

S7. Stand-still scenario for spending

This section provides an update of the Council's "Stand-Still" scenario for government spending. The Stand-Still analysis estimates the cost of maintaining today's level of public services and benefits in real terms over the medium term based on anticipated demographic and price pressures.

Stand-still costs slightly higher than forecast increases

Annual change in € billion (gross voted current spending)

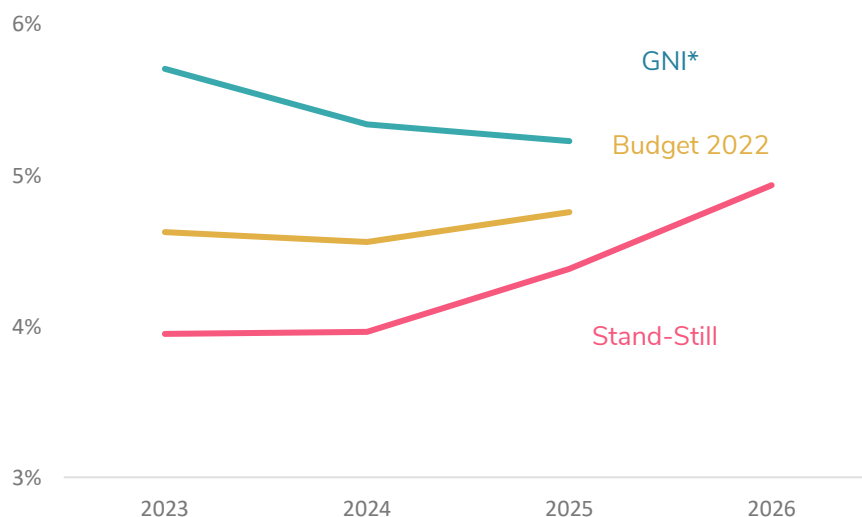
| | 2023 | 2024 | 2025 | 2026 |
|--------------------------------|------|------|------|------|
| Stand-Still scenario | 2.7 | 2.9 | 3.3 | 3.9 |
| - demographic pressures | 0.5 | 0.5 | 0.7 | 0.8 |
| - price pressures | 2.2 | 2.3 | 2.6 | 3.0 |
| Total Increases in Budget 2022 | 3.2 | 3.3 | 3.7 | |
| Gap to Stand-Still | 0.5 | 0.4 | 0.4 | |

Sources: CSO; Department of Finance; and Fiscal Council workings.

To stand still, the Council estimates that increases of the order of €3.2 billion per year would be required over the medium term (2023–2026). By comparison, Budget 2022 spending forecasts show spending increasing by around €3.4 billion per year to 2025.

Stand-Still estimates of spending increases are closer to output growth

% change year-on-year



Source: Department of Finance; and Fiscal Council workings.