



# Deloitte Boardroom Programme

## Regulatory and Economic Update

29 April, 2025



# Today's presenters



Colm McDonnell  
Boardroom Programme  
Sponsor  
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Colm is a partner in our Risk Advisory practice in Deloitte Ireland specialising in security risk, regulatory and control assurance. Colm is the lead partner with several key clients and more recently heads up the Technology, Media and Telecomms practice in Ireland. He leads the Deloitte engagement with the non-executive director community and the Deloitte Boardroom Programme. Colm spent 9 years on the Board of the Dublin Chamber of Commerce and during this period served for six years as Treasurer. He is presently a Board member of Barretstown. Colm has been an Authorised Officer for the Central Bank of Ireland, and he is currently working for several institutions in reaction to Central Bank driven requirements.



Nicola Flannery  
Digital Trust & Privacy  
Partner, Deloitte

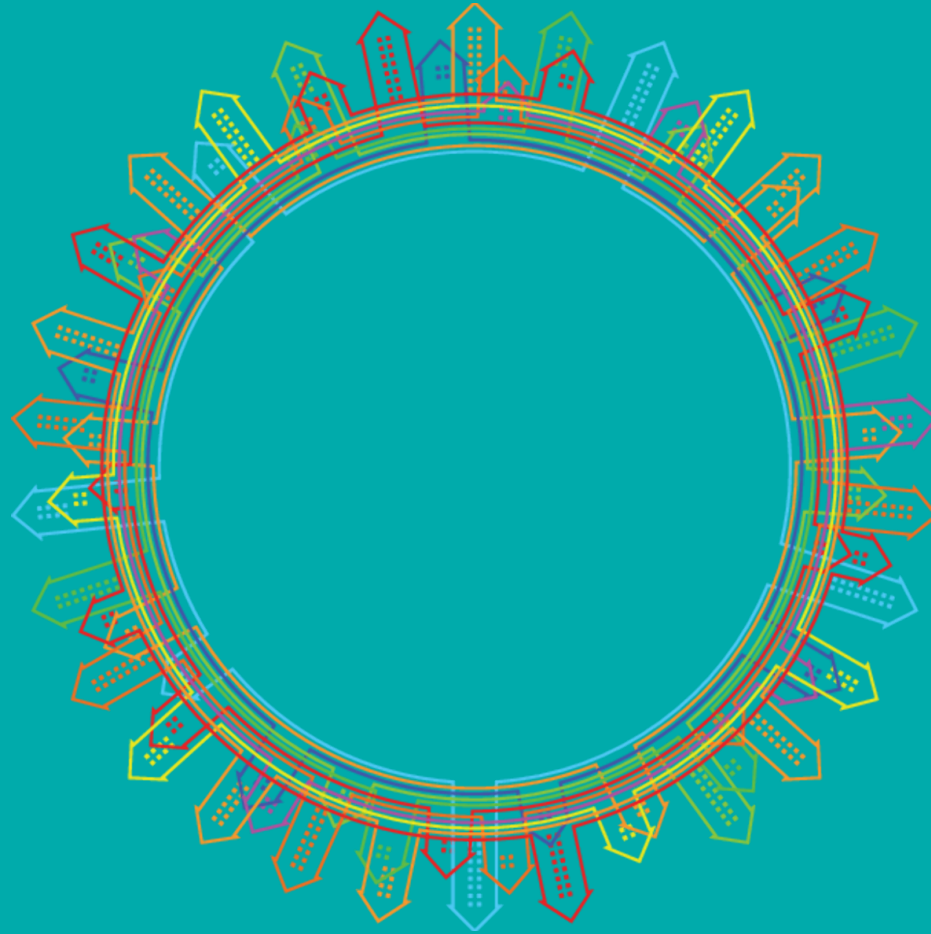
Nicola specialises in digital trust and transparency including data privacy, internet regulations and trustworthy AI. With over 15 years' experience across industry and professional services she has led on some of Deloitte Ireland's largest privacy and internet regulation engagements, supporting clients with all elements of privacy and emerging technology risk. She is an expert in Compliance by Design (Privacy, Data Ethics, Trust) and has extensive experience across end-to-end data protection with a focus on operations: managing GDPR maturity assessments at system and department level as well as strategising, developing and operationalising data protection frameworks and operating models.



Kate English  
Chief Economist, Deloitte

Kate English is the Chief Economist at Deloitte Ireland, a newly created role for the firm as of January 2025. Kate joined the firm in December 2022, when she spearheaded the creation of Deloitte's first Real Estate Research team. With an undergraduate and master's degree in economics from University College Cork, Kate analyses the market through an economic lens, providing data driven research to Deloitte and its clients.

Kate has established herself as a trusted authority and commentator on global macroeconomic trends. She regularly presents market updates internally and externally, as well as frequent media engagements, through national broadcast media (TV, radio) and print media. In recognition of her thought leadership, she was recently listed in the inaugural Business Post Property 100, Ireland's most influential property sector leaders.







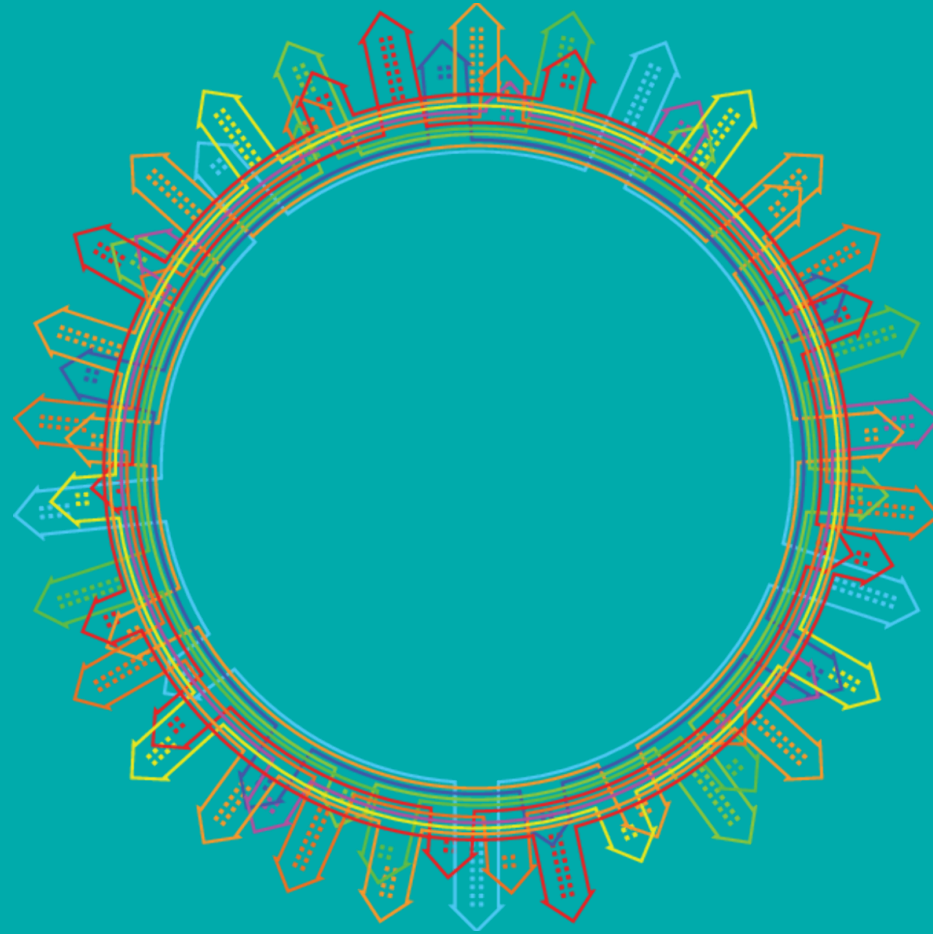
# Regulatory Update

Nicola Flannery | Digital Trust & Privacy Partner | Deloitte Ireland

# Deloitte Internet Regulation Survey Insights

With 2025 set to be the year of digital regulation implementation, the Deloitte Internet Regulation survey provides key insights from Irish based digital regulation leaders leading the charge across all lines of defense

THEMES	 <b>Digital Trust (Regulatory Impacts &amp; Challenges)</b>	 <b>Specific Regulatory Concerns</b>	 <b>Operational Processes</b>	 <b>Regulatory environment, education &amp; unskilling</b>
INSIGHTS	<p><b>GDPR</b> had the highest rate of non-compliance</p> <p>Newer regulations such as the <b>Digital Services Act (DSA)</b> are highlighted as having substantial impacts on businesses.</p> <p>The <b>AI Act</b> is emerging as a major concern due to its extensive requirements and obligations.</p> <p><b>TCOR</b> ranked lowest impact on business</p>	<p><b>Content Moderation:</b> While processes are in place, there is a need for continual evolution to address new threats and bad actors.</p> <p><b>Age Verification:</b> Operationalising age verification is challenging</p> <p><b>Targeted Advertising:</b> Inconsistencies in rules and enforcement. There is a perceived imbalance between privacy rights and business freedoms.</p>	<p><b>AI Act</b> again noted the most impactful regulation as it spans all areas of operations</p> <p>There is a <b>disconnect</b> between operations and the compliance office</p> <p>There is an element of waiting versus proactively preparing for regulations</p> <p><b>TCOR</b> had the lowest impact of operations</p>	<p><b>Knowledge Sharing:</b> There is a strong demand for knowledge sharing and understanding best practices within the industry.</p> <p><b>78%</b> of the respondents feel that the urgency to develop skills and talent in technology is important but <b>not urgent</b></p> <p><b>60%</b> have not implemented tooling to support the identification and oversight of compliance to laws and regulations</p>
COMMENTARY	<ul style="list-style-type: none"><li>Significant concern for the industry is the fragmentation and incoherence of regulations between local Irish and EU levels</li></ul>	<ul style="list-style-type: none"><li>Content moderation and user data protection privacy were in the first and second positions, respectively</li></ul>	<ul style="list-style-type: none"><li>Regulations impose a heavy operational burden, affecting time, resources, and processes.</li></ul>	<ul style="list-style-type: none"><li>There is need for a more predictable and stable regulatory environment, it is crucial for continued investment and innovation</li></ul>

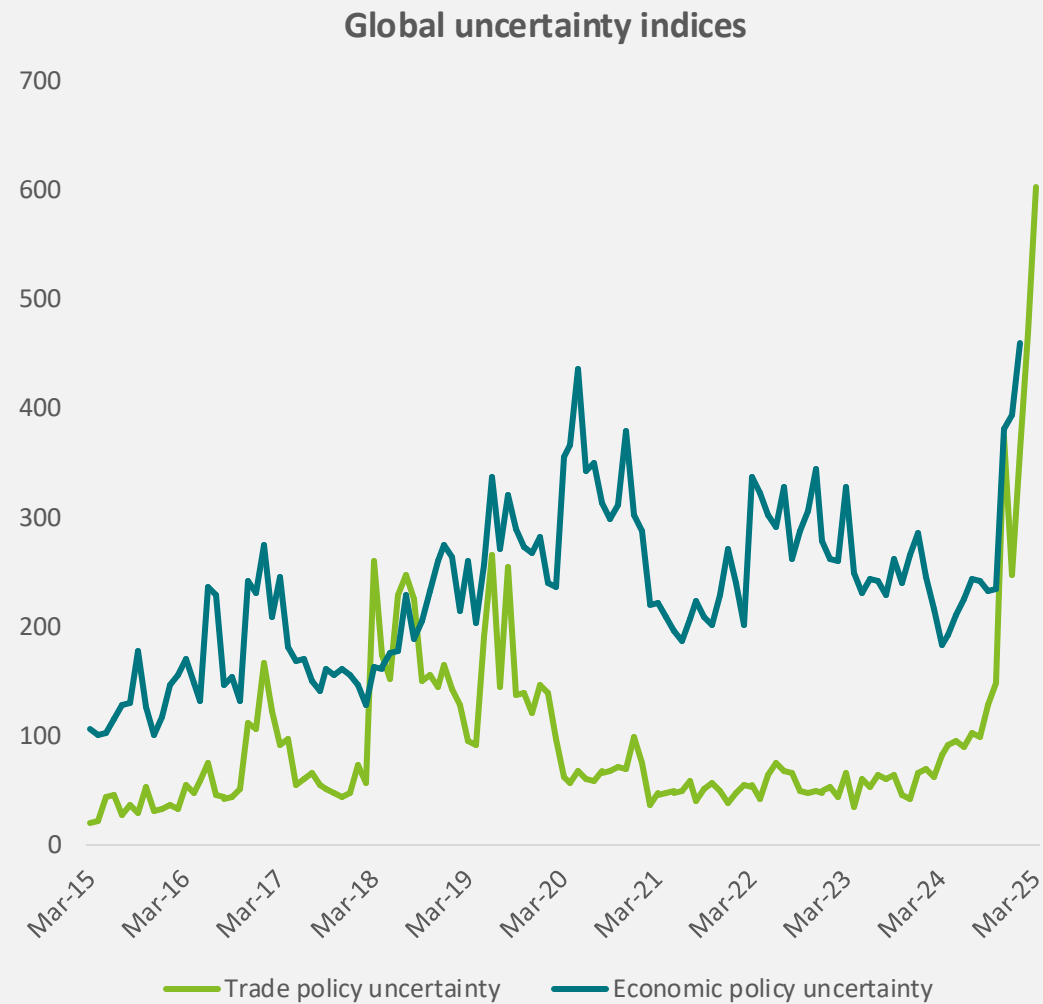
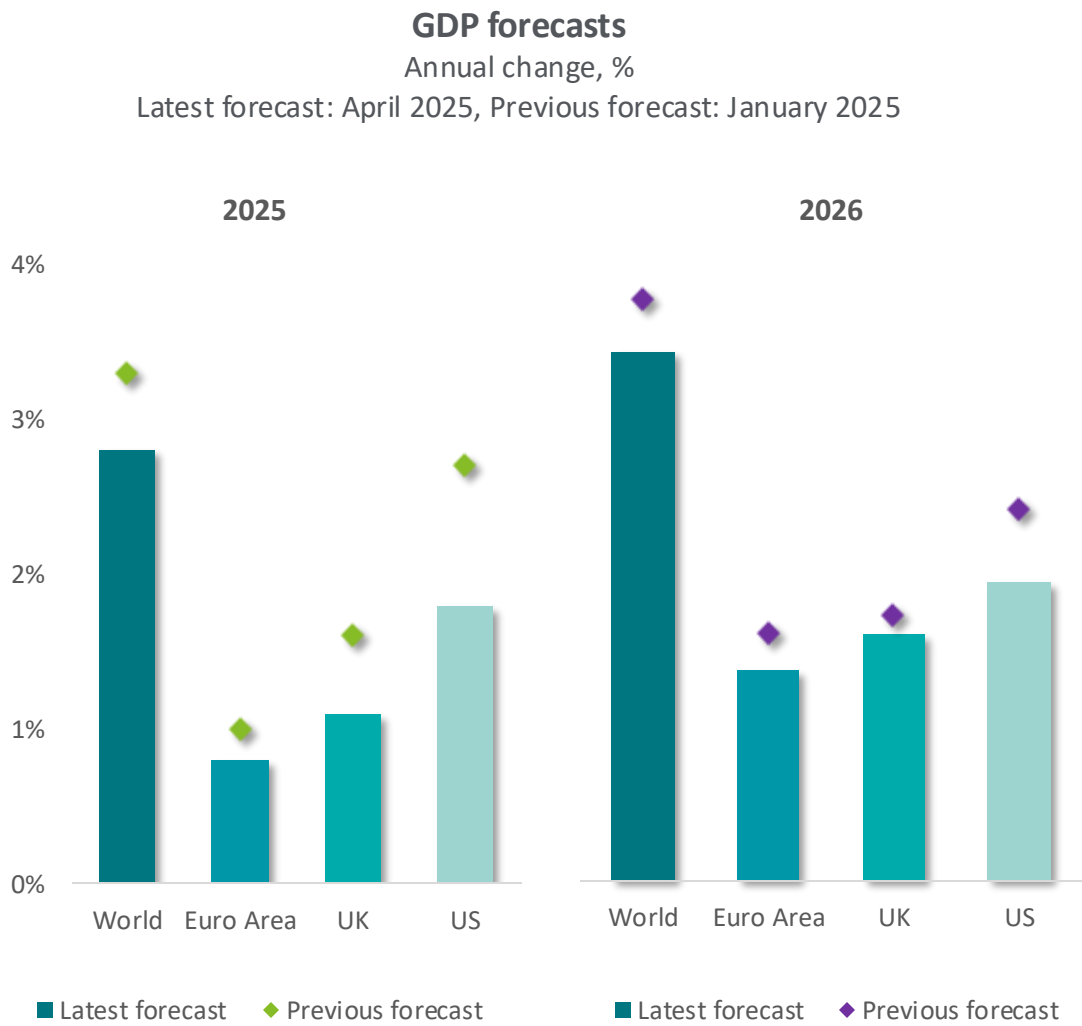


# Macroeconomic Outlook

Kate English | Chief Economist | Deloitte Ireland

# Global growth is expected to decline

Downside risks intensify as major policy shifts unfold



# Risks to the global outlook are tilted to the downside

In both the short and medium term

## Downside Risks

-  Escalating trade measures and **prolonged trade policy uncertainty**
-  **Financial market volatility and correction**
-  Rising **long-term interest rates**
-  Rising **social discontent**
-  Increasing challenges to **international cooperation**
-  **Labour supply gaps**

## Upside Risks

-  Next-generation trade agreements
-  Mitigation of conflicts
-  Structural reform momentum
-  Growth engine powered by AI



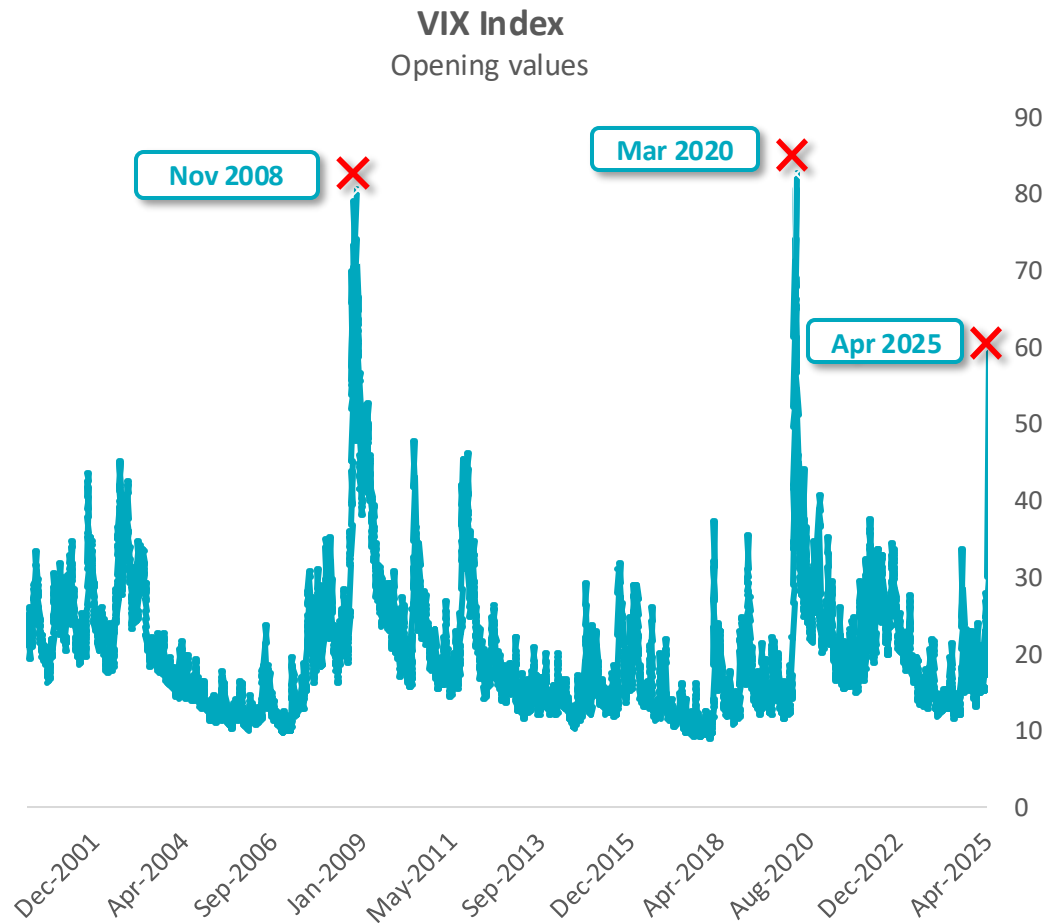
“A **reversal of global economic integration** might also trigger suboptimal relocation of production units and technological decoupling, with negative growth effects in the longer term because of resource misallocation, loss of knowledge hubs, contraction in bank credit, and financial stability risks.”

IMF, April 2025

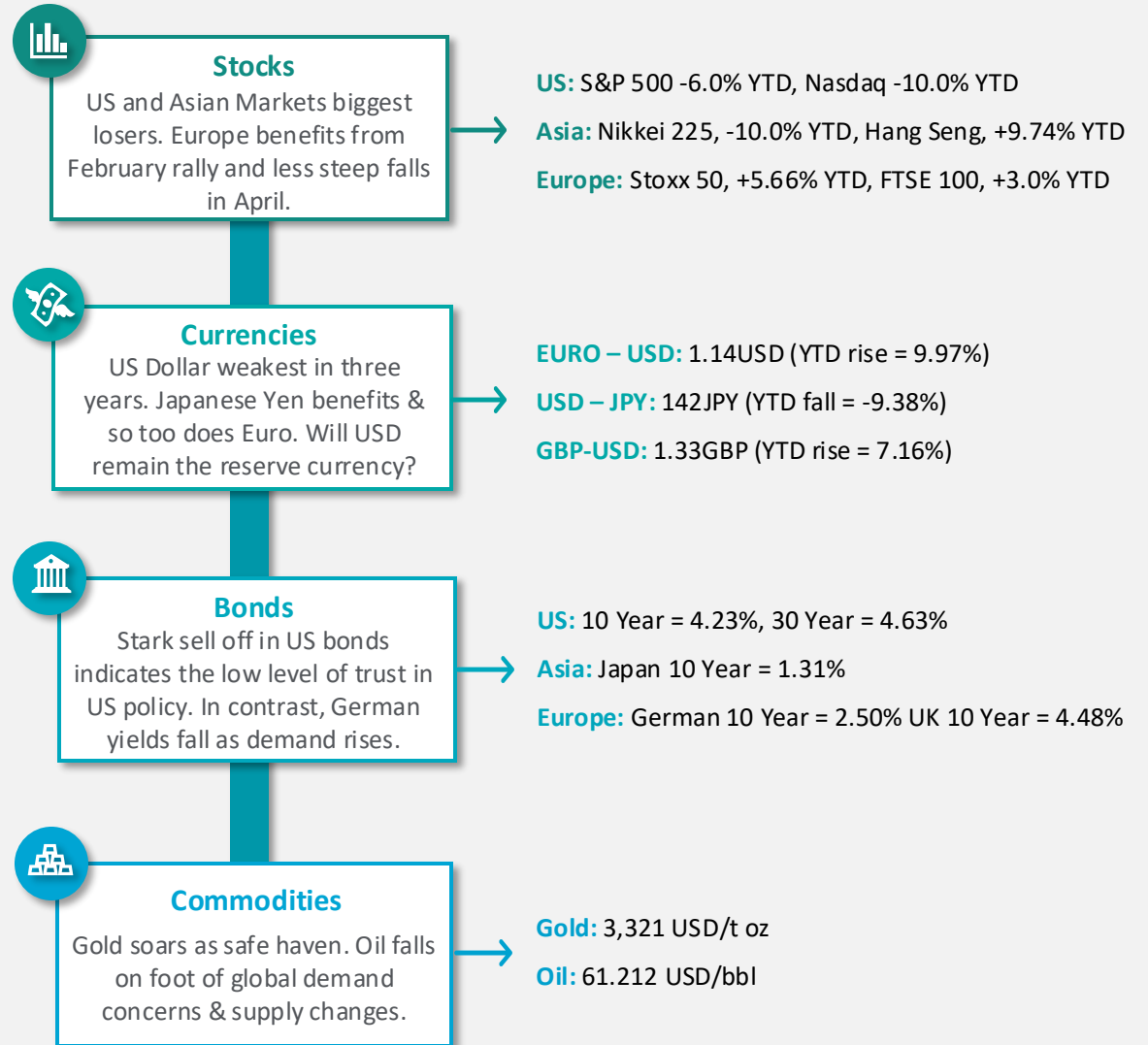


# The impact captured on markets to date

Indicators to monitor during this uncertain period



Source: Market Watch

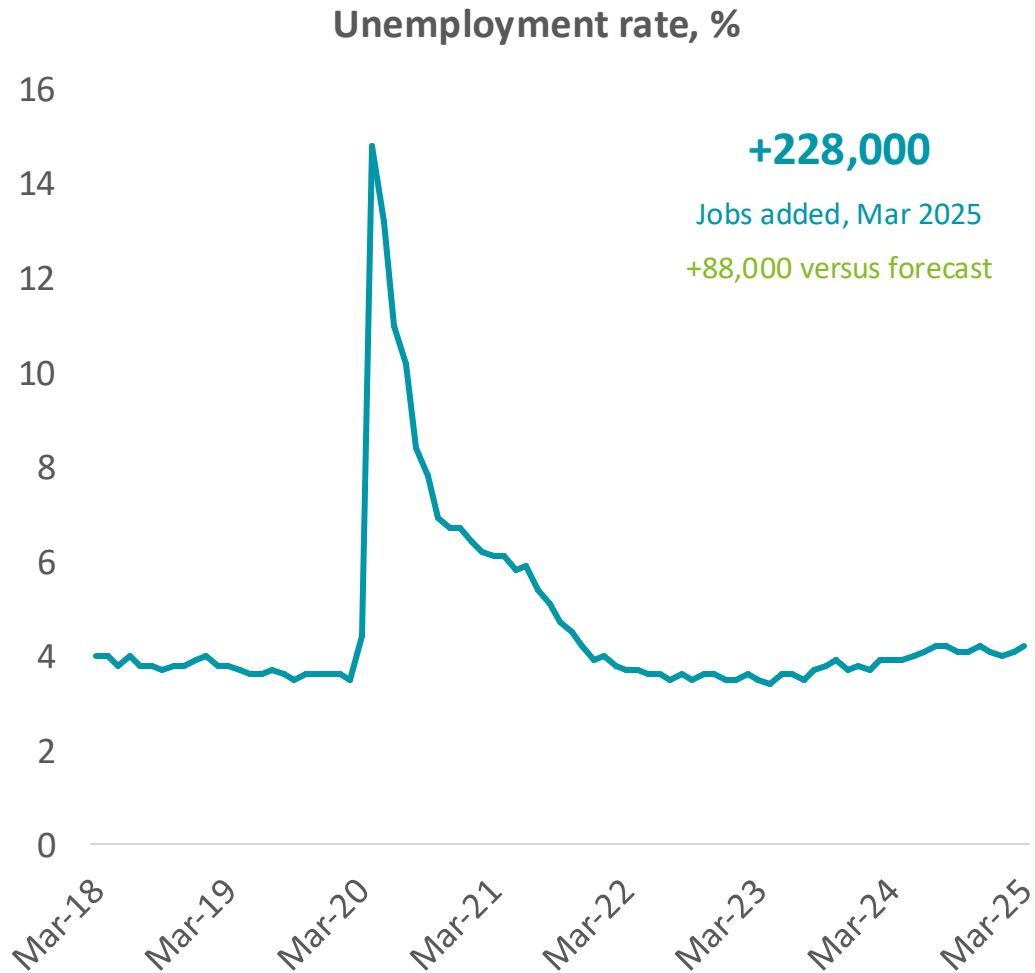


Source: Bloomberg, April 29<sup>th</sup>



# US economic outlook

What are the latest data indicators telling us?



"The US economy **may expand more slowly** than previously forecast as tariffs on imports rise and the Trump administration signals that it may tolerate slower growth in order to implement its trade policies."

Goldman Sachs, March 2025

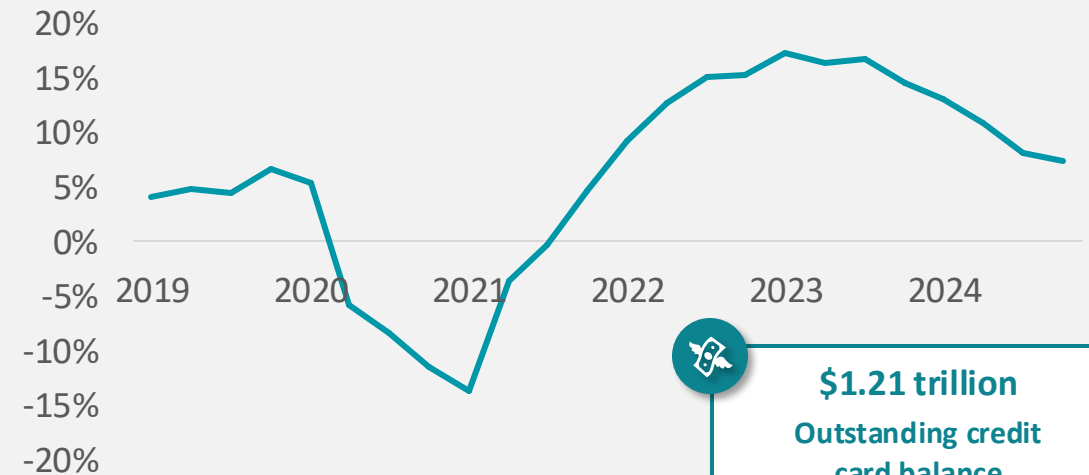
**+1.7%**

2025 US GDP forecast

-0.7 p.p. versus previous forecast

## Credit card debt

Annual change, %



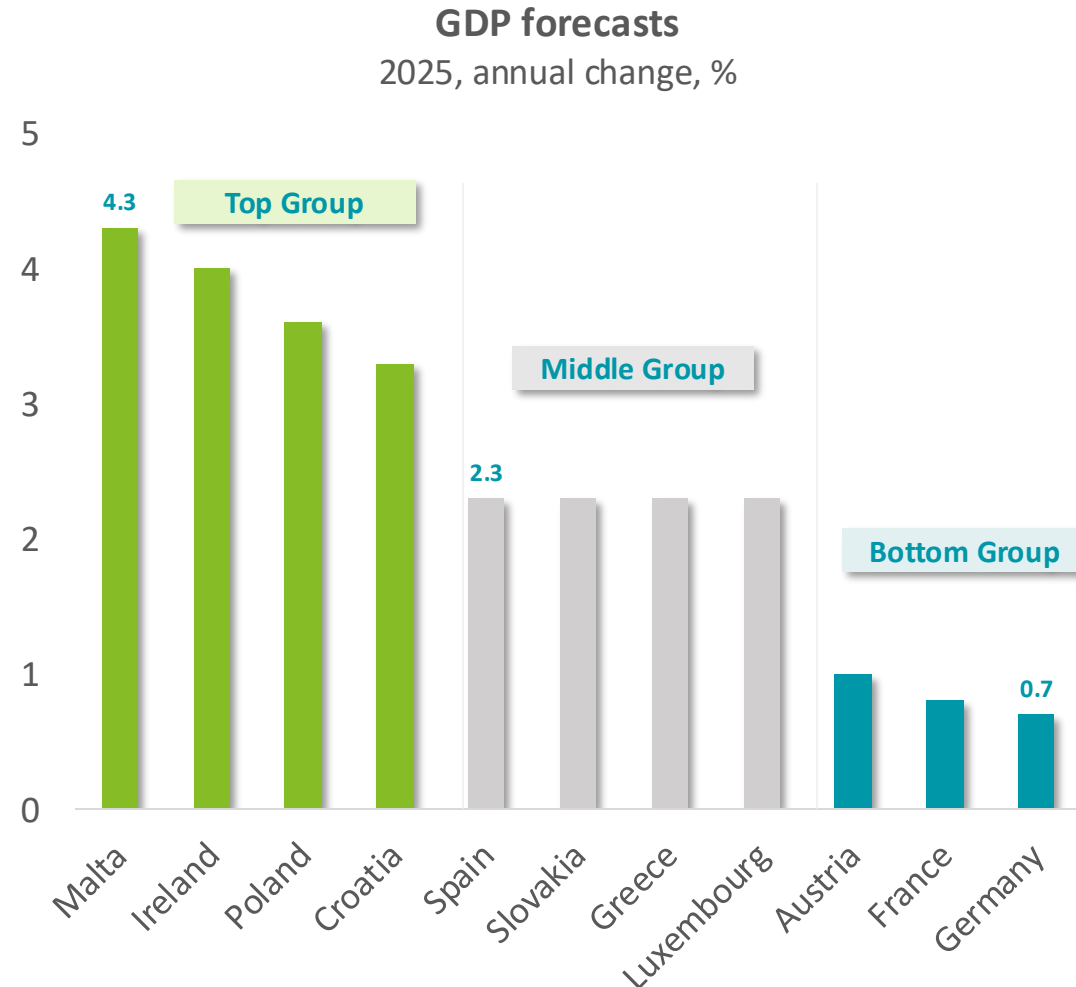
**\$1.21 trillion**

Outstanding credit card balance

Q4 2024

## Europe economic outlook

Recovery underway however, it is underwhelming with divergences at play



Source: European Commission, Eurostat



*Germany Is Lifting a Foot Off Its 'Debt Brake.'*



"Persistently high geopolitical and policy uncertainty is expected to weigh on euro area economic growth, slowing down the anticipated recovery."

ECB, March 2025

# Ireland's economic outlook

Exposure to a more fragmented global trade environment is significant

Macroeconomic forecasts  
Baseline scenario: No change to trade policy

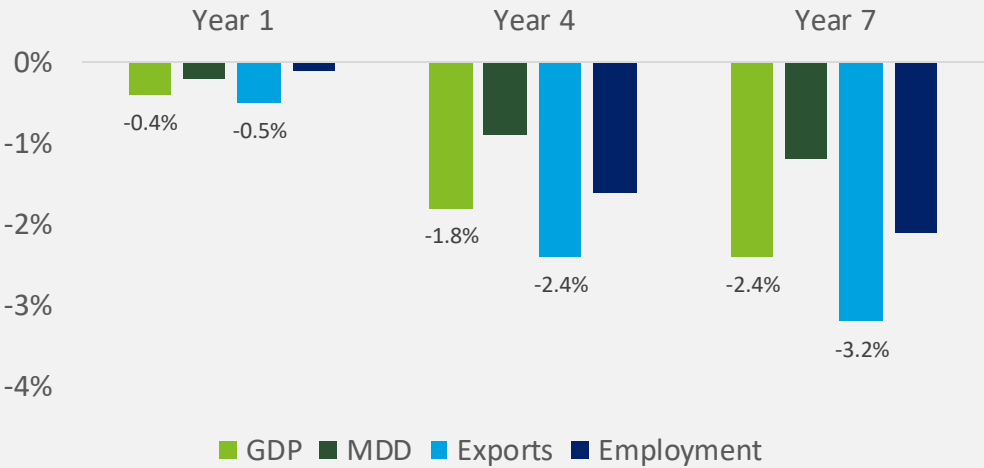
	2024	2025F	2026F
GDP	1.2%	4.1%	3.9%
MDD*	2.6%	3.0%	2.8%
Consumer Spending	2.3%	2.9%	2.6%
Employment ('000)	2,762	2,819	2,875
Inflation (CPI)	2.1%	2.0%	2.2%



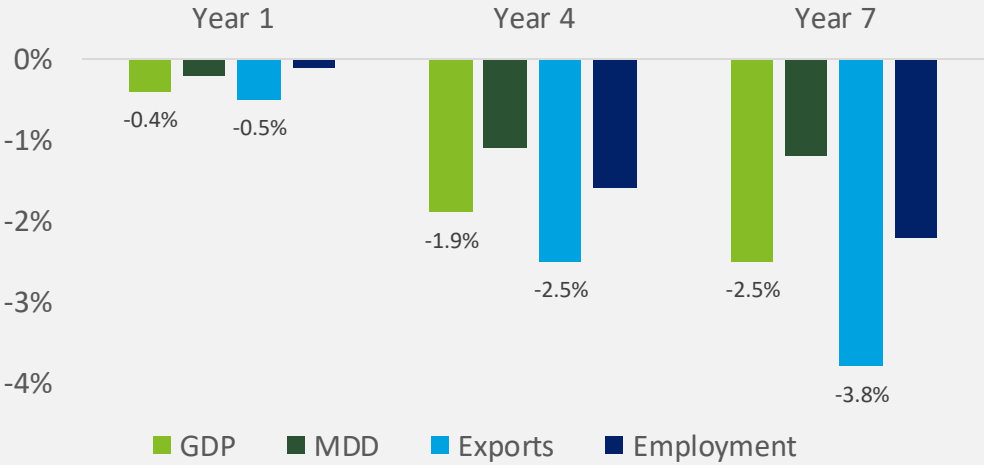
“Given the **open and internationalised** nature of the Irish economy, while the latest growth rates are strong, considerable downside risks weigh on the outlook, in particular in relation to the Trump administration’s use of tariff and non-tariff trade policies and their potential impact on global activity.”

ESRI, March 2025

Scenario 1: Permanent 10% Tariffs



Scenario 2: Permanent 25% Tariffs



# Ireland's trade with the US – where are we most exposed?

Medicinal and pharmaceutical exports to the US account for 24% of all goods leaving Ireland

- Over €87bn worth of goods were exported to the US in the 12 months to February 2025.
- Data from the opening two months of 2025 suggests that stockpiling took place in advance of tariff announcements by the US Administration. Indeed, goods exports to the US increased by over **210%** in February 2025, versus the same month last year.
- Last year, pharmaceutical exports from the EU to the US increased by just under 30% YoY.
- **211,000** people were directly employed by US companies in Ireland in 2024.
- Payroll spend by US companies in Ireland summed to **€17.4bn** in 2023.



### Goods trade with US

12 month rolling to Feb 2025

Exports to US

€240 bn

↔

Imports from US

€24 bn





### Medicinal and pharmaceutical products

12 month rolling to Feb 2025

**€58 bn** goods exports

**67%** of goods exports to US

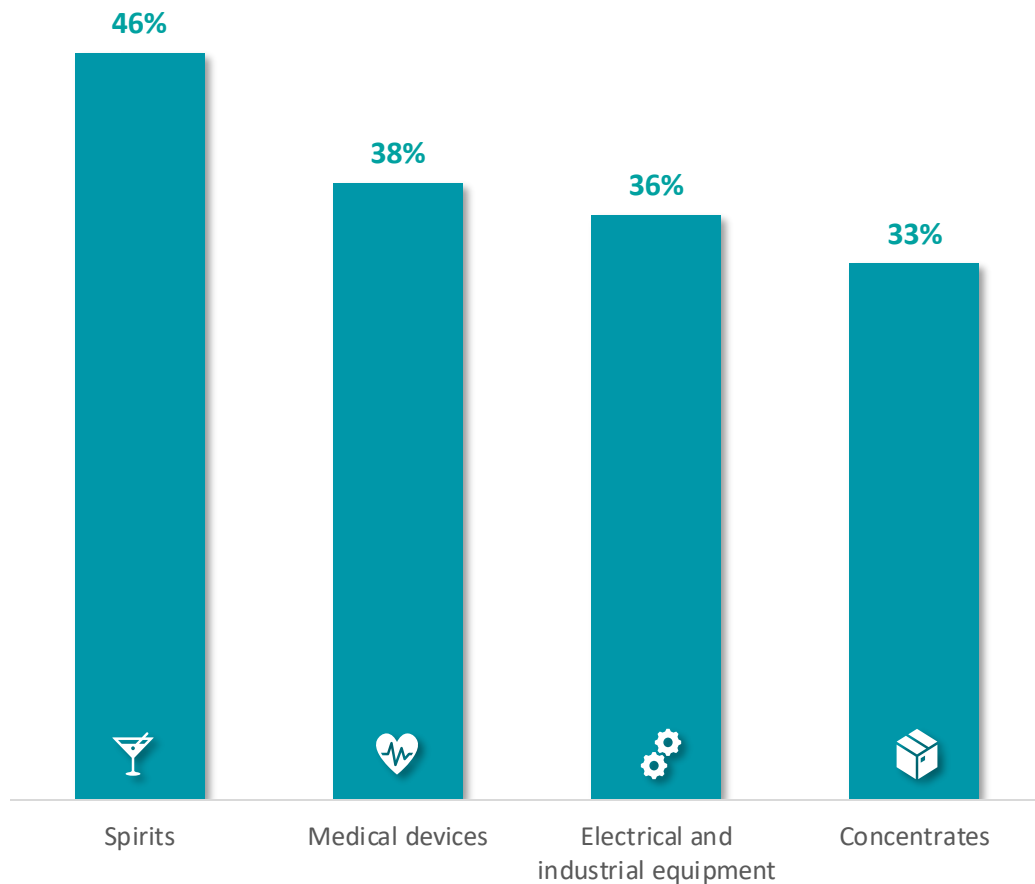
**24%** of total goods exports from Ireland

# Sectors most exposed with tariffs announced to date

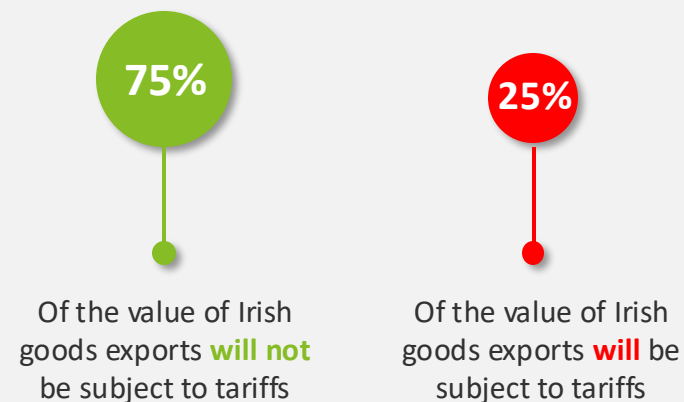
Looking beyond pharmaceuticals

## Share of global exports incurring US tariffs by sector

Global goods exports from Ireland



- As of the April 2<sup>nd</sup> announcement:



- This means that **€17.2bn** of goods are subject to US tariffs.
- The four groups displayed to the left have the highest share of their global exports incurring US tariffs. The size of the industry does not correlate with exposure. For example, spirits make up only 4% of the total tariffed goods but has a total export exposure of 46% to the US market.
- Sectors incurring the largest costs from US tariffs in terms of value are medical devices (€7.9bn), concentrates (€3.5bn), aeroplanes or related equipment (€1.4bn) and Engineering, electronics & industrial equipment (€1.4bn).
- The total exposure of the Food and Drink industry is €5.3bn when aggregated, of which €3.5bn is accounted for by exports of concentrates.



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