Irish Economy Watch

AIB Treasury Economic Research Unit

Tuesday 25 November 2025

	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25
MANUFACTURING								
AIB Manufacturing PMI	51.6	53.0	52.6	53.7	53.2	51.6	51.8	50.9
AIB Manufacturing PMI - Future Output	65.6	63.0	65.2	68.1	63.4	70.4	69.1	67.5
Industrial Production (Ex-Modern)	118.5	117.9	114.8	115.4	113.4	110.7	115.5	#N/A
Production (Ex-Modern) : 3mma YoY%	-2.3	-0.5	1.5	1.0	0.1	-2.2	-3.2	#N/A
3mth / 3mth % seas. adj.	-3.5	0.5	1.4	1.4	-1.5	-3.3	-2.4	#N/A

The manu. PMI edged slightly lower to 50.9 in Oct. Output stalled in the month while new orders rose at a modest pace. Business expectations remained elevated but declined.

Traditional industrial production fell by 2.4% in Q3, and it was 3.2% lower YoY also

	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25
SERVICES / RETAIL								
AIB Services PMI	55.3	52.8	54.7	51.5	50.9	50.6	53.5	56.7
CSO Services Index (Value)	168.1	159.9	166.8	164.8	164.7	167.6	169.3	#N/A
- YoY %	25.9	16.5	20.5	16.3	16.6	17.2	18.0	#N/A
- 3mth / 3mth % seas. adj.	6.8	6.5	6.0	2.0	1.8	0.5	2.1	#N/A
SIMI Car Registrations	17,291	8,704	5,819	2,435	26,732	7,581	5,607	2,181
- 12 mth cum total	123,516	123,655	123,076	124,022	125,084	125,132	125,621	125,386
- 3 mma YoY %	3.7	0.9	7.5	3.1	4.3	5.9	4.2	2.0
Retail Sales Index	113.9	115.1	114.5	115.5	116.4	115.3	115.5	#N/A
- YoY %	-0.7	2.8	1.6	3.4	4.2	4.0	3.6	#N/A
- 3mth / 3mth % seas. adj.	1.1	0.9	0.3	0.8	0.8	1.1	0.6	#N/A
Ex Autos Index	112.9	112.7	113.6	114.5	114.6	114.1	114.8	#N/A
- YoY %	0.8	1.2	1.2	3.2	2.5	2.0	1.8	#N/A
- 3mth / 3mth % seas. adj.	-0.1	0.4	0.7	0.9	1.2	1.2	0.8	#N/A

The serv. PMI jumped to 56.7 in Oct, a ten month high. Business activity grew at a faster pace, supported by a rise in new business and new exports. However both output and input price inflation accelerated again

The CSO services index rose by 2.1% in Q3 and it was up by 17.3% in YoY terms

New car sales up 5.6% YTD in Oct, owing to a strong start to the second half of the year. 12mth running total above 125k

Retail sales increased by 0.6% in Q3. Core sales were up by 0.8% over the same period

	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25
RESIDENTIAL CONSTRUCTION ACTIVITY								
AIB Construction PMI	53.9	52.4	49.2	48.6	47.1	45.9	43.7	48.1
- Housing Activity	53.5	51.7	49.7	48.4	44.7	44.5	45.3	43.1
- Commercial Activity	56.0	53.5	53.4	53.4	51.6	49.0	43.2	50.4
- New Orders	53.8	53.7	51.6	51.7	50.8	49.1	48.0	49.7
- Business Expectations	57.6	60.7	59.7	59.6	53.5	57.3	56.9	57.4
Commencements: 12mth Total	59,989	42,316	41,178	40,804	40,124	38,895	27,210	23,599
- 3 Month Avg YoY %	-75.7	-89.9	-89.2	-84.9	-38.9	-39.0	-77.8	-79.5

The construction PMI rose to 48.1 in Oct, consistent with a slower pace of contraction. Housing activity and new orders contracted in the month, while commercial activity stabilised

Commencements remain very weak. Just 11.6k units have been registered this year, down 79.6% YTD in Oct. 12 mth total is now back near 23.5k

	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25
HOUSING MARKET ACTIVITY								
BPFI Mortgage Approvals : Month	3,647	3,835	4,097	3,987	4,595	3,733	3,864	#N/A
- 3 Month Avg YoY %	3.4	3.2	6.0	3.7	3.1	-0.2	-0.6	#N/A
- 12 Mth Total	43,685	43,724	43,927	44,108	44,100	43,900	44,033	#N/A
RPPR Transactions : Month	4,497	4,660	5,198	4,897	5,794	4,900	5,531	5,217
- 3 Month Avg YoY %	0.4	1.6	1.8	1.4	0.2	0.4	3.2	-3.5
- 12 Mth Total	60,900	61,143	61,099	61,107	61,180	61,164	61,608	60,620
HOUSING MARKET PRICES								
CSO Price Index - MoM	0.2	0.4	0.6	1.1	0.8	0.9	0.9	#N/A
- YoY %	7.6	7.6	7.8	7.9	7.5	7.5	7.6	#N/A
Daft Asking Prices: MoM %	1.0	0.2	0.7	0.3	0.0	0.4	0.2	#N/A
- YoY %	7.9	6.9	6.8	6.7	6.1	6.1	5.5	#N/A
RENTS: CSO Private Rents - MoM%	0.0	0.2	0.5	0.1	0.2	0.5	0.3	0.2
- YoY %	5.2	5.2	5.2	4.6	4.4	4.2	3.4	3.2
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB								
- Mortgage as % of Disposable Income	21.4	22.9	23.5	24.3	24.0	24.3	24.4	#N/A

Mortgage approvals fell by 0.6% YoY in Q3. Overall, 44k approvals were registered over the past twelve months

Residential property transactions fell by 3.5% YoY in the 3mths to Oct. The 12 mth total is at 60.6K

The annual rate of house price growth edged slightly higher to 7.6% in Sept

Asking prices on Daft.ie rose by 0.8% in Q3. They were up 5.9% YoY for the quarter

CSO rental index increased by 0.2% in Oct but the YoY rate slowed to 3.2%

Affordability deteriorated marginally in Q3 as house price growth outpaced wage growth

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

	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25
CONSUMER PRICES - YoY %	2.0	2.2	1.7	1.8	1.7	2.0	2.7	2.9
- MoM %	0.7	0.4	0.0	0.5	0.1	0.4	-0.2	0.5
HICP - YoY %	1.8	2.0	1.4	1.6	1.6	1.9	2.7	2.8
- MoM %	0.7	0.4	0.0	0.5	0.2	0.4	-0.2	0.4

Prices increased by circa 0.5% in Oct, with both CPI & HICP inflation rising to 2.9% and 2.8%. Education & food were the main drivers of inflation. Household equipment is the only category lower on an annual basis

	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25
PERSONAL / FINANCIAL								
ILCU Consumer Sentiment Index	67.5	58.7	60.8	62.5	59.1	61.1	61.7	59.9
Credit Growth YoY %								
- Private Sector	2.7	4.3	3.7	2.9	2.4	2.7	3.1	#N/A
- *of which* : Household	3.7	3.9	4.1	4.2	4.3	4.5	4.8	#N/A
- *of which* : Mortgage Lending	3.7	4.0	4.2	4.4	4.7	4.9	5.2	#N/A

Consumer sentiment deteriorated, from an already low level, to 59.9 in Oct

Private sector credit growth continued to accelerate in Sep, with the pace of household/ mortgage lending increasing

	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25
LABOUR MARKET								
Live Register	164,600	171,900	167,000	168,800	169,500	169,200	169,500	170,000
- Change In Month	-1,200	+7,300	-4,900	+1,800	+700	-300	+300	+500
Unemployment Rate %	4.5	4.6	4.6	4.6	5.0	5.0	5.1	5.0
PMI Employment Indices								
- AIB Manufacturing	50.4	51.1	51.5	54.2	54.2	53.6	53.1	52.6
- AIB Services	54.3	53.5	52.0	51.6	51.2	48.5	53.2	51.6
- AIB Construction	50.4	51.3	51.5	50.3	51.4	51.3	49.3	49.2

The unemployment rate has been trending slightly higher throughout 2025, although it fell marginally to 5.0% in Oct

The manufacturing, services and construction sector PMI employment sub-indices all moved a touch lower in Oct. However, the construction sector was the only one that shed jobs in the month

	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25
MERCHANDISE TRADE								
Export Values - 3M / 3M %	44.9	35.7	20.3	-26.6	-30.5	-36.0	0.2	#N/A
- 3MMA YoY %	62.0	54.9	46.9	16.0	9.7	-3.3	6.8	#N/A
Import Values - 3M / 3M %	10.2	6.8	-3.2	-8.1	-2.5	7.8	8.4	#N/A
- 3MMA YoY %	13.8	8.7	3.3	1.1	1.5	2.3	2.0	#N/A

Goods trade surplus widened to €107.5bn YTD in Sep, up 60.8% YoY. YTD exports rose 27.7% to €212.2bn, led by a marked increase in pharma and medical products (+66.2%). Imports stood at €104.8bn over the same period, up by 5.5%

	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25
PUBLIC FINANCES								
Total Tax Receipts: Cum YTD %	17.5	15.3	8.5	10.5	10.8	7.3	7.1	3.2
Voted Spending : Cum YTD %	10.8	11.6	9.2	9.1	9.5	8.3	7.8	7.6
Exchequer Bal: 12 Mth Total €m	16,636	16,753	15,969	14,188	13,503	12,161	9,172	10,601

Total tax take up 3.2% YTD in Oct. Voted expenditure rose by 7.6% YTD, owing to increases in current and capital spending. 12mth rolling Exchequer surplus widened to €10.6bn

QUARTERLY DATA

	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25
GDP - YoY %	-6.6	-2.7	-2.3	4.0	11.6	19.9	17.1	10.5
*Domestic Demand - YoY%	7.6	0.4	1.8	3.4	1.5	3.1	4.4	#N/A
Consumer Spending - YoY %	3.4	1.7	3.0	3.4	3.6	2.9	3.2	#N/A
Services Exports - YoY % (3Q Avg)	6.7	10.1	15.7	13.4	10.3	3.6	-1.0	#N/A

** Excludes Some Investment Related to the Multinational Sector*

The flash estimate indicates that GDP contracted by 0.2% in Q3, but it was 10.5% higher YoY

MDD rose by 4.4% YoY in Q2, supported by a 3.2% increase in consumer spending, and a 5.0% rise in government expenditure

	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25
EMPLOYMENT & EARNINGS								
Employment YoY %	3.4	1.9	2.7	3.7	2.6	3.3	2.3	1.1
Labour Force YoY %	3.5	2.0	2.9	3.5	2.4	3.5	2.6	1.9
Average Earnings YoY %								
- Hourly	1.9	4.9	5.5	5.0	6.1	6.3	3.5	4.3
- Weekly	2.6	5.0	5.7	5.5	5.8	5.9	4.5	4.9
Weekly Earnings YoY %								
- Private Sector	4.1	5.3	5.9	5.4	5.3	5.6	4.2	4.8
- Public Sector	-1.3	4.0	4.5	4.7	6.0	6.3	5.4	5.8

Employment increased by 1.1% YoY in Q3, putting it 18.7% above pre-COVID levels. The labour force grew by 1.9% YoY, while prime-age employment rate remained at 74.7% in Q3

Weekly average earnings rose by 4.9% YoY in Q3. Public sector pay growth continued to outpace private sector earnings, rising by 5.8% YoY vs. 4.8% YoY

	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25
CSO DWELLING COMPLETIONS	10210	5805	6814	8883	8666	5917	9173	9235
- YoY %	12.4	-12.5	-6.1	5.8	-15.1	1.9	34.6	4.0
- Cum 12 Mth Total	32498	31672	31226	31712	30168	30280	32639	32991

Around 24k new dwelling completions were registered by the end of Q3, up 13.1% YTD. 12 mth running total just below 33k

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