

Monday 25th May 2011

## **Foundation for Fiscal Studies in Ireland Conference**

# **Standard & Poor's Ratings on the Republic of Ireland**

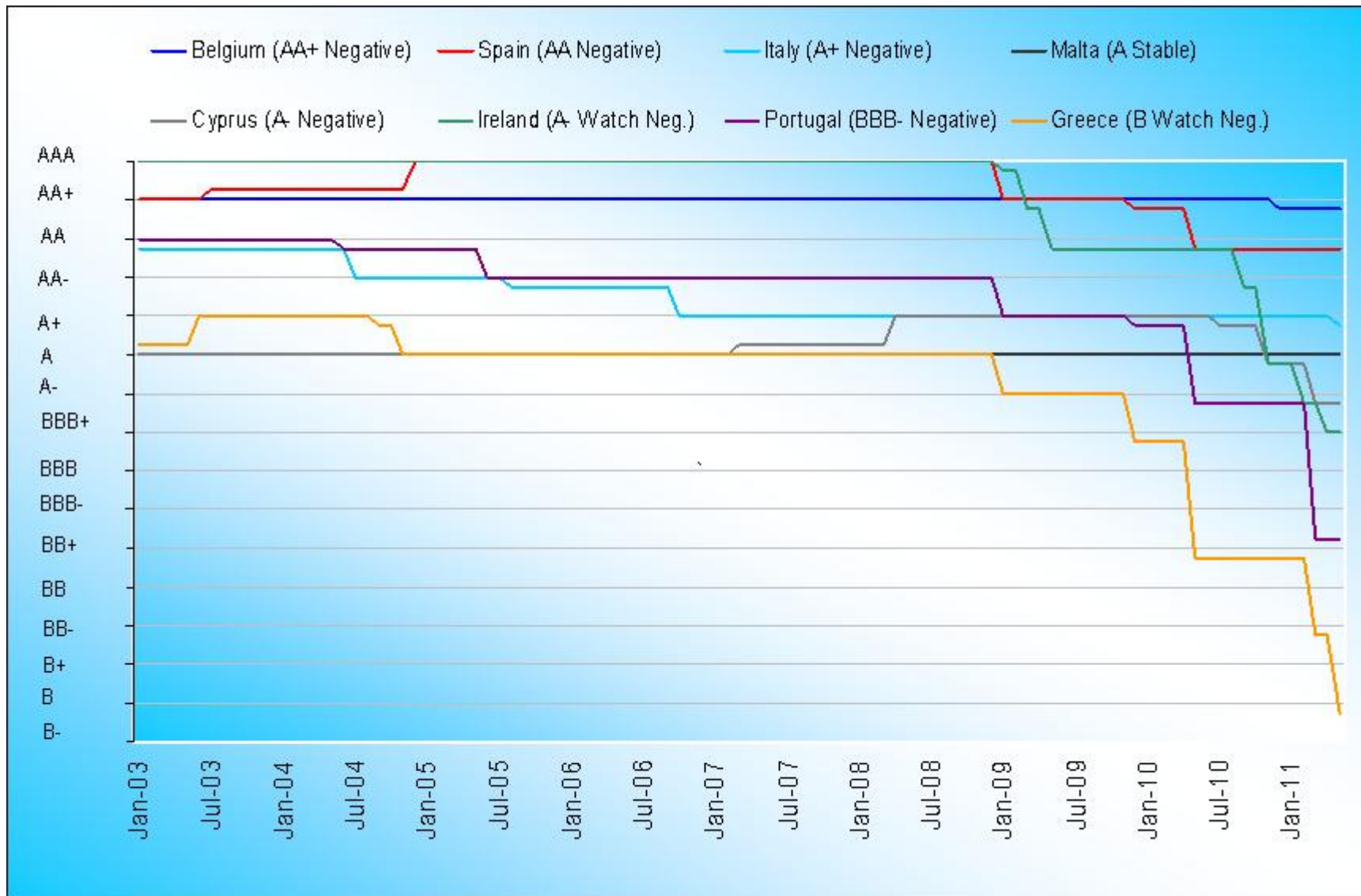
Trevor Cullinan, Director, European Sovereign Ratings

# Agenda

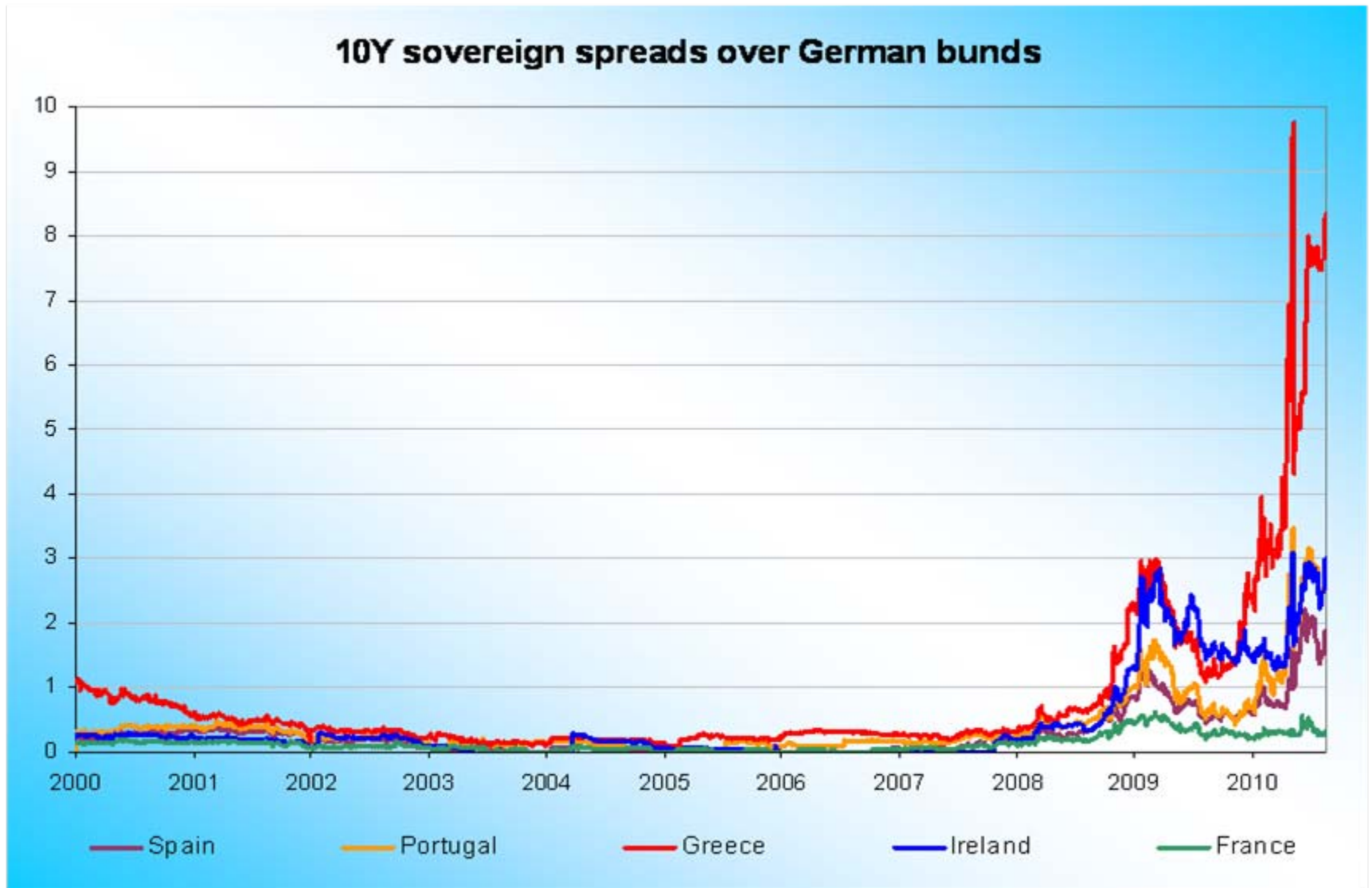
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- Ireland's Sovereign Ratings
  1. **Brief rating history**
  2. **Most recent rating decision**
  3. **Comparators**
  4. **Ratings outlook**

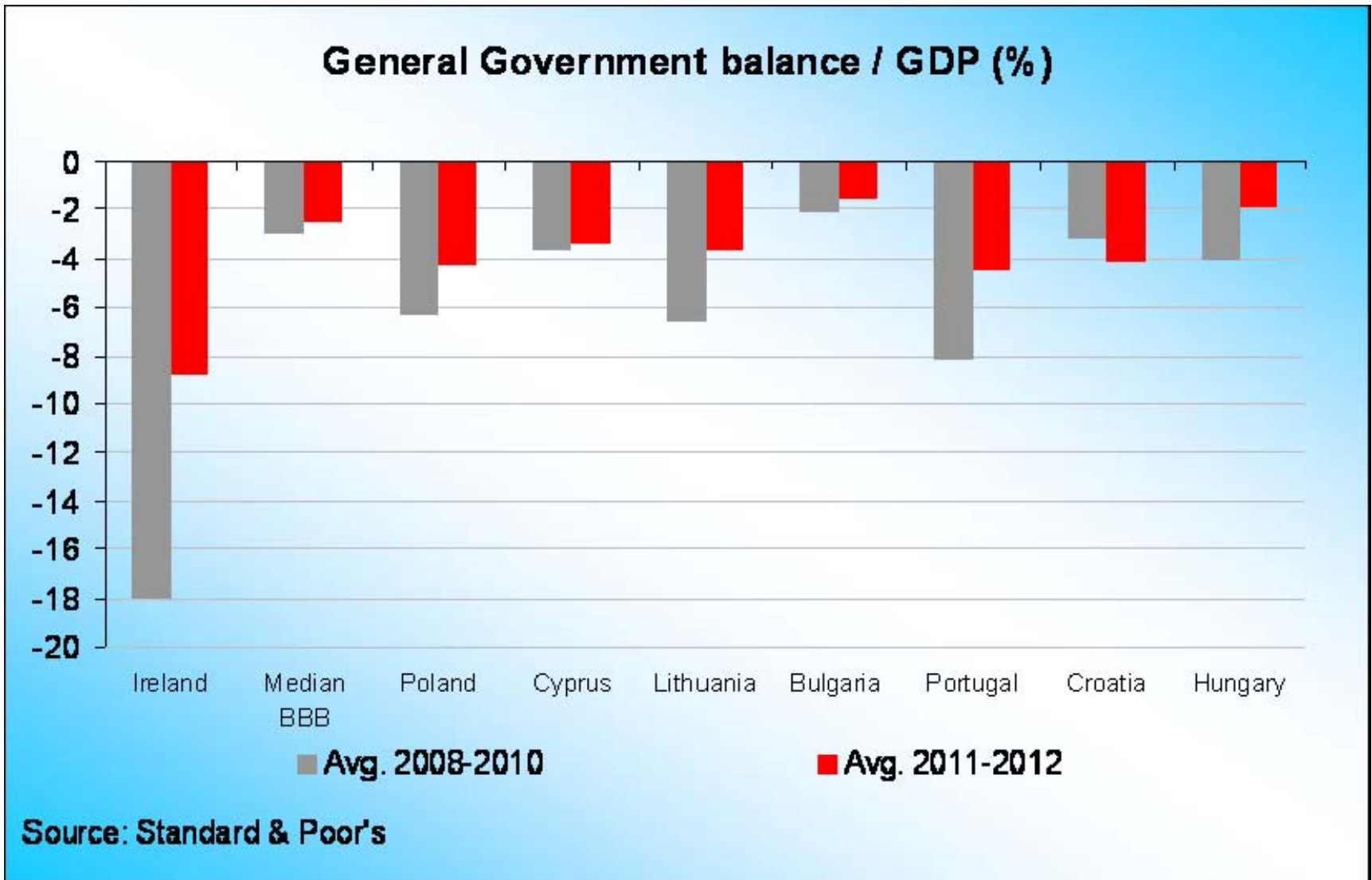
# Selected Ratings History 2004-today



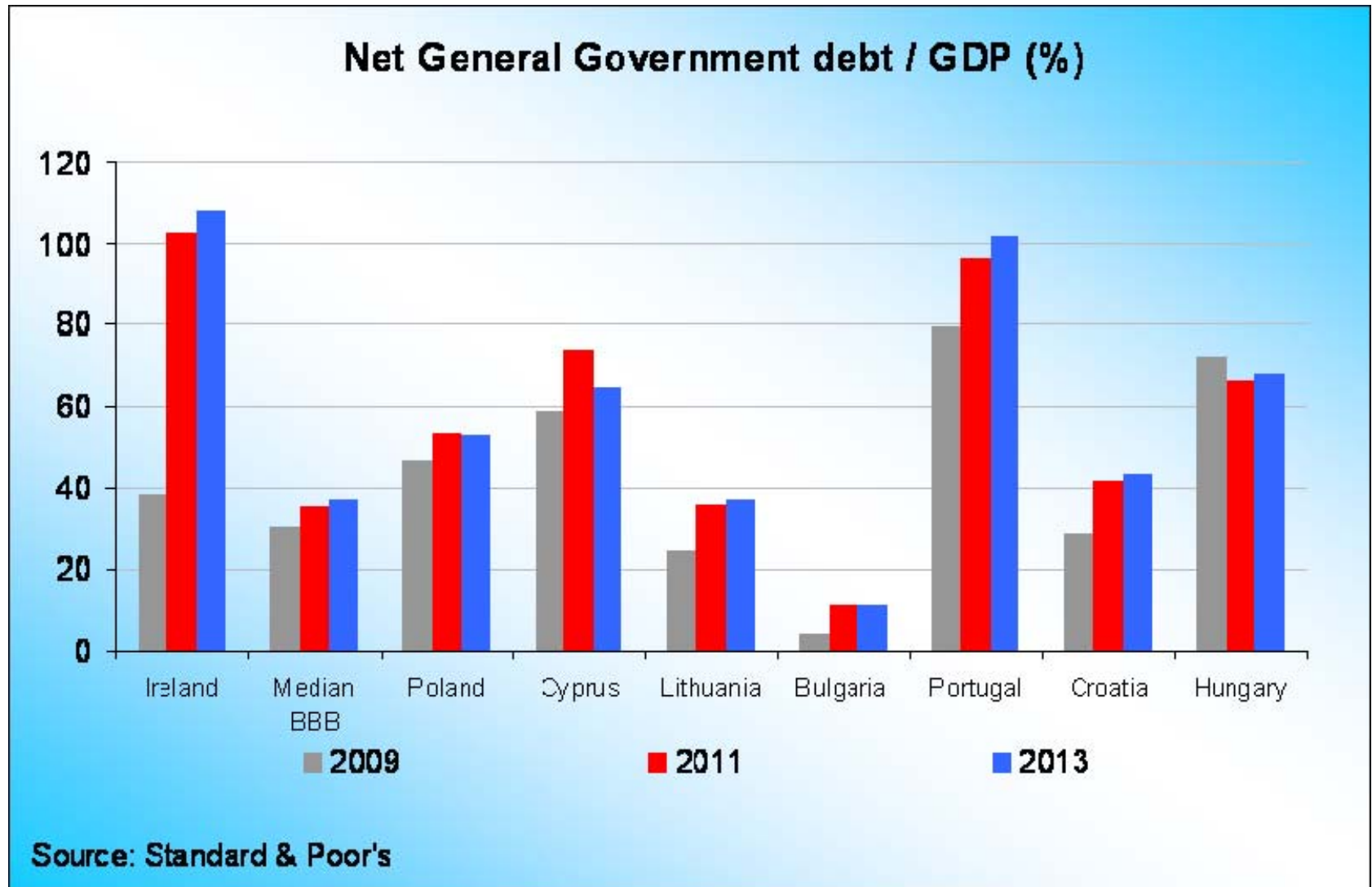
# Sovereign Spreads



# Ireland: Weak Public Finances

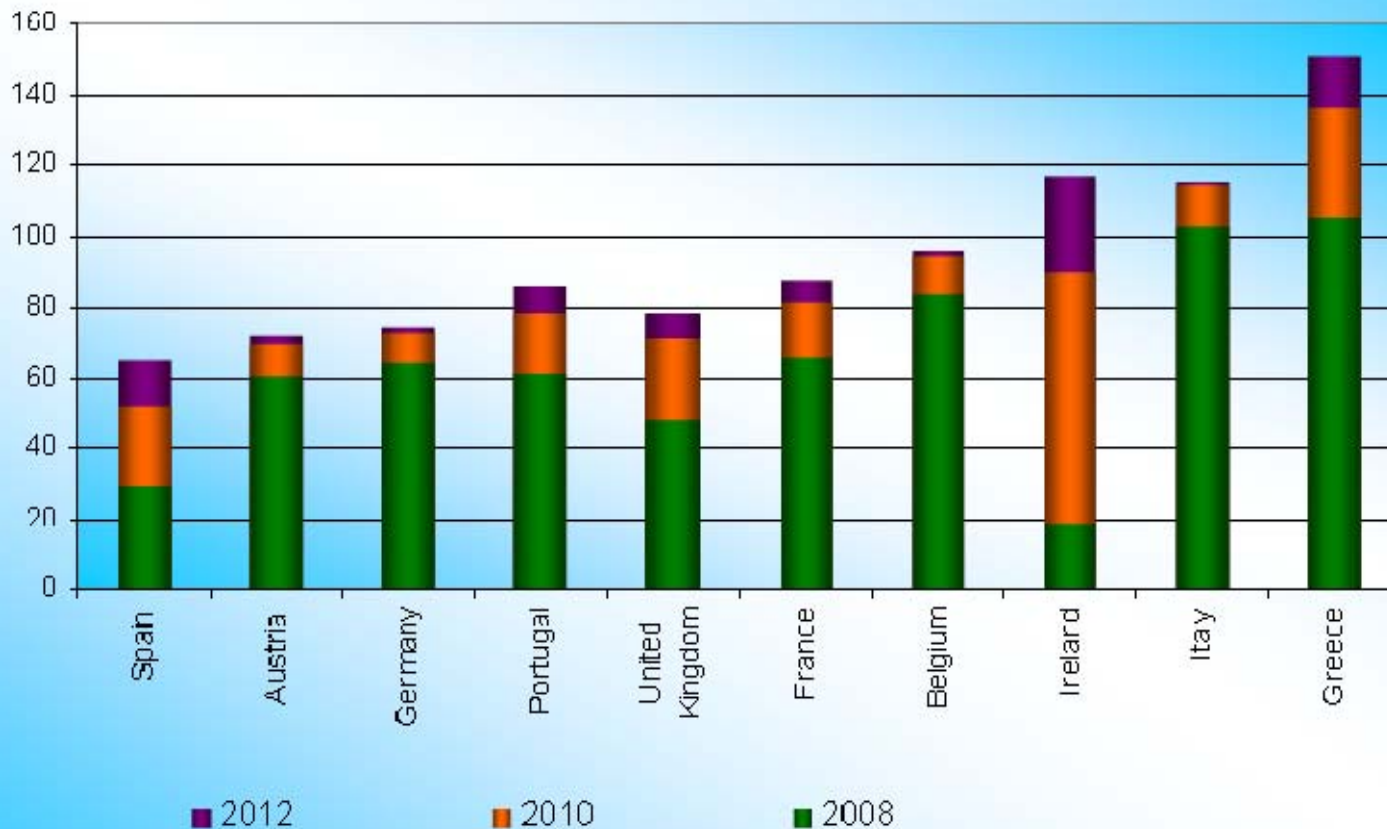


# Ireland: Heavily Indebted General Government



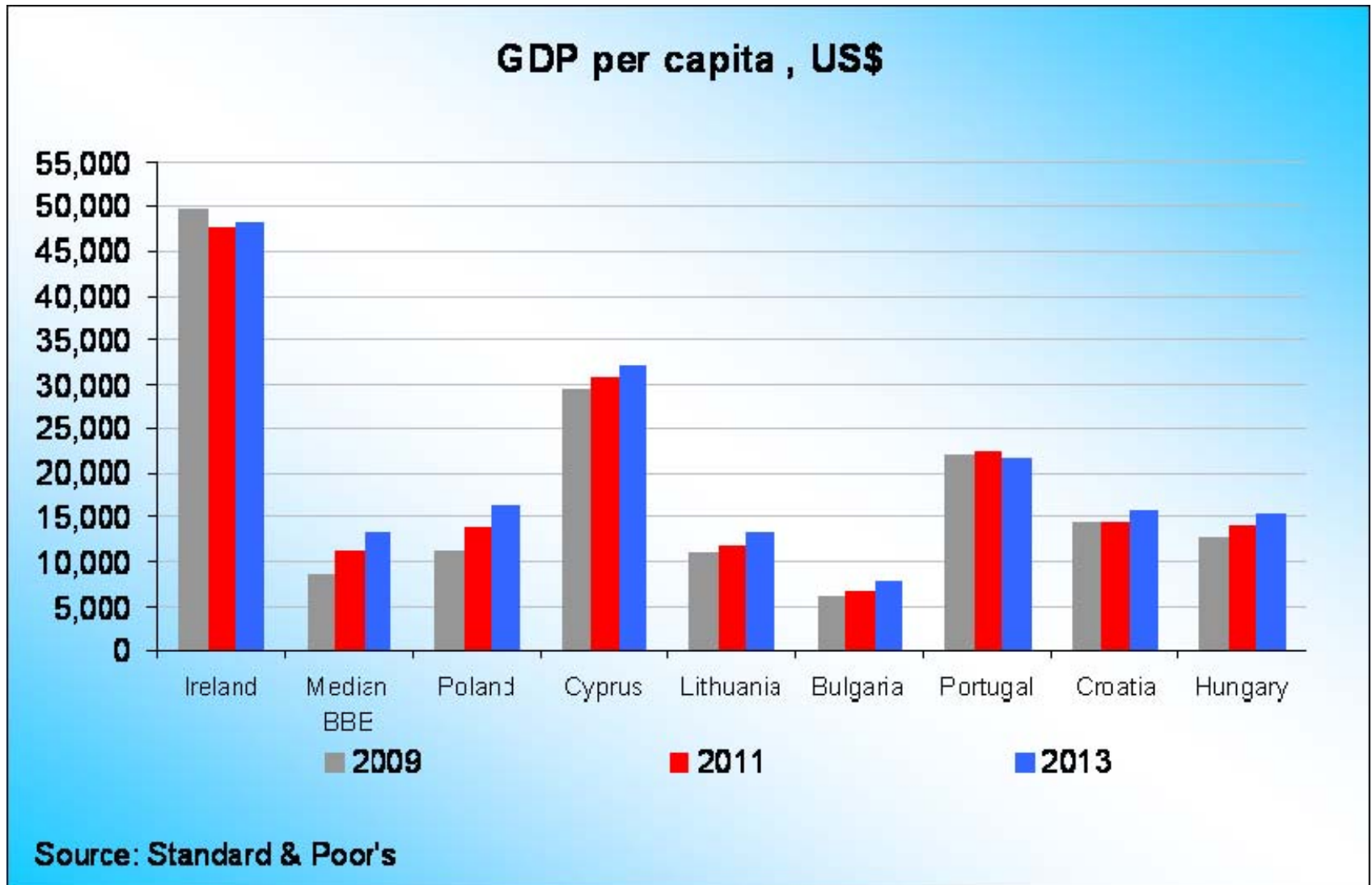
# Sharp Increase In Debt Most Pronounced In Ireland

## Net GG Debt (% GDP)



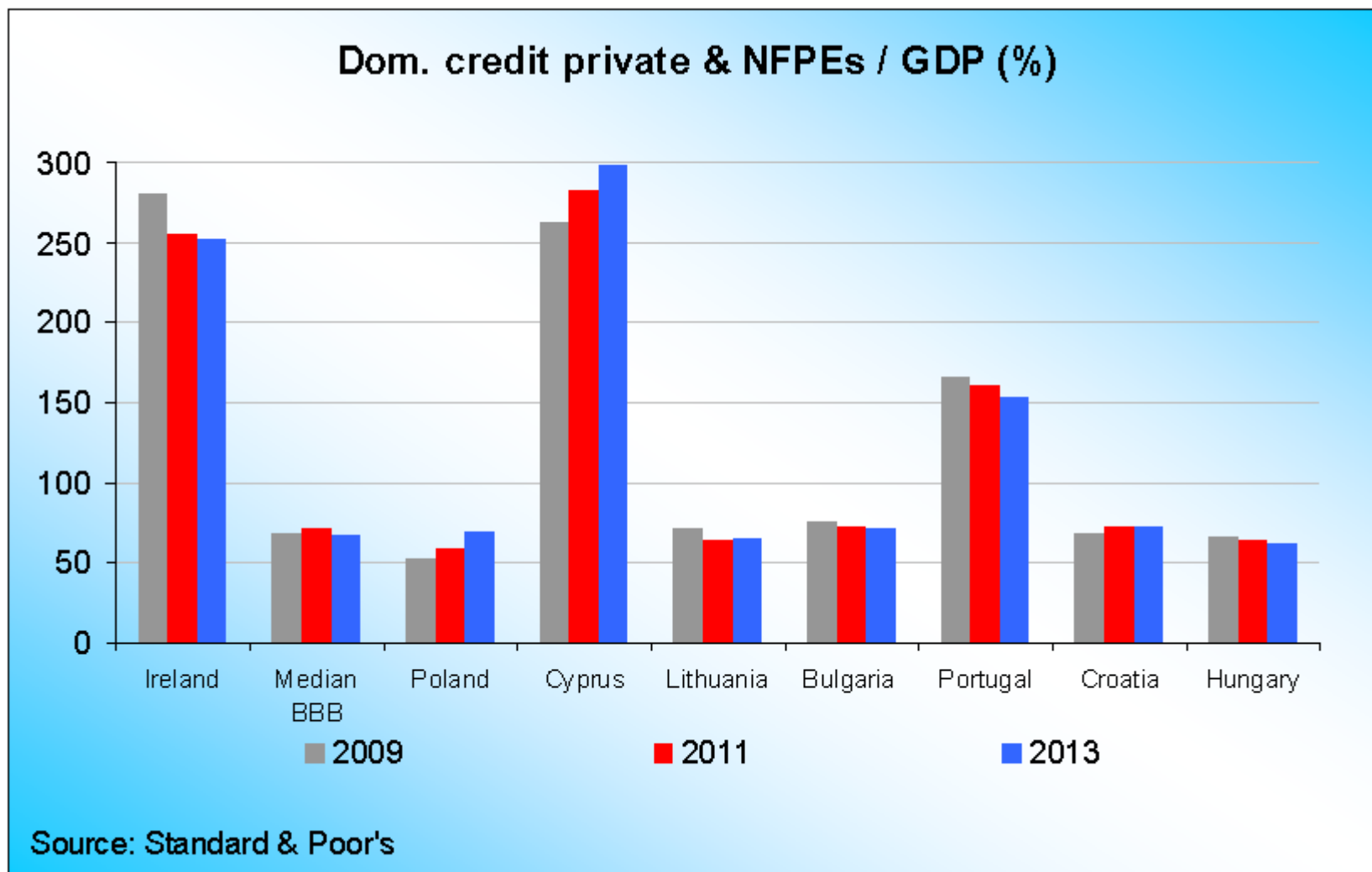


# Ireland: Wealthy...



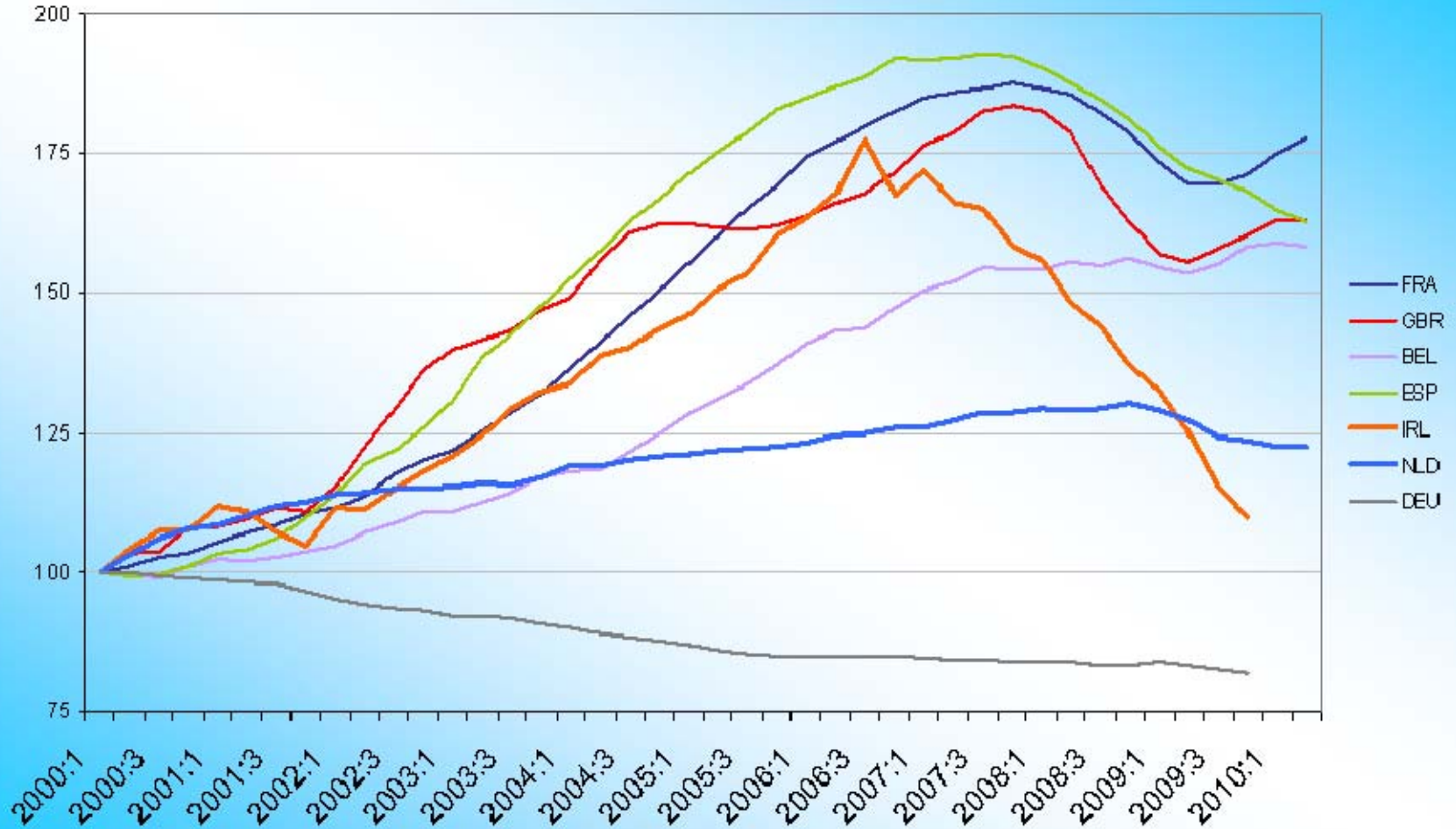


## ...But Heavily Indebted Economy

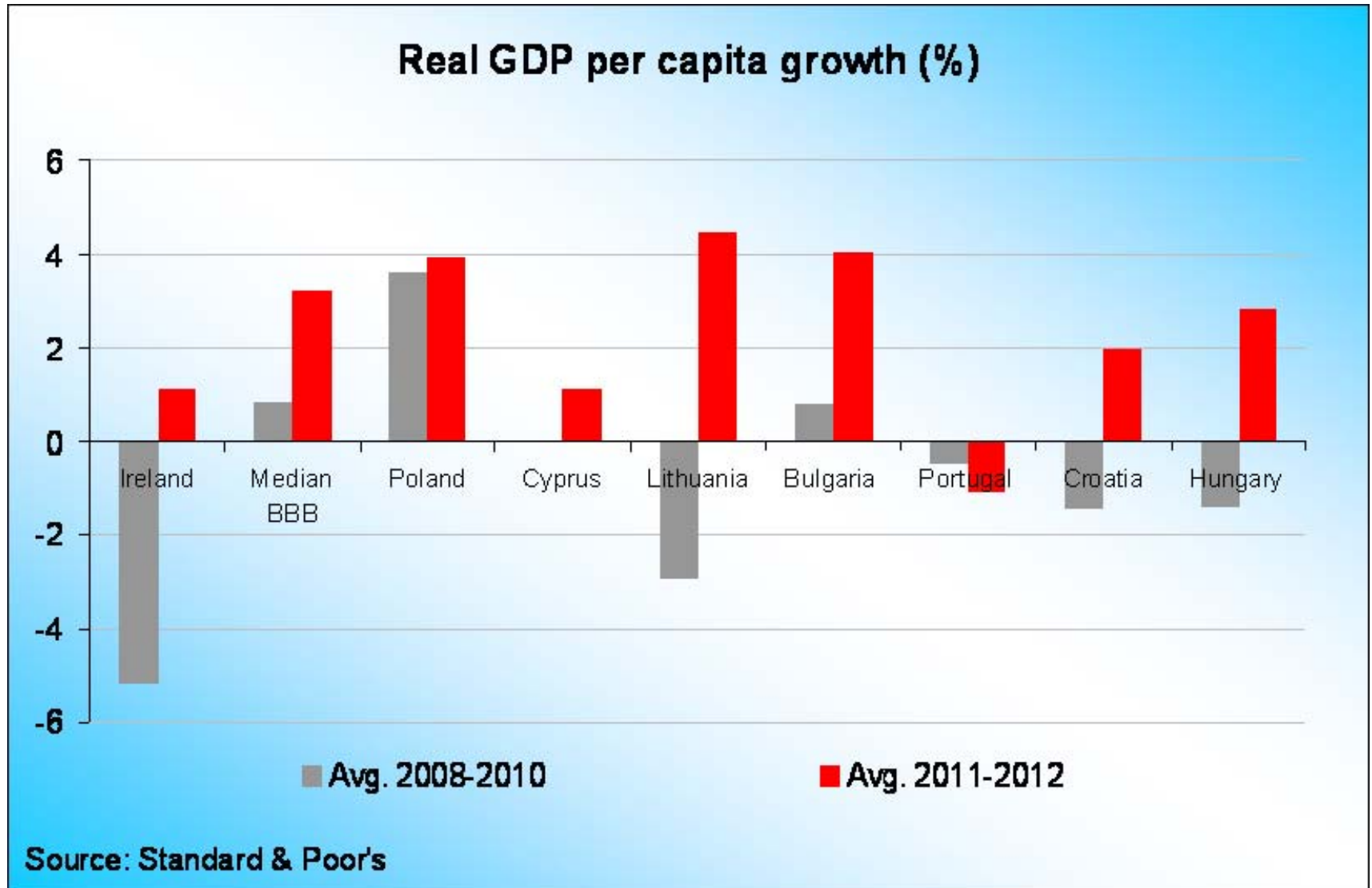


# Developments In Real Estate Prices

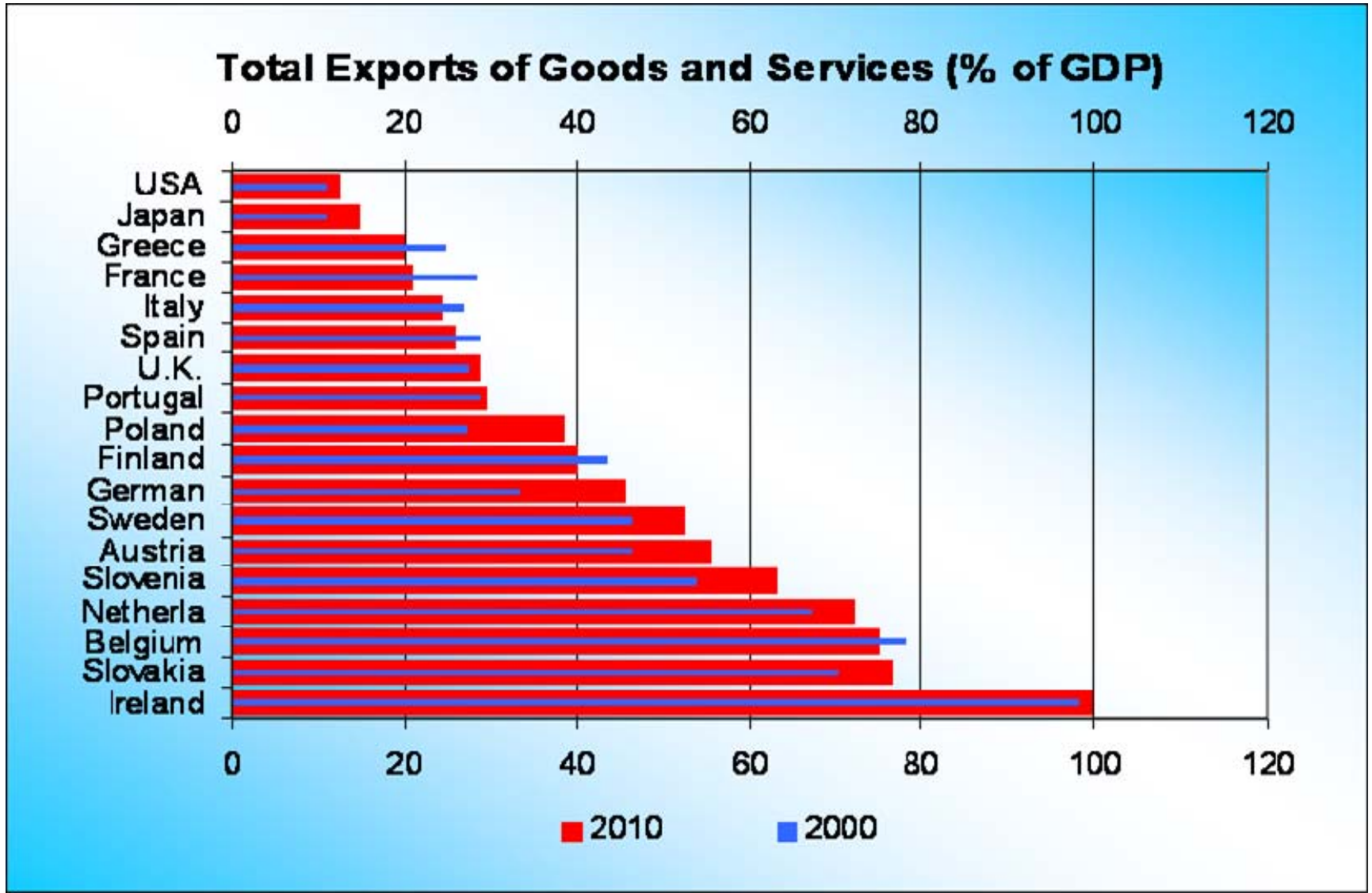
## OECD Housing Price indices (real terms, 1Q 2000=100)



# Ireland: Modest Growth Prospects



# Prospects For Export-Led Growth Differ In Our View

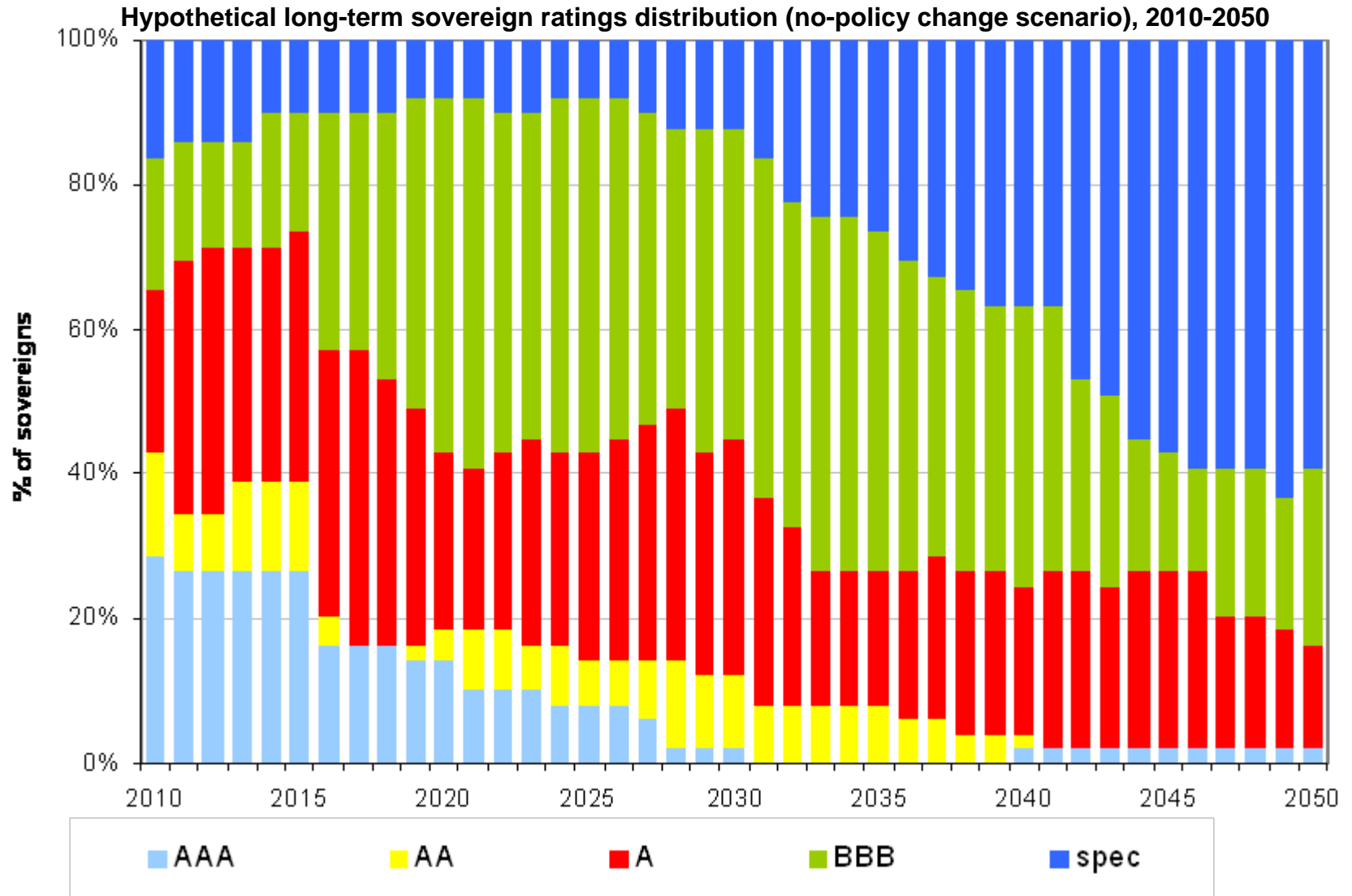


# Real Adjustment Taking Place Most Strongly In Ireland

ULC-Based Real Effect. Ex. Rate (1Q 2000=100)



# Without policy change, sovereign ratings likely under pressure



Source: Standard & Poor's.

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