



AGRICULTURE AND FOOD DEVELOPMENT AUTHORITY

The Irish Agriculture and Food Development Authority

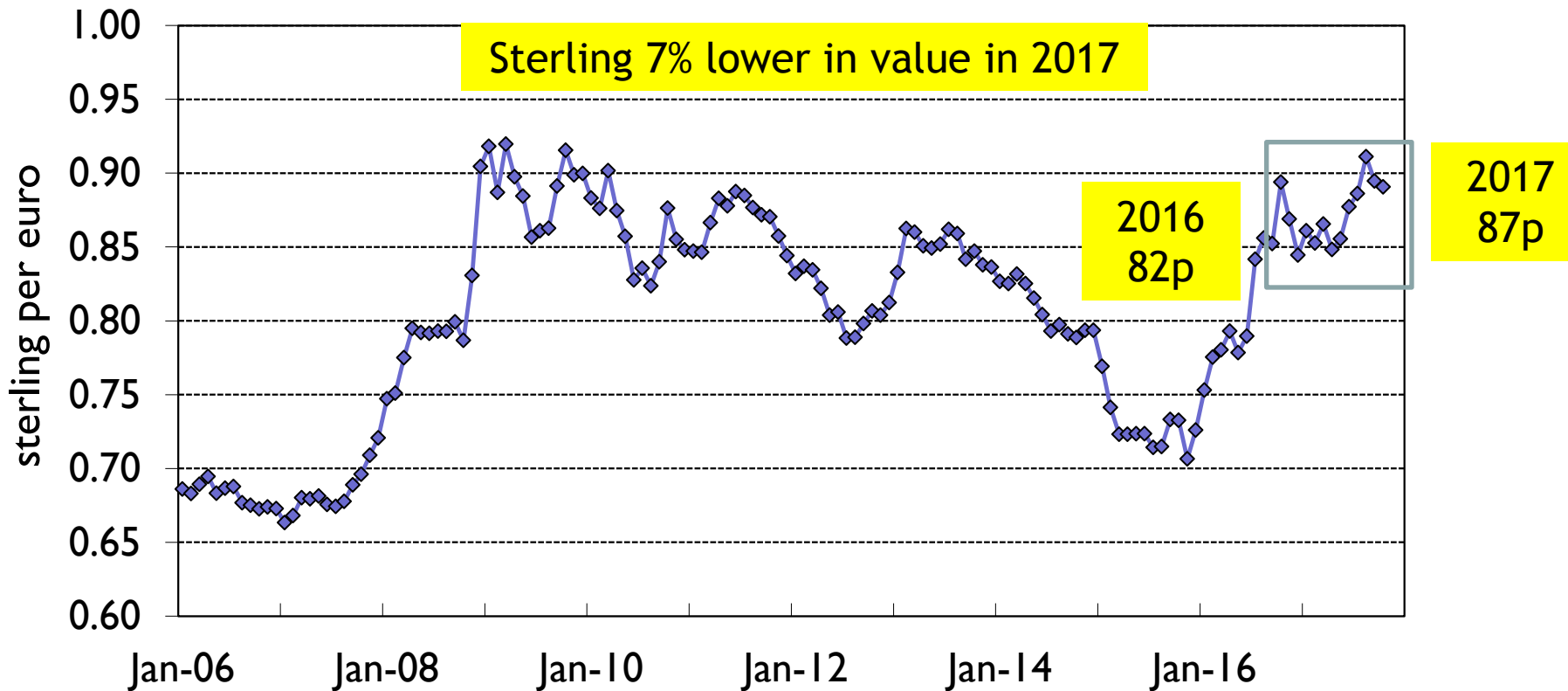
Agricultural Economics and Farm Surveys Department Teagasc



Economic & Political Developments in 2017

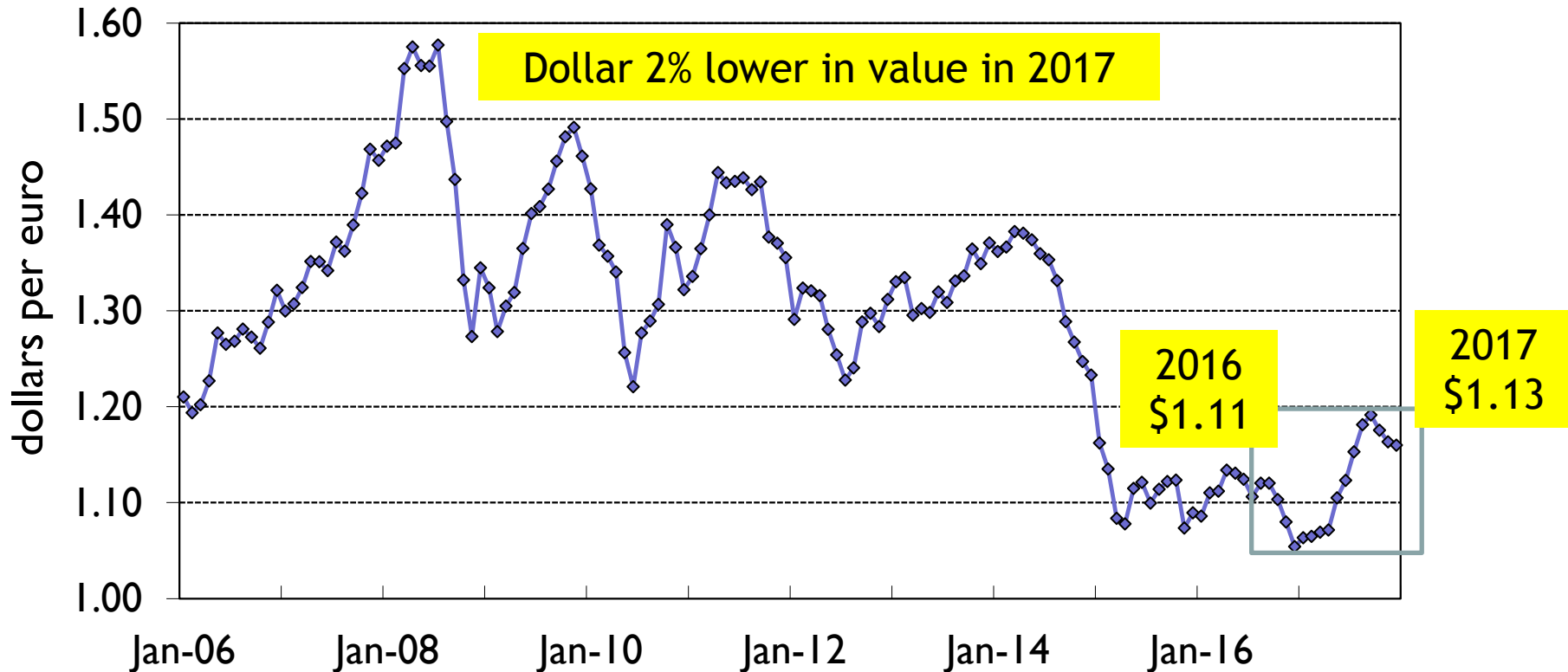
- **Mixed bag**
 - Brexit negotiations contribute to weaker sterling
 - Eurozone economy looks more healthy
 - UK economy - low unemployment but also low growth
 - Global geopolitical concerns
- **Immediate concerns**
 - Brexit uncertainty now higher than at any other stage in negotiations
- **Longer term concerns**
 - Post Brexit Europe
 - Implications for UK/EU trade relations?
 - Implications of environmental policy targets for Irish agriculture

Monthly Euro Sterling exchange rate 2006 to 2017



Source: ECB

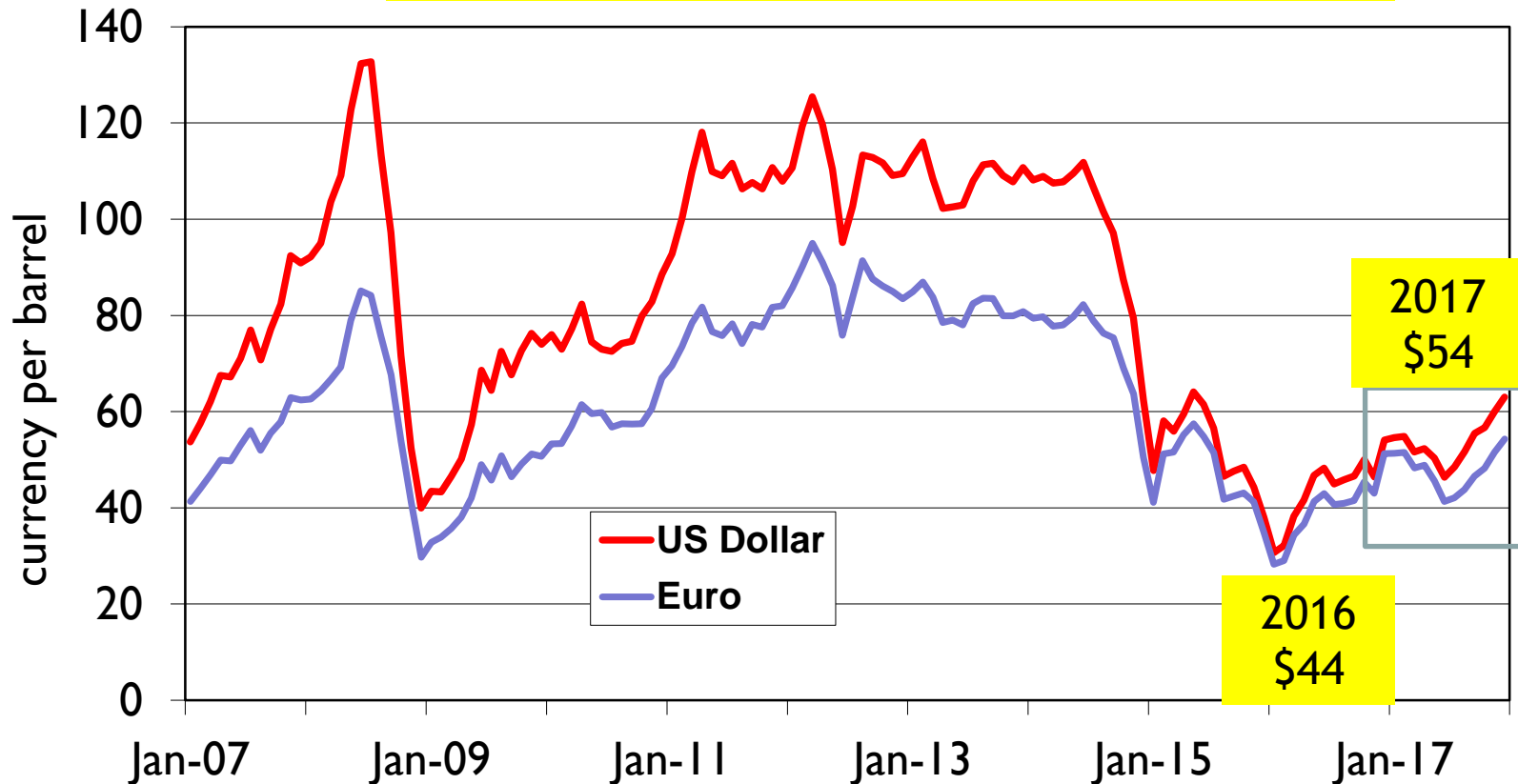
Monthly Euro US dollar exchange rate 2006 and 2017



Source: ECB

Brent Crude price 2007 to 2017

Oil price 22% higher (in dollar terms) in 2017



Source: St Louis Fed

World economy 2017

- Eurozone GDP growth continued to improve
 - Better growth performance and falling unemployment
- ECB monetary policy measures
 - Eurozone remains a low inflation environment
- US GDP growth increased but UK slowed
- M.E. Oil based economies in difficult period
 - Stagnant real per capita incomes
 - Has some adverse implications for agri trade
- Russian Embargo
 - Has continued



Irish Economy 2017

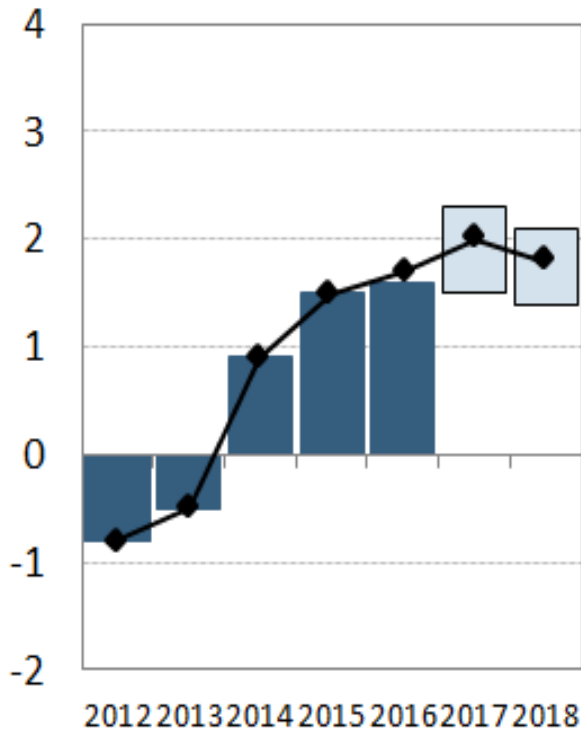
- Continued recovery
 - Real GDP growth of 5.0% in 2017
- Falling unemployment rate
 - now < 7% (Employment now >2.1 million)
 - Down from a peak of 15.1% in 2012
- Increase in economic activity
 - Personal consumption up
 - Property market and building activity
- Export growth 4.5%



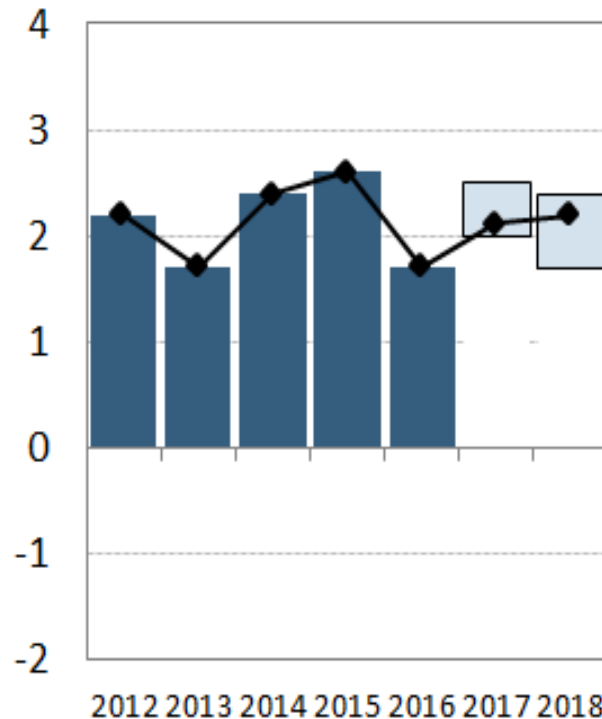
Source: ESRI 2017

GDP Growth rates among our main trading partners

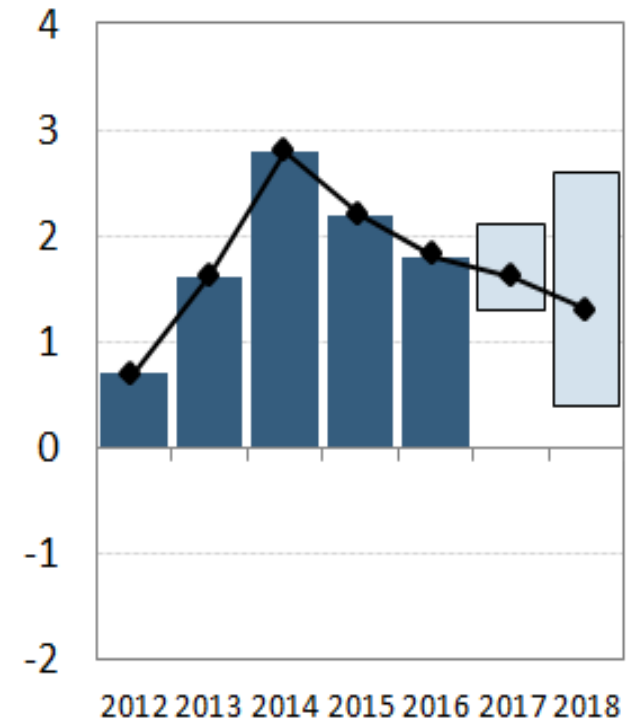
Euro Area



United States



United Kingdom

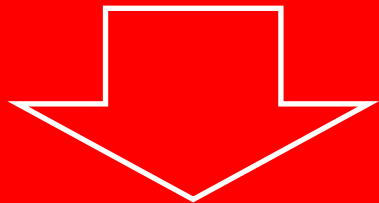


Sources: FocusEconomics, IMF, OECD, HM Treasury and Federal Reserve.

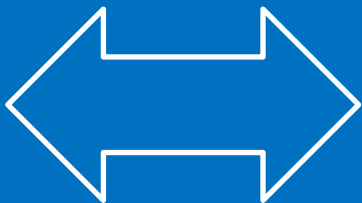
International Outlook 2018



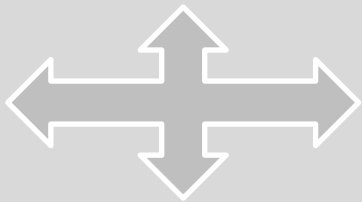
- **US & Eurozone Economy**



- **UK economy**
- **Brexit uncertainty signals low growth**



- **Commodity Prices**
- **No strong price drivers**



- **Uncertainty Abounds**

Irish Economy 2018



- GDP growth to remain strong
 - 4.0%
 - But downside risks remain!
- Falling unemployment rate
 - Down to 5.4 % on average in 2018
- Increase in employment
 - To reach 2.14 million on average in 2018
- Export growth
 - 4.8% (higher than in 2017)
- ButIrish growth prospects tied to Brexit developments
 - And global events elsewhere

Source: ESRI 2017