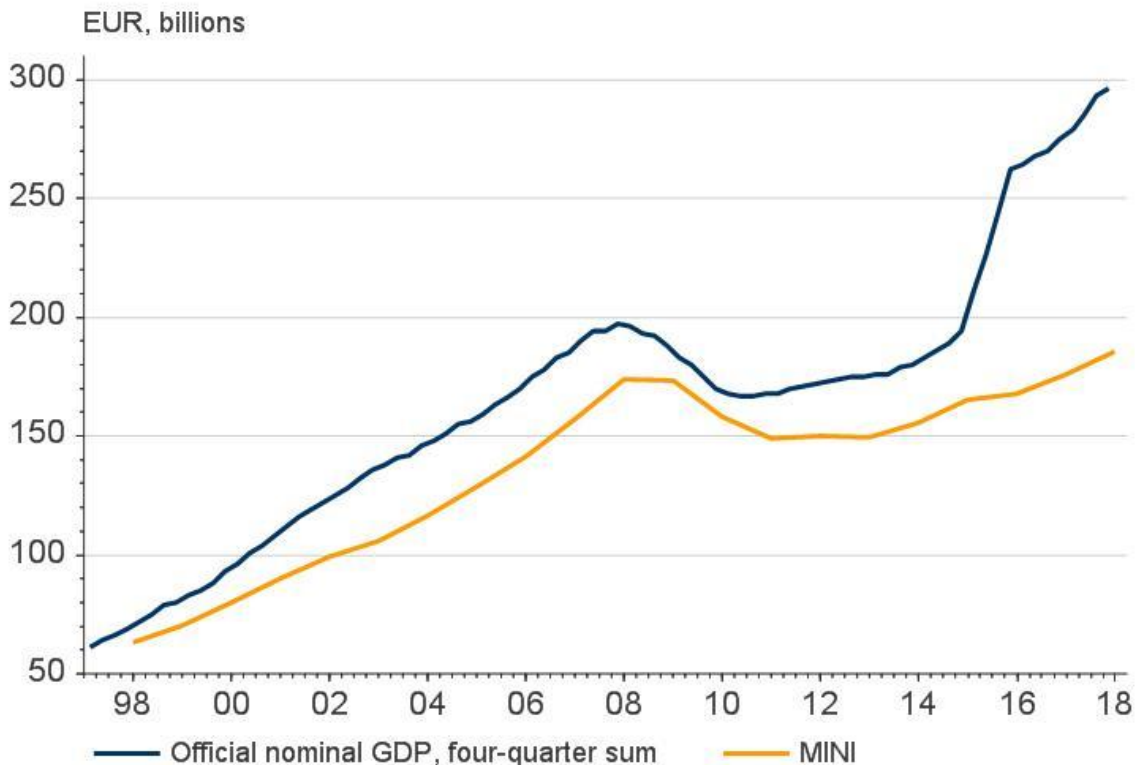


# Economic Chart of the Week – Apr 3

## Ireland: the MINI economy

With real GDP growth of 7.8%, the Irish economy was among the fastest-growing developed economies in 2017, eclipsing the rates of growth achieved by both India and China. However, as [previous Fathom research](#) has highlighted, the treatment of global profits from multinationals located in Ireland has led to an overstatement of economic activity. To strip out these distortions, Fathom created a Measure of Irish National Income (MINI). This suggests that economic output may be around 40% lower than implied by official data. However, in 2017 the MINI grew by 5.7% in real terms (deflated by the official GDP deflator). This has an impact on Ireland’s vulnerability, as measured by [Fathom’s Sovereign Fragility Index \(SFI\)](#) — an objective measure of the fundamental risk attached to a country’s government debt, taking various measures as a share of GDP as inputs. As is the case with any indicator expressed as a share of GDP, a lower denominator implies a higher overall result. If Ireland’s SFI is recalculated using Fathom’s proprietary MINI, instead of official GDP data, Ireland is in the same boat as once-maligned peripheral nations such as Portugal.

### Ireland nominal GDP and Fathom MINI



Source: Thomson Reuters Datastream / Fathom Consulting

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