



National Treasury Management Agency

On 19 January 2009 the European Commission published interim forecasts for 2009-2010.

An extract from the General Government Gross Debt table is set out below:

General Government Gross Debt (as a % of GDP)

	2007	2008	2009	2010
		Estimates	Forecasts	Scenario
				(unchanged policies)*
Ireland	24.8	40.8	54.8	68.2
Euro area	66.1	68.7	72.7	75.8
EU	58.7	60.6	67.4	70.9

Ireland's General Government Debt/GDP ratio increased by 16 percentage points in 2008. The build-up of Exchequer cash balances in 2008 accounted for half of this increase. At end 2008, Exchequer cash balances - which are not offset for the EU measure - stood at €20.6 billion, equivalent to more than 10 per cent of GDP.

According to the Commission, Ireland's debt ratio will still be lower than the EU and euro area averages at the end of the forecast period.

The full report is available [here](#).

On 9 January 2009, the Government announced a budgetary strategy designed to restore stability to the public finances over the five year period to 2013. The [Addendum to the Stability Programme Update](#) forecasts that the resulting GGD/GDP ratio will be 62.3 per cent at end 2010.

***Note:**

The EU forecasts are conditioned upon, inter alia, the technical assumption of 'no policy change'. This means that specific policy measures, especially in the budgetary field, which have not yet been disclosed, are not taken into account. As a result, projections for 2010 are essentially an extrapolation of present trends.