



PRESS RELEASE Embargoed until: 00:01 (BST) June 10th 2026

News release: Ulster Bank May Growth Tracker

Sharpest fall in output since December 2022

- Steep reductions in output and new orders
- Output price inflation at near four-year high amid strong rise in input costs
- Renewed increase in staffing levels

The latest Ulster Bank Regional Growth Tracker signalled a renewed reduction in business activity in Northern Ireland's private sector, following stability in April.

New business also decreased amid geopolitical tensions and strong inflationary pressures, while companies expressed a pessimistic outlook. On a more positive note, employment increased slightly.

The headline Business Activity Index – a seasonally adjusted index that measures the month-on-month change in the combined output of the region's private sector – dropped to 43.3 in May from 50.0 in April. The reading signalled a first reduction in output in five months, and one that was the steepest since December 2022.

Panellists linked lower activity to sharp price rises and challenging economic conditions.

The drop in output in Northern Ireland was the sharpest of the 12 monitored UK areas in May.

For the first time in just over two-and-a-half years, all four broad sectors posted reductions in business activity.

Sebastian Burnside, Chief Economist for Ulster Bank, commented:

“The impacts of geopolitical tensions took their toll on the Northern Ireland private sector in May. Firms were buffeted from different angles, not only by steep inflationary pressures but also general uncertainty and challenges with customer demand.

“Worries about price rises in particular meant that firms were concerned about the future, and expressed a pessimistic outlook for the first time in almost three-and-a-half years.

“Bucking the generally downbeat nature of the May data was a renewed increase in employment as firms looked to build their operating capacity. If the demand situation continues to deteriorate, however, it is hard to see job creation being sustained in the months ahead.”

Mark Crimmins, Ulster Bank Managing Director Corporate, Commercial and Business Banking, added:

“Our latest Ulster Bank Growth Tracker data shows the stark impact of inflationary pressures on Northern Ireland businesses. Uncertainty around pricing, caused by ongoing geopolitical tensions, is continuing to erode confidence.

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“At Ulster Bank, we will continue to review impacts on our customers across Northern Ireland and how best we can support them through these challenges.”

The main findings of the May survey were as follows:

New orders decreased for the second consecutive month in May, and at a sharp pace that was much faster than that seen in April. Moreover, the reduction was the most pronounced in just over a year. Uncertainty caused by geopolitical tensions, weaker international demand and inflationary pressures were all factors leading to the drop in new business, according to respondents.

For the first time in almost three-and-a-half years, Northern Ireland companies were pessimistic regarding the outlook for business activity. Negative sentiment often reflected worries about the impact of price rises on demand. Some firms remained optimistic, however, amid expectations that new orders will increase. Northern Ireland was the only one of the 12 monitored UK regions and nations to post a negative outlook in May.

Although output and new orders decreased midway through the second quarter, Northern Ireland companies expanded their workforce numbers during May. The slight increase was the second in the past three months, and the joint-strongest of the UK areas covered, equal with the South East of England. Some firms reported hiring as part of recruitment campaigns to help expand capacity and prepare for future projects.

Backlogs of work decreased for the third month running amid declining new orders. Moreover, the latest fall was marked and the fastest since September last year. Delays receiving goods from England, longer shipping times and tariff uncertainty all contributed to a lengthening of suppliers' delivery times during May. Lead times were extended markedly, albeit to the smallest degree in six months.

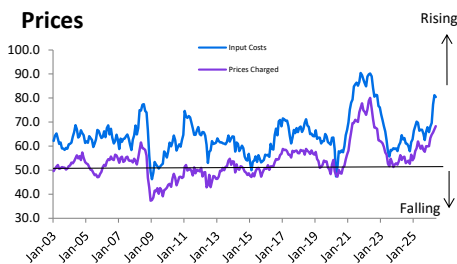
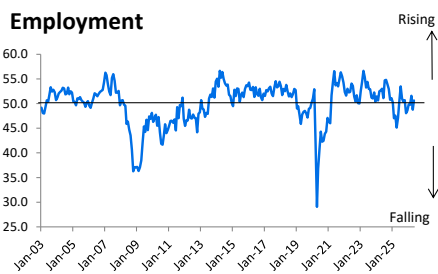
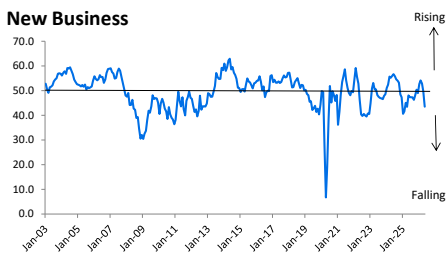
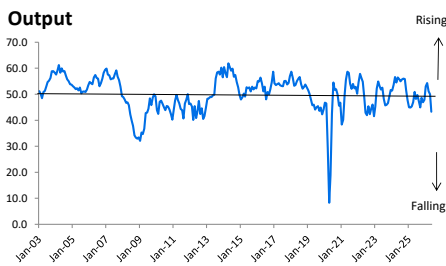
Input costs continued to rise rapidly in May, with the pace of inflation only slightly weaker than the three-and-a-half year high posted in April. There were widespread reports of higher energy, fuel and oil prices driving up operating expenses, while some firms also mentioned rising staff costs.

Rising input costs were often passed through to customers via increased selling prices. Moreover, the rate of charge inflation quickened to the steepest since July 2022 and was the fastest of the 12 monitored UK regions and nations. More than 42% of respondents signalled a rise in their selling prices over the month.

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Summary of data

50 = no change on previous month

| | | 2024 | 2025 | Mar'26 | Apr | May |
|-----------------|-------|------|------|--------|------|------|
| Output/Activity | N.Ire | 54.2 | 47.2 | 51.2 | 50.0 | 43.3 |
| | UK | 52.5 | 50.6 | 49.9 | 51.5 | 48.7 |
| New Business | N.Ire | 53.4 | 46.2 | 52.8 | 49.7 | 43.5 |
| | UK | 52.5 | 49.2 | 48.5 | 49.3 | 48.8 |
| Backlogs | N.Ire | 49.3 | 45.7 | 48.7 | 47.8 | 44.7 |
| | UK | 47.4 | 46.0 | 49.3 | 48.4 | 48.1 |
| Employment | N.Ire | 52.5 | 49.1 | 51.6 | 48.8 | 50.6 |
| | UK | 50.1 | 46.2 | 46.8 | 47.4 | 46.9 |
| Input Costs | N.Ire | 61.2 | 66.8 | 77.3 | 81.2 | 80.4 |
| | UK | 60.1 | 63.5 | 68.9 | 76.4 | 75.4 |
| Prices Charged | N.Ire | 54.2 | 59.1 | 65.7 | 67.0 | 68.3 |
| | UK | 55.5 | 55.3 | 58.2 | 62.7 | 61.6 |

Full historical data may be obtained from S&P Global.
Contact economics@spglobal.com.

Notes on data

The survey data are presented as index numbers, which are calculated from the percentages of respondents reporting an improvement, no change or decline. These indices vary between 0 and 100 with readings of exactly 50.0 signalling no change on the previous month. Readings above 50.0 signal an increase or improvement; readings below 50.0 signal a decline or deterioration.

Reasons given by survey respondents for any changes are analysed to provide insight into the causes of movements in the indices and are also used to adjust for expected seasonal variations. The indexes are seasonally adjusted to take into consideration expected variations for the time of year, such as summer holiday shutdowns and national holidays such as Christmas.

Sector data published in the Ulster Bank Northern Ireland Growth Tracker report are intended to give an indication of underlying trends in the manufacturing, services and construction industries within the Northern Ireland private sector economy. Data at the sector level are more volatile than the headline total private sector economy figures, and month-on-month movements in the sector data should therefore be treated with a degree of caution.

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Press information

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