AIB Global Treasury
Economic Research

IRISH ECONOMY WATCH

18 December 2009

	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
MANUFACTURING								
Mfg Output : 3 mma YoY %	-0.6	-1.4	-0.1	0.6	-1.1	-1.7	-3.3	#N/A
3mth / 3mth % seas. adj.	-0.4	0.8	-2.6	4.0	3.4	3.5	-4.5	#N/A
NCB Manufacturing PMI	36.1	39.4	42.5	43.7	44.0	46.6	48.0	48.8
SERVICES / RETAIL								
NCB Services PMI	32.2	39.5	42.3	42.4	46.7	45.5	47.4	46.8
SIMI Car Registrations	4,448	5,121	4,813	3,759	2,414	2,259	1,526	520
- 12 mth cum total	82,912	77,842	74,748	62,121	59,283	58,084	57,862	57,738
- 3 mma YoY %	-64	-62	-54	-60	-63	-66	-41	-26
Retail Sales Index	90.1	91.5	93.0	94.5	93.6	95.2	95.0	#N/A
- YoY %	-17.9	-14.4	-10.0	-14.5	-9.0	-9.8	-9.1	#N/A
- 3mth / 3mth % seas. adj.	-8.6	-2.7	4.3	3.6	3.7	3.2	1.7	#N/A
Ex Autos Index	102.6	103.3	104.4	104.6	102.7	103.8	102.1	#N/A
- YoY %	-9.8	-8.9	-5.7	-5.8	-5.3	-6.0	-6.7	#N/A
- 3mth / 3mth % seas. adj.	-2.9	-3.4	-3.3	-1.2	-0.2	0.3	-1.2	#N/A
CONSTRUCTION								
Ulster Bank Construction PMI	32.9	31.1	36.3	37.9	38.8	34.2	34.6	34.3
- Housing Activity	31.0	27.9	33.4	31.3	34.6	33.8	35.7	35.1
- Commercial Activity	33.6	31.7	38.5	38.7	39.8	34.9	34.5	33.3
- Civil Engineering Activity	32.1	30.7	30.9	36.1	35.5	31.4	32.2	33.9
- Business Expectations	42.3	44.4	51.4	51.1	51.5	53.1	51.2	49.4
HOUSING MARKET								
Housing Registrations								
- 3 Month Avg YoY %	-73.4	-78.0	-78.7	-73.2	-58.5	-63.5	-57.0	-57.0
- 3 Mth Avg s.a.a.r.	4,621	3,635	3,433	2,897	3,379	2,970	3,490	3,279
Commencements								
- 3 Month Avg YoY %	-67.3	-68.7	-68.9	-63.8	-58.5	-47.7	#N/A	#N/A
- 3 Mth avg s.a.a.r.	9,423	8,424	8,352	9,363	9,206	9,441	#N/A	#N/A
Completions	2,430	2,121	2,117	2,354	1,628	2,096	1,997	#N/A
- 12 Mth Total	43,007	40,588	38,467	36,448	34,471	32,395	30,565	#N/A
Permanent tsb/ESRI House Price Index								
- MoM %	-1.9	-1.4	-1.6	-1.1	-1.5	-1.1	-1.8	#N/A
- YoY %	-10.7	-10.9	-11.7	-12.5	-13.0	-13.1	-14.0	#N/A
- Average Value €	248,640	245,295	241,504	238,828	235,260	232,584	228,347	#N/A
Affordability : 2 Income FTBs, 92% LTV, 30 Year Mortgage, AIB FTB Mortgage Rate, permanent tsb/ESRI house price								
Mortgage Cost as % of Disposable Income	15.6	15.7	15.4	15.3	15.0	14.9	14.6	#N/A

Manufacturing output remains subdued despite firm pharma/chemical sector

Manufacturing PMI at a 21 month high. Output sub-component above 50 level

Services PMI edged lower in November from October's 19 month high but remains within sight of key 50 level

Car sales remain very weak

Core retail sales still depressed

Construction PMI highlights the continuing weakness of the sector. The expectations component dropped back below the 50 level in November

Registration and commencement data, while stabilising, still point to a further fall in housing output in 2010

Index shows house prices down over 26% from peak - but lagging index fails to capture full extent of price falls

Repayment affordability has improved substantially, back to 1996 levels

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

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PRICES									Falling prices, especially the HICP measure - which excludes mortgage interest - will help to improve Ireland's competitiveness
CPI - YoY %	-3.5	-4.7	-5.4	-5.9	-5.9	-6.5	-6.6	-5.7	
- MoM %	-0.8	-0.5	-0.3	-0.8	0.4	-0.4	-0.2	0.0	
HICP - YoY %	-0.7	-1.5	-2.2	-2.6	-2.4	-3.0	-2.8	-2.8	
- MoM %	0.4	-0.1	-0.3	-0.8	0.2	-0.4	-0.2	-0.1	
PERSONAL									Some pick up in confidence in recent months. However, it remains subdued, with consumers still worried about economy
KBC/ESRI Consumer Confidence	46.8	45.5	53.4	49.5	48.7	49.6	54.2	53.6	
- Consumer Expectations	27.7	23.8	39.1	30.6	28.6	34.4	40.4	37.7	
Household Credit Growth YoY %									Rates of credit growth continuing to fall
- Personal Sector Credit	1.7	0.7	-0.7	-2.2	-3.0	-3.4	-3.7	#N/A	
- Mortgage Lending	3.5	2.7	2.1	1.2	0.8	0.3	0.2	#N/A	
EMPLOYMENT									Only small rise in live register in November after October's seas adj monthly fall - which was the first decline since March 2007
Live Register	384,600	398,200	409,700	420,000	425,300	425,500	422,500	423,400	
- Change In Month	+15,600	+13,600	+11,500	+10,300	+5,300	+200	-3,000	+900	
Unemployment Rate %	11.3	11.6	12.1	12.4	12.6	12.6	12.5	12.5	Rise in unemployment rate levels off recently
Redundancies	7,159	7,962	6,773	6,292	5,877	6,006	6,557	5,903	
-12 Mth Total	57,234	62,734	66,593	69,033	71,763	73,798	75,732	76,374	
PMI Employment Indices									Easing of pace of contraction in employment indicated by PMIs
- NCB Manufacturing	32.3	37.5	38.3	39.7	43.8	44.3	44.1	44.5	
- NCB Services	33.4	34.3	37.5	36.2	37.7	37.7	41.2	40.6	
- Ulster Bank Construction	26.3	28.0	39.8	34.9	36.3	34.6	35.1	34.3	
MERCHANDISE TRADE									Weakening of exports in Q3 after solid H1
Export Values - 3M / 3M %	8.7	2.0	0.0	-6.3	-6.0	-7.6	#N/A	#N/A	
- 3MMA YoY %	5.1	5.1	2.6	-1.1	-3.1	-4.7	#N/A	#N/A	Big decline in imports on sharp fall in domestic spending and stocks
Import Values - 3M / 3M %	-0.3	1.4	-4.1	-6.3	-9.7	-8.3	#N/A	#N/A	
- 3MMA YoY %	-18.9	-18.5	-23.3	-25.0	-26.7	-27.4	#N/A	#N/A	
PUBLIC FINANCES									Low tax take underlines weakness of the economy
Total Tax Receipts: Cum YTD %	-23.9	-21.0	-17.3	-17.6	-16.1	-16.8	-17.1	-20.8	Exchequer deficit remained on an uptrend ahead of Budget 2010 measures
Voted Spending : Cum YTD %	1.8	2.9	0.9	0.6	-0.8	-1.3	-1.6	-2.5	
Exchequer Bal: 12 Mth Total €m	-16,288	-19,704	-21,775	-22,440	-23,022	-23,468	-24,439	-26,892	

QUARTERLY DATA	Q4-07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	
GDP - YoY %	6.5	-1.4	-1.6	-1.0	-8.0	-9.1	-7.9	-7.4	GDP +0.3% seas adj in Q3 as imports collapse - but still down 7.4% yoy
Total Exports - Volume YoY %	10.2	0.4	0.3	-0.9	-3.9	-3.0	-2.5	-2.6	
Total Imports - Volume YoY %	4.8	2.1	-0.2	-2.0	-7.8	-10.6	-7.1	-11.9	
Employment & Earnings									Employment contracting faster than labour force so higher unemployment up to Q3
Employment YoY %	3.0	1.7	-0.1	-2.0	-3.9	-7.5	-8.3	-8.8	
Labour Force YoY %	3.5	2.1	1.0	0.6	-0.7	-2.0	-1.6	-2.8	
Industrial Earnings YoY % :									Hourly earnings continue to rise - but fall in number of hours worked dampening weekly industrial earnings growth
- Hourly : Regular Earnings	5.5	4.7	3.0	3.9	4.2	6.6	4.8	#N/A	
- Weekly	4.9	4.9	4.0	6.7	4.8	4.1	0.7	#N/A	
Weekly Earnings YoY %									
- Distribution & Business Services	2.3	4.6	1.6	1.8	3.1	#N/A	#N/A	#N/A	
- Public Sector	4.2	3.6	1.8	2.9	3.2	3.2	3.2	#N/A	

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