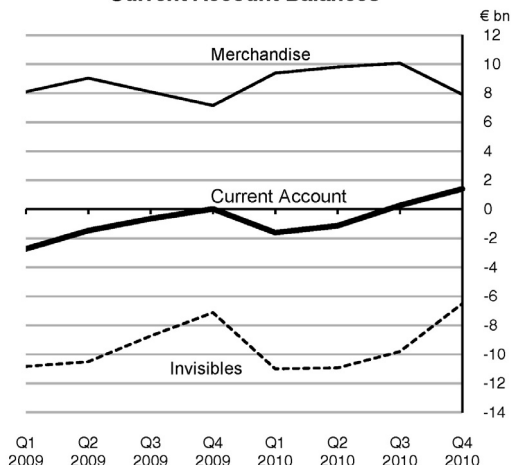




**An Phríomh-Oifig Staidrimh**  
Central Statistics Office

24 March 2011

**Current Account Balances**



## Balance of International Payments Quarter 4 and Year 2010

€ million

	Merchandise Balance	Invisibles Balance	Current Account Balance
<b>Q4 2010</b>	7,905	-6,509	1,396
<b>Q4 2009</b>	7,149	-7,132	17
<b>Year 2010</b>	37,147	-38,259	-1,113
<b>Year 2009</b>	32,367	-37,218	-4,853

### Quarter 4 2010 current account surplus largest in series

The 4<sup>th</sup> Quarter 2010 Balance of Payments current account surplus rose to €1,396m giving a deficit of just €1,113m for the year as a whole. This was €3.7bn lower than the previous year and the lowest annual deficit since 2004 - see Table 1. The 4<sup>th</sup> quarter *merchandise* surplus of €7,905m was €2.2bn lower than the previous quarter but up over €750m on the same quarter one year earlier. The *invisibles* deficit of €6,509m was €3.3bn lower than the previous quarter and over €600m lower than a year earlier. Within this aggregate, the *services* deficit of €2,496m was over €900m higher than the previous quarter while the net *income* outflow of €4,727m was €2.9bn lower.

For the year 2010, the *merchandise* surplus of €37,147m was €4.8bn higher than in 2009 due to an increase in exports of €6.8bn which was partially offset by an increase of €2bn in imports; the *services* deficit of €8,520m was €100m higher than in 2009. Net factor income outflows increased by almost €700m from €27,901m in 2009 to €28,567m. Other points of note in the 4<sup>th</sup> Quarter 2010 results are:

#### Current account (see Tables 1a and 2a)

- ◆ *Merchandise* exports of €20,037m were down €1,555m on the previous quarter, while imports increased by €600m.
- ◆ *Services* exports at €19,725m in the 4<sup>th</sup> quarter were €1.1bn higher than the previous quarter, with an increase in *computer services* (up €1.7bn) being partly offset by decreases in *transport* (down €500m) and *tourism and travel* (down €400m). *Services* imports at €22,221m were up over €1.9bn due mainly to increases in *business services* (up €1.8bn in Q4), and *royalties* (up almost €900m).
- ◆ *Direct investment income* outflows of €7,273m decreased by €3.5bn compared to the previous quarter. *Direct investment income* inflows of €3,887m were up over €1.2bn on the same quarter last year.

#### Financial account (see Table 2b)

- ◆ *Direct investment abroad* showed further increases of €5,041m in the 4<sup>th</sup> quarter. Inward FDI showed a net inflow of €15,849m due mainly to increased *other capital investment* (€21,202m).
- ◆ Net investment in foreign portfolio assets decreased by €74.5bn in the quarter. A large part of this decrease is due to transfer of assets from IFSC banks to a Euro Area asset purchase vehicle.
- ◆ Other investment liabilities decreased by €103,960m in the quarter due mainly to a reduction in liabilities of the IFSC banks related to the above mentioned transfer of portfolio assets.

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Table 1a – Summary of Current and Capital Account Balances

€ million

Period		Merchandise <sup>1</sup>	Invisibles				Balance on Current Account	Balance on Capital Account
			Services	Income	Current Transfers	Total		
1998	Year	17,510	-8,820	-9,382	1,319	-16,883	627	840
1999	Year	22,170	-10,176	-12,945	1,177	-21,944	226	560
2000	Year	27,266	-13,889	-14,750	994	-27,645	-379	1,182
2001	Year	30,494	-13,259	-18,295	305	-31,249	-757	703
2002	Year	35,442	-13,779	-23,664	707	-36,736	-1,295	512
2003	Year	32,604	-11,091	-21,947	432	-32,606	-2	93
2004	Year	31,423	-10,203	-22,481	393	-32,291	-867	279
2005	Year	28,218	-9,303	-24,870	265	-33,908	-5,690	264
2006	Year	25,031	-6,797	-24,033	-506	-31,336	-6,304	223
2007	Year	19,811	-1,121	-27,825	-990	-29,936	-10,124	39
2008	Year	23,811	-7,670	-25,155	-1,154	-33,979	-10,169	47
2009	Year	32,367	-8,416	-27,901	-901	-37,218	-4,853	-1,252
2010	Year	37,147	-8,520	-28,567	-1,172	-38,259	-1,113	-743
1998	Quarter 1	3,823	-2,184	-2,071	259	-3,996	-173	91
	Quarter 2	4,130	-1,845	-2,418	404	-3,859	271	39
	Quarter 3	4,883	-1,908	-2,698	235	-4,371	512	336
	Quarter 4	4,675	-2,882	-2,195	422	-4,655	20	374
1999	Quarter 1	4,915	-2,548	-2,581	277	-4,852	63	133
	Quarter 2	5,131	-2,492	-2,987	342	-5,137	-6	40
	Quarter 3	6,114	-2,516	-3,792	163	-6,145	-31	4
	Quarter 4	6,010	-2,621	-3,585	395	-5,811	199	383
2000	Quarter 1	5,457	-2,887	-3,326	324	-5,889	-432	300
	Quarter 2	6,447	-3,188	-3,007	253	-5,942	505	192
	Quarter 3	7,351	-3,406	-4,091	-92	-7,589	-238	-12
	Quarter 4	8,011	-4,408	-4,326	509	-8,225	-214	702
2001	Quarter 1	6,771	-3,413	-3,929	64	-7,278	-508	300
	Quarter 2	8,089	-3,354	-4,748	-13	-8,115	-26	76
	Quarter 3	8,085	-3,085	-4,816	-57	-7,958	126	9
	Quarter 4	7,549	-3,407	-4,802	311	-7,898	-349	318
2002	Quarter 1	8,977	-3,845	-5,837	-36	-9,718	-741	-14
	Quarter 2	8,598	-3,683	-6,290	131	-9,842	-1,244	2
	Quarter 3	9,265	-3,493	-5,529	-68	-9,090	174	9
	Quarter 4	8,602	-2,758	-6,008	680	-8,086	516	515
2003	Quarter 1	7,622	-2,472	-5,815	-89	-8,376	-753	0
	Quarter 2	8,421	-2,747	-5,634	48	-8,333	88	-38
	Quarter 3	8,338	-3,084	-5,061	-89	-8,234	103	-192
	Quarter 4	8,223	-2,788	-5,437	562	-7,663	560	323
2004	Quarter 1	8,143	-2,588	-5,601	-61	-8,250	-107	-22
	Quarter 2	8,142	-2,488	-5,867	64	-8,291	-149	-57
	Quarter 3	7,763	-2,700	-5,409	-13	-8,122	-359	19
	Quarter 4	7,375	-2,427	-5,604	403	-7,628	-252	339
2005	Quarter 1	6,422	-1,974	-6,172	-285	-8,431	-2,009	80
	Quarter 2	7,425	-1,799	-7,064	187	-8,676	-1,250	-21
	Quarter 3	7,339	-2,522	-5,771	-261	-8,554	-1,215	16
	Quarter 4	7,032	-3,008	-5,863	624	-8,247	-1,216	189
2006	Quarter 1	5,752	-1,448	-6,142	-464	-8,054	-2,302	78
	Quarter 2	6,898	-2,069	-5,914	-352	-8,335	-1,437	8
	Quarter 3	6,984	-1,124	-6,724	-363	-8,211	-1,227	-9
	Quarter 4	5,397	-2,156	-5,253	673	-6,736	-1,338	146
2007	Quarter 1	4,187	150	-7,259	-703	-7,812	-3,624	48
	Quarter 2	6,146	-346	-7,490	-405	-8,241	-2,096	-4
	Quarter 3	5,076	-68	-6,189	-460	-6,717	-1,641	-10
	Quarter 4	4,402	-857	-6,887	578	-7,166	-2,763	5
2008	Quarter 1	4,573	-1,663	-6,125	-781	-8,569	-3,997	23
	Quarter 2	5,814	-1,417	-6,390	-570	-8,377	-2,563	47
	Quarter 3	5,809	-1,294	-7,106	-386	-8,786	-2,976	-19
	Quarter 4	7,615	-3,296	-5,534	583	-8,247	-633	-4
2009	Quarter 1	8,096	-2,880	-7,170	-783	-10,833	-2,738	-18
	Quarter 2	9,035	-2,515	-7,398	-601	-10,514	-1,479	-16
	Quarter 3	8,087	-1,076	-7,304	-359	-8,739	-653	-25
	Quarter 4	7,149	-1,945	-6,029	842	-7,132	17	-1,193
2010	Quarter 1	9,382	-2,056	-8,226	-722	-11,004	-1,622	17
	Quarter 2	9,797	-2,403	-7,985	-550	-10,938	-1,142	-28
	Quarter 3	10,063	-1,565	-7,629	-614	-9,808	255	-19
	Quarter 4	7,905	-2,496	-4,727	714	-6,509	1,396	-713

<sup>1</sup> Adjusted for balance of payment purposes

**Table 1b – Summary of Financial Account Balances and Net Errors and Omissions** € million

Period		Direct Investment	Portfolio Investment	Other <sup>1</sup> Investment	Reserve Assets	Balance on Financial Account	Net errors and omissions
1998	Year	4,422	-8,466	7,459	-2,280	1,135	-2,602
1999	Year	11,359	-14,342	-974	1,746	-2,211	1,425
2000	Year	22,957	-5,358	-9,037	-142	8,420	-9,223
2001	Year	6,241	-25,158	19,039	-441	-319	372
2002	Year	19,444	-37,979	19,263	343	1,070	-287
2003	Year	15,270	-39,977	21,567	1,770	-1,372	1,280
2004	Year	-23,095	14,287	11,430	1,177	3,801	-3,212
2005	Year	-36,992	52,698	-17,665	1,472	-487	5,912
2006	Year	-16,634	8,135	13,182	87	4,770	1,311
2007	Year	2,602	-7,283	16,744	-12	12,051	-1,966
2008	Year	-24,167	-45,749	86,128	-78	16,132	-6,010
2009	Year	476	18,760	-22,631	79	-3,315	9,419
2010	Year	8,175	94,702	-88,998	5	13,886	-12,029
1998	Quarter 1	1,497	-1,255	1,939	-165	2,016	-1,935
	Quarter 2	1,965	-1,301	106	-1,011	-241	-67
	Quarter 3	2,393	-5,411	4,245	-333	894	-1,741
	Quarter 4	-1,433	-498	1,169	-771	-1,533	1,140
1999	Quarter 1	4,215	-4,805	884	1,887	2,181	-2,377
	Quarter 2	2,019	-5,227	-1,734	-93	-5,035	5,001
	Quarter 3	3,789	-4,390	-12	13	-600	627
	Quarter 4	1,336	79	-112	-61	1,242	-1,824
2000	Quarter 1	2,317	-5,222	3,728	39	862	-730
	Quarter 2	6,184	4,761	-7,128	-55	3,762	-4,459
	Quarter 3	6,819	-5,814	2,652	-38	3,619	-3,369
	Quarter 4	7,636	917	-8,289	-88	176	-664
2001	Quarter 1	-403	1,851	-3,318	-67	-1,937	2,145
	Quarter 2	4,368	-6,594	3,774	-199	1,349	-1,399
	Quarter 3	1,960	-11,644	11,067	-45	1,338	-1,474
	Quarter 4	316	-8,771	7,516	-130	-1,069	1,100
2002	Quarter 1	6,205	-13,891	9,680	265	2,258	-1,503
	Quarter 2	1,379	941	-2,345	236	211	1,032
	Quarter 3	8,473	-11,496	4,692	-130	1,539	-1,723
	Quarter 4	3,387	-13,533	7,236	-28	-2,938	1,907
2003	Quarter 1	4,065	-8,773	3,197	1,818	308	445
	Quarter 2	11,407	-10,431	-1,876	-43	-943	893
	Quarter 3	3,830	-23,201	18,913	-84	-544	633
	Quarter 4	-4,032	2,428	1,333	79	-193	-691
2004	Quarter 1	-8,076	10,665	-5,684	1,189	-1,905	2,035
	Quarter 2	-4,869	9,346	-4,281	135	331	-125
	Quarter 3	158	-4,805	7,694	-129	2,918	-2,578
	Quarter 4	-10,308	-919	13,701	-18	2,457	-2,544
2005	Quarter 1	964	4,080	-7,896	48	-2,804	4,733
	Quarter 2	-7,066	-428	10,874	69	3,449	-2,178
	Quarter 3	-15,732	25,927	-11,672	10	-1,467	2,665
	Quarter 4	-15,158	23,119	-8,971	1,345	335	692
2006	Quarter 1	-4,454	-15,069	17,720	83	-1,720	3,944
	Quarter 2	-9,630	-5,782	16,549	-110	1,027	402
	Quarter 3	5,333	2,601	-6,656	68	1,346	-110
	Quarter 4	-7,883	26,385	-14,431	46	4,117	-2,925
2007	Quarter 1	1,048	-976	2,274	-47	2,300	1,277
	Quarter 2	-3,101	-17,579	22,776	9	2,104	-5
	Quarter 3	-1,092	22,769	-19,941	-38	1,698	-47
	Quarter 4	5,747	-11,497	11,635	64	5,949	-3,191
2008	Quarter 1	-3,191	8,182	3,140	74	8,205	-4,231
	Quarter 2	-3,077	-5,541	18,414	-46	9,749	-7,233
	Quarter 3	-9,276	-12,083	21,835	-39	437	2,558
	Quarter 4	-8,623	-36,307	42,739	-67	-2,259	2,896
2009	Quarter 1	-807	-2,422	-518	41	-3,706	6,462
	Quarter 2	2,724	-19,748	23,507	-62	6,422	-4,927
	Quarter 3	-11,460	26,631	-17,978	3	-2,804	3,481
	Quarter 4	10,019	14,299	-27,642	97	-3,227	4,403
2010	Quarter 1	-698	21,581	-26,308	32	-5,393	6,998
	Quarter 2	-624	-4,868	13,429	-19	7,918	-6,748
	Quarter 3	-1,311	-18,061	25,981	-76	6,534	-6,770
	Quarter 4	10,808	96,050	-102,100	68	4,827	-5,509

<sup>1</sup> Includes financial derivatives; in the case of liabilities this category also includes life insurance liabilities to non-residents

Table 2a – Current and Capital Accounts

€ million

Item		2009	2010	2009				2010			
		Year		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Current Account											
Merchandise <sup>1</sup>	Cr	77,026	83,862	20,331	20,358	18,408	17,929	20,477	21,756	21,592	20,037
	Db	44,659	46,716	12,236	11,322	10,321	10,780	11,095	11,959	11,530	12,132
Services	Cr	66,634	73,322	15,528	16,808	16,619	17,679	16,630	18,253	18,714	19,725
	Db	75,049	81,842	18,408	19,323	17,695	19,623	18,686	20,656	20,279	22,221
Transport	Cr	2,898	3,435	512	782	985	619	553	867	1,266	749
	Db	1,597	1,613	440	407	370	380	394	426	395	398
Tourism and Travel <sup>2</sup>	Cr	3,506	3,075	640	1,019	1,168	679	473	845	1,079	678
	Db	6,287	5,826	1,324	1,615	2,064	1,284	1,251	1,397	2,055	1,123
Communications	Cr	506	480	121	132	129	124	116	123	116	125
	Db	1,088	1,218	255	271	269	293	302	293	318	305
Insurance	Cr	7,597	7,865	1,935	1,904	1,843	1,915	2,137	1,910	1,917	1,901
	Db	6,323	6,179	1,554	1,556	1,576	1,637	1,660	1,505	1,495	1,519
Financial services	Cr	5,714	5,999	1,361	1,510	1,444	1,399	1,438	1,539	1,465	1,557
	Db	4,152	4,488	1,013	1,082	1,065	992	1,054	1,148	1,053	1,233
Computer services <sup>3</sup>	Cr	24,223	28,126	5,755	6,105	5,508	6,855	6,310	7,200	6,473	8,143
	Db	689	702	159	186	166	178	161	189	186	166
Royalties/Licences	Cr	1,213	1,362	270	288	298	357	354	302	302	404
	Db	25,049	28,785	6,452	6,244	5,732	6,621	6,672	7,645	6,802	7,666
Business services	Cr	20,458	22,429	4,804	4,940	5,114	5,600	5,110	5,328	5,960	6,031
	Db	29,705	32,871	7,170	7,924	6,414	8,197	7,152	8,013	7,936	9,770
Trade related	Cr	8,415	9,396	1,838	1,925	2,140	2,512	1,982	2,124	2,676	2,614
	Db	9,511	10,892	2,097	2,579	2,047	2,788	2,284	3,069	2,476	3,063
Operational leasing	Cr	5,689	6,184	1,432	1,446	1,417	1,394	1,462	1,580	1,642	1,500
	Db	1,484	1,412	375	388	369	352	370	361	348	333
Misc. business services <sup>4</sup>	Cr	6,352	6,850	1,534	1,568	1,556	1,694	1,667	1,624	1,642	1,917
	Db	18,709	20,567	4,697	4,957	3,998	5,057	4,498	4,583	5,113	6,373
Other services n.e.s.	Cr	514	552	128	127	129	130	138	139	137	138
	Db	159	158	41	38	39	41	39	40	39	40

Table 2a – Current and Capital Accounts - continued

€ million

Item		2009	2010	2009				2010			
		Year		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Current Account - continued											
Income	Cr	54,454	56,755	14,555	14,236	12,720	12,943	12,790	13,655	15,294	15,016
	Db	82,355	85,322	21,725	21,634	20,024	18,972	21,016	21,640	22,922	19,744
Compensation of Employees	Cr	404	419	104	94	103	103	103	106	105	105
	Db	788	736	210	188	189	201	191	181	185	179
Investment Income	Cr	54,050	56,336	14,451	14,142	12,617	12,840	12,687	13,549	15,189	14,911
	Db	81,567	84,586	21,515	21,446	19,835	18,771	20,825	21,460	22,737	19,564
Direct investment income	Cr	8,675	13,081	2,035	1,835	2,139	2,666	2,483	2,752	3,959	3,887
	Db	34,684	38,395	8,561	8,984	9,101	8,038	10,527	9,814	10,781	7,273
Income on equity	Cr	5,554	10,419	1,171	1,086	1,399	1,898	1,873	2,014	3,350	3,182
	Db	32,624	36,442	8,082	8,569	8,561	7,412	10,089	9,306	10,224	6,823
Dividends & distributed											
branch profits	Cr	923	1,043	*	*	5	*	5	*	345	*
	Db	15,430	14,526	2,484	4,646	4,371	3,929	2,501	3,119	4,091	4,815
Reinvested earnings	Cr	4,631	9,377	*	*	1,394	*	1,868	*	3,006	*
	Db	17,195	21,916	5,598	3,923	4,191	3,483	7,588	6,187	6,133	2,008
Income on debt	Cr	3,122	2,661	864	750	740	768	610	738	608	705
	Db	2,060	1,952	479	415	540	626	438	507	557	450
Portfolio investment income	Cr	22,964	22,996	6,322	6,357	5,103	5,182	5,295	5,732	6,210	5,759
	Db	27,761	30,643	7,521	7,064	6,366	6,810	6,503	7,747	8,190	8,203
Income on equity	Cr	3,949	5,385	788	1,501	742	918	1,119	1,502	1,526	1,238
	Db	10,574	14,104	2,659	2,855	2,238	2,822	2,649	3,446	3,840	4,169
Income on debt	Cr	19,014	17,612	5,534	4,856	4,360	4,264	4,177	4,230	4,684	4,521
	Db	17,188	16,539	4,863	4,209	4,128	3,988	3,855	4,301	4,350	4,033
Other investment income	Cr	22,410	20,258	6,094	5,949	5,375	4,992	4,908	5,065	5,020	5,265
	Db	19,121	15,549	5,432	5,398	4,368	3,923	3,795	3,899	3,767	4,088
Current Transfers	Cr	5,623	5,211	1,233	985	912	2,493	1,119	921	967	2,204
	Db	6,524	6,384	2,016	1,585	1,272	1,651	1,842	1,471	1,581	1,490
Current Account - Total	Cr	203,736	219,150	51,647	52,386	48,660	51,043	51,016	54,585	56,567	56,982
	Db	208,588	220,263	54,385	53,865	49,312	51,026	52,638	55,727	56,312	55,586
Current Account Balance		-4,853	-1,113	-2,738	-1,479	-653	17	-1,622	-1,142	255	1,396
Capital Account Balance		-1,252	-743	-18	-16	-25	-1,193	17	-28	-19	-713

<sup>1</sup> Adjusted for balance of payments purposes<sup>2</sup> Under the credit item, passenger fare receipts of resident carriers from foreign visitors are excluded; such receipts are included under transport credits - see *Background Notes*<sup>3</sup> Covers exports and imports of software that was not incorporated as part of computer hardware or physical media but separately transmitted by electronic means. The value of sales and purchases of additional software licences is also included<sup>4</sup> Covers mainly advertising, research and development and inter-affiliate management charges

\* Suppressed for confidentiality reasons

Table 2b – Financial Account<sup>1</sup>

€ million

Item		2009	2010	2009				2010			
		Year		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Direct Investment</b>	<b>Abroad</b>	<b>-17,221</b>	<b>-12,247</b>	<b>-1,584</b>	<b>-6,302</b>	<b>-5,602</b>	<b>-3,733</b>	<b>-4,975</b>	<b>123</b>	<b>-2,354</b>	<b>-5,041</b>
	<b>In Ireland</b>	<b>17,697</b>	<b>20,423</b>	<b>777</b>	<b>9,026</b>	<b>-5,858</b>	<b>13,752</b>	<b>4,277</b>	<b>-747</b>	<b>1,044</b>	<b>15,849</b>
Equity	Abroad	-8,258	4,693	*	*	-2,977	*	-1,898	*	2,887	*
	In Ireland	3,773	-7,346	-657	-84	315	4,199	199	-1,007	822	-7,360
Reinvested Earnings	Abroad	-4,631	-9,377	*	*	-1,394	*	-1,868	*	-3,006	*
	In Ireland	17,195	21,916	5,598	3,923	4,191	3,483	7,588	6,187	6,133	2,008
Other Capital	Abroad	-4,333	-7,563	-1,550	263	-1,231	-1,815	-1,209	-746	-2,235	-3,373
	In Ireland	-3,269	5,853	-4,164	5,188	-10,363	6,070	-3,511	-5,927	-5,911	21,202
<b>Portfolio Investment</b>	<b>Assets</b>	<b>9,729</b>	<b>26,115</b>	<b>22,545</b>	<b>-20,467</b>	<b>7,048</b>	<b>603</b>	<b>-3,074</b>	<b>-5,136</b>	<b>-40,223</b>	<b>74,548</b>
	<b>Liabilities</b>	<b>9,030</b>	<b>68,588</b>	<b>-24,967</b>	<b>718</b>	<b>19,583</b>	<b>13,696</b>	<b>24,655</b>	<b>268</b>	<b>22,162</b>	<b>21,503</b>
Equity	Assets	-10,331	-27,378	8,761	-2,537	-8,621	-7,934	-5,782	-4,867	-7,373	-9,356
	Liabilities	19,033	115,206	-14,243	6,442	14,465	12,369	14,224	17,871	41,341	41,770
Debt Instruments	Assets	20,062	53,493	13,785	-17,929	15,669	8,537	2,708	-269	-32,850	83,904
	Liabilities	-10,003	-46,618	-10,724	-5,724	5,118	1,327	10,431	-17,602	-19,179	-20,268
Bonds and notes	Assets	48,267	64,210	21,735	12,015	462	14,055	5,947	1,628	-38,235	94,870
	Liabilities	6,639	-17,208	-6,748	-7,955	15,241	6,101	9,536	-1,661	-20,964	-4,119
Money market instruments	Assets	-28,206	-10,718	-7,951	-29,944	15,207	-5,518	-3,239	-1,897	5,385	-10,967
	Liabilities	-16,643	-29,409	-3,976	2,231	-10,123	-4,775	895	-15,941	1,785	-16,148

Table 2b – Financial Account<sup>1</sup> - continued

€ million

Item		2009	2010	2009				2010			
		Year		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Other Investment	Assets	65,485	-19,314	6,762	32,000	6,761	19,962	-11,049	-8,935	-1,190	1,860
	Liabilities	-88,115	-69,683	-7,280	-8,492	-24,739	-47,604	-15,258	22,364	27,171	-103,960
Loans, currency and deposits	Assets	56,987	-6,047	1,758	30,468	5,519	19,242	-7,453	-9,859	1,824	9,441
	Liabilities	-80,041	-84,223	1,586	-6,690	-29,159	-45,778	-23,246	21,739	19,490	-102,206
Other <sup>2</sup>	Assets	8,497	-13,268	5,004	1,532	1,241	720	-3,597	924	-3,014	-7,581
	Liabilities	-8,075	14,540	-8,866	-1,803	4,420	-1,826	7,987	625	7,681	-1,753
Reserve Assets		79	5	41	-62	3	97	32	-19	-76	68
Monetary gold		-1	-1	0	-1	0	0	0	0	0	-1
Special drawing rights		12	41	6	1	6	-1	0	0	0	41
Reserve position in the IMF		-14	-19	3	-28	-24	35	-14	-51	16	30
Foreign exchange		82	-16	32	-34	21	63	46	32	-92	-2
Other		0	0	0	0	0	0	0	0	0	0
Balance on Financial Account		-3,315	13,886	-3,706	6,422	-2,804	-3,227	-5,393	7,918	6,534	4,827
<hr/>											
Net errors and omissions		9,419	-12,029	6,462	-4,927	3,481	4,403	6,998	-6,748	-6,770	-5,509
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<b>Memorandum Item:</b>											
Government financial transactions	Assets	4,639	301	-353	-518	2,912	2,598	-323	-1,351	-1,008	2,983
	Liabilities	17,262	5,123	4,044	10,296	1,720	1,202	7,970	-3,396	5,515	-4,966

<sup>1</sup> Financial account transactions are categorised under two headings 'Assets' and 'Liabilities' for *Portfolio Investment*, *Other Investment* and *Reserve Assets*. For *Direct Investment*, a 'directional' categorisation is used: 'Abroad' indicates direct investment by Irish investors in foreign companies; direct investment into Ireland is indicated by the heading 'In Ireland'. The sign convention used is: a minus sign in the 'Abroad' and 'Assets' columns means investments or acquisitions abroad (in enterprises, foreign securities, foreign deposits, etc.) by Irish investors exceeded their disinvestments or disposals in the period, while an entry without sign (less usual) means disinvestment exceeded investment; an entry without sign in the 'In Ireland' and 'Liabilities' columns means that investment transactions into Ireland or incurrences of liabilities to foreign investors exceeded disinvestment or extinctions of liabilities in the period, while a minus sign (less usual) indicates that disinvestment exceeded investment and liability extinctions exceeded incurrences

<sup>2</sup> Includes financial derivatives; in the case of liabilities this category also includes life insurance liabilities to non-residents

\* Suppressed for confidentiality reasons

**Table 3 – Current, Capital and Financial Accounts showing IFSC<sup>1</sup> and non-IFSC activity**

€ million

Item		2009	2010	2009				2010			
		Year		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Current Account - Total</b>	<b>Cr</b>	<b>203,736</b>	<b>219,150</b>	<b>51,647</b>	<b>52,386</b>	<b>48,660</b>	<b>51,043</b>	<b>51,016</b>	<b>54,585</b>	<b>56,567</b>	<b>56,982</b>
	<b>Db</b>	<b>208,588</b>	<b>220,263</b>	<b>54,385</b>	<b>53,865</b>	<b>49,312</b>	<b>51,026</b>	<b>52,638</b>	<b>55,727</b>	<b>56,312</b>	<b>55,586</b>
<b>Merchandise <sup>2</sup></b>	<b>Cr</b>	<b>77,026</b>	<b>83,862</b>	<b>20,331</b>	<b>20,358</b>	<b>18,408</b>	<b>17,929</b>	<b>20,477</b>	<b>21,756</b>	<b>21,592</b>	<b>20,037</b>
	<b>Db</b>	<b>44,659</b>	<b>46,716</b>	<b>12,236</b>	<b>11,322</b>	<b>10,321</b>	<b>10,780</b>	<b>11,095</b>	<b>11,959</b>	<b>11,530</b>	<b>12,132</b>
<b>Services</b>	<b>Cr</b>	<b>66,634</b>	<b>73,322</b>	<b>15,528</b>	<b>16,808</b>	<b>16,619</b>	<b>17,679</b>	<b>16,630</b>	<b>18,253</b>	<b>18,714</b>	<b>19,725</b>
	<b>Db</b>	<b>75,049</b>	<b>81,842</b>	<b>18,408</b>	<b>19,323</b>	<b>17,695</b>	<b>19,623</b>	<b>18,686</b>	<b>20,656</b>	<b>20,279</b>	<b>22,221</b>
- IFSC	Cr	19,269	20,613	4,788	4,930	4,769	4,782	5,303	5,233	5,030	5,047
	Db	12,647	13,512	3,101	3,229	3,194	3,123	3,420	3,427	3,208	3,457
- non IFSC	Cr	47,362	52,709	10,740	11,877	11,849	12,896	11,327	13,020	13,684	14,678
	Db	62,402	68,328	15,307	16,094	14,501	16,500	15,265	17,229	17,071	18,763
<b>Income</b>	<b>Cr</b>	<b>54,454</b>	<b>56,755</b>	<b>14,555</b>	<b>14,236</b>	<b>12,720</b>	<b>12,943</b>	<b>12,790</b>	<b>13,655</b>	<b>15,294</b>	<b>15,016</b>
	<b>Db</b>	<b>82,355</b>	<b>85,322</b>	<b>21,725</b>	<b>21,634</b>	<b>20,024</b>	<b>18,972</b>	<b>21,016</b>	<b>21,640</b>	<b>22,922</b>	<b>19,744</b>
- IFSC	Cr	41,619	41,139	11,401	10,934	9,768	9,516	9,675	10,084	10,765	10,615
	Db	44,038	44,002	11,335	11,781	10,449	10,473	10,584	11,013	11,443	10,962
- non IFSC	Cr	12,836	15,616	3,154	3,302	2,952	3,428	3,115	3,572	4,528	4,401
	Db	38,318	41,320	10,390	9,854	9,575	8,499	10,432	10,627	11,480	8,781
<b>Current Transfers</b>	<b>Cr</b>	<b>5,623</b>	<b>5,211</b>	<b>1,233</b>	<b>985</b>	<b>912</b>	<b>2,493</b>	<b>1,119</b>	<b>921</b>	<b>967</b>	<b>2,204</b>
	<b>Db</b>	<b>6,524</b>	<b>6,384</b>	<b>2,016</b>	<b>1,585</b>	<b>1,272</b>	<b>1,651</b>	<b>1,842</b>	<b>1,471</b>	<b>1,581</b>	<b>1,490</b>
- IFSC <sup>3</sup>	Cr	3,070	2,991	926	698	568	878	925	764	602	700
	Db	3,070	2,991	926	698	568	878	925	764	602	700
- non IFSC	Cr	2,553	2,220	307	287	344	1,615	194	157	365	1,504
	Db	3,456	3,393	1,090	888	704	774	917	707	979	790
<b>Balance on Current Account</b>		<b>-4,853</b>	<b>-1,113</b>	<b>-2,738</b>	<b>-1,479</b>	<b>-653</b>	<b>17</b>	<b>-1,622</b>	<b>-1,142</b>	<b>255</b>	<b>1,396</b>
<b>Balance on Capital Account</b>		<b>-1,252</b>	<b>-743</b>	<b>-18</b>	<b>-16</b>	<b>-25</b>	<b>-1,193</b>	<b>17</b>	<b>-28</b>	<b>-19</b>	<b>-713</b>



**Table 3 – Current, Capital and Financial Accounts showing IFSC<sup>1</sup> and non-IFSC activity** - continued

€ million

Item		2009	2010	2009				2010			
		Year		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Financial Account <sup>4</sup>											
Direct investment	Abroad	-17,221	-12,247	-1,584	-6,302	-5,602	-3,733	-4,975	123	-2,354	-5,041
	In Ireland	17,697	20,423	777	9,026	-5,858	13,752	4,277	-747	1,044	15,849
- IFSC	Abroad	-8,191	2,098	711	-5,650	-2,770	-482	-172	2,873	-301	-302
	In Ireland	2,200	20,108	-2,255	7,693	-7,365	4,127	5,284	-3,148	-2,158	20,130
- non IFSC	Abroad	-9,031	-14,345	-2,296	-652	-2,832	-3,251	-4,803	-2,750	-2,053	-4,739
	In Ireland	15,498	315	3,032	1,333	1,508	9,625	-1,007	2,401	3,202	-4,281
Portfolio investment	Assets	9,729	26,115	22,545	-20,467	7,048	603	-3,074	-5,136	-40,223	74,548
	Liabilities	9,030	68,588	-24,967	718	19,583	13,696	24,655	268	22,162	21,503
- IFSC	Assets	-21,509	4,457	10,607	-26,775	-1,338	-4,003	-8,212	-7,514	-43,164	63,347
	Liabilities	-2,411	86,813	-24,035	-1,691	11,891	11,424	11,523	3,694	40,910	30,686
- non IFSC	Assets	31,237	21,656	11,938	6,308	8,386	4,605	5,138	2,377	2,940	11,201
	Liabilities	11,441	-18,223	-933	2,410	7,692	2,272	13,132	-3,425	-18,747	-9,183
Other investment <sup>5</sup>	Assets	65,485	-19,314	6,762	32,000	6,761	19,962	-11,049	-8,935	-1,190	1,860
	Liabilities	-88,115	-69,683	-7,280	-8,492	-24,739	-47,604	-15,258	22,364	27,171	-103,960
- IFSC	Assets	68,069	-37,500	18,434	31,773	-4,198	22,060	-18,999	-6,157	-7,876	-4,468
	Liabilities	-40,387	-84,000	-22,768	-13,386	21,463	-25,696	13,868	1,733	240	-99,841
- non IFSC	Assets	-2,584	18,186	-11,671	227	10,959	-2,099	7,950	-2,778	6,686	6,328
	Liabilities	-47,727	14,318	15,489	4,894	-46,202	-21,908	-29,126	20,631	26,931	-4,118
Reserve Assets		79	5	41	-62	3	97	32	-19	-76	68
Balance on Financial Account		-3,315	13,886	-3,706	6,422	-2,804	-3,227	-5,393	7,918	6,534	4,827
Net errors and omissions		9,419	-12,029	6,462	-4,927	3,481	4,403	6,998	-6,748	-6,770	-5,509

<sup>1</sup> From the start of 2000 new international financial service projects are no longer subject to the earlier certification and licensing procedures in operation for location in the IFSC and such projects can, therefore, locate anywhere in Ireland. Additions to existing IFSC projects, however, are still subject to the formal procedures. For statistical analysis purposes this table still shows the 'IFSC/non-IFSC' breakdown and the activities of all international financial service enterprises are covered under the IFSC heading

<sup>2</sup> Adjusted for balance of payments purposes

<sup>3</sup> Current transfers to and from IFSC enterprises relate solely to non-life insurance transactions (see Background Notes)

<sup>4</sup> See footnote 1 on Table 2b

<sup>5</sup> Includes financial derivatives; in the case of liabilities this category also includes life insurance liabilities to non-residents

Table 4a – Current and Capital Accounts showing geographical<sup>1</sup> detail

€ million

Item		2009	2010	2009				2010			
		Year		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Current Account - Total</b>	<b>Cr</b>	<b>203,736</b>	<b>219,150</b>	<b>51,647</b>	<b>52,386</b>	<b>48,660</b>	<b>51,043</b>	<b>51,016</b>	<b>54,585</b>	<b>56,567</b>	<b>56,982</b>
	<b>Db</b>	<b>208,588</b>	<b>220,263</b>	<b>54,385</b>	<b>53,865</b>	<b>49,312</b>	<b>51,026</b>	<b>52,638</b>	<b>55,727</b>	<b>56,312</b>	<b>55,586</b>
<b>Merchandise <sup>2</sup></b>	<b>Cr</b>	<b>77,026</b>	<b>83,862</b>	<b>20,331</b>	<b>20,358</b>	<b>18,408</b>	<b>17,929</b>	<b>20,477</b>	<b>21,756</b>	<b>21,592</b>	<b>20,037</b>
	<b>Db</b>	<b>44,659</b>	<b>46,716</b>	<b>12,236</b>	<b>11,322</b>	<b>10,321</b>	<b>10,780</b>	<b>11,095</b>	<b>11,959</b>	<b>11,530</b>	<b>12,132</b>
- EMU	Cr	32,980	34,184	9,063	8,799	7,769	7,349	8,471	9,125	8,364	8,224
	Db	11,373	11,345	3,191	2,848	2,613	2,721	2,692	2,747	2,850	3,056
- non EMU	Cr	44,044	49,679	11,268	11,558	10,639	10,579	12,007	12,631	13,228	11,813
	Db	33,287	35,371	9,045	8,474	7,709	8,059	8,403	9,212	8,680	9,076
- EU	Cr	48,243	50,365	12,865	12,834	11,147	11,397	12,383	13,276	12,457	12,249
	Db	30,346	32,544	7,947	7,546	7,196	7,657	7,493	7,711	8,282	9,058
- non EU	Cr	28,781	33,497	7,466	7,523	7,261	6,531	8,094	8,480	9,135	7,788
	Db	14,313	14,172	4,289	3,776	3,125	3,123	3,601	4,249	3,248	3,074
<b>Services</b>	<b>Cr</b>	<b>66,634</b>	<b>73,322</b>	<b>15,528</b>	<b>16,808</b>	<b>16,619</b>	<b>17,679</b>	<b>16,630</b>	<b>18,253</b>	<b>18,714</b>	<b>19,725</b>
	<b>Db</b>	<b>75,049</b>	<b>81,842</b>	<b>18,408</b>	<b>19,323</b>	<b>17,695</b>	<b>19,623</b>	<b>18,686</b>	<b>20,656</b>	<b>20,279</b>	<b>22,221</b>
- EMU	Cr	24,934	26,167	5,854	6,488	5,912	6,680	6,062	6,609	6,606	6,890
	Db	26,886	29,658	6,394	6,809	6,267	7,416	6,423	7,111	7,385	8,739
- non EMU	Cr	41,699	47,156	9,674	10,320	10,707	10,998	10,568	11,645	12,108	12,835
	Db	48,163	52,183	12,014	12,514	11,428	12,207	12,263	13,545	12,894	13,481
- EU	Cr	42,133	44,013	9,717	10,930	10,480	11,006	10,049	11,246	11,311	11,407
	Db	39,030	43,084	9,140	10,329	9,050	10,511	9,521	10,425	10,528	12,610
- non EU	Cr	24,500	29,309	5,811	5,878	6,139	6,672	6,581	7,007	7,403	8,318
	Db	36,020	38,758	9,269	8,994	8,645	9,112	9,164	10,232	9,751	9,611

Table 4a – Current and Capital Accounts showing geographical<sup>1</sup> detail - continued

€ million

Item		2009	2010	2009				2010			
		Year		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Income</b>	<b>Cr</b>	<b>54,454</b>	<b>56,755</b>	<b>14,555</b>	<b>14,236</b>	<b>12,720</b>	<b>12,943</b>	<b>12,790</b>	<b>13,655</b>	<b>15,294</b>	<b>15,016</b>
	<b>Db</b>	<b>82,355</b>	<b>85,322</b>	<b>21,725</b>	<b>21,634</b>	<b>20,024</b>	<b>18,972</b>	<b>21,016</b>	<b>21,640</b>	<b>22,922</b>	<b>19,744</b>
- EMU	Cr	18,533	18,554	5,234	4,965	4,207	4,127	4,287	4,291	4,907	5,069
	Db	29,823	29,384	7,610	8,707	6,988	6,518	7,523	7,979	8,018	5,864
- non EMU	Cr	35,921	38,201	9,321	9,271	8,513	8,816	8,502	9,364	10,387	9,948
	Db	52,532	55,937	14,115	12,927	13,036	12,454	13,492	13,661	14,905	13,879
- EU	Cr	30,252	30,275	8,644	7,998	6,875	6,735	6,713	7,341	7,949	8,272
	Db	47,347	46,901	12,512	13,236	11,251	10,348	11,427	12,479	12,710	10,285
- non EU	Cr	24,203	26,480	5,911	6,239	5,845	6,208	6,077	6,314	7,345	6,744
	Db	35,009	38,422	9,212	8,399	8,774	8,624	9,589	9,161	10,213	9,459
<b>Current Transfers</b>	<b>Cr</b>	<b>5,623</b>	<b>5,211</b>	<b>1,233</b>	<b>985</b>	<b>912</b>	<b>2,493</b>	<b>1,119</b>	<b>921</b>	<b>967</b>	<b>2,204</b>
	<b>Db</b>	<b>6,524</b>	<b>6,384</b>	<b>2,016</b>	<b>1,585</b>	<b>1,272</b>	<b>1,651</b>	<b>1,842</b>	<b>1,471</b>	<b>1,581</b>	<b>1,490</b>
- EMU	Cr	1,236	852	350	337	180	369	191	237	143	281
	Db	1,259	872	356	343	186	374	196	242	148	286
- non EMU	Cr	4,387	4,359	883	648	732	2,124	928	684	824	1,923
	Db	5,266	5,512	1,660	1,243	1,086	1,277	1,646	1,229	1,433	1,204
- EU	Cr	4,375	4,100	802	730	646	2,197	767	707	587	2,039
	Db	4,702	4,710	1,402	1,183	892	1,225	1,332	1,114	1,045	1,219
- non EU	Cr	1,249	1,112	431	255	267	296	353	214	380	165
	Db	1,823	1,674	614	403	379	427	509	358	536	271
<b>Balance on Current Account</b>		<b>-4,853</b>	<b>-1,113</b>	<b>-2,738</b>	<b>-1,479</b>	<b>-653</b>	<b>17</b>	<b>-1,622</b>	<b>-1,142</b>	<b>255</b>	<b>1,396</b>
<b>Balance on Capital Account</b>		<b>-1,252</b>	<b>-743</b>	<b>-18</b>	<b>-16</b>	<b>-25</b>	<b>-1,193</b>	<b>17</b>	<b>-28</b>	<b>-19</b>	<b>-713</b>

<sup>1</sup> The term 'EMU' means the area represented by the 16 Member States participating in Monetary Union since the enlargement of the Euro area on 1 January 2009 to include Slovakia. The term 'EU' relates to transactions between residents of Ireland and other residents of the EU27 area.

<sup>2</sup> Adjusted for balance of payments purposes

Table 4b – Financial Account<sup>1</sup> showing geographical<sup>2</sup> detail

€ million

Item		2009	2010	2009				2010			
		Year		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Direct Investment</b>	<b>Abroad</b>	<b>-17,221</b>	<b>-12,247</b>	<b>-1,584</b>	<b>-6,302</b>	<b>-5,602</b>	<b>-3,733</b>	<b>-4,975</b>	<b>123</b>	<b>-2,354</b>	<b>-5,041</b>
	<b>In Ireland</b>	<b>17,697</b>	<b>20,423</b>	<b>777</b>	<b>9,026</b>	<b>-5,858</b>	<b>13,752</b>	<b>4,277</b>	<b>-747</b>	<b>1,044</b>	<b>15,849</b>
- EMU	Abroad	-12,284	51	-543	712	-3,424	-9,029	-826	-479	3,160	-1,804
	In Ireland	13,206	-2,777	1,788	2,003	1,542	7,873	3,290	2,529	6,241	-14,837
- non EMU	Abroad	-4,936	-12,299	-1,042	-7,013	-2,178	5,297	-4,149	602	-5,515	-3,237
	In Ireland	4,492	23,201	-1,010	7,023	-7,400	5,879	987	-3,276	-5,197	30,687
- EU	Abroad	-12,026	-4,808	-1,021	-4,986	-4,420	-1,599	-2,042	-1,355	1,972	-3,383
	In Ireland	15,512	-1,045	2,900	2,036	1,213	9,363	2,196	4,386	5,225	-12,852
- non EU	Abroad	-5,194	-7,440	-563	-1,316	-1,182	-2,133	-2,933	1,478	-4,327	-1,658
	In Ireland	2,185	21,468	-2,123	6,990	-7,071	4,389	2,081	-5,133	-4,182	28,702
<b>Portfolio Investment</b>	<b>Assets</b>	<b>9,729</b>	<b>26,115</b>	<b>22,545</b>	<b>-20,467</b>	<b>7,048</b>	<b>603</b>	<b>-3,074</b>	<b>-5,136</b>	<b>-40,223</b>	<b>74,548</b>
	<b>Liabilities</b>	<b>9,030</b>	<b>68,588</b>	<b>-24,967</b>	<b>718</b>	<b>19,583</b>	<b>13,696</b>	<b>24,655</b>	<b>268</b>	<b>22,162</b>	<b>21,503</b>
- EMU	Assets	-16,983	52,690	-2,637	-16,023	3,894	-2,217	853	5,767	-7,411	53,481
	Liabilities	10,891	23,356	-4,372	4,225	5,333	5,705	13,711	-1,287	5,581	5,351
- non EMU	Assets	26,711	-26,578	25,182	-4,444	3,153	2,820	-3,927	-10,904	-32,813	21,066
	Liabilities	-1,859	45,234	-20,595	-3,506	14,251	7,991	10,945	1,555	16,582	16,152
- EU	Assets	-11,348	75,296	4,924	-24,234	7,883	79	2,683	5,187	-9,801	77,227
	Liabilities	-615	54,074	-17,882	2,988	18,436	-4,157	17,226	6,712	11,352	18,784
- non EU	Assets	21,077	-49,181	17,621	3,767	-835	524	-5,757	-10,323	-30,422	-2,679
	Liabilities	9,645	14,513	-7,085	-2,270	1,147	17,853	7,429	-6,444	10,810	2,718

Table 4b – Financial Account<sup>1</sup> showing geographical<sup>2</sup> detail - continued

€ million

Item		2009	2010	2009				2010			
		Year		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Other Investment</b> <sup>3</sup>	<b>Assets</b>	<b>65,485</b>	<b>-19,314</b>	<b>6,762</b>	<b>32,000</b>	<b>6,761</b>	<b>19,962</b>	<b>-11,049</b>	<b>-8,935</b>	<b>-1,190</b>	<b>1,860</b>
	<b>Liabilities</b>	<b>-88,115</b>	<b>-69,683</b>	<b>-7,280</b>	<b>-8,492</b>	<b>-24,739</b>	<b>-47,604</b>	<b>-15,258</b>	<b>22,364</b>	<b>27,171</b>	<b>-103,960</b>
- EMU	Assets	42,844	-43,238	-3,413	17,503	11,118	17,636	-3,526	-3,156	-12,275	-24,281
	Liabilities	-23,181	34,783	45,841	-2,176	-45,648	-21,198	-18,743	47,879	28,832	-23,185
- non EMU	Assets	22,640	23,924	10,175	14,497	-4,358	2,326	-7,523	-5,779	11,085	26,141
	Liabilities	-64,934	-104,466	-53,121	-6,316	20,909	-26,406	3,484	-25,515	-1,661	-80,774
- EU	Assets	47,638	-38,778	-8,612	26,450	18,874	10,926	-2,192	-11,305	-16,438	-8,843
	Liabilities	-43,563	-32,182	21,117	-2,714	-28,141	-33,825	-11,894	32,834	35,485	-88,607
- non EU	Assets	17,847	19,464	15,374	5,550	-12,113	9,036	-8,857	2,370	15,248	10,703
	Liabilities	-44,550	-37,500	-28,396	-5,778	3,402	-13,778	-3,364	-10,470	-8,314	-15,352
<b>Reserve Assets</b>		<b>79</b>	<b>5</b>	<b>41</b>	<b>-62</b>	<b>3</b>	<b>97</b>	<b>32</b>	<b>-19</b>	<b>-76</b>	<b>68</b>
<b>Balance on Financial Account</b>		<b>-3,315</b>	<b>13,886</b>	<b>-3,706</b>	<b>6,422</b>	<b>-2,804</b>	<b>-3,227</b>	<b>-5,393</b>	<b>7,918</b>	<b>6,534</b>	<b>4,827</b>
<i>Net errors and omissions</i>		<i>9,419</i>	<i>-12,029</i>	<i>6,462</i>	<i>-4,927</i>	<i>3,481</i>	<i>4,403</i>	<i>6,998</i>	<i>-6,748</i>	<i>-6,770</i>	<i>-5,509</i>

<sup>1</sup> See footnote 1 on Table 2b<sup>2</sup> The term 'EMU' means the area represented by the 16 Member States participating in Monetary Union since the enlargement of the Euro area on 1 January 2009 to include Slovakia. The term 'EU' relates to transactions between residents of Ireland and other residents of the EU27 area.<sup>3</sup> Includes financial derivatives; in the case of liabilities this category also includes life insurance liabilities to non-residents

## Background Notes *(updated December 2010)*

**Introduction** Ireland's balance of payments (BOP) quarterly statistical compilation system was completely overhauled in the late 1990's to strengthen sectoral and enterprise coverage in basic data collection; adopt best international methodological standards; conform more closely with international presentation formats; and provide for geographical analysis of the results. The improvements facilitate the production of data required by the European Central Bank (ECB) and the EU Commission (Eurostat) to compile balance of payments statistics for the EMU and EU areas. The needs of other international organisations (such as IMF and OECD) as well as those of national users have also been catered for.

A description of the methodology is given below. It follows as far as possible the recommendations of the IMF's *Balance of Payments Manual - 5th Edition* (BPM5) published in 1993 and its supplement *Financial Derivatives: A Supplement to the 5th Edition (1993) of the Balance of Payments Manual* published in 2000. These recommendations were prepared in close co-operation with the European Commission (Eurostat), the OECD and other international organisations.

**Definition of balance of payments** The balance of payments (BOP) is a statistical statement that summarises, for a specific time period, the economic transactions of the residents of an economy with the rest of the world.

**Residence** BOP transactions occur between residents of Ireland and non-residents. The term 'resident' covers (a) individuals, including foreign nationals, living in Ireland for at least one year as well as Irish embassy staff and military staff located abroad, (b) Irish government enclaves located abroad (embassies, consulates, etc.), and (c) corporate bodies who have a centre of economic interest located here, including branches of foreign-registered companies. It is important to note that transactions in foreign assets and liabilities can occur between residents and should be recorded in the financial account.

**Structure of the Balance of Payments accounts** The balance of payments presentation consists of three tables or accounts, the *Current Account*, the *Capital Account* and the *Financial Account*. The current account consists of trade in merchandise and services, income inflows and outflows and current transfers. The capital account covers capital transfers and the acquisition and disposal of non-produced, non-financial assets. The financial account is concerned with transactions in foreign financial assets and liabilities, distinguishing the functional type of investment i.e. direct, portfolio and other investment (including transactions in financial derivatives) and reserve assets.

**Valuation** BOP transactions, in principle, should be recorded on an accruals basis using market valuation. In practice, the collection system (see below) is designed to adhere to this approach and, for the most part, the valuations reported are either market values or a close approximation. In certain cases, income (interest) flows on debt securities may be reported on a cash rather than an accruals basis.

**Geographical allocation principle** Current and capital account transactions are allocated to the country of residence of the counterpart. Financial account transactions are allocated on the basis of the debtor/creditor principle; assets are geographically assigned to the country of the debtor (i.e. the issuer) of the assets, while liabilities are assigned to the country of the creditor (i.e. the holder). In the case of direct investment, transactions are geographically attributed on the basis of country of location of immediate ownership of the direct investment enterprise rather than that of the ultimate beneficial owner. Therefore, if a US investor directly invests in a direct investment enterprise located in Ireland, the origin of the investment as presented in these statistics is US. If the US investor indirectly invests, through its Cayman Islands subsidiary, in an enterprise located in Ireland then the origin of the investment is Cayman Islands. In both cases, the country of location of the ultimate beneficial owner is US. This may have a significant impact on the geographic analysis of FDI statistics.

**Sign convention and symbols** The BOP presentation follows the standard double entry accounting treatment for a transaction i.e. in principle, every credit entry is matched by a corresponding debit entry elsewhere in the system.

In the current account, credit items are exports of merchandise and services, income inflows and current transfer receivables while debit items are imports, income outflows and transfer payables. In the capital account, capital transfer receivables are recorded as credits and payables as debits. Both credit (denoted by the symbol 'Cr') and debit (denoted by 'Db') items are shown as positive numbers and the net balances are calculated as *credit – debit*.

The transactions in the financial account are implicitly recorded on a credit/debit basis but are generally presented on an assets/liabilities basis. Increases in foreign assets or reductions in foreign liabilities are shown with a – (minus) sign, i.e. implicitly as a debit amount, while decreases in assets or increases in liabilities are unsigned i.e. shown as positive numbers (i.e. as credits). The net

balances are calculated as *net change in assets transactions* + *net change in liabilities transactions*. In the case of direct investment, the asset/liability presentation is replaced by the so-called 'directional' one, i.e. *direct investment abroad* (which approximates to the assets concept) and *direct investment in Ireland* (which closely equates to liabilities). The difference between the two approaches centres on the treatment of reverse investment by a direct investment enterprise in its parent (direct investor) or its foreign affiliates (see *Financial Account - direct investment* below).

Amounts are shown in millions of Euro; '0' means amounts of less than 500,000 units of currency; '-' means 'not relevant'. Cell entries may not add to totals due to rounding.

#### **Net errors and omissions**

Given the double entry accounting procedure described above, the sum of the credit entries should in principle equal the sum of the debit entries over all three accounts. In practice, because some transactions may not be captured or because of differences in coverage, valuation and timing of transactions, exact symmetry does not occur and a balancing item *net errors and omissions* is inserted to balance the overall account. Ideally, the magnitude of this item should be relatively small in relation to the combined value of all credit and debit transactions expressed in absolute terms (i.e. ignoring their signs) over all three accounts. It should also fluctuate frequently from positive to negative values.

#### **Data collection**

BOP data collection is statutory and surveys are conducted by the CSO and by the Central Bank of Ireland (CBI). Other data obtained from administrative sources are also used. Following the introduction of a redesigned BOP data collection system in 1998 and up to 2007, the CSO undertook all the necessary survey collection and compilation required. However, following a recent joint initiative involving the CSO and the CBI to rationalize statistical data collection and compilation for the financial sector and also to reduce the burden on data providers the data collection arrangements have changed. As a consequence, since 2008 the data required from licensed banks (credit institutions) and from investment funds (including money market funds) to meet BOP, IIP and external debt requirements (as well as other statistical demands on both organisations) are being collected quarterly by the CBI under its legislation as well as European legislation<sup>1</sup>. The data are supplied by the CBI to CSO for statistical compilation purposes. The CSO has therefore discontinued its surveys of credit institutions and investment funds but continues to collect the required data from other financial enterprises as well as non-financial enterprises using its ongoing quarterly statutory surveys. These are conducted under the Statistics (Balance of Payments and Financial Accounts) Order, 2010 (S.I. No. 206 of 2010) made under the Statistics Act, 1993.

The quarterly financial enterprise surveys cover banking, insurance and pension fund investment, asset financing, treasury, institutional investment, activities of investment funds (i.e. mutual funds, unit trusts and similar collective investment operations), broking and other financial service provision. Financial enterprises, including those engaged in internationally-traded financial service activities, known collectively as IFSC (International Financial Services Centre) enterprises are required to make returns. These returns are predominantly supplied in electronic form but a small number of reporters use paper forms.

Exhaustive coverage is aimed at but, in order to reduce reporting burden, companies with low activity volumes may, on approval from the CSO, provide annual data. Overall, about 5,000 financial entities are surveyed.

The surveys of manufacturing and non-financial service enterprises undertaken by the CSO are also designed to meet the new conceptual and geographical requirements. Coverage is on a sample selection basis, those surveyed being selected on the basis of statistical register information concerning transactions with non-residents. About 500 companies make quarterly and/or annual returns.

The survey information collected for all types of enterprises covers transactions with non-residents concerning purchases and sales of services, income flows, transfers, as well as acquisitions and disposals of foreign assets or liabilities. In order to facilitate compilation of the wider national accounts statistics, the surveys also collect data on transactions of reporting enterprises with residents of Ireland.

Apart from survey data, administrative sources also provide information on non-resident transactions (e.g. the National Treasury Management Agency, on flows associated with Ireland's foreign debt and other transactions including those associated with the National Pensions Reserve Fund; the Department of Defence, concerning Ireland's UN military peace-keeping activity; the Department of Foreign Affairs, on expenditure incurred in maintaining Ireland's embassies and consulates abroad; the Central Bank of Ireland, on reserve assets and other assets/liabilities and associated income flows). Information is also obtained from other sources (e.g. charitable organisations, industry bodies). In addition, information on merchandise exports and imports and on tourism expenditure and receipts is obtained from other CSO inquiries.

Following other periodic enhancements, the compilation system includes the estimated values of a variety of cross-border transactions. These cover (a) direct imports and exports of goods for consumption of private households and not included in the official merchandise trade statistics; (b) improved data on transactions in services (tourism and travel; communications; construction;



diplomatic and consular services; cultural services; bloodstock breeding); (c) estimates for income receipts from Irish resident investment in residential and commercial property abroad and for income remittances to the foreign owners of breeding bloodstock based in Ireland, along with improved estimates of the earnings (credits and debits) of students, other cross-border workers and local employees of embassies; (d) estimates for income taxes paid on the earnings of students and other cross-border workers and for the remittances abroad of earnings of immigrant workers in Ireland; and (e) estimates for investment in residential and commercial property abroad by Irish residents.

### Current account

**Merchandise** exports and imports are valued f.o.b. (*free on board*) for BOP purposes. While imports are valued c.i.f. (*cost, insurance and freight*) in the official external trade statistics, adjustments are made to reflect an estimated f.o.b. valuation. These adjustments result from the application of different c.i.f./f.o.b. conversion ratios to the values of imports from within the European Union and from outside the European Union. In addition and in line with EU and ECB requirements, merchandise imports from within European Union member states are compiled on the basis of country of consignment rather than country of ultimate origin (as was the case formerly). 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 are included in BOP service exports and not in BOP merchandise exports. The BOP merchandise figures also include the estimated values of (unrecorded) retail exports of fuel to Northern Ireland and of unrecorded imports of goods for personal consumption from Northern Ireland and elsewhere.

**Services** exports and imports are presented to show nine categories of service types: *transport, tourism and travel, communications, insurance services, financial services, computer services, royalties and licences, business services* and *other services not elsewhere specified*. Some specific points of note are:

- (i) Because of the presentation of merchandise imports on a f.o.b. (rather than c.i.f.) basis, the freight element of the c.i.f. to f.o.b. adjustment is included in *transport*.
- (ii) For *tourism/travel* the credit item represents the receipts of residents from non-resident visitors other than passenger fare receipts of Irish passenger carriers from non-residents; the latter are included under *transport* credits. The *tourism/travel* debit item represents foreign expenditure by Irish residents on foreign travel. Because of the difficulty of separately distinguishing passenger fares paid to non-resident carriers this element of expenditure is generally included in the *tourism/travel* debit item (rather than being more appropriately categorised as a debit item under *transport*). Payments made to Irish passenger carriers by Irish residents are excluded.
- (iii) The value of *insurance services* provided to non-residents by resident insurers (credit) is estimated as the value of direct and supplementary premiums earned less the value of claims payable less increases in the actuarial element of insurance technical reserves. Supplementary premiums consist of investment income earned on investing the insurance technical reserves. For BOP purposes, this income is attributed to the policy holders and is also treated as being paid back to the insurance company by them. To obtain the value of insurance services purchased from non-resident insurers (debit), the ratio of the estimated service charge to total premiums for insurance exports is applied to the total premiums payable to non-resident insurers. Reinsurance transactions (e.g. premiums and claims) are recorded on a gross basis and, hence, insurance service credits and debits are accordingly higher than they would have been if recorded on a net basis. This gross recording treatment of reinsurance transactions has no net impact on the insurance service balance as the reinsurance element on the credit and debit sides are offsetting. In relation to merchandise imports, the freight insurance element of the c.i.f. to f.o.b. adjustment referred to above under *merchandise* is recorded under *insurance*.
- (iv) *Financial services* covers non-interest receivables and payables in respect of financial intermediary and auxiliary services (other than those of insurance enterprises and pension funds).
- (v) Exports and imports of computer software which is embedded in hardware or carried on other physical media are not included in *computer services* but under *merchandise*. Sales and purchases of software transmitted electronically as well as exports of certain software licences are recorded under *computer services*.
- (vi) *Business services* covers receivables and payables for (a) *merchandising and other trade-related services*, (b) *operational leasing* and (c) *miscellaneous business services*.

*Merchandising* consists of the sales net of purchases by Irish merchants of foreign goods bought from and sold to non-residents without entering or leaving Ireland; it may also include sales less purchases of services associated with the installation, maintenance, repair, etc. of these goods. *Other trade-related services* consist of commissions earned by resident agents or paid to non-resident agents in connection with imports or exports. *Operational leasing* covers rental receivables and payables in respect of leasing (other than financial leasing) and chartering, without operators, of aircraft, ships and other transport or other equipment and plant. *Miscellaneous business services* covers legal, accounting, management consulting,



public relations, advertising and marketing, research and development and other professional and technical services as well as agricultural services. It also covers inter-affiliate management fees.

- (vii) *Other services not elsewhere specified* covers construction services, personal and cultural services (e.g. fees and royalties for film, television and musical recordings and performances), educational services and government services. The last sub-category includes credit and debit entries for (a) the estimated expenditures of embassy and consular staff in the host countries, (b) non-labour expenditures by governments towards the provision of embassy and consular services in the host countries, and (c) receipts i.e. credits, in respect of collection of Ireland's budgetary contributions to the EU.

**Income** covers (a) *compensation of employees*, which relates to the earnings of persons working outside their country of residence for less than one year (i.e. students and other short-term cross-border workers) 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. It is subdivided into three categories:

- (i) *Direct investment income* covers income accruing to an Irish or foreign direct investor from their ownership of (correspondingly) a direct investment enterprise located abroad or in Ireland (see definition of *direct investment* in the *financial account* section below). It is split into income on equity and income on debt. *Direct investment income on equity* may be called the 'entrepreneurial income' of the enterprise which, in principle, is its net operating surplus plus investment income receivable less investment income payable. Apart from excluding capital and exchange gains and losses, it also excludes the value of unusual provisions and write-offs and is calculated net of corporation taxes. In company accounting terms, direct investment income on equity can be equated or approximated to an enterprise's consolidated profit (or loss) after interest, tax and minority interests and excluding capital and exchange gains (or losses) and other unusual provisions and write-offs. This income item is further subdivided into *dividends and distributed branch profits* and *reinvested earnings*. Dividends are recorded at the time they become due for payment while distributed branch profits are recorded when receipt or payment occurs. Amounts recorded under *reinvested earnings* represent the difference between the enterprise's entrepreneurial income earned in the reference period and the distributions (dividends, etc.) made in the same period. As it is an income flow in the BOP current account but without a counterpart cash flow in the financial account, an offset (i.e. with the opposite sign) of equal magnitude is recorded under *direct investment* in the latter. *Direct investment income on debt* covers income (mainly interest) on non-equity inter-affiliate assets and liabilities (mainly loans). This item also includes estimates of (a) the (net) income generated from investment by private individuals in residential and commercial property abroad, and (b) the profits attributable to the foreign owners of breeding bloodstock – see *Direct Investment* below.
- (ii) *Portfolio investment income* covers income receivable and payable to non-direct investors on their holdings of equity and long and short-term debt securities (see definition of *portfolio investment* below). Income on equity consists of dividends actually received/paid. Income on debt securities refers to coupon or interest payments on bonds and notes and interest on money market instruments. In principle, the income should be recorded on an accruals basis using market valuations. In practice, some respondents may report on a cash basis. Discounts and premiums (i.e. differences between the nominal value and the issue value) are treated as income or negative income respectively and spread (accrued) over the life of the instrument.
- (iii) *Other investment income* covers interest on loans, deposits and trade credits. The flows recorded under this item relate largely to interest flows of credit institutions but also cover the income generated from the holdings of the Central Bank of Ireland in external reserve assets and income arising from its non-reserve assets and liabilities.

**Current transfers** covers unrequited receipts and payments. Important components are subsidies and other current transfers receivable from and taxes payable to the European Union, payments under Third World aid programmes operated by non-governmental organisations and transfers related to non-life insurance business. As regards the latter, for resident insurers the transfer credit is calculated as the gross insurance premiums earned (i.e. premiums earned plus supplementary premiums) less the insurance service charge; the debit is the amount of claims payable to non-resident policy holders adjusted by the change in the actuarial element of insurance technical reserves. For resident holders of policies issued by non-resident insurers, credits represent claims receivable and debits represent the insurance premiums less the estimated insurance service charge (see also the note above on 'insurance' item under 'services'). This item also includes income taxes receivable or payable on the earnings of cross-border workers.

The **current account balance** is the total of all current account credits less the total of all current account debits.

## Capital account

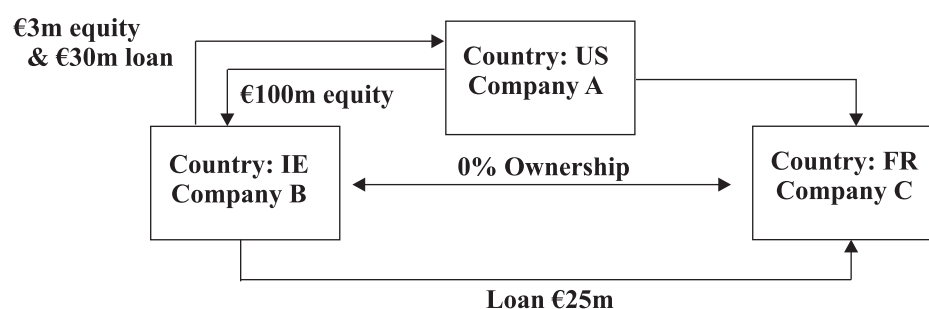
The capital account largely covers capital transfers, in particular amounts receivable under the EU Regional Development Fund and the Cohesion Fund and all other transfers intended for capital purposes. Estimates of migrants' transfers (i.e. the transfer of the net worth of immigrants and

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 involved 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 financial 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.

**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). The components of direct investment transactions are *equity capital*, *reinvested earnings*, and *other capital*. *Equity capital* comprises investment in branches, shares in subsidiaries and associates (except non-participating preferred shares that are treated as debt securities) and other capital contributions. *Reinvested earnings* consists of the off-setting entry to the corresponding current account income item: it is the direct investor's share of the undistributed earnings of its branches, subsidiaries and associates. *Other capital* covers all other inter-affiliate financial transactions (borrowing and lending of funds), including debt securities and suppliers' credits (i.e. trade credits). Following the recommendations of the IMF, ECB, Eurostat and OECD, direct investment flows are recorded on a 'directional basis' rather than the more usual assets/liabilities basis. *Direct investment abroad* covers net investment by parent companies resident in Ireland in their foreign branches, subsidiaries and associated companies. *Direct investment in Ireland* covers the net investment by foreign companies in their affiliates located in Ireland. The essential difference between the directional principle and the assets/liabilities approach centres on the treatment of reverse investment by a direct investment enterprise in its parent (direct investor) and on the treatment of transactions with other foreign affiliates covered by a direct investment relationship. In the Irish context, reverse *equity* investment in a parent enterprise is rare and tends to be relatively small. However, substantial flows (and positions) under the category *direct investment – other capital* can take place. These predominantly take the form of inter-affiliate loans but trade credits and transactions in financial securities between affiliates are also included. The treatment of reverse investment has to be considered under three scenarios. First, for *reverse equity investment for holdings of 10% or more of the voting capital*, such transactions are regarded as separate direct investment in their own right for both the equity and non-equity involved. Second, for *reverse equity investment for holdings of less than 10% of the voting capital*, the transactions involved, whether in equity or non-equity instruments, are regarded as offsetting (or netted against) any existing direct investment by the parent in the enterprise. For example, if a US direct investor A invests €100m in a direct investment enterprise B located in Ireland and B acquires a small reverse equity investment of €3m in its parent (A) then the value of *direct investment in Ireland-equity* is €97m (i.e. €100m less €3m). Extending this example, if B advances a €30m loan to parent, A, *direct investment in Ireland-other capital* is €30m lower. Overall *direct investment in Ireland* from A to B is therefore €67m (i.e. €100m - €3m - €30m). The third scenario concerns a *non-equity transaction between enterprises related other than through equity ownership* (e.g. between 'sister' or 'cousin' companies). Given a number of considerations, there is some flexibility in the international standards regarding the treatment of this situation. In Ireland's case and in order to ensure that all inward and outward flows (and stocks) arising from an initial inward direct investment are retained within the direct investment in Ireland category, the same principle as for reverse equity or non-equity investment with a parent company is applied. The transaction referred to is therefore treated as offsetting any existing *other capital* investment. Again extending the earlier example, if resident direct investment enterprise, B, advances a loan of €25m to a sister company, C, located in France, *direct investment in Ireland – other capital* is lowered by €25m and overall *direct investment in Ireland* from A to B amounts to €42m (i.e. €100m - €3m - €30m - €25m) – see diagram below. Cases occur on an ongoing basis where the outward investment flows or positions of B (or other sister direct investment enterprises located in Ireland) exceed the amounts attributable to A under *direct investment in Ireland*. The equivalent treatment is applied for similar situations categorised under *direct investment abroad*.



The compilation system for direct investment also includes investment by Irish private residents (households) in residential and commercial property abroad. Such properties are regarded as constituting notional direct investment enterprises overseas and are treated accordingly in the system, both in terms of any relevant financial account investment flows and any current account flows (services or income). In addition, foreign investment in bloodstock breeding activities in Ireland as well as associated income flows are now reflected in the BOP statistics.

**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. The CBI surveys of credit institutions and investment funds collect securities assets and liabilities data on an individual security basis to the extent possible. The CSO surveys collect this information on an aggregate basis but, over time, security-by-security collection is planned. Investment by private resident investors in commercial property abroad is included under direct investment. Transactions are valued at market value inclusive of accrued income.

**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<sup>2</sup> 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.

**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.

<sup>1</sup>ECB Regulation on the Assets and Liabilities of Investment Funds (ECB/2007/8) of 27 July 2007, the ECB Balance of Payments and International Investment Statistics Guideline (ECB/2004/15) of 16 July 2004, as amended by (ECB/2007/3) of 31 May 2007, and the ECB Guideline on Monetary, Financial Institutions and Markets Statistics (ECB/2007/9) of 1 August 2007

<sup>2</sup>The inclusion of these receipts and payments in the financial account reflects the amended recommendations on the treatment of financial derivative transactions as described in the IMF's *Financial Derivatives: A Supplement to the 5<sup>th</sup> Edition (1993) of the Balance of Payments Manual* published in 2000.