Irish Economy Watch



AIB Treasury Economic Research Unit

Thursday 20 July 2023

MANUFACTURING AIB Manufacturing PMI	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	The manu. PMI declined to 47.3			
									in June, indicating a further			
AIB Manufacturing PMI									softening in business conditions.			
3	48.7	48.7	50.1	51.3	49.7	48.6	47.5	47.3	New orders, and output fell. Meantime, there was a further easing in inflationary pressures			
AIB Manufacturing PMI - Future Output	61.3	64.0	66.4	72.2	72.0	64.8	66.1	68.8				
Industrial Production (Ex-Modern)	124.6	111.4	123.0	120.3	120.9	120.4	126.9	#N/A	Traditional industrial production			
Production (Ex-Modern) : 3mma YoY%	10.7	10.3	6.4	4.2	3.5	4.0	6.6	#N/A	rose by 3.8% in the 3 mths to May. 3 mma up 6.6% YoY also			
3mth / 3mth % seas. adj.	5.3	0.9	-1.8	-3.6	0.5	0.7	3.8	#N/A				
									In May, the services PMI posted			
SERVICES / RETAIL									a strong reading of 56.8, down			
AIB Services PMI	50.8	52.7	54.1	58.2	55.7	58.4	57.0	56.8	slightly from 57. There was yet another steep increase in new business, including exports. However, both input and output price inflation re-accelerated			
CSO Services Index (Value)	158.0	156.6	160.4	160.8	160.9	163.0	162.2	#N/A				
- YoY %	11.5	10.4	16.3	8.3	1.6	9.6	4.9	#N/A				
- 3mth / 3mth % seas. adj.	-0.1	-1.5	-0.5	0.5	2.2	2.0	1.7	#N/A				
SIMI Car Registrations	985	209	27,323	13,108	17,627	8,907	7,542	2,989	The CSO services index rose by 1.7% in the 3 mths to May, and was up 4.9% YoY			
- 12 mth cum total	105,576	105,398	107,697	108,831	113,551	114,601	116,848	117,683				
- 3 mma YoY %	20.3	-9.0	7.5	8.7	16.3	21.1	30.8	27.0				
Retail Sales Index	127.5	126.0	126.8	128.1	131.1	134.7	132.6	#N/A	New car sales performing very well, up by 18.8% YTD in the first			
- YoY %	-3.8	1.4	3.4	3.6	8.9	7.1	5.2	#N/A	half of 2023			
- 3mth / 3mth % seas. adj.	1.3	0.8	-0.4	-0.2	1.3	3.6	4.6	#N/A	Retail sales rose by 4.6% in the 3			
Ex Autos Index	130.8	128.3	129.0	129.2	129.7	131.1	131.2	#N/A	mths to May, and were 5.2%			
- YoY %	-1.6	0.5	0.5	0.8	0.7	0.2	2.5	#N/A	higher YoY. Core retail sales up 2.5% YoY in May			
- 3mth / 3mth % seas. adj.	8.0	1.5	1.5	0.5	0.5	0.5	1.4	#N/A	2.5% FOT III May			
									The construction PMI rose to			
RESIDENTIAL CONSTRUCTION ACTIVITY	46.0	42.2	47.7	40.0	40.5	40.4	40.4	50.4	50.4 in June, consistent with a stabilisation of conditions in the			
BNP Paribas Construction PMI	46.8	43.2	47.7	49.8	49.5	48.4	49.4	50.4	sector. The housing component			
Housing ActivityCommercial Activity	41.6 49.5	40.6 46.9	45.2 49.0	46.2 51.5	46.5 51.9	42.8 51.4	45.4 53.7	48.4 51.1	improved, but stayed below 50.			
- New Orders	44.2	43.5	49.6	50.4	52.5	50.5	50.6	51.0	New orders and commercial sector activity expanded slightly			
- Business Expectations	50.9	55.0	58.6	60.4	58.0	59.4	60.2	58.0	sector detrify expanded slightly			
Commencements: 12mth Total	26 909	26.057	27.204	26 974	27.309	27.542	27.055	#N/A	Commencements increased strongly, by 12.4% YoY in the 3			
- 3 Month Avg YoY %	26,898 -19.0	26,957 -7.1	27,204 10.4	26,874 -0.4	5.0	27,542 4.5	27,855 12.4	#N/A #N/A	mths to May. 12 mth rolling total			
- 3 Month Avg 101 //	-19.0	-7.1	10.4	-0.4	5.0	4.5	12.4	#1N/ A	up to just below 28k			
HOUSING MARKET ACTIVITY									Mortgage approvals rose by 9%			
BPFI Mortgage Approvals : Month	3,786	2,650	2,820	2,744	3,896	3,373	4,282	#N/A	YoY in the 3 mths to May. 12			
- 3 Month Avg YoY %	-6.2	-8.2	-5.6	-6.9	2.8	2.8	9.0	#N/A	mth total increases to near 42k			
- 12 Mth Total	41,426	40,988	41,046	40,814	41,249	41,323	41,764	#N/A	Transactions fell slightly in June.			
RPPR Transactions : Month	5,963	6,693	3,618	4,289	5,171	4,166	5,144	4,715	3 mma down 4.5% YoY. 12 mth			
- 3 Month Avg YoY % - 12 Mth Total	6.2 60,881	11.8 62,181	14.0 62,174	7.0 61,838	0.1 62,196	-2.5 61,819	2.8 62,232	-4.5 61,533	total eased down to 61.5k			
- 12 Milli Total	00,001	02,101	02,174	01,030	02,190	01,019	02,232	01,333	House prices declined for the			
HOUSING MARKET PRICES									fifth consecutive month in May, down 0.2%. The YoY rate,			
CSO Price Index - MoM	0.2	0.2	-0.5	-0.4	-0.6	-0.1	-0.2	#N/A	slowed to 2.4% also			
- YoY %	8.4	7.7	6.2	5.2	4.0	3.4	2.4	#N/A				
Daft Asking Prices: MoM %	0.0	1.2	-2.4	0.9	1.0	0.2	1.8	0.0	Asking prices on Daft.ie were around 0.5% lower in YoY terms			
- YoY %	3.8	5.2	1.7	1.0	-0.7	-0.9	-0.2	-0.3	in Q2			
DENTS: CCO Drivete Dents MA-MAN		0.3	0.3	10	0.3			0.6	CSO rental index rose by 0.6% in			
RENTS: CSO Private Rents - MoM% - YoY %	0.5 11.0	0.3 10.6	0.2 10.4	1.0 10.6	0.3 10.0	0.1 8.8	0.6 7.8	0.6 7.7	June. YoY rate at 7.7%, down			
									from a peak of 12.7% last July			
AFFORDABILITY: Couple on Avg Industrial	-								Affordability improved slightly in			
- Mortgage as % of Disposable Income	20.7	20.6	20.3	19.8	19.3	#N/A	#N/A	#N/A	Q1, as wage growth outpaced house price growth			
									riouse price growth			

	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Consumer prices rose by 0.8% in	
CONSUMER PRICES - YoY %	8.9	8.2	7.8	8.5	7.7	7.2	6.6	6.1	June, led by increases in the transport and recreation sectors. Due to base effects though, the YoY rate fell to 6.1% from 6.6%. Similarly, HICP inflation eased to 4.8% YoY, from 54%	
- MoM %	0.4	-0.2	-0.8	1.6	1.1	0.5	0.3	0.8		
HICP - YoY %	9.0	8.2	7.5	8.1	7.0	6.3	5.4	4.8		
- MoM %	0.2	-0.3	-1.0	1.5	1.0	0.3	0.3	0.8		
PERSONAL / FINANCIAL									Consumer sentiment remained at a very low level, but	
ILCU Consumer Sentiment Index	45.3	48.7	55.2	55.6	53.9	59.2	62.4	63.7	improved for the sixth time in seven months, to 63.7 in June	
Credit Growth YoY %									Stock of private sector credit	
- Private Sector (Underlying)	2.5	2.2	-0.6	-0.4	-1.7			#N/A	rose slightly in May, as	
of which : Householdof which : Mortgage Lending	-1.0 -0.7	-1.1 -0.9	-0.7 -0.8	-0.5 -0.5	-0.4 -0.4			#N/A #N/A	household debt levels increased	
- Of Which : Mortgage Lending	-0.1	-0.5	-0.0	-0.5	-0	-0.1	0.0	πιν/ Α	The unemployment rate has	
LABOUR MARKET									continued to fall in 2023. It declined to 3.8% in May, the	
Live Register	185,000	185,600	184,800	183,200	181,900	181,900		182,700	lowest level on record, and remained at that level in June	
- Change In Month	+1,100	+600	-800	-1,600	-1,300	+0	+700	+100		
Unemployment Rate %	4.5	4.4	4.3	4.2	4.0	3.9	3.8	3.8	The employment sub-indices of the services and construction	
PMI Employment Indices									PMIs stayed above 50 in June.	
- AIB Manufacturing	49.7	50.2	52.6	53.9	51.5	51.5	50.8	48.1	However, the manufacturing index, fell into contraction mode	
- AIB Services	55.3	54.4	52.7	53.3	54.0			54.7	for the first time since Nov.	
- BNP Paribas Construction	49.9	48.1	50.6	54.7	53.1	L 50.5	51.2	52.0	Coods trade surplus widened to	
MERCHANDISE TRADE									Goods trade surplus widened to €4.5bn in May. Exports are 5.5%	
Export Values - 3M / 3M %	2.6	-5.2	-13.3	-6.2	-2.0	3.2	-2.2	#N/A	lower YTD, led by a sharp fall in pharmaceuticals and medical	
- 3MMA YoY %	19.3	14.4	6.6	5.0	-2.9			#N/A	products (down 15% YTD).	
Import Values - 3M / 3M %	-0.5	-6.6	-9.7	-3.5	-2.2			#N/A	Imports are up 5.1% YTD. Trade with the GB has rebounded	
- 3MMA YoY %	35.3	21.9	17.4	19.3	14.8			#N/A	significantly this year	
PUBLIC FINANCES									Exchequer finances performing well in 2023. Tax intake, up 11%	
Total Tax Receipts: Cum YTD %	24.5	21.5	12.2	12.5	14.6	14.2	10.2	11.0	YTD, with strong spending	
Voted Spending : Cum YTD %	0.9	1.8	8.8	9.4	4.6			9.8	growth also. 12 mth rolling exchequer surplus at €1.1bn,	
Exchequer Bal: 12 Mth Total €m	6,196	4,985	5,609	1,506	2,757	2,412	3,021	1,055	despite €4bn transfer to NRF	
QUARTERLY DATA		Q2-21	Q3-21	Q4-21 G	1-22 Q:	2-22 Q3-	22 Q4-22	Q1-23	Revised data show GDP	
GDP - YoY %		21.7	12.4	14.3	8.8	9.3	9.4 10.2	2 2.2	contracted by 2.8% in Q1, due to a sharp fall in the MNE sector.	
									However, it was up 2.2% YoY	
*Domestic Demand - YoY%		17.2	5.4	11.1			9.0 5.1		Modified domestic demand rose	
		21.1	10 E	1/1	10 6			E 1		
Consumer Spending - YoY % Services Exports - YoY % (3Q Ava)		21.1 15.7	10.5 15.6	14.1 15.3	18.6 13.4		5.8 6.5 9.8 3.1		by just 0.1% in Q1, but was 4.5%	
Consumer Spending - YoY % Services Exports - YoY % (3Q Avg) * Excludes Some Investment Related to the Multinatio	onal Sector	21.1 15.7	10.5 15.6	14.1 15.3	18.6 13.4				by just 0.1% in Q1, but was 4.5% higher in YoY terns	
Services Exports - YoY % (3Q Avg)	onal Sector								higher in YoY terns Employment rose by 4.1% YoY	
Services Exports - YoY % (3Q Avg) * Excludes Some Investment Related to the Multinatio EMPLOYMENT & EARNINGS	nal Sector	15.7	15.6	15.3	13.4	9.2	9.8 3.3	0.6	higher in YoY terns Employment rose by 4.1% YoY in Q1, leaving it 10.6% above pre-pandemic levels. The labour	
Services Exports - YoY % (3Q Avg) * Excludes Some Investment Related to the Multination	nal Sector					9.2		7 4.1	higher in YoY terns Employment rose by 4.1% YoY in Q1, leaving it 10.6% above pre-pandemic levels. The labour force grew by 3.3% YoY in Q1,	
Services Exports - YoY % (3Q Avg) * Excludes Some Investment Related to the Multination EMPLOYMENT & EARNINGS Employment YoY %	nnal Sector	9.9	9.8	15.3	13.4	9.2	3.4 2.7	7 4.1	higher in YoY terns Employment rose by 4.1% YoY in Q1, leaving it 10.6% above pre-pandemic levels. The labour force grew by 3.3% YoY in Q1, and is up 10.2% since end 2019	
Services Exports - YoY % (3Q Avg) * Excludes Some Investment Related to the Multination EMPLOYMENT & EARNINGS Employment YoY % Labour Force YoY % Average Earnings YoY % - Hourly	onal Sector	9.9 12.1 2.7	9.8 7.9 3.7	15.3 10.1 8.9 2.8	12.3 9.6 2.2	9.2 9.8 8.8 5.6 2.5	9.8 3.3 3.4 2.7 2.0 2.0	7 4.1 3.3 4.1	higher in YoY terns Employment rose by 4.1% YoY in Q1, leaving it 10.6% above pre-pandemic levels. The labour force grew by 3.3% YoY in Q1, and is up 10.2% since end 2019 Weekly average earnings rose	
Services Exports - YoY % (3Q Avg) * Excludes Some Investment Related to the Multination EMPLOYMENT & EARNINGS Employment YoY % Labour Force YoY % Average Earnings YoY % - Hourly - Weekly	onal Sector	9.9	9.8 7.9	15.3 10.1 8.9	12.3 9.6	9.2 9.8 8.8 5.6 2.5	9.8 3.3 3.4 2.7 2.0 2.0	7 4.1 3.3 4.1	higher in YoY terns Employment rose by 4.1% YoY in Q1, leaving it 10.6% above pre-pandemic levels. The labour force grew by 3.3% YoY in Q1, and is up 10.2% since end 2019 Weekly average earnings rose by 4.3% YoY in Q1. Public sector pay was up 7.7% YoY. Private	
Services Exports - YoY % (3Q Avg) * Excludes Some Investment Related to the Multination EMPLOYMENT & EARNINGS Employment YoY % Labour Force YoY % Average Earnings YoY % - Hourly - Weekly Weekly Earnings YoY %	onal Sector	9.9 12.1 2.7 4.1	9.8 7.9 3.7 5.4	15.3 10.1 8.9 2.8 1.9	13.4 12.3 9.6 2.2 2.9	9.2 9.3 8.8 5.6 2.5 2.5 5.6	9.8 3.3 3.4 2.7 2.0 2.0 3.6 6.0 4.5	4.1 3.3 4.1 4.3	higher in YoY terns Employment rose by 4.1% YoY in Q1, leaving it 10.6% above pre-pandemic levels. The labour force grew by 3.3% YoY in Q1, and is up 10.2% since end 2019 Weekly average earnings rose by 4.3% YoY in Q1. Public sector pay was up 7.7% YoY. Private sector earnings rose by 3.4%	
Services Exports - YoY % (3Q Avg) * Excludes Some Investment Related to the Multination EMPLOYMENT & EARNINGS Employment YoY % Labour Force YoY % Average Earnings YoY % - Hourly - Weekly	onal Sector	9.9 12.1 2.7	9.8 7.9 3.7	15.3 10.1 8.9 2.8	12.3 9.6 2.2	9.2 9.3 8.8 5.6 2.5 2.5 3.6 4	9.8 3.3 3.4 2.7 2.0 2.0	4.1 3.3 4.1 4.3 4.3	higher in YoY terns Employment rose by 4.1% YoY in Q1, leaving it 10.6% above pre-pandemic levels. The labour force grew by 3.3% YoY in Q1, and is up 10.2% since end 2019 Weekly average earnings rose by 4.3% YoY in Q1. Public sector pay was up 7.7% YoY. Private	
Services Exports - YoY % (3Q Avg) * Excludes Some Investment Related to the Multination EMPLOYMENT & EARNINGS Employment YoY % Labour Force YoY % Average Earnings YoY % - Hourly - Weekly Weekly Earnings YoY % - Private Sector	onal Sector	9.9 12.1 2.7 4.1 5.0	9.8 7.9 3.7 5.4 5.8	15.3 10.1 8.9 2.8 1.9 2.8 0.2	13.4 12.3 9.6 2.2 2.9 4.8 -1.3	9.2 9.3 8.8 5.6 2.5 2.5 3.6 4	3.4 2.7 2.0 2.0 2.0 3.6 6.0 4.9 2.4 10.8 10.4	4.1 3.3 4.1 5 4.3 4 7.7	higher in YoY terns Employment rose by 4.1% YoY in Q1, leaving it 10.6% above pre-pandemic levels. The labour force grew by 3.3% YoY in Q1, and is up 10.2% since end 2019 Weekly average earnings rose by 4.3% YoY in Q1. Public sector pay was up 7.7% YoY. Private sector earnings rose by 3.4% YoY in Q1, with a sharp increase in pay in the ICT sector	
Services Exports - YoY % (3Q Avg) * Excludes Some Investment Related to the Multination EMPLOYMENT & EARNINGS Employment YoY % Labour Force YoY % Average Earnings YoY % - Hourly - Weekly Weekly Earnings YoY % - Private Sector - Public Sector	onal Sector	9.9 12.1 2.7 4.1 5.0 2.2	9.8 7.9 3.7 5.4 5.8 5.3	15.3 10.1 8.9 2.8 1.9 2.8 0.2	13.4 12.3 9.6 2.2 2.9 4.8 -1.3	9.2 9.2 9.3 9.2 9.2 9.2 9.2 9.2 9.2 9.2 9.2 9.2 9.2	3.4 2.7 2.0 2.0 2.0 3.6 6.0 4.9 2.4 10.8 10.4	4.1 3.3 4.1 5.4,3 4.7,7 6716	higher in YoY terns Employment rose by 4.1% YoY in Q1, leaving it 10.6% above pre-pandemic levels. The labour force grew by 3.3% YoY in Q1, and is up 10.2% since end 2019 Weekly average earnings rose by 4.3% YoY in Q1. Public sector pay was up 7.7% YoY. Private sector earnings rose by 3.4% YoY in Q1, with a sharp increase in pay in the ICT sector	



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