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# Bank of Ireland economic pulse

September 2018

 Regional  
Pulse

# Regional Pulse

## September 2018

“For firms in Connacht/Ulster, transport and telecommunications infrastructure are the priority areas for investment, whereas housing tops the list in the other regions.”

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

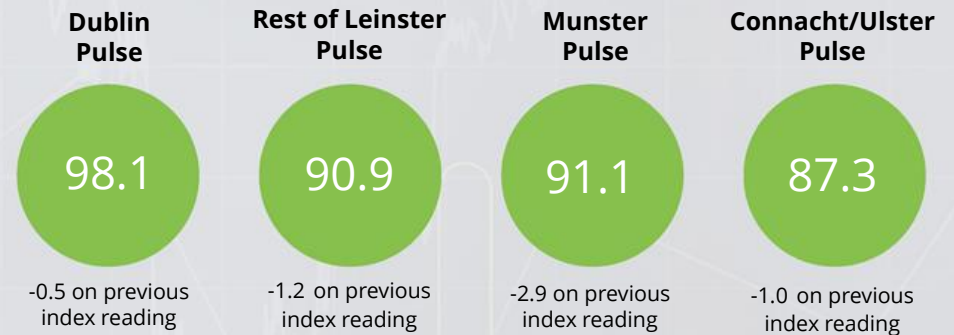
The Bank of Ireland Regional Pulses bring together the views of households and firms in the various parts of the country. The 3 month moving averages show that sentiment was down on the month in all regions in September 2018. Brexit remains a worry, with 78% of firms in Connacht/Ulster, 74% in Munster, 71% in the Rest of Leinster and 66% in Dublin expecting it to negatively impact their region in the next 12 months. The data also point to a general level of satisfaction among firms with basic infrastructure (water, waste, energy), but transport (especially in Munster and Connacht/Ulster), telecommunications (outside of the capital) and housing infrastructure score less well.

### KEY POINTS

- Regional Pulses down in September
- Brexit expected to weigh on local economies
- Infrastructure also a concern

### REGIONAL PULSES

Three Month Moving Averages



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

# Regional Pulse

## September 2018

### GENERAL ECONOMIC SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	14%	15%	15%	11%
⬆️	45%	51%	47%	54%
No Change	20%	16%	19%	25%
⬆️	11%	10%	12%	4%
⬇️	6%	5%	6%	4%
Balance	+24%	+31%	+27%	+32%
Change on previous reading	0	+2	0	+8

### HOUSEHOLD FINANCIAL SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	8%	6%	4%	4%
⬆️	23%	19%	21%	18%
No Change	53%	58%	59%	60%
⬆️	12%	13%	11%	11%
⬇️	3%	2%	4%	7%
Balance	+10%	+7%	+5%	+1%
Change on previous reading	+3	0	+1	0

### GENERAL ECONOMIC SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	9%	9%	8%	6%
⬆️	39%	46%	38%	47%
No Change	28%	25%	28%	32%
⬆️	13%	10%	16%	8%
⬇️	6%	5%	4%	3%
Balance	+16%	+22%	+15%	+23%
Change on previous reading	-1	-1	+3	+16

### HOUSEHOLD FINANCIAL SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	6%	6%	5%	4%
⬆️	27%	30%	34%	30%
No Change	54%	49%	49%	53%
⬆️	8%	12%	9%	9%
⬇️	2%	2%	2%	3%
Balance	+14%	+13%	+15%	+12%
Change on previous reading	-3	-5	+2	-1

# Regional Pulse

## September 2018

### House Price and Rents Expectations

#### DUBLIN

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	36%	33%
1% - 5%		36%	45%
Stay more or less the same		19%	19%
1% - 5%	↓ Decrease	4%	1%
> 5%		3%	0%
Balance		+50%	+55%
Change on previous reading		-10	+1

#### REST OF LEINSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	32%	27%
1% - 5%		43%	40%
Stay more or less the same		21%	28%
1% - 5%	↓ Decrease	1%	1%
> 5%		0%	1%
Balance		+53%	+45%
Change on previous reading		-2	+1

#### MUNSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	31%	29%
1% - 5%		34%	36%
Stay more or less the same		27%	29%
1% - 5%	↓ Decrease	3%	1%
> 5%		1%	0%
Balance		+46%	+46%
Change on previous reading		-4	-1

#### CONNACHT/ULSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	23%	23%
1% - 5%		42%	38%
Stay more or less the same		31%	32%
1% - 5%	↓ Decrease	2%	0%
> 5%		0%	1%
Balance		+42%	+41%
Change on previous reading		0	-3

# Regional Pulse

## September 2018

### BUSINESS ACTIVITY

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+27%	-3
Rest of Leinster	+26%	+2
Munster	+30%	+5
Connacht/Ulster	+26%	+1

### BUSINESS ACTIVITY

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+48%	+1
Rest of Leinster	+37%	0
Munster	+28%	+4
Connacht/Ulster	+20%	+1

### JOBS

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+8%	-3
Rest of Leinster	+5%	-1
Munster	+8%	-2
Connacht/Ulster	+6%	-4

### JOBS

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+17%	+3
Rest of Leinster	+12%	-1
Munster	+8%	+3
Connacht/Ulster	+5%	+2

# 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 will 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.

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

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