

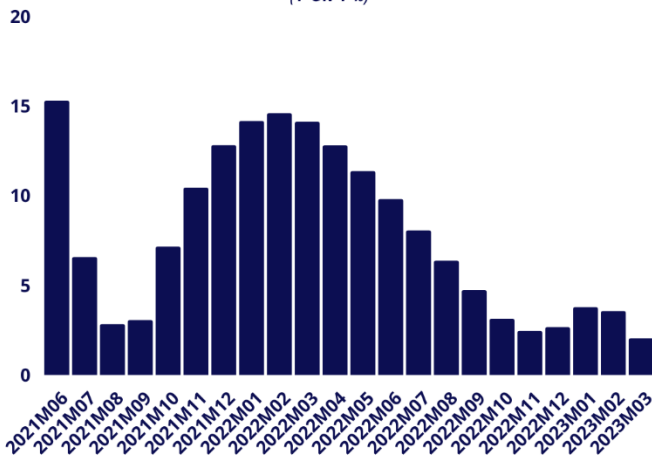


ESTIMATED MONTHLY MODIFIED DOMESTIC DEMAND (MDD)

18 May 2023

March 2023 MDD: **2.0%**

MONTHLY MDD
(Y-ON-Y %)

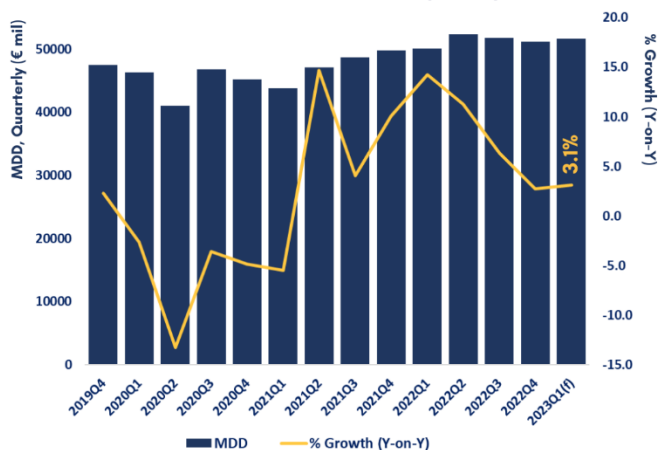


MDD is a measure of domestic economic activity in Ireland including spending by households, investment by enterprises and net spending by the government.

March Key Indicators (Y-on-Y):



MODIFIED DOMESTIC DEMAND (MDD) NOWCAST



MDD in March 2023 grew 2.0% year-on-year and remained relatively constant on a monthly basis. Despite tightening financial conditions, MDD in Q1 2023 is estimated to be 3.1% above its level in Q1 2022.

*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



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Using data available through 17 May 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

MDD in March is estimated to be 2.0 per cent above its level in March 2022. Continued resilience in the labour market as well as growth in industrial production, retail sales and total tax revenue are indicative of growth in economic activity in March. However, continued tightening of financial conditions and depressed economic sentiment have contributed to a slowdown in the pace of growth on a monthly basis; MDD in March remained relatively unchanged from February. Overall growth in Q1 2023 is estimated to be 3.1 per cent above its level in Q1 2022.

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