



Ireland won the "best Eurozone economy" prize each of the past two years and is widely expected to keep the streak going also this year, 2016

EU debt crisis odyssey

#visualizingthecrisis

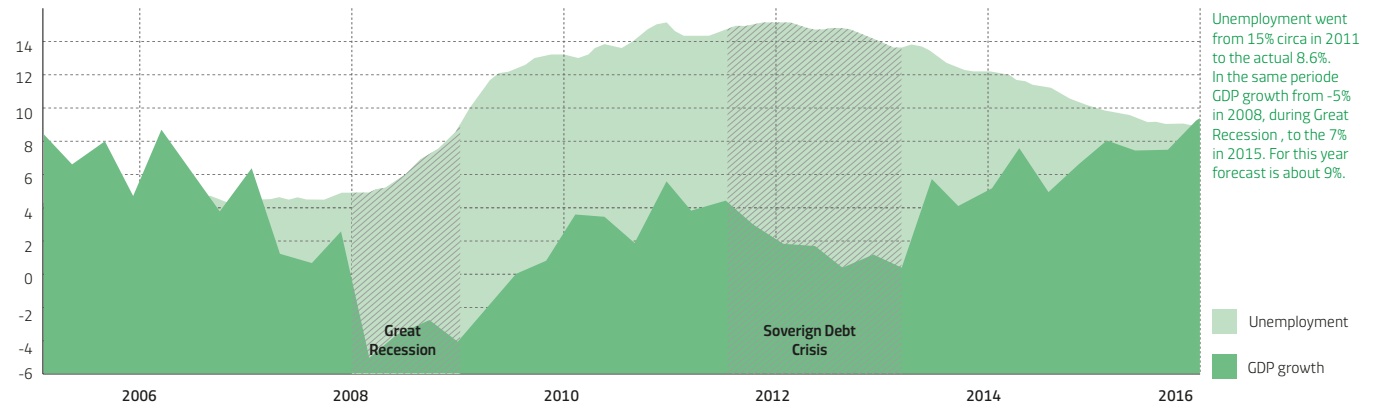
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13th May 2016
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Lab. di Design della Comunicazione AA 2015-2016

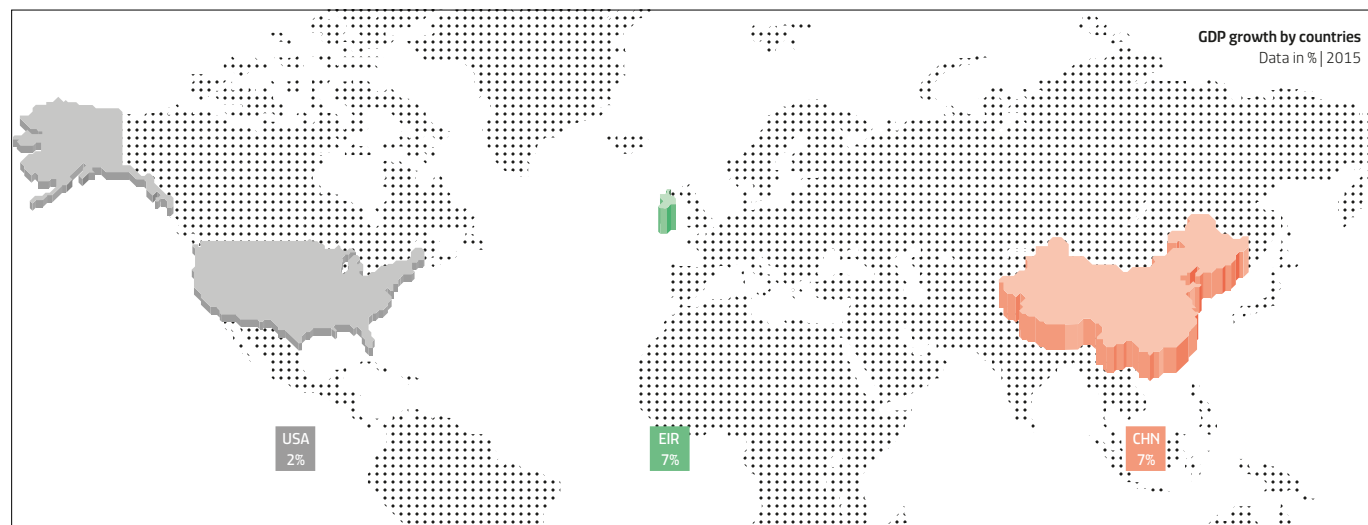
And the winner is...

BOOM! Ireland is back!

Ireland's economic success wasn't a given at all. The country was hit very hard by the financial crisis and Great Recession: Irish banks were on the verge of collapse, government debt skyrocketed, and unemployment topped 15%. Only a few years ago, experts warned that Ireland could be the "next Greece." Ireland received international bailout loans in 2013, after its property market collapsed and banks started failing down.

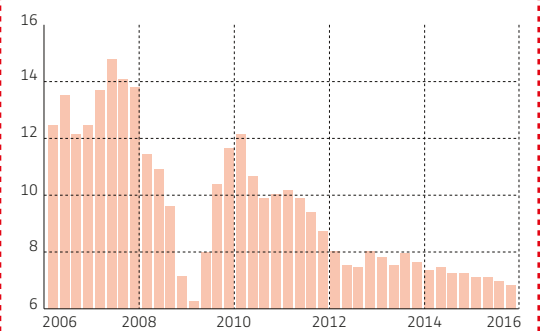


Ireland's economy is growing as fast as China GDP



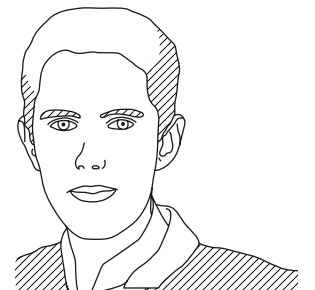
Is China hiding something?

The growth rate is a far cry from China's spectacular expansion in recent decades, but it broadly matches the government's 7% target. After years of torrid expansion, the world's second-largest economy is now decelerating.

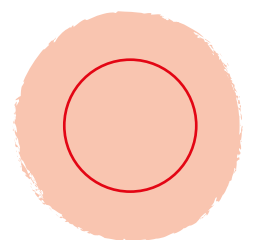


Some observers doubt the accuracy of China's GDP numbers, arguing they are massaged by government officials, so they are not reflecting the reality.

"China's ability to continue to post such rapid and relatively stable growth, even as it has increasingly become a source of volatility in global equity and commodity markets, will undoubtedly attract a great deal of skepticism," said Julian Evans-Pritchard "We still think concerns about China's outlook are overdue and that the recent market volatility has been driven more by sentiment than by economic fundamentals"



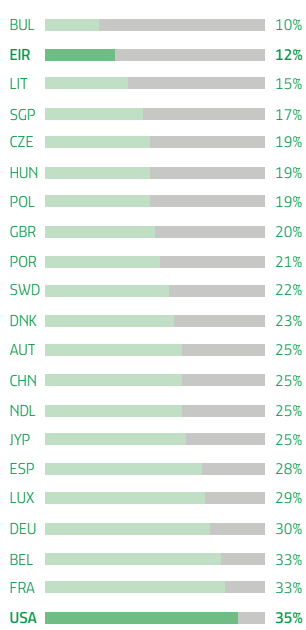
Julian Evans-Pritchard estimates **4.5%**



Official estimates of China **6.8%**

Julian Evans-Pritchard of Capital Economics estimates that instead of 6.8%, growth in the fourth quarter was in reality closer to 4.5%, but stable.

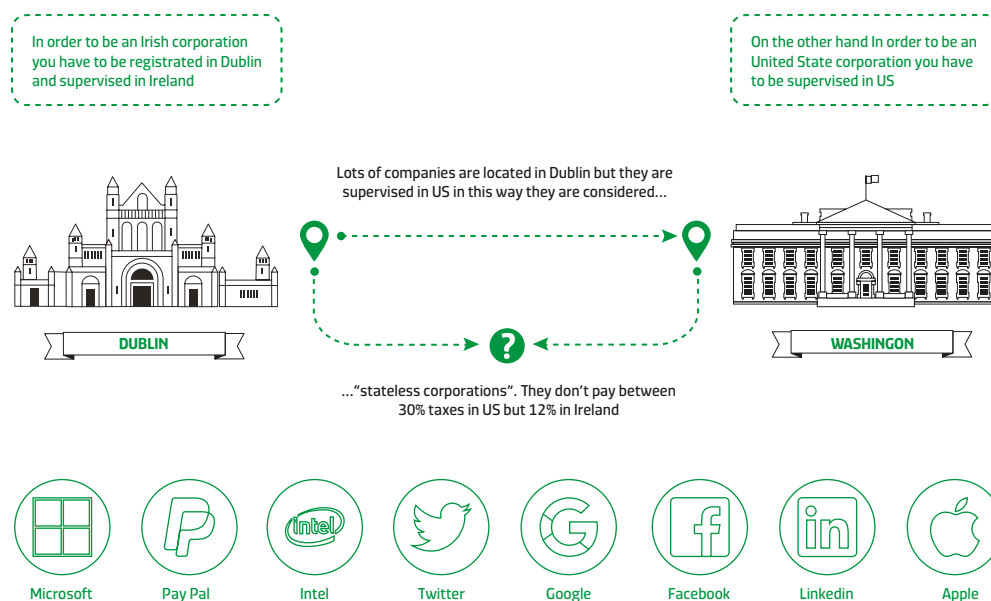
Corporate tax rate



Corporate taxes in USA are one of the highest in the world, Ireland has low taxation, so many companies decided to move to Dublin.

How the "Celtic Tiger" did it? Tech-economy is the way!

One of the main reason is that Ireland is widely known as a tax haven. Several prominent U.S. technological corporations have headquarters there, to save money on taxes. How they did it? Which company moved to Ireland?



Ireland says no to Brexit

The UK and Irish economies have always had a close relationship. The possibility of Britain leaving the EU would have consequences for Irish trade, GDP and migrant arrivals. Edna Kenny, Irish Prime Minister, openly declared to be against Brexit.



Main reasons against Brexit

Economic reasons

Ireland exchange products with Great Britain for more than €50 billion each year. Economic and Social Research Institute said that the loss would be €10 billion each year for the Celtic Tiger. They also estimate that Ireland's GDP will fall down between 2 and 12% in case of Brexit.

Migration reasons

About 380.000 Irish people live nowadays in Great Britain. With Brexit they would probably be blocked in UK and have problems with bureaucracy. In case of Brexit, migrants coming from other countries will be redirect in Ireland instead of UK.

Historical reasons

Flanagan, Irish Foreign Minister, adfirmmed recently that European Union had good influence on Northern Ireland, it became a sort of "glue" that helped a lot this two regions to solve their historical conflicts in a peaceful way. Brexit, he says, could cause new conflicts and problems.



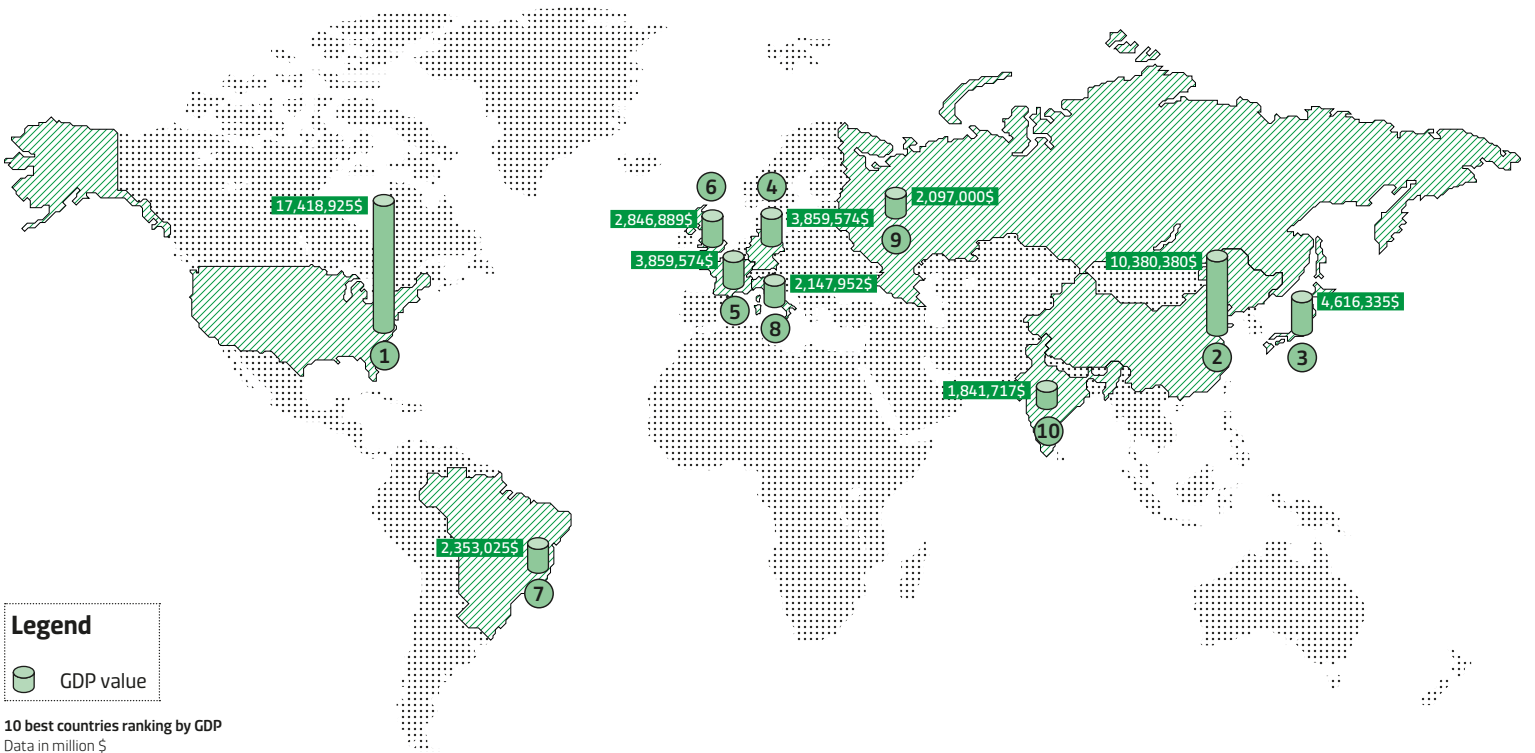
Martin McGuinness, Northern Ireland's vicepresident and member of Sinn Féin, independtist movement, declared "The place of Ireland, south and nord, is in EU". Brexit would be a decision against population will, so he propose the riunification of the entire Island in case of UK decides to go out from Europe.

France and Italy: too big to fail?

The European debt crisis is merely slumbering. Greek, Portuguese and Spanish problems are likely to surface in the coming months. But Italy and France are vulnerable.

World's Top Ten in IMF's list

- United States
- China
- Japan
- Germany
- France
- United Kingdom
- Brazil
- Italy
- Russia
- India



Two good countries...

Italy and France are large modern nations, with enviable economic pedigree. These two countries have a well-developed infrastructure and considerable

economic and social capital. In addition they are major agricultural and industrial powers, strong in advanced technical products and many others sectors. So they appear too big to fail ... but it's true?

...With a lot of problems

Italy and France share problems of slow growth, unemployment and poor public finances. Reform has been difficult, and without corrective action, their debt will

increase critically and quickly. combination of weak economy and low inflation is causing Italy's debt trajectory to spiral upwards. In France, there is no sign that the budget is likely to be in surplus in the near future.

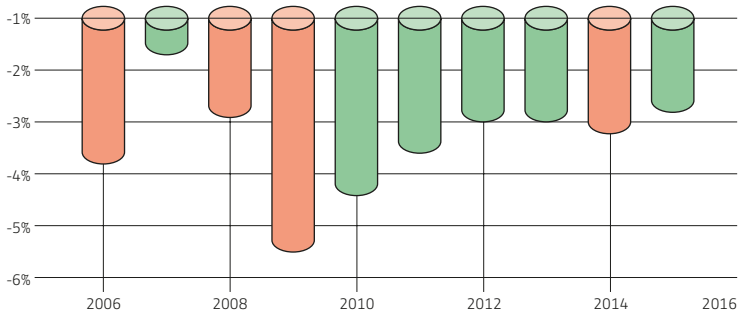
TIPS for economy's beginners

IMF: International Monetary Fund
GDP: Gross Domestic Product
CELTIC TIGER: Ireland's definition as a great economic power (from 90's boom)
 Sources: tradingeconomics.com, wikipedia.org, marketwatch.com, ilsole24ore.com

Italy's weaknesses (or not?)

France's weaknesses (or not?)

Italy's Government budget 2006 | 2015

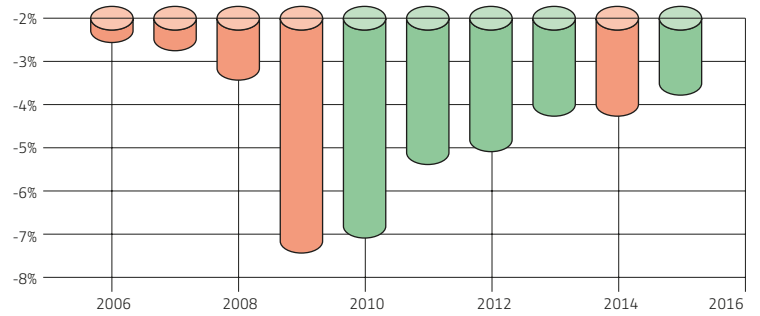


Government budget

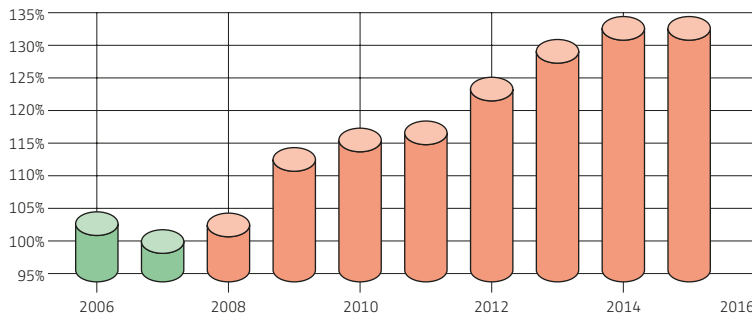
Government Budget is an itemized accounting of the payments received by government (taxes and other fees) and the payments made by government (purchases and transfer payments). A budget deficit occurs when a country spends more money than it takes in.

Positive trend Negative trend

France's Government budget 2006 | 2015



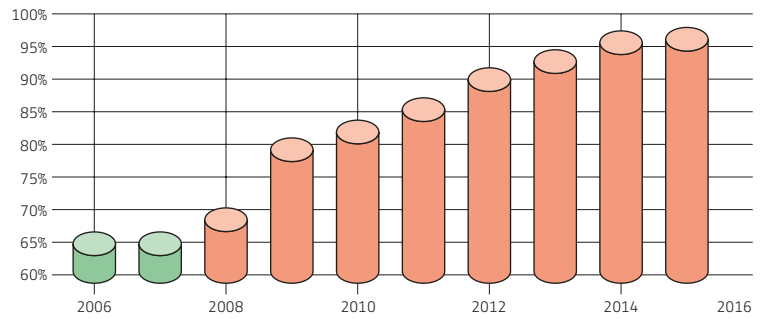
Italy's Government debt to GDP 2006 | 2015



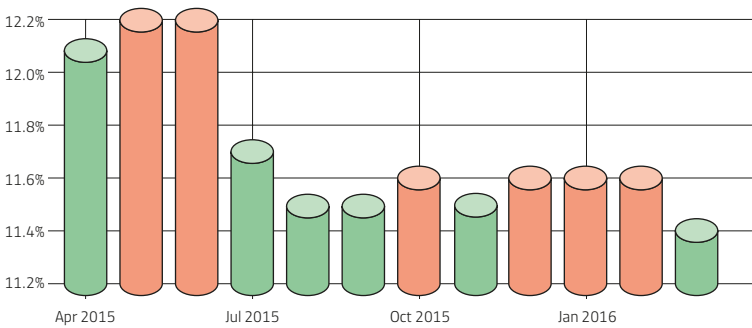
Government debt to GDP

Generally, Government debt as a percent of Gross Domestic Product is used by investors to measure a country ability to make future payments on its debt, thus affecting the country borrowing costs and government bond yields.

France's Government debt to GDP 2006 | 2015



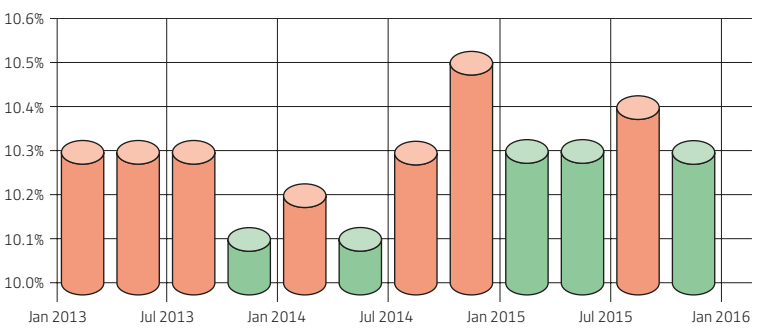
Italy's Unemployment rate 2015 | 2016



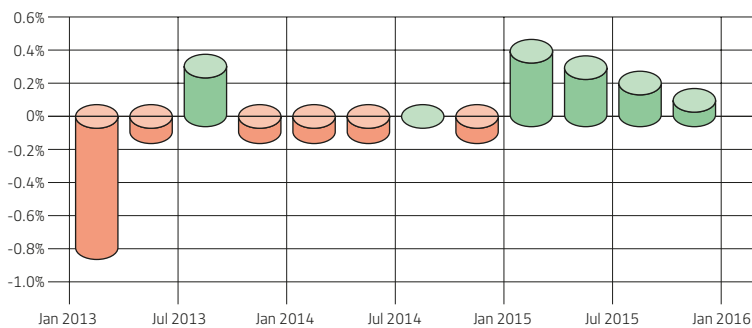
Unemployment rate

Percentage of total workforce who are unemployed and are looking for a paid job. Unemployment rate is one of the most closely watched statistics because a rising rate is seen as a sign of weakening economy that may call for cut in interest rate. A falling rate indicates a growing economy.

France's Unemployment rate 2013 | 2016



Italy's GDP growth rate 2013 | 2016



GDP growth rate

GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.

France's GDP growth rate 2013 | 2016

