

Irish Economy Watch

AIB Treasury Economic Research Unit



10 April 2014

	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	
MANUFACTURING									
Manufacturing Output Index : seas adj	105.6	108.9	103.5	107.8	105.4	106.2	111.8	#N/A	Strong pick-up in manufacturing in Feb, up +5.4% YoY
Mfg Output : 3 mma YoY %	-3.6	-0.4	1.5	5.8	-0.6	-0.8	-1.0	#N/A	
3mth / 3mth % seas. adj.	2.5	-2.3	-3.1	-2.3	-1.5	0.4	1.0	#N/A	
Investec Manufacturing PMI	52.0	52.7	54.9	52.4	53.5	52.8	52.9	55.5	Manufacturing PMI jumps to 55.5 in March, its best level in three years
OECD Leading Indicator	101.2	101.2	101.2	101.2	101.3	101.4	#N/A	#N/A	
SERVICES / RETAIL									
Monthly Services Index (Value)	106.7	108.0	105.0	104.9	108.0	111.1	107.8	#N/A	CSO services index falls back in Feb. YoY growth slows to 1.9% from 4.2%
- YoY %	-0.2	3.6	-3.1	-3.2	0.9	4.2	1.9	#N/A	
- 3mth / 3mth % seas. adj.	0.0	-0.7	-1.8	-2.0	-1.7	1.3	2.8	#N/A	Services PMI recovers in March after Feb fall. Q1 avg of 59.9 is marginally better than Q4'13 avg of 59.6
Investec Services PMI	61.6	56.8	60.1	57.1	61.8	61.5	57.5	60.7	
SIMI Car Registrations	3,696	3,159	1,692	702	212	22,894	12,714	14,319	
- 12 mth cum total	73,882	74,558	74,591	74,408	74,304	79,956	82,091	84,765	Car sales have been strong in Q1, as a result of new year purchases. Sales for the first quarter of 2014 are up 27% on 2013 levels
- 3 mma YoY %	22.5	84.8	18.2	10.5	-8.9	29.1	27.3	26.5	
Retail Sales Index	93.6	94.1	93.9	94.6	95.6	97.4	95.9	#N/A	Core retail sales edge back in February, after end year surge. Up 2.2% on a YoY basis
- YoY %	2.3	1.8	-1.1	2.3	3.6	9.4	4.9	#N/A	
- 3mth / 3mth % seas. adj.	2.4	4.0	1.8	1.3	0.4	2.1	2.2	#N/A	
Ex Autos Index	100.6	100.2	100.3	101.5	103.2	102.4	102.0	#N/A	The construction PMI falls for a 4th consecutive month in Feb, but it remains at a high level. Expectations remain very strong
- YoY %	1.1	-0.2	-1.8	1.6	3.0	3.1	2.2	#N/A	
- 3mth / 3mth % seas. adj.	1.2	0.9	0.2	0.2	1.2	2.0	1.9	#N/A	
CONSTRUCTION PMI: Ulster Bank									
- Housing Activity	49.7	55.7	59.4	58.8	58.3	56.4	56.2	#N/A	Housing registrations continue to pick up from very depressed levels
- Commercial Activity	53.8	59.5	61.7	60.4	63.2	59.8	57.5	#N/A	
- New Orders	51.0	56.1	61.6	60.0	62.3	59.4	55.5	#N/A	
- Business Expectations	52.9	57.7	58.6	62.1	61.8	57.4	58.1	#N/A	
	68.5	73.4	72.8	78.7	79.5	78.7	79.1	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									
Housing Registrations: 12Mth Total	1,041	1,207	1,168	1,242	1,326	1,353	1,514	#N/A	Strong increase in commencements in recent months—up 95% YoY in the 3mths to January
- 3 Month Avg YoY %	119.1	233.6	135.3	111.0	73.0	111.4	151.1	#N/A	
Commencements: 12mth Total	4,241	4,395	4,343	4,273	4,708	5,270	#N/A	#N/A	Completions look to have bottomed out just above 8,000 per annum, now edging up
- 3 Month Avg YoY %	17.4	44.4	14.6	2.8	32.6	95.0	#N/A	#N/A	
Completions: Month	604	673	825	918	876	676	611	#N/A	
- 12 Mth Total	8,130	8,134	8,180	8,251	8,301	8,466	8,473	#N/A	
HOUSING MARKET ACTIVITY									
IBF Mortgage Approvals : Month	1,637	1,544	1,744	1,716	1,457	1,259	1,476	#N/A	Mortgage approvals show continued YoY growth—up 36% YoY in the 3 months to Feb
- 3 Month Avg YoY %	12.9	13.4	12.2	3.1	2.9	11.4	36.2	#N/A	
- 12 Mth Total	16,770	16,916	17,097	16,924	17,058	17,549	18,038	#N/A	Growth in transactions has slowed since October last year—may in part reflect a lack of supply of housing
RPPR Transactions : Month	2,493	2,613	2,915	2,666	2,406	1,483	1,155	1,300	
- 3 Month Avg YoY %	16.5	23.8	23.6	12.0	-12.9	-21.3	-26.6	-18.6	
- 12 Mth Total	27,464	28,099	28,664	28,342	26,918	26,887	26,510	26,016	House prices in February broadly unchanged on the month. YoY growth remains strong, +8.1%. Recovery in prices led by Dublin, but now rising elsewhere too
HOUSING MARKET PRICES									
CSO (Mortgaged Transactions) - MoM	0.9	1.8	1.8	0.6	0.3	-0.7	0.1	#N/A	Rents show continuing recovery - now 19% off their lows
- YoY %	2.8	3.7	6.1	5.6	6.4	6.3	8.1	#N/A	
Daft Asking Prices: MoM %	0.6	-0.3	0.8	-0.5	-0.4	3.0	-0.7	4.7	Some levelling off in house prices and a pick-up in wages in Q4'13 means affordability quite stable recently
- YoY %	-2.1	-0.5	-1.0	0.9	0.6	2.2	2.0	6.3	
RENTS: CSO Private Rents - MoM%	0.4	0.8	0.8	1.1	1.0	0.6	1.2	0.8	
- YoY %	7.6	7.5	7.6	8.2	8.5	9.1	10.2	10.0	
AFFORDABILITY: Couple on Avg Industrial Wage, 92% LTV, 30Yr Mortgage : Mortgage cost as % of Disposable Income									
	15.3	15.6	15.8	15.7	15.8	15.7	15.6	#N/A	

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CONSUMER PRICES YoY %	0.2	0.2	0.1	0.3	0.2	0.2	-0.1	0.2	CPI rate edges back up into positive territory in March, but at 0.2% it remains very subdued
- MoM %	0.1	-0.1	-0.2	-0.2	0.0	-0.5	0.5	0.7	
HICP - YoY %	0.0	0.0	-0.1	0.3	0.4	0.3	0.1	0.3	HICP inflation rate also edges higher, but also remains very subdued at 0.3% in March
- MoM %	0.1	-0.1	-0.2	-0.1	0.1	-0.6	0.7	0.5	
PERSONAL / FINANCIAL									
KBC/ESRI Consumer Confidence	66.8	73.1	76.2	71.0	79.8	84.6	85.5	83.1	Consumer confidence edges back in March, but remains close to Feb's near 7 year high, as confidence in the economic outlook increases
Credit Growth YoY %									
- Private Sector (Underlying)	-7.9	-8.1	-8.6	-8.5	-6.7	-6.7	-5.5	#N/A	Private sector credit growth remains in decline for all main aggregates
- of which : Household	-4.3	-4.2	-4.2	-4.3	-4.1	-4.1	-3.8	#N/A	
- of which : Mortgage Lending	-2.3	-2.4	-2.5	-2.8	-3.0	-3.0	-3.1	#N/A	
LABOUR MARKET									
Live Register	415,500	413,300	409,400	406,200	403,200	401,000	398,700	396,900	Another fall in Live Register in March, further below 400k
- Change In Month	-3,500	-2,200	-3,900	-3,200	-3,000	-2,200	-2,300	-1,800	
Unemployment Rate %	12.7	12.5	12.3	12.1	12.1	12.0	11.9	11.8	The unemployment rate fell again in March to 11.8% - lowest since April 2009
Redundancies	879	591	638	664	1,050	737	788	700	Redundancies continue their marked decline
-12 Mth Total	21,311	19,743	17,625	15,345	13,628	12,135	11,415	10,735	
PMI Employment Indices									Manuf and services PMI emp' components remain well up in expansionary territory. Q1 averages for both are ahead of Q4, indicating further growth in employment
- Investec Manufacturing	51.6	52.8	55.7	54.3	52.8	53.9	54.9	54.6	
- Investec Services	55.6	56.8	56.2	56.4	57.6	57.3	59.4	58.5	
- Ulster Bank Construction	47.7	50.2	50.5	54.6	51.7	53.2	54.3	#N/A	
MERCHANDISE TRADE									
Export Values - 3M / 3M %	1.2	3.5	3.6	-2.2	-1.4	-1.9	#N/A	#N/A	Value of goods exports declines in the three months to January, but rose YoY
- 3MMA YoY %	-9.7	-7.3	-7.3	-4.0	-0.3	2.0	#N/A	#N/A	
Import Values - 3M / 3M %	7.7	4.1	4.8	0.5	2.2	-0.9	#N/A	#N/A	Value of imports also declines in January, but well up on a YoY basis
- 3MMA YoY %	2.2	0.8	0.1	1.4	8.0	8.2	#N/A	#N/A	
PUBLIC FINANCES									
Total Tax Receipts: Cum YTD %	3.8	2.9	3.1	4.2	3.2	-17.1	-0.1	4.7	Marked pick-up in tax receipts in March, while spending falls
Voted Spending : Cum YTD %	-5.4	-4.9	-3.8	-4.4	-4.2	3.8	-3.2	-6.1	
Exchequer Bal: 12 Mth Total €m	-10,879	-10,899	-11,345	-10,499	-11,497	-13,343	-12,238	-10,118	
QUARTERLY DATA									
	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13	Q4-13	
GDP - YoY %	1.8	0.4	-0.5	-1.0	-1.7	-1.6	2.7	-0.7	GDP impacted by Pharma cliff in 2013, falling by 0.3% — but GNP rose strongly (+3.4%)
- QoQ% seas. adj.	-0.5	0.7	-1.9	0.8	-1.4	1.1	2.1	-2.3	
Total Exports - Volume YoY %	3.3	1.3	0.4	1.3	-4.2	1.1	0.6	2.9	In 2013, Irish exports increased by 0.2%, but imports grew (+1%) more quickly, reversing the trend of recent years
Total Imports - Volume YoY %	-0.1	-3.0	2.0	1.4	-4.0	2.6	-1.2	6.3	
EMPLOYMENT & EARNINGS									
Employment YoY %	-0.9	-1.4	-0.2	0.1	1.1	1.8	3.2	3.3	Employment up +3.3% YoY in Q4, its fastest rate of growth in over 6-years. Emp' now growing YoY for 5 consecutive quarters
Labour Force YoY %	-0.1	-0.9	-0.4	-0.8	-0.4	0.5	0.8	0.9	
Average Earnings YoY %									Labour force up by 0.9% in Q4. Now 3 consecutive quarters of growth - first time since Q3 2008
- Hourly	-0.3	0.3	1.0	-0.6	0.2	0.2	-2.0	-0.9	
- Weekly	1.5	0.7	0.6	-0.8	-0.6	0.4	-2.1	-0.6	Earnings fall in Q4, -0.6% on a weekly basis. Driven by YoY decline in public sector pay
Weekly Earnings YoY %									
- Private Sector	2.2	0.4	1.2	0.1	0.0	1.1	-1.2	0.0	
- Public Sector	2.6	2.6	1.0	0.3	-0.2	1.2	-1.3	-1.5	



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