

AIB Ireland Manufacturing PMI®

Strongest upturn in manufacturing performance since May 2022

Key findings

Fastest pace of job creation for three years

Output and new business growth ease slightly in June

Robust and accelerated rise in purchasing activity

June data indicated the fastest overall improvement in Irish manufacturing business conditions for just over three years. This mostly reflected an accelerated pace of job creation and renewed stock building, alongside robust yet slightly slower rates of production and new order growth. Strengthening business conditions contributed to the steepest rise in input buying since April 2022. Meanwhile, business activity expectations for the year ahead improved further from the low point seen in April, with confidence hitting a five-month high despite concerns about rising global economic uncertainty.

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.

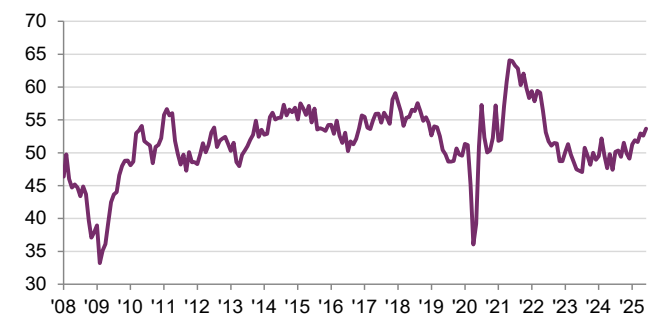
At 53.7 in June, up from 52.6 in May, the seasonally adjusted AIB Ireland Manufacturing PMI signalled an overall improvement in manufacturing sector business conditions for the sixth month in a row. Moreover, the latest reading was the highest since May 2022 and signalled a solid rate of expansion. Faster job creation, a rebound in stocks of purchases and longer lead times for supplier deliveries all boosted the headline PMI in June, which offset slight slowdowns in both output and new business growth.

June data signalled a strong rise in production volumes, but the rate of expansion eased further from April's three-year high. Irish manufacturers mostly commented on an uplift to production schedules in response to rising demand and strong sales pipelines.

Total new work increased for the sixth consecutive month in June and the rate of growth was only fractionally lower than in May. Survey respondents mostly cited improving domestic demand. Meanwhile, elevated global business uncertainty and subdued demand in major export markets contributed to another decline in new work from abroad. However, the rate of contraction eased considerably since the previous survey period.

Manufacturing companies stepped up their staff hiring, with the rate of job creation accelerating for the third month running to its strongest since June 2022. Higher levels of employment were attributed to greater workloads, long-term business expansion plans and forthcoming new project starts. Backlogs of work nonetheless fell for the fourth consecutive month, thereby suggesting a lack of pressure on business capacity.

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



Sources: AIB, S&P Global PMI.
Data were collected 12-23 June 2025.

Comment

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

"The AIB Irish Manufacturing PMI indicated that the sector's recent robust growth sustained in June, with the index at 53.7, up from 52.6 in May. The rise in June was broad-based, with growth in output and new orders, and a sharp rise in employment. The Irish manufacturing PMI remains above the flash June readings for the Eurozone, US and UK at 49.4, 52.0 and 47.7, respectively.

"Output rose strongly in June due to a solid pipeline of new activity in the domestic economy. This was reflected in robust growth in new orders. Nonetheless, some respondents noted weaker UK demand, dragging down export orders, for a third consecutive month. Employment expanded sharply, with the pace of hiring picking up to a three-year high as firms reacted to rising workloads. The purchases index increased to its highest level since April 2022, also indicating strong output activity.

"The June survey showed a deceleration in input price inflation, with the index easing to its lowest level since December 2024. Some firms cited lower energy prices as a key feature of the slowdown in input inflation. However, output price inflation accelerated, as manufacturers passed on some cost increases and maintained margins.

"Despite ongoing tariff uncertainty, Irish manufacturers maintained a broadly positive assessment of the outlook for activity levels over the coming year. Around 44% of the respondents predict a rise in output levels during the year ahead, while 8% expect a decline."

Rising demand and efforts to rebuild inventories contributed to a sharp increase in purchasing activity during June. The latest expansion of input buying was the strongest since April 2022. Stocks of purchases rose for the first time in ten months, with firms mostly commenting on deliberate inventory accumulation.

Stock building partly reflected efforts to mitigate lengthening delivery times from vendors. Supplier delays were the most widespread since January amid reports of worsening transportation availability.

Despite strengthening demand for manufacturing items and less favourable supply conditions, the latest survey indicated a further slowdown in input cost inflation. Purchasing prices increased at the weakest pace since December 2024. Efforts to alleviate squeezed margins nonetheless meant that factory gate charges rose to the greatest extent for four months.

Looking ahead, manufacturers remained optimistic about their growth prospects over the next 12 months. Around 44% of the survey panel predicted a rise in production volumes, while only 8% anticipated a decline. The resulting Future Activity Index rebounded from April's recent low point and the latest reading signalled the highest level of confidence since January. Optimism was mostly linked to new business initiatives and greater investment spending, although some firms still noted that US tariffs and elevated global economic uncertainty had the potential to adversely affect business performance.

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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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PMI®

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