News Release

Embargoed until 01:01 Dublin (00:01 UTC) 1 April 2026

AIB Ireland Manufacturing PMI®

Manufacturing growth strengthens in March, but cost inflation accelerates sharply

Key findings

Fastest increase in production since July 2025

Input price inflation surges to 39-month high

Output growth expectations moderate again in March

Resilient business conditions were signalled in the manufacturing sector during March, with output growth accelerating despite challenges from intensifying cost inflation and rising global economic uncertainty. This was supported by stronger order books amid the fastest rise in export sales for just over four years. However, business activity expectations for the year ahead were the least upbeat for eight months, while many firms commented on margin pressures due to the steepest increase in purchasing costs since December 2022.

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.

March data pointed to a solid improvement in business conditions across the manufacturing sector. The seasonally adjusted AIB Ireland Manufacturing PMI registered 53.7, up from 53.1 in February and the highest reading since June 2025. Stronger rates of output and new order growth helped to lift the headline PMI in March, alongside a renewed increase in stocks of purchases.

Higher volumes of production have now been recorded for five consecutive months and the latest increase was the fastest since July 2025. This was mainly linked to improved demand conditions, as signalled by the strongest upturn in new orders for four months. That said, some goods producers commented on cautious among clients and headwinds from rising cost of living pressures.

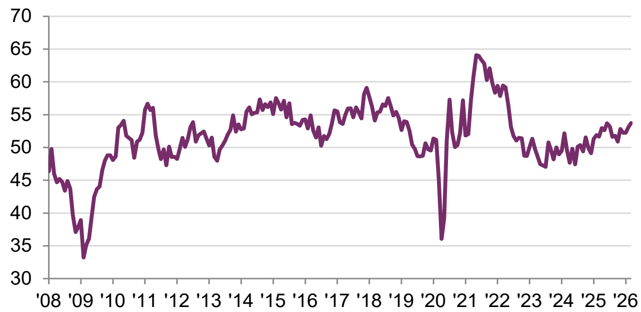
Improved volumes of new work from abroad helped to boost manufacturing order books in March. Latest data signalled a robust upturn in export sales that was the fastest since February 2022. Goods producers mostly commented on rising demand from developed economies, especially the UK.

Stronger demand contributed to a renewed rise in unfinished work across the manufacturing sector. Although only modest, the rate of backlog accumulation was the steepest for 13 months. Subsequent efforts to boost production capacity supported another solid increase in staffing numbers. The rate of job creation eased only slightly from February's 44-month high.

Supply chain challenges persisted in March, with delivery times lengthening for the eleventh successive month. This was mainly linked to international shipping delays. Moreover, concerns about transportation delays and future input price rises encouraged

AIB Ireland Manufacturing PMI

sa, >50 = improvement since previous month



Sources: AIB, S&P Global PMI.
Data were collected 12-24 March 2026.

Comment

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

"The AIB Irish Manufacturing PMI indicated that the sector gained further momentum in March, with the index rising to 53.7 from 53.1 in February. The expansion in March was due to sustained gains in output, new export orders and employment, despite signs of rising input prices from the Middle East conflict. The Irish manufacturing PMI remains above the flash readings for the Eurozone, US and UK at 51.4, 52.4 and 51.4, respectively.

"Output rose robustly in March, accelerating from the pace observed in February, with respondents citing improved demand conditions. This was also evident in new orders growth and a surge in export orders, following two months of contraction. Firms cited improving demand from UK clients, while others noted the war in the Middle East as having a negative influence on new business from abroad in some instances. Given the improving backdrop, hiring rose solidly again during the month. Moreover, purchasing activity by firms rose at the fastest pace in nine months, in part driven by frontrunning of purchases ahead of the expected disruption to global supply chains from the Middle East conflict.

"While activity levels improved, the rate of input inflation accelerated sharply in February to the highest level since December 2022. Respondents noted some raw materials and energy costs as the main drivers. Nonetheless, with demand still strong, firms were able to increase output prices, albeit competition had limited the ability to pass on all of the cost increases.

"Looking ahead, Irish manufacturers maintained an upbeat assessment of the outlook for activity levels over the coming year. Around 44% predict an increase in output over the next year, while only 10% forecast a reduction. Manufacturers commented on positive projections for export orders and long-term business investment plans. This was offset by some concerns about the impact of the Middle East war on economic conditions."

PMI® by S&P Global

some advanced purchasing of raw materials, with input buying expanding to the greatest extent since June 2025. Moreover, pre-production inventories were accumulated to the greatest extent for just over three years.

Goods producers signalled a steep and accelerated pace of input cost inflation in March. Around 42% of the survey panel reported a rise in their input prices since the previous month, while only 2% suggested a reduction. This pointed to the fastest rate of cost inflation since December 2022. Anecdotal evidence often cited higher prices paid for energy, fuel, metals and polymers.

Factory gate prices also increased at a sharper rate in March. The latest rise in average prices charged by Irish manufacturers was the steepest since September 2024. Survey respondents widely commented on the need to pass on higher fuel and raw material costs, although intense competition continued to limit pricing power.

Finally, business activity expectations for the year ahead were upbeat on balance in March. However, the degree of optimism moderated for the second month running to its lowest since July 2025. A number of manufacturers noted that the war in the Middle East would adversely impact customer demand and growth prospects in the next 12 months.

Contact

David McNamara
AIB Chief Economist
T: +353-(0)87-4071825
david.g.mcnamara@aib.ie
AIBeconomics.Unit@aib.ie
www.aibeconomics.com

Paddy McDonnell
AIB Press Office
T: +353-87-739-0743
paddy.x.mcdonnell@aib.ie

Louise Kelly
AIB Press Office
T: +353-87-216-1545
louise.Y.kelly@aib.ie

Tim Moore
Economics Director
S&P Global Market Intelligence
T: +44-1491-461-067
tim.moore@spglobal.com

Hannah Brook
EMEA Communications Manager
S&P Global Market Intelligence
T: +44-7483-439-812
hannah.brook@spglobal.com

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.

About AIB

AIB is a financial services group operating predominantly in the Republic of Ireland and the UK. We provide a comprehensive range of services to personal, business and corporate customers in our target markets and have leading market shares in banking products in the Republic of Ireland.

About S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com.

About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi

PMI® by S&P Global