

## Labour Market Structure

October to December 2023



Employment Rate

**71.3%**

No statistically significant  
quarterly or annual change



Unemployment Rate

**2.6%**

No statistically significant  
quarterly or annual change



Economic Inactivity Rate

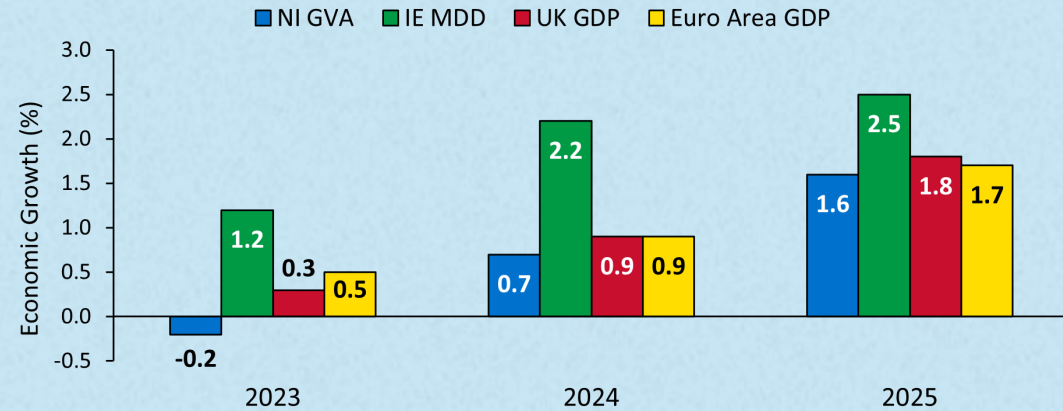
**26.8%**

No statistically significant  
quarterly or annual change

Source: NISRA Labour Market Report

## EY Economic Forecasts

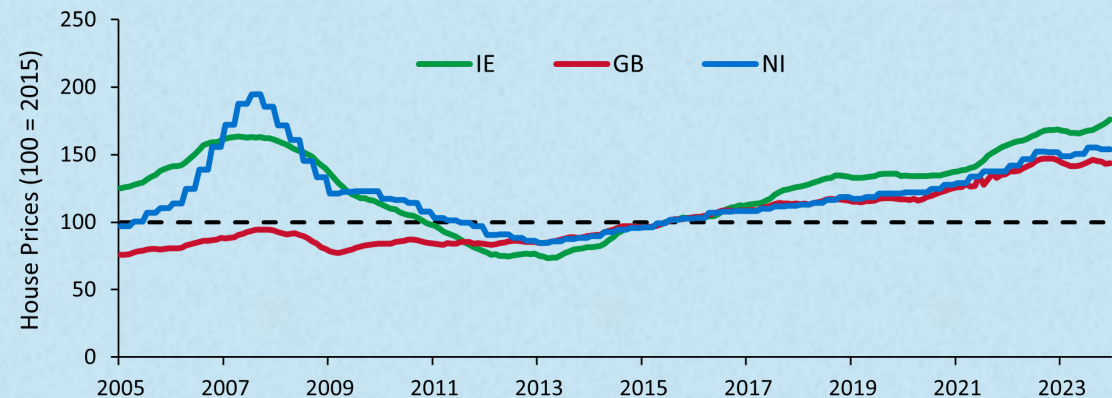
Winter 2024



Source: EY

## House Prices

2005 - 2023



Sources: ONS HPI and CSO RPPI



### Commentary

Minister Conor Murphy set out his [vision for the future of our economy](#) on 19th February 2024, with four key priorities as part of a new **Economic Mission**: create Good Jobs; promote Regional Balance; raise Productivity and reduce Carbon Emissions. Minister Murphy stressed the need to move quickly to realise this vision and said: “My Department will move at pace to put this vision into action. Its focus will be on delivery. We have a lot of work to do to turn this economy around and that work starts now.” Aligned to the four new objectives, the Minister has also appointed a panel of four independent experts.

[EY forecasts](#) the local economy to expand by 0.7% in 2024 before accelerating to 1.6% in 2025. NI employment is projected to stall in 2024 but return to stronger growth in 2025. The restoration of power sharing and installation of a new Executive is noted as offering the opportunity to unlock further growth potential within the North’s economy. Meanwhile, [NIESR](#) expects local economic output to remain above the UK average through 2024 and into 2025. NI productivity growth between Q4 2019 and Q4 2025 is expected to be one of the strongest in the UK, but overall productivity levels will remain significantly below that of the UK overall.

The UK has entered a **technical recession**, with [ONS](#) estimating that GDP fell by 0.3% in Q4 2023 following a 0.1% fall in the previous quarter. Despite the consecutive quarterly falls, GDP is estimated to have grown by 0.1% over 2023 when compared with 2022. In comparison, [Euro Area GDP](#) grew by 0.5% and (in the year ending Q3 2023) the South of Ireland’s [Modified Domestic Demand](#) grew by 2.0%.

The [Ulster Bank PMI](#) indicated that local **business activity** increased in January, supported by a ‘notable pick-up in domestic demand’, although new business from abroad fell markedly due to shipping issues in The Red Sea and cost-of-living pressures in export markets. Despite some firms reporting slower delivery times due to the re-routing of ships, lead times slightly shortened overall. Input cost inflation slowed to the softest pace since July despite reports of rising wages and transportation costs. Output prices also slowed as firms tried to price competitively. Rising workloads and the filling of longstanding vacancies contributed to the 13<sup>th</sup> consecutive monthly increase in staffing levels, and business confidence also rose to a two-and-a-half year high. [Figure 1](#) shows the main concerns of NI businesses for March, as reported to [ONS BICS](#).

NI has retained the top ranking for Mid-Sized European Regions of the Future in **FDI Strategy**. The 2024 [fDi European Cities and Regions of the Future](#) report identifies two of several Invest NI initiatives which drove the decision – Northern Irish Connections (a global diaspora initiative) and its Environmental, Social & Governance Strategy.

Provisional [results](#) from NISRA indicate that **house prices** decreased by 0.9% in Q4 2023 but increased by 1.4% over the year to an average price of £177,611. In 2023, the NI House Price Index (HPI) was around 18% below 2007 levels, while the South’s [Residential Property Price Index](#) and the GB [HPI](#) were around 4% and 56% above their equivalent 2007 levels, respectively.

Statistics from the [NISRA LMR](#) suggest a relatively stable **labour market** at the turn of the year. In the final quarter of 2023, the employment and unemployment rates remained at a near-record high and low, respectively. In January, there was a marginal increase in employee numbers and a marginal decrease in median pay. 50 redundancies were confirmed, less than a quarter of the 2023 monthly average.

On average in 2023, around 9% of young people (aged 16-24) in the North were not in education, employment or training ([NEET](#)), similar to the previous year ([Figure 2](#)). This was below the [UK NEET](#) rate of around 12%, but above that of the South, where the rate averaged around 7% in the latest full year of available [data](#) (ending Q3 2023).

On 1 February 2024, the Bank of England’s [Monetary Policy Committee](#) (MPC) decided to maintain the **Bank Rate** at 5.25%, unchanged since August 2023. The MPC project inflation to fall to the 2% target in Q2 2024 before rising again in Q3 and Q4 2024. The [UK Consumer Price Index](#) (CPI) fell by 0.6% in January over the month, with annual **CPI inflation** maintaining December’s rate of 4.0%. The largest contribution came from housing & household services, largely the result of an increase in gas and electricity prices. The average forecast (published by [Treasury](#)) in February expected CPI inflation to be 2.2% by Q4 2024. The [South of Ireland’s CPI](#) fell by 1.3% in January.

Results from the [Credit Union NI Consumer Sentiment Survey](#) signalled a ‘gradual easing in the severe nervousness that gripped consumers’ between November and January. **Consumer sentiment** increased marginally but remained cautious and had not improved to the same degree as in Britain, or as in the South of Ireland where the [Consumer Sentiment Index](#) posted the largest monthly gain in over three years in January. Results from the North continued to indicate a declining financial situation for households ([Figure 3](#)), and expectations for future circumstances continued to be muted.

The NUS-USI [Cost of Living report](#) revealed that just under half of students in further or higher education have sought additional financial support during their studies, while just over one in five worry about their finances all of the time. The report also found that 37% of students indicated that the cost-of-living crisis is having a moderate to major impact on their mental health.



## Tables and Charts

Figure 1: The main concerns of local businesses for March as reported to [ONS BICS](#) in February 2023 and 2024 (Wave 77 and Wave 102, respectively).

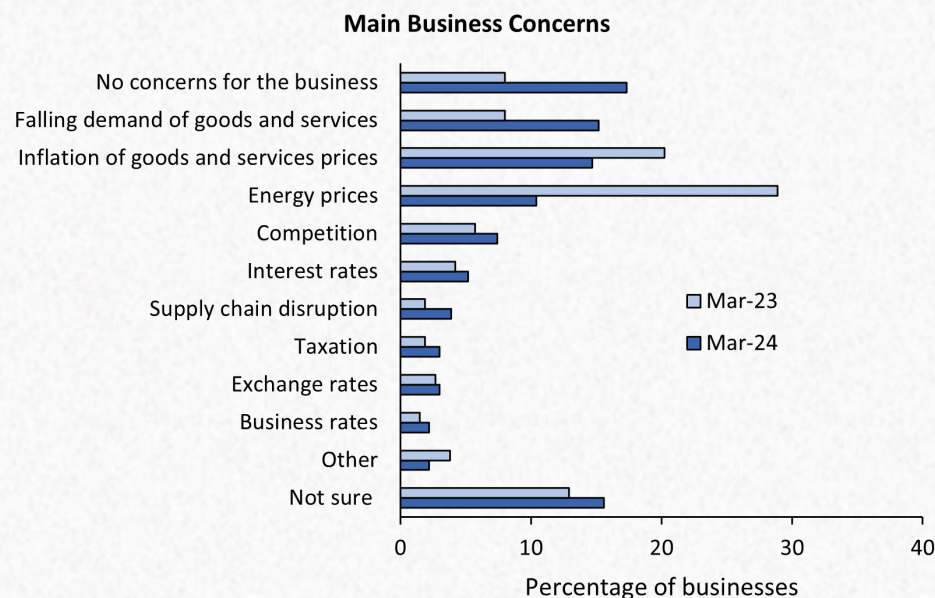


Figure 2: The annual average [NEET](#) rate in the North over the past 10 years.

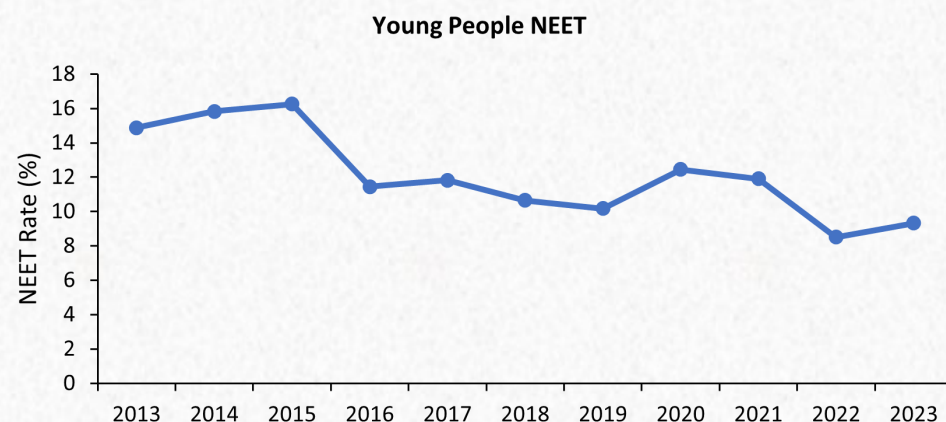


Figure 3: Responses to the [Credit Union NI Consumer Sentiment Survey](#) question: 'How does the financial situation of your household compare now with what it was 12 months ago?'

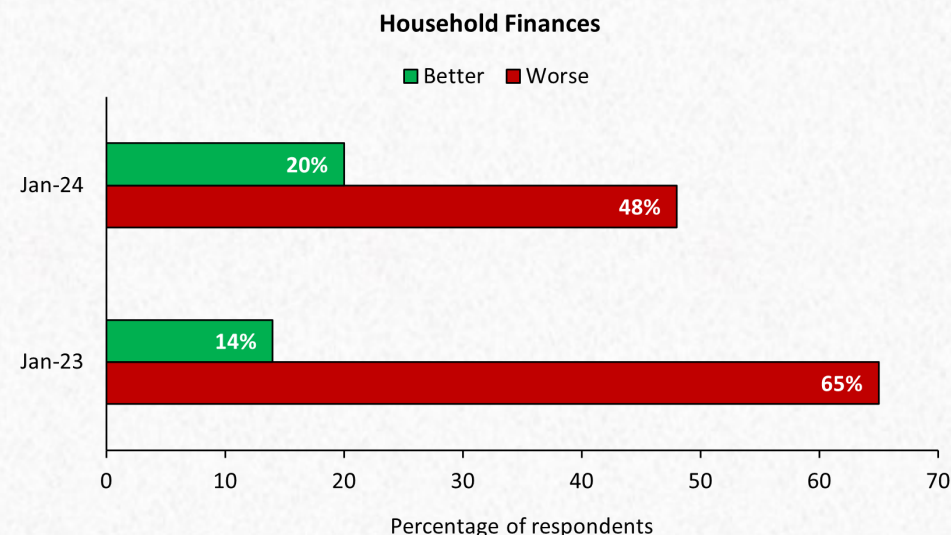


Table: The latest available headline labour market indicators for NI ([NISRA LMR](#)), the UK ([ONS LMO](#)), the South and the Euro Area overall ([OECD](#)), seasonally adjusted and in percentage terms. Note: IE and Euro Area employment and inactivity rates refer to Q3 2023. All other indicators refer to the three months ending December 2023.

Indicator	NI	UK	IE	Euro Area
Unemployment Rate	2.6	3.8	4.8	6.4
Employment Rate	71.3	75.0	73.8	70.0
Inactivity Rate	26.8	21.9	22.6	25.0