

Press Release

Ministers Noonan and Donohoe publish the Summer Economic Statement and commence the more transparent budgetary process for Budget 2017

The Minister for Finance Michael Noonan T.D. and the Minister for Public Expenditure and Reform Paschal Donohoe T.D. have published the Summer Economic Statement for 2016 which forms the basis for political discussions on the revised budgetary process for Budget 2017 and increases transparency in the Government's approach to planning for the provision of key public services.

- The Summer Economic Statement outlines the broad parameters that will underpin discussions of economic and fiscal policy over the medium term. The analysis contained in the document is based on the macroeconomic assumptions that were set out in the Stability Programme Update in April 2016 and were endorsed by the Irish Fiscal Advisory Council at the time.
- The Summer Economic Statement sets out the Government's economic and fiscal priorities against a background of the economic recovery which is now firmly established with impressive growth of 7.8% and an acceptable deficit of just 2.3% in 2015. This Statement facilitates an open discussion about options and priorities well in advance of the October budget.
- The Summer Economic Statement 2016 will be debated in the Dáil on Thursday 23rd June. Publication today allows time for the information in the Statement to be analysed by Dáil members.

Speaking at the publication of the Summer Economic Statement 2016 the Minister for Finance, Michael Noonan T.D. said:

"The Summer Economic Statement shows that the budgetary position is set on a safe and sustainable path and Ireland has now formally exited the Excessive Deficit Procedure. The Fiscal Space for 2017 will be just shy of €1 billion. It is projected that Ireland will have a balanced budget in 2018. A new element in providing for key services for our citizens will be the introduction of a rainy day fund from 2019 following the achievement of a balanced budget."

"This is a prudent approach which reflects the lessons learned from the past. As the Irish economy tends to be more variable than elsewhere it is appropriate to set aside a certain amount each year. This can be used to support activity and employment if necessary. This counter-cyclical planning is now becoming available to us as our economy is growing strongly even though we have been conscious of the theory and its benefits before now."

Speaking ahead of a press conference on the details of the Summer Economic Statement 2016, Minister for Public Expenditure and Reform Paschal Donohoe T.D. said:

“Today’s Summer Economic Statement includes the provision of an extra €1 billion in capital spend on top of the additional €4 billion contained in the Programme for a Partnership Government. It brings total state backed investment over the term of the Capital Plan to €48 billion and means we will be investing 3.8% of GNP in capital by 2021. To allow for appropriate targeting of these resources, I am bringing forward the mid-term review of the Capital Plan to early 2017. In recognition of the urgent need to build more houses, Government has already agreed to my proposals to set up a €200 million Infrastructure Fund to enable local authorities to provide the services needed so that sites are fully ready for house building to commence.

“Total spending will increase by €6.7 billion in 2021 compared to this year”

ENDS

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