Irish Economy Watch

AIB Treasury Economic Research Unit



13 March 2014

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Manufacturing edges up slightly
MANUFACTURING									at the start of 2014. Has been somewhat volatile recently
Manufacturing Output Index : seas adj	106.9	105.4	108.6	103.2	107.5	105.0	105.3	#N/A	
Mfg Output: 3 mma YoY %	-3.8	-3.7	-0.5	1.4	5.7	-0.7	-1.0	#N/A	Manufacturing PMI broadly
3mth / 3mth % seas. adj.	2.1	2.3	-2.5	-3.3	-2.4	-1.6	0.2	#N/A	unchanged at 52.9 in February
Investec Manufacturing PMI	51.0	52.0	52.7	54.9	52.4	53.5	52.8	52.9	OECD lead indicator slips slightly in December, but
DECD Leading Indicator	101.2	101.3	101.3	101.3	101.2	101.1	#N/A	#N/A	remains near a 5½ year high
SERVICES / RETAIL									CSO services index picks up
Monthly Services Index (Value)	108.6	106.7	108.0	105.0	104.8	108.0	110.6	#N/A	further in Jan'. YoY growth rate
· YoY %	3.0	-0.3	3.7	-3.0	-3.3	0.9	3.6	#N/A	increases to 3.6% from 0.9%
- 3mth / 3mth % seas. adj.	1.0	0.0	-0.7	-1.8	-2.0	-1.7	1.2	#N/A	Services PMI falls in February to
Investec Services PMI	57.6	61.6	56.8	60.1	57.1	61.8	61.5	57.5	57.5, but remains well up in expansionary territory. Q1 avg
SIMI Car Registrations	11,620	3,696	3,159	1,692	702	212	22,900	12,717	to date of 59.5 is broadly the
- 12 mth cum total	73,278	73,882	74,558	74,591	74,408	74,304	79,962	82,100	same as Q4'13 avg
- 3 mma YoY %	4.1	22.5	84.8	18.2	10.5	-8.9	29.1	27.3	Car sales remain strong in
Retail Sales Index	95.4	93.5	94.0	93.9	94.5	95.4	97.6	#N/A	February as a result of new yea purchases. Sales for the first
- YoY %	4.7	2.3	1.7	-1.1	2.3	3.5	8.9	#N/A	two months of 2014 are up 28%
- 3mth / 3mth % seas. adj.	1.5	2.4	4.1	1.8	1.3	0.3	2.2	#N/A	on 2013 levels
Ex Autos Index	100.7	100.6	100.2	100.3	101.5	103.2	102.2	#N/A	Core retail sales fall back in
- YoY %	1.4	1.1	-0.2	-1.8	1.6	3.0	2.7	#N/A	January, after end year surge.
- 3mth / 3mth % seas. adj.	1.0	1.2	0.9	0.2	0.2	1.2	1.9	#N/A	Up 2.7% on a YoY basis
CONSTRUCTION PMI: Ulster Bank	47.5	49.7	55.7	59.5	58.9	58.4	56.4	56.2	The construction PMI falls for a
- Housing Activity	50.7	53.8	59.5	61.7	60.4	63.2	59.8	57.5	4th consecutive month in Feb,
- Commercial Activity	48.1	51.0	56.1	61.6	60.0	62.3	59.4	55.5	but at 56.2 it remains high. Expectations remain very strong
New Orders	52.6	52.9	57.7	58.6	62.1	61.8	57.4	58.1	
Business Expectations	64.1	68.5	73.4	72.8	78.7	79.5	78.7	79.1	Housing registrations continue to pick up from very depressed
RESIDENTIAL CONSTRUCTION ACTI	VITY								levels
Housing Registrations: 12Mth Total	957	1,041	1,207	1,168	1,242	1,326	1,353	#N/A	Strong increase in
· 3 Month Avg YoY %	92.1	119.1	233.6	135.3	111.0	73.0	111.4	#N/A	commencements in recent months—up 95% YoY in the
Commencements: 12mth Total	4,204	4,241	4,395	4,343	4,273	4,708	5,270	#N/A	3mths to January
- 3 Month Avg YoY %	8.4	17.4	44.4	14.6	2.8	32.6	95.0	#N/A	Completions look to have
Completions: Month	705	604	673	825	918	876	676	#N/A	bottomed out just above 8,000
- 12 Mth Total	8,298	8,130	8,134	8,180	8,251	8,301	8,466	#N/A	per annum
HOHOMO MARKET ACTIVITY									Mortgage approvals show
HOUSING MARKET ACTIVITY		4 00-	,		4 =		4.0==	//h 1 / *	continued YoY growth
IBF Mortgage Approvals : Month	1,734	1,637	1,544	1,744	1,716	1,457	1,259	#N/A	Further fall in transactions in
- 3 Month Avg YoY % - 12 Mth Total	11.0 16,561	12.9 16,770	13.4 16,916	12.2 17,097	3.1 16,924	2.9 17,058	11.4 17,549	#N/A #N/A	Feb'. Subdued growth in recent
									months reflects in part a base
RPPR Transactions : Month	2,783	2,493	2,613	2,915	2,666	2,406	1,483	1,155	effect from ending of mortgage
- 3 Month Avg YoY %	16.5	16.5	23.8	23.6	12.0	-12.9	-21.3	-26.6	interest relief (MIR) in 2012
· 12 Mth Total	27,134	27,464	28,099	28,664	28,342	26,918	26,887	26,510	House prices in January decline
HOUSING MARKET PRICES									for first time in 10 months. YoY growth remains strong, +6.3%.
CSO (Mortgaged Transactions) - MoM	1.2	0.9	1.8	1.8	0.6	0.3	-0.7	#N/A	Recovery in prices led by Dublin
- YoY %	2.3	2.8	3.7	6.1	5.6	6.4	6.3	#N/A	where they are 18% off their lows
Daft Asking Prices: MoM %	-1.4	0.6	-0.3	0.8	-0.5	-0.4	#N/A	#N/A	
· YoY %	-1.7	-2.1	-0.5	-1.0	0.9	0.6	#N/A	#N/A	Rents show continuing recovery - now 18% off their lows
RENTS: CSO Private Rents - MoM%	0.5	0.4	0.8	0.8	1.1	1.0	0.6	1.2	
- YoY %	7.2	7.6	7.5	7.6	8.2	8.5	9.1	10.2	Some levelling off in house
AEEODDARII ITV: Couple on A	trial \\/a~-	020/ 175/	30Vr Ma-4	anac · Ma-	taaaa cast	ac 0/ of D:	enocoble !	ncomo	prices and a pick-up in wages in Q4'13 means affordability quite
AFFORDABILITY: Couple on Avg Indus	triai vvage, 15.2	, 92% LTV, 15.3	30ΥΓΙΜΟΠ 15.6	gage : Mor 15.8	tgage cost 15.7	as % of Di	sposable ii 15.7	ncome #N/A	stable recently
	10.2	15.5	13.0	10.0	10.1	13.0	10.7	π(N/ /\	,

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	
	5 41 15	/tug io	оор .о	000 10	1107 10	200 10	oun 14	100 14	Inflation was negative (-0.1%) in February for the first time since
CONSUMER PRICES YOY % - MOM %	0.7 -0.1	0.2 0.1	0.2 -0.1	0.1 -0.2	0.3 -0.2	0.2 0.0	0.2 -0.5	-0.1 0.5	July 2010, reinforcing the subdued inflationary climate
HICP - YoY %	0.7	0.0	0.0	-0.1	0.3	0.4	0.3	0.1	HICP inflation rate falls to just
- MoM %	-0.1	0.1	-0.1	-0.2	-0.1	0.1	-0.6	0.7	0.1% in February
PERSONAL / FINANCIAL									Consumer confidence rises again in Feb to 85.5, its highest
KBC/ESRI Consumer Confidence	68.2	66.8	73.1	76.2	71.0	79.8	84.6	85.5	level since May 2007, as confidence in the economic
Credit Growth YoY % - Private Sector (Underlying)	-8.0	-7.9	-8.1	-8.6	-8.5	-6.7	-6.7	#N/A	outlook continues to build
- of which : Household	-4.4	-4.3	-4.2	-4.2	-4.3	-4.1	-4.1	#N/A	Private sector credit growth
- of which: Mortgage Lending	-2.2	-2.3	-2.4	-2.5	-2.8	-3.0	-3.0	#N/A	remains in decline for all main aggregates
LABOUR MARKET									Further fall in Live Register in February—now below 400k
Live Register	419,100	415,600	413,400	409,500	406,200	403,100	400,800	398,300	•
- Change In Month	-2,900	-3,500	-2,200	-3,900	-3,300	-3,100	-2,300	-2,500	The unemployment rate fell again in February to 11.9% -
Unemployment Rate %	13.0	12.7	12.5	12.3	12.1	12.1	12.0	11.9	lowest since April 2009
Redundancies -12 Mth Total	845 22,558	879 21,311	591 19,743	638 17,625	664 15,345	1,050 13,628	#N/A #N/A	#N/A #N/A	Redundancies fall almost 60% in 2013
PMI Employment Indices									Manufacturing, services and construction PMI employment
- Investec Manufacturing	52.8	51.6	52.8	55.7	54.3	52.8	53.9	54.9	components all rise in
Investec ServicesUlster Bank Construction	57.6 47.6	55.6 47.7	56.8 50.2	56.2 50.5	56.4 54.6	57.6 51.7	57.3 53.2	59.4 54.3	February—further into expansionary territory
- dister bank denstruction	47.0	47.7	50.2	30.3	54.0	31.7	33.2	J4.5	expansionary termory
									Goods exports down 1% in Q4
MERCHANDISE TRADE									and by 5% in 2013 - continued
Export Values - 3M / 3M % - 3MMA YoY %	-0.9 -5.8	1.2 -9.7	3.2 -7.5	3.4 -7.5	-2.4 -4.2	-1.0 -0.1	#N/A #N/A	#N/A #N/A	decline reflects fall in pharma exports
									·
Import Values - 3M / 3M % - 3MMA YoY %	5.0 0.2	7.8 2.2	3.7 0.3	4.4 -0.4	0.0 0.9	2.8 8.2	#N/A #N/A	#N/A #N/A	Goods imports rise by 2.8% in Q4 2013 and by 1% in the year
DUDI IO FINANCEO									Tax receipts improve in
PUBLIC FINANCES	0.5			0.4	4.0		47.4		February—delayed payments
Total Tax Receipts: Cum YTD % Voted Spending: Cum YTD %	3.5 -6.0	3.8 -5.4	2.9 - 4.9	3.1 -3.8	4.2 -4.4	3.2 -4.2	-17.1 3.8	-0.1 -3.2	due to SEPA changeover still having some impact
Exchequer Bal: 12 Mth Total €m	-10,931	-10,879	-10,899	-11,345	-10,499	-11,497	-13,343	-12,238	Exchequer deficit falls in Feb
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 - YoY % - QoQ% seas. adj.	1.8 -0.5	0.4 0.7	-0.5 -1.9	-1.0 0.8	-1.7 -1.4	-1.6 1.1	2.7 2.1	-0.7 -2.3	in 2013, falling by 0.3% — but GNP rose strongly (+3.4%) In 2013, Irish exports increased
GDP - YoY % - QoQ% seas. adj. Total Exports - Volume YoY %	1.8 -0.5 3.3	0.4 0.7 1.3	-0.5 -1.9	-1.0 0.8 1.3	-1.7 -1.4 -4.2	-1.6 1.1	2.7 2.1 0.6	-0.7 -2.3 2.9	in 2013, falling by 0.3% — but GNP rose strongly (+3.4%)
GDP - YoY % - QoQ% seas. adj.	1.8 -0.5	0.4 0.7	-0.5 -1.9	-1.0 0.8	-1.7 -1.4	-1.6 1.1	2.7 2.1	-0.7 -2.3	in 2013, falling by 0.3% — but GNP rose strongly (+3.4%) In 2013, Irish exports increased by 0.2%, but imports grew
GDP - YoY % - QoQ% seas. adj. Total Exports - Volume YoY %	1.8 -0.5 3.3	0.4 0.7 1.3	-0.5 -1.9	-1.0 0.8 1.3	-1.7 -1.4 -4.2	-1.6 1.1	2.7 2.1 0.6	-0.7 -2.3 2.9	in 2013, falling by 0.3% — but GNP rose strongly (+3.4%) In 2013, Irish exports increased by 0.2%, but imports grew (+1%) more quickly, reversing the trend of recent years Employment up +3.3% YoY in Q4, its fastest rate of growth in
GDP - YoY % - QoQ% seas. adj. Total Exports - Volume YoY % Total Imports - Volume YoY %	1.8 -0.5 3.3	0.4 0.7 1.3	-0.5 -1.9	-1.0 0.8 1.3	-1.7 -1.4 -4.2	-1.6 1.1	2.7 2.1 0.6	-0.7 -2.3 2.9	in 2013, falling by 0.3% — but GNP rose strongly (+3.4%) In 2013, Irish exports increased by 0.2%, but imports grew (+1%) more quickly, reversing the trend of recent years Employment up +3.3% YoY in Q4, its fastest rate of growth in over 6-years. Emp' now growing
GDP - YoY % - QoQ% seas. adj. Total Exports - Volume YoY % Total Imports - Volume YoY % EMPLOYMENT & EARNINGS	1.8 -0.5 3.3 -0.1	0.4 0.7 1.3 -3.0	-0.5 -1.9 0.4 2.0	-1.0 0.8 1.3 1.4	-1.7 -1.4 -4.2 -4.0	-1.6 1.1 1.1 2.6	2.7 2.1 0.6 -1.2	-0.7 -2.3 2.9 6.3	in 2013, falling by 0.3% — but GNP rose strongly (+3.4%) In 2013, Irish exports increased by 0.2%, but imports grew (+1%) more quickly, reversing the trend of recent years Employment up +3.3% YoY in Q4, its fastest rate of growth in over 6-years. Emp' now growing YoY for 5 consecutive quarters
GDP - YoY % - QoQ% seas. adj. Total Exports - Volume YoY % Total Imports - Volume YoY % EMPLOYMENT & EARNINGS Employment YoY % Labour Force YoY %	1.8 -0.5 3.3 -0.1	0.4 0.7 1.3 -3.0	-0.5 -1.9 0.4 2.0	-1.0 0.8 1.3 1.4	-1.7 -1.4 -4.2 -4.0	-1.6 1.1 1.1 2.6	2.7 2.1 0.6 -1.2	-0.7 -2.3 2.9 6.3	in 2013, falling by 0.3% — but GNP rose strongly (+3.4%) In 2013, Irish exports increased by 0.2%, but imports grew (+1%) more quickly, reversing the trend of recent years 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 up by 0.9% in Q4
GDP - YoY % - QoQ% seas. adj. Total Exports - Volume YoY % Total Imports - Volume YoY % EMPLOYMENT & EARNINGS Employment YoY %	1.8 -0.5 3.3 -0.1	0.4 0.7 1.3 -3.0	-0.5 -1.9 0.4 2.0	-1.0 0.8 1.3 1.4	-1.7 -1.4 -4.2 -4.0	-1.6 1.1 1.1 2.6	2.7 2.1 0.6 -1.2	-0.7 -2.3 2.9 6.3	in 2013, falling by 0.3% — but GNP rose strongly (+3.4%) In 2013, Irish exports increased by 0.2%, but imports grew (+1%) more quickly, reversing the trend of recent years 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 up by 0.9% in Q4. Now 3 consecutive quarters of
GDP - YoY % - QoQ% seas. adj. Total Exports - Volume YoY % Total Imports - Volume YoY % EMPLOYMENT & EARNINGS Employment YoY % Labour Force YoY % Average Earnings YoY % - Hourly - Weekly	1.8 -0.5 3.3 -0.1	0.4 0.7 1.3 -3.0	-0.5 -1.9 0.4 2.0	-1.0 0.8 1.3 1.4	-1.7 -1.4 -4.2 -4.0	-1.6 1.1 1.1 2.6	2.7 2.1 0.6 -1.2	-0.7 -2.3 2.9 6.3	in 2013, falling by 0.3% — but GNP rose strongly (+3.4%) In 2013, Irish exports increased by 0.2%, but imports grew (+1%) more quickly, reversing the trend of recent years 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 up by 0.9% in Q4. Now 3 consecutive quarters of growth - first time since Q3 2008
GDP - YoY % - QoQ% seas. adj. Total Exports - Volume YoY % Total Imports - Volume YoY % EMPLOYMENT & EARNINGS Employment YoY % Labour Force YoY % Average Earnings YoY % - Hourly	1.8 -0.5 3.3 -0.1 -0.9 -0.1	0.4 0.7 1.3 -3.0	-0.5 -1.9 0.4 2.0 -0.2 -0.4	-1.0 0.8 1.3 1.4	-1.7 -1.4 -4.2 -4.0	-1.6 1.1 1.1 2.6	2.7 2.1 0.6 -1.2 3.2 0.8	-0.7 -2.3 2.9 6.3 3.3 0.9	In 2013, Irish exports increased by 0.2%, but imports grew (+1%) more quickly, reversing



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