



# Irish Fiscal Advisory Council

Irish Fiscal Advisory Council,  
Whitaker Square (ESRI Building),  
Sir John Rogerson's Quay,  
Dublin D02 K138,  
Ireland.

28 September 2023

Dear Secretary General Hogan,

The Council has a statutory obligation to endorse, as appropriate, the macroeconomic forecasts prepared by the Department of Finance on which Budget 2024 will be based.<sup>1</sup>

The Council's endorsement approach has three elements:

- 1) comparing the Department's macroeconomic forecasts with the Council's Benchmark projections and with forecasts from other bodies;
- 2) considering the methodologies used to produce the forecasts; and
- 3) reviewing the Department's past forecast errors for evidence of systematic bias.

The Council discussed the Department's forecasts at its endorsement meeting on 26th September 2023.

**The Irish Fiscal Advisory Council endorses as within the range of appropriate forecasts the set of macroeconomic projections prepared by the Department of Finance for *Budget 2024* covering the years 2023 to 2030.**

The Council is satisfied that the forecasts are within an endorsable range taking into account the methodologies used and the plausibility of the judgements made. While this endorsement comes at a time of risks to the economy from external developments, there are also ongoing risks related to capacity constraints domestically. These include the challenges posed by an exceptionally tight labour market.

The Council welcomes the Department's engagement and transparency during the endorsement, as well as its continued efforts to advance the methods underpinning its macroeconomic forecasts.

The Council will discuss the endorsement process and assess the macroeconomic projections in its forthcoming Fiscal Assessment Report, due in December 2023.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. McMahon'.

Professor Michael McMahon  
Acting Chairperson  
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".