IFA BUDGET REPORT 2011

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IFA Report on Budget 2011 – Key Decisions	
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Budget Overview

Budget 2011 sets out the expenditure reductions and taxation changes for the next 12 months, in line with the Government's four year National Recovery Plan 2011-2014, and the programme of Financial Support, agreed with the EU/IMF. In total, an adjustment of €6b will be made, of which €2b is for current expenditure reductions, €1.9b capital expenditure, €1.4b in taxation increases and €700m in other savings, including disposal of state assets.

The main changes in Budget 2011 affecting farm business and farm families are set out below.

1. Agriculture Expenditure

1.1 Current expenditure

- *REPS/ AEOS* – the AEOS scheme will be re-opened to allow 10,000 farmers to join the scheme with the maximum payment of €5,000. The payment rates for REPS 4 are unchanged.
- *Disadvantaged Areas* – €220m has been allocated which will allow the payment rates to remain the same as 2010.
- *Suckler Cow Welfare Scheme* – €32m has been allocated for 2011 to ensure 2010 and 2011 payments under the scheme can be made (rather than a year in arrears as has been the practice to date).

1.2 Capital Expenditure

- *Forestry & Bioenergy* – funding of €119m, which will allow new planting of 7,000ha.
- *Farm Waste Management Scheme* – €100m of the final 20% tranche of delayed payments will be paid out to 14,500 farmers before the end of 2010. The outstanding €20m and interest will be paid out to 2,500 farmers in early 2011.
- *Targeted Agricultural Measures* – €19m to support productive investment on a number of schemes, which include a new dairy hygiene scheme, sheep fencing and handling schemes, and animal welfare grants for pig and poultry.

2. Agricultural Taxation

- *Stock Relief* – the existing general 25% stock relief and the special 100% rate for young trained farmers is being extended for a further two years.
- *Accelerated Capital Allowances for investment in pollution control* – this is being terminated (but was introduced as a temporary measure in the context of the N regulations). Normal capital allowances for investment have been retained.

3. Adjustments in other Sectors

3.1 Expenditure

- *Unemployment Benefit and Farm Assist* – reduced from €196/week to €188 (single) and from €326.10 to €310.80 (person with qualified adult)
- *Child Benefit* – cut of €10 / child / month for all children, except for €20 cut for third child.
- *Education* – a higher education student contribution of €2,000 to replace the existing €1,500 charge. The increased charge will apply to only one child per family.

3.2 Taxation

- *Income Tax* – the personal tax credit and PAYE tax credit (both €1,830 in 2010) are being reduced by 10% to €1, 650.
- The standard rate bands are also being cut by 10%, e.g. for single people from €36,400 to €32,800, and for married one-income families from €45,400 to €41,800. No change to income tax rates.
- *Universal Social Charge* – this will replace the Health levy and Income levy, on a revenue-neutral basis. Capital allowances used in business will be exempt from the charge. The following rates and thresholds will apply:

Total income below €4,004:	0%
Income up to €10,036:	2%
Income between €10,037 and €16,016:	4%
Income over €16,016:	7%

- *PRSI* – for employees, the income ceiling on contributions of €75,036 is abolished.
- *PRSI* – for self-employed (already no ceiling) the rate is going from 3% to 4% (same rate as employees).
- *Pensions* – the earnings limit for tax relief on contributions is cut from €150,000 to €115,000.
- *Excise Duty* – increase of 2c/litre for diesel and 4c/litre for petrol.
- *DIRT* – Deposit Interest Retention Tax increased by 2%.
- *Capital Acquisitions Tax* – the current personal tax free thresholds are being reduced by 20%.
- *Stamp Duty on residential property*: rates are being cut to 1% for residential properties under €1m and a 2% rate applying to amounts over €1m; however a number of existing exemptions and reliefs are to be abolished, including "site to child" relief.

4. Economic Outlook

- *Economic Growth (GDP)* is projected to grow by 1.7% in 2011, rising to 2.8% by 2014
- *Government Deficit* is projected to be €15b, or 9.1% of GDP in 2011, reducing to 3% in 2014
- *Government Debt: GDP ratio* is projected to rise to 98.6% in 2011, and to exceed 100% in 2012.
- *Unemployment* rate is projected to be 13.2% in 2011, falling to 9.8% by 2014

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1 Introduction - Background to Budget 2011

1.1 Economic Activity

2010 has seen a continued weakening of economic activity in the domestic economy, with growth in the exporting sector. Output in the economy (GDP) stabilised, although domestic consumption (-1%), Government expenditure (-4%) and investment (-21%) have all fallen. The stabilisation of the economic downturn is due solely to a 6% growth in exports.

Reflecting the continued weakness in the domestic economy, unemployment has increased to 13.4%. There are indications in recent months that the numbers unemployed have begun to decline slightly or stabilise.

1.2 Public Finances

The rapid deterioration in the Public Finances experienced since 2008 halted somewhat in 2010, with the gap between public expenditure and taxation revenues broadly in line with projections. Public expenditure was €55b, with revenues of €36.5b, leading to a deficit of €18.2b, or 11.6% of GDP.

However, funding provided by the Government for capitalisation of the Irish banks must also be included in the General Government Balance, as the funding provided will not be recovered. As a result, the General Government Deficit in 2010 was €50b, or almost 32% of GDP.

1.3 National Recovery Plan and EU-IMF Intervention

In October 2010, due to the increasing cost of borrowing for Irish Government debt, a decision was taken to withdraw from borrowing on the international bond markets. In addition, the Government announced further significant funding requirements for the Irish banks, funded by the Exchequer. Government also announced that a four-year plan (National Recovery Plan) would be developed, setting out expenditure and taxation adjustments for the years 2011-2014.

Continuing uncertainty on the further capitalisation costs of the Irish banks, the ability of Ireland to manage its rising National Debt, coupled with lower revised projections for growth, led, in late 2010, to a Government request for financial assistance from a joint EU/IMF fund.

A fund of €85b has been provided for the next four years, of which €50b is for funding the public finances, €10b for immediate capitalisation of the banks, and a contingency fund of €25b. €67.5b will be provided through a combination of the IMF, EU Stabilisation Fund and EU Stabilisation Mechanism, with the remaining €17.5b provided by Ireland through the National Pension Reserve Fund and other cash reserves.

In return for accessing this funding, Ireland will not have to borrow on the international bond markets, but will pay an average interest rate of 5.8% on the funding provided. In addition, a Memorandum of Understanding has been developed between Ireland the EU/IMF, which sets out detailed expenditure and taxation adjustments from 2011 to 2014 with quarterly (3-month) action plans and targets. The targets are broadly in line with those contained in the Government's Four-Year National Recovery Plan.

2 Expenditure on Agriculture – Revised Estimates For 2010

2.1 Summary of Expenditure by Department of Agriculture (DAFF)

The 2011 allocation for the Department of Agriculture is €1.6bn, which is a reduction of 10% on 2010. This includes receipts of €374m (EU co-funding for Rural Development programmes and Farmer Levy contributions). Therefore, the Net Government Allocation to Agriculture in 2010 is €1.27b.

Table 2.1: Summary of Expenditure by Department of Agriculture (€000s)

DAFF (€m)	2010 estimate	2011 estimate	% change from 09 outturn
Gross expenditure	1,818,070	1,644,697	-10%
Receipts	382,864	373,892	-2%
Net expenditure	1,435,206	1,270,805	-11%

2.2 Main Changes in Expenditure or Policy by DAFF

2.2.1 REPS/ AEOS

The allocation has been increased from €330m to €337m. This allows the AEOS to be reopened in early 2011. Up to 10,000 farmers will be allowed into the scheme by mid-May 2011, with the maximum annual payment of €5,000. The allocation also includes ongoing commitments for 30,000 REPS 4 farmers, remaining REPS 3 payments and full payment for the 9,000 farmers who joined AEOS in 2010.

2.2.2 Disadvantaged Areas

The allocation of €220m is unchanged, meaning that over 100,000 farmers will see no change in payment rates for 2011.

2.2.3 Forestry & Bioenergy

The allocation has been decreased from €122m to €120m. Approximately €114m is allocated to forestry, which will fund a new planting of 7,000ha and €6m to bioenergy.

2.2.4 Suckler Cow Welfare Scheme

There is no change in the rate of payment for SCWS. €32m is brought forward for farmers in 2011 to ensure that the 2010 and 2011 payments can be made under the scheme in 2011 (rather then a year in arrears).

2.2.5 Farm Investment Grants

Farm Waste Management - €100m in delayed FWM grant is being paid out in December (rather than January next) to 14,500 farmers due the final 20% tranche. A further €20m to 2,500 farmers will be paid in January. Interest payment of up to 3.5% will be paid to over 17,000 farmers in early 2011.

Targeted Agricultural Measures (TAMs) - €19m has been allocated to the TAMs, which allow the introduction of a new Dairy Hygiene Scheme, and ongoing funding for the Sheep Fencing and Handling Scheme, and Pig and Poultry welfare schemes. The Water Harvesting scheme should also be introduced in 2011 and IFA will be discussing the details of the new schemes early in the new year.

Farm Improvement Scheme – an indicative allocation of around €8m is allocated to pay grants to around 500 farmers who will be completing work under FIS.

2.2.6 Aquaculture funding

Capital grant aid in the Fisheries section of the Department of Agriculture, Fisheries and Food budget has been retained. This funding is in place to improve efficiencies, implement environmental schemes and promote quality assurance under the terms of the European Fisheries Fund. However, fish and shellfish farmers are disappointed at the low level of funds (€15.9m, subhead J) available to be shared between fishermen, fish processors and aquaculture, given the huge interest in investment in the sector and the real potential to create jobs and exports.

The next 12 months should see the unblocking of major licensing logjams around the coast which will allow for development and expansion in the aquaculture sector to meet rising market demand for Irish quality seafood. If this is delivered, IFA estimates a total investment of over €20m is required for the primary sector alone next year.

There are also almost €1m in cuts in current spending for agencies such as BIM and the Marine Institute where vital development and scientific monitoring services are located. It is essential that these cuts do not impact on frontline services to industry.

2.2.7 Farm Assist

With the number of farmers in the scheme increasing to 11,000, the allocation to Farm Assist has increased from €111m in 2010 to €129m in 2011. With the 4% reduction in the social welfare rates, the average payment will decrease by €8/week or €400/year.

2.2.8 Rural Recreation

The allocation to the Rural Recreation scheme, including the walks scheme, has been reduced by 30% to €2.9m. IFA was assured that the existing walks would not be affected but new walks would not be included in 2011. The walks scheme is worth €1.9m annually to around 2,500 farmers and the 5 year contracts entered into will not be affected.

2.2.9 Leader

The allocation to the Leader programme has increased by 29% to €62m. This reflects the increasing number of projects that are coming to the point of conclusion.

2.2.10 Rural Social Scheme

The allocation of the Rural Social Scheme has increased by 7% to €46.1m. This covers 2,600 places plus 130 supervisory places. This holds the number of places for 2011.

For the 2,600 places, the rate of payment will reduce with the Social Welfare decreases. However, some additional places may be created in 2011, which IFA will discuss with the Department of Social Protection.

2.2.11 National Parks and Wildlife Scheme

The Allocation to the NPWS Farm Plan scheme remains at €5m for 2011. This honours existing contracts to over 1,000 farmers who have five-year plans drawn up in the designated areas. However, no new contracts will be drawn up at this stage. The pressure on the NPWS allocation will certainly reduce now that AEOS is being re-opened.

The table below provides the detailed breakdown of the DAFF budget for 2011.

Table 2.2: Main items of Expenditure by Department of Agriculture (€000s)

Gross Expenditure	2010 allocation	2010 provisional outturn (IFA estimate)	2011 estimate	% change from 10 allocation
Pay and administration (DAFF)	257,576	257,576	244,625	-5%
Research and training	35,695	35,695	35,693	0%
Food safety, animal health and welfare	184,468	156,468	178,731	-3%
o/w TB & Brucellosis	*55,090*	*55,090*	*48,790*	*-11%*
o/w Suckler Cow Welfare	*32,000*	*25,000*	*32,000*	*0%*
Market supports	27,360	27,360	37,333	36%
Disadvantaged Areas	220,000	216,000	220,000	0%
REPS	330,000	326,000	337,000	2%
Land mobility	44,515	41,900	35,960	-19%
o/w Early retirement	*40,000*	*38,000*	*35,000*	*-13%*
o/w Installation	*4,515*	*3,900*	*960*	*-79%*
Development of Agriculture & Food	277,808	370,108	119,340	-57%
o/w Farm Waste Management	*200,000*	*300,000*	*20,000*	*-90%*
Forestry and Bioenergy	121,845	121,845	119,820	-2%
Teagasc	114,165	114,165	120,156	5%
Bord Bia	29,116	29,116	28,392	-2%
Fisheries	74,240	74,240	71,170	-4%
Other Services + Food Aid	42,018	42,018	39,187	-7%
Horse and Greyhound Fund	59,264	59,264	57,290	-3%

3 Taxation Measures

Overview
A range of tax changes were announced in the National Recovery Plan, some of which will take effect in 2011, with many not due to be introduced until 2012 or beyond. The Minister concentrated only on the taxation changes being introduced for 2011.

3.1 Income Tax

3.1.1 Tax Credits: Personal and PAYE

- The personal tax credit is reduced from €1,830 by 10% to €1,650 (from €3,660 to €3,300 for married persons)
- The PAYE tax credit is also reduced from €1,830 to €1,650 (from €3,660 to €3,300 for married persons).
- As a result of these changes a single self-employed person will become liable to pay income tax at an income of €8,250, compared to €9,150 in 2010 (and double these figures for married persons). A single PAYE taxpayer will become liable to pay income tax at €16,500 compared to €18,300 in 2010 (double these amounts for married persons).
- The age tax credit is cut by 25% to €245.

3.1.2 Age Exemption Limits (65 years or over)

These are reduced from €20,000 to €18,000 for single taxpayers and from €40,000 to €36,000 for married.

3.1.3 Income Tax Rates and Bands

There is no change to income tax rates. The 20% standard rate band is to be reduced as follows:

Personal Situation	Tax year 2010	Tax year 2011
Single / Widowed, no dependant children	€36,400	€32,800
One Parent / Widowed Parent	€40,400	€36,800
Married Couple - one spouse with income	€45,400	€41,800
Married Couple - both spouses with income*	€72,800	€65,600

(* The tax band of €65,600 is transferable between spouses up to a maximum of €41,800.)

3.2 Universal Social Charge

This will replace the Health levy and Income levy, on a revenue-neutral basis to the exchequer. The following rates and thresholds will apply.

- Total income below €4,004: 0%
- Income up to €10,036: 2%
- Income between €10,037 and €16,016: 4%
- Income over €16,016: 7%

The Universal Social Charge is payable on gross income after relief for genuine business capital allowances, but before relief for pension contributions.

Certain income sources that are exempt from income tax, including forestry, is liable for the Universal Social Charge.

Capital allowances claimed as normal trading expenses in respect of items of plant and machinery and certain buildings are allowed. There is no deduction allowed for capital allowances claimed by passive investors or lessors.

All Department of Social Protection (Social Welfare) payments are exempt from the Universal Social Charge. This includes Farm Assist payments.

3.3 PRSI

For employees, the income ceiling on contributions of €75,036 is abolished. For self-employed (already no ceiling) the rate is going from 3% to 4% (same rate as employees).

3.4 Tax Relief on Personal Pension Contributions and Payments

The main changes relevant to self-employed persons are as follows:

- The earnings limit for tax relief on contributions is cut from €150,000 to €115,000.
- A retiree drawing a personal pension from an approved retirement fund (ARF) will have the effective tax rate increased.
- Tax-free lump sums taken on retirement are being reduced to €200,000.

3.5 Capital Acquisitions Tax

The current tax-free thresholds are being reduced by 20% (e.g. from €414,799 to €331,839 in parent to child transfers). The Minister linked this to the fall in asset values in recent years. There is no change to Agricultural / Business relief.

3.6 Agricultural Taxation

3.6.1 Stock Relief

The existing general 25% stock relief and the special 100% rate for young trained farmers are being extended for a further two years.

3.6.2 Accelerated Capital Allowances for investment in pollution control

This is being terminated (but was introduced as a temporary measure in the context of the N regulations). Normal capital allowances for investment have been retained.

3.6.3 Stamp Duty Relief for Farm Consolidation

This has not been renewed in the budget (due to expire 30th June 2011) and will be a priority for IFA in the Finance Bill.

3.7 Other Taxation Changes

3.7.1 Excise

Increase of 2c/litre for diesel and 4c/litre for petrol.

3.7.2 Stamp Duty on Transfers of Residential Property

Stamp duty rate on residential property reduced to 1% on properties valued up to €1m, and a 2% rate applying to amounts over €1m.
Also, a number of existing stamp duty exemptions and reliefs are to be abolished including first time buyer relief, exemption for new houses under 125m^2 in size and relief on new larger house, and the "site to child" relief.

3.7.3 DIRT

Deposit Interest Retention Tax is increased by 2%, to 27% on ordinary deposit accounts and to 30% on longer-term deposit accounts where payments are made less frequently than annually.

3.7.4 Business Expansion Scheme

The BES is to be renamed as the Employment and Investment Incentive. The new scheme will come into place, once EU approval is received.

Under the new scheme, the limit that can be raised by companies will be increased from €2m to €10m, and the amount that can be raised in any 12-month period will be increased from €1.5m to €2.5m. The new scheme will expire on 31 December 2013.

3.7.5 Energy Efficiency Measures

A new incentive will be introduced to complement the grant aid that is available through the Home Energy Saving Scheme. Standard rated tax relief will be available on expenditure up to €10,000 on a list of approved works for improving energy efficiency in the home.

Contractors employed to complete the work must be registered with the Revenue Commissioners.

3.7.6 Restrictions on Section 23 Type Relief

Significant restrictions on Section 23 Tax Reliefs will be introduced from 1 January 2011. These include:

- From 1 January 2011 Section 23 relief will be restricted to income from the Section 23 property itself (currently it can be set against all rental income).

- At the end of a 10-year holding period, any unused relief will be lost. If property is sold within this period, the new owner will not get Section 23 relief and the seller continues to be subject to a clawback of relief already given.

- For Section 23 properties yet to be sold, for which the relief has yet to be claimed, the 10-year qualifying period will start on 30 June 2011 regardless of the date of the first qualifying lease. Therefore, in such cases no Section 23 relief will be available after 30 June 2021.

- Residential owner-occupier relief is unaffected by these changes.

4 Public Expenditure and Social Welfare Changes affecting Farm Families

4.1 Social Welfare Changes

Social welfare payments for those of a working age were reduced by, on average, 4% in Budget 2011. The State Pension rates (contributory and non-contributory) remain unchanged. The main changes are outlined in Table 4.1 below.

Table 4.1: Changes to main Social Welfare Payments

Scheme	Rate	2010 (€)	2011 (€)
Pension – Contributory	Single (Under 80) With Qualified Adult (under 66) With Qualified Adult (over 66)	230.30 383.80 436.60	230.30 383.80 436.60
Pension – Non-Contributory	Single With Qualified Adult	219.00 363.70	219.00 363.70
Jobseeker's allowance (adult over 25 years of age)	Single With Qualified Adult	196.00 326.10	188.00 312.80
Jobseeker's allowance (22-24 years of age)	Single With Qualified Adult	150.00 280.10	144.00 268.80
Jobseeker's allowance (18-21 years of age)	Single With Qualified Adult	100.00 200.00	100.00 200.00
Farm Assist	Single With Qualified Adult	196.00 326.10	188.00 312.80

4.1.1 Child Benefit

Child Benefit will be reduced by €10 per month from January 2011 on both the lower and higher rate with an additional €10 per month decrease for the third child.
The new rates will be:

- €140 per month (first and second child);
- €167 (third child); and
- €177 (fourth and subsequent children).

4.2 Education

4.2.1 School transport

The post-primary (secondary school) school transport charge will be increased to €350 with a €50 fee at primary level (excluding Medical cardholders). Overall school transport charges will be subject to maximum family charge of €650.

4.2.2 Third Level Education Contribution

The Student Services Charge (currently up to €1,500) will be replaced with a flat higher education student contribution of €2,000. The higher Student Service charge will only apply to one child in a family at any one time. A €200 charge for PLC students will also be introduced.

4.2.3 Higher Education Grants

A number of changes will be introduced for the Student Support Scheme:

- 4% reduction in the grant rate, which is comparable with the % reduction in all Social Welfare working-age payments;
- Reduction in the proportion of students qualifying for the non-adjacent grant rate by changing qualifying criteria from 24km to 45km; and
- Limiting of mature students benefits to those payable to ordinary students.

5 The Public Finances and National Economy

5.1 Budget Balance (Budget surplus or deficit)

Ireland has committed to restoring order to its Public Finances by 2014, with a projected budget deficit in that year of 2.8%. In 2011, the projected Government Deficit will be 9.4%, down from 32% in 2010 (due to the recapitalisation costs of the banks).

There has been an adjustment of €6b in public expenditure in the 2010 Budget, of which €2b is for current expenditure reductions, €1.9b capital expenditure, €1.4b in taxation increases and €700m in other savings, including disposal of state assets.

Budget 2011 is the first instalment in the four-year public finance adjustment outlined in the National Recovery Plan. Overall, an adjustment of €15b will be made, of which €5b is for taxation increases, €3b in capital expenditure reductions and €7b in current expenditure. A summary of projected Expenditure, Revenue and Government Balance for 2010-2012 is outlined in Table 5.1 below.

Table 5.1: Budgetary Projections 2009-2010 (€m)

Heading	2010	2011	2012
Expenditure			
Current – Services	40,955	41,725	39,665
Current – Central Fund*[1]	6,390	6,675	8,545
Total Current	**47,345**	**48,400**	**48,210**
Capital	7,425	8,280	7,945
Total Expenditure	**54,770**	**56,680**	**56,155**
Revenue			
Tax Revenue	31,530	34,900	38,315
Non-Tax Revenue	2,695	1,970	1,100
Capital Resources	1,790	2,140	1,635
Total Revenue	**36,015**	**39,010**	**41,050**
Exchequer Balance	**-18,755**	**-17,670**	**-15,105**
Technical Adjustment*[2]	-1,835	-764	-2,775
General Government Balance	**-50,115**	**-15,180**	**-12,330**
As a % of GDP	-31.90%	-9.40%	-7.30%

(*[1] Includes Service of the National Debt, *[2] Adjustments necessary to conform with EU accounting rules)

5.1.1 Public Expenditure

The changes introduced in the budget are expected to result in an increase of €1b in Net Current expenditure in 2011, due mainly to a reduction in Exchequer receipts from programme expenditure. General expenditure on programmes will fall by almost €2b.

There will be an increase of €800m in Capital Expenditure, due to an increase of €2.3b in non-Voted Capital Expenditure (mainly due to the issuing of Promissory Notes to the financial institutions). General Capital expenditure will fall by €1.5b between 2010 and 2011. Total expenditure (current and capital) in 2011 is projected to be €55b.

5.1.2 Tax Revenue

Tax Revenue for 2011 is projected to be €34.9b, rising to €44.4b by 2014.

5.1.3 Budget Deficit and Government Debt

The predicted effect of the increased taxes and reduced public expenditure is a General Government Deficit in 2011 of €15.1b, or 9.4% of GDP. By 2012, this will fall to 7.3% of GDP, reducing to 2.8% by 2014. 3% is the agreed limit on the budget deficit under the terms of the EU Stability and Growth Pact. Under the terms of the agreement reached between Ireland and the EU/ IMF, Ireland now has to 2015 to reduced the Budget Deficit to 3%; however, Budget 2011 has retained the 2014 commitment.

The key measure of government debt is the General Government Debt: GDP ratio. Under the terms of the Stability and Growth Pact, the Debt: GDP ratio is not meant to exceed 60%. The general government debt: GDP ratio rose to 94% of GDP in 2010, and is projected to increase to 100% in 2014 (peaking at 102.5% in 2013)

Table 5.2: Government Deficit and Debt (%)

Year	2010	2011	2012	2013	2014
General Government Deficit as a % of GDP	-32	-9.4	-7.3	-5.8	-2.8
Government Debt as a % of GDP	94.2	98.6	102	102.5	100

5.2 The National Economy

In addition to providing information on the public finances, Government has provided details on the economic projections for Ireland over the next 4 years.

The economy (measured by GDP) stabilised in 2010, with a projected increase of 0.3%. This was mainly due to higher than expected growth in exports. GDP is expected to grow in 2011 at a rate of 1.7%, rising to an average of 3% over the following three years. The projected growth rates are significantly below those outlined in last year's budget.

The unemployment rate is expected to average about 13.4% for 2010, dropping to 13.2% in 2011, and continuing to fall to below 10% by 2014. Projected changes to the main economic indicators are outlined in Table 5.3.

Table 5.3: Economic Outlook (Percentage Volume Changes)

	2010	2011	2012	2013	2014
Gross Domestic Product (GDP):	.3	1.7	3.2	3	2.8
Gross National Product (GNP):	-2	1	2.6	2.4	2.4
Expenditure on GNP:					
Personal consumption:	-1.3	0	1	1.5	1.75
Public consumption:	-3.9	-3.1	-2.1	-2.2	-1.9
Fixed investment:	-21.2	-5.9	5.2	5	5.3
Exports:	6.2	4.9	4.9	4.5	4
Imports:	2.7	2.8	3.1	3.3	3.1
Inflation (HICP)	-1.5	.7	1	1.7	1.7
Employment growth (%)	-4	-0.2	1.3	1.6	1.8
Unemployment rate (%)	13.5	13.2	12	10.9	9.8