



IRISH ECONOMY WATCH

09 October 2009

	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
MANUFACTURING								
Mfg Output : 3 mma YoY %	-6.0	-2.5	-0.6	-1.4	-0.1	0.6	-1.3	#N/A
3mth / 3mth % seas. adj.	-2.7	4.6	-0.4	0.8	-2.6	4.0	3.2	#N/A
NCB Manufacturing PMI	33.2	35.1	36.1	39.4	42.5	43.7	44.0	46.6
SERVICES / RETAIL								
NCB Services PMI	31.8	35.7	32.2	39.5	42.3	42.4	46.7	45.5
SIMI Car Registrations	8,950	7,811	4,448	5,121	4,813	3,759	2,414	2,259
- 12 mth cum total	105,606	91,827	82,912	77,842	74,748	62,121	59,283	58,084
- 3 mma YoY %	-66	-65	-64	-62	-54	-60	-63	-66
Retail Sales Index	89.6	89.3	89.9	91.0	93.7	93.9	#N/A	#N/A
- YoY %	-20.6	-18.1	-18.1	-14.6	-9.8	-15.0	#N/A	#N/A
- 3mth / 3mth % seas. adj.	-11.8	-16.3	-8.5	-2.9	4.4	3.6	#N/A	#N/A
Ex Autos Index	107.6	105.0	104.2	103.2	105.2	104.5	#N/A	#N/A
- YoY %	-7.1	-7.1	-8.9	-8.8	-5.5	-6.2	#N/A	#N/A
- 3mth / 3mth % seas. adj.	-2.1	-2.2	-2.2	-3.0	-2.1	-1.2	#N/A	#N/A
CONSTRUCTION								
Ulster Bank Construction PMI	28.2	28.1	32.9	31.1	36.3	37.9	38.8	#N/A
- Housing Activity	26.4	26.7	31.0	27.9	33.4	31.3	34.6	#N/A
- Commercial Activity	26.2	28.3	33.6	31.7	38.5	38.7	39.8	#N/A
- Civil Engineering Activity	33.1	28.5	32.1	30.7	30.9	36.1	35.5	#N/A
- Business Expectations	39.2	41.9	42.3	44.4	51.4	51.1	51.5	#N/A
HOUSING MARKET								
Housing Registrations								
- 3 Month Avg YoY %	-68.7	-73.1	-73.4	-78.0	-78.7	-73.2	-58.5	-63.5
- 3 Mth Avg s.a.a.r.	6,697	4,271	4,621	3,635	3,433	2,897	3,379	2,970
Commencements								
- 3 Month Avg YoY %	-65.6	-68.1	-67.3	-68.7	-68.9	-63.8	#N/A	#N/A
- 3 Mth avg s.a.a.r.	12,004	9,763	9,423	8,424	8,352	9,363	#N/A	#N/A
Permanent tsb/ESRI House Price Index								
- MoM %	-0.8	-1.0	-1.9	-1.4	-1.6	-1.1	-1.5	#N/A
- YoY %	-9.8	-10.0	-10.7	-10.9	-11.7	-12.5	-13.0	#N/A
- Average Value €	255,999	253,546	248,640	245,295	241,504	238,828	235,260	#N/A
Affordability : 2 Income FTBs, 92% LTV, 30 Year Mortgage, AIB FTB Mortgage Rate, permanent tsb/ESRI FTB house price Mortgage Cost as % of Disposable Income	17.6	16.8	16.1	16.2	15.9	15.8	15.6	#N/A

Manufacturing output recovering in 2009 helped by pharma/chemical sectors

Manufacturing PMI at an 18 month high - moving closer to the 50 level

Services PMI edged lower in September after the good jump in August but remains near its 15 month high

Car sales remain very weak

Core retail sales may have bottomed. In any event, rate of decline ex autos is moderating

While still very low, the construction PMI continues to edge higher and is at its highest since November 2007. Expectations component has consolidated its move above 50

Registration and commencement data point to further falls in housing output

Index shows house prices down over 24% from peak - but lagging index fails to capture full extent of price falls

Repayment affordability has improved substantially, back to beginning 1997 levels

Sources: Thomson Datastream, CSO, Department of Finance, DoEHLG, HomeBond, Premier Guarantee, SIMI

Feb-09 Mar-09 Apr-09 May-09 Jun-09 Jul-09 Aug-09 Sep-09

PRICES

CPI - YoY %	-1.7	-2.6	-3.5	-4.7	-5.4	-5.9	-5.9	-6.6
- MoM %	-0.4	0.0	-0.8	-0.5	-0.3	-0.8	0.4	-0.4
HICP - YoY %	0.1	-1.0	-0.7	-1.5	-2.2	-2.6	-2.4	-3.0
- MoM %	0.2	-0.2	0.4	-0.1	-0.3	-0.8	0.2	-0.4

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

PERSONAL

KBC/ESRI Consumer Confidence	44.2	44.1	46.8	45.5	53.4	49.5	48.7	49.6
- Consumer Expectations	23.1	22.5	27.7	23.8	39.1	30.6	28.6	34.4
Household Credit Growth YoY %								
- Personal Sector Credit	5.7	2.5	1.7	0.7	-0.7	-2.2	-3.0	#N/A
- Mortgage Lending	5.1	4.3	3.5	2.7	2.1	1.2	0.8	#N/A
- New Credit Card Spend	-18.6	-11.9	-18.2	-20.9	-10.4	-15.9	-12.0	#N/A

With consumers still worried about economy, confidence remains subdued

Rates of credit growth all continuing to fall

EMPLOYMENT

Live Register	351,000	371,000	387,200	400,900	412,900	423,400	428,800	429,400
- Change In Month	+25,300	+20,000	+16,200	+13,700	+12,000	+10,500	+5,400	+600
Unemployment Rate %	10.1	10.8	11.3	11.6	12.1	12.4	12.6	12.6
PMI Employment Indices								
- NCB Manufacturing	30.5	33.3	32.3	37.5	38.3	39.7	43.8	44.3
- NCB Services	33.3	32.7	33.4	34.3	37.5	36.2	37.7	37.7
- Ulster Bank Construction	25.8	24.0	26.3	28.0	39.8	34.9	36.3	#N/A

Distinct easing of sharp uptrend in live register, September increase smallest since April 2008

Rise in unemployment rate slowing

PMIs indicate continuing easing of pace of contraction in employment

MERCHANDISE TRADE

Export Values - 3M / 3M %	0.5	5.5	8.3	1.8	-0.1	-6.4	#N/A	#N/A
- 3MMA YoY %	1.0	2.2	5.1	5.2	2.8	-1.2	#N/A	#N/A
Import Values - 3M / 3M %	-12.5	-5.3	-0.3	1.4	-4.2	-6.4	#N/A	#N/A
- 3MMA YoY %	-22.5	-19.6	-18.9	-18.5	-23.4	-25.1	#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 %	-23.8	-23.4	-23.9	-21.0	-17.3	-17.6	-16.1	-16.8
Voted Spending: Cum YTD %	1.7	6.1	1.8	2.9	0.9	0.6	-0.8	-1.3
Exchequer Balance:								
Cum 12 Mth Total €m	-14,674	-16,081	-16,288	-19,704	-21,775	-22,440	-23,022	-23,468

Pace of deterioration in tax take is easing ...

... though budget deficit remains on uptrend

QUARTERLY DATA

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

GDP - YoY %	4.0	6.5	-1.4	-1.6	-1.0	-8.0	-9.3	-7.4
Total Exports - Volume YoY %	6.7	10.2	0.4	0.3	-0.9	-3.9	-3.0	-2.5
Total Imports - Volume YoY %	7.2	4.8	2.1	-0.2	-2.0	-7.8	-10.6	-7.1
Employment & Earnings								
Employment YoY %	3.8	3.0	1.7	-0.1	-2.0	-3.9	-7.5	-8.3
Labour Force YoY %	3.6	3.5	2.1	1.0	0.6	-0.7	-2.0	-1.6
Hourly Earnings YoY % :								
- Industry : Regular Earnings	4.6	5.5	4.7	3.0	3.9	4.2	6.5	#N/A
- Building & Construction	5.6	4.9	4.3	2.6	2.9	2.3	#N/A	#N/A
Weekly Earnings YoY %								
- Distribution & Business Services	3.9	2.3	4.6	1.6	1.8	3.1	#N/A	#N/A
- Public Sector	4.0	4.2	3.6	1.8	2.9	3.2	3.4	#N/A

GDP flat in Q2 seas adj but still down 7.4% yoy after large declines in Q4'08 and Q1'09

Employment contracting faster than labour force leading to rising unemployment

Official data show wage growth remained strong to Q1 this year, despite contrary anecdotal evidence