



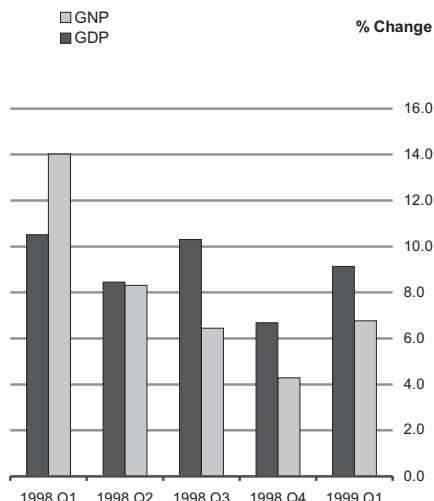
**Central Statistics Office**  
An Phríomh-Oifig Staidrimh



25 November 1999

## Quarterly National Accounts 1st Quarter 1999

Year on year growth rates



GDP and GNP at constant 1995 prices

	GDP	GNP	GDP	GNP
	£m	£m	m	m
<b>Quarter 1 1998</b>	12,694	11,117	16,119	14,117
<b>Quarter 1 1999</b>	13,855	11,871	17,592	15,073
<b>% change</b>	9.1%	6.8%		

### GDP up 9.1%

The year on year increase in Gross Domestic Product (GDP) at constant market prices in the first quarter of 1999 was 9.1%. The corresponding increase in the Gross National Product (GNP) was 6.8%.

This compares with annual increases of 8.9% and 8.1% in GDP and GNP, respectively, in 1998. Year on year growth in 1998 was lowest in the fourth quarter with GDP growing by 6.7%.

Details of expenditure in the first quarter were as follows:

- ◆ Consumer spending increased by 12% when compared to the first quarter of 1998. When price changes are taken into account the real growth was 8.6%.
- ◆ Government expenditure increased by 4.4% in nominal terms. Expenditure in constant prices was virtually unchanged in comparison to the corresponding quarter of 1998.
- ◆ Investments in new buildings and capital equipment rose by 22.4% in money terms, which is equivalent to a rise of 10.3% in real terms. The value of stocks rose by £300m.
- ◆ Exports of goods and services exceeded imports by £1,752 million as compared with £1,293 million in the first quarter of 1998 but this was offset by an increase of £408m in net factor income outflows to the rest of the world.

This is the first occasion on which the Central Statistics Office has compiled quarterly estimates of GDP and GNP. The calculation methods are similar to those used in the annual National Income and Expenditure. As some of the available sources are of lesser reliability than those used for the annual national accounts, the estimates given here must be regarded as provisional and will be subject to revision, as further data become available. The series at this stage are not seasonally adjusted; a longer series will be required before this is feasible.

Published by the Central Statistics Office, Ireland.

Ardee Road  
Dublin 6  
Ireland

Skehard Road  
Cork  
Ireland

LoCall: 1890 313 414

Tel: +353-1 497 7144  
Fax: +353-1 497 2360

Tel: +353-21 535000  
Fax: +353-21 535555

Both offices may be contacted through any of these telephone numbers.

CSO on the Web: <http://www.cso.ie>

Director General: Donal Murphy

Enquiries:

National Accounts	National Accounts, ext 4371 <a href="mailto:nat_acc@cso.ie">nat_acc@cso.ie</a>
Queries and Sales	Information Section, ext 5032 <a href="mailto:information@cso.ie">information@cso.ie</a>
Diskette Service	Databank, ext 5301/5499 <a href="mailto:databank@cso.ie">databank@cso.ie</a>

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For more information contact Brian King at ext 4350, Máire O'Mahony at ext 4209 or Evelyn Byrne at ext 4371.



**Table 1 Gross Domestic Product by Sector of Origin and Gross National Product at Constant (1995) Prices**

£million

Period	Agric. forestry and fishing	Industry	Dist. transport and comms.	Public admin. and defence	Other <sup>1</sup> domestic	Statistical discrepancy	<b>GDP at constant factor cost</b>	Taxes less subsidies	<b>GDP at constant market prices</b>	Net factor income from rest of world	<b>GNP at constant market prices</b>
1995	2,860	13,880	5,791	1,817	12,255	103	<b>36,706</b>	4,322	<b>41,028</b>	-4,525	<b>36,503</b>
1996	2,979	15,086	6,731	1,848	12,793	257	<b>39,693</b>	4,508	<b>44,201</b>	-5,082	<b>39,119</b>
1997	3,068	17,353	7,402	1,854	13,642	376	<b>43,696</b>	5,235	<b>48,932</b>	-6,274	<b>42,658</b>
1998	3,084	19,721	8,106	1,879	14,397	375	<b>47,561</b>	5,742	<b>53,303</b>	-7,202	<b>46,101</b>
1997											
Q1	739	4,049	1,697	460	3,238	145	<b>10,327</b>	1,160	<b>11,487</b>	-1,737	<b>9,751</b>
Q2	1,093	4,472	1,789	466	3,389	-36	<b>11,173</b>	1,247	<b>12,420</b>	-1,728	<b>10,692</b>
Q3	734	4,309	1,883	466	3,493	-30	<b>10,854</b>	1,331	<b>12,185</b>	-1,330	<b>10,855</b>
Q4	502	4,524	2,034	462	3,522	298	<b>11,342</b>	1,497	<b>12,839</b>	-1,479	<b>11,359</b>
1998											
Q1	802	4,814	1,865	462	3,480	-6	<b>11,418</b>	1,276	<b>12,694</b>	-1,576	<b>11,117</b>
Q2	1,049	5,035	1,963	474	3,518	35	<b>12,075</b>	1,395	<b>13,470</b>	-1,888	<b>11,582</b>
Q3	710	4,912	2,057	474	3,707	126	<b>11,987</b>	1,455	<b>13,441</b>	-1,886	<b>11,555</b>
Q4	523	4,960	2,220	469	3,691	219	<b>12,082</b>	1,616	<b>13,698</b>	-1,851	<b>11,847</b>
1999											
Q1	864	5,366	2,110	469	3,627	25	<b>12,459</b>	1,396	<b>13,855</b>	-1,984	<b>11,871</b>

*Percentage change on corresponding period of previous year*

1996	4.1	8.7	16.2	1.7	4.4		<b>8.1</b>	4.3	<b>7.7</b>		<b>7.2</b>
1997	3.0	15.0	10.0	0.3	6.6		<b>10.1</b>	16.1	<b>10.7</b>		<b>9.0</b>
1998	0.5	13.6	9.5	1.3	5.5		<b>8.8</b>	9.7	<b>8.9</b>		<b>8.1</b>
1998											
Q1	8.6	18.9	9.9	0.4	7.5		<b>10.6</b>	10.0	<b>10.5</b>		<b>14.0</b>
Q2	-4.1	12.6	9.8	1.7	3.8		<b>8.1</b>	11.8	<b>8.5</b>		<b>8.3</b>
Q3	-3.3	14.0	9.2	1.8	6.1		<b>10.4</b>	9.3	<b>10.3</b>		<b>6.5</b>
Q4	4.0	9.7	9.2	1.5	4.8		<b>6.5</b>	8.0	<b>6.7</b>		<b>4.3</b>
1999											
Q1	7.6	11.5	13.1	1.4	4.2		<b>9.1</b>	9.4	<b>9.1</b>		<b>6.8</b>

<sup>1</sup> Includes adjustment for financial services

**Table 2 Expenditure on Gross National Product at Current Market Prices**

£million

Period	Personal consumption of goods and services	Net exp. by central and local government on current goods and services	Gross domestic fixed capital formation	Value of physical changes in stocks	Exports of goods and services	Imports of goods and services	Statistical discrepancy	GDP at current market prices	Net factor income from the rest of the world	GNP at current market prices
1995	22,934	6,177	7,124	428	30,837	-26,369	-103	<b>41,028</b>	-4,525	<b>36,503</b>
1996	25,059	6,516	8,563	427	34,341	-29,367	-329	<b>45,210</b>	-5,064	<b>40,146</b>
1997	27,555	7,175	10,684	649	40,640	-34,324	-556	<b>51,823</b>	-6,323	<b>45,500</b>
1998	30,689	7,983	13,398	788	50,305	-43,326	-201	<b>59,637</b>	-7,454	<b>52,183</b>
1997										
Q1	6,335	1,681	2,466	410	8,909	-7,797	-127	<b>11,876</b>	-1,725	<b>10,151</b>
Q2	6,598	1,812	2,707	351	10,157	-8,578	-138	<b>12,908</b>	-1,746	<b>11,162</b>
Q3	6,742	1,769	2,553	-6	10,469	-8,529	-138	<b>12,860</b>	-1,349	<b>11,511</b>
Q4	7,881	1,913	2,958	-107	11,105	-9,421	-152	<b>14,178</b>	-1,503	<b>12,675</b>
1998										
Q1	7,040	1,879	3,183	456	11,687	-10,394	-46	<b>13,804</b>	-1,641	<b>12,163</b>
Q2	7,470	1,939	3,382	366	12,318	-10,584	-50	<b>14,841</b>	-1,965	<b>12,876</b>
Q3	7,570	1,997	3,218	183	12,921	-10,561	-51	<b>15,276</b>	-1,983	<b>13,293</b>
Q4	8,610	2,168	3,616	-217	13,379	-11,787	-53	<b>15,716</b>	-1,865	<b>13,851</b>
1999										
Q1	7,886	1,961	3,897	300	13,035	-11,283	-53	<b>15,744</b>	-2,049	<b>13,695</b>

*Percentage change on corresponding period of previous year*

1996	9.3	5.5	20.2		11.4	11.4		<b>10.2</b>		<b>10.0</b>
1997	10.0	10.1	24.8		18.3	16.9		<b>14.6</b>		<b>13.3</b>
1998	11.4	11.3	25.4		23.8	26.2		<b>15.1</b>		<b>14.7</b>
1998										
Q1	11.1	11.8	29.1		31.2	33.3		<b>16.2</b>		<b>19.8</b>
Q2	13.2	7.0	24.9		21.3	23.4		<b>15.0</b>		<b>15.4</b>
Q3	12.3	12.9	26.0		23.4	23.8		<b>18.8</b>		<b>15.5</b>
Q4	9.2	13.3	22.2		20.5	25.1		<b>10.8</b>		<b>9.3</b>
1999										
Q1	12.0	4.4	22.4		11.5	8.6		<b>14.0</b>		<b>12.6</b>

**Table 3 Expenditure on Gross National Product at Constant (1995) Market Prices**

£million

Period	Personal consumption of goods and services	Net exp. by central and local government on current goods and services	Gross domestic fixed capital formation	Value of physical changes in stocks	Exports of goods and services	Imports of goods and services	Statistical discrepancy	GDP at constant market prices	Net factor income from the rest of the world	GNP at constant market prices
1995	22,934	6,177	7,124	428	30,837	-26,369	-103	<b>41,028</b>	-4,525	<b>36,503</b>
1996	24,432	6,351	8,280	472	34,462	-29,539	-257	<b>44,201</b>	-5,082	<b>39,119</b>
1997	26,211	6,655	9,724	685	40,326	-34,293	-376	<b>48,932</b>	-6,274	<b>42,658</b>
1998	28,142	7,047	11,355	789	48,604	-42,260	-375	<b>53,303</b>	-7,202	<b>46,101</b>
1997										
Q1	6,120	1,613	2,339	459	8,980	-7,879	-145	<b>11,487</b>	-1,737	<b>9,751</b>
Q2	6,296	1,701	2,515	400	10,065	-8,592	36	<b>12,420</b>	-1,728	<b>10,692</b>
Q3	6,390	1,636	2,291	-33	10,336	-8,465	30	<b>12,185</b>	-1,330	<b>10,855</b>
Q4	7,405	1,704	2,579	-141	10,945	-9,356	-298	<b>12,839</b>	-1,479	<b>11,359</b>
1998										
Q1	6,569	1,728	2,820	513	11,216	-10,159	6	<b>12,694</b>	-1,576	<b>11,117</b>
Q2	6,856	1,732	2,917	424	11,829	-10,253	-35	<b>13,470</b>	-1,888	<b>11,582</b>
Q3	6,913	1,726	2,666	129	12,285	-10,152	-126	<b>13,441</b>	-1,886	<b>11,555</b>
Q4	7,803	1,860	2,951	-276	13,275	-11,697	-219	<b>13,698</b>	-1,851	<b>11,847</b>
1999										
Q1	7,136	1,726	3,111	322	12,621	-11,035	-25	<b>13,855</b>	-1,984	<b>11,871</b>

*Percentage change on corresponding period of previous year*

1996	6.5	2.8	16.2		11.8	12.0		<b>7.7</b>		<b>7.2</b>
1997	7.3	4.8	17.4		17.0	16.1		<b>10.7</b>		<b>9.0</b>
1998	7.4	5.9	16.8		20.5	23.2		<b>8.9</b>		<b>8.1</b>
1998										
Q1	7.3	7.1	20.6		24.9	28.9		<b>10.5</b>		<b>14.0</b>
Q2	8.9	1.8	16.0		17.5	19.3		<b>8.5</b>		<b>8.3</b>
Q3	8.2	5.5	16.4		18.9	19.9		<b>10.3</b>		<b>6.5</b>
Q4	5.4	9.2	14.4		21.3	25.0		<b>6.7</b>		<b>4.3</b>
1999										
Q1	8.6	-0.1	10.3		12.5	8.6		<b>9.1</b>		<b>6.8</b>

## Background Notes

**Introduction** This release gives the first official quarterly national accounts estimates for Ireland. It includes estimates for the quarters of 1997, 1998 and the first quarter of 1999. These are compiled in accordance with the ESA95 system of accounts, as used in all member states of the European Union. The aggregates shown have been derived from a wide variety of sources. As some of the available sources are of lesser reliability than those used for the annual national accounts, the estimates given in this release must be regarded as provisional and will be subject to revision as further data become available. In particular, these quarterly estimates will be benchmarked against the more definitive annual estimates. For 1997 and 1998, the quarterly estimates are consistent with the annual data previously published in the National Income and Expenditure 1998 (July 1999).

The series at this stage are not seasonally adjusted; a longer series will be required before this is feasible.

**Current Price** For the annual accounts, GDP at current prices is calculated using two independent approaches i.e. the *income* and *expenditure* methods. On a quarterly basis, it is not possible to compile a reliable income based estimate. The estimate given in Table 2, is therefore on the expenditure basis only. The balancing item (i.e. the statistical discrepancy) which is required to adjust the expenditure based estimate to the definitive measure of GDP (the average of income and expenditure) has been projected forward into 1999 in line with the trend in the aggregate of all the other expenditure items.

**Volumes** Estimates valued at constant 1995 prices have been derived using the *output* and *expenditure* methods (Tables 1 and 3 respectively). The measure of GDP used is the average of the two methods. The output measure is, for the most part, 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 balancing item (i.e. the statistical discrepancy) displayed in Tables 1 and 3 is half of the difference between the two original estimates.

**Definitions** **Gross Domestic Product** represents the total value added (output) in the production of goods and services in the country.

**Net factor income from the rest of the world** is the difference between investment income (interest, profits etc.) and labour income earned abroad by Irish resident persons and companies (inflows) and similar incomes earned in Ireland by non-residents (outflows). The data are taken from the Balance of Payments statistics. The deflator used to generate the constant price figures is the implied quarterly price index for the exports of goods and services.

**Gross National Product** is the sum of GDP and NFI. Because NFI is the difference between two large gross flows, its magnitude can fluctuate significantly from one quarter to another. This can lead to significant differences between the GDP and GNP growth rate for the same quarter.

### Methodology Table 1: Output Measure

The estimation procedures are similar to those used for the annual accounts whenever possible. However, in a number of cases the annual methodology cannot be followed due to the lack of relevant data.

#### Agriculture, Forestry and Fishing

The estimate for Agriculture is calculated by using the available sub-annual information for exports and slaughterings of animals, milk deliveries, stock changes (six-monthly), fertiliser and feeding stuffs usage etc. For some items, annual figures are distributed equally across the quarters. Monthly sea fish landings are used to estimate the quarterly output of fishing.

#### Industry

The gross value added of manufacturing industry is calculated by applying monthly volume of production indices to the base year's quarterly gross value added.

Changes in the volume of investment in construction projects are used to estimate the output of the building and construction sector.

## Distribution, Transport and Communications

For distribution the methods used are similar to those used for the annual calculation. They rely heavily on the retail sales indices and other CSO services inquiries. In the case of transport, most of the output measures used for the annual calculations are available on a quarterly basis. For communications the main source is a direct inquiry to the suppliers, with additional data and trend estimation for some residual components.

## Other Domestic

The Other Domestic category covers a variety of service activities, some of which are surveyed on a quarterly basis by the CSO. For some services, information on outputs is not directly available on a quarterly basis. In most of these cases, quarterly estimates are derived using trends in related indicators. In a small number of residual cases, annual estimates are distributed equally across the quarters.

## Tables 2 and 3: Expenditure Measures

The various components of the expenditure based measure of GDP are defined in National Income and Expenditure 1998 (NIE98). The methods used for the quarterly series are similar to those used for the annual where possible but in many cases alternative methods have been applied.

**Personal Consumption Expenditure** is estimated using CSO data, such as the Retail Sales Indices together with some direct inquiries. Administrative data sources are used for some goods such as fuel and power products and motor vehicles. Constant price estimates are obtained using components of the Consumer Price Index (CPI).

**Net Expenditure by Central and Local Government** at current market prices is estimated using Government records. The constant price estimates of remuneration are derived by extrapolating base year estimates using an index of employment or using appropriate deflators for wages. Expenditure on goods and services is deflated partly by consumer price indices and partly by wholesale price indices.

**Gross Domestic Fixed Capital Formation** at current market prices includes expenditure on building and construction work and machinery and equipment. The quarterly estimates of dwellings are based on data from the Department of Environment's (DoE) Quarterly Housing Bulletin. Information on other building and construction is obtained from the Department's Review and Outlook together with data from the Public Capital Programme and from the CSO Quantity Surveyors' Inquiry. Quarterly estimates of commercial vehicles used in the business sector are estimated using administrative data. Estimates of other machinery and equipment are made by reference to import statistics and the CSO Quarterly Capital Assets in Industry Inquiry. Current estimates are deflated to the 1995 base year using appropriate price indices such as components of the Wholesale Price Index (WPI) and indices for construction activity.

**Value of Physical Changes in Stocks** at current prices covers stock changes in the agricultural, industrial and distribution sectors and in intervention stocks. This item measures the actual value change in stocks between the beginning and end of quarter *adjusted for any changes in the prices of the underlying commodities*. Data on industrial and distribution stocks are taken from published and unpublished components of the CSO Quarterly Stocks Inquiry. Agricultural stocks are estimated from the results of CSO's agricultural enumerations and statistics on animal slaughterings, etc. Constant price estimates are calculated by deflating the current estimates using relevant price indices and price data on agricultural and intervention stocks. Some adjustments have been made to the stocks values to improve the coherence of the quarterly accounts. These are judgmental adjustments to allow for within-year timing differences between the output and expenditure measures; over a calendar year, these adjustments are neutral.

**Exports and Imports of Goods and Services** at current prices are taken from the CSO Balance of Payments series. Current price estimates are converted to constant 1995 prices using the available price indices, including export and import unit value indices.