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# Northern Ireland Labour Market

*Update*

Issued 17<sup>th</sup> September 2012

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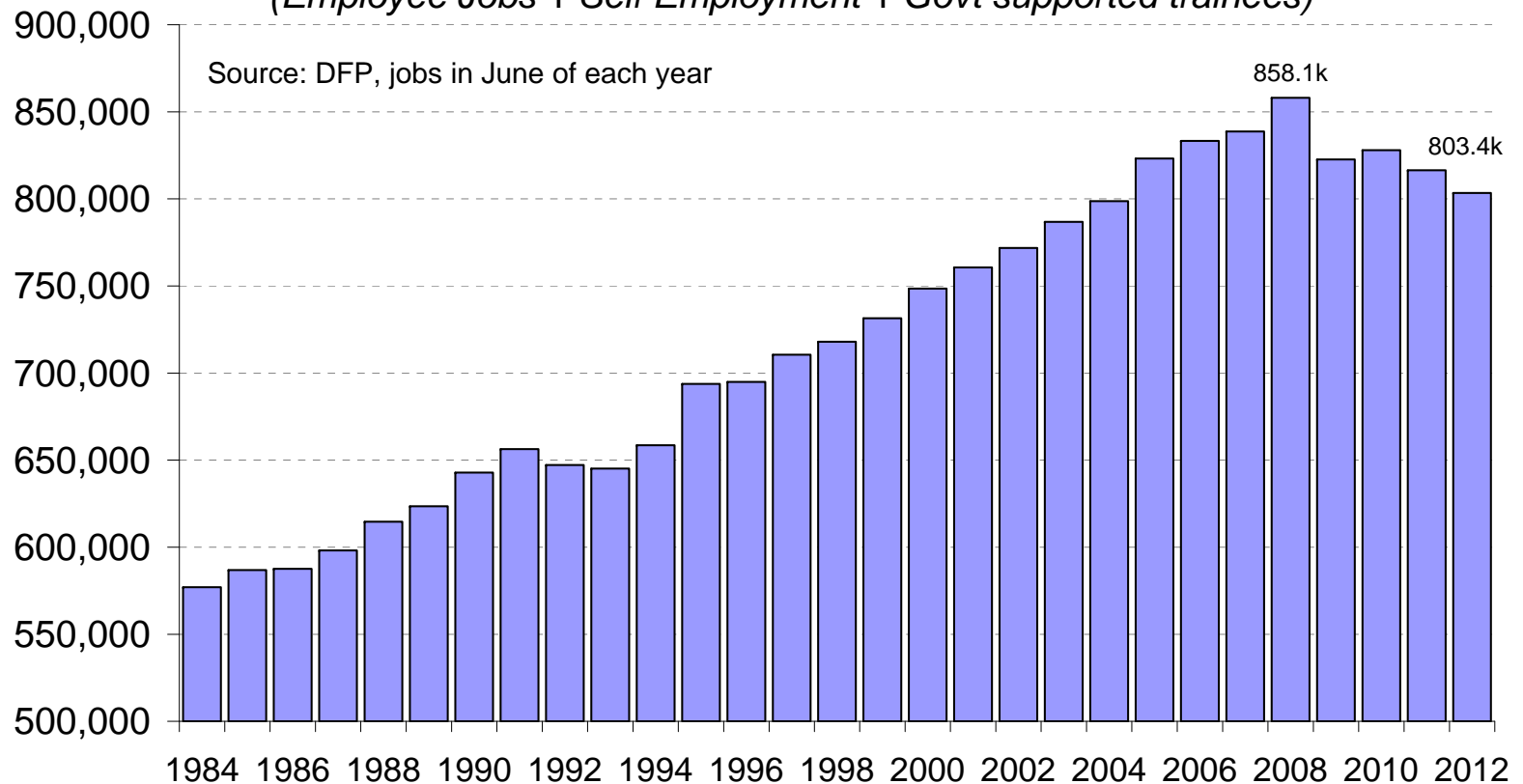
# *Workforce Jobs*

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

*54,700 fewer workforce jobs in June 2012 relative to June 2008 – a fall of 6.4%*

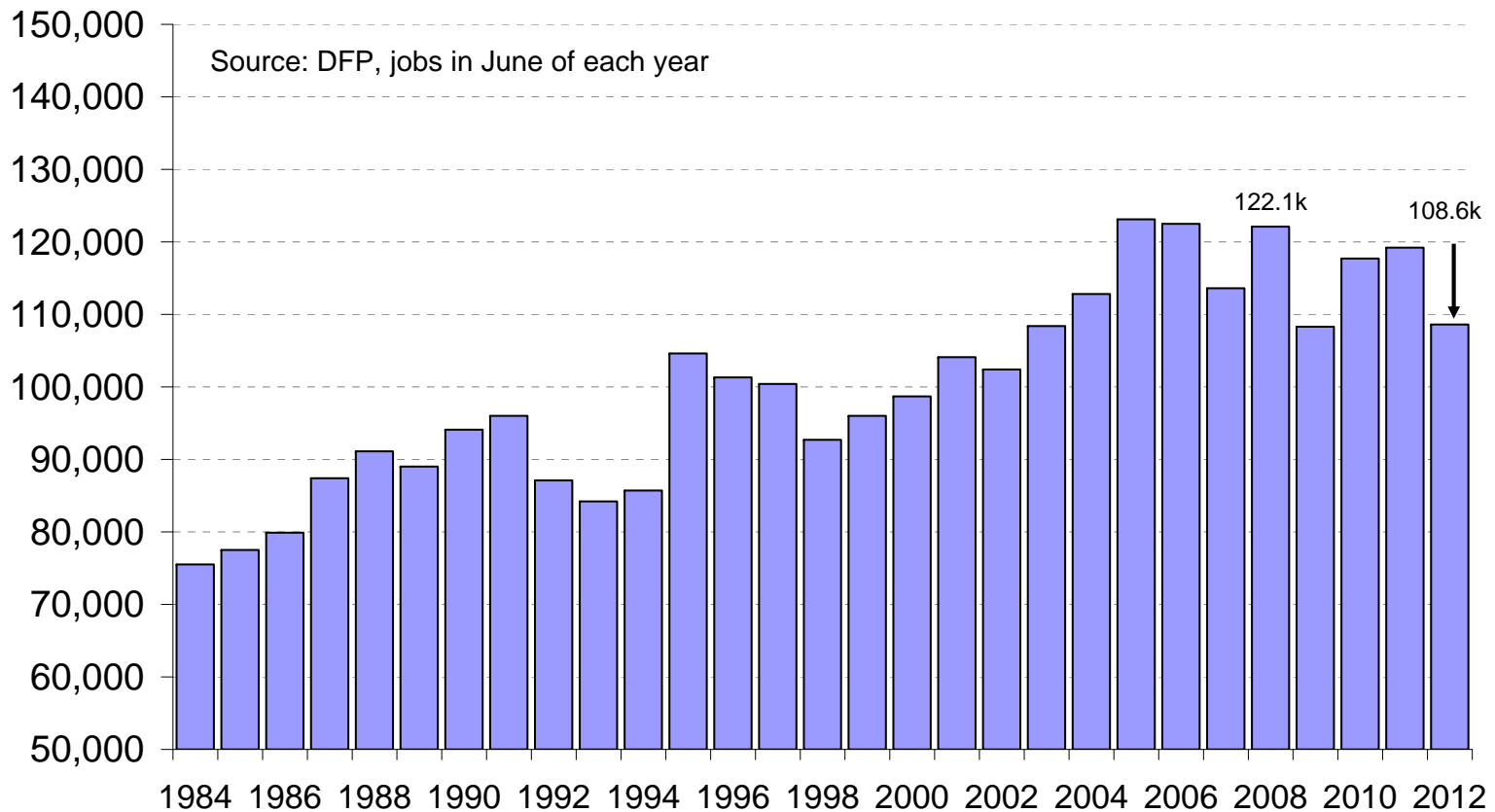
## NI Workforce in Employment Jobs

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

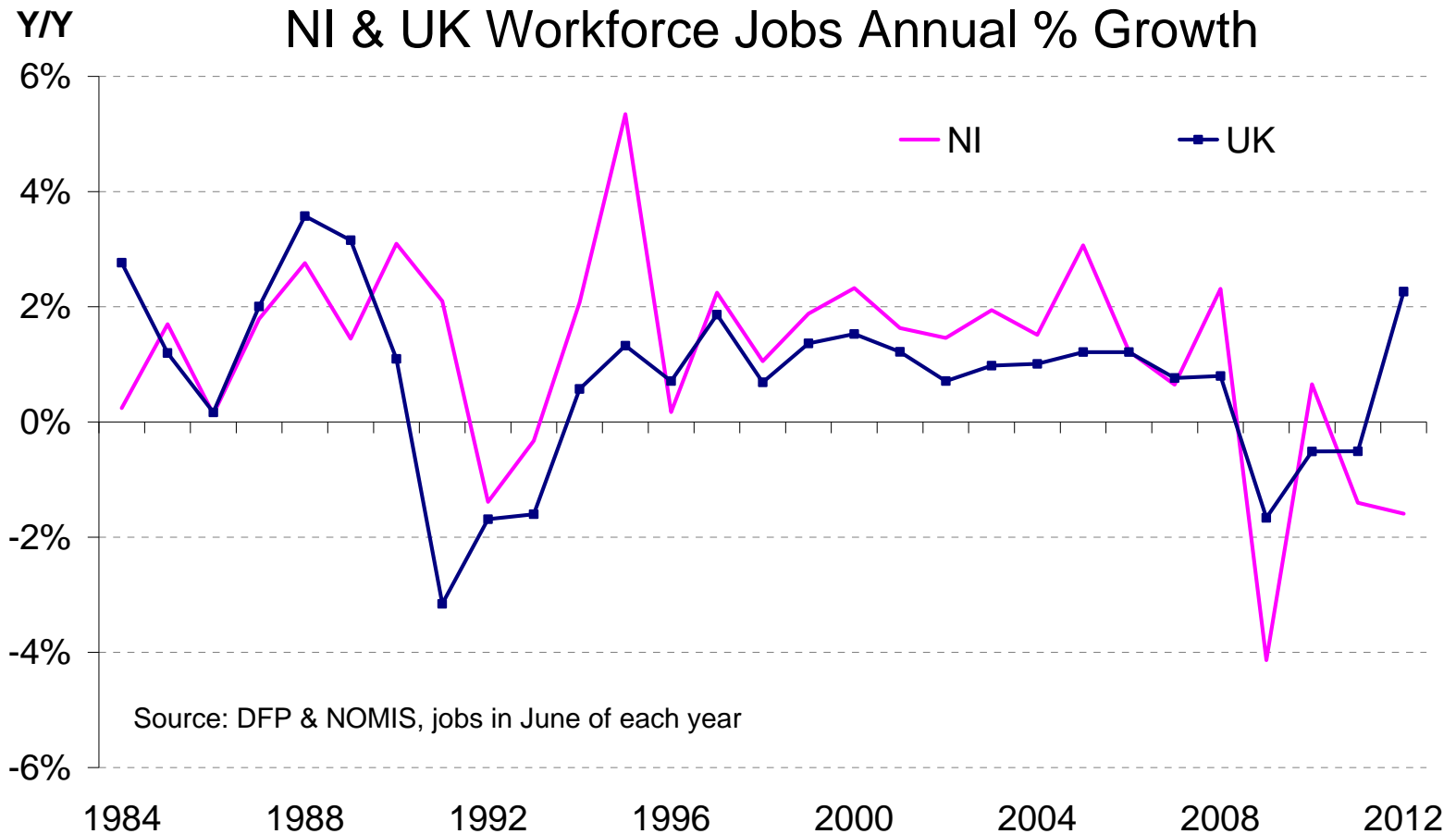


*13,500 fewer self-employed jobs in June 2012 relative to June 2008 – a fall of 11%*

## NI Self-Employment Jobs

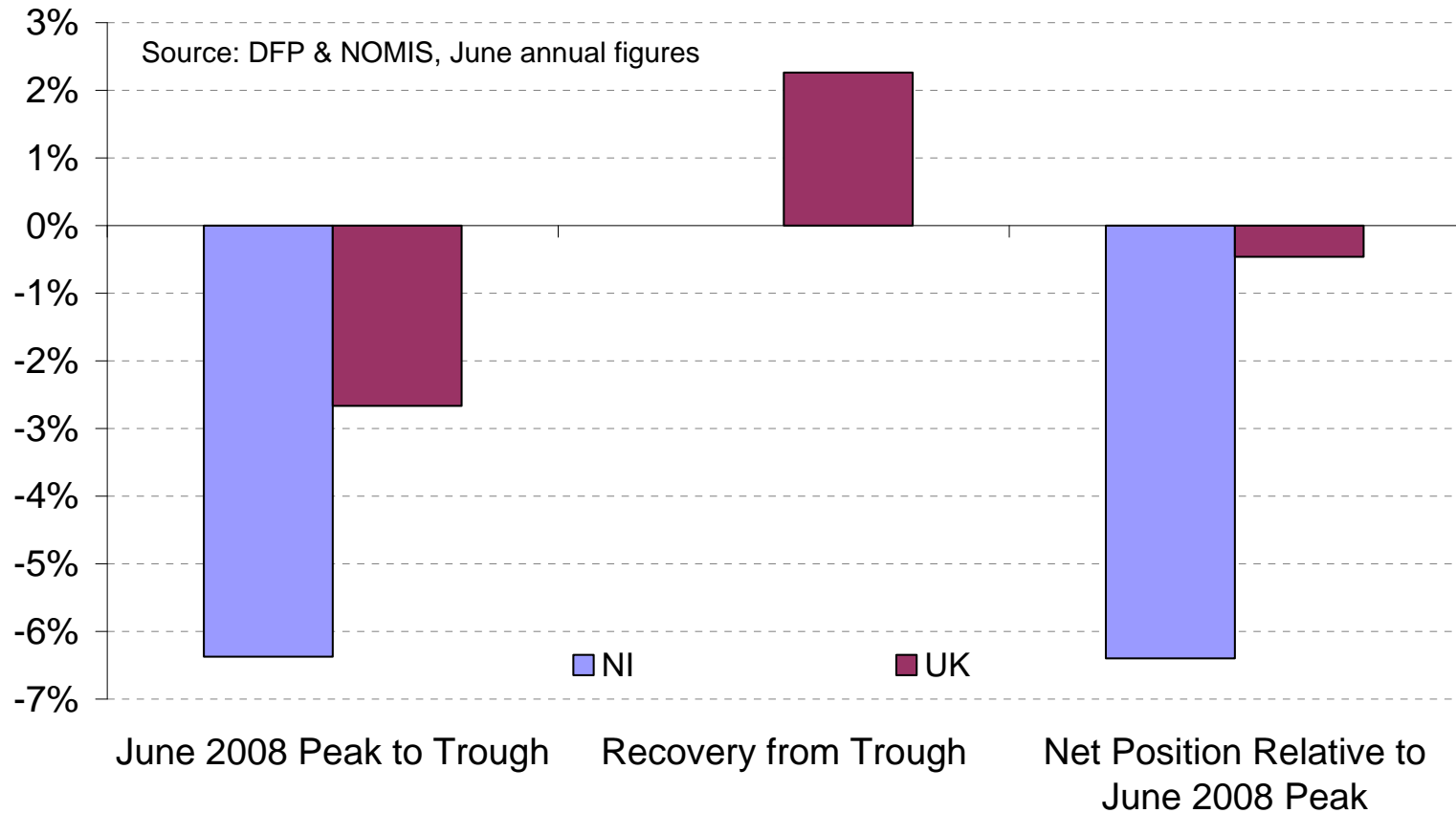


*NI has not experienced the jobs recovery that has occurred within the UK*



*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	571,060	84,100	720,770
Q3	45,320	575,050	83,950	725,390
Q4	46,820	578,990	83,450	729,430
2008 Q1	45,860	582,890	83,710	732,610
Q2	44,860	584,450	83,400	733,080
Q3	43,500	581,190	82,240	727,370
Q4	41,670	579,720	80,100	721,520
2009 Q1	39,420	577,620	78,180	715,190
Q2	38,210	576,990	75,350	710,470
Q3	36,780	577,460	74,030	708,060
			↑ Old Series ↑	
	<i>DISCONTINUITY IN DATA SERIES</i>		<i>DISCONTINUITY IN DATA SERIES</i>	
	↓ New Series ↓		↓ New Series ↓	
Q4	37,090	580,960	73,390	711,230
2010 Q1	36,910	579,050	73,260	708,990
Q2	36,120	578,140	73,380	707,170
Q3	35,690	575,250	73,310	703,920
Q4	33,490	572,520	74,270	699,940
2011 Q1	33,220	571,370	74,150	698,390
Q2	32,610	568,680	74,170	695,480
Q3	32,420	567,720	74,310	694,580
Q4	31,300	565,130	75,220	691,820
2012 Q1	31,220	565,160	74,560	691,170
Q2	<b>31,120</b>	<b>566,450</b>	<b>75,180</b>	<b>693,110</b>
Latest Quarter Q/Q % Change	-0.3%	0.2%	0.8%	0.3%
Latest Quarter Y/Y % Change	-4.6%	-0.4%	1.4%	-0.3%
Fall from peak - Nos*	<b>-15,700</b>	<b>-18,000</b>	<b>-8,920</b>	<b>-39,970</b>
Fall from peak % Change*	<b>-33.5%</b>	<b>-3.1%</b>	<b>-10.6%</b>	<b>-5.5%</b>

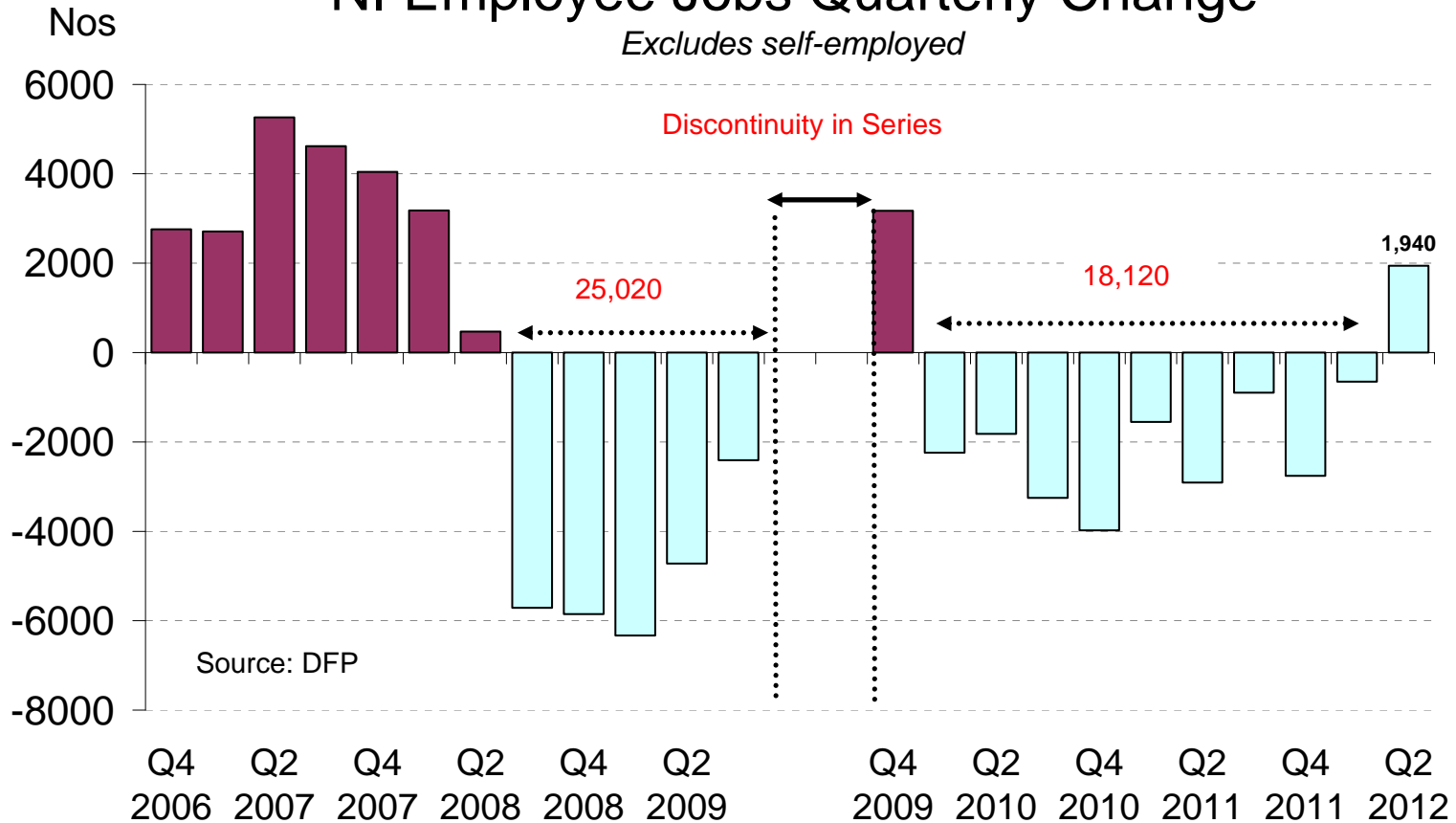
Source: DETI, \*\*Peak to trough fall does not use comparable data and is indicative only



NI posts first quarterly rise since Q2 2008 in Q2 2012 (Q4 2009 represents start of new series & therefore not a Q/Q rise)

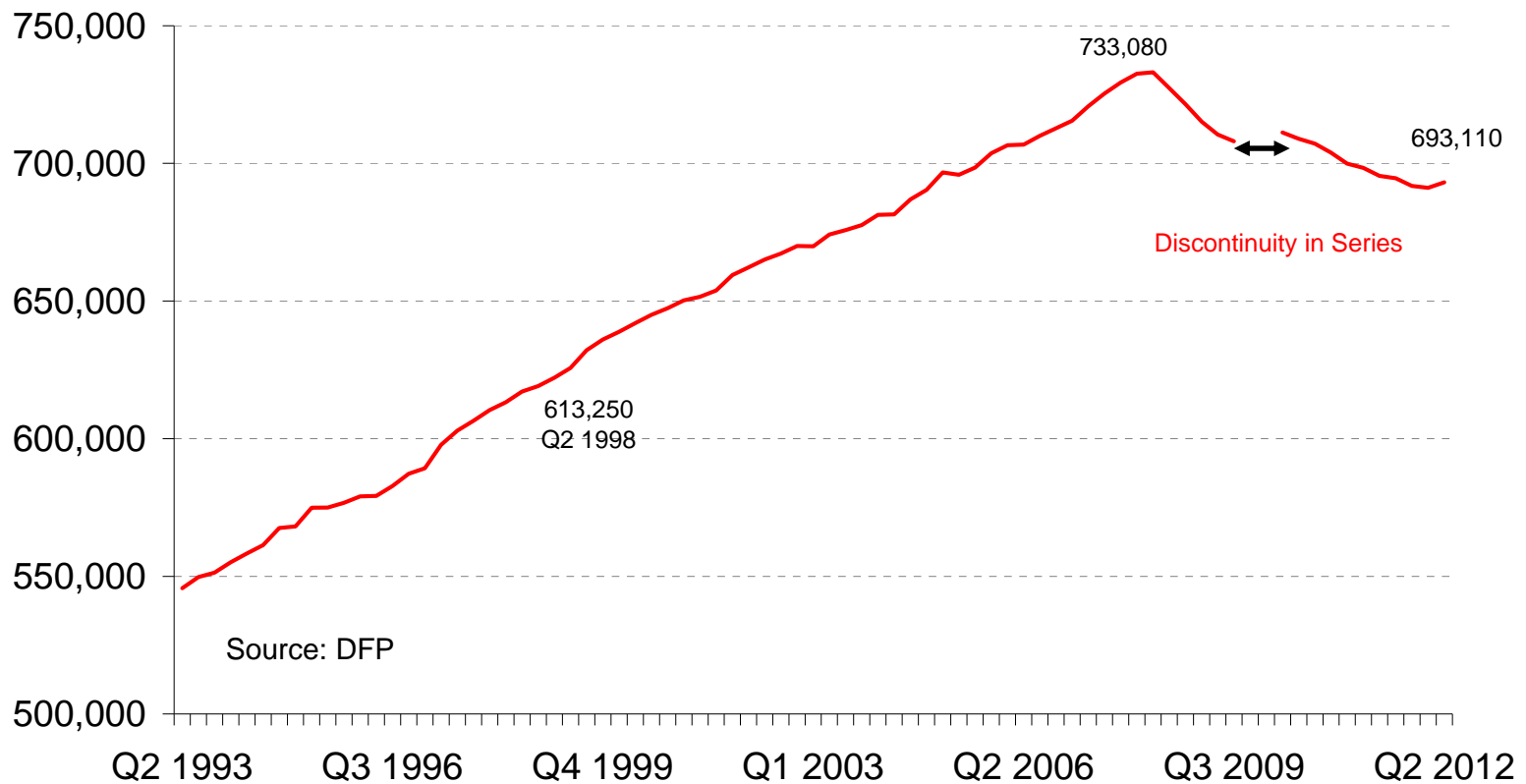
## NI Employee Jobs Quarterly Change

*Excludes self-employed*



## Employment levels back at late 2004 levels

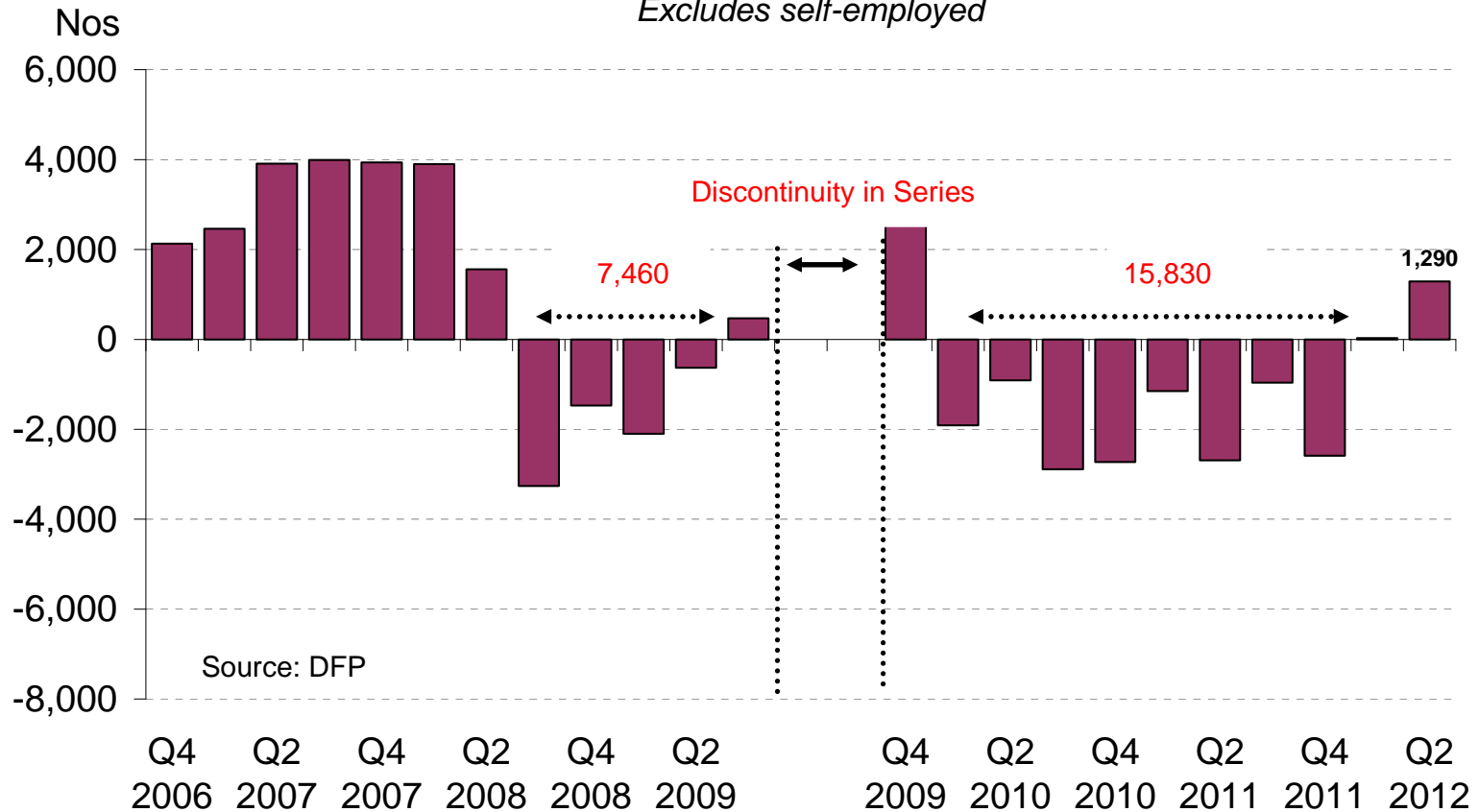
### Northern Ireland Employee Jobs



# Service sector: 2 successive quarters of growth

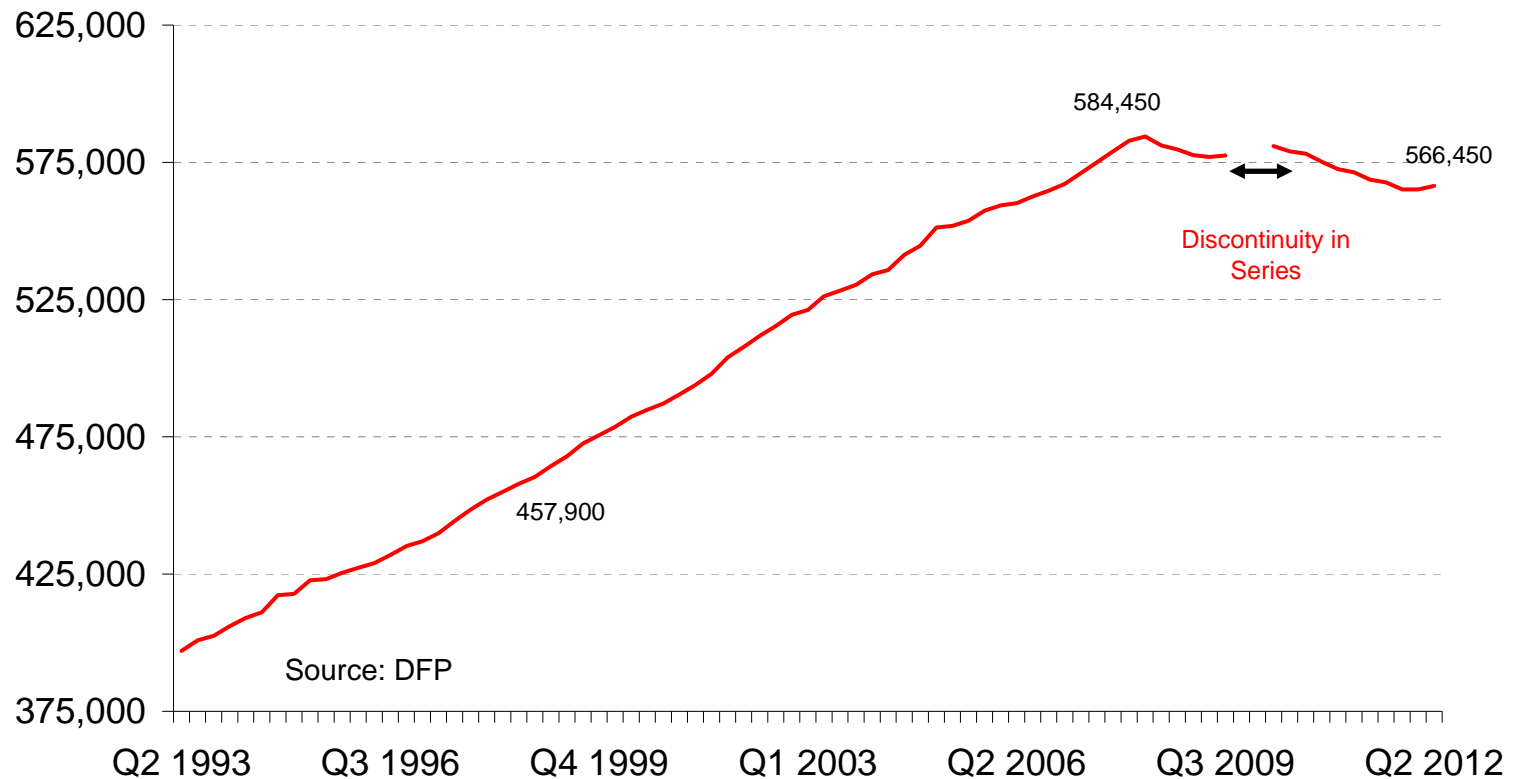
## NI Services Employee Jobs Quarterly Change

*Excludes self-employed*



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

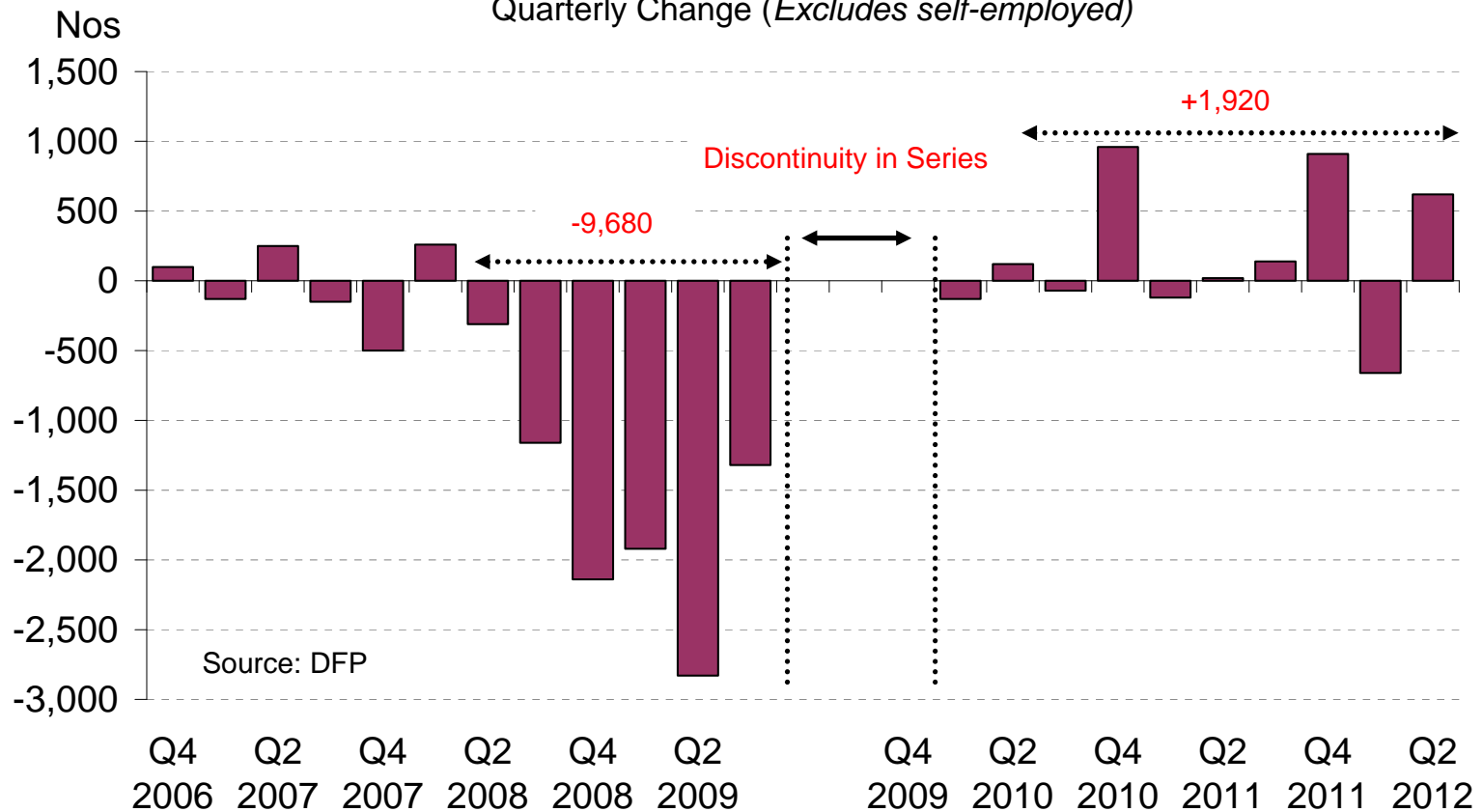
## Northern Ireland Services Employee Jobs



# Manufacturing posts its 4<sup>th</sup> quarterly rise in 5 quarters

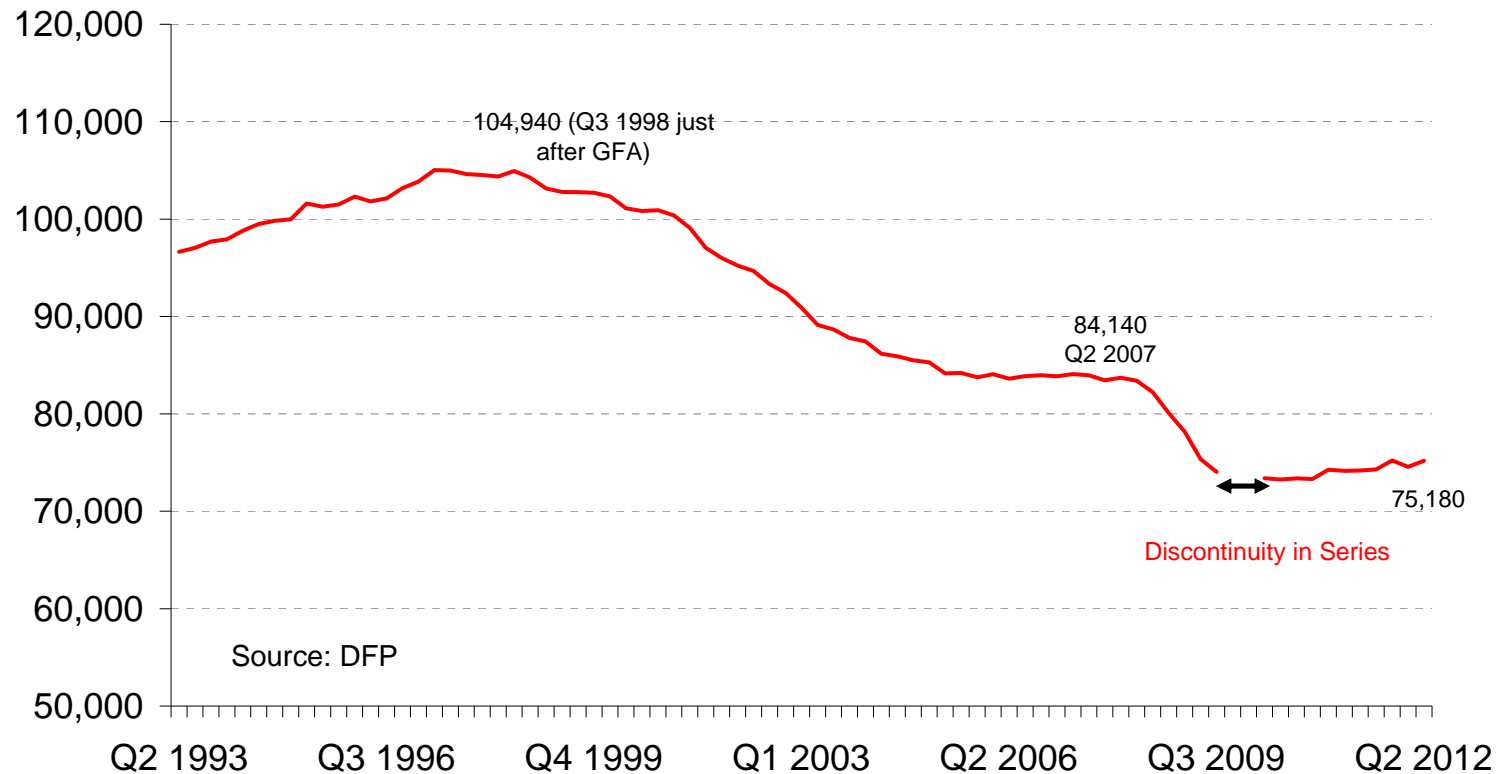
## NI Manufacturing Employee Jobs

Quarterly Change (Excludes self-employed)

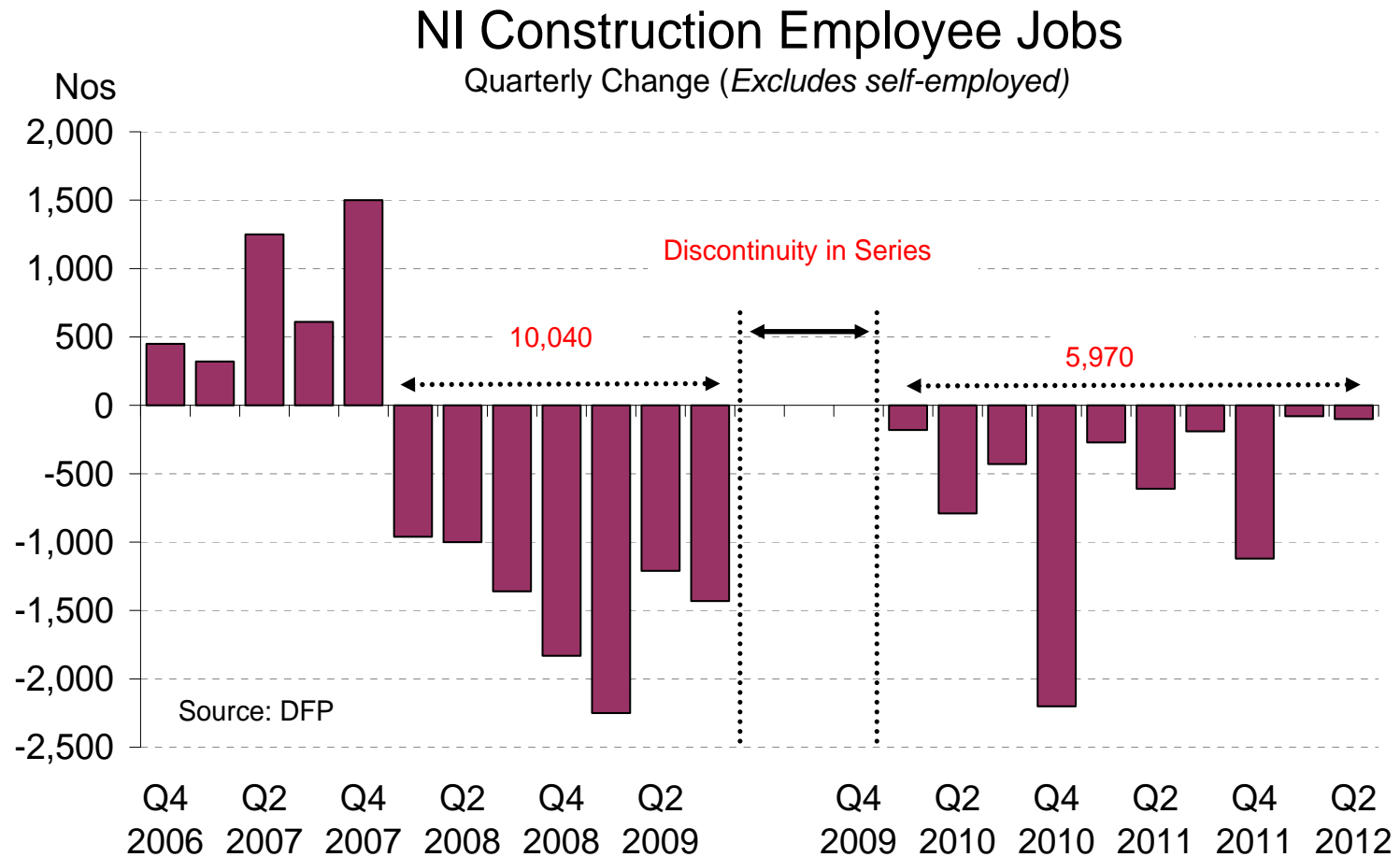


# Recent manufacturing employment gains are within a longer-term trend of job losses

## NI Manufacturing Employee Jobs Levels

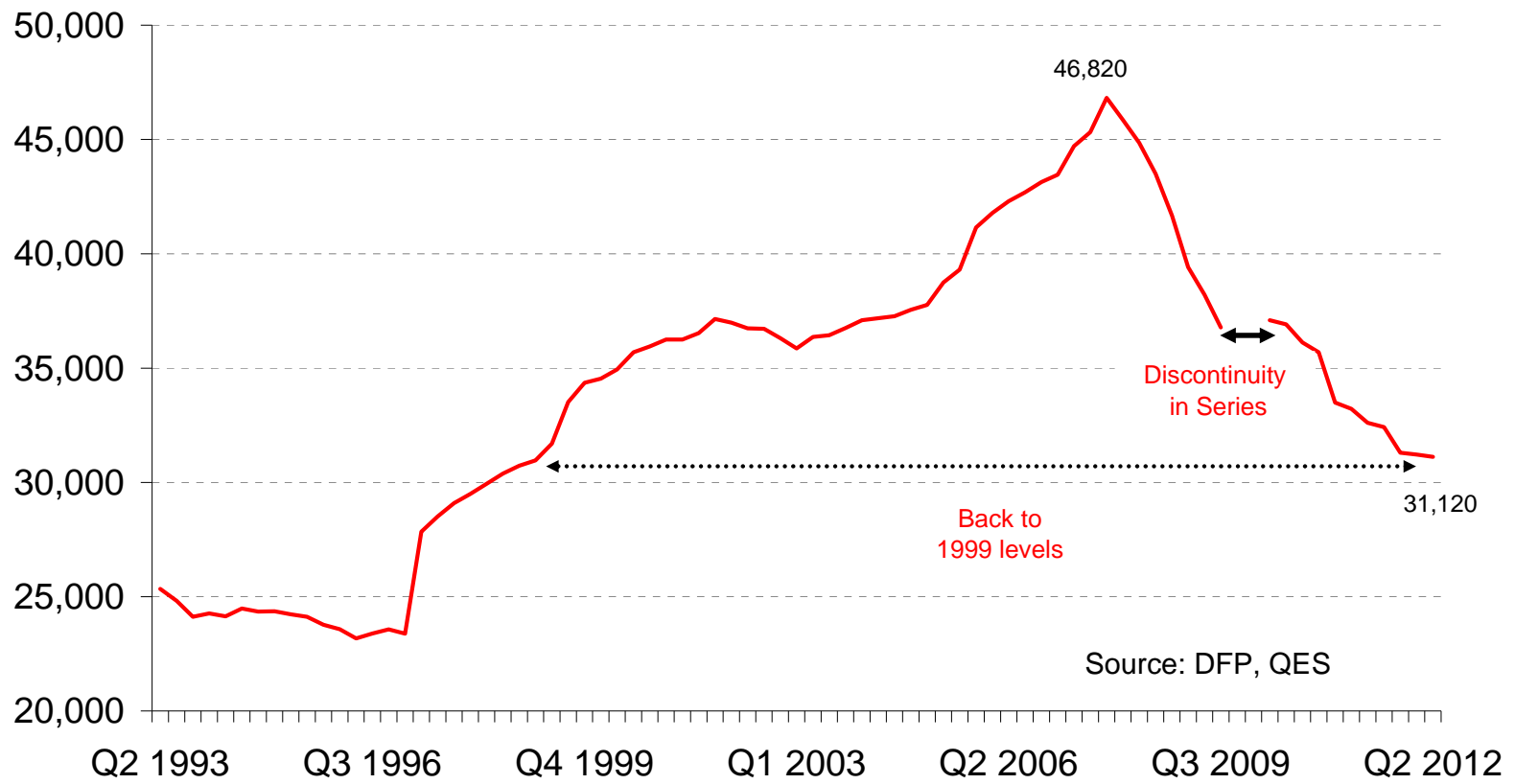


# 17 quarters of decline under construction



# Construction employment back to 1999 levels

## NI Construction Employee Jobs Levels



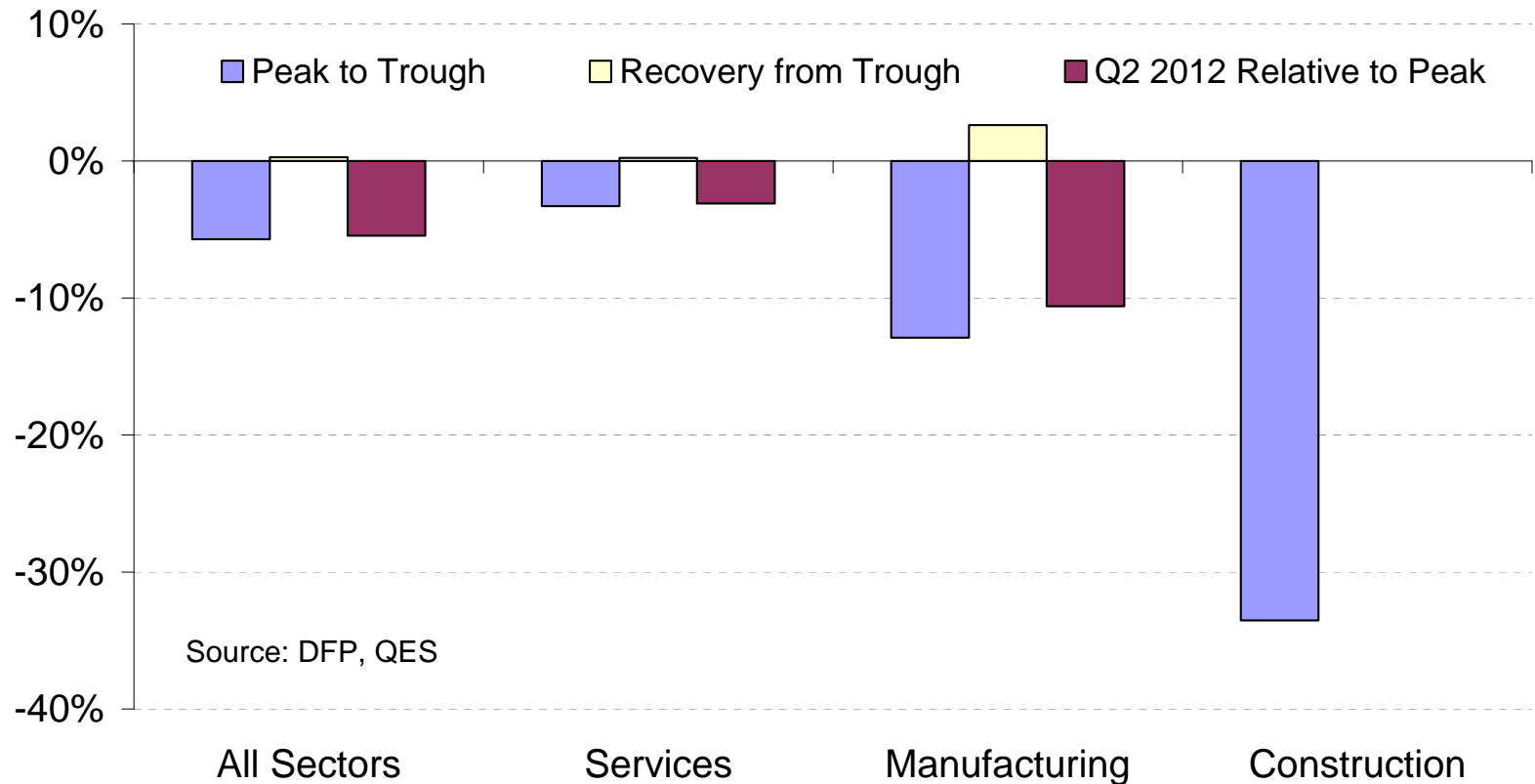


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*Northern Ireland's  
Job losses, recovery and  
current (net) position  
2007/08-2012*

# No meaningful jobs recovery outside of manufacturing

## Northern Ireland Employment (Employee Jobs)



# Utilities post largest annual % gain with tourism related sectors (Accommodation & food service activities) largest numerical gain

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

Broad Industrial Group	Net Job Change	% Change
Electricity, gas, steam & air conditioning supply	180	12.6%
Water supply, sewerage, waste management	180	3.6%
Arts, entertainment & recreation	420	2.9%
Accommodation & food service activities	1,120	2.7%
Professional, scientific & technical activities	590	2.5%
Information & communication	340	2.2%
Real estate activities	140	2.1%
Administrative & support service activities	720	1.7%
Manufacturing	1,030	1.4%
Other service activities	100	0.7%
Agriculture, forestry & fishing	20	0.2%
Human health & social work activities	-710	-0.6%
Transport & storage	-260	-1.0%
Wholesale & retail trade; repair of motor vehicles	-1,490	-1.2%
Education	-1,260	-1.8%
Public administration & defence; social security	-1,210	-2.1%
Financial & insurance activities	-680	-3.5%
Mining & quarrying	-60	-3.8%
Construction	-1,490	-4.6%
<b>Total</b>	<b>-2,310</b>	<b>-0.3%</b>

Utilities, ICT & tourism related sectors



Utilities, ICT & 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

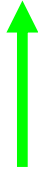
## Northern Ireland Employment Change (Ranked by % change)

June 2008 - June 2012

Broad Industrial Group	Net Job Change	% Change
Electricity, gas, steam & air conditioning supply	450	38.8%
Arts, entertainment & recreation	980	7.0%
Water supply, sewerage, waste management	240	4.9%
Real estate activities	70	1.1%
Human health & social work activities	220	0.2%
Other service activities	10	0.1%
Agriculture, forestry & fishing	-100	-0.8%
Accommodation & food service activities	-780	-1.8%
Professional, scientific & technical activities	-510	-2.1%
Transport & storage	-590	-2.3%
Administrative & support service activities	-1,940	-4.4%
Education	-3,210	-4.5%
Public administration & defence; social security	-2,750	-4.7%
Wholesale & retail trade; repair of motor vehicles	-6,390	-4.9%
Information & communication	-1,030	-6.1%
Financial & insurance activities	-1,580	-7.8%
Manufacturing	-8,170	-9.8%
Mining & quarrying	-600	-28.2%
Construction	-13,740	-30.6%
<b>Total</b>	<b>-39,410</b>	<b>-5.4%</b>

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

Utilities



Utilities



Construction /  
property  
related



Construction /  
property  
related



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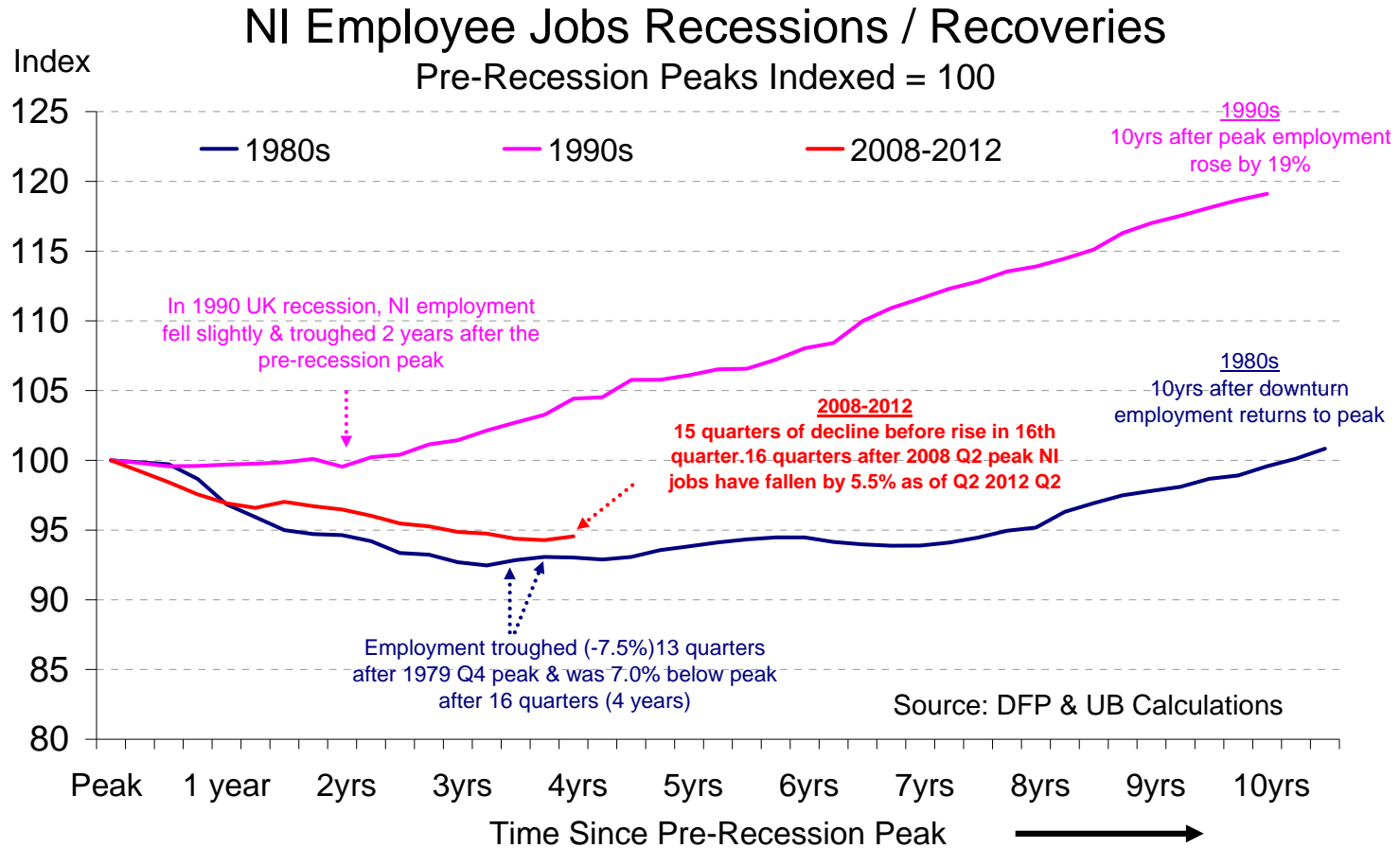
*Northern Ireland's  
'Employment Recessions'  
& Recoveries Compared*

*1980s*

*1990s*

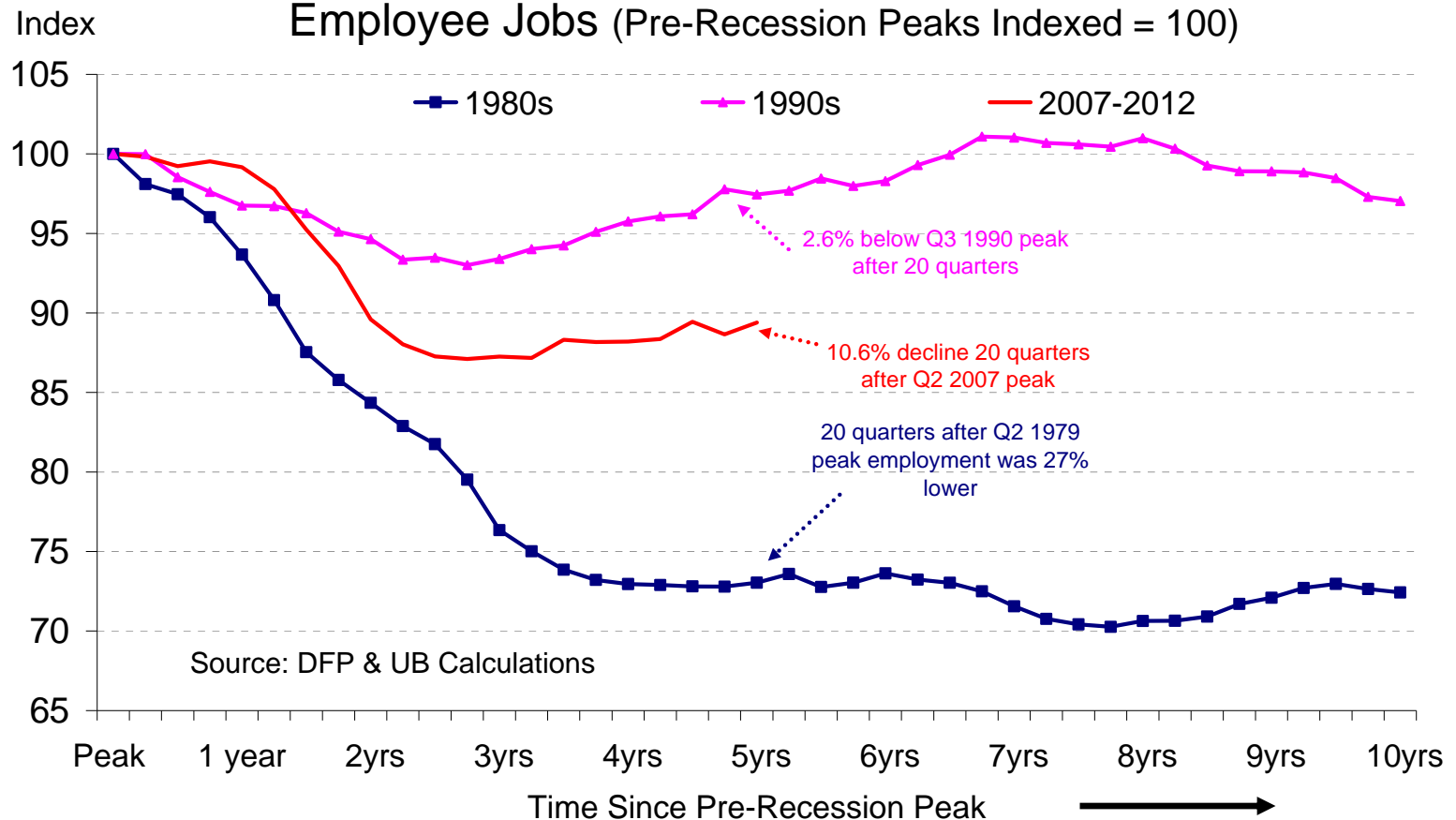
*2008-2012*

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



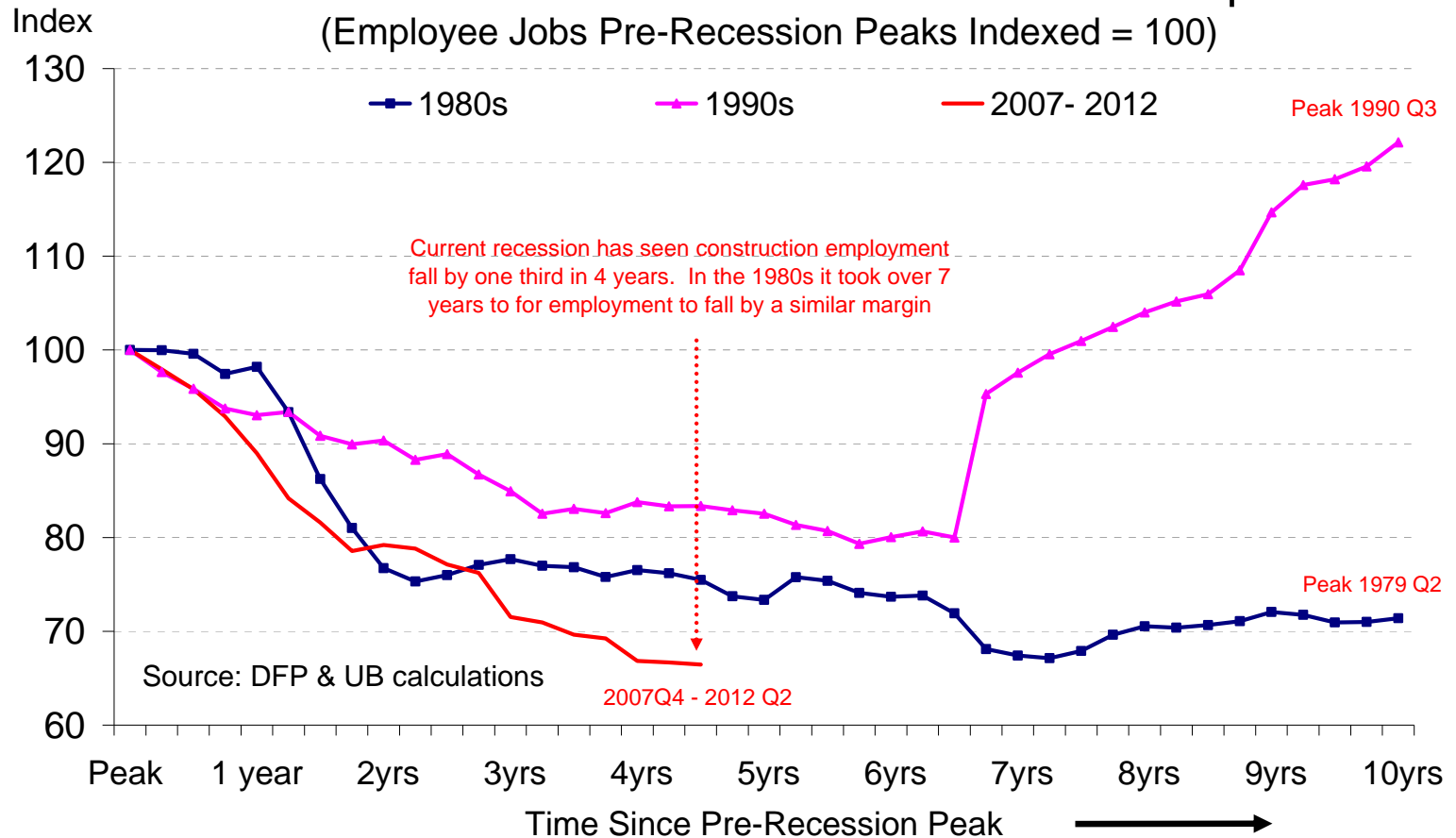
# Manufacturing job losses have been nowhere near what they were like in the 1980s but recovery may be similar

## 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

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

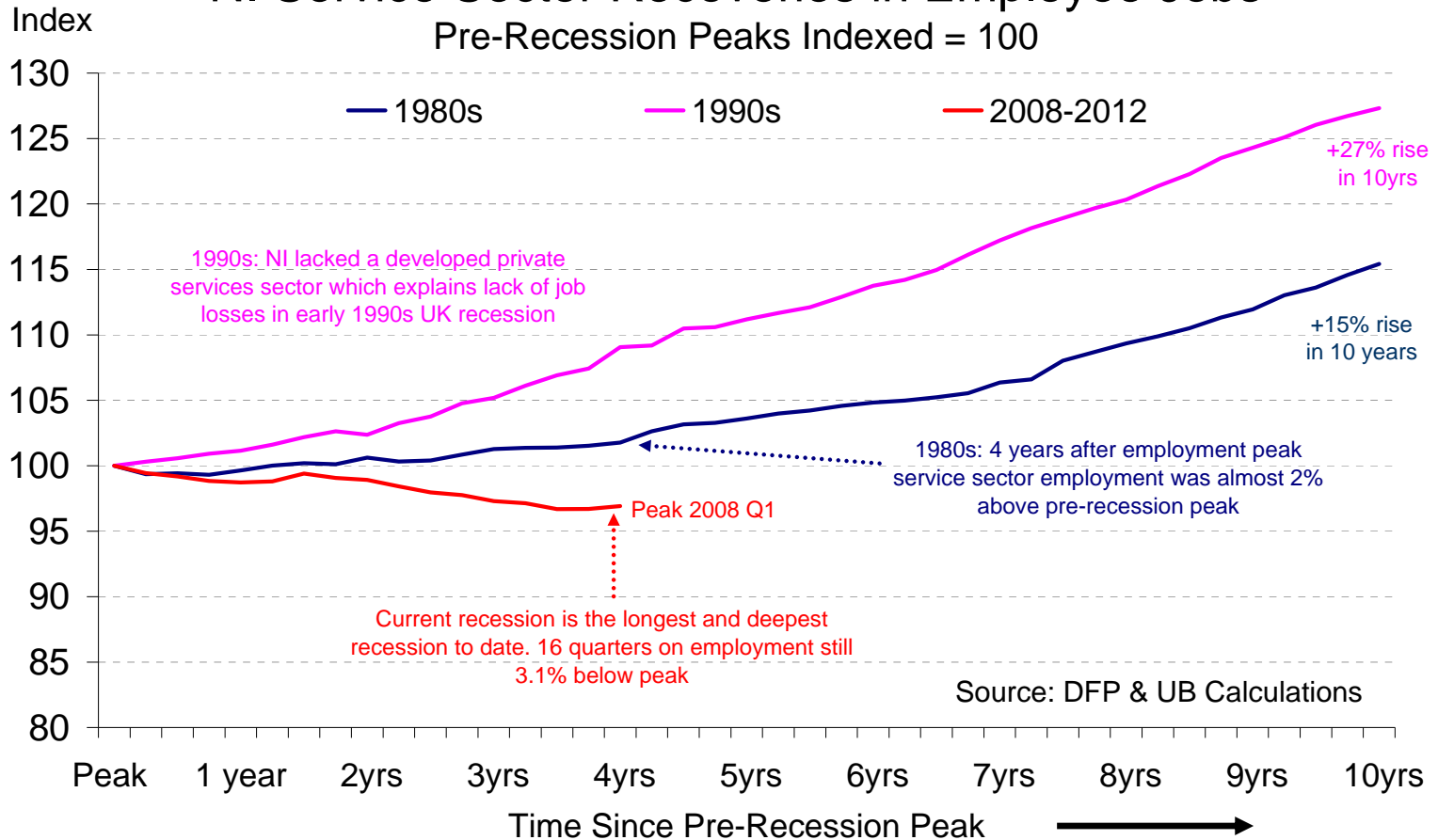




# Service sector is experiencing its longest & deepest recession. Unfortunately recovery will be weaker than 1980s

## NI Service Sector Recoveries in Employee Jobs

Pre-Recession Peaks Indexed = 100

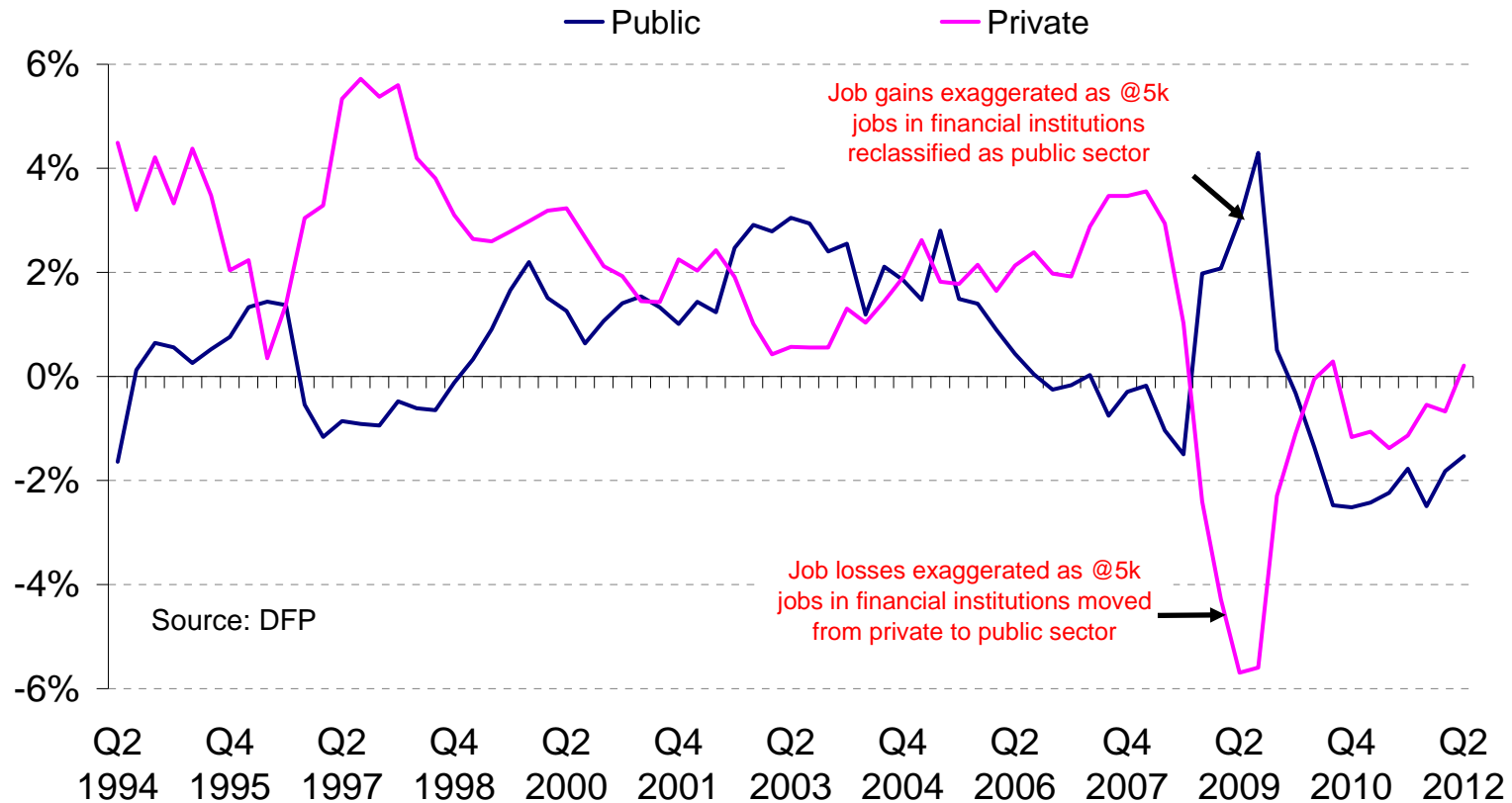


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*NI Public Sector v Private Sector  
Employment Levels  
& Growth*

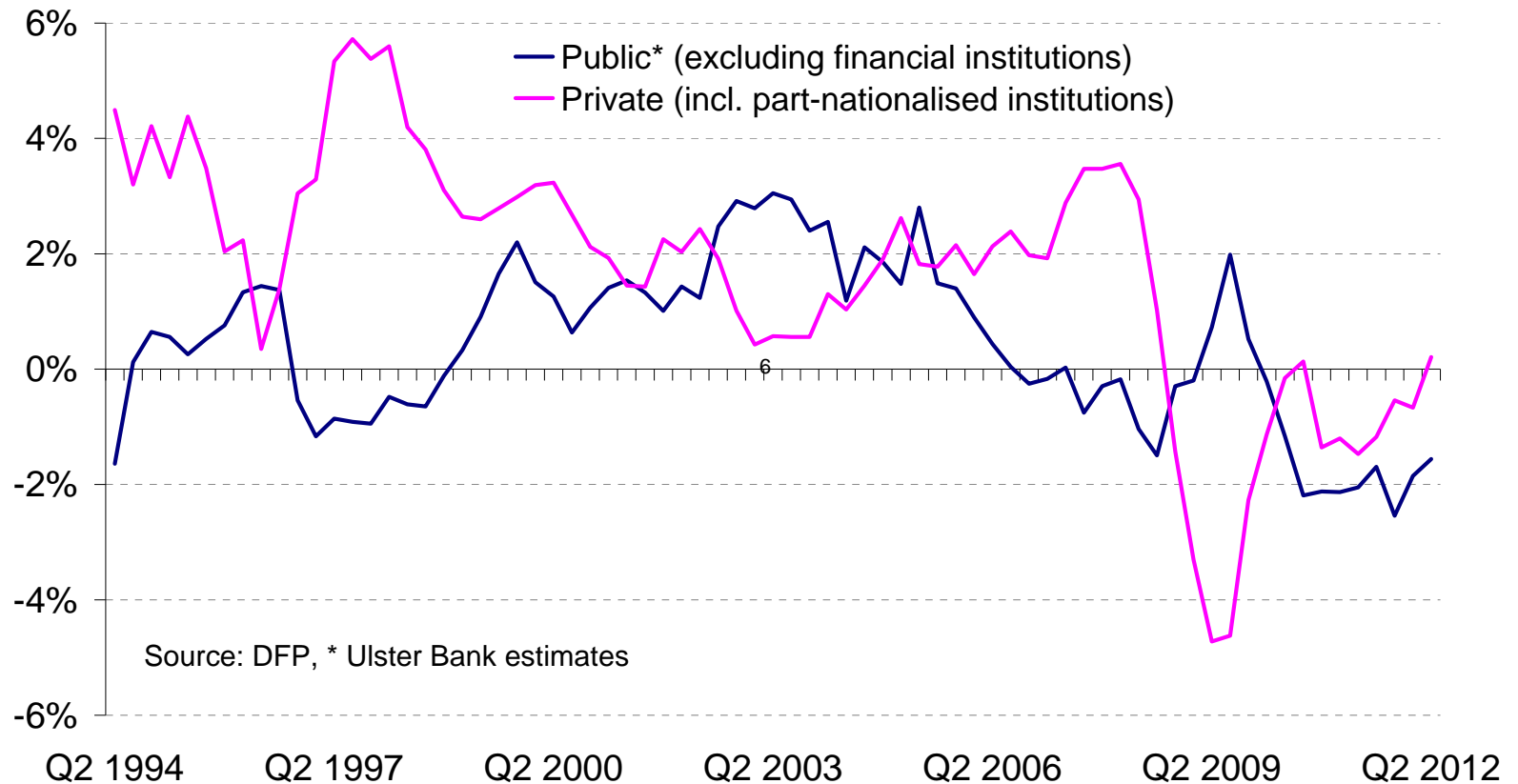
# Headline public & private sector growth rates are misleading due to reclassification of some institutions as public sector

## NI Public v Private Sector Employment Growth



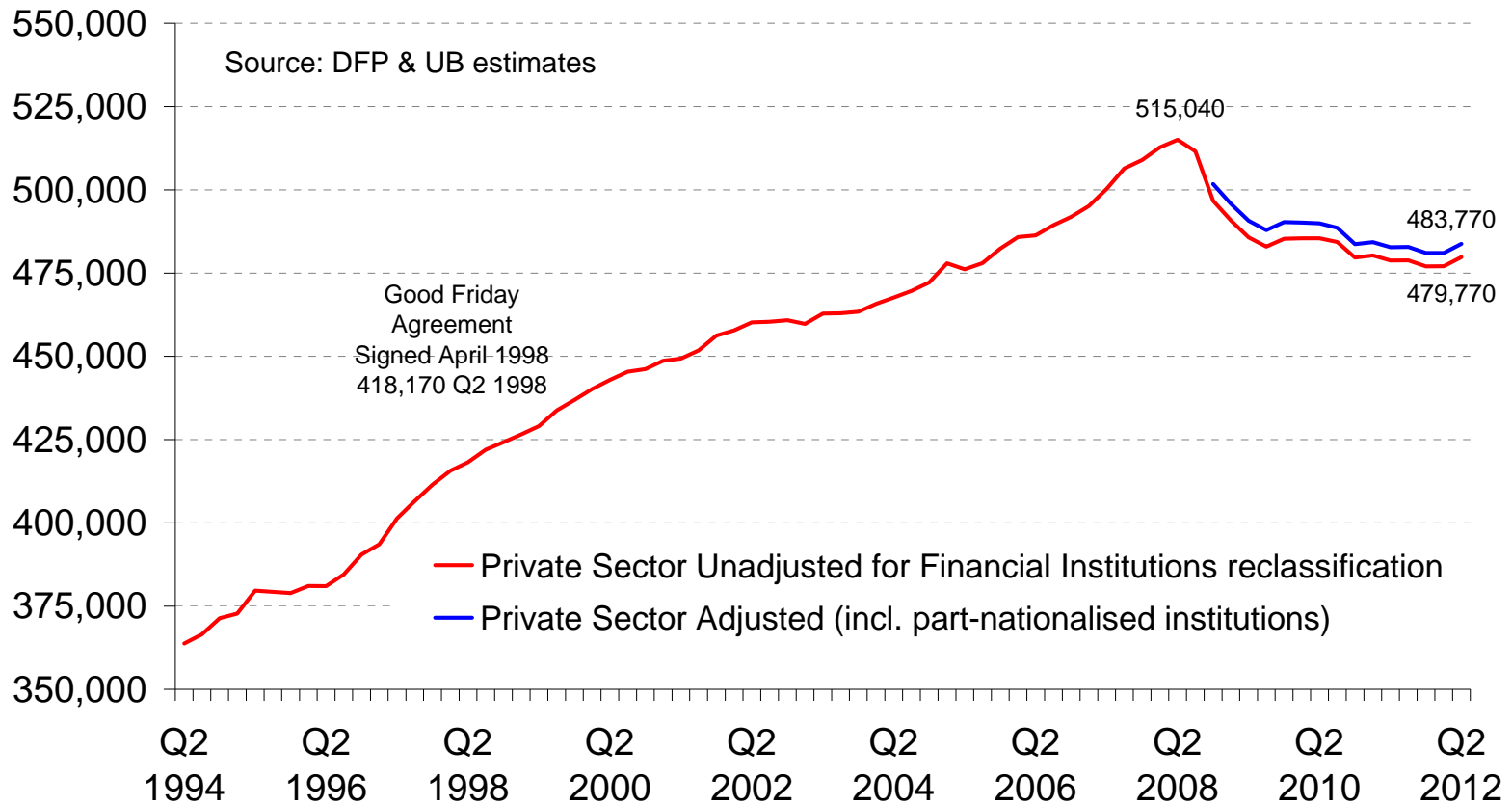
# Adjusting for the movement from private to public sector presents a slightly different picture

## NI Public v Private Sector Employment Growth



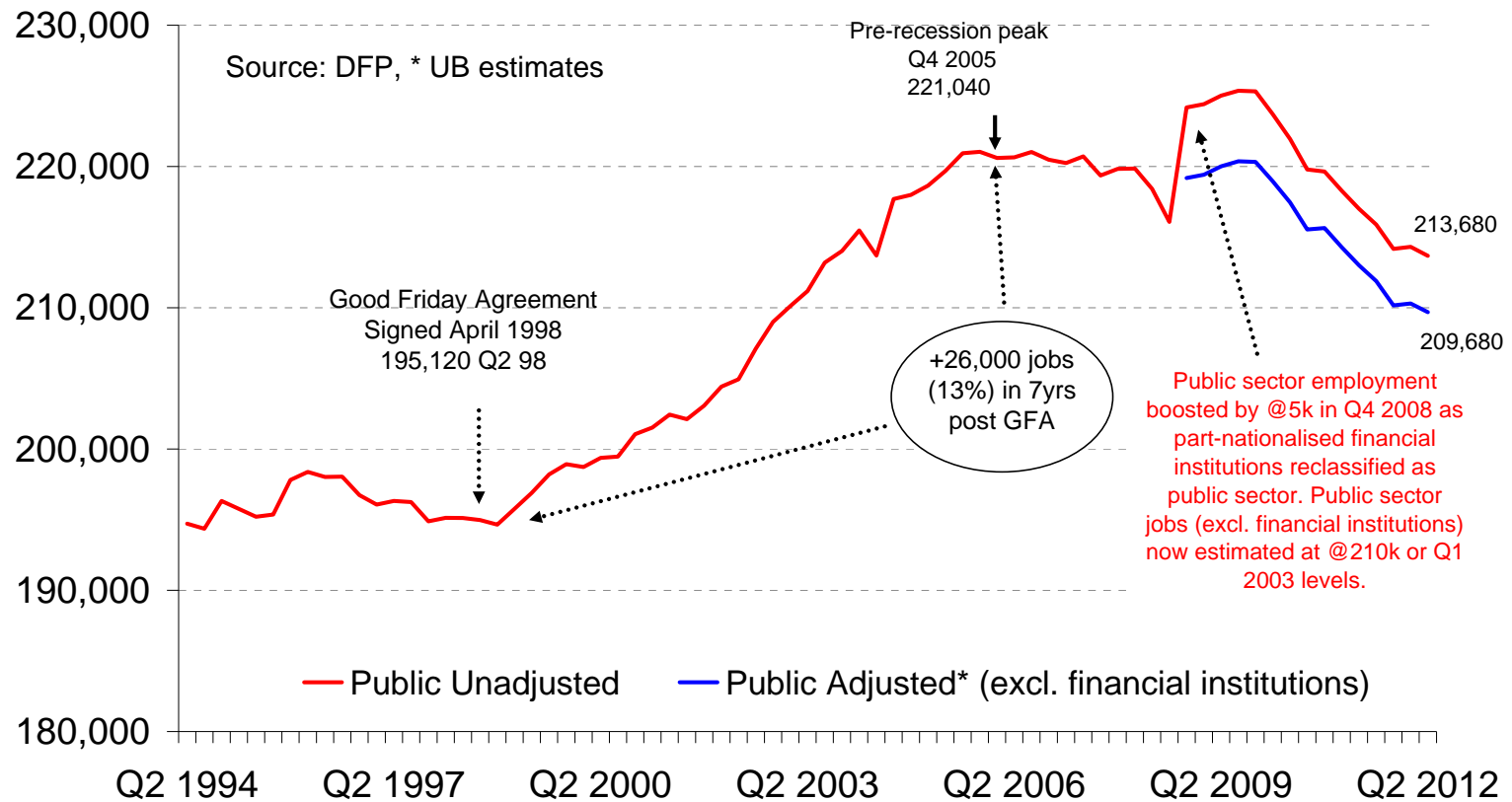
# Private sector is creating employment again but will it last?

## NI Private Sector Employee Jobs



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

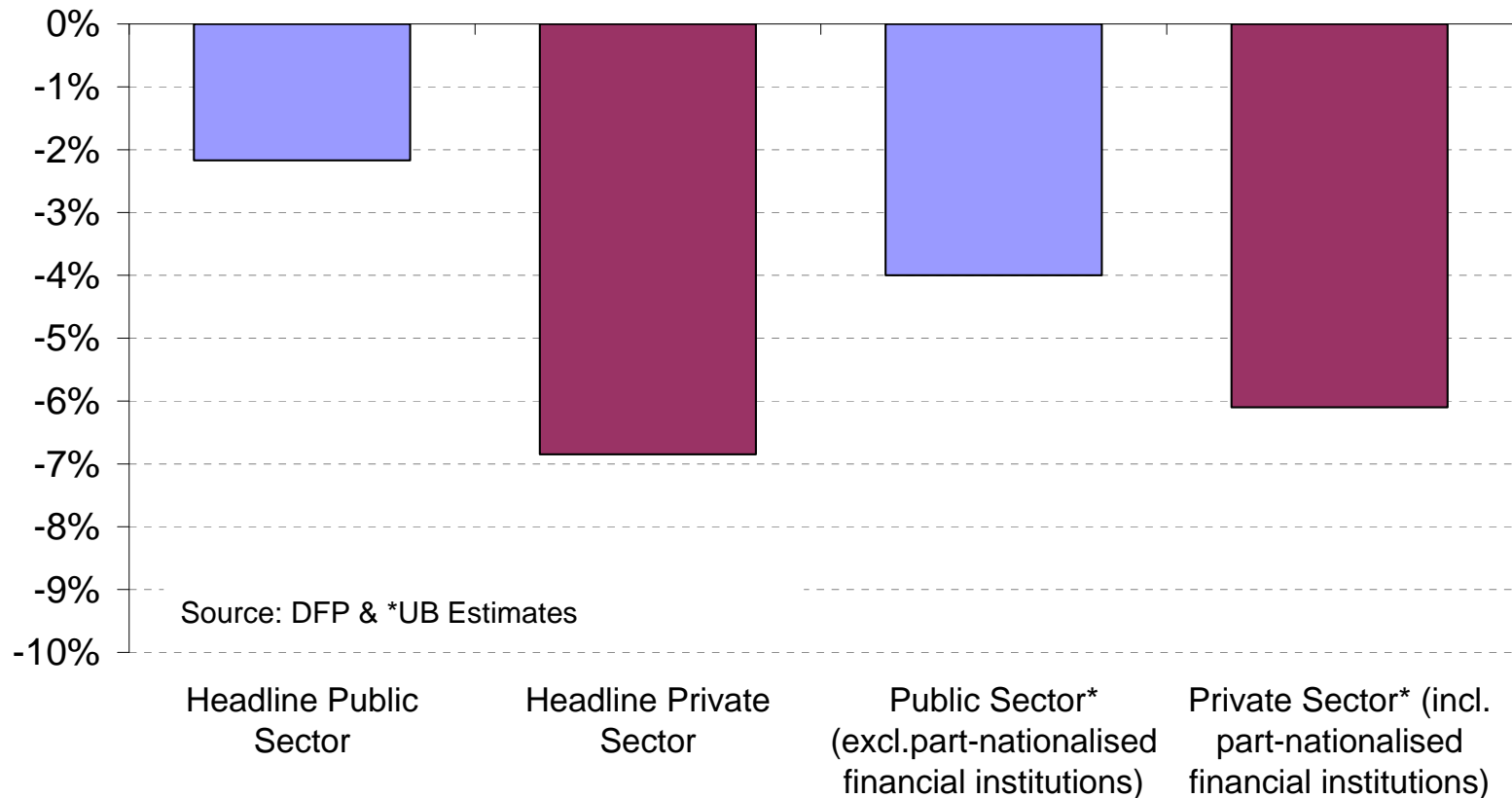
## NI Public Sector Employee Jobs Levels



Private sector employment has fallen by an estimated 6.1% in 4 years with public sector down around 4%

### NI Public & Private Sector Employment % Change

Q2 2008 - Q2 2012

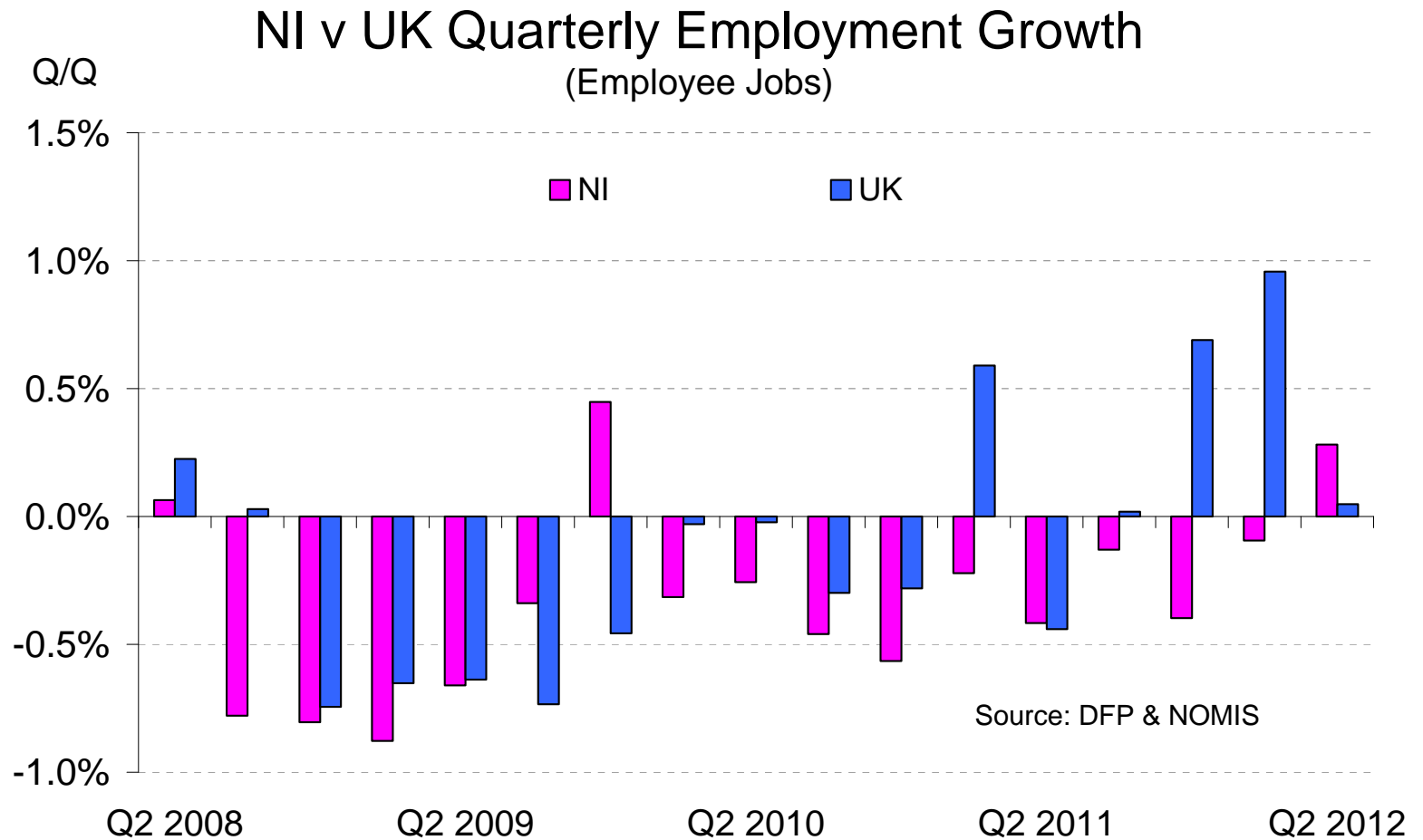


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*NI V UK*  
*Employment Performance*  
*Employee Jobs*

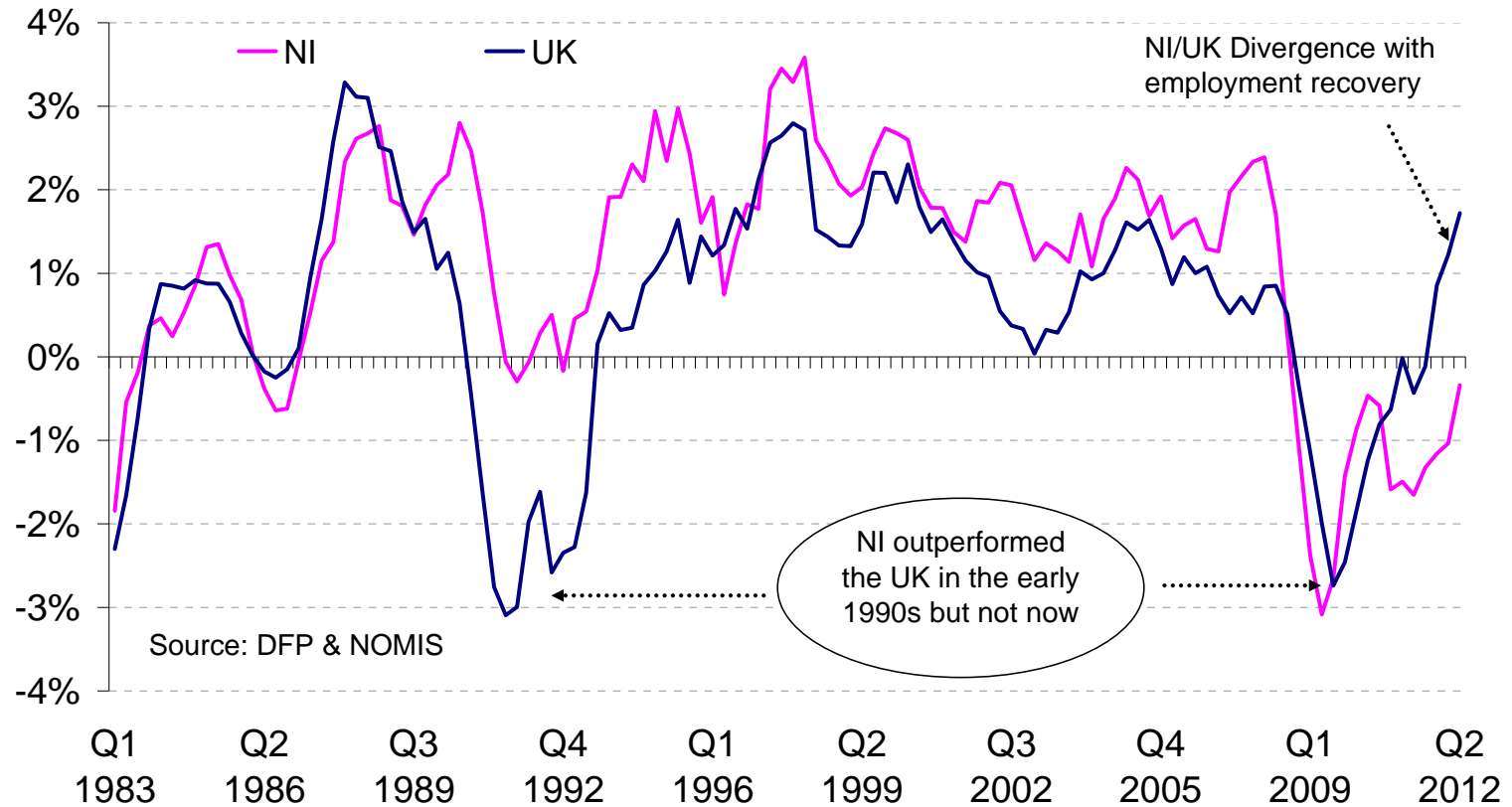


# The UK posts growth in 5 of the last 6 quarters

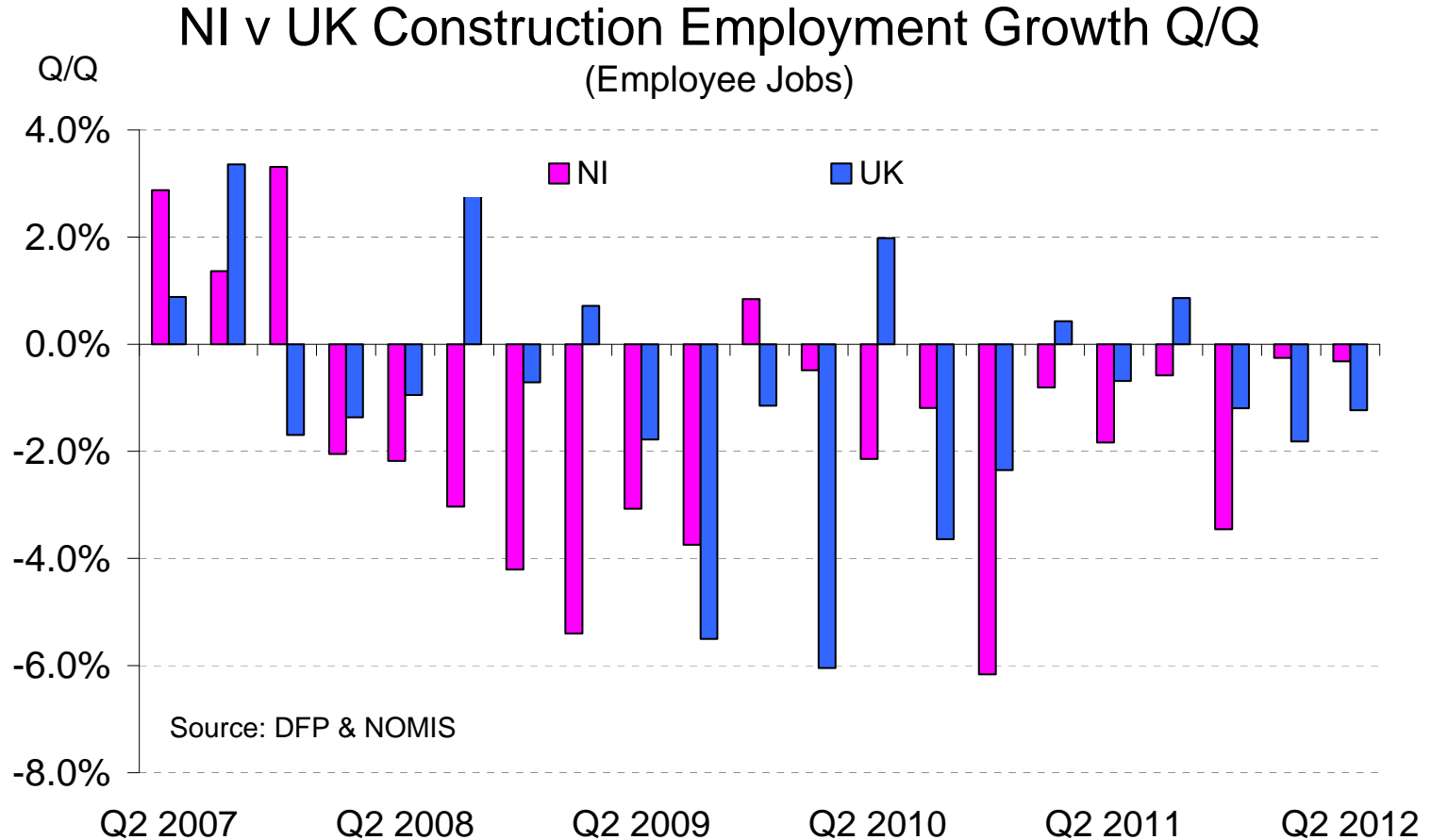


# NI has not posted year-on-year employment growth since Q3 2008

## NI & UK Annual Employment Growth

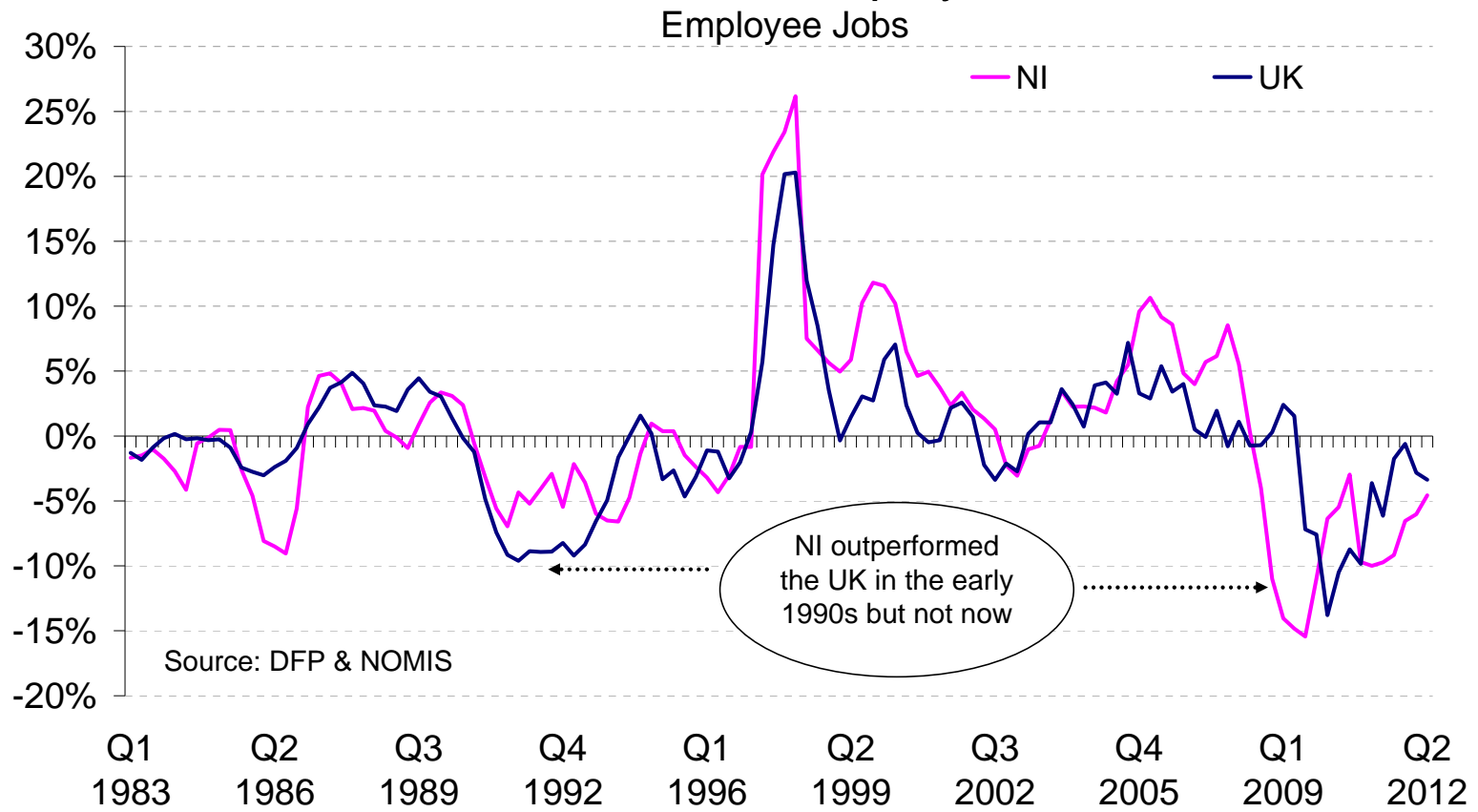


# Employment growth has been lacking in both NI & the UK construction sectors



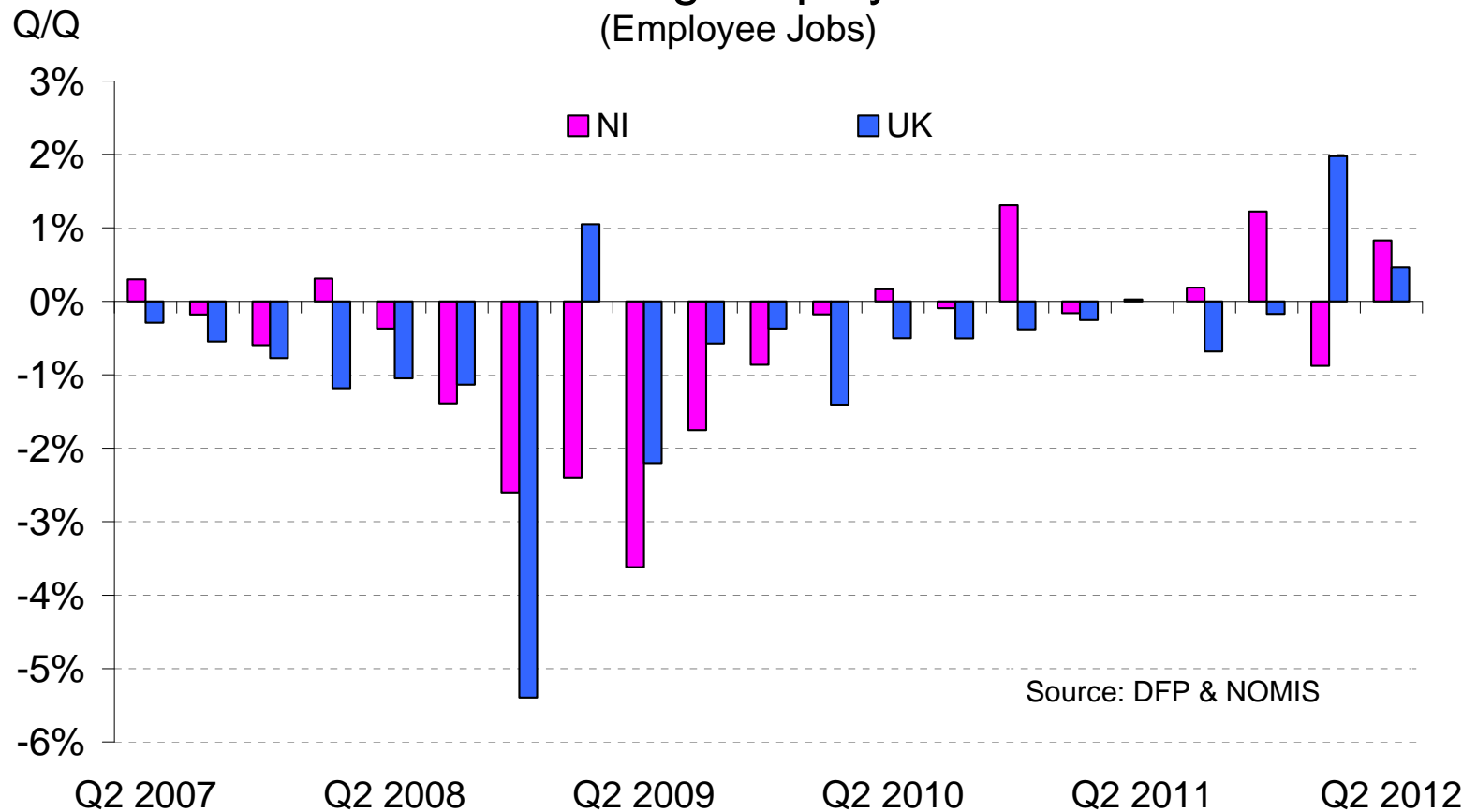
# NI's construction sector experienced sharper rises and falls relative to the UK

## Construction Annual Employment Growth



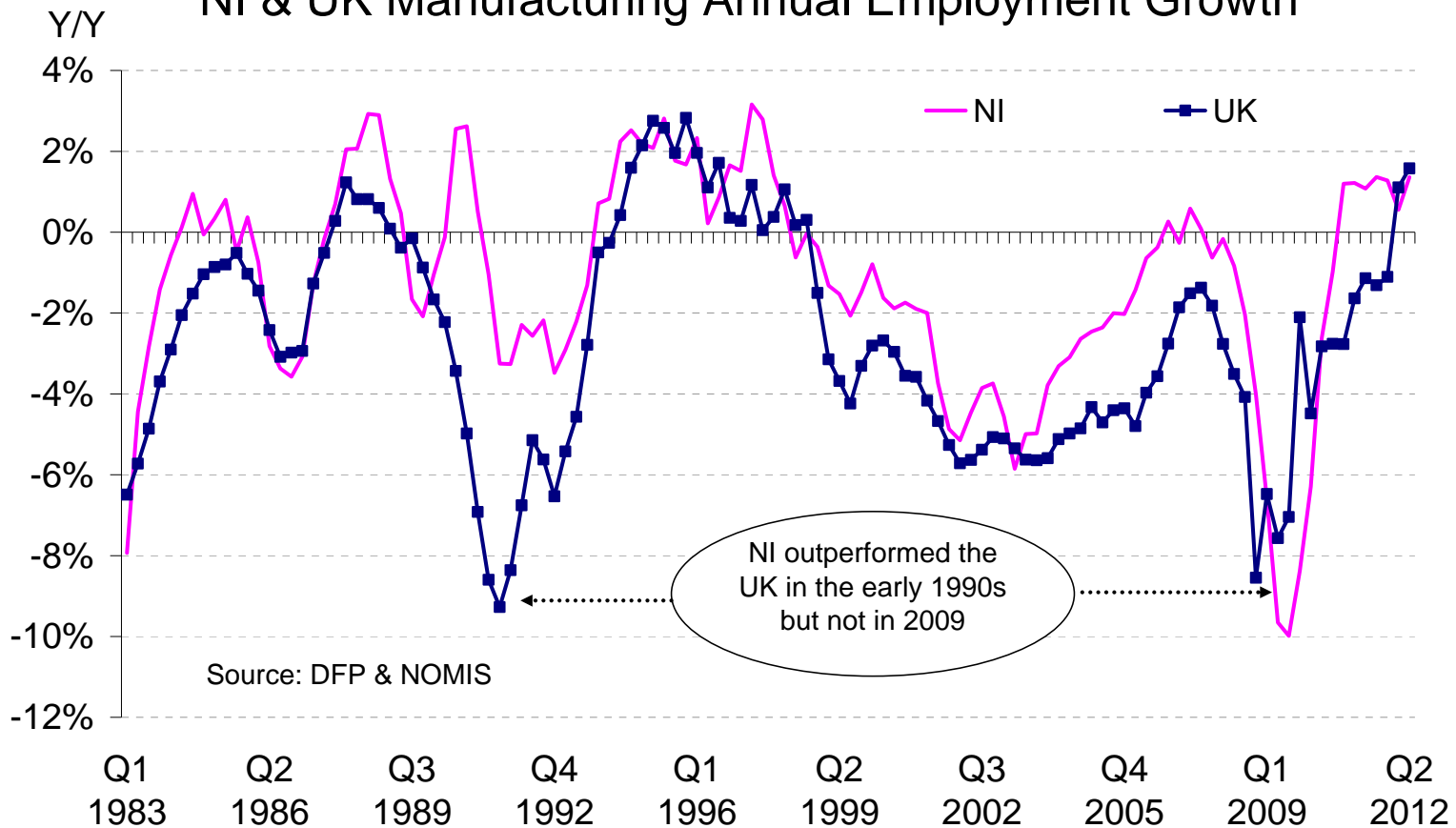
# Both NI & UK post manufacturing employment gains in Q2

## NI v UK Manufacturing Employment Growth Q/Q (Employee Jobs)



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

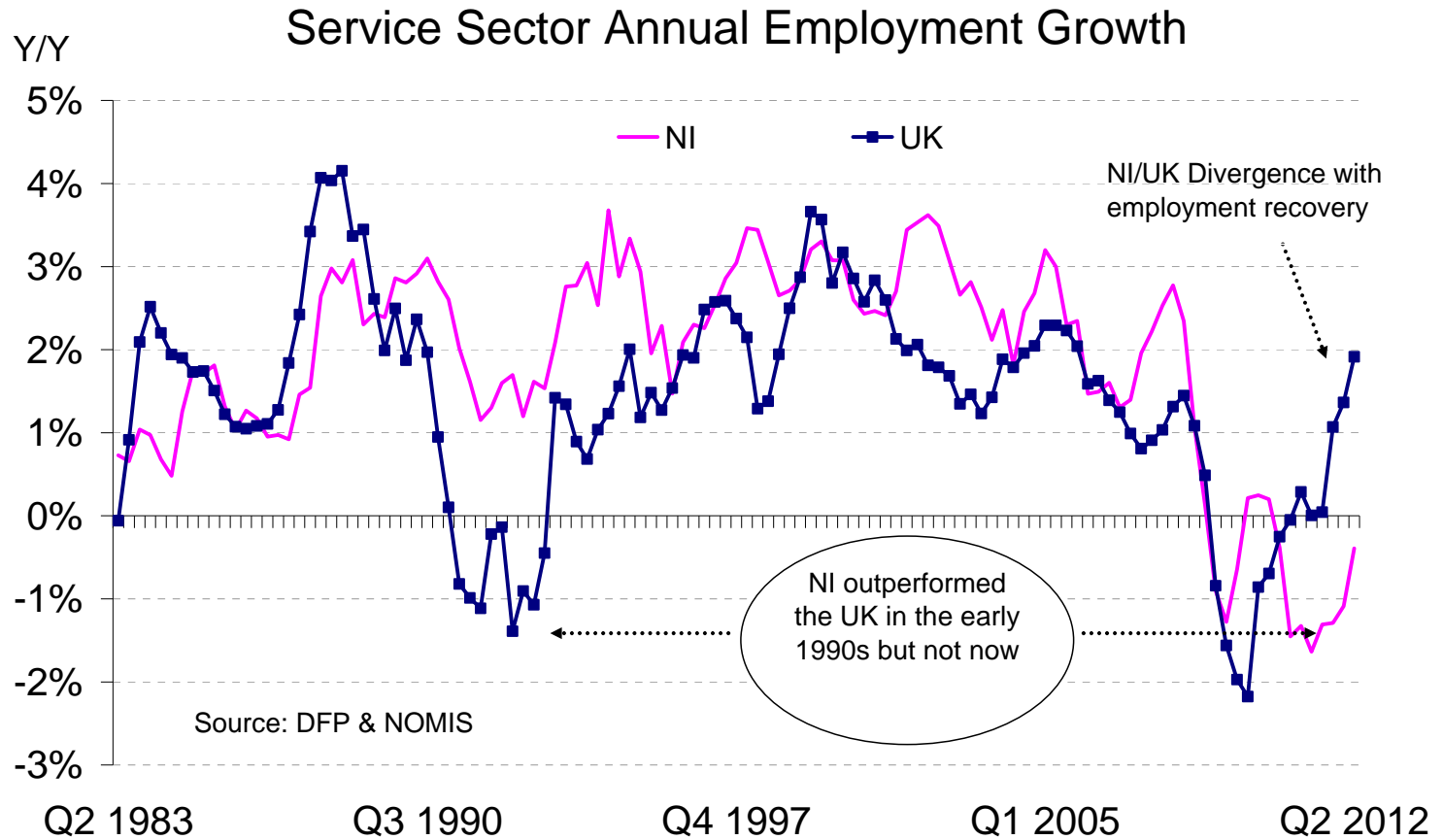
## NI & UK Manufacturing Annual Employment Growth



# UK service sector has posted employment gains in 5 of the last 6 quarters, NI has managed just 2 quarters



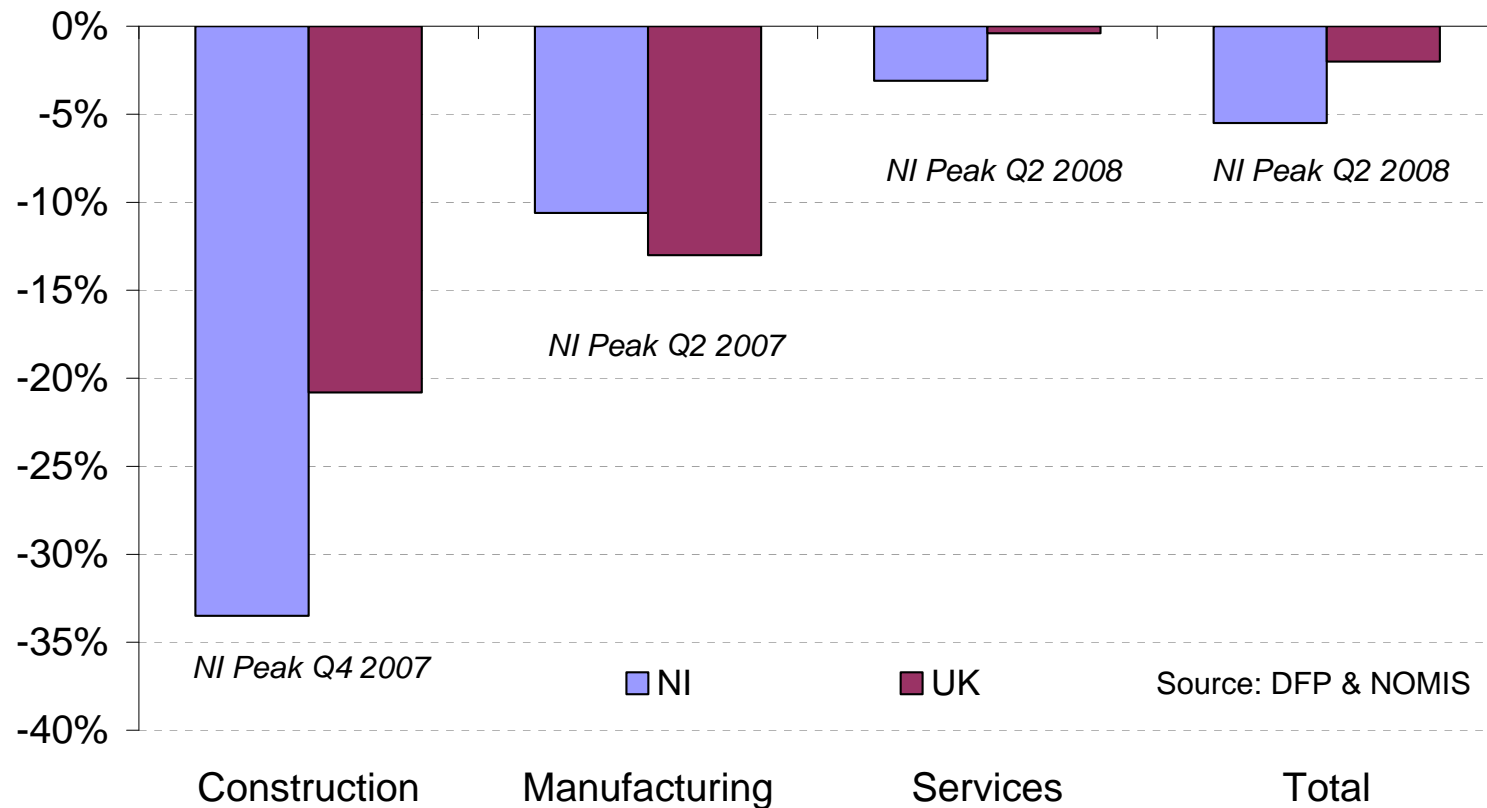
# NI's service sector diverged from the UK in the 1990s UK recession & is diverging in the current one too





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

## Employee Jobs Q2 2012 relative to recent peaks

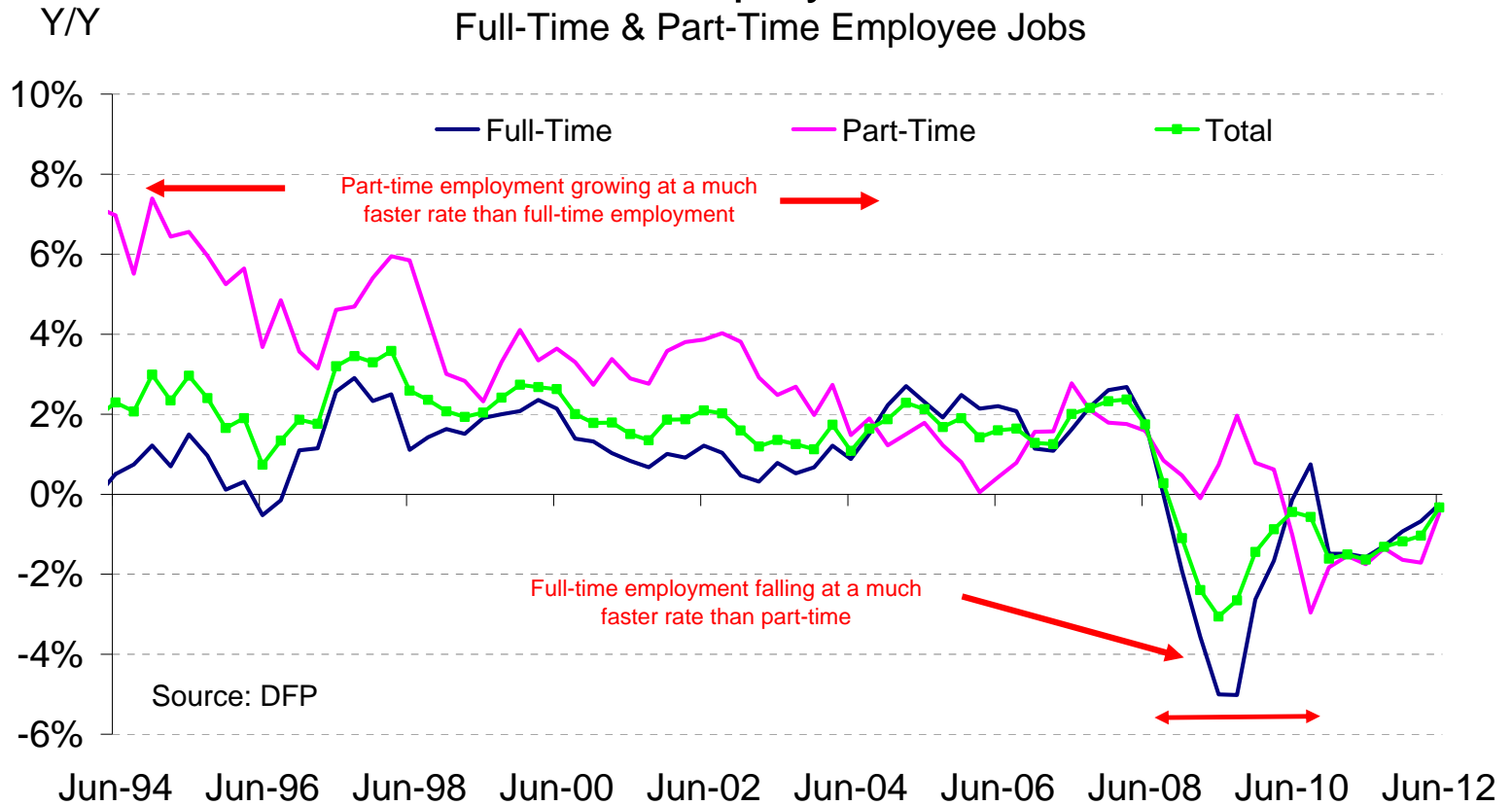


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*NI & UK Employee Jobs  
Full-Time & Part-Time*

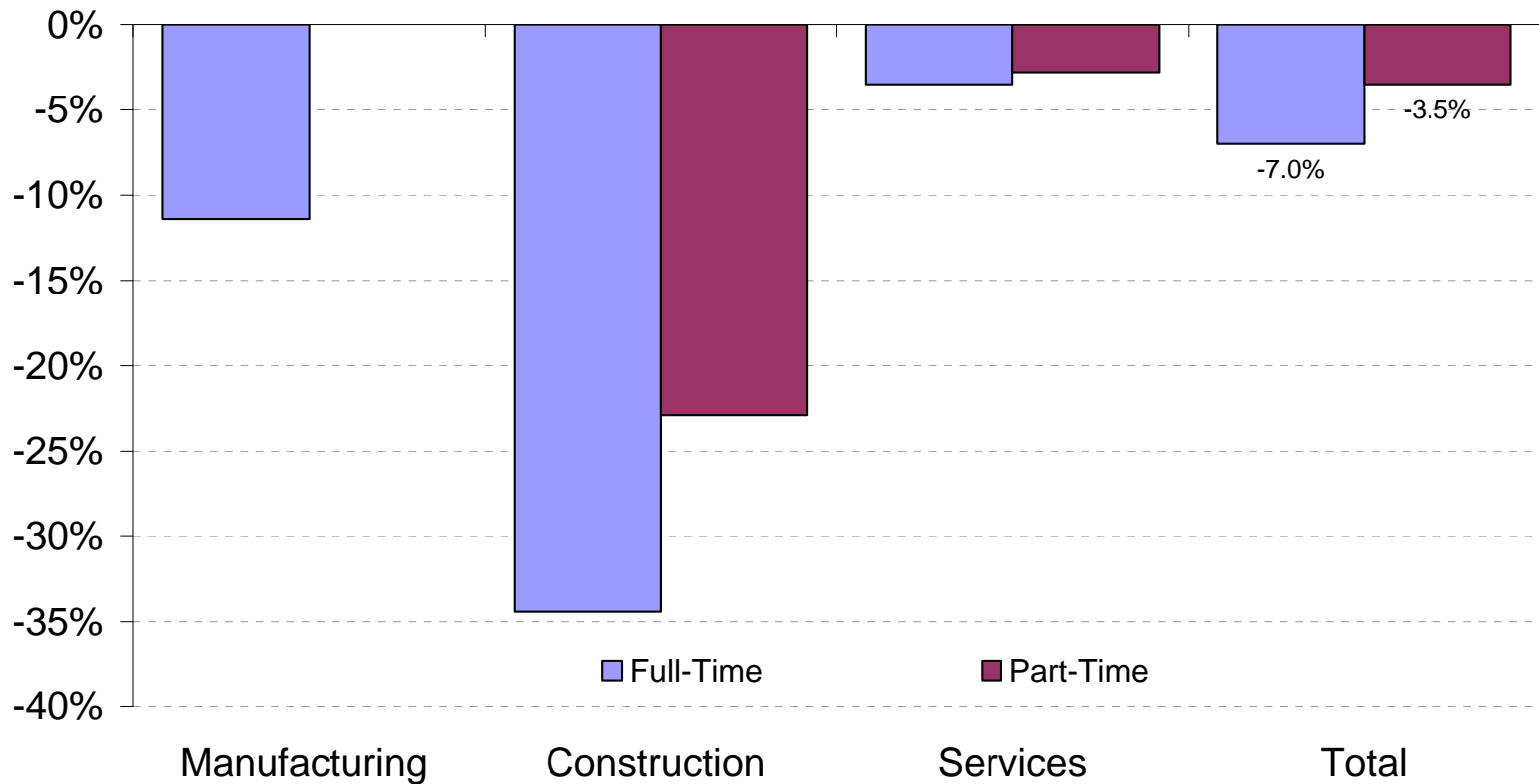
# Employment boom was predominantly part-time jobs while employment gloom is largely full-time

## NI Annual Employment Growth Full-Time & Part-Time Employee Jobs



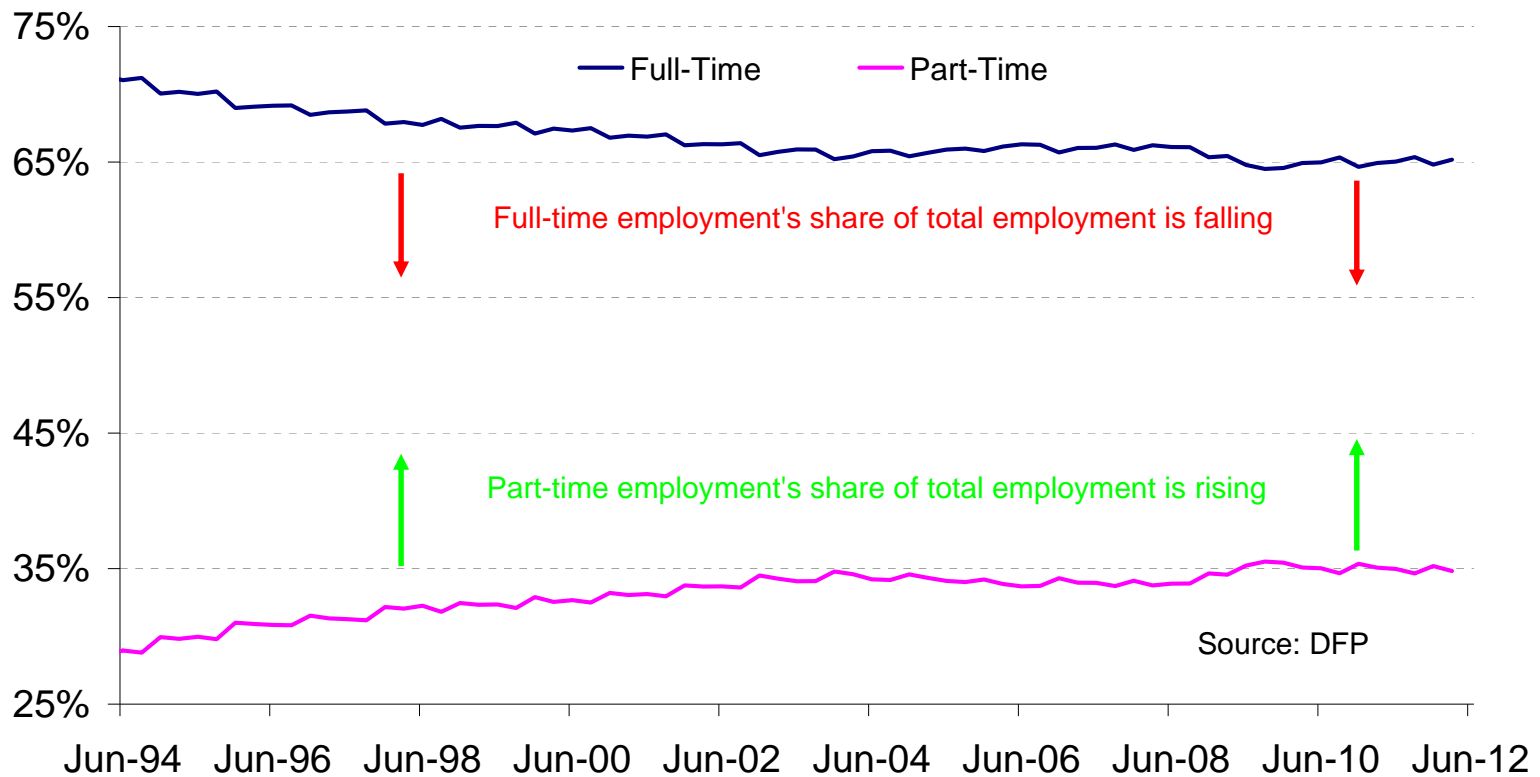
# More than twice as many full-time jobs lost as part-time

NI Employee Jobs Q2 2012 relative to recent peaks

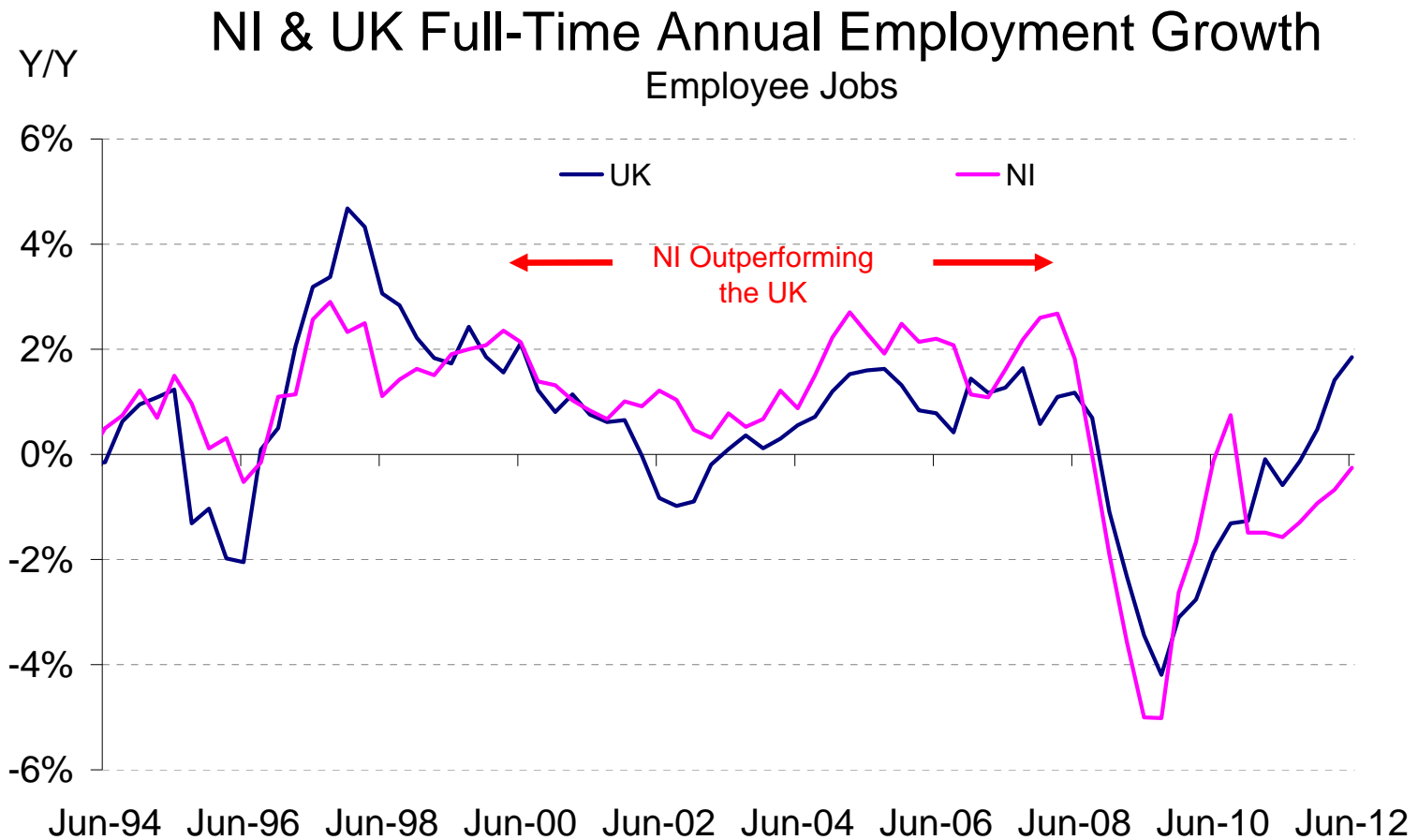


## ...leading to a change in NI's employment mix

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



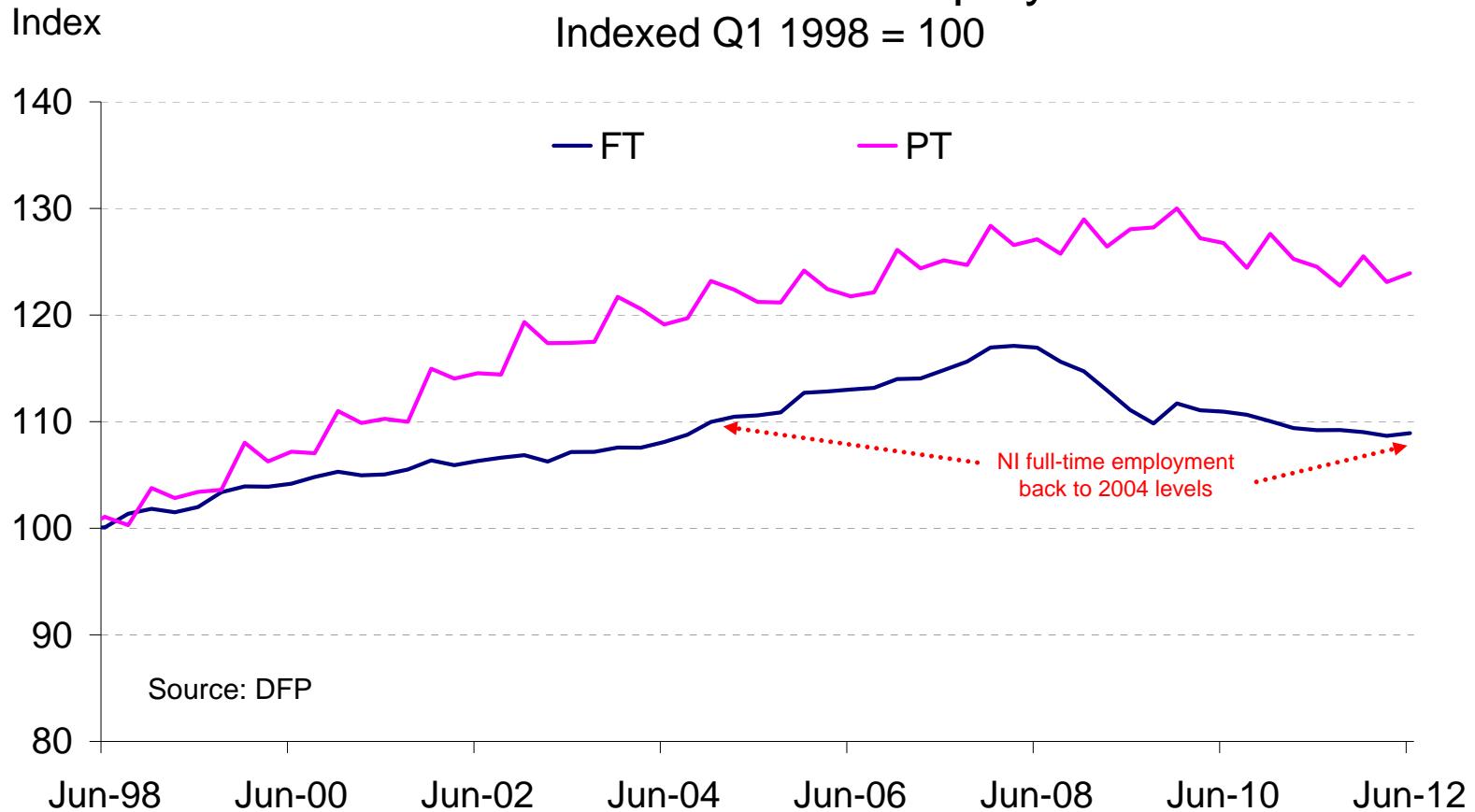
# NI outperformed the UK in the boom but is underperforming in the recovery



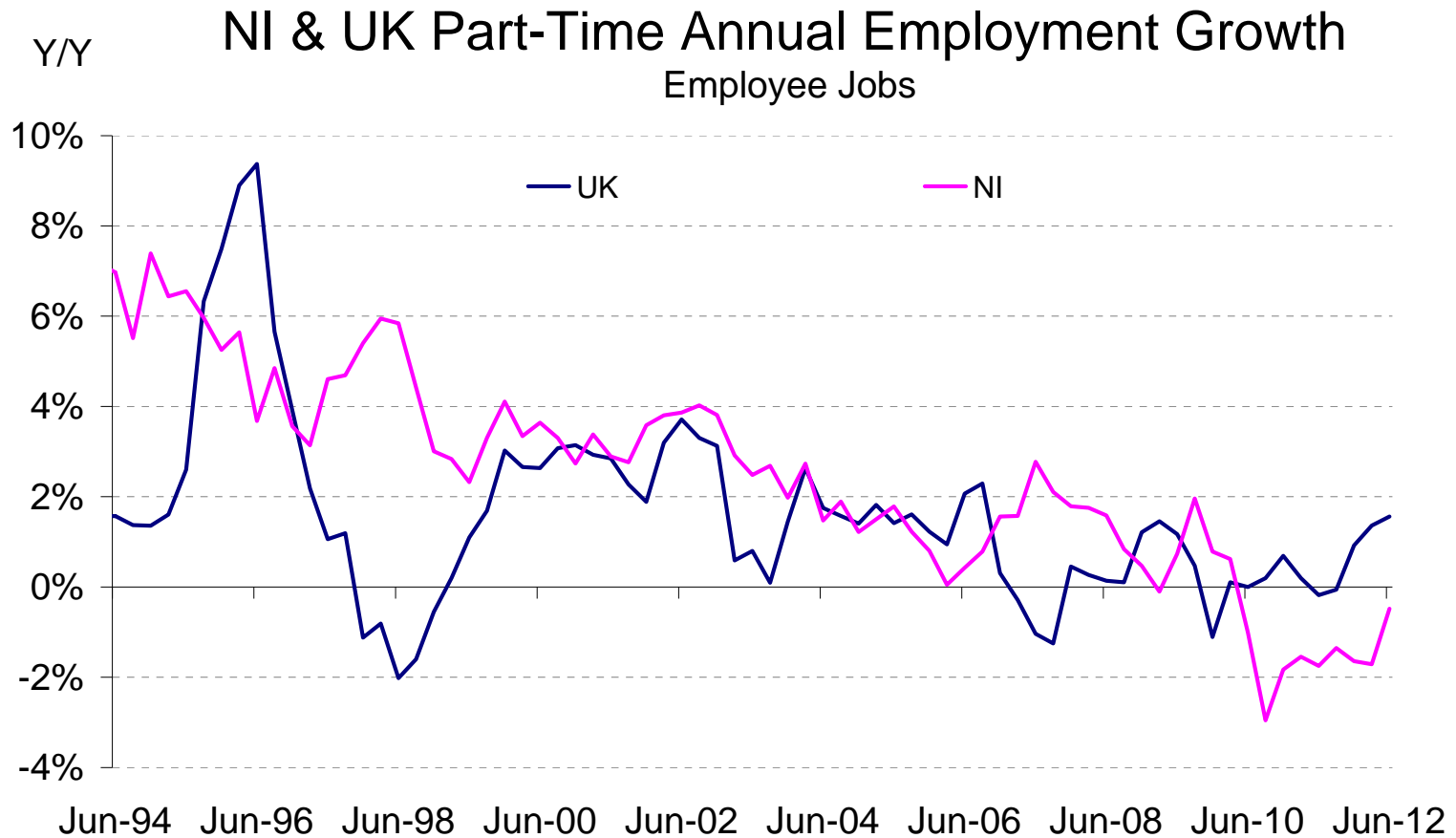
# NI's full-time employment back to 2004 levels

## 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)

*Aug 2012 Survey Update*

Issued 10<sup>th</sup> September 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.*

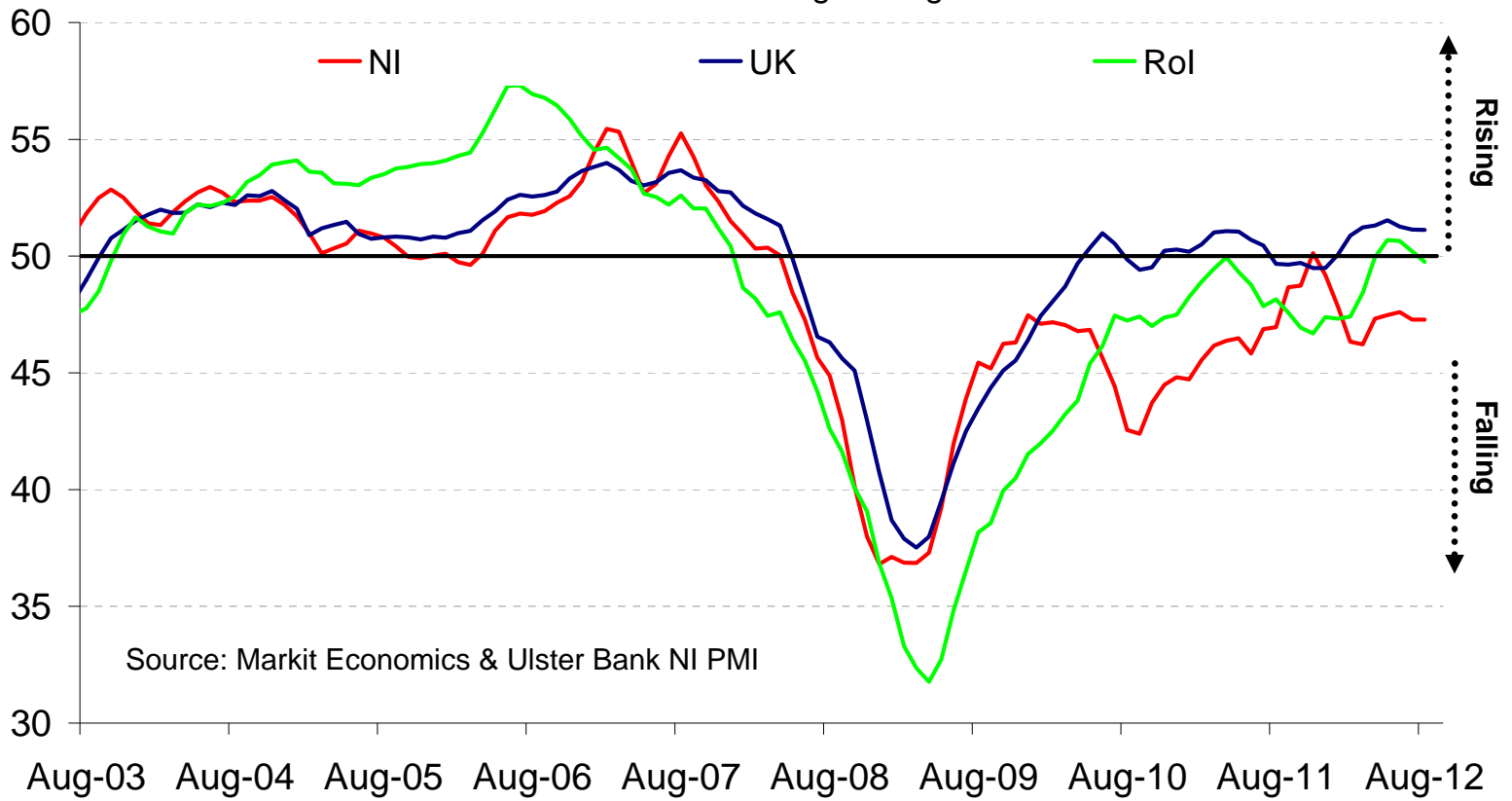
**< 50.0 = Contraction      50.0 = No Change      > 50.0 = Expansion**

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

# The NI-UK divergence in employment creation continues in Q3

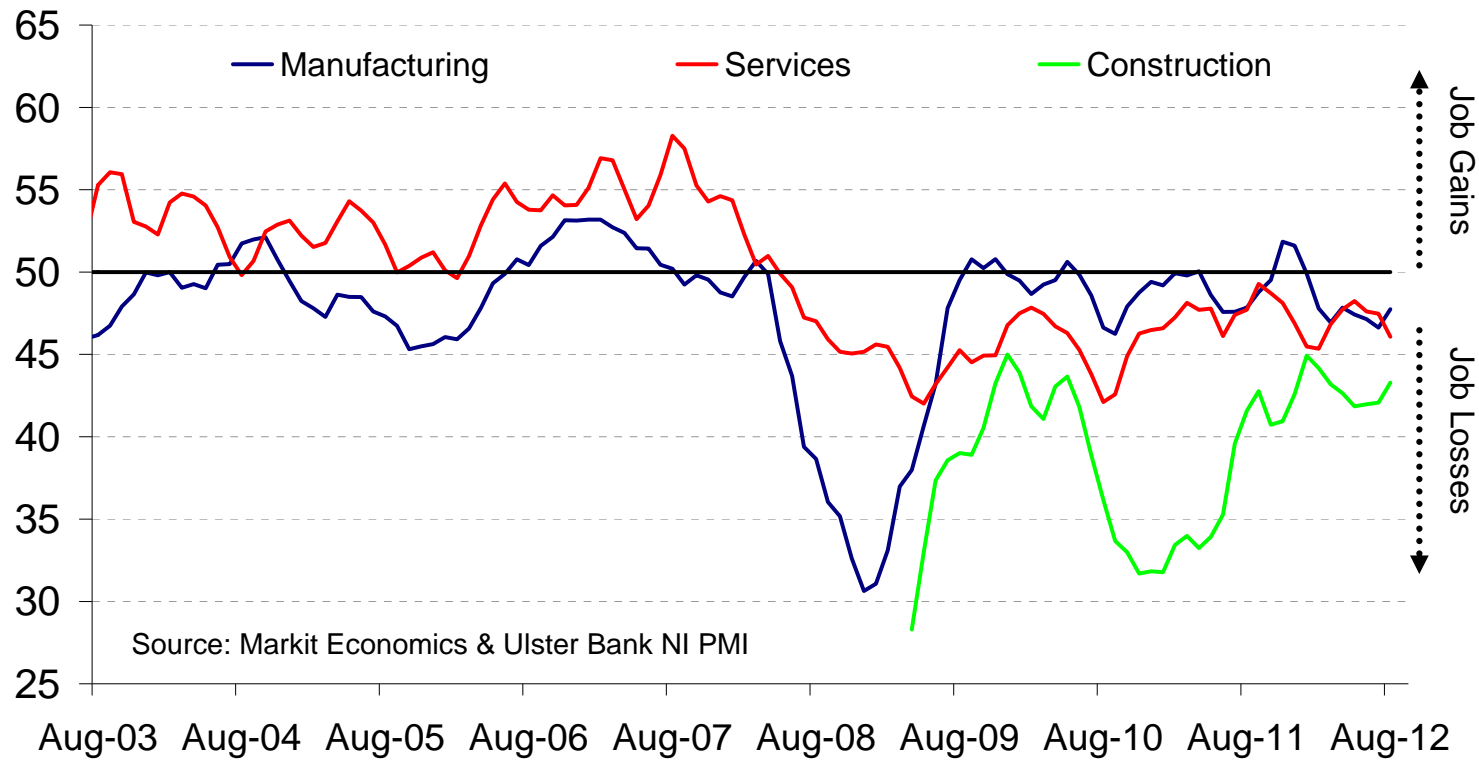
## Private Sector Employment Levels

3 month moving average



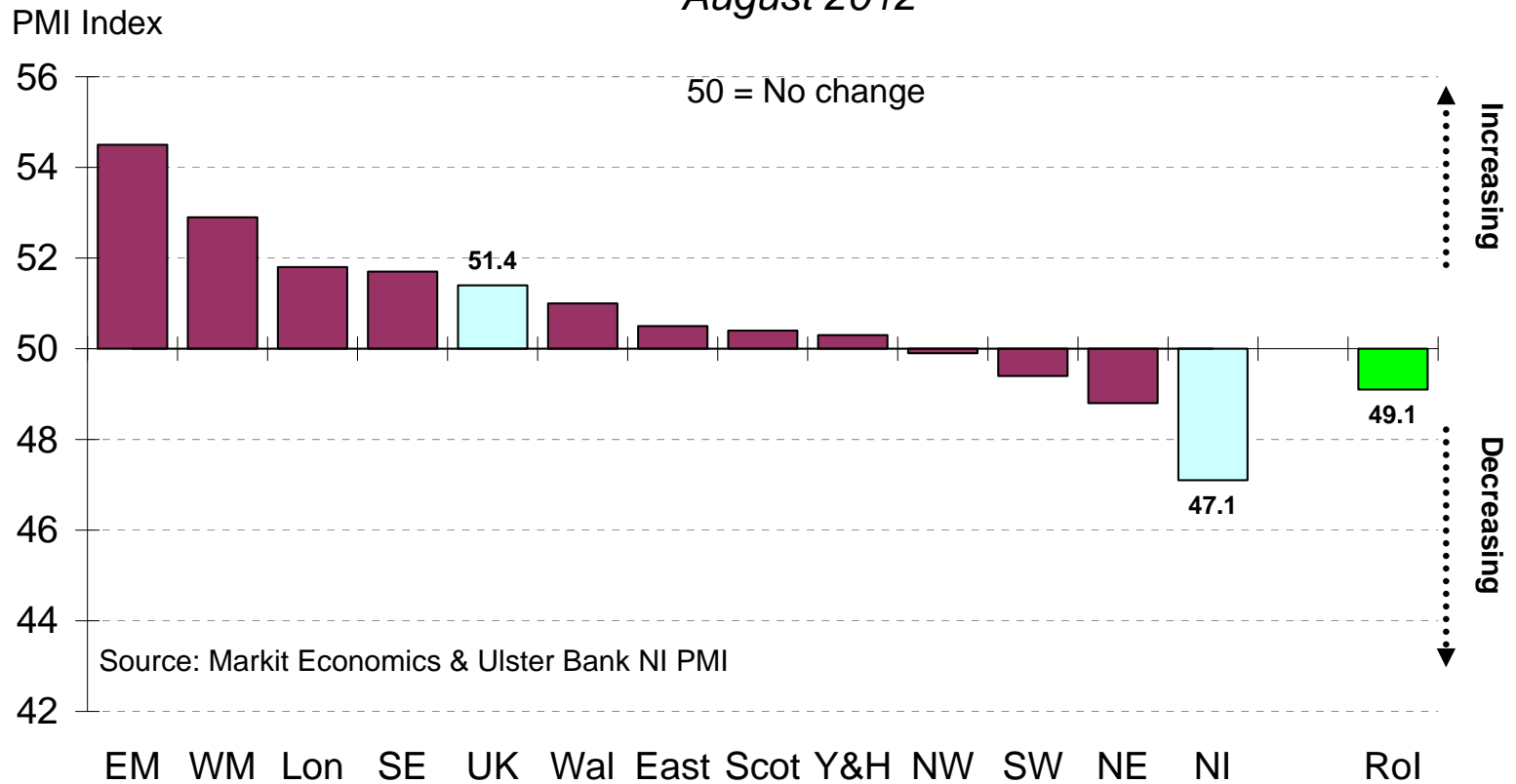
# NI PMI shows all sectors are reporting job losses

NI PMI - Employment Index  
3 month moving average



# NI posts the sharpest decline in employment in August

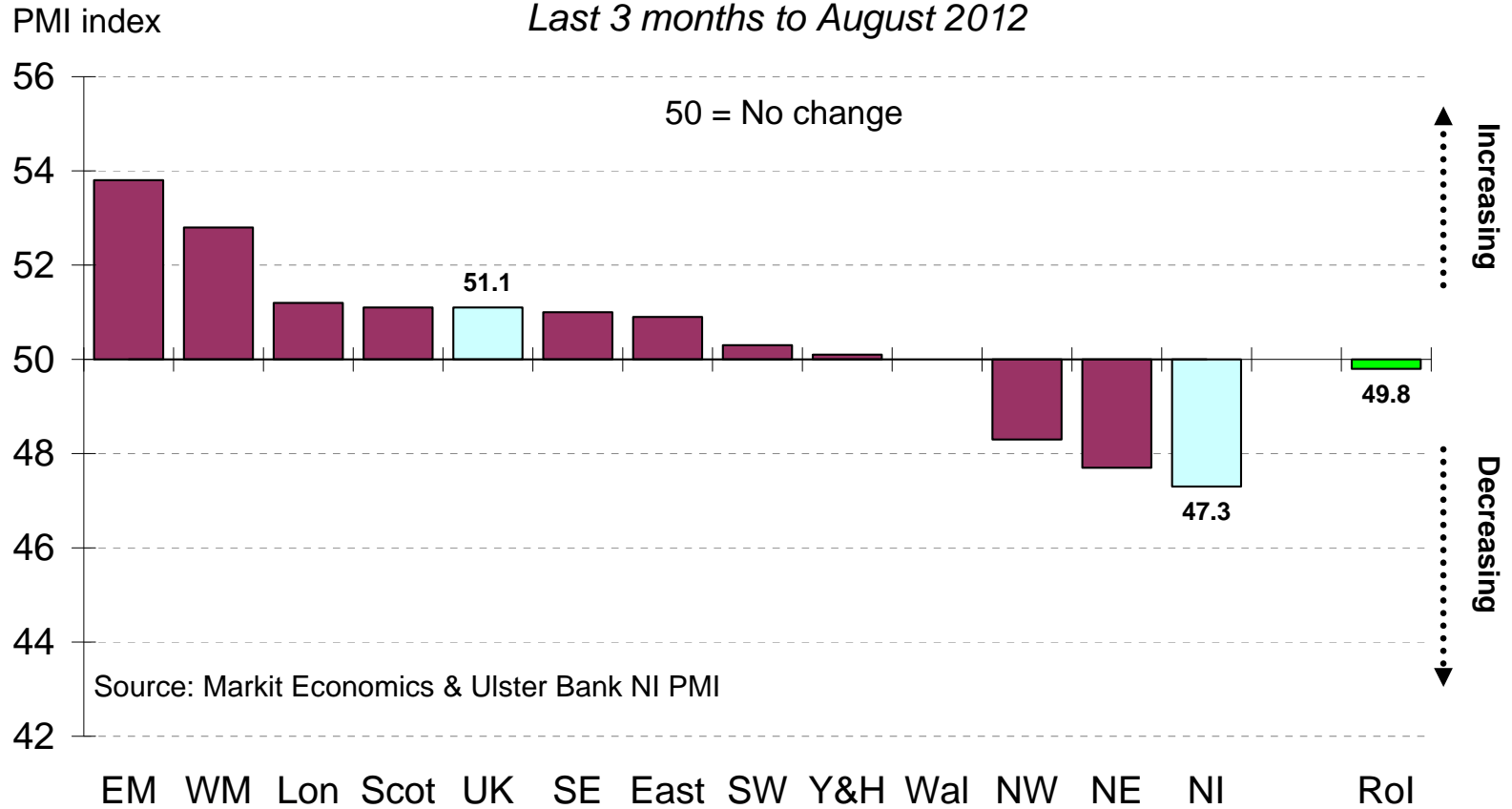
## Employment Levels August 2012



...with NI posting sharpest fall over the last 3 months...

## Employment Levels

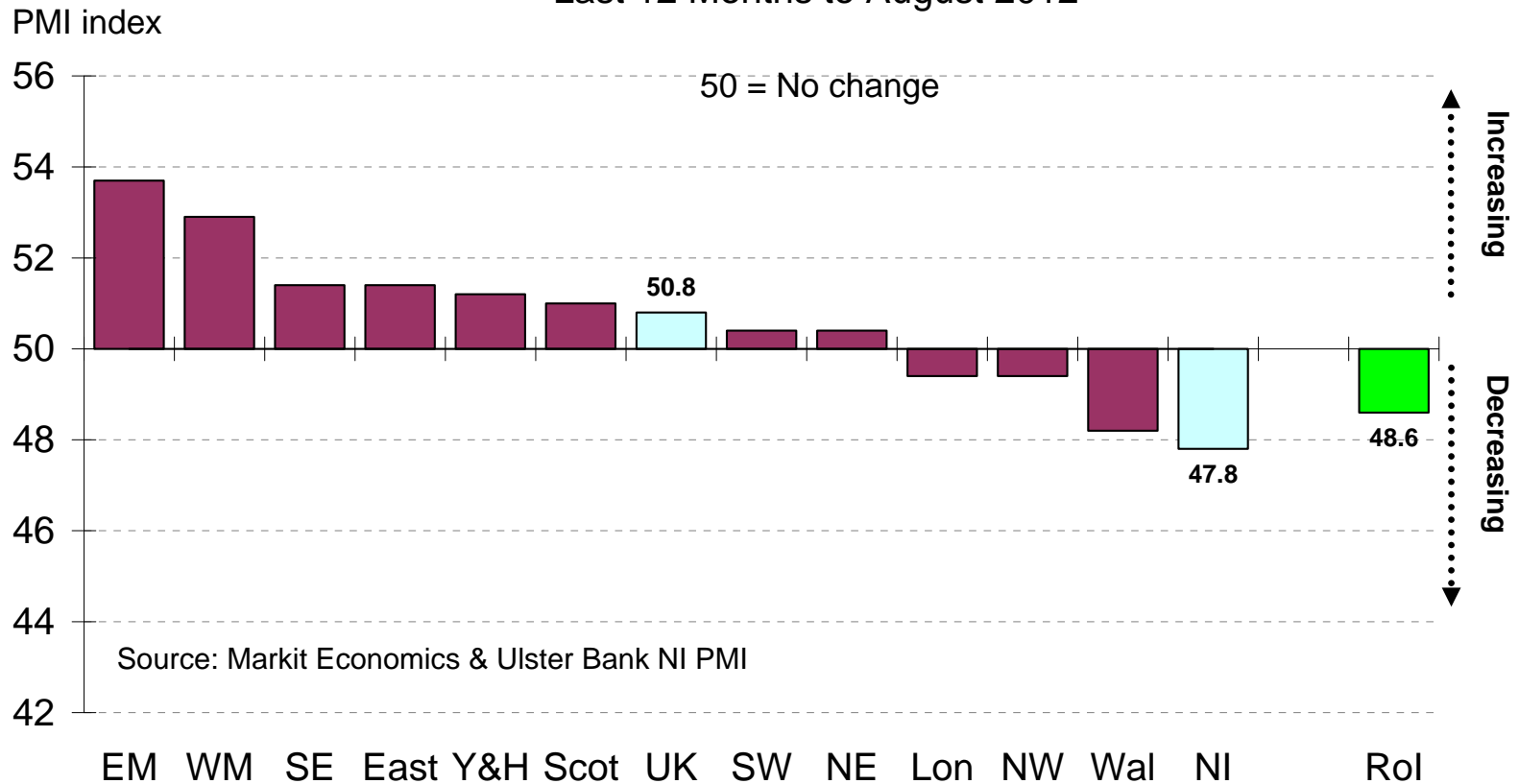
*Last 3 months to August 2012*



...and over the last 12 months

## Employment Levels

Last 12 Months to August 2012



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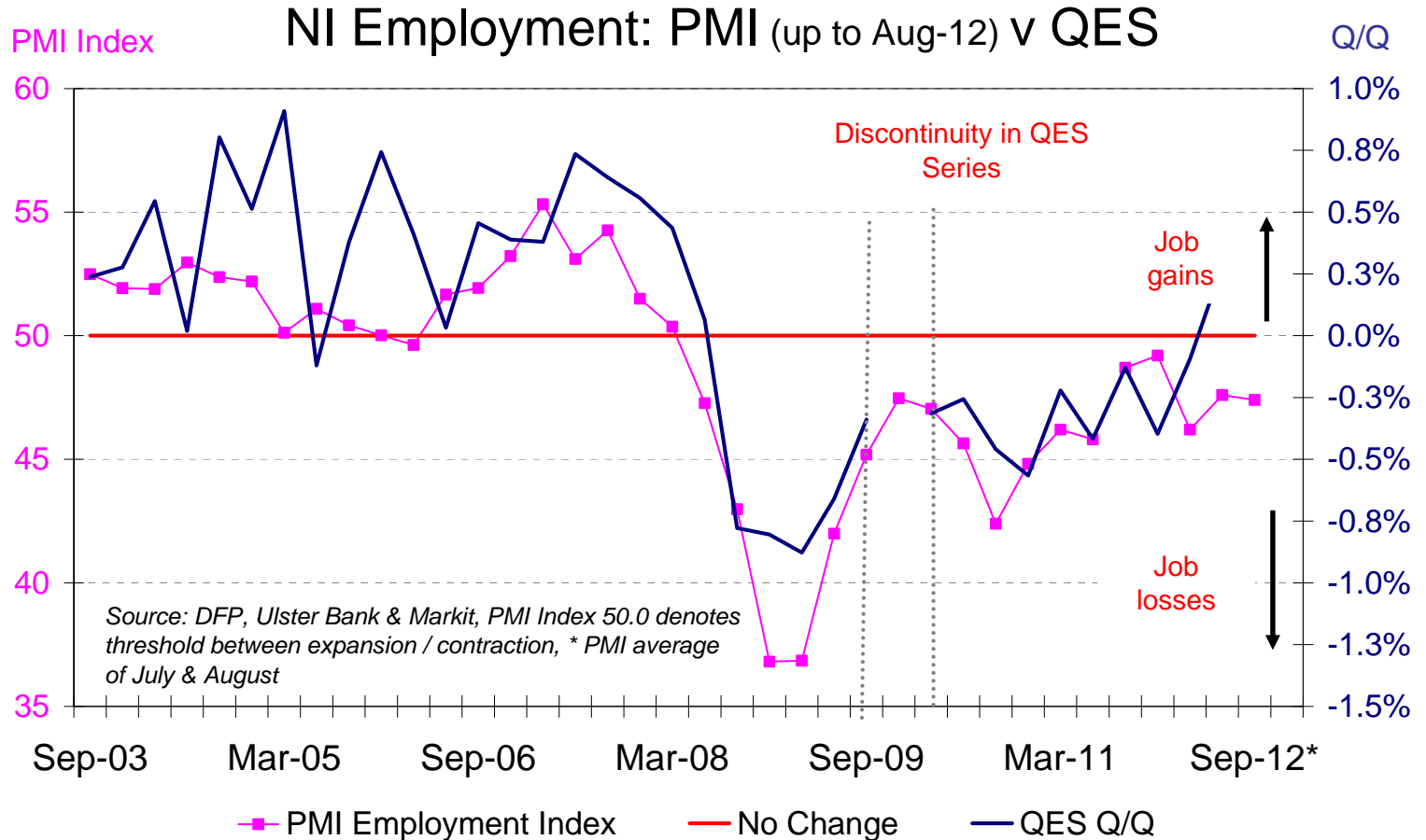
*Northern Ireland Quarterly  
Employment Survey (QES)*

V

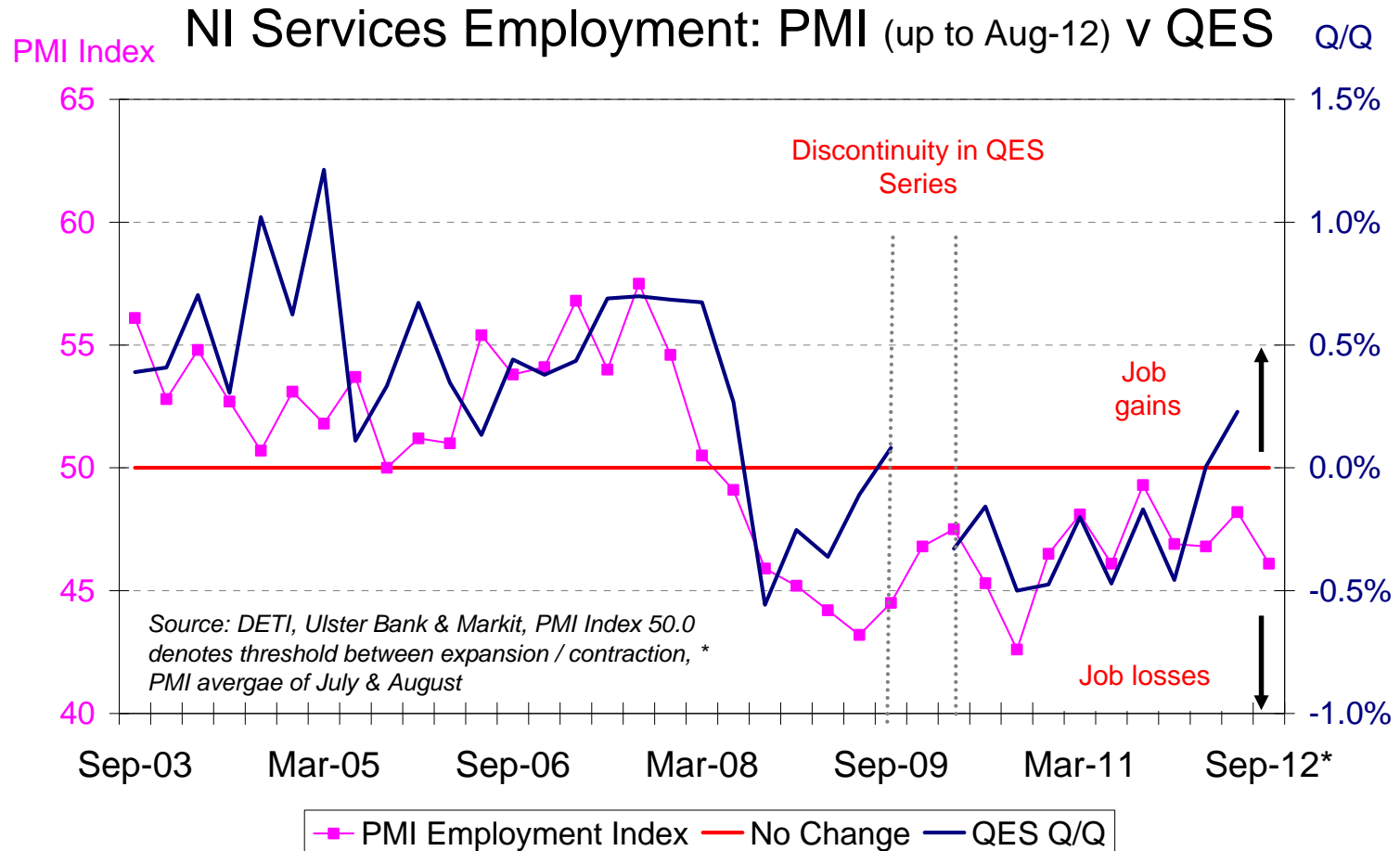
*Markit Economics / Ulster  
Bank PMI*



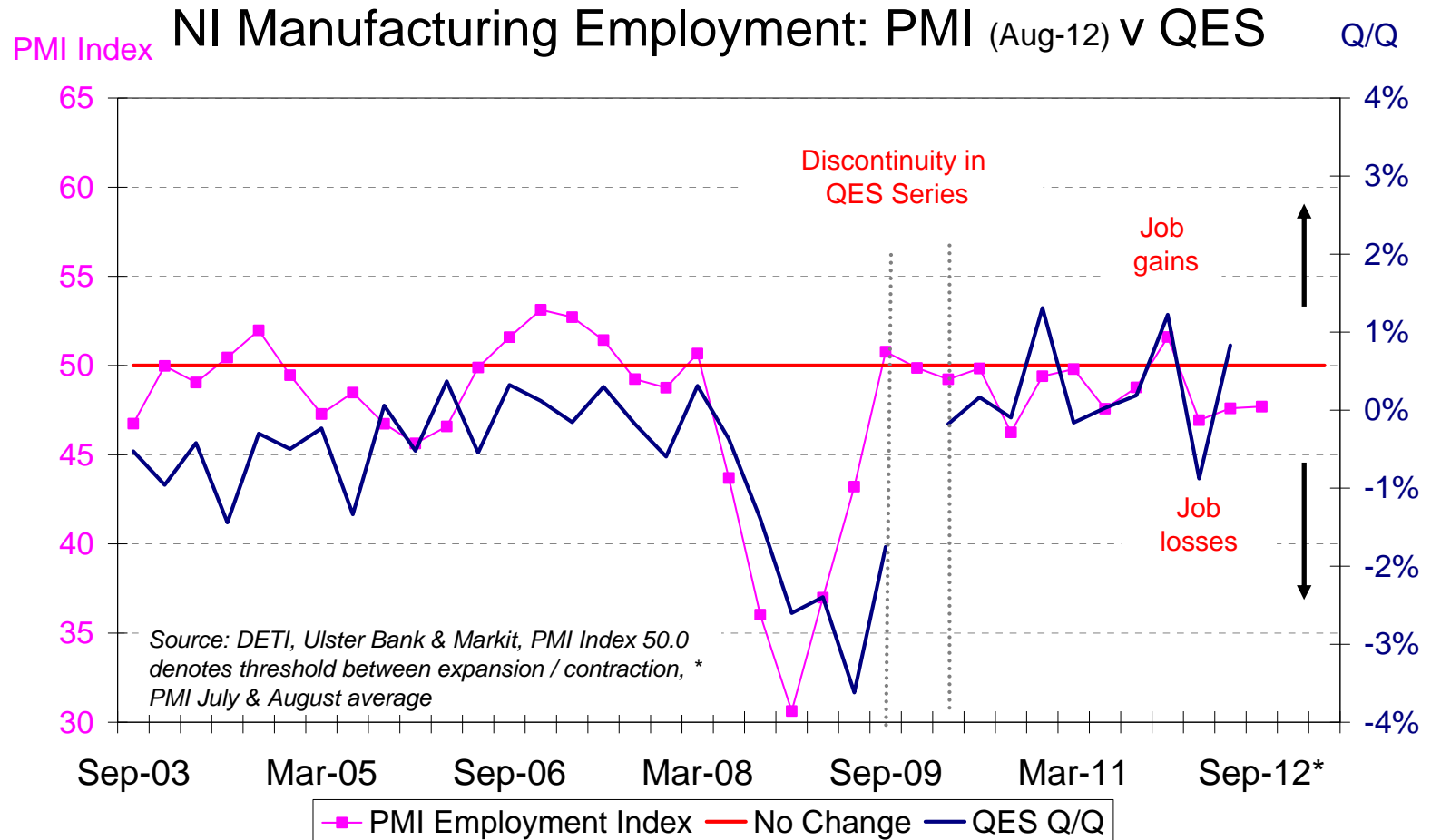
# PMI has been a reliable indicator of employment trends



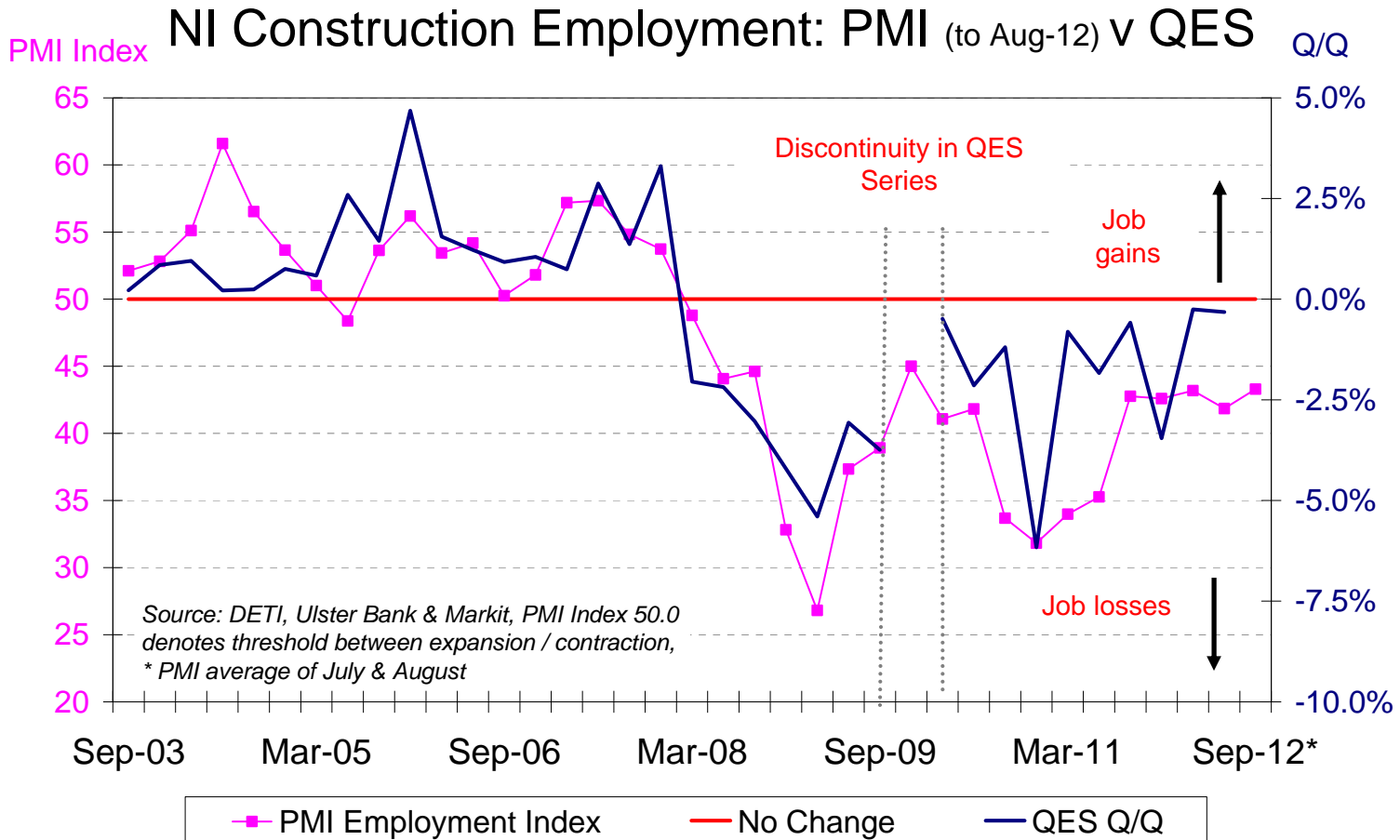
# Services PMI more negative in Q2 than QES. Q3 PMI signals job losses



# Manufacturing PMI suggested employment levels stabilised in Q3



The PMI & official QES employment numbers have pointed to job losses throughout the downturn



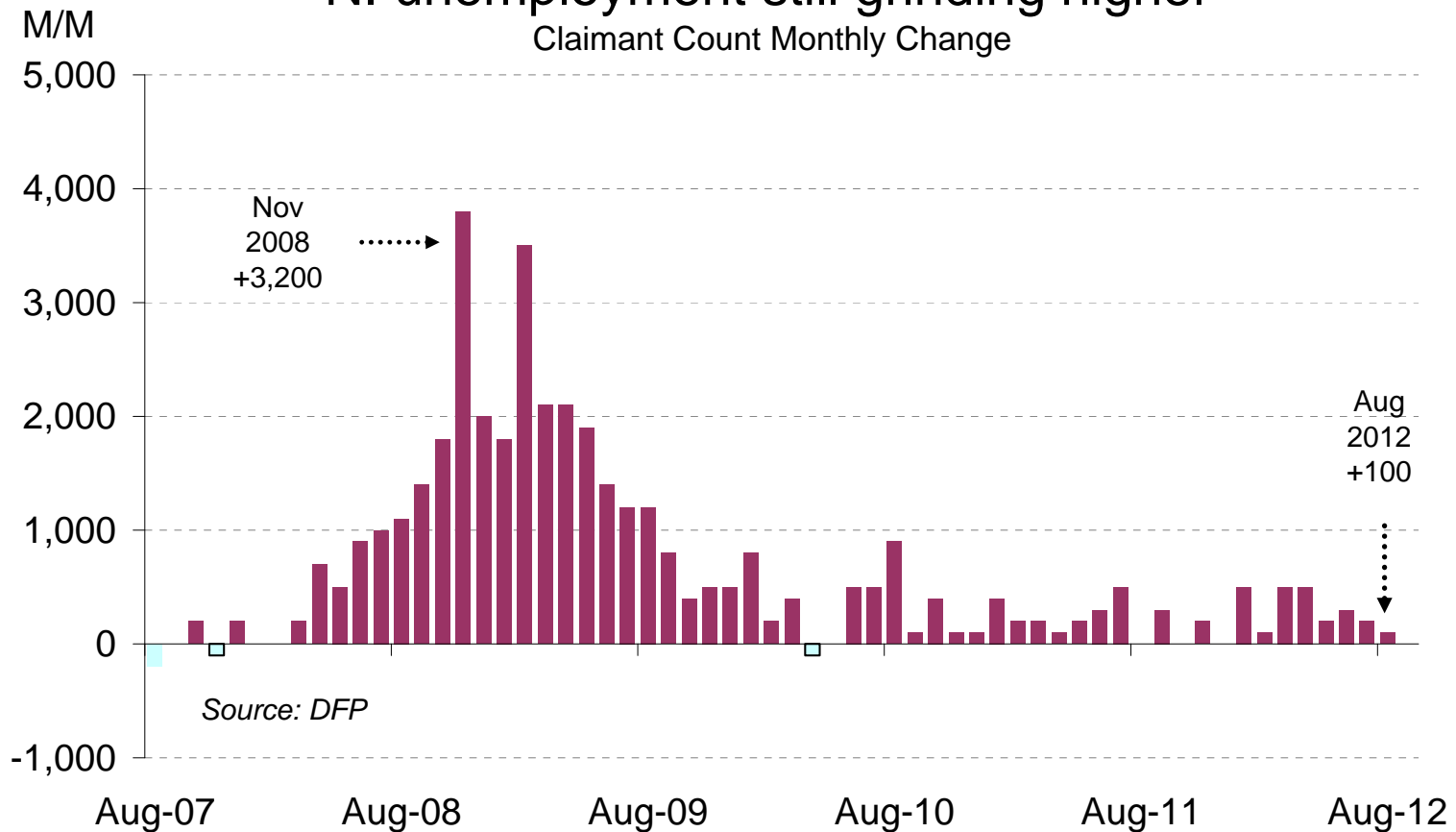
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# *Unemployment*

# NI dole queue still lengthening on a monthly basis

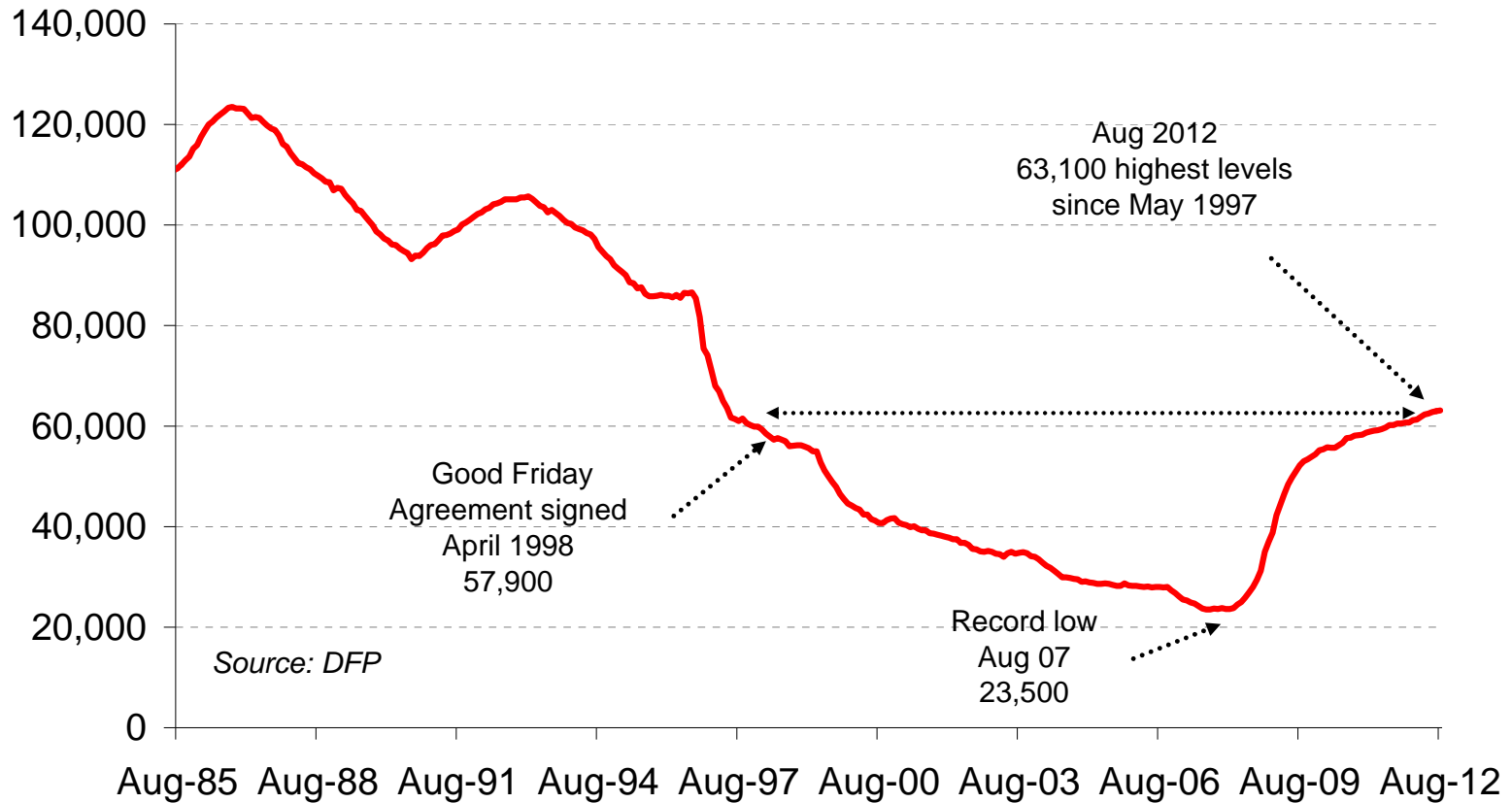
## NI unemployment still grinding higher

Claimant Count Monthly Change



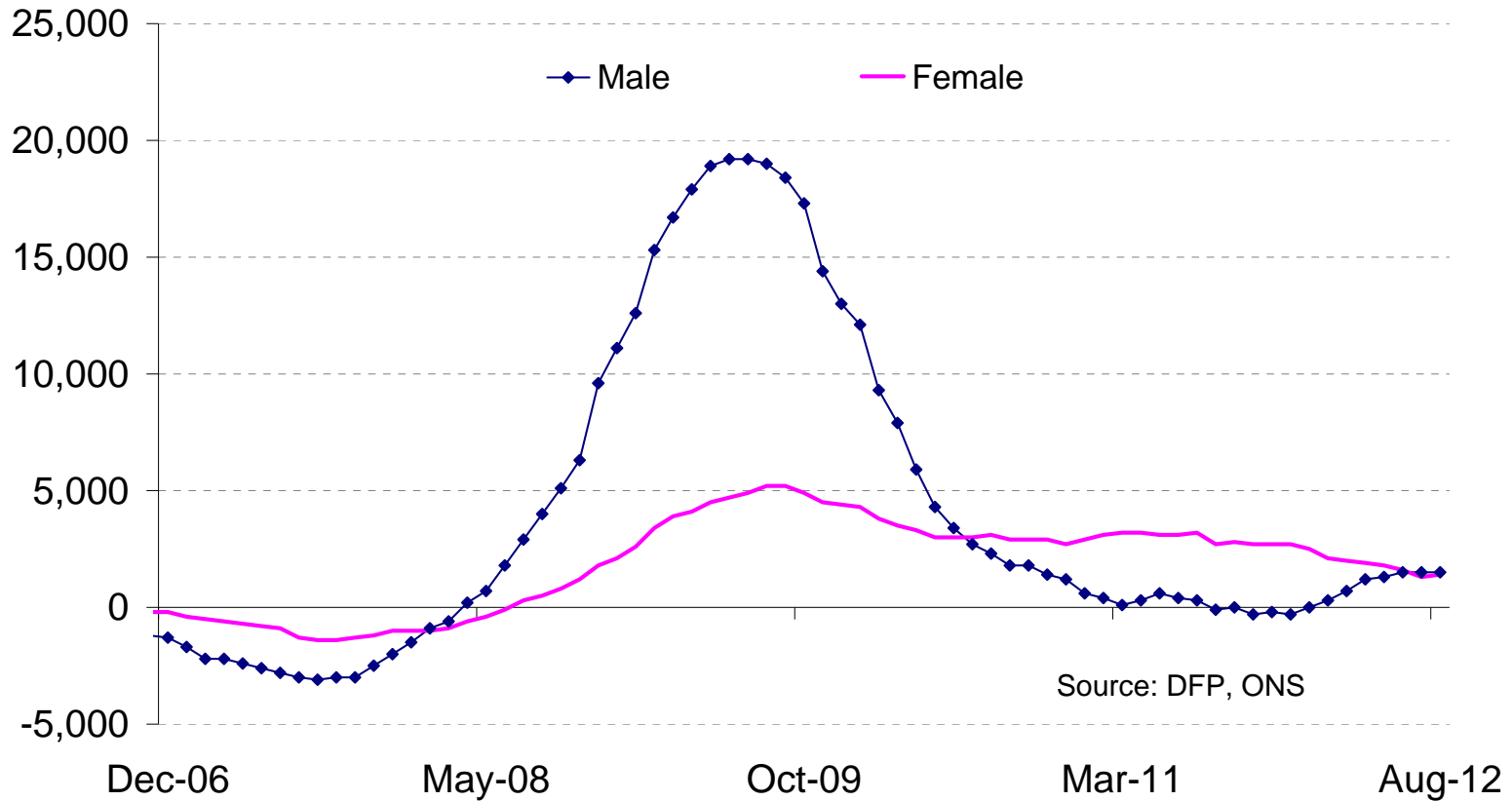
...the overall dole queue is now at 63,100

### NI Unemployment Claimant Count Levels



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

## NI 12 Monthly Change in Claimant Count

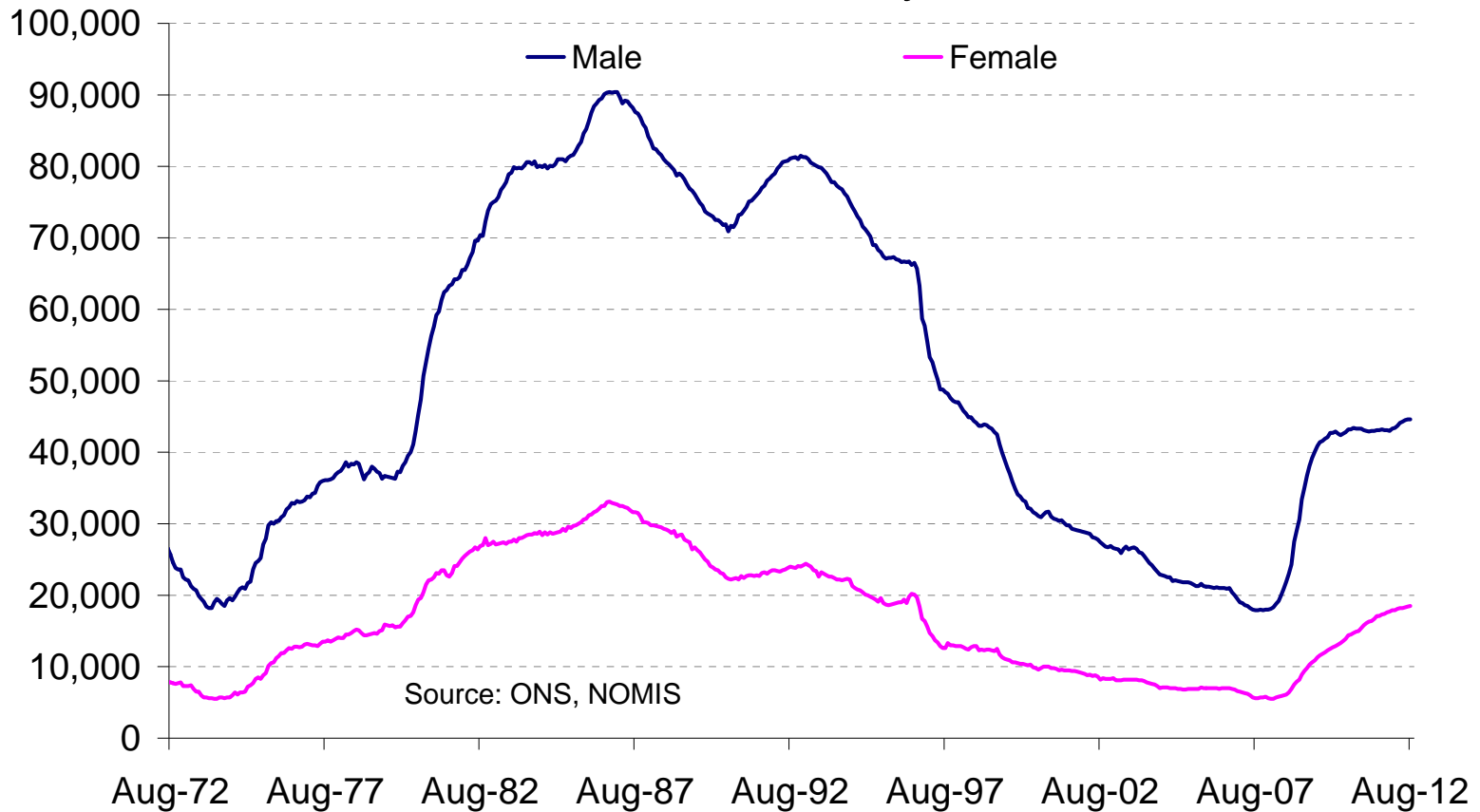


Source: DFP, ONS



# But rise in male unemployment has slowed

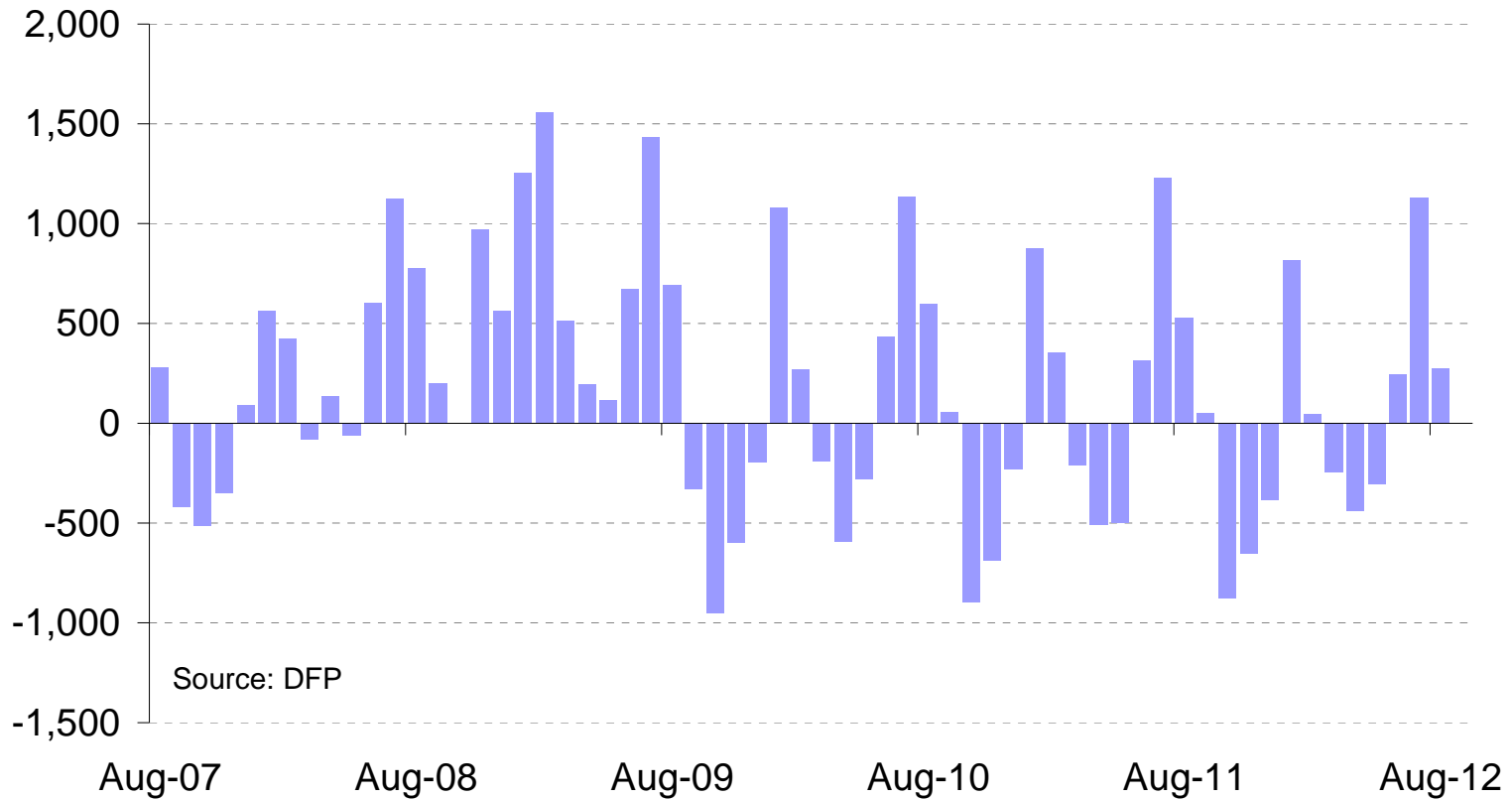
## NI Claimant Count by Gender



# Unemployment a major problem within the <25s

## Youth unemployment still pushing higher

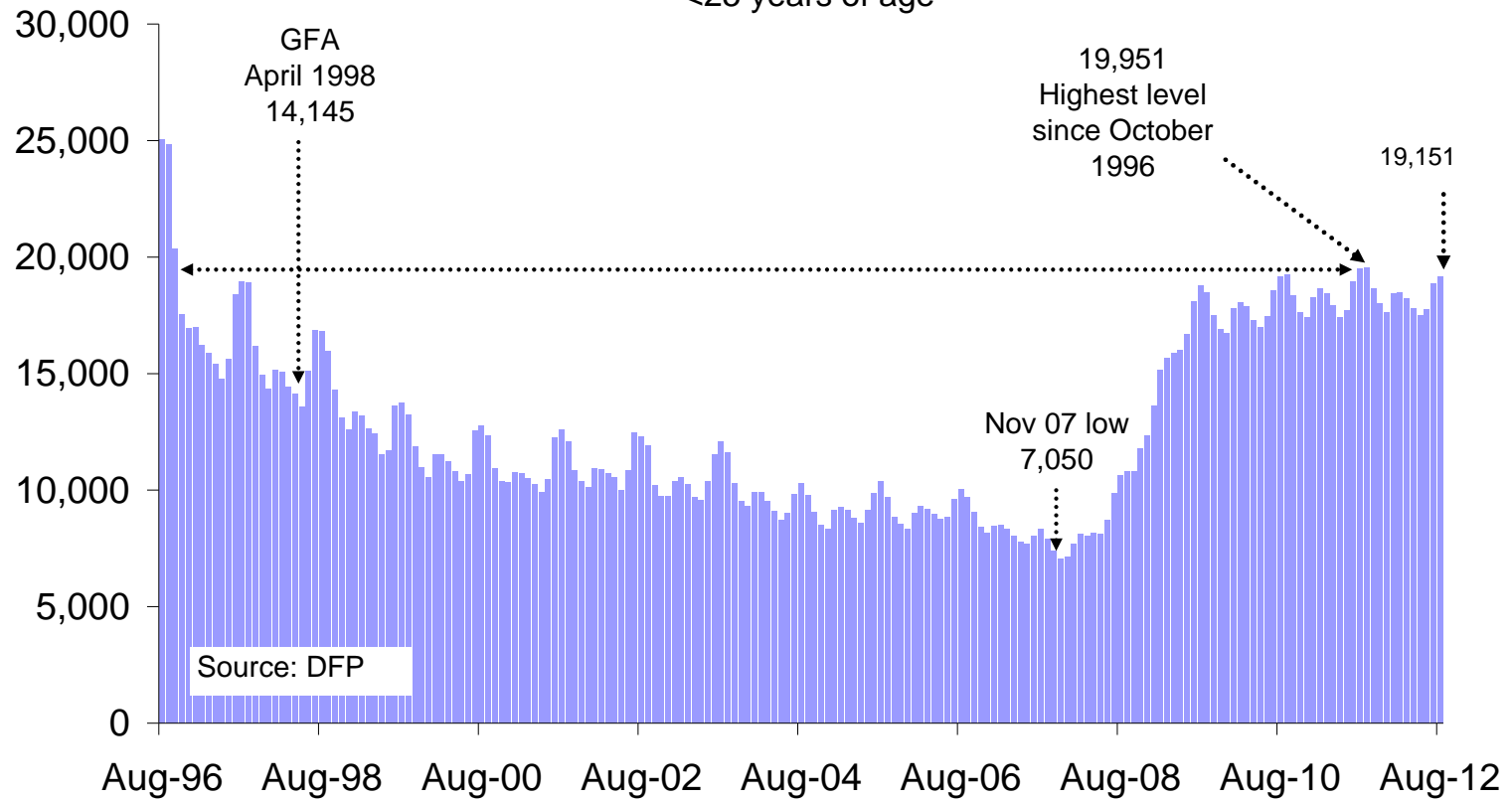
Claimant Count Monthly Change



No. of under 25s claiming the dole is 35% above GFA levels

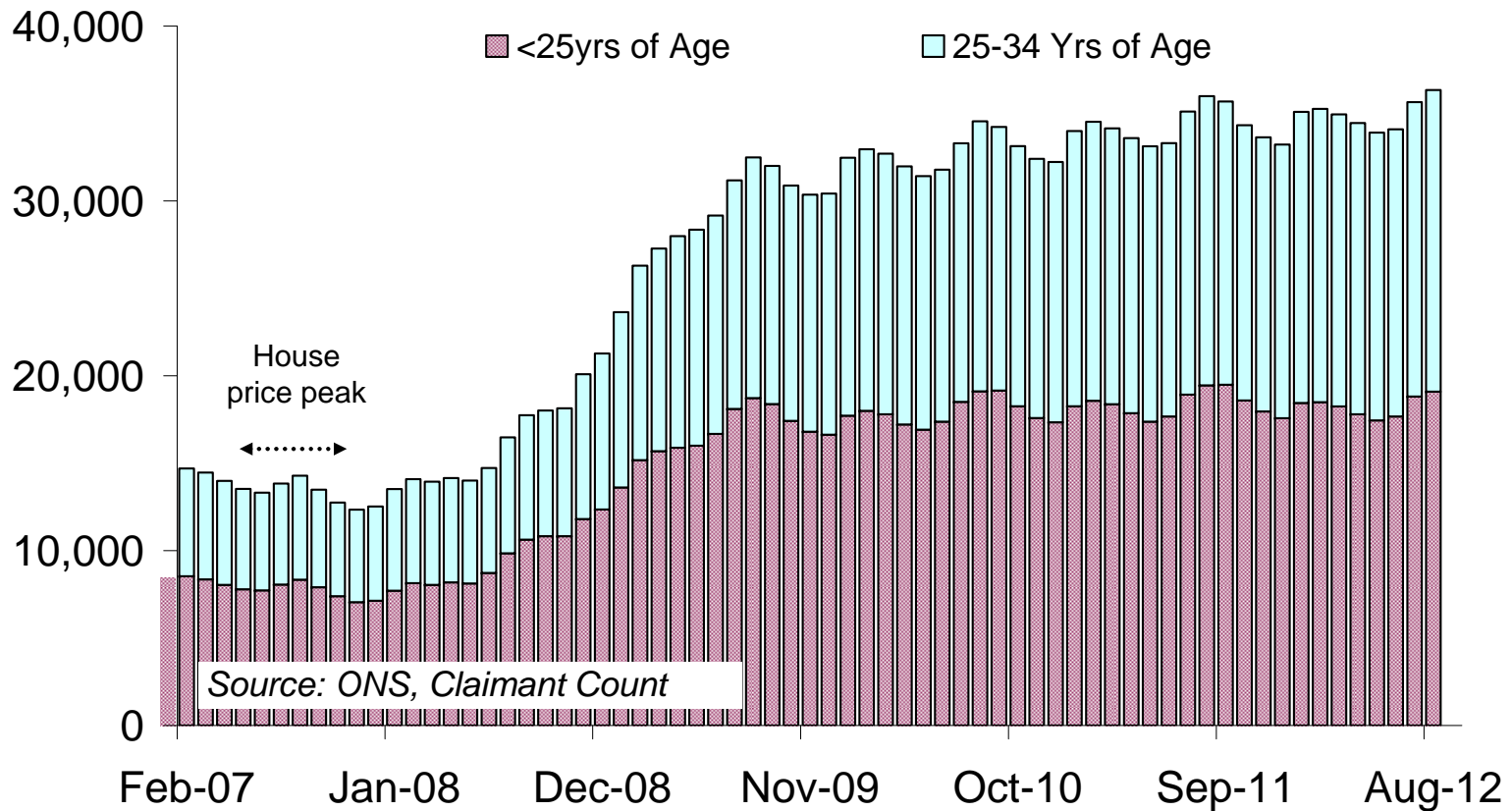
## NI Youth Claimant Count Levels

<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

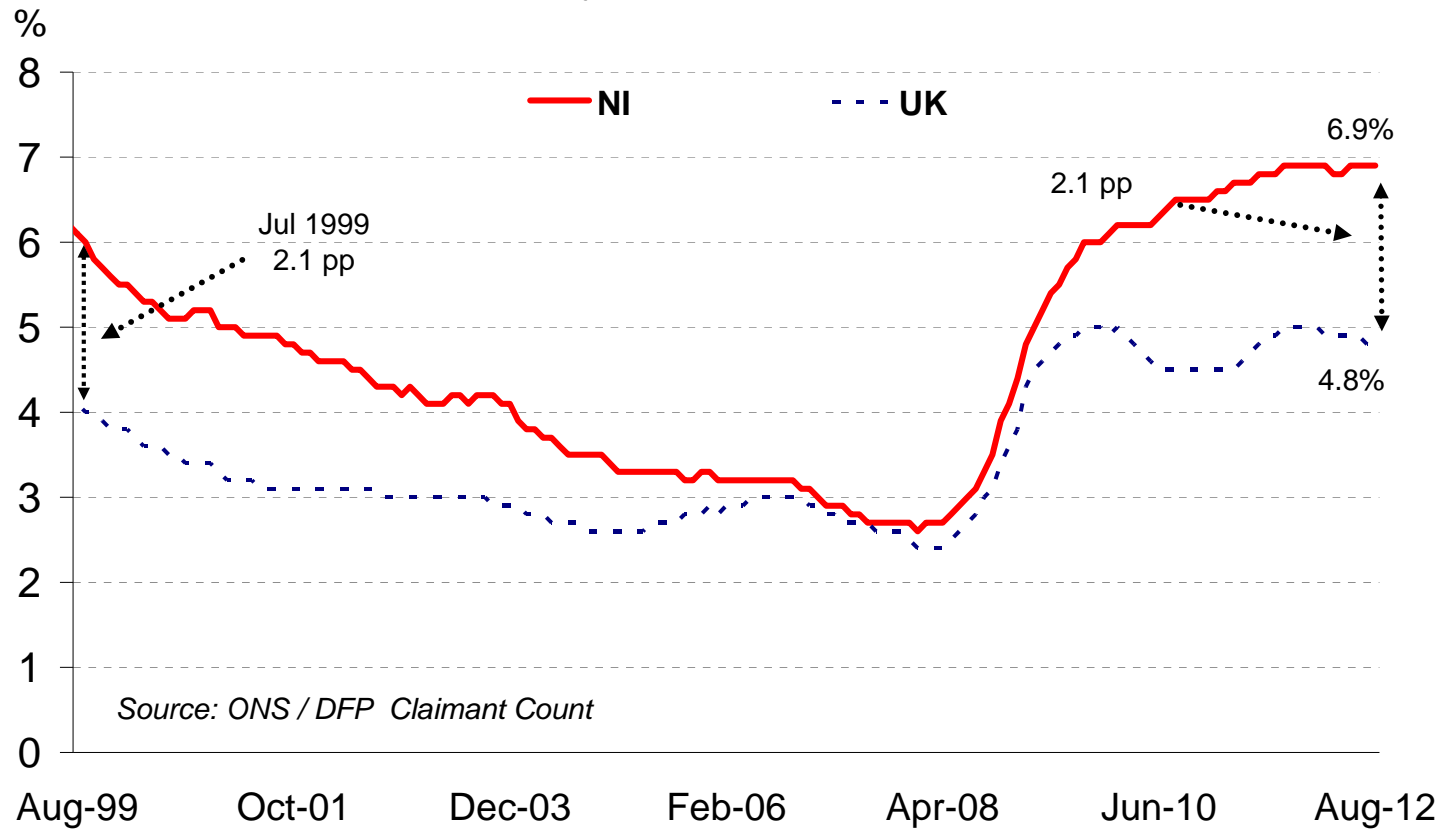
### Claimant Count Levels & Growth by Occupation ( **Ranked by % Growth** )

Occupation	August 2012 Levels	Increase in Numbers Aug 2007 - Aug 2012	% Change
Sales & Customer Service Occupations	11,060	7,905	251%
Skilled Trades Occupations	11,685	7,890	208%
Personal Service Occupations	4,885	3,275	203%
Process, Plant & Machine Operatives	7,975	5,050	173%
Associate Professional & Technical Occupations	3,420	2,140	167%
Managers & Senior Officials	1,125	690	159%
Administrative & Secretarial Occupations	5,080	2,850	128%
Elementary Occupations	<b>16,245</b>	<b>8,470</b>	109%
Professional Occupations	2,795	1,355	94%

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 remains

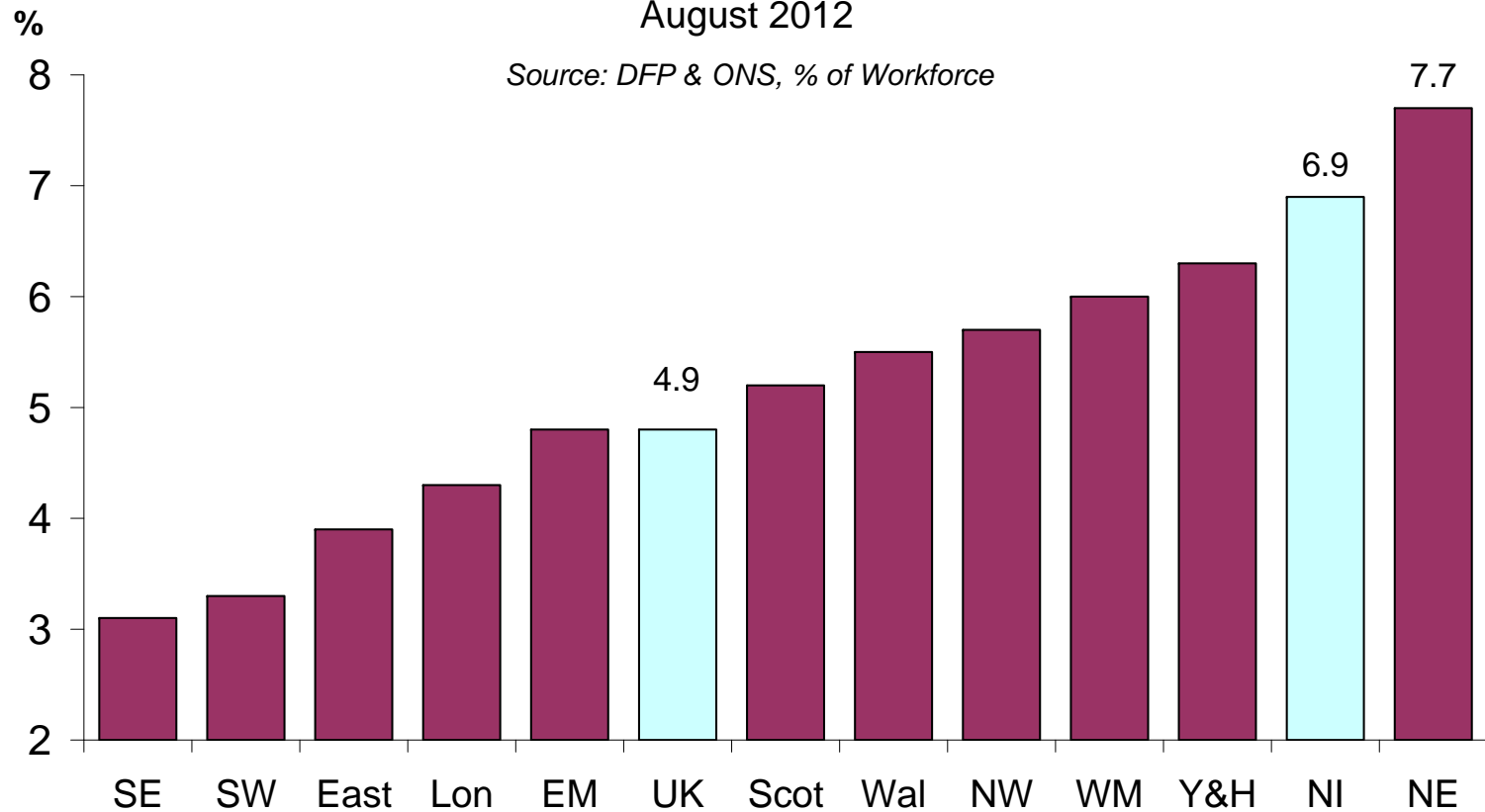


NI has the second highest unemployment rate using the claimant count

## Claimant Count Unemployment by UK Region

August 2012

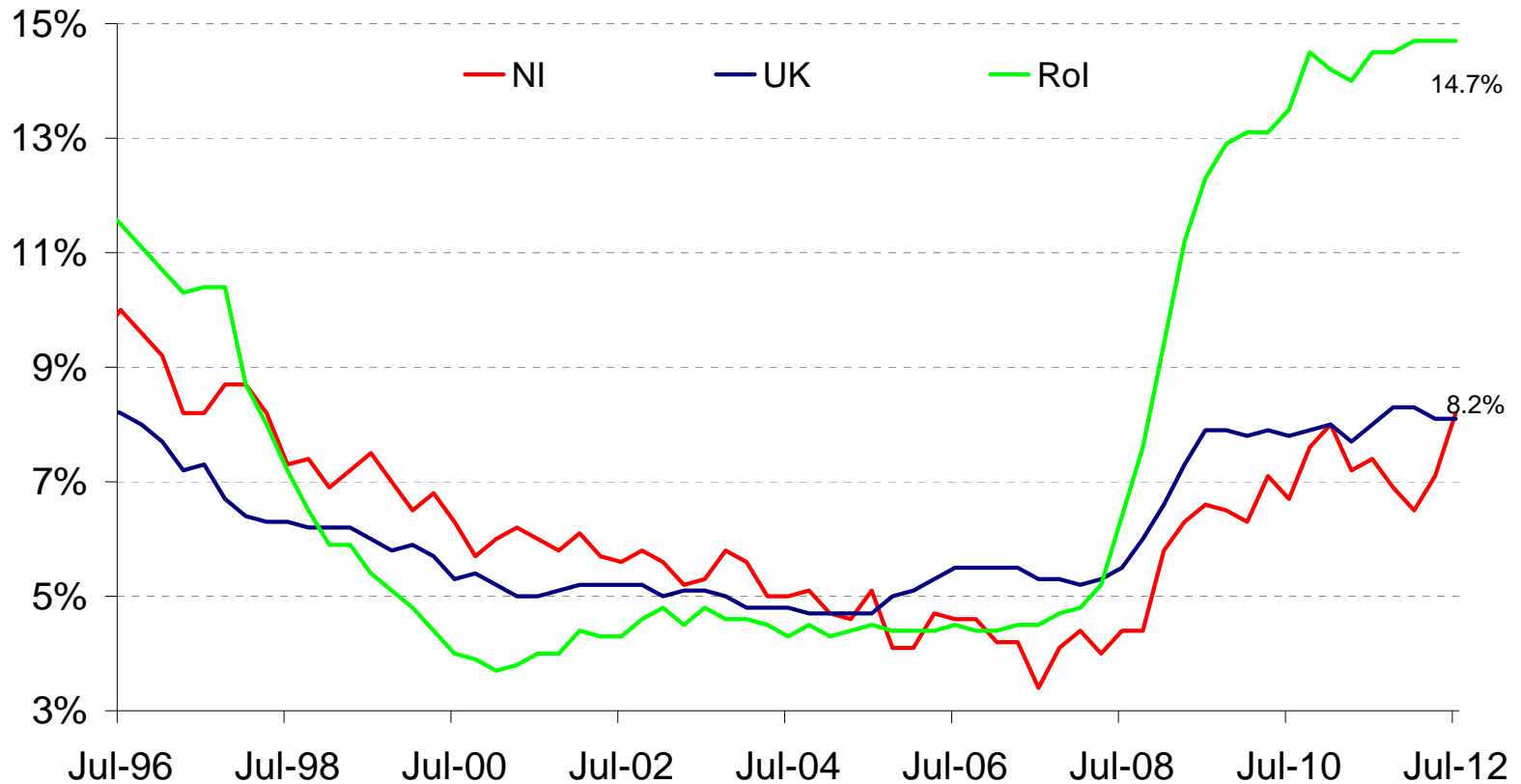
Source: DFP & ONS, % of Workforce



NI's unemployment rate now back above the UK's (where it is expected to stay) but remains well below that of the RoI

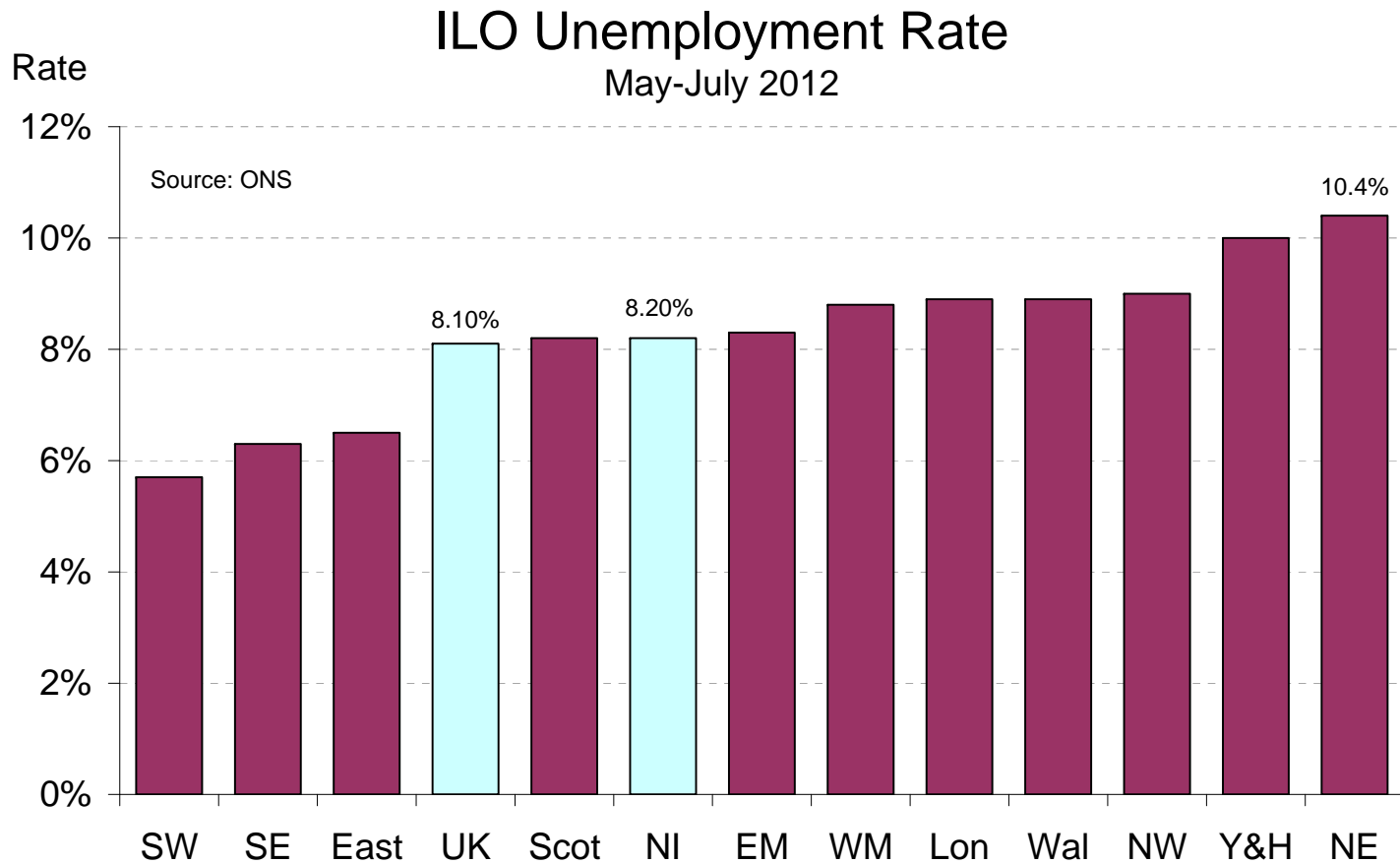
## UK, NI & RoI Unemployment Rates

Source: ONS, Labour Force Survey & CSO Live Register

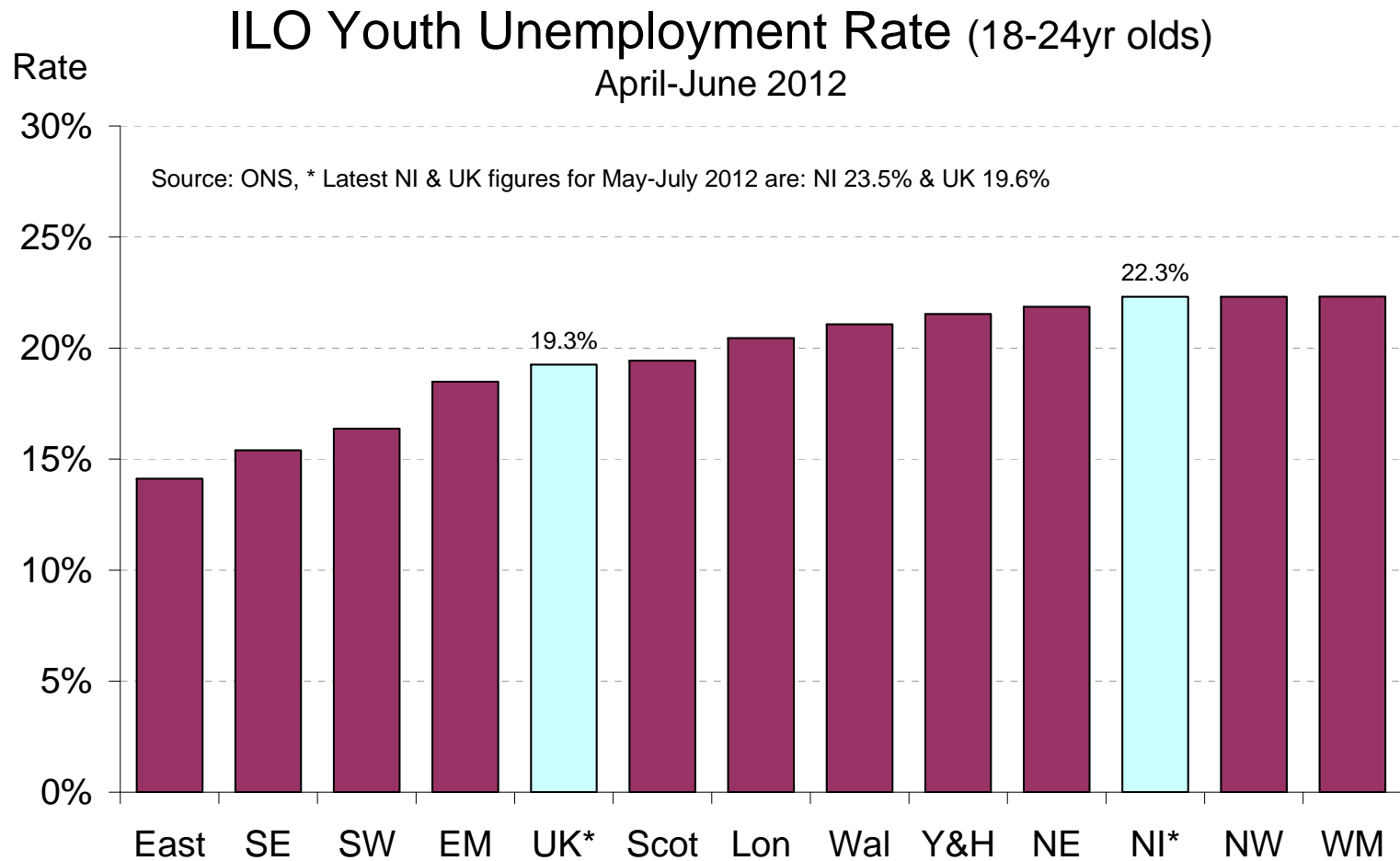




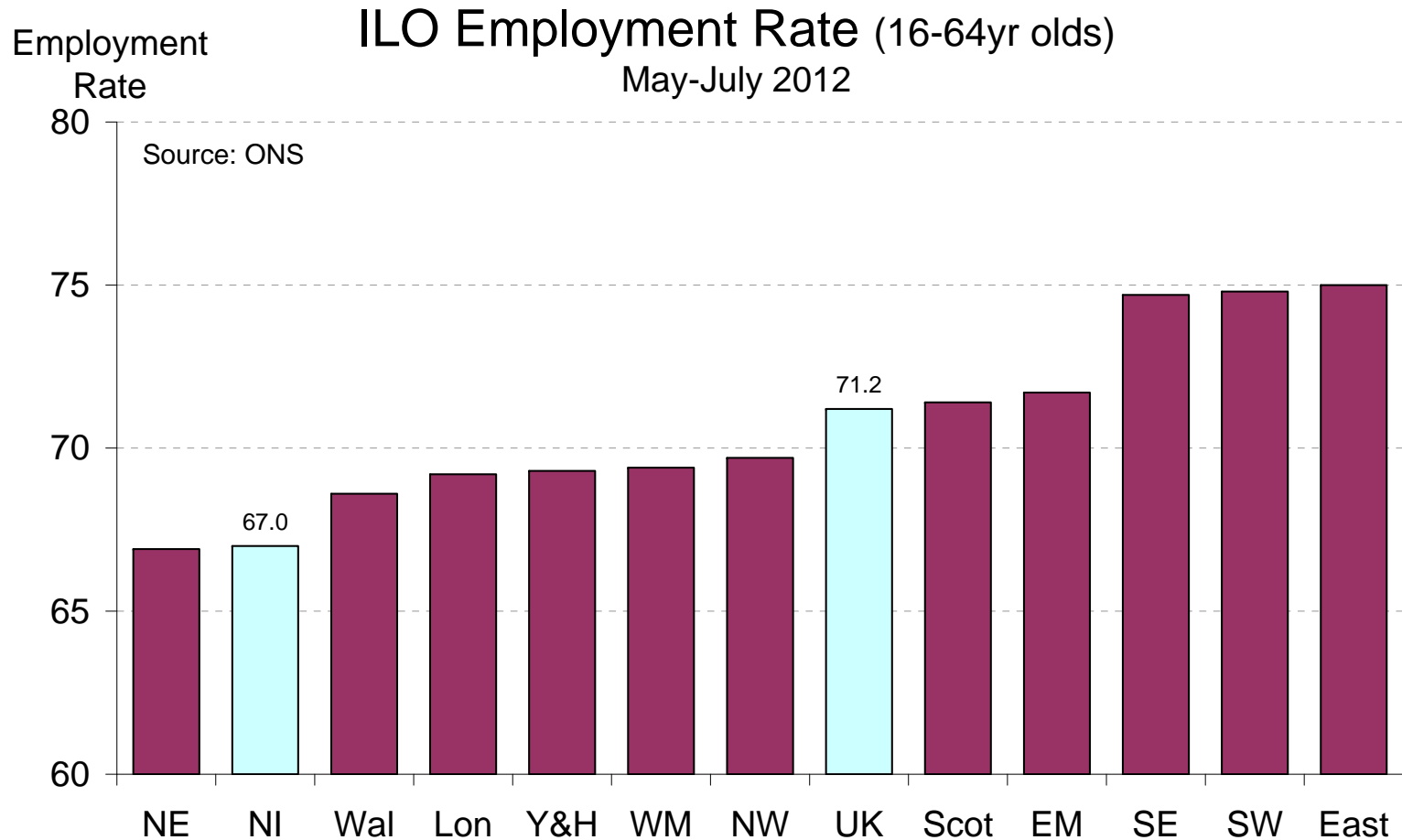
... but only 3 regions have a lower rate using the ILO unemployment rate



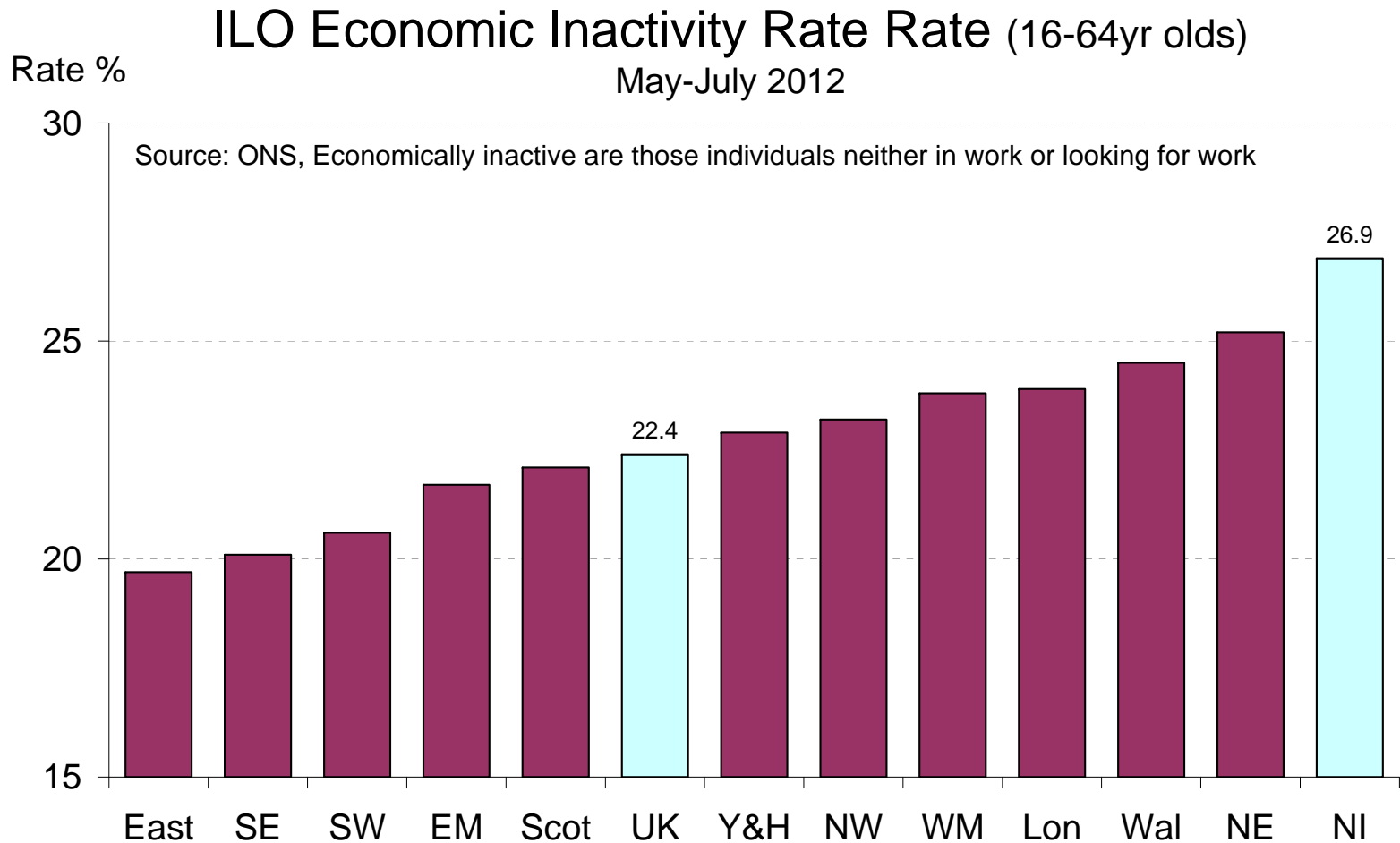
# But NI's youth unemployment rate is one of the highest in the UK



And the employment rate is one of the lowest in the UK



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



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