



Labour Market Structure

July to September 2024



Employment Rate

70.3%

No statistically significant quarterly or annual change



Unemployment Rate

2.0%

No statistically significant quarterly or annual change



Economic Inactivity Rate

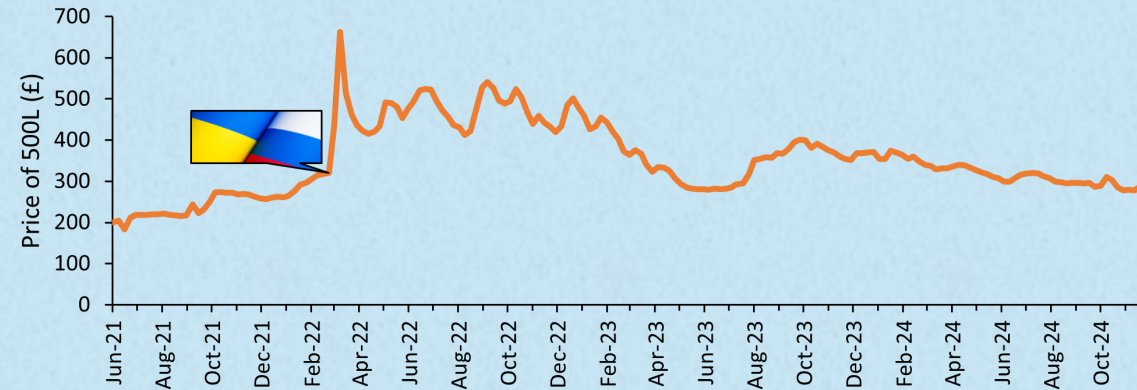
28.2%

No statistically significant quarterly or annual change

Source: NISRA

The Price of Home Heating Oil

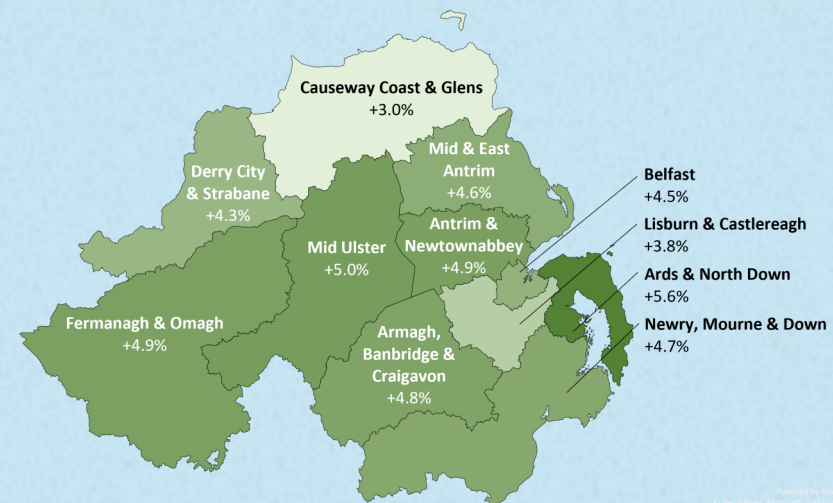
The average price of 500L of home heating oil in NI, from June 2021 to November 2024



Source: Consumer Council

Rising House Prices

Annualised house price increases by council area, Q3 2024



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Source: NISRA



Commentary

The latest Ulster Bank [NI Growth Tracker](#) indicated that local **business activity** growth continued to outpace that of any region in Britain in October. Growth was led by the services sector, which expanded at its fastest pace in 40 months. Despite continued recruitment challenges, employment growth was solid and sharper than any UK region. Input costs increased sharply amidst reports of higher wages, though at the slowest rate since July 2023. Output price inflation also eased, falling to a nine-month low. However, expectations for the year ahead weakened to a ten-month low and was the lowest recorded within the UK.

The latest [NISRA Labour Market Report](#) continued to suggest stability in the local **labour market** in Q3 2024, with no significant change in headline rates ([Cover Page](#)). As of October 2024, the number of payrolled employees had changed little since June, having settled at around 805,000. The number of young people who were not in education, employment or training ([NEET](#)) was estimated at 16,000 in Q3 2024. This equated to 8.3% of the population aged 16-24, a lower proportion than that of the UK (14.4%).

The [Monetary Policy Committee](#) (MPC) reduced its headline **Base Rate** by 25 basis points to 4.75% on 07 November. This follows a previous cut in August and a decision to maintain in September. The MPC cited that with inflation close to the 2% target, they were able to cut interest rates again. However, the MPC cautioned that they expect interest rates to fall gradually to ensure inflation remains low and stable. Inflation is forecast to rise slightly by year-end to around 2.5%, falling back to target thereafter. [Figure 2](#) illustrates the evolution of key central bank interest rates across the last three years for selected international comparators.

The Bank of England estimate that the combined effects of the measures announced in [Autumn Budget 2024](#) are provisionally expected to boost the level of GDP by around 0.75% at their peak in a year's time, relative to their August projections, while CPI inflation is expected to rise by just under ½ of a percentage point at the peak, reflecting both the indirect effects of the smaller margin of excess supply and direct Budget impacts.

As measured by the [Consumer Price Index](#) (CPI), the annual UK **inflation** rate rose to 2.3% in October 2024, up from 1.7% over the month and slightly above the BoE target. The increase over the month was driven mainly by electricity and gas prices. UK food & non-alcoholic beverage prices increased by 1.9% over the year to October, while the latest analysis from Kantar (as reported by [The Irish News](#)) indicates that grocery inflation stood at 4.2% in NI.

[Halifax](#) has revealed that NI continues to record the strongest **property price** growth of any region in the UK, rising by +10.2% on an annual basis in October and exceeding the annual growth rate of the UK by 10 percentage points. Meanwhile, NISRA's [NI House Price Index](#) expanded by 6.2% on an annual basis, with the average price for a house increasing to £190,553 whilst subregionally, NI house prices range from £169,407 in Armagh City, Banbridge and Craigavon to £222,496 in Lisburn and Castlereagh.

According to an Irish News [report](#) on recent data from the Consumer Council, **home heating oil** prices in Northern Ireland ([Cover Page](#)) have dropped to their lowest since the Ukraine invasion, now averaging £278 for 500 litres and £487 for 900 litres. This is cheaper than pre-invasion levels and a significant fall from the peaks of over £500 per 500 litres. Prices began declining in mid-2023, helped by reduced global demand due to mild weather and economic challenges. These low costs, now around 54p per litre, will hopefully provide some relief for households as winter approaches.

The Consumer Council's [NI Household Expenditure Tracker](#) reported that the lowest earning households in the North had a **discretionary income** (after tax and spending on basics) of just under £50 per week in Q2 2024 ([Figure 3](#)). Discretionary income of the lowest earning households has increased over the last seven quarters but remains 22% below the peak recorded in Q1 2021 (£64). No income quartile had seen their spending power return to levels before the cost-of-living crisis, with the lowest half (quartiles 1 and 2) having seen the weakest recovery (being 22% and 37% below Q1 2021 levels, respectively).

Nearly half of local **students** have less than £100 left after rent, according to a NUS-USI survey cited by the [Belfast Telegraph](#), with over a third struggling with rising rents, and 51% of those surveyed relying on credit cards or loans to get by.

[PwC analysis](#) suggests that demand for workers within the local **Green Economy** is increasing, with advertisements for 'green jobs' increasing by 25.6% in 2024. The 2,800 green job adverts equated to around 4.0% of total postings, a higher proportion than in any UK region except Scotland.

According to Electric Vehicle Association Northern Ireland (as [reported](#) by The Irish News), **EV car sales** made up 15.3% of the vehicle market in October 2024 – up from 11.2% in October 2023. Meanwhile, in the South, the [Central Statistics Office](#) (CSO) reported that in the first 10 months of 2024, 14% of all new cars licensed for the first time were electric compared with 19% in the same period in 2023.) [Figure 1](#) illustrates the sub-regional breakdown of registered plug-in vehicles across NI per 100,000 population.



Tables and Charts

Table: The latest available headline labour market indicators for the North of Ireland, the UK, the South of Ireland and the Euro Area overall, seasonally adjusted and in percentage terms. Note: Rates refer to Q2 2024 in the South and the Euro Area, and Q3 2024 in the North and UK. In the South of Ireland and Euro Area statistics, the minimum working age is considered to be 15. Sources: [NISRA Labour Market Report](#) and [OECD](#).

| Indicator | NI | UK | IE | Euro Area |
|-------------------------|------|------|------|-----------|
| Unemployment Rate (16+) | 2.0 | 4.3 | 4.4 | 6.4 |
| Employment Rate (16-64) | 70.3 | 74.8 | 74.5 | 70.6 |
| Inactivity Rate (16-64) | 28.2 | 21.8 | 21.9 | 24.5 |

Figure 1: The number of plug-in vehicles per 100,000 people by council area in March 2024. Source: [House of Commons Library](#).

Plug-in Electric Vehicles per 100,000 people

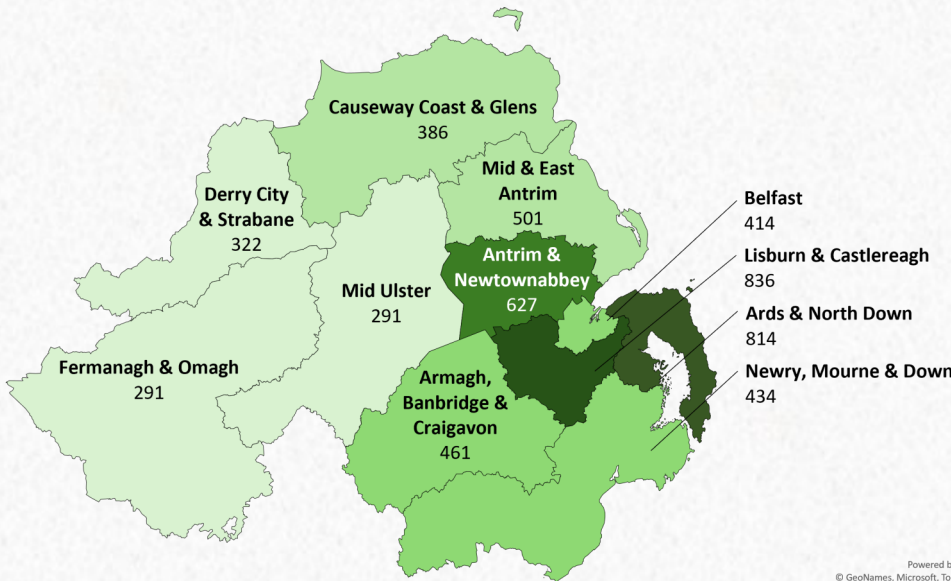


Figure 2: The key interest rates in the US, Canada, UK and Eurozone over the last three years. Sources: [The Federal Reserve](#), [Bank of Canada](#), [Bank of England](#) and [European Central Bank](#).

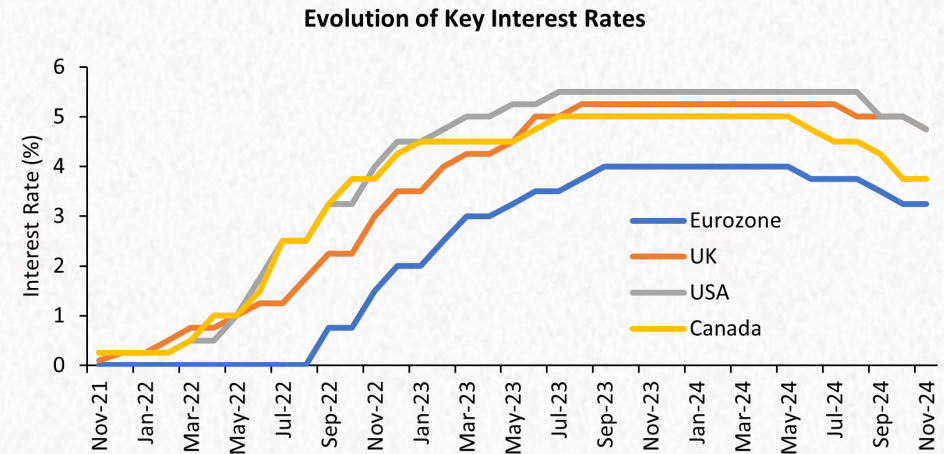


Figure 3: The discretionary income per week of the four income quartiles in Q1 2021 compared to Q2 2024. Source: [NI Household Expenditure Tracker](#).

