



An Phríomh-Oifig Staidrimh
Central Statistics Office

Ireland's Economy 2016 AND QUARTER 1 2017



How is our economy doing?



What are we spending our money on?



How are the different parts of our economy doing?



Our interactions with the rest of the world



Removing the effects of globalisation



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Today's Briefing

- **Annual and quarterly results & key ESG recommendations**
 - **National Income and Expenditure for 2016**
 - **Modified GNI (or GNI*)**
 - **Additional sector detail**
 - **Quarterly National Accounts Q1/2017**
 - **Modified Total Domestic Demand**
 - **Balance of Payments Q1/2017**
 - **Modified BOP Current Account (or CA*)**
 - **International Investment Position Q1/2017**



National Accounts

NIE 2016



NIE 2016

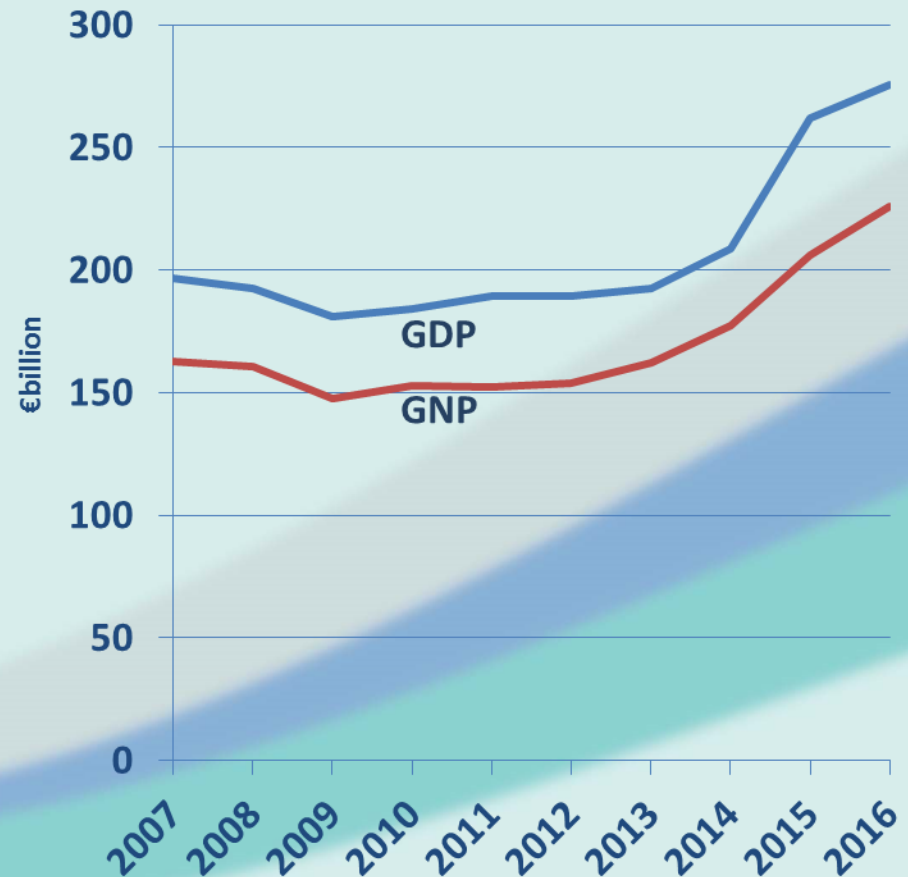
Year-on-Year Growth Rates

GDP + 5.1% (+5.2%)

GNP + 9.6% (+9.0%)

*Previous provisional
annual estimate in
brackets*

Annual GDP & GNP Constant Prices
2007 - 2016





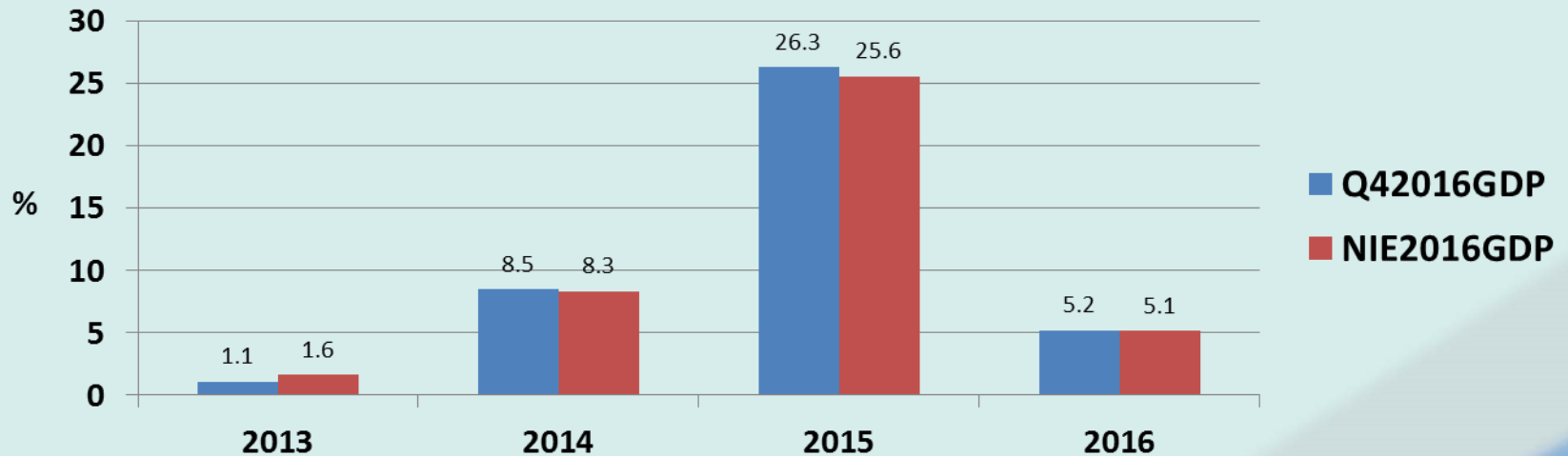
NIE 2016 – Regular Revisions

New data since Q42016:

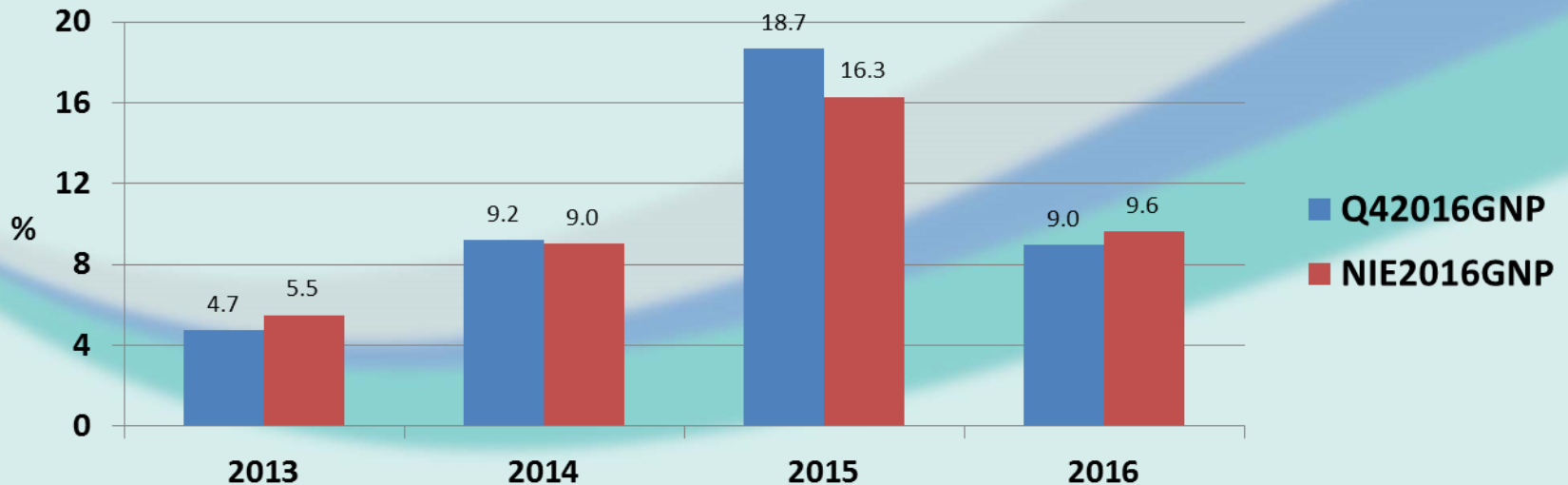
- **Latest Revenue tax files**
- **Commodity flow estimates**
- **Structural Business Survey Data - CIP, ASI, Prodcom**
- **Insurance Statistics**



Preliminary and Current Estimate of real GDP growth rates

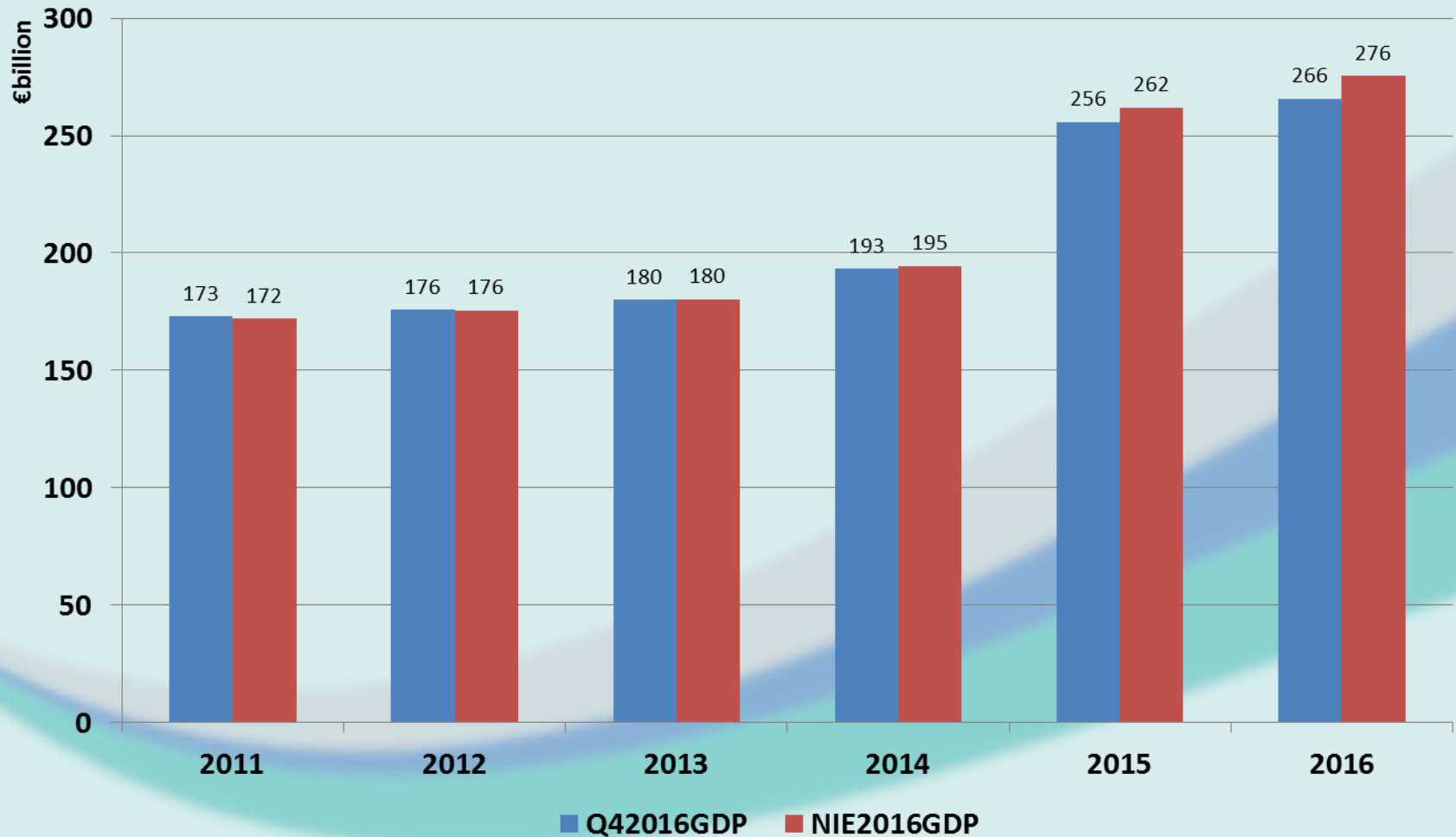


and real GNP growth rates





Preliminary and Current Estimate of Annual GDP at Current Market Prices



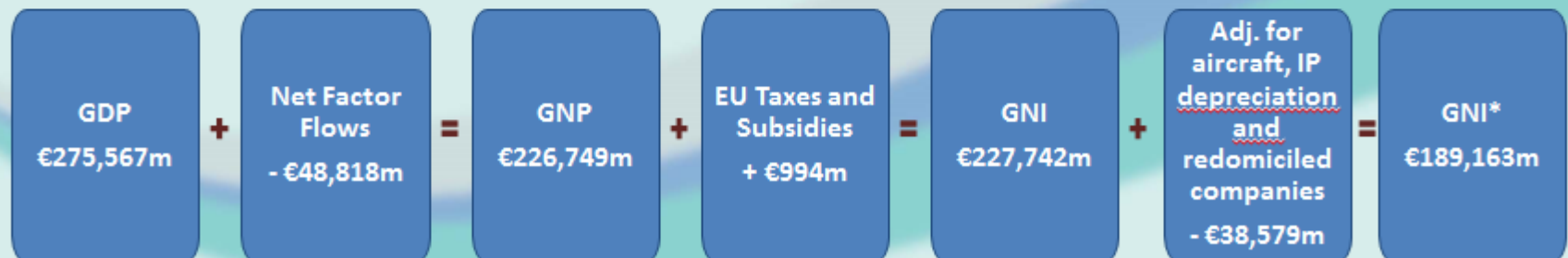
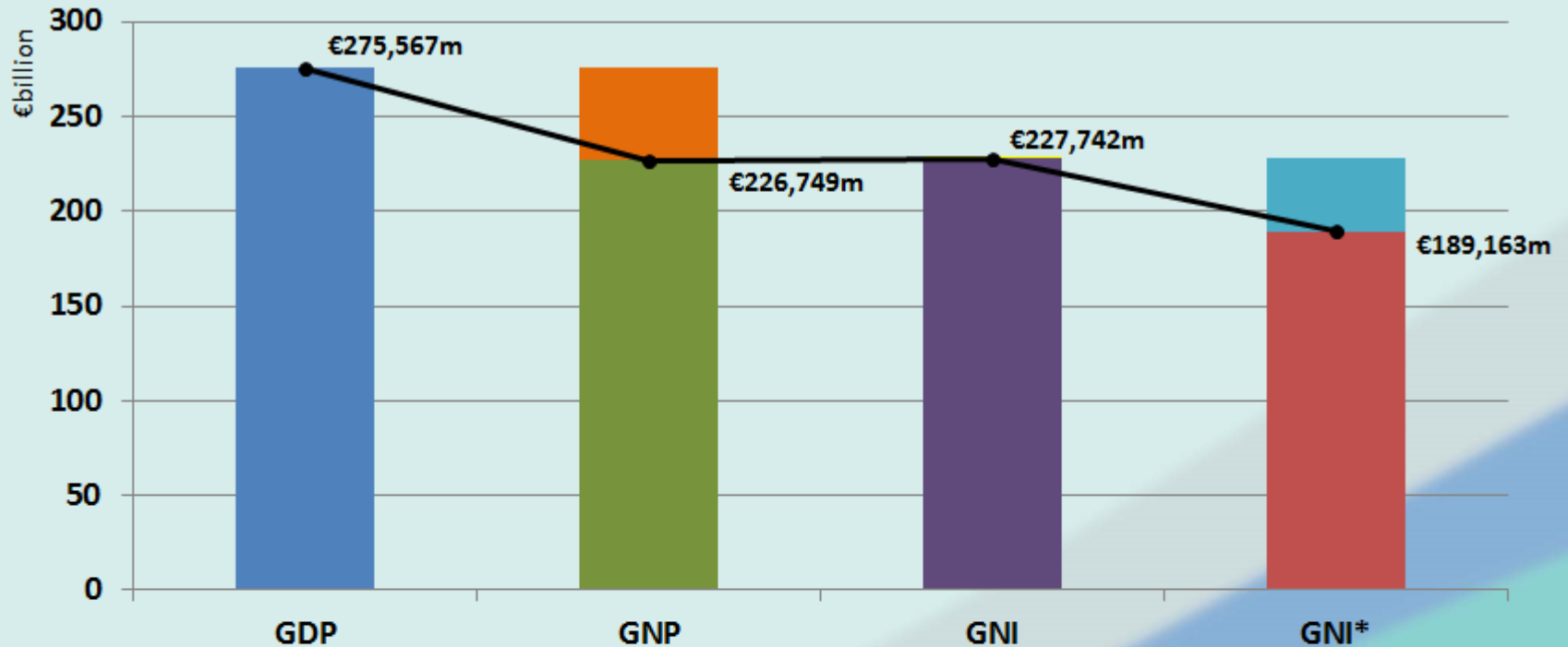


NIE 2016 – New Analytical Presentations

- **Modified GNI (GNI*)**
- **Modified Total Domestic Demand**
- **NACE A10 Sector Breakdown**

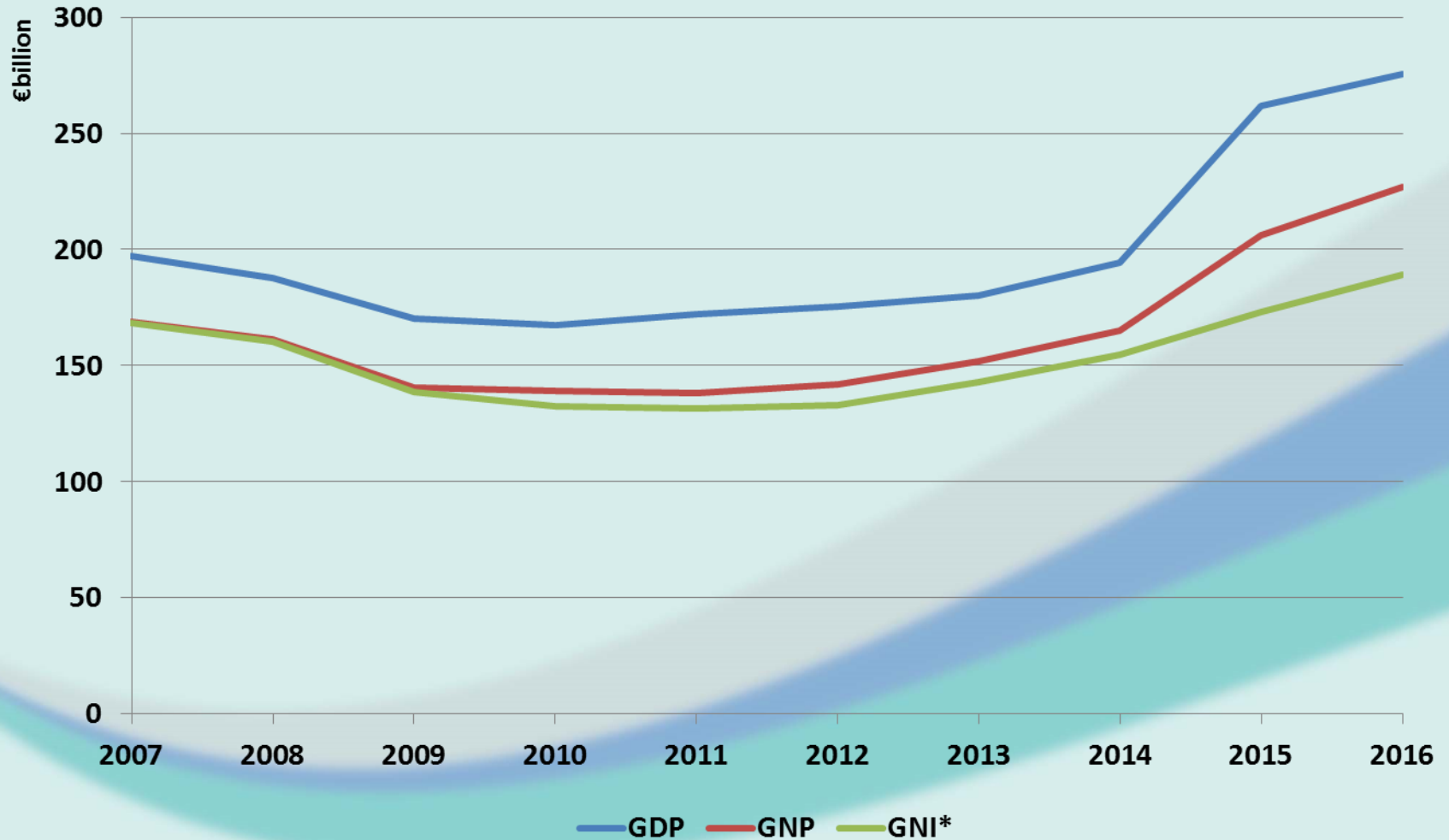


Modified GNI (GNI*) - 2016



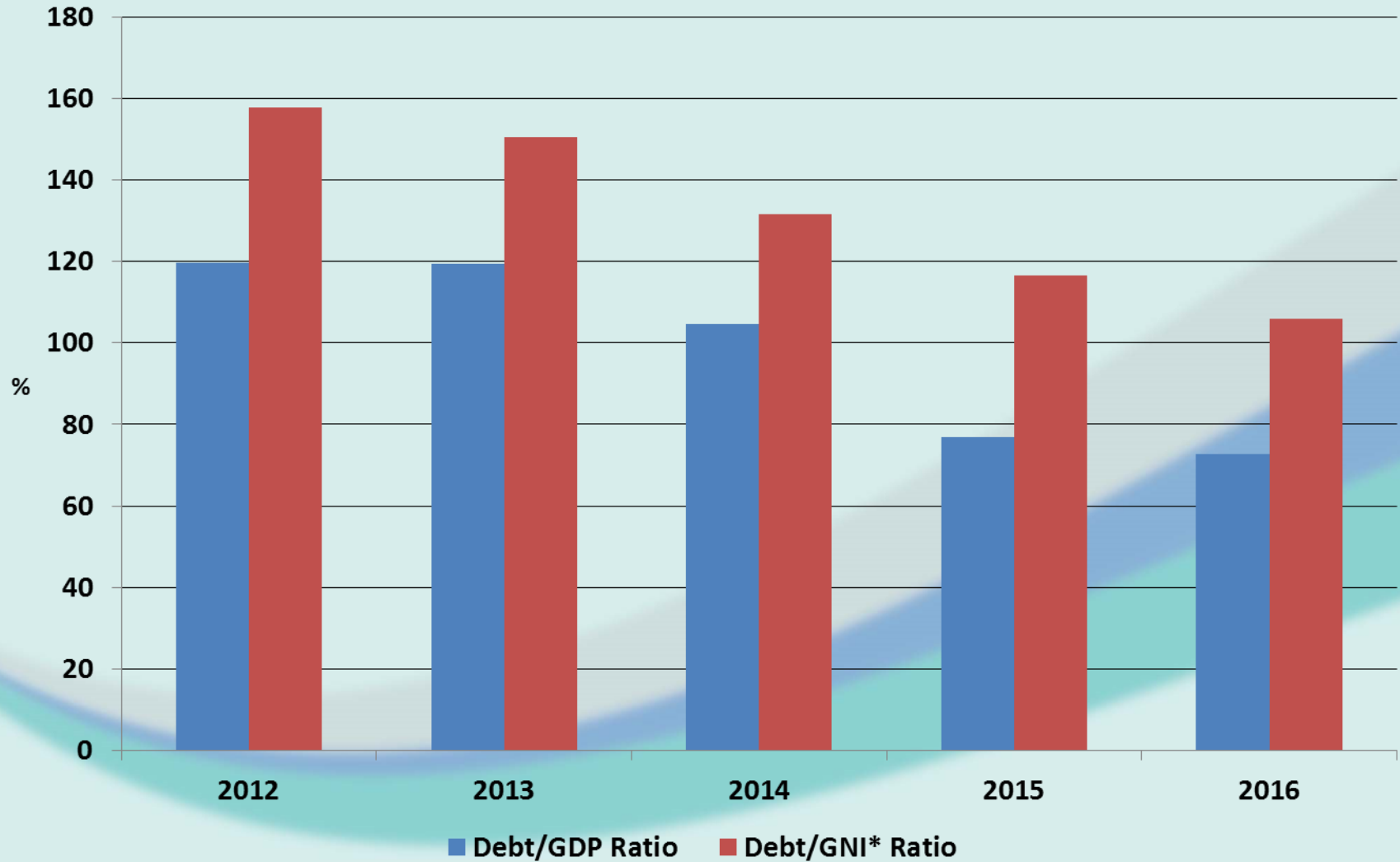


GDP, GNP and Modified GNI at Current Prices



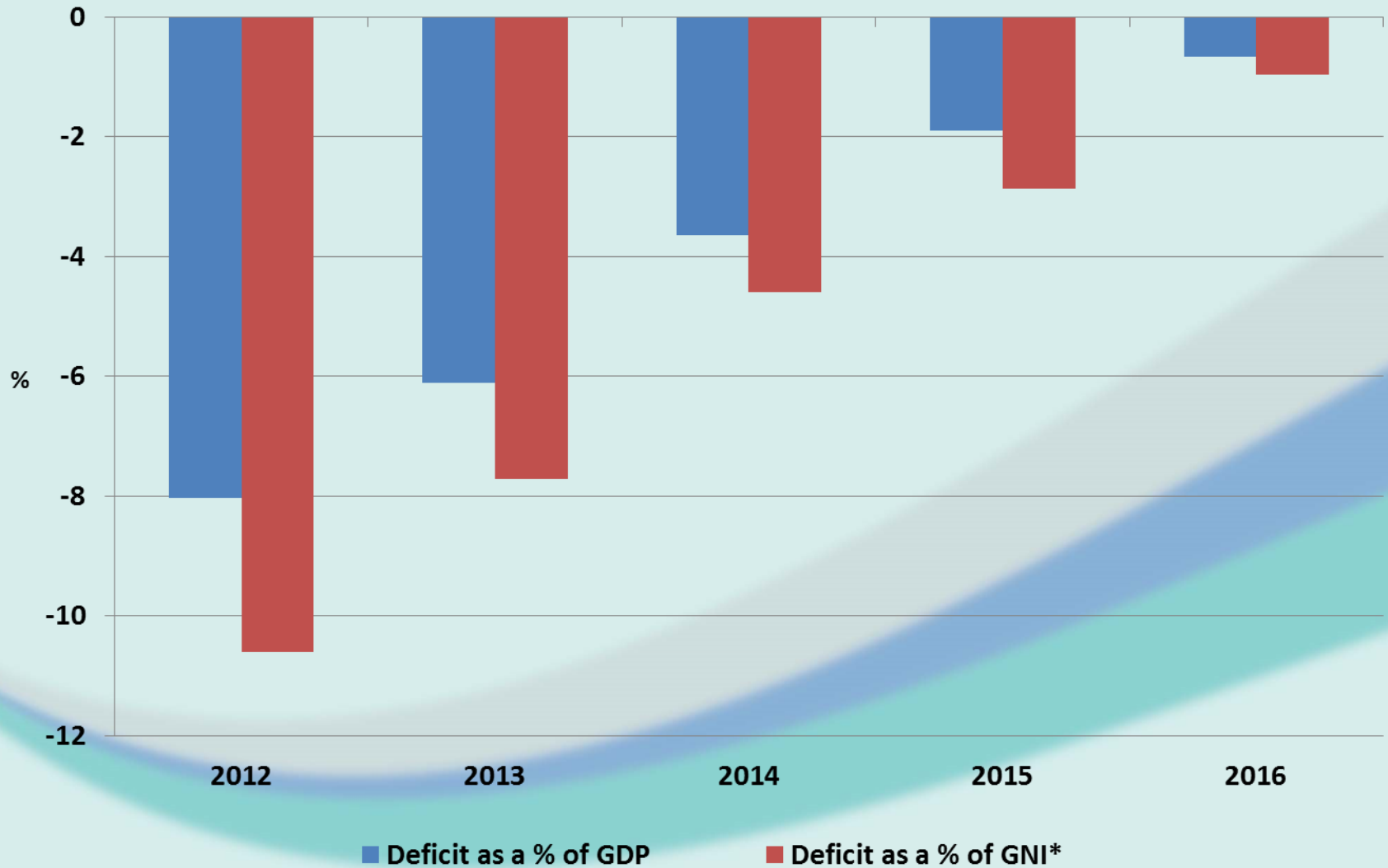


Debt to GDP/GNI* Ratios



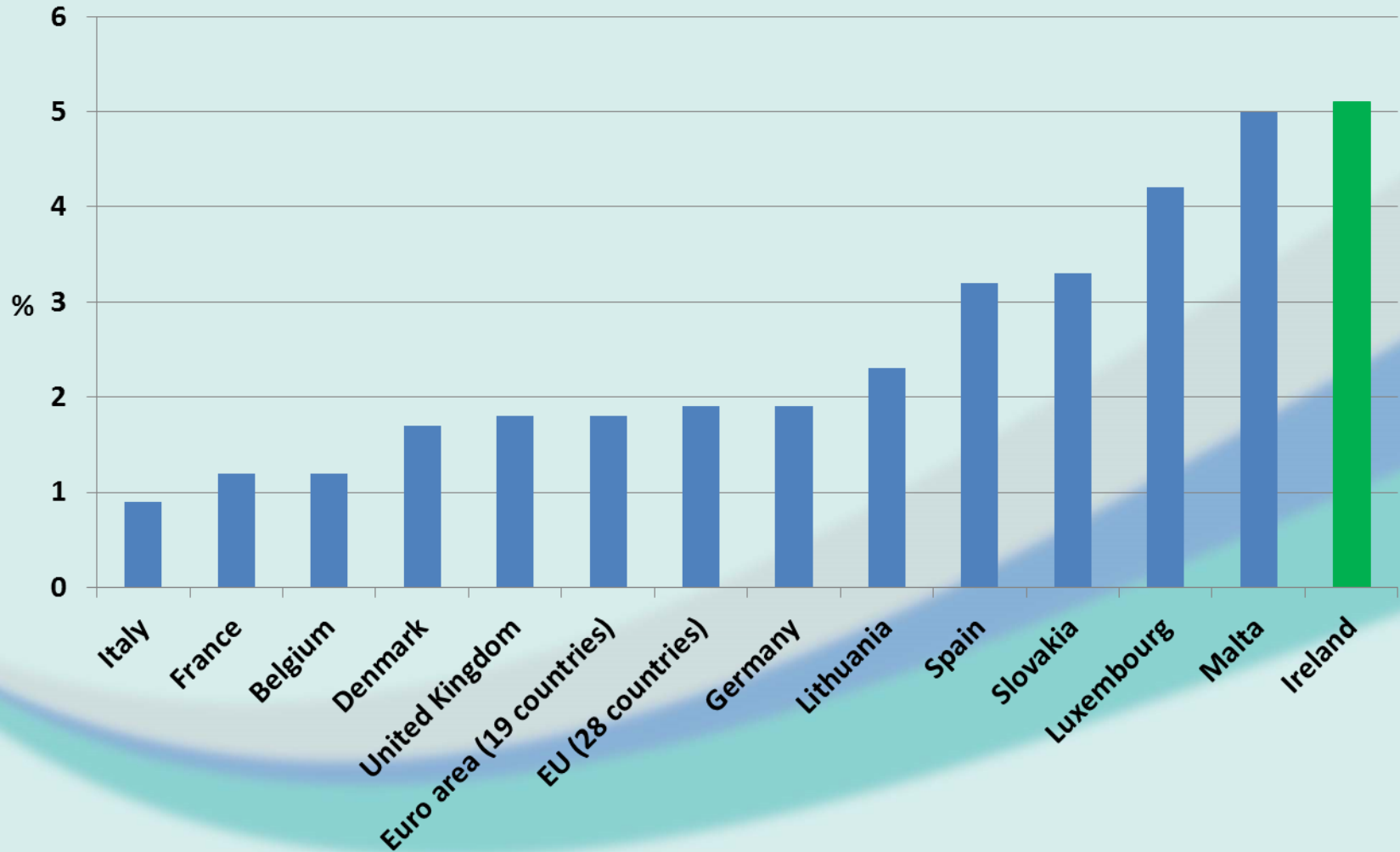


Government Deficit as a percentage of GDP and Modified GNI



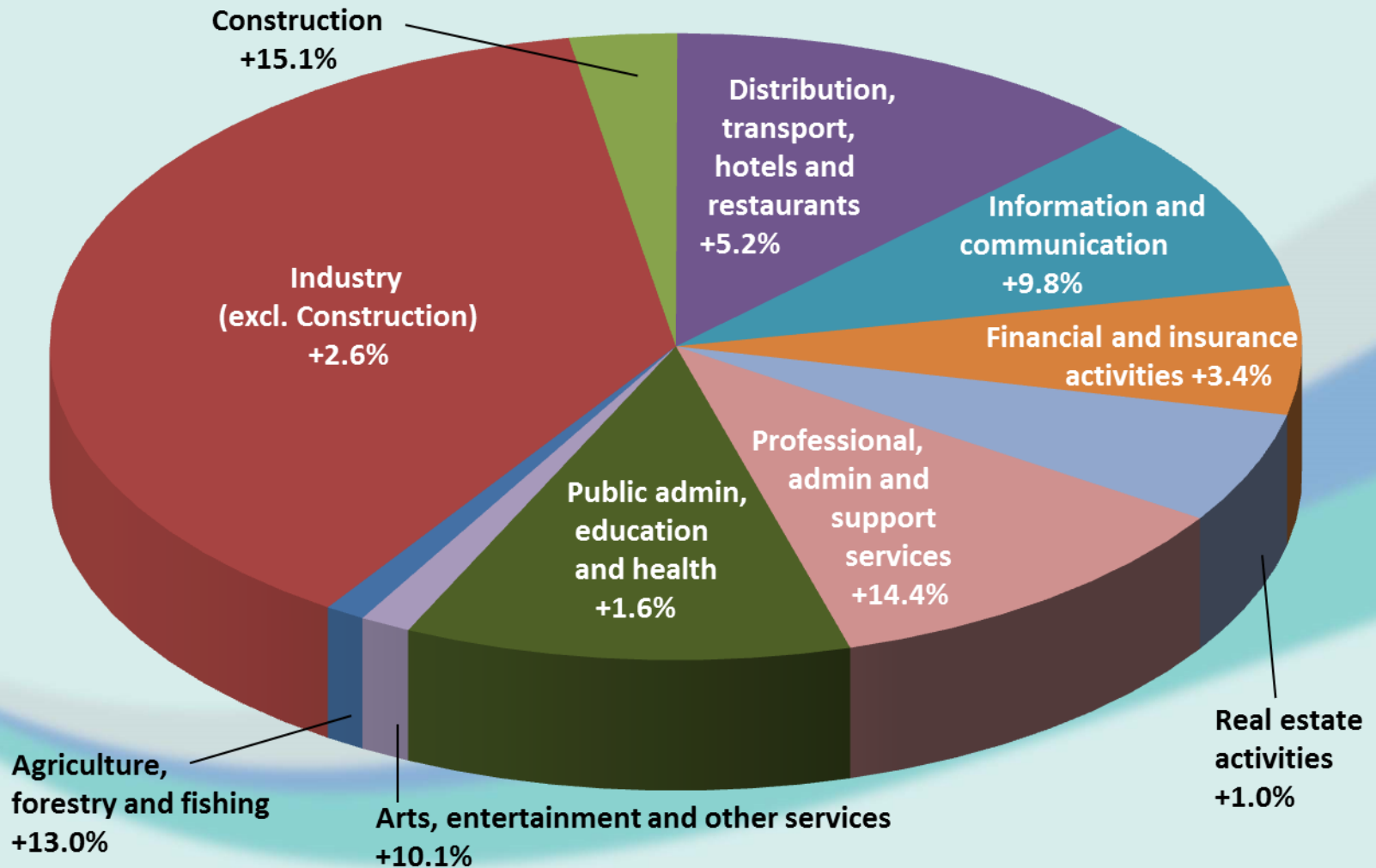


2016 Annual GDP % Change in Constant Prices by Country



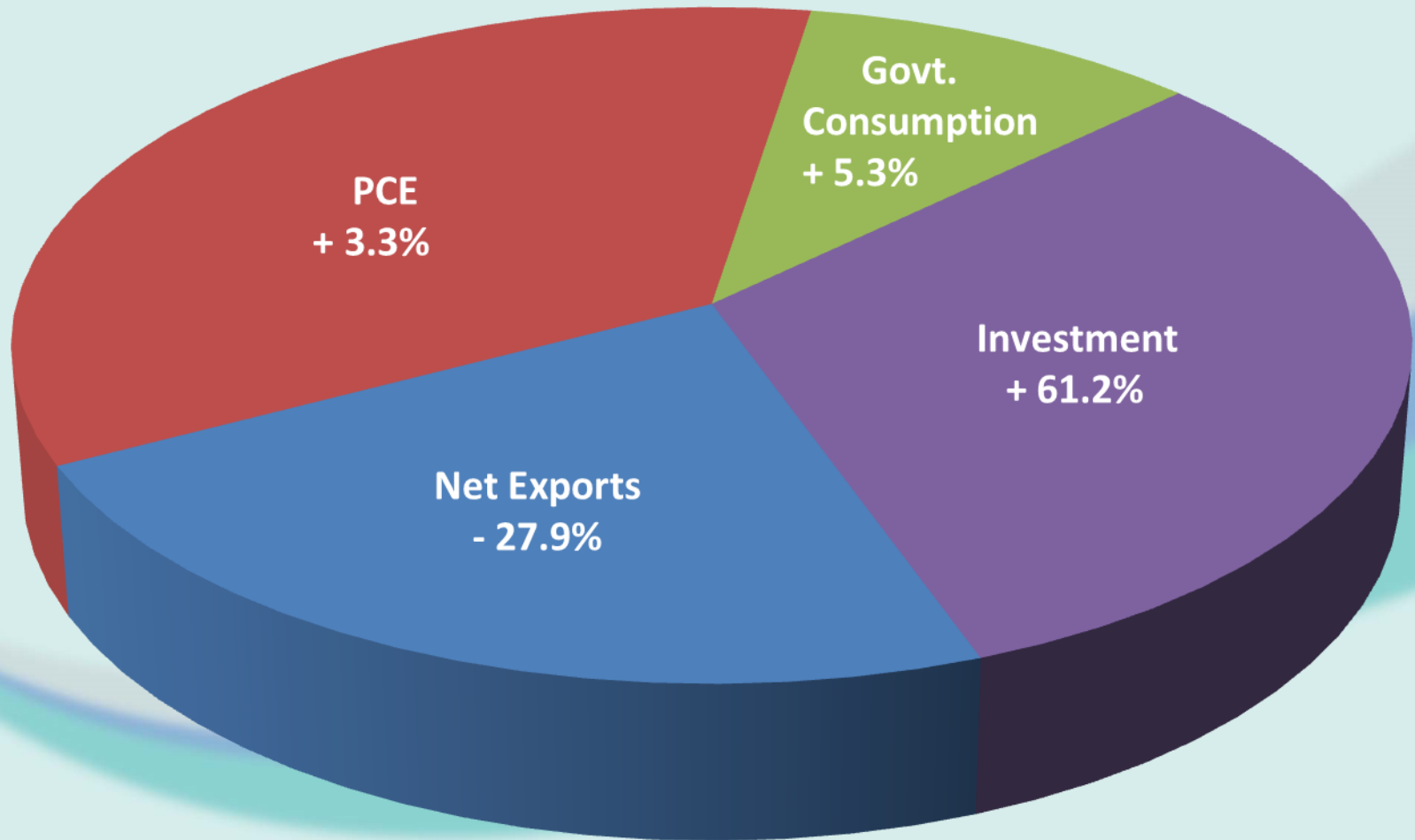


Annual Sector Growth by Share of GDP and Growth Rate - 2016



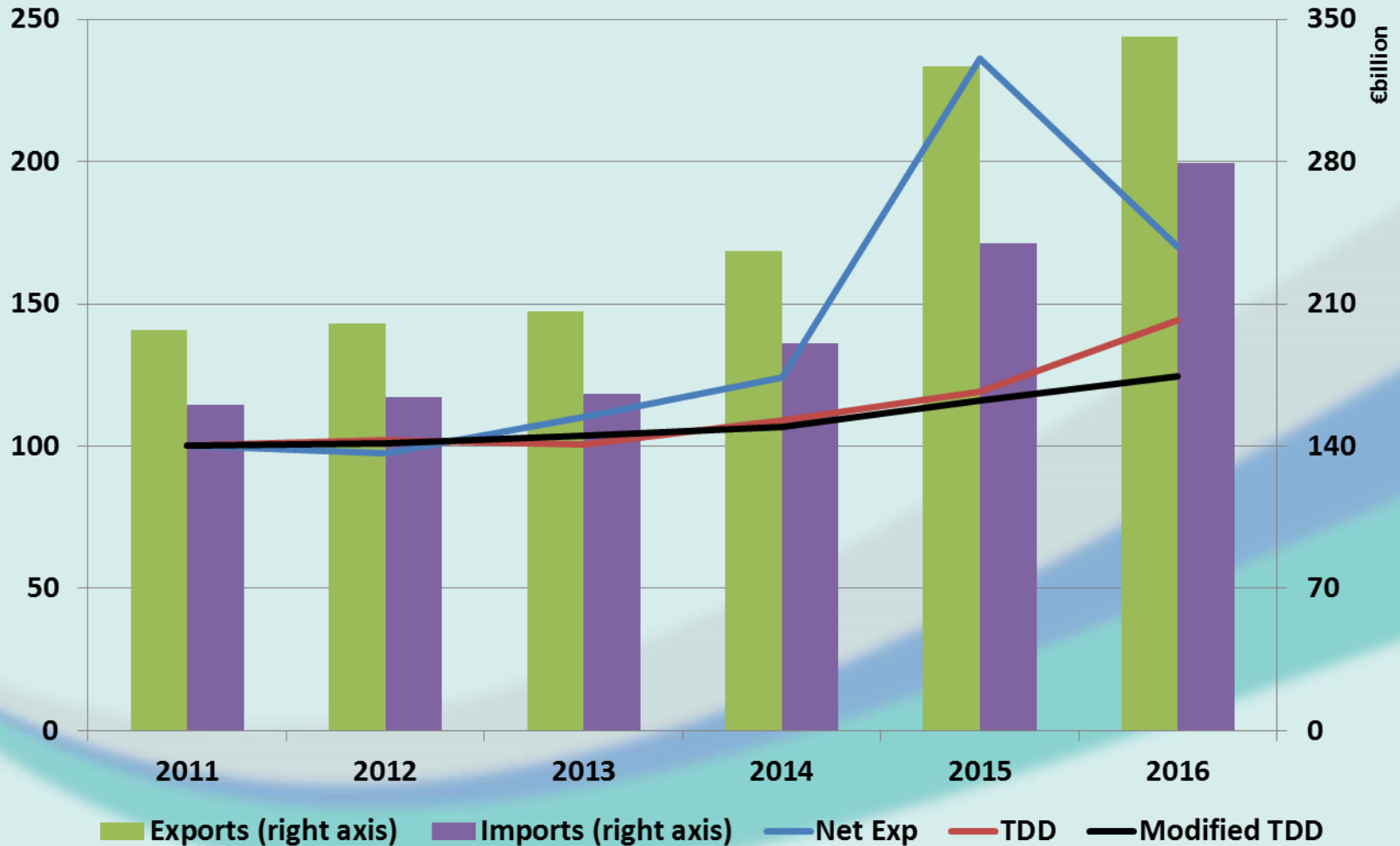


Annual Expenditure by Share of GDP and Growth Rate - 2016



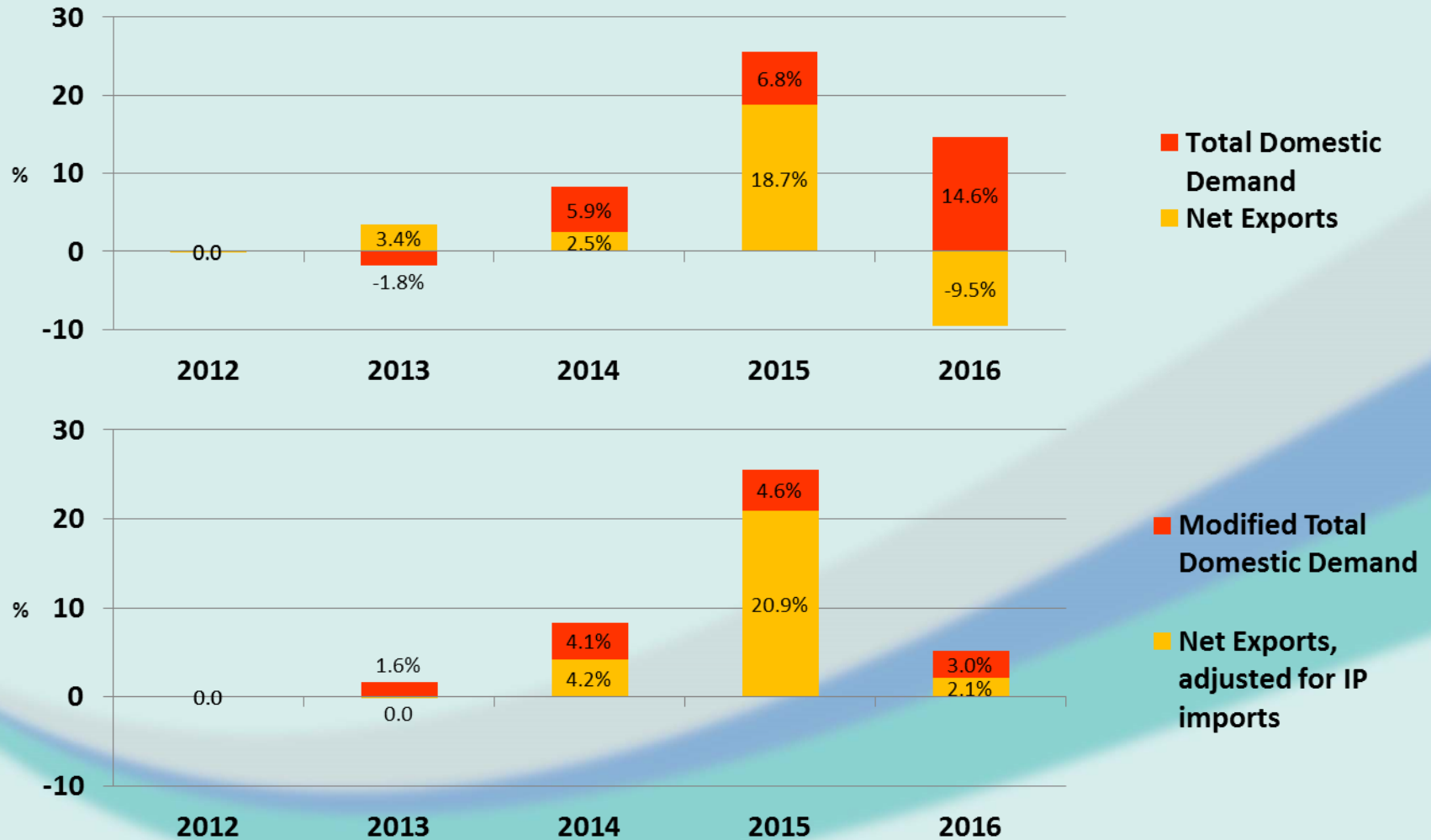


Trend in Net Exports 2011 = 100 v's Total Exports and Imports





Contribution of Domestic Demand and Net Exports to Annual GDP Growth





Personal Consumption Expenditure 2016/2015

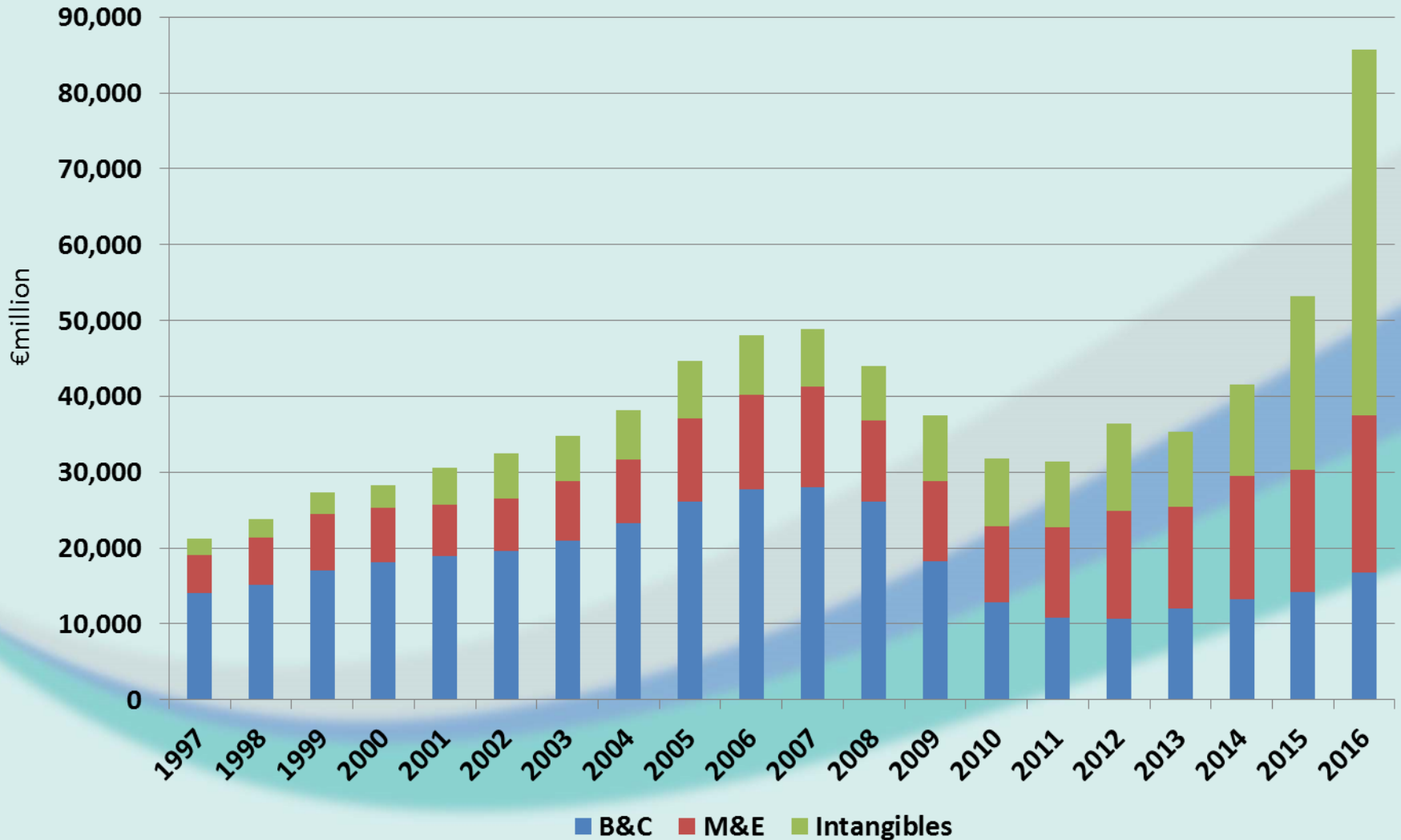
**Annual PCE Total + 3.3% in volume
compared to 2015**

- **Goods + 4.1%**
- **Services + 2.4%**
- **Many goods up, with private cars up significantly.**
- **Many services up including motor insurance and public transport, while Expenditure by non-residents is up significantly.**



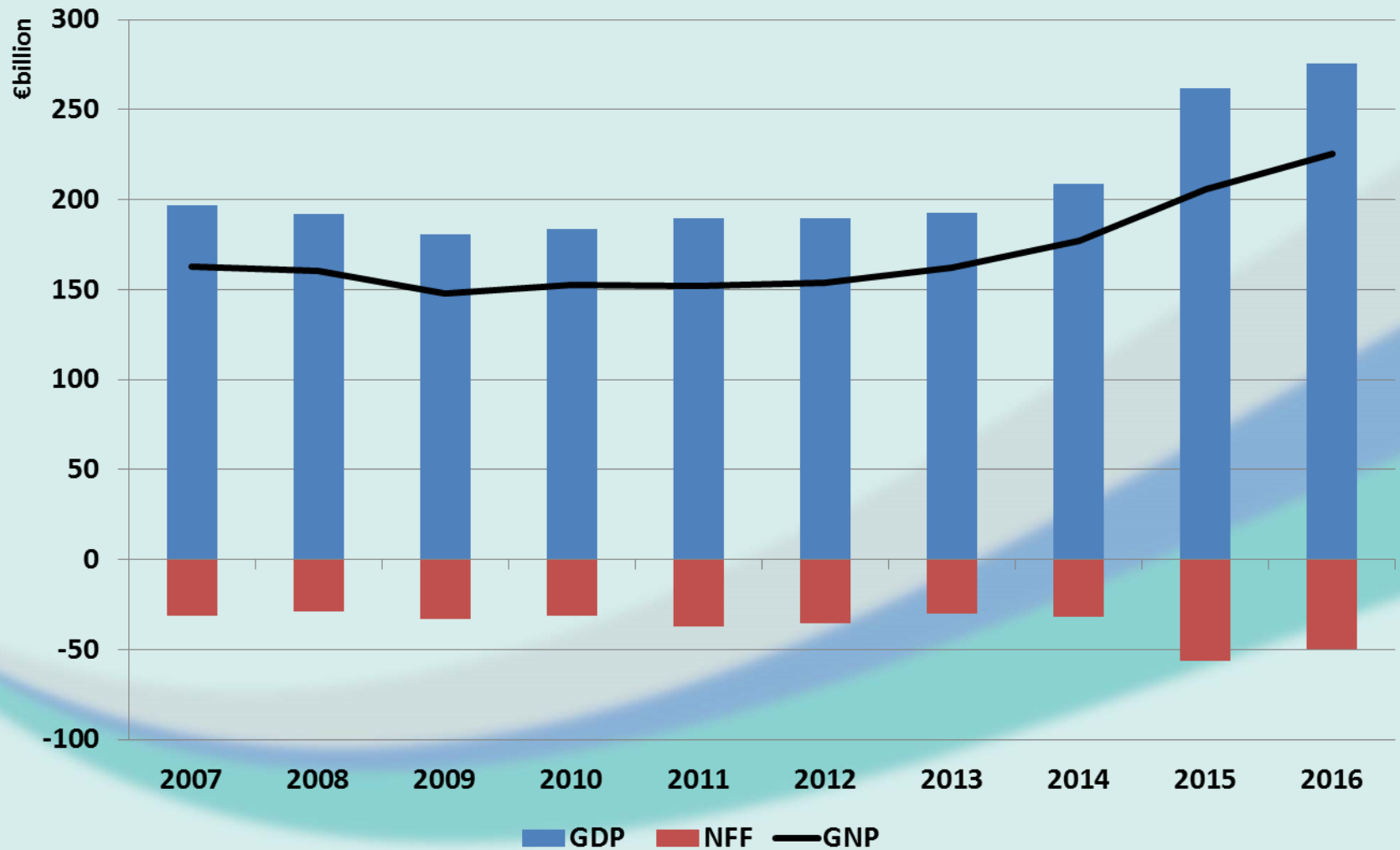
Composition of Capital Formation 1997 – 2016

Constant prices - chain linked





GDP, GNP and Net Factor Flows 2007 – 2016





NIE 2016 Summary

- **GDP: + 5.1%**
- **GNP: + 9.6%**
- **Expenditure: Decrease in Net Exports (-27.9%).
Increases in PCE (+3.3%), Government Consumption (+5.3%) and Investment (+61.2%).**
- **Output: Increases in all sectors.**
- **Decreased Net Factor Outflows of €49,729m
(€56,048m in 2015)**
- **GDP Expenditure: Modified Net Exports +5.3% and
Modified Total Domestic Demand +4.8%**



National Accounts

Quarter 1 2017

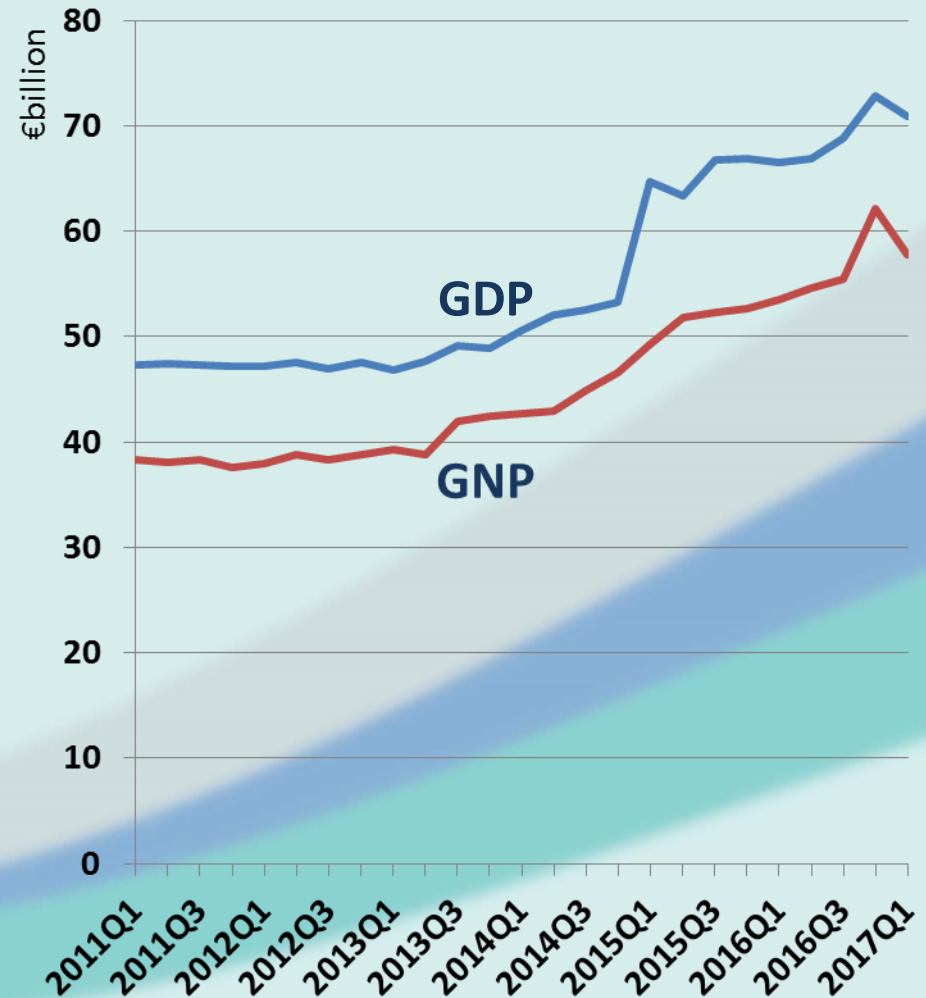


Quarter 1 2017 – Constant Prices, Seasonally Adjusted

Seasonally Adjusted Quarterly Changes

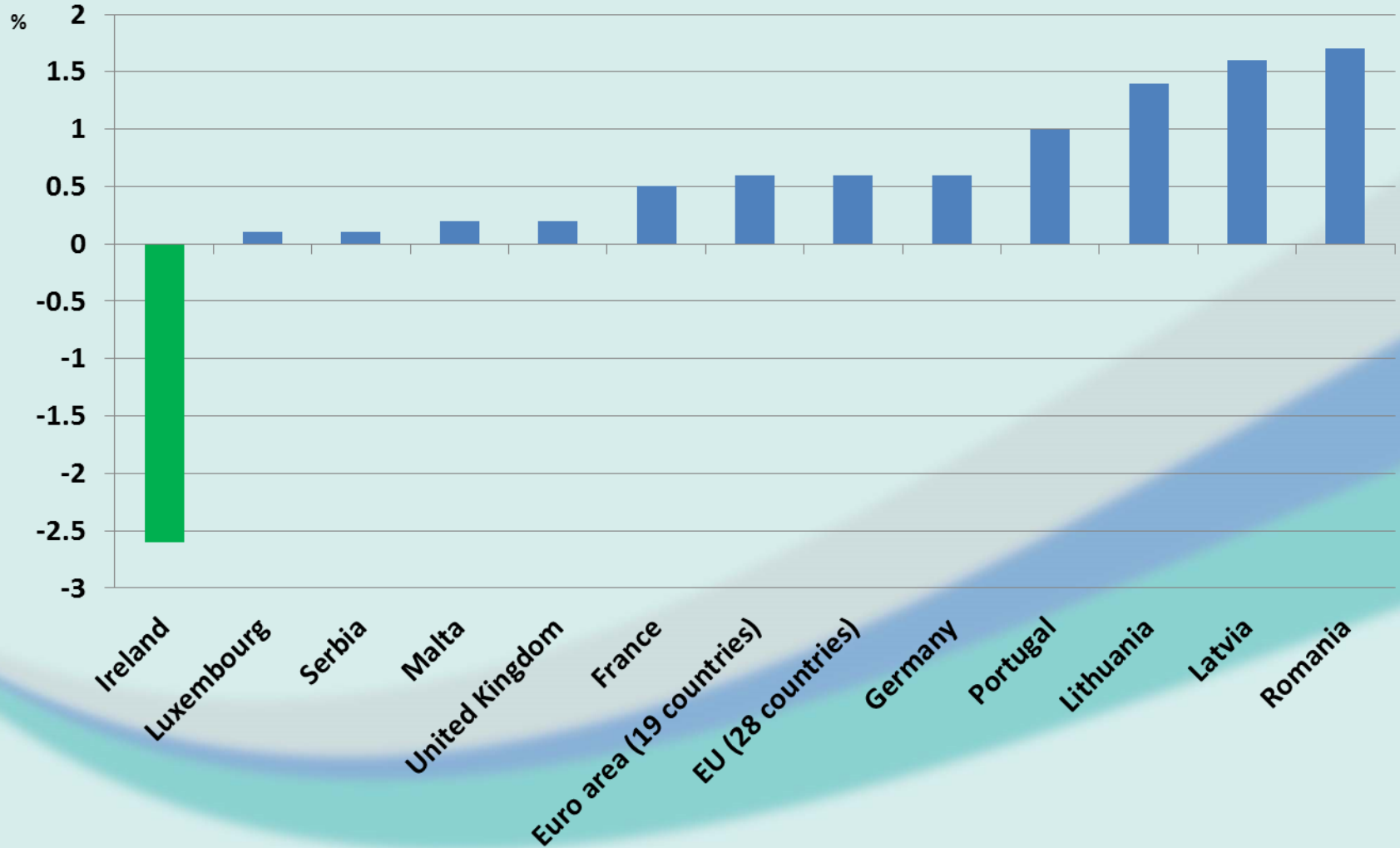
GDP - 2.6%

GNP - 7.1%



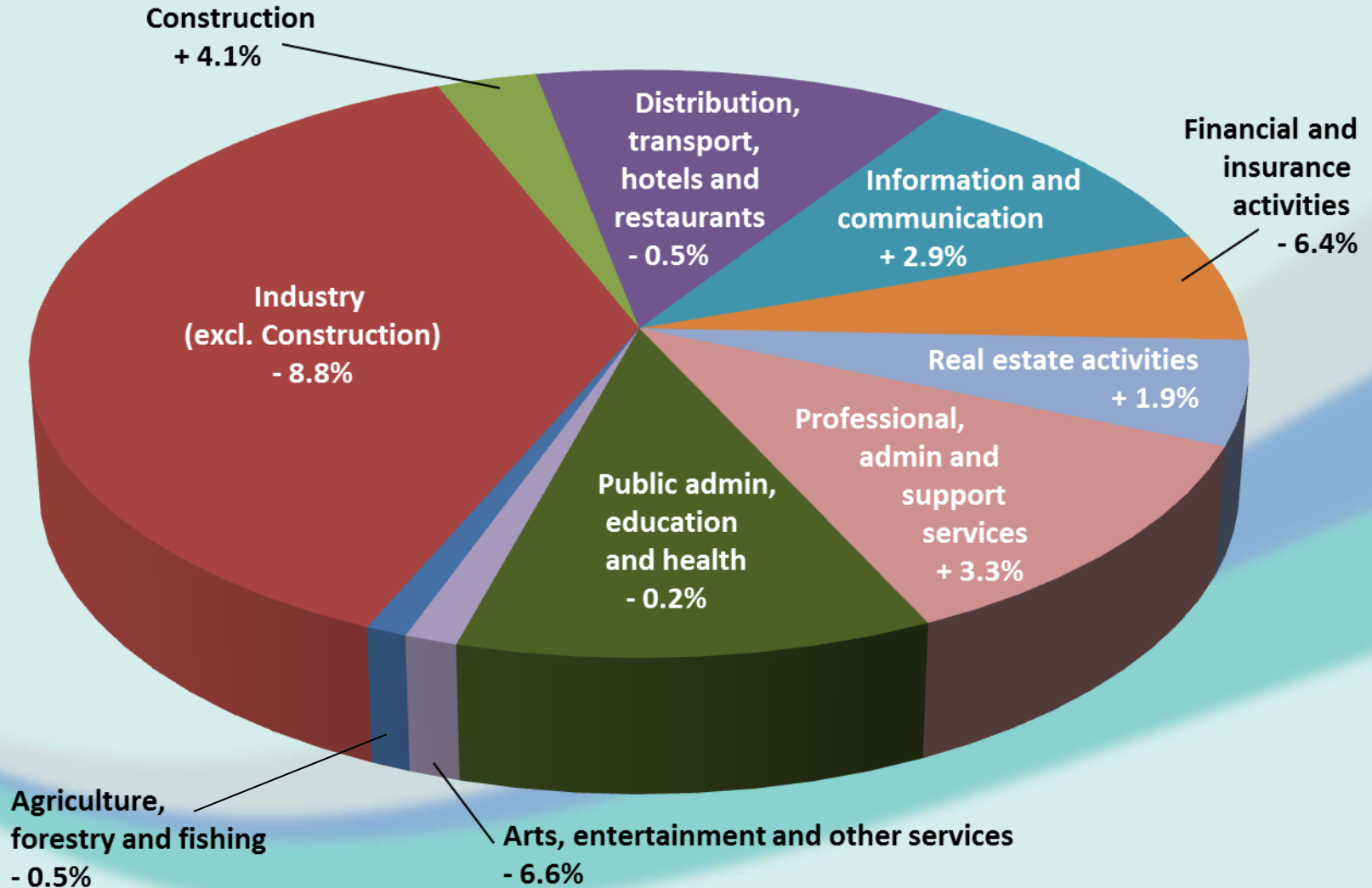


Q1 2017 GDP % Change by Country - Seasonally Adjusted



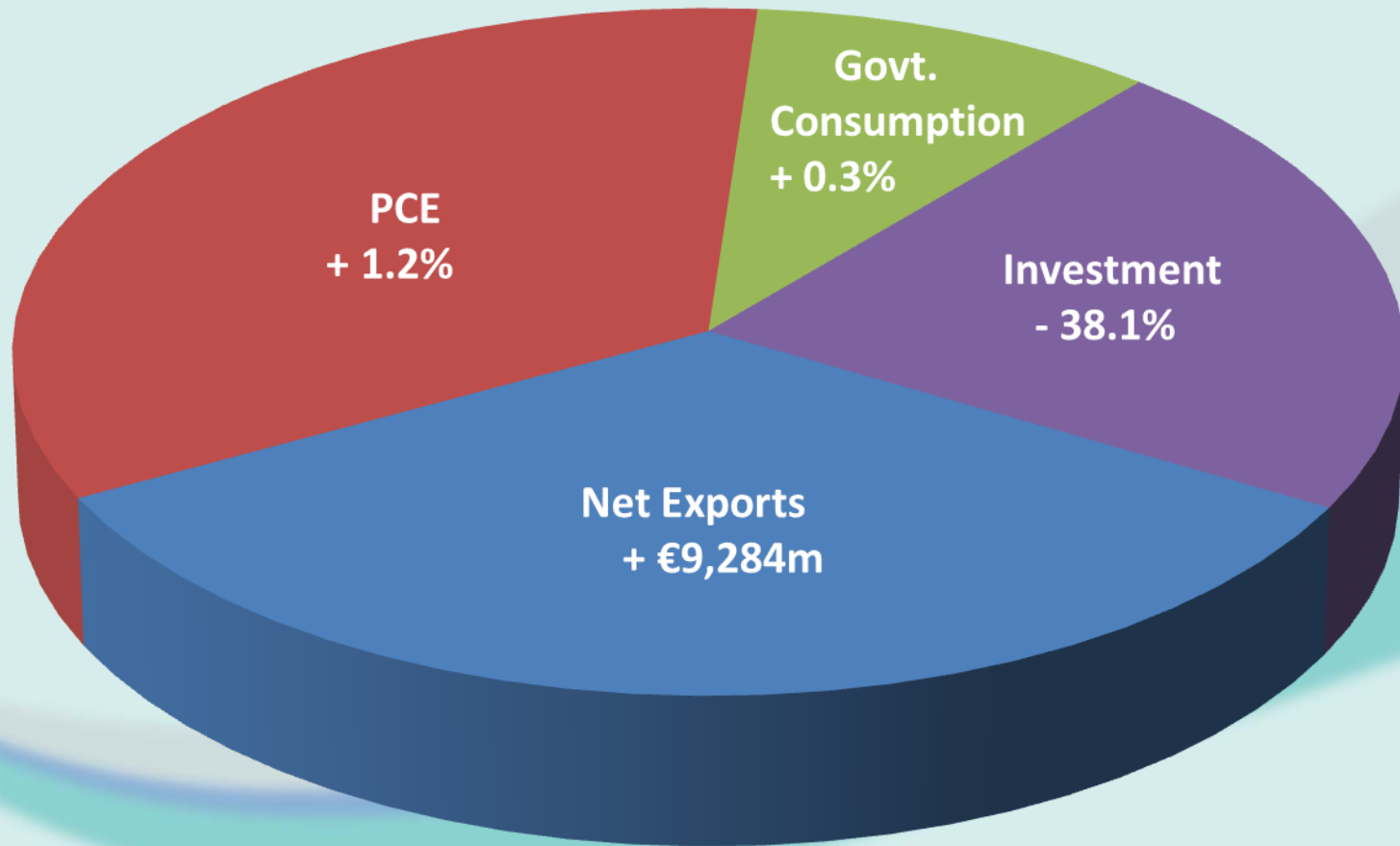


Sector Growth by Share of GDP and Growth Rate – Q1 2017 Seasonally Adjusted





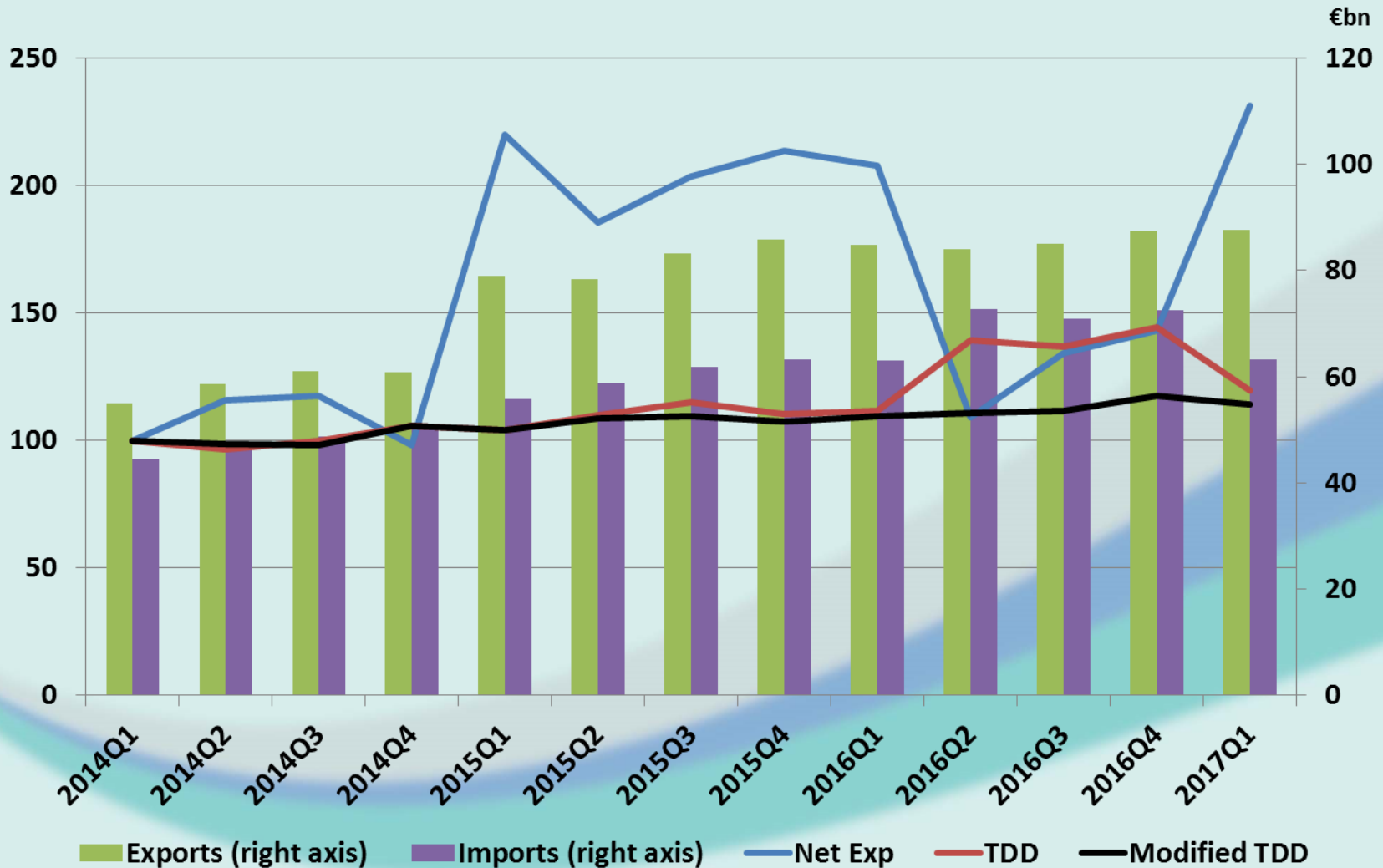
Expenditure by Share of GDP and Growth Rate – Q1 2017 Seasonally Adjusted





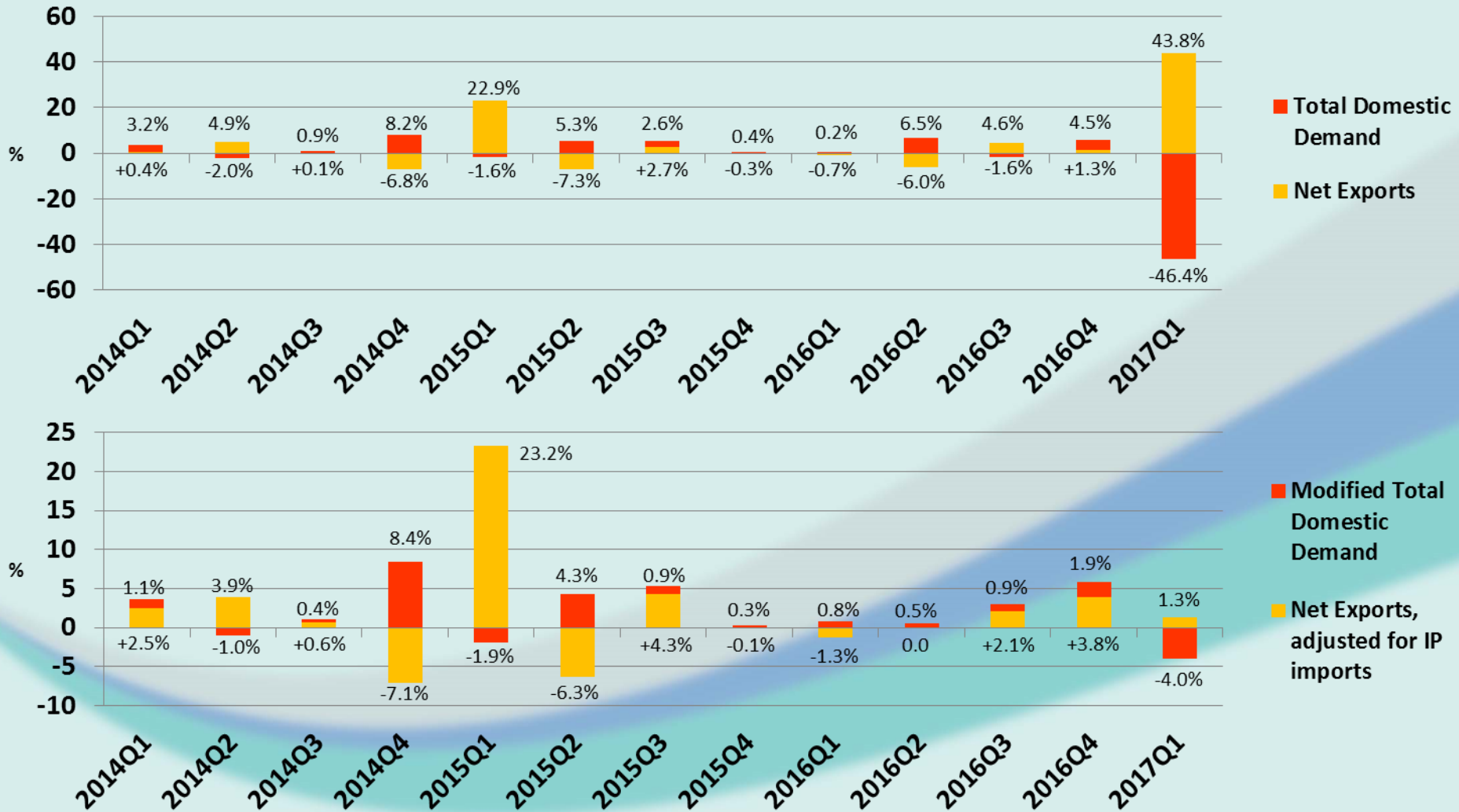
Trend in Domestic Demand and Net Exports

2014 Q1 = 100 v's total exports and imports





Contribution of Domestic Demand and Net Exports to Quarterly GDP Growth





Personal Consumption Expenditure Q1 2017/Q4 2016

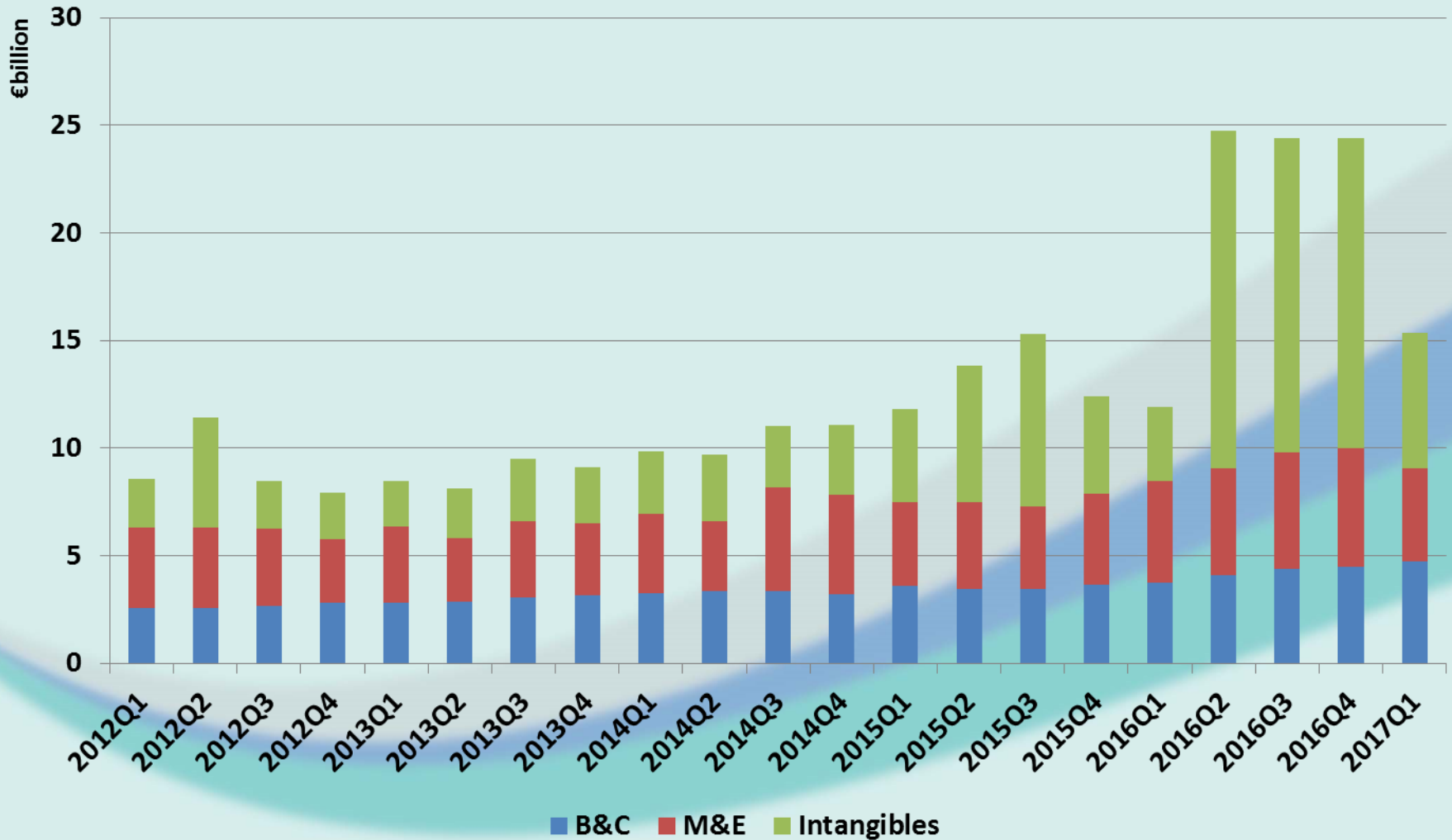
**Total +1.2% (seasonally adjusted)
this quarter v's last quarter**

- **Goods** **+1.5%**
- **Services** **+0.5%**



Capital Formation Q1 2017

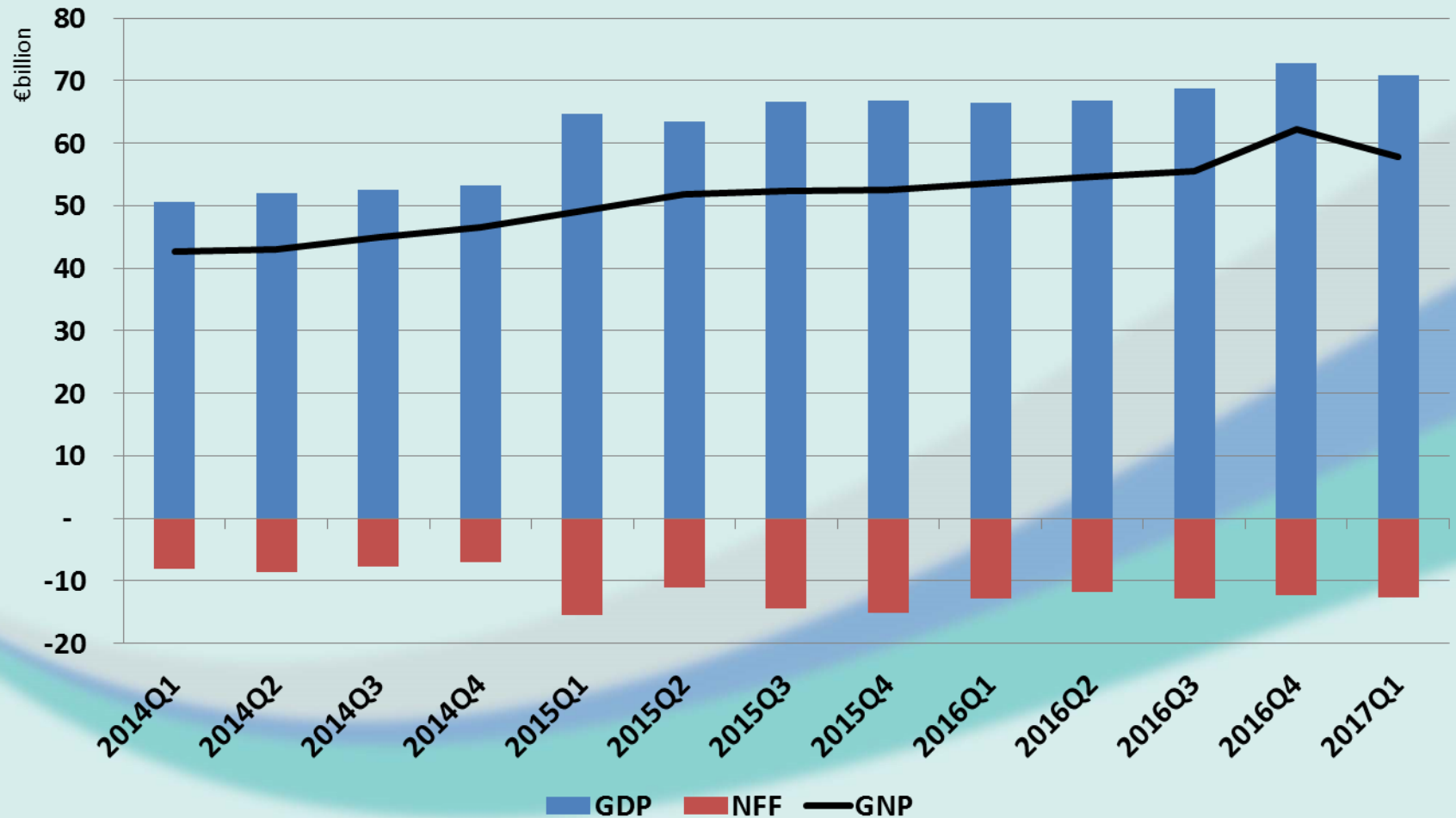
Seasonally Adjusted





GDP, GNP and Net Factor Flows

Q1 2014 – Q1 2017





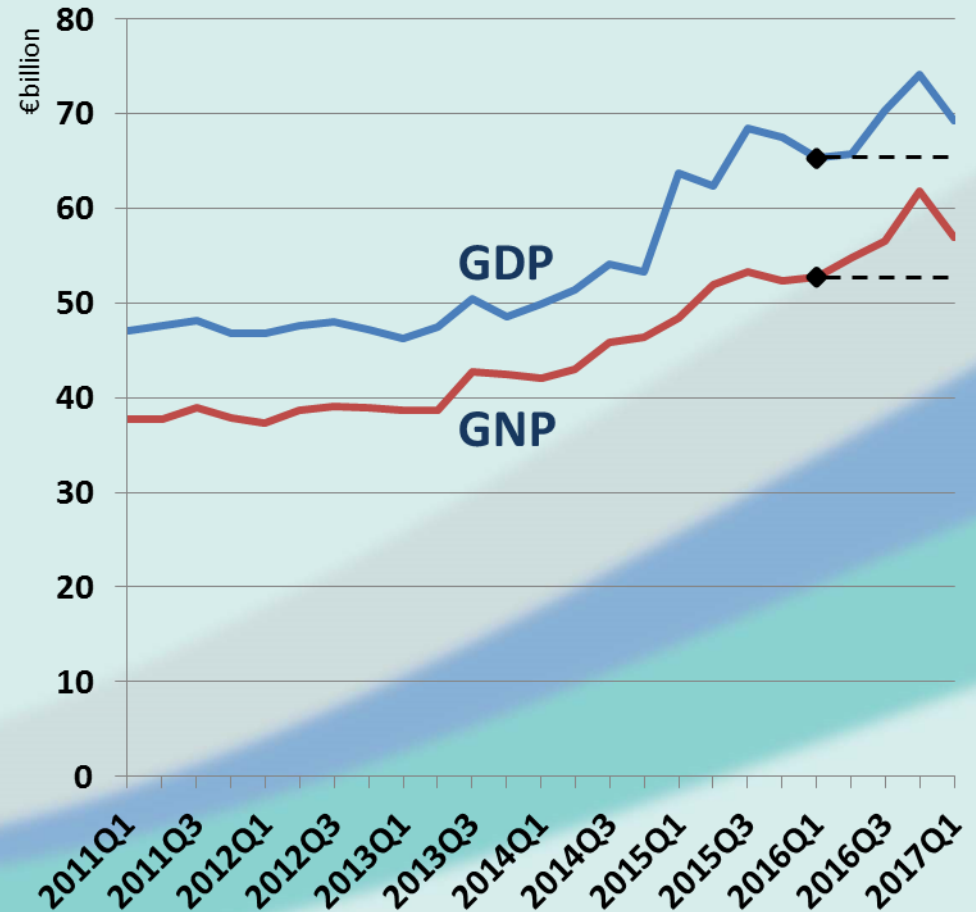
Quarterly Summary

- **GDP: - 2.6%**
- **GNP: - 7.1%**
- **Expenditure: PCE +1.2%, Govt Exp +0.3%, Investment - 38.1%, Total Domestic Demand -17.3%. Net Exports +€9,284m**
- **Output: Industry -8.8%**
- **Net Factor Outflows: €12,656m (€12,245m in Q4 2016).**
- **GDP Expenditure: Modified Net Exports -€441m and Modified Total Domestic Demand -2.7%**



Year-on-Year Growth Rates Q1 2017/Q1 2016

GDP + 6.1%
GNP + 7.9%





Balance of Payments

Quarter 1 2017



New Information & Revisions to BOP Series

New Information Notes

- **Redomiciled PLCs note updated**
- **A Modified Current Account Balance for Ireland, CA***
- **Explaining Goods, Cross border vs Ownership**

Main Data Changes:

- **Revisions to 2015 and 2016 from new data received**
- **Revision to Quarters of 2016 for IP imports**
- **Financial services, new estimates**



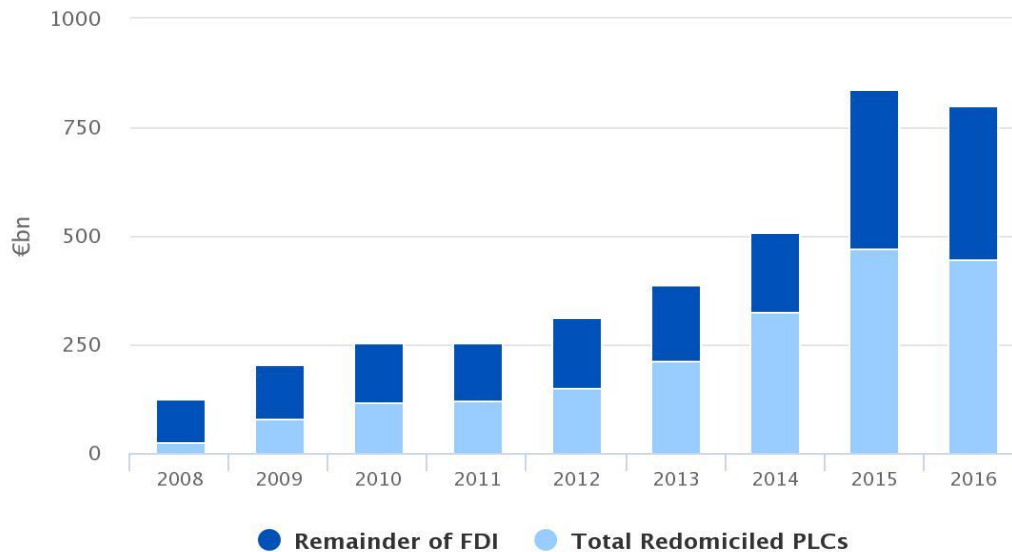
Redomiciled PLCs note updated

Table 1: Net Income of Redomiciled PLCs

€million

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total	292	1,594	5,260	5,548	7,102	6,477	6,855	4,666	5,786

Figure 2: Direct Investment Abroad, 2008–2016

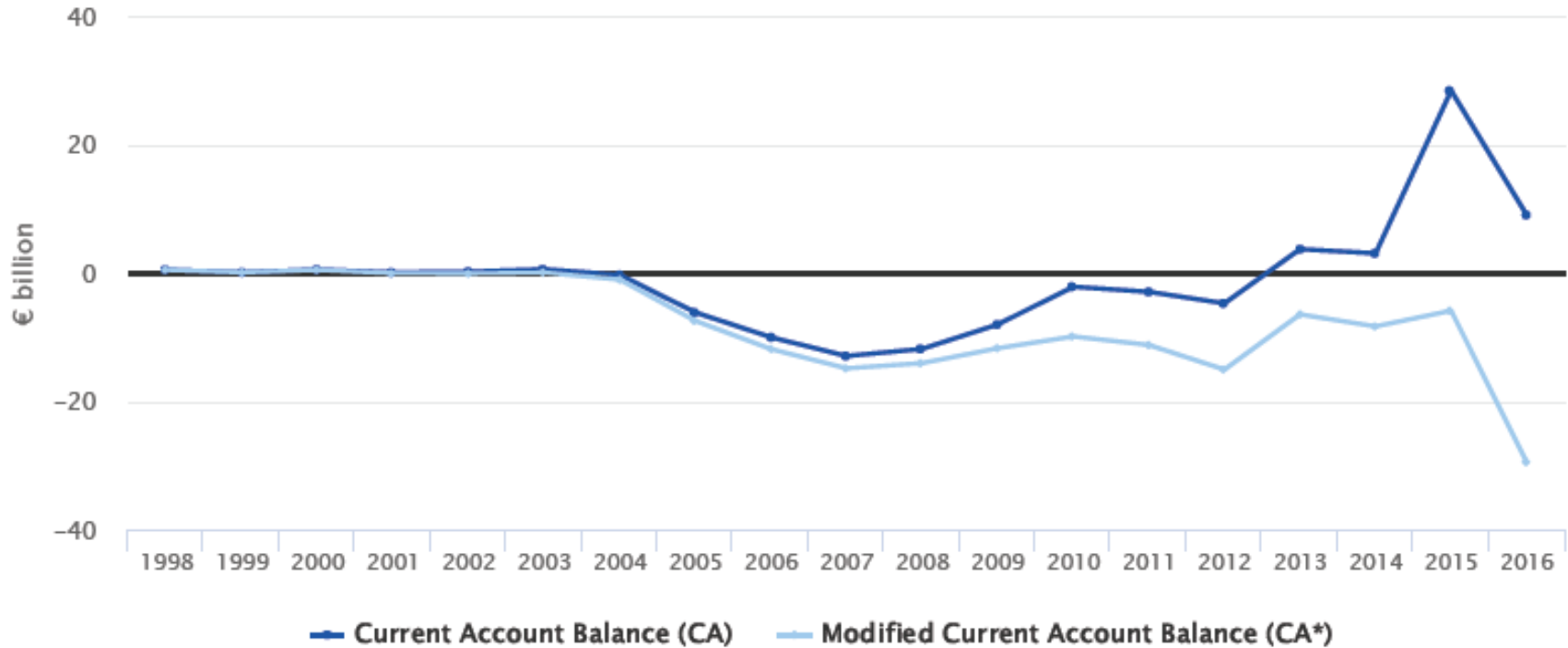


Source: CSO Ireland



A Modified Current Account Balance for Ireland, CA*

Figure 1 Current Account Balance, before and after adjustment, 1998–2016

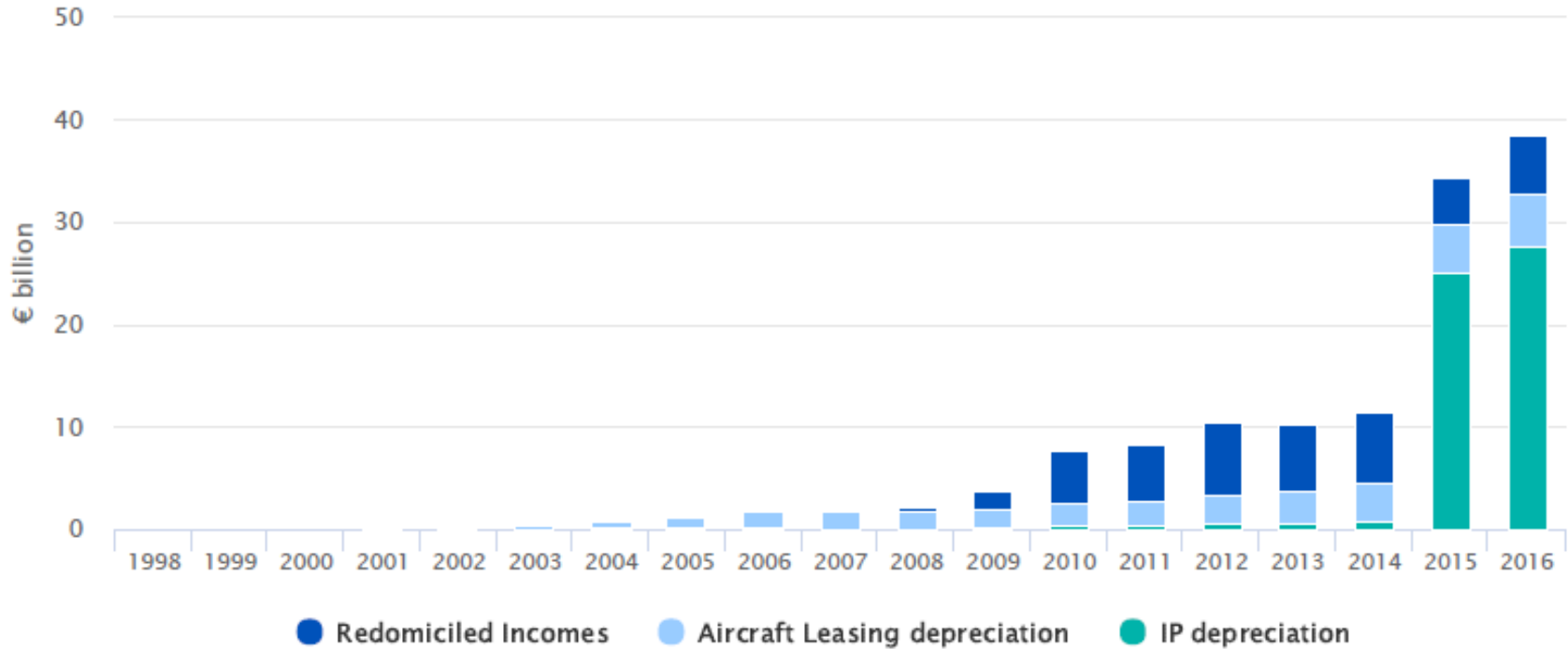


Source: CSO Ireland



A Modified Current Account Balance for Ireland, CA*

Figure 2 Distribution of IP and Aircraft Leasing depreciation and Redomiciled Incomes, 1998 to 2016

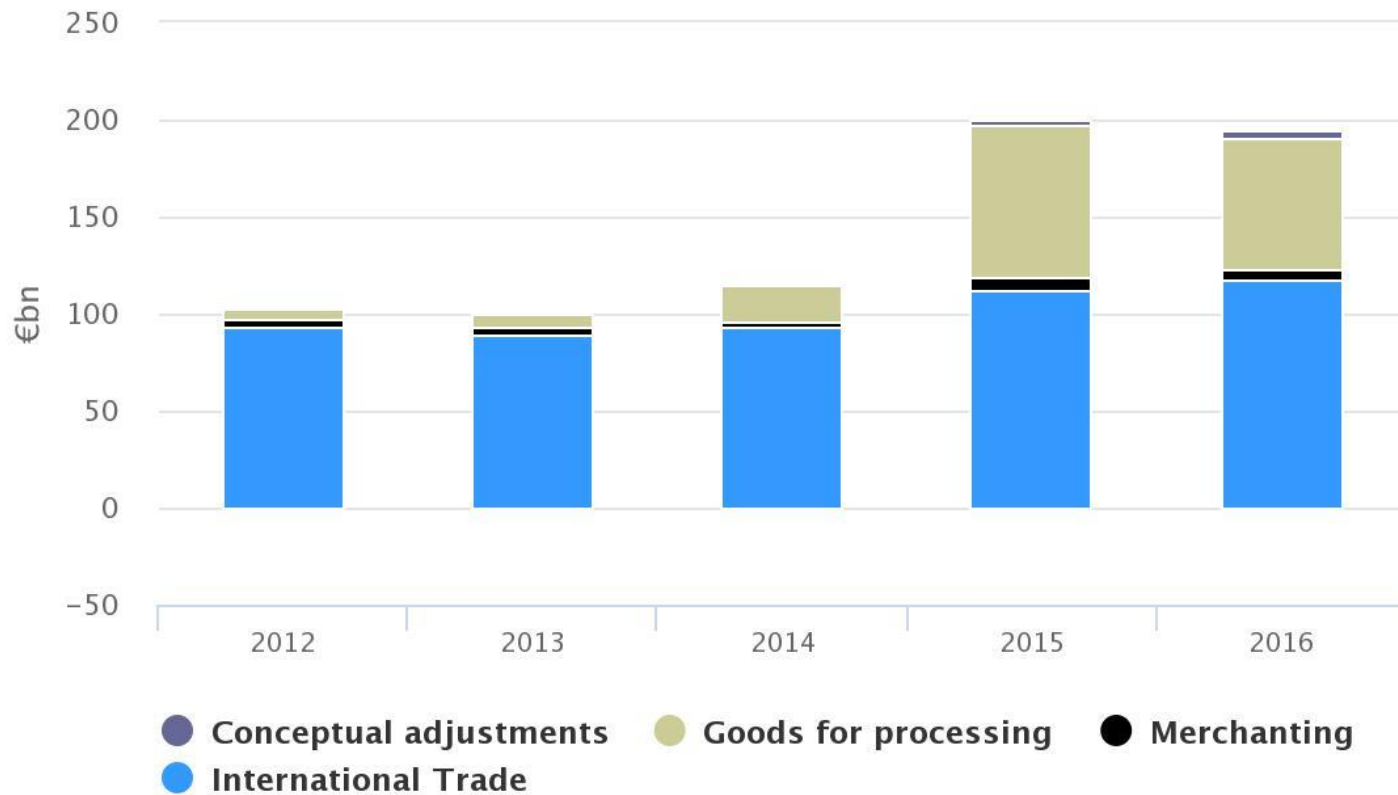


Source: CSO Ireland



Explaining Goods, Cross border vs Ownership

Figure 3 BOP Goods Exports





Explaining Goods, Cross border vs Ownership

Table 1 : International Trade (Cross-border) to BOP Merchandise (Ownership basis)

€million

Item	Year	2012	2013	2014	2015	2016
International Trade (Cross-border basis)	Exports	93,507	89,175	92,616	112,408	117,609
	Imports	56,179	55,787	62,157	70,111	72,086
<i>Of which: Aircraft</i>	<i>Exports</i>	1,349	1,555	312	5,170	3,868
	<i>Imports</i>	9,986	7,241	2,068	11,059	13,571
Adjustments						
Goods for processing	Exports	6,141	7,124	18,569	78,633	67,567
	Imports	6,885	7,154	10,248	13,587	11,642
Net exports of goods under merchanting	Exports	3,278	3,715	3,506	6,400	5,332
Other Conceptual adjustments	Exports	-1,057	-1,282	-230	2,887	3,562
	Imports	3,581	2,907	3,108	5,293	6,601
c.i.f. to f.o.b.	Imports	-1,672	-1,622	-1,782	-2,061	-2,111
Merchandise (Ownership basis)	Exports	101,869	98,732	114,461	200,327	194,070
	Imports	64,974	64,227	73,730	86,933	88,218



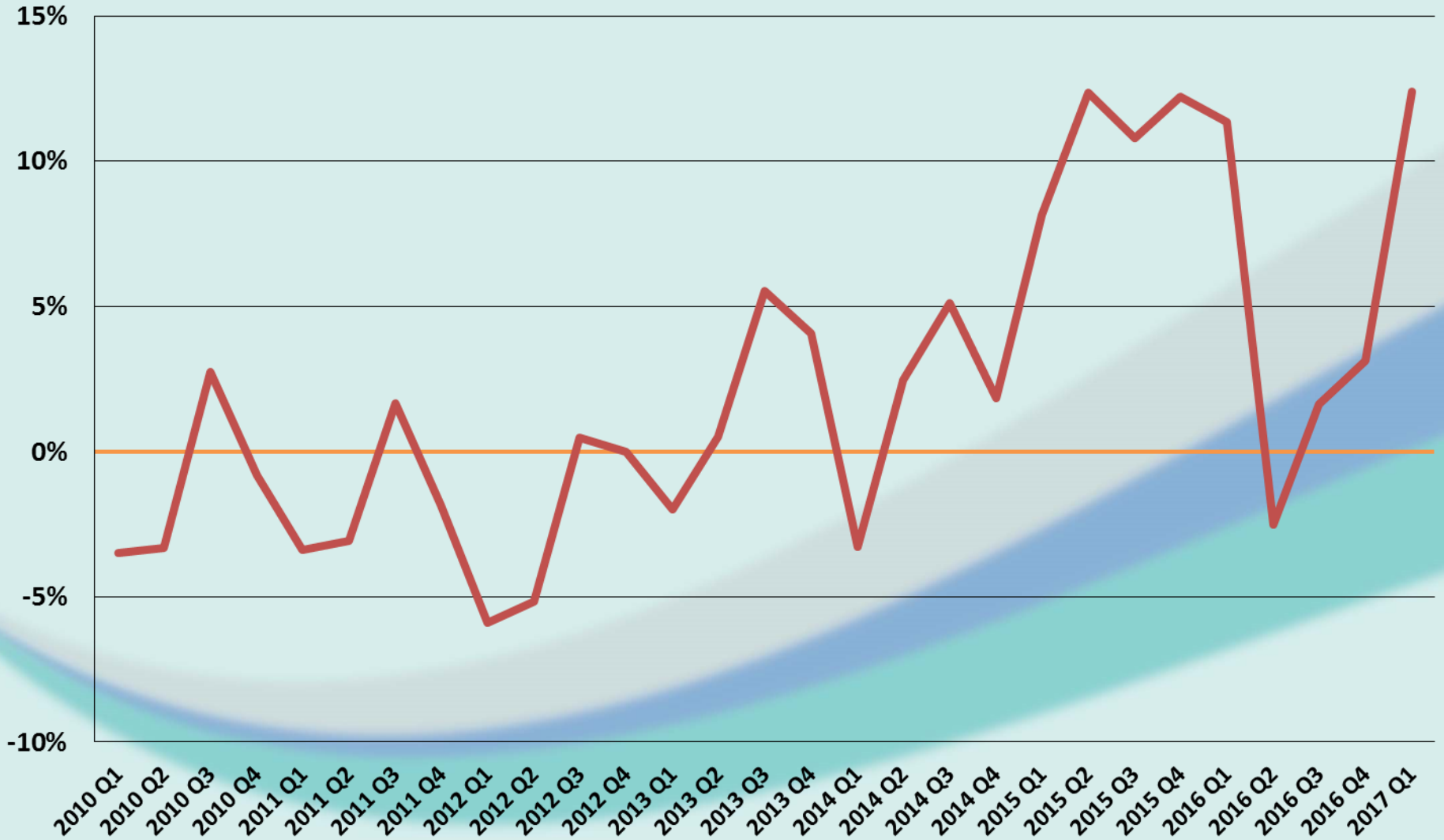
BOP Year 2016 - Current Account

See BOP Table 1

	2016	2015
Current Account surplus	€9,193m	€28,603m
➤ Merchandise surplus	€105,852m	€113,394m
➤ Services balance	-€45,208m	-€26,663m
➤ Net Income outflow	-€51,451m	-€58,127m



Current Account Balance, % of GDP





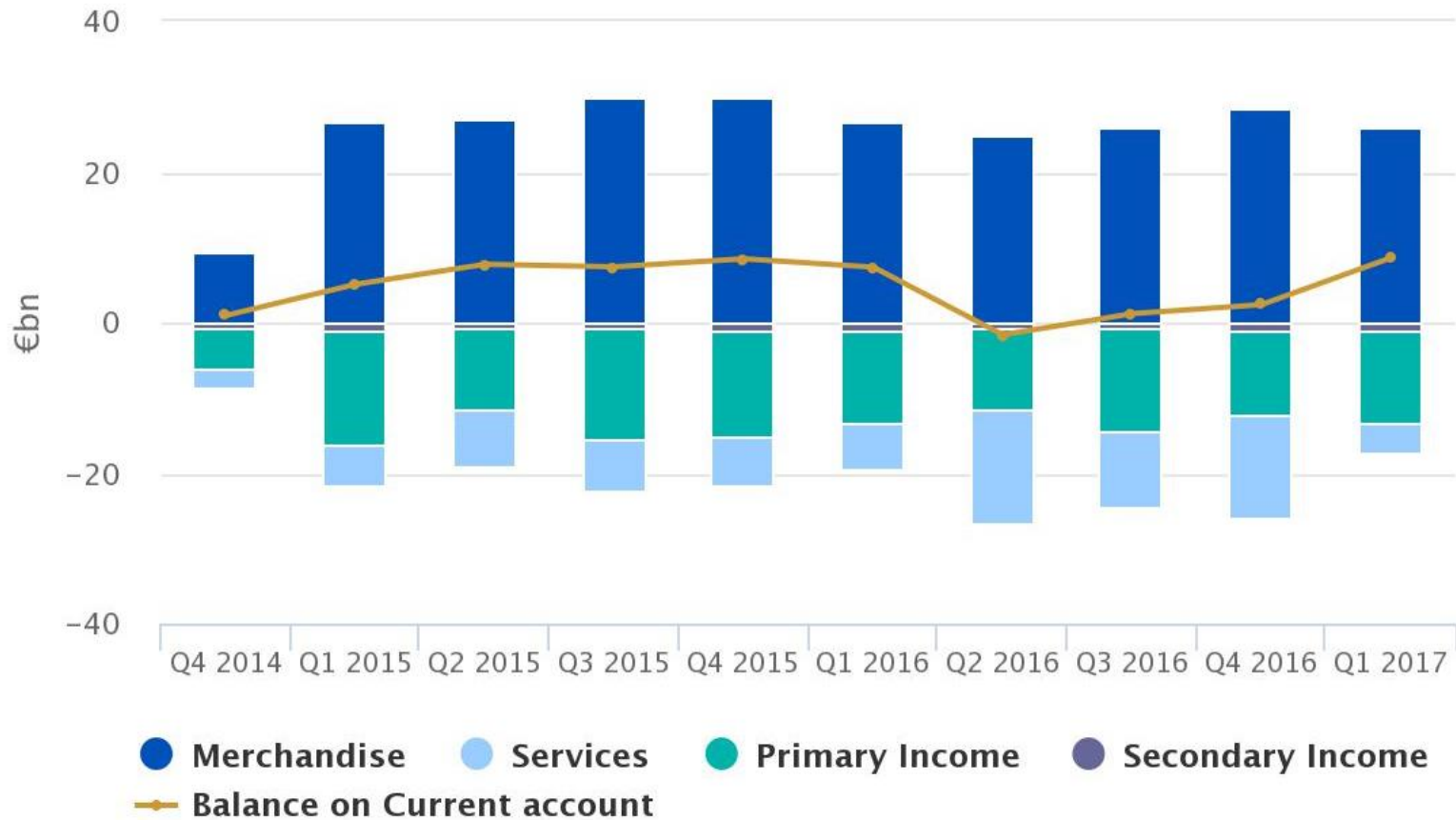
BOP Q1 2017 - Current Account

See BOP Table 1

	<i>Q1 2017</i>	<i>Q1 2016</i>
Current Account Balance	€8,570m	€7,332m
➤ Merchandise surplus	€25,799m	€26,664m
➤ Services deficit	-€3,955m	-€5,899m
➤ Net Income outflow	-€13,275m	-€13,433m



Balance Over Time



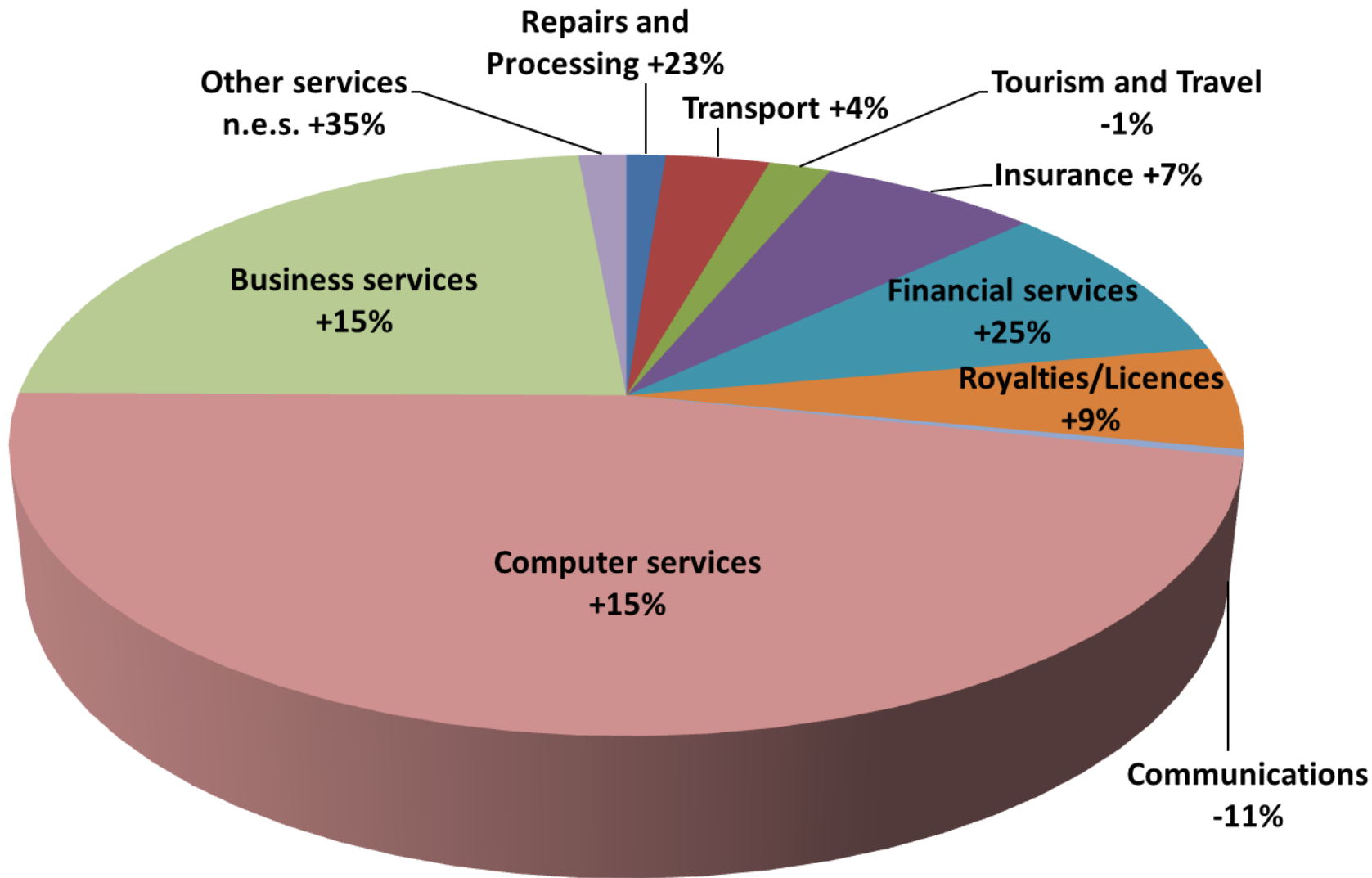


BOP Q1 2017 - Current Account

See BOP Table 2a

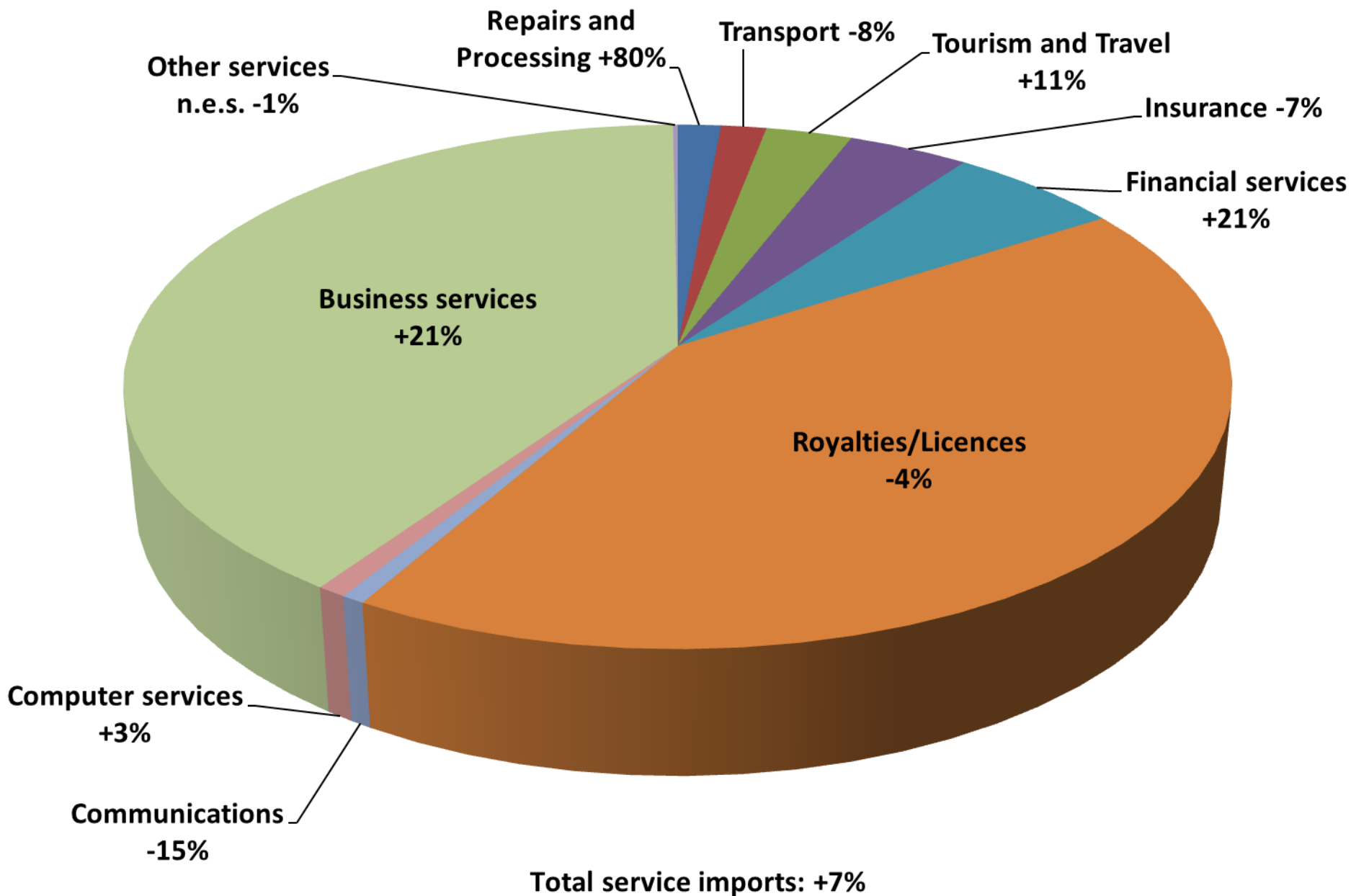
		<i>Q1 2017</i>	<i>y-o-y Change</i>
Merchandise	exports	€47,302m	-€842m
	imports	€21,502m	+€22m
Services	exports	€36,886m	+€4,629m
	imports	€40,842m	+€2,687m
Primary Income	inflows	€17,699m	+€1,258m
	outflows	€30,054m	+€1,200m
<i>Direct investment profit and interest inflows</i>		€4,357m	-€634m
<i>Direct investment profit and interest outflows</i>		€15,423m	-€193m

Service Exports Q1 2017 with year on year changes, Table 2a



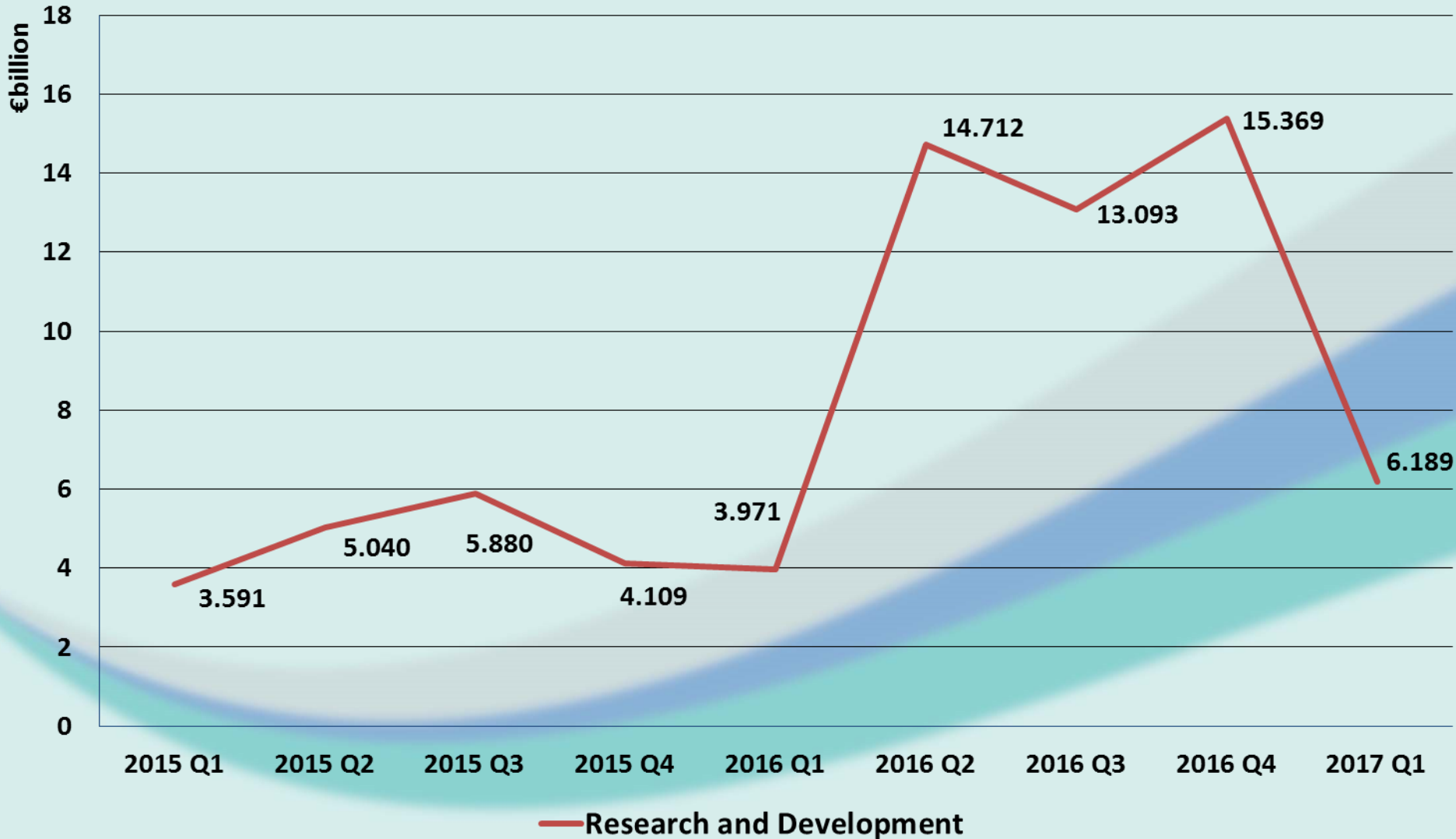
Total service exports: +14%

Service Imports Q1 2017 with year on year changes, Table 2a





Business Services Imports: Research and Development





Financing Q1 2017

Figure 3 Financial Account Balances

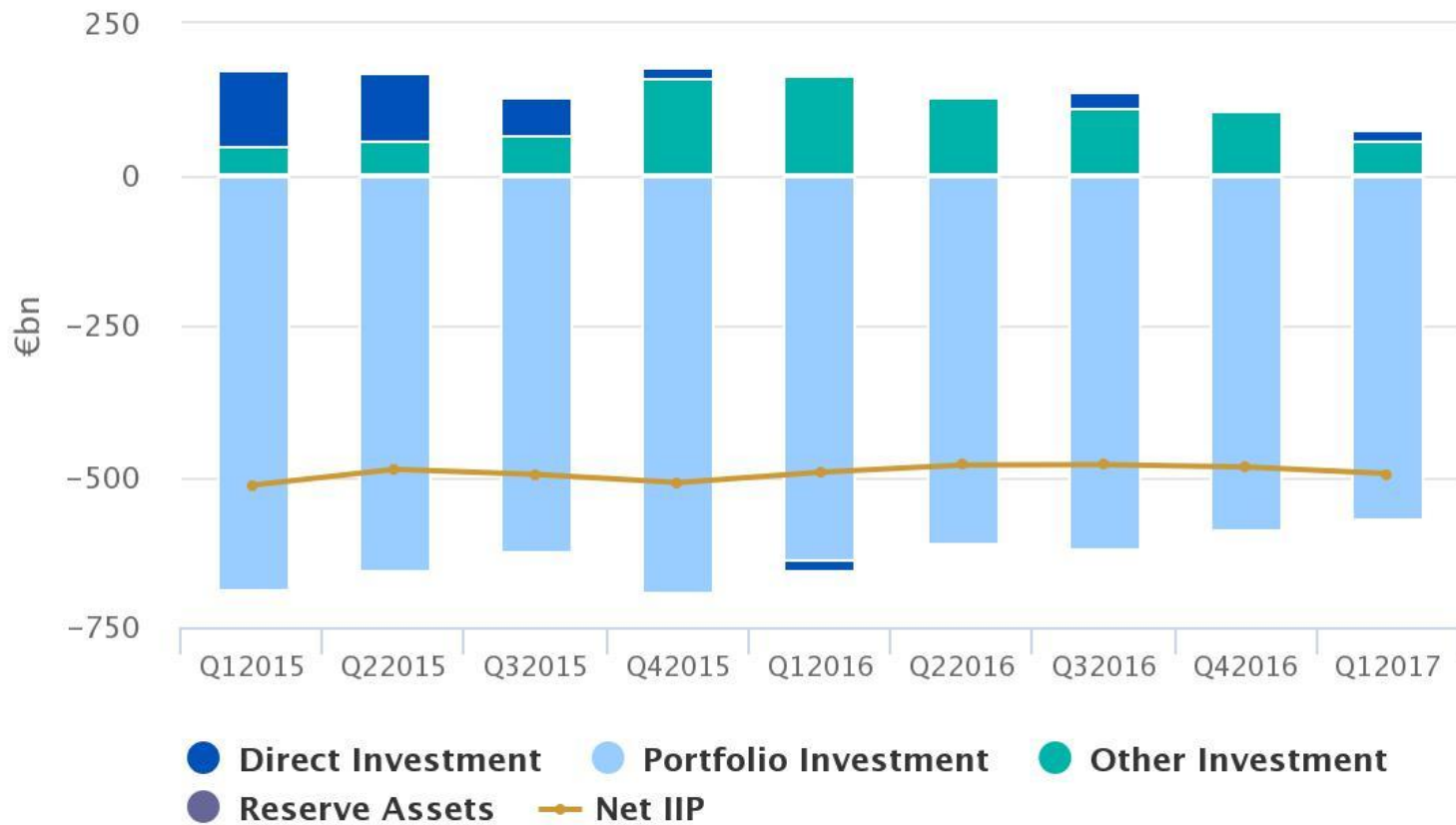


Source: CSO Ireland



IIP Q1 2017

Figure 2 Contribution by Instrument Type to the Net IIP





Balance of Payments Summary

- **Current Account balance 12.4% of GDP in Q1 2017, back to levels seen in 2015.**
- **New outputs on a modified Current Account, Cross border vs Ownership Goods, and Redomiciled PLC income for 2016.**



Also available ...

- In the coming days, at www.cso.ie/en/methods/nationalaccounts/newdevelopmentsandtechnicalnotes/
 - Redomiciled companies note
 - Reconciliation of “across the border” trade in goods statistics & “change in economic ownership” trade
 - Note on Current Account*
- Also available
 - Frequently Asked Questions NIE 2016
- Future ESG deliverables
 - Additional detail for non-financial sector to show Large Cases / Other split (Annual Sector Accounts Q4/2017)
 - Modified GNI (or GNI*) and Net National Income developments



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Ireland's Economy 2016 AND QUARTER 1 2017



How is our economy doing?



Year on year GDP growth (2016 vs 2015)
+5.1%



Quarterly GDP growth (Q1 2017 vs Q4 2016)
-2.6%



Total Domestic Demand (Q1 2017 vs Q4 2016)
-17.3%

What are we spending our money on?



Transport and communication (2016 vs 2015)
+8.4%



Food, beverages and tobacco (2016 vs 2015)
+2.7%



Recreation, entertainment and education (2016 vs 2015)
+5.6%



How are the different parts of our economy doing?



Industry (2016 vs 2015) **+2.6%**



Construction (2016 vs 2015) **+15.1%**



Information & communication (2016 vs 2015) **+9.8%**

Our interactions with the rest of the world



Goods Net Exports **-6.7%**



Services Net Imports **+69.6%**



Net profit outflow **-13.0%**

Removing the effects of globalisation



Current Account Balance* for 2016
-€29.4bn



Total Domestic Demand* (Q1 2017 vs Q4 2016)
-2.7%



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IRELAND IN 2016

OUR ECONOMY



+5.1%
GDP growth



+4.6%
Exports of goods and services



+0.0%
Consumer price index flat in 2016



+0.5%
Total volume of manufacturing production

OUR PEOPLE



Population 4,761,865
up 3.8% since April 2011



Average Age of Population: 37.4
up from 36.1 in April 2011



87% say they're in good health
or very good health

EMPLOYMENT AND EARNINGS



Average annual earnings €36,919 in 2016 ↑ up 1.1%

Employment Level Q2 2016 ↑ up 2.9%
2,014,900 people

Employment Rate Q2 2016 ↑ up from 63.1% in 2015
64.7%

Unemployment Level Q2 2016 ↓ down 11.1%
187,800 people

Unemployment Rate Q2 2016 ↓ down from 9.8% in 2015
8.6%

HOW WE'RE SPENDING



141,931 Purchases of cars
up 17.2% on 2015



+6.7% Retail sales volumes

Average weekly spending 2015 - 2016



€164 housing



€123 food



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