

Irish Economy Watch

AIB Treasury Economic Research Unit



Friday 24 January 2025

May-24 Jun-24 Jul-24 Aug-24 Sep-24 Oct-24 Nov-24 Dec-24

MANUFACTURING

AIB Manufacturing PMI	49.8	47.4	50.1	50.4	49.4	51.5	49.9	49.1
AIB Manufacturing PMI - Future Output	64.0	66.3	67.9	63.0	64.3	68.8	67.5	71.6
Industrial Production (Ex-Modern)	112.1	115.6	114.6	115.4	120.5	121.4	112.2	#N/A
Production (Ex-Modern) : 3mma YoY%	4.6	3.3	0.6	1.4	1.8	5.2	4.2	#N/A
3mth / 3mth % seas. adj.	-0.8	-1.1	-2.6	-0.6	1.5	4.4	2.5	#N/A

The manu. PMI fell to 49.1 in Dec, indicating a slightly sharper pace of contraction in the sector. Output decreased markedly and new orders (included export orders) declined

Traditional industrial production rose by 2.5% in the 3mths to Nov, and it was up by 4.2% YoY

SERVICES / RETAIL

AIB Services PMI	55.0	54.2	53.6	53.8	55.7	53.8	58.3	57.1
CSO Services Index (Value)	178.3	179.5	180.3	183.2	182.4	185.3	188.7	#N/A
- YoY %	9.6	11.1	10.4	11.4	8.2	8.3	16.7	#N/A
- 3mth / 3mth % seas. adj.	3.8	3.7	1.8	1.6	1.2	2.4	2.5	#N/A
SIMI Car Registrations	6,394	1,488	25,665	7,532	5,116	2,416	1,119	423
- 12 mth cum total	125,225	123,723	122,052	121,323	120,712	120,920	121,118	121,196
- 3 mma YoY %	-13.3	-15.4	-11.4	-10.1	-7.3	-7.0	-2.3	13.9
Retail Sales Index	112.3	111.9	112.6	111.1	111.7	111.7	112.3	#N/A
- YoY %	-1.1	-1.1	1.4	-1.9	0.4	1.2	-1.0	#N/A
- 3mth / 3mth % seas. adj.	-0.3	-1.2	-0.6	-0.8	-0.2	-0.7	0.0	#N/A
Ex Autos Index	112.0	111.3	111.6	111.3	112.3	112.1	112.9	#N/A
- YoY %	-0.3	-1.3	0.4	-1.4	0.8	1.0	0.4	#N/A
- 3mth / 3mth % seas. adj.	-0.1	0.0	-0.2	-0.4	0.0	0.2	0.9	#N/A

The serv. PMI edged down to 57.1 in Dec, consistent with a slower, albeit still strong pace of expansion. New business and new export orders rose sharply. Input and output price inflation both accelerated

The CSO services index was up by 16.7% YoY in November

Despite increasing by 13.9% YoY in Q4, new car sales fell by 4.2% overall in 2024. Full year total at 121k compared to 126.5k in 2023

Headline retail sales increased slightly in Nov, but were 1.0% lower in YoY terms. Core sales rose also, and were up 0.4% YoY

RESIDENTIAL CONSTRUCTION ACTIVITY

BNP Paribas Construction PMI	49.8	47.5	49.9	50.0	49.0	49.4	47.5	51.6
- Housing Activity	52.0	52.4	53.2	49.8	51.0	56.4	50.3	54.4
- Commercial Activity	51.4	43.3	49.9	51.1	47.9	47.0	47.2	51.0
- New Orders	52.9	51.8	54.9	51.8	52.4	48.4	52.5	52.8
- Business Expectations	61.2	61.7	61.6	64.7	62.9	63.6	63.5	67.1
Commencements: 12mth Total	52,524	51,650	50,389	49,977	58,946	60,713	59,013	60,243
- 3 Month Avg YoY %	188.6	173.0	-35.4	-30.6	87.3	129.0	108.6	14.6

The construction PMI printed above 50 in Dec, rising to its highest level since April. The pace of housing activity accelerated. Commercial activity returned to expansion territory

Largely owing to waiver/rebate deadlines throughout the year, commencements jumped by 83.7% in 2024, to north of 60k, compared to circa 33k in 2023

HOUSING MARKET ACTIVITY

BPFI Mortgage Approvals : Month	3,894	3,806	4,603	3,933	3,731	4,088	3,702	#N/A
- 3 Month Avg YoY %	-5.1	-2.8	-2.3	0.6	5.6	5.4	6.5	#N/A
- 12 Mth Total	42,011	41,642	42,109	42,090	42,294	42,706	42,794	#N/A
RPPR Transactions : Month	5,235	4,885	5,717	4,911	5,083	6,184	5,555	5,911
- 3 Month Avg YoY %	-3.7	-2.3	-1.2	-6.1	-5.1	-3.6	0.3	-4.0
- 12 Mth Total	62,134	61,556	61,907	61,134	60,716	61,295	61,179	59,978

Mortgage approvals rose by 6.5% YoY in the 3mths to Nov. 12 mth total above 42.5k

The number of residential property transactions fell by 4.8% to below 60K in 2024

House prices continue to rise, up by 0.7% m/m in Nov. For a third successive month, the YoY rate eased slightly to +9.4%

Asking prices on Daft.ie were up by 11.1% YoY in Q4. Overall, they increased by 8% in 2024

HOUSING MARKET PRICES

CSO Price Index - MoM	0.4	0.9	1.2	0.9	0.7	0.8	0.7	#N/A
- YoY %	8.5	8.9	9.7	10.1	9.9	9.7	9.4	#N/A
Daft Asking Prices: MoM %	1.4	0.9	1.1	0.6	0.5	1.0	0.6	-1.5
- YoY %	6.1	7.7	7.2	8.4	7.9	11.5	12.3	9.5
RENTS: CSO Private Rents - MoM%	0.4	0.7	0.4	0.7	1.1	0.4	0.5	0.5
- YoY %	4.9	4.9	4.7	4.0	4.4	4.8	5.1	5.4

CSO rental index rose by 0.5% again in Dec. The YoY rate accelerated to 5.4% also

AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB

- Mortgage as % of Disposable Income	22.8	23.5	23.5	23.7	24.0	#N/A	#N/A	#N/A
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Affordability deteriorated again in Q3, as house price growth outpaced wage growth

	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	
CONSUMER PRICES - YoY %	2.6	2.2	2.2	1.7	0.7	0.7	1.0	1.4	Consumer prices rose by 0.9% in Dec, lifting CPI inflation to 1.4%. HICP increased by 0.9% in Dec also, with the annual rate rising to 1.0%. Overall, CPI inflation averaged 2.1% in 2024, while HICP came in at just 1.3%
- MoM %	0.5	0.4	0.2	0.1	-0.9	0.3	-0.5	0.9	
HICP - YoY %	2.0	1.5	1.5	1.1	0.0	0.1	0.5	1.0	
- MoM %	0.6	0.3	0.2	0.1	-1.0	0.3	-0.5	0.9	
PERSONAL / FINANCIAL									
ILCU Consumer Sentiment Index	65.7	70.5	74.9	72.0	71.9	74.1	74.1	73.9	Sentiment deteriorated slightly to 73.9 in Dec, which is below the long-run average of 84.4
Credit Growth YoY %									Private sector credit growth rate accelerated in Nov. Household/mortgage credit growth rates also rose marginally
- Private Sector	-0.3	0.6	1.4	1.3	2.4	1.8	2.5	#N/A	
- of which : Household	2.0	2.2	2.4	2.3	2.6	2.8	2.9	#N/A	
- of which : Mortgage Lending	1.7	2.0	2.1	2.0	2.3	2.6	2.9	#N/A	
LABOUR MARKET									
Live Register	172,600	171,800	171,700	170,600	168,200	169,200	163,400	166,600	The unemployment rate remained quite low and steady throughout 2024. It printed in a range of 4.1-4.5% throughout the year, and averaged 4.3% for a second year in-a-row
- Change In Month	-400	-800	-100	-1,100	-2,400	+1,000	-5,800	+3,200	
Unemployment Rate %	4.4	4.4	4.5	4.2	4.2	4.2	4.1	4.2	The employment sub-indices of the manu., services and construction PMIs all improved in Dec, and printed above the key 50 level
PMI Employment Indices									
- AIB Manufacturing	52.7	50.2	52.1	53.5	49.6	49.6	49.3	51.4	
- AIB Services	53.3	50.8	52.0	54.0	52.5	51.0	52.1	53.0	
- BNP Paribas Construction	51.8	51.7	50.9	47.7	51.7	51.8	52.2	53.2	
MERCHANDISE TRADE									
Export Values - 3M / 3M %	5.8	-0.9	-5.4	-3.3	8.4	17.3	19.1	#N/A	Goods trade surplus widened to €86.2bn in Nov, up 59.8% YTD. Exports rose by 14.0% YTD to €207.7bn, led by a strong increase in pharma and medical products (up 30.5% YTD). Imports stood at €121.5bn YTD, down 5.3% YoY
- 3MMA YoY %	12.1	8.1	4.2	3.7	21.3	23.4	30.0	#N/A	
Import Values - 3M / 3M %	2.8	4.1	3.4	8.7	7.1	1.2	-7.8	#N/A	
- 3MMA YoY %	-4.0	-6.2	-4.6	2.3	3.5	1.0	-9.3	#N/A	
PUBLIC FINANCES									
Total Tax Receipts: Cum YTD %	6.2	9.3	9.5	12.6	11.0	14.9	20.8	22.6	Total tax take up 22.6% in 2024. Voted expenditure rose by 9.3% in the year, owing to increases in current and capital spending. 12mth rolling Exchequer surplus jumped to €12.8bn
Voted Spending : Cum YTD %	15.3	13.2	14.1	13.7	12.8	12.7	11.3	9.3	
Exchequer Bal: 12 Mth Total €m	2,586	4,005	3,825	5,286	5,070	3,326	9,576	12,755	
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	#N/A	GDP rose sharply by 3.5% in Q3, mainly driven by an uptick in investment. In YoY terms GDP was 2.9% higher
*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	MDD rose by 1.3% in Q3 and it was 4.1% higher YoY. Consumer spending up 1.7% YoY
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	#N/A	Employment increased by 3.7% YoY in Q3'24, putting it 17.5% above pre-COVID levels. The employment rate rose to 75.3% in Q3. The labour force grew by 3.5% YoY in the quarter
Labour Force YoY %	2.8	3.0	3.8	3.5	2.0	2.9	3.5	#N/A	
Average Earnings YoY %									Weekly average earnings rose by 5.3% YoY in Q3'24. Public sector pay was up by 4.4% YoY. Private sector earnings rose by 5.3% YoY
- Hourly	4.0	5.3	6.1	1.9	4.9	5.5	4.7	#N/A	
- Weekly	4.4	4.4	4.4	2.6	5.0	5.7	5.3	#N/A	
Weekly Earnings YoY %									
- Private Sector	3.5	3.9	3.8	4.1	5.3	5.9	5.3	#N/A	
- Public Sector	7.8	6.1	5.9	-1.3	4.0	4.5	4.4	#N/A	
CSO DWELLING COMPLETIONS									
	6638	7264	8406	10217	5842	6835	8921	8732	Completions fell to 30.3K in 2024, down by 6.8% compared to 2023. The decline was largely owing to a drop-off in apts.
- YoY %	18.6	-4.3	14.1	12.4	-12.0	-5.9	6.1	-14.5	
- Cum 12 Mth Total	30686	30357	31394	32525	31729	31300	31815	30330	



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