

# 8

## Economy

- In 2011, GNP in constant prices decreased by 2.5% compared with 2010.
- The value added of the building and construction sector fell by 16.9% in 2011 compared to 2010.
- The value added of manufacturing industry increased by 3.1% in 2011 compared to 2010, while the value added of the distribution, transport, software and communications sector increased by almost 4% in 2011.
- Public administration and defence fell by 3.6% in value added in 2011 while the remaining services sectors contracted by almost 1%.
- Investment in fixed capital formation decreased by 55% compared to five years ago and by 12.6% in the last year after allowing for price changes.
- A surplus of €1,785 million was recorded in the current account of the balance of payments in 2011.

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## 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.

Estimates from these reports are provided at current and at constant prices. The impact of inflation is eliminated from the tables at constant prices and they 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 2010.

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.

Table 8.1 shows the long run development of GDP, GNP and their main components since 1970. It also contains the aggregates at current market prices. The corresponding index numbers at constant prices (base 2010 =100) are given in Table 8.2. An additional set of aggregates for the years 2006 to 2011 are given in Table 8.3 while the following Tables 8.4 to 8.7 provide various breakdowns of GDP over the same period.

The CSO's Balance of Payments collection and compilation system was completely overhauled in the late 1990s 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 2009, 2010 and 2011 being presented in Tables 8.8 and 8.9. The current account details in table 8.8 provide detail on the exports and imports of services and on the components of income inflows (credits) and outflows (debits).

Table 8.10 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 8.11 gives geographical details for 2009 and 2010 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 8.12 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 level. Regional Accounts are produced annually by CSO and provide estimates of Gross Value Added (GVA) for the two overall NUTS-2 regions and the eight Regional Authority NUTS-3 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 EU 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 the GVA in a region may live in and bring their

incomes home to a neighbouring region where they will be counted in the household income estimates. 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. This increases the GVA of the Dublin region to which most of the commuting takes place. It is more meaningful to combine these two regions when analysing GVA. The main results on regional GVA are summarised in Table 8.13.

Personal income also includes items such as social welfare benefits which are not included in GVA. Details of personal income by county are available on the CSO website or in the CSO's annual release on County Incomes and Regional GDP.

### **Long term growth**

Gross Domestic Product (GDP) is a measure of the value added generated in the production of goods and services in the economy. Over the years between 1970 and 2011, 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 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 than GDP because of income flows to non-residents, especially profits and dividends of foreign direct investment enterprises. GNP is now 80% of the value of GDP. 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 2011, GNP decreased by 2.5% following an increase of 0.9% in the previous year.

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

### **Sectors of Economy – recent trends**

The experience of the various sectors of the economy has been very different in recent years. Between 2009 and 2011, the output of Industry increased by 8% in constant prices. The output of the building industry decreased by 39% during these two years. The output of the sectors dominated by multi-national companies (*Chemicals and pharmaceuticals, Computers and instrument engineering, and Medical and dental instruments and supplies*) increased by more than 18%. There was an increase of 8.8% in the output of the Distribution, Transport, Software and Communications sector during the same period. Agriculture, Forestry and Fishing output decreased by 11.3% in real terms between 2009 and 2011.

## **Consumption and Investment**

Personal expenditure between 2009 and 2011 decreased in nominal or current prices by 2.2% while in real terms it decreased by 1.5%.

Investment (Fixed capital formation) in construction, machinery and equipment and other fixed capital assets decreased by 37% in nominal or current prices and by 32% in real terms between 2009 and 2011. As a result, the total value of fixed capital investment has now been reduced to €16,112m in 2011.

## **Regions - Gross Value Added**

Indices of GVA per person for the regions are shown in Table 8.13. Relative to an average of 100 for the State, output per head in the Dublin (NUTS-3) region, as measured by GVA at Basic Prices, was highest at 147.6 in 2009. The corresponding figure for the Midlands NUTS-3 region was just 64.9 and was the lowest of all the NUTS-3 regions.

## Technical Notes

### 2011 estimates - preliminary

The national accounts estimates for 2011 in Tables 8.2 to 8.7 are compiled on the basis of indicators for the various aggregates and must be regarded as tentative.

### 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, minus the value of all imported goods and services. It is therefore equivalent to the value added generated by the production of goods and services. See GVA below.

### 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 added generated by the production of goods and services. In the valuation at basic prices output is priced at the value received by the producer less product taxes payable (eg VAT, excise duties, etc.) and plus subsidies receivable on products. Total GVA, when valued 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 8.1 from 1995 to 2011 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 EU guidelines. Data for 1970-1995 are compiled on an ESA95 basis but exclude FISIM.

The Balance of Payments data in Tables 8.8 and 8.9 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 8.1 Gross Domestic Product (GDP) and components at current market prices**

€m

Year	Personal consumption of goods and services	Public expenditure on goods and services	Capital formation	Exports	Imports	GDP	Net foreign income	GNP
1970	1,622	345	528	760	925	2,243	33	2,276
1971	1,821	408	594	851	1,022	2,564	30	2,594
1972	2,109	494	768	984	1,137	3,116	33	3,150
1973	2,507	607	994	1,307	1,541	3,763	9	3,772
1974	2,951	732	1,182	1,620	2,174	4,181	15	4,196
1975	3,543	1,003	1,175	2,062	2,359	5,257	-4	5,254
1976	4,437	1,200	1,550	2,742	3,219	6,476	-50	6,426
1977	5,257	1,393	2,103	3,588	4,260	7,883	-137	7,746
1978	6,102	1,668	2,609	4,298	5,167	9,316	-291	9,025
1979	7,498	2,076	3,444	5,015	6,687	11,036	-354	10,682
1980	9,012	2,678	3,461	5,907	7,541	13,097	-433	12,664
1981	10,836	3,264	4,350	7,008	9,113	15,892	-619	15,273
1982	12,064	3,821	4,919	8,192	9,499	18,853	-1,174	17,679
1983	13,120	4,144	4,714	9,869	10,501	20,780	-1,493	19,287
1984	14,358	4,477	4,948	12,436	12,633	23,013	-2,107	20,906
1985	15,612	4,832	4,749	13,668	13,378	24,998	-2,577	22,421
1986	16,659	5,212	4,804	13,177	12,734	26,625	-2,509	24,115
1987	17,535	5,341	4,654	15,053	13,707	28,451	-2,583	25,868
1988	18,736	5,306	4,767	17,349	15,442	30,389	-3,199	27,190
1989	20,259	5,531	6,137	20,562	18,661	33,706	-3,843	29,863
1990	21,528	6,105	7,683	20,689	19,011	36,541	-4,137	32,404
1991	22,603	6,687	7,264	21,812	19,936	38,018	-4,082	33,936
1992	23,952	7,260	6,559	24,353	21,299	40,489	-4,491	35,998
1993	25,066	7,770	6,573	28,537	23,948	43,605	-4,662	38,943
1994	26,885	8,270	7,550	32,916	28,316	46,864	-4,718	42,146
1995 <sup>1</sup>	28,916	8,754	9,674	40,259	34,270	53,074	-5,948	47,126
1995 <sup>1</sup>	29,305	8,766	9,674	40,508	34,315	53,787	-6,152	47,634
1996	32,198	9,192	11,573	45,436	38,521	58,894	-6,866	52,027
1997	35,544	10,188	14,568	54,037	45,269	68,154	-8,494	59,660
1998	39,811	11,176	18,334	68,283	59,141	78,685	-9,945	68,739
1999	44,790	12,426	21,488	80,756	68,196	90,683	-13,550	77,133
2000	52,083	14,231	25,270	103,044	88,933	105,775	-15,488	90,287
2001	57,026	16,720	26,721	117,112	98,908	117,643	-18,975	98,668
2002	62,535	19,000	28,951	122,630	100,173	130,877	-23,696	107,182
2003	67,043	20,572	32,804	117,172	94,701	140,827	-21,724	119,103
2004	70,861	22,162	37,072	125,199	102,882	150,194	-22,879	127,316
2005	77,203	23,777	44,362	132,526	113,457	163,037	-24,261	138,776
2006	84,634	26,150	49,913	140,707	123,574	177,729	-23,264	154,465
2007	92,724	28,997	49,402	152,389	135,328	188,729	-26,520	162,209
2008	94,153	30,482	38,994	150,181	133,877	178,882	-25,317	153,565
2009	83,155	29,213	24,111	146,369	120,352	161,275	-28,364	132,911
2010	82,060	26,170	18,192	157,810	128,326	156,487	-26,285	130,202
2011	81,308	25,410	16,338	166,791	131,875	158,993	-31,977	127,016

<sup>1</sup> Revised series – see technical notes  
Source: CSO



**Table 8.2 Index numbers of Gross Domestic Product and expenditure aggregates at constant market prices***(Base 2010=100)*

Year	GDP	Personal consumption of goods and services	Public expenditure on goods and services	Capital formation	Exports	Imports	GNP
1970	18.3	23.9	28.8	35.1	3.6	6.3	24.3
1971	19.2	24.7	31.1	32.5	3.7	6.6	25.4
1972	20.5	26.2	33.3	38.9	3.8	7.0	27.1
1973	21.7	28.2	35.5	42.7	4.2	8.4	28.4
1974	22.2	28.6	38.1	51.3	4.3	8.2	29.2
1975	22.5	28.1	40.6	40.3	4.6	7.4	29.4
1976	23.3	29.7	41.9	41.0	5.0	8.5	30.2
1977	24.7	31.1	42.7	50.4	5.7	9.6	31.8
1978	26.5	33.4	46.5	55.5	6.4	11.1	33.5
1979	27.6	35.9	49.0	70.5	6.8	12.6	34.9
1980	28.4	36.9	52.2	59.6	7.3	12.1	35.8
1981	29.1	37.1	52.6	61.7	7.4	12.3	36.4
1982	29.6	35.5	54.3	64.6	7.7	11.8	36.0
1983	29.3	34.8	54.3	57.0	8.6	12.4	35.3
1984	30.3	35.1	54.2	57.1	9.9	13.6	35.7
1985	30.9	36.1	55.3	52.9	10.6	14.1	35.8
1986	31.0	37.1	57.1	52.9	10.9	14.8	35.8
1987	32.1	37.8	55.0	52.2	12.4	15.9	37.2
1988	33.1	39.2	52.3	49.6	13.4	16.9	37.8
1989	35.0	40.6	51.7	60.8	14.9	19.2	39.6
1990	37.6	41.9	54.4	73.3	16.3	20.4	42.1
1991	38.3	42.3	55.7	67.7	17.2	20.9	43.0
1992	39.6	43.5	57.3	59.1	19.6	22.6	44.1
1993	40.6	44.6	57.3	56.7	21.5	24.3	45.4
1994	42.9	46.5	59.7	61.4	24.8	28.0	48.3
1995	47.0	48.5	61.3	75.3	29.7	32.6	52.2
1996	51.4	52.0	62.9	87.3	33.4	36.8	56.8
1997	57.3	56.1	66.3	104.0	39.3	42.8	62.6
1998	62.3	60.5	70.1	120.0	48.4	54.6	67.4
1999	69.2	66.1	73.8	130.0	55.9	61.5	73.4
2000	76.7	73.2	79.6	140.0	67.6	74.7	81.6
2001	80.8	76.8	87.5	137.6	73.3	80.2	84.1
2002	85.3	80.0	92.8	141.9	76.9	82.1	85.8
2003	88.7	82.5	95.4	154.4	77.4	81.1	90.0
2004	92.5	85.8	96.4	164.9	83.3	88.2	93.6
2005	98.0	91.9	99.6	191.3	87.0	95.6	99.0
2006	103.3	98.5	104.4	204.0	91.4	102.1	105.3
2007	108.9	104.8	111.2	205.9	99.0	110.2	109.7
2008	106.6	104.7	111.9	180.6	97.9	107.0	107.8
2009	100.8	99.0	107.0	125.3	94.2	96.6	99.1
2010	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2011	101.4	97.6	95.7	91.2	105.1	99.7	97.5

Source: CSO

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**Table 8.3 Main economic aggregates**

Aggregate	2006	2007	2008	2009	2010	2011
<b>Current market prices (€m)</b>						
Gross Domestic Product (GDP)	177,729	188,729	178,882	161,275	156,487	158,993
Gross National Product (GNP)	154,465	162,209	153,565	132,911	130,202	127,016
Gross National Income (GNI)	155,773	163,418	154,878	134,271	131,295	128,301
Gross National Disposable Income (GNDI)	153,961	161,219	152,411	131,488	128,788	125,858
<b>Constant market prices (€m)</b> <b>Chain linked volume measures referenced to year 2010</b>						
Gross Domestic Product Index (2010=100)	161,590 103.3	170,389 108.9	166,796 106.6	157,695 100.8	156,487 100.0	158,726 101.4
Gross National Product Index (2010=100)	137,145 105.3	142,848 109.7	140,316 107.8	128,988 99.1	130,202 100.0	126,983 97.5
Gross National Income Index (2010=100)	138,183 105.2	143,778 109.5	141,186 107.5	130,210 99.2	131,295 100.0	128,056 97.5
Gross National Disposable Income Index (2010=100)	140,971 109.5	144,299 112.0	138,380 107.4	129,462 100.5	128,788 100.0	121,581 94.4
<b>Per head of population (€)</b>						
GDP at current market prices	41,988	43,496	40,452	36,166	35,003	35,455
GNP at current market prices	36,491	37,384	34,727	29,805	29,123	28,325
GNI at current market prices	36,801	37,663	35,024	30,110	29,368	28,611
GNDI at current market prices	36,372	37,156	34,466	29,486	28,807	28,066
GDP at constant market prices	38,175	39,269	37,719	35,363	35,003	35,396
GNP at constant market prices	32,400	32,922	31,731	28,926	29,123	28,317
GNI at constant market prices	32,645	33,136	31,927	29,200	29,368	28,557
GNDI at constant market prices	33,304	33,256	31,293	29,032	28,807	27,112
<b>Per person in employment (€)</b>						
GDP at current market prices	87,340	89,280	84,666	83,196	84,173	87,296
GNP at current market prices	75,908	76,734	72,683	68,564	70,035	69,739
GNI at current market prices	76,551	77,306	73,304	69,265	70,623	70,445
GNDI at current market prices	75,660	76,266	72,137	67,830	69,274	69,103
GDP at constant market prices	79,409	80,604	78,945	81,349	84,173	87,150
GNP at constant market prices	67,396	67,576	66,412	66,540	70,035	69,721
GNI at constant market prices	67,907	68,016	66,824	67,171	70,623	70,310
GNDI at constant market prices	69,277	68,262	65,496	66,785	69,274	66,755

Source: CSO

**Table 8.4 Gross Value Added at constant factor cost by sector of origin and Gross National Income at constant market prices (chain linked annually and referenced to year 2010)**

€m

Sector of origin	2006	2007	2008	2009	2010	2011
Agriculture, forestry and fishing	3,742	3,702	3,651	3,437	3,222	3,049
Industry (including building)	42,995	42,419	39,835	35,852	36,525	37,168
Industry	37,090	36,168	33,984	32,554	34,112	35,163
<i>of which</i>						
<i>Chemicals and pharmaceuticals</i>	11,176	10,137	8,758	11,109	14,100	15,482
<i>Computers and Instrument engineering</i>	5,852	5,506	5,974	4,120	2,906	2,746
<i>Medical and dental instruments &amp; supplies</i>	2,211	2,221	2,420	2,339	2,429	2,548
Building and construction	4,786	4,826	4,526	3,275	2,414	2,005
Distribution, transport, software and communication	25,224	29,441	31,146	32,219	33,733	35,041
<i>of which</i>						
<i>Software and communications</i>	5,086	6,471	8,118	10,390	11,979	13,448
Public administration and defence	7,932	8,306	8,685	8,291	7,831	7,551
Other services (including rent)	59,048	63,070	62,057	61,026	59,808	59,252
Statistical discrepancy	~	~	~	~	-581	896
<b>Gross value added at constant factor cost</b>	<b>139,482</b>	<b>147,842</b>	<b>146,683</b>	<b>141,335</b>	<b>140,538</b>	<b>142,957</b>
Non product taxes	1,841	1,940	2,094	2,159	2,264	2,258
Non product subsidies	-1,916	-1,967	-2,024	-1,919	-1,833	-1,550
<b>Gross value added at constant basic prices</b>	<b>139,440</b>	<b>147,846</b>	<b>146,767</b>	<b>141,576</b>	<b>140,969</b>	<b>143,665</b>
Product taxes	23,309	23,612	20,842	16,708	16,057	15,716
Product subsidies	-585	-555	-532	-565	-540	-656
<b>Gross domestic product at constant market prices</b>	<b>161,590</b>	<b>170,389</b>	<b>166,796</b>	<b>157,695</b>	<b>156,487</b>	<b>158,726</b>
Net factor income from the rest of the world	-23,885	-27,226	-26,092	-28,811	-26,285	-31,742
<b>Gross national product at constant market prices</b>	<b>137,145</b>	<b>142,848</b>	<b>140,316</b>	<b>128,988</b>	<b>130,202</b>	<b>126,983</b>
EU subsidies	1,536	1,476	1,394	1,580	1,494	1,496
EU taxes	-457	-503	-479	-361	-400	-422
<b>Gross national income at constant market prices</b>	<b>138,183</b>	<b>143,778</b>	<b>141,186</b>	<b>130,210</b>	<b>131,295</b>	<b>128,056</b>

~ Chain linked series not additive except for 2010 and 2011  
Source: CSO

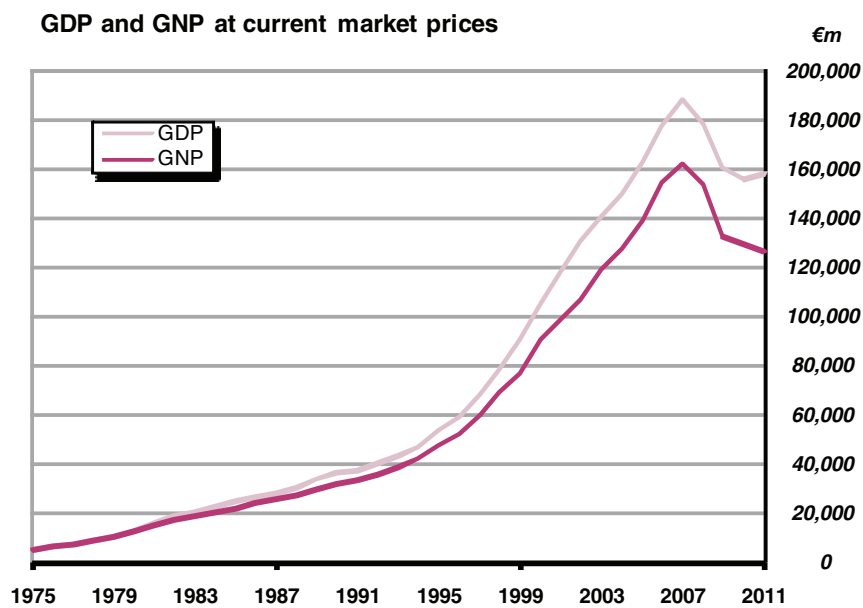
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**Table 8.5 Expenditure on Gross National Income at current market prices**

€m

Expenditure components	2006	2007	2008	2009	2010	2011
Personal consumption of goods and services	84,634	92,724	94,153	83,155	82,060	81,308
<i>of which</i>						
<i>Final consumption expenditure of Households and NPISHs</i>	81,506	89,217	90,278	79,402	78,159	77,500
<i>Final consumption expenditure of government</i>	3,128	3,507	3,875	3,753	3,901	3,808
Net expenditure by central and local government on current goods and services	26,150	28,997	30,482	29,213	26,170	25,410
Gross domestic fixed capital formation	48,294	48,377	39,324	25,601	18,745	16,112
Value of physical changes in stocks	1,619	1,025	-330	-1,490	-553	227
<i>of which</i>						
<i>Net additions to the breeding stocks</i>	-58	-28	2	-44	-55	11
Exports of goods and services	140,707	152,389	150,181	146,369	157,810	166,791
less Imports of goods and services	-123,574	-135,328	-133,877	-120,352	-128,326	-131,875
Statistical discrepancy	-101	546	-1,051	-1,221	581	1,020
<b>Gross domestic product at current market prices</b>	<b>177,729</b>	<b>188,729</b>	<b>178,882</b>	<b>161,275</b>	<b>156,487</b>	<b>158,993</b>
Net factor income from the rest of the world	-23,264	-26,520	-25,317	-28,364	-26,285	-31,977
<b>Gross national product at current market prices</b>	<b>154,465</b>	<b>162,209</b>	<b>153,565</b>	<b>132,911</b>	<b>130,202</b>	<b>127,016</b>
EU subsidies	1,778	1,728	1,797	1,719	1,494	1,700
EU taxes	-470	-519	-484	-359	-400	-416
<b>Gross national income at current market prices</b>	<b>155,773</b>	<b>163,418</b>	<b>154,878</b>	<b>134,271</b>	<b>131,295</b>	<b>128,301</b>

Source: CSO



**Table 8.6 Expenditure on Gross National Income at constant market prices  
(chain linked annually and referenced to year 2010)**

	€m					
Expenditure components	2006	2007	2008	2009	2010	2011
Personal consumption of goods and services	80,806	85,967	85,909	81,279	82,060	80,067
<i>of which</i>						
<i>Final consumption expenditure of Households and NPISHs</i>	77,933	82,749	82,455	77,753	78,159	76,342
<i>Final consumption expenditure of government</i>	2,896	3,238	3,473	3,539	3,901	3,726
Net expenditure by central and local government on current goods and services	27,323	29,112	29,283	27,995	26,170	25,045
Gross domestic fixed capital formation	36,346	37,196	33,462	24,225	18,745	16,390
Value of physical changes in stocks	2,967	1,773	-341	-1,465	-553	209
<i>of which</i>						
<i>Net additions to the breeding stocks</i>	-110	-54	2	-44	-55	16
Exports of goods and services	144,225	156,282	154,550	148,637	157,810	165,789
less Imports of goods and services	-131,084	-141,473	-137,281	-123,905	-128,326	-127,879
Statistical discrepancy	~	~	~	~	581	-896
<b>Gross domestic product at constant market prices</b>	<b>161,590</b>	<b>170,389</b>	<b>166,796</b>	<b>157,695</b>	<b>156,487</b>	<b>158,726</b>
Net factor income from the rest of the world	-23,885	-27,226	-26,092	-28,811	-26,285	-31,742
<b>Gross national product at constant market prices</b>	<b>137,145</b>	<b>142,848</b>	<b>140,316</b>	<b>128,988</b>	<b>130,202</b>	<b>126,983</b>
EU subsidies	1,536	1,476	1,394	1,580	1,494	1,496
EU taxes	-457	-503	-479	-361	-400	-422
<b>Gross national income at constant market prices</b>	<b>138,183</b>	<b>143,778</b>	<b>141,186</b>	<b>130,210</b>	<b>131,295</b>	<b>128,056</b>

~ Chain linked series not additive except for 2010 and 2011

Source: CSO

## Economy

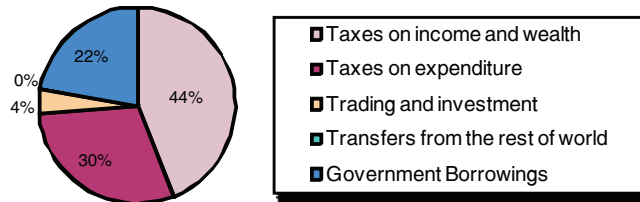
**Table 8.7 Net current income and expenditure of central and local government**

€m

Income and expenditure	2006	2007	2008	2009	2010	2011
Taxes on income and wealth (including social insurance contributions)	28,103	29,957	28,491	25,575	24,843	26,174
Taxes on expenditure (including rates)	24,666	25,216	22,246	18,271	17,922	17,678
Net trading and investment income	1,597	1,994	2,623	2,309	2,523	2,394
Current transfers from the rest of the world to central and local government	210	55	149	97	113	52
<b>Total income</b>	<b>54,577</b>	<b>57,222</b>	<b>53,508</b>	<b>46,252</b>	<b>45,401</b>	<b>46,298</b>
Subsidies (excluding EU subsidies)	775	870	939	893	879	639
Transfer payments (including transfers to the rest of the world) and national debt interest	22,218	25,137	28,590	31,563	32,795	33,463
Net current expenditure on goods and services	26,150	28,997	30,482	29,213	26,170	25,410
<b>Total expenditure</b>	<b>49,143</b>	<b>55,004</b>	<b>60,010</b>	<b>61,669</b>	<b>59,845</b>	<b>59,512</b>
<b>Central and local government savings</b>	<b>5,434</b>	<b>2,218</b>	<b>-6,502</b>	<b>-15,417</b>	<b>-14,444</b>	<b>-13,214</b>

Source: CSO

### Net current income in 2011



### Net current expenditure in 2011

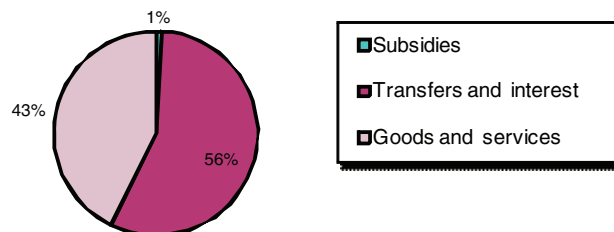


Table 8.8 Balance of International Payments: Current and Capital Accounts

€m

Item	2009		2010		2011	
	Credit	Debit	Credit	Debit	Credit	Debit
<b>Current account</b>						
<b>Merchandise</b>	<b>77,645</b>	<b>45,178</b>	<b>82,607</b>	<b>46,856</b>	<b>84,858</b>	<b>48,270</b>
<b>Services</b>	<b>67,602</b>	<b>74,503</b>	<b>74,311</b>	<b>80,951</b>	<b>81,448</b>	<b>83,258</b>
Transport	3,045	1,610	3,657	1,630	4,155	1,643
Tourism and travel	3,555	5,602	3,106	5,358	3,281	5,031
Communications	426	995	386	1,119	455	1,076
Insurance	7,300	6,196	7,965	6,272	8,138	5,997
Financial services	5,794	4,285	6,326	4,513	6,595	4,773
Computer services	24,352	625	27,889	659	31,819	680
Royalties/licences	1,216	25,148	2,192	28,260	3,636	29,221
Business services	21,319	29,876	22,151	32,946	22,774	34,646
Trade related	8,692	9,542	8,749	9,752	7,738	10,224
Operational leasing	5,729	1,488	6,699	1,571	6,699	1,459
Miscellaneous business services	6,898	18,846	6,702	21,621	8,337	22,961
Other services nes	590	165	640	192	594	193
<b>Income</b>	<b>55,056</b>	<b>82,963</b>	<b>57,121</b>	<b>83,040</b>	<b>55,882</b>	<b>87,716</b>
Compensation of employees	402	791	485	737	539	760
Investment income	54,652	82,172	56,638	82,301	55,344	86,958
Direct investment income	9,217	34,967	14,337	37,636	14,573	41,114
Income on equity	6,088	33,164	11,546	36,068	10,833	36,809
Dividends and distributed branch profits	1,413	15,862	1,025	15,710	1,697	13,888
Reinvested earnings	4,675	17,301	10,521	20,354	9,134	22,918
Income on debt	3,130	1,803	2,790	1,567	3,743	4,305
Portfolio investment income	25,588	28,223	25,118	29,829	23,141	30,571
Income on equity	4,035	10,968	5,432	13,979	5,346	14,419
Income on debt	21,552	17,257	19,687	15,848	17,795	16,150
Other investment income	19,847	18,983	17,182	14,836	17,629	15,272
<b>Current Transfers</b>	<b>5,361</b>	<b>6,784</b>	<b>4,947</b>	<b>6,361</b>	<b>5,413</b>	<b>6,571</b>
<b>Current Account - Total</b>	<b>205,665</b>	<b>209,427</b>	<b>218,989</b>	<b>217,207</b>	<b>227,601</b>	<b>225,816</b>
<b>Current Account Balance</b>	<b>-3,763</b>		<b>-1,782</b>		<b>1,785</b>	
<b>Capital Account Balance</b>	<b>-1,252</b>		<b>-673</b>		<b>-263</b>	
<b>Memorandum Item:</b>						
Government income	352	2,999	306	3,408	139	4,394

Source: CSO

## Economy

**Table 8.9 Balance of International Payments: Financial Account**

€m

Item	2009		2010		2011	
	Abroad	In Ireland	Abroad	In Ireland	Abroad	In Ireland
<b>Direct investment</b>	<b>-19,159</b>	<b>18,511</b>	<b>-16,874</b>	<b>32,319</b>	<b>3,086</b>	<b>8,249</b>
Equity	-10,325	5,840	-328	1,609	14,963	-36,372
Reinvested Earnings	-4,675	17,301	-10,521	20,354	-9,134	22,918
Other Capital	-4,160	-4,630	-6,023	10,356	-2,742	21,703
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Portfolio investment</b>	<b>298</b>	<b>22,328</b>	<b>10,322</b>	<b>75,643</b>	<b>-2,977</b>	<b>30,476</b>
Equity	-8,509	20,245	-29,162	115,076	6,201	62,037
Debt instruments	8,808	2,083	39,483	-39,433	-9,178	-31,559
Bonds and notes	36,109	17,057	56,985	-7,672	-2,763	-18,127
Money market instruments	-27,301	-14,973	-17,502	-31,763	-6,416	-13,432
<b>Other investment</b>	<b>63,403</b>	<b>-86,519</b>	<b>-32,155</b>	<b>-61,986</b>	<b>14,987</b>	<b>-48,090</b>
Loans, currency and deposits	55,041	-74,579	-10,966	-78,332	13,604	-40,669
Other	8,361	-11,940	-21,189	16,346	1,384	-7,420
<b>Reserve assets</b>	<b>79</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>340</b>	<b>-</b>
Monetary gold	-1	-	-1	-	-31	-
Special drawing rights	12	-	41	-	93	-
Reserve position in the IMF	-14	-	-19	-	-77	-
Foreign exchange	82	-	-16	-	355	-
Other	0	-	0	-	0	-
<b>Balance on financial account</b>	<b>-1,060</b>		<b>7,276</b>		<b>6,073</b>	
<i>Net errors and omissions</i>		6,074		-8,384		-7,595
<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>	4,639	17,262	-47	5,037	5,913	22,658

Source: CSO

**Financial Account 2011**

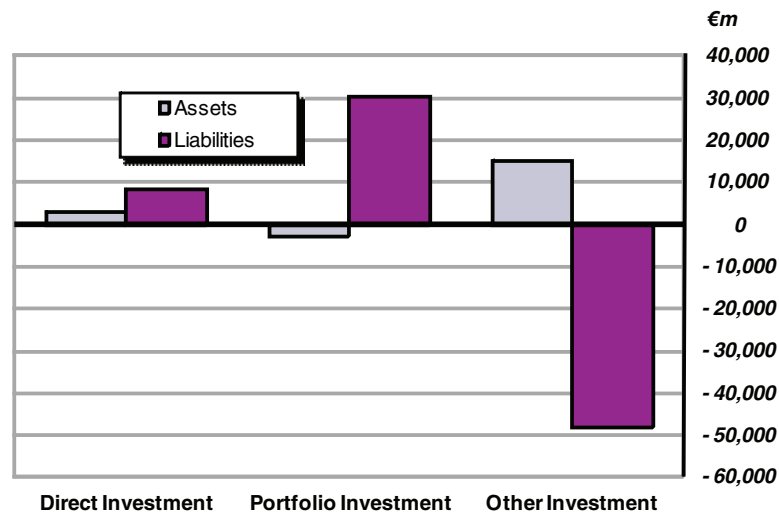




Table 8.10 International Investment Position — detailed data

€m

Item	2006	2007	2008	2009	2010	2011
<b>Foreign assets</b>						
<b>Direct investment abroad</b>	<b>91,669</b>	<b>101,936</b>	<b>121,381</b>	<b>205,008</b>	<b>254,538</b>	<b>242,494</b>
Equity capital and reinvested earnings	82,335	88,780	99,970	175,617	218,098	204,946
Other capital	9,334	13,156	21,411	29,391	36,440	37,548
<b>Portfolio investment</b>	<b>1,230,234</b>	<b>1,338,542</b>	<b>1,264,428</b>	<b>1,352,597</b>	<b>1,458,289</b>	<b>1,432,908</b>
Equity	435,231	440,984	307,394	374,723	456,346	437,266
Debt instruments	795,003	897,559	957,035	977,874	1,001,943	995,642
<i>Bonds and notes</i>	<i>518,075</i>	<i>664,938</i>	<i>741,011</i>	<i>761,356</i>	<i>721,791</i>	<i>719,796</i>
<i>Money market instruments</i>	<i>276,928</i>	<i>232,620</i>	<i>216,024</i>	<i>216,518</i>	<i>280,152</i>	<i>275,845</i>
<b>Other investment</b>	<b>688,805</b>	<b>828,937</b>	<b>896,847</b>	<b>864,391</b>	<b>941,452</b>	<b>1,005,754</b>
Loans, currency and deposits	596,866	715,313	785,425	736,198	781,046	818,199
Trade credits	32,796	33,938	25,612	29,354	32,579	33,664
Other assets	59,143	79,686	85,811	98,839	127,827	153,891
<b>Reserve assets</b>	<b>640</b>	<b>639</b>	<b>746</b>	<b>1,496</b>	<b>1,587</b>	<b>1,316</b>
Monetary gold	93	110	120	148	204	235
Special drawing rights	72	77	77	819	830	754
Reserve position in the IMF	100	51	111	170	178	307
Foreign exchange	375	401	438	359	375	20
Other	0	0	0	0	0	0
<b>TOTAL FOREIGN ASSETS</b>	<b>2,011,348</b>	<b>2,270,054</b>	<b>2,283,402</b>	<b>2,423,492</b>	<b>2,655,866</b>	<b>2,682,472</b>
<b>Foreign liabilities</b>						
<b>Direct investment in Ireland</b>	<b>118,824</b>	<b>138,362</b>	<b>135,295</b>	<b>173,610</b>	<b>213,722</b>	<b>194,508</b>
Equity capital and reinvested earnings	171,920	181,385	182,413	221,515	233,252	200,098
Other capital	-53,096	-43,023	-47,118	-47,905	-19,530	-5,590
<b>Portfolio investment</b>	<b>1,223,683</b>	<b>1,329,908</b>	<b>1,280,707</b>	<b>1,464,610</b>	<b>1,668,152</b>	<b>1,725,510</b>
Equity	721,940	784,656	638,891	817,945	1,053,913	1,142,975
Debt instruments	501,743	545,252	641,817	646,665	614,239	582,535
<i>Bonds and notes</i>	<i>399,681</i>	<i>495,040</i>	<i>589,873</i>	#	<i>589,365</i>	<i>571,762</i>
<i>Money market instruments</i>	<i>102,062</i>	<i>50,212</i>	<i>51,944</i>	#	<i>24,874</i>	<i>10,773</i>
<b>Other investment</b>	<b>678,293</b>	<b>838,713</b>	<b>1,003,675</b>	<b>935,264</b>	<b>913,052</b>	<b>915,074</b>
Loans, currency and deposits	571,591	697,743	843,952	761,601	708,499	686,511
Trade credits	21,864	22,199	26,162	15,252	17,350	19,166
Other liabilities	84,838	118,771	133,560	158,412	187,203	209,397
<b>TOTAL FOREIGN LIABILITIES</b>	<b>2,020,800</b>	<b>2,306,983</b>	<b>2,419,677</b>	<b>2,573,484</b>	<b>2,794,926</b>	<b>2,835,092</b>

Source: CSO

## Economy

**Table 8.11 Direct investment abroad by location of investment**

€m

Region/Country	2009				2010			
<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>-10,325</b>	<b>-4,675</b>	<b>-4,160</b>	<b>-19,159</b>	<b>2,291</b>	<b>-10,572</b>	<b>-5,160</b>	<b>-13,441</b>
<i>of which</i>								
Belgium	#	4	#	-185	-36	#	#	-3
France	#	-29	#	-2	-34	-171	-96	-302
Germany	-24	63	94	135	-10	-54	25	-37
Italy	#	-11	#	-16	-8	#	#	50
Luxembourg	#	-436	#	-836	691	-1,672	3,184	2,202
Netherlands	#	-391	#	-11,423	#	-1,756	#	-1,354
Spain	#	-4	#	-204	#	#	#	#
Switzerland	#	-14	#	156	#	#	#	560
United Kingdom	7,344	-1,295	-173	5,874	-1,226	-2,205	-35	-3,466
Canada	#	-22	-21	#	#	-35	#	-308
United States	368	-1,314	-464	-1,409	#	-1,395	#	-790
China	#	-34	#	-8	-2	21	6	25
Hong Kong	#	#	5	-21	0	-77	2	-75
Japan	0	#	8	#	#	-31	#	#
<b>Positions</b>	<b>Equity capital and reinvested earnings</b>			<b>Total</b>	<b>Equity capital and reinvested earnings</b>			<b>Total</b>
<b>Total</b>	<b>171,435</b>			<b>200,826</b>	<b>220,440</b>			<b>260,992</b>
<i>of which</i>								
France		#	#	1,842		#	61	#
Germany		3,762	72	3,834		3,951	81	4,032
Italy		160	124	284		#	#	886
Luxembourg		27,017	8,622	35,639		31,873	8,144	40,017
Netherlands		19,069	208	19,277		26,509	2,477	28,986
Switzerland		185	#	#		#	#	#
United Kingdom		23,981	5,342	29,323		34,467	5,543	40,010
Canada		#	#	1,102		#	#	1,225
United States		22,591	2,517	25,108		20,502	3,921	24,423

Source: CSO

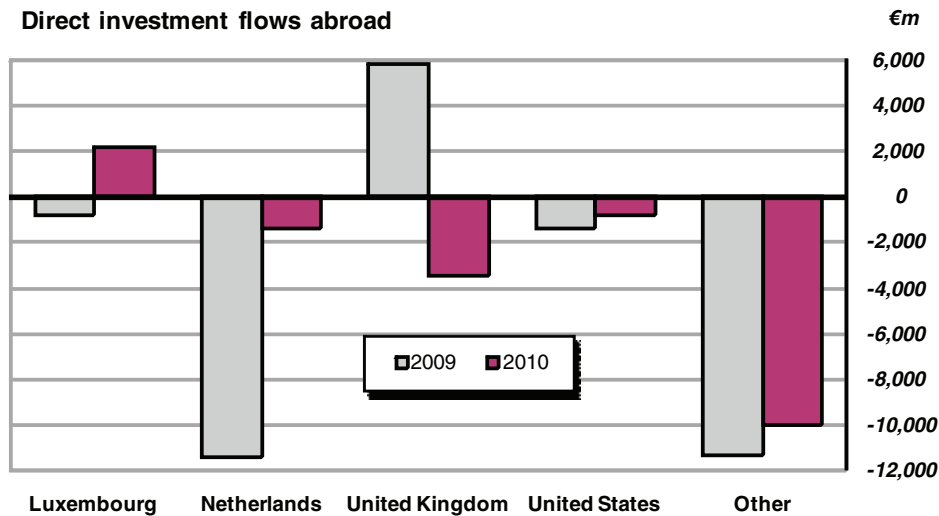


Table 8.12 Direct investment in Ireland by location of investor

€m

Region/Country	2009				2010			
<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>5,987</b>	<b>17,300</b>	<b>-4,600</b>	<b>18,687</b>	<b>-3,960</b>	<b>21,245</b>	<b>2,596</b>	<b>19,880</b>
<i>of which</i>								
Belgium	867	662	683	2,212	#	765	#	245
France	-51	189	4,323	4,460	#	53	#	1,584
Germany	-112	181	2,095	2,162	1,510	359	-68	1,802
Italy	1,048	1,021	230	2,299	-122	1,113	-101	889
Luxembourg	-995	467	-3,638	-4,166	-1,996	1,126	-1,781	-2,651
Netherlands	825	6,687	-2,705	4,809	-11,843	7,728	-3,755	-7,869
United Kingdom	1,794	804	2,062	4,660	2,312	715	-1,571	1,456
Canada	#	484	#	-218	105	155	292	552
United States	#	1,804	#	-11,681	2,192	2,899	2,444	7,536
Bermuda	847	4,281	-382	4,748	2,322	4,540	1,758	8,621
Brazil	0	0	40	40	0	0	76	76
China	0	0	-287	-287	0	0	-799	-799
Japan	106	52	1,225	1,384	3	80	-1,842	-1,759
<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>219,548</b>	<b>-47,782</b>	<b>171,766</b>	<b>225,635</b>	<b>-40,710</b>	<b>184,925</b>		
<i>of which</i>								
Belgium	3,785	3,851	7,637	105	-628	-523		
France	11,291	189	11,480	11,686	1,997	13,683		
Germany	8,137	-890	7,247	10,083	-591	9,492		
Italy	8,283	765	9,048	6,443	572	7,014		
Luxembourg	23,155	7,493	30,648	18,137	7,755	25,892		
Netherlands	50,035	-14,148	35,888	41,321	-17,454	23,867		
Spain	4,241	-237	4,004	3,591	1,271	4,862		
Switzerland	6,714	330	7,044	7,091	-394	6,697		
United Kingdom	21,701	-1,335	20,367	26,761	-2,928	23,833		
Canada	4,013	3,433	7,446	#	#	8,014		
United States	42,229	-42,567	-338	#	#	14,128		
Brazil	0	-137	-137	0	-57	-57		
China	0	-113	-112	#	#	-891		
Japan	113	1,506	1,618	197	-119	78		
Singapore	-20	1,496	1,476	-32	3,571	3,539		

Source: CSO

## Economy

**Table 8.13 Indices of Gross Value Added per person in each region at basic prices**

State = 100

Region	2004	2005	2006	2007	2008	2009
<b>Border, Midland and Western</b>	<b>71.4</b>	<b>70.7</b>	<b>70.5</b>	<b>69.5</b>	<b>71.7</b>	<b>69.4</b>
Border	71.2	70.3	71.0	69.8	72.2	68.9
Midland	67.4	68.2	68.6	66.5	67.1	64.9
West	74.1	72.7	71.2	71.1	73.9	72.9
<b>Southern and Eastern</b>	<b>110.4</b>	<b>110.7</b>	<b>110.8</b>	<b>111.1</b>	<b>110.4</b>	<b>111.3</b>
Dublin	139.0	142.8	143.0	142.8	145.2	147.6
Mid-East	76.7	79.3	79.4	78.9	77.7	73.2
<i>Dublin plus Mid-East</i>	121.7	124.9	124.8	124.2	125.2	125.1
Mid-West	91.4	90.2	88.0	86.3	84.7	84.7
South-East	79.9	74.0	73.1	74.5	74.9	68.3
South-West	113.8	111.8	114.4	117.6	112.3	122.7
<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>

Source: CSO

**Indices of GVA per person at basic prices, 2009**

State=100

