

**NOT FOR PRINT OR BROADCAST BEFORE 0.01AM Thursday 3<sup>rd</sup> November 2016**

***“Brexit is not the only European issue”***

**DKM issues latest Economy Watch**

(Thursday 3<sup>rd</sup> November 2016) **DKM Economic Consultants** release Issue 18 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 14 leading sources, including both Irish and key international bodies such as the IMF, EU and OECD.

- Steady GDP growth expected in 2016 and 2017, albeit lower than the artificially inflated 2015 rate  
Unemployment rate in September already below the forecast for 2016
- Total domestic demand is set to expand by 6.2 and 5.5 per cent in 2016 and 2017 respectively indicating that growth will continue to be driven by domestic factors.
- Budget 2017 presented the third expansionary budget in a row, with tax cuts and increased benefits. Consequently public expenditure is forecasted to grow by 3.5 per cent in 2016 and then drop to 2.0 per cent in 2017.
- The structural deficit has been cut to 1.9 per cent of GDP in 2016 and is expected to reach 0.5 per cent in 2018, thereby fulfilling the EU medium term objective.
- The unemployment rate fell to 7.9 per cent in September, a new low since the peak in January 2012, and is on target to meet the 2017 forecast of 7.5 per cent.

Launching the latest issue of *Economy Watch*, **DKM Chairman Brendan Dowling** highlighted that “the general consensus among forecasters of the Irish economy for 2017 is for a significant slowdown in GDP growth” due to the uncertainties of the impact of Brexit on the Irish economy. However “it is vital that the Irish Government is not distracted by Brexit, which will be a long drawn out affair, to the detriment of other policy matters emanating from Brussels”.

*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 18 is available to download from [www.dkm.ie](http://www.dkm.ie).

For further information or comments please call 01-6670372.

**ENDS**

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