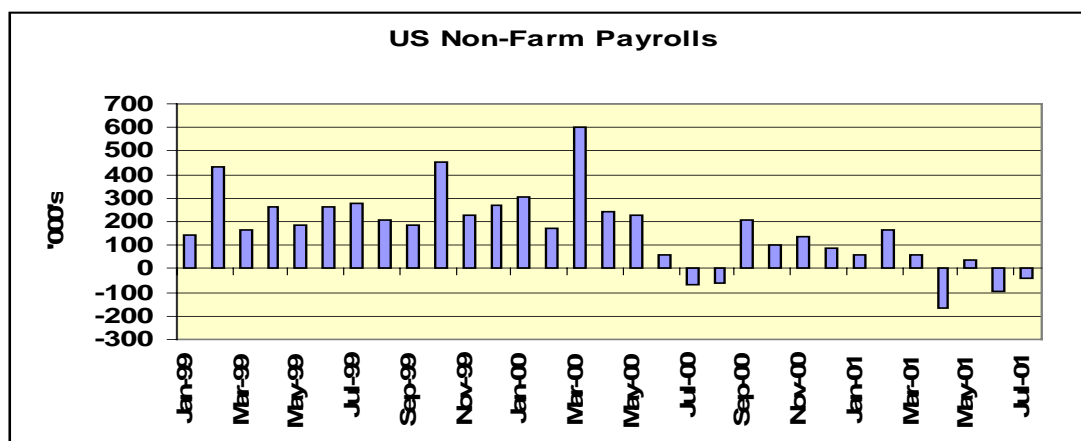




**Is The US Jobs Market Stabilising?**

- US non-farm payrolls fell again in July but not by as much as had been expected and by less than half of the decrease seen in the previous month (even after a substantial downward revision). There was also good news on the unemployment rate, which remained unchanged at 4.5%. This has been the rate for 3 of the last five months.
- After a drop of 93,000 in June the total payroll fell 49,000. Jobs continue to be shed in the manufacturing sector (-49,000) but this was considerably down on the numbers we have seen in previous months. Most of the losses were concentrated in two industries, electrical equipment and industrial machinery. With the exception of a 23,000 drop in the services, lay-offs in other sectors of the economy were minimal.
- While it is too early to say that the US labour market has bottomed, particularly as a number of lay-offs have yet to become effective, the numbers could be an indication that the scale of job losses has begun to ease. Other labour market data released this week were also positive with jobless claims falling 23,000 to 346,000, the lowest level since 333,000 in the February 17 week and well below expectations for a rise to 385,000. However, seasonal factors had a large part to play in the decrease. On a four-week basis, claims averaged 395,250, down from 409,750 for the previous four weeks.

'000s	July	June	May	April	Mar	Feb
<b>Change in Non-Farm Payrolls</b>	<b>42</b>	<b>-93</b>	<b>41</b>	<b>-165</b>	<b>59</b>	<b>136</b>
Total Private	-73	-138	18	-201	28	57
Goods-Producing	-47	-126	-97	-181	-25	-78
<b>Construction</b>	<b>1</b>	<b>-14</b>	<b>29</b>	<b>-77</b>	<b>49</b>	<b>14</b>
<b>Manufacturing</b>	<b>-49</b>	<b>-113</b>	<b>-130</b>	<b>-107</b>	<b>-76</b>	<b>-96</b>
Service Producing	5	33	138	16	84	214
Transport/ Utilities	-4	-16	11	-8	4	19
Wholesale Trade	0	-16	-15	-13	2	-2
Retail	6	24	16	73	-15	83
Finance, Insurance & Real Estate	-5	-13	18	8	9	14
<b>Services</b>	<b>-23</b>	<b>9</b>	<b>85</b>	<b>-80</b>	<b>53</b>	<b>21</b>
Government	31	45	23	36	31	79
Hourly Earnings (Dollars)	14.35	14.31	14.24	14.21	14.17	14.11
<b>Unemployment Rate (%)</b>	<b>4.5</b>	<b>4.5</b>	<b>4.4</b>	<b>4.5</b>	<b>4.3</b>	<b>4.2</b>



Geraldine Concagh,  
 Economic Services Unit  
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