# Ireland

## Official data confirm Ireland's 2014 economic growth spurt

- **GDP rises 1.5% in Q2 after 2.8% rise in Q1**
- **Annual pace of growth was fastest since 2007**
- **Further robust rise in GDP signalled for Q3**

Ireland's economy continued to boom in the second quarter, with official data confirming the impressive upturn signalled by the business surveys.
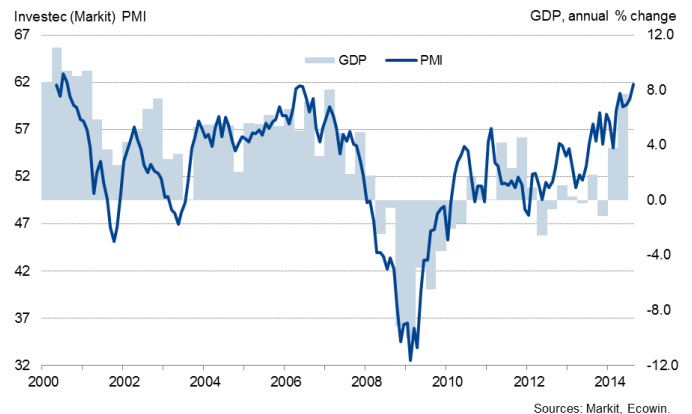
Official data showed gross domestic product rising 1.5% in the second quarter, building on 2.8% growth spurt in the first three months of the year. The latest expansion pushed GDP some 7.7% higher than a year ago, the fastest annual rate of growth since the opening quarter of 2007.

The economy nevertheless remains some 3.5% smaller than its pre-recession peak of late-2007. Ireland's GDP fell some 12.1% during the 2008-9 financial crisis. It may therefore take until the second half of 2015 until Ireland's economy regains its previous peak.
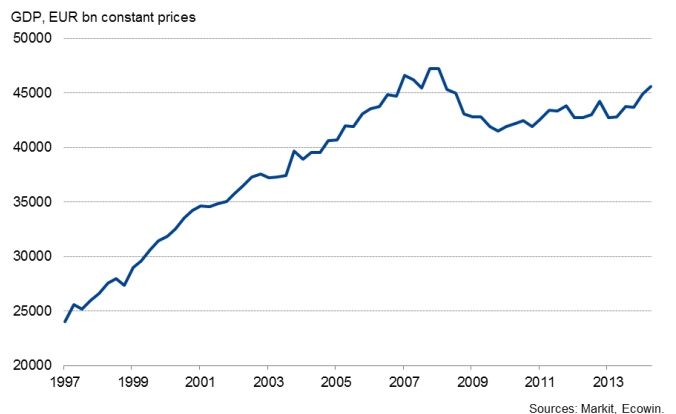
An ongoing recovery in the third quarter certainly looks on the cards. The Investec PMI, produced by Markit, had correctly anticipated the strong upswing in the pace of Irish economic growth this year and pointed to a further acceleration in the pace of expansion in August. The August PMI reading was the highest since July 2000 and followed a strong number in July.

The combined July and August PMI readings therefore suggest that the economy should see the fastest pace of economic growth for 14 years in the third quarter, providing the pace does not wane substantially in September. With new orders growth approaching an all-time high in August, any such waning looks unlikely.

**Ireland economic growth and the PMI**



Sources: Markit, Ecowin.

**Ireland GDP**



Sources: Markit, Ecowin.

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