

AIB Ireland Manufacturing PMI®

Strongest improvement in manufacturing conditions for seven months

Key findings

Faster rises in output and new work

Job creation accelerates to its strongest since June 2022

Input cost inflation highest for just over three years

February data revealed a rebound in manufacturing output growth to its highest since July 2025, supported by a moderate rise in new work and additional staff recruitment. Exports markets were a source of order book expansion as total new business from abroad improved for the first time in three months and to the greatest extent since March 2025. Goods producers nonetheless faced challenges from supply chain delays and rising purchasing prices, with the rate of cost inflation hitting a 37-month high.

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.

At 53.1 in February, up from 52.2 in January, the seasonally adjusted AIB Ireland Manufacturing PMI reached its highest level since July 2025 and signalled a solid improvement in overall business conditions across the manufacturing sector. This was supported by stronger rises in output, new work and employment, while a slight decline in stocks of purchases was the only component weighing on the headline index.

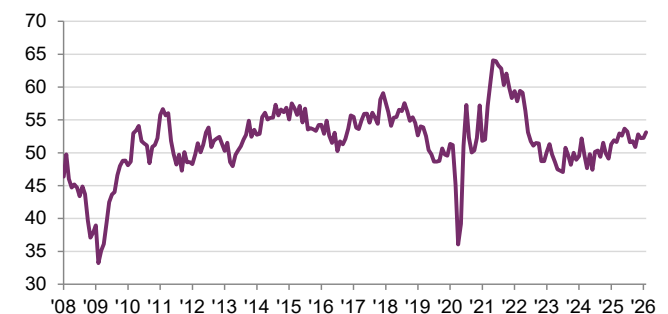
Higher volumes of manufacturing production have been recorded since November 2025 and the latest upturn was the strongest for seven months. Survey respondents widely commented on greater output requirements due to improved demand conditions, especially across global markets.

Total new orders expanded modestly in February as the rate of growth picked up from January's five-month low. This was driven by a renewed upturn in export sales, with the latest survey indicating the fastest rise in new business from abroad since March 2025. Manufacturers often noted improved order intakes from clients in Asia, the UK and US, despite reports of intense competitive pressures and difficulties arising from elevated cost inflation.

Greater workloads spurred efforts to boost production capacity in February, which contributed to another marked increase in employment numbers. Moreover, the pace of job creation was the strongest since June 2022. Backlogs of work meanwhile decreased for the third month running, albeit at only a marginal pace. Some manufacturers noted that supply chain delays had limited their scope to reduce unfinished business.

February data indicated that vendor performance deteriorated for the tenth month running. The degree to which delivery times

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



Sources: AIB, S&P Global PMI.
Data were collected 10-20 February 2026.

Comment

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

"The AIB Irish Manufacturing PMI indicated that the sector gained momentum in February, with the index rising to 53.1 from 52.2 in January. The Manufacturing PMI has now signalled growth in each month since the beginning of 2025. The expansion in February was due to sustained gains in output, new orders and employment. The Irish manufacturing PMI remains above the flash February readings for the Eurozone, US and UK at 50.8, 51.2 and 52.0, respectively.

"Output rose robustly in February, accelerating from the pace observed in January, with respondents citing improved demand conditions. This was also evident in growth new orders and a renewed rise in export orders, following two months of contraction. Firms cited better demand in Asia, the UK and US. Given the improving backdrop, hiring accelerated to the fastest rate since June 2022, as plans for expansion spurred a rise in employment. Moreover, purchasing activity by firms also rose solidly, pointing to optimism for the year ahead.

"While activity levels improved, the rate of input inflation accelerated sharply in February to the highest level since January 2023. Respondents noted some raw materials costs had materially escalated. Nonetheless, with demand strong, firms were able to increase output prices to somewhat protect margins, albeit competition had limited the ability to pass on all costs increases.

"Looking ahead, Irish manufacturers maintained an upbeat assessment of the outlook for activity levels over the coming year. Around 46% predict an increase in output over the course of 2026, while only 7% forecast a reduction. Businesses were hopeful of improved trading conditions, particularly for export markets, while others noted concerns on rising costs."

lengthened was the greatest since November 2022. Shipping delays, depleted inventories and shortages of staff at suppliers were all reported during the latest survey period.

Goods producers recorded a solid increase in their input buying, with the pace of expansion unchanged from January's seven-month high. However, there was a renewed decline in stocks of purchases. Some firms suggested that supply chain delays had led to an unexpected reduction in inventories.

Purchasing prices continued to rise sharply in February. The overall pace of input cost inflation accelerated to its fastest since the start of 2023. Manufacturers typically cited rising copper, steel and precious metals prices, as well as the impact of elevated energy costs. However, factory gate charged increased at only a moderate pace that was weaker than that seen in January.

Looking ahead, around 46% of the survey panel predict an expansion of production volumes over the year ahead, compared to only 7% that anticipate a decline. The resulting index pointed to a strong degree of business optimism, albeit less upbeat than at the start of 2026. Manufacturers suggested that forecasts of improving customer demand and planned expansion in export markets had underpinned business confidence in February.

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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.

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PMI®

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