

AIB Ireland Manufacturing PMI®

Strong upturn in manufacturing conditions maintained in June

Key findings

Robust expansions in output and new orders

Stock building gathers further momentum

Output price inflation highest since December 2022

Irish manufacturers signalled robust upturns in output, new orders and employment during June, although in each cases the pace of expansion moderated since May. Survey respondents commented on improving demand conditions in both domestic and export markets. Supply chain challenges nonetheless persisted, with manufacturers noting ongoing transport delays and low stocks among vendors. Efforts to alleviate supply constraints led to the sharpest rise in pre-production inventories for nearly three-and-a-half years, while finished goods stocks rose to the greatest extent since July 2019.

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 54.9 in June, the headline seasonally adjusted AIB Ireland Manufacturing PMI registered eased from May's four-year high of 55.9 but remained well above the neutral 50.0 threshold and signalled a further strong improvement in overall business conditions.

Production volumes increased for the eighth successive month in June and the rate of expansion remained stronger than the long-run survey average. Higher levels of output were attributed to positive demand conditions and resilient business confidence.

June data indicated another marked rise in new order intakes. The rate of new business growth moderated since May, but was still among the strongest seen over the past four years. Similarly, export sales expanded at a solid pace in June, albeit the least marked for three months. Survey respondents commented in rising demand from clients in Europe and the US.

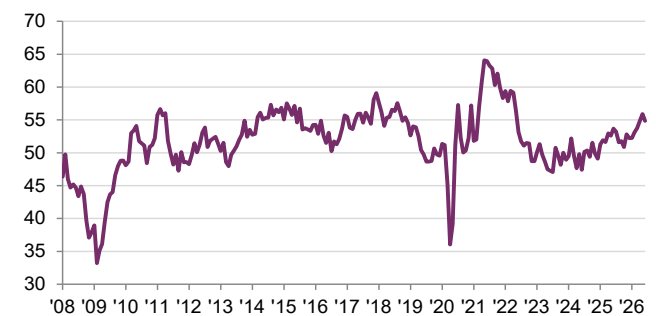
Backlogs of work decreased for the first time in four months and at the fastest rate since January. Manufacturers noted that additional staff hiring and efforts to boost business capacity had helped to reduce their volumes of outstanding work. Employment numbers have increased in each month since December 2024.

Input buying continued to rise in June, but the pace of expansion slowed notably since May and was the weakest since December 2025. Some goods producers noted that a build-up of pre-production inventories had allowed them to taper off their purchasing activity.

Latest data indicated that stocks of purchases were accumulated for the fourth month running and at the fastest rate since January 2023. This was often linked to safety stock building in response to concerns about supply chain disruptions. There was also another

AIB Ireland Manufacturing PMI

sa, >50 = improvement since previous month



Sources: AIB, S&P Global PMI.

Data were collected 11-23 June 2026.

Comment

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

"The AIB Irish Manufacturing PMI indicates that the sector maintained good momentum in June, with the index easing to 54.9 from 55.9 in May. The expansion in June was due to sustained gains in output, new export orders and stock building. The Irish manufacturing PMI remains above the flash readings for the Eurozone and UK at 51.3 and 53.1, respectively; but below the US at 55.7.

"Output rose strongly in June, albeit growth eased slightly from May, with respondents citing continued buoyant order books. This was also evident in solid growth in new orders and export orders, which reached multi-year highs in May, as firms reported a boost to sales despite the geopolitical uncertainty. Firms cited improving demand from the US and Europe, with softer demand from the UK. Given the robust demand backdrop, hiring rose sharply, close to the 4-year peak reached in May. Purchasing activity eased in June following the surge in recent months, driven by frontrunning of stock building during the Middle East conflict. However, existing stocks reached the highest rate of growth since January 2023.

"While activity levels improved, the rate of input inflation remained elevated, easing only slightly from the near four-year peak reached in May. Higher costs were mainly linked to the impact of the Middle East conflict on raw material costs and transportation. Nonetheless, with demand still robust, many firms were able to increase selling prices and protect margins, with the output prices index rising to the highest level since December 2022.

"Looking ahead, Irish manufacturers' assessment of the outlook for activity levels over the coming year remains broadly optimistic. Around 42% predict an increase in output over the next year, while only 8% forecast a reduction. Manufacturers cited rising customer demand as offsetting heightened global economic uncertainty."

month of deliberate increases to finished goods inventories, with the pace of expansion accelerating to its strongest for nearly seven years.

Suppliers' delivery times lengthened considerably during June, although the latest downturn in vendor performance was less marked than in April and May. Many firms reported logistics challenges and low stocks among suppliers linked to the Middle East conflict.

Almost half of the survey panel (46%) reported a rise in their average cost burdens in June, while only 1% signalled a reduction. The resulting seasonally adjusted index eased from May's 46-month high, but still pointed to a steep rate of input price inflation. Manufacturers mostly commented on higher fuel and transportation costs, alongside widespread rises in raw material prices.

June data signalled a steep and accelerated rise in prices charged by Irish manufacturing companies. The rate of factory gate price inflation was the steepest since December 2022 as firms again sought to pass on higher input costs.

Finally, business activity expectations for the year ahead remained relatively upbeat. Around 42% of survey respondents predicted an upturn in output volumes, while only 8% expected a decline. However, the overall degree of positive sentiment moderated slightly since May. Goods producers mostly commented on upbeat projections for customer demand and their long-term business development plans, while some noted headwinds from elevated global economic uncertainty and intense competition.

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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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

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