

Appendix C: The Council's Benchmark Projections (as of 19 September 2018)

Benchmark projections for 2017–2023

% change in volumes unless otherwise stated

	2017	2018	2019	2020	2021	2022	2023
Demand							
Underlying domestic demand ^a	3.2	5.1	3.7	2.8	2.5	2.4	2.4
GDP	7.2	6.6	4.2	3.3	2.7	2.5	2.4
<i>...of which (p.p. contributions)</i>							
Underlying domestic demand ^b (p.p.)	0.6	3.6	1.9	1.5	1.3	1.3	1.2
Underlying net exports ^b (p.p.)	6.6	3.0	2.2	1.9	1.4	1.2	1.2
Consumption	2.2	3.0	2.6	2.5	2.4	2.6	2.7
Government ^c	3.9	3.4	2.5	1.9	1.8	1.8	1.8
Investment	-31.0	-9.0	4.3	2.5	2.0	1.5	1.3
Underlying investment ^a	6.2	14.0	8.1	4.5	3.5	2.6	2.2
Exports	7.8	5.4	5.4	4.9	4.5	4.4	4.2
Imports	-9.2	0.1	5.1	4.8	4.9	4.9	4.7
Underlying imports ^a	2.6	4.7	5.8	5.3	5.4	5.4	5.2
Supply							
Potential output	6.7	5.5	4.0	3.3	2.6	2.5	2.4
Output gap (% potential output)	-0.2	0.8	1.0	1.0	1.1	1.1	1.1
Labour Market							
Population	1.1	1.4	1.5	1.5	1.6	1.7	1.7
Employment	2.9	2.7	2.5	2.1	2.0	1.9	1.9
Unemployment rate (% labour force)	6.7	5.6	4.9	4.6	4.6	4.5	4.5
Prices							
HICP	0.3	1.7	2.3	2.4	2.5	2.7	2.8
Personal consumption deflator	0.9	1.3	2.3	2.6	3.1	3.2	3.2
GDP deflator	0.4	1.4	1.7	1.5	1.6	1.6	1.8
Other							
Nominal GNI*	3.1	6.2	5.1	4.4	4.6	4.5	4.7
Nominal GDP	7.6	8.1	5.9	4.9	4.3	4.2	4.3
Nominal GDP (€ billion)	294.1	317.9	336.8	353.2	368.5	383.8	400.5
Modified current account (% GNI*)	1.2	0.9	0.3	-0.1	-0.5	-0.9	-1.1

Sources: CSO; and internal IFAC calculations.

Note: CSO outturn data for 2017 based on the *National Income and Expenditure* have been adjusted in anticipation of an upward revision to real goods consumption, which would also increase real goods imports. ^aUnderlying domestic demand, underlying investment, and underlying imports exclude “other transport equipment” (mainly aircraft) and intangibles; underlying domestic demand further excludes changes in inventories. ^bUnderlying contributions to real GDP growth rates in percentage points – here underlying domestic demand includes the effect of changes in inventories, but like underlying net exports excludes the effect of investment in aircraft and intangible assets. ^cAs discussed in Chapter 3, the *Budget 2019* forecasts for the growth in volume of government consumption over the medium term may be too low.