



DKM issues November *Economy Watch*

Today (30th October 2008), *DKM Economic Consultants* release the November 2008 issue of *Economy Watch*.

DKM's unique *Snapshot of Economic Forecasts* gives a concise but comprehensive outlook for the Irish economy based on the latest predictions from 15 leading sources, both Irish and key international bodies such as the IMF, EU and OECD.

This issue of *Economy Watch* focuses on the serious contraction in the Irish construction industry and the domestic impacts of the global credit crisis.

Launching the latest issue, **DKM Chairman Brendan Dowling** commented, "We cannot rely on an improved global economic outlook to pull us out of recession. The excess housing inventory is currently a real barrier to recovery of the construction industry, which is now being intensified by the lack of credit available to new home-buyers. As long as homes go unsold, there will be little incentive for new construction."

"For 2009, the *DKM Snapshot* predicts GNP will *contract* by 2.1%, which is 5 percentage points below the forecast in our June issue. Just 3 months ago, many forecasts were for +2% to +3% GNP *growth*. Obviously the events of September and October in financial markets have overtaken those projections."

"Now we are looking at an average forecast budget deficit of 5% of GDP in 2008 and 7% of GDP in 2010. Unfortunately, this is not an attempt to stimulate the economy, but a consequence of the economic downturn. This is inevitable, given the spendthrift policy of matching buoyant (but often transitory) revenue in the good times with buoyant expenditure."

Economy Watch is produced on a quarterly basis and is available at www.dkm.ie. For further information, please call 01-667 0372 or e-mail info@dkm.ie.

DKM is one of the longest-established economic research firms in Ireland, and has been providing decision-makers with quality advice on economic issues since 1981. Visit www.dkm.ie for further information about us.

This is the final issue to be available in hard copy. From 2009, *Economy Watch* will be available to those who register for free at www.dkm.ie.