



IRISH ECONOMY WATCH

07 July 2009

	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
MANUFACTURING								
Mfg Output : 3 mma YoY %	-3.5	-8.3	-4.4	-4.8	-2.7	-1.5	#N/A	#N/A
3mth / 3mth % seas. adj.	-3.6	-6.9	-2.8	-1.3	5.7	1.3	#N/A	#N/A
NCB Manufacturing PMI	37.1	37.9	38.9	33.2	35.1	36.1	39.4	42.5
SERVICES / RETAIL								
NCB Services PMI	32.6	34.1	33.9	31.8	35.7	32.2	39.5	42.3
SIMI Car Registrations	644	188	15,929	8,950	7,811	4,448	5,121	4,813
- 12 mth cum total	153,728	152,455	120,775	105,606	91,827	82,912	77,842	74,748
- 3 mma YoY %	-47	-62	-67	-66	-65	-64	-62	-54
Retail Sales Index	105.4	104.6	84.0	89.4	89.4	91.4	#N/A	#N/A
- YoY %	-9.1	-8.5	-26.6	-20.7	-17.7	-17.1	#N/A	#N/A
- 3mth / 3mth % seas. adj.	-0.3	-1.6	-6.8	-12.2	-16.5	-8.1	#N/A	#N/A
Ex Autos Index	109.6	107.8	107.1	106.7	105.5	106.1	#N/A	#N/A
- YoY %	-6.6	-7.2	-7.8	-7.3	-6.9	-7.1	#N/A	#N/A
- 3mth / 3mth % seas. adj.	-0.8	-1.4	-1.4	-2.4	-2.3	-1.9	#N/A	#N/A
CONSTRUCTION								
Ulster Bank Construction PMI	32.13	27.37	25.67	28.17	28.05	32.85	31.11	#N/A
- Housing Activity	29.23	23.06	25.40	26.36	26.68	30.95	27.86	#N/A
- Commercial Activity	29.43	25.95	24.09	26.24	28.29	33.57	31.73	#N/A
- Civil Engineering Activity	39.29	33.68	28.83	33.12	28.50	32.07	30.71	#N/A
HOUSING MARKET								
Housing Registrations								
- 3 Month Avg YoY %	-69.7	-71.4	-73.0	-68.7	-73.1	-73.4	-78.0	#N/A
- 3 Mth Avg s.a.a.r.	8,288	8,100	6,961	6,697	4,271	4,621	3,635	#N/A
Commencements								
- 3 Month Avg YoY %	-63.2	-60.8	-65.3	-65.6	-68.1	-67.3	-68.7	#N/A
- 3 Mth avg s.a.a.r.	13,520	13,962	12,379	12,004	9,763	9,423	8,424	#N/A
Permanent tsb/ESRI House Price Index								
- MoM %	-0.5	-0.9	-1.4	-0.8	-1.0	-1.9	-1.4	#N/A
- YoY %	-9.6	-9.1	-9.8	-9.8	-10.0	-10.7	-10.9	#N/A
- Average Value €	264,026	261,573	258,006	255,999	253,546	248,640	245,295	#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	21.1	19.1	19.1	18.6	17.7	15.8	15.7	#N/A
REA Property Barometer								
Enquires : MoM %	#N/A	#N/A	#N/A	#N/A	15	5	-5	#N/A

Manufacturing output rebounds in early 2009
Manufacturing PMI at a nine month high - though still at recession levels

Services sector PMI at a 13 month high - with big jumps in latest two months
Car sales remain very weak
Rate of decline in retail sales ex autos is moderating

April rebound in construction PMIs partly reversed in May. Activity, though, could be bottoming out - albeit at very low levels
Registration and commencement data point to further falls in housing output
Index shows house prices 21% from peak - but lagging index fails to capture full extent of price adjustment
Affordability has improved substantially, back to 1997 levels
Sales enquiries dropped off again in May - but new series and may be seasonal

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

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PRICES

CPI - YoY %	2.5	1.2	-0.1	-1.7	-2.6	-3.5	-4.7	#N/A
- MoM %	-0.9	-1.2	-1.7	-0.4	0.0	-0.8	-0.5	#N/A
HICP - YoY %	2.2	1.3	1.1	0.1	-0.7	-0.7	-1.7	#N/A
- MoM %	-0.1	-0.7	-0.8	0.2	0.1	0.1	-0.4	#N/A

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

PERSONAL

KBC/ESRI Consumer Confidence	44.8	50.2	49.6	44.2	44.1	46.8	45.5	53.4
- Consumer Expectations	27.0	30.7	25.3	23.1	22.5	27.7	23.8	39.1
Household Credit Growth YoY %								
- Personal Sector Credit	9.1	7.3	6.7	5.7	2.5	1.6	0.8	#N/A
- Mortgage Lending	6.7	5.8	5.4	4.9	4.2	3.3	2.6	#N/A
- New Credit Card Spend	-16.8	-4.1	-17.3	-18.6	-11.9	-18.2	-20.9	#N/A

Confidence slowly rebuilding - at its best since April 2008

Rates of credit growth all continuing to fall

EMPLOYMENT

Live Register	276,700	293,100	326,100	352,800	372,800	388,600	402,100	413,500
- Change In Month	+16,400	+16,400	+33,000	+26,700	+20,000	+15,800	+13,500	+11,400
Unemployment Rate %	8.1	8.5	9.4	10.2	10.7	11.2	11.6	11.9
PMI Employment Indices								
- NCB Manufacturing	40.12	36.34	36.84	30.48	33.34	32.33	37.45	38.34
- NCB Services	36.8	33.36	32.57	33.34	32.72	33.35	34.33	37.52
- Ulster Bank Construction	31.38	32.48	26.79	25.75	24.03	26.28	28.04	#N/A

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

...but unemployment rate still rising ...

... while PMIs indicate easing of pace of contraction in employment

MERCHANDISE TRADE

Export Values - 3M / 3M %	0.0	-2.9	-3.3	0.4	5.3	8.4	#N/A	#N/A
- 3MMA YoY %	-3.1	-0.8	-0.7	0.4	1.7	4.6	#N/A	#N/A
Import Values - 3M / 3M %	-11.8	-12.8	-11.0	-10.5	-3.8	0.5	#N/A	#N/A
- 3MMA YoY %	-18.1	-21.4	-24.8	-22.8	-19.8	-19.3	#N/A	#N/A

Goods exports perform very well compared to other countries

Big decline in imports on sharp fall in domestic spending and stocks

PUBLIC FINANCES

Total Tax Receipts: Cum YTD %	-13.0	-13.7	-19.0	-23.8	-23.4	-23.9	-21.0	-17.3
Voted Spending : Cum YTD %	7.2	10.5	11.9	1.7	6.1	1.8	2.9	0.9
Exchequer Balance:								
Cum 12 Mth Total €m	-11,095	-12,714	-14,091	-14,674	-16,081	-16,288	-19,704	-21,775

Deterioration in tax take and spending showing signs of easing ...

... though budget deficit remains on steep uptrend

QUARTERLY DATA

Q2-07 Q3-07 Q4-07 Q1-08 Q2-08 Q3-08 Q4-08 Q1-09

GDP - YoY %	5.2	4.0	6.5	-1.4	-1.6	-1.0	-8.0	-8.5
Total Exports - Volume YoY %	8.0	6.7	10.2	0.4	0.3	-0.9	-3.9	-3.0
Total Imports - Volume YoY %	3.5	7.2	4.8	2.1	-0.2	-2.0	-7.8	-11.7
Employment & Earnings								
Employment YoY %	3.9	3.8	3.0	1.7	-0.1	-2.0	-3.9	-7.5
Labour Force YoY %	4.0	3.6	3.5	2.1	1.0	0.6	-0.7	-2.0
Hourly Earnings YoY % :								
- Industry : Regular Earnings	5.8	4.6	5.5	4.7	3.0	3.9	4.5	#N/A
- Building & Construction	6.8	5.6	4.9	4.3	2.6	2.9	2.3	#N/A
Weekly Earnings YoY %								
- Distribution & Business Services	5.2	4.2	2.3	4.6	1.5	1.5	3.1	#N/A
- Public Sector	5.5	4.0	4.2	3.6	1.8	2.9	3.2	3.4

Sharp drop in GDP growth in most recent two quarters

Employment contracting faster than labour force leading to rising unemployment

Earnings growth weakened in 2008