



Latest Economic Indicators

Labour Market Structure Q2 2026

- Unemployment: 2.0% (Q.o.Q. **0.1pp ▼ ***)
- Employment: 72.0% (Q.o.Q. **0.4pps ▼ ***)
- Economic inactivity: 26.4% (Q.o.Q. **0.4pps ▲ ***)

Labour Market Trends July 2026

- Employees: 819,900 (M.o.M. **no change**)
- Median employee pay: £2,498 (M.o.M. **0.6% ▲**)
- Claimant Count Rate: 3.3% (M.o.M. **0.1pps ▼**)

Economic Growth Q1 2026

- NICEL (overall): Y.o.Y. **3.6% ▲**; Q.o.Q. **0.7% ▲**
- Services: Y.o.Y. **2.3% ▲**; Q.o.Q. **0.9% ▲**
- Production: Y.o.Y. **7.6% ▲**; Q.o.Q. **2.1% ▲**
- Construction: Y.o.Y. **10.1% ▲**; Q.o.Q. **1.0% ▼**

International Goods Exports year ending March 2026

- Ireland: £4.7bn (**4.3% ▲**)
- Rest of EU: £2.5bn (**6.2% ▲**)
- Rest of World: £3.7bn (**5.5% ▼**)

Monetary Conditions

- CPI annual inflation (Jul 26): 2.9% (M.o.M. **0.3pps ▲**)
- Bank Rate: 3.75% (held in Jul 26)

Ulster Bank Regional Growth Tracker** July 2026

- Business Activity Index: **51.4**
- New Business Index: **47.8**
- Input Costs Index: **73.7**

Consumer Conditions

- Danske Bank Consumer Confidence Index (Q2 26)***: 132 (Y.o.Y. **9pt ▼**; Q.o.Q. **1pt ▲**)
- Retail Sales Index (Q1 26): Y.o.Y. **1.8% ▲**; Q.o.Q. **2.1% ▲**

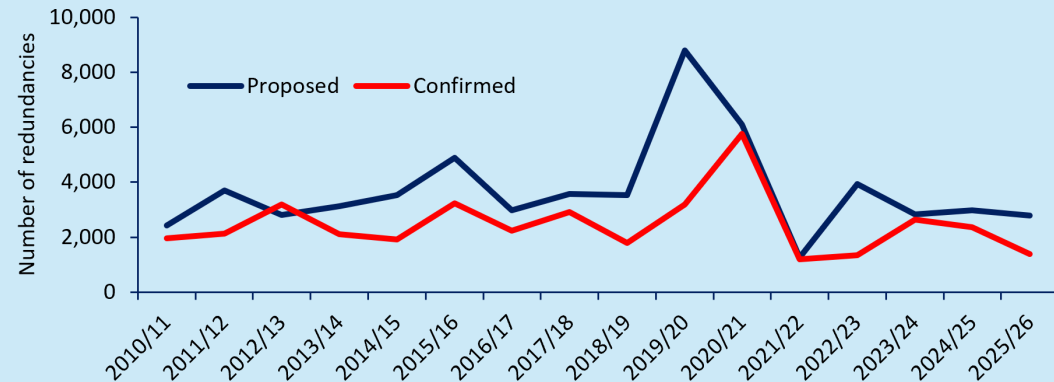
*Not statistically significant may not reflect real change.

***>50 indicates growth over month. <50 indicates decline. 50 no change.

*** 100 Q3 2008

1. Redundancies

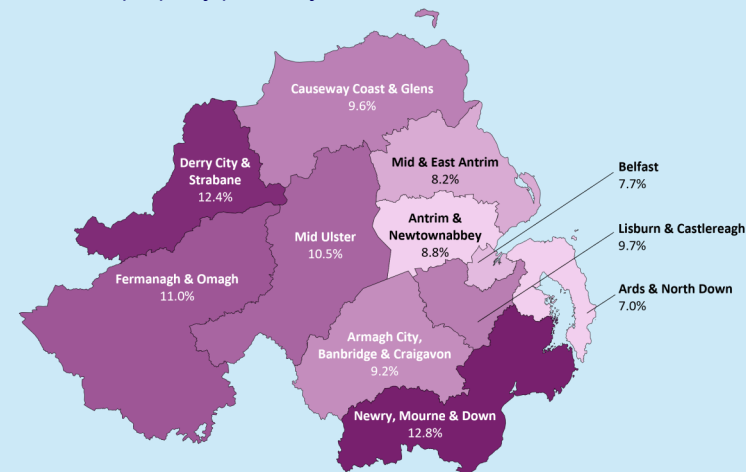
Confirmed and proposed redundancies in Northern Ireland, Aug-Jul total, 2010/11 - 2025/26



Source: NISRA Labour Market Report

2. Regional Property Price Growth

Annual growth in residential property prices by district council area in Northern Ireland, Q2 2026



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Source: LPS and NISRA NI House Price Index



Commentary

The Bank of Ireland's UK [Economic Outlook](#) notes that NI output growth has outperformed the wider UK economy over the last two years. However, evidence suggests activity and new orders weakened in Q2 amid global pressures on business and consumer confidence, leading to expectations that growth will begin to slow. NI's labour market has remained stable, while the property market continues to show resilience, with house prices rising at a solid pace, although higher mortgage rates and weaker consumer confidence could dampen activity. Across the UK, Bank of Ireland forecasts GDP growth of 0.9% in 2026 and 1.1% in 2027, while inflation is expected to ease from 3.1% this year to 2.5% next year.

The latest NI Chamber and Queen's University Quarterly [Business Insights](#) (QBI) survey highlights the resilience still shown in NI relative to other UK regions. Based on 171 business responses, the Q2 survey highlighted that 83% of respondents are trading well or reasonably well. The services sector within NI is among the strongest performers in any UK region. Recruitment demand remains high, with 90% of manufacturers and 75% of service firms actively recruiting, but ongoing skills shortages continue to constrain these numbers. The report states that while NI's economy remains resilient, the growth is increasingly marginal and dependent on a few key factors like exports and investment, rather than domestic demand.

The Ulster Bank Growth Tracker indicated the first increase in [business activity](#) in four months. Output increased in three of the four broad sectors in July, led by manufacturing, while retail posted a contraction. Input cost inflation eased but remained marked with panellists reporting higher costs of energy, fuel and raw materials. Business confidence continued to recover, reaching a four-month high as new business and planned investment supported optimism.

In early August 2026, Belfast hosted the world's largest celebration of Irish music and culture, Comhaltas [Fleadh](#) Cheoil na hÉireann, for the first time. Figures from Belfast One Business Improvement District show there was a total recorded footfall of over 1.6 million in the city core from Sunday 2 August to Sunday 9 August, an 89% increase from the same period last year. Over the course of the week, over 1.7 million passenger journeys were made across Translink's public transport network, while initial figures from Visit Belfast indicate an occupancy rate of roughly 85% for the city's accommodation sector.

Despite uncertainty and concerns over household budgets, Danske Bank's Consumer Confidence Index suggests that NI [consumer confidence](#) held steady in Q2 2026. Rising wages were cited by 21% of respondents as a reason for improving confidence levels while 42% of consumers identified higher prices as the main factor negatively impacting sentiment (Figure 3). Approximately one third of consumers expect to reduce luxury spending this year, an improvement from 2023 when around half of respondents expected to reduce consumption in this area. Job security was the only category where confidence weakened compared to the previous quarter.

The latest NISRA Labour Market Report indicates a broadly stable local [labour market](#). In July 2026, employee numbers were unchanged from the previous month but were 1.1% higher than in July 2025, with NI being the only UK region to record annual growth. Median monthly pay reached

nearly £2,500 in July 2026, up 0.6% over the month and 5.4% over the year. The claimant count (the number of people claiming unemployment benefits) fell to 33,300, down 2.9% from the previous month and 8.4% over the year. The claimant count equated to 3.3% of the workforce, which represented the lowest claimant count rate since March 2020 (Figure 4). There were 40 confirmed redundancies in July, bringing the annual total to 1,390, the lowest twelve-month figure since July 2023 (Figure 1).

The central estimate for the number of young people not in education, employment or training ([NEET](#)) was 24,000 in Q2 2026, or just over one-in-ten (11.8%) of people aged 16-24, slightly below the UK NEET rate of 12.4% (not seasonally adjusted).

The annual UK [inflation](#) rate, as measured by the Consumer Prices Index (CPI), was 2.9% July 2026, up from 2.6% in June. Annual CPIH inflation, which also includes owner occupiers' housing costs, rose to 3.1% from 2.8% in June. This was the first increase in the annual rate of both CPI and CPIH inflation since March 2026. Housing & household services (particularly gas prices), along with furniture, made the largest upward contributions to inflation, while transport (particularly diesel prices) made the largest downward contribution.

[Energy prices](#) continue to weigh on the finances of local households and businesses. Data from the Consumer Council indicates that the price of home heating oil (HHO), which had been largely stable over August, increased again in early September (Figure 5). As of 3 September, the average price of 500 litres of HHO was around £490, representing a weekly increase of 10% to a level that was 60% above the pre-crisis price in late February. Motor fuel prices remained elevated in August and, as of 3 September, average petrol and diesel prices were roughly 25% and 30% above pre-crisis levels, respectively. Both of NI's natural gas suppliers have now announced increases to their tariffs in response to higher wholesale prices.

Land and Property Services and NISRA's NI House Price Index recorded an increase of 2.1% over the quarter and 9.2% over the year, with the average [house price](#) reaching almost £202,500 in Q2 2026. House prices have now increased by 119.6% since the market low recorded in Q1 2013 and remain 4.8% below the peak in Q3 2007. Prices varied across council areas, from around £177,500 in Mid & East Antrim to around £240,700 in Lisburn & Castlereagh. As shown in Figure 2, the highest annual growth was observed in Newry, Mourne & Down (+12.8%) and Derry City & Strabane (+12.4%).

On the 12 August 2026, the NI Executive Office launched a consultation on the Executive's Draft [Artificial Intelligence](#) (AI) Strategy. The draft strategy is grounded in eight key principles: Human Oversight, Accountability and Redress, Data Governance, Technical Safety and Security, Fairness and Transparency, Sustainability, Societal Benefit, and Training and Literacy. The Strategy's recommended actions include the creation of a publicly available AI Register of Systems, the establishment of a core AI Citizens' Panel, the development of an AI Charter in collaboration with the AI Citizens' Panel and the development of an awareness-raising campaign. The consultation on this Draft Strategy closes on 7 October 2026.

Tables and Charts

Figure 3: Factors negatively impacting consumer confidence as reported to the Danske Bank Consumer Confidence Index survey, Q2 2026.

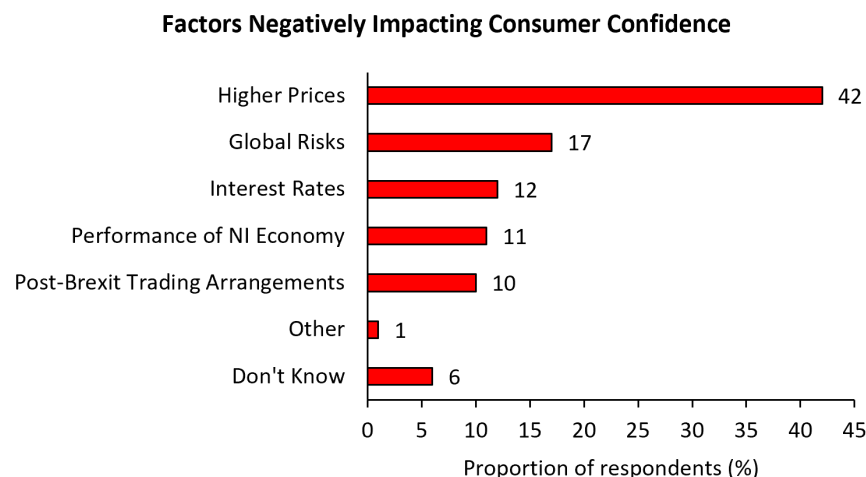


Figure 4: The NI claimant count rate from January 2020 to July 2026. Source: NISRA Labour Market Report.

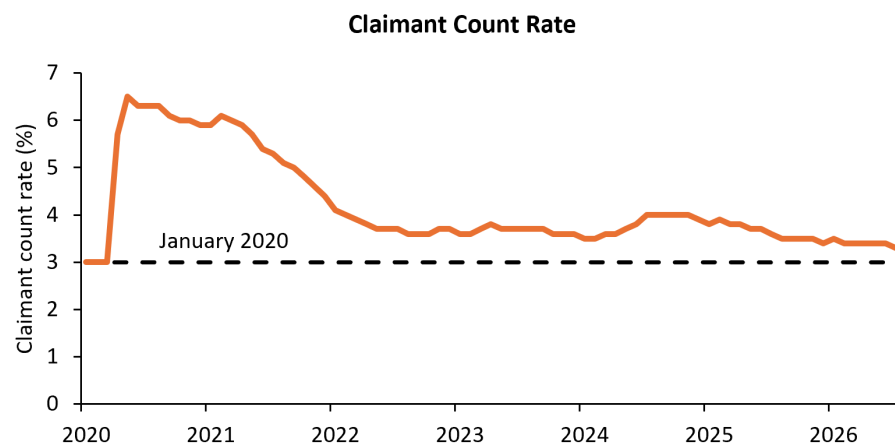


Figure 5: The average price of 500 litres home heating oil in NI, January 2026 to August 2026. Source: Consumer Council Home Heating Oil Price Archive.

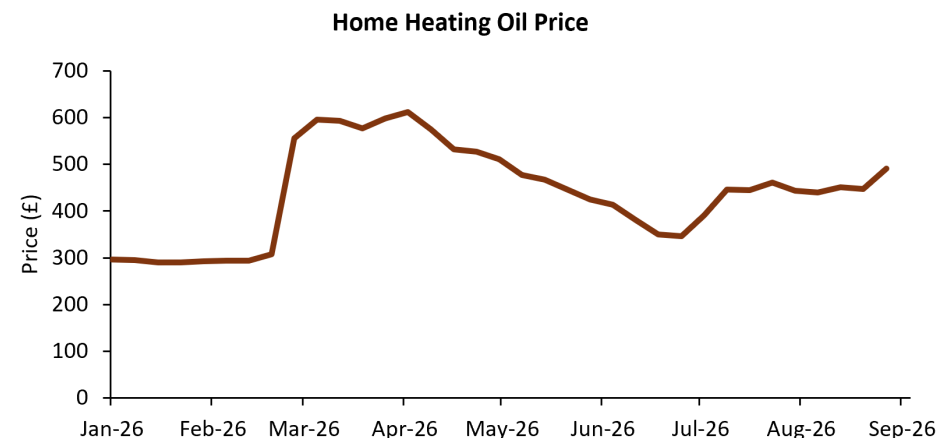


Table 1: The latest available headline labour market indicators for NI, the UK, Ireland and the Euro Area overall, seasonally adjusted and in percentage terms. Note: Euro Area data refer to Q1 2026. NI, UK and Ireland data refer to Q2 2026. Sources: NISRA Labour Market Report, CSO Labour Force Survey and OECD Infra-annual Labour Statistics.

Indicator	NI	UK	Ireland	Euro Area
Unemployment Rate	2.0	4.9	5.1	6.3
Employment Rate	72.0	75.1	74.3	70.8
Inactivity Rate	26.4	20.9	21.6	24.3