



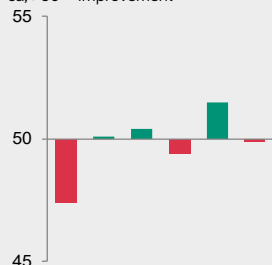
# AIB Ireland Manufacturing PMI®

## Output growth maintained in November, but order books weaken

# 49.9

IRELAND  
MANUFACTURING PMI  
NOV '24

Manufacturing PMI  
Jun - Nov '24  
sa, >50 = improvement



Irish manufacturers indicated a sustained rebound in production volumes during November, with output growth edging up to its highest since February. However, there were signs of fragility as new orders returned to contraction and employment numbers decreased for the third month running. Margins pressures subsided in November, helped by the slowest rise in average cost burdens since June. At the same time, factory gate charges increased at a robust and accelerated pace.

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

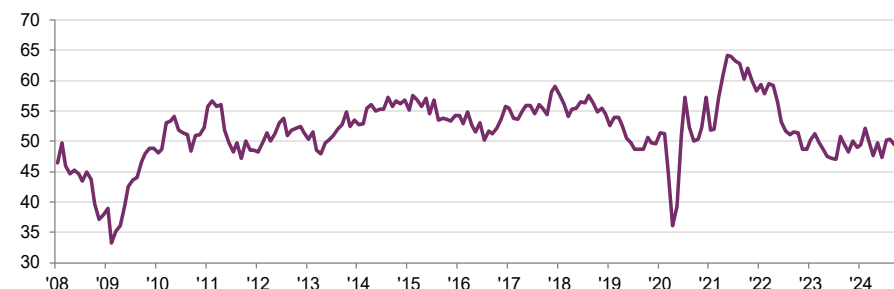
*"The November AIB Irish Manufacturing PMI indicated that the sector lost momentum this month, with the headline index falling marginally below the 50 neutral level to 49.9 from 51.5 in October. This is the third time in the past six months that it has been below 50. The fall in the index was due to weakness in new orders, which contracted at their sharpest pace since June. Despite the fall, the Irish manufacturing PMI remains above the flash November readings for the Eurozone, US and UK at 45.2, 48.8 and 48.6, respectively.*

*"While the headline index fell in November, output rose in the month for the second consecutive month and at the fastest pace since February. Some respondents noted inventory rebuilding had helped to underpin the rise in production volumes. However,*

*as mentioned previously, new orders fell back into contractionary territory, after expanding for the first time since February last month, with firms attributing the weakness to fragile consumer demand and subdued activity from the main export markets. Against the backdrop of a muted demand environment, hiring declined for the third month in-a-row.*

*"There was some mixed news in terms of price pressures for the sector. The rate of inflation for input costs eased for the second straight month. However, output charge inflation accelerated to its second-highest reading since March 2023. Irish manufacturers continued to have an upbeat assessment of the outlook for activity levels over the coming 12 months, albeit it was slightly below October levels."*

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



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## Overview

Fastest rise in production volumes since February

Job cuts continue amid renewed fall in new work

Input cost inflation eases to five-month low

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.

Adjusted for seasonal influences, the AIB Ireland Manufacturing PMI® registered 49.9 in November, down from 51.5 in October and fractionally below the neutral 50.0 threshold. The latest reading was also notably weaker than the long-run series average (52.0). The fall in the headline PMI since the previous month was driven by a renewed downturn in manufacturing order books.

While overall business conditions worsened fractionally during November, production volumes expanded for the fourth time in the past five months. Although modest, the rate of output growth picked up to its fastest since February. Some goods producers suggested that efforts to rebuild inventories had boosted production levels. Latest data signalled the strongest accumulation of stocks of finished goods since January 2023.

New order intakes were a weak spot in November, following a marginal rebound during the previous survey period. The decline in new business was the fastest since June, with goods producers widely commenting on lacklustre customer demand and less favourable global economic conditions. Export sales also decreased at a solid pace in November, which continued the downward trend seen since February.

Subdued demand contributed to a reduction in staffing numbers for the third month running. Although only marginal, the latest decline in employment was the fastest since June 2023. Manufacturers typically commented on the non-replacement of voluntary leavers due to

sufficient business capacity. Reflecting this, backlogs of work decreased at the fastest rate since July.

Supplier performance deteriorated for the third consecutive month, but the latest lengthening of delivery times was less marked than in October. Survey respondents mostly noted supply bottlenecks due to transportation issues, especially in relation to international shipping from Asia. Purchasing activity meanwhile edged up in November, but pre-production inventories declined at the fastest pace for four months. Some manufacturers commented on efforts to boost cash flow by streamlining their stocks of purchases.

November data indicated another solid increase in average cost burdens across the manufacturing sector. However, the rate of inflation eased for the second month in a row to its lowest since June. Manufacturers mostly noted rising energy and food costs, while some commented on lower prices paid for steel products.

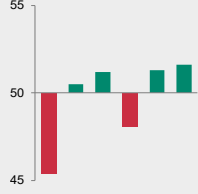
In contrast to the trend for input costs, latest data indicated that output charge inflation accelerated during November. The rise in factory gate prices was one of the fastest seen since early-2023. Survey respondents typically commented on the need to defend margins by passing on higher input costs to customers.

Looking ahead, goods producers remain upbeat about their prospects for output growth. Nearly half of the survey panel (46%) predict an increase in output levels in the next 12 months, while only 11% forecast a reduction. Optimism was often linked to forthcoming business investment, long-term expansion plans and hopes of a revival in export sales. That said, the degree of positivity moderated since October and was below the long-run series average. Some firms cited concerns about competitive pressures and the general economic backdrop.

# Output and demand

## Output Index

Jun - Nov '24  
sa, >50 = growth

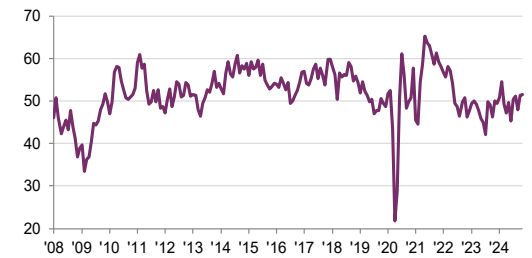


## Output

Production volumes increased for the fourth time in the past five months in November, thereby signalling a sustained rebound after the downturn seen during the second quarter of 2024. Moreover, the seasonally adjusted Output Index pointed to the fastest pace of expansion since February. Some firms noted that efforts to rebuild inventories had supported the latest upturn in output levels.

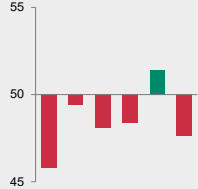
## Output Index

sa, >50 = growth since previous month



## New Orders Index

Jun - Nov '24  
sa, >50 = growth

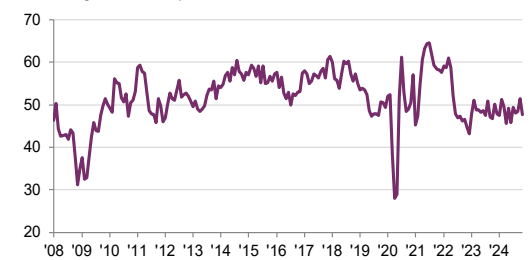


## New orders

November data highlighted a renewed decrease in new business intakes across the manufacturing sector, following a marginal rise in the previous month. The seasonally adjusted New Orders Index pointed to the sharpest rate of contraction since June. Survey respondents typically commented on fragile customer demand and subdued economic conditions in major export markets.

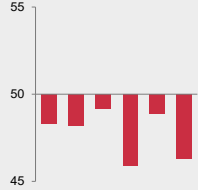
## New Orders Index

sa, >50 = growth since previous month



## New Export Orders Index

Jun - Nov '24  
sa, >50 = growth

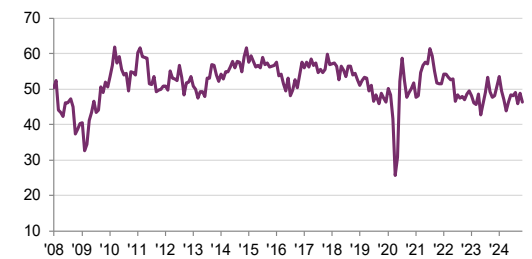


## New export orders

Adjusted for seasonal factors, the New Export Orders Index registered below the neutral 50.0 threshold for the tenth consecutive month in November and signalled a solid fall in overseas sales. Lower volumes of new business from abroad were attributed to weak global demand for manufacturing items, especially across Europe.

## New Export Orders Index

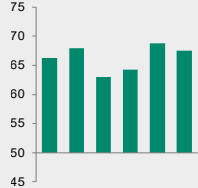
sa, >50 = growth since previous month



# Business expectations

## Future Output Index

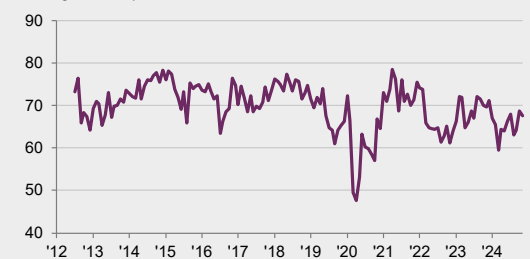
Jun - Nov '24  
>50 = growth expected



Irish manufacturers remain upbeat about their business activity prospects in the next 12 months. Around 46% of the survey panel predict an increase in output levels, while only 11% forecast a reduction. The resulting Future Activity Index was down slightly since October, but still above the average seen so far in 2024. Positive sentiment was mainly linked to long-term business investment plans and the fruition of strategic growth initiatives. Some goods producers also cited favourable projections for export sales.

## Future Output Index

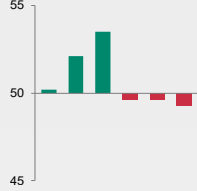
>50 = growth expected over next 12 months



# Employment and capacity

## Employment Index

Jun - Nov '24  
sa, >50 = growth

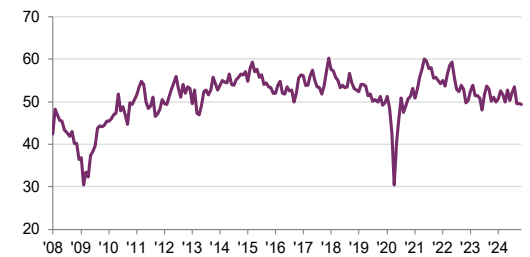


## Employment

Staffing levels declined for the third consecutive month in November. Although only marginal, the rate of job shedding was the fastest recorded since June 2023. Goods producers often commented on the non-replacement of voluntary leavers due to subdued demand conditions.

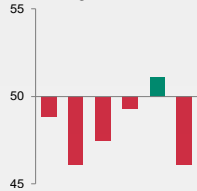
## Employment Index

sa, >50 = growth since previous month



## Backlogs of Work Index

Jun - Nov '24  
sa, >50 = growth

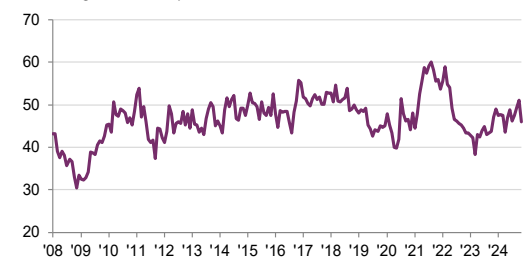


## Backlogs of work

The seasonally adjusted Backlogs of Work Index dropped below the 50.0 no-change mark in November and signalled the sharpest reduction in unfinished work since July. Survey respondents mostly noted that they had sufficient spare capacity to meet new and existing workloads.

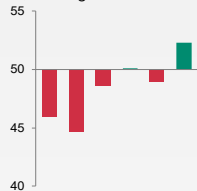
## Backlogs of Work Index

sa, >50 = growth since previous month



## Stocks of Finished Goods Index

Jun - Nov '24  
sa, >50 = growth

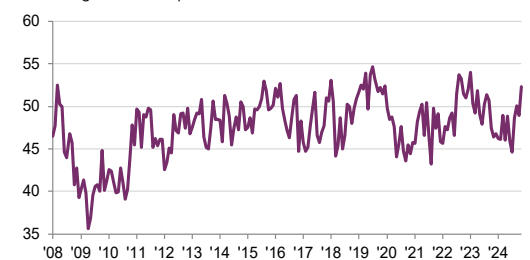


## Stocks of finished goods

Post-production inventory volumes returned to growth in November. The seasonally adjusted Stocks of Finished Goods Index signalled the strongest rate of inventory accumulation since January 2023. Manufacturers generally attributed the increase to deliberate stock building during the latest survey period.

## Stocks of Finished Goods Index

sa, >50 = growth since previous month



# Purchasing

## Quantity of purchases

Purchasing activity increased only slightly in November, with growth easing considerably from October's 29-month high. The seasonally adjusted Quantity of Purchases Index has posted above the 50.0 no-change mark in three of the past four months.

## Suppliers' delivery times

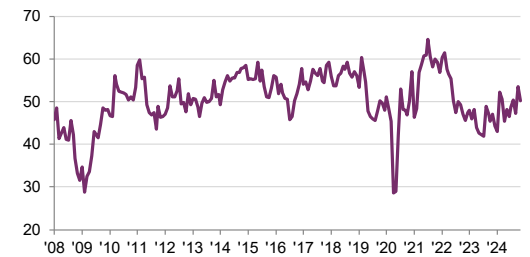
Worsening vendor performance continued in November, as signalled by the seasonally adjusted Suppliers' Delivery Times Index posting below the 50.0 no-change threshold for the third consecutive month. That said, the latest lengthening of lead times was less marked than in October. Anecdotal evidence pointed to ongoing supply bottlenecks, partly due to international shipping delays.

## Stocks of purchases

Manufacturers continued to reduce their stocks of purchases in November, which extended the current period of inventory reduction to three months. Moreover, the respective seasonally adjusted index dropped to its lowest level since July. Lower pre-production stocks partly reflected efforts to improve cash flow.

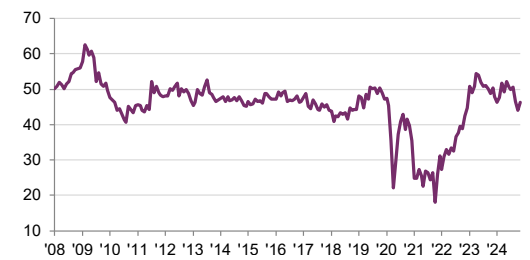
Quantity of Purchases Index

sa, >50 = growth since previous month



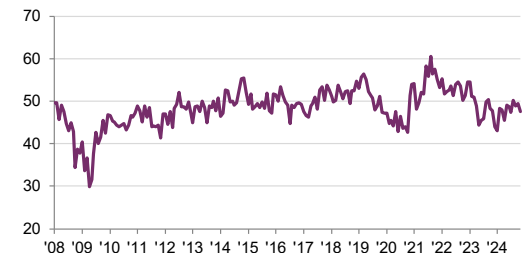
Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



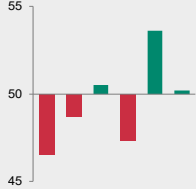
Stocks of Purchases Index

sa, >50 = growth since previous month



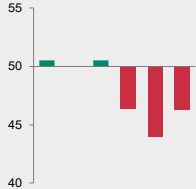
Quantity of Purchases Index

Jun - Nov '24  
sa, >50 = growth



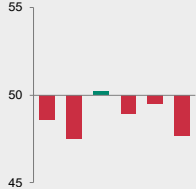
Suppliers' Delivery Times Index

Jun - Nov '24  
sa, >50 = faster times



Stocks of Purchases Index

Jun - Nov '24  
sa, >50 = growth



# Prices

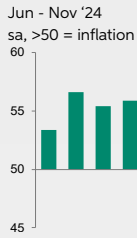
## Input prices

November data highlighted a solid increase in purchasing prices across the manufacturing sector. The rate of inflation nonetheless eased for the second month running to its lowest since June. Survey respondents cited rising energy and food bills in November, while some commented on lower prices paid for steel products.

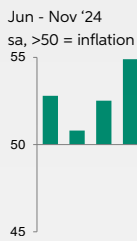
## Output prices

Manufacturers indicated a rise in their factory gate charges for the tenth month running in November. The seasonally adjusted Output Prices Index indicated that the rate of inflation accelerated slightly to its second-highest since March 2023 (exceeded only by that seen in September). Rising output prices reflected efforts to pass on higher input costs, despite subdued demand conditions.

Input Prices Index

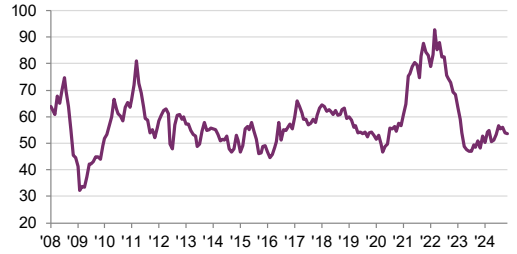


Output Prices Index



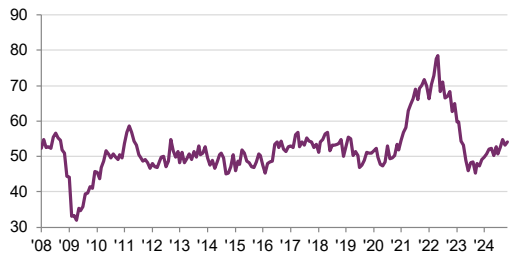
Input Prices Index

sa, >50 = inflation since previous month



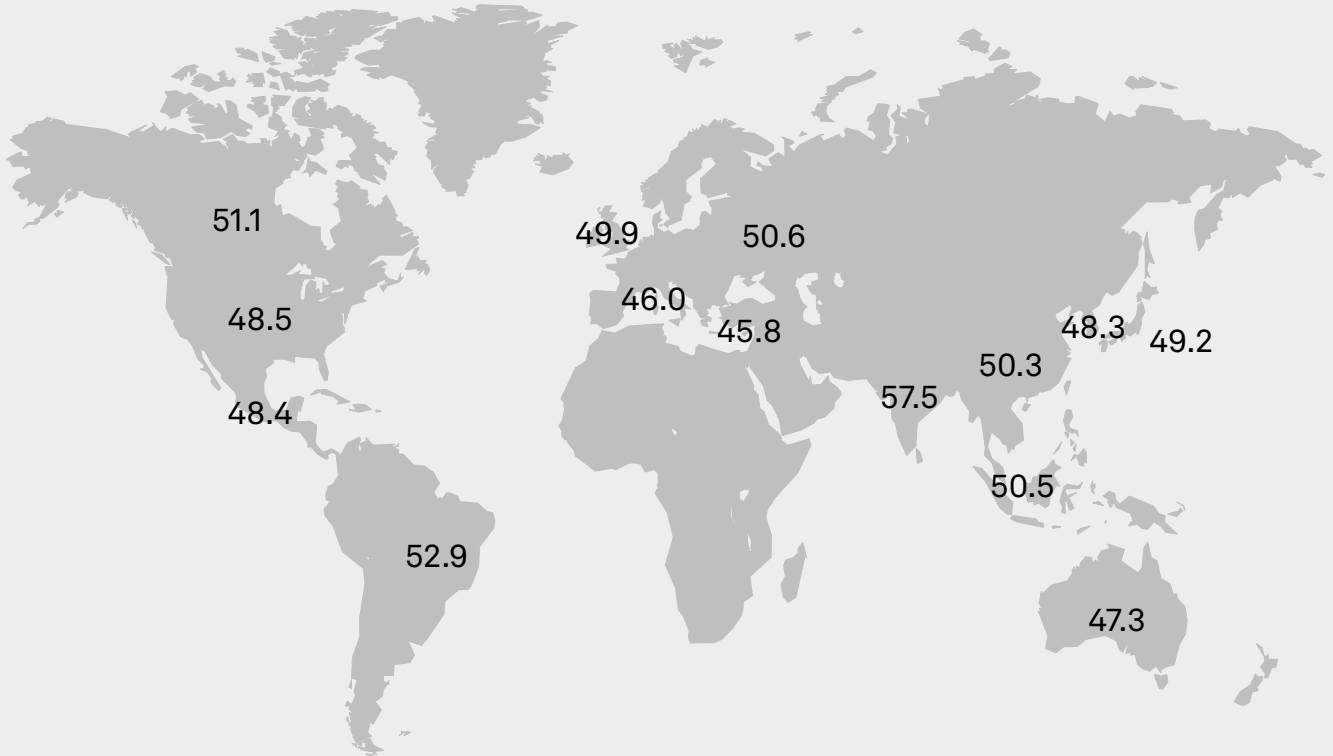
Output Prices Index

sa, >50 = inflation since previous month

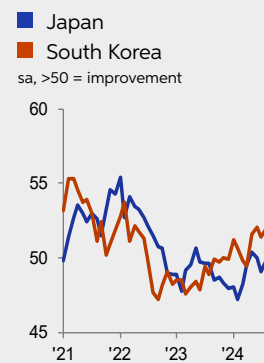
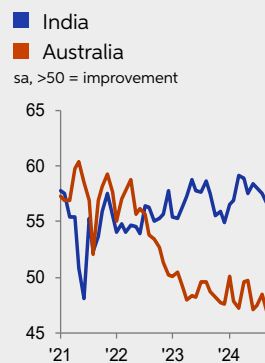
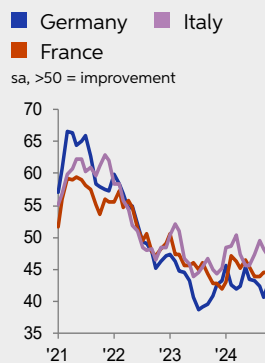
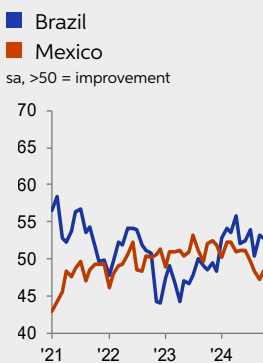
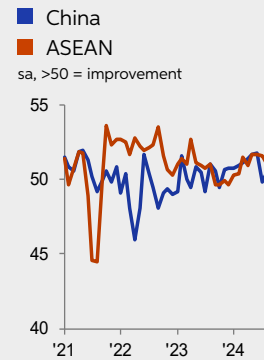
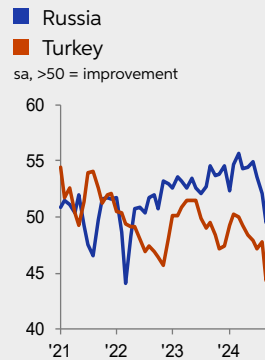
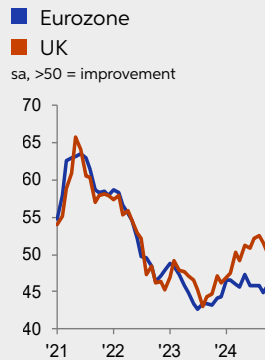
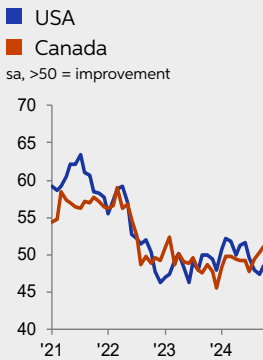


# International PMI

Manufacturing PMI, Oct '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](mailto:economics@spglobal.com).

### Survey dates

Data were collected 12-22 November 2024.

#### Survey questions Manufacturing sector

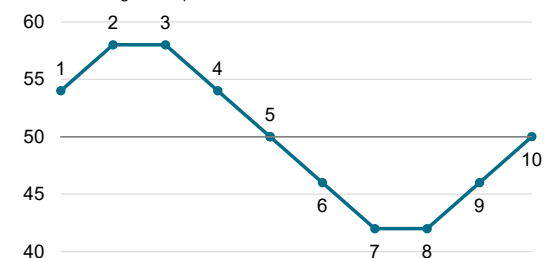
Output	Quantity of Purchases
New Orders	Suppliers' Delivery Times
New Export Orders	Stocks of Purchases
Future Output	Input Prices
Employment	Output Prices
Backlogs of Work	
Stocks of Finished Goods	

#### Index calculation

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

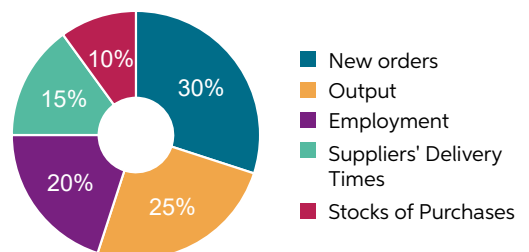
#### Index interpretation

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		



## Contact

David McNamara  
AIB Chief Economist  
T: +353-(0)87-4071825  
[david.g.mcnamara@aib.ie](mailto:david.g.mcnamara@aib.ie)  
[AIBeconomics.Unit@aib.ie](mailto:AIBeconomics.Unit@aib.ie)  
[www.aibeconomics.com](http://www.aibeconomics.com)

Paddy McDonnell  
AIB Press Office  
T: +353-87-739-0743  
[paddy.x.mcdonnell@aib.ie](mailto:paddy.x.mcdonnell@aib.ie)

Louise Kelly  
AIB Press Office  
T: +353-87-216-1545  
[louise.Y.kelly@aib.ie](mailto:louise.Y.kelly@aib.ie)

Tim Moore  
Economics Director  
S&P Global Market Intelligence  
T: +44-1491-461-067  
[tim.moore@spglobal.com](mailto:tim.moore@spglobal.com)

Sabrina Mayeen  
Corporate Communications  
S&P Global Market Intelligence  
T: +44 (0) 7967 447030  
[sabrina.mayeen@spglobal.com](mailto:sabrina.mayeen@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.

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