

Irish Economy Watch

AIB Treasury Economic Research Unit



Wednesday 24 September 2025

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	
MANUFACTURING									The manu. PMI stayed in expansion mode, but fell to 51.6 in Aug. Output and new orders grew at the slowest pace since Jan. However, business expectations rose to a YTD high
AIB Manufacturing PMI	51.3	51.9	51.6	53.0	52.6	53.7	53.2	51.6	
AIB Manufacturing PMI - Future Output	70.3	64.6	65.6	63.0	65.2	68.1	63.4	70.4	
Industrial Production (Ex-Modern)	112.2	112.6	118.8	118.2	115.3	115.9	115.3	#N/A	
Production (Ex-Modern) : 3mma YoY%	-0.9	-1.5	-2.2	-0.5	1.6	1.1	0.8	#N/A	Traditional industrial production fell by 0.9% in the 3mths to July, but it was up 0.8% YoY
3mth / 3mth % seas. adj.	-2.9	-2.5	-3.3	1.0	2.0	1.7	-0.9	#N/A	
SERVICES / RETAIL									The serv. PMI eased further to 50.6 in Aug. Business activity expanded at the slowest pace since Jan'24. New business growth rose at a sharper pace, as did new exports. Output and input price inflation accelerated
AIB Services PMI	53.4	53.2	55.3	52.8	54.7	51.5	50.9	50.6	
CSO Services Index (Value)	154.3	159.4	168.1	159.7	166.6	164.9	163.8	#N/A	
- YoY %	15.8	22.2	26.3	16.6	20.5	16.2	16.0	#N/A	
- 3mth / 3mth % seas. adj.	5.1	5.5	6.9	6.5	5.9	2.0	1.7	#N/A	The CSO services index rose by 1.7% in the 3mths to July and it was up by 17.6% YoY
SIMI Car Registrations	33,499	13,994	17,291	8,704	5,819	2,435	26,739	7,583	
- 12 mth cum total	123,307	120,869	123,516	123,655	123,076	124,022	125,091	125,141	
- 3 mma YoY %	7.2	-0.6	3.7	0.9	7.5	3.1	4.3	6.0	
Retail Sales Index	113.9	114.6	113.8	115.1	114.5	115.4	116.4	#N/A	New car sales up 3.5% YTD in Aug, amid a strong start to the second half of the year. 12mth running total just above 125k
- YoY %	0.4	1.7	-0.8	2.9	1.7	3.4	4.2	#N/A	
- 3mth / 3mth % seas. adj.	1.8	1.8	1.0	0.9	0.3	0.8	0.8	#N/A	
Ex Autos Index	111.7	113.0	112.9	112.9	113.7	114.6	115.0	#N/A	
- YoY %	-0.6	1.3	1.0	1.2	1.3	3.3	3.1	#N/A	Retail sales increased by 0.8% in the 3mths to Jul. Core sales rose by 1.3% in the same period
- 3mth / 3mth % seas. adj.	-0.1	-0.7	-0.2	0.5	0.8	1.1	1.3	#N/A	
RESIDENTIAL CONSTRUCTION ACTIVITY									The construction PMI fell to 45.9 in Aug, consistent with a fourth straight month of accelerating contraction. Housing activity, commercial activity and new orders all declined
AIB Construction PMI	48.2	48.7	53.9	52.4	49.2	48.6	47.1	45.9	
- Housing Activity	52.7	53.3	53.5	51.7	49.7	48.4	44.7	44.5	
- Commercial Activity	48.0	51.7	56.0	53.5	53.4	53.4	51.6	49.0	
- New Orders	48.4	50.6	53.8	53.7	51.6	51.7	50.8	49.1	Commencements have been very weak in 2025. Just 8.5k units have been registered, down 77.9% YTD in Aug. 12 mth total is now back below 39k
- Business Expectations	65.3	60.2	57.6	60.7	59.7	59.6	53.5	57.3	
Commencements: 12mth Total	66,873	64,175	59,989	42,316	41,178	40,804	40,124	38,895	
- 3 Month Avg YoY %	36.6	24.7	-75.7	-89.9	-89.2	-84.9	-38.9	-39.0	
HOUSING MARKET ACTIVITY									Mortgage approvals rose by 3.1% YoY in the 3mths to July. Overall, 44.1k approvals were registered over the past year
BPFI Mortgage Approvals : Month	2,745	2,791	3,647	3,835	4,097	3,987	4,595	#N/A	
- 3 Month Avg YoY %	8.0	6.0	3.4	3.2	6.0	3.7	3.1	#N/A	
- 12 Mth Total	43,406	43,275	43,685	43,724	43,927	44,108	44,100	#N/A	
RPPR Transactions : Month	3,546	4,087	4,479	4,640	5,178	4,874	5,736	4,235	Residential property transactions fell by 4.4% YoY in the 3mths to Aug. The 12 mth total is at 60.3K
- 3 Month Avg YoY %	-2.5	-2.9	0.2	1.2	1.4	1.0	-0.4	-4.4	
- 12 Mth Total	60,936	60,841	60,874	61,097	61,033	61,018	61,033	60,352	
HOUSING MARKET PRICES									
CSO Price Index - MoM	0.2	0.1	0.2	0.4	0.6	0.9	1.9	#N/A	The annual rate of house price inflation eased to 7.5% in July, its lowest rate since Mar'24
- YoY %	8.3	8.0	7.6	7.6	7.8	7.9	7.5	#N/A	
Daft Asking Prices: MoM %	2.7	1.6	0.5	1.9	0.9	0.2	#N/A	#N/A	
- YoY %	13.8	13.6	14.2	14.2	13.6	12.8	#N/A	#N/A	
RENTS: CSO Private Rents - MoM%	0.1	0.2	0.0	0.2	0.5	0.1	0.2	0.5	CSO rental index increased by 0.5% in Aug but the YoY rate slowed slightly to 4.2%
- YoY %	5.4	5.2	5.2	5.2	5.2	4.6	4.4	4.2	
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Years, AIB Mortgage Rate, Prices: CSO/Perm' TSB									
- Mortgage as % of Disposable Income	22.3	21.8	21.4	22.8	23.4	24.1	#N/A	#N/A	
Affordability deteriorated in Q2 as house price growth outpaced wage growth									

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	
CONSUMER PRICES - YoY %									CPI & HICP inflation rose to 2.0% and 1.9% in Aug, Food & beverage costs were the main drivers of inflation. Transport and household equipment were the only categories that were lower on an annual basis
- MoM %	1.9	1.8	2.0	2.2	1.7	1.8	1.7	2.0	
	-0.8	0.9	0.7	0.4	0.0	0.5	0.1	0.4	
HICP - YoY %	1.7	1.4	1.8	2.0	1.4	1.6	1.6	1.9	
- MoM %	-0.8	0.8	0.7	0.4	0.0	0.5	0.2	0.4	
PERSONAL / FINANCIAL									Consumer sentiment improved to 61.1 in Aug, albeit, this remains quite a low level Private sector credit growth decelerated in July, despite an increase in the pace of household/mortgage lending
ILCU Consumer Sentiment Index	74.9	74.8	67.5	58.7	60.8	62.5	59.1	61.1	
Credit Growth YoY %									
- Private Sector	1.9	2.7	2.7	4.3	3.7	2.9	2.4	#N/A	
- of which : Household	3.2	3.4	3.7	3.9	4.1	4.2	4.3	#N/A	
- of which : Mortgage Lending	3.2	3.4	3.7	4.0	4.2	4.4	4.7	#N/A	
LABOUR MARKET									The unemployment rate has been trending slightly higher throughout 2025, although it edged back to 4.7% in Aug The manufacturing, services and construction PMI employment sub-indices all fell in Aug. However, services was the only sector to register an outright contraction in staffing levels in the month
Live Register	165,900	165,800	164,500	171,500	166,800	168,400	169,100	168,600	
- Change In Month	+0	-100	-1,300	+7,000	-4,700	+1,600	+700	-500	
Unemployment Rate %	4.4	4.4	4.5	4.6	4.6	4.6	4.8	4.7	
PMI Employment Indices									
- AIB Manufacturing	53.4	50.7	50.4	51.1	51.5	54.2	54.2	53.6	
- AIB Services	49.9	53.2	54.3	53.5	52.0	51.6	51.2	48.5	
- AIB Construction	51.7	48.0	50.4	51.3	51.5	50.3	51.4	51.3	
MERCHANDISE TRADE									Goods trade surplus widened to €85.8bn YTD in Jul, up 74.7% YoY. YTD exports rose 33.3% to €168.4bn, led by a marked increase in pharma and medical products (+78.9%). Imports stood at €72.6bn over the same period up by 6.9%
Export Values - 3M / 3M %	0.7	7.7	46.1	36.8	20.6	-27.3	-31.0	#N/A	
- 3MMA YoY %	25.6	35.4	63.3	56.3	47.8	16.1	10.1	#N/A	
Import Values - 3M / 3M %	0.1	8.7	12.0	8.4	-4.6	-9.6	-4.4	#N/A	
- 3MMA YoY %	-3.4	11.0	15.6	10.5	3.5	1.4	1.5	#N/A	
PUBLIC FINANCES									Total tax take up 7.3% YTD in Aug. Voted expenditure rose by 8.3% YTD, owing to increases in current and capital spending. 12mth rolling Exchequer surplus narrowed to €12.2bn
Total Tax Receipts: Cum YTD %	29.3	26.5	17.5	15.3	8.5	10.5	10.8	7.3	
Voted Spending : Cum YTD %	28.3	12.5	10.8	11.6	9.2	9.1	9.5	8.3	
Exchequer Bal: 12 Mth Total €m	14,053	16,108	16,636	16,753	15,969	14,188	13,503	12,161	
QUARTERLY DATA									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
	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	19.9	17.1	
*Domestic Demand - YoY%	2.2	7.6	0.4	1.8	3.4	1.5	3.1	4.4	
Consumer Spending - YoY %	1.6	3.4	1.7	3.0	3.4	3.6	2.9	3.2	
Services Exports - YoY % (3Q Avg)	3.4	6.7	10.1	15.7	13.4	10.3	3.6	-1.0	
* 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 4.9% YoY in Q2. Public sector pay was up by 6.1% 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	6.3	4.3	
- Weekly	4.4	2.6	5.0	5.7	5.5	5.8	5.9	5.3	
Weekly Earnings YoY %									
- Private Sector	3.8	4.1	5.3	5.9	5.4	5.3	5.6	4.9	
- Public Sector	5.9	-1.3	4.0	4.5	4.7	6.0	6.3	6.1	
CSO DWELLING COMPLETIONS									Around 15k new dwelling completions were registered in H1, up 19.9% YTD. 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	



David McNamara
Chief Economist
david.g.mcnamara@aib.ie

John Fahey
Senior Economist
john.j.fahey@aib.ie

Daniel Noonan
Economist
daniel.x.noonan@aib.ie

AIB, 10 Molesworth Street, Dublin 2

Tel: 353-1-6600311

<https://aib.ie/investorrelations/economic-research-unit>

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