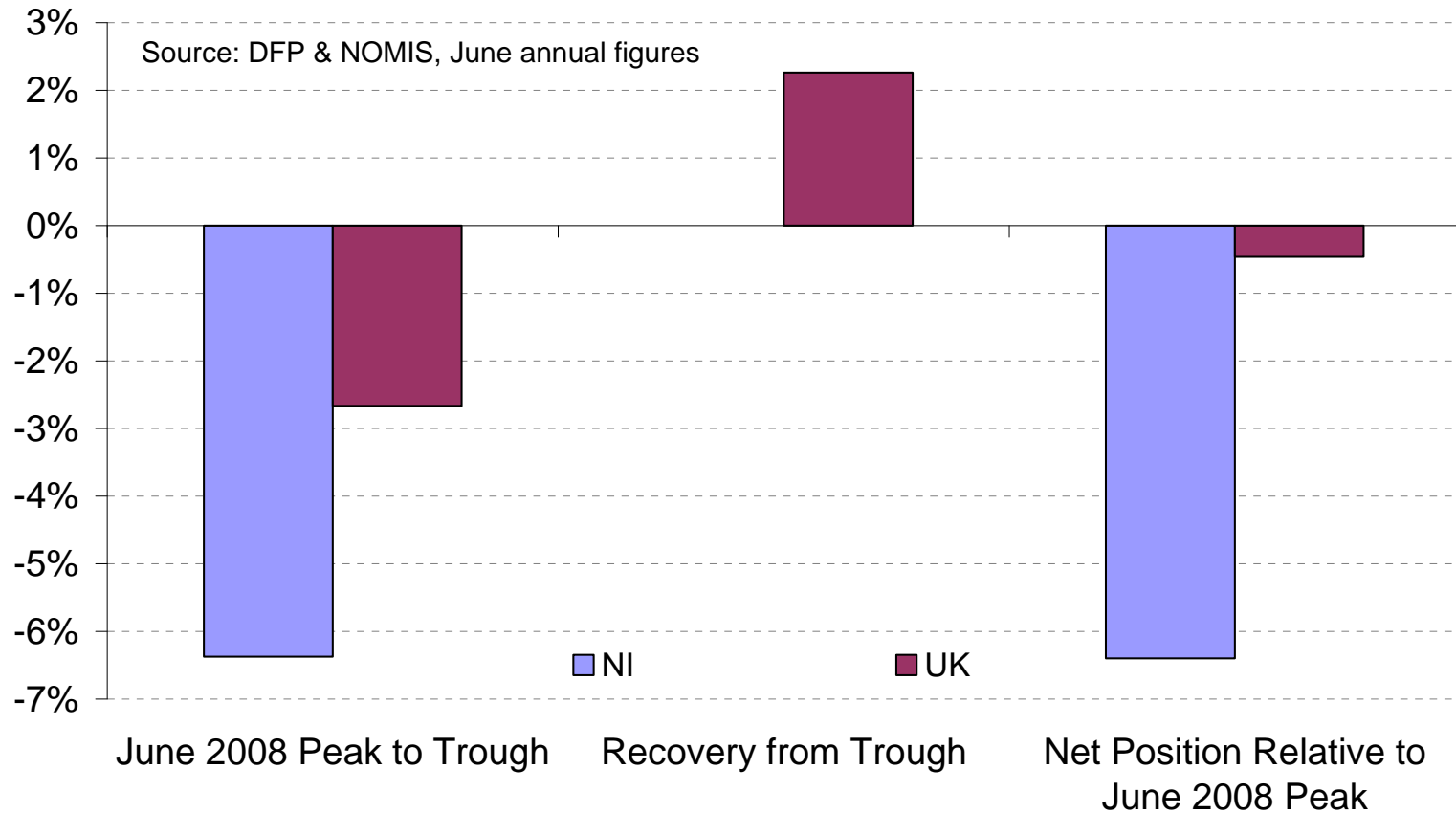


*NI has not experienced the jobs recovery that has occurred within the UK (only updated annually in September)*



*UK workforce jobs are just 0.5% below their June 2008 peak whereas NI has not recouped any of its job losses*

### NI & UK Workforce Jobs (as of June 2012)



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# *Quarterly Employment Survey (QES)*

*QES is an employer survey (@ 5,500 companies) that measures the actual number of jobs (employees in employment) as opposed to the number of individuals in employment (as in the Labour Force Survey). The QES excludes the self-employed but is the preferred measure of employment within Northern Ireland*

# Summary Table – Quarterly Employment Survey

Northern Ireland Employees Jobs (Seasonally Adjusted)

	Construction	Services	Manufacturing	Total
2007 Q1	43,460	567,150	83,850	715,510
Q2	44,710	571,050	84,100	720,750
Q3	45,320	575,090	83,960	725,440
Q4	46,820	578,950	83,440	729,380
2008 Q1	45,860	582,910	83,710	732,620
Q2	44,860	584,430	83,390	733,050
Q3	43,500	581,240	82,260	727,440
Q4	41,670	579,670	80,080	721,460
2009 Q1	39,420	577,660	78,180	715,220
Q2	38,210	576,980	75,340	710,440
Q3	36,780	577,460	74,070	708,110
			↑ Old Series ↑	
			↓ New Series ↓	
Q4	37,120	581,210	73,280	711,430
2010 Q1	36,960	579,640	73,070	709,510
Q2	36,200	578,950	73,090	707,870
Q3	35,790	576,290	73,010	704,890
Q4	33,610	573,890	73,790	701,120
2011 Q1	33,370	573,040	73,590	699,840
Q2	32,780	570,620	73,510	697,180
Q3	32,930	569,150	73,850	695,930
Q4	31,640	565,050	75,420	691,900
2012 Q1	31,460	564,910	74,680	690,850
Q2	31,320	565,590	75,360	692,190
Q3	<b>31,010</b>	<b>566,220</b>	<b>75,360</b>	<b>692,460</b>
Latest Quarter Q/Q % Change	-1.0%	0.1%	0.0%	0.0%
Latest Quarter Y/Y % Change	-5.8%	-0.5%	2.0%	-0.5%
Fall from peak - Nos*	<b>-15,810</b>	<b>-18,210</b>	<b>-8,740</b>	<b>-40,590</b>
Fall from peak % Change*	<b>-33.8%</b>	<b>-3.1%</b>	<b>-10.4%</b>	<b>-5.5%</b>

Source: DFP, \*\*Peak to trough fall does not strictly use comparable data and is indicative only

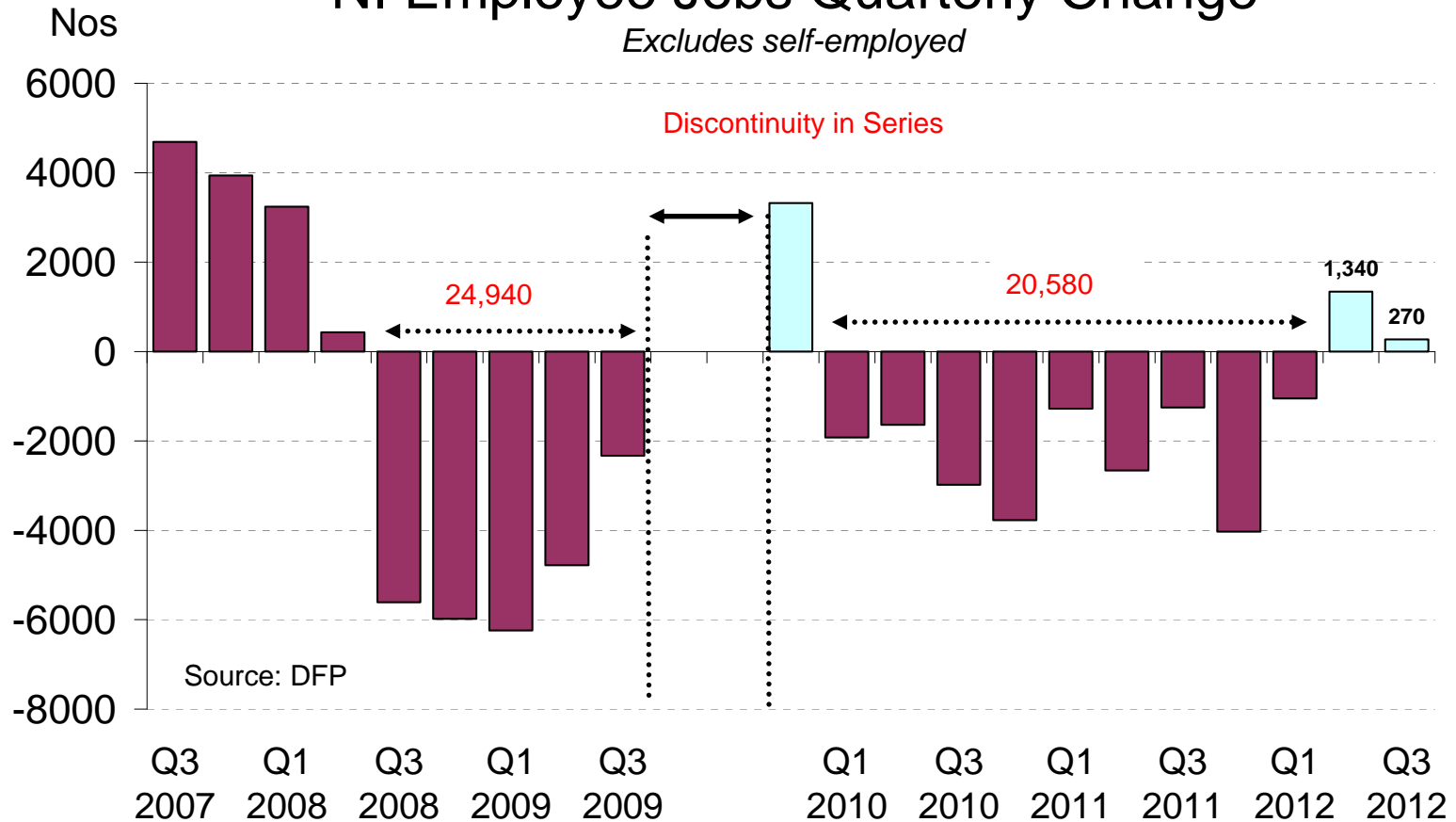


# NI posts second quarterly rise since Q2 2008 in Q3 2012

(Q4 2009 represents start of new series & therefore not a Q/Q rise)

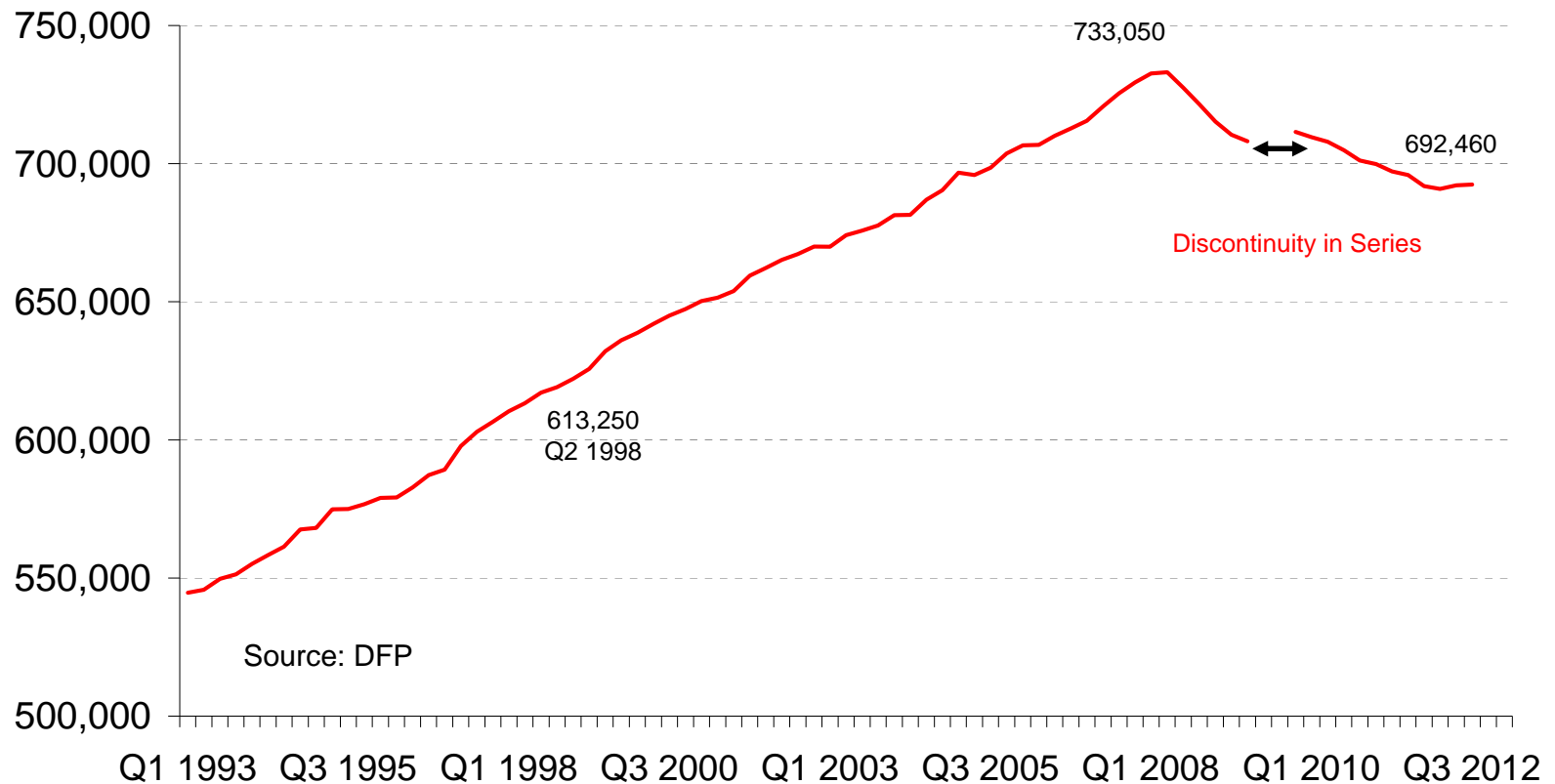
## NI Employee Jobs Quarterly Change

*Excludes self-employed*



# Current employment levels back at late 2004 levels

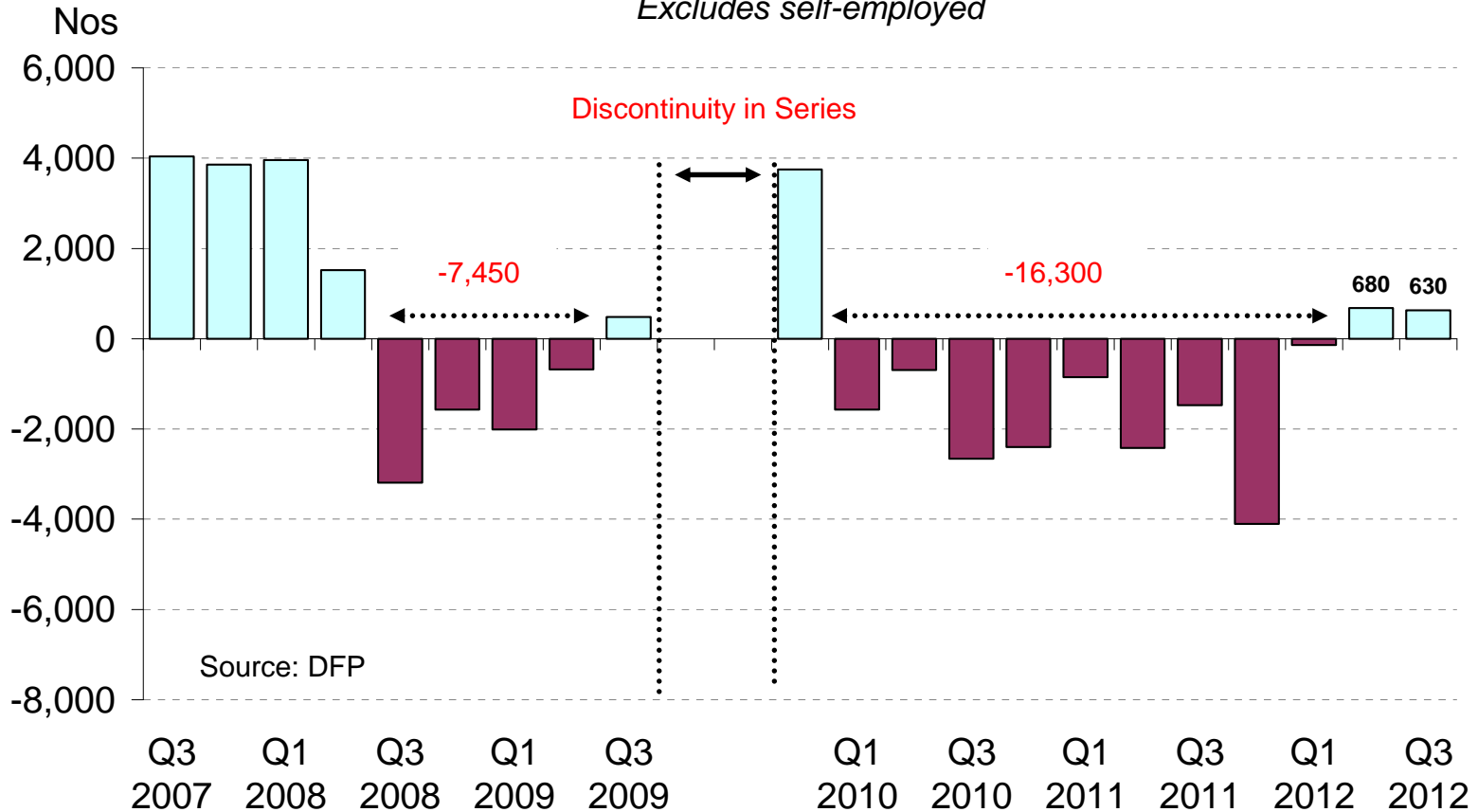
## Northern Ireland Employee Jobs



# Service sector: 2 successive quarters of modest growth

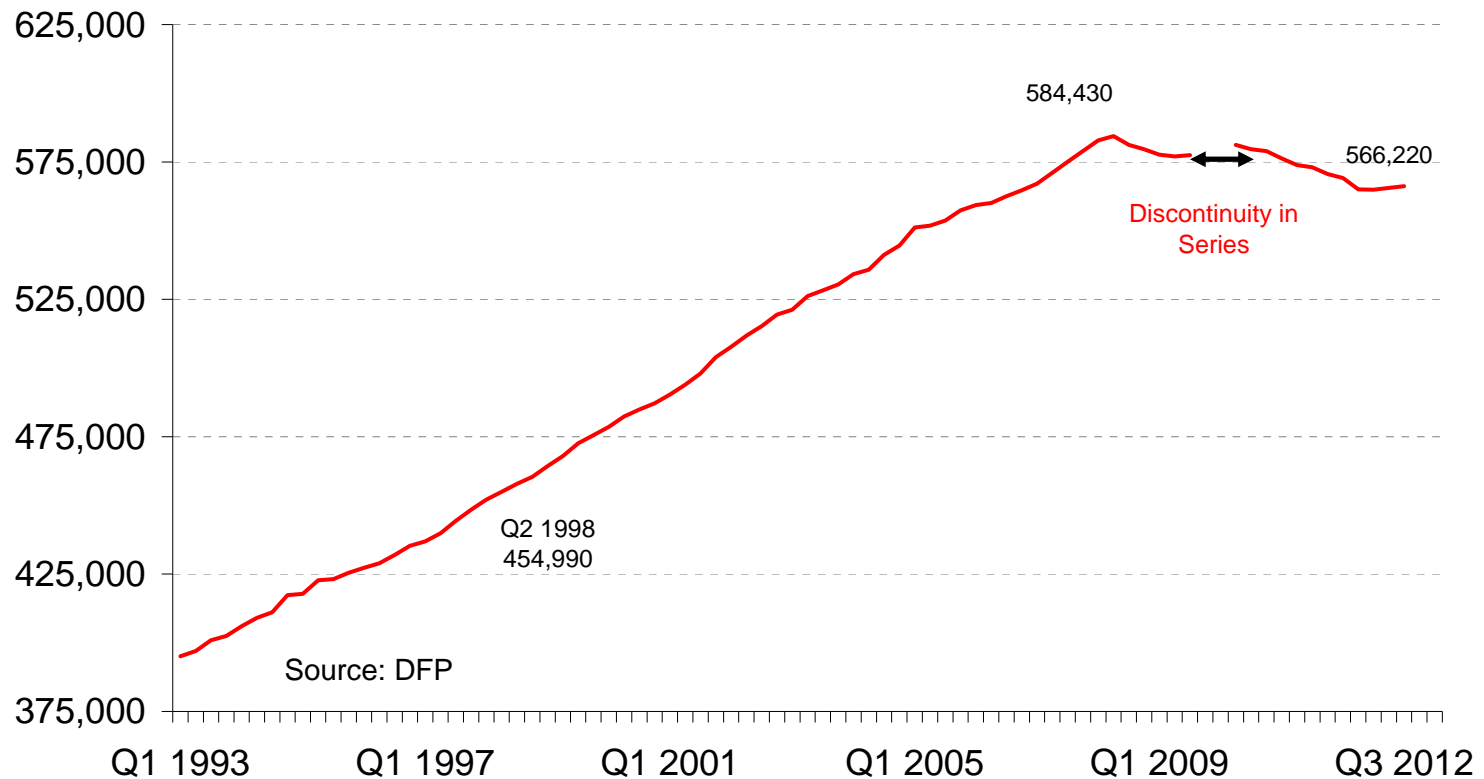
## NI Services Employee Jobs Quarterly Change

*Excludes self-employed*



# Service sector employment is back to late 2006 / early 2007 levels

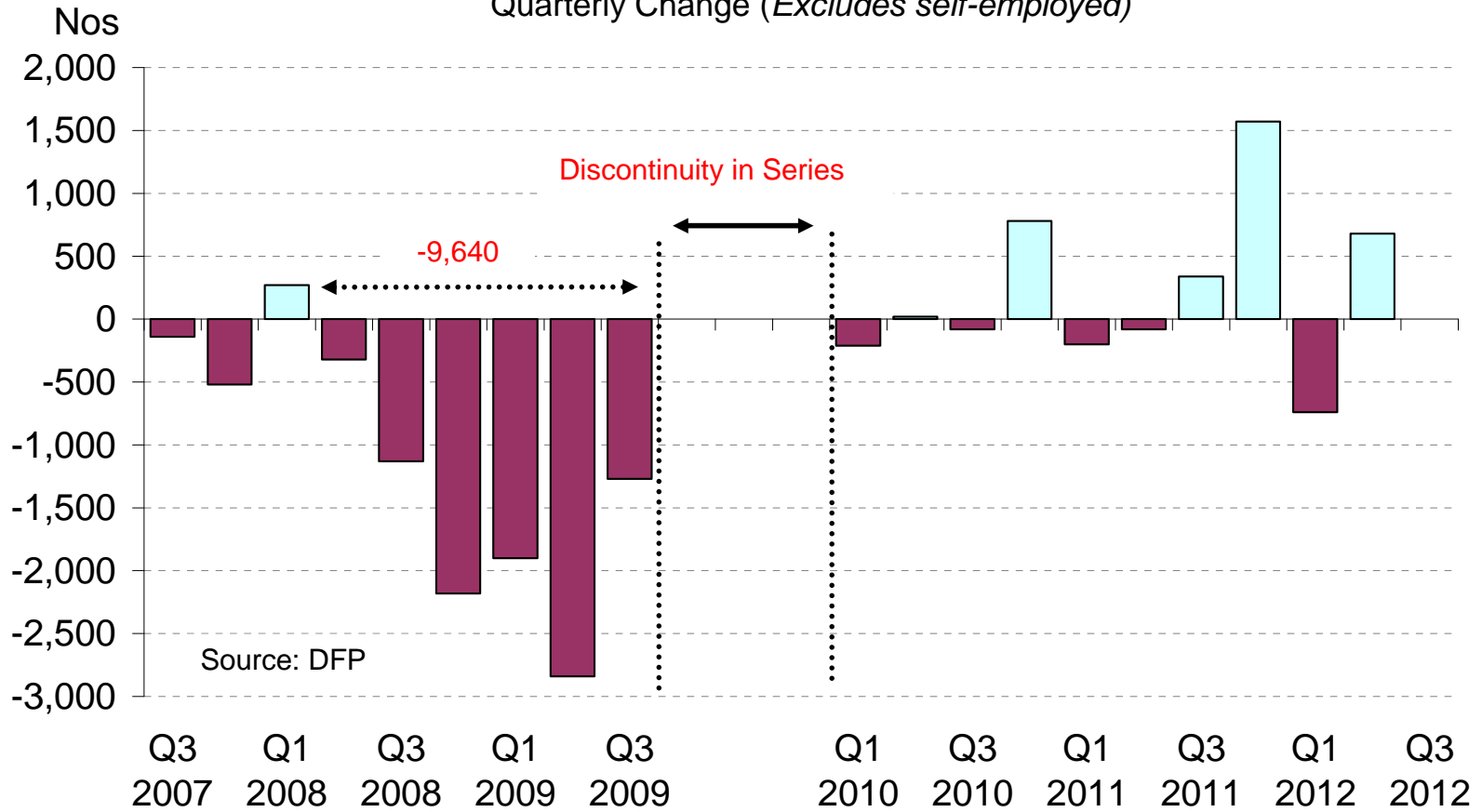
## Northern Ireland Services Employee Jobs



# Manufacturing employment unchanged in Q3

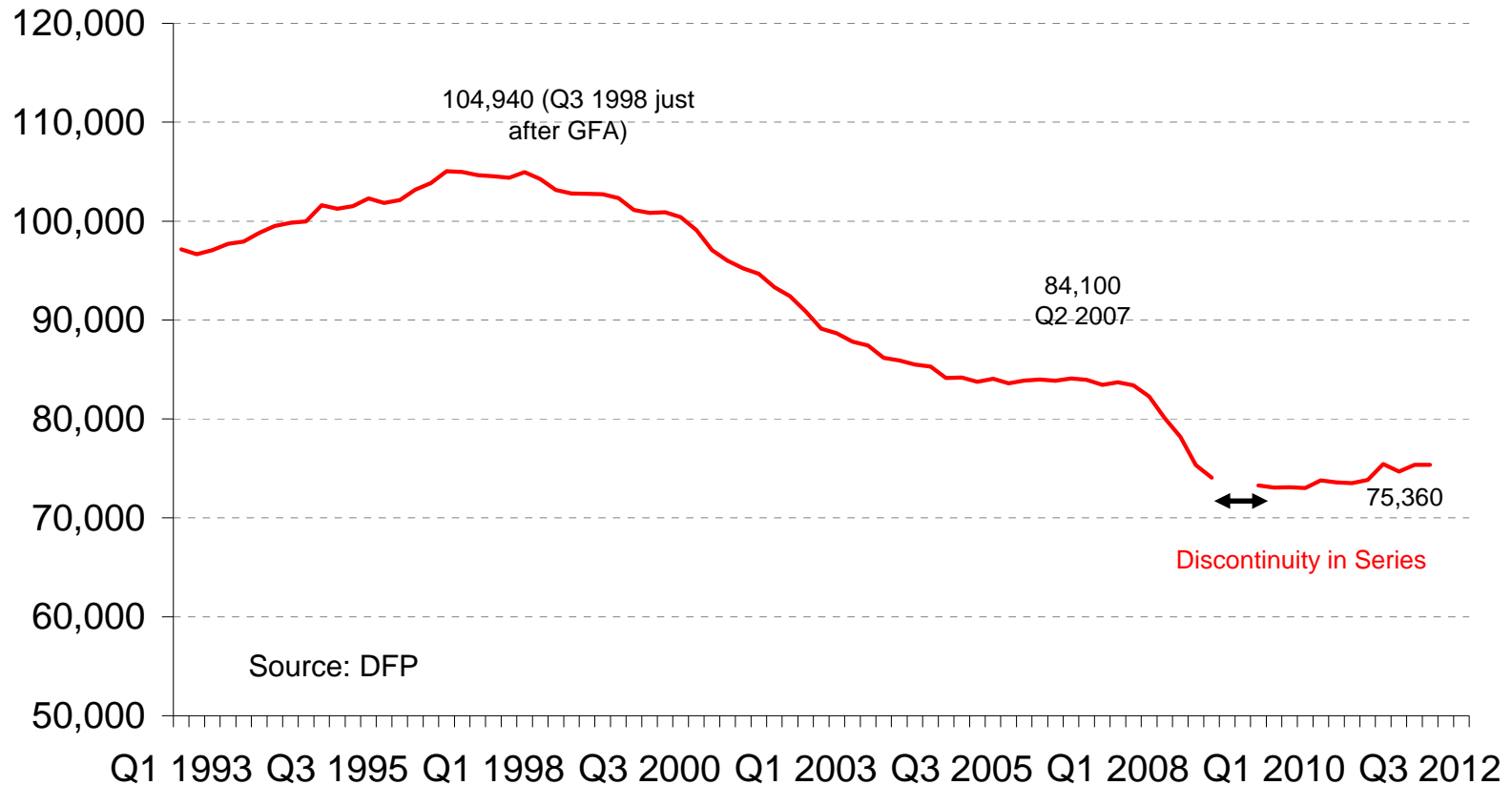
## NI Manufacturing Employee Jobs

Quarterly Change (Excludes self-employed)



# Recent manufacturing employment gains are within a longer-term trend of job losses

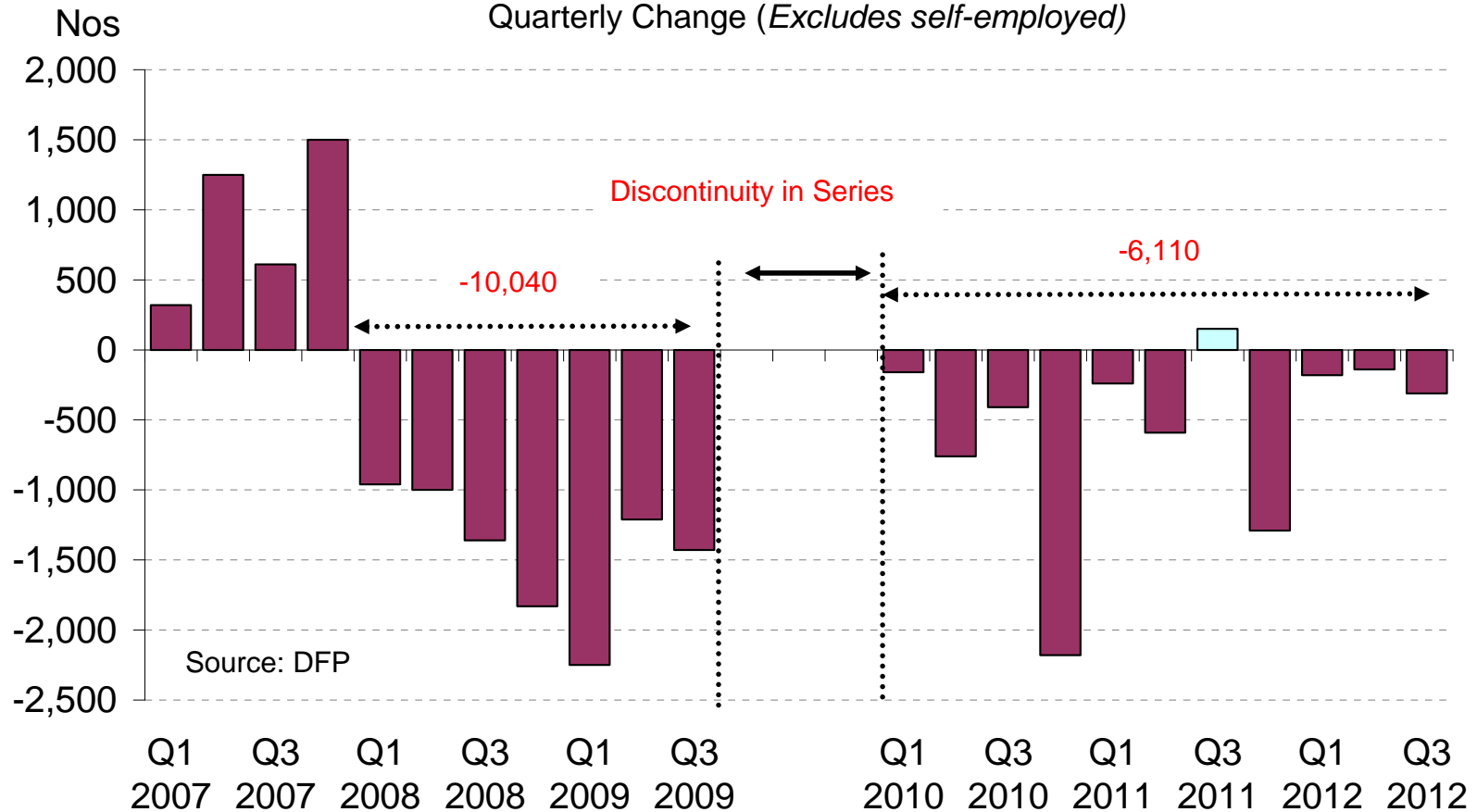
## NI Manufacturing Employee Jobs Levels



# Construction sector has witnessed employment declines in 17 of the last 18 quarters

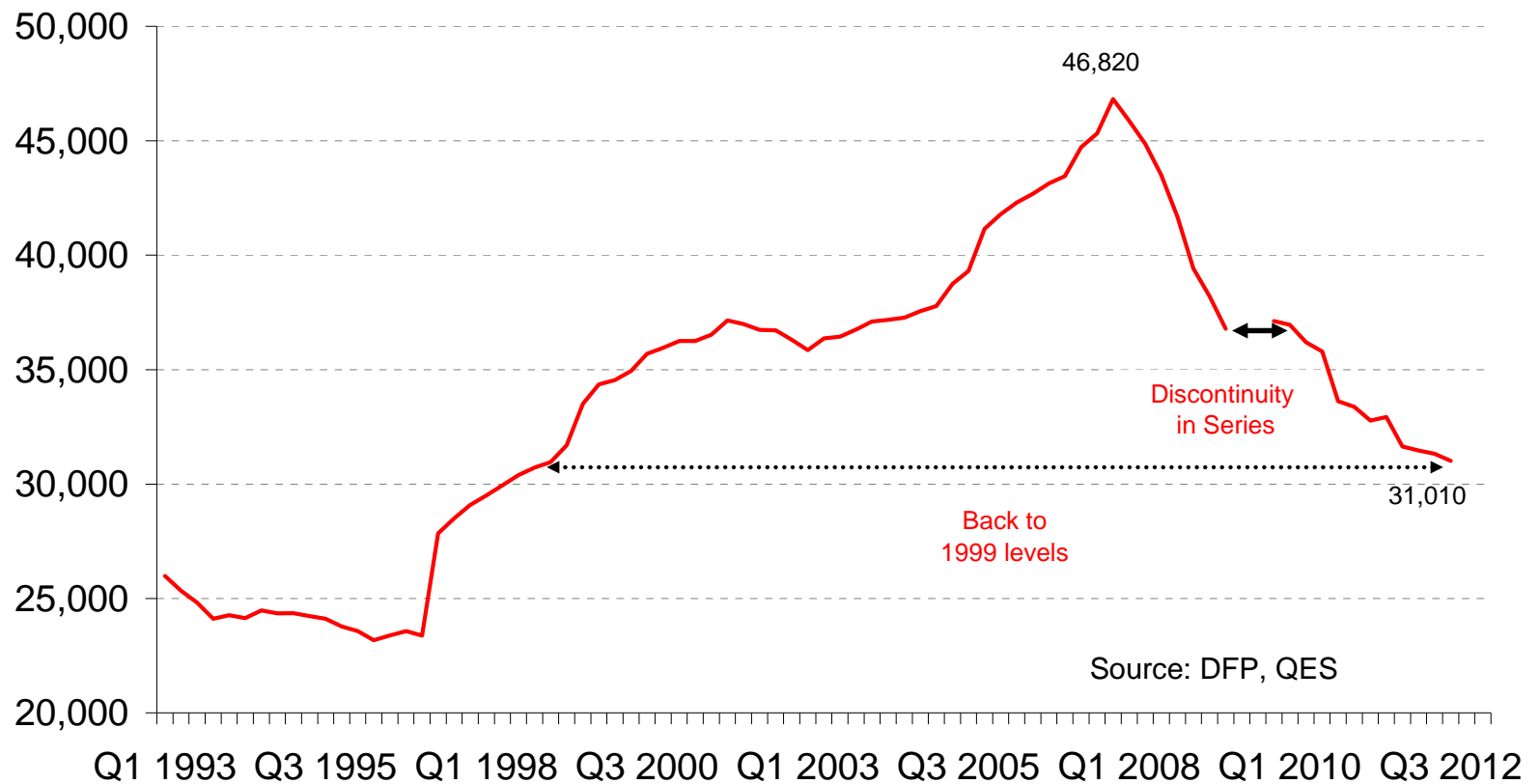
## NI Construction Employee Jobs

Quarterly Change (Excludes self-employed)



# Construction employment back to 1999 levels

## NI Construction Employee Jobs Levels



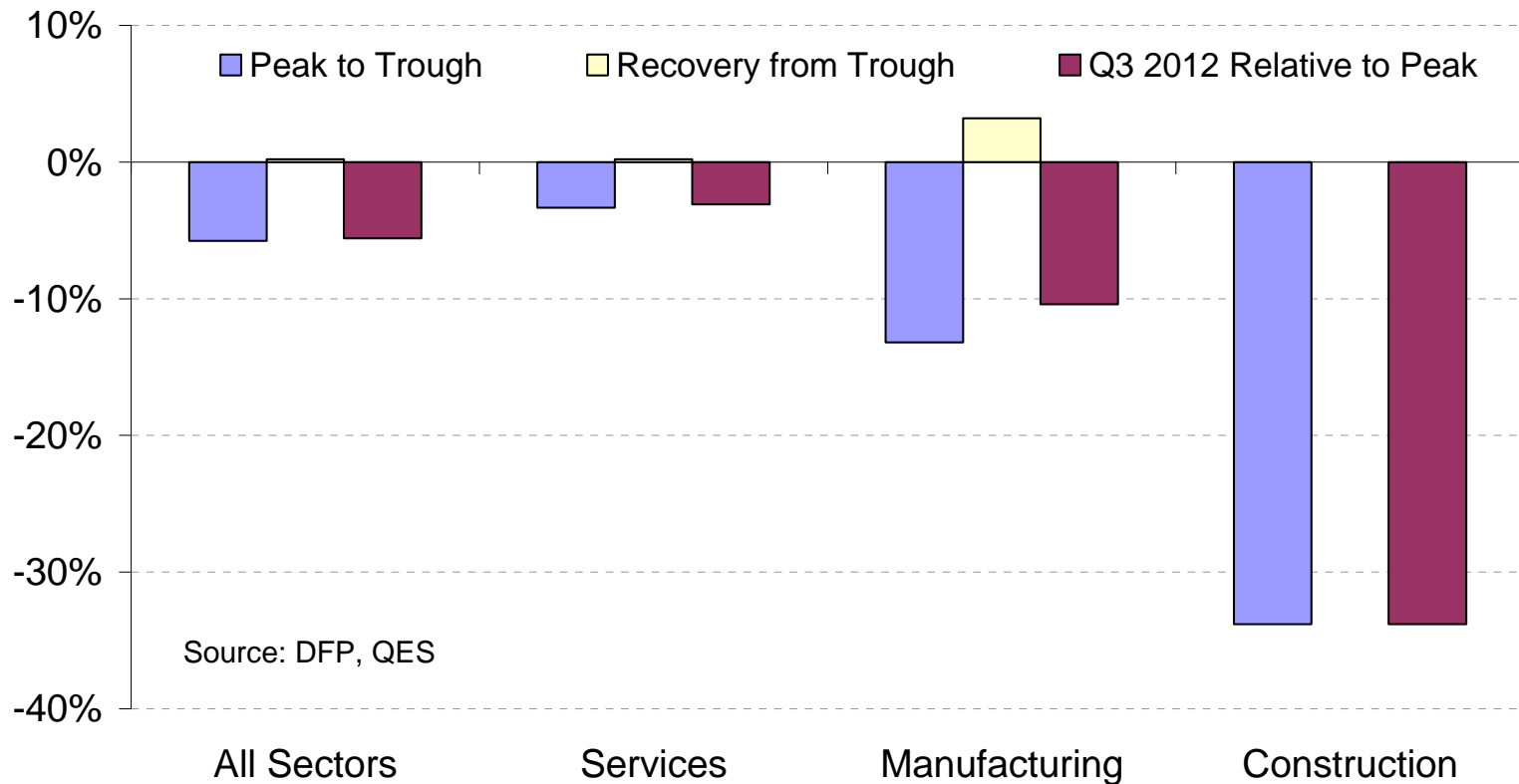


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*Northern Ireland's  
Job losses, recovery and  
current (net) position  
2007/08-2012*

# No meaningful jobs recovery outside of manufacturing

## Northern Ireland Employment (Employee Jobs)



# Utilities post largest annual % gain with manufacturing the largest numerical gain

**Northern Ireland Employment Change (Ranked by % change)**  
*September 2011 - September 2012*

Broad Industrial Group	Net Job Change	% Change
Electricity, gas, steam & air conditioning supply	140	10.9%
Arts, entertainment & recreation	1,250	9.0%
Administrative & support service activities	1,160	2.8%
Professional, scientific & technical activities	1,120	2.8%
Manufacturing	1,490	2.0%
Accommodation & food service activities	360	0.9%
Real estate activities	60	0.8%
Transport & storage	10	0.0%
Wholesale & retail trade; repair of motor vehicles	-330	-0.3%
Agriculture, forestry & fishing	-120	-1.0%
Other service activities	-150	-1.1%
Education	-940	-1.4%
Human health & social work activities	-1,930	-1.6%
Information & communication	-280	-1.7%
Public administration & defence; social security	-960	-1.7%
Mining & quarrying	-30	-1.8%
Water supply, sewerage, waste management	-120	-2.5%
Construction	-1,920	-5.8%
Financial & insurance activities	-1,610	-7.9%
<b>Total</b>	<b>-3,290</b>	<b>-0.5%</b>

Utilities,  
 manufacturing  
 & tourism  
 related sectors



Utilities,  
 manufacturing  
 & tourism  
 related sectors



Construction /  
 property  
 related



Construction /  
 property  
 related



Source: DFP - Quarterly Employment Survey (Seasonally Unadjusted), Excludes self-employed

# Property related sectors & manufacturing have seen the biggest job losses over the last 4 years

Northern Ireland Employment Change (Ranked by % change)  
September 2008 - September 2012

	Broad Industrial Group	Net Job Change	% Change	
Utilities ↑	Electricity, gas, steam & air conditioning supply	230	19.3%	Utilities ↑
	Real estate activities	730	11.2%	
	Arts, entertainment & recreation	1,360	9.8%	
	Human health & social work activities	590	0.5%	
	Other service activities	30	0.2%	
	Education	-250	-0.4%	
	Agriculture, forestry & fishing	-150	-1.2%	
	Professional, scientific & technical activities	-400	-1.7%	
	Information & communication	-280	-1.7%	
	Water supply, sewerage, waste management	-180	-3.7%	
Construction / property related ↓	Administrative & support service activities	-1,610	-3.7%	Construction / property related ↓
	Accommodation & food service activities	-1,980	-4.5%	
	Public administration & defence; social security	-2,640	-4.5%	
	Wholesale & retail trade; repair of motor vehicles	-6,940	-5.4%	
	Transport & storage	-1,390	-5.4%	
	Financial & insurance activities	-1,360	-6.8%	
	Manufacturing	-7,060	-8.6%	
	Mining & quarrying	-470	-22.0%	
	Construction	-12,490	-28.7%	
	<b>Total</b>	<b>-34,260</b>	<b>-4.7%</b>	

Source: DFP - Quarterly Employment Survey (Seasonally Unadjusted), Excludes self-employed

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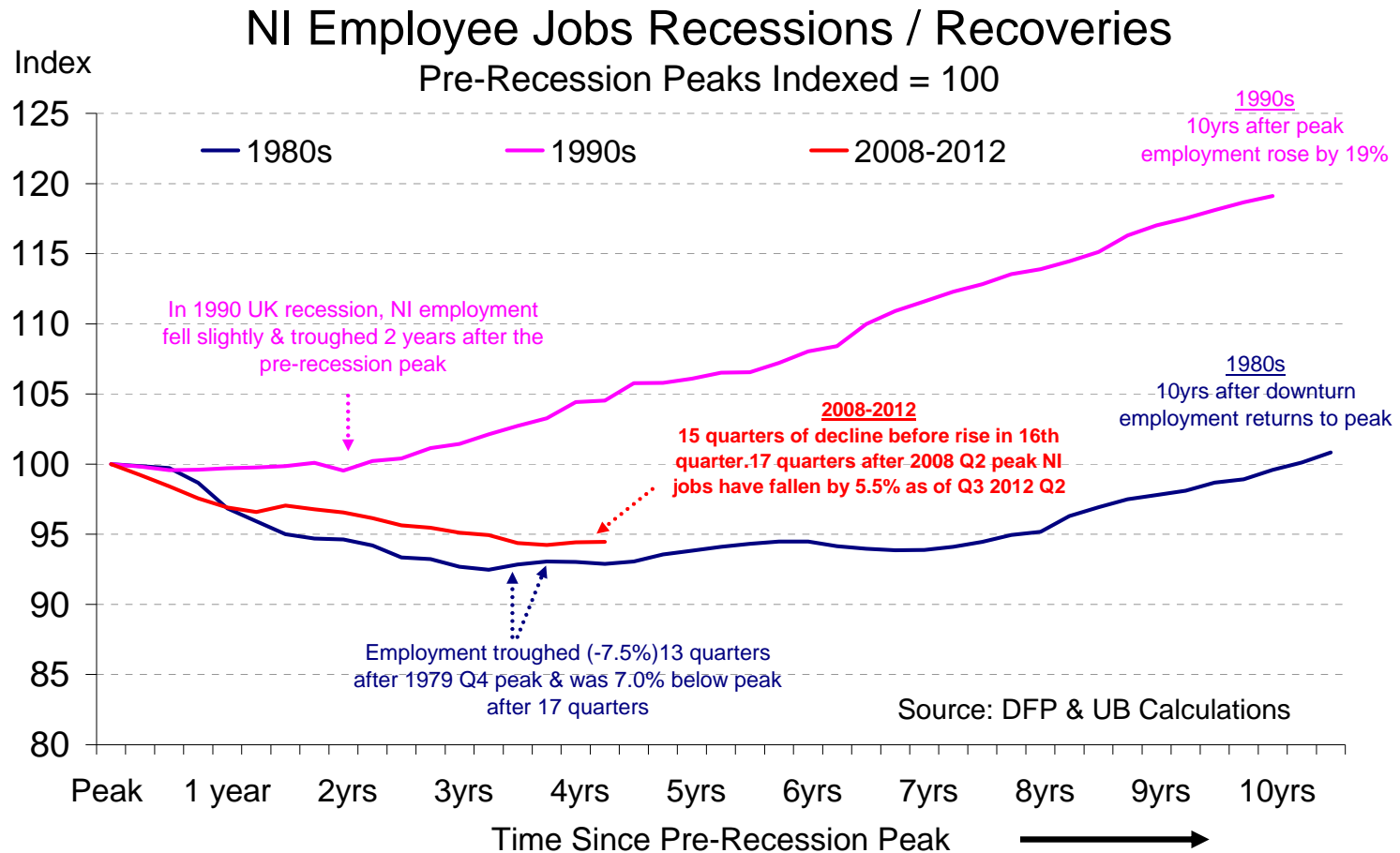
*Northern Ireland's  
'Employment Recessions'  
& Recoveries Compared*

*1980s*

*1990s*

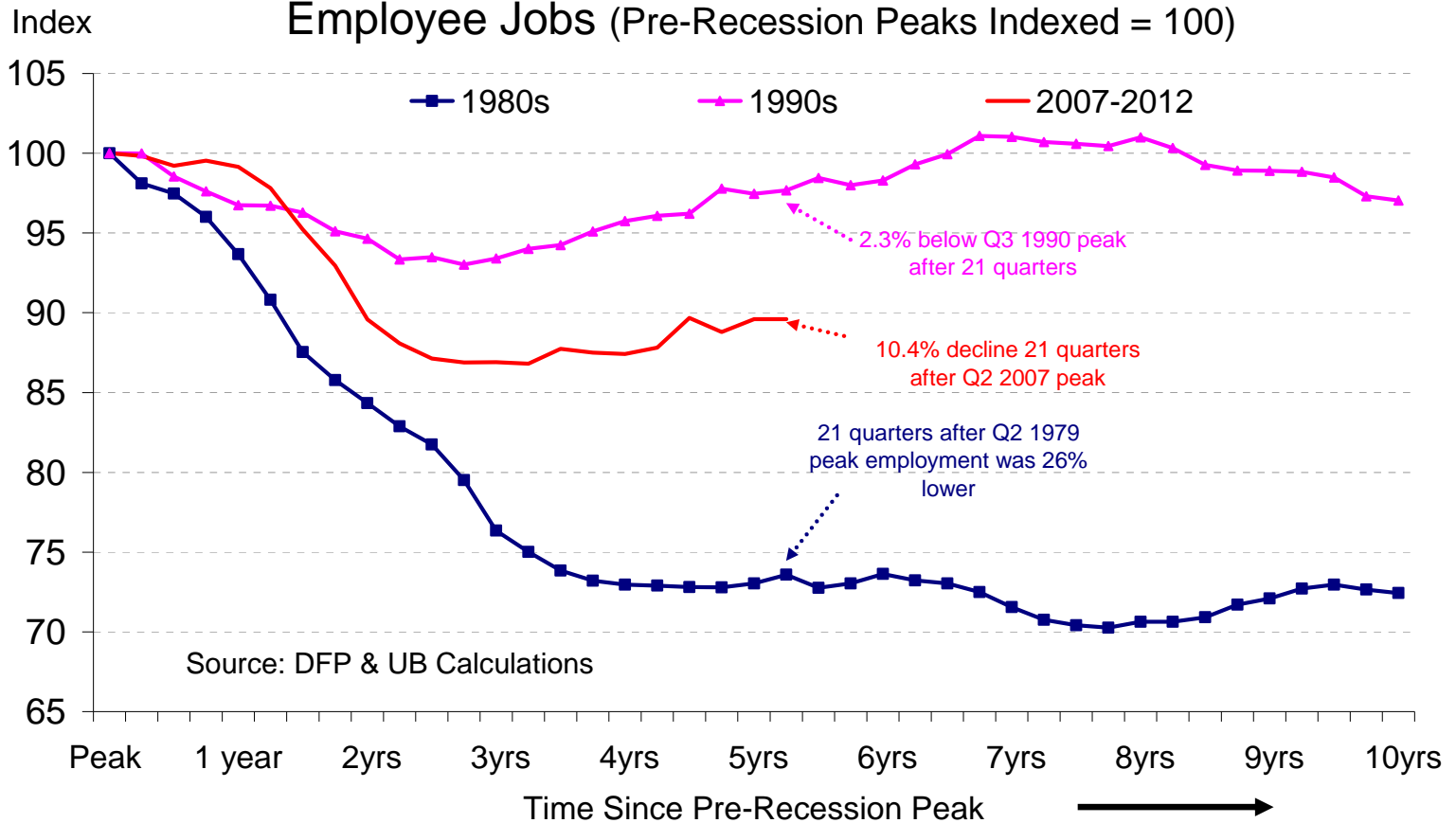
*2008-2012*

Longest period of job losses but not as deep as the 1980s. But returning to peak is likely to take longer than 1980s (10yrs)

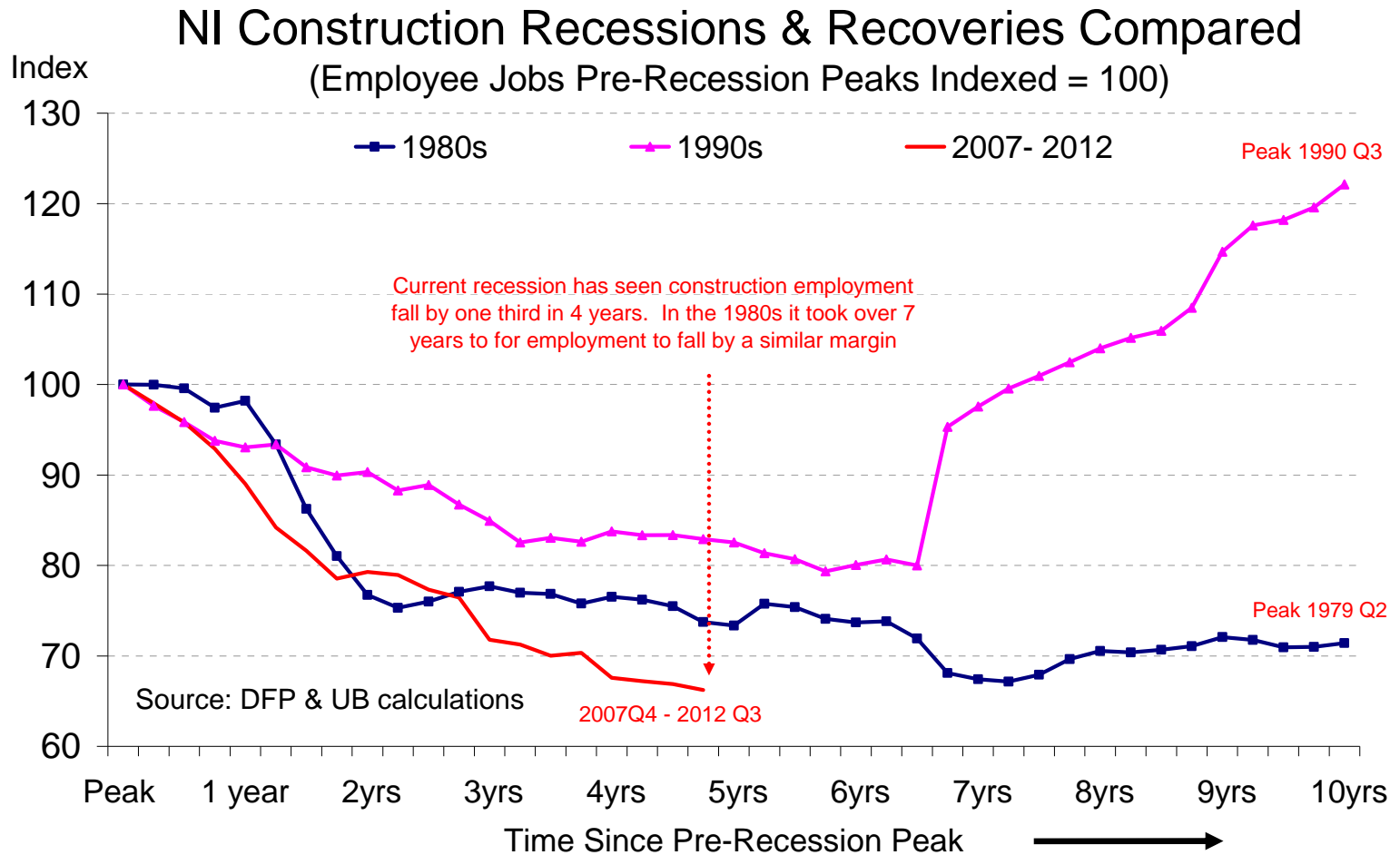


# Manufacturing job losses have been nowhere near what they were like in the 1980s but recovery may be similar

## NI Manufacturing Recessions & Recoveries in Employee Jobs (Pre-Recession Peaks Indexed = 100)



# Construction is experiencing the fastest & deepest recession in terms of job losses. A 1980s-style recovery is expected

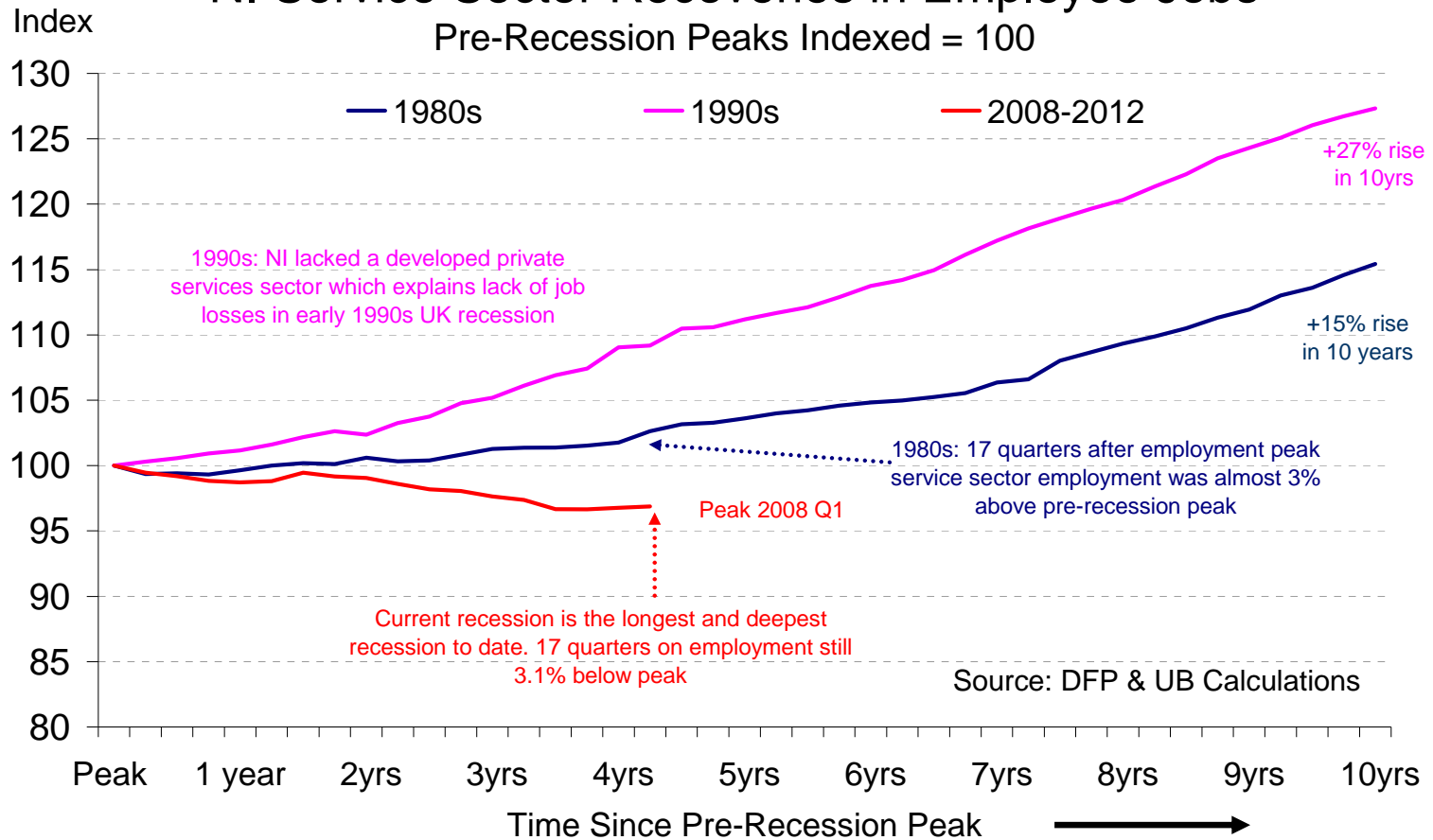




# Service sector is experiencing its longest & deepest recession. Unfortunately recovery will be weaker than 1980s

## NI Service Sector Recoveries in Employee Jobs

Pre-Recession Peaks Indexed = 100

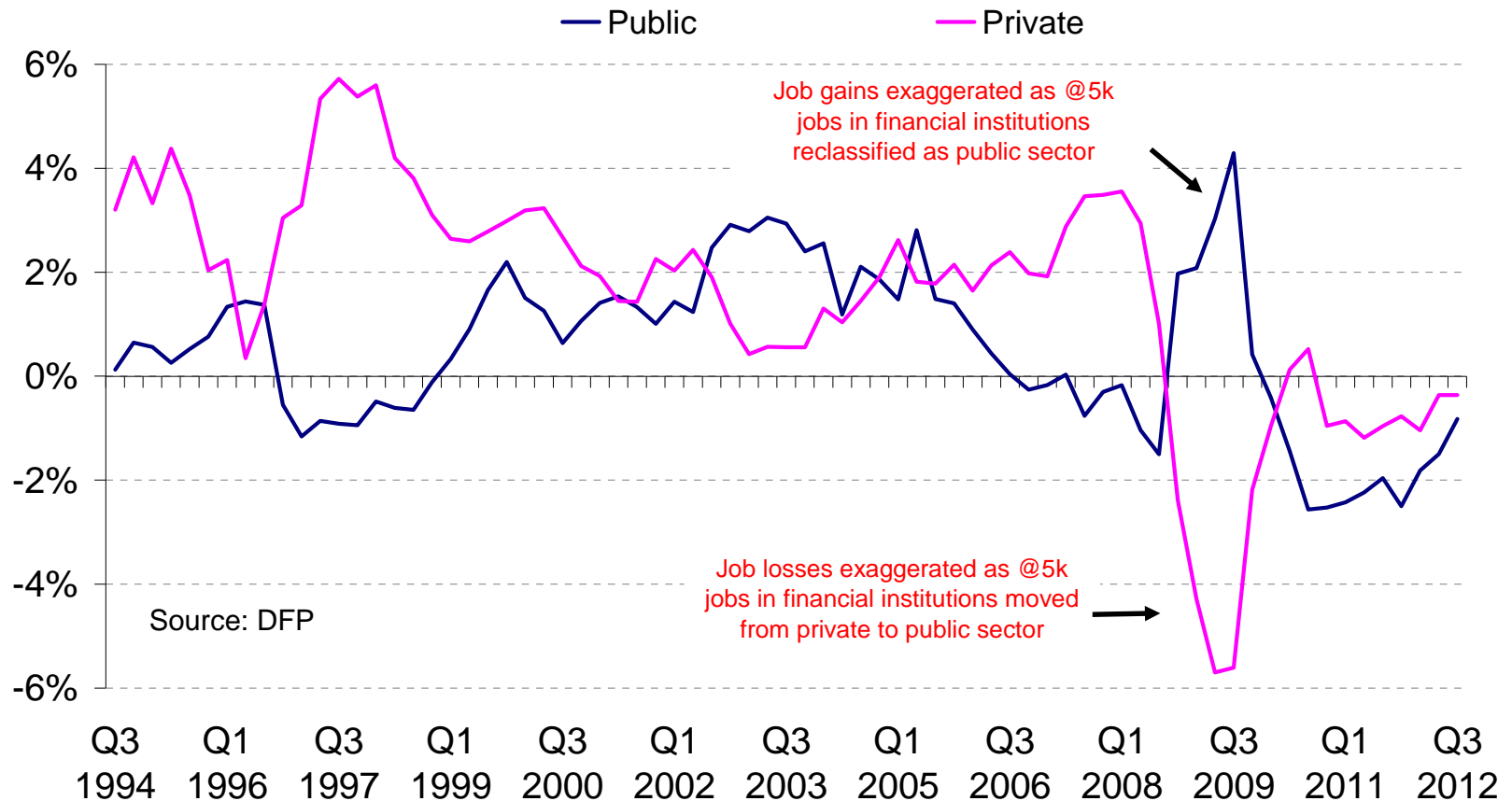


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*NI Public Sector v Private Sector  
Employment Levels  
& Growth*

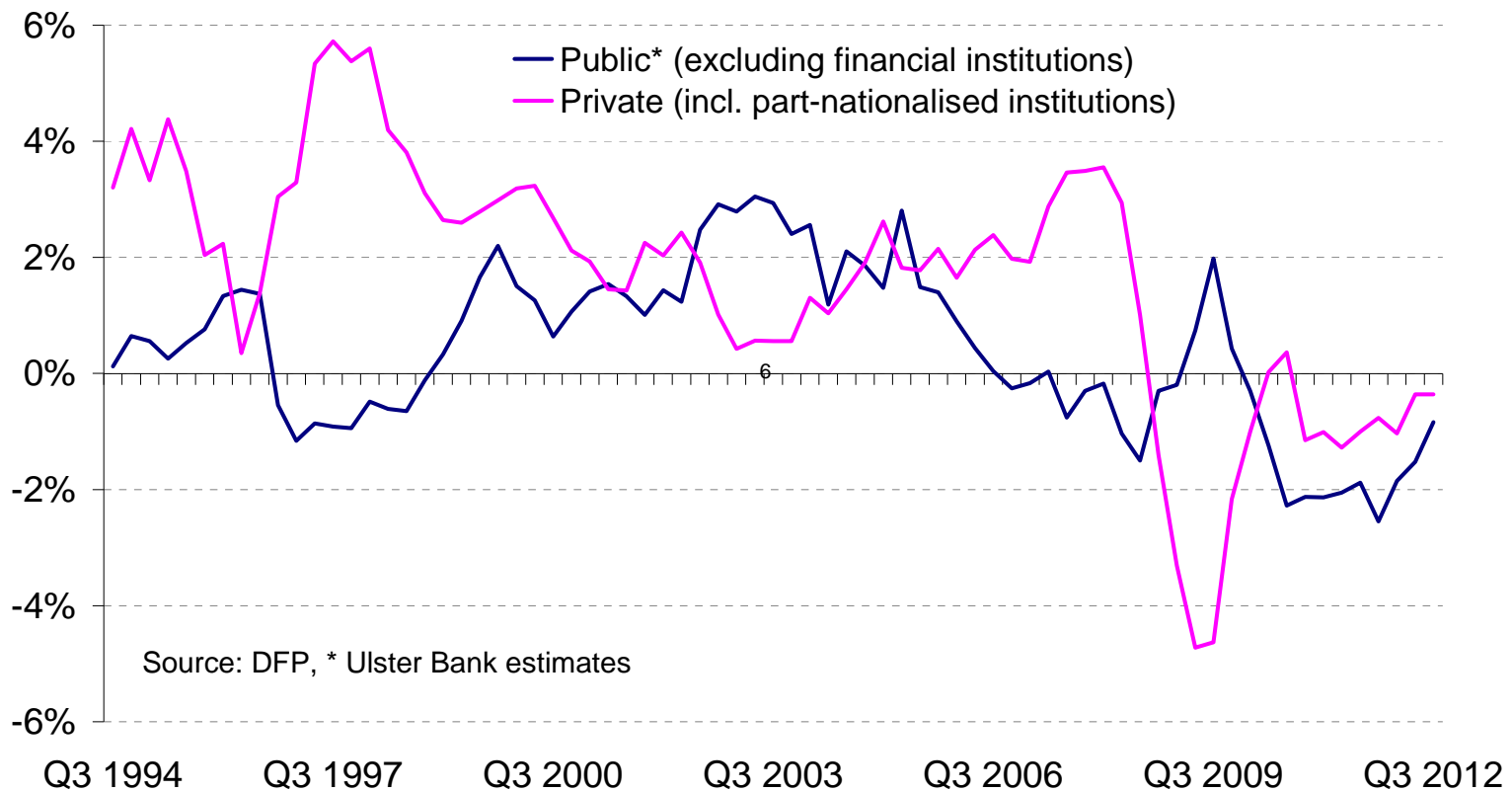
# Headline public & private sector growth rates are misleading due to reclassification of some institutions as public sector

## NI Public v Private Sector Employment Growth



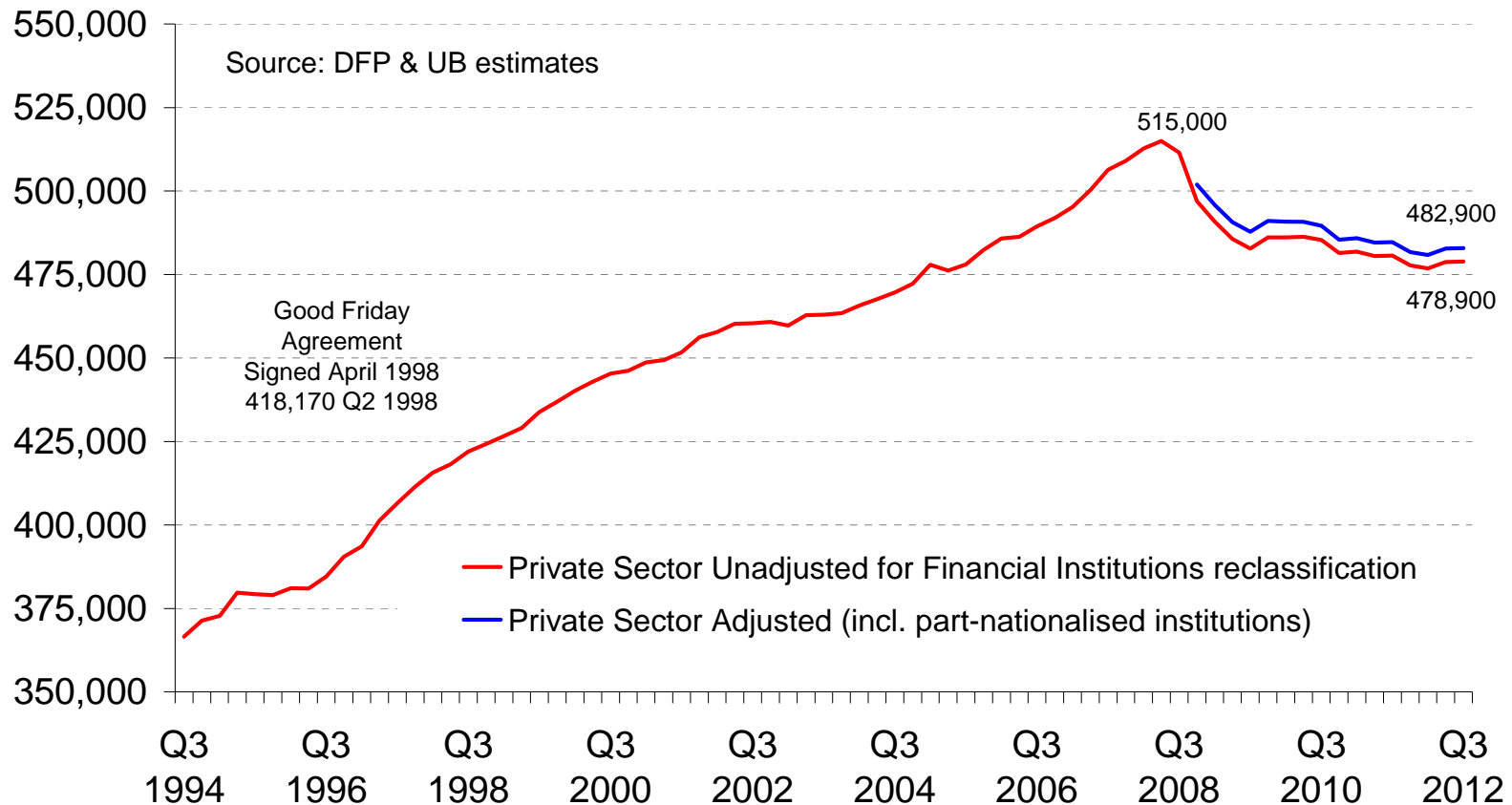
# Adjusting for the movement from private to public sector presents a slightly different picture

## NI Public v Private Sector Employment Growth



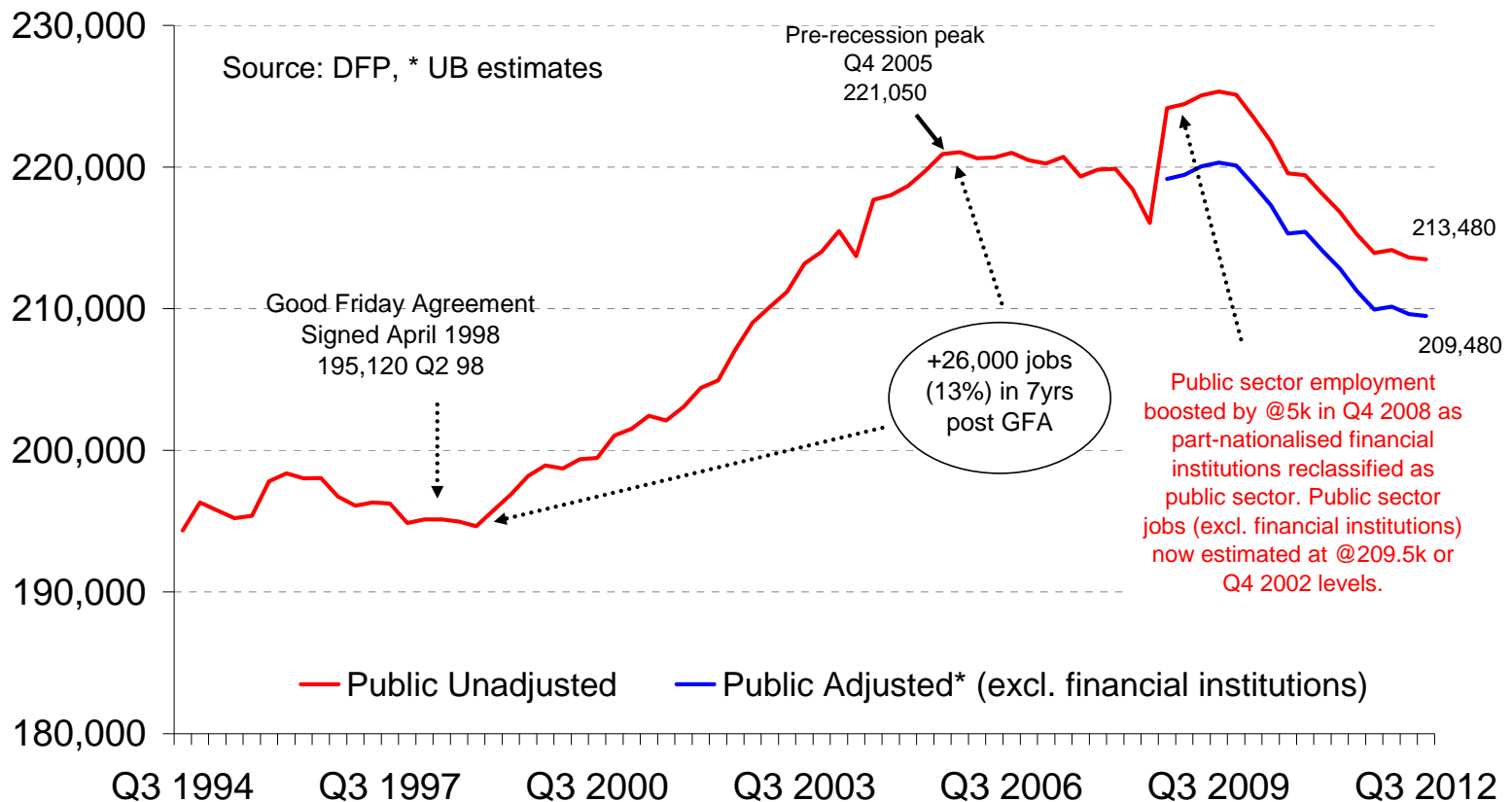
# Private sector employment has stabilised.. But will it last?

## NI Private Sector Employee Jobs



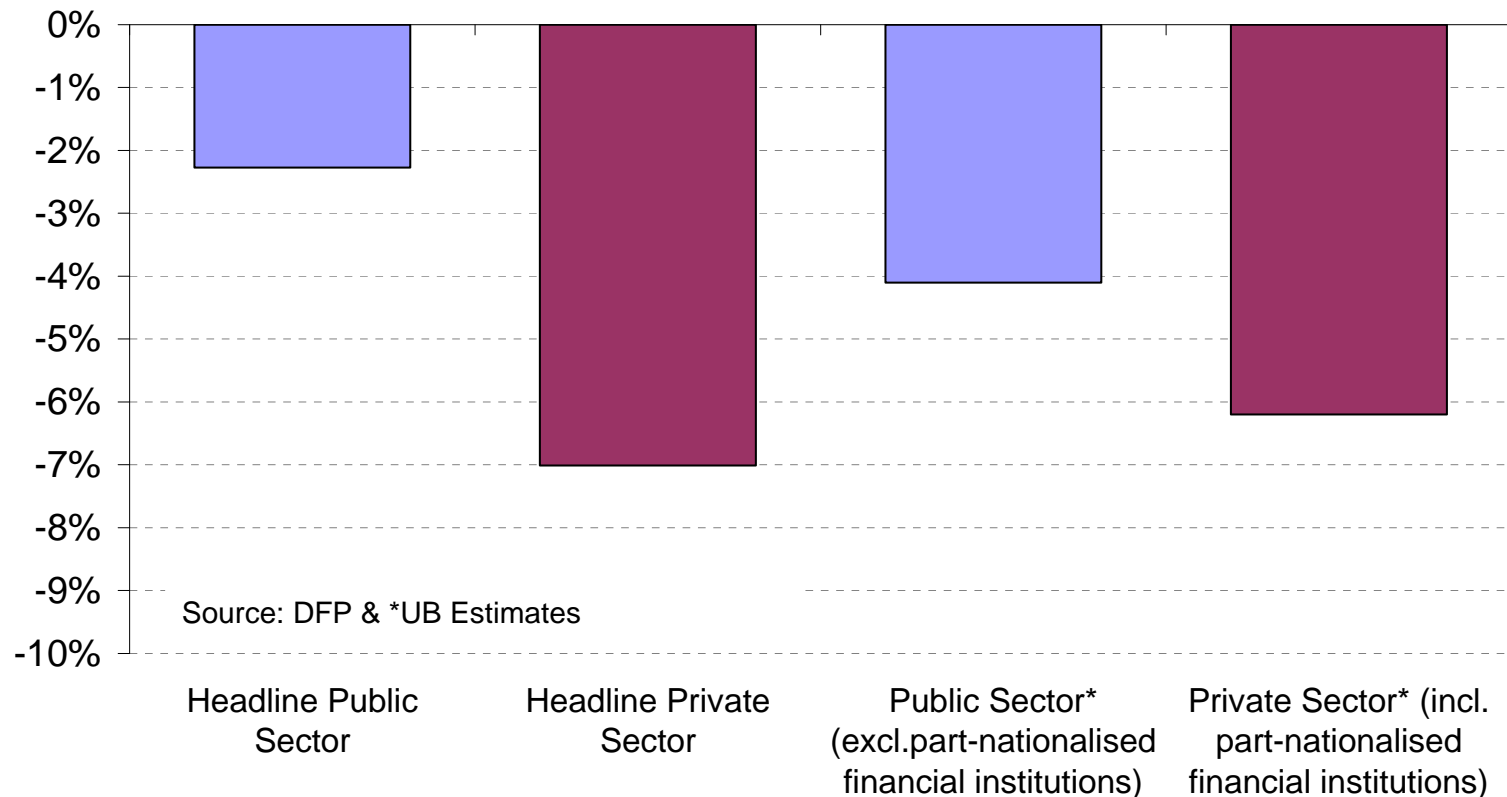
# Public sector employment boom has been & gone. A sustained period of job losses is anticipated going forward

## NI Public Sector Employee Jobs Levels



Private sector employment has fallen by an estimated 6.2% since peak with public sector down around 4.1%

NI Public & Private Sector Employment % Change  
Q2 2008 - Q3 2012

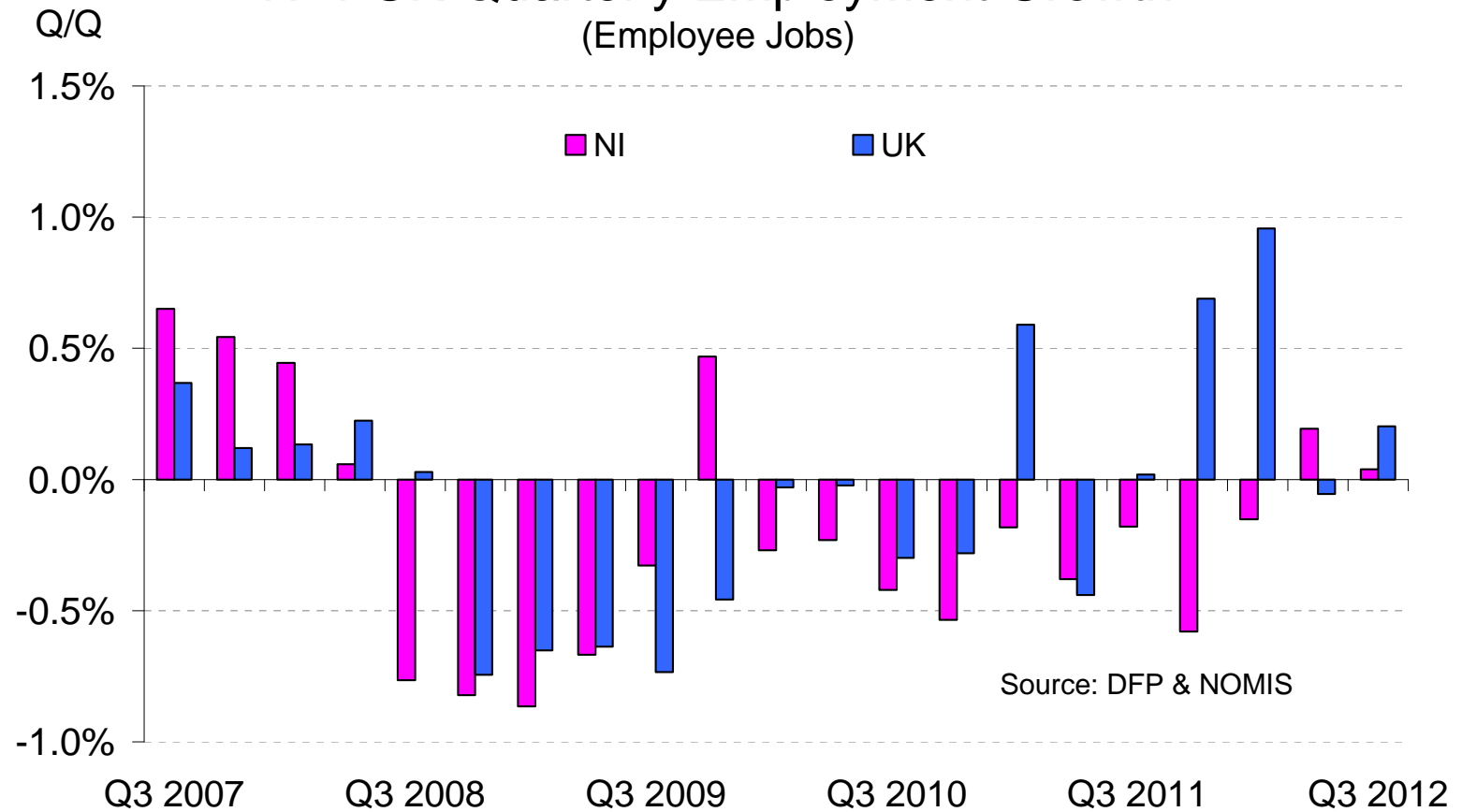


*NI V UK*  
*Employment Performance*  
*Employee Jobs*

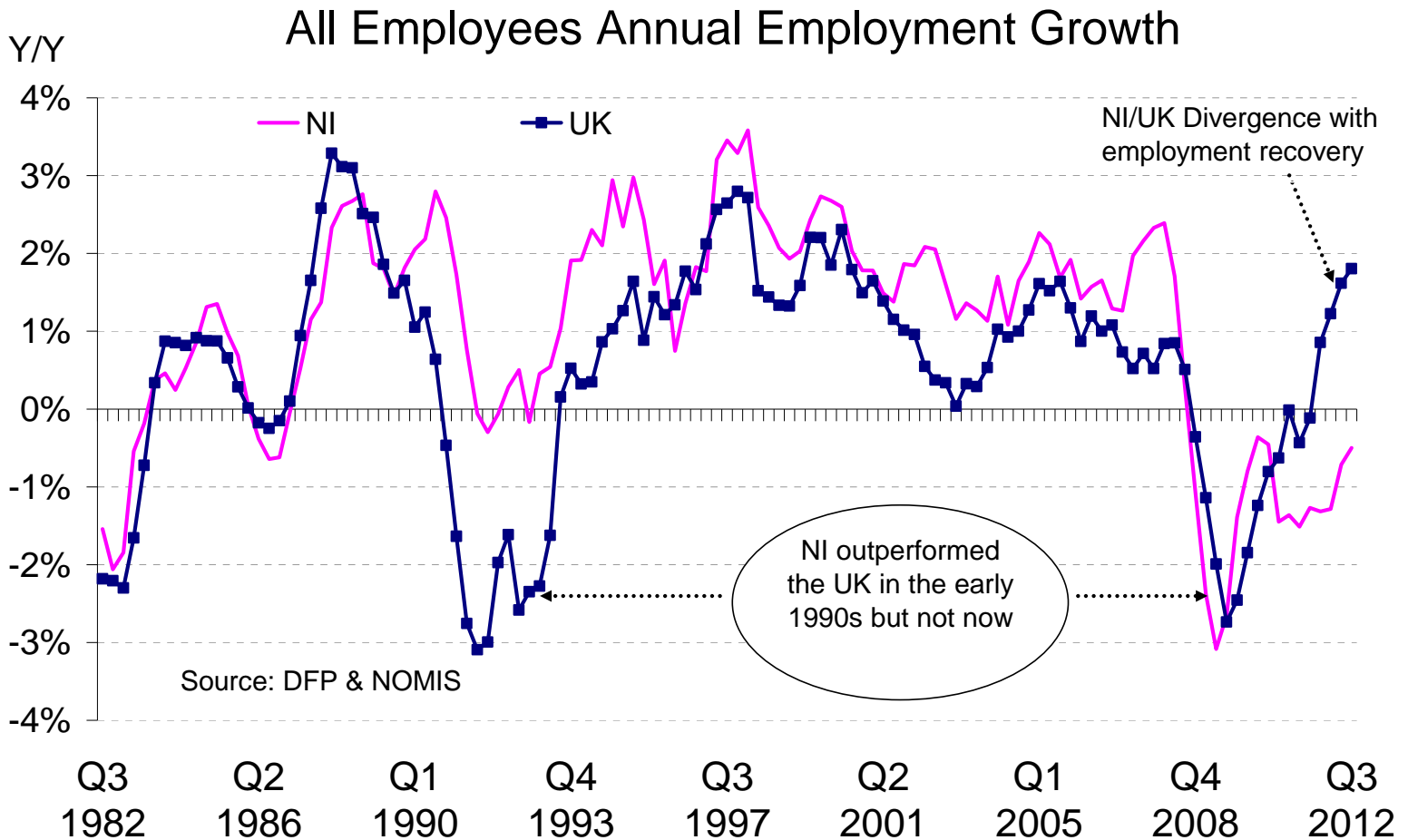


# The UK posts growth in 3 of the last 4 quarters

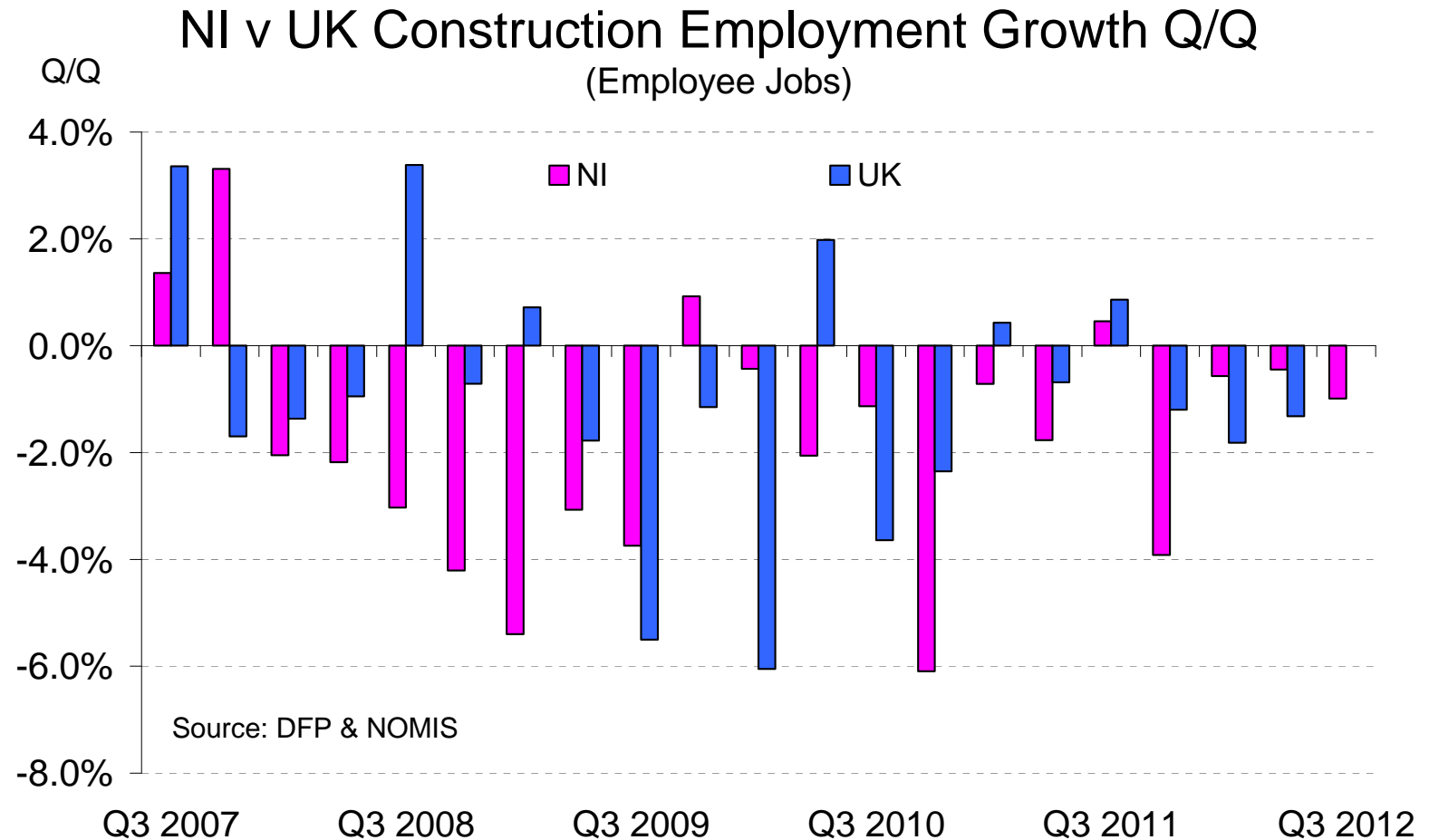
## NI v UK Quarterly Employment Growth (Employee Jobs)



# NI has not posted year-on-year employment growth since Q3 2008



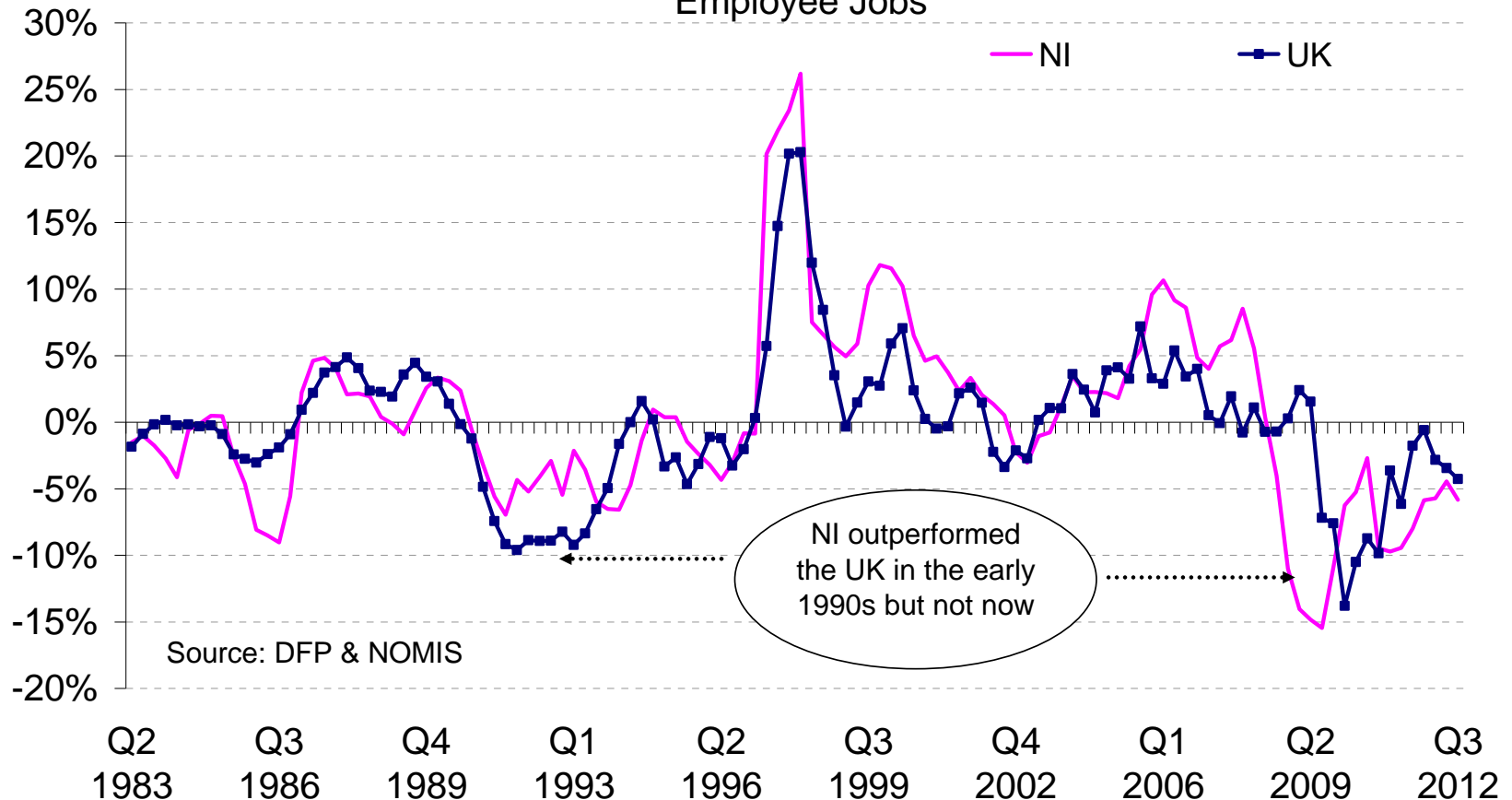
# Employment growth has been lacking in both NI & the UK construction sectors



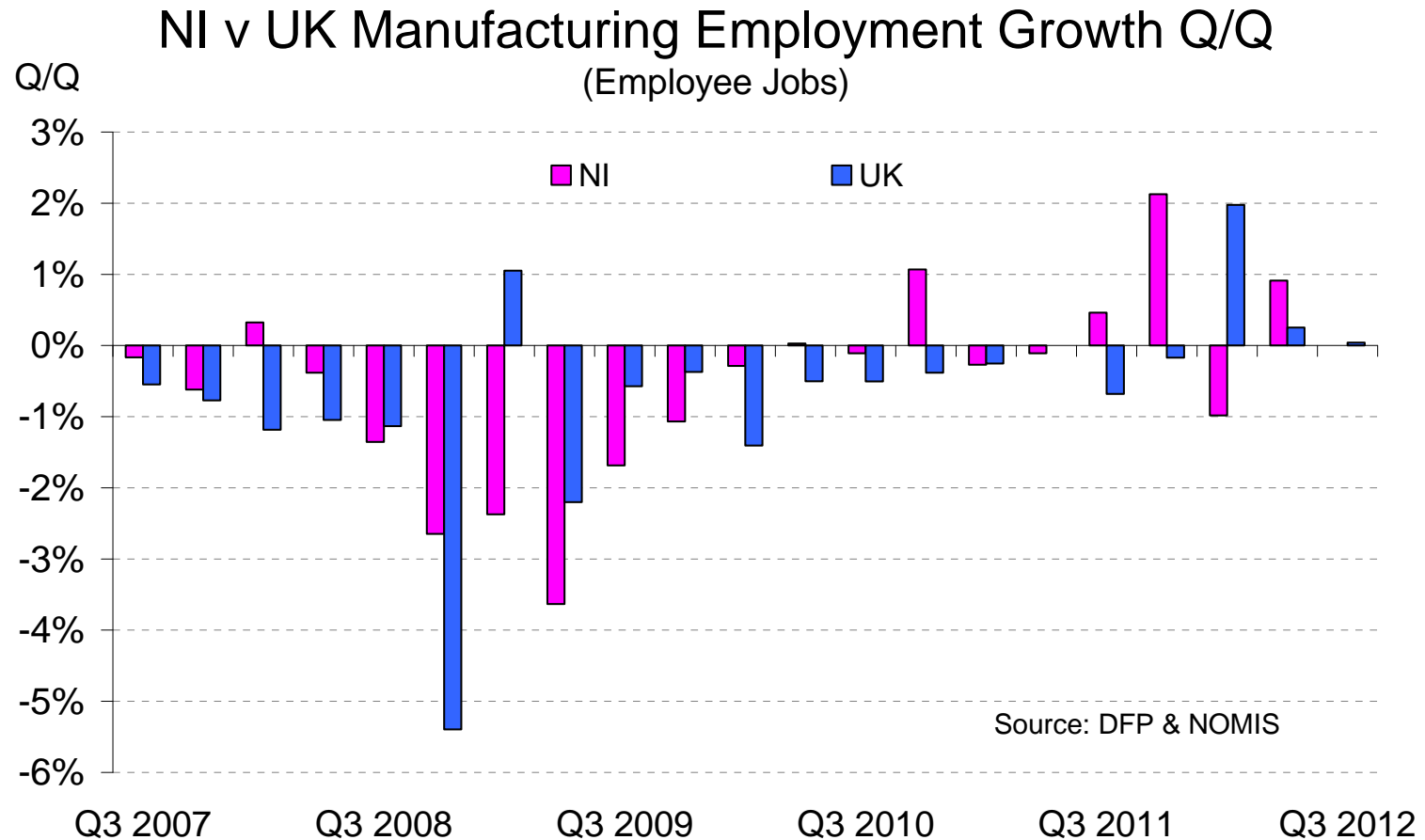
# NI's construction sector experienced sharper rises and falls relative to the UK

## Construction Annual Employment Growth

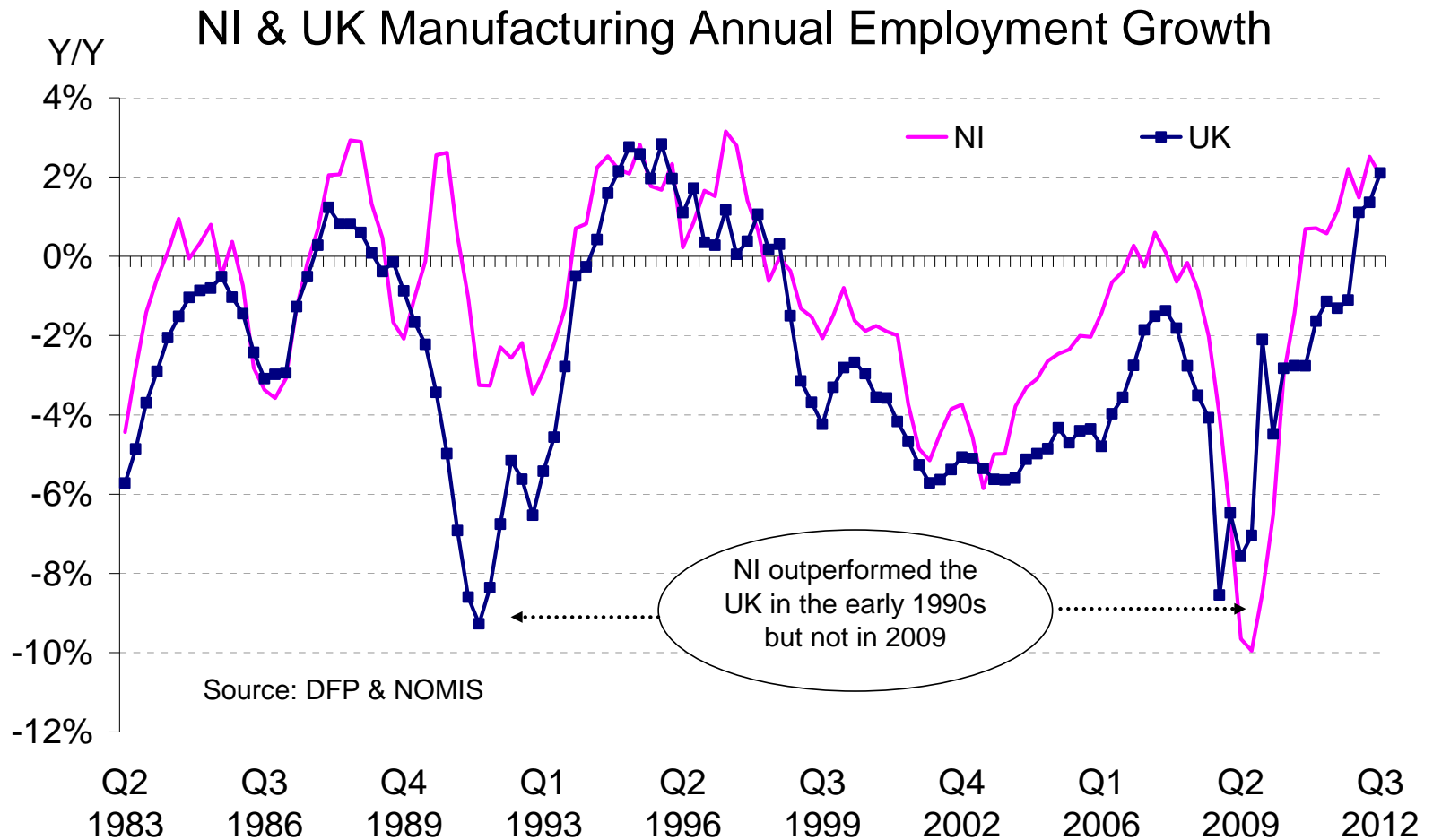
Employee Jobs



# Both NI & UK manufacturing employment growth flat in Q3

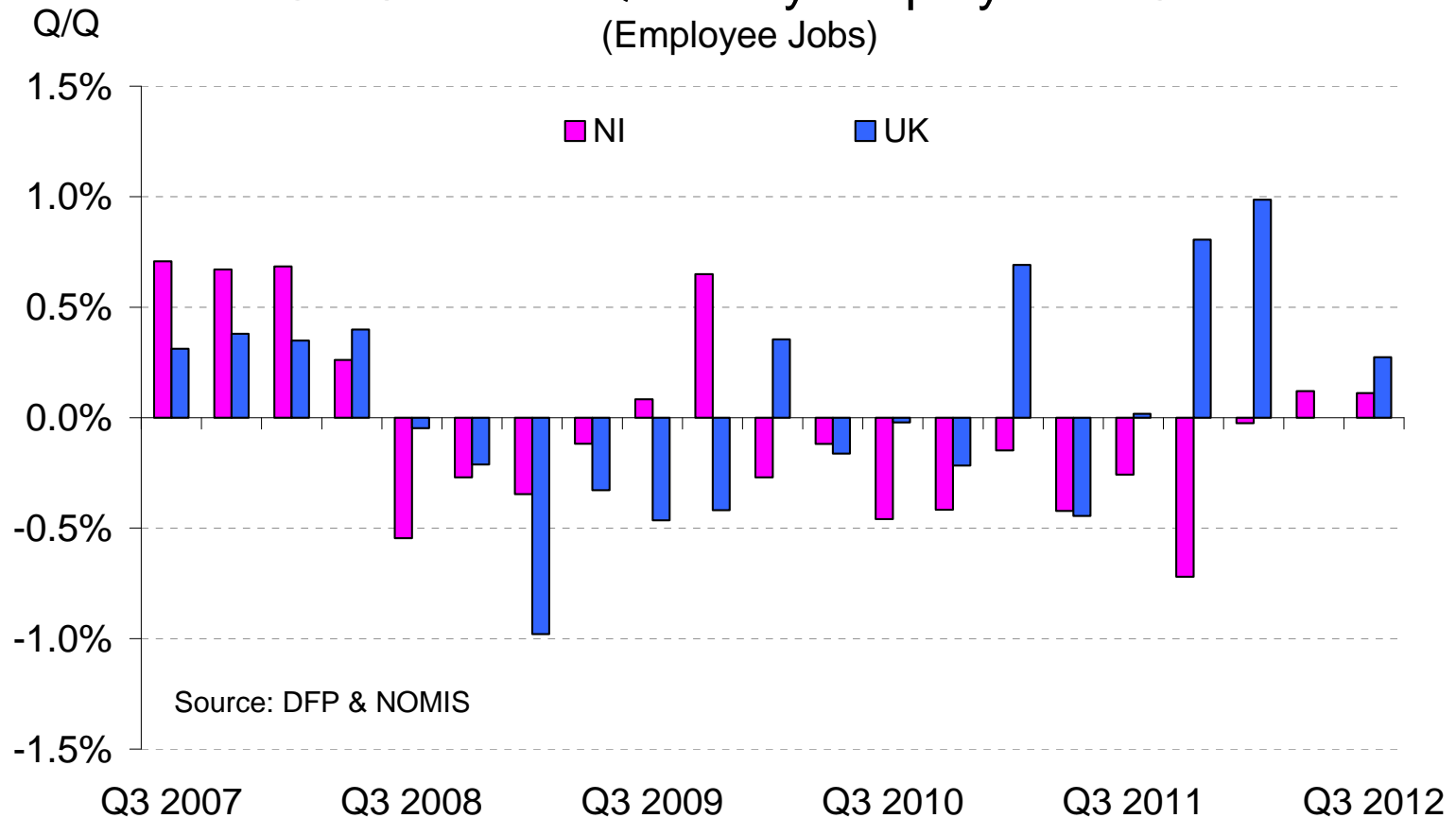


# NI experienced a shallower employment recession in the 1980s relative to the UK. History has not repeated itself

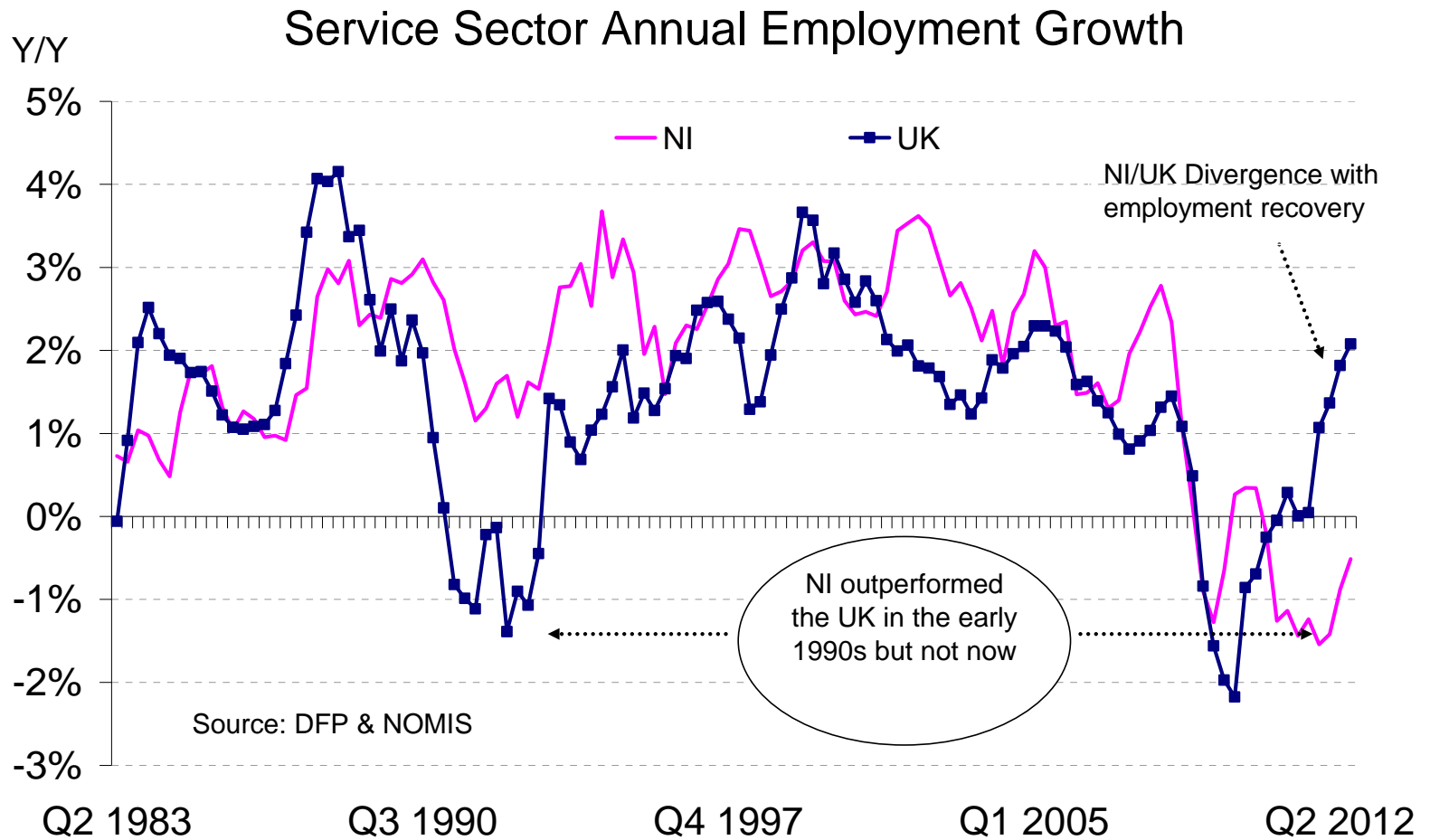


# UK service sector has posted employment gains in 4 of the last 6 quarters, NI has managed just 2 quarters

## NI v UK Services Quarterly Employment Growth (Employee Jobs)



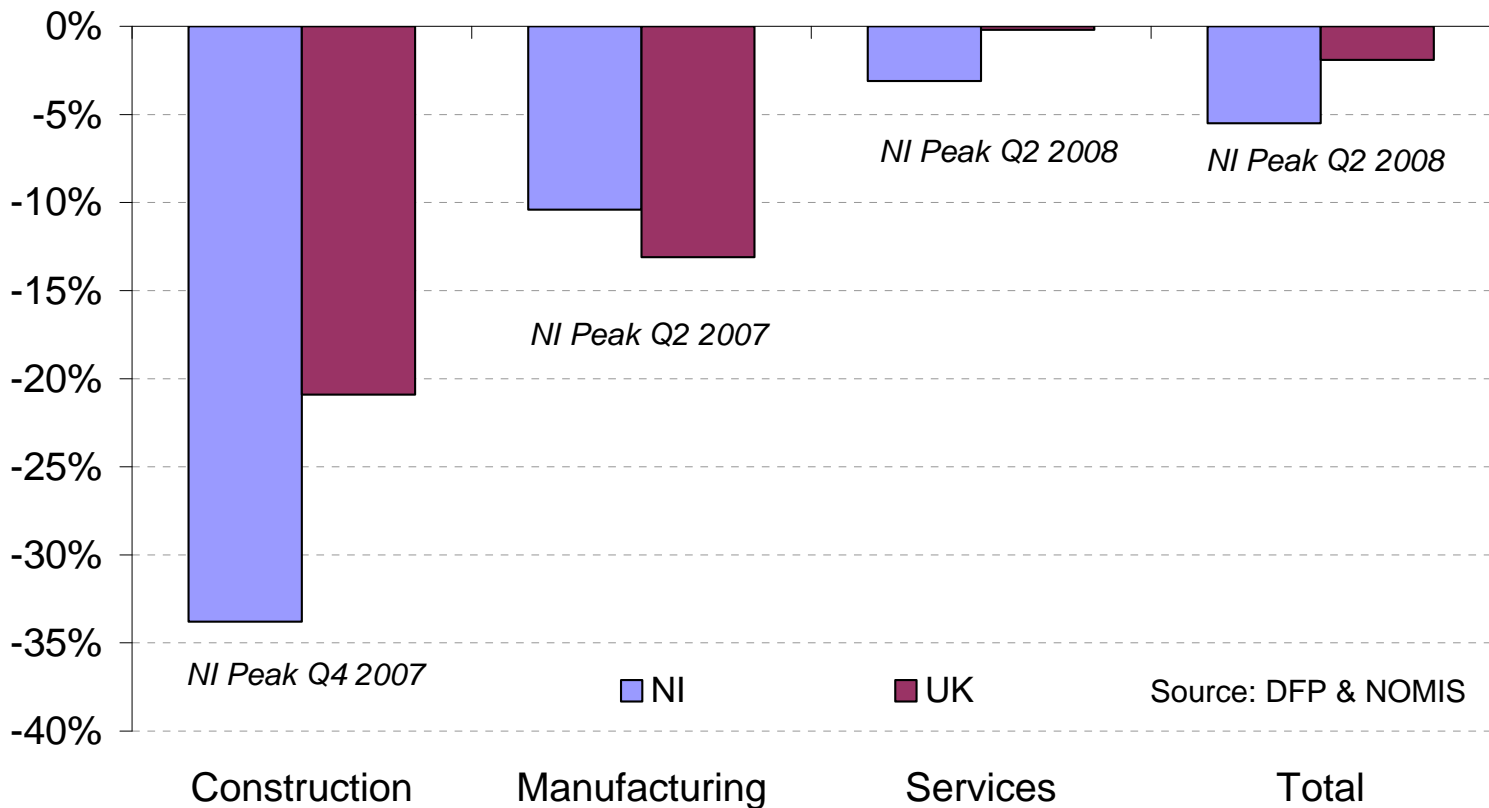
# NI's service sector diverged from the UK in the 1990s UK recession & is diverging in the current one too





# Apart from manufacturing, NI's job losses have been more severe than in the UK

## Employee Jobs Q3 2012 relative to recent peaks



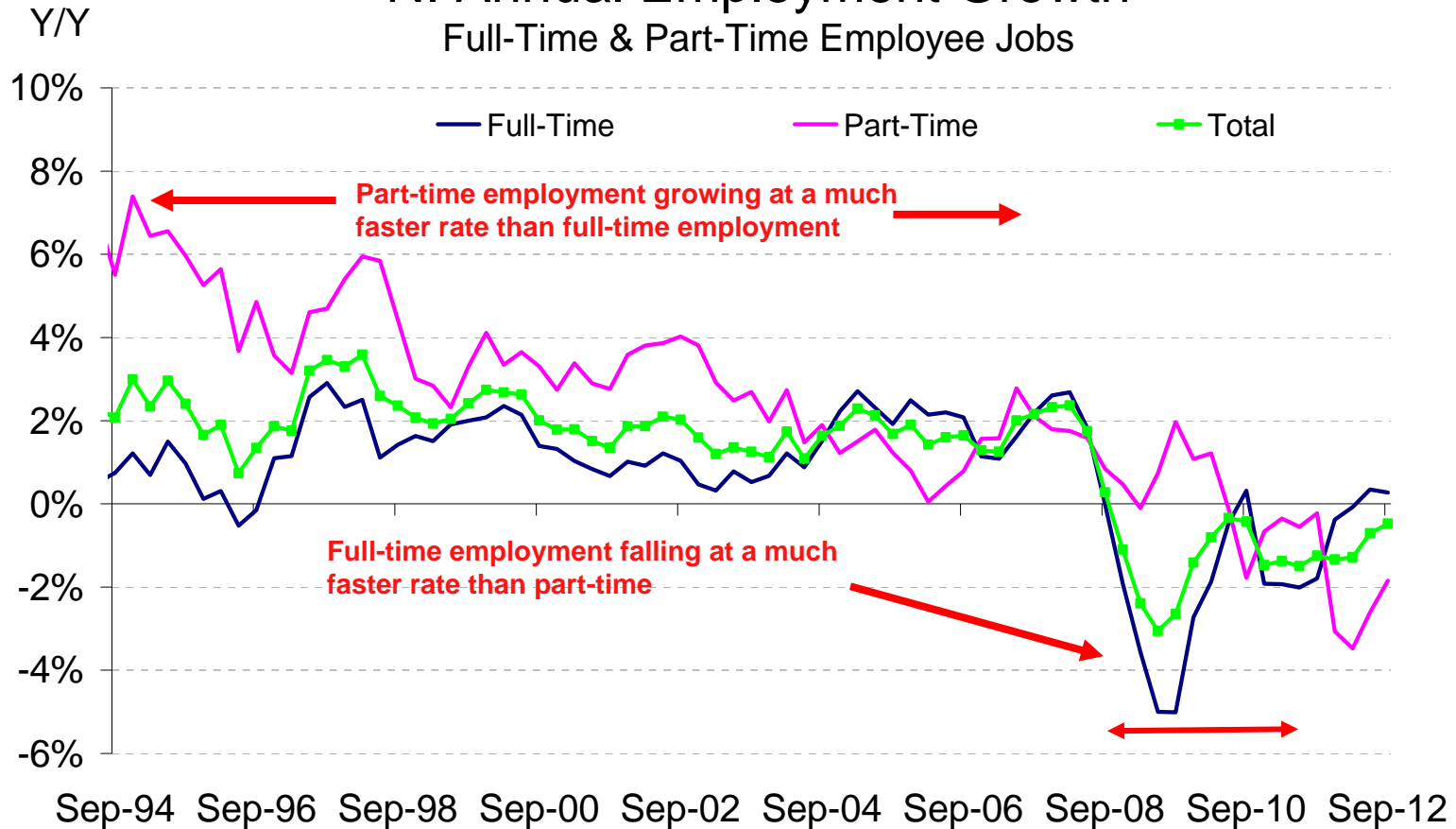
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*NI & UK Employee Jobs  
Full-Time & Part-Time*

# Employment boom was predominantly part-time jobs while employment gloom is largely full-time

## NI Annual Employment Growth

Full-Time & Part-Time Employee Jobs



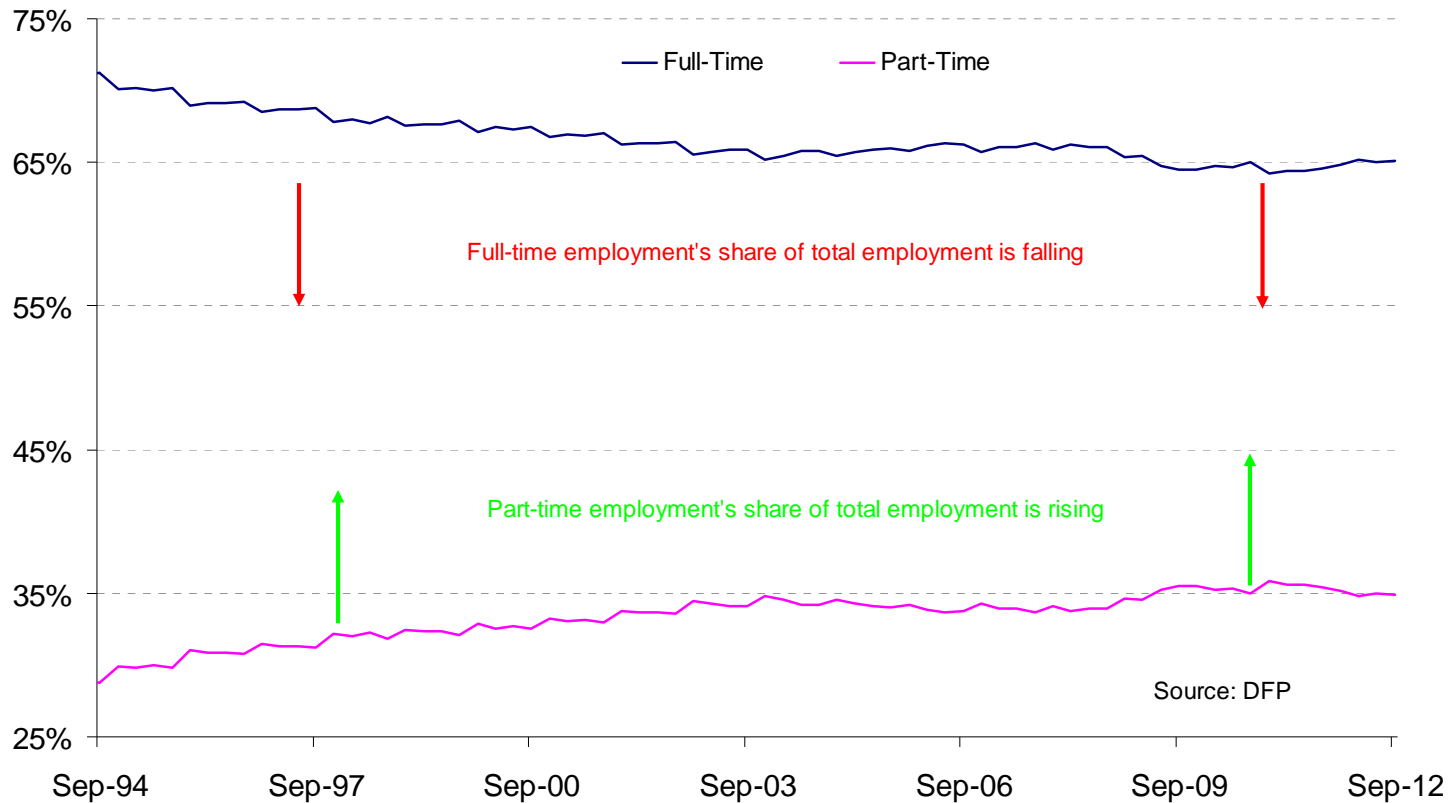
## More than twice as many full-time jobs lost as part-time

NI Employee Jobs Q3 2012 relative to recent peaks

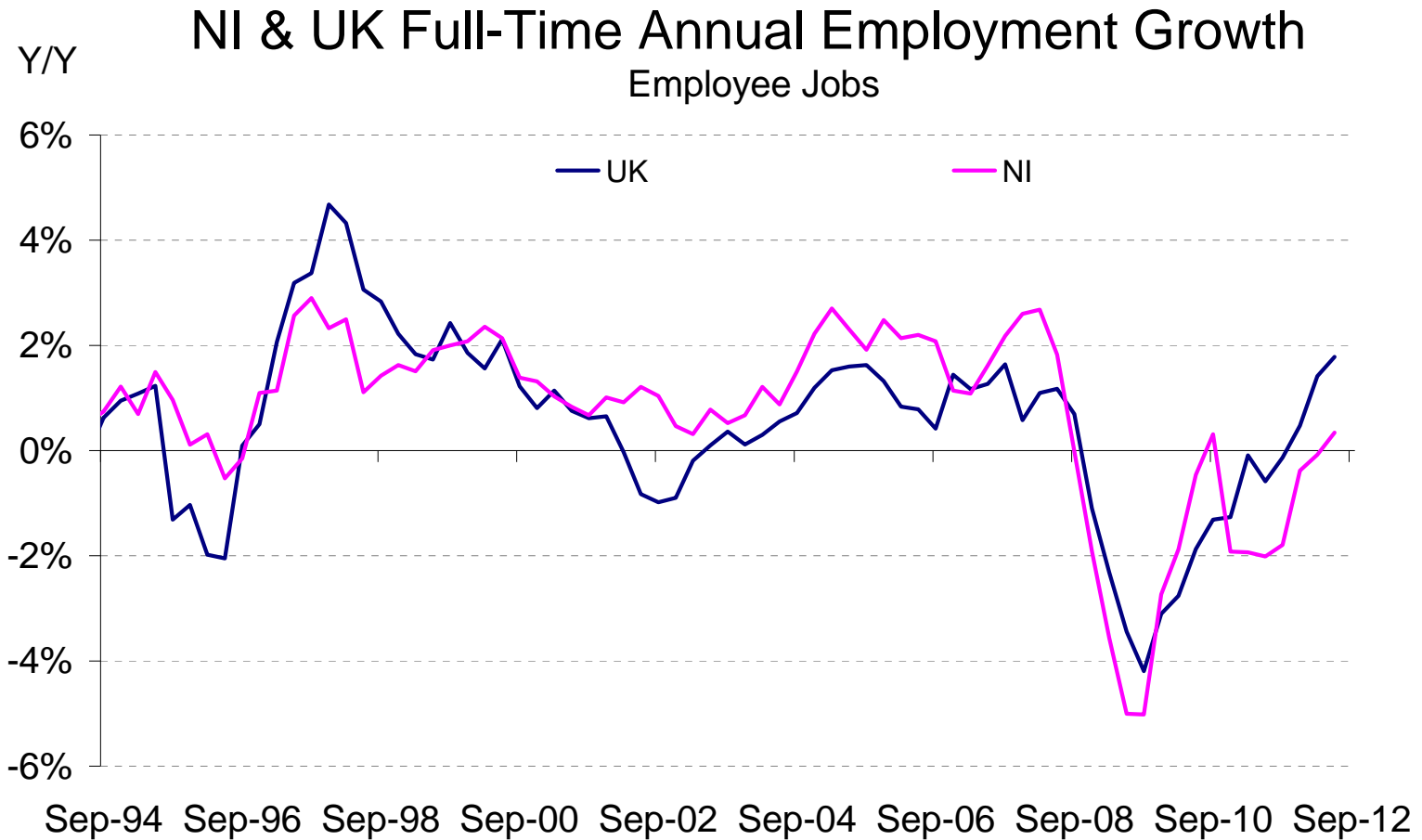


## ...leading to a change in NI's employment mix

### % of NI Employee Jobs Full-Time v Part-Time



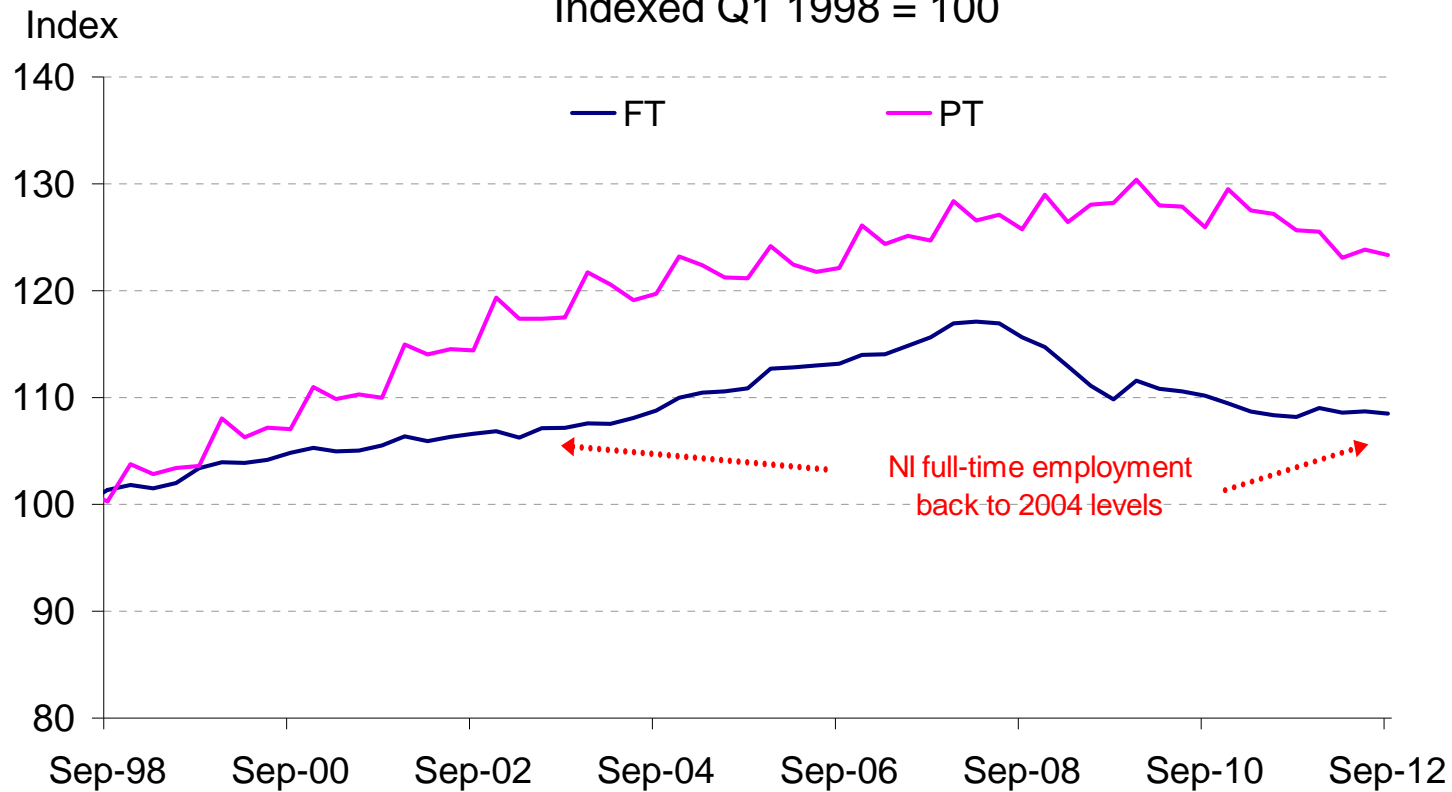
# NI outperformed the UK in the boom but is underperforming in the recovery



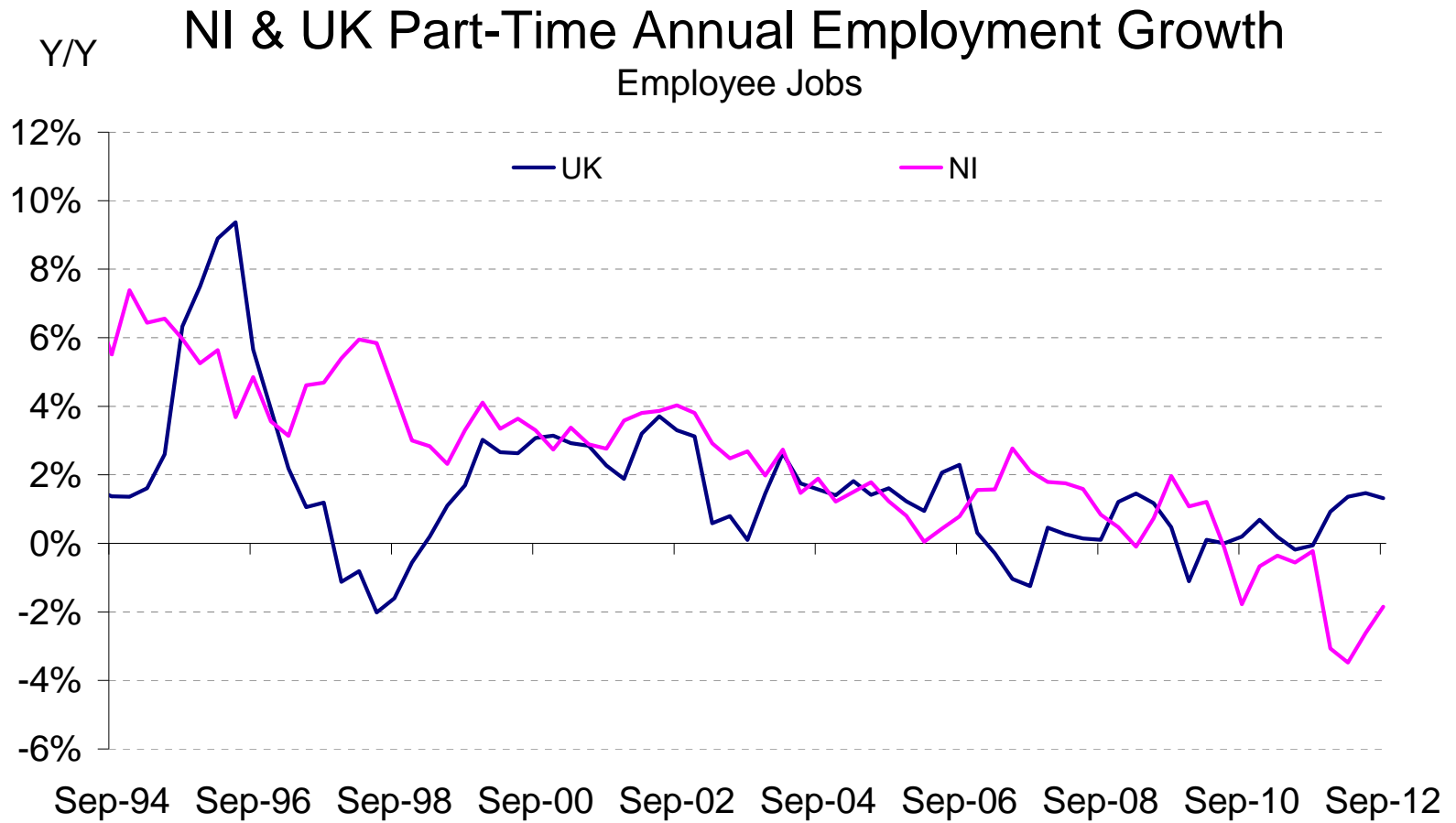
# NI's full-time employment back to 2004 levels

## NI Full-time & Part-time Employee Jobs

Indexed Q1 1998 = 100



# NI lags the UK in part-time employment growth too





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# Ulster Bank Northern Ireland Purchasing Managers Index (PMI)

*November 2012 Survey Update*

Issued 10<sup>th</sup> December 2012

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## *PMI Surveys*

*Purchasing Managers' Indexes (PMIs) are monthly surveys of private sector companies which provide an advance indication of what is happening in the private sector economy by tracking variables such as output, new orders, employment and prices across different sectors.*

*Index numbers are calculated from the percentages of respondents reporting an improvement, no change or decline on the previous month. These indices vary from 0 to 100 with readings of 50.0 signalling no change on the previous month. Readings above 50.0 signal an increase or improvement; readings below 50.0 signal a decline or deterioration. The greater the divergence from 50.0 the greater the rate of change (expansion or contraction). The indices are seasonally adjusted to take into consideration expected variations for the time of year, such as summer shutdowns or holidays.*

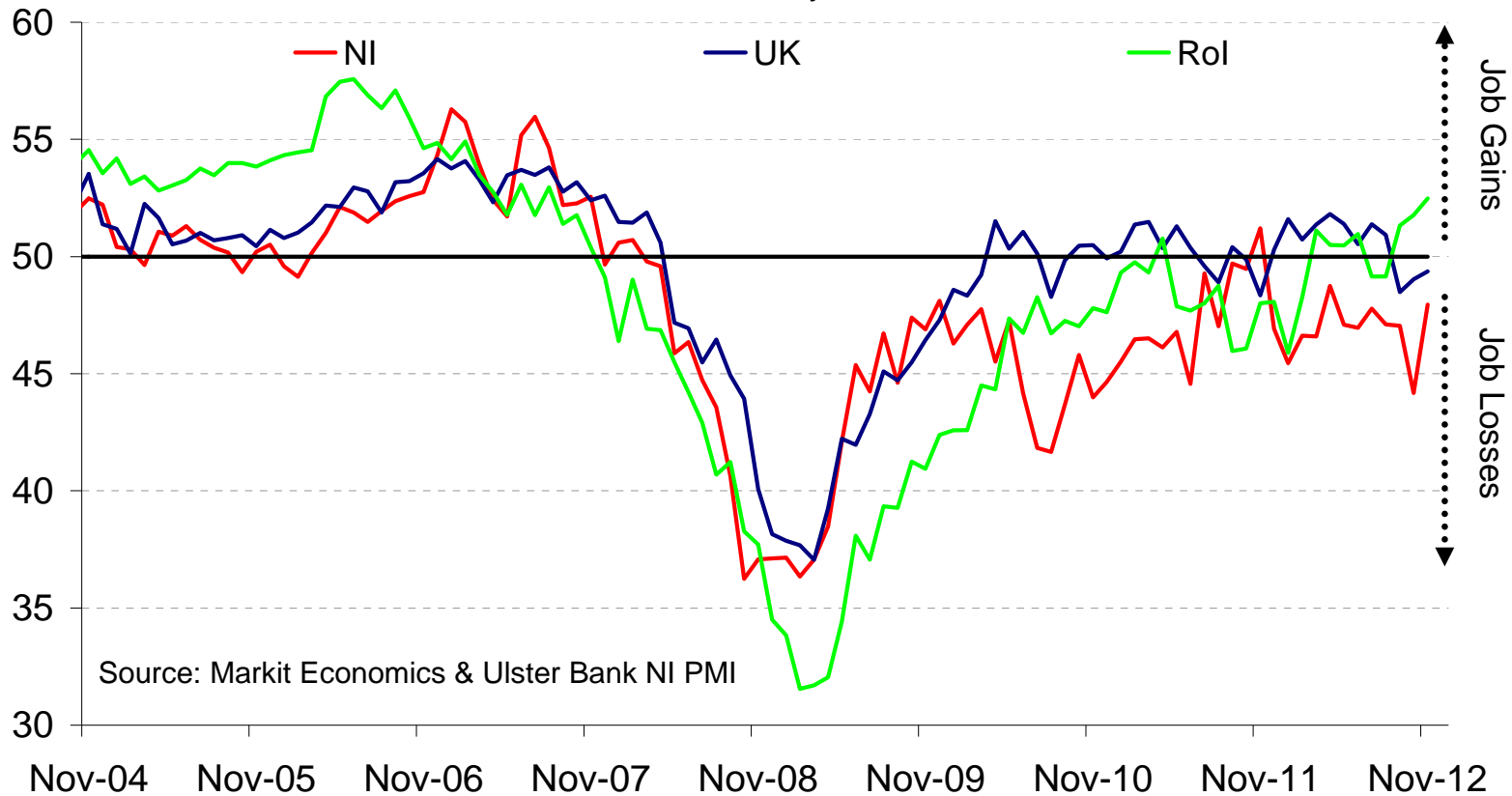
**< 50.0 = Contraction      50.0 = No Change      > 50.0 = Expansion**

*Data at a sector level are more volatile and **3-month moving averages** have been used to more accurately identify the broad trends.*

# Northern Ireland's rate of decline in employment levels eases sharply in November

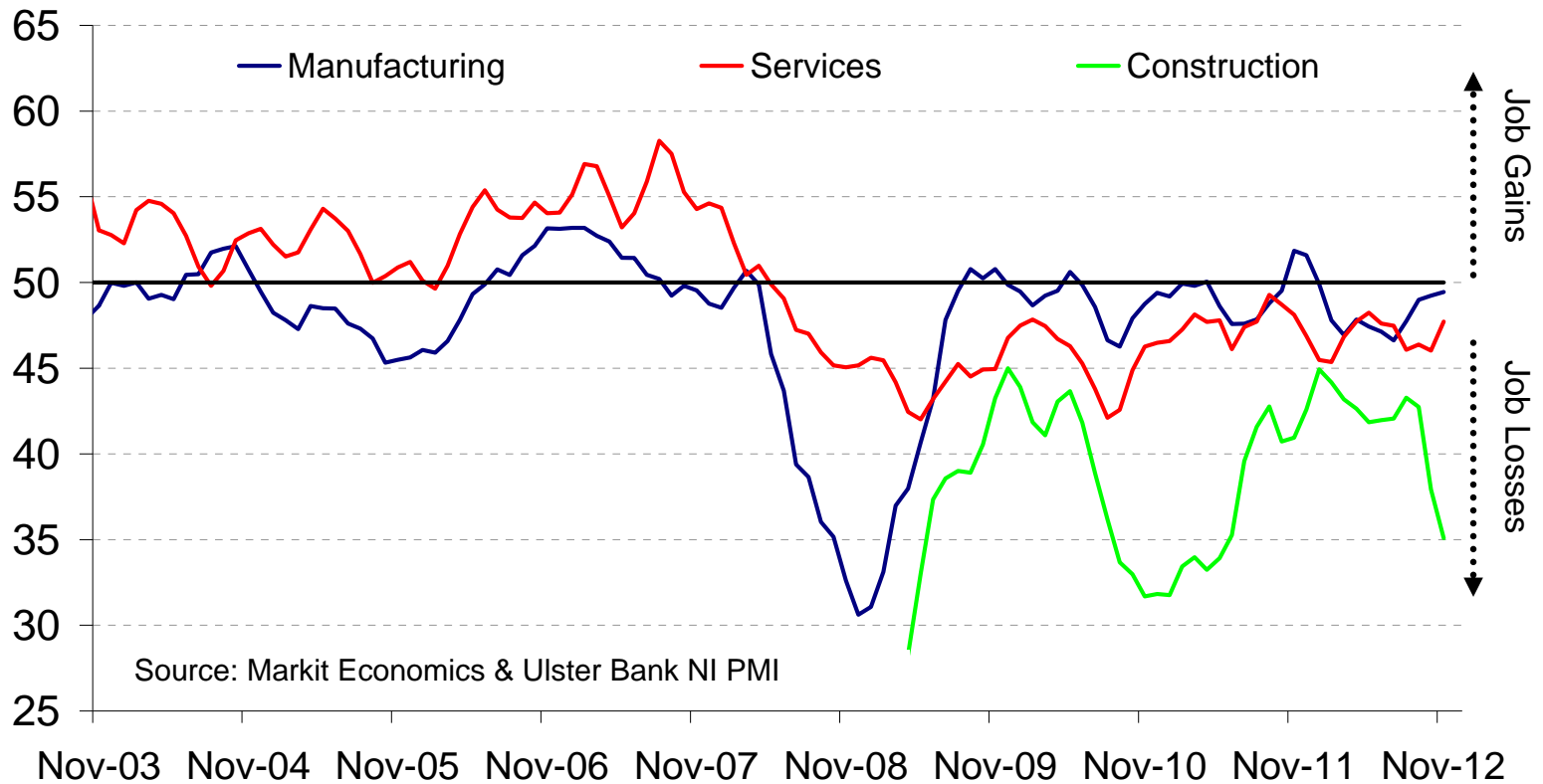
## Private Sector Employment Levels

Monthly



... all NI sectors post employment declines over last 3 months although manufacturing posts growth in November

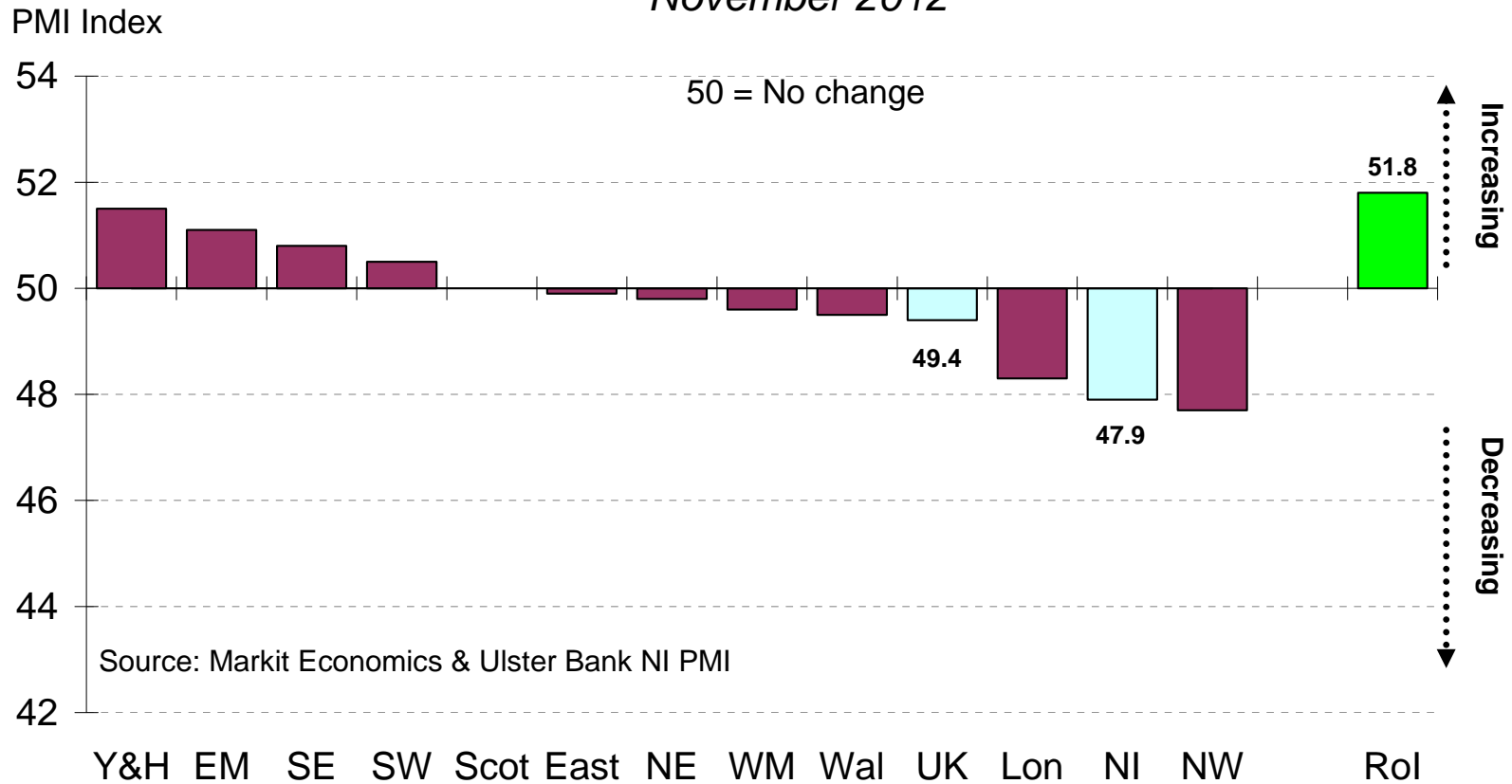
NI PMI - Employment Index  
3 month moving average



# After the North West, Northern Ireland posts the steepest decline in employment over the last month ...

## Employment Levels

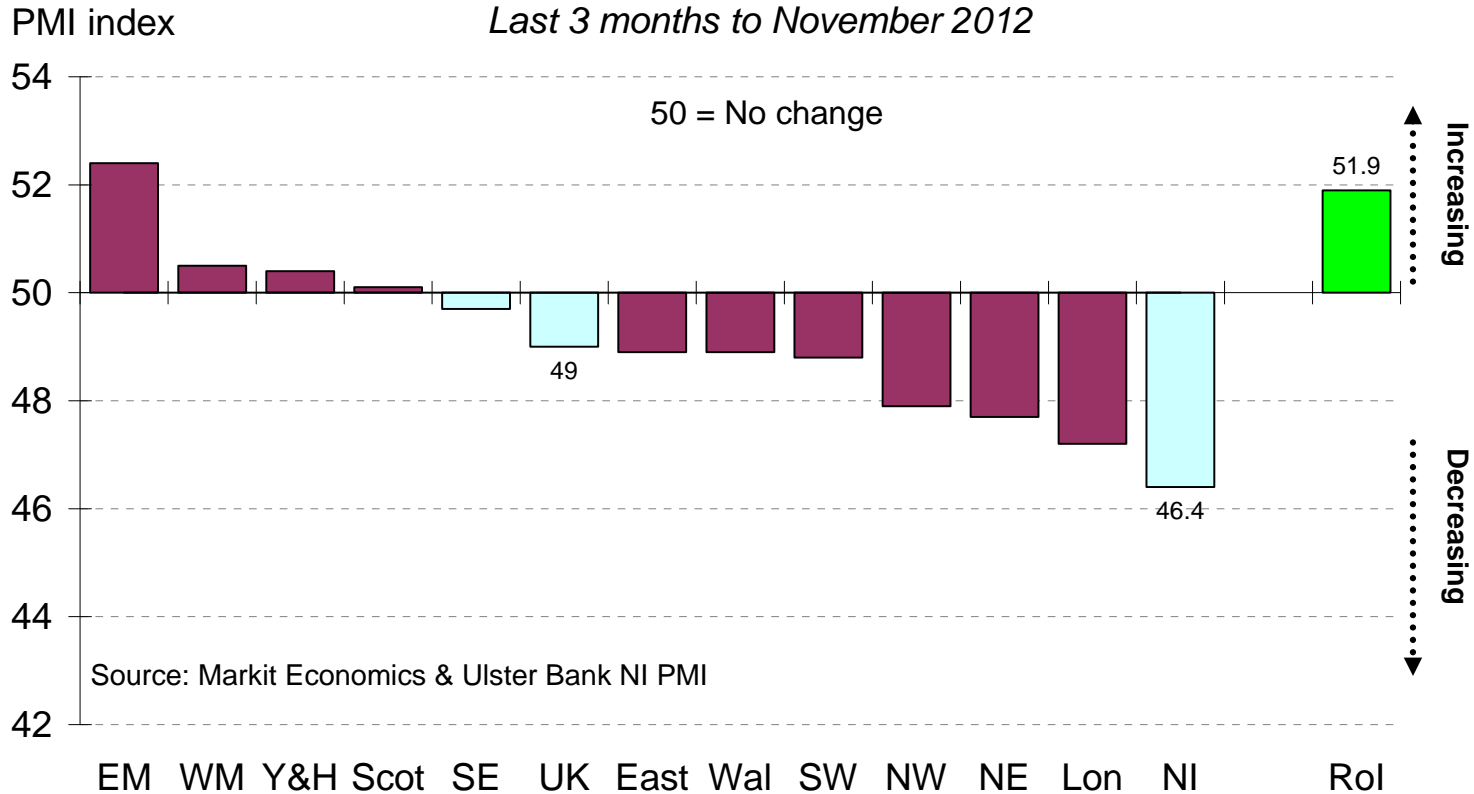
November 2012



...and steepest decline over the last 3 months...

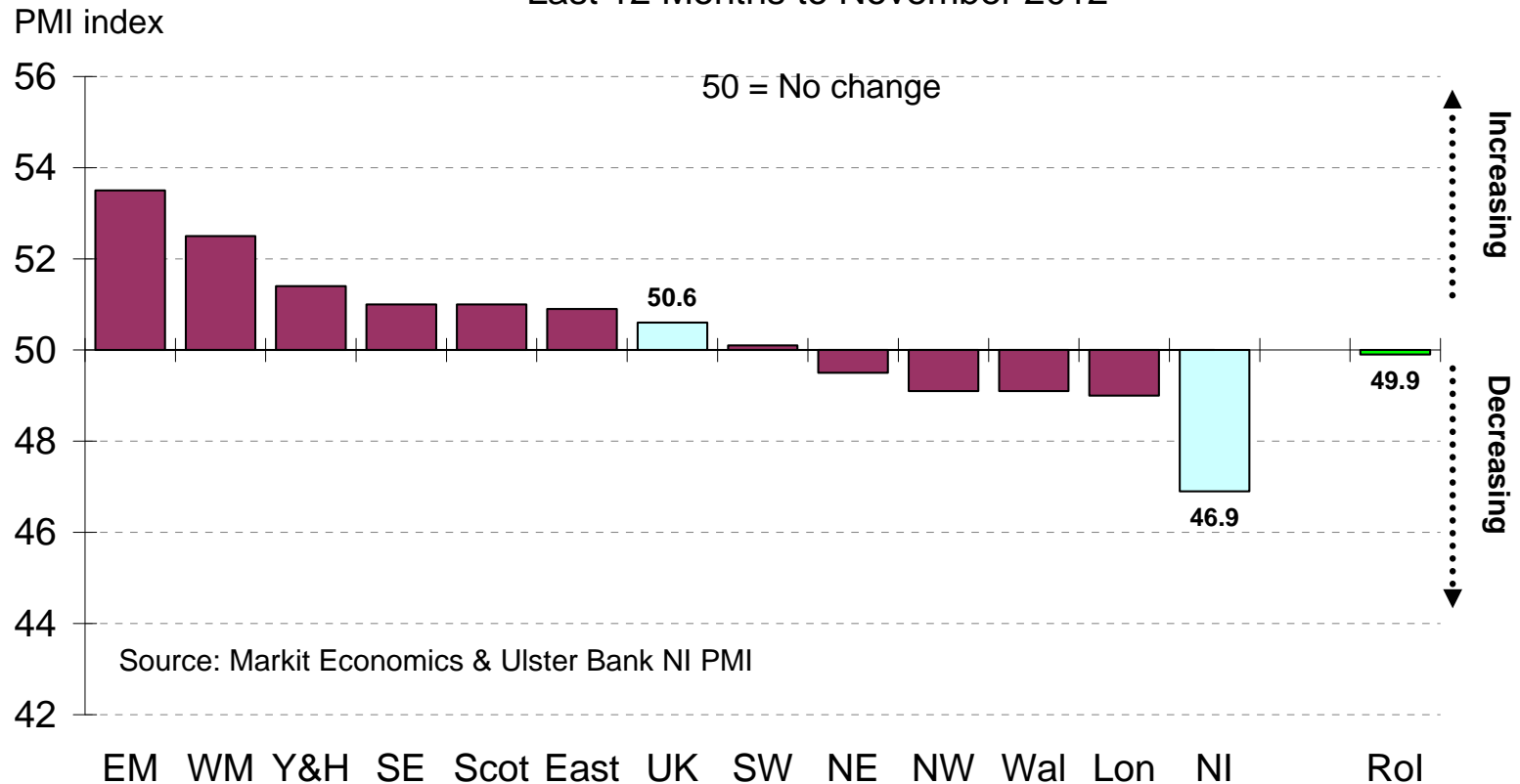
## Employment Levels

*Last 3 months to November 2012*



...and over the last 12 months

Employment Levels  
Last 12 Months to November 2012



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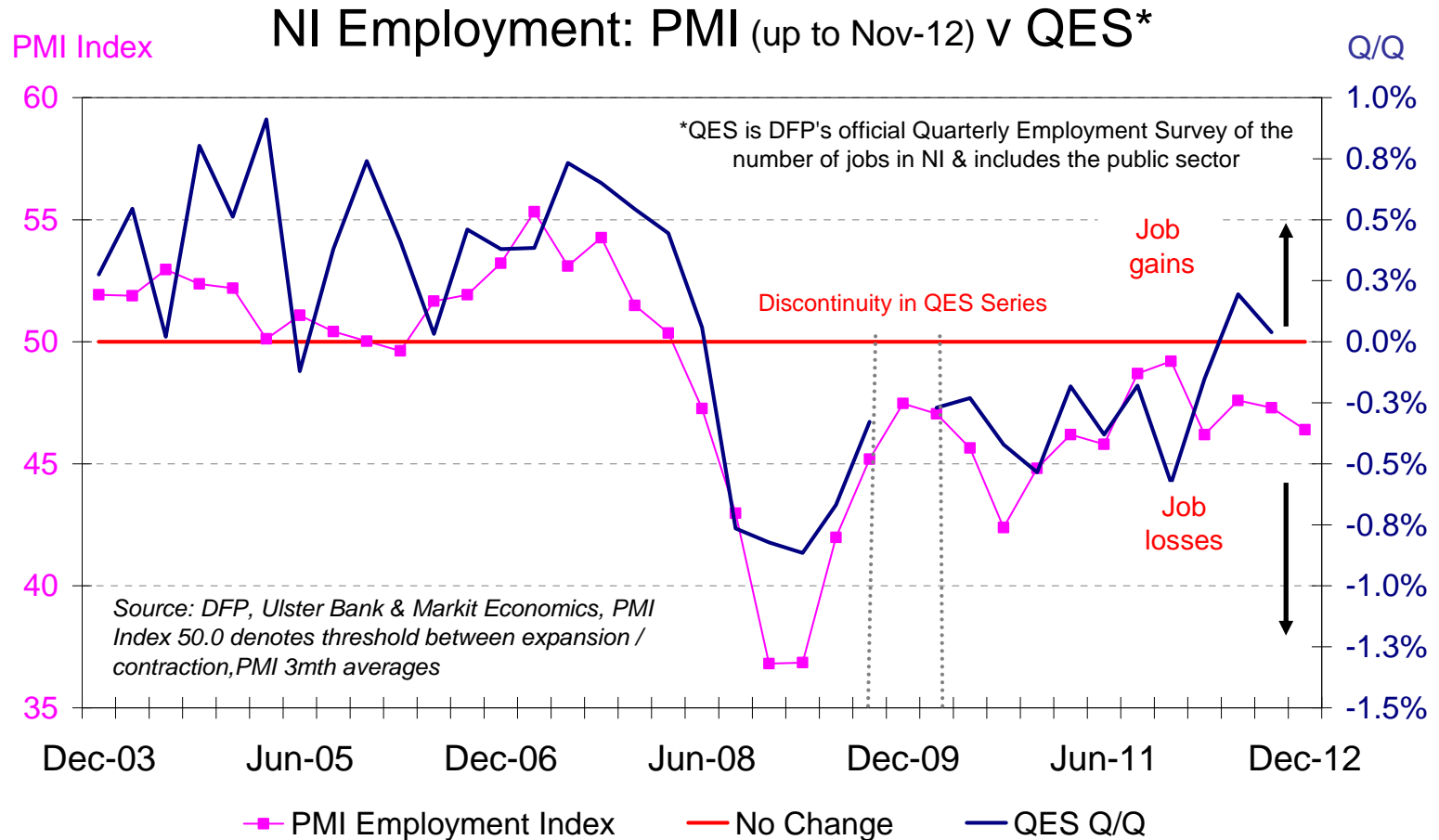
*Northern Ireland Quarterly  
Employment Survey (QES)*

V

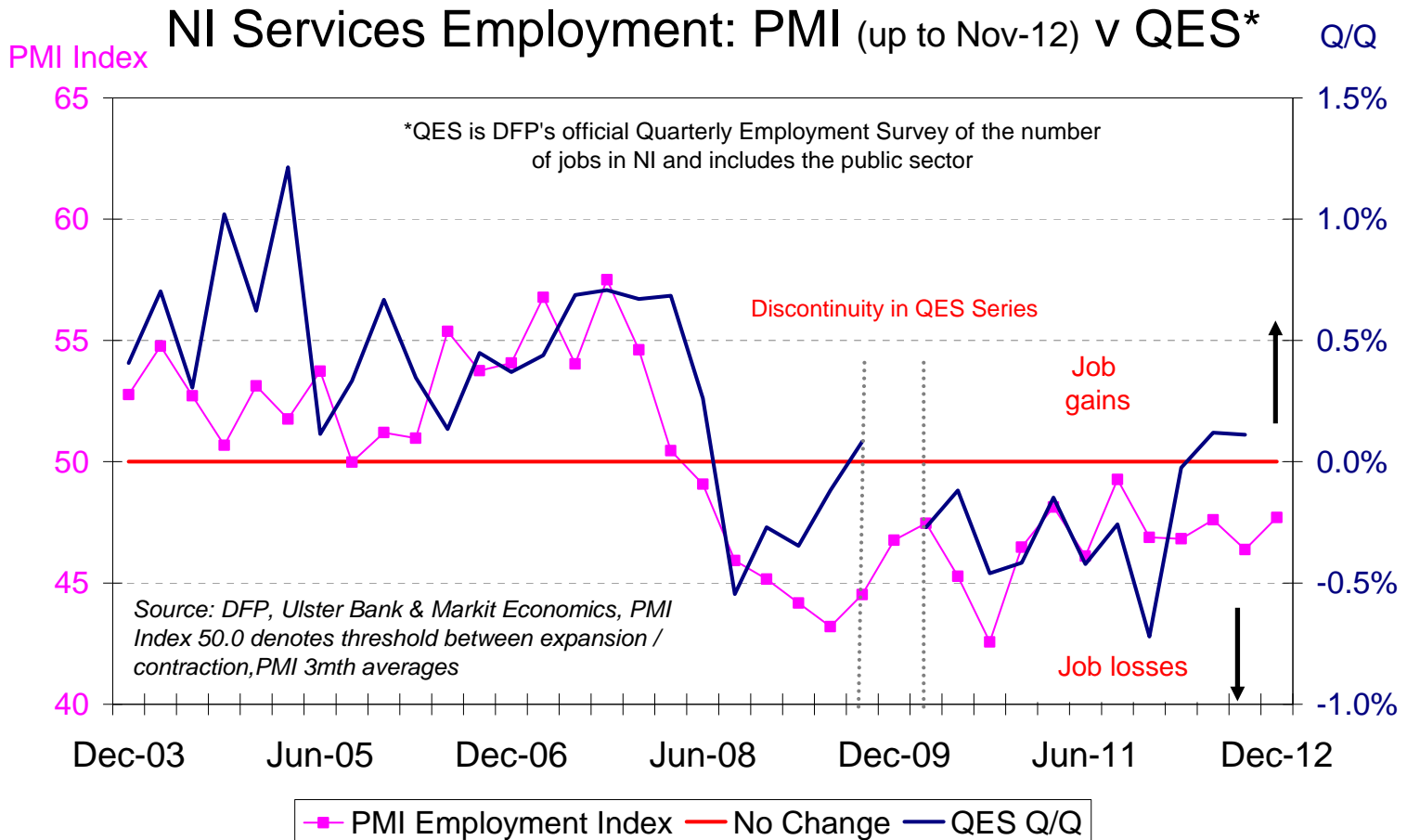
*Markit Economics / Ulster  
Bank PMI*



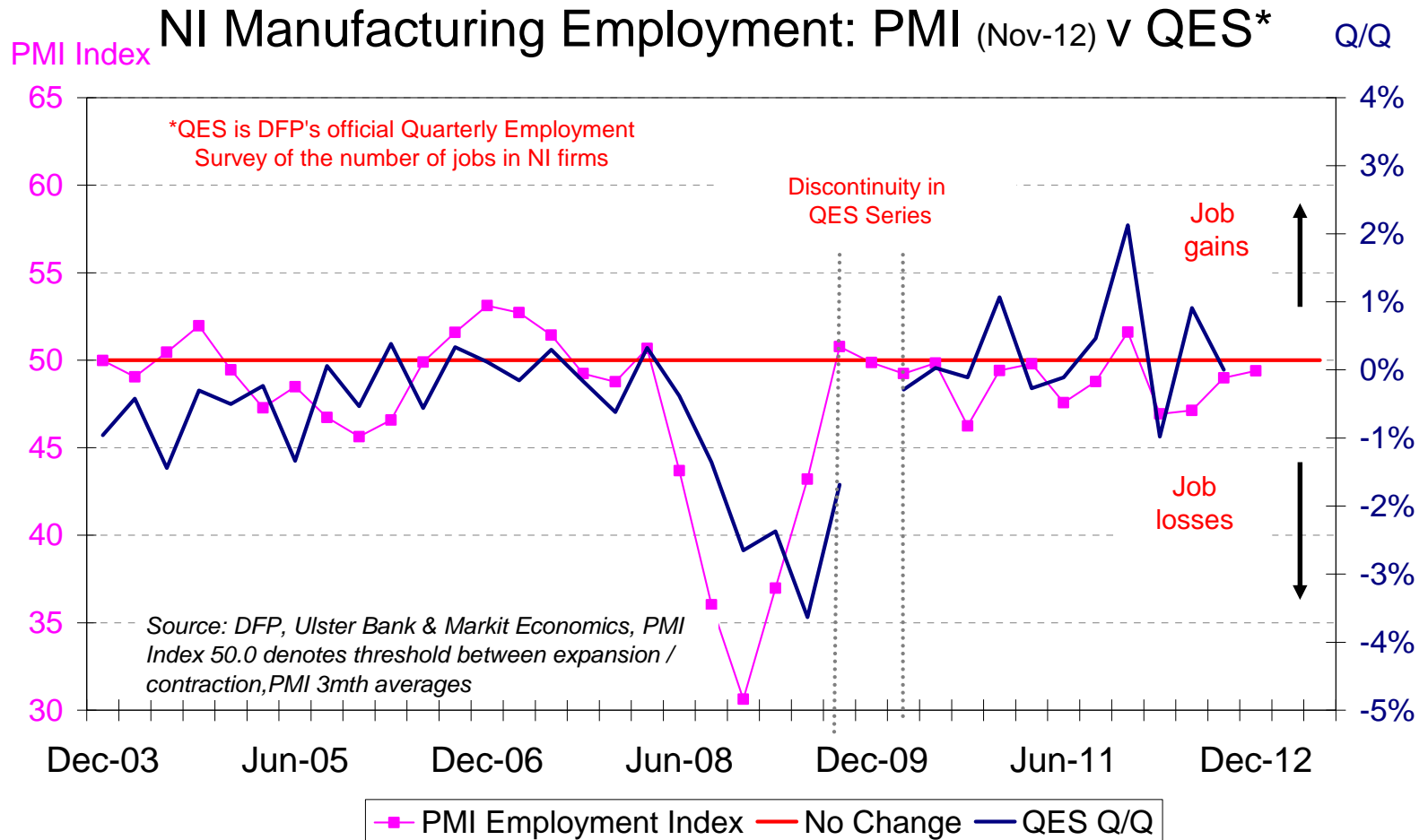
# PMI has been a reliable indicator of employment trends



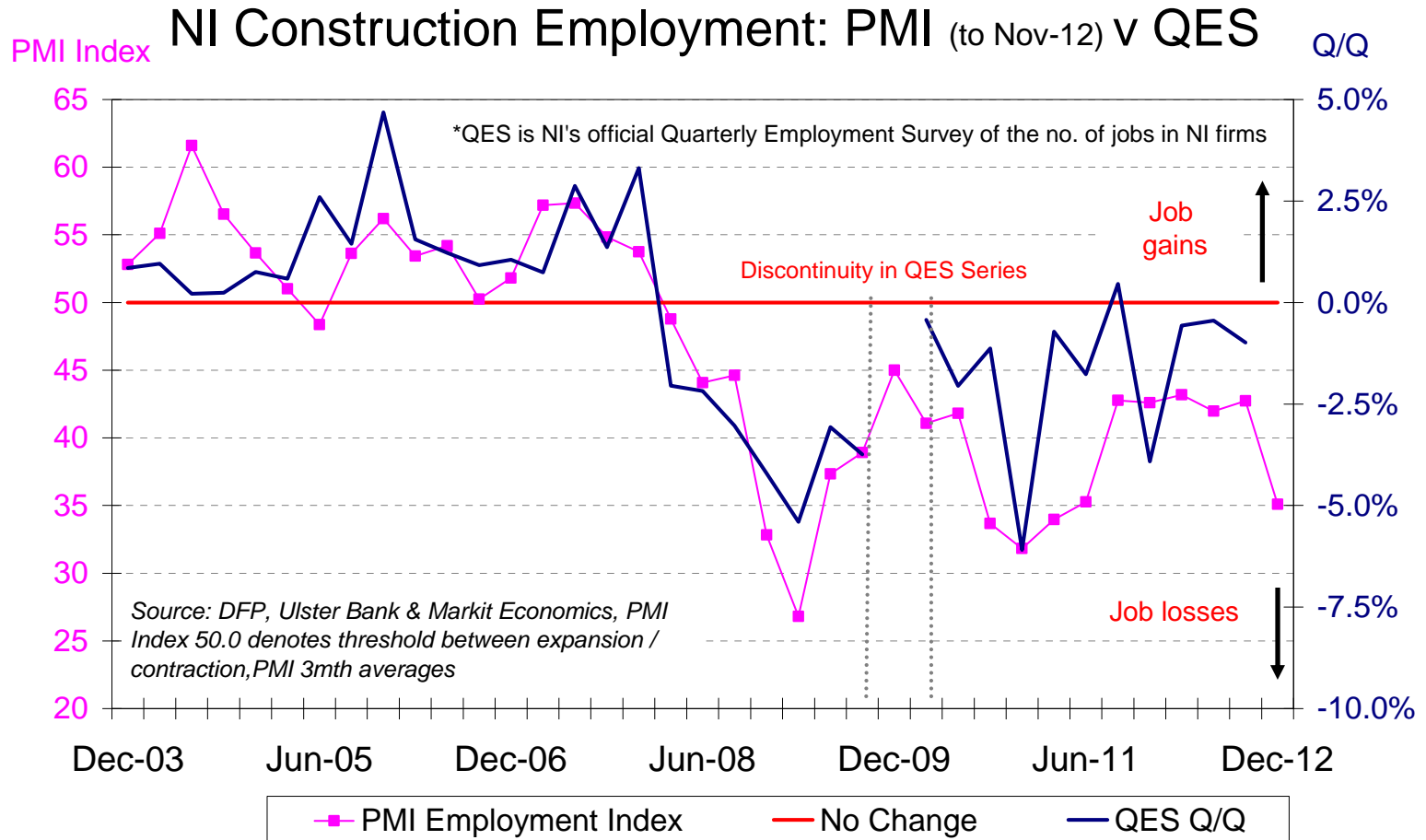
# Services PMI more negative in Q2 & Q3 than QES. Q4 PMI signals further job losses albeit marginal



# Manufacturing PMI suggested employment levels stabilised in Q3



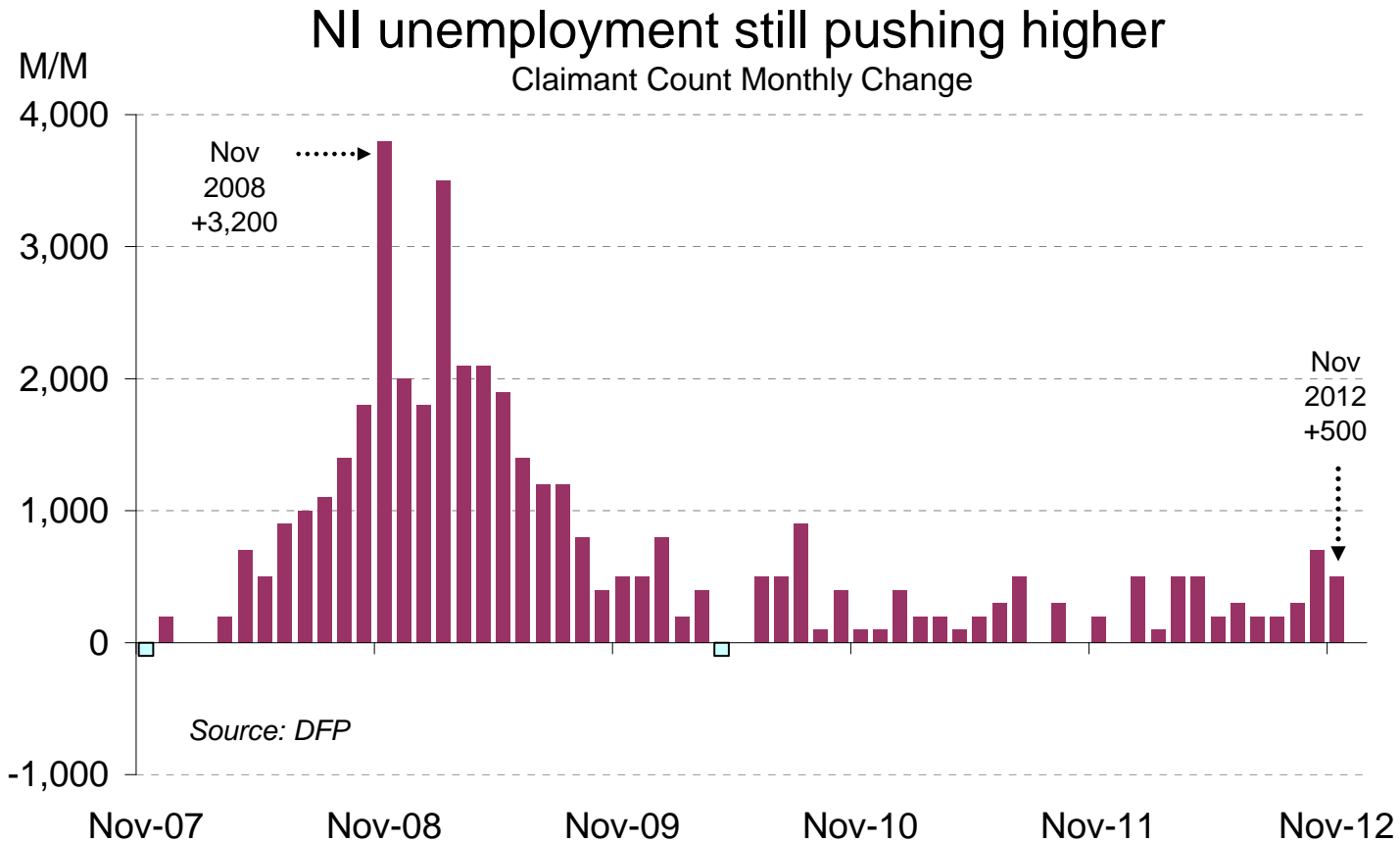
The PMI & official QES numbers have pointed to job losses throughout downturn. PMI suggests further job losses in Q4



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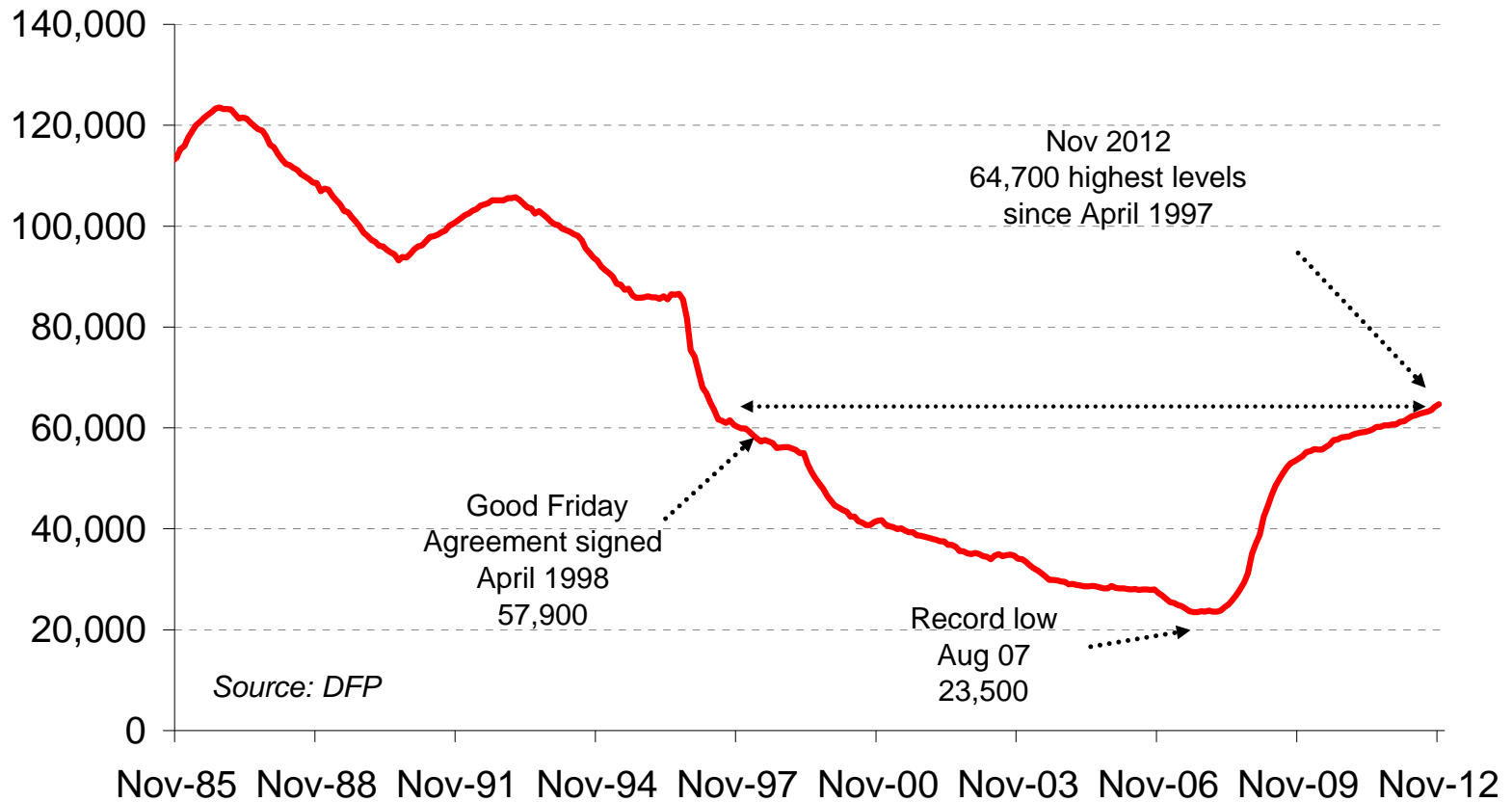
# *Unemployment*

# NI dole queue still lengthening on a monthly basis



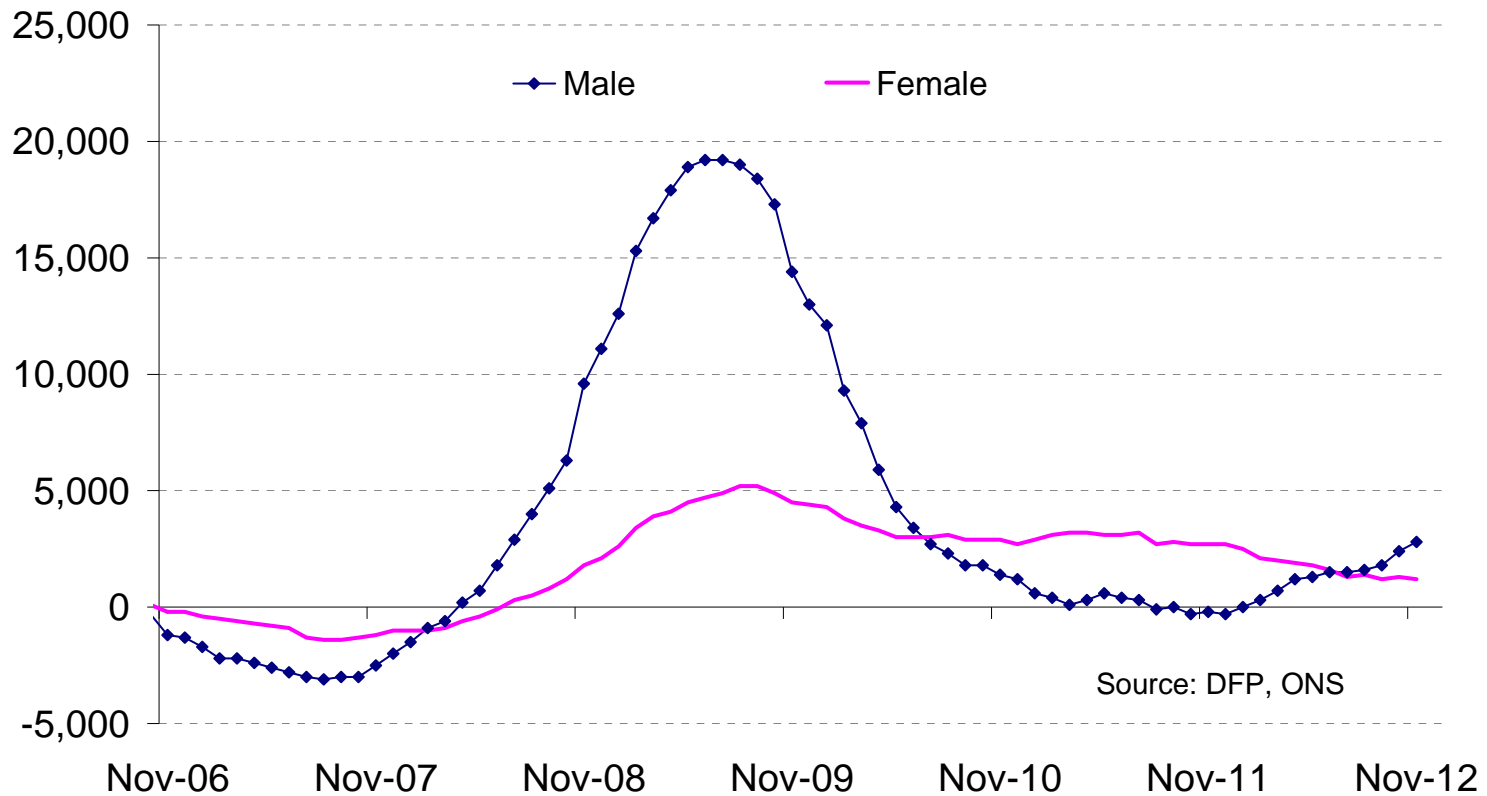
...the overall dole queue is now at 64,700

### NI Unemployment Claimant Count Levels



# No jobs for the boys? It's been a 'Mancecession'

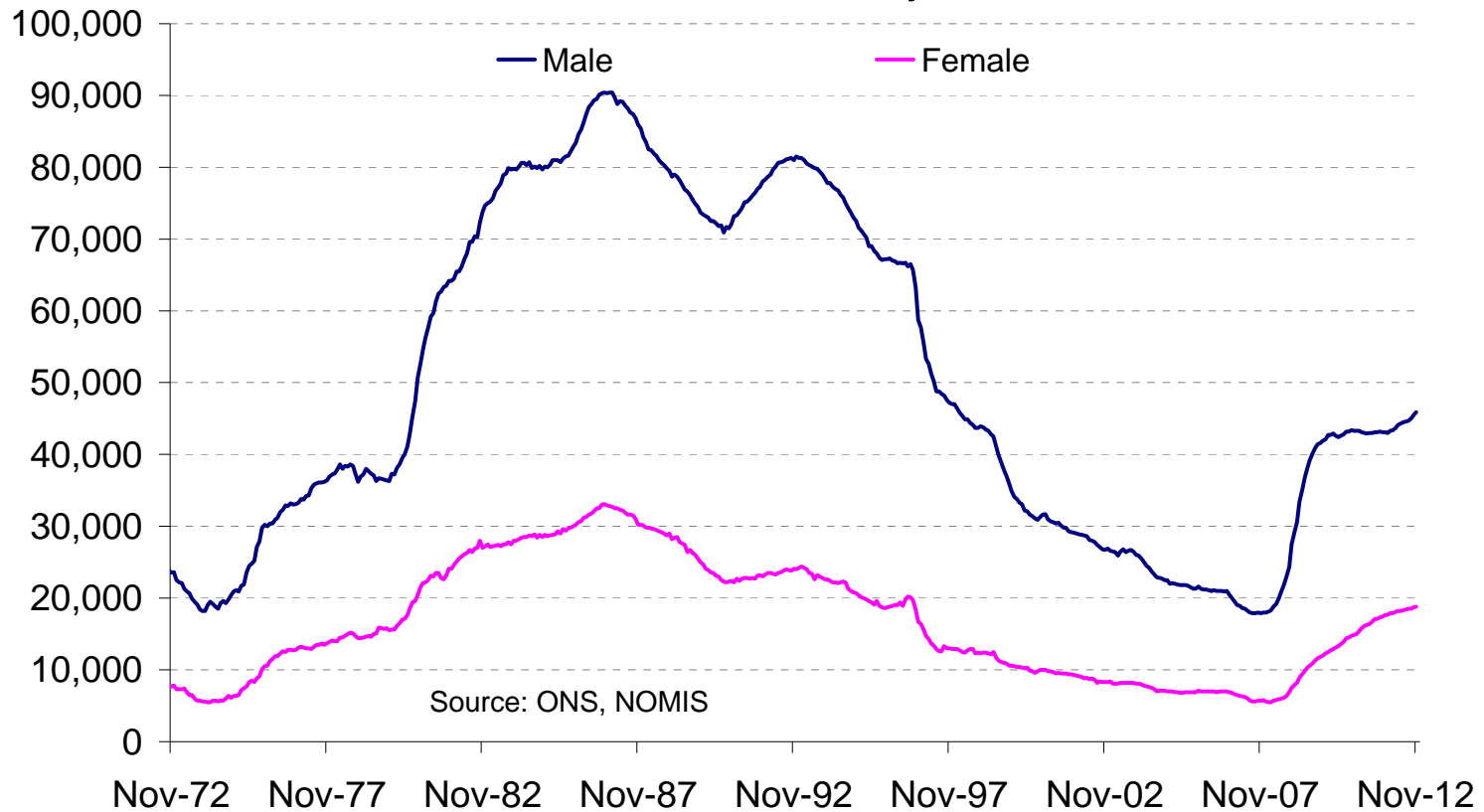
## NI 12 Monthly Change in Claimant Count





# Rise in male unemployment accelerating again

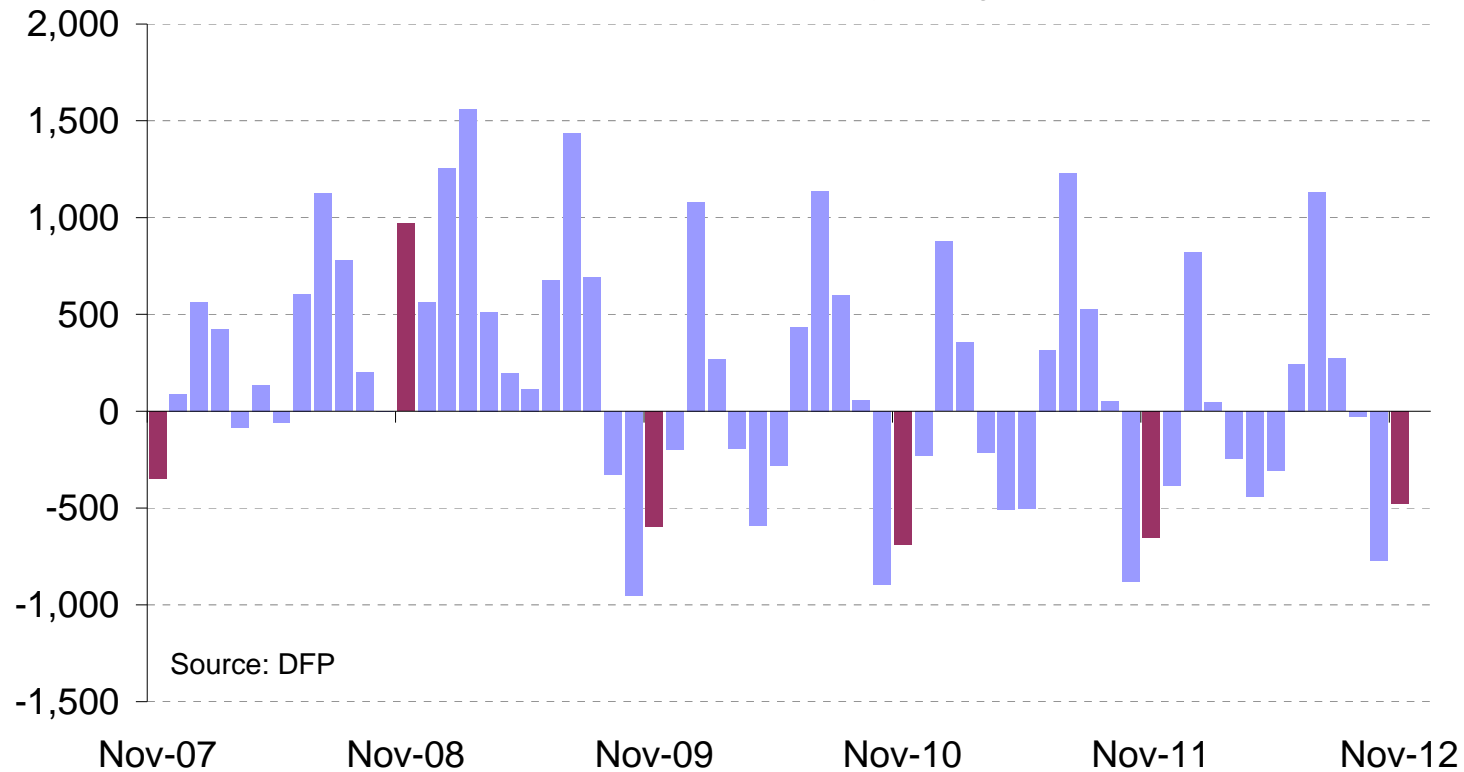
## NI Claimant Count by Gender



# Unemployment a major problem within the <25s

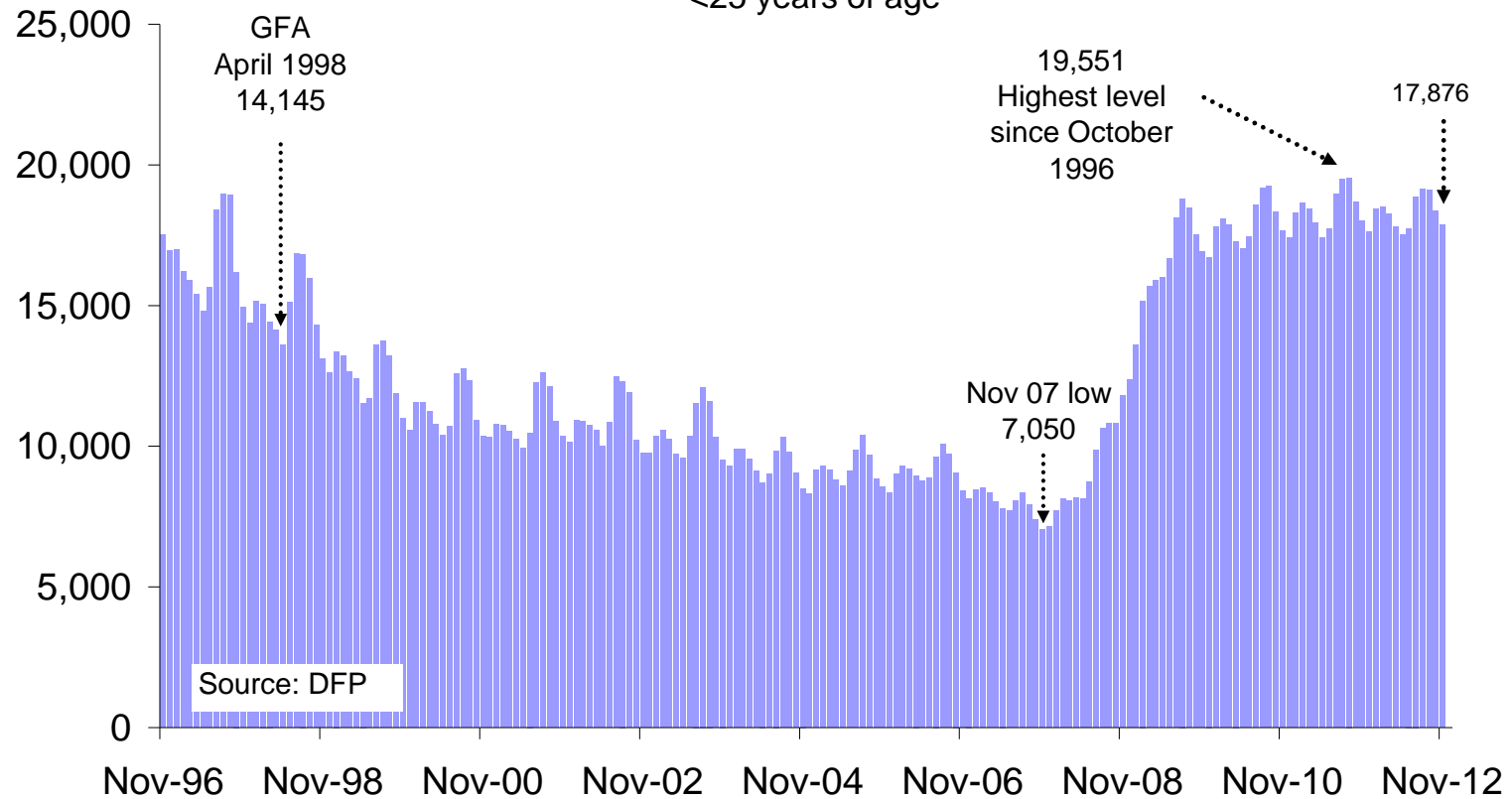
## Youth unemployment falls for last 3 three months

Claimant Count Monthly Change



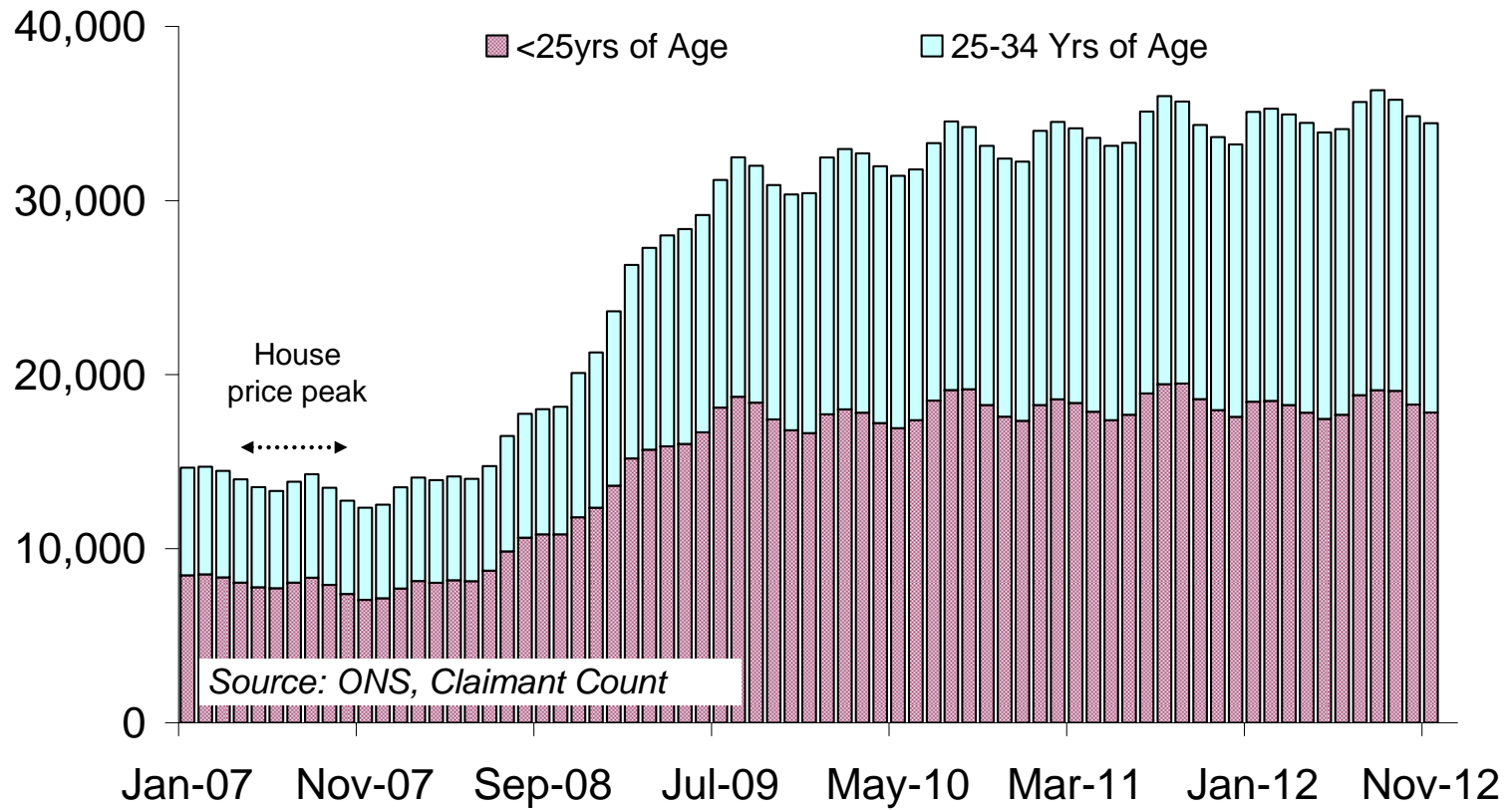
No. of under 25s claiming the dole is 1/3<sup>rd</sup> above GFA levels

## NI Youth Claimant Count Levels <25 years of age



# Not all sun, sea and sangria for NI's Club 18-34: the first-time buyers of today and tomorrow

## NI Unemployment by Age



## Rise in claimant count across all occupation types

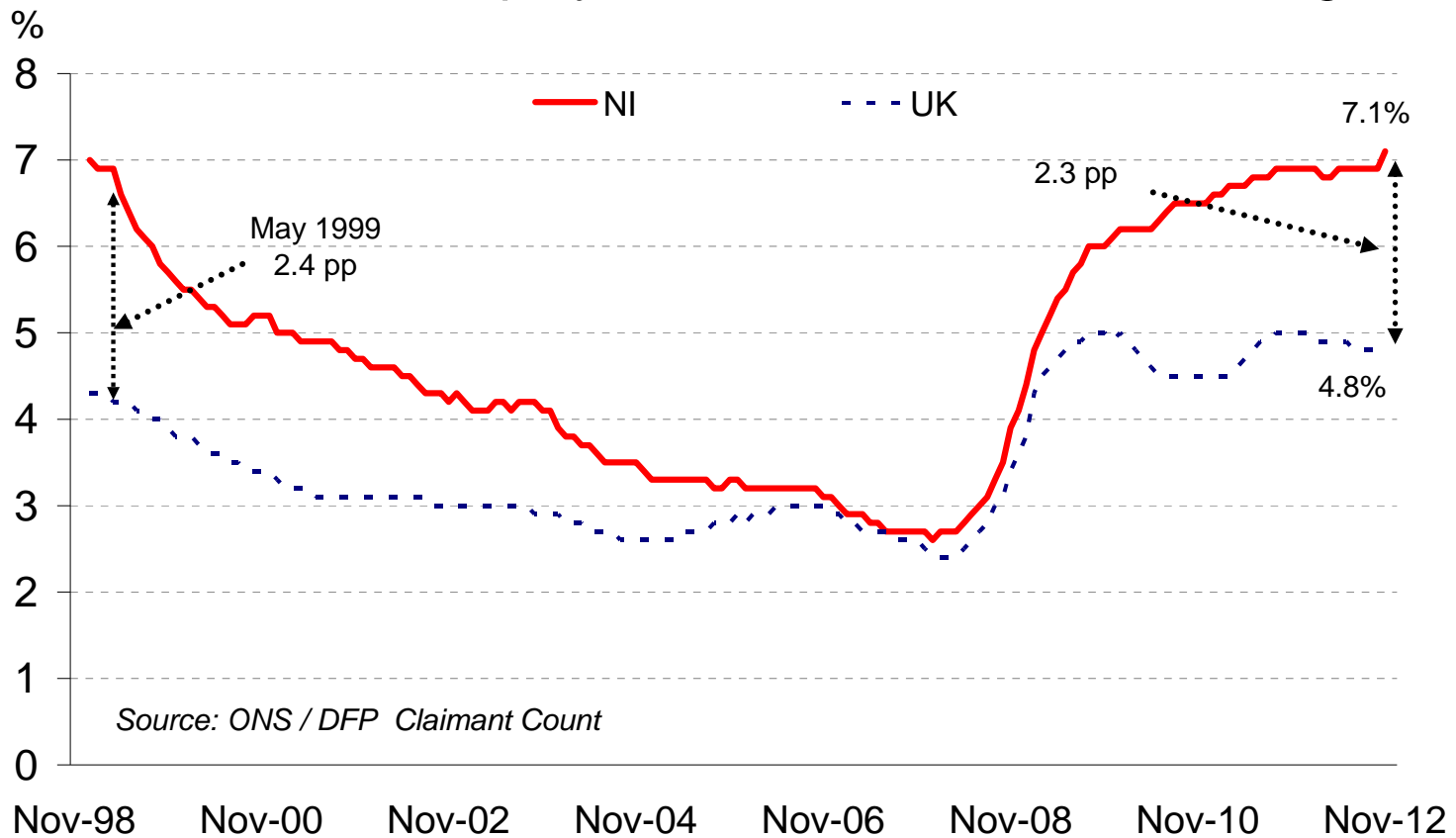
### Claimant Count Levels & Growth by Occupation (Ranked by % Growth)

Occupation	November 2012 Levels	Increase in Numbers Nov 2007 - Nov 2012	% Change
Sales & Customer Service Occupations	10,720	8,015	296%
Personal Service Occupations	4,715	3,370	251%
Skilled Trades Occupations	12,030	8,150	210%
Associate Professional & Technical Occupations	3,290	2,180	196%
Managers & Senior Officials	735	1,120	191%
Process, Plant & Machine Operatives	8,135	5,255	182%
Administrative & Secretarial Occupations	4,720	2,940	165%
Professional Occupations	1,865	1,100	144%
Elementary Occupations	16,290	8,930	121%

Source: ONS, refers to occupation sought by claimants

# NI-UK Unemployment Differential is returning where it was before the NICE Decade

## NI-UK unemployment rate differential widening

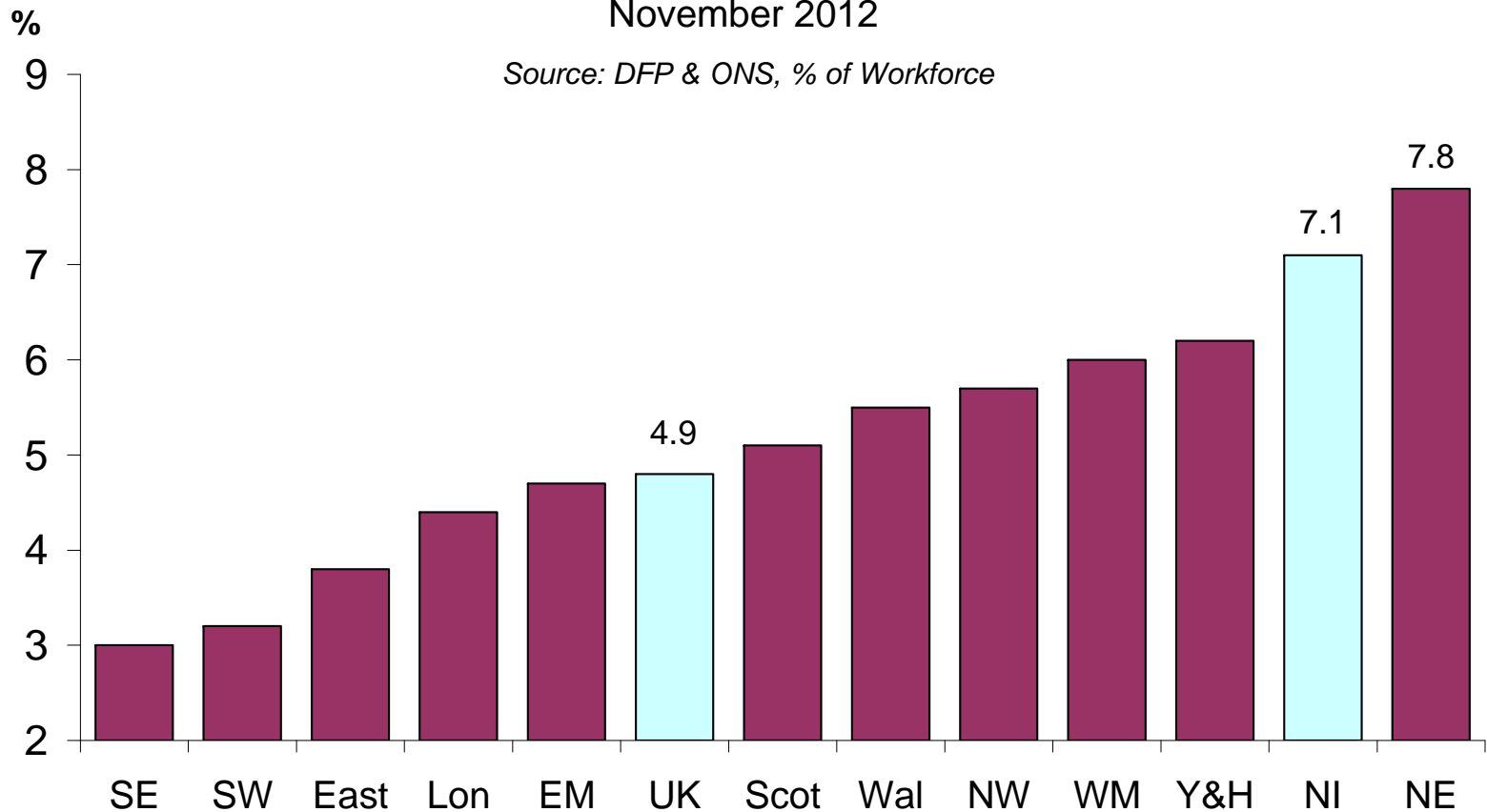


NI has the second highest unemployment rate using the claimant count

## Claimant Count Unemployment by UK Region

November 2012

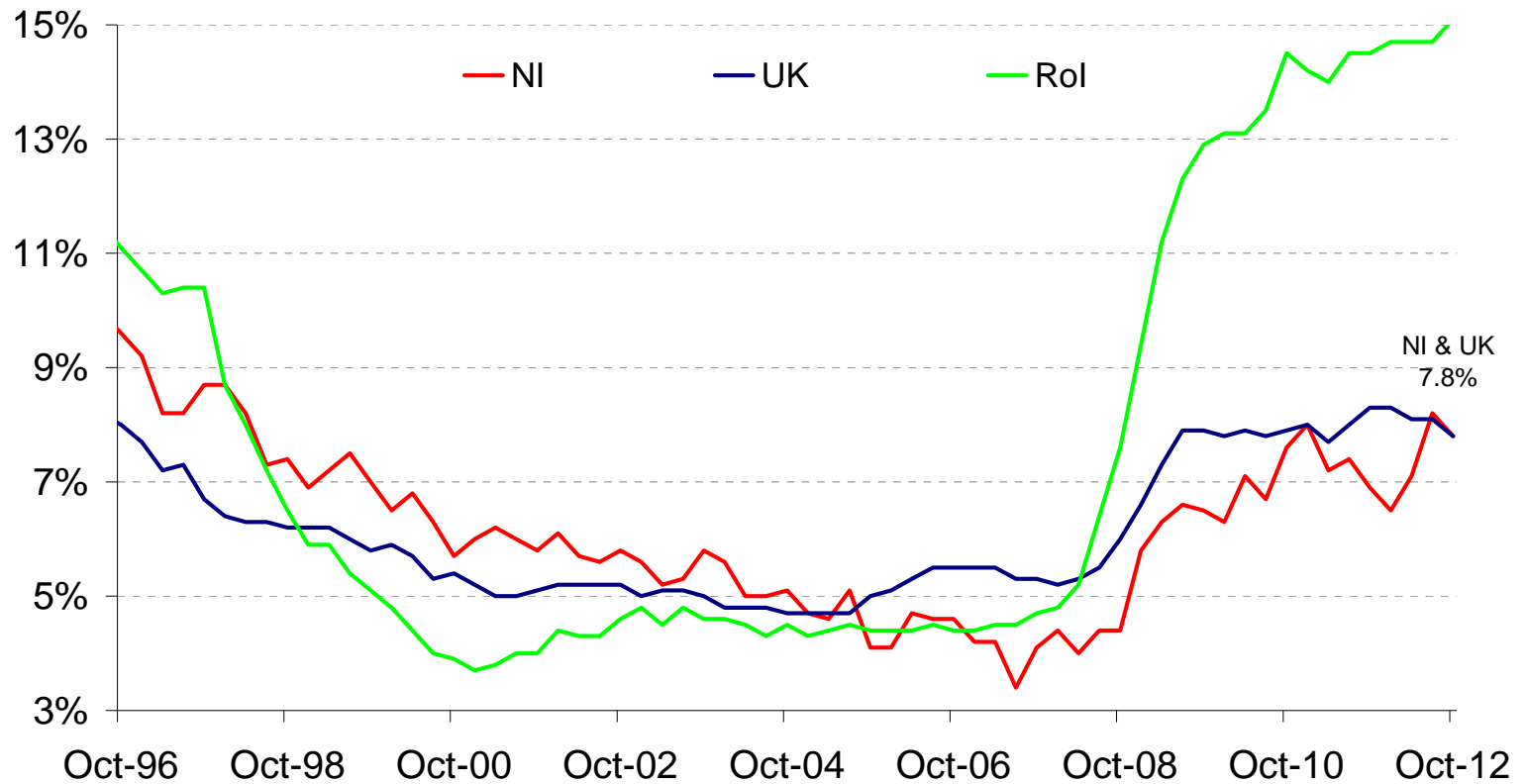
Source: DFP & ONS, % of Workforce



NI's unemployment rate in line with the UK's (although we view NI ILO figure flatters true NI position) but remains well below that of the RoI

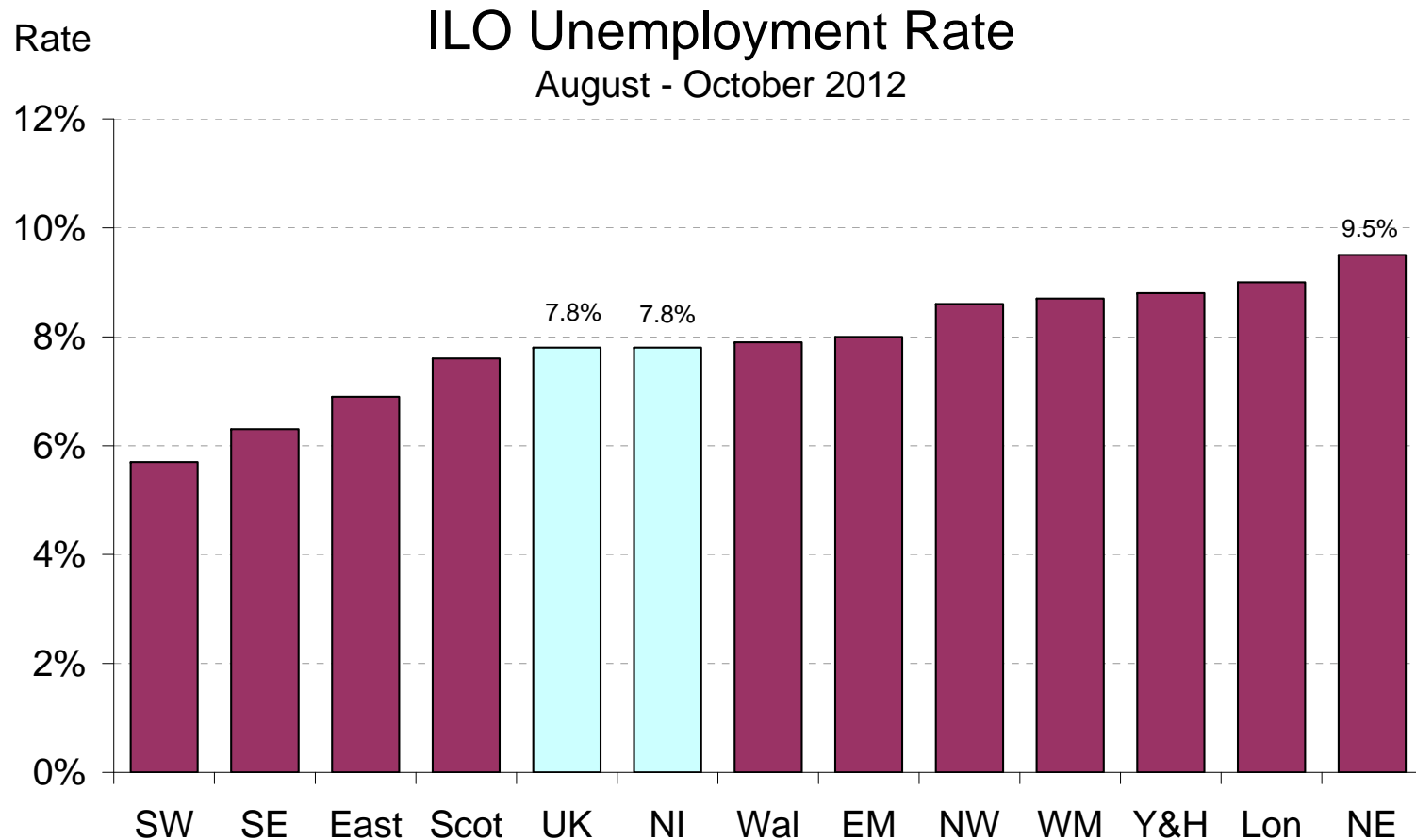
## UK, NI & RoI Unemployment Rates

Source: ONS, Labour Force Survey & CSO Live Register

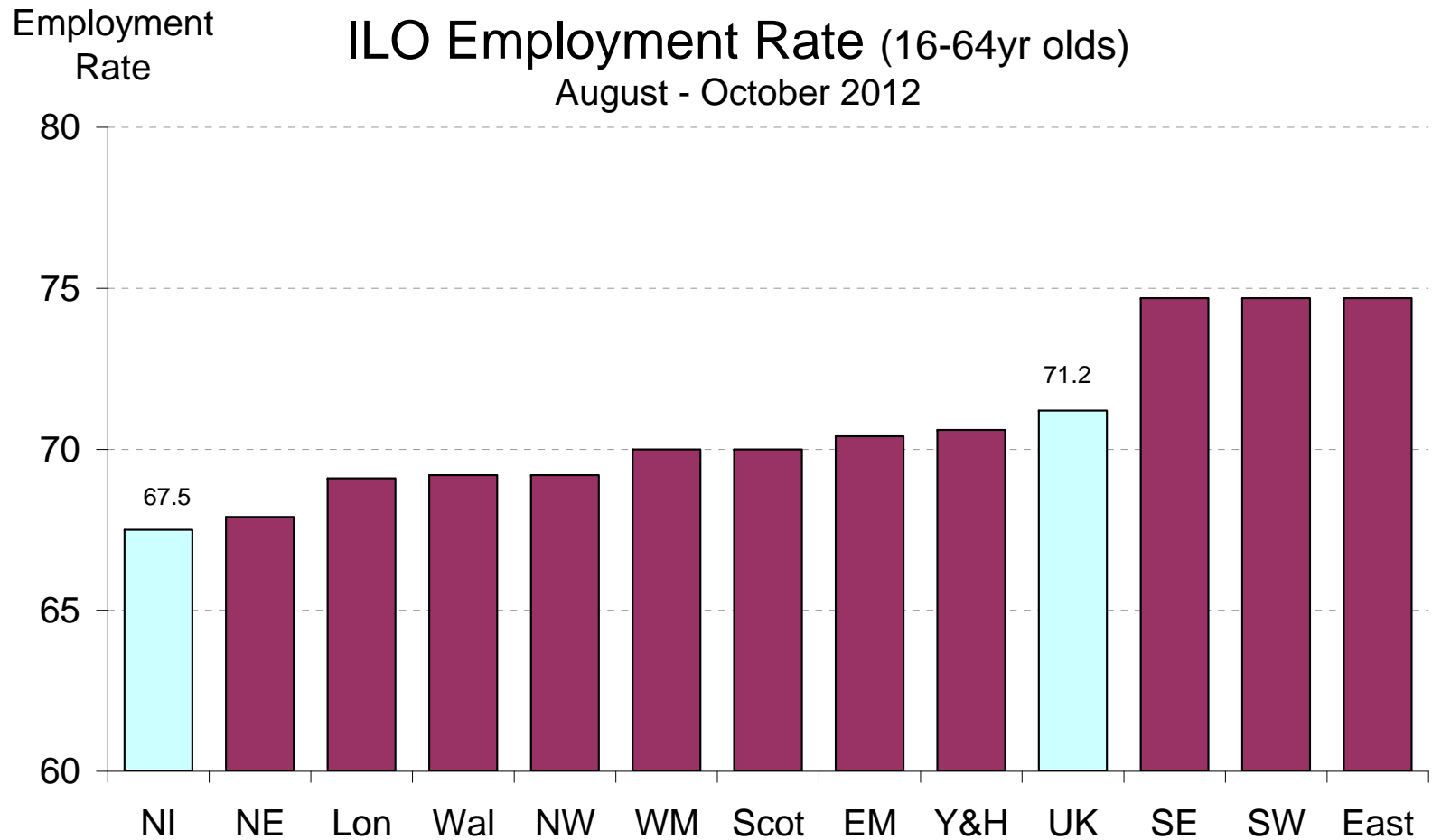




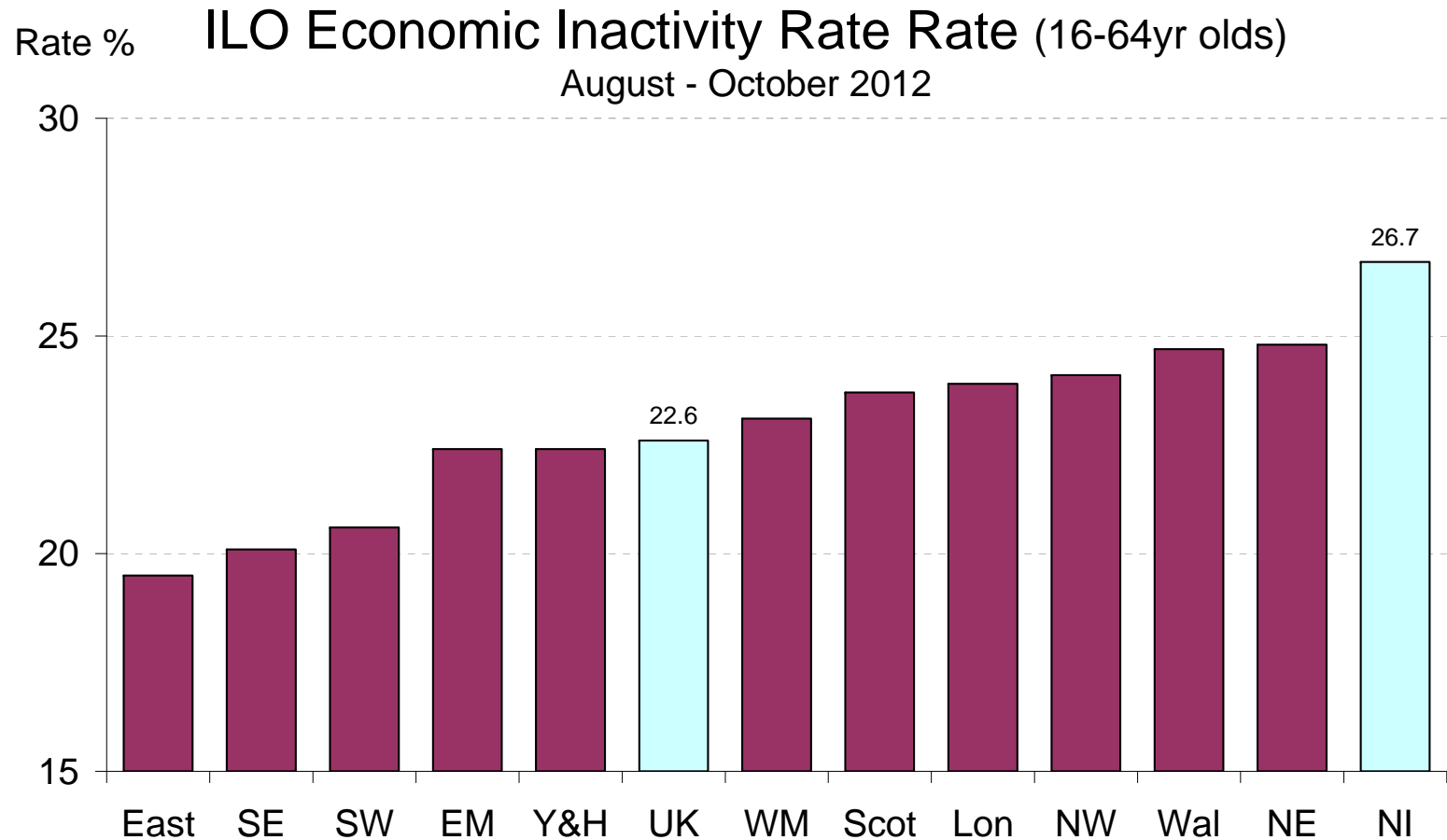
... but only 4 regions have a lower rate using the ILO unemployment rate



# And the employment rate is the lowest in the UK



# NI's economic inactivity rate remains the highest within the UK



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