

# Ireland

## Irish economy rebounds following Storm Emma disruption

- Output growth remains strong in May, having rebounded in April
- Marked expansions recorded across all three monitored sectors
- Consumer spending growth also rebounds from March slowdown

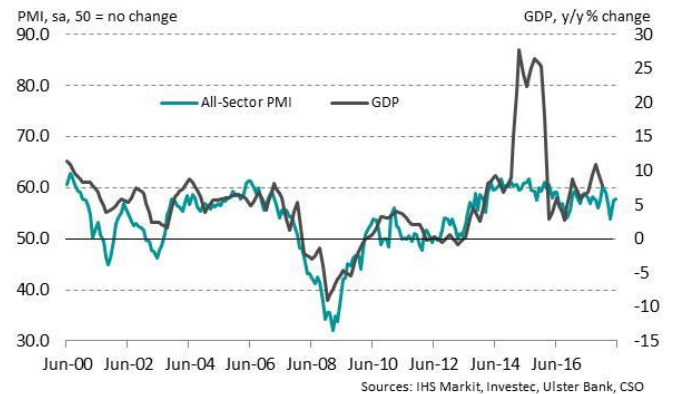
Underlying growth in the Irish economy remains strong so far during the second quarter of the year. April and May saw output growth rebound following a weather-related slowdown during March. The picture in Ireland contrasts with that seen at the eurozone level, where the rate of expansion has [eased markedly since the first quarter of the year](#).

### Output growth rebounds since March

The all-sector PMI (covering data for the manufacturing, services and construction sectors) was unchanged at 57.7 in May, having signalled the fastest increase in output for three months in April. The rate of expansion in business activity was sharp, signalling strong growth momentum during the second quarter.

The latest data represent a marked rebound from March, when output growth had eased to the weakest since June 2013 as Storm Emma brought heavy snow disruption to the country. Despite the slowdown at the end of Q1, GDP data for the first quarter should still signal a solid expansion, with a pick-up likely during Q2.

PMI data v GDP

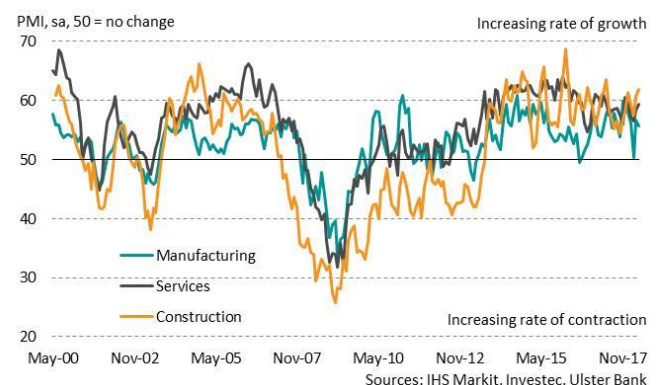


### Broad-based upturn in growth momentum

All three PMI surveys produced by IHS Markit saw output growth accelerate in April and remain strong in May. The most marked rebound was seen in the manufacturing sector, which had suffered a near-stagnation in output in March as Storm Emma struck. Although May saw factory output increase at a slightly slower pace, the rate of expansion remained sharp amid the fastest rise in new orders since January.

Meanwhile, activity in both the services and construction sectors quickened to three-month highs in April and accelerated further in May.

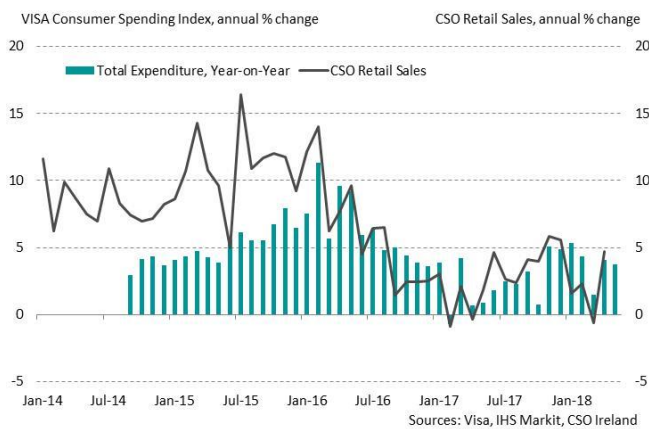
### PMI Output Indices



## Solid rise in consumer spending

As well as the monthly PMI surveys, IHS Markit also calculates Visa’s Irish Consumer Spending Index (CSI). Here too a rebound in growth has been witnessed. Household expenditure was up 4.0% year-on-year in April, reviving after a weather-affected slowdown to 1.5% growth in March. [Although easing slightly to 3.7% in May, the rate of spending growth remained solid midway through the second quarter.](#) April’s rebound was corroborated by official retail sales data, which tends to track trends in Visa’s CSI closely.

### Visa CSI v Retail Sales



While the Irish economy looks to be performing solidly during the second quarter, there are signs of more subdued demand elsewhere. The eurozone has seen a downshift in growth since the start of 2018, easing to an 18-month low in May. Meanwhile, the UK’s rebound from March’s weather disruption has been [more modest than seen in Ireland](#), and forward-looking indicators hint at a further easing in UK growth in coming months.

While April’s rebound was sustained into May, the forthcoming releases for the PMI and CSI will provide insight into how the economy is faring amid slower growth in the euro area.

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