



04 October 2013

Dear Secretary General Moran,

The Ministers and Secretaries (Amendment) Act 2013 amends the Fiscal Responsibility Act (2012) to include a macroeconomic forecast endorsement function for the Irish Fiscal Advisory Council as follows:

The Fiscal Responsibility Act 2012 is amended in section 8 by substituting the following for subsection (4): “(4) The Fiscal Council shall— (a) endorse, as it considers appropriate, the macroeconomic forecasts prepared by the Department of Finance on which the Budget and stability programme will be based, . . .” [Ministers and Secretaries (Amendment) Act 2013, p. 5.]

The Memorandum of Understanding between the Department of Finance and the Council that sets out the agreed modalities of the endorsement function in relation to the Budget states:

“An endorsement would be provided via a formal letter from the Chair of the Council to the Secretary General of the Department of Finance, and simultaneously in electronic format. This letter would be sent after the meeting referred to in 4.1.b.(iii) and no later than five working days in advance of Budget day. This letter would be made public by the Council and the Department of Finance on Budget day, once the Minister for Finance begins speaking, and will be included in the Budget book.

The letter from the Chair of the Council would not typically contain any commentary on the macroeconomic forecasts. Any Council views regarding the forecasts or parts thereof (including any possible late modifications referred to in 4.1.b.(iii)) would be contained in the Council’s subsequent Fiscal Assessment Report.” [Memorandum of Understanding, 2013, p. 5.]

The Irish Fiscal Advisory Council endorses as within the range of appropriate projections the set of macroeconomic projections prepared by the Department of Finance for Budget 2014 for the years 2013 and 2014 provided to the Council on 30 September 2013.

A detailed discussion of the endorsement process and an assessment of the macroeconomic projections will be provided in the Council’s forthcoming *Fiscal Assessment Report*, which is scheduled for publication in November.

Yours Sincerely

John McHale
Chair, Irish Fiscal Advisory Council