

UNEMPLOYMENT

The UK unemployment total has fallen slightly, but the Office for National Statistics (ONS) has said the jobs market could be "cooling off".

Unemployment fell to 1.69 million between January and March, down 2,000 from the previous quarter.

The jobless rate remained at 5.1%, the ONS said.

There were 31.58 million people in work, up 44,000 from the previous quarter. That took the employment rate to a record high of 74.2%.

But the number of job vacancies dropped by 18,000 to 745,000, the ONS added, marking the first fall for almost a year.

David Freeman, a senior statistician at the ONS, said: "The employment rate has hit another record high, but this time the increase is quite modest."

"With unemployment very little changed, that is further evidence the jobs market could be cooling off."

Activity 'softening'

The Secretary of State for Work and Pensions, Stephen Crabb, said: "These are another record-breaking set of figures, with more people in work than ever before and the unemployment rate is the lowest in a decade at 5.1%."

But economists were less upbeat. David Kern, chief economist at the British Chambers of Commerce, said that despite the UK employment rate reaching a record high, "the cumulative picture - including manufacturing, trade and GDP figures - points to a softening in economic activity".

Paul Hollingsworth, UK economist at Capital Economics, said: "Although there were some bright spots in today's UK labour market figures, on the whole they offered a further indication that the economic slowdown has sapped the jobs recovery of its recent vigour."

However, Martin Beck, senior economic adviser to the EY Item Club, said: "With the unemployment rate back to the pre-crisis average... it would be unrealistic to expect the rapid drops in unemployment seen in 2015 to continue indefinitely."

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Commented [A1]: What is meant by unemployment?

Commented [A2]: What does jobless /unemployment rate mean?

Commented [A3]: Does it mean that employment is growing at a lower rate? What does it indicate about the state of economy?

Commented [A4]: Lets find a connect between Aggregate demand, Unemployment, Consumption!!!

Commented [A5]: With more people in work...will it lead to inflation? Justify

Commented [A6]: The state of the economy cannot be judged by only one macro-economic factor. There are many more factors which have to be considered in conjunction as a "Cumulative picture" to come to a conclusion. Discuss these factors.

Commented [A7]: Do you think this cycle will break. Discuss how Martin Beck might be correct in his statement.