



Video title: Quarterly Bulletin 1 2024 – Irish Economic Outlook

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What is the outlook for the Irish economy?

We expect the domestic economy to continue to grow at a moderate pace, in the region of 2 per cent annually out to 2026.

Modest growth for consumer spending underpins the outlook as pay increases outpace inflation for the first time since early 2022. In addition, while dampened by higher interest rates, investment will be bolstered by the projected upward trend in home building.

Export growth is anticipated to be relatively weak by historical norms, reflecting lower global demand and ongoing geopolitical tensions.

What is the outlook for inflation?

Headline inflation is easing faster than previously anticipated, driven by a reversal in externally-driven price pressures, such as in energy prices.

A continuation of declining price pressures for energy and non-energy goods is expected to reduce headline inflation to 2 per cent this year.

Services inflation, which is more sensitive to domestic factors, is proving more sticky and we expect it to decline more gradually over the forecast horizon.

What is your view on the labour market?

The Irish labour market remains resilient, with unemployment close to historical lows.

Assuming economic growth remains in line with our forecasts, we expect the unemployment rate to average 4.5% out to 2026.

At the same time, an easing of job vacancies and slowing employment growth point to a labour market adjusting to cruising speed, from being at full tilt.

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