



AUTUMN 2007 ECONOMIC OUTLOOK FOR IRELAND: ANSWERS FROM IBEC

MAIN FORECAST					
		2007	2008	2009	
Real GDP growth		4.8	3.4	4.0	
Consumer price inflation Unemployment rate		2.7 4.7	2.5 5.5	2.3 5.5	
Employment growth		3.1	1.3	1.5	
Components of aggregate den Annual % change	nand	2007	2008	2009	
Private consumption		6.1	3.8	3.8	
Public consumption		5.5	3.5	3.2	
Investment (Gross fixed capital for	ormation)	-0.1	-3.3	3.0	
Exports Imports		7.0 5.2	5.5 4.0	5.8 5.4	
-		5.2	4.0	5.4	
ECONOMIC SENTIMENT Question 1	Positive	Negative	Unchanged		
Trend in business climate over	rositive	Negative	Industry		
the next 6 months	Services				
Question 2	Positive	Negative	Unchanged		
Trend in profitability over the		•	Industry		
next 6 months	Services				
Outsiden 3	Increase (faster	Increase (slower	Unahangad	Decrease (slower	Decrease (faster
Question 3	pace)	pace)	Unchanged	pace)	pace)
Investment intentions over the			Industry		
next 6 months (compared to the last 12 months)		Services			
,					
Question 4	Replacement	Extension	Rationalisation	Innovation	
Driving force behind investment	Same	Same	Same	Up	
decisions in the next six months	Game	Carrie	Game	ОР	
Overtion F	Docitivo	Magativa	Unahangad		
Question 5	Positive	Negative	Unchanged		
Trend in consumer confidence over the next 6 months		yes			
over the flext o months					
Our effect O	Industry: past 6	Industry: next 6	Services: past 6	Services: next 6	
Question 6	months	months	months	months	
Overall trend in employment	Same	Down	Same	Down	
Ougstion 7	Higher / more	Same	Lower / less difficult		
Question 7	difficult	Same	Lower / less aimcuit		
Compared to 6 months ago,	Cost				
SME's cost/access to capital for	Access				
business development will be	Access				
Question 8	to a large extent	to some extent	not at all		
Effect of financial market turmoil		yes			
on assessement of financing		•			
conditions for next 6 months					
MAIN RISKS					
Question 9	Dollar per euro			Question 10	Dollar per euro
Question 9 Above which EUR/USD level	•			Where will the	•
Question 9 Above which EUR/USD level will the national economy be	Dollar per euro			Where will the EUR/USD stand in	Dollar per euro
Question 9 Above which EUR/USD level will the national economy be significantly hurt?	•			Where will the	•
Question 9 Above which EUR/USD level will the national economy be	•			Where will the EUR/USD stand in	•
Question 9 Above which EUR/USD level will the national economy be significantly hurt?	•	Satisfactory	Neither satisfactory	Where will the EUR/USD stand in	•
Question 9 Above which EUR/USD level will the national economy be significantly hurt? POLICY MIX	1.40	Satisfactory	Neither satisfactory nor unsatisfactory	Where will the EUR/USD stand in April 2008 ?	1.42
Question 9 Above which EUR/USD level will the national economy be significantly hurt? POLICY MIX Question 11 Progress towards medium-term	1.40	•		Where will the EUR/USD stand in April 2008 ?	1.42
Question 9 Above which EUR/USD level will the national economy be significantly hurt? POLICY MIX Question 11	1.40	Satisfactory yes		Where will the EUR/USD stand in April 2008 ?	1.42
Question 9 Above which EUR/USD level will the national economy be significantly hurt? POLICY MIX Question 11 Progress towards medium-term budgetary objective is	1.40 Excellent	yes	nor unsatisfactory	Where will the EUR/USD stand in April 2008 ? Unsatisfactory	1.42 Deteriorating
Question 9 Above which EUR/USD level will the national economy be significantly hurt? POLICY MIX Question 11 Progress towards medium-term	1.40	•		Where will the EUR/USD stand in April 2008 ?	1.42
Question 9 Above which EUR/USD level will the national economy be significantly hurt? POLICY MIX Question 11 Progress towards medium-term budgetary objective is Question 12	1.40 Excellent Tight, appropriate	yes	nor unsatisfactory Appropriate	Where will the EUR/USD stand in April 2008 ? Unsatisfactory	1.42 Deteriorating Loose, appropriate
Question 9 Above which EUR/USD level will the national economy be significantly hurt? POLICY MIX Question 11 Progress towards medium-term budgetary objective is	1.40 Excellent Tight, appropriate	yes	nor unsatisfactory	Where will the EUR/USD stand in April 2008 ? Unsatisfactory	1.42 Deteriorating Loose, appropriate
Question 9 Above which EUR/USD level will the national economy be significantly hurt? POLICY MIX Question 11 Progress towards medium-term budgetary objective is Question 12	Excellent Tight, appropriate for the euro area	yes Tight	nor unsatisfactory Appropriate yes	Where will the EUR/USD stand in April 2008 ? Unsatisfactory Loose	Deteriorating Loose, appropriate for the euro area
Question 9 Above which EUR/USD level will the national economy be significantly hurt? POLICY MIX Question 11 Progress towards medium-term budgetary objective is Question 12	Excellent Tight, appropriate for the euro area Robust growth and above-target	yes Tight Downside risks to	Appropriate yes Risks to price stability from high	Where will the EUR/USD stand in April 2008 ? Unsatisfactory Loose Risks from money supply and credit	Deteriorating Loose, appropriate for the euro area Risks of euro
Question 9 Above which EUR/USD level will the national economy be significantly hurt? POLICY MIX Question 11 Progress towards medium-term budgetary objective is Question 12 Monetary policy is	Excellent Tight, appropriate for the euro area Robust growth and	yes Tight	Appropriate yes Risks to price	Where will the EUR/USD stand in April 2008 ? Unsatisfactory Loose Risks from money	Deteriorating Loose, appropriate for the euro area
Question 9 Above which EUR/USD level will the national economy be significantly hurt? POLICY MIX Question 11 Progress towards medium-term budgetary objective is Question 12 Monetary policy is Question 13 Focus on elements of the ECB	Excellent Tight, appropriate for the euro area Robust growth and above-target inflation	yes Tight Downside risks to growth	Appropriate yes Risks to price stability from high oil prices	Where will the EUR/USD stand in April 2008 ? Unsatisfactory Loose Risks from money supply and credit growth	Deteriorating Loose, appropriate for the euro area Risks of euro appreciation
Question 9 Above which EUR/USD level will the national economy be significantly hurt? POLICY MIX Question 11 Progress towards medium-term budgetary objective is Question 12 Monetary policy is Question 13 Focus on elements of the ECB analysis underlying its current	Excellent Tight, appropriate for the euro area Robust growth and above-target	yes Tight Downside risks to	Appropriate yes Risks to price stability from high	Where will the EUR/USD stand in April 2008 ? Unsatisfactory Loose Risks from money supply and credit	Deteriorating Loose, appropriate for the euro area Risks of euro
Question 9 Above which EUR/USD level will the national economy be significantly hurt? POLICY MIX Question 11 Progress towards medium-term budgetary objective is Question 12 Monetary policy is Question 13 Focus on elements of the ECB analysis underlying its current policy stance is	Excellent Tight, appropriate for the euro area Robust growth and above-target inflation appropriate	yes Tight Downside risks to growth insufficient	Appropriate yes Risks to price stability from high oil prices	Where will the EUR/USD stand in April 2008 ? Unsatisfactory Loose Risks from money supply and credit growth	Deteriorating Loose, appropriate for the euro area Risks of euro appreciation
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