

Irish Economy Watch

AIB Treasury Economic Research Unit



Tuesday 28 November 2023

	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	
MANUFACTURING									
AIB Manufacturing PMI	49.7	48.6	47.5	47.3	47.0	50.8	49.6	48.2	The manu. PMI fell to 48.2 in Oct, as business conditions deteriorated further. New orders and export orders fell sharply. Output contracted for an eighth month running
AIB Manufacturing PMI - Future Output	72.0	64.8	66.1	68.8	67.1	72.1	71.6	70.0	
Industrial Production (Ex-Modern)	120.6	120.6	127.2	122.2	125.0	125.7	129.0	#N/A	Traditional industrial production rose by 2.6% in Q3, and was up by 6.2% YoY
Production (Ex-Modern) : 3mma YoY%	3.6	4.0	6.8	8.5	8.2	5.9	6.2	#N/A	
3mth / 3mth % seas. adj.	0.9	1.1	4.3	1.8	3.6	1.2	2.6	#N/A	
SERVICES / RETAIL									
AIB Services PMI	55.7	58.4	57.0	56.8	56.7	55.0	54.5	52.6	The services PMI eased to 52.6 in Oct, consistent with more moderate growth. New business expanded modestly, and there was a contraction in new export orders. Input and output price inflation remained elevated
CSO Services Index (Value)	160.7	163.0	163.0	162.2	163.3	164.7	166.5	#N/A	
- YoY %	2.4	8.2	6.1	2.1	3.2	2.8	3.9	#N/A	
- 3mth / 3mth % seas. adj.	2.0	2.0	1.9	1.5	0.9	0.7	1.3	#N/A	The CSO services index rose by 1.3% in Q3. Up 3.9% YoY also
SIMI Car Registrations	17,626	8,906	7,542	2,986	27,098	8,103	5,623	2,171	
- 12 mth cum total	113,548	114,597	116,844	117,676	122,870	122,819	122,124	121,678	
- 3 mma YoY %	16.3	21.1	30.8	27.0	28.2	18.5	12.2	-7.0	New car sales still performing well, up by 15.1% YTD, with the 12 mth running total near 122k
Retail Sales Index	131.3	136.0	132.2	131.9	131.0	130.8	129.1	128.5	Retail sales and core sales fell by 1.7% and 1.0%, respectively, in the 3 mths to Oct. However, both measure were higher in YoY terms over the same period
- YoY %	8.7	7.3	5.7	6.6	6.3	3.5	2.1	-0.2	
- 3mth / 3mth % seas. adj.	0.9	3.5	4.4	3.4	-0.2	-1.5	-2.3	-1.7	
Ex Autos Index	129.6	130.8	130.9	131.9	126.9	129.5	128.6	127.8	The construction PMI edged back to 47.3 in Oct, and remained in contraction territory. New orders and housing activity stayed below the key 50 level. Meantime, commercial activity expanded marginally
- YoY %	0.7	0.2	2.7	3.5	0.6	1.1	1.2	0.3	
- 3mth / 3mth % seas. adj.	0.3	0.3	1.2	1.5	0.1	-0.8	-2.2	-1.0	
RESIDENTIAL CONSTRUCTION ACTIVITY									
BNP Paribas Construction PMI	49.5	48.4	49.4	50.4	45.6	44.9	48.6	47.3	Commencements increased very strongly, by 29.6% YoY in the 3 mths to Oct. 12 mth rolling total rises to 30.7k
- Housing Activity	46.5	42.8	45.4	48.4	45.9	46.3	48.9	45.3	
- Commercial Activity	51.9	51.4	53.7	51.1	45.4	41.9	49.2	50.9	
- New Orders	52.5	50.5	50.6	51.0	45.7	45.2	49.4	49.6	
- Business Expectations	58.0	59.4	60.2	58.0	59.5	59.4	59.2	53.6	
Commencements: 12mth Total	27,309	27,542	27,855	28,369	28,916	29,565	29,961	30,744	
- 3 Month Avg YoY %	5.0	4.5	12.4	14.8	19.0	25.8	23.5	29.6	
HOUSING MARKET ACTIVITY									
BPFI Mortgage Approvals : Month	3,896	3,373	4,282	4,175	4,136	3,952	3,527	#N/A	Mortgage approvals rose by 7.3% YoY in Q3. 12 mth total moves up to near 43k
- 3 Month Avg YoY %	2.8	2.8	9.0	6.7	11.4	10.1	7.3	#N/A	
- 12 Mth Total	41,249	41,323	41,764	41,992	42,614	42,886	42,780	#N/A	
RPPR Transactions : Month	5,197	4,197	5,194	5,441	5,318	5,651	5,433	5,027	Transactions continue to level off in Oct, with the 3mma down 0.7% YoY. 12 mth total at 62k
- 3 Month Avg YoY %	0.4	-2.0	3.6	1.0	1.6	2.4	0.5	-0.7	
- 12 Mth Total	62,240	61,894	62,357	62,384	62,150	62,740	62,460	62,039	
HOUSING MARKET PRICES									
CSO Price Index - MoM	-0.6	-0.1	-0.1	0.6	0.5	0.5	0.8	#N/A	House prices rose for a fourth consecutive month in Sep, up by 0.8%. However, the YoY rate, increased to 1.4%
- YoY %	4.0	3.5	2.6	2.1	1.7	1.1	1.4	#N/A	
Daft Asking Prices: MoM %	0.3	1.9	1.7	-0.5	0.9	-0.5	1.1	#N/A	
- YoY %	1.0	2.4	3.0	2.3	3.7	3.5	3.9	#N/A	Asking prices on Daft.ie were revised significantly higher for Q2, and were up 3.7% YoY in Q3
RENTS: CSO Private Rents - MoM%	0.3	0.1	0.6	0.6	0.6	1.3	0.8	0.0	CSO rental index was flat in Oct, for the first time since May'21. YoY rate eased to 6.6% also
- YoY %	10.0	8.8	7.8	7.7	7.2	7.1	7.1	6.6	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	19.4	20.2	20.4	20.8	20.8	22.7	23.0	#N/A	Affordability deteriorated at a faster pace in Q3, as mortgage rates and house prices rose

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CONSUMER PRICES - YoY %	7.7	7.2	6.6	6.1	5.8	6.3	6.4	5.1	Consumer prices rose by 0.3% in Oct, led by increases in transport and education. The YoY rate fell sharply to 5.1%, though, on energy base effects. HICP inflation dropped to 3.6% YoY, from 5%
- MoM %	1.1	0.5	0.3	0.8	0.2	0.7	0.1	0.3	
HICP - YoY %	7.0	6.3	5.4	4.8	4.6	4.9	5.0	3.6	
- MoM %	1.0	0.3	0.3	0.8	0.2	0.5	0.1	0.2	
PERSONAL / FINANCIAL									
ILCU Consumer Sentiment Index	53.9	59.2	62.4	63.7	64.5	62.2	58.8	60.4	Consumer sentiment edged higher to 60.4 in Oct from 58.8, albeit, this remains a relatively subdued level historically
Credit Growth YoY %									
- Private Sector	-1.7	1.2	0.3	-1.9	-2.0	-1.8	-2.1	#N/A	Stock of private sector credit declined in Sep, but growth rate of mortgage debt accelerated
- of which : Household	-0.4	0.0	0.3	0.6	1.0	1.6	1.6	#N/A	
- of which : Mortgage Lending	-0.4	-0.1	0.0	0.4	0.9	1.3	1.5	#N/A	
LABOUR MARKET									
Live Register	182,200	182,000	182,500	182,400	182,000	175,000	178,800	175,500	The unemployment rate has been revised upwards for recent months on the back of new data showing very strong labour force growth. It stood at 4.8% in October
- Change In Month	-1,300	-200	+500	-100	-400	-7,000	+3,800	-3,300	
Unemployment Rate %	4.1	4.1	4.1	4.4	4.4	4.5	4.7	4.8	The employment sub-indices of the services and manufacturing, PMIs fell in Oct. However, the construction reading improved. All three remained above 50
PMI Employment Indices									
- AIB Manufacturing	51.5	51.5	50.8	48.1	51.6	53.7	53.0	50.2	
- AIB Services	54.0	56.4	54.5	54.7	53.1	53.9	53.2	52.0	
- BNP Paribas Construction	53.1	50.5	51.2	52.0	53.4	51.1	51.2	53.4	
MERCHANDISE TRADE									
Export Values - 3M / 3M %	-1.5	3.3	-2.3	-1.4	-1.4	3.4	-1.2	#N/A	Value of goods trade surplus was €7.9bn narrower YTD to Sep compared to last year, at €47.1bn. Exports are 6% lower YTD, led by a sharp fall in pharmaceuticals and medical products (down 6.3% YTD). Imports are 2% lower YTD
- 3MMA YoY %	-2.4	-5.2	-8.8	-5.2	0.5	-3.2	-10.7	#N/A	
Import Values - 3M / 3M %	-3.0	-2.3	-4.4	1.2	3.4	0.2	-3.3	#N/A	
- 3MMA YoY %	13.5	4.4	-4.2	-4.9	-3.1	-7.9	-11.8	#N/A	
PUBLIC FINANCES									
Total Tax Receipts: Cum YTD %	14.6	14.2	10.2	11.0	10.0	6.6	6.1	4.0	Tax intake up 4% YTD, led by higher Income & VAT receipts. However, spending growth up 9.9%. 12 mth rolling Exchequer deficit at €3.2bn, partly due to €4bn transfer to NRF
Voted Spending : Cum YTD %	4.6	7.2	6.7	9.8	9.9	11.0	10.0	9.9	
Exchequer Bal: 12 Mth Total €m	2,757	2,412	3,021	1,055	700	-1,615	-1,809	-3,185	
QUARTERLY DATA									
	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	
GDP - YoY %	14.3	8.8	9.3	9.4	10.2	1.1	-0.7	-4.7	Having risen by just 0.2% YoY in H1, the flash estimate of GDP registered a 4.7% YoY contraction in Q3
*Domestic Demand - YoY%	11.1	12.9	10.6	9.0	5.1	4.1	-0.3	#N/A	
Consumer Spending - YoY %	14.1	18.6	8.6	5.8	6.5	5.1	2.4	#N/A	
Services Exports - YoY % (3Q Avg)	15.3	13.4	9.2	9.8	3.1	0.6	0.1	#N/A	
* Excludes Some Investment Related to the Multinational Sector									
EMPLOYMENT & EARNINGS									
Employment YoY %	10.1	12.3	8.8	3.4	2.7	4.1	3.5	4.0	Employment rose by 4% YoY in Q3, leaving it 12.7% above pre-pandemic levels. Employment rate down at 74.1% in Q3, down slightly from Q2. The labour force grew by 4.2% YoY in Q3.
Labour Force YoY %	8.9	9.6	5.6	2.0	2.0	3.3	3.4	4.2	
Average Earnings YoY %									Weekly average earnings rose by 4.6% YoY in Q3. Public sector pay was up 6.3% YoY. Private sector earnings rose by 3.9% YoY in Q3
- Hourly	2.8	2.2	2.5	3.6	6.0	4.0	5.4	6.2	
- Weekly	1.9	2.9	2.5	3.6	4.5	4.4	4.5	4.6	
Weekly Earnings YoY %									
- Private Sector	2.8	4.8	3.6	4.9	2.4	3.6	4.0	3.9	
- Public Sector	0.2	-1.3	1.3	0.8	10.4	7.7	5.9	6.3	
CSO DWELLING COMPLETIONS									
- YoY %	6949	5625	7614	7388	9124	6652	7339	8452	New dwelling completions up by 14.4% YoY in Q3. 12 mth running total moves sharply higher to 31.5k
- Cum 12 Mth Total	-5.2	41.8	52.8	59.0	31.3	18.3	-3.6	14.4	
	20546	22204	24834	27576	29751	30778	30503	31567	



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