



FEBRUARY 2010 ECONOMIC OUTLOOK FOR IRELAND: ANSWERS FROM IBEC

MAIN FORECAST					
Real GDP growth		2009	2010		
Consumer price inflation		-7.5	-1.6		
Unemployment rate		-1.7	-1.0		
Employment growth		12.1	13.5		
		-7.8	-3.5		
Components of aggregate demand - in real terms					
Annual % change		2009	2010		
Private consumption		-7.7	-3.0		
Public consumption		-0.6	-2.0		
Investment (Gross fixed capital formation)		-29.4	-14.7		
Exports		-3.0	0.5		
Imports		-9.0	-3.0		
ECONOMIC SENTIMENT					
		<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>	
Trend in business climate over the next 6 months			Industry		
			Services		
		<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>	
Trend in profitability over the next 6 months			Industry		
			Services		
		<i>Increase (faster pace)</i>	<i>Increase (slower pace)</i>	<i>Unchanged</i>	<i>Decrease (slower pace)</i>
Investment intentions over the next 6 months				Industry	<i>Decrease (faster pace)</i>
				Services	
		<i>Global demand</i>	<i>Domestic demand</i>	<i>Cost of finance</i>	<i>Availability of finance</i>
Influence on companies' investment decisions		positive	negative	negative	negative
		<i>Replacement</i>	<i>Extension</i>	<i>Rationalisation</i>	<i>Innovation</i>
Driving force behind investment decisions in the next 6 months		negative	negative	positive	positive
		<i>Industry: past 6 months</i>	<i>Industry: next 6 months</i>	<i>Services: past 6 months</i>	<i>Services: next 6 months</i>
Overall trend in employment		Down	Down	Down	Down
ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH					
Compared to 6 months ago, cost/access to finance has been...					
<i>for SMEs</i>	sharply up / restrained	up / more difficult	same	down / easier	
			Cost		
			Access		
<i>for larger companies (>250 employees)</i>			Cost		
			Access		
Over the next 6 months, cost /access to finance will be...					
<i>for SMEs</i>	sharply up / restrained	up / more difficult	same	down / easier	
		Cost			
			Access		
<i>for larger companies (>250 employees)</i>		Cost			
			Access		
For companies, the current financing situation is...	<i>threat to company existence</i>	<i>of high concern</i>	<i>somewhat concerning</i>	<i>not worrying</i>	
working capital / treasury needs	SMEs	large companies			
debt refinancing	large companies	SMEs			
financing productive investments		SMEs			
		large companies			
financing innovation and R&D		SMEs			
			large companies		



POLICY MIX					
	<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>Monetary policy is...</i>		yes			
	<i>adequate</i>	<i>inadequate</i>			
<i>Consistency between fiscal and monetary policies</i>		yes			
	<i>excellent commitment</i>	<i>satisfactory commitment</i>	<i>neither satisfactory nor unsatisfactory commitment</i>	<i>unsatisfactory commitment</i>	<i>no clear commitment creating an extremely worrying situation</i>
<i>Regarding the sustainability of public finances, government shows ...</i>	yes				
	<i>respect the 3% limit</i>	<i>be in balance</i>			
<i>In 2015, the government deficit will...</i>	yes	no			