



## Labour Market Structure February to April 2024



**POST-2020 HIGH**  
Employment Rate  
**71.3%**

*No statistically significant quarterly or annual change*



**HISTORIC LOW**  
Unemployment Rate  
**2.2%**

*No statistically significant quarterly or annual change*



**Economic Inactivity Rate**  
**27.0%**

*No statistically significant quarterly or annual change*

Source: NISRA

## Regional Share of Businesses

The share of VAT/PAYE registered businesses by council area in the north of Ireland, March 2024

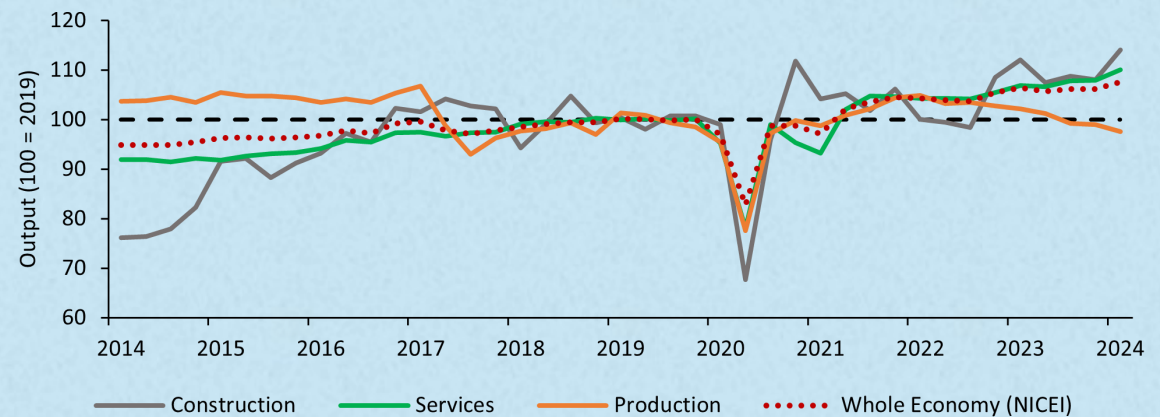


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Sources: NISRA

## Economic Output

by broad sector in the north of Ireland, Q1 2014 to Q1 2024



Source: NISRA



## Commentary

The NI Composite Economic Index ([NICEI](#)) indicates that the local economy returned to growth in Q1 2024, with **economic activity** increasing by 1.4% - the strongest quarterly growth since the end of 2022. Growth was driven mainly by services. [Figure 1](#) details growth in NICEI along with broadly comparable measures for the UK and south of Ireland.

Services **output** (as measured by the [NISRA IOS](#)) reached a series high in Q1 2024 and was nearly 10% above the pre-pandemic levels of Q4 2019. Within services, the retail sector recorded strong growth but output remained below pre-pandemic levels. Production sector output ([NISRA IOP](#)) decreased further over the quarter, having followed a downwards trend since the most recent peak in Q1 2022. [NISRA Construction Output Statistics](#) revealed a 4.5% increase in total construction output volume in Q1 2024, driven by increases in New Work and Repair and Maintenance. This was the strongest quarterly growth since the end of 2022.

The latest [HMRC RTS](#) and [CSO trade data](#) continue to indicate a stark contrast between the **international goods trade** of the north and south of Ireland and Britain ([Figure 2](#)). In terms of value, the North's goods exports grew by 11.3% in the year to March 2024, while imports declined by 3.3%. These changes were largely driven by a rise in exports to the US (notably in [medicinal & pharmaceutical products](#)) and a fall in imports from the South (notably in [dairy products & birds' eggs](#)), respectively.

The [Ulster Bank PMI](#) indicated strong growth in **business activity** in May 2024, with new orders increasing at the sharpest rate since February 2022. The rate of job creation reached a 10-month high as firms took on new staff in response to the rising workload and in anticipation of future expansion. Rising wages contributed to a further sharp increase in input costs, which fed into an above-average increase in output prices. Despite improving international demand conditions, new export orders continued to decrease.

The [Belfast Telegraph](#) reported that a record number of borrowers are now receiving financial support from [Enterprise NI](#), indicating a returned spark in **entrepreneurship** in the local economy.

The [NISRA IDBR](#) reported that the **number of businesses** (VAT and/or PAYE registered) operating in the North is estimated to have risen marginally (1.0%) to 80,045 over the year to March 2024. This marks the 10th consecutive year of increase which followed a period of decline from 2008 to 2014. While the number of construction sector businesses is the highest since 2010, services remained the largest sector in the North (55% of businesses). The [cover page](#) shows the geographical spread of businesses across the 11 district council areas.

The North scored lower for **management practices** than any region in GB in 2023, according to a recent ONS [review](#). As in Britain, local firms performed best around continuous improvement and weakest around key performance indicator monitoring.

Results from NISRA's latest [Quarterly Employment Survey](#) have indicated that the number of seasonally adjusted **employee jobs** was at a series high of 824,300 in March 2024. There was particularly pronounced growth in the construction sector, with the number of jobs increasing by an estimated 8.9% over the year.

The [NISRA LMR](#) indicated continued stability in the **labour market**. In February-April 2024, the local employment rate remained at its highest level since the end of 2019. The North also maintained historically low levels of unemployment, recording a lower rate than any region in GB. The number of payrolled employees was unchanged over the month in May, while median monthly pay increased by £24. There were 180 confirmed redundancies in May 2024, taking the annual total to 2,470, which was more than double that in the previous year but broadly in line with pre-Pandemic levels.

For the first time in almost three years, the UK **inflation** rate has returned to the Bank of England's (BoE) target. Annual [UK CPI](#) inflation was 2.0% in May 2024, down from 2.3% in April. On 20th June 2024, the BoE Monetary Policy Committee announced that [Bank Rate](#) would be maintained at 5.25%. The annual [Irish CPI](#) inflation rate held at 2.6% in May, the 7<sup>th</sup> consecutive month it had been below 5%.

The [ILCU Consumer Sentiment Index](#) indicated a significant improvement in the North's **consumer confidence** between January and May 2024, perhaps driven by stronger economic performance and the return of the NI Assembly. However, caution still prevails, with cost-of-living pressures and economic uncertainty remaining. [Figure 3](#) shows results from a [Public First survey](#) (April 2024) that suggests around half of consumers in the North believe that their local high street is in decline.

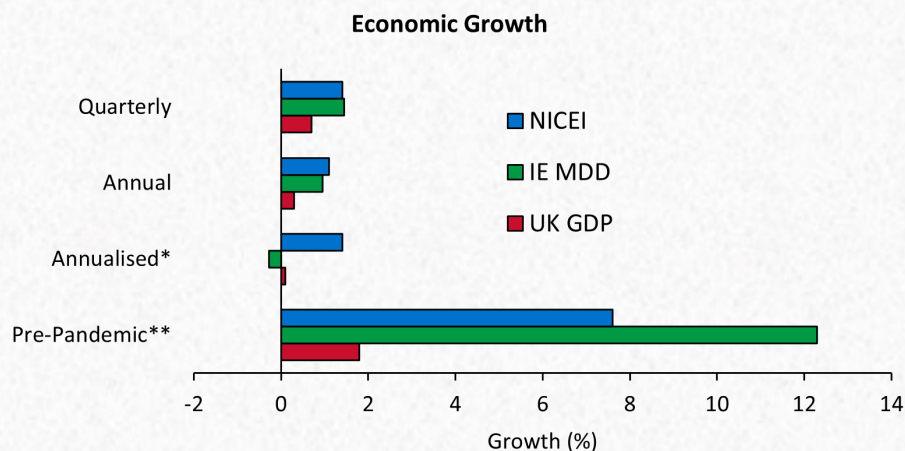
**Electric and hybrid vehicles** accounted for nearly half of new cars sold in the North in April, according to a report from the Belfast Telegraph based on data from [New AutoMotive](#) and [EVANI](#). [Vehicle licensing statistics](#) show that as of Q4 2023, the number of licensed electric plug-in vehicles (including hybrids) had increased by a factor of more than 6 since Q4 2019. However, the vast majority of vehicles remain fossil fuel powered.

The Department for the Economy has published the biennial [Energy in Northern Ireland](#) report, which aims to provide a comprehensive and accessible overview of key statistics and information relating to **energy** in the local economy.



### Tables and Charts

**Figure 1:** Economic growth in the north of Ireland ([NICEI](#)), the south of Ireland ([IE MDD](#)) and in the UK ([UK GDP](#)) in Q1 2024. Data for the South is provisional. Modified Domestic Demand (MDD) is a measure of growth which excludes certain globalisation effects.



\*The annualised rate compares four consecutive quarters with the preceding four quarters, making it less prone to short-term volatility than the annual rate.

\*\*Growth since the onset of the Covid-19 Pandemic (Q1 2024 vs. Q4 2019).

**Table:** The latest available headline labour market indicators for the north of Ireland ([NISRA LMR](#)), the UK ([ONS LMQ](#)), the south of Ireland ([CSO LFS](#)) and the Euro Area overall ([OECD](#)), seasonally adjusted and in percentage terms. Note: the employment rate in the Euro Area and the inactivity rates in IE and the Euro Area refer to Q1 2024. All other indicators refer to Feb-Apr 2024. IE and Euro Area age groups start at 15.

Indicator	NI	UK	IE	Euro Area
Unemployment Rate (16+)	2.2	4.4	4.2	6.5
Employment Rate (16-64)	71.3	74.3	74.1	70.3
Inactivity Rate (16-64)	27.0	22.3	22.5	24.7

**Figure 2:** The percentage change in international trade in goods between financial years 2022/23 and 2023/24 in the north and south of Ireland and in Britain. Sources: [HMRC RTS](#) and [CSO trade data](#).



**Figure 3:** Responses to a [Public First survey](#) question 'Which of the following comes closest to your view on your local high street?' according to polling in the north of Ireland in April 2024.

