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“Growth prospects strong but Brexit adds to long list of uncertainties”

DKM issues latest Economy Watch

(Friday 26th February 2016) **DKM Economic Consultants** release Issue 17 of ***Economy Watch***.

DKM’s unique ***Snapshot of Economic Forecasts*** gives a concise but comprehensive outlook for the Irish economy based on the latest projections from 13 leading sources, including both Irish and key international bodies such as the IMF, EU and OECD.

- Consensus forecasts suggest that GDP will grow at a higher rate than any other Eurozone member at 4.7% in 2016 and 3.9% in 2017. The growth is primarily driven by consumption, investment and exports.
- Domestic demand is set to expand by 5.1% and 4.0% in 2016 and 2017, which is the fastest in the Euro Area.
- Unemployment is expected to fall to 8.1% and 7.3% in 2016 and 2017 respectively. Youth unemployment is additionally on a downward trajectory reaching 20.3% in January 2016, down from the 2012 peak of 30.9%.
- Exports are set to grow strongly in 2016 and 2017, at 5.6% and 5.4% respectively, as net exports are set to contribute positively to growth.
- The general government balance is expected to be -0.7% in 2016 and +0.1% in 2017.

Launching the latest issue of *Economy Watch*, **DKM Chairman Brendan Dowling** highlighted that “There is no doubt that the economy is on a strong and sustainable growth path. If it is not knocked off course there is a good chance that employment levels will reach the pre-recession peak. However this time employment will not be overly dependent on unsustainable construction investment. Domestic demand growth is taking over from export growth as the main driver of increased incomes and employment. But none of this is a given. Major dislocations caused either by domestic political uncertainty or British exit from the EU could see a sharp reversal of the optimism which is driving consumption and investment.”

DKM is one of the longest-established economic research firms in Ireland, and has been providing decision-makers with quality advice on economic issues since 1981.

Economy Watch Issue 17 is available to download from www.dkm.ie.

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