News Release

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AIB Ireland Manufacturing PMI®

Strongest jobs growth in over four years

Key findings

Fastest increase in manufacturing employment since May 2022

Output and new orders rises at robust rates in July

Input price inflation eases to five-month low

July data signalled another month of robust growth across the Irish manufacturing sector, with marked expansions in production volumes and new order intakes. Output expectations picked up to the strongest since February amid hopes of a sustained upturn in demand conditions. As a result, employment numbers increased to the greatest extent for just over four years. Meanwhile, input price inflation eased further from May's recent peak, but supply chain challenges persisted as many manufacturers reported transportation delays and reduced raw material availability.

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.

At 55.1 in July, up slightly from 54.9 in June, the seasonally adjusted AIB Ireland Manufacturing PMI was the second-highest since May 2022. The latest reading pointed to a strong improvement in overall manufacturing sector conditions, supported by robust rises in output, new orders and employment.

Higher levels of production have now been recorded for nine consecutive months, although the latest upturn was the least marked since April. Survey respondents widely noted that output volumes had risen in response to improved demand conditions.

Total new work expanded at a robust pace that was faster than seen on average in the first half of 2026. This was driven by improving domestic demand, as new export orders expanded only marginally and at the slowest pace since February. Manufacturers commented on greater sales to European clients, but some noted headwinds to international demand from elevated geopolitical uncertainty.

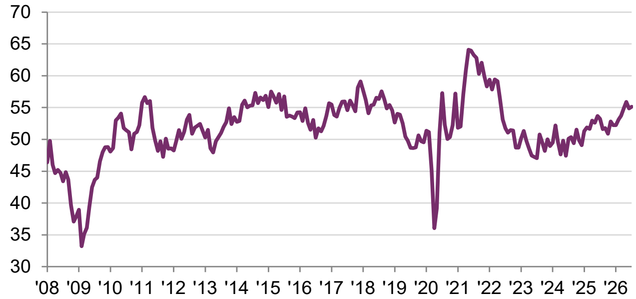
Job creation was a bright spot in July, with the rate of employment growth accelerating for the third time in the past four months to its highest since May 2022. Anecdotal evidence suggested that robust order books, improved business optimism and long-term efforts to boost production capacity had led to rising payroll numbers.

July data indicated a solid increase in purchasing activity across the manufacturing sector, reflecting greater production requirements and efforts to build up inventories. That said, the latest rise in input buying was less marked than the 51-month peak seen in May. Stocks of purchases increased for the fifth month running, but at a slower pace than in June. Post-production inventories increased marginally during the latest survey period.

Manufacturers recorded a steep and accelerated downturn in vendor

AIB Ireland Manufacturing PMI

sa, >50 = improvement since previous month



Sources: AIB, S&P Global PMI.
Data were collected 9-24 July 2026.

Comment

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

“The AIB Irish Manufacturing PMI indicates that the sector maintained solid momentum, with the index rising to 55.1 in July from 54.9 in July. The expansion in July 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 52.0, 52.8 and 53.8, respectively.

"Output rose strongly in July, albeit the pace of increase eased slightly from June, with respondents citing continued healthy order books. This was also evident in a solid rise in new orders, but export orders growth slowed, as firms reported some headwinds from geopolitical uncertainty. Given the robust demand backdrop, employment rose at the sharpest pace since May 2022. Purchasing activity was in line with June's more modest outturn, following the surge in prior months, driven by frontrunning of stock building during the Middle East conflict. However, existing stocks grew for a fifth consecutive month, and firms maintained precautionary stockpiles.

"While activity levels were sustained in July, the rate of input inflation eased markedly once again, well below the near four-year peak reached in May. Higher costs were 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 prices also eased to a four-month low.

"Looking ahead, Irish manufacturers' assessment of the outlook for activity levels over the coming year remains broadly optimistic. Around 46% predict an increase in output over the next year, while only 9% forecast a reduction. Manufacturers cited positive sentiment regarding long-term business expansion plans."

PMI® by S&P Global

performance during July. Many firms commented on reduced raw material availability due to the transportation delays and ongoing supply chain disruptions related to the Middle East conflict.

Average cost burdens increased sharply in July, with survey respondents citing higher prices paid for a range of raw materials. However, the overall rate of inflation moderated for the second month running and was the lowest since February. Efforts to pass on higher raw material and transportation costs led to another robust increase in factory gate prices, although the rate of inflation was the slowest since March.

Looking ahead, nearly half of the survey panel (46%) anticipate an expansion of production levels during the next 12 months, while only 9% forecast a decline. This pointed to the strongest degree of business optimism since February. Anecdotal evidence mainly pointed to hopes of a general improvement in market conditions, as well as strong order books pipelines and planned new product development.

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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