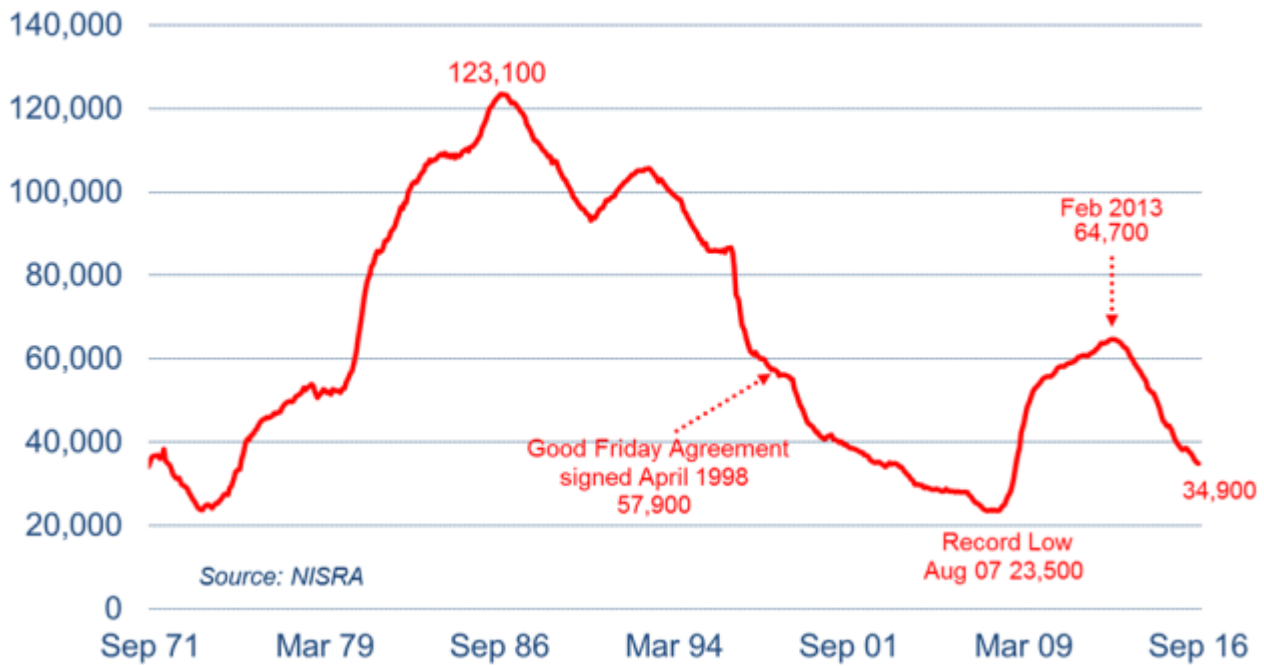


NI Unemployment Claimant Count Levels



The latest batch of Northern Ireland labour market statistics was littered with highs and lows of the positive variety. Of particular note were the record high in Northern Ireland's employment rate and the record low in the economic inactivity rate. These improvements were due to a notable improvement in female participation in the labour market. Other notable highlights included a record number of people in employment (847,000) in the three months to August 2016.

Encouraging trends were also evident with regard to unemployment too. The number of people claiming unemployment benefit (claimant count) fell below 35,000 for the first time since November 2008. September's decrease of 400 marked the sixth consecutive monthly fall. Meanwhile the unemployment rate, using the wider measure of unemployment (not just those in receipt of unemployment benefit), fell to 5.5% during the three months to August. This represented the lowest rate since September - November 2008 and compares with the UK's 11-year low of 4.9%.

However, it should be remembered that the labour market statistics are lagging indicators. The Ulster Bank PMI suggests that the Northern Ireland economy broadly stagnated in the third quarter, and the Brexit vote has created uncertainty across many private sector firms, which may impact on investment intentions. So while the latest labour market statistics are positive and encouraging, we do expect to see the unemployment rate drift higher in the months ahead.

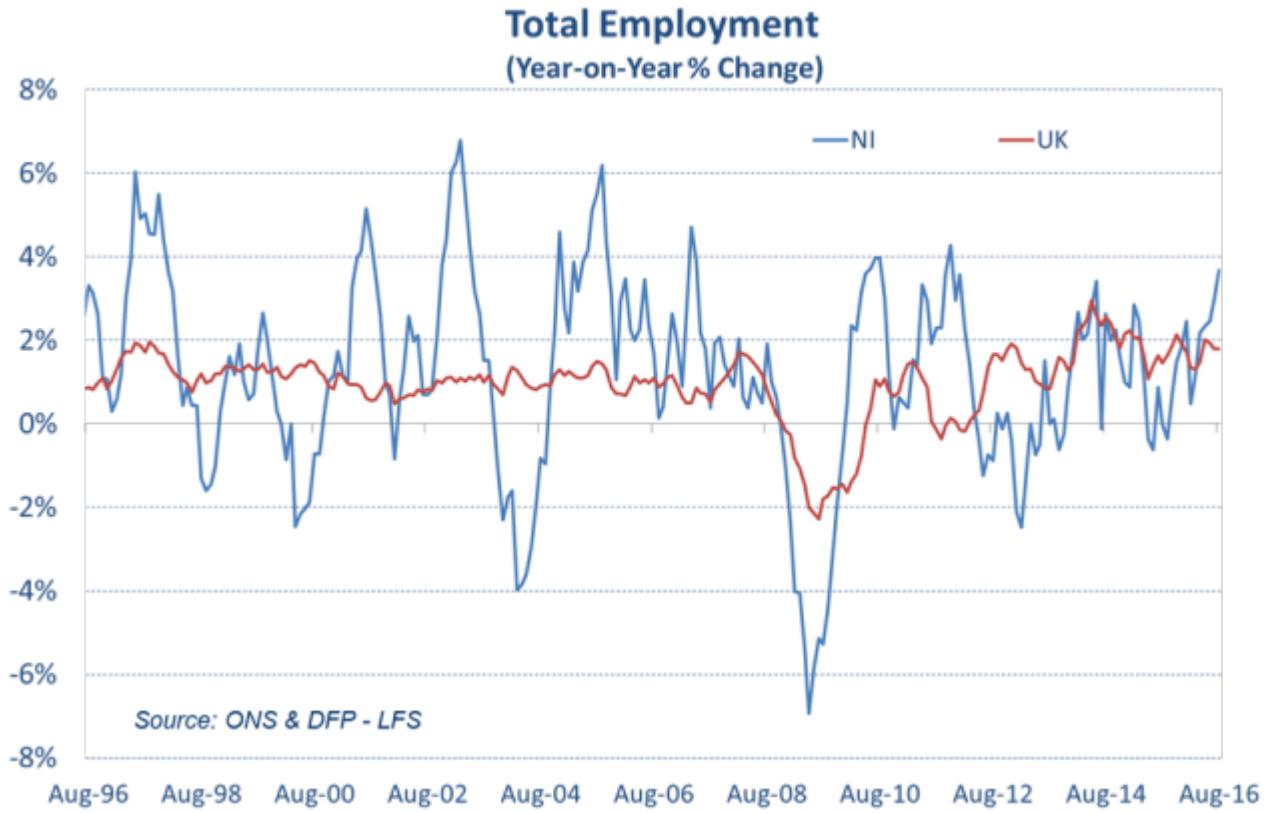
Key facts in the labour market statistics include:

Unemployment – Claimant Count:

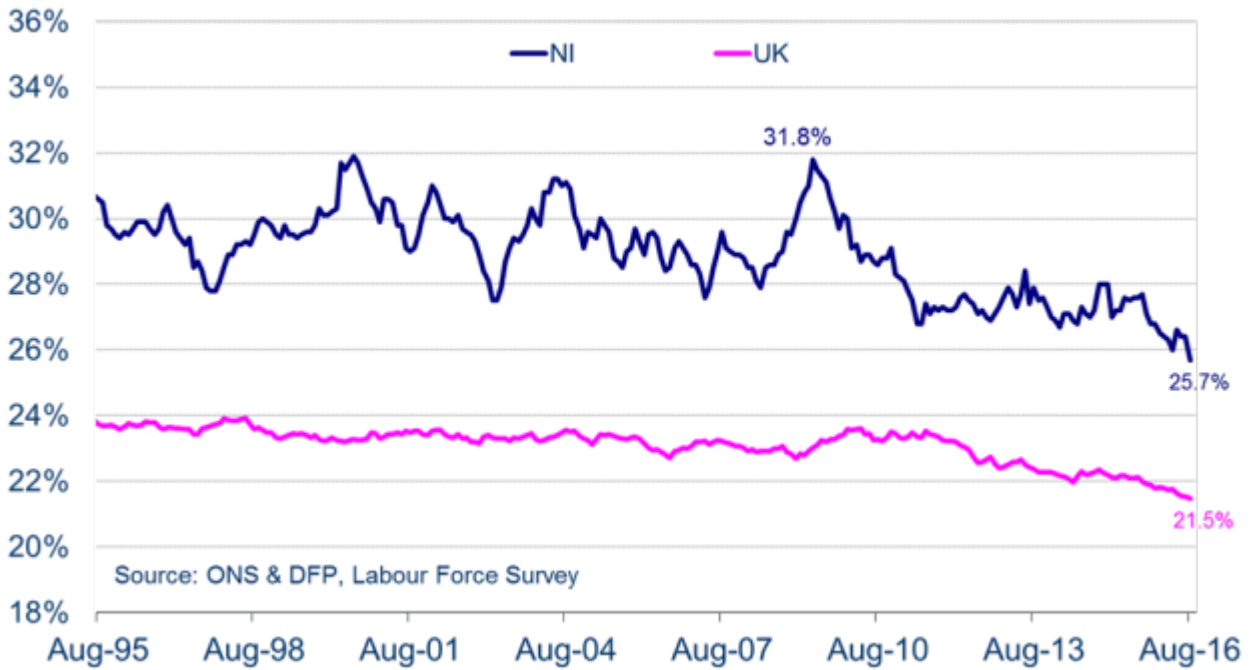
- The number claiming unemployment benefits has fallen by 3,700 (10%) since the start of the year.
- The claimant count has fallen by almost 30,000 (29,800) since its peak in February 2013 (64,700).
- The Mid and East Antrim District Council Area was the only DC area to witness an increase in unemployment benefit claimants in September. Over the last year it is also the only DC area not to experience a fall in its claimant count (no change over last 12 months). This is the area that has reported significant job losses from large manufacturers such as JTI and Michelin.
- The Newry Mourne & Down District Council Area posted the largest decline over the last 12 months down over one-fifth (21.3%).
- It is worth noting that the fall in the claimant count (Jobseekers' allowance) isn't as unambiguously positive as the figures suggest. The declining trend in the claimant count benefit is occurring alongside a rising trend in other benefits notably Employment and Support Allowance.

Labour Force Survey – Employment / Unemployment (June – August 2016)

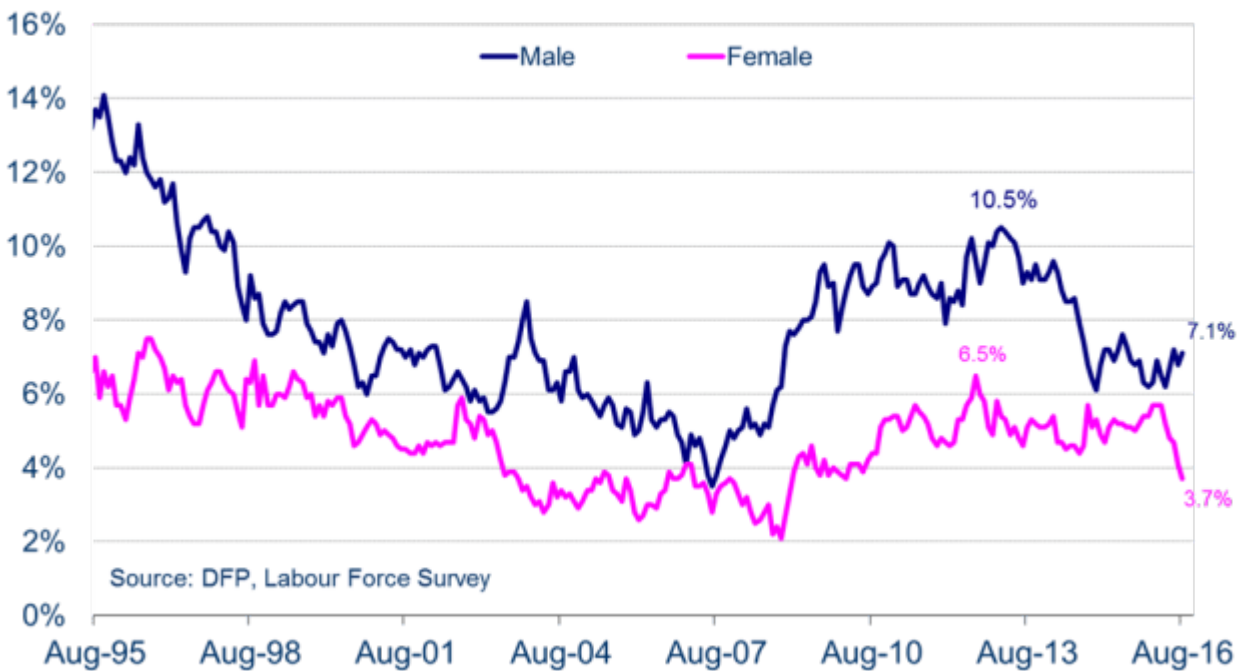
- The number of people in employment rose to a record high of 847,000 in the three months to August 2016. This represented an annual rise of 30,000 or +3.5%.
- The rise in employment was due primarily to rising female participation. Female employment increased by 7.2% y/y (+27,000) which compared to a rise of 1.1% (+5,000) for males.
- The 18-24 year age group recorded the strongest rate of employment growth over the last year of all age-groups. Employment increased by 13.5% (+12,000) over the year.
- The employment rate hit a record high of 70.1%. The employment rate is due to the record female employment rate (67.0%) with the male employment rate (73.3%) The male employment rate peaked over 13 years ago in Feb-Apr 2003 at 77.3%.
- Northern Ireland's economic inactivity rate fell to 25.7% - the lowest since records began in 1995. (UK = 21.5%).
- The number of economically inactive who doesn't want to work due to long term sickness continues to fall. It has declined by almost one-quarter (23%) since last year with a decline of 20,000.
- LFS Unemployment rate hit 5.5% down from 5.9% in the previous 3-month period and down 0.5pp since last year. The current rate of 5.5% is the lowest rate since Sept-Nov 2008.
- Youth unemployment rate is 13.2% down 5.6pp over the year but still above UK 12.8%.

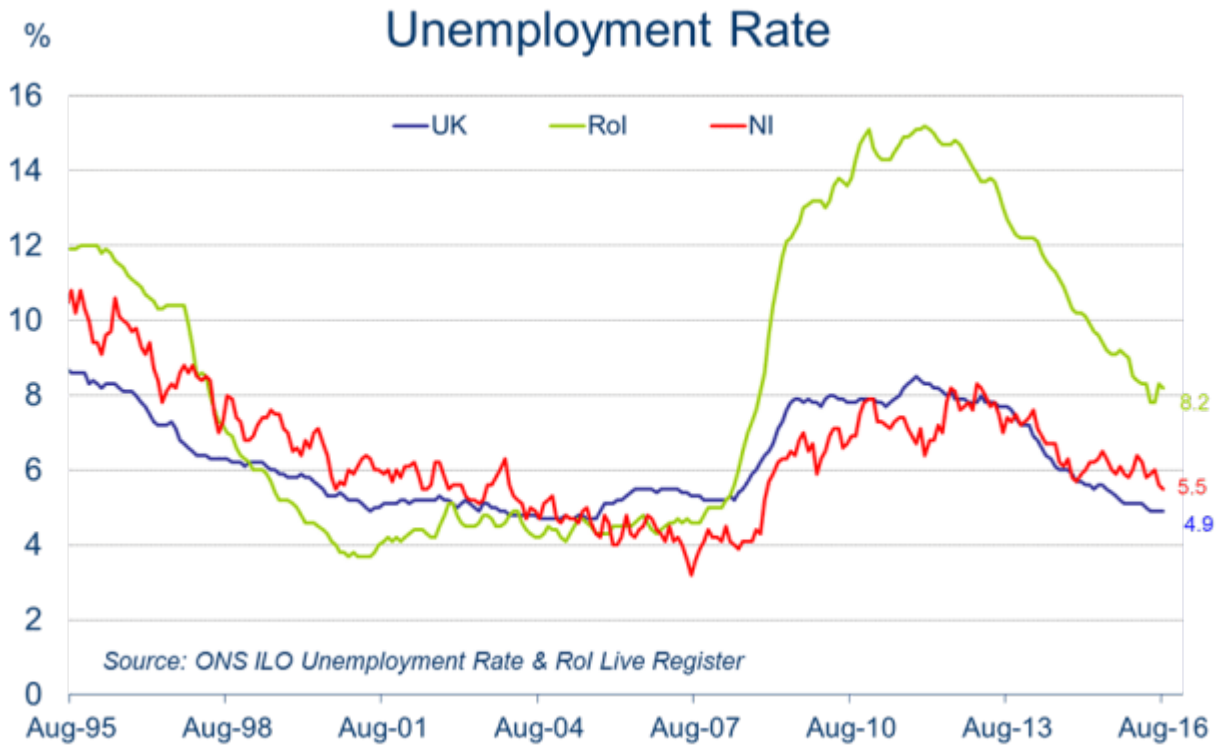


Economic Inactivity Rates



N.Ireland's ILO Unemployment Rate





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