Global Firms and the National Accounts

Philip R. Lane, 2nd February 2018
CSO Seminar
Overview

- ESRG Report: One Year Later
- GNI*: 1995 to 2016
- CA*: 1998 to 2016
- Other Initiatives (CSO; elsewhere)
- Quick takeup by official institutions
- International awareness
- Good measure of scale of economy essential for sustainability analysis (credit; public debt; external; … )
Size of the Economy

Nominal GDP, GNI and GNI*, € billion

Source: CSO, National Income and Expenditure Accounts.
Credit Ratios

Domestic Credit, % of GDP and GNI*

Notes: Domestic credit refers to non-financial sector credit. This is credit from resident credit institutions to resident NFCs. This is the "national specific" measure of credit considered by the Bank when setting the Countercyclical Capital Buffer (CCB) rate. 
Source: Central Bank of Ireland, Quarterly Financial Accounts and CSO, National Income and Expenditure Accounts.
Public Debt Ratio

General Government Gross Debt, % of GDP and GNI*

Current Account

Current Account and Modified Current Account, € billion

Source: CSO, Balance of Payments Statistics.
Domestic Demand and Employment

Underlying Domestic Demand and Employment, annual % change

Source: CSO, National Income and Expenditure Accounts.

Notes: Underlying domestic demand is defined as domestic demand (C+I+G) less aircraft and intangibles-related investment.
Further Work I

- Global Firms: Domestic value added versus offshore activity
- Large Cases Unit (LCU): great potential
- GNI*: Expenditure components (investment; exports; imports)
- GNI*: Sectoral data
Further Work II

- International Investment Position (IIP)
- Stock-flow Adjustments

\[ K_{t}^{IP} = (1 - \delta)K_{t-1}^{IP} + INVFLOW_{t}^{IP} + SFA_{t}^{IP} \]

\[ K_{t}^{AIR} = (1 - \theta)K_{t-1}^{AIR} + INVFLOW_{t}^{AIR} + SFA_{t}^{AIR} \]

\[ F_{t} = (1 + r_{t})F_{t-1} + FLOW_{t}^{F} + SFA_{t}^{F} \]
Conclusions

- Ongoing challenges
- CSO tasks
- User responsibilities
- International convergence?