

11 February 2026

Ulster Bank Northern Ireland Growth Tracker

Business activity rises for first time in eight
months



Ulster Bank

PMI[®]

by S&P Global

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Key findings

Renewed increases in output and new orders

Employment broadly unchanged

Inflationary pressures **strengthen**

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





Business activity rises for first time in eight months

The latest Ulster Bank Regional Growth Tracker signalled a positive start to the year for the Northern Ireland private sector.

Output and new orders returned to growth, while business confidence strengthened. Employment neared stabilisation. On the price front, rates of both input cost and output price inflation quickened.

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 – moved back above the 50.0 no-change mark for the first time in eight months in January, posting 53.0, up from 47.9 in December. The **solid** expansion was the fastest since October 2024.

Respondents indicated that the signing of new contracts had been key to the rise in output.

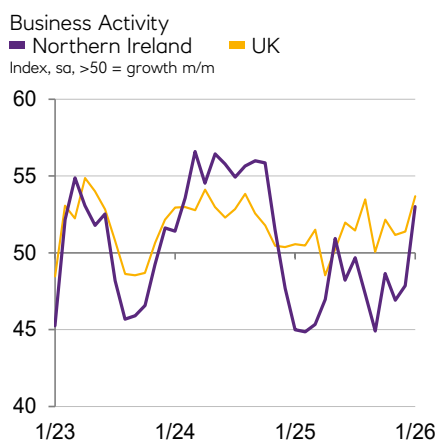
Activity increased in three of the four monitored sectors, the exception being construction where output was unchanged.

Ulster Bank Northern Ireland Business Activity Index, January 2026

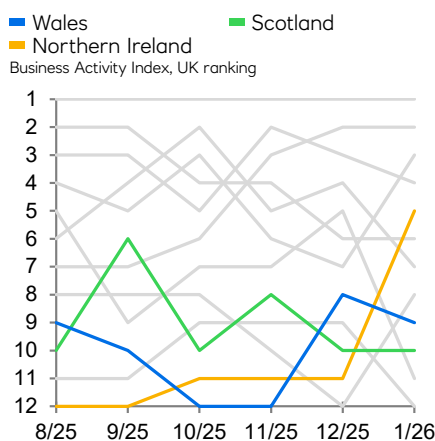
53.0

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.

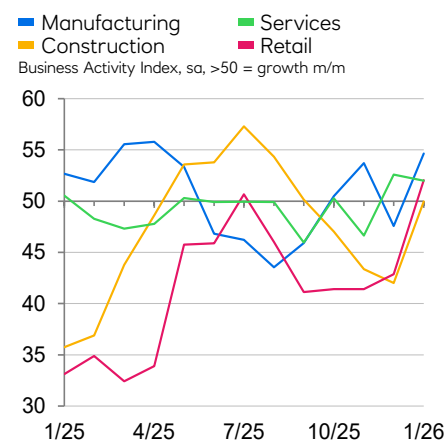
Data compiled 12-28 January



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



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Comment

Sebastian Burnside, Chief Economist for Ulster Bank, commented:

“Northern Ireland's private sector started 2026 on the front foot, not only seeing renewed increases in output and new orders, but posting the sharpest expansions since October 2024 in both cases.

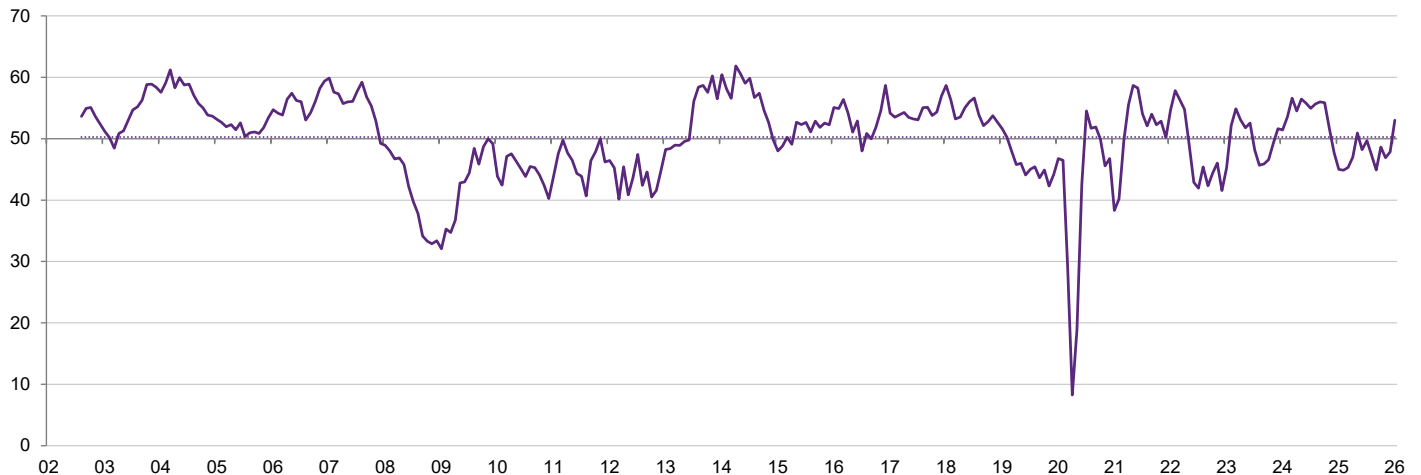
“Business confidence also strengthened amid suggestions of a positive pipeline of new work. Subsequently, there were signs of

stabilisation in employment, and we'll hopefully see job creation in the months ahead should output requirements continue to rise.

“Worries about inflation remain, however, with rates of increase in input costs and output prices intensifying further in January. In fact, selling price inflation was the fastest in more than three years. If this continues, firms may face challenges sustaining the growth seen at the start of the year.”

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

New orders return to growth

January data signalled a renewed expansion of new business at companies in Northern Ireland, the second in the past three months. Moreover, the rate of expansion was **solid and** the fastest since October 2024.

New customers and success in winning contracts were behind the increase in new business, according to respondents.

Three of the four monitored sectors posted a rise in new business, the

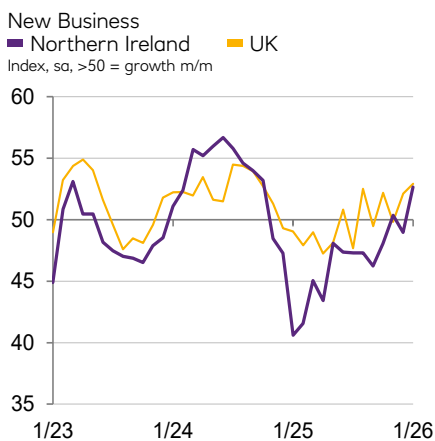
exception being services.

Companies expect the winning of new contracts to help support growth of output over the coming year. Sentiment strengthened to the highest in 15 months and was above the series average.

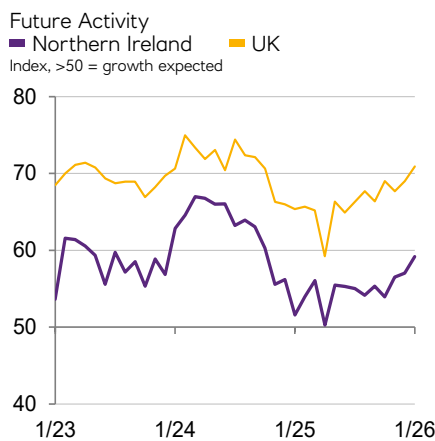
Around 35% of panellists expressed an optimistic outlook, more than twice the proportion that were pessimistic.

Positive sentiment was registered across all four monitored sectors, led by manufacturing.

"Northern Ireland's private sector started 2026 on the front foot."



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



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



Jobs and capacity

Employment nears stabilisation

Staffing levels were broadly unchanged in January, following modest declines in the final two months of 2025. Some firms took on staff to work on planned projects later in the year, while others remained reluctant to replace departing employees.

The broad stabilisation of employment in Northern Ireland compared favourably with a marked fall across the UK as a whole.

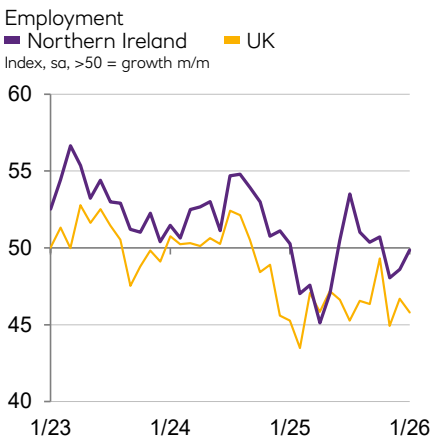
The manufacturing and construction

sectors posted rising workforce numbers, but employment fell in services and retail.

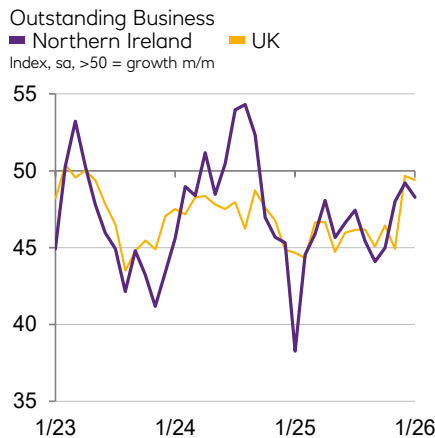
Despite the increase in new orders, companies continued to be able to keep on top of workloads in January, and reduced outstanding business again.

Meanwhile, firms signalled a further marked lengthening of suppliers' delivery times, extending the current sequence of deteriorating vendor performance to seven months. Some panellists reported longer shipping times.

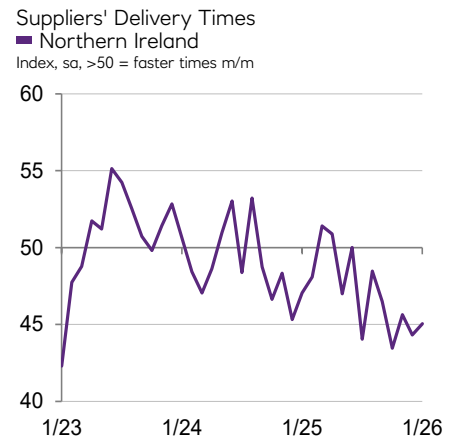
"We'll hopefully see job creation in the months ahead should output requirements continue to rise."



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



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Inflation

Inflationary pressures strengthen at start of 2026

January data pointed to sharper increases in both input costs and selling prices in Northern Ireland's private sector, with rates of inflation the highest in the UK.

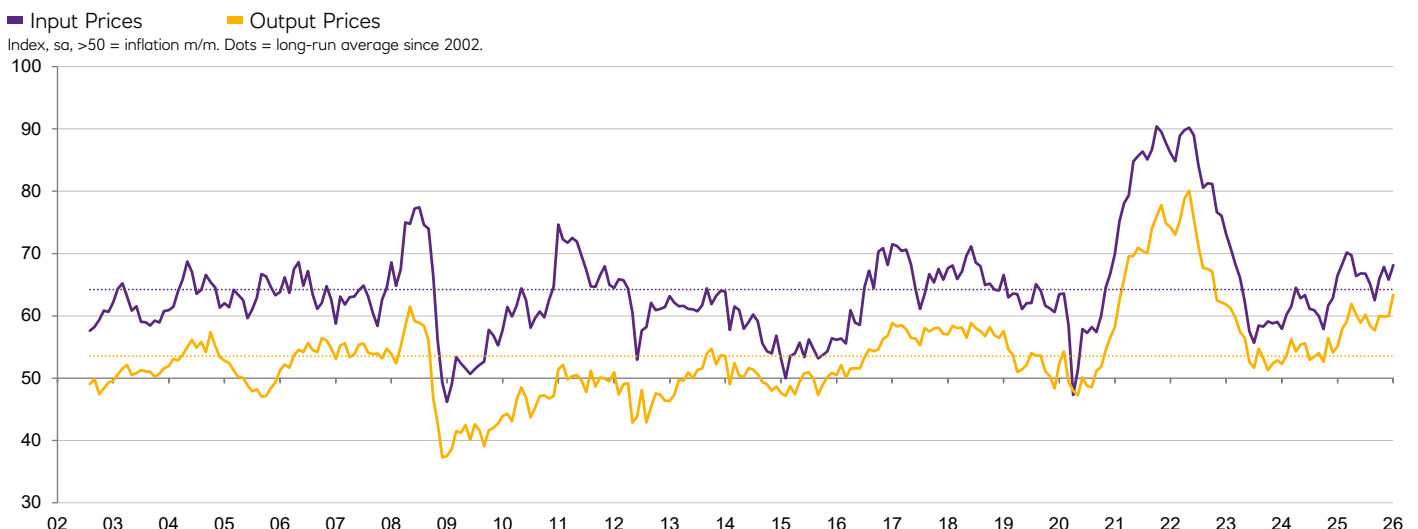
Input costs increased at the fastest pace in nine months amid higher prices for raw materials and rising

labour expenses.

In turn, companies increased output prices at the sharpest rate since October 2022.

Sector data signalled that inflationary pressures were most pronounced in the retail category, although marked increases in both input costs and output prices were seen across the board.

"Selling price inflation was the fastest in more than three years."



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

UK Regional Growth Tracker

Business Activity

Business activity growth was recorded in nine of the 12 nations and regions monitored by the survey in January, the most since August last year. Firms in London registered the quickest rate of expansion, followed by those in the West Midlands and North East. Scotland saw output stabilise, while slower declines were recorded in the East Midlands and Yorkshire & Humber.

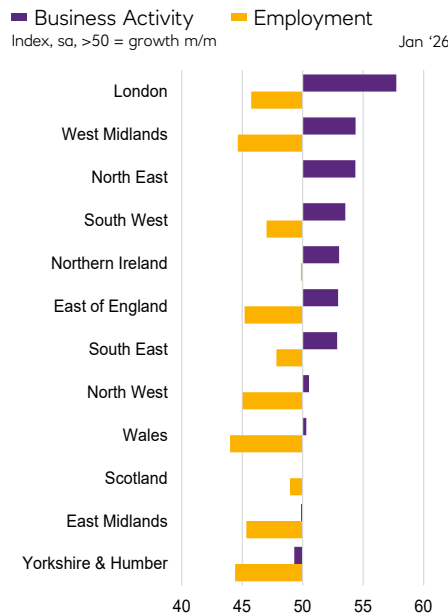
Employment

The latest data pointed to subdued hiring activity across the UK at the start of the new year. Most areas saw a decrease in employment, led by a steep and accelerated decline in Wales. There were some pockets of stability, however, with firms in the North East reporting unchanged workforce numbers and those in Northern Ireland* registering only a fractional decline.

Future Activity

Business expectations towards activity in the next 12 months improved in most areas in January. London, which was one of the regions where confidence strengthened, recorded the highest overall business confidence for the second month running. Expectations were lowest in Northern Ireland, though they did at least tick up to a 15-month high.

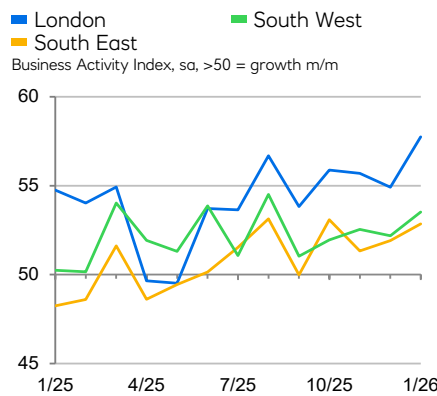
*As well as manufacturing and services, coverage in Northern Ireland also includes construction and wholesale & retail.



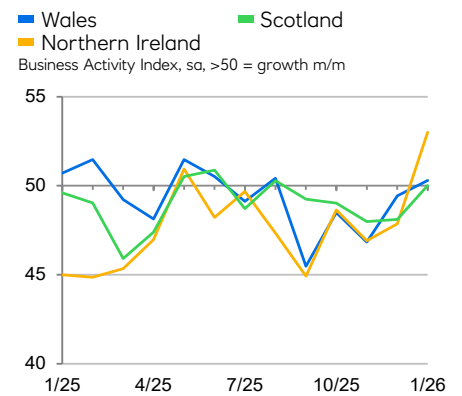
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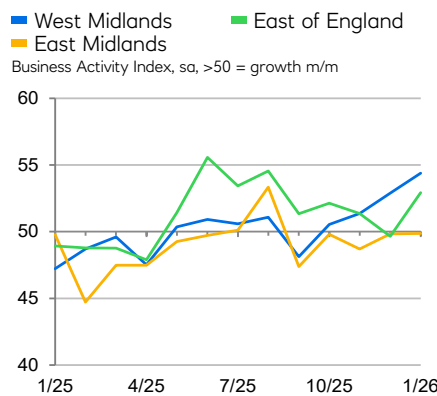
Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.



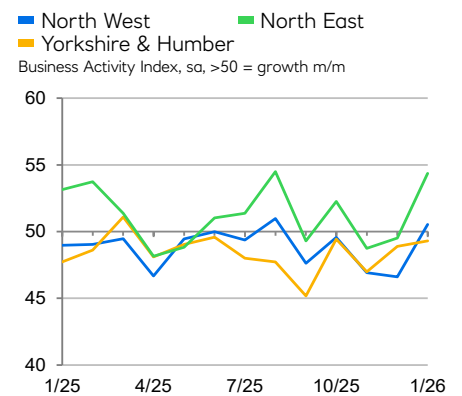
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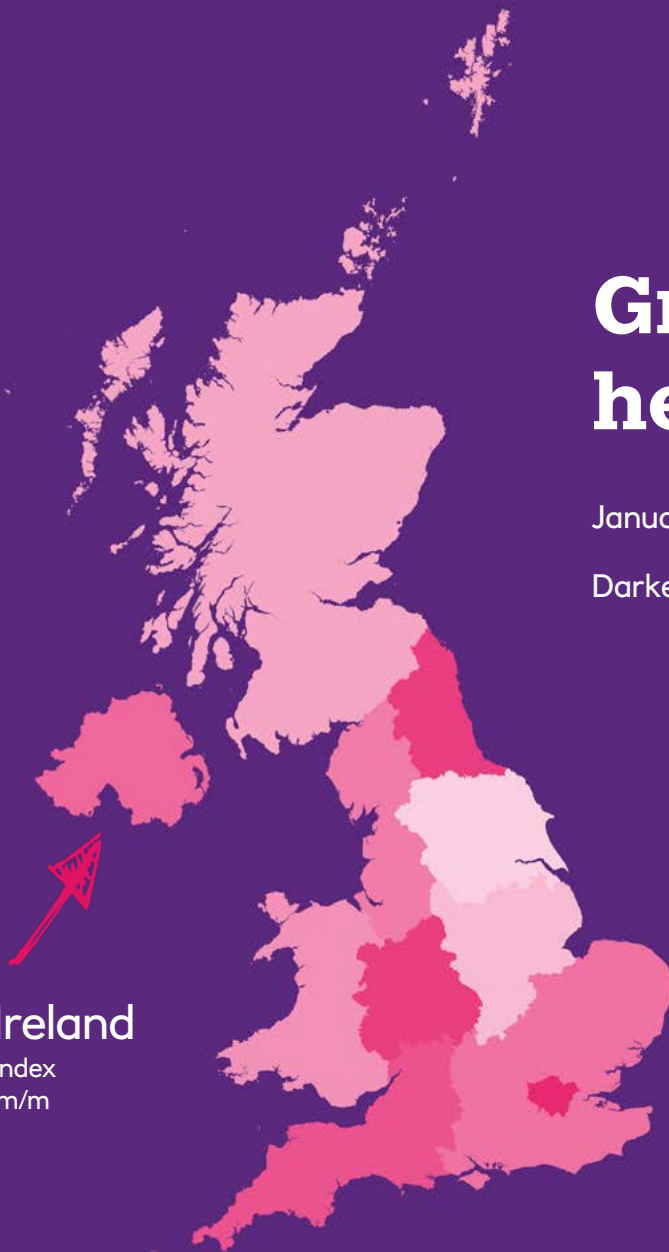


Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

Growth Tracker heat map

January 2026

Darker colour = higher business growth



Northern Ireland

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

53.0



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

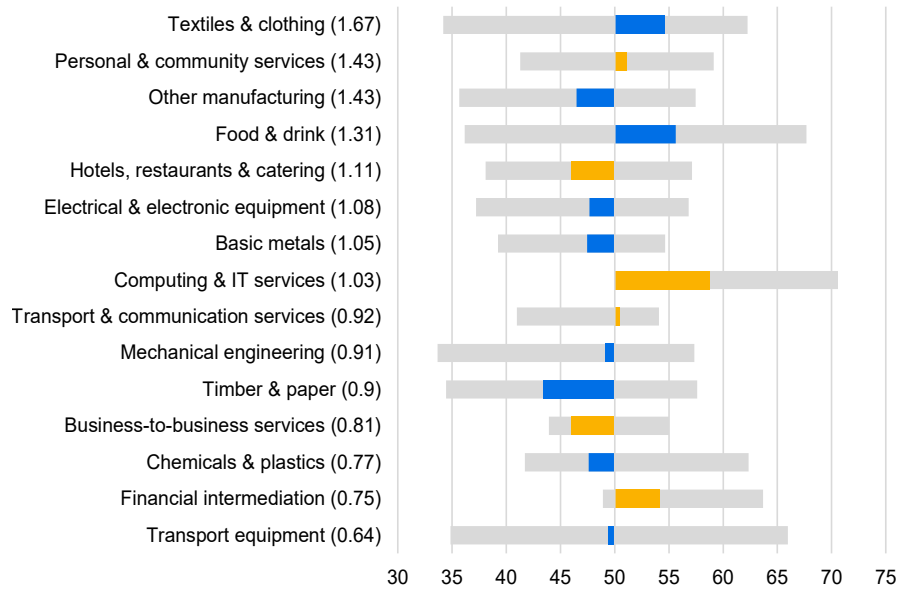
UK sectors

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 Jan '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: Personal & community services

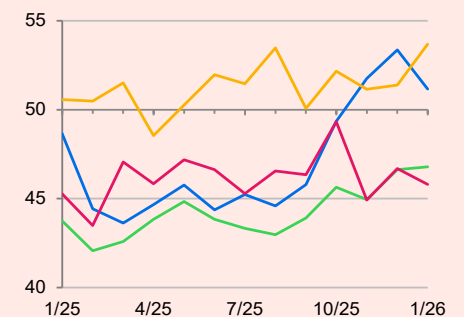
The recent upturn in the UK's personal & community services sector continued into the new year, with output increasing in the three months to January. The pace of expansion eased from that seen at the end of 2025 and slipped below the UK average, though the latest data did show sustained robust growth in inflows of new business.

Firms in the sector continued to face pressure from costs, which rose sharply and at a pace that was second only to that seen in the hotels, restaurants & catering

segment. Prices charged, on the other hand, increased only modestly, with the rate of inflation running below its long-run average.

Although personal & community service providers were hopeful of activity rising in the next 12 months, their confidence levels were subdued by historical standards. Workforce numbers were scaled back, in line with the trend stretching back to Q3 2024. The pace of job shedding was solid, although it eased to the weakest in over a year and was softer than the overall UK average.

Output / Employment
 ■/■ Personal & community services*
 ■/■ 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.

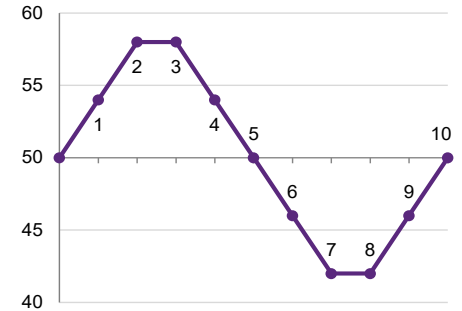
The headline figure is the Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity (at service providers) or output (at manufacturers) compared with one month previously.

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
- 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
8/25	47.3	47.3	43.4	52.0	51.0	45.4	48.5	54.2	65.2	58.4
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		49.9	48.3	45.0	59.2	68.1	63.4

		Business Activity	New Business	Employment	Outstanding Business	Future Activity*	Input Prices	Output Prices
Manufacturing	1/26	54.7	54.3	51.8	51.7	73.3	65.8	59.4
Construction	1/26	50.0	55.8	63.2	50.2	54.8	69.5	63.0
Retail	1/26	52.0	54.4	37.6	48.3	56.3	80.9	76.7
Services	1/26	52.0	48.0	48.5	45.1	54.4	63.8	55.7

Further information

Ulster Bank

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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/>

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