11 March 2026

Ulster Bank Northern Ireland Growth Tracker

Output growth hits 16-month high in February

Ulster Bank

PMI by S&P Global

11 March 2026

Ulster Bank Northern Ireland Growth Tracker

Contents

Ulster Bank

PMI® by S&P Global

Key findings

Growth continues to strengthen in 2026

Yet employment declines and price inflation is the highest since October 2022

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

Output growth hits 16-month high in February

The latest Ulster Bank Regional Growth Tracker saw rates of expansion in Northern Ireland gather momentum in February.

Sharper increases in both output and new orders were recorded and business confidence strengthened. That said, inflationary pressures were also more pronounced, while companies continued to lower employment fractionally, leading to a rise in backlogs of work.

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 – signalled a rise in output for the second month running in February in line with greater new orders. Moreover, improving to 54.3 from January's 53.0, the index pointed to growth that was the fastest since October 2024.

The rate of growth was the second-fastest of the 12 UK regions and nations, behind only London.

Stronger increases in output in the manufacturing and services sectors outweighed reductions in activity in construction and retail.

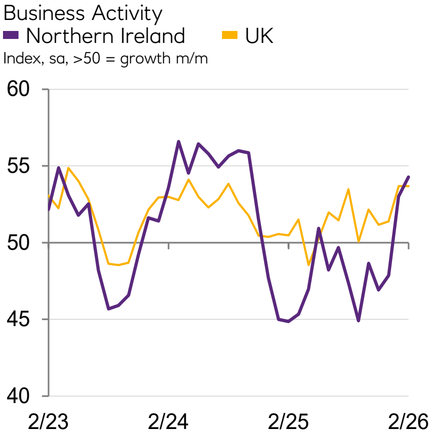
Ulster Bank Northern Ireland Business Activity Index, February 2026

54.3

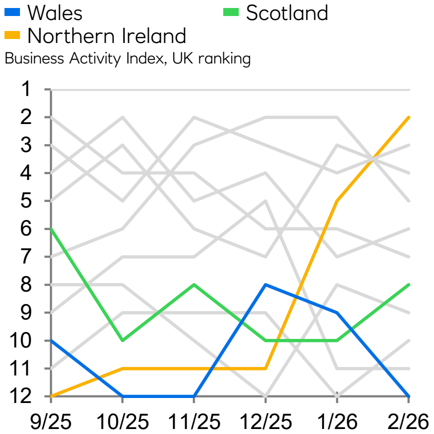
The Business Activity Index is a diffusion index calculated from companies' responses to a question on monthly changes in the volume of business activity. The index varies between 0 and 100 and is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. A reading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

Data compiled 10-25 February

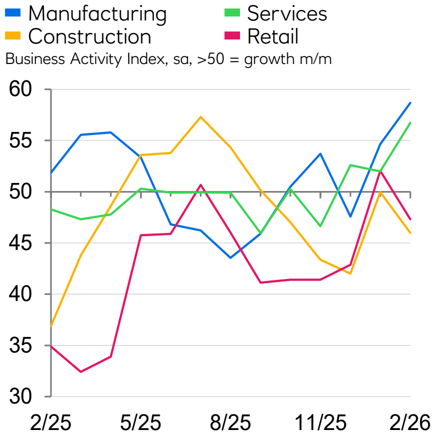
Business Activity



Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.



Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.



Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

Comment

Sebastian Burnside, Chief Economist for Ulster Bank, commented:

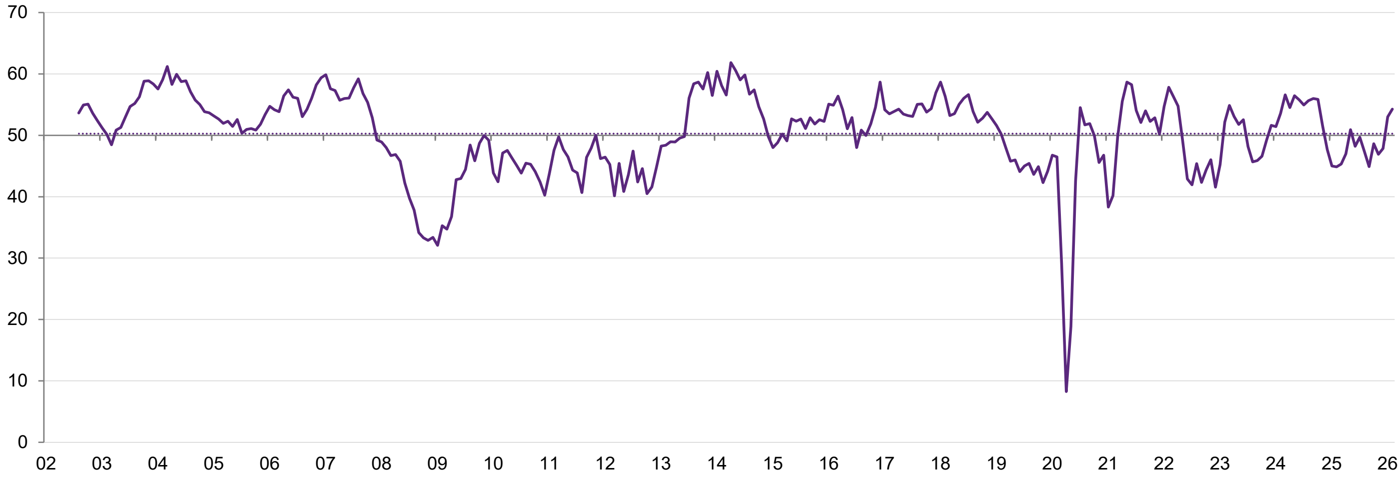
"So far, the opening quarter of the year has been positive for firms in Northern Ireland. Companies are increasingly able to bring in new business, leading to stronger output growth and enhanced confidence about the months ahead.

"It was a bit disappointing to see employment numbers continue to fall despite rising workloads. But a renewed increase in backlogs of work suggests that pressure on capacity is building and so we may see some more positive news on the jobs front soon.

"Inflation remains a headwind for firms, and potentially influencing hiring decisions, with both input costs and output prices increasing more quickly again in February. Demand held up well against the impact of higher prices, but this is something we will need to look out for as the year progresses."

Business Activity

Index, sa, >50 = growth m/m. Dots = long-run average since 2002.



Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

Demand and outlook

Increasing expansion in new business

New orders increased at Northern Ireland companies for the third time in four months during February. Moreover, the rate of expansion was solid and the fastest since August 2024.

In some cases, panellists reported that previous sales leads had been converted into contracts.

Growth of new orders in Northern Ireland was the third-sharpest of the 12 monitored UK regions and nations, behind only London and the South East of England.

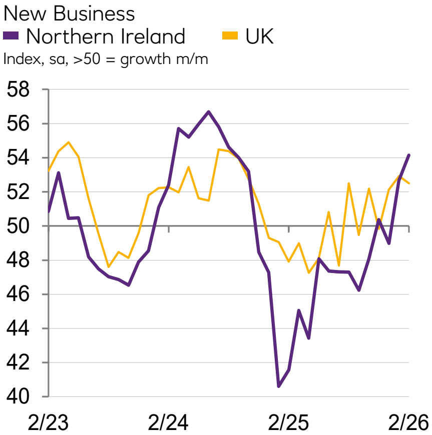
New business rose in manufacturing and services, was unchanged in retail and dropped in construction.

Companies were increasingly confident that output will rise over the coming year, with sentiment hitting a one-and-a-half year high in February.

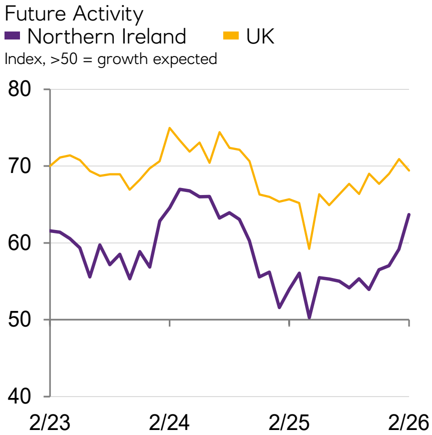
Central to the optimistic outlook was confidence that new orders will continue to expand.

Positive sentiment was signalled across the four monitored sectors, led by manufacturing.

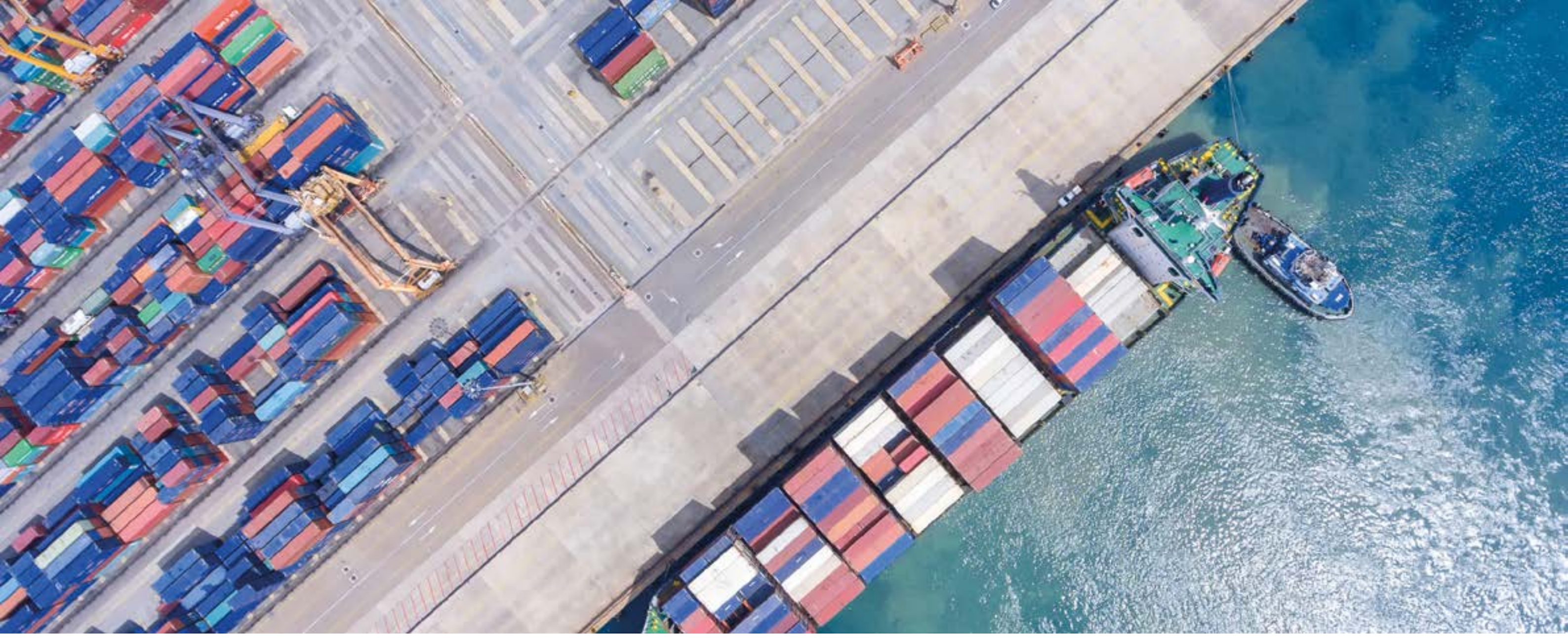
> "Companies are increasingly able to bring in new business, leading to stronger output growth and enhanced confidence about the months ahead."



Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.



Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.



Export markets

New export orders decrease again

While total new business increased in February, new export orders continued to fall amid reports of issues securing new business in the Republic of Ireland. Moreover, the rate of contraction was sharp and faster than in the previous month.

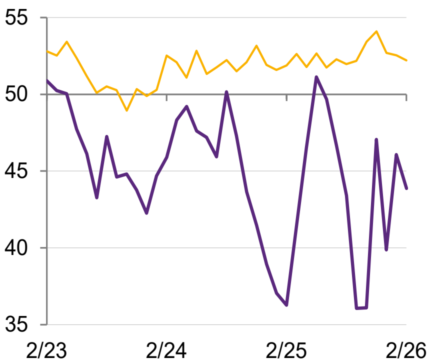
Modest strengthening in export demand conditions

The ECI posted 52.2 in February, down slightly from 52.5 in January but still above the 50.0 no-change mark and thus pointing to an improvement in demand conditions in export markets.

Both the Republic of Ireland and the USA saw rates of output growth soften in February, but Germany posted a faster rise than in January. Business activity in France was broadly unchanged, while Canada posted a reduction for the fourth consecutive month.

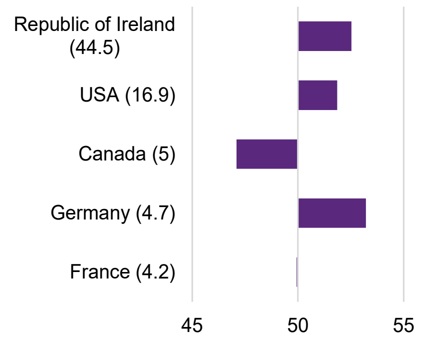
The Northern Ireland Export Climate Index (ECI) is an indicator for the economic health of the region's export markets. It is calculated by combining national PMI output data, weighted according to each nation's share of manufacturing exports of Northern Ireland. A reading above 50 signals an improvement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

New Export Orders
Export Conditions
Index, sa, >50 = growth m/m



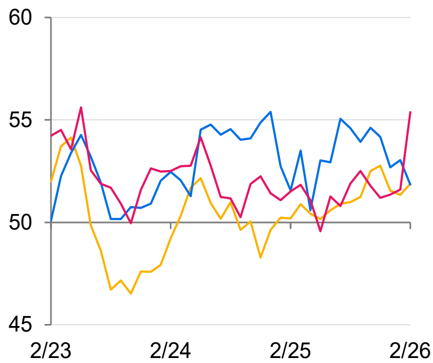
Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

Top export markets, Northern Ireland
% share of exports shown in brackets
Output Index, sa, >50 = growth m/m
Feb '26



Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

Output
Eurozone US China
Index, sa, >50 = growth m/m



Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

Ulster Bank

Return to contents

Jobs and capacity

Backlogs of work rise amid lack of employment growth

Despite an accelerated expansion in new orders during February, employment continued to fall. Some panellists reported difficulties finding suitable candidates, while others were looking for efficiency gains from existing staff members.

Employment increased in the services and construction sectors, but fell in manufacturing and retail.

A lack of job creation at a time of new order growth meant that backlogs of work increased in February, the first time in 17 months in which this has been the case.

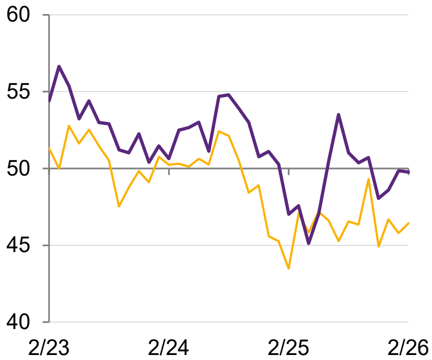
The rate of accumulation was only slight, however.

Suppliers' delivery times lengthened for the eighth consecutive month in February, and to a marked extent that was more pronounced than in January.

A number of respondents indicated that stormy weather had caused shipping delays.

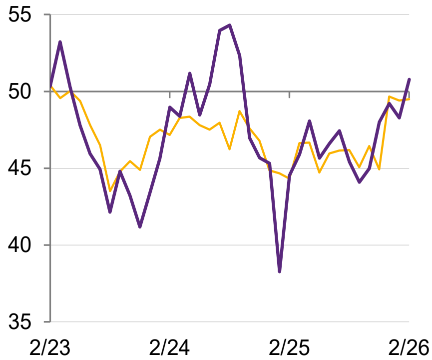
> "A renewed increase in backlogs of work suggests that pressure on capacity is building and so we may see some more positive news on the jobs front soon."

Employment
Northern Ireland UK
Index, sa, >50 = growth m/m



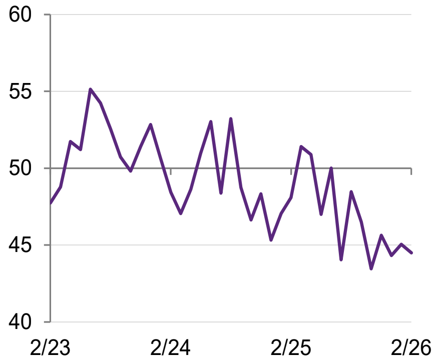
Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

Outstanding Business
Northern Ireland UK
Index, sa, >50 = growth m/m

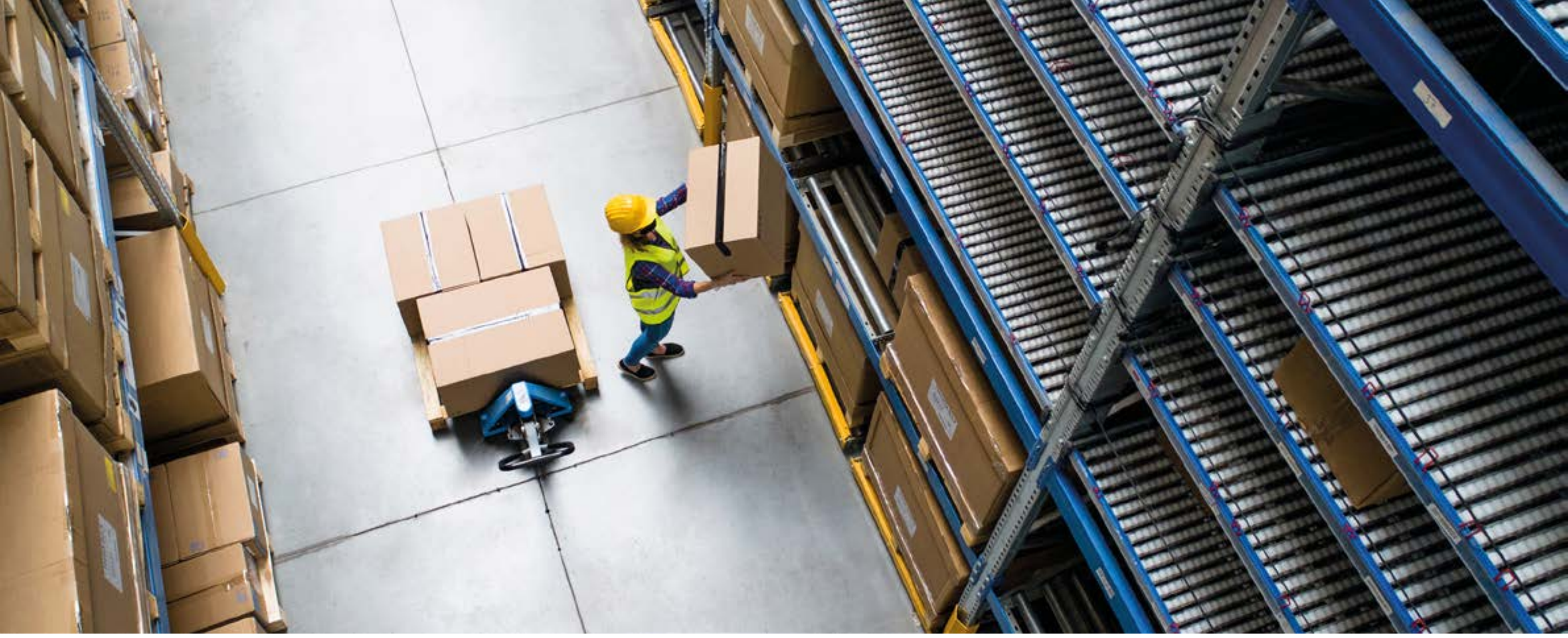


Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

Suppliers' Delivery Times
Northern Ireland
Index, sa, >50 = faster times m/m



Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.



Inflation

Sharpest rise in selling prices since October 2022

Higher costs related to staff and materials meant that input prices increased rapidly in the Northern Ireland private sector midway through the opening quarter of the year.

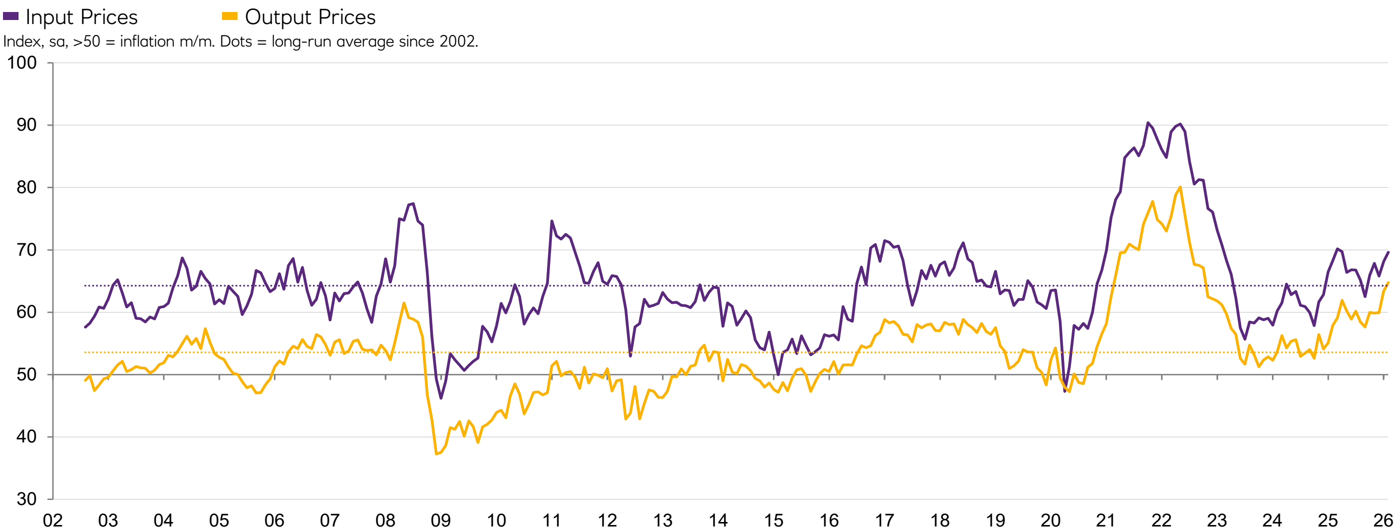
The rate of cost inflation hit a ten-month high, and was the sharpest of the 12 monitored UK regions and nations.

With input costs rising sharply, companies increased their output prices at the fastest pace since October 2022.

Here too, the rise was the strongest seen across the UK.

Retail posted the sharpest pace of charge inflation, with the slowest rise in construction.

"Inflation remains a headwind for firms, and potentially influencing hiring decisions, with both input costs and output prices increasing more quickly again in February."



Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

UK Regional Growth Tracker

Business Activity

Business activity growth was recorded in all but two of the 12 UK nations and regions monitored by the survey in February. London once again enjoyed the strongest rate of expansion, registering its best performance for more than two years, followed by Northern Ireland*. Slight decreases in output were seen in both the East Midlands and Wales.

Employment

In contrast to the picture for output, employment decreased in the vast majority of areas in February. Firms in Wales posted the steepest reduction in workforce numbers, followed by their counterparts in the North West. Scotland went against the trend and recorded a modest rise in staffing levels, while no change was recorded in the North East.

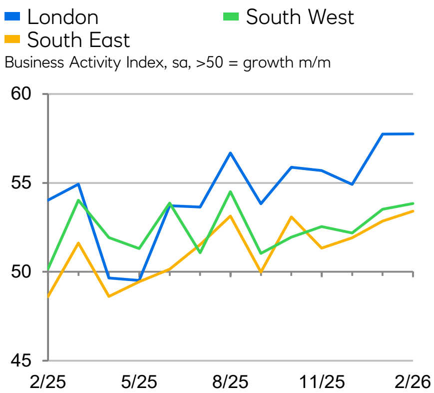
Future Activity

Business confidence towards future activity remained positive across the board in February. For the third straight month, expectations were highest in London. The capital did however see a reduction in optimism from the month before, which was also the case in six other regions.

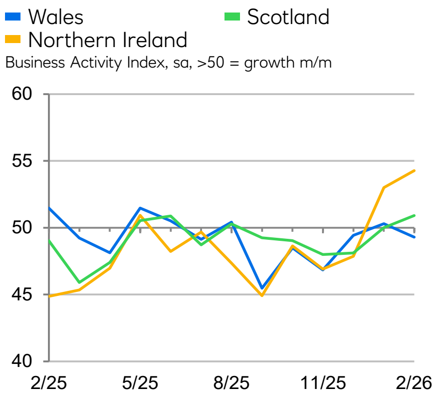
*As well as manufacturing and services, coverage in Northern Ireland also includes construction and wholesale & retail.

Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

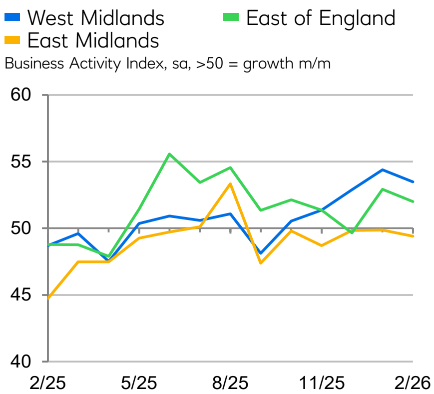
Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.



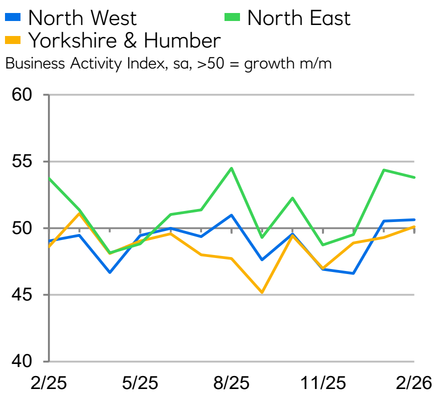
Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.



Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.



Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

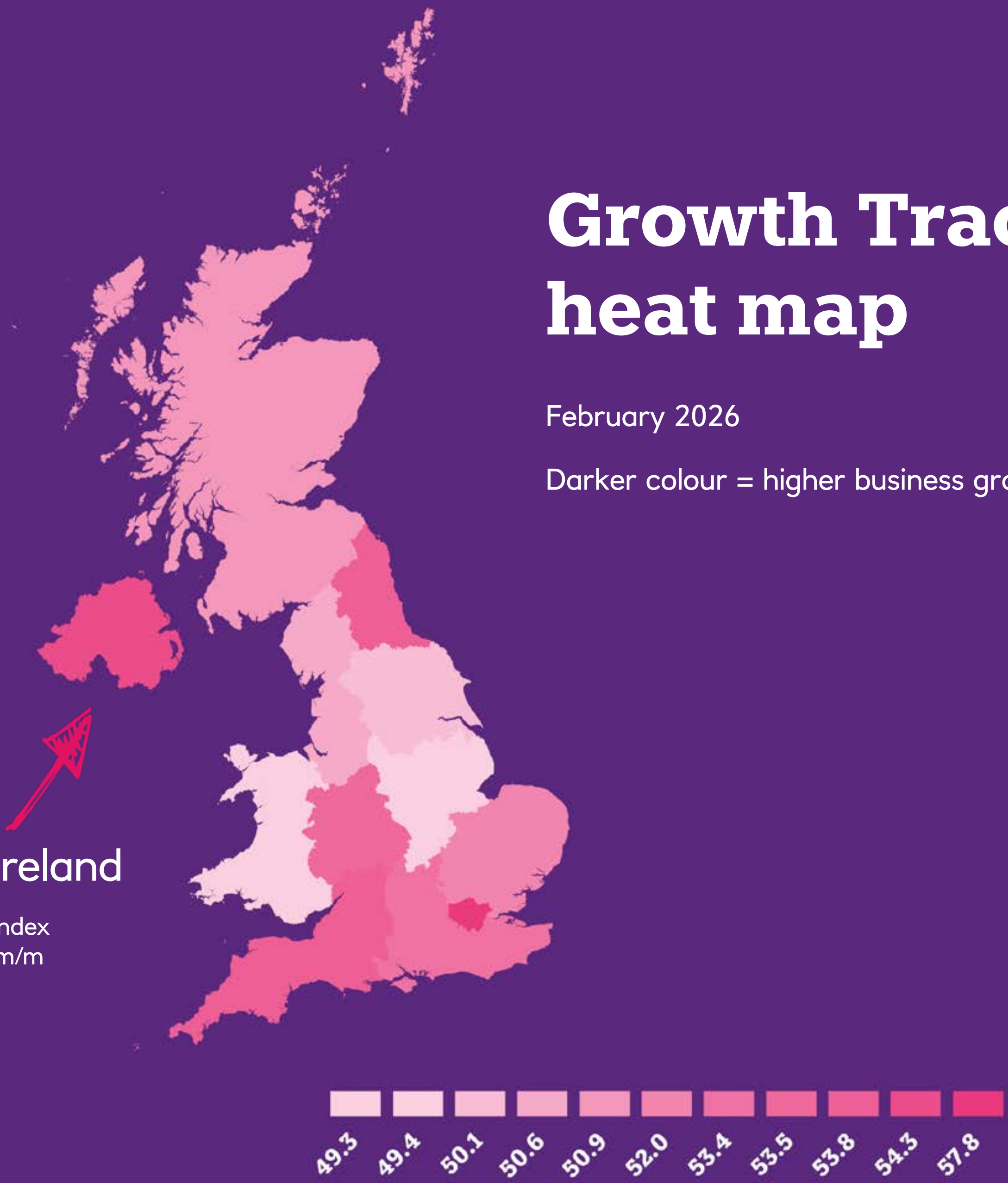


Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

Growth Tracker heat map

February 2026

Darker colour = higher business growth



Northern Ireland

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

54.3

Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

UK sectors

Sector specialisation: Northern Ireland

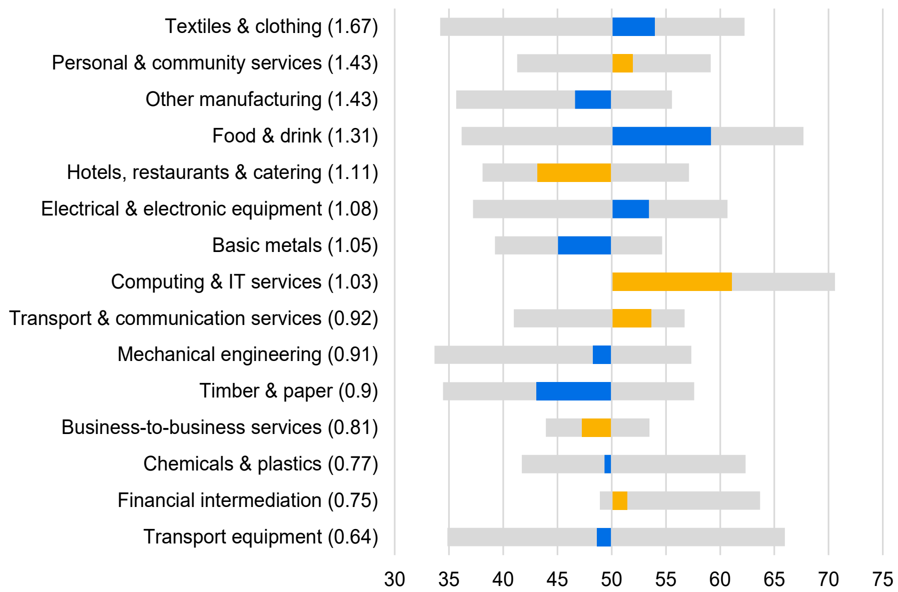
The chart shows UK output indices by sector, ranked by location quotients for Northern Ireland. Location quotients (LQs) are ratios derived by comparing the share of sector output (or gross value added) in regions with the national share of output in the same sector.

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 Feb '26



Sources: Ulster Bank, S&P Global PMI. ©2026 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: Food & drink

UK Food & Drink producers recorded strong growth in output in the three months to February, registering the fastest rate of expansion in almost a year-and-a-half. The growth performance was second only to that seen in Computing & IT services (see UK sector chart above).

A steep and accelerated increase in new orders helped drive the upturn, with the latest data showing rising demand both domestically and internationally. Firms in the sector recorded a first increase in backlogged orders since May 2022 and reported strong expectations for production growth in the coming year.

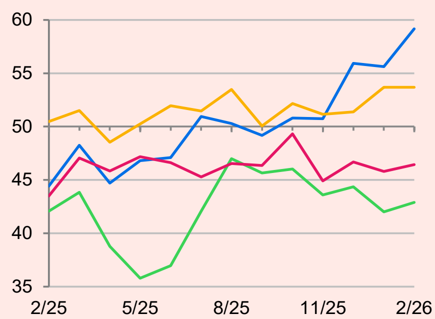
Nevertheless, employment in the sector fell sharply in the latest three-month period, dropping far more quickly than the average for the UK private economy as a whole. Food & Drink manufacturers faced persistently strong cost increases, but they noted only a modest rise in average prices charged, thus pointing to pressure on margins.

Output / Employment

Food & drink*

Manufacturing & services

Index, sa, >50 = growth m/m



Sources: Ulster Bank, S&P Global PMI. ©2026 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.

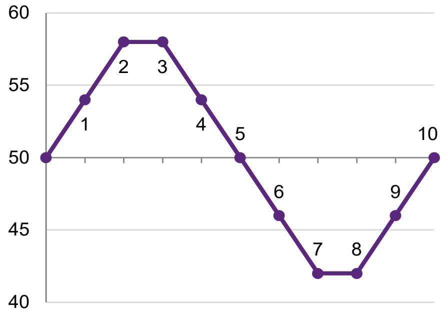
The headline figure is the Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity (at service providers) or output (at manufacturers) compared with one month previously.

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.

Index interpretation

Index, sa, >50 = growth m/m



Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

Key

1	Growth, from no change	6	Decline, from no change
2	Growth, faster rate	7	Decline, faster rate
3	Growth, same rate	8	Decline, same rate
4	Growth, slower rate	9	Decline, slower rate
5	No change, from growth	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
9/25	44.9	46.2	36.1	52.2	50.4	44.1	46.5	55.4	62.5	57.7
10/25	48.6	48.1	36.1	53.4	50.7	45.0	43.5	54.0	65.9	60.0
11/25	46.9	50.4	47.1	54.1	48.1	48.0	45.6	56.5	67.8	59.9
12/25	47.9	49.0	39.9	52.7	48.6	49.2	44.3	57.0	65.8	59.9
1/26	53.0	52.7	46.1	52.5	49.9	48.3	45.0	59.2	68.1	63.4
2/26	54.3	54.1	43.9	52.2	49.8	50.8	44.5	63.7	69.6	64.8

		Business Activity	New Business	Employment	Outstanding Business	Future Activity*	Input Prices	Output Prices
Manufacturing	2/26	58.7	58.7	48.5	54.6	65.5	69.4	63.6
Construction	2/26	46.0	49.6	62.6	49.2	55.6	67.8	59.7
Retail	2/26	47.3	50.0	38.5	47.2	59.4	75.2	73.1
Services	2/26	56.7	52.6	54.8	50.5	61.3	66.4	61.9

Further information

Ulster Bank

Ulster Bank is a member of NatWest Group. Ulster Bank acts as a full service institution to its customer base, providing an extensive range of retail banking, business banking, investment banking and capital markets services to corporate, personal and institutional clients.

Our focus is firmly centred on our customers. Every business customer benefits from access to a dedicated, professional and highly trained relationship manager. Their role is to gain a genuine understanding of our customers' business needs and provide dedicated financial information and assistance.

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.

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

https://www.linkedin.com/company/ulster-bank-northern-ireland-business/

S&P Global

S&P Global (NYSE: SPGI) 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 organisations plan for tomorrow,

www.spglobal.com

PMI by S&P Global

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

Contact

Ulster Bank

Elliot Roy
Regional Corporate Affairs Manager
+44 (0) 7483 184 467
elliot.roy@natwest.com

S&P Global Market Intelligence

Andrew Harker
Economics Director
S&P Global Market Intelligence
+44 1491 461 016
andrew.harker@spglobal.com

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

press.mi@spglobal.com

Disclaimer

Ulster Bank

PMI®

by S&P Global