

Economic Overview – 15th October 2014

Labour Market Summary (seasonally adjusted)

Seasonally adjusted Labour Force Survey (LFS) estimates for Northern Ireland for the period June - August 2014 showed an increase over the quarter in the number of economically inactive while the number of employed and unemployed decreased. The seasonally adjusted claimant count in September 2014 decreased by 300 over the month to 52,000. There were 142 proposed redundancies notified in the latest reference period and 276 confirmed redundancies in September 2014.

Employment

The number of persons in employment in the period June - August 2014 was estimated at 818,000. This estimate decreased by 2,000 over the quarter but increased by 21,000 over the year. The employment rate for those aged 16-64 was estimated at 68.3%, this increased by 0.2 percentage points over the quarter and increased by 1.6 percentage points over the year. The employment rate in NI remained below the UK average (73.0%) and was the lowest rate among the twelve UK regions.

Unemployment

The unemployment rate for the period June - August 2014 was estimated at 6.1%. This estimate decreased by 0.5 over the quarter and by 1.2 percentage points over the year. The number of unemployed persons was estimated at 53,000, down 5,000 over the quarter and down 10,000 over the year. Unadjusted figures show that 58.2% of the unemployed have been unemployed for 1 year or more – up 6.9 percentage points over the year. They also estimate the unemployment rate for 18 - 24 year olds at 18.4% – down 4.2 percentage points over the year.

Economically Inactive

The seasonally adjusted number of economically inactive persons in the period June - August 2014 was estimated at 567,000. This figure is up 9,000 over the quarter and down 3,000 over the year. The NI economic inactivity rate for those aged 16-64 stood at 27.2%. This is significantly higher than the UK average rate (22.2%) and is the highest of the twelve UK regions. Unadjusted figures estimate that 29% of the economically inactive, aged 16-64, are sick/disabled. 27% are students, 25% are looking after the family/home, 12% are retired and 7% are 'other' reason. Unadjusted figures, of all those economically inactive, show that while 91% of the inactive do not want work, the remaining 9% (49,000) want employment but do not satisfy the full ILO job search criteria (by actively seeking work and being available to start a job).

Estimates from the LFS have an associated degree of statistical error as they are based on a sample of the population. The annual changes for the main LFS categories of employment, unemployment and economic inactivity were tested for statistical significance. The results showed that none of the annual changes in the estimates were statistically significant i.e. the recorded change did not exceed the variability expected from a sample survey of this size.

Unemployment Regional Comparison

The latest NI seasonally adjusted unemployment rate (6.1%) is just above the overall UK average rate (6.0%) and was the sixth lowest rate among the twelve UK regions. The NI rate was below the European Union (10.2%) and Republic of Ireland (11.5%) rates for July 2014. Comparable figures for June - August 2014 estimate the NI unemployment rate for 18-24 year olds at 18.4%, compared to a UK average rate of 14.7%.

Claimant Count

The more recent seasonally adjusted claimant count decreased by 300 from last month's revised total. It now stands at 52,000 (5.9% of the workforce) in September 2014. Over the year the Claimant Count in NI has decreased by 9,400 (15.3%) and the workforce unemployment rate has decreased by 1.1 percentage points. The claimant count has fallen 12,800 since its most recent peak in December 2012 and this is the first time there has been a fall in twenty-one consecutive months since June 1995.

Claimant Count Regional Comparison

The seasonally adjusted claimant count rate in NI (5.9%) was higher than the UK average rate (2.8%) and was the highest rate among the twelve UK regions. This is the 54th consecutive month that NI has had the highest or second highest UK region unemployment rate, on this measure. The monthly decrease in NI claimants (0.6%) was lower than the UK average decrease (1.9%) during the same period. The annual decrease in NI claimants (15.3%) was the lowest decrease of twelve UK regions (the annual decrease in the UK was 29.3%).

Claimant count rates for District Council Areas

Unadjusted numbers as a percentage of the resident working age population, show that the highest rates at September 2014 were in Derry (8.3%), Strabane (7.5%), Belfast (6.3%), and Limavady (5.5%). All 26 District Council Areas showed a decrease over year, with the largest decreases in Dungannon (29.0%), Armagh (25.0%) and Omagh (24.6%).

Revisions to Labour Force Survey estimates.

There has been revisions to this months estimates derived from the Labour Force Survey (including estimates of employment, unemployment and economic inactivity). This is due to the deployment of the population estimates from the 2011 Census. Estimates have been revised back to the period June to August 2001.

Redundancies

There were 142 proposed redundancies notified during the period mid September 2014 to mid October 2014. This compares to 188 proposed redundancies that were notified in the previous monthly period. There were 276 confirmed redundancies in the month of September. Over the latest twelve month period there were a total of 2,181 confirmed redundancies, a decrease of 33% from the previous year (3,257). Over the latest twelve month period there were a total of 3,201 proposed redundancies, an increase of 33% from the previous year (2,403). Currently there are 944 outstanding redundancies (that is, proposed but not confirmed), which is 59% higher than this time last year (594).

Note that since all proposed redundancies do not actually take place, the confirmed total provides a better indication of real job losses.

Quarterly Employment Survey

The estimated seasonally adjusted employee jobs total in Northern Ireland at June 2014 was 712,480. This represents an increase (+2,210 jobs) from the revised figure for the previous quarter and represents an increase of 12,780 jobs over the year. The seasonally adjusted quarterly change consisted of increases across; the Service Sector (+2,060 jobs), the Construction Sector (+180 jobs) and the Other Industries Sector (+110 jobs). There was a decrease in the Manufacturing Sector (-140 jobs). Over the same period the Public Sector increased by 170 jobs while the private sector increased by 1,740 jobs. Over the year to June 2014, the public sector decreased by 1.6% (-3,480 jobs) compared to an increase of 3.4% (+16,280 jobs) in the private sector

Hours Worked

In the three months to August 2014, the average actual weekly hours worked in NI was 32.9 hours. For full-time workers, in Northern Ireland, the average actual number of hours worked was 37.6. For part-time workers in Northern Ireland, the average actual numbers of hours worked stood at 16.8 hours.

Annual Survey of Hours and Earnings (ASHE)

Earnings results for April 2013, which were released on 12 December 2013, show that yearly growth in median gross weekly earnings for all employees (i.e. both full- and part-time) in NI was 1.7% (to £367), compared to the UK where earnings increased by 2.6% (to £417). NI full-time employees' gross weekly earnings at April 2013 were £460, which was 88.9% of the figure in the UK (£518). NI full-time earnings increased by 0.5% over the period, compared with an increase of 2.2% in the UK. Full-time weekly private sector earnings in NI increased over the year by 2.3%, to £403. This represented no change to the NI/UK private sector pay gap which remains at 82.1% of the UK figure. Part-time private sector earnings grew 7.9% to £132.