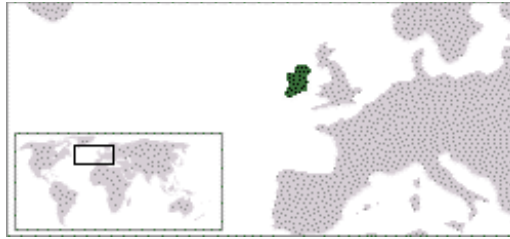


PM WORLD TODAY – REGIONAL REPORT – IRELAND



Celtic Tiger in poor shape

By Ed Naughton

*International Correspondent for PMForum & PM World Today
Dublin, Ireland*

Ireland will experience a recession for the first time since 1983. A contraction in the economy in 2008, with both GNP and GDP falling by 0.4 per cent in real terms is forecast by the domestic ESRI (Economic & Social Research Institute).

Consumption is expected to grow by just 1 per cent this year and by 2 per cent next year. A decline in investment of almost 15 per cent in 2008 and of 4.5 per cent in 2009 is anticipated. Exports are expected to grow by 4.8 per cent in 2008, well down on the 2007 preliminary growth figure of 8.2 per cent.

The downward revisions to the export forecasts are partly related to a downward revision in forecasts for many of the world's major economies. For example, it is now expected that the US will experience a technical recession this year, meaning two quarters of negative growth. The factors underlying this subdued performance include the credit crunch and high inflation as a result of increasing commodity prices.

The dramatic slowdown in the economy will have many implications including a greater demand for talented project managers to deliver key results in turbulent and demanding times. Job losses are expected to be a feature of the economy in 2008 and it is anticipated that the rate of unemployment will rise to over 7 per cent by the end of 2008.

The deficit on the public finances is forecast to grow rapidly. Inflation is expected to average 4.5 per cent in 2008 and 3 per cent in 2009.

With nominal wage growth of 4 per cent in 2008 and 3.5 per cent in 2009, real wage growth will generally be depressed over the forecast period. This is in line with the weakening labour market. A further consequence of the weakening labour market will be the resumption of net outward migration in 2009, with a net outflow of 20,000 foreseen.

The emerging situation in the labour market will have implications for the focus of state agencies in education and training as they move to ensure that rising unemployment does not become a problem of long-term unemployment.

Project management will play an important role in the Irish economy – particularly in a downturn situation. Considering the impact that successful project management has on productivity, the discipline will perhaps get the recognition it deserves in helping to make organisations more innovative and successful. “Management by Projects” now needs to become an even greater part of our strategy, to cope with the increasing dynamics in the business and personal environment.

About the Author:***Ed Naughton****International Correspondent*

Ed Naughton, BE, C. Eng., F.I.E.I, IPMA-a, PMP, is an International Correspondent for PMForum and *PM World Today* in Dublin, Ireland. Mr. Naughton is also the founder and Director General of the Institute of Project Management of Ireland, the leading authority on the PM profession in Ireland. Ed is a former Vice President of the International Project Management Association (IPMA) and Co-chair of IPMA's "Nation to Nation" Project Management Forum. Ed has researched, published and presented many articles and papers on project management and is the author of the Irish Project Management Competence Baseline. During his thirty year career, Ed has worked as a project manager and/or project management consultant on a large variety of high profile domestic and international assignments. Ed Naughton is a graduate of University College Dublin (BE, civil), a Fellow of the Institute of Engineers of Ireland, a Chartered Engineer (Ireland), a Professional Engineer in Canada, and holds IPMA Level A certification. He is former editor of the quarterly international publication "Project Management Practice". Ed lives in Dublin and can be contacted at info@projectmanagement.ie. Additional information about Ed Naughton can be found at www.projectmanagement.ie.