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Bank of Ireland   
**economic pulse**  
December 2020

 Regional  
Pulse

# Regional Pulse

## December 2020

“The four Regional Pulses tracked higher in December but remain well off their pre-COVID readings.”

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

The Bank of Ireland Regional Pulses bring together the views of households and firms around the country. The 3 month moving averages show that sentiment was up across the board in December 2020.

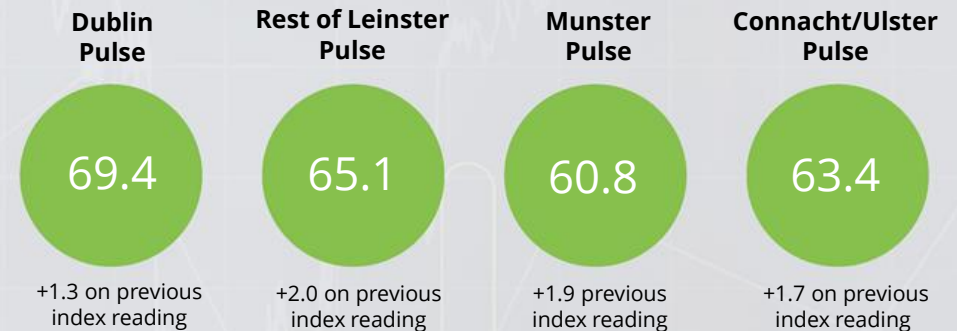
While Brexit was on minds, the easing of Level 5 restrictions at the start of the month lifted the mood and with consumers and businesses also taking comfort from developments on the vaccine front, households in all regions were more positive about the economy’s prospects this month and firms in all regions upgraded their near-term expectations for activity and jobs.

### KEY POINTS

- Regional Pulses up in December
- Broad based improvement in sentiment
- As the economy re-opened

### REGIONAL PULSES

Three Month Moving Averages



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

# Regional Pulse

## December 2020

### GENERAL ECONOMIC SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	1%	2%	1%	0%
⬇️	3%	6%	3%	5%
No Change	8%	13%	11%	9%
⬆️	39%	36%	41%	38%
⬇️	47%	43%	43%	48%
Balance	-65%	-56%	-61%	-65%
Change on previous reading	+1	+4	+7	+1

### HOUSEHOLD FINANCIAL SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	5%	3%	4%	3%
⬇️	16%	17%	14%	15%
No Change	52%	59%	63%	59%
⬆️	22%	15%	14%	19%
⬇️	5%	6%	5%	4%
Balance	-3%	-2%	0%	-4%
Change on previous reading	0	+3	+3	+1

### GENERAL ECONOMIC SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	9%	8%	7%	8%
⬇️	40%	32%	34%	40%
No Change	10%	9%	14%	11%
⬆️	22%	26%	22%	18%
⬇️	18%	23%	21%	21%
Balance	-1%	-12%	-8%	-1%
Change on previous reading	+8	+4	+13	+19

### HOUSEHOLD FINANCIAL SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	8%	5%	5%	4%
⬇️	27%	26%	27%	21%
No Change	53%	51%	55%	54%
⬆️	9%	12%	12%	12%
⬇️	2%	4%	0%	5%
Balance	+15%	+9%	+12%	+4%
Change on previous reading	+6	+1	+5	-5

# Regional Pulse

## December 2020

### House Price and Rents Expectations

#### DUBLIN

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	17%	11%
1% - 5%		33%	34%
Stay more or less the same		30%	34%
1% - 5%	↓ Decrease	10%	11%
> 5%		6%	6%
Balance		+22%	+17%
Change on previous reading		+12	+3

#### REST OF LEINSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	15%	15%
1% - 5%		37%	36%
Stay more or less the same		36%	38%
1% - 5%	↓ Decrease	8%	4%
> 5%		3%	2%
Balance		+26%	+30%
Change on previous reading		+12	+9

#### MUNSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	20%	14%
1% - 5%		32%	32%
Stay more or less the same		31%	45%
1% - 5%	↓ Decrease	11%	5%
> 5%		4%	2%
Balance		+26%	+26%
Change on previous reading		+12	+8

#### CONNACHT/ULSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	16%	13%
1% - 5%		27%	24%
Stay more or less the same		35%	45%
1% - 5%	↓ Decrease	6%	6%
> 5%		10%	4%
Balance		+16%	+18%
Change on previous reading		+2	-6

# Regional Pulse

## December 2020

### BUSINESS ACTIVITY

Past 3 Months	Change on previous reading	
	Balance	
Dublin	-5%	+12
Rest of Leinster	-4%	+11
Munster	-12%	+5
Connacht/Ulster	-13%	+17

### BUSINESS ACTIVITY

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+16%	+11
Rest of Leinster	+17%	+8
Munster	+13%	+12
Connacht/Ulster	+12%	+18

### JOBS

Past 3 Months	Change on previous reading	
	Balance	
Dublin	-10%	-2
Rest of Leinster	-8%	+2
Munster	-7%	+3
Connacht/Ulster	-9%	+9

### JOBS

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+9%	+2
Rest of Leinster	+9%	+2
Munster	+5%	+7
Connacht/Ulster	+6%	+6

# 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.

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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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