News Release

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AIB Ireland Construction PMI®

Construction activity rises at fastest pace in a year during March

Key findings

Sharper increase in output amid solid new order growth

Faster expansions in employment and purchasing

Input cost inflation at 39-month high

The latest AIB Ireland Construction PMI® data pointed to improving growth momentum in the Irish construction sector. Total activity increased at a sharper rate in March amid a further solid expansion in new orders. In turn, companies raised employment and purchasing activity to greater extents at the end of the first quarter. Inflationary pressures intensified, however, often due to higher fuel costs, while uncertainty due to the war in the Middle East led business confidence to wane.

The headline seasonally adjusted AIB Ireland Construction Total Activity Index rose to 53.2 in March from 52.1 in February, signalling a solid monthly rise in construction activity at the end of the opening quarter of 2026. Output has now increased in two successive months, with the latest expansion the fastest for a year.

Improving trends were seen across each of the three categories of construction monitored by the survey. Both housing and commercial registered sharper increases in activity than in February, with rates of growth hitting one-year highs. Meanwhile, civil engineering activity continued to fall, but the rate of decline was the least marked in the current 11-month sequence of contraction.

Survey respondents indicated that the securing of new business had been the main factor leading total activity to expand in March. New orders increased for the fourth consecutive month. Although the rate of expansion softened slightly from the four-year high posted in February, it remained solid.

Sustained increases in workloads and the start of new projects led construction firms to expand both their staffing levels and purchasing activity in March.

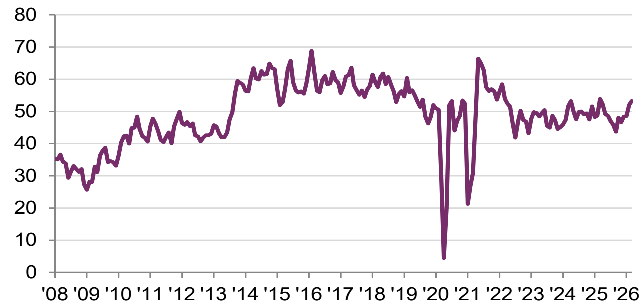
Workforce numbers increased for the fifth consecutive month, with firms often reporting the hiring of full-time employees. Moreover, the rate of job creation was the fastest in 15 months. Firms also increased their usage of sub-contractors to a greater extent than in February.

Meanwhile, the rate of growth in input buying was the most pronounced in just over four years as purchasing rose for the fifth month running.

Less positive was a sharp acceleration in the rate of input cost inflation, with the latest increase the most pronounced since December 2022. Close to half of all respondents signalled a rise over the month, with inflation often linked to higher fuel costs.

AIB Ireland Construction PMI Total Activity Index

sa, >50 = growth since previous month



Sources: AIB, S&P Global PMI.
Data were collected 12-30 March 2026.

Comment

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

"The AIB Irish Construction PMI survey for March showed that the sector registered a second consecutive month of growth. The reading of 53.2 in March compared to 52.1 the previous month, suggesting an acceleration in the pace of expansion as the first quarter ended.

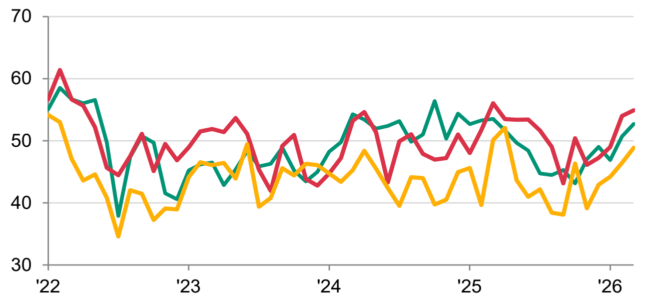
"From a sectoral perspective, growth continued to be driven by two of the three sub-sectors. Once again, the best performing of the three was commercial activity. It recorded its fastest pace of expansion in a year. Building activity in the residential sector posted its second successive month of growth for the first time since the first half of 2025. The pace of growth improved compared to February and was also its fastest in a year. Meanwhile, civil engineering retained its position as the weakest of the three sub-sectors, although the rate of contraction eased for the fourth month in-a-row.

"There were further signs of improved momentum in some of the other key underlying details in the March report. The new orders index, which is regarded as a leading indicator, registered its fourth consecutive month of expansion. Meantime, construction firms raised their staffing levels amid the backdrop of increased workloads. The pace of hiring was at its highest since the end of 2024. Elsewhere, the impact of higher fuel costs was cited as a factor in input price inflation rising at its fastest pace since December 2022. Irish construction firms continued to convey an optimistic view on the prospect for increasing activity levels over the coming 12 months. However, the uncertainty arising from the conflict in the Middle East saw confidence levels fall to a four-month low."

Rising fuel prices also impacted suppliers' delivery times, with shortages of materials and difficulties finding drivers also contributing to a marked lengthening of lead times.

Uncertainty as a result of the war in the Middle East acted to dampen business sentiment in March, with confidence in the year-ahead outlook easing to a four-month low. That said, on balance firms still predicted a rise in activity, often as a result of positive demand expectations.

Housing Activity Index	52.7
Commercial Activity Index	54.9
Civil Engineering Activity Index	48.9
sa, >50 = growth since previous month	Mar '26



Sources: AIB, S&P Global PMI.

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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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About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi