

1. Labour Market Structure

December to February 2026



Employment Rate

71.2%

No statistically significant quarterly or annual change



Unemployment Rate

2.2%

No statistically significant quarterly or annual change



Economic Inactivity Rate

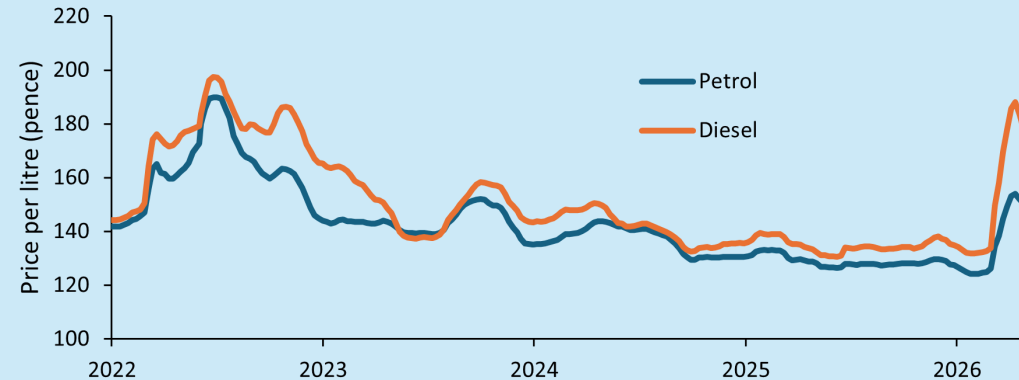
27.2%

No statistically significant quarterly or annual change

Source: NISRA Labour Market Report

2. Motor Fuel Prices

Average price of motor fuels in Northern Ireland, Jan 2022 - Apr 2026

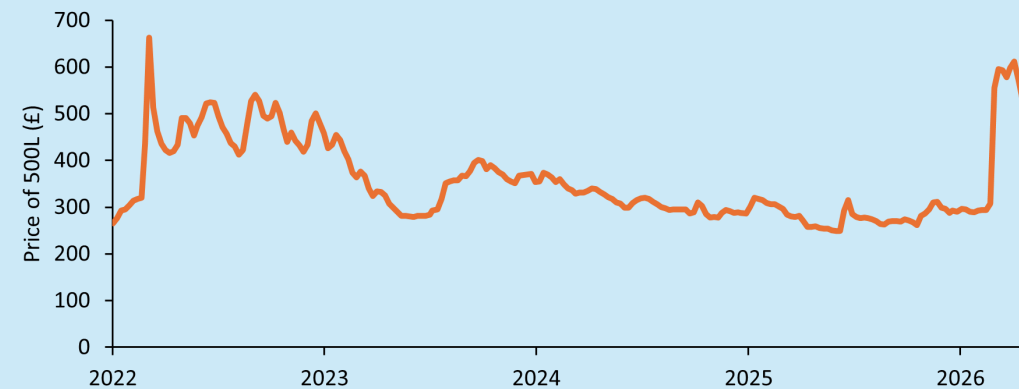


Note: Non-zero axis.

Source: Consumer Council Fuel Price Archive

3. Home Heating Oil Prices

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



Source: Consumer Council Home Heating Oil Price Archive



Commentary

The International Monetary Fund's (IMF) latest **World Economic Outlook** warns that the conflict in the Middle East poses a risk to the global economy by impacting inflation expectations, commodity markets, and financial conditions. Under the IMF's "reference forecast" (assumes the conflict remains contained and the disruptions fade by mid-2026), the IMF project global growth of 3.1% in 2026 (a downward revision from 3.3%) and 3.2% in 2027 - both below recent performance and the pre-Pandemic average. Global headline inflation is expected to rise to 4.4% in 2026, before easing to 3.7% in 2027, representing upward revisions for both years.

The annual UK Consumer Price Index (CPI) **inflation** rate was 3.3% in March 2026 (up from 3.0% in February), or 3.4% including owner occupiers' housing costs (up from 3.2%). Motor fuels made the most significant upward contribution to the monthly change in both these figures, with overall motor fuel prices reaching their highest level since January 2023. Another driver was home heating oil (HHO) prices, which increased by 90.5% in March, resulting in the highest annual HHO price increase since September 2022. Figure 4 shows the path of CPI inflation in relation to the Bank of England (BoE) target since 2019.

Data from the Consumer Council indicates that **energy and fuel prices** remain elevated despite easing slightly over April 2026. As shown in Figure 5, the average price of 500 litres of HHO at the end of April was around 70% higher than at the end of February, while the price of petrol and diesel (Figure 2) was around 20% and 35% higher, respectively. At the start of April, many Northern Ireland (NI) households saw their electricity tariffs substantially increase, driven by continued volatility in wholesale energy costs.

The BoE Monetary Policy Committee (MPC) expects inflation to be higher later in the year because of the conflict in the Middle East. On 29 April, the MPC voted by a majority of 8-1 to maintain the **Bank Rate** at 3.75%, with one member voting in favour of increasing to 4%. While there is much uncertainty in the outlook, members believe that underlying economic conditions may help to contain inflationary pressures.

PropertyPal's latest NI **Housing Market** Update indicates that average rent surpassed £1,000 per month in Q1 2026, having increased by 4.6% over the year, while the average property price (excluding new homes) grew by around 5% to over £237,000.

NISRA's latest Labour Market Report indicates that the local **labour market** continues to lose momentum. The number of payrolled employees was unchanged in March but up by around 1% over the year in NI, having declined in the 11 other UK regions. There has been continued stability in headline indicators (Figure 1), with unemployment remaining near historic lows while labour market participation and employment rates continue to lag those of Great Britain and the south of Ireland (Table 1).

NISRA statistics indicate that there was significant improvement across six out of seventeen **work quality** indicators between 2021 and 2025. The largest improvement was seen in the proportion of employees who reported having the correct level of skills required for their current duties (neither under nor over skilled), which increased by 7 percentage points (pps). This was followed by the proportion of employees who reported having worked overtime, which decreased by 6pps. Over the past year, further gains were observed in two indicators – the proportion of employees neither under nor over skilled and those earning at least the Real Living Wage. There were notable differences across demographic and socioeconomic groups, highlighting inequalities in work quality outcomes.

The latest Ulster Bank Growth Tracker reported that recent surges in business costs caused momentum to slow in March 2026, with **business activity** growing for the third consecutive month but at a slower rate than in February. New orders also continued to expand, supporting the first rise in employment in five months. While there was continued optimism around future activity, business confidence fell to a five-month low, impacted by concerns related to the conflict in the Middle East. Input cost inflation accelerated sharply in March, with costs rising at the fastest pace since October 2022 and in many cases being passed on to customers.

Results from the latest Business Insights and Conditions Survey further highlight the impact of the geopolitical situation on local businesses. Of firms that reported experiencing global supply chain disruption in March 2026 (around 1 in 10), roughly 60% indicated that the main reason was conflict in the Middle East. Looking ahead to May 2026, roughly a fifth of NI businesses cited energy prices as their main concern, higher than any other UK region and double the UK average (Figure 6).

NI Chamber's Q1 2026 Quarterly Business Insights report suggests that NI businesses continued to perform relatively well against a generally weak UK backdrop, although performance became more mixed. Hiring intentions strengthened, but this did not translate into stronger employment growth. In Manufacturing, 100% of firms reported difficulties in filling vacancies. Graduate recruitment also showed limited evidence of expansion. Among firms that employ graduates, 28% reported they had reduced their employ of graduates over the past 2 to 3 years, compared to just 17% who had increased it. Business confidence, profitability and investment intentions remained positive but more subdued, while labour costs persisted as the main internal cost pressure for both services and manufacturers.

Tables and Charts

Figure 4: The annual UK Consumer Price Index inflation rate from January 2019 to March 2026 in relation to the Bank of England target rate. Source: ONS Consumer Price Inflation.

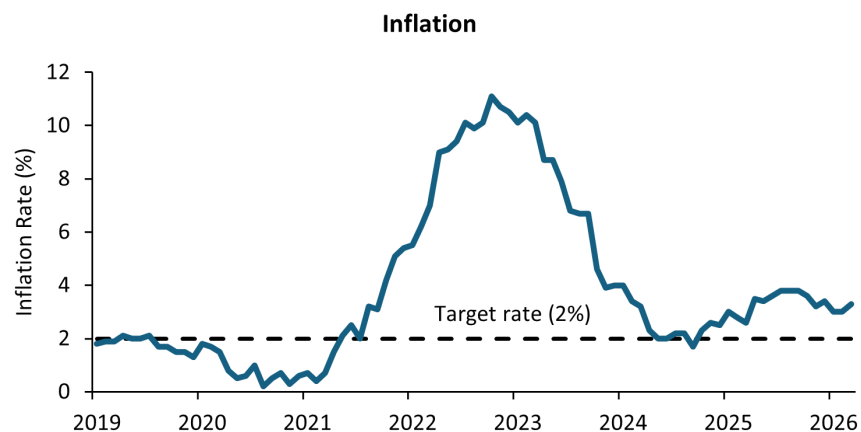


Figure 5: The average price of standard litre (L) quantities of home heating oil in NI at the end of February compared to the end of April 2026. Source: Consumer Council Home Heating Oil Price Archive.

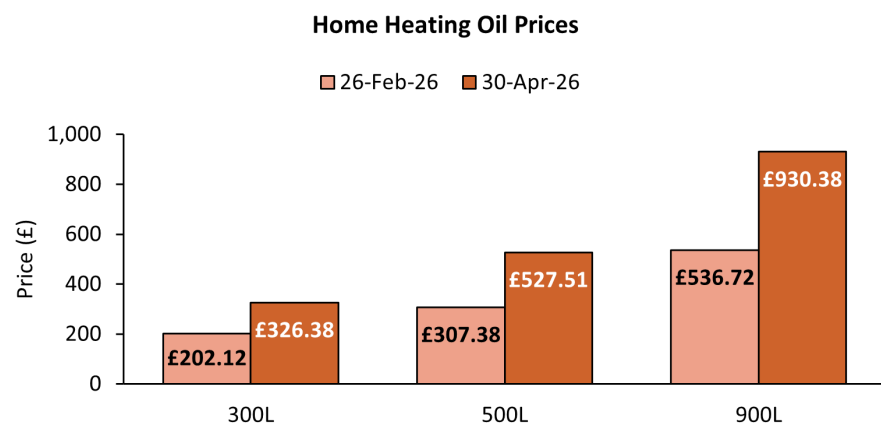


Figure 6: The top-five main business concerns for May 2026 in NI, compared with the proportion of businesses citing the same issues across the UK. Source: ONS Business Insights and Conditions Survey.

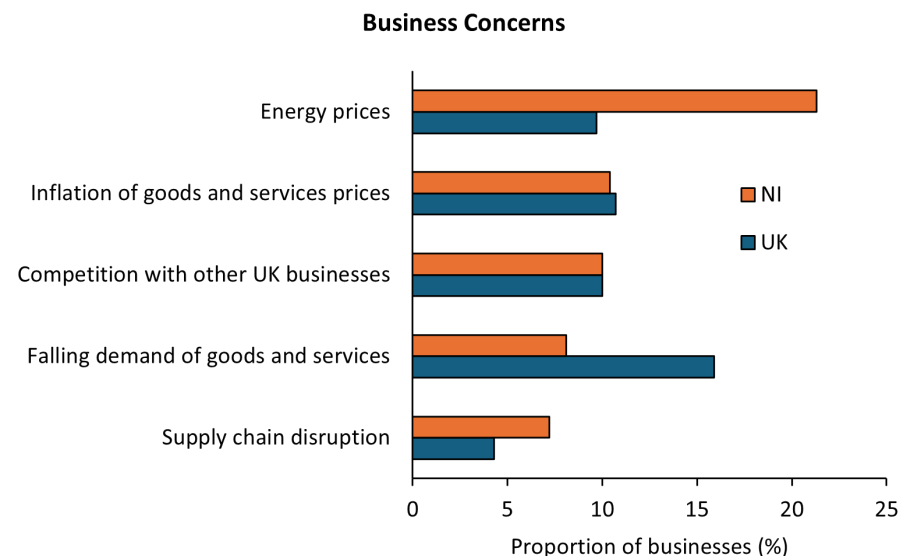


Table 1: The latest available headline labour market indicators for NI, the UK, Ireland and the Euro Area overall, seasonally adjusted and in percentage terms. Note: Data for Ireland and the Euro Area refer to Q4 2025. NI and UK data refers to the three months ending February 2026. For Ireland and Euro Area statistics, the minimum working age is considered to be 15. Sources: NISRA Labour Market Report and OECD Infra-annual Labour Statistics.

Indicator	NI	UK	Ireland	Euro Area
Unemployment Rate (16+)	2.2	4.9	4.6	6.3
Employment Rate (16-64)	71.2	75.0	74.6	70.9
Inactivity Rate (16-64)	27.2	21.0	21.7	24.3