

## BETTER THAN EXPECTED, LESS THAN NEEDED

Economic performance continues to be steady and much more positive than many had anticipated



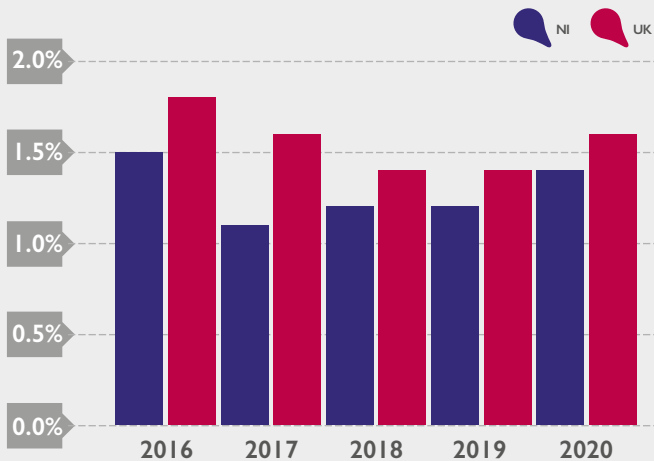
The range of longer term outcomes remains wide due to potential migration, trade, funding and border and policy shifts



Primary risk to economic growth remains a squeeze on incomes and the subsequent impact on consumer spending



## ECONOMIC GROWTH RATE\*, UK VS NI, 2016 -2020



\*Economic growth rate refers to annual growth in Gross Value Added (GVA).

## CONSIDERING A RANGE OF ECONOMIC SCENARIOS

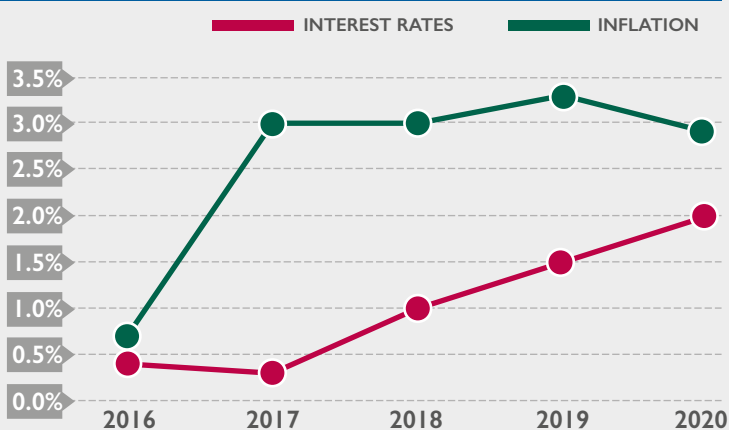
If a poorly managed Brexit coincides with a squeeze on real income, we could see employment levels fall by **8,200** over 10 years.

A trade friendly smooth Brexit where the NI economy covers with UK average economic activity could see employment increase by **87,500**.



NI EMPLOYMENT FORECAST 2016-26

## UK MACRO-ECONOMIC VARIABLES 2016-2020



Note: Inflation data presented relates to the Consumer Price Index (CPI) measure.

## NI HEADLINE SECTORAL GVA FORECASTS (% P.A.), 2016 – 2020

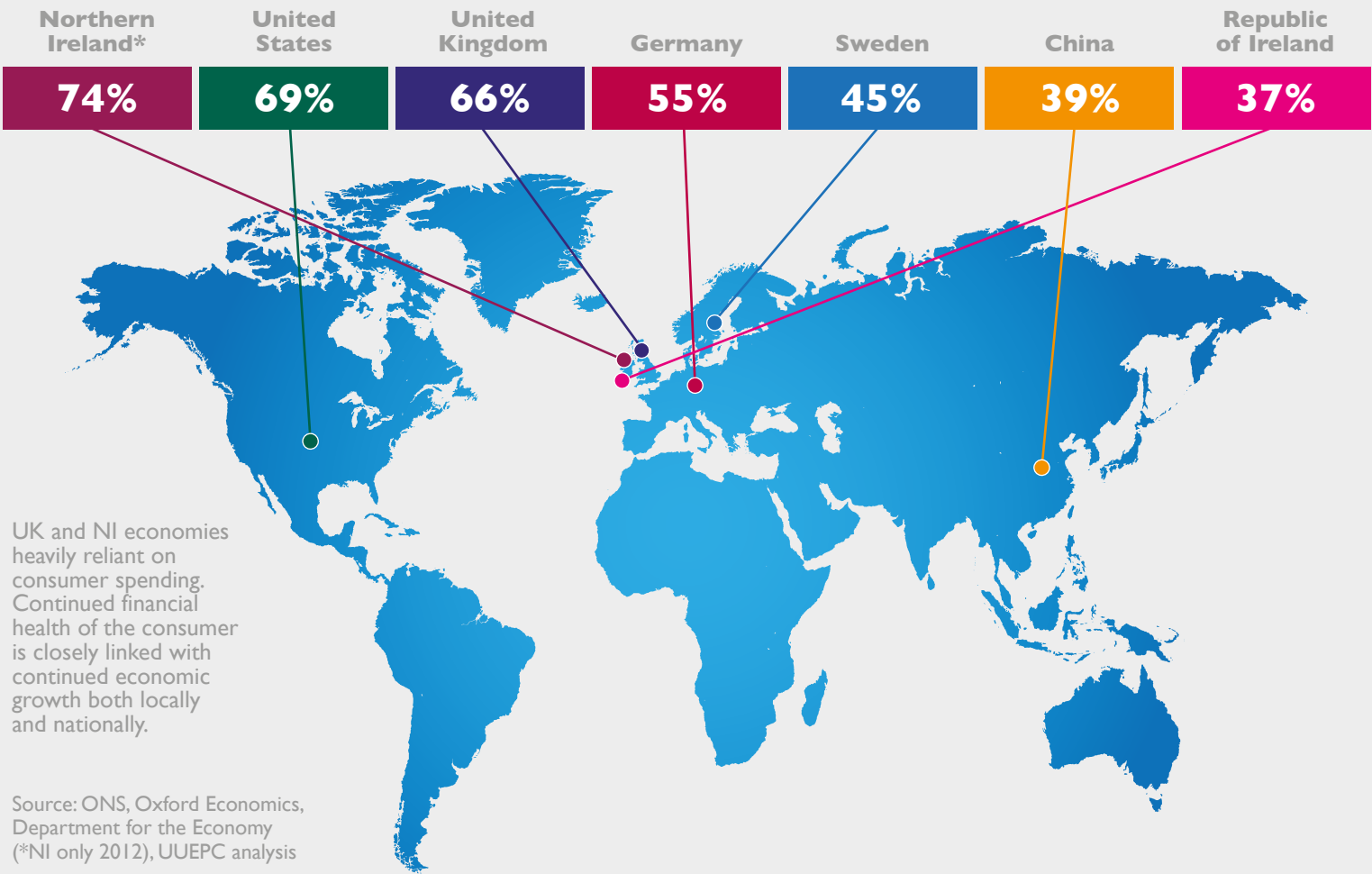
	2016	2017	2018	2019	2020
PRODUCTION & MANUFACTURING	3.2%	-1.9%	1.3%	1.2%	1.6%
CONSTRUCTION	-2.3%	0.1%	0.9%	0.9%	0.4%
PUBLIC SECTOR SERVICES	-2.0%	1.0%	0.7%	0.6%	1.1%
PRIVATE SECTOR SERVICES	3.3%	2.5%	1.6%	1.6%	1.6%
<b>TOTAL</b>	<b>1.5%</b>	<b>1.1%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.4%</b>

## NI SECTORAL EMPLOYMENT ACTUAL AND FORECAST

	2008-12 (RECESSION)	2012-16 (RECOVERY)	2016-26 (FORECAST)
AGRICULTURE	800	-1,800	0
MINING AND QUARRYING	300	500	0
MANUFACTURING	-11,800	10,300	1,500
UTILITIES	300	1,800	500
WATER SUPPLY & WASTE	0	300	-600
CONSTRUCTION	-26,800	1,800	2,400
RETAIL	-13,300	-1,500	-1,000
TRANSPORTATION	-500	5,800	2,800
RESTAURANTS & HOTELS	-800	6,800	4,000
ICT	-1,000	3,000	4,000
FINANCIAL SERVICES	-1,500	500	1,000
REAL ESTATE	-300	-800	200
PROFESSIONAL & SCIENTIFIC	-300	6,300	5,600
ADMINISTRATION SERVICES	-300	10,000	6,000
PUBLIC ADMINISTRATION	-4,000	-4,800	-3,500
EDUCATION	-2,300	2,500	-1,300
HEALTH	2,800	9,000	4,300
ARTS & ENTERTAINMENT	0	1,500	1,500
OTHER SERVICES	-300	6,300	1,300
<b>TOTAL</b>	<b>-61,500</b>	<b>57,300</b>	<b>28,800</b>

# SUMMER OUTLOOK 2017

## CONSUMER SPENDING AS A % OF OVERALL GDP, 2016



## PROFILE OF CONSUMER SPENDING, UK REGIONS

### Food, Fun and Fashion!

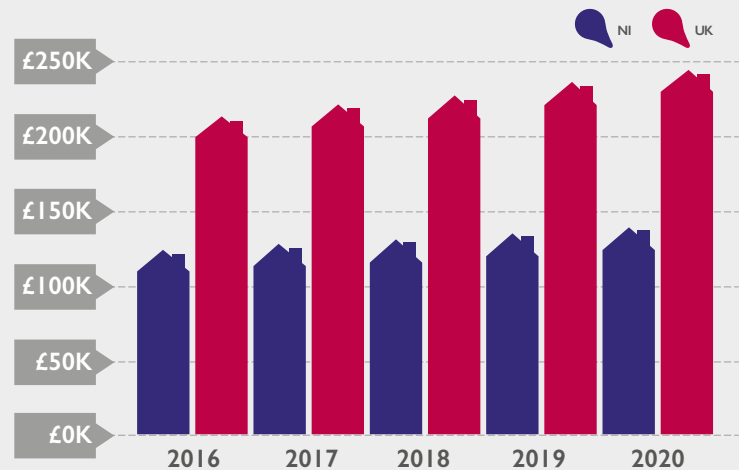
NI spends more on food and drink, alcohol and clothing than any other part of the UK and the least on housing.

## REGIONAL RANKING OF TOTAL SPENDING BY CATEGORY

	HIGHEST WEEKLY EXPENDITURE (£)	NI RANK
<b>FOOD &amp; NON-ALCOHOLIC DRINKS</b>	NORTHERN IRELAND	1
<b>ALCOHOLIC DRINKS AND TOBACCOS</b>	NORTHERN IRELAND	1
<b>CLOTHING &amp; FOOTWEAR</b>	NORTHERN IRELAND	1

Source: Living Costs and Food Survey, UUEPC analysis  
Note: NI rank relates to position ranked out of the 12 UK regions

## AVERAGE HOUSE PRICE FORECAST, UK VS NI, 2016 – 2020



## 2016 MEDIAN FULL TIME ANNUAL WAGE

NORTHERN IRELAND	£26,070
GREAT BRITAIN	£28,560
GB EXCLUDING LONDON	£27,050

**Average wage gap between NI and GB (excluding London)**

**3.6%**

Annual Survey of Hours and Earnings 2016, UUEPC

## UK unemployment rate is at a 42 year low – 4.7%

Greatest level of growth in NI (2012 - 2016) has been seen in part time self-employment: +12,000

