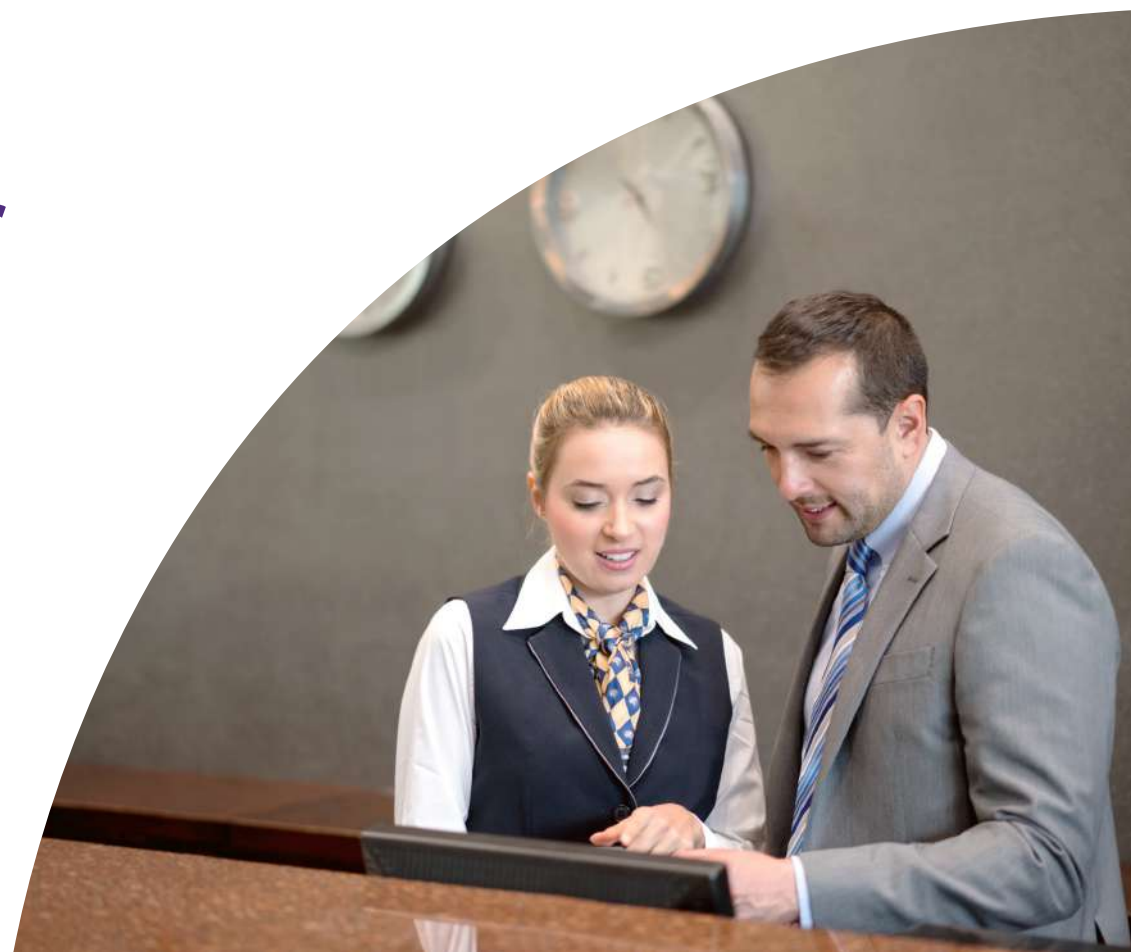


The hospitality labour market

Andrew Webb

Chief Economist



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hospitality to the
economy

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Pandemic
labour market

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labour market

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Sum up

Importance of hospitality to the economy. . .

Hospitality has been estimated to contribute:

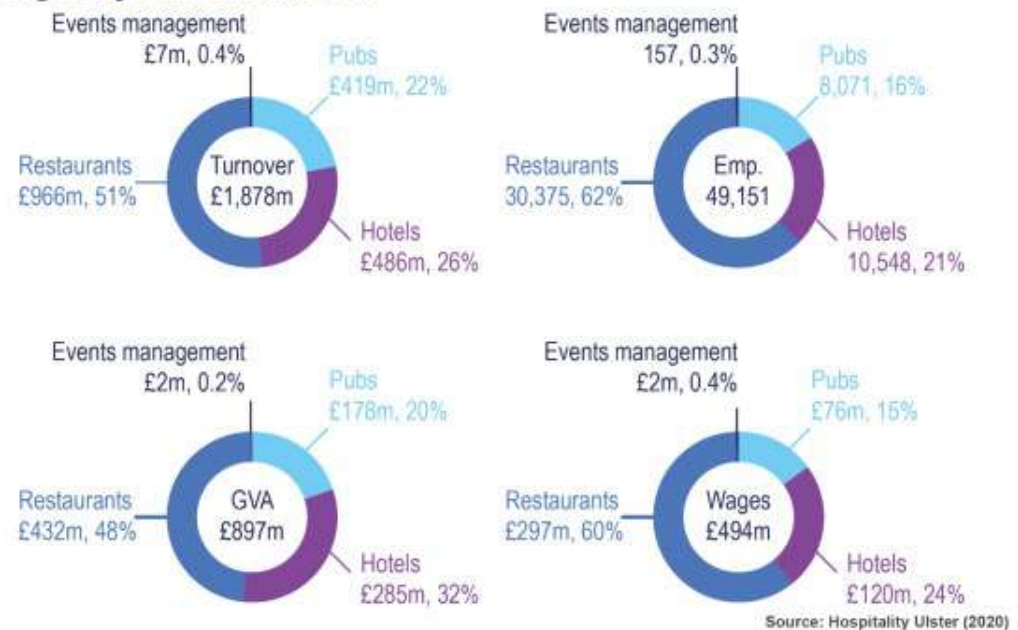


4% of NI GVA



9% of NI Jobs

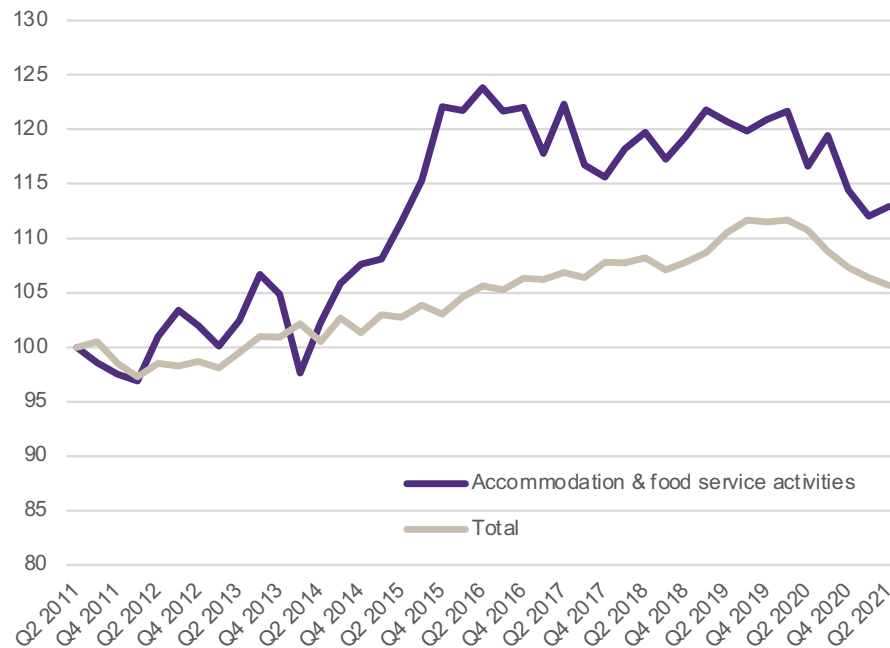
Direct impact of hospitality on Turnover, GVA, Employment (Emp.) and Wages by subsector, 2017



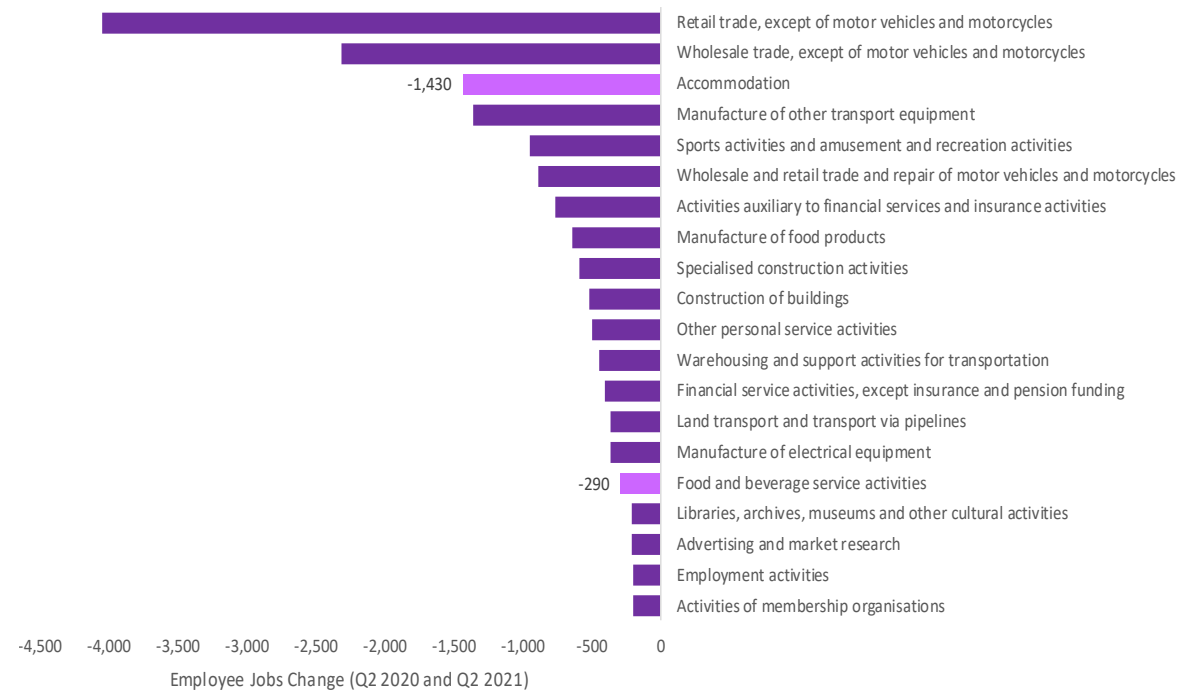
The pandemic employment impact. . .

The Accommodation and Hospitality disproportionately impacted by lockdowns and the pandemic

Employment over the last decade



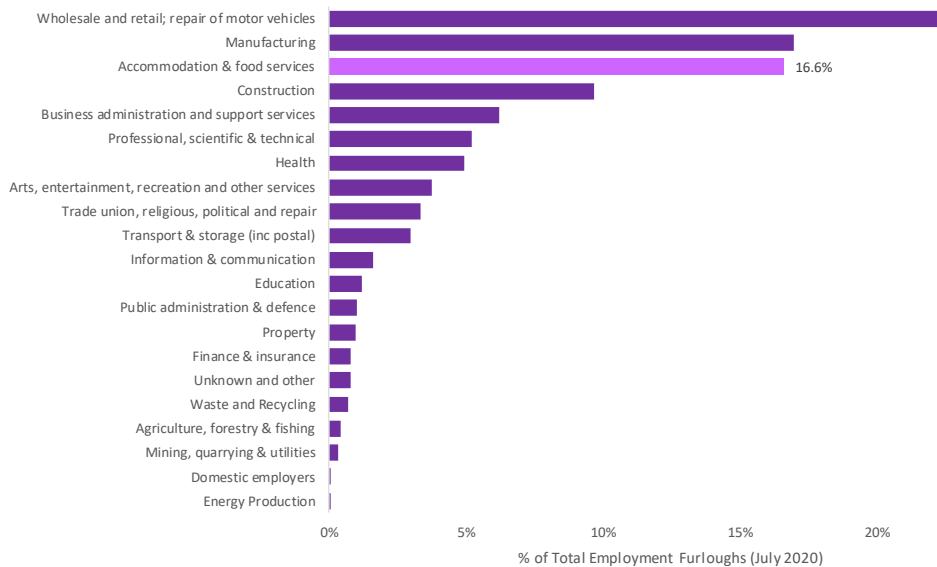
Total Employee Change, NI, Q2 2020-Q2 2021



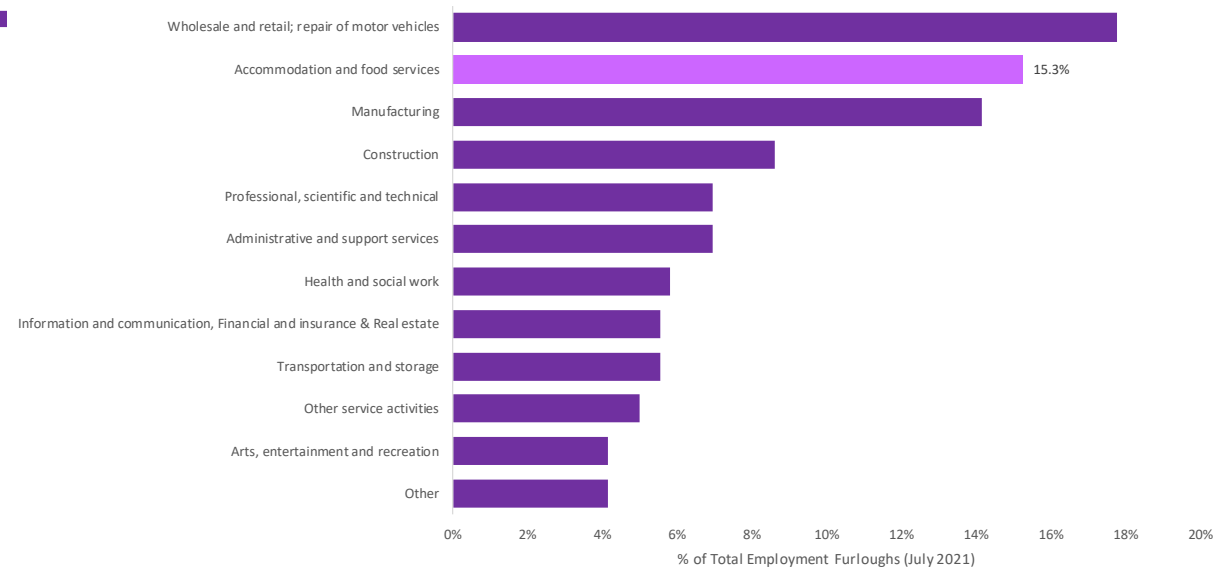
The pandemic employment impact. . .

15% of all furloughs have occurred in the Accommodation & Food Service Sector

% of Furloughed Employment by Sector, NI, July 2020

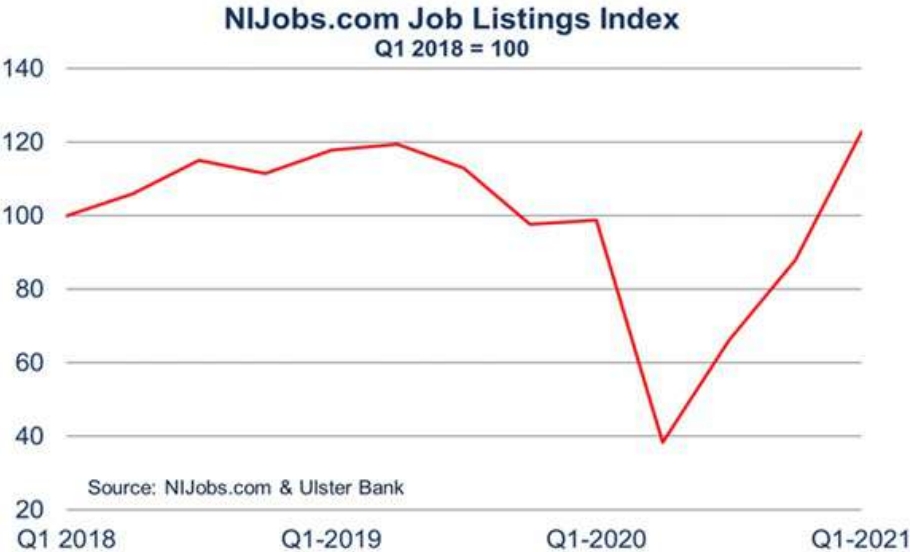


% of Furloughed Employment by Sector, NI, July 2021



Strong vacancies, which brings challenges...

Vacancy levels back to pre-pandemic levels



Strong Vacancies, which brings challenges. . .

Longer lasting uncertainty continuing to hamper sector recovery/development?



71% of sector plan to recruit in the next 6 months



But, 74% note significant issues in “attracting and retaining staff”



80% of businesses noted price inflation across the sector as a major/significant risk



77% of respondents noted the continued risk of Covid as a serious risk to development, with only 42% of businesses “confident” about their future prospects

A sector that relies (relied) on migrant labour. . .

30% of hospitality workers from outside the UK, 2019

	All foreign born	EU	Non-EU	EU-14	EU-2	EU-8	India	Pakistan & other South Asia	East & Southeast Asia	Sub-Saharan Africa
All economic sectors	18%	8%	11%	3%	1%	3%	1%	2%	1%	3%
Hospitality	30%	13%	16%	5%	3%	6%	1%	4%	3%	2%
Transport & storage	28%	13%	15%	3%	4%	6%	2%	5%	1%	3%
Information & communicatio..	24%	8%	16%	5%	1%	2%	5%	2%	1%	2%
Admin and support services	23%	10%	13%	3%	2%	5%	1%	2%	1%	4%
Health and social work	20%	6%	14%	3%	1%	2%	2%	2%	2%	5%
Professional & scientific	19%	8%	11%	4%	1%	2%	1%	1%	2%	3%
Manufacturing	19%	11%	8%	2%	2%	6%	2%	1%	1%	2%
Financial, insurance & real st..	18%	7%	12%	5%	1%	1%	2%	1%	1%	3%
Retail	18%	8%	10%	2%	1%	4%	1%	3%	1%	2%
Construction	15%	9%	6%	2%	3%	3%	1%	1%	0%	1%
Other services & recreational	14%	6%	8%	3%	0%	2%	1%	1%	1%	2%
Education	14%	5%	8%	4%	0%	1%	1%	1%	1%	2%
Energy, water, mining	11%	5%	6%	2%	1%	2%	1%	1%	1%	2%
Public admin	10%	4%	6%	2%	0%	1%	1%	1%	1%	2%

Source: Migration Observatory analysis of the Annual Population Survey 2019

Note: Retail includes wholesale trade and repair of vehicles, though two thirds of the workers in this category are in retail jobs. Agriculture, fishing, forestry and mining have not been included due to low number of observations.



Wage levels are part of the issue. . .

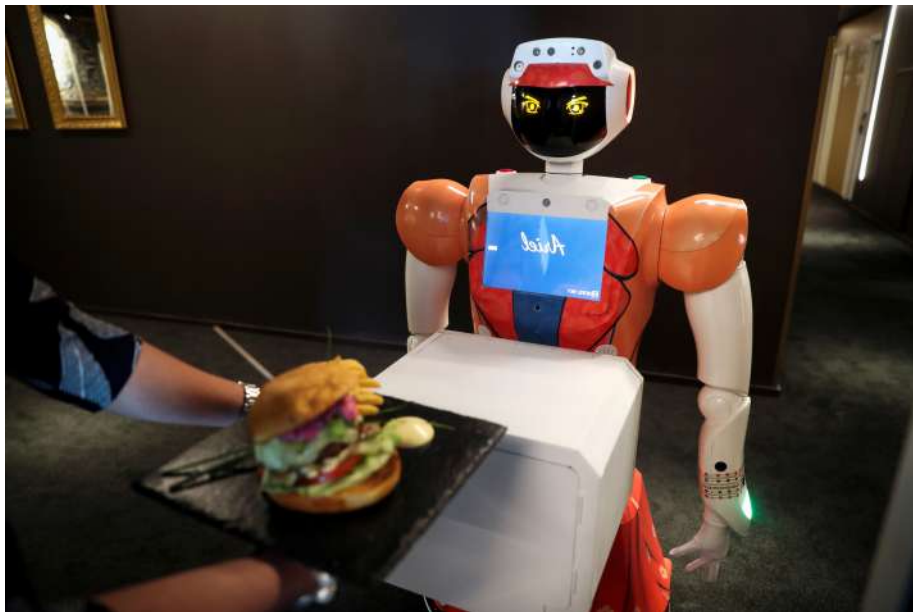
Gross hourly wage rates lag many other parts of the economy

Sector	Median gross hourly wage	Annual % Change
Accommodation and food service activities	7.00	-14.8
Accommodation	7.67	-9.9
Food and beverage service activities	6.88	-16.2
Retail trade, except of motor vehicles and motorcycles	9.07	4.2
Whole Economy	11.98	1.3



Wage levels are not the only solution. . .

The Robots are coming



Hotel Sky is Africa's first to utilize robotic assistance.
Image: REUTERS/Sumaya Hisham



<https://www.latimes.com/travel/california/la-trb-las-vegas-hotel-check-in-20160112-story.html>

To sum up...

- The Accommodation & Food Service sector one of the hardest hit sectors
- There are signs of recovery, but a long road to recovery remains
- Recruitment challenges remain and likely to continue



Thank you



Andrew Webb

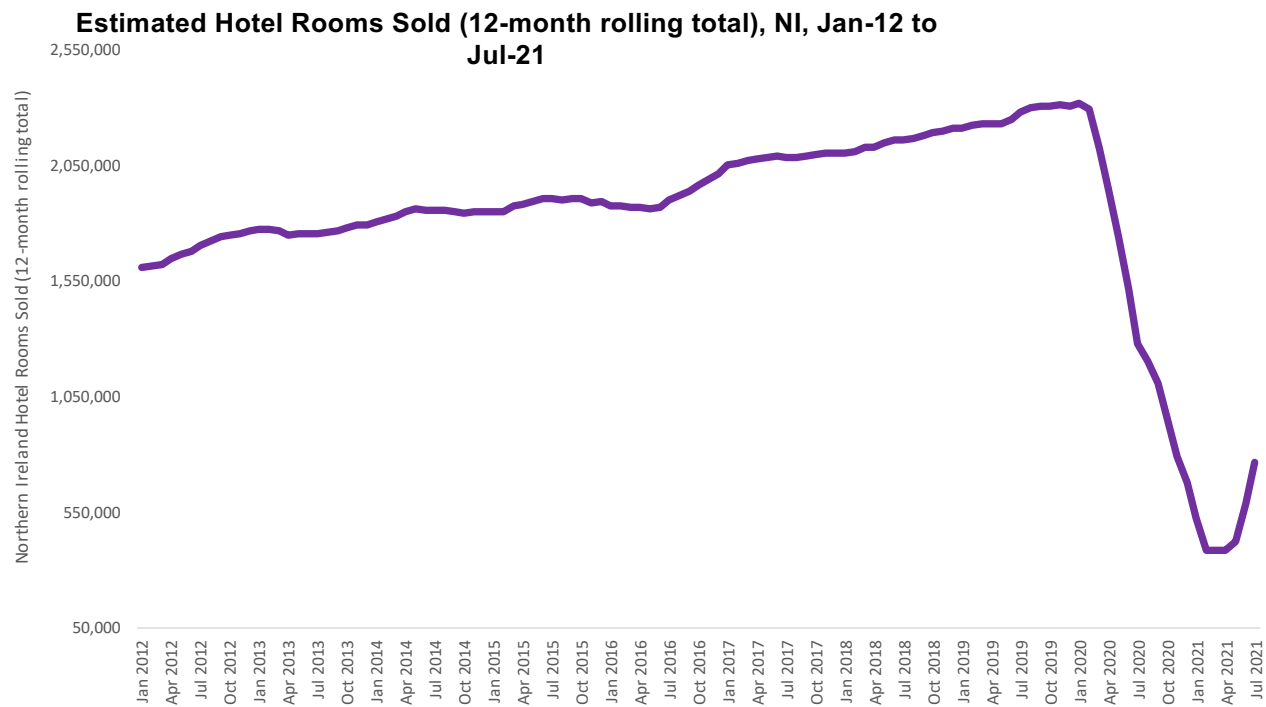
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A longer term recovery. . .

Reduced international travel and lower level of room occupancy impacting recovery



NI Hotel Performance, June 2021



Room Occupancy:
57% (25% points down on June 2019)

Bed-Space Occupancy: 50%
(12% points down on June 2019)



Rooms Sold:
164,232 (28% down on June 2019)

Bed-Space Sold:
320,365 (16% down on June 2019)



Average Daily Rate:
£97.74 (16.7% up on June 2019)