

Irish Economy Watch

AIB Treasury Economic Research Unit



Friday 28 February 2025

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25		
MANUFACTURING										
AIB Manufacturing PMI	47.4	50.1	50.4	49.4	51.5	49.9	49.1	51.3	The manu. PMI rose to 51.3 in Jan, indicating a first monthly expansion since Oct. Output rose modestly and new orders increased, although export orders contracted once again	
AIB Manufacturing PMI - Future Output	66.3	67.9	63.0	64.3	68.8	67.5	71.6	70.3		
Industrial Production (Ex-Modern)	115.8	114.9	116.0	121.1	122.7	112.7	124.1	#N/A	Traditional industrial production rose by 2.1% in Q4, and it was up by 4.7% YoY also	
Production (Ex-Modern) : 3mma YoY%	3.4	0.6	1.4	1.8	5.3	4.5	4.7	#N/A		
3mth / 3mth % seas. adj.	-1.0	-2.3	-0.3	1.9	4.9	2.8	2.1	#N/A		
SERVICES / RETAIL										
AIB Services PMI	54.2	53.6	53.8	55.7	53.8	58.3	57.1	53.4	The serv. PMI fell to 53.4 in Jan, consistent with a slower pace of expansion. New business rose at its weakest rate since Sept, while export growth also eased. Input and output price inflation both jumped to eight-month highs	
CSO Services Index (Value)	179.5	180.3	183.3	182.4	185.3	188.8	188.8	#N/A		
- YoY %	11.1	10.4	11.4	8.2	8.3	16.7	11.5	#N/A		
- 3mth / 3mth % seas. adj.	3.7	1.8	1.6	1.3	2.4	2.5	3.1	#N/A	The CSO services index was up by 11.5% YoY in January	
SIMI Car Registrations	1,488	25,665	7,532	5,116	2,416	1,119	423	33,471		
- 12 mth cum total	123,723	122,052	121,323	120,712	120,920	121,118	121,196	123,260	New car sales were strong in Jan, with over 33k registrations, up 6.6% YoY. 12mth running total up to 123k	
- 3 mma YoY %	-15.4	-11.4	-10.1	-7.3	-7.0	-2.3	13.9	7.2		
Retail Sales Index	112.0	112.6	111.2	111.7	111.6	112.3	113.5	112.9	Headline retail sales decreased slightly in Jan, and were 0.4% lower YoY. Core sales fell also, and were down 0.3% YoY	
- YoY %	-1.1	1.4	-1.9	0.3	1.4	-1.1	0.8	-0.4		
- 3mth / 3mth % seas. adj.	-1.3	-0.7	-0.8	-0.2	-0.7	-0.1	0.6	1.3		
Ex Autos Index	111.3	111.7	111.4	112.4	112.2	112.9	113.3	111.6	The construction PMI fell back into contraction mode, at 48.2 in Jan. However, this was partly due to storm Eowyn. Housing activity continued to rise but commercial activity declined	
- YoY %	-1.3	0.4	-1.3	0.9	1.1	0.4	0.9	-0.3		
- 3mth / 3mth % seas. adj.	-0.2	-0.2	-0.3	0.1	0.3	0.9	0.9	0.5		
RESIDENTIAL CONSTRUCTION ACTIVITY										
AIB Construction PMI	47.5	49.9	50.0	49.0	49.4	47.5	51.6	48.2	Revisions to the data now show there were 69k commencements in 2024. Meantime, there were 1.2k starts in Jan, down by 65% YoY. 12 mth running total at 67k	
- Housing Activity	52.4	53.2	49.8	51.0	56.4	50.3	54.4	52.7		
- Commercial Activity	43.3	49.9	51.1	47.9	47.0	47.2	51.0	48.0	Mortgage approvals rose by 11.2% in Q4. Overall, 43.4k approvals were registered in 2024, up by 1.9% on 2023	
- New Orders	51.8	54.9	51.8	52.4	48.4	52.5	52.8	48.4		
- Business Expectations	61.7	61.6	64.7	62.9	63.6	63.5	67.1	65.3		
Commencements: 12mth Total	51,821	50,575	50,190	60,921	63,349	61,649	69,060	66,873	Residential property transactions fell by 4.5% YoY in the 3 mths to Jan. 12 mth total at 60.6K	
- 3 Month Avg YoY %	175.1	-34.7	-29.7	108.8	159.7	137.8	91.7	36.6		
HOUSING MARKET ACTIVITY										
BPFI Mortgage Approvals : Month	3,806	4,603	3,933	3,731	4,088	3,702	2,949	#N/A	Annual house price inflation fell to 8.7% in Dec. Overall, house prices rose by 8.5% in 2024	
- 3 Month Avg YoY %	-2.8	-2.3	0.6	5.6	5.4	6.5	11.2	#N/A		
- 12 Mth Total	41,642	42,109	42,090	42,294	42,706	42,794	43,379	#N/A		
RPPR Transactions : Month	4,889	5,721	4,916	5,087	6,205	5,598	6,687	3,219	Asking prices on Daft.ie were up by 11.1% YoY in Q4. They rose by 8% on average in 2024	
- 3 Month Avg YoY %	-2.3	-1.1	-6.0	-5.0	-3.5	0.7	0.6	-4.5		
- 12 Mth Total	61,571	61,926	61,158	60,744	61,344	61,271	60,846	60,609	CSO rental index edged 0.1% higher in Jan. The YoY rate remained at 5.4%	
HOUSING MARKET PRICES										
CSO Price Index - MoM	0.9	1.2	0.9	0.8	0.8	0.9	0.5	#N/A		
- YoY %	8.9	9.7	10.1	9.9	9.7	9.6	8.7	#N/A	Affordability steady in Q4, as house price growth slowed and wage growth accelerated	
Daft Asking Prices: MoM %	0.9	1.1	0.6	0.5	1.0	0.6	-1.5	#N/A		
- YoY %	7.7	7.2	8.4	7.9	11.5	12.3	9.5	#N/A		
RENTS: CSO Private Rents - MoM%	0.7	0.4	0.7	1.1	0.4	0.5	0.5	0.1	Affordability steady in Q4, as house price growth slowed and wage growth accelerated	
- YoY %	4.9	4.7	4.0	4.4	4.8	5.1	5.4	5.4		
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB										
- Mortgage as % of Disposable Income	23.5	23.4	23.7	23.9	23.6	23.6	23.5	#N/A		

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	
CONSUMER PRICES - YoY %	2.2	2.2	1.7	0.7	0.7	1.0	1.4	1.9	Consumer prices fell by 0.8% in Jan, but CPI inflation jumped to 1.9% owing to higher transport/hospitality costs. HICP fell by 0.8% in Jan also, with the annual rate rising to 1.7%, due to increases in the same sectors
- MoM %	0.4	0.2	0.1	-0.9	0.3	-0.5	0.9	-0.8	
HICP - YoY %	1.5	1.5	1.1	0.0	0.1	0.5	1.0	1.7	Sentiment improved marginally to 74.9 in Jan, which is below the long-run average of 84.4
- MoM %	0.3	0.2	0.1	-1.0	0.3	-0.5	0.9	-0.8	

PERSONAL / FINANCIAL

ILCU Consumer Sentiment Index	70.5	74.9	72.0	71.9	74.1	74.1	73.9	74.9	Private sector credit growth rate accelerated in Dec. Household/mortgage credit growth rates also rose
Credit Growth YoY %									
- Private Sector	0.6	1.4	1.3	2.4	1.8	2.5	3.0	#N/A	The unemployment rate remained quite low, averaging 4.3% for a second year in-a-row in 2024. The monthly estimate indicates it fell to just 4% in Jan
- of which : Household	2.2	2.4	2.3	2.6	2.8	2.9	3.1	#N/A	
- of which : Mortgage Lending	2.0	2.1	2.0	2.3	2.6	2.9	3.0	#N/A	

LABOUR MARKET

Live Register	171,800	171,600	170,400	167,700	168,800	162,800	166,000	165,400	The employment sub-index of the manu. PMI improved in Jan, and stayed above the key 50 level. In contrast, services and construction fell, with the latter moving into contraction mode
- Change In Month	-1,000	-200	-1,200	-2,700	+1,100	-6,000	+3,200	-600	
Unemployment Rate %	4.3	4.5	4.1	4.2	4.2	4.2	4.5	4.0	Goods trade surplus widened to €90.2bn in 2024, up by 61.8% on 2023. Exports rose by 14.2% to €223.8bn, led by a strong increase in pharma and medical products (up 28.9%). Imports stood at €133.6bn in 2024, down 4.8% YoY
PMI Employment Indices									
- AIB Manufacturing	50.2	52.1	53.5	49.6	49.6	49.3	51.4	53.4	
- AIB Services	50.8	52.0	54.0	52.5	51.0	52.1	53.0	49.9	
- AIB Construction	51.7	50.9	47.7	51.7	51.8	52.2	53.2	51.7	Total tax take up 29.3% YoY in Jan. Voted expenditure rose by 28.3% YoY though, owing to increases in current and capital spending. 12mth rolling Exchequer surplus up to €14.1bn

MERCHANDISE TRADE

Export Values - 3M / 3M %	-1.0	-5.4	-3.4	8.4	17.5	20.2	0.9	#N/A	Total tax take up 29.3% YoY in Jan. Voted expenditure rose by 28.3% YoY though, owing to increases in current and capital spending. 12mth rolling Exchequer surplus up to €14.1bn
- 3MMA YoY %	8.0	4.1	3.7	21.3	23.4	31.2	22.2	#N/A	
Import Values - 3M / 3M %	4.2	3.5	8.8	7.1	1.2	-7.0	-6.4	#N/A	Preliminary estimate of GDP shows the economy rose by 6.3% YoY in Q4. Overall, GDP expanded by 0.3% in 2024
- 3MMA YoY %	-6.1	-4.6	2.4	3.5	1.0	-8.4	-7.6	#N/A	

PUBLIC FINANCES

Total Tax Receipts: Cum YTD %	9.3	9.5	12.6	11.0	14.9	20.8	22.6	29.3	MDD rose by 1.3% in Q3 and it was 4.1% higher YoY. Consumer spending up 1.7% YoY
Voted Spending : Cum YTD %	13.2	14.1	13.7	12.8	12.7	11.3	9.3	28.3	
Exchequer Bal: 12 Mth Total €m	4,005	3,825	5,286	5,070	3,326	9,576	12,755	14,053	Employment increased by 2.6% YoY in Q4'24, putting it 17.1% above pre-COVID levels. The employment rate eased to 74.3% in Q4. The labour force grew by 2.4% YoY in the quarter

QUARTERLY DATA

	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	
GDP - YoY %	-0.2	-3.9	-8.4	-9.1	-4.8	-3.2	2.9	6.3	Weekly average earnings rose by 5.6% YoY in Q4'24. Public sector pay was up by 6.4% YoY. Private sector earnings rose by 4.8% YoY
*Domestic Demand - YoY%	6.0	0.9	-0.2	4.2	2.4	2.8	4.1	#N/A	
Consumer Spending - YoY %	7.4	6.5	1.7	4.0	3.0	2.4	1.7	#N/A	Completions fell to 30.3K in 2024, down by 6.8% compared to 2023. The decline was largely due to a drop-off in apts.
Services Exports - YoY % (3Q Avg)	-0.2	-1.6	0.6	3.7	9.2	17.8	18.2	#N/A	

* Excludes Some Investment Related to the Multinational Sector

EMPLOYMENT & EARNINGS

Employment YoY %	3.7	3.1	3.6	3.4	1.9	2.7	3.7	2.6	Weekly average earnings rose by 5.6% YoY in Q4'24. Public sector pay was up by 6.4% YoY. Private sector earnings rose by 4.8% YoY
Labour Force YoY %	2.8	3.0	3.8	3.5	2.0	2.9	3.5	2.4	
Average Earnings YoY %									Completions fell to 30.3K in 2024, down by 6.8% compared to 2023. The decline was largely due to a drop-off in apts.
- Hourly	4.0	5.3	6.1	1.9	4.9	5.5	5.0	6.2	
- Weekly	4.4	4.4	4.4	2.6	5.0	5.7	5.5	5.6	Completions fell to 30.3K in 2024, down by 6.8% compared to 2023. The decline was largely due to a drop-off in apts.
Weekly Earnings YoY %									
- Private Sector	3.5	3.9	3.8	4.1	5.3	5.9	5.4	4.8	Completions fell to 30.3K in 2024, down by 6.8% compared to 2023. The decline was largely due to a drop-off in apts.
- Public Sector	7.8	6.1	5.9	-1.3	4.0	4.5	4.7	6.4	

CSO DWELLING COMPLETIONS

- YoY %	18.6	-4.3	14.1	12.4	-12.0	-5.9	6.1	-14.5	Completions fell to 30.3K in 2024, down by 6.8% compared to 2023. The decline was largely due to a drop-off in apts.
- Cum 12 Mth Total	30686	30357	31394	32525	31729	31300	31815	30330	



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