News Release

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AIB Ireland Manufacturing PMI®

Weakest improvement in Irish manufacturing conditions for 10 months

Key findings

Production volumes unchanged in October

New business growth eases amid subdued export sales

Input cost inflation drops to a 17-month low

October data pointed to only a marginal upturn in manufacturing conditions, with the latest improvement the slowest seen so far in 2025. This reflected a stagnation in production volumes, alongside weaker rates of new order growth and job creation. Manufacturers remain upbeat about the year ahead business outlook, although confidence levels slipped to a three-month low. The latest survey data indicated that inflationary pressures moderated in October, with input costs and prices charged both rising at the slowest rates since May 2024.

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 50.9 in October, the seasonally adjusted AIB Ireland Manufacturing PMI posted above the neutral 50.0 value for the tenth consecutive month. However, the PMI was down from 51.8 in September and signalled the slowest upturn in overall manufacturing conditions since the current phase of improvement began in January. The decline in the headline index during October reflected weaker contributions from all five PMI sub-components.

October data indicated that production volumes stagnated across the Irish manufacturing sector, which ended a nine-month period of sustained expansion. Survey respondents suggested that there had been little-change in output requirements in September due to sluggish demand conditions and lower backlogs of work.

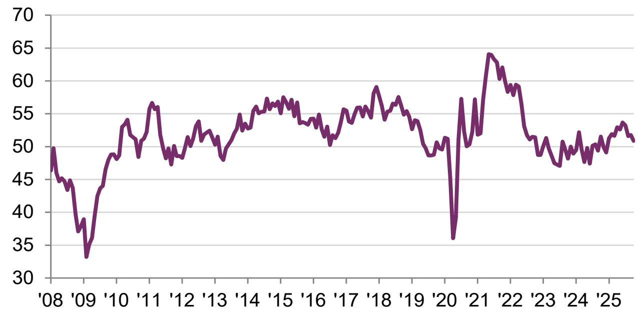
Total new work expanded only marginally in October and the rate of growth eased since the previous survey period. Manufacturers noted intense competition for new business and ongoing headwinds to order books from lower export sales. The latest reduction in new orders from abroad was the fastest since May, which was mainly linked to fewer sales in European markets.

Employment growth was maintained for the eleventh month in a row during October. Despite easing since September, the pace of job creation remained stronger than the long-run survey average. Goods producers commented on long-term business expansion plans, although some noted staff shortages and difficulties finding suitably skilled candidates.

Manufacturers boosted their purchasing activity in October, albeit only marginally and at a slower pace than in September. This partly reflected cautious inventory management strategies.

AIB Ireland Manufacturing PMI

sa, >50 = improvement since previous month



Sources: AIB, S&P Global PMI.

Data were collected 09-24 October 2025.

Comment

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

"The AIB Irish Manufacturing PMI indicated that growth slowed in October, with the index at 50.9, down from 51.8 in September. The modest improvement in manufacturing conditions in October was driven by gains in new orders and employment, while output growth stalled and inventories decreased more quickly. The Irish manufacturing PMI remains above the flash September readings for the Eurozone and UK at 50 and 49.6, respectively, but below the US at 52.2.

"Output stagnated in October, with respondents citing subdued demand conditions. This was also reflected in the continued fall in export orders, albeit total new orders continued to expand at a marginal pace. Respondents cited weakness in European export markets as the key driver of the fall in export orders. Encouragingly, employment continued to expand, extending the current period of growth to 11 months. However, the pace of growth eased as some firms noted skill shortages holding back hiring. Elsewhere, the purchases index fell in October, but stayed in expansionary territory, amid resilient output plans.

"The October survey showed a sharp deceleration in input and output price inflation, linked to lower raw material costs. Output price inflation decelerated to its slowest pace in 17 months, linked to lower input costs and intense competitive pressures.

"Irish manufacturers maintained a positive assessment of the outlook for activity levels over the coming year. Around 45% of the respondents predict a rise in output levels during the year ahead, down slightly from 48% in September, while 9% expect a decline. Manufacturers linked business optimism to hopes of an improvement in the global economy alongside entry to new overseas markets."

PMI by S&P Global

Stocks of purchases decreased for the third month running and at the sharpest rate since May. Meanwhile, stocks of finished goods continued to fall at a steep pace. Survey respondents often commented on efforts to improve cash flow and improve working capital efficiency.

Suppliers' delivery times meanwhile lengthened for the sixth consecutive month. The latest deterioration in vendor performance was mainly linked to delays with transportation and logistic bottlenecks, especially for imported items. However, lower raw material prices contributed to a slowdown in input cost inflation to its weakest for 17 months in October. Average prices charged by manufacturers also increased at the softest pace since May 2024, despite efforts to pass on higher staff wages and energy bills.

Looking ahead, manufacturers are confident that production will increase during the next 12 months. Around 45% of survey respondents foresee an expansion, while only 9% predict a decline. That said, the overall degree of optimism was the lowest recorded since July. New product launches and entry into new overseas markets were cited as growth drivers over the year ahead, while some firms also commented on hopes of a turnaround in sluggish global economic conditions.

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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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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

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