



AUTUMN 2012 ECONOMIC OUTLOOK FOR IRELAND: ANSWERS FROM IBEC

MAIN FORECAST

| Annual % change | 2012 | 2013 | | | |
|---|--------|--------|--|--|--|
| Real GDP growth | 0,8 | 1,8 | | | |
| Consumer price inflation | 2,0 | 2,0 | | | |
| Unemployment rate | 14,8 | 14,4 | | | |
| Employment growth | -1,2 | 0,0 | | | |
| Hourly wage growth | 0,5 | 0,8 | | | |
| Hourly labour productivity growth | 1,6 | 1,5 | | | |
| annual hours worked per person employed | 1665,0 | 1670,0 | | | |
| government net lending (% of GDP) | -8,1 | -7,5 | | | |
| gross public debt (% of GDP) | 115,0 | 119,0 | | | |
| current account balance (% of GDP) | 1,8 | 2,6 | | | |

ECONOMIC SENTIMENT

| | <i>Positive</i> | <i>Negative</i> | <i>Unchanged</i> | | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------|-----------------------------|
| <i>Trend in business climate over the next 6 months</i> | Industry | | | | | |
| <i>Trend in profitability over the next 6 months</i> | Industry | | | | | |
| <i>Investment intentions over the next 6 months</i> | <i>Increase (faster pace)</i> | <i>Increase (slower pace)</i> | <i>Unchanged</i> | <i>Decrease (slower pace)</i> | <i>Decrease (faster pace)</i> | |
| | | | Industry | | | |
| <i>Influence on companies' investment decisions</i> | <i>Global demand</i> | <i>Domestic demand</i> | <i>Cost of finance</i> | <i>Availability of finance</i> | <i>Company Profitability</i> | <i>Capacity Utilisation</i> |
| | na | na | na | na | positive | negative |
| <i>investment decisions in the next 6 months</i> | <i>Replacement</i> | <i>Extension</i> | <i>Rationalisation</i> | <i>Innovation</i> | | |
| | na | na | na | na | | |
| <i>Overall trend in employment</i> | <i>Industry: past 6 months</i> | <i>Industry: next 6 months</i> | <i>Services: past 6 months</i> | <i>Services: next 6 months</i> | | |
| | Up | Up | na | na | | |

| ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH | | | | | |
|---|--|---|--|----------------------|--|
| <i>Compared to 6 months ago, cost/access to finance has been...</i> | sharply up / restrained | up / more difficult | same | down / easier | |
| <i>for SMEs</i> | | | | | |
| <i>larger companies (>250 employees)</i> | | | | | |
| <i>Over the next 6 months, cost /access to finance will be...</i> | sharply up / restrained | up / more difficult | same | down / easier | |
| <i>for SMEs</i> | | | Cost | | |
| <i>larger companies (>250 employees)</i> | | Cost | Access | | |
| | <i>Measures to improve bank lending capacity</i> | <i>Facilitating access to capital markets (corporate bonds and stock markets)</i> | <i>Improving conditions for equity financing</i> | | |
| <i>Measures to alleviate current financial difficulties for SMEs</i> | Moderate effect | Very limited effect | Very limited effect | Very limited effect | |
| | <i>Measures to improve bank lending capacity</i> | <i>Facilitating access to capital markets (corporate bonds and stock markets)</i> | <i>Improving conditions for equity financing</i> | | |
| <i>Measures to alleviate current financial difficulties for midsize and large companies</i> | Very limited effect | Very limited effect | Moderate effect | Very limited effect | |