

8

Economy

- In 2009, GNP in constant prices decreased by 10.7% compared with 2008. This follows a decrease of 3.5% in GNP in 2008 compared with the previous year. However, prior to 2008 GNP increased steadily in constant terms for several years.
- The value added of the building and construction sector fell by 31% in 2009 compared to 2008. This follows a decline of 10% in 2008 compared to the previous year.
- The value added of manufacturing industry maintained the same level in 2009 as in 2008 and increased by almost 3% per annum in the last five years.
- The value added of the services sector fell by 4% in 2009 compared to 2008.
- Investment in fixed capital formation decreased by 27% in the last five years (2004-2009) and by 31% in the last year after allowing for price changes.
- A deficit of €4.9 billion was recorded in the current account of the balance of payments in 2009. The average deficit over the last five years was €7.4 billion.



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Introduction

This chapter contains information on the performance of the overall economy and on Ireland's transactions with the rest of the world. The details are drawn from the reports on National Income and Expenditure (NIE), reports on Household Incomes at Regional and County Level and Regional GDP as well as the regular Balance of Payments statements.

Estimates from these reports are provided at current and at constant prices. The impact of inflation is eliminated from the tables at constant prices and they indicate the real or volume changes in the various aggregates over time. At present, the constant price tables are chain linked annually and referenced to year 2008.

The annual NIE report contains details of the main economic aggregates such as Gross Domestic Product (GDP) and of their components. Information is given on personal consumption, capital formation (investment) and on the transactions of the government sector classified according to national accounting conventions. These main aggregates are important for a number of EU administrative purposes. In particular, the level of GNP determines a major share of Ireland's contribution to the EU budget while the ratio of government debt and deficit to GDP are important Maastricht criteria. At national level, the government has now also decided to allocate one per cent of GNP to the National Pension Reserve Board.

Table 8.1 shows the long-run development of GDP, GNP and their main components since 1970. It also contains the aggregates at current market prices. The corresponding index numbers at constant prices (base 2008=100) are given in table 8.2. An additional set of aggregates for the years 2004 to 2009 are given in table 8.3 while the following tables 8.4 to 8.7 provide various breakdowns of GDP over the same period.

The CSO's Balance of Payments collection and compilation system was completely overhauled in the late 1990s in order to meet the demands of the European Central Bank (ECB) and other international users. Results from 1998 were published in 2000 and updated regularly since then, those for 2007, 2008 and 2009 being presented in tables 8.8 and 8.9. The current account details in table 8.8 provide detail on the exports and imports of services and on the components of income inflows (credits) and outflows (debits).

Table 8.10 shows the end of year stocks (or levels) of Ireland's foreign assets and liabilities, ie the International Investment Position. A breakdown by type of investment is included.

Table 8.11 gives geographical details for 2007 and 2008 of Ireland's foreign direct investment abroad (ie outward direct investment) showing both the flows (transactions) during the year and the end of year positions (stock levels). Table 8.12 shows the corresponding flows and stocks for inward direct investment in the two years.

Some information is also provided in this chapter on the economy at a regional level. Regional Accounts are produced annually by CSO and provide estimates of Gross Value Added (GVA) for the two overall NUTS-2 regions and the eight Regional Authority NUTS-3 regions while household income estimates are provided on a county basis. GVA per capita is one of the principal concepts used in determining eligibility for EU structural funds.

GVA differs from household income in that it includes the profits of companies operating in a region, a considerable amount of which may accrue to non-residents. In addition, the workforce contributing to those profits may live in and bring their incomes home to a neighbouring region where they will be counted in the household income estimates.

Personal income also includes items such as social welfare benefits which are not included in GVA. The Mid-East region (Kildare, Meath and Wicklow) and the Dublin region are affected by a substantial proportion of their workforce living in one region and commuting to work in another. It is more meaningful to combine these two regions when analysing GVA. The main results on regional GVA are summarised in table 8.13.

Long term growth

Gross Domestic Product (GDP) is a measure of the value added generated in the production of goods and services in the economy. Over the years between 1970 and 2009, the value of GDP increased by a factor of over seventy one. Increases in price levels played a major role in this increase but when the price effects are removed the increase was more than five fold.

Gross National Product (GNP) is a better measure than GDP of the value added accruing to residents of the country. In Ireland, GNP is now considerably lower than GDP because of income flows to non-residents, especially profits and dividends of foreign direct investment enterprises. GNP is now 82% of the value of GDP. In 1970, the reverse was the case with GNP higher, because of income flows to Irish residents from abroad. As a result of this turnaround, GNP growth has been somewhat slower than GDP growth. Since 1970, real GNP has increased about four times. In the most recent year 2009, GNP decreased by 10.7% following a decrease of 3.5% in the previous year.

The growth in exports has been especially noticeable. Since 1970, the value of exports has increased over twenty five times in real terms. The other demand components making up GDP have increased to a lesser extent over the same period e.g. personal consumption and public expenditure about four times and investment about three times.

Some of the growth of recent years has resulted from increasing numbers at work. While GNP at constant prices was increasing steadily for example, between 2004 and 2007 (an increase of 18%), there was also a steady increase in the number of persons at work of 14%.

Sectors of economy – recent trends

The experience of the various sectors of the economy has been very different in recent years. Between 2007 and 2009, the output of Industry only fell by 1.6% in constant prices. In contrast, the output of the building industry decreased by 38% during these two years. The output of the sectors dominated by multi-national companies (*Reproduction of recorded media, Chemicals, Computers, and Electrical machinery and equipment*) increased by 13%. There was a decrease of 12% in the output of the Distribution, Transport and Communications sector during the same period. Agriculture, Forestry and Fishing output decreased by almost 4% in real terms between 2007 and 2009.

Consumption and investment

Personal expenditure between 2007 and 2009 decreased in nominal or current prices by 10% while in real terms it decreased by 8.4%.

Investment (Fixed capital formation) in construction, machinery and equipment and other fixed capital assets decreased by 51% in nominal or current prices and by 41% in real terms between 2007 and 2009. As a result, the total value of fixed capital investment has now been reduced to €24,731m in 2009.

Regions

Gross Value Added

Indices of GVA per person for the regions are shown in table 8.13. Relative to an average of 100 for the State, output per head in the Dublin (NUTS-3) region, as measured by GVA at Basic Prices, was highest at 141.2. The corresponding figure for the Midlands NUTS-3 region was just 65.8 and was the lowest of all the NUTS-3 regions.

Technical Notes

GDP

Gross Domestic Product (GDP) at market prices 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.

GNP

Gross National Product (GNP) is equal to GDP plus net factor income from the rest of the world and represents the total of all payments for productive services accruing to the permanent residents of the country.

GNI

Gross National Income (GNI) at market prices is equal to GNP at market prices plus EU subsidies less EU taxes. This is more commonly described as being equal to GDP plus net primary incomes from abroad.

GNDI

Gross National Disposable Income (GNDI) is equivalent to GNI plus net current transfers from the rest of the world. It represents the income of the nation from all sources.

GVA

Gross Value Added (GVA) at basic prices is a measure of the value added generated by the production of goods and services. In the valuation at basic prices output is priced at the value received by the producer less product taxes payable (e.g. vat, excise duties etc) and plus subsidies receivable on products. Total GVA, when valued at market prices, is equivalent to GDP at market prices.

Balance of Payments Financial Account and International Investment Position – Sign Convention

For Balance of Payments purposes, financial account transactions are categorised under two headings 'Assets' and 'Liabilities' for Portfolio Investment, Other Investment and Reserve Assets. For Direct Investment, a 'directional' categorisation is used. 'Abroad' indicates direct investment by Irish investors in foreign companies; direct investment into Ireland is indicated by the heading 'In Ireland'. The sign convention used is: a minus sign in the 'Abroad' and 'Assets' columns means investments or acquisitions abroad (in enterprises, foreign securities, foreign deposits, etc) by Irish investors exceeded their disinvestments or disposals in the period, while an entry without sign (less usual) means disinvestment exceeded investment; an entry without sign in the 'In Ireland' and 'Liabilities' columns means that investment transactions into Ireland or incurrences of liabilities to foreign investors exceeded disinvestment or extinctions of liabilities in the period, while a minus sign (less usual) indicates that disinvestment exceeded investment and liability extinctions exceeded incurrences.

In presenting the International Investment Position statistics, stocks of both assets and liabilities are shown unsigned. The net position is calculated as assets minus liabilities; an unsigned (or positive) value means a net asset position of Ireland's residents to non-residents while a negative value indicates a net liability position. Under 'direct investment' a negative value for 'other capital' indicates the presence of off-setting disinvestment between affiliated enterprises.

Discontinuities

The aggregates in table 8.1 from 1995 to 2009 are compiled on an ESA95 basis. They include FISIM (Financial Intermediation Services Indirectly Measured), which is the output of the banking sector from borrowing and lending, calculated according to new EU guidelines. Data for 1970-1995 are compiled on an ESA95 basis but exclude FISIM.

The Balance of Payments data in tables 8.8 and 8.9 is obtained from a revamped and strengthened compilation system introduced in 2000. Information on this new basis is available from 1998 onwards only and is not comparable with that available for earlier years largely because of the greatly extended financial enterprise coverage and the different presentation basis now used.

Table 8.1 Gross Domestic Product (GDP) and components at current market prices

€m

Year	Personal consumption of goods and services	Public expenditure on goods and services	Capital formation	Exports	Imports	GDP	Net foreign income	GNP
1970	1,638	307	527	760	925	2,220	33	2,253
1971	1,838	365	593	851	1,022	2,538	30	2,568
1972	2,129	442	767	984	1,137	3,084	33	3,117
1973	2,531	545	993	1,307	1,541	3,724	9	3,733
1974	2,977	663	1,181	1,620	2,174	4,138	15	4,153
1975	3,583	909	1,173	2,062	2,359	5,203	-4	5,199
1976	4,488	1,083	1,548	2,742	3,219	6,409	-50	6,359
1977	5,314	1,256	2,100	3,588	4,260	7,801	-137	7,665
1978	6,170	1,506	2,605	4,298	5,167	9,220	-291	8,928
1979	7,588	1,873	3,440	5,015	6,687	10,922	-354	10,567
1980	9,119	2,437	3,456	5,907	7,541	12,961	-433	12,528
1981	10,976	2,961	4,344	7,008	9,113	15,727	-619	15,108
1982	12,229	3,464	4,912	8,192	9,499	18,657	-1,174	17,483
1983	13,301	3,751	4,707	9,869	10,501	20,564	-1,493	19,071
1984	14,553	4,047	4,941	12,436	12,633	22,774	-2,107	20,667
1985	15,812	4,377	4,742	13,668	13,378	24,739	-2,577	22,162
1986	16,878	4,725	4,796	13,177	12,734	26,352	-2,509	23,843
1987	17,787	4,806	4,646	15,053	13,707	28,163	-2,583	25,580
1988	18,999	4,743	4,758	17,349	15,442	30,085	-3,199	26,886
1989	20,536	4,926	6,127	20,562	18,661	33,373	-3,843	29,530
1990	21,813	5,469	7,671	20,689	19,011	36,184	-4,137	32,047
1991	22,907	6,020	7,251	21,812	19,936	37,649	-4,082	33,567
1992	24,285	6,544	6,547	24,353	21,299	40,100	-4,491	35,609
1993	25,446	6,980	6,561	28,537	23,948	43,189	-4,662	38,527
1994	27,293	7,427	7,536	32,916	28,316	46,421	-4,718	41,703
1995 ¹	29,295	7,853	9,685	40,224	34,202	52,546	-5,948	46,598
1995 ¹	29,710	7,866	9,657	40,508	34,315	53,145	-6,152	46,992
1996	32,608	8,291	11,549	45,436	38,521	58,772	-6,866	51,906
1997	36,013	9,224	14,539	54,037	45,269	67,997	-8,494	59,503
1998	40,232	10,113	18,289	68,283	59,141	78,476	-9,945	68,531
1999	45,224	11,299	21,410	80,756	68,196	90,380	-13,550	76,830
2000	52,451	13,106	25,176	103,044	88,933	105,018	-15,488	89,530
2001	57,471	15,428	26,639	117,112	98,908	117,136	-18,975	98,161
2002	63,067	17,628	28,827	122,630	100,173	130,464	-23,696	106,768
2003	67,697	18,983	32,714	117,172	94,701	140,008	-21,724	118,284
2004	71,478	20,575	36,921	125,199	102,882	149,344	-22,879	126,465
2005	77,820	22,246	44,089	132,526	113,457	162,314	-24,261	138,053
2006	85,044	24,554	49,692	140,707	123,574	177,343	-23,264	154,078
2007	93,436	27,324	51,687	152,389	135,328	189,374	-26,520	162,853
2008	94,825	29,196	40,077	150,181	133,877	179,989	-25,317	154,672
2009	84,331	27,718	22,447	144,782	120,380	159,646	-28,405	131,241

¹ Revised series – see technical notes

Source: CSO

Table 8.2 Index numbers of Gross Domestic Product and expenditure aggregates at constant market prices*(Base 2008=100)*

Year	GDP	Personal consumption of goods and services	Public expenditure on goods and services	Capital formation	Exports	Imports	GNP
1970	17.5	23.5	25.0	19.8	3.7	6.0	22.8
1971	18.3	24.3	27.1	18.4	3.8	6.2	23.7
1972	19.6	25.8	29.1	22.0	3.9	6.6	25.4
1973	20.7	27.8	31.1	24.1	4.3	7.9	26.6
1974	21.2	28.1	33.5	29.0	4.4	7.8	27.3
1975	21.5	27.8	35.6	22.8	4.7	7.0	27.5
1976	22.2	29.3	36.6	23.2	5.1	8.0	28.2
1977	23.6	30.6	37.3	28.5	5.8	9.1	29.7
1978	25.3	32.9	40.7	31.4	6.5	10.4	31.4
1979	26.4	35.5	42.7	39.8	7.0	11.9	32.6
1980	27.1	36.4	45.8	33.7	7.4	11.4	33.5
1981	27.8	36.6	45.9	34.9	7.6	11.6	34.1
1982	28.2	35.1	47.4	36.5	7.9	11.1	33.7
1983	28.0	34.4	47.4	32.2	8.7	11.7	33.0
1984	28.9	34.7	47.3	32.3	10.2	12.8	33.4
1985	29.5	35.7	48.4	29.9	10.8	13.2	33.5
1986	29.6	36.7	50.0	29.9	11.1	13.9	33.5
1987	30.7	37.4	47.9	29.5	12.7	14.9	34.8
1988	31.6	38.8	45.4	28.1	13.7	15.9	35.4
1989	33.4	40.1	44.9	34.4	15.3	18.1	37.0
1990	36.0	41.4	47.4	41.4	16.7	19.2	39.4
1991	36.5	41.8	48.6	38.3	17.6	19.7	40.2
1992	37.9	43.0	50.1	33.4	20.0	21.3	41.3
1993	38.7	44.2	49.9	32.0	22.0	22.9	42.5
1994	41.0	46.0	52.0	34.7	25.3	26.4	45.2
1995	44.9	48.0	53.6	42.6	30.4	30.7	48.8
1996	48.6	51.4	54.0	49.4	34.2	34.7	52.6
1997	54.2	55.3	57.0	58.9	40.2	40.4	57.8
1998	58.7	59.5	60.1	68.5	49.4	51.6	62.3
1999	65.1	64.8	63.6	74.3	57.1	57.9	67.7
2000	71.5	71.5	69.4	80.1	68.7	70.5	74.5
2001	75.5	75.1	76.4	78.7	74.6	75.5	77.3
2002	80.5	78.2	81.4	81.4	78.5	77.6	79.6
2003	84.0	80.6	82.5	88.8	78.9	76.4	84.2
2004	87.9	83.6	83.8	94.5	84.9	82.9	87.9
2005	93.2	89.4	87.1	109.5	88.9	94.0	93.1
2006	98.2	95.4	91.6	116.6	93.2	95.6	99.2
2007	103.7	101.5	97.9	119.7	100.8	103.0	103.6
2008	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2009	92.4	93.0	95.6	62.9	95.9	90.3	89.3

Source: CSO

Table 8.3 Main economic aggregates

Aggregate	2004	2005	2006	2007	2008	2009
Current market prices (€m)						
Gross Domestic Product (GDP)	149,344	162,314	177,343	189,374	179,989	159,646
Gross National Product (GNP)	126,465	138,053	154,078	162,853	154,672	131,241
Gross National Income (GNI)	127,929	139,859	155,387	164,062	155,985	132,601
Gross National Disposable Income (GNDI)	126,858	138,318	153,574	161,863	153,518	130,340
Constant market prices (€m) Chain linked volume measures referenced to year 2008						
Gross Domestic Product Index (2008=100)	158,223 87.9	167,742 93.2	176,669 98.2	186,609 103.7	179,989 100.0	166,345 92.4
Gross National Product Index (2008=100)	135,918 87.9	144,030 93.1	153,398 99.2	160,299 103.6	154,672 100.0	138,161 89.3
Gross National Income Index (2008=100)	137,258 88.0	145,532 93.3	154,861 99.3	161,497 103.5	155,985 100.0	139,476 89.4
Gross National Disposable Income Index (2008=100)	144,123 93.9	151,245 98.5	159,117 103.6	163,331 106.4	153,518 100.0	138,585 90.3
Per head of population (€)						
GDP at current market prices	36,919	39,265	41,828	43,645	40,702	35,801
GNP at current market prices	31,263	33,396	36,341	37,532	34,977	29,431
GNI at current market prices	31,625	33,833	36,649	37,811	35,274	29,736
GNDI at current market prices	31,360	33,460	36,222	37,304	34,716	29,229
GDP at constant market prices	39,114	40,578	41,669	43,007	40,702	37,303
GNP at constant market prices	33,600	34,842	36,180	36,944	34,977	30,983
GNI at constant market prices	33,931	35,205	36,525	37,220	35,274	31,278
GNDI at constant market prices	35,628	36,587	37,529	37,642	34,716	31,078
Per person in employment (€)						
GDP at current market prices	80,631	83,469	87,151	89,585	85,190	82,355
GNP at current market prices	68,278	70,993	75,718	77,039	73,207	67,702
GNI at current market prices	69,069	71,922	76,361	77,611	73,829	68,404
GNDI at current market prices	68,491	71,129	75,470	76,571	72,661	67,237
GDP at constant market prices	85,424	86,260	86,819	88,277	85,190	85,811
GNP at constant market prices	73,382	74,067	75,384	75,831	73,207	71,272
GNI at constant market prices	74,105	74,839	76,103	76,397	73,829	71,951
GNDI at constant market prices	77,812	77,777	78,194	77,265	72,661	71,491

Source: CSO

Table 8.4 Gross Value Added at constant factor cost by sector of origin and Gross National Income at constant market prices (chain linked annually and referenced to year 2008)

€m

Sector of origin	2004	2005	2006	2007	2008	2009
Agriculture, forestry and fishing	3,581	3,953	3,662	3,687	3,688	3,555
Industry (including building)	44,566	46,781	49,268	51,776	49,729	45,841
Industry	32,613	33,644	35,598	38,019	37,432	37,408
<i>of which</i>						
<i>Reproduction of recorded media</i>	764	831	1,055	2,001	2,818	3,871
<i>Chemicals (incl. man-made fibres)</i>	14,799	14,440	15,397	13,697	12,308	16,460
<i>Computers and Instrument engineering</i>	3,486	3,925	3,908	4,308	4,898	3,297
<i>Electrical machinery and equipment</i>	1,483	2,008	1,730	1,813	1,607	1,054
<i>Building and construction</i>	11,714	12,932	13,462	13,638	12,297	8,433
Distribution, transport and communication	21,224	22,362	23,511	24,861	24,082	21,845
Public administration and defence	5,811	5,854	6,054	6,266	6,448	6,416
Other services (including rent)	63,516	67,584	71,464	76,516	75,581	73,823
Statistical discrepancy	~	~	~	~	412	-1,943
Gross value added at constant factor cost	139,053	146,775	153,901	163,415	159,940	149,538
Non product taxes	1,624	1,777	1,881	1,972	2,088	2,140
Non product subsidies	-635	-1,791	-1,769	-1,763	-1,826	-1,520
Gross value added at constant basic prices	140,165	146,769	154,019	163,632	160,202	150,158
Product taxes	19,983	21,951	23,653	23,939	20,697	17,293
Product subsidies	-1,818	-931	-950	-905	-910	-1,106
Gross domestic product at constant market prices	158,223	167,742	176,669	186,609	179,989	166,345
Net factor income from the rest of the world	-22,269	-23,596	-23,264	-26,311	-25,317	-28,184
Gross national product at constant market prices	135,918	144,030	153,398	160,299	154,672	138,161
EU subsidies	1,706	1,959	1,965	1,715	1,797	1,682
EU taxes	-343	-451	-471	-518	-484	-367
Gross national income at constant market prices	137,258	145,532	154,861	161,497	155,985	139,476

~ Chain linked series not additive except for 2008 and 2009

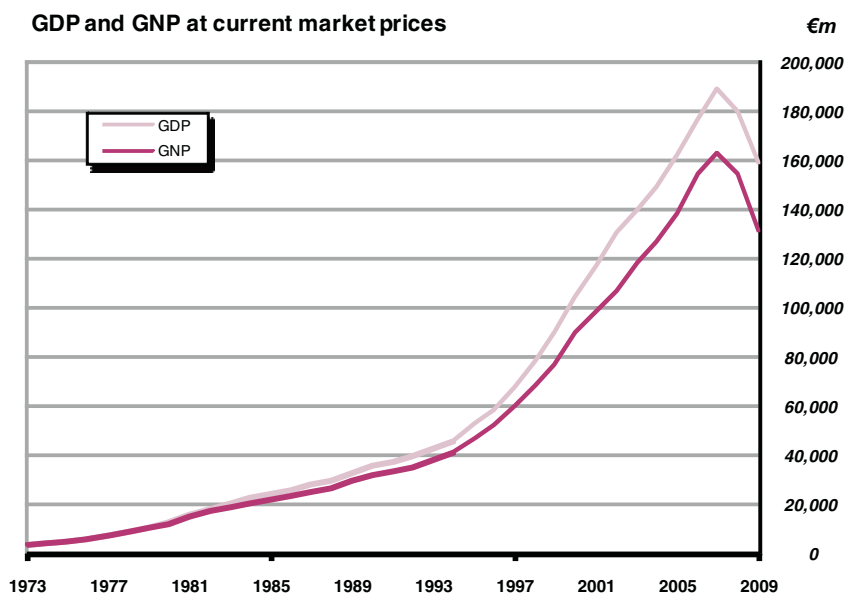
Source: CSO

Table 8.5 Expenditure on Gross National Income at current market prices

€m

Expenditure components	2004	2005	2006	2007	2008	2009
Personal consumption of goods and services	71,478	77,820	85,044	93,436	94,825	84,331
<i>of which</i>						
<i>Final consumption expenditure of Households and NPISHs</i>	69,239	75,273	82,128	90,207	91,247	80,958
<i>Final consumption expenditure of government</i>	2,239	2,547	2,916	3,229	3,578	3,373
Net expenditure by central and local government on current goods and services	20,575	22,246	24,554	27,324	29,196	27,718
Gross domestic fixed capital formation	36,495	43,359	48,055	50,113	39,806	24,731
Value of physical changes in stocks	425	730	1,637	1,574	271	-2,284
<i>of which</i>						
<i>Net additions to the breeding stocks</i>	-11	-26	-58	-28	-6	-49
Exports of goods and services	125,199	132,526	140,707	152,389	150,181	144,782
less Imports of goods and services	-102,882	-113,457	-123,574	-135,328	-133,877	-120,380
Statistical discrepancy	-1,946	-911	920	-136	-412	748
Gross domestic product at current market prices	149,344	162,314	177,343	189,374	179,989	159,646
Net factor income from the rest of the world	-22,879	-24,261	-23,264	-26,520	-25,317	-28,405
Gross national product at current market prices	126,465	138,053	154,078	162,853	154,672	131,241
EU subsidies	1,788	2,239	1,778	1,728	1,797	1,720
EU taxes	-324	-432	-470	-519	-484	-359
Gross national income at current market prices	127,929	139,859	155,387	164,062	155,985	132,601

Source: CSO



**Table 8.6 Expenditure on Gross National Income at constant market prices
(chain linked annually and referenced to year 2008)**

€m

Expenditure components	2004	2005	2006	2007	2008	2009
Personal consumption of goods and services	79,255	84,738	90,416	96,245	94,825	88,150
<i>of which</i>						
<i>Final consumption expenditure of Households and NPISHs</i>	76,883	82,078	87,419	92,918	91,247	84,643
<i>Final consumption expenditure of government</i>	2,378	2,660	2,992	3,315	3,578	3,507
Net expenditure by central and local government on current goods and services	24,461	25,424	26,733	28,570	29,196	27,907
Gross domestic fixed capital formation	37,604	43,224	45,193	46,456	39,806	27,482
Value of physical changes in stocks	416	792	1,748	1,724	271	-2,278
<i>of which</i>						
<i>Net additions to the breeding stocks</i>	-11	-28	-57	-28	-6	-54
Exports of goods and services	127,444	133,509	139,965	151,388	150,181	143,974
<i>less</i> Imports of goods and services	-111,039	-120,259	-127,994	-137,942	-133,878	-120,832
Statistical discrepancy	~	~	~	~	-412	1,943
Gross domestic product at constant market prices	158,223	167,742	176,669	186,609	179,989	166,345
Net factor income from the rest of the world	-22,269	-23,596	-23,264	-26,311	-25,317	-28,184
Gross national product at constant market prices	135,918	144,030	153,398	160,299	154,672	138,161
EU subsidies	1,706	1,959	1,965	1,715	1,797	1,682
EU taxes	-343	-451	-471	-518	-484	-367
Gross national income at constant market prices	137,258	145,532	154,861	161,497	155,985	139,476

~ Chain linked series not additive except for 2008 and 2009

Source: CSO

Table 8.7 Net current income and expenditure of central and local government

€m

Income and expenditure	2004	2005	2006	2007	2008	2009
Taxes on income and wealth (including social insurance contributions)	23,425	25,072	28,103	29,957	28,519	25,449
Taxes on expenditure (including rates)	19,360	21,812	24,666	25,218	22,301	18,013
Net trading and investment income	1,089	1,252	1,590	1,986	2,725	2,471
Current transfers from the rest of the world to central and local government	269	250	210	55	89	106
Total income	44,144	48,387	54,570	57,217	53,634	46,039
Subsidies (excluding EU subsidies)	768	881	775	870	939	851
Transfer payments (including transfers to the rest of the world) and national debt interest	18,819	20,848	23,038	26,067	29,615	32,538
Net current expenditure on goods and services	20,575	22,246	24,554	27,324	29,196	27,718
Total expenditure	40,162	43,974	48,367	54,261	59,750	61,106
Central and local government savings	3,982	4,413	6,203	2,955	-6,115	-15,068

Source: CSO

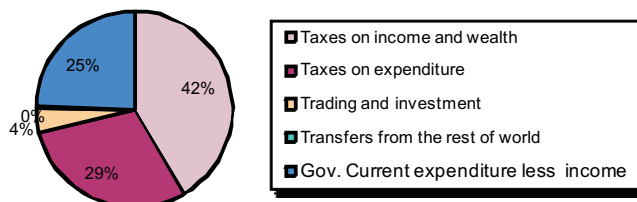
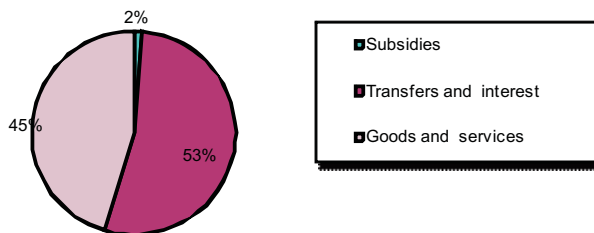
Net current income in 2009**Net current expenditure in 2009**

Table 8.8 Balance of International Payments: Current and Capital Accounts

€m

Item	2007		2008		2009	
	Credit	Debit	Credit	Debit	Credit	Debit
Current account						
Merchandise	84,079	64,268	81,037	57,227	77,026	44,659
Services	67,960	69,081	67,947	75,617	66,634	75,049
Transport	2,908	2,067	3,010	1,908	2,898	1,597
Tourism and travel	4,426	6,300	4,287	7,046	3,506	6,287
Communications	516	819	597	1,065	506	1,088
Insurance	8,799	7,133	8,155	6,295	7,597	6,323
Financial services	7,440	4,635	6,595	4,453	5,714	4,152
Computer services	21,726	660	23,876	707	24,223	689
Royalties/licences	865	18,621	1,017	24,275	1,213	25,049
Business services	20,571	28,674	20,047	29,700	20,458	29,705
Trade related	10,219	9,642	8,468	9,851	8,415	9,511
Operational leasing	5,803	1,235	5,764	1,474	5,689	1,484
Miscellaneous business services	4,547	17,797	5,816	18,375	6,352	18,709
Other services nes	710	174	362	166	514	159
Income	84,912	112,736	84,043	109,197	54,454	82,355
Compensation of employees	418	1,180	423	1,071	404	788
Investment income	84,492	111,557	83,620	108,126	54,050	81,567
Direct investment income	10,455	36,937	10,211	30,723	8,675	34,684
Income on equity	5,504	35,033	4,688	28,669	5,554	32,624
Dividends and distributed branch profits	89	16,787	940	13,550	923	15,430
Reinvested earnings	5,416	18,246	3,747	15,120	4,631	17,195
Income on debt	4,952	1,905	5,523	2,055	3,122	2,060
Portfolio investment income	41,160	42,432	40,773	42,898	22,964	27,761
Income on equity	6,219	20,467	5,994	18,589	3,949	10,574
Income on debt	34,941	21,965	34,778	24,308	19,014	17,188
Other investment income	32,878	32,187	32,636	34,504	22,410	19,121
Current Transfers	4,833	5,823	5,583	6,737	5,623	6,524
Current Account - Total	241,783	251,907	238,607	248,775	203,736	208,588
Current Account Balance	-10,124		-10,169		-4,853	
Capital Account Balance	39		47		-1,252	

Source: CSO

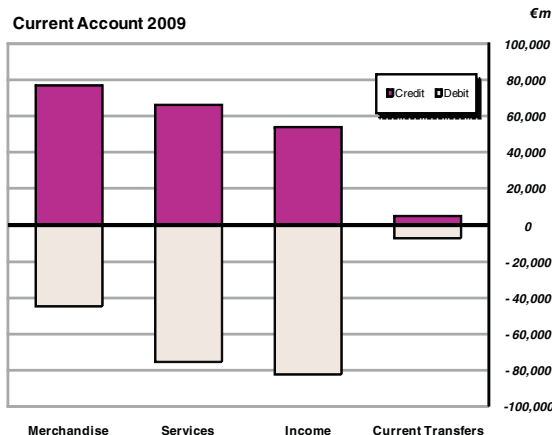


Table 8.9 Balance of International Payments: Financial Account

€m

Item	2007		2008		2009	
	Abroad	In Ireland	Abroad	In Ireland	Abroad	In Ireland
Direct investment	-15,450	18,052	-12,936	-11,232	-17,221	17,697
Equity	-4,942	-1,900	-6,014	-3,086	-8,258	3,773
Reinvested Earnings	-5,416	18,246	-3,747	15,120	-4,631	17,195
Other Capital	-5,094	1,705	-3,175	-23,268	-4,333	-3,269
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Portfolio investment	-170,847	163,564	-27,429	-18,322	9,729	9,030
Equity	-22,061	101,429	22,745	-7,630	-10,331	19,033
Debt instruments	-148,786	62,135	-50,175	-10,690	20,062	-10,003
Bonds and notes	-84,741	51,173	-46,878	-18,091	48,267	6,639
Money market instruments	-64,045	10,962	-3,297	7,399	-28,206	-16,643
Other investment	-157,634	174,378	-67,665	153,792	65,485	-88,115
Loans, currency and deposits	-139,688	156,209	-78,667	153,433	56,987	-80,041
Other	-17,945	18,169	11,002	360	8,497	-8,075
Reserve assets	-12	—	-78	—	79	—
Monetary gold	4	—	1	—	-1	—
Special drawing rights	-8	—	15	—	12	—
Reserve position in the IMF	48	—	-39	—	-14	—
Foreign exchange	-56	—	-55	—	82	—
Other	0	—	0	—	0	—
Balance on financial account	12,051		16,132		-3,315	
<i>Net errors and omissions</i>		<i>-1,966</i>		<i>-6,010</i>		<i>9,419</i>
Memorandum item:	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Government financial transactions	-1,478	3,003	-242	27,219	4,639	17,262

Source: CSO

Financial Account 2009

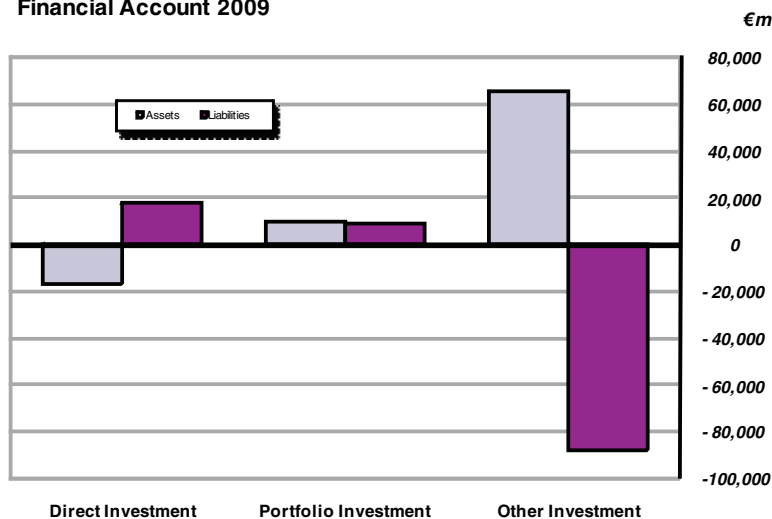


Table 8.10 International Investment Position — detailed data

€m

Item	2002	2003	2004	2005	2006	2007	2008
Foreign assets							
Direct investment abroad	56,148	58,054	78,329	88,287	91,669	101,936	123,368
Equity capital and reinvested earnings	50,606	53,476	67,371	74,327	82,335	88,780	102,120
Other capital	5,542	4,578	10,958	13,960	9,334	13,156	21,248
Portfolio investment	547,314	660,743	787,249	1,002,129	1,230,234	1,338,542	1,168,934
Equity	145,758	176,170	223,877	324,790	435,231	440,984	309,712
Debt instruments	401,556	484,573	563,372	677,339	795,003	897,558	859,222
<i>Bonds and notes</i>	<i>237,626</i>	<i>300,265</i>	<i>348,713</i>	<i>453,724</i>	<i>518,075</i>	<i>664,938</i>	<i>643,331</i>
<i>Money market instruments</i>	<i>163,930</i>	<i>184,308</i>	<i>214,659</i>	<i>223,615</i>	<i>276,928</i>	<i>232,620</i>	<i>215,891</i>
Other investment	318,351	358,201	422,568	590,279	688,805	828,937	901,048
Loans, currency and deposits	260,135	307,949	374,960	510,653	596,866	715,313	786,475
Trade credits	30,090	22,861	21,318	27,870	32,796	33,938	26,137
Other assets	28,126	27,391	26,290	51,756	59,143	79,686	88,436
Reserve assets	5,227	3,295	2,140	745	640	639	746
Monetary gold	63	64	62	84	93	110	120
Special drawing rights	63	62	65	74	72	77	77
Reserve position in the IMF	448	457	308	150	100	51	111
Foreign exchange	4,653	2,712	1,705	437	375	401	438
Other	0	0	0	0	0	0	0
TOTAL FOREIGN ASSETS	927,040	1,080,293	1,290,286	1,681,440	2,011,348	2,270,054	2,194,096
Foreign liabilities							
Direct investment in Ireland	174,404	176,435	152,446	138,620	118,824	138,362	120,954
Equity capital and reinvested earnings	168,084	178,070	167,661	184,457	171,920	181,385	175,428
Other capital	6,320	-1,635	-15,215	-45,837	-53,096	-43,023	-54,474
Portfolio investment	447,063	542,200	720,952	1,025,902	1,223,683	1,329,908	1,183,690
Equity	327,807	381,403	450,650	603,823	721,940	784,656	639,103
Debt instruments	119,256	160,797	270,302	422,079	501,743	545,252	544,587
<i>Bonds and notes</i>	<i>73,795</i>	<i>118,365</i>	<i>209,995</i>	<i>324,055</i>	<i>399,681</i>	<i>495,040</i>	<i>487,706</i>
<i>Money market instruments</i>	<i>45,461</i>	<i>42,432</i>	<i>60,307</i>	<i>98,024</i>	<i>102,062</i>	<i>50,212</i>	<i>56,881</i>
Other investment	329,002	389,807	443,796	556,906	678,293	838,713	995,659
Loans, currency and deposits	276,970	326,608	371,658	476,859	571,591	697,743	835,489
Trade credits	12,022	14,138	13,386	16,955	21,864	22,199	26,320
Other liabilities	40,010	49,061	58,752	63,092	84,838	118,771	133,850
TOTAL FOREIGN LIABILITIES	950,469	1,108,442	1,317,194	1,721,428	2,020,800	2,306,983	2,300,303

Source: CSO

Table 8.11 Direct investment abroad by location of investment

€m

Region/Country	2007				2008			
Flows	Equity	Reinvested earnings	Other capital	Total	Equity	Reinvested earnings	Other capital	Total
Total	-4,942	-5,416	-5,094	-15,450	-2,126	-3,681	-3,408	-9,217
<i>of which</i>								
United Kingdom	#	-1,950	#	-4,335	-1,450	-1,415	-1,484	-4,349
France	#	-48	#	-156	-103	-50	-7	-159
Germany	#	-56	#	-261	69	-66	-51	-46
Netherlands	244	-714	-64	-533	#	-601	#	928
Belgium	#	-30	#	#	-207	-23	0	-228
Luxembourg	#	-52	#	#	#	-82	#	-107
Spain	#	-30	#	-791	#	10	#	-33
Italy	#	2	#	186	0	-8	-9	-17
Switzerland	0	-27	1	-25	62	-35	-26	2
Canada	#	-81	#	-132	0	-99	4	-94
United States	-2,454	-855	-746	-4,057	-683	-812	-77	-1,573
China	#	-10	#	#	0	-60	-2	-61
Japan	0	#	11	#	0	#	13	#
Hong Kong	#	-10	#	13	0	-16	-7	-23
Positions	Equity capital and reinvested earnings			Total	Equity capital and reinvested earnings			Total
Total	88,780			101,936	102,120			123,368
<i>of which</i>								
United Kingdom	24,602			29,001	32,229			37,699
France	1,722			1,967	1,800			2,021
Germany	3,466			3,539	3,415			3,565
Netherlands	7,574			6,906	7,086			6,589
Luxembourg	#			4,496	8,273			13,301
Italy	119			266	231			392
Switzerland	299			302	282			307
Canada	363			418	543			570
United States	11,981			14,591	14,542			17,541

Source: CSO

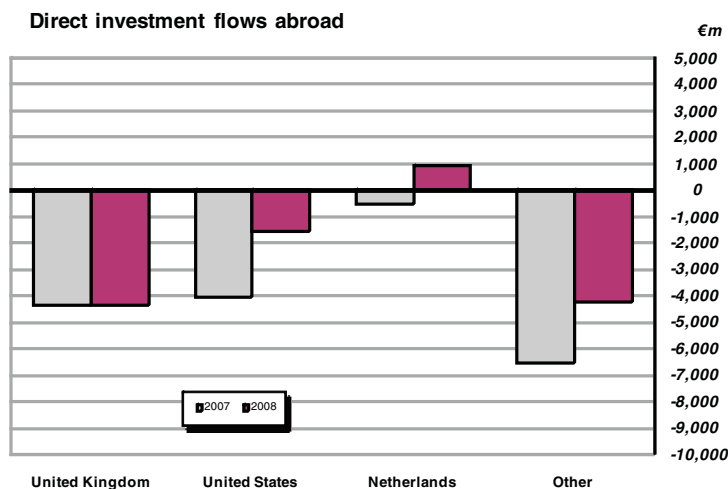


Table 8.12 Direct investment in Ireland by location of investor

€m

Region/Country	2007				2008			
Flows	Equity	Reinvested earnings	Other capital	Total	Equity	Reinvested earnings	Other capital	Total
Total	-1,900	18,246	1,705	18,052	-5,942	18,011	-25,744	-13,674
<i>of which</i>								
United Kingdom	-784	1,068	-921	-637	-295	950	1,932	2,589
Belgium	11	-45	-1,245	-1,279	1,216	-29	180	1,367
Luxembourg	-3,172	113	1,811	-1,248	-3,196	830	-5,391	-7,758
France	#	442	#	-1,830	500	776	-1,751	-476
Germany	173	204	-1,690	-1,314	-435	-503	1,842	904
Italy	540	238	-51	726	-1	673	812	1,484
Netherlands	2,601	7,474	-1,189	8,886	-4,540	6,005	-2,885	-1,418
Canada	-121	811	1,700	2,390	#	38	#	-971
United States	2,119	4,412	8,647	15,178	2,181	5,052	-21,864	-14,631
Bermuda	106	2,945	-513	2,539	-1,809	2,899	519	1,609
Brazil	0	0	159	160	0	0	12	12
Japan	#	#	-1,183	-1,951	#	-90	#	-237
China	0	0	-306	-306	0	#	#	-98
Positions	Equity capital and reinvested earnings			Total	Equity capital and reinvested earnings			Total
Total	181,385	-43,023	138,362		175,428	-54,474	120,954	
<i>of which</i>								
United Kingdom	19,577	-8,889	10,687		17,459	-4,979	12,480	
Belgium	2,519	-1,152	1,368		2,654	2,261	4,914	
Luxembourg	24,365	5,190	29,555		21,433	4,587	26,020	
France	9,608	-2,270	7,338		6,627	-4,001	2,626	
Germany	9,627	-4,241	5,387		7,536	-2,674	4,862	
Italy	7,499	-1,747	5,752		7,141	-873	6,268	
Netherlands	41,657	-9,804	31,853		44,274	-12,817	31,457	
Spain	1,268	-5,535	-4,267		2,475	-2,652	-177	
Switzerland	5,409	-1,171	4,238		7,396	-2,159	5,237	
Canada	8,424	2,549	10,974		6,004	2,929	8,933	
United States	27,223	-7,702	19,521		35,848	-26,693	9,155	
Brazil	#	#	-164		#	#	-138	
Japan	46	963	1,009		-2	839	837	
Singapore	#	#	-39		#	#	377	
China	0	206	206		0	161	161	

Source: CSO

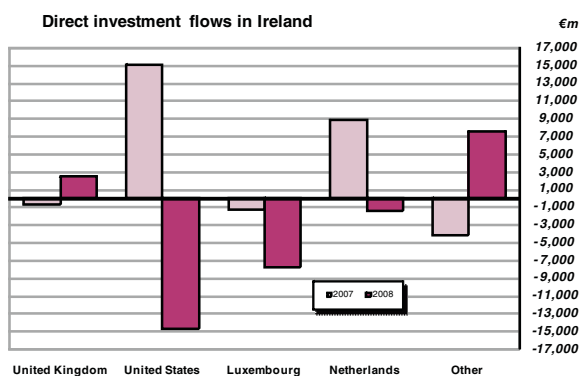


Table 8.13 Indices of Gross Value Added per person in each region at basic prices

State = 100

Region	2002	2003	2004	2005	2006	2007
Border, Midland and Western	67.4	68.4	71.2	70.5	71.0	69.3
Border	68.6	70.2	71.3	70.4	71.7	70.1
Midland	62.0	65.2	66.4	67.5	67.1	65.8
West	69.2	68.3	74.0	72.4	72.6	70.6
Southern and Eastern	111.8	111.5	110.5	110.8	110.6	111.2
Dublin	130.7	135.0	138.2	141.1	139.7	141.2
Mid-East	82.6	76.3	76.7	78.8	78.0	78.0
<i>Dublin plus Mid-East</i>	<i>117.8</i>	<i>118.9</i>	<i>121.1</i>	<i>123.5</i>	<i>122.1</i>	<i>122.8</i>
Mid-West	81.7	88.4	91.3	89.8	87.0	84.6
South-East	87.8	84.5	80.0	74.0	72.7	73.4
South-West	130.9	124.8	115.8	116.1	121.6	123.5
State	100.0	100.0	100.0	100.0	100.0	100.0

Source: CSO

