

## Labour Market Structure

July to September 2025



Employment Rate

**71.4%**

*No statistically significant quarterly or annual change*



Unemployment Rate

**2.4%**

*No statistically significant quarterly or annual change*



Economic Inactivity Rate

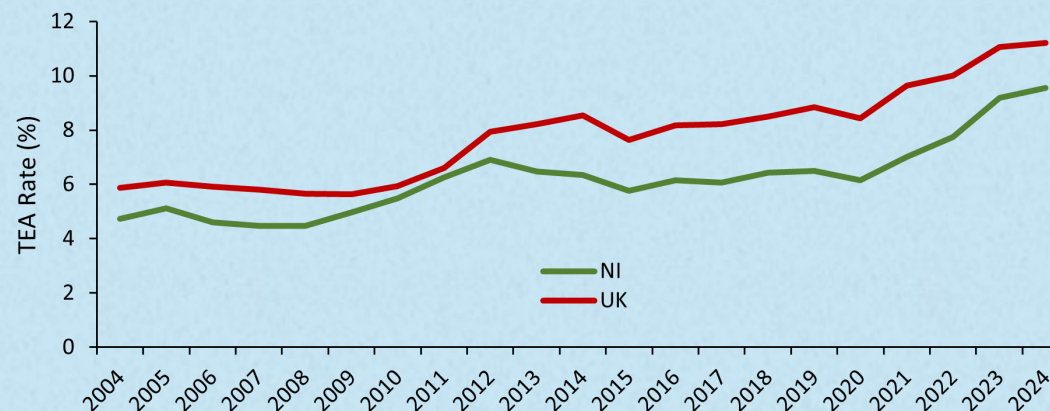
**26.8%**

*No statistically significant quarterly or annual change*

Source: NISRA

## Early-stage Entrepreneurial Activity

Rolling three-year average TEA rates in NI and the UK



Source: Global Entrepreneurship Monitor

## Good Jobs

Good Jobs rate by council area in NI, 2025



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Source: NISRA



## Commentary

The latest Labour Market Report suggests a continued cooling of the local **labour market**, with the number of people claiming unemployment benefits increasing by an estimated 4.5% in October while payrolled employee numbers remained largely unchanged. There were 130 confirmed redundancies in October, bringing the latest 12-month total to 2,310, a 15% increase from the previous 12 months. However, the overall redundancy rate for both proposed and confirmed redundancies remained in line with the pre-Pandemic trend. Median monthly pay showed no movement over the month but remained 5.7% higher than in October 2024, exceeding UK inflation and suggesting real wage growth over the year.

NI Labour Force Survey results suggest that roughly one-in-ten young people (aged 16-24) were not in education, employment or training (**NEET**) in Q3 2025. The central estimate for the NI NEET rate (12%) represents an increase from Q3 2024 (8%) and was slightly below the UK average (14%).

The rate of **Good Jobs**, as defined as paying the Real Living Wage or more and having a permanent, non-zero-hour contract, stood at 69% in NI in 2025, remaining below the 2022 peak. As shown on the cover page, Belfast had the highest proportion of Good Jobs, with almost three-quarters of jobs meeting the criteria, whilst the lowest rate was in Causeway Coast & Glens. Only around 13% of jobs held by those aged 16-21 met the criteria, significantly below any other working age group. All priority sectors (those identified as having strong potential to drive the NI economy) had a higher rate of Good Jobs than the NI average (Figure 1).

According to the Ulster Bank Regional Growth Tracker, local **business activity** continued to decline in October, although at a significantly slower pace than in previous months. Muted customer confidence and tight budgets were identified as factors behind the fall in output. Employment, however, rose for the fifth consecutive month, with NI being one of only three UK regions to record an increase. Inflationary pressures also strengthened, driven by rising wages, though business sentiment remained cautiously positive.

NI Chamber's Quarterly Business Insights report for Q3 2025 described NI's **business environment** as 'resilient but stretched' due to ongoing cost pressures, with business confidence steady despite weak cashflow. NI's manufacturing sector continued to outperform most UK regions supported by stronger order books and stable investment intentions. The services sector also performed well, though with more variation than manufacturing. Notably, 24% of businesses stated that they were struggling or under financial strain (the highest percentage since early 2023), while 51% of businesses reported that activity or demand had weakened compared to three months ago. The survey also highlighted how 78% of businesses were finding it difficult to fill vacancies, the main barriers including lack of experience, technical skills gap and pay competition.

The NISRA 2024 Employer Skills Survey found that 25% of job vacancies in NI were hard to fill due to a lack of **skills**, knowledge or experience among applicants. Such skills commonly included those of a technical nature such as specialist skills or knowledge, complex problem-solving and creative/innovative thinking, as well as personal skills such as time management and task prioritisation. Skill shortages were less prevalent in the east of NI (Figure 2). 11% of employers had a skills gap within their workforce, with 55% anticipating a need to upskill staff in the coming year. Fewer than one-in-

ten employers reported using Artificial Intelligence (AI) - lower than in England, Scotland and Wales - with use varying significantly across sectors (Figure 3).

According to the latest GEM NI Report, the total early-stage **entrepreneurial activity** (TEA) rate reached a record high of 10.2% in 2024, indicating that around one-in-ten people aged 18-64 were engaged in the very early stages of starting a business or had a new business under 3.5 years old.

On the 5<sup>th</sup> November, the Bank of England (BoE) Monetary Policy Committee (MPC) voted by a majority of 5-4 to maintain the **Bank Rate** at 4%, noting that it 'needs to see more evidence that inflation is on track to fall back all the way to the 2% target before it can cut Bank Rate again.' The next MPC meeting will be held on the 18<sup>th</sup> December.

UK **inflation** softened slightly in October 2025. Consumer prices, as measured by the Consumer Price Index (CPI), increased by 3.6% over the year to October, or by 3.8% including owner occupier's housing costs, down from September when these annual inflation rates were 3.8% and 4.1% respectively.

The Chancellor of the Exchequer delivered her **Autumn Budget** to the House of Commons on the 26<sup>th</sup> November, announcing an increase to minimum wage and the removal of the two-child benefit cap, along with a range of other tax and public spending measures. Some of the key tax measures include the freezing of personal tax thresholds for a further three years (until 2030/31), a per-mile road charge for electric vehicles and the creation of separate tax rates for property income. Additionally, salary-sacrificed pension contributions above an annual threshold will no longer be exempt from National Insurance Contributions.

The **OBR forecast** UK real GDP to grow by 1.5% in 2025 and then remain steady over the remainder of the forecast period (to 2030/31), reflecting an upward revision to 2025 growth and a slight dampening of longer-term expectations when compared to the March forecast. CPI inflation is forecast to continue to fall, nearing the BoE target towards the end of 2026.

The latest Property Pal NI **Housing Market** Update indicated that the average property price increased by 7% over the year to Q3 2025, reaching around £232,500. The volume of residential property sales was 5% higher than in Q3 2024. The average rental price was £987 per month, an annual increase of around 6%, with advertised rental properties attracting an average of 73 enquiries. The highest average monthly rental price was in Belfast (£1,153) while the highest property prices were in Ards & North Down (averaging around £286,800).

According to research commissioned by The R&A and Tourism NI, **The 153<sup>rd</sup> Open** at Royal Portrush generated a combined economic benefit of more than £280m for NI. Staging the event provided a total economic impact of £89.2m to NI (of which £43.7m was specifically within Causeway Coast & Glens). This was almost double the impact for NI and a 67% increase for Causeway Coast & Glens compared with 2019, when The Open was last held in NI. Furthermore, £191m of destination marketing benefit was generated for NI due to global exposure The Open provided through media coverage.



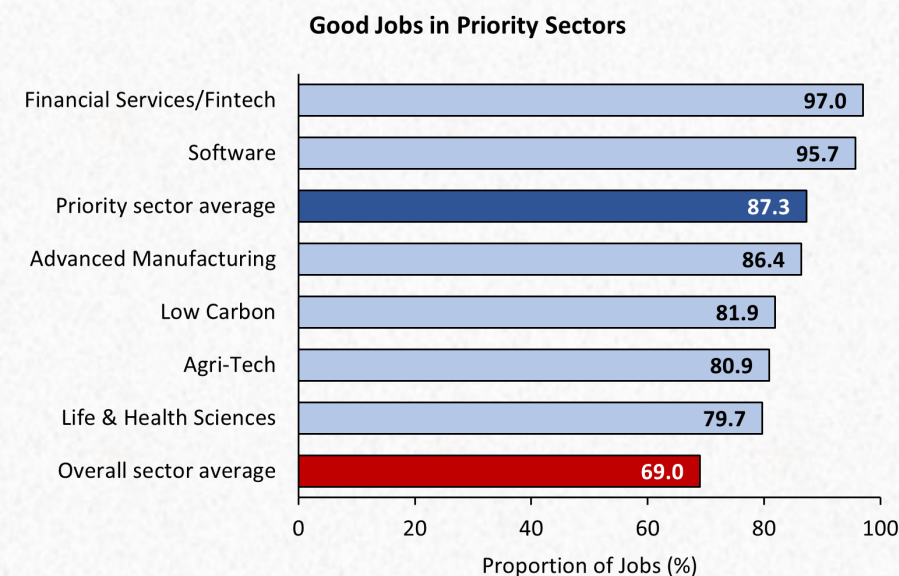
## Tables and Charts

**Table:** The latest available headline labour market indicators for NI, the UK, the Republic of Ireland (ROI) and the Euro Area overall, seasonally adjusted and in percentage terms.

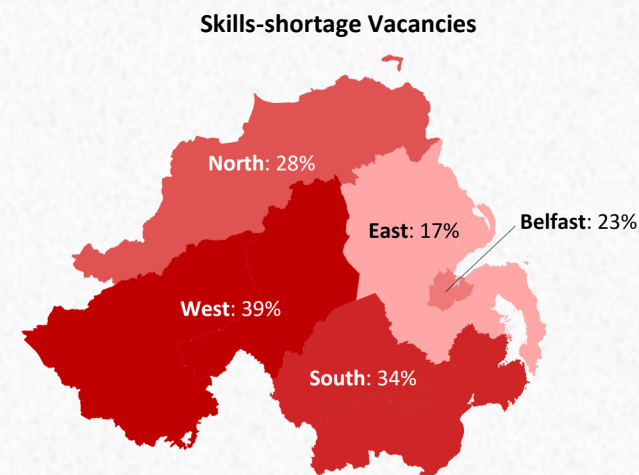
Indicator	NI	UK	ROI	Euro Area
Unemployment Rate (16+)	2.4	5.0	4.5	6.4
Employment Rate (16-64)	71.4	75.0	74.6	70.9
Inactivity Rate (16-64)	26.8	21.0	21.7	24.2

Note: ROI and Euro Area data refers to Q2 2025. NI and UK data refers to Q3 2025. For ROI and Euro Area statistics, the minimum working age is considered to be 15. Sources: NISRA Labour Market Report and OECD.

**Figure 1:** The proportion of Good Jobs in priority sectors and in NI overall in 2025. Note: The 'Screen Industries' priority sector is excluded due to small sample size but is included in the priority sector average. Source: NISRA Good Jobs.



**Figure 2:** Skills-shortage vacancies as a proportion of total vacancies by region, 2022-2024. Source: NISRA Employer Skills Survey.



**Figure 3:** AI use by sector in NI in 2024. Source: NISRA Employer Skills Survey.

