

AIB Ireland Construction PMI®

Construction activity rises on the back of sustained new order growth

Key findings

Broad-based improvement in construction activity

Second successive rise in employment

Cost inflation remains sharp

Construction activity in Ireland continued to increase as the second quarter of the year got underway as companies responded to sustained new order growth. Employment and purchasing activity also increased, while companies remained optimistic regarding the year-ahead outlook, despite some worries from panellists regarding the impacts of US trade policy. On the price front, firms recorded a further sharp rise in their input costs during April.

The headline seasonally adjusted AIB Ireland Construction Total Activity Index posted 52.4 in April, down from 53.9 in March but still above the 50.0 no-change mark and signalling a second consecutive month of growth in Irish construction activity. Those firms that saw activity increase linked this to improving customer demand and an associated increase in new orders.

Indeed, new business expanded for the third successive month in April, with the solid pace of growth little-changed from that seen in March.

The rise in construction activity was broad based across the three categories covered by the report. The fastest increase was in commercial activity, which expanded for the third month running and at a solid pace, albeit one that was softer than in the previous survey period. Civil engineering activity, meanwhile, rose at the fastest pace since February 2022. The slowest increase in activity was on housing projects, but growth has now been sustained in the residential category for eight months running.

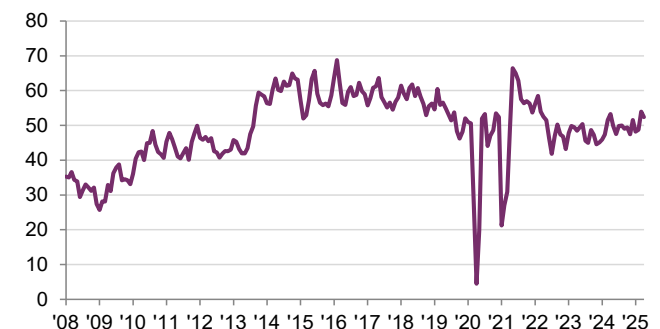
With new projects getting underway, construction firms again felt the need to hire additional workers in April. Employment rose for the second month running, and at a slightly stronger pace than in March. The usage of sub-contractors also increased, following a first fall in seven months in the previous survey period.

April also saw sustained growth of purchasing activity, while suppliers' delivery times lengthened as staff shortages meant that vendors struggled to keep up with rising demand for inputs.

Improving demand for materials often resulted in suppliers hiking their prices in April, with the rate of input cost inflation remaining sharp and above the series average during the month. Sub-contractor rates also increased rapidly, and at the fastest pace for a year.

Hopes for improving economic conditions and further inflows of

AIB Ireland Construction PMI Total Activity Index
sa, >50 = growth since previous month



Sources: AIB, S&P Global PMI.
Data were collected 09-29 April 2025.

Comment

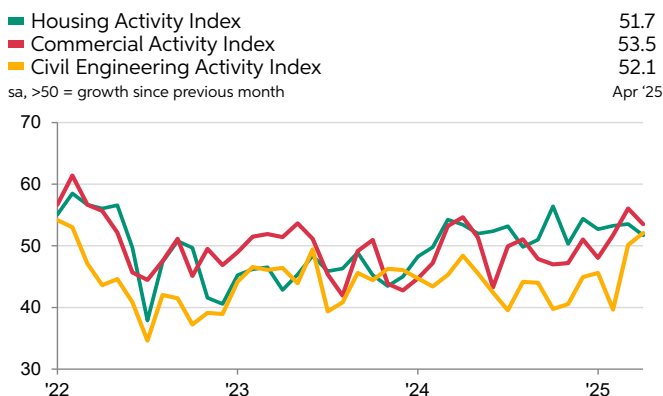
Commenting on the survey results, John Fahey, AIB Senior Economist, said:

"The AIB Irish Construction PMI survey for April showed that the sector had a solid start to the second quarter. The headline index remained above the key 50 level, consistent with a second consecutive month of an expansion in activity. However, it printed at 52.4 last month, which was below its reading of 53.9 in March, indicating a slowdown in the pace of growth."

From a sectoral perspective, the improvement in activity levels remained broad-based. Of the three sub-sectors, Commercial activity was once again the best performing, although its pace of growth moderated compared to March. Meanwhile, the residential sector recorded its eighth consecutive month of growth, but at a slightly slower rate versus March. Elsewhere, civil engineering continued to show signs of improvement, with output rising for a second month in-a-row."

Firms attributed the growth in activity to an improvement in demand conditions. This was reflected in new orders expanding for a third straight month, broadly maintaining the pace of growth recorded in March. This backdrop of new projects saw firms continue to increase their staffing levels. Indeed, the pace of employment growth accelerated in April. Looking ahead, construction sector firms retained an optimistic view on the prospect of increasing activity levels over the coming 12 months. However, some firms did reference the potential drag on activity levels from US trade policy as being a source of concern."

new orders supported confidence in the 12-month outlook for construction activity in April. Sentiment picked up from that seen in March, but remained weaker than the series average amid some nervousness about the potential impacts of US trade policies. Around one-third of respondents expressed an optimistic outlook, while 11% of panellists were pessimistic.



Sources: AIB, S&P Global PMI.

Survey methodology

The AIB Ireland Construction PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 150 construction companies. The panel is stratified by company workforce size, based on contributions to GDP.

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 Total Activity Index. This is a diffusion index that tracks changes in the total volume of construction activity compared with one month previously. The Total Activity Index is comparable to the Manufacturing Output Index and Services Business Activity Index. It may be referred to as the 'Construction PMI' but is not comparable with the headline manufacturing PMI figure.

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.

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