



31 March 2015

Dear Secretary General Moran,

The Council has an obligation under the Fiscal Responsibility Act to endorse as appropriate the macroeconomic forecasts prepared by the Department of Finance on which *Stability Programme Update 2015 (SPU 2015)* will be based.<sup>1</sup>

The *SPU 2015* forecasts were provided to the Council on 24 March 2015 and discussed by the Council with Department of Finance staff on 30 March 2015, ahead of the Council's endorsement meeting.

Medium-term forecasts are subject to a greater degree of uncertainty than forecasts for the current and following year. The medium-term forecasts are informed by a set of supply-side estimates in the SPU based on the methodology commonly agreed between EU member states and the European Commission.

**The Irish Fiscal Advisory Council endorses as within the range of appropriate projections the set of macroeconomic forecasts prepared by the Department of Finance for *SPU 2015*.**

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 June.

Yours Sincerely

John McHale  
Chair, Irish Fiscal Advisory Council

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<sup>1</sup> The Fiscal Responsibility Act 2012, as amended by the Ministers and Secretaries (Amendment) Act 2013, states that: "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".