

Irish Economy Watch

AIB Treasury Economic Research Unit



Wednesday 26 March 2025

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

MANUFACTURING

AIB Manufacturing PMI	50.1	50.4	49.4	51.5	49.9	49.1	51.3	51.9
AIB Manufacturing PMI - Future Output	67.9	63.0	64.3	68.8	67.5	71.6	70.3	64.6
Industrial Production (Ex-Modern)	114.6	115.6	120.5	121.8	113.2	120.7	113.7	#N/A
Production (Ex-Modern) : 3mma YoY%	0.6	1.3	1.7	5.2	4.5	3.6	-0.5	#N/A
3mth / 3mth % seas. adj.	-2.5	-0.6	1.5	4.5	2.8	1.4	-2.9	#N/A

The manu. PMI rose to 51.9 in Feb, indicating the fastest pace of growth in a year. Output increased robustly and new orders growth accelerated, while export orders stabilised

Traditional industrial production fell by 2.9% in the 3 mths to Jan, and it was down by 0.5% YoY

SERVICES / RETAIL

AIB Services PMI	53.6	53.8	55.7	53.8	58.3	57.1	53.4	53.2
CSO Services Index (Value)	180.2	183.3	182.5	185.4	189.0	188.2	191.4	#N/A
- YoY %	10.4	11.4	8.2	8.4	16.7	10.9	11.3	#N/A
- 3mth / 3mth % seas. adj.	1.7	1.6	1.3	2.5	2.6	3.0	3.2	#N/A
SIMI Car Registrations	25,665	7,532	5,116	2,416	1,119	423	33,471	13,991
- 12 mth cum total	122,052	121,323	120,712	120,920	121,118	121,196	123,260	120,821
- 3 mma YoY %	-11.4	-10.1	-7.3	-7.0	-2.3	13.9	7.2	-0.6
Retail Sales Index	112.6	111.2	111.7	111.6	112.3	113.5	112.9	#N/A
- YoY %	1.4	-1.9	0.3	1.4	-1.1	0.8	-0.4	#N/A
- 3mth / 3mth % seas. adj.	-0.7	-0.8	-0.2	-0.7	-0.1	0.6	1.3	#N/A
Ex Autos Index	111.7	111.4	112.4	112.2	112.9	113.3	111.6	#N/A
- YoY %	0.4	-1.3	0.9	1.1	0.4	0.9	-0.3	#N/A
- 3mth / 3mth % seas. adj.	-0.2	-0.3	0.1	0.3	0.9	0.9	0.5	#N/A

The serv. PMI eased slightly to 53.2 in Feb, consistent with a slower pace of expansion. New business, including new exports continued to grow at a weaker rate. Input and output price inflation both remained elevated

The CSO services index was up by 11.3% YoY in January

New car sales are 0.8% lower YTD compared to 2024, amid a weak Feb. 12 mth running total back below 121k

Headline retail sales decreased slightly in Feb, and were 0.4% lower YoY. Similarly, core retail sales were down by 0.3% YoY

RESIDENTIAL CONSTRUCTION ACTIVITY

AIB Construction PMI	49.9	50.0	49.0	49.4	47.5	51.6	48.2	48.7
- Housing Activity	53.2	49.8	51.0	56.4	50.3	54.4	52.7	53.3
- Commercial Activity	49.9	51.1	47.9	47.0	47.2	51.0	48.0	51.7
- New Orders	54.9	51.8	52.4	48.4	52.5	52.8	48.4	50.6
- Business Expectations	61.6	64.7	62.9	63.6	63.5	67.1	65.3	60.2
Commencements: 12mth Total	50,575	50,190	60,921	63,349	61,649	69,060	66,873	64,175
- 3 Month Avg YoY %	-34.7	-29.7	108.8	159.7	137.8	91.7	36.6	24.7

The construction PMI improved in Feb, but stayed in contraction mode, at 48.7. Housing activity continued to rise, while commercial activity and new orders returned to growth

Having rocketed higher to 69k in 2024, housing commencements have been weak so far in 2025. YTD, they are down by 69%. 12 mth total is back at 64k

HOUSING MARKET ACTIVITY

BPFI Mortgage Approvals : Month	4,603	3,933	3,731	4,088	3,702	2,949	2,745	#N/A
- 3 Month Avg YoY %	-2.3	0.6	5.6	5.4	6.5	11.2	8.0	#N/A
- 12 Mth Total	42,109	42,090	42,294	42,706	42,794	43,379	43,406	#N/A
RPPR Transactions : Month	5,721	4,916	5,087	6,205	5,598	6,687	3,485	3,572
- 3 Month Avg YoY %	-1.1	-6.0	-5.0	-3.5	0.7	0.6	-2.9	-6.8
- 12 Mth Total	61,926	61,158	60,744	61,344	61,271	60,846	60,875	60,265

Mortgage approvals rose by 8.0% in the 3 mths to Jan. Overall, 43.4k approvals were registered over the past year

Residential property transactions fell by 6.8% YoY in the 3 mths to Feb. 12 mth total at 60.3K

HOUSING MARKET PRICES

CSO Price Index - MoM	1.2	0.9	0.8	0.8	0.9	0.6	0.0	#N/A
- YoY %	9.7	10.1	9.9	9.7	9.6	8.8	8.1	#N/A
Daft Asking Prices: MoM %	1.1	0.6	0.5	0.8	0.6	0.7	#N/A	#N/A
- YoY %	7.2	8.4	7.9	11.3	12.1	11.6	#N/A	#N/A
RENTS: CSO Private Rents - MoM%	0.4	0.7	1.1	0.4	0.5	0.5	0.1	0.2
- YoY %	4.7	4.0	4.4	4.8	5.1	5.4	5.4	5.2

The annual rate of house price growth continued to slow in Jan, easing to 8.1% YoY

Asking prices on Daft.ie were up by 11.1% YoY in Q4. They rose by 8% on average in 2024

CSO rental index moved 0.2% higher in Jan. However, the YoY rate declined to 5.2%

AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm¹ TSB
- Mortgage as % of Disposable Income

	23.4	23.7	23.9	23.6	23.6	23.5	#N/A	#N/A
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Affordability steady in Q4, as house price growth slowed and wage growth accelerated

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	
CONSUMER PRICES - YoY %	2.2	1.7	0.7	0.7	1.0	1.4	1.9	1.8	Consumer prices rose by 0.9% in Feb, but CPI inflation slowed to 1.8%. Similarly, HICP rose by 0.8% in Feb, with the annual rate falling to 1.4%. Higher transport/hospitality prices were the main drivers of inflation
- MoM %	0.2	0.1	-0.9	0.3	-0.5	0.9	-0.8	0.9	
HICP - YoY %	1.5	1.1	0.0	0.1	0.5	1.0	1.7	1.4	
- MoM %	0.2	0.1	-1.0	0.3	-0.5	0.9	-0.8	0.8	
PERSONAL / FINANCIAL									
ILCU Consumer Sentiment Index	74.9	72.0	71.9	74.1	74.1	73.9	74.9	74.8	Sentiment was little changed, at 74.8 in Feb, which is below the long-run average of 84.2
Credit Growth YoY %									Private sector credit growth rate slowed in Jan, despite the household/mortgage credit growth rates accelerating
- Private Sector	1.4	1.3	2.4	1.8	2.5	3.0	1.9	#N/A	
- of which : Household	2.4	2.3	2.6	2.8	2.9	3.1	3.2	#N/A	
- of which : Mortgage Lending	2.1	2.0	2.3	2.6	2.9	3.0	3.2	#N/A	
LABOUR MARKET									
Live Register	171,600	170,500	167,700	168,900	162,800	166,200	165,700	165,500	The unemployment rate has been below 5% for over 3 years, the longest such sequence on record. It fell further, to 4.0% in Jan and to 3.9% in Feb
- Change In Month	-100	-1,100	-2,800	+1,200	-6,100	+3,400	-500	-200	
Unemployment Rate %	4.5	4.1	4.2	4.2	4.2	4.4	4.0	3.9	The employment sub-indices of the manu and construction PMIs deteriorated in Feb, albeit the former stayed in expansion mode. In contrast, services rose back above the key 50 level
PMI Employment Indices									
- AIB Manufacturing	52.1	53.5	49.6	49.6	49.3	51.4	53.4	50.7	
- AIB Services	52.0	54.0	52.5	51.0	52.1	53.0	49.9	53.2	
- AIB Construction	50.9	47.7	51.7	51.8	52.2	53.2	51.7	48.0	
MERCHANDISE TRADE									
Export Values - 3M / 3M %	-5.0	-2.9	9.0	17.2	19.9	2.0	0.6	#N/A	A goods trade surplus of €5.1bn was recorded in January. The value of exports rose by 28.2% to €24.2bn, driven almost entirely by an increase in pharma and medical products (up 67.6%). Imports stood at €10.8bn, up 9.7% YoY
- 3MMA YoY %	4.6	4.1	21.8	23.4	31.2	23.6	26.2	#N/A	
Import Values - 3M / 3M %	5.3	10.6	8.8	-0.7	-8.5	-7.5	-2.6	#N/A	
- 3MMA YoY %	-2.6	4.4	5.6	1.0	-8.4	-7.2	-4.5	#N/A	
PUBLIC FINANCES									
Total Tax Receipts: Cum YTD %	9.5	12.6	11.0	14.9	20.8	22.6	29.3	26.5	Total tax take up 26.5% YTD in Feb. Voted expenditure rose by 12.5% YTD, owing to increases in current and capital spending. 12mth rolling Exchequer surplus up to €16.1bn
Voted Spending : Cum YTD %	14.1	13.7	12.8	12.7	11.3	9.3	28.3	12.5	
Exchequer Bal: 12 Mth Total €m	3,825	5,286	5,070	3,326	9,576	12,755	14,053	16,108	
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	-4.5	-3.0	3.2	9.2	Overall, GDP expanded by 1.2% in 2024, largely due to a sharp rebound in exports of 11.7%
*Domestic Demand - YoY%	6.0	0.9	-0.2	4.2	2.7	2.9	4.0	1.3	
Consumer Spending - YoY %	7.4	6.5	1.7	4.0	3.0	2.4	1.4	2.3	MDD rose by 2.7% in 2024, supported by a 2.3% increase in consumer spending, and a 4.3% in government expenditure
Services Exports - YoY % (3Q Avg)	-0.2	-1.6	0.6	3.7	9.2	17.8	18.2	15.4	
* 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	2.6	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 %	2.8	3.0	3.8	3.5	2.0	2.9	3.5	2.4	
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	4.0	5.3	6.1	1.9	4.9	5.5	5.0	6.2	
- Weekly	4.4	4.4	4.4	2.6	5.0	5.7	5.5	5.6	
Weekly Earnings YoY %									
- Private Sector	3.5	3.9	3.8	4.1	5.3	5.9	5.4	4.8	
- Public Sector	7.8	6.1	5.9	-1.3	4.0	4.5	4.7	6.4	
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 due 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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