

IRISHJOBS.IE

# Jobs Index Q3 2020





2020 has proven to be an extremely challenging and uncertain year for Irish business. Despite this continued underlying business uncertainty, the employment market continues to demonstrate its resilience, particularly since restrictions first began to lift in the summer months.

According to our latest Jobs Index, the employment market experienced a 56 per cent increase in jobs vacancies for the period of July to September.

However, this doesn't tell the full story. Our data also points to a clear divergence between sectors dominated by large multinationals and those consisting of smaller indigenous SMEs. Last week's cautious ESRI quarterly update further bears this out.

Industries including hospitality and tourism businesses continue to fight to remain viable and grapple with planning for very uncertain short and long-term futures. Meanwhile, other high value export-led industries including IT, health, pharmaceuticals and engineering have all experienced compelling year-on-year and quarter-on-quarter growth.

On Tuesday, we will see the Government publish details of its 2021 Budget. The Budget is expected to build on the strategic goals of the July Stimulus Plan and prioritise job creation and job retention across the board. It is hoped that it will get Ireland back on the path to having 'safe' national finances again. It is important that the Government recognises the very real challenge facing many indigenous businesses across Ireland and acts swiftly in bringing in new supports that can enable SMEs meet the unenviable task of planning for an uncertain future.

*Orla Moran*

*General Manager, IrishJobs.ie*

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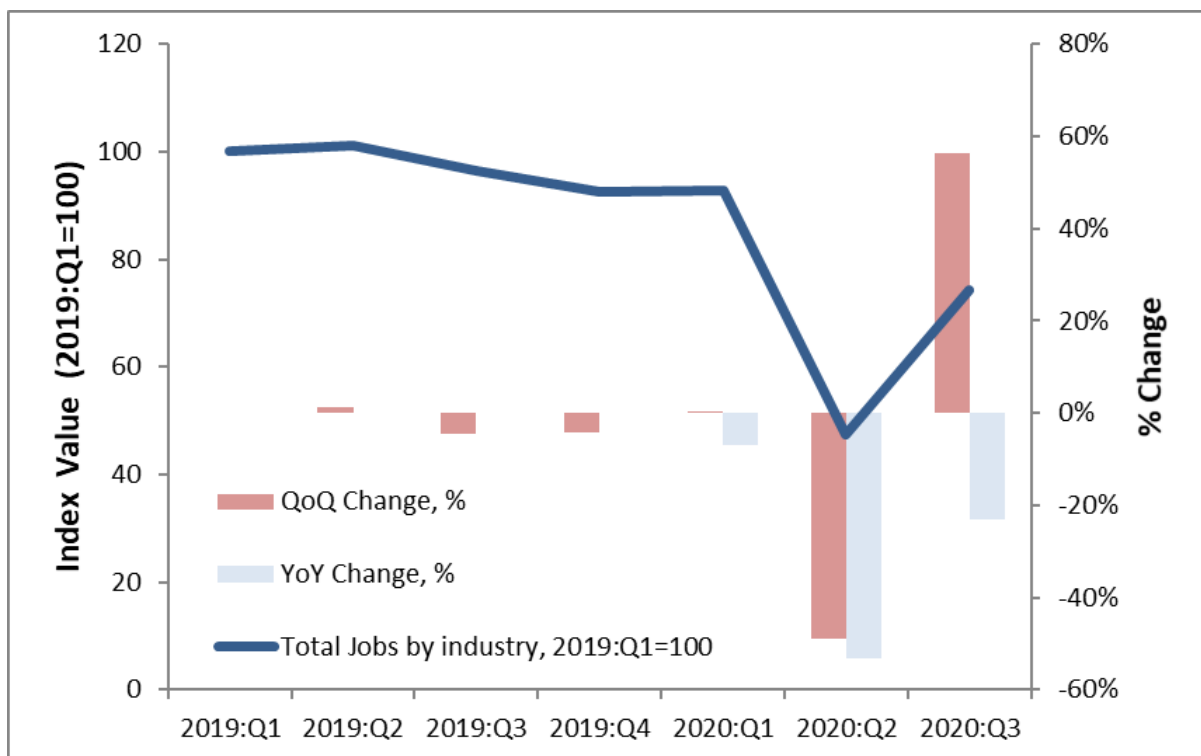
## - HEADLINES -

- Job vacancies experience a 56% quarterly increase in 2020:Q3.
- Job vacancies down 23% in year-on-year terms.
- Most resilient sectors have been Medical Professionals & Healthcare; Pharmaceutical & Food; IT, Construction, Architecture & Property; and Engineering & Utilities sector. These sectors have posted both year-on-year growth and quarterly growth in job vacancy creation.
- A further set of sectors have experienced relatively small declines in year-on-year terms and have enjoyed strong 2020:Q3 growth: Marketing; Retailing, Wholesaling & Purchasing; Education, Childcare & Training; Security, Trades & General Services; Production, Manufacturing & Materials Services; and Environmental, Health & Safety Services.
- A number of sectors endured substantial decreases in year-on-year terms but enjoyed strong rebounds in 2020:Q3: Hotel & Catering; Tourism, Travel & Airlines; Beauty, Hair Care, Leisure & Sport sector, as well as range of business support services.
- A small set of sectors experienced both year-on-year and quarterly decreases: Publishing, Media & Creative Arts; and Executive and Senior Appointments
- Working from home job vacancies began to rise strongly in 2020:Q2 and have continued to rise in 2020: Q3, increasing by 112% for the quarter
- All counties experienced a strong increase in vacancies during the third quarter.

## Job vacancies experience a 56% quarterly increase, but remain 23% below Pre-Covid 2019:Q3 level

Irishjobs.ie data job vacancy advertisements offer a timely indicator of Irish job vacancy generation, through which the impact of the COVID-19 on Irish economic activity can be tracked. In this report, the Irishjobs.ie Jobs Index illustrates the impact of COVID-19 on economic activity in 2020:Q3 in terms of job vacancy generation. While 2020:Q2 saw the Irish economy bear the brunt of the first COVID-19 wave, this Irishjobs.ie report for 2020:Q3 documents the Irish economy's resurgence in the aftermath of that first wave. Irishjobs.ie data for 2020:Q3 reveal a 56% quarterly increase in total job vacancies (see Figure 1, below). However, in year-on-year terms, job vacancies in 2020:Q3 remain 23% below the pre-Covid level posted in 2019:Q3. This 56% quarterly increase in job vacancies generated brings the index to a value of 74 in 2020:Q3, having increased from an index value of 47 in 2020:Q2.

Figure 1: Total Job Vacancies (2019:Q1=100)



By way of context for the current Irishjobs.ie quarterly report, we provide a snapshot of prevailing Irish economic conditions. Since the outbreak of the COVID-19 virus in mid-March, the Irish economy has endured an unprecedented contraction. However, in spite of the ongoing issues due to COVID-19 and the additional contractionary pressures in relation to Brexit, the latest ESRI Autumn Quarterly Economic Commentary is more upbeat than three months ago. The ESRI projects that GDP will only decline by 1.8 per cent in 2020. This is mainly due to the resilience of the export sector. Output and exports of the mainly foreign-owned medicinal and pharmaceutical sectors continued to expand over the second quarter. However, the fall in household spending has been among the largest in the EU,

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while the fall in output in many domestic sectors such as arts, accommodation, hospitality, construction and finance and insurance, was amongst the highest in Europe.

The impact of the crisis on the Irish labour market has been unprecedented. In September, the unemployment rate was 14.7 per cent. This is up from 4.9 per cent in February but marks a significant decline from a peak of 30.4 per cent in April. The ESRI expects the unemployment rate to be 12.7 per cent in 2020:Q4. According to the Labour Force Survey there were an estimated 2,222,500 people at work in the State in 2020:Q2, down by 77,600 year-on-year. However, the COVID-19 adjusted measure produced by the CSO suggests that in June only 1,783,567 persons were in employment.

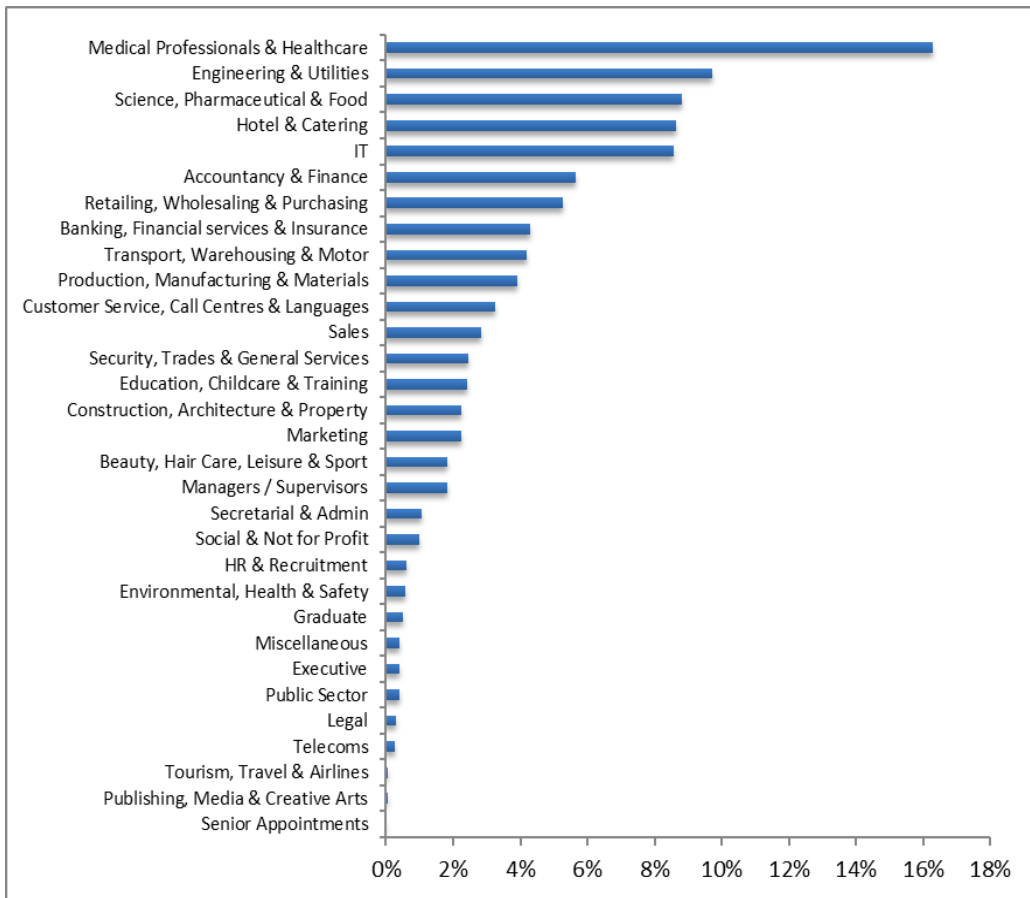
The employment impact of the COVID-19 pandemic has been unequal across sectors. The 'Accommodation and food' (A&F) sector has been one of the most severely impacted by the crisis. In 2020:Q1 there were an estimated 173,900 people working in the sector. By the end of July 145,641, or 84 per cent of 2020:Q1 A&F workers, were claiming Pandemic Unemployment Payment (PUP) or from the Temporary Wage Subsidy Scheme (TWSS). The construction sector was also hit hard. In 2020:Q1, employment stood at 148,600. By the end of July 53,774, or 36% of 2020:Q1 Construction workers, were claiming either PUP or TWSS. These experiences contrast with those of the Information and communication (I&C) sector. In 2020:Q1 the sector employed 128,500. By the end of July only 19,064, or 15% of 2020:Q1 I&C workers, were claiming either PUP or TWSS. The pharmaceutical products sector appears to have actually benefited from the COVID-19 pandemic. CSO Labour Force Survey suggest that employment in the sector rose from 43,400 in 2019:Q4 to 54,600 in 2020:Q2, a 26% increase.

## - SECTORS -

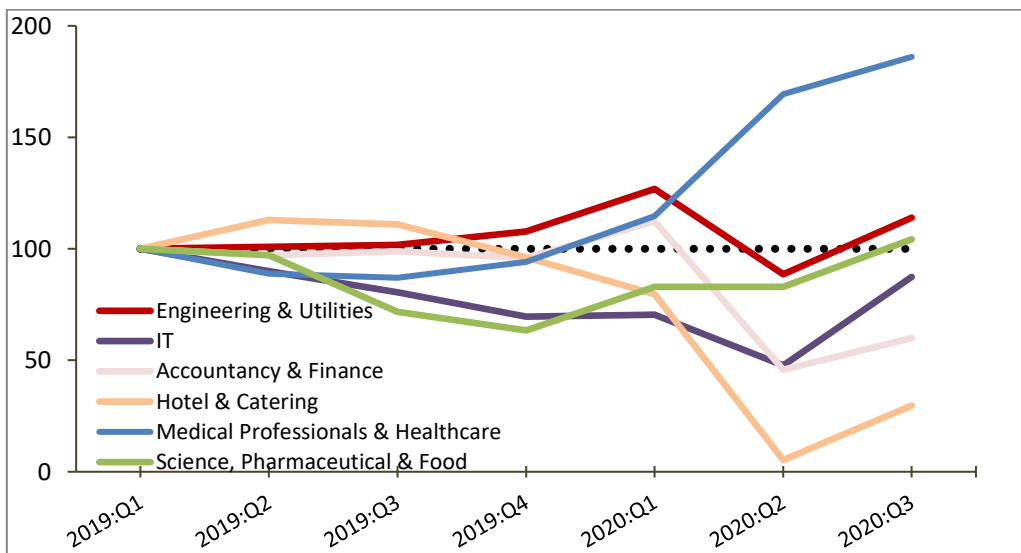
The IrishJobs.ie job vacancy data also offers insights into sectoral trends in job vacancy generation in 2020:Q3. In what follows, the overall index is disaggregated into 31 sectors. Figure 2 (below) provides a snapshot of those sectors that generated the largest share of job vacancies in 2020:Q3. The largest sectors, in terms of proportion of vacancies generated in 2020:Q3 are: Medical Professionals & Healthcare (16%); Engineering & Utilities (10%); Science, Pharmaceutical & Food (9%); Hotel & Catering (9%); IT (9%); and Accountancy & Finance (6%). The trend exhibited by these four sectors over time is illustrated in Figure 3, which tracks the vacancy indices of these sectors from 2019:Q1 to 2020:Q3.

While a more detailed sectoral analysis is presented below, Figure 2 brings to the fore a number of prominent sectoral features, among which the most notable are: the prominence of the Medical Professionals & Healthcare sector in terms of job vacancy generation in the COVID-19 context; the contribution of export-orientated sectors such as Science, Pharmaceutical & Food to 2020:Q3 job vacancy generation; the rebound in job vacancy creation within the Hotel & Catering sector in 2020:Q3, as the sector adapts to the challenges of the COVID-19 environment; and the potential for the IT sector to contribute strongly to job creation as remote working becomes a hallmark of the COVID-19 era. These and other sectoral trends are explored in more detail in Table 1, below

**Figure 2: Job availability as % of total jobs in 2020:Q3**



**Figure 3: Vacancy Indices of largest sectors (2019:Q1=100)**



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As mentioned above, at the sectoral level a number of distinct trends are discernible. These sectoral trends are set out in detail in Table 1 (below), which provides a breakdown of 2020:Q3 job vacancy rates across 31 sectors. In analysing these sectors, a number of sectors stand out as having been particularly resilient in the face of COVID-19. These sectors display increases in job vacancy rates both in year-on-year terms from the pre-COVID level of 2019:Q3 and quarter-on-quarter terms. Apart from Medical Professionals & Healthcare (Y-o-Y: +114%; Q-o-Q: +10%) which has expanded to meet the COVID-19 challenge, the export orientated sector Science, Pharmaceutical & Food (Y-o-Y: +45%; Q-o-Q: +26%) and technology sectors Telecoms (Y-o-Y: +46%; Q-o-Q: +213%) and IT (Y-o-Y: +9 Q-o-Q: +83%) both display such resilience. Similarly, the property-related sector Construction, Architecture & Property (Y-o-Y: +22%; Q-o-Q: +42%) and the Engineering & Utilities sector (Y-o-Y: +12%; Q-o-Q: +29%) have generated additional vacancies when compared to pre-COVID levels.

A further set of sector have enduring a relatively small decrease in job vacancies in year-on-year terms and have enjoyed strong growth in 2020:Q3. Most notable in this group are the Marketing sector (Y-o-Y: -6%; Q-o-Q: +222%) and the Retailing, Wholesaling & Purchasing sector (Y-o-Y: -5%; Q-o-Q: +102%). The re-opening of crèches and childcare facilities in 2020:Q3 can be seen in the vacancy rate of the Education, Childcare & Training (Y-o-Y: -12%; Q-o-Q: +147%), while other sectors to post relatively small declines from Pre-Covid levels and positive growth in 2020: Q3 include: Security, Trades & General Services (Y-o-Y: -11%; Q-o-Q: +108%); Production, Manufacturing & Materials Services (Y-o-Y: -14%; Q-o-Q: +30%); and Environmental, Health & Safety Services (Y-o-Y: -7%; Q-o-Q: +22%).

In contrast a number of sectors endured substantial decreases in year-on-year terms but strong rebounds in 2020:Q3. Chief among these were the Hotel & Catering sector (Y-o-Y: -73%; Q-o-Q: +460%) and the Tourism, Travel & Airlines (Y-o-Y: -90 %; Q-o-Q: +75%), both of which experienced something of a respite from COVID-19 restrictions during 2020:Q3. A range of business support services displayed a similar trend: Accountancy & Finance (Y-o-Y: -39%; Q-o-Q: +31%); Banking, Financial services & Insurance (Y-o-Y: -38; Q-o-Q: +19%); Customer Service, Call Centres & Languages (Y-o-Y: -32 %; Q-o-Q: +32%); HR & Recruitment (Y-o-Y: -68 %; Q-o-Q: +28%); Legal (Y-o-Y: -57 %; Q-o-Q: +51%); Sales (Y-o-Y: -51 %; Q-o-Q: +108%); Secretarial & Admin (Y-o-Y: -62%; Q-o-Q: +177%). A strong 2020:Q3 rebound is also evident in the Beauty, Hair Care, Leisure & Sport sector (Y-o-Y: -34%; Q-o-Q: +419%) and the Transport, Warehousing & Motor vehicles sectors (Y-o-Y: -25%; Q-o-Q: +149%).

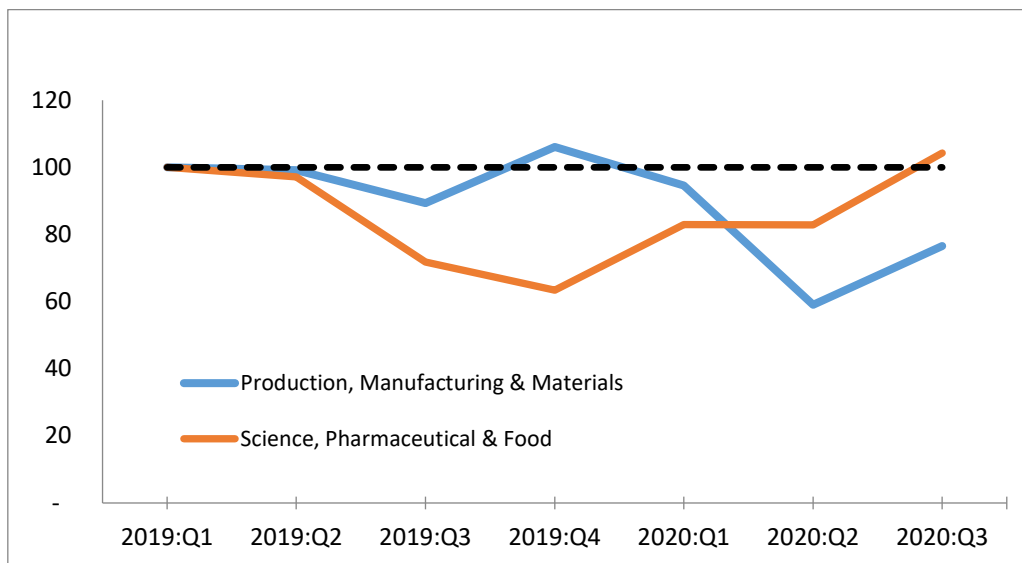
Lastly, there are a small set of sectors which experienced both year-on-year and quarterly decreases. Two instances of this can be seen in managerial appointments: Executive (Y-o-Y: -16%; Q-o-Q: -6%) and Senior Appointments (Y-o-Y: -86%; Q-o-Q: -73%). The Publishing, Media & Creative Arts sector (Y-o-Y: -55%; Q-o-Q: -4%) has also clearly been hard hit by COVID-19 conditions.

Table 1: Changes (%) in sectoral job vacancies for 2020: Q3 (2019:Q1 = 100)

Sector	Quarter on Quarter Change Q3: 2020		
	Index Points	Annual %	Quarterly %
Accountancy & Finance	-40	-39	31
Banking, Financial services & Insurance	-33	-38	19
Beauty, Hair Care, Leisure & Sport	-37	-34	419
Construction, Architecture & Property	27	22	42
Customer Service, Call Centres & Languages	-49	-32	32
Education, Childcare & Training	-10	-12	147
Engineering & Utilities	14	12	29
Environmental, Health & Safety	-16	-7	22
Executive	61	-16	-6
Graduate	-27	-13	44
Hotel & Catering	-70	-73	460
HR & Recruitment	-74	-68	28
IT	-13	9	83
Legal	-63	-57	51
Managers / Supervisors	14	-15	74
Marketing	-18	-6	222
Medical Professionals & Healthcare	86	114	10
Miscellaneous	48	46	72
Production, Manufacturing & Materials	-23	-14	30
Public Sector	-63	-62	-2
Publishing, Media & Creative Arts	-62	-55	-4
Retailing, Wholesaling & Purchasing	-5	-5	102
Sales	-58	-51	108
Science, Pharmaceutical & Food	4	45	26
Secretarial & Admin	-66	-62	177
Security, Trades & General Services	-10	-11	108
Senior Appointments	-91	-86	-73
Social & Not for Profit	11	6	149
Telecoms	28	46	213
Tourism, Travel & Airlines	-90	-90	75
Transport, Warehousing & Motor	-16	-25	149



Figure 4: Changes in export orientated sectors (2019:Q1=100)



Given the importance of the export sector in maintaining Irish economic activity in the face of COVID-19, we present the vacancy rates of two export-orientated sectors with a strong multinational presence (Science, Pharmaceutical and Food; Production, Manufacturing and Materials) as indicators of the Irish employment outlook.<sup>1</sup> The Science, Pharmaceutical & Food has displayed marked resilience both in comparison to pre-COVID levels and during 2020: Q3. Its sectoral index has increased by 45% in year-on-year terms and has increased by 26% in 2020:Q3. Production, Manufacturing & Materials Services had declined by 14% in year-on-year-terms, but has increased by 30% in 2020:Q3. Taken as a whole, the resilience of these export-orientated sectors in terms of job vacancies in 2020:Q3 represents an important shield for the Irish economy against the worst effects of a COVID-induced economic downturn.

<sup>1</sup> The Irish Central Bank notes that Irish pharmaceutical exports experienced year-on-year growth of 41% in 2020:Q2. Contract manufacturing exports have also grown strongly in the face of the pandemic, with the Central Bank recording a 14% year-on-year increase in 2020: Q2. See Central Bank of Ireland Quarterly Bulletin 04 Oct 2020 (p.31): <https://www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/gb-archive/2020/quarterly-bulletin---q4-2020.pdf?sfvrsn=5>. As noted above, the CSO labour force survey finds that employment in the pharmaceutical sector also rose strongly in recent quarters, increasing by 26% from 2019:Q4 to 2020:Q2

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## - LOCATION -

**Table 2: Quarterly Percentage changes in job vacancies by location**

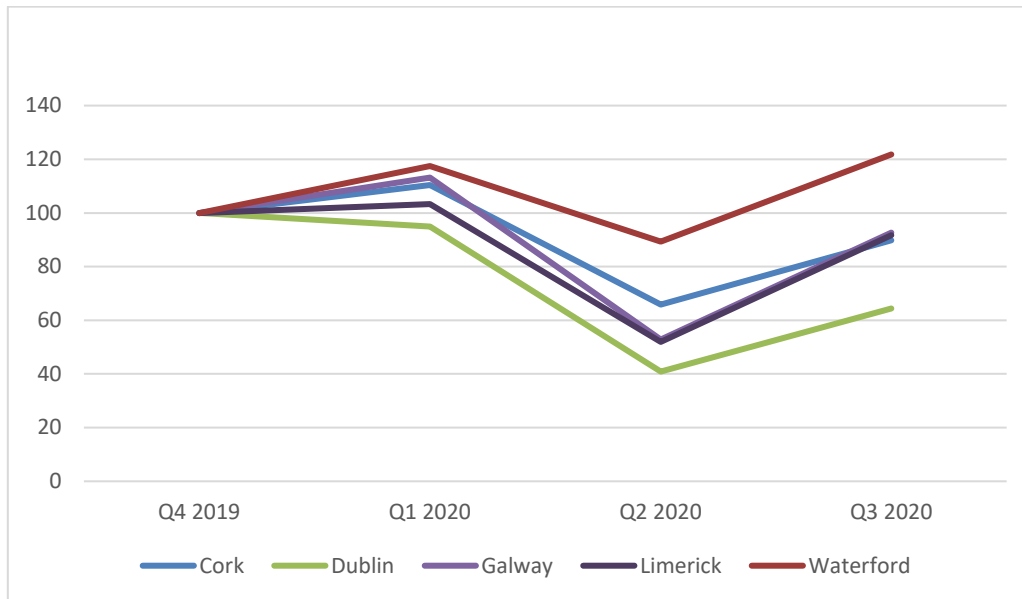
	<b>Quarterly Change %</b>
<b>Carlow</b>	46
<b>Cavan</b>	68
<b>Clare</b>	52
<b>Cork</b>	36
<b>Donegal</b>	29
<b>Dublin</b>	57
<b>Galway</b>	75
<b>Kerry</b>	66
<b>Kildare</b>	99
<b>Kilkenny</b>	84
<b>Laois</b>	42
<b>Leitrim</b>	17
<b>Limerick</b>	76
<b>Longford</b>	50
<b>Louth</b>	26
<b>Mayo</b>	64
<b>Meath</b>	115
<b>Monaghan</b>	90
<b>Offaly</b>	95
<b>Roscommon</b>	129
<b>Sligo</b>	41
<b>Tipperary</b>	53
<b>Waterford</b>	36
<b>Westmeath</b>	41
<b>Wexford</b>	63
<b>Wicklow</b>	173

As regards vacancy gains by location, after a very poor second quarter, all counties experienced a strong increase in vacancies over the third quarter. The strongest quarter-on-quarter vacancy increase has been recorded in Wicklow (173%). Other counties that have experienced substantial gains include the counties Roscommon (129%) and Meath (115%). More modest increases have been recorded in Leitrim (17%) and Donegal (29%).

Figure 5 presents quarterly figures since 2019:Q4 for the counties that include the five main cities. All these counties show a similar trend characterized by a strong decrease in the index in 2020:Q2 followed by a strong increase in 2020:Q3. The biggest decreases in the vacancy index during the second quarter was experienced in Dublin. Waterford was least affected, with a relatively small drop in 2020:Q2 and a strong recovery in 2020:Q3. The index in 2020:Q3 (122) was actually well above the

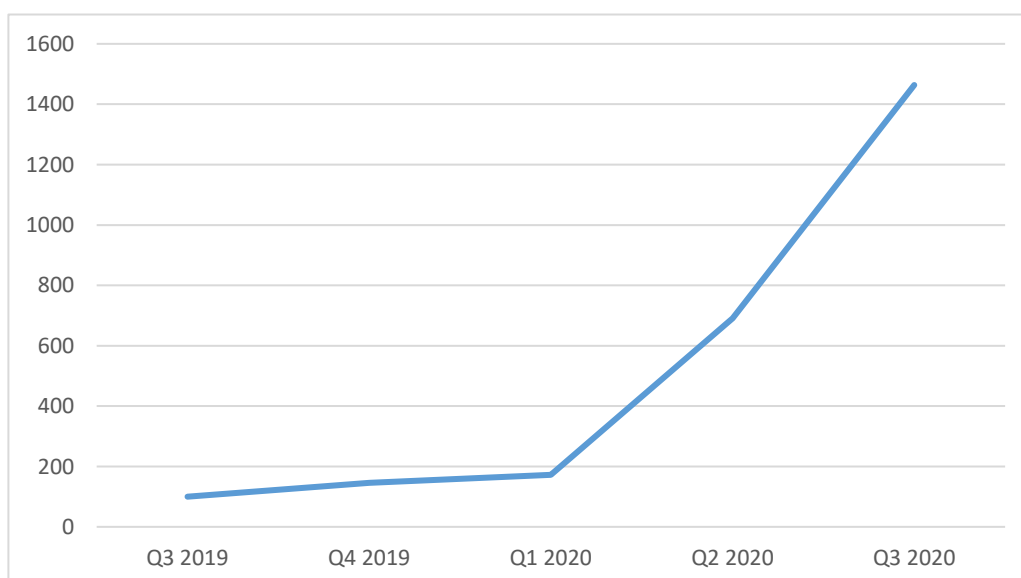
level recorded before the COVID-19 outbreak. The vacancy levels in the other four counties remain below those recorded before COVID-19.

**Figures 5: Vacancy indices for counties with main cities (2019:Q4 = 100)**



For the first time in the Irishjobs.ie report series we are also include data on job vacancies that involve home working. Figure 6 presents quarterly figures since 2019:Q3. The figures clearly reflect the impact of the COVID-19 pandemic. Working from home job vacancies had been rising steadily for some time, but figures rose strongly in 2020:Q2 and continue to rise in 2020:Q3. When expressed as an index and compared to a baseline value in 2019:Q3 of 100, the index value reaches 1,464 in 2020:Q3. Indeed, the number of working at home vacancies increasing by 112% from 2020:Q2 to 2020:Q3.

**Figures 6: Working from vacancy indices (Q3 2019 = 100)**



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## - CONCLUSION -

In order to assess the full extent of the shock to the Irish economy resulting from the first wave of the COVID-19 pandemic, up-to-date indicators of Irish economic activity are invaluable. The *Irishjobs.ie* Jobs Index, based on quarterly job vacancy data, offers timely insights into the economic impact of the unfolding crisis. This report reveals that the *Irishjobs.ie* Jobs Index has experienced a 56% quarterly increase in 2020:Q3 but remains 23% below its pre-COVID 2019:Q3 level.

The robust performance of the Science, Pharmaceutical & Food sector in particular highlights the potential for internationally traded segments of the Irish economy to mitigate the negative economic effects of the pandemic. Indeed, a number of sectors – such as those related to construction and property and technology - have managed to weather the worst effects of the recent COVID restrictions and have continued to post increases in job vacancies. Indeed, the vacancies generated by the IT and Telecoms sectors are indicative of the sudden realignment in Irish work practices brought about by the shift towards remote working.

While a number of instances of 2020:Q3 vacancy generation (e.g. in sectors such as Beauty, Haircare, Leisure & Sport; and Hotels and Catering) have taken the form of a rebound subsequent to the easing of restrictions, it is clear that these sectors will also be most vulnerable to any imminent hardening of COVID-19 restrictions.

As regards vacancy gains by location, all counties experienced a strong increase in vacancies over the third quarter. The five counties that include the main cities show a similar trend, characterized by a strong decrease in vacancies in 2020:Q2, followed by a strong increase in 2020:Q3.

- Ends -

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**A note on the data:** The report utilises a dataset comprising of all corporate jobs advertised on IrishJobs.ie and Jobs.ie from 01/07/2020 to 30/09/2020. Revisions to the data-gathering process mean that the figures stated in this report are not directly comparable to previous reports.

