12 August 2026

Ulster Bank Northern Ireland Growth Tracker

Business activity returns to growth in July

Ulster Bank

PMI® by S&P Global

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Contents

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Key findings

July 2026

Output rises for first time in four months

Business confidence continues to recover

Softer, but still sharp increase in input costs

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 returns to growth in July

The latest Ulster Bank Regional Growth Tracker signalled a renewed expansion in output at Northern Ireland companies as the second half of the year began, a marked turnaround from the sharp fall in activity seen in June.

Business confidence also improved, while employment broadly stabilised and the rate of decline in new orders softened. Weaker inflationary pressures were also signalled, but input costs and selling prices continued to increase sharply.

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 in July, posting 51.4 from 43.9 in June. The rise was the first in four months.

Where output increased, panellists reported signs of improving customer demand.

That said, the expansion in activity in Northern Ireland was still slightly weaker than the UK average.

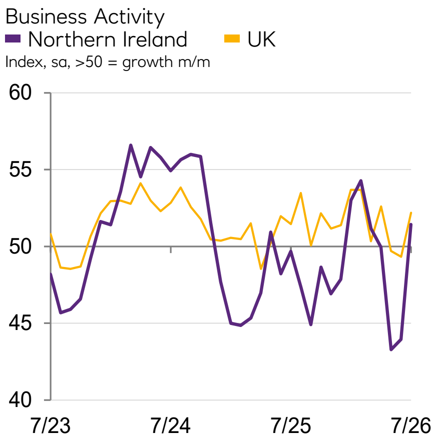
Three of the four broad sectors saw output rise, led by manufacturing. Only retail posted a fall.

Ulster Bank Northern Ireland Business Activity Index, July 2026

51.4

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 July



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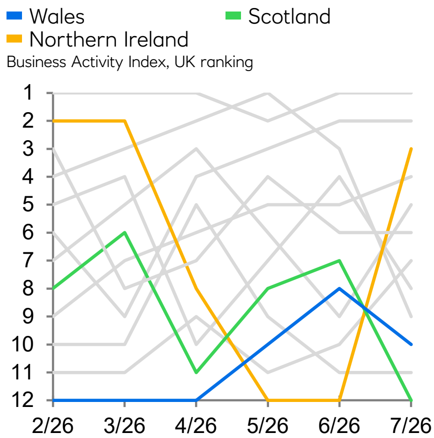

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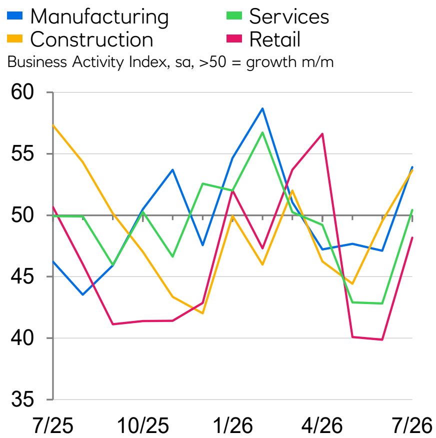


Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

Comment

Sebastian Burnside, Chief Economist for Ulster Bank, commented:

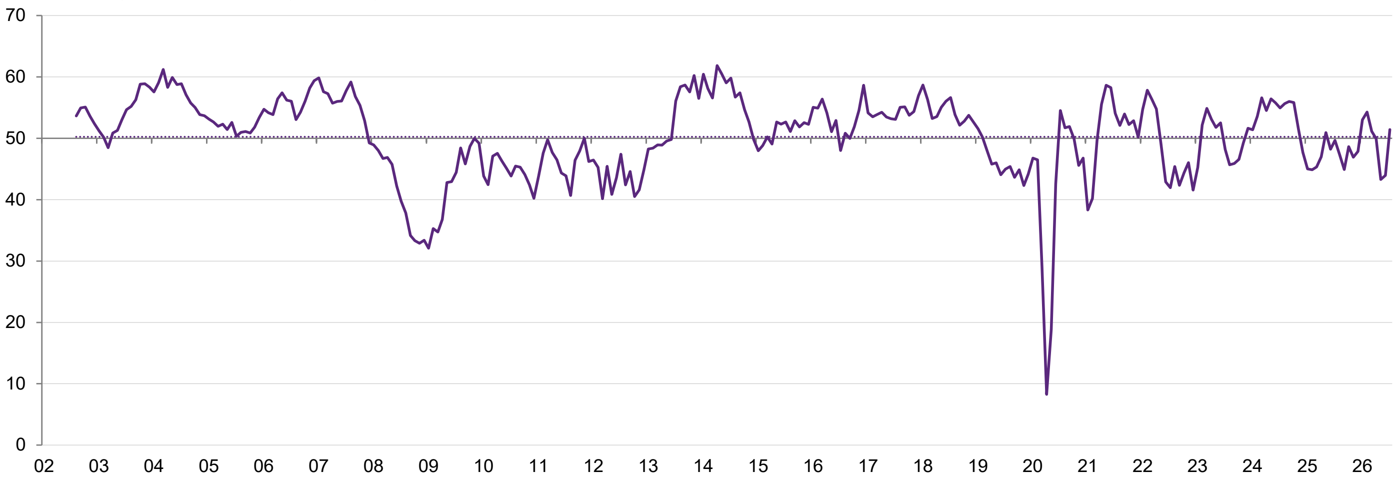
"The Northern Ireland Growth Tracker painted a much more encouraging picture of conditions in the private sector as the second half of the year began. Business activity bounced back into growth territory following difficulties in May and June, helped by signs of stabilisation in customer demand.

"There was also good news on the jobs front, with some firms looking to expand staffing levels. That said, there were continued reports of the difficulties faced in finding the right workers, which ultimately limited the extent to which companies were able to hire.

"Inflationary pressures continued to soften, but remained strong and with geopolitical uncertainty continuing there remains the possibility that costs could start to rise more quickly again and throw the recovery off course. For now though, companies are increasingly confident in the outlook."

Business Activity

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



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Demand and outlook

Much softer reduction in new orders

Although companies in Northern Ireland continued to record falling new orders in July, the rate of decline eased markedly from June and was the slowest since April amid some reports of improving market confidence.

Moreover, manufacturing new orders returned to growth, ending a three-month period of contraction. Services new business was broadly stable, but further reductions were seen in construction and retail.

Meanwhile, business confidence continued to recover from the negative outlook signalled in May, with optimism hitting a four-month high in July.

Good pipelines of new business and planned investment were among the factors supporting confidence in the outlook for output. Around one-third of respondents were optimistic, while 22% expect business activity to fall.

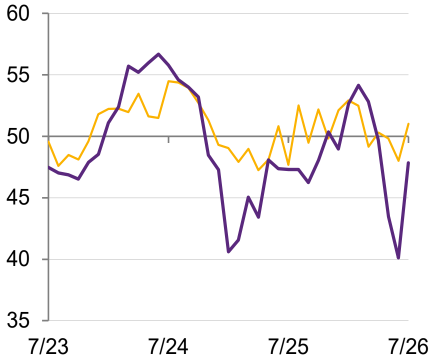
Three of the four monitored sectors expressed a positive outlook, led by manufacturing. Construction was the only category where a fall in output was predicted.

> "For now though, companies are increasingly confident in the outlook."

New Business

Northern Ireland UK

Index, sa, >50 = growth m/m

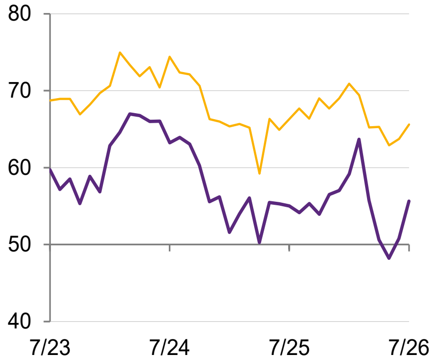


Sources: Ulster Bank, S&P Global PMI. ©2026 S&P Global.

Future Activity

Northern Ireland UK

Index, >50 = growth expected



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

Jobs and capacity

Staffing levels largely stabilise in July

Employment was broadly unchanged in the Northern Ireland private sector in July, following a modest reduction in June.

Some firms took on extra staff to support expansions in output, but others continued to limit the replacement of leavers. A number of respondents indicated that they would have liked to have hired additional workers, but were unable to source suitable candidates. At the UK level, only Scotland posted a stronger employment performance than Northern Ireland during the month.

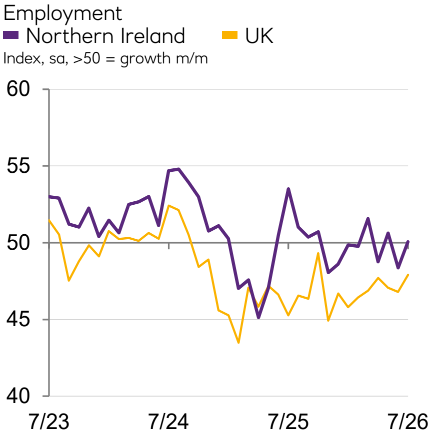
Staffing levels rose in the services and construction categories, but fell in manufacturing and retail.

Backlogs of work continued to decrease markedly at the start of the third quarter, albeit with the pace of depletion easing to a three-month low.

Shipping delays, in some cases linked to geopolitical issues, contributed to a further lengthening of suppliers' delivery times in July. Vendor performance deteriorated solidly, albeit to a lesser extent than in June.

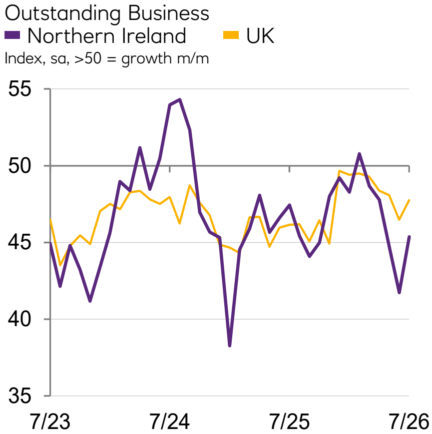
> "There were continued reports of the difficulties faced in finding the right workers, which ultimately limited the extent to which companies were able to hire."

Employment



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

Outstanding Business



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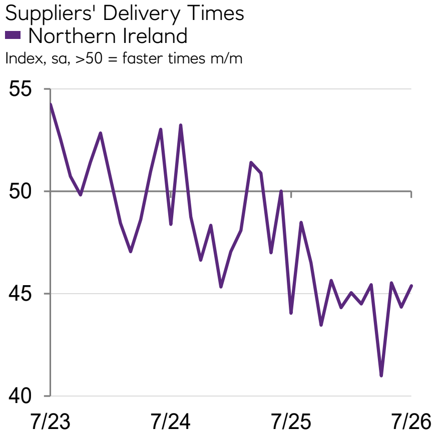
Suppliers' Delivery Times



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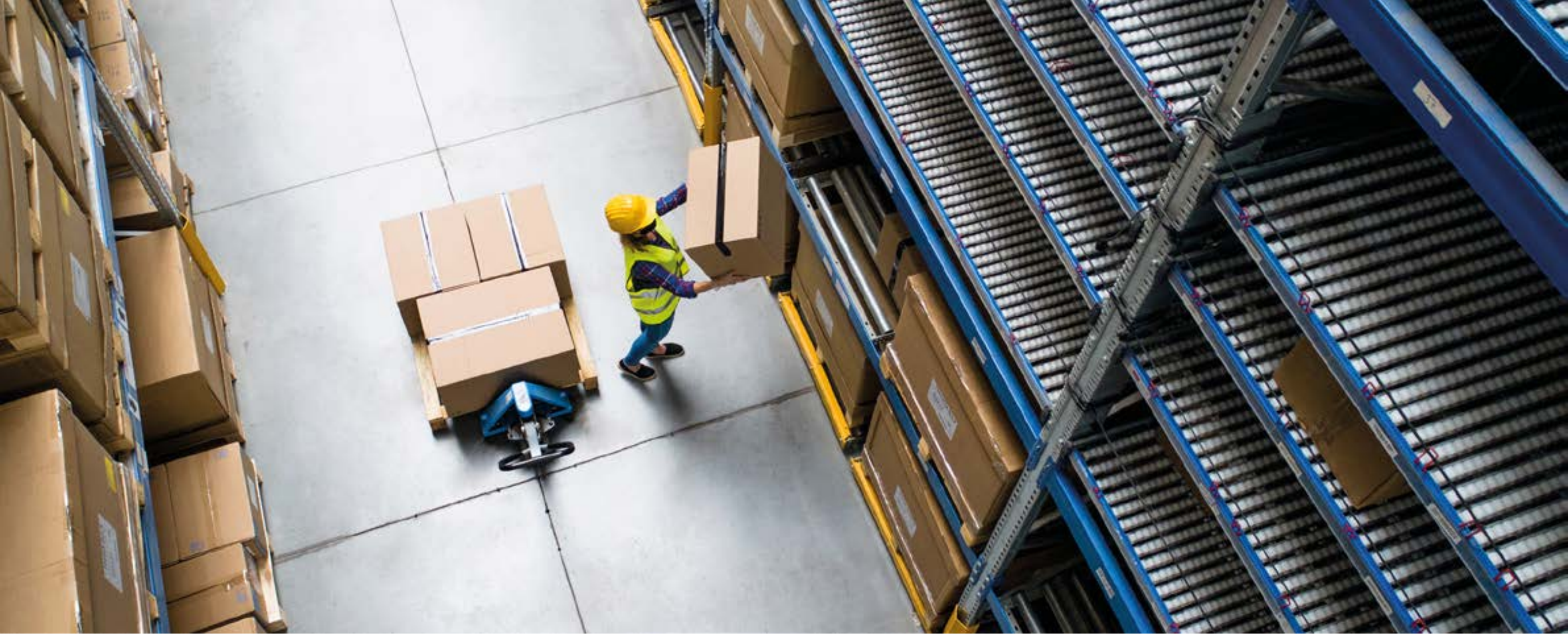


Inflation

Input price inflation remains marked despite easing

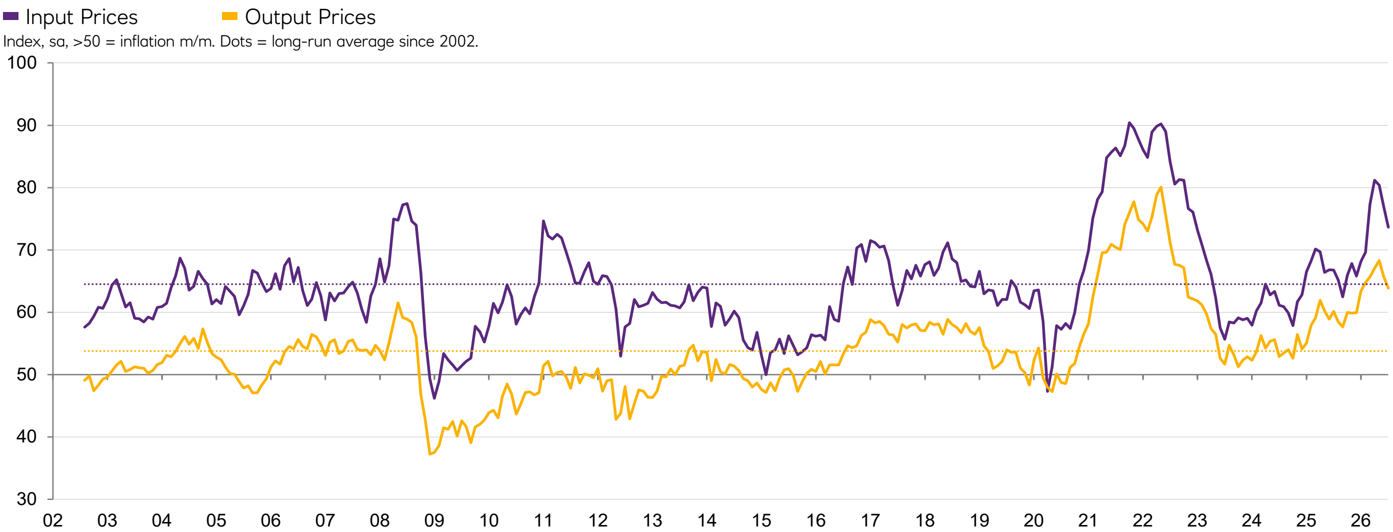
The rate of input cost inflation continued to weaken from the recent peak seen in April, with the latest rise in input prices the slowest since February. Nonetheless, input costs continued to increase rapidly, and at a faster pace than recorded elsewhere in the UK.

Panellists reported higher prices for energy, fuel and raw materials. Retailers posted the sharpest rise in costs of the four monitored sectors.

The rate of output price inflation, meanwhile, eased to a six-month low, but charges were still raised sharply, in line with higher input costs.

Here too, the increase seen in Northern Ireland was the fastest of the 12 monitored UK regions and nations.

"Inflationary pressures continued to soften, but remained strong and with geopolitical uncertainty continuing there remains the possibility that costs could start to rise more quickly again and throw the recovery off course."



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

UK Regional Growth Tracker

Business Activity

July saw business activity growth widen across the UK, with 10 of the 12 nations and regions reporting higher activity, up from just three in June. London once again topped the rankings, ahead of the South East and Northern Ireland*. Scotland and Yorkshire & Humber were the only areas to record decreases in output.

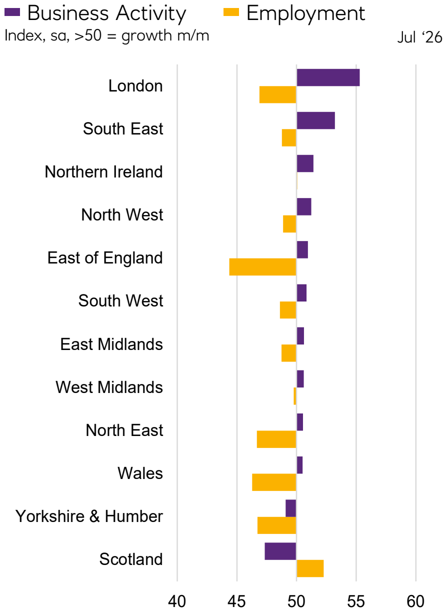
Employment

Labour market conditions remained subdued across most parts of the UK at the start of the third quarter. The majority of areas saw lower employment, with firms in the East of England recording the steepest decline. Scotland went against the trend and recorded an increase in workforce numbers, while Northern Ireland saw little-change.

Future Activity

There was an improvement in business expectations towards activity in the year ahead in the majority of UK nations and regions in July. The North West recorded the most market uptick in confidence and the highest overall degree of optimism. Firms in Northern Ireland remained the least upbeat, though sentiment there rebounded to a four-month high.

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



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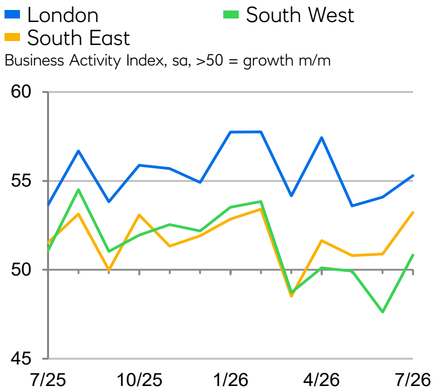

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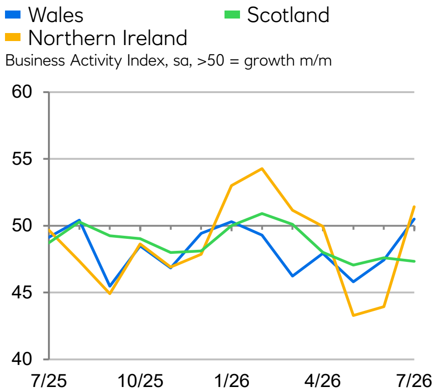

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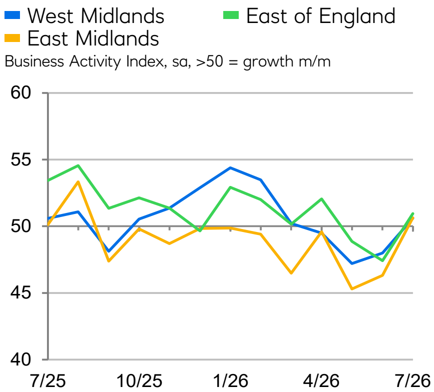

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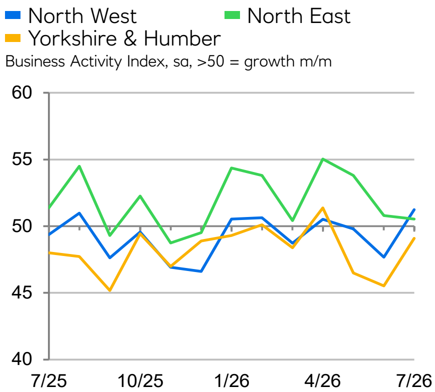

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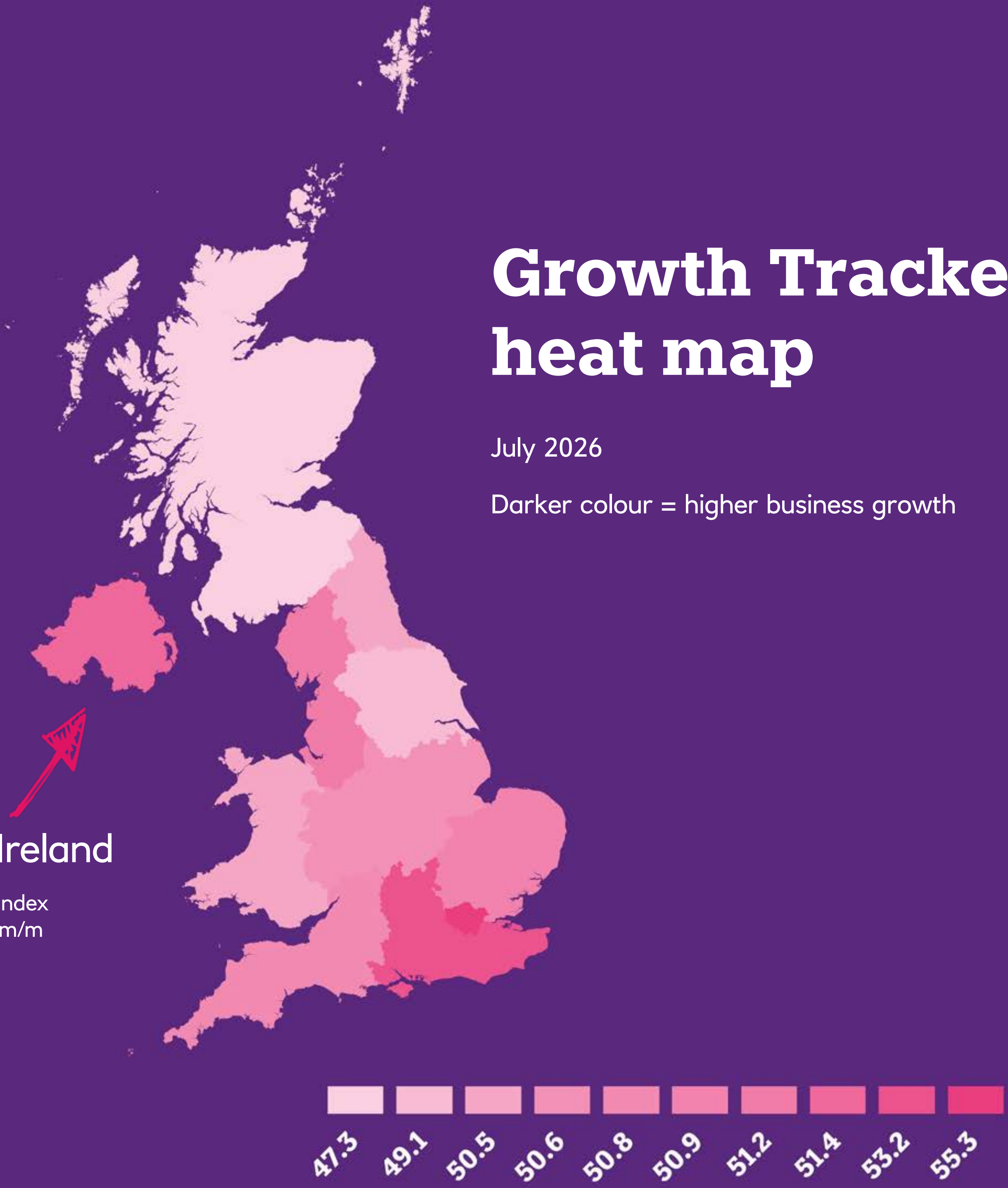
Growth Tracker heat map

July 2026

Darker colour = higher business growth



Northern Ireland

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

51.4

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

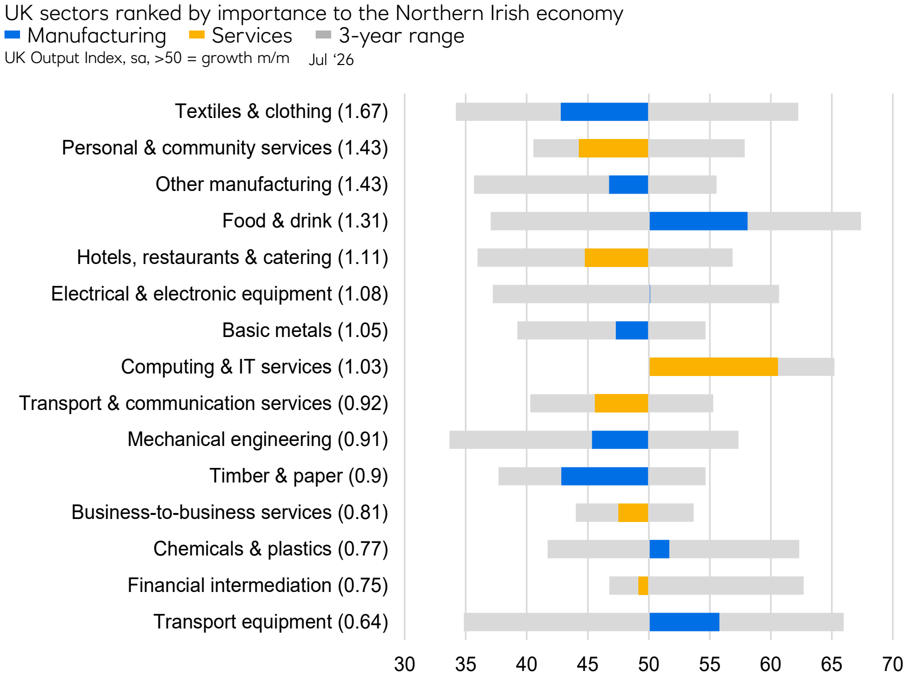
UK sectors

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



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: Financial intermediation

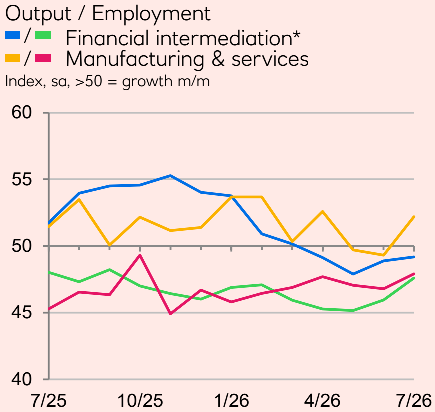
Business activity continued falling across the UK's financial intermediation sector in the three months to July, following on from the downward trend in activity recorded throughout the second quarter of the year. The pace of contraction was the weakest since the decline began and only marginal, however.

Staff retrenchment remained a theme across the sector, as has been the case since late 2024. Although the pace of job losses showed an easing trend, it remained slightly quicker than the average seen across the UK private sector as a whole.

Financial intermediaries meanwhile recorded a marked, albeit slower, rate of cost inflation in the three months to July. However, the rates they charged were left broadly unchanged amid a continued decline in backlogs of work.

Although firms in the sector were hopeful of growth in the coming year, expectations were the lowest in just over a year and subdued by historical standards.

Output / Employment



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.

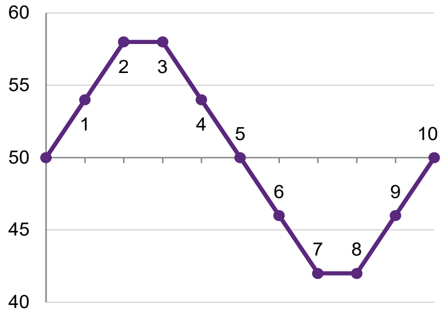
The headline figure is the Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity (at service providers) or output (at manufacturers) compared with one month previously.

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
2/26	54.3	54.1	43.9	52.1	49.8	50.8	44.5	63.7	69.6	64.8
3/26	51.2	52.8	46.2	51.3	51.6	48.7	45.4	55.7	77.3	65.7
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		50.1	45.4	45.4	55.6	73.7	63.9

		Business Activity	New Business	Employment	Outstanding Business	Future Activity*	Input Prices	Output Prices
Manufacturing	7/26	53.9	55.6	48.1	47.4	63.8	76.3	66.6
Construction	7/26	53.6	34.6	56.0	47.1	44.1	75.6	65.4
Retail	7/26	48.2	41.9	49.1	43.5	54.2	82.1	72.1
Services	7/26	50.4	49.9	50.8	44.8	56.8	66.9	56.5

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

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