



IRISH ECONOMY WATCH

26 May 2009

	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
MANUFACTURING								
Mfg Output : 3 mma YoY %	0.3	-1.7	-3.5	-8.3	-4.4	-4.8	#N/A	#N/A
3mth / 3mth % seas. adj.	3.5	-1.1	-3.6	-6.9	-2.8	-1.3	#N/A	#N/A
NCB Manufacturing PMI	43.7	39.7	37.1	37.9	38.9	33.2	35.1	36.1
SERVICES / RETAIL								
NCB Services PMI	40.8	36.1	32.6	34.1	33.9	31.8	35.7	32.16
SIMI Car Registrations	3,458	1,748	644	188	15,929	8,950	7,811	4,448
- 12 mth cum total	156,646	154,545	153,728	152,455	120,775	105,606	91,827	82,912
- 3 mma YoY %	-10	-44	-47	-62	-67	-66	-65	-64
Retail Sales Index	105.7	104.5	104.1	105.4	83.8	88.6	89.7	#N/A
- YoY %	-7.4	-9.9	-10.1	-8.3	-26.6	-20.8	-17.9	#N/A
- 3mth / 3mth % seas. adj.	-0.4	-2.2	-1.3	-1.8	-6.7	-11.6	-16.5	#N/A
Ex Autos Index	110.5	109.0	106.5	107.6	106.5	107.8	105.4	#N/A
- YoY %	-4.3	-6.3	-8.4	-7.2	-8.0	-7.0	-8.2	#N/A
- 3mth / 3mth % seas. adj.	-1.9	-1.9	-1.9	-2.5	-2.6	-1.3	-1.1	#N/A
CONSTRUCTION								
Ulster Bank Construction PMI	32.17	31.20	32.13	27.37	25.67	28.17	28.05	32.85
- Housing Activity	25.52	28.65	29.23	23.06	25.40	26.36	26.68	30.95
- Commercial Activity	34.60	28.21	29.43	25.95	24.09	26.24	28.29	33.57
- Civil Engineering Activity	35.75	36.89	39.29	33.68	28.83	33.12	28.50	32.07
HOUSING MARKET								
Housing Registrations								
- 3 Month Avg YoY %	-72.0	-66.9	-69.7	-71.4	-73.0	-68.7	-73.1	-73.4
- 3 Mth Avg s.a.a.r.	9,504	9,386	8,288	8,100	7,549	8,692	7,724	8,500
Commencements								
- 3 Month Avg YoY %	-53.5	-60.2	-63.2	-60.8	-65.3	#N/A	#N/A	#N/A
- 3 Mth avg s.a.a.r.	18,129	14,693	13,555	12,611	11,012	#N/A	#N/A	#N/A
Permanent tsb/ESRI House Price Index								
- MoM %	-1.1	-0.8	-0.5	-0.9	-1.4	-0.8	-1.0	#N/A
- YoY %	-10.7	-10.2	-9.6	-9.1	-9.8	-9.8	-10.0	#N/A
- Average Value €	267,594	265,364	264,026	261,573	258,006	255,999	253,546	#N/A
Affordability : 2 Incomes FTBs, 92% LTV, 30 Year AIB Variable Rate Mortgage, permanent tsb/ESRI FTB house price								
Mortgage Cost as % of Disposable Income	24.5	22.6	21.1	19.1	18.1	17.6	16.8	15.9
REA Property Barometer								
Enquires : MoM %	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	15	5

While manufacturing sector remains under pressure, the PMI shows signs it may be stabilising at very low levels in line with international trend

Services sector PMI also shows some signs of stabilising, though again at very low levels

Sales- especially car sales - very weak

Rate of decline ex autos is moderating

PMI indices could be bottoming out - albeit at very low levels; index has risen for 3 months

Seasonally adjusted registrations beginning to stabilise at low levels ?

Index shows house prices 18.5% from peak - but lagging index fails to capture full extent of price adjustment

Affordability has improved substantially, back to 1997 levels

Increase in sales enquiries - but new series and may be seasonal

Sources: Thomson Datastream, CSO, Department of Finance, DoEHLG, HomeBond, Premier Guarantee, SIMI, Real Estate Alliance (REA)

Sep-08 Oct-08 Nov-08 Dec-08 Jan-09 Feb-09 Mar-09 Apr-09

PRICES

CPI - YoY %	4.3	4.0	2.5	1.2	-0.1	-1.7	-2.6	-3.5
- MoM %	0.3	-0.2	-0.9	-1.2	-1.7	-0.4	0.0	-0.8
HICP - YoY %	3.2	2.7	2.2	1.3	1.1	0.1	-0.7	-0.7
- MoM %	0.3	-0.4	-0.1	-0.7	-0.8	0.2	0.1	0.1

Falling prices, especially the HICP measure - which excludes mortgage interest - will help to improve Ireland's competitiveness

PERSONAL

KBC/ESRI Consumer Confidence	45	42	44.8	50.2	49.6	44.2	44.1	46.8
Household Credit Growth YoY %								
- Personal Sector Credit	10.5	8.9	8.4	6.5	5.9	4.8	2.3	#N/A
- Mortgage Lending	8.5	7.6	6.7	5.8	5.4	4.9	4.2	#N/A
- New Credit Card Spend	9.4	-9.2	-16.8	-4.1	-17.3	-18.6	-11.9	#N/A

Confidence also showing signs of stabilising at low levels

Rates of credit growth all continuing to fall

EMPLOYMENT

Live Register	244,400	260,300	276,700	293,100	326,100	352,800	372,800	388,600
- Change In Month	+9,200	+15,900	+16,400	+16,400	+33,000	+26,700	+20,000	+15,800
Unemployment Rate %	7.2	7.7	8.1	8.6	9.6	10.4	11.0	11.4
PMI Employment Indices								
- NCB Manufacturing	42.98	40.11	40.12	36.34	36.84	30.48	33.34	32.33
- NCB Services	41.49	38.3	36.8	33.36	32.57	33.34	32.72	33.35
- Ulster Bank Construction	31.05	28.99	31.38	32.48	26.79	25.75	24.03	26.28

Some easing of sharp uptrend in live register in recent months...

...but unemployment rate still rising rapidly

Could pace of contraction in employment be stabilising ?

MERCHANDISE TRADE

Export Values - 3M / 3M %	2.0	0.1	-0.1	-3.0	-3.2	0.9	#N/A	#N/A
- 3MMA YoY %	-2.0	-2.4	-3.3	-1.0	-0.9	0.4	#N/A	#N/A
Export Values - 3M / 3M %	-2.5	-11.1	-11.5	-12.7	-11.0	-11.0	#N/A	#N/A
- 3MMA YoY %	-7.0	-13.5	-18.1	-21.5	-24.9	-23.4	#N/A	#N/A

Goods exports under pressure, though holding up better than other countries

Big decline in imports on sharp fall in domestic spending

PUBLIC FINANCES

Total Tax Receipts: Cum YTD %	-9.5	-9.9	-13.0	-13.7	-19.0	-23.8	-23.4	-23.9
Voted Spending : Cum YTD %	10.1	10.5	7.2	10.5	11.9	1.7	6.1	1.8
Exchequer Balance:								
Cum 12 Mth Total €m	-7,923	-8,690	-11,095	-12,714	-14,091	-14,674	-16,081	-16,288

All tax heads under pressure with falling employment and pay cuts now hitting income tax

Budget deficit on steep uptrend

QUARTERLY DATA

Q1-07 Q2-07 Q3-07 Q4-07 Q1-08 Q2-08 Q3-08 Q4-08

GDP - YoY %	8.7	5.9	4.0	5.5	-1.2	-0.7	0.3	-7.5
Total Exports - Volume YoY %	8.4	6.5	4.1	8.2	0.5	2.5	0.6	-4.9
Total Imports - Volume YoY %	6.5	1.4	4.9	3.7	0.5	-1.2	-6.0	-10.4
Employment & Earnings								
Employment YoY %	3.8	4.0	3.3	3.2	2.6	0.3	-1.2	-4.1
Labour Force YoY %	3.8	4.2	3.2	3.6	2.9	1.0	1.3	-0.8
Hourly Earnings YoY % :								
- Industry : Regular Earnings	5.5	5.8	4.6	5.5	4.7	3.0	3.7	#N/A
- Building & Construction	5.6	6.8	5.6	4.9	4.3	2.6	2.9	2.3
Weekly Earnings YoY %								
- Distribution & Business Services	4.7	5.2	4.2	2.3	4.6	1.5	0.8	#N/A
- Public Sector	4.7	5.5	4.0	4.2	3.6	1.8	2.9	3.2

Sharp drop in GDP growth in Q4 2008

Employment contracting faster than labour force leading to rising unemployment

Earnings growth slowed right through 2008