

Irish Economy Watch

AIB Treasury Economic Research Unit



Friday 25 October 2024

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	
MANUFACTURING									The manu. PMI fell to 49.4 in Sep, consistent with conditions in the sector deteriorating. Output contracted for the first time since June, while new orders/exports remained weak
AIB Manufacturing PMI	52.2	49.6	47.6	49.8	47.4	50.1	50.4	49.4	
AIB Manufacturing PMI - Future Output	65.6	59.4	64.4	64.0	66.3	67.9	63.0	64.3	
Industrial Production (Ex-Modern)	131.2	137.5	136.9	134.4	136.3	133.1	130.4	#N/A	
Production (Ex-Modern) : 3mma YoY%	13.9	10.7	12.7	11.8	10.9	8.1	7.0	#N/A	Traditional industrial production was 7.0% higher YoY in the 3 mths to August
3mth / 3mth % seas. adj.	3.8	3.5	2.5	2.8	1.5	-0.4	-2.2	#N/A	
SERVICES / RETAIL									The serv. PMI rose to 55.7 in Aug, indicating an acceleration in the pace of expansion. New business including new export orders, and backlogs of work all increased. Inflationary pressures eased in the month also The CSO services index was up by 11.9% YoY in August Having had a solid start to 2024, new car sales have trended lower recently. 12mth running total below 121k in Sep Retail sales fell by 0.9% in the 3 mths to Aug. Likewise, core sales declined by 0.7% over the same period
AIB Services PMI	54.4	56.6	53.3	55.0	54.2	53.6	53.8	55.7	
CSO Services Index (Value)	173.0	174.8	181.6	179.0	180.2	180.7	184.2	#N/A	
- YoY %	7.9	7.9	11.9	9.6	11.6	10.4	11.9	#N/A	
- 3mth / 3mth % seas. adj.	2.9	3.3	4.7	4.0	3.9	2.0	1.8	#N/A	
SIMI Car Registrations	16,430	14,644	8,562	6,394	1,488	25,665	7,534	5,124	
- 12 mth cum total	129,771	126,727	126,376	125,225	123,723	122,052	121,325	120,722	
- 3 mma YoY %	25.2	-17.2	-3.9	-15.3	-50.2	-6.1	-8.8	-10.5	
Retail Sales Index	113.0	114.2	112.0	112.3	111.9	112.6	110.8	#N/A	
- YoY %	1.3	1.7	-0.4	-1.1	-1.1	1.4	-2.5	#N/A	
- 3mth / 3mth % seas. adj.	1.7	1.4	-0.1	-0.4	-1.3	-0.7	-0.9	#N/A	
Ex Autos Index	111.8	111.8	111.8	111.9	111.1	111.4	110.8	#N/A	
- YoY %	-0.4	0.3	1.5	-0.3	-1.4	0.3	-1.8	#N/A	
- 3mth / 3mth % seas. adj.	0.1	-0.4	-0.4	-0.1	0.0	-0.3	-0.7	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									The construction PMI declined to 49.0 Sep, indicating a slight deterioration of conditions in the sector. New orders and housing activity printed above 50, but commercial activity fell to 47.9 Commencements still distorted. Having surged in April ahead of the waiver/rebate deadlines, they fell by 34% YoY between Jun-Aug. 12 mth total at 49.1k
BNP Paribas Construction PMI	47.4	51.6	53.2	49.8	47.5	49.9	50.0	49.0	
- Housing Activity	49.8	54.3	53.4	52.0	52.4	53.2	49.8	51.0	
- Commercial Activity	47.2	53.2	54.6	51.4	43.3	49.9	51.1	47.9	
- New Orders	47.7	51.5	53.9	52.9	51.8	54.9	51.8	52.4	
- Business Expectations	64.9	63.8	59.5	61.2	61.7	61.6	64.7	62.9	
Commencements: 12mth Total	35,752	37,408	53,011	51,935	51,024	49,613	49,107	#N/A	
- 3 Month Avg YoY %	73.3	62.7	242.5	182.2	165.8	-39.4	-34.0	#N/A	
HOUSING MARKET ACTIVITY									Mortgage approvals rose by 5.6% YoY in Q3. 12 mth running total rises to 42.3k Transactions 3mma down by 8.4% YoY in the third quarter. 12 mth run rate back at 60k House prices continue to move sharply higher, increasing by 0.9% m/m in Aug. They were up 10.1% YoY Asking prices on Daft.ie continued to trend upwards in Q3, up 8.2% YoY CSO rental index rose by 1.1% in Sep. The YoY rate accelerated to 4.4% also Affordability deteriorated somewhat in Q2, as house price growth outpaced wage growth
BPFI Mortgage Approvals : Month	2,922	3,237	3,796	3,894	3,806	4,603	3,933	3,731	
- 3 Month Avg YoY %	-1.9	-5.3	0.0	-5.1	-2.8	-2.3	0.6	5.6	
- 12 Mth Total	42,604	41,976	42,399	42,011	41,642	42,109	42,090	42,294	
RPPR Transactions : Month	4,165	4,433	4,412	5,214	4,833	5,681	4,852	4,626	
- 3 Month Avg YoY %	0.6	-8.5	-5.4	-3.9	-2.9	-1.9	-6.9	-8.4	
- 12 Mth Total	62,651	61,872	62,069	62,076	61,446	61,761	60,929	60,054	
HOUSING MARKET PRICES									
CSO Price Index - MoM	0.4	0.5	0.4	0.4	0.9	1.2	0.9	#N/A	
- YoY %	6.2	7.4	7.9	8.5	8.9	9.7	10.1	#N/A	
Daft Asking Prices: MoM %	1.8	-0.1	2.0	1.4	0.9	1.3	0.8	0.6	
- YoY %	6.2	5.8	6.4	6.1	7.7	7.3	8.8	8.4	
RENTS: CSO Private Rents - MoM%	0.4	0.0	0.2	0.4	0.7	0.4	0.7	1.1	
- YoY %	5.3	5.1	5.1	4.9	4.9	4.7	4.0	4.4	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	21.6	21.3	22.4	22.8	23.3	#N/A	#N/A	#N/A	

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	
									Consumer prices declined by 0.9% in Sep, amid a sharp fall in transport costs, meaning CPI inflation fell to just 0.7%. Similarly, HICP inflation declined by 1.0% in Sep, with the annual rate falling to 0%
CONSUMER PRICES - YoY %									
- MoM %	3.4	2.9	2.6	2.6	2.2	2.2	1.7	0.7	
HICP - YoY %	1.0	0.5	0.2	0.5	0.4	0.2	0.1	-0.9	
- MoM %	2.3	1.7	1.6	2.0	1.5	1.5	1.1	0.0	
- MoM %	1.1	0.3	0.2	0.6	0.3	0.2	0.1	-1.0	
PERSONAL / FINANCIAL									Sentiment was little changed in Sep at 71.9, well below its long-run average of 84.4
ILCU Consumer Sentiment Index	70.2	69.5	67.8	65.7	70.5	74.9	72.0	71.9	
Credit Growth YoY %									Private sector credit growth rate slowed marginally in Aug, amid a slight deceleration in the household credit growth rate
- Private Sector	1.4	2.5	-1.3	-0.3	0.6	1.4	1.3	#N/A	
- of which : Household	1.9	2.1	2.0	2.0	2.2	2.4	2.3	#N/A	
- of which : Mortgage Lending	1.5	1.7	1.6	1.7	2.0	2.1	2.0	#N/A	
LABOUR MARKET									Overall, the unemployment rate has drifted slightly higher this year, averaging 4.3% in Q1, 4.4% in Q2 and 4.5% in Q3. However, the latest monthly reading shows it was at 4.3% in Sep
Live Register	174,700	174,100	173,300	172,600	171,200	171,100	168,900	166,800	
- Change In Month	-2,000	-600	-800	-700	-1,400	-100	-2,200	-2,100	
Unemployment Rate %	4.1	4.2	4.4	4.4	4.5	4.7	4.4	4.3	
PMI Employment Indices									The employment sub-indices of the services and construction PMIs were above the key 50 level in Sep. The manu. PMI printed in contraction territory
- AIB Manufacturing	52.5	51.7	50.0	52.7	50.2	52.1	53.5	49.6	
- AIB Services	54.4	53.2	52.9	53.3	50.8	52.0	54.0	52.5	
- BNP Paribas Construction	52.5	53.9	52.7	51.8	51.7	50.9	47.7	51.7	
MERCHANDISE TRADE									Goods trade surplus widened to €55.7bn in Aug, up 34.3% YoY. Exports rose by 7.8% YTD to €143.1bn, led by a strong increase in pharma and medical products (up 17.8% YTD). Imports stood at €87.4bn YTD, down 4.3% YoY
Export Values - 3M / 3M %	6.0	9.6	10.8	5.2	-0.1	-5.4	-3.5	#N/A	
- 3MMA YoY %	2.4	5.1	7.0	11.4	8.4	4.1	3.8	#N/A	
Import Values - 3M / 3M %	-11.4	-12.0	-6.3	2.0	3.7	4.5	8.9	#N/A	
- 3MMA YoY %	-9.6	-8.3	-3.8	-4.7	-6.8	-4.6	1.4	#N/A	
PUBLIC FINANCES									Total tax take up 11.0% YTD in Sep. Voted expenditure rose by 12.8% YTD, owing to increases in current and capital spending. Overall, the 12mth rolling Exchequer surplus fell to €5.1bn
Total Tax Receipts: Cum YTD %	5.5	1.8	2.6	6.2	9.3	9.5	12.6	11.0	
Voted Spending : Cum YTD %	23.2	15.4	12.8	15.3	13.2	14.1	13.7	12.8	
Exchequer Bal: 12 Mth Total €m	3,612	3,512	3,637	2,586	4,005	3,825	5,286	5,070	
QUARTERLY DATA									
	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	
GDP - YoY %	8.8	-0.2	-3.9	-8.4	-9.1	-4.7	-4.0	#N/A	GDP fell by 1% in Q2. Overall, GDP contracted by 4.4% YoY in H1, driven by a reduction in output in MNE related sectors
*Domestic Demand - YoY%	3.7	6.0	0.9	-0.2	4.2	2.3	1.5	#N/A	
Consumer Spending - YoY %	8.2	7.4	6.5	1.7	4.0	2.5	1.3	#N/A	
Services Exports - YoY % (3Q Avg)	2.7	-0.2	-1.6	0.6	3.7	9.2	17.8	#N/A	
* Excludes Some Investment Related to the Multinational Sector									MDD fell by 0.5% in Q2. It was up 1.9% YoY in H1 though, led by a rise in consumer spending
EMPLOYMENT & EARNINGS									
Employment YoY %	2.6	3.7	3.1	3.6	3.4	1.9	2.7	#N/A	
Labour Force YoY %	1.8	2.8	3.0	3.8	3.5	2.0	2.9	#N/A	
Average Earnings YoY %									Employment increased by 2.7% YoY in Q2'24, putting it 15.7% above pre-COVID levels. The employment rate rose to 74.4% in Q2. The labour force grew by 2.9% YoY in the quarter
- Hourly	6.1	3.9	5.3	6.1	1.9	4.9	5.4	#N/A	
- Weekly	4.5	4.3	4.4	4.4	2.6	5.0	5.6	#N/A	
Weekly Earnings YoY %									
- Private Sector	2.4	3.5	3.9	3.8	4.1	5.3	5.6	#N/A	Weekly average earnings rose by 5.6% YoY in Q2'24. Public sector pay was up by 4.9% YoY. Private sector earnings rose by 5.6% YoY
- Public Sector	10.4	7.7	5.9	5.8	-1.2	4.0	4.9	#N/A	
CSO DWELLING COMPLETIONS									
- YoY %	9089	6642	7272	8411	10223	5844	6851	8939	Despite rising in YoY terms in Q3, completions are 3.1% lower YTD compared to 2023. 12mth total just below 32k
- Cum 12 Mth Total	31.3	18.6	-4.2	14.0	12.5	-12.0	-5.8	6.3	
	29662	30702	30380	31414	32548	31750	31329	31857	



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