

Alister Jack responds to September 2020 Labour Market figures

Responding to today's [15 Sept 2020] Labour Market Statistics, Scottish Secretary Alister Jack said:

These figures are continuing to show the effect of the pandemic on jobs in Scotland, and the impact on individuals and families across the country. The UK Government has done everything possible to support people through this difficult time.

Through the furlough scheme, the UK Government has supported more than 930,000 Scottish jobs, a third of the workforce, and we are taking decisive action through our ambitious Plan for Jobs.

We have launched the £2 billion Kick Start scheme to create thousands of high quality jobs for young people, are doubling the number of work coaches to help people find work and are bringing in a £1,000 job retention bonus to help employers bring back as many furloughed workers as possible.

The UK Government has provided significant, targeted support where it is needed the most. It has loaned £2.3 billion to 65,000 Scottish businesses, put in place VAT cuts for hospitality and tourism businesses, and 6.3 million discounted meals were eaten at 8,543 establishments across Scotland as part of the Eat Out to Help Out Scheme in August.

Today's figures highlight Scotland's key indicators seem to be in a stable position, however, the claimant count rate is now at 8.0% (Aug). This is up from 4.0% pre-lockdown. Together with the increase in unemployment by 19,000 over the last twelve months, we can anticipate the continuing direction of travel. We have seen from last month's furlough figures that over 779,000 employments have come to a pause and around 157,000 self-employed people in Scotland received UK Government support.

The headline figures are still lagging the real economic situation in September and it will be as long as the UK Government is supporting jobs of around one third in the economy.

In this context, unemployment increased marginally (+1,000) and at 4.6% is up 0.1 p.p. from the three months before (February to April). This is somewhat up from the year before (+19,000) and it is now well above the recent record low of 3.2% at the beginning of the year 2019. The unemployment rate at 4.6% is now at its highest rate since the beginning of 2017. There is also a marginal fall in employment over the last three months (-2,000). Although, the rate of employment is marginally up (+0.1 p.p.), this is the same as for the UK as a whole. The headline figures for the UK and Scotland do not show the full impact of the economic lockdown due to the UK Government support

schemes.

It is noteworthy that the UK overall also experienced only a very marginal decrease in employment (-12,000 and its rate changed only marginally too) over the last three months and over the same period unemployment increased at a slightly faster pace, with an increase of 62,000 (+0.2p.p). Over the year, the UK's employment is still up (+220,000). Although, unemployment is over 100,000 up on one year ago.