



When it comes to the labour market statistics, Northern Ireland's Economy Minister couldn't be getting off to a better start. The Labour Force Survey broke at least five records during the latest period February-April 2016. The number of people working in some capacity hit an all-time-high of 845,000 (+2.3% y/y). Meanwhile the number of full-time workers also reached a new peak of 634,000 (+1.9% y/y). As a result, the number of people of working-age in employment - the so-called employment rate - hit a record high of 69.6%. Conversely, Northern Ireland's economic inactivity rate, the proportion of the working-age population neither in work or looking for work, fell to an all-time-low of 26.0%. It is worth noting however, despite these improvements, Northern Ireland remains the worst performing region within the UK on these measures.

Since the local economic recovery began, one of the biggest labour market issues concerned Northern Ireland's elevated youth unemployment rate. Updated figures released today reveal that this peaked at 25% in Q3 2013. This was higher than previously thought. Since then, the youth unemployment rate (18-24 year olds) has remained stubbornly high, averaging close to 20% in 2014 and 2015. Surprisingly, however, Northern Ireland's youth unemployment rate has fallen to a 6-year low of 13.4% (UK =11.2%). This represents a whopping 5.2 percentage point drop relative to the previous quarter. The magnitude of this decrease appears unusually large and no doubt policymakers will be asking what lies behind this move. It remains to be seen whether this welcome development will become an established trend in the months ahead rather than a statistical blip. It was also noted that the number of 18-24 year olds in employment jumped by almost one-quarter (+19,000) over the year to February - April 2016. The number of this age-group working (103,000) is currently at its highest level since Q4 2008.

The latest Quarterly Employment Survey, which measures the number of jobs rather than the number of people in work, also posted a number of record highs. The total number of employees in Northern Ireland hit a record high of 735,010 in Q1 2016. Northern Ireland has now passed the significant milestone of recovering all of the 41,170 jobs lost during the period Q2 2008 - Q4 2011. Since the low in 2011, there has been a net gain of over 43,270 jobs. Service sector firms remain the primary source for job creation. Despite ongoing job losses in the public sector (some 10,000 over the last 3 years) the number of service sector jobs hit a record high of 601,620. This is almost 18,000 (+3%) higher than the pre-downturn peak in Q2 2008.

Overall, these are a very encouraging set of labour market statistics. However will be interesting to see if the scale of the improvement in relation to youth unemployment in particular lasts. The key thing that doesn't feature in the statistics is productivity. Employment has hit record highs but our relative productivity performance shows either

little or no sign of improvement.

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