

14 October 2026

Ulster Bank Northern Ireland Growth Tracker

Sharper increase in new orders drives
further output growth



Ulster Bank

PMI[®]

by **S&P Global**

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Key findings

September 2026

Solid rises in output and new orders

Renewed job creation

Cost inflation quickens

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





Sharper increase in new orders drives further output growth

The latest Ulster Bank Regional Growth Tracker pointed to sustained output growth in the Northern Ireland private sector as new orders increased at a faster pace.

Emerging pressure on capacity encouraged companies to increase staffing levels. Meanwhile, input costs rose sharply again, feeding through to higher output 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 – posted

53.0 in September, down from 55.5 in August but still comfortably above the 50.0 no-change mark and signalling a third consecutive monthly increase in business activity.

The solid expansion in output in Northern Ireland was the second-fastest in the UK, behind only that seen in London.

Respondents mainly linked the latest rise in activity to increased new business.

Three of the four monitored sectors registered growth of activity, with rates of expansion most pronounced in manufacturing and services. Only construction saw activity fall.

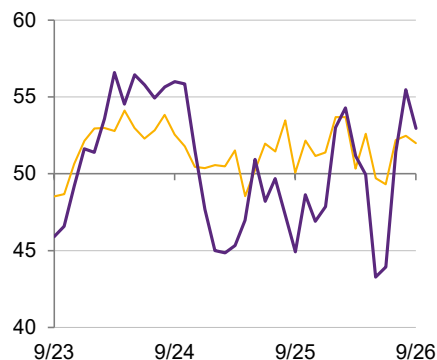
Ulster Bank Northern Ireland Business Activity Index, September 2026

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.

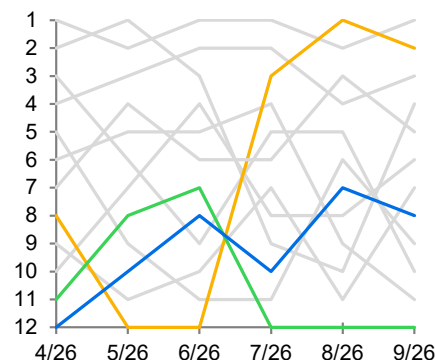
Data compiled 10-28 September

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



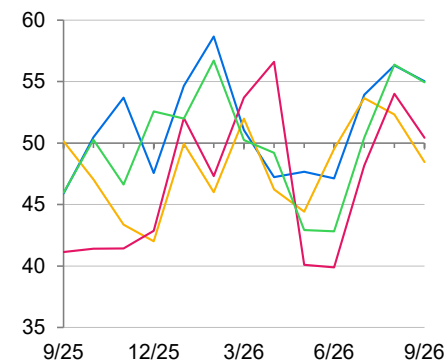
Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

■ Wales ■ Scotland
■ Northern Ireland
Business Activity Index, UK ranking



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

■ Manufacturing ■ Services
■ Construction ■ Retail
Business Activity Index, sa, >50 = growth m/m



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

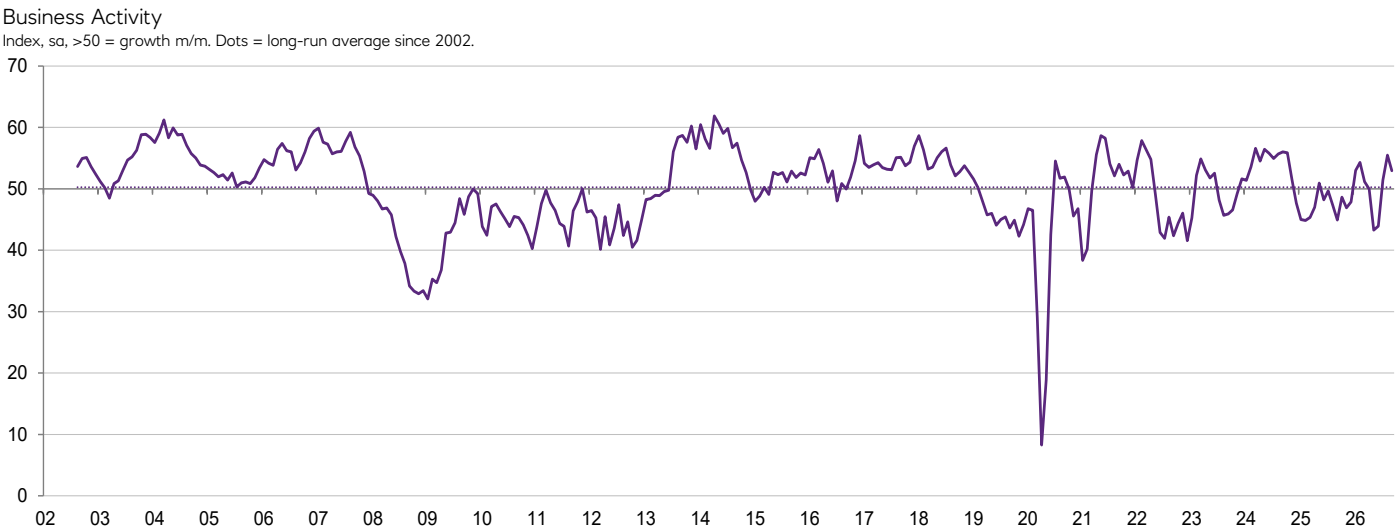
Comment

Sebastian Burnside, Chief Economist for Ulster Bank, commented:

“September completed a positive third quarter of the year for companies in Northern Ireland, with growth of activity sustained amid greater success among firms in securing new orders. Prospects appear good for further expansion in the months ahead as well, with companies reporting a rise in outstanding business. This supported an increase in employment and

should mean further efforts to expand capacity and output in the near future as firms make efforts to clear projects. There were still some reports, however, of difficulties recruiting staff.

“Another headwind for firms remains the inflation picture as higher energy and fuel costs in particular push up prices for firms and have the potential to restrict demand further if they continue to rise.”



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



Demand and outlook

Solid rise in new orders in September

After increasing for the first time in five months during August, new business in Northern Ireland's private sector rose again in September. Moreover, the rate of expansion was solid and the fastest since March. In fact, the rise in Northern Ireland was the strongest of the 12 monitored UK regions and nations.

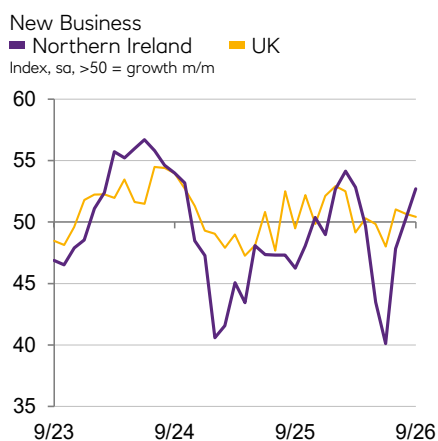
New orders increased particularly sharply in the manufacturing sector, with growth at a 27-month high. A faster rise was also seen in services, but the construction and retail

categories continued to record falling new business.

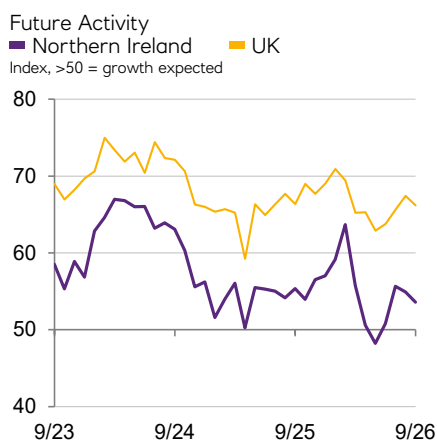
Predictions of further increases in new orders in the coming months supported continued optimism in the year-ahead outlook for business activity. Companies were upbeat for the fourth consecutive month, although the level of sentiment eased to the weakest since June.

Consistent with the picture for new orders, optimism in the manufacturing and services sectors contrasted with pessimism in construction and retail.

"September completed a positive third quarter of the year for companies in Northern Ireland."



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



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



Export markets

Renewed rise in new business from abroad

Supporting the increase in total new orders in September was a renewed expansion in new business from abroad, which rose for the first time in 16 months. The rate of growth was modest but the joint-fastest since January 2019, equal with that seen in May 2025. New orders from the Republic of Ireland were central to the rise, according to respondents.

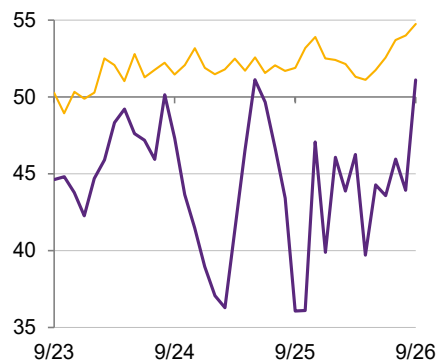
Marked strengthening of export demand conditions

The ECI posted 54.8 in September, up from 54.0 in August and pointing to the strongest monthly improvement in the export climate since May 2022.

The largest two markets for Northern Ireland exports – the Republic of Ireland and the USA – continued to record sharply rising business activity. Output also rose in Germany, while France posted an expansion for the first time in 10 months. On the other hand, output in Canada continued to fall modestly.

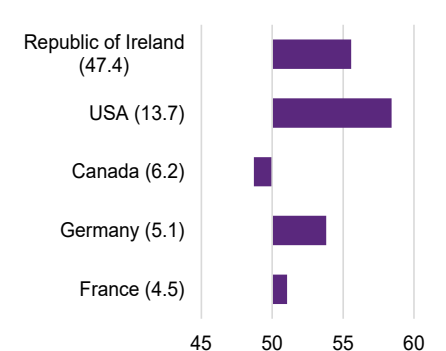
The Northern Ireland Export Climate Index (ECI) is an indicator for the economic health of the region's export markets. It is calculated by combining national PMI output data, weighted according to each nation's share of manufacturing exports of Northern Ireland. A reading above 50 signals an improvement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

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



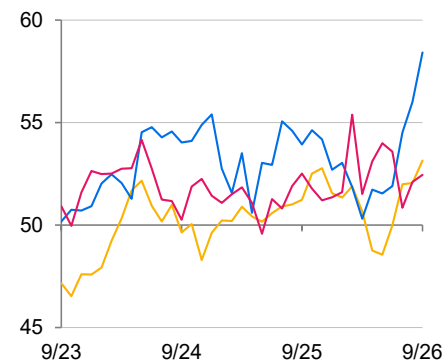
Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

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



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.



Jobs and capacity

Employment rises as companies respond to pressure on capacity

Headcounts increased for the second time in the past three months in September. The rate of job creation was modest, but the fastest since March. The rise in Northern Ireland compared favourably with the UK average, where staffing levels continued to fall.

Where workforce numbers increased, panellists linked this to pressure on capacity. Some companies again reported difficulties

recruiting staff, however.

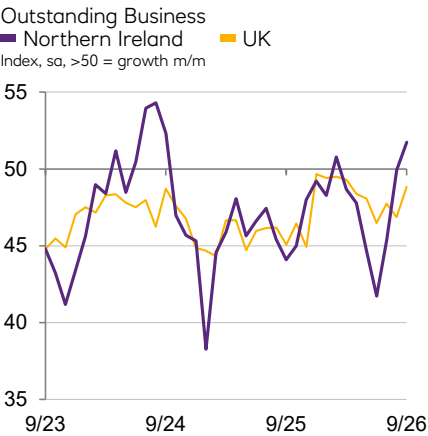
Strain on capacity was signalled by a first accumulation of backlogs of work for seven months, driven by stronger new order growth. Moreover, the rise in outstanding business was the sharpest in two years.

Pressure on supply chains was also signalled at the end of the third quarter, resulting in a fifteenth consecutive monthly lengthening of suppliers' delivery times. The latest deterioration in vendor performance was solid, albeit the least pronounced for a year.

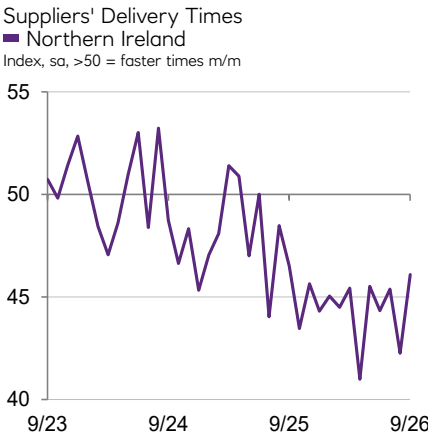
"Prospects appear good for further expansions in the months ahead as well, with companies reporting a rise in outstanding business."



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



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



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Inflation

Input price inflation at three-month high

Input costs in Northern Ireland's private sector increased sharply again in September, with the pace of inflation quickening to a three-month high amid reports of higher costs for energy, fuel, oil and raw materials.

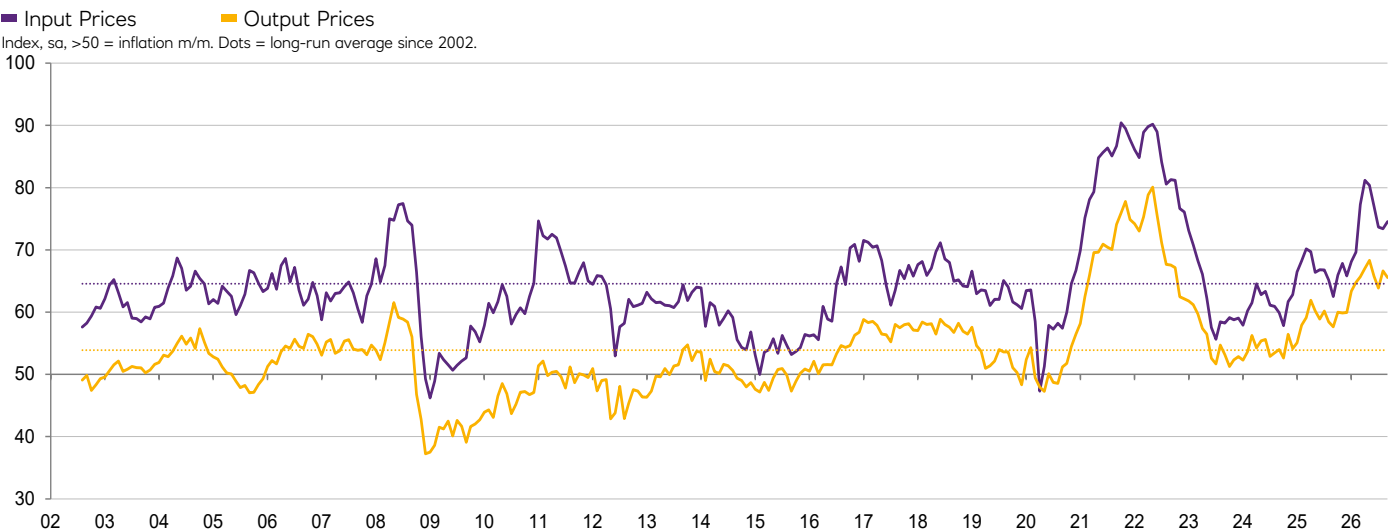
All four monitored sectors posted rapid rises in operating expenses, with the steepest inflation in the

retail category.

While input costs increased at a sharper pace in September, selling price inflation eased. Nonetheless, charges continued to rise rapidly as companies passed on higher cost burdens to their customers.

Continuing the recent trend, the rises in both input costs and selling prices in Northern Ireland were the sharpest across the UK.

"Another headwind for firms remains the inflation picture as higher energy and fuel costs in particular push up prices for firms."



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

UK Regional Growth Tracker

Business Activity

The majority of the 12 UK nations and regions monitored by the Growth Tracker saw an increase in business activity in September. London saw the steepest expansion, while the North East, West Midlands and East Midlands each recorded renewed increases in output. Scotland and the North West both recorded modest falls in activity.

Employment

Employment rose across more areas in September, the number rising from just two in August to five at the end of the third quarter – the most since November 2024. Scotland maintained the fastest rate of job creation, as has been the case in each of the past four months. At the other end of the scale, the West Midlands meanwhile saw the steepest reduction in workforce numbers.

Future Activity

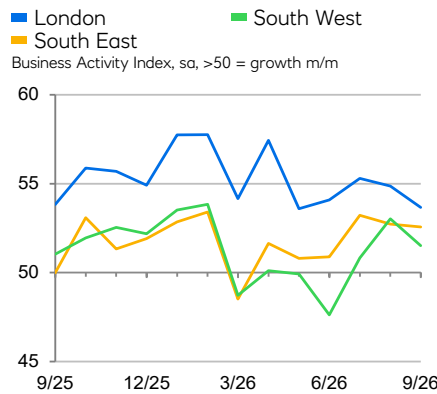
There was once again widespread optimism towards the outlook for activity over the next 12 months. Expectations did, however, ease in the majority of cases. One exception was the South East, which recorded the highest overall degree of optimism, while Wales registered the most marked improvement in confidence from the month before.



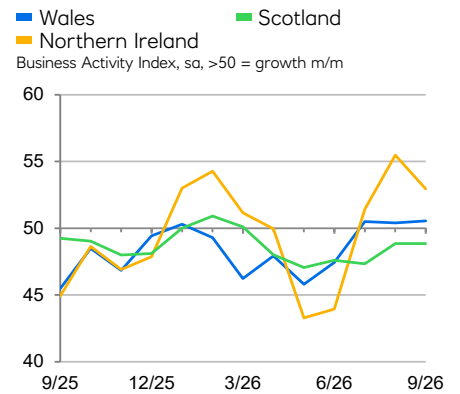
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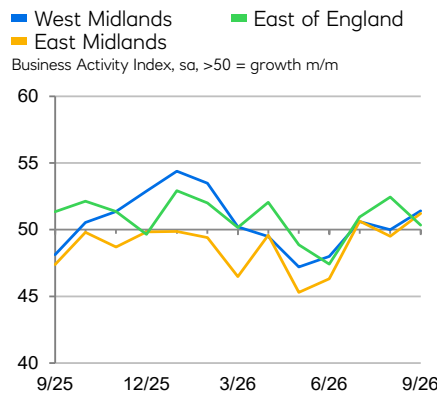
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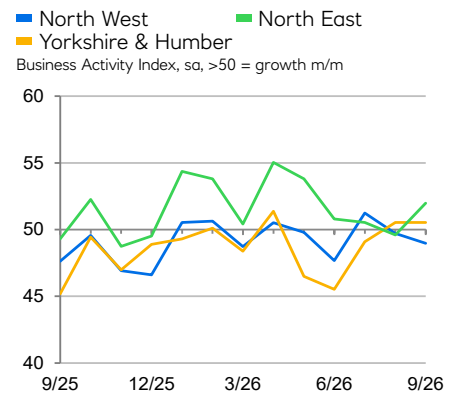
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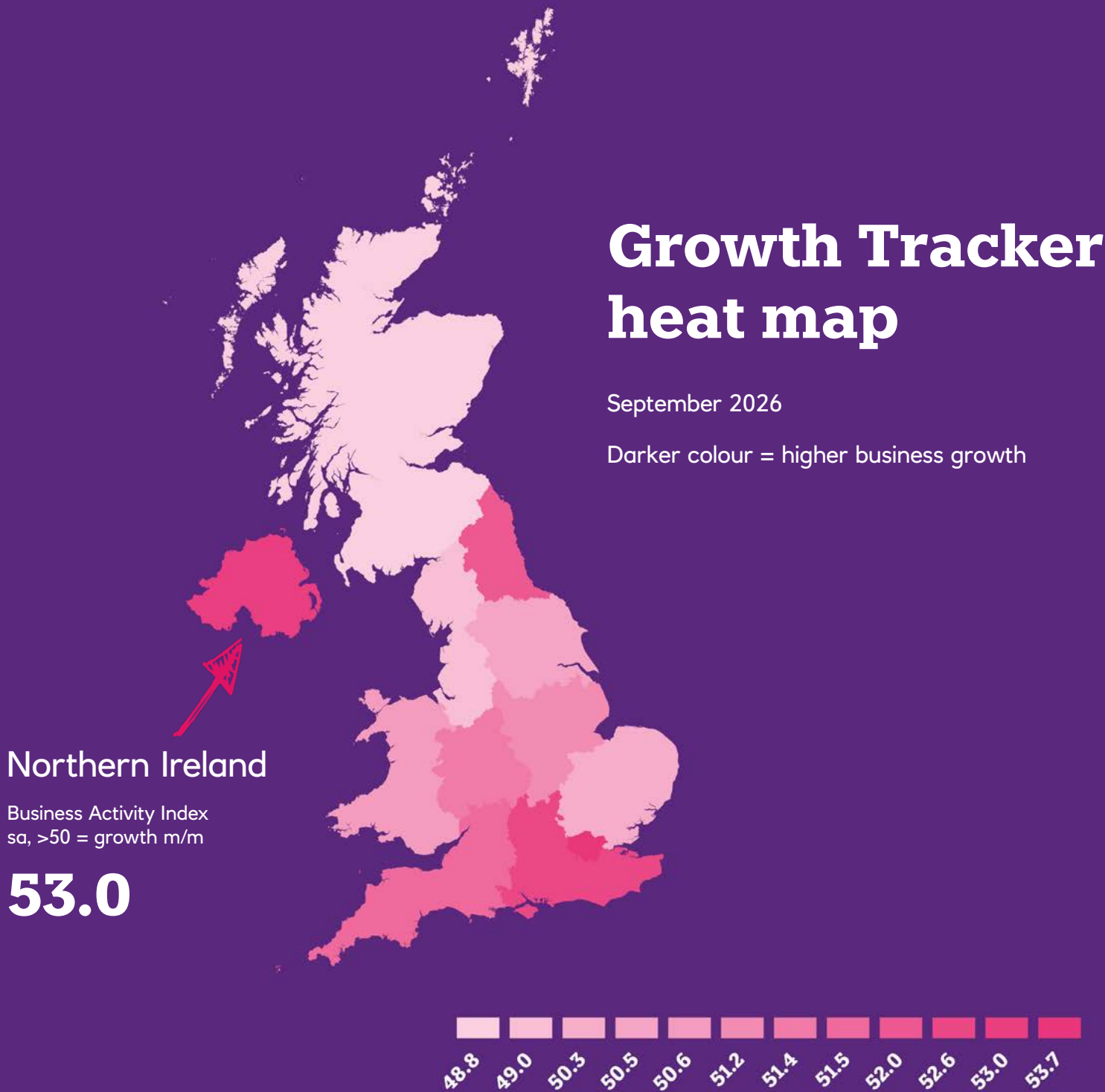
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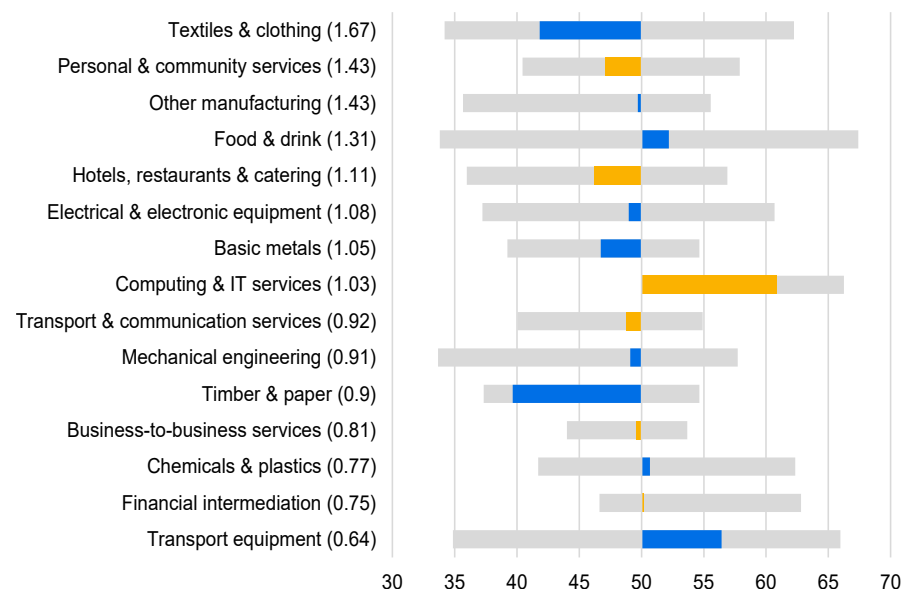
UK sectors

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 Sep '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: Business-to-business services

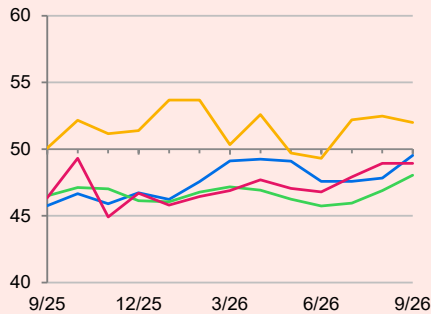
Output levels came close to stabilising across the business-to-business services sector in the third quarter of the year, recording only a marginal contraction that was the weakest since mid-2025. This reflected more stable underlying demand conditions, with inflows of new business falling only modestly and at the softest rate for nearly two years.

A sustained sharp decline in backlogs of work across the sector pointed to underutilised capacity. As such, job numbers were cut further

in the three months to September, maintaining a sequence of decline seen since early last year. After accelerating in the second quarter to the fastest seen since the initial phase of the pandemic, the pace of job shedding showed an easing trend, tallying with a partial recovery in business confidence.

As for prices, rates of both input cost and output charge inflation were running below the highs seen in the second quarter, but they remained elevated by historical standards.

Output / Employment
■ Business-to-business 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.

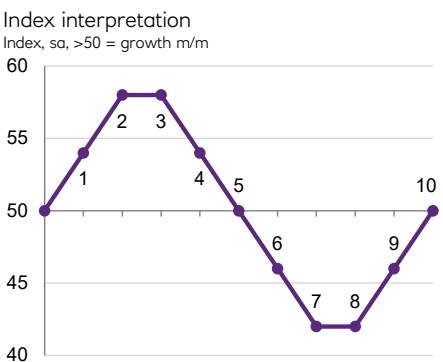
Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the

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.



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
4/26	50.0	49.7	39.7	51.1	48.8	47.8	41.0	50.6	81.2	67.0
5/26	43.3	43.5	44.3	51.8	50.6	44.7	45.5	48.2	80.4	68.3
6/26	43.9	40.1	43.6	52.6	48.4	41.7	44.3	50.8	77.0	65.7
7/26	51.4	47.8	46.0	53.7	50.1	45.4	45.4	55.6	73.7	63.9
8/26	55.5	50.3	43.9	54.0	49.1	49.9	42.3	54.9	73.4	66.6
9/26	53.0	52.7	51.1	54.8	51.4	51.7	46.1	53.6	74.5	65.6

		Business Activity	New Business	Employment	Outstanding Business	Future Activity*	Input Prices	Output Prices
Manufacturing	9/26	55.0	60.1	55.0	58.5	65.5	76.8	67.8
Construction	9/26	48.5	43.1	46.0	50.7	43.3	72.0	64.2
Retail	9/26	50.4	49.8	49.5	51.3	45.2	85.6	81.4
Services	9/26	54.9	52.5	51.4	49.0	53.3	71.5	60.6

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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