

# Irish Economy Watch

AIB Treasury Economic Research Unit



19 February 2019

|                                                                                                                  | Jun-18  | Jul-18  | Aug-18  | Sep-18  | Oct-18  | Nov-18  | Dec-18  | Jan-19  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
|------------------------------------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>MANUFACTURING</b>                                                                                             |         |         |         |         |         |         |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| AIB Manufacturing PMI                                                                                            | 56.6    | 56.3    | 57.5    | 56.3    | 54.9    | 55.4    | 54.5    | 52.6    | <p>January reading of the manufacturing PMI showed a further loss of momentum in the sector. Weaker global growth and Brexit uncertainty are weighing on activity</p> <p>Industrial output (ex-modern) posted another strong rise in the final quarter of last year</p>                                                                                                                                                                                                                                                                                                               |  |
| OECD Leading Indicator                                                                                           | 99.3    | 99.0    | 98.8    | 98.6    | 98.5    | 98.6    | 98.6    | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| Industrial Production (Ex-Modern)                                                                                | 108.8   | 108.1   | 111.6   | 108.9   | 116.6   | 113.4   | 108.2   | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| Production (Ex-Modern) : 3mma YoY%                                                                               | 4.0     | 6.9     | 8.8     | 8.6     | 10.5    | 9.9     | 8.3     | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| 3mth / 3mth % seas. adj.                                                                                         | 3.8     | 5.7     | 4.7     | 2.7     | 3.3     | 3.2     | 2.9     | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| <b>SERVICES / RETAIL</b>                                                                                         |         |         |         |         |         |         |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| AIB Services PMI                                                                                                 | 59.5    | 57.4    | 58.0    | 58.7    | 57.2    | 57.1    | 56.3    | 54.2    | <p>Service PMI dropped to its lowest level since May 2013 in January, as new orders growth slowed. However, the index remains consistent with a solid rate of expansion of the sector</p> <p>Volatile CSO services index slipped again in December, leaving YoY growth rate at 6.6%</p> <p>Total car sales down 10% YoY in January, as second hand imports failed to offset the 12.7% fall in new car sales</p> <p>Core retail sales growth has slowed somewhat recently. Sales up 0.8% in the final quarter of the year</p>                                                          |  |
| CSO Services Index (Value)                                                                                       | 115.3   | 115.2   | 115.7   | 125.4   | 124.4   | 123.6   | 118.2   | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - YoY %                                                                                                          | 8.1     | 5.6     | 5.4     | 14.6    | 13.6    | 11.8    | 6.6     | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - 3mth / 3mth % seas. adj.                                                                                       | 4.3     | 2.6     | 0.8     | 2.1     | 5.3     | 7.9     | 2.8     | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| SIMI Car Registrations                                                                                           | 1,248   | 26,888  | 5,898   | 3,183   | 1,732   | 643     | 142     | 32,331  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - 12 mth cum total                                                                                               | 127,266 | 126,441 | 126,609 | 125,895 | 125,683 | 125,574 | 125,557 | 120,865 | <p>Growth in registrations (measure of developer activity) picking up again—at 23.1% YoY in October</p> <p>12 month cumulative total of commencements remains on a steady upward trend (now above 21k). Although, they are still at a low level</p>                                                                                                                                                                                                                                                                                                                                   |  |
| - 3 mma YoY %                                                                                                    | 0.9     | -2.6    | -2.3    | -3.7    | -6.6    | -15.5   | -11.2   | -12.5   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| Retail Sales Index                                                                                               | 117.7   | 117.5   | 116.6   | 118.6   | 118.8   | 118.3   | 117.8   | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - YoY %                                                                                                          | 6.3     | 5.3     | 2.7     | 6.4     | 6.3     | 3.3     | 3.7     | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - 3mth / 3mth % seas. adj.                                                                                       | 3.0     | 3.5     | 2.7     | 1.1     | 0.7     | 1.1     | 0.6     | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| Ex Autos Index                                                                                                   | 114.9   | 114.4   | 115.2   | 117.0   | 115.8   | 116.4   | 117.3   | #N/A    | <p>Construction PMI moved down to 54.6 in January. Activity has eased in the sector from its summer highs</p> <p>Growth in registrations (measure of developer activity) picking up again—at 23.1% YoY in October</p> <p>12 month cumulative total of commencements remains on a steady upward trend (now above 21k). Although, they are still at a low level</p>                                                                                                                                                                                                                     |  |
| - YoY %                                                                                                          | 4.5     | 2.9     | 3.8     | 6.1     | 4.2     | 1.8     | 5.1     | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - 3mth / 3mth % seas. adj.                                                                                       | 1.7     | 1.9     | 1.4     | 1.0     | 1.1     | 1.4     | 0.8     | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| <b>CONSTRUCTION PMI: Ulster Bank</b>                                                                             |         |         |         |         |         |         |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - Housing Activity                                                                                               | 58.4    | 60.7    | 58.3    | 56.2    | 52.9    | 55.5    | 56.3    | 54.6    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - Commercial Activity                                                                                            | 60.4    | 63.9    | 60.4    | 56.1    | 53.6    | 58.2    | 56.0    | 55.7    | <p>Mortgage approvals have stagnated—reflecting both tighter Central Bank lending rules and affordability issues</p> <p>Transactions showing flat trend overall. 12 month total holding steady in the 56-57k range</p> <p>CSO house price growth continues to decelerate—at 6.5% in year to December. YoY ex-Dublin price inflation (9.6%) outpacing the capital (3.8%)</p> <p>CSO rent inflation still in a 6-7% range. Rents now 26.6% above their previous peak</p> <p>The moderation of house price inflation has seen the affordability index hold constant in recent months</p> |  |
| - New Orders                                                                                                     | 62.0    | 60.9    | 57.7    | 58.1    | 53.9    | 57.5    | 58.5    | 55.4    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - Business Expectations                                                                                          | 62.2    | 58.8    | 56.2    | 57.3    | 56.4    | 59.1    | 56.2    | 57.1    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - 3mth / 3mth % seas. adj.                                                                                       | 75.7    | 76.7    | 77.7    | 75.0    | 71.6    | 68.1    | 70.2    | 71.5    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| <b>RESIDENTIAL CONSTRUCTION ACTIVITY</b>                                                                         |         |         |         |         |         |         |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| Housing Registrations: 12Mth Total                                                                               | 9,036   | 9,269   | 9,263   | 9,593   | 9,824   | #N/A    | #N/A    | #N/A    | <p>Mortgage approvals have stagnated—reflecting both tighter Central Bank lending rules and affordability issues</p> <p>Transactions showing flat trend overall. 12 month total holding steady in the 56-57k range</p> <p>CSO house price growth continues to decelerate—at 6.5% in year to December. YoY ex-Dublin price inflation (9.6%) outpacing the capital (3.8%)</p> <p>CSO rent inflation still in a 6-7% range. Rents now 26.6% above their previous peak</p> <p>The moderation of house price inflation has seen the affordability index hold constant in recent months</p> |  |
| - 3 Month Avg YoY %                                                                                              | -7.8    | -3.9    | -6.8    | 22.9    | 23.1    | #N/A    | #N/A    | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| Commencements: 12mth Total                                                                                       | 18,805  | 19,451  | 20,371  | 20,460  | 21,211  | #N/A    | #N/A    | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - 3 Month Avg YoY %                                                                                              | 13.3    | 20.9    | 44.2    | 40.8    | 40.3    | #N/A    | #N/A    | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| <b>HOUSING MARKET ACTIVITY</b>                                                                                   |         |         |         |         |         |         |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| BPMI Mortgage Approvals : Month                                                                                  | 3,512   | 3,404   | 3,324   | 3,013   | 3,430   | 3,208   | 2,292   | #N/A    | <p>Mortgage approvals have stagnated—reflecting both tighter Central Bank lending rules and affordability issues</p> <p>Transactions showing flat trend overall. 12 month total holding steady in the 56-57k range</p> <p>CSO house price growth continues to decelerate—at 6.5% in year to December. YoY ex-Dublin price inflation (9.6%) outpacing the capital (3.8%)</p> <p>CSO rent inflation still in a 6-7% range. Rents now 26.6% above their previous peak</p> <p>The moderation of house price inflation has seen the affordability index hold constant in recent months</p> |  |
| - 3 Month Avg YoY %                                                                                              | 0.8     | -0.9    | -2.3    | -1.4    | 0.8     | 1.1     | 1.8     | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - 12 Mth Total                                                                                                   | 36,628  | 36,617  | 36,561  | 36,493  | 36,699  | 36,664  | 36,655  | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| RPPR Transactions : Month                                                                                        | 4,596   | 5,193   | 4,889   | 4,518   | 5,376   | 5,505   | 6,249   | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - 3 Month Avg YoY %                                                                                              | 4.7     | 5.2     | 3.1     | 1.5     | 1.5     | 2.7     | 3.2     | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - 12 Mth Total                                                                                                   | 55,769  | 56,103  | 56,284  | 55,980  | 56,325  | 56,692  | 56,514  | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| <b>HOUSING MARKET PRICES</b>                                                                                     |         |         |         |         |         |         |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| CSO Price Index - MoM                                                                                            | 1.0     | 0.7     | 0.6     | 0.9     | 0.2     | -0.3    | -0.1    | #N/A    | <p>Mortgage approvals have stagnated—reflecting both tighter Central Bank lending rules and affordability issues</p> <p>Transactions showing flat trend overall. 12 month total holding steady in the 56-57k range</p> <p>CSO house price growth continues to decelerate—at 6.5% in year to December. YoY ex-Dublin price inflation (9.6%) outpacing the capital (3.8%)</p> <p>CSO rent inflation still in a 6-7% range. Rents now 26.6% above their previous peak</p> <p>The moderation of house price inflation has seen the affordability index hold constant in recent months</p> |  |
| - YoY %                                                                                                          | 11.7    | 10.0    | 8.9     | 8.5     | 8.3     | 7.2     | 6.5     | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| Daft Asking Prices: MoM %                                                                                        | 0.1     | 1.4     | -1.1    | 1.1     | -0.5    | -2.3    | 1.8     | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - YoY %                                                                                                          | 6.2     | 7.1     | 5.4     | 7.4     | 6.2     | 5.7     | 4.5     | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| <b>RENTS: CSO Private Rents - MoM%</b>                                                                           |         |         |         |         |         |         |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - YoY %                                                                                                          | 0.0     | 0.3     | 1.0     | 0.5     | 0.8     | 0.5     | 0.2     | 0.4     | <p>Mortgage approvals have stagnated—reflecting both tighter Central Bank lending rules and affordability issues</p> <p>Transactions showing flat trend overall. 12 month total holding steady in the 56-57k range</p> <p>CSO house price growth continues to decelerate—at 6.5% in year to December. YoY ex-Dublin price inflation (9.6%) outpacing the capital (3.8%)</p> <p>CSO rent inflation still in a 6-7% range. Rents now 26.6% above their previous peak</p> <p>The moderation of house price inflation has seen the affordability index hold constant in recent months</p> |  |
| - YoY %                                                                                                          | 6.1     | 6.0     | 6.2     | 6.1     | 6.5     | 7.0     | 6.4     | 6.6     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| <b>AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB</b> |         |         |         |         |         |         |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| - Mortgage as % of Disposable Income                                                                             | 18.1    | 18.3    | 18.4    | 18.6    | 18.7    | 18.6    | 18.6    | #N/A    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |

|                                                                | Jun-18       | Jul-18       | Aug-18       | Sep-18       | Oct-18       | Nov-18       | Dec-18       | Jan-19       |                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>CONSUMER PRICES - YoY %</b>                                 | 0.4          | 0.8          | 0.7          | 0.9          | 0.9          | 0.6          | 0.7          | 0.7          | CPI inflation held at just 0.7% in January despite the budget hike in the VAT rate. Similarly, HICP remained at the 0.8% level for a third consecutive month. Price pressures remain contained by a lack of goods price inflation                                                                                                                                                           |
| - MoM %                                                        | 0.1          | 0.4          | 0.3          | -0.4         | -0.1         | -0.5         | 0.0          | -0.7         |                                                                                                                                                                                                                                                                                                                                                                                             |
| HICP - YoY %                                                   | 0.7          | 1.0          | 0.9          | 1.2          | 1.1          | 0.8          | 0.8          | 0.8          |                                                                                                                                                                                                                                                                                                                                                                                             |
| - MoM %                                                        | 0.1          | 0.4          | 0.3          | -0.3         | -0.2         | -0.4         | -0.1         | -0.7         |                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>PERSONAL / FINANCIAL</b>                                    |              |              |              |              |              |              |              |              | Consumer confidence improved in Jan. Although, index remains below the 2018 average of 102.5<br><br>Private sector credit outstanding fell by 2.7% YoY in Dec. Rate of household credit contraction slowed to 0.8%                                                                                                                                                                          |
| KBC/ESRI Consumer Confidence                                   | 102.1        | 107.6        | 102.4        | 96.4         | 93.5         | 96.5         | 96.5         | 98.8         |                                                                                                                                                                                                                                                                                                                                                                                             |
| Credit Growth YoY %                                            |              |              |              |              |              |              |              |              |                                                                                                                                                                                                                                                                                                                                                                                             |
| - Private Sector (Underlying)                                  | -0.1         | 0.6          | 0.8          | 0.7          | -0.7         | -1.6         | -2.7         | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| - of which : Household                                         | -1.4         | -1.4         | -1.4         | -1.4         | -1.2         | -1.1         | -0.8         | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| - of which : Mortgage Lending                                  | -1.6         | -1.5         | -1.5         | -1.4         | -1.4         | -1.2         | -1.1         | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>LABOUR MARKET</b>                                           |              |              |              |              |              |              |              |              | Live Register continued to decline in January—down 38k in the last 12 months, leaving it at its lowest level since April 2008. Despite this, the jobless rate held at 5.7% for the sixth straight month<br><br>The PMI employment sub-indices for each of the three key economic sectors declined in January. Suggests the pace of new jobs creation may have slowed, while remaining solid |
| Live Register                                                  | 220,300      | 218,000      | 214,200      | 211,200      | 208,900      | 206,000      | 203,500      | 200,300      |                                                                                                                                                                                                                                                                                                                                                                                             |
| - Change In Month                                              | -4,200       | -2,300       | -3,800       | -3,000       | -2,300       | -2,900       | -2,500       | -3,200       |                                                                                                                                                                                                                                                                                                                                                                                             |
| Unemployment Rate %                                            | 5.8          | 5.8          | 5.7          | 5.7          | 5.7          | 5.7          | 5.7          | 5.7          |                                                                                                                                                                                                                                                                                                                                                                                             |
| Redundancies                                                   | 178          | 321          | 174          | 228          | 362          | 269          | 340          | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| -12 Mth Total                                                  | 2,743        | 2,812        | 2,649        | 2,628        | 2,699        | 2,680        | 2,845        | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| PMI Employment Indices                                         |              |              |              |              |              |              |              |              |                                                                                                                                                                                                                                                                                                                                                                                             |
| - Investec Manufacturing                                       | 53.9         | 53.3         | 53.4         | 56.7         | 54.4         | 53.2         | 52.7         | 52.4         |                                                                                                                                                                                                                                                                                                                                                                                             |
| - Investec Services                                            | 57.5         | 57.9         | 58.0         | 58.2         | 58.3         | 57.4         | 57.4         | 56.3         |                                                                                                                                                                                                                                                                                                                                                                                             |
| - Ulster Bank Construction                                     | 61.2         | 59.6         | 55.4         | 54.3         | 56.1         | 54.8         | 55.5         | 54.6         |                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>MERCHANDISE TRADE</b>                                       |              |              |              |              |              |              |              |              | YoY growth in value of goods exported at 22.4% in Dec. Increase driven by a rise in chemical and transport exports<br><br>Imports up 21.5% as demand for fuels, machinery and transport goods rises                                                                                                                                                                                         |
| Export Values - 3M / 3M %                                      | 2.0          | 8.6          | 5.1          | 0.7          | -0.6         | 2.5          | 7.5          | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| - 3MMA YoY %                                                   | 14.5         | 17.3         | 20.0         | 17.5         | 19.4         | 19.6         | 22.4         | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| Import Values - 3M / 3M %                                      | 5.2          | 11.8         | 20.1         | 13.8         | 6.8          | 0.9          | 0.2          | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| - 3MMA YoY %                                                   | 1.6          | 14.4         | 23.9         | 29.0         | 23.7         | 22.3         | 21.5         | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>PUBLIC FINANCES</b>                                         |              |              |              |              |              |              |              |              | Tax receipts up 7.0% YoY in Jan, but increase was mostly offset by higher government spending. Thus, little change in the budget balance                                                                                                                                                                                                                                                    |
| Total Tax Receipts: Cum YTD %                                  | 6.5          | 6.7          | 6.4          | 6.6          | 8.1          | 8.8          | 9.5          | 7.0          |                                                                                                                                                                                                                                                                                                                                                                                             |
| Voted Spending : Cum YTD %                                     | 8.5          | 8.2          | 8.3          | 8.9          | 9.2          | 11.0         | 9.0          | 6.5          |                                                                                                                                                                                                                                                                                                                                                                                             |
| Exchequer Bal: 12 Mth Total €m                                 | -1,400       | -1,735       | -1,728       | -1,907       | -1,112       | -769         | 106          | 220          |                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>QUARTERLY DATA</b>                                          | <b>Q1-17</b> | <b>Q2-17</b> | <b>Q3-17</b> | <b>Q4-17</b> | <b>Q1-18</b> | <b>Q2-18</b> | <b>Q3-18</b> | <b>Q3-19</b> | Irish GDP slowed to 4.9% YoY in Q3'18, reflecting base effects from 2017. Data distorted by activity of multi-nationals<br><br>Modified final domestic demand, which excludes some multi-national activity, +5.1% YoY in three quarters to Q3'18                                                                                                                                            |
| <b>GDP - YoY %</b>                                             | 2.9          | 6.2          | 13.2         | 6.5          | 9.0          | 8.7          | 4.9          | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| *Domestic Demand - YoY% (3Q Avg)                               | 4.9          | 3.7          | 2.3          | 3.7          | 4.7          | 5.6          | 5.1          | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| Consumer Spending - YoY %                                      | -0.3         | 1.0          | 3.1          | 2.8          | 2.6          | 3.8          | 2.9          | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| Services Exports - YoY % (3Q Avg)                              | 16.3         | 17.9         | 17.0         | 15.0         | 8.9          | 5.7          | 4.3          | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| * Excludes Some Investment Related to the Multinational Sector |              |              |              |              |              |              |              |              |                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>EMPLOYMENT &amp; EARNINGS</b>                               |              |              |              |              |              |              |              |              | Employment growth moderated in Q4, leaving the average 2018 growth rate at 2.9%. Strong construction jobs growth of 11.6% in 2018 encouraging<br><br>Weekly earnings growth moderated slightly to +3.2% YoY in Q3. Growth relatively broad based, although gains were more substantial in the private than in the public sector                                                             |
| Employment YoY %                                               | 3.7          | 2.6          | 2.3          | 3.1          | 2.9          | 3.4          | 3.0          | 2.3          |                                                                                                                                                                                                                                                                                                                                                                                             |
| Labour Force YoY %                                             | 1.8          | 0.1          | 0.5          | 1.9          | 1.4          | 2.5          | 2.0          | 1.5          |                                                                                                                                                                                                                                                                                                                                                                                             |
| Average Earnings YoY %                                         |              |              |              |              |              |              |              |              |                                                                                                                                                                                                                                                                                                                                                                                             |
| - Hourly                                                       | 0.6          | 1.4          | 2.8          | 1.9          | 3.1          | 3.0          | 2.1          | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| - Weekly                                                       | 1.5          | 2.0          | 2.1          | 2.0          | 2.7          | 3.4          | 3.2          | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| Weekly Earnings YoY %                                          |              |              |              |              |              |              |              |              |                                                                                                                                                                                                                                                                                                                                                                                             |
| - Private Sector                                               | 1.6          | 1.5          | 1.7          | 1.5          | 2.1          | 3.7          | 3.6          | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| - Public Sector                                                | 1.8          | 3.4          | 2.7          | 2.9          | 4.0          | 2.8          | 1.9          | #N/A         |                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>CSO DWELLING COMPLETIONS</b>                                |              |              |              |              |              |              |              |              | CSO data show completions up 25% (to 18k) in 2018. However, supply continues to trail demand (estimated at 35k)                                                                                                                                                                                                                                                                             |
| - YoY %                                                        | 41.3         | 37.6         | 50.9         | 50.6         | 25.8         | 34.5         | 23.3         | 20.9         |                                                                                                                                                                                                                                                                                                                                                                                             |
| - Cum 12 Mth Total                                             | 10718        | 11619        | 12896        | 14435        | 15150        | 16233        | 17117        | 18072        |                                                                                                                                                                                                                                                                                                                                                                                             |



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