

Irish Economy Watch

AIB Treasury Economic Research Unit



Thursday 22 May 2025

Sep-24 Oct-24 Nov-24 Dec-24 Jan-25 Feb-25 Mar-25 Apr-25

MANUFACTURING

AIB Manufacturing PMI	49.4	51.5	49.9	49.1	51.3	51.9	51.6	53.0
AIB Manufacturing PMI - Future Output	64.3	68.8	67.5	71.6	70.3	64.6	65.6	63.0
Industrial Production (Ex-Modern)	120.0	121.2	113.1	121.3	112.2	112.5	118.4	#N/A
Production (Ex-Modern) : 3mma YoY%	1.7	5.1	4.4	3.6	-0.9	-1.5	-2.4	#N/A
3mth / 3mth % seas. adj.	1.2	4.1	2.7	1.7	-2.7	-2.3	-3.5	#N/A

The manu. PMI jumped to 53.0 in Apr, its highest level since June 2022. Output rose robustly, with new orders growth at a 3-year high, despite a marginal contraction in export orders

Traditional industrial production declined by 3.5% in Q1, and was down by 2.4% YoY also

SERVICES / RETAIL

AIB Services PMI	55.7	53.8	58.3	57.1	53.4	53.2	55.3	52.8
CSO Services Index (Value)	143.8	147.3	150.5	153.1	154.4	159.8	167.0	#N/A
- YoY %	12.5	17.0	16.8	16.7	16.1	22.1	25.5	#N/A
- 3mth / 3mth % seas. adj.	2.4	3.4	4.1	5.4	5.3	5.8	6.7	#N/A
SIMI Car Registrations	5,118	2,416	1,120	423	33,483	13,992	17,296	8,703
- 12 mth cum total	120,745	120,953	121,152	121,230	123,291	120,851	123,503	123,641
- 3 mma YoY %	-7.3	-7.0	-2.3	14.0	7.2	-0.6	3.6	0.9
Retail Sales Index	111.4	111.9	112.4	113.7	113.4	114.1	113.1	#N/A
- YoY %	0.2	1.3	-1.1	0.9	0.4	1.6	-1.3	#N/A
- 3mth / 3mth % seas. adj.	-0.5	-0.8	0.0	0.8	1.5	1.6	0.8	#N/A
Ex Autos Index	113.1	112.8	113.5	112.2	112.0	113.3	113.2	#N/A
- YoY %	1.2	1.3	0.4	0.4	-0.4	1.5	1.3	#N/A
- 3mth / 3mth % seas. adj.	1.0	0.9	1.2	0.4	-0.1	-0.6	0.0	#N/A

The serv. PMI fell to 52.8 in Apr, consistent with the slowest pace of expansion in the sector since Jan 2024. This was reflected in a slowdown in new business. Both input and prices charged inflation eased somewhat

The CSO services index was up by 6.7% in Q1

New car sales are 3.4% higher YTD compared to 2024, amid a strong Mar/Apr. 12 mth running total up above 123k

Headline retail sales increased by 0.8% in Q1, and they were up by 0.2% YoY. Core retail sales were 0.8% higher YoY in Q1

RESIDENTIAL CONSTRUCTION ACTIVITY

AIB Construction PMI	49.0	49.4	47.5	51.6	48.2	48.7	53.9	52.4
- Housing Activity	51.0	56.4	50.3	54.4	52.7	53.3	53.5	51.7
- Commercial Activity	47.9	47.0	47.2	51.0	48.0	51.7	56.0	53.5
- New Orders	52.4	48.4	52.5	52.8	48.4	50.6	53.8	53.7
- Business Expectations	62.9	63.6	63.5	67.1	65.3	60.2	57.6	60.7
Commencements: 12mth Total	60,921	63,349	61,649	69,060	66,873	64,175	59,989	42,316
- 3 Month Avg YoY %	108.8	159.7	137.8	91.7	36.6	24.7	-75.7	-89.9

The construction PMI eased to 52.4 in Apr, indicating a slower pace of expansion. Both housing and commercial activity stayed above 50 but fell, while new orders were little changed

Having rocketed higher to 69k in 2024, housing commencements have been very weak in 2025. YTD, they are down by 87.1%. 12 mth total is back at 42k

HOUSING MARKET ACTIVITY

BPFI Mortgage Approvals : Month	3,731	4,088	3,702	2,949	2,745	2,791	3,647	#N/A
- 3 Month Avg YoY %	5.6	5.4	6.5	11.2	8.0	6.0	3.4	#N/A
- 12 Mth Total	42,294	42,706	42,794	43,379	43,406	43,275	43,685	#N/A
RPPR Transactions : Month	5,087	6,205	5,598	6,687	3,537	4,051	4,433	4,179
- 3 Month Avg YoY %	-5.0	-3.5	0.7	0.6	-2.6	-3.2	-0.5	-2.9
- 12 Mth Total	60,744	61,344	61,271	60,846	60,927	60,796	60,783	60,545

Mortgage approvals rose by 3.4% in Q1. Overall, 43.6k approvals were registered over the past year

Residential property transactions fell by 2.9% YoY in the 3mths to Apr. The 12 mth total is at 60.5K

HOUSING MARKET PRICES

CSO Price Index - MoM	0.8	0.8	0.9	0.6	0.2	0.1	0.0	#N/A
- YoY %	9.9	9.7	9.6	8.9	8.3	8.0	7.5	#N/A
Daft Asking Prices: MoM %	0.5	0.8	0.6	0.7	2.4	1.9	-0.4	#N/A
- YoY %	7.9	11.3	12.1	11.6	13.6	13.6	13.2	#N/A

The annual rate of house price growth continued to slow in Mar, easing to 7.5% YoY

Asking prices on Daft.ie rose by 4.2% in Q1. They were up 13.5% YoY in the quarter

RENTS: CSO Private Rents - MoM%
- YoY %

1.1	0.4	0.5	0.5	0.1	0.2	0.0	0.2
4.4	4.8	5.1	5.4	5.4	5.2	5.2	5.2

CSO rental index increased by 0.2% in Apr. However, the YoY rate remained at 5.2%

AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB

- Mortgage as % of Disposable Income	23.9	23.6	23.6	23.5	#N/A	#N/A	#N/A	#N/A
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Affordability was steady in Q4, as house price growth slowed and wage growth accelerated

	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	
CONSUMER PRICES - YoY %									Consumer prices rose by 0.4% in Apr, lifting CPI inflation to 2.2%. HICP rose by 0.4% in Apr also, with the annual rate rising to 2.0%. Higher hospitality, food, alcohol, & recreational prices were the drivers of inflation
- MoM %	0.7	0.7	1.0	1.4	1.9	1.8	2.0	2.2	
	-0.9	0.3	-0.5	0.9	-0.8	0.9	0.7	0.4	
HICP - YoY %	0.0	0.1	0.5	1.0	1.7	1.4	1.8	2.0	
- MoM %	-1.0	0.3	-0.5	0.9	-0.8	0.8	0.7	0.4	
PERSONAL / FINANCIAL									Sentiment deteriorated to 58.7 in Apr, its lowest level since Mar 2023, amid ongoing global trade tensions dampening the outlook The household credit growth rate accelerated in Mar, in-line with a rise in mortgage lending
ILCU Consumer Sentiment Index	71.9	74.1	74.1	73.9	74.9	74.8	67.5	58.7	
Credit Growth YoY %									
- Private Sector	2.4	1.8	2.5	3.0	1.9	2.7	2.7	#N/A	
- of which : Household	2.6	2.8	2.9	3.1	3.2	3.4	3.7	#N/A	
- of which : Mortgage Lending	2.3	2.6	2.9	3.0	3.2	3.4	3.7	#N/A	
LABOUR MARKET									The unemployment rate has been below 5% for over 3 years, the longest such sequence on record. It averaged 4.4% in Q1 and fell further to 4.1% in Apr The employment sub-indices of the manu & services PMIs declined in Apr, but stayed above 50. The construction sub-index improved and was also in expansion territory
Live Register	167,800	168,800	162,400	165,500	165,100	164,700	163,100	170,500	
- Change In Month	-2,800	+1,000	-6,400	+3,100	-400	-400	-1,600	+7,400	
Unemployment Rate %	4.1	4.2	4.2	4.4	4.5	4.4	4.4	4.1	
PMI Employment Indices									
- AIB Manufacturing	49.6	49.6	49.3	51.4	53.4	50.7	50.4	51.1	
- AIB Services	52.5	51.0	52.1	53.0	49.9	53.2	54.3	53.5	
- AIB Construction	51.7	51.8	52.2	53.2	51.7	48.0	50.4	51.3	
MERCHANDISE TRADE									Goods trade surplus widened to €52.7bn in Q1, up 136.3% YoY. Exports rose by 63.6% to €88.4bn, led by a marked increase in pharma and medical products (up 154%). Imports stood at €35.7bn in Q1, up by 12.5% YoY
Export Values - 3M / 3M %	8.3	16.5	19.1	2.3	4.3	10.0	45.7	#N/A	
- 3MMA YoY %	21.3	23.0	30.6	23.6	29.5	38.3	63.6	#N/A	
Import Values - 3M / 3M %	7.5	-2.0	-7.5	-6.0	0.0	7.7	9.3	#N/A	
- 3MMA YoY %	4.1	-0.4	-8.5	-7.2	-3.9	9.9	12.5	#N/A	
PUBLIC FINANCES									Total tax take up 15.3% YTD in Apr. Voted expenditure rose by 11.6% YTD, owing to increases in current and capital spending. 12mth rolling Exchequer surplus up to €16.75bn
Total Tax Receipts: Cum YTD %	11.0	14.9	20.8	22.6	29.3	26.5	17.5	15.3	
Voted Spending : Cum YTD %	12.8	12.7	11.3	9.3	28.3	12.5	10.8	11.6	
Exchequer Bal: 12 Mth Total €m	5,070	3,326	9,576	12,755	14,053	16,108	16,636	16,753	
QUARTERLY DATA									
	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	The flash estimate shows GDP jumped by 3.2% in Q1, putting it up by 13.3% YoY MDD rose by 2.7% in 2024, supported by a 2.3% increase in consumer spending, and a 4.3% rise in government expenditure
GDP - YoY %	-3.9	-8.4	-9.1	-4.5	-3.0	3.2	9.2	13.3	
*Domestic Demand - YoY%	0.9	-0.2	4.2	2.7	2.9	4.0	1.3	#N/A	
Consumer Spending - YoY %	6.5	1.7	4.0	3.0	2.4	1.4	2.3	#N/A	
Services Exports - YoY % (3Q Avg)	-1.6	0.6	3.7	9.2	17.8	18.2	15.4	#N/A	
* Excludes Some Investment Related to the Multinational Sector									
EMPLOYMENT & EARNINGS									Employment increased by 3.3% YoY in Q1'25, putting it 17.5% above pre-COVID levels. The employment rate rose to 74.7% in Q1. The labour force grew by 3.5% YoY in the quarter Weekly average earnings rose by 5.6% YoY in Q4'24. Public sector pay was up by 6.4% YoY. Private sector earnings rose by 4.8% YoY
Employment YoY %	3.1	3.6	3.4	1.9	2.7	3.7	2.6	3.3	
Labour Force YoY %	3.0	3.8	3.5	2.0	2.9	3.5	2.4	3.5	
Average Earnings YoY %									
- Hourly	5.3	6.1	1.9	4.9	5.5	5.0	6.2	#N/A	
- Weekly	4.4	4.4	2.6	5.0	5.7	5.5	5.6	#N/A	
Weekly Earnings YoY %									
- Private Sector	3.9	3.8	4.1	5.3	5.9	5.4	4.8	#N/A	
- Public Sector	6.1	5.9	-1.3	4.0	4.5	4.7	6.4	#N/A	
CSO DWELLING COMPLETIONS									Around 6k new dwelling completions were registered in Q1, up 2% YoY. 12 mth running total remains just north of 30k
- YoY %	7264	8400	10216	5819	6829	8897	8692	5938	
	-4.3	14.0	12.5	-12.3	-6.0	5.9	-14.9	2.0	
- Cum 12 Mth Total	30351	31382	32515	31699	31264	31761	30237	30356	



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