Irish Economy Watch

AIB Treasury Economic Research Unit

Friday 24 October 2025

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25
MANUFACTURING								
AIB Manufacturing PMI	51.9	51.6	53.0	52.6	53.7	53.2	51.6	51.8
AIB Manufacturing PMI - Future Output	64.6	65.6	63.0	65.2	68.1	63.4	70.4	69.1
Industrial Production (Ex-Modern)	112.5	118.5	117.9	114.8	115.2	113.1	110.6	#N/A
Production (Ex-Modern) : 3mma YoY%	-1.5	-2.3	-0.5	1.5	1.0	0.1	-2.2	#N/A
3mth / 3mth % seas. adj.	-2.3	-3.5	0.6	1.4	1.3	-1.7	-3.5	#N/A
SERVICES / RETAIL								
AIB Services PMI	53.2	55.3	52.8	54.7	51.5	50.9	50.6	53.5
CSO Services Index (Value)	159.4	168.0	159.5	166.6	164.9	164.4	167.8	#N/A
- YoY %	22.2	26.2	16.6	20.5	16.1	16.6	17.4	#N/A
- 3mth / 3mth % seas. adj.	5.4	6.9	6.5	5.9	2.0	1.8	0.6	#N/A
SIMI Car Registrations	13,994	17,291	8,704	5,819	2,435	26,733	7,582	5,611
- 12 mth cum total	120,869	123,516	123,655	123,076	124,022	125,085	125,134	125,627
- 3 mma YoY %	-0.6	3.7	0.9	7.5	3.1	4.3	5.9	4.2
Retail Sales Index	114.6	113.8	115.1	114.5	115.5	116.4	115.3	#N/A
- YoY %	1.7	-0.8	2.9	1.7	3.4	4.2	4.0	#N/A
- 3mth / 3mth % seas. adj.	1.8	1.0	0.9	0.3	0.8	0.8	1.1	#N/A
Ex Autos Index	113.0	112.8	112.7	113.6	114.5	114.6	114.2	#N/A
- YoY %	1.4	0.7	1.2	1.2	3.3	2.5	2.1	#N/A
- 3mth / 3mth % seas. adj.	-0.6	-0.2	0.3	0.6	0.9	1.2	1.2	#N/A
RESIDENTIAL CONSTRUCTION ACTIVITY								
AIB Construction PMI	48.7	53.9	52.4	49.2	48.6	47.1	45.9	43.7
- Housing Activity	53.3	53.5	51.7	49.7	48.4	44.7	44.5	45.3
- Commercial Activity	51.7	56.0	53.5	53.4	53.4	51.6	49.0	43.2
- New Orders	50.6	53.8	53.7	51.6	51.7	50.8	49.1	48.0
- Business Expectations	60.2	57.6	60.7	59.7	59.6	53.5	57.3	56.9
Commencements: 12mth Total	64,175	59,989	42,316	41,178	40,804	40,124	38,895	27,210
- 3 Month Avg YoY %	24.7	-75.7	-89.9	-89.2	-84.9	-38.9	-39.0	-77.8
HOUSING MARKET ACTIVITY								
BPFI Mortgage Approvals : Month	2,791	3,647	3,835	4,097	3,987	4,595	3,733	3,864
- 3 Month Avg YoY %	6.0	3.4	3.2	6.0	3.7	3.1	-0.2	-0.6
- 12 Mth Total	43,275	43,685	43,724	43,927	44,108	44,100	43,900	44,033
RPPR Transactions : Month	4,089	4,490	4,653	5,186	4,885	5,775	4,879	5,035
- 3 Month Avg YoY %	-2.9	0.3	1.4	1.6	1.2	0.0	0.1	-0.2
- 12 Mth Total	60,844	60,888	61,124	61,068	61,064	61,118	61,081	61,029
HOUSING MARKET PRICES								
CSO Price Index - MoM	0.1	0.2	0.4	0.6	1.0	0.7	1.0	#N/A
- YoY %	8.0	7.6	7.6	7.8	7.9	7.4	7.4	#N/A
Daft Asking Prices: MoM %	1.6	0.5	1.9	0.9	0.2	#N/A	#N/A	#N/A
- YoY %	13.6	14.2	14.2	13.6	12.8	#N/A	#N/A	#N/A
RENTS: CSO Private Rents - MoM%	0.2	0.0	0.2	0.5	0.1	0.2	0.5	0.3
- YoY %	5.2	5.2	5.2	5.2	4.6	4.4	4.2	3.4
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB								
- Mortgage as % of Disposable Income	21.8	21.4	22.8	23.4	24.1	#N/A	#N/A	#N/A

The manu. PMI edged slightly higher to 51.8 in Sep. However, output stagnated. New orders and stock building increased, while business expectations remained elevated

Traditional industrial production fell by 3.5% in the 3mths to Aug, and it was down 3.5% YoY

The serv. PMI jumped to 53.5 in Sep, a four month high. Business activity increased, supported by a rise in new business growth and new exports. However both output and particularly input price inflation accelerated

The CSO services index rose by 0.6% in the 3mths to Aug and it was up by 16.7% YoY

New car sales up 3.7% YTD in Sep, amid a strong start to the second half of the year. 12mth running total above 125.5k

Retail sales increased by 1.1% in the 3mths to Jul. Core sales rose by 1.2% in the same period

The construction PMI fell to 43.7 in Sep, consistent with a fifth straight month of accelerating contraction. Housing activity, commercial activity and new orders all contracted

Commencements have been very weak in 2025. Just 10.2k units have been registered, down 80.4% YTD in Sep. 12 mth total is now back near 27k

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

Residential property transactions fell by 0.2% YoY in Q3. The 12 mth total is steady at 61K

The annual rate of house price growth was unchanged in Aug, at 7.4%

Asking prices on Daft.ie rose by 3.1% in Q2. They were up 12.3% YoY for the quarter

CSO rental index increased by 0.3% in Sep but the YoY rate slowed sharply to 3.4%

Affordability deteriorated in Q2 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

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25
CONSUMER PRICES - YoY %	1.8	2.0	2.2	1.7	1.8	1.7	2.0	2.7
- MoM %	0.9	0.7	0.4	0.0	0.5	0.1	0.4	-0.2
HICP - YoY %	1.4	1.8	2.0	1.4	1.6	1.6	1.9	2.7
- MoM %	0.8	0.7	0.4	0.0	0.5	0.2	0.4	-0.2

Prices fell by 0.2% in Sep, but both CPI & HICP inflation rose to 2.7% on significant base effects. Food & beverage were the main drivers of inflation. The only category lower on an annual basis was household equipment

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25
PERSONAL / FINANCIAL								
ILCU Consumer Sentiment Index	74.8	67.5	58.7	60.8	62.5	59.1	61.1	61.7
Credit Growth YoY %								
- Private Sector	2.7	2.7	4.3	3.7	2.9	2.4	2.7	#N/A
- *of which* : Household	3.4	3.7	3.9	4.1	4.2	4.3	4.5	#N/A
- *of which* : Mortgage Lending	3.4	3.7	4.0	4.2	4.4	4.7	4.9	#N/A

Consumer sentiment improved to 61.7 in Sep, albeit, this remains quite a low level

Private sector credit growth accelerated in Aug, as the pace of household/mortgage lending continued to increase

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25
LABOUR MARKET								
Live Register	165,900	164,600	171,800	167,000	168,700	169,400	169,200	169,300
- Change In Month	+200	-1,300	+7,200	-4,800	+1,700	+700	-200	+100
Unemployment Rate %	4.4	4.5	4.6	4.6	4.6	4.8	4.7	4.7
PMI Employment Indices								
- AIB Manufacturing	50.7	50.4	51.1	51.5	54.2	54.2	53.6	53.1
- AIB Services	53.2	54.3	53.5	52.0	51.6	51.2	48.5	53.2
- AIB Construction	48.0	50.4	51.3	51.5	50.3	51.4	51.3	49.3

The unemployment rate has been trending slightly higher throughout 2025, although it stayed at 4.7% in Sep

The manufacturing and construction PMI employment sub-indices fell in Sept, with the former moving into contraction territory. In contrast the services sector improved and returned to expansion mode in the month

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25
MERCHANDISE TRADE								
Export Values - 3M / 3M %	7.3	45.8	36.5	21.0	-27.0	-30.9	-36.3	#N/A
- 3MMA YoY %	35.0	63.0	55.8	47.8	16.0	9.8	-3.2	#N/A
Import Values - 3M / 3M %	7.1	10.3	6.9	-3.1	-8.2	-3.2	5.6	#N/A
- 3MMA YoY %	9.4	14.0	8.9	3.5	1.1	0.7	0.2	#N/A

Goods trade surplus widened to €91.4bn YTD in Aug, up 65.4% YoY. YTD exports rose 28.2% to €184.3bn, led by a marked increase in pharma and medical products (+65.3%). Imports stood at €92.9bn over the same period up by 4.9%

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25
PUBLIC FINANCES								
Total Tax Receipts: Cum YTD %	26.5	17.5	15.3	8.5	10.5	10.8	7.3	7.1
Voted Spending : Cum YTD %	12.5	10.8	11.6	9.2	9.1	9.5	8.3	7.8
Exchequer Bal: 12 Mth Total €m	16,108	16,636	16,753	15,969	14,188	13,503	12,161	9,172

Total tax take up 7.1% YTD in Sep. Voted expenditure rose by 7.8% YTD, owing to increases in current and capital spending. 12mth rolling Exchequer surplus narrowed to €9.2bn

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	#N/A
*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*

GDP rose by 0.2% in Q2, but it was up 17.1% YoY. Overall, GDP is up 18.5% YTD in H1

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	#N/A
Labour Force YoY %	3.5	2.0	2.9	3.5	2.4	3.5	2.6	#N/A
Average Earnings YoY %								
- Hourly	1.9	4.9	5.5	5.0	6.1	6.3	4.3	#N/A
- Weekly	2.6	5.0	5.7	5.5	5.8	5.9	5.3	#N/A
Weekly Earnings YoY %								
- Private Sector	4.1	5.3	5.9	5.4	5.3	5.6	4.9	#N/A
- Public Sector	-1.3	4.0	4.5	4.7	6.0	6.3	6.1	#N/A

Employment increased by 2.3% YoY in Q2, putting it 18.5% above pre-COVID levels, as the employment rate rose to 74.7%. The labour force grew by 2.6% YoY in the quarter

Weekly average earnings rose by 4.9% YoY in Q2. Public sector pay was up by 6.1% YoY. Private sector earnings rose by 4.9% 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

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