



November 2015

In its set of autumn forecasts, the European Commission (EC) predicted that the **Euro Area** economy will continue to recover. It estimates growth of 1.6% in 2015 before reaching 1.8% in 2016. It noted that while external factors, such as the weakening euro and falling oil prices have stimulated private consumption and exports, growth remains relatively muted.

The EC noted that the **Republic of Ireland's** economic recovery appears to be resilient to weaker global growth. It anticipates growth of 6.0% in 2015 but thereafter, growth is set to converge towards more sustainable rates. It predicts growth of 4.5% for 2016 and 3.5% for 2017.

UK economic growth slowed to 0.5% in the third quarter of 2015; reflecting falling output in the construction sector. However, the other main industrial groupings (services, production and agriculture) all posted growth. The EC remains relatively upbeat on the UK's prospects predicting growth of 2.5% this year. For 2016, it predicts growth of 2.4% with the contributors of growth to change with business investment to step-up but private consumption to wane.

In its quarterly Inflation Report, the Bank of England noted that the outlook for global growth has weakened as a result of a marked slowdown in many emerging market economies. While growth in advanced economies has continued and broadened, the committee nonetheless expects the overall pace of UK-weighted global growth to be more modest than had been expected in August.

Locally, overall labour market conditions continue to improve. The latest results show that the number of people claiming unemployment benefits has fallen again over the month to October (by 1,000) and by 11,900 over the year. This represents the largest annual percentage decrease (23.1%) since

October 1997. However, the LFS unemployment rate, whilst decreasing by 0.6 percentage points over the quarter ending September to 5.9%, it remains above the UK unemployment rate of 5.3%.

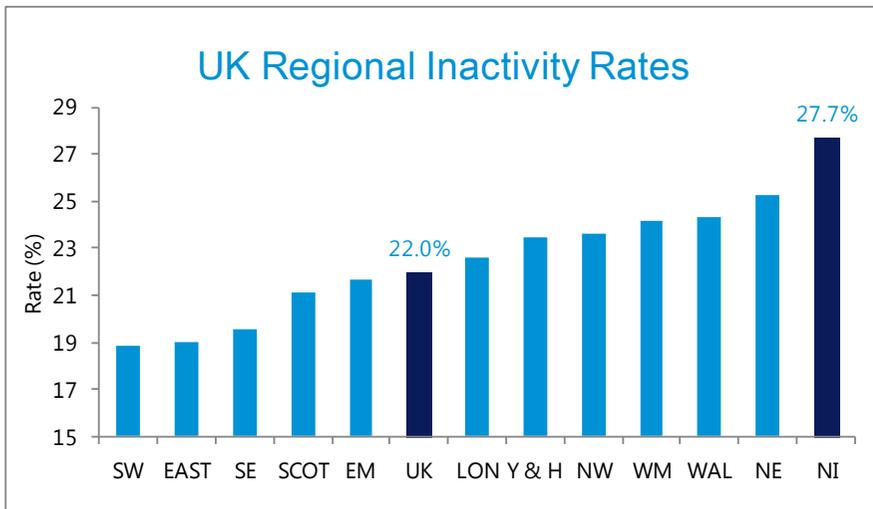
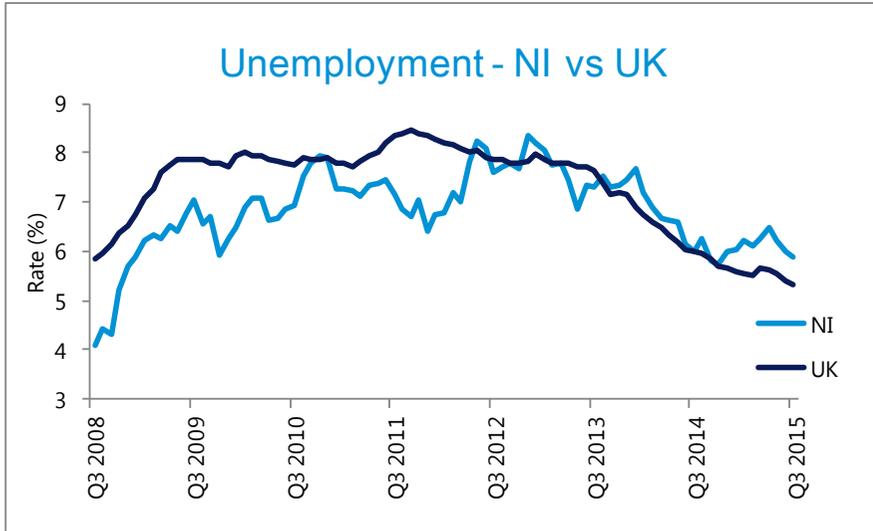
The latest tourism statistics show that in the year to June 2015 there were 4.5 million overnight trips (domestic and external), an increase of 9% over the year to June 2014. Expenditure associated with these trips was £725m, 4% lower than the year to June 2014. However, the fall in the value of the euro relative to the pound will have had an impact on tourism expenditure.

The latest Ulster Bank PMI results note that NI private sector firms reported their sixth successive month of growth in business activity and new orders in October. However, over the latest month, the pace of expansion in both business activity and new orders eased with order books expanding at their weakest rate since April. Despite this slowdown, NI staffing levels increased at the fastest rate in five months, driven by retail and the wider services sector.

In its latest UK economic outlook, PwC have forecast that the local economy will expand by 1.6% this year, the lowest growth of the 12 UK regions. It expects the UK economy as a whole to grow by 2.4%.

Key Recent Statistics and Updates

- The number of people **claiming unemployment benefits** has fallen by 11,900 over the past 12 months.
- The local **unemployment rate** of 5.9% was down by 0.6 percentage points over the latest quarter.
- There were 4.5m **overnight trips** (domestic and external) in the year to June 2015, an increase of 9% over the year to June 2014.
- Overnight trips generated £725 million of **tourism expenditure** in the year to June 2015.



LABOUR MARKET OVERVIEW (Jul - Sep 2015)		
Measure	Value	Comment
Employment	816,000	Up over quarter but down over year
Employment Rate	67.9%	Up over quarter but down over year
Employee Jobs*	721,410	Up over both quarter and year
Claimant Count**	39,700	Down over both month and year
Unemployment Rate	5.9%	Down over both quarter and year
Economically Inactive	580,000	Up over both quarter and year
Inactivity Rate	27.7%	Up over both quarter and year
Redundancies***	1,915	Decrease of 9% from previous year

*Mar 2015 **Oct 2015 ***Annual confirmed total to end of Oct 2015

POSITIVE ECONOMIC NEWS

Support for Business

The DETI Minister is leading a four day Trade Mission to China. Thirteen companies are participating in the trip. Trade missions enable companies to explore opportunities to do business in important export markets.

The DFP Minister has announced a wide ranging review of non-domestic rating system and a public consultation is underway until 25th January 2016. The system of non-domestic rating currently raises approximately £600m annually for public services, with almost half of this being used to fund district councils and the remainder being used for central government services such as health and education. The review will provide an opportunity to consider whether the current non-domestic rating system remains fit for purpose for the 21st century. As well as looking at ways to improve the current system, it is also looking at alternatives; either as a replacement or supplementary measures to help keep rates bills down.

Corporation Tax

The DETI Minister has welcomed the agreement of the new rate of Corporation Tax in NI.

Success for Tourism

The DETI Minister has welcomed the announcement of UNESCO Global Geopark status for the Marble Arch Caves. The Geopark is now one of 120 such sites across the globe and sits alongside the Giant's Causeway World Heritage Site as the second of only two UNESCO designated sites in NI.

Boost for the Environment

The DOE Minister has announced ten new listings, including Craigavon Bridge, for the Derry~Londonderry area. The listings are a tangible boost for the city and wider area. The new listings reflect Derry~Londonderry's varied and diverse history and will ensure these important cultural assets are preserved and protected as part of the area's rich and historic fabric.

The DOE Minister has announced an Environment Fund for applications from eligible Not for Profit organisations and councils. The fund will enable organisations to continue to protect our landscape, habitats and species. It will promote health, well-being, resource efficiency and sustainable economic development.

The DOE Minister has announced that an additional £114,975 will be allocated to the Challenge Fund grants programme which will enable a further 15 projects to be delivered. DOE is now supporting 80 Challenge Fund projects in 2015/16 with over £400,000 funding from the Carrier Bag Levy.

Public Procurement Contracts Awarded

In October 2015, 333 procurement contracts were awarded with a value of circa £194.6million. 66.4% of these contracts (221) were awarded to NI SMEs.

Support for Skills

The DEL Minister has launched the NI Skills Barometer forecasting tool. The Skills Barometer, developed by Ulster University, will be utilised to estimate the future skills needs in NI across a range of economic scenarios up to 2025. This innovative tool will provide a clear indication of current and future skills issues with a level of detail that no other macro-economic model has been able to provide for the NI economy. The tool highlights that for the NI economy to remain competitive, there is a need for higher level skills in Science, Technology, Engineering and Maths.

NI competitors have triumphed at the Skills Show in Birmingham. Local competitors brought home six gold, four silver and five bronze metals, as well as six high commendations. The Skills Show is the UK's largest skills and careers event and is designed to reward talent and drive up levels of expertise in further education. The UK's most talented apprentices and learners competed at this year's Show which took place in November at the NEC, Birmingham.

The DEL Minister has announced 20 new scholarships as part of the second phase of the Computing and Engineering Scholarship Programme. Ten scholarships will be available in computing and ten in engineering. The four year scholarships will be employer-led and available in early 2016 to undergraduate students enrolled for study at Queens or Ulster University.

The DEL Minister has launched a new Automotive Electrician/Panel Builder Academy, under DEL's Assured Skills initiative. The Academy will provide 13 participants with the skills and experience required to take up new opportunities in the engineering sector with Mallaghan Engineering and Contak Wiring Systems in Dungannon. Successful participants will gain

industry recognised qualifications and be interviewed for jobs by the companies on completion.

The DEL Minister has launched the first CNC Milling Academy. Developed through DEL's Assured Skills Initiative, the Academy will provide six participants with the skills and experience required to take up new opportunities in the engineering sector with RLC Engineering in both Crumlin and Newtownabbey. RLC Engineering has identified these new roles as part of its expansion plans.

The DEL Minister has launched the EY Programme and Contract Management Academy. The Academy aims to provide 20 graduates with the skills and experience required to take up exciting job opportunities in EY's Delivery Centre, based in Belfast, where managed services such as programme and contract management are delivered to EY clients across the UK and ROI.

Support for Infrastructure

The DE Minister has welcomed an additional £15million in his budget as a result of the November Monitoring Round to be spent as follows: £5million on schools maintenance; £5million on special education; and £5million to fund the drawdown of schools surpluses.

The DE Minister has visited the site of the new Castle Tower Special School in Ballymena as building work commences. A new build for Castle Tower costing circa £20million includes the provision of a hydrotherapy pool and medical and therapy rooms integrated into the design, all of which will offer the pupils facilities to promote their health and well-being.

Support for Agriculture

The DARD Minister has announced that the first phase of the Farm Business Improvement Scheme would open on 9 November 2015 with a closing date for applications of 14 December 2015. This phase focuses on Knowledge Transfer, delivered through Business Development Groups (BDG). The £28million funding is through the new Rural Development Programme, part financed by the European Agricultural Fund for Rural Development (EAFRD).

The DARD Minister has announced the opening of new Forestry Grant Schemes under the Rural Development Programme. The scheme allocates up to £17.4million to support woodland expansion and sustainable management of existing woodland. Three Forestry Grant Schemes are being launched today: The Forest Expansion Scheme; The Forest Protection Scheme; and the Woodland Investment Grant.

The DARD Minister has committed to making 95% of Basic Payment Scheme payments to eligible applicants in December. This represents the highest number of inspections ever paid in December. The Minister also committed to paying all inspection cases by end of March 2016.

The DARD Minister has announced that payments to dairy farmers in NI, under the EU Dairy Fund 2015, has begun. Around £3.6million was paid immediately to 2,250 (just over 71%) of farmers in NI.

Data Centres for Public Sector

The DFP Minister has announced plans for two new data centres which will provide a strong and secure foundation for the IT systems used by NI citizens engaging with the public sector. The data centres, expected to deliver annual savings of around £0.5million and will house much of the IT services for the NICS and wider public sector, offering a more efficient IT system with high levels of security and operational stability.