



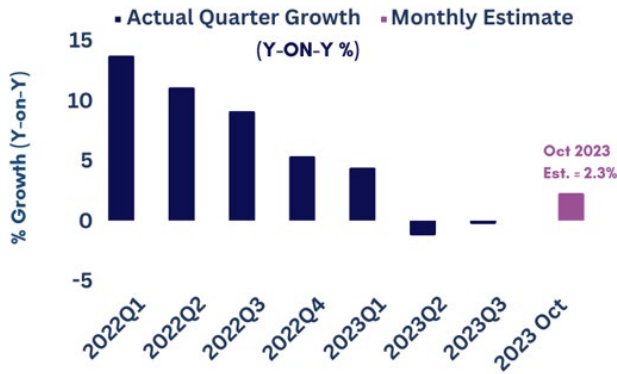
Estimated Monthly Modified Domestic Demand (MDD)

21 December 2023

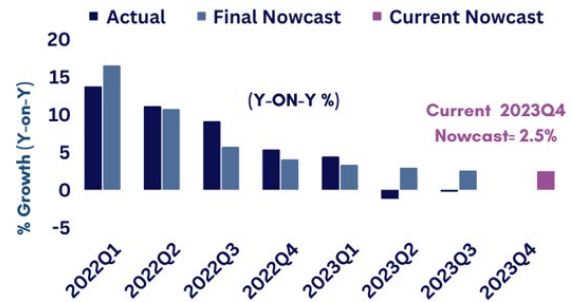
October 2023 Key Categories (versus October 2022)



Estimated October 2023 MDD = 2.3%



2023Q4 MDD Nowcast = 2.5% (based on all October and partial November)



Summary

- Using data available to 20th December 2023, we provide an update to our monthly estimate of modified domestic demand (MDD)¹ using the ESRI’s Nowcasting model currently employed to support the forecasting exercise in the *Quarterly Economic Commentary*².
- We estimate that MDD grew 2.3% year-on-year in October 2023. October once again saw increases in the price of both goods and services as well as strong growth in a number of output sectors such as food production compared to October 2022. On the other hand, tightening of financial conditions relative to October 2022 as well as weaker retail sales data compared to twelve months ago put downward pressure on our monthly estimate.
- Based on all data for October and partial data for November, our early nowcast estimates MDD for 2023Q4 to be 2.5% above its level in 2022Q4. This is up from the 2.0% estimated in the Winter QEC earlier this month.

¹ MDD is a measure of domestic economic activity in Ireland including spending by households, investment by enterprises and net spending by the government.

² Based on Egan, P. (2023) Nowcasting domestic demand using a dynamic factor model: the case of Ireland, *Applied Economics Letters*, 30(19), 2711-2716. For further information, please contact Paul Egan, Research Officer. Email: paul.egan@esri.ie

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