



JOB INDEX Q3 2017

IRISHJOBS.IE
CREATE OPPORTUNITY



The IrishJobs.ie Jobs Index for Q3 2017 shows robustness in the jobs market and the wider economy.

Broadly speaking, Ireland is in a strong position. Continuing an upward trend, we look set to enjoy another year of growth (+4% in 2018), fuelled by high employment, and strong retail sales and personal consumption.

The Jobs Index shows a modest increase in the number of jobs vacancies, up 3% on the previous quarter. Hotels and catering, IT, and productions, manufacturing and materials are among the top performers. The success of high-skill, high-value STEM industries are a litmus test for an advanced economy, and here, too, Ireland performs well: our science and medical industries have increased their hiring by 15% and 6% respectively year-on-year.

The capital enjoys the lion's share of job creation and investment, but urban centres like Cork, and in particular Limerick, are proving highly popular as alternative locations for new business growth. Limerick jobs vacancies grew by 22% on Q2 2017 and by 43% year-on-year.

However positive these results are, a number of challenges threaten the continued long-term growth and prosperity of the Irish economy. While some counties have bucked the trend, rural Ireland in general lags behind. In the

Midlands and the South-East, unemployment rates are the highest in the country. Outside of Ireland's big three urban centres—Dublin, Cork and Limerick—investment in infrastructure remains a low priority.

The spectre of Brexit, too, looms large, though the plodding pace of UK-EU negotiations may have lulled businesses and government into a false sense of security. While London and Brussels could still work out a deal that is amenable to Ireland, it is impossible to accurately predict what the outcome will be. Businesses must be prepared for all of them. If the UK crashes out of the EU without a deal, Ireland will bear the brunt of the damage. A hard Brexit implies tariffs, taxes, border checks, supply chain disruption and myriad other changes – all of which threaten economic growth in Ireland and, ultimately, job creation. In other words, many Irish employers are understandably cautious of committing to new recruitment until the macro-landscape becomes a little clearer.

If Ireland can court some of the UK-based multinationals planning to leave the country after Brexit, we could benefit from an influx of new highly skilled jobs in tech and finance. Of course, this process will take time, and there will be no overnight successes. Furthermore, at this relatively early stage, it remains very unclear how many of these multinationals will actually relocate from London and how many are merely hedging their bets on a softer post-Brexit landing for their respective industries.

Despite these impending external factors, Ireland has plenty to be proud of. Unemployment is generally low and job creation is steady, spread out across sectors. To ensure this continues, industry and government must continue to work together to bring investment to rural parts of the country and mitigate as much of the Brexit risk as possible.


Orla Moran
General Manager, IrishJobs.ie



JOB VACANCIES

UP BY **3%**▲ QUARTER ON QUARTER

0.4%▲ YEAR ON YEAR



IRELAND'S STEM INDUSTRIES ARE ON AN UPWARDS▲ TRAJECTORY:

SCIENCE PHARMACEUTICAL AND FOOD JOB VACANCIES	MEDICAL PROFESSIONALS AND HEALTHCARE JOB VACANCIES
▲ 2% ON THE PREVIOUS QUARTER	▲ 6% YEAR ON YEAR
	▲ 2% ON THE PREVIOUS QUARTER



HOTEL & CATERING

HAD THE LARGEST SHARE OF JOB VACANCIES IN Q3 2017 **14%**




BANKING, FINANCIAL & INSURANCE

10% AND SALES **9%**


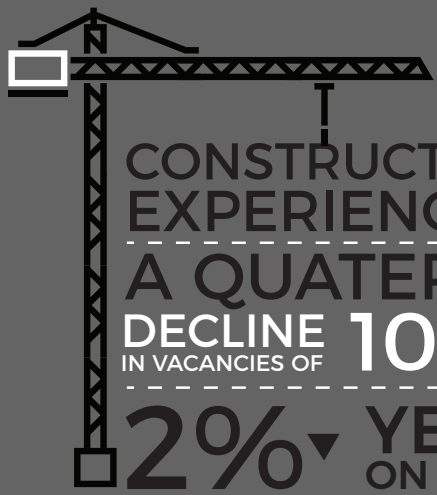
ALSO RECORDED A LARGE SHARE OF VACANCIES

COMPARED TO THE PREVIOUS QUARTER

CAVAN EXPERIENCED THE BIGGEST DECREASE IN VACANCY RATES **46%**▼



LIMERICK'S GROWTH CONTINUES: THERE WAS A **22%**▲ INCREASE IN VACANCIES ON THE PREVIOUS QUARTER AND A ... **43%**▲ INCREASE ON THE SAME PERIOD LAST YEAR





CONSTRUCTION EXPERIENCED A QUARTERLY DECLINE IN VACANCIES OF **10%**▼

2%▼ YEAR ON YEAR

COMPARED TO THE PREVIOUS QUARTER

LEITRIM EXPERIENCED THE BIGGEST INCREASE **67%**▲



LIMERICK ALSO HAS THE HIGHEST VACANCY RATE **6** WITH VACANCIES PER 1000 UNEMPLOYED PEOPLE



A HEALTHY ECONOMY

The Autumn ESRI Quarterly Economic Commentary forecasts that Ireland’s economic growth will continue to increase at a significant rate in 2017. Based on the strong performance of the Irish labour market and domestic consumption, GDP is forecasted to grow by 5.0% in 2017 and 4.0% in 2018. On an annualised basis, personal consumption increased by 1.3% in Q2 2017. Retail sales are up 2% year-on-year.

The Irish labour market continues to perform very strongly. The number of people in employment is up 2.4% on Q2 2016 and is forecasted to increase in 2018 (+2.3%). The CSO Quarterly National Household Survey for Q2 2017 records employment increases in eleven of the fourteen economic sectors over the year. The largest rates of increase were recorded in the **information and communication** (+9.3%) and **construction** (+7.7%) sectors. The largest rate of decrease was recorded in **agriculture, forestry and fishing** (-5.4%).

The unemployment rate continues to fall, reaching 6.3% in August 2017, down from 7.9% in August 2016. The occupational group with the largest number of unemployed people is the **construction-related craft sector**. However, this sector also registered the largest decrease over the past year (-18%). In Q2 2017 the unemployment rate was lowest in the **Mid-East** region (the Dublin commuter belt) and highest in the **Midlands** (+8.3%) and **South-East** (+8.1%).

According to the ESRI, pressures are beginning to appear in the labour market where average earnings are growing. On an annual basis, average hourly earnings increased by 0.7% in Q2 2017. Wage growth is particularly strong in the construction sector, the wholesale and retail sector, and the accommodation and food services sector.

JOBS VACANCIES UP BY 3% ON Q2 2017

IrishJobs.ie data for Q3 2017 reveal a 3% quarterly increase in total job vacancies, with year-on-year job vacancies up 0.4% from Q3 2016. The 3% quarterly increase maintains the upward trajectory over the course of 2017, subsequent to a quarterly dip from year end 2016 into the first quarter of 2017.

The year-on-year job vacancy increase (+0.4%) for Q3 2017 is somewhat muted relative to the very strong growth experienced in the same quarter of 2016. A breakdown of year-on-year and quarterly index changes by sector is provided in Table 1.

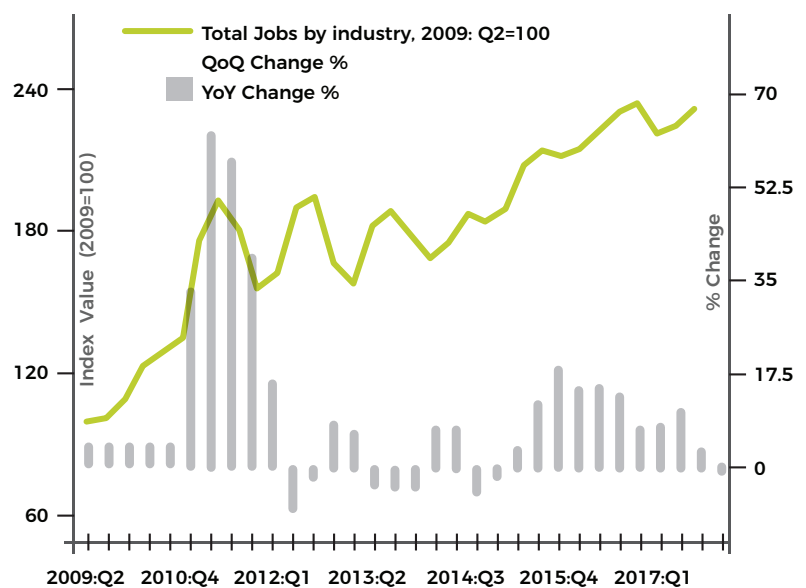


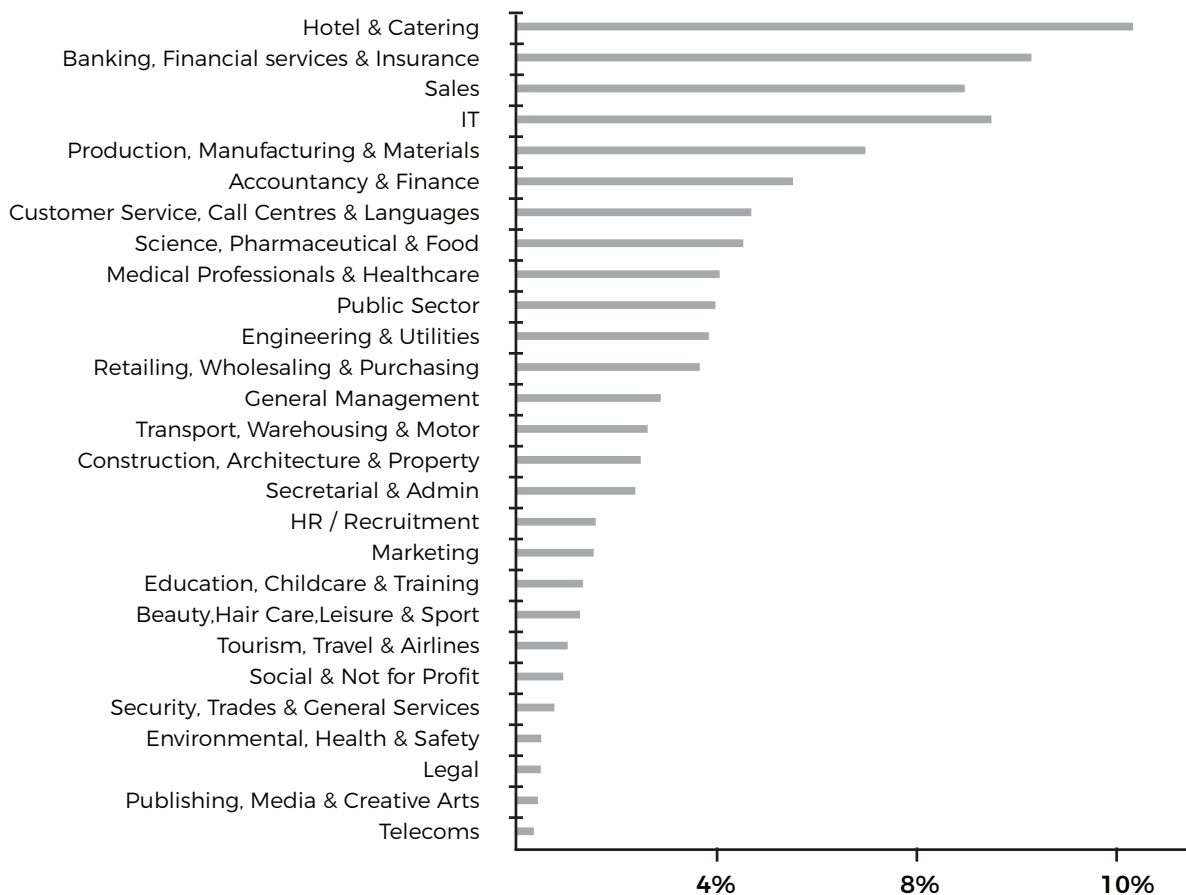
Figure 1: Total job vacancies (Q2 2009=100)

JOBS VACANCIES BY SECTOR

Figure 2 (below) provides a snapshot of the sectors which have generated the largest share of job vacancies in Q3 2017. The largest five are **hotel and catering** (14%); **banking, financial services and insurance** (10%); **sales** (9%); **IT** (8%); and **production, manufacturing and materials** (7%). The performance of these sectors (illustrated in Figure 3) in Q3 2017 is in keeping with previous quarters.

In year-on-year terms, **hotel and catering** has enjoyed an increase of 26%, while **manufacturing** has increased by 8%. As documented in previous IrishJobs.ie Jobs Indexes, these two sectors have been seen to drive the strong vacancies trajectory throughout 2016 and 2017. Both of these sectors also post a quarterly increase in vacancy growth for Q3 2017 (8% and 3% respectively). Both the **sales** and the **banking, financial services and insurance** sectors posted modest gains for the quarter (3% and 1%, respectively). The **IT** sector, which has been contracting in terms of job vacancy generation throughout most of 2016 and into 2017, posted a year-on-year decrease of 3% and a quarterly decrease of 3%.

Figure 2: Job availability as % of total jobs in Q3 2017



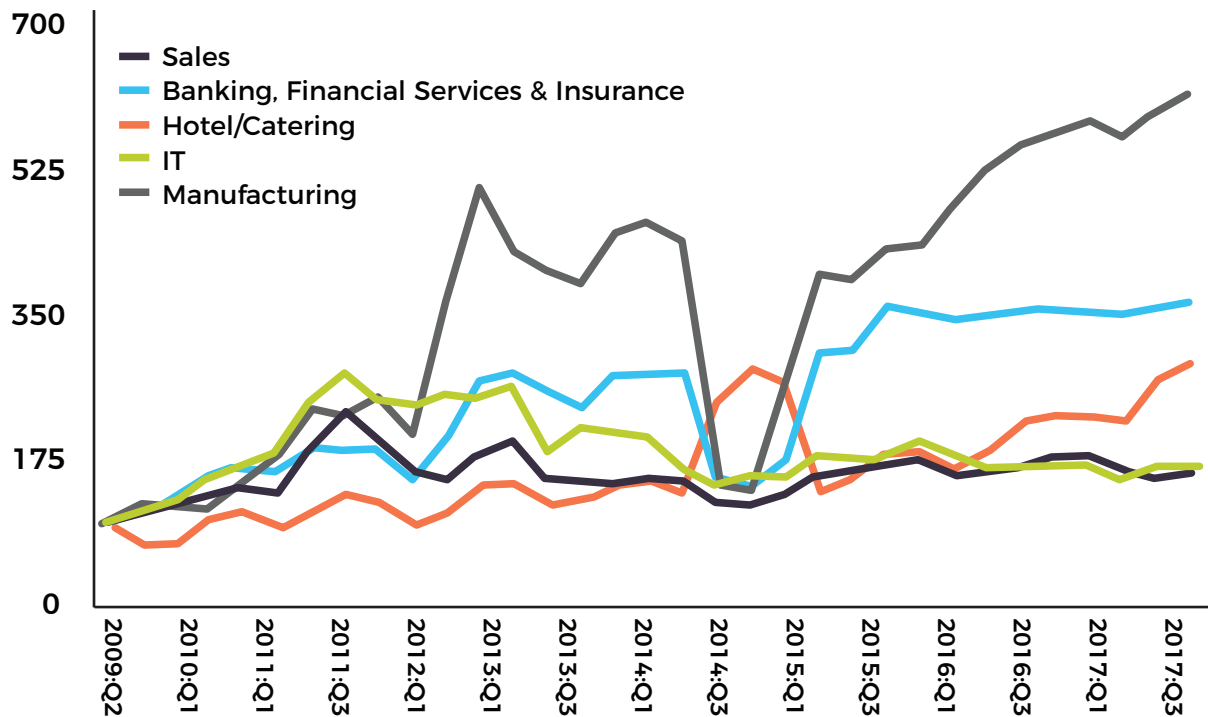


Figure 3: Vacancy indices of five largest sectors (Q2 2009=100)

Further detail regarding the year-on-year and quarterly sectoral trends illustrated in Figures 2 and 3 are presented in Table 1 (below). A number of distinct trends are apparent.

The largest year-on-year increases have been experienced in **environmental, health and safety** (+60%), **hotels and catering** (+26%); **security, trades and general services** (+37%); and **accountancy and finance** (+10%).

The largest year-on-year declines in the index can be seen in **telecoms** (-40%); **publishing, media and creative arts** (-36%); **marketing** (-32%); and **beauty, haircare, leisure and sport** (-26%).

The largest quarterly vacancy increases are evident in **environmental, health and safety** (+29%); **social and not-for-profit** (+16%); **retail, wholesaling and purchasing** (+15%); **medical professionals and healthcare** (+11%); and **secretarial and admin** (+11%).

Notable quarterly decreases in vacancy rates are evident in **beauty, haircare, leisure and sport** (-17%); **publishing, media and creative arts** (-16%); **construction, architecture and property** (-10%); and **transporting, warehousing and motors** (-6%).

JOBS INDEX | JOBS VACANCIES BY SECTOR

Sector	Index	Annual	Quarterly
Accountancy and finance	198	10	1
Banking, financial services and insurance	264	3	1
Beauty, haircare, leisure and sport	-19	-26	-17
Construction, architecture and property	407	-2	-10
Customer service, call centres and languages	25	-3	8
Education, childcare and training	-25	3	-3
Engineering and utilities	137	6	8
Environmental, health and safety	344	60	29
General management	20	-4	9
Hotel and catering	188	26	8
HR/recruitment	421	1	9
IT	63	-3	-3
Legal	160	-2	4
Marketing	-19	-32	-4
Medical professionals and healthcare	241	6	11
Production, manufacturing and materials	515	8	3
Public sector	42	-22	6
Publishing, media and creative arts	-50	-36	-16
Retailing, wholesaling and purchasing	4	-6	15
Sales	54	-13	1
Science, pharmaceutical and food	114	15	2
Secretarial and admin	179	-1	11
Security, trades and general services	37	37	6
Social and not-for-profit	132	-3	16
Telecoms	-63	-40	7
Tourism, travel and airlines	152	-19	0
Transport, warehousing and motors	348	-5	-6

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

As per our previous IrishJobs.ie Jobs Index, we present the vacancy rates of two high-skill, high value-added sectors (**medical professionals and healthcare; and science, pharmaceutical and food**) as useful barometers of the Irish employment outlook.

From Q3 2016 to Q3 2017, job vacancies have increased strongly in **science, pharmaceutical and food** (+15% year-on-year). Over the same period job vacancies in the **medical professionals and healthcare** sector have recorded a 6% increase. On the back of strong job creation in 2014 and 2015, the **medical professionals and healthcare** sector has displayed some volatility across 2016 and into 2017 in terms of generating job vacancies. The **science, pharmaceutical and food** sector has exhibited a much more stable vacancy growth trajectory since early 2015.

Quarterly figures present a similar trend: while the **science, pharmaceutical and food** sector increased its job vacancies by 2% in 2017: Q3, the **medical professionals and healthcare** sector experienced an increase of 11% in job vacancy creation for the same quarter. Taken as a whole, our barometer of the Irish employment outlook gives reason for cautious optimism: while both of these high-skill, high value-added sectors have enjoyed an upward trajectory over the last three years, one of them (**medical professionals and healthcare**) has displayed signs of volatility in recent quarters while the other (**science, pharmaceutical and food**) appears to be unperturbed.

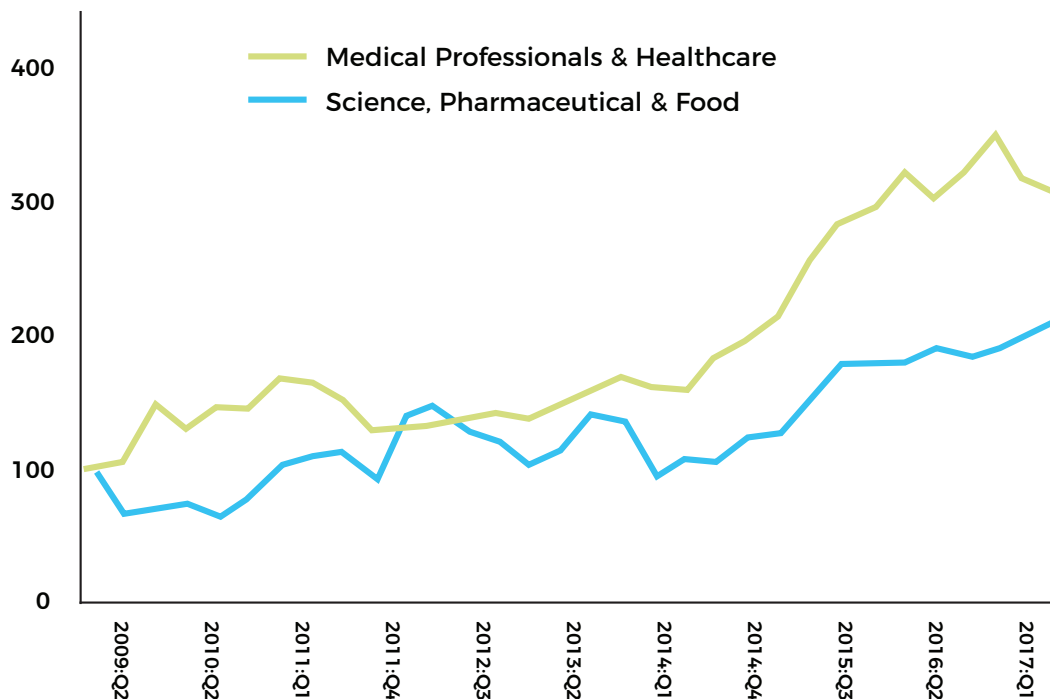


Figure 4: Changes in high-value added sectors

JOBS INDEX | JOBS BY LOCATION



Table 2: Percentage changes in job vacancies by location

Sector	YoY change	Quarterly change
Carlow	0	-4
Cavan	-41	-46
Clare	-7	-16
Cork	1	-1
Donegal	-7	3
Dublin	9	1
Galway	16	3
Kerry	-20	-8
Kildare	6	-13
Kilkenny	-7	-19
Laois	69	50
Leitrim	67	67
Limerick	43	22
Longford	-3	25
Louth	10	2
Mayo	26	10
Meath	12	-11
Monaghan	-20	-11
Offaly	38	0
Roscommon	-5	0
Sligo	8	5
Tipperary	16	-4
Waterford	-8	-17
Westmeath	25	0
Wexford	7	3
Wicklow	5	-13

The quarterly increase in vacancies at the national level reflects a mix of dynamics at county level. The range is substantially larger than the one observed in the previous report—twelve counties experienced a fall in vacancies over Q2.

The strongest quarter-on-quarter vacancy decreases are recorded in **Cavan** (-46%) and **Kilkenny** (-19%). The most substantial gain this quarter is recorded in **Leitrim** (67%). Other counties experiencing substantial increases in vacancies included **Laois** (50%), **Longford** (25%) and **Limerick** (22%). This is the second quarter in a row that Limerick has recorded a strong gain.

The year-on-year figures also present a mixed picture. Nine counties recorded a fall in vacancies, with the strongest decreases recorded in **Cavan** (-41%), **Kerry** (-20%) and **Monaghan** (-20%). We also observe strong positive performances. The highest year-on-year increases are recorded in **Laois** (69%) and **Leitrim** (67%). Other counties recording strong year-on-year growth in vacancies include **Limerick** (43%) and **Offaly** (38%).

THE VACANCY RATE

This IrishJobs.ie Jobs Index 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 the ‘Notes and methodology’ section). The results for Q3 2017 are mapped in Figure 5.

The highest vacancy rates are recorded in **Limerick** (6.0), **Leitrim** (5.9) and **Dublin** (5.0). Compared to the second quarter, Leitrim has made the strongest gain in vacancy rates. This compares to substantially lower rates in traditionally economically peripheral counties such as **Cavan** (0.8), **Monaghan** (1.3) and **Kerry** (1.5). All three counties experienced a quarter-on-quarter fall in the vacancy rate.

Figure 6 presents the year-on-year changes in the vacancy rates. Fifteen counties have experienced an improvement in their vacancy-to-employment rate, with the greatest percentage increase recorded in **Leitrim** (+72%), **Laois** (+60%) and **Limerick** (+23%). **Cavan** (-42%), **Kerry** (-25%) and **Longford** (-21%) have the greatest year-on-year fall in their vacancy rate.

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.

First, 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, and probably less commonly, high vacancies may coincide with low unemployment rates. This could be suggestive of a tight labour market, which may 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 different situations. 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, involving a combination of high vacancy rates, low unemployment, and the concomitant emergence of wage inflation. In contrast, the high and rising 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. Finally, Cavan’s low and falling vacancy rate, in combination with a relatively high unemployment rate are suggestive of a region vulnerable to economic crisis (situation 1).

¹The Q3 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.

Job Vacancies by County

Number of Vacancies per 1,000 employed persons (Q3-2017)

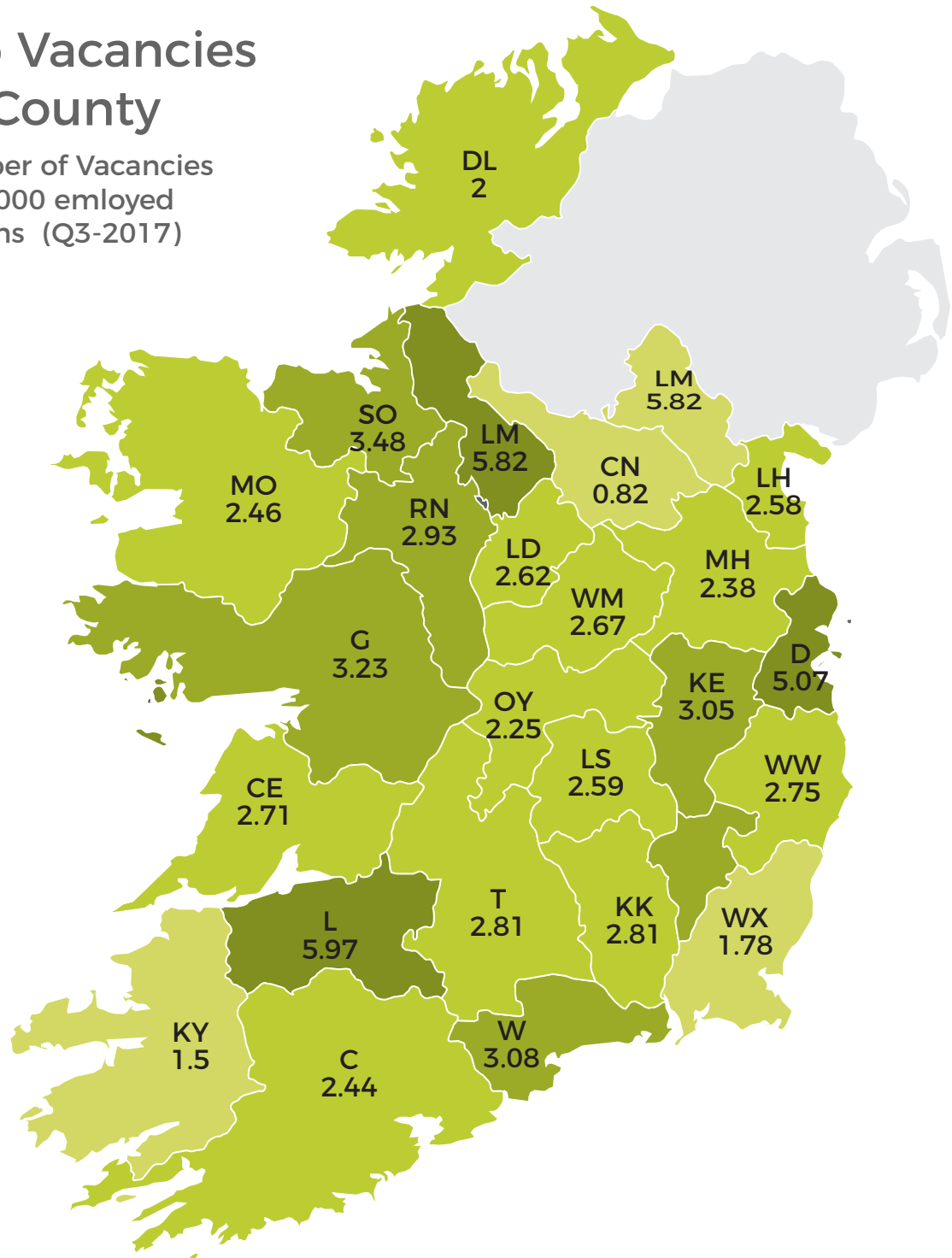
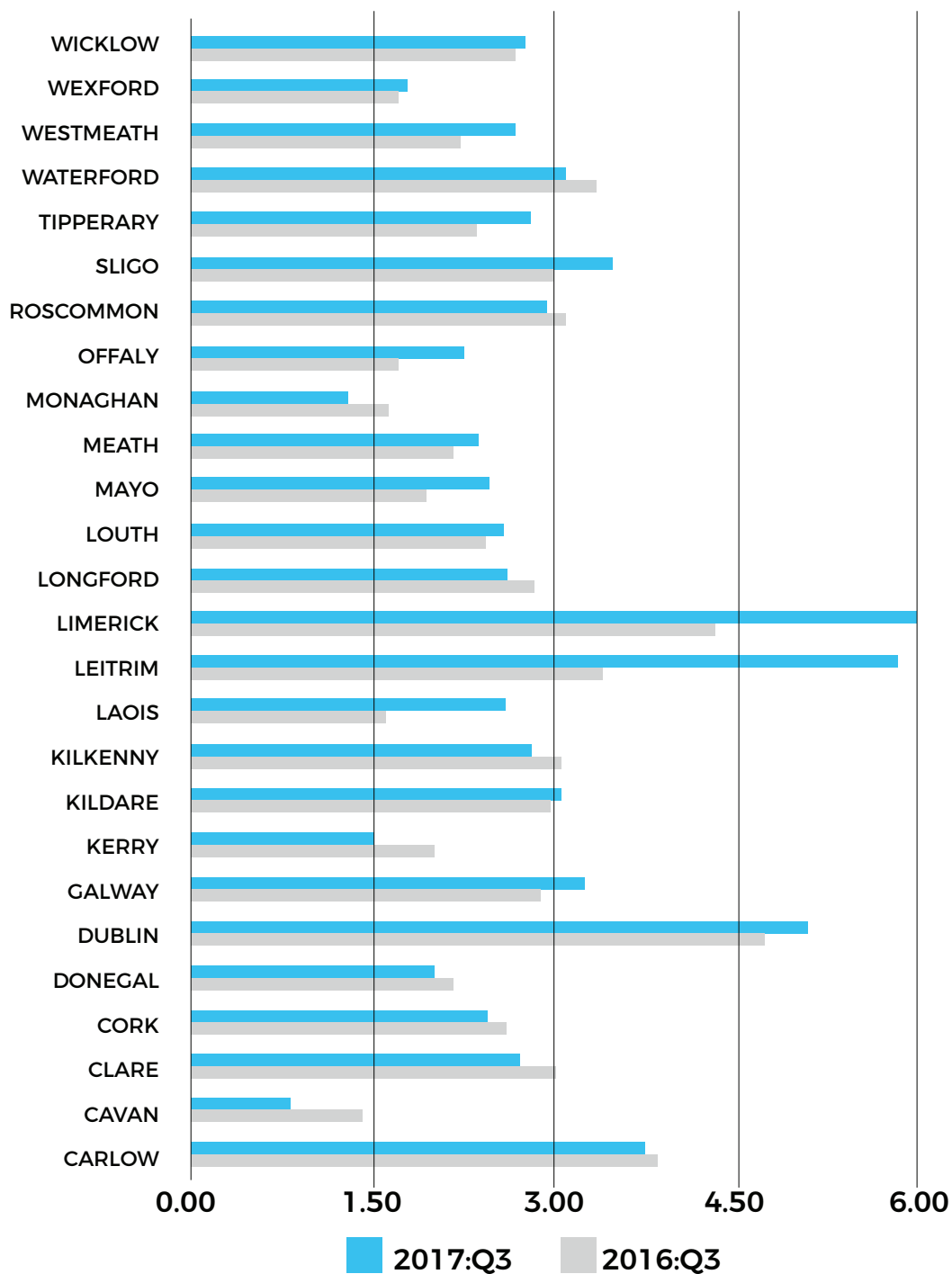


Figure 5: Vacancies per '000 in employment

Figure 6: Vacancy Rate by County





The IrishJobs.ie Jobs Index for Q3 2017 points to a continuation of the upward trajectory in vacancy creation experienced in the first half of 2017, with the IrishJobs.ie Jobs Index increasing by 3% from Q2 2017.

The broad reach of this vacancy creation has also been sustained from the previous quarter, with strong vacancy growth being experienced across sectors such as: environmental, health, and safety; social and not-for-profit; retail, wholesaling, and purchasing; medical professionals and healthcare; and secretarial and admin.

While 2017 year-on-year vacancy growth rates are relatively lower than those observed across 2016, strong year-on-year increases are evident in sectors such as: environmental, health, and safety; hotels and catering; security, trades, and general services; and accountancy and finance.

In terms of location, the quarterly increase in vacancies at the national level reflects a mix of dynamics at county level. The year-on-year figures range from +67% for Leitrim to -46% for Cavan. Limerick is now recording the highest vacancy rate (vacancies per 1000 employed), while Cavan is recording the lowest vacancy rate.

