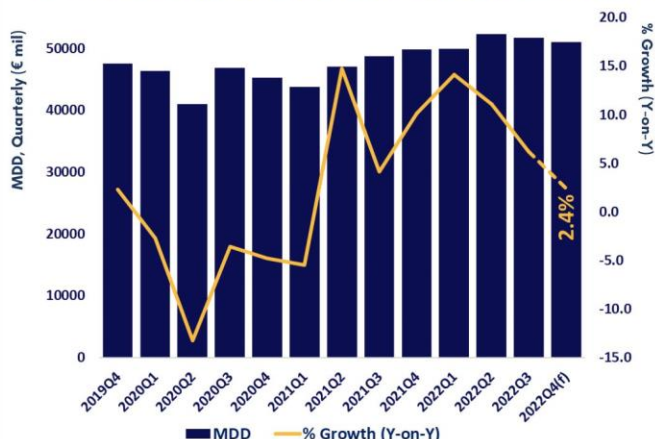


ESTIMATED MONTHLY MODIFIED DOMESTIC DEMAND (MDD)

16 December 2022

October 2022 MDD: **3.1%**

MODIFIED DOMESTIC DEMAND (MDD) NOWCAST



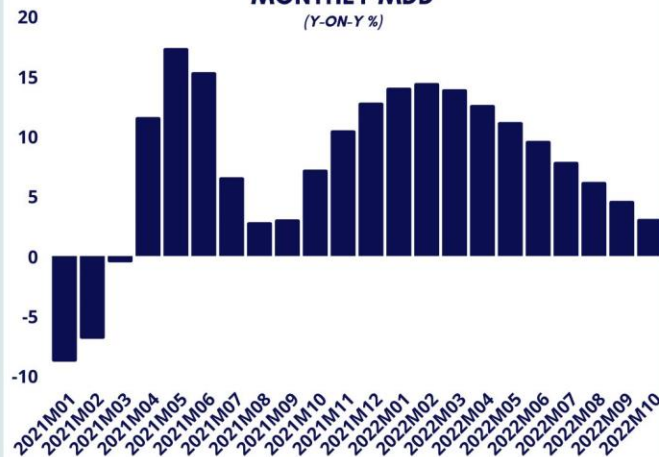
MDD is a measure of domestic economic activity in Ireland including spending by households, investment by enterprises and net spending by the government.

October Key Indicators (Y-on-Y):



MONTHLY MDD

(Y-ON-Y %)



On a monthly basis, MDD growth has slowed for four consecutive months. On an annual basis, MDD in October 2022 grew 3.1%. MDD for Q4 2022 is now estimated to be 2.4% on an annual basis.

*Detail on the Nowcasting model employed for these estimates can be found in: Egan P. (2022). 'Nowcasting domestic demand using a dynamic factor model: the case of Ireland'. Applied Economics Letters

Using data available through 14 December 2022, we provide an update to our monthly estimate of modified domestic demand (MDD) using the ESRI Nowcasting model currently employed to support the forecasting exercise in the *Quarterly Economic Commentary*.¹

October MDD is estimated to be 3.1 per cent above its level from October 2021.² Strong tax receipts, continued strength in the labour market and growth in industrial production are all contributing to growth. While growth is relatively strong, MDD on a monthly basis has now declined for four consecutive months, indicating a slowdown in the domestic economy. Factors contributing to this slowdown include the continued uncertainty in the global economy as well as persistently high inflation. In October, we continue

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² Nowcast figures for Q4 2022 include data available through 14 December 2022.

to see declines in survey indicators, such as business and consumer sentiment, as well as slowdowns in retail sales. On an annual basis, growth for MDD in Q4 2022 is estimated to be 2.4 per cent.