



## An Phríomh-Oifig Staidrimh Central Statistics Office

### Preas Ráiteas Press Statement

#### Non Financial and Financial Institutional Sector Accounts 2010

##### Households owe twice their annual incomes

According to a report released today by the Central Statistics Office, the debts incurred by Irish households which stood at €72bn in 2002 increased to €203bn in 2008 before declining to €185bn in 2010.

This information is contained in *Institutional Sector Accounts – Non-financial and Financial, 2010*, which brings together comprehensive information on the economic activities of households, businesses – both financial and non-financial – and the government sector. The report also links relevant financial and non-financial information for each of the sectors.

Expressing household debt as a proportion of the gross disposable incomes of households the derived debt to income ratio increased from 111 per cent in 2002 to 203 per cent in 2010.

Household savings (the difference between their disposable incomes and their expenditure on goods and services) fell from €14.1bn in 2009 to €12.2bn in 2010. In the period 2002 to 2008 investments in property, whether for own use or to let, were predominantly being funded by borrowings. However, in more recent periods and especially in 2010 investment in property fell to levels which are being financed from savings without having recourse to borrowing.

##### Non-financial corporations investing less

Investment by companies in the non-financial sector fell from €7.5bn in 2009 to €5.8bn in 2010. Expressed as a percentage of the value added of the sector the derived investment rate has fallen sharply from a high of 19 per cent in 2006 to almost 8 per cent in 2010 reflecting the more difficult trading environment since the onset of the economic crisis.

##### Banking business declining

Significant changes have taken place in the balance sheets of financial corporations in the wake of the global financial crisis. This is particularly notable in relation to monetary financial institutions (i.e. mainly banks). The assets and liabilities of the banking sector peaked in 2008 at €1,864.5bn and €1,870.3bn, respectively. These have since declined to €1,701.4bn and €1,706.8bn.

##### Continued deterioration in Government finances

The 2009/2010 increase of €27.5bn in capital transfers paid by the government to the financial sector has resulted in the net borrowing of government increasing from €22.8bn in 2009 to €49.8bn in 2010. The liabilities of government increased from €120.9 in 2009 to €149.5bn in 2010 mainly as a result of the issue of promissory notes to a number of the large financial companies with impaired balance sheets.

##### For copies of the publication:

To view and download the publication, visit the CSO website at: [www.cso.ie](http://www.cso.ie)

More/...



## **Further information**

The data tables contained in the present report as well as for earlier years can be downloaded from Database Direct on the CSO Website.

*Non-Financial Accounts:*

<http://cso.ie/shorturl.aspx/91>

*Financial Accounts:*

<http://cso.ie/shorturl.aspx/92>

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*Central Statistics Office*

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