News Release

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AIB Ireland Manufacturing PMI®

Robust upturn in manufacturing sector business conditions

Key findings

Strong rises in output and new orders

Fastest increase in stocks of purchases since January 2023

Input cost inflation continues to accelerate

October data signalled another strong improvement in business conditions across the Irish manufacturing sector. This reflected relatively strong rises in output, new orders and employment, alongside the fastest increase in stocks of purchases since January 2023. Business activity expectations for the year ahead were more upbeat than in September. Supply chain disruptions and elevated inflationary pressures remained challenges for manufacturing companies, however, with the latest increase in average cost burdens the sharpest since June.

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 registered 55.2 in October, down slightly from 55.5 in September and the lowest for three months. However, the latest reading was still well above the neutral 50.0 value and signalled a robust improvement in overall business conditions.

Output growth moderated from the four-and-a-half year high seen in September, but remained solid overall. Manufacturers generally commented on rising customer demand and ongoing upgrades to production capacity.

New order volumes increased at a sharp and accelerated pace in October. Higher levels of new work reflected improving sales to both domestic and overseas clients. Export orders have now increased for nine consecutive months. Anecdotal evidence cited an upturn in demand due to improving global economic conditions. Some firms noted sales headwinds from intense cost pressures and subdued consumer confidence.

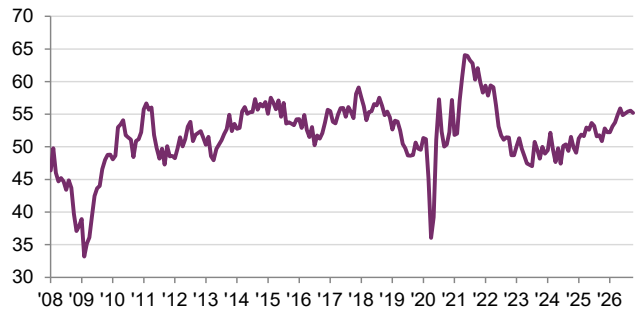
Stronger order books contributed to a rise in unfinished work across the manufacturing sector in October. That said, the rate of backlog accumulation was only marginal and the slowest since July. Goods producers continued to take on additional staff in response to higher demand and as part of efforts to boost operating capacity. Moreover, the speed of job creation hit a three-month high in October.

The latest survey indicated a robust expansion of input buying at manufacturing companies, with the rate of growth the fastest since May. This partly reflected efforts to build safety stocks, as signalled by the strongest increase in pre-production inventories for just under four years.

International shipping delays and constrained transportation

AIB Ireland Manufacturing PMI

sa, >50 = improvement since previous month



Sources: AIB, S&P Global PMI.
Data were collected 12-23 October 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 October, with the index easing slightly to 55.2 from 55.5 in September. The expansion in the month was due to sustained gains in output, new orders and employment. The Irish manufacturing PMI remains above the flash readings for the Eurozone and UK at 52.4 and 52.8, respectively; but below the US at 56.0.

"Output rose solidly in October, although growth slowed from the four-and-a-half year high reached in September, with respondents citing continued robust order books. This was also reflected in a sharp rise in new orders and continued export orders growth. Given the healthy demand backdrop, employment expanded at a robust pace, as firms responded to rising workloads. Purchasing activity continued to grow strongly, linked to stock building efforts and increased order books. Existing stocks grew rapidly for an eight consecutive month, as firms maintained precautionary stockpiles in the current inflationary environment.

"The rate of input inflation accelerated compared to September but remained below the near four-year peak reached in May. Higher input charges were mainly linked to higher energy, fuel and raw materials. With demand still robust, many firms were able to increase selling prices and protect margins, with output price inflation rising in October.

"Irish manufacturers' assessment of the outlook for activity levels over the coming year remains broadly optimistic. Around 41% predict an increase in output over the next year, up from 38% in September, while just 8% forecast a reduction. Manufacturers cited inflationary pressures as weighing on confidence."

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capacity resulted in longer wait times for supplier deliveries in October. That said, the latest downturn in vendor performance was the least marked since March.

October data highlighted a sharp increase in average cost burdens at manufacturing companies. The overall rate of inflation reached a four-month high, largely due to rising energy, fuel and raw material prices. Factory gate charges also rose at the strongest pace since June as manufacturers sought to pass on higher transportation costs.

Irish manufacturers remained confident about the outlook for business activity during the next 12 months. Around 41% of the survey panel predict an expansion, while only 8% forecast a decline. Survey respondents commented on planned growth in export markets, new marketing strategies, and hopes of easing geopolitical tensions.

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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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