



Northern Ireland's latest set of labour market statistics provides positive and negative news in equal measure. Both the Labour Force Survey (LFS) and the official claimant count revealed falling levels and rates of unemployment. However, rising levels of economic inactivity alongside disappointing rates of employment growth remain key causes of concern.

Claimant count down

The number of people claiming unemployment benefit (*the claimant count*) in Northern Ireland fell below the 40,000 mark for the first time since January 2009. Last month's decline of 1,000 took Northern Ireland's total claimant count to 39,700. This is 25,000 (-39%) below February 2013's peak of 64,700 claimants and compares with the record low

of 23,500 in August 2007.

Fall in ILO unemployment

Turning to the Labour Force Survey, the fall in the ILO unemployment rate from 6.5% in Q2 to 5.9% in Q3 (UK = 5.3%) represented the largest quarterly decline in both the number of unemployed, and Northern Ireland's unemployment rate, in a year. Meanwhile the youth unemployment rate fell for a second successive quarter from 19.5% to 18.1%. Northern Ireland's youth unemployment rate is now at its lowest level since Q4 2014.

The number of individuals classed as unemployed fell by 5,000 in the latest quarter (Q3) to 51,000. However, this is just 1,000 below the corresponding quarter a year ago and compares with a post-downturn peak of 72,000 at the start of 2013. Incidentally, Northern Ireland's record low of 27,000 occurred in the summer of 2007.

NI lagging UK in employment growth

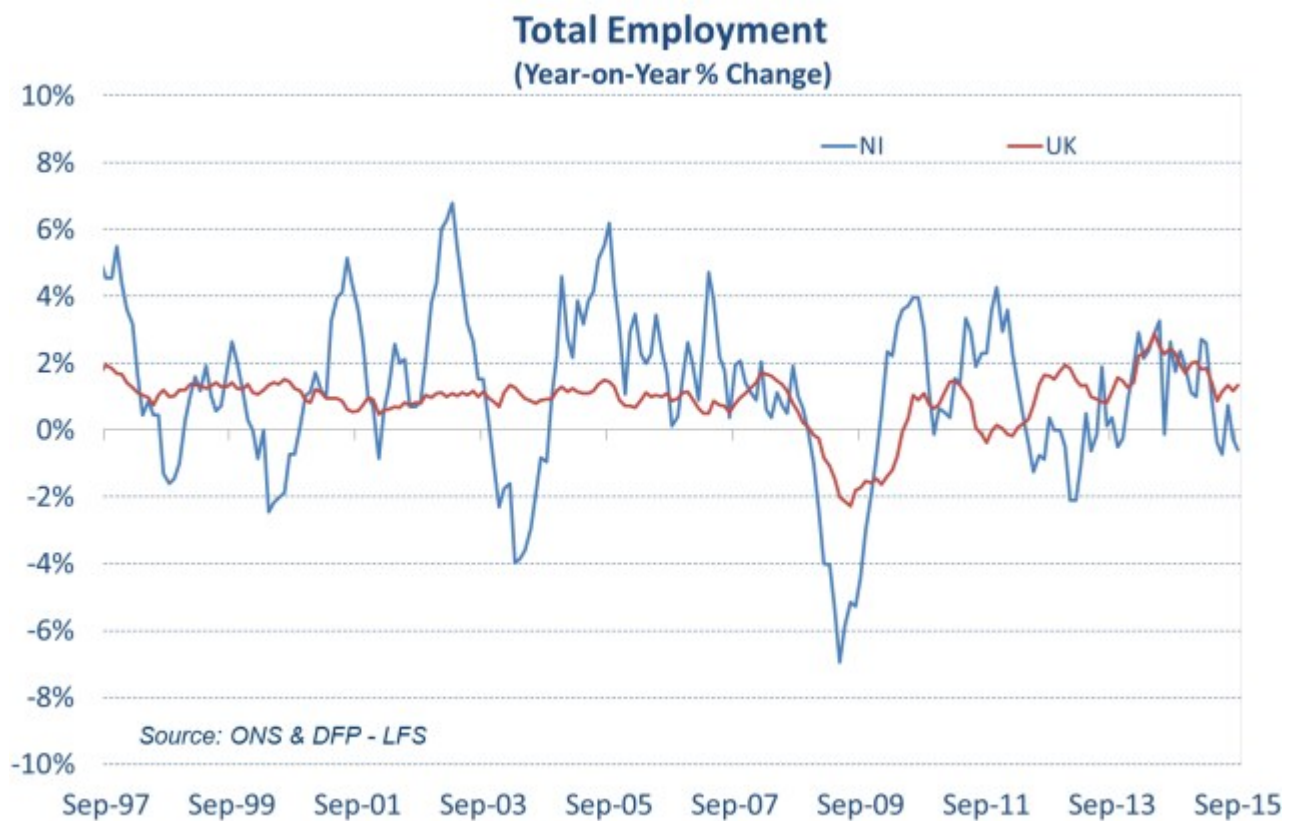
Northern Ireland's annual rate of employment growth continues to diverge from that of the UK. Despite a modest quarterly rise in employment of 0.2% (+2,000) in Q3, Northern Ireland's total employment is down 0.6% y/y. The latter compares with a 1.4% y/y rise for the UK.

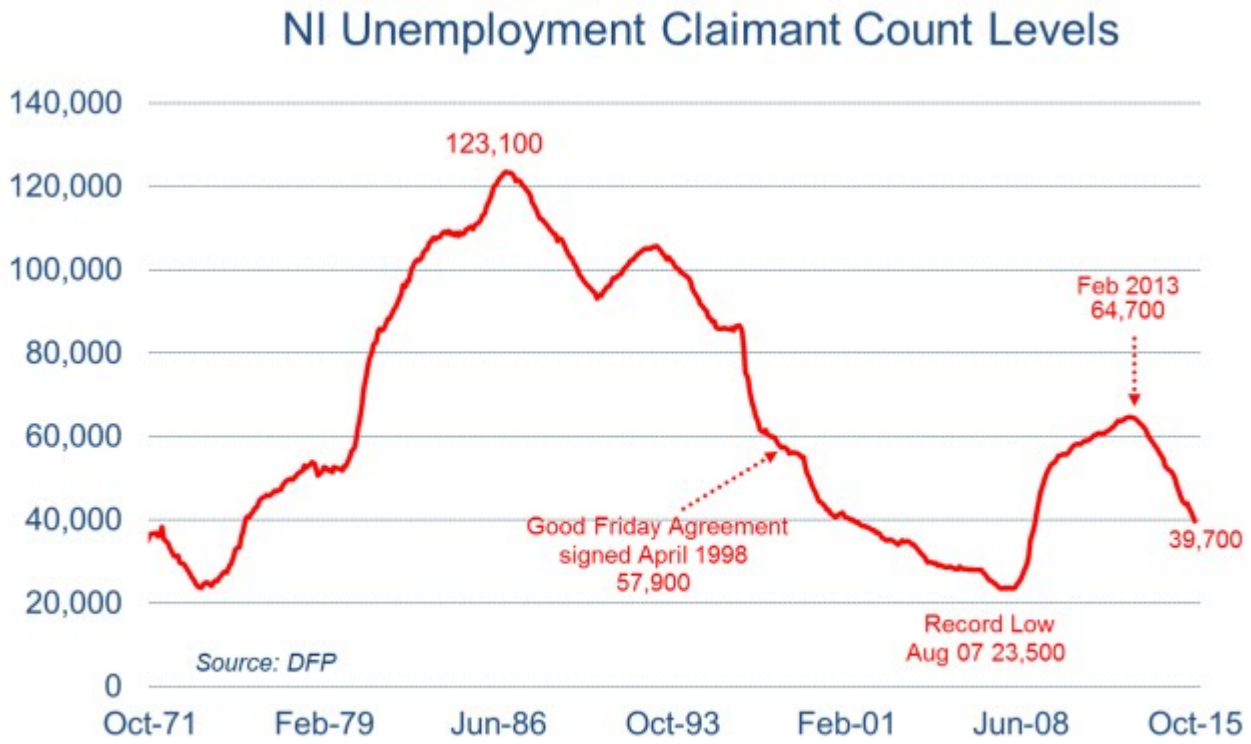
Economic inactivity still rising

Rising levels of economic inactivity remains a key theme within Northern Ireland's labour market with the number of economically inactive hitting a 6-year high in Q3 2015. The number of people neither in work or looking for work (*the definition of economically inactive*), increased by 0.9% (+6,000) in Q3 and by 2.5% (+14,000) over the last year.

Challenging outlook

In relation to the outlook, of particular concern is the slowdown in the global economy and the impact on Northern Ireland's manufacturing sector. This has been apparent for some time, but we are only now beginning to really see it manifest itself in job losses in the sector, and these will be reflected in the labour market figures into 2016 and beyond.







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