

AUTUMN 2008 ECONOMIC OUTLOOK FOR IRELAND: ANSWERS FROM IBEC (NOVEMBER UPDATE)

MAIN FORECAST

	2008	2009
Real GDP growth	-1.9	-2.3
Consumer price inflation	3.2	1.4
Unemployment rate	5.9	8.2
Employment growth	-0.2	-1.5

Components of aggregate demand

Annual % change	2008	2009
Private consumption	0.0	-0.8
Public consumption	3.8	0.7
Investment (Gross fixed capital formation)	-22.3	-23.7
Exports	2.3	1.8
Imports	-1.8	-2.0

ECONOMIC SENTIMENT

<i>Trend in business climate over the next 6 months</i>	<i>Positive</i>	<i>Negative</i> Industry Services	<i>Unchanged</i>		
<i>Trend in profitability over the next 6 months</i>	<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i> Industry Services		
<i>Investment intentions over the next 6 months</i>	<i>Increase (faster pace)</i>	<i>Increase (slower pace)</i>	<i>Unchanged</i>	<i>Decrease (slower pace)</i>	<i>Decrease (faster pace)</i> Industry Services
<i>Driving force behind investment decisions in the next 6 months</i>	<i>Replacement</i> Down	<i>Extension</i> Down	<i>Rationalisation</i> Same	<i>Innovation</i> Up	
<i>Trend in consumer confidence over the next 6 months</i>	<i>Positive</i>	<i>Negative</i> yes	<i>Unchanged</i>		
<i>Overall trend in employment</i>	<i>Industry: past 6 months</i> Down	<i>Industry: next 6 months</i> Down	<i>Services: past 6 months</i> Same	<i>Services: next 6 months</i> Down	
<i>Over the next 6 months, cost/access to finance will be...</i>	<i>Higher / more difficult</i> Access	<i>Same</i>	<i>Lower / less difficult</i> Cost		
<i>Financial market turmoil has affected companies' investment decisions negatively ...</i>	<i>to a large extent</i>	<i>to some extent</i>	<i>to a limited extent</i>	<i>not at all</i>	
<i>Financial market turmoil has affected companies' investment decisions negatively ...</i>	yes				

POLICY MIX

	<i>Not necessary, situation is satisfactory</i>	<i>Excellent</i>	<i>Satisfactory</i>	<i>Neither satisfactory nor unsatisfactory</i>	<i>Unsatisfactory</i>	<i>Deteriorating</i>
<i>Progress towards medium-term budgetary objective is...</i>						yes
<i>Monetary policy is...</i>	<i>Tight, appropriate for the euro area</i>	<i>Tight</i>	<i>Appropriate</i>	<i>Loose</i>	<i>Loose, appropriate for the euro area</i>	
<i>Consistency between fiscal and monetary policies</i>	<i>Adequate</i>	<i>Inadequate</i> yes				