Globalisation in Ireland
Foreign Multi-Nationals in the Sector Accounts

Peter Culhane
National Accounts Integration
ESRG Report: Recommendation 3
Structural Indicator

- Total Economy
  - Foreign
  - Domestic
ESRG Report: Recommendation 3
Structural Indicator

Total Economy

- Large foreign MNE
- Remainder
Large Foreign MNEs

- Large Cases Unit
  - 50 companies
  - Non-financial corporations
  - Manufacturing and services
  - Detailed profiling
  - Full accounts
  - 2013 – 2016
Institutional Sectors

Ireland S1

Corporations

Government S.13

Households S.14

Non-Profits S.15

Non-Financial Corporations S.11

Financial Corporations S.12

Domestic

Foreign MNE

Rest of World S2

www.cso.ie
Gross Value Added 2016

GDP €276bn

= GVA €256bn

+ product taxes + €21bn

- product subsidies - €1bn

MNE, €84bn, 33%

Remainder, €172bn, 67%
Gross Value Added 2016

- MNE, €84bn, 33%
- Other NFC, €105bn, 41%
- Fin Co's, €18bn, 7%
- Gov, €24bn, 9%
- Hhsld/nprft, €25bn, 10%

www.cso.ie
Compensation of Employees 2016

MNE, €4bn, 5%

Remainder, €77bn, 95%
Compensation of Employees 2016

- **MNE**, €4.3142bn, 5%
- **Other NFC**, €48bn, 59%
- **Fin Co's**, €7bn, 9%
- **Hhsl/d/nprft**, €3bn, 3%
- **Gov**, €19bn, 24%

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Gross Operating Surplus 2016

- MNE, €78bn, 45%
- Other NFC, €57bn, 33%
- Fin Co's, €11bn, 6%
- Gov, €4bn, 3%
- Hhslid/nprft, €23bn, 13%

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Non-Financial Corporations’ Taxes on Income and Wealth 2016

MNE, €2.6bn, 42%

Other, €3.6bn, 58%
Gross Profit Share = \[ \frac{\text{Gross Operating Surplus}}{\text{Gross Value Added}} \]
Gross Profit Share of Non-Financial Corporations in Ireland and EU
Profit Share (3)

Gross Operating Surplus, compensation of employees and gross profit share of Large MNEs and Other NFCs Ireland

€billion

Profit Share (3)
Investment Rate of Non-Financial Corporations, EU 28 and Ireland

Investment Rate = \frac{\text{Gross Fixed Capital Formation}}{\text{Gross Value Added}}
Investment Rate (2)

Investment rate in NFCs

- 23%
- 27%
- 19%
- 53%
- 0%
- 10%
- 20%
- 30%
- 40%
- 50%
- 60%

2013 2014 2015 2016

Other GVA  Other GFCF  MNE GVA  MNE GFCF  Other Inv Rate Oth  MNE Inv Rate  EU 28

€ billions

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Return on Equity

Return on equity = \( \frac{\text{Net Entrepreneurial Income} - \text{Tax}}{\text{Net Equity Liability}} \)

Entrepreneurial income = Net profit after interest + Dividends received

Net Return on Equity for NFCs: EU 28 and Ireland

Return on equity
\[
= \frac{B2g - P51c + D41REC - D. 41PAY + D42REC + D43REC - D5PAY}{AF5, \text{liab} - \text{assets}}
\]
Return on Equity

Net Return on Equity for Non-Financial Corporations

- Other Net Entrep'l inc excl current tax
- Large MNE Entrep'l inc excl current tax
- Other Return on Equity
- EU 28

€billion


- 22% 17% 17% 40%
- 24% 24% 0% 10%

www.cso.ie
Conclusions

- Structural indicator
- Informative
- Stable
- Significant
- Next steps

Gross Value Added

- MNE, €84bn, 33%
- Rest, €172bn, 67%

Thank you

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