

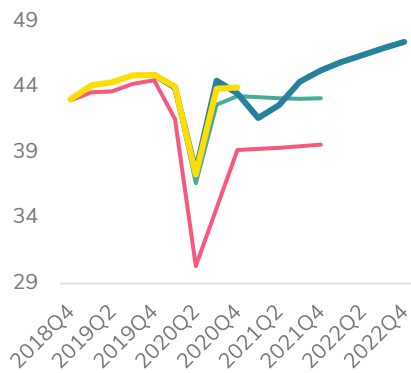
S5. Macroeconomic forecast errors

This section shows how the Department's macroeconomic forecasts have evolved over recent forecast rounds.

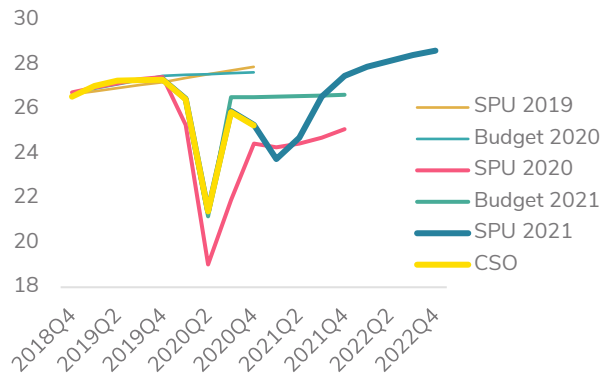
The economy recovered more rapidly than forecast during the pandemic

€ million, 2018 constant prices

Underlying domestic demand



Personal consumption expenditure

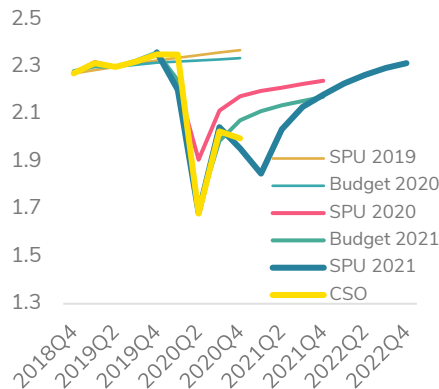


Sources: Department of Finance; Central Statistics Office; and internal Fiscal Council workings.

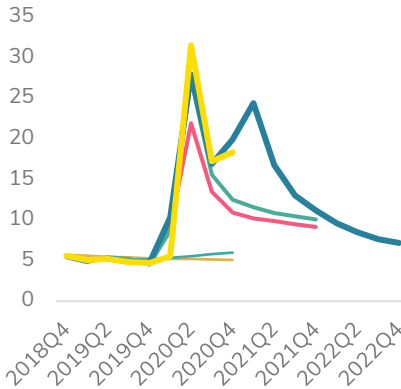
Note: The Department of Finance's quarterly profiles have been indexed to constant 2018 prices (beginning with the Q4 2017 CSO outturn) and adjusted for precise consistency with the endorsed annual forecasts; the profile provided for modified investment has been evenly adjusted to match forecasts for underlying investment.

Whereas the labour market fared worse than forecast

Employment (millions)

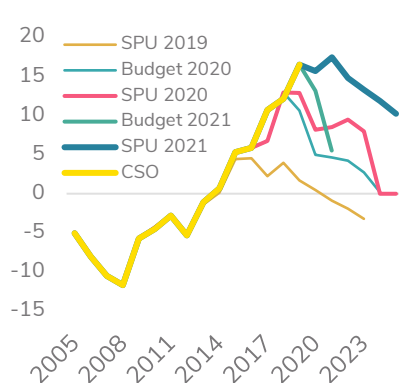


Unemployment rate (% labour force)



For several years, the current account has been higher than expected

Modified current account (€ billion)



Savings ratio (% of household disposable income)

