

AIB Ireland Services PMI®

Demand for Irish services strengthens in September

Key findings

Strongest rise in new business in ten months

Outstanding workloads increase at fastest rate in over two years

Input price inflation accelerates further

The latest AIB PMI® survey data indicated strengthening demand for Irish services in September, leading to rising pressure on business capacity. New business growth hit a ten-month high, which contributed to the fastest rise in outstanding work for over two years. Growth of total activity remained robust but slipped slightly since August, despite a renewed increase in employment. September data also signalled rising inflationary pressure in the sector. Nevertheless, the year-ahead outlook continued to strengthen.

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.

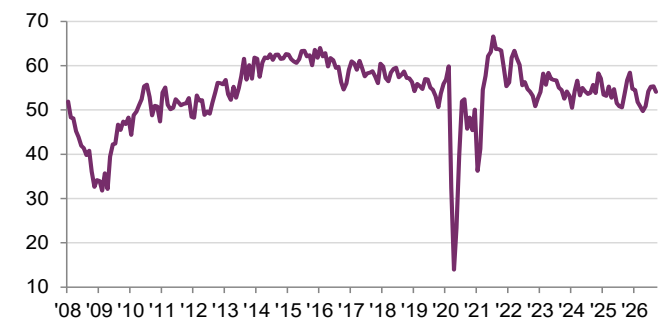
The seasonally adjusted AIB Ireland Services Business Activity Index signalled higher activity for the fifth month running in September, with the latest figure of 54.1 indicating solid overall growth. That said, the pace of expansion eased for the first time in the current growth sequence, and slipped below the long-run average.

Growth was broad-based by sector for the second month running. Technology, Media & Telecoms (TMT, 58.3) posted the fastest expansion, followed by Transport, Tourism & Leisure (56.3). Business Services (51.5) and Financial Services (51.2) both registered relatively weak growth.

New business at Irish service providers rose for the fifth consecutive month running in September, and at the strongest rate since November 2025. Increased demand reflected new clients and greater marketing efforts. Demand growth remained broad-based across all four sectors, with stronger expansions registered in TMT and Transport, Tourism & Leisure. Financial Services recorded a much slower increase than in August, however.

AIB Ireland Services PMI Business Activity Index

sa, >50 = growth since previous month



Sources: AIB, S&P Global PMI. Data were collected 10-25 September 2026.

International demand was a relative weak spot. Exports rose for the fifth month running but at only a marginal rate, with Business Services posting a decline.

There were signs of rising capacity pressures in the Irish services sector in September, with growth in the level of outstanding business for the fourth straight month. Furthermore, the rate of expansion reached the fastest since August 2024. All four sectors posted increases, led by Transport, Tourism & Leisure.

Levels of outstanding work rose despite a renewed increase in employment in September, following August's pause. The rate of job creation was relatively weak, weighed down by broadly no change in Business Services and only a marginal rise in Financial Services. TMT and Transport, Tourism & Leisure both recorded moderate rates of job creation.

Input price inflation rose further in September to the highest since May. Increased input prices mostly reflected elevated wage pressures, alongside higher fuel and energy costs. Cost pressures rose most notably in Transport, Tourism & Leisure, which again recorded the steepest overall increase in input prices.

Charges levied by service providers increased at the sharpest rate in five months, and one that remained above the long-run survey average. Charges rose at stronger rates in all areas except Financial Services, with TMT recording the fastest inflation.

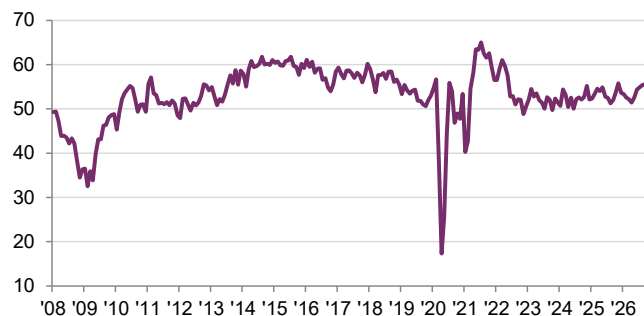
Irish service providers were increasingly confident regarding the 12-month outlook for business activity in September. Overall confidence improved for the sixth month running to the highest since February 2025, linked to planned business investments, new contracts and marketing efforts. TMT again registered the strongest outlook.

AIB Ireland Composite PMI®

Strongest rise in output for ten months in September

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 growth in Ireland accelerated for the fifth successive month in September, taking the pace of expansion to the fastest since November 2025.

The AIB Ireland Composite PMI® Output Index* edged up to 55.6 in September, from 55.4 in August. The latest figure signalled a strong expansion that was above the long-run series average (53.8). Manufacturing output rose at the steepest pace in four-and-a-half years, more than offsetting a slightly softer yet still solid increase in services activity.

The rate of new business expansion was unchanged from August's nine-month high, while employment growth picked up in September.

Input prices and charge inflation both rose for the second month running in September and were strong, albeit still below the peaks registered earlier in 2026.

Comment

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

"The AIB Irish Services PMI for September shows continued growth in the sector, albeit the headline index eased to 54.1 from 55.4 in August. Activity levels were boosted by existing and new business, alongside renewed gains in employment. The rate of growth in the Irish services sector was ahead of the flash Eurozone and UK PMIs at 53.0 and 51.7, respectively; but below the US PMI at 58.7.

"New business continued to grow strongly following a dip in activity earlier in the year, although new export business growth eased on the month. Higher activity was driven by new clients and marketing efforts. In that context, the volume of outstanding work rose at the fastest pace in over two years. Amid this solid demand backdrop, employment expanded once again following a decline in August. That said, the rate of growth was modest compared to recent trends.

"The four sub-sectors covered in the survey registered positive activity growth during September. Technology, Media & Telecoms continued to outpace other sectors, with more modest gains in Financial Services and Business Services due to softer demand and muted jobs growth in both.

"On the inflation front, input price inflation picked up in September, but remained short of the 40-month peak reached in April and May. Cost hikes were driven by wage pressures as well as energy and supplier price rises. The rate of increase in prices charged also picked up to the highest level in nearly two-and-a-half years.

"In terms of the outlook, business sentiment continued to strengthen in September, reaching the highest level since February 2025. Confidence was linked to planned business investments, new contracts and marketing efforts."

Contact

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

Trevor Balchin
Economics Director
S&P Global Market Intelligence
T: 44-1491-461-065
trevor.balchin@spglobal.com

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

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, click [here](#).

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.

Disclaimer

This publication is issued by Allied Irish Banks, p.l.c. ("AIB") and is for general information purposes only. This publication should not be considered as an offer or solicitation to sell, buy or subscribe to any financial instruments or product, securities or any derivative instrument (together, "instruments"), or any other rights pertaining thereto. AIB does not express any opinion as to the present or future value or price of any instruments referred to in this publication.

The information provided in this publication is believed to be valid and accurate on the date it is first published but AIB, along with its directors, officers, or employees, does not accept any liability for any loss arising from the use of the information. The information contained therein, including any expressions of opinion, has been obtained from, or is based on, or compiled from, sources believed to be reliable but its accuracy or completeness is not guaranteed and is subject to change without notice.

Any decision made by a party shall be on the basis of its own research and shall not be influenced or based on any view expressed by AIB in this publication or otherwise. This publication does not address all risks. This publication does not constitute investment advice or a recommendation and has been prepared without regard to individual financial circumstances, objectives or particular needs of recipients. Readers should seek their own financial, tax, legal, regulatory and other advice regarding the appropriateness or otherwise of investing in any investments and/or pursuing any investment strategies. Past performance is not a reliable guide to future performance. To the extent that this publication is deemed to contain any forecasts as to the performance of any instruments, forecasts are not a reliable indicator of future performance.

This publication is not to be reproduced in whole or in part without the prior express written consent of AIB. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland.

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.

PMI®

by **S&P Global**