

AIB Ireland Manufacturing PMI®

Fastest expansion of manufacturing output for three years

Key findings

New orders increase for fourth month running

Business optimism slips to lowest since August 2024

Input cost inflation accelerates to its highest for over two years

April data highlighted a robust upturn in Irish manufacturing production, supported by a further acceleration in new order growth to its strongest for three years. Domestic demand was the main factor boosting manufacturing workloads as export sales dipped slightly since March. Survey respondents commented on headwinds from US tariffs and rising global economic uncertainty, but there were also reports of improving demand from European clients. Squeezed margins remained a challenge for goods producers, with input cost inflation hitting a 26-month high in the latest survey period.

The headline AIB Ireland Manufacturing PMI® is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement of the sector.

At 53.0 in April, up from 51.6 in March, the seasonally adjusted AIB Ireland Manufacturing PMI posted above the neutral 50.0 threshold for the fourth consecutive month and signalled a solid improvement in overall business conditions. The latest reading was the highest since June 2022, largely reflecting robust and accelerated rates of output and new business growth in April.

Production volumes and incoming new work both increased at the fastest pace for three years. Manufacturers noted resilient demand conditions, especially in domestic markets, and relatively robust sales pipelines. Some firms suggested that economic uncertainty linked to US tariffs had led to delayed decision-making among clients, however, particularly in relation to major capital spending projects.

April data highlighted a renewed downturn in export order books, following a solid expansion in the previous survey period. Anecdotal evidence pointed to a mixed picture across major global regions, with softer US demand offsetting rising spending by clients in Asia and Europe.

Manufacturers indicated a rebound in input buying during April, driven by improving order books, with the rate of expansion the fastest since May 2022. However, destocking continued across the manufacturing sector as firms continued to focus on tighter working capital management. Stocks of purchases decreased for the eighth month in a row, while post-production inventories fell at the steepest pace since August 2021.

Suppliers' delivery times shortened for the first time since August 2024, although the improvement in vendor performance was only

AIB Ireland Manufacturing PMI
sa, >50 = improvement since previous month



Sources: AIB, S&P Global PMI.
Data were collected 09-23 April 2025.

Comment

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

"The AIB Irish Manufacturing PMI indicated that the sector's upturn accelerated in April, with the index rising to 53.0 from 51.6 in February – its highest level since June 2022. The rise in April was broad-based, with robust growth in output and new orders, and signs of stock building amid tariff uncertainty. The Irish manufacturing PMI remains above the flash April readings for the Eurozone, US and UK at 48.7, 50.7 and 44.0, respectively.

"Output rose robustly in April, amid a general rebound in domestic demand conditions. This was reflected in accelerated growth in new orders to a 3-year high. Nonetheless, some respondents noted that US tariffs had led to delayed decision-making on major investments, dragging down export orders in April. Employment expanded, albeit at a modest pace as firms remained cautious in hiring activity. The purchases index rose to its highest level since May 2022, signalling a sharp upturn in input buying by firms. Some commented on efforts to pre-purchase critical inputs in response to heightened global trade uncertainty.

"Manufacturers indicated an accelerated increase in their input prices during April, with the index pointing to the fastest pace of inflation since February 2023. Higher input prices were linked to raw material costs and rising energy prices. Nonetheless, output price inflation remains broadly unchanged, signalling some margin squeeze in the sector. Despite ongoing geopolitical and tariff uncertainty, Irish manufacturers maintained a generally upbeat assessment of the outlook for activity levels over the coming year. 35% of the respondents predict a rise in output levels during the year ahead, while 9% expect a decline."

marginal. Survey respondents typically commented on the impact of subdued global demand for raw materials and spare capacity among suppliers.

Despite signs of an improved balance between demand and supply, latest data highlighted a sharp rise in average cost burdens at manufacturing companies. The overall rate of input price inflation was the steepest since February 2023. Survey respondents reported higher prices paid for a range of purchases, especially energy-intensive raw materials and precious metals, alongside efforts by suppliers to pass on higher labour costs. However, prices charged by manufacturers increased only moderately, with the rate of inflation holding close to the eight-month low seen in March.

Meanwhile, backlogs of work across the manufacturing sector decreased again in April. The latest reduction was the fastest so far in 2025. Goods producers mostly commented on successful efforts to work through unfinished orders, supported by a gradual rise in staffing numbers. Manufacturing employment increased for the fifth successive month in April, albeit at a modest rate.

Finally, the latest survey indicated that manufacturers remained optimistic about their growth prospects for the year ahead. Around 35% of the survey panel predict a rise in production volumes, while only 9% forecast a decline. However, this translated to the lowest overall degree of positive sentiment since August 2024. While goods producers noted that the recent turnaround in sales pipelines had supported business confidence, there were also a number of reports citing concerns about global economic prospects and the impact of US tariffs.

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Survey methodology

The AIB Ireland Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 250 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in May 1998.

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 Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

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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