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National Income and Expenditure

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National Income and Expenditure 2003

INTRODUCTION

This report includes preliminary estimates of the national accounts for the year 2003 together with more detailed data for the years 1997 to 2002. The tables relate to national income and expenditure, capital formation and savings together with details of transactions of the government sector classified in accordance with national accounting definitions.

Particular attention is drawn to the detailed definitions and notes given in Appendices which must be borne in mind in interpreting the various items. Thus, in considering the figures for trading profits, it should be noted that domestic trading profits as compiled for national income purposes refer to profits arising from productive activity *within* the State; items such as receipts of national debt and other interest and income arising *outside* the State are excluded. Furthermore, all losses are taken fully into account for the year in which they were incurred. For these reasons, trading profits as computed for national income purposes differ in principle both from the aggregate of profits shown by individual concerns in their own accounts and from total profits liable for assessment to taxation.

As will be apparent from detailed information in the Appendices, most of the elements in the compilation of the national accounts are estimates subject to margins of error. Generally, more reliance can be placed on the changes between years than on the absolute level of any single figure.

The estimates for 2003 are based upon indicators for the different aggregates and must be regarded as tentative. The provisional nature of the estimates for 2001 and 2002 must also be borne in mind. In particular, the estimates for the year 2002 in the present report must be regarded as preliminary. Many of the inquiries upon which the basic compilations rest are incomplete and to the extent that figures given for 2000 and 2001 are still partly subject to revision, projections for the year 2002 will also be affected. While no guarantee can be given that published figures will remain unaltered as inquiries proceed and as sources and methods are reviewed, it is expected that any changes made in future in relation to years earlier than 1999 will have a relatively insignificant effect on the year-to-year trend in these data.

Except where otherwise indicated the tables in this report relate to current money values, and therefore, the year-to-year changes include an element due to monetary inflation. Certain tables are shown at *constant* money values and these indicate the *real* (or *volume* or *quantum*) changes in the various entities from year to year.

The tables have all been generated from approximately 500 base headings. As a result, in the tables, the totals may differ from the sum of components due to rounding.

ESA95 terminology

The terminology used in the book is in line with the conventions of the ESA95. The term *GDP* is now reserved for valuation at market prices while *Value Added* is used for other valuations of the aggregate previously known as GDP. There are now three valuations being shown i.e. Market Prices, Factor Cost and Basic Prices. The first two were always provided. The third one GVA at basic prices equals GDP (at market prices) minus product taxes plus product subsidies. This is also equal to GVA at factor cost plus other (non product) taxes minus other (non product) subsidies – see line 29 onwards in Table 2. The terms *Gross National Income (GNI)* and *Net National Income (NNI)* are also being used. GNI is equivalent to GNP plus EU subsidies minus EU taxes. Alternatively it may be described as GDP minus primary income payable by resident units to non resident units plus primary income receivable by resident units from the rest of the world. NNI is equal to GNI minus depreciation.

Methodology

The National Accounts form a comprehensive framework within which economic data can be presented in a coherent, consistent manner. There are three approaches to measuring National Income, each of which theoretically gives the same answer, i.e.

- output (value added by each producer);
- income (all income generated);
- expenditure (all spending on final demand).

In Ireland, the income and expenditure approaches are used. For the income estimate, the main components are:

- * profits of companies and of the self-employed
- * remuneration of employees (wages, salaries and employers' contributions to social insurance and pension funds including imputed contributions in respect of public service employees)
- * rent of dwellings (imputed in the case of owner-occupied).

Adjustments are made in respect of stock appreciation (to eliminate the effect of price changes on the level of stocks) and of financial services (by convention net payments of interest by households and central and local government to financial institutions are excluded from national product).

On the expenditure side, estimates are made of:

- * personal expenditure on consumers' goods and services
- * expenditure by central and local government on current goods and services
- * gross domestic fixed capital formation
- * value of physical changes in stocks.

The value of exports is then added and imports are deducted. The two approaches (income and expenditure) should theoretically give the same answer. However, they will always diverge to some extent as they arise from different data sources. The components of the two original estimates are shown unadjusted. The official level of GDP is taken to be an average of the expenditure and income estimates and a balancing item (statistical discrepancy) is displayed, which is half of the difference between the two estimates. This is the amount by which both estimates have to be adjusted to agree with the official level of GDP.

Volumes

At constant prices, two measures (output and expenditure) are compiled. The output measure is obtained by using various output indicators to project forward the base year value added. On the expenditure side, the current price estimates are deflated using appropriate price indices. The breakdown of these two measures is shown in tables 4 and 6 respectively, and the average of the two is the official growth measure used. A balancing item is displayed in Tables 4 and 6 which is half of the difference between the two estimates.

Definitions

Appendices 1 and 2 contain detailed definitions and explanatory notes relating to all the variables contained in the various tables in this report. The following are the main features of the principal economic aggregates.

Gross Value Added at factor cost (previously called Gross Domestic Product at factor cost) is equal to the sum of the values of the goods and services (or part thereof) produced in the country without deducting an amount in respect of capital consumption (i.e. depreciation). It excludes taxes on production and includes subsidies on production.

Net Value Added at factor cost is equal to Gross Value Added at factor cost minus depreciation.

Gross Value Added at basic prices is equal to Gross Value Added at factor cost plus other (i.e. non product) taxes on production minus other (i.e. non product) subsidies on production.

Gross Domestic Product at market prices is equal to Gross Value Added at basic prices plus taxes on products less subsidies on products. It represents total expenditure on the output of final goods and services produced in the country ("final" means not for further processing within the country) and valued at the prices at which the expenditure is incurred.

Gross National Income at market prices is equal to Gross Domestic Product minus primary income payable by resident institutional units to non resident units plus primary income receivable by resident units from the rest of the world. It therefore represents total primary income available to resident institutional units of the country.

Availability of data in spreadsheet format

All tables in this publication are available in spreadsheet format on the CSO website <http://www.cso.ie> under Eirestat Spreadsheet Service (National Income and Expenditure). A continuous series of data covering the period from 1990 to 2003 is available. This series contains revisions to imputed rents and some minor routine revisions for the years 1990 to 1996.

Summary of Results

Summary Tables

Graphs of Selected Series

SUMMARY OF RESULTS 2003

Growth Rates

In constant prices, Gross Domestic Product rose by 3.7% between 2002 and 2003. The growth in Gross National Product was lower at 2.8%.

Disposable Income

In nominal terms, Net National Product at factor cost rose by 6.0% in 2003 to €81,778 million, equivalent to €20,552 per head of population. Agricultural incomes increased by 1.3% and non-agricultural incomes increased by 3.1%. Factor income outflows to the rest of the world decreased by 1.7%.

Gross National Disposable Income increased by 6.6%.

National Consumption

In current money values, Personal Expenditure increased by 6.6 % and Government Expenditure by 8.7%. When price rises are discounted, the real increases are 2.6% and 2.5% respectively.

Capital Formation

The value of investment in new buildings and capital equipment rose by 9.8%. This represents an increase of 3.4% in volume terms. The value of stocks rose by € 512ml in 1995 prices in 2003.

External Trade

The value of Exports of goods and services decreased by 5.8% in 2003. Export prices decreased by 5.1% and export volumes decreased by 0.8%. The value of Imports decreased by 6.6% representing a 4.5% decrease in price and a 2.3% decrease in volume.

Balance of Payments

The current account deficit in 2003 was €1,896 million.

SUMMARY TABLES A, B and C

Table A which follows gives historical time series of Gross Domestic Product and its expenditure components presented in both current and constant prices for the period 1960 to 2003. The rules and definitions of the European System of Accounts (ESA 95) are now being applied. The official level of GDP is derived as an average of the independently estimated Income and Expenditure estimates.

There is a discontinuity indicated by the dotted line at 1990 in Table A. Figures above the line for GDP are based on ESA95 methodology while those below the line are not. It has not yet been possible to revise data for earlier years on an ESA 95 basis. Other revisions which took place in recent years were implemented retrospectively only to 1985. Because of this, another discontinuity in the current price estimates is indicated in Table A at 1985 and the old and new 1985 figures are shown for comparative purposes. Other data may also not be fully consistent over the entire time series. National Accounts compilation methods are regularly updated to incorporate new data sources and revised concepts and while every effort is made to amend historical data retrospectively to take account of major updates in methodology, it is not practical to do this consistently for smaller revisions. In the case of minor changes in concepts and methods, revisions are usually only incorporated into the Accounts for a limited number of years directly preceding the change.

Data at constant prices in Table A are expressed in the form of index numbers with base year 1995 = 100. The index numbers were derived by chain linking indices which, were originally to bases 1970, 1975, 1980, 1985 and 1990. The indices to base 1995 were calculated retrospectively to 1990 and linked to the former series to base 1990 at 1990 for the years 1988 to 1989. The link years used for the earlier series were 1988, 1983, 1978 and 1970. This means that the year on year changes in individual aggregates, including GDP, for the earlier periods are the same as previously published.

Summary Table B shows the main aggregates e.g. Gross Domestic Product, Gross National Product at current and constant (1995) market prices.

Net National Product at factor cost and Gross National Product at current market prices increased each year between 1997 and 2003, the increases over the six year period being over 81 per cent and 89 per cent, respectively. These increases are due to both price and volume changes. The effect of price changes over the period is eliminated by re-valuing Gross Product at constant market prices, thus indicating the *real* or *volume* changes which occurred.

Table B also contains particulars per head of population and per person at work of Net National Product in current terms and of Gross National Product at both current and 1995 market prices. In addition, the corresponding details of Gross Domestic Product are also shown.

The annual percentage changes in the main aggregates at current and constant prices are shown in Table C. Changes in the consumer price index and in the implied GNP deflator are also shown. The GNP deflator is obtained by dividing the figures for Gross National Product at current prices by the corresponding figures at constant prices. This deflator is a measure of overall price changes in the economy while the consumer price index measures the average price change of goods and services bought by households.

Table A Time series of Gross Domestic Product and components at Current Market Prices (€ million)

Year	Gross domestic product	Personal consumption of goods and services	Net expenditure by central and local government on current goods and services	Gross domestic physical capital formation	Exports of goods and services	Imports of goods and services
2003	134,786	62,935	19,233	32,314	112,759	91,981
2002	127,992	59,019	17,692	29,098	119,701	98,508
2001	115,433	54,348	15,474	27,434	113,642	96,300
2000	103,065	49,488	13,050	26,140	100,720	87,110
1999	89,457	43,721	11,383	22,103	79,096	66,816
1998	77,581	39,027	10,098	18,699	67,067	58,136
1997	66,973	35,140	9,209	14,804	53,482	45,002
1996	57,898	31,956	8,278	11,643	45,016	38,273
1995	52,530	29,269	7,853	9,685	40,224	34,202
1994	46,435	27,316	7,427	7,542	32,916	28,316
1993	43,269	25,615	6,980	6,566	28,537	23,948
1992	40,132	24,354	6,544	6,553	24,353	21,299
1991	37,698	23,008	6,020	7,258	21,812	19,936
1990*	36,327	21,988	5,469	7,674	20,689	19,011
1990	34,522	20,185	5,178	7,125	20,463	18,429
1989	32,274	19,558	4,676	5,785	20,489	18,233
1988	28,846	17,708	4,494	4,469	17,312	15,137
1987	26,760	16,310	4,539	4,420	15,053	13,562
1986	25,018	15,412	4,497	4,538	13,176	12,607
1985(Revised)**	23,588	14,455	4,191	4,508	13,634	13,201
1985	22,816	13,683	4,191	4,507	13,635	13,201
1984	21,021	12,444	3,894	4,740	12,405	12,463
1983	18,939	11,365	3,628	4,470	9,843	10,366
1982	17,128	10,295	3,360	4,719	8,169	9,414
1981	14,536	9,623	2,870	4,092	6,988	9,037
1980	11,977	7,910	2,362	3,307	5,890	7,491
1979	10,127	6,640	1,817	3,319	4,998	6,647
1978	8,635	5,527	1,468	2,491	4,284	5,134
1977	7,282	4,689	1,232	2,021	3,577	4,237
1976	5,943	3,849	1,063	1,500	2,733	3,203
1975	4,846	3,121	893	1,123	2,056	2,348
1974	3,859	2,614	650	1,150	1,615	2,169
1973	3,483	2,225	536	957	1,303	1,538
1972	2,879	1,856	434	741	982	1,134
1971	2,370	1,608	359	574	849	1,021
1970	2,070	1,421	301	512	760	925
1969	1,837	1,285	247	469	682	846
1968	1,591	1,131	212	349	614	715
1967	1,410	991	187	275	530	573
1966	1,291	929	174	264	478	554
1965	1,225	881	166	289	424	534
1964	1,150	837	152	248	382	469
1963	1,011	750	127	206	337	410
1962	940	703	117	182	301	364
1961	869	654	107	153	299	343
1960	807	619	100	131	255	299

* 1990 to 2003 based on ESA95 methodology. Earlier years data based on ESA79.

** Discontinuity in 1985. 1985 are approximate estimates. See page ix.

Table A (contd.) Index Numbers of Gross Domestic Product and Expenditure Aggregates at Constant Market Prices (Base 1995=100)

Year	Gross Domestic Product	Personal consumption of goods and services	Net expenditure by central and local government on current goods and services	Gross domestic physical capital formation	Exports of goods and services	Imports of goods and services
2003	185.8	161.0	164.4	203.7	253.4	242.5
2002	179.3	156.9	160.3	192.9	255.4	248.1
2001	168.9	152.7	147.7	189.5	241.6	240.1
2000	159.3	144.8	133.2	197.3	222.9	225.0
1999	144.9	132.8	123.4	179.7	185.2	185.6
1998	130.5	122.1	114.9	165.6	160.8	165.6
1997	119.8	114.0	108.7	140.9	131.8	131.3
1996	108.1	106.4	103.3	117.0	112.2	112.5
1995	100.0	100.0	100.0	100.0	100.0	100.0
1994	91.8	96.0	97.1	81.0	83.4	85.9
1993	86.5	92.5	93.2	72.3	72.4	74.4
1992	84.3	89.9	93.5	75.6	66.0	69.2
1991	81.7	87.5	90.8	86.0	58.0	63.9
1990	79.8	85.9	88.3	92.5	54.8	62.4
1989	74.5	84.9	83.8	76.3	50.4	59.5
1988	70.1	79.9	84.6	62.7	45.7	52.5
1987	67.1	76.5	89.0	65.0	42.0	50.0
1986	64.3	74.1	93.6	68.0	36.9	47.1
1985	64.0	72.0	91.2	68.7	35.8	44.3
1984	62.5	68.8	89.6	75.0	33.6	42.9
1983	60.3	67.5	90.2	75.9	28.8	39.1
1982	60.2	66.9	90.5	84.9	26.1	37.3
1981	59.4	71.9	87.7	81.1	24.7	38.5
1980	57.8	70.7	87.4	75.0	24.2	37.9
1979	56.6	70.4	81.6	86.4	22.8	39.7
1978	54.8	67.4	78.0	74.8	21.4	34.8
1977	51.0	61.9	72.1	67.1	19.1	30.1
1976	47.7	58.0	70.7	58.7	16.7	26.6
1975	46.6	56.5	68.8	49.6	15.5	23.2
1974	46.0	58.0	64.6	62.3	14.4	25.8
1973	44.4	57.0	60.1	64.5	14.3	26.4
1972	42.1	52.9	56.3	56.3	12.9	22.2
1971	39.6	50.3	52.5	48.7	12.5	21.1
1970	37.9	48.5	48.3	47.1	12.0	20.2
1969	36.7	47.4	44.9	47.0	11.5	19.7
1968	34.8	44.9	42.1	38.6	11.0	17.4
1967	32.5	41.4	40.1	31.4	10.1	15.0
1966	31.0	40.0	38.1	31.8	9.1	14.5
1965	30.6	39.4	37.7	35.3	8.3	14.0
1964	30.1	39.2	36.4	31.3	7.6	12.6
1963	28.7	37.6	35.3	27.4	7.0	11.2
1962	27.5	36.2	33.9	24.7	6.4	10.1
1961	26.7	34.9	33.0	20.9	6.4	9.6
1960	25.5	34.0	32.0	18.8	5.5	8.4

Table B Main Aggregates, 1997 - 2003

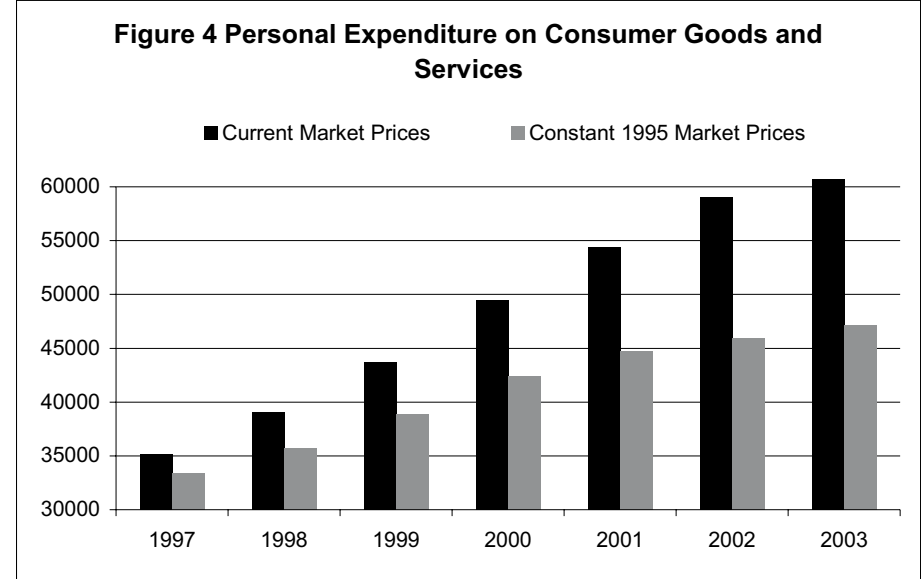
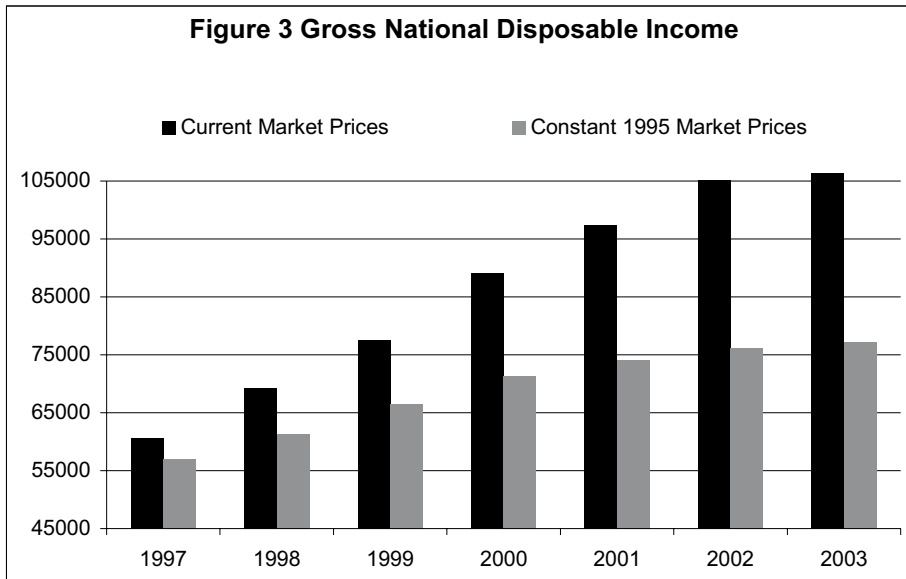
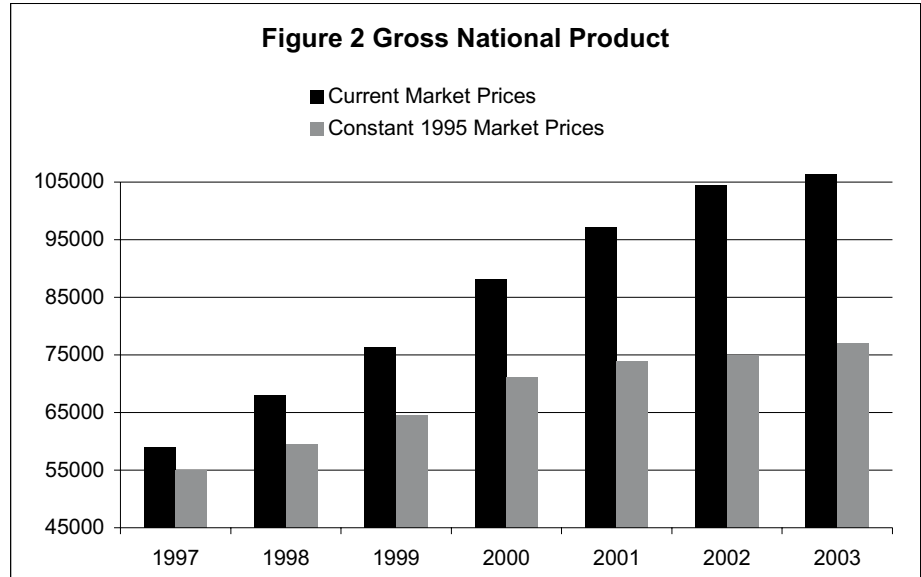
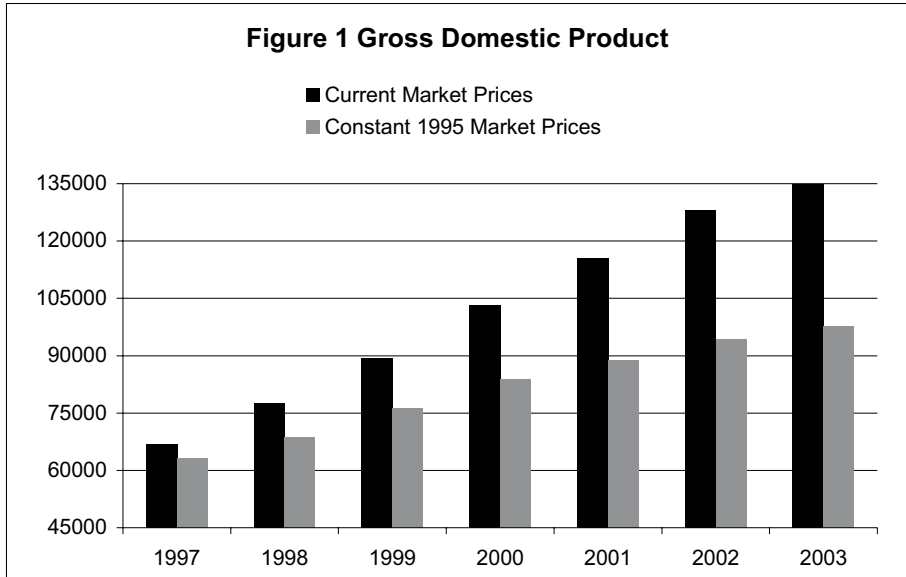
Description	1997	1998	1999	2000	2001	2002	2003*
	€ million						
Gross Domestic Product (GDP) at current market prices	66,973	77,581	89,457	103,065	115,433	127,992	134,786
plus Net factor income from the rest of the world	-8,040	-9,551	-13,098	-14,910	-18,326	-23,518	-23,115
Gross National Product (GNP) at current market prices	58,933	68,030	76,359	88,155	97,107	104,474	111,671
EU subsidies	1,744	1,729	1,614	1,634	1,520	1,896	1,839
EU taxes	-509	-676	-641	-683	-756	-488	-567
Gross National Income (GNI) at current market prices	60,168	69,082	77,332	89,106	97,870	105,882	112,943
less provision for depreciation	-6,629	-7,370	-8,792	-10,976	-12,295	-13,883	-14,933
less Non EU taxes	-9,047	-10,161	-11,741	-13,646	-13,831	-15,678	-17,096
plus Non EU subsidies	677	651	739	758	1,034	817	863
Net National Product at factor cost	45,169	52,201	57,538	65,243	72,778	77,137	81,778
Gross Domestic Product at constant (1995) market prices	63,044	68,641	76,261	83,824	88,860	94,310	97,756
Index of GDP at constant (1995) market prices	119.8	130.5	144.9	159.3	168.9	179.3	185.8
Gross National Product at constant (1995) market prices	55,073	59,431	64,631	71,137	73,827	74,951	77,029
Index of GNP at constant (1995) market prices	118.0	127.4	138.5	152.4	158.2	160.6	165.1
Gross National Income at constant (1995) market prices	56,186	60,467	65,645	72,135	74,866	76,397	78,237
Index of GNI at constant (1995) market prices	118.0	126.9	137.8	151.4	157.2	160.4	164.2
Gross national disposable income at constant (1995) market prices	56,954	61,367	66,431	71,415	74,069	76,183	77,227
Index of gross national disposable income at constant (1995) prices	118.5	127.7	138.2	148.6	154.1	158.5	160.6
	Per head of population (€)						
GDP at current market prices	18,277	20,951	23,909	27,198	30,006	32,676	33,874
GNP at current market prices	16,083	18,371	20,408	23,263	25,242	26,672	28,065
GNI at current market prices	16,420	18,656	20,668	23,514	25,441	27,031	28,385
Net national product at factor cost	12,327	14,097	15,378	17,217	18,918	19,693	20,552
GDP at constant (1995) market prices	17,205	18,537	20,382	22,120	23,099	24,077	24,568
GNP at constant (1995) market prices	15,030	16,049	17,274	18,772	19,191	19,135	19,359
GNI at constant (1995) market prices	15,333	16,329	17,545	19,035	19,461	19,504	19,662
	Per person in employment (€)						
GDP at current market prices #	48,535	51,928	56,294	61,664	67,038	72,562	75,157
GNP at current market prices #	42,708	45,535	48,052	52,743	56,395	59,229	62,268
GNI at current market prices #	43,603	46,240	48,664	53,312	56,839	60,027	62,977
Net national product at factor cost #	32,734	34,941	36,208	39,035	42,266	43,731	45,599
GDP at constant (1995) market prices #	45,688	45,945	47,990	50,152	51,606	53,467	54,509
GNP at constant (1995) market prices #	39,911	39,780	40,671	42,562	42,875	42,492	42,951
GNI at constant (1995) market prices #	40,718	40,473	41,310	43,158	43,479	43,311	43,625

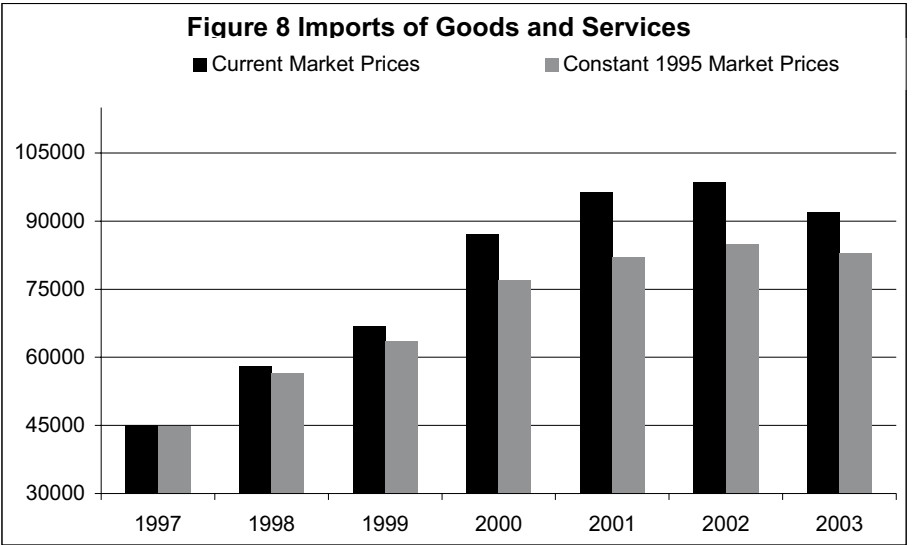
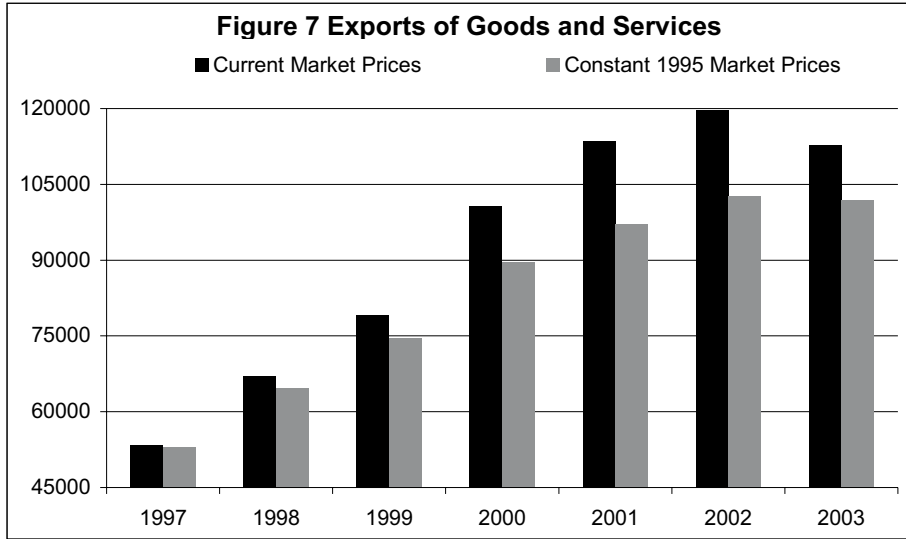
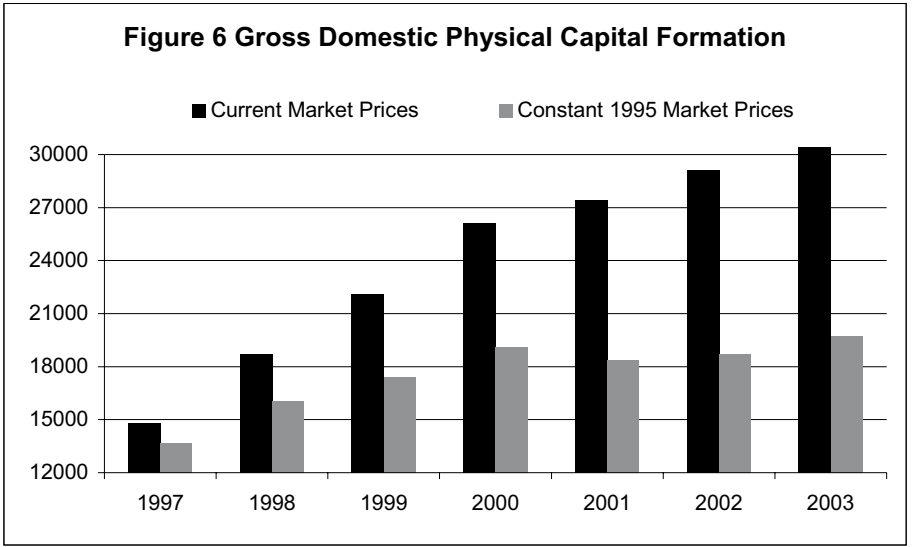
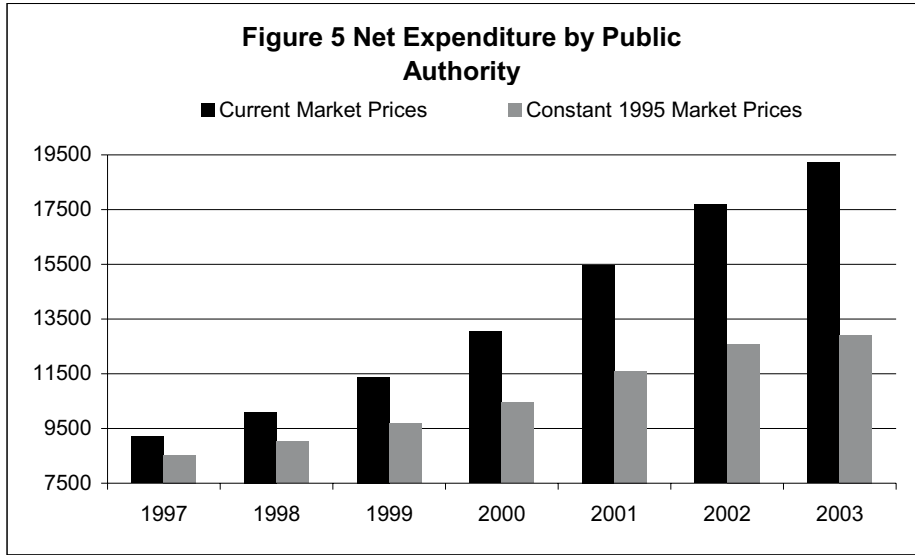
* Preliminary

Persons in employment on an ILO basis as in the LFS (mid-April) for 1990 - 1997 and as in the QNHS (March - May) for 1998 to 2003

Table C Annual Percentage Changes in the Main Aggregates, GNP, GDP and GNI Deflators and the Consumer Price Index

Description	1997-2003	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Gross Domestic Product (GDP) at current market prices	12.4	15.8	15.3	15.2	12.0	10.9	5.3
Gross National Product (GNP) at current market prices	11.2	15.4	12.2	15.4	10.2	7.6	6.9
Gross National Income (GNI) at current market prices	11.1	14.8	11.9	15.2	9.8	8.2	6.7
Net national product at factor cost	10.4	15.6	10.2	13.4	11.5	6.0	6.0
Gross Domestic Product at constant (1995) market prices	7.6	8.9	11.1	9.9	6.0	6.1	3.7
Gross National Product at constant (1995) market prices	5.8	7.9	8.7	10.1	3.8	1.5	2.8
Gross National Income at constant (1995) market prices	5.7	7.6	8.6	9.9	3.8	2.0	2.4
GDP deflator	4.4	6.4	3.8	4.8	5.7	4.5	1.6
GNP deflator	5.2	7.0	3.2	4.9	6.1	6.0	4.0
GNI deflator	5.1	6.7	3.1	4.9	5.8	6.0	4.2
Consumer price index	3.8	2.4	1.6	5.6	4.9	4.6	3.5





DESCRIPTION OF DETAILED TABLES

Except where otherwise indicated the tables in this report relate to current money values and, therefore, the year-to-year changes include an element due to monetary inflation. Certain tables are shown at constant money values and these indicate the “real” (or “volume” or “quantum”) changes in the various entities from year to year.

The tables have all been computer generated from approximately 500 base headings. As a result, in the tables, the totals may differ from the sum of components due to rounding.

Net National Product at Factor Cost classified by Type of Income (Table 1)

The estimated earnings of the different factors of production are given in Table 1 distinguishing (i) income from agriculture, forestry and fishing, (ii) all other domestic income and (iii) income from the rest of the world.

Table 1.1 shows the annual percentage changes in the main items of Table 1.

National and Domestic Product classified by Sector of Origin at Current Prices (Tables 2 & 3)

Table 2 shows net domestic product originating in each sector, distinguishing agriculture, forestry and fishing, industry, distribution, transport and communication, public administration and defence and other services sectors. The contribution of each domestic sector is divided into *remuneration of employees* and *other*. Figures for adjustment for stock appreciation and for depreciation of assets are shown separately for the relevant sectors. When these figures are added to those for net value added in each sector, the gross value added at factor cost in each sector, after adjustment for stock appreciation, is derived. These figures are shown in Table 3. By adding taxes on expenditure net of subsidies to the gross value added at factor cost the gross domestic product at market prices is derived. Net factor income from the rest of the world is then added to arrive at gross national product at market prices.

Gross National Product classified by Sector of Origin at Constant Prices (Table 4)

Table 4 contains estimates of the gross national product at constant prices sub-divided by branch of activity. It contains estimates of the contribution of certain industrial sectors which are more than 90% foreign owned. The estimates have been made by adding together the contributions to the gross value added at factor cost, valued at constant prices, of the different branches, including the adjustment for financial services, adjusting from factor cost to market prices by adding taxes on expenditure and subtracting subsidies - both valued at constant (1995) rates - and then adding net factor income from the rest of the world. The purpose of valuation at constant prices is to derive a series of figures which reflect volume or *real* changes only as distinct from current prices figures which reflect both volume and price changes. A number of conceptual problems occur in attempting to measure the contribution, at constant prices, of each sector to the gross national product and some of these difficulties are referred to in Appendix 1.

The difference between the annual percentage changes in gross domestic product and gross national product at constant (1995) market prices are due to the changes in the rate of growth of net factor income from the rest of the world.

Table 4.1 shows the annual percentage changes in gross national product at constant prices by sector of origin.

The results obtained by using the sector output method for compiling constant price estimates of gross national product are somewhat different from those derived by using the expenditure method. The average of the two sets of figures is the official level of gross national product and a *Statistical discrepancy* item is displayed in Tables 4 and 6 which is the adjustment required to achieve convergence of the two estimates.

Expenditure on Gross National Product - Current Market Prices (Table 5)

Table 5 shows the expenditure on the gross national product analysed by categories of expenditure. Table 5.1 shows the percentage changes over the period shown.

Expenditure on Gross Domestic Product - Constant Market Prices (Table 6)

In order to compile figures for the gross domestic product at constant market prices the estimates of the expenditure on the gross domestic product can be revalued at the prices of the base year. This is done by revaluing constituents of expenditure at base year prices or by deflating current price expenditures by a suitable price index. The resulting total for gross domestic product at constant market prices is, therefore, a measure of the volume of output of goods and services originating in the national economy and it is independent of changing money values.

Table 6 shows gross domestic product, valued in this way, at 1995 market prices. The annual percentage increases in the different categories of expenditure are shown in Table 6.1. Table 6.2 shows corresponding index numbers to base 1995 = 100. The index numbers of gross domestic product at constant market prices arrived at in this way provide a measure of year-to-year changes in the total output of goods and services of the national economy. It does not, however, give a reliable indication of changes from year to year in the volume of goods and services available to the community arising from current production as it does not take into account the effect of changing terms of trade on this volume of goods and services. To allow for changes in the terms of trade, a further adjustment must be made and the last row of Table 6.2 shows index numbers of gross national product at 1995 market prices adjusted to take account of changes in the terms of trade.

Gross National Disposable Income at Current Prices (Table 7)

In Table 7 the relationship between gross national product and gross national disposable income is shown and also the use of gross national disposable income for consumption expenditure and savings. Gross national disposable income represents the income available for consumption expenditure and savings by adding net receipts of current international transfers to national product. Table 7.1 shows the annual percentage changes in gross national disposable income and its use.

Gross National Disposable Income at Constant (1995) Market Prices, adjusted for Terms of Trade (Table 8)

Table 8 shows the derivation of real Gross National Disposable Income adjusted for terms of trade.

In order to trace the development of real income (or income at constant prices) available for consumption or saving it is useful to express national disposable income at constant prices by deflating net receipts of current international transfers. To take full account of the changes in the volume of goods and services available to the community the adjustment for terms of trade previously outlined in relation to Table 6.2 should also be incorporated.

Following the convention used for deflation of net factor income from abroad (Appendix 1) the implied price index of the imports of goods and services is used to deflate net current international transfers.

Personal Income and Expenditure (Table 9)

Table 9 shows the relationships between Personal Income, Private Income and Net National Product. Personal Income is the income accruing to households and private non-profit institutions. Personal savings is estimated residually by subtracting total personal expenditure including taxes on personal income and wealth.

The method used to derive Private Income from Net National Product can be summarised as follows:

1. Reverse the adjustment for stock appreciation made in Table 1, as changes in stock values, including those arising from holding gains, are included in the total income available.
2. Subtract the income which the Government earns, e.g.
 - (a) Surplus of National Lottery (included in trading profits of companies - item 4 of Table 1)
 - (b) Imputed net rental income of Local Government (included in item 8 of Table 1)
 - (c) Interest element in land annuities (item 8 of Table 1)

- (d) Interest earned by the Government on holdings of foreign securities (included in net factor income from the rest of the world - item 14 of Table 1)
- (e) Interest/dividends which the Government earns from its investment in State or semi-State companies, advances to the ESB, shares in Bord Gáis Éireann, and the Irish Aviation Authority etc. (included in the profits of these companies – item 4 of Table 1)

Also subtracted at this stage are

- (f) Interest which Local Government receive on loans under the Housing Acts which are subtracted to comply with the international definitions of Private and Personal Income which define them as being net of interest
 - (g) The gross trading income of the Post Office Savings Bank Fund which is excluded to take account of the fact that in adding on the interest paid out by the Government to the private sector (in item 121) an allowance has to be made for the part which is absorbed by the Post Office Savings Bank.
3. Add on National Debt Interest paid out by the Government (including interest paid abroad which has been subtracted in the adjustment for net factor incomes from abroad - item 14 in Table 1).
 4. Add transfer income (including net transfers from abroad).

The four steps above yield Private Income. The transition from Private Income to Personal Income is achieved by subtracting from private income the undistributed income (including interest/dividend and investment income) of companies and corporate bodies. It follows that the main components of Personal Income are:

- (a) Income from self-employment
- (b) Imputed rent assigned to owner-occupiers in respect of their dwellings
- (c) The difference between the lower rent paid by the tenants of Local Government dwellings and the economic rents of these dwellings (treated as a state transfer to households)
- (d) Wages, salaries and employer contributions to pension funds or imputed contributions where applicable
- (e) Employers' contributions to Social Insurance of its employees
- (f) Net Interest (i.e. interest and dividends earned less interest paid out on loans, mortgages, etc.)
- (g) State benefits in cash (e.g. state pensions, unemployment benefit and assistance, child benefit, etc.)
- (h) Some State benefits in kind considered to be transfers and included in item 122. Principal among these are:
 - The costs of free secondary education
 - State assistance towards 3rd level education
 - State scholarships and prizes
 - Free travel, electricity and telephone rental
 - Drugs and medicines received free of charge or subsidised
 - Transport services for school children.

(See Table 24 for a more comprehensive list.)

Net Current Income and Expenditure of Central and Local Government (Table 10)

The detailed tables of the central and local government accounts are described below. Table 10 presents a summary of the income and expenditure of central and local government and gives the derivation of central and local government savings.

Capital Formation and Savings (Table 11)

The savings of persons, central and local government and companies, together with provisions for depreciation, net foreign capital transfers and net foreign disinvestment are used to finance domestic capital formation. In Table 11 gross domestic capital formation is equated to the total amount available for investment. Figures for domestic capital formation are obtained by adding figures for expenditure on imported and home produced capital goods to the value of the physical changes in stocks, including the value of changes in numbers of livestock on farms. Gross physical capital formation includes expenditure on renewal, replacement and major reconstruction work but does not include repair and maintenance of existing physical assets. In Table 11 personal savings are not directly assessed; the figures represent a residual, i.e. the difference between Personal Income (item 125 of Table 9), which is a residual, and the sum of personal consumption and taxes on personal income and wealth.

An alternative arrangement of the capital account to that presented in Table 11 is given in Table 11.1. This shows the trend in the additions to national wealth or gross national investment. Gross national savings plus capital transfers from abroad (which do not create external liabilities) represent the funds available for investment which take the form of gross domestic physical capital formation plus net foreign investment.

Distribution of Personal Income (Table 12)

From the data in Tables 1 and 9 it is possible to allocate personal income between the different categories of income and the figures are shown in Table 12. In this table the item interest, dividends and rent is obtained as a residual and, therefore, it is not possible to separate it into its constituent parts nor to state how it is divided into receipts from companies, receipts from government and receipts from the rest of the world. Any errors in other items affect the level of the residual item. It is also a *net item* representing receipts less payments by households.

Details of Personal Consumption (Tables 13 & 14)

The consumption of personal income on different items of goods and services is shown in Table 13 at current prices and in Table 14 at constant prices.

Table 13.1 shows the annual percentage changes for the main items of consumption at current prices.

The current price figures are, of course, affected by changes in prices as well as in volume. The figures in Table 14 indicate the level of *real* or *quantum* expenditure for each of the years shown. The corresponding annual percentage changes are shown in Table 14.1.

Details of Capital Formation (Tables 15 to 18)

A detailed breakdown of gross domestic physical capital formation by type is given in Table 15 at current prices and in Table 17 at constant prices.

Tables 16 and 18 give a breakdown of gross domestic fixed capital formation by sector of use at current and constant prices.

Central and Local Government Accounts (Tables 19 to 28)

The central and local government accounts represent a consolidation of central government accounts (including extra-budgetary funds) with those of local government. The details are shown in Tables 19 to 28. The classification of certain constituents in the tables into current and capital expenditure is not the same as that used in tables issued in connection with the Budget and in the Local Taxation Returns. Further slight adjustments are made to some of the figures in Table 21 for inclusion in the national accounts. The adjusted figures are shown in Table 10. The main differences between the central government accounts as incorporated in the national income accounts and those shown in the Finance Accounts were fully described on pages 21-22 of National Income and Expenditure, 1963.

Tables 26, 27 and 28 show central and local government expenditure classified by purpose of expenditure and economic category. Table 28 shows the consolidated transactions for all central and local government while the separate details for central government and for local government are contained in Tables 26 and 27, respectively. The data are presented in Tables 26, 27 and 28 for the years 1997 to 2002. (The tables are consistent with the rest of the national accounts and the expenditure totals correspond with those in Tables 19, 20 and 21).

Data for central government expenditure are derived from the Finance and Appropriation Accounts published by the Department of Finance, supplemented by the Estimates for the Public Services and information on the various extra-budgetary accounts. The data for the local government are derived from the Local Taxation Returns published by the Department of the Environment, Heritage and Local Government together with additional details provided by the Department. Data for the health boards are provided by the Department of Health and Children. The accounts of some subsidiary bodies are also used. Certain

practical and conceptual difficulties arise in the allocation of these expenditures to rigidly defined categories and, therefore, this classification must to some extent be regarded as estimated. This qualification applies in particular to the local government tables since the form of local government and health board accounts does not allow as much analysis of expenditure as do the central government accounts.

Twelve purpose categories have been distinguished for central government and the combined central and local government' expenditure, while for local government ten such categories are shown (*Defence* is omitted and expenditures on *Mining, manufacturing and construction* which are relatively small are included with *Other economic services*). It is not feasible to allocate expenditure on the public debt (interest and repayments) between the various types of services so *Public debt* is featured as a special purpose category. Three main groups covering general government services, social services and economic services, with subdivisions in each group, have been identified.

While it would be impossible to specify the detailed content of each purpose category a broad description of the types of expenditure included under each heading is given in Appendix 2. It may be noted that the total expenditure on *Agriculture, Forestry and Fishing* by central government is shown to be considerably higher than by the combined central and local government. This is due to the inclusion in the former of the payments to local government in relief of rates on agricultural land, which are consolidated out of the combined tables.

Tables 26.1, 27.1 and 28.1 show the percentage distribution of total expenditure allocated to each purpose category.

Social Protection Accounts (Table 29)

For a number of years development of the *Social Protection Accounts* has been undertaken by the member states and the Statistical Office of the European Community (Eurostat). The supply of data relating to Ireland is co-ordinated by the Central Statistics Office. These results are published annually by Eurostat, with the objective of providing a basis for comparison of social protection expenditure and its financing among the member states. To improve national dissemination of these results they are included here in Table 29 as a complementary set of data to the national accounts. Explanatory notes are in Appendix 2.

Balance of International Payments (Table 30)

Tables 30(a) and 30(b) give the main results of the annual balance of international payments on current, capital and financial accounts.

National Income and Expenditure

Detailed Tables

Table 1 Net Value Added at Factor Cost and Net National Income at Market Prices

	€million						
Description	1997	1998	1999	2000	2001	2002	2003*
Value added from agriculture, forestry, fishing	3,122	2,970	2,721	2,953	3,025	2,877	2,915
1. Income from self-employment	2,786	2,514	2,241	2,470	2,542	2,384	2,413
Remuneration of employees:							
2. Wages and salaries	313	415	436	439	439	448	456
3. Employers' contribution to social insurance	23	41	44	45	44	45	46
Non-agricultural value added	51,485	62,108	71,001	81,548	92,643	102,638	105,844
Profits and self employed earnings:							
4. Domestic trading profits of companies (including corporate bodies) before tax	16,287	21,024	25,853	29,002	32,032	37,875	} 45,433
5. Self employed earnings	4,365	5,328	5,859	7,089	8,382	8,782	
6. Adjustment for stock appreciation	-77	64	-839	-818	219	-117	410
7. Rent of dwellings (actual and imputed) of which imputed rent	2,717 2,207	3,310 2,714	3,836 3,153	4,674 3,842	5,528 4,542	6,290 5,148	6,596 5,365
8. Rent element in land annuities	2	1	6	3	5	3	3
Remuneration of employees:							
9. Wages, salaries, pensions	26,475	30,415	34,005	38,879	43,269	46,330	49,755
10. Employers' contribution to social insurance	1,717	1,966	2,282	2,719	3,207	3,476	3,647
Adjustments:							
11. Adjustment for financial services	-2,059	-2,500	-3,117	-3,571	-3,729	-3,870	-4,340
12. Statistical discrepancy	660	-826	31	-777	-834	-990	474
13. Net value added at factor cost	53,209	61,752	70,636	80,153	91,104	100,655	104,893
14. Net factor income from the rest of the world	-8,040	-9,551	-13,098	-14,910	-18,326	-23,518	-23,115
15. Net national product at factor cost	45,169	52,201	57,538	65,243	72,778	77,137	81,778
16. National (i.e. non EU) taxes	9,047	10,161	11,741	13,646	13,831	15,678	17,096
17. National (i.e. non EU) subsidies	-677	-651	-739	-758	-1,034	-817	-863
18. Net national income at market prices	53,539	61,712	68,540	78,130	85,575	91,999	98,011

* Preliminary

Table 1.1 Annual Percentage Changes in the Main Constituents of Table 1

Description	1997-2003	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Value added from agriculture, forestry, fishing	-1.1	-4.9	-8.4	8.5	2.4	-4.9	1.3
Income from self-employment and other trading income	-2.4	-9.8	-10.9	10.2	2.9	-6.2	1.2
Remuneration of employees	6.9	35.8	5.3	0.6	-0.1	2.0	1.8
Non-agricultural value added	12.8	20.6	14.3	14.9	13.6	10.8	3.1
Profits etc. #	14.5	27.6	16.8	15.1	15.6	14.4	-0.7
Remuneration of employees	11.2	14.9	12.1	14.6	11.7	7.2	7.2
Net national product at factor cost	10.4	15.6	10.2	13.4	11.5	6.0	6.0
Net national income at market prices	10.6	15.3	11.1	14.0	9.5	7.5	6.5

i.e. Items 4 to 8 in Table 1

Table 2 Net Value Added at Factor Cost by Sector of Origin and Gross National Income at Current Market Prices

	€million						
Description	1997	1998	1999	2000	2001	2002	2003*
19. Agriculture, forestry and fishing							
Net value added	3,124	2,972	2,727	2,956	3,030	2,880	2,918
Remuneration of employees	336	456	480	483	483	493	501
Other	2,788	2,516	2,247	2,473	2,547	2,387	2,416
20. Industry (including building)							
Net value added	21,243	26,399	30,914	35,190	39,249	43,641	42,220
Remuneration of employees	9,330	10,652	11,890	13,724	15,020	15,542	n/a
Other	11,994	15,655	19,533	22,012	23,897	28,060	n/a
Adjustment for stock appreciation	-82	91	-508	-546	331	39	378
21. Distribution, transport and communication							
Net value added	8,678	10,267	11,231	12,678	14,072	15,637	16,605
Remuneration of employees	5,263	6,336	7,280	8,243	8,821	9,276	n/a
Other	3,410	3,958	4,282	4,707	5,363	6,518	n/a
Adjustment for stock appreciation	5	-28	-331	-272	-112	-156	31
22. Public administration and defence							
Remuneration of employees	2,613	2,809	2,940	3,232	3,659	3,910	4,205
23. Other services (including rent)							
Net value added	18,950	22,632	25,910	30,444	35,657	39,446	42,810
Remuneration of employees	10,985	12,583	14,177	16,398	18,976	21,077	n/a
Other	7,964	10,049	11,733	14,046	16,682	18,369	n/a
25. Adjustment for financial services	-2,059	-2,500	-3,117	-3,571	-3,729	-3,870	-4,340
26. Statistical discrepancy (= Item 12)	660	-826	31	-777	-834	-990	474
27. Net value added at factor cost	53,209	61,752	70,636	80,153	91,104	100,655	104,893
28. plus Provision for depreciation	6,629	7,370	8,792	10,976	12,295	13,883	14,933
Agriculture, forestry and fishing	567	578	593	619	651	662	659
Industry	1,774	2,056	2,516	3,147	3,573	4,088	4,039
Distribution, transport and communication	1,042	1,046	1,310	1,991	2,131	2,262	2,566
Other services	3,246	3,690	4,372	5,219	5,940	6,871	7,669
29. Gross value added at factor cost	59,838	69,123	79,428	91,128	103,400	114,538	119,825
30. Non product taxes	727	770	855	886	977	1,085	1,184
31. Non product subsidies	-489	-532	-586	-556	-586	-568	-527
32. Gross value added at basic prices	60,076	69,361	79,697	91,458	103,791	115,054	120,482
33. Product taxes	8,829	10,067	11,526	13,443	13,610	15,081	16,479
34. Product subsidies	-1,932	-1,847	-1,767	-1,836	-1,968	-2,144	-2,175
35. Gross domestic product at market prices	66,973	77,581	89,457	103,065	115,433	127,992	134,786
36. Net factor income from the rest of the world	-8,040	-9,551	-13,098	-14,910	-18,326	-23,518	-23,115
37. Gross national product at market prices	58,933	68,030	76,359	88,155	97,107	104,474	111,671
38. EU subsidies	1,744	1,729	1,614	1,634	1,520	1,896	1,839
39. EU taxes	-509	-676	-641	-683	-756	-488	-567
40. Gross national income at current market prices	60,168	69,082	77,332	89,106	97,870	105,882	112,943

* Preliminary

Breakdown between Remuneration of Employees and Other (Net Operating Surplus) not available for all sectors in latest year

Table 3 Gross Value Added at Factor Cost by Sector of Origin and Gross National Income at Current Market Prices

€million

Description	1997	1998	1999	2000	2001	2002	2003*
41. Agriculture, forestry and fishing	3,691	3,550	3,321	3,575	3,681	3,542	3,577
42. Industry (including building)	23,016	28,455	33,430	38,338	42,823	47,729	46,259
43. Distribution, transport and communication	9,720	11,313	12,541	14,669	16,203	17,899	19,171
44. Public administration and defence	2,613	2,809	2,940	3,232	3,659	3,910	4,205
45. Other services (including rent)	22,196	26,322	30,282	35,663	41,598	46,317	50,479
46. Adjustment for financial services	-2,059	-2,500	-3,117	-3,571	-3,729	-3,870	-4,340
47. Statistical discrepancy (= Item 12)	660	-826	31	-777	-834	-990	474
48. Gross value added at factor cost	59,838	69,123	79,428	91,128	103,400	114,538	119,825
49. Non product taxes	727	770	855	886	977	1,085	1,184
50. Non product subsidies	-489	-532	-586	-556	-586	-568	-527
51. Gross value added at basic prices	60,076	69,361	79,697	91,458	103,791	115,054	120,482
52. Product taxes	8,829	10,067	11,526	13,443	13,610	15,081	16,479
53. Product subsidies	-1,932	-1,847	-1,767	-1,836	-1,968	-2,144	-2,175
54. Gross domestic product at current market prices	66,973	77,581	89,457	103,065	115,433	127,992	134,786
55. Net factor income from the rest of the world	-8,040	-9,551	-13,098	-14,910	-18,326	-23,518	-23,115
56. Gross national product at current market prices	58,933	68,030	76,359	88,155	97,107	104,474	111,671
57. EU subsidies	1,744	1,729	1,614	1,634	1,520	1,896	1,839
58. EU taxes	-509	-676	-641	-683	-756	-488	-567
59. Gross national income at current market prices	60,168	69,082	77,332	89,106	97,870	105,882	112,943

* Preliminary

Table 3.1 Annual Percentage Change in the Main Constituents of Table 3

Description	1997-2003	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Agriculture, forestry and fishing	-0.5	-3.8	-6.5	7.7	3.0	-3.8	1.0
Industry (including building)	12.3	23.6	17.5	14.7	11.7	11.5	-3.1
Distribution, transport and communication	12.0	16.4	10.9	17.0	10.5	10.5	7.1
Public administration and defence	8.3	7.5	4.7	9.9	13.2	6.9	7.6
Other services (including rent)	14.7	18.6	15.0	17.8	16.6	11.3	9.0
Gross value added at factor cost	12.3	15.5	14.9	14.7	13.5	10.8	4.6
Gross value added at basic prices	12.3	15.5	14.9	14.8	13.5	10.9	4.7
Gross domestic product at current market prices	12.4	15.8	15.3	15.2	12.0	10.9	5.3
Gross national product at current market prices	11.2	15.4	12.2	15.4	10.2	7.6	6.9
Gross national income at current market prices	11.1	14.8	11.9	15.2	9.8	8.2	6.7

Table 4 Gross Value Added at Constant (1995) Factor Cost by Sector of Origin and Gross National Income at Constant (1995) Market Prices

	€million						
Description	1997	1998	1999	2000	2001	2002	2003*
60. Agriculture, forestry and fishing	3,914	3,927	3,798	3,873	3,849	3,815	4,004
61. Industry (including building)	22,478	26,013	29,933	33,449	35,892	39,353	40,338
of which #							
<i>Reproduction of recorded media</i>	799	1,126	1,272	376	759	1,247	678
<i>Chemicals (incl. man-made fibres)</i>	5,956	7,785	10,349	11,538	13,516	17,182	17,991
<i>Computers and Instrument engineering</i>	3,434	3,805	4,433	6,233	6,406	5,939	6,495
<i>Electrical machinery and equipment</i>	1,155	1,504	1,548	2,049	1,663	1,700	1,574
62. Distribution, transport and communication	9,244	10,203	11,103	12,482	13,827	14,273	14,688
63. Public administration and defence	2,372	2,420	2,464	2,529	2,605	2,657	2,681
64. Other services (including rent)	19,487	20,664	22,427	23,949	25,411	26,800	28,229
65. Adjustment for financial services	-1,942	-2,194	-2,656	-2,871	-2,847	-2,857	-3,234
66. Statistical discrepancy	593	205	727	837	884	761	993
67. Gross value added at constant factor cost	56,146	61,237	67,797	74,248	79,621	84,801	87,699
68. Non product taxes	720	734	771	766	817	881	903
69. Non product subsidies	-448	-499	-488	-481	-406	-350	-345
70. Gross value added at constant basic prices	56,418	61,472	68,081	74,533	80,032	85,333	88,257
71. Product taxes	8,410	9,028	9,930	11,040	10,979	11,119	11,446
72. Product subsidies	-1,784	-1,858	-1,749	-1,750	-2,152	-2,142	-1,947
73. Gross domestic product at constant market prices	63,044	68,641	76,261	83,824	88,860	94,310	97,756
74. Net factor income from the rest of the world	-7,970	-9,209	-11,630	-12,685	-15,032	-19,359	-20,727
75. Gross national product at constant market prices	55,073	59,431	64,631	71,137	73,827	74,951	77,029
76. EU subsidies	1,609	1,662	1,585	1,573	1,661	1,821	1,629
77. EU taxes	-495	-627	-570	-575	-623	-375	-421
78. Gross national income at constant market prices	56,186	60,467	65,645	72,135	74,866	76,397	78,237

* Preliminary

Table 4.1 Annual Percentage Changes in the Main Constituents of Table 4

Description	1997-2003	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Agriculture, forestry and fishing	0.4	0.3	-3.3	2.0	-0.6	-0.9	5.0
Industry (including building)	10.2	15.7	15.1	11.7	7.3	9.6	2.5
of which #							
<i>Reproduction of recorded media</i>	-2.7	41.0	13.0	-70.4	101.8	64.2	-45.6
<i>Chemicals (incl. man-made fibres)</i>	20.2	30.7	32.9	11.5	17.1	27.1	4.7
<i>Computers and Instrument engineering</i>	11.2	10.8	16.5	40.6	2.8	-7.3	9.4
<i>Electrical machinery and equipment</i>	5.3	30.2	2.9	32.4	-18.9	2.3	-7.4
Distribution, transport and communication	8.0	10.4	8.8	12.4	10.8	3.2	2.9
Public administration and defence	2.1	2.0	1.8	2.6	3.0	2.0	0.9
Other services (including rent)	6.4	6.0	8.5	6.8	6.1	5.5	5.3
Gross value added at constant factor cost	7.7	9.1	10.7	9.5	7.2	6.5	3.4
Gross value added at constant basic prices	7.7	9.0	10.8	9.5	7.4	6.6	3.4
Gross domestic product at constant market prices	7.6	8.9	11.1	9.9	6.0	6.1	3.7
Gross national product at constant market prices	5.8	7.9	8.7	10.1	3.8	1.5	2.8
Gross national income at constant market prices	5.7	7.6	8.6	9.9	3.8	2.0	2.4

The four sectors distinguished correspond to NACE REV1 classes 223; 24; 30 & 33; 31 & 32.

Table 5 Expenditure on Gross National Income at Current Market Prices

€ million

Description	1997	1998	1999	2000	2001	2002	2003*
79. Personal consumption of goods and services	35,140	39,027	43,721	49,488	54,348	59,019	62,935
80. Net expenditure by central and local government on current goods and services	9,209	10,098	11,383	13,050	15,474	17,692	19,233
81. Gross domestic fixed capital formation	13,915	17,438	21,712	25,321	27,057	28,983	31,815
82. Value of physical changes in stocks	889	1,261	391	819	378	115	499
83. Exports of goods and services #	53,482	67,067	79,096	100,720	113,642	119,701	112,759
84. less Imports of goods and services #	-45,002	-58,136	-66,816	-87,110	-96,300	-98,508	-91,981
85. Statistical discrepancy (= - Item 12)	-660	826	-31	777	834	990	-474
86. Gross domestic product at current market prices	66,973	77,581	89,457	103,065	115,433	127,992	134,786
87. Net factor income from the rest of the world	-8,040	-9,551	-13,098	-14,910	-18,326	-23,518	-23,115
88. Gross national product at current market prices	58,933	68,030	76,359	88,155	97,107	104,474	111,671
89. EU subsidies	1,744	1,729	1,614	1,634	1,520	1,896	1,839
90. EU taxes	-509	-676	-641	-683	-756	-488	-567
91. Gross national income at current market prices	60,168	69,082	77,332	89,106	97,870	105,882	112,943

* Preliminary

Excluding factor income flows

Table 5.1 Annual Percentage Changes in the Main Constituents of Table 5

Description	1997-2003	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Personal consumption of goods and services	10.2	11.1	12.0	13.2	9.8	8.6	6.6
Net current expenditure by central and local government	13.1	9.6	12.7	14.6	18.6	14.3	8.7
Gross domestic physical capital formation	13.9	26.3	18.2	18.3	5.0	6.1	11.1
Exports of goods and services	13.2	25.4	17.9	27.3	12.8	5.3	-5.8
Imports of goods and services	12.7	29.2	14.9	30.4	10.5	2.3	-6.6
Gross domestic product at current market prices	12.4	15.8	15.3	15.2	12.0	10.9	5.3
Gross national product at current market prices	11.2	15.4	12.2	15.4	10.2	7.6	6.9
Gross national income at current market prices	11.1	14.8	11.9	15.2	9.8	8.2	6.7

Table 6 Expenditure on Gross National Income at Constant (1995) market prices

€ million

Description	1997	1998	1999	2000	2001	2002	2003*
92. Personal consumption of goods and services	33,355	35,742	38,868	42,368	44,700	45,930	47,122
93. Net expenditure by central and local government on current goods and services	8,534	9,020	9,688	10,461	11,599	12,592	12,909
94. Gross domestic fixed capital formation	12,718	14,797	17,093	18,338	18,053	18,587	19,215
95. Value of physical changes in stocks	931	1,242	309	770	296	94	512
96. Exports of goods and services #	53,020	64,666	74,494	89,675	97,199	102,714	101,916
97. less Imports of goods and services #	-44,921	-56,621	-63,462	-76,952	-82,104	-84,847	-82,925
98. Statistical discrepancy (= - item 66)	-593	-205	-727	-837	-884	-761	-993
99. Gross domestic product at constant market prices	63,044	68,641	76,261	83,824	88,860	94,310	97,756
100. Net factor income from the rest of the world	-7,970	-9,209	-11,630	-12,685	-15,032	-19,359	-20,727
101. Gross national product at constant market prices	55,073	59,431	64,631	71,137	73,827	74,951	77,029
102. EU subsidies	1,609	1,662	1,585	1,573	1,661	1,821	1,629
103. EU Taxes	-495	-627	-570	-575	-623	-375	-421
104. Gross national income at constant market prices	56,186	60,467	65,645	72,135	74,866	76,397	78,237

* Preliminary

Excluding factor income flows

Table 6.1 Annual Percentage Changes in the Main Constituents of Table 6

Description	1997-2003	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Personal consumption of goods and services	5.9	7.2	8.7	9.0	5.5	2.8	2.6
Net expenditure by central and local government on current goods and services	7.1	5.7	7.4	8.0	10.9	8.6	2.5
Gross domestic physical capital formation	6.3	17.5	8.5	9.8	-4.0	1.8	5.6
Exports of goods and services	11.5	22.0	15.2	20.4	8.4	5.7	-0.8
Imports of goods and services	10.8	26.0	12.1	21.3	6.7	3.3	-2.3
Gross domestic product at constant market prices	7.6	8.9	11.1	9.9	6.0	6.1	3.7
Gross national product at constant market prices	5.8	7.9	8.7	10.1	3.8	1.5	2.8
Gross national income at constant market prices	5.7	7.6	8.6	9.9	3.8	2.0	2.4

Table 6.2 Index Numbers of Gross National Income and its Expenditure Constituents at Constant Market Prices (Base 1995=100)

Description	1997	1998	1999	2000	2001	2002	2003*
Personal consumption of goods and services	114.0	122.1	132.8	144.8	152.7	156.9	161.0
Net expenditure by central and local government on current goods and services	108.7	114.9	123.4	133.2	147.7	160.3	164.4
Gross domestic physical capital formation	140.9	165.6	179.7	197.3	189.5	192.9	203.7
Exports of goods and services	131.8	160.8	185.2	222.9	241.6	255.4	253.4
Imports of goods and services	131.3	165.6	185.6	225.0	240.1	248.1	242.5
Gross domestic product at constant market prices	119.8	130.5	144.9	159.3	168.9	179.3	185.8
Gross national product at constant market prices	118.0	127.4	138.5	152.4	158.2	160.6	165.1
Gross national income at constant market prices	118.0	126.9	137.8	151.4	157.2	160.4	164.2
Value of gross national product at constant market prices, allowing for changes in terms of trade #	118.7	128.7	139.8	150.9	157.4	161.3	164.4
Value of gross national income at constant market prices, allowing for changes in terms of trade #	118.6	128.2	139.1	149.9	157.9	161.1	163.6

* Preliminary

The adjustment for terms of trade is explained in the notes to Table 8 in Appendix 2.

Table 7 Gross National Disposable Income and its Use

€million

Description	1997	1998	1999	2000	2001	2002	2003*
105. Gross domestic product at current market prices	66,973	77,581	89,457	103,065	115,433	127,992	134,786
106. Net factor income from the rest of the world	-8,040	-9,551	-13,098	-14,910	-18,326	-23,518	-23,115
107. Gross national product at current market prices	58,933	68,030	76,359	88,155	97,107	104,474	111,671
108. EU subsidies	1,744	1,729	1,614	1,634	1,520	1,896	1,839
109. EU taxes	-509	-676	-641	-683	-756	-488	-567
110. Gross national income at current market prices	60,168	69,082	77,332	89,106	97,870	105,882	112,943
111. Current transfers from the rest of the world less current transfers to the rest of the world (excluding EU subsidies and taxes)	403	254	161	-22	-569	-699	-832
112. Gross national disposable income	60,571	69,336	77,493	89,084	97,302	105,182	112,111
113. Personal consumption of goods and services	35,140	39,027	43,721	49,488	54,348	59,019	62,935
114. Net expenditure by central and local government on current goods and services	9,209	10,098	11,383	13,050	15,474	17,692	19,233
115. Total consumption expenditure	44,349	49,125	55,105	62,538	69,822	76,712	82,168
116. Gross national savings	16,222	20,212	22,388	26,546	27,480	28,470	29,944
117. Provision for depreciation	6,629	7,370	8,792	10,976	12,295	13,883	14,933
118. Net national savings	9,593	12,841	13,596	15,571	15,184	14,588	15,011

* Preliminary

Table 7.1 Annual Percentage Changes in the Main Constituents of Table 7

Description	1997-2003	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Gross domestic product at current market prices	12.4	15.8	15.3	15.2	12.0	10.9	5.3
Gross national product at current market prices	11.2	15.4	12.2	15.4	10.2	7.6	6.9
Gross national disposable income	10.8	14.5	11.8	15.0	9.2	8.1	6.6
Personal consumption of goods and services	10.2	11.1	12.0	13.2	9.8	8.6	6.6
Net expenditure by central and local government on current goods and services	13.1	9.6	12.7	14.6	18.6	14.3	8.7
Total consumption expenditure	10.8	10.8	12.2	13.5	11.6	9.9	7.1
Gross national savings	10.8	24.6	10.8	18.6	3.5	3.6	5.2
Provision for depreciation	14.5	11.2	19.3	24.8	12.0	12.9	7.6
Net national savings	7.7	33.9	5.9	14.5	-2.5	-3.9	2.9

**Table 8 Gross National Disposable Income at Constant (1995) Market Prices Adjusted for Terms of Trade
(i.e. Real Gross National Disposable Income)**

€million

Description	1997	1998	1999	2000	2001	2002	2003*
Gross national income at constant (1995) market prices	56,186	60,467	65,645	72,135	74,866	76,397	78,237
Terms of trade adjustment	365	653	632	-701	-310	386	-258
Net current transfers from abroad at constant (1995) market prices excluding EU subsidies and taxes	402	247	153	-19	-487	-601	-752
Gross national disposable income at constant (1995) market prices	56,954	61,367	66,431	71,415	74,069	76,183	77,227
Index of gross national disposable income at constant (1995) market prices	118	128	138	149	154	158	161

* *Preliminary*

Table 9 Personal Income and Personal Expenditure

	€million					
Description	1997	1998	1999	2000	2001	2002
119. Net national product at factor cost before adjustment for stock appreciation	45,246	52,138	58,377	66,060	72,559	77,254
120. less Government trading and investment income	-712	-737	-772	-1,030	-1,451	-1,334
121. plus National debt interest	2,576	2,694	2,199	2,052	1,678	1,693
122. plus Transfer income (including net transfers from the rest of the world, EU subsidies and taxes)	8,270	8,739	9,121	9,930	11,266	13,174
123. Private income	55,379	62,834	68,925	77,012	84,051	90,787
124. less Undistributed profits of companies before tax	-7,166	-8,751	-8,262	-8,700	-8,099	-10,614
125. Personal income	48,213	54,083	60,663	68,312	75,952	80,173
126. Personal consumption of goods and services	35,140	39,027	43,721	49,488	54,348	59,019
127. Taxes on personal income and wealth	9,828	10,883	12,065	13,575	14,819	15,047
128. Total personal expenditure	44,968	49,910	55,786	63,064	69,167	74,067
129. Personal savings	3,245	4,173	4,877	5,248	6,784	6,106

Table 10 Net Current Income and Expenditure of Central and Local Government #

	€million						
Description	1997	1998	1999	2000	2001	2002	2003*
130. Taxes on income and wealth (including social insurance contributions)	12,000	13,509	15,518	17,476	18,980	19,859	20,866
131. Taxes on expenditure (including rates)	9,047	10,161	11,741	13,646	13,831	15,678	17,096
132. Net trading and investment income	712	737	772	1,030	1,451	1,334	1,523
133. Current transfers from the rest of the world to central and local government	471	532	423	268	182	188	201
134. Total income	22,230	24,939	28,454	32,421	34,443	37,059	39,686
135. Subsidies (excluding EU subsidies) #	677	651	739	758	1,034	817	863
136. Transfer payments (including transfers to the rest of the world) and national debt interest	10,914	11,711	11,583	12,272	13,694	15,754	17,534
137. Net current expenditure on goods and services	9,209	10,098	11,383	13,050	15,474	17,692	19,233
138. Total expenditure	20,800	22,459	23,704	26,080	30,202	34,263	37,630
139. Central and local government savings	1,430	2,480	4,750	6,341	4,241	2,795	2,056

* Preliminary

See explanatory note to Table 10 in Appendix 2

Table 11 Savings and Capital Formation

€million

Description	1997	1998	1999	2000	2001	2002	2003*
Savings before adjustment for stock appreciation							
140. Personal	3,245	4,173	4,877	5,248	6,784	6,106 }	12,545
141. Companies	4,995	6,125	4,809	4,799	3,939	5,803 }	
142. Central and local government #	1,430	2,480	4,750	6,341	4,241	2,795	2,056
143. Net national savings before adjustment for stock appreciation	9,669	12,778	14,435	16,388	14,965	14,704	14,601
144. Adjustment for stock appreciation	-77	64	-839	-818	219	-117	410
145. Net national savings	9,593	12,841	13,596	15,571	15,184	14,587	15,011
146. Provision for depreciation	6,629	7,370	8,792	10,976	12,295	13,883	14,933
147. Net foreign capital transfers	734	840	560	1,182	703	512	370
148. Net foreign disinvestment	-2,812	-1,526	-876	-811	86	1,105	1,527
149. Statistical discrepancy (= Item 12)	660	-826	31	-777	-834	-990	474
150. Gross total available for investment in domestic physical capital formation	14,804	18,699	22,103	26,140	27,434	29,098	32,314
Capital formation							
151. Building and construction	8,516	10,581	13,291	15,823	18,105	20,049	23,005
152. Other home produced capital goods net of exports (including re-exports)	1,096	1,231	1,364	1,518	1,637	1,509	1,646
153. Imported capital goods	4,303	5,626	7,057	7,980	7,315	7,425	7,164
154. Value of physical changes in agric. stocks	119	43	-179	-151	-14	-40	-43
155. Increase in value of non-agricultural stocks and work in progress (incl. EU intervention stocks)	846	1,155	1,409	1,788	173	272	132
156. Adjustment for stock appreciation	-77	64	-839	-818	219	-117	410
157. Gross domestic physical capital formation	14,804	18,699	22,103	26,140	27,434	29,098	32,314

* Preliminary

See explanatory note to Table 10 in Appendix 2

In this table the total amount available for investment, (i.e. current savings, the provision for depreciation, net foreign capital transfers and net foreign disinvestment) is equated to gross domestic physical capital formation. The figures for capital formation are obtained by adding figures for imported and home produced capital goods ready for use to the value of the physical changes in stocks, including the value of the changes in agricultural stocks. Since personal savings (item 129) is a residual figure it includes the effect of the changes in agricultural and certain other stocks. Personal savings accordingly includes a substantial non-monetary element.

Table 11.1 Gross National Investment

€million

Description	1997	1998	1999	2000	2001	2002	2003*
Gross national savings	16,222	20,212	22,388	26,546	27,480	28,470	29,944
Net foreign capital transfers	734	840	560	1,182	703	512	370
Statistical discrepancy (= Item 12)	660	-826	31	-777	-834	-990	474
Total available for gross national investment	17,616	20,225	22,979	26,951	27,348	27,993	30,787
Gross domestic physical capital formation	14,804	18,699	22,103	26,140	27,434	29,098	32,314
Net foreign investment	2,812	1,526	876	811	-86	-1,105	-1,527
Gross national investment	17,616	20,225	22,979	26,951	27,348	27,993	30,787

* Preliminary

Table 12 Distribution of Personal Income and its relationship to Net National Product at Factor Cost

€million

Description	1997	1998	1999	2000	2001	2002
Remuneration of employees	28,746	32,756	36,791	42,026	46,799	50,137
Agriculture, etc.	313	415	436	439	439	448
Domestic non-agriculture	26,475	30,415	34,005	38,879	43,269	46,330
Foreign	219	-81	24	-55	-161	-161
Employers' contribution to social insurance	1,740	2,007	2,326	2,764	3,252	3,521
Income of independent traders etc.	7,151	7,842	8,100	9,559	10,924	11,167
Agriculture, etc.	2,786	2,514	2,241	2,470	2,542	2,384
Non-agriculture	4,365	5,328	5,859	7,089	8,382	8,782
Interest, dividends and rent paid to households and private non-profit institutions	3,386	5,572	6,620	7,574	7,797	6,685
Current transfers to households (including net transfers from the rest of the world)	8,270	8,739	9,121	9,930	11,266	13,174
Statistical discrepancy (= Item 12)	660	-826	31	-777	-834	-990
Personal income of households and private non-profit institutions	48,213	54,083	60,663	68,312	75,952	80,173
Undistributed profits of companies	7,166	8,751	8,262	8,700	8,099	10,614
Private income	55,379	62,834	68,925	77,012	84,051	90,787
less National debt interest	-2,576	-2,694	-2,199	-2,052	-1,678	-1,693
less Current transfers to households (including net transfers from the rest of the world)	-8,270	-8,739	-9,121	-9,930	-11,266	-13,174
plus Government trading and investment income	712	737	772	1,030	1,451	1,334
Adjustment for stock appreciation	-77	64	-839	-818	219	-117
Net national product at factor cost	45,169	52,201	57,538	65,243	72,778	77,137

Table 12.1 Annual Percentage Changes in the Main Constituents of Personal Income

Description	1997-2002	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002
Remuneration of employees	11.8	14.0	12.3	14.2	11.4	7.1
Income of independent traders	9.3	9.7	3.3	18.0	14.3	2.2
Interest dividends and rent paid to households and private non-profit institutions	14.6	64.6	18.8	14.4	2.9	-14.3
Current transfers to households (including net transfers from the rest of the world)	9.8	5.7	4.4	8.9	13.4	16.9
Personal income of households and private non-profit institutions	10.7	12.2	12.2	12.6	11.2	5.6

Table 13 Consumption of Personal Income at Current Market Prices

€million

Description	1997	1998	1999	2000	2001	2002	2003*
Food, beverages and tobacco	9,847	10,453	11,190	12,309	12,954	14,036	14,009
Food (excl meals out)	4,381	4,527	4,606	4,959	5,212	5,516	5,393
Non-alcoholic beverages	410	472	559	636	579	641	642
Alcoholic beverages (total incl pubs)	3,819	4,129	4,552	4,998	5,431	5,983	6,079
Tobacco	1,237	1,325	1,473	1,715	1,732	1,896	1,895
Clothing and footwear	2,392	2,678	2,863	3,298	3,463	3,405	3,244
Housing (rent, local government charges, repairs and decorations)	4,787	5,729	6,600	7,801	9,092	10,349	11,502
<i>of which imputed rent</i>	<i>3,701</i>	<i>4,468</i>	<i>5,168</i>	<i>6,124</i>	<i>7,127</i>	<i>8,079</i>	<i>8,938</i>
Fuel and power	1,303	1,357	1,391	1,503	1,575	1,660	1,846
Household equipment and operation	2,572	2,875	3,352	3,753	4,172	4,237	4,552
Durable household goods	1,563	1,748	2,133	2,344	2,610	2,607	2,792
Non-durable goods and services	1,008	1,128	1,219	1,409	1,562	1,630	1,760
Transport and communication	4,851	5,276	5,869	7,076	7,068	7,736	8,561
Personal transport equipment	1,424	1,618	1,885	2,421	1,995	2,073	2,151
Operation of personal transport equipment	1,620	1,710	1,808	2,082	2,194	2,481	2,622
Public transport	1,078	1,175	1,288	1,419	1,506	1,617	1,822
Communication	730	773	888	1,154	1,374	1,566	1,965
Recreation, entertainment and education	3,848	4,048	4,240	5,003	5,613	5,780	5,983
Equipment and accessories	1,311	1,433	1,376	1,911	2,262	2,087	1,966
Services (incl. education)	2,537	2,615	2,863	3,092	3,351	3,693	4,017
Miscellaneous goods and services	6,233	7,247	8,680	9,400	10,780	11,656	12,939
Professional services (incl. medical goods and services)	2,685	3,054	3,850	4,038	4,845	5,061	5,529
Goods (n.e.s.)	984	1,323	1,459	1,815	1,938	2,268	2,319
Services (n.e.s.)	2,563	2,870	3,371	3,548	3,996	4,328	5,090
Expenditure outside the State	1,481	1,674	2,011	2,196	2,767	3,415	3,709
less Expenditure by non-residents	-2,174	-2,310	-2,473	-2,851	-3,136	-3,256	-3,409
158. Personal consumption of goods and services at current market prices	35,140	39,027	43,721	49,488	54,348	59,019	62,935
159. Taxes on personal income and wealth	9,828	10,883	12,065	13,575	14,819	15,047	15,689
160. Total personal expenditure	44,968	49,910	55,786	63,064	69,167	74,067	78,624

* Preliminary

Table 13.1 Annual Percentage Changes in the Main Constituents of Table 13

Description	1997-2003	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Food and non-alcoholic beverages	3.9	4.3	3.3	8.4	3.5	6.3	-2.0
Alcoholic beverages and tobacco	7.9	7.9	10.5	11.4	6.7	10.0	1.2
Clothing and footwear	5.2	12.0	6.9	15.2	5.0	-1.7	-4.7
Housing, fuel and power	14.0	16.4	12.8	16.4	14.6	12.6	11.1
Household equipment and operation	10.0	11.8	16.6	12.0	11.2	1.6	7.4
Transport and communication	9.9	8.8	11.2	20.6	-0.1	9.4	10.7
Recreation, entertainment and education	7.6	5.2	4.7	18.0	12.2	3.0	3.5
Miscellaneous goods and services	12.9	16.3	19.8	8.3	14.7	8.1	11.0
Expenditure outside the State	16.5	13.0	20.1	9.2	26.0	23.4	8.6
Expenditure by non-residents	7.8	6.3	7.0	15.3	10.0	3.8	4.7
Personal consumption of goods and services	10.2	11.1	12.0	13.2	9.8	8.6	6.6

Table 14 Consumption of Personal Income (except Taxes on Personal Income and Wealth) at Constant (1995) Market Prices

€ million

Description	1997	1998	1999	2000	2001	2002	2003*
Food, beverages and tobacco	9,497	9,714	10,076	10,515	10,492	10,867	10,382
Food (excl meals out)	4,338	4,330	4,317	4,519	4,442	4,631	4,545
Non-alcoholic beverages	391	432	494	533	458	480	461
Alcoholic beverages (total incl pubs)	3,634	3,790	4,027	4,217	4,365	4,494	4,250
Tobacco	1,134	1,162	1,238	1,246	1,226	1,263	1,126
Clothing and footwear	2,606	3,107	3,597	4,406	4,808	4,957	4,943
Housing (rent, local government charges, repairs and decorations)	3,831	3,994	4,170	4,420	4,552	4,739	4,930
<i>of which imputed rent</i>	<i>2,910</i>	<i>3,031</i>	<i>3,162</i>	<i>3,301</i>	<i>3,445</i>	<i>3,586</i>	<i>3,746</i>
Fuel and power	1,258	1,317	1,327	1,380	1,456	1,404	1,466
Household equipment and operation	2,506	2,712	3,112	3,374	3,618	3,597	3,883
Durable household goods	1,542	1,691	2,059	2,244	2,448	2,441	2,679
Non-durable goods and services	964	1,022	1,053	1,130	1,170	1,156	1,204
Transport and communication	4,719	5,129	5,686	6,662	6,893	7,275	7,968
Personal transport equipment	1,409	1,595	1,825	2,322	1,912	1,946	1,977
Operation of personal transport equipment	1,458	1,543	1,589	1,581	1,733	1,864	1,927
Public transport	1,074	1,107	1,187	1,268	1,317	1,311	1,397
Communication	778	884	1,085	1,491	1,932	2,154	2,666
Recreation, entertainment and education	3,710	3,825	3,852	4,458	4,862	4,676	4,526
Equipment and accessories	1,333	1,456	1,378	1,933	2,324	2,115	1,958
Services (incl. education)	2,377	2,369	2,475	2,525	2,539	2,561	2,569
Miscellaneous goods and services	5,875	6,538	7,520	7,733	8,297	8,448	8,843
Professional services (incl. medical goods and services)	2,529	2,742	3,326	3,293	3,659	3,544	3,627
Goods (n.e.s.)	957	1,241	1,338	1,619	1,661	1,881	1,880
Services (n.e.s.)	2,389	2,556	2,856	2,821	2,977	3,023	3,336
Expenditure outside the State	1,460	1,591	1,831	1,930	2,312	2,674	2,821
less Expenditure by non-residents	-2,107	-2,186	-2,303	-2,509	-2,591	-2,706	-2,640
161. Personal consumption of goods and services at constant market prices	33,355	35,742	38,868	42,368	44,700	45,930	47,122

* Preliminary

Table 14.1 Annual Percentage Changes in the Main Constituents of Table 14

Description	1997-2003	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Food and non-alcoholic beverages	1.0	0.7	1.0	5.0	-3.0	4.3	-2.0
Alcoholic beverages and tobacco	2.0	3.9	6.3	3.8	2.3	3.0	-6.6
Clothing and footwear	11.3	19.2	15.8	22.5	9.1	3.1	-0.3
Housing, fuel and power	3.9	4.4	3.5	5.5	3.6	2.3	4.1
Household equipment and operation	7.6	8.2	14.7	8.4	7.2	-0.6	8.0
Transport and communication	9.1	8.7	10.9	17.2	3.5	5.5	9.5
Recreation, entertainment and education	3.4	3.1	0.7	15.7	9.1	-3.8	-3.2
Miscellaneous goods and services	7.1	11.3	15.0	2.8	7.3	1.8	4.7
Expenditure outside the State	11.6	9.0	15.1	5.4	19.8	15.7	5.5
Expenditure by non-residents	3.8	3.7	5.3	9.0	3.3	4.5	-2.5
Personal consumption of goods and services	5.9	7.2	8.7	9.0	5.5	2.8	2.6

Table 15 Gross Domestic Physical Capital Formation at Current Market Prices

€million

Description	1997	1998	1999	2000	2001	2002	2003*
Fixed capital							
Dwellings	4,265	5,315	6,743	8,157	9,541	10,804	13,785
Roads	533	643	870	1,033	1,435	1,726	1,779
Other building and construction (including land rehabilitation etc.)	3,169	3,907	4,744	5,489	6,012	6,228	5,572
Costs assoc. with transfer of land & buildings	549	717	934	1,144	1,116	1,291	1,869
Transport equipment	2,068	2,489	3,760	3,847	3,649	4,107	3,533
Agricultural machinery	221	251	215	221	239	241	223
Other machinery and equipment	2,662	3,669	3,900	4,874	4,280	3,847	4,245
Software	147	178	262	289	407	376	344
Exploration	205	175	184	159	252	254	327
Artistic originals	97	95	100	107	125	108	138
Gross domestic fixed capital formation	13,915	17,438	21,712	25,321	27,057	28,983	31,815
Changes in stocks							
Value of physical changes in stocks on farms	119	43	-179	-151	-14	-40	-43
Value of physical changes in EU intervention stocks	78	-17	-211	-114	14	176	48
Value of physical changes in other stocks	692	1,235	780	1,084	378	-22	494
Total value of physical changes in stocks	889	1,261	391	819	378	115	499
162. Gross domestic physical capital formation at current prices	14,804	18,699	22,103	26,140	27,434	29,098	32,314

* Preliminary

Table 16 Gross Domestic Fixed Capital Formation by Sector of Use at Current Market Prices

€million

Description	1997	1998	1999	2000	2001	2002	2003*
Agriculture, forestry and fishing	701	704	669	819	658	674	639
Fuel and power products	592	739	831	1,057	1,268	1,748	1,824
Manufacturing products	2,377	2,974	2,974	3,492	3,222	3,774	3,914
Building and construction	212	269	381	455	393	363	418
Market services	9,041	11,497	15,263	17,476	19,149	19,985	22,879
Dwellings (incl. transfer costs)	4,548	5,685	7,224	8,746	10,114	11,472	14,749
Roads	533	643	870	1,033	1,435	1,726	1,779
Other market services	3,961	5,169	7,169	7,697	7,599	6,787	6,351
Non-market services	991	1,254	1,593	2,021	2,367	2,440	2,141
163. Gross domestic fixed capital formation at current prices	13,915	17,438	21,712	25,321	27,057	28,983	31,815

* Preliminary

Table 17 Gross Domestic Physical Capital Formation at Constant (1995) Market Prices

€million

Description	1997	1998	1999	2000	2001	2002	2003*
Fixed capital							
Dwellings	3,568	3,751	4,194	4,541	4,830	5,074	5,805
Roads	502	577	710	753	959	1,098	1,099
Other building and construction (including land rehabilitation etc.)	2,809	3,225	3,574	3,711	3,732	3,801	3,414
Costs assoc. with transfer of land & buildings	449	515	588	657	596	683	869
Transport equipment	2,000	2,394	3,531	3,580	3,339	3,678	3,148
Agricultural machinery	227	251	210	201	209	220	217
Other machinery and equipment	2,739	3,678	3,819	4,453	3,821	3,522	4,120
Software	137	159	224	227	285	254	217
Exploration	193	157	150	116	168	159	199
Artistic originals	94	90	93	99	114	97	127
Gross domestic fixed capital formation	12,718	14,797	17,093	18,338	18,053	18,587	19,215
Changes in stocks							
Value of physical changes in stocks on farms	146	60	-254	-177	-23	-54	-50
Value of physical changes in EU intervention stocks	96	-25	-230	-85	28	179	38
Value of physical changes in other stocks	689	1,207	793	1,032	291	-31	523
Total value of physical changes in stocks	931	1,242	309	770	296	94	512
164. Gross domestic physical capital formation at 1995 prices	13,649	16,040	17,401	19,107	18,349	18,681	19,727

* Preliminary

Table 18 Gross Domestic Fixed Capital Formation by Sector of Use at Constant (1995) Market Prices

€million

Description	1997	1998	1999	2000	2001	2002	2003*
Agriculture, forestry and fishing	685	674	621	714	552	579	565
Fuel and power products	571	685	699	795	876	1,157	1,223
Manufacturing products	2,300	2,768	2,633	2,948	2,542	2,854	3,126
Building and construction	212	265	364	418	351	329	388
Market services	8,031	9,287	11,440	11,906	12,010	11,943	12,338
Dwellings (incl. transfer costs)	3,800	4,019	4,500	4,883	5,140	5,433	6,260
Roads	502	577	710	753	959	1,098	1,099
Other market services	3,729	4,691	6,229	6,270	5,911	5,412	4,979
Non-market services	919	1,117	1,336	1,557	1,722	1,725	1,574
165. Gross domestic fixed capital formation at 1995 prices	12,718	14,797	17,093	18,338	18,053	18,587	19,215

* Preliminary

Table 19 Receipts and Expenditure of Central Government (including extra-budgetary funds)

€million

Description	1997	1998	1999	2000	2001	2002
Current receipts						
166. Taxes on income and wealth	9,240	10,434	11,824	13,098	13,995	14,361
167. Taxes on expenditure	8,589	9,668	11,202	13,058	13,173	14,931
168. Social insurance contributions	2,760	3,076	3,694	4,379	4,984	5,497
169. Gross trading income	1	-6	-14	-8	-2	-2
170. Investment income:						
Local government	48	40	30	23	20	18
Land annuities - interest	2	1	6	3	5	3
Other Irish sources	356	382	421	662	1,037	854
171. Transfers from local government	2	6	6	8	8	11
172. Transfers from the rest of the world (not elsewhere included)	471	532	423	268	182	188
173. Miscellaneous receipts	386	400	451	547	558	641
174. Total receipts - current	21,854	24,533	28,043	32,039	33,959	36,502
Capital receipts						
175. Taxes on capital	281	387	644	997	1,043	770
176. Loan repayments and equity sales:						
Local government	79	84	69	39	19	22
Land annuities - principal	0	0	0	0	0	0
Other	100	256	4,749	1,815	819	1,126
177. Transfers from the rest of the world	623	601	607	424	590	581
178. Borrowing	8,140	4,978	11,855	-2,746	433	4,045
179. Total receipts - capital	9,221	6,306	17,925	529	2,904	6,545
180. Total receipts - current and capital	31,075	30,839	45,968	32,568	36,863	43,047
Current expenditure						
181. Subsidies	677	651	739	758	1,034	817
182. National debt interest:						
Paid to residents	1,657	1,848	1,367	922	662	365
Paid to rest of the world	881	812	797	1,096	976	1,281
183. Land bond interest	0	0	0	0	0	0
184. Transfer payments:						
To residents	6,793	7,153	7,257	7,767	8,937	10,488
To rest of the world	365	533	660	671	840	1,026
185. Expenditure on goods and services:						
Wages, salaries and pensions	3,352	3,607	3,760	4,103	4,594	5,118
Other	1,132	1,374	1,564	1,791	2,244	2,446
186. Grants to local government	4,998	5,406	6,620	7,641	9,334	10,857
187. Total expenditure - current	19,855	21,384	22,764	24,749	28,621	32,396
Capital expenditure						
188. Grants to enterprises	398	275	249	293	242	236
189. Other transfer payments	270	384	2,070	667	905	569
190. Redemption of securities	8,679	6,642	18,603	3,743	2,837	4,952
191. Loans and share capital:						
Local government	0	0	0	0	0	0
Other	497	418	118	170	213	361
192. Gross physical capital formation	314	490	729	914	1,122	1,309
193. Grants to local government	1,053	1,239	1,427	2,020	2,913	3,214
194. Payments to the rest of the world	9	7	7	11	10	9
195. Total expenditure - capital	11,220	9,455	23,204	7,819	8,243	10,651
196. Total expenditure - current and capital	31,075	30,839	45,968	32,568	36,863	43,047

Table 20 Receipts and Expenditure of Local Government

€million

Description	1997	1998	1999	2000	2001	2002
Current receipts						
197. Rates	458	493	539	587	658	747
198. Gross rental income	332	348	375	437	498	574
199. Grants from central government	4,998	5,406	6,620	7,641	9,334	10,857
200. Repayments of loans under the Housing Acts. - Interest	132	127	109	81	79	97
201. Miscellaneous receipts	570	668	708	742	808	985
202. Total receipts - current	6,490	7,042	8,350	9,489	11,377	13,259
Capital receipts						
203. Grants from central government	1,053	1,239	1,427	2,020	2,913	3,214
204. Repayments of loans under the Housing Acts. - Principal	48	48	25	43	25	35
205. Miscellaneous receipts	474	700	672	712	606	979
206. Loans received from central government	0	0	0	0	0	0
207. Other loans received and miscellaneous borrowing	11	-111	129	519	882	697
208. Total receipts - capital	1,587	1,876	2,253	3,294	4,426	4,925
209. Total receipts - current and capital	8,077	8,918	10,603	12,783	15,802	18,184
Current expenditure						
210. Subsidies:						
Housing	0	0	0	0	0	0
Other	0	0	0	0	0	0
211. National debt interest:						
Central government	48	40	30	23	20	18
Other	38	34	35	33	40	47
212. Transfer payments	1,179	1,330	1,466	1,783	2,239	2,548
213. Transfers to central government	2	6	6	8	8	11
214. Expenditure on goods and services:						
Wages, salaries and pensions	2,827	3,015	3,512	4,255	5,206	5,939
Other	2,350	2,627	3,072	3,434	3,920	4,818
215. Total expenditure - current	6,445	7,053	8,120	9,536	11,434	13,381
Capital expenditure						
216. Grants to enterprises	56	55	69	59	91	111
217. Other transfer payments	12	15	18	30	47	61
218. Loan repayments:						
Central government	79	84	69	39	19	22
Other	42	51	62	67	71	91
219. Loans to persons	62	70	173	226	326	368
220. Gross physical capital formation	1,382	1,590	2,092	2,826	3,816	4,150
221. Total expenditure - capital	1,632	1,865	2,483	3,247	4,369	4,803
222. Total expenditure - current and capital	8,077	8,918	10,603	12,783	15,802	18,184

Table 21 Receipts and Expenditure of Central and Local Government

	€million					
Description	1997	1998	1999	2000	2001	2002
Current receipts						
Taxes on income and wealth (including social contributions)	12,000	13,509	15,518	17,476	18,980	19,859
Taxes on expenditure (including rates)	9,047	10,161	11,741	13,646	13,831	15,678
Gross trading income	1	-6	-14	-8	-2	-2
Gross rental income	332	348	375	437	498	574
Investment income	490	511	536	747	1,121	954
Transfers from the rest of the world (not elsewhere included)	471	532	423	268	182	188
Miscellaneous receipts	956	1,068	1,159	1,289	1,365	1,626
Total receipts - current	23,297	26,123	29,738	33,855	35,974	38,876
Capital receipts						
Taxes on capital	281	387	644	997	1,043	770
Loan repayments and equity sales	148	304	4,774	1,858	843	1,161
Transfers from the rest of the world	623	601	607	424	590	581
Other receipts	474	700	672	712	606	979
Borrowing	8,151	4,867	11,984	-2,227	1,316	4,742
Total receipts - capital	9,676	6,859	18,682	1,763	4,398	8,234
Total receipts - current and capital	32,973	32,982	48,420	35,619	40,373	47,110
Current expenditure						
Subsidies	677	651	739	758	1,034	817
National debt interest (including land bond interest)	2,576	2,694	2,199	2,052	1,678	1,693
Transfer payments	8,338	9,017	9,383	10,221	12,016	14,062
Expenditure on goods and services	9,661	10,623	11,908	13,582	15,965	18,321
Total expenditure - current	21,252	22,984	24,229	26,613	30,693	34,892
Capital expenditure						
Grants to enterprises	454	330	318	352	333	347
Other transfer payments	282	399	2,087	697	952	630
Redemption of securities and loan repayments	8,721	6,693	18,666	3,810	2,908	5,043
Loans and share capital	559	488	291	397	539	728
Gross physical capital formation	1,696	2,081	2,822	3,740	4,938	5,459
Payments to the rest of the world	9	7	7	11	10	9
Total expenditure - capital	11,721	9,998	24,191	9,006	9,680	12,218
Total expenditure - current and capital	32,973	32,982	48,420	35,619	40,373	47,110

Table 22 Details of Taxation

	€million					
Description	1997	1998	1999	2000	2001	2002
Central and Local Government						
Taxes on income and wealth	12,000	13,509	15,518	17,476	18,980	19,859
Income tax (including sur tax)	6,615	7,292	8,007	8,906	9,319	8,979
Corporation tax	2,155	2,614	3,442	3,885	4,144	4,804
Motor tax.-						
Estimated portion paid by households etc.	211	227	263	273	301	320
Other taxes	2	4	3	3	12	9
Fees under the Petroleum and Minerals Development Acts	14	9	8	14	16	7
Training and Employment Levy	240	283	97	15	204	242
Income Levy	1	1	0	0	0	0
Levies under Sections 93 & 94 of Finance Act, 1986	3	2	3	2	0	0
Social Insurance contribution	2,760	3,076	3,694	4,379	4,984	5,497
Taxes on capital	281	387	644	997	1,043	770
Estate, etc. duties	0	0	0	0	0	0
Capital gains tax	168	245	452	774	876	619
Capital acquisitions tax	113	142	192	223	168	151
Taxes on expenditure	9,047	10,161	11,741	13,646	13,831	15,678
Customs duties	8	-11	4	-3	-7	17
Excise duties including VRT	3,218	3,595	4,032	4,483	4,220	4,603
Value added tax	4,576	5,145	5,954	7,195	7,420	8,806
Residential property tax	4	2	2	2	2	1
Rates	458	493	539	587	658	747
Motor vehicle duties, etc. - Estimated portion paid by businesses	172	186	215	223	246	262
Stamps (excluding fee stamps)	536	685	910	1,088	1,222	1,138
Fee stamps	15	11	20	12	14	25
Agricultural levies	0	0	0	0	0	1
Broadcasting licence fee *	10	11	11	10	11	12
Other fees	50	45	53	49	45	67
EU Taxes	509	676	641	683	756	488
Total taxation	21,837	24,734	28,544	32,802	34,610	36,795

* Excludes amount transferred to RTE

Table 23 Details of Subsidies and Capital Grants to Enterprises

€million

Description	1997	1998	1999	2000	2001	2002
Subsidies						
Central and local government	677	651	739	758	1,034	817
Bovine Tuberculosis and Brucellosis eradication	49	63	82	74	64	77
Grants from hardship fund	0	0	0	0	0	0
Beef, mutton, etc. export schemes	0	0	0	0	0	0
Beef cattle incentive scheme	0	0	0	0	0	0
Dairy produce	0	0	0	0	0	0
Aids to farmers	161	157	157	171	153	136
Other agricultural subsidies	74	54	57	20	269	83
Current grant by BIM	4	5	7	15	19	9
Bread subsidy	0	0	0	0	0	0
Grants by the IDA, Forbairt & Forfas	106	104	163	157	121	90
Current grants to S.F.A.D. Co. Ltd.	1	1	1	0	0	0
Current payments to CIE	133	136	143	190	222	233
Land Acts, 1923-53 - interest	0	0	0	0	0	0
Local government housing subsidy	0	0	0	0	0	0
Other housing subsidies	0	0	0	0	0	0
Interest subsidy for building societies	0	0	0	0	0	0
Expenses of market intervention less # recoupment from EU	50	19	12	2	3	11
Employment subsidies	1	13	11	13	17	14
Other subsidies	99	98	105	114	167	164
EU subsidies	1,744	1,729	1,614	1,634	1,520	1,896
Capital grants to enterprises -						
Central and local government	454	330	318	352	333	347
Housing grants	51	50	64	54	86	106
Farm modernisation grants	94	49	34	39	18	7
Western drainage	0	0	0	0	0	0
Grants by BIM	13	9	9	19	12	11
Grants by the IDA, Forbairt, Forfas	119	82	59	62	45	51
Grants by Udaras na Gaeltachta	8	4	5	7	9	6
Grants by Bord Failte Eireann	26	30	22	30	15	5
Grants to S.F.A.D. Co. Ltd.	4	8	11	4	0	3
Grants by Institute for Industrial Research and Standards	0	0	0	0	0	0
Land Acts, 1923-53 - principal	0	0	0	0	0	0
Insurance Compensation Fund	0	0	0	0	0	0
Other grants	138	98	115	138	148	158

See explanatory note to Table 10 in Appendix 2

Table 24 Central and Local Government - Details of Transfer Payments, National Debt Interest and Capital Grants to Households and Private Non-Profit Institutions

	€million					
Description	1997	1998	1999	2000	2001	2002
Current transfer payments and national debt interest	10,914	11,711	11,583	12,272	13,694	15,754
National debt interest:						
paid to residents	1,695	1,882	1,402	956	702	412
paid to the rest of the world	881	812	797	1,096	976	1,281
Land bond interest	0	0	0	0	0	0
Higher education	364	402	449	489	576	639
Secondary education	617	596	609	638	711	776
Other education	8	9	13	12	17	21
Scholarships and prizes	106	93	102	101	98	106
Old age n.c. pensions	413	436	451	469	504	552
Child benefit	506	532	565	638	965	1,463
Unemployment assistance	902	770	616	469	430	512
Widows' and orphans' n.c. pensions	81	85	90	97	112	121
Redundancy payments	23	19	25	23	33	60
Occupational injuries benefit	61	61	63	65	70	77
Free travel, electricity, telephone rental, television and radio licences for old age pensioners etc.	132	138	141	149	180	216
Disability benefit	228	241	263	281	330	385
Unemployment benefit	273	301	294	265	291	423
Retirement pensions	427	463	512	594	697	803
Old age (contributory) pensions	413	461	498	577	717	868
Widows'(contributory) pensions	479	517	548	598	677	770
Invalidity pensions	253	264	280	312	354	404
Treatment benefit	36	39	45	58	57	61
Pay-related benefit	0	0	0	0	0	0
Other social insurance etc.	140	140	142	148	173	199
less Social insurance payments to the rest of the world	-41	-42	-56	-56	-96	-148
Rehabilitation etc. of disabled persons	193	220	245	279	332	408
Residential care for children	84	97	116	153	196	241
Payments for medical goods supplied to households by pharmacists	232	258	291	339	434	551
Domiciliary care for handicapped children	12	14	15	25	25	33
Supplementary welfare allowance	257	280	296	350	425	565
Subsidies for drug purchases	123	161	192	249	323	352
Transport services for school children	50	51	58	65	77	96
Local government housing rental deficit *	368	394	426	482	548	628
Other social payments	83	111	128	173	215	252
Transfers to the rest of the world	365	533	660	671	840	1,026
Social assistance allowance	6	5	7	5	5	7
Social employment scheme	369	377	376	368	350	323
Family income supplement	33	36	41	39	37	42
Enterprise allowance scheme	0	0	0	0	0	0
FAS allowances	72	72	91	106	148	169
Early retirement payments	72	86	87	97	84	82
Lone Parents Allowance	339	390	435	480	537	613
Pre-retirement Allowance	73	76	77	79	83	87
Employment Support Services	124	164	191	190	214	168
Other transfer payments	322	392	263	421	561	455
Less imputed pensions received from employees	-259	-229	-260	-278	-315	-346
Capital grants to households, etc.	282	399	2,087	697	952	630
Grants under the Housing Acts	39	39	35	38	39	39
Other housing grants	3	3	3	5	6	7
Supplementary grants for housing and disabled persons grants	12	15	18	30	47	61
Grants for higher education	25	19	36	74	88	91
Grants to training colleges	0	0	0	0	6	4
Grants to secondary schools	18	29	42	54	95	100
Building, equipping and furnishing of hospitals and other health facilities	93	101	77	24	54	189
Other capital transfer payments	34	50	171	277	616	139
Pension Funds	59	144	1,704	195	0	0

* Previously treated as a subsidy.

Table 25 Central and Local Government - Details of Gross Physical Capital Formation

€million

Description	1997	1998	1999	2000	2001	2002
Central government	314	490	729	914	1,122	1,309
New works, alterations and additions by Office of Public Works (including furniture for new buildings)	94	119	134	225	290	257
Building, equipment and furnishing of national schools	43	60	77	103	140	173
Arterial drainage	3	5	4	5	11	18
Forest development (including acquisition of land)	4	8	5	5	5	2
Constructional work at airports (including acquisition of land and building)	0	0	0	0	0	0
Capital expenditure by the IDA, Forfas & Forbairt	-18	-11	-16	-23	-7	15
Comprehensive schools	13	20	33	48	39	33
Other construction	47	75	224	250	217	450
Vehicles, machinery and equip. (less sales)	128	216	269	300	427	362
Local government	1,382	1,590	2,092	2,826	3,816	4,150
Local government housing	244	270	287	432	680	783
Roads	533	643	870	1,033	1,435	1,726
Health	92	89	120	250	289	336
Water supply and sewerage	239	273	379	522	716	647
Vocational education committees	72	61	82	139	232	118
Other	202	255	354	450	463	540

Table 26 Expenditure of Central Government (including extra-budgetary funds) classified by Purpose of Expenditure and Economic Category

€million

Description	1997	1998	1999	2000	2001	2002
Defence	647	657	694	758	864	856
Current transfer payments	75	49	70	80	88	81
Current expenditure on goods and services	548	586	588	627	684	684
Current grants to local government	2	2	2	3	3	3
Gross physical capital formation	22	20	34	49	90	88
Other central government services	2,033	2,465	2,904	3,123	3,614	3,972
Subsidies	73	66	104	89	70	42
Current transfer payments	258	434	525	542	655	792
Current expenditure on goods and services	1,513	1,706	1,907	2,021	2,343	2,582
Current grants to local government	2	2	2	1	2	88
Capital grants to enterprises	5	2	2	14	19	13
Capital transfer payments	5	3	5	8	26	23
Loans	2	3	13	11	9	3
Gross physical capital formation	160	234	330	416	461	399
Capital grants to local government	6	8	10	10	20	21
Capital payments to the rest of the world	9	7	7	11	10	9
Education	3,083	3,230	3,591	4,093	4,739	5,297
Current transfer payments	988	1,036	1,125	1,214	1,411	1,553
Current expenditure on goods and services	1,141	1,225	1,326	1,528	1,714	2,008
Current grants to local government	785	744	820	898	1,005	1,156
Capital transfer payments	44	48	67	117	164	158
Loans	0	0	0	0	0	0
Gross physical capital formation	61	119	172	204	241	235
Capital grants to local government	65	58	82	132	204	187
Health	3,620	4,168	4,754	5,637	7,061	8,299
Current transfer payments	115	180	23	60	75	66
Current expenditure on goods and services	65	84	85	94	112	132
Current grants to local government	3,273	3,695	4,420	5,186	6,497	7,594
Capital transfer payments	93	101	77	24	54	189
Gross physical capital formation	12	19	27	19	28	32
Capital grants to local government	63	90	123	254	295	287
Social security and welfare	5,837	6,175	7,954	6,862	7,786	9,526
Current transfer payments	5,087	5,307	5,471	5,780	6,723	8,174
Current expenditure on goods and services	221	233	241	257	290	343
Current grants to local government	462	471	516	612	742	948
Capital transfer payments	65	158	1,717	207	22	43
Gross physical capital formation	3	8	7	6	10	18
Housing	416	345	379	566	915	1,044
Subsidies	0	0	0	0	0	0
Current transfer payments	7	10	9	10	16	21
Current expenditure on goods and services	13	14	14	17	18	23
Current grants to local government	127	0	0	0	1	1
Capital transfer payments	41	41	37	41	43	45
Loans	0	0	0	0	0	0
Gross physical capital formation	0	0	2	1	1	0
Capital grants to enterprises	0	0	0	0	0	0
Capital grants to local government	228	279	316	496	836	953
Other community and social services	203	265	308	415	515	622
Subsidies	1	2	1	1	1	2
Current transfer payments	46	67	64	81	105	117
Current expenditure on goods and services	86	100	126	164	175	177
Current grants to local government	1	1	1	1	1	1
Capital grants to enterprises	23	32	34	35	29	25
Capital transfer payments	12	20	29	47	64	85
Loans	0	0	0	0	0	0
Gross physical capital formation	18	23	25	19	46	72
Capital grants to local government	17	21	27	67	94	142

Table 26 (contd.) Expenditure of Central Government (including extra-budgetary funds) classified by Purpose of Expenditure and Economic Category

€million

Description	1997	1998	1999	2000	2001	2002
Agriculture, forestry and fishing	970	1,194	1,077	1,191	1,591	1,733
Subsidies *	383	355	385	361	615	419
Current transfer payments	111	126	143	157	153	160
Current expenditure on goods and services	335	371	378	417	548	648
Current grants to local government	4	2	4	7	7	9
Capital grants to enterprises	125	91	91	99	73	76
Capital transfer payments	1	1	12	17	21	53
Loans	0	234	50	107	133	309
Gross physical capital formation	12	15	14	25	42	59
Mining, manufacturing and construction	662	616	620	620	875	599
Subsidies	80	69	85	92	82	71
Current transfer payments	369	377	376	368	350	323
Current expenditure on goods and services	61	46	46	55	61	65
Capital grants to enterprises	131	94	74	73	54	61
Loans and share capital	24	25	41	44	74	38
Gross physical capital formation	-4	5	-1	-11	13	31
Capital transfer payments	0	0	0	0	242	11
Transport and communication	1,207	999	1,005	1,312	1,766	1,926
Subsidies	136	141	149	198	246	268
Current transfer payments	0	0	0	1	2	16
Current expenditure on goods and services	56	55	56	44	69	90
Current grants to local government	108	99	59	66	87	94
Capital grants to enterprises	1	4	5	20	27	32
Capital transfer payments	8	9	120	195	253	-58
Loans and share capital	408	118	14	9	-3	11
Gross physical capital formation	23	23	93	145	127	341
Capital grants to local government	467	549	509	635	957	1,132
Other economic services	944	1,032	1,118	1,362	1,672	1,614
Subsidies	3	18	15	17	20	15
Current transfer payments	103	99	111	145	199	209
Current expenditure on goods and services	445	562	556	670	825	812
Current grants to local government	0	0	0	0	2	1
Capital grants to enterprises	113	53	43	52	39	30
Capital transfer payments	2	3	4	11	17	21
Loans	63	38	0	0	0	0
Gross physical capital formation	9	23	28	42	64	33
Capital grants to local government	207	235	360	425	507	493
Public debt	11,216	9,302	20,768	5,761	4,475	6,597
National debt interest	2,538	2,660	2,164	2,018	1,638	1,645
Redemption of securities	8,679	6,642	18,603	3,743	2,837	4,952
Unallocated by function						
Current Grants to local government	235	391	796	867	988	961
Total Expenditure	31,075	30,839	45,968	32,568	36,863	43,047

* See explanatory note to Table 10 in Appendix 2

Table 27 Expenditure of Local Government classified by Purpose of Expenditure and Economic Category

€million

Description	1997	1998	1999	2000	2001	2002
General government services	324	380	429	488	580	712
Current transfer payments	1	7	-1	12	28	35
Transfers to central government	2	6	6	8	8	11
Current expenditure on goods and services	255	262	302	346	368	446
Gross physical capital formation	66	106	122	122	176	220
Education	835	859	976	1,132	1,360	1,394
Current transfer payments	82	77	90	86	70	76
Current expenditure on goods and services	681	721	803	907	1,059	1,200
Gross physical capital formation	72	61	82	139	232	118
Health	3,627	3,986	4,753	5,501	6,755	8,039
Current transfer payments	243	304	352	426	560	677
Current expenditure on goods and services	3,293	3,593	4,282	4,824	5,906	7,026
Gross physical capital formation	92	89	120	250	289	336
Social security and welfare	487	554	617	807	1,077	1,182
Current transfer payments	492	556	613	792	1,053	1,154
Transfers to central government	0	0	0	0	0	0
Current expenditure on goods and services	-5	-2	4	15	25	28
Gross physical capital formation	0	0	0	0	0	0
Housing	813	866	1,130	1,544	2,137	2,461
Subsidies	0	0	0	0	0	0
Current transfer payments	368	394	426	482	548	628
Current expenditure on goods and services	76	67	163	321	450	515
Capital transfer payments	12	15	18	30	47	61
Loans to persons	62	70	173	226	326	368
Gross physical capital formation	244	270	287	432	680	783
Capital grants to enterprises	51	50	64	54	86	106
Other community and social services	548	628	779	1,010	1,162	1,293
Current transfer payments	0	0	0	0	0	0
Current expenditure on goods and services	347	404	448	545	664	787
Gross physical capital formation	201	225	331	465	498	506
Agriculture, forestry and fishing	18	23	27	30	38	40
Subsidies	0	0	0	0	0	0
Current transfer payments	0	0	0	0	0	0
Transfers to central government	0	0	0	0	0	0
Current expenditure on goods and services	12	13	14	14	15	18
Capital grants to enterprises	0	0	0	0	0	0
Gross physical capital formation	7	10	14	16	23	22
Transport and communication	863	1,029	1,217	1,501	1,799	2,145
Current transfer payments	-7	-9	-13	-16	-19	-23
Current expenditure on goods and services	332	390	354	479	377	437
Capital grants to enterprises	5	5	5	5	5	5
Gross physical capital formation	533	643	870	1,033	1,436	1,726
Other economic services (incl. Mining etc.)	354	382	480	607	745	740
Transfers to central government	0	0	0	0	0	0
Current expenditure on goods and services	186	194	213	238	264	301
Gross physical capital formation	168	188	267	369	481	439
Public debt	208	209	197	162	149	178
National debt interest	87	75	65	57	60	65
Loan repayments	121	135	132	106	89	113
Total Expenditure	8,077	8,918	10,603	12,783	15,802	18,184

Table 28 Expenditure of Central and Local Government classified by Purpose of Expenditure and Economic Category

€million

Description	1997	1998	1999	2000	2001	2002
Defence	645	655	692	755	861	853
Current transfer payments	75	49	70	80	88	81
Current expenditure on goods and services	548	586	588	627	684	684
Gross physical capital formation	22	20	34	49	90	88
Other general government services	2,347	2,830	3,315	3,592	4,165	4,564
Subsidies	73	66	104	89	70	42
Current transfer payments	260	441	524	555	683	827
Current expenditure on goods and services	1,769	1,968	2,209	2,367	2,711	3,027
Capital grants to enterprises	5	2	2	14	19	13
Capital transfer payments	5	3	5	8	26	23
Loans	2	3	13	11	9	3
Gross physical capital formation	225	341	452	538	637	619
Capital payments to the rest of the world	9	7	7	11	10	9
Education	3,069	3,288	3,665	4,195	4,890	5,348
Current transfer payments	1,069	1,114	1,215	1,300	1,481	1,629
Current expenditure on goods and services	1,822	1,946	2,129	2,435	2,773	3,208
Other capital transfer payments	44	48	67	117	164	158
Loans	0	0	0	0	0	0
Gross physical capital formation	133	180	254	343	473	353
Health	3,912	4,370	4,965	5,698	7,025	8,457
Current transfer payments	358	485	375	487	635	743
Current expenditure on goods and services	3,358	3,678	4,366	4,918	6,018	7,158
Capital transfer payments	93	101	77	24	54	189
Gross physical capital formation	103	107	146	269	317	368
Social security and welfare	5,862	6,259	8,054	7,057	8,121	9,761
Current transfer payments	5,579	5,863	6,084	6,572	7,775	9,328
Current expenditure on goods and services	216	231	246	272	314	371
Capital transfer payments	65	158	1,717	207	22	43
Gross physical capital formation	3	8	7	6	10	18
Housing	875	931	1,192	1,613	2,216	2,550
Subsidies	0	0	0	0	0	0
Current transfer payments	376	404	435	492	564	650
Current expenditure on goods and services	89	81	178	337	468	538
Capital grants to enterprises	51	50	64	54	86	106
Capital transfer payments	53	56	55	71	90	106
Loans	62	70	173	226	326	368
Gross physical capital formation	244	270	288	432	681	784
Other community and social services	734	872	1,058	1,357	1,582	1,771
Subsidies	1	2	1	1	1	2
Current transfer payments	46	67	64	81	105	117
Current expenditure on goods and services	432	504	574	710	840	964
Capital grants to enterprises	23	32	34	35	29	25
Capital transfer payments	12	20	29	47	64	85
Loans	0	0	0	0	0	0
Gross physical capital formation	219	248	356	484	544	578
Agriculture, forestry and fishing	985	1,215	1,101	1,214	1,623	1,764
Subsidies #	383	355	385	361	615	419
Current transfer payments	111	126	143	157	153	160
Current expenditure on goods and services	347	384	392	431	563	666
Capital grants to enterprises	125	91	91	99	73	76
Other capital transfer payments	1	1	12	17	21	53
Loans	0	234	50	107	133	309
Gross physical capital formation	18	24	27	41	65	81

See explanatory note to Table 10 in Appendix 2

Table 29 Social Protection Accounts

	€million					
Description	1997	1998	1999	2000	2001	2002
Current Expenditure						
Social protection benefits	10,603	11,362	12,446	13,832	16,513	19,605
Administration costs	478	534	588	671	758	822
Other current expenditure	14	17	19	23	28	29
Total Current Expenditure	11,095	11,913	13,053	14,526	17,299	20,456
Current Receipts						
Employers' social contributions	2,616	2,958	3,328	3,892	4,494	4,949
Social contributions by protected persons	1,572	1,678	2,038	2,343	2,548	2,902
Current general government contributions	7,197	7,569	8,253	9,076	11,137	13,251
Other current receipts	114	142	161	238	261	332
Total Current Receipts	11,499	12,347	13,780	15,549	18,441	21,434
Social Protection Benefits by Function						
Sickness	3,336	3,681	4,300	4,889	6,008	7,010
Invalidity-disability	844	930	1,062	1,261	1,525	1,804
Occupational accidents and diseases	55	56	57	59	64	70
Old-age	2,065	2,246	2,408	2,706	3,163	3,606
Survivors	649	708	744	819	929	1,047
Maternity	248	258	301	335	423	489
Family	1,431	1,491	1,605	1,774	2,246	2,941
Placement, vocational guidance, resettlement	196	236	282	311	344	337
Unemployment	1,145	1,075	959	824	831	1,099
Housing	369	395	427	483	549	629
Miscellaneous	264	286	301	371	430	571
Total Benefits	10,603	11,362	12,446	13,832	16,513	19,605

Table 30a Balance of International Payments: Current account

€ million

Item		1997	1998	1999	2000	2001	2002	2003
1. Merchandise and services ¹	Cr	53,482	67,067	79,096	100,720	113,642	119,701	112,759
	Db	-45,002	-58,136	-66,816	-87,110	-96,300	-98,508	-91,981
2. Net income		-8,040	-9,551	-13,098	-14,910	-18,326	-23,518	-23,115
3. Subsidies less taxes		1,235	1,053	973	951	764	1,407	1,272
4. Net transfers		403	254	161	-22	-569	-699	-832
5. Net balance on current account		2,078	686	316	-371	-789	-1,617	-1,896

Table 30b Balance of International Payments: Capital and Financial Account and net errors and omissions

€ million

Item		1998	1999	2000	2001	2002	2003
6. Balance on Capital Account		840	560	1,182	703	512	370
Financial Account							
7	Direct Investment	4,422	11,359	22,957	6,241	21,794	20,686
8	Portfolio Investment	-8,466	-14,342	-5,358	-25,158	-38,373	-49,114
9	Other Investment ²	7,459	-974	-9,037	19,039	18,820	29,258
10	Reserve Assets	-2,280	1,746	-142	-441	343	1,770
11. Balance on Financial account		1,135	-2,211	8,420	-319	2,586	2,596
12.	<i>Net errors and omissions</i>	-2,661	1,335	-9,231	405	-1,481	-1,070

¹ Adjusted for balance of payments purposes² Including financial derivatives and trade credits

Appendix 1

Definitions and Concepts

Appendix 1

Definitions and Concepts

The series of official estimates of national income and expenditure was inaugurated in the White Paper on National Income and Expenditure, 1938-44 (P.No. 7356) and continued in a second White Paper "Tables of National Income and Expenditure, 1938 and 1944-50" (Pr.No. 350), in the annual issues of the "Irish Statistical Survey" from 1950-51 to 1958 and in "National Income and Expenditure", 1959 to 1999. The latest estimates are contained in this issue of "National Income and Expenditure" (NIE 2003). These estimates are based, not on exact information but on incomplete data collected from many sources. The estimates of different items are therefore of varying accuracy, but where exact statistics were not available it was possible in some cases to compare independent estimates from alternative sources and thus obtain a check on the accuracy of the methods used.

Definitions

Net national product at factor cost may be defined as the total of all payments for productive services provided in this country or abroad accruing to the permanent residents of this country. The exact content of this definition is best shown by reference to the Explanatory Notes to Tables which appear in Appendix 2. Some income accrues to Irish residents as a result of economic activity abroad or property held abroad while some income arising in the State is paid to non-residents. **Domestic income** is the total income arising from productive activity within the State. **Domestic income plus net factor income from the rest of the world equals net national product at factor cost.**

Gross domestic product at factor cost is equal to net domestic product (domestic income) plus total provision for depreciation. **Gross national product at factor cost** is equal to net national product plus total provision for depreciation.

Gross national product at current market prices is equal to gross national product at factor cost plus taxes on expenditure less subsidies. It represents total expenditure on the output of goods and services of the national economy valued at the prices at which the expenditure is incurred. This expenditure is made up of personal expenditure on consumers' goods and services, net expenditure by central and local government on current goods and services, gross domestic physical capital formation (comprising fixed capital and stocks) and net expenditure by the rest of the world on goods and services originating in Ireland plus net factor income from the rest of the world.

The concept of gross national product at factor cost, together with the closely related concept of gross national product at current market prices suggest three different methods of summarising the total economic activity of the country. These three different presentations are given in Tables 1, 2 and 5. Table 1 shows net national product broken down by type of income. Table 2 shows net national product at factor cost broken down by sector of origin. Table 5 shows expenditure on gross national product at market prices broken down by category of expenditure.

The following are some points regarding the constituents of net national product:

Wages, salaries and pensions include all such elements of earnings as overtime payments, bonuses, piece-work payments, commission earnings of distribution employees, directors' fees, etc. as well as income in kind (food, clothing, fuel and light). These are computed without deduction of employees' contributions to social insurance and to contributory pension funds. Where pension funds exist, the employers' contributions to pension funds are included in this item. Where pension funds do not exist, the actual pensions paid are included in this item, the payments being regarded as imputed superannuation contributions. The value of unpaid domestic services performed by spouses is excluded, whereas the remuneration in cash and kind of domestic servants is included.

Remuneration of employees includes, in addition to the above elements, employers' contributions to social insurance.

Transfer income such as emigrants' remittances and old age pensions, blind pensions, widows' and orphans' pensions, unemployment benefit or assistance and all other social welfare payments whether contributory or not, are excluded from net national product. Employees' and employers' contributions to

social insurance funds are, therefore, regarded as taxes on income. Gross national disposable income is the sum of gross national product and net current transfer payments from the rest of the world.

Profits of businesses are taken before deduction of taxes on income but are net of taxes on expenditure (including rates). Royalty payments made by businesses are excluded from profits from 1990 onwards. Receipts of interest and dividends are normally excluded in order to avoid double counting. An exception is made in the case of banks and similar businesses, where receipts of dividends and interest in excess of interest paid to depositors are regarded as a charge made for services rendered to customers and taken into account in calculating profits. This amount, however, is offset in the aggregate gross domestic product by an item **adjustment for financial services** equal to these net receipts. The provisions for depreciation deducted to arrive at net profits are normally those allowed for tax purposes adjusted, as appropriate, for *free depreciation*, etc. rather than the provisions made by the enterprises themselves.

Companies include all public and private companies incorporated either in or outside the State, as well as certain corporate bodies, such as, the Electricity Supply Board, the Central Bank, etc. **Companies' Savings** comprise the undistributed income net of tax of all bodies counted as companies. In the case of subsidiaries or branches of foreign companies operating in the State the foreign direct investors' share of the total trading income (less corporation tax payable in the State) is regarded as distributed to these investors. Correspondingly, the Irish direct investors' share of trading profits of subsidiaries or branches operating abroad of Irish companies is regarded as having been distributed to these investors.

Income from land and dwellings, is included in net national product. An imputed rent is included in respect of owner-occupied dwellings but no such element is imputed to other classes of durable goods.

Income of agriculturists is based on estimates of the value of gross output of agriculture (eliminating duplication due to inter-farm sales) after the deduction of estimates of various elements of costs, viz., the cost of marketing, feed-stuffs, fertilisers and seeds, petrol and oil, veterinary fees and medicines, depreciation, etc., as well as the interest element in land annuities paid. Farm produce consumed in farm households without process of sale is valued at the prices which farmers receive for similar goods sold. The value of changes in the numbers of livestock on farms and the value of the change in the stock of crops held on farms are included in agricultural income. **Income originating in the agricultural sector** includes, in addition to the above, the total interest element in land annuities, including both the interest element in annuities actually paid by farmers and that met by way of subsidy under the land acts.

Profits, interest, dividends, remuneration of employees from the rest of the world are included in national product and similar items arising in Ireland and paid to foreign residents are excluded. In the case of subsidiaries or branches of foreign companies operating in the State the foreign direct investors' share of the total trading income (less corporation tax payable in the State) is regarded as distributed to these investors and hence excluded from National Income. Correspondingly, the Irish direct investors' share of trading profits of subsidiaries or branches operating abroad of Irish companies is regarded as having been distributed to these investors and hence included in National Income.

Government trading and investment income which represents the income of central and local government in their entrepreneurial capacity, is included in net national product. The constituents of this item are (i) the trading income of the Post Office Savings Bank, (ii) interest receipts in respect of land annuities, (iii) interest on advances by the government to various concerns, such as the Electricity Supply Board, (iv) net dividend payments from state sponsored bodies and payments to the Exchequer out of the profits of the Central Bank, (v) income from foreign securities, (vi) proceeds of the National Lottery surplus, (vii) interest payments under the Housing Acts and (viii) rental income of local government, consisting of actual rents received plus the amounts of subsidies involved less expenses. Depreciation is deducted in respect of item (viii).

An **adjustment for stock appreciation is deducted** in the estimation of national product for years in which changes in commodity prices have been such that non-agriculture stocks held at the beginning of the year would have increased in value if no physical change had occurred. A similar provision is **added** for years in which price changes were such as to cause a fall in value of non-agricultural stocks held at the beginning of the year. The effect of this is to include in the various aggregates only the value of the change in volume of stocks between the beginning and end of the year, as distinct from the change in the value of stocks which, in general, is brought to account as part of income according to normal accounting definitions. (The value of the physical change in agricultural stocks is computed directly so no similar adjustment is required in this case.)

Personal income is the aggregate income from all sources in cash or kind, whether from productive services or not, at the disposal of individuals permanently resident in the State. It is equal to net national product plus provision for stock appreciation, less government trading and investment income, plus national debt interest and other current transfer payments, less undistributed profits before tax of companies and other corporate bodies. See the explanatory notes on Table 9 on pages xvii-xviii.

Private income is the aggregate income from all sources in cash or kind, whether from productive services or not, of all individuals, companies, charities, etc. which are permanent residents of the State. It is equal to personal income plus the undistributed profits before tax of companies and other corporate bodies. See the explanatory notes on Table 9 on pages xvii-xviii.

Changes in Concepts and Methods

Various amendments to the basic concepts and methods have been made since the first official estimates of national income and expenditure were compiled. Revisions to figures have also been made as later data became available. For example a significant downward revision has been made to the imputed rent of owner occupied dwellings in this report on the basis of the recent results of the 2002 Census of Population. Further details on this are supplied at the end of the section. The principal amendments and revisions that are carried out each year are described in the following paragraphs.

In the 1978 report it was possible to produce an improved classification of local government expenditure by purpose for the years from 1976 onwards. This was due to changes in the local government' accounting system which took effect in 1976.

In the 1979 report a fundamental revision of methodology produced changes in the figures for gross fixed capital formation. These are described in that report. Also a more complete survey of trading profits of unincorporated enterprises, professional earnings, etc. resulted in revisions to these data.

In the 1980 report following a review of methodology, changes were made to balance of international payments data. Changes were also made to the method of recording housing subsidies. These changes are described in that report.

The 1982 report included revisions to the estimates for a number of items in the accounts arising from an ongoing review of sources and methods. These changes principally affected the Balance of International Payments estimate, company profits and the residual items personal consumers' expenditure and savings.

The 1983 and 1984 report incorporated the new series of estimates for agricultural output and income released in July 1985. The classification used in the analysis of personal consumers' expenditure was also changed in that report and is now aligned with that of the European System of Accounts. The headings are more functional in concept and some additional detail is involved. The detail of the relationship between the new and the old classification can be supplied on request.

The 1985 report introduced the concept of real gross national disposable income.

The 1988 report introduced a change in the treatment of non-commercial bodies which were principally funded by grants from the State. Prior to this, these bodies were excluded from the scope of *Central and local government* and transactions between them and government were shown explicitly. In the 1988 report they were classified within the *Central and local government* sector and their receipts and expenditure consolidated with those of government. The net current expenditure of central and local government now includes the intermediate consumption of these grant aided bodies.

Arising from the Local Loans Fund (Amendment) Act, 1987, certain circular flows involving transfers and loan transactions between central government and local government decreased significantly. From 1988 this affects the comparability of data, for some headings, in Tables 19, 20, 26 and 27 but has no effect on the consolidated tables for *Central and local government*.

A number of methodological improvements were introduced in the 1992 Report. These changes principally involved the estimates of Wages and Salaries (mainly through the use of new surveys), Profits (using improved estimation procedures), Rent of dwellings (use of 1987 Household budget data) and Imports and

Exports (new Balance of Payments surveys of International Trade in Services). These revisions significantly increased the levels of some of the key national accounting aggregates including Personal Consumption which was derived as a residual. Revisions have been made retrospective to 1985 and it is intended, if resources permit, to extend the revisions back to 1980.

The 1993 Report incorporated a revised treatment of the deficit on the Local Government housing account which was described in detail in the November 1993 issue of the Economic Series. Traditionally, in the Irish National Accounts, this deficit was treated as a subsidy. Following a legal decision published by the EU on the scope of subsidies in National Accounts (OJ L 224, 3.9.93, page 27), this deficit had to be reclassified as a current transfer payment from Local Government to households.

The 1994 report introduced the base 1990 for the constant price volume series.

The 1995 report revised the concept of Domestic Product and National Product by introducing two new points of methodology. They can be summarised as follows :

1. Royalty payments made by businesses are now excluded from profits as in normal company accounts. They are considered part of intermediate consumption and when the royalty payments are made abroad they are therefore considered as an import of services. Previously, royalty payments were included as part of profits (i.e. as a distribution out of profits). They were, however, considered part of *Factor Incomes* in the transition from GDP to GNP so while the level of GDP is affected by this change the level of GNP is unaffected.
2. In the transition from GDP to GNP the foreign direct investors' share of the profits of subsidiaries or branches operating in Ireland of foreign companies are considered to have been distributed to these investors. Correspondingly, the Irish direct investors' share of the profits of subsidiaries or branches operating abroad of Irish companies are considered to have been distributed to these investors. Previously only the profits actually remitted to/from abroad were taken into account in the transition from GDP to GNP.

A number of other changes were made in the 1995 Balance of Payments Statement, some of which also affected items in the main national accounts tables. The main ones were :

- Improved estimates were made of remuneration of employees working outside their country of residence
- There was improved coverage of transfers vis-à-vis the rest of the world
- A change was made to an accruals based timing for EU transfers (previously on a cash basis)

Much detailed work was done on improving the estimates of wages and salaries in NIE 95. This led to significant revisions in several sectors. The most notable changes were as follows :

- the overall comprehensiveness of the estimates was improved by changing control totals for employment from the PES (Principal Economic Status) basis of the Labour Force Survey data to the ILO (International Labour Office) basis;
- new information from the annual CSO services inquiries was incorporated, notably in the distribution sector, leading to increases from 1992 onwards;
- revised calculations have reduced the estimate for wages in small enterprises not covered by the Census of Industrial Production.

A major revision was also made in the 1995 report to the estimates of imputed rent of owner-occupied dwellings following methodology laid down in 1994 in a Decision of the EU Commission based on the results of the 1991 Census of Population.

The full ESA95 methodology was brought into effect in the 1998 report. This widened the scope of capital formation. Computer software, original literary and musical works, unsuccessful mineral exploration, military equipment similar to that used by civilian producers e.g. hospitals, are now included as capital investment.

The output of the insurance sector was increased by regarding the income from the investment of the technical reserves as additional imputed premium contributions.

Some payments to Government which were previously regarded as transfers e.g. passport fees, are now classified as payments for services while others (e.g. stamp taxes on banking transactions) are now regarded as taxes on products.

Rent of dwellings was revised downwards in the 2003 report based on the results of the 2002 Census of Population. The Census of Population provides details of the rent paid by all tenants in respect of their dwellings as well as details of the size of and facilities in the dwellings. This allows the imputed rent of owner occupiers to be revised in line with current rates in similar rented dwellings.

External Transactions at Constant Prices

In the external account imports and exports of merchandise are expressed at constant prices by using import and export unit value indices. Invisible (i.e. non-merchandise) non-factor items are deflated separately by the most appropriate price index on consideration of the nature of the flow in question. The aggregate value of the imports of goods and non-factor services at constant prices is then determined and a general price index for the aggregate is deduced. Similarly, a general price index for the aggregate value of the exports of goods and non-factor services is calculated.

This implied price index for exports of goods and non-factor services is then used to deflate net factor income from abroad in years when this item is negative. In years when it is positive it is deflated by the implied price index for imports of goods and non-factor services. Net current international transfers are similarly deflated. The rationale for this approach is that a positive net factor income flow can be used to finance imports while a negative net factor income flow must be met with increased exports. In recent years, (e.g. 1999, 2000 and 2001), exceptional income payments have had to be deflated separately.

Gross National Product by Sector of Origin

In the 1965 report estimates of the gross national product at constant prices subdivided by industrial sector were included for the first time. These estimates were compiled by aggregating the contributions, to the gross national product at factor cost, valued at constant prices, of the different industries, and of net factor income from the rest of the world, and adjusting to market prices by adding taxes on expenditure and deducting subsidies, both valued at constant prices.

Two principal methods have been used to derive gross product at factor cost at constant prices as given in the tables.

The first method which may be called the *double deflation* method consists of valuing both the output and the input (expenses) of the sector at base year prices. The difference between output and input is the gross product, *gross* signifying that depreciation has not been deducted as an expense. This is the basic approach used for the agricultural sector. The second method consists of estimating an index of volume of output for the sector for a series of years and then multiplying the base year gross product by these index numbers to derive the gross product figures for other years. This method is widely used since, for most sectors, there is considerable difficulty in expressing the inputs at constant prices. Clearly, if at constant prices the ratio of input to output remains unchanged, both methods would give identical results.

The estimates for agriculture incorporate the official indices for agricultural output. In the case of industry, this report contains estimates of the contribution from four industrial sectors which are more than 90% foreign owned. These estimates, as well as those for the remainder of industry, are based on the official industrial production indices adjusted for the impact of the change in the treatment of royalties. The agricultural and industrial sectors together account for about half of gross national product and reliable indicators of volume are available and are used in compiling the official indices. The choice of suitable volume indicators on which to base volume index numbers in certain other sectors, however, raises conceptual problems which have not yet been solved satisfactorily. The service type industries include distribution, transport and communication, insurance, banking and finance, education, health, professional and miscellaneous services and public administration and defence. In certain industries, e.g. transport, suitable volume indicators such as passenger-miles and freight tonne-miles are available; in other industries it is more difficult to obtain volume indicators.

Particular difficulty is experienced in estimating the output of public administration and defence and other services such as health and education provided by central and local government. In most of these cases no reasonable measure of output is available and the practice adopted is to apply an index of employment, where available, to the base year remuneration. Where reliable data are not available the implied index of rates of remuneration is used to deflate current values. The effect of using this method is to assume no increase in productivity. In order to derive gross national product at market prices, net factor income from the rest of the world, taxes on expenditure and subsidies are also valued at base year prices. The method of

expressing net factor income from abroad at constant prices is explained in the section *External transactions at constant prices*, above. Where taxes on expenditure and subsidies relate to particular goods, the rate of tax or subsidy per unit quantity of the item taxed or subsidised, if available, is used to derive an index to deflate current values. In the case of *ad valorem* duties both the rate of duty and an appropriate price index are used to compile constant price data. If neither of these methods of deflation can be used the estimation of a constant price series is made by using volume indicators appertaining to the relevant industry or by deflating by a suitable price index. In a few cases, where the taxes on expenditure or subsidies were not in operation in the base year, they are by definition, omitted from the constant price series.

Appendix 2

Explanatory Notes to Tables

Appendix 2 - Explanatory Notes to Tables

The numbering of the notes refers to the numbering of the items in the foregoing tables.

Table 1 Net Value Added at Factor Cost and Net National Income at Market Prices

1. **Value added from agriculture, forestry and fishing.** Gross receipts from the sale of agricultural produce, timber and turf (excluding inter-farm transactions) together with the value of farmers' own produce consumed in farm households without process of sale and the value of the changes in the numbers of livestock on farms and on-farm stocks of the principal crops, all valued at current agricultural prices, less expenses incurred in production, including purchased materials, maintenance of machinery, depreciation, rent (Item 8), payments in cash and kind to farm employees (Item 2) and other expenses. The income originating from agricultural activity is measured prior to any distribution to the various factors of production, which in combination produced it. Therefore, no deduction is made for interest on capital whether borrowed or not. The total represents income from agricultural activity only and does not, for example, include investment income of agriculturists, which is contained in items 4, 5 and 14. The item also includes income from sea and inland fisheries.

In comparing the average value of national income per head in this and in other countries the part which subsistence farming plays in the Irish economy should be borne in mind. It may be considered desirable in making such comparisons to value farm household consumption at full retail prices in order to arrive at comparable concepts. The requisite figures are shown below and the adjustment may be made by increasing agricultural income by the difference between the entries in columns (a) and (b) for each year.

Farm Produce and Fuel Consumed on farms without Process of Sale 1997 - 2003			
<i>Year</i>	<i>Agriculture At Current Prices (a)</i>	<i>Retail At Current Prices (b)</i>	<i>At 1995 Agricultural Prices (c)</i>
1997	73.8	167.1	76.0
1998	72.0	163.8	71.5
1999	71.0	177.7	73.6
2000	68.7	182.9	68.1
2001	76.8	176.6	70.0
2002	76.6	185.9	66.7
2003	83.5	202.2	70.0

If it is desired to make comparisons between agricultural income figures when the value of the changes in the numbers of livestock on farms is excluded, the value of these changes for the years 1997-2003 at average annual prices (shown in item 154) should be subtracted from agricultural income figures in item 1.

2. **Agricultural wages and salaries.** Payments in cash and kind to farm employees and to employees in forestry.

3. **Employers' contribution to social insurance.** This item consists of the contributions of employers to social insurance funds. These contributions are classified as part of employee remuneration and also as part of direct taxation on households.

4 to 5. **Domestic trading profits, self employed earnings, interest, etc.** Domestic here means arising from economic activity within the State. Hence these items include the profits of subsidiaries or branches of foreign companies in respect of operations within the State (these are included also, net of corporation tax, as a negative entry in item 14), and exclude the profits of Irish concerns in respect of their operations abroad as well as investment income, etc., originating outside the State (included as a positive entry in item 14).

Trading profits are taken after payment of indirect (but not direct) taxes. They are taken after payments of royalties from 1990 onwards. In computing profits all interest payments are treated as an allocation of profit; they are not deducted as operating expenses before the trading profit is struck. For this reason, interest received as well as dividends received are excluded from trading profits in order to avoid double counting. An exception is made in the case of banks and similar businesses in which the excess of dividends and interest received over payments of interest to depositors is regarded as a charge made for services to customers and is taken into account in the computation of profits. This amount, however, is offset in the aggregate gross domestic product by an item **adjustment for financial services** equal to

these net receipts. The provision for depreciation deducted to arrive at net profits are normally those allowed for tax purposes adjusted, as appropriate, for *free depreciation* etc. as distinct from either the depreciation provisions of the enterprises themselves or depreciation estimates at replacement costs. Item 4 includes, in addition to trading profits of public and private companies, the operating profits of certain corporate bodies such as the Electricity Supply Board, the Central Bank, National Lottery, Bord Telecom, etc. These bodies are also regarded as companies in items 124 and 141.

6. **Adjustment for stock appreciation.** The adjustment has the effect of replacing the total of items 154 and 155 by item 82. Identical with item 156. It is included to ensure that only the value of physical change in stocks is counted as part of national product by eliminating the effects of price changes on the level of stocks.

7. **Rent of dwellings.** This represents net income from ownership of dwellings, i.e. gross receipts of rent for rented dwellings plus imputed rent of owner - occupied dwellings less depreciation, repairs and maintenance and other costs. In the case of dwellings owned by local government the amount included represents the full economic rent less depreciation, repair costs and other current expenses. In the national accounts, the difference between the economic rent and the lower rent actually paid by tenants is treated as an income transfer from Local Government to households.

8. **Rent element in land annuities.** This item represents the interest element in land annuities (forming the major part thereof) and includes both the interest element in actual payments by farmers and that met by way of subsidy under the Land Acts. This item forms part of Government trading and investment income (item 120). Letting of lands, e.g. on conacre, is considered as an inter-farm transaction and hence the corresponding rent is not included either as an expense or as a source of income for the agricultural sector.

9. **Domestic wages, salaries, pensions.** Wages, salaries and pensions include, in addition to basic wages and salaries, all items of earnings such as overtime payments, bonuses, piecework payments, commission earnings of distribution employees, directors' fees, income in kind, etc., arising from economic activity within the State. They exclude transfer payments such as old-age pensions, unemployment benefit, etc. Earnings are measured gross, i.e. before deduction of employees' contributions to social insurance and to contributory pension funds. The value of unpaid domestic service performed by household members is excluded, whereas the remuneration in cash and in kind of domestic servants is included. The earnings of Irish diplomatic and consular personnel abroad are included, while those of representatives of other states in this country are excluded.

Since the item measures remuneration for current work, pensions currently paid to former employees are in principle excluded. However, current employees benefit by the provision being made by their employers for their future pensions in the form of contributions to funded pension schemes. These contributions are viewed as an implicit part of the remuneration of the employee (known as *voluntary social insurance* contributions) and are therefore included in the wages/salaries/pensions item. Where funded pension schemes do not exist, the value to the current employees of their future pension entitlements is estimated as the amount of actual pensions currently being paid directly to former employees.

10. **Employers' contribution to social insurance.** This item consists of the contributions of employers to the state social insurance funds. These contributions are classified as part of employee remuneration and also as part of direct taxation on households.

11. **Adjustment for financial services.** The excess of interest and dividends received by financial institutions over payments of interest to depositors. In addition to net payments of interest, etc. by businesses (referred to in the notes to items 4, and 5 above) to financial institutions this negative adjustment includes net payments by the other sectors - households and central and local government. These latter amounts are therefore excluded from national product. This follows the conventional practice of the European System of Accounts.

12. **Statistical discrepancy.** This arises from the fact that Gross Domestic Product is calculated in two independent ways (viz. income and expenditure methods) as already explained on pages v-vi. The two methods produce different estimates as can be seen from summing the income components in table 1 (plus depreciation from table 2) and the expenditure components in table 5. The official level of GDP is taken to be the average of the two independent estimates and the statistical discrepancy (item 12) is the amount by which either estimate has to be adjusted to bring it in line with the official estimate.

13. **Net value added at factor cost.** This item is the total of items 1 to 12.

14. **Net factor income from the rest of the world.** This is taken directly from the current account of the Balance of Payments, Table 30(a) - see notes on Table 30(a) below.
15. **Net national product at factor cost.** Total of items 13 and 14.
16. **National (i.e. non EU) taxes.** This covers all taxes on production except EU taxes on production as defined in item 39.
17. **National (i.e. non EU) subsidies.** This covers all subsidies on production except EU subsidies on production as defined in item 38.
18. **Net national income at market prices.** Total of items 15,16 and 17.

**Table 2 - Net Value Added at Factor Cost by Sector of Origin and
Gross National Income at Current Market Prices**

19. **Agriculture, forestry, fishing.** The total contribution of the agricultural sector to the national income equals the total of items 1, 2, 3 and 8. As indicated in the note to item 1, this total does not include the income of agriculturists from sources other than their agricultural activities and in the estimation the value of the change in livestock numbers together with the on-farm stocks of the principal crops is taken into account.
20. **Industry (including building).** This total represents remuneration of employees (including all elements of earnings, see items 9 and 10) and profits in the case of all concerns engaged in industrial production, and building and construction. Remuneration of construction workers employed by central and local government and communication and transport companies as well as the value added of activities of these concerns covered by the Census of Production are included here and not in items 21 and 22. The contribution to national income is divided into *remuneration of employees* and *other*. *Remuneration of employees* in this item and in items 21, 22, and 23 includes, in addition to all elements of earnings, employers' contribution to social insurance.
21. **Distribution, transport and communication.** This total represents earnings and profits arising from distribution, transport and communication activities, including subsidies paid to such concerns. Earnings of workers covered by the Census of Industrial Production, or engaged in building and construction are excluded here and included in item 20. Remuneration of employees is shown separately.
22. **Public administration and defence.** This item includes payments in cash and kind to employees of the central government and local government who are engaged in administrative or regulatory activities, including those in the administrative departments and offices of government, the army and Gardai and diplomatic and consular officials abroad. It does not include payments to employees of concerns covered by the Census of Industrial Production (included in item 20), and to employees engaged in activities, other than administrative, such as building and construction (included in item 20), forestry (included in item 19), and educational and health services (included in item 23).
23. **Other services (including rent).** The total of estimated earnings (cash and kind) and profits in the case of all professions, financial and insurance concerns, health services, personal services (private domestic service, hotels, restaurants, lodging and boarding houses, hairdressing, undertaking, etc.), entertainment and sport (including Radio Telefis Eireann), etc. as well as net rent (actual and imputed). Remuneration of employees is shown separately.
24. Identical with item 6, but showing separately the figures for the sectors industry and distribution.
25. Identical with item 11.
26. Identical with item 12.
27. Identical with item 13.

28. **Provision for depreciation.** Separate estimates are shown for the main sectors. For the agricultural sector the figure is based on the perpetual inventory method, carried forward using data on capital formation, and covers machinery, vehicles and equipment and farm buildings. In the case of business concerns included in the other sectors, depreciation is generally taken as being the amount allowed for tax purposes (adjusted appropriately for *free depreciation*, etc.). For central and local government an estimate of the depreciation on government buildings is included. An estimate of the depreciation on dwellings is also included.

29. Item 27 plus item 28.

30. **Non product taxes.** These are taxes on production excluding taxes on products as defined in item 33. Rates on commercial property and motor vehicle duties paid by businesses are examples of non product taxes.

31. **Non product subsidies.** These are subsidies on production excluding subsidies on products as defined in item 34. Grants for employment creation are examples of non product subsidies.

32. Item 29 plus item 30 plus item 31.

33. **Product taxes.** These are taxes that are payable per unit of some good or service produced or transacted. Excise duties on drink and tobacco are examples of product taxes.

34. **Product subsidies.** These are subsidies that are payable per unit of good or service produced or imported. They mostly relate to agricultural subsidies such as aid to farmers in less favoured areas.

35. Item 32 plus item 33 less item 34.

36. Identical with item 14.

37. Item 35 plus item 36.

38. **EU subsidies.** These consist principally of all payments made under the Guarantee section of the European Guidance and Guarantee fund (E.A.G.G.F. or F.E.O.G.A.) and are gross of levies paid to the EU such as the Co-responsibility levy on milk, the Co-responsibility levy on cereals and the Super levy in the dairy sector. These tax elements form part of EU taxes.

39. **EU taxes.** This mainly consists of the annual Exchequer contribution to the EU Budget, but excludes the GNP based Fourth Own Resource contribution, which in ESA95 is treated as a 'Miscellaneous other current transfer' (D75). Refunds

40. Item 37 plus item 38 plus item 39.

**Table 3 - Gross Value Added at Factor Cost by Sector of Origin and
Gross National Income at Current Market Prices**

41. Item 19 plus item 28 (a).

42. Item 20 plus item 24(a) plus item 28 (b).

43. Item 21 plus item 24(b) plus item 28 (c).

44. Identical with item 22.

45. Item 23 plus item 28 (d).

46. Identical with item 11.

47. Identical with item 12.

48. The total of items 41 to 47.

54. Item 51 plus item 52 less item 53. Identical with item 35.
55. Identical with item 14.
56. Item 54 plus item 55. Identical with item 37.
57. Identical with item 38.
58. Identical with item 39.
59. Identical with item 40.

Table 4 - Gross Domestic Product at Constant Factor Cost by Sector of Origin and Gross National Income at Constant Market Prices

The entries in this table have been obtained by expressing the items in Table 3 at 1995 prices. The methods used are referred to in Appendix 1. The Statistical discrepancy item 66 (a) arises from the fact that estimates of gross domestic product at constant market prices are calculated in two independent ways (viz. the output method and the expenditure method see pages v-vi). The two methods produce different estimates as can be seen from summing the output components in Table 4 and the expenditure components in Table 6. The official level of GDP at constant prices is taken to be the average of the two independent estimates and the statistical discrepancy in item 66 (a) is the amount by which either estimate has to be adjusted to bring it in line with the official estimate.

Table 5 - Expenditure on Gross National Income at Current Market Prices

79. Personal consumption of goods and services at current market prices. The consumption of personal goods and services by Irish residents. Excludes the purchase of dwellings but includes the purchase of all durable (e.g. private motor cars, furniture, etc.) and non-durable (e.g. food, etc.) goods as well as gross rent (including the gross rental value of Local Government and owner-occupied dwellings) and services. In particular this item includes the consumption of a number of goods and services, which are paid for by the state. These form part of *state transfer payments*. For national accounts purposes it is considered that the state provides the money to the households and the household pays the concern providing the good or service. They thus form part of personal income and personal expenditure. Principal among these are:

- Higher Education Grants, Scholarships, etc.
- Secondary Education
- University Education
- Free travel, electricity, telephone rental, television and radio licenses
- Medical goods supplied to households by pharmacists
- Transport Services for school children
- The difference between the lower rent paid by local government tenants and the economic rent of these dwellings

Also included is an imputed rent for owner-occupied dwellings, which never actually takes place as a real transaction. Here an estimated rent is assigned to households, which own their dwellings. This is done to avoid changes in the level of owner-occupied versus rented dwellings affecting the level of GDP in national or international comparisons.

The allocation of the total between different categories of expenditure, given in Table 13 at current prices and in Table 14 at 1995 prices, is based on a direct estimate of the expenditure in these categories. These figures include expenditure in the State by tourists and other visitors and this is deducted in aggregate at the foot of the tables to obtain the total expenditure by Irish residents. Expenditure on consumption goods by business concerns and their representatives is excluded. Taxes on income and wealth (including total contribution to social insurance) are also excluded.

In principle the life funds of assurance companies are regarded as part of the personal sector and the payments of life assurance premiums and the receipt of accrued benefits are treated as transfers within

that sector. The effect of this is that the increase in the life funds of assurance companies forms part of personal savings.

80. The total of items 185 and 214 less items 163 and 201, plus estimated central and local government' depreciation (excluding depreciation of local government dwellings). Identical with item 137. See also notes on Tables 19 to 28.

81. **Gross domestic fixed capital formation.** The total of items 151, 152 and 153.

82. **Value of physical changes in stocks.**

83. **Exports of goods and services.** Total current credit item with this heading in Table 30 (a).

84. **Imports of goods and services.** Total current debit item with this heading in Table 30 (a).

86. **Gross domestic product at current market prices.** The total of items 79 to 85. Identical with item 54.

87. **Net factor income from the rest of the world.** Identical with item 14.

88. **Gross national product at current market prices.** Item 86 plus item 87. Identical with item 37.

Table 6 - Expenditure on Gross National Income at Constant Market Prices

92. **Personal consumption of goods and services at constant market prices.** The constituents of personal expenditure on consumers' goods and services were separately valued at 1995 prices.

93 **Net expenditure by central and local government on current goods and services at constant market prices.** In most cases, employees' remuneration was expressed at constant prices by applying an index of employment to the base year remuneration. Where reliable employment data were not available the implied index of rates of remuneration was used to deflate current values. Other expenditure was deflated partly by the consumer price index and partly by the wholesale price index.

94. **Gross domestic fixed capital formation at constant market prices.** The construction elements of item 81 were deflated using price indicators supplied by the Department of the Environment, Heritage and Local Government. The remaining constituents of item 81 were separately deflated by the most appropriate wholesale and import price index numbers.

95. **Changes in stocks at constant market prices.** Agricultural and intervention stocks were re-valued at individual commodity level to 1995 prices. Other non-agricultural stocks were deflated by the most appropriate price index numbers.

96. **Exports of goods and services at constant market prices.** Merchandise exports were deflated by the export price index (after taking account of the Balance of Payments adjustment) and receipts from services were deflated by the most appropriate price index in each case.

97. **Imports of goods and services at constant market prices.** Merchandise imports were deflated by the import price index and expenditures on services were deflated by the most appropriate price index in each case.

98. **Statistical Discrepancy.**

99. **Gross domestic product at constant market prices.** The total of items 92 to 98

100. **Net factor income from the rest of the world.** Identical with item 74. Item 87 when negative, is generally deflated by the implied price index for exports of goods and non-factor services. Since 1999 exceptional adjustments for Balance of Payments purposes have been separately deflated. The rationale is that the deficit net-factor income flow must be financed by increased exports. See Appendix 1.

101. **Gross national product at constant market prices.** Item 99 plus item 100.

Table 7 - Gross National Disposable Income and its use

105. Identical with item 35.

106. Identical with item 14.

107. Identical with item 37.

108. Identical with item 38.

109. Identical with item 39.

110. Identical with item 40.

111. **Net current transfers from the rest of the world.** Receipts less payments to the rest of the world which are not in exchange for a specified amount of goods or services. Includes, in particular, emigrants' remittances, social welfare transactions, contributions by the central and local government to international organisations and net current transfers from the European Union. In Table 30 (a) the net amount is shown as item 4.

112. Item 110 plus item 111, represents the income of the nation from all sources after allowance for transfers received and paid.

113. Identical with item 79.

114. Identical with item 80.

115. Item 113 plus item 114.

116. Item 112 less item 115.

117. Identical with item 28.

118. Item 116 less item 117. Identical with item 145.

Table 8 - Gross National Disposable Income at Constant (1995) Market Prices Adjusted for Terms of Trade (i.e. Real Gross National Disposable Income)

This table provides a measurement of real income available for consumption or saving incorporating the conventional adjustment for terms of trade. This adjustment was obtained as the difference between the figure obtained by deflating the current value of exports of goods and services by an index of import prices and the value of exports of goods and services at 1995 (export) prices. Where the terms of trade for goods and services are better than in the base year the adjustment is positive. In years in which there is an improvement in the terms of trade (i.e. where export prices rise faster than or fall more slowly than import prices), the adjustment is more positive (i.e. where the price index of exports is higher than the price index of imports) than that in the preceding year, so that the increase in the availability of goods and services to the community is larger than the change in gross national product at constant prices.

Following the convention used for deflation of net factor income from abroad the implied price index of the imports of goods and services is used to deflate net current international transfers when they are negative and the export index is used when they are positive.

Table 9 - Personal Income and Personal Expenditure

119. Item 15 less item 6.

120. **Government trading and investment income.** Consists of the profit income accruing to the central government and local government in their entrepreneurial capacity. The constituents are (a) the interest element in land annuities received (b) interest and dividends on State investments (such as holdings of foreign securities, loans and equity investments in state owned companies etc.) (c) Central Bank payments to the Exchequer (d) gross trading income of the Post Office Savings Bank (e) interest on loans under the Housing Acts (f) surplus of National Lottery and (g) imputed net rental income of local

government. Item derived as the total of item 169, the second and the third parts of item 170, items 198 and 200 less provision for depreciation in respect of local government housing.

121. The total of items 182 plus 183 and the second part of item 211.

122. The total of items 184, 212 and 111 (excluding EU subsidies and taxes) less item 172.

123. **Private income.** This represents the total available to all except the central and local government sector for current expenditure, savings and taxation.

124. **Undistributed profits of companies.** Conceptually, that portion of company income (profits plus investment income) before tax which is not distributed in the form of dividends or interest. In the case of enterprises owned by non residents the entire income after tax is regarded as having been distributed and this item reduces to the tax element. In the case of foreign investments owned by Irish residents the entire income after foreign tax (which has been included in item 119) is included in item 124. *Companies* include certain corporate bodies other than public and private companies. Operationally this is a residual item computed indirectly as the difference between large aggregates. As such, it can be disproportionately affected by small errors in the underlying items and should therefore be treated with caution.

125. **Personal income.** Differs from item 123 by the exclusion of the undistributed profits of companies.

126. Identical with item 79.

127. **Taxes on personal income and wealth.** This item is the difference between the total taxes on income and wealth (including contributions to social insurance) and the payments of direct tax on undistributed profits of domestic companies and on profits of foreign concerns arising from their activity within the State. Since 1987 this item includes Deposit Interest Retention Tax (DIRT). Some relatively small proportion of this tax is in fact paid by Companies and is not therefore appropriate to this heading. No adjustment has been made for this as firm information is not available on the proportion involved.

128. The total of items 126 and 127.

129. **Personal savings.** That portion of personal income, which is not expended on current goods and services or on payment of taxes on income and wealth. Hence it equals item 125 less item 128. As with item 124 this item is vulnerable to small errors in the underlying aggregates, and should be treated with caution.

Table 10 - Net Current Income and Expenditure of Central and Local Government

(See also notes on Tables 19 to 28).

Item 135 (and thus items 138 and 139) of this table had previously been affected by the timing of EU Intervention Agency subsidies. Mismatches in timing between the incurring of losses by the Intervention Agency and the recoupment of these losses from the EU was overcome by the inclusion in item 135 of an imputed (positive or negative as appropriate) subsidy by the Irish Government to cover these losses. This was previously included as a component of the item *Expenses of market intervention less recoupment from EU* in Table 23. The change to an accruals basis for the recording of EU transfers (reflected in the change to the level of *EU subsidies* item in Table 23) has eliminated the need for this imputation.

130. The total of items 166 and 168. Further detail is provided in Table 22.

131. The total of items 167 and 197. Details of individual taxes given in Table 22.

132. Identical with item 120. The total of item 169, the second and third parts of item 170, items 198 and 200 less provision for depreciation in respect of local government housing.

133. Identical with item 172.

134. The total of items 130 to 133.

135. The total of items 181 and 210. Further detail given in Table 23.

136. The total of items 121, 184 and 212.

137. The total of items 185 and 214 less items 173 and 201, plus estimated central and local government' depreciation (excluding depreciation of local government dwellings).

138. The total of items 135 to 137.

139. Item 134 less item 138.

Table 11 - Savings and Capital Formation

140. **Personal.** Identical with item 129.

141. **Companies.** Equals item 124 less corporation tax, fees under the Petroleum and Minerals Development Acts and levies under the Finance Acts (i.e. company profits taxes in Table 22). These taxes are included on a cash receipts basis. To the extent that cash receipts in the year overstate/understate the tax liability of the companies, the balance remains attributed to company savings.

142. **Central and local government.** Identical with item 139. The year to year change in this aggregate can be distorted by delays in payment of EU FEOGA subsidies (see note to Table 10).

143. **Net national savings before adjustment for stock appreciation.** The total of items 140, 141 and 142.

144. Identical with item 156.

145. **Net national savings.** The total amount available from domestic sources for net investment. Equals item 143 adjusted for item 144. Identical with item 118.

146. Identical with item 28.

147. **Net foreign receipts of transfers for capital purposes.** These include capital receipts from the EU as well as the net sale of non produced intangible assets. In Table 30 (b) this item is shown as " Balance on Capital Account".

148. **Net foreign disinvestment.** Net debit balance on current account of the Balance of International Payments Statement, item 5 in Table 30(a) plus capital transfers (i.e. Balance on Capital Account Table 30(b)). It equals the total of items 83, 84, 87, 108, 109, 111 and 147 with the signs changed.

149. **Statistical discrepancy.** Identical with item 12

150. **Gross total available for investment in domestic physical capital formation.** The total of items 145-149.

151. **Building and Construction.** Includes all new building and major reconstruction of existing buildings as well as all construction work such as roads, harbours, airports, electricity generating stations, drainage and reclamation of agricultural land, bog development, forestry development, etc.

152. **Other home produced capital goods.** Includes transport equipment (aircraft, ships, rail vehicles and road vehicles other than those bought for personal use), agricultural machinery and other machinery and equipment including tools, containers and other durable goods for industrial, agricultural, commercial and professional use. Durable goods for personal and household use are excluded. Data are largely estimated from the CSO's PRODCOM Enquiry after deductions are made in respect of exports (including re-exports) and distribution margins are added.

153. **Imported capital goods.** Covers the same goods as item 152, data being obtained from detailed import returns and additions made in respect of distribution margins.

154. **Value of changes in agricultural stocks and work in progress.** Includes the increase in the value of (i) stocks of raw materials and finished goods held by industry (ii) distribution stocks including intervention stocks and (iii) work in progress in industry. The total change in the value of stocks during any

year can be considered in two parts; (a) that due to price changes and (b) that due to volume changes. Item 155 includes both elements of change.

156. Adjustment for stock appreciation. This item represents that portion of the change in the value of non-agricultural stocks during each year attributable to price changes alone. This is deducted from the sum of items 154 and 155 to give the value of physical changes in stocks shown as item 82.

157. Gross domestic physical capital formation. The total of items 151 to 156 and equals the gross total savings available for investment in capital formation (item 150).

Table 12 - Distribution of Personal Income and its relationship to Net National Product at Factor Cost

This Table is a re-allocation of items comprising personal income and private income as given in Table 9.

Table 13 - Consumption of Personal Income at Current Prices

(See the special note on item 79 in Table 5 for background information on the scope of personal consumption.)

[Note that in NIE publications prior to NIE 2002, all food, including the food element of meals out was included under the category "Food". From NIE 2002 onwards the entire value of meals out (excluding the drinks element) is included with services under "miscellaneous goods and services"].

This Table provides a breakdown of personal consumption of different categories of goods and services.

A variety of methods are used to compile the estimates. Administrative sources provide information for some commodities, but consumption estimates for the majority of goods are estimated using a commodity flow approach. The total supply of individual commodities is derived by adding home production to imports and subtracting off any exports. Personal consumption is estimated by deducting the purchases of businesses and central and local government from the available supply.

For some well-defined products including certain foodstuffs the commodity flow exercise provides reliable estimates of the quantities of produce consumed. Personal consumption of these items is calculated by valuing the quantities at national average retail prices. For other goods the commodity flow calculations are done directly in value terms. The resulting estimates valued at producer and import prices are marked up to incorporate trade margins and taxes.

A variety of methods are used for estimating personal consumption of services, the most important sources being household budget surveys and direct inquiries.

Consumption of all items are valued at retail prices except for the case of own consumption of home grown produce which are valued at farm gate prices.

158. Identical with item 79.

159. Identical with item 127.

160. Total personal consumption. Equals the total of items 158 and 159.

Table 14 - Consumption of Personal Income at 1995 Prices

(See the special note on item 79 in Table 5 for background information on the scope of personal consumption.)

The entries in this table have been obtained by valuing, at 1995 prices, each of the constituents of personal consumption in Table 13. When consumption quantities are not directly available expenditures at 1995 prices are estimated by deflating current value amounts by appropriate price indices.

161. **Total personal consumption (except taxes on income and wealth) at constant market prices.** Identical with item 92. This represents the total consumption, included in item 79, valued at 1995 prices and thus gives a measure of the changes in the volume of consumption.

Table 15 - Gross Domestic Physical Capital Formation at Current Prices

In this table the main constituents of item 151 and of the total of items 152 and 153 are shown separately. The figure for **dwellings** includes the total value of new building (excluding site costs), reconstruction and conversion, and is based mainly on data relating to numbers of dwellings built, estimates of capital repairs and extensions to dwellings from an ESRI survey, together with information on work done by local government. For **roads** the expenditure included relates to improvement and new construction only, repair and maintenance work being excluded. The **other building and construction** category includes the full cost of work done on land reclamation. **Transport equipment** covers aircraft, ships and boats, rail vehicles and road vehicles for business use (including the proportion of private cars estimated to be purchased for business use). **Other machinery and equipment** includes tools and durable containers as well as all industrial machinery.

162. Identical with item 157.

Table 17 - Gross Domestic Physical Capital Formation at 1995 Prices

164. **Total gross domestic physical capital formation at 1995 prices.** With the exception of construction works, the constituents of Table 15 are separately deflated to 1995 prices using the appropriate wholesale and import price index number in each case. Construction works are valued at base year prices using price deflators provided by the Department of Environment, Heritage and Local Government.

**Tables 16 and 18 - Gross Fixed Capital Formation by Sector of use
at Current and Constant (1995) Prices**

In these tables, Gross Fixed Capital Formation is broken down over the various sectors of use. The majority of the sectoral headings are self-explanatory and are as defined in the European System of Accounts. Market services include all recovery, repair and trade services, the services of transport and communication, credit and insurance institutions and all business, recreational, cultural and other personal services. Non-market services on the other hand covers general government and local government services such as health, education and other public services.

Deflation to constant prices is consistent with the estimates in Table 17 and is done within the various sectors at product level.

163. Identical with item 81.

165. Identical with item 94.

**Table 19 - Receipts and Expenditure of Central Government
(including extra-budgetary funds)**

166. Income tax (including sur-tax), corporation profits tax, corporation tax, portion of motor vehicles duties, etc. paid by households, wealth tax and fees under the Petroleum and other Mineral Development Acts.

167. Customs duties, excise duties, value added taxes, stamp duties (including fee stamps), portion of motor vehicle duties paid by businesses, agricultural levies, etc., broadcasting licence fees, fees and licences paid to the government under various acts, levies and tolls paid into extra-budgetary funds. Details are given in Table 22. Under ESA95 accounting conventions, fees and licences paid by businesses are now treated as payments for services. In the past these were treated as taxes on production.

Receipts during 1993 and 1994 under the 1993 tax amnesties amounted to £243 million. About £12 million of this amount was collected in 1993 and the remainder in 1994. As these receipts comprised mainly income tax and, thus, did not directly affect the level of GNP, no retrospective adjustments have been made to the data for 1993 or earlier years in respect of these amnesties.

168. The contributions under the Social Insurance Acts.

169. The excess of interest received over interest credited to depositors in the Post Office Savings Bank Fund less management expenses.

170. The amount shown under land annuities is the total of interest receipts including that part paid by the Exchequer under the Land Acts. Receipts of interest from other Irish sources comprise mainly interest receipts from investment in public corporations and payments by the Central Bank to the Exchequer.

171. Transfers from local government comprise mainly contributions under the Unemployment Assistance Act, 1933 and recouplements to central government departments in respect of services rendered.

172. That part of item 111 received by central government (not elsewhere included). Includes mainly receipts under the European Social Fund.

173. Appropriations-in-aid and extra receipts payable to the Exchequer which have not been included elsewhere together with certain miscellaneous receipts in extra-budgetary funds.

174. Total of items 166 to 173.

175. Estate, etc., duties, capital acquisition and capital gain taxes.

176. Repayments from local government comprise payments to the Local Loans Fund. Other loans repaid consist mainly of loans repaid by public corporations and loan repayments under the European Communities Act, 1972.

177. Includes mainly payments under the European Regional Development Fund and receipts from the Guidance Section of the European Agricultural Guidance and Guarantee Fund (FEOGA).

178. Money raised by creation of public debt less issues for redemption of public debt as shown in Finance Accounts together with net sales of securities, changes in balances, etc. of extra-budgetary funds and the Exchequer. Issues of National Loan bonds are treated gross except for issues under sale and repurchase agreements. Large increase in activity in 1996 followed the introduction of Primary Dealing at the end of 1995.

179. Total of items 175 to 178.

180. Total of items 174 and 179.

181. Unrequited payments which can be regarded as paid into the current account of enterprises for the purpose of reducing prices and/or ensuring that factors of production receive an adequate income. The separate items are shown in Table 23.

182. Interest paid on government borrowing. In line with ESA95 accounting conventions, all interest is recorded on an accruals basis. All internal payments between extra-budgetary funds have been eliminated and the total also excludes the liability under the Land Acts and the liability under the Housing Acts (which are treated as national debt interest in the Finance Accounts). The amount of interest payments to non-residents is included in item 2 of the Balance of International Payments Table 30a.

183. Interest paid on land bonds.

184. Unrequited payments into the current account of households and private non-profit making institutions. The separate items are shown in Table 24. From 1988, this item includes the GNP related contribution to the EU budget. Includes also, as a negative expenditure, the receipts of imputed pension contributions from Government employees (see Item 185 below).

185. Expenditure on wages, salaries, pensions, goods, services, materials, Most public sector workers benefit from unfunded pension schemes. In line with international accounting conventions, the wages of

these workers are increased by an estimate of the amount that the employer would have to contribute if these pensions were actually being funded. This is calculated as the actuarial value of the pension entitlements accrued by employees in respect of their year's work less any pension contributions actually paid by these employees.

The public sector in Ireland is relatively young and the value of pension contributions thus calculated exceeds the value of pensions actually paid, by the Government, to retired employees. To balance the accounts, this excess is routed back to Government and treated as pension contributions paid by employees towards their future pension entitlements. In table 19, this amount is actually shown as a negative expenditure in item 184 -Transfer payments.

186 Transfers to local government which will be used for current expenditure.

187 Total of items 181 to 186.

188. Unrequited payments regarded as being paid into the capital accounts of enterprises which will result in expenditure on capital formation. Details are given in Table 23.

189. Unrequited payments regarded as being paid into the capital accounts of persons and private non-profit making institutions. Details are given in Table 24.

190. Monies applied to the redemption of debt through sinking funds, etc. together with repayment of National loans. Excludes the cancellation of bonds created under sale and repurchase agreements, which are treated net. Large increase in activity in 1996 followed the introduction of Primary Dealing at the end of 1995.

191. Loans made to local government from the Local Loans Fund. The other loans are mainly loans to public corporations and loans under the European Communities Act, 1972.

192. Direct expenditure on capital formation by the central government. Under ESA95 accounting rules, expenditures on military structures and equipment that can be used for civilian purposes are treated as capital formation. These were previously treated as current expenditures and included in Item 185 "Expenditure on goods and services". Details are given in Table 25.

193. Transfers to local government, which will be used for capital expenditure.

194. Payments under Bretton Woods Agreement Acts, International Development Association Act, 1960 and European Communities Act, 1972.

195. Total of items 188 to 194.

196. Total of items 187 and 195.

**Table 20 - Receipts and Expenditure of Local Government
(includes Health Boards, Vocational Education Committees)**

197. Receipts from rates as shown in the Local Taxation Returns together with rates in respect of government property.

198. Total rents received, including imputed housing subsidy, less expenditure on maintenance and repair and other expenditure in the housing accounts in the Local Taxation Returns.

199. Identical with item 186.

200. Interest on loans under the Housing Acts.

201. Trading receipts and miscellaneous receipts for services rendered by local government.

202. Total of items 197 to 201.

203. Identical with item 193.

204. Repayments of principal on loans under the Housing Acts.
205. Miscellaneous receipts of a capital nature.
206. Identical with the first part of item 191.
207. This is a balancing item.
208. Total of items 203 to 207.
209. Total of items 202 and 208.
210. Subsidies refer to repayments to the agricultural sector by the County Committees of Agriculture.
211. Interest on monies borrowed by local government.
212. Unrequited payments to persons, including payments in kind. Details are given in Table 24. In the case of Local Government housing the difference between the economic rent and the lower rent actually paid by tenants is treated as an income transfer from Local Government to households. Includes also, as a negative expenditure, imputed pension contributions by workers towards their future pension entitlements.
213. Identical with item 171.
214. Expenditure on wages, salaries, goods, services and materials. As explained in the note to item 185, the wages of workers benefiting from unfunded pension schemes are increased by an estimate of the amount that the employer would have to contribute if these pensions were actually being funded. This is calculated as the actuarial value of the pension entitlements accrued by employees in respect of their year's work less any pension contributions actually paid by these employees. To balance the accounts, when the pension contributions thus imputed exceed the pensions actually paid to retired employees, the balance must be routed back to Government and treated as pension contributions paid by employees towards their future pension entitlements. In table 20, this amount is actually shown as a negative expenditure in item 212 –“Transfer payments”
215. Total of items 210 to 214.
216. Grants for local improvement schemes and grants by the County Committees of Agriculture.
217. Supplementary grants to persons under the Housing Acts.
218. Loans repaid to central government. Identical with the first part of item 176.
219. Loans made to persons under the Housing Acts.
220. Direct expenditure on capital formation by local government on houses, hospitals, roads, harbours, water supplies, etc. Details are given in Table 25.
221. Total of items 216 to 220.
222. Total of items 215 and 221.

Table 21 - Receipts and Expenditure of Central and Local Government

This table summarises the consolidated accounts of central government and local government. Individual items are obtained by adding corresponding entries in Tables 19 and 20, omitting those entries, which refer to internal transactions of the central and local government sector.

The items in Table 10 are related to those in Table 21 as follows: Items 130, 131, 133 and 135 correspond with individual entries in Table 21.

Item 132 is equal to the sum of gross trading income, gross rental income and investment income as given in Table 21 less provision for depreciation in relation to the rental income of local government.

Item 136 is equal to the sum of National debt interest and transfer payments in Table 21.

Item 137 is equal to current expenditure on goods and services less miscellaneous receipts (both as in Table 21) plus an estimated provision for depreciation of central and local government' fixed assets, other than local government dwellings.

Tables 22 to 28

Tables 22 to 25 give details of the constituents of certain items in Tables 19 to 21.

Tables 26 to 28 show the expenditure included in Tables 19 to 21 classified by purpose of expenditure and by economic category. These tables continue the series originally published in the June, 1969 and March, 1970 issues of the "Irish Statistical Bulletin".

Definitions of the various purpose categories of the expenditure are as follows:

1. **Defence:** Administration and upkeep of the defence forces including expenditure on barracks, military equipment and on civil defence. All such expenditure is treated as current.
2. **Other general government services:** General services of government relating to finance, the legislature, the judiciary, public order and safety and foreign affairs. Includes other general services not specifically allocated to one purpose.
3. **Education:** Administration of education departments. Provision, management, inspection and support of primary, secondary and vocational schools, university type institutions and schools for the handicapped, including reformatory and industrial schools. Included are scholarships, loans and grants to persons and institutions for educational purposes; subsidiary services such as school meals and transportation. School medical and dental services are included under Health.
4. **Health:** Administration of health departments, national health schemes and medical insurance schemes, together with expenditure on these schemes. Expenditure on hospitals, clinics and similar institutions including homes for the aged, blind, disabled, etc. Individual services such as medical, dental and maternity care, provision of drugs and medical appliances, immunisation and vaccination programmes and similar field programmes. School health and dental services are included.
5. **Social security and welfare:** Administration of funds for unemployment assistance and benefit, old age, blind and widows' and orphans' pensions, children's allowances, accident, injury, sickness, redundancy and other benefits to compensate for loss of income, together with payments from the relevant funds or other sources. Included are such items as allowances to disabled person (Department of Health and Children vote) and special allowances under the Army Pension Acts (Army Pensions vote).
6. **Housing:** Expenditure in relation to provision of housing, including subsidies and grants in connection with construction or reconstruction of houses. Includes estimate of administration expenses in relation to the above.
7. **Other community and social services:** Administration, provision and upkeep of all other community services. Grants and support to bodies providing these services. Included are town and country planning, sanitary services, recreational and cultural facilities such as parks, libraries, museums, etc. Expenditure on support of the arts, theatres, religious groups, youth and civic organisations as well as on the promotion of the Irish language are classified here.
8. **Agriculture, forestry and fishing:** Administration of departments and other bodies dealing with agriculture, forestry and fishing. Includes outlays on advisory services, veterinary services, land reclamation, arterial drainage, reforestation, grants, subsidies and agricultural price support schemes. Central government expenditure includes also payment to local government in relief of rates on agricultural land.
9. **Mining, manufacturing and construction:** Administration of promotion, regulations, research, grants, subsidies and other assistance in relation to the development of industry, together with the corresponding outlays on these services.
10. **Transport and communication:** Administration of promotion, regulations, research, grants, subsidies and other assistance in relation to transport and communication, together with the corresponding outlays on these services.

11. **Other economic services:** Provision, administration and upkeep of all other economic services, such as those relating to labour, commerce, electricity, gas and water, meteorology, ordnance survey, etc., together with the central administration of the relevant Departments.

12. **Public debt:** Includes payment of public debt interest and principal both to residents and non-residents. Local government' loan repayments to central government are included here in the local government tables.

13. **Unallocated by function:** Certain grants payable by Central Government to Local Governments are multi-purpose grants and cannot be assigned to specific functions. These include road vehicle taxes. Since 1997, Local Governments are allowed to retain the amounts of motor tax collected to finance their activities. However, in the national accounts these taxes are still treated as accruing to Central Government and are then assigned to Local Governments as grants in aid. This category also includes block grants payable to Local Governments via the Local Government Fund.

Table 29 - Social Protection Accounts

This Table shows the current receipts and expenditure of the nation on social protection together with a functional classification of the benefits arising from this expenditure. Social protection in this context is taken to include social security in its broadest sense and covers such functions as sickness and invalidity, occupational accidents and diseases, old age, family, vocational guidance, unemployment and housing.

In principle the social protection accounts should bring together under the appropriate headings receipts and expenditure of all public and privately financed schemes considered to provide social benefits. In practice, it has not been possible to compile comprehensive information for Ireland in two important areas viz.:

- (1) Privately funded pension schemes and
- (2) Wages and salaries paid by employers when employees are absent due to sickness.

This must be borne in mind in any comparisons with data for other countries.

Social protection benefits for the **functional** category 'Placement, vocational guidance, settlement' now exclude payments linked to direct job creation in keeping with the principles of ESA95.

The detailed definitions of the categories in the European Social Protection Accounts are contained in "European System of Integrated Social Protection Statistics (ESSPROS) Methodology, Part 1, Eurostat 1981". The following is a summary of the terminology and sources used in the compilation.

Definitions:

Social expenditure:

Any expenditure involved in meeting expenses incurred by households as a result of the materialisation or existence of certain risks or needs, insofar as this expenditure gives rise to the intervention of a *third party*, namely a unit other than the households themselves - a public or private administration or undertaking - without there being any simultaneous equivalent counter-contribution by the beneficiary.

Social protection benefits:

These refer to that part of social expenditure, which is distributed to households in the form of personal allocations.

They may be granted to households either by social institution or directly by the employers and may be provided in cash or in kind.

Administrative expenditure related to benefits:-

administration costs (compensation of employees of the institutions and agencies concerned, purchases of goods and services).

Other current expenditure.

Functions of social benefits:

The list of functions corresponds to the risks or needs taken into consideration. The functions generally relate to the circumstances (unemployment, maternity, etc.) of the beneficiaries.

Sources of the data:

In principle, social expenditure is financed by social contributions from employers, protected persons, general government and other receipts. However, the omission of important private sources mentioned above should be noted.

The coverage of the data comprises: Central Government/Local Government wages and salaries paid during illness; compensation for criminal injuries paid by the Department of Justice, Equality and Law Reform; free travel, electricity and T.V licences provided to certain army veterans by the Department of Defence; Central Government/Local Government housing subsidies; Central Government/Local Government superannuation of employees; Central Government promotion of employment programmes; children's allowances paid to civil servants; Local Government' social assistance; the Department of Labour Redundancy Fund; Redundancy payments by Enterprises; superannuation payments by enterprises; expenditure on the health services by the Department of Health and Children and the Voluntary Health Insurance Board. Also included is expenditure by the Department of Social and Family Affairs under such headings as Free Travel, Free Electricity, Free T.V. Licences, Free Telephone Rental Scheme and Free Bottled Gas for the Elderly, Old-age and Blind Pensions (Non-contributory), Children's allowances, Unemployment Assistance and Other Social Assistance, in addition to certain Social Welfare funds, namely, the Social Insurance Fund, the Supplementary Unemployment Fund and the Occupational Injuries Fund.

The sources, used to compile the necessary data are, in the case of schemes having a Central Government component, the annual Appropriation Accounts as well as special returns from Government departments. Annual Reports and Accounts of Government departments and agencies are also used. CSO enterprise surveys such as the Census of Industrial Production provide some data on the private sector involvement in social protection schemes.

Relationship with the National Accounts:

Data presented in the Social Accounts appear under the number of different flows in the National Accounts. In the transfers and final expenditure. In the Social Accounts the various expenditure are re-classified to their appropriate function. As far as General Government is concerned this can be illustrated by reference to Tables 19 et seq. For example, wages and salaries paid during illness as well as superannuation of employees form part of items 185 and 214 both of which items contain a sub-heading for expenditure on wages, salaries and pensions. Promotion of employment programmes data fall under the headings Subsidies (item 181), Transfer payments (item 184), Expenditure on other goods and services (item 185) and Grants to local government (item 186). Housing transfer payments, which are mainly Local Government Transfer payments (item 212) are included in Table 24. Health expenditure is recorded partly as Transfer payments (item 212) and partly as Expenditure on goods and services (item 214). The remaining items are coded as transfers and are set out in Table 24. They comprise old age (non-contributory) pensions, Children's allowances, Unemployment assistance, Widows' and orphans' (non-contributory) pensions, Free travel, electricity, telephone rental, televisions and radio licences for old age pensioners, etc., Redundancy payments, Occupational injuries benefit, Supplementary welfare allowance (part of Local Government Social Assistance), together with payments from the Social Insurance Fund covering Disability benefit, Retirement pensions, Old age (contributory) pensions, Widows' (contributory) pensions, Invalidity pensions, Treatment benefit, Pay-related benefit and Other social insurance.

Also in Table 24 are listed the principal health transfer payments viz. Rehabilitation, etc. of disabled persons, Section 65 of the Health Act, 1953, Payments for medical goods supplied to households by pharmacists, Domiciliary care for handicapped children and Subsidies for drug purchases. Transfers not separately listed are included in *Other social payments*.

It may be noted that item 168, Social insurance contributions consists of contributions paid by employers and protected person to the Social Insurance Fund, the Occupational Injuries Fund, the Redundancy Fund and towards the operation of the Health Services.

Tables 30 (a) and (b) - Balance of International Payments

Tables 30a and 30b give the Balance of International Payments (BOP) estimates. Retrospective estimates of the main balance of payments flows for the current account for the years 1997-2003 are included in Table 30(a). It is not possible to give comparable estimates for the components of the financial account for years earlier than 1998 as a new series was introduced in respect of that year onwards incorporating the activities of the IFSC.

Full definitions of the component items of the Balance of Payments are provided in the Quarterly Balance of Payments release and in the Statistical Bulletin. Summary descriptions are provided hereunder.

Table 30(a) – Current Account

Item 1. Merchandise exports and imports are valued f.o.b. (*free on board*) for BOP purposes (imports are valued c.i.f. [*cost, insurance and freight*] in the official external trade statistics and this valuation was formerly used in the BOP). Some adjustments are also made to the official merchandise trade statistics to conform to the BOP change of ownership and market valuation principles. In addition, certain exports sales of software licences, which were formerly included in merchandise exports, are now recorded as service exports.

Services covers transport, tourism and travel, communications, insurance services, financial services, computer services, royalties and licences, business services and other services not elsewhere specified. Because of the presentation of merchandise imports on a f.o.b. basis (rather than c.i.f. as before), the freight element of the c.i.f. to f.o.b. adjustment is now included in transport services.

Item 2. Income covers (a) *compensation of employees*, which relates to the earnings of persons working outside their country of residence for less than one year and earnings of local staff working in embassies and consulates, and (b) *investment income*, which covers earnings arising from foreign investors' investments in Ireland and Irish investors' investment abroad. Investment income excludes realised and unrealised capital and exchange gains or losses.

Item 3. Subsidies less Taxes These relate to EU subsidies and taxes

Item 4. Current transfers cover unrequited receipts and payments such as payments under Third World aid programmes operated by non-governmental organisations.

Item 5. Current account balance is the total of all current account credits less the total of all current account debits.

Table 30(b) – Capital and Financial Account

Item 6. Balance on Capital account. The capital account largely covers capital transfers, in particular amounts receivable under the EU Regional Development Fund and the Cohesion Fund and all other transfers intended for capital purposes. Estimates of migrants' transfers (i.e. the transfer of the net worth of immigrants and emigrants) are included but they are not well based. In addition, acquisitions and disposals of non-produced, non-financial assets (patents, copyrights, etc.) are also covered here. These transactions tend to occur infrequently but the amounts can vary substantially. Because of certain data limitations only the net flows are shown.

Financial account. The financial account covers transactions in foreign financial assets (i.e. claims on non-residents) and foreign liabilities (i.e. obligations to non-residents). The four categories of functional investment, which are distinguished (i.e. direct investment, portfolio investment, other investment and reserve assets), are based primarily on the relationship between the parties and secondly on the nature of the instrument involved.

Item 7. Direct investment is a category of international investment that, based on an equity ownership of at least 10%, reflects a lasting interest by a resident in one economy (the direct investor) in an enterprise resident in another economy (the direct investment enterprise). Using this criterion, a direct investment relationship can exist between a number of affiliated enterprises whether the linkage involves a single chain or a number of chains. It can extend to a direct investment enterprise's subsidiaries, sub-subsidiaries and associates. Once the direct investment relationship is established, all subsequent financial flows between the related entities are recorded as direct investment transactions, regardless of the type of financial instrument used in the financing arrangement (except for financial intermediary affiliates among which direct investment transactions are limited to those involving equity and permanent debt).

Item 8. Portfolio investment covers the acquisition and disposal of equity and debt securities, which cannot be classified under, direct investment or reserve assets transactions. The securities involved are traded (or tradable) in organised and other financial markets. *Debt securities* cover *bonds and notes*, which have an original maturity term of more than one year and *money market instruments* with original maturity of one year or less. Transactions are valued at market value inclusive of accrued income.

Item 9. Other investment covers assets and liabilities other than those classifiable to direct investment, portfolio investment or reserve assets. It comprises loans, currency and deposits, short and long-term trade credits, financial derivatives and other accounts receivable and payable. Derivatives cover over-the-counter (OTC) and exchange-traded contracts and include options, futures, swaps, forwards, etc. For BOP purposes, all receipts and payments connected to financial derivative contracts (other than the values of transactions in the underlying commodities or financial instruments) are recorded in the financial account i.e. there are no entries in the current account other than related fees and service charges (not always identifiable). In principle, other investment transactions are valued at market valuation inclusive of accrued income. For loans, book values are accepted as a proxy for market values.

Item 10. Reserve assets at national level in the context of EMU have been defined by the European Central Bank from 1 January 1999, the date of introduction of the euro currency, as: (a) qualifying assets which are under the effective control of the national monetary authority (i.e. the Central Bank of Ireland), and (b) consisting of highly liquid, marketable and credit-worthy foreign (non-euro) currency denominated claims on non euro-area residents together with gold, special drawing rights (SDRs) and the reserve position in the IMF. Up to 31 December 1998, together with gold, SDRs and the reserve position in the IMF, the definition covered all foreign currency (non Irish Pound) denominated claims on non-residents of Ireland. Therefore, all claims on euro-area residents as well as euro-denominated claims on non euro-area residents, which prior to 1999 would have been classified as reserve assets, are from 1999 onwards classified to *portfolio investment* or *other investment* as appropriate.

Item 11. Balance on Financial Accounts is the total of all financial account credits less the total of all financial account debits.

Item 12. Net errors and omissions. The sum of the credit entries should, in principle, equal the sum of the debit entries over all three accounts. In practice, because of differences in coverage, valuation and timing this does not occur and a balancing item, *net errors and omissions* is inserted to balance the overall account.