

2018 was the Chinese year of the dog, but in this part of the world, it will go down as the year of the backstop, when promises around the Irish border came back to bite Theresa May. Indeed, some have said that Brexit as a whole was the one instance when the canine caught the car and then didn't know what to do with it.



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But whilst Brexit has no-doubt dominated the political, economic and media agenda, there have been plenty of other things going on in the economy that in any other year would have gained much more prominence. Here are a few key things to remember.

New names emerge

The backstop was a term we'd never heard of before, but which came to prominence in 2018. Likewise, 2018 was a year when some unfamiliar business names came to the fore. Companies like STATSports, FinTru, and cyber security firms such as Imperva moved into the mainstream with investments, jobs announcements and success on the world stage. This highlights how the changing nature of our economy stepped up a gear in the last 12 months as some of the former mainstays of the local private sector such as Michelin and JTI closed their doors and a new wave of more tech-focused businesses emerged. However, the familiar name of Bombardier bookended the year, with uncertainty about its very future at the beginning of 2018, which then receded, before it announced 500 job losses in November.

Labour market records

Unfamiliar terms also came to prominence in the labour market, when one local economist who shall remain nameless suggested that Northern Ireland had reached 'full employment'. This set some pulses racing, and was met with cries of 'oh no it hadn't'. Panto season had come early, but this villain maintains that unemployment in Northern Ireland had gone as low as it probably could. Indeed, after hitting 3.1 percent in the first quarter of the year, the jobless rate has risen closer to 4 percent in recent months. Indeed, it was a year of many records for the labour market. The number of jobs hit an all-time high in a number of areas, including the overall private sector and the services sector, and even manufacturing hit a 14-year high. But whilst it was a year of records for the labour market, it was also the year of skills shortages, and this issue is only likely to intensify in 2019. On the positive side – for workers at least – though, 2018 was also the year when wage rises finally outstripped inflation.

Tourism highs

In tourism, it was the year of the £8 pint, when Northern Ireland further upped its tourism offering with hotels like the new Grand Central, and when Lonely Planet named Northern Ireland the number one place to visit in the world. Many people took the respected guide's advice and it became a record year for tourism across a range of indicators including visitor numbers and tourist spend.

Bumper year for manufacturing

For some of Northern Ireland's main manufacturers, 2018 proved to be a year of robust growth. Strong global demand boosted order books and some areas of manufacturing have never had it so good. Areas such as 'basic and fabricated metal products', 'chemicals and pharmaceutical products' i.e. companies such as Almac, Randox and Norbrook, and 'machinery and equipment' including firms like CDE Global, all hit record highs during the year. Indeed, if hadn't been for the closure of the JTI facility, manufacturing output as a whole would have hit their all-time high levels.

Housing market continues its recovery

A decade on from the crash, the housing market continued its recovery. House-building hit a 10-year high, first time buyer activity hit a 14-year high and house price growth continued and Northern Ireland seemed to continue to buck the wider UK-trend and remains more optimistic than elsewhere. Some flies in the ointment remain though. The homemover market remains at very subdued levels and those people in private rented accommodation, which is around half of adults under-40s, will be cursing the fact that in some areas of Northern Ireland, rents have been increasing at a faster rate than both wages and inflation.

House-building was also one of the brighter spots within the construction sector as a whole. 2018 started off strongly for the construction sector, but optimism within the sector began to fade throughout the year. One of the major factors was the lack of decision-making in government which meant that publicly-funded projects stalled or didn't get the go-ahead.

Looking to 2019, it will be the Chinese year of the pig. It might also be the year when the backstop gets sorted, Brexit is resolved, and the Northern Ireland Executive is restored, allowing important decisions to be made. It would be a very productive year if that all came to pass. But some cynics would say that a certain farmyard animal might also fly. Let's hope they're wrong.

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