

Irish Economy Watch

AIB Treasury Economic Research Unit



Wednesday 26 May 2021

	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	
MANUFACTURING									Manufacturing PMI jumped to a record 60.8, as firms here participate in a global rebound in activity. Supply chains though remain under sever pressure
AIB Manufacturing PMI	50.0	50.3	52.2	57.2	51.8	52.0	57.1	60.8	
OECD Leading Indicator	99.8	100.0	100.2	100.3	100.4	100.5	100.6	100.7	Traditional industrial production contracted for the second month running in March. Output up 0.5% In Q1, but down 1.6% YoY
Industrial Production (Ex-Modern)	108.8	110.7	108.9	113.6	114.2	112.8	107.7	#N/A	
Production (Ex-Modern) : 3mma YoY%	-1.2	-1.7	-2.7	-0.2	-0.5	2.0	-1.6	#N/A	
3mth / 3mth % seas. adj.	24.9	14.3	4.7	1.5	2.6	3.7	0.5	#N/A	
SERVICES / RETAIL									In April, the services PMI rose to 57.7, pointing to accelerating growth in the sector. Although, much of the sector remained in lockdown, all the main components showed significant improvements
AIB Services PMI	45.8	48.3	45.4	50.1	36.2	41.2	54.6	57.7	
CSO Services Index (Value)	120.8	115.7	113.3	121.6	115.8	119.3	121.0	#N/A	CSO Services Index continued to improve in March, but was 1.5% lower YoY
- YoY %	-4.0	-7.4	-10.0	-1.0	-7.8	-4.8	-1.5	#N/A	
- 3mth / 3mth % seas. adj.	12.0	6.9	2.2	0.2	-0.2	2.0	1.6	#N/A	New car sales up 10% YTD vs. 2020 sales. However, they are down 24.4% YTD vs. 2019 levels
SIMI Car Registrations	5,651	2,296	913	601	25,143	13,701	9,194	7,157	
- 12 mth cum total	87,673	87,792	87,947	88,324	82,818	83,381	86,568	93,382	
- 3 mma YoY %	-4.7	19.4	39.5	20.6	-15.7	-10.4	-3.5	54.2	
Retail Sales Index	130.9	129.1	113.3	127.1	100.7	119.2	116.9	#N/A	Total retail sales fell by 8.8% in Q1. Ex-autos sales declined by 8.3%, down 4.1% YoY, though well off their January low
- YoY %	10.6	7.4	-4.5	7.0	-14.7	0.1	8.5	#N/A	
- 3mth / 3mth % seas. adj.	36.5	13.3	-2.4	-4.5	-12.3	-7.0	-8.8	#N/A	
Ex Autos Index	130.7	130.9	115.6	129.6	109.0	117.2	118.7	#N/A	
- YoY %	9.2	9.5	-2.9	7.1	-9.8	-2.7	0.3	#N/A	
- 3mth / 3mth % seas. adj.	21.9	10.4	-0.4	-2.6	-9.2	-5.7	-8.3	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									Construction PMI improved to 49.3 in April, following a very weak Q1 due to Covid restrictions. Housing activity and new orders picked up markedly, while firms outlook remains elevated
Construction PMI: Ulster Bank	47.0	48.6	53.5	52.3	21.2	27.0	30.9	49.3	
- Housing Activity	44.1	50.3	53.0	56.2	19.0	23.8	33.8	54.8	Commencements fell by 17.3% in 2020 to 21.7k. Declined further in Q1, by 64.3% YoY, leaving the 12 mth cumulative total at 17.3k
- Commercial Activity	49.2	46.7	50.0	49.7	24.2	31.2	31.3	42.2	
- New Orders	48.8	51.8	57.3	55.6	29.4	30.5	39.7	55.1	
- Business Expectations	48.7	51.9	60.5	62.5	59.9	64.2	73.9	73.9	
Commencements: 12mth Total	21,774	20,823	21,830	21,686	20,701	18,790	17,278	#N/A	
- 3 Month Avg YoY %	-28.4	-29.7	-3.3	-1.4	-2.3	-49.3	-64.3	#N/A	
HOUSING MARKET ACTIVITY									Mortgage approvals continue to rise in March, up 14.2% YoY
BPFI Mortgage Approvals : Month	3,927	4,419	4,372	3,247	2,696	2,964	3,420	#N/A	
- 3 Month Avg YoY %	-8.4	12.8	25.4	27.5	23.6	13.8	7.7	#N/A	Transactions picked up pace as Q1 progressed, and remained strong at the start of Q2. 3mma up 20.8% in April
- 12 Mth Total	31,561	32,288	33,302	34,156	34,258	34,384	34,809	#N/A	
RPPR Transactions : Month	4,308	5,550	5,357	7,413	3,135	4,341	5,082	3,518	House prices rose 0.7% in March, YoY growth rate at 3.7%. Ex-Dublin price inflation (+5.0%) outpaces the capital (+2.5%)
- 3 Month Avg YoY %	-29.8	-17.8	-3.5	5.5	3.3	7.5	8.0	20.8	
- 12 Mth Total	48,195	48,231	48,387	49,151	48,744	49,424	50,079	50,973	
HOUSING MARKET PRICES									
CSO Price Index - MoM	0.2	0.5	0.6	0.7	0.4	0.4	0.7	#N/A	Daft.ie asking prices up 7.1% YoY in March
- YoY %	-0.8	-0.4	0.4	2.2	2.5	3.1	3.7	#N/A	
Daft Asking Prices: MoM %	0.3	0.8	0.4	1.0	1.7	-1.2	1.9	#N/A	CSO rental index rose by 1.2% in April. YoY rate turns positive, at 1.6%, although, this is partly due to base effects
- YoY %	5.3	6.1	8.9	7.4	8.7	6.9	7.1	#N/A	
RENTS: CSO Private Rents - MoM%	0.4	-0.5	0.0	0.4	0.3	0.2	0.8	1.2	Affordability index improved in Q4 as average industrial wages rise sharply
- YoY %	-2.6	-3.2	-3.2	-2.9	-2.5	-2.5	-1.4	1.6	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	18.3	17.7	17.5	17.6	#N/A	#N/A	#N/A	#N/A	

	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	
									Prices rose by 0.7% in April, following a similar 0.8% rise in March as the VAT cut was unwound. Annual CPI rate jumped to 1.1% owing largely to base effects in energy prices. Annual HICP at 1.1% also
CONSUMER PRICES - YoY %	-1.2	-1.5	-1.1	-1.0	-0.2	-0.4	0.0	1.1	
- MoM %	-0.4	-0.6	0.3	0.3	0.1	0.4	0.8	0.7	
HICP - YoY %	-1.2	-1.5	-1.0	-1.0	-0.1	-0.4	0.1	1.1	
- MoM %	-0.4	-0.5	0.3	0.2	0.2	0.3	0.9	0.6	
									The consumer sentiment index was relatively unchanged, at 77.9 in April. Consumer expectations rose slightly Household credit declined by 1.8% YoY in March. Mortgage lending down by 1.2% YoY also
PERSONAL / FINANCIAL									
KBC/ESRI Consumer Confidence	60.7	52.6	65.5	74.6	64.9	70.8	77.1	77.9	
Credit Growth YoY %									
- Private Sector (Underlying)	-2.6	-3.4	-2.8	-2.6	-2.2	-2.3	-5.7	#N/A	
- of which : Household	-1.5	-1.4	-1.5	-1.5	-1.7	-1.8	-1.8	#N/A	Official unemployment rate remained unchanged at 5.8% in April. Covid adjusted rate falls to 22.4% from 23.8%, as the number of PUP recipients start to fall due to the easing of restrictions Employment subcomponent of the manufacturing, services and construction PMIs all improved and were in expansion territory
- of which : Mortgage Lending	-1.0	-0.9	-1.0	-1.0	-1.1	-1.1	-1.2	#N/A	
LABOUR MARKET									
Live Register	214,200	210,300	203,900	195,200	191,100	188,500	185,300	181,800	
- Change In Month	+800	-3,900	-6,400	-8,700	-4,100	-2,600	-3,200	-3,500	Goods trade surplus narrowed by 6.6% to €5.5bn in March. Exports decreased by 8.5% YoY. Pharma exports were up by 9.2% YoY in Q1, but food, chemical, and machinery equipment exports all declined. Imports were down 1.2% YoY
Unemployment Rate %	6.7	6.2	6.0	5.8	5.8	5.7	5.8	5.8	
PMI Employment Indices									
- AIB Manufacturing	49.1	50.8	51.2	53.0	50.8	52.9	55.7	57.7	
- AIB Services	47.0	47.4	49.0	51.1	49.8	48.6	52.6	53.0	
- Ulster Bank Construction	48.9	51.6	52.4	54.3	34.6	34.5	43.7	51.6	Exchequer deficit of €7.6bn recorded to end of April. Tax intake up 4.2% YTD due to base effects. Total net voted spending up 7.3% YTD. 12 Mth running balance improves to -€12.5bn
MERCHANDISE TRADE									
Export Values - 3M / 3M %	9.3	1.9	0.1	-2.6	3.4	-0.3	1.4	#N/A	
- 3MMA YoY %	7.8	1.6	3.7	1.3	2.4	-0.5	-8.5	#N/A	
Import Values - 3M / 3M %	15.1	-1.7	2.7	8.3	13.5	-1.2	-5.5	#N/A	Irish GDP grew by 1.5 YoY% in Q4. Overall, the economy expanded by 3.4% in 2020 However, modified domestic demand contracted by 5.4% in 2020, driven by a 9% fall in personal consumption
- 3MMA YoY %	-6.2	-12.2	-2.4	3.6	4.0	-7.9	-1.2	#N/A	
PUBLIC FINANCES									
Total Tax Receipts: Cum YTD %	-3.0	-5.3	-6.9	-3.6	-8.8	-8.1	1.0	4.2	
Voted Spending : Cum YTD %	24.9	24.6	23.7	25.3	2.4	11.0	13.9	7.3	Employment declined by 2.3% YoY in Q4. However, this understates labour market weakness, as many jobs rely on government supports Weekly earnings growth at +7.5% YoY in Q4. Although, the changing composition of the work force is distorting the data, with job losses concentrated amongst lower paid workers
Exchequer Bal: 12 Mth Total €m	-8,764	-9,337	-11,627	-12,316	-12,741	-14,038	-13,953	-12,472	
QUARTERLY DATA									
	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	
GDP - YoY %	5.6	6.3	5.9	5.8	-2.6	8.7	1.5	#N/A	Completions down 20.1% YoY in Q1, not a bad as expected. Although, 12 mth running total falls back below 20k
*Domestic Demand - YoY%	2.0	4.5	2.9	-1.8	-15.5	-1.9	-3.1	#N/A	
Consumer Spending - YoY %	3.6	3.0	2.7	-2.4	-21.4	-5.2	-7.6	#N/A	
Services Exports - YoY % (3Q Avg)	13.2	13.4	13.6	10.1	3.3	-2.1	-1.6	#N/A	
* Excludes Some Investment Related to the Multinational Sector									
EMPLOYMENT & EARNINGS									
Employment YoY %	2.0	2.4	3.5	2.2	-3.4	-1.4	-2.3	#N/A	Weekly earnings growth at +7.5% YoY in Q4. Although, the changing composition of the work force is distorting the data, with job losses concentrated amongst lower paid workers
Labour Force YoY %	1.3	1.6	2.6	2.1	-3.7	0.6	-1.1	#N/A	
Average Earnings YoY %									
- Hourly	3.3	4.0	3.9	3.0	7.2	3.6	5.5	#N/A	
- Weekly	3.6	3.6	3.8	3.7	6.0	3.3	7.5	#N/A	
Weekly Earnings YoY %									CSO DWELLING COMPLETIONS
- Private Sector	4.0	4.0	4.0	4.0	6.0	3.1	8.5	#N/A	
- Public Sector	1.9	1.3	3.1	3.1	2.9	2.5	3.4	#N/A	
CSO DWELLING COMPLETIONS									
	4800	5649	6379	4945	3230	5065	7344	3953	Completions down 20.1% YoY in Q1, not a bad as expected. Although, 12 mth running total falls back below 20k
- YoY %	9.3	21.9	17.5	16.4	-32.7	-10.3	15.1	-20.1	
- Cum 12 Mth Total	19110	20126	21076	21773	20203	19619	20584	19592	



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