

# Irish Monthly Economic Bulletin – May '07

TOPIC OF THE DAY FROM AIB GLOBAL TREASURY SERVICES

**H**ighlights from our full six page Irish Monthly Economic Bulletin publication for May 2007.

- The Irish economy grew by 6.0% in 2006, its fastest growth rate for six years. The pace of economic activity did moderate in the final quarter of last year and we expect a deceleration in the pace of GDP growth over this year and next. Our latest forecasts are for GDP growth of 5.0% for 2007 and 3.7% in 2008.
- The Irish CPI rate stayed above 5% in April. On the euro comparable measure, the HICP, inflation rate stood at 2.9% in April, well ahead of the eurozone average of 1.9%. While higher energy costs impacted negatively again last month, increased housing costs continue to be the main factor putting upward pressure on inflation.
- Housing market data continue to show that rising interest rates are impacting on activity levels, as well as dampening price pressures. Permanent tsb data for March showed the first monthly fall in house prices for more than 5 years. Meanwhile, leading indicators suggest a moderation in activity going forward.

## For the full text of this publication which covers the following:

Pace of Job Growth Decelerates,  
Consumer Sector,  
Investment / Housing Market,  
Public Finance,  
Trade / Balance of Payments,  
Industrial Production,  
Labour Market,  
Inflation,  
Wages,  
Monetary Conditions / Banking Statistics,  
and our Irish Macro Economic Forecasts.

Click below: -

<http://www.aibeconomics.com/PDFS/Irish%20Economy%20Bulletin%20May%202007.pdf>

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