



Quarterly Bulletin 4 2024 – Irish Economic Outlook

This is a transcript of text in the video titled “Quarterly Bulletin 4 2024 – Irish Economic Outlook, featuring Robert Kelly, Director of Economics & Statistics, Central Bank of Ireland.

What is the outlook for the Irish economy?

The Irish economy is progressing steadily, with both domestic gains and a positive export performance by multinationals.

This steady growth is set to be maintained on the back of consumer spending, low unemployment, and further export demand from our trading partners.

At the same time, prospective US policy changes, particularly in trade and taxation, add to the downside risks for Ireland’s economic outlook.

How could US policy changes affect the Irish economy?

Given the major trade and investment links, changes to US trade and tax policies have significant implications for the Irish economy.

The impact of tariffs not only depends on the detail – such as what products are affected and the timing – but equally, on how the EU and other trading partners will respond.

Tit-for-tat tariffs would reduce export and activity levels.

But more significantly, the public finances are exposed to potential changes in US tax law. This places at risk the excess corporation tax revenues of recent years, which are estimated to be in the region of 15 billion euro annually.

What does long-term economic growth look like for Ireland?

Potential growth is set to decline in Ireland over the coming decades. This is the pace at which an economy can sustainably grow by fully using its resources like workers, machines, and technology.

Ireland’s working age population is set to peak inside the next two decades.

This makes continued infrastructural investment vital, alongside developing skills and capabilities to unlock the benefits of digitisation and support longer working lives.

Such advancements can offset slower workforce growth and sustain rising living standards for all.

Find out more: [centralbank.ie/QB](https://www.centralbank.ie/QB)