Irish Economy Watch

AIB Treasury Economic Research Unit

Friday 18 September 2026

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
MANUFACTURING								
AIB Manufacturing PMI	52.2	53.1	53.7	54.9	55.9	54.9	55.1	55.4
AIB Manufacturing PMI - Future Output	72.0	69.6	67.0	62.6	68.7	67.2	68.8	70.9
Industrial Production (Ex-Modern)	110.8	111.3	107.8	109.9	107.7	113.7	110.6	#N/A
Production (Ex-Modern) : 3mma YoY%	-4.7	-4.0	-4.1	-5.9	-8.2	-5.0	-3.5	#N/A
3mth / 3mth % seas. adj.	-2.6	-2.3	-2.6	-1.2	-2.5	0.4	0.0	#N/A

The manu. PMI edged slightly higher to 55.4 in Aug., amid sustained gains in output and new orders. Input price inflation increased, albeit output price inflation eased to a 5-month low

Traditional industrial production flatlined in the three months to July, but it was down 3.5% YoY

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
SERVICES / RETAIL								
AIB Services PMI	54.5	51.8	50.7	49.7	50.8	54.2	55.2	55.4
CSO Services Index (Value)	104.6	95.6	107.0	107.4	100.7	104.9	106.9	#N/A
- YoY %	0.8	-15.7	-13.4	0.2	-10.1	1.7	0.7	#N/A
- 3mth / 3mth % seas. adj.	1.4	-1.2	-2.3	-2.3	2.2	1.9	0.8	#N/A
SIMI Car Registrations	34,520	14,941	15,402	10,082	8,036	2,185	29,000	7,793
- 12 mth cum total	125,975	126,922	125,033	126,411	128,628	128,378	130,645	130,858
- 3 mma YoY %	1.7	3.8	0.1	1.1	5.4	19.7	12.1	6.1
Retail Sales Index	116.6	115.8	115.2	115.1	115.8	116.4	118.0	#N/A
- YoY %	3.2	1.1	0.9	-0.4	1.0	0.9	2.3	#N/A
- 3mth / 3mth % seas. adj.	0.3	0.5	0.9	-0.1	-0.3	-0.1	1.2	#N/A
Ex Autos Index	113.4	113.9	114.1	113.7	114.4	115.1	116.0	#N/A
- YoY %	2.3	0.3	1.1	0.5	0.7	0.6	2.2	#N/A
- 3mth / 3mth % seas. adj.	-0.3	-0.5	0.2	0.4	0.6	0.5	1.1	#N/A

The serv. PMI inched up to 55.4 in Aug., amid a sharp increase in new business. Outstanding business and exports also rose, albeit at a more modest pace. Business expectations improved for a fifth successive month.

The CSO services index rose by 0.8% in the three months to July, but it was down 2.6% YoY

New car sales remain solid amid a strong start to H2, and are up by 5.1% YTD in Aug. 12 month running sales total above 130.8k

Retail sales fell by 1.2% in the three months to July. Core sales rose by 1.1% in the same period

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
RESIDENTIAL CONSTRUCTION ACTIVITY								
AIB Construction PMI	48.6	52.1	53.2	47.1	50.2	45.4	53.0	50.7
- Housing Activity	46.9	50.7	52.7	44.4	43.2	40.4	50.5	46.9
- Commercial Activity	49.0	54.0	54.9	50.3	56.4	46.4	53.6	51.4
- New Orders	53.8	55.5	54.2	46.4	51.9	45.8	50.6	52.0
- Business Expectations	62.4	60.0	56.6	52.8	55.0	55.3	55.6	59.4
Commencements: 12mth Total	17,275	19,667	21,859	23,435	24,499	25,944	27,847	30,555
- 3 Month Avg YoY %	-50.4	-34.0	184.0	218.8	171.4	118.3	124.6	164.7

The construction PMI fell to 50.7 in Aug., indicating a modest expansion in the sector. Housing activity contracted in the month. However, new orders and business expectations improved.

Circa 23k commencements have been registered YTD to Aug., almost triple last years total but below the level seen in 2024. 12mth running total up to 30.6k

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
HOUSING MARKET ACTIVITY								
BPFI Mortgage Approvals : Month	2,412	3,043	3,644	3,774	4,477	4,413	4,923	#N/A
- 3 Month Avg YoY %	-7.5	-2.3	-0.8	2.0	2.8	6.4	8.9	#N/A
- 12 Mth Total	43,069	43,331	43,318	43,270	43,650	44,076	44,404	#N/A
RPPR Transactions : Month	3,594	4,105	4,854	4,519	4,871	5,085	5,694	4,276
- 3 Month Avg YoY %	1.6	4.5	3.2	1.5	-1.0	-2.1	-1.7	-3.7
- 12 Mth Total	61,629	61,636	61,976	61,828	61,494	61,669	61,553	60,915
HOUSING MARKET PRICES								
CSO Price Index - MoM	0.4	-0.2	0.1	0.1	0.4	0.6	0.8	#N/A
- YoY %	7.1	6.7	6.7	6.3	6.1	5.6	5.5	#N/A
Daft Asking Prices: MoM %	0.1	-0.2	0.9	0.5	0.5	0.5	#N/A	#N/A
- YoY %	4.9	3.8	3.7	3.7	3.6	3.8	#N/A	#N/A
RENTS: CSO Private Rents - MoM%	0.1	0.2	0.5	1.1	0.3	0.7	0.2	0.0
- YoY %	2.7	2.6	3.1	4.1	3.9	4.5	4.5	4.0
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB								
- Mortgage as % of Disposable Income	23.6	22.9	22.4	25.1	24.3	23.6	#N/A	#N/A

Mortgage approvals rose by 8.9% YoY in the three months to July. 12 month total up to 44.4k

Residential property transactions fell by 3.7% YoY in the three months to Aug. Annual running total just below 61k

House prices increased by 0.8% in July. However, the YoY rate slowed slightly to 5.5%

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 stagnated in Aug., with the rate of rental inflation easing to 4.0%

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

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
CONSUMER PRICES - YoY %	2.7	2.7	3.6	3.7	3.6	3.4	3.4	3.7
- MoM %	-0.9	0.9	1.6	0.5	-0.1	0.3	0.1	0.7
HICP - YoY %	2.5	2.5	3.6	3.6	3.5	3.2	3.1	3.4
- MoM %	-1.0	0.8	1.8	0.5	-0.2	0.3	0.1	0.6
PERSONAL / FINANCIAL								
ILCU Consumer Sentiment Index	64.7	65.2	56.7	53.3	59.4	62.2	61.6	63.2
Credit Growth YoY %								
- Private Sector	5.0	5.0	5.3	5.3	6.5	8.2	9.0	#N/A
- *of which* : Household	5.4	5.4	5.3	5.2	5.3	5.4	5.3	#N/A
- *of which* : Mortgage Lending	5.9	5.9	5.8	5.8	5.8	5.8	5.7	#N/A
LABOUR MARKET								
Live Register	171,100	171,100	171,500	171,700	172,400	172,900	174,200	173,600
- Change In Month	-1,200	+0	+400	+200	+700	+500	+1,300	-600
Unemployment Rate %	5.0	5.0	5.0	4.9	4.9	4.9	5.0	5.0
PMI Employment Indices								
- AIB Manufacturing	53.7	54.5	54.2	54.5	55.7	54.6	56.0	53.7
- AIB Services	53.5	52.3	49.6	51.8	52.6	51.3	52.7	49.9
- AIB Construction	51.3	51.7	52.6	53.8	52.9	52.5	52.9	50.2
MERCHANDISE TRADE								
Export Values - 3M / 3M %	-16.1	-17.2	-0.9	2.3	6.8	9.0	4.3	#N/A
- 3MMA YoY %	-22.1	-28.3	-43.6	-37.8	-34.5	-12.2	-4.7	#N/A
Import Values - 3M / 3M %	4.2	2.8	1.7	4.0	11.4	10.1	7.5	#N/A
- 3MMA YoY %	10.2	4.7	3.6	8.6	19.6	23.0	17.3	#N/A
PUBLIC FINANCES								
Total Tax Receipts: Cum YTD %	-16.6	-10.4	-4.2	-2.1	1.3	1.2	2.8	3.4
Voted Spending : Cum YTD %	-0.1	4.1	6.8	9.2	7.7	7.6	7.7	8.2
Exchequer Bal: 12 Mth Total €m	3,621	2,064	2,714	-404	809	3,297	2,420	2,088

Prices rose by 0.7% in Aug. amid an increase in transport & clothing costs. CPI inflation jumped to 3.7%. Prices were higher annually across all sub-categories. HICP inflation increased to 3.4% in the month

Consumer sentiment improved marginally in Aug., but it remained at a historically low level

Household credit growth eased slightly in Jul., amid a minor slowdown in mortgage lending

Having averaged 4.7% in 2025, the unemployment rate has edged slightly higher this year. It has averaged 5.0% so far in 2026 and it has printed at that level in the last two months

The employment indices of the manu., construction and services PMIs fell in Aug., with the latter registering a slight contraction in employment

Goods trade surplus widened to €29.1bn YTD in July. However, the value of exports fell by 26.2% YTD to €122.3bn, driven by a decrease in pharma and medical products (down 51.0%). Imports stood at €93.2bn, up 12.2% YTD

Total tax receipts are up by 3.4% YTD in Aug., but they are 6.2% higher excl. Apple money. Expenditure rose by 8.2% YTD. 12mth rolling Exchequer balance declined to a €2.1bn 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	-13.2	-0.4
*Domestic Demand - YoY%	3.3	0.9	3.0	5.9	4.4	5.6	4.5	1.7
Consumer Spending - YoY %	2.3	2.6	2.0	3.2	2.7	2.5	2.7	2.9
Services Exports - YoY % (3Q Avg)	16.0	12.3	5.6	1.1	0.6	1.5	4.3	4.3
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
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

** Excludes Some Investment Related to the Multinational Sector*

Overall, GDP plunged by 6.8% YoY in H1, as the surge in exports last year unwound

MDD rose by 3.1% YoY in H1, amid a solid rise in consumer spending (+2.8% YoY). Strong investment also boosted MDD

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

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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