

## AIB Ireland Manufacturing PMI®

### Manufacturing production expands at robust pace in July

#### Key findings

Output levels rise for seventh month in a row

New orders increase at slower pace

Input cost inflation accelerates for first time since April

Irish manufacturers started the third quarter of 2025 with another solid increase in output levels, supported by an upturn in new work for the seventh month running and a robust pace of employment growth. Export sales expanded for the first time since March, albeit only marginally as survey respondents again noted headwinds from elevated global economic uncertainty. Goods producers meanwhile experienced pressure on margins from stronger input cost inflation in July, which was linked to higher transportation bills and a general increase in raw material prices.

The headline AIB Ireland Manufacturing PMI® is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement of the sector.

July data signalled a solid improvement in overall manufacturing sector business conditions. The seasonally adjusted AIB Ireland Manufacturing PMI registered 53.2, down slightly from June's 37-month high of 53.7 but in positive territory for the seventh month in a row. A softer expansion of new order volumes was the main drag on the headline index in the latest survey period.

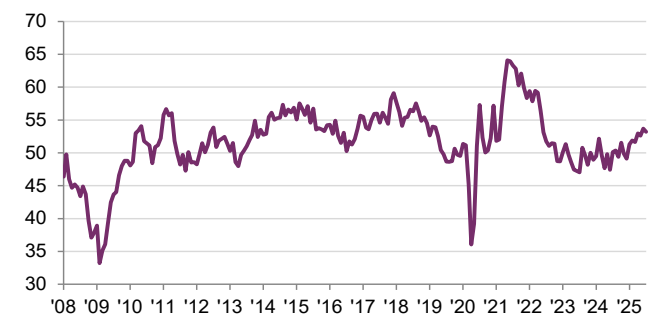
Production volumes expanded at a robust pace in July. The rate of growth was up fractionally since June and faster than on average in the first half of 2025. Survey respondents typically commented on increased customer demand, while some noted efforts to process unfinished work.

New business growth lost some momentum during July, with the latest improvement in manufacturing order books the slowest since February. Anecdotal evidence cited sluggish export demand as a factor weighing on new business intakes, especially in developed economies. New work from abroad rose for the first time in four months, but only marginally. Some goods producers reported successful long-term efforts to diversify to new overseas markets, particularly Asia and the Middle East.

Backlogs of work increased for the first time since February, despite the slower overall rise in new order intakes. This was partly linked to constrained business capacity and staff shortages. Meanwhile, employment numbers were expanded at a robust pace in July, with the rate of job creation unchanged from June's three-year high.

Greater production volumes encouraged another solid rise in purchasing activity in July. Higher levels of input buying have now been recorded for four consecutive months. This contributed

AIB Ireland Manufacturing PMI  
sa, >50 = improvement since previous month



Sources: AIB, S&P Global PMI.  
Data were collected 10-24 July 2025.

#### Comment

Commenting on the survey results, David McNamara, AIB Chief Economist, said:

"The AIB Irish Manufacturing PMI indicated that the sector's recent strong growth continued in July, with the index at 53.2, easing slightly from 53.7 in June. The rise in July was broad-based, with growth in output and new orders, and a sharp rise in employment. The Irish manufacturing PMI remains above the flash July readings for the Eurozone, US and UK at 49.8, 49.5 and 48.2, respectively.

"Output rose at an accelerated pace in July, with respondents citing a boost to production volumes from stronger demand. This was also reflected in continued growth in new orders and a first rise in export orders in four months. Employment expanded sharply, with the pace of hiring in line with the three-year high reached in June. The purchases index increased at a robust pace, linked to a sustained rise in new orders.

"The July survey showed an acceleration in input price inflation. Some firms cited greater raw material and transportation costs, although others noted that the appreciation of the euro against the dollar had alleviated some cost pressures. Output prices increased at a similar rate to last month, as manufacturers passed on cost increases and maintained margins.

"Despite ongoing tariff uncertainty, Irish manufacturers maintained a broadly positive assessment of the outlook for activity levels over the coming year. Around 35% of the respondents predict a rise in output levels during the year ahead, while 8% expect a decline. Some firms cited the potential pent-up demand if global trade uncertainty recedes over the coming year."

to another increase in pre-production inventory levels. Although only marginal, the degree of stock accumulation was the fastest recorded since September 2023. In contrast, post-production inventories decreased at an accelerated pace during July, which manufacturers attributed to tighter working capital management. Suppliers' delivery times meanwhile lengthened for the third month in a row amid reports of transportation delays and worsening stock availability among vendors.

A strong rise in average cost burdens was reported across the manufacturing sector in July, with the rate of inflation accelerating from June's six-month low. Survey respondents cited higher prices paid for raw materials and efforts by suppliers to pass on higher transportation costs. Some goods producers suggested that exchange rate appreciation against the US dollar had limited the uptick in overall cost pressures during July. Meanwhile, the rate of factory gate price inflation was unchanged since June and again lower than seen for input costs.

Finally, the latest survey indicated that manufacturers remain optimistic about their growth prospects for the next 12 months, although the degree of confidence eased to its lowest since April. Around four times as many survey respondents (35%) expect an increase in production volumes as those that forecast a decline (8%). Positivity was linked to hopes of strengthening sales pipelines and a turnaround in demand from export markets if global trade tensions continue to recede.

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## Survey methodology

The AIB Ireland Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 250 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in May 1998.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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