



SPRING 2009 ECONOMIC OUTLOOK FOR IRELAND: ANSWERS FROM IBEC

MAIN FORECAST

	2008	2009
Real GDP growth	-1.5	-4.0
Consumer price inflation	3.1	-0.5
Unemployment rate	6.6	10.7
Employment growth	-1.0	-7.0

Components of aggregate demand

Annual % change	2008	2009
Private consumption	-1.0	-3.0
Public consumption	3.8	-1.0
Investment (Gross fixed capital formation)	-22.0	-25.0
Exports	2.0	0.0
Imports	-1.8	-2.0

ECONOMIC SENTIMENT

Trend in business climate over the next 6 months	Positive	Negative Industry Services	Unchanged		
Trend in profitability over the next 6 months	Positive	Negative Industry Services	Unchanged		
Investment intentions over the next 6 months	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace) Industry Services
Driving force behind investment decisions in the next 6 months	Replacement Down	Extension Down	Rationalisation Up	Innovation Down	
Overall trend in employment	Industry: past 6 months Down	Industry: next 6 months Down	Services: past 6 months Down	Services: next 6 months Down	

ACCESS TO FINANCE

Compared to 6 months ago, cost/access to finance has been...	sharply up / restrained	up / more difficult	same	down / easier
for SMEs	Cost Access			
for larger companies (>250 employees)	Cost Access			
Over the next 6 months, cost /access to finance will be...	sharply up / restrained	up / more difficult	same	down / easier
for SMEs				Cost Access
for larger companies (>250 employees)				Cost Access
For companies, the current financing situation is...	an existential threat	of high concern	somewhat concerning	not worrying
working capital / treasury needs	SMEs	large companies		
debt refinancing	SMEs	large companies		
financing productive investments		SMEs large companies		
financing innovation and R&D		SMEs large companies		



POLICY MIX

Given natl. circumstances, are recovery plans appropriate to stimulate the economy?

to some extent

	<i>Tight, appropriate for the euro area</i>	<i>Tight</i> yes	<i>Appropriate</i>	<i>Loose</i>	<i>Loose, appropriate for the euro area</i>
<i>Monetary policy is...</i>					
<i>Consistency between fiscal and monetary policies</i>	<i>adequate</i>	<i>inadequate</i> yes			