



IRELAND

4th post-programme surveillance report



ECONOMY

The ongoing rebound in economic activity is exceptionally strong, testifying to the successful adjustment of the Irish economy in the past several years.



PUBLIC FINANCES

Despite new tax cuts and expenditure increases in 2016, Ireland's fiscal position is expected to further improve on the back of strong economic growth. Recent expenditure increases and tax cuts come at a time when economic growth is already strong.



UNEMPLOYMENT

Unemployment fell to 8.3% in November, below the euro area average of 10.7%, according to Eurostat. Employment gains are reaching more economic sectors and are being generated in largely full-time jobs, while long-term unemployment remains high but continues to decline.



BANKING SECTOR

Financial sector performance is improving as bank profitability has recovered and the domestic banks continue to restructure. Non-performing loans are also declining yet they remain among the highest in the euro area at 18.9% of total loans at the end of September 2015.



STRUCTURAL REFORMS

Structural reforms continue to progress but some areas need more work. Active labour market reforms and the modernisation of education and training programmes are progressing well. More efforts are needed to cut public expenditure on pharmaceuticals and to improve the cost effectiveness of healthcare.