

Irish Economy Watch

AIB Treasury Economic Research Unit



Thursday 26 March 2026

	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	
MANUFACTURING									The manu. PMI rose to 53.1 in Feb. amid sustained gains in output and new orders, as well as an increase in export orders. Business expectations for the year ahead remained elevated
AIB Manufacturing PMI	53.2	51.6	51.8	50.9	52.8	52.2	52.2	53.1	
AIB Manufacturing PMI - Future Output	63.4	70.4	69.1	67.5	71.5	67.9	72.0	69.6	
Industrial Production (Ex-Modern)	113.5	110.8	114.6	116.4	110.8	112.6	111.1	#N/A	
Production (Ex-Modern) : 3mma YoY%	0.2	-2.1	-3.1	-3.3	-2.5	-4.2	-4.6	#N/A	
3mth / 3mth % seas. adj.	-1.5	-3.6	-2.8	-0.6	0.7	0.3	-2.1	#N/A	Traditional industrial production fell by 2.1% in the 3 mths to Jan., and was 4.6% lower YoY
SERVICES / RETAIL									The serv. PMI declined to 51.8 in Feb, indicating a slower rate of expansion. Business activity rose at a weaker pace, as new business softened. Meanwhile, input and output inflation decelerated but remained high
AIB Services PMI	50.9	50.6	53.5	56.7	58.5	54.8	54.5	51.8	
CSO Services Index (Value)	163.8	166.6	164.4	166.6	171.0	167.1	180.5	#N/A	
- YoY %	16.1	17.1	12.1	12.2	13.9	8.7	18.4	#N/A	
- 3mth / 3mth % seas. adj.	1.7	0.5	1.3	0.6	1.3	2.0	4.2	#N/A	
SIMI Car Registrations	26,732	7,580	5,606	2,180	838	276	34,522	14,963	The CSO services index rose by 4.2% in the 3mths to Jan., and was up 13.7% YoY also
- 12 mth cum total	125,107	125,141	125,621	125,384	125,101	124,954	125,977	126,946	
- 3 mma YoY %	4.2	5.8	4.1	1.8	-0.5	-16.8	1.7	3.9	New car sales had a strong start to the year, rising by 4.2% YTD in Feb. 12 month running sales total up to circa 127k
Retail Sales Index	116.1	115.0	115.3	114.7	115.2	114.9	116.7	#N/A	
- YoY %	4.0	3.9	3.7	2.0	2.3	0.2	3.0	#N/A	
- 3mth / 3mth % seas. adj.	0.5	0.7	0.5	-0.2	-0.3	-0.5	0.5	#N/A	Retail sales rose by 0.5% in the 3mths to Jan, but core sales fell by 0.2% over the same period
Ex Autos Index	114.1	113.5	114.2	113.8	114.0	113.2	113.7	#N/A	
- YoY %	2.3	1.8	1.7	1.2	0.7	-0.9	2.2	#N/A	
- 3mth / 3mth % seas. adj.	1.1	1.0	0.5	-0.1	0.0	-0.2	-0.2	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									The construction PMI jumped to 52.1 in Feb, indicating a firstly monthly expansion since Apr'25. Housing and commercial activity returned to expansion, while new orders rose at a faster pace
AIB Construction PMI	47.1	45.9	43.7	48.1	46.7	48.4	48.6	52.1	
- Housing Activity	44.7	44.5	45.3	43.1	47.0	49.0	46.9	50.7	
- Commercial Activity	51.6	49.0	43.2	50.4	46.1	47.2	49.0	54.0	
- New Orders	50.8	49.1	48.0	49.7	49.2	51.2	53.8	55.5	
- Business Expectations	53.5	57.3	56.9	57.4	56.4	61.2	62.4	60.0	Circa 5.5k commencements have been registered YTD in Feb, over double last years total but below the level seen in 2024. 12mth running total up to 19.7k
Commencements: 12mth Total	40,530	39,317	27,635	24,030	24,070	16,412	17,275	19,667	
- 3 Month Avg YoY %	-37.1	-37.2	-77.4	-79.4	-76.7	-65.0	-50.4	-34.0	
HOUSING MARKET ACTIVITY									Mortgage approvals fell by 7.6% YoY in the 3mths to Jan. 12 mth running total at circa 43k
BPFI Mortgage Approvals : Month	4,595	3,733	3,864	3,848	3,451	2,822	2,412	#N/A	
- 3 Month Avg YoY %	3.1	-0.2	-0.6	-2.6	-3.1	-5.8	-7.6	#N/A	
- 12 Mth Total	44,100	43,900	44,033	43,793	43,542	43,415	43,082	#N/A	
RPPR Transactions : Month	5,810	4,914	5,593	5,823	5,220	7,281	3,554	3,822	
- 3 Month Avg YoY %	0.5	0.7	3.8	0.8	-1.5	-0.9	1.4	2.2	Residential property transactions rose by 2.2% YoY in the 3mths to Feb. Annual running total is 61k
- 12 Mth Total	61,248	61,246	61,752	61,370	60,992	61,586	61,589	61,313	
HOUSING MARKET PRICES									House prices rose by 0.3% in Jan, the slowest pace of growth since Mar'25. However, the YoY rate rose to 7.0% in the month
CSO Price Index - MoM	0.8	0.9	0.8	0.6	0.5	0.6	0.3	#N/A	
- YoY %	7.5	7.4	7.5	7.3	6.8	6.8	7.0	#N/A	
Daft Asking Prices: MoM %	0.2	0.3	0.2	0.1	0.3	0.2	#N/A	#N/A	
- YoY %	6.4	6.2	5.7	5.7	5.8	5.4	#N/A	#N/A	
RENTS: CSO Private Rents - MoM%	0.2	0.5	0.3	0.2	0.3	0.2	0.1	0.2	CSO rental index increased by 0.2% in Feb but the YoY rate edged back to 2.7%
- YoY %	4.4	4.2	3.4	3.2	3.0	2.7	2.7	2.6	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									Affordability remained broadly flat in H2, having deteriorated in the first half of 2025
- Mortgage as % of Disposable Income	24.1	24.3	24.6	24.2	24.1	24.0	#N/A	#N/A	

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CONSUMER PRICES - YoY %									Prices rose sharply by 0.9% in Feb., largely due to a rebound in the cost of clothes following the January sales. However, CPI inflation was unchanged, at 2.7%. HICP inflation was also unchanged, at 2.5%
- MoM %	1.7	2.0	2.7	2.9	3.2	2.8	2.7	2.7	
HICP - YoY %	0.1	0.4	-0.2	0.5	-0.2	0.5	-0.9	0.9	
- MoM %	1.6	1.9	2.7	2.8	3.1	2.7	2.5	2.5	
- MoM %	0.2	0.4	-0.2	0.4	-0.2	0.5	-1.0	0.8	
PERSONAL / FINANCIAL									Consumer sentiment improved for a fourth month in Feb., albeit the index remains at a low level Private sector credit growth accelerated in Jan., amid an acceleration in the pace of household/mortgage lending
ILCU Consumer Sentiment Index	59.1	61.1	61.7	59.9	61.0	61.2	64.7	65.2	
Credit Growth YoY %									
- Private Sector	2.4	2.7	3.1	4.7	4.9	4.5	5.0	#N/A	
- of which : Household	4.3	4.5	4.8	4.9	5.0	5.2	5.4	#N/A	
- of which : Mortgage Lending	4.7	4.9	5.2	5.3	5.4	5.6	5.9	#N/A	
LABOUR MARKET									The unemployment rate averaged 4.7% last year. It has been remarkably stable recently, at 4.6% in each of the last four months to Feb. The employment sub-index of the manufacturing and construction PMIs improved in Feb. However, the services sub-index fell slightly. Crucially, all three stayed in expansion mode
Live Register	169,600	169,400	169,800	170,100	166,900	172,200	170,900	170,700	
- Change In Month	+700	-200	+400	+300	-3,200	+5,300	-1,300	-200	
Unemployment Rate %	5.0	4.9	4.9	4.7	4.6	4.6	4.6	4.6	
PMI Employment Indices									
- AIB Manufacturing	54.2	53.6	53.1	52.6	50.2	52.1	53.7	54.5	
- AIB Services	51.2	48.5	53.2	51.6	53.8	51.0	53.5	52.3	
- AIB Construction	51.4	51.3	49.3	49.2	51.4	50.5	51.3	51.7	
MERCHANDISE TRADE									A goods trade surplus of €4.8bn was recorded in January. However, the value of exports fell by 35% YoY to €16.1bn, driven by a decrease in pharma and medical products (down 61%). Imports stood at €11.4bn, up 3.1% YoY
Export Values - 3M / 3M %	-31.6	-36.3	1.7	7.8	18.9	-19.6	-18.0	#N/A	
- 3MMA YoY %	7.4	-4.7	6.6	1.5	-3.2	-14.7	-20.9	#N/A	
Import Values - 3M / 3M %	-1.2	8.7	9.0	0.7	-3.4	-0.1	2.8	#N/A	
- 3MMA YoY %	3.5	4.1	3.8	5.0	7.9	9.9	8.6	#N/A	
PUBLIC FINANCES									Total tax receipts down 10.4% YTD in Feb, but they were up 1.1% excl. Apple money. Expenditure rose by 4.1% YTD in Feb. 12mth rolling Exchequer surplus fell to €2.1bn
Total Tax Receipts: Cum YTD %	10.8	7.3	7.1	3.2	-0.4	-0.6	-16.6	-10.4	
Voted Spending : Cum YTD %	9.5	8.3	7.8	7.6	5.5	5.9	-0.1	4.1	
Exchequer Bal: 12 Mth Total €m	13,503	12,161	9,172	10,601	9,359	7,100	3,621	2,064	
QUARTERLY DATA									Overall, GDP expanded by 12.3% in 2025, due to a sharp rise in investment and exports MDD rose by a robust 4.9% in 2025. Consumption (+2.9%) and government expenditure (+4.1%) both increased solidly
	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	20.1	17.2	11.2	3.7	
*Domestic Demand - YoY%	0.4	1.8	3.4	1.5	3.3	4.3	5.1	6.7	
Consumer Spending - YoY %	1.7	3.0	3.4	3.6	2.9	3.4	2.8	2.6	
Services Exports - YoY % (3Q Avg)	10.1	15.7	13.4	10.3	3.6	-0.8	-1.5	-0.7	
* Excludes Some Investment Related to the Multinational Sector									
EMPLOYMENT & EARNINGS									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% 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
Employment YoY %	1.9	2.7	3.7	2.6	3.3	2.3	1.1	2.0	
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 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									Over 36k new dwelling completions were recorded last year, up 20.4% on 2024, amid a rebound in apartments
- YoY %	5797	6813	8878	8659	5914	9163	9213	11994	
- 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	



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