

Irish Economy Watch

AIB Treasury Economic Research Unit



12 May 2014

	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14		
MANUFACTURING										
Manufacturing Output Index : seas adj	109.1	103.7	108.2	105.7	106.3	110.8	116.0	#N/A	Further strong pick-up in manufacturing in March. Output rises by 4.9% in Q1	
Mfg Output : 3 mma YoY %	-0.4	1.5	5.9	-0.5	-0.8	-1.6	4.7	#N/A		Manufacturing PMI rises to 56.1 in April, its best level in over three years
3mth / 3mth % seas. adj.	-2.1	-2.8	-2.0	-1.3	0.5	0.6	4.9	#N/A		
Investec Manufacturing PMI	52.7	54.9	52.4	53.5	52.8	52.9	55.5	56.1	OECD lead indicator edges up slightly in February, its best level since June 2008	
OECD Leading Indicator	101.1	101.1	101.1	101.2	101.3	101.4	#N/A	#N/A		
SERVICES / RETAIL										
Monthly Services Index (Value)	108.0	105.0	104.8	107.8	111.1	107.2	107.2	#N/A	CSO services index unchanged in March. Shows growth of 2.5% in Q1	
- YoY %	3.6	-3.0	-3.2	0.8	4.2	1.5	-1.3	#N/A		Services PMI picks up again in April. Now at an over 7 year high of 61.9
- 3mth / 3mth % seas. adj.	-0.6	-1.8	-2.1	-1.8	1.3	2.6	2.5	#N/A		
Investec Services PMI	56.8	60.1	57.1	61.8	61.5	57.5	60.7	61.9	Car sales have been strong so far in 2014. Year-to-date growth in sales at +27% in April	
SIMI Car Registrations	3,159	1,692	702	212	22,894	12,714	14,306	7,863		Car sales have been strong so far in 2014. Year-to-date growth in sales at +27% in April
- 12 mth cum total	74,558	74,591	74,408	74,304	79,956	82,091	84,752	86,470		
- 3 mma YoY %	84.8	18.2	10.5	-8.9	29.1	27.3	26.5	23.0	Core retail sales grew by 0.2% in Q1, for a year-on-year gain of 2.6%	
Retail Sales Index	94.1	93.9	94.7	95.8	97.5	96.3	97.9	#N/A		
- YoY %	1.7	-1.2	2.2	3.6	9.4	5.1	8.8	#N/A		
- 3mth / 3mth % seas. adj.	4.2	2.0	1.5	0.5	2.3	2.4	2.6	#N/A		
Ex Autos Index	100.2	100.3	101.5	103.2	102.4	102.2	101.1	#N/A		
- YoY %	-0.3	-1.8	1.6	3.0	3.1	2.5	2.1	#N/A		
- 3mth / 3mth % seas. adj.	0.9	0.2	0.2	1.2	2.0	1.9	0.2	#N/A		
CONSTRUCTION PMI: Ulster Bank										
- Housing Activity	55.7	59.4	58.8	58.3	56.4	56.2	60.2	63.5	The construction PMI jumps to 63.5 in April—best level since December 2004. Expectations are very strong	
- Commercial Activity	59.5	61.7	60.4	63.2	59.8	57.5	59.9	63.4		
- New Orders	56.1	61.6	60.0	62.3	59.4	55.5	61.3	63.6		
- Business Expectations	57.7	58.6	62.1	61.8	57.4	58.1	61.7	63.8	Housing registrations continue to pick up from very depressed levels	
	73.4	72.8	78.7	79.5	78.7	79.1	77.7	80.8		
RESIDENTIAL CONSTRUCTION ACTIVITY										
Housing Registrations: 12Mth Total	1,207	1,168	1,242	1,326	1,353	1,514	1,596	#N/A	Strong increase in commencements in recent months—up 95% YoY in the 3 months to January	
- 3 Month Avg YoY %	233.6	135.3	111.0	73.0	111.4	151.1	123.3	#N/A		
Commencements: 12mth Total	4,395	4,343	4,273	4,708	5,270	#N/A	#N/A	#N/A		
- 3 Month Avg YoY %	44.4	14.6	2.8	32.6	95.0	#N/A	#N/A	#N/A	Completions have shown signs of recovery in recent months	
Completions: Month	673	825	918	876	676	611	803	#N/A		
- 12 Mth Total	8,134	8,180	8,251	8,301	8,466	8,473	8,700	#N/A		
HOUSING MARKET ACTIVITY										
IBF Mortgage Approvals : Month	1,544	1,744	1,716	1,457	1,259	1,476	1,622	#N/A	Mortgage approvals show continued YoY growth—up 55% in the 3 months to March	
- 3 Month Avg YoY %	13.4	12.2	3.1	2.9	11.4	36.2	54.6	#N/A		
- 12 Mth Total	16,916	17,097	16,924	17,058	17,549	18,038	18,597	#N/A		
RPPR Transactions : Month	2,613	2,915	2,666	2,406	1,887	2,193	2,315	#N/A	Number of housing transactions picks up in Q1, but may be partly due to base effects. Overall, transactions still subdued.	
- 3 Month Avg YoY %	23.8	23.6	12.0	-12.9	-16.5	-5.7	32.1	#N/A		
- 12 Mth Total	28,099	28,664	28,342	26,918	27,291	27,952	28,473	#N/A		
HOUSING MARKET PRICES										
CSO (Mortgaged Transactions) - MoM	1.8	1.8	0.6	0.3	-0.7	0.1	-0.7	0.0	House prices fall back in March, have seen some levelling off at the start of 2014. YoY growth remains strong, 7.8%. Recovery in prices led by Dublin, but rising elsewhere too	
- YoY %	3.7	6.1	5.6	6.4	6.3	8.1	7.8	0.0		
Daft Asking Prices: MoM %	-0.3	0.8	-0.5	-0.4	3.0	-0.7	4.7	#N/A		
- YoY %	-0.5	-1.0	0.9	0.6	2.2	2.0	6.3	#N/A	Rents show continuing recovery - now 19% off their lows	
RENTS: CSO Private Rents - MoM%	0.8	0.8	1.1	1.0	0.6	1.2	0.8	0.2		
- YoY %	7.5	7.6	8.2	8.5	9.1	10.2	10.0	9.1		
AFFORDABILITY: Couple on Avg Industrial Wage, 92% LTV, 30Yr Mortgage : Mortgage cost as % of Disposable Income										
	15.6	15.8	15.7	15.8	15.7	15.7	15.6	#N/A	Levelling off in house prices and abating downward pressure on wages means affordability quite stable recently	

	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
CONSUMER PRICES YoY %	0.2	0.1	0.3	0.2	0.2	-0.1	0.2	0.3
- MoM %	-0.1	-0.2	-0.2	0.0	-0.5	0.5	0.7	0.1
HICP - YoY %	0.0	-0.1	0.3	0.4	0.3	0.1	0.3	0.4
- MoM %	-0.1	-0.2	-0.1	0.1	-0.6	0.7	0.6	0.0

CPI inflation edges up slightly in April, but at just 0.3% it remains very subdued

HICP inflation rate also edges higher, but still remains very subdued at 0.4% in April

PERSONAL / FINANCIAL

KBC/ESRI Consumer Confidence	73.1	76.2	71.0	79.8	84.6	85.5	83.1	#N/A
Credit Growth YoY %								
- Private Sector (Underlying)	-8.1	-8.6	-8.5	-6.7	-6.7	-5.6	-6.6	#N/A
- of which : Household	-4.2	-4.2	-4.3	-4.1	-4.1	-3.8	-3.8	#N/A
- of which : Mortgage Lending	-2.4	-2.5	-2.8	-3.0	-3.0	-3.1	-3.1	#N/A

Consumer confidence edges back in March, but remains close to Feb's near 7 year high, as confidence in the economic outlook improves

Private sector credit growth remains in decline for all main aggregates

LABOUR MARKET

Live Register	413,500	409,700	406,400	403,300	401,000	398,400	396,100	392,700
- Change In Month	-2,200	-3,800	-3,300	-3,100	-2,300	-2,600	-2,300	-3,400
Unemployment Rate %	12.5	12.3	12.1	12.1	12.0	11.9	11.8	11.7
Redundancies	591	638	664	1,050	737	788	700	#N/A
-12 Mth Total	19,743	17,625	15,345	13,628	12,135	11,415	10,735	#N/A
PMI Employment Indices								
- Investec Manufacturing	52.8	55.7	54.3	52.8	53.9	54.9	54.6	54.5
- Investec Services	56.8	56.2	56.4	57.6	57.3	59.4	58.5	60.0
- Ulster Bank Construction	50.2	50.5	54.6	51.7	53.2	54.3	57.4	60.9

Another fall in the Live Register in April, further below 400k

The unemployment rate fell again in April to 11.7% - lowest level in 5 years

Redundancies continue their marked decline

PMI employment components remain well up in expansionary territory in April—at 60, services component is at its best level in 7½ years

MERCHANDISE TRADE

Export Values - 3M / 3M %	3.4	3.6	-2.2	-1.3	-2.2	2.2	#N/A	#N/A
- 3MMA YoY %	-7.3	-7.2	-4.0	-0.2	1.8	6.3	#N/A	#N/A
Import Values - 3M / 3M %	3.6	4.5	0.2	2.5	-1.4	-3.9	#N/A	#N/A
- 3MMA YoY %	0.8	0.3	1.6	8.3	7.9	6.6	#N/A	#N/A

Value of goods exports up 2.2% in the three months to February—up 6.3% YoY

Value of imports declines in February, but is up 6.6% on a YoY basis

PUBLIC FINANCES

Total Tax Receipts: Cum YTD %	2.9	3.1	4.2	3.2	-17.1	-0.1	4.7	5.6
Voted Spending : Cum YTD %	-4.9	-3.8	-4.4	-4.2	3.8	-3.2	-6.1	-2.3
Exchequer Bal: 12 Mth Total €m	-10,899	-11,345	-10,499	-11,497	-13,343	-12,238	-10,118	-10,107

Pick-up in tax receipts in 2014, while spending falls

Exchequer deficit continues to decline

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
- 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
Total Imports - Volume YoY %	-0.1	-3.0	2.0	1.4	-4.0	2.6	-1.2	6.3

GDP impacted by Pharma cliff 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 & EARNINGS

Employment YoY %	-0.9	-1.4	-0.2	0.1	1.1	1.8	3.2	3.3
Labour Force YoY %	-0.1	-0.9	-0.4	-0.8	-0.4	0.5	0.8	0.9
Average Earnings YoY %								
- 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
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

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

Earnings fall in Q4, -0.6% on a weekly basis. Driven by YoY decline in public sector pay



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