Irish Economy Watch

AIB Treasury Economic Research Unit

Monday 29 June 2026

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
MANUFACTURING								
AIB Manufacturing PMI	50.9	52.8	52.2	52.2	53.1	53.7	54.9	55.9
AIB Manufacturing PMI - Future Output	67.5	71.5	67.9	72.0	69.6	67.0	62.6	68.7
Industrial Production (Ex-Modern)	116.4	110.6	111.9	110.9	111.5	107.9	110.4	#N/A
Production (Ex-Modern) : 3mma YoY%	-3.3	-2.5	-4.2	-4.6	-3.9	-4.1	-5.7	#N/A
3mth / 3mth % seas. adj.	-0.7	0.6	0.0	-2.4	-2.1	-2.5	0.0	#N/A

The manu. PMI rose to 55.9 in May, amid gains in output, new orders and exports. Business expectations improved also but input & output inflation increased further

Traditional industrial production flatlined in the 3 mths to Apr., but it was 5.7% lower YoY

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
SERVICES / RETAIL								
AIB Services PMI	56.7	58.5	54.8	54.5	51.8	50.7	49.7	50.8
CSO Services Index (Value)	166.3	170.5	166.9	178.9	174.9	170.7	177.8	#N/A
- YoY %	12.1	13.8	8.4	17.0	10.1	1.4	12.5	#N/A
- 3mth / 3mth % seas. adj.	0.5	1.0	1.7	3.8	3.8	4.1	1.4	#N/A
SIMI Car Registrations	2,180	838	276	34,521	14,959	15,403	10,082	8,040
- 12 mth cum total	125,384	125,101	124,954	125,976	126,941	125,053	126,431	128,652
- 3 mma YoY %	1.8	-0.5	-16.8	1.7	3.8	0.2	1.1	5.4
Retail Sales Index	114.7	115.1	114.7	116.6	115.7	115.1	114.9	#N/A
- YoY %	1.9	2.2	0.2	3.2	1.0	0.9	-0.5	#N/A
- 3mth / 3mth % seas. adj.	-0.1	-0.4	-0.7	0.3	0.5	0.8	-0.2	#N/A
Ex Autos Index	113.8	113.9	113.0	113.4	113.8	114.1	113.4	#N/A
- YoY %	1.2	0.6	-0.9	2.4	0.4	1.2	0.4	#N/A
- 3mth / 3mth % seas. adj.	-0.1	0.0	-0.3	-0.4	-0.5	0.2	0.3	#N/A

The serv. PMI rebounded to 50.8 in May. However, activity levels remained muted due to a contraction in outstanding business and a further rise in costs. Business expectations rose to a three-month high

The CSO services index rose by 1.4% in the 3 mths to Apr., and it was up 8.0% YoY also

New car sales remain solid, rising by 5.4% YoY in the 3 mths to May. 12 month running sales total rises to 128.7k

Retail sales fell by 0.5% in the 3 mths to Apr, albeit core sales rose by 0.3% in the same period

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
RESIDENTIAL CONSTRUCTION ACTIVITY								
AIB Construction PMI	48.1	46.7	48.4	48.6	52.1	53.2	47.1	50.2
- Housing Activity	43.1	47.0	49.0	46.9	50.7	52.7	44.4	43.2
- Commercial Activity	50.4	46.1	47.2	49.0	54.0	54.9	50.3	56.4
- New Orders	49.7	49.2	51.2	53.8	55.5	54.2	46.4	51.9
- Business Expectations	57.4	56.4	61.2	62.4	60.0	56.6	52.8	55.0
Commencements: 12mth Total	24,030	24,070	16,412	17,275	19,667	21,859	23,435	24,499
- 3 Month Avg YoY %	-79.4	-76.7	-65.0	-50.4	-34.0	184.0	218.8	171.4

The construction PMI rose to 50.2 in May, consistent with a stabilisation in activity levels. Housing activity declined, while commercial activity expanded sharply. New orders rose slightly

Circa 13k commencements have been registered YTD to May, more than double last years total but below the level seen in 2024. 12mth running total up to 24.5k

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
HOUSING MARKET ACTIVITY								
BPFI Mortgage Approvals : Month	3,848	3,451	2,822	2,412	3,043	3,644	3,774	4,477
- 3 Month Avg YoY %	-2.6	-3.1	-5.8	-7.5	-2.3	-0.8	2.0	2.8
- 12 Mth Total	43,773	43,522	43,395	43,069	43,331	43,318	43,270	43,650
RPPR Transactions : Month	5,823	5,220	7,281	3,585	4,083	4,844	4,487	4,484
- 3 Month Avg YoY %	0.8	-1.5	-0.9	1.6	4.3	2.9	1.0	-4.0
- 12 Mth Total	61,370	60,992	61,586	61,620	61,605	61,935	61,755	61,034
HOUSING MARKET PRICES								
CSO Price Index - MoM	0.6	0.5	0.6	0.4	-0.2	0.1	0.0	#N/A
- YoY %	7.3	6.8	6.8	7.1	6.7	6.7	6.2	#N/A
Daft Asking Prices: MoM %	0.1	0.3	0.2	0.1	-0.2	0.9	0.5	0.5
- YoY %	5.7	5.8	5.4	4.9	3.8	3.7	3.7	3.6
RENTS: CSO Private Rents - MoM%	0.2	0.3	0.2	0.1	0.2	0.5	1.1	0.3
- YoY %	3.2	3.0	2.7	2.7	2.6	3.1	4.1	3.9
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB								
- Mortgage as % of Disposable Income	24.6	24.6	24.7	23.4	22.7	22.1	#N/A	#N/A

Mortgage approvals rose by 2.8% YoY in the 3 mths to May. 12 month total up to 43.6k

Residential property transactions fell by 4.0% YoY in the 3 mths to May. Annual running total is 61k

House prices stagnated in Apr., having had a weak start to 2026 The YoY rate slowed to 6.2%, its lowest level since Feb'24

Asking prices on Daft.ie rose by 1.6% in Q2. Overall, they were up by 3.8% YoY in the quarter

CSO rental index increased by 0.3% in May, but the YoY rate slowed marginally to 3.9%

Affordability improved somewhat in Q1, amid a slowdown in house price growth

Sources: Refinitiv, CSO, DoF, DoECLG, Daft.ie, BPFI, ILCU, PSRA, SIMI, European Commission, AIB ERU Calculations

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	
CONSUMER PRICES - YoY %	2.9	3.2	2.8	2.7	2.7	3.6	3.7	3.6	Prices fell by 0.1% in May, largely due to a decline in entertainment and energy costs. As a result, CPI inflation edged down to 3.6%. HICP inflation also eased slightly to 3.5% in the month
- MoM %	0.5	-0.2	0.5	-0.9	0.9	1.6	0.5	-0.1	
HICP - YoY %	2.8	3.1	2.7	2.5	2.5	3.6	3.6	3.5	
- MoM %	0.4	-0.2	0.5	-1.0	0.8	1.8	0.5	-0.2	
PERSONAL / FINANCIAL									Consumer sentiment improved somewhat in May, from the 40-month low registered in April Private sector credit growth held steady in April, amid relatively little change in household lending
ILCU Consumer Sentiment Index	59.9	61.0	61.2	64.7	65.2	56.7	53.3	59.4	
Credit Growth YoY %									
- Private Sector	4.7	4.9	4.5	5.0	5.0	5.3	5.3	#N/A	
- *of which* : Household	4.9	5.0	5.2	5.4	5.4	5.3	5.2	#N/A	
- *of which* : Mortgage Lending	5.3	5.4	5.6	5.9	5.9	5.8	5.8	#N/A	
LABOUR MARKET									Having averaged 4.7% in 2025, the unemployment rate has edged slightly higher so far this year. It rose to 5.0% in Q1, albeit, it has printed at 4.8% and 4.9% in April and May The employment indices of the manu. and services PMIs improved in May, but the construction index fell. All three stayed in expansion mode
Live Register	170,100	167,000	172,400	171,300	170,900	171,300	171,200	171,800	
- Change In Month	+200	-3,100	+5,400	-1,100	-400	+400	-100	+600	
Unemployment Rate %	4.7	4.6	4.8	5.0	5.0	5.0	4.8	4.9	
PMI Employment Indices									
- AIB Manufacturing	52.6	50.2	52.1	53.7	54.5	54.2	54.5	55.7	
- AIB Services	51.6	53.8	51.0	53.5	52.3	49.6	51.8	52.6	
- AIB Construction	49.2	51.4	50.5	51.3	51.7	52.6	53.8	52.9	
MERCHANDISE TRADE									Goods trade surplus widened to €18.3bn YTD in Apr. However, the value of exports fell by 37.2% YTD to €68.3bn, driven by a decrease in pharma and medical products (down 59.5%). Imports stood at €50.1bn, up 6.7% YTD
Export Values - 3M / 3M %	5.7	18.4	-19.1	-15.0	-16.9	-0.9	0.6	#N/A	
- 3MMA YoY %	0.5	-4.0	-15.4	-21.0	-27.7	-43.1	-37.9	#N/A	
Import Values - 3M / 3M %	1.0	-4.1	0.5	2.7	1.0	0.8	4.2	#N/A	
- 3MMA YoY %	5.1	7.9	10.4	8.4	2.5	2.2	8.0	#N/A	
PUBLIC FINANCES									Total tax receipts are up by 1.3% YTD in May, but they are up 6.1% excl. Apple money. Expenditure rose by 7.7% YTD. 12mth rolling Exchequer balance moved to a €0.8bn surplus
Total Tax Receipts: Cum YTD %	3.2	-0.4	-0.6	-16.6	-10.4	-4.2	-2.1	1.3	
Voted Spending : Cum YTD %	7.6	5.5	5.9	-0.1	4.1	6.8	9.2	7.7	
Exchequer Bal: 12 Mth Total €m	10,601	9,359	7,100	3,621	2,064	2,714	-404	809	

QUARTERLY DATA

	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	
GDP - YoY %	-2.3	4.0	11.6	20.1	17.2	11.2	2.2	-17.1	GDP plunged by 17.1% YoY in Q1, as the surge in exports last year unwound MDD rose by 4.3% YoY in Q1, amid a solid rise in consumer spending (+2.6% YoY). Strong investment also boosted MDD
*Domestic Demand - YoY%	1.8	3.4	1.5	3.3	4.3	5.1	6.7	4.3	
Consumer Spending - YoY %	3.0	3.4	3.6	2.9	3.4	2.8	2.6	2.6	
Services Exports - YoY % (3Q Avg)	15.7	13.4	10.3	3.6	-0.8	-1.5	-0.7	3.2	
EMPLOYMENT & EARNINGS									Employment growth stagnated in annual terms in Q1'26. In total, the number of people at work remains close to an all-time record of 2.8m. The labour force expanded by 0.6% YoY in Q1 Weekly average earnings rose by 4.4% YoY in Q4. Public sector pay growth continued to outpace private sector earnings, rising by 4.4% YoY vs. 3.8% YoY
Employment YoY %	2.7	3.7	2.6	3.3	2.3	1.1	2.0	0.0	
Labour Force YoY %	2.9	3.5	2.4	3.5	2.6	1.9	2.4	0.6	
Average Earnings YoY %									
- Hourly	5.5	5.0	6.1	6.3	3.5	3.9	3.1	4.0	
- Weekly	5.7	5.5	5.8	5.9	4.5	4.1	3.1	4.4	
Weekly Earnings YoY %									
- Private Sector	5.9	5.4	5.3	5.6	4.2	3.6	2.9	3.8	
- Public Sector	4.5	4.7	6.0	6.3	5.4	5.9	3.3	4.4	
CSO DWELLING COMPLETIONS	6812	8876	8653	5911	9156	9210	11969	7856	Completions rose by 32.9% YoY in Q1, amid a sharp increase across all segments. 12mth running total up to 38.1k
- YoY %	-6.1	5.8	-15.2	2.0	34.4	3.8	38.3	32.9	
- Cum 12 Mth Total	31198	31685	30136	30252	32596	32930	36246	38191	

** Excludes Some Investment Related to the Multinational Sector*

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