

Irish Economy Watch

AIB Treasury Economic Research Unit



Friday 16 July 2021

	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	
MANUFACTURING									
AIB Manufacturing PMI	52.2	57.2	51.8	52.0	57.1	60.8	64.1	64.0	Manufacturing PMI at 64 in June as activity in the sector continues to grow at a robust pace. Supply chains remain under severe pressure though, resulting in broad based price rises
OECD Leading Indicator	99.8	99.9	100.0	100.1	100.4	100.6	100.9	101.1	
Industrial Production (Ex-Modern)	109.4	115.0	116.4	114.8	110.4	121.8	121.1	#N/A	Traditional industrial production output inched 0.5% lower in May, but 3mma up 2.1%
Production (Ex-Modern) : 3mma YoY%	-2.6	-0.1	-0.3	2.3	-0.7	15.3	30.2	#N/A	
3mth / 3mth % seas. adj.	5.4	2.4	3.8	5.1	1.9	1.8	2.1	#N/A	
SERVICES / RETAIL									
AIB Services PMI	45.4	50.1	36.2	41.2	54.6	57.7	62.1	63.1	In June, the services PMI rose to 63.1, driven by a release of pent up demand. Growth in activity was very strong across all sub-sectors. Cost pressures continue to intensify, as input prices rise faster than prices charged
CSO Services Index (Value)	113.5	121.6	115.4	119.2	121.5	121.0	120.2	#N/A	
- YoY %	-10.0	-0.9	-7.9	-5.4	-1.1	23.7	18.5	#N/A	
- 3mth / 3mth % seas. adj.	2.1	0.3	-0.3	1.9	1.5	3.2	1.8	#N/A	CSO Services Index edged slightly lower again in May, but was up 1.8% on a 3m/3m basis
SIMI Car Registrations	913	601	25,142	13,700	9,192	7,148	5,915	2,764	
- 12 mth cum total	87,947	88,324	82,817	83,379	86,564	93,369	97,543	99,301	
- 3 mma YoY %	39.5	20.6	-15.7	-10.4	-3.5	54.1	175.1	412.2	New car sales up 20.8% YTD vs. 2020 sales. However, they are down 20.9% YTD vs. 2019 levels
Retail Sales Index	113.4	127.9	101.8	121.6	121.4	123.0	125.2	#N/A	
- YoY %	-4.5	7.1	-14.7	0.7	12.4	82.5	43.9	#N/A	
- 3mth / 3mth % seas. adj.	-0.6	-4.8	-12.3	-6.7	-6.8	6.7	5.2	#N/A	Total retail sales rose by 1.8% in May. Ex-autos sales up by 9.1% also as the retail sector re-opened in the month
Ex Autos Index	114.8	129.1	108.7	116.6	118.2	116.4	127.0	#N/A	
- YoY %	-3.2	7.1	-9.9	-2.9	0.0	28.3	22.6	#N/A	
- 3mth / 3mth % seas. adj.	-0.1	-3.1	-9.8	-6.2	-8.4	-0.4	2.0	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									
Construction PMI: Ulster Bank	53.5	52.3	21.2	27.0	30.9	49.3	66.4	65.0	Construction PMI printed at 65.0 in June as activity in the sector expanded rapidly. Housing and commercial activity remained exceptionally strong, as the sector continued to experience a post-lockdown bounce
- Housing Activity	53.0	56.2	19.0	23.8	33.8	54.8	73.4	68.8	
- Commercial Activity	50.0	49.7	24.2	31.2	31.3	42.2	63.5	63.8	
- New Orders	57.3	55.6	29.4	30.5	39.7	55.1	68.2	63.7	Commencements ramped up significantly again in May. 12 mth total moved above 25k for the first time since April 2020
- Business Expectations	60.5	62.5	59.9	64.2	73.9	73.9	73.6	71.9	
Commencements: 12mth Total	21,830	21,686	21,019	19,122	17,708	21,405	25,501	#N/A	
- 3 Month Avg YoY %	-3.3	-1.4	3.7	-43.9	-58.0	6.6	148.5	#N/A	
HOUSING MARKET ACTIVITY									
BPFI Mortgage Approvals : Month	4,372	3,247	2,696	2,964	3,420	3,537	3,814	#N/A	Mortgage approvals continue to rise in May. 3mma up 2.2% on same period in 2019. 12mth total above 40k for the first time since the pandemic began also
- 3 Month Avg YoY %	25.4	27.5	23.6	13.8	7.7	51.7	114.5	#N/A	
- 12 Mth Total	33,302	34,156	34,258	34,384	34,809	37,640	40,134	#N/A	
RPPR Transactions : Month	5,357	7,413	3,146	4,354	5,140	4,169	4,077	3,783	Transactions continued to gather momentum in Q2. 3mma up 45.4% YoY in June
- 3 Month Avg YoY %	-3.5	5.5	3.4	7.7	8.7	27.5	39.0	45.4	
- 12 Mth Total	48,387	49,151	48,755	49,448	50,161	51,706	53,201	53,918	
HOUSING MARKET PRICES									
CSO Price Index - MoM	0.6	0.7	0.4	0.4	0.5	0.9	0.9	#N/A	House prices rose 0.9% in May, YoY growth rate at 5.5%. Ex-Dublin price inflation (+6.2%) outpaces the capital (+4.9%)
- YoY %	0.4	2.2	2.5	3.1	3.5	4.5	5.5	#N/A	
Daft Asking Prices: MoM %	0.4	1.0	1.7	-1.2	1.9	1.7	0.6	0.5	
- YoY %	8.9	7.4	8.7	6.9	7.1	15.0	11.5	12.7	Daft.ie asking prices up 12.7% YoY in June
RENTS: CSO Private Rents - MoM%	0.0	0.4	0.3	0.2	0.8	1.2	-0.2	0.1	CSO rental index rose by 0.2% June. YoY rate increased to 3.0%, largely due to base effects
- YoY %	-3.2	-2.9	-2.5	-2.5	-1.4	1.6	2.6	3.0	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	17.4	17.5	17.5	17.4	17.6	#N/A	#N/A	#N/A	

	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21		
CONSUMER PRICES - YoY %	-1.1	-1.0	-0.2	-0.4	0.0	1.1	1.7	1.6	Prices rose by 0.2% in June, led by increases in energy, fuel and transport costs. Annual CPI edged lower to 1.6% from 1.7%, although the index remains impacted by base effects. HICP rate at 1.6% in June also	
- MoM %	0.3	0.3	0.1	0.4	0.8	0.7	0.1	0.2		
HICP - YoY %	-1.0	-1.0	-0.1	-0.4	0.1	1.1	1.9	1.6		
- MoM %	0.3	0.2	0.2	0.3	0.9	0.6	0.2	0.1		
PERSONAL / FINANCIAL										
KBC/ESRI Consumer Confidence	65.5	74.6	64.9	70.8	77.1	77.9	85.8	87.2	Consumer sentiment improved again in June, hitting its highest level in two years, as the economy continues to re-open	
Credit Growth YoY %										
- Private Sector (Underlying)	-2.8	-2.6	-2.2	-2.3	-5.7	-4.1	-3.3	#N/A	Household credit declined by 1.6% YoY in May. Mortgage lending down by 1.3% YoY also	
- of which : Household	-1.5	-1.5	-1.7	-1.8	-1.8	-1.8	-1.6	#N/A		
- of which : Mortgage Lending	-1.0	-1.0	-1.1	-1.1	-1.2	-1.3	-1.3	#N/A		
LABOUR MARKET										
Live Register	204,700	193,800	189,800	187,200	185,000	180,100	174,400	170,900	Official unemployment rate fell to 7.6% in June, from 7.8% in May. The Covid adjusted rate fell below 20% for the first time since September, to 18.3% as the number of PUP payments continue to trend downwards	
- Change In Month	-5,900	-10,900	-4,000	-2,600	-2,200	-4,900	-5,700	-3,500		
Unemployment Rate %	6.2	6.3	7.1	7.6	7.7	7.9	7.8	7.6		
PMI Employment Indices										
- AIB Manufacturing	51.2	53.0	50.8	52.9	55.7	57.7	60.0	59.4	Employment subcomponent of the manufacturing, services and construction PMIs all remained well above 50 in June	
- AIB Services	49.0	51.1	49.8	48.6	52.6	53.0	54.8	58.6		
- Ulster Bank Construction	52.4	54.3	34.6	34.5	43.7	51.6	58.2	56.9		
MERCHANDISE TRADE										
Export Values - 3M / 3M %	0.4	-2.8	0.3	-4.5	-1.5	-3.1	3.0	#N/A	Goods trade surplus increased by 10% to €5bn in May. Exports increased by 5.5% YoY in May, but were 2% lower YTD. Imports were up 33.2% YoY in May, and were 14.4% higher YTD, driven by an increase in chemical & machinery imports.	
- 3MMA YoY %	3.6	1.5	2.5	-0.8	-8.9	-2.9	-2.9	#N/A		
Import Values - 3M / 3M %	3.8	8.4	14.0	-0.2	-3.4	-0.6	11.0	#N/A		
- 3MMA YoY %	-1.9	3.7	4.9	-7.9	0.2	16.8	38.9	#N/A		
PUBLIC FINANCES										
Total Tax Receipts: Cum YTD %	-6.9	-3.6	-8.8	-8.1	1.0	4.2	9.1	9.8	Exchequer deficit of €5.3bn recorded to end of June. Tax intake up 9.8% YTD due to base effects. Total net voted spending up 1.3% YTD. 12 Mth running balance improves to -€12.3bn	
Voted Spending : Cum YTD %	23.7	25.3	2.4	11.0	13.9	7.3	1.9	1.3		
Exchequer Bal: 12 Mth Total €m	-11,627	-12,316	-12,741	-14,038	-13,953	-12,472	-12,212	-12,285		
QUARTERLY DATA										
		Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	
GDP - YoY %		4.0	6.0	5.1	6.5	1.4	10.8	4.5	10.7	Q1 GDP up 10.7 YoY%, largely due to distortionary effect from MNC's. GNP up 2.2% YoY
*Domestic Demand - YoY%		-0.2	3.3	2.0	-2.7	-12.2	-2.8	-2.2	-4.8	
Consumer Spending - YoY %		3.8	3.2	2.9	-5.8	-19.5	-7.7	-8.8	-11.8	Modified domestic demand contracted by 4.8% YoY in Q1, driven by an 11.8% fall in personal consumption
Services Exports - YoY % (3Q Avg)		15.9	17.2	17.4	13.1	5.8	0.0	1.0	4.7	
* Excludes Some Investment Related to the Multinational Sector										
EMPLOYMENT & EARNINGS										
Employment YoY %		2.1	2.4	3.6	2.1	-6.9	-3.2	-3.4	-5.0	Employment declined by 5.0% YoY in Q1. However, this likely understates labour market weakness, as many jobs still rely on government supports
Labour Force YoY %		1.4	1.6	2.6	2.0	-6.9	-0.9	-2.0	-2.5	
Average Earnings YoY %										Weekly earnings growth at +8.4% YoY in Q1. Although, the changing composition of the work force is distorting the data, with job losses concentrated amongst lower paid workers
- Hourly		3.3	4.0	3.9	3.0	7.2	3.6	5.5	8.6	
- Weekly		3.6	3.6	3.8	3.7	6.0	3.3	7.7	8.4	
Weekly Earnings YoY %										
- Private Sector		4.0	4.0	4.0	4.0	6.0	3.1	9.1	8.7	
- Public Sector		1.9	1.3	3.1	3.1	2.9	2.5	3.0	4.9	
CSO DWELLING COMPLETIONS										
- YoY %		4800	5649	6379	4945	3230	5065	7344	3953	Completions down 20.1% YoY in Q1, not a bad as expected. Although, 12 mth running total falls back below 20k
- Cum 12 Mth Total		9.3	21.9	17.5	16.4	-32.7	-10.3	15.1	-20.1	
		19110	20126	21076	21773	20203	19619	20584	19592	



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