



Deloitte Boardroom Programme  
Board Agenda Series 2 –Irish Economic Update and Geo-political  
Landscape

Thursday, 20 June 2024



# Today's presenters:



Declan Jackson  
[dejackson@deloitte.ie](mailto:dejackson@deloitte.ie)

Declan is a highly experienced leader and influencer in public affairs and communications across a range of high profile and diverse sectors. His career spans from political research and management into FMCG and financial services corporate affairs. Declan has a proven track record of achievement in defining strategic audience engagement goals and implementing operational crises communications techniques, in both domestic and international markets.



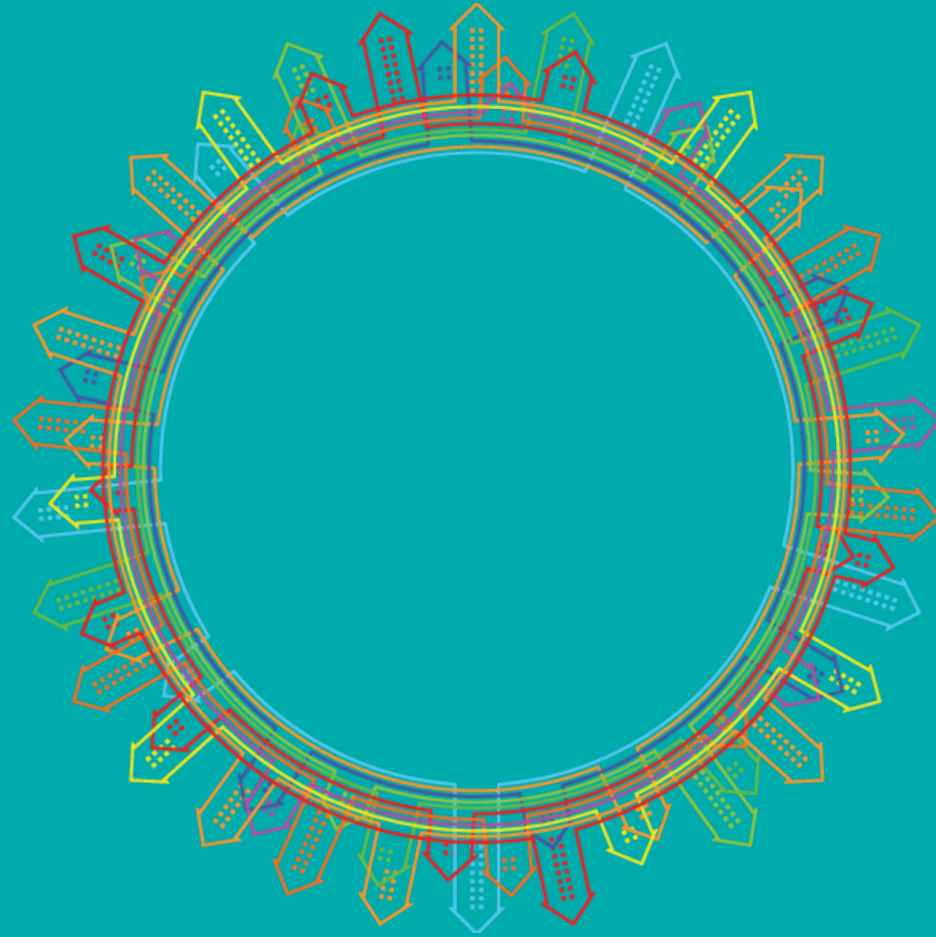
Kate English  
Head of Real Estate  
Research  
[kenglish@deloitte.ie](mailto:kenglish@deloitte.ie)

Kate analyses the real estate market through an economic lens, conducting data driven research across both the occupier and transactional commercial & residential property markets in Ireland. Having previously worked as the Chief Economist, Head of Ireland Research & Insights at Cushman & Wakefield and a Senior Economist/Researcher at Sherry FitzGerald, Kate's experience in real estate spans 7 years. She is an expert in current and historical market trends in the residential, office, logistics, and capital markets. While she also conducts research on hotels, student accommodation, retail and development land. She regularly presents market updates internally and externally, as well as frequent media engagements.



Frans van Daele  
Diplomatic Advisor  
[jasmyth@deloitte.ie](mailto:jasmyth@deloitte.ie)

Frans serves as diplomatic advisor to Deloitte and is ambassador (Rtd) of HM the King of the Belgians. He has had an extensive diplomatic and political career, including a term as Belgian Ambassador to the US, Chief of Staff to the President of the European Council, G8 Summit sherpa, Chief of Staff to his Majesty the King of the Belgians, and most recently was appointed by the EU Commission as Special Envoy for the promotion of freedom of religion or belief outside the EU.

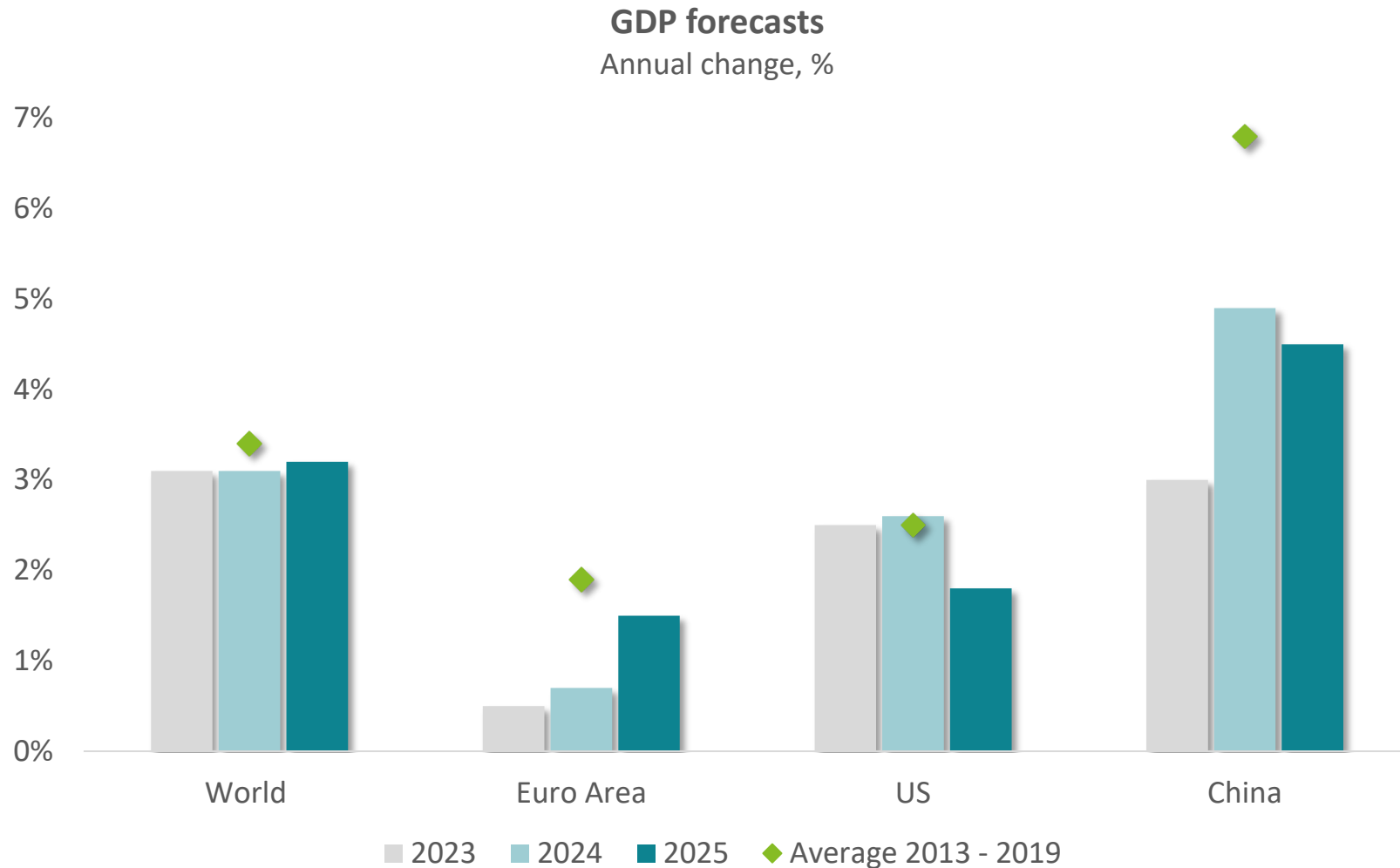


# Ireland's Macroeconomic Outlook

Kate English | Head of Real Estate Research | Economist

# Global growth to remain steady this year and next

There are signs that the global outlook has begun to brighten



“

Activity remains more resilient than expected, although with considerable divergence across economies, inflation is falling steadily, and unemployment remains low.”

OECD Economic Outlook  
May 2024

## Risks to the global economic outlook

Overall risks are becoming better balanced, but substantial uncertainty remains



**Heightened geopolitical tensions  
are a key source of uncertainty**



**Inflation may prove more  
persistent than projected**



**Financial markets vulnerable  
to sudden repricing**



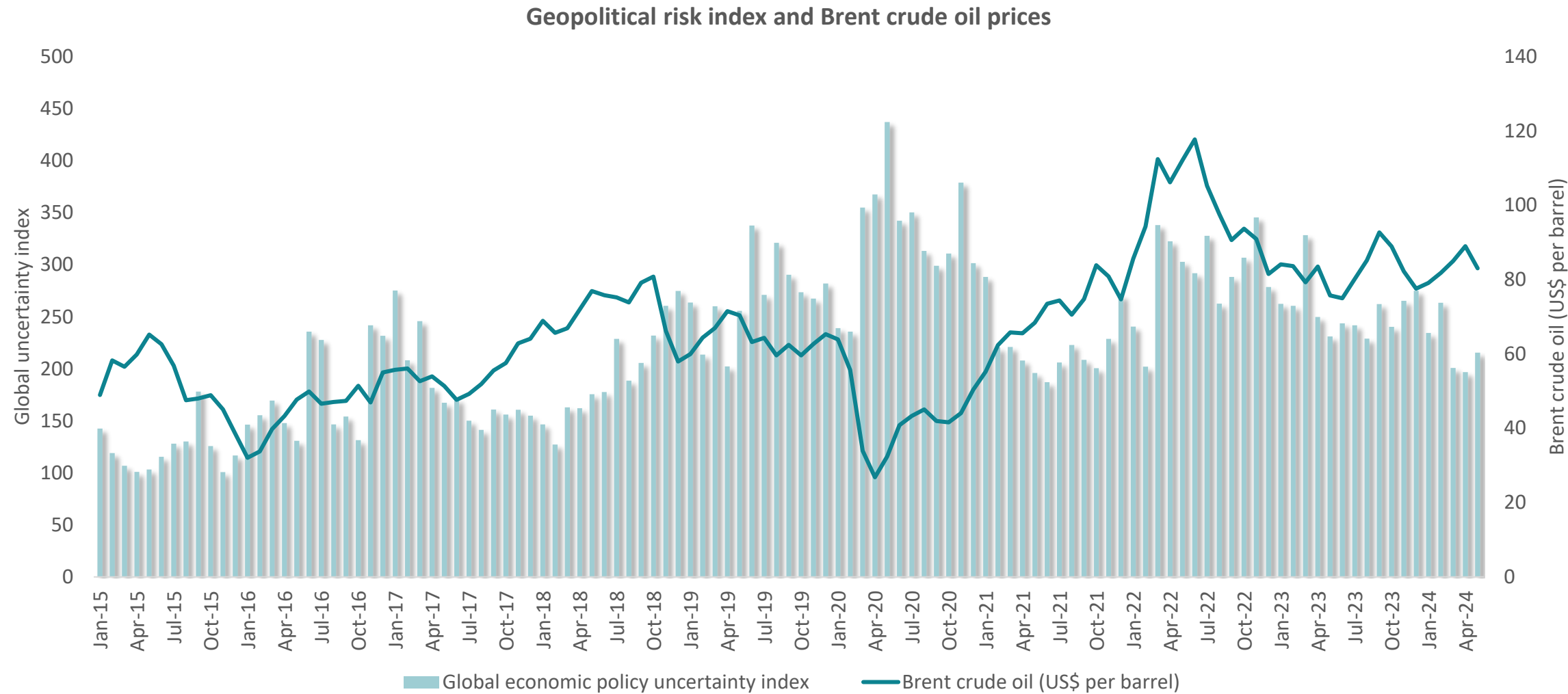
**Policy tightening lagged effects  
may expose vulnerabilities**



**Growth outcomes in China  
are uncertain**

# Heightened geopolitical tension has raised fears of increases in oil prices

Further geo-economic fragmentation will increase uncertainty



Source: Federal Reserve Bank of St Louis, Economic Policy Uncertainty

# 2024... the year of elections

8 of the world's 10 most populous countries are expected to hold national elections



**4bn +  
people**

Will have the opportunity to vote this year. **More than half the global population.**

**Q:** Which poses the greatest risk to your institution's financial performance over the next 12 to 18 months?

**Regional political instability** ranks:



In Europe



In Asia / Pacific



Globally

Source: Deloitte Centre for Financial Services 2024 Real Estate Outlook Survey

## In the news...

**Welcome to 2024, a world full of crazy elections**

**2024 is the biggest global election year in history**

**A Make-or-Break Year for Democracy Worldwide**

**Ballot power: 2024 elections could steer global relations for years to come**

## Upcoming elections include...

June & July



France

July



United Kingdom

November



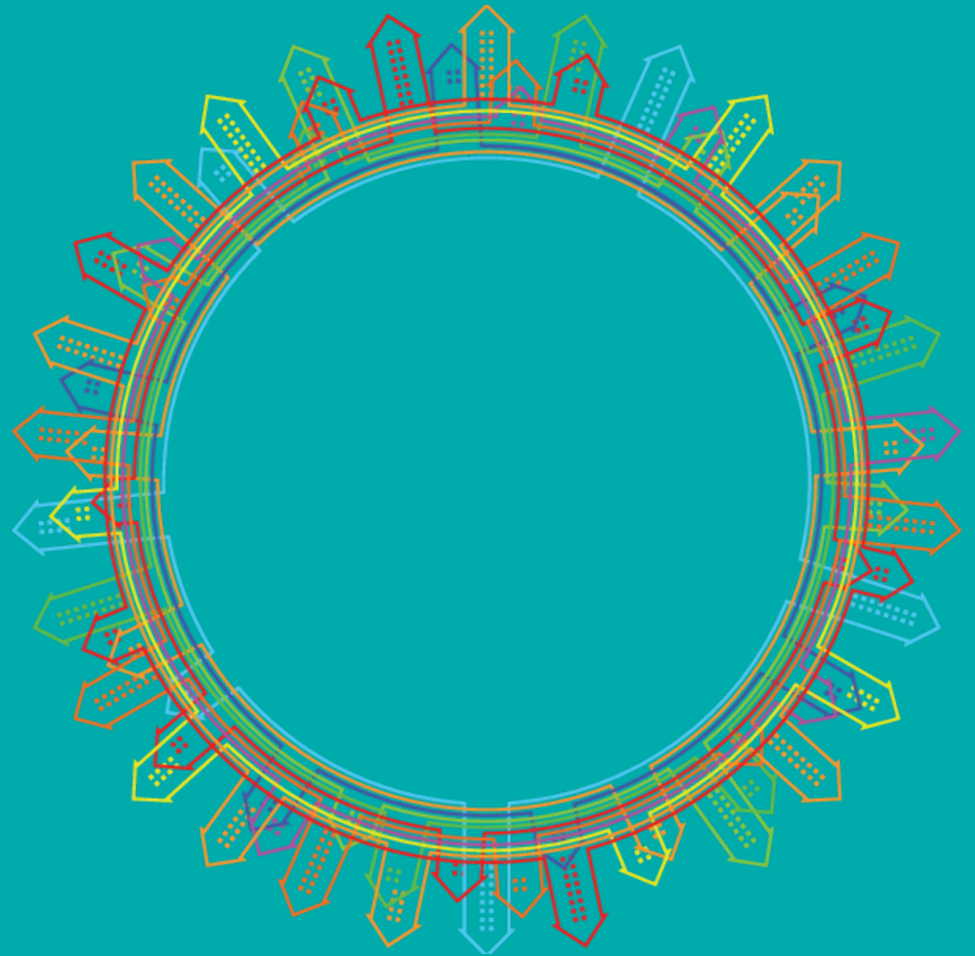
United States

?



Ireland

# Ireland's Macroeconomic Outlook





# Economic activity slowed noticeably in 2023, however growth is on the horizon

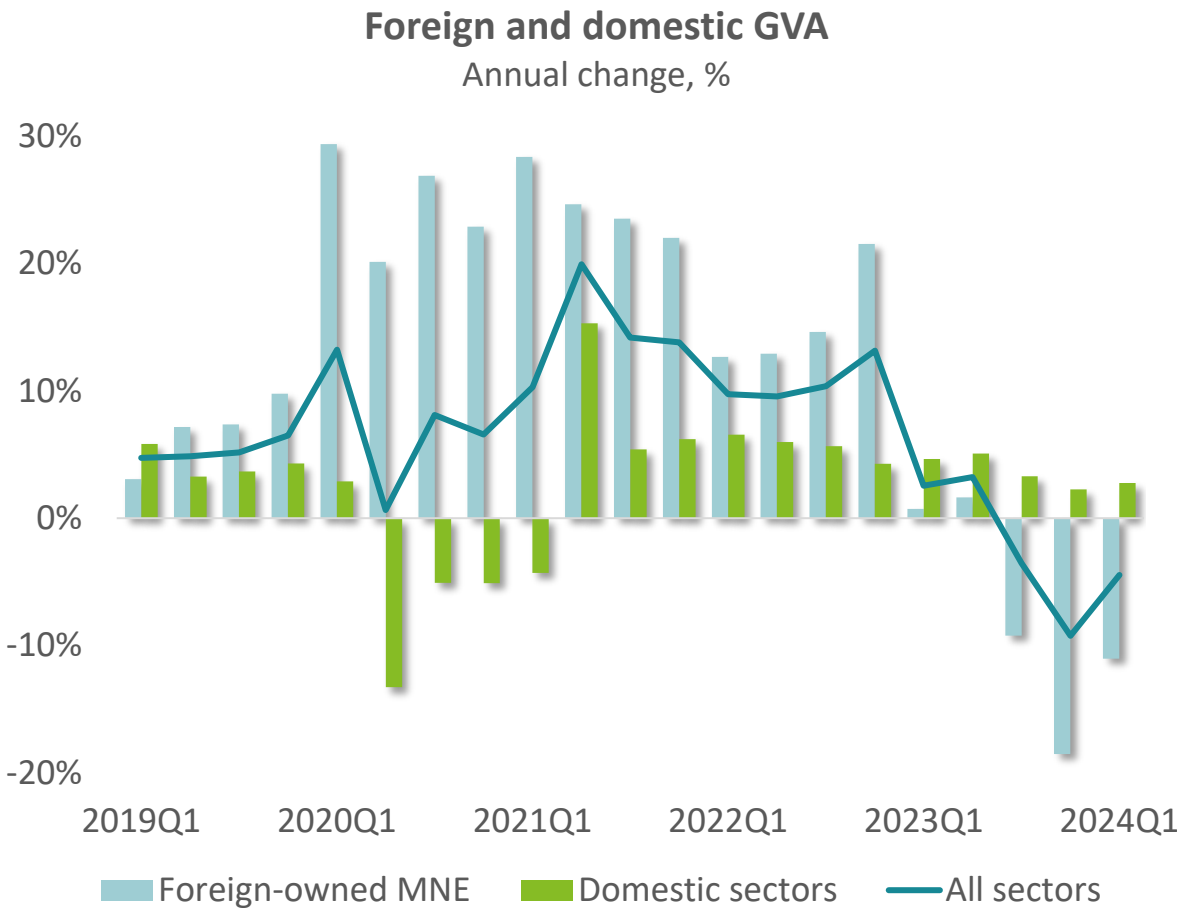
Contraction in the MNE-dominated part of the economy, driven by slowdown in pharma and ICT manufacturing sectors

| GDP projections         |       |      |      |      |        |
|-------------------------|-------|------|------|------|--------|
| YoY % change            |       |      |      |      |        |
|                         | 2023  | 2024 | 2025 | 2026 | Date   |
| Central Bank of Ireland | -3.2% | 1.8% | 4.4% | 4.0% | Jun-24 |
| Department of Finance   | -3.2% | 2.6% | 3.9% | 3.5% | Apr-24 |
| ESRI                    | -3.2% | 2.5% | 2.3% | -    | Mar-24 |



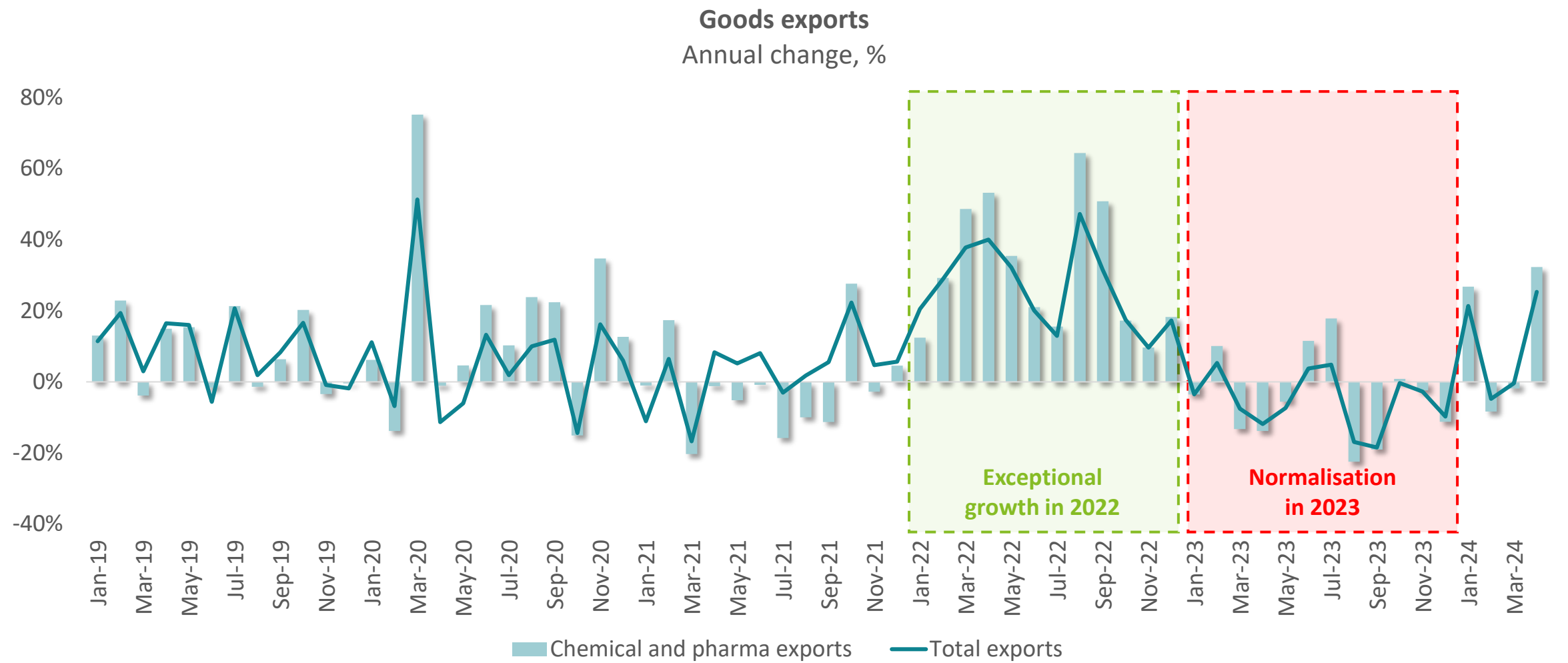
“The various macro indicators present somewhat mixed signals but, on balance, the evidence suggests that the Irish economy is in reasonable shape at this point, at least in aggregate terms.”

Stability Programme Update, Department of Finance  
April 2024



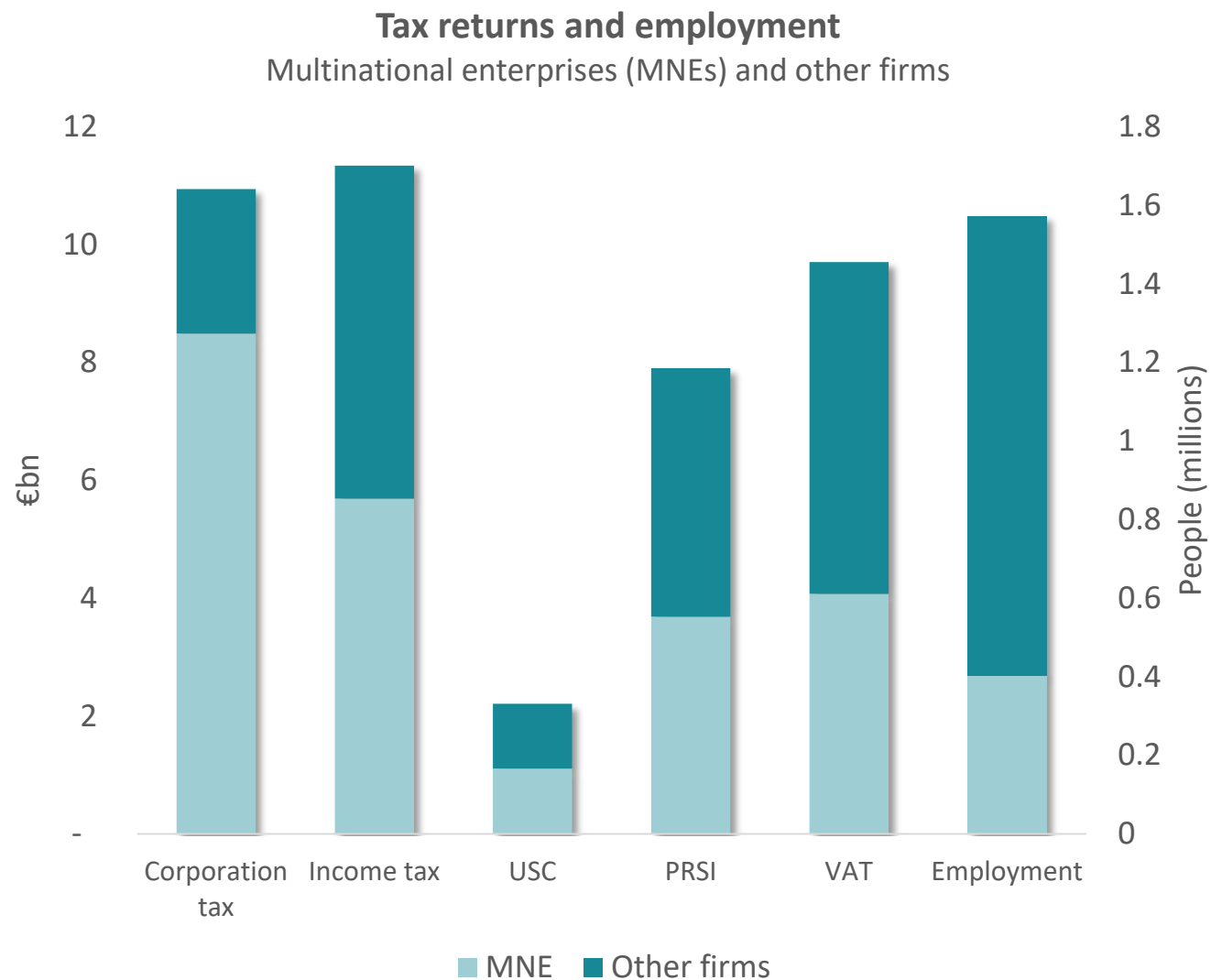
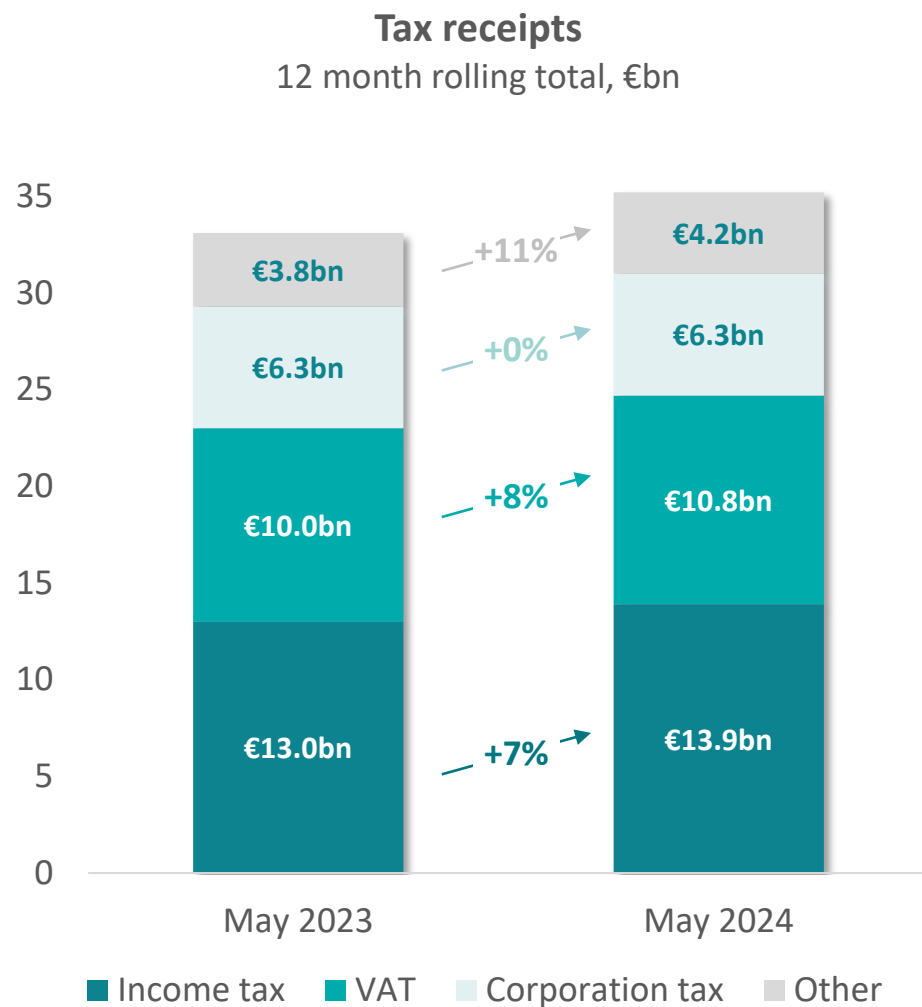
# Contraction in the MNE-dominated part of the economy last year

Following exceptional growth in the pharma sector during the pandemic period



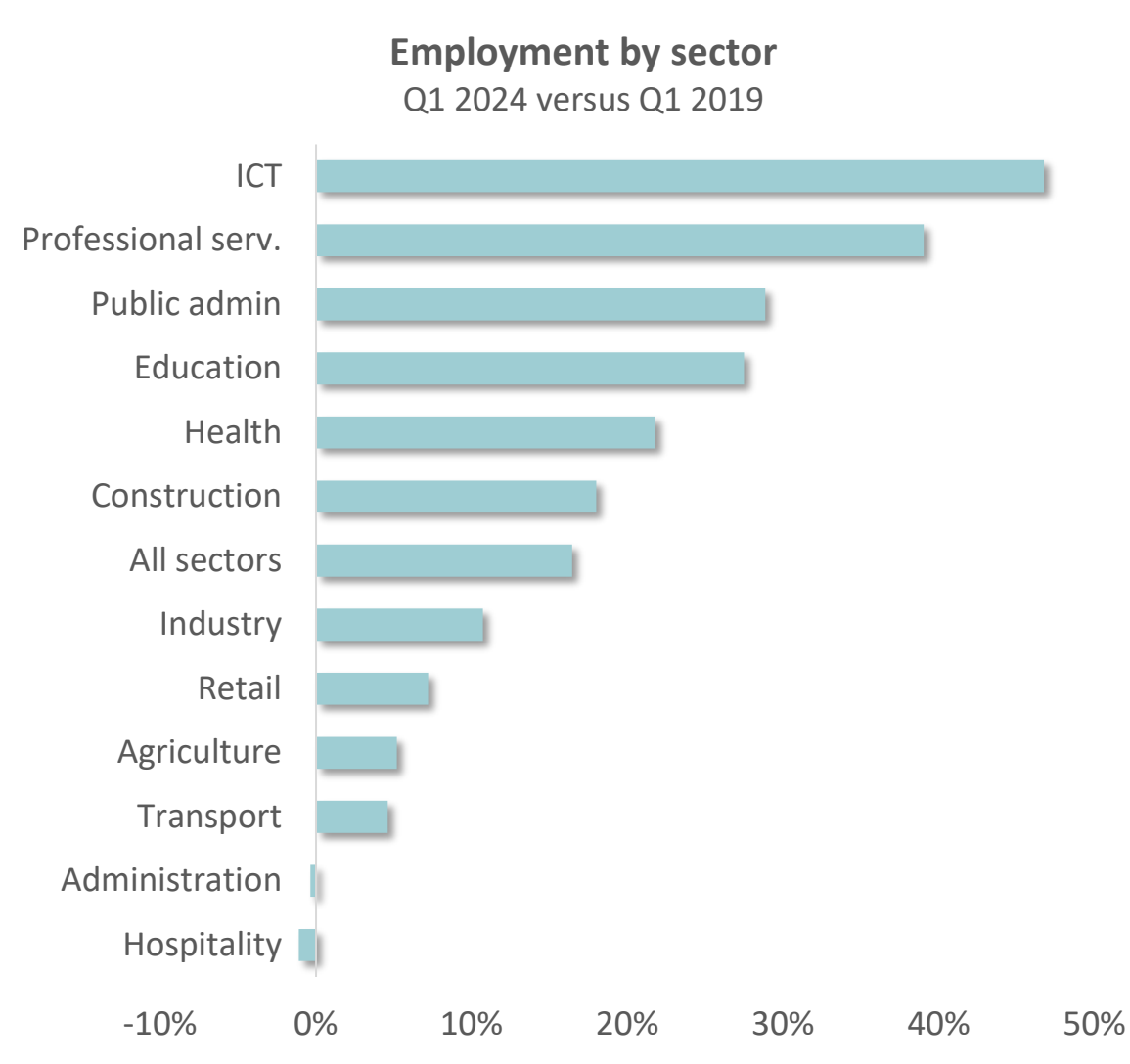
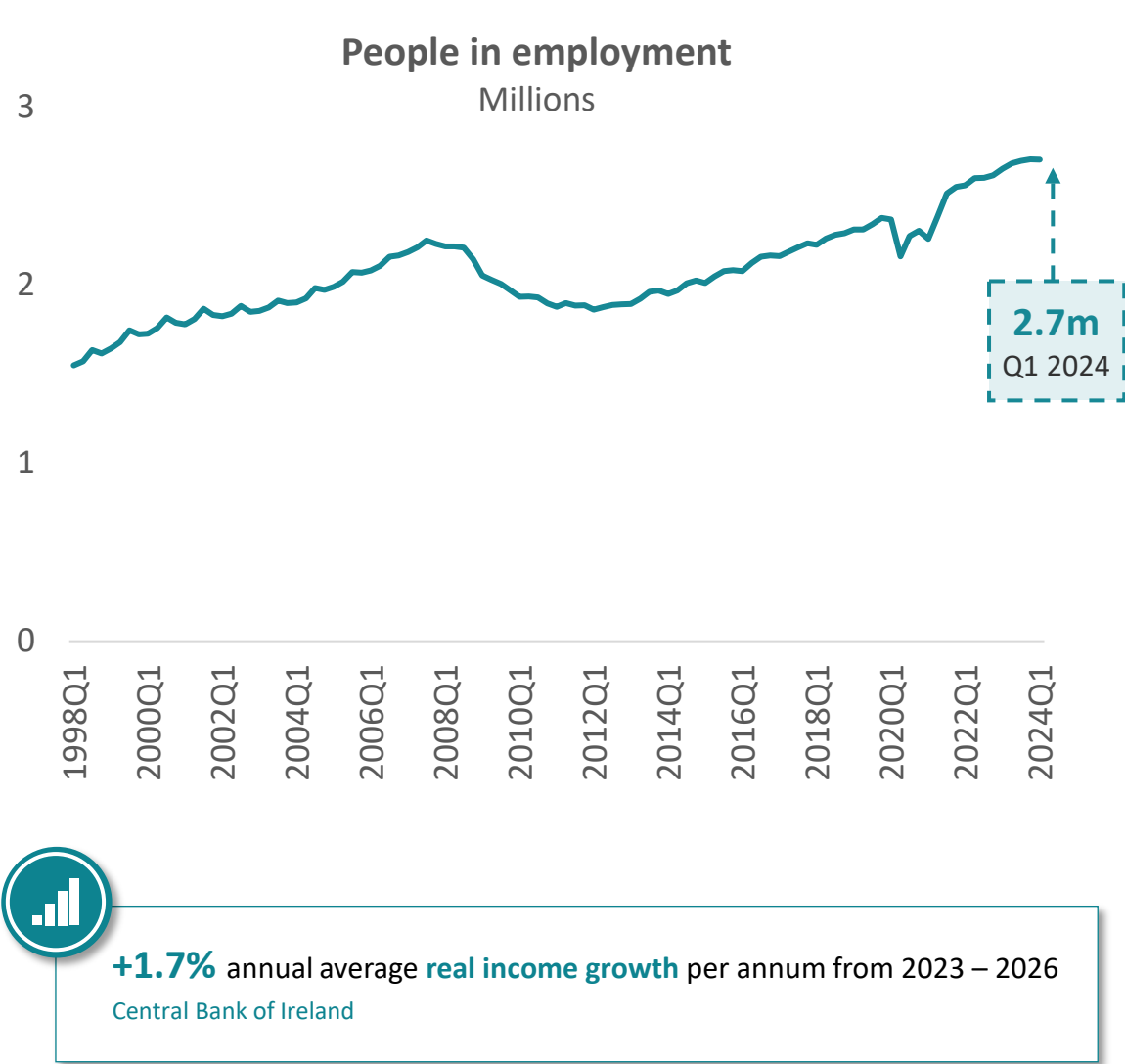
## Strong exchequer returns in the 12 months to May 2024

As multinational enterprises (MNEs) account for a disproportionately large share of taxes and employment



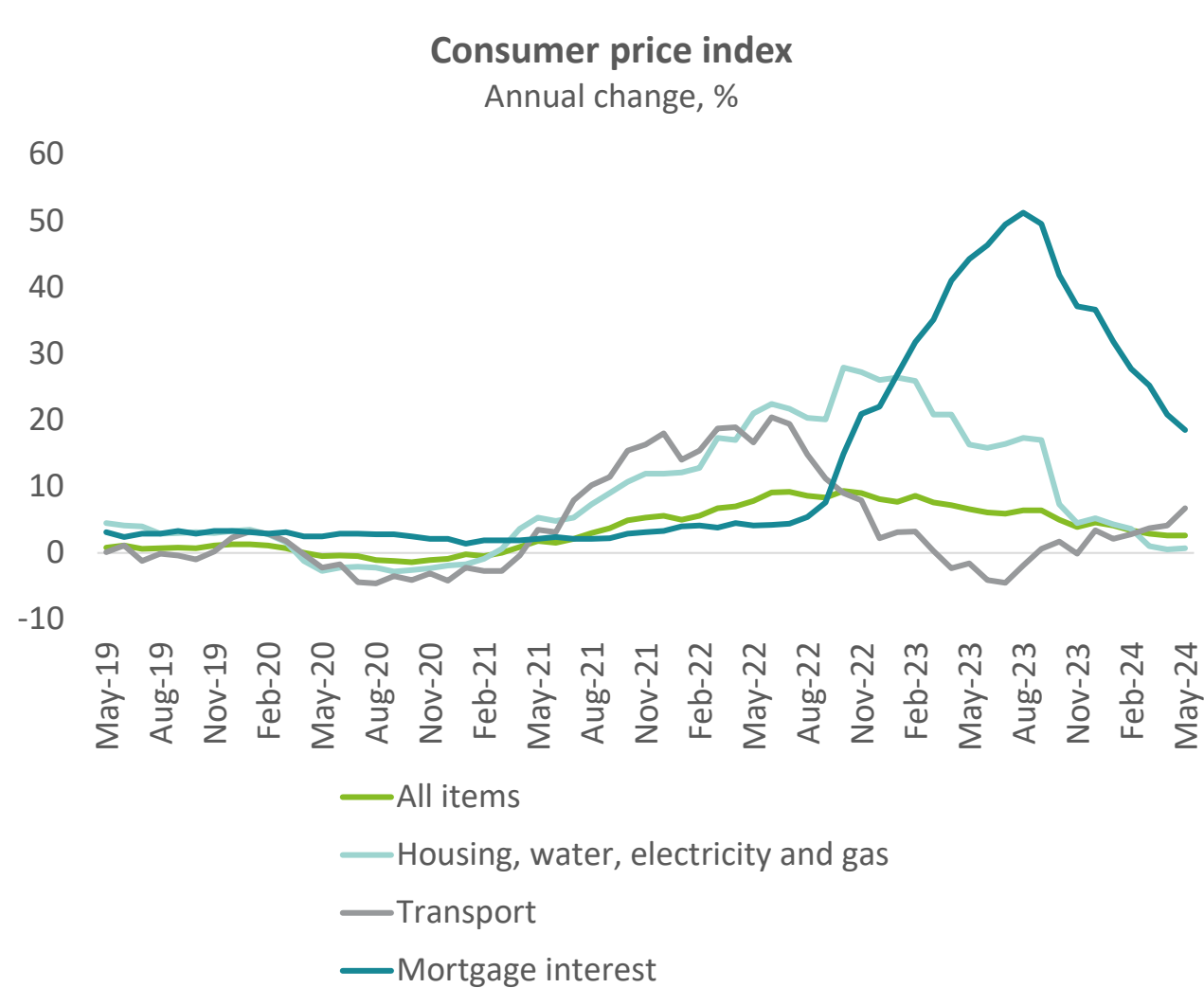
# Labour market conditions are forecast to remain tight out to 2026

However, the pace of employment growth slowed in 2023



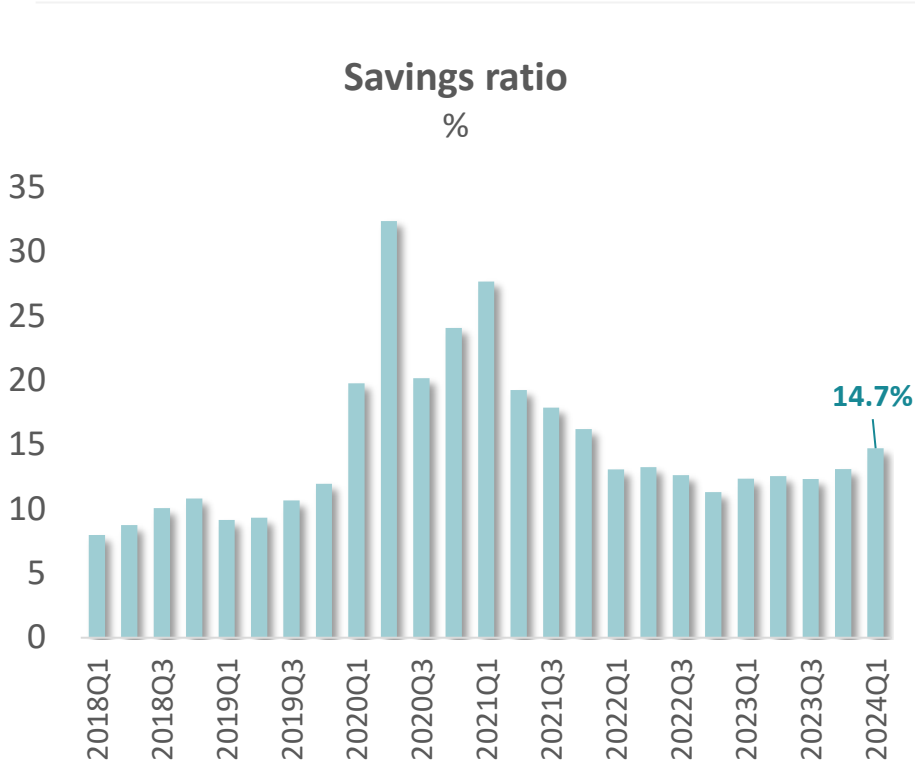
# Inflation continues to moderate

Savings ratio has declined from its Covid period high, but remains above pre-pandemic average



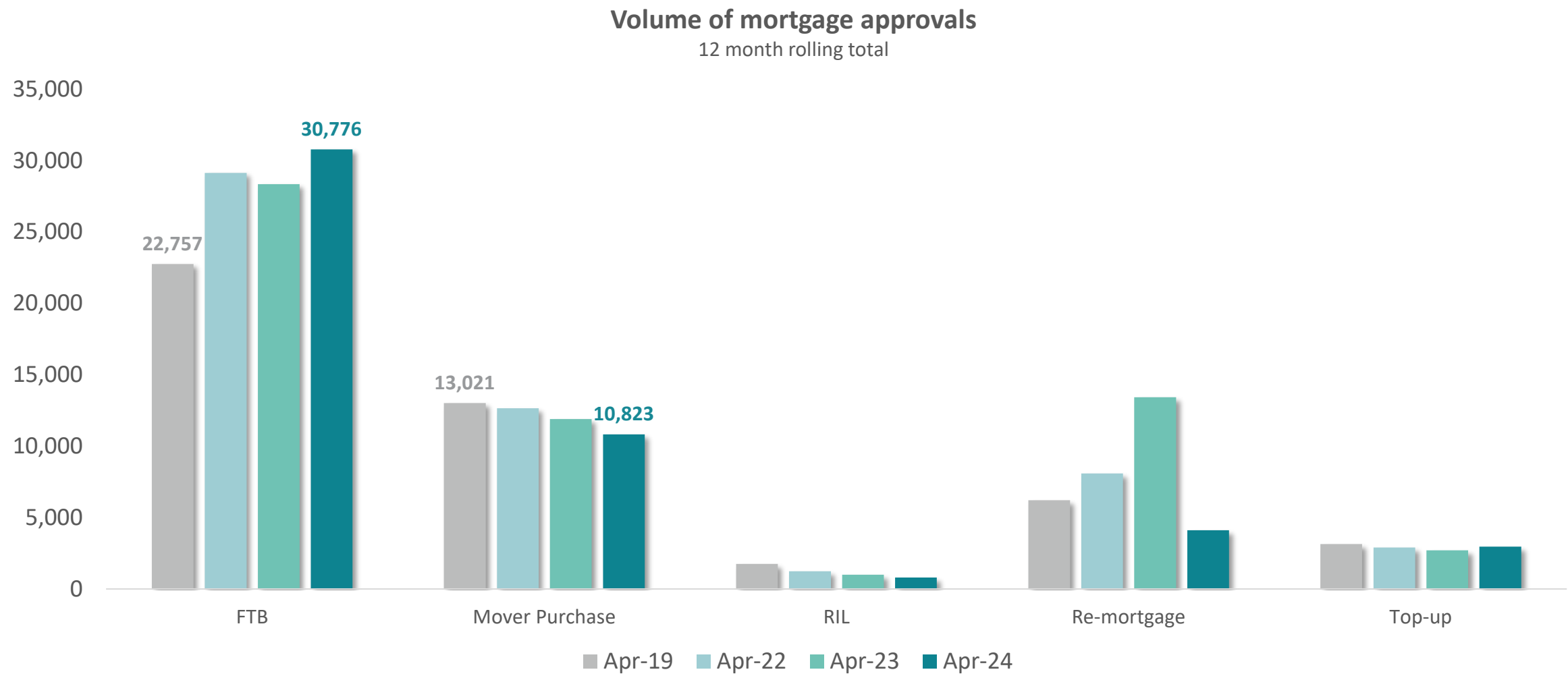
**+2.7%** consumer spending YoY change, 2024 forecast

Central Bank of Ireland



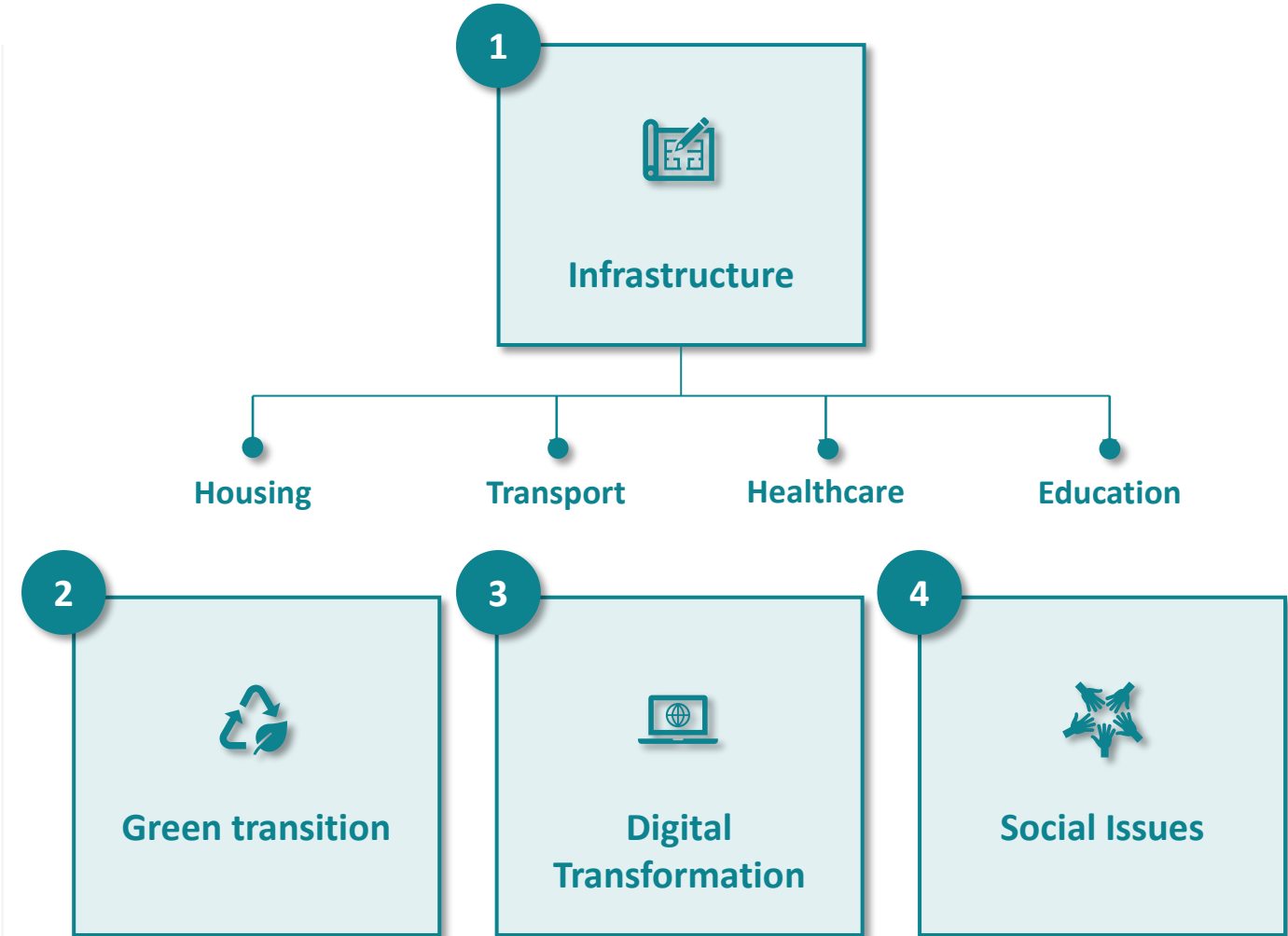
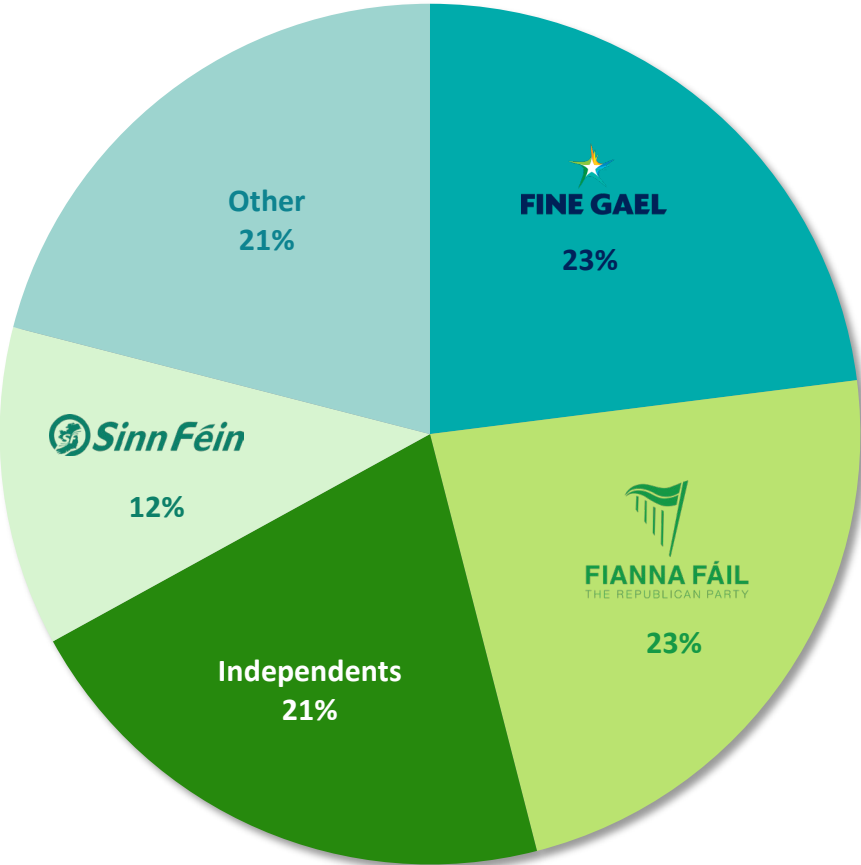
# First time buyers – demand pool grows

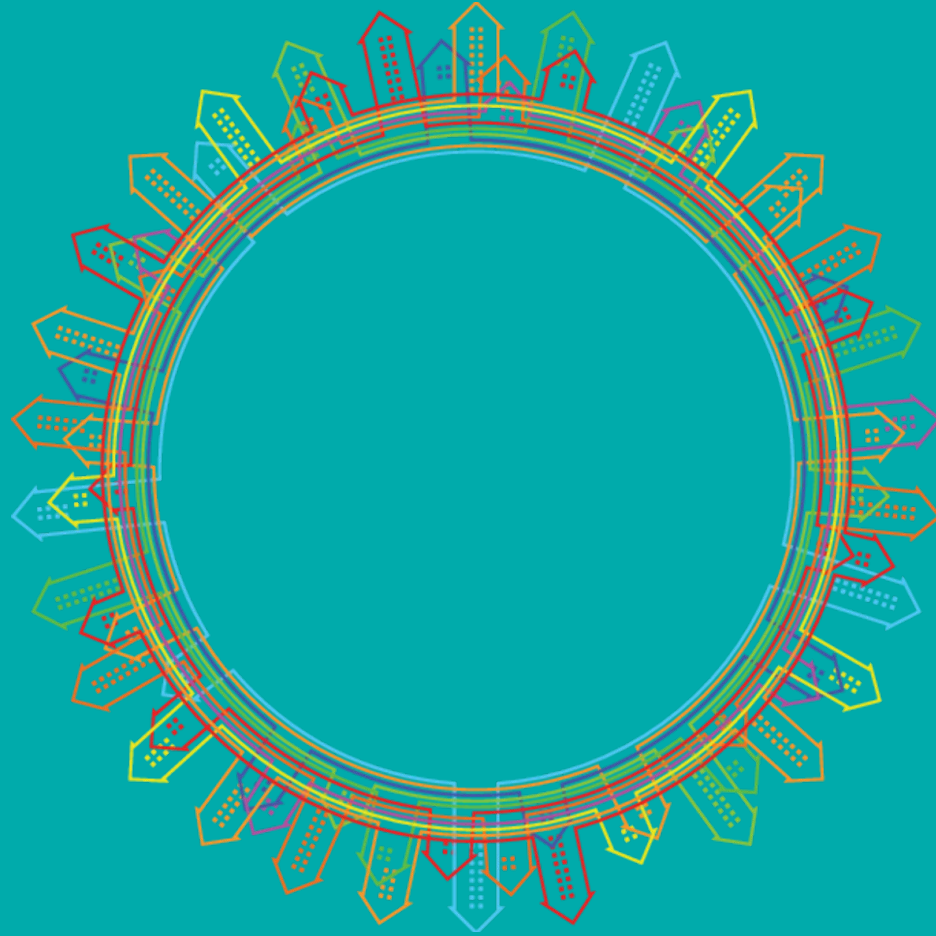
As second-hand market sees impact of interest rate increases



# Key considerations as we look ahead

Share of first preference votes in the  
local elections  
June 2024





# European and US Geo-Political Outlook

Frans van Daele – Deloitte Diplomatic Adviser

To hear Frans van Daele's insights and perspectives, please watch the recording which is available on our webpage: [Boardroom Programme | Deloitte Ireland](#)





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