



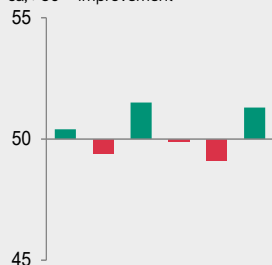
AIB Ireland Manufacturing PMI®

Manufacturing conditions improve for the first time in three months

51.3

IRELAND
MANUFACTURING PMI
JAN '25

Manufacturing PMI
Aug '24 - Jan '25
sa, >50 = improvement



2025 commenced on a solid note, with the Irish manufacturing sector recording an improvement in operating conditions for the first time in three months. Fresh expansions were noted for both new orders and output. More positively, confidence for the year ahead outlook remained strongly optimistic, with many businesses planning to expand capacity. Consequently, employment was raised at a solid and accelerated pace. However, purchasing activity continued to fall, with a still subdued business environment and elevated inventories leading to weaker input buying.

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

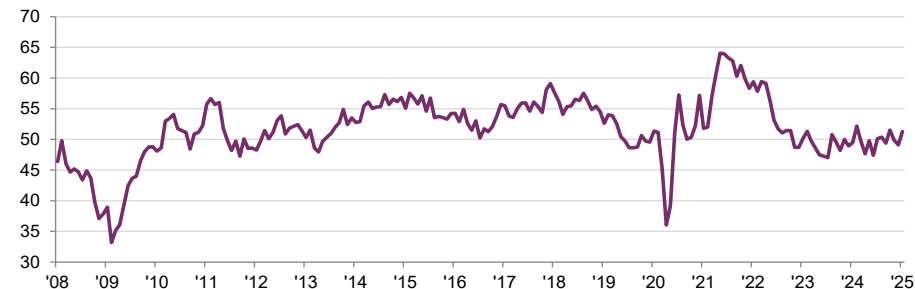
"The AIB Irish Manufacturing PMI indicated that the sector started the year on a firmer footing, with the index rising to 51.3 from 49.1 in December. This marks the first monthly expansion since October. The rise in January was due to renewed growth in output and new orders. The Irish manufacturing PMI remains above the flash January readings for the Eurozone, US and UK at 46.1, 50.1 and 48.2, respectively.

"Output rose modestly in January, following a sharp contraction in December. This was underpinned by renewed growth in new orders, but respondents did note continued weakness in client demand. This weakness was reflected in a fall in export orders, with shipping delays said to have dampened external sales. Despite the muted demand backdrop, hiring accelerated to the fastest rate since

August 2024, as firms' plans for expansion spurred a rise in employment. However, despite the positive signs on employment, purchasing activity and stock building by firms continued to decline in January.

"The rate of inflation for input and output costs increased in January. Respondents noted demand was strong enough to offset price hikes on the input side relating to raw materials with higher prices for customers. Irish manufacturers maintained an upbeat assessment of the outlook for activity levels over the coming year. Around 46% predict an increase in output over the course of 2025, while only 6% forecast a reduction. Businesses were hopeful of improved demand conditions, both from domestic and international clients, and many noted plans for capacity expansions."

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



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Overview

Renewed rises in output and new orders

Employment raised at a solid and accelerated pace

Cost burdens increase at strongest rate in six months

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.

The seasonally adjusted AIB Ireland Manufacturing PMI® reverted above the neutral 50.0 mark that separates expansion from contraction for the first time in three months during January. A reading of 51.3, up from 49.1 in December indicated a modest improvement in the health of the Irish manufacturing sector.

Underscoring the headline figure was renewed growth in new orders and output. New business rose following two consecutive months of contraction. That said, the latest uptick was only fractional. Overall growth in new orders was also weighed down by a continuing decline in new export sales. New export orders have now fallen for a year, although the rate of decrease eased from that seen December.

Meanwhile, output was raised at in response to an upturn in new business. The rise in production followed a sharp contraction in the prior month. Increased output also allowed manufacturers to renew their accumulation of finished goods. Holdings were only increased slightly in January, however.

A still overall subdued demand environment meant that input buying was reduced for a second straight month, albeit at a softer pace. Reduced buying activity meant that goods producers based in Ireland dipped into their holdings of pre-production items to meet output requirements. The rate of stock depletion was only slightly less pronounced than December's 11-month high.

Irish manufacturers continued to clear their backlogs for a third straight month in January. Levels of outstanding work were reduced at a solid pace, albeit much weaker than seen in the prior month.

Despite keeping on top of their backlogs, goods producers were keen to raise their employment levels in January. Job creation was recorded for a second month running, with the latest uptick the most pronounced since August 2024 and solid overall. Plans for expanded business capacity largely unpinned the increase in workforce numbers.

Confidence levels across the Irish manufacturing sector held close to December's 15-month high in January and were historically elevated. Underlying data showed that around 46% of respondents anticipate a rise in production volumes in the coming 12 months compared to the 6% that predict a reduction.

Turning to prices, cost burdens rose at a sharp and accelerated pace at the beginning of the year. The rate of input price inflation quickened for a second month running to the fastest since July 2024. General price hikes and increased charges for raw materials were said to have driven up operating costs for Irish goods producers.

In turn, prices charged by Irish goods producers were raised for a twelfth consecutive month in January. The rate of output charge inflation quickened slightly from that seen in December and exceeded the long-run series average.

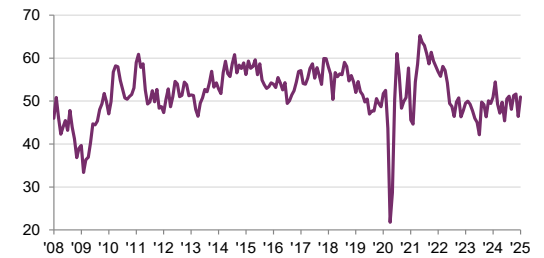
Output and demand

Output

Following a solid fall in Irish manufacturing output in December, 2025 commenced with a renewed uptick. Output has now expanded in three of the last four survey periods. Growth in incoming new business was said to have underpinned the latest rise.

Output Index

sa, >50 = growth since previous month

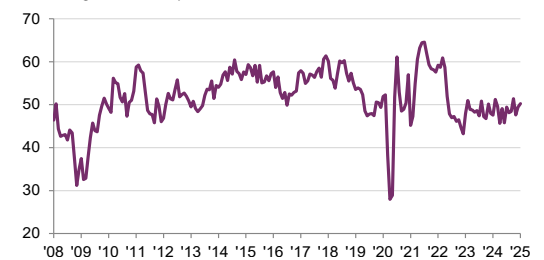


New orders

The seasonally adjusted New Orders Index edged up for a second successive month to post above the neutral 50.0 mark for the first time since last October. That said, the uptick in new business was only fractional as surveyed manufacturers commented on weak customer demand and subdued economic conditions.

New Orders Index

sa, >50 = growth since previous month

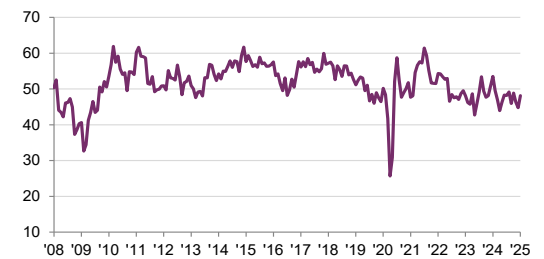


New export orders

New exports orders fell across Ireland's manufacturing sector for a twelfth straight month in January. The rate of decrease softened from December and was the least marked for three months. Reduced demand from international customers and shipping delays were said to have driven the latest drop in export sales.

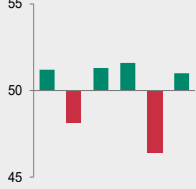
New Export Orders Index

sa, >50 = growth since previous month



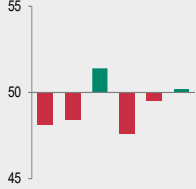
Output Index

Aug '24 - Jan '25
sa, >50 = growth



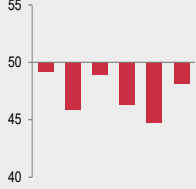
New Orders Index

Aug '24 - Jan '25
sa, >50 = growth



New Export Orders Index

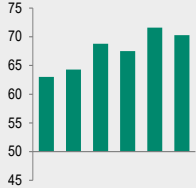
Aug '24 - Jan '25
sa, >50 = growth



Business expectations

Future Output Index

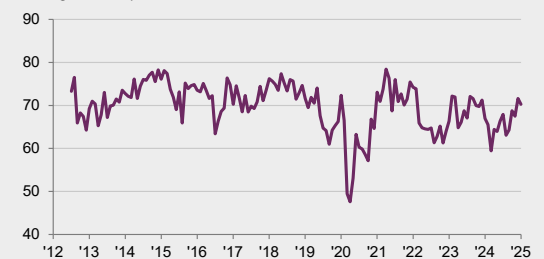
Aug '24 - Jan '25
>50 = growth expected



Despite moderating slightly from December's 15-month high, manufacturing confidence regarding the year ahead outlook for production was strong and historically elevated in January. Businesses were hopeful of improved demand conditions, both from domestic and international clients, and many noted plans for capacity expansions. Just over 46% of panellists anticipate a rise in activity, compared to around 6% forecasting a cut.

Future Output Index

>50 = growth expected over next 12 months

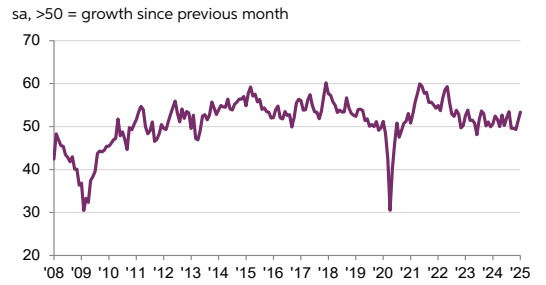


Employment and capacity

Employment

Manufacturing employment across Ireland rose solidly and at an accelerated pace in January, with growth the fastest since August 2024. The rate of job creation outpaced the long-run series average as anecdotal evidence noted that plans for expansion spurred companies to raise their headcount numbers.

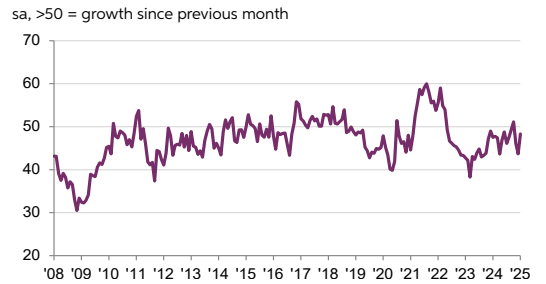
Employment Index



Backlogs of work

A third consecutive monthly fall in backlogs at Irish goods producers was recorded in January. The rate of backlog depletion was solid with firms attributing this to subdued customer demand. That said, the latest downturn was the weakest in the aforementioned sequence as supplier delays and staff shortages underpinned an increase in backlogs at some companies.

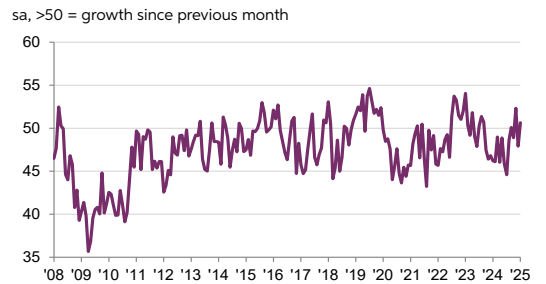
Backlogs of Work Index



Stocks of finished goods

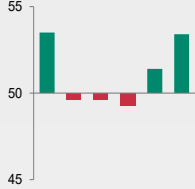
January marked a renewed rise in post-production inventories across Ireland's manufacturing sector. However, the overall rate of accumulation was minimal, as weak inflows of new business meant that stocks of finished goods weren't needed to fulfil sales.

Stocks of Finished Goods Index



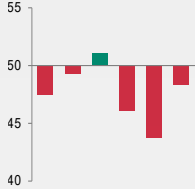
Employment Index

Aug '24 - Jan '25
sa, >50 = growth



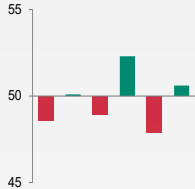
Backlogs of Work Index

Aug '24 - Jan '25
sa, >50 = growth



Stocks of Finished Goods Index

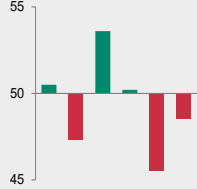
Aug '24 - Jan '25
sa, >50 = growth



Purchasing

Quantity of Purchases Index

Aug '24 - Jan '25
sa, >50 = growth

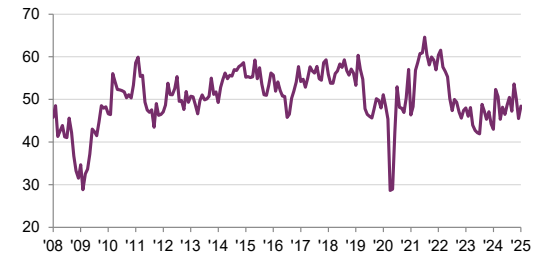


Quantity of purchases

January data revealed a second consecutive monthly fall in purchasing activity across Irish goods producers. Although the rate of decline was less severe than in December, it still indicated a solid drop. A sluggish economic environment and sufficient existing stocks prompted manufacturers to cut back on their buying activity.

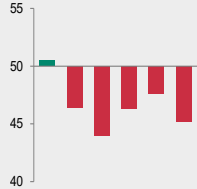
Quantity of Purchases Index

sa, >50 = growth since previous month



Suppliers' Delivery Times Index

Aug '24 - Jan '25
sa, >50 = faster times

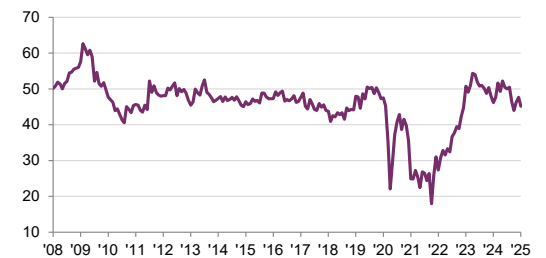


Suppliers' delivery times

As has been the case since September 2024, average lead times for inputs increased in January. The decline in vendor performance was considerable and the most marked over the past three months. Panel members indicated that longer delivery times were due to adverse weather conditions, decreased working hours at suppliers, and transport delays for items sourced from mainland China.

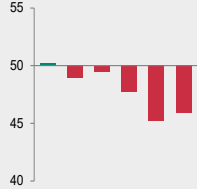
Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Stocks of Purchases Index

Aug '24 - Jan '25
sa, >50 = growth

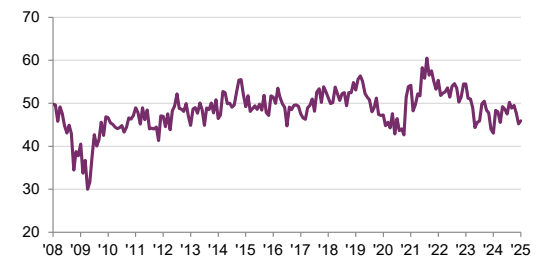


Stocks of purchases

A further decrease in holdings of inputs among Irish manufacturers was recorded in January, thereby extending the current sequence of contraction to five months. The respective seasonally adjusted index ticked up slightly from December's 11-month low, but still signalled a sharp fall. Delivery delays and broadly stagnant new business were attributed to the latest decrease.

Stocks of Purchases Index

sa, >50 = growth since previous month



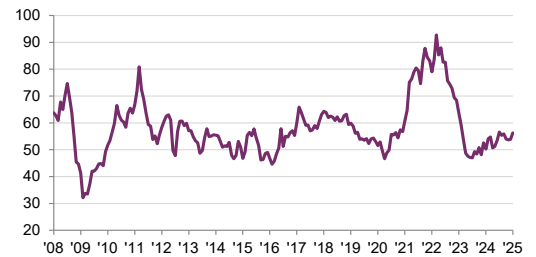
Prices

Input prices

The start of 2025 marked a sharp rise in cost burdens across Irish manufacturers. The rate of input price inflation accelerated to a six-month high, moving closer to its historical average. Higher manufacturing costs were often linked to greater supplier and material costs.

Input Prices Index

sa, >50 = inflation since previous month

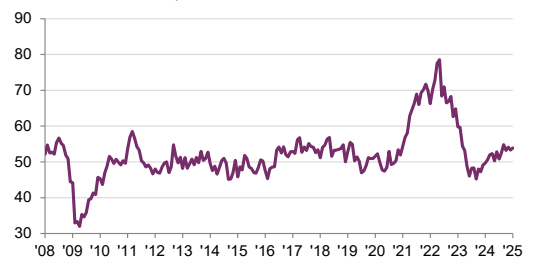


Output prices

As a consequence of rising cost burdens, Irish manufacturers raised their factory gate charges again in January. The rate of output price inflation was moderate, albeit more pronounced than seen in December.

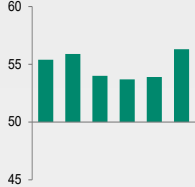
Output Prices Index

sa, >50 = inflation since previous month



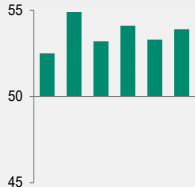
Input Prices Index

Aug '24 - Jan '25
sa, >50 = inflation



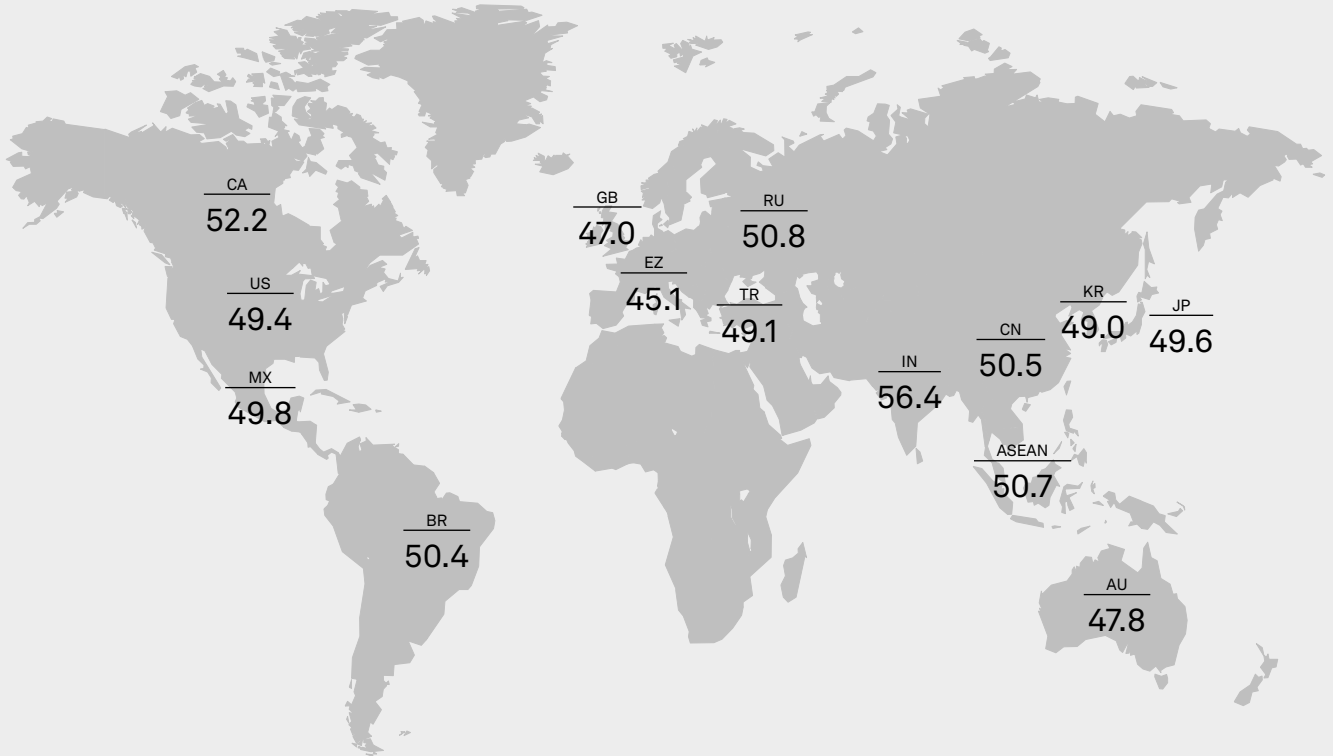
Output Prices Index

Aug '24 - Jan '25
sa, >50 = inflation

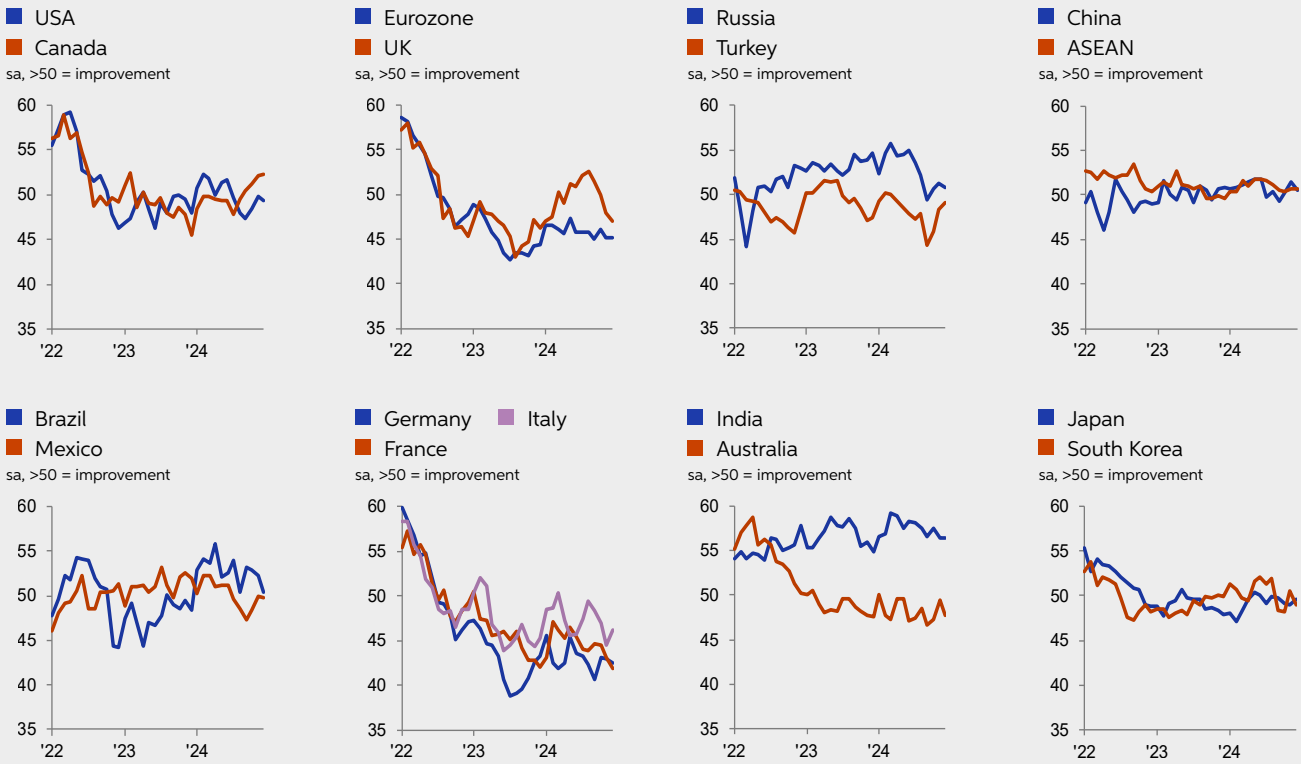


International PMI

Manufacturing PMI, Dec '24
sa, >50 = improvement since previous month



Manufacturing PMI



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.

Survey dates

Data were collected 09-24 January 2025.

Survey questions

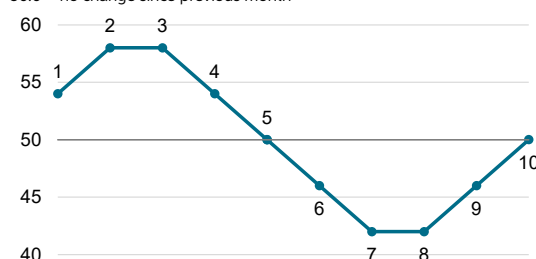
Manufacturing sector	
Output	Quantity of Purchases
New Orders	Suppliers' Delivery Times
New Export Orders	Stocks of Purchases
Future Output	Input Prices
Employment	Output Prices
Backlogs of Work	
Stocks of Finished Goods	

Index calculation

$$\% \text{ "Higher" } + (\% \text{ "No change"}) / 2$$

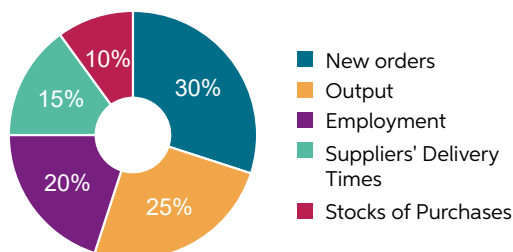
Index interpretation

50.0 = no change since previous month



- | | |
|--------------------------|----------------------------|
| 1 Growth | 6 Decline, from no change |
| 2 Growth, faster rate | 7 Decline, faster rate |
| 3 Growth, same rate | 8 Decline, same rate |
| 4 Growth, slower rate | 9 Decline, slower rate |
| 5 No change, from growth | 10 No change, from decline |

PMI component weights



Sector coverage

Manufacturing PMI data include responses from companies operating in the entire manufacturing sector, including the following ISIC Rev.4 codes:

C10 - Food Products	C19 - Coke and Refined Petroleum Products	C27 - Electrical Equipment
C11 - Beverages	C20 - Chemicals and Chemical Products	C28 - Machinery and Equipment N.E.C.
C12 - Tobacco Products	C21 - Basic Pharmaceutical Products and Pharmaceutical Preparations	C29 - Motor Vehicles, Trailers and Semi-Trailers
C13 - Textiles	C22 - Rubber and Plastic Products	C30 - Other Transport Equipment
C14 - Wearing Apparel	C23 - Other Non-Metallic Mineral Products	C31 - Furniture
C15 - Leather and Related Products	C24 - Basic Metals	C32 - Other Manufacturing
C16 - Wood and of Products of Wood and Cork, Except Furniture; Articles of Straw and Plaiting Materials	C25 - Fabricated Metal Products, Except Machinery and Equipment	C33 - Repair and Installation of Machinery and Equipment
C17 - Paper and Paper Products	C26 - Computer, Electronic and Optical Products	
C18 - Printing and Reproduction of Recorded Media		

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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.

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