

AIB Ireland Construction PMI®

New orders fall for first time in five months

Key findings

Activity and new orders down in April

Sharpest rise in input costs since June 2022

Supplier lead times lengthen to largest degree in almost four years

The latest AIB Ireland Construction PMI® data indicated that uncertainty caused by the war in the Middle East led to a renewed contraction in the Irish construction sector during April. New orders decreased for the first time in five months, prompting a renewed fall in construction activity, while business confidence waned. Fuel protests meanwhile contributed to a substantial lengthening of suppliers' delivery times and input cost inflation surged higher. On a more positive note, constructors continued to increase their staffing levels.

The headline seasonally adjusted AIB Ireland Construction Total Activity Index dipped back below the 50.0 no-change mark in April, falling to 47.1 from 53.2 in March. The reading signalled a first fall in total activity for three months. Moreover, the reduction was solid and the fastest since last November.

Where activity fell, companies linked this to projects being put on hold due to uncertainty caused by the war in the Middle East, as well as sharply rising prices.

Housing activity decreased for the first time in three months, joining the civil engineering category in contraction mode. Commercial was the only construction type to record an increase in activity during April, but the rate of expansion was only marginal and the slowest in the current three-month growth sequence.

Uncertainty caused by the war led some clients to hold off on committing to new projects in April, thereby resulting in a first reduction in new orders in five months. The rate of decline was solid and the fastest since August 2023.

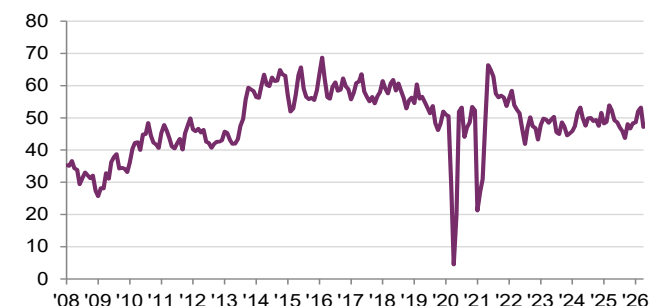
Confidence in the outlook for construction activity also waned in April, dropping to the lowest in almost three-and-a-half years. Intensifying inflationary pressures were behind weaker optimism, but some firms remained hopeful that new orders will recover and support growth of activity over the next 12 months.

Input costs increased substantially in April, with inflation often linked to higher fuel costs. The latest rise was the fastest since June 2022 as close to 68% of respondents signalled an increase over the month.

Fuel protests meanwhile were a key factor resulting in longer suppliers' delivery times. Lead times lengthened to the largest extent since May 2022, with shipping delays due to the war in the Middle East also impacting vendor performance.

AIB Ireland Construction PMI Total Activity Index

sa, >50 = growth since previous month



Sources: AIB, S&P Global PMI.

Data were collected 09-29 April 2026.

Comment

Commenting on the survey results, John Fahey, AIB Senior Economist, said:

"The AIB Irish Construction PMI survey for April indicated that the sector lost momentum at the start of the second quarter as the uncertainty arising from the conflict in the Middle East weighed on activity. The headline index fell back into contractionary territory last month, with a reading of 47.1. This compared to 53.2 in March.

Looking at the sectoral breakdown, commercial retained its position as the best performing of the three sub-sectors. It posted its third consecutive month of growth, albeit the pace of expansion was much slower compared to the previous two months. Meanwhile, activity levels in the residential sector contracted in April after registering growth over the February to March period. Elsewhere, civil engineering recorded its twelfth successive month of contraction.

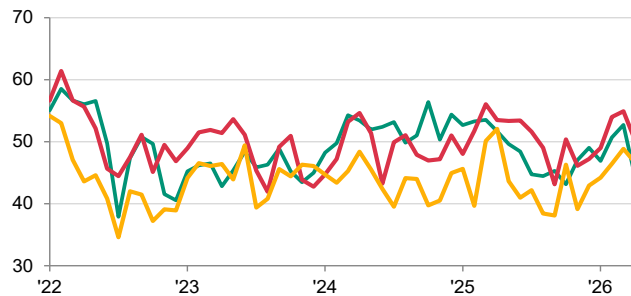
Some of the other details in the survey also illustrate the subdued operating environment for the construction sector last month. The new orders index, which is regarded as a leading indicator, experienced a decline for the first time since November. The report noted that many respondents linked the fall to projects being put on hold due to the uncertainty caused by the Middle East conflict. The impact of the conflict was also reflected in higher fuel costs contributing to input cost inflation increasing at its highest level since June 2022. Meanwhile, the level of optimism regarding the outlook for construction activity was also negatively impacted by the war in the Middle East. Sentiment dipped to its lowest level since late 2022. One bright spot in the April report was firms continuing to expand their staffing levels."

Some firms reported that they had brought forward purchasing of materials amid price and supply disruption, leading to a further solid increase in input buying during April.

Employment also continued to rise as companies took on extra staff in response to a recent spell of new order growth. Moreover, workforce numbers increased to the greatest degree in just over two years.

Finally, sub-contractor usage increased modestly and their availability declined sharply.

Housing Activity Index	44.4
Commercial Activity Index	50.3
Civil Engineering Activity Index	46.7
sa, >50 = growth since previous month	Apr '26



Sources: AIB, S&P Global PMI.

Survey methodology

The AIB Ireland Construction PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 150 construction companies. The panel is stratified by company workforce size, based on contributions to GDP.

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 Total Activity Index. This is a diffusion index that tracks changes in the total volume of construction activity compared with one month previously. The Total Activity Index is comparable to the Manufacturing Output Index and Services Business Activity Index. It may be referred to as the 'Construction 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.

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