

Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

Ein cyf/Our ref VG/00907/23

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Dear Andrew

I am providing a substantive response to WQ89015, “*What assessment has the Minister made of Wales's economic indicators, given that the number of payrolled employees in Wales is falling despite a fall in unemployment?*”

Care needs to be taken when making an assessment of what is currently happening to the labour market in Wales due to the different data sources and their trends.

The number of payrolled employees is taken from HMRC Pay As You Earn (PAYE) Real Time Information (RTI). Whilst it is classified by ONS to be an experimental statistic, RTI is the most timely measure, but can be subject to revisions, especially the latest month's estimates. The headline unemployment statistics are produced by the ONS from the Labour Force Survey (LFS). The latest statistics from this are based on a different time period compared to the RTI data, showing the change in the three months to July 2023 compared to the previous quarter and same period in the year before. Data from the LFS are particularly volatile at present, with some large changes between periods being exhibited. Details associated with some of the issues of interpreting the labour market data in Wales has been published in the Chief Statistician's blog on 12 September 2023; [Chief Statistician's update: understanding the labour market in Wales | Digital and Data Blog \(gov.wales\)](#)

Changes to the labour market currently are happening during a period when the economy UK-wide is suffering from the effects of the cost-of-living crisis and tightening monetary policy. Yet despite these, the labour market in Wales has remained relatively resilient. The Welsh Government continues to closely monitor the labour market.

Yours sincerely,



Vaughan Gething AS/MS
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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

