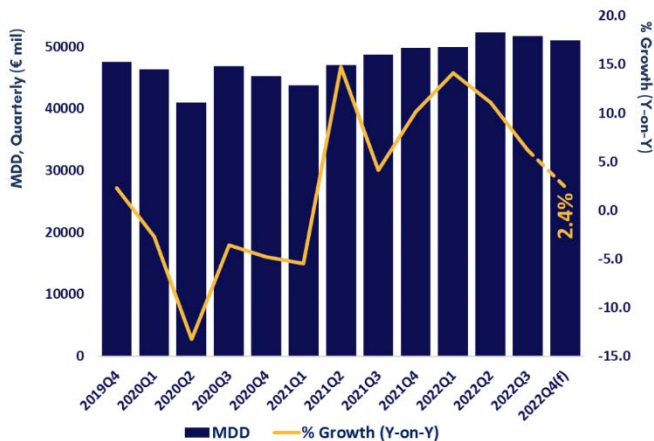


ESTIMATED MONTHLY MODIFIED DOMESTIC DEMAND (MDD)

24 January 2023

November 2022 MDD: **2.5%**

MODIFIED DOMESTIC DEMAND (MDD) NOWCAST

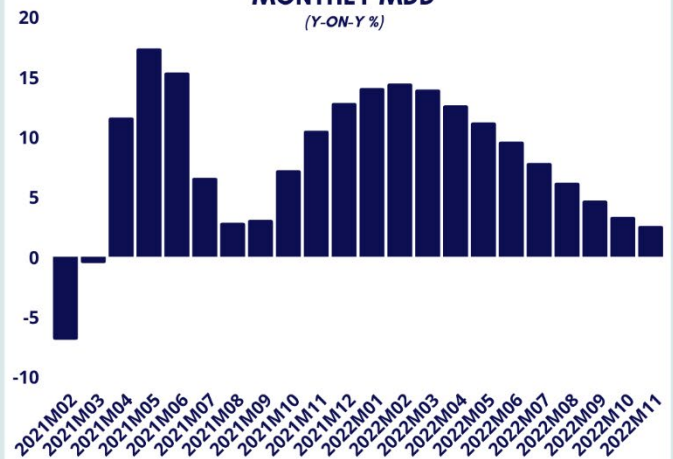


MDD is a measure of domestic economic activity in Ireland including spending by households, investment by enterprises and net spending by the government.

November Key Indicators (Y-on-Y):



MONTHLY MDD (Y-ON-Y %)



On a monthly basis, MDD growth has slowed for five consecutive months. On an annual basis, MDD in November 2022 grew 2.5%. 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 23 January 2023, 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

November MDD is estimated to be 2.5 per cent above its level from November 2021. Over this same period, tax receipts have remained strong, the labour market has improved and industrial production has grown significantly. While annual growth remains strong, it has declined consecutively since its peak of 14.4 per cent growth in February 2022. On a monthly basis, MDD declined 0.2 per cent from October to November 2022. Factors contributing to this slowdown include the continued uncertainty in the global economy as well as persistently high inflation and tightening financial conditions.

Quarterly MDD is now estimated to be 2.4 per cent above its level from Q4 2021.

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