



## Title: Quarterly Bulletin 4 2025

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### **What is the outlook for the Irish economy?**

The Irish economy is expected to record another year of strong growth in 2025. This reflects a steady growth in consumer spending, a spike in investment by multinationals, and exceptional export growth – underpinned by receding trade uncertainty and robust global demand for new pharmaceutical products.

After a strong post-pandemic recovery, momentum is easing in domestic sectors such as agriculture and professional services.

This is reflected in a strong but cooling labour market, with the unemployment rate rising above five per cent for the first time in four years.

Overall, we expect the domestic economy to grow just below four per cent this year, with the pace of growth easing back to below three per cent from 2027.

### **What is the outlook for inflation?**

Inflation has increased in recent months, driven by factors such as higher food prices and rising services prices, most notably higher fees for third-level education.

Services inflation appears to have settled at a persistently higher post-pandemic level, which will require careful macroeconomic management as we expand housing and infrastructure investment.

This is because inflation risks are heightened when, typically, lower-productivity sectors – like construction – account for a larger share of growth.

Overall, although the expected path of inflation has been revised upwards, we expect it to average two per cent out to 2028.

Find out more: [centralbank.ie/QB](https://www.centralbank.ie/QB)