

Irish Economy Watch

AIB Treasury Economic Research Unit



Thursday 25 July 2024

| | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---|
| MANUFACTURING | | | | | | | | | The manu. PMI fell to 47.4 in Jun, below 50 for a fourth month running, and consistent with the sharpest pace of contraction in 11 months. Output and new orders were weak |
| AIB Manufacturing PMI | 50.0 | 48.9 | 49.5 | 52.2 | 49.6 | 47.6 | 49.8 | 47.4 | |
| AIB Manufacturing PMI - Future Output | 69.7 | 71.2 | 67.0 | 65.6 | 59.4 | 64.4 | 64.0 | 66.3 | |
| Industrial Production (Ex-Modern) | 128.9 | 133.7 | 132.8 | 131.2 | 137.7 | 137.5 | 134.0 | #N/A | |
| Production (Ex-Modern) : 3mma YoY% | 3.6 | 8.5 | 12.2 | 13.9 | 10.7 | 12.8 | 11.5 | #N/A | Traditional industrial production rose by 2.9% in the 3 mths to May and was 11.5% higher YoY |
| 3mth / 3mth % seas. adj. | 2.7 | 2.2 | 4.1 | 3.9 | 3.6 | 2.8 | 2.9 | #N/A | |
| SERVICES / RETAIL | | | | | | | | | The services PMI edged down to 54.2 in Jun, indicating a continued solid pace of expansion. New business, including new export orders rose. Inflationary pressures remained elevated but slowed The CSO services index was up by 9.1% YoY in May Having had a solid start to 2024, new car sales have trended lower recently. 12mth running total fell below 124k in Jun Retail sales increased by 1% in the 3 mths to May. However, core sales rose by just 0.3% over the same period |
| AIB Services PMI | 54.2 | 53.2 | 50.5 | 54.4 | 56.6 | 53.3 | 55.0 | 54.2 | |
| CSO Services Index (Value) | 165.0 | 169.5 | 171.9 | 173.1 | 174.4 | 180.7 | 177.8 | #N/A | |
| - YoY % | 3.3 | 6.8 | 9.2 | 7.8 | 7.8 | 11.7 | 9.1 | #N/A | |
| - 3mth / 3mth % seas. adj. | 2.4 | 1.9 | 0.9 | 2.6 | 3.0 | 4.3 | 3.6 | #N/A | |
| SIMI Car Registrations | 921 | 345 | 31,407 | 16,431 | 14,643 | 8,563 | 6,394 | 1,488 | |
| - 12 mth cum total | 122,264 | 122,400 | 126,463 | 129,772 | 126,727 | 126,377 | 125,226 | 123,724 | |
| - 3 mma YoY % | -10.7 | -8.8 | 14.5 | 18.5 | 7.4 | -0.2 | -13.3 | -15.4 | |
| Retail Sales Index | 130.1 | 130.6 | 133.1 | 131.0 | 133.8 | 132.8 | 132.0 | #N/A | |
| - YoY % | 1.0 | 2.8 | 5.3 | 1.6 | 2.2 | -0.2 | -1.0 | #N/A | |
| - 3mth / 3mth % seas. adj. | -1.4 | -0.6 | 0.8 | 1.4 | 2.0 | 1.0 | 1.0 | #N/A | |
| Ex Autos Index | 129.2 | 130.6 | 130.2 | 130.6 | 131.0 | 131.0 | 130.6 | #N/A | |
| - YoY % | -0.8 | 1.5 | 0.9 | 1.2 | 1.7 | 0.2 | -0.5 | #N/A | |
| - 3mth / 3mth % seas. adj. | -0.7 | 0.6 | 0.9 | 1.4 | 1.0 | 0.7 | 0.3 | #N/A | |
| RESIDENTIAL CONSTRUCTION ACTIVITY | | | | | | | | | The construction PMI fell to 47.5 in Jun, indicating a sharper pace of contraction. New orders, and housing activity stayed above the key 50 level. Commercial activity printed well below 50 Commencements distorted. They surged in April ahead of the waiver/rebate deadlines. In May/Jun they were down 35% YoY. 12 mth total at 51k |
| BNP Paribas Construction PMI | 44.5 | 45.1 | 45.9 | 47.4 | 51.6 | 53.2 | 49.8 | 47.5 | |
| - Housing Activity | 43.5 | 45.0 | 48.3 | 49.8 | 54.3 | 53.4 | 52.0 | 52.4 | |
| - Commercial Activity | 43.8 | 42.8 | 44.7 | 47.2 | 53.2 | 54.6 | 51.4 | 43.3 | |
| - New Orders | 46.7 | 47.2 | 47.4 | 47.7 | 51.5 | 53.9 | 52.9 | 51.8 | |
| - Business Expectations | 57.2 | 59.9 | 58.6 | 64.9 | 63.8 | 59.5 | 61.2 | 61.7 | |
| Commencements: 12mth Total | 31,429 | 32,801 | 34,050 | 35,752 | 37,408 | 53,011 | 51,935 | 51,024 | |
| - 3 Month Avg YoY % | 28.9 | 47.0 | 52.4 | 73.3 | 62.7 | 242.5 | 182.2 | 165.8 | |
| HOUSING MARKET ACTIVITY | | | | | | | | | Mortgage approvals 3mma to May fell by 5.1% Yoy. 12 mth running total down at 42k Transactions 3mma down by 6.2% YoY in Q2. 12 mth run rate falls below 61k House prices trending higher, albeit the m/m rate has slowed. They were up 8.2% YoY in May Asking prices on Daft.ie were revised higher for Q1'24, and continued to trend upwards in Q2, up 6.7% YoY CSO rental index rose by 0.7% in Jun. However, the YoY rate stayed at 4.9% |
| BPFI Mortgage Approvals : Month | 3,614 | 2,364 | 2,718 | 2,922 | 3,237 | 3,796 | 3,894 | #N/A | |
| - 3 Month Avg YoY % | -0.4 | -2.2 | -5.8 | -1.9 | -5.3 | 0.0 | -5.1 | #N/A | |
| - 12 Mth Total | 42,845 | 42,559 | 42,399 | 42,604 | 41,976 | 42,399 | 42,011 | #N/A | |
| RPPR Transactions : Month | 5,671 | 7,112 | 3,445 | 4,154 | 4,407 | 4,387 | 5,170 | 4,406 | |
| - 3 Month Avg YoY % | -2.0 | 1.6 | -0.4 | 0.5 | -8.8 | -5.8 | -4.6 | -6.2 | |
| - 12 Mth Total | 62,569 | 62,988 | 62,802 | 62,635 | 61,830 | 62,002 | 61,965 | 60,908 | |
| HOUSING MARKET PRICES | | | | | | | | | |
| CSO Price Index - MoM | 0.9 | 1.3 | 0.7 | 0.4 | 0.5 | 0.4 | 0.1 | #N/A | |
| - YoY % | 3.0 | 4.1 | 5.4 | 6.2 | 7.3 | 7.9 | 8.2 | #N/A | |
| Daft Asking Prices: MoM % | -0.2 | 1.1 | 0.7 | 1.8 | -0.1 | 2.0 | 1.4 | 0.7 | |
| - YoY % | 5.1 | 4.9 | 6.0 | 6.7 | 6.3 | 6.4 | 6.1 | 7.5 | |
| RENTS: CSO Private Rents - MoM% | 0.2 | 0.2 | 0.1 | 0.4 | 0.0 | 0.2 | 0.4 | 0.7 | |
| - YoY % | 6.3 | 6.2 | 6.0 | 5.3 | 5.1 | 5.1 | 4.9 | 4.9 | |
| AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB | | | | | | | | | Affordability improved somewhat in Q1, as average take-home pay increased |
| - Mortgage as % of Disposable Income | 22.8 | 22.9 | 21.9 | 21.6 | 21.2 | #N/A | #N/A | #N/A | |

| | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|--|
| CONSUMER PRICES - YoY % | | | | | | | | | Consumer prices rose by 0.4% in Jun, amid an increase in transport and hospitality costs. However, the YoY rate fell to 2.2%. HICP inflation rose by 0.3% in the month, with the annual rate declining to 2.0% |
| - MoM % | 3.9 | 4.6 | 4.1 | 3.4 | 2.9 | 2.6 | 2.6 | 2.2 | |
| HICP - YoY % | -0.8 | 0.5 | -1.3 | 1.0 | 0.5 | 0.2 | 0.5 | 0.4 | |
| - MoM % | 2.5 | 3.2 | 2.7 | 2.3 | 1.7 | 1.6 | 2.0 | 1.5 | |
| - MoM % | -0.9 | 0.4 | -1.4 | 1.1 | 0.3 | 0.2 | 0.6 | 0.3 | |
| | | | | | | | | | |
| PERSONAL / FINANCIAL | | | | | | | | | Sentiment rose for the first time in five months, amid a more favourable HH finances outlook |
| ILCU Consumer Sentiment Index | 61.9 | 62.4 | 74.2 | 70.2 | 69.5 | 67.8 | 65.7 | 70.5 | |
| Credit Growth YoY % | | | | | | | | | Private sector credit growth rate declined in May. The household and mortgage credit growth rates were little changed |
| - Private Sector | -2.1 | -1.8 | 2.1 | 1.4 | 2.5 | -1.3 | -0.3 | #N/A | |
| - of which : Household | 1.9 | 2.0 | 2.0 | 1.9 | 2.1 | 2.0 | 2.0 | #N/A | |
| - of which : Mortgage Lending | 1.6 | 1.8 | 1.8 | 1.5 | 1.7 | 1.6 | 1.7 | #N/A | |
| | | | | | | | | | |
| LABOUR MARKET | | | | | | | | | Revisions to the data show the unemployment rate averaged 4.2% in Q1'24 down from 4.5% in Q4'23. In Q2, the jobless rate fell again to 4.1% |
| Live Register | 175,500 | 175,300 | 177,000 | 174,800 | 174,200 | 173,500 | 172,800 | 171,500 | |
| - Change In Month | -900 | -200 | +1,700 | -2,200 | -600 | -700 | -700 | -1,300 | |
| Unemployment Rate % | 4.5 | 4.5 | 4.6 | 4.1 | 4.0 | 4.0 | 4.0 | 4.2 | |
| PMI Employment Indices | | | | | | | | | In Jun, the employment sub-indices of the manufacturing services and construction PMI's moved lower. Crucially though, all three indices stayed in expansion mode |
| - AIB Manufacturing | 51.1 | 50.0 | 50.6 | 52.5 | 51.7 | 50.0 | 52.7 | 50.2 | |
| - AIB Services | 53.3 | 51.9 | 52.7 | 54.4 | 53.2 | 52.9 | 53.3 | 50.8 | |
| - BNP Paribas Construction | 49.1 | 52.3 | 53.5 | 52.5 | 53.9 | 52.7 | 51.8 | 51.7 | |
| | | | | | | | | | |
| MERCHANDISE TRADE | | | | | | | | | Goods trade surplus stood at €38.7bn YTD to May, up 54.6% YoY. Exports rose by 9.9% YTD to €90.9bn, led by a strong increase in pharma and medical products (up 26.8% YTD). Imports stood at €52.2bn YTD in May, down 9.6% YoY |
| Export Values - 3M / 3M % | -2.9 | 1.1 | -0.8 | 5.9 | 9.3 | 10.9 | 5.1 | #N/A | |
| - 3MMA YoY % | -8.7 | -5.2 | 1.6 | 2.1 | 4.8 | 7.0 | 11.2 | #N/A | |
| Import Values - 3M / 3M % | 4.2 | 4.0 | 1.5 | -12.8 | -13.1 | -6.2 | 1.2 | #N/A | |
| - 3MMA YoY % | -1.2 | 1.0 | -2.2 | -11.1 | -9.5 | -4.3 | -6.7 | #N/A | |
| | | | | | | | | | |
| PUBLIC FINANCES | | | | | | | | | Total tax take up by 9.3% YTD in H1. Voted expenditure rose by 13.2% YTD, owing to increases in current and capital spending. 12mth rolling Exchequer surplus rose to €4.0bn |
| Total Tax Receipts: Cum YTD % | 5.8 | 6.0 | 4.8 | 5.5 | 1.8 | 2.6 | 6.2 | 9.3 | |
| Voted Spending : Cum YTD % | 12.9 | 7.6 | 20.0 | 23.2 | 15.4 | 12.8 | 15.3 | 13.2 | |
| Exchequer Bal: 12 Mth Total €m | -1,722 | 1,178 | 602 | 3,612 | 3,512 | 3,637 | 2,586 | 4,005 | |
| | | | | | | | | | |
| QUARTERLY DATA | | | | | | | | | GDP expanded by 0.7% in Q1 amid a sharp rise in exports. In YoY terms though, GDP was down 4.7% |
| | Q3-22 | Q4-22 | Q1-23 | Q2-23 | Q3-23 | Q4-23 | Q1-24 | Q2-24 | |
| GDP - YoY % | 9.2 | 8.8 | -0.2 | -3.9 | -8.4 | -9.1 | -4.7 | #N/A | |
| *Domestic Demand - YoY% | 8.5 | 3.7 | 6.0 | 0.9 | -0.2 | 4.2 | 2.2 | #N/A | |
| Consumer Spending - YoY % | 7.2 | 8.2 | 7.4 | 6.5 | 1.7 | 4.0 | 2.1 | #N/A | MFDD rose by 1.0% in Q1, supported by a rise in modified investment and consumption |
| Services Exports - YoY % (3Q Avg) | 9.2 | 2.7 | -0.2 | -1.6 | 0.6 | 3.7 | 9.3 | #N/A | |
| * Excludes Some Investment Related to the Multinational Sector | | | | | | | | | |
| | | | | | | | | | |
| EMPLOYMENT & EARNINGS | | | | | | | | | Employment rose by 1.9% YoY in Q1'24, putting it 14.4% above pre-COVID levels. Employment rate eased to 73.8% in Q1, down slightly from Q4'23. The labour force grew by 2% YoY in Q1 |
| Employment YoY % | 3.5 | 2.6 | 3.7 | 3.1 | 3.6 | 3.4 | 1.9 | #N/A | |
| Labour Force YoY % | 2.1 | 1.8 | 2.8 | 3.0 | 3.8 | 3.5 | 2.0 | #N/A | |
| Average Earnings YoY % | | | | | | | | | |
| - Hourly | 3.6 | 6.1 | 3.9 | 5.3 | 6.1 | 1.9 | 4.5 | #N/A | Weekly average earnings rose by 4.7% YoY in Q1'24. Public sector pay was up by 4.9% YoY. Private sector earnings rose by 4.0% YoY |
| - Weekly | 3.6 | 4.5 | 4.3 | 4.4 | 4.4 | 2.6 | 4.7 | #N/A | |
| Weekly Earnings YoY % | | | | | | | | | |
| - Private Sector | 4.9 | 2.4 | 3.5 | 3.9 | 3.8 | 4.1 | 4.9 | #N/A | |
| - Public Sector | 0.8 | 10.4 | 7.7 | 5.9 | 5.8 | -1.2 | 4.0 | #N/A | |
| | | | | | | | | | |
| CSO DWELLING COMPLETIONS | | | | | | | | | Having trended higher in 2023, completions declined by 8.6% YoY in H1. 12mth total back at circa 31.4k |
| - YoY % | 7377 | 9093 | 6646 | 7277 | 8425 | 10234 | 5846 | 6884 | |
| - Cum 12 Mth Total | 59.1 | 31.3 | 18.4 | -4.4 | 14.2 | 12.5 | -12.0 | -5.4 | |
| | 27521 | 29690 | 30725 | 30393 | 31441 | 32582 | 31782 | 31389 | |



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