



DKM issues September *Economy Watch* NAMA Special

Today (10th September 2009), ***DKM Economic Consultants*** released the September 2009 **(NAMA Special)** issue of ***Economy Watch***. It is available free online at www.dkm.ie.

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 edition projects the economy will contract by a cumulative 14.4% by the end of 2010. "For 2009, the ***DKM Snapshot*** predicts GNP will *contract* by 9.3%, with recent forecasts as low as -11% for GNP this year. With unemployment expected to reach 12.4% on average in 2009 and price deflation of 4.2% expected, there is a clear need to restore consumer confidence and protect jobs, and at the same time address the fiscal deficit, if economic stagnation is to be averted," according to **DKM's Chairman, Brendan Dowling**.

Launching the September issue, **DKM Chairman Brendan Dowling** commented, "Consumers battered by falling incomes and rising unemployment in 2009 are unlikely to change habits until there are clear signs that the worst is over in terms of job security and potential taxation. Although the cut in public spending may be less than suggested by Bord Snip Nua there is no doubt that it will contribute to a further decline in domestic spending. This may lead to a further downward revision of output forecasts for 2010"

This issue of ***Economy Watch*** contains **a special article on NAMA** by DKM chairman, Brendan Dowling, which assesses the likely impacts of NAMA and considers whether alternative approaches can achieve NAMA's aims at lower cost to the taxpayer. In particular it compares the current approach with the guarantee system as used in the UK, and looks at the risk-sharing elements recently added to the draft legislation.

Commenting on NAMA he said, "One of the original justifications for an asset management approach was that NAMA would be able to help develop out the properties by providing additional funding, bringing in partners etc. This is not the role of NAMA as currently described by its proponents. If indeed this is the role intended, then the initial funding for NAMA will only be the beginning and further borrowing by the State will be required to achieve the values underpinning the first level of borrowing."

Economy Watch is produced on a quarterly basis and is available to those who register for free at www.dkm.ie. For further information, please call 01-6670372 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.