

Irish Economy Watch

AIB Treasury Economic Research Unit



Wednesday 25 February 2026

	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	
MANUFACTURING									The manu. PMI remained at 52.2 in Jan. amid a sustained, albeit slightly weaker rise in output and new orders. However, business expectations for the year ahead improved markedly Traditional industrial production stagnated in Q4, meaning it was 3.5% lower in YoY terms
AIB Manufacturing PMI	53.7	53.2	51.6	51.8	50.9	52.8	52.2	52.2	
AIB Manufacturing PMI - Future Output	68.1	63.4	70.4	69.1	67.5	71.5	67.9	72.0	
Industrial Production (Ex-Modern)	115.2	113.7	111.0	114.8	116.1	111.2	114.7	#N/A	
Production (Ex-Modern) : 3mma YoY%	1.0	0.2	-2.0	-3.1	-3.2	-2.5	-3.5	#N/A	
3mth / 3mth % seas. adj.	1.6	-1.4	-3.4	-2.7	-0.6	0.6	0.0	#N/A	
SERVICES / RETAIL									The serv. PMI eased to 54.5 in Jan, indicating a marginally slower rate of expansion. Business activity rose at a weaker pace, as new business softened. Meanwhile, input and output inflation accelerated The CSO services index rose by 1.4% in Q4, resulting in an 11.1% annual increase in the quarter New car sales had a strong start to the year, rising by 1.7% YoY to 34.5k in Jan. 12 month running sales total is just below 126k Retail sales fell by 0.8% in the in Q4, with core sales declining by 1.0% over the same period
AIB Services PMI	51.5	50.9	50.6	53.5	56.7	58.5	54.8	54.5	
CSO Services Index (Value)	164.6	164.1	166.3	163.7	166.0	169.8	165.2	#N/A	
- YoY %	16.6	16.3	16.8	12.2	12.1	13.4	7.8	#N/A	
- 3mth / 3mth % seas. adj.	1.5	1.6	0.3	1.0	0.3	0.9	1.4	#N/A	
SIMI Car Registrations	2,435	26,732	7,580	5,606	2,180	838	276	34,542	
- 12 mth cum total	124,059	125,107	125,141	125,621	125,384	125,101	124,954	125,997	
- 3 mma YoY %	3.0	4.2	5.8	4.1	1.8	-0.5	-16.8	1.7	
Retail Sales Index	115.3	116.2	115.0	115.2	114.4	114.8	114.3	#N/A	
- YoY %	3.4	4.1	3.9	3.6	1.8	2.1	-0.1	#N/A	
- 3mth / 3mth % seas. adj.	0.5	0.6	0.8	0.5	-0.4	-0.6	-0.8	#N/A	
Ex Autos Index	114.5	114.3	113.6	114.2	113.9	114.0	113.1	#N/A	
- YoY %	3.3	2.4	1.8	1.7	1.2	0.6	-1.0	#N/A	
- 3mth / 3mth % seas. adj.	1.5	1.3	1.1	0.4	-0.2	-0.1	-0.3	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									The construction PMI rose to 48.6 in Jan, indicating a slightly weaker pace of contraction. Housing and commercial activity stayed below 50, but new orders continued to expand Circa 2k commencements were registered in Jan, almost double last years total but well below the level seen in 2024. 12mth running total up to 17.2k
AIB Construction PMI	48.6	47.1	45.9	43.7	48.1	46.7	48.4	48.6	
- Housing Activity	48.4	44.7	44.5	45.3	43.1	47.0	49.0	46.9	
- Commercial Activity	53.4	51.6	49.0	43.2	50.4	46.1	47.2	49.0	
- New Orders	51.7	50.8	49.1	48.0	49.7	49.2	51.2	53.8	
- Business Expectations	59.6	53.5	57.3	56.9	57.4	56.4	61.2	62.4	
Commencements: 12mth Total	41,144	40,530	39,317	27,635	24,030	24,070	16,412	17,275	
- 3 Month Avg YoY %	-84.7	-37.1	-37.2	-77.4	-79.4	-76.7	-65.0	-50.4	
HOUSING MARKET ACTIVITY									Mortgage approvals fell by 7.6% YoY in the 3mths to Jan. 12 mth running total at circa 43k Residential property transactions fell by 1.9% YoY in the 3mths to Jan. Annual running total is 61k The annual rate of house price growth rose to 7.0% in Dec. Overall, house prices increased by 7.6% in 2025 Asking prices on Daft.ie rose by 5.6% YoY in Q4. Overall, they were up by 6.5% in 2025 CSO rental index increased by 0.2% in Jan but the YoY rate was unchanged at 2.7%
BPFI Mortgage Approvals : Month	3,987	4,595	3,733	3,864	3,848	3,451	2,822	2,412	
- 3 Month Avg YoY %	3.7	3.1	-0.2	-0.6	-2.6	-3.1	-5.8	-7.6	
- 12 Mth Total	44,108	44,100	43,900	44,033	43,793	43,542	43,415	43,082	
RPPR Transactions : Month	4,910	5,810	4,914	5,593	5,823	5,220	7,281	3,038	
- 3 Month Avg YoY %	1.6	0.5	0.7	3.8	0.8	-1.5	-0.9	-1.9	
- 12 Mth Total	61,159	61,248	61,246	61,752	61,370	60,992	61,586	61,073	
HOUSING MARKET PRICES									
CSO Price Index - MoM	1.1	0.8	0.9	0.8	0.6	0.5	0.7	#N/A	
- YoY %	7.9	7.5	7.4	7.5	7.3	6.8	7.0	#N/A	
Daft Asking Prices: MoM %	0.4	0.2	0.3	0.2	0.1	0.3	0.2	#N/A	
- YoY %	6.8	6.4	6.2	5.7	5.7	5.8	5.4	#N/A	
RENTS: CSO Private Rents - MoM%	0.1	0.2	0.5	0.3	0.2	0.3	0.2	0.1	
- YoY %	4.6	4.4	4.2	3.4	3.2	3.0	2.7	2.7	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	24.3	24.1	24.3	24.6	24.2	24.1	24.0	#N/A	Affordability remained broadly flat in H2, having deteriorated in the first half of 2025

	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	
									Prices fell sharply by 0.9% in Jan, largely due to a marked drop in the cost of clothes due to sales. However, CPI inflation edged only slightly lower to 2.7%. Similarly, HICP inflation declined marginally to 2.5%
CONSUMER PRICES - YoY %	1.8	1.7	2.0	2.7	2.9	3.2	2.8	2.7	
- MoM %	0.5	0.1	0.4	-0.2	0.5	-0.2	0.5	-0.9	
HICP - YoY %	1.6	1.6	1.9	2.7	2.8	3.1	2.7	2.5	
- MoM %	0.5	0.2	0.4	-0.2	0.4	-0.2	0.5	-1.0	
PERSONAL / FINANCIAL									
ILCU Consumer Sentiment Index	62.5	59.1	61.1	61.7	59.9	61.0	61.2	64.7	Consumer sentiment improved for a third consecutive month in Jan, albeit from a low level
Credit Growth YoY %									Private sector credit growth slowed in Dec, despite an acceleration in the pace of household/mortgage lending
- Private Sector	2.9	2.4	2.7	3.1	4.7	4.9	4.5	#N/A	
- of which : Household	4.2	4.3	4.5	4.8	4.9	5.0	5.2	#N/A	
- of which : Mortgage Lending	4.4	4.7	4.9	5.2	5.3	5.4	5.6	#N/A	
LABOUR MARKET									
Live Register	168,800	169,600	169,400	169,800	170,200	166,500	172,500	171,300	The unemployment rate was revised lower to 4.6% in Q4, meaning that it averaged 4.7% last year. Furthermore, it remained at 4.7% in Jan.
- Change In Month	+1,800	+800	-200	+400	+400	-3,700	+6,000	-1,200	
Unemployment Rate %	4.6	5.0	4.9	4.9	4.7	4.6	4.7	4.7	The employment sub-index of the manu., services and construction PMIs all improved and remained in expansion mode in Jan, signalling a sharper pace of hiring
PMI Employment Indices									
- AIB Manufacturing	54.2	54.2	53.6	53.1	52.6	50.2	52.1	53.7	
- AIB Services	51.6	51.2	48.5	53.2	51.6	53.8	51.0	53.5	
- AIB Construction	50.3	51.4	51.3	49.3	49.2	51.4	50.5	51.3	
MERCHANDISE TRADE									
Export Values - 3M / 3M %	-28.3	-31.2	-35.8	2.6	7.7	18.8	-19.5	#N/A	Goods trade surplus of €116.3bn was recorded in 2025, up 30.6% on 2024. Exports rose 16.4% to €260.3bn, led by a marked increase in pharma and medical products (+39.0%). Imports increased to €144bn over the same period, up by 7%
- 3MMA YoY %	13.4	8.0	-4.1	7.2	1.5	-3.2	-14.4	#N/A	
Import Values - 3M / 3M %	-7.2	-2.5	7.4	7.6	2.1	-2.1	1.1	#N/A	
- 3MMA YoY %	2.2	2.0	2.6	2.3	5.0	7.9	9.8	#N/A	
PUBLIC FINANCES									
Total Tax Receipts: Cum YTD %	10.5	10.8	7.3	7.1	3.2	-0.4	-0.6	-16.6	Total tax receipts fell by 16.6% YoY in Jan, but they were up 0.6% excl. the Apple money. Expenditure fell by 0.1% YoY in Jan, resulting in an Exchequer surplus of €0.1bn
Voted Spending : Cum YTD %	9.1	9.5	8.3	7.8	7.6	5.5	5.9	-0.1	
Exchequer Bal: 12 Mth Total €m	14,188	13,503	12,161	9,172	10,601	9,359	7,100	3,621	
QUARTERLY DATA									
	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	
GDP - YoY %	-2.7	-2.3	4.0	11.6	20.0	17.2	10.8	3.7	The provisional estimate shows GDP contracted by 0.6% in Q4, but it was up 3.7% YoY. Overall, GDP surged by 12.9% in 2025
*Domestic Demand - YoY%	0.4	1.8	3.4	1.5	3.0	4.2	5.1	#N/A	
Consumer Spending - YoY %	1.7	3.0	3.4	3.6	2.9	3.4	2.4	#N/A	
Services Exports - YoY % (3Q Avg)	10.1	15.7	13.4	10.3	3.6	-0.8	-1.7	#N/A	
* Excludes Some Investment Related to the Multinational Sector									
EMPLOYMENT & EARNINGS									
Employment YoY %	1.9	2.7	3.7	2.6	3.3	2.3	1.1	2.0	Employment increased by 2.0% YoY in Q4, putting it 20% above pre-COVID levels. In total, the number of people at work rose by 2.2% in 2025, while the labour force grew by 2.6%
Labour Force YoY %	2.0	2.9	3.5	2.4	3.5	2.6	1.9	2.4	
Average Earnings YoY %									
- Hourly	4.9	5.5	5.0	6.1	6.3	3.5	3.9	3.4	
- Weekly	5.0	5.7	5.5	5.8	5.9	4.5	4.1	3.1	Weekly average earnings rose by 3.4% YoY in Q4. Public sector pay growth continued to outpace private sector earnings, rising by 3.7% YoY vs. 2.8% YoY
Weekly Earnings YoY %									
- Private Sector	5.3	5.9	5.4	5.3	5.6	4.2	3.6	2.8	
- Public Sector	4.0	4.5	4.7	6.0	6.3	5.4	5.9	3.7	
CSO DWELLING COMPLETIONS									
- YoY %	5797	6813	8878	8659	5914	9163	9213	11994	Over 36k new dwelling completions were recorded last year, up 20.4% on 2024, amid a rebound in apartments
- Cum 12 Mth Total	-12.5	-6.1	5.8	-15.2	2.0	34.5	3.8	38.5	
	31655	31210	31695	30147	30264	32614	32949	36284	



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>

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