

# Irish Economy Watch

AIB Treasury Economic Research Unit



Friday 25 April 2025

Aug-24 Sep-24 Oct-24 Nov-24 Dec-24 Jan-25 Feb-25 Mar-25

## MANUFACTURING

AIB Manufacturing PMI	50.4	49.4	51.5	49.9	49.1	51.3	51.9	51.6
AIB Manufacturing PMI - Future Output	63.0	64.3	68.8	67.5	71.6	70.3	64.6	65.6
Industrial Production (Ex-Modern)	115.3	120.2	121.4	113.1	121.3	112.0	113.8	#N/A
Production (Ex-Modern) : 3mma YoY%	1.3	1.7	5.2	4.4	3.6	-1.0	-0.9	#N/A
3mth / 3mth % seas. adj.	-0.7	1.3	4.3	2.8	1.7	-2.9	-2.1	#N/A

The manu. PMI eased to 51.6 in Mar, indicating a slightly slower pace of growth. Output rose and new orders growth accelerated, while export orders expanded for the first time since Jan 2024

Traditional industrial production fell by 2.1% in the 3 mths to Feb, and was down by 0.9% YoY also

## SERVICES / RETAIL

AIB Services PMI	53.8	55.7	53.8	58.3	57.1	53.4	53.2	55.3
CSO Services Index (Value)	143.7	144.4	147.2	150.3	152.6	153.6	158.2	#N/A
- YoY %	13.7	12.5	17.1	16.7	16.4	16.0	21.2	#N/A
- 3mth / 3mth % seas. adj.	3.6	2.3	3.5	4.0	5.2	4.9	5.1	#N/A
SIMI Car Registrations	7,532	5,116	2,416	1,119	423	33,483	13,995	17,306
- 12 mth cum total	121,323	120,712	120,920	121,118	121,196	123,272	120,837	123,499
- 3 mma YoY %	-10.1	-7.3	-7.0	-2.3	13.9	7.2	-0.6	3.7
Retail Sales Index	111.0	111.4	111.9	112.5	113.9	113.9	114.7	#N/A
- YoY %	-2.2	0.2	1.4	-1.1	1.0	0.5	1.9	#N/A
- 3mth / 3mth % seas. adj.	-0.8	-0.4	-0.9	0.0	1.0	1.8	2.0	#N/A
Ex Autos Index	111.9	113.0	112.7	113.5	112.4	112.2	113.6	#N/A
- YoY %	-1.1	1.1	1.2	0.4	0.4	-0.4	1.6	#N/A
- 3mth / 3mth % seas. adj.	0.5	1.0	0.7	1.2	0.5	0.1	-0.3	#N/A

The serv. PMI jumped to 55.3 in Mar, consistent with a faster pace of expansion. New business rose at a sharper rate, while new exports increased modestly. Inflationary pressures in the sector accelerated

The CSO services index was up by 21.2% YoY in Feb

New car sales are 3.7% higher YTD in Q1 compared to 2024, amid a strong Mar. 12 mth running total up above 123k

Headline retail sales increased slightly in Feb, and were 1.9% higher YoY. Similarly, core retail sales were up by 1.6% YoY

## RESIDENTIAL CONSTRUCTION ACTIVITY

AIB Construction PMI	50.0	49.0	49.4	47.5	51.6	48.2	48.7	53.9
- Housing Activity	49.8	51.0	56.4	50.3	54.4	52.7	53.3	53.5
- Commercial Activity	51.1	47.9	47.0	47.2	51.0	48.0	51.7	56.0
- New Orders	51.8	52.4	48.4	52.5	52.8	48.4	50.6	53.8
- Business Expectations	64.7	62.9	63.6	63.5	67.1	65.3	60.2	57.6
Commencements: 12mth Total	50,190	60,921	63,349	61,649	69,060	66,873	64,175	59,989
- 3 Month Avg YoY %	-29.7	108.8	159.7	137.8	91.7	36.6	24.7	-75.7

The construction PMI returned to expansion mode, rising to 53.9 in Mar. Housing activity continued to rise, while commercial activity and new orders moved markedly higher

Having rocketed higher to 69k in 2024, housing commencements have been very weak in Q1. YTD, they are down by 75.7%. 12 mth total is back at 60k

## HOUSING MARKET ACTIVITY

BPFI Mortgage Approvals : Month	3,933	3,731	4,088	3,702	2,949	2,745	2,791	#N/A
- 3 Month Avg YoY %	0.6	5.6	5.4	6.5	11.2	8.0	6.0	#N/A
- 12 Mth Total	42,090	42,294	42,706	42,794	43,379	43,406	43,275	#N/A
RPPR Transactions : Month	4,916	5,087	6,205	5,598	6,687	3,521	4,032	4,117
- 3 Month Avg YoY %	-6.0	-5.0	-3.5	0.7	0.6	-2.7	-3.5	-3.4
- 12 Mth Total	61,158	60,744	61,344	61,271	60,846	60,911	60,761	60,432

Mortgage approvals rose by 6.0% in the 3 mths to Feb. Overall, 43.3k approvals were registered over the past year

Residential property transactions fell by 3.4% YoY in Q1. the 12 mth total is at 60.4K

## HOUSING MARKET PRICES

CSO Price Index - MoM	0.9	0.8	0.8	0.9	0.6	0.1	0.3	#N/A
- YoY %	10.1	9.9	9.7	9.6	8.8	8.2	8.0	#N/A
Daft Asking Prices: MoM %	0.6	0.5	0.8	0.6	0.7	2.4	1.9	-0.4
- YoY %	8.4	7.9	11.3	12.1	11.6	13.6	13.6	13.2
RENTS: CSO Private Rents - MoM%	0.7	1.1	0.4	0.5	0.5	0.1	0.2	0.0
- YoY %	4.0	4.4	4.8	5.1	5.4	5.4	5.2	5.2

The annual rate of house price growth continued to slow in Feb, easing to 8.0% YoY

Asking prices on Daft.ie rose by 4.2% in Q1. They were up 13.5% YoY in the quarter

CSO rental index stagnated in Mar. Similarly, the YoY rate remained at 5.2%

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

- Mortgage as % of Disposable Income	23.7	23.9	23.6	23.6	23.5	#N/A	#N/A	#N/A
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Affordability was steady in Q4, as house price growth slowed and wage growth accelerated

	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	
<b>CONSUMER PRICES - YoY %</b>	1.7	0.7	0.7	1.0	1.4	1.9	1.8	2.0	Consumer prices rose by 0.7% in Mar, lifting CPI inflation to 2.0%. Similarly, HICP rose by 0.7% in Mar, with the annual rate rising to 1.8%. Higher food and alcohol prices were the main drivers of inflation
- MoM %	0.1	-0.9	0.3	-0.5	0.9	-0.8	0.9	0.7	
HICP - YoY %	1.1	0.0	0.1	0.5	1.0	1.7	1.4	1.8	Sentiment deteriorated sharply to 67.5 in Mar, its weakest reading since last May
- MoM %	0.1	-1.0	0.3	-0.5	0.9	-0.8	0.8	0.7	

## PERSONAL / FINANCIAL

ILCU Consumer Sentiment Index	72.0	71.9	74.1	74.1	73.9	74.9	74.8	67.5	Private sector credit growth rate accelerated in Feb, with the household/mortgage credit growth rates increasing also
Credit Growth YoY %									
- Private Sector	1.3	2.4	1.8	2.5	3.0	1.9	2.7	#N/A	
- of which : Household	2.3	2.6	2.8	2.9	3.1	3.2	3.4	#N/A	
- of which : Mortgage Lending	2.0	2.3	2.6	2.9	3.0	3.2	3.4	#N/A	

## LABOUR MARKET

Live Register	170,600	167,900	168,700	162,300	165,500	165,000	164,500	162,900	The unemployment rate has been below 5% for over 3 years, the longest such sequence on record. It fell further, and averaged just 4.0% in Q1
- Change In Month	-1,200	-2,700	+800	-6,400	+3,200	-500	-500	-1,600	
Unemployment Rate %	4.1	4.2	4.2	4.2	4.4	4.0	3.9	4.0	The employment sub-index of the manu PMI fell in Mar, but stayed in expansion mode. The construction and services sub-indices improved and were also above the key 50 level
PMI Employment Indices									
- AIB Manufacturing	53.5	49.6	49.6	49.3	51.4	53.4	50.7	50.4	
- AIB Services	54.0	52.5	51.0	52.1	53.0	49.9	53.2	54.3	
- AIB Construction	47.7	51.7	51.8	52.2	53.2	51.7	48.0	50.4	

## MERCHANDISE TRADE

Export Values - 3M / 3M %	-2.9	9.0	17.0	19.6	1.8	3.6	8.2	#N/A	Goods trade surplus widened to €28.1bn YTD in Feb, up 88.3% YoY. Exports rose by 44.5% to €50.4bn, led by a marked increase in pharma and medical products (up 109.6%). Imports stood at €22.3bn YTD in Feb, up 11.8% YoY
- 3MMA YoY %	4.3	21.9	23.6	31.2	23.6	29.3	36.8	#N/A	
Import Values - 3M / 3M %	9.2	7.5	-2.0	-7.4	-6.2	-0.7	4.3	#N/A	
- 3MMA YoY %	3.2	4.3	-0.2	-8.4	-7.2	-4.4	6.9	#N/A	

## PUBLIC FINANCES

Total Tax Receipts: Cum YTD %	12.6	11.0	14.9	20.8	22.6	29.3	26.5	17.5	Total tax take up 17.5% YTD in Mar. Voted expenditure rose by 10.8% YTD, owing to increases in current and capital spending. 12mth rolling Exchequer surplus up to €16.6bn
Voted Spending : Cum YTD %	13.7	12.8	12.7	11.3	9.3	28.3	12.5	10.8	
Exchequer Bal: 12 Mth Total €m	5,286	5,070	3,326	9,576	12,755	14,053	16,108	16,636	

## QUARTERLY DATA

	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	
<b>GDP - YoY %</b>	-3.9	-8.4	-9.1	-4.5	-3.0	3.2	9.2	#N/A	Overall, GDP expanded by 1.2% in 2024, largely due to a sharp rebound in exports of 11.7%
*Domestic Demand - YoY%	0.9	-0.2	4.2	2.7	2.9	4.0	1.3	#N/A	
Consumer Spending - YoY %	6.5	1.7	4.0	3.0	2.4	1.4	2.3	#N/A	
Services Exports - YoY % (3Q Avg)	-1.6	0.6	3.7	9.2	17.8	18.2	15.4	#N/A	

\* Excludes Some Investment Related to the Multinational Sector

## EMPLOYMENT & EARNINGS

Employment YoY %	3.1	3.6	3.4	1.9	2.7	3.7	2.6	#N/A	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
Labour Force YoY %	3.0	3.8	3.5	2.0	2.9	3.5	2.4	#N/A	
Average Earnings YoY %									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
- Hourly	5.3	6.1	1.9	4.9	5.5	5.0	6.2	#N/A	
- Weekly	4.4	4.4	2.6	5.0	5.7	5.5	5.6	#N/A	
Weekly Earnings YoY %									
- Private Sector	3.9	3.8	4.1	5.3	5.9	5.4	4.8	#N/A	
- Public Sector	6.1	5.9	-1.3	4.0	4.5	4.7	6.4	#N/A	

## CSO DWELLING COMPLETIONS

- YoY %	7264	8400	10216	5819	6829	8897	8692	5938	Around 6k new dwelling completions were registered in Q1, up 2% YoY. 12 mth running total remains just north of 30k
- Cum 12 Mth Total	-4.3	14.0	12.5	-12.3	-6.0	5.9	-14.9	2.0	
	30351	31382	32515	31699	31264	31761	30237	30356	



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