

### **An approach to summarizing an article/report/press release.**

- Beginning with the first paragraph, read through it, think of a suitable title for that paragraph and write it in the left hand margin. Try to keep this title to less than 5 words.
- In the right hand margin, make note of 2 key points of understanding you take from the paragraph. Try to keep each point to less than 15 words.
- Continue with this process for the remaining paragraphs.

### **COVID-19 having a significant but disparate impact on the Irish economy**

This Commentary highlights the major disparity in the impact of COVID-19 on the Irish economy. Many sectors of the domestic economy have been severely affected with wide scale job losses in areas such as accommodation, food, arts and entertainment. The unemployment rate stood at 14.7 per cent in September which is much higher than the pre-pandemic level. Household spending and modified investment declined by 22 and 24 per cent respectively in the second quarter.

On the other hand, exports have held up very well driven by the strong performance of medicinal and pharmaceutical products and computer services. In light of the strong performance of the export sector, and the spending rebound seen over the summer months, our forecast for GDP growth has been revised up, with a 1.8 per cent decline forecast for 2020.

Our outlook for 2021 is more uncertain due to the combined risk of ongoing COVID-19 restrictions and a no-deal Brexit. In the event that there is a Free Trade Agreement in place between the UK and the EU next year, the Irish economy is expected to grow by 6.3 per cent. However, in the event of a no-deal Brexit, the growth rate forecast is just 3.3 per cent. An analysis in the commentary also looks at the combined long-term impact that COVID-19 and Brexit could have on the Irish economy over the next 10 years.

In terms of the government finances, expenditure has already increased rapidly this year and is expected to remain elevated into 2021. While tax receipts are expected to decline substantially as well, the performance of some taxation items have been significantly better than expected. Corporation tax receipts have been particularly strong, growing by almost 25 per cent in the year to August. Additionally, the decline in income taxes has been muted, likely a result of the progressive nature of the tax system and the concentration of job losses in lower paid employment. Overall a budget deficit of just over €25bn is forecast for 2020. This deficit will fall to €15bn next year as tax receipts are expected to improve in 2021 while government supports are wound back.

Commenting on the report, author Kieran McQuinn of the ESRI stated:

“While the impact of COVID-19 on headline Irish economic indicators is much less than many other European countries, it is clear that the virus has had a devastating impact on many sectors of the domestic economy”

Commenting on the report, author Conor O’Toole of the ESRI stated:

“Looking forward to 2021, we are facing the perfect economic storm of a no-deal Brexit coupled with ongoing COVID-19 restrictions. While a rebound could be expected next year even with public health restrictions, any recovery would be stopped in its tracks by a no-deal Brexit.”

<https://www.esri.ie/news/covid-19-having-a-significant-but-disparate-impact-on-the-irish-economy> (Accessed on 7/12/2020)

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