

# Luck of the Irish? The Turnaround of the Irish Economy

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Seminar organised by the Embassy of Ireland and the Bulgarian Chamber of Commerce and Industry, Sofia

13 May 2015



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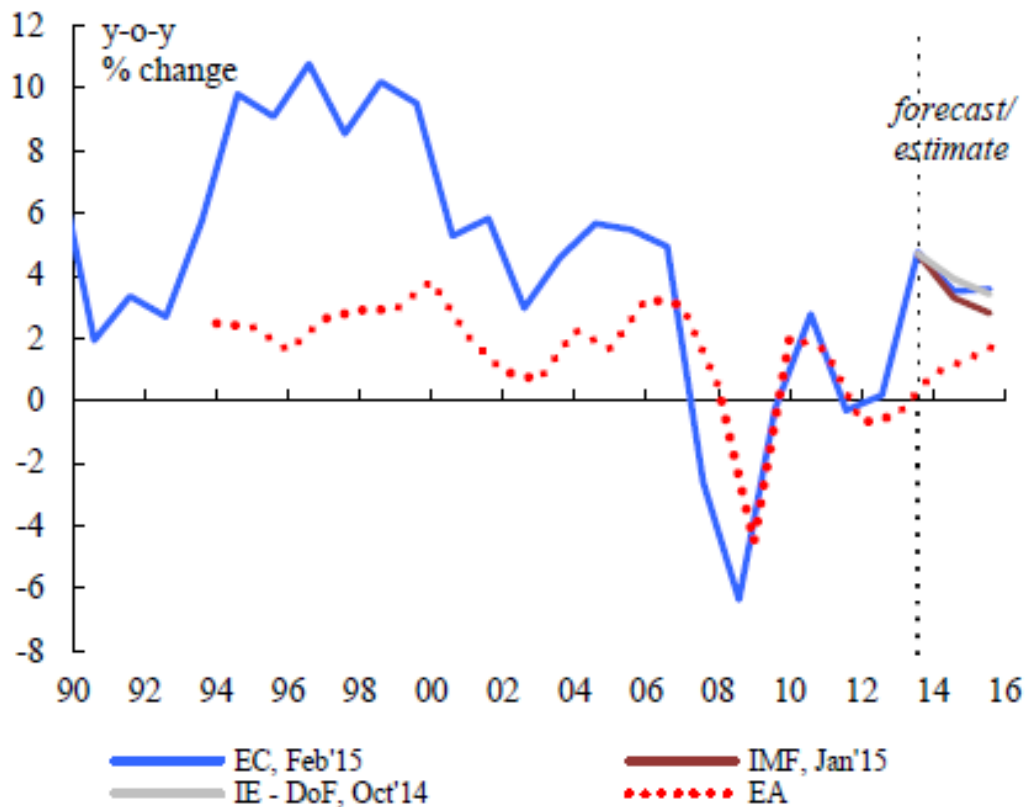
# Outline

- From boom to bust to recovery.
- Factors driving recovery.
- Prospects for the Irish economy.



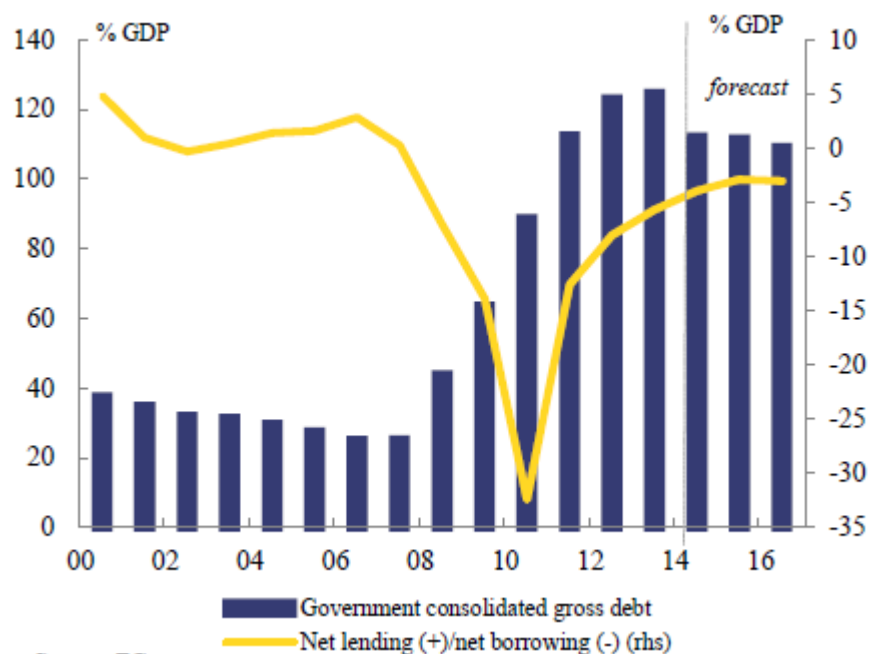
# Irish economy: From boom to bust to recovery

Real GDP growth

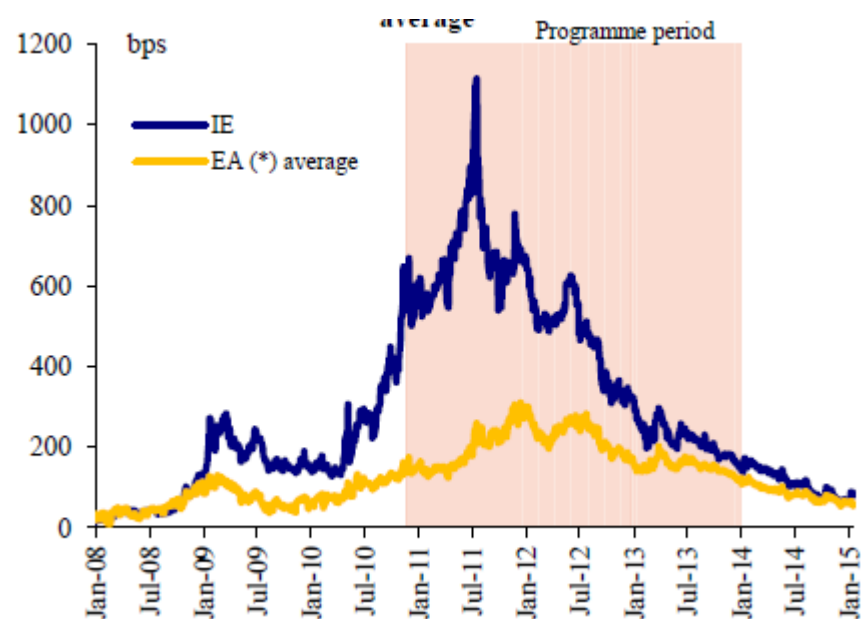


# Fiscal crisis and EU/IMF Programme

## Fiscal balance and debt



## Sovereign spreads





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Source: Irish Times, 2010

# Recovery driven by three main factors

- Underlying economic strengths have come to the fore.
  - Agriculture, Agrifood, Information and communications technology, Medical technology, Pharmaceutical and chemical, Tourism.
- Decisive policy actions at home.
  - Sustained efforts to reduce budget deficit and rebuild banking system.
  - Sure and steady progress; Meeting multi-year fiscal targets helped to boost confidence.

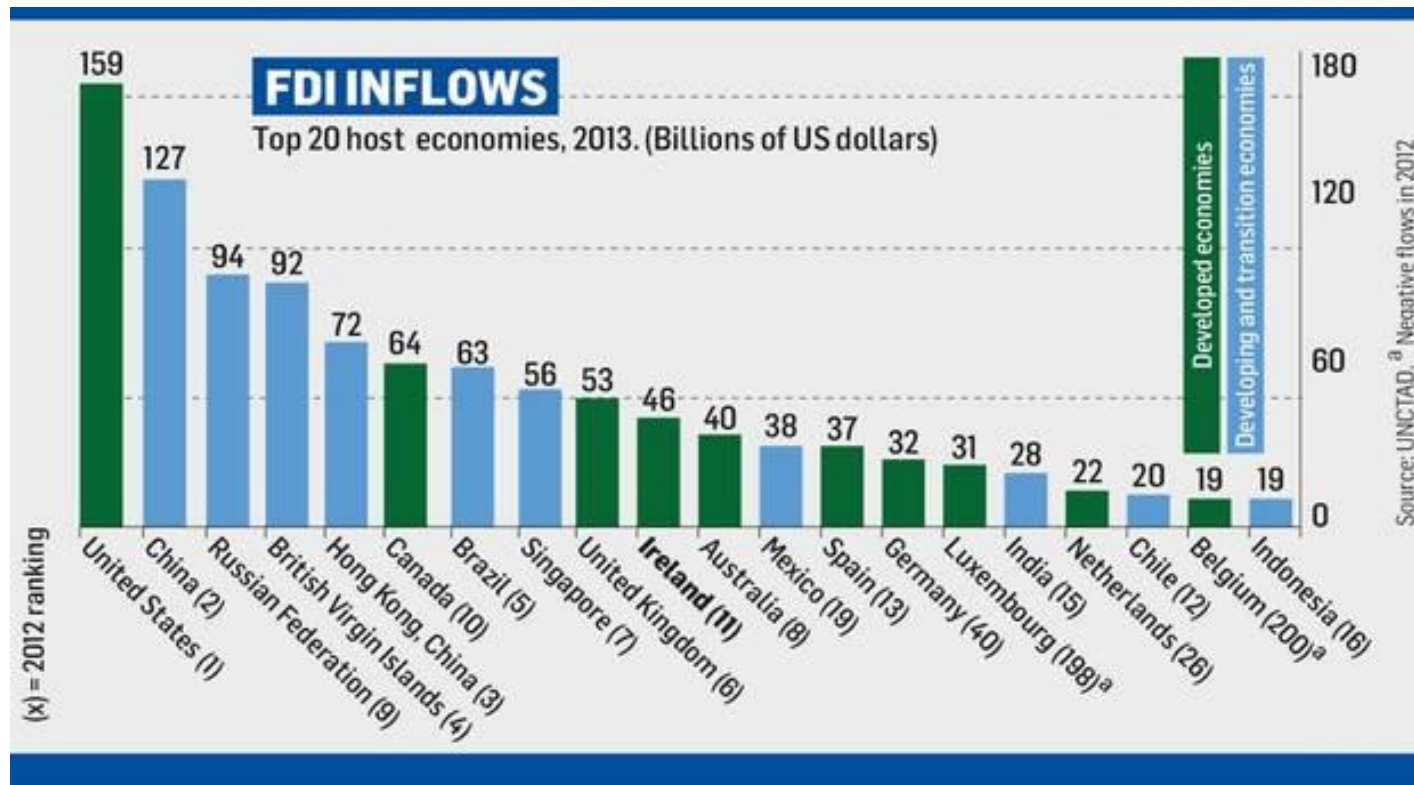


# Factors driving recovery (continued)

- Supportive policy actions abroad.
  - ECB measures.
  - Revised terms on official loans.
  - Improvements in US and UK economies.



# Strong inflows of Foreign Direct Investment

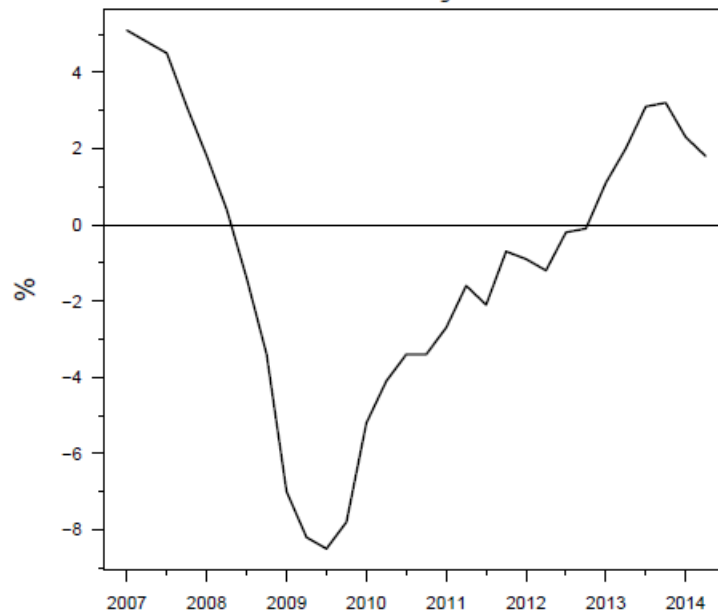




# Ireland's economic turnaround

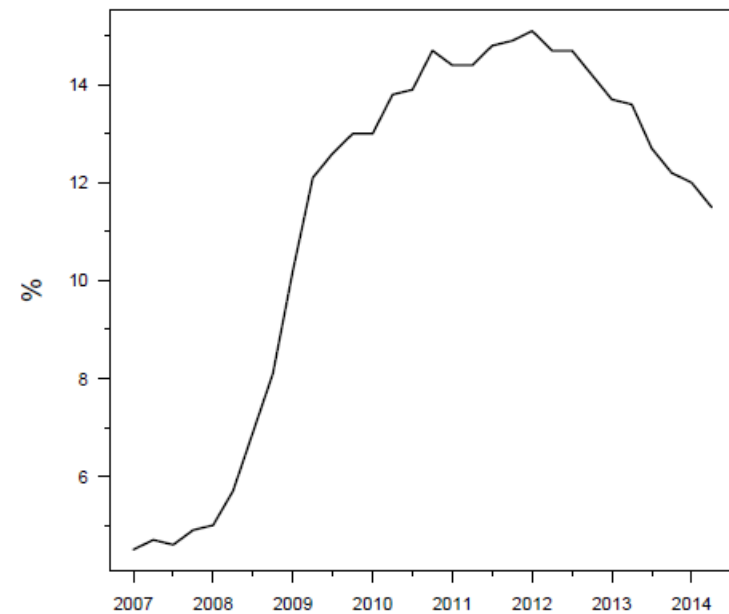
## Employment

Annual Change



Source: Central Statistics Office, CSO

## Unemployment Rate (ILO)



Source: Central Statistics Office, CSO



# Encouraging economic outlook

**Table 1: Economic growth, general government balance and debt ratio**

	2014	2015	2016	2017	2018	2019	2020
Real GDP (% change)	4.8	4.0	3.8	3.2	3.2	3.0	3.0
Employment (% change)	1.7	2.2	2.2	1.9	1.9	1.8	1.7
Total Employment ('000)	1,915	1,960	2,000	2,040	2,080	2,115	2,155
Unemployment (rate)	11.3	9.6	8.8	8.4	7.8	7.3	6.9
General government balance (% of GDP)	-4.1	-2.3	-1.7	-0.9	-0.1	0.7	1.7
EDP target* (% of GDP)	-5.1	-2.9	—	—	—	—	—
Debt ratio (year-end, % of GDP)	109.7	105.0	100.3	97.8	93.6	89.4	84.7



# Conclusions

- Broad-based recovery in the Irish economy, but risks remain.
  - Brexit.
  - Grexit.
  - Normalisation of monetary conditions.
- Ireland's resilience reflects:
  - Open, flexible, business-friendly economy.
  - Consistent, predictable policy.
  - Emphasis on knowledge-intensive sectors.



# Thank you



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