# QUARTERLY ECONOMIC COMMENTARY

# WINTER 1993/4

*The forecasts in this Commentary are based on data available by early February 1994.*

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*SUMMARY*

Due to the lack of trade statistics comparable with earlier years, and to the fact that the upturn in domestic demand in the closing months of the year has not yet been statistically documented, it is still impossible to provide an authoritative estimate of Ireland's economic performance in 1993. On the evidence that is available, the annual growth in real GNP was probably of the order of 2¼ per cent. It is likely that the current account of the balance of payments strengthened further, to a surplus of about 6 per cent of GNP. What is documented is that price inflation was exceptionally low, at 1½per cent, that registered unemployment was roughly constant throughout the year, although at a level some 11,000 higher than the average in 1992, and that the public finances were considerably stronger than expected. On the key issue of employment, the latest *Labour Force Estimates* suggest that there was probably an increase of about 8,000 in the annual average level of non-agricultural employment, compared with the virtual stagnation previously forecast.

It seems certain that the growth in domestic demand which resumed in the second half of 1993 will continue in 1994, and that the annual rate of real GNP growth will be substantially greater in 1994 than in 1993. Given the uncertainty about the actual growth rate in 1993, the precise projection for 1994 must inevitably remain tentative. The forecast of a 4 per cent growth rate could prove cautious, but it seems reasonable to make some allowance for unforeseen problems. Inflation is likely to remain low, at about 2¼ per cent, the current account surplus comfortable, and the public finances rather better than the Budget targets. If the rest of the forecast is correct, the annual average of non-agricultural employment should increase by over 20,000 and the average level of registered unemployment could fall modestly.

Assuming that they are ratified, the pay elements in the draft national agreement should secure a gradual improvement in international competitiveness over the next three years and ease the burden of excessive public service pay increases on the public finances. Both aspects should improve the prospects for net job creation over the period of the agreement. However, if major problems are not to be simply postponed until the agreement expires, it remains vital that the issue of the criteria for public service pay arbitration is fully resolved as soon as possible.

The adverse reaction to certain aspects of the Budget, in circumstances where the great majority of households gains significantly on a net basis, calls into further doubt the practicality of more radical tax reform. If it is true, as most analysts agree, that a substantial reduction in both average and marginal rates of direct taxation could play a key role in improving job prospects, this reluctance to accept alternative sources of revenue displays a disturbing gap between public rhetoric and private preferences.

Fortunately, so long as interest rates remain relatively low and public sector pay increases remain in line with the private sector, there should be room for some continuing reduction in real tax rates in the next few years. This would not amount to radical reform, but it would permit average living standards to improve without increasing employers' relative costs. Provided the external environment continues to improve, and major international shocks are absent, the next three years should see substantial and sustained net job creation.

## FORECAST NATIONAL ACCOUNTS 1993
## A: Expenditure on Gross National Product

| | 1992 | 1993 | Change in 1993 | | | | |
|---|---|---|---|---|---|---|---|
| | Preliminary £m | Estimate £m | £m Value | £m Volume | % Value | % Price | % Volume |
| Private Consumer Expenditure ... | 17268 | 18045 | 777 | 432 | $4\frac{1}{2}$ | 2 | $2\frac{1}{2}$ |
| Public Net Current Expenditure ... | 4773 | 5107 | 334 | 107 | 7 | $4\frac{3}{4}$ | $2\frac{1}{4}$ |
| Gross Fixed Capital Formation ... | 4676 | 4901 | 225 | 66 | $4\frac{3}{4}$ | $3\frac{1}{4}$ | $1\frac{1}{2}$ |
| Exports of Goods and Services (X) ... | 18673 | 20296 | 1623 | 910 | $8\frac{3}{4}$ | $3\frac{3}{4}$ | $4\frac{3}{4}$ |
| Physical Changes in Stocks ... ... | –60 | 0 | 60 | 45 | | | |
| Final Demand ... ... ... | 45330 | 48349 | 3019 | 1560 | $6\frac{3}{4}$ | 3 | $3\frac{1}{2}$ |
| less: | | | | | | | |
| Imports of Goods and Services (M) ... | 15721 | 16979 | 1258 | 711 | 8 | $3\frac{1}{4}$ | $4\frac{1}{2}$ |
| GDP at Market Prices ... ... | 29609 | 31370 | 1761 | 849 | 6 | 3 | $2\frac{3}{4}$ |
| less: | | | | | | | |
| Net Factor Payments (F) ... ... | 3158 | 3530 | 372 | 244 | $11\frac{3}{4}$ | $3\frac{3}{4}$ | $7\frac{3}{4}$ |
| GNP at Market Prices ... ... | 26451 | 27840 | 1389 | 605 | $5\frac{1}{4}$ | 3 | $2\frac{1}{4}$ |

## B. Gross National Product by Origin

| | 1992 | 1993 | Change in 1993 | |
|---|---|---|---|---|
| | Preliminary £m | Estimate £m | £m | % |
| Agriculture, Forestry, Fishing ... | 2140 | 2311 | 171 | 8 |
| Non-Agricultural: Wages, etc. ... | 14768 | 15654 | 886 | 6 |
| Other: ... | 7881 | 8373 | 492 | $6\frac{1}{4}$ |
| less: | | | | |
| Adjustments ... ... ... | 1335 | 1258 | –77 | $-5\frac{3}{4}$ |
| Net Factor Payments ... ... | 3158 | 3530 | 372 | $11\frac{3}{4}$ |
| National Income ... ... ... | 20297 | 21550 | 1253 | $6\frac{1}{4}$ |
| Depreciation ... ... ... | 2858 | 3015 | 157 | $5\frac{1}{2}$ |
| GNP at Factor Cost ... ... | 23155 | 24565 | 1410 | 6 |
| Taxes less Subsidies ... ... | 3296 | 3275 | –21 | $-\frac{3}{4}$ |
| GNP at Market Prices ... ... | 26451 | 27840 | 1389 | $5\frac{1}{4}$ |

## C. Balance of Payments on Current Account

| | 1992 | 1993 | Change in 1993 |
|---|---|---|---|
| | Preliminary £m | Estimate £m | £m |
| X–M ... ... ... ... | 2953 | 3317 | 364 |
| F ... ... ... ... | –3158 | –3530 | –372 |
| Net Transfers ... ... ... | 1740 | 1917 | 177 |
| Balance on Current Account ... | 1535 | 1704 | 169 |
| as % of GNP ... ... ... | $5\frac{3}{4}$ | 6 | $\frac{1}{4}$ |

# FORECAST NATIONAL ACCOUNTS 1994
## A: Expenditure on Gross National Product

| | 1993 | 1994 | Change in 1994 | | | | |
|---|---|---|---|---|---|---|---|
| | Estimated £m | Forecast £m | £m Value | £m Volume | % Value | % Price | % Volume |
| Private Consumer Expenditure ... | 18045 | 19236 | 1191 | 632 | 6½ | 3 | 3½ |
| Public Net Current Expenditure ... | 5107 | 5490 | 383 | 153 | 7½ | 4¼ | 3 |
| Gross Domestic Fixed Capital Formation | 4901 | 5244 | 343 | 221 | 7 | 2½ | 4½ |
| Exports of Goods and Services (X) ... | 20296 | 22101 | 1805 | 1352 | 9 | 2 | 6¾ |
| Physical Changes in Stocks ... ... | 0 | 60 | 60 | 50 | | | |
| Final Demand ... ... ... | 48349 | 52131 | 3782 | 2408 | 7¾ | 2¾ | 5 |
| less: | | | | | | | |
| Imports of Goods and Services (M) ... | 16979 | 18530 | 1551 | 1121 | 9¼ | 2½ | 6½ |
| GDP at Market Prices ... ... | 31370 | 33601 | 2231 | 1287 | 7 | 3 | 4 |
| less: | | | | | | | |
| Net Factor Payments (F) ... ... | 3530 | 3782 | 252 | 177 | 7¼ | 2 | 5 |
| GNP at Market Prices ... ... | 27840 | 29819 | 1979 | 1110 | 7 | 3 | 4 |

## B. Gross National Product by Origin

| | 1993 | 1994 | Change in 1994 | |
|---|---|---|---|---|
| | Estimated £m | Forecast £m | £m | % |
| Agriculture, Forestry, Fishing ... | 2311 | 2403 | 92 | 4 |
| Non-Agricultural: Wages, etc. ... | 15654 | 16515 | 861 | 5½ |
| Other: ... | 8373 | 9249 | 876 | 10½ |
| less: | | | | |
| Adjustments ... ... ... | 1258 | 1310 | 52 | 4¼ |
| Net Factor Payments ... ... | 3530 | 3782 | 252 | 7¼ |
| National Income ... ... ... | 21550 | 23075 | 1525 | 7 |
| Depreciation ... ... ... | 3015 | 3188 | 173 | 5¾ |
| GNP at Factor Cost ... ... | 24565 | 26263 | 1698 | 7 |
| Taxes less Subsidies ... ... | 3275 | 3556 | 281 | 8½ |
| GNP at Market Prices ... ... | 27840 | 29819 | 1979 | 7 |

## C. Balance of Payments on Current Account

| | 1993 | 1994 | Change in 1994 |
|---|---|---|---|
| | Estimated £m | Forecast £m | £m |
| X–M ... ... ... ... | 3317 | 3571 | 254 |
| F ... ... ... ... | –3530 | –3782 | –252 |
| Net Transfers ... ... ... | 1917 | 1928 | 11 |
| Balance on Current Account ... | 1704 | 1717 | 12 |
| as % of GNP ... ... ... | 6 | 5¾ | –¼ |

*COMMENTARY*

## The International Economy

*General*

Throughout 1993 forecasts of world economic growth were revised steadily downwards. These revisions were based on evidence that the US economic recovery was weaker than expected in the first half of 1993 and that the recession in Europe and Japan was deeper and more prolonged than had been anticipated. In particular, as it became clear that there would be no recovery in continental Europe in the second half of 1993, as had been expected at the beginning of the year, pessimism concerning prospects for 1994 became the prevalent mood.

While estimates of a generally poor economic performance in 1993 are obviously realistic, it is possible that the latest international forecasts for the world economy in 1994 are unduly cautious. Growth in the US economy accelerated considerably in the second half of 1993, and the fears of a renewed downturn, which inhibited activity in the middle of the year, have now evaporated. The non-OECD countries of Asia are continuing to experience rapid economic expansion, and collectively provide a substantial market for the mature industrial economies. In Europe, the factors which were expected to lead to a recovery in the second half of 1993, such as normal cyclical timing, the cumulative effect of reduced interest rates and more competitive exchange rates, are still present. It is possible that their failure to take effect during 1993 indicates that they are much weaker than expected, but more probably it merely shows that their impact has been delayed because the time-lags involved are longer than had been thought. Finally, if European recovery does get firmly under way in 1994, it will be reinforced by continuing growth in the US and other major markets. This would be in contrast to the past few years where the fragmentation of the trade cycle meant that the US recovery was hampered by Europe and Japan entering recession.

*The US Economy*

For most of 1992 and the first half of 1993 the US economy failed to exhibit the sustained acceleration of growth which has usually occurred during the recovery phase of the economic cycle. Indeed, a reduction in the growth rate in the first half of 1993 prompted fears that the recovery could be petering out into renewed stagnation, or even into a second recessionary trough. Preliminary estimates for the second half of the year have removed these fears, and indicate two successive quarters of rapid growth.

Real GDP in 1993 is thought to have risen by about 2¾ per cent, with the second half showing sustained increases in personal consumption and most forms of capital investment. Output growth was reflected in increasing employment and reduced unemployment, although this remains high by US standards at almost 6¼ per cent. Because of the relatively slack labour market and the recession in other major economies, the rate of growth in 1993 did not generate significant inflationary pressures, with the rise in consumer prices remaining under 3 per cent.

Unlike the short-lived acceleration in growth in the final quarter of 1992, the current strengthening of the economy appears broadly-based and is supported by a substantial improvement in both business and consumer confidence. After a much longer lag than had originally been expected, it seems that the prolonged period of lower and stable interest rates has finally succeeded in counteracting the problem of the private sector debt overhang accumulated in the late '80s.

Thus the prospects for a sustained rise in US domestic demand are much better than they were twelve months ago. Personal consumption and capital investment should continue to increase, and the impact of reductions in government spending, especially on defence, is likely to be milder than in the past year. Externally, even a modest recovery in Europe would provide American exporters with a less unfavourable market than in 1993, while the strength of the yen in relation to the dollar should outweigh the appreciation of the dollar against European currencies, and permit US industry to increase its market share on both its domestic and international markets. Barring unforeseen set-backs, it now seems that the consensus forecast of a 3 per cent growth rate in 1994 is at the lower end of likely outcomes for 1994, and that the next revisions by international agencies will be upwards.

Although US employment is likely to grow significantly in 1994, the relatively high initial level of unemployment and the slow pace of economic growth in the other major economies are expected to prevent the emergence of serious inflationary pressures in 1994. Nevertheless, it seems probable that the recent precautionary increase in US interest rates could be repeated in the course of the year, resulting in a further appreciation of the dollar in relation to European currencies.

*The European Economy*

The recession in continental Europe has proved both deeper and longer than had been anticipated. Most continental countries suffered a significant fall in GDP in 1993, with the inevitable corollary of rising unemployment. Preliminary indicators for the later months of 1993 suggest that in most countries the decline in activity has been halted, but in the absence of reliable trade statistics it is difficult to monitor trends with certainty.

Prospects for an economic recovery in 1994 vary from country to country, although the outcome in each will be influenced by the performance of its neighbours. The general factors which could assist recovery in 1994 are the normal timing of the economic cycle, which is due to move into its recovery phase, the fact that many overseas markets, such as the US, Latin America and most Asian countries are experiencing quite rapid growth, the depreciation of European currencies against the dollar and the yen over the past year, and the lagged effect of the substantial fall in interest rates during 1993. The Mediterranean and Scandinavian countries whose currencies depreciated significantly in the past twelve months or so should continue to receive an additional stimulus from their improved competitiveness within Europe.

The general factors which could impede recovery include the impact of rising unemployment on consumer confidence, the fact that real interest rates remain relatively high for the recession stage of the cycle, the residual uncertainty following the virtual suspension of the ERM, and the tendency for fiscal policy in most countries to be tightened as a response to growing budget deficits. In addition there are inhibiting factors specific to individual countries or groups of countries. For instance, the loss of competitiveness within Europe by the countries which did not devalue within the ERM could outweigh the general gain in European competitiveness against the rest of the world. The loss of confidence within Germany, arising from the problems of unification and the uncertainties in Eastern Europe, could prove more deep-seated than the normal cyclical weakness caused by economic recession. The involvement of several major industrial companies in Italy's *tangentopol* scandals could well have a damaging effect on Italian investment plans in 1994, despite the favourable competitiveness of Italian industry. Severe weather conditions and flooding at the beginning of the year could depress output in the first quarter of 1994 in several countries, which in turn might have an adverse effect on confidence that recovery is beginning to take place.

On balance, it seems probable that the positive factors will outweigh the negative, and that European recovery will commence in the first half of 1994 and accelerate in the second half. However, with most countries taking a negative carryover into the year, annual growth rates are likely to be very modest, typically averaging little more than 1 per cent. Unemployment will continue to rise, although much less rapidly than in 1993, and price inflation is likely to remain low, even in countries whose currencies depreciated in 1992 or 1993.

*The UK Economy*

Domestic demand continues to recover quite strongly in the UK, and anecdotal evidence suggests that retail sales have been exceptionally strong over the Christmas period. It appears that in the UK as in the US, the depressing influence of the private sector debt overhang is finally waning. However, despite the depreciation of sterling in relation to most European currencies, the UK propensity to import remained high in 1993. With the European recession holding back UK export growth, the contribution of net export volumes to economic growth in 1993 is likely to have been considerably lower than had been hoped at the beginning of the year. Nevertheless, real GDP is believed to have risen by almost 2 per cent, which, given the small carry-over into the year, represents a fairly solid recovery in the course of 1993.

With a positive carryover from 1993, the annual rate of growth in real GDP should increase in 1994. However, there must be considerable doubt as to whether the quarterly rate of growth during 1994 will accelerate, or even maintain its recent pace. The principal uncertainty concerns the impact on domestic demand of the two budgets in 1993 which together are designed to achieve a substantial reduction in the government borrowing requirement and are thus liable to have a severe deflationary effect on disposable income and on personal consumption. This is a high risk strategy.

If the European recovery is earlier and stronger than generally expected, permitting faster export growth and encouraging industrial investment, and if the domestic response to continuing low interest rates is a significant fall in the personal savings ratio, then the timing of the fiscal correction will prove to have been correct. Not only will economic growth be maintained, but the necessary shift in the balance of growth, in favour of exports and investment at the expense of consumption, will have been firmly initiated.

However, if export performance continues to be disappointing and if there is no further fall in the savings ratio, then the fiscal contraction could stifle the recovery in the course of 1994, and the weak domestic market could discourage the productive investment on which the UK's medium-term economic progress depends. A return to stagnation would also prevent the improvement in the public finances from reaching the anticipated scale, which, in turn, could damage confidence and force up interest rates.

A third possibility is that the fiscal correction will, in practice, turn out to be less severe than planned. In particular, the unspecified cuts in public expenditure might prove impossible to implement. In this case, the growth rate in 1994 would probably be maintained, but with consumption continuing to play the key role in expansion, and the necessary re- balancing of the economy being further delayed. The financial and currency markets could be expected to react unfavourably to a combination of continued high government borrowing and a widening current account balance of payments deficit, and sterling would probably come under considerable pressure before the end of the year.

It is too early to tell which of these three outcomes is the most probable. Most domestic and international commentators lean towards the more optimistic interpretation, and at present it is reasonable to predict a continuation of growth leading to an annual increase in real GDP of about 2¾ per cent in 1994. This could be expected to lead to some further improvement in the UK labour market, and to induce only a gradual increase in the rate of inflation to about 4 per cent by the end of the year. However, the dangers of renewed stagnation and of sterling depreciation should be acknowledged, and UK trends monitored carefully to see whether either threat is emerging in the course of the year.

*The Rest of the World*

The Japanese economy remains in recession with no sign of an imminent recovery. The combination of a very strong currency, weak government and financial uncertainty has prevented either exports or industrial investment from providing their usual contribution to economic expansion. Although official projections are still for a significant recovery in 1994, most independent analysts are predicting virtual stagnation, with a minor upturn in the second half of the year merely countering the negative carry-over into 1994. It is, of course, possible that faster world trade growth will stimulate exports and that one of the stream of expansion plans for the domestic economy will prove effective. However it does seem probable that in the current cycle, Japan will lag the general recovery in the world economy rather than lead it as it has done in the past.

In contrast to Japan, most of the other industrial or industrialising Asian countries are continuing to grow very rapidly. Although much of their progress in recent years can be ascribed to Japanese investment they are rapidly establishing stronger links, in terms of both trade and investment, with the US and Europe. More than other regions they are likely to benefit in future years from the completion of the GATT Uruguay round. Many Latin American countries also enjoyed rapid growth in 1993 which seems likely to continue in 1994, while more gradual recoveries seem under way in Canada and Australia.

Due largely to a failure to agree on production quotas, crude oil prices fell sharply at the end of 1993, and seem likely to remain low for much of 1994. Even a gradual increase in oil export volumes as world growth accelerates is unlikely to prevent a fall in aggregate OPEC income in 1994. Other commodity prices

**TABLE 1: Short-term International Outlook**

| | GNP | | Consumer Prices | | Hourly Earnings | | Unemployment Rate | | Current Account Balance | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Percentage Change | | | | | | % | | % of GNP | |
| Country | 1993 | 1994 | 1993 | 1994 | 1993 | 1994 | 1993 | 1994 | 1993 | 1994 |
| UK | 2 | 2¾ | 3½ | 3½ | 4 | 4¼ | 10½ | 10¼ | –3½ | –3¾ |
| Germany | –1½ | ¼ | 4 | 3 | 4½ | 2½ | 8¾ | 9¾ | –1½ | –1 |
| France | –1¼ | ¾ | 2 | 2 | 2¼ | 2¾ | 11¾ | 12¾ | ¾ | ½ |
| Italy | –¼ | 1¼ | 4½ | 4 | 4¾ | 4½ | 11¾ | 11¾ | –1 | –½ |
| Total EC | –½ | 1¼ | 3¼ | 3 | 4½ | 4 | 11½ | 12 | –1¼ | –1 |
| USA | 2¾ | 3¼ | 2¾ | 2¾ | 2½ | 2¾ | 7 | 6½ | –1¾ | –1¾ |
| Japan | 0 | ¼ | 1¼ | ¾ | 2 | 2 | 2½ | 3 | 3¼ | 3¼ |
| Total (OECD) | 1¼ | 2½ | 3 | 3 | 3¾ | 3¾ | 8¼ | 8½ | –¼ | –¼ |
| Ireland | 2¼ | 4 | 1½ | 2¼ | 4½ | 3¾ | 15¾ | 15½ | 6 | 5¾ |

remain weak, due largely to the European recession. Some increase in commodity prices can be expected as the European economy recovers, but the pace of world output growth in 1994 will probably not be sufficient to induce rapid price increases. Nevertheless the income of many primary producing countries seems likely to increase moderately.

*The Context for Ireland*

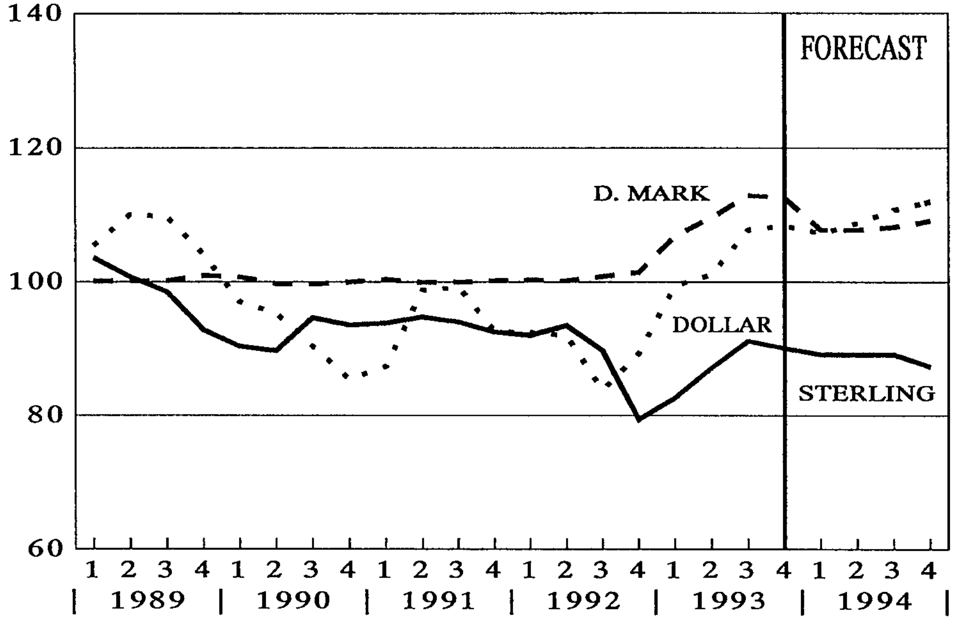
The timing and scale of the economic recovery in continental Europe and the pace of growth in the rest of the world are difficult to predict. However, it does seem certain that the international environment in 1994 will be significantly better than in 1993, even if the precise degree of improvement remains uncertain.

European markets which contracted in 1993 should expand in 1994, albeit slowly, while other major markets should continue to grow. The exceptionally favourable conditions which obtained from 1988 until the middle of 1990 are unlikely to be repeated, especially in relation to the UK, but the beginning of a period of steady growth in the world economy should provide improved prospects for exports and for productive investment.

At current exchange rates, Ireland is highly competitive *vis-à-vis* most major continental countries, the US and Japan. The loss of competitiveness against the UK since mid-1992 is only minor, while the somewhat greater losses in relation to parts of southern Europe and Scandinavia are unlikely to be of great significance. Thus, if there is no great change in currency values, Ireland should be well placed to increase its market share of both exports and capital investment in 1994. As the past eighteen months have demonstrated, currency fluctuations tend to be unpredictable, but it is reasonable to assume that exchange rate movements in 1994 will be relatively minor, as the major accumulated tensions have already been relieved. Some appreciation of the dollar against European currencies seems probable, but within Europe conditions appear likely to remain much more stable than in 1993.

Because of the different timing of the UK economic cycle, sterling remains potentially more volatile than the main continental currencies. If the UK appears to be achieving balanced growth, with an improvement in the public finances and little deterioration in the current account deficit, sterling could continue its

**FIGURE 1: Exchange Rates**
**IR£ Price of Unit of Foreign Currency, Quarterly Averages, 1988=100**




recent appreciation against continental currencies. However, if the imbalances in the UK economy are perceived to be deteriorating, then a significant depreciation against the continental currencies is possible during 1994. For the purpose of this *Commentary* it is assumed that the sterling/DM exchange rate will remain roughly stable for most of the year, with a minor sterling depreciation in the final quarter.

Of course, in the present flexible ERM system, the parity between the Irish pound and the DM can no longer be assumed constant. Decisions by the Irish monetary authorities can influence the rate, and the unexpectedly large appreciation of the Irish pound in the past few months reflects both the relative strength of sterling and the deliberately cautious monetary policy of the Central Bank. For the remainder of 1994 it is assumed that a more even balance will be struck between exchange rate and interest rate policies, and that the Irish pound will fluctuate within narrower limits around DM2.47. If sterling does depreciate in the later months of the year, then some easing of the DM rate seems probable to prevent the Irish pound moving significantly above parity with sterling.

The course of Irish interest rates could thus be influenced in part by exchange rate policy. However the major influence will be international, and especially continental European, interest rates. It remains likely that German short-term interest rates will be reduced further although the pace of reduction will almost certainly be cautious. If German inflation, although falling, remains above that in its neighbours then it is quite possible that short term interest rates in other countries, including Ireland, will gradually move below those in Germany in the course of 1994. However, in the light of previous experience, it is probable that most Central Banks will limit both the timing and the extent of any such reverse differential. Although many commentators expect quite large reductions in European interest rates in the course of 1994, for the purpose of this *Commentary*, it is assumed that average short-term rates during the year will be only between ½ and 1 per cent lower than at the end of 1993.

## The Domestic Economy

*General*

There are two main reasons why estimates of Ireland's economic performance in 1993 remain tentative. The first is the hiatus in trade statistics due to the implementation of the Single European market. Not only has this caused a lengthy delay in the publication of trade data, but the comparability of figures for 1993 with those for earlier years is subject to considerable doubt. The second major problem is that domestic economic activity in 1993 appears to have followed the expected pattern, with near stagnation in the first half of the year followed by rapid expansion in the closing months. Few official series are yet available for this later period, so the precise strength of this growth in domestic demand remains unknown. It is, however, clear that available averages for the first two or three quarters of the year do not provide an adequate guide for developments in the year as a whole.

Whether or not the actual growth rate of real GNP in 1993 proves close to the 2¼ per cent estimates in this *Commentary*, the performance of the economy has undoubtedly been better than was feared at the beginning of the year. Price inflation has remained exceptionally low, despite devaluation, the public finances have improved during a year in which they were expected to deteriorate, and interest rates, both long-term and short-term, have been reduced to levels well below those obtaining before the currency crisis erupted in September 1992. Most important of all, job levels appear to have increased, when twelve months ago a significant fall in employment seemed probable, and unemployment, with the help of some emigration, remained unexpectedly stable throughout the year.

The prospects for 1994 are therefore vastly more favourable than the prospects for 1993 appeared at this time last year, and it will be very surprising if 1994 does not provide considerably faster growth than 1993. As already discussed, the external environment, while unlikely to be really buoyant, should be significantly less inimical to Irish growth than last year. Domestically, interest rates should remain low, and confidence appears to be recovering. Fiscal policy for the year is set to be moderately expansionary, although the unexpectedly strong outcome for 1993 suggests that this year also the current budget deficit will be below target.

*Exports*

It is becoming tedious to stress repeatedly the difficulty of preparing economic forecasts in the absence of timely and reliable trade statistics since the beginning of 1993. However, with exports of goods and services accounting for 70 per cent of GNP, the inability to monitor recent trends is clearly a major problem, and it is necessary to remind the reader that it does render all current economic forecasts less reliable than heretofore.

With this proviso, it does appear from the available trade statistics for the early

**TABLE 2: Exports of Goods and Services**

| | 1992 £m | % Change Volume | % Change Value | 1993 £m | % Change Volume | % Change Value | 1994 £m |
|---|---|---|---|---|---|---|---|
| Agricultural | 2832 | $-1\frac{1}{2}$ | $3\frac{1}{2}$ | 2931 | 0 | 3 | 3019 |
| Manufactured | 11506 | 7 | 11 | 12772 | 9 | 11 | 14177 |
| Other Industrial | 2144 | $3\frac{3}{4}$ | 7 | 2294 | 4 | 6 | 2430 |
| Other | 147 | 0 | 2 | 150 | 0 | 2 | 153 |
| Total Visible | 16629 | 5 | 9 | 18147 | $6\frac{3}{4}$ | 9 | 19779 |
| Adjustments | −245 | | | −240 | | | −250 |
| Merchandise | 16384 | $5\frac{1}{4}$ | $9\frac{1}{4}$ | 17907 | $6\frac{3}{4}$ | 9 | 19529 |
| Tourism | 1228 | 4 | $5\frac{1}{2}$ | 1296 | $6\frac{1}{2}$ | 9 | 1413 |
| Other Services | 1061 | $1\frac{1}{2}$ | 3 | 1093 | $3\frac{1}{2}$ | 6 | 1159 |
| Exports of Goods and Services | 18673 | $4\frac{3}{4}$ | $8\frac{3}{4}$ | 20296 | $6\frac{3}{4}$ | 9 | 22101 |

months of the year, from industrial production and turnover data and from survey information that visible exports increased considerably in 1993 in both volume and value. By far the greater part of the increase came from the high technology multinational sectors of industry, especially chemicals and office and data processing machinery. Exports from the more traditional sectors of Irish industry appear to have been more or less static in the first half of the year. There was probably some increase in such exports in the later months of the year, as the currency and interest rate difficulties of last winter receded, but hard evidence is not yet available for this period. A marginal fall in the volume of agricultural exports probably took place, as increased sales of live animals and meat are unlikely to have fully compensated for the absence of large intervention stocks of milk products which so boosted sales volumes in 1992. However, due both to composition effects and actual price increases following devaluation, the average price and thus the value of agricultural exports is believed to have risen significantly.

In total it is probable, but by no means certain, that visible exports in 1993 rose by about 5 per cent in volume and 9 per cent in value. This is a slight upward revision on our previous forecast. The increase in merchandise exports is likely to be slightly greater due to a decline in the balance of payments adjustment.

A value increase of about $5\frac{1}{2}$ per cent is believed to have been achieved in tourism. Deflated by the consumer price index, this results in a volume increase of about 4 per cent. On the evidence of the first quarter *Balance of Payments Estimates*, the increase in other service exports is likely to have been considerably slower than we forecast in previous Commentaries. Thus total exports of goods and services in 1993 are tentatively estimated to have risen by about $4\frac{3}{4}$ per cent in volume and 8 per cent in value, as shown in Table 2.

Supply constraints are again expected to preclude any significant change in the volume of agricultural exports in 1994, and the increase in prices is likely to be smaller than last year. The improved international economy should permit a faster increase in the volume of manufactured and other industrial exports, although a return to the rapid pre-1990 rate of growth seems unlikely. Assuming virtual currency stability, industrial export prices are likely to rise much more slowly than in 1993. Thus the projected growth in the value of both manufactured and total visible exports is similar to that estimated for 1993. The volume of total visible exports is projected to increase by $6\frac{3}{4}$ per cent, significantly higher than the 1993 increase.

With the US economic recovery more firmly established and the dollar relatively strong, a substantial rise in American tourism to Europe seems probable in 1994. With the aid of an intensified marketing campaign, it is assumed that Ireland will participate fully in this upturn. However, the slow rate of recovery predicted for the continental European economies could limit the number of continental tourists visiting Ireland in 1994. In total tourist earnings are forecast to increase considerably faster than in 1993. Less unfavourable conditions in the European economy should permit other service exports to increase more strongly than in 1993.

Total exports of goods and services are thus projected to rise by about 6¾ per cent in volume and 9 per cent in value in 1994. Because of the uncertainty regarding recent trends, this projection must be seen as more than usually tentative. However, in the light of export performance over the past decade it would appear to be both reasonable and, perhaps, cautious.

*Stocks*

No official estimates of stock-building in 1993 will be available for several months yet. Moreover, the absence of up-to-date trade statistics increases the difficulty of making unofficial estimates in the light of output and trade trends.

It does seem likely that the build-up in farm stocks which had continued uninterrupted from 1987 to 1992 was reversed in 1993. The fall in farm stocks appears now to have been of the order of £40 million, somewhat larger than previously forecast. Intervention and private aided stocks are also believed to have fallen by about £40 million, a much less dramatic change than the £337 million reduction in 1992. Other stocks, including work in progress, are assumed to have risen by about £80 million, following their unexpectedly large, and probably involuntary, increase the previous year. Thus, as shown in Table 3, the value of physical stock changes as a whole in 1993 is estimated at zero.

Compared with most recent years, changes in stock levels in 1994 are likely to remain quite modest. Some further decline in both farm and intervention stocks seems probable, but the scale is likely to be limited. Other stock-building could increase more rapidly in line with the acceleration of economic activity. However, for stocks as a whole, the influence on GNP is likely to be fairly neutral.

*Investment*

The currency and interest rate turmoil commencing in September 1992 had a greater impact on fixed capital formation than on other categories of domestic expenditure. Both building plans and purchases of equipment fell sharply in late 1992 and early 1993. Following the fall in interest rates and the gradual restoration of economic confidence, a recovery in capital formation was expected in the second half of 1993. It is believed that this did take place, but data are not yet available to establish the strength of the recovery.

**TABLE 3: Stock Changes**

| | 1992 £m | Change in Rate £m | 1993 £m | Change in Rate £m | 1994 £m |
|---|---|---|---|---|---|
| Livestock on Farms | 83 | –123 | –40 | 0 | –40 |
| Irish Intervention Stocks[1] | –377 | 337 | –40 | 20 | –20 |
| Other Stocks | 234 | –154 | 80 | 40 | 120 |
| Total | –60 | 60 | 0 | 60 | 60 |

[1]Including subsidised private storage.

## TABLE 4: Gross Fixed Capital Formation

| | 1992 £m | % Change Volume | % Change Value | 1993 £m | % Change Volume | % Change Value | 1994 £m |
|---|---|---|---|---|---|---|---|
| Building and Construction | 2752 | 1 | 4 | 2862 | 4½ | 7 | 3062 |
| Machinery and Equipment | 1924 | 2 | 6 | 2039 | 4½ | 7 | 2182 |
| Total | 4676 | 1½ | 4¾ | 4901 | 4½ | 7 | 5244 |

We are thus leaving our estimates of gross fixed capital formation unchanged from our previous *Commentary*. In 1993 it is assumed that the rise in public capital expenditure, financed by increase in EC Structural Funds, together with an upturn in private capital formation in the closing months of the year will have resulted in a small rise in the volume of both building and spending on equipment, as shown in Table 4.

With regard to 1994, it now seems likely that the contribution of the Structural and Cohesion Funds will be slightly lower than was expected when the previous *Commentary* was being prepared. However, this is likely to be offset by a more rapid improvement in confidence than was then expected, leading to an upward revision in the forecast for private sector investment. Volume increases of 4½ per cent for total investment in both building and construction and investment in machinery and equipment are projected for 1994.

*Consumption*

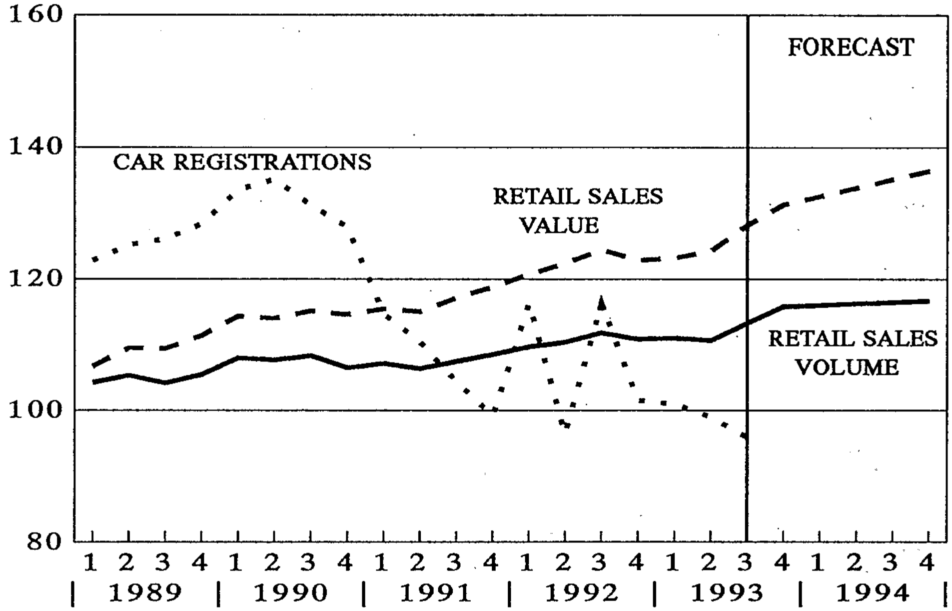
After virtually stagnating in the first half of 1993, both the volume and value of the retail sales index turned up quite sharply in the third quarter. Both anecdotal evidence and revenue from indirect taxation suggests that this recovery continued in the fourth quarter and possibly intensified in December. For 1993 as a whole, the retail sales index is likely to have risen by about 3½ per cent in value and almost 2 per cent in volume. Tourist spending abroad is likely to have risen slightly faster than retail sales, and other non-retail consumption probably followed its usual pattern of growing more rapidly than retail sales.

## TABLE 5: Consumption Indicators

| | Annual Percentage Change 1989 | 1990 | 1991 | 1992 | 1993 To Date | 1993 Forecast | 1994 Forecast |
|---|---|---|---|---|---|---|---|
| *Consumption Value* | | | | | | | |
| NIE 1992*, Personal Consumption | 9.8 | 3.6 | 3.9 | 5.5 | — | 4.5 | 6.6 |
| Retail Sales Index, Value | 9.2 | 4.8 | 1.8 | 4.3 | 2.6 | 3.5 | 6.2 |
| Divergence | 0.6 | –1.2 | 2.1 | 1.2 | — | 1.0 | 0.4 |
| *Consumption Volume* | | | | | | | |
| NIE 1992, Personal Consumption | 6.1 | 2.0 | 1.5 | 2.9 | — | 2.5 | 3.5 |
| Retail Sales Index, Volume | 4.7 | 2.7 | –0.1 | 2.3 | 1.2 | 1.9 | 3.1 |
| Divergence | 1.4 | –0.7 | 1.6 | 0.6 | — | 0.6 | 0.4 |
| *Consumer Prices* | | | | | | | |
| NIE 1992*, Personal Consumption Deflator | 3.5 | 1.6 | 2.4 | 2.5 | — | 1.9 | 3.0 |
| Retail Sales Index Deflator | 4.3 | 2.0 | 1.9 | 2.0 | 1.2 | 1.6 | 3.0 |
| Consumer Price Index | 4.0 | 3.4 | 3.2 | 3.0 | 1.5 | 1.5 | 2.2 |

*Revised Edition

**FIGURE 2: Consumption**
**Quarterly Averages Seasonally Adjusted, 1988=100**




Thus, as shown in Table 5, personal consumption is estimated to have grown by about 4½ per cent in value and 2½ per cent in volume in 1993. As personal disposable income increased fairly steadily throughout the year, the pattern of personal consumption implies that there was a substantial rise in the personal savings ratio in the first half of the year, partially reversed in the later months.

The extent to which this reduction in the savings ratio continues is a key determinant in projecting the likely course of personal consumption in 1994. With interest rates likely to remain low and job prospects likely to improve, it would be surprising if there were not a significant reduction in the personal savings ratio. This would permit the projected increase of about 5 per cent in personal disposable income to accommodate a rise of about 6½ per cent in the value of personal consumption.

As in 1993, the personal consumption deflator is likely to rise faster than the consumer price index, probably to the region of 3 per cent. Thus the volume of personal consumption is projected at about 3½ per cent, marginally above the average annual rise since 1986.

Government consumption, or net expenditure by public authorities on current goods and services, is believed to have risen by about 7 per cent in value in 1993. Assuming that the price deflator for public consumption was similar to that in 1992, at about 4¾ per cent, the volume of government consumption in 1993 is estimated to have risen by about 2¼ per cent.

Initial calculations from the post-Budget Estimates suggest that government consumption in 1994 is likely to rise by about 7½ per cent in value and 3 per cent in volume, although these projections might be subject to amendment when more detail becomes available. If they do prove accurate, 1994 would see the value of government consumption rising at much the same rate as the value of GNP, in contrast to most recent years when it has risen considerably faster. In volume terms, the projection shows a continuation of the general pattern since 1987, with government consumption rising considerably slower than GNP.

*Final Demand*

The estimates of growth in 1993 already discussed suggest that final demand increased by about $3\frac{1}{2}$ per cent in volume and $6\frac{1}{2}$ per cent in value. The estimated growth in export volume, at just under 5 per cent, is the lowest since 1986. On the other hand, the volume of domestic demand, excluding stock changes, is estimated to have risen by about $2\frac{1}{4}$ per cent, only just below the post-1986 average, and higher than in 1991 or 1992. Partly because of this relative shift between export and domestic demand, the import intensity of final demand in 1993 is likely to have increased compared with the two preceding years.

The projections for 1994 imply that final demand will rise by roughly 5 per cent in volume and $7\frac{3}{4}$ per cent in value. Both exports and domestic demand are expected to contribute to this volume increase, with exports rising by $6\frac{3}{4}$ per cent and domestic demand by $3\frac{1}{2}$ per cent. The composition of final demand is likely to remain relatively import intensive.

*Imports*

The absence of up-to-date and fully comparable trade statistics means that estimates of imports in 1993 remain subject to a considerable margin of error.

Given that the pace of economic activity in Ireland, especially personal consumption, is believed to have accelerated significantly in the later months of the year, the annual increase in imports is likely to have been considerably stronger than the apparent 5 per cent value rise in the period from January to May. On the basis of the final demand estimates, it seems probable that the annual increase in the volume of visible imports was over 4 per cent, implying an annual increase of the order of $8\frac{1}{4}$ per cent in the value of visible imports. With a slightly greater volume rise, but a lower price deflator, in service imports, total imports of goods and services in 1993 are tentatively estimated to have risen by $4\frac{1}{2}$ per cent in volume and 8 per cent in value, as shown in Table 6.

**TABLE 6: Imports of Goods and Services**

| | 1992 | % Change | | 1993 | % Change | | 1994 |
|---|---|---|---|---|---|---|---|
| | £m | Volume | Value | £m | Volume | Value | £m |
| Capital Goods | 1726 | $2\frac{1}{2}$ | $6\frac{1}{2}$ | 1838 | $4\frac{1}{2}$ | $7\frac{1}{2}$ | 1976 |
| Consumer Goods | 3717 | $4\frac{1}{4}$ | $7\frac{3}{4}$ | 4005 | 6 | $8\frac{1}{2}$ | 4345 |
| Intermediate Goods: | | | | | | | |
| Agriculture | 461 | 3 | 4 | 479 | 2 | 4 | 498 |
| Other | 7217 | 5 | $9\frac{1}{4}$ | 7885 | $7\frac{1}{2}$ | 10 | 8674 |
| Other Goods | 74 | 0 | 4 | 77 | 0 | $2\frac{1}{2}$ | 78 |
| Total Visible | 13195 | $4\frac{1}{4}$ | $8\frac{1}{4}$ | 14284 | $6\frac{1}{2}$ | 9 | 15572 |
| Adjustments | -172 | | | -180 | | | -190 |
| Merchandise Imports | 13023 | $4\frac{1}{2}$ | $8\frac{1}{4}$ | 14104 | $6\frac{1}{2}$ | 9 | 15382 |
| Tourism | 797 | 4 | $5\frac{1}{2}$ | 841 | 7 | $9\frac{1}{2}$ | 921 |
| Other Services | 1901 | $5\frac{1}{2}$ | 7 | 2034 | 7 | $9\frac{1}{2}$ | 2227 |
| Imports of Goods and Services | 15721 | $4\frac{1}{2}$ | 8 | 16979 | $6\frac{1}{2}$ | $9\frac{1}{4}$ | 18530 |

With faster growth expected in most categories of final demand in 1994, the volume of imports is forecast to increase by about 6½ per cent. Import prices, however, are likely to rise more slowly than in the devaluation-affected 1993, so the projected increase in the value of visible imports is only slightly higher than in 1993, at 9 per cent. A stronger increase also seems likely in both the volume and the value of service imports, in line with more rapid growth in consumer spending and industrial output. Thus total imports of goods and services are projected to increase by 6½ per cent in volume, the largest rise since 1989, and by 9¼ per cent in value.

*Balance of Payments*

Given the uncertainty about export and import trends in 1993, it is inevitable that estimates of the current account of the balance of payments must also be treated with caution. However, it is quite possible that any errors in the import and export estimates will be in the same direction, so that the magnitude of the estimated trade surplus could be broadly correct, even if the more detailed trade estimates prove wrong.

On the basis of the export and import forecasts already discussed, the visible trade surplus in 1993 is estimated to have risen by 12½ per cent to £3,863 million. A further rise of 9 per cent to £4,207 million is projected for 1994. Only minor changes seem likely in the balance of payments adjustments, so that the merchandise trade surplus should increase by broadly similar amounts. The service trade deficit seems likely to widen substantially in both years. Thus the total surplus on trade in goods and services is estimated to have risen by over 12 per cent in 1993 and is projected to rise by almost 8 per cent in 1994, as shown in Table 7.

Because the pattern of export value growth in 1993, especially in the first half of the year, was heavily weighted in favour of exports by multinational companies, a large increase in profit expatriation is likely to have taken place. A considerable increase in profit expatriation is also projected for 1994, although with the rise in the value of manufactured exports forecast at much the same as

## TABLE 7: Balance of Payments

| | 1992 £m | Change % | 1993 £m | Change % | 1994 £m |
|---|---|---|---|---|---|
| Visible Trade Balance | 3434 | 12½ | 3863 | 9 | 4207 |
| Adjustments | –73 | | –60 | | –60 |
| Merchandise Trade Balance | 3361 | 13¼ | 3803 | 9 | 4147 |
| Service Trade Balance | –408 | 19 | –486 | 18½ | –576 |
| Trade Balance in Goods and Services | 2953 | 12¼ | 3317 | 7¾ | 3571 |
| Factor Flows: | | | | | |
| Profits etc. | –2735 | 13 | –3091 | 11 | –3431 |
| National Debt Interest | –940 | 7 | –1006 | –2 | –985 |
| Other Debit Flows | –1126 | –3 | –1093 | 3 | –1126 |
| Total Debit Flows | –4801 | 8 | –5190 | 6¾ | –5542 |
| Credit Flows | 1644 | 1 | 1660 | 6 | 1760 |
| Net Factor Flows | –3158 | 11¾ | –3530 | 7¼ | –3782 |
| Net Transfers | 1740 | 10¼ | 1917 | ½ | 1928 |
| Balance on Current Account | 1535 | 11 | 1704 | ¾ | 1717 |

in 1993 and with the composition of export growth likely to have a stronger indigenous content, the rate of increase in profit expatriation could be slightly slower.

Interest paid abroad on the national debt is believed to have risen by about 7 per cent, largely due to the impact of devaluation on debt denominated in foreign currencies. This factor should not affect debt payments in 1994, but the substantially lower average rate of interest is likely to be partly offset by a significant rise in the annual average of foreign holdings of Irish pound debt.

Other debit flows are believed to have declined in 1993, but a return to a modest upward trend is projected for 1994. Credit flows are thought to have increased marginally in 1993, and are projected to increase more rapidly in 1994 as capital outflows continue and returns from some types of overseas investment improve. Thus net factor outflows are estimated to have risen quite sharply in 1993, at almost 12 per cent, but are forecast to increase by a more modest 7¼ per cent in 1994.

With both subsidies and structural funds from the EU increasing, total net transfers are estimated to have risen by over 10 per cent to £1,917 million in 1993. While it is difficult to predict either subsidy or other transfers for 1994 accurately, as some key decisions remain to be taken, the most likely outcome is that there will be only a marginal increase in total net transfers.

The current account of the balance of payments is thus estimated tentatively as a surplus of £1,704 million in 1993. This represents roughly 6 per cent of GNP, and indicates a strong trading performance as well as an increase in transfers. Little change is projected in the absolute level of the current account surplus in 1994. Because rapid GNP growth is projected, the forecast surplus would fall slightly to 5¾ per cent when expressed as a proportion of GNP. This, of course, remains one of the highest percentage surpluses in the world, and indicates that there is a substantial margin of slack capacity within the economy to sustain a faster rate of economic growth.

*Agriculture*

Advance estimates indicate that the volume of gross agricultural output fell by just over 1 per cent in 1993. A small increase in livestock output was unable to compensate fully for a slight fall in milk output and a substantial reduction in crop production, which was mainly due to the introduction of the set-aside programme. With the volume of farm inputs rising by about 1½ per cent, the volume of gross agricultural product is believed to have fallen by over 3 per cent. Despite probable increases in the output of forestry and fishing, output of the broad agricultural sector is estimated to have declined by almost 1½ per cent.

A further small decline in gross agricultural product is projected for 1994. Continuing restrictions under the reformed CAP are likely to prevent any significant increase in output, even if less unfavourable weather conditions result in some rise in average yields. For the broad agricultural sector a decline in net output of about 1 per cent is forecast.

*Industry*

The volume of production index shows that in the first nine months of 1993 manufacturing production was 5.6 per cent higher than in the corresponding period of the previous year. Given that seasonally corrected output fell quite sharply in the concluding months of 1992, while survey data suggest that output was rising in the corresponding months of 1993, an annual increase of about 6 per cent in manufacturing production seems a reasonable estimate for 1993. When the extractive industries and the utilities are taken into account, a similar rate of increase is estimated.

Building output was much less buoyant, with an estimated increase of only 1 per cent. Thus the increase in net output in the broad industry sector in 1993 is estimated at about 4 per cent.

If the demand forecasts in this *Commentary* are correct, the rate of growth in manufacturing output will accelerate in the course of 1994. However, because the carryover of growth from 1993 will be relatively small, the annual rise in the index will not be dramatic, probably amounting to about 8 per cent. The composition of manufacturing growth should be significantly different, with traditional industries returning fully to the upward trend which they exhibited before the currency crisis of September 1992. Modern industries, which accounted for nearly all the increases in 1993, should expand slightly faster in 1994 as external market conditions improve.

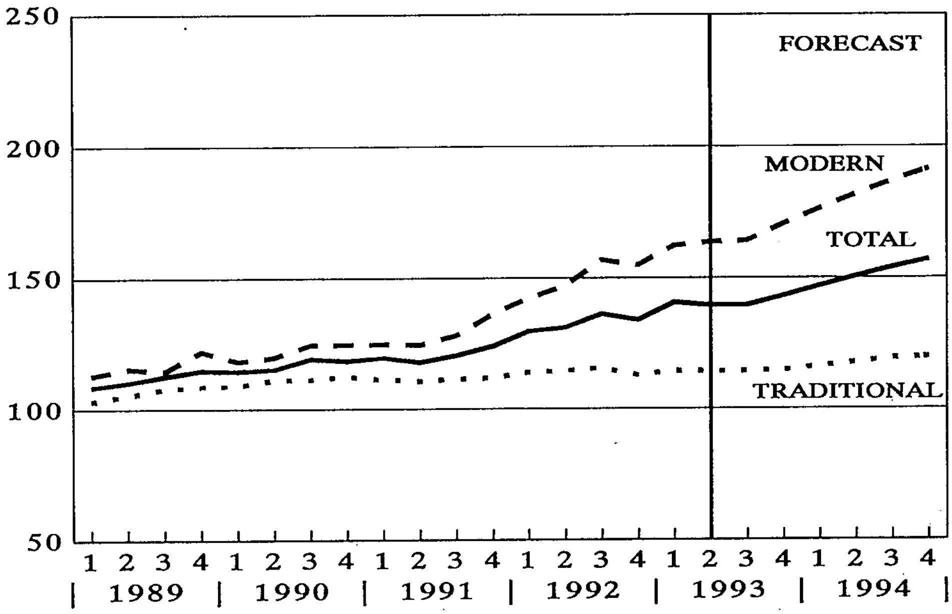
The extractive industries and utilities are unlikely to match the rise in manufacturing output, so that the "all industries" index is projected to increase by about 7½ per cent. Building output, on the other hand, should recover from its near stagnation in 1993 to a growth of about 4½ per cent. The net output of the broad industry sector is accordingly projected to increase by about 6½ per cent.

*Services*

Given the relatively subdued level of economic activity for most of 1993, the volume of service output is unlikely to have shown rapid growth. Allowing for

**FIGURE 3: Manufacturing Output**

**Quarterly Averages Seasonally Adjusted, 1988=100**



some upturn in the final quarter, the volume of private service output in 1993 is estimated to have grown by about 2¼ per cent. A similar rate of increase appears to have taken place in the volume of public services.

Including some temporary activity financed by amnesty receipts, it seems likely that the volume of public service output could rise by almost 3 per cent in 1994. Private service output is expected to respond to the faster growth in domestic demand, and is projected to increase by almost 3½ per cent. The volume of total service output is thus projected to rise by almost 3¼ per cent in 1994.

*Employment*

The *Labour Force Estimates* for April 1993, incorporating significant revisions for previous years, suggest that interpretations of employment trends since 1987 need to be reappraised. It now appears that there was a marginal fall in both total and non-agricultural employment between April 1987 and April 1989, but that the rise in non-agricultural employment since April 1989 has been substantially faster than had been realised.

The revisions not only result in total employment in April 1992 being shown as 14,000 higher than previously estimated, they also indicate that the relationship between economic growth, especially growth in domestic demand, and non-agricultural employment has been rather less unfavourable than had been generally accepted. In this context, the unexpectedly large increase of 16,000 in such employment in the twelve months to April 1993 suggests that, as economic growth becomes more balanced, the dividend in terms of jobs could be higher than previous forecasts assumed. No figures are yet available to show the proportion of part-time jobs in the new employment estimates, but, even if some of the employment increase has been of a part-time nature, the 1993 estimates still show that the labour market was not as weak as had been thought.

**TABLE 8: Employment and Unemployment**

A: Mid-April Estimates '000

| | 1991 | 1992 | 1993 | 1994 | 1995 |
|---|---|---|---|---|---|
| Agriculture | 155 | 153 | 144 | 141 | 138 |
| Industry | 323 | 318 | 312 | 314 | 322 |
| Services | 656 | 668 | 690 | 702 | 720 |
| Total at Work | 1134 | 1139 | 1146 | 1157 | 1180 |
| Unemployed | 208 | 221 | 230 | 233 | 227 |
| Labour Force | 1342 | 1360 | 1375 | 1390 | 1407 |
| Unemployed Rate % | 14.7 | 15.3 | 15.9 | 15.7 | 15.0 |
| Live Register | 248 | 281 | 295 | 292 | 280 |

B: Annual Averages '000

| | 1991 | 1992 | 1993 | 1994 |
|---|---|---|---|---|
| Agriculture | 154 | 149 | 143 | 139 |
| Industry | 321 | 316 | 313 | 318 |
| Services | 662 | 680 | 694 | 711 |
| Total at Work | 1137 | 1145 | 1150 | 1168 |
| Unemployed | 214 | 225 | 232 | 230 |
| Labour Force | 1351 | 1370 | 1382 | 1398 |
| Unemployed Rate % | 14.7 | 15.5 | 15.8 | 15.5 |
| Live Register | 254 | 283 | 294 | 286 |

In the light of the revised *Labour Force Estimates*, it now seems probable that service employment continued to rise sufficiently in the course of 1993 to more than offset the fall in both agricultural and industrial employment. As shown in Table 8, the annual average number at work is estimated to have risen by about 5,000, compared with our previous estimate of a fall of 3,000.

For 1994, a continuation of the secular decline in the numbers engaged in agriculture is projected. Industrial employment is forecast to rise moderately, with both manufacturing and building contributing to the increase. In the light of recent trends, the expected upturn in domestic demand seems likely to result in an acceleration in service job creation. Thus the annual average of the total number at work in 1994 is projected to increase by about 18,000, roughly double the increase forecast in our previous *Commentary*.

It is noteworthy that the revisions in the *Labour Force Estimates* make only minor changes in the number of unemployed in previous years. Thus the labour force is shown to have risen more rapidly than previously recorded, implying a significant rise in labour force participation, especially among females. So far as the year to April 1993 is concerned, the rise in the number of females at work and the contrasting increase in males not in the labour force go further than expected in explaining the levelling off in the number of registered unemployed. Although it is clear that net emigration did resume in 1993, its role in explaining the virtually static level in the Live Register may have been less central than we thought.

Given the expectation that the UK economy will continue to grow modestly in 1994, a continued modest level of net emigration seems likely. On this basis, our employment forecasts suggest that there could be a minor fall in the seasonally corrected level of the Live Register as the year progresses. Our forecast of a fall of 8,000 in the annual average level makes allowance for the fact that faster employment growth is, in itself, likely to increase the rate of participation in the labour force.

*Incomes*

Although there was a slight fall in the volume of agricultural output in 1993, preliminary calculations indicate that agricultural incomes rose substantially, due to more favourable prices and higher net subsidies. Although the increase now seems to have been less dramatic than seemed likely earlier in the year, incomes in the broad agricultural sector probably rose by about 8 per cent. On the assumption that agricultural prices will not rise so fast in 1994, when there should be no devaluation, a rise of 4 per cent in agricultural incomes is projected.

With many, but by no means all, companies in the private sector concluding productivity deals under the terms of the PESP in 1993, it seems likely that the rise in average private sector earnings was about 4¾ per cent. Average earnings in the public service rose slightly faster, bringing the rise in average non-agricultural wages, salaries and pensions to about 5 per cent. Contrary to earlier expectations, non-agricultural employment now appears likely to have risen by about 1 per cent in 1993, so that the increase in aggregate non-agricultural earnings is estimated at 6 per cent, as shown in Table 9. This is a significant upward revision from our forecast of 5¼ per cent in the Autumn *Commentary*.

At the time of writing, the terms of the new national agreement remain to be ratified. On the basis of the draft pay proposals, it is clear that settlements in the

**TABLE 9: Personal Disposable Income**

| | 1992 | % Change | | 1993 | % Change | | 1994 |
|---|---|---|---|---|---|---|---|
| | £m | % | £m | £m | % | £m | £m |
| Agriculture etc. | 2140 | 8 | 171 | 2311 | 4 | 92 | 2403 |
| Non-Agricultural Wages, etc. | 14768 | 6 | 886 | 15654 | 5½ | 861 | 16515 |
| Other Non-Agricultural Income | 3258 | 1¾ | 64 | 3312 | 3½ | 113 | 3425 |
| Total Income Received | 20166 | 5½ | 1111 | 21277 | 5 | 1066 | 22343 |
| Current Transfers | 4815 | 7¾ | 378 | 5193 | 6 | 316 | 5509 |
| Gross Personal Income | 24981 | 6 | 1489 | 26470 | 5¼ | 1382 | 27852 |
| Direct Personal Taxes | 5328 | 10 | 538 | 5866 | 6 | 350* | 6216* |
| Personal Disposable Income | 19653 | 4¾ | 951 | 20604 | 5 | 1032 | 21636 |
| Consumption | 17268 | 4½ | 777 | 18045 | 6½ | 1191 | 19236 |
| Personal Savings | 2385 | 7¼ | 174 | 2559 | –6¼ | –159 | 2400 |
| Savings Ratio | 12.1 | | | 12.4 | | | 11.1 |

*Including amnesty receipts

private sector in 1994 will be very moderate. Allied to a considerable carryover from 1993, new increases of 2 per cent could bring the rise in average earnings in the private sector to a little under 4 per cent in 1994. Average public service pay seems likely to increase at a similar rate, including the carryover from 1993. On the basis of our employment projections, non-agricultural employment is expected to increase by about 1½ per cent, in terms of full-time equivalent jobs. Thus, a rise of about 5½ per cent is forecast for aggregate non-agricultural earnings.

Other non-agricultural incomes, comprising income from self-employment and from interest dividends and rent, are estimated to have risen only modestly in 1993. The near stagnation of domestic demand for much of the year is likely to have restrained income from self-employment, while personal income from national debt interest will have been affected to some extent by the fall in average interest rates. Given the expected upturn in domestic economic activity in 1994, a faster, but still moderate increase of 4 per cent in other agricultural incomes is projected.

Current transfer income of households is believed to have risen by about 7¾ per cent in 1993. With the annual average of unemployment likely to at least stabilise, and with a slightly smaller increase in benefit rates, transfer income in 1994 is forecast to rise at the slower rate of 6 per cent. Thus gross personal income is estimated to have increased by 6 per cent in 1993 and is forecast to rise by 5¼ per cent in 1994.

Direct personal taxation increased by about 10 per cent in 1993. This exceptionally high increase, in relation to the rise in incomes, reflects the impact of the income levy, a less than full indexation of income tax allowances and bands, the raising of PRSI contribution ceilings and continued progress in collection practices. With the abolition of the levy and substantial relaxation of some allowances, bands and PRSI contributions, the increase in direct personal taxation will be very much smaller in 1994. Even including amnesty receipts out of personal income, direct personal taxation seems likely to rise by about 6 per cent. Without the amnesty the rise would probably be in the neighbourhood of 2½ per cent, the lowest for many years.

If these calculations are broadly correct, personal disposable income rose by about 4¾ per cent in 1993, and will increase by about 5 per cent in 1994. Largely because of uncertainly following the currency crisis, the personal savings ratio rose sharply in the closing months of 1992 and the first half of 1993. Despite some recovery of confidence in the second half, it is estimated that the annual personal savings ratio rose from 12.1 per cent in 1992 to 12.4 per cent in 1993. The savings ratio is likely to fall quite sharply in 1994. To some extent this is due to technical factors such as the probability that amnesty debts will have been paid out of savings rather than current income. Largely, however, it rests on the assumption that confidence is continuing to grow and that a stable low-interest rate environment will encourage personal consumption. The extent of the fall in the personal savings ratio is obviously impossible to predict with accuracy, but the projection adopted of a fall to 11.1 per cent is more likely to prove cautious than over-ambitious. In this context, it is worth recalling that the ratio was under 10 per cent from 1988 to 1990, reaching a low point of 7.4 per cent in 1989.

*Consumer Prices*

The consumer price index rose by 1.5 per cent in 1993, both as an annual average and on a November-to-November basis. This was slightly lower than we predicted in our Autumn Commentary, with the quarterly increase of 0.3 per cent between August and November being unexpectedly small. However, in interpreting the trend of price inflation it is necessary to bear in mind the contribution of reduced mortgage interest rates to the general outcome for 1993. As Table 10 shows, if housing is removed from the index, other prices rose by an annual average of 1.9 per cent, and by 3.2 per cent from November to November.

On an annual basis, low mortgage interest rates are likely to reduce the housing price index by even more in 1994 than in 1993, when of course they were very high in the first quarter. By contrast, other prices are likely to rise rather faster than in 1993, as the remaining devaluation effects unwind, and as improved demand is reflected in wider trade margins. For the year as a whole, non-housing prices are projected to increase by an average of 3 per cent, but the fall in housing costs should result in the total consumer price index increasing by an annual average of about 2.2 per cent.

**TABLE 10: Consumer Price Index – Recent Trend and Forecast**

| | Quarterly Trend | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1992 | | | 1993 | | | | 1992 | 1993 | 1994 |
| | May | Aug. | Nov. | Feb. | May | Aug. | Nov. | | | Forecast |
| Index Nov. 1989 = 100 | | | | | | | | | | |
| Housing | 120.3 | 119.5 | 132.0 | 133.3 | 115.8 | 109.7 | 111.0 | 122.5 | 117.4 | 107.9 |
| Other | 107.2 | 107.9 | 107.1 | 107.4 | 108.6 | 110.2 | 110.5 | 107.2 | 109.2 | 112.5 |
| Total CPI | 108.1 | 108.7 | 108.9 | 109.3 | 109.1 | 110.2 | 110.5 | 108.2 | 109.8 | 112.2 |
| Annual % Change | | | | | | | | | | |
| Housing | 6.2 | 4.4 | 15.1 | 12.8 | –3.7 | –8.2 | –15.9 | 7.6 | –4.2 | –8.1 |
| Other | 3.5 | 2.8 | 1.2 | 0.8 | 1.3 | 2.1 | 3.2 | 2.9 | 1.9 | 3.0 |
| Total CPI | 3.6 | 2.8 | 2.3 | 1.9 | 0.9 | 1.4 | 1.5 | 3.0 | 1.5 | 2.2 |
| Quarterly % Change | | | | | | | | | | |
| Housing | 1.8 | –0.7 | 10.5 | 1.0 | –13.1 | –5.3 | 1.2 | | | |
| Other | 0.7 | 0.7 | –0.7 | 0.3 | 1.1 | 1.5 | 0.3 | | | |
| Total CPI | 0.7 | 0.6 | 0.6 | 0.4 | –0.2 | 1.0 | 0.3 | | | |

*Public Finances*

At £379 million, the current budget deficit in 1993 was some 143 million below the budget target, despite the bringing forward of some current expenditure from 1994. This outcome was considerably better than had been expected, even during the autumn. The main reasons were that direct taxation, principally income tax and corporation tax, were much more buoyant than expected, while the shortfall in indirect tax receipts was smaller than had been feared during the year. On the expenditure side, considerable savings compared with budget were made on Central Fund spending, mainly on national debt interest, which almost countered the excess in current supply service spending, itself largely accounted for by the bringing forward of expenditure from this year.

Borrowing for capital purposes was above the budget target by almost exactly the amount of the equity provision of £75 million for Aer Lingus, which had not been included in the original budget arithmetic. Taking current and capital accounts together, the Exchequer Borrowing Requirement, at 690 million, was 70 million below target. During a year of European recession, when most countries within Europe were failing to meet their fiscal targets by a considerable margin, this improvement in the Irish public finances was remarkable.

The official post-budget estimates predict that in spite of a considerable easing in effective average direct tax rates, but including the recent amnesty receipts, the current budget deficit in 1994 should fall by £117 million to £262 million. Our calculations suggest that it would be both a surprise and a disappointment if there is not a considerably greater reduction in the deficit. Recent experience suggests that the buoyancy in direct taxation is unlikely to fade quite as rapidly as the budget projections assume, and that there is still some bonus to be derived from the improvements in collection over the past few years.

On the expenditure side it seems probable that the likely level of interest payments on the national debt has, as usual, been overstated in the budget arithmetic, and that the savings on this will at least counter any over-run in current supply service expenditure, including pay. In total, it seems possible that there will be a significant reduction in the underlying current budget deficit, which when net amnesty receipts are also taken into account would imply an actual deficit in the region of £150 million.

Capital borrowing is more difficult to predict, as it is heavily dependent on the timing of EU capital transfers under the structural and cohesion funds. Here again, however, it appears that the budget arithmetic has been deliberately conservative, and that the actual outcome could be more favourable than assumed. Thus there seems to be a strong probability that the EBR in 1994 will be lower in absolute terms than in 1993, and could well amount to no more than 2 per cent of GNP.

If there is, in fact, a significant reduction in the EBR as a proportion of GNP, this would be entirely appropriate for a year of accelerating economic growth and low interest rates. The debt/GNP ratio remains uncomfortably high, exposing the economy to substantial risks if international interest rates rise in future years. If a rapid reduction can take place in years of relatively favourable conditions such as 1994, then the room for manoeuvre if more difficult conditions recur will be so much the greater.

*Interest Rates*

After the extreme gyrations of short-term interest rates in 1993, when they moved from record highs in January to the lowest levels in decades in the closing months of the year, a year of relatively low and stable interest rates is the welcome prospect for 1994.

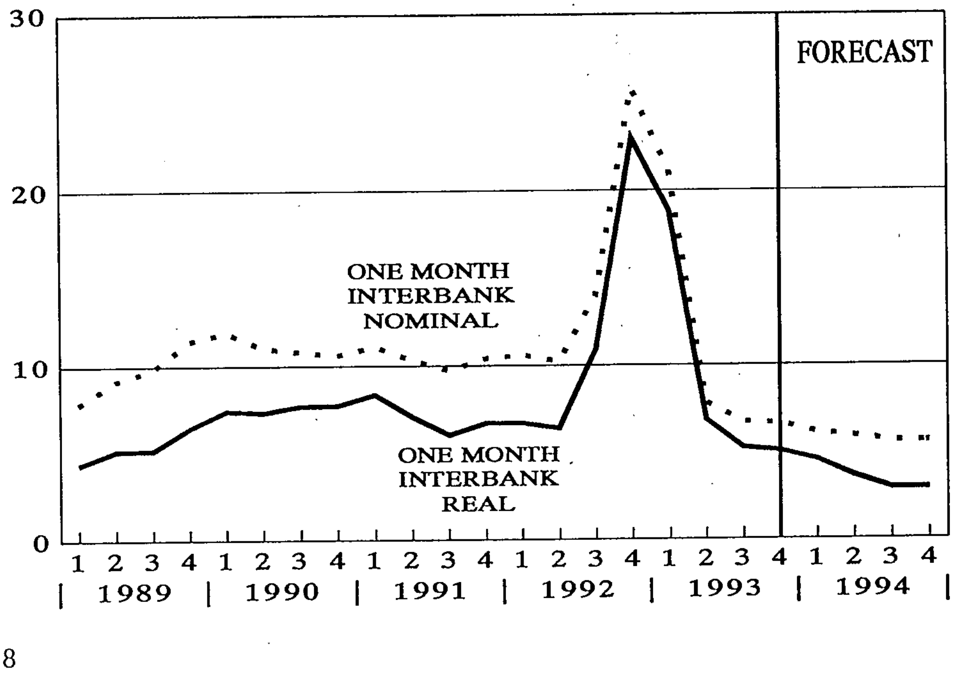
As discussed in the International section of this *Commentary*, the Bundesbank is likely to maintain its cautious stance on monetary policy. Despite the hopes of some commentators for a substantial further reduction in German short-term interest rates, it seems more likely that cuts in 1994 will amount to no more than ½ per cent. Even this, however, would leave average German rates in 1994 significantly lower than in 1993. It is, moreover, entirely possible that as the year progresses a number of European countries will establish a small reverse differential between their own and German interest rates.

Since responsibility for operating a quasi-independent monetary policy was thrust on it by the broadening of the ERM currency bands last August, the Irish Central Bank has proved as cautious as the Bundesbank in relaxing monetary policy. It can be assumed that this caution will be continued, but that any fall in German rates will be matched in Ireland. Less certain is the response of the Central Bank if interest rates in some other European countries, especially France, do become established at below the German level. To prevent a possibly damaging further appreciation of the Irish pound, it might prove necessary to follow the non- German rates downwards.

On balance, it seems almost certain that in the course of 1994 Irish short-term interest rates will fall by about ½ per cent from current levels and quite probable that the reduction will be about ¾ per cent. Although the larger falls expected by some analysts remain possible, they should at present be regarded as unlikely. For the purpose of this *Commentary* a reduction of just over ½ per cent from current levels has been assumed for short-tem and related interest rates, together with a further reduction of almost ¼ per cent in long-term rates.

**FIGURE 4: Interest Rates**

**Per cent per annum, Quarterly Averages**



*General Assessment*

Although there is still some doubt about the exact rate of economic growth in 1993, it seems clear that it was positive and among the highest in Europe. At the same time, inflation was exceptionally low at 1½ per cent, the current account of the balance of payments remained in comfortable surplus, and there was a small improvement in the public finances.

Most important of all, 1993 saw the re-establishment of conditions which should be conducive of a return to faster growth in 1994 and beyond. Interest rates have become low and stable, with the probability of a further minor reduction. Competitiveness has been largely restored *vis-à-vis* the UK, and improved in relation to most major continental markets and the USA. The unexpected strength of the public finances has created the opportunity for a period of cautious reductions in direct personal taxation within the context of continuing to lower the debt/GNP ratio. Finally, the realisation that the Irish economy came through traumatic circumstances last winter with very little lasting damage should, once the residual shock from that trauma finally wears off, help to build a stronger and more firmly based confidence in the essential soundness of the modern Irish economy.

With this background, economic growth should be considerably faster in 1994 than last year. The actual forecast in this *Commentary* of a 4 per cent increase in real GNP might perhaps prove to be over-cautious, but given the likely time-path of the wider European economy, it seems reasonable to expect that Irish growth will peak in 1995 rather than 1994. Inflation is forecast to remain low, at 2¼ per cent, or 3 per cent if housing costs are excluded. The current account is expected to remain strong and there should be some further improvement in the public finances. In 1994, as in 1993, real personal disposable income seems set to rise significantly. With the savings ratio likely to fall from its very high recent level, the volume of personal consumption is expected to increase by about 3½ per cent.

Personal living standards, as reflected in their sustainable volume of consumption, are probably the yardstick against which most people privately judge the performance of the economy. However, the public and political criterion by which medium-term economic management is assessed is the trend of employment, or, more immediately, unemployment. Given Ireland's ranking as the country with the second highest level of unemployment in the EU and the third highest in western Europe, together with the undoubted relationship between unemployment and poverty, this concentration is both understandable and socially responsible. Although the private agenda of improved living standards for those at work cannot safely be ignored, the central thrust of economic strategy is rightly to increase substantially the rate of net job creation over the next few years.

It was argued in the Autumn *Commentary* that a balanced assessment of future policy requirements if more jobs are to be provided needs to acknowledge the relative success of past policies in maintaining employment levels in Ireland in the face of severe job losses, first in the UK and later in continental Europe.

The recent and under-publicised issue of revised official *Labour Force Estimates* for the years since 1987 reinforces this argument. The new figures show that, since the nadir of April 1986, total non-agricultural employment had grown by 89,000 by April 1993, and, crucially, continued to increase during the period of relatively slow economic growth since 1990. Our previous estimate of job stagnation in the year to April 1993 has thus proved unduly pessimistic, and the actual level of non-agricultural employment in April 1993 was some 28,000 higher than we thought. In the light of the revised trends, it now seems likely that there was a modest annual increase in net employment in 1993, with the prospect of quite substantial net job creation in 1994.

Of course, the discovery that job growth since 1989 has been faster than we believed does nothing to alter the facts that registered unemployment rose significantly during that period and that it remains at an intolerable level. However, it is now clearer than ever that the increase in the Live Register was associated with a change in net migration trends and a rapid increase in the labour force, and not with an actual fall in domestic employment. The gradual improvement in the UK and US labour markets which was apparent in 1993 is expected to continue. This is likely to encourage a continuation of the moderate net emigration which resumed in 1993. Allied to the projected acceleration in domestic net job creation, this should permit some reduction in registered unemployment in 1994.

The conclusion drawn in the Autumn *Commentary*, that economic strategy needed to be modified rather than radically changed, has been buttressed by the revised employment data. Similarly, the new figures confirm the contention that as economic growth becomes more balanced, with domestic demand joining net exports as a generator of expansion, so the relationship between GNP growth and net job creation will become more favourable. The years of 1989 and 1990, when domestic demand rose sharply did indeed result in substantial increases in net non-agricultural employment.

The recent Budget and the putative new national agreement can best be assessed in the context of modifying a reasonably successful medium-term economic strategy. The Budget certainly provides for continuity with recent policy in terms of fiscal responsibility. Even on its own arithmetic, both the current budget deficit and the Exchequer Borrowing Requirement remain well within the Maastrict guidelines and useful progress should be made in Ireland's imperative to reduce further the still excessive debt GNP ratio. If, as expected, the Budget targets are bettered, the reduction in the debt ratio will be substantial. It is entirely appropriate that the opportunity provided by relatively low international interest rates in 1994 and, it is to be hoped, 1995, should be availed of to obtain a major reduction in the debt ratio. A renewed rise in international interest rates in the second half of the decade can by no means be ruled out. The attainment of a comparatively normal debt ratio before any such adverse development takes place would provide a vital safeguard against the possibility of future, externally induced, budgetary pressures.

Continuity with past policy was also maintained by using the available fiscal leeway to reduce direct personal taxation. However, the tax changes could also be said to constitute a modification of recent policy, both in the scale of direct tax concessions and in their concentration on average, rather than marginal, tax rates. A further modification of policy, which could be regarded as a tentative step towards tax reform, is the decision to recoup a small proportion of the direct tax concessions through a curtailment of mortgage interest relief and an extension of the residential property tax.

In the Summer *Commentary* we noted that the furore occasioned by the rescheduling of telephone charges boded ill for the prospects for radical tax reform, even in circumstances where most informed opinion recognised that reform would assist in the supposed national aim of job creation. The reaction to the extension of the residential property tax reinforces this assessment. In the context of a total budget package which reduces the average tax burden for the overwhelming majority of households, and at a time when the housing costs of most mortgage payers have been dramatically reduced by the fall in interest rates, this relatively trivial extension of a minor tax has been widely perceived as a major net imposition on a broad segment of society.

It is hard to avoid the conclusion that when concrete proposals are in question, rather than aspirational rhetoric, the private agenda of personal living standards takes precedence over the public goal of improving employment prospects for the country at large.

Given this apparent preference, it is greatly to the credit of the social partners that the draft national agreement is designed to give a realistic stimulus to job creation. In themselves, the private sector pay increases are likely barely to cover price inflation over the three-year period, leaving improvements in workers' living standards to come from the expected reduction in real tax rates. Vitally, however, the agreed pay rises are low enough to gradually improve Ireland's international competitiveness, while some flexibility in the face of possible future shocks is provided by the retention of the inability-to-pay clauses from the PESP.

The public service provisions, with the effective capping and slow phasing of outstanding claims and barring of new claims will provide the necessary certainty concerning the trend of public service pay for the period of the agreement, and will prevent the damaging rise in relative public pay levels brought about by the implementation of major special increases during the PESP. However, if problems are not simply to be stored up until the end of the agreement, as happened with the Programme for National Recovery, it remains of crucial importance that the reform of the arbitration system is satisfactorily completed.

For the length of the agreement, the limitation of public service pay increases, combined with, it is hoped, continuing low interest rates, should enable a modest increase in public service employment in areas where this is needed. It should also permit the steady reduction in real tax rates which underpins the private sector agreement and which should steadily raise real disposable income and thus the volume of consumption.

Against what is expected to be a gradually improving external environment, improved competitiveness should raise employment in exporting enterprises, both through a direct boost to export penetration of overseas markets and through encouraging extra productive investment. At the same time, expanding domestic demand, fuelled by tax cuts and low interest rates should have an even greater impact on employment levels. The outlook for net job creation in the next three years is thus more favourable than at any time since the second oil shock of 1979. If there are unfavourable external shocks, which can never be ruled out in an unstable world, especially when the fundamental imbalances in the UK economy have not been corrected, then the combination of improved public finances and a moderate national agreement leave Ireland in a considerably stronger defensive position than when it had to face previous international difficulties.

*STATISTICAL APPENDIX*

| | Output Indicators | | | | | Employment | | |
|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | Total Manufacturing | Modern Manufacturing | Traditional Manufacturing | Electricity Output | Houses Completed | Total Manufacturing | Modern Manufacturing | Traditional Manufacturing |
| | 1985 = 100 | 1985 = 100 | 1985 = 100 | G.W.H. | Total Number | '000s | '000s | '000s |
| 1985 | 100.0 | 100.0 | 100.0 | 11919 | 23948 | 186.9 | 39.4 | 147.5 |
| 1986 | 102.9 | 107.1 | 99.9 | 12466 | 22680 | 184.2 | 40.2 | 143.8 |
| 1987 | 113.6 | 132.7 | 101.4 | 12866 | 18450 | 182.4 | 41.1 | 141.2 |
| 1988 | 127.6 | 161.9 | 105.8 | 13068 | 15654 | 182.9 | 43.2 | 139.7 |
| 1989 | 142.5 | 188.9 | 112.3 | 13640 | 18068 | 187.0 | 45.4 | 141.7 |
| 1990 | 149.2 | 197.9 | 117.6 | 14325 | 19539 | 191.8 | 48.4 | 143.4 |
| 1991 | 153.9 | 208.6 | 118.0 | 14990 | 19652 | 192.7 | 50.4 | 142.3 |
| 1992 | 169.6 | 243.6 | 121.0 | 15682 | 22464 | 192.1 | 51.9 | 140.2 |
| Quarterly Averages or Totals | | | | | | | | |
| 1990 I | 147.6 | 202.8 | 108.0 | 3782 | 4372 | 188.6 | 45.9 | 142.7 |
| II | 153.3 | 202.6 | 119.0 | 3368 | 4667 | 190.8 | 47.3 | 143.6 |
| III | 139.8 | 180.8 | 109.5 | 3272 | 5313 | 194.2 | 49.9 | 144.2 |
| IV | 156.3 | 200.0 | 121.8 | 3903 | 5187 | 193.6 | 50.5 | 142.9 |
| 1991 I | 154.2 | 215.3 | 110.5 | 4018 | 4785 | 190.3 | 49.1 | 141.3 |
| II | 156.1 | 209.3 | 118.4 | 3484 | 4164 | 191.9 | 49.5 | 142.4 |
| III | 141.9 | 186.0 | 109.8 | 3455 | 5228 | 193.8 | 50.7 | 143.2 |
| IV | 163.8 | 218.7 | 121.2 | 4033 | 5475 | 194.8 | 52.3 | 142.3 |
| 1992 I | 167.6 | 245.9 | 113.2 | 4187 | 4372 | 190.3 | 51.2 | 139.1 |
| II | 173.4 | 245.6 | 122.5 | 3644 | 5920 | 191.4 | 50.9 | 140.5 |
| III | 161.0 | 227.5 | 113.9 | 3602 | 6284 | 193.7 | 51.9 | 141.7 |
| IV | 176.8 | 248.9 | 122.2 | 4249 | 5888 | 193.0 | 53.5 | 139.6 |
| 1993 I | 182.0 | 280.2 | 113.7 | 4239 | 4004 | 190.1 | 53.8 | 136.4 |
| II | 184.1 | 272.6 | 122.2 | 3810 | 5051 | | | |
| III | 166.4 | | | 3726 | | | | |
| IV | | | | | | | | |
| Quarterly Averages or Totals (Seasonally Corrected) | | | | | | | | |
| 1990 I | 146.4 | 191.0 | 112.4 | 3489 | No Seasonal Pattern | 190.5 | 46.5 | 144.1 |
| II | 147.3 | 193.8 | 115.0 | 3585 | | 191.6 | 48.0 | 143.9 |
| III | 152.3 | 201.2 | 114.9 | 3579 | | 192.5 | 49.3 | 142.9 |
| IV | 151.3 | 201.0 | 116.0 | 3670 | | 192.5 | 49.8 | 142.5 |
| 1991 I | 152.9 | 201.9 | 115.0 | 3711 | | 192.4 | 49.8 | 142.8 |
| II | 150.8 | 201.6 | 144.3 | 3708 | | 192.6 | 50.2 | 142.6 |
| III | 154.0 | 207.0 | 115.2 | 3781 | | 192.2 | 50.1 | 141.9 |
| IV | 158.6 | 220.2 | 115.5 | 3789 | | 193.6 | 51.5 | 141.9 |
| 1992 I | 165.9 | 229.9 | 117.8 | 3868 | | 192.5 | 51.9 | 140.6 |
| II | 167.6 | 237.3 | 118.4 | 3880 | | 192.0 | 51.6 | 140.7 |
| III | 174.1 | 253.0 | 119.3 | 3944 | | 192.1 | 51.3 | 140.5 |
| IV | 171.2 | 249.9 | 116.5 | 3990 | | 191.8 | 52.7 | 139.2 |
| 1993 I | 179.6 | 261.7 | 118.3 | 3915 | | 192.2 | 54.5 | 137.9 |
| II | 178.2 | 263.9 | 118.1 | 4059 | | | | |
| III | 178.3 | | | 4075 | | | | |
| IV | | | | | | | | |

| Output per Head | | | Money Earnings | Real Earnings | Unemployment | | | |
|---|---|---|---|---|---|---|---|---|
| 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | |
| Total Manufacturing | Modern Manufacturing | Traditional Manufacturing | Manufacturing | Manufacturing | Live Register Male | Live Register Female | Live Register Total | |
| 1985 = 100 | 1985 = 100 | 1985 = 100 | 1989 = 100 Av. Weekly | 1989 = 100 Av. Weekly | '000s Av. Monthly | '000s Av. Monthly | '000s Av. Monthly | |
| 100.0 | 100.0 | 100.0 | 81.3 | 92.5 | 170.2 | 60.4 | 230.6 | 1985 |
| 104.4 | 104.8 | 102.5 | 87.3 | 95.7 | 172.0 | 64.4 | 236.4 | 1986 |
| 116.4 | 127.2 | 106.0 | 91.8 | 97.6 | 176.2 | 71.1 | 247.3 | 1987 |
| 130.4 | 147.6 | 111.7 | 96.1 | 100.0 | 169.7 | 71.7 | 241.4 | 1988 |
| 142.5 | 164.0 | 116.9 | 100.0 | 100.0 | 160.0 | 71.6 | 231.6 | 1989 |
| 145.4 | 161.0 | 121.1 | 103.9 | 100.5 | 152.1 | 72.6 | 224.7 | 1990 |
| 149.3 | 163.0 | 122.4 | 108.4 | 101.7 | 170.5 | 83.5 | 253.9 | 1991 |
| 165.0 | 184.9 | 127.3 | 112.8 | 102.6 | 187.2 | 96.0 | 283.1 | 1992 |

Quarterly Averages

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 146.3 | 174.0 | 111.6 | 100.9 | 98.5 | 158.3 | 71.7 | 230.0 | 1990 I |
| 150.2 | 168.6 | 122.3 | 103.1 | 100.3 | 148.2 | 71.2 | 219.4 | II |
| 134.6 | 142.6 | 112.1 | 105.1 | 101.3 | 149.7 | 75.0 | 224.7 | III |
| 150.9 | 156.0 | 125.8 | 106.3 | 101.9 | 152.1 | 72.6 | 224.7 | IV |
| 151.5 | 172.6 | 115.4 | 105.5 | 100.3 | 165.8 | 77.9 | 243.7 | 1991 I |
| 152.1 | 166.5 | 122.6 | 108.7 | 102.6 | 167.2 | 81.1 | 248.3 | II |
| 136.9 | 144.4 | 113.2 | 108.6 | 101.1 | 173.1 | 88.7 | 261.8 | III |
| 157.2 | 164.7 | 125.7 | 110.9 | 102.6 | 175.7 | 86.3 | 262.0 | IV |
| 164.6 | 189.1 | 120.0 | 109.6 | 100.6 | 186.7 | 91.4 | 278.1 | 1992 I |
| 169.3 | 190.0 | 128.7 | 112.5 | 102.5 | 183.9 | 93.1 | 277.0 | II |
| 155.4 | 172.6 | 118.6 | 113.2 | 102.5 | 188.5 | 101.8 | 290.2 | III |
| 171.2 | 183.2 | 129.1 | 115.7 | 104.6 | 189.5 | 97.6 | 287.2 | IV |
| 179.0 | 205.1 | 122.9 | 114.9 | 103.5 | 197.9 | 101.7 | 299.6 | 1993 I |
| | | | | | 193.7 | 98.9 | 292.6 | II |
| | | | | | 192.9 | 102.1 | 294.9 | III |
| | | | | | 190.5 | 99.5 | 290.0 | IV |

Quarterly Averages (Seasonally Corrected)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 143.0 | 162.2 | 115.0 | 102.0 | 99.5 | 153.0 | 71.5 | 224.6 | 1990 I |
| 144.2 | 159.3 | 117.8 | 103.0 | 100.2 | 150.0 | 72.1 | 222.1 | II |
| 147.1 | 160.3 | 118.6 | 104.9 | 101.2 | 151.3 | 72.7 | 224.0 | III |
| 147.9 | 159.5 | 120.2 | 105.6 | 101.1 | 154.0 | 74.3 | 228.2 | IV |
| 147.6 | 160.1 | 118.8 | 106.6 | 101.4 | 160.6 | 77.7 | 238.3 | 1991 I |
| 146.5 | 158.3 | 118.3 | 108.5 | 102.3 | 169.0 | 82.0 | 251.0 | II |
| 149.6 | 162.0 | 119.6 | 108.4 | 101.1 | 174.5 | 86.2 | 260.6 | III |
| 154.0 | 168.5 | 120.3 | 110.1 | 101.8 | 177.8 | 88.0 | 265.8 | IV |
| 160.1 | 174.9 | 123.4 | 110.9 | 101.7 | 181.7 | 91.3 | 273.0 | 1992 I |
| 163.5 | 181.1 | 124.2 | 112.3 | 102.2 | 185.6 | 94.0 | 279.6 | II |
| 169.8 | 193.5 | 125.1 | 113.1 | 102.5 | 189.7 | 99.1 | 288.8 | III |
| 167.8 | 187.5 | 123.7 | 114.8 | 103.8 | 191.6 | 99.5 | 291.2 | IV |
| 173.9 | 189.4 | 126.3 | 116.2 | 104.7 | 192.9 | 101.7 | 294.5 | 1993 I |
| | | | | | 195.3 | 99.7 | 295.1 | II |
| | | | | | 194.1 | 99.4 | 293.4 | III |
| | | | | | 192.9 | 101.5 | 294.4 | IV |

| | Prices | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| | Consumer Price Index | Output Price Index Manufac-turing | General Wholesale Price Index | Agricul-tural Output Price Index | Import Unit Value | Export Unit Value | Terms of Trade | Price of Stocks + Shares (ISEQ) |
| | Nov. 1989 = 100 | 1985 = 100 | 1985 = 100 | 1985 = 100 | 1985 = 100 | 1985 = 100 | 1985 = 100 | Jan. 1988 = 1000 |
| 1985 | 86.5 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 580.4 |
| 1986 | 89.8 | 98.8 | 97.8 | 99.5 | 88.8 | 92.7 | 104.3 | 907.7 |
| 1987 | 92.6 | 100.4 | 98.4 | 103.5 | 88.8 | 92.7 | 104.4 | 1326.2 |
| 1988 | 94.6 | 104.5 | 102.4 | 114.4 | 94.6 | 99.3 | 105.0 | 1294.6 |
| 1989 | 98.5 | 109.5 | 108.1 | 120.1 | 100.7 | 105.9 | 105.1 | 1633.6 |
| 1990 | 101.7 | 107.8 | 105.1 | 106.5 | 95.7 | 95.9 | 100.2 | 1562.2 |
| 1991 | 105.0 | 108.7 | 106.4 | 103.1 | 97.9 | 95.2 | 97.2 | 1382.4 |
| 1992 | 108.2 | 110.5 | 107.3 | 106.1 | 95.9 | 92.6 | 96.6 | 1311.1 |

Quarterly Averages

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1990 I | 100.9 | 108.4 | 105.8 | 115.6 | 95.4 | 100.0 | 104.8 | 1813.2 |
| II | 101.2 | 107.9 | 104.6 | 111.4 | 92.3 | 97.9 | 106.1 | 1673.2 |
| III | 102.1 | 108.0 | 105.4 | 103.4 | 96.5 | 95.8 | 99.3 | 1523.7 |
| IV | 102.7 | 106.7 | 104.7 | 101.2 | 97.8 | 92.5 | 94.6 | 1238.8 |
| 1991 I | 103.5 | 107.3 | 105.1 | 104.9 | 96.7 | 93.0 | 96.1 | 1241.3 |
| II | 104.3 | 108.8 | 106.4 | 106.1 | 97.2 | 93.8 | 96.5 | 1466.9 |
| III | 105.7 | 109.2 | 106.9 | 101.6 | 98.4 | 95.6 | 97.1 | 1413.3 |
| IV | 106.4 | 109.5 | 107.3 | 103.6 | 98.5 | 96.1 | 97.6 | 1408.3 |
| 1992 I | 107.3 | 110.2 | 107.8 | 107.4 | 97.7 | 95.2 | 97.4 | 1426.9 |
| II | 108.1 | 111.3 | 108.3 | 109.7 | 97.0 | 97.9 | 101.0 | 1398.8 |
| III | 108.7 | 110.6 | 107.2 | 106.7 | 94.8 | 93.5 | 98.7 | 1263.1 |
| IV | 108.9 | 109.8 | 106.0 | 104.5 | 92.4 | 89.9 | 97.3 | 1164.5 |
| 1993 I | 109.3 | 112.9 | | 109.2 | | | | 1313.5 |
| II | 109.1 | 115.2 | | 115.4 | | | | 1532.2 |
| III | 110.2 | 117.2 | | 114.5 | | | | 1685.6 |
| IV | 110.5 | | | | | | | 1772.6 |

Quarterly Averages (Seasonally Corrected)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1990 I | 100.8 | 108.7 | 106.0 | 114.0 | No Seasonal Pattern | No Seasonal Pattern | No Seasonal Pattern | No Seasonal Pattern |
| II | 101.3 | 107.6 | 104.5 | 109.2 | | | | |
| III | 102.0 | 107.6 | 105.1 | 104.9 | | | | |
| IV | 102.8 | 107.1 | 104.9 | 103.1 | | | | |
| 1991 I | 103.5 | 107.6 | 105.3 | 103.6 | | | | |
| II | 104.4 | 108.5 | 106.3 | 104.1 | | | | |
| III | 105.5 | 108.8 | 106.6 | 103.1 | | | | |
| IV | 106.5 | 109.9 | 107.5 | 105.5 | | | | |
| 1992 I | 107.3 | 110.5 | 108.1 | 106.0 | | | | |
| II | 108.2 | 110.8 | 108.2 | 107.5 | | | | |
| III | 108.5 | 110.3 | 106.9 | 108.4 | | | | |
| IV | 108.9 | 110.3 | 106.2 | 106.5 | | | | |
| 1993 I | 109.3 | 113.2 | | 107.8 | | | | |
| II | 109.2 | 114.7 | | 113.1 | | | | |
| III | 110.0 | 116.9 | | 116.3 | | | | |
| IV | 110.6 | | | | | | | |

| Consumption Indicators | | | Government | | | Interest Rates | | |
|---|---|---|---|---|---|---|---|---|
| 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | |
| New Cars Regis-tered | Retail Sales Value | Retail Sales Volume | Current Revenue | Current Expendi-ture | Current Deficit | 1 month inter bank Rate | Long term Gilt Rate | |
| Total | 1980 = 100 | 1980 = 100 | £m | £m | £m | Per cent per annum | Per cent per annum | |
| 59592 | 155.9 | 91.0 | 6331 | 7615 | 1284 | 11.9 | 12.6 | 1985 |
| 58760 | 158.8 | 90.5 | 6709 | 8104 | 1395 | 12.4 | 11.1 | 1986 |
| 54341 | 161.3 | 89.3 | 7152 | 8332 | 1180 | 10.8 | 11.3 | 1987 |
| 61888 | 169.1 | 91.1 | 7690 | 8006 | 317 | 7.8 | 9.5 | 1988 |
| 78383 | 184.5 | 95.4 | 7756 | 8019 | 263 | 9.6 | 8.9 | 1989 |
| 83407 | 193.5 | 98.0 | 8269 | 8421 | 152 | 11.1 | 10.1 | 1990 |
| 68533 | 197.0 | 97.8 | 8776 | 9076 | 300 | 10.4 | 9.3 | 1991 |
| 67861 | 206.8 | 100.7 | 9360 | 9806 | 446 | 15.2 | 9.1 | 1992 |
| Quarterly Averages or Totals | | | | | | | | |
| 27830 | 189.9 | 96.6 | 1872 | 2236 | 364 | 11.9 | 10.2 | 1990 I |
| 27883 | 189.8 | 96.8 | 2004 | 2036 | 32 | 11.0 | 10.0 | II |
| 18928 | 190.9 | 96.9 | 2101 | 1970 | –131 | 10.8 | 10.2 | III |
| 8766 | 201.6 | 100.8 | 2293 | 2180 | –113 | 10.6 | 10.0 | IV |
| 23797 | 191.8 | 95.9 | 1886 | 2313 | 427 | 11.1 | 9.3 | 1991 I |
| 22979 | 191.2 | 95.5 | 2074 | 2390 | 316 | 10.3 | 9.1 | II |
| 15051 | 194.4 | 96.3 | 2295 | 2071 | –224 | 9.7 | 9.6 | III |
| 6706 | 208.7 | 102.6 | 2521 | 2302 | –219 | 10.4 | 9.0 | IV |
| 24058 | 200.6 | 98.2 | 2055 | 2538 | 483 | 10.6 | 8.7 | 1992 I |
| 20193 | 203.4 | 99.0 | 2299 | 2374 | 75 | 10.2 | 8.8 | II |
| 16772 | 206.7 | 100.3 | 2473 | 2307 | –166 | 14.0 | 9.3 | III |
| 6838 | 215.6 | 104.7 | 2533 | 2587 | 54 | 25.8 | 9.6 | IV |
| 20838 | 204.8 | 99.4 | 2170 | 2763 | 593 | 21.1 | 9.0 | 1993 I |
| 20796 | 206.6 | 99.2 | 2363 | 2408 | 45 | 7.8 | 8.1 | II |
| 13829 | 213.4 | | 2842 | 2622 | –220 | 6.7 | 7.4 | III |
| | | | | | | | | IV |
| Quarterly Averages or Totals (Seasonally Corrected) | | | | | | | | |
| 20979 | 192.9 | 98.2 | 2079 | 2100 | 21 | No Seasonal Pattern | No Seasonal Pattern | 1990 I |
| 21225 | 192.1 | 97.8 | 2069 | 2053 | –17 | | | II |
| 20605 | 193.7 | 98.3 | 2075 | 2108 | 32 | | | III |
| 20082 | 193.4 | 96.8 | 2055 | 2170 | 114 | | | IV |
| 17992 | 194.6 | 97.4 | 2086 | 2158 | 72 | | | 1991 I |
| 17336 | 193.6 | 96.5 | 2160 | 2416 | 256 | | | II |
| 16379 | 197.2 | 97.6 | 2229 | 2220 | –9 | | | III |
| 15557 | 200.6 | 98.6 | 2282 | 2292 | 9 | | | IV |
| 18257 | 203.5 | 99.7 | 2274 | 2361 | 87 | | | 1992 I |
| 15131 | 206.0 | 100.2 | 2403 | 2402 | –1 | | | II |
| 18265 | 209.4 | 101.5 | 2374 | 2479 | 104 | | | III |
| 15933 | 207.4 | 100.8 | 2308 | 2576 | 266 | | | IV |
| 15852 | 207.8 | 101.0 | 2405 | 2567 | 162 | | | 1993 I |
| 15538 | 209.4 | 100.4 | 2467 | 2437 | –30 | | | II |
| 15054 | 216.2 | | 2720 | 2822 | 102 | | | III |
| | | | | | | | | IV |

| | Monetary Developments | | | | Exchange Rates | | | |
|---|---|---|---|---|---|---|---|---|
| | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 |
| | Money Supply M3 | Licensed Banks Domestic Credit Gov. | Licensed Banks Domestic Credit Non-Gov. | External Reserves | Effective Index | Sterling | Dollar | Deutsch-mark |
| | £m End Period | £m End Period | £m End Period | £m End Period | Dec. 1971 = 100 | Per IR£ | Per IR£ | PerIR£ |
| 1985 | 8924.8 | 2514.1 | 8441.1 | 2271.9 | 62.41 | 0.8234 | 1.0659 | 3.1134 |
| 1986 | 8836.9 | 2725.7 | 9065.5 | 2205.3 | 66.65 | 0.9147 | 1.3424 | 2.9080 |
| 1987 | 9799.5 | 2754.9 | 9494.5 | 2821.4 | 66.15 | 0.9089 | 1.4879 | 2.6717 |
| 1988 | 10421.0 | 2636.4 | 10853.4 | 3161.0 | 65.08 | 0.8568 | 1.5249 | 2.6743 |
| 1989 | 10945.0 | 2417.7 | 12538.3 | 2521.0 | 64.39 | 0.8665 | 1.4175 | 2.6650 |
| 1990 | 12540.7 | 2506.0 | 13855.9 | 2891.7 | 68.31 | 0.9302 | 1.6585 | 2.6729 |
| 1991 | 13024.6 | 2502.2 | 13553.2 | 3256.0 | 67.33 | 0.9131 | 1.6144 | 2.6710 |
| 1992 | 14203.3 | 2946.7 | 14410.7 | 2112.8 | 69.48 | 0.9692 | 1.7073 | 2.6562 |

| | End-Period Totals | | | | Quarterly Averages | | | |
|---|---|---|---|---|---|---|---|---|
| 1990 I | 11289.9 | 2526.0 | 12681.5 | 2457.8 | 68.07 | 0.9475 | 1.5703 | 2.6539 |
| II | 11381.6 | 2506.6 | 13082.8 | 3097.3 | 68.73 | 0.9542 | 1.5981 | 2.6809 |
| III | 12421.6 | 2454.7 | 13230.6 | 3705.6 | 67.85 | 0.9046 | 1.6850 | 2.6828 |
| IV | 12540.7 | 2506.0 | 13855.9 | 2891.7 | 68.65 | 0.9154 | 1.7817 | 2.6735 |
| 1991 I | 12187.3 | 2382.0 | 13776.7 | 3200.9 | 68.28 | 0.9126 | 1.7429 | 2.6646 |
| II | 12306.1 | 2288.9 | 13928.7 | 3422.0 | 66.55 | 0.9038 | 1.5430 | 2.6753 |
| III | 12650.2 | 2380.5 | 13973.3 | 3471.2 | 66.68 | 0.9108 | 1.5355 | 2.6740 |
| IV | 13024.6 | 2505.2 | 13553.2 | 3256.0 | 67.87 | 0.9257 | 1.6433 | 2.6693 |
| 1992 I | 12555.4 | 2399.4 | 13614.2 | 3495.8 | 67.97 | 0.9303 | 1.6479 | 2.6663 |
| II | 12960.9 | 2449.1 | 13685.4 | 3223.6 | 67.63 | 0.9156 | 1.6555 | 2.6691 |
| III | 12998.8 | 2792.2 | 14010.9 | 2130.2 | 69.81 | 0.9538 | 1.8160 | 2.6528 |
| IV | 14203.3 | 2946.7 | 14410.7 | 2112.8 | 72.50 | 1.0784 | 1.7048 | 2.6363 |
| 1993 I | 15741.2 | 2463.4 | 14509.0 | 3571.0 | 68.91 | 1.0361 | 1.5320 | 2.5018 |
| II | 16177.9 | 2601.0 | 14643.3 | 4255.9 | 66.41 | 0.9818 | 1.5073 | 2.4386 |
| III | 17095.2 | 2683.0 | 14574.9 | 4315.6 | 63.99 | 0.9390 | 1.4129 | 2.3674 |
| IV | | | | | | | | |

| | End-Period Totals (S.C.) | | | | Quarterly Averages (S.C.) | | | |
|---|---|---|---|---|---|---|---|---|
| 1990 I | 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 | | | | | | | | |
| 1991 I | | | | | | | | |
| II | | | | | | | | |
| III | | | | | | | | |
| IV | | | | | | | | |
| 1992 I | | | | | | | | |
| II | | | | | | | | |
| III | | | | | | | | |
| IV | | | | | | | | |
| 1993 I | | | | | | | | |
| II | | | | | | | | |
| III | | | | | | | | |
| IV | | | | | | | | |

| Visible Trade Indicators | | | | | Balance of Payments | | |
|---|---|---|---|---|---|---|---|
| 41 | 42 | 43 | 44 | 45 | 46 | 47 | |
| Imports (Value) | Exports (Value) | Trade Surplus (Value) | Imports (Volume) | Exports (Volume) | Net Factor Flows | Current Account | |
| £m | £m | £m | 1985 = 100 | 1985 = 100 | £m | £m | |
| 9428.2 | 9743.0 | 314.8 | 100.0 | 100.0 | –1967 | –650 | 1985 |
| 8621.3 | 9374.3 | 753.0 | 103.0 | 104.0 | –2017 | –611 | 1986 |
| 9155.2 | 10723.5 | 1568.3 | 109.4 | 118.8 | –2113 | –60 | 1987 |
| 10214.8 | 12304.8 | 2090.1 | 114.5 | 127.1 | –2663 | 62 | 1988 |
| 12284.3 | 14597.0 | 2312.8 | 129.3 | 141.4 | –3233 | –348 | 1989 |
| 12479.5 | 14343.0 | 1863.5 | 138.3 | 153.5 | –3131 | 37 | 1990 |
| 12853.4 | 15024.6 | 2171.3 | 139.2 | 162.0 | –2865 | 925 | 1991 |
| 13199.3 | 16624.5 | 3425.2 | 145.9 | 184.3 | –3158 | 1535 | 1992 |

Av. Monthly Totals — Quarterly Averages or Totals

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1043.7 | 1218.1 | 174.4 | 138.7 | 149.9 | –773 | 61 | 1990 | I |
| 1048.0 | 1257.2 | 209.2 | 144.4 | 158.1 | –818 | –56 | | II |
| 995.8 | 1110.4 | 114.7 | 131.3 | 142.7 | –630 | 190 | | III |
| 1071.1 | 1195.2 | 124.1 | 139.4 | 159.2 | –910 | –158 | | IV |
| 1073.4 | 1173.5 | 100.1 | 141.4 | 155.4 | –655 | –16 | 1991 | I |
| 1072.2 | 1258.6 | 186.4 | 140.5 | 165.2 | –845 | –90 | | II |
| 1034.6 | 1228.0 | 193.2 | 134.0 | 158.2 | –550 | 751 | | III |
| 1103.4 | 1347.8 | 242.9 | 142.6 | 172.6 | –814 | 279 | | IV |
| 1107.8 | 1347.2 | 238.8 | 144.4 | 174.3 | –713 | 418 | 1992 | I |
| 1108.3 | 1453.5 | 345.1 | 145.2 | 182.7 | –832 | 333 | | II |
| 1060.2 | 1338.6 | 278.4 | 142.3 | 176.3 | –788 | 496 | | III |
| 1122.2 | 1404.4 | 282.4 | 154.5 | 192.3 | –824 | 289 | | IV |
| 1164.4 | 1478.7 | 314.3 | | | –798 | 673 | 1993 | I |
| | | | | | | | | II |
| | | | | | | | | III |
| | | | | | | | | IV |

Av. Monthly Totals (S.C.) — Quarterly Averages or Totals (S.C.)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1023.1 | 1240.0 | 218.9 | 136.1 | 153.6 | No Seasonal Pattern | No Seasonal Pattern | 1990 | I |
| 1045.0 | 1223.6 | 178.6 | 143.8 | 153.1 | | | | II |
| 1055.5 | 1148.0 | 92.5 | 140.4 | 148.9 | | | | III |
| 1033.1 | 1176.7 | 143.6 | 133.8 | 155.3 | | | | IV |
| 1069.0 | 1194.9 | 125.9 | 140.6 | 159.4 | | | 1991 | I |
| 1066.6 | 1221.2 | 154.6 | 139.6 | 159.4 | | | | II |
| 1078.6 | 1278.7 | 200.1 | 141.7 | 166.4 | | | | III |
| 1069.1 | 1315.4 | 246.2 | 136.3 | 166.9 | | | | IV |
| 1084.8 | 1360.0 | 275.2 | 141.5 | 175.2 | | | 1992 | I |
| 1100.8 | 1411.3 | 310.6 | 143.2 | 177.9 | | | | II |
| 1107.5 | 1382.8 | 275.3 | 149.6 | 183.4 | | | | III |
| 1098.4 | 1377.3 | 278.9 | 151.5 | 188.1 | | | | IV |
| 1153.6 | 1499.8 | 346.3 | | | | | 1993 | I |
| | | | | | | | | II |
| | | | | | | | | III |
| | | | | | | | | IV |