



1. Labour Market Structure

November to January 2026



Employment Rate

71.6%

No statistically significant quarterly or annual change



Unemployment Rate

2.2%

No statistically significant quarterly or annual change



Economic Inactivity Rate

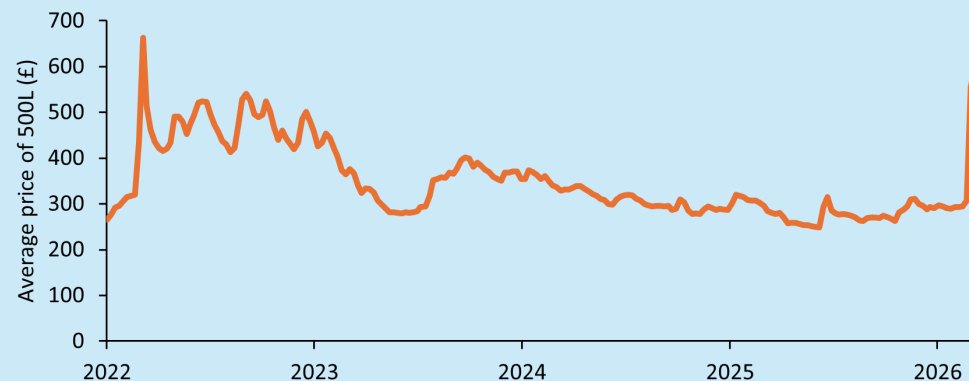
26.7%

No statistically significant quarterly or annual change

Source: NISRA

2. Home Heating Oil

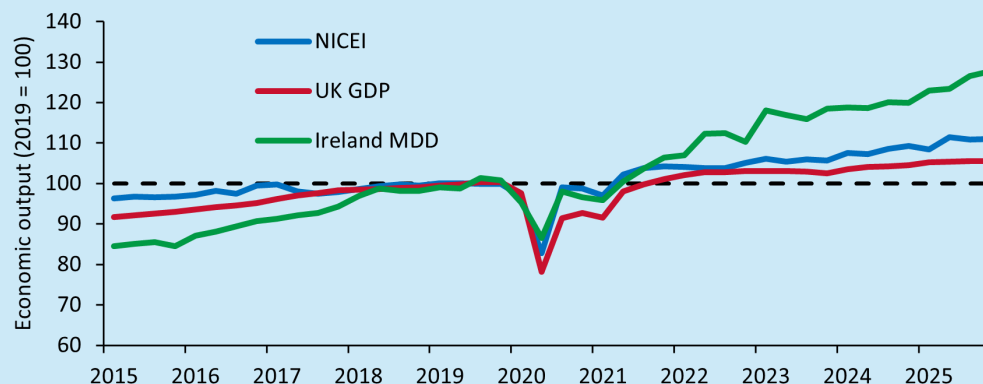
Average price of 500L home heating oil in Northern Ireland, Jan 2022 - Mar 2026



Source: Consumer Council

3. Economic Growth

Economic output indicators for Northern Ireland, the United Kingdom and Ireland, Q1 2015 - Q4 2025



Note: Non-zero axis.

Source: NISRA, ONS, CSO



Commentary

On the 3 March 2026, the Chancellor of the Exchequer delivered her **Spring Statement** to the House of Commons, providing an update on the government's finances and plans for tax and public spending, based on the latest forecasts from the Office for Budget Responsibility (OBR). In the OBR's central forecast, UK real Gross Domestic Product (GDP) growth is expected to slow to 1.1 per cent in 2026, a downward revision of 0.3 percentage points (pps) from the November forecast, reflecting *'weaker-than-expected GDP outturns in late 2025, further evidence of a loosening labour market, and subdued business surveys.'*

As reported in their latest Quarterly Sectoral Forecasts, Danske Bank expect NI and UK economic growth to moderate in 2026 *'reflecting the high levels of global uncertainty, the lack of momentum in the economy at present and the impacts of higher taxes.'* Danske Bank forecast NI Gross Value Added (GVA) growth of 0.8% in 2026 – a downward revision of 0.3pps. The latest OECD Economic Outlook also flagged uncertainty surrounding projections and highlighted that *'the conflict in the Middle East is testing the resilience of the global economy.'* The OECD has downgraded already-muted **economic growth forecasts** for the UK and Euro Area in 2026, with GDP growth of 0.7% and 0.8% projected, respectively, noting that these projections are conditional on energy market disruption moderating over 2026.

The ongoing conflict in the Middle East has led to a surge in **energy prices**. The latest data from the Consumer Council shows that between 26 February (two days before the conflict began) and 26 March, the average cost of 500 litres of heating oil increased by approximately 88% (Figure 2). Over the same time frame, the average price of petrol increased by around 16%, while the average price of diesel increased by around 28% (Figure 4).

The annual UK Consumer Prices Index (CPI) **inflation** rate was 3.0% in February 2026, or 3.2% including owner occupiers' housing costs, with both rates unchanged from January. Clothing made the largest upward monthly contribution to the annual inflation rates, while motor fuels made the largest downward contribution (all price information was collected before the outbreak of conflict in the Middle East).

At its meeting on 18 March 2026, the Bank of England Monetary Policy Committee (MPC) voted unanimously to maintain **Bank Rate** at 3.75%, following six reductions since August 2024. As a result of the ongoing conflict in the Middle East, the MPC expect inflation to be higher in the near term, with the impact being greater the longer the conflict and its effect on global energy supply continues.

The NI Composite Economic Index (NICEI) points to quarterly **economic growth** of 0.2% in Q4 2025, bringing annual growth to 1.6%. In comparison, UK GDP is estimated to have increased by 0.1% over the quarter and by 1.0% over the year, while Ireland's Modified Domestic Demand (MDD) increased by 1.0% over the quarter and 6.6% over the year (Figure 3). The largest contribution to quarterly NICEI growth came from increased activity in the construction sector, which was partially offset by decreased activity in the services sector.

The total volume of NI **construction** output reached a new post-2008 high in Q4 2025, having increased by 7.5% in what was a third consecutive quarter of growth. The strongest quarterly growth was recorded in the subsector classified as 'other' (e.g. work on industrial and commercial buildings) which increased by almost a fifth (+19.3%). Infrastructure work also increased strongly (+8.7%) while work on housing declined (-4.6%).

NI **services** sector output, as measured by the Index of Services (IOS), decreased by 1.5% in Q4 2025. This was a second consecutive quarter of decline since reaching a series high in Q2. The UK IOS remained unchanged in Q4, remaining at a series high. The NI Retail Sales Index (RSI) decreased by 2.6% over the quarter, falling to a level that was 1.3% above the pre-Pandemic Q4 2019 position, while the RSI for Great Britain (GB) remained 2.1% below.

NI **production** sector output, as measure by the Index of Production (IOP), increased by 1.3% in Q4 2025 and was 7.6% above pre-Pandemic levels. The UK IOP saw similar growth over the quarter (+1.2%) but remained 6.4% below pre-Pandemic levels. Over the quarter, the increase in NI production output was driven by manufacturing, with output falling in all other production subsector groups. The NI IOP has now seen increases in six of the last seven quarters.

The NI Annual Business Inquiry indicates that the approximate Gross Value Added (**aGVA**) of the NI non-financial businesses economy (which does not include farming or financial services) was around £44 billion (bn) in 2024, an increase of around 10% from 2023. aGVA at basic prices represents the income generated by businesses less the cost of goods and services used to create this income. The construction sector was the largest contributor to growth with an aGVA increase of around 31%.

According to the latest Northern Ireland Economic Trade Statistics (NIETS), total sales by businesses were estimated at around £109bn in 2024. Both total goods and services sales



Commentary

increased over the year, rising by around 5% and 12% respectively. **External sales** (sales made outside NI) accounted for around 36% of the total, with the majority going to GB and Ireland (Figure 5). NI recorded a trade surplus of around £8bn, continuing its trend of exporting more than it imports (Figure 6).

The latest regional **trade in goods** statistics from HMRC indicate that the value of NI's goods exports increased by around 1% in 2025, while import value increased by around 4%. Export growth was driven mainly by growth in trade with Ireland (+5%) and Canada (+23%), offsetting a significant decrease in exports to the United States, which fell by almost a fifth (-19%).

According to the InterTradeIreland All-Island Business Monitor, **business conditions** remained stable and resilient across both jurisdictions in Q4 2025. Overall, 65% of firms reported a stable business position (the highest since 2018) and 26% reported growth (the lowest since 2018). Cost pressures remained widespread, particularly for energy and other overheads, while employment activity was highly static. Looking ahead to 2026, *'aspirations reflect shared caution, with Ireland more continuity-led and Northern Ireland more expansion-leaning.'*

The Labour Market Report described how NI's **labour market** *'continues to lose momentum,'* with relatively small increases in employee numbers and jobs. The number of payrolled employees increased by an estimated 1.4% over the year to February 2026, while median monthly pay grew by 8.2% (£189), in excess of UK inflation and the largest annual increase of the 12 UK regions. The estimated number of people claiming unemployment benefits decreased by 0.6% from January's revised figure, and by 10.6% over the year. There were 140 confirmed redundancies in February, bringing the rolling twelve-month total to 2,360, which was over 25% higher than the previous year's figure but largely in line with pre-Pandemic levels. Results from the latest Quarterly Employment Survey indicate that the number of employee jobs reached a new series high of nearly 844,000 in December 2025. This represented a marginal increase over the quarter that was mainly driven by the services sector. Over the year, employee jobs rose by 1.3%, with growth driven mainly by construction and services. Across the last five years, employee jobs have risen by 9.6%.

In 2025, local **renewable electricity** generation equated to around 47% of electricity consumption (as measured by Gross Final Electricity Consumption, which comprises domestic generation plus imports minus exports). This represented a 3pps increase from 2024. Half of the electricity generated in 2025 was done so from renewable sources, with the majority of this being generated by wind (72%) and the remainder coming from bioenergy, solar, landfill gas and hydro/tidal generation.



Tables and Charts

Figure 4: The average prices of petrol and diesel in NI at the end of February and at the end of March 2026. Source: Consumer Council.

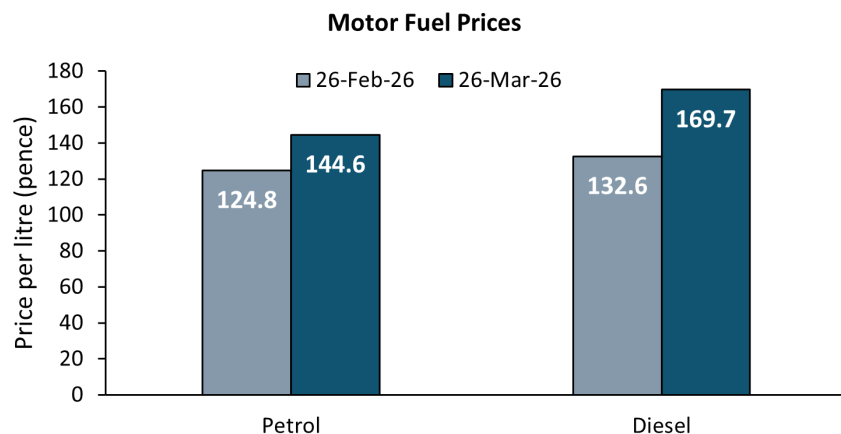


Figure 5: The value of NI’s external sales and purchases of goods and services by broad trading partner in 2024. Source: NISRA.

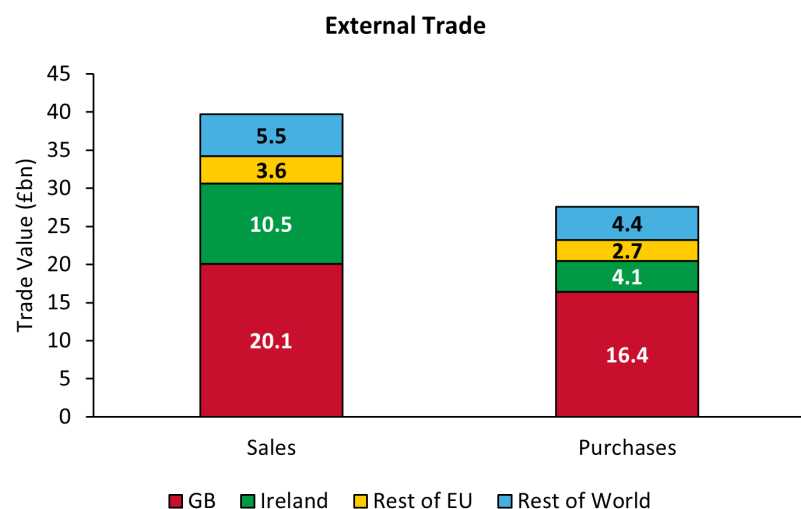


Figure 6: NI’s international trade balance, 2014 to 2024. The trade balance represents the difference between exports and imports, with a positive trade balance (i.e. a trade surplus) indicating exports exceed imports. Source: NISRA.

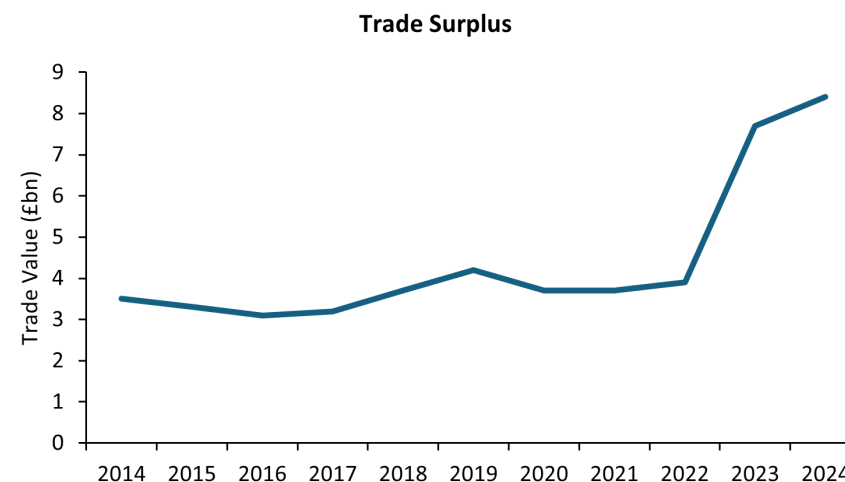


Table: The latest available headline labour market indicators for NI, the UK, Ireland and the Euro Area overall, seasonally adjusted and in percentage terms. Note: All Euro Area data and Ireland unemployment rate refers to Q3 2025. Other Ireland data refers to Q4 2025. NI and UK data refers to the three months ending January 2026. For Ireland and Euro Area statistics, the minimum working age is considered to be 15. Sources: NISRA and OECD.

Indicator	NI	UK	Ireland	Euro Area
Unemployment Rate (16+)	2.2	5.2	5.0	6.5
Employment Rate (16-64)	71.6	75.1	74.6	70.8
Inactivity Rate (16-64)	26.7	20.7	21.7	24.2