

IRISHJOBS.IE

Jobs Index Q4 2020





The Q4 2020 IrishJobs.ie Jobs Index reveals early signs of Covid recovery as job vacancies experienced notable QoQ growth towards the end of 2020. However, despite this growth, overall job vacancies remain below pre-Covid levels.

As we look to the year ahead, the outlook is largely positive. Job vacancies are on an upward trend, increasing by 5% in Q4 2020 compared to Q3, and there is evidence to suggest that businesses were better able to withstand the second national lockdown in October and November, probably because many had already adapted their operating models to suit social distancing and remote working requirements.

Some sector vacancies have been mostly “positively” affected by the pandemic, particularly medical professionals and healthcare (+123% YoY) and science, pharmaceuticals, and food (+161% YoY). Vacancies in construction, architecture, and property also increased (+5% YoY) due partially to more lenient restrictions regarding outdoor work.

Adding to this, there is also evidence to suggest that the working-from-home trend is becoming more permanent. Vacancies for remote roles increased by

50% in Q4 compared to the previous quarter, a trend that we anticipate will play a significant role in keeping many businesses operational throughout the remainder of the pandemic. This will be further supported with the introduction of the Government’s National Remote Working Strategy that will come into effect later this year.

The extent to which these overall positives will continue is hard to say given the unpredictable nature of the Covid-19 pandemic but they certainly leave room to approach the upcoming period with optimism – even if it is balanced with a degree of caution.

When we examine the Covid-19 recovery trends to date, what becomes apparent is that we are experiencing a two-speed recovery, whereby the professional services and exporting multinational sectors mostly shrug off the effects of the pandemic but service-oriented sectors, like hotels, beauty, and travel, whose employees and customers are required to be physically present, continue to bear the brunt of the economic downturn.

If we are to protect the early signs of recovery that were noted towards the latter half of 2020, the Government must factor this potentially unequal recovery into its economic planning. Relief for indebted small business owners and their employees, who are directly impacted by ongoing lockdowns and restrictions must remain a priority.

We are undoubtedly living in an unpredictable period and the economic impact of COVID-19 across 2020 has created a deep fissure within the Irish economy. However, as we look towards 2021, a quick and efficient rollout of the vaccine, coupled with a decrease in Covid cases and lifting of lockdown restrictions, will be the key to economic growth in the year ahead. Optimistically, this will put the country on course for the beginning of recovery in 2021 and we can expect to see more activity return to the recruitment market as a result.

Orla Moran
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IrishJobs.ie Job Index Q4 2020

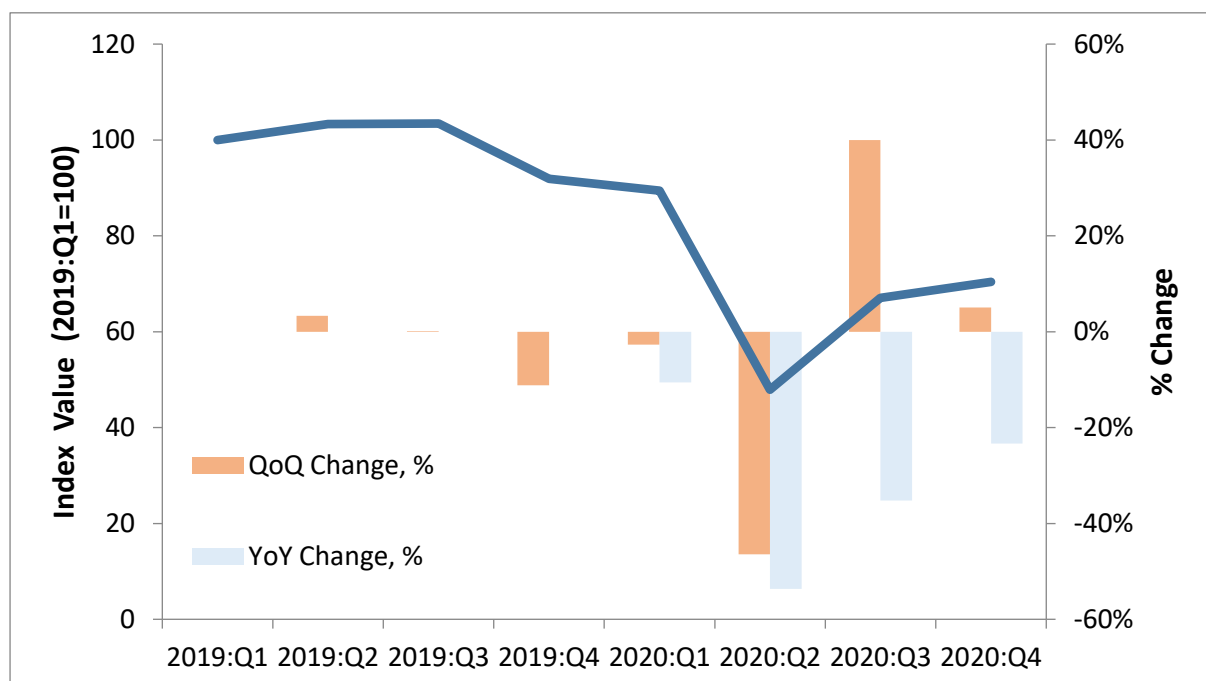
- HEADLINES -

- Job vacancies experience a 5% quarterly increase in 2020:Q4.
- Job vacancies down 23% in year-on-year terms.
- Of the 30 sectors analysed, 15 have posted quarterly increases in job vacancy creation in 2020:Q4
- Most resilient sectors have been Medical Professionals & Healthcare; the export-orientated sector Science, Pharmaceutical & Food and the IT sector, and the property-related sectors Construction, Architecture & Property and Engineering & Utilities. These sectors have posted both year-on-year growth and quarterly growth in job vacancy creation.
- Other sectors posting vacancy growth in 2020:Q4 despite experiencing year-on-year declines include: HR & Recruitment; Sales; Publishing, Media & Creative Arts; and Customer Service, Call Centres & Languages. A further set of sectors have experienced relatively small quarterly declines in 2020:Q4: a range of business support services, such as Secretarial & Admin, Accountancy & Finance, and Legal sectors; and the Production, Manufacturing & Materials sector.
- Heaviest year-on-year declines evident in sectors most vulnerable to a tightening of public health restrictions: Tourism, Travel & Airlines, Hotel & Catering, and Beauty, Hair Care, Leisure & Sport.
- Most cities prove relatively resilient in the face of the second COVID-19 lockdown in 2020:Q4.
- Working from home job vacancies began to rise strongly in 2020:Q2 and have continued to rise in 2020:Q4, increasing by 50% for the quarter.

Job vacancies experience a 5% quarterly increase, but remain 23% below pre-COVID 2019:Q4 level

Irishjobs.ie 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:Q4 in terms of job vacancy generation. While 2020:Q3 saw the Irish economy recover some of its vigour subsequent to the March-May COVID-19 lockdown, 2020:Q4 saw the Irish economy endure Level 5 public health restrictions in October and November before moving to less onerous Level 3 restrictions in early December. Unlike the March-May lockdown period, economic activity did not grind to a halt in 2020:Q4. This is borne out by Irishjobs.ie data for 2020:Q4, which reveal a 5% quarterly increase in total job vacancies. However, in year-on-year terms, job vacancies in 2020:Q4 remain 23% below the pre-COVID level posted in 2019:Q4 (see Figure 1, below). The Irishjobs.ie Jobs index climbed to a value of 70 in 2020:Q4, a marked improvement on the index value of 48 observed in 2020:Q1 when the Irish economy first felt the brunt of COVID-19. The 2020:Q4 index value is still well short of pre-COVID levels, with the 2019:Q4 index value having been 92.

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. As evident from the latest ESRI Winter Quarterly Economic Commentary, the economic impact of COVID-19 across 2020 has created a deep fissure within the Irish economy. Domestic economic activity has undergone an unprecedented contraction while the export sector has experienced exceptional growth. The domestic contraction has seen consumption and investment projected to decline by 9% and 14% respectively by the end of 2020, while the export surge – driven by a small set of medical, pharmaceutical, and IT multinational companies – caused overall 2020:Q3 exports to increase by 5.3% in year-on-year terms notwithstanding COVID-induced global economic

turmoil. Indeed, the ESRI estimate that in 2020:Q3, medical and pharmaceutical goods exports increased by 2.3% from the previous quarter and 17.8% when compared with 2019:Q3. Services exports were similarly influenced by one key sector: despite total service exports decreasing in 2020:Q3, computer services – which accounts for over 50% of Irish services exports - enjoyed quarterly growth of 4.3% in 2020: Q3 and grew by 9.9% when compared to the same period the previous year. Driven by this irrepressible export performance, revised ESRI projections anticipate that Irish GDP will have emerged from 2020 with a growth rate of 3.4%.

The third quarter of 2020 brought some temporary respite to the domestic sector. The 2020:Q3 decline in domestic consumption (5.7% in year-on-year terms) was relatively mild in comparison to the corresponding 2020:Q2 decline (over 20% in year-on-year terms). A recent Central Bank of Ireland Quarterly Bulletin notes that credit and debit card payments data from July indicated that consumer spending patterns had adapted to both the public health restrictions and the ongoing economic uncertainty: retail spending on groceries and electrical goods increased in year-on-year terms, whereas spending on transport, accommodation and entertainment remained well below 2019 levels. However, the imposition of level 5 public health restrictions in October and November 2020 and again in early January 2021 has curtailed any rebound in domestic economic activity. The Central Bank also notes that a continued increase in household savings is indicative of subdued spending in aggregate terms.

The impact of the crisis on the Irish labour market has continued to be very severe. According to the CSO Quarterly Labour Force Survey, the COVID-19 adjusted unemployment rate for 2020:Q3 was 15.9% (394,538 persons), over three times higher than the pre-COVID unemployment rate in 2019:Q3 (5.2%). Labour market conditions appear to have deteriorated further in 2020:Q4. The ESRI note that the unemployment rate reached 21% in November, with 352,000 people claiming the Pandemic Unemployment Payment (PUP) by the end of November and employers receiving Employment Wage Subsidy Scheme (EWSS) payments for approximately 268,600 qualifying employees.

At the sectoral level, the employment impact of the COVID-19 pandemic continues to be felt most acutely in hospitality and consumer services sectors. According to the ESRI, three sectors alone account for 54.3% of those in receipt of PUP on 24 November: the Accommodation and food sector (29.2%); the Wholesale and retail trade/repair of motor vehicles sector (16.3%); and the Other sector category which includes, for example, hairdressers and beauty salon workers (8.9%). These trends are also evident in the CSO Labour Force survey, which for 2020:Q3 reports a sharp year-on-year downturn in employment for sectors such as Accommodation and food service activities (-16%), Administrative and support service activities (-13%), and Other NACE activities (-11%). However, in the same quarter, overall manufacturing employment increased by 2% in year-on-year terms. Notable year-on-year employment increases were also evident in services sectors such as Financial, insurance and real estate activities sector (8%) and the Professional, scientific and technical activities sector (7%).

- SECTORS -

The IrishJobs.ie job vacancy data also reveals sectoral trends in job vacancy generation during 2020:Q4. In what follows, the overall index is disaggregated into 30 sectors. Figure 2 (below) provides a snapshot of those sectors that generated the largest share of job vacancies in 2020:Q4. The largest sectors, in terms of proportion of vacancies generated in 2020:Q4 are: Medical Professionals & Healthcare (18%); Science, Pharmaceutical & Food (12%), IT (9%); Engineering & Utilities (9%); and Retailing, Wholesaling & Purchasing (8%). The Hotel & Catering sector, which had been the largest source of job vacancies in Pre-COVID IrishJobs.ie reports is now the sixth largest sector, accounting for 6% of the jobs generated in 2020:Q4. The trends exhibited by these five sectors over time can be seen in Figure 3 (below), which tracks the vacancy indices of these sectors from 2019:Q1 to 2020:Q4.

While a more detailed sectoral analysis is presented below, Figure 2 highlights a number of prominent sectoral features such as: 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:Q4 job vacancy generation; 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:Q4

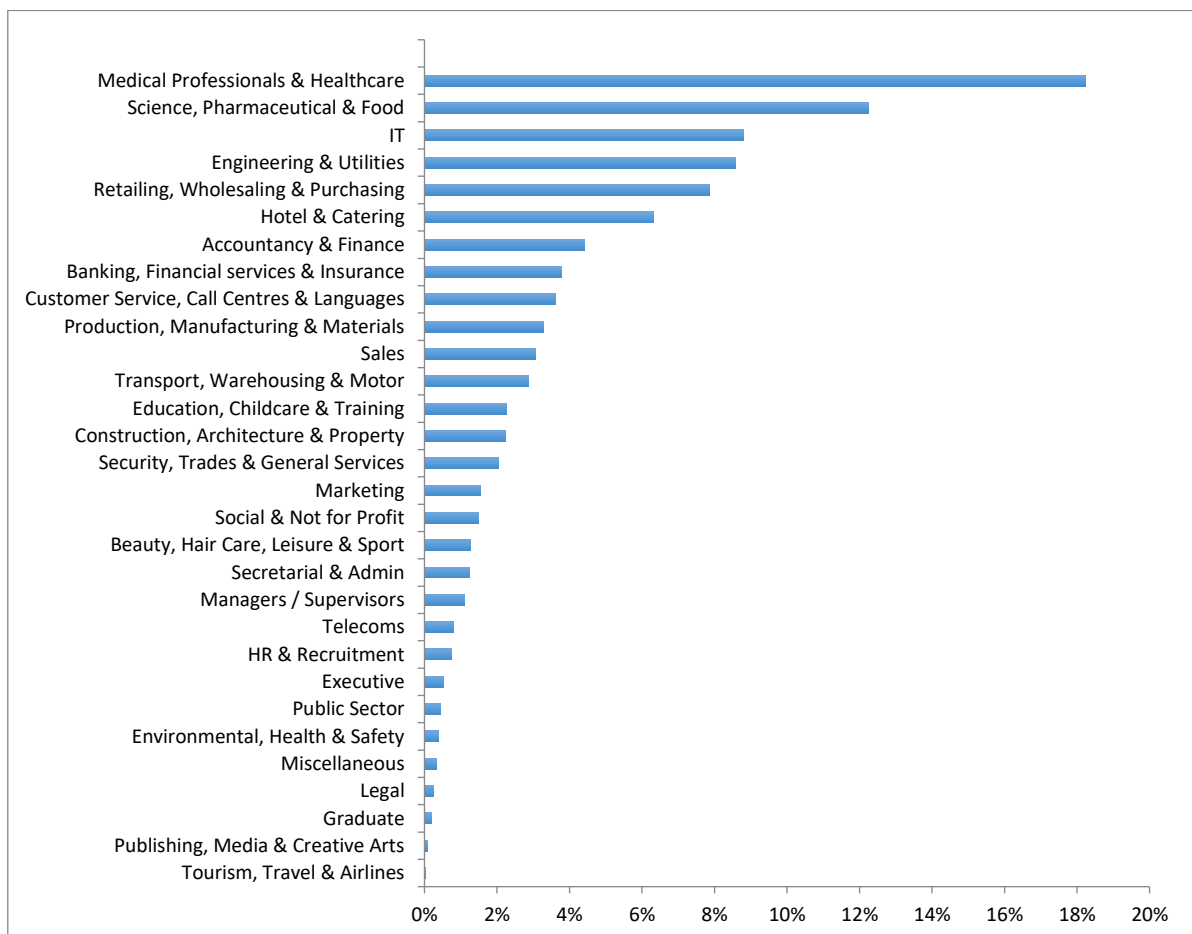
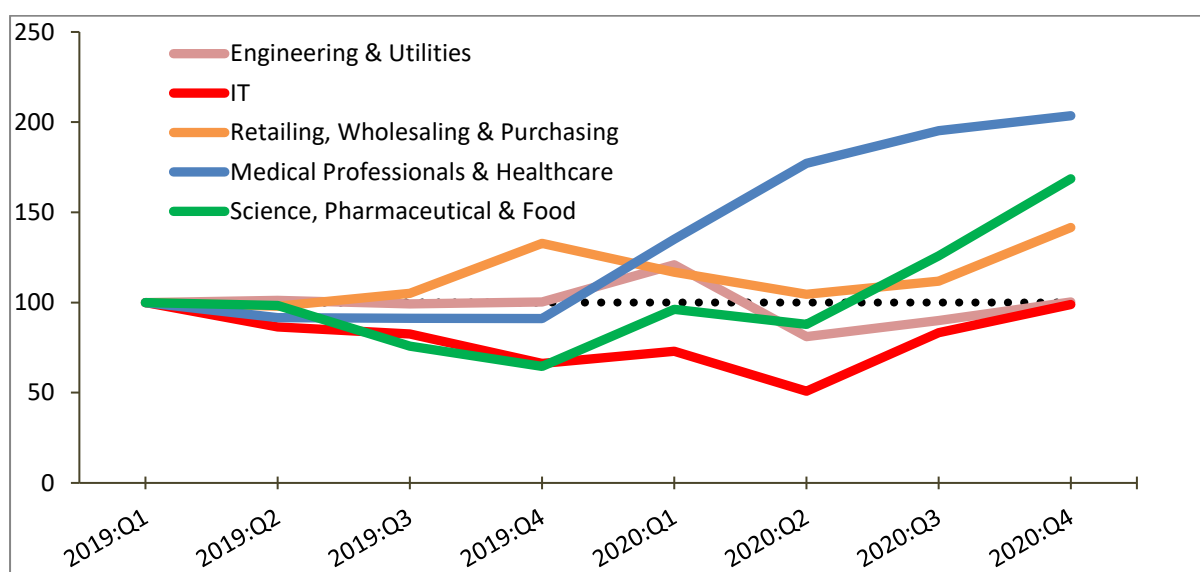


Figure 3: Vacancy Indices of largest sectors (2019:Q1=100)



As noted above, at the sectoral level a number of distinct trends are evident. These sectoral trends are presented in detail in Table 1 (below), which disaggregates 2020:Q4 job vacancy rates across 30 sectors. Among these 30 sectors, a number of sectors displayed notable resilience 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:Q4 and quarter-on-quarter terms. As well as Medical Professionals & Healthcare (Y-o-Y: +123%; Q-o-Q: +4%) which has expanded to meet the COVID-19 challenge, the export-orientated sector Science, Pharmaceutical & Food (Y-o-Y: +161%; Q-o-Q: +34%) and the IT sector (Y-o-Y: +49%; Q-o-Q: +19%) both display this resilience. Similarly, the property-related sectors Construction, Architecture & Property (Y-o-Y: +5%; Q-o-Q: +31%) and Engineering & Utilities (Y-o-Y: 0%; Q-o-Q: +12%) have performed well in terms of job vacancy creation when compared to pre-COVID levels. Of the 30 sectors analysed, 15 have posted quarterly increases in job vacancy creation in 2020:Q4.

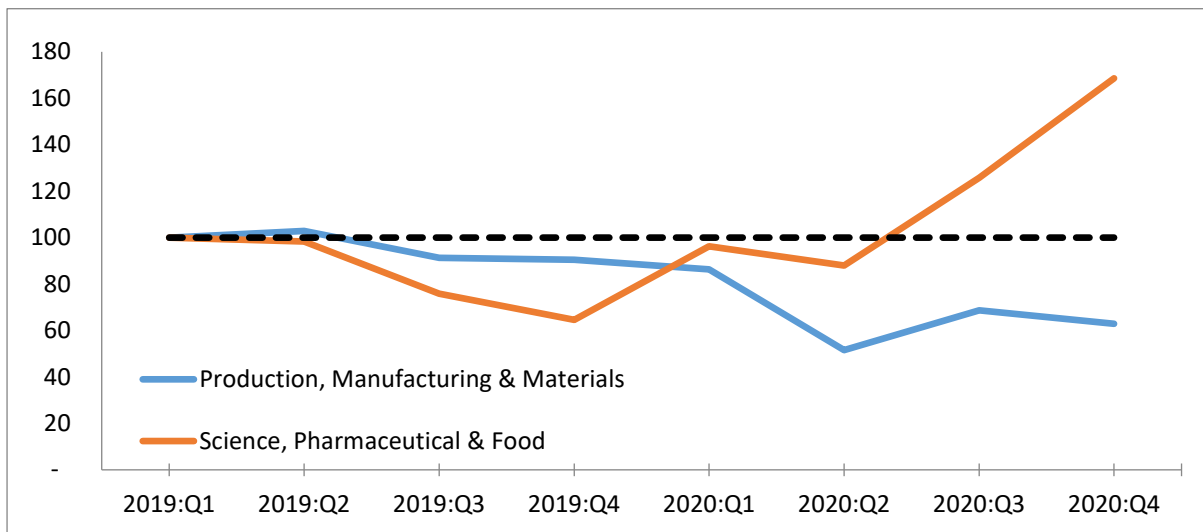
A further set of sectors have endured substantial decreases in year-on-year terms but have generated new vacancies in 2020:Q4. Sectors in this category include: HR & Recruitment (Y-o-Y: -57%; Q-o-Q: +8%); Sales (Y-o-Y: -48%; Q-o-Q: +4%); Publishing, Media & Creative Arts (Y-o-Y: -31%; Q-o-Q: +67%); and Customer Service, Call Centres & Languages (Y-o-Y: -21%; Q-o-Q: +13%).

However, 15 of the 30 sectors experienced both job vacancies falls both in comparison to 2019:Q4 and in quarterly terms. Of those 15 sectors, the average quarterly decline was -15%. Particularly heavy year-on-year and quarterly declines can be seen in three sectors most vulnerable to a tightening of public health restrictions: Tourism, Travel & Airlines (Y-o-Y: -96%; Q-o-Q: -36%), Hotel & Catering (Y-o-Y: -82%; Q-o-Q: -25%), and Beauty, Hair Care, Leisure & Sport (Y-o-Y: -56%; Q-o-Q: -12%). This suggest that, for these sectors, any 2020:Q3 rebound was indeed short-lived. Relatively milder quarterly decreases have been experienced by a number of business support services, such as Secretarial & Admin (Y-o-Y: -58%; Q-o-Q: -1%), Accountancy & Finance (Y-o-Y: -39%; Q-o-Q: -3%); and Legal (Y-o-Y: -55%; Q-o-Q: -6%). The Production, Manufacturing & Materials sector (Y-o-Y: -30%; Q-o-Q: -8%) also experienced a relatively mild quarterly decrease in job vacancies in 2020:Q4.

Table 1: Changes (%) in sectoral job vacancies for 2020: Q4 (2019:Q1 = 100)

Sector	Index	Annual	Quarterly
Accountancy & Finance	-44	-39	-3
Banking, Financial services & Insurance	-40	-35	-14
Beauty, Hair Care, Leisure & Sport	-57	-56	-12
Construction, Architecture & Property	37	5	31
Customer Service, Call Centres & Languages	-42	-21	13
Education, Childcare & Training	-34	-18	8
Engineering & Utilities	0	0	12
Environmental, Health & Safety	-47	-37	-18
Executive	56	-64	14
Graduate	-69	-59	-52
Hotel & Catering	-83	-82	-25
HR & Recruitment	-69	-57	8
IT	-1	49	19
Legal	-71	-55	-6
Managers / Supervisors	-31	-52	-20
Marketing	-50	-29	-25
Medical Professionals & Healthcare	104	123	4
Miscellaneous	-4	-1	-22
Production, Manufacturing & Materials	-37	-30	-8
Public Sector	-59	-48	0
Publishing, Media & Creative Arts	-26	-31	67
Retailing, Wholesaling & Purchasing	42	7	27
Sales	-61	-48	4
Science, Pharmaceutical & Food	69	161	34
Secretarial & Admin	-65	-58	-1
Security, Trades & General Services	-28	-39	-1
Social & Not for Profit	38	74	9
Telecoms	67	326	102
Tourism, Travel & Airlines	-95	-96	-36
Transport, Warehousing & Motor	-46	-43	-9

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



Given the central role that the export sector has played 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. As illustrated in Figure 4, The Science, Pharmaceutical & Food has experienced a remarkable surge in job vacancy creation both in comparison to pre-COVID levels and during 2020: Q4. Its sectoral index has increased by 161% in year-on-year terms and has increased by 34% in 2020:Q4. Given the drive to produce COVID-19 vaccines, as well as the need for testing reagents and related products, a surge in the Science, Pharmaceutical & Food is, of course, to be expected.

The performance of the Production, Manufacturing & Materials Services sector is somewhat more sobering: this sector has declined by 30% in year-on-year-terms, though only decreasing by 8% in 2020:Q4. However, there are positive signs emerging from this sector: the ESRI Winter Quarterly Economic Commentary noted that export growth in 2020:Q3 was more broadly based than in the previous quarter, with export growth evident across a range of range of commodity groups that included Organic chemicals, Machinery and transport equipment, and Miscellaneous manufactured goods.

While the export performance of a relatively small set of medicinal, pharmaceutical, and IT multinationals has insulated the Irish economy against the worst effects of a COVID-induced economic downturn, increased exports emanating from a widening set of manufacturing sectors offers the prospect of additional sources of national income and employment.

- LOCATION -

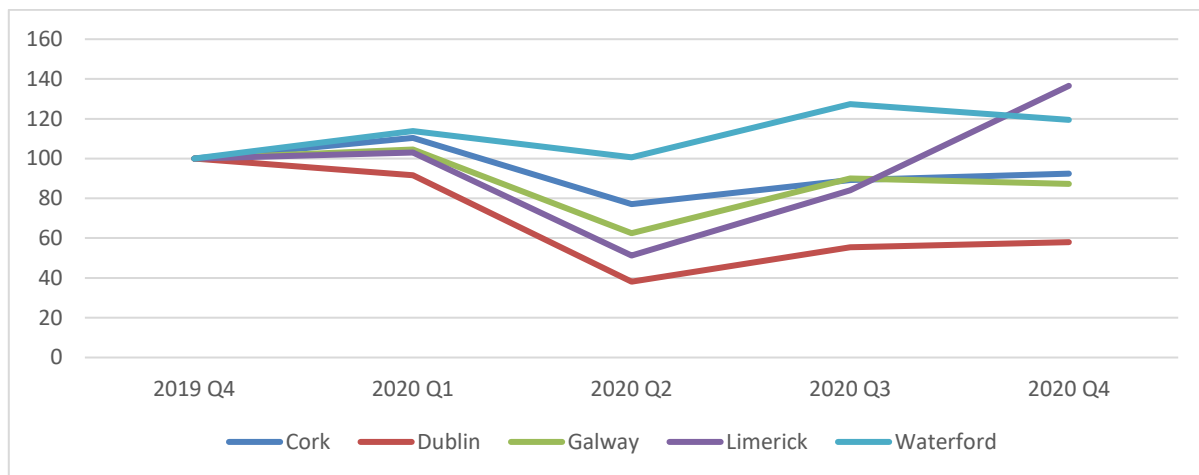
Table 2: Percentage changes in job vacancies by location

	YoY change	Quarterly Change
Carlow	-31	7
Cavan	13	-16
Clare	28	0
Cork	-8	4
Donegal	-25	-34
Dublin	-42	5
Galway	-13	-3
Kerry	6	11
Kildare	-11	11
Kilkenny	-37	-24
Laois	8	-17
Leitrim	78	29
Limerick	37	62
Longford	79	17
Louth	17	-4
Mayo	25	19
Meath	-25	6
Monaghan	31	-5
Offaly	65	3
Roscommon	-13	-4
Sligo	81	11
Tipperary	57	-9
Waterford	19	-6
Westmeath	8	-9
Wexford	-29	-33
Wicklow	-24	-36

As regards vacancy gains by location, after a very strong third quarter for all counties, the fourth quarter growth figure at national level is underpinned by a range of experiences at county level (See Table 2). Half of the counties experienced a rise in vacancies over the quarter, with particularly strong increases in Limerick (+62%) and Leitrim (+29%). The strongest quarterly vacancy decreases have been recorded in Wicklow (-36%), Donegal (-34) and Wexford (-33%). The year-on-year figures present an even wider range. Very high year-on-year increases have been observed in Sligo (+81%), Longford (+79%), Leitrim (+78%), Offaly (+65%) and Tipperary (+57%). But these positive stories are offset by strong negative performances in other counties, with the strongest decreases recorded in Dublin (-42%). Given the dominant role of the capital in the Irish vacancy landscape, Dublin's poor year-on-year performance drives much of the national dynamic. Other counties experiencing strong year-on-year decreases include Kilkenny, Carlow, Wexford, Donegal, Meath, Wicklow, all experiencing a fall of between -20% and -40%.

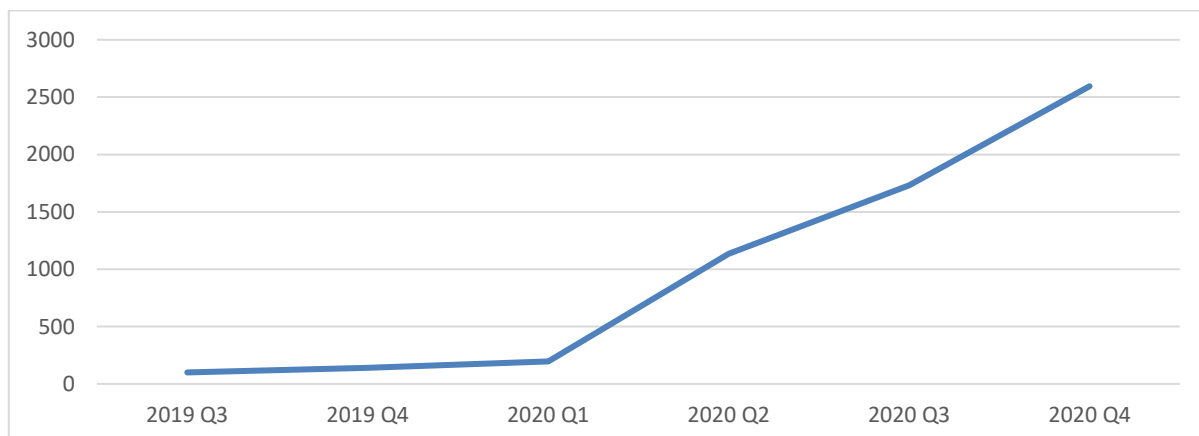
Figure 5 presents quarterly figures since 2019:Q4 for the counties that include the five main cities. All these counties show a similar trend characterized by a strong decrease in the index in 2020:Q2 followed by a strong increase in 2020:Q3. The biggest decrease in the vacancy index during the second quarter was experienced in Dublin. Waterford was the least affected, with a relatively small drop in 2020:Q2 and a strong recovery in 2020:Q3. The Waterford index value in 2020:Q3 (127) was actually well above the level recorded before the COVID-19 outbreak. The vacancy levels in the other four counties remained below those recorded before COVID-19. Most cities proved relatively resilient in the face of the second COVID-19 lockdown in 2020:Q4. Limerick, Dublin and Cork all experienced rising vacancy numbers, while the falls experienced by Galway and Waterford were relatively modest.

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



This report continues to track the developments in relation to 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 these figures have risen strongly since 2020:Q2 and have continued to rise in 2020:Q4. When expressed as an index and compared to a baseline value in 2019:Q3 of 100, the index value reaches 2,595 in 2020:Q4. The number of working at home vacancies increased by 50% from 2020:Q3 to 2020:Q4.

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



- CONCLUSION -

In order to assess the full extent of the shock to the Irish economy resulting from the ongoing COVID-19 pandemic, up-to-date indicators of Irish economic activity are essential. 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 5% quarterly increase in 2020:Q4, but remains 23% below its pre-COVID 2019:Q4 level.

In contrast to the March-May lockdown, Irish economic activity did not grind to a halt during the Level 5 (October/November) and Level 3 (December) public health restrictions. The robust 2020:Q4 performance of the Science, Pharmaceutical & Food and the IT sectors 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 continued to post increases in job vacancies in 2020:Q4. A range of business support services – such as HR & Recruitment, Customer Service, Call Centres & Languages; Secretarial & Admin; Accountancy & Finance; and Legal sectors – have also managed to weather the worst effects of the 2020:Q4 COVID restrictions. However, those sectors most vulnerable to a tightening of public health restrictions – the Tourism, Travel & Airlines; Hotel & Catering; and Beauty, Hair Care, Leisure & Sport sectors – continued to bear the brunt of the COVID-19 economic upheaval.

Despite being in the grip of a third COVID-19 wave, the current Irish economic outlook nonetheless provides grounds for optimism in terms of job creation as we look to the year ahead.

- The robust performance of Irish-based multinational firms looks set to yield additional vacancies over the coming year. The IDA have recently announced that 246 new investments were secured in 2020, resulting in the creation of 20,123 new jobs. Of these investments, 95 were from new investors and 151 investments from existing companies. Of these 246 projects, 128 (52%) will reside in regional locations.

¹ See IDA press release from 7th Jan 2021: <https://www.idaireland.com/newsroom/regional-investment-grew-as-foreign-direct-investm>

- As detailed in this report, Pharmaceutical sector goods exports and IT sector services exports have continued to post strong growth in the face of COVID-19 economic disruptions. Given the likelihood that COVID-related economic disruptions will extend well into 2021, these sectors will continue to be prominent economic actors over the coming year.

- As detailed in the recent Board Bia annual report, the fact that the food and beverages emerged from 2020 with only a 2% decline in total exports augers well for its prospects in 2021. However, a mixed picture emerges across subsectors: while Dairy exports increased by 3% in 2020, subsectors such as prepared consumer foods (-4%); seafood (-10%) and alcohol (-19%) endured a more challenging year. However, a gradual easing of COVID-19 restrictions and a re-opening of catering outlets over the course of 2021 would do much to bolster both export activity and job creation across the food and beverages sector. That said, the extent to which exports into Britain encounter more onerous post-Brexit regulatory requirements over the coming year remains to be seen.

² The Board Bia's 2020 annual report is available here: <https://www.bordbia.ie/industry/insights/publications/bord-bias-export-performance-and-prospects-20202021/>

- As noted in this report, construction-related sectors have also displayed resilience in the face of COVID-19 disruptions. In 2020, the construction industry completed the construction of 20,000 residential properties. However, despite a rebound in construction activity after COVID-related closures in April and May, the ESRI Winter Quarterly Economic Commentary notes that the Construction sector activity is estimated to have declined by approximately 30 per cent in 2020. The Construction Industry Federation has recently stated that the 45 per cent drop in residential construction commencements in 2020:Q2 will have knock-on effects in completions in early 2021.

³ Irish Times 11th January “Nuanced approach needed to keep essential construction work going”, by Tom Parlon (director general of the Construction Industry Federation): <https://www.irishtimes.com/business/construction/nuanced-approach-needed-to-keep-essential-construction-work-going-1.4453491>

- However, as noted above, sectors such as Tourism, Travel & Airlines; Hotel & Catering; and Beauty, Hair Care, Leisure & Sport continue to bear the brunt of the COVID-19 economic disruptions. The ability of these sector to generate income and employment growth in 2021 will very much depend on the nation’s progress in suppressing COVID-19 and successfully delivering a vaccination programme nationwide.

As regards vacancy gains by location, half of the counties experienced a rise in vacancies over the quarter with particularly strong increases in Limerick (+62%) and Leitrim (+29%). The strongest quarterly vacancy decreases have been recorded in Wicklow (-36%), Donegal (-34) and Wexford (-33%). Most cities proved relatively resilient in the face of the second COVID-19 lockdown in 2020:Q4. Limerick, Dublin, and Cork all experienced rising vacancy numbers, while the falls experienced by Galway and Waterford were relatively modest. Working from home vacancies increased by 50% during 2020:Q4.

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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 01/10/2020 to 31/12/2020. Revisions to the data-gathering process mean that the figures stated in this report are not directly comparable to previous reports.

