News Release

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AIB Ireland Manufacturing PMI®

New orders rise at sharpest pace since April 2022

Key findings

Production rises markedly amid influx of new orders

Solid increases in employment and purchasing

Supply-chain disruption and marked cost inflation continue

Growth in the Irish manufacturing sector gained momentum midway through the third quarter of the year. A strong influx of new orders supported a marked and accelerated increase in manufacturing production, with employment and purchasing activity expanding accordingly. That said, international demand continued to be restricted by the war in the Middle East. The conflict also contributed to ongoing supply-chain delays and further sharp increases in both input costs and output prices.

The headline AIB Ireland Manufacturing PMI® is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement of the sector.

The seasonally adjusted AIB Ireland Manufacturing PMI rose for the second month running in August, posting 55.4 from 55.1 in July. The latest reading signalled a further marked improvement in the health of the manufacturing sector, and one that was the most pronounced in three months. Business conditions have strengthened in each month since the start of 2025.

Central to the latest improvement in overall operating conditions was a strong expansion of new orders, with the rate of growth the fastest in just under four-and-a-half years. The steep rise in total new business was recorded despite further signs of muted international demand in August. New export orders increased modestly and at a much weaker pace than total new business amid reports of uncertainty caused by the war in the Middle East.

A sharp rise in overall new orders led manufacturers to expand their production accordingly in August. Output increased for the tenth consecutive month, and at a marked pace that was the sharpest since April 2025.

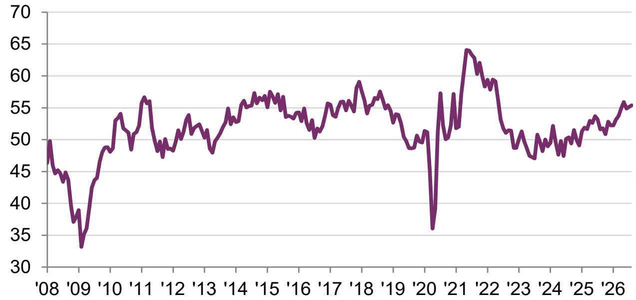
Expectations that the current increases in new orders and output will be sustained over the year ahead supported greater confidence in the 12-month outlook for production. Sentiment rose to the highest since January as just under half of all respondents expressed optimism.

Rising workloads encouraged manufacturers to expand their staffing levels again in August, extending the current sequence of job creation which began in December 2024. The latest increase was much weaker than that seen in July, when jobs growth was the strongest since mid-2022, but still solid nonetheless.

A solid increase in purchasing activity was also signalled in August, in part due to higher new orders but also in some cases a reflection

AIB Ireland Manufacturing PMI

sa, >50 = improvement since previous month



Sources: AIB, S&P Global PMI.
Data were collected 12-21 August 2026.

Comment

Commenting on the survey results, David McNamara, AIB Chief Economist, said:

"The AIB Irish Manufacturing PMI indicates that the sector gained momentum throughout the summer, with the index rising to 55.4 in August from 55.1 in July. The expansion in August was due to sustained gains in output, new orders and employment. The Irish manufacturing PMI remains above the flash readings for the Eurozone, UK and US at 52.8, 51.5 and 53.2, respectively.

"Output rose strongly in August, increasing to the highest level since April 2025, with respondents citing continued robust order books. This was also evidenced by the fastest rise in new orders since April 2022; but export orders growth remained muted, as firms reported some headwinds from geopolitical uncertainty. Given the healthy demand backdrop, employment expanded at a solid, albeit slower pace compared to the multi-year high reached in July. Purchasing activity was in line with July's modest outturn, following the surge in prior months, driven by frontrunning of stock building during the initial phase of the Middle East conflict. However, existing stocks grew for a sixth consecutive month, as firms maintained precautionary stockpiles.

"The rate of input inflation remained well below the near four-year peak reached in May. However, higher input price inflation was mainly linked to the impact of the Middle East conflict. With demand still robust, many firms were able to increase selling prices and protect margins, but output price inflation eased to a five-month low.

"Looking ahead, Irish manufacturers' assessment of the outlook for activity levels over the coming year remains broadly optimistic. Around half predict an increase in output over the next year, while only 7% forecast a reduction. Manufacturers cited positive sentiment regarding new orders growth."

PMI® by S&P Global

of efforts to build safety stocks amid supply-chain delays. As a result, stocks of inputs were accumulated modestly. Stocks of finished goods also increased, the fourth month running in which this has been the case.

Severe supply-chain disruption was recorded again in August. Panellists reported transportation delays, in some cases directly linked to the war in the Middle East. Some firms also reported general capacity constraints in supply chains. The latest lengthening of lead times was only slightly less pronounced than that seen in July.

Delays receiving purchased items caused a further build-up in backlogs of work, the fifth in the past six months. The latest rise was only slight, but more pronounced than in the previous survey period.

Alongside supply-chain disruption, manufacturers continued to face sharply rising input costs in August. The rate of input price inflation ticked up from July and remained well above the levels seen prior to the outbreak of war in the Middle East. In particular, panellists reported higher prices for energy, fuel and oil, as well as rising raw material costs. In turn, output prices also increased markedly. Here, the pace of inflation slowed to a five-month low, but remained sharp.

Contact

David McNamara
AIB Chief Economist
T: +353-(0)87-4071825
david.g.mcnamara@aib.ie
AIBeconomics.Unit@aib.ie
www.aibeconomics.com

Paddy McDonnell
AIB Press Office
T: +353-87-739-0743
paddy.x.mcdonnell@aib.ie

Louise Kelly
AIB Press Office
T: +353-87-216-1545
louise.Y.kelly@aib.ie

Tim Moore
Economics Director
S&P Global Market Intelligence
T: +44-1491-461-067
tim.moore@spglobal.com

Hannah Brook
EMEA Communications Manager
S&P Global Market Intelligence
T: +44-7483-439-812
hannah.brook@spglobal.com

Survey methodology

The AIB Ireland Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 250 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in May 1998.

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 Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

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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About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi