

IrishJobs.ie Jobs Report Q1, 2016

Headlines

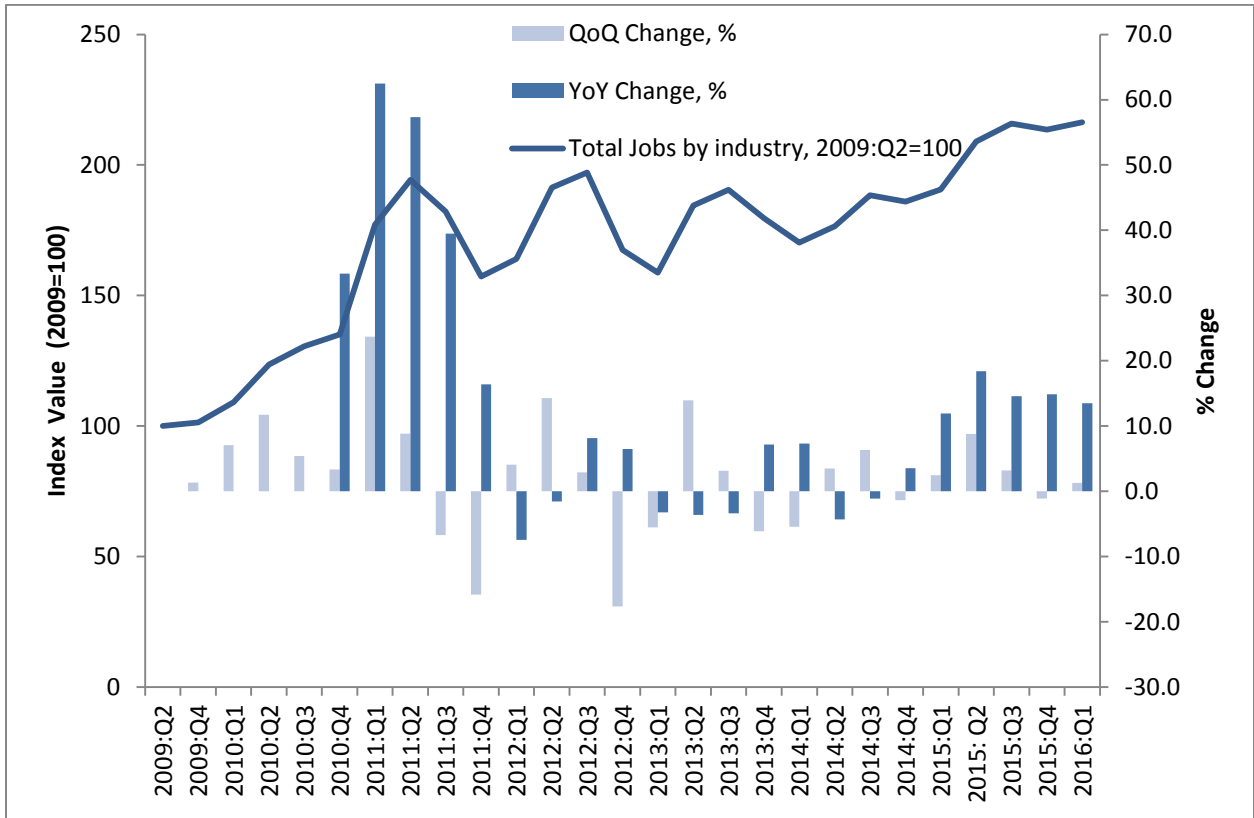
- Job vacancies up 14% year-on-year
- Job vacancies up 1% quarter-on-quarter
- Strong increase annually in Medical Professionals and Healthcare; HR and Recruitment; Engineering and Utilities; Science, Pharmaceuticals and Food; and Security, Trades, and General Services
- Quarterly increases in job vacancies in over half of all sectors analysed
- Highest vacancy-to-employment rate recorded in Dublin

Job Advertisements up 14% Year on Year

According to the latest ESRI *Quarterly Economic Commentary*, the Irish economy grew by 7.8% in 2015 and, notwithstanding uncertainties in the international environment, is again forecasted to grow by 4.8% in 2016. The growth in output is now also reflected in employment levels. Total employment grew by 44,100 in 2016, representing an annual increase of 2.3%. Nearly all sectors experienced rising employment on an annual basis with the construction sector performing particularly well. The unemployment rate, although still high, fell to 9.1% in Q4 2015, down from 10.4% one year earlier. The ESRI forecasts a further decline, reaching 8.7% in 2016. The improved labour market situation does not appear to be affecting wage levels. Average hourly earnings actually fell by 0.5% in 2015. Spatially, the recovery is meeting most of the Irish regions. In 2015, only two of the eight planning regions experienced a fall in employment. Employment in the West (the region centred on Galway) fell by 1.5%, while the Mid-East (the commuting belt of Dublin) experienced a modest decrease of 0.9%. Unemployment fell in all regions bar the West which experienced a very modest increase.

Irishjobs.ie data from 2016: Q1 reveals that job advertisements have increased by 14% year-on-year, with quarterly job advertisements up 1%. Figure 1 (below) illustrates the strong upward trajectory of total job vacancies throughout 2015 and into the first quarter of 2016, with the index value increasing by over 25 points across this time period.

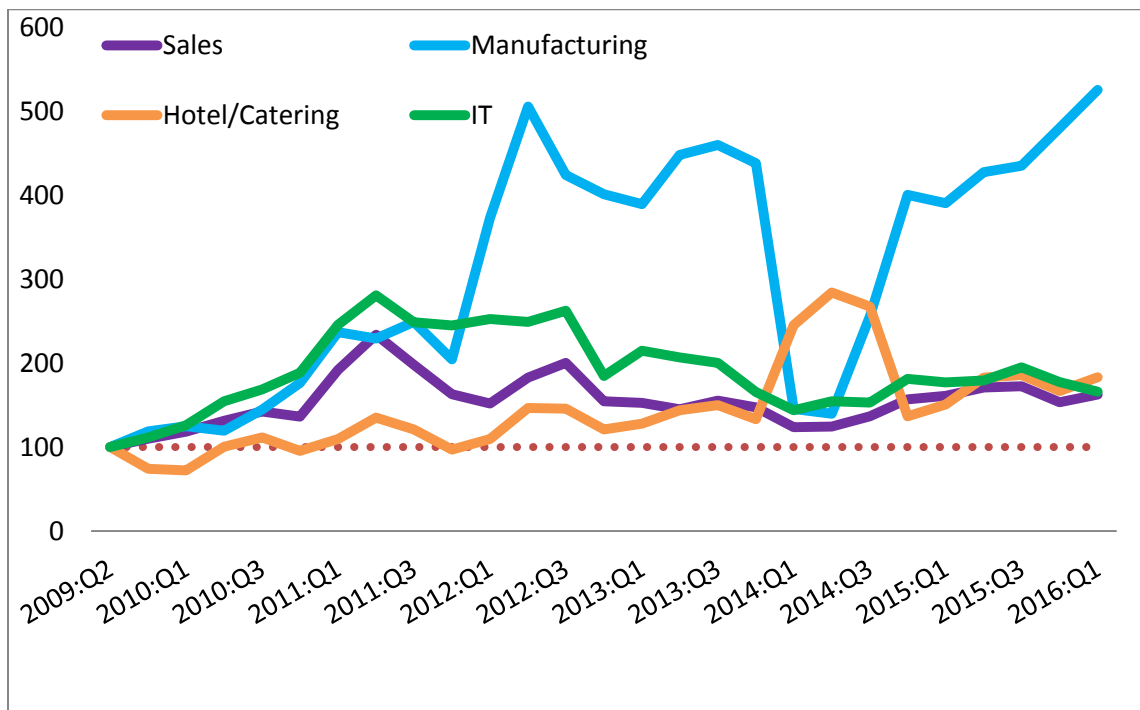
Figure 1: Total Jobs (2009:Q2=100)



Sectors

When viewed in sectoral terms, the resurgence in manufacturing can be seen as key driver of the growth in Irish job vacancies (Figure 2). The year-on-year growth in manufacturing job vacancies of 35% has outpaced that of Hotel and Catering over the last 12 months, (21% year-on-year growth, as it recovers from a dip in late 2014) and Sales (1% year-on-year growth). IT, however, has experienced a fall of 6% in terms of the year-on-year growth of vacancies in this sector. This fall can be seen to be consistent with the level of fluctuation in IT vacancies since 2014: Q1.

Figure 2: Sectoral Growth (2009:Q2=100)



The sectoral trends illustrated in Figure 2 are explored further in Table 1. Three clear trends can be gleaned from Table 1.

Comparing the level of the sectoral indices in 2016:Q1 to the benchmark index quarter (2009: Q2 =100) gives an indication of the breadth of the recovery. The strongest vacancy index changes can be seen in HR and Recruitment (+471%); Production, Manufacturing, and Materials (+425%); Construction, Architecture and Property (+333%); Transport, Warehousing and Motors (+309%); Banking, Financial Services and Insurance (+247%); and Tourism, Travel, and Airlines (+224%). Notable vacancy index declines since 2009:Q2 are evident in Publishing, Media, and Creative Arts (-38%); Education, Childcare, and Training (-33%); and Telecoms (-28%).

The largest annual increases have been experienced in Medical Professionals and Healthcare (+50%); HR and Recruitment (+43%); Engineering and Utilities (+41%); Science, Pharmaceuticals and Food (+40%);

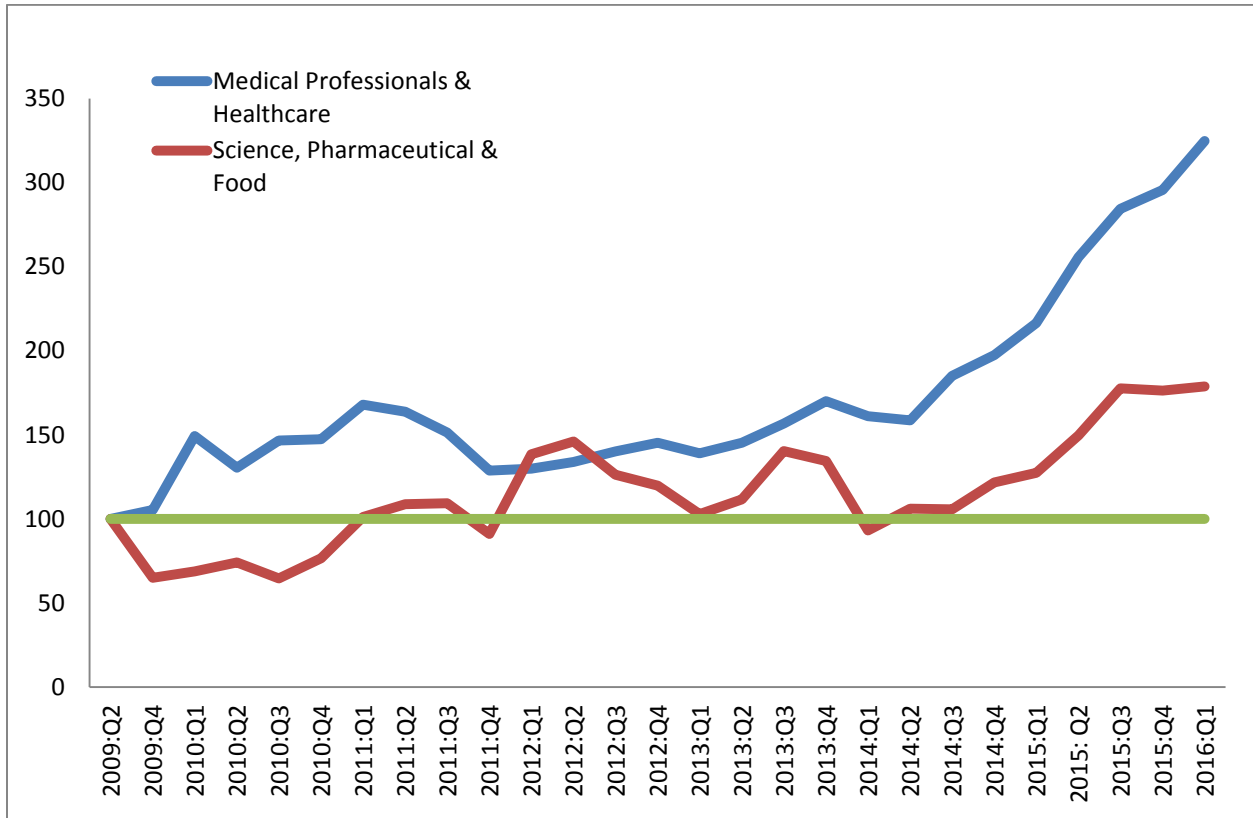
and Security, Trades, and General Services (+40 points). The largest annual declines in the index can be seen in Education, Childcare, and Training (-13%) and Marketing (-11%).

Quarterly changes, of course, include greater fluctuation. Notable positive movements from 2015:Q4 to 2016:Q1 include HR and Recruitment (+27%) and Engineering and Utilities (+22%), while the largest negative movers were Publishing, Media, and Creative Arts (-33%); Marketing (-16%); and Legal (-14%).

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

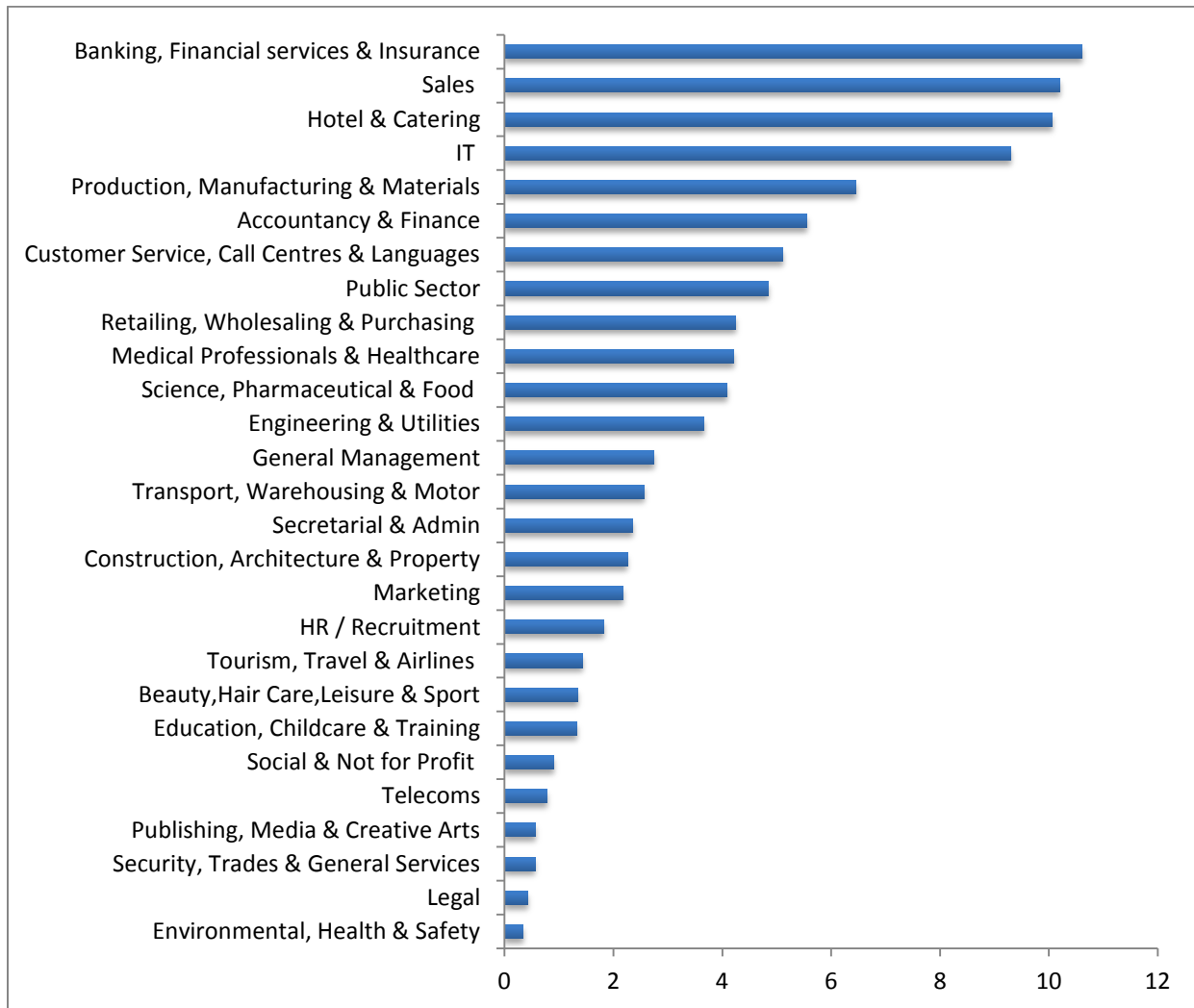
Sector	Index change (%)	Annual change (%)	Quarterly change (%)
Accountancy & Finance	175	8	-1
Banking, Financial services & Insurance	247	13	1
Beauty, Hair Care, Leisure & Sport	-20	7	-4
Construction, Architecture & Property	333	27	13
Customer Service, Call Centres & Languages	27	5	1
Education, Childcare & Training	-33	-13	-10
Engineering & Utilities	109	41	22
Environmental, Health & Safety	189	18	17
General Management	7	-6	0
Hotel & Catering	83	21	10
HR / Recruitment	471	43	27
IT	66	-6	-6
Legal	129	0	-14
Marketing	8	-11	-16
Medical Professionals & Healthcare	225	50	10
Production, Manufacturing & Materials	425	35	9
Public Sector	61	15	-9
Publishing, Media & Creative Arts	-38	5	-33
Retailing, Wholesaling & Purchasing	13	27	-12
Sales	62	1	6
Science, Pharmaceutical & Food	79	40	1
Secretarial & Admin	151	24	-2
Security, Trades & General Services	-11	40	11
Social & Not for Profit	119	21	-8
Telecoms	-28	-6	5
Tourism, Travel & Airlines	224	7	7
Transport, Warehousing & Motors	309	28	-2

Figure 3: Changes in High-Value Added Sectors



In keeping with 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 vacancy rates. Job advertisements have increased strongly in Medical Professionals and Healthcare throughout 2015 and into 2016 (50% year-on-year growth; 10% quarter-on quarter growth). Science, Pharmaceutical and Food job advertisements also surged in the first three of quarters of 2015 but have subsequently reached a plateau in 2015: Q4 and 2016:Q1 (40% year-on-year growth; 1% quarter-on quarter growth).

Figure 4: Job availability as % of total jobs in Q1 2016



Across the economy as whole, it can be seen from Figure 4 that the largest proportions of job vacancies reside in Banking, Financial Services, and Insurances (11%); Sales (10%), Hotels and Catering (10%) and IT (9%).

Location

Table 2: Percentage changes in job vacancies by location

	YoY (%)	Quarterly change (%)*
Carlow	40	11
Cavan	33	-3
Clare	6	15
Cork	-10	-4
Donegal	-14	-32
Dublin	11	0
Galway	4	-1
Kerry	-17	0
Kildare	2	4
Kilkenny	50	25
Laois	-2	-4
Leitrim	62	36
Limerick	-1	4
Longford	21	6
Louth	-16	-1
Mayo	-12	-3
Meath	13	8
Monaghan	38	0
Offaly	5	-7
Roscommon	5	-5
Sligo	0	9
Tipperary	6	17
Waterford	21	19
Westmeath	-4	8
Wexford	31	33
Wicklow	17	20

**Quarterly data refers to 2015:Q3-2016:Q1; location data unavailable for 2015:Q4*

Looking at year-on-year and quarter-on-quarter job vacancy gains by location, a mixed picture emerges. Highest quarter-on-quarter increases are evident in Leitrim (+36%), Wexford (+33%), Kilkenny (+25%), and Wicklow (+20%). On the other hand, the largest percentage fall was experienced in Donegal (-32%). The year-on-year figures are arguably more suitable for identifying trends in regional distribution. Highest year-on-year increases are evident in Leitrim (+62%), Kilkenny (+50%), Carlow (+40%), Monaghan (+38%), Cavan (+33%), and Wexford (+31%). The largest falls are experienced in Kerry (-17%), Louth (-16%), Donegal (-14%) and Mayo (-12%). This regional spread to some extent parallels the long-

established spatial imbalance in the Irish economy, with the most peripheral counties underperforming. However, some traditionally lagging counties are experiencing the highest annual growth rates.

For the first time, the Jobs Report includes an insight into the relative importance of the number of vacancies for 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 Q1 2016 are mapped in Figure 5. Highest vacancy rates are recorded in Dublin (4.50) and Limerick (3.84). This compares to substantially lower rates in Cavan (1.11) and Monaghan (1.20). This indicates a scarcity of vacancies in these counties. Overall we find very low rates in some of the traditionally economically lagging counties – the border counties of Monaghan, Cavan and Donegal; the western peripheral counties Mayo and Kerry; and the Midlands counties Offaly and Laois. At the same time, 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. 16 of the 26 counties experienced an improvement in their vacancy rate with the greatest percentage increases recorded in Leitrim (+58% and Kilkenny (+47%). Dublin also improved its vacancy rate. The largest percentage falls in the rate were recorded in Kerry, Louth and Donegal and Mayo, suggesting a divergence between the opportunities arising in Dublin and the traditionally lagging counties of the country.

Figure 5: Vacancies per '000 in employment

Jobs Vacancies by County

Vacancies per
'000 in Employment
Q1-2016

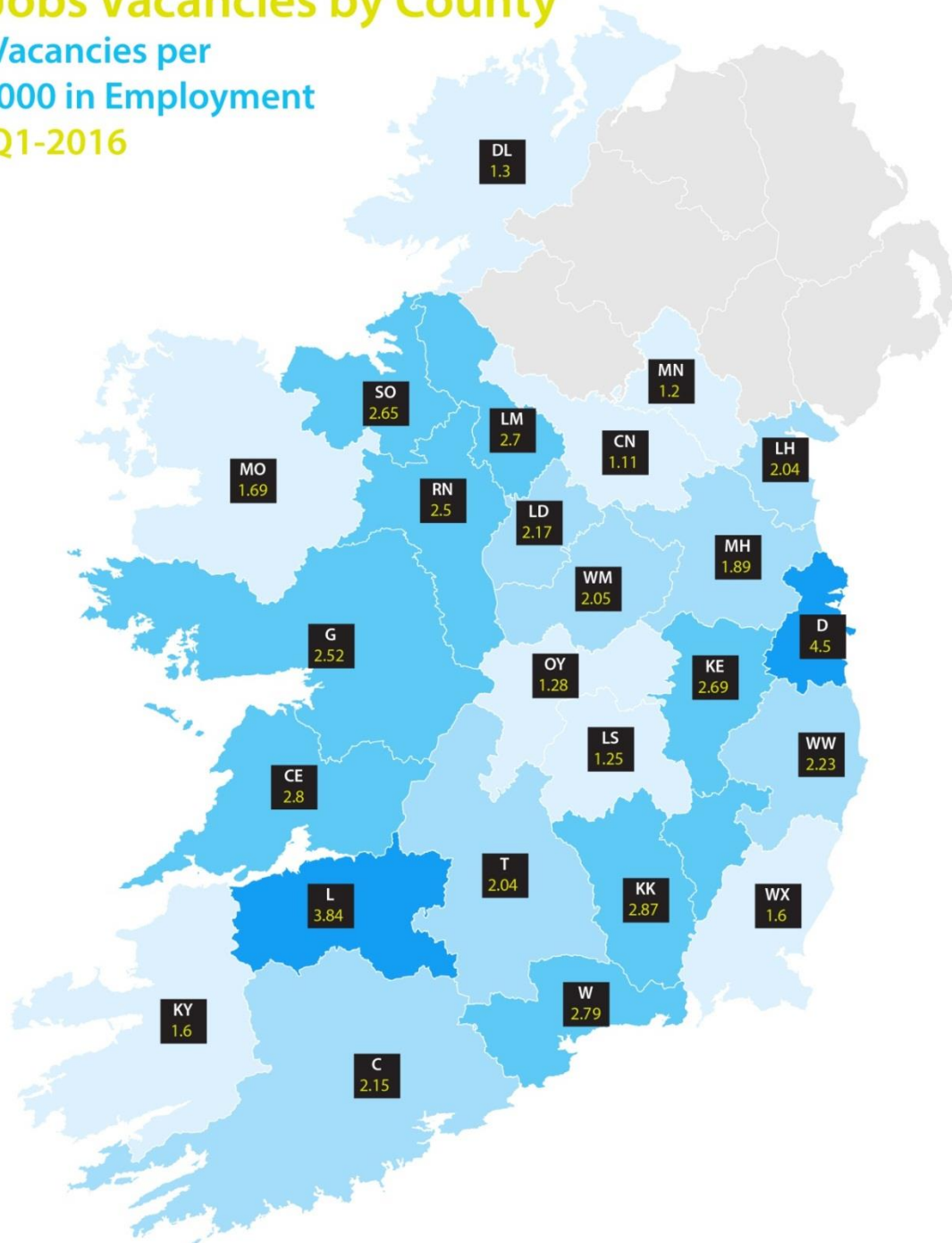
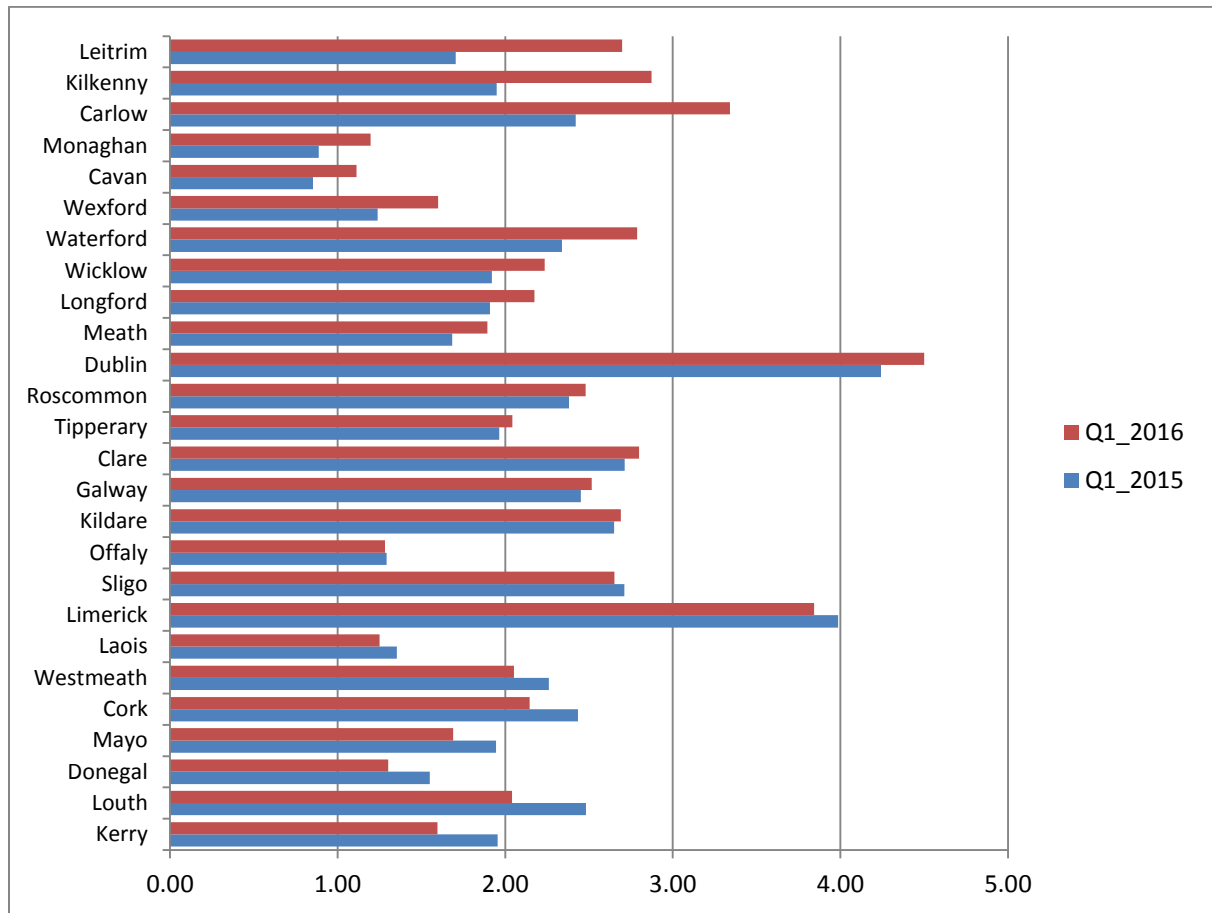


Figure 6: Vacancy Rate by County



Conclusion

The rate of job vacancies being created in the Irish economy in 2016: Q1 suggests a continuation of the forward momentum experienced throughout 2015. Sectorally, recent job vacancies extend beyond manufacturing into construction, engineering, and business support services such as recruitment and HR. In terms of location, highest year-on-year increases in vacancies are evident in Leitrim and Kilkenny while the largest falls are recorded in a number of traditionally underperforming, geographically peripheral, counties. Dublin records the highest vacancy-to-employment rate and this rate has risen year-on-year.

A Note on the data

The report looks at all corporate jobs advertised on IrishJobs.ie and Jobs.ie from 01/01/16 to 31/03/15

Methodology: 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)