

Irish Economy Watch

AIB Treasury Economic Research Unit



Friday 21 April 2023

	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	
MANUFACTURING									The manu. PMI eased back to 49.7 in Mar, indicating a modest softening in business conditions. New orders, including exports, and output fell. Meantime, there was a further easing in inflation Traditional industrial production declined by 3.7% in the 3 months to Feb, but was up 4.3% YoY
AIB Manufacturing PMI	51.1	51.5	51.4	48.7	48.7	50.1	51.3	49.7	
EC Economic Sentiment Indicator	96.2	95.7	91.4	91.9	96.8	104.1	NA	NA	
Industrial Production (Ex-Modern)	122.3	116.5	125.1	123.4	111.3	121.4	118.9	#N/A	
Production (Ex-Modern) : 3mma YoY%	2.5	8.5	11.7	10.6	10.1	6.4	4.3	#N/A	
3mth / 3mth % seas. adj.	-0.5	3.8	4.3	4.4	0.4	-2.1	-3.7	#N/A	
SERVICES / RETAIL									In Mar, the services PMI posted a strong reading of 55.7, though this was down from 58.2. There was a further marked rise in new business, including exports. Inflationary pressures eased slightly, but remained elevated The CSO services index rose by 1.5% in Feb, and was up 13.2% YoY also New car sales enjoy a strong start to 2023, up 16.4% YoY in Q1. 12 mth total rises above 113k Retail sales rose by 0.7% in Mar, and were 3.5% higher YoY. Core sales remained flat in Mar, but were up 0.5% YoY
AIB Services PMI	54.7	54.1	53.2	50.8	52.7	54.1	58.2	55.7	
CSO Services Index (Value)	160.6	160.3	157.4	158.7	158.9	164.6	167.1	#N/A	
- YoY %	21.6	17.3	13.7	11.8	11.4	19.3	13.2	#N/A	
- 3mth / 3mth % seas. adj.	3.2	4.0	2.2	0.1	-0.8	0.8	3.0	#N/A	
SIMI Car Registrations	8,154	6,318	2,617	985	209	27,326	13,114	17,640	
- 12 mth cum total	103,905	105,774	105,711	105,576	105,398	107,700	108,840	113,573	
- 3 mma YoY %	-8.5	-1.4	30.5	20.3	-9.0	7.5	8.7	16.4	
Retail Sales Index	127.7	126.3	127.4	127.0	125.4	125.6	126.5	#N/A	
- YoY %	-4.4	-5.4	-2.3	-3.8	1.5	3.1	3.5	#N/A	
- 3mth / 3mth % seas. adj.	-0.3	-0.4	2.1	1.3	0.5	-0.9	-0.8	#N/A	
Ex Autos Index	128.3	127.0	126.9	130.5	128.6	128.7	128.6	#N/A	
- YoY %	-2.1	-5.8	-3.5	-1.6	0.4	0.5	0.5	#N/A	
- 3mth / 3mth % seas. adj.	-1.6	-2.2	0.1	0.7	1.5	1.5	0.4	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									The construction PMI was little changed at 49.5 in Mar, compared to 49.8 in Feb. The commercial, and new orders components edged further above 50, but housing remained firmly in contraction territory Commencements rose sharply in Mar. As a result, they were up 5% YoY in Q1 overall. 12 mth rolling total rises up above 27k
BNP Paribas Construction PMI	46.9	50.2	47.4	46.8	43.2	47.7	49.8	49.5	
- Housing Activity	47.4	50.8	49.7	41.6	40.6	45.2	46.2	46.5	
- Commercial Activity	47.5	51.1	45.1	49.5	46.9	49.0	51.5	51.9	
- New Orders	40.7	49.5	49.6	44.2	43.5	49.6	50.4	52.5	
- Business Expectations	49.2	52.8	58.0	50.9	55.0	58.6	60.4	58.0	
Commencements: 12mth Total	28,409	27,417	26,608	26,898	26,957	27,204	26,874	27,309	
- 3 Month Avg YoY %	-21.6	-22.1	-23.0	-19.0	-7.1	10.4	-0.4	5.0	
HOUSING MARKET ACTIVITY									Mortgage approvals trending lower, with the 3mma down 6.9% YoY in Feb Transactions fell sharply in Q1, down 8% YoY. 12 mth total levelling off at 61k House prices fell for the second consecutive month, down by 0.4% in Feb. YoY rate declined to 5% also. Asking prices fell for the second quarter running, down 0.3% in Q1, but they were up 2.7% YoY CSO rental index rose by 0.3% in Mar. The YoY rate edged lower to 10.0%
BPFI Mortgage Approvals : Month	3,680	3,633	3,439	3,786	2,650	2,820	2,744	#N/A	
- 3 Month Avg YoY %	-7.6	-8.2	-5.4	-6.2	-8.2	-5.6	-6.9	#N/A	
- 12 Mth Total	42,147	41,875	41,597	41,426	40,988	41,046	40,814	#N/A	
RPPR Transactions : Month	5,061	5,713	5,448	5,963	6,693	3,599	4,235	4,182	
- 3 Month Avg YoY %	9.8	7.2	4.0	6.2	11.8	13.8	6.5	-8.0	
- 12 Mth Total	59,878	60,266	60,178	60,881	62,181	62,155	61,765	61,134	
HOUSING MARKET PRICES									
CSO Price Index - MoM	1.0	0.6	0.2	0.2	0.2	-0.6	-0.4	#N/A	
- YoY %	11.8	10.7	9.7	8.4	7.7	6.1	5.0	#N/A	
Daft Asking Prices: MoM %	-0.3	0.7	-0.8	-0.9	1.6	-1.9	1.1	0.3	
- YoY %	7.1	7.8	6.0	5.1	6.8	3.9	3.3	1.0	
RENTS: CSO Private Rents - MoM%	1.4	0.7	0.4	0.5	0.3	0.2	1.0	0.3	
- YoY %	12.7	11.6	11.1	11.0	10.6	10.4	10.6	10.0	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									Affordability improved slightly in Q4 as wage growth outpaced house price growth
- Mortgage as % of Disposable Income	21.2	21.3	20.9	20.7	20.6	#N/A	#N/A	#N/A	

	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23		
									Consumer prices jumped by 1.1% in Mar, led by increases in transport and food costs. All sub-sectors bar communications and alcohol rose in the month. However, due to base effects the YoY rate fell to 7.7%	
CONSUMER PRICES - YoY %	8.7	8.2	9.2	8.9	8.2	7.8	8.5	7.7		
- MoM %	0.2	0.0	1.6	0.4	-0.2	-0.8	1.6	1.1		
HICP - YoY %	9.0	8.6	9.4	9.0	8.2	7.5	8.1	7.0		
- MoM %	0.2	0.0	1.5	0.2	-0.3	-1.0	1.5	1.0		
									Consumer sentiment declined slightly in Mar, and was well below its Mar 2022 level of 67	
PERSONAL / FINANCIAL										
ILCU Consumer Sentiment Index	53.4	42.1	46.1	45.3	48.7	55.2	55.6	53.9	Private sector credit growth remained negative in Feb, as the stock of household debt continued to contract	
Credit Growth YoY %										
- Private Sector (Underlying)	3.4	2.6	2.9	2.5	2.2	-0.6	-0.4	#N/A		
- of which : Household	-0.7	-0.8	-1.0	-1.0	-1.1	-0.7	-0.5	#N/A		
- of which : Mortgage Lending	-0.1	-0.4	-0.6	-0.7	-0.9	-0.8	-0.5	#N/A		
									The unemployment rate has been consistently between 4.3-4.5% since mid-2022, comfortably below its pre-pandemic level of 4.8%. Remained at 4.3% in Mar	
LABOUR MARKET										
Live Register	186,200	185,400	184,900	185,000	185,200	184,000	182,100	180,500	The employment sub-indices of the manufacturing, services and construction PMIs all stayed above the key 50 level in Mar. Only services improved though	
- Change In Month	+1,400	-800	-500	+100	+200	-1,200	-1,900	-1,600		
Unemployment Rate %	4.4	4.4	4.5	4.5	4.4	4.4	4.3	4.3		
PMI Employment Indices										
- AIB Manufacturing	52.4	53.8	52.9	49.7	50.2	52.6	53.9	51.5		
- AIB Services	56.5	56.3	56.6	55.3	54.4	52.7	53.3	54.0		
- BNP Paribas Construction	50.6	51.1	50.9	49.9	48.1	50.6	54.7	53.1		
									Goods trade surplus widened to €5.3bn in Feb. Exports rose by 10.2% in Feb, and stood at €32bn YTD, unchanged vs 2022. Imports were 14% higher YTD in Feb. Trade with GB picked-up, with imports and exports up 28% and 7% YTD, respectively	
MERCHANDISE TRADE										
Export Values - 3M / 3M %	-2.7	4.2	12.8	1.4	-6.5	-14.8	-5.9	#N/A		
- 3MMA YoY %	26.6	31.0	31.8	19.2	13.9	6.1	4.7	#N/A		
Import Values - 3M / 3M %	4.1	5.4	6.3	-0.4	-7.9	-9.4	-2.6	#N/A		
- 3MMA YoY %	41.3	50.9	50.8	35.1	21.4	15.4	13.7	#N/A		
									Exchequer finances performing well so far in 2023. Tax intake, up 14.6% YoY in Q1. 12 mth rolling exchequer surplus at €2.8bn in Mar, despite €4bn transfer to NRF	
PUBLIC FINANCES										
Total Tax Receipts: Cum YTD %	26.3	26.2	25.5	24.5	21.5	12.2	12.5	14.6		
Voted Spending : Cum YTD %	-3.9	-2.6	-1.6	0.9	1.8	8.8	9.4	4.6		
Exchequer Bal: 12 Mth Total €m	5,600	6,751	7,350	6,196	4,985	5,609	1,506	2,757		
									GDP expanded by 12% in 2022, with both the multi-national and domestic sectors performing strongly	
QUARTERLY DATA		Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22		Q4-22
GDP - YoY %		11.4	19.5	10.4	13.8	11.7	12.6	11.6		12.0
*Domestic Demand - YoY%		-5.1	14.7	3.9	10.4	13.4	10.6	6.1		2.8
Consumer Spending - YoY %		-13.0	17.1	6.5	9.4	15.6	5.7	2.5	4.5	Modified domestic demand rose by 8.2% in 2022, but slowed in the second half of the year
Services Exports - YoY % (3Q Avg)		8.0	14.5	14.3	13.6	12.5	8.6	10.4	4.5	
* Excludes Some Investment Related to the Multinational Sector										
									Employment rose by 2.7% YoY in Q4, leaving it 9.2% above pre-pandemic levels. The labour force grew by 2% YoY in Q4, and is up 8.9% since end 2019	
EMPLOYMENT & EARNINGS										
Employment YoY %		-5.0	9.9	9.8	10.1	12.3	8.8	3.4		2.7
Labour Force YoY %		-2.5	12.1	7.9	8.9	9.6	5.6	2.0		2.0
Average Earnings YoY %										Weekly average earnings rose by 4.2% YoY in Q4, with all sectors registering an increase. Public sector pay rose by 3% on average in 2022, compared to 3.8% in the private sector
- Hourly		8.4	2.7	3.7	2.8	2.2	2.5	3.6	5.5	
- Weekly		7.5	4.1	5.4	1.9	2.9	2.5	3.6	4.2	
Weekly Earnings YoY %										
- Private Sector		7.7	5.0	5.8	2.8	4.8	3.6	4.9	2.0	
- Public Sector		4.9	2.2	5.3	0.2	-1.3	1.3	0.8	10.8	
									Completions rose to just below 30k in 2022, up 45% on 2021. Over 9k apts. completed, more than in 2020 & 2021 combined	
CSO DWELLING COMPLETIONS		3966	4982	4643	6962	5640	7648	7415		9148
- YoY %		-19.8	53.6	-8.0	-5.1	42.2	53.5	59.7		31.4
- Cum 12 Mth Total		19594	21333	20927	20553	22227	24893	27665		29851



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