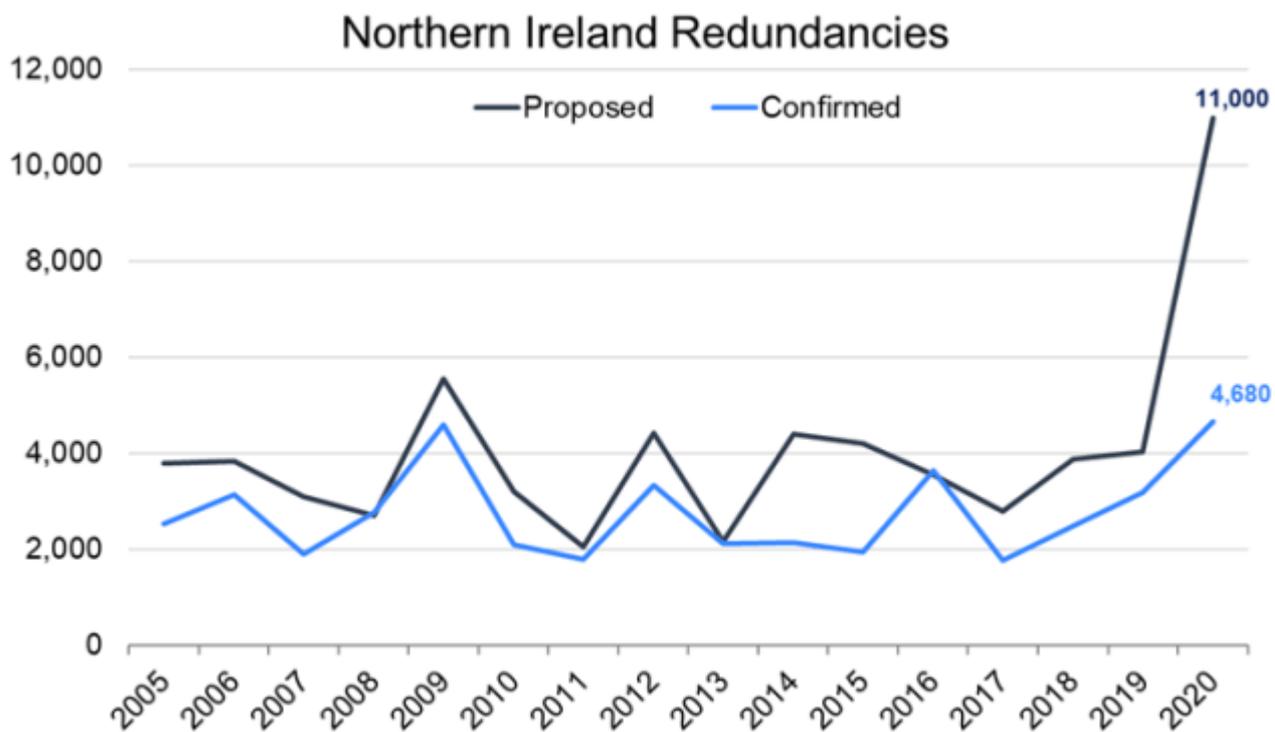


Northern Ireland's latest labour market statistics smack of 'nothing to see here...just move along'. Other than the record number of redundancies proposed in 2020 (11,000), there are few signs that the economy is in the midst of an economic crisis. Indeed, many of the indicators point to an improvement. For example, the unemployment rate and the number of individuals claiming unemployment related benefits is falling. Meanwhile the total hours worked and the number of employees on payrolls continued their upward trends. Talk of a labour market recovery, however, is premature. The Chancellor recently stated that the economy is going to get worse before it gets better. Similarly, the labour market will deteriorate before a sustainable recovery takes hold. Unprecedented employment support measures, such as the Job Retention Scheme (JRS) and the Self-Employment Income Support Scheme (SEISS), largely inoculated the UK and NI economies against a severe labour market shock. But once these measures are withdrawn a surge in unemployment in the second half of the year is inevitable.



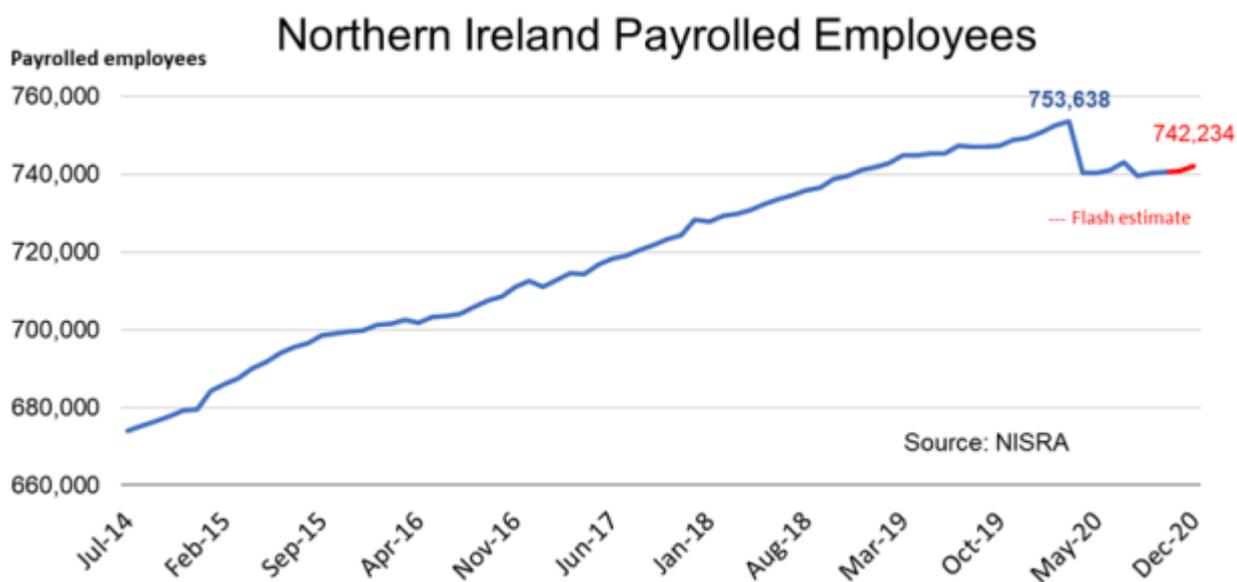
Unemployment trending down. NI's claimant count, which includes Jobseeker's Allowance claimants and those claiming Universal Credit principally for the reason of being unemployed, fell by 700 to 58,400 in December. This was the fourth successive monthly decline following the surge in claimants from 29,800 in March to 64,300 in May. Since then, the claimant count has been trending downwards. As a result, NI's claimant count unemployment rate has fallen from 6.9% in May to an eight-month-low of 6.3% in December. Meanwhile NI's wider measure of unemployment, the ILO unemployment rate decreased from 3.7% (Jun-Aug 2020) to 3.2% (Sep-Nov 2020). This is the lowest unemployment rate of the 12 UK regions and well below that of the UK (5.0%). On closer inspection, NI's unemployment rate is falling for the wrong reasons with the number of economically inactive (i.e. those neither in work or looking for work) moving in the opposite direction. While the trend in unemployment during the second half of 2020 has been down, an upward trend is anticipated in the second half of 2021.

‘R-number’ coming down. NI’s labour market ‘R-number’ (redundancies) has also fallen sharply in December. Just 340 redundancies were proposed in December which was the joint-lowest since March and well below the record highs of 2,470 in June and 1,940 in July and November’s total of 1,370. Despite this slowdown, 2020 represented a record year for redundancies with 11,000 proposed and almost 4,700 confirmed.



Trending up. Total weekly hours worked in NI slumped by more than one-fifth in Mar-May 2020 relative to the corresponding period a year previously. This resulted from the lockdowns and initial job losses. Since then, the number of hours worked has been on the rise. Total weekly hours worked in NI was estimated at 27.2 million hours in the three months to November. That represents an increase of 9% on the previous quarter but is still 10% below the corresponding period in 2019. A (temporary) recovery in the number of payrolled employees in NI is also evident. Payroll numbers increased in December for the fourth month running. However, the total number of payrolled employees (742,334)

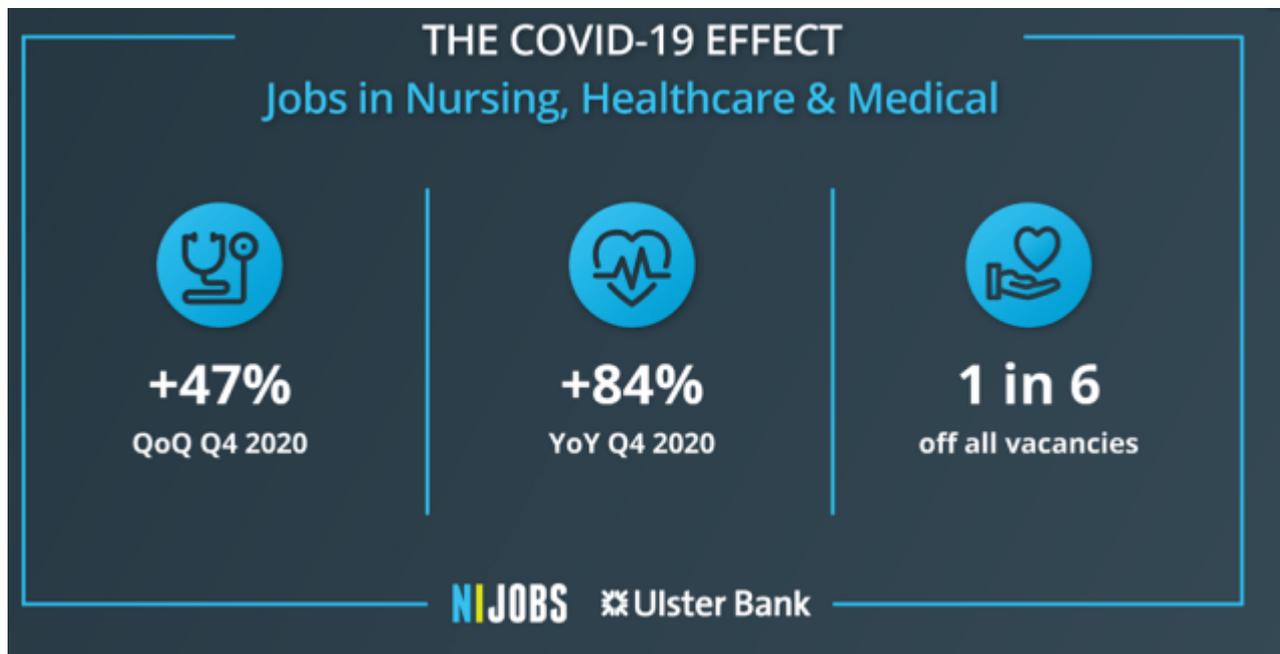
remains 11,400 (-1.5%) below the March peak. It is worth remembering that employment levels are currently being buoyed up by the Job Retention Scheme. At the end of October 2020 there were 68,000 jobs in Northern Ireland furloughed. As and when the scheme expires, a proportion of these jobs are expected to be lost.



Remote control. Another area of the labour market that has been moving in a positive direction is job vacancies. According to NIJobs.com, job listings - which are viewed as a leading indicator of labour market performance - more than doubled in Q4 2020 (+129%) relative to their Q2 'lockdown low'. Despite two consecutive quarters of growth (+72.5% in Q3 and +33% in Q4), job postings on NIJobs.com were still down 10% relative to a year ago and down over one-quarter relative to Q2 2019's record high. Nevertheless, the NIJobs.com Jobs index signals that the recruitment market has regained over 80% of the decline in listings following the start of the pandemic. Interestingly, online searches for remote working more than doubled (+140%) in the last year. 2021 could mark a significant shift regarding the traditional office space, encouraging employers to become more innovative and flexible. Watch this space!



Hospital(ity) pass. Those employment categories most affected by lockdown restrictions are experiencing very subdued levels of demand. The beleaguered hospitality sector is a case in point. Back in Q3 & Q4 2019, the *Hospitality* sector had the most job listings of the 31 employment categories and accounted for almost 1 in 9 of all online vacancies. But 2020's lockdown saw demand for hospitality jobs slump and in Q4 listings were down 88% y/y. Hospitality has fallen from being the top ranked category to 20th in the space of a year. A quick and efficient rollout of the vaccine, and ultimately a lifting of lockdown restrictions, will be the main factor determining economic growth in the year ahead and for the hospitality sector in particular.



Medic! Nursing, Healthcare & Medical category remains the top employment category accounting for more than 1 in 6 of all vacancies. Demand for Nursing, Healthcare & Medical roles have increased by 47% q/q and by 84% y/y. Positions within Education, Childcare & Training have soared to a new high having more than doubled over the last year. Roles within this category now account for 10% of all employment positions. Perhaps not surprisingly, given COVID-19 and Brexit challenges, General Management and Consulting roles hit a record high in Q4 surging by 187% q/q in Q4 and 73% y/y. Other sectors that recorded the largest rebounds in demand in Q4 2020 included Secretarial & Admin (+182% q/q); Science, Agriculture, Pharmaceutical & Food (+112% q/q) and Banking, Financial services & Insurance (+78% q/q). IT is traditionally one of the biggest employment categories. While Q4 saw a 48% q/q rise in advertised positions in this category, vacancy levels are still less than half what they were a year ago.

2020 Q4 NIJobs.Com

<i>Rank</i>	<i>Employment Category</i>	<i>Share of Vacancies</i>	<i>% Y/Y</i>
1	Nursing, Healthcare & Medical	16%	84%
2	Education, Childcare & Training	10%	116%
3	Production, Manufacturing & Materials	8%	20%
4	Accountancy & Finance	6%	-14%
5	Engineering	6%	-10%
6	Construction, Architecture & Property	5%	23%
7	IT	5%	-53%
8	Cust. Service, Call Centres & Languages	5%	-21%
9	General Management & Consulting	4%	73%
10	Secretarial & Admin	4%	-12%
11	Security, Trades & General Services	4%	34%
12	Retailing, Wholesaling & Purchasing	3%	-15%
13	Banking, Financial services & Insurance	3%	11%
14	Big Data & Analytics	3%	93%
15	Social, Charity & Not for Profit	2%	-62%
16	HR	2%	-8%
17	Environmental, Health & Safety	2%	22%
18	Transport, Logistics & Warehousing	2%	-45%
19	Sales	2%	-73%
20	Hospitality	1%	-88%

See:

https://www.nijobs.com/recruiters/recruiters-news/demand-rises-for-remote-working-roles/?cid=social_media_paid_Linkedin_B2B_nij-blog-content

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