Irish Economy Watch

AIB Treasury Economic Research Unit

Monday 27 July 2026

	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
MANUFACTURING								
AIB Manufacturing PMI	52.8	52.2	52.2	53.1	53.7	54.9	55.9	54.9
AIB Manufacturing PMI - Future Output	71.5	67.9	72.0	69.6	67.0	62.6	68.7	67.2
Industrial Production (Ex-Modern)	110.5	111.7	110.7	111.0	107.5	109.3	106.2	#N/A
Production (Ex-Modern) : 3mma YoY%	-2.6	-4.3	-4.7	-4.0	-4.1	-6.0	-8.7	#N/A
3mth / 3mth % seas. adj.	0.5	-0.1	-2.6	-2.3	-2.8	-1.5	-3.1	#N/A

The manu. PMI eased back to 54.9 in June, amid sustained gains in output, new orders and stock building. Input prices rose at a slower pace, while output price inflation accelerated

Traditional industrial production fell by 3.1% in the 3 mths to May, and it was 8.7% lower YoY

	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
SERVICES / RETAIL								
AIB Services PMI	58.5	54.8	54.5	51.8	50.7	49.7	50.8	54.2
CSO Services Index (Value)	170.0	167.3	179.0	174.8	170.9	178.5	183.2	#N/A
- YoY %	13.7	8.6	17.0	9.9	1.4	12.4	10.9	#N/A
- 3mth / 3mth % seas. adj.	1.1	1.9	3.9	4.0	4.2	1.5	2.2	#N/A
SIMI Car Registrations	838	276	34,521	14,959	15,402	10,081	8,038	2,187
- 12 mth cum total	125,101	124,954	125,976	126,941	125,052	126,429	128,648	128,400
- 3 mma YoY %	-0.5	-16.8	1.7	3.8	0.2	1.1	5.4	19.7
Retail Sales Index	115.1	114.8	116.5	115.7	114.8	115.4	115.4	#N/A
- YoY %	2.2	0.3	3.2	1.0	0.3	0.3	0.8	#N/A
- 3mth / 3mth % seas. adj.	-0.3	-0.6	0.3	0.5	0.7	-0.1	-0.4	#N/A
Ex Autos Index	113.7	113.1	113.4	113.9	114.0	113.8	114.1	#N/A
- YoY %	0.7	-0.9	2.3	0.2	0.8	0.5	0.4	#N/A
- 3mth / 3mth % seas. adj.	-0.1	-0.2	-0.2	-0.2	0.3	0.4	0.4	#N/A

The serv. PMI rose sharply to 54.2 in June. Activity levels increased amid a pick-up in new and outstanding business, including exports. Business expectations improved for a third consecutive month.

The CSO services index rose by 2.2% in the 3 mths to May and it was up 8.2% YoY also

New car sales remain solid, rising by 19.7% YoY in Q2. 12 month running sales total steady at 128.4k

Retail sales fell by 0.4% in the 3 mths to May, albeit core sales rose by 0.4% in the same period

	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
RESIDENTIAL CONSTRUCTION ACTIVITY								
AIB Construction PMI	46.7	48.4	48.6	52.1	53.2	47.1	50.2	45.4
- Housing Activity	47.0	49.0	46.9	50.7	52.7	44.4	43.2	40.4
- Commercial Activity	46.1	47.2	49.0	54.0	54.9	50.3	56.4	46.4
- New Orders	49.2	51.2	53.8	55.5	54.2	46.4	51.9	45.8
- Business Expectations	56.4	61.2	62.4	60.0	56.6	52.8	55.0	55.3
Commencements: 12mth Total	24,070	16,412	17,275	19,667	21,859	23,435	24,499	25,944
- 3 Month Avg YoY %	-76.7	-65.0	-50.4	-34.0	184.0	218.8	171.4	118.3

The construction PMI declined to 45.4 in June, consistent with a renewed fall in activity levels. Housing and commercial activity contracted sharply. New orders also fell markedly

Circa 16k commencements have been registered YTD to June, more than double last years total but below the level seen in 2024. 12mth running total up to 25.9k

	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
HOUSING MARKET ACTIVITY								
BPFI Mortgage Approvals : Month	3,451	2,822	2,412	3,043	3,644	3,774	4,477	#N/A
- 3 Month Avg YoY %	-3.1	-5.8	-7.5	-2.3	-0.8	2.0	2.8	#N/A
- 12 Mth Total	43,522	43,395	43,069	43,331	43,318	43,270	43,650	#N/A
RPPR Transactions : Month	5,220	7,281	3,588	4,088	4,851	4,499	4,815	4,374
- 3 Month Avg YoY %	-1.5	-0.9	1.6	4.3	3.0	1.2	-1.5	-7.4
- 12 Mth Total	60,992	61,586	61,623	61,613	61,950	61,782	61,392	60,856
HOUSING MARKET PRICES								
CSO Price Index - MoM	0.5	0.6	0.4	-0.2	0.1	0.1	0.5	#N/A
- YoY %	6.8	6.8	7.1	6.7	6.7	6.3	6.2	#N/A
Daft Asking Prices: MoM %	0.3	0.2	0.1	-0.2	0.9	0.5	0.5	0.5
- YoY %	5.8	5.4	4.9	3.8	3.7	3.7	3.6	3.8
RENTS: CSO Private Rents - MoM%	0.3	0.2	0.1	0.2	0.5	1.1	0.3	0.7
- YoY %	3.0	2.7	2.7	2.6	3.1	4.1	3.9	4.5
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB								
- Mortgage as % of Disposable Income	24.6	24.7	23.4	22.7	22.1	#N/A	#N/A	#N/A

Mortgage approvals rose by 2.8% YoY in the 3 mths to May. 12 month total up to 43.6k

Residential property transactions fell by 7.4% YoY in Q2. Annual running total is back below 61k

House prices increased by 0.5% in May, having had a weak start to 2026. The YoY rate slowed slightly to 6.2%

Asking prices on Daft.ie rose by 1.6% in Q2. Overall, they were up by 3.8% YoY in the quarter

CSO rental index increased by 0.7% in June, lifting the YoY rate up to 3.9%

Affordability improved somewhat in Q1, amid a slowdown in house price growth

Sources: Refinitiv, CSO, DoF, DoECLG, Daft.ie, BPFI, ILCU, PSRA, SIMI, European Commission, AIB ERU Calculations

	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
CONSUMER PRICES - YoY %	3.2	2.8	2.7	2.7	3.6	3.7	3.6	3.4
- MoM %	-0.2	0.5	-0.9	0.9	1.6	0.5	-0.1	0.3
HICP - YoY %	3.1	2.7	2.5	2.5	3.6	3.6	3.5	3.2
- MoM %	-0.2	0.5	-1.0	0.8	1.8	0.5	-0.2	0.3

Prices rose by 0.3% in June, amid an increase in the price of leisure activities. However, CPI inflation edged down to 3.4% as clothes price inflation eased slightly. HICP inflation declined to 3.2% in the month

PERSONAL / FINANCIAL	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
ILCU Consumer Sentiment Index	61.0	61.2	64.7	65.2	56.7	53.3	59.4	62.2
Credit Growth YoY %								
- Private Sector	4.9	4.5	5.0	5.0	5.3	5.3	6.5	#N/A
- *of which* : Household	5.0	5.2	5.4	5.4	5.3	5.2	5.3	#N/A
- *of which* : Mortgage Lending	5.4	5.6	5.9	5.9	5.8	5.8	5.8	#N/A

Consumer sentiment improved for a second successive month in June, having registered a 40-month low in April

Household credit growth held relatively steady in May, amid no change in mortgage lending

LABOUR MARKET	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Live Register	167,000	172,300	171,200	170,900	171,300	171,300	172,200	172,600
- Change In Month	-3,100	+5,300	-1,100	-300	+400	+0	+900	+400
Unemployment Rate %	4.6	4.8	5.0	5.0	5.0	4.8	4.9	5.0
PMI Employment Indices								
- AIB Manufacturing	50.2	52.1	53.7	54.5	54.2	54.5	55.7	54.6
- AIB Services	53.8	51.0	53.5	52.3	49.6	51.8	52.6	51.3
- AIB Construction	51.4	50.5	51.3	51.7	52.6	53.8	52.9	52.5

Having averaged 4.7% in 2025, the unemployment rate has edged slightly higher so far this year. It rose to 5.0% in Q1, albeit, it fell to 4.8% in April, and averaged 4.9% in Q2

The employment indices of the manu., services and construction PMIs fell in June. Crucially though, all three stayed in expansion mode

MERCHANDISE TRADE	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Export Values - 3M / 3M %	17.3	-19.6	-15.5	-16.6	-0.5	1.4	4.8	#N/A
- 3MMA YoY %	-4.4	-15.8	-21.4	-27.7	-43.1	-37.8	-35.2	#N/A
Import Values - 3M / 3M %	-4.0	0.6	2.8	1.3	1.2	5.1	9.8	#N/A
- 3MMA YoY %	7.5	10.1	8.1	2.5	2.1	8.6	16.3	#N/A

Goods trade surplus widened to €21.5bn YTD in May. However, the value of exports fell by 35.7% YTD to €84.8bn, driven by a decrease in pharma and medical products (down 59.4%). Imports stood at €63.3bn, up 9.1% YTD

PUBLIC FINANCES	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Total Tax Receipts: Cum YTD %	-0.4	-0.6	-16.6	-10.4	-4.2	-2.1	1.3	1.2
Voted Spending : Cum YTD %	5.5	5.9	-0.1	4.1	6.8	9.2	7.7	7.6
Exchequer Bal: 12 Mth Total €m	9,359	7,100	3,621	2,064	2,714	-404	809	3,297

Total tax receipts are up by 1.2% YTD in June, but they are 4.8% higher excl. Apple money. Expenditure rose by 7.6% YTD. 12mth rolling Exchequer balance moved to a €3.3bn surplus

QUARTERLY DATA

	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26
GDP - YoY %	-1.0	4.7	12.3	17.9	10.9	4.7	-0.4	-13.0
*Domestic Demand - YoY%	2.4	3.3	0.9	3.0	5.9	4.4	5.6	3.4
Consumer Spending - YoY %	3.0	2.3	2.6	2.0	3.2	2.7	2.5	2.9
Services Exports - YoY % (3Q Avg)	18.0	16.0	12.3	5.6	1.1	0.6	1.5	4.7

** Excludes Some Investment Related to the Multinational Sector*

GDP plunged by 13.0% YoY in Q1, as the surge in exports last year unwound

MDD rose by 3.4% YoY in Q1, amid a solid rise in consumer spending (+2.9% YoY). Strong investment also boosted MDD

EMPLOYMENT & EARNINGS	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26
Employment YoY %	2.7	3.7	2.6	3.3	2.3	1.1	2.0	0.0
Labour Force YoY %	2.9	3.5	2.4	3.5	2.6	1.9	2.4	0.6
Average Earnings YoY %								
- Hourly	5.5	5.0	6.1	6.3	3.5	3.9	3.1	4.0
- Weekly	5.7	5.5	5.8	5.9	4.5	4.1	3.1	4.4
Weekly Earnings YoY %								
- Private Sector	5.9	5.4	5.3	5.6	4.2	3.6	2.9	3.8
- Public Sector	4.5	4.7	6.0	6.3	5.4	5.9	3.3	4.6

Employment growth stagnated in annual terms in Q1'26. In total, the number of people at work remains close to an all-time record of 2.8m. The labour force expanded by 0.6% YoY in Q1

Weekly average earnings rose by 4.4% YoY in Q4. Public sector pay growth continued to outpace private sector earnings, rising by 4.6% YoY vs. 3.8% YoY

CSO DWELLING COMPLETIONS	6812	8876	8653	5911	9156	9210	11969	7856
- YoY %	-6.1	5.8	-15.2	2.0	34.4	3.8	38.3	32.9
- Cum 12 Mth Total	31198	31685	30136	30252	32596	32930	36246	38191

Completions rose by 32.9% YoY in Q1, amid a sharp increase across all segments. 12mth running total up to 38.1k

AIB

David McNamara
Chief Economist
david.g.mcnamara@aib.ie

John Fahey
Senior Economist
john.j.fahey@aib.ie

Daniel Noonan
Economist
daniel.x.noonan@aib.ie

AIB, 10 Molesworth Street, Dublin 2 Tel: 353-1-6600311 https://aib.ie/investorrelations/economic-research-unit