Irish Economy Watch

AIB Treasury Economic Research Unit

Wednesday 27 May 2026

	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
MANUFACTURING								
AIB Manufacturing PMI	51.8	50.9	52.8	52.2	52.2	53.1	53.7	54.9
AIB Manufacturing PMI - Future Output	69.1	67.5	71.5	67.9	72.0	69.6	67.0	62.6
Industrial Production (Ex-Modern)	114.5	116.3	110.6	112.2	111.0	111.7	109.8	#N/A
Production (Ex-Modern) : 3mma YoY%	-3.1	-3.3	-2.6	-4.2	-4.6	-3.9	-3.4	#N/A
3mth / 3mth % seas. adj.	-2.9	-0.7	0.6	0.1	-2.3	-1.9	-1.9	#N/A
SERVICES / RETAIL								
AIB Services PMI	53.5	56.7	58.5	54.8	54.5	51.8	50.7	49.7
CSO Services Index (Value)	164.0	166.5	170.8	167.1	179.8	176.1	179.1	#N/A
- YoY %	12.2	12.1	13.8	8.6	17.2	10.5	6.8	#N/A
- 3mth / 3mth % seas. adj.	1.2	0.6	1.2	2.0	4.1	4.3	6.1	#N/A
SIMI Car Registrations	5,606	2,180	838	276	34,521	14,959	15,406	10,091
- 12 mth cum total	125,621	125,384	125,101	124,954	125,976	126,941	125,056	126,443
- 3 mma YoY %	4.1	1.8	-0.5	-16.8	1.7	3.8	0.2	1.2
Retail Sales Index	115.3	114.6	115.1	114.9	116.9	116.2	116.4	#N/A
- YoY %	3.7	1.9	2.2	0.3	3.5	1.2	1.6	#N/A
- 3mth / 3mth % seas. adj.	0.5	-0.2	-0.4	-0.5	0.6	0.9	1.4	#N/A
Ex Autos Index	114.2	113.8	113.9	113.1	113.5	114.0	114.2	#N/A
- YoY %	1.7	1.2	0.6	-0.9	2.4	0.4	1.3	#N/A
- 3mth / 3mth % seas. adj.	0.6	-0.1	-0.1	-0.4	-0.3	-0.4	0.3	#N/A
RESIDENTIAL CONSTRUCTION ACTIVITY								
AIB Construction PMI	43.7	48.1	46.7	48.4	48.6	52.1	53.2	47.1
- Housing Activity	45.3	43.1	47.0	49.0	46.9	50.7	52.7	44.4
- Commercial Activity	43.2	50.4	46.1	47.2	49.0	54.0	54.9	50.3
- New Orders	48.0	49.7	49.2	51.2	53.8	55.5	54.2	46.4
- Business Expectations	56.9	57.4	56.4	61.2	62.4	60.0	56.6	52.8
Commencements: 12mth Total	27,635	24,030	24,070	16,412	17,275	19,667	21,859	23,435
- 3 Month Avg YoY %	-77.4	-79.4	-76.7	-65.0	-50.4	-34.0	184.0	218.8
HOUSING MARKET ACTIVITY								
BPFI Mortgage Approvals : Month	3,864	3,848	3,451	2,822	2,412	3,043	3,644	#N/A
- 3 Month Avg YoY %	-0.6	-2.6	-3.1	-5.8	-7.5	-2.3	-0.8	#N/A
- 12 Mth Total	44,013	43,773	43,522	43,395	43,069	43,331	43,318	#N/A
RPPR Transactions : Month	5,593	5,823	5,220	7,281	3,578	4,070	4,804	4,025
- 3 Month Avg YoY %	3.8	0.8	-1.5	-0.9	1.5	4.1	2.4	-2.9
- 12 Mth Total	61,752	61,370	60,992	61,586	61,613	61,585	61,875	61,233
HOUSING MARKET PRICES								
CSO Price Index - MoM	0.8	0.6	0.5	0.6	0.4	-0.3	0.0	#N/A
- YoY %	7.5	7.3	6.8	6.8	7.1	6.7	6.5	#N/A
Daft Asking Prices: MoM %	0.2	0.1	0.3	0.2	0.1	-0.2	0.9	#N/A
- YoY %	5.7	5.7	5.8	5.4	4.9	3.8	3.7	#N/A
RENTS: CSO Private Rents - MoM%	0.3	0.2	0.3	0.2	0.1	0.2	0.5	1.1
- YoY %	3.4	3.2	3.0	2.7	2.7	2.6	3.1	4.1
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB								
- Mortgage as % of Disposable Income	24.6	24.6	24.6	24.7	23.4	22.7	22.1	#N/A

The manu. PMI rose to 54.9 in Apr., amid sustained gains in output, new orders and export orders. Business expectations eased markedly though, while input & output inflation surged

Traditional industrial production contracted by 1.9% in Q1, and it was 3.4% lower YoY

The serv. PMI fell to 49.7 in Apr., indicating a marginal contraction in activity levels. New and outstanding business, as well as exports, declined. Meanwhile, input and output inflation accelerated further

The CSO services index rose by 6.1% in Q1 and was up 11.5% YoY also

New car sales had a solid start to the year, rising by 1.2% YoY in the 3mths to Apr. 12 month running sales total at 126.4k

Retail sales rose by 1.4% in Q1, albeit core sales rose by a more modest 0.3% in the same period

The construction PMI fell to 47.1 in Apr., consistent with a fall in activity levels. Housing activity declined, while commercial activity expanded slightly. New orders fell markedly

Circa 11k commencements have been registered YTD to Apr., more than double last years total but below the level seen in 2024. 12mth running total up to 23.4k

Mortgage approvals fell by 0.8% YoY in Q1. 12 month running total just above 43k

Residential property transactions fell by 2.9% YoY in the 3 mths to Apr. Annual running total is 61k

House prices stagnated in Mar., having declined for the first time since May 2023 in Feb. The YoY rate slowed to 6.5%

Asking prices on Daft.ie rose by 0.5% in Q1. Overall, they were up by 4.1% YoY in the quarter

CSO rental index increased by 1.1% in Apr., lifting the YoY rate up to 4.1%

Affordability improved somewhat in Q1, amid a slowdown in house price growth

Sources: Refinitiv, CSO, DoF, DoECLG, Daft.ie, BPFI, ILCU, PSRA, SIMI, European Commission, AIB ERU Calculations

	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	
CONSUMER PRICES - YoY %	2.7	2.9	3.2	2.8	2.7	2.7	3.6	3.7	Prices rose by 0.5% in Apr., lifting CPI inflation up to 3.7%. Amid broad based price pressures, higher education, energy and clothing costs, were the main drivers of inflation. HICP inflation remained at 3.6%
- MoM %	-0.2	0.5	-0.2	0.5	-0.9	0.9	1.6	0.5	
HICP - YoY %	2.7	2.8	3.1	2.7	2.5	2.5	3.6	3.6	
- MoM %	-0.2	0.4	-0.2	0.5	-1.0	0.8	1.8	0.5	
PERSONAL / FINANCIAL									Consumer sentiment fell to its lowest level since Dec'22 in Apr., amid concerns regarding the outlook and the cost of living
ILCU Consumer Sentiment Index	61.7	59.9	61.0	61.2	64.7	65.2	56.7	53.3	
Credit Growth YoY %									Private sector credit growth accelerated in Mar., despite a slowdown in household lending
- Private Sector	3.1	4.7	4.9	4.5	5.0	5.0	5.3	#N/A	
- *of which* : Household	4.8	4.9	5.0	5.2	5.4	5.4	5.3	#N/A	
- *of which* : Mortgage Lending	5.2	5.3	5.4	5.6	5.9	5.9	5.8	#N/A	
LABOUR MARKET									Having averaged 4.7% in 2025, the unemployment rate has edged slightly higher so far this year. It rose to 5.0% in Jan. and stayed at that level throughout Q1, albeit, it fell to 4.8% in Apr.
Live Register	169,800	170,200	167,100	172,600	171,100	170,600	170,800	170,600	
- Change In Month	+300	+400	-3,100	+5,500	-1,500	-500	+200	-200	
Unemployment Rate %	4.9	4.6	4.6	4.8	5.0	5.0	5.0	4.8	
PMI Employment Indices									The employment sub-indices of the manu., services and construction PMIs all improved, and printed in expansion territory in Apr.
- AIB Manufacturing	53.1	52.6	50.2	52.1	53.7	54.5	54.2	54.5	
- AIB Services	53.2	51.6	53.8	51.0	53.5	52.3	49.6	51.8	
- AIB Construction	49.3	49.2	51.4	50.5	51.3	51.7	52.6	53.8	
MERCHANDISE TRADE									Goods trade surplus widened to €13.0bn YTD in Mar. However, the value of exports fell by 43.0% YTD to €49.9bn, driven by a decrease in pharma and medical products (down 65.6%). Imports stood at €36.9bn, up 2.2% YTD
Export Values - 3M / 3M %	0.8	6.1	18.8	-18.6	-15.6	-17.6	-1.8	#N/A	
- 3MMA YoY %	6.3	1.2	-3.4	-14.7	-21.0	-27.7	-43.0	#N/A	
Import Values - 3M / 3M %	8.9	0.6	-4.5	0.0	3.0	1.2	1.2	#N/A	
- 3MMA YoY %	3.8	5.0	7.4	9.9	8.4	2.5	2.2	#N/A	
PUBLIC FINANCES									Total tax receipts are down by 2.1% YTD in Apr., but they were up 4.2% excl. Apple money. Expenditure rose by 9.2% YTD. 12mth rolling Exchequer balance moved to a €0.4bn deficit
Total Tax Receipts: Cum YTD %	7.1	3.2	-0.4	-0.6	-16.6	-10.4	-4.2	-2.1	
Voted Spending : Cum YTD %	7.8	7.6	5.5	5.9	-0.1	4.1	6.8	9.2	
Exchequer Bal: 12 Mth Total €m	9,172	10,601	9,359	7,100	3,621	2,064	2,714	-404	

QUARTERLY DATA

	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	
GDP - YoY %	-2.3	4.0	11.6	20.1	17.2	11.2	2.2	-6.0	GDP contracted by 6.0% YoY in Q1, having expanded sharply throughout last year
*Domestic Demand - YoY%	1.8	3.4	1.5	3.3	4.3	5.1	6.7	#N/A	MDD rose by a robust 4.9% in 2025. Consumption (+2.9%) and government expenditure (+4.1%) both increased solidly
Consumer Spending - YoY %	3.0	3.4	3.6	2.9	3.4	2.8	2.6	#N/A	
Services Exports - YoY % (3Q Avg)	15.7	13.4	10.3	3.6	-0.8	-1.5	-0.7	#N/A	
** Excludes Some Investment Related to the Multinational Sector*									
EMPLOYMENT & EARNINGS									Employment growth stagnated in annual terms in Q1'26. In total, the number of people at work remains close to an all-time record of 2.8m. The labour force expanded by 0.6% YoY in Q1
Employment YoY %	2.7	3.7	2.6	3.3	2.3	1.1	2.0	0.0	
Labour Force YoY %	2.9	3.5	2.4	3.5	2.6	1.9	2.4	0.6	
Average Earnings YoY %									Weekly average earnings rose by 4.4% YoY in Q4. Public sector pay growth continued to outpace private sector earnings, rising by 4.4% YoY vs. 3.8% YoY
- Hourly	5.5	5.0	6.1	6.3	3.5	3.9	3.1	4.0	
- Weekly	5.7	5.5	5.8	5.9	4.5	4.1	3.1	4.4	
Weekly Earnings YoY %									
- Private Sector	5.9	5.4	5.3	5.6	4.2	3.6	2.9	3.8	
- Public Sector	4.5	4.7	6.0	6.3	5.4	5.9	3.3	4.4	
CSO DWELLING COMPLETIONS	6812	8876	8653	5911	9156	9210	11969	7856	Completions rose by 32.9% YoY in Q1, amid a sharp increase across al segments. 12mth running total up to 38.1k
- YoY %	-6.1	5.8	-15.2	2.0	34.4	3.8	38.3	32.9	
- Cum 12 Mth Total	31198	31685	30136	30252	32596	32930	36246	38191	

AIB

David McNamara
Chief Economist
david.g.mcnamara@aib.ie

John Fahey
Senior Economist
john.j.fahey@aib.ie

Daniel Noonan
Economist
daniel.x.noonan@aib.ie

AIB, 10 Molesworth Street, Dublin 2 Tel: 353-1-6600311 https://aib.ie/investorrelations/economic-research-unit