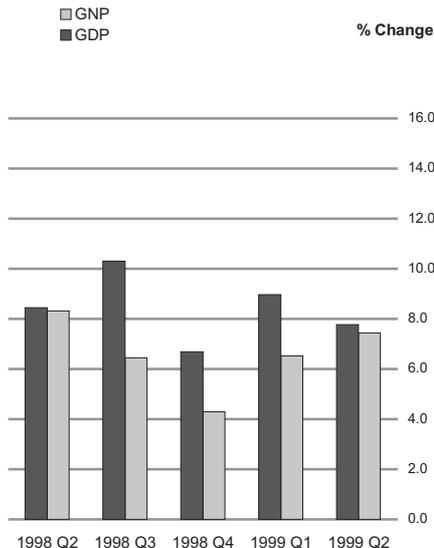




Quarterly National Accounts 2nd Quarter 1999

Year on year growth rates



GDP and GNP at constant 1995 prices

	GDP £m	GNP £m	GDP m	GNP m
Quarter 2 1998	13,470	11,582	17,103	14,706
Quarter 2 1999	14,517	12,443	18,433	15,799
% change	7.8%	7.4%		

GDP up 7.8%

Gross Domestic Product (GDP) at constant 1995 market prices rose by 7.8% in the second quarter of 1999. The corresponding increase in the Gross National Product (GNP) was 7.4%. This compares with first quarter increases of 9% and 6.5% in GDP and GNP, respectively.

A comparison of the second quarter of 1999 with the second quarter of 1998 shows that:

- ◆ At constant 1995 prices, consumer spending increased by 7.6% while investment in new buildings and capital equipment rose by 13.3%.
- ◆ At constant 1995 prices, exports of goods and services exceeded imports by £2,087m as compared with £1,576m in the second quarter of 1998, but this was partially offset by an increase of £186m, in net factor income outflows to the rest of the world.
- ◆ The volume of output of industry increased by 6.3%, distribution, transport and communications grew by 12% and the volume of output of the other domestic sector grew by 7.7%. However, the volume of output of agriculture in the second quarter of 1999 was down by 8.8%.

The calculation methods for these quarterly accounts 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.

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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 ² domestic	Statistical discrepancy	GDP at constant factor cost	Taxes less subsidies	GDP at constant market prices	Net factor income from rest of world	GNP at constant market prices
1995	2,860	13,880	5,791	1,817	12,255	103	36,706	4,322	41,028	-4,525	36,503
1996	2,979	15,086	6,731	1,848	12,793	257	39,693	4,322	44,201	-5,082	39,119
1997	3,068	17,353	7,402	1,854	13,642	376	43,696	4,322	48,932	-6,274	42,658
1998	3,084	19,721	8,106	1,879	14,397	375	47,561	4,322	53,303	-7,202	46,101
1997											
Q1	739	4,049	1,697	460	3,238	145	10,327	1,160	11,487	-1,737	9,751
Q2	1,093	4,472	1,789	466	3,389	-36	11,173	1,247	12,420	-1,728	10,692
Q3	734	4,309	1,883	466	3,493	-30	10,854	1,331	12,185	-1,330	10,855
Q4	502	4,524	2,034	462	3,522	298	11,342	1,497	12,839	-1,479	11,359
1998											
Q1	802	4,814	1,865	462	3,480	-6	11,418	1,276	12,694	-1,576	11,117
Q2	1,049	5,035	1,963	474	3,518	35	12,075	1,395	13,470	-1,888	11,582
Q3	710	4,912	2,057	474	3,707	126	11,987	1,455	13,441	-1,886	11,555
Q4	523	4,960	2,220	469	3,691	219	12,082	1,616	13,698	-1,851	11,847
1999											
Q1 ¹	673	5,350	2,116	469	3,698	94	12,400	1,432	13,832	-1,989	11,843
Q2	957	5,352	2,200	481	3,791	171	12,951	1,565	14,517	-2,074	12,443

Percentage change on corresponding period of previous year

1996	4.1	8.7	16.2	1.7	4.4		8.1	4.3	7.7		7.2
1997	3.0	15.0	10.0	0.3	6.6		10.1	16.1	10.7		9.0
1998	0.5	13.6	9.5	1.3	5.5		8.8	9.7	8.9		8.1
1998											
Q1	8.6	18.9	9.9	0.4	7.5		10.6	10.0	10.5		14.0
Q2	-4.1	12.6	9.8	1.7	3.8		8.1	11.8	8.5		8.3
Q3	-3.3	14.0	9.2	1.8	6.1		10.4	9.3	10.3		6.5
Q4	4.0	9.7	9.2	1.5	4.8		6.5	8.0	6.7		4.3
1999											
Q1 ¹	-16.1	11.1	13.4	1.5	6.3		8.6	12.2	9.0		6.5
Q2	-8.8	6.3	12.0	1.4	7.7		7.3	12.2	7.8		7.4

¹ Revised

² 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	41,028	-4,525	36,503
1996	25,059	6,516	8,563	427	34,341	-29,367	-329	45,210	-5,064	40,146
1997	27,555	7,175	10,684	649	40,640	-34,324	-556	51,823	-6,323	45,500
1998	30,689	7,983	13,398	788	50,305	-43,326	-201	59,637	-7,454	52,183
1997										
Q1	6,335	1,681	2,466	410	8,909	-7,797	-127	11,876	-1,725	10,151
Q2	6,598	1,812	2,707	351	10,157	-8,578	-138	12,908	-1,746	11,162
Q3	6,742	1,769	2,553	-6	10,469	-8,529	-138	12,860	-1,349	11,511
Q4	7,881	1,913	2,958	-107	11,105	-9,421	-152	14,178	-1,503	12,675
1998										
Q1	7,040	1,879	3,183	456	11,687	-10,394	-46	13,804	-1,641	12,163
Q2	7,470	1,939	3,382	366	12,318	-10,584	-50	14,841	-1,965	12,876
Q3	7,570	1,997	3,218	183	12,921	-10,561	-51	15,276	-1,983	13,293
Q4	8,610	2,168	3,616	-217	13,379	-11,787	-53	15,716	-1,865	13,851
1999										
Q1 ¹	7,886	2,047	3,853	286	13,035	-11,283	-53	15,772	-2,049	13,723
Q2	8,303	2,068	4,113	117	13,868	-11,733	-56	16,680	-2,139	14,541

Percentage change on corresponding period of previous year

1996	9.3	5.5	20.2		11.4	11.4		10.2		10.0
1997	10.0	10.1	24.8		18.3	16.9		14.6		13.3
1998	11.4	11.3	25.4		23.8	26.2		15.1		14.7
1998										
Q1	11.1	11.8	29.1		31.2	33.3		16.2		19.8
Q2	13.2	7.0	24.9		21.3	23.4		15.0		15.4
Q3	12.3	12.9	26.0		23.4	23.8		18.8		15.5
Q4	9.2	13.3	22.2		20.5	25.1		10.8		9.3
1999										
Q1 ¹	12.0	9.0	21.1		11.5	8.6		14.3		12.8
Q2	11.2	6.6	21.6		12.6	10.9		12.4		12.9

¹ Revised

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	41,028	-4,525	36,503
1996	24,432	6,351	8,280	472	34,462	-29,539	-257	44,201	-5,082	39,119
1997	26,211	6,655	9,724	685	40,326	-34,293	-376	48,932	-6,274	42,658
1998	28,142	7,047	11,355	789	48,604	-42,260	-375	53,303	-7,202	46,101
1997										
Q1	6,120	1,613	2,339	459	8,980	-7,879	-145	11,487	-1,737	9,751
Q2	6,296	1,701	2,515	400	10,065	-8,592	36	12,420	-1,728	10,692
Q3	6,390	1,636	2,291	-33	10,336	-8,465	30	12,185	-1,330	10,855
Q4	7,405	1,704	2,579	-141	10,945	-9,356	-298	12,839	-1,479	11,359
1998										
Q1	6,569	1,728	2,820	513	11,216	-10,159	6	12,694	-1,576	11,117
Q2	6,856	1,732	2,917	424	11,829	-10,253	-35	13,470	-1,888	11,582
Q3	6,913	1,726	2,666	129	12,285	-10,152	-126	13,441	-1,886	11,555
Q4	7,803	1,860	2,951	-276	13,275	-11,697	-219	13,698	-1,851	11,847
1999										
Q1 ¹	7,105	1,760	3,116	329	12,655	-11,038	-94	13,832	-1,989	11,843
Q2	7,379	1,753	3,304	163	13,444	-11,357	-171	14,517	-2,074	12,443

Percentage change on corresponding period of previous year

1996	6.5	2.8	16.2		11.8	12.0		7.7		7.2
1997	7.3	4.8	17.4		17.0	16.1		10.7		9.0
1998	7.4	5.9	16.8		20.5	23.2		8.9		8.1
1998										
Q1	7.3	7.1	20.6		24.9	28.9		10.5		14.0
Q2	8.9	1.8	16.0		17.5	19.3		8.5		8.3
Q3	8.2	5.5	16.4		18.9	19.9		10.3		6.5
Q4	5.4	9.2	14.4		21.3	25.0		6.7		4.3
1999										
Q1 ¹	8.2	1.9	10.5		12.8	8.7		9.0		6.5
Q2	7.6	1.2	13.3		13.7	10.8		7.8		7.4

¹ Revised

Background Notes

Introduction This release gives the official quarterly national accounts estimates for Ireland. It includes estimates for the quarters of 1997, 1998 and the first two quarters 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). No revisions will be made to prior years until after the publication of the next set of national accounts.

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

Revisions Revisions have been made to the previously published figures for the first quarter of 1999. The revision to the output of agriculture, forestry and fishing is particularly significant due to the availability of more up to date data and improved methodologies. The volume of output in agriculture in the first half of 1999 is now estimated as being 12% down on the same period of 1998. Current indications, which may be further revised when the agricultural accounts are fully rebased to the year 1995, are that the annual decline in output will be in the order of between 5 and 7 percent.

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 (GDP)** 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 (NFI) 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 (GNP) is the sum of GDP and NFI. Because NFI is the difference between two large gross flows, its magnitude can fluctuate greatly 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, including royalties. Royalties are separately deflated using the export price index and then deducted.

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.

Public Administration and Defence

The quarterly estimate of value added for public administration and defence has been calculated based on the employment trends in the public sector.

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.

Taxes and Subsidies

Taxes and subsidies are deflated at a detailed level using appropriate price indices.

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.