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	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
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	Traditional industrial production fell by 3.5% in the 3mths to Aug, and it was down 3.5% YoY
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	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
CSO Services Index (Value)	159.4	168.0	159.5	166.6	164.9	164.4	167.8	#N/A	The CSO services index rose by 0.6% in the 3mths to Aug and it was up by 16.7% YoY
- 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	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
- 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	Retail sales increased by 1.1% in the 3mths to Jul. Core sales rose by 1.2% in the same period
- 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	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
- 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	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
- 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	Mortgage approvals fell by 0.6% YoY in Q3. Overall, 44k approvals were registered over the past twelve months
- 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	Residential property transactions fell by 0.2% YoY in Q3. The 12 mth total is steady at 61K
- 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	The annual rate of house price growth was unchanged in Aug, at 7.4%
- 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	Asking prices on Daft.ie rose by 3.1% in Q2. They were up 12.3% YoY for the quarter
- 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	CSO rental index increased by 0.3% in Sep but the YoY rate slowed sharply to 3.4%
- 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	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

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