

IrishJobs.ie Jobs Report Q3, 2016

Headlines

- Job vacancies up 8% year-on-year
- Job vacancies up 4% quarter-on-quarter
- Strong increase annually in Construction, Architecture, and Property; Beauty, Haircare, Leisure, and Sport; Security, Trades, and General Services; Environmental, Health, and Safety; and Production, Manufacturing, and Materials.
- Quarterly increases in job vacancies in two thirds of all sectors analysed
- Most substantial vacancy gains in Carlow, Donegal and Monaghan.
- Highest vacancy-to-employment rates recorded Dublin and Limerick
- Special Report: CAO Places and Job Opportunities - good news for graduates in healthcare and construction.

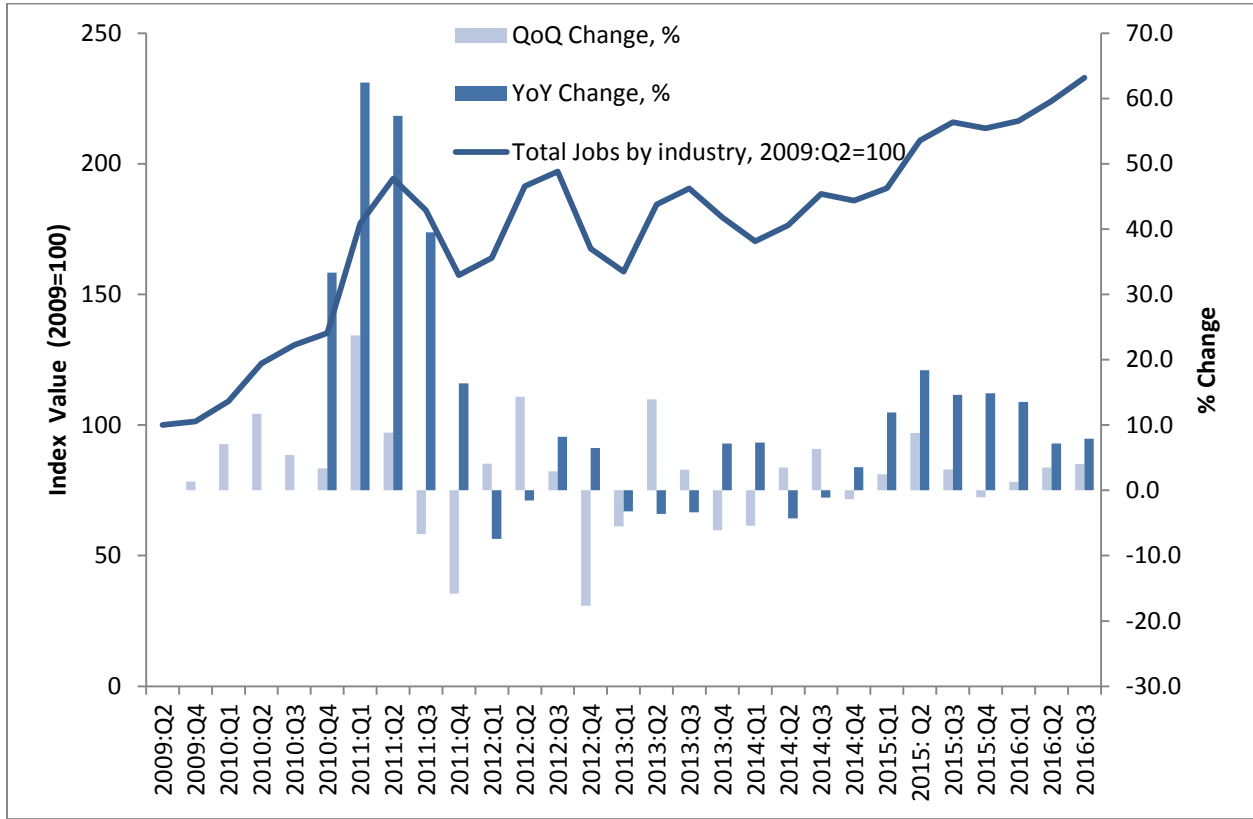
Job Advertisements up 8% Year on Year

The latest ESRI Quarterly Economic Commentary forecasts that the Irish economy will continue to grow robustly by 4.3% in 2016. This rate of growth outlook is marginally lower compared with what was expected in the previous forecasts, mainly driven by a slowdown in international trade. The ongoing weak performance of the Chinese economy is now compounded by the result of the Brexit vote, which is leading to a decline in the economic activity in the UK. This has had an impact on our exports so as a result, economic growth is almost entirely a function of domestic sources, with household consumption up 4.5% in 2015. In spite of the uncertain international environment, employment has continued to grow in the second quarter and, according to the CSO, has increased by 2.9% year-on-year. Total employment has now passed the 2 million mark and employment is forecasted to grow further in 2017. The Q2 Quarterly National Household Survey reports that, over the preceding twelve months, employment increased in twelve of the fourteen economic sectors surveyed. The largest rates of increase were recorded in the administrative and support service activities (+9.9%) and the construction (+8.7%) sectors. The greatest rate of decline in employment was recorded in financial, insurance and real estate activities (-1.1%). After recent falls, the seasonally adjusted unemployment rate in Q2 has remained unchanged compared to Q1 (8.4%). However, with net job creation remaining positive, the ESRI expects the unemployment rate to fall to below 7% by the end of 2017. Wages increased marginally by 0.2% in Q2 2016 and the tightening labour market is expected to drive a further increase of 2.3% in 2016.



Irishjobs.ie data from 2016:Q3 reveals that job vacancies have increased by 8% year-on-year, with quarterly job vacancies up 4%. The continued upward momentum of total job vacancies throughout 2016 is illustrated in Figure 1 (below), with the Irishjobs.ie index value gaining 17 points from 2015:Q3.

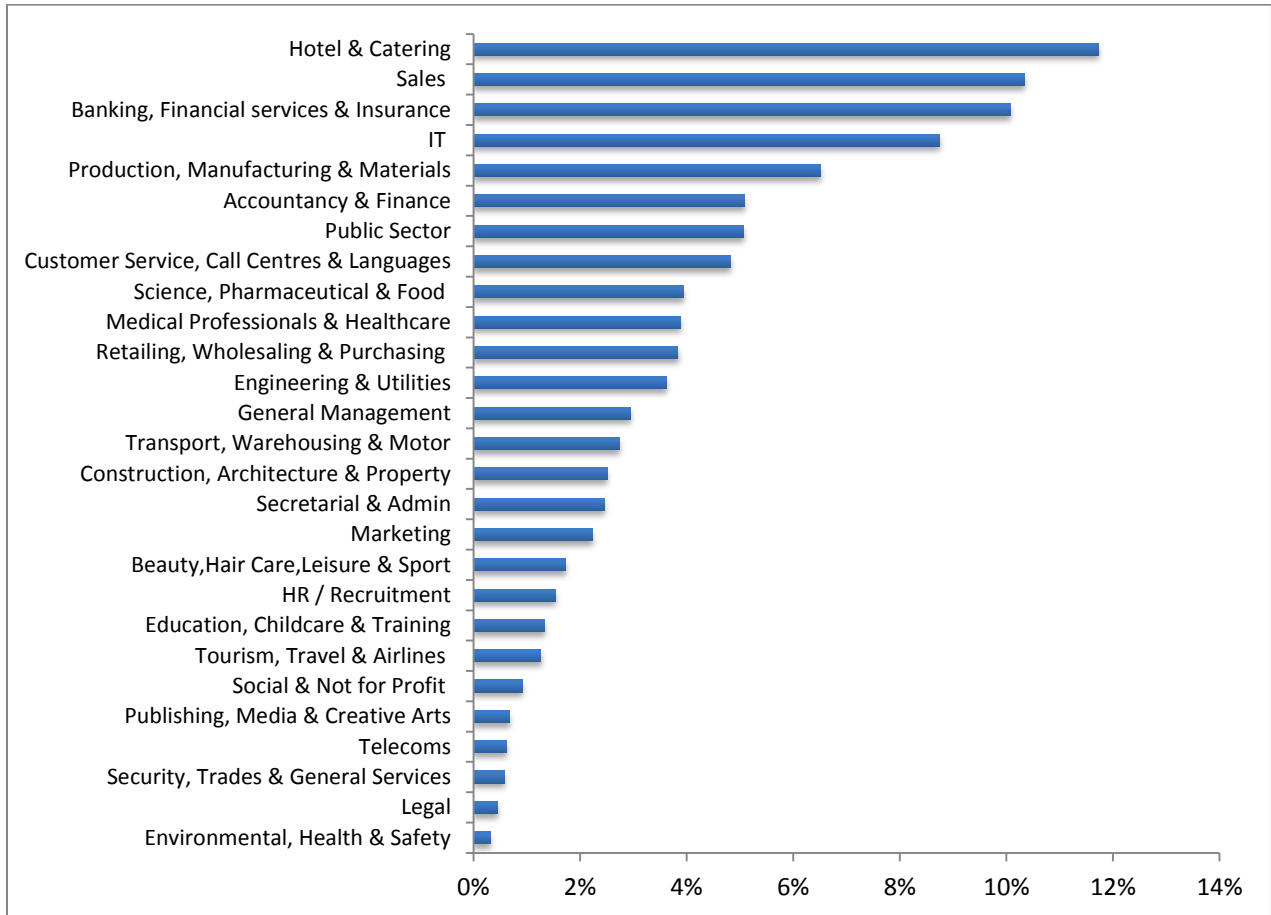
Figure 1: Total Jobs (2009:Q2=100)



Sectors

The sources of job vacancies in 2016:Q3 are neatly captured in Figure 2, (below). The largest five sectors, in terms of the proportion of vacancies generated in 2016:Q3, are Hotel and Catering (12%); Sales (10%); Banking, Financial Services and Insurance (10%); IT (9%); and Production, Manufacturing, and Materials (7%). As is discussed presently, much of the overall growth in jobs vacancies is driven by the strong growth rates enjoyed in recent quarters by two of these sectors in particular: the Production, Manufacturing, and Materials sector (which we refer to forthwith as *Manufacturing*) and, to a lesser extent, the Hotel and Catering sector. The forthcoming discussion also points to other sectors enjoying healthy growth, such as the Construction, Architecture, and Property sector and the Security, Trades, and General Services sectors. However these sectors can be seen to be smaller in terms of the absolute number of vacancies which they generate.

Figure 2: Job availability as % of total jobs in 2016: Q3



The strong performance enjoyed by the Manufacturing sector, and to a lesser extent the Hotel and Catering sector, throughout the first three quarters of 2016 can be seen in Figure 3 (below). The year-on-year growth in Manufacturing job vacancies of 31% has outpaced that of Hotel and Catering over the last 12 months (year-on-year growth of 24%), and Sales (year-on-year growth of 3%). In contrast, IT has experienced a decrease of 14% in job vacancies since 2015:Q3, though it has shown some modest growth (1%) in the most recent quarter. It remains to be seen whether or not IT can sustain this upturn into the coming quarters.

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

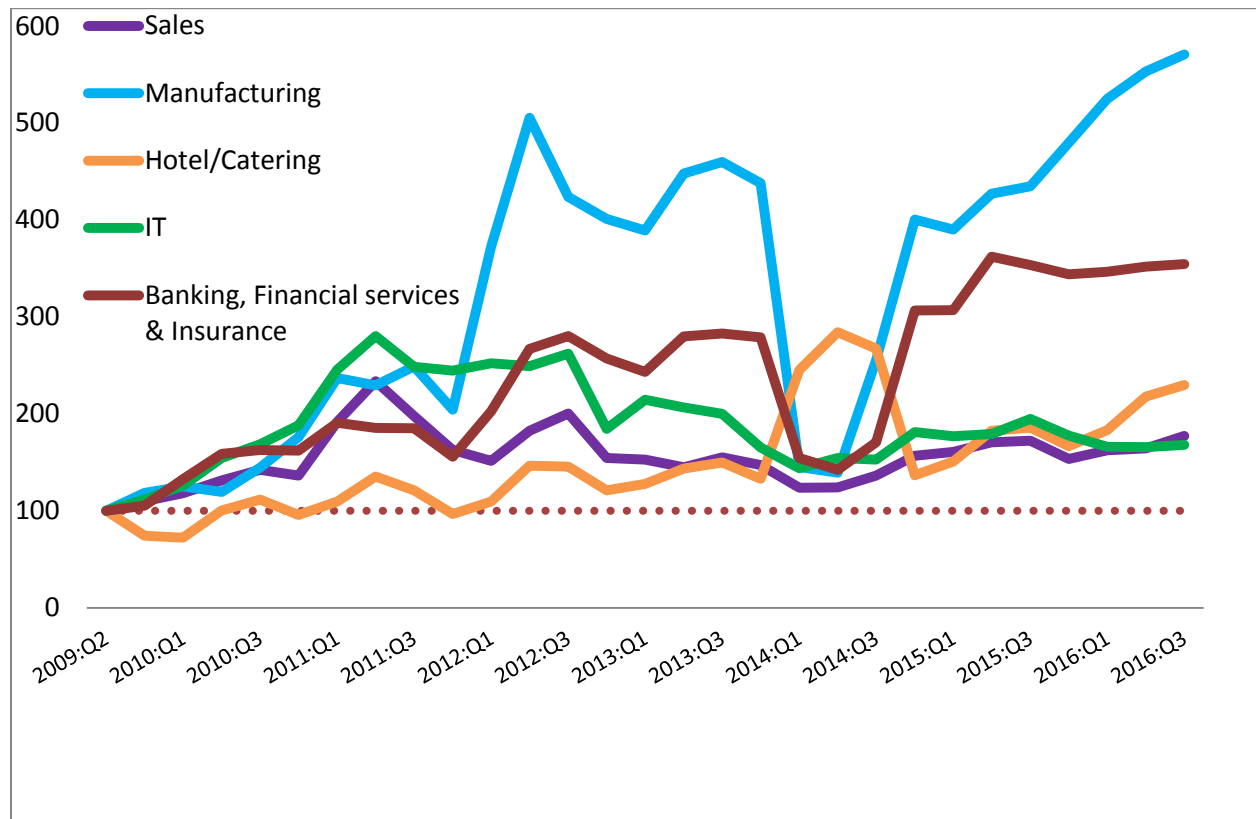




Table 1 (below) provides further detail regarding the sectoral trends illustrated in Figure 2, with a number of distinct sectoral trends apparent.

A comparison of the level of the sectoral indices in 2016:Q3 to the benchmark index quarter (2009:Q2 =100) gives an insight into the sources of Irish job vacancies. The strongest vacancy index changes can be seen in Production, Manufacturing, and Materials (+471%); Construction, Architecture, and Property (+418%); HR and Recruitment (+417%); and Transport, Warehousing and Motors (+370%). Notable vacancy index declines since 2009:Q2 are evident in Telecoms (-38%); Education, Childcare, and Training (-27%); and Publishing, Media, and Creative Arts (-22%).

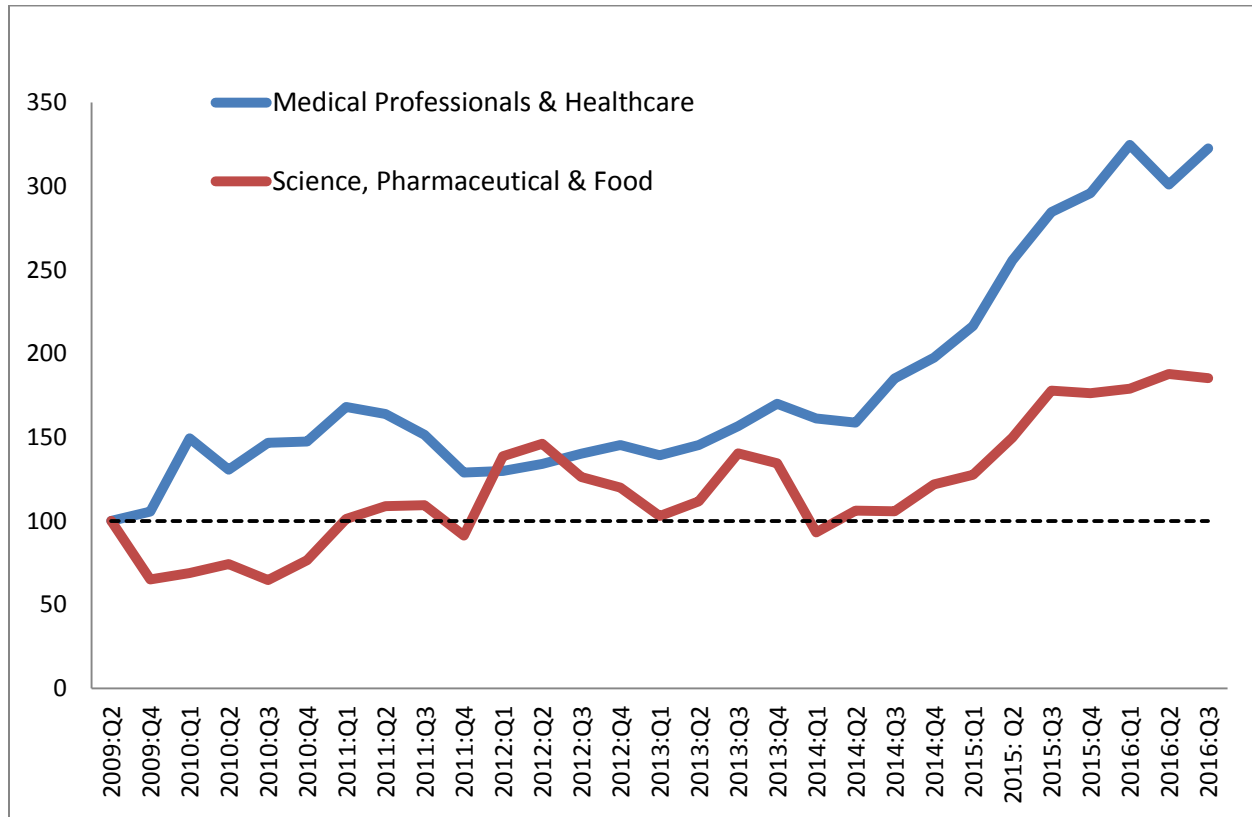
The largest annual increases have been experienced in Construction, Architecture, and Property (+47%); Beauty, Haircare, Leisure, and Sport (+35%); Security, Trades, and General Services (+34%); Environmental, Health, and Safety (+32%); and Production, Manufacturing, and Materials (+31%). The largest annual declines in the index can be seen in Telecoms (-38%), IT (-14%) and Marketing (-9%).

Quarterly changes generally exhibit greater fluctuation, though this quarter sees the most notable movements on the positive side. Of those notable positive quarterly movements, Security, Trades, and General Services (+27%); Publishing, Media, and Creative Arts (+22%); Public Sector (+16%); Beauty, Haircare, Leisure, and Sport (+11%); and Construction, Architecture, and Property (+11%) are the largest in size. Negative movements, such as those seen in Environmental, Health, and Safety (-11%); General Management (-6%); and Legal (-5%), appear to reside within a narrower range of quarterly change.

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

Sector	Index	Annual	Quarterly
Accountancy & Finance	172	-1	3
Banking, Financial services & Insurance	255	0	1
Beauty, Hair Care, Leisure & Sport	9	35	11
Construction, Architecture & Property	418	47	11
Customer Service, Call Centres & Languages	29	4	9
Education, Childcare & Training	-27	3	5
Engineering & Utilities	123	27	-3
Environmental, Health & Safety	178	32	-11
General Management	25	13	-6
Hotel & Catering	130	24	5
HR / Recruitment	417	10	-1
IT	68	-14	1
Legal	164	9	-5
Marketing	19	-9	2
Medical Professionals & Healthcare	223	13	7
Production, Manufacturing & Materials	471	31	3
Public Sector	81	11	16
Publishing, Media & Creative Arts	-22	26	17
Retailing, Wholesaling & Purchasing	10	-2	4
Sales	77	3	8
Science, Pharmaceutical & Food	85	4	-1
Secretarial & Admin	183	23	-2
Security, Trades & General Services	0	34	27
Social & Not for Profit	139	12	-1
Telecoms	-38	-38	-2
Tourism, Travel & Airlines	209	0	-3
Transport, Warehousing & Motor	370	26	9

Figure 4: Changes in High-Value Added Sectors



As per our previous reports, we take the vacancy rates of two high-skill, high value added sectors (Medical Professionals and Healthcare; Science, Pharmaceutical and Food) as useful barometers of the Irish employment outlook. Taken over a 12 month time span, both sectors have experienced strong growth in vacancies. Job vacancies have increased in Medical Professionals and Healthcare throughout 2015 and into 2016 in year-on-year terms (13% year-on-year growth). While vacancies fell by 7% quarter-on-quarter in 2016:Q2, the sector experienced regained this ground in 2016:Q3. Science, Pharmaceutical and Food job vacancies also experienced strong growth in the first three of quarters of 2015, reached a plateau in 2015: Q4 and 2016:Q1. Vacancy growth in this sector can be seen to have picked up somewhat by 2016:Q3 in year-on-year terms (4% year-on-year growth), but the sector has recorded a quarter-on quarter decline in vacancy growth of 1% in 2016:Q3.

Location

Table 2: Percentage changes in job vacancies by location

	YoY change	Quarterly change
Carlow	32	23
Cavan	24	5
Clare	27	0
Cork	17	11
Donegal	13	21
Dublin	5	0
Galway	17	5
Kerry	26	7
Kildare	17	7
Kilkenny	39	2
Laois	20	8
Leitrim	72	8
Limerick	20	4
Longford	33	5
Louth	19	-7
Mayo	15	3
Meath	28	-1
Monaghan	38	18
Offaly	20	-5
Roscommon	23	7
Sligo	25	8
Tipperary	41	-2
Waterford	48	-1
Westmeath	14	0
Wexford	49	8
Wicklow	48	13

As regards job vacancy gains by location, the range in quarterly growth levels is somewhat smaller than in the previous two quarters. The highest quarter-on-quarter increases are recorded in Carlow (+23%), Donegal (21%) and Monaghan (18%). Louth (-7%), Offaly (-5%), Tipperary (-2%), Waterford (-1%) and Meath (-1%) are all experiencing very modest falls this quarter. The year-on-year figures are positive for all counties, although there is a notable dispersion in their performances. Highest year-on-year increases are evident in Leitrim (+72%), although this high figure should be placed in the context of a low base in 2016. Other counties recording strong year-on-year growth in vacancies include Wexford (+49%),

Waterford (+48%), and Wicklow (+48%). On the other end of the spectrum, the lowest year-on-year increase is recorded in Dublin (+5%), with Donegal recording the second lowest growth (13%). The counties incorporating the four main urban centres (Dublin, Cork, Limerick and Galway) have experienced year-on-year increases below the median level, arguably a positive development from the perspective of achieving a more balanced regional development.

This Jobs 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 2016:Q3 are mapped in Figure 5. The highest vacancy rates are recorded in Dublin (4.7) and Limerick (4.3). This compares to substantially lower rates in Cavan (1.4) Laois (1.6) and Monaghan (1.6). The lowest positions in terms of vacancy rate are occupied by traditionally lagging regions (Cavan; Laois; Monaghan; Offaly; Wexford; Mayo; Kerry and Donegal). But, as in the previous quarter, some traditionally lagging counties, such as Leitrim, Sligo and Roscommon are performing relatively well. Figure 6 presents the year-on-year changes in the vacancy rates. Encouragingly, all counties experienced an improvement in their vacancy rate, with the greatest percentage increases recorded in Leitrim (+71%), followed by Wexford (45%) and Waterford (44%). The most modest vacancy rate increase has been observed in Dublin (3%).



Figure 5: Vacancies per '000 in employment

Jobs Vacancies by County

Number of Vacancies per
1,000 employed persons

Q3-2016

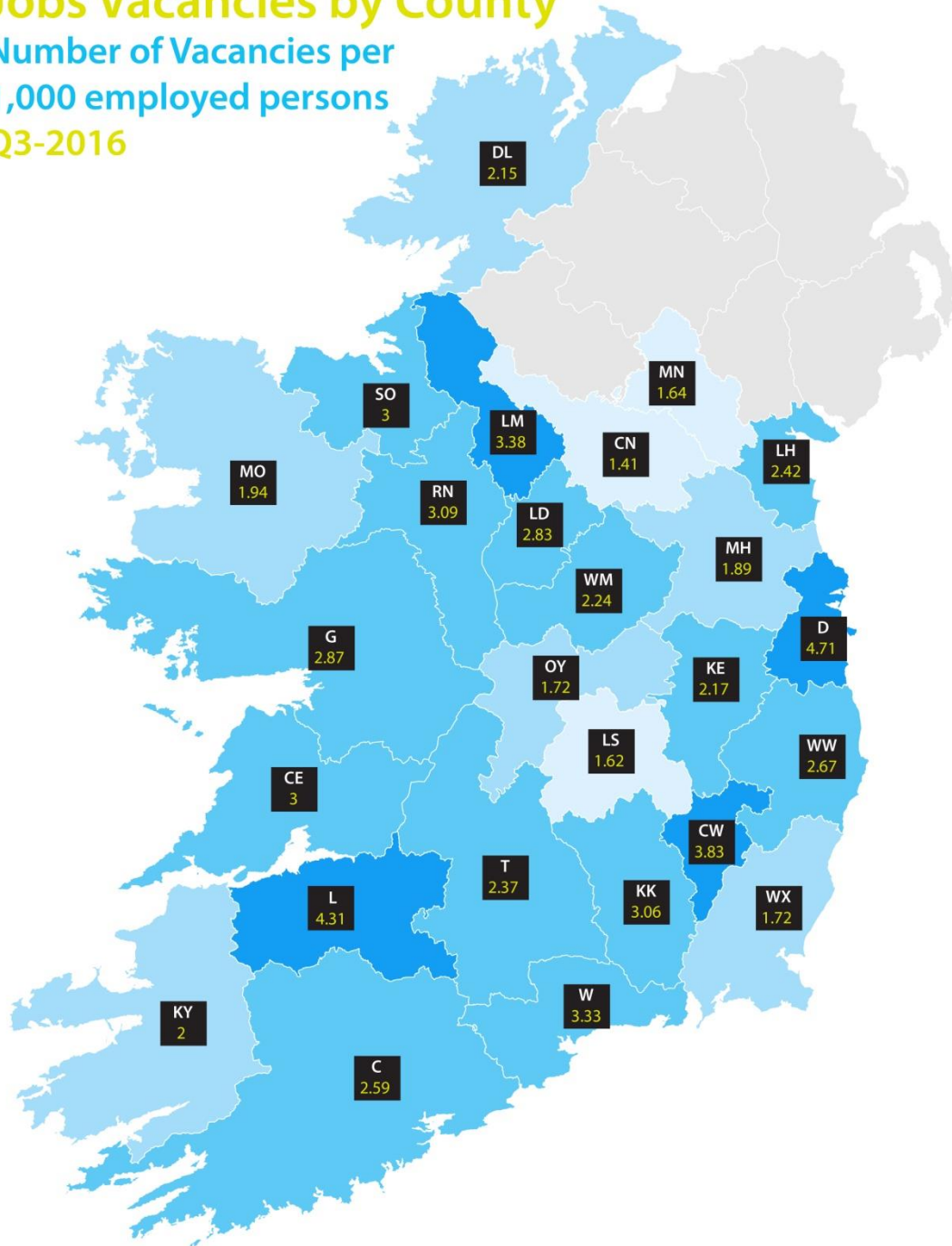
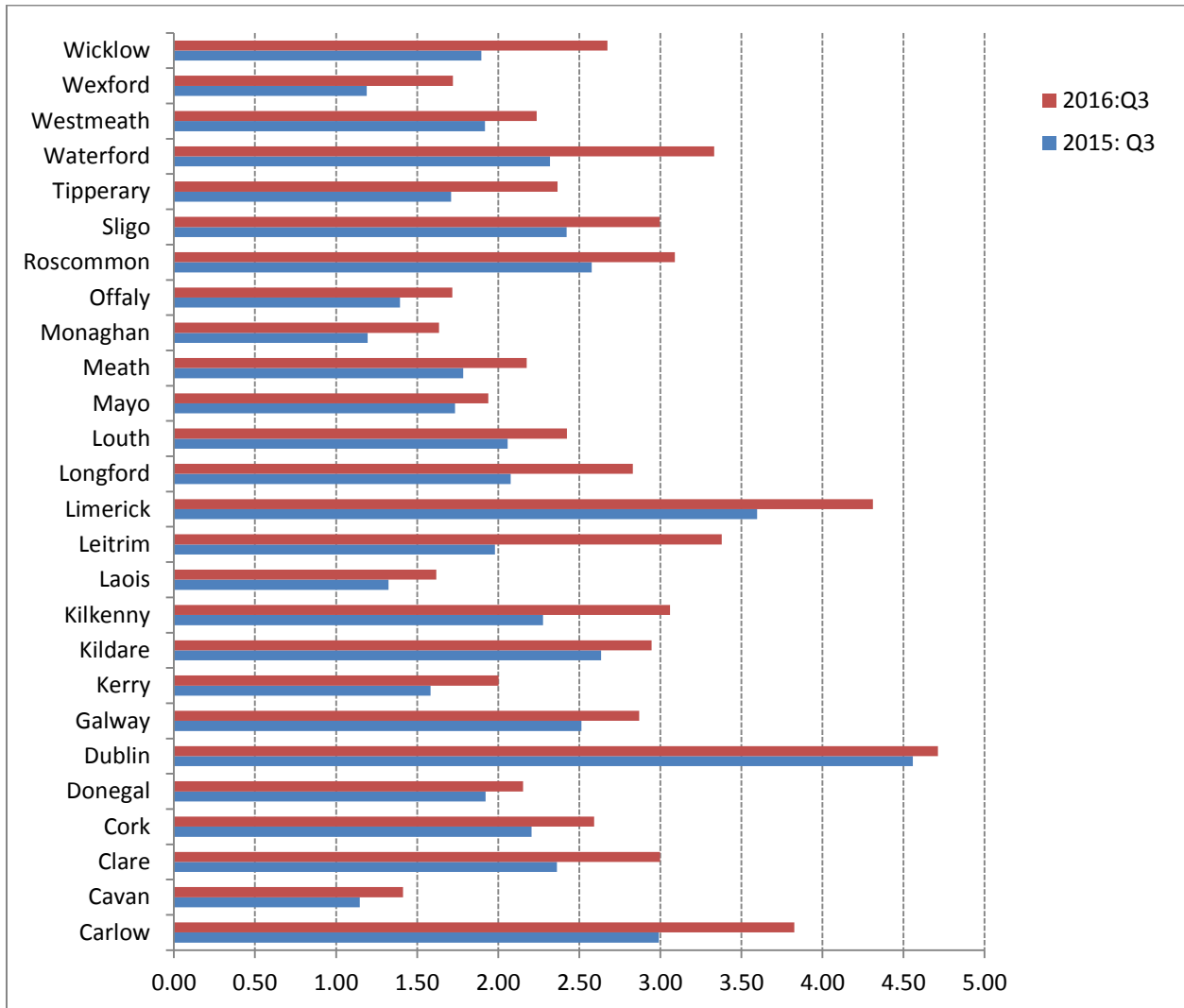


Figure 6: Vacancy Rate by County



Conclusion

The Irishjobs.ie Jobs report for 2016: Q3 points to a continuation of the robust rate of vacancy creation experienced in the first half of 2016. The broad reach of this vacancy creation has also been sustained from previous quarters, with strong vacancy growth being experienced across sectors such as: Construction, Architecture, and Property; Beauty, Haircare, Leisure, and Sport; Security, Trades, and General Services; Environmental, Health, and Safety; and Production, Manufacturing, and Materials. In terms of location, the year-on-year vacancy growth rates are positive for all counties, with Dublin



recording the lowest rate of Increase. Although Dublin still records the highest vacancy-to-employment rate, the gap with other countries has narrowed on a year-by-year basis.

Special Report: Linking CAO Applicants with Job Vacancies

In the context of the recent First Round CAO offers 2016, *IrishJobs.ie* has developed a special report focusing on the labour market conditions facing students entering the Irish university system. The aim of the report is to explore the extent to which students' third level course preferences are in line with career opportunities in the labour market. The report assumes that students' preferences are determined by the prevailing career opportunities available to them in the labour market. The trends in job vacancies by industrial sector are taken as an indicator of these career opportunities while the trends in numbers of first round applicants for course categories are taken as an indicator of student preferences (for details see methodological note). Students' course preferences are, of course, driven by more than job vacancies alone, but the exercise gives an impression of the likelihood of students securing jobs in relevant industrial sectors.

Figure 1 presents the trends in first round CAO applications, indexed to 2009. The Government's efforts to promote STEM (science, technology, engineering and math) subjects are clearly bearing fruit. Engineering/Technology courses (up 42%) and Science/Applied Science courses (Up 37%) are among those experiencing the highest growth in applicant numbers since 2009. These courses can be linked to two combined *IrishJobs.ie* job categories: Engineering & Utilities/Environmental, Health and Safety/IT and Science/ Pharmaceutical & Food (Figure 2). The data suggest that the growth in vacancies in these two STEM-related categories has struggled to keep pace with the growth in vacancies experienced in other sectors. Although the combined STEM-related job categories have experienced an increase in vacancies since 2009 (by 83% and 88% respectively), these job categories have recorded the lowest growth of all the categories analysed in this report.

The combined Construction/Architecture & Property sector is among those experiencing the strongest growth in job vacancies of all sectors, having grown fourfold - admittedly coming from very low levels at the start of the construction crisis in 2009. Architecture courses have experienced the sharpest drop in the number of CAO applicants since 2009 (-14%) however, notwithstanding a steady recovery in Architecture application numbers since 2013 these students are likely to have a good bargaining position upon graduation.

The greatest increase in number of CAO applicants (+ 55%) has taken place in courses categorized as Other Healthcare, such as occupational therapy. This development is well matched by trends in the labour market. Job vacancies in the Medical Professionals & Healthcare sector have grown more than five-fold since 2009, representing the strongest growth of all sectors. Compared to the other courses, Administration and Business courses have exhibited intermediate growth in terms number of applicants (up 23%) since 2009. This is matched by a similarly intermediate level of growth in vacancies in relevant



labour market sectors: General Management/ Marketing/ Secretarial & Administration/ Sales/ Accountancy & Finance/ Banking/ Financial Services & Insurance (doubling since 2009).

In conclusion, although the promotion of STEM-related courses may make economic sense for the Irish Government, students are advised to keep an open mind in terms of course choices. Current trends suggest that the labour market for non-STEM-related sectors may well prove to be more favorable than the labour market for STEM-related sectors.

Figure 1: Index of CAO applicant first preferences, 2009-2016 (2009=100)

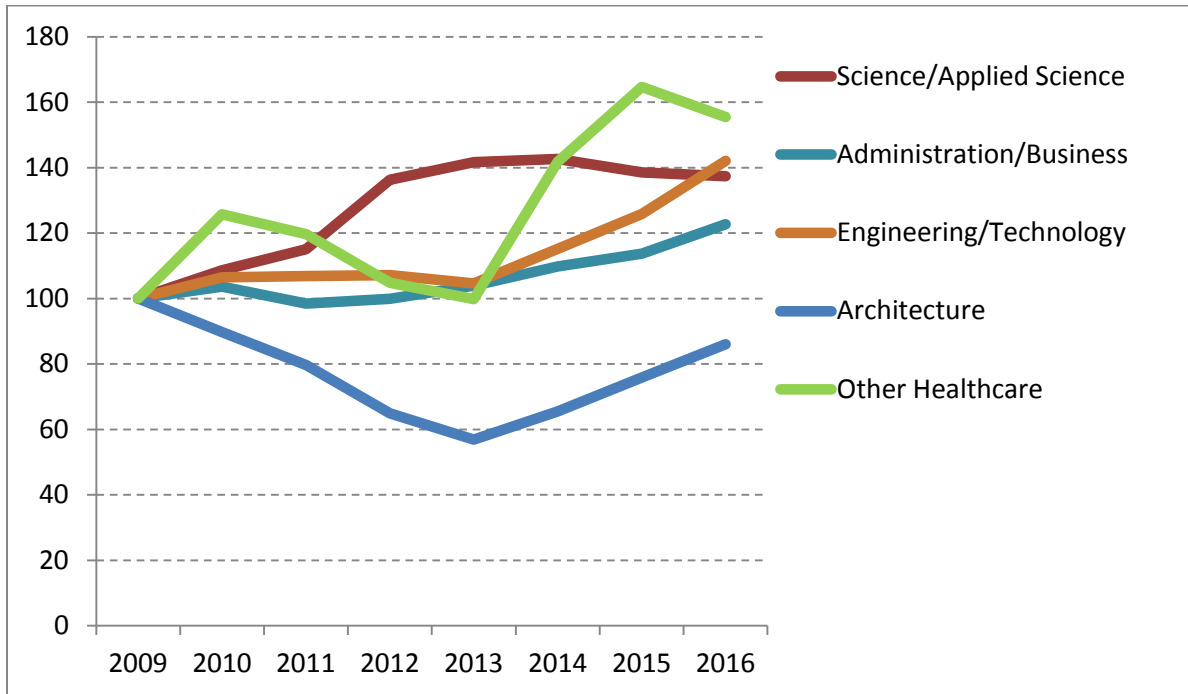
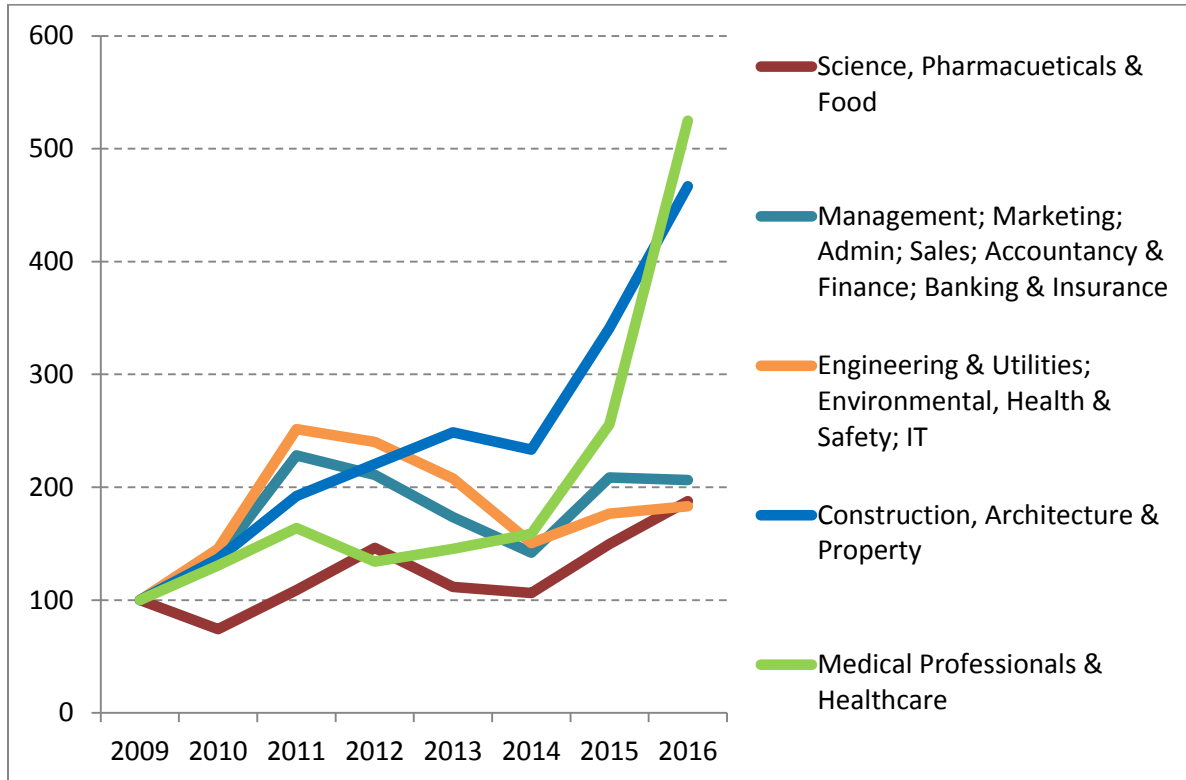


Figure 2: Index of Irishjobs.ie vacancies (selected categories), 2009-2016 (2009=100)



A Note on the data

The report looks at all corporate jobs advertised on IrishJobs.ie and Jobs.ie from 01/07/16 to 30/09/16

Methodological notes:

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 (2011)



Special Report

First Round CAO applicant numbers were obtained from the Central Applications Office website <https://www.cao.ie/>. The resulting dataset was linked to combined sectoral categories employed by IrishJobs.ie.