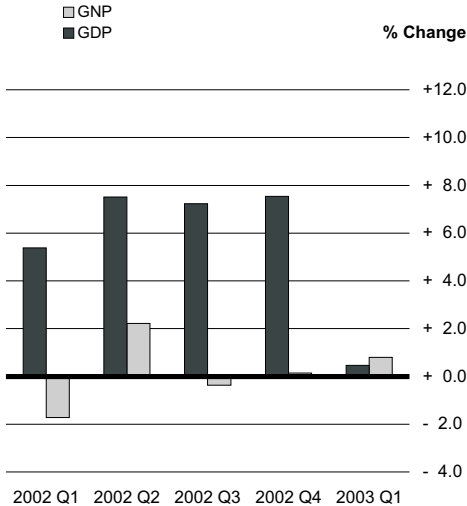




## Quarterly National Accounts 1st Quarter 2003

### Year on year growth rates



### GDP and GNP at constant 1995 prices

	Q1 2003	annual % change
	€m	%
<b>GDP</b>	23,473	0.5
<b>GNP</b>	18,671	0.8

### Low growth in the first quarter of 2003

Gross Domestic Product (GDP) at constant 1995 market prices is estimated to have increased by 0.5% for the first quarter of 2003 compared with the same quarter of last year. Gross National Product (GNP) increased by 0.8% during the same period.

As well as excluding the profits of foreign owned enterprises, GNP is also affected by other income flows between residents and non residents the timing of which can be very variable on a quarterly basis.

Some of the main features of the results are:

- ◆ *Consumer spending* (personal consumption of goods and services) at constant 1995 market prices rose by 1.8 per cent in the first quarter of 2003 compared with the same period of the previous year.
- ◆ *Capital investment*, measured at 1995 constant prices, declined by 12.4 per cent in Q1 2003 compared with the same quarter of last year. This was largely due to significant investment in transport equipment which took place in Q1 2002.
- ◆ *Net Exports (i.e. exports minus imports)* decreased from €4,453 ml. (in constant 1995 prices) in Q1 2002 to €4,060 ml. in the first quarter of this year. The year on year trends in exports and imports were significantly affected by distribution type activity in the first half of 2002 (see notes in methodology section on last page).
- ◆ The volume of output of *Industry* in the first quarter of 2003 increased by 1.0 per cent compared with the previous year. Output of *Other Services* was up 3.9 per cent.

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. **These preliminary estimates will therefore be revised when the detailed annual results are published later.** The series at this stage are not seasonally adjusted; a seasonally adjusted series will be provided with the results of the next quarter.

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

Period	Agric. forestry and fishing	Industry	Dist. transport and comms.	Public admin. and defence	Other <sup>1</sup> services (including rent)	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	€million <b>GNP at constant market prices</b>
1999	3,927	29,920	11,103	2,469	19,977	510	<b>67,906</b>	8,504	<b>76,410</b>	-11,484	<b>64,925</b>
2000	4,008	33,912	12,481	2,522	21,381	231	<b>74,535</b>	9,577	<b>84,113</b>	-12,542	<b>71,569</b>
2001	4,052	36,075	13,762	2,564	22,945	645	<b>80,043</b>	9,277	<b>89,320</b>	-15,000	<b>74,318</b>
2002	3,955	40,054	14,299	2,614	24,188	723	<b>85,834</b>	9,665	<b>95,499</b>	-21,130	<b>74,369</b>
1999											
Q1	1,067	7,154	2,611	593	4,700	45	<b>16,169</b>	2,115	<b>18,284</b>	-2,282	<b>16,002</b>
Q2	1,277	7,222	2,700	616	4,891	-77	<b>16,629</b>	2,001	<b>18,630</b>	-2,659	<b>15,971</b>
Q3	903	7,466	2,735	631	5,134	268	<b>17,137</b>	2,211	<b>19,348</b>	-3,369	<b>15,979</b>
Q4	681	8,078	3,056	628	5,252	275	<b>17,971</b>	2,176	<b>20,147</b>	-3,173	<b>16,973</b>
2000											
Q1	1,081	7,533	2,999	609	5,123	29	<b>17,375</b>	2,406	<b>19,781</b>	-2,809	<b>16,972</b>
Q2	1,337	8,336	3,137	624	5,212	-55	<b>18,591</b>	2,453	<b>21,043</b>	-2,625	<b>18,419</b>
Q3	943	8,325	3,097	640	5,422	309	<b>18,734</b>	2,249	<b>20,983</b>	-3,468	<b>17,515</b>
Q4	647	9,717	3,249	649	5,624	-51	<b>19,836</b>	2,470	<b>22,305</b>	-3,640	<b>18,665</b>
2001											
Q1	1,073	9,433	3,372	611	5,457	-177	<b>19,769</b>	2,403	<b>22,171</b>	-3,323	<b>18,848</b>
Q2	1,372	9,178	3,400	640	5,682	-161	<b>20,111</b>	2,351	<b>22,462</b>	-3,744	<b>18,718</b>
Q3	900	8,361	3,373	657	5,825	674	<b>19,790</b>	2,239	<b>22,029</b>	-3,995	<b>18,034</b>
Q4	707	9,104	3,617	656	5,980	309	<b>20,372</b>	2,285	<b>22,657</b>	-3,939	<b>18,719</b>
2002											
Q1	1,012	9,831	3,461	631	5,787	109	<b>20,831</b>	2,533	<b>23,364</b>	-4,840	<b>18,524</b>
Q2	1,351	10,557	3,563	655	5,970	-261	<b>21,835</b>	2,313	<b>24,148</b>	-5,015	<b>19,132</b>
Q3	935	9,412	3,553	668	6,113	526	<b>21,207</b>	2,415	<b>23,622</b>	-5,655	<b>17,967</b>
Q4	658	10,253	3,722	659	6,319	349	<b>21,960</b>	2,405	<b>24,365</b>	-5,620	<b>18,745</b>
2003											
Q1	1,031	9,926	3,554	633	6,013	-267	20,889	2,584	<b>23,473</b>	-4,802	<b>18,671</b>
<i>Percentage change on corresponding period of previous year</i>											
1999	-3.5	15.3	8.8	1.8	7.1		<b>10.8</b>	15.1	<b>11.3</b>		<b>8.9</b>
2000	2.0	13.3	12.4	2.2	7.0		<b>9.8</b>	12.6	<b>10.1</b>		<b>10.2</b>
2001	1.1	6.4	10.3	1.7	7.3		<b>7.4</b>	-3.1	<b>6.2</b>		<b>3.8</b>
2002	-2.4	11.0	3.9	1.9	5.4		<b>7.2</b>	4.2	<b>6.9</b>		<b>0.1</b>
1999											
Q1	-9.4	14.8	11.7	1.5	5.4		<b>10.3</b>	15.7	<b>10.9</b>		<b>10.4</b>
Q2	-5.1	11.2	8.5	1.3	7.9		<b>7.3</b>	10.6	<b>7.7</b>		<b>6.6</b>
Q3	3.4	14.8	6.5	2.1	7.4		<b>10.8</b>	19.1	<b>11.6</b>		<b>8.2</b>
Q4	1.2	20.4	8.7	2.4	7.6		<b>14.8</b>	14.8	<b>14.8</b>		<b>10.4</b>
2000											
Q1	1.4	5.3	14.9	2.7	9.0		<b>7.5</b>	13.8	<b>8.2</b>		<b>6.1</b>
Q2	4.7	15.4	16.2	1.2	6.6		<b>11.8</b>	22.5	<b>13.0</b>		<b>15.3</b>
Q3	4.4	11.5	13.2	1.4	5.6		<b>9.3</b>	1.7	<b>8.4</b>		<b>9.6</b>
Q4	-4.9	20.3	6.3	3.3	7.1		<b>10.4</b>	13.5	<b>10.7</b>		<b>10.0</b>
2001											
Q1	-0.8	25.2	12.4	0.3	6.5		<b>13.8</b>	-0.2	<b>12.1</b>		<b>11.1</b>
Q2	2.6	10.1	8.4	2.6	9.0		<b>8.2</b>	-4.2	<b>6.7</b>		<b>1.6</b>
Q3	-4.5	0.4	8.9	2.7	7.4		<b>5.6</b>	-0.4	<b>5.0</b>		<b>3.0</b>
Q4	9.3	-6.3	11.3	1.1	6.3		<b>2.7</b>	-7.5	<b>1.6</b>		<b>0.3</b>
2002											
Q1	-5.7	4.2	2.6	3.3	6.0		<b>5.4</b>	5.4	<b>5.4</b>		<b>-1.7</b>
Q2	-1.5	15.0	4.8	2.3	5.1		<b>8.6</b>	-1.6	<b>7.5</b>		<b>2.2</b>
Q3	3.9	12.6	5.3	1.7	4.9		<b>7.2</b>	7.9	<b>7.2</b>		<b>-0.4</b>
Q4	-6.9	12.6	2.9	0.5	5.7		<b>7.8</b>	5.2	<b>7.5</b>		<b>0.1</b>
2003											
Q1	1.9	1.0	2.7	0.2	3.9		<b>0.3</b>	2.0	<b>0.5</b>		<b>0.8</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	<b>GDP at current market prices</b>	Net factor income from the rest of the world	<b>GNP at current market prices</b>
1999	44,372	11,375	21,459	391	78,501	-66,509	25	<b>89,614</b>	-12,944	<b>76,670</b>
2000	50,158	12,964	24,926	819	100,147	-86,770	600	<b>102,845</b>	-14,750	<b>88,095</b>
2001	55,202	15,413	26,967	494	112,938	-95,702	-569	<b>114,743</b>	-18,295	<b>96,448</b>
2002	60,118	17,639	28,649	11	121,158	-97,014	-1,217	<b>129,344</b>	-25,915	<b>103,429</b>
1999										
Q1	10,356	2,667	5,092	329	17,390	-15,023	6	<b>20,818</b>	-2,581	<b>18,237</b>
Q2	10,497	2,754	5,251	156	18,997	-16,358	6	<b>21,304</b>	-2,987	<b>18,317</b>
Q3	11,167	2,855	5,808	-256	20,111	-16,513	6	<b>23,179</b>	-3,791	<b>19,388</b>
Q4	12,351	3,099	5,308	161	22,003	-18,614	7	<b>24,314</b>	-3,585	<b>20,729</b>
2000										
Q1	11,638	2,954	6,050	169	21,825	-19,255	137	<b>23,519</b>	-3,326	<b>20,193</b>
Q2	12,181	3,124	6,323	349	24,465	-21,206	148	<b>25,384</b>	-3,007	<b>22,377</b>
Q3	12,394	3,222	6,428	-3	25,499	-21,554	152	<b>26,139</b>	-4,091	<b>22,048</b>
Q4	13,944	3,664	6,125	304	28,358	-24,755	162	<b>27,802</b>	-4,326	<b>23,476</b>
2001										
Q1	12,953	3,514	7,206	387	27,873	-24,516	-135	<b>27,282</b>	-3,929	<b>23,353</b>
Q2	13,469	3,676	6,796	-118	28,397	-23,662	-141	<b>28,417</b>	-4,748	<b>23,669</b>
Q3	13,526	3,861	6,552	170	27,755	-22,754	-144	<b>28,966</b>	-4,816	<b>24,150</b>
Q4	15,254	4,362	6,414	54	28,913	-24,769	-149	<b>30,078</b>	-4,802	<b>25,276</b>
2002										
Q1	14,164	4,203	7,138	-213	31,134	-25,130	-292	<b>31,004</b>	-5,926	<b>25,078</b>
Q2	14,667	4,294	7,009	399	31,130	-25,155	-301	<b>32,041</b>	-6,577	<b>25,464</b>
Q3	14,783	4,426	7,357	-239	30,123	-23,721	-305	<b>32,424</b>	-6,705	<b>25,719</b>
Q4	16,504	4,717	7,145	65	28,771	-23,008	-319	<b>33,875</b>	-6,706	<b>27,169</b>
2003										
Q1	15,199	4,592	6,931	193	26,152	-21,545	-294	<b>31,228</b>	-5,591	<b>25,637</b>
<i>Percentage change on corresponding period of previous year</i>										
1999	13.0	12.8	23.7		18.0	15.0		<b>15.6</b>		<b>12.5</b>
2000	13.0	14.0	16.2		27.6	30.5		<b>14.8</b>		<b>14.9</b>
2001	10.1	18.9	8.2		12.8	10.3		<b>11.6</b>		<b>9.5</b>
2002	8.9	14.4	6.2		7.3	1.4		<b>12.7</b>		<b>7.2</b>
1999										
Q1	13.5	12.9	21.8		12.4	8.6		<b>15.0</b>		<b>13.7</b>
Q2	9.9	12.5	21.2		15.9	16.0		<b>10.0</b>		<b>8.0</b>
Q3	15.0	12.9	37.9		17.2	16.4		<b>16.3</b>		<b>12.5</b>
Q4	13.4	12.8	14.9		25.5	18.3		<b>20.8</b>		<b>15.6</b>
2000										
Q1	12.4	10.8	18.8		25.5	28.2		<b>13.0</b>		<b>10.7</b>
Q2	16.0	13.5	20.4		28.8	29.6		<b>19.2</b>		<b>22.2</b>
Q3	11.0	12.8	10.7		26.8	30.5		<b>12.8</b>		<b>13.7</b>
Q4	12.9	18.2	15.4		28.9	33.0		<b>14.3</b>		<b>13.2</b>
2001										
Q1	11.3	18.9	19.1		27.7	27.3		<b>16.0</b>		<b>15.6</b>
Q2	10.6	17.7	7.5		16.1	11.6		<b>11.9</b>		<b>5.8</b>
Q3	9.1	19.8	1.9		8.8	5.6		<b>10.8</b>		<b>9.5</b>
Q4	9.4	19.0	4.7		2.0	0.1		<b>8.2</b>		<b>7.7</b>
2002										
Q1	9.3	19.6	-1.0		11.7	2.5		<b>13.6</b>		<b>7.4</b>
Q2	8.9	16.8	3.1		9.6	6.3		<b>12.8</b>		<b>7.6</b>
Q3	9.3	14.6	12.3		8.5	4.2		<b>11.9</b>		<b>6.5</b>
Q4	8.2	8.1	11.4		-0.5	-7.1		<b>12.6</b>		<b>7.5</b>
2003										
Q1	7.3	9.3	-2.9		-16.0	-14.3		<b>0.7</b>		<b>2.2</b>

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

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	€million
										GNP at constant market prices
1999	39,329	9,692	16,822	308	73,933	-63,164	-510	<b>76,410</b>	-11,484	<b>64,925</b>
2000	42,678	10,414	17,960	770	89,166	-76,644	-231	<b>84,113</b>	-12,542	<b>71,569</b>
2001	45,042	11,570	17,974	417	96,562	-81,602	-645	<b>89,320</b>	-15,000	<b>74,318</b>
2002	46,242	12,654	18,275	8	102,536	-83,493	-723	<b>95,499</b>	-21,130	<b>74,369</b>
1999										
Q1	9,361	2,324	4,146	345	16,628	-14,474	-45	<b>18,284</b>	-2,282	<b>16,002</b>
Q2	9,353	2,370	4,223	196	17,948	-15,536	77	<b>18,630</b>	-2,659	<b>15,971</b>
Q3	9,841	2,407	4,509	-308	18,789	-15,623	-268	<b>19,348</b>	-3,369	<b>15,979</b>
Q4	10,773	2,592	3,944	76	20,568	-17,532	-275	<b>20,147</b>	-3,173	<b>16,973</b>
2000										
Q1	10,210	2,460	4,605	182	19,903	-17,549	-29	<b>19,781</b>	-2,809	<b>16,972</b>
Q2	10,447	2,534	4,687	421	21,755	-18,856	55	<b>21,043</b>	-2,625	<b>18,419</b>
Q3	10,436	2,590	4,583	-27	22,599	-18,888	-309	<b>20,983</b>	-3,468	<b>17,515</b>
Q4	11,585	2,831	4,085	194	24,910	-21,351	51	<b>22,305</b>	-3,640	<b>18,665</b>
2001										
Q1	10,802	2,737	5,081	385	24,226	-21,236	177	<b>22,171</b>	-3,323	<b>18,848</b>
Q2	11,023	2,765	4,547	-26	24,126	-20,134	161	<b>22,462</b>	-3,744	<b>18,718</b>
Q3	10,955	2,935	4,273	90	23,658	-19,210	-674	<b>22,029</b>	-3,995	<b>18,034</b>
Q4	12,261	3,132	4,072	-31	24,552	-21,021	-309	<b>22,657</b>	-3,939	<b>18,719</b>
2002										
Q1	11,208	3,068	4,871	-127	26,108	-21,655	-109	<b>23,364</b>	-4,840	<b>18,524</b>
Q2	11,276	3,082	4,574	426	26,182	-21,653	261	<b>24,148</b>	-5,015	<b>19,132</b>
Q3	11,333	3,210	4,575	-300	25,803	-20,472	-526	<b>23,622</b>	-5,655	<b>17,967</b>
Q4	12,426	3,295	4,255	9	24,443	-19,713	-349	<b>24,365</b>	-5,620	<b>18,745</b>
2003										
Q1	11,413	3,203	4,266	263	22,758	-18,698	267	<b>23,473</b>	-4,802	<b>18,671</b>
<i>Percentage change on corresponding period of previous year</i>										
1999	9.6	7.7	14.5		15.2	12.1		<b>11.3</b>		<b>8.9</b>
2000	8.5	7.4	6.8		20.6	21.3		<b>10.1</b>		<b>10.2</b>
2001	5.5	11.1	0.1		8.3	6.5		<b>6.2</b>		<b>3.8</b>
2002	2.7	9.4	1.7		6.2	2.3		<b>6.9</b>		<b>0.1</b>
1999										
Q1	10.3	5.5	12.2		11.9	7.0		<b>10.9</b>		<b>10.4</b>
Q2	7.0	7.2	13.1		14.2	13.8		<b>7.7</b>		<b>6.6</b>
Q3	11.3	8.9	28.9		15.3	14.7		<b>11.6</b>		<b>8.2</b>
Q4	9.7	9.1	4.6		18.8	12.7		<b>14.8</b>		<b>10.4</b>
2000										
Q1	9.1	5.9	11.1		19.7	21.3		<b>8.2</b>		<b>6.1</b>
Q2	11.7	6.9	11.0		21.2	21.4		<b>13.0</b>		<b>15.3</b>
Q3	6.0	7.6	1.6		20.3	20.9		<b>8.4</b>		<b>9.6</b>
Q4	7.5	9.2	3.6		21.1	21.8		<b>10.7</b>		<b>10.0</b>
2001										
Q1	5.8	11.3	10.3		21.7	21.0		<b>12.1</b>		<b>11.1</b>
Q2	5.5	9.1	-3.0		10.9	6.8		<b>6.7</b>		<b>1.6</b>
Q3	5.0	13.4	-6.7		4.7	1.7		<b>5.0</b>		<b>3.0</b>
Q4	5.8	10.6	-0.3		-1.4	-1.5		<b>1.6</b>		<b>0.3</b>
2002										
Q1	3.8	12.1	-4.1		7.8	2.0		<b>5.4</b>		<b>-1.7</b>
Q2	2.3	11.5	0.6		8.5	7.5		<b>7.5</b>		<b>2.2</b>
Q3	3.4	9.3	7.1		9.1	6.6		<b>7.2</b>		<b>-0.4</b>
Q4	1.3	5.2	4.5		-0.4	-6.2		<b>7.5</b>		<b>0.1</b>
2003										
Q1	1.8	4.4	-12.4		-12.8	-13.7		<b>0.5</b>		<b>0.8</b>

## Background Notes

**Introduction** This release gives the official quarterly national accounts estimates for Ireland. It includes first results for the first quarter of 2003. 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 seasonally adjusted series will be provided with the results of the next quarter.

**Revisions** Figures for previous quarters have been revised and realigned with the latest annual estimates published earlier this month.

**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 2003 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. In recent years (since 1999) some exceptional income payments have had to be deflated individually.

**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 data 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. In this release excise duties have been accrued and recorded in the period in which the underlying expenditure took place. Previously, they were recorded on a cash basis. The main impact of this change was to increase taxes in the first quarter and reduce taxes in the fourth quarter.

### **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.

### **Tables 2 and 3: Expenditure Measures**

**The various components of the expenditure based measure of GDP are defined in *National Income and Expenditure 2001*.** 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. 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.

*A very significant fall in the pattern of distributive type trade with Great Britain in Electrical machinery and parts in 2002 has a very large influence on year-on-year comparisons of both exports and imports for 2003 and the latter part of 2002. While the comparisons of **gross** flows are considerably influenced, the **net** balance of trade is not significantly affected.*