

Irish Economy Watch

AIB Treasury Economic Research Unit



Thursday 24 July 2025

	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	
MANUFACTURING									The manu. PMI stayed firmly in expansion mode, accelerating to 53.7 in June. Output rose robustly, supported by a further expansion in new orders. New export orders declined though
AIB Manufacturing PMI	49.9	49.1	51.3	51.9	51.6	53.0	52.6	53.7	
AIB Manufacturing PMI - Future Output	67.5	71.6	70.3	64.6	65.6	63.0	65.2	68.1	
Industrial Production (Ex-Modern)	113.2	121.2	112.3	112.6	118.9	118.4	115.7	#N/A	
Production (Ex-Modern) : 3mma YoY%	4.5	3.7	-0.9	-1.5	-2.3	-0.5	1.7	#N/A	Traditional industrial production rose by 2.0% in the 3mths to May. It was 1.7% higher YoY also
3mth / 3mth % seas. adj.	2.7	1.7	-2.7	-2.4	-3.3	0.9	2.0	#N/A	
SERVICES / RETAIL									The serv. PMI eased to 51.5 in June. New exports contracted for the first time since Oct.'23 and new business slowed. Inflationary pressures cooled but remained elevated The CSO services index was up by 5.8% in the 3mths to May or 20.9% YoY 12mth cum total car sales were up 2.2% YoY, amid strong 251 sales. 12 mth running total just above 124k Headline retail sales were flat in the 3mths to May. Core retail sales were stronger, up 0.3% over the same period
AIB Services PMI	58.3	57.1	53.4	53.2	55.3	52.8	54.7	51.5	
CSO Services Index (Value)	150.3	153.5	154.6	160.2	168.2	159.6	167.8	#N/A	
- YoY %	16.4	16.8	15.9	22.4	26.5	16.3	20.9	#N/A	
- 3mth / 3mth % seas. adj.	4.2	5.6	5.5	6.0	7.0	6.5	5.8	#N/A	
SIMI Car Registrations	1,120	423	33,499	13,994	17,291	8,704	5,820	2,436	
- 12 mth cum total	121,152	121,230	123,307	120,869	123,516	123,655	123,077	124,024	
- 3 mma YoY %	-2.3	14.0	7.2	-0.6	3.7	0.9	7.5	3.1	
Retail Sales Index	112.6	113.9	113.8	114.5	113.6	114.7	114.0	#N/A	
- YoY %	-1.0	1.0	0.4	1.8	-0.8	2.8	1.6	#N/A	
- 3mth / 3mth % seas. adj.	0.1	1.0	1.7	1.8	1.0	0.7	0.0	#N/A	
Ex Autos Index	113.5	112.3	111.8	112.9	112.6	112.4	113.0	#N/A	
- YoY %	0.5	0.4	-0.5	1.3	0.9	1.0	0.9	#N/A	
- 3mth / 3mth % seas. adj.	1.3	0.6	0.1	-0.6	-0.4	0.1	0.3	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									The construction PMI continued to decline, moving down to 48.6 in June. Housing activity fell slightly, while commercial activity and new orders stayed in expansion mode Having rocketed higher to 69k in 2024, housing commencements have been very weak in 2025. They are down by 81.7% YTD. 12 mth total is now below 41k
AIB Construction PMI	47.5	51.6	48.2	48.7	53.9	52.4	49.2	48.6	
- Housing Activity	50.3	54.4	52.7	53.3	53.5	51.7	49.7	48.4	
- Commercial Activity	47.2	51.0	48.0	51.7	56.0	53.5	53.4	53.4	
- New Orders	52.5	52.8	48.4	50.6	53.8	53.7	51.6	51.7	
- Business Expectations	63.5	67.1	65.3	60.2	57.6	60.7	59.7	59.6	
Commencements: 12mth Total	61,649	69,060	66,873	64,175	59,989	42,316	41,178	40,794	
- 3 Month Avg YoY %	137.8	91.7	36.6	24.7	-75.7	-89.9	-89.2	-85.0	
HOUSING MARKET ACTIVITY									Mortgage approvals rose by 6.0% in the 3mths to May. Overall, 43.9k approvals were registered over the past year Residential property transactions fell by 2.3% YoY in Q2. The 12 mth total is at 60.5K The annual rate of house price growth rose to a three month high of 7.9% in May Asking prices on Daft.ie rose by 3.1% in Q2. They were up 12.3% YoY for the quarter CSO rental index increased by 0.1% in June. However, the YoY rate slowed to 4.6%
BPFI Mortgage Approvals : Month	3,702	2,949	2,745	2,791	3,647	3,835	4,097	#N/A	
- 3 Month Avg YoY %	6.5	11.2	8.0	6.0	3.4	3.2	6.0	#N/A	
- 12 Mth Total	42,794	43,379	43,406	43,275	43,685	43,724	43,927	#N/A	
RPPR Transactions : Month	5,598	6,687	3,541	4,083	4,473	4,622	5,100	4,487	
- 3 Month Avg YoY %	0.7	0.6	-2.5	-3.0	0.1	1.0	0.6	-2.3	
- 12 Mth Total	61,271	60,846	60,931	60,832	60,859	61,064	60,922	60,520	Affordability improved in Q1 amid robust wage growth and favourable income tax changes
HOUSING MARKET PRICES									
CSO Price Index - MoM	0.9	0.6	0.2	0.1	0.2	0.5	0.6	#N/A	
- YoY %	9.6	8.9	8.3	8.0	7.6	7.6	7.9	#N/A	
Daft Asking Prices: MoM %	0.6	0.7	2.7	1.6	0.5	1.9	0.9	0.2	
- YoY %	12.1	11.6	13.8	13.6	14.2	14.2	13.6	12.8	
RENTS: CSO Private Rents - MoM%	0.5	0.5	0.1	0.2	0.0	0.2	0.5	0.1	CSO rental index increased by 0.1% in June. However, the YoY rate slowed to 4.6%
- YoY %	5.1	5.4	5.4	5.2	5.2	5.2	5.2	4.6	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	23.6	23.5	22.3	21.8	21.4	#N/A	#N/A	#N/A	

	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	
									CPI inflation rose to 1.8% in June, while HICP nudged up 1.6%. Higher hospitality, food, alcohol, & health prices were the main drivers of inflation. Transport and clothing costs were lower on an annual basis
CONSUMER PRICES - YoY %									
- MoM %	1.0	1.4	1.9	1.8	2.0	2.2	1.7	1.8	
HICP - YoY %	-0.5	0.9	-0.8	0.9	0.7	0.4	0.0	0.5	
- MoM %	0.5	1.0	1.7	1.4	1.8	2.0	1.4	1.6	
- MoM %	-0.5	0.9	-0.8	0.8	0.7	0.4	0.0	0.5	
PERSONAL / FINANCIAL									Sentiment remains at quite a low level, but it improved slightly to 62.5 in June
ILCU Consumer Sentiment Index	74.1	73.9	74.9	74.8	67.5	58.7	60.8	62.5	
Credit Growth YoY %									Private sector credit growth decelerated in May, despite an increase in the pace of household/mortgage lending
- Private Sector	2.5	3.0	1.9	2.7	2.7	4.3	3.7	#N/A	
- of which : Household	2.9	3.1	3.2	3.4	3.7	3.9	4.1	#N/A	
- of which : Mortgage Lending	2.9	3.0	3.2	3.4	3.7	4.0	4.2	#N/A	
LABOUR MARKET									The unemployment rate has been below 5% for over 3 years, the longest such sequence on record. It averaged 4.0% in Q2 and stayed at that level in June
Live Register	162,400	165,800	165,600	165,400	164,100	171,600	166,300	168,500	
- Change In Month	-6,100	+3,400	-200	-200	-1,300	+7,500	-5,300	+2,200	
Unemployment Rate %	4.2	4.4	4.5	4.4	4.4	4.1	4.0	4.0	The employment sub-index of the manu. PMI rose in June. In contrast the services and construction indices declined. However, all three metrics stayed in expansion mode
PMI Employment Indices									
- AIB Manufacturing	49.3	51.4	53.4	50.7	50.4	51.1	51.5	54.2	
- AIB Services	52.1	53.0	49.9	53.2	54.3	53.5	52.0	51.6	
- AIB Construction	52.2	53.2	51.7	48.0	50.4	51.3	51.5	50.3	
MERCHANDISE TRADE									Goods trade surplus widened to €76.7bn YTD in May up 102.7% YoY. Exports rose 46.9% to €134.4bn, led by a marked increase in pharma and medical products (+108%). Imports stood at €57.7bn over the same period up by 7.8%
Export Values - 3M / 3M %	18.3	1.6	3.7	10.8	47.9	33.0	16.6	#N/A	
- 3MMA YoY %	29.4	22.3	28.4	38.3	65.1	56.3	47.1	#N/A	
Import Values - 3M / 3M %	-7.9	-6.5	-0.8	7.8	11.2	9.2	-4.7	#N/A	
- 3MMA YoY %	-7.9	-6.6	-4.4	9.9	14.6	10.5	2.6	#N/A	
PUBLIC FINANCES									Total tax take up 10.5% YTD in June. Voted expenditure rose by 9.1% YTD, owing to increases in current and capital spending. 12mth rolling Exchequer surplus fell to €14.2bn
Total Tax Receipts: Cum YTD %	20.8	22.6	29.3	26.5	17.5	15.3	8.5	10.5	
Voted Spending : Cum YTD %	11.3	9.3	28.3	12.5	10.8	11.6	9.2	9.1	
Exchequer Bal: 12 Mth Total €m	9,576	12,755	14,053	16,108	16,636	16,753	15,969	14,188	
QUARTERLY DATA									
	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	
GDP - YoY %	-4.7	-6.6	-2.7	-2.3	4.0	11.6	20.0	#N/A	GDP surged by 20% YoY in Q1, led by a 21.6% rise in exports and a 65.8% jump in investment
*Domestic Demand - YoY%	2.2	7.6	0.4	1.8	3.4	1.5	2.9	#N/A	
Consumer Spending - YoY %	1.6	3.4	1.7	3.0	3.4	3.6	3.0	#N/A	MDD rose by 2.9% YoY in Q1, supported by a 3.0% increase in consumer spending, and a 5.2% rise in government expenditure
Services Exports - YoY % (3Q Avg)	3.4	6.7	10.1	15.7	13.4	10.3	3.8	#N/A	
* Excludes Some Investment Related to the Multinational Sector									
EMPLOYMENT & EARNINGS									Employment increased by 3.3% YoY in Q1'25, putting it 18.7% above pre-COVID levels, as the employment rate rose to 74.7%. The labour force grew by 3.5% YoY in the quarter.
Employment YoY %	3.6	3.4	1.9	2.7	3.7	2.6	3.3	#N/A	
Labour Force YoY %	3.8	3.5	2.0	2.9	3.5	2.4	3.5	#N/A	Weekly average earnings rose by 5.6% YoY in Q1'25. Public sector pay was up by 6.4% YoY. Private sector earnings rose by 4.9% YoY
Average Earnings YoY %									
- Hourly	6.1	1.9	4.9	5.5	5.0	6.1	5.9	#N/A	
- Weekly	4.4	2.6	5.0	5.7	5.5	5.8	5.6	#N/A	
Weekly Earnings YoY %									Around 15k new dwelling completions were registered in H1, up 19.9% YYD. 12 mth running total up near 33k
- Private Sector	3.8	4.1	5.3	5.9	5.4	5.3	4.9	#N/A	
- Public Sector	5.9	-1.3	4.0	4.5	4.7	6.0	6.4	#N/A	
CSO DWELLING COMPLETIONS									
- YoY %	8397	10211	5814	6824	8889	8679	5935	9214	
- Cum 12 Mth Total	14.0	12.4	-12.3	-6.0	5.9	-15.0	2.1	35.0	
	31373	32502	31684	31246	31738	30206	30327	32717	



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