

Labour Markets

Employment

The last two editions of the *Review*, covering a one year period from May 2003, reported a strong labour market with falling unemployment and raising employment in the UK. Data published by the Office for National Statistics (ONS) in October 2004 for the latest reference period (June to August 2004) show only slight changes to the above trend, with a fall of 0.1 percentage point in the working age employment rate on the previous quarter to 74.7%. The number of people in employment rose by 10,000 over the last quarter, while the number of vacancies at 662,800 was up 55,700 compared with a year ago. The unemployment claimant count in the UK was 834,000, representing a slight fall of 200 over the previous month. There are now 28.3 million people in employment in the UK.

Compared to the previous quarter, there were 6,000 more men in full time employment in the three months to August 2004, bringing the total to 13.72m. Meanwhile, the number of women in full-time employment increased by 24,000 to 7.3m. Around 7.36m people were in part-time employment in the latest quarter, of which 1.63m were men and 5.73 were women. Taking all men and women in employment, irrespective of whether full or part-time, this represents an approximately 54:46 split between men and women.

Table 2 gives summary statistics for the UK regions. The first column of figures refers to economic activity rates and shows that Wales remains among the worst performing regions in this respect, some 7.6 percentage points lower than the East, which is the highest performing region. Employment rates were showing only very small adjustments on the previous quarter across the regions, having little impact on employment numbers. The final two columns show unemployment rates, which also show very little change on the previous year; with most

adjustments being downward.

Table 3 reports employee jobs by selected industry in Wales over a three year period, to illustrate on-going adjustments in the sectoral structure of employment in Wales. Over the period, numbers of employee jobs have increased, but fewer are in manufacturing which experienced a 2.2% drop between June 2003 and June 2004. Meanwhile, consistent with the rest of the UK and with past trends, service sector job numbers have increased. In the year to June 2004, this

Table 2: National Labour Market Summary, June 2004 to August 2004.

	Economic activity rate	Change on year	Employment rate	Change on year	ILO unemployment rate	Change on year
North East	74.6	1.5	70.0	1.6	6.0	-0.3
North West	76.8	-0.6	73.5	-0.2	4.3	-0.5
Yorks & Humber	77.8	-0.4	74.4	0.2	4.3	-0.7
East Midlands	79.0	-0.4	76.0	0.3	3.8	-0.8
West Midlands	78.2	0.2	74.0	0.4	5.4	-0.3
East	82.3	0.7	79.3	1.0	3.5	-0.3
London	75.0	-0.8	69.7	-0.4	6.9	-0.5
South East	81.9	-0.5	78.8	-0.3	3.6	-0.3
South West	81.6	0.4	78.7	0.5	3.4	0.0
England	78.7	-0.2	75.1	0.2	4.6	-0.4
Wales	74.7	-1.8	71.2	-1.7	4.6	0.0
Scotland	79.7	0.6	75.0	0.6	5.7	-0.1
Great Britain	78.6	-0.2	74.9	0.1	4.7	-0.4
Northern Ireland	70.5	-1.7	67.2	-0.9	4.7	-0.9
UK	78.4	-0.2	74.7	0.1	4.7	-0.4

Source: *Labour Force Survey*.

Table 3: Employee Jobs by Selected Industry in Wales (thousands) not seasonally adjusted.

	June 2002	June 2003	June 2004	% change 03/04
Total	1,077	1,078	1,095	+1.5
Manufacturing	186	184	180	-2.2
Construction	57	49	50	+2.0
Services	417	417	424	+1.6

Source: Employers Surveys; reported in *Labour Market Statistics, Wales*, October 2004.

Note: If one person holds two jobs each job is counted in the table.

Table 4: Unemployment in Wales; Claimant Count by Unitary and Local Authority on 9th September 2004, % of Population (not seasonally adjusted).

	Men	% change on year	Women	% change on year	People	% change on year
Wales	3.2	-0.4	1.2	-0.1	2.2	-0.2
Blaenau Gwent	5.4	0.0	1.9	0.0	3.7	0.0
Bridgend	2.8	-0.3	1.2	-0.1	2.0	-0.2
Caerphilly	3.8	-0.1	1.4	0.0	2.6	-0.1
Cardiff	3.7	-0.6	1.1	-0.1	2.4	-0.3
Carmarthenshire	2.7	-0.7	1.1	-0.2	1.9	-0.5
Ceredigion	2.0	-0.2	0.8	-0.3	1.4	0.3
Conwy	2.8	-0.2	0.9	-0.2	1.9	-0.2
Denbighshire	2.8	0.0	1.0	0.1	1.9	0.0
Flintshire	2.2	-0.3	0.9	-0.2	1.6	-0.2
Gwynedd	3.4	-0.5	1.2	-0.2	2.3	-0.4
Isle of Anglesey	4.8	-0.1	1.8	-0.1	3.4	-0.1
Merthyr Tydfil	4.6	-0.2	1.5	0.0	3.1	-0.1
Monmouthshire	2.0	-0.3	1.0	0.0	1.5	-0.2
Neath Port Talbot	3.6	-0.5	1.3	-0.1	2.5	-0.3
Newport	3.8	-0.8	1.3	-0.1	2.6	-0.5
Pembrokeshire	3.8	0.6	1.2	-0.3	2.5	0.1
Powys	2.0	-0.2	1.1	0.0	1.6	-0.1
RCT	3.1	-0.3	1.3	-0.1	2.2	-0.2
Swansea	3.7	-0.6	1.3	-0.1	2.5	-0.3
Torfaen	2.8	-0.7	1.1	-0.2	2.0	-0.5
Vale of Glamorgan	3.1	-0.4	1.1	-0.1	2.1	-0.3
Wrexham	2.1	-0.6	0.9	-0.1	1.5	-0.4

Source: Benefits Agency Administrative Service.

Table 5: UK Average Gross Weekly Earnings (male and female) by Selected Industrial Sector (not seasonally adjusted).

	Male	% Change on year	Female	% Change on year
All employees	496	4.4	369	2.2
Public sector	525	6.7	409	2.7
Private sector	489	3.8	344	1.4
Agriculture & fishing	304	-5.9	243	-7.8
Manufacturing	462	1.7	346	0.8
Construction	462	1.9	316	2.5
Distribution, hotels & restaurants	395	4.4	289	4.7
Transport & communications	459	7.4	372	12.1
Banking, finance & insurance	672	5.9	414	9.7
Public admin., education & health	534	7.0	393	3.4
Other services	406	-5.4	315	-8.5
All Services	514	5.4	372	2.1

Source: *Labour Force Survey*, Spring 2004.Notes: Figures not consistent with *New Earnings Survey* data, reported in *Welsh Economic Review* volume 15.2. Data is indexed to the nearest significant figure.

sector gained 7,000 jobs, compared to the 4,000 lost in manufacturing.

Table 4 gives the latest claimant count unemployment figures for Wales. Generally, there has been a small fall in unemployment rates. Only Ceredigion and Pembrokeshire experienced an overall very small increase in the unemployment claimant count.

Earnings

The latest earnings information is sourced from the *Labour Force Survey*

(LFS) Historical Quarterly Supplement. Recall that the LFS is household survey whereas the *New Earnings Survey* (the basis of analysis in the last issue of the *Review*), is an annual survey of weekly earnings carried out by the ONS based on a random sample of employees in PAYE schemes. Table 5 shows Spring 2004 average UK gross weekly earnings for males and females by sector and percentage change from Spring 2003.

Average gross weekly earnings in Agriculture and Other Services for both

men and women fell over the period shown in Table 5, while other sector wages grew at a much higher than average rate. For example, weekly earnings in the transport and communications sector grew by 7.4% for males and 12.1% for females, demonstrating further tightening of that sector's labour market. The next edition of the *Review* will report on the results of the 2004 *New Earnings Survey*.