

# eDeposit Ireland

## Medium-Term Fiscal Strategy, 9th January 2020

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Rialtas na hÉireann  
Government of Ireland

# Medium-Term Fiscal Strategy

9th January 2020

# Economic Overview 2019-2025



%change	2019	2020	2021	2022	2023	2024	2025
Gross Domestic Product	6.3	3.9	3.0	2.8	2.7	2.7	2.5
GDP: nominal	7.0	5.3	4.5	4.4	4.2	4.2	4.0
Employment	2.5	1.8	1.7	1.6	1.6	1.6	1.5
Employment (000)	57	42	40	38	39	40	38
Unemployment rate	5.0	4.8	4.8	4.8	4.8	4.7	4.7
Inflation rate	0.9	1.1	1.4	1.8	2.0	2.1	2.1

Note: all figures subject to rounding

# Budgetary Overview 2019-2025



€million	2019	2020 <sup>^</sup>	2021	2022	2023	2024	2025
BEPS impact to corporation tax				-500	-1000	-1500	-2000
Tax revenue (post-BEPS)	59,300	63,500	66,500	69,200	71,600	74,300	76,800
Voted expenditure	67,400	70,400 <sup>^^</sup>	73,400	75,700	78,400	81,200	84,000
GGB (%GDP) <sup>^^^</sup>	0.4	0.7	1.0	1.1	1.1	1.2	1.3
Structural balance	0.2	0.3	0.4	0.4	0.1	0.2	0.1
Inclusive of:							
Tax package		+400	-600	-600	-600	-600	-600
Spending increase		3,300	3,000	2,300	2,700	2,800	2,800
<b>TOTAL budget package</b>		<b>2,900</b>	<b>3,600</b>	<b>2,900</b>	<b>3,300</b>	<b>3,400</b>	<b>3,400</b>

Note: all figures subject to rounding to nearest €100 million

Note: 2019 GGB and structural balances are estimates, official figures to be published by from CSO in April.

Note: it is assumed that a €500m contribution is made to the Rainy Day Fund from 2021 onwards but it should be noted that this does not affect the general government balance.

<sup>^</sup> note that the budgetary package for 2020 has been set (the +€400 million refers to net tax raising measures)

<sup>^^</sup>2020 includes €0.2 billion timing related cash flow cost.

<sup>^^^</sup> GGB incorporates a wider range of revenue and expenditure than shown here.

# Budget Package 2021-2025



€billion	2021	2022	2023	2024	2025
<b>Total budget package</b>	<b>3.6</b>	<b>2.9</b>	<b>3.3</b>	<b>3.4</b>	<b>3.4</b>
: Tax reduction (a)	0.6	0.6	0.6	0.6	0.6
: Expenditure	3.0	2.3	2.7	2.8	2.8
- Current	2.0	2.1	2.4	2.2	2.3
: Pre-Committed	1.0	0.5	0.5	0.5	0.5
- Demographics	0.5	0.5	0.5	0.5	0.5
- PSSA	0.3	-	-	-	-
- Carryover	0.2	-	-	-	-
: Unallocated (b)	1.0	1.6	1.9	1.7	1.8
- Pre-Committed Capital	1.0	0.2	0.3	0.6	0.5
<b>Total Unallocated (a+b)</b>	<b>1.6</b>	<b>2.2</b>	<b>2.5</b>	<b>2.3</b>	<b>2.4</b>

Note: all figures subject to rounding