Irish Economy Watch

AIB Treasury Economic Research Unit

Tuesday 27 January 2026

	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25
MANUFACTURING								
AIB Manufacturing PMI	52.6	53.7	53.2	51.6	51.8	50.9	52.8	52.2
AIB Manufacturing PMI - Future Output	65.2	68.1	63.4	70.4	69.1	67.5	71.5	67.9
Industrial Production (Ex-Modern)	115.3	115.5	114.2	111.6	116.1	127.1	122.0	#N/A
Production (Ex-Modern) : 3mma YoY%	1.5	1.0	0.2	-1.9	-2.9	-0.2	4.4	#N/A
3mth / 3mth % seas. adj.	0.9	2.0	-1.0	-3.0	-2.1	2.8	7.0	#N/A
SERVICES / RETAIL								
AIB Services PMI	54.7	51.5	50.9	50.6	53.5	56.7	58.5	54.8
CSO Services Index (Value)	166.1	164.2	164.0	166.3	163.5	166.3	170.1	#N/A
- YoY %	20.3	16.5	16.4	16.9	12.1	12.1	13.6	#N/A
- 3mth / 3mth % seas. adj.	5.4	1.7	1.7	0.4	0.9	0.4	1.1	#N/A
SIMI Car Registrations	5,819	2,435	26,732	7,580	5,606	2,180	838	276
- 12 mth cum total	123,118	124,059	125,107	125,141	125,621	125,384	125,101	124,954
- 3 mma YoY %	7.3	3.0	4.2	5.8	4.1	1.8	-0.5	-16.8
Retail Sales Index	114.5	115.5	116.4	115.2	115.5	114.8	115.3	#N/A
- YoY %	1.6	3.4	4.2	3.9	3.7	2.0	2.5	#N/A
- 3mth / 3mth % seas. adj.	0.4	0.8	0.8	1.0	0.6	-0.3	-0.4	#N/A
Ex Autos Index	113.7	114.6	114.5	113.9	114.6	114.3	114.6	#N/A
- YoY %	1.2	3.3	2.4	1.9	1.8	1.3	1.1	#N/A
- 3mth / 3mth % seas. adj.	0.8	1.0	1.2	1.1	0.6	0.0	0.1	#N/A
RESIDENTIAL CONSTRUCTION ACTIVITY								
AIB Construction PMI	49.2	48.6	47.1	45.9	43.7	48.1	46.7	48.4
- Housing Activity	49.7	48.4	44.7	44.5	45.3	43.1	47.0	49.0
- Commercial Activity	53.4	53.4	51.6	49.0	43.2	50.4	46.1	47.2
- New Orders	51.6	51.7	50.8	49.1	48.0	49.7	49.2	51.2
- Business Expectations	59.7	59.6	53.5	57.3	56.9	57.4	56.4	61.2
Commencements: 12mth Total	41,493	41,144	40,530	39,317	27,635	24,030	24,070	16,412
- 3 Month Avg YoY %	-89.1	-84.7	-37.1	-37.2	-77.4	-79.4	-76.7	-65.0
HOUSING MARKET ACTIVITY								
BPFI Mortgage Approvals : Month	4,097	3,987	4,595	3,733	3,864	3,848	3,451	#N/A
- 3 Month Avg YoY %	6.0	3.7	3.1	-0.2	-0.6	-2.6	-3.1	#N/A
- 12 Mth Total	43,927	44,108	44,100	43,900	44,033	43,793	43,542	#N/A
RPPR Transactions : Month	5,203	4,910	5,804	4,912	5,589	5,810	5,199	6,713
- 3 Month Avg YoY %	2.0	1.6	0.4	0.6	3.7	0.6	-1.7	-4.2
- 12 Mth Total	61,134	61,155	61,238	61,234	61,736	61,341	60,942	60,968
HOUSING MARKET PRICES								
CSO Price Index - MoM	0.6	1.1	0.8	0.9	0.8	0.6	0.3	#N/A
- YoY %	7.8	7.9	7.5	7.4	7.5	7.3	6.6	#N/A
Daft Asking Prices: MoM %	0.6	0.4	0.2	0.3	0.2	0.1	0.3	0.2
- YoY %	7.0	6.8	6.4	6.2	5.7	5.7	5.8	5.4
RENTS: CSO Private Rents - MoM%	0.5	0.1	0.2	0.5	0.3	0.2	0.3	0.2
- YoY %	5.2	4.6	4.4	4.2	3.4	3.2	3.0	2.7
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB								
- Mortgage as % of Disposable Income	23.5	24.3	24.0	24.3	24.4	#N/A	#N/A	#N/A

The manu. PMI eased to 52.2 in Dec. Output and new orders expanded, albeit at a slower pace. Business expectations remained optimistic but the level of confidence fell slightly

Traditional industrial production rose by 7.0% in the 3mths to Nov, and it was 4.4% higher YoY

The serv. PMI fell to 54.8 in Dec, having registered a 42-month high in Nov. Business activity and new exports both grew at a robust pace. Input and output price inflation remained elevated but eased

The CSO services index rose by 1.1% in the 3mths to Nov and it was up by 12.6% in YoY terms

Despite falling sharply by 16.8% YoY in Q4, 125k new car sales were registered in 2025, up by 3.0% compared to 2024

Retail sales fell by 0.4% in the 3mths to Nov. However, core sales were up by 0.1%

The construction PMI rose to 48.4 in Dec, indicating a slower pace of contraction. Similarly, Housing and Commercial activity increased but stayed below 50. New Orders returned to growth

Having rocketed higher in 2024 to 69.3k, due to a number of government incentives, commencements cratered by 76.3% to just 16.4k in 2025

Mortgage approvals declined by 3.1% YoY in the 3mths to Nov. 43.5k approvals were registered over the past year

Residential property transactions fell by 4.2% YoY in Q4. 61k were recorded in 2025, up 0.2% YoY

The annual rate of house price growth moved lower again in Nov to 6.6%

Asking prices on Daft.ie rose by 5.6% YoY in Q4. Overall, they were up by 6.5% in 2025

CSO rental index increased by 0.2% in Dec but the YoY rate slowed to 2.7%

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

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

	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25
CONSUMER PRICES - YoY %	1.7	1.8	1.7	2.0	2.7	2.9	3.2	2.8
- MoM %	0.0	0.5	0.1	0.4	-0.2	0.5	-0.2	0.5
HICP - YoY %	1.4	1.6	1.6	1.9	2.7	2.8	3.1	2.8
- MoM %	0.0	0.5	0.2	0.4	-0.2	0.4	-0.2	0.6

Prices rose by 0.5% in Dec, due to increases in clothing & transport costs, but CPI inflation eased to 2.8%. Similarly, HICP inflation fell to 2.8%. Overall, HICP inflation averaged 2.1% in 2025, up from 1.3% in 2024

	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25
PERSONAL / FINANCIAL								
ILCU Consumer Sentiment Index	60.8	62.5	59.1	61.1	61.7	59.9	61.0	61.2
Credit Growth YoY %								
- Private Sector	3.7	2.9	2.4	2.7	3.1	4.7	4.9	#N/A
- *of which* : Household	4.1	4.2	4.3	4.5	4.8	4.9	5.0	#N/A
- *of which* : Mortgage Lending	4.2	4.4	4.7	4.9	5.2	5.3	5.4	#N/A

Consumer sentiment improved marginally to 61.2 in Dec, but this is still a low level historically

Private sector credit growth accelerated again in Nov, with the pace of household/ mortgage lending also rising

	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25
LABOUR MARKET								
Live Register	166,800	168,600	169,500	169,400	169,700	170,300	169,200	172,200
- Change In Month	-4,200	+1,800	+900	-100	+300	+600	-1,100	+3,000
Unemployment Rate %	4.6	4.6	5.0	5.0	5.1	5.0	5.0	5.0
PMI Employment Indices								
- AIB Manufacturing	51.5	54.2	54.2	53.6	53.1	52.6	50.2	52.1
- AIB Services	52.0	51.6	51.2	48.5	53.2	51.6	53.8	51.0
- AIB Construction	51.5	50.3	51.4	51.3	49.3	49.2	51.4	50.5

The unemployment rate remained at 5.0% in December. It averaged 4.8% in 2025, up from 4.3% in 2024

The employment sub-index of the construction PMI fell to 50.5 in Dec, indicating a stabilisation in jobs growth. The services sector sub-indices fell, while the manu. component rose but both were in expansion mode

	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25
MERCHANDISE TRADE								
Export Values - 3M / 3M %	18.7	-27.9	-30.8	-35.4	2.1	7.2	19.4	#N/A
- 3MMA YoY %	45.0	14.0	8.7	-3.4	7.2	1.5	-2.2	#N/A
Import Values - 3M / 3M %	-2.6	-7.4	-2.8	7.0	7.9	2.3	-4.7	#N/A
- 3MMA YoY %	4.1	1.9	1.6	2.3	2.3	5.0	4.6	#N/A

Goods trade surplus widened to €115.7bn YTD in Nov, up 35.8% YoY. YTD exports rose 18.0% to €245.3bn, led by a marked increase in pharma and medical products (+42.1%). Imports stood at €129.6bn over the same period, up by 5.6%

	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25
PUBLIC FINANCES								
Total Tax Receipts: Cum YTD %	8.5	10.5	10.8	7.3	7.1	3.2	-0.4	-0.6
Voted Spending : Cum YTD %	9.2	9.1	9.5	8.3	7.8	7.6	5.5	5.9
Exchequer Bal: 12 Mth Total €m	15,969	14,188	13,503	12,161	9,172	10,601	9,359	7,100

Due to the Apple money, tax receipts were 0.6% lower in 2025, but the underlying tax take was up 8.9%. Voted expenditure rose by 5.9%. The Exchequer surplus was 7.1bn

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	20.0	17.2	10.8
*Domestic Demand - YoY%	7.6	0.4	1.8	3.4	1.5	3.0	4.2	5.1
Consumer Spending - YoY %	3.4	1.7	3.0	3.4	3.6	2.9	3.4	2.4
Services Exports - YoY % (3Q Avg)	6.7	10.1	15.7	13.4	10.3	3.6	-0.8	-1.7

** Excludes Some Investment Related to the Multinational Sector*

GDP contracted by 0.3% in Q3 as imports outpaced exports. However, it was up 10.8%YoY

MDD rose by 5.1% YoY in Q3, supported by a 2.4% increase in consumer spending, and a sharp 11.8% rise in investment

	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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