

# 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	
<b>MANUFACTURING</b>									
AIB Manufacturing PMI	52.2	49.6	47.6	49.8	47.4	50.1	50.4	49.4	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 - 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	
<b>SERVICES / RETAIL</b>									
AIB Services PMI	54.4	56.6	53.3	55.0	54.2	53.6	53.8	55.7	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
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	The CSO services index was up by 11.9% YoY in August
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	Having had a solid start to 2024, new car sales have trended lower recently. 12mth running total below 121k in Sep
- 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	Retail sales fell by 0.9% in the 3 mths to Aug. Likewise, core sales declined by 0.7% over the same period
- 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	
<b>RESIDENTIAL CONSTRUCTION ACTIVITY</b>									
BNP Paribas Construction PMI	47.4	51.6	53.2	49.8	47.5	49.9	50.0	49.0	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
- 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	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
- 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	
<b>HOUSING MARKET ACTIVITY</b>									
BPFI Mortgage Approvals : Month	2,922	3,237	3,796	3,894	3,806	4,603	3,933	3,731	Mortgage approvals rose by 5.6% YoY in Q3. 12 mth running total rises to 42.3k
- 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	Transactions 3mma down by 8.4% YoY in the third quarter. 12 mth run rate back at 60k
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	House prices continue to move sharply higher, increasing by 0.9% m/m in Aug. They were up 10.1% YoY
- 12 Mth Total	62,651	61,872	62,069	62,076	61,446	61,761	60,929	60,054	
<b>HOUSING MARKET PRICES</b>									
CSO Price Index - MoM	0.4	0.5	0.4	0.4	0.9	1.2	0.9	#N/A	Asking prices on Daft.ie continued to trend upwards in Q3, up 8.2% YoY
- 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	CSO rental index rose by 1.1% in Sep. The YoY rate accelerated to 4.4% also
- YoY %	6.2	5.8	6.4	6.1	7.7	7.3	8.8	8.4	
<b>RENTS:</b> CSO Private Rents - MoM%	0.4	0.0	0.2	0.4	0.7	0.4	0.7	1.1	Affordability deteriorated somewhat in Q2, as house price growth outpaced wage growth
- YoY %	5.3	5.1	5.1	4.9	4.9	4.7	4.0	4.4	
<b>AFFORDABILITY:</b> 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	
<b>CONSUMER PRICES - YoY %</b>	3.4	2.9	2.6	2.6	2.2	2.2	1.7	0.7	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%
- MoM %	1.0	0.5	0.2	0.5	0.4	0.2	0.1	-0.9	
HICP - YoY %	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	
<b>PERSONAL / FINANCIAL</b>									
ILCU Consumer Sentiment Index	70.2	69.5	67.8	65.7	70.5	74.9	72.0	71.9	Sentiment was little changed in Sep at 71.9, well below its long-run average of 84.4
Credit Growth YoY %									
- Private Sector	1.4	2.5	-1.3	-0.3	0.6	1.4	1.3	#N/A	Private sector credit growth rate slowed marginally in Aug, amid a slight deceleration in the household credit growth rate
- 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	
<b>LABOUR MARKET</b>									
Live Register	174,700	174,100	173,300	172,600	171,200	171,100	168,900	166,800	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
- 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	
<b>MERCHANDISE TRADE</b>									
Export Values - 3M / 3M %	6.0	9.6	10.8	5.2	-0.1	-5.4	-3.5	#N/A	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
- 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	
<b>PUBLIC FINANCES</b>									
Total Tax Receipts: Cum YTD %	5.5	1.8	2.6	6.2	9.3	9.5	12.6	11.0	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
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	
<b>QUARTERLY DATA</b>									
	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	
<b>GDP - YoY %</b>	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	MDD fell by 0.5% in Q2. It was up 1.9% YoY in H1 though, led by a rise in consumer spending
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									
<b>EMPLOYMENT &amp; EARNINGS</b>									
Employment YoY %	2.6	3.7	3.1	3.6	3.4	1.9	2.7	#N/A	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
Labour Force YoY %	1.8	2.8	3.0	3.8	3.5	2.0	2.9	#N/A	
Average Earnings YoY %									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
- 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	
- Public Sector	10.4	7.7	5.9	5.8	-1.2	4.0	4.9	#N/A	
<b>CSO DWELLING COMPLETIONS</b>									
- 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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