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# Bank of Ireland economic pulse

March 2019

 Regional  
Pulse

# Regional Pulse

## March 2019

“With Brexit dominating the headlines, it was another month of relatively subdued Regional Pulse readings.”

Dr Loretta O’Sullivan,  
Group Chief Economist, Bank of Ireland

The Bank of Ireland Regional Pulses combine the views of households and firms around the country. The 3 month moving averages show that sentiment was down in Munster, broadly unchanged in the Rest of Leinster and up a touch in Dublin and Connacht/Ulster in March 2019.

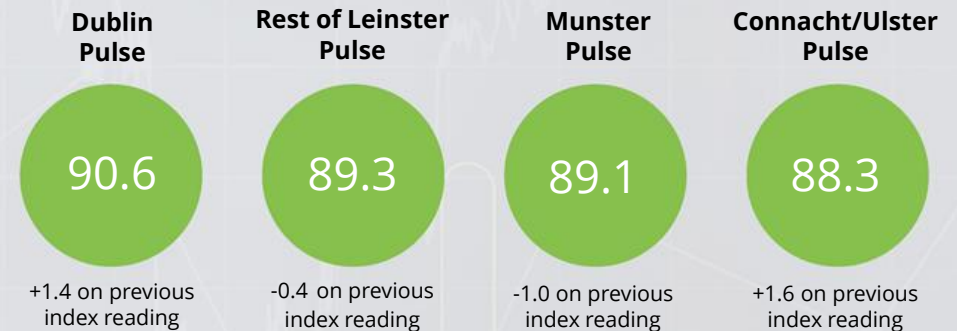
Positive developments on the jobs and earnings fronts buoyed regional households a bit this month, though they remained jittery about the economic outlook amid continuing Brexit uncertainty. This uncertainty is also tempering the business mood, with 55% of impacted firms in Dublin, 57% in the Rest of Leinster and Munster and 63% in Connacht/Ulster putting their investment plans for 2019 on hold.

### KEY POINTS

- Muted regional picture in March
- Brexit uncertainty weighing on sentiment
- And investment plans

### REGIONAL PULSES

Three Month Moving Averages



Rest of Leinster refers to Leinster excluding Dublin. Ulster only refers to Cavan, Donegal and Monaghan.

# Regional Pulse

March 2019

## GENERAL ECONOMIC SITUATION

Past 12 Months

|                            | Dublin | Rest of Leinster | Munster | Connacht/Ulster |
|----------------------------|--------|------------------|---------|-----------------|
| ⬆️                         | 12%    | 10%              | 9%      | 7%              |
| ⬆️                         | 41%    | 40%              | 37%     | 42%             |
| No Change                  | 25%    | 23%              | 22%     | 21%             |
| ⬆️                         | 11%    | 17%              | 20%     | 19%             |
| ⬇️                         | 8%     | 8%               | 9%      | 9%              |
| Balance                    | +18%   | +14%             | +8%     | +9%             |
| Change on previous reading | +8     | +7               | +3      | +2              |

## HOUSEHOLD FINANCIAL SITUATION

Past 12 Months

|                            | Dublin | Rest of Leinster | Munster | Connacht/Ulster |
|----------------------------|--------|------------------|---------|-----------------|
| ⬆️                         | 5%     | 4%               | 3%      | 4%              |
| ⬆️                         | 26%    | 22%              | 22%     | 16%             |
| No Change                  | 52%    | 56%              | 55%     | 58%             |
| ⬆️                         | 12%    | 10%              | 14%     | 14%             |
| ⬇️                         | 3%     | 7%               | 6%      | 6%              |
| Balance                    | +9%    | +2%              | +2%     | -1%             |
| Change on previous reading | +2     | -1               | 0       | 0               |

## GENERAL ECONOMIC SITUATION

Next 12 Months

|                            | Dublin | Rest of Leinster | Munster | Connacht/Ulster |
|----------------------------|--------|------------------|---------|-----------------|
| ⬆️                         | 5%     | 4%               | 4%      | 4%              |
| ⬆️                         | 21%    | 20%              | 22%     | 17%             |
| No Change                  | 22%    | 25%              | 24%     | 25%             |
| ⬆️                         | 36%    | 27%              | 27%     | 33%             |
| ⬇️                         | 10%    | 16%              | 14%     | 14%             |
| Balance                    | -12%   | -16%             | -12%    | -18%            |
| Change on previous reading | -1     | +1               | +6      | -1              |

## HOUSEHOLD FINANCIAL SITUATION

Next 12 Months

|                            | Dublin | Rest of Leinster | Munster | Connacht/Ulster |
|----------------------------|--------|------------------|---------|-----------------|
| ⬆️                         | 5%     | 3%               | 6%      | 9%              |
| ⬆️                         | 32%    | 26%              | 24%     | 23%             |
| No Change                  | 50%    | 50%              | 51%     | 49%             |
| ⬆️                         | 9%     | 13%              | 12%     | 12%             |
| ⬇️                         | 4%     | 4%               | 4%      | 2%              |
| Balance                    | +13%   | +5%              | +8%     | +12%            |
| Change on previous reading | -2     | -3               | -3      | -1              |

# Regional Pulse

March 2019

## House Price and Rents Expectations

### DUBLIN

Next 12 Months

| Change                     |            | House Prices | Rents |
|----------------------------|------------|--------------|-------|
| > 5%                       | ↑ Increase | 29%          | 28%   |
| 1% - 5%                    |            | 42%          | 46%   |
| Stay more or less the same |            | 20%          | 21%   |
| 1% - 5%                    | ↓ Decrease | 5%           | 2%    |
| > 5%                       |            | 3%           | 1%    |
| Balance                    |            | +44%         | +50%  |
| Change on previous reading |            | +1           | 0     |

### REST OF LEINSTER

Next 12 Months

| Change                     |            | House Prices | Rents |
|----------------------------|------------|--------------|-------|
| > 5%                       | ↑ Increase | 19%          | 19%   |
| 1% - 5%                    |            | 44%          | 40%   |
| Stay more or less the same |            | 26%          | 35%   |
| 1% - 5%                    | ↓ Decrease | 4%           | 1%    |
| > 5%                       |            | 1%           | 1%    |
| Balance                    |            | +38%         | +37%  |
| Change on previous reading |            | -3           | -10   |

### MUNSTER

Next 12 Months

| Change                     |            | House Prices | Rents |
|----------------------------|------------|--------------|-------|
| > 5%                       | ↑ Increase | 24%          | 25%   |
| 1% - 5%                    |            | 32%          | 32%   |
| Stay more or less the same |            | 31%          | 32%   |
| 1% - 5%                    | ↓ Decrease | 3%           | 5%    |
| > 5%                       |            | 4%           | 0%    |
| Balance                    |            | +36%         | +38%  |
| Change on previous reading |            | -9           | -5    |

### CONNACHT/ULSTER

Next 12 Months

| Change                     |            | House Prices | Rents |
|----------------------------|------------|--------------|-------|
| > 5%                       | ↑ Increase | 21%          | 16%   |
| 1% - 5%                    |            | 42%          | 43%   |
| Stay more or less the same |            | 31%          | 36%   |
| 1% - 5%                    | ↓ Decrease | 2%           | 1%    |
| > 5%                       |            | 3%           | 0%    |
| Balance                    |            | +37%         | +37%  |
| Change on previous reading |            | +5           | -2    |

# Regional Pulse

## March 2019

### BUSINESS ACTIVITY

| Past 3 Months    | Change on previous reading |    |
|------------------|----------------------------|----|
|                  | Balance                    |    |
| Dublin           | +21%                       | -1 |
| Rest of Leinster | +11%                       | -7 |
| Munster          | +9%                        | -5 |
| Connacht/Ulster  | +10%                       | +2 |

### BUSINESS ACTIVITY

| Next 3 Months    | Change on previous reading |    |
|------------------|----------------------------|----|
|                  | Balance                    |    |
| Dublin           | +38%                       | -2 |
| Rest of Leinster | +38%                       | -5 |
| Munster          | +39%                       | +1 |
| Connacht/Ulster  | +41%                       | +5 |

### JOBS

| Past 3 Months    | Change on previous reading |    |
|------------------|----------------------------|----|
|                  | Balance                    |    |
| Dublin           | +6%                        | +3 |
| Rest of Leinster | +3%                        | -3 |
| Munster          | +2%                        | 0  |
| Connacht/Ulster  | +2%                        | -2 |

### JOBS

| Next 3 Months    | Change on previous reading |    |
|------------------|----------------------------|----|
|                  | Balance                    |    |
| Dublin           | +16%                       | +2 |
| Rest of Leinster | +14%                       | +3 |
| Munster          | +11%                       | -4 |
| Connacht/Ulster  | +15%                       | +3 |

# Background

## THE ECONOMIC PULSE

Bank of Ireland's new economic indicator for Ireland – the Economic Pulse – is based on a series of surveys. Each month households and firms are asked for their views on a wide range of topics including the economy, their financial situation, spending plans, house price expectations, business activity and hiring intentions. Key business sectors such as industry, services, retail and construction are covered, as well as regions. The information gathered is combined into high level indices, with responses to individual questions also provided along with analysis and insights.

## GATHERING THE DATA

Ipsos MRBI are undertaking the fieldwork for the surveys on behalf of Bank of Ireland. A best practice approach to data collection and methodology has been adopted within a harmonised EU framework.

1000 households, 300 firms in industry, 1000 services firms, 400 retailers and 200 construction firms participate in the surveys each month.

## USING THE INFORMATION

Business and consumer surveys provide essential information for economic surveillance, short-term forecasting and research.

They are also useful for policymakers, as well as helping firms with business planning.

Survey data are a key complement to official statistics, with high frequency and timeliness among their main qualities.

## THE EU DIMENSION

Bank of Ireland is partnering with the European Commission on the surveys. The data collected feed into the Joint Harmonised EU Programme of Business and Consumer Surveys. This is a Europe-wide sentiment study which has been running since the 1960s. The data generated within this framework are particularly useful for monitoring economic developments at EU and Euro area level and also allow the situation in Ireland to be compared with that of other Member States.

### Contact us at

EconomicPulse@boi.com

Dr Loretta O'Sullivan,  
Group Chief Economist,  
+353 (0) 766 244 267

Conn Creedon,  
Senior Economist,  
+353 (0) 766 235 134

Patrick Mullane,  
Senior Economist,  
+353 (0) 766 244 269

Mark Leech,  
Media Relations Manager,  
+353 (0) 766 234 773

**Note:** Balances are calculated as the difference between positive and negative responses (using weighted averages for questions with multiple options).

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