

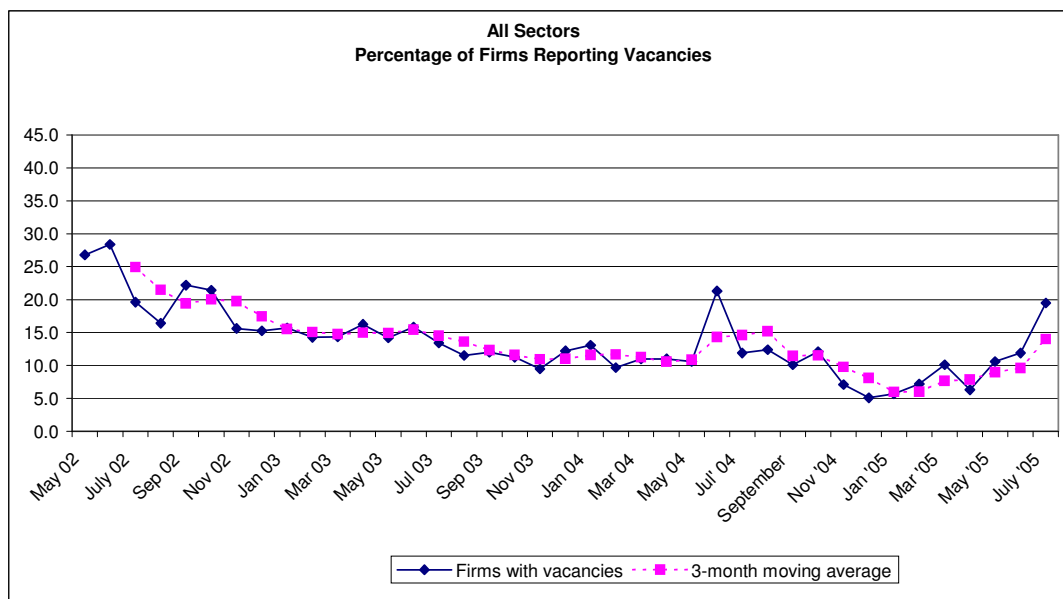


## Employment and Vacancies Survey: July 2005

### Percentage of Firms Reporting Vacancies Continues to Increase

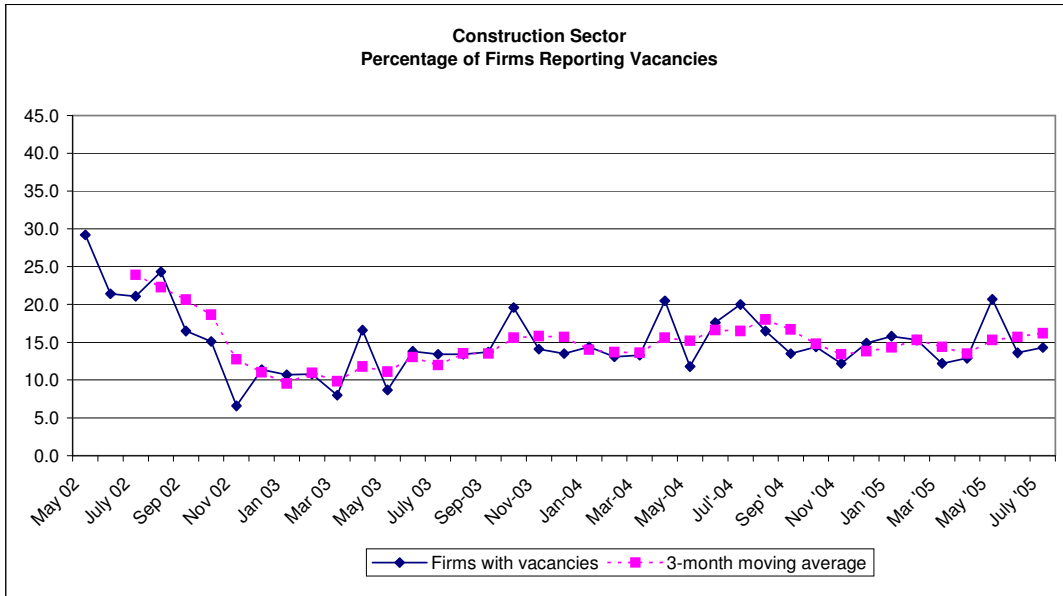
#### All Sectors

Vacancies in all sectors covered by the survey rose in the month of July 2005. The percentage of firms reporting vacancies increased from 12 per cent in June 2005 to 19 per cent in July 2005. This increase represents a continuation of the upward trend in vacancies generally reported since the beginning of 2005 and it reflects increases within each of the individual sectors. In construction the increase in the percentage of firms reporting vacancies was somewhat less than one percentage point, in the industry sector it rose by 3 percentage points, in the retail sector it rose by 7 percentage points, and in the services sector it increased by 8 percentage points.



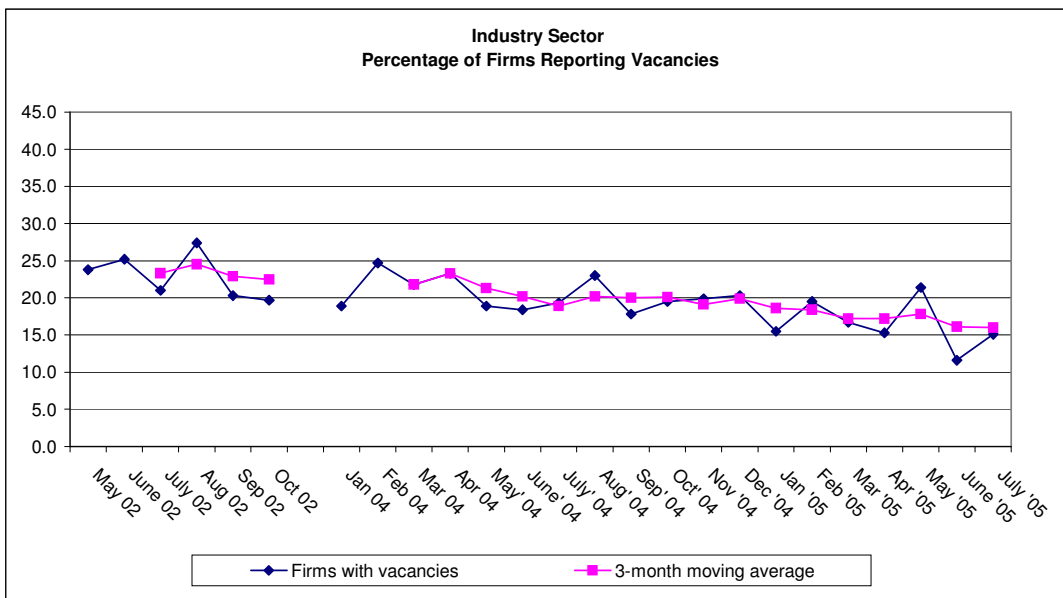
#### Construction Sector

The percentage of firms in the construction sector actively trying to fill vacancies remained around 14 per cent for the month of July 2005. Excluding a jump to 21 per cent in May 2005 the percentage of construction sector firms with vacancies has remained close to 14 per cent since September 2004.



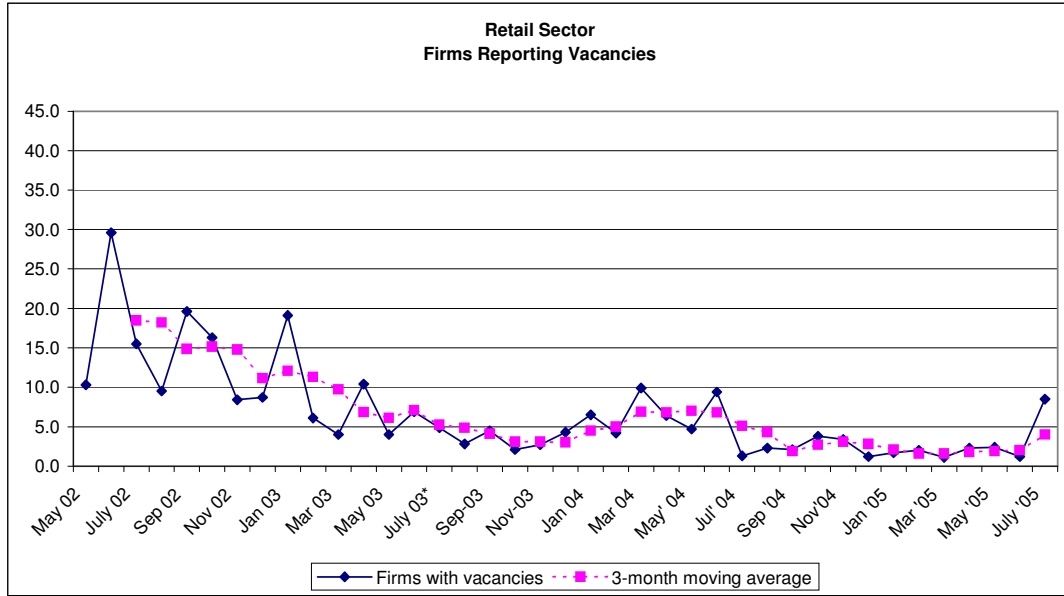
## Industry Sector

The industry sector experienced an increase in the percentage of firms with vacancies from 12 per cent in June 2005 to 15 per cent in July 2005. Nevertheless, the trend in the three month moving average is toward a lower percentage of firms reporting vacancies. The downward trend in the moving average of firms in the industry sector reporting vacancies has been evident since March 2004.



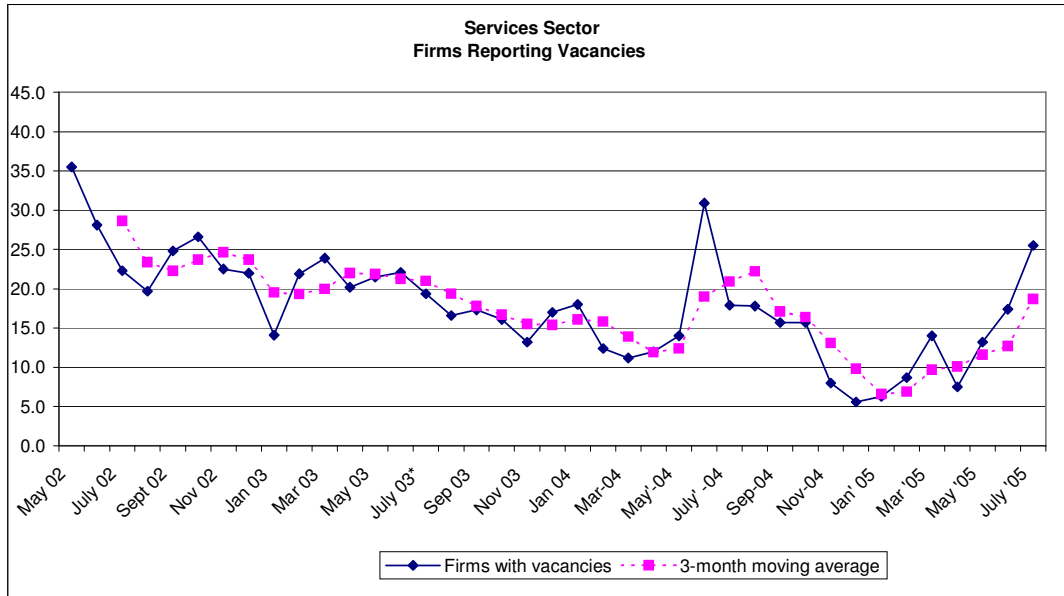
## Retail Sector

The percentage of retail sector firms with vacancies increased from a low level of 1 per cent in June 2005 to 8 per cent in July 2005. This increase represents a departure from the relatively stable trend the indicator has exhibited since July 2004.



## Services Sector

The percentage of service sector firms reporting vacancies reached its highest level for over a year in July 2005. The percentage of service sector firms with vacancies increased by 8 percentage points to over 25 per cent in July 2005. With the exception of April the percentage of service sector firms reporting vacancies has increased every month since the beginning of 2005. Figures for January to June 2005 suggest that the services sector has been driving the increases in vacancies at the all sectors level.



### Difficult-to-Fill Vacancies

Firms are asked if they are experiencing difficulty in filling the vacancies they have and what these vacancies are. This provides an indication of the job vacancies which may cause bottlenecks within a particular sector. Data for July 2005 show that all construction sector firms with vacancies were experiencing difficulty filling their vacancies.

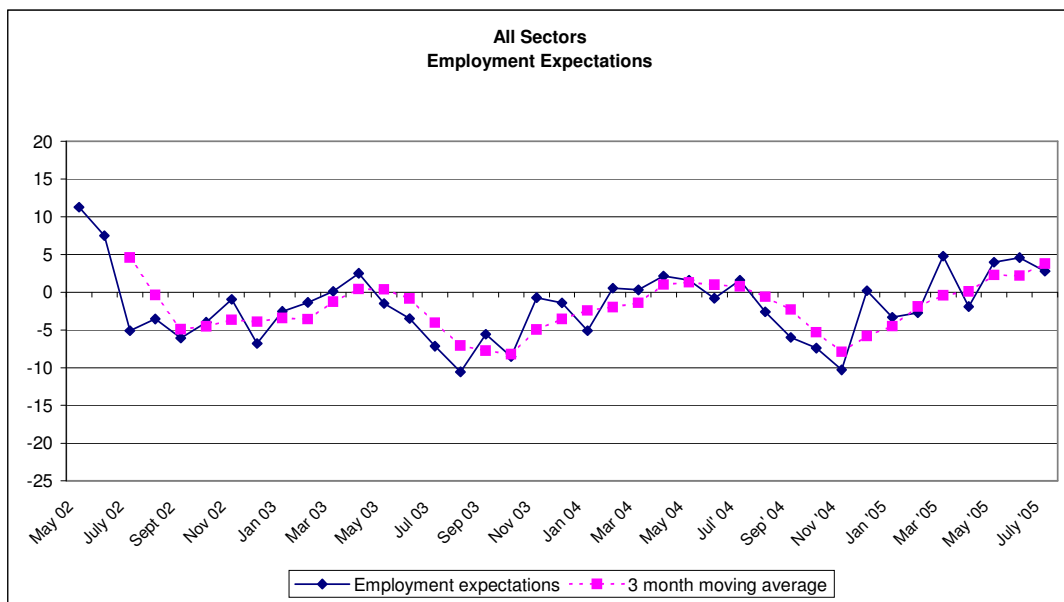
The most frequently mentioned difficult-to-fill vacancies in July 2005 for the various sectors were:

- quantity surveyors and site managers in the construction sector
- sales representatives and managers in the industry sector
- managers in the retail sector
- receptionists, bar staff and waitresses in the services sector.

## Employers' Employment Expectations Fall Slightly but Remain Positive

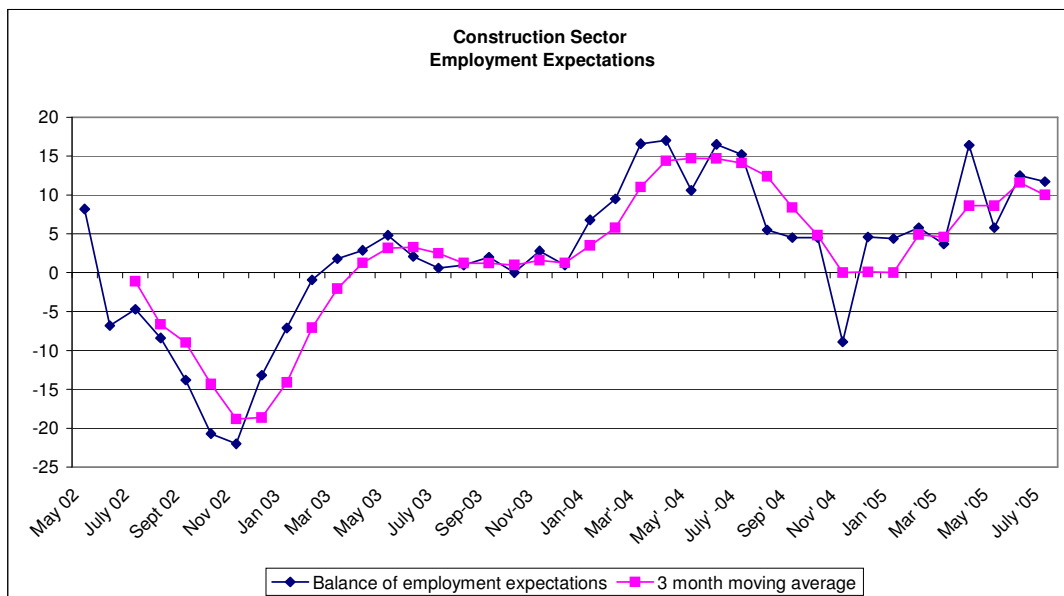
### All Sectors

Survey results for July 2005 show that employer expectations regarding future employment in their firms declined slightly but remained positive. The Net Employment expectations indicator for all sectors fell from 5 per cent in June 2005 to 3 per cent in July 2005 indicating that, on balance, 3 per cent more employers felt employment levels would rise rather than fall in their firms over the coming months. The fall in the Net Employment Expectations figure was driven by significant declines in the expectations of retail and industry sector employers regarding future employment levels in their firms. The Net Employment Expectations indicator remained stable for the construction sector. Employer sentiment regarding future employment in the services sector improved in the month of July.



### Construction Sector

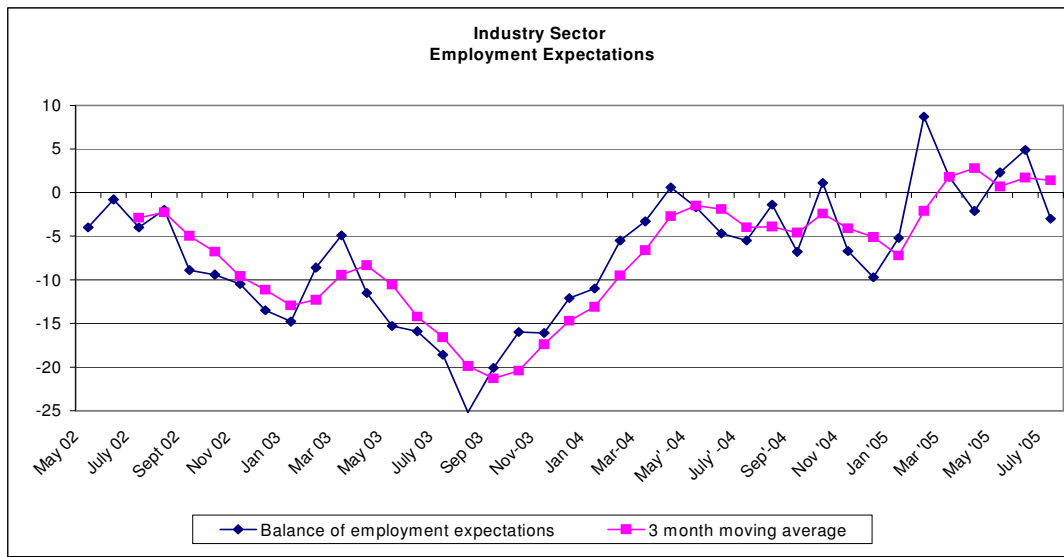
Employers in the construction sector remained optimistic about future employment in their firms in July 2005. The Net Employment Expectations indicator was stable at 12 per cent for the month of July 2005 indicating that construction sector employers are more optimistic about future employment levels in their firms than any



of the other sectors.

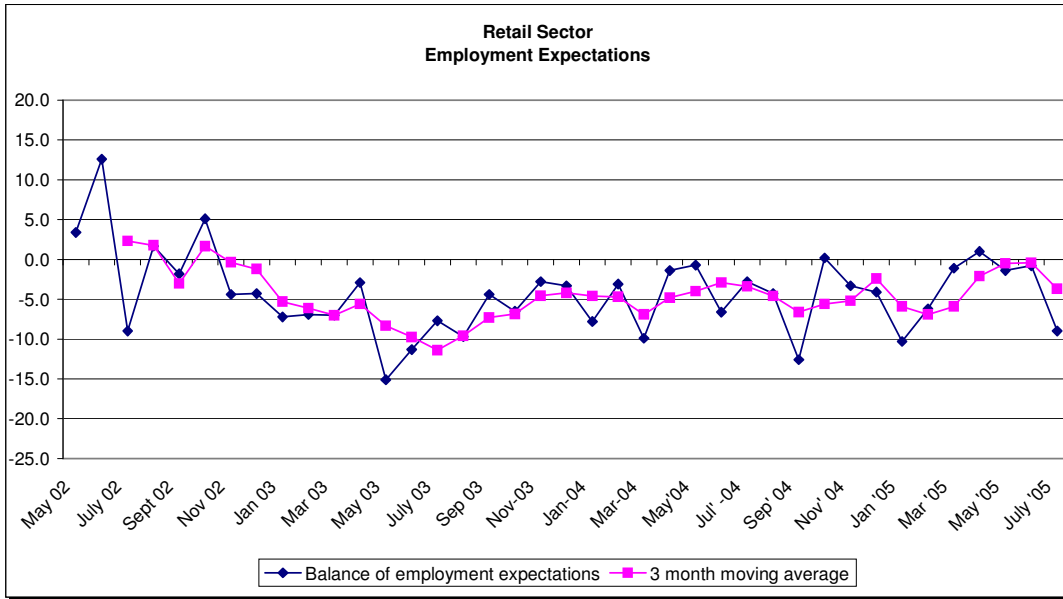
## Industry Sector

The Net Employment Expectations indicator for the industry sector fell by 8 percentage points in the month of July 2005. The indicator dropped from 5 per cent in June 2005 to minus 3 per cent in July 2005. This signifies that more firms in the industry sector feel employment will fall rather than rise over the coming months. This decline in employer expectations is difficult to interpret as the Net Employment Expectations indicator has been volatile since the beginning of 2005. It jumped 14 percentage points to reach 9 per cent in February, it then fell to minus 2 per cent by April, increased to 5 per cent by June and fell again to minus 3 per cent in July. Consequently, it is difficult to tell whether this decline in employer expectations is merely a monthly fluctuation around a neutral position or a return to the pessimistic the indicator exhibited prior to February 2005.



## Retail Sector

The retail sector also experienced a decline in employer sentiment in July 2005; the indicator decreased by 9 percentage points falling to minus 9 per cent. This indicates that 9 per cent more retail firms feel employment levels will fall rather than rise in the immediate future. This pessimism is not unusual for retail sector firms as the Net Employment Expectations indicator for the sector has been predominantly negative since the survey started in May 2002.



## Services Sector

The services sector is the only sector experiencing an improvement in employer sentiment regarding future employment levels. The Net Employment Expectations indicator for the sector increased by 1 percentage point to reach 7 per cent in July 2005. The indicator has exhibited relatively high levels over the past 3 months remaining close to the 7 per cent mark.

