IMF Country Report No. 26/156

IRELAND

June 2026

2026 ARTICLE IV CONSULTATION—PRESS RELEASE; AND STAFF REPORT

Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. In the context of the 2026 Article IV consultation with Ireland, the following documents have been released and are included in this package:

- A **Press Release.**
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on a lapse-of-time basis, following discussions that ended on May 25, 2026, with the officials of Ireland on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on June 10, 2026.
- An **Informational Annex** prepared by the IMF staff.

The documents listed below have been or will be separately released.

Selected Issues

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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International Monetary Fund
Washington, D.C.

PRESS RELEASE

PR26/225

IMF Executive Board Concludes 2026 Article IV Consultation with Ireland

FOR IMMEDIATE RELEASE

- *The Irish economy has remained resilient in the face of consecutive external shocks.*
- *Growth is projected to slow but remain healthy amid trade and geopolitical tensions and elevated global uncertainty. Risks to the growth outlook are on the downside and to inflation on the upside.*
- *While the war in the Middle East demands near-term policy attention, the current strong economic position provides a window to future-proof the economy.*

Washington, DC – June 29, 2026: The Executive Board of the International Monetary Fund (IMF) completed the Article IV Consultation[1] with Ireland, considered and endorsed the staff appraisal without a meeting on a lapse-of-time basis.

The Irish economy has remained resilient in the face of consecutive external shocks. The domestic economy, as measured by the Modified Gross National Income, is estimated to have grown by about 4 percent in 2025. Robust consumption and investment, together with strong exports dominated by foreign multinational enterprises (MNEs), contributed to solid growth. Headline inflation remained close to 2 percent in 2025 but has accelerated recently due to higher energy prices. The labor market has become less tight as employment growth slowed. The general government balance remained in a sizeable surplus in 2025, supported by continued strong corporate income tax receipts from MNEs.

The economy is projected to grow at a slower but still robust pace. Private consumption is expected to slow down due to weaker employment and real income growth. Modified investment is projected to normalize from the high 2025 level and would be supported by continued construction activity. Export growth is expected to slow significantly in 2026 and the current account surplus to moderate over the medium term.

Risks to the growth outlook are on the downside and to inflation on the upside. Substantial external risks stem from the war in the Middle East, contingent on the war's intensity and duration. Ireland's reliance on MNEs continues to be a key source of vulnerability. Rising geoeconomic fragmentation and elevated policy uncertainty could lead to further reorganization of supply chains and shifts in trade and capital flows that would be detrimental to Ireland's globally integrated economy. The rapidly evolving landscape of AI poses novel

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[1] Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

risks, including threat to cyber security. Domestically, persistent supply-side constraints could weigh on productivity.

Executive Board Assessment[2]

The Irish economy has remained resilient and is projected to grow at a slower but still robust pace amid higher energy prices and global uncertainty. Modified domestic demand growth is projected to moderate from almost 5 percent in 2025 to about 2½ percent in 2026–27, largely reflecting a softening of private consumption due to weaker employment and real income growth, as well as normalization of modified investment. Headline inflation is projected to rise to about 3½ percent in 2026 and return to 2 percent around 2028. The outlook is subject to elevated uncertainty, with downside risks to growth and upside risks to inflation. Ireland's external position is preliminarily assessed to be moderately stronger than the level implied by medium-term fundamentals and desirable policies.

Ireland's current strong economic position provides an opportunity to future-proof its economy. Reliance on MNEs continues to be a source of vulnerability; housing and infrastructure gaps remain to be fully addressed; long-term spending pressures from aging and the green transition are looming; and the rapid development of AI presents both risks and opportunities. Given these vulnerabilities and risks in a more shock-prone and fragmented world, Ireland cannot take its resilience for granted and should use the current window to address vulnerabilities, improve productivity, and secure lasting prosperity.

Fiscal policy should achieve a broadly neutral stance while scaling up public investment efficiently. With the economy operating at full capacity and upside inflation risks, fiscal policy should avoid injecting unnecessary demand stimulus. Furthermore, a broadly neutral stance would help build buffers for future shocks and spending needs stemming from aging and the green transition. In case of downside risks materializing, automatic stabilizers should be allowed to operate fully. Any discretionary fiscal support should be temporary, targeted, and preserve price signals, to be accommodated within a broadly neutral fiscal stance, except in a severe downside scenario. Staff welcomes the authorities' commitment to accelerating public investment and effective implementation will be key. Current expenditure needs to be closely managed, including through stronger controls to minimize overruns.

Broadening the tax base and strengthening the national fiscal framework would reduce vulnerability to the highly concentrated CIT and help prepare Ireland for long-term challenges. Increasing revenues from PIT, VAT, and local property taxes would provide more sustainable revenue sources for permanent spending commitments and allow for channeling more excess CIT revenues into the two savings funds. A stronger national fiscal framework would help Ireland balance competing priorities, enhance budget credibility, and safeguard sustainability. Given the lack of a fiscal anchor at present, the MTFSP should guide annual budgets and act as a binding mechanism on spending ceilings over the medium term.

Systemic risks have risen, warranting ongoing vigilance to safeguard financial stability. The financial system has proven resilient in the face of external shocks. But vulnerabilities in segments of Ireland's large and complex non-bank sector related to leverage and liquidity

[2] The Executive Board takes decisions under the lapse-of-time procedure when the Board agrees that a proposal can be considered without convening formal discussions.

mismatches could amplify and transmit adverse shocks. Asset quality should remain a key supervisory focus for banks. Macroprudential settings are appropriate, and the CBI should continue to review and adjust them as macro-financial conditions develop. Evolving risks from digitalization and cybersecurity require continued focus on operational resilience.

Strengthening regulation and supervision of non-banks requires continued efforts and cooperation with the international community. The CBI should maintain its leadership role in developing a macroprudential framework for non-banks and continue to monitor the implementation of the macroprudential measures for Irish property funds and GBP-denominated liability-driven investment funds. The CBI's ongoing efforts, in collaboration with ESMA and other regulators, to improve data availability and quality, enhance risk assessment, and develop system-wide stress tests are welcome.

Structural reforms should focus on addressing housing shortages, enhancing energy security, and preparing for the AI transformation. Achieving the new housing targets will require further efforts to streamline the complex planning and judicial review process, increase urban density, boost construction productivity, and crowd in private capital. Upgrading the electricity grid, strengthening integration with the EU energy market, and harnessing Ireland's potential in renewables are key to bolstering energy security and delivering a cost-effective green transition. Realizing AI-related productivity gains while ensuring adjustment does not undermine inclusive growth will require policies to help workers adapt and acquire new skills, enhance labor mobility, and foster innovation to leverage Ireland's abundant talent.

The Irish economy would benefit significantly from deepening the EU Single Market. The SIU can facilitate the redirection of savings into productive investments, and Ireland's financial sector, a global leader in asset management, is uniquely positioned to lead the transition. The proposed 28th corporate regime, if designed and implemented well, would enable Irish firms to operate more efficiently in the Single Market and bring economies of scale. Advancing new EU trade agreements would allow Irish firms to diversify supply chains and capture efficiency gains from trade.

Ireland: Selected Economic Indicators, 2022–31

					Projections					
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	(Annual percentage change, constant prices, unless otherwise indicated)									
Output/Demand										
Real GDP 1/	7.5	-2.5	2.6	12.3	-0.8	3.7	2.9	2.4	2.3	2.3
Real GNI* (growth rate) 2/	3.3	5.7	4.8	4.0	2.0	2.7	2.6	2.4	2.3	2.3
Domestic demand	7.7	8.0	-9.8	14.8	2.3	2.6	2.7	2.7	2.5	2.3
Public consumption	2.5	5.0	5.3	4.1	2.5	2.5	2.5	2.5	2.5	2.3
Private consumption	10.8	5.0	2.9	2.9	2.0	2.3	2.4	2.3	2.2	2.3
Gross fixed capital formation	2.8	13.4	-28.5	42.6	2.0	3.5	3.2	3.3	3.0	2.5
Exports of goods and services	12.0	-3.9	8.6	9.7	0.7	4.5	3.0	2.5	2.5	2.5
Imports of goods and services	15.0	2.2	2.7	9.5	3.1	4.1	2.9	2.7	2.7	2.6
Output gap	2.2	3.2	1.2	1.9	0.5	0.3	0.2	0.1	0.0	0.0
Contribution to Growth										
Domestic demand	4.5	4.7	-6.4	8.6	1.3	1.6	1.6	1.6	1.5	1.4
Consumption	3.0	1.8	1.4	1.3	0.8	0.9	0.9	0.9	0.9	0.9
Gross fixed capital formation	0.6	2.8	-7.1	7.4	0.4	0.8	0.7	0.7	0.7	0.6
Inventories	0.9	0.1	-0.8	-0.1	0.1	-0.1	0.0	0.0	0.0	0.0
Net exports	2.2	-7.7	8.9	3.9	-1.8	2.3	1.3	0.8	0.8	0.9
Residual	0.7	0.5	0.1	-0.1	-0.4	-0.1	0.0	0.0	0.0	0.0
Prices										
Inflation (HICP)	8.1	5.2	1.3	2.1	3.5	2.6	2.0	2.1	2.0	2.0
Inflation (HICP, core)	5.0	5.0	2.4	2.2	2.5	2.4	2.2	2.1	2.0	2.0
GDP deflator	8.0	3.4	4.5	1.0	1.9	2.4	1.5	1.7	1.7	1.8
Employment										
Employment (% changes of level, ILO definition)	6.9	3.4	2.7	2.2	1.2	1.1	1.0	1.0	0.9	0.8
Unemployment rate (percent)	4.5	4.3	4.3	4.7	5.0	5.0	5.0	5.1	5.1	5.1
	(Percent of GDP)									
Public Finance, General Government										
Revenue	22.3	23.6	26.5	22.7	23.5	23.4	23.6	23.6	24.0	24.3
Expenditure	20.6	22.2	22.3	21.0	22.5	22.5	23.0	23.2	23.4	23.8
Overall balance	1.6	1.4	4.1	1.8	0.9	0.9	0.6	0.4	0.6	0.5
in percent of GNI*	3.2	2.5	7.3	3.3	1.7	1.6	1.2	0.8	1.1	0.9

Primary balance	2.3	2.1	4.7	2.2	1.5	1.4	1.3	1.1	1.4	1.3
Cyclically adjusted primary balance	1.6	1.1	4.2	1.7	1.3	1.3	1.2	1.1	1.4	1.3
Structural primary balance 3/	-0.4	-1.1	-0.7	-1.2	-1.8	-1.9	-2.0	-2.0	-1.8	-1.9
General government gross debt	43.0	41.8	38.3	32.9	32.2	30.0	28.6	27.6	26.6	25.9
General government gross debt (percent of GNI*)	83.9	75.2	67.1	62.2	59.2	55.8	53.4	51.5	49.6	48.4
Balance of Payments										
Trade balance (goods)	39.4	29.9	31.2	36.1	31.2	30.6	30.0	29.4	28.9	28.5
Current account balance	8.8	7.0	16.2	8.2	7.8	8.0	8.0	7.6	7.2	7.1
Gross external debt (excl. IFSC) 4/	187.7	175.7	154.2	130.8	125.5	114.2	105.6	98.3	91.8	85.9
Saving and Investment Balance										
Gross national savings	31.6	33.7	34.4	31.1	31.4	31.1	31.1	30.9	30.8	30.7
Private sector	29.0	31.3	29.3	28.5	29.6	29.4	29.7	29.8	29.5	29.6
Public sector	2.7	2.4	5.1	2.6	1.8	1.6	1.4	1.1	1.3	1.1
Gross capital formation	22.9	26.7	18.2	22.9	23.6	23.1	23.1	23.4	23.6	23.6
Memorandum Items:										
Nominal GDP (€ billions)	520.7	524.7	562.8	638.7	645.2	685.1	715.6	745.1	775.4	807.6
Nominal GNI* (€ billions)	266.7	291.4	321.1	337.3	350.5	368.3	383.4	399.2	415.5	432.9
Modified domestic demand (percentage change) 5/	8.4	6.2	1.8	4.9	2.5	2.6	2.6	2.5	2.4	2.3

Sources: CSO, DoF, Eurostat, and IMF staff estimates and projections.

1/ Real GDP growth is reported in non-seasonally adjusted terms.

2/ Nominal GNI* is deflated using GDP deflator as proxy, since an official GNI* deflator is not available. GNI* for 2025 is IMF staff estimate.

3/ Excludes estimated excess CIT receipts. In 2024 also excludes CIT receipts of 2.5 percent of GDP following judgment by the Court of Justice of the EU.

4/ IFSC indicates international financial services.

5/ Modified Domestic Demand (MDD) measures Ireland's domestic economic activity by excluding certain capital investment items such as aeroplanes purchased by leasing companies in Ireland and Intellectual Property purchases of foreign-owned corporations from final domestic demand.

INTERNATIONAL MONETARY FUND

IRELAND

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION

June 10, 2026

KEY ISSUES

Context and outlook. The Irish economy has remained resilient amid trade and geopolitical tensions, but its favorable outlook faces challenges and uncertainties. Ireland's reliance on investment and tax revenues from multinational enterprises makes it vulnerable in an increasingly shock-prone and fragmented world, while aging, energy security, and technological transformations present additional challenges. While the war in the Middle East demands near-term policy attention, the current strong economic position provides a window to future-proof the economy.

Fiscal. Staff supports the authorities' plan to scale up and accelerate public investment; effective implementation will be key. Current expenditure needs to be managed closely, including through stronger controls to minimize spending overruns, to achieve a broadly neutral fiscal stance appropriate for the near and medium term. Support should prioritize temporary, targeted transfers over tax cuts, subsidies, or price controls. Broadening the tax base would reduce risks from tax revenue uncertainty and build buffers for future shocks and spending needs. Staff reiterates the importance of strengthening the national fiscal framework and budget credibility.

Financial. Systemic risks, including cyber and operational risks, have risen, underscoring the importance of continued vigilance and close monitoring to bolster resilience and safeguard financial stability. The banking sector remains sound, but asset quality should remain a key supervisory focus. Macroprudential settings are appropriate; the CBI should continue reviewing and adjusting them as macro-financial conditions evolve. In collaboration with other jurisdictions, work should continue to strengthen regulation and supervision of the growing NBFI sector (including on the macroprudential front), improve data availability and quality, and develop system-wide stress tests.

Structural. The authorities should continue implementing policies to increase housing supply, including by streamlining the complex planning and judicial review process and raising urban density. Strengthening integration with the EU energy market and harnessing Ireland's high potential in renewables are important for energy security, competitiveness, and a cost-effective green transition. Realizing gains from AI while preserving inclusive growth would require policies to help workers adapt and acquire new skills, enhance labor mobility, and foster innovation to leverage Ireland's abundant talent. Finally, renewed efforts are needed to support deepening the EU Single Market.

Approved By
Kristina Kostial (EUR) and Jarkko Turunen (SPR)

Discussions were held in Dublin during May 12–25, 2026. Mission members included Yan Sun (head), Rossen Rozenov, and Yang Yang (all EUR) and Mohammad Khabbazan (ICD). Gina Fitzgerald and Gerard McGuinness (OED) attended most of the meetings. Brigitte Plein, Santiago Previde and Yuqi Bao supported the mission. The mission met with Deputy Prime Minister and Minister for Finance Harris, Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalization Chambers, Governor of the Central Bank of Ireland Makhlouf, senior officials, representatives of trade unions, members of Parliament, and private sector representatives.

CONTENTS

ANNEXES

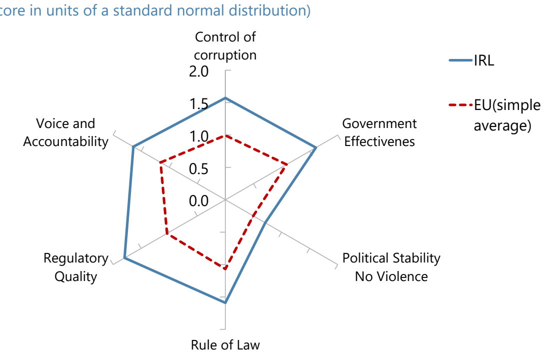
CONTEXT

1. **The highly open Irish economy has remained resilient in the face of consecutive external shocks, and the current strong position provides a window to undertake reforms to future-proof the economy.** A conducive business environment, sound institutions and policies, and a well-educated labor force have continued to position the country as an attractive hub for multinational enterprises (MNEs) in knowledge-intensive sectors. Nevertheless, Ireland's resilience will continue to be tested, as its reliance on FDI and tax revenue from a handful of MNEs presents significant risks in a more shock-prone and fragmented world. Domestically, housing and infrastructure gaps and muted private investment, if left unaddressed, could weaken competitiveness and slow the adoption of new technologies. Population aging is also expected to exert pressures on labor supply and productivity, as well as on healthcare and pension systems. Policy actions today would shape the economy's resilience and competitiveness in the long run.

Figure 1. Ireland: Strengths and Challenges

Ireland scores highly on governance indicators…

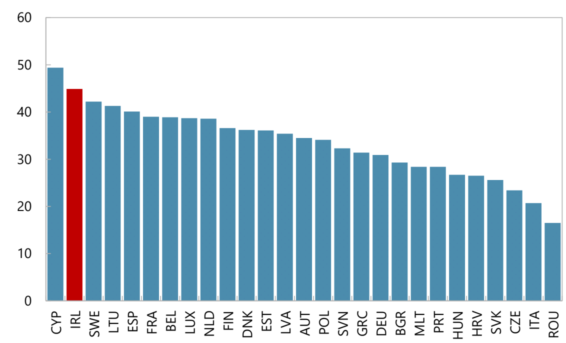
Governance Indicators in 2024
(Score in units of a standard normal distribution)



Source: *Worldwide Governance Indicators* 2025 Update.

…and the labor force is highly educated.

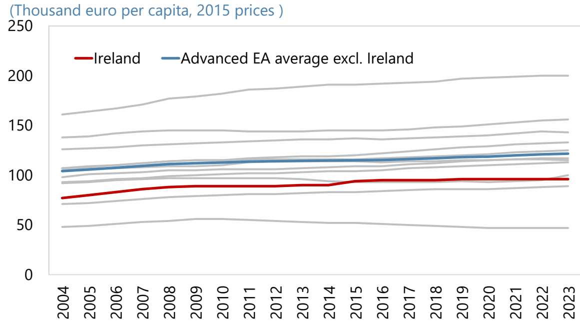
Population with Tertiary Education in 2024
(Percent)



Source: Eurostat.

Ireland's infrastructure has been falling behind…

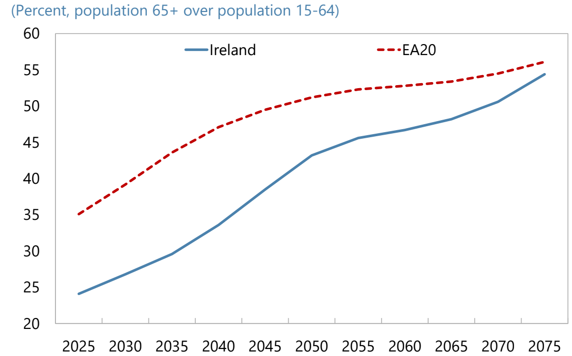
Capital Stock Per Capita
(Thousand euro per capita, 2015 prices)



Source: IFAC Fiscal Assessment Report, June 2025.
Note: Other transport equipment and intangible assets are excluded due to large distortions in the Irish data. Grey lines show individual advanced euro area countries.

…and its current favorable demographics will face headwinds.

Old Age Depency Ratio
(Percent, population 65+ over population 15-64)

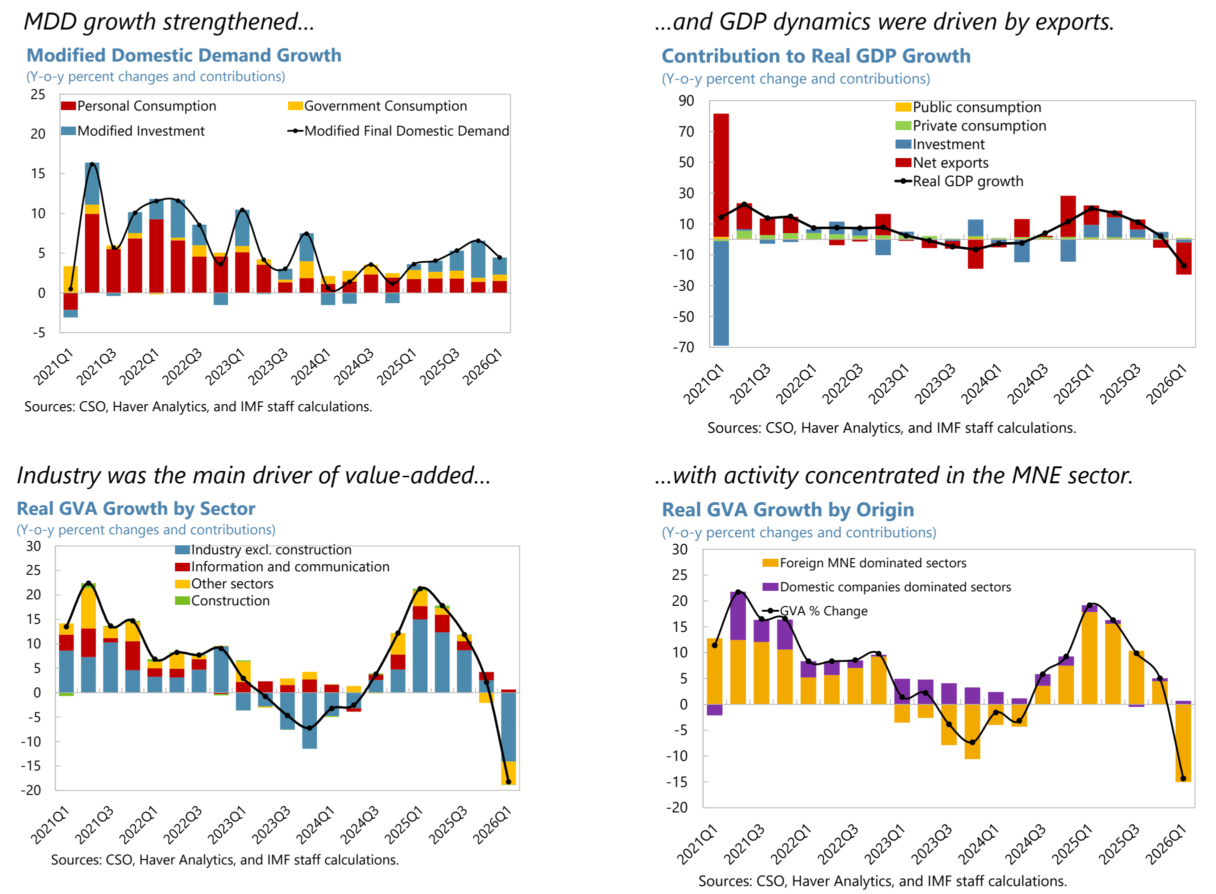


Source: Eurostat, EUROPOP2023.

RECENT DEVELOPMENTS

2. **Despite trade and geopolitical tensions and elevated uncertainty, the Irish economy has continued to grow strongly.** After posting 4.8 percent growth in 2024, real GNI* (an appropriate measure of the Irish economy)[1] is estimated to have increased by about 4 percent in 2025. Robust private consumption and modified investment supported modified domestic demand (MDD)[2], which grew by 4.9 percent last year. Real GDP rose by 12.3 percent in 2025, largely driven by MNEs' strong exports (Annex I). Headline investment in fixed capital increased by 43 percent, after a substantial decline in 2024 due to one-off transactions by MNEs. GDP is estimated to have contracted by 17 percent (y-o-y) in 2026 Q1, reflecting a return to more normal levels of MNEs' exports following front-loading last year, while MDD grew by 4.3 percent. High-frequency and survey-based indicators suggest improvement in the manufacturing outlook and moderating but positive growth in services.

Figure 2. Ireland: Real Sector Developments

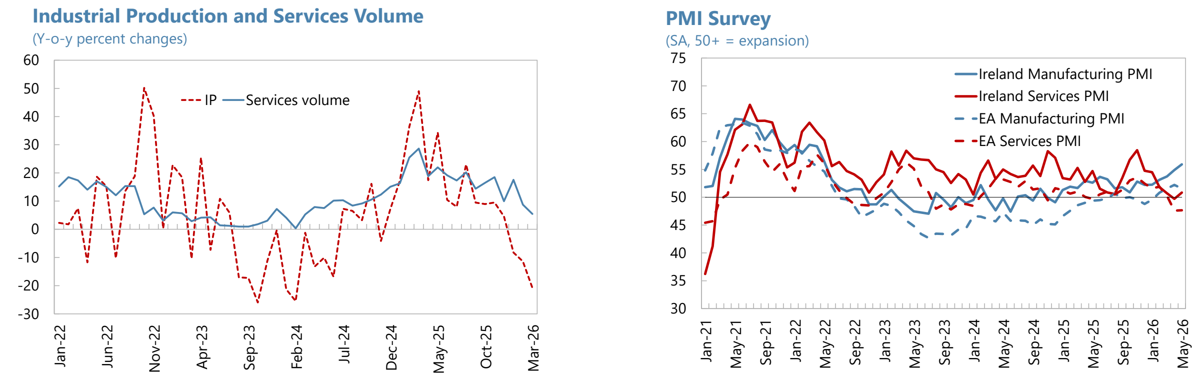


[1] Modified Gross National Income (GNI*) is an indicator designed by the Central Statistics Office (CSO) to measure the size of the Irish economy by excluding MNEs' globalized operations (see Box 1 of the 2018 staff report). GNI* is only available annually.

[2] Modified Domestic Demand (MDD) is an indicator developed by the CSO to measure Ireland's domestic economic activity by excluding from final domestic demand certain capital investment items such as airplanes purchased by leasing companies in Ireland and intellectual property purchases of MNEs.

Figure 2. Ireland: Real Sector Developments (concluded)

IP declined in early 2026 but… *…the manufacturing PMI is signaling improvement.*

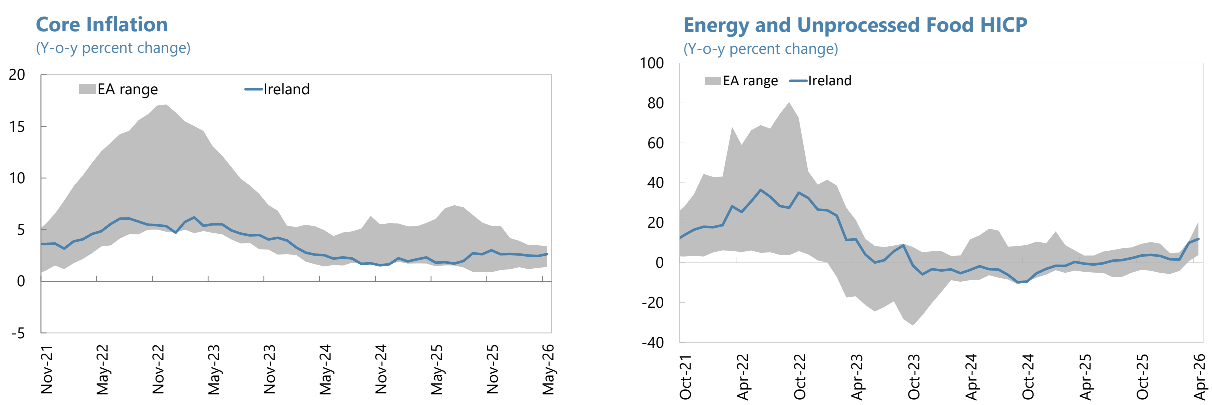


Sources: CSO, and Haver Analytics. Sources: Markit, and IMF calculations.

3. Inflation remained close to 2 percent in 2025 but has accelerated since March 2026 due to higher energy prices. In 2025, the average headline inflation (HICP) stood at 2.1 percent and core inflation was marginally higher at 2.2 percent. Inflation rose noticeably in March to 3.6 percent and remained at a similar level since, mainly because of higher energy prices reflecting spillovers from the war in the Middle East. Core inflation also increased somewhat compared to last year (2.7 percent in May). Consumer expectations have moved as well, with recent business and consumer surveys showing the highest balances in four years.

Figure 3. Ireland: Inflation

Core inflation picked up… *…as did the energy and food price inflation.*



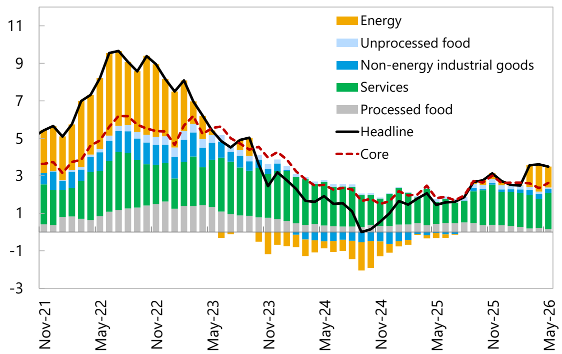
Sources: Eurostat, Haver Analytics, and IMF staff calculations. Sources: Eurostat, Haver Analytics, and IMF staff calculations.

Figure 3. Ireland: Inflation (concluded)

Services and energy are the main contributors...

Contributions to Headline Inflation

(Y-o-y percent change and contributions)

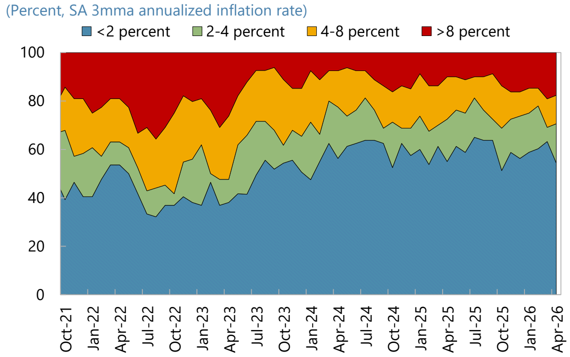


Sources: Eurostat, Haver Analytics, and IMF staff calculations.

...among a shifting price increase distribution.

Inflation Distribution of Core Components

(Percent, SA 3mma annualized inflation rate)

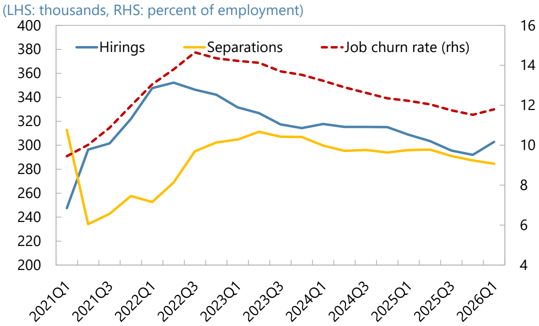


Sources: CSO; Eurostat; Haver Analytics; and IMF staff calculations.

4. **The labor market exhibits signs of easing.** Employment growth slowed from 2.7 percent in 2024 to 2.2 percent in 2025, with declines recorded in some sectors, e.g., ICT and professional services. Vacancy rates were broadly unchanged overall, with higher values in the public sector and some high-skill activities. The unemployment rate stood at 4.7 percent in 2025. Employment growth decelerated further in 2026 Q1 to the lowest rate in five years, and the unemployment rate rose to 4.9 percent. Hirings have been on a downward trend except for an uptick in 2026 Q1. Collectively, these indicators point to a less tight labor market compared to a year ago.

Labor Market Churn

(LHS: thousands, RHS: percent of employment)



Source: CSO.

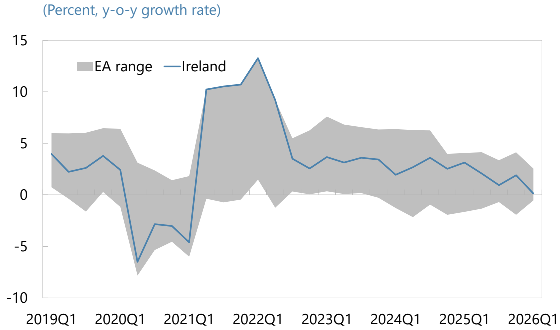
Note: 4 quarter moving average.

Figure 4. Ireland: Labor Market

Employment growth has decelerated...

Employment Growth

(Percent, y-o-y growth rate)

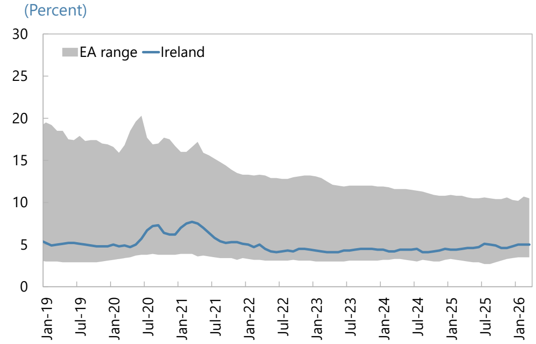


Sources: Eurostat, Haver Analytics, and IMF calculations.

...and unemployment has edged up.

Unemployment Rate

(Percent)



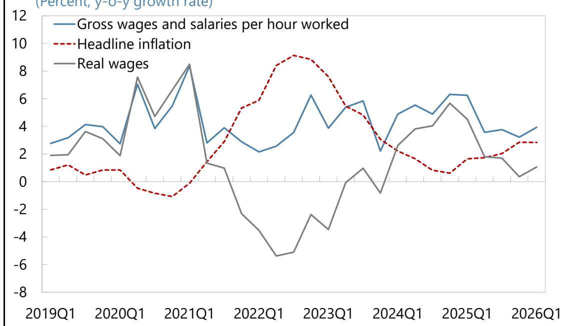
Sources: Eurostat, Haver Analytics, and IMF calculations.

Figure 4. Ireland: Labor Market (concluded)

Real wage growth has slowed...

Wage Developments

(Percent, y-o-y growth rate)



Sources: CSO, Eurostat, Haver Analytics, and IMF calculations.

...and the participation rate has been broadly stable.

Participation Rate and Hours Worked

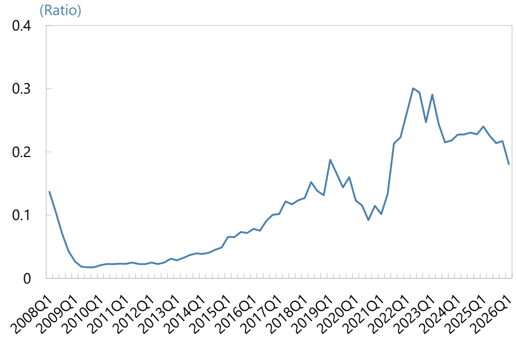
(LHS: percent; RHS: hours per week)

Sources: Eurostat, Haver Analytics, and IMF calculations.

The vacancy to unemployment ratio has declined...

Vacancy to Unemployment Ratio

(Ratio)

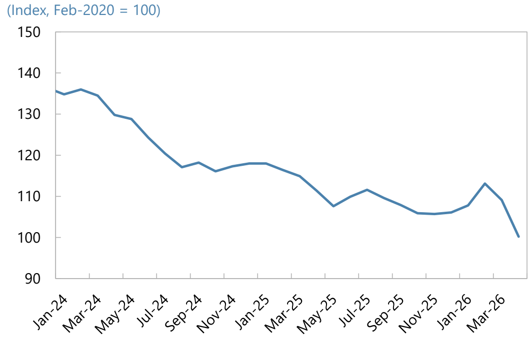


Sources: CSO, Haver Analytics, and IMF calculations.

...and job postings are trending down.

Total Job Postings

(Index, Feb-2020 = 100)



Sources: Indeed, and Haver Analytics.

5. **Robust corporate tax revenue contributed to a sizable headline fiscal surplus (1.8 percent of GDP or 3.3 percent of GNI*) in 2025.** Revenues (excluding one-offs) grew by about 7½ percent while expenditures increased by about 6½ percent. Corporate income tax (CIT) revenue outperformed budget projections due to stronger-than-expected profits of MNEs. Both current and capital expenditures slightly exceeded budget allocations. The fiscal stance in 2025 is assessed to be moderately expansionary. Public debt declined further to about 33 percent of GDP (62 percent of GNI*) at end-2025. So far in 2026, tax revenues have continued to increase robustly. The authorities raised the 2026 expenditure ceiling in April to accommodate energy support, totaling €755 million (0.1 percent of GDP), to cushion the impact of higher energy costs,[3] and additional education spending.

6. **Bank credit has continued to strengthen on the back of robust mortgage loans and amid still-high house price growth.** Interest rates on loans have been on a declining trend overall since 2024, reflecting the ECB's easing cycle, but lending rates to NFCs edged up in March. A

[3] After initially introducing a €250 million package, the government adopted additional measures amounting to €505 million in response to higher fuel costs due to the war in the Middle East. The time-bound measures include two rounds of reductions in excise duties until end-July, an extension of the fuel allowance season to May 1st, a deferral of the planned carbon tax increase to the 2027 Budget, targeted support for road transport operators and fuel subsidies for farmers.

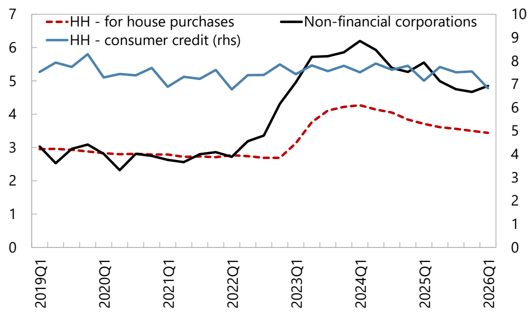
combination of factors, including steady income growth, increased housing supply, and house price dynamics, have underpinned the mortgage lending activity, with lending standards broadly unchanged. Residential property price growth has come down compared to a year ago, but at over 6 percent year-on-year it remains elevated. Commercial real estate (CRE) values are showing signs of bottoming out, with some segments (industrial, retail) exhibiting growth.

Figure 5. Ireland: Credit Developments and Real Estate Prices

Lending rates are trending down…

Interest Rate on New Lending

(Percent)

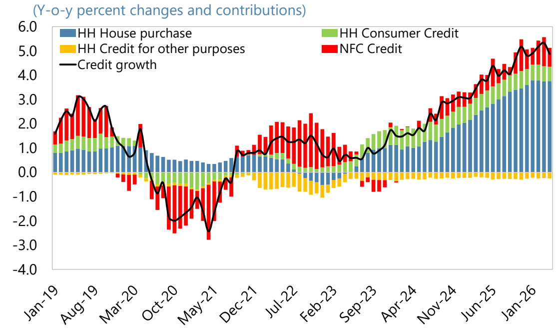


Sources: CBI, and IMF staff calculations.

…and bank credit is picking up.

Contributions to Credit Growth

(Y-o-y percent changes and contributions)



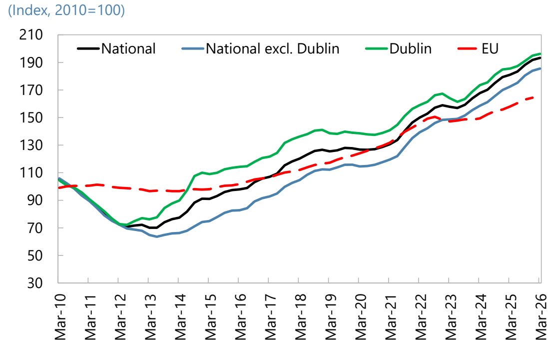
Source: CBI.

Note: Credit only considers loans by banks to Irish Residents.

House prices continue to rise, albeit at a lower rate…

Residential Property Price Growth

(Index, 2010=100)

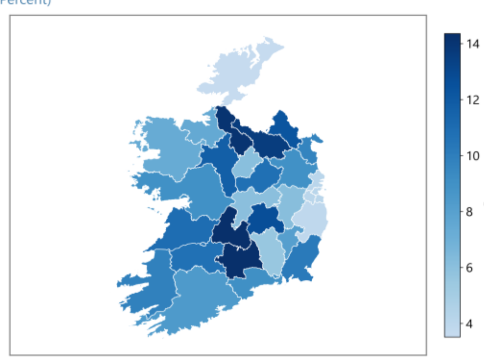


Sources: CSO, Eurostat, Haver Analytics, and IMF staff calculations.

…with significant regional variation.

Average Sale Price Change in 2025 by County

(Percent)

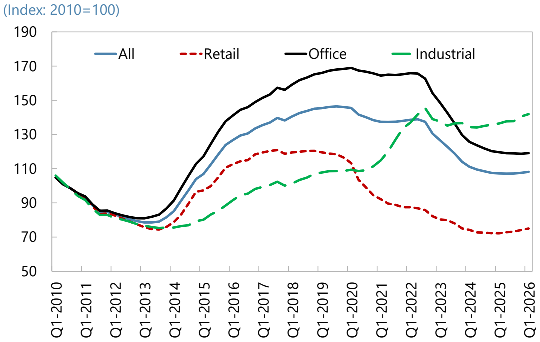


Sources: CSO and IMF staff calculations

CRE Capital values are showing signs of recovery…

CRE Capital Value

(Index: 2010=100)

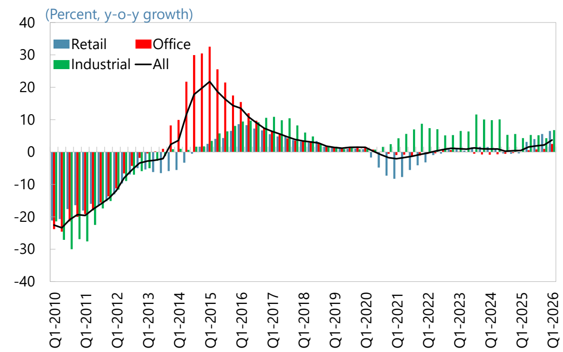


Sources: MSCI and IMF staff calculations.

…and rents are rising slowly.

CRE Rent Growth

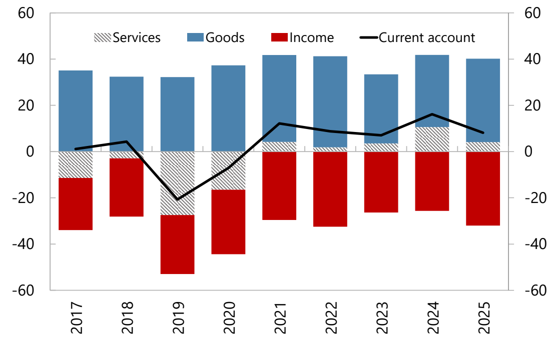
(Percent, y-o-y growth)



Sources: MSCI, and IMF staff calculations.

7. **The headline current account (CA) surplus was halved to 8.2 percent of GDP in 2025.** Nominal goods exports grew by about 20 percent (y-o-y), driven almost entirely by a single product group in the MNE pharmaceutical sector. Services trade surplus normalized, following the surge in 2024 due to a large one-off IP export. The income balance deteriorated as investment income payable to foreign investors rose significantly. Financial account outflows declined to 8 percent of GDP in 2025, with portfolio and FDI net outflows partially offset by net inflows in other investments. While the external balance assessment (EBA), based on the headline CA, points to a substantially stronger external position, the model does not account for the large distortions and volatilities of the MNE sector and generates a large unexplained residual for Ireland. Furthermore, the EBA REER models point to a slight overvaluation. Taking into account these effects, Ireland's external position in 2025 is preliminarily assessed to be moderately stronger than the level implied by medium-term fundamentals and desirable policies (Annex IV).

Current Account Balance
(Percent of GDP)



Sources: Haver Analytics, Eurostat, and IMF staff calculations.

OUTLOOK AND RISKS

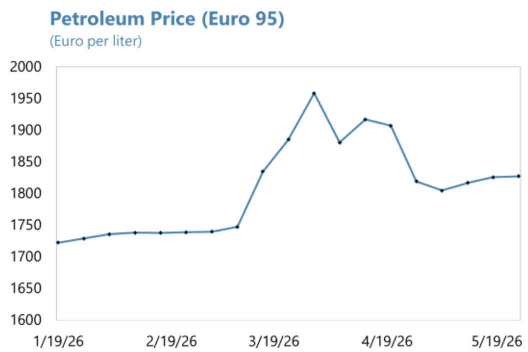
8. **The Irish economy is projected to grow at a slower but still robust pace.** Near-term growth momentum is expected to face headwinds from the war in the Middle East, reflecting higher energy prices and global uncertainty. Under the baseline (consistent with the energy futures prices as of May 19th), MDD is projected to grow by about 2½ percent in 2026–27, a moderation from 4.9 percent in 2025. Private consumption is expected to slow down due to weaker employment and real income growth. Modified investment is projected to normalize from the high 2025 level and would be supported by continued activity in construction. On the external side, export growth is expected to slow considerably in 2026. Although a recovery of goods exports is projected in the remainder of the year, it would not fully offset the decline in Q1, leaving the overall growth modest and driven by services. In this context, real GDP is projected to decline by about 1 percent this year and rebound by 3.7 percent in 2027, before moderating to 2¼ percent in the medium term. GNI* is expected to increase by about 2 percent in 2026 and 2.7 percent in 2027. Headline inflation is projected to rise to 3½ percent this year and return to 2 percent around 2028. The current account surplus is projected to moderate slightly to about 7 percent of GDP over the medium term.

9. **Significant uncertainty remains and risks to the growth outlook are on the downside and to inflation on the upside** (Annex III). Substantial external risks stem from the war in the Middle East, with its impact on the Irish economy contingent on the intensity and duration of the conflict (Box 1). Ireland's reliance on MNEs continues to be a source of vulnerability with potential impact on employment, output, and tax revenues. Furthermore, rising geoeconomic fragmentation and protectionism along with elevated policy uncertainty could lead to further reorganization of supply chains and shifts in trade and capital flows that would be detrimental to Ireland's globally

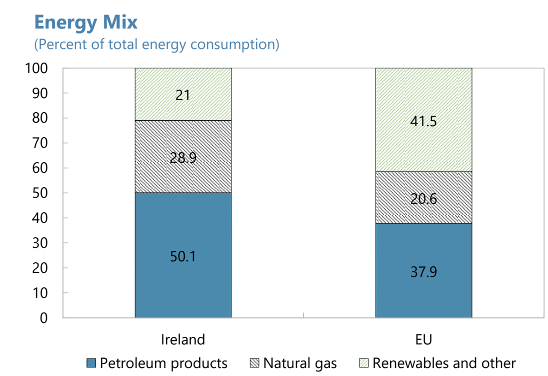
integrated economy. The rapidly evolving landscape of AI poses novel risks: misuse of AI technologies could threaten cybersecurity and a revision in expectations of AI-driven productivity gains could trigger steep financial market corrections. On the upside, rapid AI adoption, if managed well, and progress with the EU Single Market could be associated with greater dynamism and growth. Domestically, persistent supply-side constraints in infrastructure, housing, and labor markets could weigh on productivity.

Box 1. Ireland: The Impact of the War in the Middle East

Ireland's fossil-fuel-intensive energy mix and high import dependency make it vulnerable to energy price shocks. Nearly 80 percent of total energy supply in Ireland comes from oil and natural gas, and about 80 percent of energy supply is imported. In addition, natural gas plays a central role in maintaining balance and security in the electricity system. Following two rounds of excise duty cuts, gasoline prices declined but are still about 5 percent above pre-war levels as of end-May. More broadly, Ireland is highly integrated into global supply chains and is susceptible to the war's indirect effects through disruptions to non-energy trade.



Source: EC Weekly Oil Bulletin.



Source: Eurostat.

Deeper and more prolonged global energy supply disruptions could materially weaken the outlook. In a severe scenario (calibrated based on the April 2026 WEO) where energy supply dislocations extend into 2027, inflation expectations become markedly less anchored, the ECB policy rate is increased by an additional 50 bps in 2026 and 25 bps in 2027 (relative to a cumulative increase of 50 bps in 2026 under the baseline), and financial conditions tighten sharply, real MDD growth could be about 1.0 pp lower (cumulatively) during 2026–27 relative to the baseline, while annual inflation could be about 1.1 pp higher on average.

Box 1. Table 1. Projection Scenarios
(Percentage)

	GDP growth		MDD growth		Inflation	
	2026	2027	2026	2027	2026	2027
Baseline	-0.8	3.7	2.5	2.6	3.5	2.6
Severe Scenario	-1.5	3.0	1.9	2.1	3.9	4.4

Source: IMF staff calculations.

Authorities' Views

10. The authorities broadly concurred with staff's assessment and highlighted that the outlook for the domestic economy has deteriorated over the short term amid elevated uncertainty but remains relatively favorable over the medium term. They noted that activity is expected to continue expanding at a solid, though moderating pace, supported by investment, particularly in housing and infrastructure, even as private consumption is projected to soften amid higher inflation. They emphasized that recent headline developments in GDP and CA continue to be shaped by volatility in MNE-dominated operations. Consistent with staff's baseline, the authorities expect inflation to rise in the short term, driven mainly by higher energy costs, before gradually easing over the medium term. At the same time, they agreed that uncertainty around the outlook remains elevated and have prepared alternative scenarios on the basis of a more prolonged disruption to energy supplies. While near-term risks to growth are on the downside, risks were assessed to be more balanced over the medium term, including due to upside potential from AI-driven productivity gains.

POLICY DISCUSSIONS

A. Fiscal Policy

11. The headline fiscal balance is projected to remain in surplus during 2026–31. The new Medium-Term Fiscal and Structural Plan (MTFSP) projects an average annual revenue growth of about 6 percent during 2026–30, driven by increases in income taxes (including excess CIT[4]) and social contributions. Current expenditure is budgeted to grow by about 6 percent annually on average, considerably outpacing its pre-pandemic trend of 3 percent. The authorities also plan to continue increasing capital expenditure at a pace similar to the pre-pandemic trend (averaging 13 percent annually) to address housing and infrastructure gaps.[5] Staff's baseline is broadly in line with the authorities' plan and current policies,[6] except that it assumes higher current spending of about €1½ billion (0.2 percent of GDP or 0.4 percent of GNI*) in 2026, reflecting projected overruns. The structural primary balance, which excludes estimated excess CIT revenue, is projected to deteriorate by about 0.6 percent of GDP (1.0 percent of GNI*) in 2026 and remain broadly unchanged in outer years, implying a moderately expansionary fiscal stance in the near term and broadly neutral one over the medium term. Public debt is projected to decline to about 26 percent of GDP (about 50 percent of GNI*) in 2031, and Ireland is assessed to remain at low risk of sovereign stress (Annex V).

[4] Staff estimates that about 50 percent of total CIT revenue in 2025 (€18 billion, or 5 percent of GNI*) is in excess of what can be explained by underlying domestic economic activities. This is broadly in line with the authorities' estimates of "excess" CIT revenue.

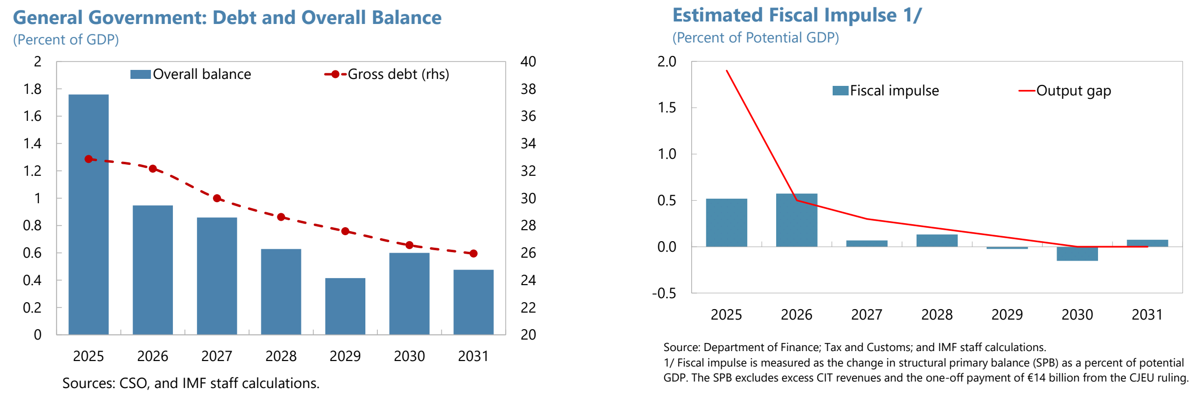
[5] The ramp-up of capital expenditure in the MTFSP reflects the National Development Plan (NDP) Review 2025's objective to increase capital expenditure to about 5 percent of GNI* for 2026–2030. The MTFSP envisages further increases in capital expenditure from 2028 onward following the next NDP Review.

[6] Annual Progress Report 2026.

Figure 6. Ireland: Fiscal Projections and Stances

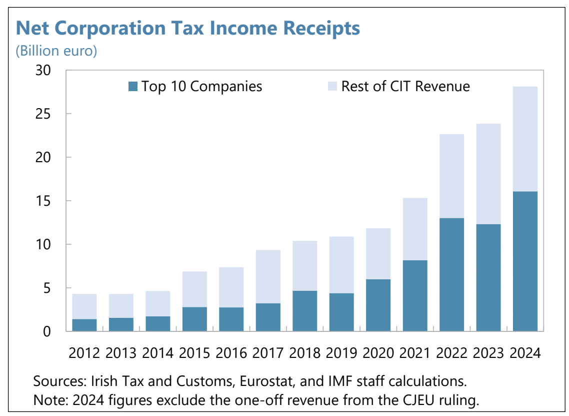
With excess CIT, the fiscal balance is projected to remain in surplus…

…and the near-term fiscal stance is moderately expansionary.



12. **The favorable outlook in the near to medium term masks Ireland's underlying fiscal vulnerabilities.** Uncertain MNE-related revenues, a narrowing domestic tax base, and rising age- and climate-related expenditures pose fiscal sustainability risks in the long term. Staff's simulations suggest that, under the current tax policy, a gradual loss of estimated excess CIT during 2032–41 and rising age- and climate-related costs would shift the current fiscal surplus to a deficit of about 7 percent of GNI* by 2050. Public debt would start to rise beyond the medium term and exceed 100 percent of GNI* by 2050 (Figure 8).

- **Uncertain MNE-related revenues:** Ireland's revenue disproportionately relies on CIT, which is highly concentrated among a handful of large MNEs and the degree of concentration is increasing.[7] Excluding the estimated excess CIT, Ireland's sizeable surpluses in recent years become deficits, suggesting that potentially temporary revenues are being used to finance permanent spending commitments. Moreover, an adverse shock to the MNE sector could have broader fiscal and economic implications through secondary effects on employment, PIT, and VAT.



- **Narrowing tax bases.** A complex tax expenditure system via credits, exemptions, and preferential rates has eroded the tax base. Ireland's PIT structure, while highly progressive, exempts one-third of income earners from paying any PIT or the Universal Social Charge (USC). Goods and services that account for more than half of total consumer spending currently pay

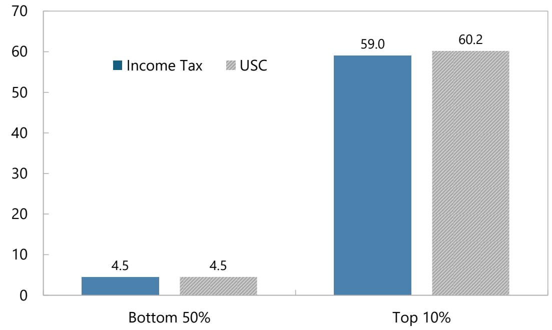
[7] More concentration, more risk: three firms account for almost half of Ireland's corporation tax revenues – Irish Fiscal Advisory Council.

reduced VAT rates, implying a significant VAT policy gap of nearly 35 percent.[8] The local property tax rates remain relatively low despite recent reforms, resulting in low recurrent revenues and a high reliance on distortionary transaction taxes such as stamp duty.

Figure 7. Ireland: PIT, VAT and Property Tax Structure

Ireland has a progressive PIT system…

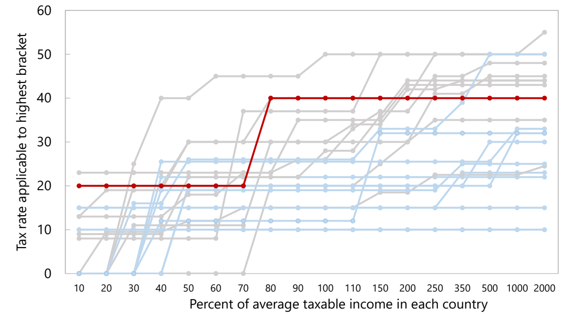
Income Tax and USC Contributions in 2024
(Percent of total receipts)



Sources: Revenue Commissioners, and IMF staff calculations.

…and has room to introduce additional PIT bands.

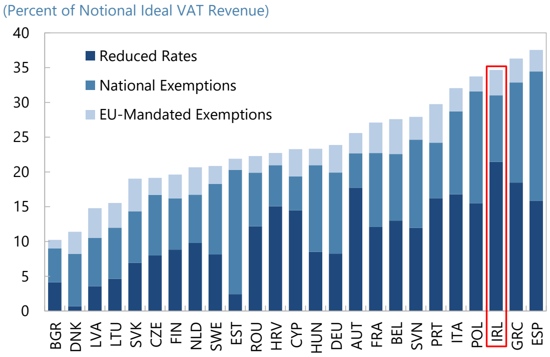
PIT Rate Structure, 2025
(Percent)



Sources: Taxes in Europe database v4; and IMF staff calculations.

Reduced VAT rates create a sizable VAT policy gap…

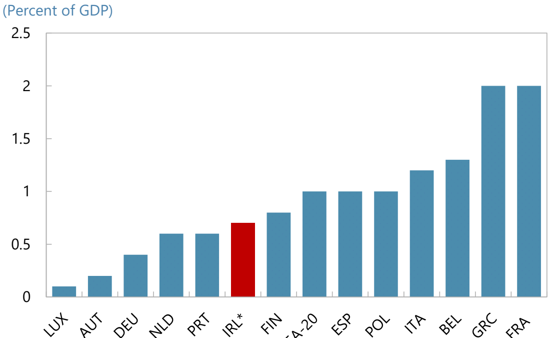
VAT Policy Gap in 2024
(Percent of Notional Ideal VAT Revenue)



Sources: European Commission and IMF staff calculations.

…recurrent property tax revenue is low.

Recurrent Taxes on Immovable Property in 2024
(Percent of GDP)



Sources: European Commission, Eurostat, and IMF staff calculations.
Note: * percent of GNI*.

- **Aging and climate costs:** While Ireland's current age structure is favorable, the European Commission projects the share of the old-age population to double from 2022 to 2070. Consequently, total age-related expenditures are projected to increase by 6 percentage points of GNI* by 2050, higher than any other EU country.[9] Particularly, the fiscal cost of pensions alone is projected to increase by 4 percentage points of GNI*, underscoring the need to safeguard the sustainability of the pension system. In addition to aging, the authorities estimate that the climate transition could reduce revenue by about 2 percent of GNI* and add about ½ percent of GNI* to expenditure in the long term under the central scenario.[10]

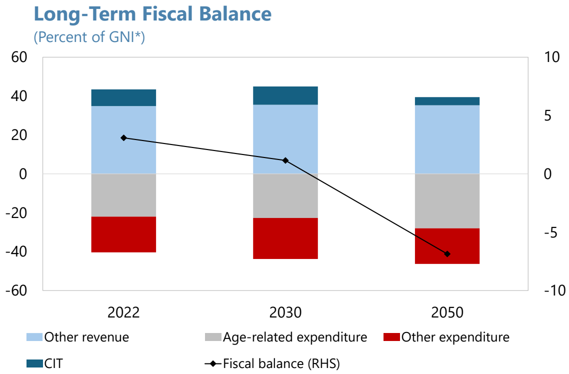
[8] Fiscal vulnerabilities - Expanding costs, narrowing base - December 2025.

[9] Population Ageing and the Public Finances in Ireland – Fiscal Costs.

[10] Future Forty: A Fiscal and Economic Outlook to 2065.

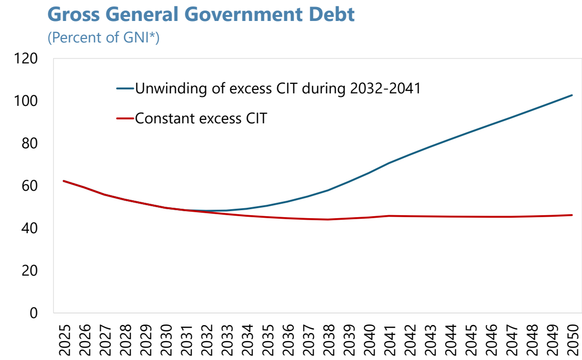
Figure 8. Ireland: Long-Term Fiscal and Debt Scenarios

The fiscal position is projected to deteriorate in the long term...



Sources: CSO, Department of Finance and IMF Staff calculations.

...and debt to increase significantly.



Sources: CSO, Department of Finance and IMF Staff calculations.

Note: The long-term scenario only captures the direct impact of a decline in MNE profits for 2032 to 2041 on CIT revenues in the budget. It does not capture the impact of spillovers to the rest of the economy.

13. A broadly neutral fiscal stance would be appropriate in the near and medium term. Staff supports the planned scale-up of public investment to close the housing and infrastructure gaps (¶16), which could also crowd in private investment. However, current expenditure has become elevated following rapid growth in recent years, with health and social spending repeatedly exceeding budget allocations. With the economy already operating at full capacity and upside inflation risks, fiscal policy should avoid injecting unnecessary stimulus. Furthermore, a broadly neutral stance would help build buffers for future shocks and spending needs stemming from aging and the green transition. If downside risks were to materialize, automatic stabilizers should be allowed to work fully, and any discretionary fiscal support should be time-bound, targeted and maintain the price signal. In a downside scenario of modestly lower growth and higher inflation, a broadly neutral fiscal stance would remain appropriate. However, in a severe scenario, if growth were to slow considerably (Box 1), Ireland can scale up discretionary targeted support and accommodate lower fiscal balances temporarily, while ensuring a broadly neutral stance over the medium term and deepening reforms to safeguard fiscal sustainability.

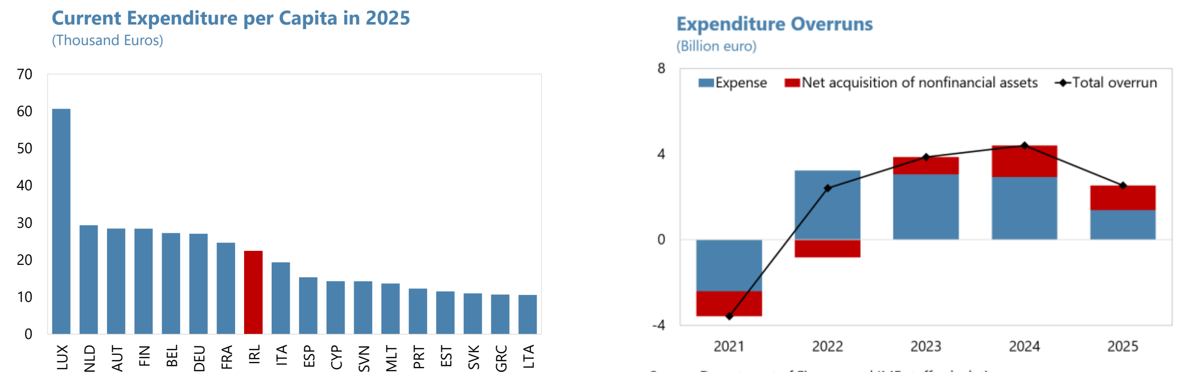
14. Ireland needs to prepare now for long-term fiscal challenges. Immediate priorities include closely controlling current expenditure growth and minimizing spending overruns while efficiently delivering capital spending. Broadening the tax base over the medium term would provide more sustainable revenue sources for permanent spending commitments and allow for putting more excess CIT revenues in the two savings funds.[11] Strengthening the national fiscal framework would help Ireland balance competing priorities, avoid pro-cyclical fiscal policy, and

[11] See Ireland: Selected Issues (2023).

safeguard fiscal sustainability. The authorities should continue their efforts to enhance the sustainability of the pension system.[12]

Figure 9. Ireland: Recent Expenditure Outturns

Current expenditure has become elevated. *Expenditure has consistently exceeded budgets*



Sources: WEO, and IMF staff calculations.

Source: Department of Finance and IMF staff calculations.

15. Strengthening expenditure controls can help minimize spending overruns. The upcoming Comprehensive Review of Public Financial Procedures offers an opportunity to update procedures to reflect current operational practices. In addition, stronger procedural enforcement, including tighter in-year monitoring, earlier intervention, and corrective actions should be implemented systematically in areas where repeated budget overruns exist. In this context, staff welcomes the Expenditure Control and Escalation Process which sets out a formalized escalation pathway to strengthen expenditure management and a phased approach to address overruns across line ministries. Upstream mechanisms, including commitment control over procurement, could be improved by enhancing digitalization and integrating platforms and data.[13] Importantly, expenditure controls can only be strengthened meaningfully if budget planning sets binding targets that limit the expectation of and the need for additional appropriations.

16. The authorities' commitment to accelerating infrastructure spending is welcome and effective implementation will be key. To ensure timely delivery of infrastructure projects, policy should continue to address key structural bottlenecks to investment, particularly those arising from the complex planning and judicial review process. The Accelerating Infrastructure Action Plan provides useful guidance for further reforms and should be implemented without delay.[14] Staff supports reform priorities in the Action Plan to cap the costs of environmental planning judicial reviews, streamline court procedures, shorten consent procedures, and eliminate dual approval processes for critical infrastructure projects.

[12] While the State pension age has remained at 66 for more than a decade, the authorities have recently introduced several reforms to the pension system in the right direction, including automatic enrolment in the occupational pension, a phased Pay Related Social Insurance (PRSI) increase roadmap, and a flexible/deferred retirement option.

[13] The Way Forward for Digital Public Procurement in Ireland.

[14] Government publishes Accelerating Infrastructure - Report and Action Plan.

17. Broadening the tax base requires reforms on several fronts and can yield sizeable revenue gains.[15] Increasing local property tax rates could provide higher and more stable revenue streams. The number of preferential VAT or excise rates, especially on items that disproportionately benefit higher-income earners, could be reduced. Broad-based PIT reliefs and exemptions could be reduced as well. Introducing additional PIT bands with appropriately calibrated rates and replacing the Pay Related Social Insurance (PRSI) and USC thresholds with gradual phase-ins can also strengthen work incentives. The potential impact on progressivity of these reforms would need to be mitigated by means-tested transfers.

18. Staff reiterates the recommendation to strengthen Ireland's national fiscal framework and budget credibility.[16] The EU fiscal framework is neither binding for Ireland nor sufficient to safeguard its public finances while addressing urgent infrastructure/housing needs.[17] Staff recommends that the authorities adopt a credible and binding fiscal rule, preferably anchored in a long-term net debt target. This rule could be operationalized through multi-year net expenditure ceilings. It is advisable to legislate this national fiscal framework and strengthen the impact of IFAC's compliance assessments to enhance fiscal oversight and accountability. Given the lack of a fiscal anchor at present and to enhance budget credibility, staff recommends that the MTFSP guide annual budgets and act as a binding mechanism on spending ceilings over the medium term.

Authorities' Views

19. The authorities reaffirmed their commitment to fiscal prudence. They underscored Ireland's strong fiscal position but agreed that significant risks stem from relying on a highly concentrated tax base and long-term spending pressures. Acknowledging the need to achieve a broadly neutral fiscal stance, the authorities have tightened expenditure controls and remain strongly committed to staying within the expenditure ceilings set out in the MTFSP. They highlighted recent measures to minimize spending overruns, including the Expenditure Control and Escalation Process and an efficiency dividend in the form of an expenditure levy to reprioritize within the expenditure ceilings. While taking into account the context of Ireland's sizable headline fiscal surpluses, the authorities concurred that energy supports should be temporary and targeted. They reiterated their strong commitment to delivering key public investment projects and noted that implementation of the Accelerating Infrastructure Action Plan is on track. The authorities noted that broadening the tax base could happen over time and cited high voluntary compliance rates following the recent increase in local property tax as an example of a recently introduced measure. While there has been limited political appetite for adopting a binding national fiscal rule, they reiterated strong commitment to fiscal prudence, highlighting the important role of the two savings funds.

[15] An analytical note by the IFAC estimates that increasing local property tax rates, removing reduced VAT rates, and reforming PRSI and USC can raise revenues by about 1.1, 0.9 and 0.7 percent of GNI*, respectively.

[16] Options for Strengthening Ireland's Fiscal Framework.

[17] The previous government had a 5-percent net spending growth rule, which was repeatedly breached and has lapsed.

B. Financial and Macroprudential Policies

20. Systemic risks have risen relative to the last Article IV consultation amidst tightening global financial conditions in a highly volatile environment.

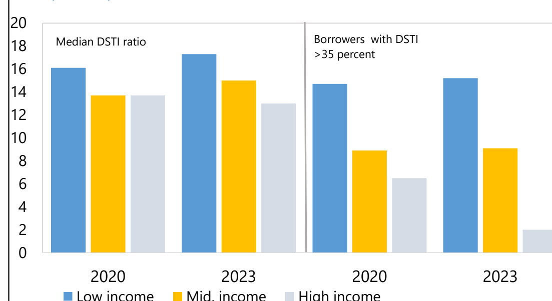
- Globally, financial conditions are tightening somewhat from highly accommodative levels as markets are pricing in higher inflation, slower growth, and negative sentiments, contributing to higher systemic risks that pertain mostly to the NBFI sector. Still, equity valuations continue to appear stretched in certain segments of the market, raising concerns about abrupt corrections and mispricing of risk which could spill over to the Irish financial system. Vulnerabilities in segments of Ireland's large and complex non-bank sector related to leverage and liquidity mismatches could amplify adverse shocks and transmit them to other parts of the system. A mitigating factor is that NBFIs in Ireland are mostly externally oriented, with limited, albeit growing, links with the domestic economy.

- Domestically, while the economy performs strongly, Ireland remains vulnerable to concentration risks from the reliance on a small set of globalized sectors. Although direct lending to MNEs by Irish banks is limited, the latter could be exposed to second-round effects. Higher inflation and weaker external demand could increase debt-servicing pressures.[18] Financial stability risks from the housing market remain contained but the still-high house price inflation adds to affordability pressures. The stabilization of the CRE market is a welcome development, although the outlook is still uncertain. Finally, amid rapid developments in AI, digitalization and operational risks, including cyber threats and reliance on external providers, add complexity to the risk environment.

Taken together, these factors underscore the importance of continued vigilance and close monitoring to bolster the financial sector's resilience and safeguard stability.

21. While household and corporate balance sheets remain healthy overall, there is heterogeneity in exposures and buffers across groups. Strong labor market outcomes have supported the debt service capacity of Irish households, and their indebtedness has declined further on aggregate. Lower-income borrowers, however, face higher debt burdens and generally have smaller financial buffers, while higher-income borrowers, especially those employed in the MNE sector, are vulnerable to geoeconomic shocks or AI disruptions. Non-financial corporations (NFCs) display robust activity and profitability, and their leverage has remained relatively stable. Firms in export-oriented sectors are more exposed to

Household Debt Burden
(Percent)



Sources: Central Bank of Ireland and CSO

[18] See Central Bank of Ireland's Financial Stability Review 2026: I.

adverse trade policy scenarios, but they usually have greater resilience. Corporate insolvencies declined slightly in 2025 compared to a year earlier.

22. The banking sector has proven resilient, but risks should continue to be monitored closely. Although profitability has moderated with the interest rate normalization, it remains above the pre-pandemic level, with a stable outlook. The government sold its remaining shares in the AIB group and reached an agreement to sell its stake in PTSB. Capital positions of the domestic banks have strengthened further, benefitting also from the finalization of Basel III reforms, and are above the regulatory requirements. The 2025 EBA stress test confirmed that the Irish banks are resilient under a severe macroeconomic scenario. Liquidity positions are sound, with domestic banks relying largely on retail deposits. Asset quality has continued to improve overall, with stage 3 and stage 2 loans declining to 1.4 and 7.7 percent in 2025Q4. Vulnerabilities, however, persist in certain portfolios, particularly related to leveraged finance to firms and the CRE sector. Asset quality should remain a key area of supervisory focus, given the macroeconomic risks, including from escalation of geopolitical tensions. Additionally, evolving risks from digitalization and cybersecurity require ongoing efforts to strengthen operational resilience. The banking sector landscape is changing, with new entrants to the domestic banking sector. The impact of the EU's Sixth Capital Requirements Directive (CRD6) on non-EU banks and other financial institutions directly providing core banking services to EU clients may have implications for EU banks' and other financial institutions' business models, cross-border activity, and supervisory engagement, which warrants ongoing monitoring. International banks' vulnerability to funding shocks and interconnectedness with NBFIs should continue to be monitored closely.

Selected Financial Indicators of Selected Banks, 2025Q4
(Percent)

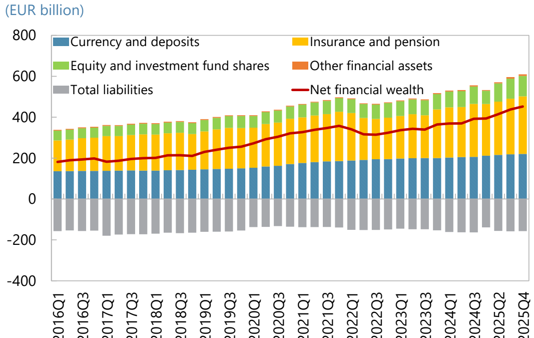
	Domestic Retail Banks 1/	Domestic Banks EBA 2/	EU average EBA 3/
Return on assets	1.1	1.1	0.7
Return on equity	11.3	11.0	10.4
Net interest margin	2.6	2.3	1.6
Cost-to-income ratio	52.7	51.5	53.3
NPL ratio	1.5	1.1	1.8
Tier 1 capital ratio	18.1	19.4	17.9

Sources: CBI and IMF staff.
1/ Indicators cover the three main domestic retail banks: Allied Irish Banks, Bank of Ireland, and Permanent TSB.
2/ In the case of Ireland, the EBA sample includes AIB Group plc, Bank of Ireland Group plc and Citibank Europe plc; for the Tier 1 capital ratio, the sample also includes Bank of America Europe and Barclays Bank Ireland plc.
3/ EBA sample covers EU's largest banks, both domestic and cross-border.

Figure 10. Ireland: Balance Sheets, Bank Profitability and Asset Quality

Household net financial wealth is increasing...

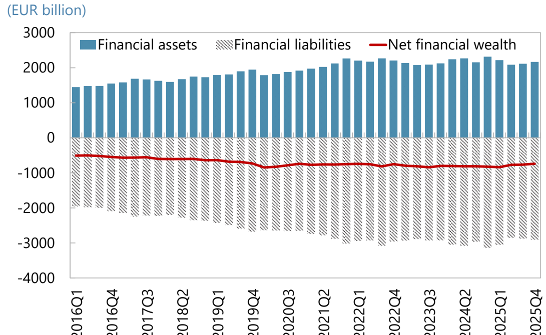
Household Net Financial Wealth
(EUR billion)



Sources: CBI and IMF staff calculations.

...and NFCs' financial position is stable.

NFC Financial Assets and Liabilities
(EUR billion)

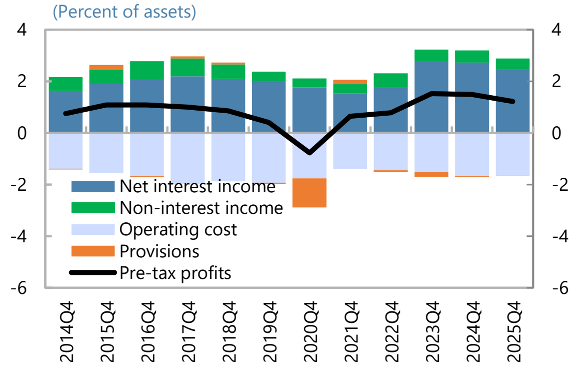


Sources: CBI, Haver Analytics, and IMF staff calculations.

Figure 10. Ireland: Balance Sheets, Bank Profitability and Asset Quality (concluded)

Domestic banks are profitable…

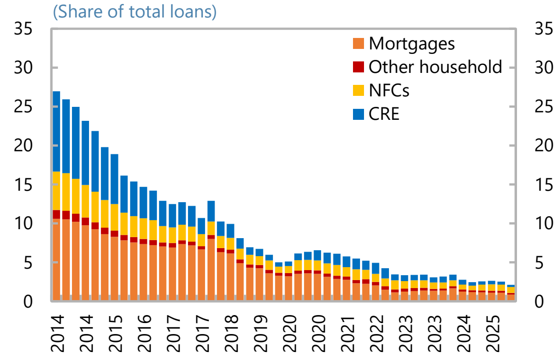
Domestic Banks: Profits and Losses
(Percent of assets)



Sources: Central Bank of Ireland and IMF staff calculations

…and NPLs are on a downward trend.

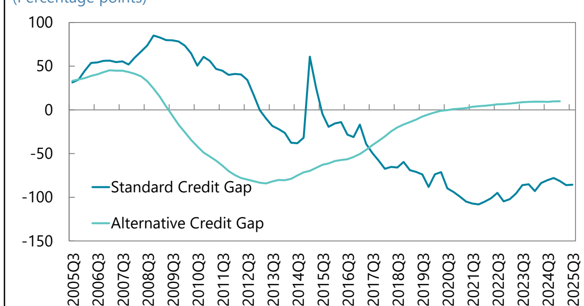
Domestic Banks: Non-Performing Loans
(Share of total loans)



Sources: Central Bank of Ireland and IMF staff calculations

23. **Macroprudential policy settings remain appropriate.** The CCyB rate is maintained at 1.5 percent, a level consistent with cyclical risk conditions being neither elevated nor subdued. Macro-financial indicators overall support this assessment, with the economy performing robustly but amid significant uncertainty. Notwithstanding the pick-up in credit activity, to date this has not appeared to be contributing to a build-up of systemic risk and overall cyclical conditions have not changed from last year in a way that would indicate the need for policy adjustment. The mortgage measures were recalibrated in 2023 and the distribution of new lending has adjusted accordingly, with a larger share of loans originated close to the limits, reflecting also the housing market developments. At the same time, the use of allowances,[19] despite some increase, remains relatively contained at about 10 percent, indicating that banks continue to apply prudent lending standards. A targeted amendment to the mortgage measures that exempts certain principal home bridging loans from the LTI limit was announced in April.[20] The CBI should continue to conduct stress tests and review and adjust the macroprudential policy settings, as warranted to respond to evolving macro-financial conditions and risks. In a scenario where the materialization of downside risks leads to impairment of credit provision, the use of releasable capital buffers should be considered.

Standard Basel and Alternative Credit Gaps
(Percentage points)



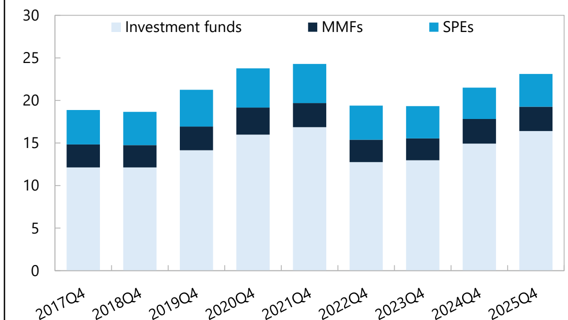
Source: CBI.
Notes: The standardised gap measure is based on the HP-filter methodology applied by the BIS and shows the deviation of the total credit-to-GDP ratio from its long-term trend. The alternative credit gap is based on a revision of O'Brien and Velasco (2020).

[19] Lending allowed above the headline limits.

[20] A principal home bridging loan is a short-term loan (up to 18 months) that existing homeowners can take to facilitate the purchase of a new principal home before finalizing the sale of their current property. These loans are repaid from the property sale proceeds rather than from income.

24. Work should continue to address risks and strengthen regulation and supervision of non-banks. The Irish non-bank financial sector continued to grow, with assets exceeding €7 trillion in 2025 (over 20 times the estimated GNI*). Strengthening the regulation and supervision of NBFIs remains a key priority for the CBI, which continues to actively engage with the international community and contribute to policy development and implementation.[21] The CBI has undertaken further analytical work to better understand leverage risks from specific segments of the funds sector and the use of LMTs by Irish-domiciled funds in both normal and stressed market conditions. Analysis of private credit funds suggests that leverage or liquidity mismatches do not appear to pose substantial threats, but the complexity of their structures and data limitations complicate the analysis.[22] The majority of Irish property funds are on track to meet the leverage limit by November 2027, and the GBP-denominated LDI funds have maintained yield buffers well above the 300 bps requirement. The CBI should continue to monitor the implementation of these measures and maintain its leadership role in developing a macroprudential framework for non-banks in cooperation with other institutions. Ongoing close engagement with ESMA, including through common supervisory actions, peer reviews, and voluntary supervisory colleges, is welcome. The CBI's ongoing efforts, in conjunction with ESMA and other regulators, are important to further improve data availability and quality to enhance risk assessment across the non-bank financial sector and to develop system-wide stress tests.

Irish Non-Bank Sector
(Multiple of GNI*)



Sources: Central Bank of Ireland, CSO, and IMF staff calculations.
Note: The 2025 GNI* value is based on the IMF staff estimate.

Authorities' Views

25. The authorities broadly agreed with staff's assessment and recommendations. They noted that financial stability risks have increased but households, corporates, and banks have generally maintained strong balance sheets. The authorities are carefully monitoring emerging pressures, including interest rate risks, and operational challenges linked to digitalization and third-party dependencies, while continuing to strengthen governance, credit risk management, and cyber resilience. Officials are progressing with the transposition of CRD VI into national legislation and are assessing its implications for Ireland's financial sector. The authorities remain focused on improving the regulation and supervision of non-banks. They reaffirmed their commitment to continuing to develop a macroprudential framework for NBFIs, prioritizing the funds sector and building on their earlier work and structured around key priorities. This includes the implementation of internationally agreed reforms and domestic macroprudential measures, strengthening of governance

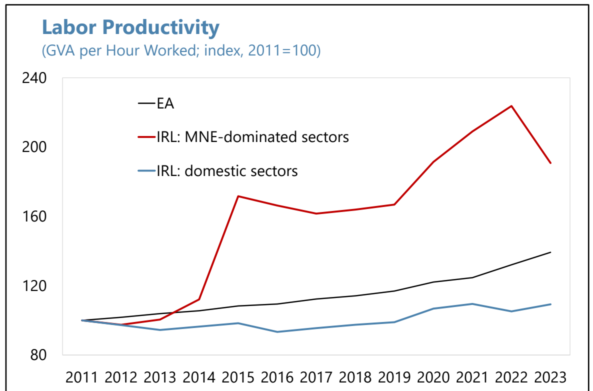
[21] In particular, the CBI has supported the implementation of the FSB's recommendations to address financial stability risks from leverage of non-banks, the FSB's revised recommendations on liquidity risk management in open-ended funds, and IOSCO guidelines on liquidity management tools (LMTs).

[22] Central Bank of Ireland, Financial Stability Review 2025:II.

arrangements, development of system-wide stress testing, targeted enhancements to the macroprudential toolkit, and improvements in data access and data-sharing. They stressed that these efforts are being advanced in close coordination with European and international partners and will remain central to safeguarding financial stability as the sector continues to evolve.

C. Structural Policy

26. Profound trade and geoeconomic shifts, energy security, and rapid technological transformations call for further reforms to safeguard Ireland's competitiveness and resilience. The Irish economy is highly integrated into global trade and investment, making it susceptible to reconfiguration of supply chains and FDI. In addition, a wide productivity gap persists between domestic firms and MNEs, and the rapidly evolving AI technology risks further widening of this divide. Therefore, domestic firms should seek to deepen linkages with the MNE sector (e.g., through innovation cooperation) and enhance productivity. A more integrated EU Single Market would be less vulnerable to disruptions and more conducive for Irish firms to scale up. Key reform priorities include increasing housing supply, reducing energy costs, preparing workers for the AI transformation, and supporting a deepening of the EU Single Market.



Sources: CSO, Eurostat, and IMF Staff calculations.

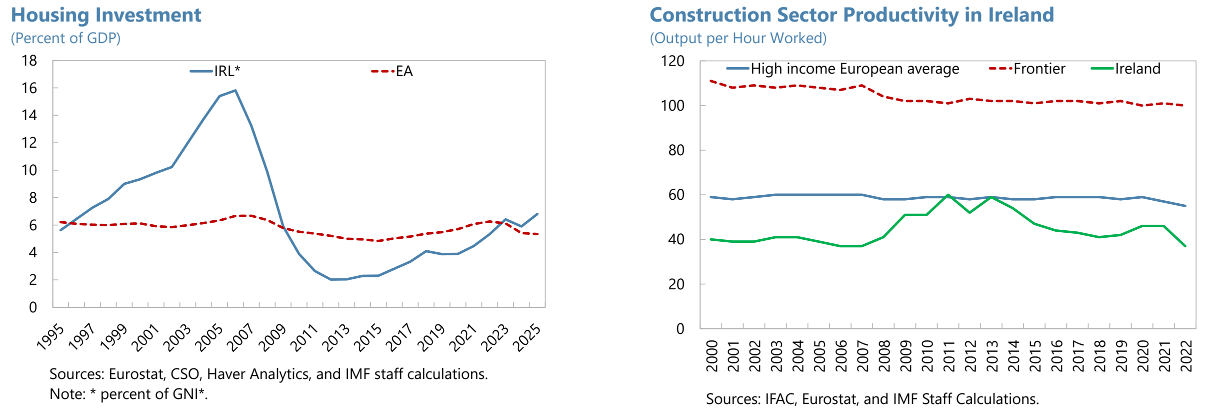
27. Persistent housing shortages warrant continued efforts to boost housing supply. Despite a notable increase in completions last year and a gradual shift toward higher density, housing shortage remains a key bottleneck to attracting talent and supporting business expansion, which should be tackled by increasing housing supply. The new housing plan outlines a comprehensive policy package aimed at delivering 300,000 homes for 2025–2030.[23] Achieving this target will require further reforms, including to streamline the complex planning and judicial review process and increase urban density. Enhancing apprenticeship and training programs could alleviate the skill shortage and improve productivity in the construction sector. Crowding in private capital—through providing planning certainty and infrastructure—could also help boost housing supply. The New Rent Control Framework, albeit retaining strict rent controls for existing tenants, introduces more predictability and flexibility into the rental market control system by allowing rents to reset to market levels under predefined situations, which could increase rental supply.[24] Staff recommends removing rent controls to further boost rental supply, while continuing to support vulnerable households.

[23] Delivering Homes, Building Communities 2025–2030.

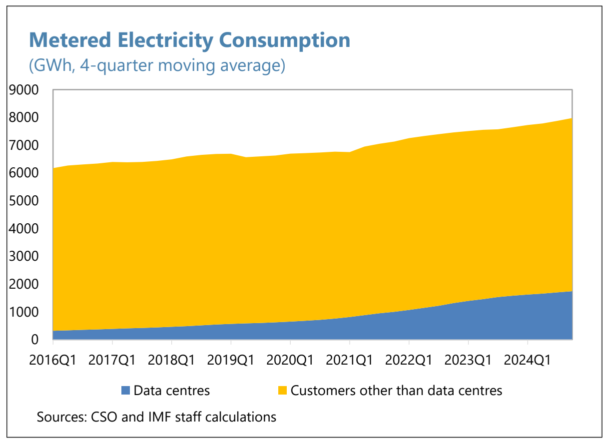
[24] Government Reforms to the Rental Sector – Starting 1 March 2026.

Figure 11. Ireland: Housing Market Challenges

Housing investment has been subdued… *…and productivity in the construction sector is low.*

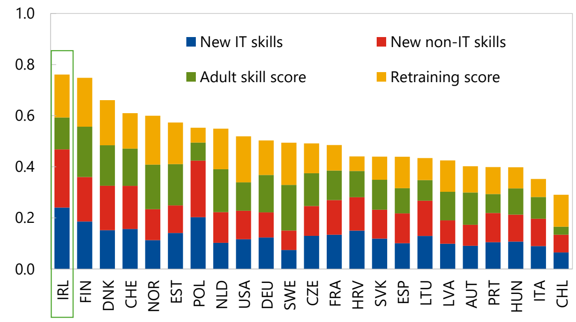


28. Sustained productivity growth is closely linked to the availability of reliable and competitively priced low-carbon energy. Electricity infrastructure bottlenecks are seen as an important impediment to investment and growth, and the government has rightly prioritized upgrading of the electricity grid. The constraints are particularly visible in the data-center industry whose footprint in Ireland is significant relative to the country's size. Meeting energy demand, including in the context of rapidly growing AI-related needs, requires both additional generation and reinforced infrastructure, as well as implementing carbon pricing with broader coverage. Strengthening Ireland's integration with the EU energy market is a key step to bolstering the security of electricity supply. At the same time, Ireland possesses immense potential for offshore renewable energy generation. Harnessing this potential, alongside improved transmission and storage, will be key for bolstering energy security and competitiveness as well as for delivering a cost-effective green transition.



29. Ireland needs to prepare its labor market for AI. Ireland is relatively more exposed to AI than many advanced economies because of its concentration of ICT, financial services, and other knowledge-intensive industries. These sectors appear to be experiencing weaker employment growth, particularly among younger cohorts.[25] While AI can be associated with substantial productivity gains, especially in high value-added sectors, realizing these gains will require continuous reskilling and upskilling as labor demand shifts towards advanced digital and analytical skills. Ireland enters the new phase from a position of strength, reflecting robust investment in tertiary education and lifelong learning programs. Reforms that foster innovation would help leverage the abundant talent. More broadly, through policies aimed at helping workers adapt and acquire new skills and enhancing labor mobility, including through affordable housing, Ireland can strengthen its competitiveness while ensuring that adjustment pressures do not undermine inclusive growth.[26]

Skill Readiness Across OECD Countries
(Index, 0-1)



Source: Jaumotte and others (2026), SDN/2026/001, IMF.

30. The domestic economy would benefit significantly from deepening the EU Single Market. A more integrated EU Single Market would allow Irish firms to expand across Europe with fewer frictions and leverage economies of scale, and boost financing for Irish start-ups. It would also enhance the resilience of Irish firms, making them less vulnerable to supply-chain and trade policy shocks originating elsewhere. Advancing new EU trade agreements would allow Irish firms to diversify supply chains and capture efficiency gains from trade. Notably:

- **Savings and Investments Union (SIU).** A significant portion of Irish households' financial assets is in the form of low-yield deposits. The SIU can unlock new opportunities and facilitate the redirection of savings into productive investments, increasing household wealth and resilience. For Irish businesses that aim to scale up and go public, the SIU would provide access to a unified capital market, thereby helping to boost investment. This could help to bridge the gap in productivity relative to the MNEs. Ireland's financial sector, a global leader in asset management, is uniquely positioned to lead the transition. Domestic reforms can further enable retail participation in the capital market.

- **The 28th regime.**[27] Fragmented national regulatory frameworks in the EU continue to impede cross-border trade and investment by acting as internal market barriers, especially in services. The proposed 28th corporate regime, if designed and implemented well, would enable Irish firms to operate more efficiently in the Single Market. Simplifying regulations and creating a single set of rules would facilitate deeper integration and cross-border activity, strengthen domestic firms, and bring economies of scale.

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[25] See Department of Finance, Economic Insights (2026), Vol. 1.

[26] See accompanying Selected Issues Paper "Estimating the Impacts of AI, Trade Policy, and the Energy Transition: An Application to Ireland".

[27] Proposal for a Regulation of the European Parliament and of the Council on the 28th Regime Corporate Legal Framework.

Authorities' Views

31. **The authorities stressed their commitment to achieving the new housing targets.** They agreed that boosting housing supply is key to addressing housing shortages and highlighted a significant increase in the use of Modern Methods of Construction (MMC), which is accelerating delivery of housing, and the potential to further increase adoption of MMC to help address skills shortages and increase capacity in the construction sector. They highlighted the significant planning reform agenda underway, and in particular the phased commencement of the Planning and Development Act 2024, which will introduce further clarity, certainty and consistency in the planning system, including through the introduction of mandatory decision-making timelines for planning applications and streamlined judicial review arrangements. The authorities also highlighted the Housing Assistance Payment and the Rental Accommodation Scheme, both of which are targeted social housing supports assisting eligible households to meet their housing needs, including through accommodation in the private rental sector.

32. **The authorities emphasized that expanding electricity interconnection is central to achieving Ireland's renewable energy targets and strengthening security.** They underscored ongoing efforts to diversify interconnection, including exploring additional links with continental Europe, while highlighting structural challenges faced by an island system. The authorities also stressed that large-scale investment in grid infrastructure is critical to unlocking renewable capacity, pointing to a substantial multi-year investment program aimed at upgrading and expanding transmission and distribution networks.

33. **The authorities recognized the transformative potential of AI and highlighted several policy responses to prepare the workforce.** The new National Digital and AI Strategy was published earlier this year, which sets out 90 deliverables across seven policy areas with a focus on upskilling and reskilling. They highlighted the National Skills Observatory for analyzing labor market dynamics and identifying skills gaps as a key policy tool. To support enterprise adoption, the authorities also introduced a targeted sectoral strategy to drive AI uptake, including in SMEs and the public sector.

34. **The authorities broadly welcomed staff's assessment of the benefits for Ireland of further deepening the EU Single Market.** They noted that Ireland's forthcoming EU Presidency priorities will be structured around three broad thematic pillars—competitiveness, values, and security—reflecting the EU's Strategic Agenda. The authorities also underlined Ireland's commitment to progressing the Savings and Investments Union, alongside the advancement of the EU simplification agenda. Together, these initiatives will be important for mobilizing investment, supporting innovation, and improving the operating environment for businesses in Ireland and across the EU.

STAFF APPRAISAL

35. **The Irish economy has remained resilient and is projected to grow at a slower but still robust pace amid higher energy prices and global uncertainty.** Modified domestic demand

growth is projected to moderate from almost 5 percent in 2025 to about 2½ percent in 2026–27, largely reflecting a softening of private consumption due to weaker employment and real income growth, as well as normalization of modified investment. Headline inflation is projected to rise to about 3½ percent in 2026 and return to 2 percent around 2028. The outlook is subject to elevated uncertainty, with downside risks to growth and upside risks to inflation. Ireland's external position is preliminarily assessed to be moderately stronger than the level implied by medium-term fundamentals and desirable policies.

36. Ireland's current strong economic position provides an opportunity to future-proof its economy. Reliance on MNEs continues to be a source of vulnerability; housing and infrastructure gaps remain to be fully addressed; long-term spending pressures from aging and the green transition are looming; and the rapid development of AI presents both risks and opportunities. Given these vulnerabilities and risks in a more shock-prone and fragmented world, Ireland cannot take its resilience for granted and should use the current window to address vulnerabilities, improve productivity, and secure lasting prosperity.

37. Fiscal policy should achieve a broadly neutral stance while scaling up public investment efficiently. With the economy operating at full capacity and upside inflation risks, fiscal policy should avoid injecting unnecessary demand stimulus. Furthermore, a broadly neutral stance would help build buffers for future shocks and spending needs stemming from aging and the green transition. In case of downside risks materializing, automatic stabilizers should be allowed to operate fully. Any discretionary fiscal support should be temporary, targeted, and preserve price signals, to be accommodated within a broadly neutral fiscal stance, except in a severe downside scenario. Staff welcomes the authorities' commitment to accelerating public investment and effective implementation will be key. Current expenditure needs to be closely managed, including through stronger controls to minimize overruns.

38. Broadening the tax base and strengthening the national fiscal framework would reduce vulnerability to the highly concentrated CIT and help prepare Ireland for long-term challenges. Increasing revenues from PIT, VAT, and local property taxes would provide more sustainable revenue sources for permanent spending commitments and allow for channeling more excess CIT revenues into the two savings funds. A stronger national fiscal framework would help Ireland balance competing priorities, enhance budget credibility, and safeguard sustainability. Given the lack of a fiscal anchor at present, the MTFSP should guide annual budgets and act as a binding mechanism on spending ceilings over the medium term.

39. Systemic risks have risen, warranting ongoing vigilance to safeguard financial stability. The financial system has proven resilient in the face of external shocks. But vulnerabilities in segments of Ireland's large and complex non-bank sector related to leverage and liquidity mismatches could amplify and transmit adverse shocks. Asset quality should remain a key supervisory focus for banks. Macroprudential settings are appropriate, and the CBI should continue to review and adjust them as macro-financial conditions develop. Evolving risks from digitalization and cybersecurity require continued focus on operational resilience.

40. Strengthening regulation and supervision of non-banks requires continued efforts and cooperation with the international community. The CBI should maintain its leadership role in developing a macroprudential framework for non-banks and continue to monitor the implementation of the macroprudential measures for Irish property funds and GBP-denominated liability-driven investment funds. The CBI's ongoing efforts, in collaboration with ESMA and other regulators, to improve data availability and quality, enhance risk assessment, and develop system-wide stress tests are welcome.

41. Structural reforms should focus on addressing housing shortages, enhancing energy security, and preparing for the AI transformation. Achieving the new housing targets will require further efforts to streamline the complex planning and judicial review process, increase urban density, boost construction productivity, and crowd in private capital. Upgrading the electricity grid, strengthening integration with the EU energy market, and harnessing Ireland's potential in renewables are key to bolstering energy security and delivering a cost-effective green transition. Realizing AI-related productivity gains while ensuring adjustment does not undermine inclusive growth will require policies to help workers adapt and acquire new skills, enhance labor mobility, and foster innovation to leverage Ireland's abundant talent.

42. The Irish economy would benefit significantly from deepening the EU Single Market. The SIU can facilitate the redirection of savings into productive investments, and Ireland's financial sector, a global leader in asset management, is uniquely positioned to lead the transition. The proposed 28th corporate regime, if designed and implemented well, would enable Irish firms to operate more efficiently in the Single Market and bring economies of scale. Advancing new EU trade agreements would allow Irish firms to diversify supply chains and capture efficiency gains from trade.

43. It is recommended that the next Article IV consultation take place on the standard 12-month cycle.

Table 1. Ireland: Selected Economic Indicators, 2022–31

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
					Projections					
	(Annual percentage change, constant prices, unless otherwise indicated)									
Output/Demand										
Real GDP 1/	7.5	-2.5	2.6	12.3	-0.8	3.7	2.9	2.4	2.3	2.3
Real GNI* (growth rate) 2/	3.3	5.7	4.8	4.0	2.0	2.7	2.6	2.4	2.3	2.3
Domestic demand	7.7	8.0	-9.8	14.8	2.3	2.6	2.7	2.7	2.5	2.3
Public consumption	2.5	5.0	5.3	4.1	2.5	2.5	2.5	2.5	2.5	2.3
Private consumption	10.8	5.0	2.9	2.9	2.0	2.3	2.4	2.3	2.2	2.3
Gross fixed capital formation	2.8	13.4	-28.5	42.6	2.0	3.5	3.2	3.3	3.0	2.5
Exports of goods and services	12.0	-3.9	8.6	9.7	0.7	4.5	3.0	2.5	2.5	2.5
Imports of goods and services	15.0	2.2	2.7	9.5	3.1	4.1	2.9	2.7	2.7	2.6
Output gap	2.2	3.2	1.2	1.9	0.5	0.3	0.2	0.1	0.0	0.0
Contribution to Growth										
Domestic demand	4.5	4.7	-6.4	8.6	1.3	1.6	1.6	1.6	1.5	1.4
Consumption	3.0	1.8	1.4	1.3	0.8	0.9	0.9	0.9	0.9	0.9
Gross fixed capital formation	0.6	2.8	-7.1	7.4	0.4	0.8	0.7	0.7	0.7	0.6
Inventories	0.9	0.1	-0.8	-0.1	0.1	-0.1	0.0	0.0	0.0	0.0
Net exports	2.2	-7.7	8.9	3.9	-1.8	2.3	1.3	0.8	0.8	0.9
Residual	0.7	0.5	0.1	-0.1	-0.4	-0.1	0.0	0.0	0.0	0.0
Prices										
Inflation (HICP)	8.1	5.2	1.3	2.1	3.5	2.6	2.0	2.1	2.0	2.0
Inflation (HICP, core)	5.0	5.0	2.4	2.2	2.5	2.4	2.2	2.1	2.0	2.0
GDP deflator	8.0	3.4	4.5	1.0	1.9	2.4	1.5	1.7	1.7	1.8
Employment										
Employment (% changes of level, ILO definition)	6.9	3.4	2.7	2.2	1.2	1.1	1.0	1.0	0.9	0.8
Unemployment rate (percent)	4.5	4.3	4.3	4.7	5.0	5.0	5.0	5.1	5.1	5.1
					(Percent of GDP)					
Public Finance, General Government										
Revenue	22.3	23.6	26.5	22.7	23.5	23.4	23.6	23.6	24.0	24.3
Expenditure	20.6	22.2	22.3	21.0	22.5	22.5	23.0	23.2	23.4	23.8
Overall balance	1.6	1.4	4.1	1.8	0.9	0.9	0.6	0.4	0.6	0.5
in percent of GNI*	3.2	2.5	7.3	3.3	1.7	1.6	1.2	0.8	1.1	0.9
Primary balance	2.3	2.1	4.7	2.2	1.5	1.4	1.3	1.1	1.4	1.3
Cyclically adjusted primary balance	1.6	1.1	4.2	1.7	1.3	1.3	1.2	1.1	1.4	1.3
Structural primary balance 3/	-0.4	-1.1	-0.7	-1.2	-1.8	-1.9	-2.0	-2.0	-1.8	-1.9
General government gross debt	43.0	41.8	38.3	32.9	32.2	30.0	28.6	27.6	26.6	25.9
General government gross debt (percent of GNI*)	83.9	75.2	67.1	62.2	59.2	55.8	53.4	51.5	49.6	48.4
Balance of Payments										
Trade balance (goods)	39.4	29.9	31.2	36.1	31.2	30.6	30.0	29.4	28.9	28.5
Current account balance	8.8	7.0	16.2	8.2	7.8	8.0	8.0	7.6	7.2	7.1
Gross external debt (excl. IFSC) 4/	187.7	175.7	154.2	130.8	125.5	114.2	105.6	98.3	91.8	85.9
Saving and Investment Balance										
Gross national savings	31.6	33.7	34.4	31.1	31.4	31.1	31.1	30.9	30.8	30.7
Private sector	29.0	31.3	29.3	28.5	29.6	29.4	29.7	29.8	29.5	29.6
Public sector	2.7	2.4	5.1	2.6	1.8	1.6	1.4	1.1	1.3	1.1
Gross capital formation	22.9	26.7	18.2	22.9	23.6	23.1	23.1	23.4	23.6	23.6
Memorandum Items:										
Nominal GDP (€ billions)	520.7	524.7	562.8	638.7	645.2	685.1	715.6	745.1	775.4	807.6
Nominal GNI* (€ billions)	266.7	291.4	321.1	337.3	350.5	368.3	383.4	399.2	415.5	432.9
Modified domestic demand (percentage change) 5/	8.4	6.2	1.8	4.9	2.5	2.6	2.6	2.5	2.4	2.3

Sources: CSO, DoF, Eurostat, and IMF staff estimates and projections.

1/ Real GDP growth is reported in non-seasonally adjusted terms.

2/ Nominal GNI* is deflated using GDP deflator as proxy, since an official GNI* deflator is not available. GNI* for 2025 is IMF staff estimate.

3/ Excludes estimated excess CIT receipts. In 2024 also excludes CIT receipts of 2.5 percent of GDP following judgment by the Court of Justice of the EU.

4/ IFSC indicates international financial services.

5/ Modified Domestic Demand (MDD) measures Ireland's domestic economic activity by excluding certain capital investment items such as aeroplanes purchased by leasing companies in Ireland and Intellectual Property purchases of foreign-owned corporations from final domestic demand.

Table 2. Ireland: Statement of Operations of the General Government, 2022–31
(Percent of GDP, unless otherwise indicated)

	2022	2023	2024	2025	Projections 2026	2027	2028	2029	2030	2031
Revenue	**22.3**	**23.6**	**26.5**	**22.7**	**23.5**	**23.4**	**23.6**	**23.6**	**24.0**	**24.3**
Taxes	17.1	17.8	18.3	17.5	17.9	17.8	18.0	17.8	18.1	18.3
Personal income tax	6.3	6.6	6.5	6.0	6.2	6.3	6.6	6.6	6.8	7.0
Corporate income tax	4.4	4.6	5.0	5.3	5.4	5.2	5.2	4.9	5.0	4.9
VAT	3.7	3.9	3.9	3.6	3.6	3.5	3.5	3.5	3.6	3.6
Excises	1.0	1.1	1.0	0.9	1.0	1.0	1.0	1.0	1.1	1.1
Other taxes	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Social contributions	3.8	4.1	4.1	3.9	4.0	4.0	4.1	4.3	4.3	4.5
Other revenue	1.3	1.7	4.1	1.4	1.6	1.6	1.6	1.5	1.5	1.5
Expenditure	**20.6**	**22.2**	**22.3**	**21.0**	**22.5**	**22.5**	**23.0**	**23.2**	**23.4**	**23.8**
Expense	18.6	19.9	19.8	18.2	19.6	19.3	19.4	19.6	19.7	20.0
Compensation of employees	5.5	6.0	6.0	5.7	6.1	6.0	6.0	6.1	6.2	6.3
Use of goods and services	3.3	3.7	3.6	3.3	3.7	3.7	3.7	3.8	3.9	3.9
Interest	0.6	0.6	0.6	0.5	0.5	0.6	0.6	0.7	0.8	0.8
Subsidies	0.7	0.5	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5
Social benefits	7.1	7.6	7.6	6.8	7.3	7.1	7.1	7.1	7.1	7.1
Other expense	1.3	1.5	1.4	1.4	1.5	1.4	1.4	1.4	1.3	1.4
Net acquisition of nonfinancial assets	2.0	2.3	2.5	2.7	3.0	3.2	3.6	3.6	3.6	3.7
Net Lending(+)/Borrowing(-) (Overall Balance)	**1.6**	**1.4**	**4.1**	**1.8**	**0.9**	**0.9**	**0.6**	**0.4**	**0.6**	**0.5**
Net financial transactions	1.4	1.7	4.0	1.8	0.9	0.9	0.6	0.4	0.6	0.5
Net acquisition of financial assets	-1.1	0.3	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	-2.5	-1.4	-3.2	-1.8	-0.9	-0.9	-0.6	-0.4	-0.6	-0.5
Memorandum Items:										
Cyclically adjusted primary balance	1.6	1.1	4.2	1.7	1.3	1.3	1.2	1.1	1.4	1.3
Structural primary balance 1/	-0.4	-1.1	-0.7	-1.2	-1.8	-1.9	-2.0	-2.0	-1.8	-1.9
Gross public debt	43.0	41.8	38.3	32.9	32.2	30.0	28.6	27.6	26.6	25.9
in percent of GNI*	83.9	75.2	67.1	62.2	59.2	55.8	53.4	51.5	49.6	48.4
in percent of revenue	193.0	176.8	144.7	144.7	136.9	128.4	121.1	116.9	110.9	106.9
Overall balance	1.6	1.4	4.1	1.8	0.9	0.9	0.6	0.4	0.6	0.5
in percent of GNI*	3.2	2.5	7.3	3.3	1.7	1.6	1.2	0.8	1.1	0.9
Net public debt 2/	37.1	36.8	31.3	25.1	21.7	21.3	21.4	21.7	21.9	21.8
in percent of GNI*	72.4	66.2	54.9	47.6	39.9	39.5	39.9	40.5	40.8	40.7
Interest (in percent of revenue)	2.9	2.7	2.2	2.0	2.2	2.4	2.7	3.0	3.3	3.4
Currency and deposits	6.3	6.0	5.2	4.1	3.4	2.6	2.0	1.4	0.9	1.0
GDP at current market prices (in billions of euros)	520.7	524.7	562.8	638.7	645.2	685.1	715.6	745.1	775.4	807.6

Sources: DoF, Eurostat, and IMF staff estimates and projections.
1/ Excludes estimated excess CIT receipts. In 2024 also excludes CIT receipts of 2.5 percent of GDP following judgment by the Court of Justice of the EU.
2/ Gross debt minus financial assets corresponding to debt instruments (currency and deposits, debt securities, and loans).

Table 3. Ireland: Balance of Payments and International Investment Position, 2022–31

					Projections					
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Balance of Payments	(Billions of euros, unless otherwise indicated)									
Current Account Balance	**45.6**	**36.9**	**91.0**	**52.1**	**50.2**	**54.7**	**57.0**	**56.3**	**56.1**	**57.3**
(Percent of GDP)	**8.8**	**7.0**	**16.2**	**8.2**	**7.8**	**8.0**	**8.0**	**7.6**	**7.2**	**7.1**
Balance of goods and services	214.8	175.3	235.2	256.6	246.8	268.2	280.0	288.5	297.8	309.0
(Percent of GDP)	41.3	33.4	41.8	40.2	38.3	39.2	39.1	38.7	38.4	38.3
Trade balance	205.1	156.7	175.6	230.3	201.6	209.3	215.0	219.3	224.3	230.1
Exports of goods	354.8	306.2	327.4	394.4	373.7	386.6	398.4	410.6	424.4	439.3
Imports of goods	149.7	149.6	151.8	164.1	172.1	177.2	183.4	191.4	200.1	209.2
Services balance	9.7	18.6	59.7	26.3	45.2	58.9	65.0	69.3	73.5	78.9
Primary income balance	-164.5	-133.7	-139.7	-199.9	-192.0	-208.6	-217.9	-226.9	-236.1	-245.9
(Percent of GDP)	-31.6	-25.5	-24.8	-31.3	-29.8	-30.5	-30.5	-30.5	-30.5	-30.5
Secondary income balance	-4.7	-4.7	-4.6	-4.6	-4.6	-4.9	-5.1	-5.4	-5.6	-5.8
Capital account balance	-0.9	-8.7	-2.6	-7.0	-29.8	-32.3	-33.7	-35.1	-36.5	-38.0
Financial account balance	44.4	29.6	93.3	50.6	20.5	22.4	23.3	21.2	19.6	19.3
(Percent of GDP)	8.5	5.6	16.6	7.9	3.2	3.3	3.3	2.8	2.5	2.4
Direct investment	25.0	13.7	62.1	34.5	33.6	31.6	29.6	27.7	25.9	24.2
Portfolio investment	-138.8	98.6	63.0	72.1	73.5	75.0	76.5	78.0	79.6	81.2
Other investment	157.7	-82.2	-31.7	-56.0	-86.7	-84.2	-82.8	-84.6	-85.9	-86.1
Change in reserve assets	0.5	-0.4	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net errors and omissions	-0.4	1.4	4.9	5.5	0.0	0.0	0.0	0.0	0.0	0.0
Net International Investment Position	(Percent of GDP)									
Net investment position	-110.4	-103.3	-81.4	-47.5	-30.3	-13.2	1.8	15.1	27.1	37.8
Net direct investment	-26.7	-5.9	18.2	23.9	28.9	31.8	34.6	36.9	38.8	40.3
Net portfolio investment	-148.3	-161.7	-166.6	-132.3	-130.5	-121.9	-115.3	-108.9	-102.5	-96.0
Net other investment	62.3	62.1	64.8	59.1	69.5	75.3	80.8	85.5	89.3	92.1
Reserve assets	2.3	2.2	2.2	1.8	1.8	1.7	1.6	1.6	1.5	1.4
External Debt	(Percent of GDP)									
Total external debt	550.5	541.4	544.0	507.4	498.2	465.2	441.7	421.1	402.0	383.7
Non-IFSC external debt	187.7	175.7	154.2	130.8	125.5	114.2	105.6	98.3	91.8	85.9
IFSC external debt	362.7	365.6	389.9	376.6	372.8	351.0	336.1	322.8	310.2	297.8
Short-term debt	202.6	204.8	217.6	219.5	215.6	201.3	191.1	182.2	173.9	166.0
Medium & long term debt	347.9	336.6	326.4	287.9	282.7	263.9	250.6	238.9	228.1	217.7
Memorandum Item:										
Modified current account balance (CA*) 1/	2.7	1.2	4.5	…	…	…	…	…	…	…

Sources: CBI, CSO, and IMF staff estimates and projections.

1/ CA* removes the impact of MNEs' globalisation-related operations by excluding R&D service imports, net imports of R&D-related IP and aircraft leasing, and redomiciled income, as well as the depreciation of R&D service imports, trade in IP and aircraft leasing.

Table 4. Ireland: Depository Corporations Survey, 2022–25 1/

	2022	2023	2024	2025
	(In Billions of euro, end of period)			
Net foreign assets	279.2	301.8	339.1	324.8
Claims on nonresidents	1199.5	1250.8	1457.3	1537.1
Central Bank	128.8	124.4	119.6	109.5
Other Depository Corporations	1070.7	1126.4	1337.7	1427.6
Liabilities to Nonresidents	-920.4	-949.0	-1118.2	-1212.3
Central Bank	-5.9	-6.2	-6.0	-4.8
Other Depository Corporations	-914.5	-942.8	-1112.2	-1207.5
Net domestic assets	206.8	173.2	175.6	189.2
Net Claims on Central Government	45.9	43.9	44.6	49.8
Claims on State and Local Government	0.1	0.1	0.1	0.2
Claims on Public Nonfinancial Corporations	0.0	0.0	0.0	0.0
Claims on NBFIs	139.0	124.7	130.8	121.7
Claims on private sector	132.5	132.3	133.8	143.7
Corporates	31.9	30.9	30.0	30.6
Households	100.6	101.5	103.8	113.1
Capital and Reserves (-)	90.8	95.9	99.9	95.8
Other items, net (-, including discrepancy)	19.8	32.0	33.8	30.3
Broad Money	342.6	349.6	390.6	403.9
Currency in Circulation	24.0	24.0	31.5	32.2
Transferable Deposits	253.4	245.3	254.8	268.0
Other Deposits	62.1	77.7	102.5	102.4
Securities	3.2	2.7	1.7	1.3
Other Liabilities	143.4	125.4	124.2	110.2
	(Annual percentage change)			
Net foreign assets	2.5	8.1	12.4	-4.2
Net domestic assets	36.8	-16.3	1.4	7.8
Claims on private sector	11.5	-0.1	1.1	7.3
Corporates	4.0	-3.2	-2.7	1.8
Households	14.2	0.9	2.3	8.9
Broad Money	2.5	2.0	11.7	3.4
	(In millions of U.S. dollars, end of period)			
Net foreign assets	295.6	329.1	355.4	380.3
Net domestic assets	219.0	188.8	184.0	221.6
Claims on private sector	140.3	144.3	140.2	168.2
Corporates	33.8	33.6	31.5	35.8
Households	106.5	110.7	108.8	132.4
Memorandum items:				
Velocity (GDP/Broad Money)	1.5	1.5	1.4	1.6
Euro per U.S. dollar (end of period)	0.9	0.9	1.0	0.9

Sources: International Financial Statistics and IMF Staff.

1/ The data in the table are preliminary and might be subject to revisions in the future.

Table 5. Ireland: Key Financial Indicators of Selected Irish Banks, 2021–25 1/
(Percent)

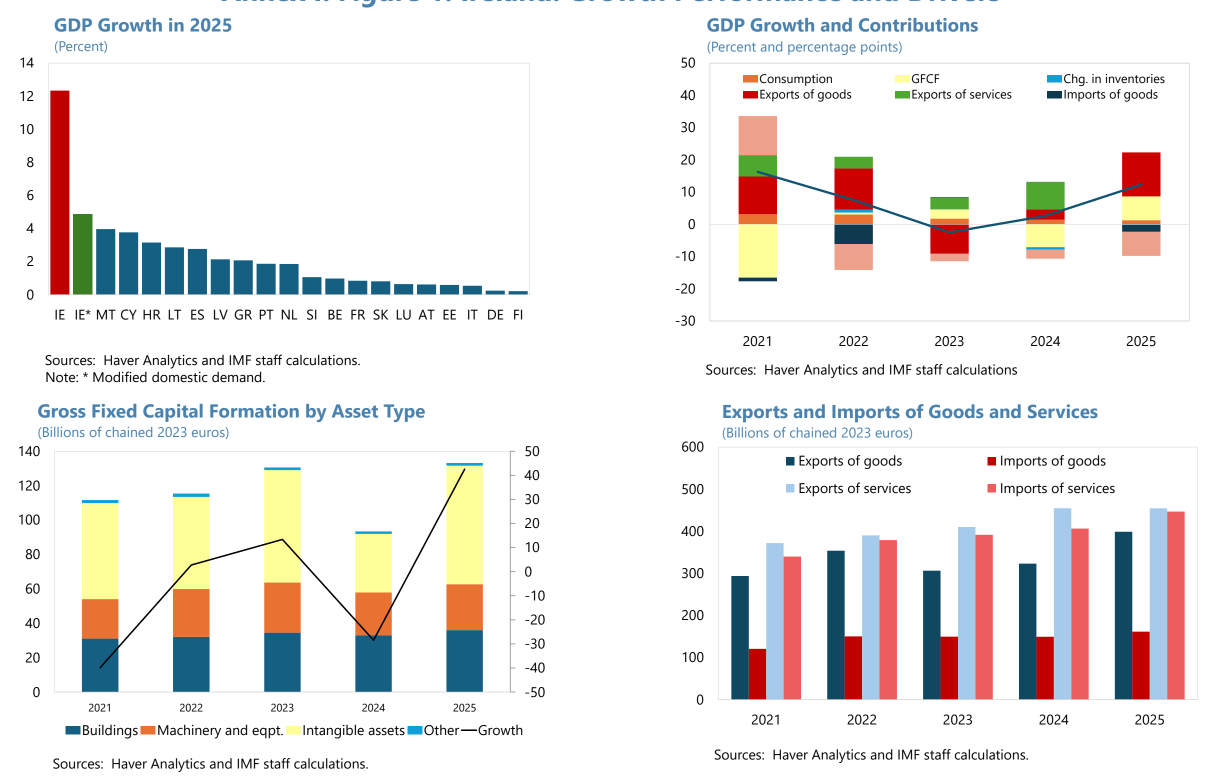
	2021	2022	2023	2024	2025
Return on assets	0.6	0.6	1.3	1.3	1.1
Return on equity	6.5	7.0	13.1	13.3	11.3
Net interest margin	1.7	1.8	3.0	2.9	2.6
Cost-to-income ratio	74.8	66.9	47.8	48.9	52.7
NPL ratio	3.5	2.3	2.1	1.7	1.5
Coverage ratio	31.7	32.8	28.6	30.2	33.3
CT1 ratio	18.1	17.0	15.5	14.8	15.7
Net loan to deposit ratio	75.2	71.8	76.4	76.7	72.9

Sources: CBI and IMF staff.
1/ Indicators cover the three main domestic banks: Allied Irish Banks, Bank of Ireland, and Permanent TSB. Figures are based on Q4 data, unless otherwise indicated.

Annex I. GDP and Exports Growth in 2025

1. **Ireland achieved an impressive growth outcome in 2025, underpinned by robust MNE exports and investment recovery.** Real GDP growth has exhibited significant volatility in the last decade. In 2025, it stood at 12.3 percent, a pace significantly higher than that of other euro area countries. While domestic demand performed strongly, GDP growth was driven primarily by activities in the MNE sector. From an expenditure perspective, goods exports and investment in fixed capital emerged as the main contributors.[1] Investment in Ireland is highly volatile, with headline values often influenced by one-off transactions by MNEs—particularly those involving intellectual property (IP) assets or acquisitions of aircraft for leasing purposes.[2] In 2024 a large one-off IP-related transaction led to a pronounced increase in exports of services and contraction in investment, resulting in a substantial base effect.[3] Since similar transactions did not reoccur in 2025, the rebound translated into a sharp increase relative to 2024, while exports of services were broadly unchanged. Meanwhile, the contribution of goods exports was even more substantial, reflecting a combination of temporary and structural factors. As in previous export-led growth episodes, the gains were associated primarily with operations of MNEs. Value added generated in the MNE-dominated sectors rose by 25 percent, compared to less than 1 percent in the domestic sectors.

Annex I. Figure 1. Ireland: Growth Performance and Drivers



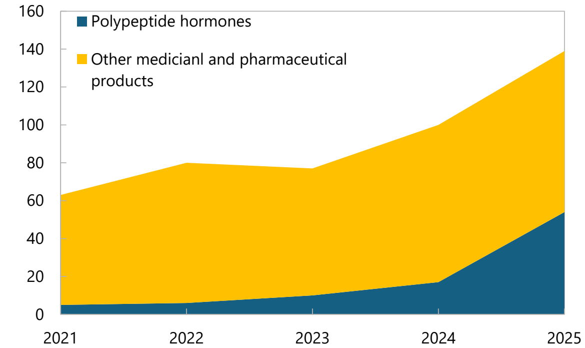
[1] There is a significant imported component in investment in fixed capital.

[2] These items are excluded in the calculation of modified domestic investment.

[3] See the 2025 Article IV consultation staff report.

2. Export performance was largely driven by the strong, though volatile, shipments of pharmaceutical products. Goods exports increased sharply in 2025—by 23 percent in real terms,[4] while services exports remained broadly flat. On the goods side, growth in customs-based trade was driven exclusively by the expansion of medicinal and pharmaceutical products. Within this category, polypeptide hormones—used primarily in the treatment of diabetes and obesity—played a dominant role, accounting for over 90 percent of the growth. This follows the development and rapid scaling-up of new products enjoying strong demand, especially on the US market. The share of exports to the US in Ireland's total merchandise exports soared to 43 percent in 2025, a 10 percentage point increase relative to a year earlier. The product and geographical concentration of exports in 2025 contributed to their highly uneven intra-year dynamic, with significant frontloading in Q1 followed by a slowdown and contraction in Q4. While signs of a strong pick-up were already visible in late 2024, growth accelerated massively in the initial months of 2025, peaking at 95 percent y-o-y in March, with pharmaceutical product shipments more than tripling compared to the same month of 2024. At least in part, this surge could be linked to the uncertain global trade policy environment and in particular, expectations of new US tariff measures to be announced in April. The stockpiling earlier in the year likely explains the fall in goods exports in 2025 Q4 and could continue to weigh on exports in the first half of 2026, despite strong demand.[5] In contrast, exports to the EU and UK were more stable and broad-based.

Medicinal and Pharmaceutical Exports
(Billion euros)



Sources: Eurostat, Haver Analytics, and IMF staff calculations.

3. The growth pattern observed in 2025 reflects the structural characteristics of the Irish economy, notably the dominant role of MNEs and the concentration of external activity in a small number of sectors, firms, and products. Because of the disproportionately large presence of MNEs, one-off transactions and company-level decisions can exert significant influence on macroeconomic aggregates. The pharmaceutical industry is a case in point. The sector, which is overwhelmingly foreign-owned, now accounts for around half of goods exports and a substantial share of value added, yet employs a relatively small proportion of the workforce.[6] Export outcomes are therefore shaped largely by the production, inventory, and pricing decisions of a small number of MNEs operating within global value chains.[7] While the sector generates large gross export flows, the domestic income content is more limited, with much of the value- added accruing to parent

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[4] This includes goods for processing and merchanting activities which were very strong in 2025.

[5] Central Bank of Ireland, *Quarterly Bulletin*, No. 1 2026.

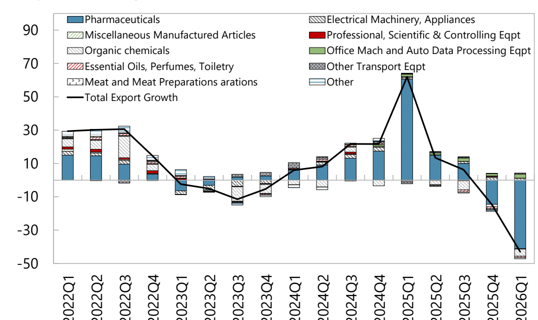
[6] Fitzgerald (2025) estimates the sector's share in employment at 2.5 percent, with a similar contribution to GNI* in 2024.

[7] Similarly, on the services side, exports of computer services comprise over 60 percent of total and are dominated by a small number of large multinational technological leaders. Additionally, contract manufacturing (goods for processing), whereby goods change ownership without crossing the border, comprises about a quarter of Ireland's merchandise exports, and these activities are predominantly carried out by foreign MNEs.

companies abroad through profit repatriation. However, it is a significant contributor to corporate tax revenue and swings in MNE value added affect the economy through the fiscal channel. This structure helps explain why sharp swings in exports and GDP—such as those seen in 2025—are not mirrored by comparable movements in employment or national income. It highlights the exposure of aggregate trade, growth and tax outcomes to firm-specific and policy-driven shocks, reinforcing the importance of distinguishing between headline volatility and underlying economic conditions and reaffirming the need for adjustments for the MNE activities when assessing Ireland's external position.

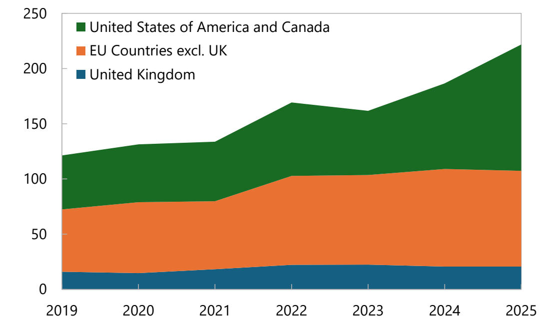
Annex I. Figure 2. Ireland: Export Performance

Contribution to Export Growth
(Y-o-y percent change and contributions)



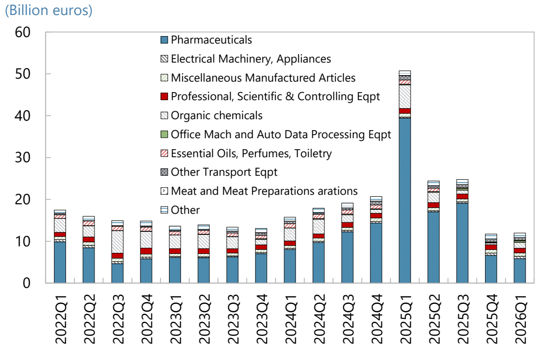
Sources: Haver Analytics and IMF staff calculations.

Exports by Region
(Billion euros)



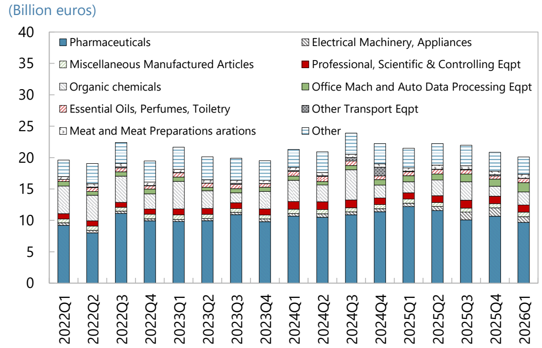
Sources: CSO, Haver Analytics, and IMF staff calculations.

Exports to the United States
(Billion euros)



Sources: Haver Analytics and IMF staff calculations.

Exports to the European Union
(Billion euros)



Sources: Haver Analytics and IMF staff calculations.

Annex II. Implementation of Past IMF Recommendations

2025 Article IV Recommendations	Policy Actions
Fiscal Policy	
Maintain a broadly neutral fiscal stance in its Medium-Term Fiscal and Structural Plan (MTFSP).	The MTFSP 2025 outlines a moderately expansionary fiscal stance in the near term and a broadly neutral stance over the medium term.
Strengthen public investment efficiency and timely execution of the capital budget.	The authorities have updated the National Development Plan and adopted the Accelerating Infrastructure Action Plan to ramp up public investment. Reforms to strengthen the public expenditure framework are ongoing to improve value for money and strengthen expenditure control.
Broaden the revenue base, improve the PIT structure and simplify VAT.	While various options have been laid out in Report of the Commission on Taxation and Welfare and Tax Group Strategy papers for Budget 2025, progress has been slow in this area. Recent property tax reforms have updated property valuation methods and broadened coverage.
Strengthening the national fiscal framework by establishing a credible fiscal anchor.	The government has not announced a formal fiscal anchor.
Financial Sector Policy	
Continue the close monitoring of credit, liquidity and operational risks for banks.	The CBI has a strong risk-based and forward-looking supervisory framework. The 2026 Regulatory and Supervisory Outlook assesses the key risks and outlines the supervisory actions in each area, both for banks and NBFIs.
Strengthen reporting requirements, reduce data gaps, and conduct granular risk analysis for non-banks.	Further data improvements have been made, including on the OFI residual. Work has been completed or is ongoing on leverage risks in segments of the funds sector, the use of LMTs by Irish-domiciled funds, non-bank lenders and indirect linkages of funds to the real economy, among others.
2022 FSAP recommendations.	The authorities have made considerable progress in implementing the 2022 FSAP policy recommendations.
Structural Reforms	
Boost housing supply, including by increasing urban density, improving use of land, boosting construction productivity, introducing greater regulatory certainty, expediting the planning process and removing rent controls.	The new housing plan, Delivering Homes, Building Communities 2025–2030, outlines a comprehensive policy package aimed at delivering 300,000 homes for 2025–2030 by providing adequate funding, streamlining regulations, and enhancing productivity in the construction sector. The authorities also published a New Rent Control Framework, which introduces more predictability and flexibility into the rent control system but retains strict rent controls for existing tenants.
Support digital and AI transformation by ensuring an equitable adoption of AI, including support to SMEs and adjustments to the tax and welfare system as needed, along with targeted education and training.	The authorities have updated Ireland's National Digital and AI Strategy, which contains both high-level objectives and specific deliverables spanning public services, enterprise support, digital and AI infrastructure, regulation and skills.
Source: IMF staff.	

Annex III. Risk Assessment Matrix[1]

Risks	Likelihood	Expected Impact	Policy Response
Global Risks			
Trade-related Risks • **Protectionism and Trade Disruptions.** Tariff and nontariff measures disrupt global supply chains, weighing on activity while increasing inflation. Trade diversion triggers broader protectionism. • **New Trade Agreements.** Tangible progress in trade talks reduces uncertainty and trade barriers. Wider cooperation on services, FDI, and taxation boosts investment and bolsters public finances.	**High** Low	**High** The Irish economy is highly integrated into the global value chains. FDI and trade are relatively concentrated in a small number of sectors, notably, pharmaceutical manufacturing and ICT. Consequently, the country is vulnerable to trade and investment restrictions and supply disruptions.	• Allow automatic stabilizers to operate fully and use fiscal buffers to provide focused and time-bound support where essential. • Continue to support a multilateral rules-based system. • Diversify exports, strengthen supply chains and linkages between MNEs and domestic firms. • Accelerate structural reforms to strengthen competitiveness and build resilience. • Renew efforts together with other EU countries to deepen the Single Market.
Geopolitical Tensions and Intensification of Conflicts. Rising geopolitical tensions, and a weakening of multilateralism, raise the risk of an escalation in military conflicts, accompanied by damage to key physical and financial infrastructure, disruptions in major transit routes and supply chains, higher migration pressures, additional financial frictions and market volatility.	**High**	**High** Negative spillovers from conflicts, including weaker external demand, disruption of supply chains, and higher commodity prices, would affect growth and inflation in Ireland. Higher migration could increase fiscal and housing pressures but also help alleviate labor shortages.	• Allow automatic stabilizers to operate fully. • Use fiscal buffers to provide focused and time-bound support where essential. • Accelerate high-quality public investment projects. • Facilitate the integration of migrants.
Commodity Price Volatility. Supply and demand imbalances—triggered by geopolitical tensions, coordinated production decisions, shifts in investor preferences, or structural changes in demand—fuel commodity price swings, amplifying external and fiscal pressures, social unrest, and macro instability.	**High**	**High** Ireland is a commodity importer and higher commodity prices would increase firms' costs, resulting in higher inflation and lower private consumption and investment.	• Use fiscal buffers to provide focused and time-bound support where essential. • Diversify suppliers to strengthen the resilience of the supply chain of critical commodities.

[1] The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline. Likelihood reflects staff's subjective assessment: "low" (below 10 percent), "medium" (10–30 percent), and "high" (30–50 percent). The RAM captures staff views on the source of risks and overall concern as of the time of discussions with the authorities.

Risks	Likelihood	Expected Impact	Policy Response
Disorderly AI Correction. An abrupt revision in expectations of strong AI-led productivity gains causes a sharp market correction, investment decline, and wealth loss, which suppress demand and tighten financial conditions globally.	**High**	**Medium/High** The Irish economy is relatively more exposed to AI because of its concentration of MNE-dominated knowledge-intensive sectors such as ICT. A sharp correction and investment decline in these sectors could lead MNEs to retrench their operations in Ireland, leading to lower employment growth, tax receipts, and confidence.	• Use fiscal buffers to provide focused and time-bound support where essential. • Continue to assess risks and increase the oversight of financial institutions, in particular NBFIs, to contain negative spillovers. • Accelerate structural reforms to build resilience.
Cyberthreats. Cyberattacks on physical or digital infrastructure, technical failures, or misuse of AI technologies could trigger financial and economic instability.	**High**	**Medium/High** Cyber-attacks, if successful, could cause significant damage to the financial sector and other critical infrastructure and disrupt economic activity. Advancement of AI has made cyber-attacks more effective and harder to identify.	• Continue to monitor cyber risks and to exchange information with partners. • Strengthen further the cybersecurity framework, including resilience testing and business continuity plans.
Climate change. Extreme climate events and rising temperatures could cause loss of life, damage to infrastructure, food insecurity, supply disruptions, and heighten economic and financial instability.	**Medium**	**Medium** Rising sea levels increase the risk of coastal erosion and coastal flooding. Changing precipitation patterns increase inland flood risks and rising temperatures may result in droughts.	• Continue climate mitigation efforts and strengthen adaptation policies and infrastructure to increase resilience. • If risks materialize, consider providing targeted fiscal support to affected individuals and firms.
AI Acceleration. Rapid AI adoption significantly improves productivity, boosts growth, and revives business dynamism. Realizing these gains requires complementary policies to manage energy constraints, scale critical inputs, and support labor market transitions.	**Medium**	**Medium** The Irish economy is relatively more exposed to AI because of its concentration of MNE-dominated knowledge-intensive sectors such as ICT. Ireland's labor force is well positioned to reap the benefits of AI thanks to the country's robust investment in tertiary education and lifelong learning programs.	• Reskill and upskill the labor force continuously. • Maintain active labor market policies to facilitate transitions. • Foster innovation and the creation of new firms and improve access to finance to absorb Ireland's abundant talent.
		Domestic Risks	
Supply-side constraints become increasingly binding for investment and growth. Constraints, particularly in the housing market and labor market, slow down the implementation of public investment and create social discontent. Supply-demand	**Medium**	**Medium/High** Housing and infrastructure shortages remain a key bottleneck, limiting investment and the extent to which the Irish economy can attract workers. Supply constraints increase wage and price pressures, exacerbate housing affordability issues and lower Ireland's competitiveness and potential growth. Injecting fiscal stimulus when the economy	• Accelerate high-quality public investment in infrastructure and housing within a broadly neutral fiscal stance. • Adopt policies to increase urban density, improve the use of land, and boost construction productivity.

Risks	Likelihood	Expected Impact	Policy Response
imbalances would worsen if fiscal policy is expansionary.		operates at full capacity adds to inflationary pressures.	• Employ active labor market policies to enhance labor supply. • Introduce greater housing regulatory certainty and remove rental caps.
Volatile MNE activities. Uncertainty over trading partners' policies and global demand leads to larger swings in MNE activities in Ireland.	**High**	**High** MNEs are important employers and taxpayers in Ireland. A retrenchment (expansion) of the MNE sector would lead to lower (higher) employment growth, tax receipts, and confidence.	• Allow the headline fiscal balance to fluctuate in the short run if the MNE profits decline is temporary. If the fall is permanent and of sufficient magnitude, rationalize spending, and implement tax reforms to ensure fiscal sustainability over the medium-term.

Annex IV. External Sector Assessment

<table>
<tr><td colspan="2">Overall Assessment: The external position in 2025 is preliminarily assessed as moderately stronger than the level implied by medium-term fundamentals and desirable policies. This assessment tries to abstract from the large-scale operations of multinational enterprises (MNEs), which have limited links to the domestic economy and distort the headline current account (CA). The CA surplus was halved to 8.2 percent of GDP, with a slight moderation projected over the medium term. Trade policy and investment shocks, intensification of geopolitical conflicts (notably, the war in the Middle East), and domestic supply-side constraints are the main near-term risks, while uncertainty around geoeconomic fragmentation and the MNE sector remains high over the medium term.

Policy Responses. In the short term, fiscal policy should support public investment within a broadly neutral fiscal stance. In the medium term, productivity-enhancing reforms at the EU and domestic levels and higher public investment in areas such as affordable housing, infrastructure, digitization, and green transition would help boost potential growth and private investment.</td></tr>
<tr><td>Foreign Asset and Liability Position and Trajectory</td><td>Background. Ireland's large negative net international investment position (NIIP) reflects the globalized operations of MNEs including financial services firms operating in the International Financial Services Centre (IFSC).[1] The NIIP, after peaking at -198 percent of GDP in 2015, further improved to -48 percent in 2025 from -81 percent in 2024. Non-IFSC gross external debt declined to 131 percent of GDP in 2025 from 154 percent in 2024, reflecting the current account surplus and non-debt-creating capital inflows, as well as high GDP growth.
Assessment. Ireland's NIIP largely reflects the activities of MNEs and market-based finance entities with few linkages to the Irish economy. Moreover, a significant share of the cross-border liabilities from the operation of redomiciled MNEs have low rollover risk as they are financed through intra-company loans. Therefore, staff acknowledges that these are not, ultimately, the liabilities of Irish residents in assessing Ireland's external sustainability. Staff's estimates suggest that controlling for the volatilities associated with the MNE sector, including redomiciled firms, intellectual property, aircraft leasing, and adjusting for the international financial intermediation activities of investment funds and special purpose entities would result in a NIIP that is considerably less negative.[2]</td></tr>
<tr><td>2025 (% GDP)</td><td>NIIP: -48 | Gross Assets: 1514 | Res. Assets: 2 | Gross Liabilities: 1562 | Debt Liabilities: 510</td></tr>
<tr><td>Current Account</td><td>Background. Several factors—including contract manufacturing, the profits of redomiciled MNEs, and the depreciation of Irish-based, foreign-owned capital assets such as intellectual property and leased aircraft—distort the headline external balance and complicate the interpretation of trends. Over the last decade, the CA has been very volatile and subject to frequent and large revisions. Ireland's share of world exports has been increasing, driven by exports of pharmaceutical products, business and financial services, and computer services. The CA surplus declined to 8.2 percent of GDP in 2025 from 16.2 percent in 2024 despite a larger goods trade surplus, reflecting a normalization of services exports and significantly higher income outflows. From a saving-investment perspective, households' saving-investment balance is estimated to have remained slightly higher than its pre-pandemic level of about 3 percent. The headline government savings-investment balance declined but remained positive due to the large excess corporate income taxes. In the medium term, the CA surplus is expected to moderate slightly as the government and household residential investments increase, but to remain sizable due to MNEs' robust export outlook.
Assessment. The EBA CA model estimates a cyclically adjusted CA of 8.6 percent of GDP and a CA norm of 1.9 percent of GDP, with a standard error of 1.7 percent of GDP. The resulting EBA model-based CA gap of 6.7 (±1.7) percent of GDP includes identified policy gaps of 0.8 percent of GDP and a large residual of 5.9 percent of GDP, reflecting MNEs' volatile operations. After controlling for the MNE-related distortions, staff assesses Ireland's external position in 2025 to be moderately stronger than the level implied by fundamentals and desirable policies.</td></tr>
<tr><td>2025 (% GDP)</td><td>CA: 8.2 | Cycl. Adj. CA: 8.6 | EBA Norm: 1.9 | EBA CA Gap: 6.7 | Other Adj.: 0 | Staff CA Gap: 6.7</td></tr>
<tr><td>Real Exchange Rate</td><td>Background. In 2025, the REER appreciated by 10.7 percent and the NEER appreciated by 10.4 percent, relative to their average levels in 2024, driven by the euro's strength against other currencies. As of February 2026, the REER was 2.3 percent above its 2025 average.</td></tr>
</table>

	Assessment. Consistent with the EBA-based CA gap of 6.7 percent of GDP, staff assesses a REER undervaluation ranging from 5.7 to 9.7 percent on average during 2025, with a midpoint of 7.7 percent (using an estimated elasticity of 0.87). Results from the EBA CA model are subject to a high degree of uncertainty as it does not account for the large distortions and volatility of the MNE sector, with a substantial portion of the gaps attributed to residuals. The EBA REER index and level models estimate a REER gap of 2.7 and 0.4 percent, respectively, implying that the REER is moderately overvalued.
Capital and Financial Accounts: Flows and Policy Measures	**Background.** Ireland's capital and financial accounts are characterized by significant volatility due to the financing operation and investment activities of MNEs. In 2025, net FDI outflows amounted to €34.5 billion (5.4 percent of GDP), driven by MNEs' decisions on equity investment and reinvested earnings. Total net financial account outflows in 2025 stood at 8.0 percent of GDP. **Assessment.** Inward FDI and foreign demand for Irish sovereign bonds have been supported by Ireland's strong economic performance and investor-friendly business climate, including a favorable tax environment.
FX Intervention and Reserves Level	**Background.** The euro has the status of a global reserve currency. **Assessment.** Reserves held by the euro area are typically low relative to standard metrics. The currency floats freely.

1/ For more information about the impact of MNEs on Ireland's NIIP, see "The Role of Foreign-owned Multinational Enterprises in Ireland," IMF Country Report No. 17/172.

2/ See Galstyan, V., 2019, "Estimates of Foreign Assets and Liabilities for Ireland," Central Bank of Ireland and Trinity College Dublin.

Annex V. Sovereign Risk and Debt Sustainability Framework

Annex V. Figure 1. Ireland: Risk of Sovereign Stress

Horizon	Mechanical signal	Final assessment	Comments
Overall	...	Low	Ireland's overall risk of sovereign stress is low, reflecting relatively low vulnerabilities of the near and medium term outlook, while long term vulnerabilities are considered to be moderate.
Near term 1/			
Medium term	Low	Low	Risk of sovereign stress over the medium term is low, consistent with the mechanical signals. This largely reflects Ireland's relatively low debt burden, and favorable debt structure (long maturities, stable investor base and debt predominantly at fixed rates). The Fanchart Module signals a moderate risk, reflecting uncertainty around the outlook.
Fanchart	Moderate	...	
GFN	Low	...	
Stress test	Bank. Crisis	...	
Long term	...	Moderate	Risks over the long term are assessed to be moderate, reflecting upcoming unfavorable demographics trends: an old age dependency ratio expected to double in the next decades and a retirement age well-below life expectancy. In the absence of reforms to safeguard the sustainability of the pension system, public pension costs are projected to increase significantly. Previous estimates by the authorities suggest that failure to increase the retirement age as planned could imply a cumulative fiscal cost of about 10 percent of 2022 GDP over the long term. Health and long-term care expenditures are also expected to increase significantly, which highlights the need for a cost-efficient healthcare system in line with the authorities' healthcare reform plans.
Sustainability assessment 2/	Not required for surveillance countries	Not required for surveillance countries	Not required for surveillance countries.
Debt stabilization in the baseline			Yes

DSA Summary Assessment

Commentary: Ireland is at a low overall risk of sovereign stress. Public debt has been contained through consecutive shocks, falling by more than 20 pp since the onset of the pandemic. Ireland's low sovereign spread and active debt management strategy have helped lengthen the maturity of the debt structure and kept debt servicing costs contained. Public debt is expected to remain on a firmly downward path despite the projected growth slowdown. However, the positive headline figures mask some underlying vulnerabilities. While Ireland's public debt as a percentage of GDP is much lower than the EA average, public debt burden is more elevated when measured against GNI*, a more appropriate measure of domestic activities (standing at 62 percent of GNI* in 2025). Furthermore, while Ireland is projected to have adequate fiscal space in the near and medium term, the dependence on volatile and uncertain CIT revenues leaves the fiscal position significantly exposed to shocks to the multinational sector.

Source: Fund staff.

Note: The risk of sovereign stress is a broader concept than debt sustainability. Unsustainable debt can only be resolved through exceptional measures (such as debt restructuring). In contrast, a sovereign can face stress without its debt necessarily being unsustainable, and there can be various measures—that do not involve a debt restructuring—to remedy such a situation, such as fiscal adjustment and new financing.

1/ The near-term assessment is not applicable in cases where there is a disbursing IMF arrangement. In surveillance-only cases or in cases with precautionary IMF arrangements, the near-term assessment is performed but not published.

2/ A debt sustainability assessment is optional for surveillance-only cases and mandatory in cases where there is a Fund arrangement. The mechanical signal of the debt sustainability assessment is deleted before publication. In surveillance-only cases or cases with IMF arrangements with normal access, the qualifier indicating probability of sustainable debt ("with high probability" or "but not with high probability") is deleted before publication.

Annex V. Figure 2. Ireland: Debt Coverage and Disclosures

1. Debt coverage in the DSA: 1/

CG	GG	NFPS	CPS	Other
			✓ (chosen)	

1a. If central government, are non-central government entities insignificant? n.a.

2. Subsectors included in the chosen coverage in (1) above:

Sector groups		Subsectors captured in the baseline	Inclusion
CPS / NFPS / GG: expected / CG	1	Budgetary central government	Yes
CPS / NFPS / GG: expected / CG	2	Extra budgetary funds (EBFs)	Yes
CPS / NFPS / GG: expected / CG	3	Social security funds (SSFs)	Yes
CPS / NFPS / GG: expected	4	State governments	Yes
CPS / NFPS / GG: expected	5	Local governments	Yes
CPS / NFPS	6	Public nonfinancial corporations	No
CPS	7	Central bank	No
CPS	8	Other public financial corporations	No

Comments: Not applicable

3. Instrument coverage:

Currency & deposits	Loans	Debt securities	Oth acct. payable 2/	IPSGSs 3/
Chosen coverage	Chosen coverage	Chosen coverage	Missing from recommended coverage	Missing from recommended coverage

4. Accounting principles:

Basis of recording		Valuation of debt stock		
Non-cash basis 4/	Cash basis	Nominal value 5/	Face value 6/	Market value 7/
	✓ (chosen)	✓ (chosen)		

5. Debt consolidation across sectors:

Consolidated	Non-consolidated
✓ (chosen)	

Color code: chosen coverage; Missing from recommended coverage; Not applicable

Reporting on Intra-Government Debt Holdings

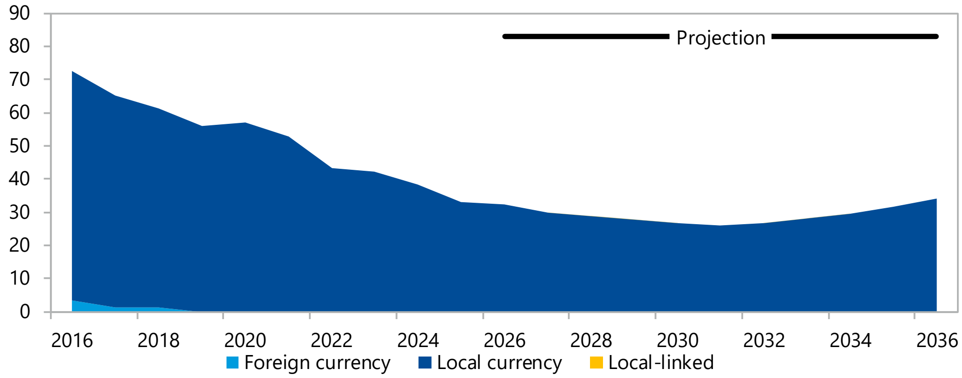
	Issuer \ Holder	Budget. central govt	Extra-budget. funds	Social security funds	State govt.	Local govt.	Nonfin. pub. corp.	Central bank	Oth. pub. fin corp	Total
1	Budget. central govt									0
2	Extra-budget. funds									0
3	Social security funds									0
4	State govt.									0
5	Local govt.									0
6	Nonfin pub. corp.									0
7	Central bank									0
8	Oth. pub. fin. corp									0
	Total	0	0	0	0	0	0	0	0	0

1/ CG=Central government; GG=General government; NFPS=Nonfinancial public sector; PS=Public sector.
2/ Stock of arrears could be used as a proxy in the absence of accrual data on other accounts payable.
3/ Insurance, Pension, and Standardized Guarantee Schemes, typically including government employee pension liabilities.
4/ Includes accrual recording, commitment basis, due for payment, etc.
5/ Nominal value at any moment in time is the amount the debtor owes to the creditor. It reflects the value of the instrument at creation and subsequent economic flows (such as transactions, exchange rate, and other valuation changes other than market price changes, and other volume changes).
6/ The face value of a debt instrument is the undiscounted amount of principal to be paid at (or before) maturity.
7/ Market value of debt instruments is the value as if they were acquired in market transactions on the balance sheet reporting date (reference date). Only traded debt securities have observed market values.

Commentary: The debt coverage remains unchanged from the last Article IV, i.e., it covers general government debt, with most debt issued by the central government.

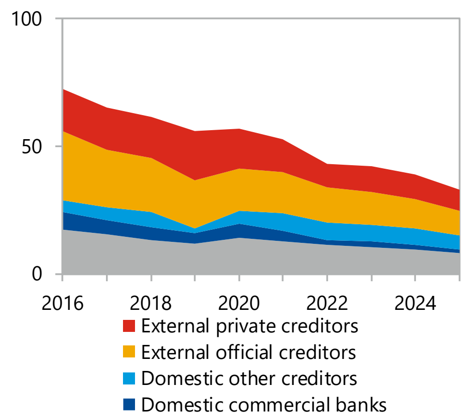
Annex V. Figure 3. Ireland: Public Debt Structure Indicators

Debt by Currency (Percent of GDP)



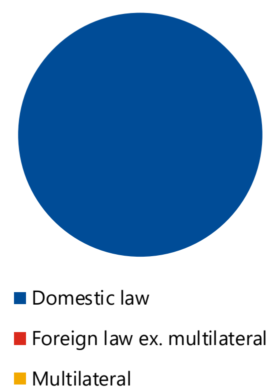
Note: The perimeter shown is consolidated public sector.

Public Debt by Holder (Percent of GDP)



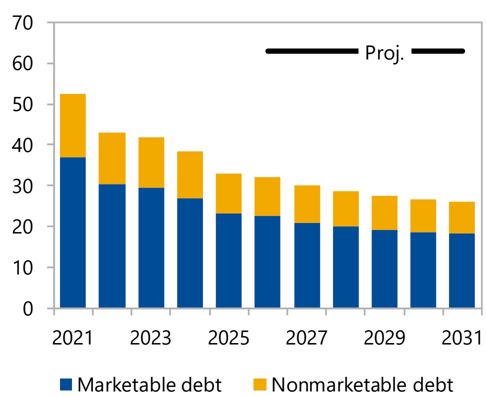
Note: The perimeter shown is general government.

Public Debt by Governing Law, 2025 (Percent)



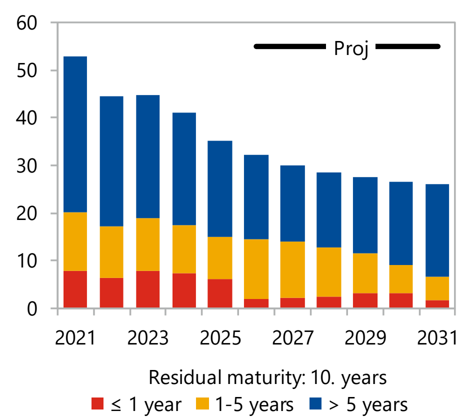
Note: The perimeter shown is general government.

Debt by Instruments (Percent of GDP)



Note: The perimeter shown is general government.

Public Debt by Maturity (Percent of GDP)



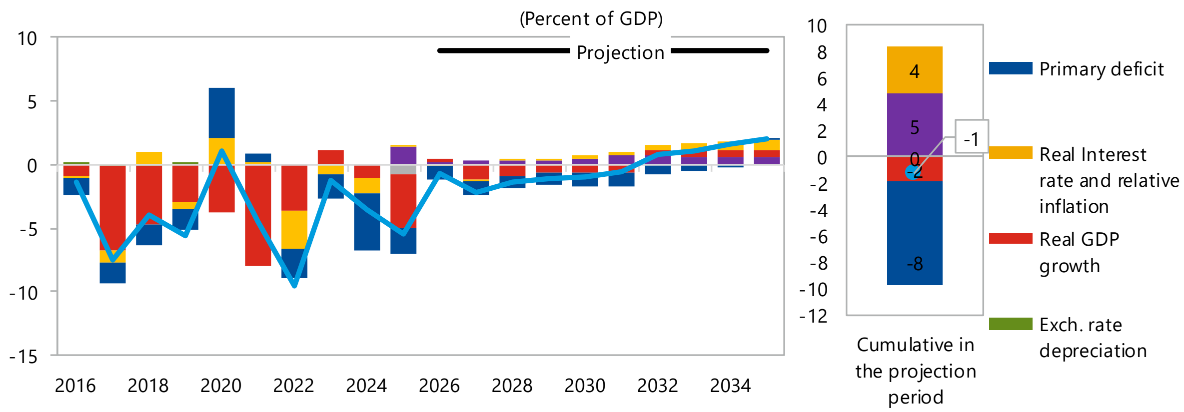
Note: The perimeter shown is general government.

Commentary: Public debt is almost entirely in domestic currency, predominantly marketable and largely held by external creditors. The relatively long residual maturity of the debt portfolio (10 years), together with the large share of fixed-rate debt, provides important buffer to changes in interest rate.

Annex V. Figure 4. Ireland: Baseline Scenario
(Percent of GDP unless indicated otherwise)

	Actual	Medium-term projection						Extended projection			
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Public debt	32.9	32.2	30.0	28.6	27.6	26.6	25.9	26.8	27.9	29.5	31.6
Change in public debt	-5.4	-0.7	-2.2	-1.4	-1.0	-1.0	-0.6	0.8	1.1	1.6	2.1
Contribution of identified flows	-4.6	-0.7	-2.2	-1.4	-1.0	-1.0	-0.6	0.8	1.1	1.6	2.1
Primary deficit	-2.0	-1.2	-1.2	-1.0	-0.9	-1.2	-1.1	-0.8	-0.5	-0.2	0.1
Noninterest revenues	22.5	23.2	23.1	23.4	23.4	23.7	24.0	24.6	25.4	26.0	26.6
Noninterest expenditures	20.5	22.0	21.9	22.4	22.5	22.6	23.0	23.9	24.8	25.7	26.7
Automatic debt dynamics	-4.1	0.3	-1.2	-0.6	-0.4	-0.3	-0.2	0.9	1.0	1.1	1.3
Real interest rate and relative inflation	0.1	0.0	-0.1	0.2	0.2	0.3	0.4	0.5	0.6	0.7	0.8
Real interest rate	0.1	0.0	-0.1	0.2	0.2	0.3	0.4	0.5	0.6	0.7	0.8
Relative inflation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Real growth rate	-4.2	0.3	-1.2	-0.8	-0.7	-0.6	-0.6	0.4	0.4	0.5	0.5
Real exchange rate	0.0	...	...	...	...	...	...	...	...	...	...
Other identified flows	1.5	0.2	0.3	0.3	0.3	0.4	0.7	0.7	0.7	0.7	0.6
Contingent liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(minus) Interest Revenues	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3
Other transactions	1.7	0.5	0.5	0.5	0.5	0.7	0.9	1.0	0.9	0.9	0.9
Contribution of residual	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross financing needs	1.0	2.0	1.1	1.5	1.8	2.2	2.3	1.3	1.6	2.0	2.2
of which: debt service	3.3	3.5	2.5	2.8	2.9	3.6	3.6	2.3	2.4	2.5	2.3
Local currency	3.3	3.5	2.5	2.8	2.9	3.6	3.6	2.3	2.4	2.5	2.3
Foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memo:											
Real GDP growth (percent)	12.3	-0.8	3.7	2.9	2.4	2.3	2.3	-1.6	-1.6	-1.6	-1.7
Inflation (GDP deflator; percent)	1.0	1.9	2.4	1.5	1.7	1.7	1.8	1.8	1.8	1.9	1.8
Nominal GDP growth (percent)	13.5	1.0	6.2	4.5	4.1	4.1	4.2	0.2	0.2	0.2	0.1
Effective interest rate (percent)	1.4	1.8	2.1	2.3	2.5	2.9	3.3	3.7	3.9	4.2	4.4

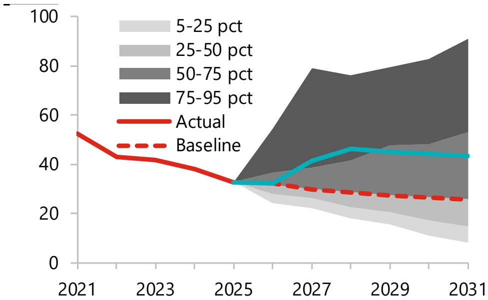
Contribution to Change in Public Debt
(Percent of GDP)



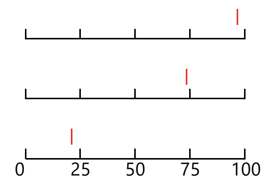
Staff commentary: Despite the projected growth slowdown and a less supportive interest rate environment, public debt is expected to continue on a downwards path over the medium term on the back of a strong fiscal position and still robust growth. Over the longer term, staff assumes that excess CIT revenue gradually unwinds over 2032-2041, implying negative real GDP growth and a rising public debt-to-GDP ratio over the period.

Annex V. Figure 5. Ireland: Medium-Term Risk Assessment

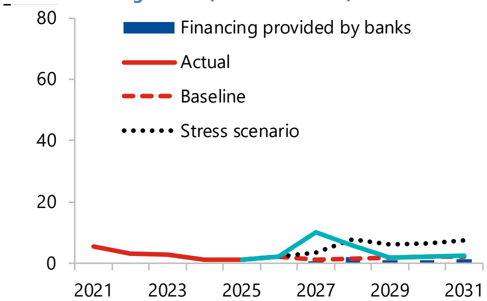
Final Fanchart (Percent of GDP)



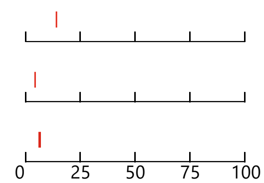
	Value	Contrib 1/	Percentile in peer group 2/
Debt fanchart module			
Fanchart width *(percent of GDP)*	82.8	1.2	
Probability of debt non-stabilization *(percent)*	21.8	0.2	
Terminal debt-to-GDP x institutions index	4.0	0.1	
Debt fanchart index (DFI)		1.5	
Risk signal: 3/		Moderate	



Gross Financing Needs (Percent of GDP)



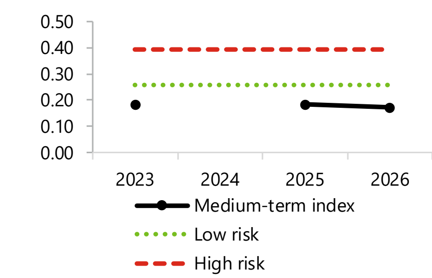
	Value	Contrib 1/	Percentile in peer group 2/
Gross financing needs (GFN) module			
Average baseline GFN *(percent of GDP)*	1.8	0.6	
Initial Banks' claims on the gen. govt *(pct bank assets)*	0.6	0.2	
Chg. In banks' claims in stress *(pct banks' assets)*	0.2	0.1	
GFN financeability index (GFI)		0.9	
Risk signal: 4/		Low	



Triggered stress tests (stress tests not activated in gray)

Banking crisis | Commodity prices | Exchange rate | Contingent liab. | Natural disaster

Medium-Term Index (Index Number)



Medium-term risk analysis

	Value	Value (normalized)	Weight	Contribution
Debt fanchart index	1.5	0.3	0.5	0.2
GFN finaceability index	0.9	0.0	0.5	0.0
Medium-term index		0.2		
Risk signal: 5/		Low		
Final assessment:		Low		

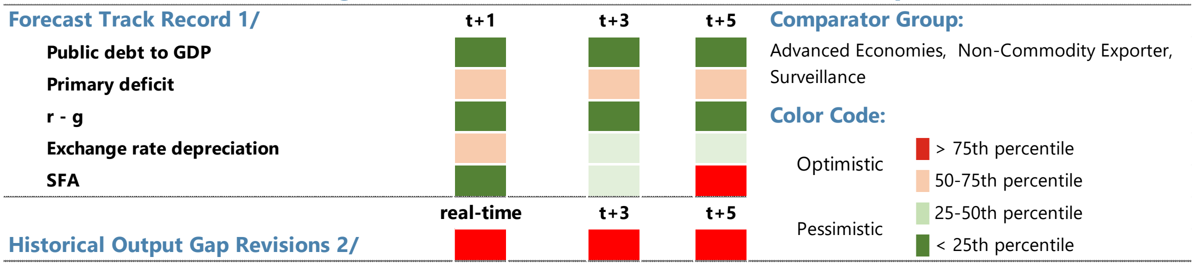
Prob. of missed crisis, 2026-2031, if stress not predicted: 9.1 pct.
Prob. of false alarms, 2026-2031, if stress predicted: 60.2 pct.

Commentary: The debt fanchart shows a moderately low probability that Ireland's public debt will not stabilize over the medium term. All other medium-term tools point to low level of risks.

Source: IMF staff estimates and projections.

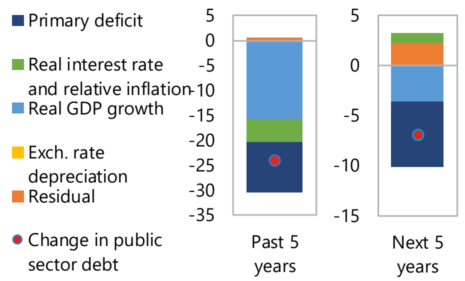
1/ See Annex IV of IMF, 2022, Staff Guidance Note on the Sovereign Risk and Debt Sustainability Framework for details on index calculation.
2/ The comparison group is advanced economies, non-commodity exporter, surveillance.
3/ The signal is low risk if the DFI is below 1.13; high risk if the DFI is above 2.08; and otherwise, it is moderate risk.
4/ The signal is low risk if the GFI is below 7.6; high risk if the GFI is above 17.9; and otherwise, it is moderate risk.
5/ The signal is low risk if the GFI is below 0.26; high risk if the DFI is above 0.40; and otherwise, it is moderate risk.

Annex V. Figure 6. Ireland: Realism of Baseline Assumptions

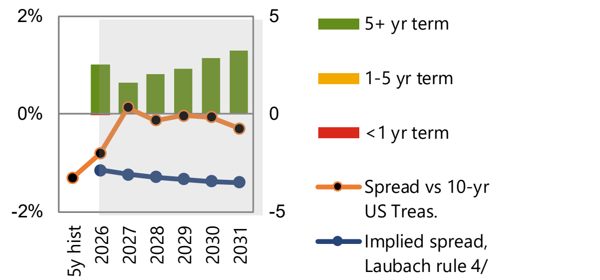


Public Debt Creating Flows

(Percent of GDP)

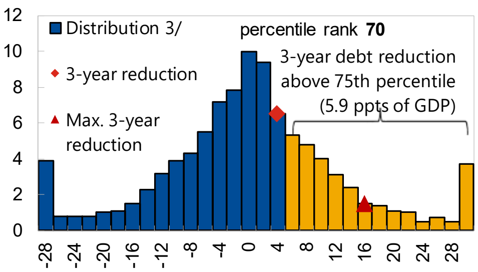


Bond Issuances (Bars, debt issuances (RHS, %GDP); lines, avg marginal interest rates (LHS, percent))

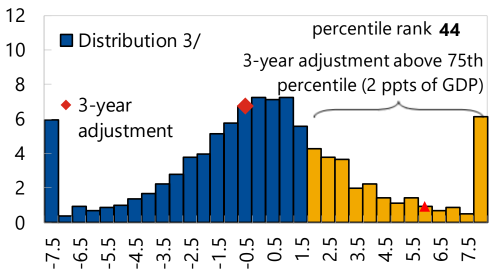


3-Year Debt Reduction

(Percent of GDP)

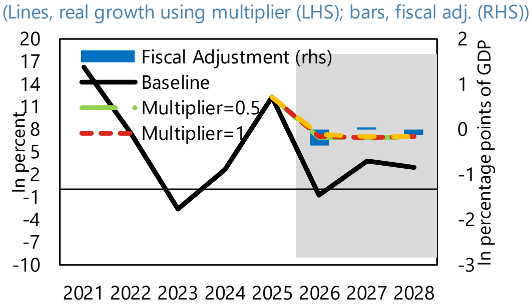


3-Year Adjustment in Cyclically-Adjusted Primary Balance (Percent of GDP)



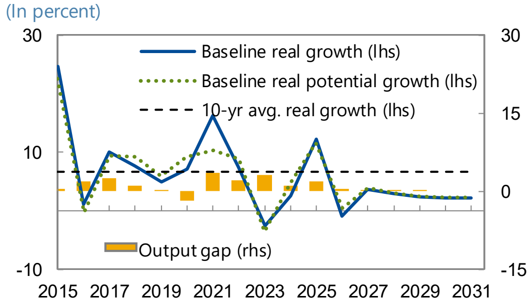
Fiscal Adjustment and Possible Growth Paths

(Lines, real growth using multiplier (LHS); bars, fiscal adj. (RHS))



Real GDP Growth

(In percent)



Commentary: Debt reduction has been faster than expected due to strong growth and low interest rates in recent years. The projected fiscal adjustment is within norms. While debt reduction projections are slightly above norms, they are significantly below Ireland's maximum historical 3-year debt reduction.

Source : IMF Staff.

1/ Projections made in the October and April WEO vintage.

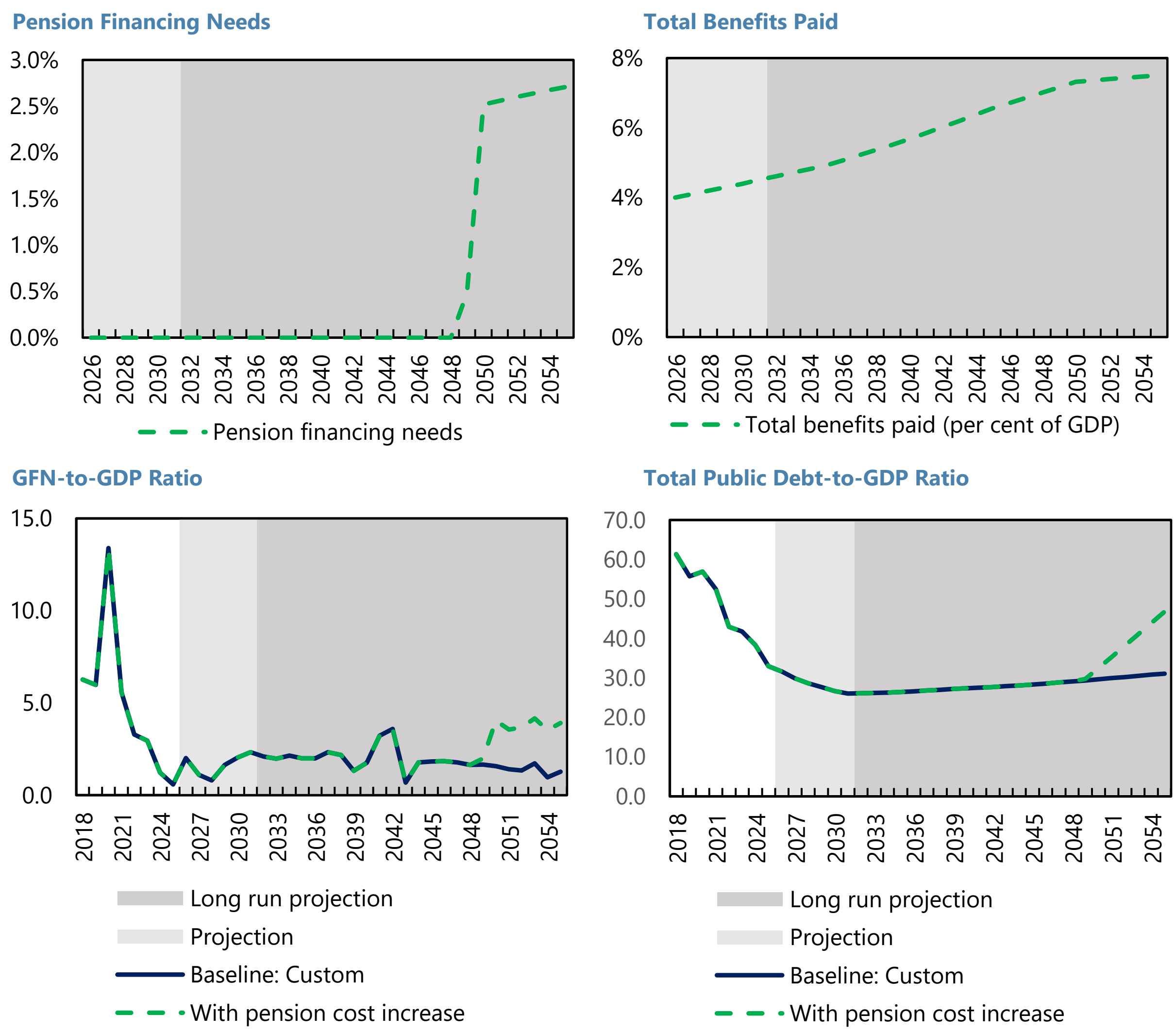
2/ Calculated as the percentile rank of the country's output gap revisions (defined as the difference between real time/period ahead estimates).

3/ Data cover annual observations from 1990 to 2019 for MAC advanced and emerging economies. Percent of sample on vertical axis.

4/ The Laubach (2009) rule is a linear rule assuming bond spreads increase by about 4 bps in response to a 1 ppt increase in the projected debt-to-GDP ratio.

Annex V. Figure 7. Ireland: Demographics: Pensions

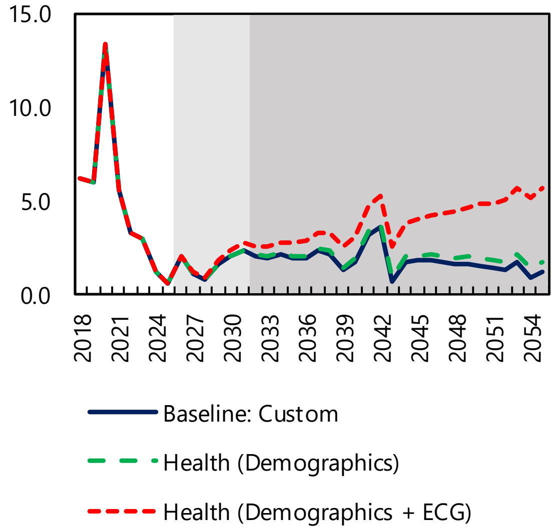
Permanent adjustment needed in the pension system to keep pension assets positive for:	30 years	50 years	Until 2100
(pp of GDP per year)	0.5%	1.3%	2.1%



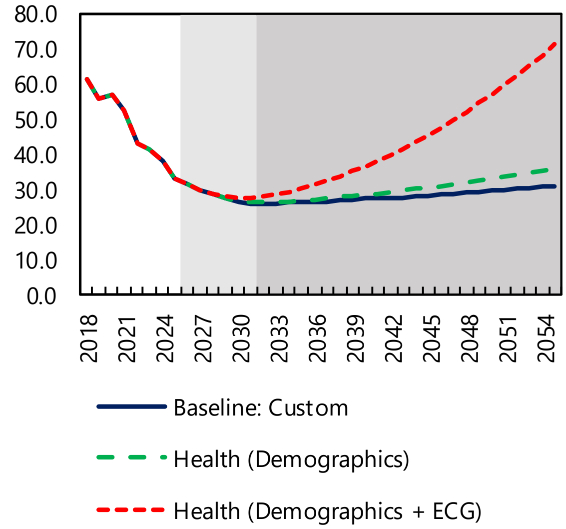
Commentary: Currently, public expenditures on pensions in Ireland are significantly below the EU averages, thanks to Ireland's relatively favorable age structure. However, according to the European Commission's 2024 Ageing Report, the share of the old-age population is set to steadily rise, almost doubling from 15 percent in 2022 to 29 percent in 2070. Consequently, total pension expenditure is projected to increase from 3.8 percent of GDP in 2022 to 6.6 percent in 2070. At the same time, Ireland has enjoyed strong population growth in recent years, which can offset some of the cost increases. According to the Ageing Report, net migration higher by a third would reduce pension spending by 0.2 percentage points of GDP relative to the baseline.

Annex V. Figure 8. Ireland: Demographics: Health

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio



Commentary: While public expenditures on healthcare as a percent of GDP in Ireland are significantly below the EU averages, healthcare expenditure on a per capita basis is high despite Ireland's relatively favorable age structure. According to the European Commission's 2024 Ageing Report, the share of the old-age population is set to steadily rise, almost doubling from 15 percent in 2022 to 29 percent in 2070. Consequently, total public expenditure on healthcare is expected to rise from 4.1 percent of GDP in 2022 to 5.6 percent of GDP in 2070.

Annex VI. Data Issues

Annex VI. Table 1. Ireland: Data Adequacy Assessment Rating 1/

A							
Questionnaire Results[2]							
Assessment	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Intersectoral Consistency	Median Rating
	A	A	A	A	B	A	A
Detailed Questionnaire Results							
Data Quality Characteristics							
Coverage	A	A	A	A	B		
Granularity[3]	A		A	A	B		
			A		A		
Consistency			A	A		A	
Frequency and Timeliness	A	A	B	A	A		

Note: When the questionnaire does not include a question on a specific dimension of data quality for a sector, the corresponding cell is blank.

[1]The overall data adequacy assessment is based on staff's assessment of the adequacy of the country's data for conducting analysis and formulating policy advice, and takes into consideration country-specific characteristics.

[2]The overall questionnaire assessment and the assessments for individual sectors reported in the heatmap are based on a standardized questionnaire and scoring system (see IMF *Review of the Framework for Data Adequacy Assessment for Surveillance*, January 2024, Appendix I).

[3]The top cell for "Granularity" of Government Finance Statistics shows staff's assessment of the granularity of the reported government operations data, while the bottom cell shows that of public debt statistics. The top cell for "Granularity" of Monetary and Financial Statistics shows staff's assessment of the granularity of the reported Monetary and Financial Statistics data, while the bottom cell shows that of the Financial Soundness indicators.

A	The data provided to the Fund are adequate for surveillance.
B	The data provided to the Fund have some shortcomings but are broadly adequate for surveillance.
C	The data provided to the Fund have some shortcomings that somewhat hamper surveillance.
D	The data provided to the Fund have serious shortcomings that significantly hamper surveillance.

Rationale for staff assessment. Data provision is adequate for Fund surveillance. Ireland publishes timely economic statistics and posts most of the data and underlying documentation on the internet. Remaining data gaps mostly pertain to the "OFI residual" segment of the financial sector, and the authorities are making progress in addressing the gaps.

Changes since the last Article IV consultation There have been no significant changes.

Corrective actions and capacity development priorities The CBI should continue to work together with the CSO and other regulators to reduce data gaps for non-bank entities and their cross-border activities as well as to identify both foreign and domestic linkages.

Use of data and/or estimates in Article IV consultations in lieu of official statistics available to staff. Staff do not use data and/or estimates different from official statistics.

Other data gaps. None

Annex VI. Table 2. Ireland: Data Standards Initiatives

Ireland subscribes to the Special Data Dissemination Standard (SDDS) since July 1996 and publishes the data on its National Summary Data Page. The latest SDDS Annual Observance Report is available on the Dissemination Standards Bulletin Board (https://dsbb.imf.org/).

Annex VI. Table 3. Ireland: Table of Common Indicators for Surveillance

As of June 4, 2026

	Data Provision to the Fund				Publication under the Data Standards Initiatives through the National Summary Data Page			
	Date of Latest Observation	Date Received	Frequency of Data[7]	Frequency of Reporting[7]	Expected Frequency[7,8]	Announced Frequency[9]	Expected Timeliness[7,8]	Announced Timeliness[9]
Exchange Rates	2026-06-04	2026-06-04	D	D	D	...	...	...
International Reserve Assets and Reserve Liabilities of the Monetary Authorities[1]	2026-04	2026-05	M	M	M	M	1W	NLT 1M
Reserve/Base Money	2026-04	2026-06	M	M	M	M	2W	2W
Broad Money	2026-04	2026-06	M	M	M	M	1M	1M
Central Bank Balance Sheet	2026-04	2026-06	M	M	M	M	2W	2W
Consolidated Balance Sheet of the Banking System	2026-04	2026-06	M	M	M	M	1M	1M
Total assets of other depository corporations[2]	2026-04	2026-06	Q	Q	M	M	1M	1M
Total credit from other depository corporations[2]	2026-04	2026-06	Q	Q	M	M	1M	1M
Interest Rates[3]	2026-06-04	2026-06-04	D	D	D	...	...	...
Consumer Price Index	2026-05	2026-05	M	M	M	M	1M	NLT 1M
Revenue, Expenditure, Balance and Composition of Financing[4]-General Government[5]	2025-12	2026-04	Q	Q	A	A	2Q	3M
Revenue, Expenditure, Balance and Composition of Financing[4]-Central Government	2026-05	2026-06	Q	Q	M	M	1M	2D
Stocks of Central Government and Central Government-Guaranteed Debt[6]	2025-12	2026-04	Q	Q	Q	Q	1Q	NLT 16W
Total stock of General Government Debt[5]	2025-12	2026-04	Q	Q	Q	...	4M	...
External Current Account Balance	2026-03	2026-06	Q	Q	Q	Q	1Q	3M
Exports and Imports of Goods and Services	2026-03	2026-06	Q	Q	M	M	8W	8W
GDP/GNP	2026-03	2026-06	Q	Q	Q	Q	1Q	NLT 3M
Gross External Debt	2026-03	2026-06	Q	Q	Q	Q	1Q	1Q
International Investment Position	2026-03	2026-06	Q	Q	Q	Q	1Q	3M

Annex VI. Table 3. Ireland: Table of Common Indicators for Surveillance (concluded)
As of June 4, 2026

[1] Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

[2] Other depository corporations include all deposit-taking corporations (except for the central bank) and money market funds.

[3] Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

[4] Foreign, domestic bank, and domestic non-bank financing.

[5] The general government consists of the central government (budgetary funds, extra-budgetary funds, and social security funds) and state and local governments. The total stock of general government debt is required for SDDS Plus countries and encouraged for SDDS and e-GDDS countries.

[6] Including currency and maturity composition.

[7] Frequency and timeliness: ("D") daily; ("W") weekly or with a lag of no more than one week after the reference date; ("M") monthly or with lag of no more than one month after the reference date; ("Q") quarterly or with lag of no more than one quarter after the reference date; ("A") annual; ("SA") semi-annual; ("I") irregular; ("NA") not available or not applicable; and ("NLT") not later than.

[8] Encouraged frequency of data and timeliness of reporting under the e-GDDS and required frequency of data and timeliness of reporting under the SDDS and SDDS Plus. Any flexibility options or transition plans used under the SDDS or SDDS Plus are not reflected. For those countries that do not participate in the IMF Data Standards Initiatives, the required frequency and timeliness under the SDDS are shown for New Zealand, and the encouraged frequency and timeliness under the e-GDDS are shown for Eritrea, Nauru, South Sudan, and Turkmenistan. Indicators that are not in the IMF Data Standards Initiatives are shown as "...".

[9] Based on the information from the Summary of Observance for SDDS and SDDS Plus participants, and the Summary of Dissemination Practices for e-GDDS participants, available from the IMF Dissemination Standards Bulletin Board (https://dsbb.imf.org/). For those countries that do not participate in the Data Standards Initiatives, as well as those that do have a National Data Summary Page, the entries are shown as "...".

INTERNATIONAL MONETARY FUND

IRELAND

June 10, 2026

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

Prepared By

European Department

CONTENTS

FUND RELATIONS

(As of May 31, 2026)

Membership Status: Joined August 8, 1957; Article VIII

General Resources Account:	**SDR Million**	**Percent of Quota**
Quota	3,449.90	100.00
Fund holdings of currency	2,555.11	74.06
Reserve position in Fund	894.82	25.94

SDR Department:	**SDR Million**	**Percent of Allocation**
Net cumulative allocation	4,082.00	100.00
Holdings	4,331.07	106.10

Outstanding Purchases and Loans: None

Financial Arrangements:

Type	**Approval Date**	**Expiration Date**	**Amount Approved (SDR million)**	**Amount Drawn (SDR million)**
EFF	12/16/10	12/15/13	19,465.80	19,465.80

Overdue Obligations and Projected Payments to Fund

(SDR million; based on existing use of resources and present holdings of SDRs):

	2026	2027	2028	2029	2030
Principal					
Charges/Interest	0.02	0.02	0.02	0.02	0.02
Total	0.02	0.02	0.02	0.02	0.02

Exchange Rate Arrangements and Exchange Restrictions:

Ireland’s currency is the euro, which floats freely and independently against other currencies. Ireland has accepted the obligations under Article VIII, Sections 2, 3, and 4 of the IMF’s Articles of Agreement, and maintains an exchange system free of multiple currency practices and restrictions on payments and transfers for current international transactions, other than restrictions maintained solely for security reasons, which have been notified to the Fund pursuant to Decision No. 144 (52/51).

Article IV Consultation:
The last Article IV consultation was concluded on June 6, 2025. The associated Executive Board assessment is available at https://www.imf.org/en/news/articles/2025/06/10/pr25189-ireland-imf-executive-board-concludes-2025-article-iv-consultation-with-ireland and the staff report (Country Report No. 25/128) at https://www.imf.org/en/publications/cr/issues/2025/06/10/ireland-2025-article-iv-consultation-press-release-staff-report-and-statement-by-the-567588. Ireland is on the standard 12-month consultation cycle.

Financial Sector Assessment Program (FSAP) Participation and ROSC:
The Financial System Stability Assessment (FSSA) for the last mandatory financial stability assessment was discussed by the Board on July 1, 2022. The FSSA and accompanying Reports on the Observation of Standards and Codes (ROSCs) are available at https://www.imf.org/en/Publications/CR/Issues/2022/07/07/Ireland-Financial-System-Stability-Assessment-520469.