News Release

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AIB Ireland Services PMI®

Growth of new business strengthens in June as price pressures ease further

Key findings

Growth rates for activity and new business strengthen

Input price inflation slows to four-month low

Business expectations highest since February

The Irish services sector continued to regain growth momentum in June, according to the latest AIB PMI® survey data. New business increased at the strongest rate in seven months, driving growth of total activity to the fastest since January. Inflationary pressures softened and the outlook improved, with Transport, Tourism & Leisure in particular seeing much slower price rises and a big lift in confidence. Less positively, services employment rose more slowly in June as overall cost pressures remained high.

The AIB Ireland Services Business Activity Index is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The index therefore varies 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 seasonally adjusted AIB Ireland Services Business Activity Index rose further above the no-change mark to 54.2 in June, up from 50.8 in May. The latest figure signalled the strongest growth since January, but remained below its long-run trend (since 2000) of 55.0. Increased activity was linked to recovering demand, with companies reporting higher client enquiries and delayed business coming through.

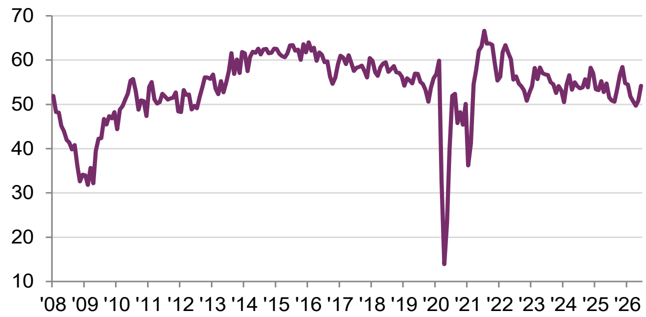
Technology, Media & Telecoms (TMT, 58.8) remained the fastest-growing sector in June, with the strongest expansion since last November. Financial Services (55.3) registered the sharpest increase in four months, while Business Services (53.3) posted a softer rise in activity. Transport, Tourism & Leisure (48.0) registered a fourth successive monthly decline, albeit at the slowest rate of this sequence.

New business inflows strengthened in June, rising at the fastest rate since November 2025. TMT led the upturn, followed by Financial Services. New work fell further in Transport, Tourism & Leisure, but the rate of decline slowed notably.

Demand for Irish services from overseas markets also improved in June, rising at the strongest rate in seven months. Moreover, export growth was broad-based by sector.

AIB Ireland Services PMI Business Activity Index

sa, >50 = growth since previous month



Sources: AIB, S&P Global PMI. Data were collected 11-25 June 2026.

With the rate of total new business growth exceeding the long-run survey average in June, the volume of outstanding business held at service providers rose for the first time in three months. Higher levels of outstanding work were mostly concentrated in TMT and Financial Services, with a decline registered in Business Services.

Higher levels of outstanding business partly reflected a relatively muted rise in employment during June. The service sector workforce grew at the softest pace in three months, and one that was below the long-run average. Relatively modest gains were seen in TMT, Financial Services and Business Services, while jobs in Transport, Tourism & Leisure were cut at a faster rate.

The June survey data provided further evidence that inflationary pressures peaked back in April. The rates of input price and charge inflation both eased for the second month running to the lowest since February and March, respectively. Transport, Tourism & Leisure in particular recorded much slower increases in both input and output prices.

Cost pressures in the service sector remained strong overall, however, linked to rising supplier and freight costs, wage increases, fuel surcharges and energy costs. The Middle East conflict and increased costs from manufacturers were also mentioned in the latest anecdotal evidence.

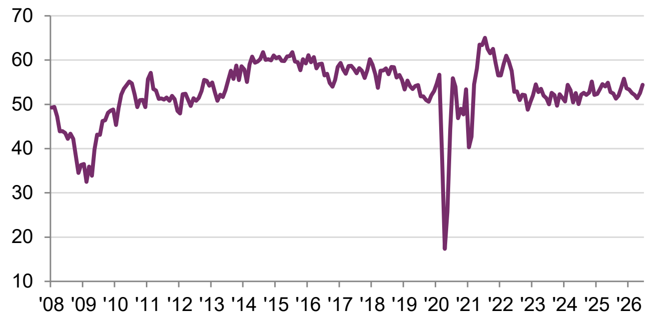
The 12-month outlook for services recovered further from March's low, to a four-month high. Businesses linked optimism to recovering demand, new business opportunities, marketing drives and growth in product lines. A potential peace agreement between the US and Iran also bolstered confidence. Expectations rose in all sectors except Business Services, with a notable uplift seen in Transport, Tourism & Leisure.

PMI by S&P Global

AIB Ireland Composite PMI®

Fastest rise in output in seven months

AIB Ireland Composite PMI Output Index
sa, >50 = growth since previous month



*Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data.
Sources: AIB, S&P Global PMI.

Private sector output in Ireland expanded at the fastest rate since last November in June, as did the volume of new orders.

The AIB Ireland Composite PMI® Output Index* rose to 54.4 in June, from 52.5 in May. The latest figure signalled a solid expansion that was the sharpest in seven months, and above the long-run series average (53.8).

Growth of services business activity drove the overall acceleration since May, while manufacturing output continued to rise solidly overall.

New business also rose at the strongest pace in seven months, and the 12-month outlook was the highest since February. Employment increased at softer rates across both monitored sectors, however, resulting in the weakest overall job creation in three months.

Input price inflation eased for the first time in 2026 so far to a three-month low, while charge inflation was only slightly softer than April's 38-month record.

Comment

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

"The AIB Irish Services PMI for June shows accelerating growth in the sector. Overall, the PMI rose to 54.2 from 50.8 in May. Activity levels were boosted by rising outstanding and new business, alongside easing inflationary pressures. The rate of growth in the Irish services sector was ahead of the flash Eurozone, UK and US PMIs at 48.9, 48.7, and 51.3, respectively.

"New business continued to rebound strongly following a dip in activity earlier in the year, while new export business also expanded sharply on the month. Higher activity was attributed to a catch-up in demand following a period of geopolitical uncertainty. In that context, the volume of outstanding work rose steadily in June following two months of contraction.

"The four sub-sectors covered in the survey registered mixed growth during June. Technology, Media & Telecoms, Financial Services and Business Services all expanded activity levels. However, Transport, Tourism & Leisure saw a further modest fall in activity for a fourth successive month, with employment contracting in that sector once again. Nonetheless, there was broad-based resilience in hiring activity in the other three sub sectors, with a modest rise in services sector employment overall.

"On the inflation front, input cost inflation eased from the 40-month peak reached in April and May but remained historically elevated. Rising supplier and freight costs, wage increases, fuel surcharges and energy costs were all factors cited by respondents in June. The rate of increase in prices charged also decelerated to a three-month low, but it too remained elevated in a historical context.

"In terms of the outlook, business sentiment continued to recover in June, reaching a four-month high. Confidence improved in all sectors except Business Services, with a potential peace agreement between the US and Iran boosting confidence."

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Survey methodology

The AIB Ireland Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 service sector companies. The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in May 2000.

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 Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite 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.

About AIB

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About PMI

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