

Further material available at  
[www.BankofIrelandEconomicPulse.com](http://www.BankofIrelandEconomicPulse.com)

## Bank of Ireland economic pulse

August 2022

 Economic  
Pulse

 Consumer  
Pulse

 Housing  
Pulse

 Business  
Pulse

# Economic Pulse

## August 2022

“The Consumer Pulse led the way in August, with the Business Pulse also up on the month.”

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

The Bank of Ireland Economic Pulse stood at 72.4 in August 2022. The index, which combines the results of the Consumer and Business Pulses, was up 2.1 on last month’s reading but 16.4 lower than a year ago.

With households basking in the late summer heatwave and looking ahead to Budget 2023, the Consumer Pulse recovered some losses this month, though it remains subdued at just below its COVID-19 nadir. The Business Pulse was also a touch firmer in August, albeit at the sectoral level, it was a case of two up (Services and Retail) and two down (Industry and Construction).

### KEY POINTS

- Economic Pulse increases in August
- Households lead the way
- Mixed business picture

### ECONOMIC PULSE

August 2022

72.4

+2.1 on previous index reading

### PULSE TRENDS



# Consumer Pulse

## August 2022

“While the Consumer Pulse recovered some losses this month, it remains subdued.”

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

### KEY POINTS

- Consumer Pulse rises in August
- Moves off all-time low
- More government support anticipated

### CONSUMER PULSE

August 2022

48.4

+4.9 on previous index reading

### GENERAL ECONOMIC SITUATION

	Past 12 Months	Next 12 Months
⤴	2%	2%
⤴	7%	13%
No Change	7%	12%
⤵	37%	34%
⤵	46%	37%
Balance	-59%	-45%
Change on previous reading	+7	+8

### HOUSEHOLD FINANCIAL SITUATION

	Past 12 Months	Next 12 Months
⤴	3%	4%
⤴	12%	16%
No Change	36%	30%
⤵	33%	29%
⤵	14%	18%
Balance	-22%	-21%
Change on previous reading	+7	+4

The Consumer Pulse posted a reading of 48.4 in August 2022, 4.9 higher than July’s record low but down 32.6 on a year ago. The uptick this month was reasonably broad-based across the components – households were less downbeat about the current state of the economy and their own finances, and with an eye to the forthcoming ‘cost of living’ budget, lifted their expectations for both over the coming year. Buying sentiment was little changed in August though, with only 15% considering it a good time to purchase big ticket items such as furniture and electrical equipment.

# Housing Pulse

## August 2022

"The Housing Pulse reversed course in August, rising after three months of declines."

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

### KEY POINTS

- Housing Pulse up in August
- House price expectations strengthen
- Same for rents

### HOUSING PULSE

August 2022

101.4

+3.7 on previous index reading

### HOUSE PRICE EXPECTATIONS

Next 12 Months

Change		Response
> 5%	Increase ↑	34%
1% - 5%		34%
Stay more or less the same		18%
1% - 5%	Decrease ↓	6%
> 5%		5%

**Balance +43%**  
+4 on previous reading

### RENT EXPECTATIONS

Next 12 Months

Change		Response
> 5%	Increase ↑	38%
1% - 5%		34%
Stay more or less the same		22%
1% - 5%	Decrease ↓	1%
> 5%		1%

**Balance +53%**  
+5 on previous reading

After a hat-trick of falls, the Housing Pulse rose in August 2022. At 101.4, the index was up 3.7 on last month but 16.6 lower than a year ago. While Dublin households kept their expectations largely in check, households in the Rest of Leinster, Munster and Connacht/Ulster were more upbeat this month about future house price gains. On the rents front, expectations for the coming year were higher in all four regions. Nationally, 68% now think house price increases are on the cards (versus 63% in July), while just over seven in ten think rents will rise.

# Business Pulse

## August 2022

“For the Business Pulse, it was a case of two sectors up and two sectors down this month.”

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

### KEY POINTS

- Business Pulse nudges up in August
- Cost pressures moderating
- Dip in selling price expectations

### BUSINESS PULSE

August 2022

78.4

+1.4 on previous index reading

### SECTOR PULSES

Industry Pulse

81.0

-4.2 on previous index reading

Services Pulse

81.7

+2.7 on previous index reading

Retail Pulse

65.2

+3.7 on previous index reading

Construction Pulse

76.0

-2.1 on previous index reading

The Business Pulse came in at 78.4 in August 2022, up 1.4 on July’s reading but down 12.4 on a year ago. The sectoral picture was mixed however, with the Services and Retail Pulses making up some of the ground ceded last month, whereas the Industry and Construction Pulses slipped again. While the costs and sourcing backdrop is still challenging for many businesses, the August data add to nascent signs that supply chains are healing. The share of firms reporting an increase in non-labour input costs over the past three months eased to 83% from 86% in July, which in turn allowed for a further paring back of selling price expectations (57% said they intend to increase the prices they charge in the near term, down from 59% in the previous survey).

# Business Pulse

## August 2022

<b>BUSINESS ACTIVITY</b>		Past 3 Months			
	Industry	Services	Retail	Construction	
^	24%	35%	24%	22%	
No Change	58%	53%	50%	59%	
∨	18%	13%	27%	19%	
Balance	+7%	+22%	-3%	+3%	
Change on previous reading	+9	+3	+1	+1	

<b>BUSINESS ACTIVITY</b>		Next 3 Months			
	Industry	Services	Retail	Construction	
^	35%	33%	28%	22%	
No Change	52%	47%	49%	66%	
∨	13%	19%	23%	12%	
Balance	+22%	+14%	+5%	+11%	
Change on previous reading	+13	-1	+7	0	

<b>JOBS</b>		Past 3 Months			
	Industry	Services	Retail	Construction	
^	11%	14%	10%	7%	
No Change	78%	81%	83%	83%	
∨	11%	5%	7%	9%	
Balance	-1%	+8%	+3%	-2%	
Change on previous reading	-10	0	-3	-7	

<b>JOBS</b>		Next 3 Months			
	Industry	Services	Retail	Construction	
^	15%	14%	9%	19%	
No Change	81%	79%	88%	75%	
∨	5%	7%	3%	6%	
Balance	+10%	+7%	+6%	+12%	
Change on previous reading	0	+3	+4	+2	

Business activity refers to production in the case of industry, demand/turnover for services, sales for retail and building activity for construction.

# Background

“The Economic Pulse provides a timely, comprehensive and robust picture of the economic environment and consumer and business confidence in Ireland.”

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

## ABOUT THE PULSE

The Economic Pulse is a new indicator for Ireland 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, 500 services firms, 350 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  
+353 1 250 8900

Dr Loretta O’Sullivan,  
Group Chief Economist,  
ext. 44267

Conn Creedon,  
Senior Economist,  
ext. 35134

Patrick Mullane,  
Senior Economist,  
ext. 44269

Mark Leech,  
Media Relations Manager,  
+353 87 905 3679

**Notes:** Balances are calculated as the difference between positive and negative responses (using weighted averages for questions with multiple options). For the Economic, Consumer, Housing and Business Pulses, January 2016 = 100.

**Disclaimer:** This document has been prepared by the Economic Research Unit at The Governor and Company of the Bank of Ireland (“BOI”) for information purposes only and BOI is not soliciting any action based upon it. BOI believes any information contained herein to be accurate but does not warrant its accuracy and accepts no responsibility, other than any responsibility it may owe to any party under the European Union (Markets in Financial Instruments) Regulations 2017 as may be amended from time to time, and under the Financial Conduct Authority rules (where the client is resident in the UK), for any loss or damage caused by any act or omission taken as a result of the information contained in this document. BOI acknowledge the financial contribution made by the European Union for carrying out the Irish element of the Joint Harmonised EU Programme of Business and Consumer Surveys. Any survey data communicated or published in this document reflects only the view of BOI and the European Commission is not responsible for any use that may be made of the information. Any decision made by a party after reading this document shall be on the basis of its own research and not be influenced or based on any view expressed by BOI either in this document or otherwise. This document does not address all risks and cannot be relied upon for any investment contract or decision. A party should obtain independent professional advice before making any investment decision. Expressions of opinion contained in this document reflect current opinion as at 26/08/2022 and is based on information available to BOI before that date which is subject to change without notice. This document is the property of BOI and its contents may not be reproduced, either in whole or in part, without the express written consent of a suitably authorised member of BOI. By accepting this document, the recipient agrees to be bound by the foregoing limitations. Bank of Ireland is authorised and regulated by the Central Bank of Ireland. Authorised by the Prudential Regulation Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. The nature and extent of consumer protections may differ from those for firms based in the UK. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority’s website. Bank of Ireland incorporated in Ireland with limited liability. Registered Office - Head Office, 40 Mespil Road, Dublin 4, Ireland. Registered Number - C-1.