



## Labour Market Structure

January to March 2024



**POST-2019 HIGH**  
Employment Rate

**71.8%**

*No statistically significant quarterly or annual change*



**HISTORIC LOW**  
Unemployment Rate

**2.1%**

*No statistically significant quarterly or annual change*



**Economic Inactivity Rate**

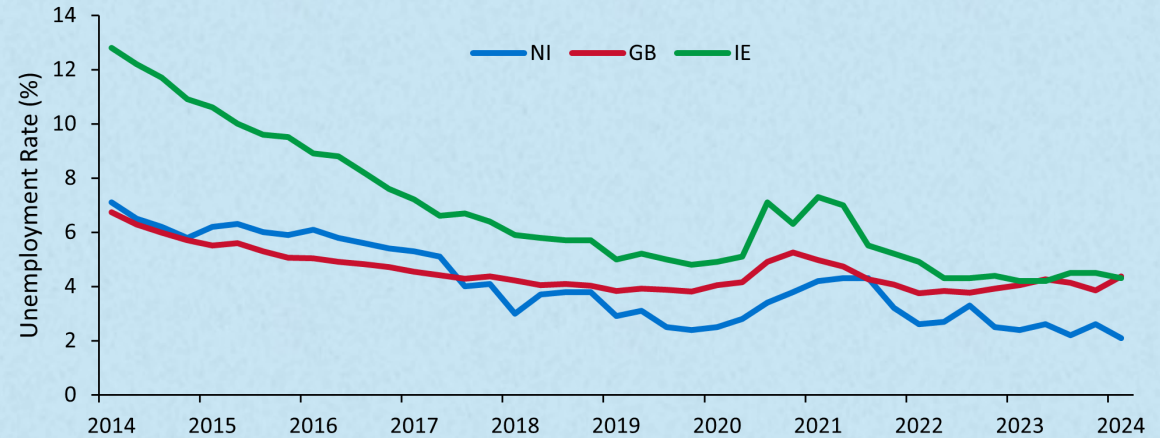
**26.6%**

*No statistically significant quarterly or annual change*

Source: NISRA

## Unemployment

in Britain and the north and south of Ireland



Sources: ONS and CSO

## NEET Rate

Percentage of young people not in education, employment or training in the north of Ireland



Source: NISRA



## Commentary

The [Ulster Bank PMI](#) reported a further increase in local **private sector** output, although the rate of growth dipped slightly from the month before, with all four monitored sectors showing an increase in output. Output growth continues to be led by increases in new orders, the rate of expansion of which only slightly dipped from the two-year high in March. Future sentiment remains among the highest since the series began in March 2017. The rate of job creation picked up further in April, and was greater than both the South of Ireland and the UK, but was not enough to prevent a build-up of backlogs of work as outstanding business rose for the first time in a year. Higher wages and shipping costs led to a sharp increase in input prices for firms, which led to an increase in output prices, although the rate of inflation eased from March.

The [InterTradelreland All-Island Business Monitor](#) found that energy and other overhead costs (particularly supplies and wage bills) remained the key **concerns for businesses** in Q1 2024. Businesses were also experiencing persistent difficulties in sourcing the appropriate skills. Only 28% of SMEs were intending to increase staffing levels over the coming 6 months, down from 42% the previous quarter.

DfE has published a [Research Bulletin](#) on the north of Ireland's (NoI) unique market access position resulting from the **Windsor Framework**, using analysis developed by the UK Trade Policy Observatory. The analysis in the Bulletin provides a basis for firms to assess the potential opportunities that our unique market access could provide while also assessing the impact of remaining regulatory frictions on GB to NoI trade, pointing to a number of sectors where there could be advantages for local companies.

The [NISRA LMR](#) continues to indicate general stability in the local **labour market**. As of Q1 2024, the local employment rate was the highest recorded since the end of 2019, while the unemployment rate remained at an historic low and was the lowest of the 12 UK regions (a position held since the start of 2023) – see [cover page](#) and [Figure 1](#). In April 2024, the number of payrolled employees decreased marginally, while median monthly pay increased by £23 (1.1%). There were 80 confirmed redundancies in April, taking the annual total to 2,380, which was more than double that in the previous year but broadly in line with pre-Pandemic levels. The latest sectoral data shows that in relative terms, the financial & insurance activities sector had the most redundancies in 2023 ([Figure 2](#)).

A recent [Pivotal report](#) on **economic inactivity** in NoI concluded that historically high employment and low unemployment has not significantly reduced the overall rate of inactivity. Inactivity due to sickness and disability are on an upward trend and remain higher in the North than all other UK regions ([Figure 3](#)). Linked to this is the very low rate of employment of disabled people compared to the rest of the UK, with the latest

estimated **disability employment gap** being 42.2 percentage points (pps) in NoI compared to 27.9pps in the UK overall. Inactivity due to mental health issues represents a growing component of the sick or disabled group in NoI and across the UK – data shows that of those under 35 in Britain who are inactive due to long-term health conditions, 36% are due to a mental health condition.

The latest estimated number of young people not in education, employment or training (**NEET**) was 14,000 in Q1 2024, or around 7.1% of the population aged 16 to 24. This central estimate is the lowest on record. As shown on the cover page, the NEET rate has been following a gradual downwards trend over the last decade ([NISRA Quarterly LFS Tables](#)).

The [UK Consumer Price Index](#) (CPI) annual **inflation** rate was 2.3% in April 2024, down from 3.2% in March and close to BoE's 2% target. For the first time since February 2021, annual goods inflation was negative. However, services inflation remained elevated and largely unchanged from March. The surprising stubbornness of services inflation has cast additional doubt on whether the MPC will cut Bank Rate. The drop in the headline inflation rate was largely driven by the fall in gas and electricity prices that resulted from Ofgem reducing the energy price cap in Britain. Energy prices have also fallen in NoI, with the Utility Regulator welcoming a fall in tariffs which could save the average household up to £320 (depending on supplier) over a year.

On 9th May 2024, the Bank of England (BoE) [Monetary Policy Committee](#) (MPC) maintained **Bank Rate** at 5.25%, unchanged since August 2023. UK GDP is estimated to have risen by 0.6% in Q1 2024, which is marginally higher than the figure expected by the MPC (0.4%, Q1 2024) who expect growth of 0.2% in Q2, following modest weakness in 2023.

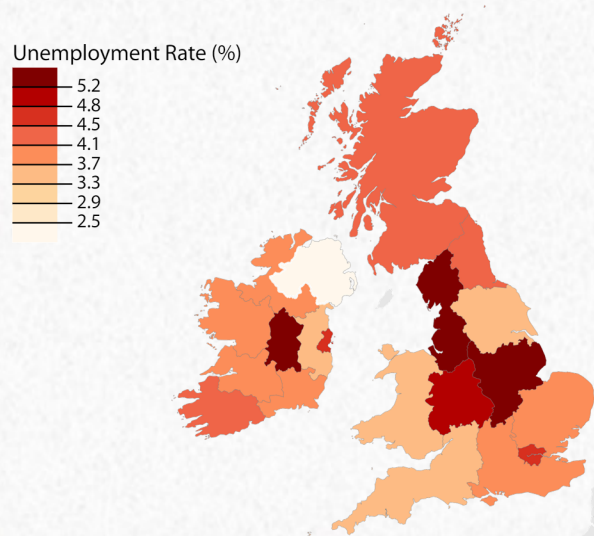
The Consumer Council's [NI Household Expenditure Tracker](#) revealed that in Q4 2023, NoI's lowest-earning 25% of households had a **discretionary income** (income after tax and spending on basics) of £36.65 per week, up from £19.37 the previous year. The lowest earning households spent over half of their total basic spending on food, housing, energy bills and transport, and have been impacted by the significant inflation in these categories over the last several years.

Recent data from the CSO (reported by [BBC News](#)) revealed that the number of tourist visitors from the south of Ireland (IE) to the north increased by 50% from 2022 to 2023. Growth in **cross-border tourism** has been significant since the pandemic, with overnight visits increasing by 145% since 2019. Estimated spend by IE visitors has also increased, from £181m in 2022 to nearly £270m in 2023.

### Tables and Charts

**Figure 1:** A choropleth map showing unemployment in the regions of the UK and Ireland in Q1 2024. Cartography by [Eurostat - IMAGE](#). Data sources: [ONS regional labour market data](#) and [CSO LFS](#).

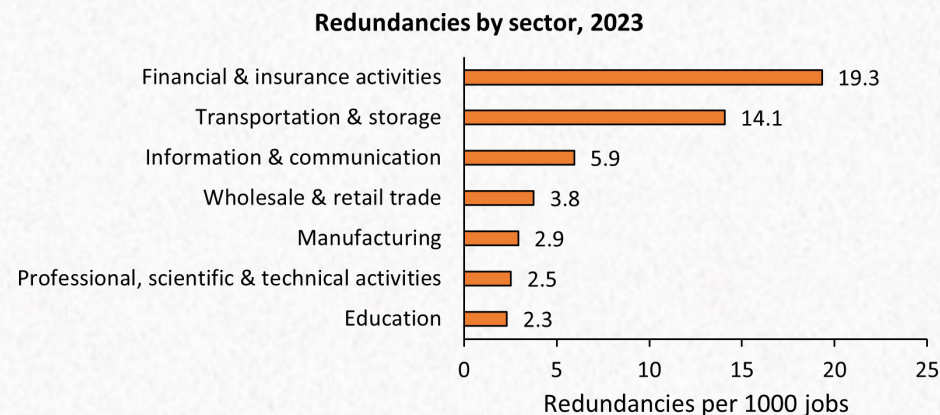
**Unemployment in the UK and Ireland, Q1 2024**



**Table:** The latest available headline labour market indicators for the north of Ireland ([NISRA LMR](#)), the UK ([ONS LMO](#)), 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 Q4 2023. All other indicators refer to Q1 2024. IE and Euro Area age groups start at 15.

Indicator	NI	UK	IE	Euro Area
Unemployment Rate (16+)	2.1	4.3	4.1	6.5
Employment Rate (16-64)	71.8	74.5	73.8	70.2
Inactivity Rate (16-64)	26.6	22.1	22.6	24.8

**Figure 2:** Confirmed redundancies by sector in 2023, relative to the number of jobs in that sector. Sources: [NISRA LMR](#) and [NISRA QES](#).



**Figure 3:** Economic inactivity in the north of Ireland and GB as a proportion of the working age population, broken down by reason for economic inactivity. 'Other' includes temporarily sick, discouraged workers, those waiting for a reply to job application and those not or not yet looking for work. Sources: [ONS Economic Inactivity](#) and [NISRA LMR](#).

