

Labour Market

Employment Rate	Unemployment Rate	Inactivity Rate
72.4%	2.3%	25.9%



Up over quarter,
Up over year



Down over quarter,
Down over year

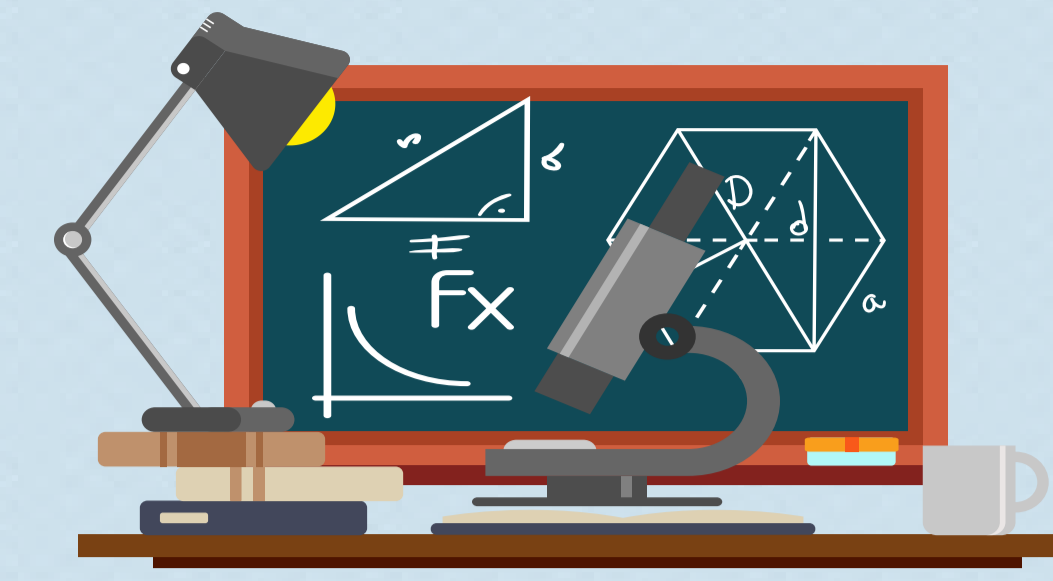


Up over quarter,
Down over year

August - October 2019. Source: NISRA

Research & Development

Expenditure (£m)



Higher Education → £221.9m



Business → £549.3m



Government → £22.8m

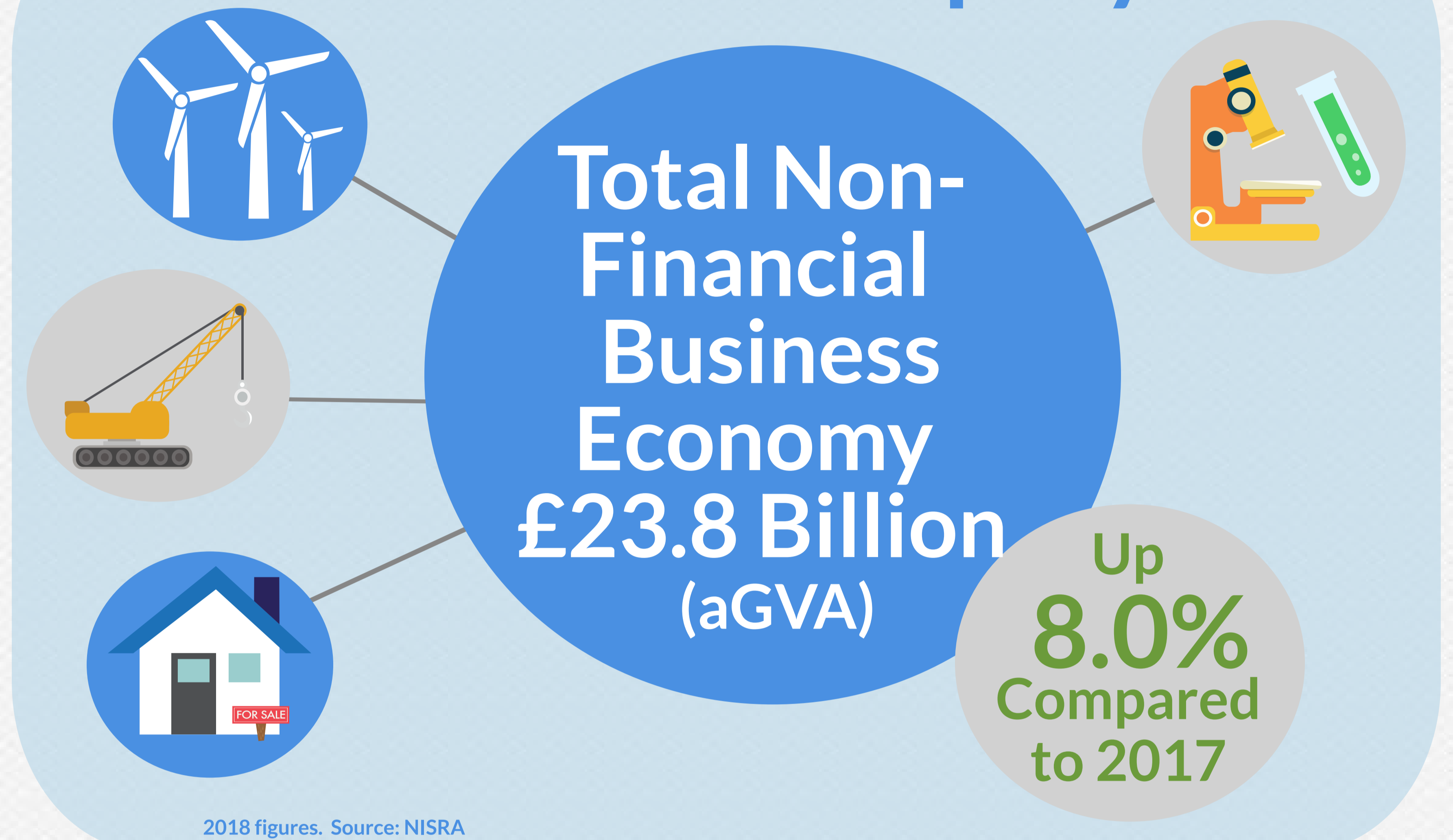
2018 figures. Source: NISRA

Exports



Year to September 2019. Source: HMRC

Business Inquiry



2018 figures. Source: NISRA

December 2019

In the OECD's latest economic outlook update, the **global** economy is projected to grow by 2.9% in both 2019 and 2020, down from the 3.5% rate projected a year ago and the weakest since the global financial crisis. The growth forecast for the **Euro Area** is 1.2% in 2019 and 1.1% in 2020. **UK** growth is expected to be 1.2% in 2019 before falling to 1.0% in 2020.

In **Northern Ireland**, the latest labour market statistics show that the estimated unemployment rate for the period August-October 2019 decreased over both the quarter and year to 2.3%. The NI unemployment rate continues to remain below the UK rate (3.8%) and is the lowest of the 12 UK regions. There was a marginal increase in the NI employment rate to 72.4% over the quarter (+0.1pps), making it the highest rate on record. However, economic inactivity stood at 25.9% and remains the highest of all UK regions. The number of people claiming unemployment benefits over the month was estimated at approximately 30,500, which was a decrease of 0.6% on the previous month.

The latest Quarterly Employment Survey shows that employee jobs increased over the quarter and year to 782,670 in September 2019. Over the year increases were experienced in all broad sectors, with the services sector accounting for the majority of the growth.

The latest NISRA R&D Survey shows that £794m was spent on Research and Development in NI in 2018. This represents an increase of £38.9m (3.2%) in cash terms compared to the previous year. Of this total, 69.2% was spent by Business, 27.9% by Higher Education and 2.9% by Government.

In the year to September 2019, the value of NI goods exports (based on the HMRC Regional Trade Statistics) was £9.2bn, an increase of 6.1% over the year. The largest markets for NI exports were the EU (£5.4bn with £3.2bn of that to the RoI) and the USA (£1.2bn). Local exports continued to be dominated by machinery and transport equipment goods, accounting for just over one third of NI exports and up by £233m over the year to £3.3bn.

The latest NISRA Annual Business Inquiry found that approximate GVA (aGVA) was estimated to be worth £23.8 billion at basic prices

in 2018, an increase of 8.0% from 2017. This was driven by growth in the non-financial services sector, which increased by £789m (9.5%). Retail and wholesale trade within the distribution sector recorded aGVA growth £613m (12.0%) while the construction sector grew by £309m (12.8%) and the production sector saw an increase of £66m (1.1%). Turnover for NI non-financial businesses in 2018 increased by 3.5% from 2017, while purchases of goods, materials, energy, water and services rose by 4.5%.

Meanwhile, NISRA's Broad Economy Sales and Export Statistics estimate that total sales by companies in NI were worth £68.4bn in 2018, an increase of 3.5% (£2.3bn) over the year. Sales to Great Britain decreased by £1.1bn (9.3%) over the year but exports increased by £837 million (8.1%).

NISRA's latest Index of Production (IOP) has decreased by 2.2% over the quarter and by 0.8% over the year. The UK IOP reported no change over the quarter and a decrease over the year by 1.5%. NI output has recovered 11.6% since the series low (Q3 2009). In contrast, the UK has recovered 4.6% over the same period.

The Index of Services (IOS) shows that output, in real terms, decreased over the quarter by 0.1% but increased over the year by 0.6%. Services output is 0.1% lower than the highest point (Q4 2018) over the past ten years and has recovered 11.8% since the lowest point (Q2 2013) since the series began. The UK IOS reported growth in output over both the quarter and year, by 0.4% and 1.4% respectively.

The latest results from the Ulster Bank PMI indicated sharper declines in output and new orders in the local private sector as EU Exit uncertainty continued to weigh on activity in November. Employment also decreased, albeit at a relatively modest pace. Input cost inflation remained marked with output price inflation rising marginally. Business sentiment was positive for the first time in four months, with firms optimistic regarding expected increases in new orders and progress in terms of more certainty on EU Exit. However, NI was again the lowest placed UK region in terms of business activity expectations over the next 12 months.