

Irish Economy Watch

AIB Treasury Economic Research Unit



Friday 22 August 2025

	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	
MANUFACTURING									The manu. PMI stayed firmly in expansion mode, at 53.2 in July. Output rose at a slightly sharper pace. New orders growth eased marginally despite an increase in new export orders
AIB Manufacturing PMI	49.1	51.3	51.9	51.6	53.0	52.6	53.7	53.2	
AIB Manufacturing PMI - Future Output	71.6	70.3	64.6	65.6	63.0	65.2	68.1	63.4	
Industrial Production (Ex-Modern)	121.0	112.3	112.7	119.2	118.9	116.4	123.2	#N/A	
Production (Ex-Modern) : 3mma YoY%	3.6	-0.9	-1.6	-2.3	-0.4	1.8	3.8	#N/A	Traditional industrial production rose by 4.2% in Q2 and it was 3.8% higher in YoY terms
3mth / 3mth % seas. adj.	1.7	-2.7	-2.3	-3.2	1.2	2.5	4.2	#N/A	
SERVICES / RETAIL									The serv. PMI eased further to 50.9 in July. Softer output, new business levels and hiring activity led to the overall slowdown in activity in the sector. Both output and input price inflation were little changed
AIB Services PMI	57.1	53.4	53.2	55.3	52.8	54.7	51.5	50.9	
CSO Services Index (Value)	153.5	154.6	160.1	168.2	159.6	167.8	169.4	#N/A	
- YoY %	16.8	15.8	22.4	26.6	16.3	20.9	20.2	#N/A	
- 3mth / 3mth % seas. adj.	5.6	5.5	6.0	7.0	6.5	5.9	2.9	#N/A	
SIMI Car Registrations	423	33,499	13,994	17,291	8,704	5,820	2,436	26,746	
- 12 mth cum total	121,230	123,307	120,869	123,516	123,655	123,077	124,024	125,100	
- 3 mma YoY %	14.0	7.2	-0.6	3.7	0.9	7.5	3.1	4.3	
Retail Sales Index	113.9	113.8	114.5	113.7	114.9	114.2	114.8	#N/A	
- YoY %	1.0	0.4	1.7	-0.8	2.8	1.6	3.0	#N/A	
- 3mth / 3mth % seas. adj.	1.0	1.7	1.8	1.0	0.8	0.2	0.6	#N/A	
Ex Autos Index	112.0	111.7	112.9	112.8	112.9	113.6	114.4	#N/A	
- YoY %	0.4	-0.5	1.3	1.0	1.1	1.2	3.1	#N/A	
- 3mth / 3mth % seas. adj.	0.4	-0.2	-0.8	-0.2	0.4	0.8	1.0	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									The construction PMI stayed in contraction mode for a third month, declining to 47.1 in July. Housing activity fell sharply. Commercial activity and new orders expanded more slowly
AIB Construction PMI	51.6	48.2	48.7	53.9	52.4	49.2	48.6	47.1	
- Housing Activity	54.4	52.7	53.3	53.5	51.7	49.7	48.4	44.7	
- Commercial Activity	51.0	48.0	51.7	56.0	53.5	53.4	53.4	51.6	
- New Orders	52.8	48.4	50.6	53.8	53.7	51.6	51.7	50.8	
- Business Expectations	67.1	65.3	60.2	57.6	60.7	59.7	59.6	53.5	
Commencements: 12mth Total	69,060	66,873	64,175	59,989	42,316	41,178	40,794	#N/A	Commencements were quite weak throughout the first half of 2025. They were down by 81.7% YTD in H1. 12 mth total is now back below 41k
- 3 Month Avg YoY %	91.7	36.6	24.7	-75.7	-89.9	-89.2	-85.0	#N/A	
HOUSING MARKET ACTIVITY									Mortgage approvals rose by 3.7% in Q2. Overall, 44.1k approvals were registered over the past year
BPFI Mortgage Approvals : Month	2,949	2,745	2,791	3,647	3,835	4,097	3,987	#N/A	
- 3 Month Avg YoY %	11.2	8.0	6.0	3.4	3.2	6.0	3.7	#N/A	
- 12 Mth Total	43,379	43,406	43,275	43,685	43,724	43,927	44,108	#N/A	
RPPR Transactions : Month	6,687	3,544	4,083	4,478	4,636	5,142	4,836	5,088	Residential property transactions fell by 5.0% YoY in the 3mths to July. The 12 mth total is at 60.3K
- 3 Month Avg YoY %	0.6	-2.5	-3.0	0.2	1.2	1.1	0.5	-5.0	
- 12 Mth Total	60,846	60,934	60,835	60,867	61,086	60,986	60,933	60,300	
HOUSING MARKET PRICES									The annual rate of house price inflation was unchanged at 7.8% in June
CSO Price Index - MoM	0.6	0.2	0.1	0.2	0.5	0.6	0.9	#N/A	
- YoY %	8.9	8.3	8.0	7.6	7.6	7.8	7.8	#N/A	
Daft Asking Prices: MoM %	0.7	2.7	1.6	0.5	1.9	0.9	0.2	#N/A	
- YoY %	11.6	13.8	13.6	14.2	14.2	13.6	12.8	#N/A	Asking prices on Daft.ie rose by 3.1% in Q2. They were up 12.3% YoY for the quarter
RENTS: CSO Private Rents - MoM%	0.5	0.1	0.2	0.0	0.2	0.5	0.1	0.2	
- YoY %	5.4	5.4	5.2	5.2	5.2	5.2	4.6	4.4	CSO rental index increased by 0.2% in July but the YoY rate eased slightly to 4.4%
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	23.5	22.3	21.8	21.4	#N/A	#N/A	#N/A	#N/A	Affordability improved in Q1 amid robust wage growth and favourable income tax changes

	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	
CONSUMER PRICES - YoY %									CPI inflation inched down to 1.7% in July, while HICP remained at 1.6%. Higher food & beverage costs were the main drivers of inflation. In contrast transport and clothing costs were lower on an annual basis
- MoM %	1.4	1.9	1.8	2.0	2.2	1.7	1.8	1.7	
HICP - YoY %	0.9	-0.8	0.9	0.7	0.4	0.0	0.5	0.1	
- MoM %	1.0	1.7	1.4	1.8	2.0	1.4	1.6	1.6	
- MoM %	0.9	-0.8	0.8	0.7	0.4	0.0	0.5	0.2	
PERSONAL / FINANCIAL									Consumer sentiment has been at quite a low level, and weakened further to 59.1 in July Private sector credit growth decelerated in June, despite an increase in the pace of household/mortgage lending
ILCU Consumer Sentiment Index	73.9	74.9	74.8	67.5	58.7	60.8	62.5	59.1	
Credit Growth YoY %									
- Private Sector	3.0	1.9	2.7	2.7	4.3	3.7	2.9	#N/A	
- of which : Household	3.1	3.2	3.4	3.7	3.9	4.1	4.2	#N/A	
- of which : Mortgage Lending	3.0	3.2	3.4	3.7	4.0	4.2	4.4	#N/A	
LABOUR MARKET									The unemployment rate was revised moderately higher for the first six months of the year, and rose to 4.9% in July The employment PMI sub-indices remained in expansion mode in July. The construction sub-index improved in July, the manu. was unchanged, while the services sector reading deteriorated slightly
Live Register	165,800	165,800	165,700	164,400	171,300	166,800	168,500	169,600	
- Change In Month	+3,400	+0	-100	-1,300	+6,900	-4,500	+1,700	+1,100	
Unemployment Rate %	4.5	4.5	4.5	4.5	4.6	4.6	4.6	4.9	
PMI Employment Indices									
- AIB Manufacturing	51.4	53.4	50.7	50.4	51.1	51.5	54.2	54.2	
- AIB Services	53.0	49.9	53.2	54.3	53.5	52.0	51.6	51.2	
- AIB Construction	53.2	51.7	48.0	50.4	51.3	51.5	50.3	51.4	
MERCHANDISE TRADE									Goods trade surplus widened to €82bn YTD in June up 90.6% YoY. YTD exports rose 40.8% to €152.4bn, led by a marked increase in pharma and medical products (+93.7%). Imports stood at €70.3bn over the same period up by 7.9%
Export Values - 3M / 3M %	1.0	3.4	10.4	49.1	33.3	17.3	-28.6	#N/A	
- 3MMA YoY %	21.4	27.6	37.5	65.1	56.3	47.8	16.5	#N/A	
Import Values - 3M / 3M %	-6.3	-0.7	7.9	11.1	9.2	-4.0	-8.8	#N/A	
- 3MMA YoY %	-6.5	-4.2	10.1	14.6	10.5	3.5	1.5	#N/A	
PUBLIC FINANCES									Total tax take up 10.8% YTD in July. Voted expenditure rose by 9.5% YTD, owing to increases in current and capital spending. 12mth rolling Exchequer surplus narrowed to €13.5bn
Total Tax Receipts: Cum YTD %	22.6	29.3	26.5	17.5	15.3	8.5	10.5	10.8	
Voted Spending : Cum YTD %	9.3	28.3	12.5	10.8	11.6	9.2	9.1	9.5	
Exchequer Bal: 12 Mth Total €m	12,755	14,053	16,108	16,636	16,753	15,969	14,188	13,503	
QUARTERLY DATA									The flash estimate indicate GDP contracted by 1% in Q2, but it was up 12.5% in YoY terms MDD rose by 2.9% YoY in Q1, supported by a 3.0% increase in consumer spending, and a 5.2% rise in government expenditure
	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	
GDP - YoY %	-4.7	-6.6	-2.7	-2.3	4.0	11.6	20.0	12.5	
*Domestic Demand - YoY%	2.2	7.6	0.4	1.8	3.4	1.5	2.9	#N/A	
Consumer Spending - YoY %	1.6	3.4	1.7	3.0	3.4	3.6	3.0	#N/A	
Services Exports - YoY % (3Q Avg)	3.4	6.7	10.1	15.7	13.4	10.3	3.8	#N/A	
* Excludes Some Investment Related to the Multinational Sector									
EMPLOYMENT & EARNINGS									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 5.6% YoY in Q1'25. Public sector pay was up by 6.4% YoY. Private sector earnings rose by 4.9% YoY
Employment YoY %	3.6	3.4	1.9	2.7	3.7	2.6	3.3	2.3	
Labour Force YoY %	3.8	3.5	2.0	2.9	3.5	2.4	3.5	2.6	
Average Earnings YoY %									
- Hourly	6.1	1.9	4.9	5.5	5.0	6.1	5.9	#N/A	
- Weekly	4.4	2.6	5.0	5.7	5.5	5.8	5.6	#N/A	
Weekly Earnings YoY %									
- Private Sector	3.8	4.1	5.3	5.9	5.4	5.3	4.9	#N/A	
- Public Sector	5.9	-1.3	4.0	4.5	4.7	6.0	6.4	#N/A	
CSO DWELLING COMPLETIONS									Around 15k new dwelling completions were registered in H1, up 19.9% YYD. 12 mth running total up near 33k
- YoY %	8397	10211	5814	6824	8889	8679	5935	9214	
- Cum 12 Mth Total	14.0	12.4	-12.3	-6.0	5.9	-15.0	2.1	35.0	
	31373	32502	31684	31246	31738	30206	30327	32717	



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