

Today saw a data dump of labour market statistics which revealed more record highs and lows of the positive variety.



### ***Labour Force Survey - Unemployment rate remains low but rising***

Northern Ireland's ILO unemployment rate fell to a record low of 3.1% in Q1 2018. Since then it has been edging higher, hitting 4.0% in the three-months to July 2018. This

represents a ten-month-high with the expectation that the unemployment rate will push higher in the coming months.

### ***Unemployment rate for over 50s hits record low***

Despite this increase in the headline rate, the unemployment rate for those aged over 50 years of age plumbed an all-time low of 3.0% as more move into work. The number of individuals aged 50+ in employment reached an all-time-high in the three-months to July and jumped by almost 10% y/y. Meanwhile there were even steeper rises for those aged 60 (females) / 65 (males) with the numbers working within this age-group surging by one-third over the last year. Conversely the number of individuals aged under 50 (18-49 years) fell marginally over the last twelve months. Once again this reinforces a trend that we have been seeing in recent years, namely, the 'greying of the labour market'. Indeed, almost 1 in 8 of all pensioners (aged over 65 years) were still working in some shape or form.

### ***Quarterly Employment Survey - Record number of jobs in Q2 2018***

Northern Ireland's Quarterly Employment Survey (QES) - which measures the actual number of jobs rather than individuals working - hit a fresh record high of 765,100 in June 2018. This represented the tenth consecutive quarter of employment growth with a net gain of almost 36,000 jobs in just two-and-a-half years. During the latest quarter, job creation was broad-based across the private sector with the public sector also increasing its headcount (+1,010). Indeed, it was the first quarter in four years that the public sector created more jobs than the private sector. The private and services sectors saw record highs in Q2 2018. The manufacturing sector has its highest number of jobs in sixteen years while construction is approaching an eight-year high.

### ***Private sector jobs recovery slows***

The pace of private sector job creation moved down a gear in Q2 2018. The 0.2% q/q increase (980 jobs) represented the weakest growth rate in two-and-a-half years. For now, the annual growth rate of 2.6% remains strong. However, in line of the Q2 figure a notable slowdown in private sector jobs growth in H2 2018 may be in store. Widespread skills shortages will continue to act as a dampener on Northern Ireland's potential employment growth rate.

### ***Robust jobs recovery but weak wage / productivity recovery***

Northern Ireland's private sector has enjoyed a robust jobs recovery. Some 81,000 private sector jobs have been created since the post-downturn low of Q1 2012. This represents a gain of 17%. Despite this growth, it is worth remembering that private sector output remains (as of Q1 2018) some 5% **\*lower\*** than a decade ago. This is despite an additional 44,000 jobs (*mostly services*) contributing to private sector output. Clearly this underscores Northern Ireland's productivity problem and highlights the preponderance of low quality jobs in the recovery so far. If Northern Ireland is to address its longstanding productivity deficit it is quality not quantity that counts.

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