



Macroeconomic outlook Teagasc Outlook 2012 Conference

January 19th 2012

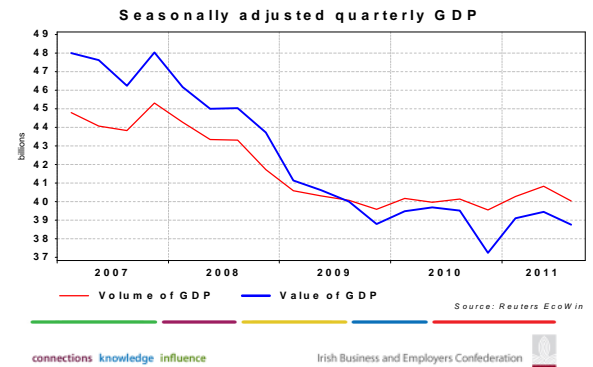
Fergal O'Brien
Chief Economist
IBEC

connections knowledge influence

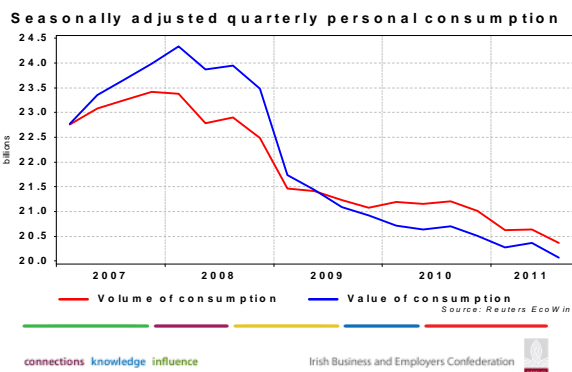
Irish Business and Employers Confederation



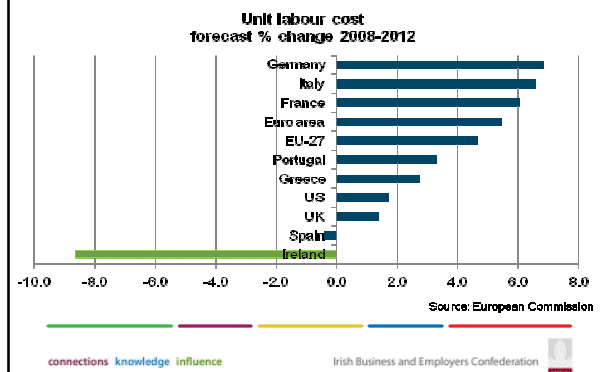
Ireland's Economic output – where are we now



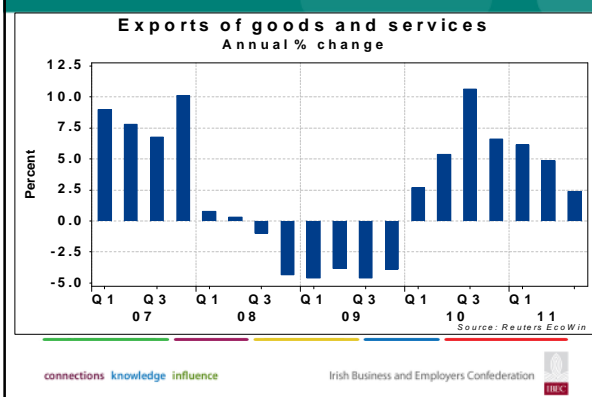
Consumer spending falling further



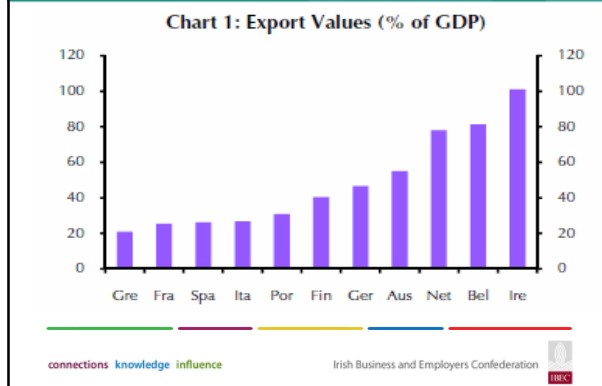
Competitiveness adjustment within common currency



Recent export performance

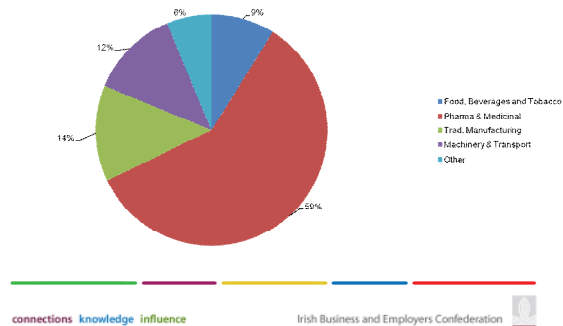


Ireland's economy is exceptionally open

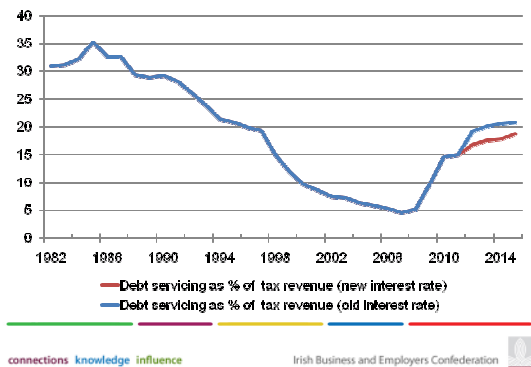


Goods exports by sector

Merchandise Exports by Sector - 2010

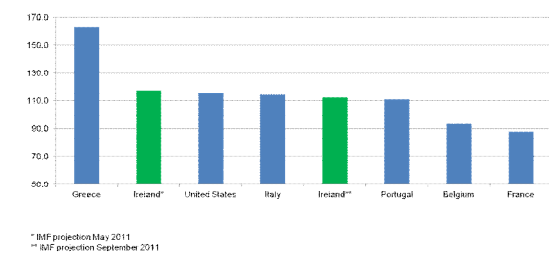


Debt servicing costs – not as bad as 1980s

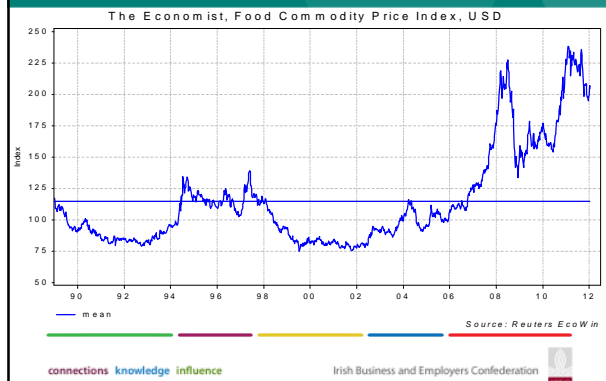


Debt levels

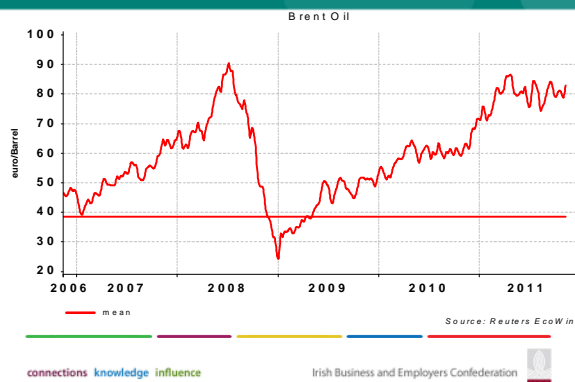
Gross debt as % of GDP in 2016



Buoyant period for global food commodities

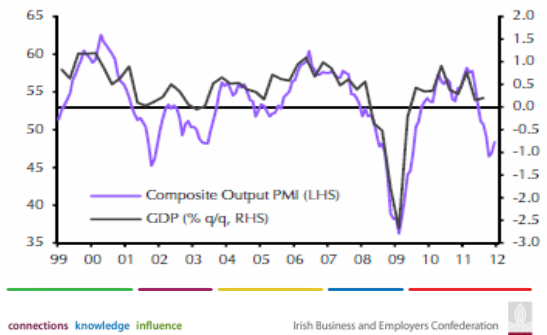


But input costs high also

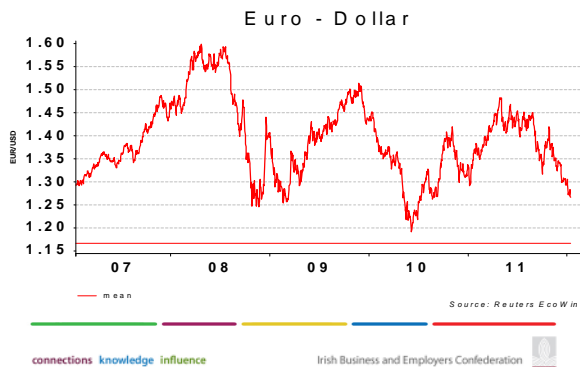


Eurozone has slowed sharply

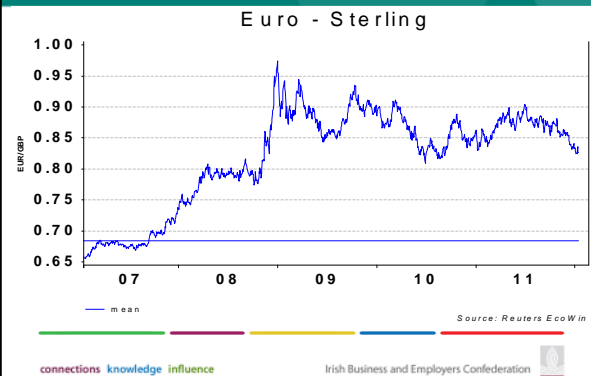
3. Euro-zone GDP & Composite PMI



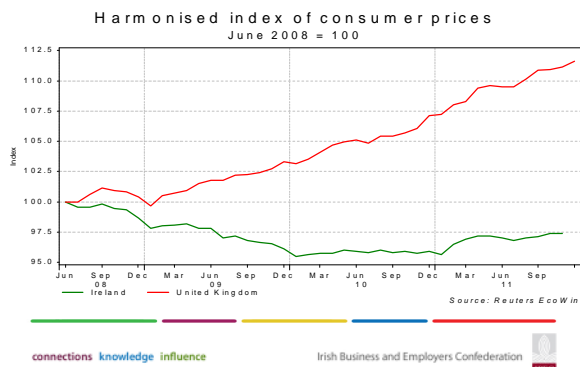
Important silver lining of exchange rates



Important silver lining of exchange rates



UK household incomes squeezed by inflation



Risks and key issues for Ireland

- Eurozone crisis
- Ireland's debt sustainability
- A functioning banking system
- Pressure of deleveraging
- Global economic outlook
- But silver linings in eurozone difficulties

Summary of macroeconomic outlook for 2012

- Eurozone and UK economies close to recession
- US market holding up better
- Irish export markets more difficult but market share is growing
- Irish consumer spending still falling mainly due to weak confidence
- Export values to benefit from weaker euro