



SPRING 2009 ECONOMIC OUTLOOK FOR IRELAND: ANSWERS FROM IBEC

MAIN FORECAST					
III/AIRT ORESAST		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					
	Positive	Negative	Unchanged		
Trend in business climate over the next		Industry			
6 months		Services			
	Positive	Monativa	Unahangad		
Trend in profitability over the next 6	rositive	Negative Industry	Unchanged		
months		Services			
monais		Services			
	Increase	Increase		Decrease	Decrease
	(faster pace)	(slower pace)	Unchanged	(slower pace)	(faster pace)
Investment intentions over the next 6	, , ,	, , ,			Industry
months					Services
	Replacement	Extension	Rationalisation	Innovation	
Driving force behind investment	Down	Down	Up	Down	
decisions in the next 6 months					
	Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months	
Overall trend in employment	Down	Down	Down	Down	
Overall trend in employment	Down	Down	Down	Down	
Overall trend in employment ACCESS TO FINANCE	Down	Down	Down	Down	
ACCESS TO FINANCE	Down	Down	Down	Down	
ACCESS TO FINANCE Compared to 6 months ago, cost/access					
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been	sharply up / restrained	Down up / more difficult	Down	Down down / easier	
ACCESS TO FINANCE Compared to 6 months ago, cost/access	sharply up / restrained Cost				
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been	sharply up / restrained				
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been	sharply up / restrained Cost				
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs	sharply up / restrained Cost Access				
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs	sharply up / restrained Cost Access Cost				
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees)	sharply up / restrained Cost Access Cost				
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to	sharply up / restrained Cost Access Cost Access	up / more difficult	same	down / easier	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be	sharply up / restrained Cost Access Cost Access sharply up / restrained			down / easier down / easier	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to	sharply up / restrained Cost Access Cost Access sharply up / restrained	up / more difficult	same	down / easier	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be	sharply up / restrained Cost Access Cost Access sharply up / restrained	up / more difficult	same	down / easier down / easier Cost	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be	sharply up / restrained Cost Access Cost Access sharply up / restrained	up / more difficult	same	down / easier down / easier Cost Access Cost	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs	sharply up / restrained Cost Access Cost Access sharply up / restrained	up / more difficult	same	down / easier down / easier Cost Access	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees)	sharply up / restrained Cost Access Cost Access sharply up / restrained	up / more difficult	same	down / easier down / easier Cost Access Cost	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees)	sharply up / restrained Cost Access Cost Access sharply up / restrained	up / more difficult up / more difficult	same	down / easier Cost Access Cost Access	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees)	sharply up / restrained Cost Access Cost Access sharply up / restrained	up / more difficult	same	down / easier down / easier Cost Access Cost	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees)	sharply up / restrained Cost Access Cost Access sharply up / restrained	up / more difficult up / more difficult	same	down / easier Cost Access Cost Access	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is	sharply up / restrained Cost Access Cost Access sharply up / restrained	up / more difficult up / more difficult	same	down / easier Cost Access Cost Access	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is working capital / treasury needs	sharply up / restrained Cost Access Cost Access sharply up / restrained an existential threat SMEs	up / more difficult up / more difficult of high concern	same	down / easier Cost Access Cost Access	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is	sharply up / restrained Cost Access Cost Access sharply up / restrained an existential threat SMEs	up / more difficult up / more difficult of high concern large companies	same	down / easier Cost Access Cost Access	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is working capital / treasury needs	sharply up / restrained Cost Access Cost Access sharply up / restrained an existential threat SMEs	up / more difficult up / more difficult of high concern	same	down / easier Cost Access Cost Access	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is working capital / treasury needs debt refinancing	sharply up / restrained Cost Access Cost Access sharply up / restrained an existential threat SMEs SMEs	up / more difficult up / more difficult of high concern large companies large companies	same	down / easier Cost Access Cost Access	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is working capital / treasury needs	sharply up / restrained Cost Access Cost Access sharply up / restrained an existential threat SMEs SMEs	up / more difficult up / more difficult of high concern large companies	same	down / easier Cost Access Cost Access	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is working capital / treasury needs debt refinancing financing productive investments	sharply up / restrained Cost Access Cost Access sharply up / restrained an existential threat SMEs SMEs	up / more difficult up / more difficult of high concern large companies large companies SMEs large companies	same	down / easier Cost Access Cost Access	
ACCESS TO FINANCE Compared to 6 months ago, cost/access to finance has been for SMEs for larger companies (>250 employees) Over the next 6 months, cost /access to finance will be for SMEs for larger companies (>250 employees) For companies, the current financing situation is working capital / treasury needs debt refinancing	sharply up / restrained Cost Access Cost Access sharply up / restrained an existential threat SMEs SMEs	up / more difficult up / more difficult of high concern large companies large companies SMEs	same	down / easier Cost Access Cost Access	



POLICY MIX

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

to some extent

Tight

yes

Tight, appropriate for the euro area

Appropriate

Loose

Loose, appropriate for the euro area

Monetary policy is...

Consistency between fiscal and monetary policies

adequate inadequate

yes