

10 April 2025

# Ulster Bank Northern Ireland Growth Tracker

Activity continues to fall, but at softest pace  
in year-to-date



Ulster Bank

PMI<sup>®</sup>

by S&P Global

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# Ulster Bank Northern Ireland Growth Tracker

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# Key findings

Softer reductions in output, new orders and employment

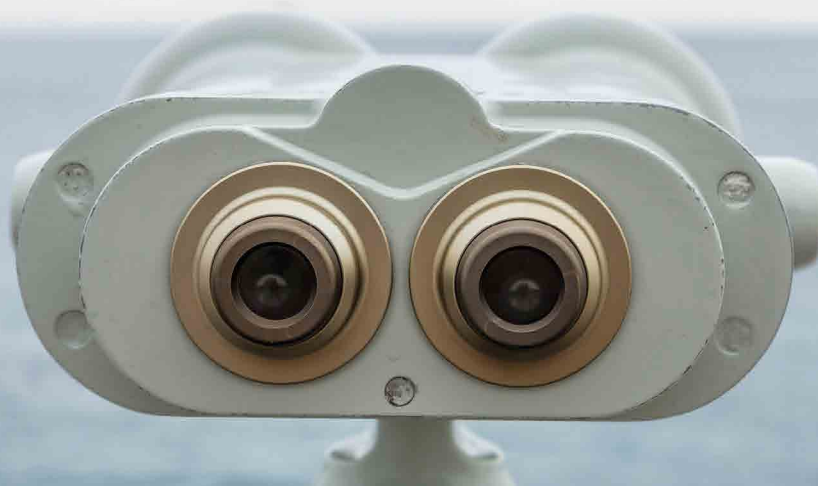
Selling prices increase at sharpest rate in two years

Business confidence improves

The Ulster Bank Northern Ireland Growth Tracker provides a timely snapshot of regional economic performance.

The report tracks monthly changes in business activity, demand, employment, backlogs, prices and the year-ahead outlook. The data are compiled from local companies that participate in S&P Global's UK manufacturing and services PMI surveys.

For more reports on 12 UK nations and regions, visit [www.natwest.com/business/insights/economics](http://www.natwest.com/business/insights/economics)





# Activity continues to fall, but at softest pace in year-to-date

The latest monthly data were collected between 12th – 27th March.

The latest Ulster Bank Regional Growth Tracker pointed to tentative signs of improvement in the Northern Ireland private sector in March.

Output, new orders and employment all fell at softer rates at the end of the opening quarter and business confidence picked up. Meanwhile, inflationary pressures continued to intensify.

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 – rose to 45.3 in March from 44.9 in February.

Although output decreased for the fourth month running, and at a marked pace, the latest reduction was the softest in 2025 so far.

Reduced demand and a drop in customer footfall were the principal factors leading output to fall.

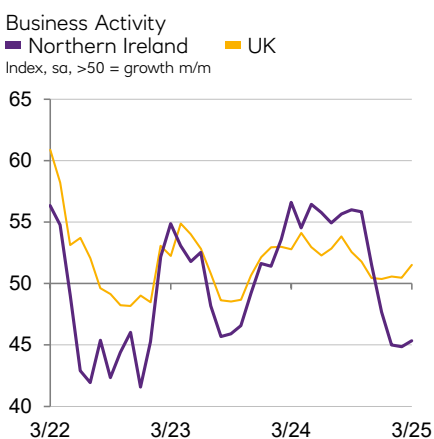
While three of the four monitored sectors saw activity decline, manufacturing production increased sharply, and at the fastest pace since September last year.

## Ulster Bank Northern Ireland Business Activity Index,

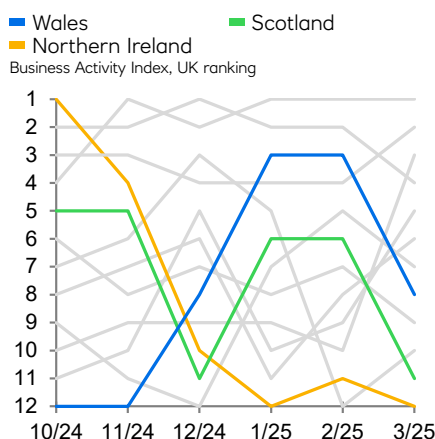
# 45.3

The Business Activity Index is a diffusion index calculated from companies’ responses to a question on monthly changes in the volume of business activity. The index varies between 0 and 100 and is the sum of the percentage of ‘higher’ responses and half the percentage of ‘unchanged’ responses. A reading above 50 indicates an increase compared to the previous month, and below 50 a decrease. The index is seasonally adjusted.

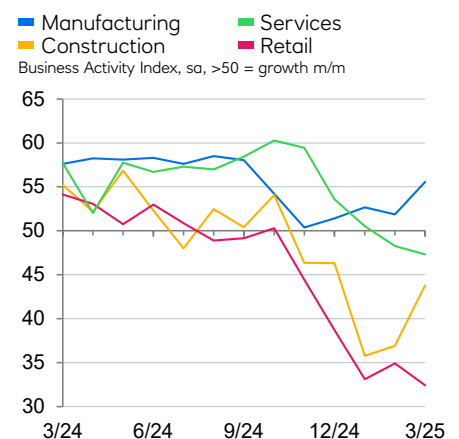
Data compiled 12-27 March



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.

# Comment

## Sebastian Burnside, NatWest Chief Economist, commented:

“According to March’s report, London continued to lead in March, with the South West also making a sizeable contribution to UK economic growth. We saw growth broaden out slightly, as both the South East and Yorkshire & Humber enjoyed renewed upturns in business activity.

“Market conditions remain challenging and recent tariff announcements suggest we could

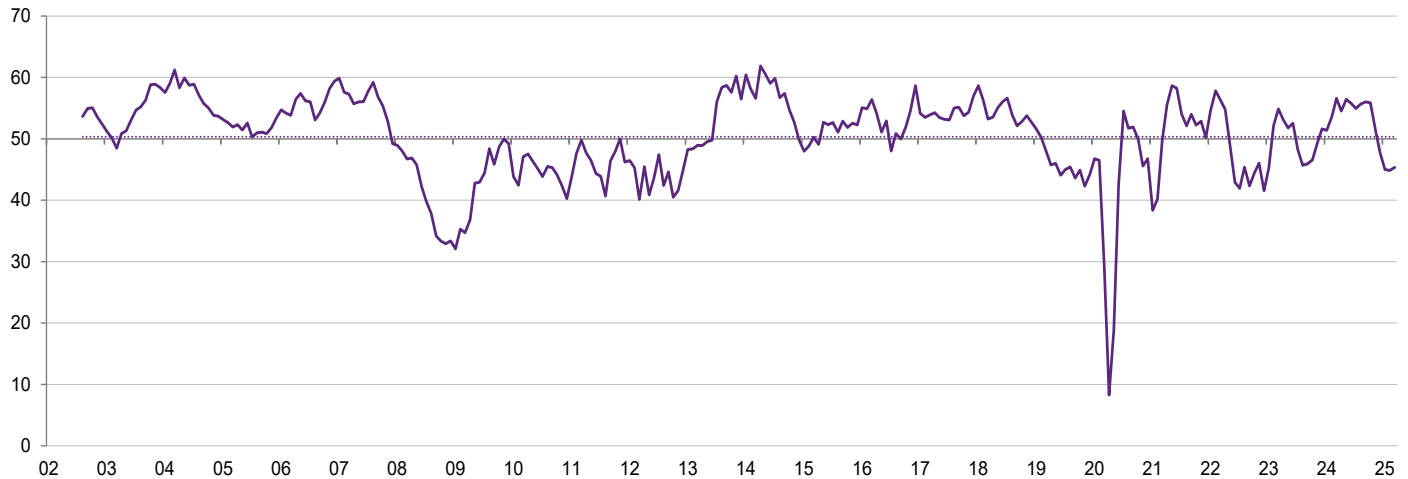
see continued challenges in the coming months.

“Firms up and down the country are looking to control costs, which is feeding through to staffing decisions.

“Price pressures remain high across the board, though they did at least subside slightly in most areas in March, on the eve of the changes to national insurance contributions and national minimum and living wages.”

Business Activity

Index, sa, >50 = growth m/m. Dots = long-run average since 1998.



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.





# Demand and outlook

## Rate of reduction in new orders slows

Northern Ireland companies posted a fifth successive monthly reduction in new orders during March. Although remaining marked, the pace of decline eased to the weakest in 2025 so far.

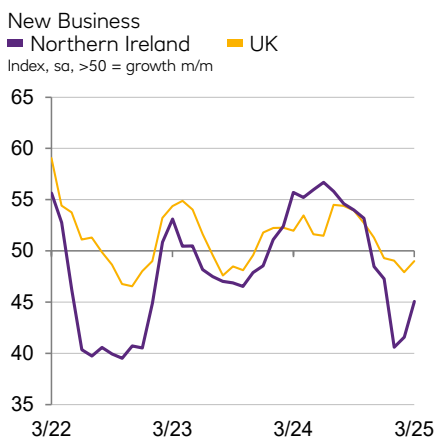
Where a fall in new orders was recorded, panellists mentioned a reluctance among customers to commit to new projects.

The manufacturing sector bucked the wider trend and posted a renewed expansion in new orders.

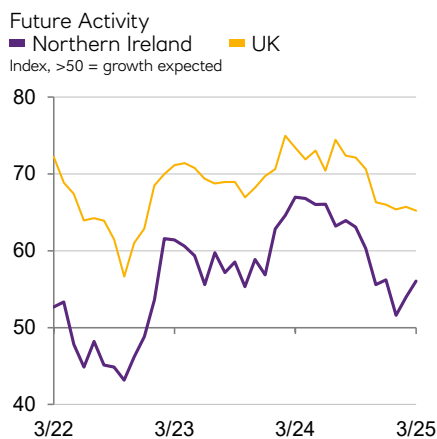
Meanwhile, companies were increasingly optimistic of a recovery in business activity over the coming year. Sentiment strengthened for the second month running to a three-month high.

Some respondents were concerned about the prospects for the UK economy, while higher staff costs also dented confidence. On the other hand, a number of companies expect new orders to pick up.

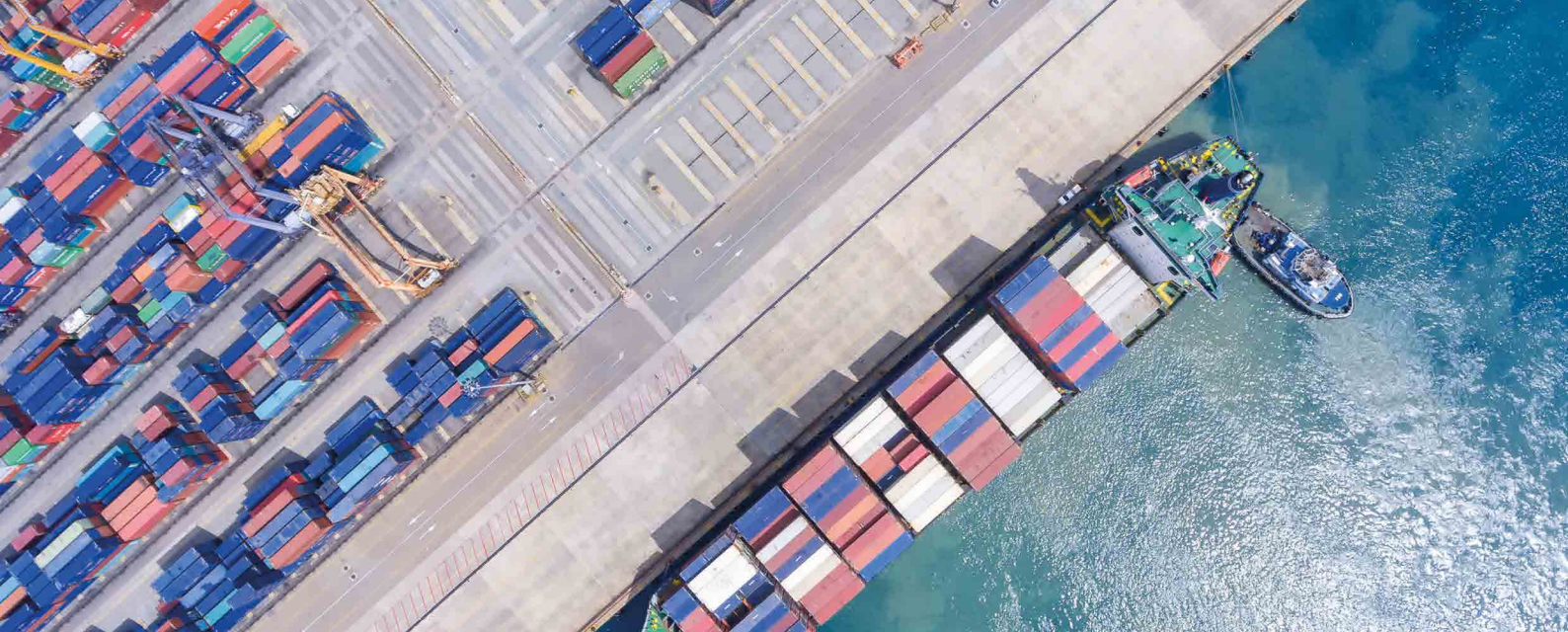
Manufacturers were the most optimistic, while construction firms predicted a fall in output.



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.



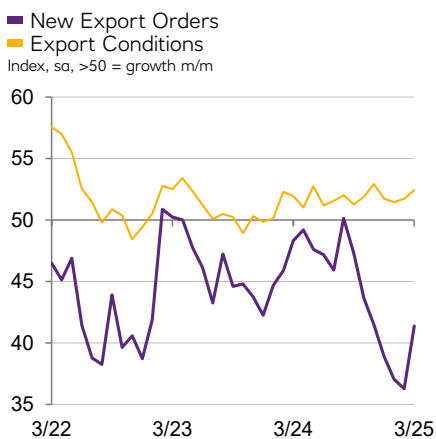
Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.



# Export markets

## New export business down for seventh month running

Reports of caution among international clients led to a further reduction in new business from abroad in March, thereby extending the current sequence of decline to seven months. Although remaining marked, the rate of contraction eased to the slowest since last November.



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.

## Solid improvement in export climate

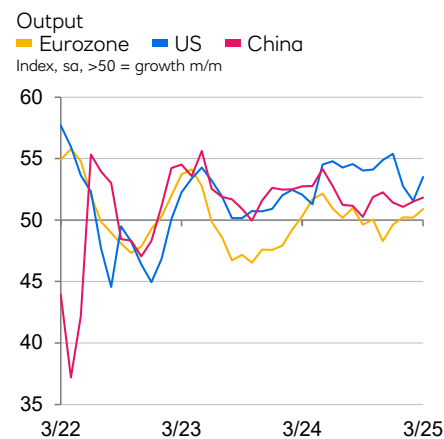
The ECI rose to 52.4 in March from 51.7 in February, signalling a solid strengthening of the demand climate in key export markets. In fact, the improvement in the climate was the most pronounced in four months.

The improved demand climate was reflective of accelerated increases in business activity in the two largest export markets for Northern Ireland firms - the Republic of Ireland and the USA. Germany and the Netherlands meanwhile posted modest growth, but Canada saw output fall sharply.



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.

The Northern Ireland Export Climate Index (ECI) is an indicator for the economic health of the region's export markets. It is calculated by combining national PMI output data, weighted according to each nation's share of manufacturing exports of Northern Ireland. A reading above 50 signals an improvement in export conditions, and below 50 a deterioration.



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.





# Jobs and capacity

## Firms scale back employment again in March

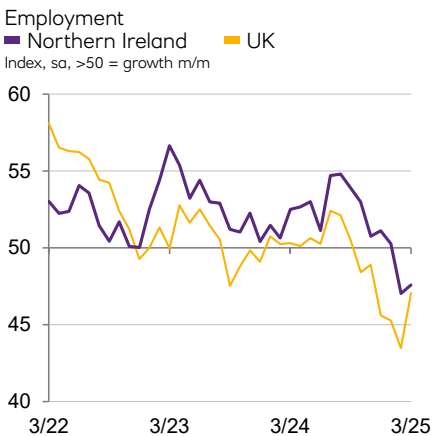
March data pointed to a second consecutive monthly reduction in staffing levels among Northern Ireland companies. The latest fall was solid but less marked than seen in February and weaker than the UK average.

Panellists often reported that they had opted not to replace departing staff during the month.

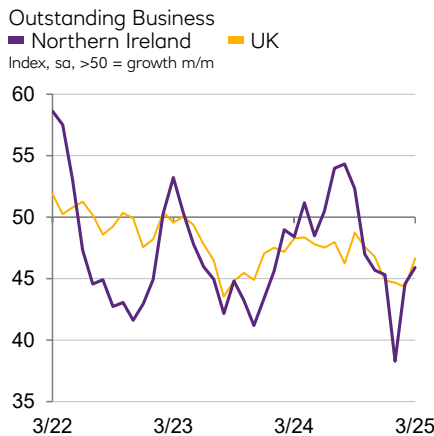
Employment increased in manufacturing and construction, but decreased in services and retail.

Despite the reduction in workforce numbers, Northern Ireland companies remained able to deplete outstanding business in March. Backlogs decreased markedly, albeit to the least marked extent since last October. Respondents linked the fall in outstanding business to lower new orders.

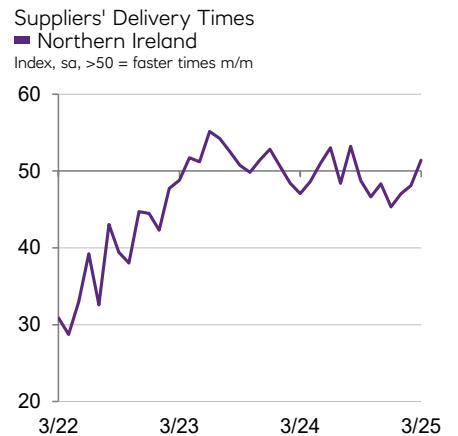
Muted demand conditions meant that suppliers were able to speed up their deliveries in March. Lead times shortened for the first time in seven months. The improvement in vendor performance was modest.



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.

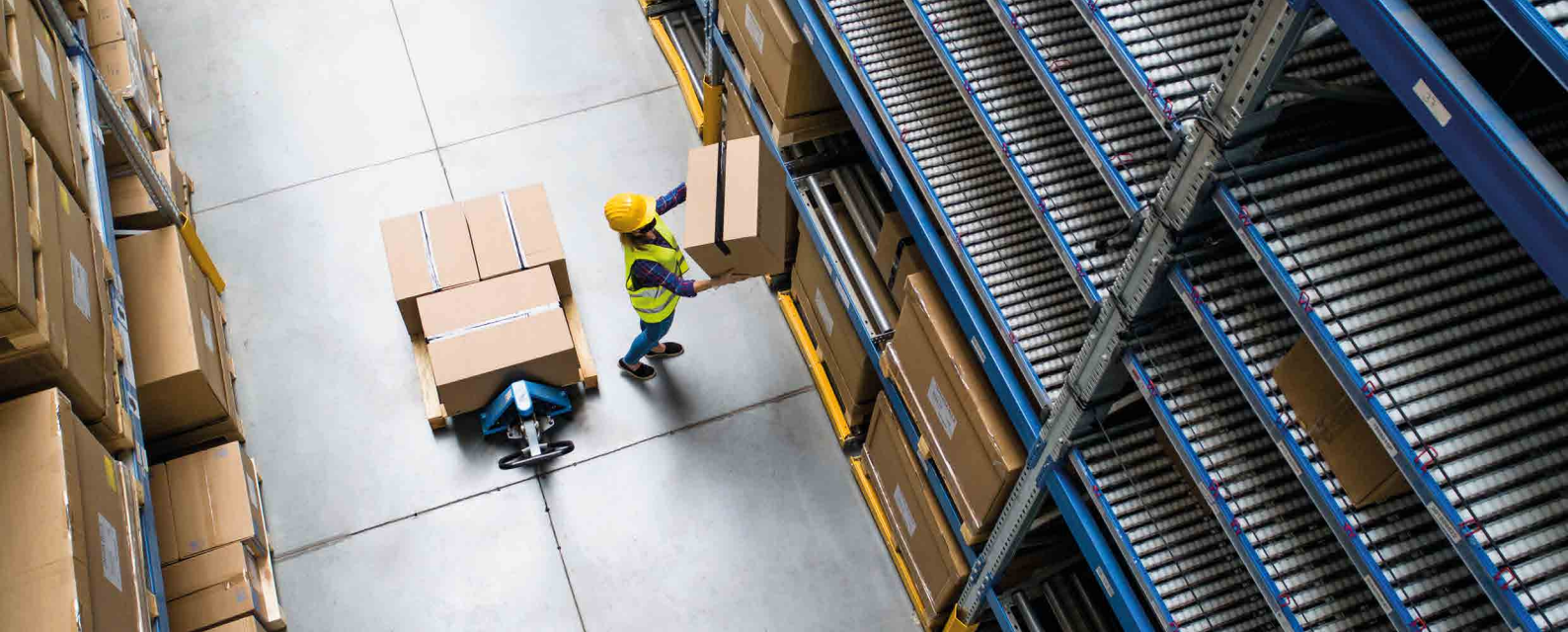


Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.





# Inflation

## Fastest rise in input costs for over two years

Input prices increased rapidly among Northern Ireland firms in March as 46% of respondents signalled a rise over the month.

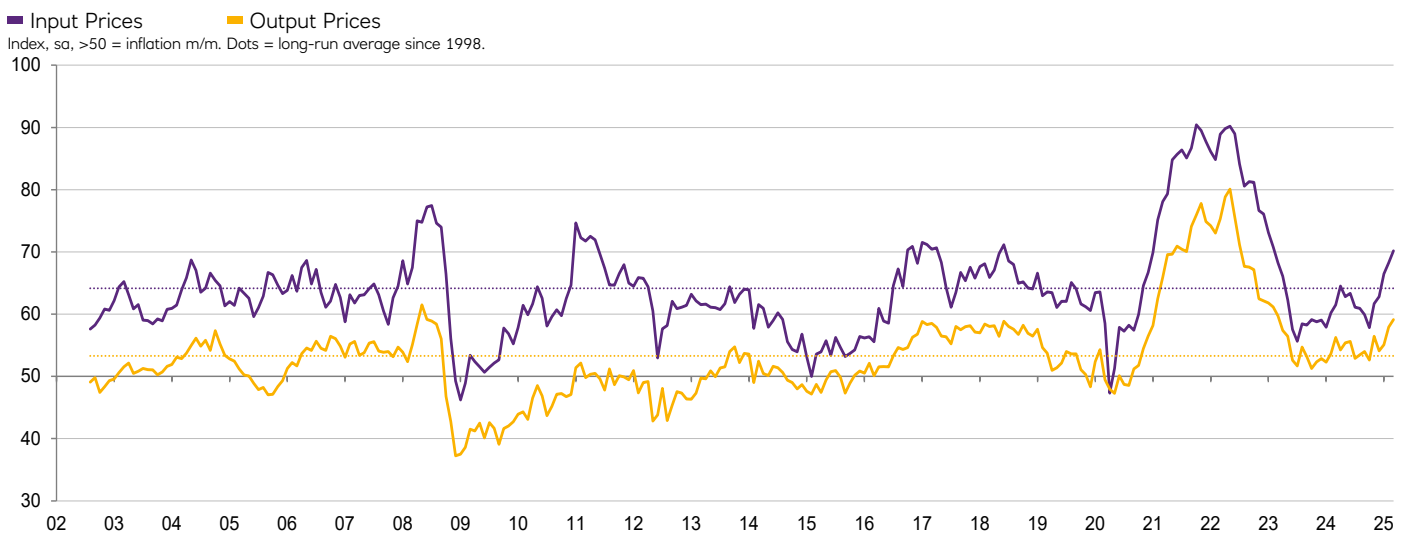
The pace of inflation was the strongest since February 2023 and the most pronounced of the UK regions and nations covered by the report.

Sector data showed that the acceleration in the rate of increase

was driven by manufacturing and retail.

Respondents often linked higher input costs to rising wage pressures and the imminent increase in employer National Insurance Contributions.

With input costs up sharply, companies raised their selling prices accordingly. The pace of charge inflation was at a two-year high and the steepest of the 12 UK regions and nations.



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.

# UK Regional Growth Tracker

## Business Activity

Firms in London reported the steepest rise in business activity in March, followed by those in the South West. Growth was seen across a greater number of areas than in February, reflecting renewed upturns in the South East and Yorkshire & Humber. Northern Ireland\* remained at the bottom of the rankings, seeing activity fall for a fourth straight month, albeit at a slightly slower rate than in February.

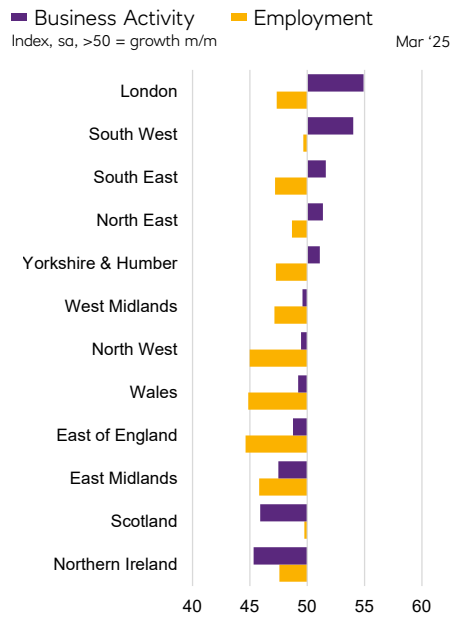
## Employment

Although employment fell across the board in March, rates of job losses generally eased. Scotland and the South West in fact saw only fractional decreases in workforce numbers. The fastest fall in staffing levels was recorded in the East of England, though the pace of decline there was noticeably slower than the month before.

## Future Activity

Sentiment towards future activity remained positive across all 12 nations and regions monitored in March, albeit easing in two-thirds of cases. The strongest confidence was registered in the East of England, where it was the highest for five months. Growth expectations were lowest in Northern Ireland, despite improving there for a second consecutive month.

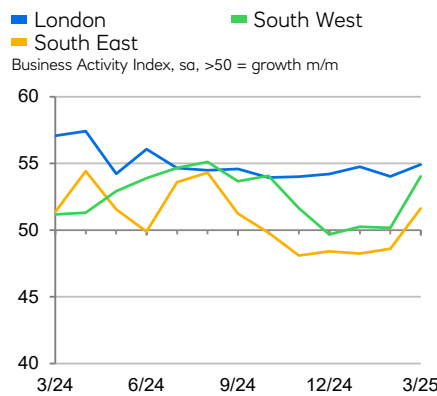
\*As well as manufacturing and services, coverage in Northern Ireland also includes construction and retail.



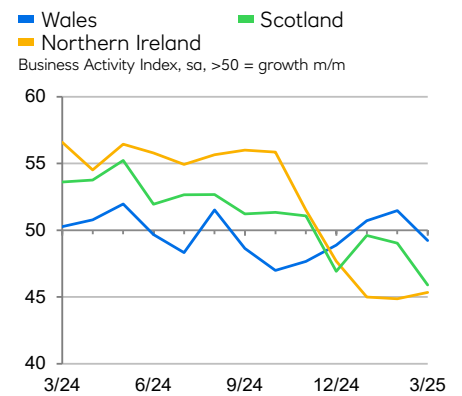
Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.



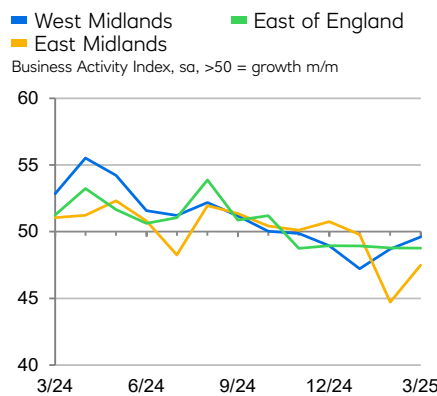
Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.



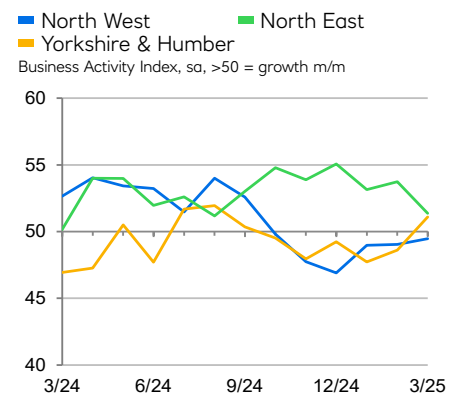
Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.



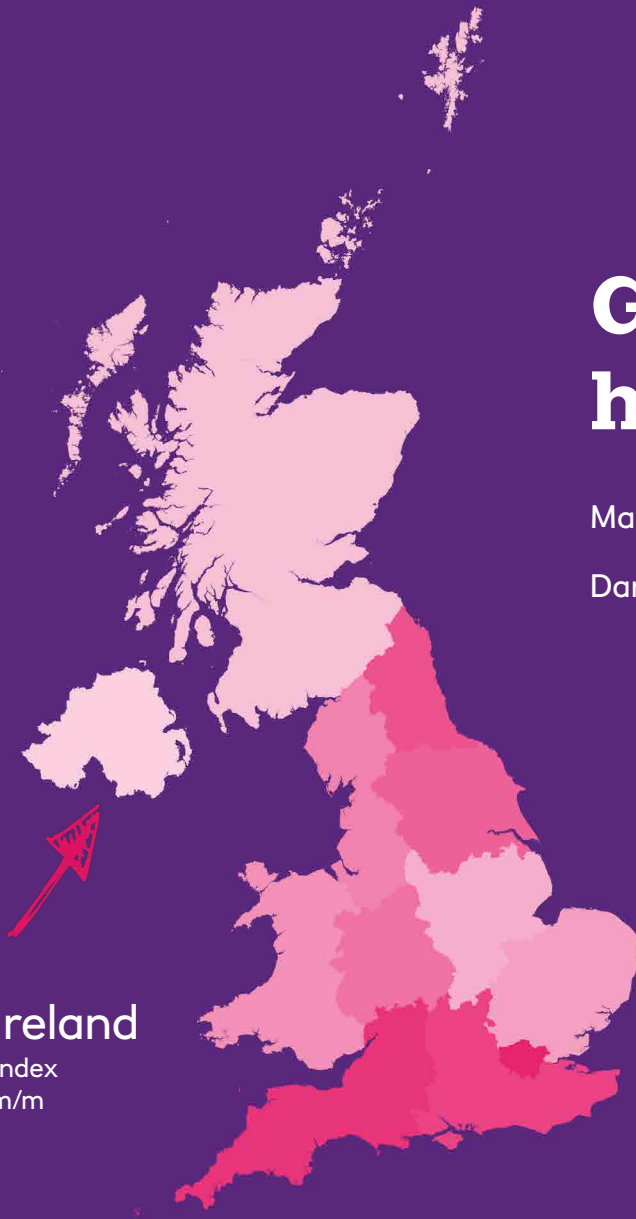
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# Growth Tracker heat map

March 2025

Darker colour = higher business growth

## Northern Ireland

Business Activity Index  
sa, >50 = growth m/m

# 45.3



Sources: NatWest, S&P Global PMI. ©2025 S&P Global.



Ulster Bank

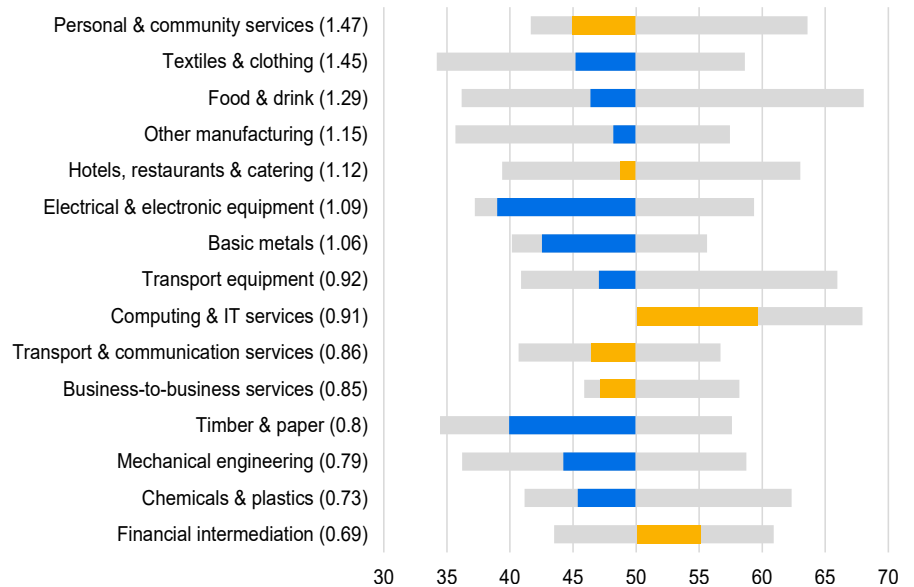
# UK sectors

## Sector specialisation: Northern Ireland

The chart shows UK output indices by sector, ranked by location quotients for Northern Ireland. Location quotients (LQs) are ratios derived by comparing the share of sector output (or gross value added) in regions with the national share of output in the same sector.

Focusing on the manufacturing and service sectors in isolation, a location quotient is calculated by taking a sector's proportion of regional output and comparing it with the UK-wide share of output in the sector. An LQ of 1.0 in a sector means that the region and the UK as a whole are equally specialised in that sector. An LQ greater than 1.0 indicates that the sector has a greater economic footprint in the region than it does for the UK as a whole.

UK sectors ranked by importance to the Northern Irish economy  
 ■ Manufacturing ■ Services ■ 3-year range  
 UK Output Index, sa, >50 = growth m/m Mar '25



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.  
 Location quotients for Northern Ireland are shown in brackets. Latest data are smoothed as three-month moving averages (3mma).

## Sector in focus: Hotels, restaurants & catering

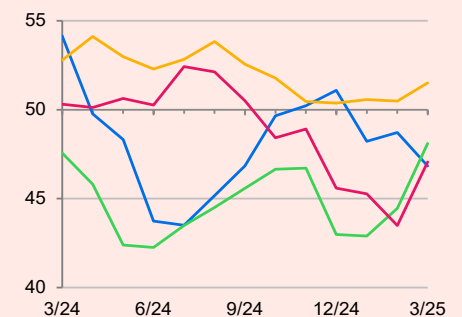
Activity fell across the UK's hotels, restaurants & catering sector during the three months to March, thereby reversing a slight increase seen in the final quarter of 2024.

The downturn in business activity was attributable to a severe lack of incoming new work, which continued to exhibit the weakest trend seen since early 2021. Firms in the sector cut workforce numbers, accordingly, stretching the current spell of staff retrenchment to nearly three years. That said, the pace of job losses was the weakest in this sequence, having

eased sharply since the turn of the year.

Notably, the hotels, restaurants & catering sector saw a spike in cost pressures over the opening quarter of the year. The steep rise in input prices, which was largely attributed to labour cost increases, was the strongest recorded since mid-2023 and the fastest among the broad services sub-sectors tracked by PMI data. In turn, firms reported a marked rise in average prices charged.

Output / Employment  
 ■/■ Hotels, restaurants & catering\*  
 ■/■ Manufacturing & services  
 Index, sa, >50 = growth m/m



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.  
 \*Data are smoothed as three-month moving average (3mma).



# Methodology

The Ulster Bank Northern Ireland Growth Tracker is compiled by S&P Global from responses to questionnaires sent to a panel of around 200 private sector companies in Northern Ireland, operating in the manufacturing, construction, retail and services sectors.

The panel has been carefully selected in order to accurately reflect the true structure of the economy and therefore provide an accurate picture of business conditions.

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.

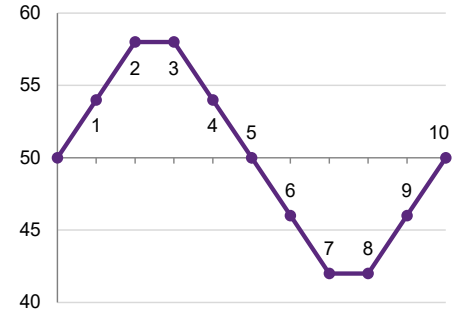
The headline figure is the Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity (at service providers) or output (at manufacturers) compared with one month previously.

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 survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

Index interpretation

Index, sa, >50 = growth m/m



Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.

Key

- 1 Growth, from no change
- 2 Growth, faster rate
- 3 Growth, same rate
- 4 Growth, slower rate
- 5 No change, from growth
- 6 Decline, from no change
- 7 Decline, faster rate
- 8 Decline, same rate
- 9 Decline, slower rate
- 10 No change, from decline

# Data

## Northern Ireland

Index, sa, 50 = no change over previous month. \*50 = no change over next 12 months.

	Business Activity	New Business	New Export Business	Export Climate Index	Employment	Outstanding Business	Suppliers' Delivery Times	Future Activity*	Input Prices	Output Prices
10/24	55.8	53.2	43.7	51.9	53.0	47.0	46.6	60.3	57.8	52.6
11/24	51.5	48.5	41.5	52.9	50.8	45.7	48.3	55.6	61.7	56.4
12/24	47.7	47.3	39.0	51.7	51.1	45.3	45.3	56.2	62.8	54.1
1/25	45.0	40.6	37.1	51.5	50.3	38.3	47.1	51.6	66.5	55.1
2/25	44.9	41.6	36.3	51.7	47.0	44.5	48.1	54.0	68.3	57.9
3/25	45.3	45.1	41.4	52.4	47.6	45.9	51.4	56.1	70.2	59.1

	Business Activity	New Business	Employment	Outstanding Business	Future Activity*	Input Prices	Output Prices
Manufacturing	3/25	55.6	54.5	51.9	53.3	66.2	59.0
Construction	3/25	43.8	37.1	50.2	42.3	45.0	58.2
Retail	3/25	32.4	31.5	40.5	30.6	50.0	68.9
Services	3/25	47.3	49.1	48.0	51.6	59.0	56.1

# Further information

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We work together to achieve business success, no matter how simple or complex our customers' requirements. A combination of size, financial strength and wide ranging capability means we can deliver for our customers, whatever their business may be.

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<https://www.ulsterbank.co.uk/business/insights/economics.html>

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## Contact

NatWest

Jonathan Rennie  
Regional Media & Campaigns  
Manager  
+44 (0) 7769 932 102  
[jonathan.rennie@natwest.com](mailto:jonathan.rennie@natwest.com)

S&P Global Market Intelligence

Andrew Harker  
Economics Director  
S&P Global Market Intelligence  
+44 1491 461 016  
[andrew.harker@spglobal.com](mailto:andrew.harker@spglobal.com)

Corporate Communications  
S&P Global Market Intelligence  
[press.mi@spglobal.com](mailto:press.mi@spglobal.com)

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