Irish Fiscal Advisory Council

Whitaker Square, Sir John Rogerson's Quay, Dublin D02 K138, Ireland

Dear Secretary General Hogan,

The Council has a statutory obligation to independently endorse the Department of Finance's macroeconomic forecasts.[1]

The Council's endorsement approach considers four elements:

1) how the Department's forecasts compare with the Council's Benchmark projections and other bodies' forecasts;
2) the Department's forecasting methods;
3) whether its past forecasts show systematic bias; and
4) how coherent its forecasts are.

The Council discussed the Department's forecasts at its endorsement meeting on 25th September 2026.

The Irish Fiscal Advisory Council endorses as within the range of appropriate forecasts the baseline set of macroeconomic projections prepared by the Department of Finance for Budget 2027 covering the years 2026 to 2030.

The Council is satisfied that the forecasts are within an endorsable range, considering its method and the plausibility of the judgements made. However, it is concerned that the forecast horizon has shrunk since Budget 2026. The Council believes forecasts for all components of demand should cover at least five years, and preferably extend to the mid-2030s.

This endorsement comes amid continued uncertainty about international developments and inflation. The economy seems to be doing better than some indicators suggest. But the data are sending mixed signals, which makes current developments hard to interpret. A key judgement is how long energy prices stay high.

The Council welcomes the Department's engagement and transparency during this endorsement, and its continued efforts to improve its forecasting methods.

The Council will discuss the endorsement process in a separate note.

Sincerely,

Seamus Coffey

Seamus Coffey
Chairperson
Irish Fiscal Advisory Council

---

[1] The Fiscal Responsibility Act 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". The latter are typically considered the Department's "spring forecasts", with the Stability Programme Update now replaced by the Annual Progress Report.