

# Irish unemployment at 14-year high of 12.2 percent

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DUBLIN — Unemployment in recession-hit Ireland has risen to a 14-year high of 12.2 percent, the country's Central Statistics Office reported Friday.

The rise from June's rate of 11.9 percent means the number of people out of work is reaching a new record high each month in Ireland. When the unemployment rate last stood at 12.2 percent, in April 1995, Ireland's work force and jobs market were much smaller.

The report said the number of job-hunters signing up for welfare benefits has surged 83 percent over the past year to an unprecedented 435,735 in this country of 4.2 million.

"Ireland has never witnessed a job implosion on this scale," said lawmaker Deirdre Clune of the opposition Fine Gael party.

The Irish economy has suffered a spectacular fall over the past year as the global credit crunch burst Ireland's long-galloping property market and saddled the nation's banks with euro90 billion (\$135 billion) in defaulting loans to developers and construction firms. Scores of office blocks and apartment developments now lie empty as the number of residential mortgage-holders trapped in negative equity — holding debts greater than the value of their homes — rises above 150,000.

Construction workers — long the bedrock of Ireland's lost Celtic Tiger boom of 1994-2007 — began suffering mass layoffs last year. Most sectors of the jobs market soon followed, particularly within the more than 1,000 foreign-owned companies that operate in Ireland.

The latest company to announce job cuts, Ulster Bank, said Friday it plans to lay off 200 more workers on top of 550 already pruned in recent months.

But not everyone's shedding workers. Swedish furniture behemoth Ikea, which opened its first store in the Republic of Ireland last week, announced it will hire 100 more workers because of overwhelming initial demand exceeding 15,000 customers a day.

Ikea's Dublin store already employs 500 — picked from more than 4,000 jobseekers. The extra workers will get just two-month contracts, a safeguard in case the workload dies down.

Nationally, consumer spending already has sharply dropped in line with falling net incomes. The government is raising taxes and slashing spending to try to reverse a yawning budget deficit exceeding 10 percent of Ireland's gross domestic product.

The government is currently borrowing euro400 million (\$575 million) each week to fund its spending and is planning a draconian December budget that economists say will be likely to cut people's incomes further and deepen the recession.

<http://www.ajc.com/business/irish-unemployment-at-110486.html?printArticle=y>