

QUARTERLY ECONOMIC COMMENTARY

NOVEMBER 1998

The forecasts in this Commentary are based on data available by late November 1998.

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SUMMARY

Both export volumes and domestic demand have been proving more buoyant than we had expected. Thus we have revised upwards our forecast growth rate of real GNP in 1998 to $8\frac{1}{4}$ per cent. Annual average employment is forecast to increase by about 55,000 or roughly 4 per cent, while the standardised annual unemployment rate is likely to be 9.2 per cent. The consumer price index is forecast to rise by 2.6 per cent on an annual average basis, having peaked at 3.2 per cent in August. The public finances are expected to show record strength, with a general government surplus in 1998 of the order of 2 per cent of GDP.

The international financial crisis had less impact than we had expected on the Irish economy in 1998. However, it still has the capacity to reduce the Irish growth rate in 1999 through some loss of markets, increased competition and an easing of productive investment flows. More important though is probably the expected near stagnation in the UK economy as it reaches the end of the expansionary phase of its cycle, exacerbated by the lagged effects of the prolonged over-valuation of sterling.

Because of this deterioration in the external economic environment, allied to tighter supply constraints, especially with regard to labour, a reduction in the growth rate to about $5\frac{1}{2}$ per cent is projected for 1999. This seems likely to be accompanied by a rise of about 43,000 in employment, a further fall in the unemployment rate, and a reduction to about $2\frac{1}{4}$ per cent in consumer price inflation. Despite the reduced growth rate, the public finances are expected to strengthen, with an out-turn of a general government surplus of about $2\frac{1}{2}$ per cent of GDP predicted.

While the prospects look favourable for a relatively smooth transition to a sustainable growth rate in 1999 and future years, there are, of course, dangers. Apart from the slight, but still lingering, risk of a world recession, the most obvious danger is of too large a loss of competitiveness in the Irish economy because of excessive pay increases. If rapid long-term growth is to be maintained, Irish pay settlements need to be only a little higher than those in other euro countries. A less obvious, but nevertheless real, risk is of alienating our fellow members of the EU by pursuing too wide a range of policies perceived by them as inappropriate for a country close to EU average income levels. An ordering of our own priorities in relation to our European partners appears to be a sensible precaution, while greater efforts are probably needed to educate our neighbours about specifically Irish economic realities.

FORECAST NATIONAL ACCOUNTS 1998
A: Expenditure on Gross National Product

	1997		1998		Change in 1998		
	Preliminary £m	Forecast £m	£m		%		
			Value	Volume	Value	Price	Volume
Private Consumer Expenditure	25,191	27,760	2,569	1,915	10¼	2½	7½
Public Net Current Expenditure	6,669	7,190	521	200	7¾	4¾	3
Gross Fixed Capital Formation	9,448	11,240	1,792	1,133	19	6¼	12
Exports of Goods and Services (X)	40,614	50,836	10,222	8,745	25¼	3	21½
Physical Changes in Stocks	539	380	-159	-150			
Final Demand	82,461	97,406	14,945	11,843	18	3¼	14¼
less:							
Imports of Goods and Services (M)	34,220	42,586	8,366	7,137	24½	3	20¾
GDP at Market Prices	48,241	54,820	6,579	4,706	13¾	3½	9¾
less:							
Net Factor Payments (F)	6,322	7,814	1,492	1,264	23½	3	20
GNP at Market Prices	41,919	47,006	5,087	3,442	12¼	3½	8¼

B: Gross National Product by Origin

	1997		1998		Change in 1998	
	Preliminary £m	Forecast £m	£m		%	
			£m		%	
Agriculture, Forestry, Fishing	2,371	2,276	-95		-4	
Non-Agricultural: Wages, etc	21,806	24,096	2,290		10½	
Other:	15,520	18,607	3,087		20	
less:						
Adjustments	2,017	2,312	295		14¾	
Net Factor Payments	6,322	7,814	1,492		21¾	
National Income	31,358	34,853	3,495		11¼	
Depreciation	5,113	5,752	639		12½	
GNP at Factor Cost	36,471	40,605	4,134		11¼	
Taxes less Subsidies	5,448	6,401	953		17½	
GNP at Market Prices	41,919	47,006	5,087		12¼	

C: Balance of Payments on Current Account

	1997		1998		Change in 1998	
	Preliminary £m	Forecast £m	£m			
			£m			
X - M	6,394	8,250	1,856			
F	-6,322	-7,814	-1,492			
Net Transfers	1,290	1,156	-134			
Balance on Current Account	1,362	1,592	230			
as % of GNP	3¼	3½				

FORECAST NATIONAL ACCOUNTS 1999**A: Expenditure on Gross National Product**

	1998		1999		Change in 1999		
	Forecast	Forecast	£m		%		
	£m	£m	Value	Volume	Value	Price	Volume
Private Consumer Expenditure	27,760	30,397	2,637	1,968	9½	2¼	7
Public Net Current Expenditure	7,190	7,747	557	216	7¾	4¾	3
Gross Fixed Capital Formation	11,240	13,159	1,919	1,200	17	5¾	10¾
Exports of Goods and Services (X)	50,836	58,232	7,396	6,797	14½	1¼	13¼
Physical Changes in Stocks	380	330	-50	-50			
Final Demand	97,406	109,865	12,459	10,131	12¾	2¼	10½
less:							
Imports of Goods and Services (M)	42,586	50,172	7,586	6,706	17¾	1¾	15¾
GDP at Market Prices	54,820	59,693	4,873	3,425	9	2½	6¼
less:							
Net Factor Payments (F)	7,814	8,782	968	860	12½	1¼	11
GNP at Market Prices	47,006	50,911	3,905	2,565	8¼	2¾	5½

B: Gross National Product by Origin

	1998		1999		Change in 1999	
	Forecast	Forecast	£m		%	
	£m	£m	£m	£m		
Agriculture, Forestry, Fishing	2,276	2,321	45			2
Non-Agricultural: Wages, etc	24,096	26,084	1988			8¼
Other:	18,607	20,170	1,563			8½
less:						
Adjustments	2,312	2,528	216			9¼
Net Factor Payments	7,814	8,782	968			12½
National Income	34,853	37,265	2,412			7
Depreciation	5,752	6,413	661			11½
GNP at Factor Cost	40,605	43,678	3,073			7½
Taxes less Subsidies	6,401	7,233	832			13
GNP at Market Prices	47,006	50,911	3,905			8¼

C: Balance of Payments on Current Account

	1998		1999		Change in 1999	
	Forecast	Forecast	£m			
	£m	£m	£m	£m		
X - M	8,250	8,069		-181		
F	-7,814	-8,782		-968		
Net Transfers	1,156	1,187		31		
Balance on Current Account	1,592	474		-1,118		
as % of GNP	3½	1		-2½		

The International Economy

General

Uncertainty concerning the global economy continues. While there have been some signs of stabilisation in much of southern Asia, there have been no clear indications of recovery. Meanwhile the financial crisis has spread to Russia and is threatening Latin America. Among the major economies, Japan is in recession, but the US and most European countries are continuing to grow fairly steadily.

Although most international agencies have revised their forecasts of world economic growth downwards, the increasing awareness of the depth of the financial crisis has probably reduced the risk of a general world recession. Governments of the major countries and the management of the international financial agencies have shifted their priorities in recent months, as the threat of inflation has receded and the dangers of depression become clearer. Thus interest rates have been reduced in the US and UK, and it has been made clear that no increase is imminent in core European interest rates. Meanwhile, rescue packages for countries have become more convincing than those introduced earlier in the crisis.

The general consensus now, at least outside the UK, is that world recession will be averted. Although there will be some further shocks, and share prices may well fall again on most exchanges, continued economic growth in Europe and the US will ensure that world output and trade will expand in 1999, with price inflation remaining low throughout the year.

The US Economy

Preliminary figures indicate that seasonally-corrected third quarter GDP increased by about 1.0 per cent. Although consumer expenditure growth has slowed since the second quarter, it still remains the main source of expansion in the economy. The US economy has enjoyed steady growth for a number of years but evidence is emerging that the rate of increase may be slowing. Industrial production rates of increase have declined and retail sales growth has slowed. On this basis GDP growth of 3¼ per cent is forecast for 1998 and 2 per cent in 1999. The downturn in export growth, which has been accompanied by an increase in imports, has resulted in the foreign trade deficit increasing significantly.

The unemployment rate remains very low and an annual average unemployment rate of 4½ per cent is expected for 1998, with an increase to nearly 5 per cent in 1999. Despite the tightness in the labour market, growth in consumer prices has remained subdued. In line with expectations, the US Federal Reserve cut official interest rates by a ¼ per cent to 5¼ per cent at the end of September, by a further ¼ per cent to 5 per cent in early October, and by a further ¼ per cent in November. This is the first time in almost three years that official US interest rates have been cut, reflecting a receding threat of inflation and increasing fears that the international crisis could damage US output. These worries mean that further interest rate cuts are expected during 1999 as the Federal Reserve seeks to offset the international slowdown.

The dollar has depreciated against European currencies in recent months, and has receded from its early summer peak against the Yen. Further interest rate cuts in the US and a widening US current account deficit means the dollar is likely to weaken further against the euro during 1999.

The European Economy

Despite the international environment, the outlook for the European economy is still positive. Any decline in the contribution of exports to growth appears to be being offset by strengthening consumer demand levels. The latest European Commission forecasts for the EU-15 indicate growth of 2.9 per cent in 1998. A slowdown to growth of 2.4 per cent is expected in 1999 as the international downturn will have an impact on the external sector. The Asian crisis may also have some positive impact as the reduction in raw material prices should help keep inflation subdued, while low interest rates should further encourage consumption and investment. Public expenditure levels may also increase as the fiscal tightening necessary for EMU qualification eases. However, any spending increases will need to remain within the constraints of the Stability and Growth Pact.

The German economy grew by a slow 0.4 per cent in the second quarter, reflecting weak personal consumption and construction activity. However, it must be remembered that some personal consumption expenditure had shifted to the first quarter of the year ahead of a VAT increase in April. Despite the Asian crisis German exports to Europe and the USA have increased and so to date have continued to make a positive contribution to growth. German GDP growth of approximately 2½ per cent in 1998 and 2¼ per cent in 1999 is anticipated.

The new German coalition government is putting increasing emphasis on reducing unemployment levels. German unemployment fell below 4 million in September for the first time in two years, bringing the unemployment rate to a seasonally adjusted 10.3 per cent, reflecting the upturn in economic activity as well as labour market policy measures. Unemployment levels had remained high even with the upturn in activity during the first half of the year. Given more moderate growth rates as a result of the international economic climate the decline in unemployment levels is expected to be quite slow. An unemployment rate of 11 per cent is estimated for 1998 and a slight decline to 10¾ per cent in 1999.

It had been thought that German interest rates might be increased in the lead-up to EMU, having remained unchanged since April 1996. However, the impact of the current international situation is such that it is now highly unlikely that German interest rates will increase in 1998. Inflation in Germany remains subdued partly due to a decline in import prices. Recent figures show that annual inflation is running at 0.7 per cent and is expected to average 1 per cent in 1998 and 1¼ per cent in 1999.

While similarities remain between the two economies, at present the French economy appears in a stronger condition than that of Germany. GDP growth of 3 per cent is forecast for 1998 and 2½ per cent for 1999, mainly due to the strength of private consumption. This is being underpinned by an increase in employment

levels which should bring the unemployment rate back to an annual average of 11¾ per cent in 1998 with a further decline to 11 per cent in 1999.

While an upturn in domestic demand has helped offset the impact of the international slowdown on a number of the continental European economies this has not been the case in Italy. The main difficulty for the Italian economy is that consumer demand levels remain subdued. Inflation is expected to average 1¾ per cent in 1998 and 1½ per cent in 1999. Completion of convergence of interest rates to euro levels should provide a boost to the Italian economy as the high levels of short term interest rates during much of 1998 could have been delaying investment decisions as well as depressing consumer expenditure. The convergence of European interest rates has gathered pace over the past few months with both Spain and Portugal also embarking on a series of interest rate cuts, which could stimulate their economies.

The UK Economy

Figures for the third quarter show that the UK economy grew by 0.4 per cent. The annual rate of growth slowed to 2½ per cent from 3 per cent in the second quarter.

For 1998 as a whole GDP growth could reach a surprisingly high 2½ per cent. However, there are many signs that growth is slowing, with the previously buoyant service sector showing signs of weakness, while manufacturing has not yet shown a positive response to the depreciation of sterling. It is certainly possible, as some British commentators fear, that this slowdown will be converted to a UK recession in 1999, but it seems more likely that growth will remain positive, although very slow at about 1 per cent.

The Monetary Policy Committee finally cut interest rates in October by a ¼ per cent amid worries about the prognosis for the economy. This was followed by a ½ per cent at the beginning of November to bring official interest rates to 6¾ per cent. For the second consecutive month underlying inflation hit the government target of 2½ per cent in September. Coupled with this, average earnings growth for the three months to August slowed to 4.6 per cent from the 5.2 per cent recorded for the three months to July. The easing of both these figures as well as further evidence that the economy is slowing and worries about the outlook for 1999 means that further interest rate cuts are expected in the short term. Given the interest rate outlook sterling is expected to decline against the European currencies during 1999.

Despite the slowdown in the UK economy, unemployment continues to fall, by 11,900 in September, an indication that the labour market remains tight. An annual average unemployment rate of 6¾ per cent is forecast for 1998. The near stagnation of the economy means that we expect the unemployment rate to increase to an annual average of 7½ per cent in 1999.

The Rest of the World

Japanese GDP data for the second quarter shows that the economy contracted by 0.8 per cent, the third consecutive quarter of decline. This was mainly the result of a fall in personal consumption and reduced investment levels. On this occasion weak domestic demand was not offset by a strong

performance by the external sector. Exports to neighbouring countries have contracted sharply, although the depreciation of the Yen has boosted exports to the US. The balance on the current account is expected to rise, however, as import levels have fallen. An early substantial recovery seems unlikely. Interest rates are already at record lows, a series of fiscal stimulus packages have been introduced, consumer prices are falling, and the currency has depreciated substantially, all without stimulating appreciable growth. Furthermore, unemployment levels have risen to over 4 per cent. GDP is expected to contract by 2¼ per cent in 1998. While some recovery is expected next year annual growth of just ¼ per cent is forecast.

TABLE 1: Short-term International Outlook

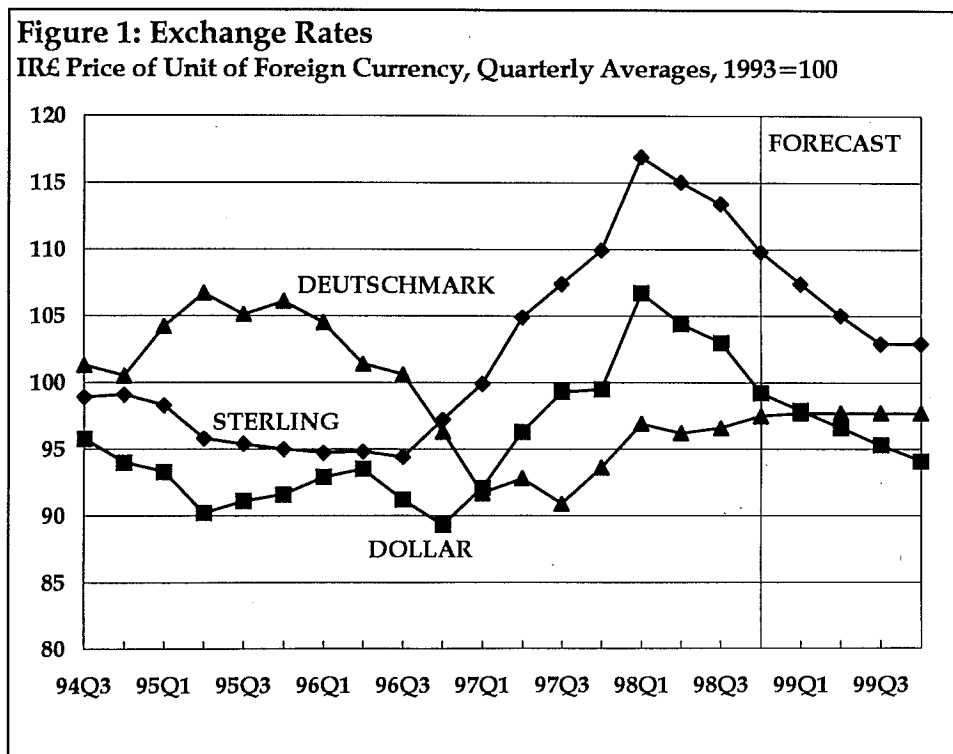
Country	GNP		Consumer Prices		Hourly Earnings		Unemployment Rate		Current Account Balance	
	Percentage Change		Percentage Change		Percentage Change		%		% of GNP	
	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999
UK	2½	1	2½	2½	4¾	4½	6¾	7½	-2	-3
Germany	2½	2¼	1	1¼	2	2½	11	10¾	0	½
France	3	2½	¾	1	2½	2½	11¾	11	2¾	2¼
Italy	1½	2	1¾	1½	3	3	12	11¾	2	1½
Total EC	3	2½	1½	1½	3¼	3½	10	9½	1½	1½
USA	3¾	2	1½	1¾	3½	3½	4½	5	-2¾	-3
Japan	-2¼	¼	½	1	1	1	4	4	3	3
Total (OECD)	2	2	1½	1½	3¼	3½	7½	7½	0	0
Ireland	8¼	5½	2½	2¼	6¼	5¼	9	8¼	3½	1

The other major economies in the East Asian region are expected to contract this year. The weak state of the Japanese economy is making it more difficult to overcome the crisis as Japan cannot act to help the region. However, there are some signs that the worst of the crisis may be over and that the economies of the region are responding to the structural reform measures implemented as part of IMF rescue packages. Exports have started to increase, exchange rates in the region have stabilised and interest rates have started to decline. However, growth in 1999 seems likely to be moderate, as any recovery in exports will be offset by the continued weakness of domestic demand.

The Context for Ireland

The volume growth in world trade is forecast to decelerate from about 10 per cent in 1997 to under 6 per cent in 1998, mainly because of the fall in Asian demand. However, with demand expanding quite steadily in continental Europe, and remaining high in the UK, there has so far been little deterioration in the market for most Irish manufactured exports. It is expected that world trade will grow at about the same slow rate next year. However, having had time to adjust it seems probable that the share of export trade taken by the Asian countries with substantially depreciated currencies will increase quite sharply in 1999. It seems

reasonable to expect that this intensification of competition will adversely affect the value of Irish exports, both in sections of the electronics industry and in some traditional sectors. At the same time demand growth in the UK is expected to slow considerably, while currency movements are likely to improve the competitiveness of UK industry. With markets for much agricultural produce likely to remain difficult, it seems probable that the environment for Irish exports in 1999 will be considerably less favourable than it has been this year.



Perhaps of greater long-term significance to the Irish economy is whether the global economic uncertainties will reduce the volume of mobile international productive investment. At present it seems most likely that there will be some reduction, although far from a cessation, and the fact that Europe appears to be the region with the best growth prospects should enable Ireland to keep its share of such investment.

As a result of the weakening of world demand in the past year, international commodity prices, including that of crude oil, are at very low levels, while competition is also keeping prices of most manufactured goods very subdued. This absence of general international inflationary pressure is expected to persist throughout 1999. The combination of this absence of inflationary pressures with worries about weak economic growth has already led to softer monetary policies, with interest rates falling in the US, UK, peripheral euro countries and many crisis countries. This process seems likely to continue in 1999, with interest rates

in the US and UK in particular being reduced further. With euro countries now seeming certain to converge on current German short-term interest rates, low, stable interest rates appear set to apply to the euro area for most, if not all, of 1999.

If both interest rates and economic growth follow their expected patterns in 1999, it is likely that the euro will appreciate significantly against the US dollar and the Yen, whilst sterling will depreciate against the euro, and, to a lesser extent, the dollar. If this prediction is broadly correct, then the Irish pound, embedded in the euro, will appreciate on a trade-weighted basis, thus continuing the reversal already underway from its depreciation in 1997 and 1998.

The Domestic Economy

General

Despite the growing concerns about the world economy, a broad range of indicators shows that the Irish economy is continuing to grow rapidly. The allowances we made a year ago, when it became clear that the Asian crisis was more than a temporary local difficulty, have so far proved either excessive or premature, and thus our forecasts of Irish growth in 1998 have been revised upwards significantly. At the same time events have tended to confirm our contention that consumer prices in Ireland are determined primarily by foreign prices and the exchange rate. Thus, although there are clear inflationary pressures on wages, margins and asset prices in some sectors, such as construction, fears that this would spread into general consumer price inflation have abated.

Exports

Trade statistics show that visible exports increased very strongly in the first half of 1998. Moreover, the rise was quite broadly spread, and there was no sign of the check to the expansion of electronics exports for which we had made precautionary allowance in our earlier forecasts. Thus for 1998 as a whole we have revised our forecast increase in visible exports to 23 per cent in volume and 26¾ per cent in value. This is after taking into account the probable weakness in agricultural exports in the second half of the year, but also allowing for extremely strong exports of chemicals in the same period.

By extrapolation from trends in 1997, confirmed by estimates for the first quarter of 1998, further strong growth in sales of software licences, now the principal component in the balance of payments adjustment, can be expected. Thus the increase in merchandise exports in 1998 is forecast to be similar to that in visible exports. It appears probable that there has been a reasonably buoyant tourist season, on a national basis, while other service exports are likely to be continuing their usual steady growth. Thus exports of goods and services in 1998 are forecast to increase by 21½ per cent in volume, and over 25 per cent in value, as shown in Table 2.

TABLE 2: Exports of Goods and Services

	1997		% Change		1998		% Change		1999
	£m	Volume	Value	£m	Volume	Value	£m		
Agricultural	2,771	2	0	2,771	2	2½	2,840		
Manufactured	28,141	26½	30%	36,794	16	17	43,050		
Other Industrial	3,553	14	18	4,193	5¼	7	4,487		
Other	617	10	13	698	6	7	747		
Total Visible	35,082	23	26%	44,456	14	15	51,124		
Adjustments	1,424			1,800			2,070		
Merchandise	36,506	23	26%	46,256	14	15	53,194		
Tourism	2,112	8	11	2,344	7	10	2,578		
Other Services	1,996	9	12	2,236	7	10	2,460		
Exports of Goods and Services	40,614	21½	25¼	50,836	13¼	14½	58,232		

Despite our experience in 1998, when we have had to raise our export forecasts upwards each quarter, it still seems prudent to project a substantial slowing of export growth in 1999, as much of the world economy remains in recession, and the UK economy is expected to stagnate. Thus visible exports are projected to increase by 14 per cent in volume and 15 per cent in value in 1999, with parts of the electronics industry probably showing the greatest absolute deceleration. Assuming that software licence sales reflect trends in the IT industry generally, merchandise exports are projected to grow at the same rate as visible exports.

With economic growth expected to be similar to this year in continental Europe, but significantly slower in the UK and the USA, a slight reduction in the rate of growth of tourist earnings, and other service exports seems likely next year. Thus total exports of goods and services in 1999 are projected to increase by about 13¼ per cent in volume and 14½ per cent in value.

Stocks

Despite the problems of the farming sector, it seems unlikely that the value of physical changes in stocks will resume the volatility which made this such a significant item in the estimation of Gross National Product at times in the eighties and early nineties. Although the total volume of sales of meat into intervention may well rise significantly in 1998, this seems likely to be offset by an early write-down of its value, at least for National Accounts purposes. Thus, as shown in Table 3, changes in stock levels are still projected to have a rather modest downward influence on the growth rate in both 1998 and 1999.

TABLE 3: Stock Changes

	1997	Change in Rate	1998	Change in Rate	1999
	£m	£m	£m	£m	£m
Farm Stocks	111	-61	50	-20	30
Irish Intervention Stocks	61	-31	30	-30	-0
Other Non-agricultural Stocks	367	-67	300	0	300
Total	539	-159	380	-50	330

Investment

Much of investment in building and construction is now deflated by changes in tender prices. With both the pay-rates and the margins incorporated in tenders still tending to rise, it seems probable that the substantial gap which has developed in the past two years between the volume and value growth rates for building investment will continue in 1998 and 1999.

Both the evidence of such indicators as planning permissions, housing completions, quantity surveyors' payments, and building employment, and the dictates of economic theory, suggest that the volume of investment in building and construction is continuing to increase vigorously in 1998. Virtually all sectors except agriculture appear to be participating in the demand for construction investment. An annual increase in total investment in building and construction of about 13 per cent in volume and 22 per cent in value is forecast for 1998. Allowing for a 10 per cent volume rise in investment in machinery and equipment, the forecast increase in total gross fixed capital formation in 1998 is 12 per cent in volume terms, and 19 per cent in value, as shown in Table 4.

TABLE 4: Gross Fixed Capital Formation

	1997	% Change		1998	% Change		1999
	£m	Volume	Value	£m	Volume	Value	£m
Building and Construction	6,254	13	22	7,630	11	19	9,080
Machinery and Equipment	3,195	10	13	3,610	10	13	4,079
Total	9,448	12	19	11,240	10¾	17	13,159

Low interest rates and continued economic expansion seem likely to induce a further rise in private sector fixed capital formation in 1999. At the same time, public sector infrastructural investment is likely to increase as projects agreed under the current round of EU funding are expedited in an effort to reach completion within the specified time scale. Thus, allowing for some slowing in the rate of increase in industrial and commercial investment in response to global uncertainties, gross fixed capital formation in 1999 is still projected to rise at the historically high rates of 10¾ per cent in volume and 17 per cent in value.

Consumption

With employment and incomes rising and interest rates relatively low, consumer spending was exceptionally strong in the first half of 1998. The annual rise in the retail sales index is likely to be slightly lower than that for the eight months to August, mainly because the rise in the closing months of 1997 was so steep. Nevertheless, on an annual average basis, it is forecast that the retail sales index in 1998 will increase by about 8 per cent in volume and 10 per cent in value. The rise in total personal consumption is forecast to be slightly higher than that in the value of retail sales, but slightly lower in volume terms, as shown in Table 5.

TABLE 5: Consumption Indicators

	1994	1995	Annual Percentage Change				1999 Forecast
			1996	1997	1998 To Date	1998 Forecast	
<i>Consumption Value</i>							
NIE 1997, Personal Consumption	9.2	6.3	7.5	7.3		10.2	9.5
Retail Sales Index, Value	7.9	4.8	8.3	8.5	10.9	10.0	9.0
Divergence	1.3	1.5	-0.8	-1.2		0.2	0.5
<i>Consumption Volume</i>							
NIE 1997, Personal Consumption	6.3	4.1	6.1	6.3		7.6	7.1
Retail Sales Index, Volume	5.5	2.8	6.2	7.9	9.6	8.0	7.0
Divergence	0.8	1.3	-0.1	-1.6		-0.4	0.1
<i>Consumer Prices</i>							
NIE 1997, Personal Consumption Deflator	2.7	2.1	1.3	0.9		2.4	2.3
Retail Sales Index Deflator	2.3	1.9	2.0	0.6	1.2	1.9	1.9
Consumer Price Index	2.4	2.5	1.6	1.5	2.5	2.6	2.3

There will be conflicting influences in the pace of growth in consumption in 1999. Incomes are expected to grow rather more slowly, largely because of a smaller increase in employment. On the other hand, interest rates seem certain to be the lowest for decades, in both nominal and real terms, thus encouraging a further fall in the savings ratio as consumer borrowing continues to rise. On balance, a slight reduction in the rate of growth of personal consumption is projected for 1999.

Government consumption, in the form of public authorities' net expenditure on current goods and services, appears likely to increase by about 7¾ per cent in value, and 3 per cent in volume, in 1998. Similar increases are projected for 1999, on the assumption that the growth in government consumption will continue to be held to well under the rate of expansion of GNP or domestic demand.

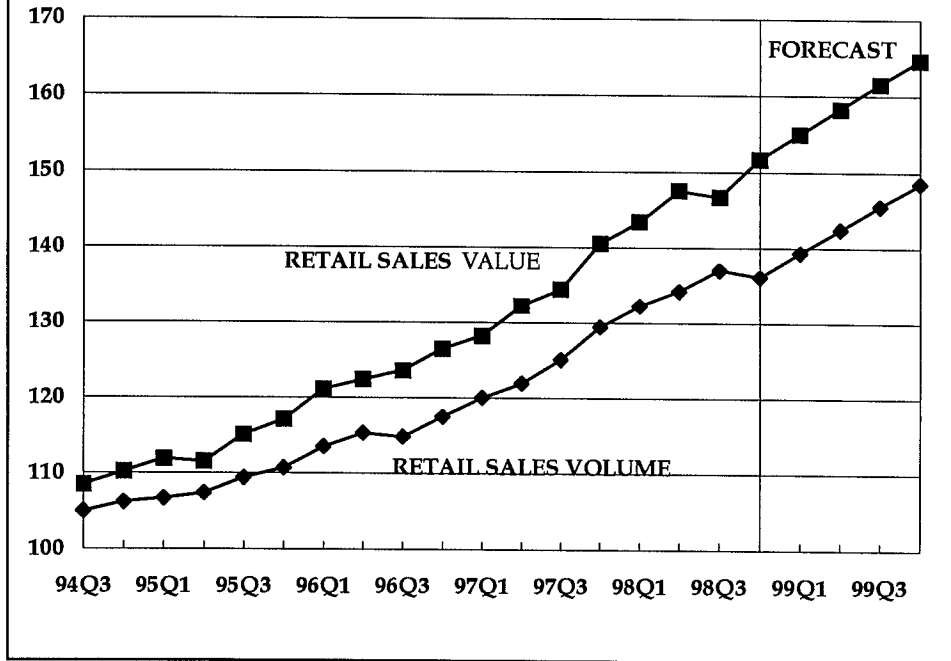
Final Demand

Following the revisions we have made to expenditure categories, especially exports of goods and services, the forecast increase in final demand in 1998, at 18 per cent in value and 14¼ per cent in volume, is even faster than the exceptional rise in 1997. The rise in final demand is forecast to remain well balanced, with the volume of domestic demand (excluding stocks) rising by 11¾ per cent and of exports by 21½ per cent. As in most years of very rapid expansion, the composition of final demand in 1998 is likely to be import-intensive.

A significantly slower increase in final demand is projected for 1999, as the economy responds to less favourable conditions overseas and tightening supply constraints at home. With domestic demand increasing by 7¼ per cent in volume terms and exports by 13¼ per cent total final demand is projected to rise by 10½ per cent in volume and 12¾ per cent in value. The composition is expected to remain quite import-intensive.

Figure 2: Consumption

Quarterly Averages Seasonally Adjusted, 1993=100



Imports

According to the available trade statistics, visible imports, like exports, were growing strongly in the first half of 1998. There is no reason to anticipate a significant slowdown in the second half of the year, and thus visible imports for 1998 as a whole are forecast to rise by 21 per cent in volume and 24½ per cent in value.

Early results suggest that Irish tourist spending abroad may have risen less rapidly than might have been expected in 1998, given the buoyancy of general consumer expenditure. On the other hand, other service imports, including royalty payments, have been increasing very strongly, in line with the growth of manufactured exports. Thus imports of goods and services are forecast to rise by about 20¾ per cent in volume and 24½ per cent in value in 1998, as shown in Table 6.

The predicted slowdown in final demand in 1999 should be reflected in slower import growth. Nevertheless, visible imports are projected to increase by about 18 per cent in value. Import prices are projected to rise by an average of 1½ per cent in 1999, compared with 3 per cent in 1998, so that the volume increase in merchandise imports is projected at 16½ per cent. Allowing for a similar growth in tourist expenditure overseas as this year, but a significant reduction in the rate of increase in other service imports, total imports of goods and services in 1999 are projected to increase by about 15¾ per cent in volume and 17¾ per cent in value.

TABLE 6: Imports of Goods and Services

	1997			1998			1999
	£m	Volume	Value	£m	Volume	Value	£m
Capital Goods	2,985	26	29	3,851	17	19	4,583
Consumer Goods	5,508	16	20	6,610	15	16½	7,701
Intermediate Goods:							
Agriculture	518	-2	0	518	2	3½	536
Other	15,518	23½	27	19,709	18	19½	23,553
Other Goods	1,299	10	13	1,468	5	7	1,571
Total Visible	25,828	21	24½	32,156	16¼	18	37,944
Adjustments	-406			-406			-406
Merchandise Imports	25,422	21¼	25	31,750	16½	18¼	37,538
Tourism	1,467	11	14	1,672	11	14	1,906
Other Services	7,331	21½	25	9,164	14	17	10,728
Imports of Goods and Services	34,220	20¾	24½	42,586	15¾	17¾	50,172

Balance of Payments

The forecasts for exports and imports for 1998, based largely on trends observed in the first half of the year, suggest that there will be a very large increase in the surplus on merchandise trade this year. Despite an even faster forecast rise in the service trade deficit, the surplus on trade in goods and services is forecast to increase by an exceptionally large 29 per cent in 1998.

Because such a large increase is taking place in the exports of foreign multinational companies this year, a rapid rise in profit outflows is virtually certain, although the split between distributed profits and re-invested earnings remains uncertain. National debt interest paid abroad is likely to continue its long-term decline, but other factor payments, both debit and credit, appear still to be increasing very rapidly. Thus, as shown in Table 7, total debit flows are forecast to increase by 30½ per cent, and net factor flows by 23½ per cent in 1998.

Net current transfers are likely to be reduced, largely through higher gross payments to the EU. On balance, however, the current account surplus seems likely to increase moderately in 1998, to almost £1,600 million or almost 3½ per cent of GNP.

If we are right in assuming that world trade trends and greater competition will lower the rate of growth of Irish exports significantly in 1999, then the rise in the merchandise trade surplus could be very much slower. A rise of 8 per cent is projected, which an increase in the service trade deficit is projected to turn into a small reduction in the surplus on trade in goods and services.

Although a slowing of the rate of growth of exports is likely to be reflected in a much smaller increase in gross profit outflows, net factor payments are still certain to rise next year, with an increase of 12½ per cent projected. A minor increase in net transfers seems possible, but, for the current account as a whole, a major decline in the surplus to under £500 million, or less than 1 per cent of GNP, is projected.

TABLE 7: Balance of Payments

	1997 £m	Change %	1998 £m	Change %	1999 £m
Visible Trade Balance	9,254	33	12,300	7¼	13,189
Adjustments	1,830	20½	2,206	12¼	2,476
Merchandise Trade Balance	11,084	31	14,506	8	15,665
Service Trade Balance	-4,690	33½	-6,256	21½	-7,596
Trade Balance in Goods and Services	6,394	29	8,250	-2¼	8,069
Factor Flows:					
Debit Flows:					
Remuneration of Employees	-51	0	-51	0	-51
Distributed Profits, etc.	-6,005	28	-7,686	17	-8,993
Reinvested Earnings	-1,377	28	-1,763	17	-2,063
National Debt Interest	-765	-12	-673	-15	-572
Other Debit Flows	-3,053	48	-4,518	25	-5,648
Total Debit Flows	-11,251	30½	-14,691	18	-17,327
Credit Flows:					
Remuneration of Employees	224	2	228	2	233
Direct Investment Income	674	25	843	25	1,054
Other Credit Flows	4,032	44	5,806	25	7,258
Total Credit Flows	4,930	39½	6,877	24¼	8,545
Net Factor Flows	-6,322	23½	-7,814	12½	-8,782
Net Current Transfers	1,290	-10½	1,156	2¾	1,187
Balance on Current Account	1,362		1,592		474
Capital Transfers	578		550		550
Effective Current Balance	1,940		2,142		1,024

Gross National Product

Following the revisions already discussed, we now forecast that expenditure on Gross Domestic Product in 1998 will increase by about 9¼ per cent in volume terms and 13¾ per cent in value. Gross National Product is now forecast to rise by 8¼ per cent in volume, an upward revision of ½ per cent since our previous forecast. With little change expected in the terms of trade, but allowing for a moderate reduction in net transfers, the forecast increase in real GNDI (Gross National Disposable Income, adjusted for the terms of trade) remains more or less unchanged at just over 6 per cent in 1998.

A considerable slowdown is projected for the volume of growth in 1999, with real GDP rising by 6¼ per cent and real GNP by 5½ per cent, unchanged from our previous forecast. Real GNDI is projected to increase by about 5 per cent in 1999, still a very rapid increase in average living standards.

Agriculture

With weather conditions in 1998 having been rather unfavourable, especially for the production of fodder, small declines in the volume of both gross agricultural output and gross agricultural product seem the most likely out-turn

for the year. Allowing for a continued increase in forestry output, an unchanged volume of gross domestic product in the broad agriculture sector is forecast for 1998. Assuming a return to rather better weather conditions in 1999, the volume of gross agricultural product could remain stable, with the volume of gross domestic product in the broad agriculture sector projected to increase by about ½ per cent.

Industry

The volume of production index for manufacturing industry was about 16¼ per cent higher in the first 7 months of 1998 than in the corresponding period of the previous year. The IBEC/ESRI Business Survey shows that manufacturing production remains strong, and an annual average rise of about 15½ per cent in the manufacturing production index is forecast for 1998. With building output remaining buoyant, an increase of over 12 per cent in the volume of gross domestic product in the broad industry sector is forecast.

In keeping with the general slowing down of the rate of economic growth predicted for 1999, the increase in the volume of production index for manufacturing industry next year is projected at about 11 per cent. When allowance is made for extractive industries and the utilities, for the building and construction industry, and for depreciation and adjustment for stock appreciation, the 1999 rise in the volume of gross domestic product in industry is projected at about 9½ per cent.

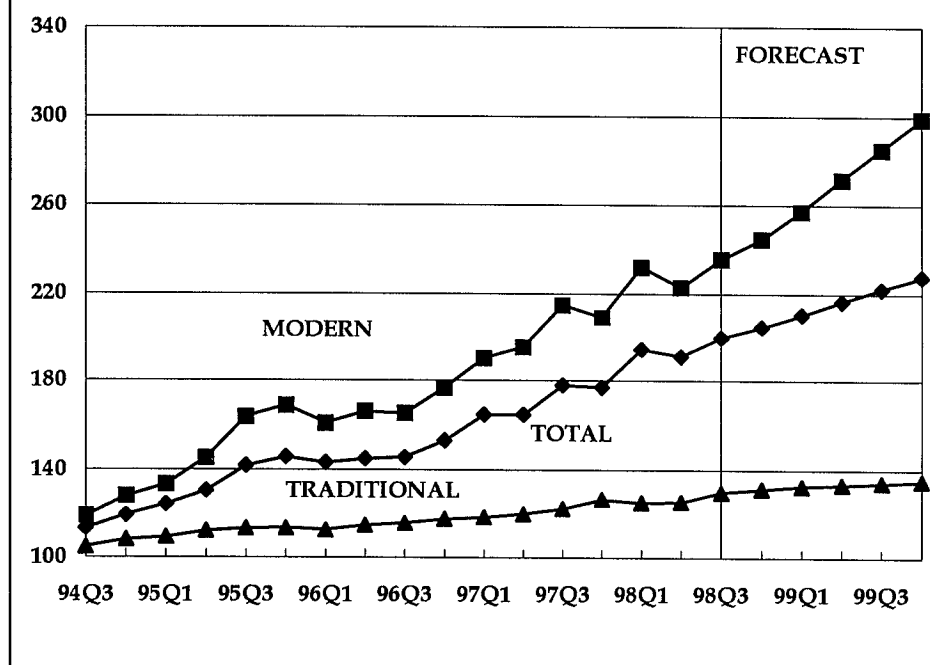
Services

In 1997, the volume of gross domestic product in the services sector, after adjustment for financial services, increased by 5.6 per cent. A broadly similar increase is forecast for 1998, with private services continuing to expand rapidly, while public services grow very moderately. The growth of public services is expected to remain subdued in 1999, as fiscal stringency is continued. The increase in private service seems likely to be less rapid than in the past two years. Thus the 1999 increase in the adjusted volume of gross domestic product of the total services sector is projected at about 4¾ per cent.

Employment

As explained in the *July Commentary*, the introduction of the *Quarterly National Household Survey* in place of the old annual *Labour Force Survey* has temporarily made it more difficult to monitor current trends in employment. Although the publication of the *National Household Survey* for the quarter centred on April 1998 enables some comparison to be made with the *Labour Force Survey* for April 1997, there is a clear discontinuity between the series. However, even taken at face value, the latest figures for principal economic status confirm the trends in sectoral short-term employment series and in direct tax receipts that there was a very large increase in total employment in the year to April 1998.

Figure 3: Manufacturing Output
 Quarterly Averages Seasonally Adjusted, 1993=100



On an annual average basis, as shown in Table 8, it now seems likely that the total number at work will have increased by about 74,000 in 1998. When allowance is made for the proportion of part-time working in the total, the annual rise in full-time equivalent employment is forecast to be just under 4 per cent. It is perhaps notable that all of this increase can be attributed to the private non-agricultural sectors, as agricultural employment is still falling and public sector employment is virtually static.

The Live Register shows that registered unemployment has been falling steeply, on a seasonally-corrected basis, in recent months, with the reduction in the twelve months to end-October a record-breaking 31,500 or 12.9 per cent. This fits quite well with the sharp reduction in the ILO definition of unemployment shown in the *Household Survey*. Official estimates of the unemployment rate have accordingly been revised downwards significantly to a level of 7.8 per cent for the March-May quarter of 1998.

If our general prediction of a slowing in economic growth in 1999 is correct, then employment next year will increase less rapidly than in most recent years. A rise of about 47,000 would be in keeping with the general growth projection, implying an increase of almost 3 per cent in effective full-time equivalent employment. Such a rate of net job creation should be sufficient to induce a continued fall in unemployment, especially if it is accompanied by some slackening in the rate of net immigration, from the very high level of 23,000 seen in the year to April 1998.

TABLE 8: Employment and Unemployment

A: Mid-April Estimates '000					
	1996	1997	1998	1999	2000
Agriculture	138	134	127	126	123
Industry	355	386	425	452	476
Services	804	818	873	900	922
Total at Work	1,297	1,338	1,427	1,478	1,521
Unemployed	191	179	155	143	133
Labour Force	1,488	1,517	1,581	1,621	1,654
Unemployment Rate %	11.9	10.3	7.8	6.8	6.0
Live Register	281	256	231	213	204

B: Annual Averages '000					
	1996	1997	1998	1999	
Agriculture	136	132	128	124	
Industry	374	408	442	468	
Services	806	845	889	914	
Total at Work	1,316	1,385	1,459	1,506	
Unemployed	185	165	148	137	
Labour Force	1,501	1,550	1,607	1,643	
Unemployed Rate % ¹	11.5	10.2	7.6	6.4	
Live Register	279	254	228	210	

¹ Official Standardised Unemployment Rate, based on ILO definitions. This cannot be derived directly from the figures in Table 8.

Incomes

Adverse price trends for most forms of meat, only partly offset by transfer payments, are likely to lead to some reduction in aggregate farm incomes in 1998. At present a fall of about 4 per cent, or £95 million in income in the broad agriculture sector appears a reasonable forecast for 1998.

On the evidence of pay trends in industry and the public service, together with increases due in other sectors under *Partnership 2000*, and the probability of a degree of pay drift in several service areas, an increase of about 6¼ per cent in average non-agricultural earnings is forecast for 1998. With effective employment increasing by almost 4 per cent, aggregate non-agricultural earnings are thus forecast to rise by 10½ per cent, marginally more than in 1997. With demand for labour projected to be rather less intense in 1999, it seems reasonable to expect a slightly slower increase in average earnings. A rise of about 5¼ per cent is projected, which, with effective employment rising by about 3 per cent, gives an increase of 8½ per cent in aggregate non-agricultural earnings in 1999.

Other non-agricultural income, comprising earnings from self-employment and income from interest dividends and rent, is forecast to increase by about 8 per cent in 1998, and is projected to rise by 7 per cent in 1999. Total income

received from economic activity is thus forecast to grow by almost 9 per cent in 1998 and by just over 7½ per cent in 1999, as shown in Table 9.

TABLE 9: Personal Disposable Income

	1997		Change		1998		Change		1999
	£m	%	£m	%	£m	%	£m	%	£m
Agriculture, etc.	2,371	-4	-95		2,276	2	45		2,321
Non-Agricultural Wages, etc.	21,806	10½	2,290		24,096	8¼	1,988		26,084
Other Non-Agricultural Income	4,646	8	372		5,018	7	351		5,369
Total Income Received	28,823	9	2,567		31,390	7½	2,384		33,774
Current Transfers	6,837	8	540		7,377	7	525		7,902
Gross Personal Income	35,660	8¼	3,107		38,767	7½	2,909		41,676
Direct Personal Taxes	7,728	9½	736		8,464	6¼	530		8,994
Personal Disposable Income	27,932	8½	2,371		30,303	7¾	2,379		32,682
Consumption	25,191	10¼	2,569		27,760	9½	2,637		30,397
Personal Savings	2,741	-7¼	-198		2,543	-10¼	-258		2,285
Savings Ratio	9.8				8.4				7.0

Despite the fall in registered unemployment, it is clear that total current transfers to households are continuing to increase rapidly, due to rising numbers of recipients in categories other than the unemployed, to compensation payments and to significant increases in most benefit and assistance rates. A rise of about 8 per cent in total transfer income is forecast for 1998 and almost 7 per cent is projected for 1999.

It still seems likely that direct personal taxation will increase by about 9½ per cent in 1998, with more effective collection continuing to outweigh cuts in real tax rates, so that personal tax receipts grow slightly faster than incomes. Assuming a moderate real increase in allowances and bands in the forthcoming Budget, a rise of 6¼ per cent in direct personal taxation is projected for 1999. Thus personal disposable income is forecast to increase by about 8½ per cent in 1998 and is projected to rise by over 7¾ per cent in 1999.

The trend of retail sales suggests that the value of personal consumption in 1998 will increase considerably faster than personal disposable incomes. If our forecast of 10.2 per cent rise in the value of personal consumption is correct, it implies a fall of about 1.4 per cent to 8.4 per cent in the personal savings ratio this year. Given the large fall in retail interest rates consequent on Ireland entering EMU, a similar substantial reduction in the personal savings ratio, perhaps to about 7 per cent, appears a reasonable projection for 1999. This would permit an increase of about 9½ per cent in the value of personal consumption next year.

Consumer Prices

The heavy fall during 1997 and early 1998 in the effective index of the Irish pound has been partially reversed in succeeding quarters, so that it now stands roughly half-way between its value in the third quarter of 1997 and its value in the first quarter of 1998. Given the usual lags involved, this suggests that the rate

of domestic price inflation has probably already peaked, and that the future trend should be gradually downward.

This likelihood is strengthened when the consumer price index is considered on a disaggregated basis. In the middle of 1998 the housing index rose quite sharply, partly because the buoyant residential market was being reflected in such items as rents and insurance costs, and partly because the downward influence of the abolition of water charges in July 1997 came to an end. However, although these factors are likely to continue to affect the housing index, at least until the middle of 1999, they will be offset by a substantial reduction in mortgage interest rates in the later months of 1998 and the first quarter of 1999. Thus the housing element of the consumer price index is likely to be only marginally higher on average in 1999 than in 1998, as shown in Table 10.

TABLE 10: Consumer Price Index - Recent Trend and Forecast

	Quarterly Trend								Annual		
	1996		1997				1998		1997	1998	1999
	Nov.	Feb.	May.	Aug.	Nov.	Feb.	May.	Aug.			
Index Nov. 1989 = 100											
Housing	120.0	119.8	123.0	121.0	122.4	122.5	123.8	125.4	121.6	124.2	124.8
Other	117.9	118.0	118.3	118.4	119.8	120.0	121.7	122.2	118.6	121.8	124.7
Total CPI	118.0	118.1	118.6	118.6	119.9	120.1	121.8	122.4	118.8	121.9	124.7
Annual % Change											
Housing	1.0	2.7	5.0	2.9	2.0	2.3	0.7	3.6	3.2	2.1	0.5
Other	2.0	1.5	1.3	0.9	1.6	1.7	2.9	3.2	1.3	2.7	2.4
Total CPI	1.9	1.5	1.5	1.0	1.6	1.7	2.7	3.2	1.5	2.6	2.3
Quarterly % Change											
Housing	2.0	-0.2	2.7	-1.7	1.2	0.1	1.1	1.3			
Other	0.4	0.1	0.2	0.1	1.2	0.2	1.4	0.4			
Total CPI	0.5	0.1	0.2	0.1	1.2	0.2	1.4	0.5			

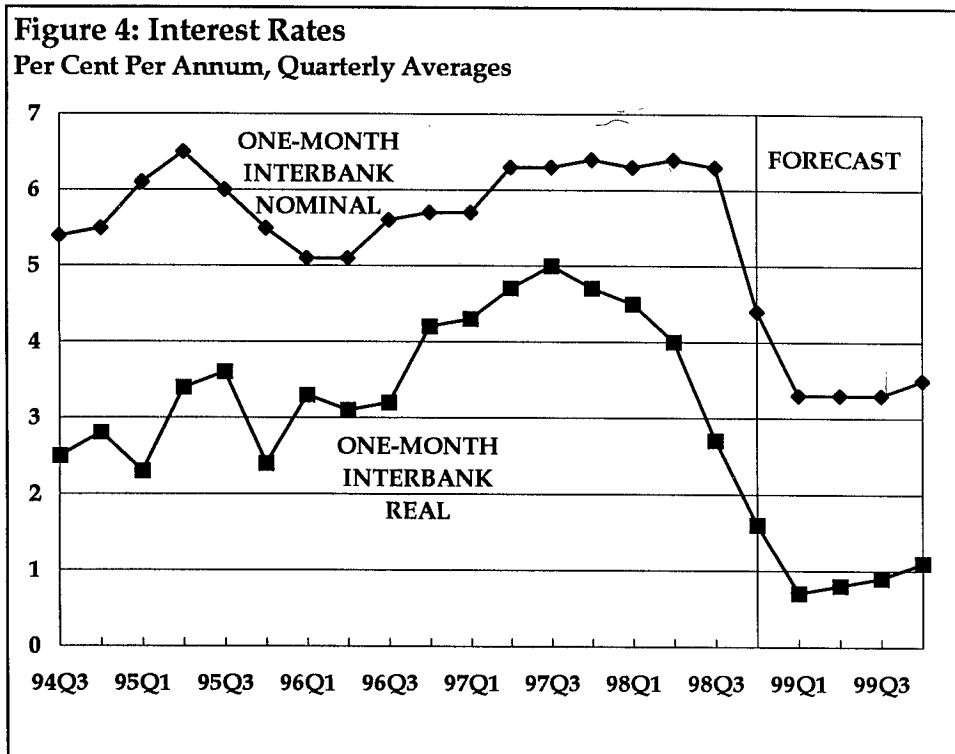
Non-housing prices also grew particularly rapidly in the second quarter of 1998, but appear to be increasing less rapidly in recent months, as would be expected in the light of currency movements. Food prices, which were especially high in the final half of 1998, have tended to fall recently, reflecting the ending of some seasonal shortages. For 1999, an annual increase of just under 2½ per cent is projected for non-housing prices, implying a rise of 2¼ per cent for the consumer price index as a whole.

Public Finances

Figures for the first ten months and official estimates for the year confirm that the public finances in 1998 will be substantially stronger than their record position in 1997. It appears likely that total revenue in the year as a whole will increase by at least 12 per cent. Expenditure on the traditional budgetary cash flow basis will probably once again be inflated by bringing forward into 1998 some future spending on debt reduction commitments, but even so the current budget surplus is likely to be in the region of £1,800 million, or roughly three

times the 1997 surplus, while the Exchequer financing surplus, the counterpart of the long-familiar Exchequer Borrowing requirement, could be about £750 million. On a more consistent and relevant accruals basis, the general government surplus still seems likely to exceed £1,000 million or approximately 2 per cent of GDP.

With the anticipated slowdown of economic growth next year, the rise in revenue is likely to be less rapid than in 1997 or 1998. However, there seems no reason why the trend towards improved collection should cease and so, on the assumption of significant real increases in personal allowances and income tax bands and a further phase in the consolidation of corporation tax rates, offset by real increases in some indirect tax rates, a rise of almost 10 per cent in total revenue seems probable in 1999. On the basis of known policy and the Estimates, public expenditure, after Budget day adjustments, is likely to increase slightly faster than in 1998. However, this should permit the current budget surplus to increase by about 50 per cent, and the general government surplus to rise further to over 2½ per cent of GDP. Such a rise in the surplus in a year of decelerating growth cannot sensibly be interpreted as inflationary, even if it is accompanied by some effective tax reductions.



Interest Rates

With two major reductions during the autumn, the Central Bank has brought Irish short-term interest rates most of the way to convergence with euro rates by the end of the year. Apart from the final minor adjustment, the future course of short-term interest rates will be a matter of European rather than Irish trends. Although some uncertainty remains, the most likely course of short-term interest rates in the euro area is that they will remain very close to present levels for most, if not all, of 1999. In consequence, both nominal and real short-term and related interest rates in Ireland will be at their lowest level in decades.

Adjustment to convergence in long-term interest rates is also almost complete. Here also any movements during 1999 are likely to be minor, and a low interest environment seems set to continue throughout the year.

General Assessment

It seems almost certain that in 1998 the Irish economy will once again match the very high average growth rate of the four preceding years. Increases of 9¼ per cent in real GDP and 8¼ per cent in real GNP are now forecast for 1998. These represent significant upward revisions to our previous forecasts, and reflect the fact that the allowances we made for the impact of the Asian financial crisis on the Irish economy have, so far at least, proved unnecessary.

The crucial question is whether Ireland has avoided significant adverse consequences from the current international problems, or whether they have merely been postponed until next year. Because the proportion of Irish exports going to the most affected Asian countries is very low, at around 3 per cent, the direct effects are likely to remain very limited. Indirect effects, in the form of intensified competition from low cost Asian countries with depreciated currencies, could well be more significant in 1999 than in 1998. However, it is through the possible impact of the Asian crisis on the rest of the world, and especially the major economies, that it could still have its main effect on the Irish economy.

Earlier fears that the crisis would develop into a full-scale world recession, or even depression, appear to have been unfounded. Despite the demonstration of specific weaknesses in the financial sectors of many Asian countries including Japan, and the related problems of some institutions in other countries, there seems little risk that the international financial system is about to collapse, dragging the world into a 1930's style depression. Perhaps somewhat belatedly, the authorities in the major economies and in the main international agencies appear to have rebalanced their priorities in favour of maintaining economic activity. Accordingly, it now seems likely that the US economy will continue to grow moderately in 1999, perhaps by about 2 per cent, that the continental European recovery will continue, with growth of over 2½ per cent, and that major recessions in such areas as Latin America and Eastern Europe will be averted.

What is likely to affect Ireland's growth rate next year is the near stagnation probable in the UK economy. The depreciation which has already taken place in sterling since the early months of 1998, together with the reduction in official interest rates which is now under way, has probably been just in time to avoid an

actual recession in the UK in 1999, but growth seems unlikely to exceed 1 per cent. Ironically, by helping to bring about a sterling depreciation and a reversal of British monetary policy, it is possible that the international financial crisis has acted to make a UK recession less likely.

In the light of a weaker UK market, allied to growing domestic supply shortages, a slowdown in the growth of the Irish economy is forecast for 1999. Projected real GNP growth of 5½ per cent, unchanged since our July *Commentary*, should be sufficient to permit a continued increase in employment and a further reduction in unemployment, although at a slower rate than in recent years. Price inflation already appears to be decelerating, and an average increase in the consumer price index in 1999 of about 2¼ per cent is projected. Although the current account surplus on the balance of payments seems likely to decline sharply, the balance should remain positive. Whatever the details of the Budget, the public finances seem set to strengthen further in 1999, with the general government surplus likely to exceed 2½ per cent of GNP, in spite of the slower economic growth.

Thus the Irish economy is entering European Monetary Union at the beginning of 1999 in a strong position. Growth is still high, although slowing, and consumer price inflation is declining from the moderate peak of 3.2 per cent reached in August this year. Earlier fears of precipitate depreciation of sterling have receded, with a modest further decline the most likely development, as the UK keeps open its option for eventual adoption of the euro. Although the probable decline in the personal savings ratio could be a cause for concern, it is being offset by large annual increases in government savings.

However, while actual entry to EMU is unlikely to prove traumatic, there are significant longer term dangers. The most obvious is of too rapid a loss of cost competitiveness through excessive pay increases under a fixed currency. As we have explained in previous *Commentaries*, some loss of competitiveness is both inevitable and desirable as Ireland adjusts down to a sustainable growth rate by trading a slightly faster increase in real wages in place of maximum job expansion. The danger now is that the loss of competitiveness will be too great and too sudden. Given the normal lags and stickiness in economic reactions to changes in relative prices, such a development might pass virtually unnoticed for many months before leading to a substantial drop in orders, and, more seriously, in investment. Taking a medium or long-term view it remains vital that pay settlements throughout the economy are not much above those in other euro countries. While this can best be achieved through adhering to *Partnership 2000* and negotiating a reasonable successor agreement, the underlying problem, which might prove difficult to solve, is to reduce unrealistic expectations on the part of large sections of the work-force.

The other main group of dangers, alluded to in previous *Commentaries*, concerns relations with our European partner countries as Ireland moves from being a clearly poor peripheral member of the EU to being a successful modern economy, with incomes roughly at the Community average and unemployment significantly below the average. In conjunction with changes of government in some countries, most notably Germany, this change in the perception of Ireland

is already leading to some external pressures on Irish policies, and these could well intensify in coming years.

This threat requires two major types of response on Ireland's part. The first is educational, in an attempt to ensure that other countries, as well as the Commission, are aware of the characteristics of small open economies in general and of Ireland in particular. For instance, analysts and administrators in countries where the maximum sustainable growth rate is conventionally viewed as between 2½ and 3 per cent need to be reminded that a sustainable growth rate of 5 per cent or more carries implications for the interpretation of economic policy. Thus a rise in the general government surplus when economic growth is only marginally above its long-term norm, such as is projected for Ireland in 1999, represents a distinctly restrictive fiscal policy stance, as is appropriate in current Irish circumstances. Conversely, it needs to be re-iterated that despite the recent phenomenal economic growth, Ireland's basic infrastructure still lags far behind that of most other countries with a similar income level.

The second necessary response is to prioritise those economic policies which might come under European pressure. While each such policy, taken in isolation, might be desirable from an Irish viewpoint it could well prove impossible to defend all of them successfully. Thus, at least privately, the absolutely essential elements of our economic strategy, such as the relatively low rate of corporation tax, should be distinguished from such useful but essentially minor aims as gaining an extra tranche of structural funds or even prolonging the life of internal duty-free travel. If withdrawal from an initial bargaining position is necessary, it should be on these minor issues so that the fundamental requirements can be preserved.

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Table A1: National Accounts

	GNP by Source of Income at Current Market Prices								
	1	2	3	4	5	6	7	8	9
	Agri. Income (£m)	Non- Agri. Wages (£m)	Non- Agri. Other (£m)	Adjust- ments (£m)	Net Factor Income (£m)	Natio- nal Income (£m)	Depre- ciation (£m)	Taxes less Subs. (£m)	GNP (market prices) (£m)
	<i>Annual Series</i>								
1990	1,966	12,801	7,965	-993	-2,921	18,818	2,615	2,836	24,269
1991	1,852	13,643	8,107	-1,095	-2,796	19,711	2,850	2,866	25,427
1992	2,138	14,648	8,274	-1,235	-3,210	20,615	2,998	3,303	26,916
1993	2,182	15,853	9,369	-1,419	-3,521	22,464	3,239	3,219	28,921
1994	2,281	16,870	10,001	-1,493	-3,575	24,084	3,612	3,960	31,655
1995	2,441	18,196	12,031	-1,770	-4,508	26,390	4,041	4,376	34,807
1996	2,470	19,778	13,365	-1,673	-5,151	28,788	4,463	4,540	37,790
1997	2,371	21,806	15,433	-1,930	-6,322	31,357	5,113	5,448	41,919
	GDP by Sector of Origin and GNP at Current Market Prices								
	10	11	12	13	14	15	16	17	18
	Agri- culture (£m)	Indus- try (£m)	Distri- bution (£m)	Public Admin- istration (£m)	Other Dome- stic (£m)	Adjust- ments (£m)	Taxes less Subs. (£m)	GDP (output) (£m)	GNP (output) (£m)
	<i>Annual Series</i>								
1990	2,340	8,749	4,816	1,362	8,079	-993	2,836	27,190	24,269
1991	2,236	9,090	4,988	1,463	8,675	-1,095	2,866	28,224	25,427
1992	2,524	9,802	4,563	1,563	9,606	-1,235	3,303	30,125	26,916
1993	2,569	10,417	5,225	1,686	10,746	-1,419	3,219	32,442	28,921
1994	2,668	11,537	5,239	1,725	11,594	-1,493	3,960	35,231	31,655
1995	2,852	13,370	5,924	1,762	12,801	-1,770	4,376	39,315	34,807
1996	2,904	14,302	6,971	1,855	14,044	-1,673	4,540	42,942	37,790
1997	2,816	16,624	7,546	2,011	15,725	-1,930	5,448	48,241	41,919
	Expenditure on GNP at Current Market Prices								
	19	20	21	22	23	24	25	26	27
	Private Consumption (£m)	Public Consumption (£m)	Invest- ment (£m)	Stock changes (£m)	Exports (£m)	Imports (£m)	GDP (exp.) (£m)	Net Factor Income (£m)	GNP (exp.) (£m)
	<i>Annual Series</i>								
1990	15,992	4,067	5,128	719	16,175	-14,891	27,190	-2,921	24,269
1991	16,814	4,480	4,910	623	16,984	-15,587	28,224	-2,796	25,427
1992	18,047	4,843	5,046	-95	18,881	-16,597	30,125	-3,210	26,916
1993	18,819	5,211	5,087	-136	22,033	-18,573	32,442	-3,521	28,921
1994	20,554	5,570	5,848	-159	25,308	-21,891	35,231	-3,575	31,655
1995	21,841	5,871	6,735	401	30,837	-26,369	39,315	-4,508	34,807
1996	23,487	6,125	7,951	404	34,341	-29,367	42,942	-5,151	37,790
1997	25,191	6,669	9,448	539	40,614	-34,220	48,241	-6,322	41,919

Table A1 (cont'd): National Accounts

	GDP by Sector of Origin and GNP at Constant (1990) Market Prices								
	28	29	30	31	32	33	34	35	36
	Agri- culture (1990= 100)	Indus- try (1990= 100)	Distri- bution (1990= 100)	Public Admin- istration (1990= 100)	Other Dome- stic (1990= 100)	Adjust- ments (1990= 100)	Taxes less Subs. (1990= 100)	GDP (output) (1990= 100)	GNP (output) (1990= 100)
<i>Annual Series</i>									
1990	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1991	98.3	102.5	101.0	99.4	103.6	107.7	95.2	101.1	101.7
1992	106.6	109.0	92.7	102.0	108.4	118.6	104.4	104.5	103.6
1993	98.4	111.7	100.3	102.6	111.5	128.2	108.3	107.1	106.0
1994	96.6	122.5	101.8	101.5	116.2	132.4	124.7	113.6	113.1
1995	97.7	142.5	110.0	102.4	123.0	153.5	141.6	124.6	122.1
1996	100.0	154.3	127.2	104.1	125.9	142.6	142.0	133.0	129.0
1997	101.4	177.8	138.4	106.9	132.3	161.5	152.8	145.2	138.3
	Expenditure on GNP at Constant (1990) Market Prices								
	37	38	39	40	41	42	43	44	45
	Private Consu- mption (1990= 100)	Public Consu- mption (1990= 100)	Invest- ment (1990= 100)	Stock changes (1990= 100)	Exports (1990= 100)	Imports (1990= 100)	GDP (exp.) (1990= 100)	Net Factor Income (1990= 100)	GNP (exp.) (1990= 100)
<i>Annual Series</i>									
1990	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1991	102.1	102.9	93.4	89.2	105.3	102.3	102.0	96.0	102.8
1992	106.9	105.4	91.6	-10.9	119.5	110.4	106.3	112.5	105.5
1993	109.4	105.8	88.4	-18.0	131.1	118.3	109.6	116.0	108.8
1994	116.3	111.2	99.2	-31.7	149.8	135.8	117.6	117.2	117.6
1995	121.0	114.1	110.0	48.3	179.1	157.2	130.7	145.0	128.9
1996	128.3	115.7	125.0	57.6	200.1	176.3	140.3	166.2	137.2
1997	136.4	121.2	138.6	77.2	234.0	203.8	154.1	201.7	148.4
	Memorandum Items (Current Prices)								
	46	47	48	49	50	51	52	53	54
	GNDI (£m) (1990= 100)	GNP Deflator (1990= 100)	GNP per capita (£) (1990= 100)	Relative GNP (EU15= 100)	Gross Govt. Deficit (%) (%)	Debt- GDP ratio (%) (%)	Gov. Exp./ GNP (%) (%)	Pers. Savings Ratio (%) (%)	Invest- ment/ GNP (%) (%)
<i>Annual Series</i>									
1990	25,682	100.0	6,923	63.9	2.3	95.8	46.1	12.7	21.1
1991	27,036	102.5	7,212	68.6	2.3	95.3	47.7	13.3	19.3
1992	28,161	106.1	7,572	71.2	2.4	91.9	48.4	12.4	18.7
1993	30,230	111.0	8,092	72.9	2.7	94.1	49.0	13.9	17.6
1994	32,811	113.0	8,828	76.9	1.6	86.9	47.2	10.3	18.5
1995	35,917	114.2	9,665	80.1	2.2	80.0	45.7	10.8	19.3
1996	39,144	117.0	10,422	84.4	0.4	71.1	44.7	9.6	21.0
1997	43,208	120.5	11,451	88.1	-0.9	64.1	43.8	9.8	22.5

Table A2: Output Indicators

	Volume Indices			Output per Head			Price Indices		
	55 Total Manufacturing (1985= 100)	56 Modern Manuf- acturing (1985= 100)	57 Trad. Manuf- acturing (1985= 100)	58 Total Manuf- acturing (1985= 100)	59 Modern Manuf- acturing (1985= 100)	60 Trad. Manuf- acturing (1985= 100)	61 Manuf- acturing Output (1985= 100)	62 Whole- sale Prices (1985= 100)	63 Agricul- tural Output (1985= 100)
	<i>Annual Averages</i>								
1990	149.2	202.4	118.1	145.3	164.6	121.5	107.8	105.1	100.0
1991	153.9	210.0	119.1	147.5	163.2	121.7	108.7	106.4	96.4
1992	169.6	245.2	122.7	160.1	185.4	124.1	110.5	107.3	97.8
1993	178.8	267.5	123.4	167.9	193.2	125.9	115.6	112.4	104.2
1994	201.6	313.8	129.8	186.2	212.5	132.8	116.9	113.5	105.8
1995	242.1	407.4	138.1	211.5	241.2	138.2	119.8	115.9	108.2
1996	261.9	447.1	142.4	219.7	236.0	141.7	120.6	116.4	102.9
1997	305.5	539.3	150.4	241.8	255.5	145.0	119.9	116.4	96.2
	<i>Quarterly Averages</i>								
1995I	224.7	375.6	130.1	202.2	238.5	131.7	118.3	115.4	107.8
II	242.4	397.0	143.9	212.7	241.6	143.2	119.5	116.6	110.5
III	233.3	391.8	133.2	201.7	226.2	132.8	120.2	115.3	106.6
IV	268.7	466.4	145.5	229.3	258.3	145.2	121.3	116.3	108.1
1996I	257.4	451.6	133.4	220.7	245.6	135.1	121.3	117.5	109.5
II	268.8	453.0	147.6	226.3	244.3	146.2	121.2	116.9	107.0
III	239.9	396.9	137.0	199.6	211.2	134.1	120.3	116.1	100.4
IV	282.3	488.6	151.8	232.9	255.1	148.2	119.6	115.0	98.9
1997I	295.9	535.6	140.3	242.2	267.6	138.4	118.8	114.9	97.0
II	305.5	532.5	154.1	242.9	257.3	148.0	119.6	115.7	98.9
III	294.0	515.5	145.1	229.7	239.6	138.6	120.1	116.2	96.6
IV	326.7	574.5	162.0	252.2	259.1	154.4	121.1	116.9	95.6
1998I	349.9	650.5	148.4	273.4	298.5	142.8	121.9	118.4	96.2
II	354.6	636.3	161.2	271.3	285.0	152.0	121.6	118.4	98.9
III							120.9		
IV									
	<i>Quarterly Averages (Seasonally Adjusted)</i>								
1995I	221.3	356.0	135.0	197.4	224.5	135.4	118.4	115.3	107.1
II	233.6	388.3	138.4	205.2	234.8	138.2	119.2	116.1	107.7
III	252.9	437.4	139.9	219.5	252.9	140.1	120.2	115.3	108.1
IV	261.5	451.1	140.0	224.1	252.4	139.8	121.5	116.8	110.2
1996I	254.9	429.7	138.8	216.6	232.1	139.3	121.3	117.3	108.8
II	259.3	443.8	141.5	218.6	238.1	140.8	120.9	116.5	104.4
III	260.2	441.3	142.8	217.2	234.9	140.5	120.3	116.2	101.8
IV	274.8	471.8	145.0	227.7	248.8	141.7	119.7	115.5	100.5
1997I	293.1	508.4	146.0	237.7	252.4	142.5	118.8	114.7	96.5
II	294.8	521.8	148.0	234.7	250.8	142.8	119.4	115.3	96.6
III	318.0	573.6	151.0	249.3	266.7	145.0	120.2	116.3	98.1
IV	316.4	558.3	156.3	245.4	254.2	149.2	121.2	117.4	97.0
1998I	347.4	620.0	154.4	269.0	282.8	146.9	121.9	118.2	95.6
II	341.6	624.5	154.9	261.7	278.4	146.8	121.4	118.0	96.7
III									
IV									

Table A3: Employment, Earnings and Unemployment Indicators

	Employment			Hourly Earnings		Live Register			72 Unemp- loyment Rate (%)
	64 Total Manuf- acturing ('000s)	65 Modern Manuf- acturing ('000s)	66 Trad. Manuf- acturing ('000s)	67 Real Terms Manuf. (1985= 100)	68 Money Terms Manuf. (1985= 100)	69 Male ('000s)	70 Female ('000s)	71 Total ('000s)	
<i>Annual Averages</i>									
1990	191.9	48.4	143.5	102.4	105.8	152,081	72,630	224,711	13.3
1991	195.1	50.7	144.4	105.4	111.8	170,456	83,491	253,947	14.7
1992	198.0	52.1	145.9	105.7	116.0	187,168	95,974	283,142	15.2
1993	199.1	54.5	144.6	109.0	121.3	193,750	100,529	294,279	15.5
1994	202.4	58.2	144.3	109.4	124.6	184,393	98,020	282,413	14.1
1995	214.0	66.5	147.5	110.5	129.0	175,642	103,593	279,235	11.5
1996	222.8	74.6	148.3	112.8	133.8	155,839	98,540	254,379	10.2
1997	236.2	83.1	153.1	111.9	134.9	137,858	92,365	230,223	9.2
<i>Quarterly Averages</i>									
1995I	207.7	62.0	145.7	110.4	127.8	181,760	97,836	279,595	
II	213.0	64.7	148.3	109.7	128.4	176,873	96,833	273,707	
III	216.2	68.2	148.0	110.2	129.5	177,670	101,493	279,164	
IV	219.0	71.1	147.9	112.8	132.7	177,673	100,929	278,602	
1996I	218.0	72.4	145.6	111.7	132.0	182,002	103,340	285,342	
II	222.0	73.0	149.0	112.9	133.9	176,857	102,819	279,677	
III	224.7	74.0	150.7	111.7	133.2	177,022	107,882	284,905	
IV	226.6	75.4	151.2	113.7	136.2	166,687	100,328	267,016	
1997I	228.4	78.8	149.6	114.2	136.2	164,688	100,516	265,205	
II	235.1	81.5	153.6	114.1	137.2	155,693	97,120	252,813	
III	239.2	84.7	154.5	115.2	139.0	154,256	101,358	255,614	
IV	242.1	87.3	154.8	116.9	141.8	148,720	95,164	243,884	
1998I	239.2	85.8	153.4			147,202	93,825	241,027	
II	244.3	87.9	156.4			136,916	91,152	228,068	
III						133,513	93,981	227,494	
IV									
<i>Quarterly Averages (Seasonally Adjusted)</i>									
1995I	209.5	62.4	147.1	126.6	146.4	178,300	97,667	276,000	12.5
II	212.8	65.1	147.7	125.8	147.2	178,667	98,467	277,133	12.1
III	215.4	68.1	147.3	126.1	148.3	177,667	98,833	276,500	11.9
IV	218.1	70.4	147.7	125.6	147.8	179,133	102,067	281,200	12.0
1996I	219.9	72.9	147.1	124.1	146.7	178,867	103,300	282,167	11.9
II	221.8	73.4	148.4	124.8	148.0	178,600	104,500	283,133	11.8
III	223.9	73.9	150.0	126.3	150.6	176,733	105,100	281,867	11.4
IV	225.6	74.6	151.0	126.0	151.0	168,167	101,433	269,600	11.0
1997I	230.5	79.3	151.2	126.5	151.0	161,833	100,533	262,333	10.6
II	234.8	81.9	152.9	127.0	152.6	157,467	98,800	256,267	10.3
III	238.4	84.7	153.7	127.8	154.2	153,833	98,500	252,333	10.1
IV	241.0	86.4	154.6	127.4	154.5	150,200	96,300	246,533	9.9
1998I	241.4	86.3	155.1	127.5	155.0	144,433	93,833	238,267	9.6
II	244.0	88.3	155.7	126.3	155.5	138,633	92,800	231,433	9.3
III						133,000	91,067	224,100	9.0
IV									

Table A4: IBEC-ESRI Monthly Industrial Survey

	73	74	75	76	77	78	79	80
	Expectations for Production (balance of %)	Expectations for Employment (balance of %)	Adequacy of Present Capacity (balance of %)	Trend in Selling Prices (balance of %)	Expectations for Home Sales (balance of %)	Expectations for Exports (balance of %)	Capacity Utilisation (%)	Months of Production Ensured
<i>Annual Averages</i>								
1990	11.3	-6.8	11.9	2.1	5.5	8.3	75.5	2.1
1991	4.6	-17.7	15.3	-0.3	-1.8	5.1	75.6	2.0
1992	-1.8	-12.8	15.7	-8.4	-4.4	5.3	76.0	2.1
1993	-0.3	-23.1	22.0	-2.3	-0.3	-0.8	74.0	2.1
1994	16.0	-3.9	16.8	-0.5	6.5	18.7	75.0	2.2
1995	16.1	-3.1	6.6	2.3	5.5	22.8	77.4	2.3
1996	6.7	-7.4	7.5	-6.6	4.4	1.6	74.4	2.3
1997	13.3	-1.1	2.7	-3.8	4.7	15.3	74.4	2.5
<i>Quarterly Averages</i>								
1995I	21.7	4.0	3.7	11.0	7.0	26.0	77.2	2.5
II	21.0	1.3	10.3	-2.0	7.3	31.3	77.8	2.2
III	16.3	-2.7	5.0	1.3	5.3	17.3	77.7	2.3
IV	5.3	-15.0	7.3	-1.0	2.3	16.3	77.0	2.1
1996I	12.7	-5.0	11.3	-0.3	8.0	4.0	73.0	2.1
II	-1.7	-7.0	7.3	-11.7	-0.3	0.0	73.4	2.3
III	14.0	-5.0	6.0	-9.0	3.3	7.0	73.8	2.4
IV	1.7	-12.7	5.3	-5.3	6.7	-4.7	77.2	2.3
1997I	12.0	-3.7	5.0	-5.0	7.3	22.3	77.0	2.6
II	11.7	-1.7	0.7	-0.7	1.7	18.7	74.9	2.5
III	15.0	1.0	2.0	-6.0	4.0	8.0	72.7	2.4
IV	14.7	0.0	3.0	-3.3	5.7	12.0	73.0	2.5
1998I	16.7	0.7	2.7	-2.3	7.7	13.0	74.6	2.4
II	10.0	9.3	7.7	-13.3	8.3	15.3	74.0	2.5
III	14.3	2.7	9.7	-13.0	2.3	12.0	73.7	2.3
IV								
<i>Quarterly Averages (Seasonally Adjusted)</i>								
1995I	No Seasonal Pattern	No Seasonal Pattern	No Seasonal Pattern	No Seasonal Pattern	No Seasonal Pattern	No Seasonal Pattern	No Seasonal Pattern	No Seasonal Pattern
II								
III								
IV								
1996I								
II								
III								
IV								
1997I								
II								
III								
IV								
1998I								
II								
III								
IV								

Table A5: Demand Indicators

	Consumption				Government				
	81 CPI (Nov. 1989 =100)	82 Cars Regis- tered N&S/H (Total)	83 Retail Sales Value (1990= 100)	84 Retail Sales Volume (1990= 100)	85 Elec- tricity Output (GWh)	86 New Houses Comp- leted (Total)	87 Current Reve- nue (£m)	88 Current Expen- diture (£m)	89 Current Deficit (£m)
<i>Annual Series</i>									
1990	101.7	105,849	99.6	99.6	14,325	19,087	8,269	9,144	152
1991	104.5	89,589	101.5	99.5	14,990	19,364	8,776	9,827	300
1992	108.0	85,492	105.9	102.0	15,682	22,051	9,360	10,584	446
1993	109.5	87,352	109.0	103.4	16,161	20,707	10,140	11,493	379
1994	112.1	116,636	117.7	109.0	16,844	24,952	11,203	12,229	-15
1995	115.0	124,595	123.5	112.2	17,598	29,619	11,667	13,190	362
1996	116.8	153,833	133.7	119.1	18,935	32,989	14,018	12,954	437
1997	118.8	167,404	145.0	128.4	19,551	38,842	15,488	14,619	235
<i>Quarterly Series</i>									
1995I	114.0	39,283	116.0	106.3	4,674	6,296	2,537	2,973	234
II	115.2	37,934	121.0	109.9	4,151	7,156	3,156	3,205	-200
III	115.7	29,536	123.9	112.4	4,080	7,684	2,914	3,129	-87
IV	115.8	17,842	132.9	120.1	4,693	9,439	3,060	3,883	415
1996I	116.3	50,295	126.1	113.3	5,084	7,216	2,678	3,389	440
II	116.8	48,571	132.6	118.2	4,455	7,931	3,298	3,322	-235
III	117.4	33,460	132.2	117.7	4,316	8,403	3,607	3,178	-715
IV	118.0	21,507	143.9	127.4	5,080	10,175	3,372	4,130	218
1997I	117.4	51,641	134.8	120.0	5,116	8,081	3,101	3,381	99
II	118.4	49,546	141.2	125.0	4,627	9,600	4,151	3,406	-1,068
III	118.8	36,008	144.3	128.1	4,584	9,964	3,523	3,934	40
IV	119.4	30,209	159.6	140.5	5,224	11,197	3,845	4,767	325
1998I	119.5	56,807	149.4	132.2	5,306	8,572	3,517	3,499	-275
II	121.3	55,879	155.4	137.6	4,915	10,359	4,666	3,743	-1,295
III	122.0		160.3	142.9			3,934	3,997	-363
IV									
<i>Quarterly Series (Seasonally Adjusted)</i>									
1995I	113.9	29,462	120.6	110.3	4,351	7,512	2,821	2,977	156
II	115.2	30,624	122.0	111.0	4,372	7,402	2,953	3,387	434
III	115.8	32,861	124.6	113.0	4,450	7,394	2,926	3,304	379
IV	115.8	33,731	126.6	114.4	4,429	8,193	2,970	3,440	469
1996I	116.3	37,640	130.7	117.3	4,739	8,523	2,994	3,485	490
II	116.7	39,257	133.5	119.2	4,686	8,195	3,022	3,517	495
III	117.4	37,387	133.4	118.6	4,702	8,181	3,655	3,345	-311
IV	118.0	40,430	137.2	121.4	4,800	8,817	3,289	3,597	308
1997I	117.6	38,584	139.5	124.0	4,771	9,471	3,488	3,547	59
II	118.3	40,132	142.1	126.0	4,864	9,890	3,754	3,607	-147
III	118.7	40,288	145.8	129.3	4,992	9,775	3,586	4,132	546
IV	119.4	56,476	151.8	133.7	4,936	9,704	3,762	4,117	355
1998I	119.7	42,519	154.6	136.6	4,951	10,006	3,966	3,704	-263
II	121.2	45,245	158.6	138.7	5,165	10,647	4,203	3,967	-235
III	121.9		161.9	141.6			4,009	4,188	179
IV									

Table A6: Monetary and Financial Indicators

	Interest Rates		Monetary Developments				Asset Prices		
	90	91	92	93	94	95	95	97	98
	One Month Inter-Bank (% p.a.)	Long-Term Gilt Rate (% p.a.)	M3 Money Supply (£m)	Dom. Credit (Gov.) (£m)	Dom. Credit (Non-Gov.) (£m)	New Mortgages (No.)	External Reserves (£m)	ISEQ Share Prices (1/1988 =1000)	Second Hand Houses (£)
<i>Annual Series</i>									
1990	11.1	10.1	12,636	2,733	13,856	34,812	2,892	1,562.2	49,134
1991	10.4	9.3	13,025	2,715	13,553	37,058	3,256	1,382.4	50,500
1992	15.2	9.1	14,119	3,180	14,411	44,433	2,113	1,311.1	51,452
1993	10.6	7.8	17,268	3,168	14,911	45,390	4,278	1,576.0	52,559
1994	5.7	8.2	19,209	3,518	16,655	50,204	4,041	1,853.4	55,033
1995	6.1	8.3	21,910	3,559	19,917	49,288	5,473	1,992.9	58,526
1996	5.8	8.1	27,038	2,976	23,548	61,006	4,960	2,494.3	67,438
1997	6.2	6.4		2,576	19,205	64,652	4,636	3,335.9	80,276
<i>Quarterly Series</i>									
1995I	6.1	8.7	18,897	3,209	17,454	11,573	4,031	1,863.6	55,671
II	6.5	8.4	19,252	3,146	18,384	12,787	4,547	1,893.2	58,603
III	6.0	8.3	20,421	3,505	19,037	12,394	5,504	2,055.7	58,458
IV	5.5	7.8	21,910	3,559	19,917	12,534	5,473	2,159.2	60,910
1996I	5.1	7.8	22,213	4,031	20,585	14,084	5,213	2,304.7	61,248
II	5.1	7.7	22,881	3,801	21,595	16,142	5,048	2,496.1	67,292
III	5.6	7.5	24,096	3,241	22,218	16,363	5,722	2,511.0	69,599
IV	5.7	6.9	27,038	2,976	23,548	14,417	4,960	2,665.6	70,858
1997I	5.7	6.8	27,843	3,149	25,647	14,773	5,876	2,891.3	72,197
II	6.3	6.8		3,401	19,156	18,199	5,092	3,127.4	77,324
III	6.3	6.1		2,312	18,085	16,345	5,984	3,543.3	80,774
IV	6.4	5.8		2,576	19,205	15,335	4,636	3,781.7	90,061
1998I	6.3	5.2		2,468	20,528	16,311	4,950	4,524.1	91,883
II	6.4	5.1		2,570	22,296	18,307	5,618	5,267.1	101,985
III	6.3	4.6		2,842	22,878			4,795.9	
IV									
<i>Quarterly Series (Seasonally Adjusted)</i>									
1995I		No Seasonal Pattern		No Seasonal Pattern		12,085		No Seasonal Pattern	56,638
II						11,883			57,638
III						12,057			58,420
IV						13,385			60,638
1996I						14,693			62,499
II						14,914			66,262
III						16,018			69,553
IV						15,416			70,533
1997I						15,376			73,864
II						16,770			75,957
III						16,050			80,825
IV						16,397			89,509
1998I						16,987			94,166
II						16,883			100,064
III									
IV									

Table A7: Trade Prices, Exchange Rates and Competitiveness

	Trade Prices				Exchange Rates		105 Deutsch- mark (per IR£)	106 Real Effective Index (1990= 100)
	99 Import Unit Value (1990= 100)	100 Export Unit Value (1990= 100)	101 Terms of Trade (1990= 100)	102 Effective Index (12/1971 =100)	103 Sterling (per IR£)	104 Dollar (per IR£)		
	<i>Annual Averages</i>							
1990	100.0	100.0	100.1	68.3	0.9305	1.6588	2.6729	100.0
1991	102.3	99.3	97.0	67.3	0.9133	1.6162	2.6708	96.9
1992	100.2	96.6	96.4	69.5	0.9695	1.7062	2.6561	99.7
1993	105.4	103.9	98.6	66.0	0.9771	1.4682	2.4241	93.0
1994	108.1	103.8	96.0	66.2	0.9777	1.4984	2.4263	92.9
1995	112.7	105.6	93.7	67.1	1.0168	1.6038	2.2971	93.4
1996	111.4	105.1	94.3	68.5	1.0255	1.6008	2.4092	95.2
1997	112.0	106.2	94.9	67.4	0.9271	1.5182	2.6286	95.0
	<i>Quarterly Averages</i>							
1995I	111.7	104.0	93.1	66.6	0.9943	1.5733	2.3263	93.1
II	113.7	107.4	94.4	67.1	1.0197	1.6270	2.2717	93.0
III	112.2	105.6	94.1	67.4	1.0247	1.6117	2.3067	93.9
IV	113.2	105.5	93.2	67.4	1.0283	1.6033	2.2837	93.7
1996I	113.4	108.1	95.3	67.6	1.0317	1.5797	2.3193	93.7
II	112.1	106.6	95.1	68.1	1.0307	1.5703	2.3913	94.1
III	111.1	103.8	93.5	68.8	1.0347	1.6090	2.4090	95.5
IV	109.1	101.9	93.4	69.5	1.0050	1.6443	2.5170	97.3
1997I	110.8	104.6	94.5	69.7	0.9780	1.5943	2.6433	98.1
II	111.8	106.4	95.2	67.4	0.9317	1.5250	2.6127	94.9
III	113.1	106.8	94.5	66.8	0.9097	1.4780	2.6680	93.9
IV	112.2	107.0	95.3	65.7	0.8890	1.4753	2.5903	93.1
1998I	114.6	109.4	95.4	62.6	0.8357	1.3760	2.5023	
II	115.3	109.9	95.3	63.6	0.8500	1.4057	2.5193	
III	116.6	112.2	96.2	64.2	0.8593	1.4250	2.5097	
IV								
	<i>Quarterly Averages (Seasonally Adjusted)</i>							
1995I	No	No	No	No	No	No	No	No
II	Seasonal	Seasonal	Seasonal	Seasonal	Seasonal	Seasonal	Seasonal	Seasonal
III	Pattern	Pattern	Pattern	Pattern	Pattern	Pattern	Pattern	Pattern
IV								
1996I								
II								
III								
IV								
1997I								
II								
III								
IV								
1998I								
II								
III								
IV								

Table A8: External Trade and Balance of Payments Indicators

	Visible Trade Indicators					Balance of Payments			
	107	108	109	110	111	112	113	114	115
	Imports (Value) (£m)	Exports (Value) (£m)	Trade Balance (£m)	Imports (Vol- ume) (1990= 100)	Exports (Vol- ume) (1990= 100)	Merch- andise Balance (£m)	Services Balance (£m)	Net Factor Flows (£m)	Current Account (£m)
<i>Annual Series</i>									
1990	12,476	14,342	1,867	100.1	100.1	1,797	-513	-2,921	-224
1991	12,851	15,019	2,168	100.8	105.4	2,066	-668	-2,796	209
1992	13,195	16,744	3,549	105.7	121.2	3,501	-1,217	-3,209	320
1993	14,885	19,830	4,945	112.9	133.3	4,826	-1,366	-3,521	1,248
1994	17,251	22,754	5,503	127.6	153.2	5,396	-1,978	-3,575	998
1995	20,619	27,825	7,206	146.3	184.1	7,459	-2,991	-4,508	1,070
1996	22,429	30,407	7,978	161.0	202.3	8,756	-3,782	-5,151	1,176
1997	25,790	35,012	9,221	184.2	230.3	11,084	-4,690	-6,322	1,362
<i>Quarterly Series</i>									
1995I	4,970	6,464	1,494	142.3	173.6	1,558	-693	-1,163	-19
II	4,950	6,843	1,893	139.2	178.2	1,957	-603	-1,192	360
III	4,875	6,766	1,891	139.0	179.0	1,953	-696	-1,084	377
IV	5,824	7,752	1,928	164.6	205.5	1,991	-1,000	-1,070	352
1996I	5,867	7,792	1,925	165.5	201.7	2,003	-922	-1,451	-175
II	5,624	7,656	2,032	160.4	200.7	2,111	-790	-1,261	171
III	5,103	7,112	2,010	147.0	191.4	2,299	-917	-1,188	680
IV	5,836	7,847	2,011	171.0	215.2	2,344	-1,153	-1,252	501
1997I	5,941	7,915	1,974	171.4	211.5	2,315	-1,184	-1,725	-267
II	6,504	8,780	2,276	186.1	230.6	2,662	-1,075	-1,755	138
III	6,146	8,713	2,567	174.0	227.9	3,072	-1,111	-1,327	868
IV	7,257	9,732	2,475	206.8	254.4	3,035	-1,320	-1,515	623
1998I	7,682	10,318	2,636	214.4	263.6	3,179	-1,601	-1,862	-80
II	7,813	11,592	3,779	216.7	294.8	3,892	-1,695	-2,018	496
III									
IV									
<i>Quarterly Series (Seasonally Adjusted)</i>									
1995I	4,808	6,472	1,663	137.8	173.2		No	No	
II	4,907	6,704	1,798	139.5	176.7		Seasonal	Seasonal	
III	5,263	7,124	1,861	149.8	189.0		Pattern	Pattern	
IV	5,643	7,524	1,881	157.7	196.9				
1996I	5,681	7,790	2,109	160.5	201.6				
II	5,562	7,505	1,943	160.5	198.8				
III	5,536	7,489	1,953	159.1	202.0				
IV	5,637	7,627	1,990	163.3	206.5				
1997I	5,762	7,906	2,145	166.6	211.6				
II	6,419	8,598	2,179	185.9	228.1				
III	6,684	9,179	2,494	188.6	240.4				
IV	6,999	9,469	2,470	197.4	244.3				
1998I	7,461	10,302	2,841	208.6	263.9				
II	7,699	11,343	3,644	216.1	291.4				
III									
IV									

Table A9: International Indicators

	GDP (Volume)								
	116 UK (1990= 100)	117 Ger- many (1990= 100)	118 France (1990= 100)	119 Italy (1990= 100)	120 EU15 (1990= 100)	121 USA (1990= 100)	122 Japan (1990= 100)	123 OECD (1990= 100)	124 Ireland (1990= 100)
<i>Annual Averages</i>									
1990	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1991	98.0	112.5	100.8	101.1	103.0	99.1	103.8	101.4	101.6
1992	97.5	114.5	102.0	101.7	103.9	101.8	104.9	103.2	105.4
1993	99.5	113.1	100.6	100.5	103.4	104.1	105.2	104.3	108.3
1994	103.8	116.3	103.4	102.7	106.5	107.7	105.9	107.2	115.6
1995	106.7	118.4	105.6	105.7	109.2	110.2	107.4	109.4	127.6
1996	109.0	120.1	107.2	106.4	111.1	114.0	111.6	112.7	136.7
1997	112.7	122.8	109.7	108.0	114.1	118.5	112.6	116.2	149.6
<i>Quarterly Averages</i>									
1995I									
II									
III									
IV									
1996I									
II									
III									
IV									
1997I									
II									
III									
IV									
1998I									
II									
III									
IV									
<i>Quarterly Averages (Seasonally Adjusted)</i>									
1995I	105.9	118.0	105.5	105.4	108.6	109.5	105.6	108.7	
II	106.4	118.8	105.6	105.3	109.1	109.6	107.2	109.0	
III	107.0	118.5	105.9	105.9	109.4	110.5	107.9	109.7	
IV	107.5	118.5	105.3	106.3	109.6	111.2	108.7	110.3	
1996I	108.0	118.4	106.8	107.1	110.4	112.2	111.6	111.5	
II	108.4	120.1	106.7	106.0	110.7	113.8	111.7	112.4	
III	109.2	120.7	107.5	106.5	111.4	114.4	111.2	112.9	
IV	110.4	121.0	107.9	106.1	111.9	115.6	112.4	113.8	
1997I	111.2	121.4	108.1	106.2	112.4	116.8	114.7	114.9	
II	112.4	122.6	109.3	108.3	113.8	117.9	111.5	115.7	
III	113.3	123.5	110.3	108.8	114.7	119.1	112.4	116.8	
IV	113.9	123.8	111.2	108.9	115.4	120.0	112.0	117.4	
1998I	114.8	125.0	111.8	108.8	116.1	121.6	110.5	118.2	
II	115.3		112.6			122.1			
III									
IV									

Table A9 (cont'd): International Indicators

	Consumer Prices								
	125 UK (1990= 100)	126 Ger- many (1990= 100)	127 France (1990= 100)	128 Italy (1990= 100)	129 EU15 (1990= 100)	130 USA (1990= 100)	131 Japan (1990= 100)	132 OECD (1990= 100)	133 Ireland (1990= 100)
	<i>Annual Averages</i>								
1990	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1991	105.9	103.6	103.2	106.5	105.2	104.2	103.3	106.1	103.2
1992	109.8	108.9	105.7	112.1	109.9	107.4	105.0	111.4	106.4
1993	111.5	113.7	107.9	116.8	113.8	110.6	106.3	116.1	107.9
1994	114.3	116.8	109.7	121.4	117.3	113.4	107.1	121.2	110.5
1995	118.2	119.0	111.6	127.9	120.9	116.6	107.0	127.9	113.2
1996	121.1	120.8	113.8	132.8	123.9	120.0	107.1	134.4	115.2
1997	124.9	122.9	115.2	135.2	126.4	122.9	109.0	140.1	116.8
	<i>Quarterly Averages</i>								
1995I	116.4	118.3	110.9	125.1	119.5	115.5	107.0	125.2	112.1
II	118.5	118.9	111.4	127.5	120.8	116.5	107.2	127.5	113.3
III	118.8	119.4	111.8	128.7	121.4	117.0	107.0	128.8	113.8
IV	119.0	119.4	112.4	130.4	121.9	117.6	106.9	130.3	113.9
1996I	119.6	120.1	113.2	131.3	122.8	118.6	106.6	132.1	114.4
II	121.2	120.7	114.1	132.9	124.0	119.8	107.3	134.0	114.8
III	121.4	121.2	113.8	133.2	124.2	120.4	107.2	134.9	115.4
IV	122.1	121.1	114.3	133.9	124.7	121.3	107.5	136.5	116.0
1997I	122.8	122.2	114.9	134.5	125.4	122.1	107.2	138.0	116.0
II	124.4	122.6	115.1	135.0	126.1	122.6	109.5	139.5	116.6
III	125.6	123.5	115.3	135.2	126.7	123.1	109.5	140.7	116.9
IV	126.6	123.3	115.6	136.0	127.2	123.6	109.7	142.3	117.8
1998I	127.0	123.6	115.6	136.8	127.6	123.9	109.3	143.4	118.1
II	129.4	124.2	116.3	137.4	128.6	124.6	109.8	144.8	119.8
III									
IV									
	<i>Quarterly Averages (Seasonally Adjusted)</i>								
1995I	116.9	118.2	110.8	125.2	119.6	115.5	107.3	119.6	112.2
II	117.9	118.7	111.3	127.2	120.5	116.4	106.9	120.5	113.2
III	118.7	119.2	111.9	128.9	121.4	117.1	107.0	121.4	113.7
IV	119.2	119.8	112.5	130.4	122.1	117.7	106.8	122.1	114.0
1996I	120.1	120.1	113.1	132.1	122.9	118.6	106.9	122.9	114.5
II	120.6	120.6	114.0	133.7	123.7	119.6	107.0	123.7	114.7
III	121.3	121.0	113.9	135.0	124.2	120.5	107.2	124.2	115.3
IV	122.3	121.4	114.4	136.6	124.9	121.4	107.4	124.9	116.1
1997I	123.2	122.2	114.8	138.0	125.5	122.1	107.5	125.5	116.1
II	123.8	122.5	115.0	139.1	125.8	122.4	109.2	125.8	116.5
III	125.5	123.3	115.4	140.9	126.7	123.2	109.5	126.7	116.8
IV	126.8	123.6	115.7	142.4	127.4	123.7	109.6	127.4	117.9
1998I	127.4	123.6	115.5	143.4	127.7	123.9	109.7	127.7	118.2
II	128.8	124.1	116.2	144.4	128.3	124.4	109.5	128.3	119.7
III									
IV									

Table A9 (cont'd): International Indicators

	Hourly Earnings (Manufacturing)								
	134 UK (1990= 100)	135 Ger- many (1990= 100)	136 France (1990= 100)	137 Italy (1990= 100)	138 EU15 (1990= 100)	139 USA (1990= 100)	140 Japan (1990= 100)	141 OECD (1990= 100)	142 Ireland (1990= 100)
<i>Annual Averages</i>									
1990	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1991	108.0	106.0	104.0	109.8	107.0	103.0	103.0	105.0	105.2
1992	115.0	112.0	108.0	115.7	113.0	106.0	105.0	109.0	110.3
1993	121.0	118.0	111.0	120.0	118.0	108.0	106.0	113.0	116.7
1994	126.0	122.0	113.0	124.0	123.0	111.0	109.0	116.0	118.4
1995	132.0	126.0	116.0	127.8	127.0	114.0	112.0	120.0	123.1
1996	138.0	130.0	119.0	130.1	132.0	118.0	115.0	124.0	126.4
1997	144.0	132.0	122.0	134.8	136.0	122.0	118.0	127.0	
<i>Quarterly Averages</i>									
1995I	131.0	123.0	114.0	126.4	125.0	113.0	110.0	118.0	118.6
II	131.0	126.0	115.0	126.7	126.0	114.0	113.0	119.0	119.1
III	131.0	127.0	116.0	128.7	128.0	115.0	113.0	120.0	120.2
IV	134.0	128.0	116.0	129.5	130.0	115.0	114.0	122.0	123.1
1996I	137.0	129.0	117.0	128.8	130.0	116.0	113.0	122.0	122.5
II	137.0	131.0	118.0	129.3	131.0	118.0	115.0	123.0	124.3
III	137.0	131.0	119.0	130.9	133.0	118.0	116.0	124.0	123.6
IV	140.0	131.0	120.0	131.6	135.0	120.0	117.0	126.0	126.4
1997I	143.0	132.0	120.0	133.9	135.0	120.0	116.0	126.0	126.4
II	143.0	131.0	121.0	134.2	135.0	121.0	119.0	127.0	127.3
III	143.0	132.0	122.0	135.4	137.0	122.0	118.0	128.0	129.0
IV	147.0	132.0	123.0	136.0	139.0	123.0	119.0	129.0	
1998I	151.0		123.0	136.6		124.0	117.0	129.0	
II	150.0		124.0			124.0	118.0		
III									
IV									
<i>Quarterly Averages (Seasonally Adjusted)</i>									
1995I	129.9	123.5	114.2	126.0	125.4	113.1	111.3	118.4	118.7
II	131.0	125.8	114.8	126.8	126.5	113.9	112.4	119.1	119.2
III	132.3	126.6	115.9	128.6	127.9	115.4	112.8	120.1	120.8
IV	133.9	128.1	116.1	129.9	129.1	114.6	113.6	121.5	122.3
1996I	135.7	129.5	117.2	128.4	130.4	116.1	114.3	122.3	122.6
II	137.0	130.8	117.9	129.5	131.6	117.9	114.4	123.2	124.5
III	138.4	130.6	118.9	130.8	132.9	118.4	115.8	124.1	124.2
IV	139.9	131.1	120.0	131.9	134.1	119.6	116.5	125.4	125.5
1997I	141.5	132.5	120.2	133.5	135.3	120.2	117.3	126.3	126.5
II	143.1	130.8	120.9	134.4	135.6	120.8	118.4	127.2	127.5
III	144.6	131.6	121.8	135.2	136.9	122.4	117.7	128.1	129.6
IV	146.9	132.1	123.0	136.3	138.1	123.6	118.5	128.4	
1998I	149.4		123.2	136.2		124.2	118.3	129.3	
II	150.0		123.9			123.8	117.5		
III									
IV									

Table A9 (cont'd): International Indicators

	Unemployment Rate								
	143 UK (%)	144 Ger- many (%)	145 France (%)	146 Italy (%)	147 EU15 (%)	148 USA (%)	149 Japan (%)	150 OECD (%)	151 Ireland (%)
	<i>Annual Averages</i>								
1990	7.1	4.9	9.0	9.1	8.1	5.6	2.1	6.1	13.3
1991	8.8	4.4	9.5	8.8	8.4	6.8	2.1	6.8	14.7
1992	10.1	4.6	10.4	9.0	9.1	7.5	2.2	7.4	15.2
1993	10.5	7.9	11.7	10.3	10.8	6.9	2.5	8.0	15.5
1994	9.6	8.4	12.3	11.4	11.1	6.1	2.9	7.9	14.1
1995	8.7	8.2	11.7	11.9	10.7	5.6	3.1	7.5	11.5
1996	8.2	8.9	12.4	12.0	10.9	5.4	3.4	7.6	10.2
1997	7.0	10.0	12.4	12.1	10.7	4.9	3.4	7.3	9.2
	<i>Quarterly Averages</i>								
1995I									
II									
III									
IV									
1996I									
II									
III									
IV									
1997I									
II									
III									
IV									
1998I									
II									
III									
IV									
	<i>Quarterly Averages (Seasonally Adjusted)</i>								
1995I	9.0	8.0	11.7	11.8	10.8	5.5	3.0	7.5	12.5
II	8.8	8.1	11.6	11.9	10.7	5.7	3.1	7.5	12.1
III	8.7	8.2	11.6	12.0	10.7	5.7	3.2	7.6	11.9
IV	8.5	8.4	12.0	11.9	10.8	5.6	3.3	7.6	12.0
1996I	8.4	8.7	12.3	12.0	10.9	5.6	3.3	7.6	11.9
II	8.3	8.8	12.3	12.0	10.9	5.4	3.5	7.6	11.8
III	8.1	8.9	12.4	12.0	10.8	5.3	3.3	7.5	11.4
IV	7.9	9.2	12.4	12.0	10.8	5.3	3.3	7.5	11.0
1997I	7.4	9.7	12.4	12.2	10.8	5.3	3.3	7.5	10.6
II	7.3	9.9	12.4	12.1	10.7	4.9	3.4	7.3	10.3
III	6.8	10.1	12.4	12.1	10.6	4.9	3.4	7.3	10.1
IV	6.6	10.3	12.3	12.1	10.5	4.7	3.5	7.1	9.9
1998I	6.4	10.0	12.1	12.1	10.3	4.7	3.6	7.1	9.6
II		9.8	11.9		10.2	4.4	4.2	11.9	9.3
III									9.0
IV									

Table A9 (cont'd): International Indicators

	Short-Term Interest Rate							
	152 UK (% p. a.)	153 Germany (% p. a.)	154 France (% p. a.)	155 Italy (% p. a.)	156 EU15 (% p. a.)	157 USA (% p. a.)	158 Japan (% p. a.)	159 Ireland (% p. a.)
	<i>Annual Averages</i>							
1990	14.8	8.5	10.3	12.2	8.2	8.2	7.7	11.3
1991	11.5	9.3	9.6	12.2	5.9	5.8	7.4	10.4
1992	9.6	9.5	10.3	14.0	3.8	3.7	4.5	14.3
1993	5.9	7.3	8.6	10.2	3.3	3.2	3.0	9.1
1994	5.5	5.4	5.9	8.5	4.7	4.6	2.2	5.9
1995	6.7	4.5	6.6	10.5	6.0	5.9	1.2	6.3
1996	6.0	3.3	3.9	8.8	5.4	5.4	0.6	5.4
1997	6.8	3.3	3.5	6.9	5.7	5.6	0.6	6.1
	<i>Quarterly Averages</i>							
1995I	6.7	5.1	6.6	9.7	6.2	6.2	2.3	6.5
II	6.7	4.6	7.5	10.8	6.1	6.0	1.4	6.7
III	6.8	4.4	6.1	10.6	5.8	5.8	0.8	6.2
IV	6.6	4.0	6.1	10.7	5.8	5.7	0.5	5.6
1996I	6.2	3.4	4.5	10.0	5.3	5.3	0.6	5.1
II	6.0	3.3	4.0	9.1	5.4	5.4	0.6	5.1
III	5.8	3.3	3.9	8.7	5.5	5.5	0.6	5.7
IV	6.2	3.2	3.5	7.6	5.5	5.4	0.5	5.8
1997I	6.2	3.2	3.4	7.3	5.5	5.4	0.6	5.8
II	6.5	3.2	3.4	7.0	5.7	5.7	0.6	6.2
III	7.1	3.2	3.4	6.8	5.6	5.6	0.6	6.2
IV	7.5	3.7	3.7	6.4	5.8	5.7	0.7	6.1
1998I	7.5	3.5	3.6	6.0	5.6	5.6	1.0	5.9
II	7.5	3.6	3.6	5.2	5.6	5.6	0.6	6.3
III								
IV								
	<i>Quarterly Averages (Seasonally Adjusted)</i>							
1995I	No Seasonal Pattern		No Seasonal Pattern		No Seasonal Pattern		No Seasonal Pattern	
II								
III								
IV								
1996I								
II								
III								
IV								
1997I								
II								
III								
IV								
1998I								
II								
III								
IV								

Notes

- 1-48. Calculated on an ESA95 basis. *Source:* CSO.
49. GNP at current market prices per head of population calculated at PPS on an ESA79 basis. *Source:* Based on European Commission data.
- 50-51. General government deficit and debt calculated on an ESA79 basis. *Source:* Department of Finance.
52. *Source:* Department of Finance.
53. Calculated as a percentage of personal disposable income. *Source:* Based on CSO Data.
- 54-55. *Source:* Based on CSO Data.
- 56-60. *Source:* ESRI.
- 61-71. *Source:* CSO.
72. Official standardised unemployment rate, based on ILO definitions. *Source:* CSO.
- 73-78. Percentage reporting improvement or increase minus percentage reporting deterioration or decrease. *Source:* IBEC-ESRI Monthly Industrial Survey.
- 79-80. *Source:* IBEC-ESRI Monthly Industrial Survey.
- 81-88. *Source:* CSO.
89. Not calculable from columns 87 and 88. *Source:* CSO.
- 90-91. *Source:* Central Bank of Ireland.
92. *Source:* CSO.
- 93-94. *Source:* Central Bank of Ireland.
- 95-97. *Source:* CSO.
98. *Source:* Department of the Environment and Local Government.
- 99-105. *Source:* CSO.
106. *Source:* OECD.
- 107-115. Calculated on an ESA95 basis. *Source:* CSO.
- 116-123. *Source:* OECD.
124. Average of output and expenditure methods. *Source:* CSO.
- 125-155. *Source:* OECD.
156. Eurodollar market rate. *Source:* OECD.
- 157-159. *Source:* OECD.