

Irish Economy Watch

AIB Treasury Economic Research Unit



Friday 22 October 2021

	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	
MANUFACTURING									
AIB Manufacturing PMI	52.0	57.1	60.8	64.1	64.0	63.3	62.8	60.3	The manufacturing PMI fell in Sept, but remained above 60 for the sixth month running. Input and labour shortages though, continue to lengthen delivery times and add to inflation
OECD Leading Indicator	99.7	100.1	100.7	101.3	101.9	102.4	102.8	103.1	
Industrial Production (Ex-Modern)	115.0	110.4	121.7	121.7	120.9	120.8	115.9	#N/A	Traditional production fell in August. However, output was up 15.3% YoY in the past 3 months
Production (Ex-Modern) : 3mma YoY%	2.3	-0.7	15.4	30.6	41.7	30.1	15.3	#N/A	
3mth / 3mth % seas. adj.	5.2	1.9	1.6	2.0	6.5	4.7	1.1	#N/A	
SERVICES / RETAIL									
AIB Services PMI	41.2	54.6	57.7	62.1	63.1	66.6	63.7	63.7	The services sector continues to see a sharp rebound in activity, with the PMI unchanged in Sept at 63.7. New business growth accelerated, led by exports. Price pressures intensified further also
CSO Services Index (Value)	119.8	122.3	119.4	121.4	128.4	128.8	131.7	#N/A	
- YoY %	-5.7	-0.6	23.2	19.7	15.8	14.9	15.3	#N/A	
- 3mth / 3mth % seas. adj.	1.9	1.4	2.1	1.1	2.9	4.7	7.1	#N/A	The CSO Services Index continued to trend higher, rising by 2.3% in August
SIMI Car Registrations	13,698	9,192	7,147	5,914	2,762	26,412	5,944	4,409	
- 12 mth cum total	83,375	86,560	93,364	97,537	99,293	104,534	105,670	104,428	A strong performance since April means new car sales are up 19.3% YTD. However, they are still 11.7% lower vs. 2019 levels
- 3 mma YoY %	-10.4	-3.5	54.1	175.0	412.1	46.7	30.1	16.2	
Retail Sales Index	122.7	123.3	125.6	129.9	133.3	130.1	134.6	#N/A	Retail sales rose by 3.5% in August and were 6% higher YoY. Core retail sales were also at elevated levels, up 3.5% YoY
- YoY %	1.0	12.8	83.4	46.1	9.8	4.5	6.0	#N/A	
- 3mth / 3mth % seas. adj.	-5.8	-5.6	8.4	7.4	11.6	5.8	5.1	#N/A	
Ex Autos Index	116.6	118.0	116.3	125.4	135.5	129.2	132.7	#N/A	Construction PMI edged lower to 56.3 in Sept. from 57.5 previously. Activity remained well above 50 for all sub-indices, with business expectations remaining very elevated
- YoY %	-2.8	-0.2	28.4	21.2	9.5	1.7	3.5	#N/A	
- 3mth / 3mth % seas. adj.	-6.3	-8.5	-0.5	1.6	9.9	11.2	10.5	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									
Construction PMI: Ulster Bank	27.0	30.9	49.3	66.4	65.0	62.8	57.5	56.3	Housing has performed strongly since the sector re-opened, with commencements up 21.4% YTD vs. 2019 level in August. 12mth total rise above 29k also
- Housing Activity	23.8	33.8	54.8	73.4	68.8	63.7	62.2	59.8	
- Commercial Activity	31.2	31.3	42.2	63.5	63.8	60.9	54.9	56.7	Mortgage approvals remain elevated in August. 3mma up 4.9% on same period in 2019.
- New Orders	30.5	39.7	55.1	68.2	63.7	65.4	61.7	57.5	
- Business Expectations	64.2	73.9	73.9	73.6	71.9	73.6	71.1	68.1	
Commencements: 12mth Total	19,122	17,708	21,405	25,501	27,264	28,974	29,565	#N/A	Transactions continue to recover in 2021, although, they remain 2.2% lower YTD vs. 2019 levels
- 3 Month Avg YoY %	-43.9	-58.0	6.6	148.5	308.4	205.6	92.8	#N/A	
HOUSING MARKET ACTIVITY									
BPFI Mortgage Approvals : Month	2,964	3,420	3,537	3,814	4,167	4,144	3,749	#N/A	House prices jumped by 2.2% in August, the largest monthly rise since July 2017. Prices are 10.9% higher YoY also
- 3 Month Avg YoY %	13.8	7.7	51.7	114.5	210.1	111.9	55.9	#N/A	
- 12 Mth Total	34,384	34,809	37,640	40,134	42,613	44,044	44,456	#N/A	
RPPR Transactions : Month	4,371	5,164	4,194	4,159	4,668	5,123	4,662	4,568	Daft asking prices fell in Sept for the first time since Feb. Marked deceleration in the YoY rate also
- 3 Month Avg YoY %	7.9	9.1	28.2	40.3	57.4	49.9	49.2	31.3	
- 12 Mth Total	49,478	50,215	51,785	53,362	54,964	56,426	58,128	58,388	CSO rental index rose sharply again in Sept, up by 1.8%. YoY rate at 5.9%
HOUSING MARKET PRICES									
CSO Price Index - MoM	0.4	0.5	0.9	0.8	1.4	1.7	2.2	#N/A	Affordability index deteriorates as house prices rise by more than industrial wages in Q2
- YoY %	3.1	3.5	4.5	5.4	6.8	8.5	10.9	#N/A	
Daft Asking Prices: MoM %	-1.2	1.9	1.7	0.6	0.5	0.8	0.2	-1.0	CSO rental index rose sharply again in Sept, up by 1.8%. YoY rate at 5.9%
- YoY %	6.9	7.1	15.0	11.5	12.7	10.7	7.1	7.6	
RENTS: CSO Private Rents - MoM%	0.2	0.8	1.2	-0.2	0.1	0.3	1.5	1.8	Affordability index deteriorates as house prices rise by more than industrial wages in Q2
- YoY %	-2.5	-1.4	1.6	2.6	3.0	3.1	4.5	5.9	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	17.5	17.7	18.0	18.4	18.6	#N/A	#N/A	#N/A	

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CONSUMER PRICES - YoY %	-0.4	0.0	1.1	1.7	1.6	2.2	2.8	3.7	Consumer prices rose by 0.5% in Sept, led by further increases in energy, fuel and transport costs. Owing to base effects (prices fell by 0.4% in Sept'20), the YoY rate accelerated to 3.7%. HICP rate increased also, to 3.8%
- MoM %	0.4	0.8	0.7	0.1	0.2	0.4	0.6	0.5	
HICP - YoY %	-0.4	0.1	1.1	1.9	1.6	2.2	3.0	3.8	
- MoM %	0.3	0.9	0.6	0.2	0.1	0.4	0.7	0.4	
PERSONAL / FINANCIAL									
KBC/ESRI Consumer Confidence	70.8	77.1	77.9	85.8	87.2	84.9	86.5	86.4	Consumer sentiment held steady at 86.4 in September and is just below the two year high (87.2) recorded in June
Credit Growth YoY %									
- Private Sector (Underlying)	-2.3	-5.7	-4.2	-3.2	-3.1	-1.6	-1.6	#N/A	Household credit declined by 1.6% YoY in August. Mortgage lending down by 1.2% YoY also
- of which : Household	-1.8	-1.8	-1.8	-1.6	-1.6	-1.3	-1.3	#N/A	
- of which : Mortgage Lending	-1.1	-1.2	-1.3	-1.3	-1.3	-1.2	-1.2	#N/A	
LABOUR MARKET									
Live Register	188,100	186,100	178,900	174,300	171,200	169,300	170,300	165,000	Official unemployment rate was at 6.4% in September. The Covid adjusted rate fell to 10% from 12.4% as the number of PUP recipients continued to trend lower in the month
- Change In Month	-2,200	-2,000	-7,200	-4,600	-3,100	-1,900	+1,000	-5,300	
Unemployment Rate %	7.5	7.6	7.4	7.0	6.8	6.5	6.5	6.4	
PMI Employment Indices									
- AIB Manufacturing	52.9	55.7	57.7	60.0	59.4	57.7	58.0	55.6	Employment subcomponents of the manufacturing, construction and services PMIs declined, but were above 50 in Sept, as firms hire to meet strong demand
- AIB Services	48.6	52.6	53.0	54.8	58.6	60.0	58.3	56.8	
- Ulster Bank Construction	34.5	43.7	51.6	58.2	56.9	56.4	57.4	54.8	
MERCHANDISE TRADE									
Export Values - 3M / 3M %	-4.0	-1.3	-3.5	2.4	2.2	4.0	3.0	#N/A	Goods trade surplus rose by 10% to €5.7bn in August. Exports rose by 5% YoY in August, but were 2% lower YTD. Imports increased by 20% YoY & were 16% higher YTD. Exports to the UK were up 21% YTD, while imports were down 30%
- 3MMA YoY %	-0.5	-8.6	-2.6	-3.0	7.3	2.3	1.2	#N/A	
Import Values - 3M / 3M %	0.0	-2.9	0.3	11.1	13.8	8.7	2.2	#N/A	
- 3MMA YoY %	-7.1	1.1	17.7	39.1	42.1	21.8	17.2	#N/A	
PUBLIC FINANCES									
Total Tax Receipts: Cum YTD %	-8.1	1.0	4.2	9.1	9.8	13.0	15.2	15.9	Exchequer finances better than expected so far this year, owing to very strong tax intake (up 15.9% YTD). Net voted spending up 2.3% YTD. 12mth deficit falls to €9.2bn in September
Voted Spending : Cum YTD %	11.0	13.9	7.3	1.9	1.3	0.5	0.3	2.3	
Exchequer Bal: 12 Mth Total €m	-14,038	-13,953	-12,472	-12,212	-12,285	-10,657	-9,546	-9,162	
QUARTERLY DATA									
	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	
GDP - YoY %	6.0	5.1	6.5	1.4	10.8	4.5	11.2	21.6	GDP expanded by 21.6% YoY in Q2, due to base effects, and an easing of some restrictions
*Domestic Demand - YoY%	3.3	2.0	-2.7	-12.2	-2.8	-2.2	-5.3	15.1	
Consumer Spending - YoY %	3.2	2.9	-5.8	-19.5	-7.7	-8.8	-11.9	19.4	Modified domestic demand rose by 15.1% YoY in Q2, led by a 19.4% YoY increase in consumer spending
Services Exports - YoY % (3Q Avg)	17.2	17.4	13.1	5.8	0.0	1.0	4.7	12.2	
* Excludes Some Investment Related to the Multinational Sector									
EMPLOYMENT & EARNINGS									
Employment YoY %	2.4	3.6	2.1	-6.9	-3.2	-3.4	-5.0	9.9	Employment rose by 9.9% YoY in Q2, as the economy re-opened more fully. However, base effects and government supports are impacting the data
Labour Force YoY %	1.6	2.6	2.0	-6.9	-0.9	-2.0	-2.5	12.1	
Average Earnings YoY %									Weekly earnings growth slows to +3.9% YoY in Q2, from 7.6% in Q1, and 7.7% in Q4 2020 as the changing composition of the labour force continues to distort the data
- Hourly	4.0	3.9	3.0	7.2	3.6	5.5	8.5	3.0	
- Weekly	3.6	3.8	3.7	6.0	3.3	7.7	7.6	3.9	
Weekly Earnings YoY %									
- Private Sector	4.0	4.0	4.0	6.0	3.1	9.1	7.7	4.6	
- Public Sector	1.3	3.1	3.1	2.9	2.5	3.0	4.8	2.6	
CSO DWELLING COMPLETIONS									
- YoY %	5647	6378	4932	3229	5048	7326	3934	5021	Completions performed much better than expected over the first half of the year, rising by 9.7% YoY
- Cum 12 Mth Total	22.0	17.5	16.1	-32.8	-10.6	14.9	-20.2	55.5	
	20126	21075	21759	20186	19587	20535	19537	21329	



Oliver Mangan
Chief Economist
oliver.n.mangan@aib.ie

John Fahey
Senior Economist
john.j.fahey@aib.ie

Daniel Noonan
Economist
daniel.x.noonan@aib.ie

AIB, 10 Molesworth Street, Dublin 2

Tel: 353-1-6600311

<https://aib.ie/investorrelations/economic-research-unit>