News Release

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AIB Ireland Construction PMI®

Renewed reductions in output and new orders in June

Key findings

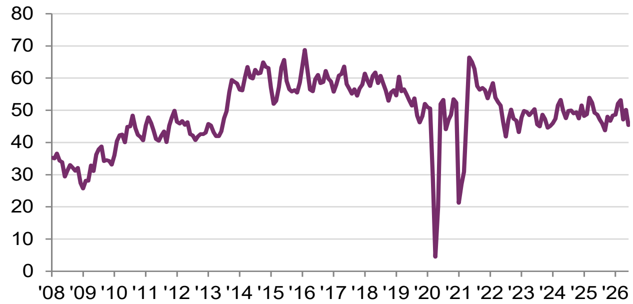
Construction activity down markedly

Input costs rise sharply again

Employment continues to increase

AIB Ireland Construction PMI Total Activity Index

sa, >50 = growth since previous month



Sources: AIB, S&P Global PMI.
Data were collected 11-29 June 2026.

The latest AIB Ireland Construction PMI® data pointed to renewed falls in both total construction activity and new orders during June amid sharply rising prices and a market slowdown. Companies scaled back their purchasing activity as a result, but employment continued to rise as business confidence improved slightly. Meanwhile, firms continued to face price and supply disruption as a result of the war in the Middle East.

The headline seasonally adjusted AIB Ireland Construction Total Activity Index dropped back below the 50.0 no-change mark in June, posting 45.4 from 50.2 in May. The reading signalled a second monthly reduction in construction activity in the past three months, and one that was the sharpest since last September.

All three monitored categories of construction saw activity decrease during June as commercial posted a first fall in five months. The sharpest decline was seen on residential activity, which contracted at the fastest pace in almost four years.

A number of respondents indicated that enquiries had eased in June amid softer market conditions, while there were also some reports of firms waiting for projects to start.

Muted market demand and a reluctance among potential clients to commit to new projects amid sharply rising prices led to a renewed fall in new orders in June. Here too the pace of decline was marked, quickening to the fastest since August 2023.

Reduced workloads led construction companies to scale back their purchasing activity for the first time in eight months. Despite lower demand for inputs, a further lengthening of suppliers' delivery times was signalled amid reports of shipping delays caused by the war in the Middle East and stock shortages at suppliers. That said, the latest deterioration in vendor performance was the least marked in three months.

The effects of the war in the Middle East also continued to be felt with regards to input costs, with higher prices for oil and other raw materials mentioned by firms. Input prices continued to increase sharply in June, despite the rate of inflation easing slightly for the second consecutive month. Meanwhile, sub-contractor rates increased at a much slower pace than seen in May.

While activity, new orders and purchasing all decreased in June, employment continued to rise, extending the current period of jobs growth to eight months. The rate of increase was solid, but

Comment

Commenting on the survey results, John Fahey, AIB Senior Economist, said:

"The AIB Irish Construction PMI survey for June indicated that the sector ended the second quarter on a weak footing as sharply rising prices weighed on activity. The headline index fell back into contractionary territory last month, printing at 45.4. This compared to 50.2 in May.

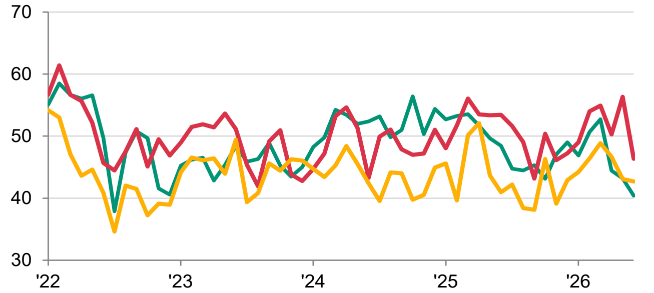
The sectoral breakdown showed that the weakness in June was broad-based with all three sub sectors registering contraction. After four months of expansion, commercial registered a fall in activity in June, albeit it was the least weak of the three sectors. Meanwhile, activity levels in the residential sector contracted for the third consecutive month and by the fastest pace since July 2022. Elsewhere, civil engineering recorded its fourteenth successive month of contraction.

The challenging operating environment for the construction sector last month is further highlighted by some of the other key underlying measures in the survey. The new orders index, which is viewed as a leading indicator, fell for the second time in three months, with the pace of decline its steepest since August 2023. The report noted that some respondents attributed this weakness to the backdrop of rising prices acting as a disincentive for potential clients to commit to new projects. The input cost inflation measure indicated that price pressures remained elevated with many firms continuing to link this to the fallout from the Middle East conflict. One positive aspect of the June report was regarding optimism on the outlook for construction activity. Confidence levels on the prospect for increasing activity levels over the coming year improved for the second month in a row."

the weakest since February. Sub-contractor usage also rose solidly during the month.

Hopes for an increase in new orders over the coming year and expected improvements in demand for housing work supported confidence in the 12-month outlook for construction activity. Sentiment ticked up for the second month running, but remained relatively muted amid concerns around the impact of inflationary pressures.

Housing Activity Index	40.4
Commercial Activity Index	46.4
Civil Engineering Activity Index	42.7
sa, >50 = growth since previous month	Jun '26



Sources: AIB, S&P Global PMI.

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Survey methodology

The AIB Ireland Construction PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 150 construction companies. The panel is stratified by company workforce size, based on contributions to GDP.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Total Activity Index. This is a diffusion index that tracks changes in the total volume of construction activity compared with one month previously. The Total Activity Index is comparable to the Manufacturing Output Index and Services Business Activity Index. It may be referred to as the 'Construction PMI' but is not comparable with the headline manufacturing PMI figure.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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