



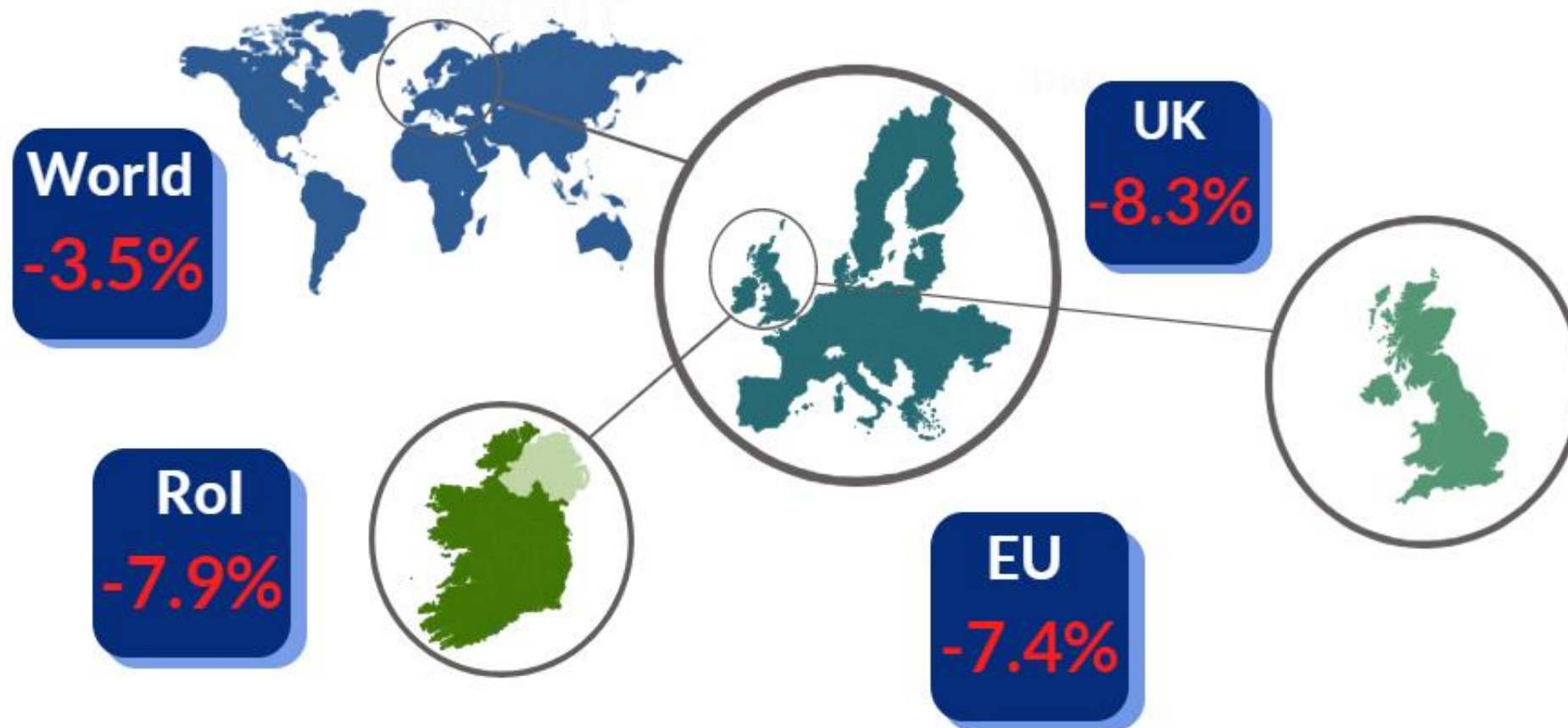
Rebuilding A Stronger Economy



Economic Impact of Covid-19: A Recession Like No Other

Everywhere Impacted

Latest European Commission forecasts – Spring 2020



KPMG
-2.6%

UBS
-3.9%

Other
forecasts
for the
UK

CEBR
-4.1%

HSBC
-5.5%

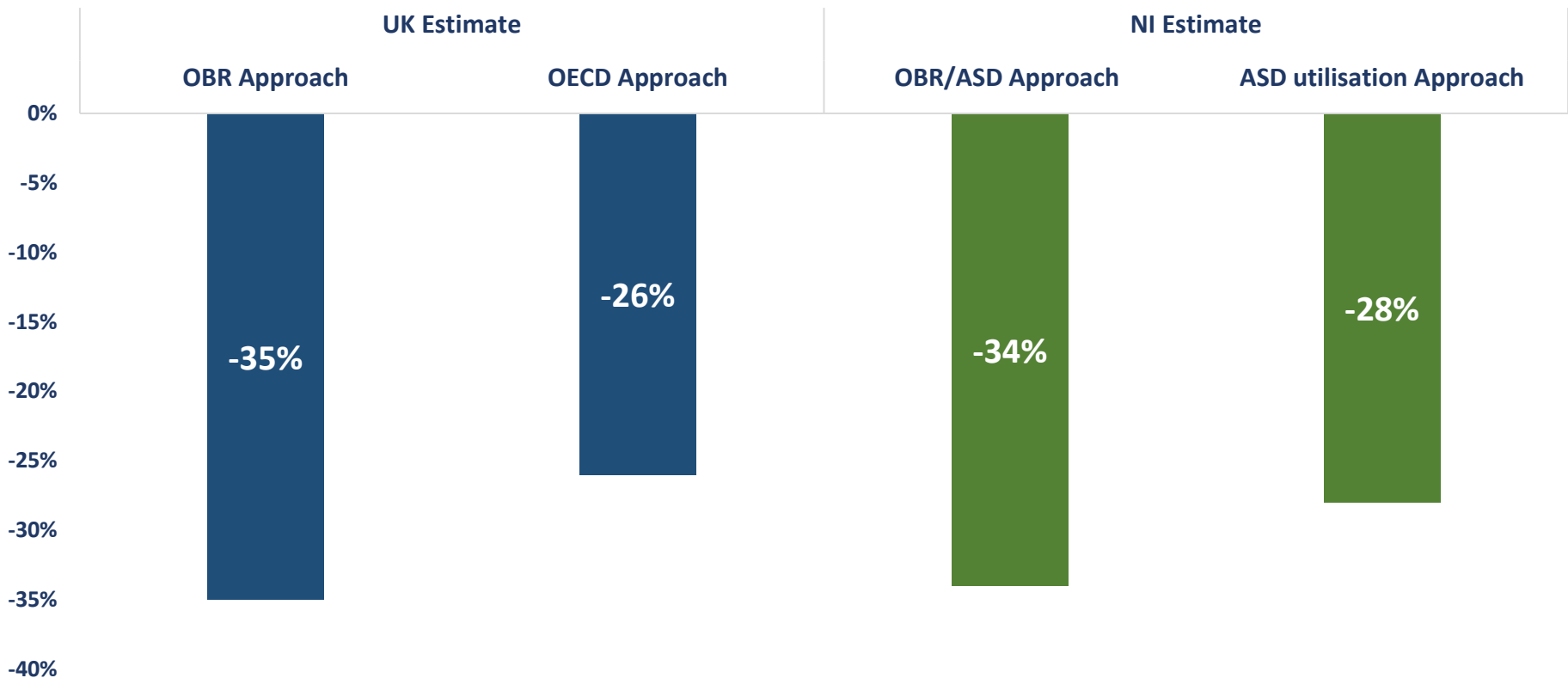
OBR
-12.8%

**Goldman
Sachs**
-7.5%

Stark impacts in NI



Forecasted level of economic output lost during full shutdown



“Every month of shutdown is circa 2% to 3% of Annual GDP”

1 month of Shutdown = 1 month of recession

Six years of labour market progress undone in one month

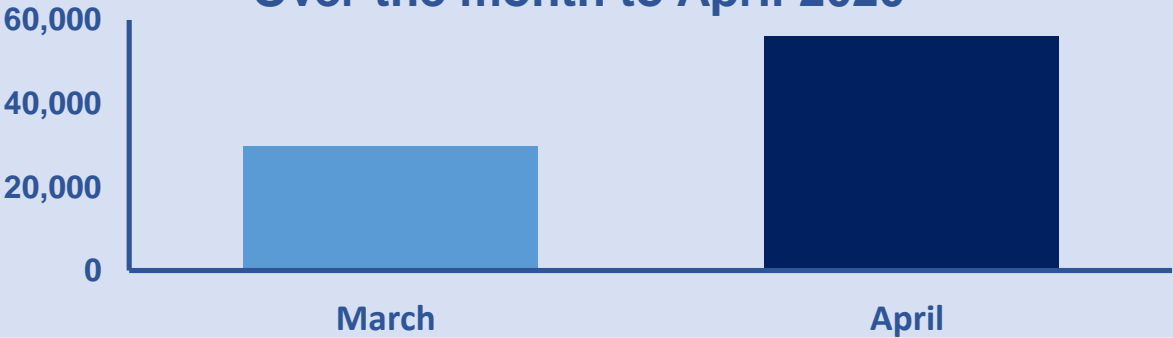


Claimant Count

The number of people on the NI claimant count increased by

89%
to
56,200

Over the month to April 2020

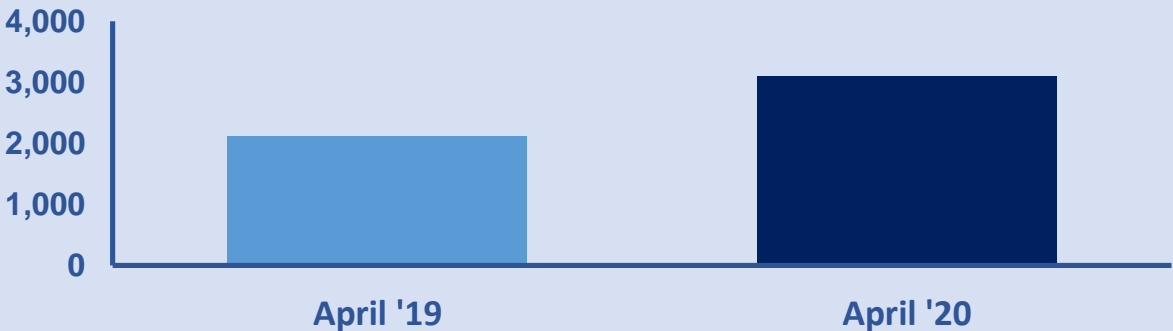


Redundancies

The number confirmed redundancies increased by

47%
to
3,108

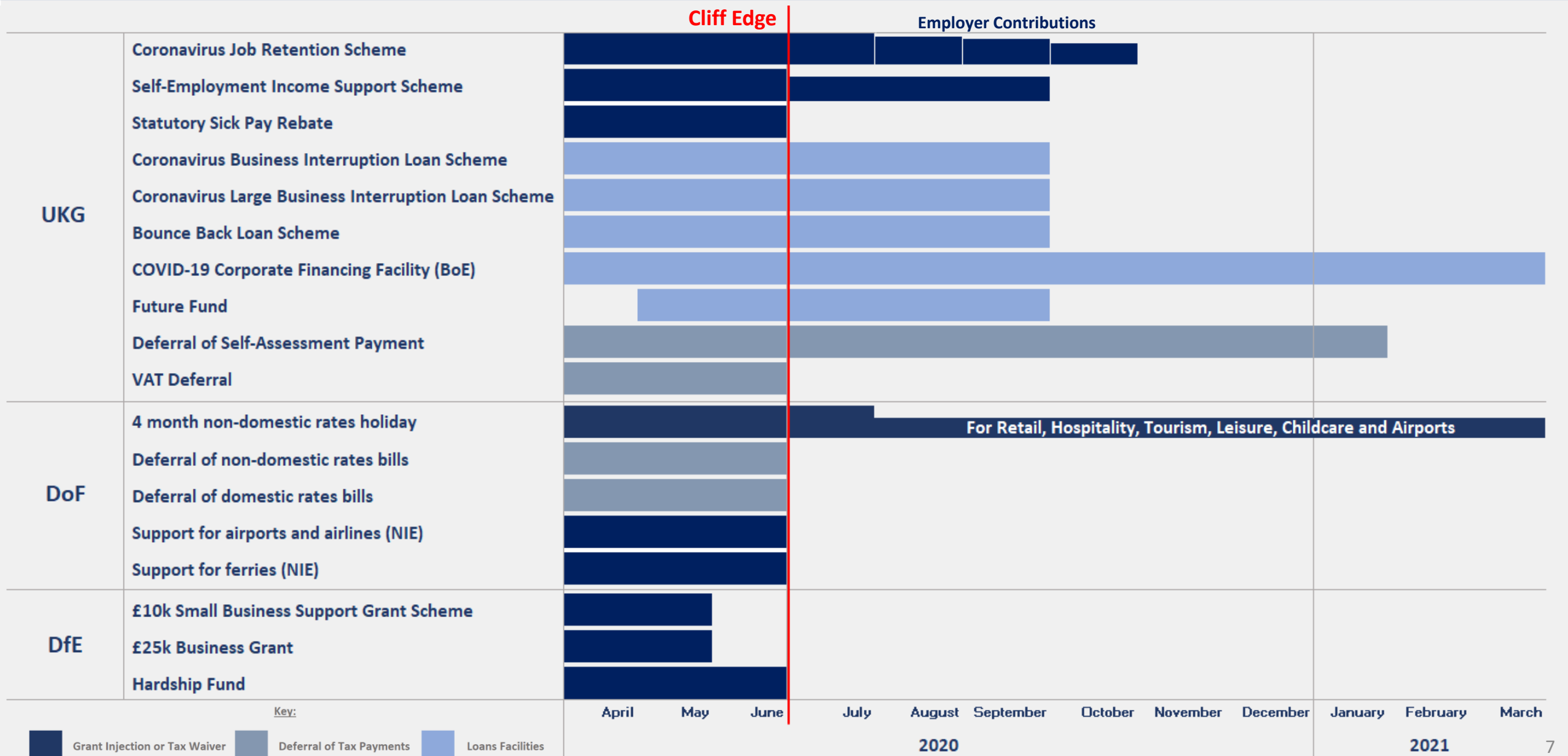
Compared to the same month last year





Restarting the economy:
Never have the jobs of so many people
been so immediately dependent on
decisions of an Executive

The support cliff edge brings ‘restart’ into sharp relief



Risk of sharp increases in unemployment and scarring effects



Department for the
Economy
www.economy-ni.gov.uk



- The longer people are outside the labour market, the greater the risk of long-term scarring on the economy and society.
- Restarting the economy safely to adjust to the new normal can help mitigate this risk.



How do we move towards a more competitive, inclusive and greener economy in the context of Covid-19, EU Exit and budget constraints?

Covid-19 + EU Exit + Limited Financial Resources



Unemployment



Young & Vulnerable People



Health & Wellbeing



Competitiveness & Innovation



Connectivity & Regional balance



Green Growth & Climate Change



***A policy response required across all fronts to deliver a more
Competitive, Inclusive & Greener economy***

- The global economy has also changed and we will need to adapt to the new economic environment.
- Simply trying to keep the pre-pandemic economy alive will not bring about economic recovery.
- Rebuilding our economy will only be possible if we successfully adapt to the new normal created by Covid-19 and EU Exit, and deliver change with constrained budgets.
- Decisive interventions that deliver:
 - higher paying jobs;
 - a highly skilled, agile and inclusive workforce; and
 - a more regionally balanced economy.

The economic policy response

1. Targeting investment in high potential sectors.



2. Enablers and multipliers in the whole economy.

