

July 2018

Northern Ireland Labour Market Report

Geographical Area: Northern Ireland
Theme: Labour Market
Frequency: Monthly

Key Points

- The latest Labour Force Survey (LFS) estimates for the period March-May 2018 indicate that, over the quarter, the employment rate increased, the economic inactivity rate decreased and the unemployment rate was unchanged. The number of people on the Northern Ireland claimant count (experimental) decreased in June 2018.
- The proportion of people aged 16 to 64 in work (the employment rate) increased over the quarter (0.3pps) and increased over the year (1.1 pps) to 69.8%. Although the quarterly and annual changes were not statistically significant, the most recent employment rate was statistically significantly above employment rates in 2013. The latest employment rate recorded for the whole of the UK (75.7%) is the highest on record.
- The LFS indicated that the NI unemployment rate (16+) was unchanged over the quarter but decreased over the year to 3.5% in March-May 2018. The decrease over the year of 1.8 pps was statistically significant and is likely to reflect real change.
- The equivalent UK unemployment rate (4.2%) decreased by 0.1 pps over the quarter and decreased over the year by 0.3 pps to its joint lowest rate on record. The NI unemployment rate was below the UK unemployment rate, and also below the European Union (7.1%) rate and Republic of Ireland (5.9%) rate (April 2018).
- The NI economic inactivity rate (the proportion of people aged from 16 to 64 who were not working and not seeking or available to work) decreased over the quarter to 27.5% and increased by 0.2 pps over the year. Although neither the annual nor quarterly changes were statistically significant, the March-May rate was statistically significantly lower than in 2009.
- The number of people on the NI claimant count (experimental) decreased by 200 over the month to 28,600 in June 2018. Please note these figures include Jobseeker's Allowance Claimants and those claimants of Universal Credit who were claiming it principally for the reason of being unemployed.
- During June 792 redundancies took place. This is the largest number of confirmed redundancies since November 2012.

Please note July's Labour Market Report is an abridged version consisting of a summary of labour market statistics. Further background information on labour market statistics is provided in Section 2 and the full suite of labour market tables are available on the [NISRA website](#) (also available through hyperlinks in Section 3).

This Labour Market Report (LMR) contains the following chapters:

1. Summary of labour market statistics

- Labour market summary table
- Infographic summary
- Context

2. Further information

3. Index of Web Tables

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National Statistics

The United Kingdom Statistics Authority has designated these statistics* as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Official Statistics. They are awarded National Statistics status following an assessment by the Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is a producer's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

Experimental Statistics

From 21st March 2018 the Claimant Count based on Jobseeker's Allowance has been replaced by an experimental measure based on Jobseeker's Allowance Claimants and those out-of-work Universal Credit claimants who were claiming principally for the reason of being unemployed. Please see Further Information Section 2 for more details.

1 Summary of Labour Market Statistics

Updated July 2018

Change over quarter / month

Seasonally adjusted LFS estimates for Northern Ireland for the period March-May 2018 showed that over the quarter:

- the unemployment rate (3.5%) was unchanged
- the employment rate (69.8%) increased by 0.3 pps
- the economic inactivity rate (27.5%) decreased by 0.3 pps

None of the reported changes over the quarter were statistically significant i.e. the recorded changes did not exceed the variability expected from a sample survey of this size and are not likely to reflect real change.

The seasonally adjusted experimental claimant count (Jobseekers Allowance plus some out-of-work claimants of Universal Credit) showed that in June 2018, there was:

- a decrease of 200 over the month to 28,600.

During June 2018 there were:

- 792 confirmed redundancies notified to the Department. This is the largest number reported since November 2012.

The employee jobs total in Northern Ireland at March 2018 was 763,440 representing:

- an increase of 6,090 over the quarter from the revised December 2017 estimate of 757,350.

Table 1: Northern Ireland Labour Market Summary with sampling variability

| Mar-May 2018 | Estimate | Change over quarter (Sampling variability of change) | Change over year |
|--|----------|---|------------------------|
| Unemployment ¹ | 31,000 | 0 (+/-8,000) | -15,000 (+/-12,000) |
| Employment ² | 852,000 | 7,000 (+/-18,000) | 28,000 (+/-32,000) |
| Economically inactive ² | 585,000 | -6,000 (+/-16,000) | -5,000 (+/-29,000) |
| Unemployment rate ¹ | 3.5% | 0.0pps (+/-1.0pps) | -1.8pps (+/-1.4pps) |
| Employment rate ² | 69.8% | 0.3pps (+/-1.3pps) | 1.1pps (+/-2.4pps) |
| Economic inactivity rate ² | 27.5% | -0.3pps (+/-1.3pps) | 0.2pps (+/-2.3pps) |
| June 2018 | Estimate | Change over month | Change over year |
| Claimant Count ³ (experimental) | 28,600 | -200 | -1,800 |
| Redundancies ⁴ | 792 | | |

LFS, claimant count and employee jobs data are seasonally adjusted.

¹ People aged 16 and over. Unemployment rate = total unemployed as a proportion of the economically active.

² Levels for all persons aged 16 and over, rates for working age (16-64).

³ Jobseekers Allowance plus some out-of-work claimants of Universal Credit.

⁴ Confirmed redundancies in the calendar month.

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Change over year

Seasonally adjusted LFS estimates for Northern Ireland for the period March-May 2018 showed that over the year:

- the unemployment rate (3.5%) decreased by 1.8 pps
- the employment rate (69.8%) increased by 1.1 pps
- the economic inactivity rate (27.5%) increased by 0.2 pps.

The decrease over the year in the number of those unemployed (16+) and the decrease in the unemployment rate (16+) were both statistically significant i.e. the recorded changes exceeded the variability expected from a sample survey of this size and were likely to reflect real changes.

The most recent measure of the claimant count (experimental) shows that in the year to June 2018, there was:

- a decrease of 1,800 to 28,600.

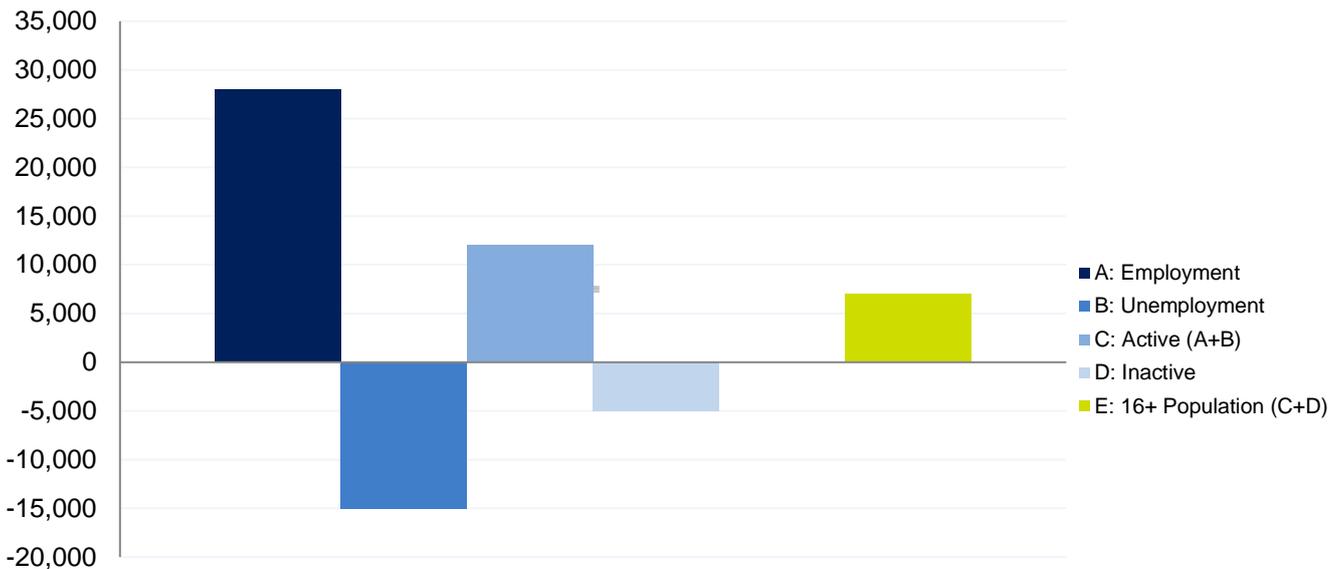
Over the latest twelve month period there were:

- 2,848 confirmed redundancies which was an increase of 23% from the previous year (2,310).

The employee jobs total in Northern Ireland at March 2018 was 763,440 jobs representing:

- an increase of 2.5% (18,610) from the revised March 2017 estimate of 744,830.

Figure 1: NI labour market structure: change over year



Note: figures rounded so may not sum

A

B

C

D

E

[Download in excel](#)

UK summary

Seasonally adjusted LFS estimates for the UK for the period March-May 2018 showed:

- the joint lowest unemployment rate (4.2%) on record, which decreased by 0.1 pps over the quarter and by 0.3 pps over the year
- the highest employment rate (75.7%) on record, which was an increase of 0.3 pps over the quarter and 0.7 pps over the year
- the joint lowest economic inactivity rate (21.0%) on record, which decreased by 0.2 pps over the quarter and by 0.5 pps over the year.

Commentary

The NI labour market continues to demonstrate some of the lowest unemployment and highest employment rates on record, while inactivity rates are similar to those five years ago.

The unemployment rate (3.5%) was unchanged over the quarter and is significantly below rates one year ago. The NI unemployment rate remains below the UK rate for the third consecutive quarter after being higher since the end of 2013. While the unemployment rate is low, the number of long term unemployed remains high at almost three-fifths (59.0%) of the unemployed.

The employment rate increased over the quarter and year to one of the highest recorded rates in NI. At 69.8% it is significantly above rates estimated in 2013 but remains below the UK (75.7%) and the lowest of the UK regions.

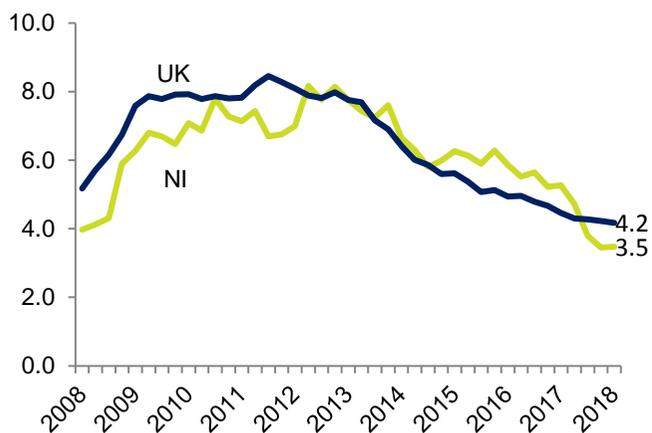
The economic inactivity rate (27.5%) decreased over the quarter and increased over the year and continues to be the highest of the UK regions. The March-May rate is similar to rates in 2012 and 2013 and significantly below peak rates recorded in mid-2009.

The improvements seen in the local labour market over recent quarters are similar to that of the UK labour market which is reporting the highest employment rate and joint lowest unemployment rates on record. In contrast to the NI experience, the UK results show the joint lowest inactivity rates on record.

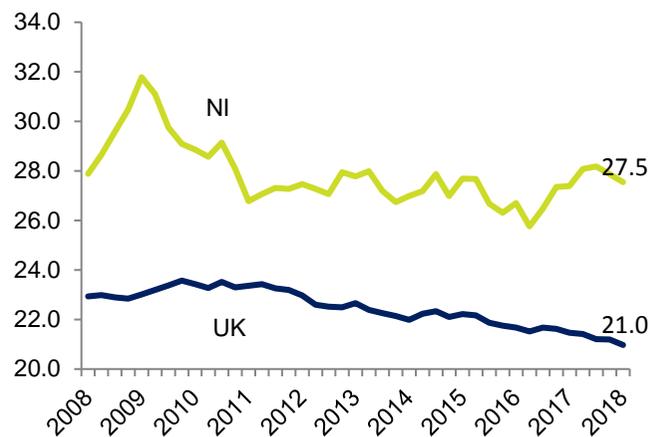
Further information is available on the NISRA - Economic and Labour Market Statistics website: [LMR Headline Tables](#).

March – May 2018

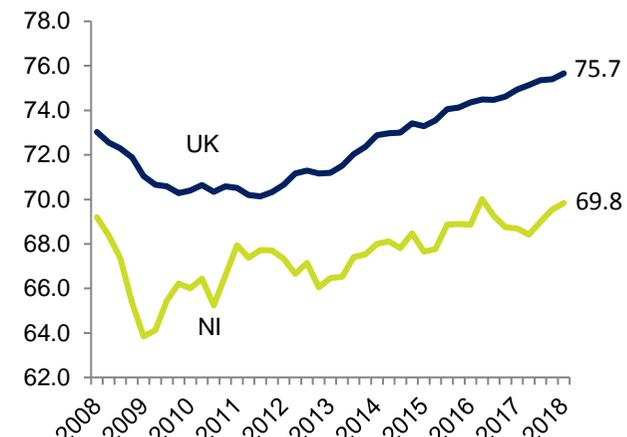
Unemployment – 3.5%



Economic Inactivity – 27.5%



Employment – 69.8%



Quarterly Change



Annual Change



pps¹ = percentage points

Labour Force Survey, seasonally adjusted and subject to future revisions.

Data published – 17th July 2018

Context

The Labour Market Report is a monthly overview of Northern Ireland key labour market statistics. It includes figures from the Labour Force Survey (LFS), the claimant count, the Quarterly Employment Survey (QES) and the Annual Survey of Hours and Earnings (ASHE) as well as up-to-date redundancies data. More information about the data sources can be found in Section 2.

Comparative UK data produced by the ONS are presented where these are available. The latest labour market statistics are available on the [ONS website](#).

Key users of Northern Ireland labour market statistics include government departments, in particular the Department for the Economy (DfE), to design and monitor the impact of economic and labour market policy. Other Government departments such as the Executive Office, the Department of Finance (DoF) and the Department of Agriculture, Environment and Rural Affairs (DAERA), as well as bodies such as Invest NI and Belfast City Council, regularly require specific ad hoc labour market analysis in order to monitor policies for example, equality and employment. In addition, significant 'non-governmental' users of labour market statistics include the media, banks, academics, private consultants and the general public, primarily for reporting or researching the performance of the economy in general. Labour market statistics attract widespread media coverage, with a number of broadcasters publishing articles on the labour market on a monthly basis, generally on the day of publication of the Labour Market Report.

Labour market statistics feature in the [DfE Economic Commentary](#) which provides an overview of the state of the Northern Ireland economy, setting it in context with the UK and Republic of Ireland. The most up-to-date official statistics on the economy and labour market are available on the [Economic Overview section](#) of the NISRA website.

Further information on using labour market statistics can be found on the Office for National Statistics (ONS) website:

- [Explaining the concepts of employment, unemployment and economic inactivity](#)
- [Interpreting Labour Market statistics](#)
- [Guide to Labour Market Statistics](#)
- [Glossary](#)

LFS unemployment

The definition of unemployment used in the Labour Force Survey (LFS) is in accordance with that of the International Labour Organisation (ILO). The ILO unemployed includes those without a job who were able to start work in the two weeks following their LFS interview and had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.

Unemployment rate - the percentage of economically active people who are unemployed.

Please note that it is possible for the number of unemployed to increase and the unemployment rate to fall during the same period, as the latter measure is a ratio e.g. if the number of economically active has increased at a faster rate than the number unemployed, the unemployment rate will fall.

LFS employment

The definition of ILO employed applies to anyone (aged 16 or over) who has carried out at least one hour's paid work in the week prior to interview, or has a job they are temporarily away from (e.g. on holiday). Also included are people who do unpaid work in a family business and people on Government-supported employment training schemes.

The ILO measures are particularly useful for examining short term and long term trends over time and key LFS time series data are available both seasonally adjusted and unadjusted.

Sampling variability

The LFS is a sample survey, and as such, estimates obtained from it are subject to sampling variability. If we drew many samples each would give a different result. The ranges shown for the LFS data in the table overleaf represent 95% confidence intervals i.e. we would expect that in 95% of samples the range would contain the true value. These confidence intervals have been calculated using data that is not seasonally adjusted, with the relevant sampling errors produced then applied to the seasonally adjusted data.

If the 'annual change' for an estimate has increased or decreased by more than the 'sampling variability of the change', this change would be statistically significant. The annual changes for the main LFS categories of employment, unemployment and economic inactivity were tested for statistical significance. The results showed the decrease over the year in the number of those unemployed (16+) and the decrease in the unemployment rate (16+) were both statistically significant i.e. the recorded changes exceeded the variability expected from a sample survey of this size and were likely to reflect real changes. None of the reported changes over the quarter were statistically significant i.e. the recorded changes did not exceed the variability expected from a sample survey of this size and are not likely to reflect real change.

Table 2 shows the sampling variability of the estimates, and quarterly and annual changes. The final column contains the sampling variability that can be used when assessing change between two independent samples. Due to the LFS five wave structure this means it can be used to assess changes over six quarters or more.

Table 2: Sampling variability of labour market estimates

| Mar-May 2018 | Estimate | Sampling variability of estimate | Change over quarter | Sampling variability of quarterly change | Change over year | Sampling variability of annual change | Sampling variability of change |
|---------------------------------------|----------|----------------------------------|---------------------|--|------------------|---------------------------------------|--------------------------------|
| Unemployment ¹ | 31,000 | +/-8,000 | 0 | +/-8,000 | -15,000 | +/-12,000 | +/-13,000 |
| Employment ² | 852,000 | +/-26,000 | 7,000 | +/-18,000 | 28,000 | +/-32,000 | +/-35,000 |
| Economically inactive ² | 585,000 | +/-23,000 | -6,000 | +/-16,000 | -5,000 | +/-29,000 | +/-32,000 |
| Unemployment rate ¹ | 3.5% | +/-1.0pps | 0.0pps | +/-1.0pps | -1.8pps | +/-1.4pps | +/-1.5pps |
| Employment rate ² | 69.8% | +/-1.9pps | 0.3pps | +/-1.3pps | 1.1pps | +/-2.4pps | +/-2.6pps |
| Economic inactivity rate ² | 27.5% | +/-1.8pps | -0.3pps | +/-1.3pps | 0.2pps | +/-2.3pps | +/-2.5pps |

¹ People aged 16 and over. Unemployment rate = total unemployed as a proportion of the economically active.

² Levels for all persons aged 16 and over, rates for working age (16-64).

[Download in excel](#)

Please see link for further LFS notes and definitions: [LFS Background Information](#)

LFS Comparisons

Estimates of employment, unemployment, and economic inactivity are derived from the LFS, a survey of households. The most robust estimates of short-term movements in these estimates are obtained by comparing the estimates over rolling three month periods. For example the 3 months ending May 2018 should be compared with the estimates for December-February 2018, which were first published on 17th April 2018. This provides a more robust estimate than comparing with the estimates for February-April 2018 as the March and April data are included within both estimates, so effectively observed differences are those between the individual months of February 2018 and May 2018. The LFS is sampled such that it is representative of the NI population over a three month period, not for single month periods.

Seasonal adjustment

All estimates discussed in this Statistical Bulletin are seasonally adjusted unless otherwise stated. Like many economic indicators, the labour market is affected by factors that tend to occur at around the same time every year; for example school leavers entering the labour market in July and whether Easter falls in March or April. To compare over months or quarters, the data are seasonally adjusted to remove the effects of seasonal factors and the arrangement of the calendar.

Thresholds

Thresholds are used to determine whether LFS data are suitably robust for publication. The threshold used for the quarterly LFS datasets is 8,000. As such, data below 8,000 is suppressed.

LFS revisions

LFS microdata have recently been revised to incorporate the latest population estimates. The revisions affect LFS data from the period May - July 2012 onwards and were first published in May 2017. The magnitude of the revisions are relatively small, with the revisions to the unemployment rate falling within +/- 0.1 percentage points and the working age employment rate within +/- 0.2 percentage points. The procedures being applied to the NI LFS results are consistent with those applied by the Office for National Statistics to other UK regions.

More information on the revision policy concerning labour market statistics can be found through the following link: [Labour market statistics revisions policy](#)

Definition of 'working age'

The 'working age' definition, used in the calculation of employment and economic inactivity rates, was changed in August 2010 to include those aged from 16 to 64 for both men and women. Previously these rates were based on upper age limits of 59 for women and 64 for men, reflecting the state pension ages in the UK.

Experimental Claimant Count (Jobseekers Allowance claimants plus some out-of-work Universal Credit claimants)

The roll-out of Universal Credit (UC) began in Northern Ireland on the 27th September 2017 and is currently available in 19 of the 35 Job Centres. Since March 2018 the NI JSA-only claimant count has been replaced by an experimental measure based on JSA claimants plus out-of-work UC claimants who were claiming principally for the reason of being unemployed. The NI and GB claimant counts are now calculated on a consistent basis.

The new claimant count is categorised as experimental as the statistics are in the testing phase and not yet fully developed. The ONS have produced a useful '[Guide to Experimental Statistics](#)' and an FAQ document explaining the difference between the two measures is available on the [NISRA website](#).

The original series of claimants of JSA, although still available, will no longer be designated as a National Statistic. Although the original measure will continue to reflect the number of people claiming JSA, the relevance of it as a measure of unemployment will diminish each month as UC is introduced in more and more Job Centres across NI. The [letter](#) from NISRA requesting de-designation and the [reply](#) from the Office for Statistics Regulation are available on the UK Statistics Authority website.

This move to the experimental measure follows the approach taken by the Office for National Statistics in 2015. The full correspondence between ONS and the Statistics Authority can be accessed at the links below:

[Letter from National Statistician to UK Statistics Authority, 9 June 2015](#)

[Reply from UK Statistics Authority to National Statistician, 10 June 2015](#)

Claimant Count Revisions

Seasonally adjusted claimant count figures are only available at the NI level and are provisional when they are published so they are subject to revision. These revisions are usually made the following month, however, seasonally adjusted totals are also subject to an annual update, which revises data for the previous 5 years to take account of the latest assessment trends. The most recent revision was published on 15th May 2018. The magnitude of the revisions is relatively small, with the changes within +/- 0.8% to the monthly claimant totals. For further information see: [Claimant Count Revisions](#)

Redundancy Legal Requirements

Under the Employment Rights (Northern Ireland) Order 1996 (Amended 8 October 2006) companies are only legally required to notify the Department of impending redundancies of 20 or more employees. Companies who propose less than 20 redundancies are not included in the statistics, so there is likely to be an under count.

Annual Survey of Hours and Earnings (ASHE)

Please note, changes in NI earnings over the year and relative to the UK can be influenced by a range of factors including the timing of pay settlements, the extent of overtime, and differences in the composition of the workforce. As ASHE is a sample survey, results are also subject to an associated level of sampling variability.

Further information is available at: [Northern Ireland Annual Survey of Hours and Earnings](#)

Quarterly Employment Survey (QES)

All QES data contained in the LMR are adjusted for seasonality. The seasonal adjusted series started in 2005. Public Sector and Private Sector series are seasonally adjusted separately to the industry breakdowns. As such the two series may differ at the NI level.

Revisions

QES estimates are revised quarterly to reflect the latest information provided to the Department by employers. The December 2017 seasonally adjusted estimate first published in March 2018 has subsequently been revised up 0.2%.

For further details of QES revisions please see the following link: [QES Revisions](#)

Pre Release Access

The UK Office for National Statistics (ONS) announced the removal of early access by Ministers and officials to all ONS official statistics from 1 July. For further information please see [correspondence](#) between John Pullinger the National Statistician on this issue and the [reply](#) from Sir David Norgrove, the Chair of the UK Statistics Authority.

As a number of ONS publications affected by this decision include Northern Ireland (NI) level statistics, NISRA also removed early release access for NI officials to the equivalent NISRA publications and associated economic output statistics. This is based on analysis of the proxy nature of NI data for UK trends. The Labour Market Report published on 12th July 2017 was the first release under these new arrangements.

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