



## October 2015

In its latest outlook report, the International Monetary Fund (IMF) has stated that prospects across countries and regions remain uneven. Relative to last year, the recovery in advanced countries is expected to pick up slightly, while activity in emerging markets is projected to slow for the fifth year running. The IMF predicts **global** growth of 3.1% for 2015 and 3.6% for 2016, below its previous projections made in July.

The IMF also noted that the moderate recovery in the **Euro area** is expected to continue in 2015 and 2016 with forecasted growth of 1.5% and 1.6% respectively, supported by lower oil prices, monetary easing, and euro depreciation – although potential growth remains weak. Within the Euro area, the **Republic of Ireland's** economy is expected to continue growing at the fastest pace, with growth in 2015 and 2016 anticipated to be 4.8% and 3.8% respectively.

The IMF expects the **UK** economy to expand by 2.5% this year and 2.2% in 2016 – the second fastest growing of the G7 economies, behind the US. Growth is expected to be supported by low oil prices and continued recovery in wage growth. Elsewhere, inflation (CPI) has turned negative again this month, partially supported by lower fuel prices.

Locally, economic conditions continue to improve. The latest labour market results show that the number of people claiming unemployment benefits has fallen again over the month (by 1,100) and by 11,200 over the past year. However, the LFS unemployment rate of 6.0%, while trending downwards over the medium term, remains above the UK rate (5.4%).

As well as improvements within the labour market, figures from NI's Composite Economic Index show local economic activity expanded by 1.3%

over the past year (on a rolling 12 month basis) to Q2 2015. This growth was driven by the private sector which experienced annual growth of 2.1% but conditions within the public sector remain stagnant (annual decrease of 0.9%).

Indicators are that the local recovery has now firmly spread to the construction sector, with output within the sector increasing by 12% over the year (on a rolling 12 month basis). This increase was driven by both increases in other work as well as housing output, although this is from a relatively low base.

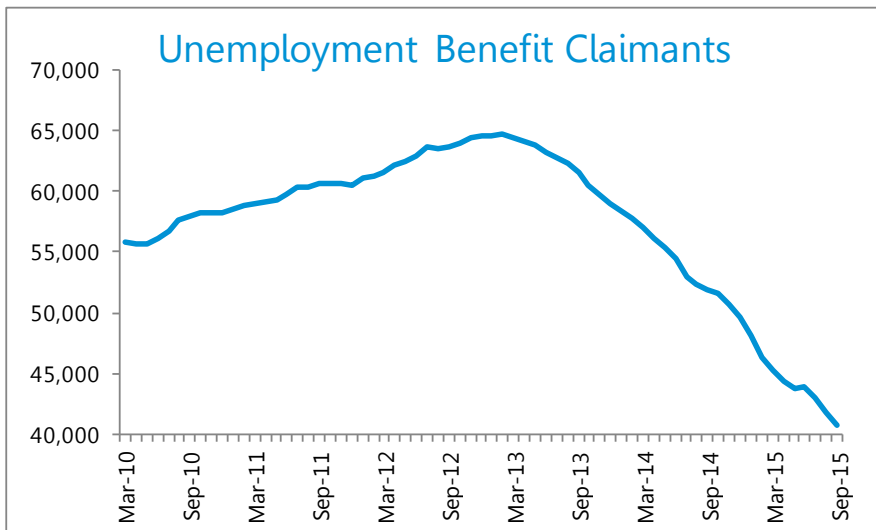
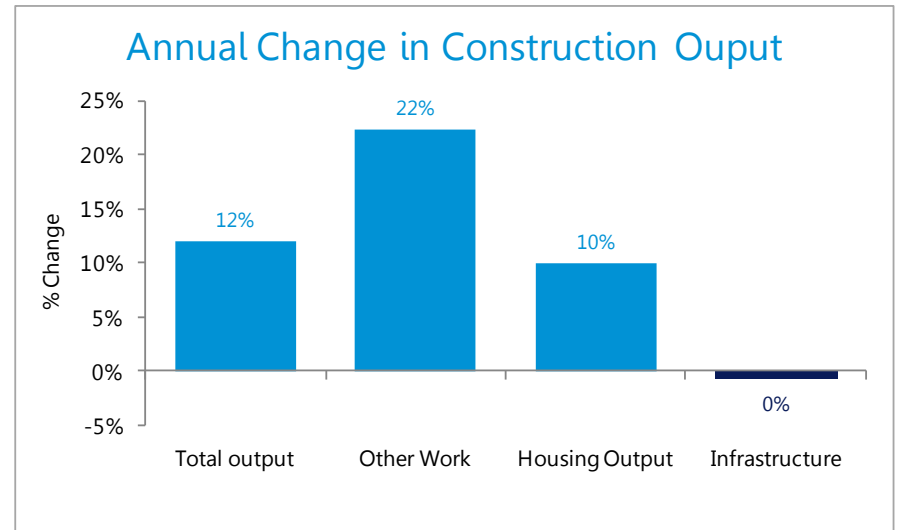
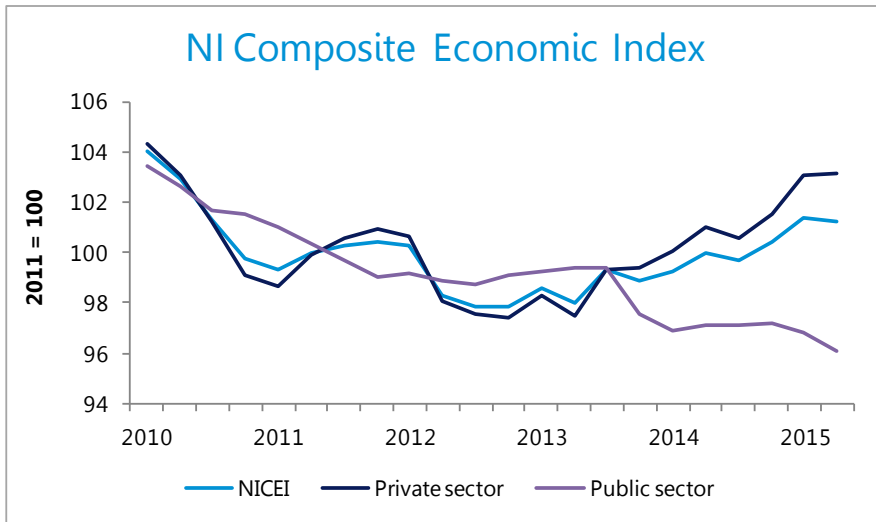
The Ulster Bank's monthly PMI report suggests that the local private sector continues to experience growth. Business activity has now increased for five consecutive months to September with the latest month indicators on employment and new export business also rising.

Results from the NI Chamber of Commerce and Industry's economic survey for Q3 suggest that some of the local recovery's momentum has been lost with weakening performance reported in both the manufacturing and services sectors.

Danske Bank, in its Q3 sectoral forecasts, remained relatively upbeat on NI's economic prospects stating conditions remained supportive for growth to continue but warned that risks remained on the downside. Growth of 2.0% and 2.2% in 2015 and 2016 respectively has been forecast.

### Key Recent Statistics and Updates

- The number of people **claiming unemployment benefits** has fallen by 11,200 over the past 12 months.
- Total **economic activity** increased by 1.3% on an annual basis.
- **Construction output** increased 12% on an annual basis.



\*Mar 2015 \*\*Sep 2015 \*\*\* Annual confirmed total to end of Sep 2015

| LABOUR MARKET OVERVIEW (Jun - Aug 2015) |         |   |
|---|---------|---|
| Measure                                 | Value   | Comment                                     |
| Employment                              | 816,000 | Same over quarter but <b>down</b> over year |
| Employment Rate                         | 67.9%   | Same over quarter but <b>down</b> over year |
| Employee Jobs*                          | 721,410 | <b>Up</b> over both quarter and year        |
| Claimant Count**                        | 40,700  | <b>Down</b> over both month and year        |
| Unemployment Rate                       | 6.0%    | <b>Down</b> over both quarter and year      |
| Economically Inactive                   | 579,000 | <b>Up</b> over both quarter and year        |
| Inactivity Rate                         | 27.6%   | <b>Up</b> over both quarter and year        |
| Redundancies***                         | 1,856   | <b>Decrease</b> of 9% from previous year    |

POSITIVE ECONOMIC NEWS

### **New Jobs for NI**

The DFP Minister and DEL Minister have announced that Teleperformance intends to create 800 new jobs by 2018 in Enniskillen, Fermanagh. Teleperformance is a leading outsourced customer service management company and this centre will be its third in NI. Invest NI has offered £2.5million of support towards the project. DEL has offered £249,500 of support through Assured Skills for pre-employment training for 100 people.

### **Success for Tourism**

Overall visitor numbers for the first six months of 2015 (January to June) showed a further 2% increase to 2.1million on the record levels of visitor numbers achieved in 2014. Overall visitor numbers for the full year to June 2015 are up to 4.55million an increase of 9% on the year to June 2014.

### **Support for Business**

The DETI Minister recently led a three day Trade Mission to Canada. Nine NI companies participated in the trip. Trade Missions offer the opportunity for companies to explore opportunities to do business in important export markets.

### **Support for Skills**

The DEL Minister has opened the new £12million SERC Performing Arts, Computing and Engineering (SPACE) campus at the South Eastern Regional College in Bangor. The new 3,650m<sup>2</sup> facility which is funded by DEL, will provide high specification, bespoke accommodation for the Schools of Manufacturing and Electrical Engineering, Computer and Software Engineering, and Performing and Creative Arts.

The DEL Minister has visited the site of the new Southern Regional College (SRC) Craigavon campus development and signed off the £1.9million design contract for the development of three new campuses in Armagh, Banbridge and Craigavon. The Armagh and Banbridge projects will see new campuses being developed on the existing sites while the Craigavon development will replace the Lurgan and Portadown campuses with a single new high quality campus in Craigavon.

The DEL Minister has launched United Nation's World Space Week in NI at a reception at the Ulster Museum. The guest of honour was Colonel Greg H Johnson, a former NASA astronaut who piloted STS-134, the final flight of the space shuttle Endeavour. World Space Week, which ran from 4-10 October, is the largest worldwide public celebration of space and aims to promote the importance of space technology and STEM to our economy and society. The 2016 NI Science Festival will take place from 18-28 February.

DEL has launched the first Game Development Academy. The Academy will provide 16 talented individuals with an intensive 16-week programme including a company placement to develop the skills and experience needed to take up opportunities in the game development agency. They will also gain industry recognised qualifications. In addition, NI Screen, through the Aim High, Gaming Scheme, funded by Invest NI, will provide a 12 month game development industry placement for six participants on the Academy Programme.

DEL's Head of Further Education, Dr Mary McIvor, presented certificates to 16 graduates who successfully completed the PwC Data Analytics Academy. The students will now be interviewed for available jobs within the company.

The DEL Minister has launched the fourth cohort of the ICT Apprenticeship Scheme to provide opportunities to enter this growing and exciting sector. The scheme involving a number of public sector and private sector organisations, will recruit apprentices to take up various software development and IT infrastructure roles.

### Support for Local Councils

The DOE Minister has announced an increase in the funding for a number of local councils. The extra funding of £2.6million is being made available to Councils for Rates Support (£2.1million) and Emergency Planning (£0.5million).

### Boost for the Environment

The world's first Prosperity Agreement between DOE and Linden Foods/Linery plants in Dungannon has seen over £1million investment by the company. This has resulted in a major carbon reduction, demonstrating that NI is serious about creating a world-class, clean, green agri-food sector. The DOE Minister has welcomed the progress stating that 'Linden and Linery are outstanding examples that 'good for the environment, good for business' is achievable through cooperation, innovation and strong leadership. This is a real step change in how businesses and regulators can work together.'

The DOE Minister has announced that 32 schools will receive £90,245 from the Challenge Fund for environmental funding and has welcomed the passion that our young people have in the protection and enhancement of the environment.

The DOE Minister has called on environmental groups to apply for a share of over £36million pounds of cross-border EU funding. Environmental groups can apply for funding worth €48.3million (over £35million) from 7 October 2015. The funding is to be allocated through the INTERREG cross-border co-operation programme for 2014-2020. The DOE Minister has welcomed the funding as a major boost to help protect our environment.

The DOE Minister has announced a number of new road safety initiatives including 15 new grant aided projects and two social media campaigns regarding the dangers of drink driving and the use of mobile phones while driving.

### Support for Infrastructure

£450,000 of investment has been provided by DE towards the redevelopment of the Ballyhoran Scouts Centre near Strangford. The investment has allowed a new purpose built hall to be built and linked to the four existing huts, new kitchen facilities to be installed and toilet facilities to be ungraded. In addition, landscaping improvements have meant that there is now additional camping and play areas for youth members.

The DE Minister has welcomed £500,000 investment from DE's Youth Capital Budget which has benefitted Carrickmore Youth Centre in County Tyrone. The funding has been used to upgrade the sports hall and create a viewing gallery, we well as improving the front facade of the building and providing a pedestrian bridge which will improve disabled access.