

Appendix G: Summary Assessment with One-Offs not Excluded

Table AG.1: Summary Assessment of Compliance with Rules (% GDP unless stated)

| | Code | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------------|-------|------|-------|-------|-------|-------|-------|
| Corrective Arm: | | | | | | | | |
| General Government Balance | GGB | -2.0 | -0.6 | -0.4 | -0.1 | 0.1 | 0.6 | 1.0 |
| General Government Debt | GGD | 78.7 | 75.4 | 72.9 | 71.2 | 69.5 | 65.2 | 62.9 |
| 1/20th Debt Rule (Backward/Forward-looking Benchmark) | | 109.2 | 96.5 | 83.5 | 74.1 | 71.8 | 70.1 | 67.7 |
| Preventive Arm & Domestic Budgetary Rule:¹ | | | | | | | | |
| Pillar I. Structural Balance Adjustment Requirement | | | | | | | | |
| CAM Structural Balance | SB | -1.7 | -1.4 | -1.1 | -0.5 | -0.1 | 0.4 | 1.0 |
| Actual Change in CAM Structural Balance | ΔSB | 1.9 | 0.3 | 0.2 | 0.6 | 0.4 | 0.6 | 0.6 |
| Minimum Change in Structural Balance Required | REQ | n.a. | 0.6 | 0.6 | 0.6 | 0.0 | n.a. | n.a. |
| 1yr Deviation (p.p.) ...negative = non-compliance | | n.a. | -0.3 | -0.4 | 0.0 | n.a. | n.a. | n.a. |
| 2yr Deviation (p.p.) ...negative = non-compliance | | n.a. | n.a. | -0.35 | -0.19 | n.a. | n.a. | n.a. |
| Pillar II. Expenditure Benchmark | | | | | | | | |
| Reference Rate of Potential Growth (% y/y) | R | n.a. | 1.9 | 3.3 | 3.5 | 3.5 | 3.6 | 3.5 |
| Convergence Margin (p.p.) | C | n.a. | 1.8 | 2.0 | 2.4 | 0.0 | 0.0 | 0.0 |
| Limit on Real Expenditure Growth ³ (% y/y) = $R_t - C_t$ | EB | n.a. | 0.1 | 1.3 | 1.1 | 3.5 | 3.6 | 3.5 |
| Actual Real Expenditure Growth (% y/y) | er | 5.7 | -1.3 | 1.9 | 1.1 | 1.2 | 1.5 | 1.1 |
| 1yr Deviation (€bn) ...positive = non-compliance | | n.a. | -0.9 | 0.4 | 0.0 | -1.6 | -1.5 | -1.8 |
| 1yr Deviation (% GDP) ...positive = non-compliance | | n.a. | -0.4 | 0.2 | 0.0 | -0.5 | -0.5 | -0.5 |
| 2yr Deviation (€bn) ...positive = non-compliance | | n.a. | n.a. | -0.3 | 0.2 | -0.8 | -1.6 | -1.7 |
| 2yr Deviation (% GDP) ...positive = non-compliance | | n.a. | n.a. | -0.10 | 0.08 | -0.26 | -0.50 | -0.51 |
| Nominal spending increase permitted before DRMs (€bn) | | n.a. | 1.2 | 1.7 | 1.6 | 3.6 | 3.9 | 4.0 |
| Relevant Macroeconomic Aggregates | | | | | | | | |
| Real GDP Growth (% y/y) | y | 26.3 | 5.2 | 4.3 | 3.7 | 3.1 | 2.7 | 2.5 |
| CAM Potential GDP Growth (% y/y) | y* | 24.8 | 5.1 | 4.2 | 4.3 | 3.4 | 2.9 | 2.8 |
| CAM Output Gap | OG | 1.1 | 1.2 | 1.4 | 0.8 | 0.5 | 0.3 | 0.0 |
| GDP deflator applicable (% y/y) | p | 0.9 | 1.7 | 1.2 | 1.3 | 1.5 | 1.7 | 1.7 |

Sources: SPU 2017, EC Spring 2017 forecasts and internal IFAC calculations.

Note: The Preventive Arm and domestic Budgetary Rule assessments above examine the revenue and expenditure plans included in SPU 2017, using the Department of Finance's estimates of potential output and taking into account the Council's views on one-off/temporary measures. For the Appendix table above only, one-off items assessed to be applicable by the Council have not been excluded from total expenditure (unlike in Table 4.1). The Council's May 2017 publication, "Ex-Post Assessment of Compliance with the Domestic Budgetary Rule in 2016" (IFAC, 2017), uses a similar approach in that it does not strip out one-offs for the Expenditure Benchmark assessment, however, it uses output gap estimates from the European Commission Spring 2017 forecasts. The Expenditure Benchmark is shown as compliant as a result of the inclusion of a one-off conversion of state-owned AIB preference shares in 2015 total expenditure. As the European Commission's Spring forecasts form the basis for any *ex-post* assessments of compliance, these were used for the output gap estimates underpinning the structural balance in the Council's May publication.