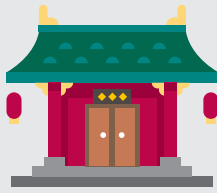


MACRO-ECONOMIC FACTORS IMPACTING UK/NI PERFORMANCE

Growth in China

Continued growth in China's real economy despite volatility in global markets reaction.



Oil Prices

Oil price collapse good for net importers (such as UK and ROI) but some emerging economies such as Brazil and Russia are dependent on oil exports.

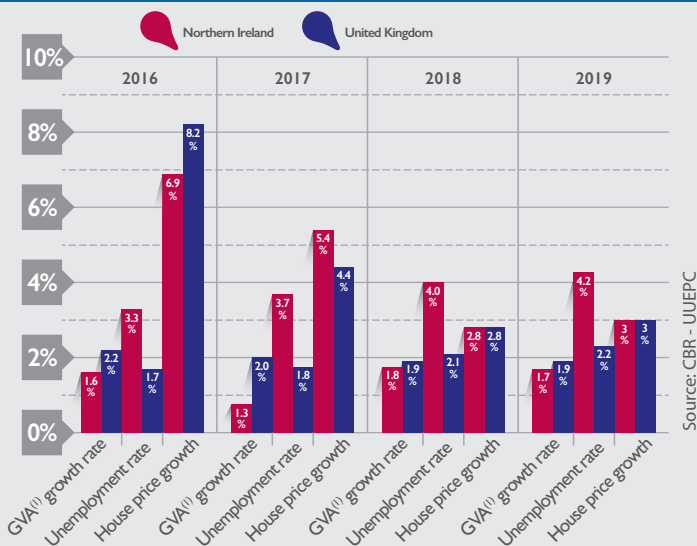


Potential Brexit



Most likely to have bigger impact on NI compared to rest of the UK & ROI.

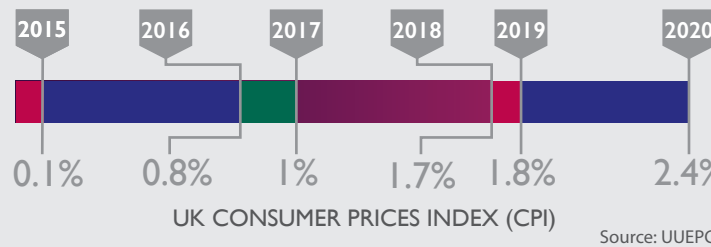
NI ECONOMIC GROWTH TO BE RELATIVELY MODEST AS OVER RELIANCE ON CONSUMER SPENDING IS UNSUSTAINABLE



UK INTEREST RATE FORECAST



UK INFLATION RATE FORECAST



NORTHERN IRELAND GVA SECTORAL FORECASTS

	2016	2017	2018	2019	2020
PRODUCTION & MANUFACTURING	1.6%	0.9%	1.6%	2.4%	2.6%
CONSTRUCTION	2.4%	2.9%	2.7%	2.2%	2.0%
PUBLIC SECTOR SERVICES	0.1%	0.9%	1.7%	0.9%	1.0%
PRIVATE SECTOR SERVICES	2.4%	1.5%	1.9%	1.8%	1.7%
TOTAL	1.6%	1.3%	1.8%	1.7%	1.7%

Source: UUEPC

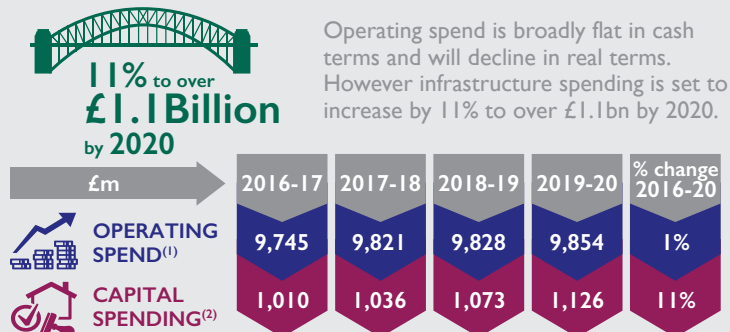
NORTHERN IRELAND EMPLOYMENT FORECAST 2015-2025 (Selected Sectors)

Forecast is for approx. 40,000 new jobs over the next 10 years building on approximately 45,000 net new jobs 2012-2015.



Source: UUEPC

CHANGING FACE OF AUSTERITY 2015 Spending Review - Northern Ireland Outcome (Cash Terms)



Source: NI Budget 2016-17
 Note 1: Non-Ring Fenced Resource DEL
 Note 2: Capital DEL (excludes Financial Transactions Capital)

IMPACT OF CORPORATION TAX DEVOLUTION

Reduction in Corporation Tax

Previous UUEPC research estimated a reduction in Corporation Tax to 12.5% could create approximately 32,000 jobs on assumption that the cost to the NI Block grant would be funded through a reduction in public sector spending.

