

# WINTER OUTLOOK 2016

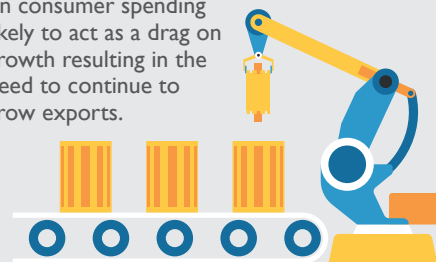
Recession is avoided on the back of strong consumer spending and the depreciation in Sterling provides help to exporters.



Risks remain on the downside as higher inflation may impact real incomes. Access to foreign skills could constrain higher value sectors and recent manufacturing job losses reduce GVA.

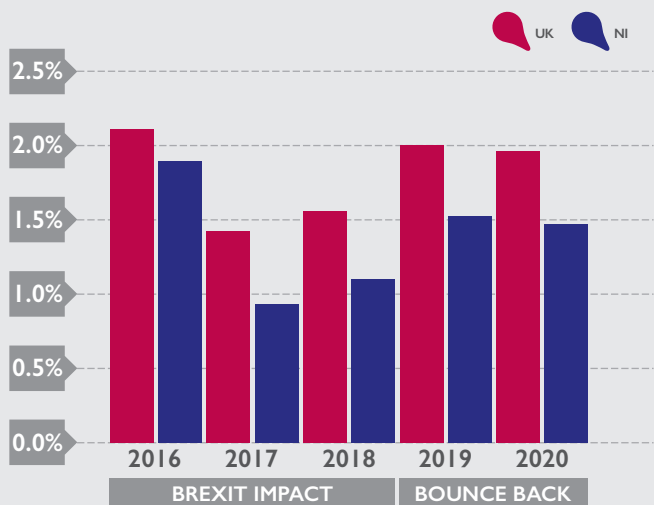


Longer term dependence on consumer spending likely to act as a drag on growth resulting in the need to continue to grow exports.



Source: UUEPC (unless otherwise specified)

## REAL GVA GROWTH RATE, UK VS. NI, 2016-2020

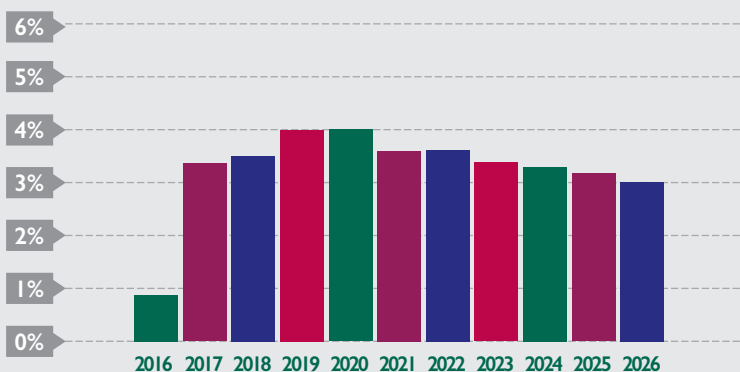


## EMPLOYMENT CHANGE BY SECTOR, NI, 2016-2026

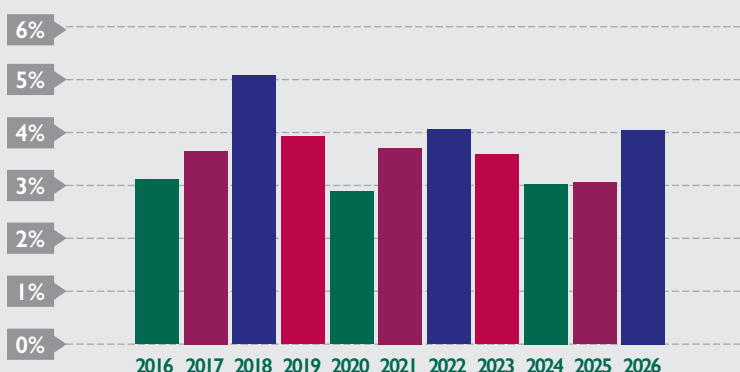
32,500 jobs forecast over next 10 years



## INFLATION, NI, 2016-2026 FORECAST



## WAGE GROWTH, NI, 2016-2026 FORECAST



NI exports increased by 9.5% in 12 months to June 2016 but number of exporters is down 4.5% in same period.



Source: HMRC

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## CONSIDERING A RANGE OF ECONOMIC SCENARIOS

|                             | LOWER SCENARIO | CENTRAL | UPPER SCENARIO |
|-----------------------------|----------------|---------|----------------|
| ANNUAL % GDP GROWTH 2016-26 | 0.8%           | 1.3%    | 2.0%           |
| EMPLOYMENT CHANGE 2016-26   | -4,500         | 32,500  | 87,000         |

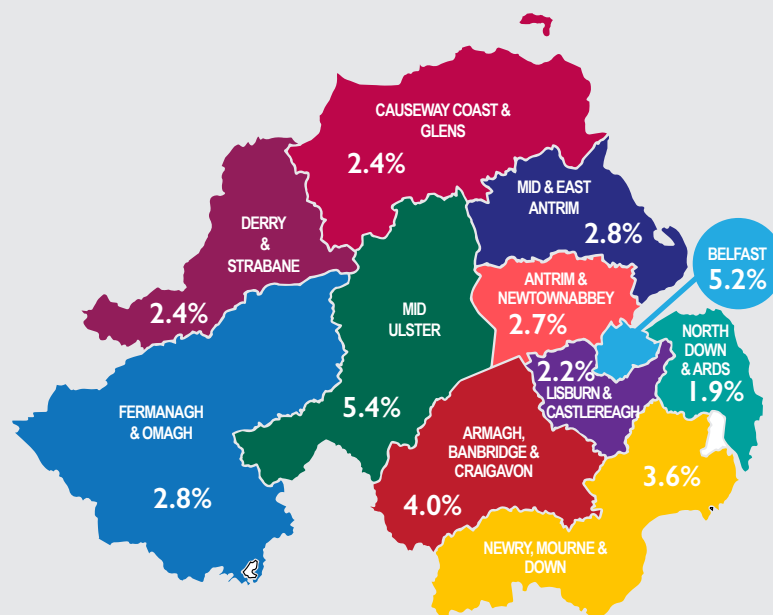
## EMPLOYMENT, NI, 1997-2026



## NI EMPLOYMENT SECTORAL FORECASTS (2016-2026)

|                                     | LOWER SCENARIO | CENTRAL       | UPPER SCENARIO |
|-------------------------------------|----------------|---------------|----------------|
| AGRICULTURE                         | -3,400         | -600          | 400            |
| MANUFACTURING                       | -5,900         | 2,600         | 5,000          |
| ELECTRIC & GAS                      | 0              | 0             | 200            |
| WATER SUPPLY & WASTE                | 0              | 0             | 200            |
| CONSTRUCTION                        | 2,800          | 4,100         | 7,300          |
| WHOLESALE & RETAIL                  | -1,300         | 0             | 1,200          |
| TRANSPORT & STORAGE                 | 900            | 2,100         | 3,300          |
| RESTAURANTS & HOTELS                | 1,200          | 3,700         | 7,800          |
| INFORMATION & COMMUNICATION         | 900            | 3,800         | 11,100         |
| FINANCE & INSURANCE                 | -1,500         | -400          | 4,000          |
| REAL ESTATE                         | 0              | 800           | 1,200          |
| PROFESSIONAL SCIENTIFIC & TECHNICAL | 1,000          | 6,700         | 19,300         |
| ADMIN' & SUPPORT SERVICES           | 1,200          | 6,900         | 9,900          |
| PUBLIC ADMIN & DEFENCE              | -3,900         | -3,900        | -700           |
| EDUCATION                           | -1,400         | -1,400        | 0              |
| HEALTH & SOCIAL WORK                | 3,400          | 3,900         | 9,800          |
| ARTS & ENTERTAINMENT                | 1,200          | 2,500         | 4,300          |
| OTHER SERVICE ACTIVITIES            | 300            | 1,600         | 2,700          |
| <b>TOTAL</b>                        | <b>-4,500</b>  | <b>32,500</b> | <b>87,000</b>  |

## EMPLOYMENT CHANGE 2016-2026 (%)



## NI LABOUR MARKET OUT PERFORMING UK AVERAGE



## UK ECONOMIC GROWTH FORECASTS

### COMPONENTS OF GDP GROWTH (PERCENTAGE CHANGE)

|                     | 2016  | 2017  | 2018  | 2019 | 2020 | 2021-25 (Avg) |
|---------------------|-------|-------|-------|------|------|---------------|
| CONSUMER SPENDING   | 1.7%  | 1.2%  | 1.2%  | 0.9% | 0.8% | 0.8%          |
| GOVERNMENT SPENDING | 0.2%  | 0.1%  | 0.1%  | 0.0% | 0.1% | 0.3%          |
| INVESTMENT          | 0.8%  | -0.1% | 0.5%  | 0.7% | 0.5% | 0.3%          |
| NET TRADE           | -0.1% | 0.4%  | -0.1% | 0.3% | 0.6% | 0%            |
| OTHER               | -0.4% | -0.1% | -0.1% | 0%   | 0%   | 0%            |
| GDP                 | 2.1%  | 1.4%  | 1.6%  | 2.0% | 1.9% | 1.4%          |

Source: UUEPC in partnership with the Centre for Business Research, University of Cambridge

Note figures may not match GDP due to rounding