

Economic Research Unit



CSO projects Irish population of 5.6-5.8 million by 2030

This week the CSO published updated population projections for Ireland. Population growth in the range of 0.8%-1.2% per annum is forecast out to 2030, or by 6%-9% cumulatively to 5.6-5.8 million. In comparison, the IMF's projections for the twenty euro area countries' population is for only 0.2% growth per annum through 2023-2029 to 351 million. That said, the CSO's range of assumptions only envisages a gradual slowdown from the enormous 77,700 net inward migration recorded in 2023. It is possible the tight housing market could serve as a more binding constraint, holding back migration. The CSO's projections also show the aging of the population, deaths exceeding births by the mid-to-late 2040s. The proportion of the population aged over 65 is expected to grow from 15% currently, to 18% by 2030 and towards 30% by the 2050s, raising the cost for the Irish government of providing health care and pension provision.

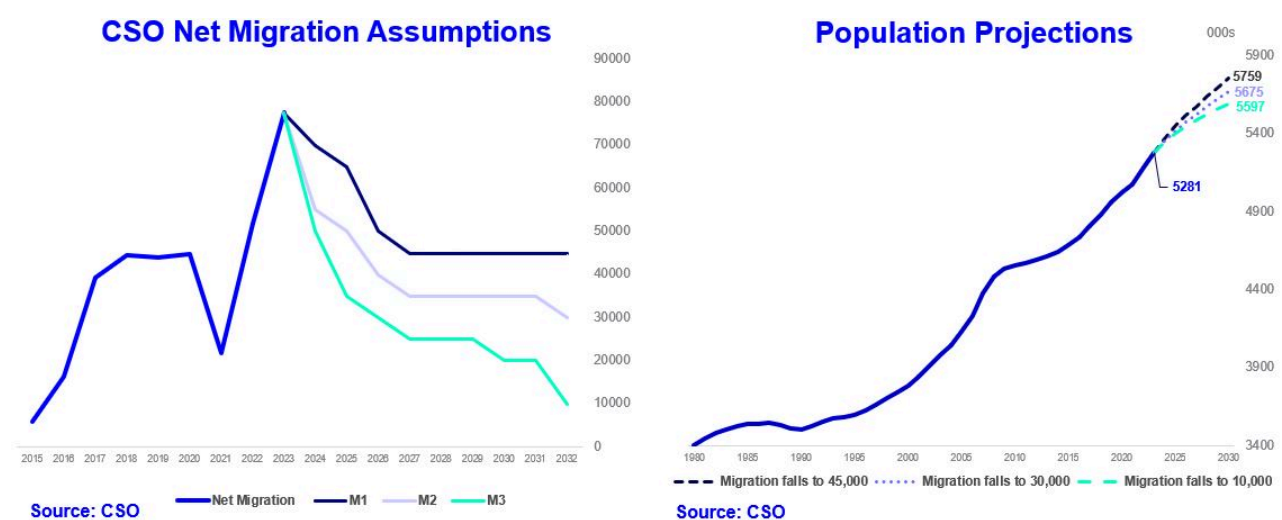
CSO publishes new population projections: This week the CSO published updated population projections. In doing so, the CSO made a range of assumptions. Life expectancy for males was assumed to rise from 80 years currently to 86 by 2057, and for females from 82 to 86. Fertility is also expected to continue its trend decline. By far the most material assumptions are those on net migration. The CSO made three separate assumptions; M1) net migration falling slowly from 75,000 in 2022 to 45,000 by 2027 M2) to 30,000 by 2032 M3) falling to 10,000 by 2032 (see chart below).

Population growth to average in 0.8%-1.2% range out to 2030: The CSO's projections are for the population to grow by 1.2%, on average through 2023-2030 to 5.76 million at the top-end of the range, the M1 assumption, or by 9% cumulatively. At the bottom end, the population grows by 0.8% on average, the M3 assumption, to 5.6 million, or 6% cumulatively. Net migration is expected to account for the bulk of population growth. The natural increase (births less deaths) is forecast to average just 19,000 on average through 2022-2027, equivalent to 0.4% of the current population of 5.28 million, well below the assumptions on net migration.

Housing market could act as a constraint on migration: The CSO's last population projections published in 2018 assumed net migration would be in the range 10,000-30,000 per annum - levels that proved well below the actual out-turns in the subsequent years. In 2023, the population grew by 1.9%, or by 98,000, as net migration surged to 78,000 following the outbreak of war in Ukraine. However, Ireland's exceptional employment performance and population growth has clearly contributed to the tightening of the housing market. The lack of housing will act to slow inward migration, perhaps below the CSO's assumptions. PPS data suggest net migration slowing, back towards pre-pandemic levels.

Population to age over next decade: One feature of the CSO's projections is the aging of the population. Deaths are expected to exceed births for the first time during the mid-to-late 2040s, with population growth then reliant on net inward migration. However, the aging population will be felt sooner than that, by raising pension provision and health care costs. Across the range of projections those aged 65 years or more, are expected to rise from 15% of the population in 2022 to 18% by 2030 and towards 30% by the 2050s. Those aged over 80 years are expected to rise from 3.5% of the population in 2022 to 5% by 2030.

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