



Key economic events

A timeline of significant economic events that have shaped the world over the last century.

The Great Depression

The Great Depression lasted from 1929 to 1939. It was worldwide economic downturn that began in 1929 after the stock market crash of October 1929, which sent Wall Street into a panic and wiped-out millions of investors. Over the next several years, consumer spending and investment dropped, causing steep declines in industrial output and employment. Although it originated in the United States, the Great Depression caused drastic declines in output, severe unemployment, and acute deflation in almost every country of the world.

Ireland joins the EEC in 1973

Ireland joined the European Economic Community in 1973 and became a member of the EEC, also known as the Common Market, which was a group designed to integrate the economies of Europe. In 2009 it became known as the European Union or EU, a broader group including economic and political cooperation.

Celtic Tiger 1994-2007

The 'Celtic Tiger' was the name given to Ireland during the boom years when the economy was growing rapidly. After being one of Europe's poorest countries Ireland experienced rapid economic growth, fuelled by Foreign Direct Investment (FDI), low corporation taxes and an educated English-speaking population.

The start of an economic recovery in 2011

Economic recovery has been in the form of a slow and steady growth and recovery from recession helped by FDI, growth in the pharmaceutical sector, increased bank lending and the growth in the construction industry. GDP increased in 2011 but GNP decreased.

Covid 19 pandemic

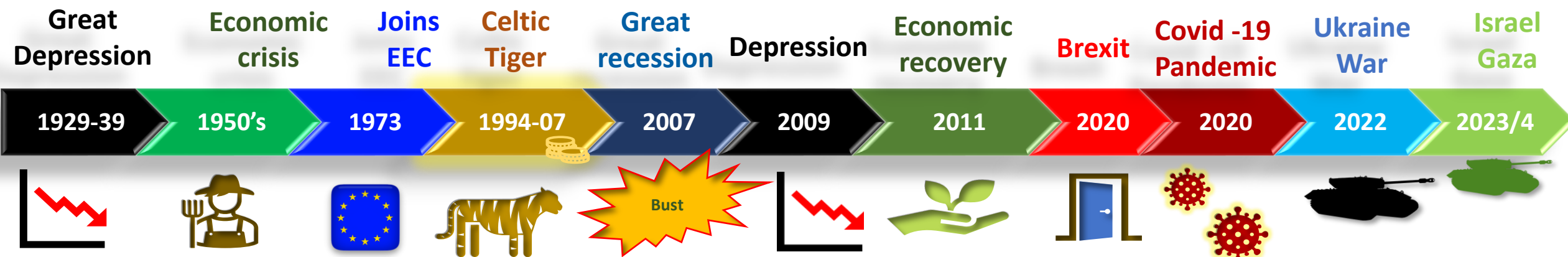
The Covid 19 pandemic caused a severe impact on the domestic economy and a contraction in economic activity. It caused widespread job losses, with unemployment reaching 20%. €14 billion was spent on **Pandemic Unemployment Payment (PUP)**, the wage subsidy scheme and the covid restrictions support scheme.

Covid 19 recovery

Covid 19 recovery, under assumptions of a successful vaccine rollout, forecasts a recovery of 4.5% in GDP growth. This will be fuelled by the release of "pent up" demand and the build-up of €11 billion in excess savings.

Depression 2009

The Irish economy's severe recession then entered into an economic depression by 2009. GDP was down 8.5% and GNP 12%.



1950's economic crisis

The Irish economic crisis of the 1950's was caused by the largely agricultural economy being in decline, industry was stagnant and 16% of the population emigrated. Austerity and the loss of dynamic young people helped ensure Ireland's economy stagnated for decades. Protectionism was a key element of Irish economic policy in the 1950's. Heavy import duties were effective in reducing the balance of payments deficit, developing native industries and moving away from an overdependence on the UK. However, tariffs made goods more expensive, reducing profit for businesses who relied on imported materials and increasing prices for consumers. In the 1990s, a stagnant agricultural economy was transformed into a highly skilled post-industrial economy. Lower taxes attracted foreign firms, particularly from the US to come to Ireland.

Great recession of 2007

The great recession of 2007 was when the Irish economy collapsed and experienced a severe recession. This caused 'The Celtic Tiger' boom to turn to bust. It stemmed from the collapse of the domestic property sector which caused a contraction in national output. The cause was inadequate risk management practices of the Irish banks and the failure of the financial regulator to supervise these practices effectively.

Brexit 2020

Brexit was when the UK left the EU on January 1st, 2020. This has caused problems for Irish exports and imports to the UK, supply shortages and labour market implications due to falling demand.

Ukraine war

The Russian invasion of the Ukraine has had a significant impact on the Irish and global economy. Russia is a major oil and gas distributor, and the conflict has caused disruption and uncertainty. **Energy prices have risen** as well as the cost of other exports from that region, such as, wheat, fertiliser and aluminium. Inflation is rising and the increase in the cost of living is affecting the population. An increase in inflation will see demand for increase in pay, to meet the higher cost of living. The Government cut excise duty on fuel in March 2022 to ease the burden of rapidly increasing fuel prices.

Israel /Gaza war

The Israel/Gaza war brings possible economic repercussions, due to the extreme uncertainty of the situation. From a global economic perspective, these developments raise the probability of supply disruptions. **Oil supply shocks** would affect economic activity in energy-importing countries and on the wider global economy. IMF estimates suggest a 10% increase in oil prices could weigh down global growth.

