Irish Economy Watch

AIB Treasury Economic Research Unit

Thursday 27 August 2026

	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
MANUFACTURING								
AIB Manufacturing PMI	52.2	52.2	53.1	53.7	54.9	55.9	54.9	55.1
AIB Manufacturing PMI - Future Output	67.9	72.0	69.6	67.0	62.6	68.7	67.2	68.8
Industrial Production (Ex-Modern)	111.5	110.8	111.4	107.9	109.9	107.7	113.4	#N/A
Production (Ex-Modern) : 3mma YoY%	-4.2	-4.7	-4.0	-4.1	-5.9	-8.2	-5.2	#N/A
3mth / 3mth % seas. adj.	0.0	-2.6	-2.3	-2.5	-1.1	-2.5	0.3	#N/A
SERVICES / RETAIL								
AIB Services PMI	54.8	54.5	51.8	50.7	49.7	50.8	54.2	55.2
CSO Services Index (Value)	166.2	180.1	176.0	171.0	180.4	184.5	188.7	#N/A
- YoY %	8.4	17.0	10.3	1.3	12.7	11.5	15.4	#N/A
- 3mth / 3mth % seas. adj.	2.2	4.4	4.5	4.6	2.0	2.6	5.0	#N/A
SIMI Car Registrations	276	34,520	14,941	15,402	10,082	8,036	2,185	29,002
- 12 mth cum total	124,954	125,975	126,922	125,033	126,411	128,628	128,378	130,648
- 3 mma YoY %	-16.8	1.7	3.8	0.1	1.1	5.4	19.7	12.1
Retail Sales Index	114.8	116.6	115.7	115.1	114.9	115.4	115.8	#N/A
- YoY %	0.3	3.2	1.0	0.9	-0.5	0.9	0.5	#N/A
- 3mth / 3mth % seas. adj.	-0.6	0.4	0.5	0.8	-0.3	-0.5	-0.4	#N/A
Ex Autos Index	113.1	113.4	113.9	114.0	113.9	114.2	114.7	#N/A
- YoY %	-0.9	2.3	0.2	0.8	0.6	0.6	0.3	#N/A
- 3mth / 3mth % seas. adj.	-0.3	-0.1	-0.2	0.3	0.5	0.5	0.4	#N/A
RESIDENTIAL CONSTRUCTION ACTIVITY								
AIB Construction PMI	48.4	48.6	52.1	53.2	47.1	50.2	45.4	53.0
- Housing Activity	49.0	46.9	50.7	52.7	44.4	43.2	40.4	50.5
- Commercial Activity	47.2	49.0	54.0	54.9	50.3	56.4	46.4	53.6
- New Orders	51.2	53.8	55.5	54.2	46.4	51.9	45.8	50.6
- Business Expectations	61.2	62.4	60.0	56.6	52.8	55.0	55.3	55.6
Commencements: 12mth Total	16,412	17,275	19,667	21,859	23,435	24,499	25,944	27,847
- 3 Month Avg YoY %	-65.0	-50.4	-34.0	184.0	218.8	171.4	118.3	124.6
HOUSING MARKET ACTIVITY								
BPFI Mortgage Approvals : Month	2,822	2,412	3,043	3,644	3,774	4,477	4,413	#N/A
- 3 Month Avg YoY %	-5.8	-7.5	-2.3	-0.8	2.0	2.8	6.4	#N/A
- 12 Mth Total	43,395	43,069	43,331	43,318	43,270	43,650	44,076	#N/A
RPPR Transactions : Month	7,281	3,591	4,098	4,852	4,515	4,865	5,072	5,292
- 3 Month Avg YoY %	-0.9	1.6	4.4	3.1	1.4	-1.1	-2.2	-4.4
- 12 Mth Total	61,586	61,626	61,626	61,964	61,812	61,472	61,634	61,116
HOUSING MARKET PRICES								
CSO Price Index - MoM	0.6	0.4	-0.2	0.1	0.1	0.4	0.5	#N/A
- YoY %	6.8	7.1	6.7	6.7	6.3	6.1	5.6	#N/A
Daft Asking Prices: MoM %	0.2	0.1	-0.2	0.9	0.5	0.5	0.5	#N/A
- YoY %	5.4	4.9	3.8	3.7	3.7	3.6	3.8	#N/A
RENTS: CSO Private Rents - MoM%	0.2	0.1	0.2	0.5	1.1	0.3	0.7	0.2
- YoY %	2.7	2.7	2.6	3.1	4.1	3.9	4.5	4.5
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB								
- Mortgage as % of Disposable Income	24.7	23.6	22.9	22.4	25.1	24.3	23.6	#N/A

The manu. PMI edged slightly higher to 55.1 in July, amid sustained gains in output and new orders. Both input and output price inflation eased markedly in the month

Traditional industrial production rose by 0.3% in Q2, but it was 5.2% lower in YoY terms

The serv. PMI rose to 55.2 in July. Activity levels increased amid a further increase in new and outstanding business, including exports. Business expectations improved for a fourth successive month.

The CSO services index rose by 5.0% in Q2 and it was up 13.2% YoY also

New car sales remain solid, rising by 12.1% YoY in the 3 mths to July. 12 month running sales total up to 130.6k

Retail sales fell by 0.4% in Q2, albeit core sales rose by 0.4% over the same period

The construction PMI jumped to 53.0 in July, indicating renewed momentum in the sector. Housing and commercial activity improved markedly, while new orders were broadly stable

Circa 19k commencements have been registered YTD to July, more than double last years total but below the level seen in 2024. 12mth running total up to 27.9k

Mortgage approvals rose by 6.4% YoY in Q2. 12 month total up to 44.1k

Residential property transactions fell by 4.4% YoY in the 3 mths to July. Annual running total at 61k

House prices increased by 0.5% in May, having had a weak start to 2026. However, the YoY rate slowed slightly to 5.6%

Asking prices on Daft.ie rose by 1.6% in Q2. Overall, they were up by 3.8% YoY in the quarter

CSO rental index increased by 0.2% in June, but the YoY rate stayed at 4.5%

Affordability deteriorated slightly in Q2, amid the recent increase in house price growth

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

	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
CONSUMER PRICES - YoY %	2.8	2.7	2.7	3.6	3.7	3.6	3.4	3.4
- MoM %	0.5	-0.9	0.9	1.6	0.5	-0.1	0.3	0.1
HICP - YoY %	2.7	2.5	2.5	3.6	3.6	3.5	3.2	3.1
- MoM %	0.5	-1.0	0.8	1.8	0.5	-0.2	0.3	0.1

Prices edged 0.1% higher in July, amid an increase in the price of leisure activities. CPI inflation remained at 3.4%. However, prices were higher annually across all categories. HICP inflation eased to 3.1%.

	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
PERSONAL / FINANCIAL								
ILCU Consumer Sentiment Index	61.2	64.7	65.2	56.7	53.3	59.4	62.2	61.6
Credit Growth YoY %								
- Private Sector	4.5	5.0	5.0	5.3	5.3	6.5	8.2	#N/A
- *of which* : Household	5.2	5.4	5.4	5.3	5.2	5.3	5.4	#N/A
- *of which* : Mortgage Lending	5.6	5.9	5.9	5.8	5.8	5.8	5.8	#N/A

Consumer sentiment which has remained at historically low levels recently, deteriorated slightly in July,

Household credit growth held relatively steady in June, amid no change in mortgage lending

	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
LABOUR MARKET								
Live Register	172,200	171,000	171,000	171,500	171,500	172,600	173,300	174,500
- Change In Month	+5,300	-1,200	+0	+500	+0	+1,100	+700	+1,200
Unemployment Rate %	4.8	5.0	5.1	5.1	4.9	4.9	5.0	5.1
PMI Employment Indices								
- AIB Manufacturing	52.1	53.7	54.5	54.2	54.5	55.7	54.6	56.0
- AIB Services	51.0	53.5	52.3	49.6	51.8	52.6	51.3	52.7
- AIB Construction	50.5	51.3	51.7	52.6	53.8	52.9	52.5	52.9

Having averaged 4.7% in 2025, the unemployment rate has edged slightly higher so far this year. It averaged 5.0% in the first half of the year, and rose to 5.1% in July

The employment indices of the manu., services and construction PMIs moved higher in July, remaining firmly in expansion territory

	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
MERCHANDISE TRADE								
Export Values - 3M / 3M %	-19.7	-15.6	-16.6	-0.3	1.6	5.9	7.8	#N/A
- 3MMA YoY %	-15.9	-21.4	-27.7	-43.1	-37.8	-34.5	-12.5	#N/A
Import Values - 3M / 3M %	1.2	3.3	1.8	0.7	4.7	12.2	11.4	#N/A
- 3MMA YoY %	10.7	8.7	3.2	2.1	8.6	19.6	23.4	#N/A

Goods trade surplus widened to €24.4bn YTD in June. However, the value of exports fell by 43.8% YTD to €103.6bn, driven by a decrease in pharma and medical products (down 55.0%). Imports stood at €79.1bn, up 12.5% YTD

	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
PUBLIC FINANCES								
Total Tax Receipts: Cum YTD %	-0.6	-16.6	-10.4	-4.2	-2.1	1.3	1.2	2.8
Voted Spending : Cum YTD %	5.9	-0.1	4.1	6.8	9.2	7.7	7.6	7.7
Exchequer Bal: 12 Mth Total €m	7,100	3,621	2,064	2,714	-404	809	3,297	2,420

Total tax receipts are up by 2.8% YTD in July, but they are 6.0% higher excl. Apple money. Expenditure rose by 7.7% YTD. 12mth rolling Exchequer balance declined to a €2.4bn surplus

QUARTERLY DATA

	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26
GDP - YoY %	4.7	12.3	17.9	10.9	4.7	-0.4	-13.0	-1.6
*Domestic Demand - YoY%	3.3	0.9	3.0	5.9	4.4	5.6	3.4	#N/A
Consumer Spending - YoY %	2.3	2.6	2.0	3.2	2.7	2.5	2.9	#N/A
Services Exports - YoY % (3Q Avg)	16.0	12.3	5.6	1.1	0.6	1.5	4.7	#N/A

** Excludes Some Investment Related to the Multinational Sector*

Overall, GDP plunged by 7.3% YoY in H1, as the surge in exports last year unwound

MDD rose by 3.4% YoY in Q1, amid a solid rise in consumer spending (+2.9% YoY). Strong investment also boosted MDD

	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26
EMPLOYMENT & EARNINGS								
Employment YoY %	3.7	2.6	3.3	2.3	1.1	2.0	0.0	0.8
Labour Force YoY %	3.5	2.4	3.5	2.6	1.9	2.4	0.6	1.1
Average Earnings YoY %								
- Hourly	5.0	6.1	6.3	3.5	3.9	3.1	3.4	3.8
- Weekly	5.5	5.8	5.9	4.5	4.1	3.1	3.4	3.9
Weekly Earnings YoY %								
- Private Sector	5.4	5.3	5.6	4.2	3.6	2.9	2.8	3.9
- Public Sector	4.7	6.0	6.3	5.4	5.9	3.3	4.0	3.2

Employment rose by 0.8% YoY in Q2'26. In total, the number of people at work moved to a new all-time record above 2.8 million. The labour force expanded by 01.1% YoY in Q2

Weekly average earnings rose by 3.9% YoY in Q2. Private sector pay growth outpaced public sector earnings, rising by 3.9% YoY vs. 3.6% YoY

	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26
CSO DWELLING COMPLETIONS	8874	8651	5907	9152	9197	11959	7856	8823
- YoY %	5.8	-15.2	2.0	34.4	3.6	38.2	33.0	-3.6
- Cum 12 Mth Total	31673	30124	30240	32584	32907	36215	38164	37835

Completions rose by 10.8% YoY in H1, amid a sharp increase across all segments. 12mth running total at 37.8k

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