



JUNE 2012 ECONOMIC OUTLOOK FOR IRELAND: ANSWERS FROM IBEC

MAIN FORECAST

Annual % change	2012	2013
Real GDP growth	1,0	2,4
Consumer price inflation	1,9	1,5
Unemployment rate	13,8	13,1
Employment growth	0,0	0,5
government net lending (% of GDP)	-8,2	-7,2
gross public debt (% of GDP)	116,0	118,0
current account balance (% of GDP)	1,1	2,2

Components of aggregate demand - in real terms

Annual % change		
Private consumption	-2,0	0,5
Public consumption	-4,0	-3,0
Investment (Gross Fixed Capital Formation)	-2,2	6,1
Private non-residential investment	5,0	10,0
Exports	2,8	4,0
Imports	1,3	2,9

ECONOMIC SENTIMENT

	Positive	Negative	Unchanged			
Trend in business climate over the next 6 months	Industry					
	Services					
Trend in profitability over the next 6 months			Industry			
			Services			
Investment intentions over the next 6 months	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace)	
	Industry		Services			
Influence on companies' investment decisions	Global demand	Domestic demand	Cost of finance	Availability of finance	Company Profitability	Capacity Utilisation
	positive	negative	negative	negative	neutral	positive
Driving force behind investment decisions in the next 6 months	Replacement	Extension	Rationalisation	Innovation		
	positive	positive	neutral	positive		
Overall trend in employment	Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months		
	Down	Same	Down	Same		

ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH

<i>Compared to 6 months ago, cost/access to finance has been... for SMEs</i>	sharply up / restrained	up / more difficult Demand for finance Cost Access	same	down / easier
<i>for larger companies (>250 employees)</i>		Demand for finance Cost Access		

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	<i>Investment</i>	<i>Inventories and working capital</i>	<i>Internal Financing</i>	<i>Issuance of debt securities</i>	<i>Economic Outlook</i>	
Factors contributing to the demand of bank lending	Positive effect	Positive effect	Positive effect	Neutral effect	Negative effect	
	Bank's capital position	Bank's liquidity position	Access to market financing	Financial Regulation	Economic Outlook	ECB Long term refinancing operations
Factors contributing to the supply of bank lending	Very negative effect	Negative effect	Very negative effect	Negative effect	Negative effect	Neutral effect