

Headlines

- Job vacancies up 1% year-on-year.
- Job vacancies up 1% quarter-on-quarter.
- The largest annual job vacancy increases have been experienced in Security, Trades, and General Services; Hotel and Catering; Construction, Architecture, and Property; Accountancy & Finance; and Science, Pharmaceutical and Food.
- The largest quarterly vacancy increases are evident in Hotel and Catering; Environmental, Health & Safety; Security, Trades, and General Services; and IT.
- Quarterly increases in job vacancies in 33% of all sectors analyzed.
- Offaly records highest gain in vacancies for second quarter in a row (+26%)
- Highest vacancy-to-employment rates recorded in Limerick and Dublin

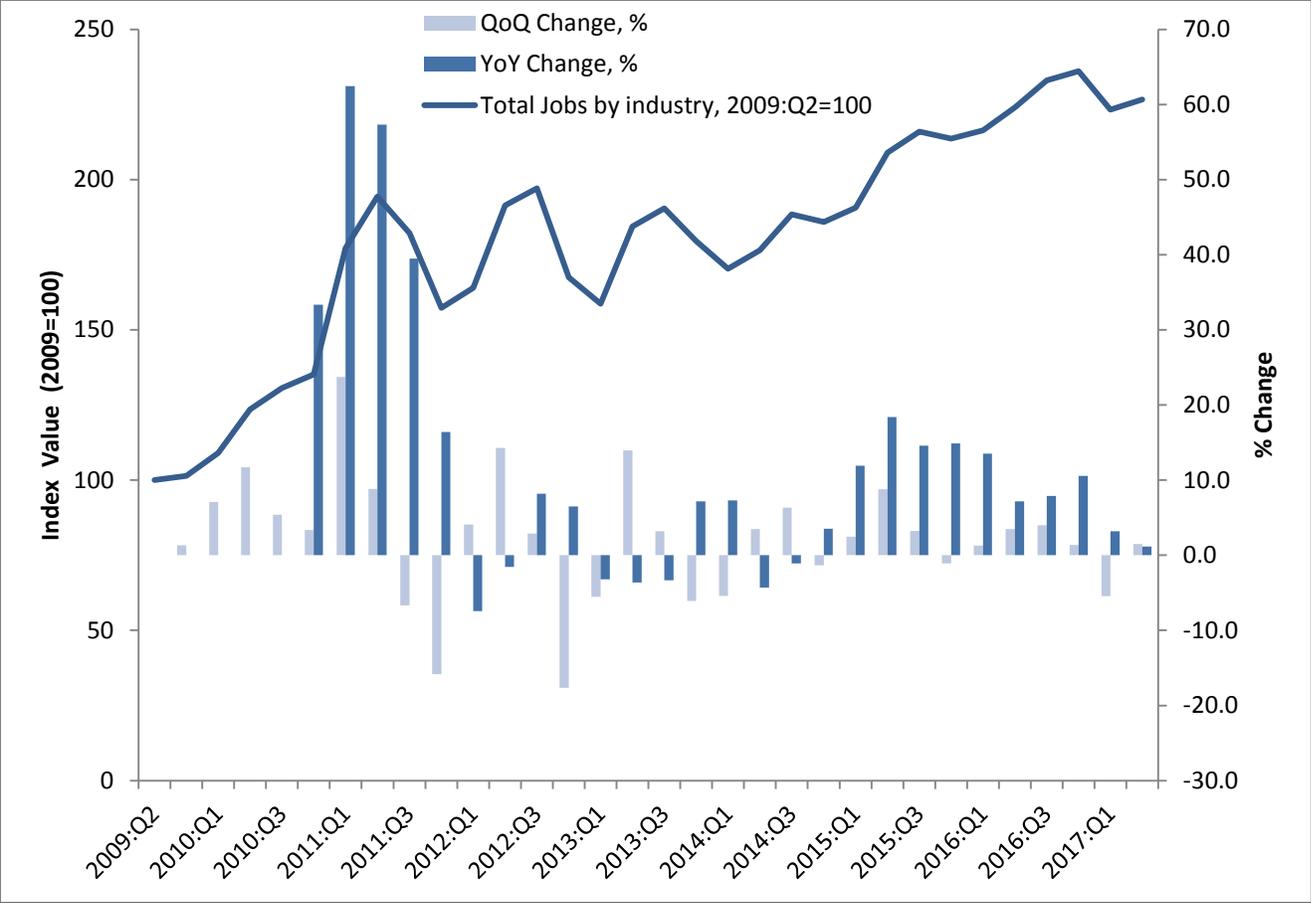
Job Advertisements up 1% Year on Year

The Summer ESRI Quarterly Economic Commentary continues to paint a positive picture of the Irish economy and labour market. Brexit is expected to negatively influence output growth in the medium term but the forecast for 2017 GDP growth remains unchanged at 3.8%. Most of the growth will be driven by the domestic sector, notably increases in consumption and increased activity in the property market. The Irish labour market continues to perform very strongly. The rate of employment growth has increased to 3.5% year-on-year in the first quarter of 2017. Employment grew in all economic sectors over the year except for Agriculture. The Construction (8.5%) and Information and Communications (8.8%) sectors experienced the largest year-on-year increases. Accommodation and Food services also experienced strong growth (6.9%). In May 2017 the

unemployment rate stood at 6.4%, down from 8.4% one year earlier. The rate is rapidly approaching the pre-crisis level and the ESRI forecasts that unemployment will continue to fall, reaching 5.5 per cent in Q2 2018. At this rate, the economy could begin to experience constraints, resulting in upward pressure on wages. In the year running to 2017:Q1, wages have increased by 0.7%. Regionally, unemployment was lowest in the Mid-East region (the Dublin commuter belt) and highest in the South-East.

Irishjobs.ie data for 2017:Q2 reveal a 1% year-on-year increase in total job vacancies, with quarterly job vacancies up 1% from 2017:Q1. While the 1% year-on-year increase maintains the upward average trend experienced throughout 2016, the 1% quarterly increase represents something of a rebound from the quarterly decrease of 5% posted in 2017:Q1. While a return to positive quarterly job vacancy creation can be welcomed as a sign of resilience in the face of global economic uncertainties, it should be noted that this second quarter rebound is muted in comparison to that of previous years (see Figure 1, below). Furthermore, the sectoral analysis presented in this report points to a relatively narrow set of industry sectors as the drivers of this increase in vacancy rates, with the Construction, Manufacturing, and Hotel & Catering sectors being the most prominent.

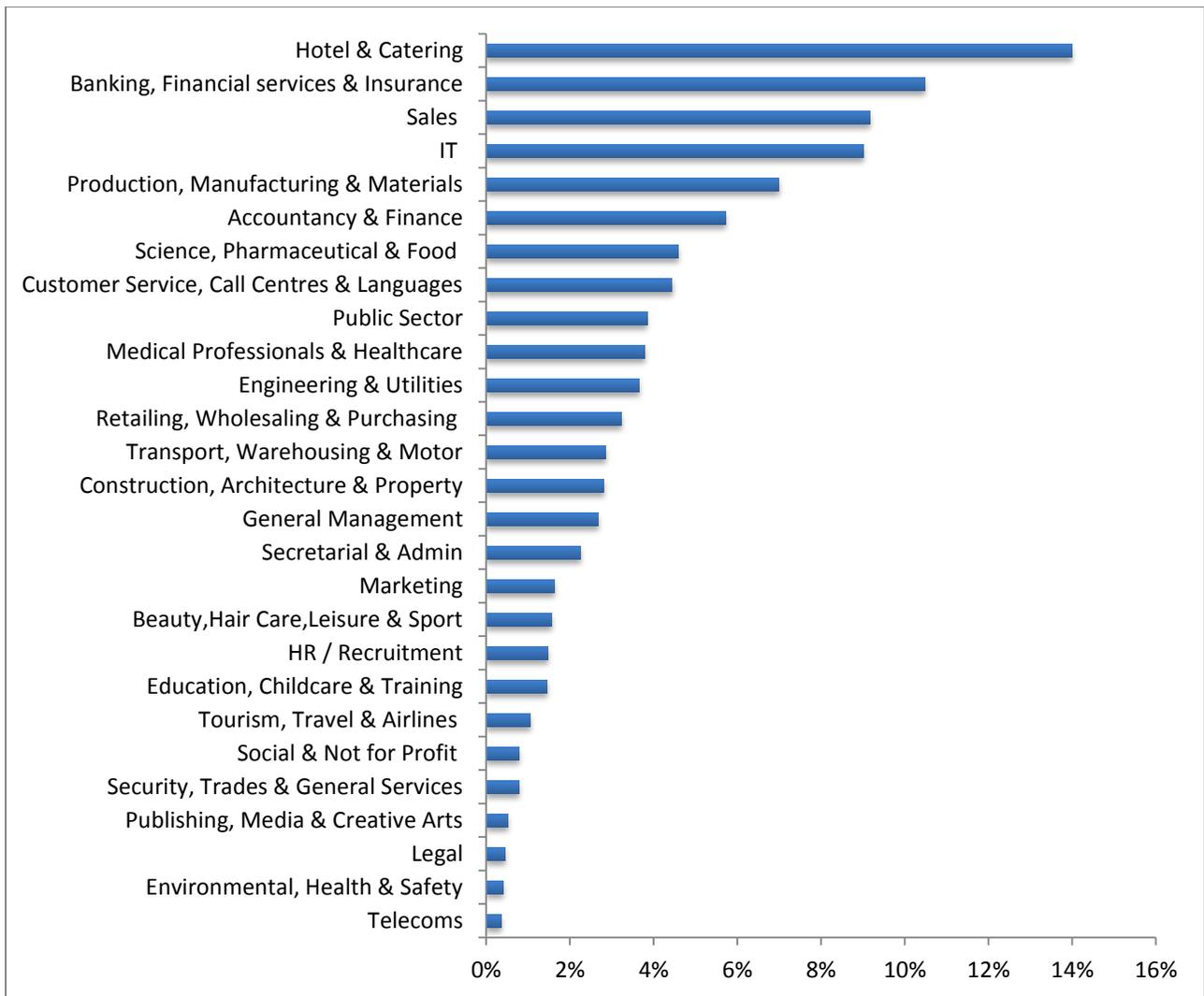
Figure 1: Total Job Vacancies (2009:Q2=100)



Sectors

Prominent features to emerge from this sectoral analysis of 2017:Q2 *Irishjobs.ie* vacancy data include: a notable increase activity in construction and related sectors; the continued strong performance of the Hotel and Catering, Accountancy & Finance, and Science, Pharmaceutical and Food, and Production Manufacturing and Materials sectors. As illustrated in Figure 3 (below), the IT sector also displays a welcome upturn in vacancy generation. These findings are broadly in line with those of the Summer ESRI Quarterly Economic Commentary, noted above. Despite these positive sectoral developments, a note of caution is also warranted: only 9 of the 27 industry sectors analysed above exhibit quarter-on-quarter increases in job vacancies in 2017:Q2, while year-on-year increases are observed in 12 sectors (see Table 1, below). While job vacancies have increased at an aggregate level, this increase is driven by relatively narrow set of sectors.

Figure 2: Job availability as % of total jobs in 2017:Q2



A snapshot of those sectors which have generated the largest share of job vacancies in 2017:Q2 is presented in Figure 2 (above). The largest five sectors, in terms of the proportion of vacancies generated in 2016:Q4, are Hotel and Catering (14%); Banking, Financial Services and Insurance (10%); Sales (9%); IT (9%); and Production, Manufacturing, and Materials (7%).

The performance of these sectors (illustrated in Figure 3) in 2017: Q2 indicates that some ground has been regained following a dip experienced in 2017:Q1. This upturn is most evident in Manufacturing, Hotel and Catering, IT. After a dip in 2017:Q1, Hotel and Catering and Manufacturing have resumed their role as prime sources of vacancies generation. As discussed below in relation to Table 1, these

two sectors exhibit 2017:Q2 vacancy increases both in year-on-year and quarter-on-quarter terms.

The upturn in the IT sector, posting a 10% quarterly increase in job vacancies, is particularly welcome. The IT sector had been contracting in terms of job vacancy generation throughout most of 2016, and in 2017:Q1 posted a quarterly decrease of 9%.

Figure 3: Vacancy Indices of five largest sectors (2009:Q2=100)

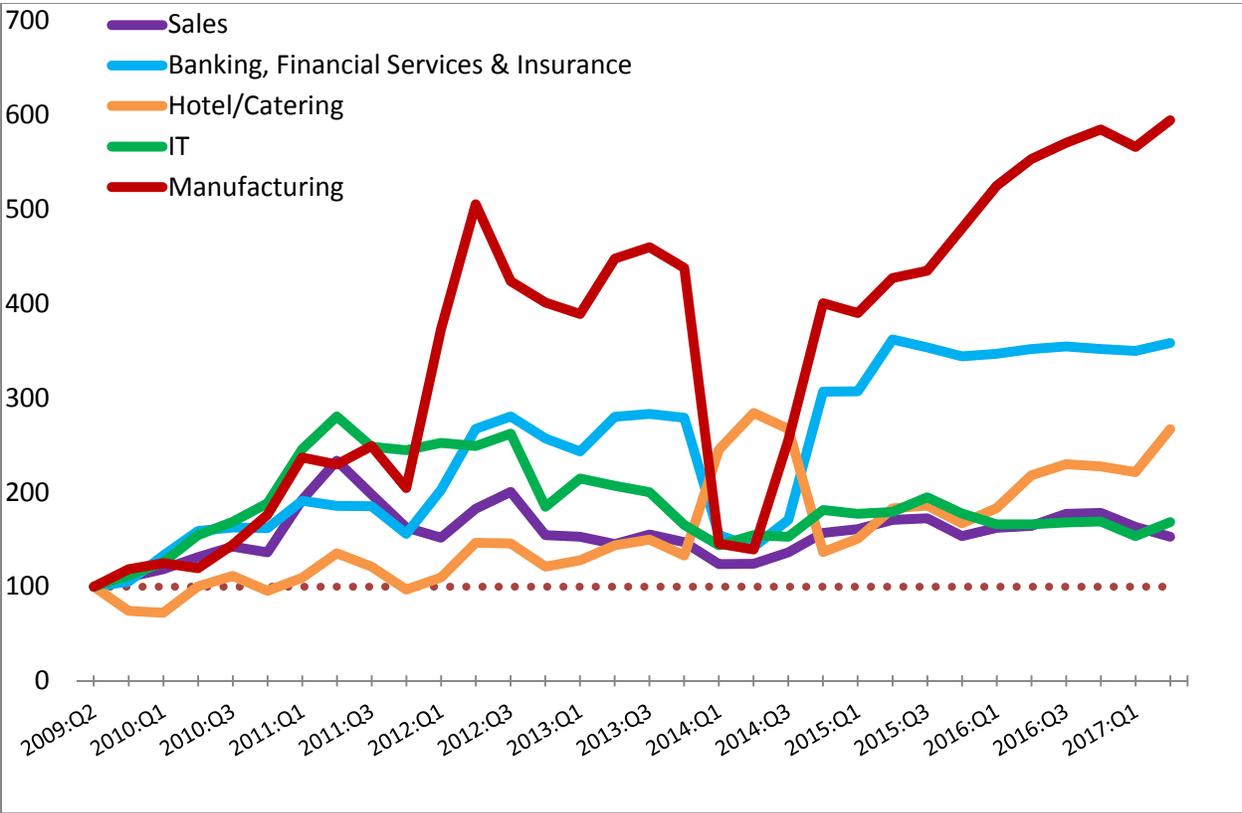


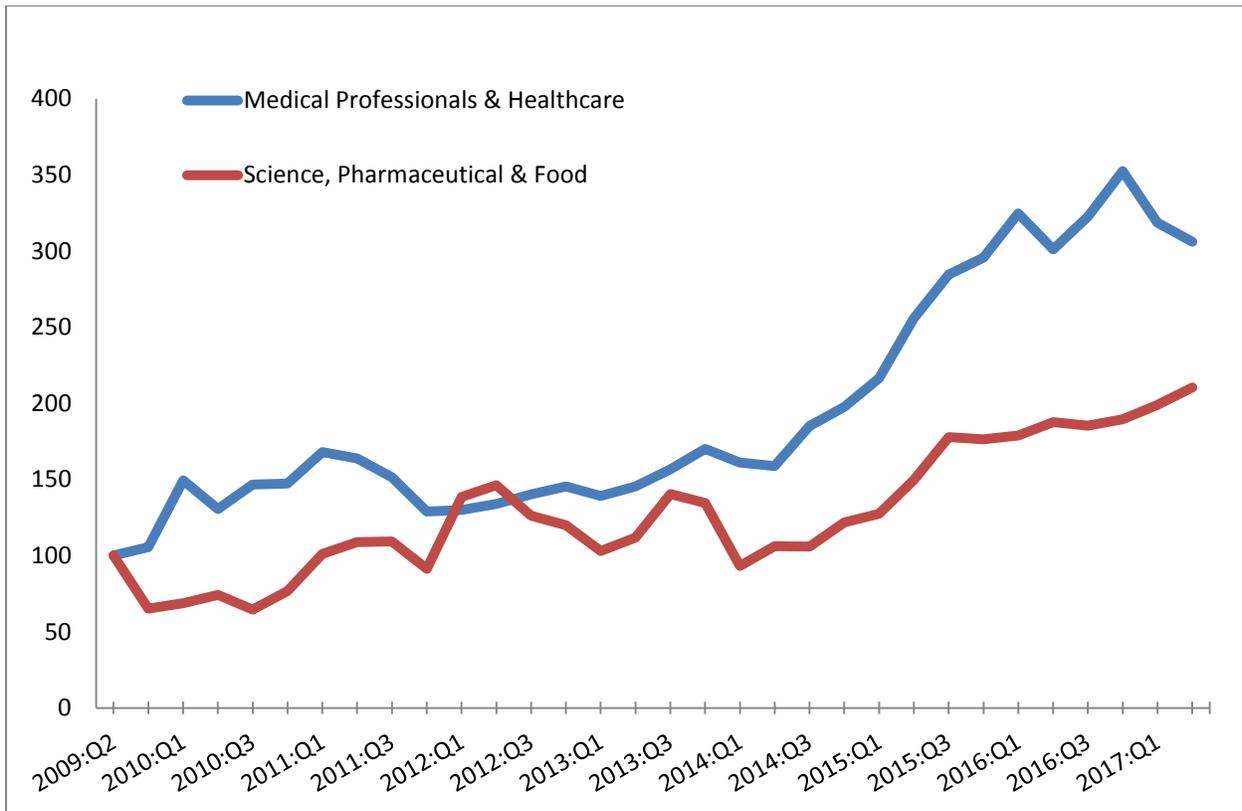
Table 1 provides further detail regarding the year-on-year and quarterly sectoral trends illustrated in Figures 2 and 3. The largest annual increases have been experienced in Security, Trades, and General Services (+65%); Hotel and Catering (22%); Construction, Architecture, and Property (+21%); Accountancy & Finance (13%); and Science, Pharmaceutical and Food (12%). The largest annual declines in the index can be seen in Telecoms (-45%), Marketing (-28%); Tourism, Travel & Airlines (-21%); and General Management (-18%). As noted above, quarterly changes generally exhibit greater fluctuation than year-on-year figures. The largest quarterly vacancy increases are evident in Hotel and Catering (+21%); Environmental, Health & Safety (+19%); Security, Trades, and General Services (+17%); and IT (+10%). Notable quarterly decreases in vacancy rates are evident in Publishing, Media & Creative Arts (-27%); Social & Not for Profit (-25%); Telecoms (-24%), and Marketing (-19%).

Table 1: Changes (%) in sectoral job advertisements (2009:Q2 = 100)

Sector	Index	Annual	Quarterly
Accountancy & Finance	197	13	0
Banking, Financial services & Insurance	259	2	2
Beauty, Hair Care, Leisure & Sport	-3	-2	-2
Construction, Architecture & Property	464	21	-7
Customer Service, Call Centres & Languages	16	-3	0
Education, Childcare & Training	-22	11	-7
Engineering & Utilities	119	-4	5
Environmental, Health & Safety	244	11	19
General Management	10	-17	0
Hotel & Catering	167	22	21
HR / Recruitment	379	-8	-3
IT	68	2	10
Legal	150	-10	-17
Marketing	-16	-28	-19
Medical Professionals & Healthcare	206	2	-4
Production, Manufacturing &	495	7	5

Materials			
Public Sector	34	-14	-10
Publishing, Media & Creative Arts	-41	-11	-27
Retailing, Wholesaling & Purchasing	-10	-15	-5
Sales	53	-7	-6
Science, Pharmaceutical & Food	111	12	6
Secretarial & Admin	151	-13	-8
Security, Trades & General Services	30	65	17
Social & Not for Profit	100	-17	-25
Telecoms	-65	-45	-24
Tourism, Travel & Airlines	152	-21	-10
Transport, Warehousing & Motor	377	10	6

Figure 4: Changes in High-Value Added Sectors



In keeping with our previous *Irishjobs.ie* quarterly reports, we present two high-skill, high value-added sectors (Medical Professionals and Healthcare; Science, Pharmaceutical and Food) as indicators of the Irish employment outlook. The picture that emerges from inspection of these two sectors is a mixed one. The Science, Pharmaceutical & Food sector maintained its strong performance into 2017: Q2, with both year-on-year and quarterly vacancies rates enjoying robust growth (12% and 6%, respectively). In the same quarter, vacancies in the Medical Professionals and Healthcare sector grew by 2% in year-on-year terms but fell by 4% from the previous quarter. This marks two consecutive quarterly decreases for Medical Professionals and Healthcare vacancy rates.

The mixed fortunes of these sectors in recent quarters serves as a timely reminder of the need to recognise those sector-specific trends which may be masked by positive aggregate growth figures: while both of these high-skill, high

value-added sectors have enjoyed an upward trajectory in recent years, one of them (Medical Professionals and Healthcare) now appears to be displaying signs of volatility while the other (Science, Pharmaceutical and Food) appears to be unperturbed.

Location

Table 2: Percentage changes in job vacancies by location

	Y-o-Y change	Quarterly change
Carlow	28	2
Cavan	15	-6
Clare	11	-2
Cork	12	6
Donegal	9	21
Dublin	9	9
Galway	20	21
Kerry	-7	-4
Kildare	30	13
Kilkenny	18	8
Laois	22	13
Leitrim	8	5
Limerick	22	0
Longford	-19	10
Louth	1	-5
Mayo	18	5
Meath	25	6
Monaghan	6	-8
Offaly	30	26
Roscommon	1	1
Sligo	11	-1
Tipperary	18	9
Waterford	10	3
Westmeath	25	17
Wexford	13	-3
Wicklow	36	14

As regards job vacancy gains by location, the small quarterly increase in vacancies at the national level reflects a mix of dynamics at county level. However, the range is smaller than the one observed in the Q1 report. Seven counties experienced a fall in vacancies over the second quarter. The strongest quarter-on-quarter vacancy decrease are recorded in Monaghan (-8%) and Cavan (-6%). As in the last quarter, Offaly has again recorded the most substantial gain (26%) this quarter. Other counties experiencing substantial increases in vacancies included Galway (21%) and Donegal (21%). The year-on-year figures are positive for all counties with the exception of Longford (-19%) and Kerry (-7%). There is, however, a notable dispersion in performances. The highest year-on-year increase is recorded by Wicklow (+36%). Other counties recording strong year-on-year growth in vacancies include Kildare (30%), Offaly (30%), Carlow (28%), Meath (25%) and Westmeath (25%). We can detect that the commuting counties around Dublin are experiencing relatively high increases in job vacancies.

This *IrishJobs.ie* Report also provides an insight into the *relative* importance of the number of vacancies across locations. The indicator used – the vacancy rate – is calculated as the number of vacancies in a location divided by employment in that location (for details, see methodological note). The results for 2017:Q2 are mapped in Figure 5. As in the previous quarter, the highest vacancy rates are recorded in Dublin and Limerick (both 5.0). This compares to substantially lower rates in traditionally economically peripheral counties such as Monaghan (1.4), Cavan (1.5), Laois (1.7) and Kerry (1.7). But, as in the previous quarter, some traditionally lagging counties, such as Leitrim and Sligo are performing relatively well. Figure 6 presents the year-on-year changes in the vacancy rates. All but four of the counties have experienced an improvement in their vacancy-to-employment rate, with the greatest percentage increase recorded in Wicklow

(+23%). Longford has experienced the greatest year-on-year fall in its vacancy rate (-27%).¹

The implications of low or high vacancy rates depend on the specific labour market context, notably the unemployment rate. Ignoring dynamics in the size of the labour force, the labour force participation rate and inter-county commuting, we can distinguish four situations. Firstly, low vacancy rates may occur in areas with relatively high unemployment rates. This is clearly an undesirable situation, suggesting a general economic crisis or a structurally lagging region. Secondly, probably less common, high vacancies may coincide with low unemployment rates. This could be suggestive of a tight labour market that can be observed in localities experiencing economic expansion. Depending on one's perspective, this could be interpreted as a negative or positive situation, although in the medium term the region runs the risk of wage inflation. Thirdly, low vacancies may coincide with low unemployment rates. Arguably this is the most benign situation. The final situation is characterised by a high vacancy rate and high unemployment. This could reflect a mismatch between the education/skills profile of the labour force and employers' requirements. Such situations occur in areas undergoing industrial restructuring.

Dublin and Limerick, the two counties with the highest vacancy rates, are in a different situation. In light of the low and falling levels of unemployment in county Dublin, we may surmise that this county is at risk of experiencing situation 2. This involves a combination of high vacancy rates, low unemployment, and the concomitant emergence of wage inflation. In contrast, the high vacancy rate of county Limerick occurs in a context of a relatively high unemployment rate. This is suggestive of a mismatch between the education/skills profile of the labour force and employers' requirements in a region that is undergoing a process of industrial restructuring.

¹ The Q2 2017 figures are calculated using the newly released CSO 2016 population census data. As a result, the figures for 2016 and 2017 are not exactly comparable. See methodological note.

Figure 5: Vacancies per '000 in employment

Jobs Vacancies by County

Number of Vacancies per
1,000 employed persons
Q2-2017

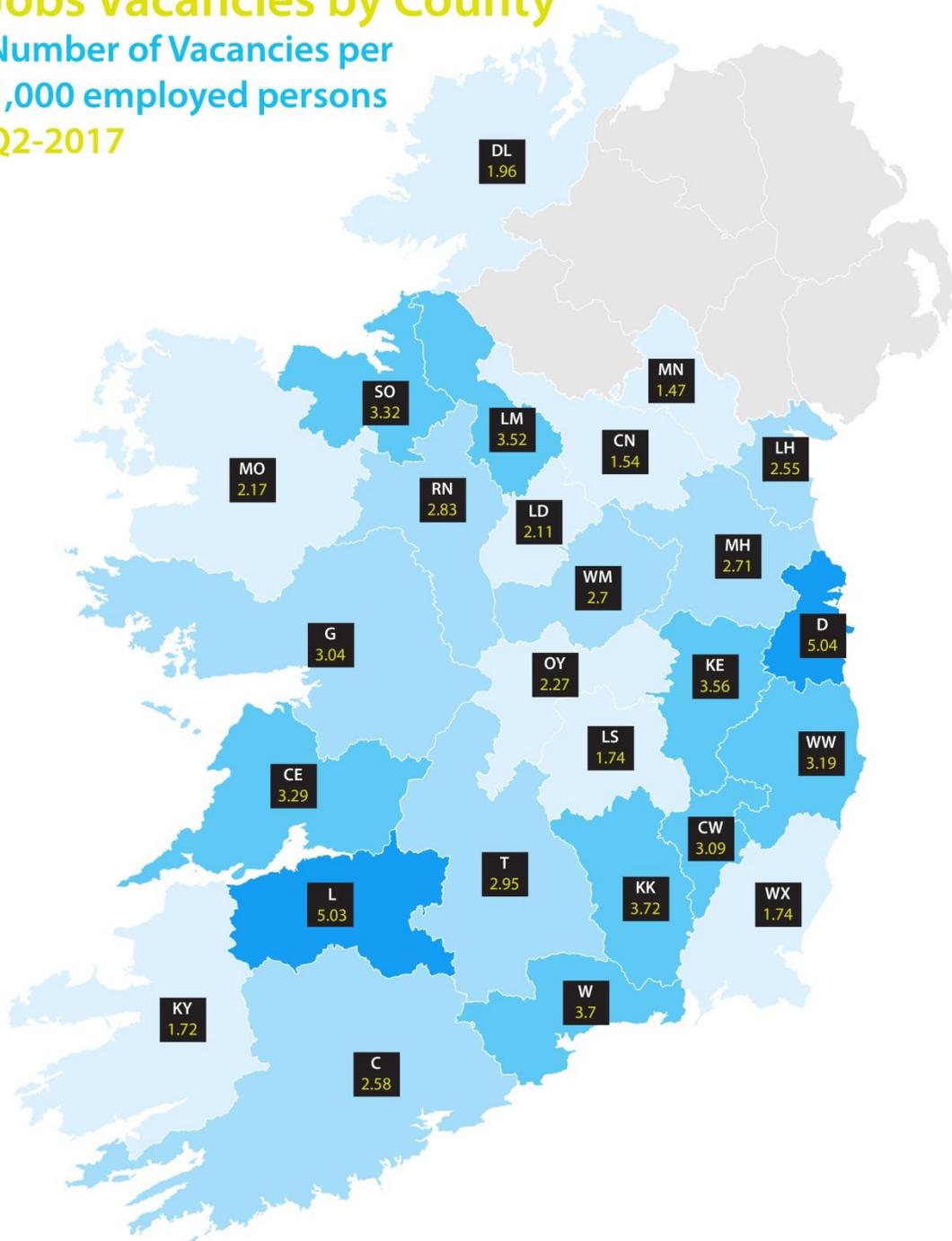
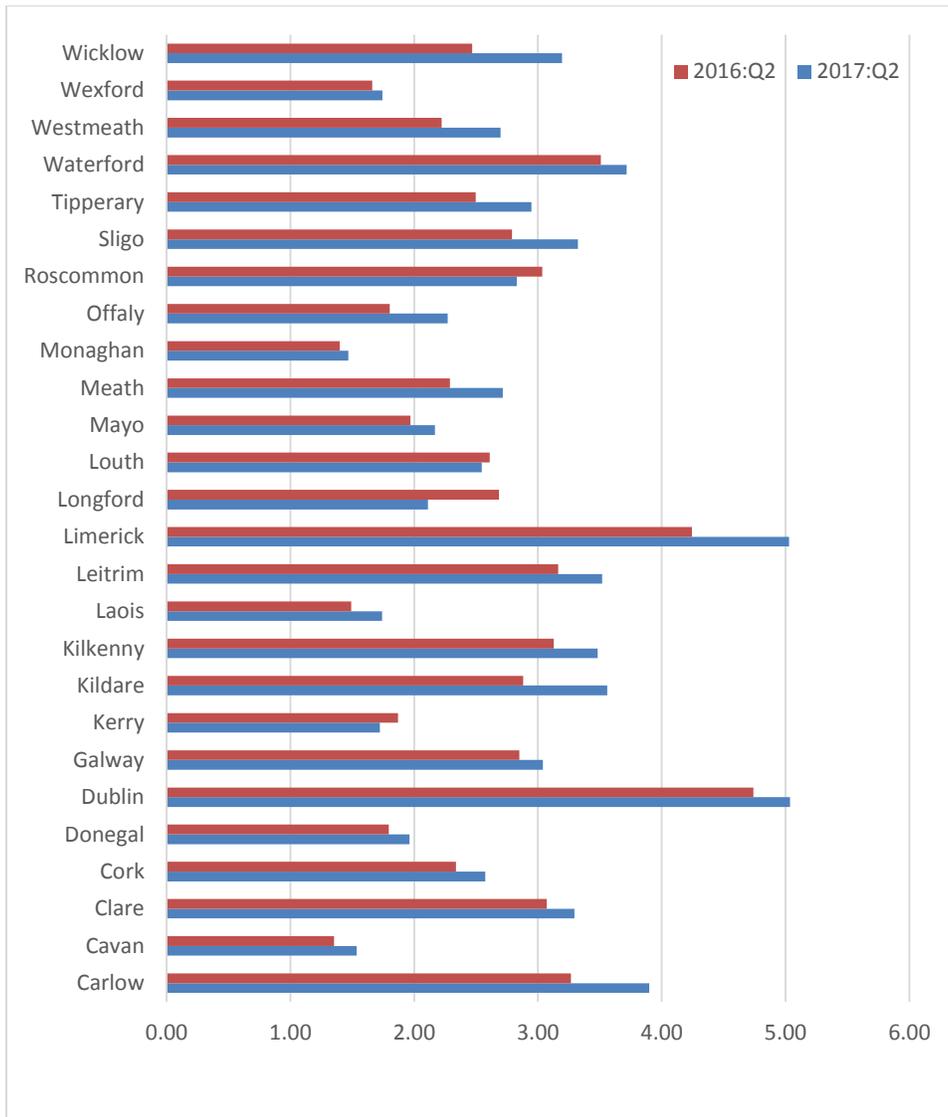


Figure 6: Vacancy Rate by County



Conclusion

The *Irishjobs.ie* Report for 2017:Q2 reveals a modest increase in job vacancy growth rates for the second quarter of the year, with both year-on year and quarterly measures of job vacancies having increased by 1% over the period in question. This growth in vacancy rates suggests that the anticipated negative impact on the Irish labour market of ongoing global economic uncertainties has yet to fully materialise. The sectors which have posted the most substantial job vacancy increases in 2017:Q2 (Construction, Manufacturing, and Hotel & Catering sectors) indicate that both domestic factors and external demand for Irish goods and services continue to contribute positively to Irish economic activity. However, it is also evident from this *Irishjobs.ie* Report that the 2017:Q2 increase in vacancies rates has been driven by a relatively narrow set of industry sectors. In terms of location, the small quarterly increase in vacancies at the national level is reflected in all but seven counties. The year-on-year figures are positive for all counties with the exception of Longford and Kerry. The greatest percentage increase is recorded in Wicklow. The relative position of the counties has changed little with Limerick and Dublin still recording the highest vacancy rates. These high vacancy rates have different implications for the two counties due to the different labour market contexts.

A Note on the data

The report utilises a dataset comprising of all corporate jobs advertised on *IrishJobs.ie* and *Jobs.ie* from 01/01/2017 to 31/03/2017.

Vacancy Rate by Location

To obtain an insight into the relative importance of the number of vacancies in specific locations we developed a new indicator – the vacancy rate. The indicator is calculated as the number of vacancies in a location divided by thousands in

employment in that location. The numbers employed are obtained from the Quarterly National Household Survey. The QNHS provides employment figures at the level of the eight spatial planning regions in Ireland. The numbers employed per county are estimated by applying the proportional distribution of employment across the counties in a planning region as reported in the latest CSO population census (2016)