



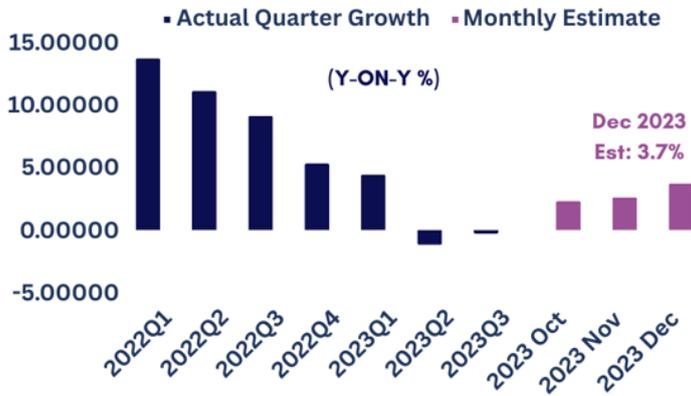
Estimated Monthly Modified Domestic Demand (MDD)

23 February 2024

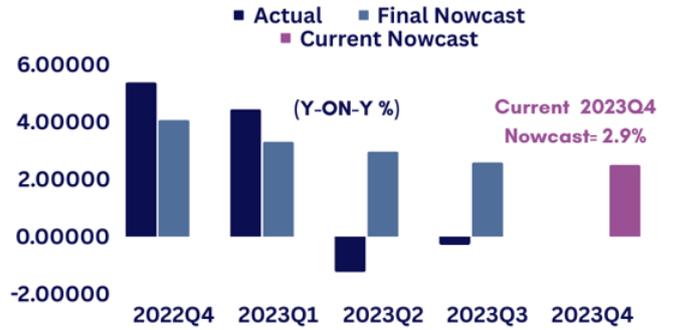
December 2023 Key Categories (versus December 2022)



Estimated December 2023 MDD = 3.7%



2023Q4 MDD Nowcast = 2.9%
based on all October, November & December data



Summary

- Using data available to 21st February 2024, 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 3.7% year-on-year in December 2023. This is up from the 2.5% estimate for November. December saw strong growth in residential property prices as well as an increase in industrial production across several sectors compared to 12 months ago. On the other hand, tightening of financial conditions relative to December 2022 put downward pressure on our monthly estimate.
- Based on a complement of data from October, November and December our nowcast estimates MDD for 2023Q4 to be 2.9% above its level in 2022Q4.

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

<https://doi.org/10.26504/ir15>

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