

Fiscal Assessment Report

November 2025

Budgeting like there's no tomorrow



**Irish Fiscal
Advisory Council**

ABOUT US

The Fiscal Council is responsible for providing an honest and independent assessment of how the Government is managing the public finances and the economy.

This includes tracking how it is complying with rules designed to keep the public finances safe. It also includes approving the Government's economic forecasts to ensure they are realistic.



Key messages

The public finances are becoming more reliant on corporation tax

Budgetary policy is adding money into the economy when it is not needed

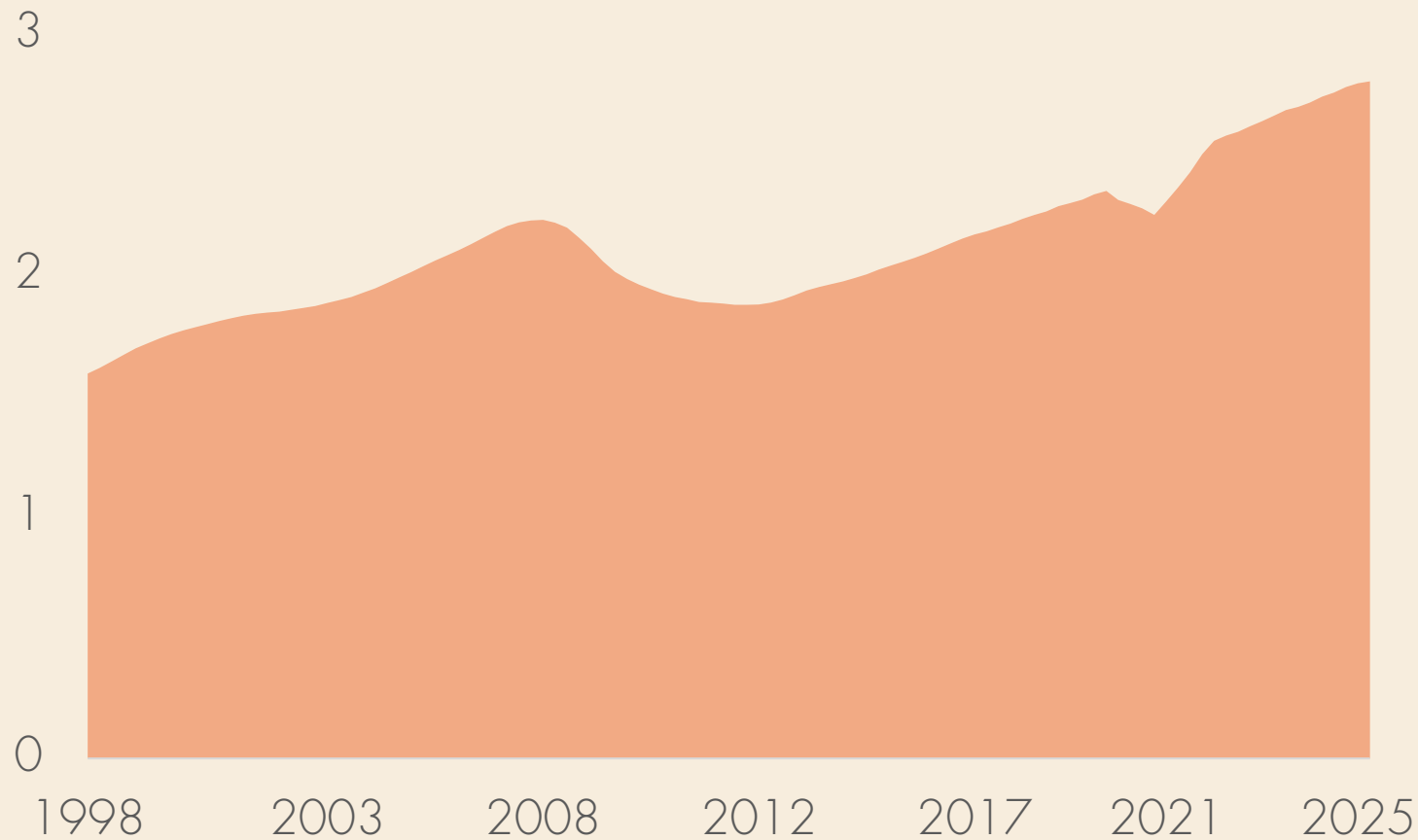
Ireland will face large budgetary challenges

**The Government is budgeting like there's no tomorrow.
No forecasts beyond 2026.**

The economy is still performing well

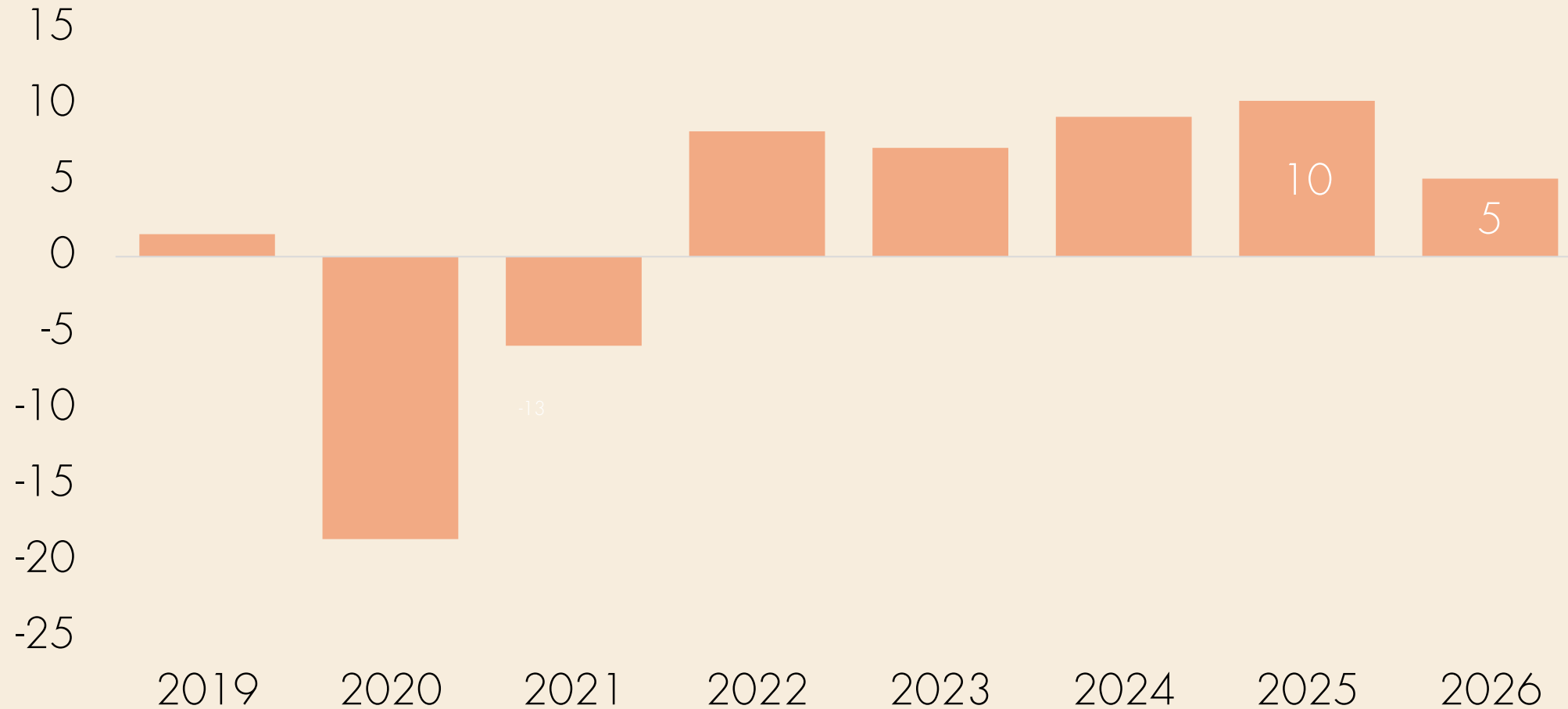
Employment at record highs and still growing

Millions of people in employment, four-quarter moving average



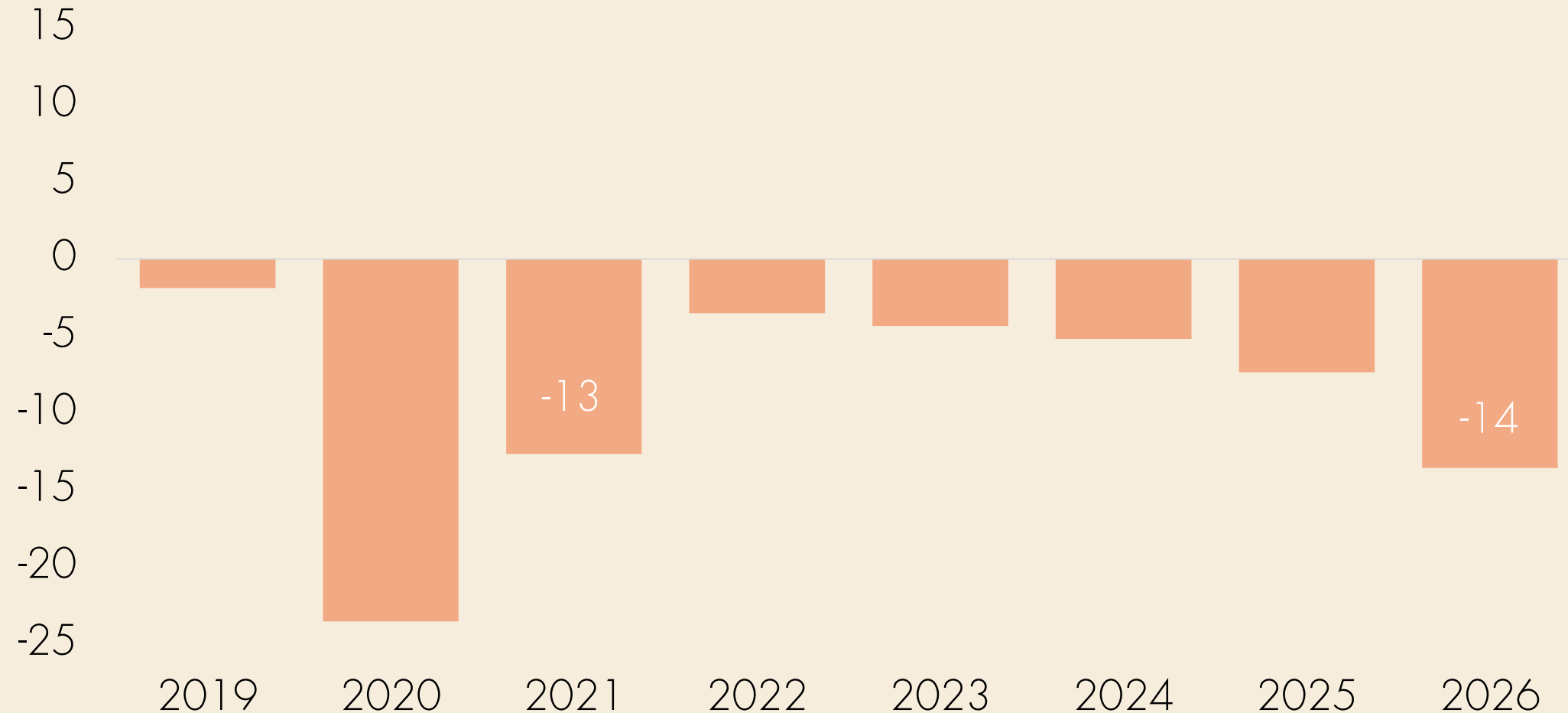
Surpluses are driven by corporation tax

€ billions, general government balance



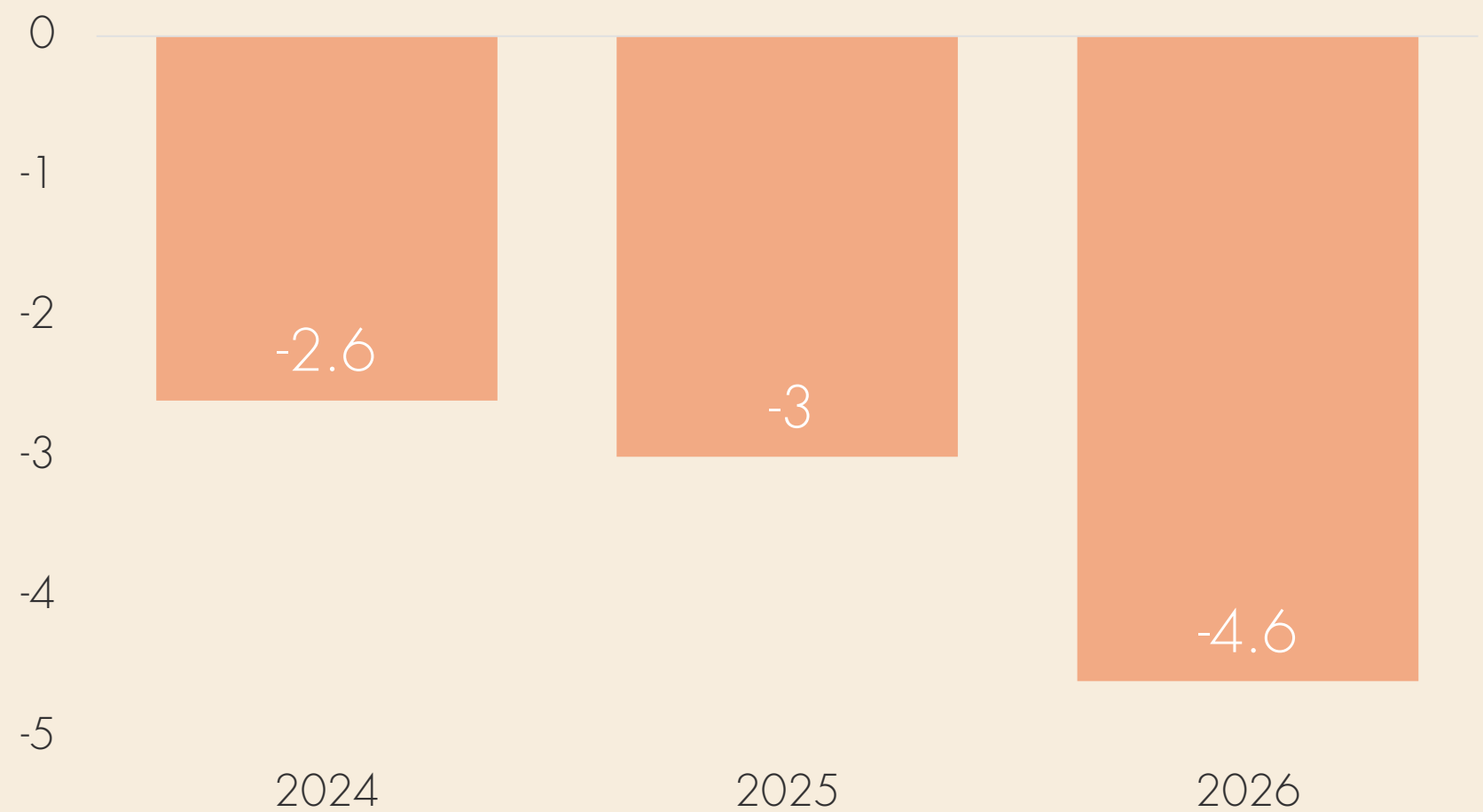
Surpluses are driven by corporation tax

€ billions, general government balance, excluding excess corporation tax



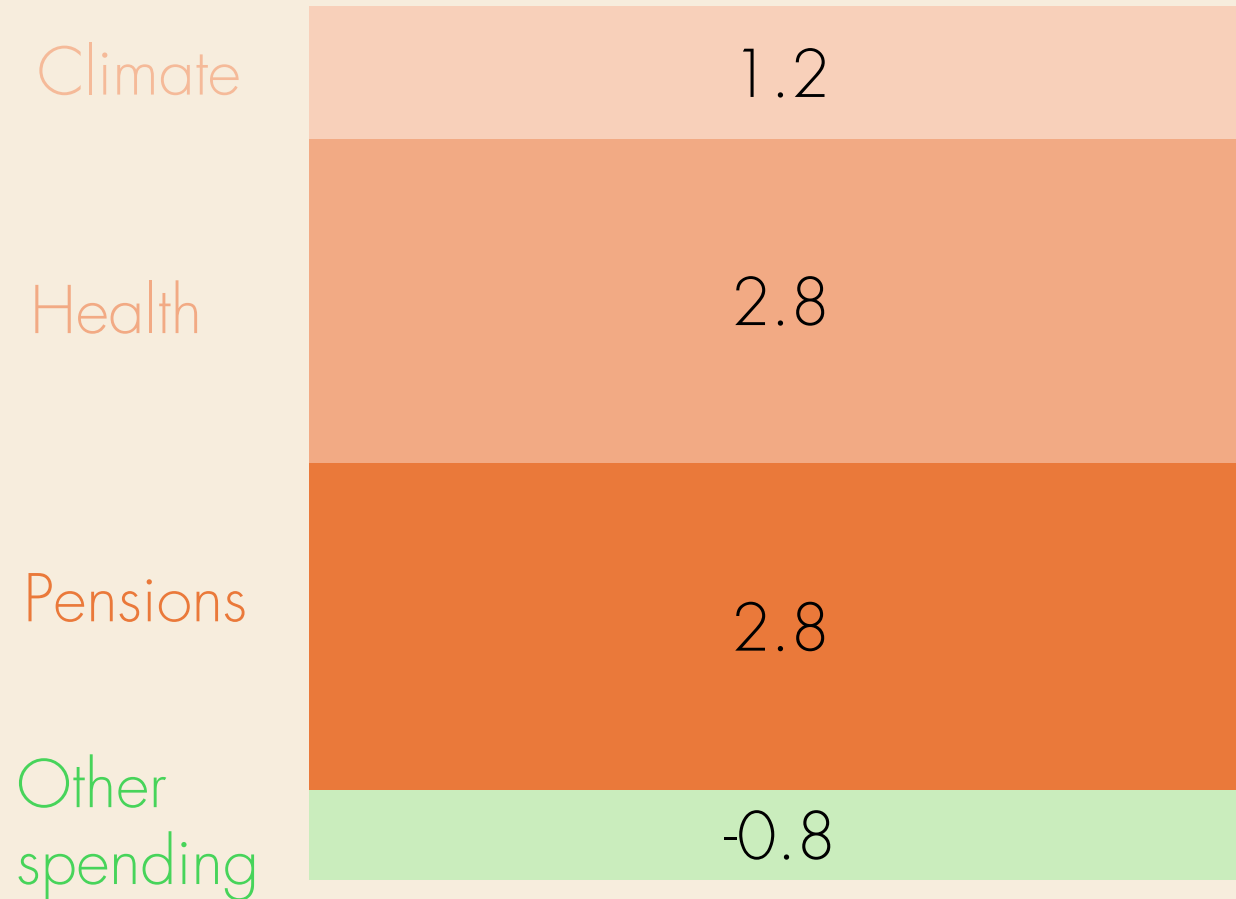
Large and growing structural deficits are evident

Structural balance, percentage of GNI*



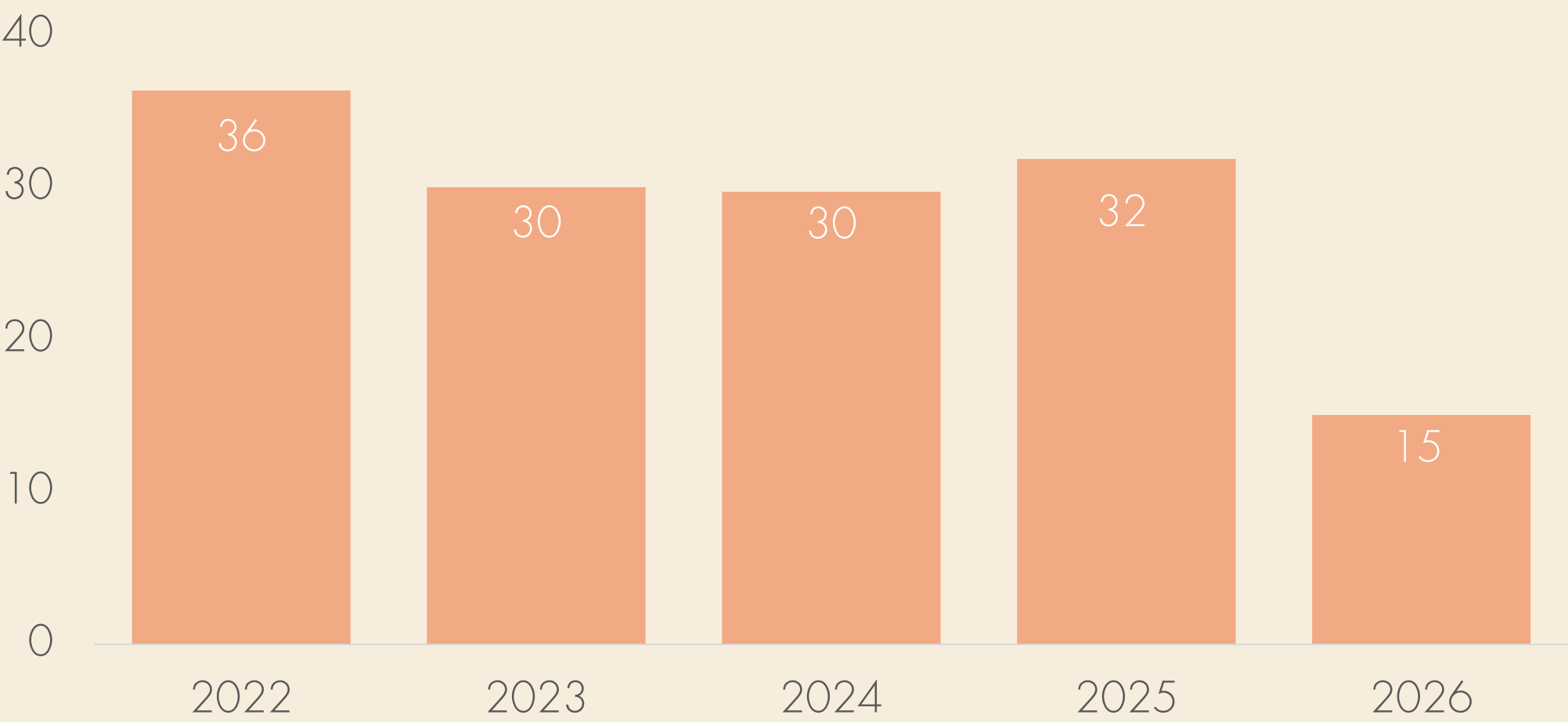
Ageing and climate will have a big impact on the public finances

Impact on the general government balance by 2050, percent of national income (GNI*)



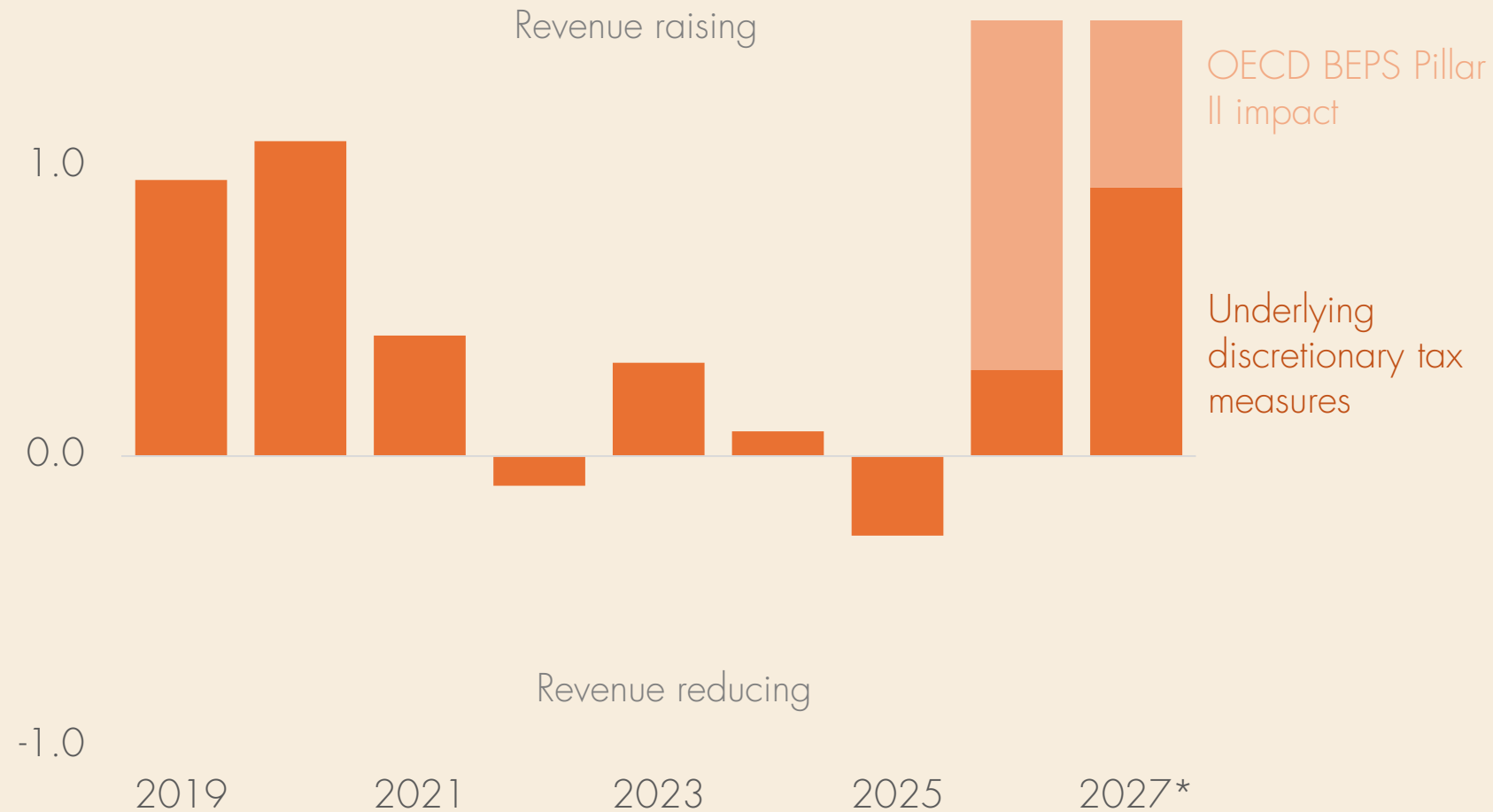
Plans to save less of corporation tax

General government surplus as a share of corporation tax (%)



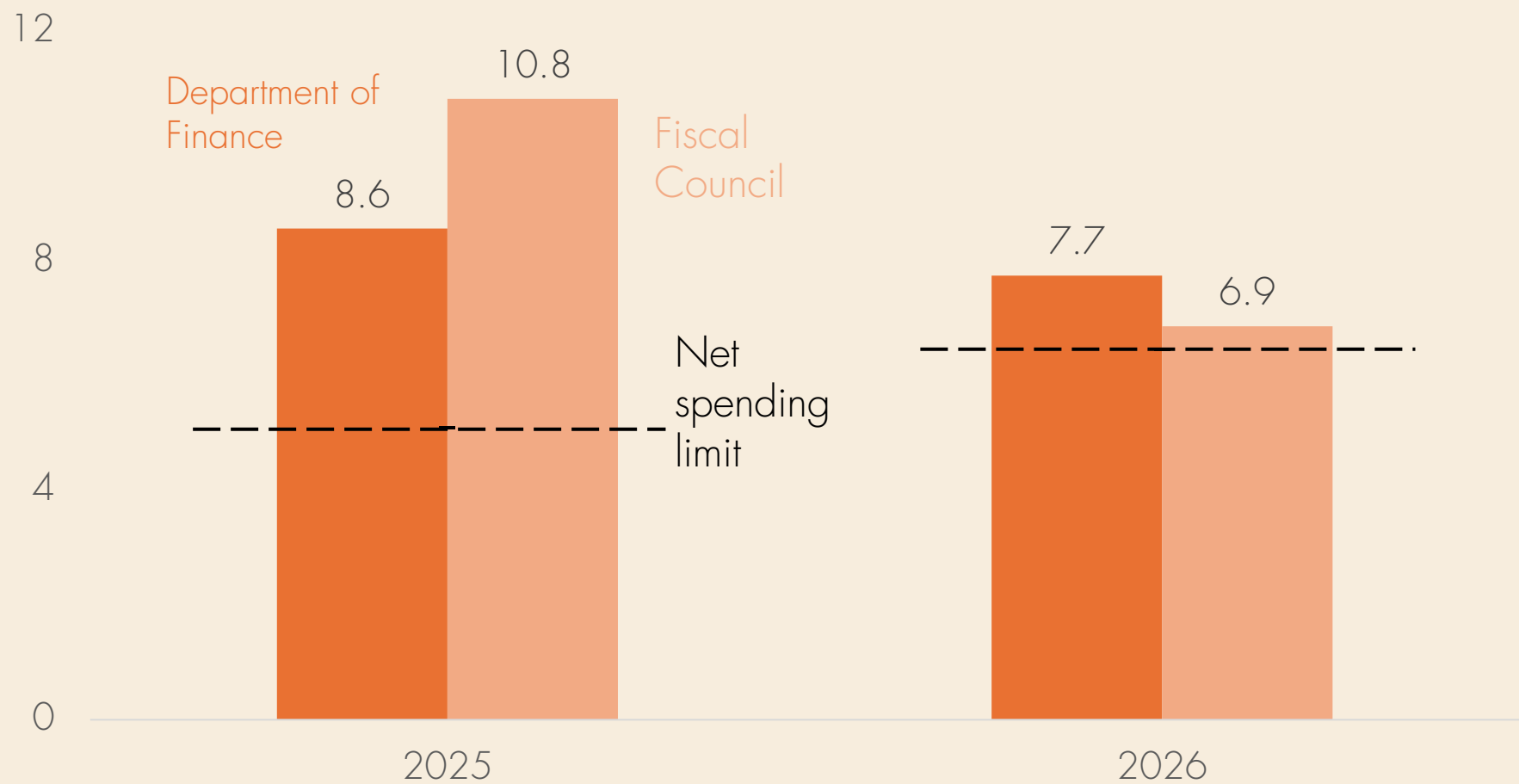
Tax measures have tended to be revenue raising

€ billion



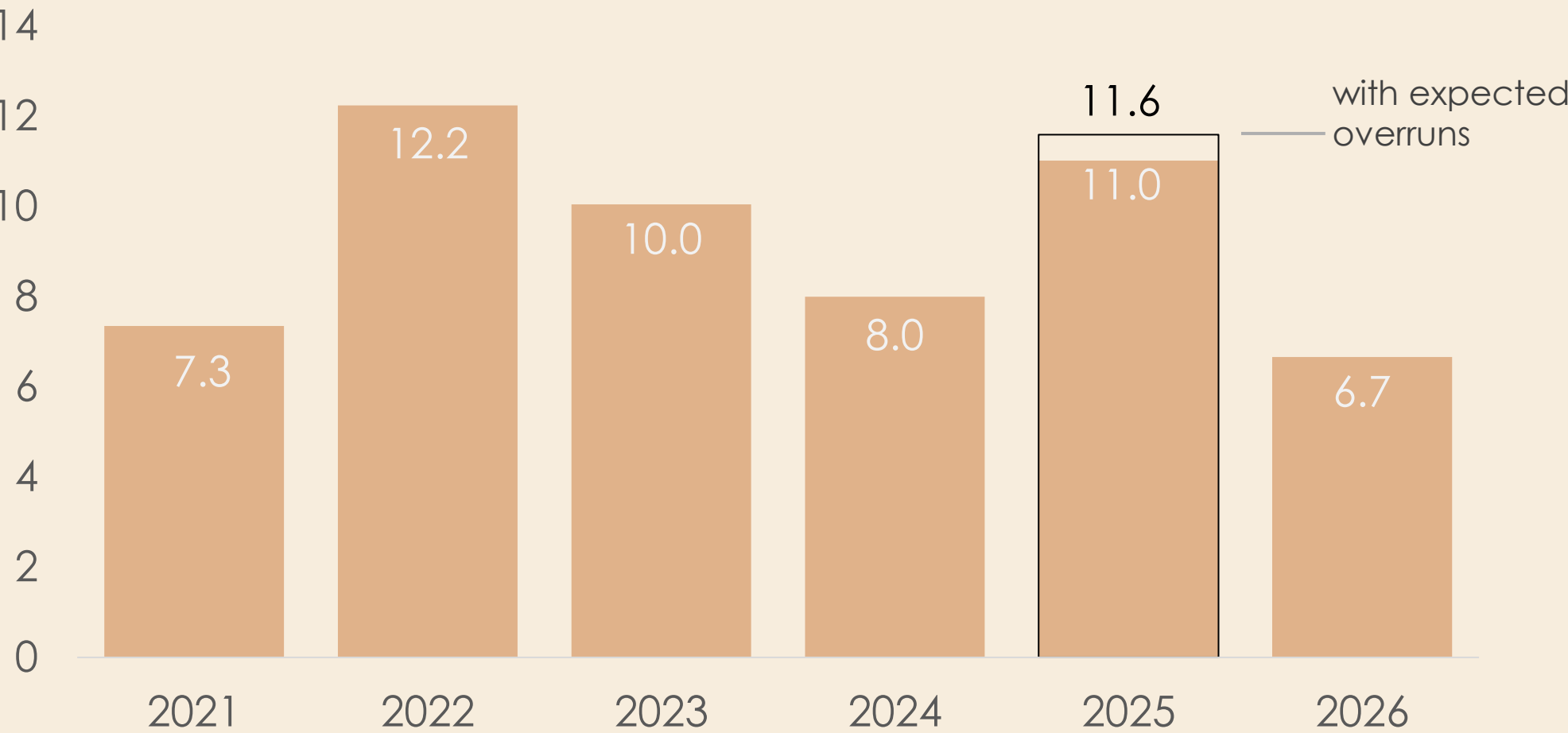
Ireland plans to break net spending limits

% estimated net spending growth



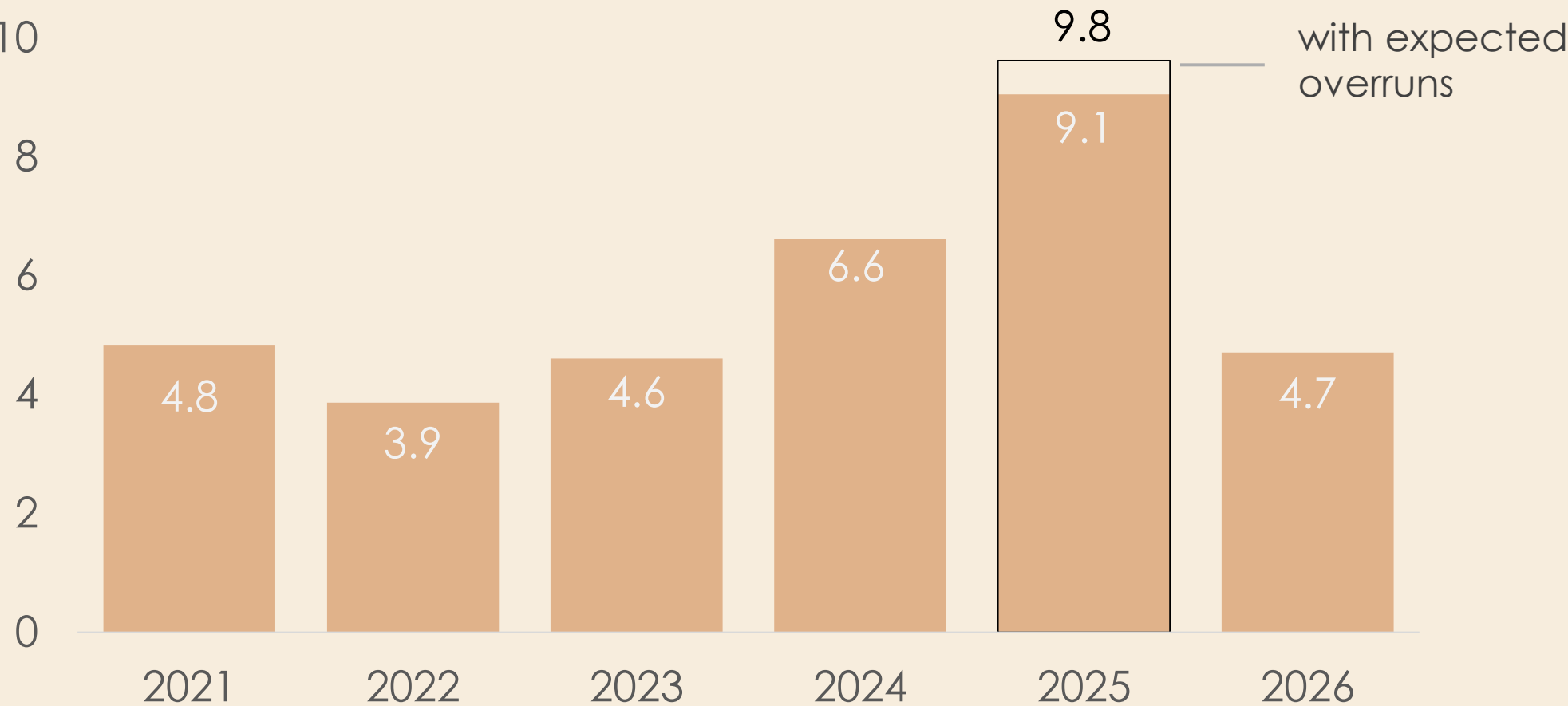
Spending is still growing at a fast pace

% growth in nominal net policy spending

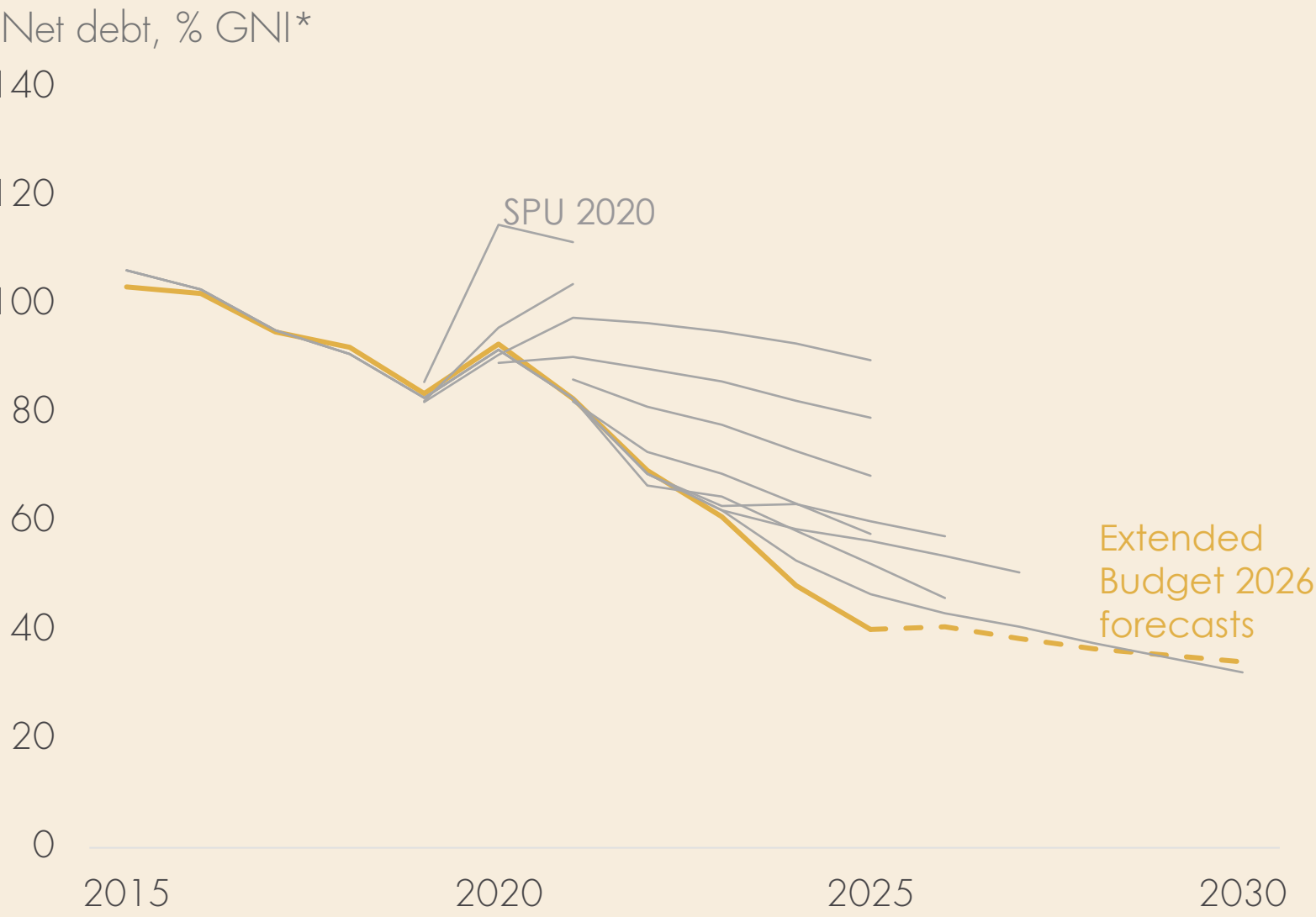


Spending is still growing at a fast pace

% growth in net policy spending, adjusted for inflation



Net debt ratio looks set to stabilise below 40%



The Government is budgeting like there's no tomorrow.

No forecasts beyond 2026

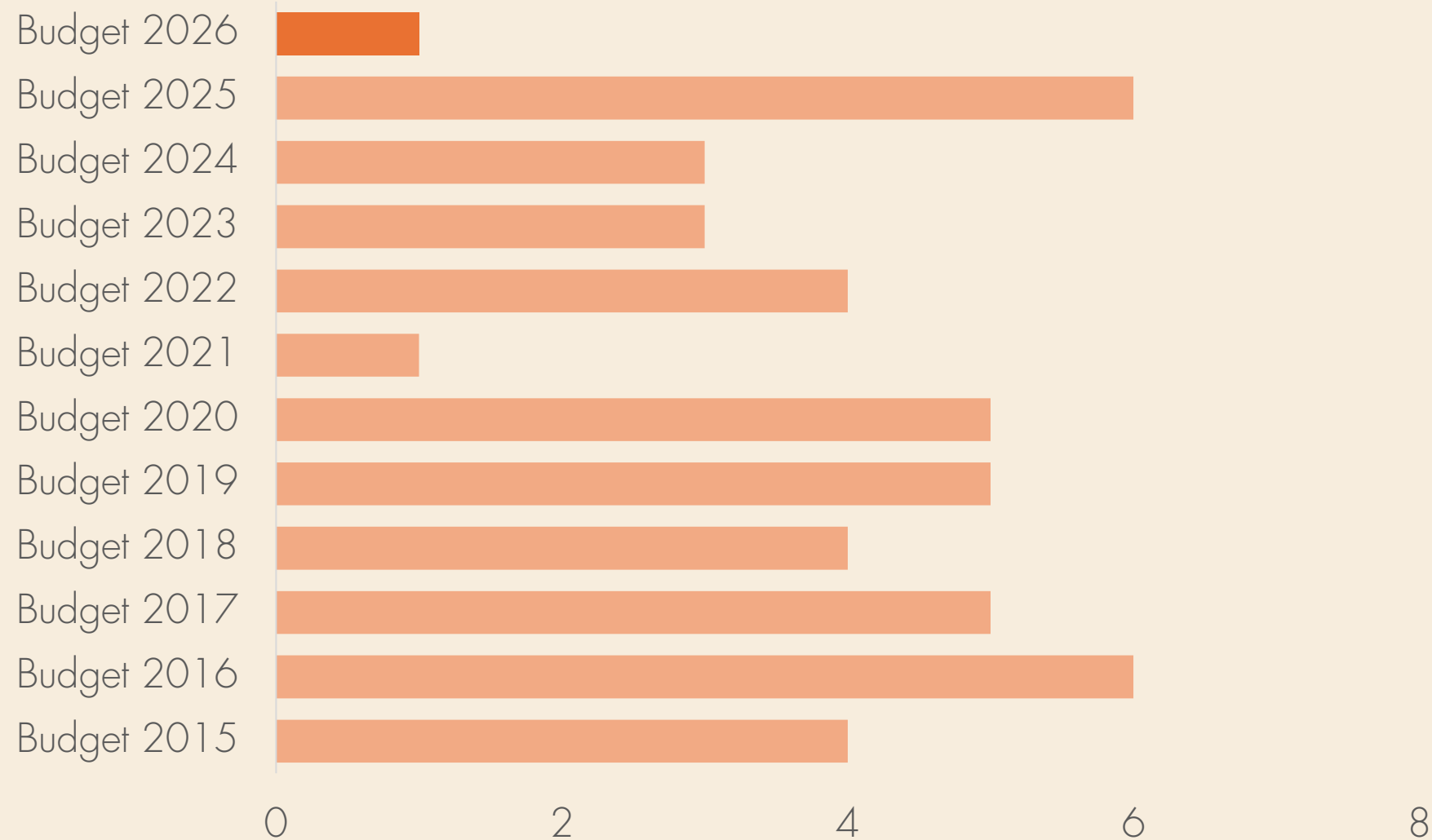
No domestic fiscal rule

No revised Medium-term Fiscal Plan

Year-to-year budgeting continues. Multi-annual budgeting would give government agencies more certainty over their future funding.

No excuse for the short forecast horizon

Number of years ahead forecast



Our advice

1. The Government needs to ensure budgetary policy reduces the ups and downs of the economic cycle.
2. The Government should be running bigger surpluses today and setting more aside into savings funds.
3. The Government needs to move away from year-to-year budgeting.
4. The Government should set a rule or guide for budgetary policy.
5. The Government should improve how it produces forecasts