

# 9

## Economy

- In the last two years GNP in constant prices increased by an average of 6.5%.
- The output of manufacturing industry (including building) and the distribution, transport and communications industries increased by more than 30% in the last six years.
- Investment in fixed capital formation increased by 35% in the last six years (2000-2006) after allowing for price changes.
- A deficit of €7.3bn was recorded in the current account of the balance of payments in 2006.

## Contents

Introductory text	143
<b>Table 9.1</b> Gross Domestic Product (GDP) and components at current market prices	148
<b>Table 9.2</b> Main economic aggregates	149
<b>Table 9.3</b> 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)	150
<b>Table 9.4</b> Expenditure on Gross National Income at current market prices	151
<b>Table 9.5</b> Expenditure on Gross National Income at constant market prices (chain linked annually and referenced to year 2005)	151
<b>Table 9.6</b> Net current income and expenditure of central and local government	152
<b>Table 9.7</b> Balance of International Payments: Current and Capital Accounts	153
<b>Table 9.8</b> Balance of International Payments: Financial Account	154
<b>Table 9.9</b> International Investment Position – detailed data	155
<b>Table 9.10</b> Direct investment abroad classified by location of investment	156
<b>Table 9.11</b> Direct investment in Ireland classified by location of investor	157
<b>Table 9.12</b> Indices of Gross Value Added per person in each region at basic prices	158

## Introduction

This chapter contains information on the performance of the overall economy and on Ireland's transactions with the rest of the world. The details are drawn from the reports on National Income and Expenditure (NIE), reports on Household Incomes at regional and county level and regional GDP as well as the regular Balance of Payments statements.

The National Accounts form a comprehensive framework within which economic data can be presented in a coherent, consistent manner. Estimates are provided at current and at constant prices. The impact of inflation is eliminated from the tables at constant prices so that these indicate the real or volume changes in the various aggregates over time. At present, the constant price tables are chain linked annually and referenced to year 2005.

The annual NIE report contains details of the main economic aggregates such as Gross Domestic Product (GDP) and of their components. Information is given on personal consumption, capital formation (investment) and on the transactions of the government sector classified according to national accounting conventions. These main aggregates are important for a number of EU administrative purposes. In particular, the level of GNP determines a major share of Ireland's contribution to the EU budget while the ratio of government debt and deficit to GDP are important Maastricht criteria. At national level, the government has now also decided to allocate one per cent of GNP to the National Pension Reserve Board.

Table 9.1 shows the long run development of GDP, GNP and their main components since 1970. It also contains the aggregates at current market prices. An extended set of aggregates for the years 2000 to 2006 are given in table 9.2 while the following tables show the evolution of some of the principal components of GDP over the same period.

The CSO's Balance of Payments collection and compilation system was completely overhauled in the late 1990's in order to meet the demands of The European Central Bank (ECB) and other international users. Results from 1998 were published in 2000 and updated regularly since then, those for 2004, 2005 and 2006 being presented in tables 9.7 and 9.8. The current account details in table 9.7 provide detail on the exports and imports of services and on the components of income inflows (credits) and outflows (debits).

Table 9.9 shows the end of year stocks (or levels) of Ireland's foreign assets and liabilities - ie the International Investment Position. A breakdown by type of investment is included.

Table 9.10 gives geographical details for 2004 and 2005 of Ireland's foreign direct investment abroad (ie outward direct investment) showing both the flows (transactions) during the year and the end of year positions (stock levels). Table 9.11 shows the corresponding flows and stocks for inward direct investment in the two years.

Some information is also provided in this chapter on the economy at a regional and county level. Regional Accounts are produced annually by CSO and provide estimates of Gross Value Added (GVA) for the two overall NUTS2 regions and the eight Regional Authority NUTS3 regions while household income estimates are provided on a county basis. GVA per capita is one of the principal concepts used in determining eligibility for structural funds. GVA differs from household income in that it includes the profits of companies operating in a region, a considerable amount of which may accrue to non-residents. In addition, the workforce contributing to those profits may live in and bring their incomes home to a neighbouring region where they will be counted in the household income estimates.

Personal income also includes items such as social welfare benefits which are not included in GVA. The Mid East region (Kildare, Meath and Wicklow) and the Dublin region are affected by a substantial proportion of their workforce living in one region and commuting to work in another. It is more meaningful to combine these two regions when analysing GVA. The main results on regional GVA are summarised in table 9.12.

## **Long term growth**

Gross Domestic Product (GDP) is a measure of the value of output of goods and services in the economy. Over the years between 1970 and 2006, the value of GDP increased by a factor of over seventy. Increases in price levels played a major role in this increase but when the price effects are removed the increase was still more than five fold.

Gross National Product (GNP) is a better measure than GDP of the value added accruing to residents of the country. In Ireland, GNP is now considerably lower (about 18% in 2006) than GDP because of income flows to non-residents, especially profits and dividends of foreign direct investment enterprises. In 1970, the reverse was the case with GNP higher, because of income flows to Irish residents from abroad. As a result of this turnaround, GNP growth has been somewhat slower than GDP growth. Since 1970, real GNP has increased about four times. In the most recent year 2006, GNP increased by 6.5% while in the six years (2000-2006) it increased by an average annual rate of 4.6%.

The growth in exports has been especially noticeable. Since 1970, the value of exports has increased over twenty times in real terms. The other demand components making up GDP have increased to a lesser extent over the same period eg personal consumption over four times, public expenditure about four times and investment about six times.

Some of the growth of recent years has resulted from increasing numbers at work. While GNP at constant prices increased by 31% between 2000 and 2006, the increase per person in employment was less at nearly 8%.

## Sectors of Economy

The experience of the various sectors of the economy has been very different during the years of strong growth. Between 2000 and 2006, the output of Industry as a whole (including Building) rose by 34% while the output of the sectors dominated by multi-national companies (*Reproduction of recorded media, Chemicals, Computers, and Electrical machinery and equipment*) increased by 47%. There was also an increase of 29% in the output of the Distribution, Transport and Communications sector during the same period. Agriculture, Forestry and Fishing output increased by 7% in real terms.

## Consumption and Investment

Personal expenditure between 2000 and 2006 increased in nominal or current prices by 60% which in real terms it increased by almost 34%.

Investment (Fixed capital formation) in construction and machinery and equipment increased by 88% in nominal or current prices and by 35% in real terms between 2000 and 2006. As a result, the total value of fixed capital investment had reached €46,027m by 2006.

## Regions

### Gross Value Added

Relative to an average of 100 for the State, output per head in the Dublin NUTS3 region, as measured by GVA at Basic Prices, was highest at 133.3. The corresponding figure for the Midlands NUTS3 region was just 66.3 and was the lowest of all the NUTS3 regions.

## Technical Notes

### GDP

Gross Domestic Product (GDP) at market prices 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.

### GNP

Gross National Product (GNP) is equal to GDP plus net factor income from the rest of the world and represents the total of all payments for productive services accruing to the permanent residents of the country.

### GNI

Gross National Income (GNI) at market prices is equal to GNP at market prices plus EU subsidies less EU taxes. This is more commonly described as being equal to GDP plus net primary incomes from abroad.

### GNDI

Gross National Disposable Income (GNDI) is equivalent to GNI plus net current transfers from the rest of the world. It represents the income of the nation from all sources.

### GVA

Gross Value Added (GVA) at basic prices is a measure of the value of goods and services produced priced at the value received by the producer minus product taxes payable and plus subsidies on products receivable. Total GVA at market prices is equivalent to GDP at market prices.

### Balance of Payments Financial Account and International Investment Position - Sign Convention

For Balance of Payments purposes, 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.

In presenting the International Investment Position statistics, stocks of both assets and liabilities are shown unsigned. The net position is calculated as assets minus liabilities; an unsigned (or positive) value means a net asset position of Ireland's residents to non-residents while a negative value indicates a net liability position. Under 'direct investment' a negative value for 'other capital' indicates the presence of off-setting disinvestment between affiliated enterprises.

### **Discontinuities**

The aggregates in table 9.1 from 1995<sup>1</sup> to 2006 are compiled on an ESA95 basis. They include FISIM (Financial Intermediation Services Indirectly Measured), which is the output of the banking sector from borrowing and lending, calculated according to new EU guidelines. Data for 1970-1995<sup>1</sup> are compiled on an ESA95 basis but exclude FISIM.

The Balance of Payments data in tables 9.7 and 9.8 is obtained from a revamped and strengthened compilation system introduced in 2000. Information on this new basis is available from 1998 onwards only and is not comparable with that available for earlier years largely because of the greatly extended financial enterprise coverage and the different presentation basis now used.

## Economy

**Table 9.1 Gross Domestic Product (GDP) and components at current market prices**

€m

Year	Personal consumption	Public expenditure on goods and services	Capital formation	Exports	Imports	GDP	Net foreign income	GNP
1970	1,638	307	527	760	925	2,220	33	2,253
1971	1,838	365	593	851	1,022	2,538	30	2,568
1972	2,129	442	767	984	1,137	3,084	33	3,117
1973	2,531	545	993	1,307	1,541	3,724	9	3,733
1974	2,977	663	1,181	1,620	2,174	4,138	15	4,153
1975	3,583	909	1,173	2,062	2,359	5,203	-4	5,199
1976	4,488	1,083	1,548	2,742	3,219	6,409	-50	6,359
1977	5,314	1,256	2,100	3,588	4,260	7,801	-137	7,665
1978	6,170	1,506	2,605	4,298	5,167	9,220	-291	8,928
1979	7,588	1,873	3,440	5,015	6,687	10,922	-354	10,567
1980	9,119	2,437	3,456	5,907	7,541	12,961	-433	12,528
1981	10,976	2,961	4,344	7,008	9,113	15,727	-619	15,108
1982	12,229	3,464	4,912	8,192	9,499	18,657	-1,174	17,483
1983	13,301	3,751	4,707	9,869	10,501	20,564	-1,493	19,071
1984	14,553	4,047	4,941	12,436	12,633	22,774	-2,107	20,667
1985	15,812	4,377	4,742	13,668	13,378	24,739	-2,577	22,162
1986	16,878	4,725	4,796	13,177	12,734	26,352	-2,509	23,843
1987	17,787	4,806	4,646	15,053	13,707	28,163	-2,583	25,580
1988	18,999	4,743	4,758	17,349	15,442	30,085	-3,199	26,886
1989	20,536	4,926	6,127	20,562	18,661	33,373	-3,843	29,530
1990	21,813	5,469	7,671	20,689	19,011	36,184	-4,137	32,047
1991	22,907	6,020	7,251	21,812	19,936	37,649	-4,082	33,567
1992	24,285	6,544	6,547	24,353	21,299	40,100	-4,491	35,609
1993	25,446	6,980	6,561	28,537	23,948	43,189	-4,662	38,527
1994	27,293	7,427	7,536	32,916	28,316	46,421	-4,718	41,703
1995 <sup>1</sup>	29,295	7,853	9,685	40,224	34,202	52,546	-5,948	46,598
1995 <sup>1</sup>	29,712	7,866	9,629	40,473	34,247	53,135	-6,152	46,983
1996	32,530	8,291	11,506	45,397	38,323	58,796	-6,866	51,929
1997	35,952	9,224	14,551	53,994	45,060	68,054	-8,494	59,560
1998	40,157	10,113	18,314	68,241	58,916	78,671	-9,945	68,726
1999	45,096	11,411	21,554	80,683	67,951	90,658	-13,550	77,108
2000	51,474	13,104	25,350	102,885	88,697	104,620	-15,488	89,132
2001	56,450	15,429	26,799	116,975	98,657	116,939	-18,975	97,964
2002	61,836	17,643	28,923	122,481	99,903	130,215	-23,699	106,515
2003	66,226	18,981	32,360	117,006	94,400	139,413	-21,723	117,691
2004	70,075	20,896	35,432	124,793	102,468	148,502	-23,215	125,286
2005	76,435	22,870	42,242	132,098	112,279	161,498	-25,775	135,723
2006	82,483	24,939	47,502	139,766	120,997	174,705	-25,575	149,130

<sup>1</sup> Revised series – see technical notes

Source: CSO



Table 9.2 Main economic aggregates

Aggregate	2000	2001	2002	2003	2004	2005	2006
<b>Current Market Prices (€m)</b>							
Gross Domestic Product (GDP)	104,620	116,939	130,215	139,413	148,502	161,498	174,705
Gross National Product (GNP)	89,132	97,964	106,515	117,691	125,286	135,723	149,130
Gross National Income (GNI)	90,134	98,853	108,037	119,123	126,750	137,529	150,487
Gross National Disposable Income (GNDI)	90,061	98,159	107,219	118,123	125,679	135,988	148,665
<b>Constant Market Prices (€m)</b>							
<b>Chain linked volume measures referenced to year 2005</b>							
Gross Domestic Product Index (2005=100)	124,338 77.0	131,683 81.5	140,150 86.8	146,219 90.5	152,467 94.4	161,498 100.0	170,760 105.7
Gross National Product Index (2005=100)	110,465 81.4	114,853 84.6	118,147 87.1	124,855 92.0	129,423 95.4	135,723 100.0	144,504 106.5
Gross National Income Index (2005=100)	111,766 81.3	116,117 84.4	119,991 87.2	126,491 92.0	131,139 95.4	137,529 100.0	146,225 106.3
Gross National Disposable Income Index (2005=100)	113,093 83.2	117,893 86.7	122,738 90.3	127,687 93.9	131,427 96.6	135,988 100.0	141,823 104.3
<b>Per head of population (€)</b>							
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
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
<b>Per person in employment (€)</b>							
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
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

Source: CSO

## Economy

**Table 9.3 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)**

€m

Sector of origin	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	3,565	3,579	3,521	3,648	3,740	4,097	3,817
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 (including 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
Distribution, transport and communication	17,647	19,192	19,811	20,249	20,669	21,759	22,767
Public administration and defence	4,505	4,664	4,826	4,926	5,034	5,127	5,281
Other services (including rent)	44,134	47,521	49,824	52,694	56,502	61,098	65,875
Statistical discrepancy	~	~	~	~	~	-132	-328
<b>Gross value added at constant factor cost</b>	<b>109,037</b>	<b>116,643</b>	<b>124,250</b>	<b>129,796</b>	<b>134,699</b>	<b>142,413</b>	<b>150,175</b>
Non product taxes	1,148	1,208	1,312	1,333	1,411	1,550	1,639
Non product subsidies	-402	-324	-286	-420	-460	-1,476	-1,142
<b>Gross value added at constant basic prices</b>	<b>109,849</b>	<b>117,668</b>	<b>125,486</b>	<b>130,793</b>	<b>135,729</b>	<b>142,486</b>	<b>150,671</b>
Product taxes	16,843	16,945	17,303	17,850	19,041	20,655	22,003
Product subsidies	-2,526	-3,246	-2,867	-2,592	-2,416	-1,643	-1,914
<b>Gross domestic product at constant market prices</b>	<b>124,338</b>	<b>131,683</b>	<b>140,150</b>	<b>146,219</b>	<b>152,467</b>	<b>161,498</b>	<b>170,760</b>
Net factor income from the rest of the world	-15,236	-17,833	-22,259	-21,987	-23,162	-25,775	-26,256
<b>Gross national product at constant market prices</b>	<b>110,465</b>	<b>114,853</b>	<b>118,147</b>	<b>124,855</b>	<b>129,423</b>	<b>135,723</b>	<b>144,504</b>
EU subsidies	2,031	1,982	2,254	2,059	2,039	2,239	2,133
EU taxes	-708	-706	-393	-426	-333	-432	-411
<b>Gross national income at constant market prices</b>	<b>111,766</b>	<b>116,117</b>	<b>119,991</b>	<b>126,491</b>	<b>131,139</b>	<b>137,529</b>	<b>146,225</b>

Source: CSO

~ Chain linked series not additive except for 2005 and 2006

**GDP and GNP at Current Market Prices**

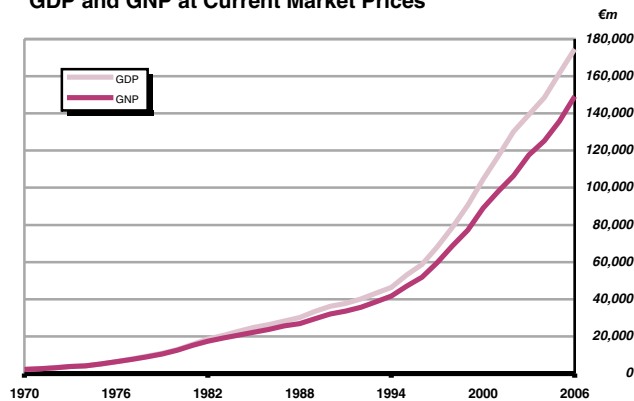


Table 9.4 Expenditure on Gross National Income at current market prices

€m

Expenditure components	2000	2001	2002	2003	2004	2005	2006
Personal consumption of goods and services	51,474	56,450	61,836	66,226	70,075	76,435	82,483
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
Gross domestic fixed capital formation	24,531	26,421	28,275	31,073	35,108	42,079	46,027
Value of physical changes in stocks	819	378	648	1,287	325	162	1,476
Exports of goods and services	102,885	116,975	122,481	117,006	124,793	132,098	139,766
less Imports of goods and services	-88,697	-98,657	-99,903	-94,400	-102,468	-112,279	-120,997
Statistical discrepancy	505	-57	-767	-759	-226	132	1,011
<b>Gross domestic product at current market prices</b>	<b>104,620</b>	<b>116,939</b>	<b>130,215</b>	<b>139,413</b>	<b>148,502</b>	<b>161,498</b>	<b>174,705</b>
Net factor income from the rest of the world	-15,488	-18,975	-23,699	-21,723	-23,215	-25,775	-25,575
<b>Gross national product at current market prices</b>	<b>89,132</b>	<b>97,964</b>	<b>106,515</b>	<b>117,691</b>	<b>125,286</b>	<b>135,723</b>	<b>149,130</b>
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
<b>Gross national income at current market prices</b>	<b>90,134</b>	<b>98,853</b>	<b>108,037</b>	<b>119,123</b>	<b>126,750</b>	<b>137,529</b>	<b>150,487</b>

Source: CSO

Table 9.5 Expenditure on Gross National Income at constant market prices  
(chain linked annually and referenced to year 2005)

€m

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

Source: CSO

~ Chain linked series not additive except for 2005 and 2006

## Economy

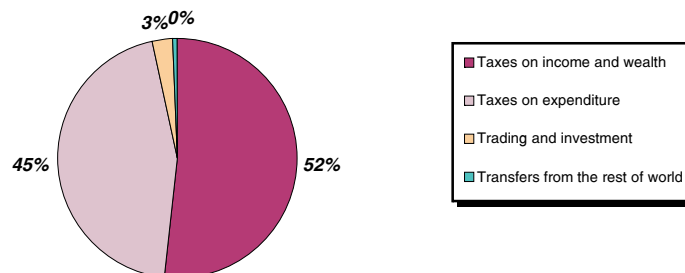
**Table 9.6 Net current income and expenditure of central and local government**

€m

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

Source: CSO

**Net current income in 2006**



**Net current expenditure in 2006**

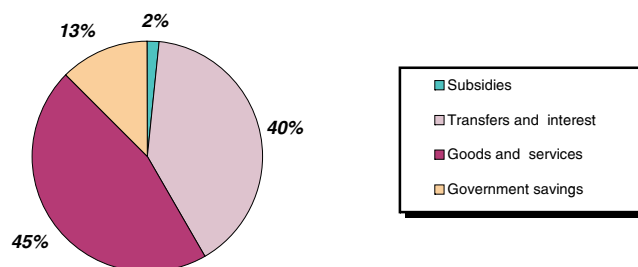
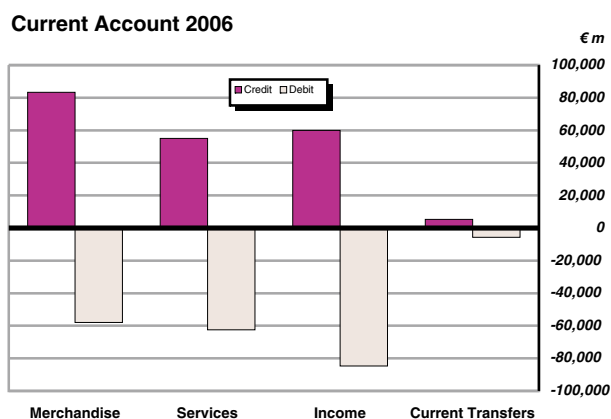


Table 9.7 Balance of International Payments: Current and Capital Accounts

€m

Item	2004		2005		2006	
	Credit	Debit	Credit	Debit	Credit	Debit
<b>Current account</b>						
<b>Merchandise</b>	<b>80,544</b>	<b>49,122</b>	<b>82,686</b>	<b>54,467</b>	<b>83,355</b>	<b>57,967</b>
<b>Services</b>	<b>42,424</b>	<b>52,625</b>	<b>48,219</b>	<b>57,521</b>	<b>55,051</b>	<b>62,471</b>
Transport	1,895	1,790	2,131	1,982	2,334	2,024
Tourism and travel	3,536	4,184	3,863	4,898	4,258	5,446
Communications	343	622	432	709	417	765
Insurance	7,821	6,039	6,909	5,976	8,790	7,167
Financial services	4,267	2,235	4,850	2,654	6,188	3,750
Computer services	15,100	307	15,755	352	16,747	531
Royalties/licences	282	15,169	623	15,482	818	16,564
Business services	8,439	22,146	13,072	25,313	14,897	26,048
Trade related	2,858	7,559	4,348	7,609	3,937	8,128
Operational leasing	2,110	130	4,076	813	5,398	927
Miscellaneous business services	3,472	14,456	4,650	16,890	5,563	16,993
Other services nes	739	136	581	158	605	176
<b>Income</b>	<b>34,966</b>	<b>57,447</b>	<b>43,418</b>	<b>68,288</b>	<b>59,871</b>	<b>84,652</b>
Compensation of employees	312	590	392	855	408	1,016
Investment income	34,654	56,856	43,025	67,433	59,463	83,635
Direct investment income	6,018	31,956	6,473	32,817	8,405	31,448
Income on equity	3,731	30,214	3,845	30,597	4,234	29,473
Dividends and distributed branch profits	1,011	20,925	163	26,341	469	19,385
Reinvested earnings	2,719	9,291	3,682	4,257	3,765	10,087
Income on debt	2,286	1,741	2,629	2,220	4,171	1,977
Portfolio investment income	18,525	14,814	22,323	18,978	31,966	28,918
Income on equity	2,753	8,700	3,543	10,854	5,027	16,748
Income on debt	15,769	6,113	18,779	8,123	26,937	12,171
Other investment income	10,113	10,088	14,229	15,636	19,091	23,268
<b>Current Transfers</b>	<b>5,314</b>	<b>4,921</b>	<b>5,648</b>	<b>5,383</b>	<b>5,264</b>	<b>5,729</b>
<b>Current Account - Total</b>	<b>163,248</b>	<b>164,116</b>	<b>179,969</b>	<b>185,660</b>	<b>203,541</b>	<b>210,818</b>
<b>Current Account Balance</b>		<b>-867</b>		<b>-5,690</b>		<b>-7,276</b>
<b>Capital Account Balance</b>		<b>279</b>		<b>264</b>		<b>223</b>

Source: CSO



## Economy

**Table 9.8 Balance of International Payments: Financial Account**

€m

Item	2004		2005		2006	
	Abroad	In Ireland	Abroad	In Ireland	Abroad	In Ireland
<b>Direct investment</b>	<b>-14,552</b>	<b>-8,543</b>	<b>-11,509</b>	<b>-25,482</b>	<b>-11,746</b>	<b>-747</b>
Equity	-5,038	-4,662	-3,629	3,960	-11,463	-5,809
Reinvested Earnings	-2,719	9,291	-3,682	4,257	-3,765	10,087
Other Capital	-6,793	-13,171	-4,197	-33,698	3,483	-5,027
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Portfolio investment</b>	<b>-135,116</b>	<b>149,403</b>	<b>-120,759</b>	<b>173,459</b>	<b>-214,988</b>	<b>199,566</b>
Equity	-36,818	65,254	-48,205	75,642	-59,513	128,468
Debt instruments	-98,299	84,149	-72,555	97,816	-155,476	71,096
Bonds and notes	-63,235	65,074	-73,668	61,049	-89,467	64,596
Money market instruments	-35,062	19,075	1,112	36,768	-66,008	6,501
<b>Other investment</b>	<b>-47,858</b>	<b>59,288</b>	<b>-111,242</b>	<b>93,577</b>	<b>-95,094</b>	<b>131,359</b>
Loans, currency and deposits	-45,731	50,947	-88,102	87,975	-89,886	105,731
Other	-2,126	8,342	-23,141	5,601	-5,209	25,629
<b>Reserve assets</b>	<b>1,177</b>	<b>—</b>	<b>1,472</b>	<b>—</b>	<b>87</b>	<b>—</b>
Monetary gold	7	—	14	—	0	—
Special drawing rights	0	—	-8	—	-3	—
Reserve position in the IMF	162	—	165	—	41	—
Foreign exchange	1,008	—	1,301	—	49	—
Other	0	—	0	—	0	—
<b>Balance on financial account</b>	<b>3,801</b>	<b>—</b>	<b>-487</b>	<b>—</b>	<b>8,437</b>	<b>—</b>
<i>Net errors and omissions</i>		<i>-3,212</i>		<i>5,912</i>		<i>-1,385</i>
<b>Memorandum item:</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
<i>Government financial transactions</i>	<i>-1,964</i>	<i>2,054</i>	<i>-1,500</i>	<i>1,319</i>	<i>-1,943</i>	<i>318</i>

Source: CSO

**Financial Account 2006**

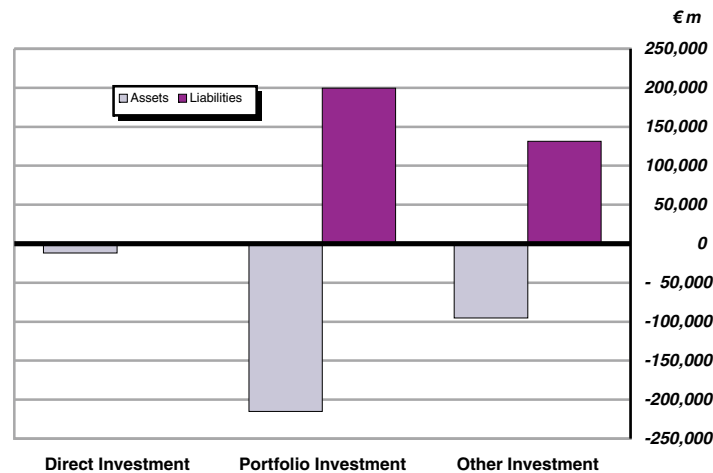


Table 9.9 International Investment Position - detailed data

€m

Item	1999	2000	2001	2002	2003	2004	2005
<b>Foreign assets</b>							
<b>Direct investment abroad</b>	<b>25,116</b>	<b>30,011</b>	<b>46,317</b>	<b>56,148</b>	<b>58,979</b>	<b>77,852</b>	<b>87,196</b>
Equity capital and reinvested earnings	20,624	25,528	40,506	50,606	54,401	67,370	73,808
Other capital	4,492	4,483	5,811	5,542	4,578	10,482	13,388
<b>Portfolio investment</b>	<b>285,211</b>	<b>366,867</b>	<b>491,141</b>	<b>547,314</b>	<b>661,056</b>	<b>786,864</b>	<b>999,582</b>
Equity	118,251	140,675	151,774	145,758	176,170	223,877	322,995
Debt instruments	166,960	226,192	339,367	401,556	484,886	562,987	676,587
<i>Bonds and notes</i>	<i>121,179</i>	<i>154,178</i>	<i>208,636</i>	<i>237,626</i>	<i>300,264</i>	<i>348,713</i>	<i>453,438</i>
<i>Money market instruments</i>	<i>45,781</i>	<i>72,014</i>	<i>130,731</i>	<i>163,930</i>	<i>184,622</i>	<i>214,274</i>	<i>223,149</i>
<b>Other investment</b>	<b>253,291</b>	<b>277,467</b>	<b>306,286</b>	<b>318,351</b>	<b>346,336</b>	<b>380,953</b>	<b>510,417</b>
Loans, currency and deposits	209,634	223,624	237,112	260,135	296,146	333,345	431,510
Trade credits	22,238	26,152	37,324	30,090	22,853	21,318	27,032
Other assets	21,419	27,691	31,850	28,126	27,337	26,290	51,875
<b>Reserve assets</b>	<b>5,355</b>	<b>5,807</b>	<b>6,400</b>	<b>5,227</b>	<b>3,295</b>	<b>2,140</b>	<b>745</b>
Monetary gold	55	57	61	63	64	62	84
Special drawing rights	40	51	61	63	62	65	74
Reserve position in the IMF	413	344	382	448	457	308	150
Foreign exchange	4,847	5,355	5,896	4,653	2,712	1,705	437
Other	0	0	0	0	0	0	0
<b>TOTAL FOREIGN ASSETS</b>	<b>568,973</b>	<b>680,152</b>	<b>850,144</b>	<b>927,040</b>	<b>1,069,666</b>	<b>1,247,809</b>	<b>1,597,940</b>
<b>Foreign liabilities</b>							
<b>Direct investment in Ireland</b>	<b>72,482</b>	<b>136,581</b>	<b>152,108</b>	<b>174,404</b>	<b>176,532</b>	<b>153,935</b>	<b>140,909</b>
Equity capital and reinvested earnings	82,875	122,493	146,759	168,084	177,167	167,626	185,203
Other capital	-10,393	14,088	5,349	6,320	-635	-13,691	-44,294
<b>Portfolio investment</b>	<b>224,621</b>	<b>310,528</b>	<b>412,082</b>	<b>447,063</b>	<b>530,200</b>	<b>678,952</b>	<b>947,917</b>
Equity	159,910	233,748	316,833	327,807	381,403	450,650	603,233
Debt instruments	64,711	76,780	95,249	119,256	148,797	228,302	344,684
<i>Bonds and notes</i>	<i>41,550</i>	<i>45,333</i>	<i>50,396</i>	<i>73,795</i>	<i>106,365</i>	<i>167,995</i>	<i>241,731</i>
<i>Money market instruments</i>	<i>23,161</i>	<i>31,447</i>	<i>44,853</i>	<i>45,461</i>	<i>42,432</i>	<i>60,307</i>	<i>102,953</i>
<b>Other investment</b>	<b>226,185</b>	<b>241,417</b>	<b>303,801</b>	<b>329,002</b>	<b>389,373</b>	<b>443,796</b>	<b>553,600</b>
Loans, currency and deposits	201,922	212,662	261,174	276,970	326,608	371,658	474,806
Trade credits	4,170	7,460	11,414	12,022	14,117	13,386	16,621
Other liabilities	20,093	21,295	31,213	40,010	48,648	58,752	62,173
<b>TOTAL FOREIGN LIABILITIES</b>	<b>523,288</b>	<b>688,526</b>	<b>867,991</b>	<b>950,469</b>	<b>1,096,105</b>	<b>1,276,683</b>	<b>1,642,426</b>

Source: CSO

## Economy

**Table 9.10 Direct investment abroad classified by location of investment**

€m

Region/Country	2004				2005			
<b>Flows</b>	<b>Equity</b>	<b>Reinvested earnings</b>	<b>Other capital</b>	<b>Total</b>	<b>Equity</b>	<b>Reinvested earnings</b>	<b>Other capital</b>	<b>Total</b>
<b>Total</b>	<b>-5,038</b>	<b>-2,719</b>	<b>-6,793</b>	<b>-14,552</b>	<b>-4,121</b>	<b>#</b>	<b>#</b>	<b>-10,910</b>
<i>of which</i>								
United Kingdom	-1,814	-1,356	-751	-3,920	-2,110	-1,480	-1,132	-4,724
France	#	6	#	-165	#	-48	#	80
Germany	#	#	-15	123	#	#	74	288
Netherlands	-32	-290	-1,536	-1,858	348	-329	-3,556	-3,536
Belgium	#	#	#	#	#	#	5	601
Luxembourg	#	-4	#	29	#	-13	#	-2,661
Spain	#	-41	-18	#	#	-44	#	-342
Italy	#	#	-46	-43	#	23	#	229
Switzerland	#	-14	#	-50	#	-19	#	-119
Canada	#	-16	#	-78	-3	-46	-8	-57
United States	-481	-351	-623	-1,456	1,023	-563	3,421	3,880
China	#	0	#	1	0	#	#	#
Japan	#	-17	#	-35	#	#	-5	-96
Hong Kong	#	#	-3	-21	0	#	#	-27
<b>Positions</b>	<b>Equity capital and reinvested earnings</b>	<b>Other capital</b>	<b>Total</b>	<b>Equity capital and reinvested earnings</b>	<b>Other capital</b>	<b>Total</b>		
<b>Total</b>	<b>67,370</b>	<b>10,483</b>	<b>77,853</b>	<b>73,807</b>	<b>13,390</b>	<b>87,197</b>		
<i>of which</i>								
Italy	671	97	768	526	92	618		
United Kingdom	13,954	3,715	17,669	16,958	4,897	21,855		
France	1,361	342	1,703	1,603	178	1,781		
Germany	2,724	140	2,864	1,615	89	1,704		
Netherlands	6,081	270	6,351	6,710	2,062	8,772		
Switzerland	180	60	240	223	63	286		
Canada	#	#	162	230	40	270		
United States	10,976	1,282	12,258	8,917	-1,614	7,303		

# Confidential  
Source: CSO

**Direct investment flows abroad**

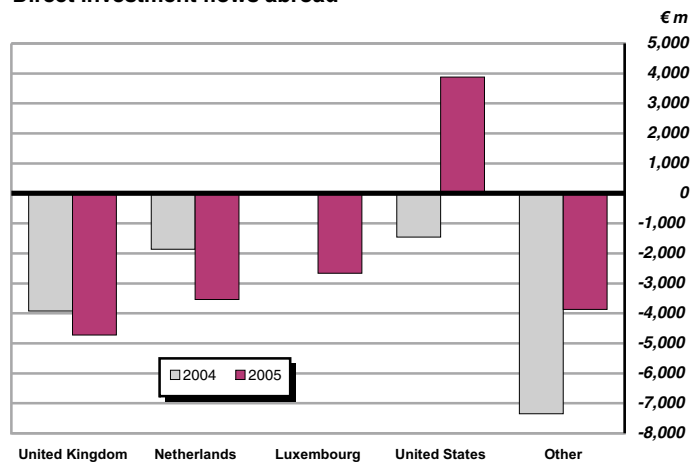




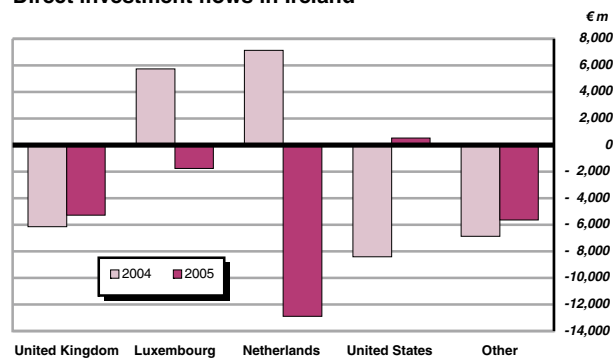
Table 9.11 Direct investment in Ireland classified by location of investor

€m

Region/Country	2004				2005			
<b>Flows</b>	<b>Equity</b>	<b>Reinvested earnings</b>	<b>Other capital</b>	<b>Total</b>	<b>Equity</b>	<b>Reinvested earnings</b>	<b>Other capital</b>	<b>Total</b>
<b>Total</b>	<b>-4,662</b>	<b>9,291</b>	<b>-13,171</b>	<b>-8,543</b>	<b>1,271</b>	<b>4,752</b>	<b>-31,057</b>	<b>-25,034</b>
<i>of which</i>								
United Kingdom	-512	1,772	-7,395	-6,136	-2,324	2,160	-5,118	-5,281
Belgium	-39	-156	217	21	353	-365	-2,517	-2,530
Luxembourg	896	1,251	3,586	5,733	#	-954	#	-1,758
France	454	380	-815	19	#	315	#	4,915
Germany	-335	811	-259	218	-52	652	-2,327	-1,727
Italy	308	554	-580	282	#	660	#	1,325
Netherlands	#	7,240	#	7,135	-1,243	1,774	-13,417	-12,886
Canada	-187	91	-40	-136	-374	-160	-170	-704
United States	-283	1,184	-9,308	-8,407	-1,460	-1,625	3,604	520
Mexico	n/a	n/a	n/a	431	n/a	n/a	n/a	1,068
Brazil	0	0	74	74	0	0	52	52
Japan	#	-86	#	1,757	#	16	#	1,665
China	0	0	#	#	0	0	-347	-347
<b>Positions</b>	<b>Equity capital and reinvested earnings</b>	<b>Other capital</b>	<b>Total</b>	<b>Equity capital and reinvested earnings</b>	<b>Other capital</b>	<b>Total</b>		
<b>Total</b>	<b>167,626</b>	<b>-13,691</b>	<b>153,936</b>	<b>185,203</b>	<b>-44,290</b>	<b>140,913</b>		
<i>of which</i>								
United Kingdom	26,266	-3,181	23,085	26,840	-9,773	17,067		
Belgium	2,104	-286	1,818	#	#	-899		
Luxembourg	22,592	1,946	24,538	28,572	288	28,860		
France	3,585	-1,220	2,365	9,282	-4,158	5,124		
Germany	1,306	620	1,926	2,854	-1,715	1,139		
Italy	7,210	-2,492	4,718	7,743	-1,544	6,199		
Netherlands	44,319	11,329	55,648	49,502	3,939	53,441		
Spain	#	#	-674	1,210	-3,351	-2,141		
Switzerland	5,204	519	5,723	4,198	-237	3,961		
Canada	6,397	-426	5,971	6,127	-648	5,479		
United States	27,394	-16,748	10,646	26,548	-14,587	11,961		
Brazil	0	#	#	0	-373	-373		
Japan	581	772	1,353	630	2,440	3,070		
Singapore	#	#	880	#	#	-152		
China	0	282	282	0	-112	-112		

# Confidential  
Source: CSO

Direct investment flows in Ireland



## Economy

**Table 9.12 Indices of Gross Value Added per person in each region at basic prices**

State = 100

Region	1997	1998	1999	2000	2001	2002	2003	2004
<b>Border, Midland and Western</b>	73.6	74.2	73.1	72.0	71.3	68.9	70.6	72.7
Border	77.5	77.7	73.9	69.7	69.1	71.5	73.6	74.3
Midland	66.3	63.9	61.8	63.3	65.0	62.5	65.6	66.3
West	73.3	76.1	79.1	79.9	77.7	69.7	70.1	74.8
<b>Southern and Eastern</b>	109.5	109.3	109.6	110.0	110.3	111.2	110.7	109.9
Dublin	131.1	132.2	131.5	130.1	130.0	127.6	131.5	133.3
Mid East	86.8	77.2	89.4	82.1	86.2	81.1	74.4	73.8
<i>Dublin plus Mid East</i>	<i>119.9</i>	<i>118.2</i>	<i>120.6</i>	<i>117.5</i>	<i>118.3</i>	<i>115.1</i>	<i>115.9</i>	<i>116.8</i>
Mid West	92.6	91.1	89.8	94.1	84.3	82.9	88.9	93.2
South East	83.4	80.4	80.4	84.1	85.8	89.6	85.0	81.6
South West	110.9	117.2	113.5	118.3	122.0	133.3	128.2	122.3
<b>State</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: CSO

**Indices of GVA per person at basic prices, 2004**

