



## Signs of easing on Irish Job Markets

**The recent exceptional growth in the Irish labour market continued in the first quarter of 2025.** The latest labour force survey (LFS) shows employment rose 1.3% in the quarter, and the annual growth rate accelerated to +3.3% y/y (+2.7% y/y in Q4 2024), with nearly 90,000 jobs created in the past year. Total employment in Ireland is now at 2.8 million and has grown rapidly by 427,000 (+19%) over the past five years, particularly in the post-Covid period.

**At a sectoral level, the out-turn was broadly positive.** Of the 14 sub-sectors, 12 registered growth in the year to Q1 2025. Annual growth was led by Financial Services (+11.5%), Education (+9.3%), and Information & Communication (+8.2%). The weakest performers were Wholesale & Retail (-2.5%) and Agriculture (-0.8%).

**Unemployment remains low, ticking down to a 4% rate in Q1 2025 from 4.3% in Q4 2024. The jobless rate has now been below 5% for over three years, the longest such period it has been under that threshold on record.** Furthermore, the long-term unemployment rate also remains exceptionally low at just 0.9%, from 1.0% a year ago, and the participation rate rose to 66.2% from 65.8% in Q4 2024. This sustains a period of exceptional growth in the labour force. Strong migration flows continue underpin new labour supply and jobs growth, accounting for half of annual employment growth, while the sharp rise in the female participation rate has also contributed significantly to rising labour force numbers. This leaves annual labour force growth at 3.5%, an acceleration from the 2.6% pace in Q4 2024.

**While the LFS data remain positive, there have been signs of a cooling** in other jobs data of late. The latest hiring data from recruitment website Indeed.ie suggest waning employer demand, with new job postings falling 16% year-on-year in mid-May 2025, reflecting a broad-based slowdown in hiring activity across sectors. The AIB PMI employment surveys point to still-solid hiring activity in the manufacturing, services and construction sectors; but signs of employer caution, with some firms noting “non-replacement of voluntary leavers” in recent months. Monthly payrolls data from the CSO also suggest jobs growth has slowed of late from a near 3% annual pace at the end of 2024 to 1.5% in March 2025. These lead indicators suggest the sharp pace of growth evident in the LFS in Q1 is unlikely to be sustained, with annual growth likely to slow towards 2%.

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