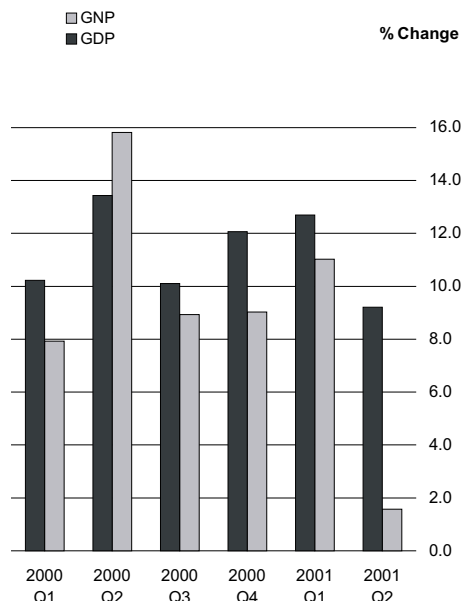




Year on year growth rates



Quarterly National Accounts

2nd Quarter 2001

GDP and GNP at constant 1995 prices

	GDP	GNP	GDP	GNP
	£m	£m	€m	€m
Quarter 2 2000	16,599	14,411	21,076	18,298
Quarter 2 2001	18,128	14,638	23,017	18,586
% change	9.2%	1.6%		

Annual growth rates decline in the second quarter

Gross Domestic Product (GDP) at constant 1995 market prices increased by 9.2 per cent in the second quarter of 2001, compared with the corresponding quarter of 2000. This followed an increase of 12.7 per cent in the first quarter. Gross National Product (GNP) in the second quarter was up only 1.6 per cent on the same quarter of 2000. This was very much lower than the 11.0 per cent annual growth recorded in the first quarter. However, it must be noted that the level of GNP was particularly high in the second quarter of 2000, when the growth in GNP exceeded that of GDP. GNP is affected by the timing of factor income flows with the rest of the world.

Some of the main features of the results are:

- ◆ *Consumer spending* (personal consumption of goods and services) at constant 1995 market prices in the second quarter was 5.5 per cent higher than in the same quarter of 2000.
- ◆ In the second quarter, the level of *Capital investment* was unchanged at constant 1995 market prices compared with last year.
- ◆ The annual rates of increase in both *Exports* and *Imports* slowed considerably in the second quarter. Exports were 12.5% higher while imports were up 2.6%. This compares with respective increases of 22.2 per cent and 21.5 per cent in the first quarter.
- ◆ Output of *Industry* was 11.6 per cent higher than in the same period of 2000. Output of the *Distribution, Transport and Communications* branch was up 3.9 per cent.

It is expected that results for the third quarter of 2001 will be published before the end of February 2002.

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 quarterly estimates are subject to a greater margin of error than the annual figures. 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 ¹ services (including rent)	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
1997	3,196	17,701	7,280	1,865	13,751	452	44,245	5,318	49,564	-6,277	43,286
1998	3,210	20,396	8,095	1,909	14,354	121	48,086	5,745	53,830	-7,125	46,705
1999	3,068	23,429	9,028	1,947	15,420	310	53,203	6,468	59,671	-9,156	50,514
2000	3,093	26,649	10,535	1,966	16,490	363	59,097	7,414	66,511	-10,739	55,772
1997											
Q1	895	4,140	1,661	455	3,281	22	10,455	1,191	11,647	-1,735	9,912
Q2	1,124	4,434	1,763	466	3,430	65	11,282	1,271	12,553	-1,728	10,825
Q3	690	4,352	1,835	472	3,515	93	10,957	1,350	12,308	-1,333	10,975
Q4	487	4,775	2,020	472	3,525	272	11,552	1,505	13,056	-1,482	11,575
1998											
Q1	952	4,922	1,853	459	3,474	-66	11,593	1,297	12,891	-1,567	11,324
Q2	1,079	5,095	1,964	479	3,499	49	12,165	1,398	13,563	-1,829	11,735
Q3	665	5,088	2,029	487	3,685	194	12,149	1,456	13,605	-2,021	11,584
Q4	514	5,291	2,250	484	3,695	-56	12,178	1,594	13,772	-1,709	12,062
1999											
Q1	858	5,641	2,108	468	3,627	20	12,723	1,445	14,168	-1,897	12,271
Q2	1,043	5,643	2,199	487	3,791	-60	13,103	1,531	14,634	-2,191	12,444
Q3	666	5,816	2,266	498	3,981	207	13,434	1,693	15,127	-2,704	12,423
Q4	501	6,329	2,455	494	4,021	143	13,943	1,798	15,741	-2,364	13,377
2000											
Q1	799	6,043	2,519	479	3,952	129	13,920	1,696	15,616	-2,373	13,243
Q2	1,036	6,726	2,615	489	4,009	-114	14,761	1,838	16,599	-2,188	14,411
Q3	706	6,465	2,601	500	4,203	321	14,795	1,860	16,656	-3,123	13,533
Q4	552	7,415	2,801	498	4,327	28	15,621	2,019	17,640	-3,055	14,585
2001											
Q1	776	7,570	2,719	488	4,301	-34	15,819	1,779	17,598	-2,895	14,703
Q2	1,041	7,504	2,717	501	4,322	156	16,242	1,886	18,128	-3,490	14,638

Percentage change on corresponding period of previous year

1997	0.2	16.5	9.3	0.2	6.0		10.2	16.2	10.8		9.4
1998	0.4	15.2	11.2	2.4	4.4		8.7	8.0	8.6		7.9
1999	-4.4	14.9	11.5	2.0	7.4		10.6	12.6	10.8		8.2
2000	0.8	13.7	16.7	0.9	6.9		11.1	14.6	11.5		10.4
1998											
Q1	6.4	18.9	11.5	0.8	5.9		10.9	8.9	10.7		14.2
Q2	-4.0	14.9	11.4	2.8	2.0		7.8	10.0	8.0		8.4
Q3	-3.6	16.9	10.5	3.2	4.8		10.9	7.8	10.5		5.6
Q4	5.5	10.8	11.4	2.7	4.8		5.4	5.9	5.5		4.2
1999											
Q1	-9.9	14.6	13.8	2.1	4.4		9.7	11.4	9.9		8.4
Q2	-3.3	10.8	12.0	1.7	8.3		7.7	9.5	7.9		6.0
Q3	0.2	14.3	11.7	2.2	8.0		10.6	16.3	11.2		7.2
Q4	-2.5	19.6	9.1	2.0	8.8		14.5	12.8	14.3		10.9
2000											
Q1	-6.9	7.1	19.5	2.2	8.9		9.4	17.3	10.2		7.9
Q2	-0.7	19.2	18.9	0.2	5.8		12.6	20.1	13.4		15.8
Q3	6.0	11.1	14.8	0.4	5.6		10.1	9.9	10.1		8.9
Q4	10.2	17.2	14.1	0.9	7.6		12.0	12.3	12.1		9.0
2001											
Q1	-2.9	25.3	7.9	1.9	8.8		13.6	4.9	12.7		11.0
Q2	0.5	11.6	3.9	2.6	7.8		10.0	2.6	9.2		1.6

¹ Includes adjustment for financial services

Table 2 Expenditure on Gross National Product at Current Market Prices

Emillion

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
1997	27,901	7,267	10,664	689	42,121	-35,442	-420	52,781	-6,332	46,449
1998	30,999	8,005	13,410	908	52,585	-45,678	500	60,729	-7,389	53,340
1999	34,702	8,906	16,501	-57	62,222	-52,465	307	70,116	-10,410	59,706
2000	39,918	9,902	19,255	226	77,311	-65,749	626	81,489	-12,875	68,614
1997										
Q1	6,446	1,694	2,359	409	9,236	-8,065	-95	11,985	-1,725	10,260
Q2	6,701	1,831	2,727	387	10,540	-8,856	-105	13,224	-1,748	11,477
Q3	6,833	1,796	2,565	17	10,868	-8,810	-105	13,163	-1,353	11,810
Q4	7,921	1,947	3,013	-124	11,476	-9,710	-115	14,408	-1,506	12,902
1998										
Q1	7,221	1,876	3,227	460	12,209	-10,931	117	14,179	-1,631	12,548
Q2	7,543	1,943	3,352	411	12,915	-11,129	125	15,160	-1,905	13,255
Q3	7,664	2,009	3,262	215	13,582	-11,200	129	15,661	-2,125	13,536
Q4	8,572	2,177	3,569	-178	13,878	-12,417	129	15,729	-1,729	14,000
1999										
Q1	7,997	2,092	3,928	301	13,754	-11,871	71	16,272	-2,111	14,161
Q2	8,260	2,159	4,045	14	15,092	-12,888	73	16,756	-2,331	14,425
Q3	8,752	2,236	4,471	-300	15,952	-13,006	80	18,185	-3,066	15,119
Q4	9,692	2,418	4,057	-71	17,425	-14,700	83	18,904	-2,902	16,002
2000										
Q1	9,250	2,273	4,718	43	16,777	-14,422	144	18,784	-2,783	16,001
Q2	9,690	2,400	4,869	189	18,668	-15,968	154	20,001	-2,597	17,404
Q3	9,878	2,483	5,008	-142	19,841	-16,363	160	20,865	-3,738	17,127
Q4	11,101	2,746	4,660	136	22,025	-18,996	168	21,839	-3,758	18,081
2001										
Q1	10,335	2,557	5,673	339	21,142	-18,404	168	21,809	-3,509	18,300
Q2	10,814	2,629	5,366	-287	21,551	-17,029	178	23,222	-4,313	18,909

Percentage change on corresponding period of previous year

1997	10.3	11.4	25.2		18.8	17.6		15.4		14.5
1998	11.1	10.2	25.8		24.8	28.9		15.1		14.8
1999	11.9	11.3	23.0		18.3	14.9		15.5		11.9
2000	15.0	11.2	16.7		24.3	25.3		16.2		14.9
1998										
Q1	12.0	10.8	36.8		32.2	35.5		18.3		22.3
Q2	12.6	6.1	22.9		22.5	25.7		14.6		15.5
Q3	12.2	11.9	27.2		25.0	27.1		19.0		14.6
Q4	8.2	11.8	18.4		20.9	27.9		9.2		8.5
1999										
Q1	10.7	11.5	21.7		12.7	8.6		14.8		12.9
Q2	9.5	11.1	20.7		16.9	15.8		10.5		8.8
Q3	14.2	11.3	37.1		17.4	16.1		16.1		11.7
Q4	13.1	11.1	13.7		25.6	18.4		20.2		14.3
2000										
Q1	15.7	8.6	20.1		22.0	21.5		15.4		13.0
Q2	17.3	11.1	20.4		23.7	23.9		19.4		20.7
Q3	12.9	11.1	12.0		24.4	25.8		14.7		13.3
Q4	14.5	13.6	14.9		26.4	29.2		15.5		13.0
2001										
Q1	11.7	12.5	20.2		26.0	27.6		16.1		14.4
Q2	11.6	9.5	10.2		15.4	6.6		16.1		8.6

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
1997	26,460	6,730	9,720	727	41,757	-35,378	-452	49,564	-6,277	43,286
1998	28,399	7,102	11,328	905	50,709	-44,491	-121	53,830	-7,125	46,705
1999	30,733	7,563	12,910	-126	58,675	-49,774	-310	59,671	-9,156	50,514
2000	33,782	7,973	13,818	220	69,135	-58,054	-363	66,511	-10,739	55,772
1997										
Q1	6,206	1,623	2,238	443	9,298	-8,141	-22	11,647	-1,735	9,912
Q2	6,373	1,717	2,530	426	10,435	-8,863	-65	12,553	-1,728	10,825
Q3	6,450	1,659	2,305	3	10,723	-8,740	-93	12,308	-1,333	10,975
Q4	7,431	1,730	2,647	-145	11,301	-9,634	-272	13,056	-1,482	11,575
1998										
Q1	6,729	1,737	2,840	517	11,716	-10,715	66	12,891	-1,567	11,324
Q2	6,918	1,745	2,879	471	12,384	-10,785	-49	13,563	-1,829	11,735
Q3	6,997	1,746	2,700	164	12,901	-10,709	-194	13,605	-2,021	11,584
Q4	7,756	1,873	2,909	-246	13,707	-12,283	56	13,772	-1,709	12,062
1999										
Q1	7,222	1,816	3,187	329	13,043	-11,409	-20	14,168	-1,897	12,271
Q2	7,355	1,851	3,251	66	14,277	-12,225	60	14,634	-2,191	12,444
Q3	7,701	1,879	3,468	-361	14,939	-12,291	-207	15,127	-2,704	12,423
Q4	8,455	2,018	3,003	-160	16,416	-13,848	-143	15,741	-2,364	13,377
2000										
Q1	8,078	1,876	3,570	67	15,309	-13,154	-129	15,616	-2,373	13,243
Q2	8,260	1,940	3,586	260	16,620	-14,182	114	16,599	-2,188	14,411
Q3	8,251	1,982	3,553	-159	17,683	-14,333	-321	16,656	-3,123	13,533
Q4	9,193	2,176	3,108	52	19,523	-16,386	-28	17,640	-3,055	14,585
2001										
Q1	8,498	1,991	4,020	339	18,702	-15,986	34	17,598	-2,895	14,703
Q2	8,713	2,026	3,585	-188	18,695	-14,547	-156	18,128	-3,490	14,638

Percentage change on corresponding period of previous year

1997	7.3	5.5	17.9		17.4	16.8		10.8		9.4
1998	7.3	5.5	16.5		21.4	25.8		8.6		7.9
1999	8.2	6.5	14.0		15.7	11.9		10.8		8.2
2000	9.9	5.4	7.0		17.8	16.6		11.5		10.4
1998										
Q1	8.4	7.0	26.9		26.0	31.6		10.7		14.2
Q2	8.6	1.6	13.8		18.7	21.7		8.0		8.4
Q3	8.5	5.2	17.2		20.3	22.5		10.5		5.6
Q4	4.4	8.3	9.9		21.3	27.5		5.5		4.2
1999										
Q1	7.3	4.5	12.2		11.3	6.5		9.9		8.4
Q2	6.3	6.0	12.9		15.3	13.4		7.9		6.0
Q3	10.1	7.6	28.4		15.8	14.8		11.2		7.2
Q4	9.0	7.7	3.2		19.8	12.7		14.3		10.9
2000										
Q1	11.8	3.3	12.0		17.4	15.3		10.2		7.9
Q2	12.3	4.8	10.3		16.4	16.0		13.4		15.8
Q3	7.1	5.5	2.4		18.4	16.6		10.1		8.9
Q4	8.7	7.8	3.5		18.9	18.3		12.1		9.0
2001										
Q1	5.2	6.1	12.6		22.2	21.5		12.7		11.0
Q2	5.5	4.5	0.0		12.5	2.6		9.2		1.6

Background Notes

Introduction This release gives the official quarterly national accounts estimates for Ireland. It includes initial results for the second quarter of 2001. 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 quarterly estimates given in this release have a higher margin of error than the annual figures.

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 2001 to incorporate more up to date information.

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 estimates in current prices are on the expenditure basis only and these are supplied in Table 2. 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 2001 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 based on 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 Services (Incl. Rent)

The Other Services 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.

Net factor income from the rest of the world

The value of net income flows with the rest of the world in the Quarterly National Accounts release is generally consistent with the published balance of payments statistics. However, in this release, the values for the second quarter of 2001, contain some updates on the corresponding figures published in the Balance of Payments release last month. These updates will be incorporated in the published Balance of Payments statistics when first estimates for the full year 2001 are being released.

Tables 2 and 3: Expenditure Measures

The various components of the expenditure based measure of GDP are defined in *National Income and Expenditure 2000*. 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.