



April 2015

The latest outlook report from the International Monetary Fund (IMF) projects **global** growth of 3.5% in 2015 and 3.8% in 2016. Growth is expected to be stronger in 2015 compared to 2014 in advanced economies, but weaker in emerging economies.

Growth projections for the **Euro area** have been uplifted by the IMF; a result of lower oil prices, lower interest rates and euro depreciation, as well as a shift to a broadly neutral fiscal stance. Growth of 1.5% and 1.6% in 2015 and 2016 respectively is now expected. The **Republic of Ireland** is expected to be the fastest growing economy in the bloc this year, with estimated growth of 3.9%.

The IMF estimates that the **UK** economy will grow steadily by 2.7% in 2015 and 2.3% in 2016, supported by lower oil prices and improved financial conditions. Elsewhere, inflation (CPI) has remained unchanged at 0.0% in March, with falls in clothing and gas prices producing the largest downward contributions to the rate.

The **Northern Ireland** labour market has continued to improve with the number of people claiming benefits decreasing for a 27th successive month, by a further 1,000 in the month to March. The unemployment rate, at 6%, is slightly above the UK rate (5.6%) but is down by 1.7 percentage points over the year.

Output in the local construction sector reached its highest level in almost two years in Q4 2014, with output increasing 3.9% compared to the previous quarter. Over the quarter, growth came from housing output (8.5%) and infrastructure work (3.6%) while the volume of other work decreased by

2.8%. The ONS house price index shows that local house prices increased 14.2% in the year to February, the highest annual growth recorded of any UK region although prices remain the lowest of all regions.

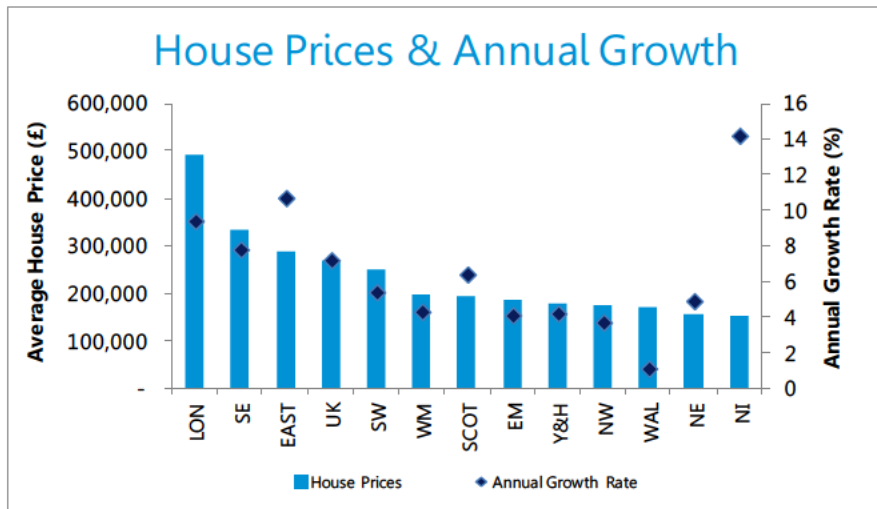
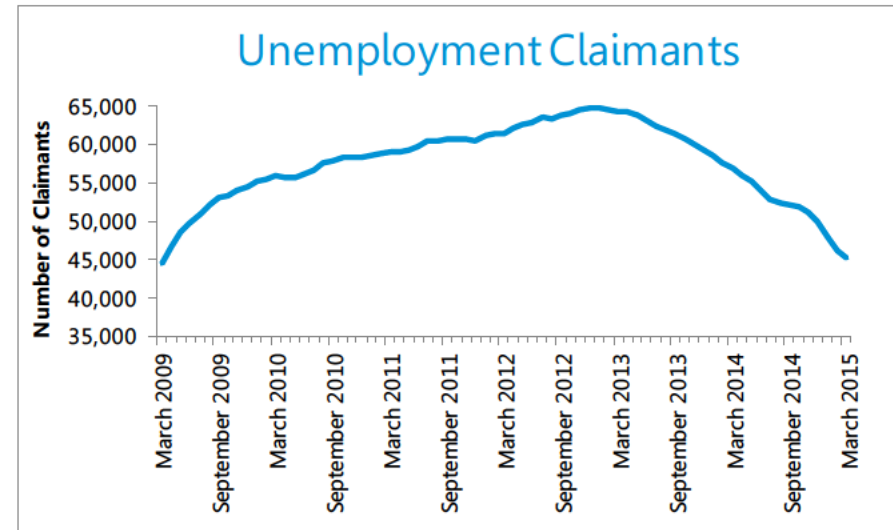
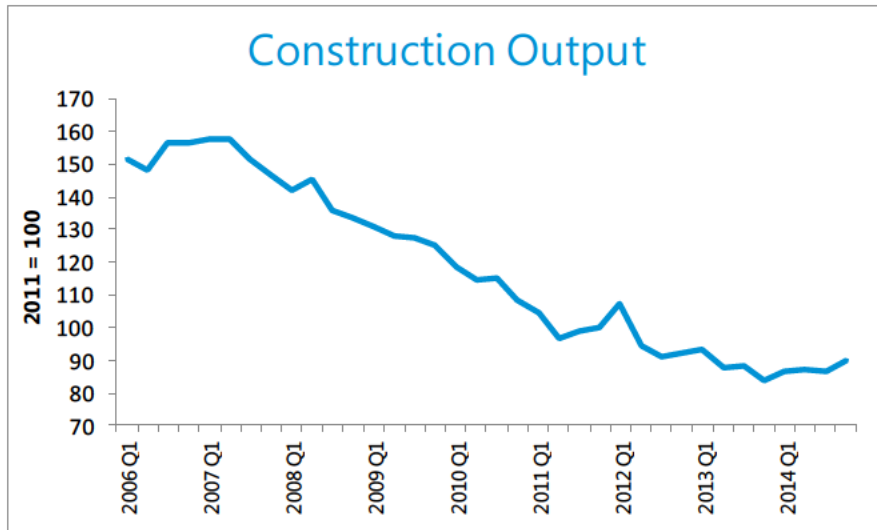
The Ulster Bank PMI has reported increased activity in the local private sector in March 2015, its first rise in four months. Activity in the services sector increased, manufacturing activity remained broadly the same, while construction activity contracted.

In its latest set of forecasts, the Danske Bank noted that the local economic recovery is well established and anticipates that GVA will rise by 2.2% in both 2015 and 2016. However, it expects fiscal policy to remain a drag on growth in the medium term. Elsewhere, the bank's Q1 2015 consumer confidence index showed consumer confidence reached its highest level since the survey began in 2008.

PwC, in its latest outlook, predicts growth of 1.7% for NI in 2015, compared to overall UK growth of 2.5%. It notes that despite strong employment growth, NI is not demonstrating much recovery in wages, productivity or living standards.

Key Recent Statistics and Updates

- **Construction output** increased 3.9% over quarter to Q4 2014.
- **House prices** increased 14.2% in the year to February.
- The number of people **claiming unemployment benefits** has fallen by a further 1,000 to March.



LABOUR MARKET OVERVIEW		(Dec – Feb 2015)
Measure	Value	Comment
Employment	833,000	Up 22,000 over the year
Employment Rate	68.6%	Up 0.8% over both quarter and year
Employee Jobs*	720,130	Increase of 1,280 jobs over the quarter
Claimant Count**	45,200	Fall of 11,700 over recent 12 months
Unemployment Rate	6.0%	Up over quarter but down over year
Economically Inactive	556,000	Unchanged over year
Inactivity Rate	26.8%	Highest of 12 UK regions
Redundancies***	2,037	Increase of 1% from previous year

*Dec 2014 **Mar 2015 *** Annual total up to end of Mar 2015



POSITIVE ECONOMIC NEWS

New Jobs for NI

The DETI and DEL Ministers have announced that Eishtec Ltd is to create 320 jobs over the next three years through set up of a customer service centre in Craigavon. The RoI based company delivers customer service, technical support, retention and sales services analytics, primarily to the mobile telecoms sector.

The DETI Minister has announced the creation of 97 jobs at Axiom UK over the next five years. The company is an innovative provider of technology-enabled legal services and will create the new posts as part of a £9million investment in the local economy.

Support for Business

The DETI Minister has welcomed the signing of a new partnership agreement between the BBC and NI Screen. The partnership sets out priority areas of co-operation between the two parties to support the creative industries across NI.

The DETI Minister has announced that Invest NI plans to develop a scheme to help ensure that NI has adequate Grade A office accommodation to meet business needs.

Public Procurement Contracts Awarded

The DFP Minister has announced that, in March 2015, 342 procurement contracts were awarded with a value of circa £220.1million. 60.2% of these contracts (206) were awarded to NI SMEs.

Support for Research & Development

The DEL and DETI Ministers have highlighted the importance of research and innovation to driving growth in the economy. The Ministers were speaking at the launch of the NI Horizon 2020 Strategy which sets out key actions to help local researchers across academia and business win €145million from Horizon 2020, the European Union's €79billion flagship research and innovation programme.

Support for Skills

The DEL and DETI Ministers announced a new strategy to tackle economic inactivity in NI entitled 'Enabling Success'. Enabling Success seeks to address the forms of economic inactivity caused when an individual's particular circumstances, often combined with various structural and social barriers, restrict their access to the labour market.

The DEL Minister has announced that the development of the new teaching block at Ulster University's Magee campus has been approved. The £11million development will deliver modern teaching accommodation which will facilitate a collaborative teaching approach at Magee and ensure all available teaching space is used efficiently.

The DEL Minister has announced £108,000 funding to continue the work of the Forum which supports the Pathways to Success Strategy to help those young people who are not in education, employment or training, more commonly known as NEETs.

More than 400 people and 30 employers attended the Jobs Fair in the Slieve Donard Hotel organised by DEL. Employers including Eventsec, Norbrook, Radox and Winterfell Tours, offered around 200 opportunities.



Support for Rural Development

The DARD Minister has announced a new funding programme specifically designed to improve the lives of those living in rural communities. The Rural Micro Capital Grant Programme will be delivered by local Rural Support Networks on behalf of DARD. It makes grants of between £200 and £1,500 available to rural community organisations for equipment and minor capital works.

DARD has exceeded its target to process and pay 90% of Less Favoured Area Compensatory Allowances (LFACA) Scheme 2015 claims by 31 March 2015 with 96% of eligible claims, and payments totalling £21.3million processed. This is a significant contribution to the rural economy and in particular to those farmers who face constraints brought about farming in less favoured areas.

Boost for Tourism

The DETI Minister has welcomed the announcement by Wizz Air that it is to operate a new route from Belfast International Airport.

The DETI Minister officially announced the completion of new environmental improvement works to Castlerock promenade and Whiterocks coastal park. These initiatives will help promote sustainable tourism for the North Coast area and will help create a legacy that will bring longer-term benefits in terms of our tourism economy and job creation.

The DETI Minister welcomed drivers and fans to NI for the 2015 Circuit of Ireland rally. The race, billed as one of the FIA European Rally Championship's flagship events, features visiting competitors representing 16 different countries.

The DOE Minister has allocated £21,500 to help the new Newry, Mourne and Down District Council prepare for the Irish Open Golfing Championship in May. The funding will be used to improve the appearance of properties and derelict sites located in Ballynahinch, Saintfield, Annalong and Kilkeel.

Support for Infrastructure

The DE Minister has announced that construction work is underway on a number of projects being funded under the capital works programme including major projects under the School's Enhancement Programme and projects progressing under Minor Works. These include: the official opening of £12.78million school for Tor Bank; £728,000 improvements at Maine Integrated Primary School, Randalstown; and almost £1million investment in accommodation at Rainey Endowed.

The DE Minister has announced that further progress has been made at the Lisanelly Shared Education site in Omagh. Woodvale Construction Company has been awarded a contract to build the first school on the site. In addition, sustainable demolition of up to 300 buildings within the former army barracks has started.

The DOE Minister has welcomed the announcement of £1.2million support for 25 local historic churches through the UK wide roof repair fund saying 'This is a tremendous extra boost for our listed places of worship'.

The provision NI Planning Development Management Statistics for October to December 2014 has shown that the number of received planning applications has risen for the third consecutive quarter this financial year, with a 14% increase in applications this latest quarter compared to the same period last year.