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National Income and Expenditure

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National Income and Expenditure 2006

INTRODUCTION

This report includes preliminary estimates of the national accounts for the year 2006 together with revised estimates for the years 2000 to 2005. The tables relate to national income and expenditure, capital formation and savings together with details of transactions of the government sector classified in accordance with national accounting definitions.

Particular attention is drawn to the detailed definitions and notes given in the Appendices which must be borne in mind in interpreting the various items. Thus, in considering the figures for trading profits, it should be noted that domestic trading profits as compiled for national income purposes refer to profits arising from productive activity *within* the State; items such as receipts of national debt and other interest and income arising *outside* the State are excluded. Furthermore, all losses are taken fully into account for the year in which they were incurred. For these reasons, trading profits as computed for national income purposes differ in principle both from the aggregate of profits shown by individual concerns in their own accounts and from total profits liable for taxation purposes by the Revenue authorities.

As will be apparent from detailed information in the Appendices, most of the elements in the compilation of the national accounts are estimates subject to margins of error. Generally, more reliance can be placed on the changes between years than on the absolute level of any single figure.

The estimates for 2006 are based upon indicators for the different aggregates and must be regarded as tentative. The provisional nature of the estimates for 2004 and 2005 must also be borne in mind. In particular, the estimates for the year 2005 in the present report must be regarded as preliminary. Many of the inquiries upon which the basic compilations rest are incomplete and to the extent that figures given for 2003 and 2004 are still partly subject to revision, projections for the year 2005 will also be affected. While no guarantee can be given that published figures will remain unaltered as inquiries proceed and as sources and methods are reviewed, it is expected that any changes made in future in relation to years earlier than 2000 will have a relatively insignificant effect on the year-to-year trend in these data.

Except where otherwise indicated the tables in this report relate to current money values, and therefore, the year-to-year changes include an element due to monetary inflation. Certain tables are shown in chain linked values and these indicate the *real* (or *volume* or *quantum*) changes in the various entities from year to year.

The tables have all been generated from approximately 500 base headings. As a result, in the tables, the totals may differ from the sum of components due to rounding.

Financial Balance Sheets

A new table (table 31) relating to financial balance sheets was introduced in last year's NIE. In the meantime this table has been updated and published together with details of financial flows in a publication "Institutional Sector Accounts - Financial and Non Financial". (April 2007, ISBN 0-7557-7181-8) This data will in future be published annually in a separate release from the NIE publication.

Chain Linking

The volume measures are now being produced using annual chain linked indices. On the output side, for each pair of successive years, the volume growth measures at a detailed level are weighted together using value added weights of the first year. Similarly, on the expenditure side, annual growth estimates are weighted by previous year expenditure weights. The average of the two measures is the official level of GDP to base the previous year. The change over a period of years is then calculated by linking together the annual volume changes. The estimates in this release are referenced to 2005 values.

It should be noted that under the system of chain linking individual components are chain linked independently of their aggregates. Thus, the expenditure estimate of GDP, in constant prices on a chain linked basis, is not derived by adding the chain linked values of personal consumption, government expenditure, capital expenditure, stock changes and exports minus imports. Rather it is estimated by linking the year to year volume changes in GDP (which have been calculated to base the previous year) to the GDP value in 2005. This results in the loss of additivity by which is meant that the sum of the chain linked components do not add to the chain linked aggregate.

In addition there is the extra complication that the official volume estimate of GDP is the average of the expenditure estimates of GDP (to base the previous year) and the output estimate of GDP (to base the previous year). Thus, before the chain linking process even begins, the GDP volume estimate can not be derived as the sum of its components.

Discrepancy with Balance of Payments arising from FISIM

The introduction of FISIM in the “NIE 2004” publication has caused a discrepancy between national accounts figures for some external transactions and Balance of Payments (BOP) figures. In particular FISIM generated through lending and borrowing between this country and abroad is included in the import and export of services in the national accounts. This has not been done to date in the BOP publications. Conversely interest flows are not adjusted for FISIM in the BOP statements whereas they are so adjusted in the national accounts. The effect of this can be seen by comparing the figures in this publication with those in the BOP release of Q1 2007. Net exports in 2006 of goods and services in the national accounts amount to €18,769ml (see table 5) compared to €17,970ml in the BOP release for Q1 2007 (Table 1a). This excess of €799ml in the national accounts is balanced by a corresponding difference in the net factor incomes for 2006 i.e. - €25,575 in the National Accounts compared to the BOP figure of - €24,780.

ESA95 terminology

The terminology used in the book is in line with the conventions of the ESA95. The term *GDP* is now reserved for valuation at market prices while *Value Added* is used for other valuations of the aggregate previously known as GDP. There are now three valuations being shown i.e. Market Prices, Factor Cost and Basic Prices. The first two were always provided in the publications which preceded the adoption of the ESA95 methodology. The third one (GVA at basic prices) equals GDP (at market prices) minus product taxes plus product subsidies. This is also equal to GVA at factor cost plus other (non product) taxes minus other (non product) subsidies – see line 29 onwards in Table 2. The terms *Gross National Income (GNI)* and *Net National Income (NNI)* are also being used. GNI is equivalent to GNP plus EU subsidies minus EU taxes. Alternatively it may be described as GDP minus primary income payable by resident units to non resident units plus primary income receivable by resident units from the rest of the world. NNI is equal to GNI minus depreciation.

Methodology

The National Accounts form a comprehensive framework within which economic data can be presented in a coherent, consistent manner. There are three approaches to measuring National Income, each of which theoretically gives the same answer, i.e.

- output (value added by each producer);
- income (all income generated);
- expenditure (all spending on final demand).

In Ireland, the income and expenditure approaches are used. For the income estimate, the main components are:

- * profits of companies and of the self-employed
- * remuneration of employees (wages, salaries and employers’ contributions to social insurance and pension funds including imputed contributions in respect of public service employees)
- * rent of dwellings (imputed in the case of owner-occupied).

Adjustments are made in respect of stock appreciation i.e. to eliminate the effect of price changes on the level of stocks. Another feature of the national accounts is that interest is not regarded as part of income or expenditure in calculating GDP but the hidden margin which banks make on interest in the course of lending and borrowing is charged to customers. (See the paragraph on “profits of businesses” on page 38 in Appendix 1).

On the expenditure side, estimates are made of:

- * personal expenditure on consumers’ goods and services
- * expenditure by central and local government on current goods and services
- * gross domestic fixed capital formation
- * value of physical changes in stocks.

The value of exports is then added and imports are deducted. The two approaches (income and expenditure) should theoretically give the same answer. However, they will always diverge to some extent

as they arise from different data sources. The components of the two original estimates are shown unadjusted. The official level of GDP is taken to be an average of the expenditure and income estimates and a balancing item (statistical discrepancy) is displayed, which is half of the difference between the two estimates. This is the amount by which both estimates have to be adjusted to agree with the official level of GDP.

Volumes or Constant price estimates

Two measures of GDP (output and expenditure) are compiled annually to base the previous year and chain linked to a reference year. The output measure is obtained by using various output indicators to project forward the previous year's value added. On the expenditure side, the current price estimates are deflated to the previous year's prices using appropriate price indices. The average of the two provides the official GDP to base the previous year and is used to produce the annual volume change in GDP. The annual volume changes are then chain linked. The chain linked values for the components of both methods are shown in Tables 4 and 6.

Definitions

Appendices 1 and 2 contain detailed definitions and explanatory notes relating to all the variables contained in the various tables in this report. The following are the main features of the principal economic aggregates.

Gross Value Added at factor cost (previously called Gross Domestic Product at factor cost) is equal to the sum of the values of the goods and services (or part thereof) produced in the country without deducting an amount in respect of capital consumption (i.e. depreciation). It excludes taxes on production and includes subsidies on production.

Net Value Added at factor cost is equal to Gross Value Added at factor cost minus depreciation.

Gross Value Added at basic prices is equal to Gross Value Added at factor cost plus other (i.e. non product) taxes on production minus other (i.e. non product) subsidies on production.

Gross Domestic Product at market prices is equal to Gross Value Added at basic prices plus taxes on products less subsidies on products. It represents total expenditure on the output of final goods and services produced in the country ("final" means not for further processing within the country) and valued at the prices at which the expenditure is incurred.

Gross National Income at market prices is equal to Gross Domestic Product minus primary income payable by resident institutional units to non resident units plus primary income receivable by resident units from the rest of the world. It therefore represents total primary income available to resident institutional units of the country.

Retrospective historical series; availability of data in spreadsheet format

A continuous historical series of data along the lines of the main tables in this report covering the period from 1970 to 1995 is available in excel format on the web and in the CSO's database. There is however a discontinuity in this series due to the introduction of FISIM which is incorporated in the accounts from 1995 onwards but not for earlier years. Two sets of figures are available for the year 1995 i.e. one in the historical series without FISIM and one in the 1995 to 2006 series with FISIM included. This will allow users to assess the impact of FISIM on the various aggregates.

All tables in this publication are available in spreadsheet format on the CSO website <http://www.cso.ie>. They are also available in the CSO's database.

Summary of Results

Summary Tables

Graphs of Selected Series

SUMMARY OF RESULTS 2006

Growth Rates

In constant prices, Gross Domestic Product rose by 5.7% between 2005 and 2006. The growth in Gross National Product was higher at 6.5%.

Disposable Income

In nominal terms, Net National Product at factor cost rose by 9.2% in 2006 to €108,356ml, equivalent to €25,557 per head of population. Agricultural incomes decreased by 5.9% and non-agricultural incomes increased by 8.2%. Factor income outflows to the rest of the world decreased by 0.8%.

Gross National Disposable Income increased by 9.3%.

National Consumption

In current money values, Personal Expenditure increased by 7.9% and Government Expenditure by 9.0%. When price rises are discounted, the real increases are 5.7% and 5.3% respectively.

Capital Formation

The value of investment in construction and capital equipment rose by 9.4%. This represents an increase of 3.1% in volume terms. The value of stocks rose by € 1,367ml in constant prices

External Trade

The value of Exports of goods and services increased by 5.8% in 2006. Export prices increased by 1.4% and export volumes increased by 4.4%. The value of Imports increased by 7.8% representing a 3.4% increase in price and a 4.4% increase in volume.

Balance of Payments

The current account deficit in 2006 was €7,276 million.

SUMMARY TABLES A, B and C

Table A which follows gives historical time series of Gross Domestic Product and its expenditure components presented in both current and constant prices for the period 1970 to 2006. The rules and definitions of the European System of Accounts (ESA 95) are now being applied. The official level of GDP is derived as an average of the independently estimated Income and Expenditure estimates.

There is a discontinuity indicated by the dotted line at 1995 in Table A. Figures above the line for GDP include the new treatment of FISIM (see page vi) while figures below the line exclude FISIM.

Data at constant prices in Table A are expressed in the form of index numbers with reference year 2005 = 100. The index numbers were derived by annually chain linking indices which were calculated to base the previous year

Summary Table B shows the main aggregates e.g. Gross Domestic Product, Gross National Product at current and constant (i.e. annually chain linked and referenced to the year 2005) market prices.

Gross National Income at current market prices increased each year between 2000 and 2006, the increase over the six year period being over 160 per cent. This increase is due to both price and volume changes. The effect of price changes over the period is eliminated by re-valuing Gross National Income at constant market prices, thus indicating the *real* or *volume* changes which occurred.

Table B also contains particulars per head of population and per person at work of Gross National Income in current and constant terms. In addition, the corresponding details of Gross Domestic Product are also shown.

The annual percentage changes in the main aggregates at current and constant prices are shown in Table C. Changes in the consumer price index and in the implied GNP deflator are also shown. The GNP deflator is obtained by dividing the figures for Gross National Product at current prices by the corresponding figures at constant prices. This deflator is a measure of overall price changes in the economy while the consumer price index measures the average price change of goods and services bought by households.

Table A Time series of Gross Domestic Product and components at Current Market Prices (€ million)

Year	Gross domestic product	Personal consumption of goods and services	Net expenditure by central and local government on current goods and services	Gross domestic physical capital formation	Exports of goods and services	Imports of goods and services
2006	174,705	82,483	24,939	47,502	139,766	120,997
2005	161,498	76,435	22,870	42,242	132,098	112,279
2004	148,502	70,075	20,896	35,432	124,793	102,468
2003	139,413	66,226	18,981	32,360	117,006	94,400
2002	130,215	61,836	17,643	28,923	122,481	99,903
2001	116,939	56,450	15,429	26,799	116,975	98,657
2000	104,620	51,474	13,104	25,350	102,885	88,697
1999	90,658	45,096	11,411	21,554	80,683	67,951
1998	78,671	40,157	10,113	18,314	68,241	58,916
1997	68,054	35,952	9,224	14,551	53,994	45,060
1996	58,796	32,530	8,291	11,506	45,397	38,323
1995*	53,135	29,712	7,866	9,629	40,473	34,247
1995**	52,546	29,295	7,853	9,685	40,224	34,202
1994	46,421	27,293	7,427	7,536	32,916	28,316
1993	43,189	25,446	6,980	6,561	28,537	23,948
1992	40,100	24,285	6,544	6,547	24,353	21,299
1991	37,649	22,907	6,020	7,251	21,812	19,936
1990	36,184	21,813	5,469	7,671	20,689	19,011
1989	33,373	20,536	4,926	6,127	20,562	18,661
1988	30,085	18,999	4,743	4,758	17,349	15,442
1987	28,163	17,787	4,806	4,646	15,053	13,707
1986	26,352	16,878	4,725	4,796	13,177	12,734
1985	24,739	15,812	4,377	4,742	13,668	13,378
1984	22,774	14,553	4,047	4,941	12,436	12,633
1983	20,564	13,301	3,751	4,707	9,869	10,501
1982	18,657	12,229	3,464	4,912	8,192	9,499
1981	15,727	10,976	2,961	4,344	7,008	9,113
1980	12,961	9,119	2,437	3,456	5,907	7,541
1979	10,922	7,588	1,873	3,440	5,015	6,687
1978	9,220	6,170	1,506	2,605	4,298	5,167
1977	7,801	5,314	1,256	2,100	3,588	4,260
1976	6,409	4,488	1,083	1,548	2,742	3,219
1975	5,203	3,583	909	1,173	2,062	2,359
1974	4,138	2,977	663	1,181	1,620	2,174
1973	3,724	2,531	545	993	1,307	1,541
1972	3,084	2,129	442	767	984	1,137
1971	2,538	1,838	365	593	851	1,022
1970	2,220	1,638	307	527	760	925

* 1995 to 2006 based on ESA95 methodology including FISIM

** 1970 to 1995 based on ESA95 methodology excluding FISIM

Table A (contd.) Index Numbers of Gross Domestic Product and Expenditure Aggregates at Constant Market Prices (Base 2005=100)

Year	Gross Domestic Product	Personal consumption of goods and services	Net expenditure by central and local government on current goods and services	Gross domestic physical capital formation	Exports of goods and services	Imports of goods and services
2006	105.7	105.7	105.3	105.9	104.4	104.4
2005	100.0	100.0	100.0	100.0	100.0	100.0
2004	94.4	93.2	96.1	89.6	95.1	92.8
2003	90.5	89.5	94.7	86.5	88.6	85.6
2002	86.8	86.9	93.6	80.1	88.1	86.9
2001	81.5	83.4	87.5	77.4	83.8	84.7
2000	77.0	79.2	79.6	78.6	77.1	79.1
1999	70.5	72.5	73.6	72.7	64.2	64.9
1998	63.7	66.5	69.0	66.5	55.5	57.7
1997	58.7	61.9	65.4	57.7	45.1	45.2
1996	52.7	57.6	62.2	47.8	38.4	38.8
1995	48.7	54.1	60.2	40.8	34.1	34.5
1994	44.4	51.8	58.5	33.3	28.5	29.6
1993	41.9	49.7	56.1	30.7	24.7	25.6
1992	41.0	48.4	56.3	32.0	22.5	23.9
1991	39.6	47.1	54.7	36.7	19.8	22.1
1990	38.9	46.6	53.3	39.7	18.7	21.5
1989	36.1	45.1	50.4	33.0	17.1	20.3
1988	34.2	43.7	51.0	26.9	15.4	17.8
1987	33.2	42.2	53.9	28.3	14.2	16.8
1986	32.1	41.3	56.2	28.7	12.5	15.6
1985	31.9	40.2	54.4	28.7	12.2	14.9
1984	31.3	39.1	53.2	30.9	11.4	14.4
1983	30.3	38.8	53.3	30.9	9.8	13.1
1982	30.6	39.5	53.3	35.0	8.9	12.5
1981	30.1	41.3	51.7	33.5	8.5	13.0
1980	29.4	41.0	51.5	32.3	8.4	12.8
1979	28.5	39.9	48.0	38.2	7.8	13.4
1978	27.4	37.1	45.7	30.1	7.3	11.7
1977	25.6	34.5	42.0	27.3	6.5	10.2
1976	24.0	33.0	41.1	22.2	5.7	9.0
1975	23.3	31.3	40.0	21.9	5.3	7.8
1974	23.0	31.7	37.6	27.8	4.9	8.7
1973	22.4	31.3	34.9	23.1	4.9	8.9
1972	21.2	29.1	32.7	21.1	4.4	7.4
1971	19.8	27.4	30.5	17.6	4.3	7.0
1970	19.0	26.5	28.1	19.0	4.1	6.7

Table B Main Aggregates, 2000 - 2006

Description	2000	2001	2002	2003	2004	2005	2006*
	€ million						
Gross Domestic Product (GDP) at current market prices	104,620	116,939	130,215	139,413	148,502	161,498	174,705
plus Net factor income from the rest of the world	-15,488	-18,975	-23,699	-21,723	-23,215	-25,775	-25,575
Gross National Product (GNP) at current market prices	89,132	97,964	106,515	117,691	125,286	135,723	149,130
EU subsidies	1,634	1,520	1,896	1,839	1,788	2,239	1,778
EU taxes	-633	-632	-374	-406	-324	-432	-421
Gross National Income (GNI) at current market prices	90,134	98,853	108,037	119,123	126,750	137,529	150,487
less provision for depreciation	-10,619	-11,845	-12,994	-14,212	-15,256	-17,424	-18,436
less Non EU taxes	-13,646	-13,829	-15,684	-17,086	-19,325	-21,772	-24,607
plus Non EU subsidies	760	1,039	788	818	768	881	912
Net National Product at factor cost	66,629	74,218	80,148	88,643	92,937	99,214	108,356
Gross national disposable income (GNDI) at current market prices	90,061	98,159	107,219	118,123	125,679	135,988	148,665
Chain linked volume measures referenced to year 2005							
Gross Domestic Product at constant market prices	124,338	131,683	140,150	146,219	152,467	161,498	170,760
Index of GDP at constant market prices	77.0	81.5	86.8	90.5	94.4	100.0	105.7
Gross National Product at constant market prices	110,465	114,853	118,147	124,855	129,423	135,723	144,504
Index of GNP at constant market prices	81.4	84.6	87.1	92.0	95.4	100.0	106.5
Gross National Income at constant market prices	111766	116117	119991	126491	131139	137529	146225
Index of GNI at constant market prices	81.3	84.4	87.2	92.0	95.4	100.0	106.3
Gross national disposable income at constant market prices	113,093	117,893	122,738	127,687	131,427	135,988	141,823
Index of GNDI at constant prices	83.2	86.7	90.3	93.9	96.6	100.0	104.3
Per head of population (€)							
GDP at current market prices	27,608	30,397	33,243	35,037	36,723	39,097	41,205
GNP at current market prices	23,521	25,465	27,193	29,578	30,982	32,857	35,173
GNI at current market prices	23,785	25,696	27,582	29,938	31,344	33,294	35,493
GNDI at current market prices	23,766	25,516	27,373	29,686	31,080	32,921	35,064
Net national product at factor cost	17,582	19,292	20,462	22,278	22,983	24,019	25,557
GDP at constant market prices	32,811	34,230	35,780	36,748	37,704	39,097	40,275
GNP at constant market prices	29,150	29,855	30,163	31,379	32,005	32,857	34,082
GNI at constant market prices	29,494	30,184	30,633	31,790	32,430	33,294	34,488
GNDI at constant market prices	29,844	30,645	31,335	32,090	32,501	32,921	33,450
Per person in employment (€)							
GDP at current market prices #	62,594	67,913	73,822	77,737	80,874	83,712	86,616
GNP at current market prices #	53,328	56,893	60,386	65,624	68,231	70,352	73,936
GNI at current market prices #	53,927	57,409	61,249	66,423	69,029	71,288	74,609
GNDI at current market prices #	53,884	57,006	60,785	65,865	68,445	70,489	73,706
Net national product at factor cost #	39,864	43,102	45,438	49,427	50,614	51,427	53,721
GDP at constant market prices #	74,391	76,476	79,455	81,532	83,034	83,712	84,660
GNP at constant market prices #	66,091	66,701	66,981	69,619	70,484	70,352	71,643
GNI at constant market prices #	66,870	67,435	68,026	70,531	71,418	71,288	72,496
GNDI at constant market prices #	67,664	68,467	69,583	71,199	71,575	70,489	70,314

* Preliminary

Persons in employment on an ILO basis as in the QNHS (March - May) for 2000 to 2006

Table C Annual Percentage Changes in the Main Aggregates, GNP, GDP and GNI Deflators and the Consumer Price Index

Description	2000-2006	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Gross Domestic Product (GDP) at current market prices	8.9	11.8	11.4	7.1	6.5	8.8	8.2
Gross National Product (GNP) at current market prices	9.0	9.9	8.7	10.5	6.5	8.3	9.9
Gross National Income (GNI) at current market prices	8.9	9.7	9.3	10.3	6.4	8.5	9.4
Gross National Disposable Income (GNDI) at current market prices	8.7	9.0	9.2	10.2	6.4	8.2	9.3
Net national product at factor cost	8.4	11.4	8.0	10.6	4.8	6.8	9.2
Chain linked volume measures referenced to year 2005							
Gross Domestic Product at constant market prices	5.4	5.9	6.4	4.3	4.3	5.9	5.7
Gross National Product at constant market prices	4.6	4.0	2.9	5.7	3.7	4.9	6.5
Gross National Income at constant market prices	4.6	3.9	3.3	5.4	3.7	4.9	6.3
Gross National Disposable Income at constant market prices	3.8	4.2	4.1	4.0	2.9	3.5	4.3
GDP deflator	3.3	5.5	4.6	2.6	2.2	2.7	2.3
GNP deflator	4.2	5.7	5.7	4.6	2.7	3.3	3.2
GNI deflator	4.1	5.6	5.8	4.6	2.6	3.5	2.9
GNDI deflator	4.7	4.6	4.9	5.9	3.4	4.6	4.8
Consumer price index	3.6	4.9	4.6	3.5	2.2	2.5	4.0

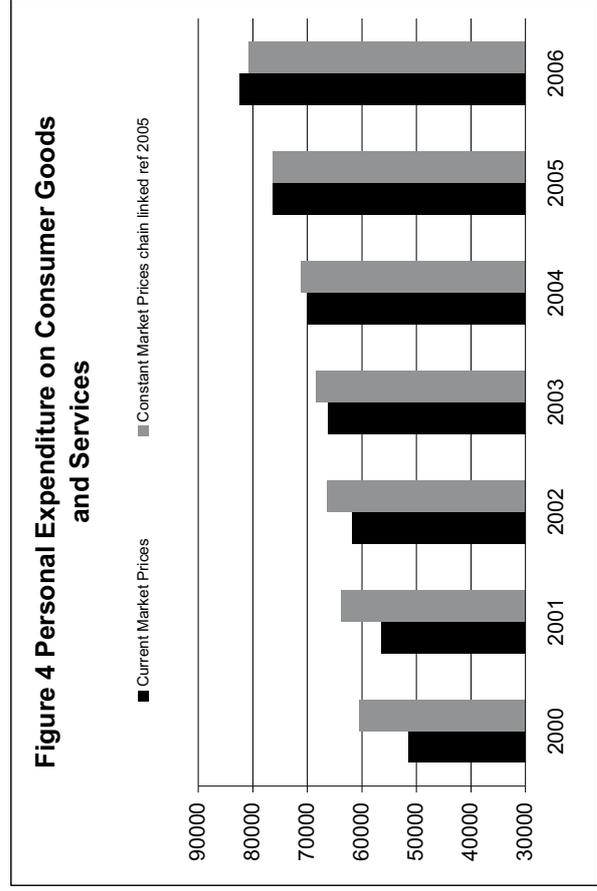
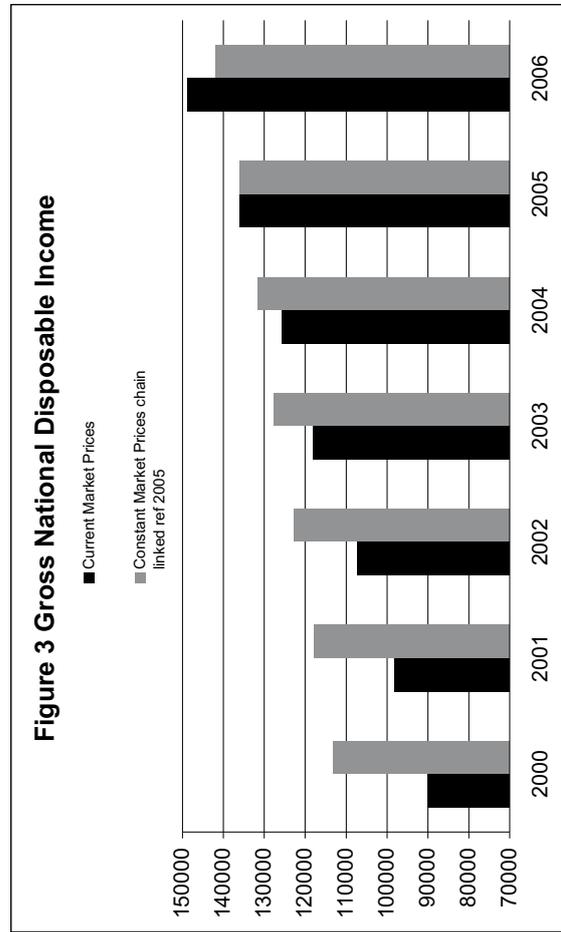
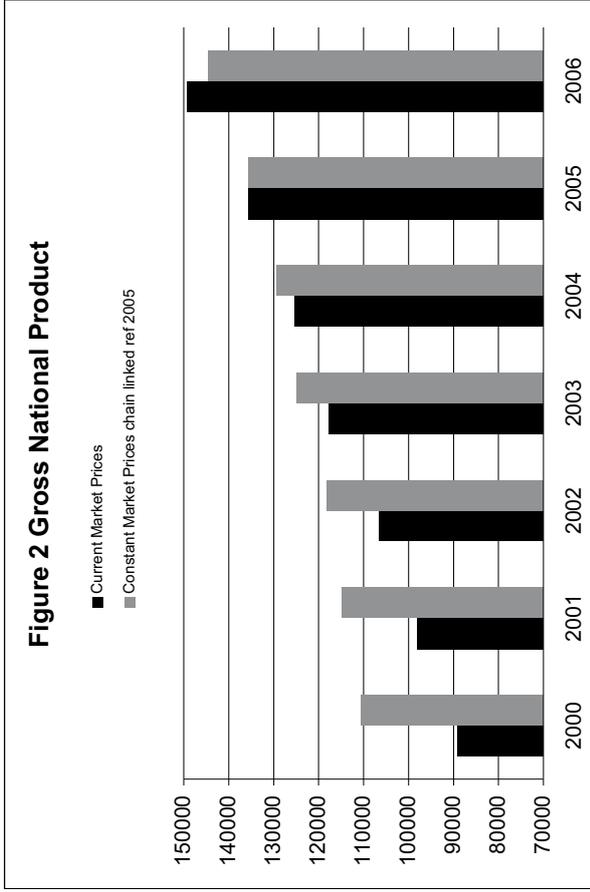
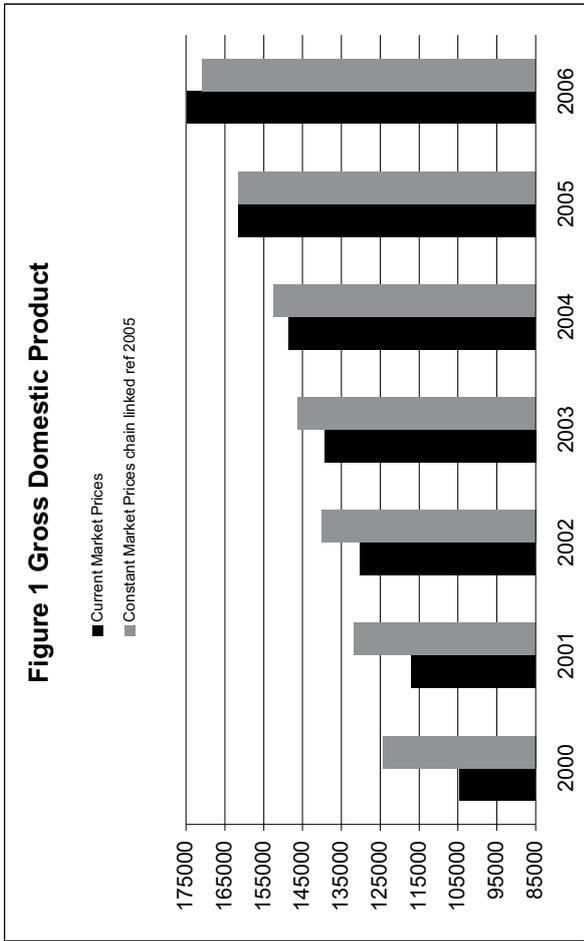


Figure 6 Gross Domestic Physical Capital Formation

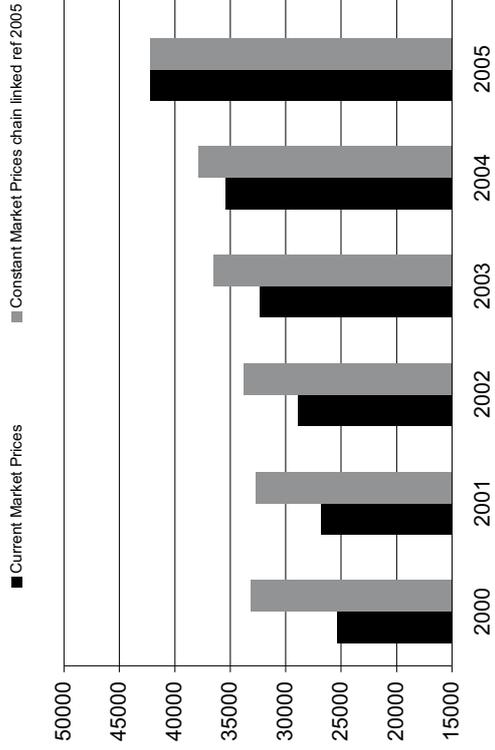


Figure 5 Net Expenditure by Public Authority

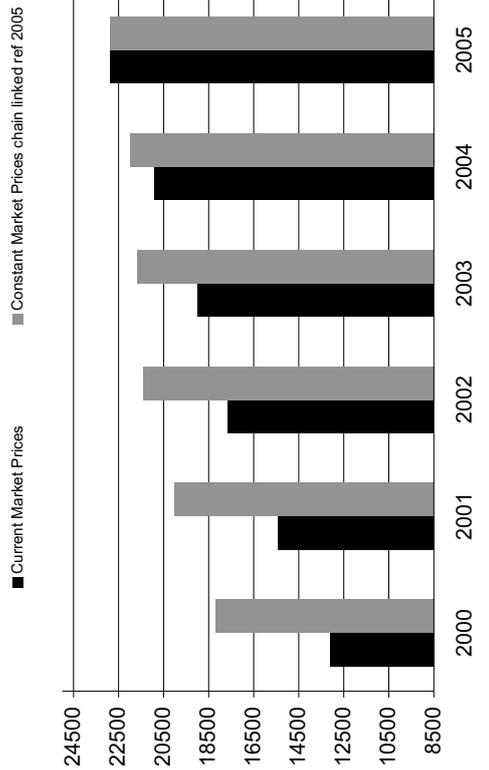


Figure 8 Imports of Goods and Services

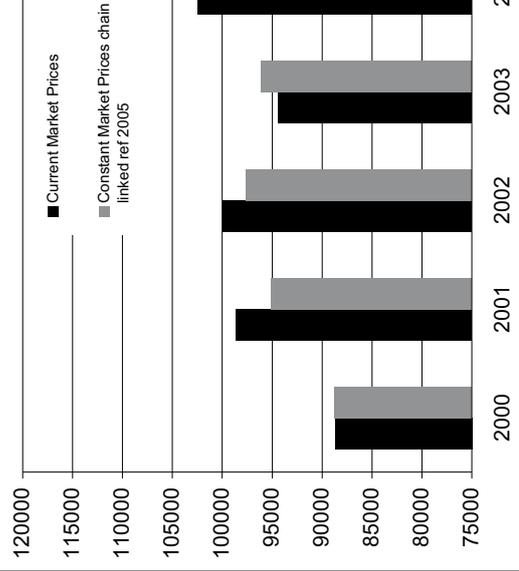
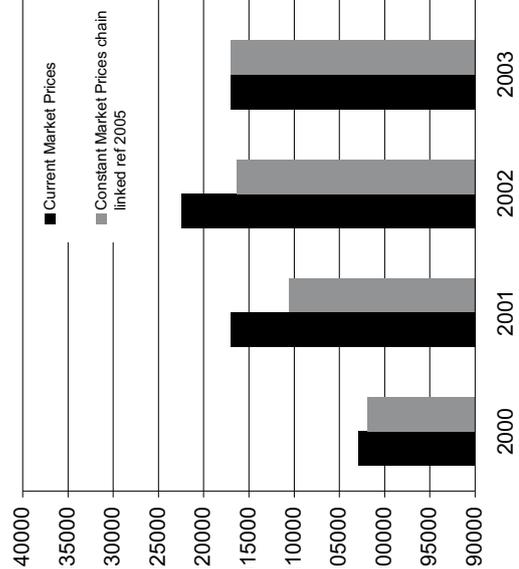


Figure 7 Exports of Goods and Services



DESCRIPTION OF DETAILED TABLES

Except where otherwise indicated the tables in this report relate to current money values and, therefore, the year-to-year changes include an element due to monetary inflation. Certain tables are shown at constant money values and these indicate the “real” (or “volume” or “quantum”) changes in the various entities from year to year.

The tables have all been computer generated from approximately 500 base headings. As a result, in the tables, the totals may differ from the sum of components due to rounding.

Net National Product at Factor Cost classified by Type of Income (Table 1)

The estimated earnings of the different factors of production are given in Table 1 distinguishing (i) income from agriculture, forestry and fishing, (ii) all other domestic income and (iii) income from the rest of the world.

Table 1.1 shows the annual percentage changes in the main items of Table 1.

National and Domestic Product classified by Sector of Origin at Current Prices (Tables 2 & 3)

Table 2 shows net domestic product originating in each sector, distinguishing agriculture, forestry and fishing, industry, building and construction, distribution, transport and communication, public administration and defence and other services sectors. The contribution of each domestic sector is divided into *remuneration of employees* and *other* (i.e. net profits and self employed income). Figures for adjustment for stock appreciation and for depreciation of assets are shown separately for the relevant sectors. When these figures are added to those for net value added in each sector, the gross value added at factor cost in each sector, after adjustment for stock appreciation, is derived. These figures are shown in Table 3. By adding taxes on expenditure net of subsidies to the gross value added at factor cost the gross domestic product at market prices is derived. Net factor income from the rest of the world is then added to arrive at gross national product at market prices.

Gross National Product classified by Sector of Origin at Constant Prices (Table 4)

Table 4 contains estimates of the gross national product at constant prices sub-divided by branch of activity. It contains estimates of the contribution of certain industrial sectors which are more than 90% foreign owned. The estimates have been made by adding together the contributions to the gross value added at factor cost, valued at previous year's prices, of the different branches, adjusting from factor cost to market prices by adding taxes on expenditure and subtracting subsidies - both valued at previous year's rates - and then adding net factor income from the rest of the world. The purpose of valuation at constant prices is to derive a series of figures which reflect volume or *real* changes only as distinct from current prices figures which reflect both volume and price changes. A number of conceptual problems occur in attempting to measure the contribution, at constant prices, of each sector to the gross national product and some of these difficulties are referred to in Appendix 1.

The difference between the annual percentage changes in gross domestic product and gross national product at constant market prices are due to the changes in the rate of growth of net factor income from the rest of the world.

Table 4.1 shows the annual percentage changes in gross national product at constant prices by sector of origin.

The results obtained by using the sector output method for compiling constant price estimates of gross national product are somewhat different from those derived by using the expenditure method. The average of the two sets of figures is the official level of gross national product and this gives rise to a *Statistical discrepancy* item which is displayed in Tables 4 and 6 for the year 2005 and 2006. This is the adjustment required to achieve convergence of the two estimates. For both the expenditure and output methods, it should be borne in mind that, GDP and other aggregates can not be derived as the sum of the components in years prior to 2005. This is because GDP and the components are based to the previous year in each of those years and the components and the aggregates (such as GDP) are independently chain linked (to 2005) in accordance with international practise. Additivity (i.e. the sum of the chain linked components being equal to the chain linked aggregate) is lost in this process. Thus there is a difference between the sum of the

chain linked components and the chain linked aggregates in those years which is not solely due to the aggregate being the average of the expenditure and output method but also due to the chain linking system itself.

Expenditure on Gross National Product - Current Market Prices (Table 5)

Table 5 shows the expenditure on the gross national product analysed by categories of expenditure. Table 5.1 shows the percentage changes over the period shown.

Expenditure on Gross Domestic Product - Constant Market Prices (Table 6)

In order to compile figures for the gross domestic product at constant market prices the estimates of the expenditure on the gross domestic product can be revalued at the prices of the previous year and chain linked to a reference year. This is done by revaluing constituents of expenditure at previous year's prices or by deflating current price expenditures by a suitable price index. The resulting total for gross domestic product at previous year's market prices is, therefore, a measure of the volume of output of goods and services originating in the national economy which can be compared with the output of the economy in the previous year without being affected by price change. However the official GDP volume measure as shown in all tables is derived as an average of the income measure and expenditure measure (see notes on Table 4) The resulting volume changes are then linked to a reference year which in this publication is 2005.

Table 6 shows gross domestic product, valued in this way, and linked to 2005. The annual percentage changes in the different categories of expenditure are shown in Table 6.1. Table 6.2 shows corresponding index numbers referenced to 2005 = 100. The index numbers of gross domestic product at constant market prices arrived at in this way provide a measure of year-to-year changes in the total output of goods and services of the national economy. It does not, however, give a reliable indication of changes from year to year in the volume of goods and services available to the community arising from current production as it does not take into account the effect of changing terms of trade on this volume of goods and services. To allow for changes in the terms of trade, a further adjustment must be made and the last row of Table 6.2 shows index numbers of the volume of gross national product referenced to 2005 and adjusted to take account of changes in the terms of trade.

Gross National Disposable Income at Current Prices (Table 7)

In Table 7 the relationship between gross national product and gross national disposable income is shown and also the use of gross national disposable income for consumption expenditure and savings. Gross national disposable income represents the income available for consumption expenditure and savings by adding net receipts of current international transfers to national product. Table 7.1 shows the annual percentage changes in gross national disposable income and its use.

Gross National Disposable Income at Constant Market Prices, adjusted for Terms of Trade (Table 8)

Table 8 shows the derivation of real Gross National Disposable Income adjusted for terms of trade.

In order to trace the development of real income (or income at constant prices) available for consumption or saving it is useful to express national disposable income at constant prices by deflating net receipts of current international transfers. To take full account of the changes in the volume of goods and services available to the community the adjustment for terms of trade previously outlined in relation to Table 6.2 should also be incorporated.

Following the convention used for deflation of net factor income from abroad (Appendix 1) the implied price index of the imports of goods and services is used to deflate net current international transfers if they are positive while the corresponding export index is used if they are negative.

Personal Income and Expenditure (Table 9)

Table 9 shows the relationships between Personal Income, Private Income and Net National Product. Personal Income is the income accruing to households and private non-profit institutions. Personal savings is estimated residually by subtracting total personal expenditure including taxes on personal income and wealth.

The method used to derive Private Income from Net National Product can be summarised as follows:

1. Reverse the adjustment for stock appreciation made in Table 1, as changes in stock values, including those arising from holding gains, are included in the total income available. They will largely be subtracted again in the transition from private income to personal income in item 124.
2. Subtract the income which the Government earns, e.g.
 - (a) Surplus of National Lottery (included in trading profits of companies - item 4 of Table 1)
 - (b) Imputed net rental income of Local Government (included in item 8 of Table 1)
 - (c) Interest element in land annuities (item 8 of Table 1)
 - (d) Interest earned by the Government on holdings of foreign securities (included in net factor income from the rest of the world - item 14 of Table 1)
 - (e) Interest/dividends which the Government earns from its investment in State or semi-State companies, advances to the ESB, shares in Bord Gáis Éireann, and the Irish Aviation Authority etc. (included in the profits of these companies – item 4 of Table 1)

Also subtracted at this stage are

- (f) Interest which Local Government receive on loans under the Housing Acts which are subtracted to comply with the international definitions of Private and Personal Income which define them as being net of interest
 - (g) The gross trading income of the Post Office Savings Bank Fund which is excluded to take account of the fact that in adding on the interest paid out by the Government to the private sector (in item 121) an allowance has to be made for the part which is absorbed by the Post Office Savings Bank.
3. Add on National Debt Interest paid out by the Government (including interest paid abroad which has been subtracted in the adjustment for net factor incomes from abroad - item 14 in Table 1).
 4. Add transfer income (including net transfers from abroad).

The four steps above yield Private Income. The transition from Private Income to Personal Income is achieved by subtracting from private income the undistributed income (including interest/dividend and investment income) of companies and corporate bodies. The main components of Personal Income are shown below: These are also listed in Table 12. In this publication personal income is derived directly from Table 12 and the undistributed profits of companies are in fact obtained as the residual of private income and personal income. This is a different approach to former years when the undistributed profits of companies were firstly obtained and were subtracted from private income to produce personal income. The method now employed to derive personal income is considered to yield a better estimate than the former method.

Components of personal income:

- (a) Income from self-employment
- (b) Imputed rent assigned to owner-occupiers in respect of their dwellings
- (c) The difference between the lower rent paid by the tenants of Local Government dwellings and the economic rents of these dwellings (treated as a state transfer to households)
- (d) Wages, salaries and employer contributions to pension funds or imputed contributions where applicable
- (e) Employers' contributions to Social Insurance of its employees
- (f) Net Interest (i.e. interest and dividends earned less interest paid out on loans, mortgages, etc.)
- (g) State benefits in cash (e.g. state pensions, unemployment benefit and assistance, child benefit, etc.)
- (h) Some State benefits in kind considered to be transfers and included in item 122. Principal among these are:
 - The costs of free secondary education
 - State assistance towards 3rd level education
 - State scholarships and prizes
 - Free travel, electricity and telephone rental
 - Drugs and medicines received free of charge or subsidised
 - Transport services for school children.

(See Table 24 for a more comprehensive list.)

Net Current Income and Expenditure of Central and Local Government (Table 10)

The detailed tables of the central and local government accounts are described below. Table 10 presents a summary of the income and expenditure of central and local government and gives the derivation of central and local government savings.

Capital Formation and Savings (Table 11)

The savings of persons, central and local government and companies (i.e. net national savings as also shown in Table 7), together with provisions for depreciation, net foreign capital transfers and net foreign disinvestment are, by definition, equal to gross domestic capital formation. This equality is shown in Table 11. Figures for domestic capital formation are also obtained by adding figures for expenditure on imported and home produced capital goods to the value of the physical changes in stocks, including the value of changes in numbers of livestock on farms. Gross physical capital formation includes expenditure on renewal, replacement and major reconstruction work but does not include repair and maintenance of existing physical assets. In Table 11 personal savings are not directly assessed. They are taken from table 9 where the figures are obtained as a residual, i.e. the difference between Personal Income (item 125 of Table 9), and the sum of personal consumption and taxes on personal income and wealth.

An alternative arrangement of the capital account to that presented in Table 11 is given in Table 11.1. This shows the trend in the additions to national wealth or gross national investment. Gross national savings plus capital transfers from abroad (which do not create external liabilities) represent the funds available for investment which take the form of gross domestic physical capital formation plus net foreign investment.

Distribution of Personal Income (Table 12)

From the data in Tables 1 and 9 it is possible to allocate personal income between the different categories of income and the figures are shown in Table 12. In this table the item interest, dividends and rent contains *net interest* representing receipts less payments by households.

Details of Personal Consumption (Tables 13 & 14)

The consumption of personal income on different items of goods and services is shown in Table 13 at current prices and in Table 14 at constant prices. For more information on the item called "FISIM" refer to the paragraph on "Profits of businesses" in Appendix 1 page 36.

Table 13.1 shows the annual percentage changes for the main items of consumption at current prices.

The current price figures are, of course, affected by changes in prices as well as in volume. The figures in Table 14 indicate the level of *real* or *quantum* expenditure for each of the years shown. The corresponding annual percentage changes are shown in Table 14.1.

Details of Capital Formation (Tables 15 to 18)

A detailed breakdown of gross domestic physical capital formation by type is given in Table 15 at current prices and in Table 17 at constant prices.

Tables 16 and 18 give a breakdown of gross domestic fixed capital formation by sector of use at current and constant prices.

Central and Local Government Accounts (Tables 19 to 28)

The central and local government accounts represent a consolidation of central government accounts (including extra-budgetary funds) with those of local government. The details are shown in Tables 19 to 28. The classification of certain constituents in the tables into current and capital expenditure is not the same as that used in tables issued in connection with the Budget and in the Local Taxation Returns. Further slight

adjustments are made to some of the figures in Table 21 for inclusion in the national accounts. The adjusted figures are shown in Table 10. The main differences between the central government accounts as incorporated in the national income accounts and those shown in the Finance Accounts were fully described on pages 21-22 of National Income and Expenditure, 1963.

Tables 26, 27 and 28 show central and local government expenditure classified by purpose of expenditure and economic category. Table 28 shows the consolidated transactions for all central and local government while the separate details for central government and for local government are contained in Tables 26 and 27, respectively. The data are presented in Tables 26, 27 and 28 for the years 2000 to 2005. (The tables are consistent with the rest of the national accounts and the expenditure totals correspond with those in Tables 19, 20 and 21).

Data for central government expenditure are derived from the Finance and Appropriation Accounts published by the Department of Finance, supplemented by the Estimates for the Public Services and information on the various extra-budgetary accounts. The data for the local government are derived from the Local Taxation Returns published by the Department of the Environment, Heritage and Local Government together with additional details provided by the Department. Data for the health boards are provided by the Department of Health and Children. The accounts of some subsidiary bodies are also used. Certain practical and conceptual difficulties arise in the allocation of these expenditures to rigidly defined categories and, therefore, this classification must to some extent be regarded as estimated. This qualification applies in particular to the local government tables since the form of local government and health board accounts does not allow as much analysis of expenditure as do the central government accounts.

Twelve purpose categories have been distinguished for central government and the combined central and local government' expenditure, while for local government ten such categories are shown (*Defence* is omitted and expenditures on *Mining, manufacturing and construction* which are relatively small are included with *Other economic services*). It is not feasible to allocate expenditure on the public debt (interest and repayments) between the various types of services so *Public debt* is featured as a special purpose category. Three main groups covering general government services, social services and economic services, with subdivisions in each group, have been identified.

While it would be impossible to specify the detailed content of each purpose category a broad description of the types of expenditure included under each heading is given in Appendix 2. It may be noted that the total expenditure on *Agriculture, Forestry and Fishing* by central government is shown to be considerably higher than by the combined central and local government. This is due to the inclusion in the former of the payments to local government in relief of rates on agricultural land, which are consolidated out of the combined tables.

Tables 26.1, 27.1 and 28.1 show the percentage distribution of total expenditure allocated to each purpose category.

Social Protection Accounts (Table 29)

For a number of years development of the *Social Protection Accounts* has been undertaken by the member states and the Statistical Office of the European Community (Eurostat). The supply of data relating to Ireland is co-ordinated by the Central Statistics Office. These results are published annually by Eurostat, with the objective of providing a basis for comparison of social protection expenditure and its financing among the member states. To improve national dissemination of these results they are included here in Table 29 as a complementary set of data to the national accounts. Explanatory notes are in Appendix 2.

Balance of International Payments (Table 30)

Tables 30(a) and 30(b) give the main results of the annual balance of international payments on current, capital and financial accounts. The figures agree with the most recent BOP release (i.e. that of Q1 2007) in respect of the years 2005 and 2006 but contain revisions to earlier years which have not been incorporated in the BOP release.

National Income and Expenditure

Detailed Tables

Table 1 Net Value Added at Factor Cost and Net National Income at Market Prices

	€ million						
Description	2000	2001	2002	2003	2004	2005	2006*
Value added from agriculture, forestry and fishing	2,875	2,932	2,786	2,818	2,878	3,397	3,195
1. Income from self-employment and other trading income	2,392	2,449	2,293	2,311	2,358	2,868	2,614
Remuneration of employees:							
2. Wages and salaries	439	439	448	461	473	481	529
3. Employers' contribution to social insurance	45	44	45	46	47	48	52
Non-agricultural value added	79,746	90,204	100,295	106,789	113,048	121,724	131,747
Profits and self employed earnings:							
4. Domestic trading profits of companies (including corporate bodies) before tax	28,198	30,770	36,598	37,468	39,084	41,197	} 53,786
5. Self employed earnings	6,576	7,858	8,033	8,470	9,225	9,512	
6. Adjustment for stock appreciation	-818	219	-63	599	-478	-538	-329
7. Rent of dwellings (actual and imputed) of which imputed rent	4,379	5,172	5,972	6,085	5,736	5,560	5,852
	3,584	4,231	4,871	4,930	4,575	4,313	4,516
8. Rent element in land annuities	3	5	3	3	3	2	11
Remuneration of employees:							
9. Wages, salaries, pensions	38,689	42,972	46,277	50,517	55,526	61,529	67,312
10. Employers' contribution to social insurance	2,719	3,207	3,476	3,647	3,953	4,464	5,115
Adjustments:							
12. Statistical discrepancy	-505	57	767	759	226	-132	-1,011
13. Net value added at factor cost	82,117	93,193	103,847	110,366	116,153	124,989	133,931
14. Net factor income from the rest of the world	-15,488	-18,975	-23,699	-21,723	-23,215	-25,775	-25,575
15. Net national product at factor cost	66,629	74,218	80,148	88,643	92,937	99,214	108,356
16. National (i.e. non EU) taxes	13,646	13,829	15,684	17,086	19,325	21,772	24,607
17. National (i.e. non EU) subsidies	-760	-1,039	-788	-818	-768	-881	-912
18. Net national income at market prices	79,514	87,008	95,043	104,911	111,494	120,105	132,051

* Preliminary

Table 1.1 Annual Percentage Changes in the Main Constituents of Table 1

Description	2000-2006	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Value added from agriculture, forestry and fishing	1.8	2.0	-5.0	1.2	2.1	18.0	-5.9
Income from self-employment and other trading income	1.5	2.4	-6.4	0.8	2.0	21.6	-8.9
Remuneration of employees	3.1	-0.1	2.0	3.0	2.5	1.7	9.9
Non-agricultural value added	8.7	13.1	11.2	6.5	5.9	7.7	8.2
Profits etc. #	7.5	14.8	14.8	4.1	1.8	4.0	6.4
Remuneration of employees	9.8	11.5	7.7	8.9	9.8	11.0	9.8
Net national product at factor cost	8.4	11.4	8.0	10.6	4.8	6.8	9.2
Net national income at market prices	8.8	9.4	9.2	10.4	6.3	7.7	9.9

i.e. Items 4 to 8 in Table 1

Table 2 Net Value Added at Factor Cost by Sector of Origin and Gross National Income at Current Market Prices

€ million

Description	2000	2001	2002	2003	2004	2005	2006*
19. Agriculture, forestry and fishing							
Net value added	2,878	2,937	2,788	2,821	2,881	3,399	3,206
Remuneration of employees	483	483	493	508	520	529	581
Other	2,395	2,454	2,296	2,314	2,361	2,870	2,625
20. Industry (including building)							
Net value added	36,150	40,234	44,902	44,164	44,363	46,687	49,476
Remuneration of employees	13,734	15,089	15,598	16,439	17,839	19,900	20,964
Other	22,962	24,814	29,266	27,322	26,763	27,219	28,543
Adjustment for stock appreciation	-546	331	38	403	-239	-432	-30
20a. Industry							
Net value added	29,338	32,283	36,169	34,334	33,022	33,582	34,665
Remuneration of employees	9,122	9,718	9,657	9,881	10,270	10,564	10,642
Other	20,762	22,234	26,474	24,049	22,991	23,450	24,053
Adjustment for stock appreciation	-546	331	38	403	-239	-432	-30
20b. Building and construction							
Net value added	6,812	7,951	8,733	9,830	11,341	13,105	14,811
Remuneration of employees	4,611	5,371	5,940	6,558	7,570	9,336	10,321
Other	2,200	2,580	2,792	3,272	3,771	3,769	4,490
21. Distribution, transport and communication							
Net value added	12,801	13,890	15,085	16,724	17,475	18,793	20,247
Remuneration of employees	8,254	8,728	8,990	9,661	10,209	11,116	12,307
Other	4,819	5,274	6,196	6,868	7,504	7,783	8,239
Adjustment for stock appreciation	-272	-112	-101	196	-239	-106	-299
22. Public administration and defence							
Remuneration of employees	3,254	3,630	4,098	4,415	4,845	5,127	5,485
23. Other services (including rent)							
Net value added	27,537	32,444	36,208	41,482	46,363	51,115	56,528
Remuneration of employees	16,166	18,732	21,067	23,649	26,585	29,849	33,671
Other	11,372	13,712	15,141	17,834	19,778	21,266	22,857
26. Statistical discrepancy (= Item 12)	-505	57	767	759	226	-132	-1,011
27. Net value added at factor cost	82,117	93,193	103,847	110,366	116,153	124,989	133,931
28. plus Provision for depreciation	10,619	11,845	12,994	14,212	15,256	17,424	18,436
Agriculture, forestry and fishing	626	659	674	678	688	698	712
Industry (including building)	3,112	3,504	3,727	3,599	3,835	3,778	3,567
Industry	2,943	3,311	3,515	3,329	3,476	3,379	3,241
<i>Building and construction</i>	169	194	212	270	359	398	326
Distribution, transport and communication	1,823	2,102	2,188	2,574	2,737	2,965	2,829
Other services	5,058	5,579	6,405	7,362	7,996	9,983	11,328
29. Gross value added at factor cost	92,736	105,037	116,841	124,578	131,409	142,413	152,367
30. Non product taxes	886	977	1,105	1,267	1,398	1,550	1,678
31. Non product subsidies	-556	-593	-572	-519	-488	-1,476	-1,471
32. Gross value added at basic prices	93,065	105,421	117,374	125,327	132,319	142,486	152,574
33. Product taxes	13,393	13,483	14,952	16,225	18,252	20,655	23,350
34. Product subsidies	-1,838	-1,965	-2,111	-2,138	-2,068	-1,643	-1,220
35. Gross domestic product at current market prices	104,620	116,939	130,215	139,413	148,502	161,498	174,705
36. Net factor income from the rest of the world	-15,488	-18,975	-23,699	-21,723	-23,215	-25,775	-25,575
37. Gross national product at current market prices	89,132	97,964	106,515	117,691	125,286	135,723	149,130
38. EU subsidies	1,634	1,520	1,896	1,839	1,788	2,239	1,778
39. EU taxes	-633	-632	-374	-406	-324	-432	-421
40. Gross national income at current market prices	90,134	98,853	108,037	119,123	126,750	137,529	150,487

* Preliminary

Breakdown between Remuneration of Employees and Other (Net Operating Surplus) not available for all sectors in latest year

Table 3 Gross Value Added at Factor Cost by Sector of Origin and Gross National Income at Current Market Prices

	€ million						
Description	2000	2001	2002	2003	2004	2005	2006*
41. Agriculture, forestry and fishing	3,504	3,596	3,462	3,499	3,569	4,097	3,918
42. Industry (including building)	39,262	43,739	48,629	47,764	48,198	50,465	53,043
42a. <i>Industry</i>	32,281	35,594	39,684	37,663	36,499	36,961	37,906
42b. <i>Building and construction</i>	6,981	8,145	8,944	10,100	11,700	13,504	15,137
43. Distribution, transport and communication	14,624	15,993	17,274	19,298	20,211	21,759	23,075
44. Public administration and defence	3,254	3,630	4,098	4,415	4,845	5,127	5,485
45. Other services (including rent)	32,596	38,023	42,613	48,844	54,358	61,098	67,856
47. Statistical discrepancy (= Item 12)	-505	57	767	759	226	-132	-1,011
48. Gross value added at factor cost	92,736	105,037	116,841	124,578	131,409	142,413	152,367
49. Non product taxes	886	977	1,105	1,267	1,398	1,550	1,678
50. Non product subsidies	-556	-593	-572	-519	-488	-1,476	-1,471
51. Gross value added at basic prices	93,065	105,421	117,374	125,327	132,319	142,486	152,574
52. Product taxes	13,393	13,483	14,952	16,225	18,252	20,655	23,350
53. Product subsidies	-1,838	-1,965	-2,111	-2,138	-2,068	-1,643	-1,220
54. Gross domestic product at current market prices	104,620	116,939	130,215	139,413	148,502	161,498	174,705
55. Net factor income from the rest of the world	-15,488	-18,975	-23,699	-21,723	-23,215	-25,775	-25,575
56. Gross national product at current market prices	89,132	97,964	106,515	117,691	125,286	135,723	149,130
57. EU subsidies	1,634	1,520	1,896	1,839	1,788	2,239	1,778
58. EU taxes	-633	-632	-374	-406	-324	-432	-421
59. Gross national income at current market prices	90,134	98,853	108,037	119,123	126,750	137,529	150,487

* Preliminary

Table 3.1 Annual Percentage Change in the Main Constituents of Table 3

Description	2000-2006	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Agriculture, forestry and fishing	1.9	2.6	-3.7	1.1	2.0	14.8	-4.4
Industry (including building)	5.1	11.4	11.2	-1.8	0.9	4.7	5.1
<i>Industry</i>	2.7	10.3	11.5	-5.1	-3.1	1.3	2.6
<i>Building and construction</i>	13.8	16.7	9.8	12.9	15.8	15.4	12.1
Distribution, transport and communication	7.9	9.4	8.0	11.7	4.7	7.7	6.1
Public administration and defence	9.1	11.5	12.9	7.7	9.8	5.8	7.0
Other services (including rent)	13.0	16.7	12.1	14.6	11.3	12.4	11.1
Gross value added at factor cost	8.6	13.3	11.2	6.6	5.5	8.4	7.0
Gross value added at basic prices	8.6	13.3	11.3	6.8	5.6	7.7	7.1
Gross domestic product at current market prices	8.9	11.8	11.4	7.1	6.5	8.8	8.2
Gross national product at current market prices	9.0	9.9	8.7	10.5	6.5	8.3	9.9
Gross national income at current market prices	8.9	9.7	9.3	10.3	6.4	8.5	9.4

Table 4 Gross Value Added at Constant Factor Cost by Sector of Origin and Gross National Income at Constant Market Prices (chain linked annually and referenced to year 2005)

	€ million						
Description	2000	2001	2002	2003	2004	2005	2006*
60. Agriculture, forestry and fishing	3,565	3,579	3,521	3,648	3,740	4,097	3,817
61. Industry (including building)	39,327	41,852	45,631	46,636	48,579	50,465	52,763
Industry	29,037	31,042	34,305	34,732	35,907	36,961	38,538
of which #							
<i>Reproduction of recorded media</i>	1,391	1,572	2,072	1,660	2,784	3,023	3,950
<i>Chemicals (incl. man-made fibres)</i>	8,970	10,511	13,532	14,264	12,233	11,905	11,869
<i>Computers and Instrument engineering</i>	4,197	4,573	4,339	4,644	5,259	5,904	5,875
<i>Electrical machinery and equipment</i>	1,358	1,134	1,137	958	1,076	1,469	1,777
Building and construction	10,378	10,811	11,089	11,802	12,640	13,504	14,224
62. Distribution, transport and communication	17,647	19,192	19,811	20,249	20,669	21,759	22,767
63. Public administration and defence	4,505	4,664	4,826	4,926	5,034	5,127	5,281
64. Other services (including rent)	44,134	47,521	49,824	52,694	56,502	61,098	65,875
66. Statistical discrepancy	~	~	~	~	~	-132	-328
67. Gross value added at constant factor cost	109,037	116,643	124,250	129,796	134,699	142,413	150,175
68. Non product taxes	1,148	1,208	1,312	1,333	1,411	1,550	1,639
69. Non product subsidies	-402	-324	-286	-420	-460	-1,476	-1,142
70. Gross value added at constant basic prices	109,849	117,668	125,486	130,793	135,729	142,486	150,671
71. Product taxes	16,843	16,945	17,303	17,850	19,041	20,655	22,003
72. Product subsidies	-2,526	-3,246	-2,867	-2,592	-2,416	-1,643	-1,914
73. Gross domestic product at constant market prices	124,338	131,683	140,150	146,219	152,467	161,498	170,760
74. Net factor income from the rest of the world	-15,236	-17,833	-22,259	-21,987	-23,162	-25,775	-26,256
75. Gross national product at constant market prices	110,465	114,853	118,147	124,855	129,423	135,723	144,504
76. EU subsidies	2,031	1,982	2,254	2,059	2,039	2,239	2,133
77. EU taxes	-708	-706	-393	-426	-333	-432	-411
78. Gross national income at constant market prices	111,766	116,117	119,991	126,491	131,139	137,529	146,225

* Preliminary

~Chain linked series not additive except for 2005 and 2006

Table 4.1 Annual Percentage Changes in the Main Constituents of Table 4

Description	2000-2006	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Agriculture, forestry and fishing	1.1	0.4	-1.6	3.6	2.5	9.5	-6.8
Industry (including building)	5.0	6.4	9.0	2.2	4.2	3.9	4.6
Industry	4.8	6.9	10.5	1.2	3.4	2.9	4.3
of which #							
<i>Reproduction of recorded media</i>	19.0	13.0	31.8	-19.9	67.8	8.6	30.7
<i>Chemicals (incl. man-made fibres)</i>	4.8	17.2	28.7	5.4	-14.2	-2.7	-0.3
<i>Computers and Instrument engineering</i>	5.8	9.0	-5.1	7.0	13.2	12.3	-0.5
<i>Electrical machinery and equipment</i>	4.6	-16.5	0.3	-15.8	12.3	36.5	21.0
Building and construction	5.4	4.2	2.6	6.4	7.1	6.8	5.3
Distribution, transport and communication	4.3	8.8	3.2	2.2	2.1	5.3	4.6
Public administration and defence	2.7	3.5	3.5	2.1	2.2	1.9	3.0
Other services (including rent)	6.9	7.7	4.8	5.8	7.2	8.1	7.8
Gross value added at constant factor cost	5.5	7.0	6.5	4.5	3.8	5.7	5.5
Gross value added at constant basic prices	5.4	7.1	6.6	4.2	3.8	5.0	5.7
Gross domestic product at constant market prices	5.4	5.9	6.4	4.3	4.3	5.9	5.7
Gross national product at constant market prices	4.6	4.0	2.9	5.7	3.7	4.9	6.5
Gross national income at constant market prices	4.6	3.9	3.3	5.4	3.7	4.9	6.3

The four sectors distinguished correspond to NACE REV1 classes 223; 24; 30 & 33; 31 & 32.

Table 5 Expenditure on Gross National Income at Current Market Prices

€ million

Description	2000	2001	2002	2003	2004	2005	2006*
79. Personal consumption of goods and services	51,474	56,450	61,836	66,226	70,075	76,435	82,483
80. Net expenditure by central and local government on current goods and services	13,104	15,429	17,643	18,981	20,896	22,870	24,939
81. Gross domestic fixed capital formation	24,531	26,421	28,275	31,073	35,108	42,079	46,027
82. Value of physical changes in stocks	819	378	648	1,287	325	162	1,476
83. Exports of goods and services #	102,885	116,975	122,481	117,006	124,793	132,098	139,766
84. less Imports of goods and services #	-88,697	-98,657	-99,903	-94,400	-102,468	-112,279	-120,997
85. Statistical discrepancy (= - Item 12)	505	-57	-767	-759	-226	132	1,011
86. Gross domestic product at current market prices	104,620	116,939	130,215	139,413	148,502	161,498	174,705
87. Net factor income from the rest of the world	-15,488	-18,975	-23,699	-21,723	-23,215	-25,775	-25,575
88. Gross national product at current market prices	89,132	97,964	106,515	117,691	125,286	135,723	149,130
89. EU subsidies	1,634	1,520	1,896	1,839	1,788	2,239	1,778
90. EU taxes	-633	-632	-374	-406	-324	-432	-421
91. Gross national income at current market prices	90,134	98,853	108,037	119,123	126,750	137,529	150,487

* Preliminary

Excluding factor income flows

Table 5.1 Annual Percentage Changes in the Main Constituents of Table 5

Description	2000-2006	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Personal consumption of goods and services	8.2	9.7	9.5	7.1	5.8	9.1	7.9
Net current expenditure by central and local government	11.3	17.7	14.4	7.6	10.1	9.4	9.0
Gross domestic physical capital formation <i>of which</i>	11.0	5.7	7.9	11.9	9.5	19.2	12.5
Gross domestic fixed capital formation	11.1	7.7	7.0	9.9	13.0	19.9	9.4
Exports of goods and services	5.2	13.7	4.7	-4.5	6.7	5.9	5.8
Imports of goods and services	5.3	11.2	1.3	-5.5	8.5	9.6	7.8
Gross domestic product at current market prices	8.9	11.8	11.4	7.1	6.5	8.8	8.2
Gross national product at current market prices	9.0	9.9	8.7	10.5	6.5	8.3	9.9
Gross national income at current market prices	8.9	9.7	9.3	10.3	6.4	8.5	9.4

**Table 6 Expenditure on Gross National Income at Constant Market Prices
(chain linked annually and referenced to year 2005)**

€ million

Description	2000	2001	2002	2003	2004	2005	2006*
92. Personal consumption of goods and services	60,500	63,745	66,393	68,395	71,226	76,435	80,823
93. Net expenditure by central and local government on current goods and services	18,209	20,011	21,415	21,663	21,989	22,870	24,074
94. Gross domestic fixed capital formation	32,171	32,302	33,363	35,204	37,624	42,079	43,377
95. Value of physical changes in stocks	997	383	473	1,091	257	162	1,367
96. Exports of goods and services #	101,862	110,644	116,385	117,028	125,593	132,098	137,969
97. less Imports of goods and services #	-88,767	-95,092	-97,608	-96,070	-104,213	-112,279	-117,178
98. Statistical discrepancy (= - item 66)	~	~	~	~	~	132	328
99. Gross domestic product at constant market prices	124,338	131,683	140,150	146,219	152,467	161,498	170,760
100. Net factor income from the rest of the world	-15,236	-17,833	-22,259	-21,987	-23,162	-25,775	-26,256
101. Gross national product at constant market prices	110,465	114,853	118,147	124,855	129,423	135,723	144,504
102. EU subsidies	2,031	1,982	2,254	2,059	2,039	2,239	2,133
103. EU Taxes	-708	-706	-393	-426	-333	-432	-411
104. Gross national income at constant market prices	111,766	116,117	119,991	126,491	131,139	137,529	146,225

* Preliminary

Excluding factor income flows

~ Chain linked series not additive except for 2005 and 2006

Table 6.1 Annual Percentage Changes in the Main Constituents of Table 6

Description	2000-2006	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Personal consumption of goods and services	4.9	5.4	4.2	3.0	4.1	7.3	5.7
Net expenditure by central and local government on current goods and services	4.8	9.9	7.0	1.2	1.5	4.0	5.3
Gross domestic physical capital formation of which	5.1	-1.5	3.5	7.3	4.4	11.5	5.9
Gross domestic fixed capital formation	5.1	0.4	3.3	5.5	6.9	11.8	3.1
Exports of goods and services	5.2	8.6	5.2	0.6	7.3	5.2	4.4
Imports of goods and services	4.7	7.1	2.6	-1.6	8.5	7.7	4.4
Gross domestic product at constant market prices	5.4	5.9	6.4	4.3	4.3	5.9	5.7
Gross national product at constant market prices	4.6	4.0	2.9	5.7	3.7	4.9	6.5
Gross national income at constant market prices	4.6	3.9	3.3	5.4	3.7	4.9	6.3

**Table 6.2 Volume Index Numbers of Gross National Income and its Expenditure Constituents
(Chain linked and referenced to year 2005=100)**

Description	2000	2001	2002	2003	2004	2005	2006*
Personal consumption of goods and services	79.2	83.4	86.9	89.5	93.2	100.0	105.7
Net expenditure by central and local government on current goods and services	79.6	87.5	93.6	94.7	96.1	100.0	105.3
Gross domestic physical capital formation	78.5	77.4	80.1	85.9	89.7	100.0	105.9
Exports of goods and services	77.1	83.8	88.1	88.6	95.1	100.0	104.4
Imports of goods and services	79.1	84.7	86.9	85.6	92.8	100.0	104.4
Gross domestic product at constant market prices	77.0	81.5	86.8	90.5	94.4	100.0	105.7
Gross national product at constant market prices	81.4	84.6	87.1	92.0	95.4	100.0	106.5
Gross national income at constant market prices	81.3	84.4	87.2	92.0	95.4	100.0	106.3
Value of gross national product at constant market prices, allowing for changes in terms of trade #	82.3	86.4	89.6	93.6	96.4	100.0	104.5
Value of gross national income at constant market prices, allowing for changes in terms of trade #	82.1	86.2	89.8	93.6	96.3	100.0	104.4

* Preliminary

The adjustment for terms of trade is explained in the notes to Table 8 in Appendix 2.

Table 7 Gross National Disposable Income and its Use

€ million

Description	2000	2001	2002	2003	2004	2005	2006*
105. Gross domestic product at current market prices	104,620	116,939	130,215	139,413	148,502	161,498	174,705
106. Net factor income from the rest of the world	-15,488	-18,975	-23,699	-21,723	-23,215	-25,775	-25,575
107. Gross national product at current market prices	89,132	97,964	106,515	117,691	125,286	135,723	149,130
108. EU subsidies	1,634	1,520	1,896	1,839	1,788	2,239	1,778
109. EU taxes	-633	-632	-374	-406	-324	-432	-421
110. Gross national income at current market prices	90,134	98,853	108,037	119,123	126,750	137,529	150,487
111. Current transfers from the rest of the world less current transfers to the rest of the world (excluding EU subsidies and taxes)	-72	-694	-818	-1,001	-1,071	-1,542	-1,822
112. Gross national disposable income	90,061	98,159	107,219	118,123	125,679	135,988	148,665
113. Personal consumption of goods and services	51,474	56,450	61,836	66,226	70,075	76,435	82,483
114. Net expenditure by central and local government on current goods and services	13,104	15,429	17,643	18,981	20,896	22,870	24,939
115. Total consumption expenditure	64,578	71,879	79,479	85,207	90,971	99,306	107,423
116. Gross national savings	25,483	26,280	27,740	32,915	34,709	36,682	41,242
117. Provision for depreciation	10,619	11,845	12,994	14,212	15,256	17,424	18,436
118. Net national savings	14,864	14,436	14,746	18,703	19,453	19,258	22,806

* Preliminary

Table 7.1 Annual Percentage Changes in the Main Constituents of Table 7

Description	2000-2006	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Gross domestic product at current market prices	8.9	11.8	11.4	7.1	6.5	8.8	8.2
Gross national product at current market prices	9.0	9.9	8.7	10.5	6.5	8.3	9.9
Gross national disposable income	8.7	9.0	9.2	10.2	6.4	8.2	9.3
Personal consumption of goods and services	8.2	9.7	9.5	7.1	5.8	9.1	7.9
Net expenditure by central and local government on current goods and services	11.3	17.7	14.4	7.6	10.1	9.4	9.0
Total consumption expenditure	8.9	11.3	10.6	7.2	6.8	9.2	8.2
Gross national savings	8.4	3.1	5.6	18.7	5.4	5.7	12.4
Provision for depreciation	9.6	11.5	9.7	9.4	7.3	14.2	5.8
Net national savings	7.4	-2.9	2.1	26.8	4.0	-1.0	18.4

**Table 8 Gross National Disposable Income at Constant Market Prices (chain linked annually and referenced to year 2005)
Adjusted for Terms of Trade (i.e. Real Gross National Disposable Income)** € million

Description	2000	2001	2002	2003	2004	2005	2006*
Gross national income (adjusted for terms of trade) (chain linked and referenced to 2005)	112,955	118,485	123,480	128,686	132,504	137,529	143,611
Net current transfers from abroad (chain linked and referenced to 2005) excluding EU subsidies and Taxes	-72	-662	-789	-1,013	-1,089	-1,542	-1,788
Gross national disposable income (adjusted for terms of trade) (chain linked and referenced to 2005)	113,093	117,893	122,738	127,687	131,427	135,988	141,823
Index of Real gross national disposable income (chain linked and referenced to 2005)	83.2	86.7	90.3	93.9	96.6	100.0	104.3

* Preliminary

Table 9 Personal Income and Personal Expenditure

€ million

Description	2000	2001	2002	2003	2004	2005
119. Net national product at factor cost before adjustment for stock appreciation	67,447	73,998	80,211	88,044	93,415	99,752
120. less Government trading and investment income	-1,041	-1,374	-1,326	-1,198	-1,261	-1,484
121. plus National debt interest	2,029	1,651	1,661	1,642	1,583	1,586
122. plus Transfer income (including net transfers from the rest of the world)	9,820	11,407	13,374	14,479	15,863	18,126
123. Private income	78,254	85,681	93,921	102,968	109,600	117,979
124. less Undistributed profits of companies before tax	-11,450	-9,765	-11,892	-14,355	-15,032	-15,056
125. Personal income	66,804	75,916	82,029	88,613	94,568	102,923
126. Personal consumption of goods and services	51,474	56,450	61,836	66,226	70,075	76,435
127. Taxes on personal income and wealth	13,695	14,803	15,087	15,798	18,085	19,564
128. Total personal expenditure	65,169	71,253	76,923	82,024	88,160	95,999
129. Personal savings°	1,635	4,663	5,105	6,588	6,408	6,924

° Personal Savings are compiled on a different basis to those in the Institutional Sector Accounts published by CSO in April 2007. An updated release on Institutional Sector Accounts will be published later this year and details of the relationship between the two methods of compiling personal savings will be supplied in the new release.

Table 10 Net Current Income and Expenditure of Central and Local Government #

€ million

Description	2000	2001	2002	2003	2004	2005	2006*
130. Taxes on income and wealth (including social insurance contributions)	17,596	18,963	19,898	20,959	23,425	25,072	28,096
131. Taxes on expenditure (including rates)	13,646	13,829	15,684	17,086	19,325	21,772	24,607
132. Net trading and investment income	1,041	1,374	1,326	1,198	1,261	1,484	1,540
133. Current transfers from the rest of the world to central and local government	360	208	207	204	225	103	259
134. Total income	32,644	34,374	37,114	39,447	44,237	48,432	54,502
135. Subsidies (excluding EU subsidies) #	760	1,039	788	818	768	881	912
136. Transfer payments (including transfers to the rest of the world) and national debt interest	12,281	13,959	16,060	17,326	18,742	21,356	21,822
137. Net current expenditure on goods and services	13,104	15,429	17,643	18,981	20,896	22,870	24,939
138. Total expenditure	26,146	30,427	34,492	37,125	40,406	45,107	47,673
139. Central and local government savings	6,498	3,948	2,623	2,321	3,831	3,325	6,829

* Preliminary

See explanatory note to Table 10 in Appendix 2

Table 11 Savings and Capital Formation

€ million

Description	2000	2001	2002	2003	2004	2005	2006*
Savings before adjustment for stock appreciation							
140. Personal	1,635	4,663	5,105	6,588	6,408	6,924	} 16,307
141. Companies	7,549	5,605	7,081	9,194	9,692	9,548	
142. Central and local government #	6,498	3,948	2,623	2,321	3,831	3,325	6,829
143. Net national savings before adjustment for stock appreciation	15,682	14,216	14,809	18,104	19,930	19,796	23,135
144. Adjustment for stock appreciation	-818	219	-63	599	-478	-538	-329
145. Net national savings	14,864	14,436	14,746	18,703	19,453	19,258	22,806
146. Provision for depreciation	10,619	11,845	12,994	14,212	15,256	17,424	18,436
147. Net foreign capital transfers	1,182	703	512	93	279	264	222
148. Net foreign disinvestment	-811	-241	-95	-1,407	218	5,428	7,049
149. Statistical discrepancy (= Item 12)	-505	57	767	759	226	-132	-1,011
150. Gross total available for investment in domestic physical capital formation	25,350	26,799	28,923	32,360	35,432	42,242	47,502
Capital formation							
151. Building and construction	15,880	18,172	20,100	23,246	27,004	32,176	36,438
152. Other home produced capital goods net of exports (including re-exports)	1,907	2,297	1,882	1,803	1,680	1,764	2,278
153. Imported capital goods	6,743	5,952	6,293	6,024	6,424	8,139	7,311
154. Value of physical changes in agric. stocks	-151	-14	-40	-43	-21	-12	-12
155. Increase in value of non-agricultural stocks and work in progress (incl. EU intervention stocks)	1,788	173	751	731	824	712	1,816
156. Adjustment for stock appreciation	-818	219	-63	599	-478	-538	-329
157. Gross domestic physical capital formation	25,350	26,799	28,923	32,360	35,432	42,242	47,502

* Preliminary

See explanatory note to Table 10 in Appendix 2

In this table the total amount available for investment, (i.e. current savings, the provision for depreciation, net foreign capital transfers and net foreign disinvestment) is equated to gross domestic physical capital formation. The figures for capital formation are obtained by adding figures for imported and home produced capital goods ready for use to the value of the physical changes in stocks, including the value of the changes in agricultural stocks. Since personal savings (item 129) is a residual figure it includes the effect of the changes in agricultural and certain other stocks. Personal savings accordingly includes a substantial non-monetary element.

Table 11.1 Gross National Investment

€ million

Description	2000	2001	2002	2003	2004	2005	2006*
Gross national savings	25,483	26,280	27,740	32,915	34,709	36,682	41,242
Net foreign capital transfers	1,182	703	512	93	279	264	222
Statistical discrepancy (= Item 12)	-505	57	767	759	226	-132	-1,011
Total available for gross national investment	26,161	27,040	29,019	33,767	35,214	36,814	40,453
Gross domestic physical capital formation	25,350	26,799	28,923	32,360	35,432	42,242	47,502
Net foreign investment	811	241	95	1,407	-218	-5,428	-7,049
Gross national investment	26,161	27,040	29,019	33,767	35,214	36,814	40,453

* Preliminary

Table 12 Distribution of Personal Income and its relationship to Net National Product at Factor Cost

€ million

Description	2000	2001	2002	2003	2004	2005
Remuneration of employees	41,836	46,502	50,089	54,455	59,721	66,058
Agriculture, etc.	439	439	448	461	473	481
Domestic non-agriculture	38,689	42,972	46,277	50,517	55,526	61,529
Foreign	-55	-161	-156	-216	-278	-463
Employers' contribution to social insurance	2,764	3,252	3,521	3,693	4,000	4,512
Income of independent traders etc.	8,968	10,307	10,326	10,781	11,583	12,380
Agriculture, etc.	2,392	2,449	2,293	2,311	2,358	2,868
Non-agriculture	6,576	7,858	8,033	8,470	9,225	9,512
Interest earned (prior to adjustment for FISIM) and dividends received	4,565	5,239	4,189	4,144	4,108	4,112
Adjustment for FISIM on interest earned	436	463	640	447	605	785
Rent of private dwellings	4,087	4,840	5,589	5,657	5,249	4,949
less						
Interest paid (prior to adjustment for FISIM)	3,106	3,730	3,757	3,426	4,386	5,140
Adjustment for FISIM on interest paid	-702	-833	-811	-1,317	-1,599	-1,786
Current transfers to households (including net transfers from the rest of the world)	9,820	11,407	13,374	14,479	15,863	18,126
Statistical discrepancy (= Item 12)	-505	57	767	759	226	-132
Personal income of households and private non-profit institutions	66,804	75,916	82,029	88,613	94,568	102,923
Undistributed profits of companies	11,450	9,765	11,892	14,355	15,032	15,056
Private income	78,254	85,681	93,921	102,968	109,600	117,979
less National debt interest	-2,029	-1,651	-1,661	-1,642	-1,583	-1,586
less Current transfers to households (including net transfers from the rest of the world)	-9,820	-11,407	-13,374	-14,479	-15,863	-18,126
plus Government trading and investment income	1,041	1,374	1,326	1,198	1,261	1,484
Adjustment for stock appreciation	-818	219	-63	599	-478	-538
Net national product at factor cost	66,629	74,218	80,148	88,643	92,937	99,214

Table 12.1 Annual Percentage Changes in the Main Constituents of Personal Income

Description	2000-2005	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Remuneration of employees	9.6	11.2	7.7	8.7	9.7	10.6
Income of independent traders	6.7	14.9	0.2	4.4	7.4	6.9
Current transfers to households (including net transfers from the rest of the world)	13.0	16.2	17.3	8.3	9.6	14.3
Personal income of households and private non-profit institutions	9.0	13.6	8.1	8.0	6.7	8.8

Table 13 Consumption of Personal Income at Current Market Prices

	€ million						
Description	2000	2001	2002	2003	2004	2005	2006*
Food, beverages and tobacco	12,387	13,177	13,977	13,904	13,925	14,529	15,092
Food (excl meals out)	5,107	5,409	5,449	5,348	5,450	5,712	5,949
Non-alcoholic beverages	451	476	519	514	496	509	569
Alcoholic beverages (total incl pubs)	4,996	5,430	5,972	5,994	6,131	6,376	6,628
Tobacco	1,834	1,861	2,037	2,048	1,848	1,933	1,947
Clothing and footwear	3,295	3,460	3,405	3,210	3,148	3,655	3,803
Housing (rent, local government charges, repairs and decorations)	7,797	9,074	10,316	11,416	11,896	12,657	13,662
<i>of which imputed rent</i>	<i>6,138</i>	<i>7,135</i>	<i>8,079</i>	<i>8,924</i>	<i>9,224</i>	<i>9,684</i>	<i>10,506</i>
Fuel and power	1,516	1,580	1,678	1,849	2,062	2,408	2,584
Household equipment and operation	3,773	4,198	4,422	4,818	5,186	5,471	5,828
Durable household goods	2,351	2,611	2,735	2,938	3,060	3,303	3,596
Non-durable goods and services	1,422	1,587	1,687	1,880	2,126	2,168	2,231
Transport and communication	7,900	7,820	8,548	9,451	10,633	12,115	13,175
Personal transport equipment	3,215	2,719	2,828	2,966	3,350	4,007	4,411
Operation of personal transport equipment	2,082	2,194	2,477	2,732	3,061	3,475	3,755
Public transport	1,434	1,522	1,633	1,840	1,940	2,063	2,292
Communication	1,168	1,384	1,609	1,912	2,282	2,569	2,717
Recreation, entertainment and education	5,228	5,857	6,256	6,796	7,429	8,078	8,576
Equipment and accessories	2,042	2,400	2,211	2,333	2,667	3,100	3,124
Services (incl. education)	3,186	3,458	4,046	4,463	4,761	4,977	5,452
Miscellaneous goods and services	10,154	11,575	12,962	14,430	15,567	16,988	19,119
Professional services (incl. medical goods and services)	4,055	4,879	5,274	5,956	6,477	7,005	7,752
Goods (n.e.s.)	1,696	1,808	2,127	2,310	2,217	2,445	2,952
Services (n.e.s.)	3,556	3,933	4,416	4,966	5,395	5,816	6,224
FISIM (financial services indirectly measured)	847	954	1,146	1,198	1,477	1,722	2,191
Expenditure outside the State	2,275	2,846	3,529	3,762	3,764	4,399	4,901
less Expenditure by non-residents	-2,851	-3,136	-3,256	-3,409	-3,536	-3,863	-4,258
158. Personal consumption of goods and services at current market prices	51,474	56,450	61,836	66,226	70,075	76,435	82,483
159. Taxes on personal income and wealth	13,695	14,803	15,087	15,798	18,085	19,564	21,033
160. Total personal expenditure	65,169	71,253	76,923	82,024	88,160	95,999	103,516

* Preliminary

Table 13.1 Annual Percentage Changes in the Main Constituents of Table 13

Description	2000-2006	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Food	2.6	5.9	0.7	-1.9	1.9	4.8	4.2
Non-alcoholic Beverages	4.0	5.6	9.0	-0.8	-3.6	2.6	11.8
Alcoholic beverages	4.8	8.7	10.0	0.4	2.3	4.0	3.9
Tobacco	1.0	1.5	9.4	0.6	-9.8	4.6	0.7
Clothing and footwear	2.4	5.0	-1.6	-5.7	-1.9	16.1	4.1
Housing	9.8	16.4	13.7	10.7	4.2	6.4	7.9
Fuel and Power	9.3	4.2	6.2	10.2	11.5	16.8	7.3
Household equipment and operation	7.5	11.3	5.3	8.9	7.6	5.5	6.5
Transport and communication	8.9	-1.0	9.3	10.6	12.5	13.9	8.8
Recreation, entertainment and education	8.6	12.0	6.8	8.6	9.3	8.7	6.2
Miscellaneous goods and services	11.1	14.0	12.0	11.3	7.9	9.1	12.5
Expenditure outside the State	13.6	25.1	24.0	6.6	0.1	16.8	11.4
Expenditure by non-residents	6.9	10.0	3.8	4.7	3.7	9.2	10.2
Personal consumption of goods and services	8.2	9.7	9.5	7.1	5.8	9.1	7.9

Table 14 Consumption of Personal Income (except Taxes on Personal Income and Wealth) at Constant Market Prices (chain linked annually and referenced to year 2005)

	€ million						
Description	2000	2001	2002	2003	2004	2005	2006*
Food, beverages and tobacco	14,481	14,708	14,830	14,043	13,926	14,529	14,962
Food (excl meals out)	5,354	5,398	5,290	5,148	5,342	5,712	5,941
Non-alcoholic beverages	534	534	550	524	497	509	569
Alcoholic beverages (total incl pubs)	6,242	6,461	6,635	6,220	6,224	6,376	6,549
Tobacco	2,373	2,344	2,415	2,180	1,868	1,933	1,903
Clothing and footwear	2,695	2,934	3,030	2,989	3,049	3,655	3,895
Housing (rent, local government charges, repairs and decorations)	10,117	10,584	11,023	11,491	12,028	12,657	13,300
<i>of which imputed rent</i>	<i>7,662</i>	<i>8,006</i>	<i>8,343</i>	<i>8,721</i>	<i>9,170</i>	<i>9,684</i>	<i>10,230</i>
Fuel and power	2,106	2,212	2,135	2,199	2,289	2,408	2,472
Household equipment and operation	4,014	4,295	4,430	4,813	5,202	5,471	5,877
Durable household goods	2,294	2,495	2,608	2,845	3,034	3,303	3,694
Non-durable goods and services	1,736	1,808	1,824	1,968	2,171	2,168	2,183
Transport and communication	8,379	8,543	9,102	9,873	10,789	12,115	12,918
Personal transport equipment	3,422	2,892	2,943	3,027	3,378	4,007	4,359
Operation of personal transport equipment	2,481	2,713	2,940	3,166	3,298	3,475	3,549
Public transport	1,725	1,781	1,810	1,916	1,936	2,063	2,165
Communication	927	1,254	1,485	1,814	2,193	2,569	2,846
Recreation, entertainment and education	6,257	6,711	6,808	7,083	7,606	8,078	8,407
Equipment and accessories	1,868	2,198	2,031	2,181	2,628	3,100	3,156
Services (incl. education)	4,488	4,515	4,863	4,971	4,996	4,977	5,251
Miscellaneous goods and services	13,278	14,257	14,983	15,813	16,322	16,988	18,215
Professional services (incl. medical goods and services)	5,643	6,269	6,252	6,579	6,802	7,005	7,475
Goods (n.e.s.)	1,770	1,818	2,075	2,231	2,164	2,445	2,983
Services (n.e.s.)	4,714	4,888	5,143	5,461	5,649	5,816	5,933
FISIM (financial services indirectly measured)	1,152	1,316	1,513	1,524	1,729	1,722	1,824
Expenditure outside the State	2,573	3,060	3,556	3,682	3,682	4,399	4,875
less Expenditure by non-residents	-3,389	-3,555	-3,528	-3,571	-3,622	-3,863	-4,097
161. Personal consumption of goods and services at constant market prices	60,500	63,745	66,393	68,395	71,226	76,435	80,823

* Preliminary

Table 14.1 Annual Percentage Changes in the Main Constituents of Table 14

Description	2000-2006	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Food	1.7	0.8	-2.0	-2.7	3.8	6.9	4.0
Non-alcoholic Beverages	1.0	-0.1	2.9	-4.7	-5.2	2.4	11.8
Alcoholic beverages	0.8	3.5	2.7	-6.3	0.1	2.4	2.7
Tobacco	-3.6	-1.2	3.0	-9.7	-14.3	3.5	-1.6
Clothing and footwear	6.3	8.9	3.3	-1.3	2.0	19.9	6.6
Housing	4.7	4.6	4.1	4.2	4.7	5.2	5.1
Fuel and Power	2.7	5.0	-3.5	3.0	4.1	5.2	2.7
Household equipment and operation	6.6	7.0	3.1	8.7	8.1	5.2	7.4
Transport and communication	7.5	2.0	6.5	8.5	9.3	12.3	6.6
Recreation, entertainment and education	5.0	7.2	1.4	4.0	7.4	6.2	4.1
Miscellaneous goods and services	5.4	7.4	5.1	5.5	3.2	4.1	7.2
Expenditure outside the State	11.2	19.0	16.2	3.5	0.0	19.5	10.8
Expenditure by non-residents	3.2	4.9	-0.8	1.2	1.4	6.7	6.1
Personal consumption of goods and services	4.9	5.4	4.2	3.0	4.1	7.3	5.7

Table 15 Gross Domestic Physical Capital Formation at Current Market Prices

€ million

Description	2000	2001	2002	2003	2004	2005	2006*
Fixed capital							
Dwellings	8,157	9,541	10,804	13,785	16,958	20,975	23,221
Roads	1,033	1,435	1,726	1,774	1,832	1,871	2,073
Other building and construction (including land rehabilitation etc.)	5,546	6,080	6,279	5,818	5,901	6,260	6,758
Costs associated with transfer of land & buildings	1,144	1,116	1,291	1,869	2,314	3,070	4,386
Transport equipment	3,074	2,951	3,322	2,647	3,337	4,335	3,886
Agricultural machinery	221	239	240	223	251	261	297
Other machinery and equipment	4,799	4,276	3,871	4,141	3,725	4,467	4,471
Software	289	407	379	343	380	440	475
Exploration	159	252	254	335	199	178	233
Artistic originals	107	125	108	138	213	223	227
Gross domestic fixed capital formation	24,531	26,421	28,275	31,073	35,108	42,079	46,027
Changes in stocks							
Value of physical changes in stocks on farms	-151	-14	-40	-43	-21	-12	-12
Value of physical changes in EU intervention stocks	-114	14	176	48	-16	-83	-231
Value of physical changes in other stocks	1,084	378	512	1,282	362	257	1,718
Total value of physical changes in stocks	819	378	648	1,287	325	162	1,476
162. Gross domestic physical capital formation at current market prices	25,350	26,799	28,923	32,360	35,432	42,242	47,502

* Preliminary

Table 16 Gross Domestic Fixed Capital Formation by Sector of Use at Current Market Prices

€ million

Description	2000	2001	2002	2003	2004	2005	2006*
Agriculture, forestry and fishing	849	687	701	662	696	766	836
Fuel and power products	1,070	1,278	1,758	1,796	1,941	1,946	2,043
Manufacturing products	3,390	3,052	3,565	3,136	2,600	3,382	3,255
Building and construction	452	385	340	435	494	535	501
Market services	16,759	18,626	19,669	22,966	27,478	33,287	36,773
Dwellings (incl. transfer costs)	8,746	10,114	11,472	14,749	18,146	22,550	25,467
Roads	1,033	1,435	1,726	1,774	1,832	1,871	2,073
Other market services	6,980	7,076	6,471	6,443	7,500	8,867	9,233
Non-market services	2,012	2,394	2,242	2,078	1,899	2,162	2,620
163. Gross domestic fixed capital formation at current market prices	24,531	26,421	28,275	31,073	35,108	42,079	46,027

* Preliminary

**Table 17 Gross Domestic Physical Capital Formation at Constant Market Prices
(chain linked annually and referenced to year 2005)**

	€ million						
Description	2000	2001	2002	2003	2004	2005	2006*
Fixed capital							
Dwellings	12,977	13,791	14,515	16,659	18,663	20,975	21,709
Roads	1,324	1,687	1,931	1,928	1,914	1,871	1,974
Other building and construction (including land rehabilitation etc.)	6,654	6,695	6,762	6,262	6,120	6,260	6,514
Costs assoc. with transfer of land & buildings	1,725	1,566	1,796	2,286	2,516	3,070	3,782
Transport equipment	3,248	3,066	3,396	2,674	3,352	4,335	3,864
Agricultural machinery	198	205	215	229	276	261	287
Other machinery and equipment	4,445	3,865	3,574	4,239	3,989	4,467	4,327
Software	382	484	437	373	393	440	463
Exploration	206	298	282	362	207	178	224
Artistic originals	95	110	93	122	199	223	233
Gross domestic fixed capital formation	32,171	32,302	33,363	35,204	37,624	42,079	43,377
Changes in stocks							
Value of physical changes in stocks on farms	-54	-7	-16	-15	-13	-12	-13
Value of physical changes in EU intervention stocks	-147	49	310	67	-26	-83	-245
Value of physical changes in other stocks	1,458	425	547	1,753	370	257	1,624
Total value of physical changes in stocks	997	383	473	1,091	257	162	1,367
164. Gross domestic physical capital formation at constant prices chain linked to 2005	33,205	32,674	33,838	36,534	37,862	42,242	44,744

* Preliminary

**Table 18 Gross Domestic Fixed Capital Formation by Sector of Use at Constant Market Prices
(chain linked annually and referenced to year 2005)**

	€ million						
Description	2000	2001	2002	2003	2004	2005	2006*
Agriculture, forestry and fishing	852	662	690	695	739	766	804
Fuel and power products	1,306	1,439	1,877	1,906	2,016	1,946	1,978
Manufacturing products	3,485	2,994	3,529	3,276	2,731	3,382	3,161
Building and construction	437	363	325	445	522	535	490
Market services	23,522	24,203	24,354	26,555	29,628	33,287	34,448
Dwellings (incl. transfer costs)	13,866	14,589	15,442	17,833	19,952	22,550	23,600
Roads	1,324	1,687	1,931	1,928	1,914	1,871	1,974
Other market services	7,795	7,511	6,785	6,790	7,758	8,867	8,874
Non-market services	2,245	2,522	2,343	2,218	1,982	2,162	2,497
165. Gross domestic fixed capital formation at constant prices chain linked to 2005	32,171	32,302	33,363	35,204	37,624	42,079	43,377

* Preliminary

Table 19 Receipts and Expenditure of Central Government (including extra-budgetary funds)

€ million

Description	2000	2001	2002	2003	2004	2005
Current receipts						
166. Taxes on income and wealth	13,170	13,892	14,381	15,017	16,821	17,751
167. Taxes on expenditure	13,058	13,171	14,936	16,249	18,381	20,720
168. Social insurance contributions	4,427	5,071	5,517	5,942	6,604	7,322
169. Gross trading income	-6	-2	0	0	0	-7
170. Investment income:						
Local government	23	20	18	16	13	11
Land annuities - interest	3	5	3	3	3	2
Other Irish sources	650	923	819	640	659	766
171. Transfers from local government	8	8	11	14	17	18
172. Transfers from the rest of the world (not elsewhere included)	360	208	207	204	225	103
173. Miscellaneous receipts	608	613	701	795	818	1,321
174. Total receipts - current	32,301	33,910	36,594	38,879	43,541	48,007
Capital receipts						
175. Taxes on capital	997	1,043	770	1,649	1,718	2,231
176. Loan repayments and equity sales:						
Local government	39	19	22	28	23	22
Land annuities - principal	0	0	0	0	0	0
Other	1,837	941	1,162	851	478	271
177. Transfers from the rest of the world	536	689	566	431	434	121
178. Borrowing	-3,007	486	11,434	2,123	1,221	1,222
179. Total receipts - capital	401	3,179	13,953	5,082	3,873	3,867
180. Total receipts - current and capital	32,702	37,088	50,547	43,961	47,414	51,874
Current expenditure						
181. Subsidies	760	1,039	788	818	768	881
182. National debt interest:						
Paid to residents	1,313	1,048	973	906	530	736
Paid to rest of the world	701	585	670	726	1,061	861
183. Land bond interest	0	0	0	0	0	0
184. Transfer payments:						
To residents	7,792	8,955	10,543	11,459	12,410	15,652
To rest of the world	747	992	1,178	1,355	1,533	1,832
185. Expenditure on goods and services:						
Wages, salaries and pensions	4,120	4,619	5,171	5,659	6,198	12,508
Other	1,855	2,323	2,477	2,541	2,789	6,380
186. Grants to local government	7,706	9,438	10,901	12,205	13,243	4,310
187. Total expenditure - current	24,994	28,997	32,703	35,670	38,533	43,161
Capital expenditure						
188. Grants to enterprises	479	472	491	504	362	561
189. Other transfer payments	485	654	382	534	723	743
190. Redemption of securities	3,743	2,837	12,095	2,680	3,154	1,971
191. Loans and share capital:						
Local government	0	0	0	0	0	0
Other	163	206	353	313	230	766
192. Gross physical capital formation	865	1,093	1,268	1,120	1,075	1,362
193. Grants to local government	1,963	2,818	3,245	3,127	3,315	3,286
194. Payments to the rest of the world	11	11	11	14	22	24
195. Total expenditure - capital	7,709	8,091	17,845	8,291	8,881	8,713
196. Total expenditure - current and capital	32,703	37,089	50,547	43,961	47,414	51,874

Table 20 Receipts and Expenditure of Local Government

€ million

Description	2000	2001	2002	2003	2004	2005
Current receipts						
197. Rates	587	658	747	836	944	1,052
198. Gross rental income	437	498	574	643	730	916
199. Grants from central government	7,706	9,438	10,901	12,205	13,243	4,310
200. Repayments of loans under the Housing Acts. - Interest	103	116	121	127	113	112
201. Miscellaneous receipts	742	808	985	1,178	1,273	792
202. Total receipts - current	9,576	11,517	13,328	14,990	16,303	7,182
Capital receipts						
203. Grants from central government	1,963	2,818	3,245	3,127	3,315	3,286
204. Repayments of loans under the Housing Acts. - Principal	43	25	35	50	46	52
205. Miscellaneous receipts	712	607	849	1,165	1,340	1,259
206. Loans received from central government	0	0	0	0	0	0
207. Other loans received and miscellaneous borrowing	423	949	882	68	-173	-60
208. Total receipts - capital	3,140	4,398	5,011	4,410	4,528	4,537
209. Total receipts - current and capital	12,716	15,915	18,339	19,400	20,831	11,719
Current expenditure						
210. Subsidies:						
Housing	0	0	0	0	0	0
Other	0	0	0	0	0	0
211. National debt interest:						
Central government	23	20	18	16	13	11
Other	15	18	17	11	-8	-12
212. Transfer payments	1,713	2,362	2,678	2,869	3,216	2,286
213. Transfers to central government	8	8	11	14	17	18
214. Expenditure on goods and services:						
Wages, salaries and pensions	4,257	5,219	6,087	6,834	7,716	2,545
Other	3,465	3,813	4,582	4,803	5,003	2,123
215. Total expenditure - current	9,482	11,439	13,394	14,547	15,956	6,971
Capital expenditure						
216. Grants to enterprises	59	91	120	140	137	132
217. Other transfer payments	30	47	61	53	50	58
218. Loan repayments:						
Central government	39	19	22	28	23	22
Other	67	71	91	116	121	100
219. Loans to persons	226	326	368	482	361	338
220. Gross physical capital formation	2,813	3,923	4,284	4,033	4,184	4,098
221. Total expenditure - capital	3,234	4,476	4,945	4,853	4,875	4,748
222. Total expenditure - current and capital	12,716	15,915	18,339	19,400	20,831	11,719

Table 21 Receipts and Expenditure of Central and Local Government

€ million

Description	2000	2001	2002	2003	2004	2005
Current receipts						
Taxes on income and wealth (including social contributions)	17,596	18,963	19,898	20,959	23,425	25,072
Taxes on expenditure (including rates)	13,646	13,829	15,684	17,086	19,325	21,772
Gross trading income	-6	-2	0	0	0	-7
Gross rental income	437	498	574	643	730	916
Investment income	756	1,044	943	770	774	880
Transfers from the rest of the world (not elsewhere included)	360	208	207	204	225	103
Miscellaneous receipts	1,350	1,421	1,686	1,973	2,092	2,113
Total receipts - current	34,139	35,961	38,992	41,635	46,572	50,850
Capital receipts						
Taxes on capital	997	1,043	770	1,649	1,718	2,231
Loan repayments and equity sales	1,880	966	1,197	901	523	323
Transfers from the rest of the world	536	689	566	431	434	121
Other receipts	712	607	849	1,165	1,340	1,259
Borrowing	-2,584	1,435	12,316	2,191	1,049	1,161
Total receipts - capital	1,539	4,740	15,698	6,337	5,064	5,096
Total receipts - current and capital	35,678	40,702	54,690	47,972	51,635	55,947
Current expenditure						
Subsidies	760	1,039	788	818	768	881
National debt interest (including land bond interest)	2,029	1,651	1,661	1,642	1,583	1,586
Transfer payments	10,253	12,308	14,400	15,684	17,159	19,770
Expenditure on goods and services	13,697	15,973	18,318	19,837	21,706	23,556
Total expenditure - current	26,738	30,971	35,167	37,982	41,216	45,793
Capital expenditure						
Grants to enterprises	538	563	611	644	499	693
Other transfer payments	515	701	443	587	773	800
Redemption of securities and loan repayments	3,810	2,908	12,186	2,796	3,275	2,072
Loans and share capital	389	532	721	795	590	1,104
Gross physical capital formation	3,678	5,016	5,552	5,153	5,260	5,460
Payments to the rest of the world	11	11	11	14	22	24
Total expenditure - capital	8,940	9,731	19,523	9,990	10,419	10,154
Total expenditure - current and capital	35,679	40,702	54,690	47,972	51,635	55,947

Table 22 Details of Taxation

€ million

Description	2000	2001	2002	2003	2004	2005
Central and Local Government						
Taxes on income and wealth	17,596	18,963	19,898	20,959	23,425	25,072
Income tax (including sur tax)	8,978	9,216	9,000	9,226	10,787	11,466
Corporation tax	3,885	4,144	4,804	5,155	5,335	5,503
Motor tax - Estimated portion paid by households etc.	273	301	320	374	411	441
Other taxes	3	12	9	1	1	3
Fees under the Petroleum and Minerals Development Acts	14	16	7	5	5	5
Training and Employment Levy	15	203	241	255	282	332
Income Levy	0	0	0	0	0	0
Levies under Sections 93 & 94 of Finance Act, 1986	2	0	0	0	0	0
Social Insurance contribution	4,427	5,071	5,517	5,942	6,604	7,322
Taxes on capital	997	1,043	770	1,649	1,718	2,231
Estate, etc. duties	0	0	0	0	0	0
Capital gains tax	774	876	619	1,436	1,528	1,982
Capital acquisitions tax	223	168	151	213	190	249
Taxes on expenditure	13,646	13,829	15,684	17,086	19,325	21,772
Customs duties	-3	-7	16	24	37	31
Excise duties including VRT	4,483	4,218	4,608	4,743	5,067	5,406
Value added tax	7,195	7,420	8,806	9,396	10,766	12,134
Residential property tax	2	2	1	0	0	0
Rates	587	658	747	836	944	1,052
Motor tax - Estimated portion paid by businesses	223	246	262	306	336	361
Stamps (excluding fee stamps)	1,088	1,222	1,138	1,664	2,069	2,672
Fee stamps	12	14	25	1	1	1
Agricultural levies	0	0	1	1	1	1
Broadcasting licence fee *	10	11	12	21	18	8
Other fees	49	45	67	94	87	105
EU Taxes	633	632	374	406	324	432
Total taxation	32,871	34,467	36,725	40,100	44,793	49,508

* Excludes amount transferred to RTE

Table 23 Details of Subsidies and Capital Grants to Enterprises

€ million

Description	2000	2001	2002	2003	2004	2005
Subsidies						
Central and local government	760	1,039	788	818	768	881
Bovine Tuberculosis and Brucellosis eradication	74	64	77	65	53	50
Grants from hardship fund	0	0	0	0	0	0
Beef, mutton, etc. export schemes	0	0	0	0	0	0
Beef cattle incentive scheme	0	0	0	0	0	0
Dairy produce	0	0	0	0	0	0
Aids to farmers	171	153	136	204	178	245
Other agricultural subsidies	20	269	89	93	38	53
Current grant by BIM	15	19	9	7	7	8
Bread subsidy	0	0	0	0	0	0
Grants by the IDA, Forbairt & Forfas	157	121	90	102	85	98
Current grants to S.F.A.D. Co. Ltd.	0	0	0	0	0	0
Current payments to CIE	190	222	233	245	257	282
Land Acts, 1923-53 - interest	0	0	0	0	0	0
Local government housing subsidy	0	0	0	0	0	0
Other housing subsidies	0	0	0	0	0	0
Interest subsidy for building societies	0	0	0	0	0	0
Expenses of market intervention less recoupment from EU #	2	3	11	-22	6	8
Employment subsidies	13	17	14	11	12	18
Other subsidies	116	172	130	112	131	119
EU subsidies	1,634	1,520	1,896	1,839	1,788	2,239
Capital grants to enterprises -						
Central and local government	538	563	611	644	499	693
Housing grants	54	86	115	135	132	127
Farm modernisation grants	39	18	7	0	0	0
Western drainage	0	0	0	0	0	0
Grants by BIM	19	12	11	10	17	18
Grants by the IDA, Forbairt, Forfas	62	44	51	18	12	41
Grants by Udaras na Gaeltachta	7	9	6	6	6	9
Grants by Bord Fáilte Éireann	30	15	5	3	5	5
Grants to S.F.A.D. Co. Ltd.	4	0	3	3	1	0
Grants by Institute for Industrial Research and Standards	0	0	0	0	0	0
Grants to CIE	58	69	263	302	166	285
Insurance Compensation Fund	0	0	0	0	0	0
Other grants	265	310	150	166	161	207

See explanatory note to Table 10 in Appendix 2

Table 24 Central and Local Government - Details of Transfer Payments, National Debt Interest and Capital Grants to Households and Private Non-Profit Institutions

€ million

Description	2000	2001	2002	2003	2004	2005
Current transfer payments and national debt interest	12,281	13,959	16,060	17,326	18,742	21,356
National debt interest:						
paid to residents	1,328	1,066	990	917	522	724
paid to the rest of the world	701	585	670	726	1,061	861
Land bond interest	0	0	0	0	0	0
Higher education	511	600	660	702	708	732
Secondary education	638	710	775	916	952	983
Other education	12	17	21	17	19	24
Scholarships and prizes	101	98	106	116	131	133
Old age n.c. pensions	469	504	552	580	616	648
Child benefit	638	965	1,463	1,667	1,765	1,900
Unemployment assistance	469	430	512	566	614	667
Widows' and orphans' n.c. pensions	97	112	121	123	129	131
Redundancy payments	23	33	59	98	148	150
Occupational injuries benefit	65	70	77	79	83	88
Free travel, electricity, telephone rental, television and radio licences for old age pensioners etc.	149	180	216	257	280	301
Disability benefit	281	330	385	433	480	540
Unemployment benefit	265	291	423	477	456	418
Retirement pensions	594	697	803	899	984	1,060
Old age (contributory) pensions	577	717	869	947	1,050	1,153
Widows'(contributory) pensions	598	677	770	836	917	1,011
Invalidity pensions	312	354	404	440	487	548
Treatment benefit	58	57	61	63	70	65
Pay-related benefit	0	0	0	0	0	0
Other social insurance etc.	148	173	199	206	221	231
less Social insurance payments to the rest of the world	-56	-96	-151	-160	-183	-183
Rehabilitation etc. of disabled persons	279	332	408	464	545	631
Residential care for children	153	196	241	265	287	323
Payments for medical goods supplied to households by pharmacists	339	434	551	651	763	831
Domiciliary care for handicapped children	25	25	33	34	37	42
Supplementary welfare allowance	350	425	565	671	686	706
Subsidies for drug purchases	249	323	352	366	408	447
Transport services for school children	65	77	96	102	110	122
Local government housing rental deficit *	482	548	628	698	786	959
Other social payments	173	215	253	297	334	404
Transfers to the rest of the world	747	992	1,178	1,355	1,533	1,832
Social assistance allowance	5	5	7	7	5	6
Social employment scheme	368	350	323	275	264	296
Family income supplement	39	37	42	45	56	72
Enterprise allowance scheme	0	0	0	0	0	0
FAS allowances	106	148	169	165	168	193
Early retirement payments	97	84	82	80	73	62
Lone Parents Allowance	480	537	613	661	695	751
Pre-retirement Allowance	79	83	87	89	95	103
Employment Support Services	190	214	168	139	116	107
Other transfer payments	357	687	664	476	658	737
Less imputed pensions received from employees	-280	-323	-386	-418	-426	-457
Repayment of nursing home charges (accrued)	0	0	0	0	40	1,000
Capital grants to households, etc.	515	701	443	587	773	800
Grants under the Housing Acts	38	39	39	44	18	0
Other housing grants	5	6	7	6	6	7
Supplementary grants for housing and disabled persons grants	30	47	61	53	50	58
Grants for higher education	74	88	91	55	54	70
Grants to training colleges	0	6	4	0	0	0
Grants to secondary schools	54	95	100	78	76	82
Building, equipping and furnishing of hospitals and other health facilities	24	54	116	114	104	184
Other capital transfer payments	94	365	24	236	466	401
Pension Funds	195	0	0	0	0	0

* Previously treated as a subsidy.

Table 25 Central and Local Government - Details of Gross Physical Capital Formation

€ million

Description	2000	2001	2002	2003	2004	2005
Central government	865	1,093	1,268	1,120	1,075	1,362
New works, alterations and additions by Office of Public Works (including furniture for new buildings)	225	290	257	265	249	218
Building, equipment and furnishing of national schools	103	140	173	175	173	267
Arterial drainage	5	11	18	21	15	16
Forest development (including acquisition of land)	5	5	2	4	5	13
Constructional work at airports (including acquisition of land and building)	0	0	0	0	0	0
Capital expenditure by the IDA, Forfas & Forbairt	-23	-7	15	-8	11	15
Comprehensive schools	48	39	33	35	24	58
Other construction	209	164	439	314	202	422
Vehicles, machinery and equip. (less sales)	292	450	332	314	396	354
Local government	2,813	3,923	4,284	4,033	4,184	4,098
Local government housing	419	787	917	614	709	890
Roads	1,033	1,435	1,726	1,774	1,832	1,865
Health	250	289	336	416	482	0
Water supply and sewerage	522	716	647	545	489	578
Vocational education committees	139	232	118	73	67	83
Other	450	463	540	611	605	681

Table 26 Expenditure of Central Government (including extra-budgetary funds) classified by Purpose of Expenditure and Economic Category

€ million

Description	2000	2001	2002	2003	2004	2005
Defence	734	845	808	803	900	865
Current transfer payments	80	88	81	76	75	84
Current expenditure on goods and services	612	645	666	684	730	755
Current grants to local government	3	3	3	5	6	6
Gross physical capital formation	41	110	58	39	90	20
Other central government services	3,304	3,897	4,169	4,239	4,702	5,022
Subsidies	91	72	43	59	42	46
Current transfer payments	608	785	926	1,057	1,201	1,424
Current expenditure on goods and services	2,123	2,472	2,645	2,710	3,088	3,086
Current grants to local government	6	8	90	6	12	14
Capital grants to enterprises	16	21	14	24	33	46
Capital transfer payments	12	32	24	8	12	8
Loans	3	2	-5	-3	-2	-4
Gross physical capital formation	421	470	401	343	271	350
Capital grants to local government	13	23	21	21	24	27
Capital payments to the rest of the world	11	11	11	14	22	24
Education	4,093	4,739	5,297	5,752	6,261	6,852
Current transfer payments	1,214	1,411	1,553	1,715	1,779	1,875
Current expenditure on goods and services	1,528	1,714	2,008	2,329	2,604	2,828
Current grants to local government	898	1,005	1,156	1,280	1,410	1,538
Capital transfer payments	117	164	158	100	98	116
Loans	0	0	0	0	0	0
Gross physical capital formation	204	241	235	236	228	340
Capital grants to local government	132	204	187	91	141	155
Health	5,637	7,066	8,304	9,256	10,320	12,657
Current transfer payments	60	75	66	73	139	2,061
Current expenditure on goods and services	94	117	136	192	233	9,814
Current grants to local government	5,186	6,497	7,594	8,477	9,266	0
Capital transfer payments	24	54	116	114	104	184
Loans	0	0	0	0	0	74
Gross physical capital formation	19	28	32	44	72	340
Capital grants to local government	254	295	360	356	505	185
Social security and welfare	6,862	7,786	9,524	10,557	11,410	12,712
Current transfer payments	5,780	6,723	8,172	9,027	9,850	11,022
Current expenditure on goods and services	257	290	343	360	374	394
Current grants to local government	612	742	948	1,110	1,146	1,259
Capital transfer payments	207	22	43	38	37	31
Gross physical capital formation	6	10	18	21	2	6
Capital grants to local government	0	0	0	0	0	0
Housing	566	915	1,044	1,043	1,027	1,161
Subsidies	0	0	0	0	0	0
Current transfer payments	10	16	21	23	25	31
Current expenditure on goods and services	17	18	23	30	28	31
Current grants to local government	61	99	44	127	131	132
Capital transfer payments	41	43	45	48	21	4
Loans	0	0	0	0	0	0
Gross physical capital formation	1	1	0	1	1	0
Capital grants to enterprises	0	0	0	0	0	0
Capital grants to local government	436	737	910	815	821	962
Other community and social services	415	534	713	681	773	877
Subsidies	1	1	2	2	2	2
Current transfer payments	81	105	146	138	165	225
Current expenditure on goods and services	161	190	216	216	228	226
Current grants to local government	1	1	1	1	1	2
Capital grants to enterprises	35	29	25	17	15	38
Capital transfer payments	47	64	96	101	138	110
Loans	0	0	0	0	0	0
Gross physical capital formation	22	49	85	25	33	61
Capital grants to local government	67	94	142	181	191	213

Table 26 (contd.) Expenditure of Central Government (including extra-budgetary funds) classified by Purpose of Expenditure and Economic Category

	€ million					
Description	2000	2001	2002	2003	2004	2005
Agriculture, forestry and fishing	1,200	1,610	1,675	1,717	1,699	2,199
Subsidies *	361	617	380	394	339	406
Current transfer payments	153	143	152	143	143	129
Current expenditure on goods and services	412	538	635	667	655	694
Current grants to local government	7	7	9	5	2	2
Capital grants to enterprises	99	74	65	72	67	70
Capital transfer payments	25	39	53	73	201	157
Loans	107	133	309	263	175	651
Gross physical capital formation	35	59	73	101	117	91
Mining, manufacturing and construction	620	874	599	464	536	543
Subsidies	92	82	71	59	64	68
Current transfer payments	368	350	323	275	264	296
Current expenditure on goods and services	55	61	65	67	78	83
Capital grants to enterprises	73	53	60	28	19	51
Loans and share capital	44	74	38	39	42	30
Gross physical capital formation	-11	13	31	-3	14	16
Capital transfer payments	0	242	11	0	55	0
Transport and communication	1,242	1,639	2,041	2,328	2,192	2,246
Subsidies	198	246	278	294	308	340
Current transfer payments	1	2	16	17	29	8
Current expenditure on goods and services	44	69	96	74	114	81
Current grants to local government	66	87	94	62	55	55
Capital grants to enterprises	203	245	295	335	200	321
Capital transfer payments	0	-22	-185	37	38	21
Loans and share capital	9	-3	11	14	3	6
Gross physical capital formation	87	58	305	283	213	90
Capital grants to local government	635	957	1,132	1,213	1,232	1,325
Other economic services	1,406	1,724	1,674	1,678	1,636	1,868
Subsidies	17	20	15	11	12	19
Current transfer payments	186	248	265	271	274	329
Current expenditure on goods and services	672	828	816	873	854	897
Current grants to local government	0	2	1	1	1	1
Capital grants to enterprises	53	50	33	28	28	35
Capital transfer payments	11	17	21	13	19	112
Loans	0	0	0	0	12	9
Gross physical capital formation	41	53	31	30	36	48
Capital grants to local government	425	507	493	450	400	418
Public debt	5,757	4,470	13,738	4,312	4,745	3,569
National debt interest	2,013	1,633	1,644	1,632	1,591	1,597
Redemption of securities	3,743	2,837	12,095	2,680	3,154	1,971
Unallocated by function						
Current Grants to local government	867	988	961	1,131	1,213	1,303
Total Expenditure	32,703	37,089	50,547	43,961	47,414	51,874

* See explanatory note to Table 10 in Appendix 2

Table 27 Expenditure of Local Government classified by Purpose of Expenditure and Economic Category
 € million

Description	2000	2001	2002	2003	2004	2005
General government services	479	550	687	715	789	951
Current transfer payments	10	10	-17	-6	-24	-23
Transfers to central government	8	8	11	14	17	18
Current expenditure on goods and services	339	356	473	478	555	724
Gross physical capital formation	122	176	220	229	241	231
Education	1,132	1,360	1,394	1,483	1,618	1,784
Current transfer payments	86	71	80	80	111	119
Current expenditure on goods and services	907	1,057	1,197	1,329	1,440	1,582
Gross physical capital formation	139	232	118	73	67	83
Health	5,553	6,907	8,041	9,000	10,029	3
Current transfer payments	476	715	683	774	892	0
Current expenditure on goods and services	4,827	5,904	7,023	7,810	8,654	3
Gross physical capital formation	250	289	336	416	482	0
Social security and welfare	715	1,090	1,390	1,418	1,548	1,255
Current transfer payments	675	1,037	1,328	1,348	1,473	1,255
Transfers to central government	0	0	0	0	0	0
Current expenditure on goods and services	40	54	62	70	75	0
Gross physical capital formation	0	0	0	0	0	0
Housing	1,544	2,137	2,461	2,259	2,315	2,697
Subsidies	0	0	0	0	0	0
Current transfer payments	482	548	628	698	786	959
Current expenditure on goods and services	333	342	372	276	277	324
Capital transfer payments	30	47	61	53	50	58
Loans to persons	226	326	368	482	361	338
Gross physical capital formation	419	787	917	614	709	890
Capital grants to enterprises	54	86	115	135	132	127
Other community and social services	1,010	1,162	1,298	1,416	1,498	1,641
Current transfer payments	0	0	0	0	0	0
Current expenditure on goods and services	545	664	792	900	1,011	1,038
Gross physical capital formation	465	498	506	515	487	603
Agriculture, forestry and fishing	30	38	40	35	31	56
Subsidies	0	0	0	0	0	0
Current transfer payments	0	0	0	0	0	0
Transfers to central government	0	0	0	0	0	0
Current expenditure on goods and services	14	15	18	13	14	38
Capital grants to enterprises	0	0	0	0	0	0
Gross physical capital formation	16	23	22	22	17	18
Transport and communication	1,501	1,799	2,145	2,215	2,188	2,416
Current transfer payments	-16	-19	-23	-24	-23	-24
Current expenditure on goods and services	479	377	437	459	374	570
Capital grants to enterprises	5	5	5	5	5	5
Gross physical capital formation	1,033	1,436	1,726	1,775	1,832	1,865
Other economic services (incl. Mining etc.)	607	745	735	689	669	796
Transfers to central government	0	0	0	0	0	0
Current expenditure on goods and services	238	264	296	300	319	389
Gross physical capital formation	369	481	439	389	349	407
Public debt	144	127	148	170	148	121
National debt interest	39	38	35	26	5	-1
Loan repayments	106	89	113	144	143	122
Total Expenditure	12,716	15,915	18,339	19,400	20,831	11,719

Table 28 Expenditure of Central and Local Government classified by Purpose of Expenditure and Economic Category

€ million

Description	2000	2001	2002	2003	2004	2005
Defence	732	843	805	798	894	859
Current transfer payments	80	88	81	76	75	84
Current expenditure on goods and services	612	645	666	684	730	755
Gross physical capital formation	41	110	58	39	90	20
Other general government services	3,756	4,408	4,734	4,914	5,439	5,914
Subsidies	91	72	43	59	42	46
Current transfer payments	618	796	909	1,051	1,177	1,402
Current expenditure on goods and services	2,462	2,828	3,118	3,188	3,643	3,810
Capital grants to enterprises	16	21	14	24	33	46
Capital transfer payments	12	32	24	8	12	8
Loans	3	2	-5	-3	-2	-4
Gross physical capital formation	543	646	621	572	511	582
Capital payments to the rest of the world	11	11	11	14	22	24
Education	4,195	4,890	5,348	5,863	6,327	6,944
Current transfer payments	1,300	1,483	1,633	1,796	1,890	1,994
Current expenditure on goods and services	2,435	2,771	3,205	3,658	4,044	4,410
Capital transfer payments	117	164	158	100	98	116
Loans	0	0	0	0	0	0
Gross physical capital formation	343	473	353	309	295	424
Health	5,750	7,182	8,391	9,423	10,577	12,475
Current transfer payments	537	790	748	847	1,032	2,061
Current expenditure on goods and services	4,921	6,020	7,159	8,002	8,887	9,816
Capital transfer payments	24	54	116	114	104	184
Loans	0	0	0	0	0	74
Gross physical capital formation	269	317	368	460	554	340
Social security and welfare	6,965	8,134	9,966	10,864	11,811	12,708
Current transfer payments	6,455	7,759	9,500	10,375	11,323	12,277
Current expenditure on goods and services	297	343	405	430	449	394
Capital transfer payments	207	22	43	38	37	31
Gross physical capital formation	6	10	18	21	2	6
Housing	1,613	2,216	2,550	2,360	2,390	2,764
Subsidies	0	0	0	0	0	0
Current transfer payments	492	564	650	720	811	991
Current expenditure on goods and services	350	361	395	306	305	356
Capital grants to enterprises	54	86	115	135	132	127
Capital transfer payments	71	90	106	102	71	62
Loans	226	326	368	482	361	338
Gross physical capital formation	419	788	917	615	710	891
Other community and social services	1,357	1,601	1,867	1,915	2,079	2,303
Subsidies	1	1	2	2	2	2
Current transfer payments	81	105	146	138	165	225
Current expenditure on goods and services	706	854	1,008	1,116	1,239	1,264
Capital grants to enterprises	35	29	25	17	15	38
Capital transfer payments	47	64	96	101	138	110
Loans	0	0	0	0	0	0
Gross physical capital formation	487	548	591	541	520	664
Agriculture, forestry and fishing	1,222	1,642	1,706	1,748	1,728	2,252
Subsidies #	361	617	380	394	339	406
Current transfer payments	153	143	152	143	143	129
Current expenditure on goods and services	427	553	653	680	669	731
Capital grants to enterprises	99	74	65	72	67	70
Capital transfer payments	25	39	53	73	201	157
Loans	107	133	309	263	175	651
Gross physical capital formation	51	82	95	123	134	109

See explanatory note to Table 10 in Appendix 2

Table 29 Social Protection Accounts

€ million

Description	2000	2001	2002	2003	2004	2005
Current Expenditure						
Social protection benefits	13,844	16,530	19,648	21,710	23,727	25,932
Administration costs	671	759	824	911	966	1,026
Other current expenditure	23	28	29	36	38	41
Total Current Expenditure	14,538	17,317	20,501	22,657	24,731	26,998
Current Receipts						
Employers' social contributions	3,903	4,511	4,989	5,351	5,918	6,579
Social contributions by protected persons	2,343	2,549	2,909	3,278	3,729	3,939
Current general government contributions	9,076	11,137	13,251	14,560	15,629	16,905
Other current receipts	238	261	332	386	418	536
Total Current Receipts	15,560	18,458	21,482	23,575	25,695	27,959
Social Protection Benefits by Function						
Sickness	4,896	6,016	7,033	7,742	8,550	9,473
Invalidity-disability	1,261	1,525	1,804	2,069	2,310	2,607
Occupational accidents and diseases	59	64	70	72	76	81
Old-age	2,711	3,172	3,626	3,960	4,340	4,662
Survivors	819	929	1,047	1,120	1,231	1,343
Maternity	335	423	489	536	580	623
Family	1,774	2,246	2,941	3,267	3,463	3,723
Placement, vocational guidance, resettlement	311	344	337	305	284	299
Unemployment	824	831	1,099	1,266	1,417	1,447
Housing	483	549	629	698	787	960
Miscellaneous	371	430	572	677	691	712
Total Benefits	13,844	16,530	19,648	21,710	23,727	25,932

Table 30a Balance of International Payments: Current account

€ million

Item		2000	2001	2002	2003	2004	2005	2006*
1. Merchandise and services ¹	Cr	102,885	116,975	122,481	117,006	124,793	132,098	139,766
	Db	-88,697	-98,657	-99,903	-94,400	-102,468	-112,279	-120,997
2. Net income		-15,488	-18,975	-23,699	-21,723	-23,215	-25,775	-25,575
3. Subsidies less taxes		1,001	889	1,522	1,433	1,464	1,807	1,357
4. Net transfers		-72	-694	-818	-1,001	-1,071	-1,542	-1,822
5. Net balance on current account		-371	-462	-417	1,314	-497	-5,692	-7,271

Table 30b Balance of International Payments: Capital and Financial Account and net errors and omissions

€ million

Item		2000	2001	2002	2003	2004	2005	2006*
6. Balance on Capital Account		1,182	703	512	93	279	264	223
Financial Account								
7.	Direct Investment	22,957	6,241	19,444	15,270	-23,095	-36,992	-12,492
8.	Portfolio Investment	-5,358	-25,158	-37,979	-39,977	14,287	52,698	-15,423
9.	Other Investment ²	-9,037	19,039	19,263	21,567	11,430	-17,665	36,265
10.	Reserve Assets	-142	-441	343	1,770	1,177	1,472	87
11. Balance on Financial account		8,420	-319	1,070	-1,372	3,801	-487	8,437
12.	<i>Net errors and omissions</i>	-9,231	78	-1,165	-35	-3,583	5,915	-1,389

¹ Adjusted for balance of payments purposes² Including financial derivatives and trade credits

Appendix 1

Definitions and Concepts

Appendix 1

Definitions and Concepts

The series of official estimates of national income and expenditure was inaugurated in the White Paper on National Income and Expenditure, 1938-44 (P.No. 7356) and continued in a second White Paper "Tables of National Income and Expenditure, 1938 and 1944-50" (Pr.No. 350), in the annual issues of the "Irish Statistical Survey" from 1950-51 to 1958 and in "National Income and Expenditure", 1959 to 2005. The latest estimates are contained in this issue of "National Income and Expenditure" (NIE 2006). These estimates are based, not on exact information but on incomplete data collected from many sources. The estimates of different items are therefore of varying accuracy, but where exact statistics were not available it was possible in some cases to compare independent estimates from alternative sources and thus obtain a check on the accuracy of the methods used.

Definitions

Net national product at factor cost may be defined as the total of all payments for productive services provided in this country or abroad accruing to the permanent residents of this country. The exact content of this definition is best shown by reference to the Explanatory Notes to Tables which appear in Appendix 2. Some income accrues to Irish residents as a result of economic activity abroad or property held abroad while some income arising in the State is paid to non-residents. **Domestic income** is the total income arising from productive activity within the State. **Domestic income plus net factor income from the rest of the world equals net national product at factor cost.**

Gross domestic product at factor cost is equal to net domestic product (domestic income) plus total provision for depreciation. **Gross national product at factor cost** is equal to net national product plus total provision for depreciation.

Gross national product at current market prices is equal to gross national product at factor cost plus taxes on expenditure less subsidies. It represents total expenditure on the output of goods and services of the national economy valued at the prices at which the expenditure is incurred. This expenditure is made up of personal expenditure on consumers' goods and services, net expenditure by central and local government on current goods and services, gross domestic physical capital formation (comprising fixed capital and stocks) and net expenditure by the rest of the world on goods and services originating in Ireland plus net factor income from the rest of the world.

The concept of gross national product at factor cost, together with the closely related concept of gross national product at current market prices suggest that there are three different methods of summarising the total economic activity of the country. These three different presentations are given in Tables 1, 2 and 5. Table 1 shows net national product broken down by type of income. Table 2 shows net national product at factor cost broken down by sector of origin. Table 5 shows expenditure on gross national product at market prices broken down by category of expenditure.

The following are some points regarding the constituents of net national product:

Wages, salaries and pensions include all such elements of earnings as overtime payments, bonuses, piece-work payments, commission earnings of distribution employees, directors' fees, etc. as well as income in kind (food, clothing, fuel and light). These are computed without deduction of employees' contributions to social insurance and to contributory pension funds. Where pension funds exist, the employers' contributions to pension funds are included in this item. Where pension funds do not exist, the actual pensions paid are included in this item, the payments being regarded as imputed superannuation contributions. The value of unpaid domestic services performed by spouses is excluded, whereas the remuneration in cash and kind of domestic servants is included.

Remuneration of employees includes, in addition to the above elements, employers' contributions to social insurance.

Transfer income such as emigrants' remittances and old age pensions, blind pensions, widows' and orphans' pensions, unemployment benefit or assistance and all other social welfare payments whether contributory or not, are excluded from net national product. Employees' and employers' contributions to

social insurance funds are, therefore, regarded as taxes on income. Gross national disposable income is the sum of gross national product and net current transfer payments from the rest of the world.

Profits of businesses are taken before deduction of taxes on income but are net of taxes on expenditure (including rates). For 1990 and later years, royalty payments made or received by businesses are regarded as purchases or sales respectively of services, rather than as a form of investment income.

In measuring profits, receipts of investment income (interest and dividends) are in general not included in the output of businesses, and expenditures on investment income are in general excluded from their intermediate consumption. However, in the case of banks and similar businesses, output includes, in addition to invoiced fees and charges, an estimated service charge (called FISIM - financial intermediation services indirectly measured) in respect of their non-invoiced services, represented by the margin between the interest they pay on deposits and the interest they receive on loans. The estimation methodology makes use of a reference rate, approximating a pure interest rate, and calculated as the effective interest rate on inter-bank positions. In the case of loans (for which customers usually pay a higher rate than the inter-bank rate) the FISIM amount is calculated as the difference between the reference rate and the actual loan rate charged to customers, multiplied by the stock of loans of customers, and is subtracted from the original interest amount to yield the pure (FISIM-exclusive) interest amount. In the case of deposits (for which customers usually earn less than the inter-bank rate) it is the difference between the reference rate and the actual deposit rate paid by the bank to customers, multiplied by the stock of deposits from customers, and this is added to the original amount.

Of the total domestic production of FISIM, some is attributable to consumption in the form of final demand by depositing and borrowing customers (by households in their capacity as consumers, in the form of personal expenditure, by government in the form of government consumption, and by non-residents, in the form of exports). These components therefore add directly to GDP. The remainder of domestic production of FISIM is consumed as intermediate consumption by businesses or by households in their capacity as self-employed businesses and as borrowers for owner-occupation of dwellings, and has no net effect on aggregate GDP (although it does of course reduce the value added of the activity branches concerned, offsetting to some extent the increase in the value added of the financial services branch that produces the FISIM).

The presentation and content in the national accounts tables of interest flows to and from non-residents differs from the presentation in the balance of payments (BOP) statistics. In the BOP, the gross interest flows are reported on the original basis, that is on the ordinary basis as reported by banks and customers. In the national accounts, on the other hand, the estimated FISIM charged to non-resident depositors and borrowers by resident banks has been removed from the relevant flows, as described above, and a similar exclusion is made from the flows between resident customers and non-resident banks (which in turn is booked as imports in the calculation of GDP). The components for interest flows involving banks in the national accounts item **Net factor income from abroad** (i.e. the adjustment item from GDP to GNP) are therefore constructed on the basis of the "pure" interest rates (that is, exclusive of FISIM). FISIM is not computed on interest flows between entities neither of whom is a bank or bank-like entity (for example between a manufacturing company and its affiliates overseas on inter-company loans), or on interest flows on securities, and these are therefore treated in the same way in the BOP and the national accounts.

The provisions for depreciation deducted to arrive at *net profits* are normally based on those allowed for tax purposes adjusted, as appropriate, for *free depreciation*, etc. rather than the provisions made by the enterprises themselves in their business accounts.

Companies include all public and private companies incorporated either in or outside the State, as well as certain corporate bodies, such as, the Electricity Supply Board, the Central Bank, etc. **Companies' Savings** comprise the undistributed income net of tax of all bodies counted as companies. In the case of subsidiaries or branches of foreign companies operating in the State the foreign direct investors' share of the total trading income (less corporation tax payable in the State) is regarded as distributed to these investors. Correspondingly, the Irish direct investors' share of trading profits of subsidiaries or branches operating abroad of Irish companies is regarded as having been distributed to these investors.

Income from dwellings is included in net national product. An imputed rent is included in respect of owner-occupied dwellings but no such element is imputed to other classes of durable goods.

Income of agriculturists is based on estimates of the value of gross output of agriculture (eliminating duplication due to inter-farm sales) after the deduction of estimates of various elements of costs, viz., the cost of marketing, feed-stuffs, fertilisers and seeds, petrol and oil, veterinary fees and medicines,

depreciation, etc., as well as the interest element in land annuities paid. Farm produce consumed in farm households without process of sale is valued at the prices which farmers receive for similar goods sold. The value of changes in the numbers of livestock on farms and the value of the change in the stock of crops held on farms are included in agricultural income. **Income originating in the agricultural sector** includes, in addition to the above, the total interest element in land annuities, including both the interest element in annuities actually paid by farmers and that met by way of subsidy under the land acts.

Profits, interest, dividends, remuneration of employees from the rest of the world are included in national product and similar items arising in Ireland and paid to foreign residents are excluded. In the case of subsidiaries or branches of foreign companies operating in the State the foreign direct investors' share of the total trading income (less corporation tax payable in the State) is regarded as distributed to these investors and hence excluded from National Income. Correspondingly, the Irish direct investors' share of trading profits of subsidiaries or branches operating abroad of Irish companies is regarded as having been distributed to these investors and hence included in National Income.

Government trading and investment income which represents the income of central and local government in their entrepreneurial capacity, is included in net national product. The constituents of this item are (i) the trading income of the Post Office Savings Bank, (ii) interest receipts in respect of land annuities, (iii) interest on advances by the government to various concerns, such as the Electricity Supply Board, (iv) net dividend payments from state sponsored bodies and payments to the Exchequer out of the profits of the Central Bank, (v) income from foreign securities, (vi) proceeds of the National Lottery surplus, (vii) interest payments under the Housing Acts and (viii) rental income of local government, consisting of actual rents received plus the amounts of subsidies involved less expenses. Depreciation is deducted in respect of item (viii).

An **adjustment for stock appreciation is deducted** in the estimation of national product for years in which changes in commodity prices have been such that non-agriculture stocks held at the beginning of the year would have increased in value if no physical change had occurred. A similar provision is **added** for years in which price changes were such as to cause a fall in value of non-agricultural stocks held at the beginning of the year. The effect of this is to include in the various aggregates only the value of the change in volume of stocks between the beginning and end of the year, as distinct from the change in the value of stocks which, in general, is brought to account as part of income according to normal accounting definitions. (The value of the physical change in agricultural stocks is computed directly so no similar adjustment is required in this case.)

Personal income is the aggregate income from all sources in cash or kind, whether from productive services or not, at the disposal of individuals permanently resident in the State. It is equal to net national product plus provision for stock appreciation, less government trading and investment income, plus national debt interest and other current transfer payments, less undistributed profits before tax of companies and other corporate bodies. See the explanatory notes on Table 9 on pages xix-xx.

Private income is the aggregate income from all sources in cash or kind, whether from productive services or not, of all individuals, companies, charities, etc. which are permanent residents of the State. It is equal to personal income plus the undistributed profits before tax of companies and other corporate bodies. See the explanatory notes on Table 9 on pages xix-xx.

Changes in Concepts and Methods

To take account of developments in international standards, and as part of the ongoing process of improvement, many editions of the accounts over the years have introduced methodological or data changes. Changes since the late 1970s are summarised below. In addition to these systematic changes, routine revisions in the source data usually also result in revisions for a number of years in each edition.

In the **1978** report it was possible to produce an improved classification of local government expenditure by purpose for the years from 1976 onwards. This was due to changes in the local government accounting system which took effect in 1976.

In the **1979** report a fundamental revision of methodology produced changes in the figures for gross fixed capital formation. These are described in that report. Also a more complete survey of trading profits of unincorporated enterprises, professional earnings, etc. resulted in revisions to these data.

In the **1980** report following a review of methodology, changes were made to balance of international payments data. Changes were also made to the method of recording housing subsidies. These changes are described in that report.

The **1982** report included revisions to the estimates for a number of items in the accounts arising from an ongoing review of sources and methods. These changes principally affected the Balance of International Payments estimate, company profits and the residual items personal consumers' expenditure and savings.

The **1983/1984** report incorporated the new series of estimates for agricultural output and income released in July 1985. The classification used in the analysis of personal consumers' expenditure was also changed in that report and is now aligned with that of the European System of Accounts. The headings are more functional in concept and some additional detail is involved. The detail of the relationship between the new and the old classification can be supplied on request.

The **1985** report introduced the concept of real gross national disposable income.

The **1988** report introduced a change in the treatment of non-commercial bodies, which were principally funded by grants from the State. Prior to this, these bodies were excluded from the scope of *Central and local government* and transactions between them and government were shown explicitly. In the 1988 report they were classified within the *Central and local government* sector and their receipts and expenditure consolidated with those of government. The net current expenditure of central and local government now includes the intermediate consumption of these grant aided bodies.

Arising from the Local Loans Fund (Amendment) Act, 1987, certain circular flows involving transfers and loan transactions between central government and local government decreased significantly. From 1988 this affects the comparability of data, for some headings, in Tables 19, 20, 26 and 27 but has no effect on the consolidated tables for *Central and local government*.

A number of methodological improvements were introduced in the **1992** Report. These changes principally involved the estimates of Wages and Salaries (mainly through the use of new surveys), Profits (using improved estimation procedures), Rent of dwellings (use of 1987 Household budget data) and Imports and Exports (new Balance of Payments surveys of International Trade in Services). These revisions significantly increased the levels of some of the key national accounting aggregates including Personal Consumption which was derived as a residual. Revisions have been made retrospective to 1985 and it is intended, if resources permit, to extend the revisions back to 1980.

The **1993** Report incorporated a revised treatment of the deficit on the Local Government housing account, which was described in detail in the November 1993 issue of the Economic Series. Traditionally, in the Irish National Accounts, this deficit was treated as a subsidy. Following a legal decision published by the EU on the scope of subsidies in National Accounts (OJ L 224, 3.9.93, page 27), this deficit had to be reclassified as a current transfer payment from Local Government to households.

The **1994** report introduced the base 1990 for the constant price volume series.

The **1995** report revised the concept of Domestic Product and National Product by introducing two new points of methodology. They can be summarised as follows :

1. Royalty payments made by businesses are now excluded from profits as in normal company accounts. They are considered part of intermediate consumption and when the royalty payments are made abroad they are therefore considered as an import of services. Previously, royalty payments were included as part of profits (i.e. as a distribution out of profits). They were, however, considered part of *Factor Incomes* in the transition from GDP to GNP so while the level of GDP is affected by this change the level of GNP is unaffected.
2. In the transition from GDP to GNP the foreign direct investors' share of the profits of subsidiaries or branches operating in Ireland of foreign companies are considered to have been distributed to these investors. Correspondingly, the Irish direct investors' share of the profits of subsidiaries or branches operating abroad of Irish companies are considered to have been distributed to these investors. Previously only the profits actually remitted to/from abroad were taken into account in the transition from GDP to GNP.

A number of other changes were made in the 1995 Balance of Payments Statement, some of which also affected items in the main national accounts tables. The main ones were :

- Improved estimates were made of remuneration of employees working outside their country of residence
- There was improved coverage of transfers vis-à-vis the rest of the world
- A change was made to an accruals based timing for EU transfers (previously on a cash basis)

Much detailed work was done on improving the estimates of wages and salaries for the 1995 report. This led to significant revisions in several sectors. The most notable changes were as follows :

- the overall comprehensiveness of the estimates was improved by changing control totals for employment from the PES (Principal Economic Status) basis of the Labour Force Survey data to the ILO (International Labour Office) basis;
- new information from the annual CSO services inquiries was incorporated, notably in the distribution sector, leading to increases from 1992 onwards;
- revised calculations have reduced the estimate for wages in small enterprises not covered by the Census of Industrial Production.

A major revision was also made in the 1995 report to the estimates of imputed rent of owner-occupied dwellings following methodology laid down in 1994 in a Decision of the EU Commission based on the results of the 1991 Census of Population.

The full ESA95 methodology was brought into effect in the **1998** report. This widened the scope of capital formation. Computer software, original literary and musical works, unsuccessful mineral exploration, military equipment similar to that used by civilian producers e.g. hospitals, are now included as capital investment.

The output of the insurance sector was increased by regarding the income from the investment of the technical reserves as additional imputed premium contributions.

Some payments to Government which were previously regarded as transfers e.g. passport fees, are now classified as payments for services while others (e.g. stamp taxes on banking transactions) are now regarded as taxes on products.

Rent of dwellings was revised downwards in the **2003** report based on the results of the 2002 Census of Population. The Census of Population provides details of the rent paid by all tenants in respect of their dwellings as well as details of the size of and facilities in the dwellings. This allows the imputed rent of owner occupiers to be revised in line with current rates in similar rented dwellings.

The **2004** report introduced two significant methodological changes. Firstly, the volume (constant price) measures were calculated to base the previous year rather than to a fixed base as in previous publications. The annual volume changes were then chain linked to a reference year to produce indices and values of the main aggregates in "constant" prices. This system was introduced throughout the EU to comply with EU Decision 98/715. The output and expenditure measures of GDP are calculated to base the previous year and the average of the two measures provides the official volume measure of GDP. A practical consequence of the chain linking system is that the chain linked aggregates are not equal to the sum of their chain linked components.

Secondly, a new method was introduced for estimating and allocating the interest margin that banks and similar entities earn by taking deposits at a relatively low nominal interest rate and making loans at a relatively high nominal rate (the so-called FISIM – Financial Intermediation Services Indirectly Measured). Under the previous methodology, this margin was presented in the accounts as though it were produced by the financial services branch, and entirely consumed, as intermediate consumption, by a notional branch which produced no output. The resulting notional loss (the item *Adjustment for financial services* in the editions before the 2004 report) completely offset the apparent profit earned by the financial services branch, and the net effect on GDP was therefore nil.

The new FISIM methodology introduced in the 2004 report follows new guidelines set down in EU legislation. It involves some relatively minor changes in the method of calculating the total amount of FISIM. More importantly, the allocation to the consuming sectors was changed. Instead of being allocated to a notional sector, it is now allocated to the sectors of the depositors and borrowers, in proportion to the quantity of their deposits and loans, and to the margin between the de facto rate earned by or charged to the sector and a pure or FISIM-free reference rate, calculated as the de facto effective rate for inter-bank business. The effect on GDP depends therefore on which sectors consume the FISIM: consumption that constitutes final demand (such as by households in their capacity as consumers, by government, or by non-residents) adds to GDP,

but intermediate consumption (such as by companies, or by households in their capacity as self-employed businesses or as owner-occupiers of dwellings) has no net effect. There is also some relatively small reduction in GDP arising from imports of FISIM, but the net effect for Ireland, as for most countries, is that the new methodology results in a net increase in GDP levels.

The 2004 report also introduced a new retrospective series from the year 1970 estimated according to the ESA95 rules and conventions. The main aggregates from this series are shown in Table A. Most of the standard tables in the NIE report are available from this retrospective series from 1970 onwards on the CSO's website in excel format and are also available in the CSO's database.

In the 2005 edition some changes were made to the estimation methods for the profits of companies and self-employed. The main changes were:

- The methodology and data sources for financial enterprises were overhauled: the coverage of the branch was more accurately delimited by improvements in the activity classification codes on the register, and more explicit and detailed use was made of survey data on financial enterprises collected in the CSO balance of payments and financial sector surveys
- Other improvements in the activity coding in the register also resulted in some reclassifications between branches
- Technical improvements were made to cater for situations where companies change their accounting periods, resulting in two or no accounting periods ending in a given calendar year
- Improvements have been made in aligning the profits of both companies and self-employed persons more closely to the calendar year.

These changes were implemented for the years 2000 to 2005. For the earliest years, the effect at the overall level was quite small, and it has not been possible to carry them through to years before 2000. Furthermore, while the effects on the branch results at the level published in this report (Tables 2 and 3) are also not very large (and in any event cannot readily be distinguished from routine revisions arising from more up-to-date source data), the effect on more detailed branch results may have been more significant.

Changes were also made to the estimation of the constant price output estimates (i.e. Table 4). New methodologies were developed for the calculation of the value added of the education and health services provided by government. The revised methodology for education uses pupil numbers, stratified by level of education in primary and second level, and by level of education and subject at third level to derive an overall volume index. This index is applied to base year unit costs. A quality adjustment is included in the calculation to take account of the number of teachers working in the education system.

The output of the health service is now being measured using a weighted index comprising measures of in-patient services, out-patient services and medical card services, applied to the base year contributions of these components to GVA. The value added for both education and health are captured as part of the total "Other Services" figure in Table 4.

Finally for 2005, changes were also made in the estimation of company and personal savings. In previous editions, item 124 (Undistributed profits of companies before tax) was estimated independently, and personal savings (item 129) was calculated as a residual. In the 2005 edition, additional independent information on households' investment income and savings was used, based on initial work on setting up a series of non-financial sector accounts results, and this yielded somewhat different estimates. Elements from the two methods have therefore been combined to give revised series for both items.

In this edition (2006 report) The establishment of the Health Service Executive (HSE) at the beginning of 2005 to replace the Health Boards has given rise to significant reclassifications and discontinuities in some of the Government Accounts tables, particularly Tables 19 and 20. The old Health Boards were considered to be part of the Local Government Sector but the new HSE belongs to Central Government. The Incomes and Expenditures of Health Boards are therefore recorded in Table 20 'Local Government' for all years up to and including 2004, with transactions between the Exchequer and the Health Boards explicitly shown. From 2005 onwards the corresponding transactions of the HSE are recorded as part of Table 19 'Central Government', with transactions between the Exchequer and the HSE consolidated out and no longer identifiable. Table 21, which includes the consolidated account for Central and Local Government is unaffected by the reclassification.

External Transactions at Constant Prices

In the external account imports and exports of merchandise are expressed at constant prices by using import and export unit value indices. Invisible (i.e. non-merchandise) non-factor items are deflated separately by the most appropriate price index on consideration of the nature of the flow in question. The aggregate value of the imports of goods and non-factor services at constant prices is then determined and a general price index for the aggregate is deduced. Similarly, a general price index for the aggregate value of the exports of goods and non-factor services is calculated.

This implied price index for exports of goods and non-factor services is then used to deflate net factor income from abroad in years when this item is negative. In years when it is positive it is deflated by the implied price index for imports of goods and non-factor services. Net current international transfers are similarly deflated. The rationale for this approach is that a positive net factor income flow can be used to finance imports while a negative net factor income flow must be met with increased exports. In recent years, (e.g. 1999 onwards) exceptional income payments have had to be deflated separately.

Gross National Product by Sector of Origin at constant prices

In the 1965 report estimates of the gross national product at constant prices subdivided by industrial sector were included for the first time. These estimates were compiled by aggregating the contributions, to the gross national product at factor cost, valued at constant prices, of the different industries, and of net factor income from the rest of the world, and adjusting to market prices by adding taxes on expenditure and deducting subsidies, both valued at constant prices.

Two principal methods have been used to derive gross value added at factor cost at constant prices as given in the tables.

The first method, which may be called the *double deflation* method, consists of valuing both the output and the input (expenses) of the sector at base year prices (now previous year prices). The difference between output and input is the gross product, *gross* signifying that depreciation has not been deducted as an expense. This is the basic approach used for the agricultural sector.

The second method consists of estimating an index of volume of output for the sector for a series of years and then multiplying the base year (now previous year) gross value added by these index numbers to derive the gross value added figures for other years. This method is widely used since, for most sectors, there is considerable difficulty in expressing the inputs at constant prices. Clearly, if at constant prices the ratio of input to output remains unchanged, both methods would give identical results.

The estimates for agriculture incorporate the official indices for agricultural output. In the case of industry, this report contains estimates of the contribution from four industrial sectors which are more than 90% foreign owned. These estimates, as well as those for the remainder of industry, are based on the official industrial production indices adjusted for the impact of royalties on intermediate consumption. The agricultural and industrial sectors together account for about forty per cent of gross national product and reliable indicators of volume are available and are used in compiling the official indices. The choice of suitable volume indicators on which to base volume index numbers in certain other sectors, however, raises conceptual problems which have not yet been solved satisfactorily. The service type industries include distribution, transport and communication, insurance, banking and finance, education, health, professional and miscellaneous services and public administration and defence. In certain industries, e.g. transport, suitable volume indicators such as passenger-miles and freight tonne-miles are available; in other industries it is more difficult to obtain volume indicators.

Particular difficulty is experienced in estimating the output of public administration and defence and other services provided by central and local government. In most of these cases no reasonable measure of output is available and the practice adopted is to apply an index of employment, where available, to the base year remuneration. Where reliable data are not available the implied index of rates of remuneration is used to deflate current values. The effect of using this method is to assume no increase in productivity. However, since NIE 2005, special methodologies have been developed for the calculation of the value added of the education and health services provided by government. The revised methodology for education uses pupil numbers, stratified by level of education in primary and second level, and by level of education and subject at third level to derive an overall volume index. This index is applied to base year unit costs. A quality adjustment is included in the calculation to take account of the number of teachers working in the education system.

The output of the health service is measured using a weighted index comprising measures of in-patient services, out-patient services and medical card services, applied to the base year remuneration. The value added for both education and health are captured as part of the total "Other Services" figure in Table 4.

In order to derive gross national product at constant market prices, net factor income from the rest of the world, taxes on expenditure and subsidies are also valued at constant prices. The method of expressing net factor income from abroad at constant prices is explained in the section *External transactions at constant prices*. Where taxes on expenditure and subsidies relate to particular goods, the rate of tax or subsidy per unit quantity of the item taxed or subsidised, if available, is used to derive an index to deflate current values. In the case of *ad valorem* duties both the rate of duty and an appropriate price index are used to compile constant price data. If neither of these methods of deflation can be used the estimation of a constant price series is made by using volume indicators appertaining to the relevant industry or by deflating by a suitable price index. In a few cases, where the taxes on expenditure or subsidies were not in operation in the base year, they are by definition, omitted from the constant price series.

Appendix 2

Explanatory Notes to Tables

Appendix 2 - Explanatory Notes to Tables

The numbering of the notes refers to the numbering of the items in the foregoing tables.

Table 1 Net Value Added at Factor Cost and Net National Income at Market Prices

1. **Value added from agriculture, forestry and fishing.** Gross receipts from the sale of agricultural produce, timber and turf (excluding inter-farm transactions) together with the value of farmers' own produce consumed in farm households without process of sale and the value of the changes in the numbers of livestock on farms and on-farm stocks of the principal crops, all valued at current agricultural prices, less expenses incurred in production, including purchased materials, maintenance of machinery, depreciation, rent (Item 8) and other expenses. The income originating from agricultural activity is measured prior to any distribution to the various factors of production, which in combination produced it. Therefore, no deduction is made for interest on capital whether borrowed or not. The total represents income from agricultural activity only and does not, for example, include investment income of agriculturists, which is contained in items 4, 5 and 14. The item also includes income from sea and inland fisheries.

In comparing the average value of national income per head in this and in other countries, the part which subsistence farming plays in some economies should be borne in mind. It may be considered desirable in making such comparisons to value farm household consumption at full retail prices in order to arrive at comparable concepts. The requisite figures are shown below and the adjustment may be made by increasing agricultural income by the difference between the entries in columns (a) and (b) for each year.

Farm Produce and Fuel Consumed on farms without Process of Sale 2000 – 2006 €million

<i>Year</i>	<i>Farm gate at Current Prices (a)</i>	<i>Retail at Current Prices (b)</i>	<i>At 2005 Agricultural Prices (c)</i>
2000	64.3	182.9	85.5
2001	72.5	171.9	87.7
2002	72.0	180.6	82.4
2003	78.4	195.3	85.2
2004	78.8	194.8	84.2
2005	82.4	174.8	82.4
2006	87.1	188.3	82.4

If it is desired to make comparisons between agricultural income figures when the value of the changes in the numbers of livestock on farms is excluded, the value of these changes for the years 2000-2006 at average annual prices (shown in item 154) should be subtracted from agricultural income figures in item 1.

2. **Agricultural wages and salaries.** Payments in cash and kind to farm employees and to employees in forestry.

3. **Employers' contribution to social insurance.** This item consists of the contributions of employers to social insurance funds. These contributions are classified as part of employee remuneration and also as part of direct taxation on households.

4 to 5. **Domestic trading profits, self employed earnings, interest, etc.** Domestic here means arising from economic activity within the State. Hence these items include the profits of subsidiaries or branches of foreign companies in respect of operations within the State (these are included also, net of corporation tax, as a negative entry in item 14), and exclude the profits of Irish concerns in respect of their operations abroad as well as investment income, etc., originating outside the State (included as a positive entry in item 14).

Trading profits are taken after payment of indirect (but not direct) taxes. For years after 1990, they are taken after net payments of royalties. In computing profits all interest payments are treated as an allocation of profit; they are not deducted as operating expenses before the trading profit is struck. For this reason, interest received as well as dividends received are excluded from trading profits. In the case of banks and similar businesses a charge is calculated on interest earned on loans and interest paid on deposits of customers. The charge, in the case of deposits, is the difference between the reference rate of interest and the actual rate paid by the bank and applied to the stock of deposits of customers. In the case of loans the charge is the difference between the reference rate and the actual loan rate charged by the

banks and applied to the stock of loans of customers. This charge is also treated as intermediate consumption by business and owner occupiers of dwellings with loans. However the interest itself is not treated as a receipt or a cost in the calculation of domestic profits. The effect of this is that net payments (i.e. receipts minus payments) of interest (i.e. pure interest) by households and central and local government are excluded from the calculation of GDP. The provision for depreciation deducted to arrive at net profits are normally those allowed for tax purposes adjusted, as appropriate, for *free depreciation* etc. as distinct from either the depreciation provisions of the enterprises themselves or depreciation estimates at replacement costs. Item 4 includes, in addition to trading profits of public and private companies, the operating profits of certain corporate bodies such as the Electricity Supply Board, the Central Bank, National Lottery, Bord Telecom, etc. These bodies are also regarded as companies in items 124 and 141.

6. Adjustment for stock appreciation. The adjustment has the effect of replacing the total of items 154 and 155 by item 82. Identical with item 156. It is included to ensure that only the value of physical change in stocks is counted as part of national product by eliminating the effects of price changes on the level of stocks.

7. Rent of dwellings. This represents net income from ownership of dwellings, i.e. gross receipts of rent for rented dwellings plus imputed rent of owner - occupied dwellings less depreciation, repairs and maintenance and other costs. In the case of dwellings owned by local government the amount included represents the full economic rent less depreciation, repair costs and other current expenses. In the national accounts, the difference between the economic rent and the lower rent actually paid by tenants is treated as an income transfer from Local Government to households.

8. Rent element in land annuities. This item represents the interest element in land annuities (forming the major part thereof) and includes both the interest element in actual payments by farmers and that met by way of subsidy under the Land Acts. This item forms part of Government trading and investment income (item 120). Letting of lands, e.g. on conacre, is considered as an inter-farm transaction and hence the corresponding rent is not included either as an expense or as a source of income for the agricultural sector.

9. Domestic wages, salaries, pensions. Wages, salaries and pensions include, in addition to basic wages and salaries, all items of earnings such as overtime payments, bonuses, piecework payments, commission earnings of distribution employees, directors' fees, income in kind, etc., arising from economic activity within the State. They exclude transfer payments such as old-age pensions, unemployment benefit, etc. Earnings are measured gross, i.e. before deduction of employees' contributions to social insurance and to contributory pension funds. The value of unpaid domestic service performed by household members is excluded, although the remuneration in cash and in kind of domestic servants is included. The earnings of Irish diplomatic and consular personnel abroad are included, while those of representatives of other states in this country are excluded.

Since the item measures remuneration for current work, pensions currently paid to former employees are in principle excluded. However, current employees benefit by the provision being made by their employers for their future pensions in the form of contributions to funded pension schemes. These contributions are viewed as an implicit part of the remuneration of the employee (known as *voluntary social insurance* contributions) and are therefore included in the wages/salaries/pensions item. Where funded pension schemes do not exist, the value to the current employees of their future pension entitlements is estimated. The amount of actual pensions currently being paid directly to former employees is sometimes taken as an estimate but in the case of the Public Service an actuarial assessment is available.

10. Employers' contribution to social insurance. This item consists of the contributions of employers to the state social insurance funds. These contributions are classified as part of employee remuneration and also as part of direct taxation on households.

12. Statistical discrepancy. This arises from the fact that Gross Domestic Product is calculated in two independent ways (viz. income and expenditure methods) as already explained on pages v-vii. The two methods produce different estimates as can be seen from summing the income components in Table 1 (plus depreciation from Table 2) and the expenditure components in Table 5. The official level of GDP is taken to be the average of the two independent estimates and the statistical discrepancy is the amount by which each estimate has to be adjusted to bring it in line with the official estimate. In other words, it is calculated as the average less the sum of the relevant components or one half of the difference between the two independent estimates. If the income-based estimate is higher than the expenditure-based estimate, the discrepancy will have a negative sign in the income tables (Tables 1, 2 and 3, and also item

149 in Table 11, and items in Tables 11.1 and 12) and a positive sign in the expenditure table (Table 5), and vice versa.

13. **Net value added at factor cost.** This item is the total of items 1 to 12.

14. **Net factor income from the rest of the world.** This is taken from the current account of the Balance of Payments. It contains some revisions to the years prior to 2005, which have not been incorporated in the Balance of Payments publications, and the interest payments contained therein are adjusted for FISIM. The FISIM adjustments are incorporated in the imports and exports of services. See also notes on Table 30(a).

15. **Net national product at factor cost.** Total of items 13 and 14.

16. **National (i.e. non EU) taxes.** This covers all taxes on production except EU taxes on production as defined in item 39.

17. **National (i.e. non EU) subsidies.** This covers all subsidies on production except EU subsidies on production as defined in item 38.

18. **Net national income at market prices.** Total of items 15,16 and 17.

Table 2 - Net Value Added at Factor Cost by Sector of Origin and Gross National Income at Current Market Prices

19. **Agriculture, forestry and fishing.** The total contribution of the agricultural sector to the national income equals the total of items 1, 2, 3 and 8. As indicated in the note to item 1, this total does not include the income of agriculturists from sources other than their agricultural activities and in the estimation the value of the change in livestock numbers together with the on-farm stocks of the principal crops is taken into account.

20. **Industry (including building).** This total represents remuneration of employees (including all elements of earnings, see items 9 and 10) and profits in the case of all concerns engaged in industrial production, and building and construction. Remuneration of construction workers employed by central and local government and communication and transport companies as well as the value added of activities of these concerns covered by the Census of Production are included here and not in items 21 and 22. The contribution to national income is divided into *remuneration of employees* and *other*. *Remuneration of employees* in this item and in items 21, 22 and 23 includes, in addition to all elements of earnings, employers' contribution to social insurance.

21. **Distribution, transport and communication.** This total represents earnings and profits arising from distribution, transport and communication activities, including subsidies paid to such concerns. Earnings of workers covered by the Census of Industrial Production, or engaged in building and construction are excluded here and included in item 20. Remuneration of employees is shown separately.

22. **Public administration and defence.** This item includes payments in cash and kind to employees of the central government and local government who are engaged in administrative or regulatory activities, including those in the administrative departments and offices of government, the army and Gardai and diplomatic and consular officials abroad. It does not include payments to employees of concerns covered by the Census of Industrial Production (included in item 20), and to employees engaged in activities, other than administrative, such as building and construction (included in item 20), forestry (included in item 19), and educational and health services (included in item 23).

23. **Other services (including rent).** The total of estimated earnings (cash and kind) and profits in the case of all professions, financial and insurance concerns, health services, personal services (private domestic service, hotels, restaurants, lodging and boarding houses, hairdressing, undertaking, etc.), entertainment and sport (including Radio Telefis Eireann), etc. as well as net rent (actual and imputed). Remuneration of employees is shown separately.

24. Identical with item 6, but showing separately the figures for the sectors industry and distribution.

26. Identical with item 12.

27. Identical with item 13.

28. **Provision for depreciation.** Separate estimates are shown for the main sectors. For the agricultural sector the figure is based on the perpetual inventory method, carried forward using data on capital formation, and covers machinery, vehicles and equipment and farm buildings. In the case of business concerns included in the other sectors, depreciation is generally taken as being the amount allowed for tax purposes (adjusted appropriately for *free depreciation*, etc.). For central and local government an estimate of the depreciation on government buildings is included. An estimate of the depreciation on dwellings is also included.

29. Item 27 plus item 28.

30. **Non product taxes.** These are taxes on production excluding taxes on products as defined in item 33. Rates on commercial property and motor vehicle duties paid by businesses are examples of non product taxes.

31. **Non product subsidies.** These are subsidies on production excluding subsidies on products as defined in item 34. Grants for employment creation are examples of non product subsidies.

32. Item 29 plus item 30 plus item 31.

33. **Product taxes.** These are taxes that are payable per unit of some good or service produced or transacted. Excise duties on drink and tobacco are examples of product taxes.

34. **Product subsidies.** These are subsidies that are payable per unit of good or service produced or imported. They mostly relate to agricultural subsidies such as aid to farmers in less favoured areas.

35. Item 32 plus item 33 less item 34.

36. Identical with item 14.

37. Item 35 plus item 36.

38. **EU subsidies.** These consist principally of all payments made under the Guarantee section of the European Guidance and Guarantee fund (E.A.G.G.F. or F.E.O.G.A.) and are gross of levies paid to the EU such as the Co-responsibility levy on milk, the Co-responsibility levy on cereals and the Super levy in the dairy sector. These tax elements form part of EU taxes.

39. **EU taxes.** This mainly consists of the annual Exchequer contribution to the EU Budget, but excludes the GNP based Fourth Own Resource contribution, which in ESA95 is treated as a 'Miscellaneous other current transfer' (D75). Refunds

40. Item 37 plus item 38 plus item 39.

**Table 3 - Gross Value Added at Factor Cost by Sector of Origin and
Gross National Income at Current Market Prices**

41. Item 19 plus item 28 (a).

42. Item 20 plus item 24(a) plus item 28 (b).

43. Item 21 plus item 24(b) plus item 28 (c).

44. Identical with item 22.

45. Item 23 plus item 28 (d).

47. Identical with item 12.

48. The total of items 41 to 47.

54. Item 51 plus item 52 less item 53. Identical with item 35.
55. Identical with item 14.
56. Item 54 plus item 55. Identical with item 37.
57. Identical with item 38.
58. Identical with item 39.
59. Identical with item 40.

Table 4 - Gross Domestic Product at Constant Factor Cost by Sector of Origin and Gross National Income at Constant Market Prices (chain linked to 2005)

The entries in this table have been obtained by expressing the items in Table 3 in prices of the previous year and then chain linking them. The methods used are referred to in Appendix 1. The Statistical discrepancy item 66 (a) arises from the fact that estimates of gross domestic product at constant market prices are calculated in two independent ways (viz. the output method and the expenditure method see pages v-vii). The two methods produce different estimates as can be seen from summing the output components in Table 4 and the expenditure components in Table 6 for the year 2005. The official level of GDP at constant prices is taken to be the average of the two independent estimates when calculated to base the previous year and the statistical discrepancy in item 66 (a) is the amount by which either estimate has to be adjusted to bring it in line with the official estimate. The statistical discrepancy is only shown for the years 2005 and 2006 as these are the only years when the sums of the components of either the output or expenditure methods are equal to the output or expenditure estimate of GDP. Irrespective of the official GDP being the average of two independent estimates additivity is lost for the individual estimates due to the chain linking process (see page xviii of the introductory text). Also the two independent estimates of GDP are not chain linked. The average of the two is calculated to base the previous year and it is this average which is chain linked to give the official level of GDP, referenced to year 2005.

Table 5 - Expenditure on Gross National Income at Current Market Prices

79. Personal consumption of goods and services at current market prices. The consumption of personal goods and services by Irish residents. Excludes the purchase of dwellings but includes the purchase of all durable (e.g. private motor cars, furniture, etc.) and non-durable (e.g. food, etc.) goods as well as gross rent (including the gross rental value of Local Government and owner-occupied dwellings) and services. In particular this item includes the consumption of a number of goods and services, which are paid for by the state. These form part of *state transfer payments*. For national accounts purposes it is considered that the state provides the money to the households and the household pays the concern providing the good or service. They thus form part of personal income and personal expenditure. Principal among these are:

- Higher Education Grants, Scholarships, etc.
- Secondary Education
- University Education
- Free travel, electricity, telephone rental, television and radio licenses
- Medical goods supplied to households by pharmacists
- Transport Services for school children
- The difference between the lower rent paid by local government tenants and the economic rent of these dwellings

Also included is an imputed rent for owner-occupied dwellings, which never actually takes place as a real transaction. Here an estimated rent is assigned to households, which own their dwellings. This is done to avoid changes in the level of owner-occupied versus rented dwellings affecting the level of GDP in national or international comparisons.

The allocation of the total between different categories of expenditure, given in Table 13 at current prices and in Table 14 at constant prices, is based on a direct estimate of the expenditure in these categories. These figures include expenditure in the State by tourists and other visitors and this is deducted in

aggregate at the foot of the tables to obtain the total expenditure by Irish residents. Expenditure on consumption goods by business concerns and their representatives is excluded. Taxes on income and wealth (including total contribution to social insurance) are also excluded.

In principle the life funds of assurance companies are regarded as part of the personal sector and the payments of life assurance premiums and the receipt of accrued benefits are treated as transfers within that sector. The effect of this is that the increase in the life funds of assurance companies forms part of personal savings.

80. The total of items 185 and 214 less items 173 and 201, plus estimated central and local government depreciation (excluding depreciation of local government dwellings). Identical with item 137. See also notes on Tables 19 to 28.

81. **Gross domestic fixed capital formation.** The total of items 151, 152 and 153.

82. **Value of physical changes in stocks.**

83. **Exports of goods and services.** Total current credit item with this heading in Table 30 (a).

84. **Imports of goods and services.** Total current debit item with this heading in Table 30 (a).

85. **Statistical discrepancy.** Equals items 12, but with sign reversed. See the notes for item 12.

86. **Gross domestic product at current market prices.** The total of items 79 to 85. Identical with item 54.

87. **Net factor income from the rest of the world.** Identical with item 14.

88. **Gross national product at current market prices.** Item 86 plus item 87. Identical with item 37.

Table 6 - Expenditure on Gross National Income at Constant Market Prices (chain linked to 2005)

92. **Personal consumption of goods and services at constant market prices.** The constituents of personal expenditure on consumers' goods and services were separately valued at previous year's prices and chain linked to reference year 2005.

93. **Net expenditure by central and local government on current goods and services at constant market prices.** In most cases, employees' remuneration was expressed at constant prices by applying an index of employment to the base year remuneration. Where reliable employment data were not available the implied index of rates of remuneration was used to deflate current values. Other expenditure was deflated partly by the consumer price index and partly by the wholesale price index.

94. **Gross domestic fixed capital formation at constant market prices.** The construction elements of item 81 were deflated using price indicators supplied by the Department of the Environment, Heritage and Local Government. The remaining constituents of item 81 were separately deflated by the most appropriate wholesale and import price index numbers.

95. **Changes in stocks at constant market prices.** Agricultural and intervention stocks were re-valued at individual commodity level to 2005 prices. Other non-agricultural stocks were deflated by the most appropriate price index numbers.

96. **Exports of goods and services at constant market prices.** Merchandise exports were deflated by the export price index (after taking account of the Balance of Payments adjustment) and receipts from services were deflated by the most appropriate price index in each case.

97. **Imports of goods and services at constant market prices.** Merchandise imports were deflated by the import price index and expenditures on services were deflated by the most appropriate price index in each case.

98. **Statistical Discrepancy.** Equals item 66, but with sign reversed. See the notes for Table 4.

99. **Gross domestic product at constant market prices.** The total of items 92 to 98.

100. **Net factor income from the rest of the world.** Identical with item 74. Item 87 when negative, is generally deflated by the implied price index for exports of goods and non-factor services. The rationale is that the deficit net-factor income flow must be financed by increased exports. See Appendix 1. Since 1999 exceptional adjustments for Balance of Payments purposes have been separately deflated.

101. **Gross national product at constant market prices.** Item 99 plus item 100.

Table 7 - Gross National Disposable Income and its use

105. Identical with item 35.

106. Identical with item 14.

107. Identical with item 37.

108. Identical with item 38.

109. Identical with item 39.

110. Identical with item 40.

111. **Net current transfers from the rest of the world.** Receipts less payments to the rest of the world which are not in exchange for a specified amount of goods or services. Includes, in particular, emigrants' remittances, social welfare transactions, contributions by the central and local government to international organisations and net current transfers from the European Union. In Table 30 (a) the net amount is shown as item 4.

112. Item 110 plus item 111, represents the income of the nation from all sources after allowance for transfers received and paid.

113. Identical with item 79.

114. Identical with item 80.

115. Item 113 plus item 114.

116. Item 112 less item 115.

117. Identical with item 28.

118. Item 116 less item 117. Identical with item 145.

Table 8 - Gross National Disposable Income at Constant Market Prices (chain linked to 2005) Adjusted for Terms of Trade (i.e. Real Gross National Disposable Income)

This table provides a measurement of real income available for consumption or saving incorporating the conventional adjustment for terms of trade. This adjustment was obtained as the difference between the figure obtained by deflating to prices of the previous year, the current value of exports of goods and services by an index of import prices and the value of exports of goods and services as normally deflated to previous year's prices. In years in which there is an improvement in the terms of trade (i.e. where export prices rise faster than or fall more slowly than import prices), the adjustment is positive so that the increase in the availability of goods and services to the community is larger than the change in gross national product at previous year's prices without taking account of the terms of trade

Following the convention used for deflation of net factor income from abroad the implied price index of the exports of goods and services is used to deflate net current international transfers when they are negative and the import index is used when they are positive.

Table 9 - Personal Income and Personal Expenditure

119. Item 15 less item 6.

120. **Government trading and investment income.** Consists of the profit income accruing to the central government and local government in their entrepreneurial capacity. The constituents are (a) the interest element in land annuities received (b) interest and dividends on State investments (such as holdings of foreign securities, loans and equity investments in state owned companies etc.) (c) Central Bank payments to the Exchequer (d) gross trading income of the Post Office Savings Bank (e) interest on loans under the Housing Acts (f) surplus of National Lottery and (g) imputed net rental income of local government. Item derived as the total of item 169, the second and the third parts of item 170, items 198 and 200 less provision for depreciation in respect of local government housing.

121. The total of items 182 plus 183 and the second part of item 211.

122. The total of items 184, 212 and 111 (excluding EU subsidies and taxes) less item 172.

123. **Private income.** This represents the total available to all except the central and local government sector for current expenditure, savings and taxation.

124. **Undistributed profits of companies.** Conceptually, that portion of company income (profits plus investment income) before tax which is not distributed in the form of dividends or interest. In the case of enterprises owned by non residents the entire income after tax is regarded as having been distributed and this item reduces to the tax element. In the case of foreign investments owned by Irish residents the entire income after foreign tax (which has been included in item 119) is included in item 124. *Companies* include certain corporate bodies other than public and private companies. Operationally this is a residual item computed indirectly as the difference between large aggregates. As such, it can be disproportionately affected by small errors in the underlying items and should therefore be treated with caution. It is also estimated to some extent simultaneously with the estimates of personal savings (item 129). Results from recent work on the development of institutional sectoral accounts have been taken into account in compiling the estimate and have improved the quality of this item.

125. **Personal income.** Differs from item 123 by the exclusion of the undistributed profits of companies.

126. Identical with item 79.

127. **Taxes on personal income and wealth.** This item is the difference between the total taxes on income and wealth (including contributions to social insurance) and the payments of direct tax on undistributed profits of domestic companies and on profits of foreign concerns arising from their activity within the State. Since 1987 this item includes Deposit Interest Retention Tax (DIRT). Some relatively small proportion of this tax is in fact paid by Companies and is not therefore appropriate to this heading. No adjustment has been made for this as firm information is not available on the proportion involved.

128. The total of items 126 and 127.

129. **Personal savings.** That portion of personal income that is not expended on current goods and services or on payment of taxes on income and wealth. Hence it equals item 125 less item 128. Item 125 is calculated as a residual (i.e. item 123 minus item 124) and as a cautionary warning has been given above on item 124 it follows that item 129 is vulnerable to small errors in the underlying aggregates. Results obtained from ongoing work on the development of institutional sectoral accounts have recently been taken into account in its calculation and have improved the quality of the estimate.

Table 10 - Net Current Income and Expenditure of Central and Local Government

(See also notes on Tables 19 to 28).

Item 135 (and thus items 138 and 139) of this table had previously been affected by the timing of EU Intervention Agency subsidies. Mismatches in timing between the incurring of losses by the Intervention Agency and the recoupment of these losses from the EU was overcome by the inclusion in item 135 of an imputed (positive or negative as appropriate) subsidy by the Irish Government to cover these losses. This was previously included as a component of the item *Expenses of market intervention less recoupment from EU* in Table 23. The change to an accruals basis for the recording of EU transfers (reflected in the change to the level of *EU subsidies* item in Table 23) has eliminated the need for this imputation.

130. The total of items 166 and 168. Further detail is provided in Table 22.

131. The total of items 167 and 197. Details of individual taxes given in Table 22.

132. Identical with item 120. The total of item 169, the second and third parts of item 170, items 198 and 200 less provision for depreciation in respect of local government housing.

133. Identical with item 172.

134. The total of items 130 to 133.

135. The total of items 181 and 210. Further detail given in Table 23.

136. The total of items 121, 184 and 212.

137. The total of items 185 and 214 less items 173 and 201, plus estimated central and local government' depreciation (excluding depreciation of local government dwellings).

138. The total of items 135 to 137.

139. Item 134 less item 138.

Table 11 - Savings and Capital Formation

140. **Personal.** Identical with item 129.

141. **Companies.** Equals item 124 less corporation tax, fees under the Petroleum and Minerals Development Acts and levies under the Finance Acts (i.e. company profits taxes in Table 22). These taxes are included on a cash receipts basis. To the extent that cash receipts in the year overstate/understate the tax liability of the companies, the balance remains attributed to company savings.

142. **Central and local government.** Identical with item 139. The year to year change in this aggregate can be distorted by delays in payment of EU FEOGA subsidies (see note to Table 10).

143. **Net national savings before adjustment for stock appreciation.** The total of items 140, 141 and 142.

144. Identical with item 156.

145. **Net national savings.** The total amount available from domestic sources for net investment. Equals item 143 adjusted for item 144. Identical with item 118.

146. Identical with item 28.

147. **Net foreign receipts of transfers for capital purposes.** These include capital receipts from the EU as well as the net sale of non produced intangible assets. In Table 30 (b) this item is shown as "Balance on Capital Account".

148. **Net foreign disinvestment.** Net debit balance on current account of the Balance of International Payments Statement, item 5 in Table 30(a) plus capital transfers (i.e. Balance on Capital Account Table 30(b)). It includes some revisions for years prior to 2005, which have not been, included in the Balance of payments publications themselves. It equals the total of items 83, 84, 87, 108, 109, 111 and 147 with the signs changed.

149. **Statistical discrepancy.** Identical with item 12.

150. **Gross total available for investment in domestic physical capital formation.** The total of items 145-149.

151. **Building and Construction.** Includes all new building and major reconstruction of existing buildings as well as all construction work such as roads, harbours, airports, electricity generating stations, drainage and reclamation of agricultural land, bog development, forestry development, etc.

152. Other home produced capital goods. Includes transport equipment (aircraft, ships, rail vehicles and road vehicles other than those bought for personal use), agricultural machinery and other machinery and equipment including tools, containers and other durable goods for industrial, agricultural, commercial and professional use. Durable goods for personal and household use are excluded. Data are largely estimated from the CSO's PRODCOM Enquiry after deductions are made in respect of exports (including re-exports) and distribution margins are added.

153. Imported capital goods. Covers the same goods as item 152, data being obtained from detailed import returns and additions made in respect of distribution margins.

154. Value of changes in agricultural stocks and work in progress. Includes the increase in the value of (i) stocks of raw materials and finished goods held by industry (ii) distribution stocks including intervention stocks and (iii) work in progress in industry. The total change in the value of stocks during any year can be considered in two parts; (a) that due to price changes and (b) that due to volume changes. Item 155 includes both elements of change.

156. Adjustment for stock appreciation. This item represents that portion of the change in the value of non-agricultural stocks during each year attributable to price changes alone. This is deducted from the sum of items 154 and 155 to give the value of physical changes in stocks shown as item 82.

157. Gross domestic physical capital formation. The total of items 151 to 156 and equals the gross total savings available for investment in capital formation (item 150).

Table 12 - Distribution of Personal Income and its relationship to Net National Product at Factor Cost

This Table is a re-allocation of items comprising personal income and private income as given in Table 9. In publications prior to NIE 2006 there was single item for "Net interest, dividends and rents". This item has now been disaggregated to show interest and dividends received, interest paid and rent of dwellings. All interest payments used in national accounts estimates must be adjusted for FISIM. FISIM is a notional payment regarded as having been charged by the banks on interest paid and interest received. (More information on FISIM is given in the section on *Profits of businesses* in Appendix 1 – page 36). Table 12 shows the interest earned by the household sector and the interest paid by the sector prior to the FISIM adjustments and shows the FISIM adjustments separately. Users then have the "normal" interest and the national accounts adjusted version of interest at their disposal.

The interest and dividends shown in this table include interest and dividends from life assurance and pension funds which are regarded as accruing to the household sector. In the administration of these funds such interest and dividends may be automatically reinvested in the funds.

Table 13 - Consumption of Personal Income at Current Market Prices

(See the special note on item 79 in Table 5 for background information on the scope of personal consumption.)

[Note that in NIE publications prior to NIE 2002, all food, including the food element of meals out was included under the category "Food". From NIE 2002 onwards the entire value of meals out (excluding the drinks element) is included with services under "miscellaneous goods and services"].

This Table provides a breakdown of personal consumption of different categories of goods and services.

A variety of methods are used to compile the estimates. Administrative sources provide information for some commodities, but consumption estimates for the majority of goods are estimated using a commodity flow approach. The total supply of individual commodities is derived by adding home production to imports and subtracting off any exports. Personal consumption is estimated by deducting the purchases of businesses and central and local government from the available supply.

For some well-defined products including certain foodstuffs the commodity flow exercise provides reliable estimates of the quantities of produce consumed. Personal consumption of these items is calculated by valuing the quantities at national average retail prices. For other goods the commodity flow calculations are done directly in value terms. The resulting estimates valued at producer and import prices are marked up to incorporate trade margins and taxes.

A variety of methods are used for estimating personal consumption of services, the most important sources being household budget surveys and direct inquiries.

In NIE 2004 the methods of estimating and allocating FISIM (financial intermediation services indirectly measured) were changed. FISIM represents the margin which banks withhold for themselves in paying interest on deposits or charging interest on loans. In the case of deposits it is calculated as the difference between a reference rate (calculated as the effective FISIM-free interest rate on inter-bank business) and the average interest rate, multiplied by the stock of deposits held by households. In the case of loans it is calculated as the difference between the reference rate and the average loan rate, multiplied by the stock of loans held by households. The FISIM in this table does not include FISIM charged on mortgage lending. This latter FISIM is regarded as being incurred by householders in their business capacity as landlords. Households which own their own dwellings are regarded in the national accounts as being landlords to themselves and an imputed rent is entered in respect of owner occupied dwellings under the housing heading in this table. For further details on FISIM see the section on *Profits of businesses* in Appendix 1.

Consumption of all items is valued at retail prices, except for own consumption of home grown produce, which is valued at farm gate prices.

158. Identical with item 79.

159. Identical with item 127.

160. **Total personal consumption.** Equals the total of items 158 and 159.

Table 14 - Consumption of Personal Income at Constant Market Prices (chain linked to 2005)

(See the special note on item 79 in Table 5 for background information on the scope of personal consumption.)

The entries in this table have been obtained by valuing, at previous year's prices, each of the constituents of personal consumption in Table 13 to obtain an annual volume change. The volume changes are chain linked to 2005. When consumption quantities are not directly available expenditures at previous year's prices are estimated by deflating current value amounts by appropriate price indices.

161. **Total personal consumption (except taxes on income and wealth) at constant market prices.** Identical with item 92. This represents the total consumption, included in item 79, valued in constant prices and thus gives a measure of the changes in the volume of consumption.

Table 15 - Gross Domestic Physical Capital Formation at Current Market Prices

In this table the main constituents of item 151 and of the total of items 152 and 153 are shown separately. The figure for **dwellings** includes the total value of new building (excluding site costs), reconstruction and conversion, and is based mainly on data relating to numbers of dwellings built, estimates of capital repairs and extensions to dwellings from an ESRI survey, together with information on work done by local government. For **roads** the expenditure included relates to improvement and new construction only, repair and maintenance work being excluded. The **other building and construction** category includes the full cost of work done on land reclamation. **Transport equipment** covers aircraft, ships and boats, rail vehicles and road vehicles for business use (including the proportion of private cars estimated to be purchased for business use). **Other machinery and equipment** includes tools and durable containers as well as all industrial machinery.

162. Identical with item 157.

Table 17 - Gross Domestic Physical Capital Formation at Constant Market Prices (chain linked to 2005)

164. **Total gross domestic physical capital formation at constant prices.** With the exception of construction works, the constituents of Table 15 are separately deflated to previous year's prices using the appropriate wholesale and import price index number in each case. Annual volume changes are derived in

this way and these volume changes are chain linked to the 2005 figures. Construction works are valued at previous year's prices using price deflators provided by the Department of Environment, Heritage and Local Government.

**Tables 16 and 18 - Gross Fixed Capital Formation by Sector of Use
at Current and Constant Market Prices**

In these tables, Gross Fixed Capital Formation is broken down over the various sectors of use. The majority of the sectoral headings are self-explanatory and are as defined in the European System of Accounts. Market services include all recovery, repair and trade services, the services of transport and communication, credit and insurance institutions and all business, recreational, cultural and other personal services. Non-market services on the other hand covers general government and local government services such as health, education and other public services.

Deflation to constant prices is consistent with the estimates in Table 17 and is done within the various sectors at product level.

163. Identical with item 81.

165. Identical with item 94.

**Table 19 - Receipts and Expenditure of Central Government
(including extra-budgetary funds)**

Table 19 - From 2005 onwards this table includes the transactions of the Health Service Executive. Prior to 2005, the health system was organised via the regional Health Boards. These were considered part of the Local Government Sector and their incomes and expenditures were in Table 20 'Local Government'.

166. Income tax (including sur-tax), corporation profits tax, corporation tax, portion of motor vehicles duties, etc. paid by households, wealth tax and fees under the Petroleum and other Mineral Development Acts.

167. Customs duties, excise duties, value added taxes, stamp duties (including fee stamps), portion of motor vehicle duties paid by businesses, agricultural levies, etc., broadcasting licence fees, fees and licences paid to the government under various acts, levies and tolls paid into extra-budgetary funds. Details are given in Table 22. Under ESA95 accounting conventions, fees and licences paid by businesses are now treated as payments for services. In the past these were treated as taxes on production.

Receipts during 1993 and 1994 under the 1993 tax amnesties amounted to €309 million. About €15 million of this amount was collected in 1993 and the remainder in 1994. As these receipts comprised mainly income tax and, thus, did not directly affect the level of GNP, no retrospective adjustments have been made to the data for 1993 or earlier years in respect of these amnesties.

168. The contributions under the Social Insurance Acts.

169. The excess of interest received over interest credited to depositors in the Post Office Savings Bank Fund less management expenses.

170. The amount shown under land annuities is the total of interest receipts including that part paid by the Exchequer under the Land Acts. Receipts of interest from other Irish sources comprise mainly interest receipts from investment in public corporations and payments by the Central Bank to the Exchequer.

171. Transfers from local government comprise mainly contributions under the Unemployment Assistance Act, 1933 and recoupments to central government departments in respect of services rendered.

172. That part of item 111 received by central government (not elsewhere included). Includes mainly receipts under the European Social Fund.

173. Appropriations-in-aid and extra receipts payable to the Exchequer which have not been included elsewhere together with certain miscellaneous receipts in extra-budgetary funds.

174. Total of items 166 to 173.

175. Estate, etc., duties, capital acquisition and capital gain taxes.

176. Repayments from local government comprise payments to the Local Loans Fund. Other loans repaid consist mainly of loans repaid by public corporations and loan repayments under the European Communities Act, 1972.

177. Includes mainly payments under the European Regional Development Fund and receipts from the Guidance Section of the European Agricultural Guidance and Guarantee Fund (FEOGA).

178. Money raised by creation of public debt less issues for redemption of public debt as shown in Finance Accounts together with net sales of securities, changes in balances, etc. of extra-budgetary funds and the Exchequer. Issues of National Loan bonds are treated gross except for issues under sale and repurchase agreements. Large increase in activity in 1996 followed the introduction of Primary Dealing at the end of 1995.

179. Total of items 175 to 178.

180. Total of items 174 and 179.

181. Unrequited payments which can be regarded as paid into the current account of enterprises for the purpose of reducing prices and/or ensuring that factors of production receive an adequate income. The separate items are shown in Table 23.

182. Interest paid on government borrowing. In line with ESA95 accounting conventions, all interest is recorded on an accruals basis. All internal payments between extra-budgetary funds have been eliminated and the total also excludes the liability under the Land Acts and the liability under the Housing Acts (which are treated as national debt interest in the Finance Accounts). The amount of interest payments to non-residents is included in item 2 of the Balance of International Payments Table 30a.

183. Interest paid on land bonds.

184. Unrequited payments into the current account of households and private non-profit making institutions. The separate items are shown in Table 24. From 1988, this item includes the GNP related contribution to the EU budget. Includes also, as a negative expenditure, the receipts of imputed pension contributions from Government employees (see Item 185 below).

In 2005 the total includes an amount of €1,000m in respect of the repayment of the fees wrongly charged to certain residents of nursing homes. Even though the individual repayments have to be claimed and will take a number of years to process, the accounting rules dictate that the value of the overall amount to be paid should be accrued and recorded in the year when the liability to pay was established with certainty. In 2004, an amount of €40m has been included for these repayments. This represents the value of the ex-gratia payments that Government agreed to pay at the end of 2004.

185. Expenditure on wages, salaries, pensions, goods, services, materials, Most public sector workers benefit from unfunded pension schemes. In line with international accounting conventions, the wages of these workers are increased by an estimate of the amount that the employer would have to contribute if these pensions were actually being funded. This is calculated as the actuarial value of the pension entitlements accrued by employees in respect of their year's work less any pension contributions actually paid by these employees.

The public sector in Ireland is relatively young and the value of pension contributions thus calculated exceeds the value of pensions actually paid, by the Government, to retired employees. To balance the accounts, this excess is routed back to Government and treated as pension contributions paid by employees towards their future pension entitlements. In Table 19, this amount is actually shown as a negative expenditure in item 184 -Transfer payments.

186 Transfers to local government which will be used for current expenditure.

187 Total of items 181 to 186.

188. Unrequited payments regarded as being paid into the capital accounts of enterprises which will result in expenditure on capital formation. Details are given in Table 23.

189. Unrequited payments regarded as being paid into the capital accounts of persons and private non-profit making institutions. Details are given in Table 24.

190. Monies applied to the redemption of debt through sinking funds, etc. together with repayment of National loans. Excludes the cancellation of bonds created under sale and repurchase agreements, which are treated net. Large increase in activity in 1996 followed the introduction of Primary Dealing at the end of 1995.

191. Loans made to local government from the Local Loans Fund. The other loans are mainly loans to public corporations and loans under the European Communities Act, 1972.

192. Direct expenditure on capital formation by the central government. Under ESA95 accounting rules, expenditures on military structures and equipment that can be used for civilian purposes are treated as capital formation. These were previously treated as current expenditures and included in Item 185 "Expenditure on goods and services". Details are given in Table 25.

193. Transfers to local government, which will be used for capital expenditure.

194. Payments under Bretton Woods Agreement Acts, International Development Association Act, 1960 and European Communities Act, 1972.

195. Total of items 188 to 194.

196. Total of items 187 and 195.

**Table 20 - Receipts and Expenditure of Local Government
(includes Health Boards, Vocational Education Committees)**

Table 20 - The Incomes and Expenditures of Health Boards are recorded in Table 20 'Local Government' for all years up to and including 2004. In 2005 the Health Boards were replaced by the Health Service Executive, which is considered part of Central Government. From 2005 onwards, these transactions appear in Table 19 'Central Government'.

197. Receipts from rates as shown in the Local Taxation Returns together with rates in respect of government property.

198. Total rents received, including imputed housing subsidy, less expenditure on maintenance and repair and other expenditure in the housing accounts in the Local Taxation Returns.

199. Identical with item 186.

200. Interest on loans under the Housing Acts.

201. Trading receipts and miscellaneous receipts for services rendered by local government.

202. Total of items 197 to 201.

203. Identical with item 193.

204. Repayments of principal on loans under the Housing Acts.

205. Miscellaneous receipts of a capital nature.

206. Identical with the first part of item 191.

207. This is a balancing item.

208. Total of items 203 to 207.

209. Total of items 202 and 208.

210. Subsidies refer to repayments to the agricultural sector by the County Committees of Agriculture.

211. Interest on monies borrowed by local government.

212. Unrequited payments to persons, including payments in kind. Details are given in Table 24. In the case of Local Government housing the difference between the economic rent and the lower rent actually paid by tenants is treated as an income transfer from Local Government to households. Includes also, as a negative expenditure, imputed pension contributions by workers towards their future pension entitlements.

213. Identical with item 171.

214. Expenditure on wages, salaries, goods, services and materials. As explained in the note to item 185, the wages of workers benefiting from unfunded pension schemes are increased by an estimate of the amount that the employer would have to contribute if these pensions were actually being funded. This is calculated as the actuarial value of the pension entitlements accrued by employees in respect of their year's work less any pension contributions actually paid by these employees. To balance the accounts, when the pension contributions thus imputed exceed the pensions actually paid to retired employees, the balance must be routed back to Government and treated as pension contributions paid by employees towards their future pension entitlements. In Table 20, this amount is actually shown as a negative expenditure in item 212 –"Transfer payments"

215. Total of items 210 to 214.

216. Grants for local improvement schemes and grants by the County Committees of Agriculture.

217. Supplementary grants to persons under the Housing Acts.

218. Loans repaid to central government. Identical with the first part of item 176.

219. Loans made to persons under the Housing Acts.

220. Direct expenditure on capital formation by local government on houses, hospitals, roads, harbours, water supplies, etc. Details are given in Table 25.

221. Total of items 216 to 220.

222. Total of items 215 and 221.

Table 21 - Receipts and Expenditure of Central and Local Government

This table summarises the consolidated accounts of central government and local government. Individual items are obtained by adding corresponding entries in Tables 19 and 20, omitting those entries, which refer to internal transactions of the central and local government sector.

The items in Table 10 are related to those in Table 21 as follows: Items 130, 131, 133 and 135 correspond with individual entries in Table 21.

Item 132 is equal to the sum of gross trading income, gross rental income and investment income as given in Table 21 less provision for depreciation in relation to the rental income of local government.

Item 136 is equal to the sum of National debt interest and transfer payments in Table 21.

Item 137 is equal to current expenditure on goods and services less miscellaneous receipts (both as in Table 21) plus an estimated provision for depreciation of central and local government' fixed assets, other than local government dwellings.

Tables 22 to 28

Tables 22 to 25 give details of the constituents of certain items in Tables 19 to 21.

Tables 26 to 28 show the expenditure included in Tables 19 to 21 classified by purpose of expenditure and by economic category. These tables continue the series originally published in the June, 1969 and March, 1970 issues of the “**Irish Statistical Bulletin**”.

The Health Service Executive was established in 2005 and is considered as part of Central Government in the national accounts. It replaces the former Health Boards which were treated as part of Local Government. In year 2005, this has resulted in current grants to local government under the "Health" category being zero in Table 26 and in current transfers by local government under the "Health" category being zero in Table 27.

Definitions of the various purpose categories of the expenditure are as follows:

1. **Defence:** Administration and upkeep of the defence forces including expenditure on barracks, military equipment and on civil defence. All such expenditure is treated as current.
2. **Other general government services:** General services of government relating to finance, the legislature, the judiciary, public order and safety and foreign affairs. Includes other general services not specifically allocated to one purpose.
3. **Education:** Administration of education departments. Provision, management, inspection and support of primary, secondary and vocational schools, university type institutions and schools for the handicapped, including reformatory and industrial schools. Included are scholarships, loans and grants to persons and institutions for educational purposes; subsidiary services such as school meals and transportation. School medical and dental services are included under Health.
4. **Health:** Administration of health departments, national health schemes and medical insurance schemes, together with expenditure on these schemes. Expenditure on hospitals, clinics and similar institutions including homes for the aged, blind, disabled, etc. Individual services such as medical, dental and maternity care, provision of drugs and medical appliances, immunisation and vaccination programmes and similar field programmes. School health and dental services are included.
5. **Social security and welfare:** Administration of funds for unemployment assistance and benefit, old age, blind and widows' and orphans' pensions, children's allowances, accident, injury, sickness, redundancy and other benefits to compensate for loss of income, together with payments from the relevant funds or other sources. Included are such items as allowances to disabled person (Department of Health and Children vote) and special allowances under the Army Pension Acts (Army Pensions vote).
6. **Housing:** Expenditure in relation to provision of housing, including subsidies and grants in connection with construction or reconstruction of houses. Includes estimate of administration expenses in relation to the above.
7. **Other community and social services:** Administration, provision and upkeep of all other community services. Grants and support to bodies providing these services. Included are town and country planning, sanitary services, recreational and cultural facilities such as parks, libraries, museums, etc. Expenditure on support of the arts, theatres, religious groups, youth and civic organisations as well as on the promotion of the Irish language are classified here.
8. **Agriculture, forestry and fishing:** Administration of departments and other bodies dealing with agriculture, forestry and fishing. Includes outlays on advisory services, veterinary services, land reclamation, arterial drainage, reforestation, grants, subsidies and agricultural price support schemes. Central government expenditure includes also payment to local government in relief of rates on agricultural land.
9. **Mining, manufacturing and construction:** Administration of promotion, regulations, research, grants, subsidies and other assistance in relation to the development of industry, together with the corresponding outlays on these services.
10. **Transport and communication:** Administration of promotion, regulations, research, grants, subsidies and other assistance in relation to transport and communication, together with the corresponding outlays on these services.

11. **Other economic services:** Provision, administration and upkeep of all other economic services, such as those relating to labour, commerce, electricity, gas and water, meteorology, ordnance survey, etc., together with the central administration of the relevant Departments.

12. **Public debt:** Includes payment of public debt interest and principal both to residents and non-residents. Local government' loan repayments to central government are included here in the local government tables.

13. **Unallocated by function:** Certain grants payable by Central Government to Local Governments are multi-purpose grants and cannot be assigned to specific functions. These include road vehicle taxes. Since 1997, Local Governments are allowed to retain the amounts of motor tax collected to finance their activities. However, in the national accounts these taxes are still treated as accruing to Central Government and are then assigned to Local Governments as grants in aid. This category also includes block grants payable to Local Governments via the Local Government Fund.

Table 29 - Social Protection Accounts

This Table shows the current receipts and expenditure of the nation on social protection together with a functional classification of the benefits arising from this expenditure. Social protection in this context is taken to include social security in its broadest sense and covers such functions as sickness and invalidity, occupational accidents and diseases, old age, family, vocational guidance, unemployment and housing.

In principle the social protection accounts should bring together under the appropriate headings receipts and expenditure of all public and privately financed schemes considered to provide social benefits. In practice, it has not been possible to compile comprehensive information for Ireland in two important areas viz.:

- (1) Privately funded pension schemes and
- (2) Wages and salaries paid by employers when employees are absent due to sickness.

This must be borne in mind in any comparisons with data for other countries.

Social protection benefits for the **functional** category 'Placement, vocational guidance, settlement' now exclude payments linked to direct job creation in keeping with the principles of ESA95.

The detailed definitions of the categories in the European Social Protection Accounts are contained in "European System of Integrated Social Protection Statistics (ESSPROS) Methodology, Part 1, Eurostat 1981". The following is a summary of the terminology and sources used in the compilation.

Definitions:

Social expenditure:

Any expenditure involved in meeting expenses incurred by households as a result of the materialisation or existence of certain risks or needs, insofar as this expenditure gives rise to the intervention of a *third party*, namely a unit other than the households themselves - a public or private administration or undertaking - without there being any simultaneous equivalent counter-contribution by the beneficiary.

Social protection benefits:

These refer to that part of social expenditure, which is distributed to households in the form of personal allocations.

They may be granted to households either by social institution or directly by the employers and may be provided in cash or in kind.

Administrative expenditure related to benefits:-

administration costs (compensation of employees of the institutions and agencies concerned, purchases of goods and services).

Other current expenditure.

Functions of social benefits:

The list of functions corresponds to the risks or needs taken into consideration. The functions generally relate to the circumstances (unemployment, maternity, etc.) of the beneficiaries.

Sources of the data:

In principle, social expenditure is financed by social contributions from employers, protected persons, general government and other receipts. However, the omission of important private sources mentioned above should be noted.

The coverage of the data comprises: Central Government/Local Government wages and salaries paid during illness; compensation for criminal injuries paid by the Department of Justice, Equality and Law Reform; free travel, electricity and T.V licences provided to certain army veterans by the Department of Defence; Central Government/Local Government housing subsidies; Central Government/Local Government superannuation of employees; Central Government promotion of employment programmes; children's allowances paid to civil servants; Local Government' social assistance; the Department of Labour Redundancy Fund; Redundancy payments by Enterprises; superannuation payments by enterprises; expenditure on the health services by the Department of Health and Children and the Voluntary Health Insurance Board. Also included is expenditure by the Department of Social and Family Affairs under such headings as Free Travel, Free Electricity, Free T.V. Licences, Free Telephone Rental Scheme and Free Bottled Gas for the Elderly, Old-age and Blind Pensions (Non-contributory), Children's allowances, Unemployment Assistance and Other Social Assistance, in addition to certain Social Welfare funds, namely, the Social Insurance Fund, the Supplementary Unemployment Fund and the Occupational Injuries Fund.

The sources, used to compile the necessary data are, in the case of schemes having a Central Government component, the annual Appropriation Accounts as well as special returns from Government departments. Annual Reports and Accounts of Government departments and agencies are also used. CSO enterprise surveys such as the Census of Industrial Production provide some data on the private sector involvement in social protection schemes.

Relationship with the National Accounts:

Data presented in the Social Accounts appear under the number of different flows in the National Accounts. In the transfers and final expenditure. In the Social Accounts the various expenditure are re-classified to their appropriate function. As far as General Government is concerned this can be illustrated by reference to Tables 19 et seq. For example, wages and salaries paid during illness as well as superannuation of employees form part of items 185 and 214 both of which items contain a sub-heading for expenditure on wages, salaries and pensions. Promotion of employment programmes data fall under the headings Subsidies (item 181), Transfer payments (item 184), Expenditure on other goods and services (item 185) and Grants to local government (item 186). Housing transfer payments, which are mainly Local Government Transfer payments (item 212) are included in Table 24. Health expenditure is recorded partly as Transfer payments (item 212) and partly as Expenditure on goods and services (item 214). The remaining items are coded as transfers and are set out in Table 24. They comprise old age (non-contributory) pensions, Children's allowances, Unemployment assistance, Widows' and orphans' (non-contributory) pensions, Free travel, electricity, telephone rental, televisions and radio licences for old age pensioners, etc., Redundancy payments, Occupational injuries benefit, Supplementary welfare allowance (part of Local Government Social Assistance), together with payments from the Social Insurance Fund covering Disability benefit, Retirement pensions, Old age (contributory) pensions, Widows' (contributory) pensions, Invalidity pensions, Treatment benefit, Pay-related benefit and Other social insurance.

Also in Table 24 are listed the principal health transfer payments viz. Rehabilitation, etc. of disabled persons, Section 65 of the Health Act, 1953, Payments for medical goods supplied to households by pharmacists, Domiciliary care for handicapped children and Subsidies for drug purchases. Transfers not separately listed are included in *Other social payments*.

It may be noted that item 168, Social insurance contributions consists of contributions paid by employers and protected person to the Social Insurance Fund, the Occupational Injuries Fund, the Redundancy Fund and towards the operation of the Health Services.

Tables 30 (a) and (b) - Balance of International Payments

Tables 30a and 30b give the Balance of International Payments (BOP) estimates. Retrospective estimates of the main balance of payments flows for the current account for the years 2000-2006 are included in Table 30(a). Consequently the figures in this table differ from the Balance of Payments publications which do not incorporate revisions for more than two years retrospectively.

A new treatment of FISIM (Financial Intermediation Services Indirectly Measured - see Appendix 1 page 38) was introduced in NIE 2004 and this results in a presentational difference between the figures published in the BOP publications and the figures in Table 30(a) of the NIE publication. This arises because the nominal interest flows in the BOP are not adjusted for FISIM. In the national accounts the FISIM element of the relevant nominal interest flows is included as an import or export of services, and only the pure (i.e. FISIM-free) elements are recorded in the net factor incomes item. The combination of the national accounts items net exports of services (including FISIM) and net factor income from abroad (excluding FISIM) does however equal the BOP combination of net exports of services and net income. It is not possible to give comparable estimates for the components of the financial account (i.e. Table 30(b)) for years earlier than 1998 as a new series was introduced in respect of that year onwards incorporating the activities of the IFSC.

Full definitions of the component items of the Balance of Payments are provided in the Quarterly Balance of Payments release and in the Statistical Bulletin. Summary descriptions are provided hereunder.

Table 30(a) – Current Account

Item 1. Merchandise exports and imports are valued f.o.b. (*free on board*) for BOP purposes (imports are valued c.i.f. [*cost, insurance and freight*] in the official external trade statistics and this valuation was formerly used in the BOP). Some adjustments are also made to the official merchandise trade statistics to conform to the BOP change of ownership and market valuation principles. In addition, certain exports sales of software licences, which were formerly included in merchandise exports, are now recorded as service exports.

Services covers transport, tourism and travel, communications, insurance services, financial services, computer services, royalties and licences, business services and other services not elsewhere specified. Because of the presentation of merchandise imports on a f.o.b. basis (rather than c.i.f. as before), the freight element of the c.i.f. to f.o.b. adjustment is now included in transport services.

Item 2. Income covers (a) compensation of employees, which relates to the earnings of persons working outside their country of residence for less than one year and earnings of local staff working in embassies and consulates, and (b) investment income, which covers earnings arising from foreign investors' investments in Ireland and Irish investors' investment abroad. Investment income excludes realised and unrealised capital and exchange gains or losses.

Item 3. Subsidies less Taxes These relate to EU subsidies and taxes.

Item 4. Current transfers cover unrequited receipts and payments such as payments under Third World aid programmes operated by non-governmental organisations.

Item 5. Current account balance is the total of all current account credits less the total of all current account debits.

Table 30(b) – Capital and Financial Account

Item 6. Balance on Capital account. The capital account largely covers capital transfers, in particular amounts receivable under the EU Regional Development Fund and the Cohesion Fund and all other transfers intended for capital purposes. Estimates of migrants' transfers (i.e. the transfer of the net worth of immigrants and emigrants) are included but they are not well based. In addition, acquisitions and disposals of non-produced, non-financial assets (patents, copyrights, etc.) are also covered here. These transactions tend to occur infrequently but the amounts can vary substantially. Because of certain data limitations only the net flows are shown.

Financial account. The financial account covers transactions in foreign financial assets (i.e. claims on non-residents) and foreign liabilities (i.e. obligations to non-residents). The four categories of functional investment, which are distinguished (i.e. direct investment, portfolio investment, other investment and reserve assets), are based primarily on the relationship between the parties and secondly on the nature of the instrument involved.

Item 7. Direct investment is a category of international investment that, based on an equity ownership of at least 10%, reflects a lasting interest by a resident in one economy (the direct investor) in an enterprise resident in another economy (the direct investment enterprise). Using this criterion, a direct investment relationship can exist between a number of affiliated enterprises whether the linkage involves a single chain or a number of chains. It can extend to a direct investment enterprise's subsidiaries, sub-subsidiaries and associates. Once the direct investment relationship is established, all subsequent financial flows between the related entities are recorded as direct investment transactions, regardless of the type of financial instrument used in the financing arrangement (except for financial intermediary affiliates among which direct investment transactions are limited to those involving equity and permanent debt).

Item 8. Portfolio investment covers the acquisition and disposal of equity and debt securities, which cannot be classified under, direct investment or reserve assets transactions. The securities involved are traded (or tradable) in organised and other financial markets. *Debt securities* cover *bonds and notes*, which have an original maturity term of more than one year and *money market instruments* with original maturity of one year or less. Transactions are valued at market value inclusive of accrued income.

Item 9. Other investment covers assets and liabilities other than those classifiable to direct investment, portfolio investment or reserve assets. It comprises loans, currency and deposits, short and long-term trade credits, financial derivatives and other accounts receivable and payable. Derivatives cover over-the-counter (OTC) and exchange-traded contracts and include options, futures, swaps, forwards, etc. For BOP purposes, all receipts and payments connected to financial derivative contracts (other than the values of transactions in the underlying commodities or financial instruments) are recorded in the financial account i.e. there are no entries in the current account other than related fees and service charges (not always identifiable). In principle, other investment transactions are valued at market valuation inclusive of accrued income. For loans, book values are accepted as a proxy for market values.

Item 10. Reserve assets at national level in the context of EMU have been defined by the European Central Bank from 1 January 1999, the date of introduction of the euro currency, as: (a) qualifying assets which are under the effective control of the national monetary authority (i.e. the Central Bank of Ireland), and (b) consisting of highly liquid, marketable and credit-worthy foreign (non-euro) currency denominated claims on non euro-area residents together with gold, special drawing rights (SDRs) and the reserve position in the IMF. Up to 31 December 1998, together with gold, SDRs and the reserve position in the IMF, the definition covered all foreign currency (non Irish Pound) denominated claims on non-residents of Ireland. Therefore, all claims on euro-area residents as well as euro-denominated claims on non euro-area residents, which prior to 1999 would have been classified as reserve assets, are from 1999 onwards classified to *portfolio investment* or *other investment* as appropriate.

Item 11. Balance on Financial Accounts is the total of all financial account credits less the total of all financial account debits.

Item 12. Net errors and omissions. The sum of the credit entries should, in principle, equal the sum of the debit entries over all three accounts. In practice, because of differences in coverage, valuation and timing this does not occur and a balancing item, *net errors and omissions* is inserted to balance the overall account.