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Bank of Ireland   
**economic pulse**

November 2016

 Regional  
Pulse

# Regional Pulse

## November 2016

“Developments over the past few months are taking their toll, with consumer and business confidence down in all regions in November.”

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

The Bank of Ireland Regional Pulses bring together the views of consumers and firms in different parts of the country. The 3 month moving averages show a broad based fall in sentiment in November 2016.

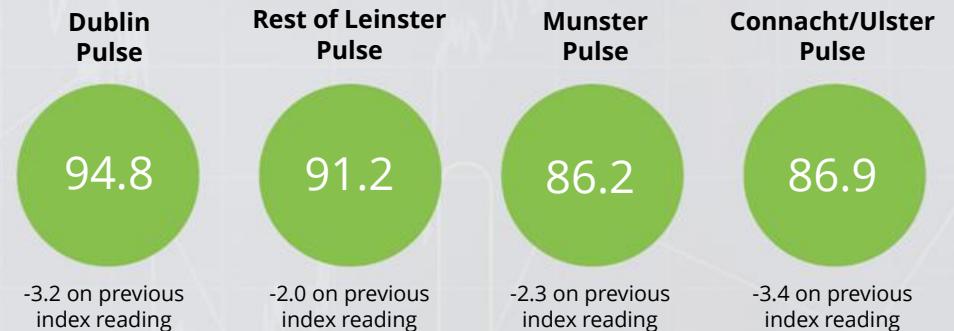
Coming on top of the UK’s decision to leave the EU, the outcome of the US election and industrial unrest at home prompted households across the country (led by Connacht/Ulster) to downgrade their assessment of the economy this month, as well as scaling back expectations for their own financial prospects. Expectations for business activity and hiring over the coming three months were also softer in November, particularly in Dublin.

### KEY POINTS

- Regional Pulses fall in November
- Households and firms more downbeat
- House price and rent expectations hold up

### REGIONAL PULSES

Three Month Moving Averages



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

# Regional Pulse

November 2016

## GENERAL ECONOMIC SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	8%	7%	6%	6%
⬆️	46%	44%	43%	43%
No Change	23%	24%	22%	29%
⬆️	9%	16%	18%	11%
⬇️	12%	9%	9%	9%
Balance	+15%	+12%	+10%	+13%
Change on previous reading	-6	-5	-8	-12

## HOUSEHOLD FINANCIAL SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	6%	4%	5%	3%
⬆️	16%	18%	21%	21%
No Change	55%	52%	44%	56%
⬆️	14%	18%	18%	13%
⬇️	7%	8%	8%	7%
Balance	0%	-5%	0%	1%
Change on previous reading	+2	-5	+2	+3

## GENERAL ECONOMIC SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	5%	6%	6%	3%
⬆️	38%	38%	42%	34%
No Change	30%	30%	25%	30%
⬆️	15%	17%	16%	18%
⬇️	8%	6%	7%	10%
Balance	+9%	+10%	+12%	+1%
Change on previous reading	-9	-2	-9	-16

## HOUSEHOLD FINANCIAL SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	4%	6%	3%	6%
⬆️	30%	29%	29%	22%
No Change	46%	50%	51%	55%
⬆️	12%	8%	6%	12%
⬇️	5%	5%	4%	2%
Balance	+8%	+12%	+10%	+9%
Change on previous reading	-5	-2	-1	-5

# Regional Pulse

November 2016

## House Price and Rents Expectations

### DUBLIN

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	38%	44%
1% - 5%		41%	28%
Stay more or less the same		17%	25%
1% - 5%	↓ Decrease	1%	1%
> 5%		1%	0%
Balance		+57%	+57%
Change on previous reading		-1	+1

### REST OF LEINSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	31%	33%
1% - 5%		41%	37%
Stay more or less the same		20%	24%
1% - 5%	↓ Decrease	2%	0%
> 5%		2%	0%
Balance		+49%	+51%
Change on previous reading		+2	+7

### MUNSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	31%	32%
1% - 5%		35%	32%
Stay more or less the same		23%	25%
1% - 5%	↓ Decrease	2%	0%
> 5%		2%	0%
Balance		+46%	+48%
Change on previous reading		-3	+3

### CONNACHT/ULSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	28%	19%
1% - 5%		34%	42%
Stay more or less the same		33%	32%
1% - 5%	↓ Decrease	2%	1%
> 5%		0%	1%
Balance		+44%	+39%
Change on previous reading		+9	0

# Regional Pulse

## November 2016

### BUSINESS ACTIVITY

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+28%	+3
Rest of Leinster	+25%	0
Munster	+26%	-1
Connacht/Ulster	+20%	-9

### BUSINESS ACTIVITY

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+35%	-9
Rest of Leinster	+33%	-4
Munster	+31%	-1
Connacht/Ulster	+20%	-2

### JOBS

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+10%	-2
Rest of Leinster	+10%	+3
Munster	+9%	-1
Connacht/Ulster	+6%	-8

### JOBS

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+10%	-5
Rest of Leinster	+9%	-3
Munster	+9%	-1
Connacht/Ulster	+7%	-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, 800 firms in industry, 800 services firms, 250 retailers and 250 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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