



# NEWS RELEASE

No.2008-C-015  
Jan 11, 2008

## R&I Affirms AAA, Outlook Stable: Ireland

Rating and Investment Information, Inc. (R&I) has affirmed the following ratings:

ISSUER: **Ireland**  
Foreign Currency Issuer Rating  
Domestic Currency Issuer Rating

**R&I RATING: AAA (Affirmed)**  
**RATING OUTLOOK: Stable**

Foreign Currency Short-term Credit Rating  
Domestic Currency Short-term Credit Rating

**R&I RATING: a-1+ (Affirmed)**

### RATIONALE:

The fundamental parameters supporting Ireland's AAA rating, including high income levels, steady fiscal management, low public debt, a flexible economic structure, sound financial institutions and a stable political system, remain unchanged. Based on these considerations, R&I has affirmed Ireland's Foreign and Domestic Currency Issuer Rating at AAA. The Rating Outlook is Stable.

Although it is a small country with a population of about 4.3 million people, by using its ability to attract investment in high value-added sectors such as pharmaceuticals, electronics and finance as a springboard, Ireland has revitalized its economy by achieving a rapid growth averaging more than 7% per annum since the latter half of the 1990s. Ireland has already overtaken the leading Group of Seven countries in terms of the per capita gross domestic product (GDP), which seems to have exceeded US\$60,000 in 2007. The development of services such as commerce and real estate in recent years has been remarkable, and although a deteriorating trend in the current account balance has been noted as the main engine of growth shifts from exports to consumption, the government has boosted employment, and relieved upward pressure on wages, with measures that include encouraging women to enter the labour market and broad acceptance of immigration, and Ireland has maintained its export competitiveness. As Ireland is within the euro zone, there is little concern as to the financing of the current account deficit.

Since 2007, economic growth has begun to slacken as the housing market, which had been one of the pillars driving rapid growth, shows stronger signs of adjustment. However, the fallout from what has occurred in the U.S. subprime loan market is minimal, and at this juncture it is difficult to envision a scenario in which personal consumption plummets suddenly because of a credit contraction. Given the steady pace of exports, and the fact social infrastructure development also will be maintained at a high level based on the second phase of National Development Plan (2007-2013), Ireland's economy is expected to grow at about 4% annually from 2008 onwards, close to its potential growth rate.

While the possibility of the general government fiscal balance moving into deficit equivalent to roughly 1% of GDP has emerged as a consequence of economic vicissitudes, net public debt at the end of 2007 is low, corresponding to 14% of nominal GDP, when the accumulated assets of Ireland's National Pensions Reserve Fund are taken into consideration, and Ireland's solid fiscal base appears unshaken.

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Ratings are statements of R&I's opinion shown in certain symbols regarding an Issuer's general capacity (credit quality) to repay its financial obligation and individual debts (bonds and loans, etc.) and it is not a statement of recommendations to buy, hold, or sell any securities. Information has been obtained by R&I from sources believed to be reliable, however, its accuracy, adequacy, or completeness is not guaranteed. Therefore, R&I is not responsible for any errors or omissions or the result obtained from the use of the rating. As a general rule, R&I provides the rating services for a rating fee paid by the Issuer.

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# NEWS RELEASE

**R&I RATINGS:**

**ISSUER:** Ireland  
**FOREIGN CURRENCY ISSUER RATING:** AAA (Affirmed)  
**DOMESTIC CURRENCY ISSUER RATING:** AAA (Affirmed)  
**RATING OUTLOOK:** Stable

**FOREIGN CURRENCY SHORT-TERM CREDIT RATING:** a-1+ (Affirmed)  
**DOMESTIC CURRENCY SHORT-TERM CREDIT RATING:** a-1+ (Affirmed)

**R&I RATINGS:**

<b>ISSUER:</b> Ireland	Issue Date	Redemption	Issue Amount (mn)
LONG-TERM ISSUE RATING: 4.50% Treasury Bond due 2018	Oct 23, 2007	Oct 18, 2018	Euro 6,000

**R&I RATING: AAA (Affirmed)**

Issuer Rating is R&I's opinion regarding an issuer's overall capacity to repay its entire financial obligation, and it will be assigned to all issuers. The rating of individual obligations (i.e. bonds and loans etc.) includes the prospect of recovery and reflects the terms and conditions of the agreement and it may be lower or higher than the Issuer Rating.