

11 November 2025

Ulster Bank Northern Ireland Growth Tracker

Employment continues to rise in October



Ulster Bank

PMI[®]

by S&P Global

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Key findings

Job creation recorded for fifth month running

Slower falls in output and new orders

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





Employment continues to rise in October

The latest Ulster Bank Regional Growth Tracker pointed to ongoing job creation in the Northern Ireland private sector as rates of contraction in output and new orders softened.

Meanwhile, firms recorded sharper increases in both input costs and selling prices.

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 48.6 in October from 44.9 in September, signalling a much slower fall in output over the month. Nonetheless, business activity has decreased continuously on a monthly basis since June.

Muted customer confidence and tight budgets were among the factors behind the reduction in output, according to respondents.

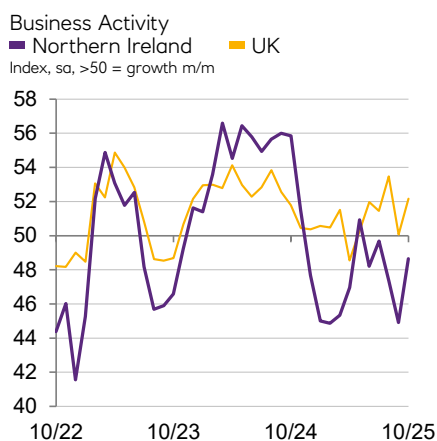
Renewed increases in output were seen in the manufacturing and services categories, while activity fell in construction and retail.

Ulster Bank Northern Ireland Business Activity Index, October 2025

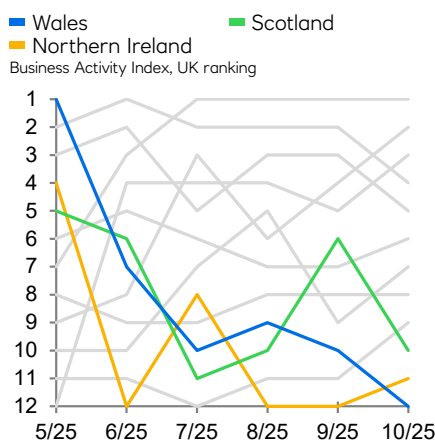
48.6

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.

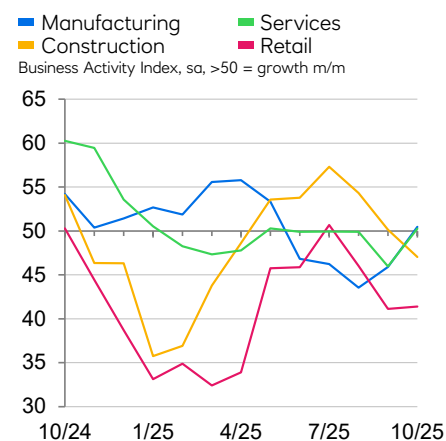
Data compiled 9-29 October



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, Chief Economist for Ulster Bank, commented:

“There were signs of recovery in the Northern Ireland private sector in October as rates of decline in output and new orders eased over the month. In fact, both the manufacturing and services sectors posted renewed expansions in business activity. Meanwhile, companies remained optimistic that output will rise over the coming year.

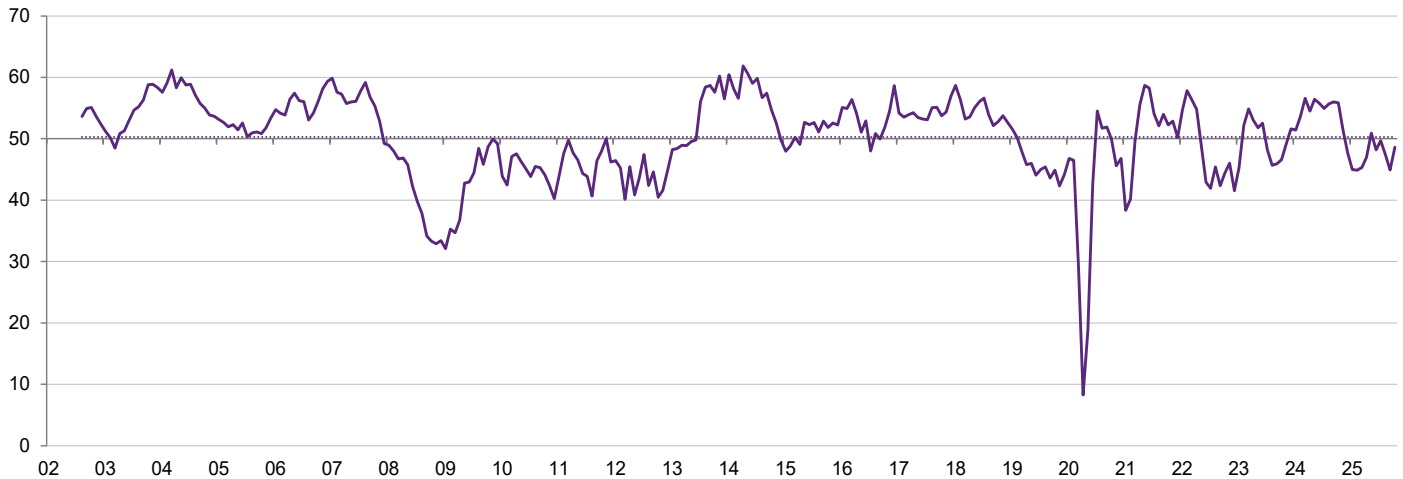
“This confidence in part helped firms to maintain hiring activities, despite

reduced workloads. Employment rose for the fifth month running, with Northern Ireland the leading light across the UK in terms of job creation.

“The sustainability of job creation was put in doubt by the inflation picture, however, with companies mainly linking higher operating expenses to wage pressures. Both input costs and output prices increased at faster rates during October.”

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

Softer fall in new orders

Northern Ireland companies posted a further reduction in new business in October, extending the current sequence of monthly reductions to a year. The latest fall was only modest, however, and the joint-weakest since last November (alongside May 2025).

In some cases, panellists indicated that inflationary pressures had limited demand.

Services new business was broadly unchanged, while new orders decreased elsewhere, particularly in the construction sector where

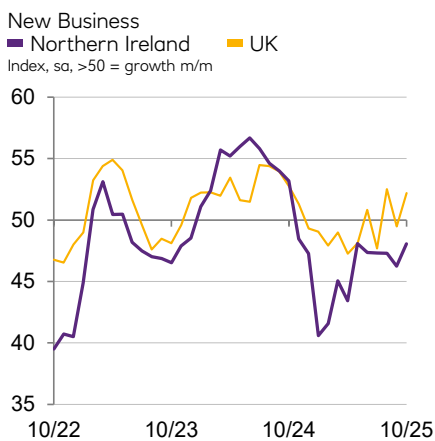
the rate of decline was the sharpest since April.

Although new orders continued to fall in October, expectations for growth over the coming year supported optimism in the outlook for business activity.

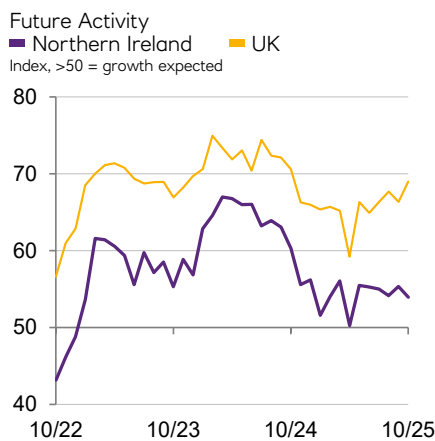
That said, sentiment eased to a six-month low amid challenging market conditions.

Three of the four monitored sectors expressed optimism regarding the year-ahead outlook, with only retailers pessimistic.

"There were signs of recovery in the Northern Ireland private sector in October as rates of decline in output and new orders eased over the month."



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



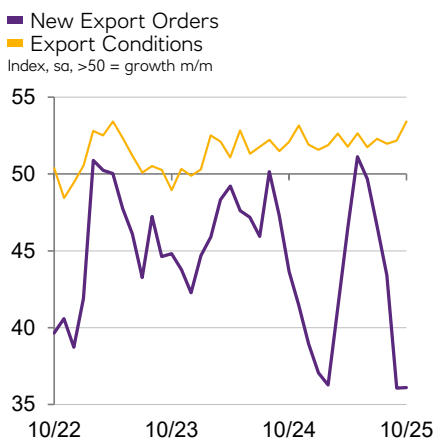
Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.



Export markets

New export orders fall sharply again

New business from abroad at Northern Ireland companies decreased for the fifth month running in October, and at a rapid pace that was unchanged from that seen in the previous survey period.



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

Export demand conditions improve to joint-largest degree since May 2022

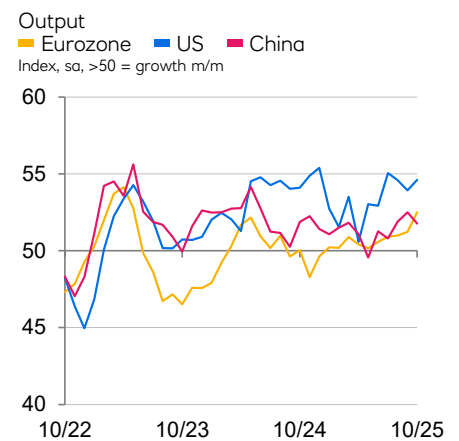
The ECI rose to 53.4 in October, up from 52.2 in September and the joint-highest in close to three-and-a-half years. The reading signalled a solid improvement in export demand conditions during the month.

Sharper rises in business activity were registered in the Republic of Ireland, USA and Germany. Meanwhile, Canada posted an increase in output for the first time in 11 months. Activity in France continued to fall, however.



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

Ongoing job creation recorded

Northern Ireland companies continued to increase their staffing levels in October, the fifth month running in which this has been the case. The rate of job creation was slight, but faster than in September.

Northern Ireland was one of only three areas of the UK to post a rise in employment (alongside London and the North East of England).

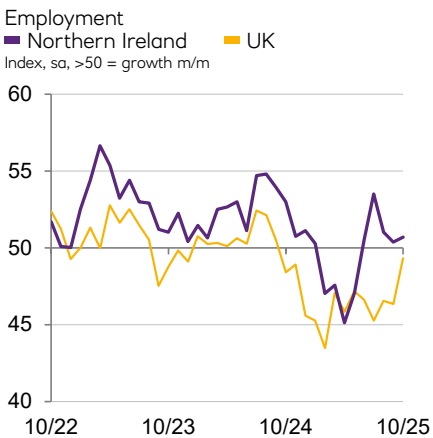
In some cases, workforce numbers increased amid expected new order inflows in the months ahead, while others mentioned the hiring of apprentices.

Employment rose in manufacturing, services and construction, but fell in retail.

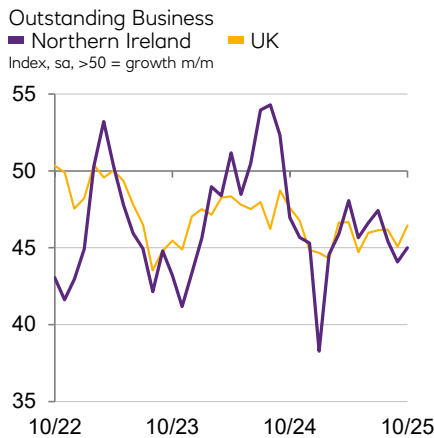
Higher staffing levels meant that firms were able to reduce backlogs of work again in October as new orders decreased. The rate of depletion was marked, but softer than seen in September.

Paperwork requirements as a result of Brexit caused a further lengthening of suppliers' delivery times. Vendor performance deteriorated rapidly, and to the greatest extent since January 2023.

"Employment rose for the fifth month running, with Northern Ireland the leading light across the UK in terms of job creation."



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

Wage increases lead to higher input costs

The rate of input price inflation quickened in October, with a number of firms linking higher operating expenses to rising wages.

The increase was the fastest in three months, and the sharpest of the 12 monitored UK regions and nations.

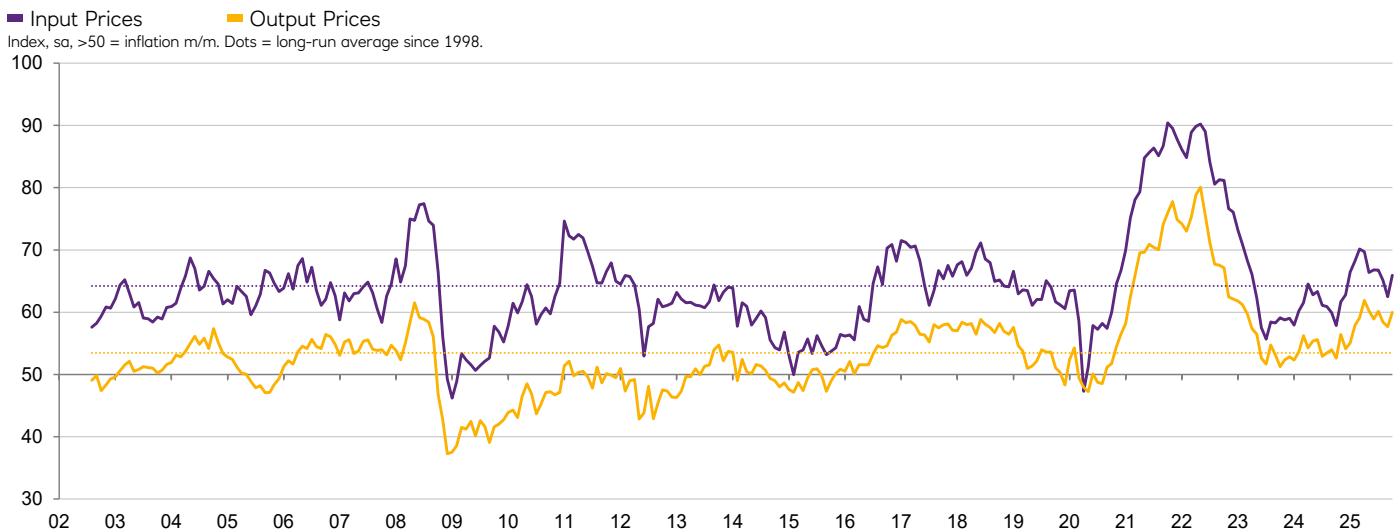
Marked rises in input costs were seen across the four broad sectors, with the sharpest inflation in retail.

Retailers in turn posted the sharpest increase in output prices, with inflation hitting a three-year high.

Overall, output charges rose at the fastest pace since July as companies passed higher input costs through to customers.

As was the case with input prices, the pace of inflation in charges in Northern Ireland was the sharpest of the 12 areas of the UK.

"Companies mainly linked higher operating expenses to wage pressures."



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

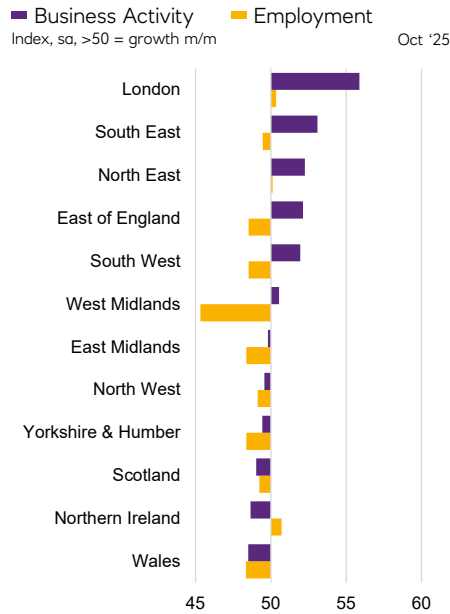
UK Regional Growth Tracker

Business Activity

Half of the 12 UK nations and regions monitored recorded a rise in business activity in October, with sustained growth in the East of England, London and South West seen alongside renewed upturns in the North East, South East and West Midlands. Slight decreases in output were registered elsewhere.

Employment

While employment fell in most areas at the start of the fourth quarter, the rates of decline generally eased from the month before. Workforce numbers ticked up in both London and Northern Ireland*, while the North East recorded broadly no change in staffing levels.



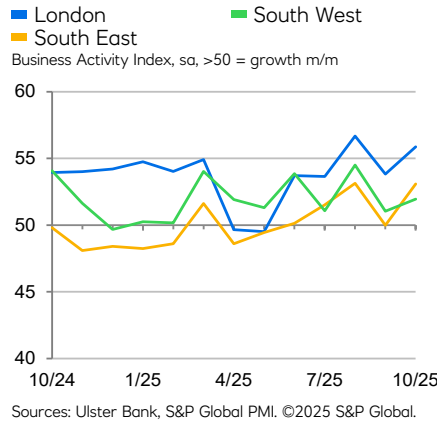
Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.



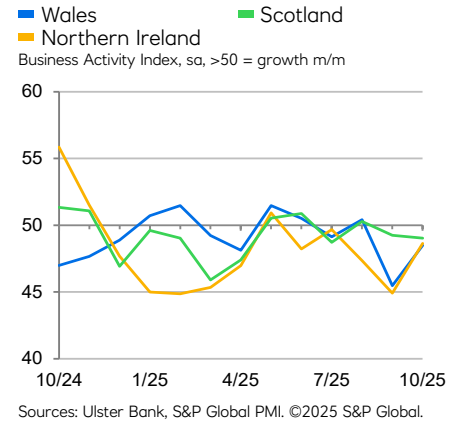
Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.

Future Activity

London topped the rankings for business expectations towards activity in the year ahead in October, the first time this has been the case since January. The capital also saw the biggest improvement in sentiment from the month before, followed by the South East. Expectations in Northern Ireland were the lowest overall but still positive.

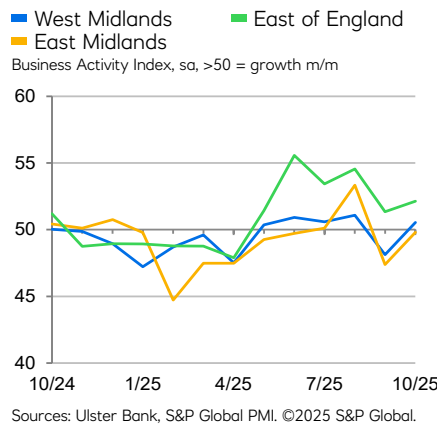


Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.

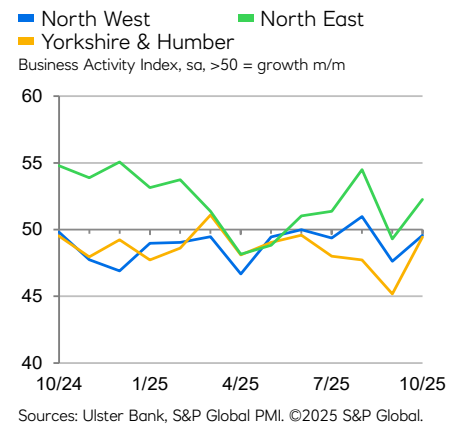


Sources: Ulster Bank, S&P Global PMI. ©2025 S&P Global.

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



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



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



Growth Tracker heat map

October 2025

Darker colour = higher business growth

Northern Ireland
Business Activity Index
sa, >50 = growth m/m
48.6



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

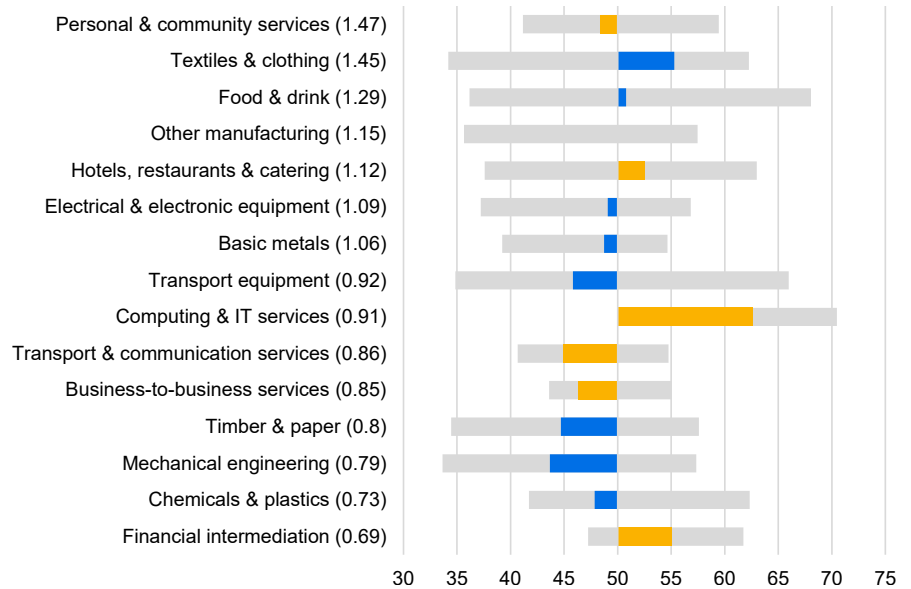
UK sectors

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 Oct '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: Chemicals & plastics

The latest data showed challenging business conditions for the UK's Chemicals & plastics manufacturers in the three months to October. A lack of new orders was a key issue for the sector, with data indicating weakness in both domestic and international demand.

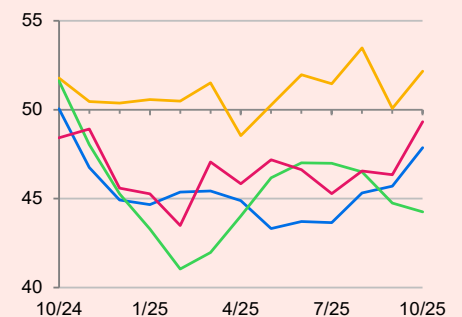
Production levels continued to be scaled back, although the rate of decline slowed to its weakest since output began falling a year ago. Employment, on the other hand, fell at a rapid and slightly quicker rate, while there were also notable

reductions in firms' purchasing activity and their stocks of both inputs and finished goods.

Despite signs of supply frictions, with the latest data showing longer lead times on purchases, price pressures eased across the sector. Input costs in fact fell for the first time since the start of 2024, while the rate of output price inflation was at a 21-month low.

As for the outlook, expectations for output in the year ahead were positive but below the long-run average.

Output / Employment
 ■/■ Chemicals & plastics*
 ■/■ 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.

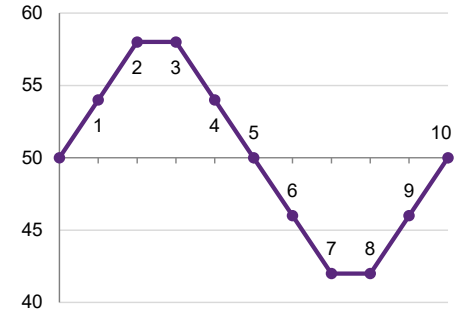
The headline figure is the Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity (at service providers) or output (at manufacturers) compared with one month previously.

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.

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 |
|-------|-------------------|--------------|---------------------|----------------------|------------|----------------------|---------------------------|------------------|--------------|---------------|
| 5/25 | 50.9 | 48.1 | 51.1 | 52.7 | 47.0 | 45.7 | 47.0 | 55.5 | 66.4 | 60.2 |
| 6/25 | 48.2 | 47.4 | 49.7 | 51.7 | 50.5 | 46.6 | 50.0 | 55.3 | 66.8 | 58.9 |
| 7/25 | 49.7 | 47.3 | 46.6 | 52.3 | 53.5 | 47.4 | 44.0 | 55.0 | 66.8 | 60.2 |
| 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 |

| | | Business Activity | New Business | Employment | Outstanding Business | Future Activity* | Input Prices | Output Prices |
|---------------|-------|-------------------|--------------|------------|----------------------|------------------|--------------|---------------|
| Manufacturing | 10/25 | 50.5 | 48.7 | 54.3 | 44.5 | 68.5 | 60.0 | 53.6 |
| Construction | 10/25 | 47.0 | 45.5 | 57.3 | 45.7 | 52.5 | 63.6 | 60.9 |
| Retail | 10/25 | 41.4 | 47.2 | 35.6 | 46.3 | 41.7 | 73.7 | 74.0 |
| Services | 10/25 | 50.3 | 49.9 | 51.2 | 46.7 | 55.6 | 68.0 | 56.4 |

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.

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

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

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