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Staidrimh**

Central
Statistics
Office

Welcome to the CSO
Macroeconomic Briefing
Q4 2022

The briefing will begin shortly



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National Accounts International Accounts

Quarter 4 2022

Media Briefing
03 March 2023



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Year 2022
(Preliminary)



Year 2022

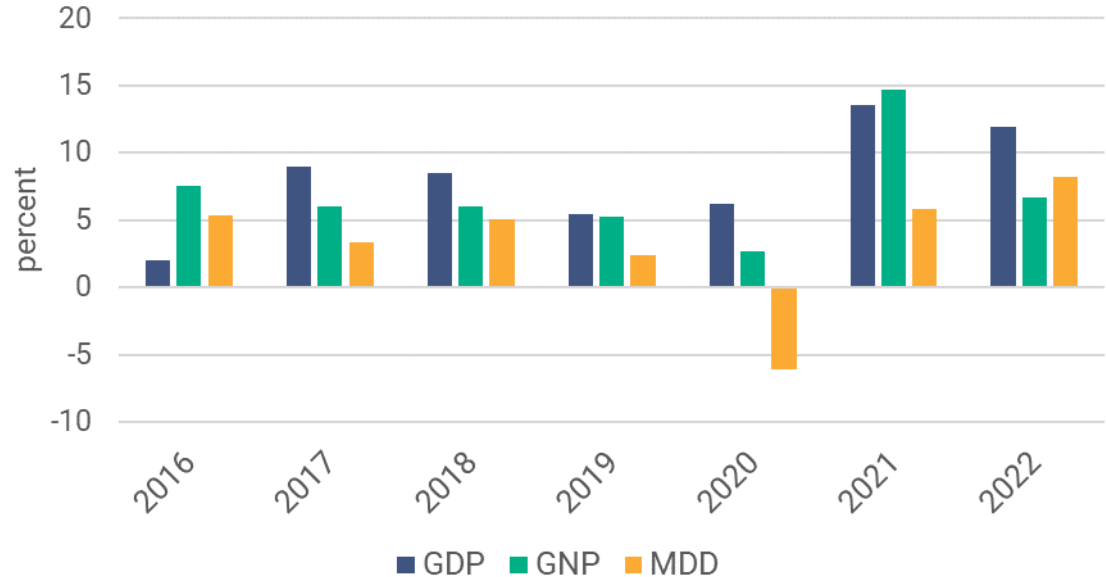
Year-on-Year

Growth Rates

GDP +12.0%

GNP +6.7%

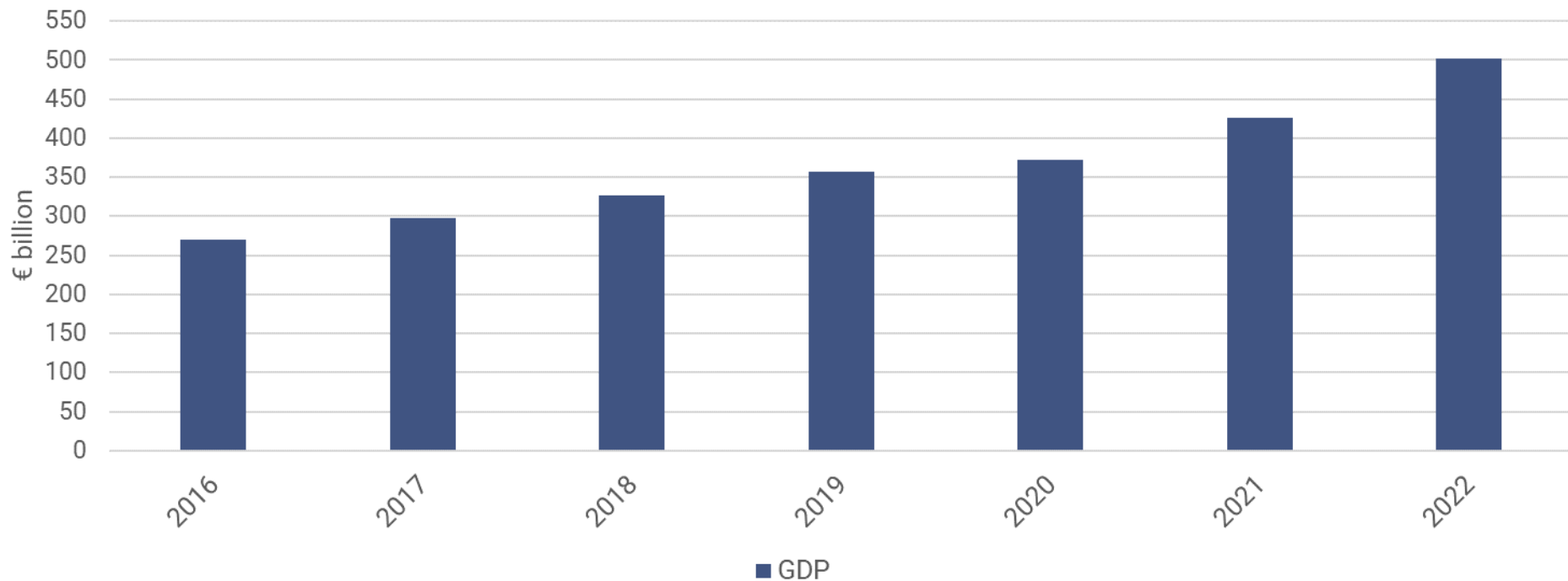
MDD +8.2%



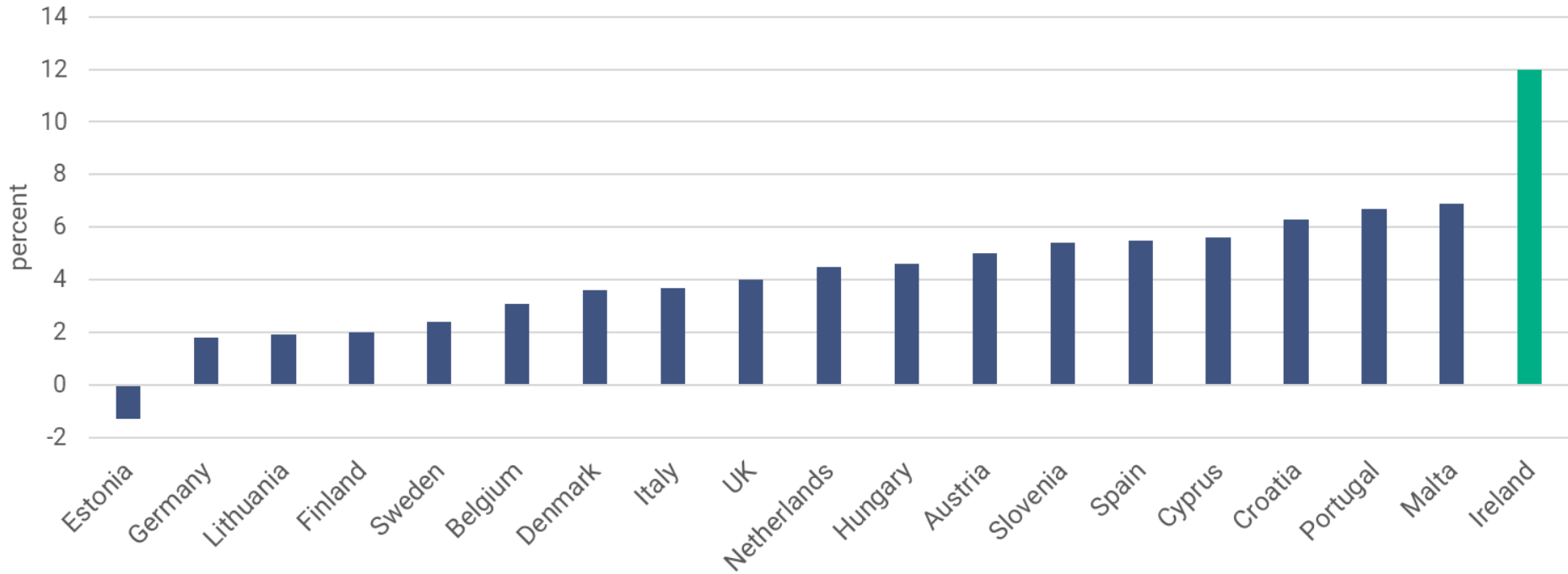
Preliminary Results – will be subject to revision when annual results are issued in mid-year



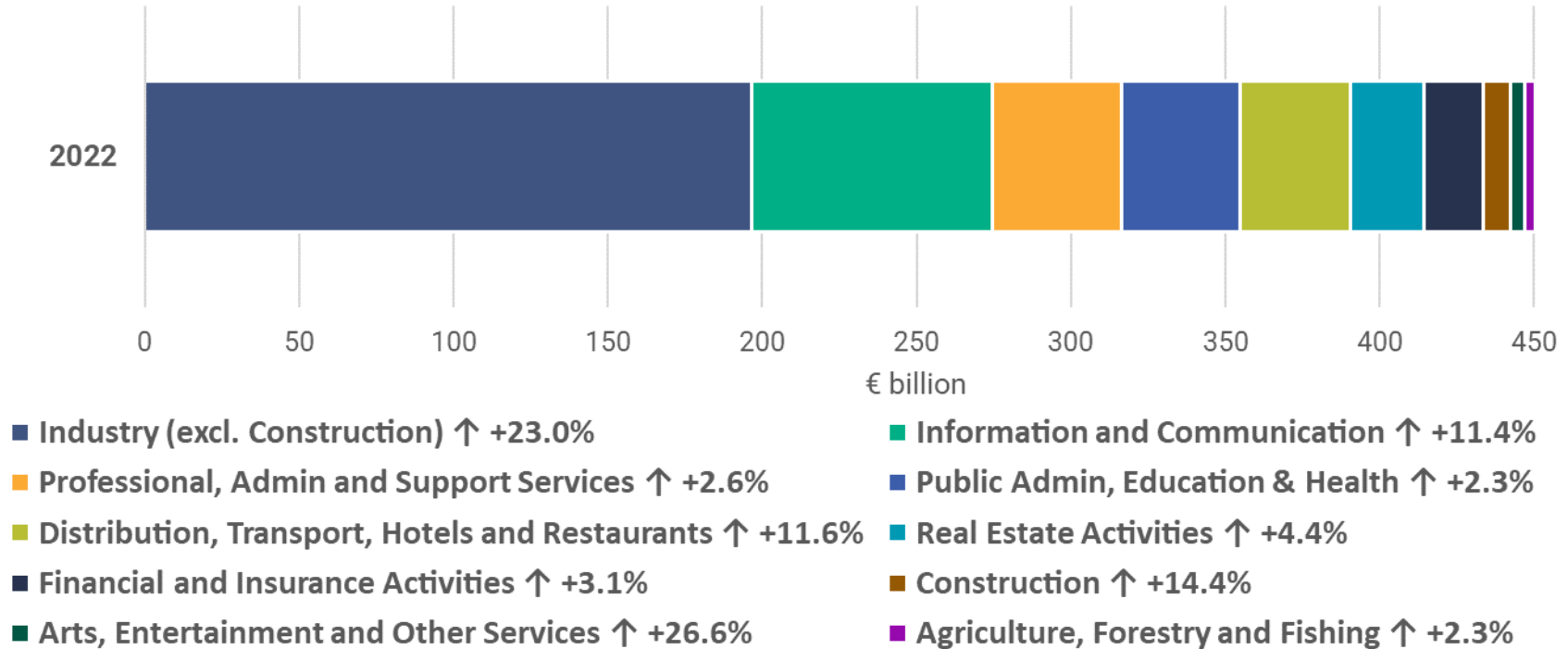
Annual GDP at Current Market Prices 2016 – 2022



2022 Annual GDP % Change in Constant Prices by Country



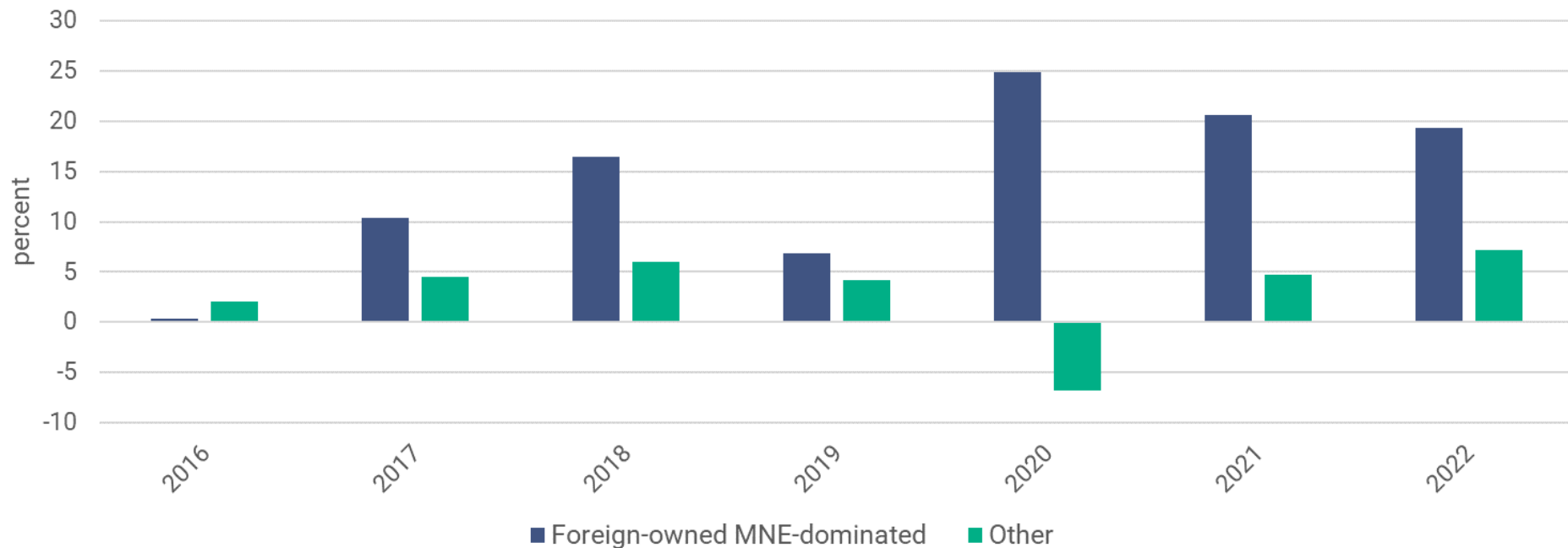
Annual Sector Growth by Share of GDP and Growth Rate - 2022



Trends in Value Added by Sector (2016 = 100)



Annual Growth Rate of Foreign-owned MNE Dominated Sectors and Other



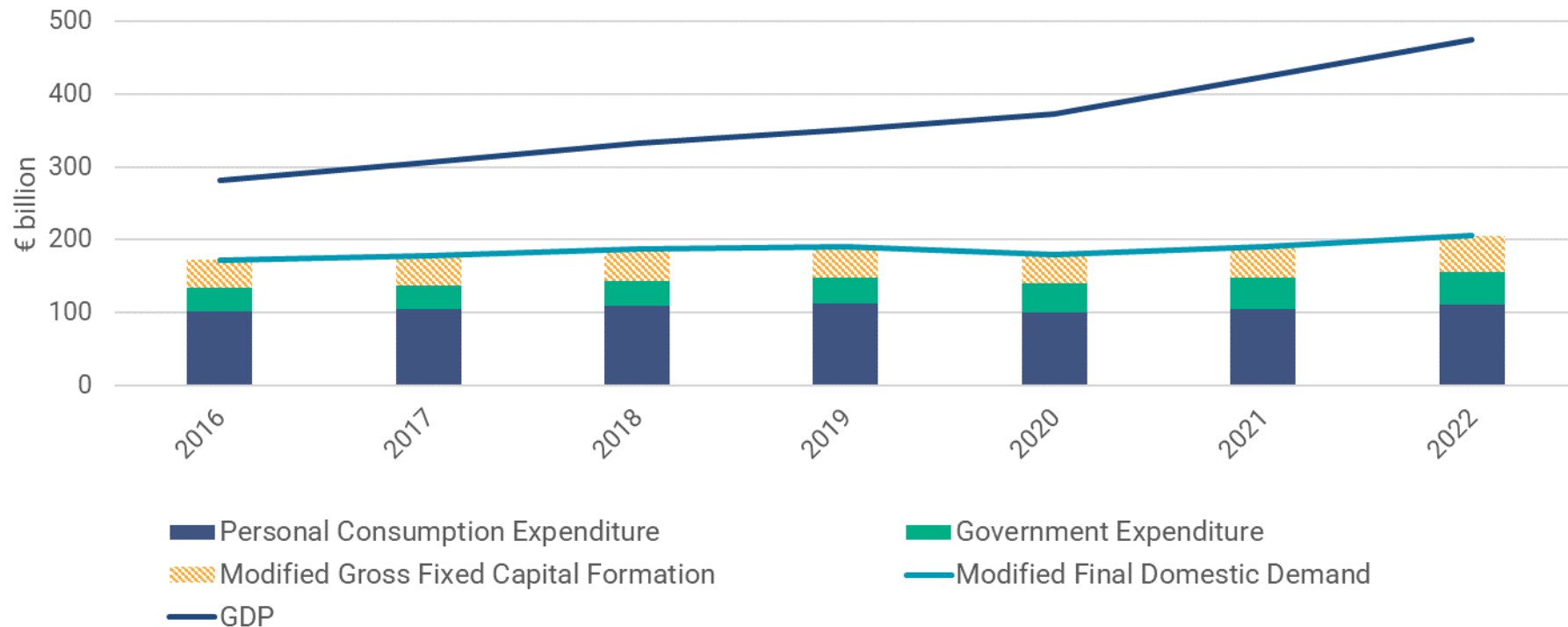
Compensation of Employees, 2022

	Amount €m	Annual % change
Public Admin, Education and Health	34,230	3.6
Distribution, Transport, Hotels and Restaurants	20,406	12.5
Industry (excl. Construction)	15,848	6.8
Professional, Admin and Support Services	14,972	3.6
Information and Communication	11,676	12.6
Financial and Insurance Activities	9,431	7.1
Construction	5,608	27.5
Arts, Entertainment and Other Services	2,303	11.4
Real Estate Activities	1,089	8.5
Agriculture, Forestry and Fishing	844	-9.9
Total	116,406	7.8

¹Constant Market Prices



Annual Expenditure – 2022



Personal Consumption Expenditure 2022/2021

Total	+6.6%
Goods	-0.7%
Services	+11.5%

- Goods down including cars.
- Many services up with notable increases in foreign travel and public transport.



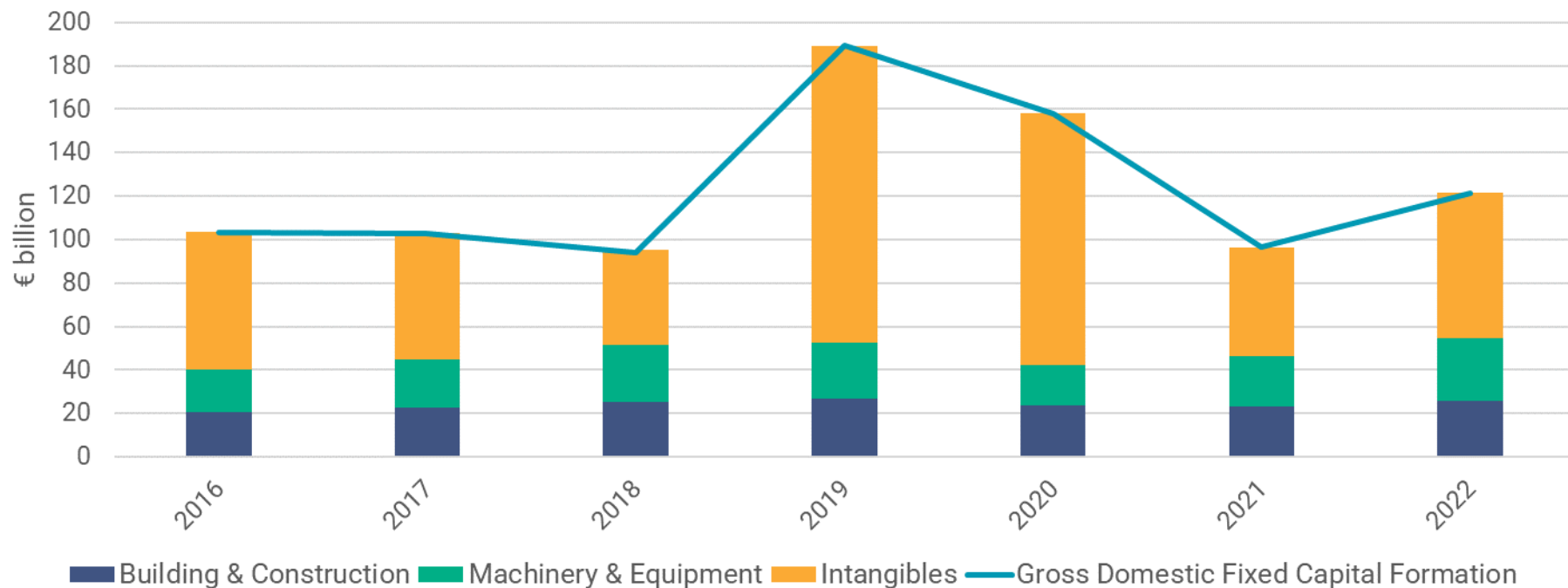
Capital Formation 2022/2021

Total +25.9%

Buildings & Construction	+10.3%
New dwellings	+45.4%
All other B&C	+1.4%
Remainder of Cap Formation	+30.9%
Machinery and Equipment	+24.3%
Intangibles	+€17.0bn
Excl. R&D service imports and trade in IP	+10.3%



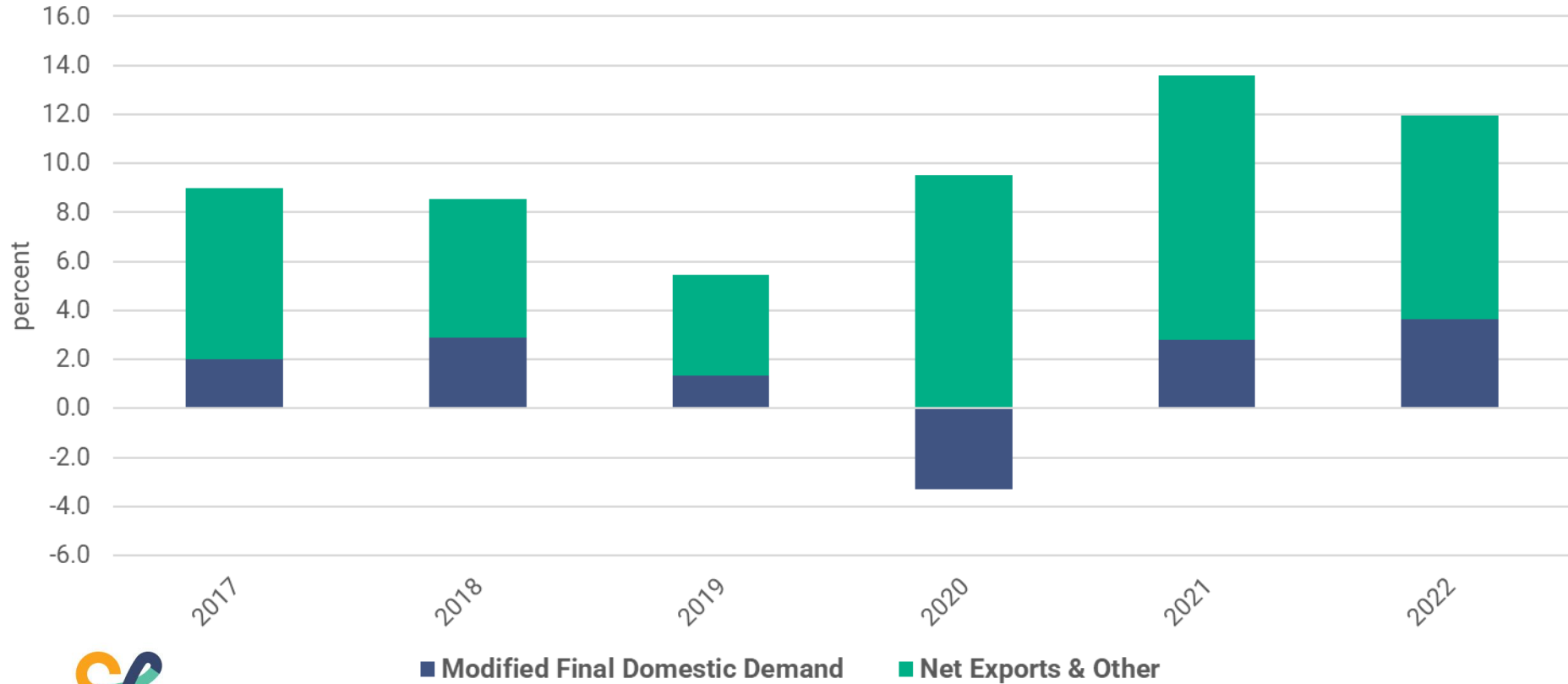
Composition of Capital Formation 2016-2022



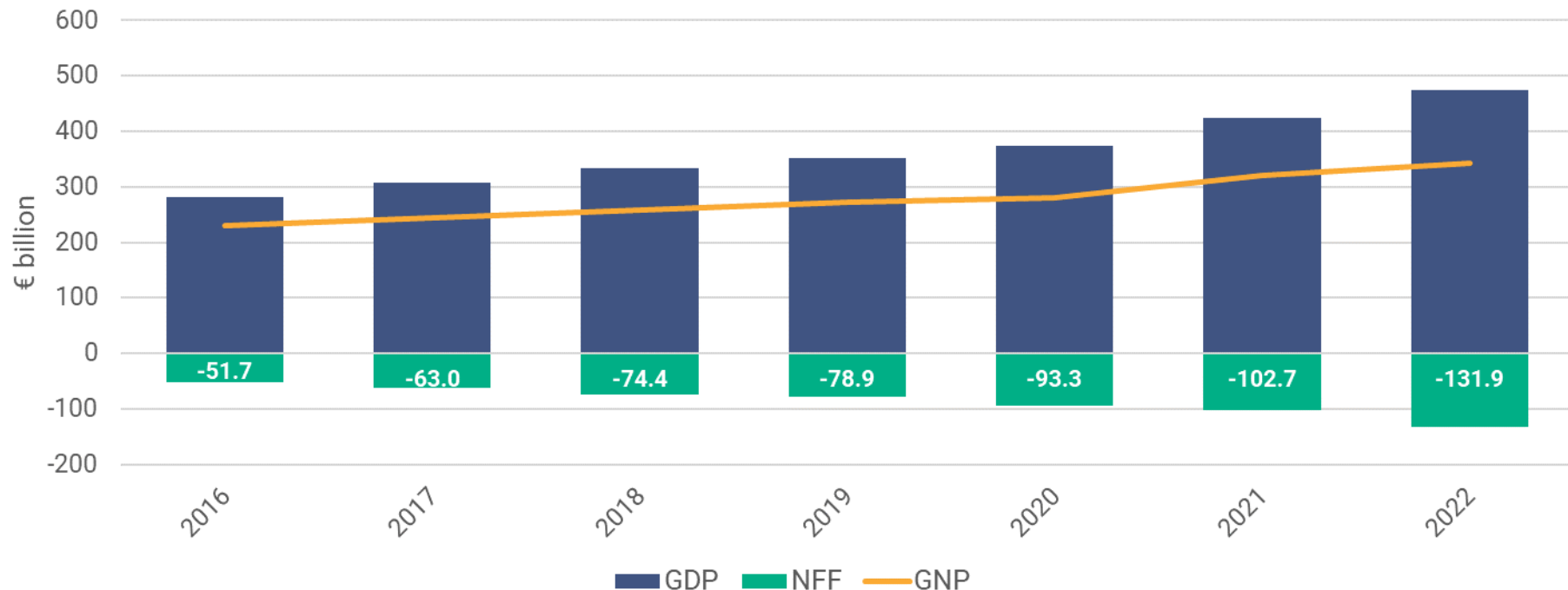
Trends in Net Exports



Contribution of Domestic Demand and Net Exports to Annual GDP Growth



GDP, GNP and Net Factor Flows 2016 – 2022



2022 Annual Summary

GDP +12.0%

Output:

- Industry +23.0%
- Construction +14.4%
- Dist, Trans, Hotels & Restaurants +11.6%
- Information & Communication +11.4%
- **MNE** dominated sectors +19.4%
- **Non-MNE** dominated sectors +7.2%

Expenditure:

- PCE +6.6%
 - Government Expenditure +0.7%
 - Investment +25.9% (Mod. Invest. +19.8%)
 - Net Exports up €10.9bn
 - Final Domestic Demand +13.2%
 - **Modified Domestic Demand** +8.2%
- Net Factor Outflows €131.9bn (€102.7bn in 2021)

GNP +6.7% COE +7.8%





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Quarterly National Accounts Q4 2022

GNP ↑ 4.7%



GDP

↑ 0.3%

€121.3bn

MDD ↓ 1.3%

Industry
excl. Construction



↑ 7.1%

Information
& Comm



↑ 5.8%

Distribution,
Transport,
Hotels &
Restaurants



↑ 1.8%

Professional,
Admin. &
Support
Services



↓ 1.3%

Financial &
Insurance
Activities



↑ 3.3%

Construction



↓ 6.1%

Personal
Consumption



↑ 1.1%

Government
Expenditure



↑ 2.5%

Investment



↓ 46.5%

Exports



↑ 0.4%

Imports



↓ 13.4%

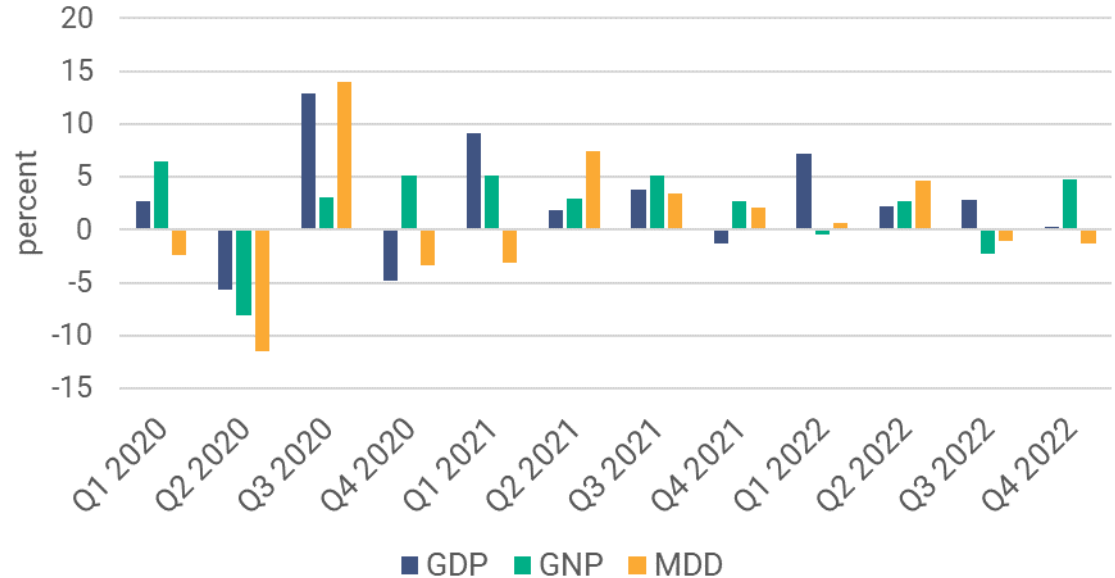
% growth Q4 2022 vs Q3 2022

Quarter 4, 2022 – Constant Prices, Seasonally Adjusted

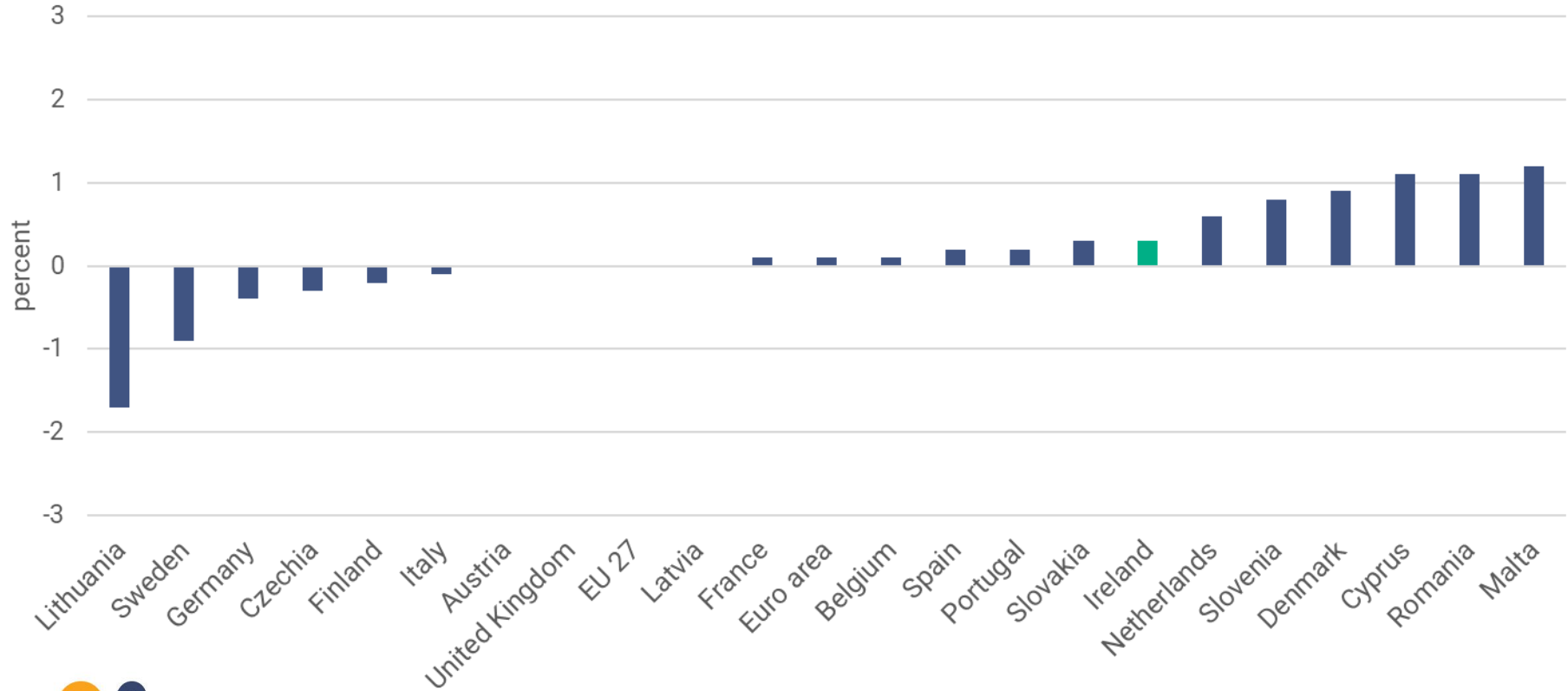
Seasonally Adjusted
Quarterly Changes

GDP +0.3%

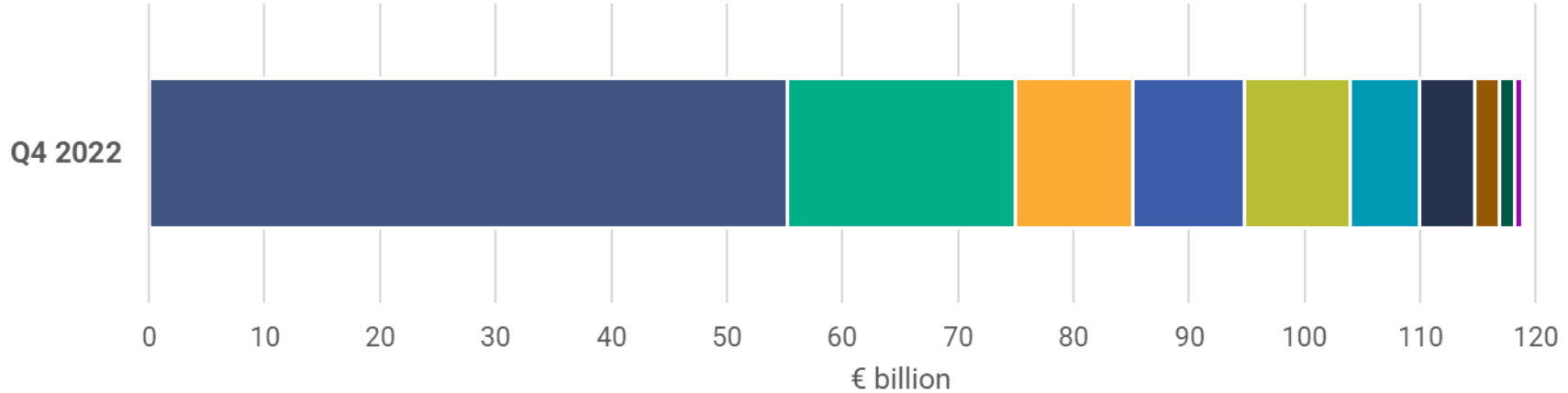
MDD -1.3%



Q4 2022 GDP % Change by Country Seasonally Adjusted



Sector Growth – Seasonally Adjusted



■ Industry (excl. Construction) ↑ +7.1%

■ Professional, Admin & Support Services ↓ -1.3%

■ Distribution, Transport, Hotels & Restaurants ↑ +1.8%

■ Financial & Insurance Activities ↑ +3.3%

■ Arts, Entertainment & Other Services ↑ +7.7%

■ Information & Communication ↑ +5.8%

■ Public Admin, Education & Health ↑ +0.6%

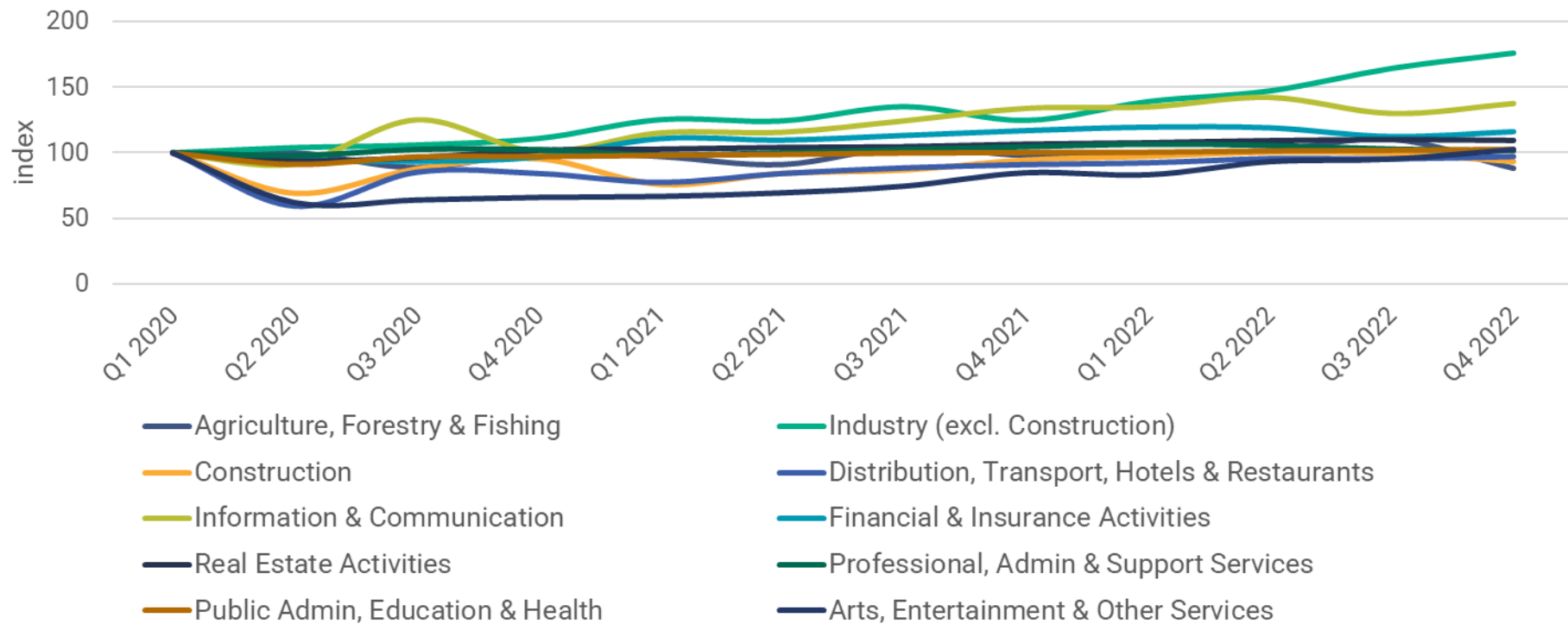
■ Real Estate Activities ↓ -0.6%

■ Construction ↓ -6.1%

■ Agriculture, Forestry & Fishing ↓ -19.9%



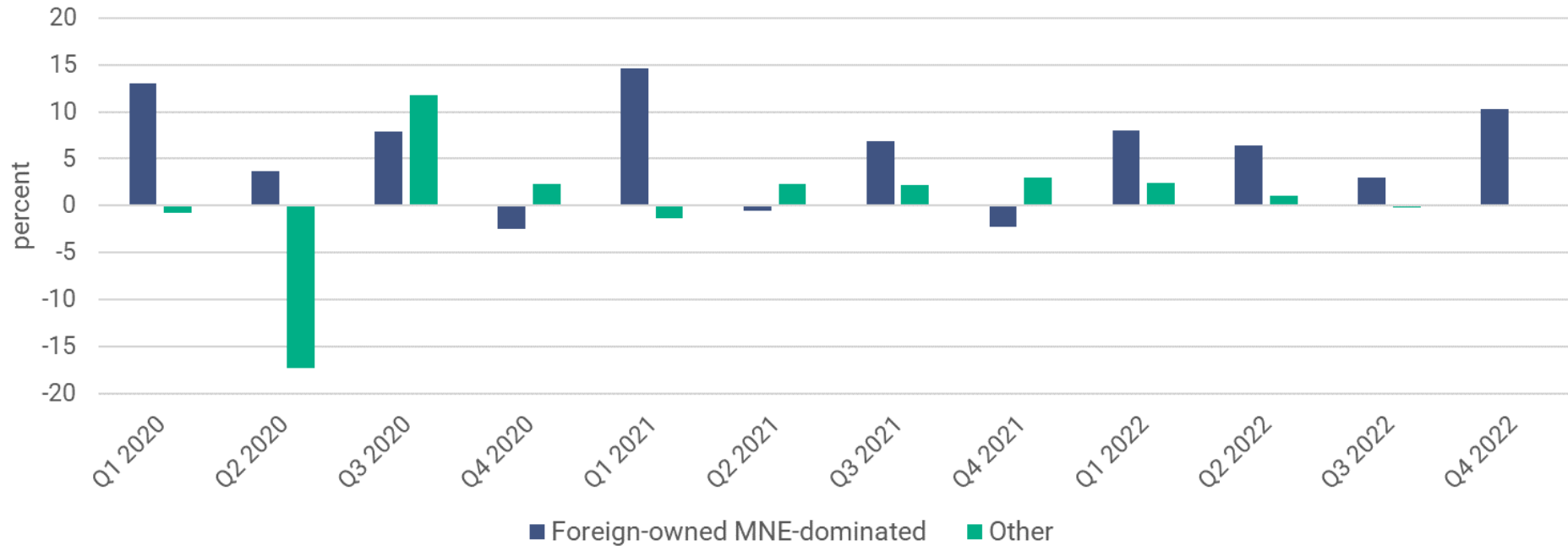
Trends in Sector Growth (Q1 2020 =100)



Trends in Sector Growth (Q1 2020 =100)



Quarterly Growth Rate of Foreign-owned MNE Dominated Sectors and Other



Compensation of Employees, Q4 2022

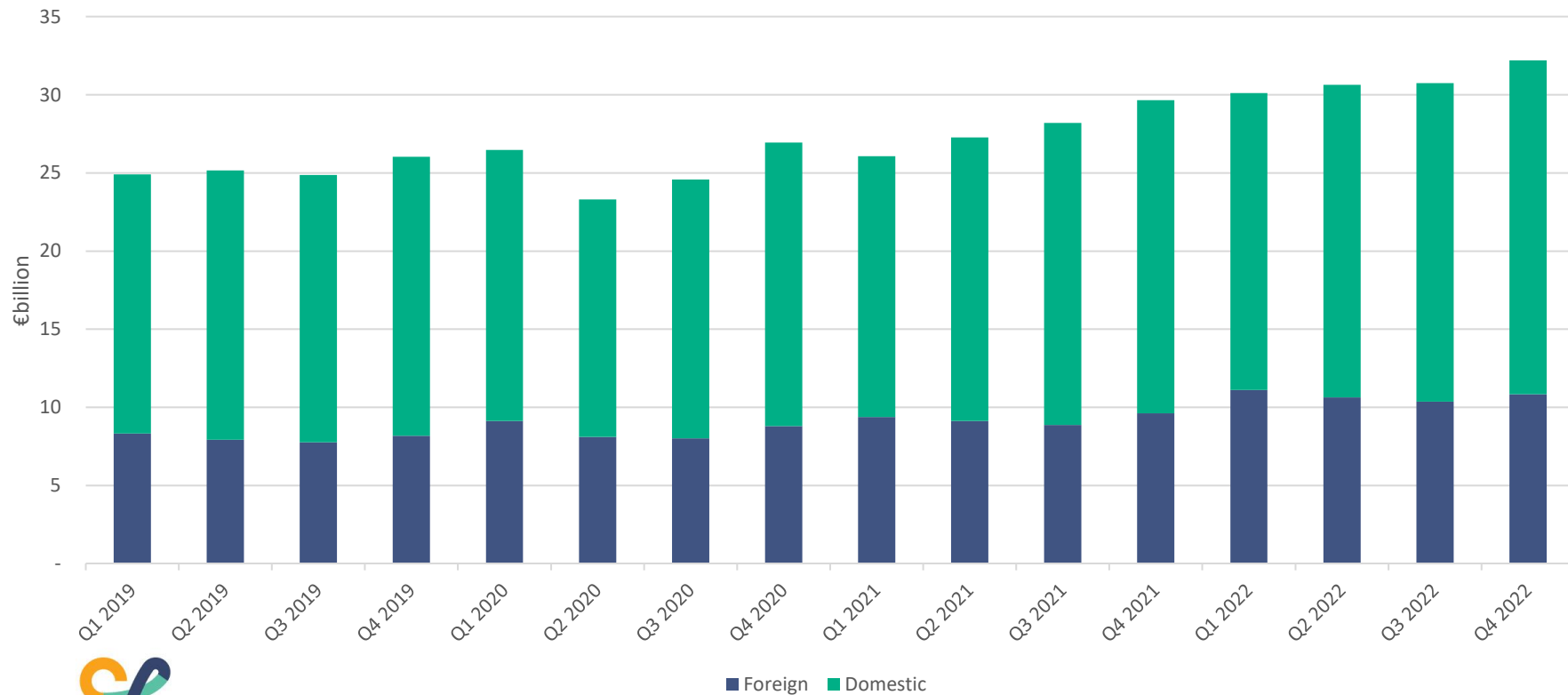
(constant prices, seasonally adjusted)

	Amount €m	Quarterly % change
Public Admin, Education and Health	8,546	-2.0
Distribution, Transport, Hotels and Restaurants	5,250	6.2
Industry (excl. Construction)	4,024	1.0
Professional, Admin and Support Services	3,743	0.3
Information and Communication	2,925	0.8
Financial and Insurance Activities	2,421	2.0
Construction	1,419	-1.5
Arts, Entertainment and Other Services	573	-1.1
Real Estate Activities	257	10.7
Agriculture, Forestry and Fishing	219	5.7
Total	29,378	0.9

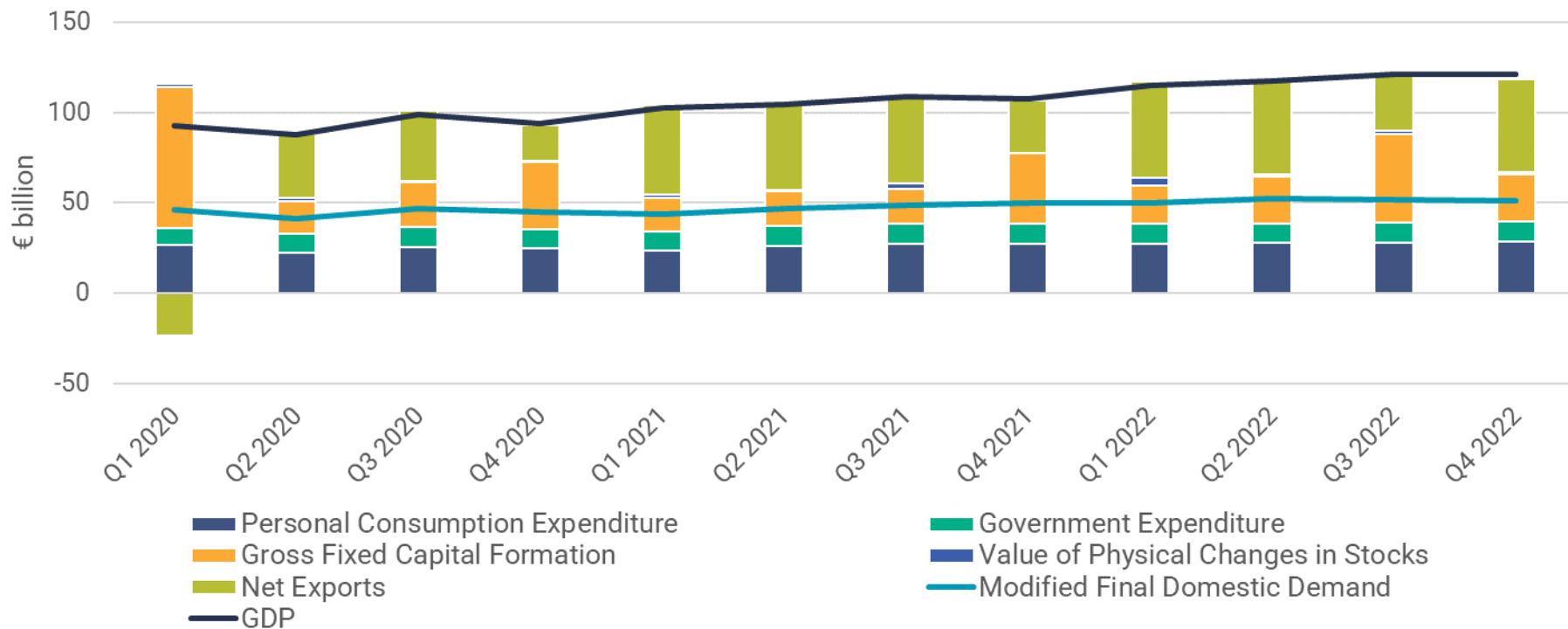
¹Constant Market Prices, seasonally adjusted.



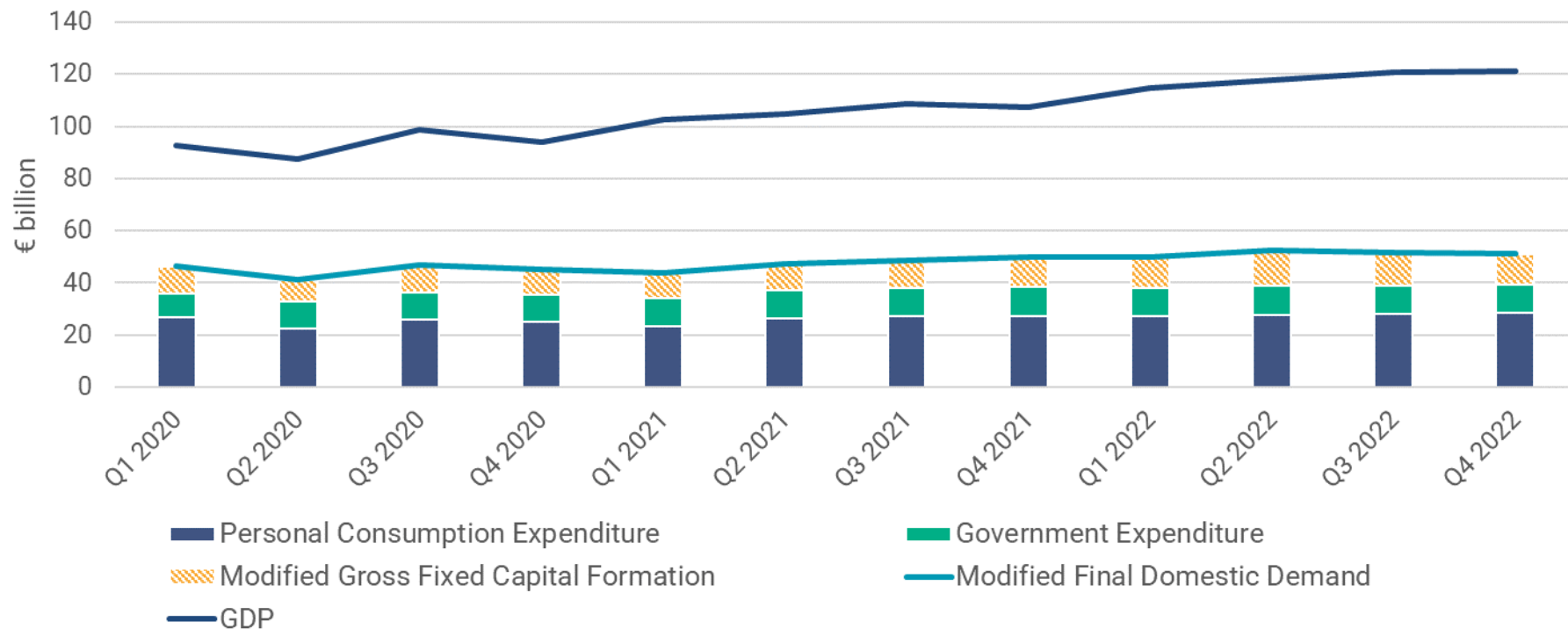
Breakdown of Compensation of Employees by Foreign and Domestic Enterprises



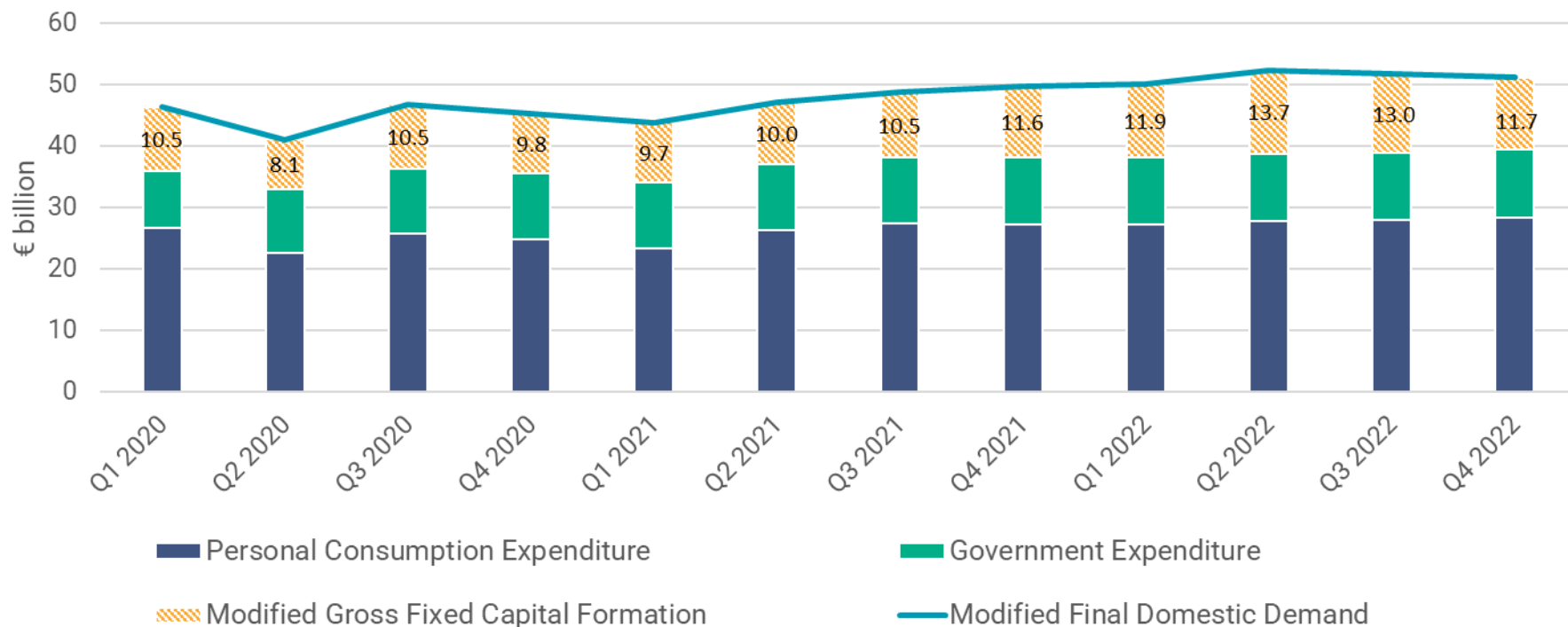
Expenditure – Q4 2022 Seasonally Adjusted



Expenditure – Q4 2022 Seasonally Adjusted



Expenditure – Q4 2022 Seasonally Adjusted



Personal Consumption Expenditure

Q4 2022/Q3 2022

Total 1.1% (seasonally adjusted)

- Goods 0.5%
- Services 1.5%

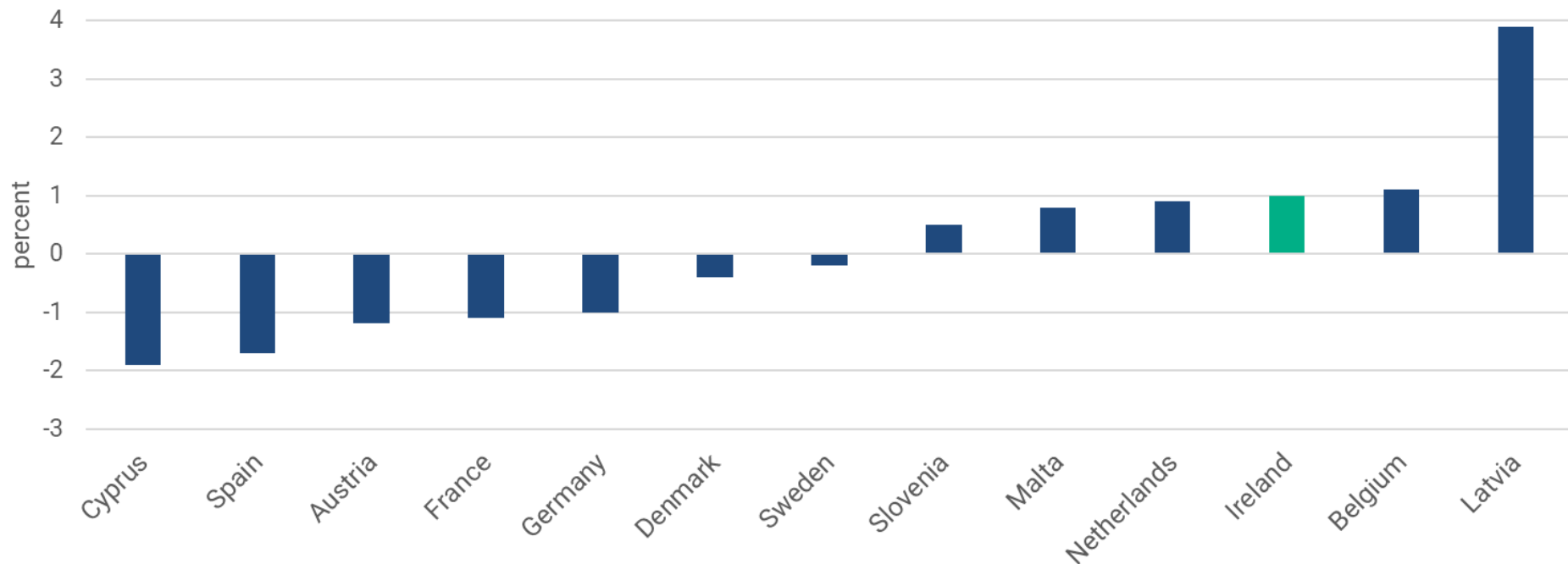


Personal Consumption Expenditure



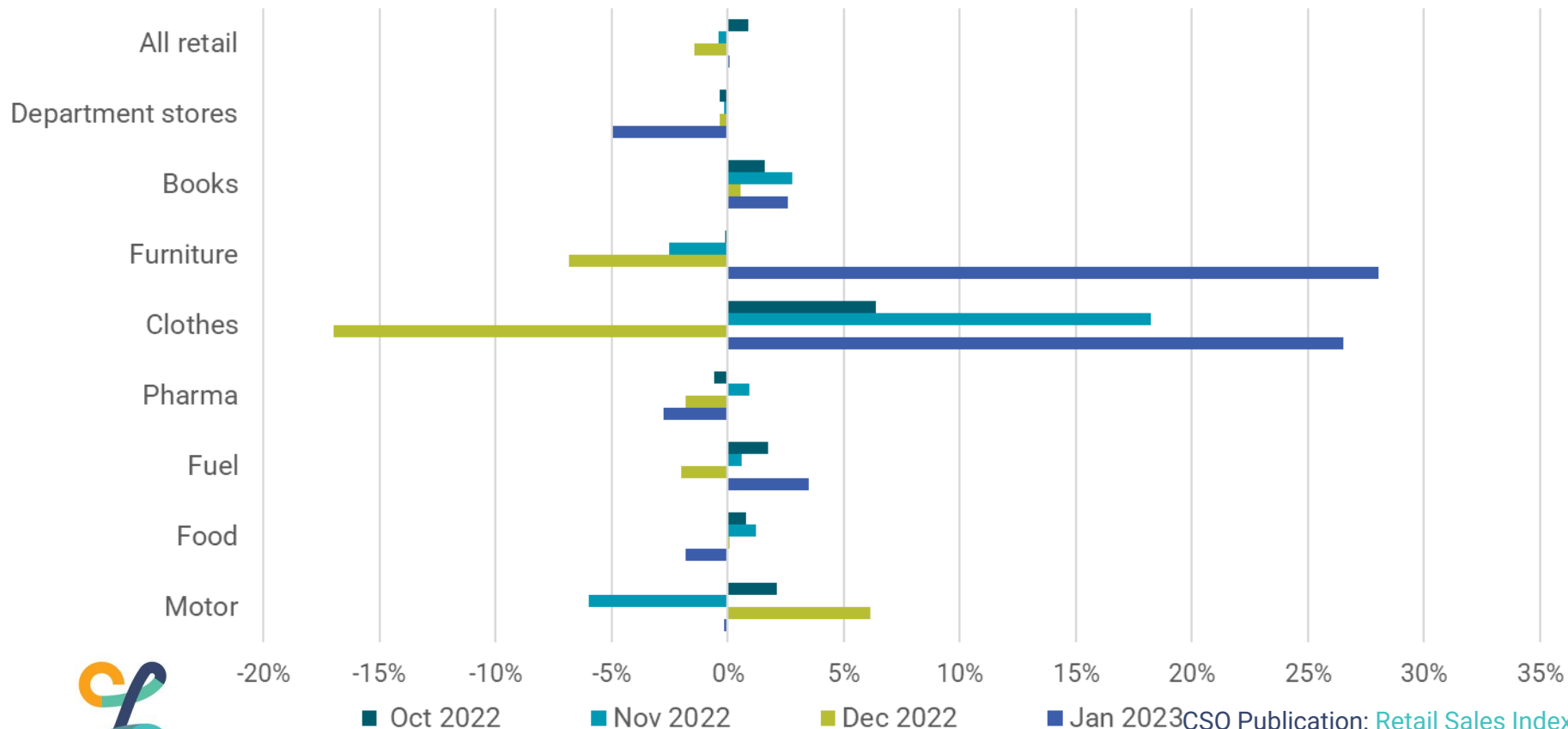
Households & NPISH Final Consumption Expenditure

(quarter-on-quarter, seasonally adjusted)



Monthly Retail Sales by Item

% change over previous month



Capital Formation Q4 2022/Q3 2022

Total -46.5% (seasonally adjusted)
this quarter v's last quarter

Building and construction	-6.3%
Machinery and equipment	-16.4%
Intangibles	-€21.0bn
Machinery and equipment excl. aircraft leasing	-17.1%
Intangibles excl. R&D service	
imports and trade in IP	+0.6%



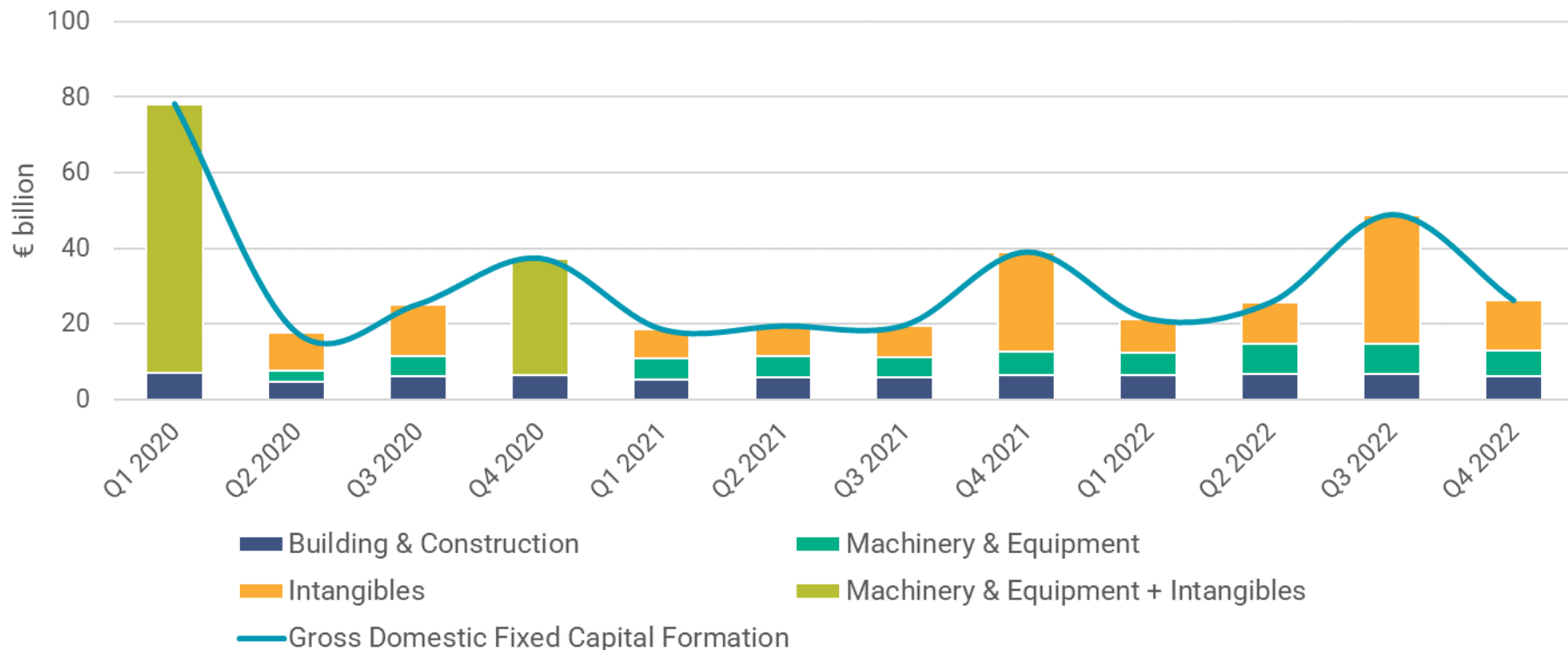
Capital Formation Q4 2022/Q4 2021

Total -31.9%

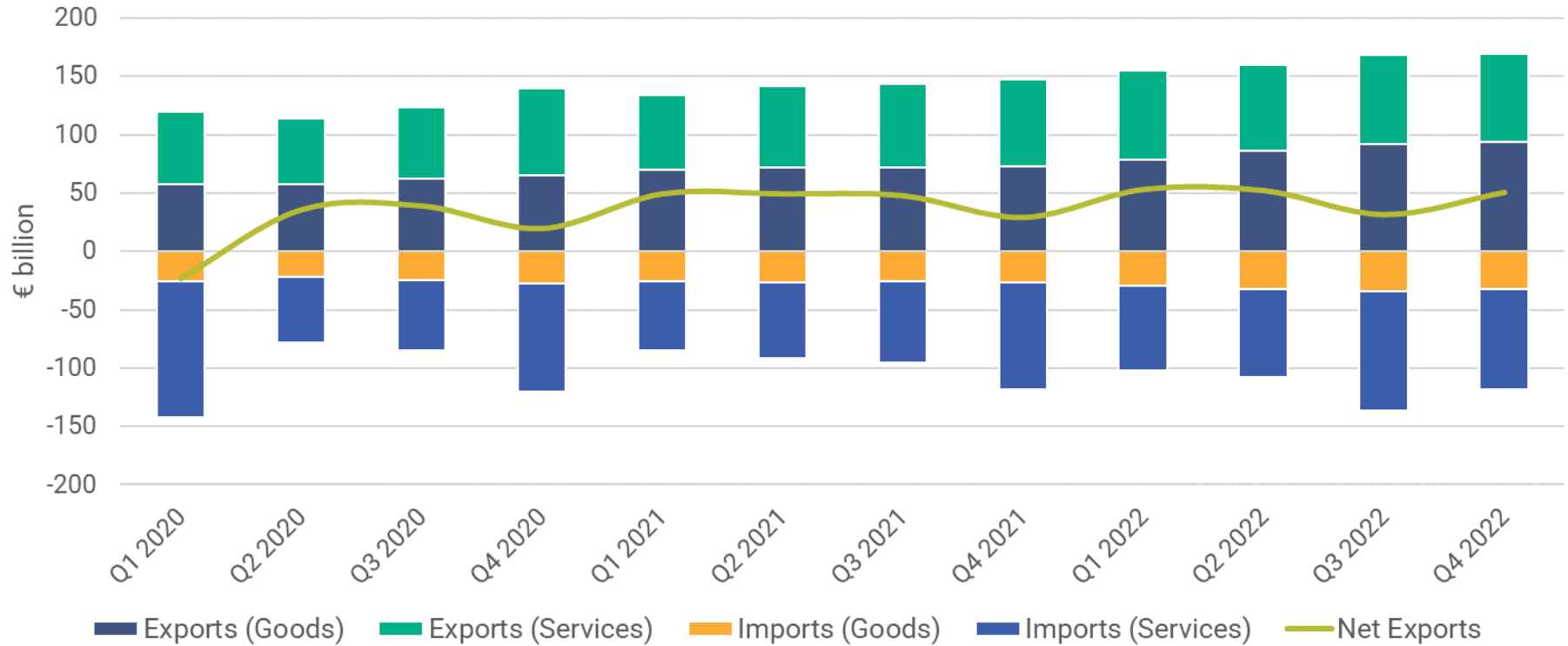
Building and Construction	-3.5%
New dwellings	+25.1%
All other B&C	-10.3%
Remainder of Cap Formation	-€12.7bn
Machinery and Equipment	+6.6%
Intangibles	-€13.1bn
Excluding R&D service imports and trade in IP	+28.3%



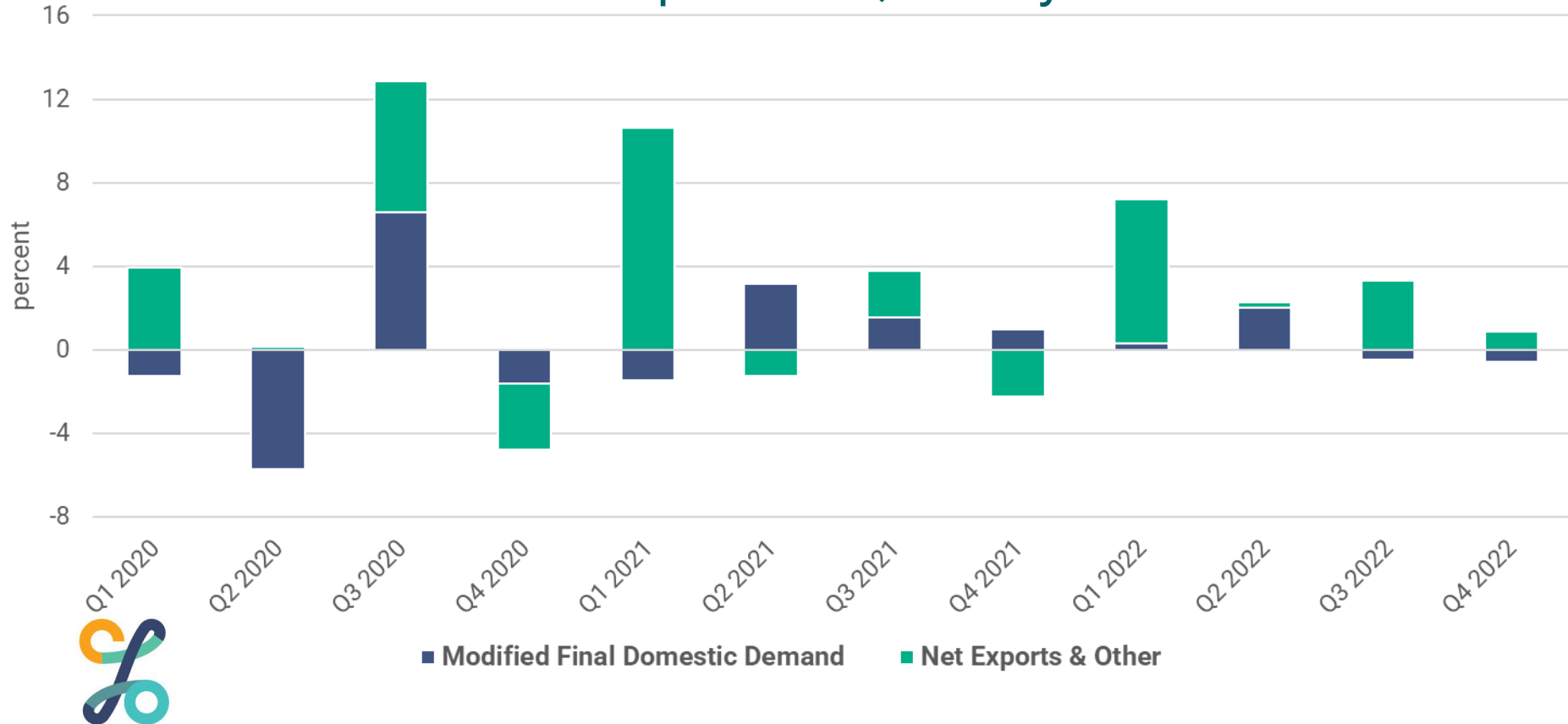
Composition of Capital Formation Q4 2022 (Seasonally Adjusted)



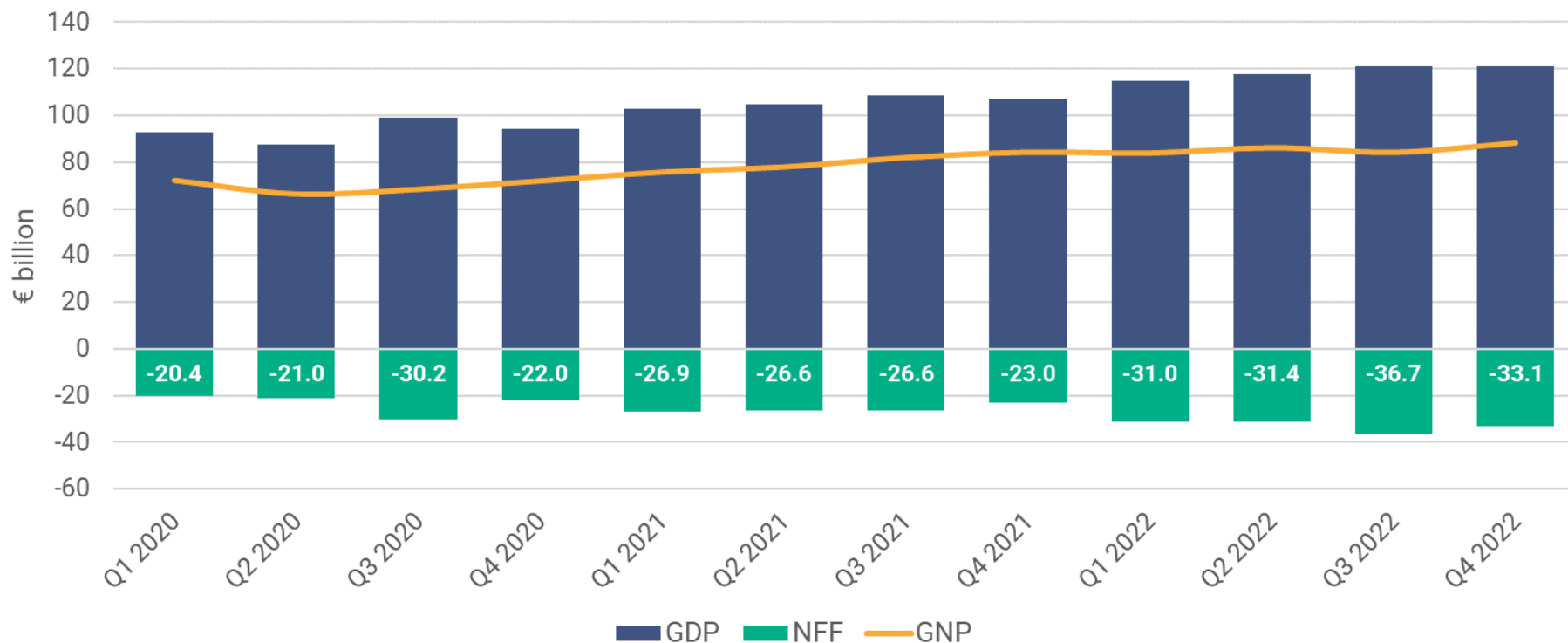
Trends in Net Exports



Contribution of Modified Final Domestic Demand and Net Exports to Quarterly GDP



GDP, GNP and Net Factor Flows Q1 2020 – Q4 2022





Price Effects and Real GDP

Q4 2022/Q4 2021

year-on-year



GDP

Current Prices	+19.4%
Constant Prices	+12.0%
<i>Implied deflator</i>	<i>+6.6%</i>

Consumption

Current Prices	+11.7%
Constant Prices	+4.5%
<i>Implied deflator</i>	<i>+6.9%</i>



Quarterly Summary

GDP +0.3%

Output:

- Industry +7.1%
- Construction -6.1%
- Dist, Trans, Hotels & Restaurants +1.8%
- Information & Communication +5.8%

- **MNE** dominated sectors +10.2%
- **Non-MNE** dominated sectors +0.1%

Expenditure:

- PCE +1.1%
- Government Expenditure +2.5%
- Investment -46.5% (Mod. Invest. -9.8%)
- Net Exports up €19.1bn

- Final Domestic Demand -25.3%
- **Modified Domestic Demand** -1.3%

- Net Factor Outflows: €33,065m (€36,676m in Q3 2022)

GNP +4.7% COE +0.9%





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International Accounts

Quarter 4 2022





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International Accounts Q4 2022

Balance of Payments and International Investment Position

Ireland's
Economic
Interactions
with
the Rest of
the World

Goods



Exports
€95bn

Imports
€41bn

Balance
€54bn

Services



Exports
€92bn

Imports
€98bn

Balance
-€6.7bn

Income



In
€47bn

Out
€79bn

Balance
-€31.4bn

Current Account



In
€234bn

Out
€218bn

Balance
€15.8bn

12.2% of GDP

Net International
Investment Position (NIIP)

-€607bn
NET

Foreign Direct
Investment in Ireland

€1,321bn
Stock

and
how this
activity is
funded

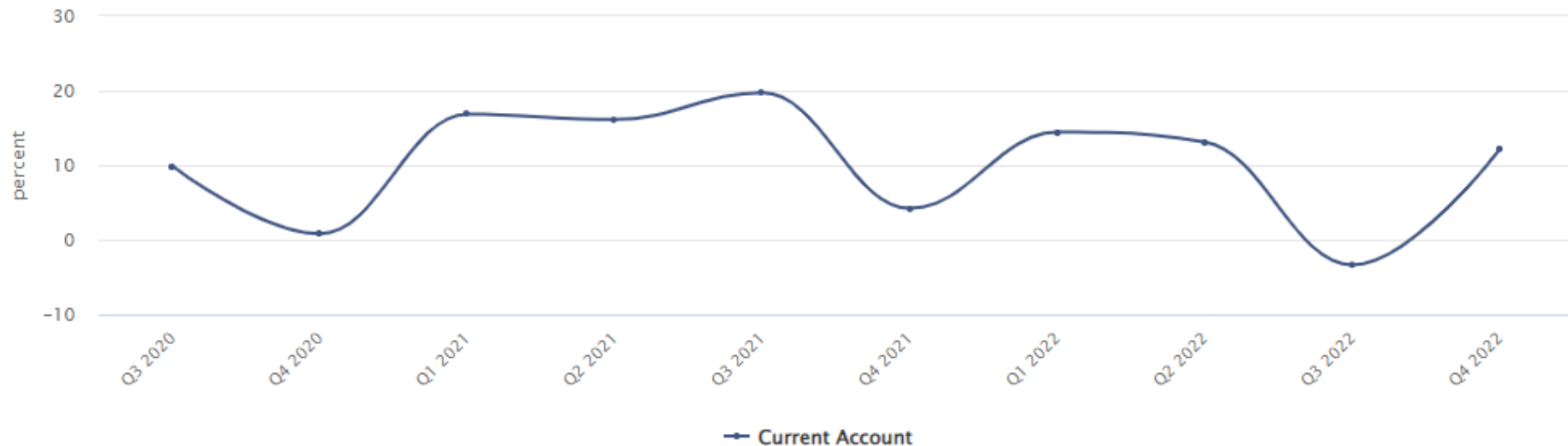
BOP Current Account

Preliminary Results for Year 2022

			€million
	2020	2021	2022
Current Account balance	-€25,510	€60,659	€44,236
• Merchandise surplus	€142,213	€167,308	€204,376
• Services balance	-€71,715	€577	-€16,768
• Net Income outflow	-€96,010	-€107,226	-€143,375
Current Account *	€13,132	€25,970	



Current Account Balance, % of GDP



Source: CSO Ireland
Highcharts.com



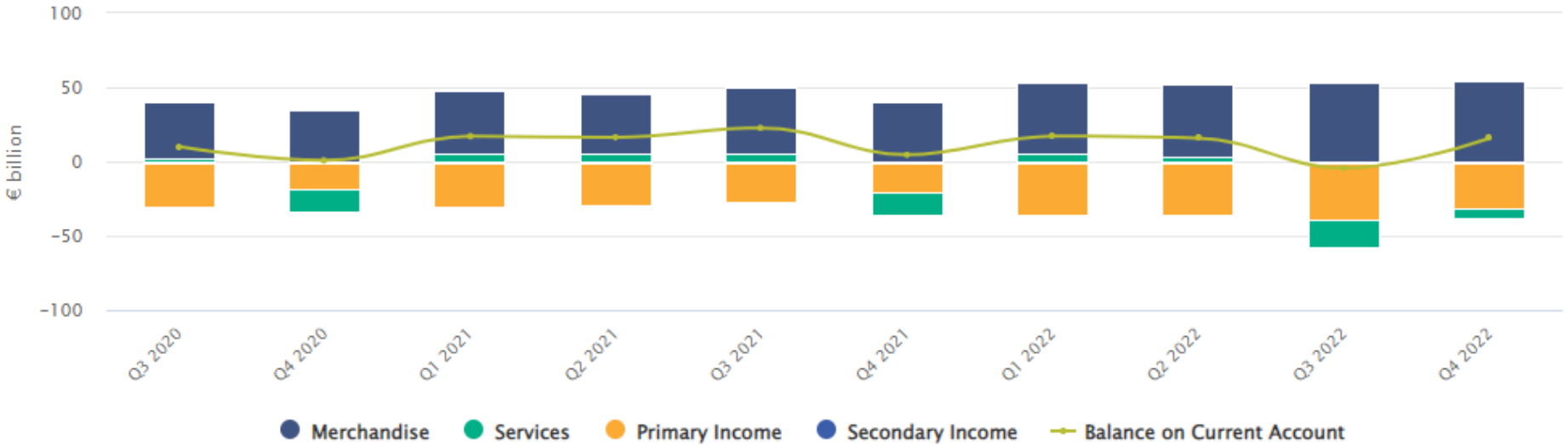
www.cso.ie

BOP Q4 2022 - Current Account

	Q4 2021	Q4 2022
Current Account Balance	€4,580m	€15,825m
• Merchandise surplus	€40,292m	€53,965m
• Services balance	-€15,263m	-€6,694m
• Net Income outflow	-€20,449m	-€31,488m



Balance Over Time



Source: CSO Ireland
Highcharts.com



BOP Q4 2022 - Current Account

		<i>Q4 2022</i>	<i>y-o-y Change</i>
Merchandise	exports	€94,768m	+€22,425m
	imports	€40,803m	+€8,752m
Services	exports	€91,728m	+€6,320m
	imports	€98,422m	-€2,249m
Primary Income	inflows	€45,588m	+€11,725m
	outflows	€75,718m	+€22,837m
Direct investment profit and interest inflows		€12,642m	+€816m
Direct investment profit and interest outflows		€37,557m	+€10,332m



Goods Exports and Imports



Source: CSO Ireland
Highcharts.com

Exports



Source: CSO Ireland
Highcharts.com

Imports



International Trade to BOP Merchandise

Breakdown of Merchandise Exports and Imports

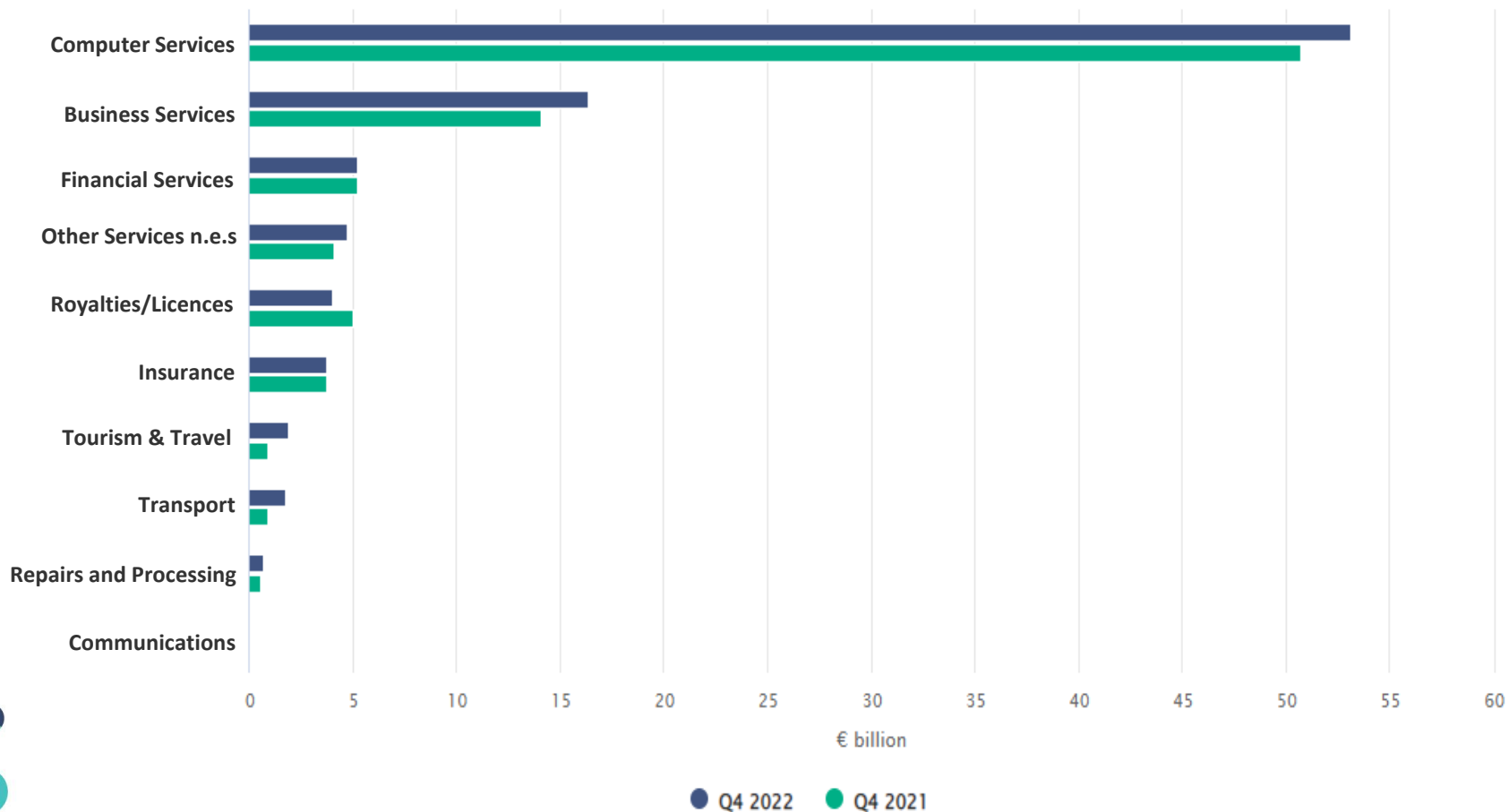
€ million

		2021	2022			
Item		Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Current Account						
Merchandise ¹	Exports	72,343	78,473	85,130	92,641	94,768
	Imports	32,051	30,688	36,048	39,095	40,803
International trade	Exports	43,236	52,257	52,953	53,861	49,243
	Imports	28,476	27,941	35,669	34,723	34,453
Goods for processing	Exports	30,530	18,619	32,894	38,520	44,678
	Imports	2,499	1,703	-998	2,632	5,727
Other conceptual adjustments	Exports	-5,815	-1,276	-2,254	-2,409	-3,752
	Imports	1,076	1,045	1,378	1,740	622
Merchanting (net export)	Exports	4,392	8,874	1,536	2,669	4,599

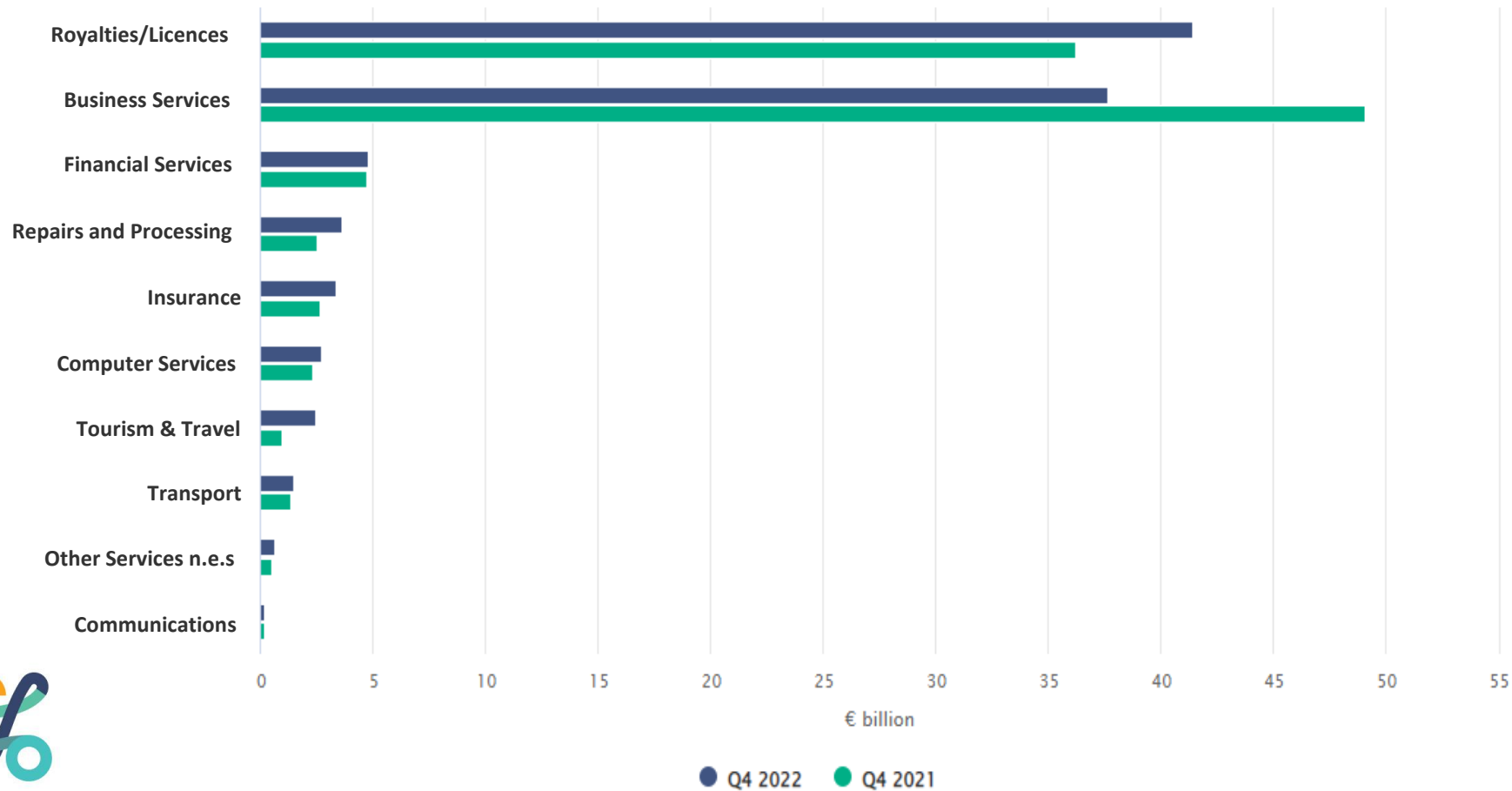
¹Adjusted for balance of payments purposes.



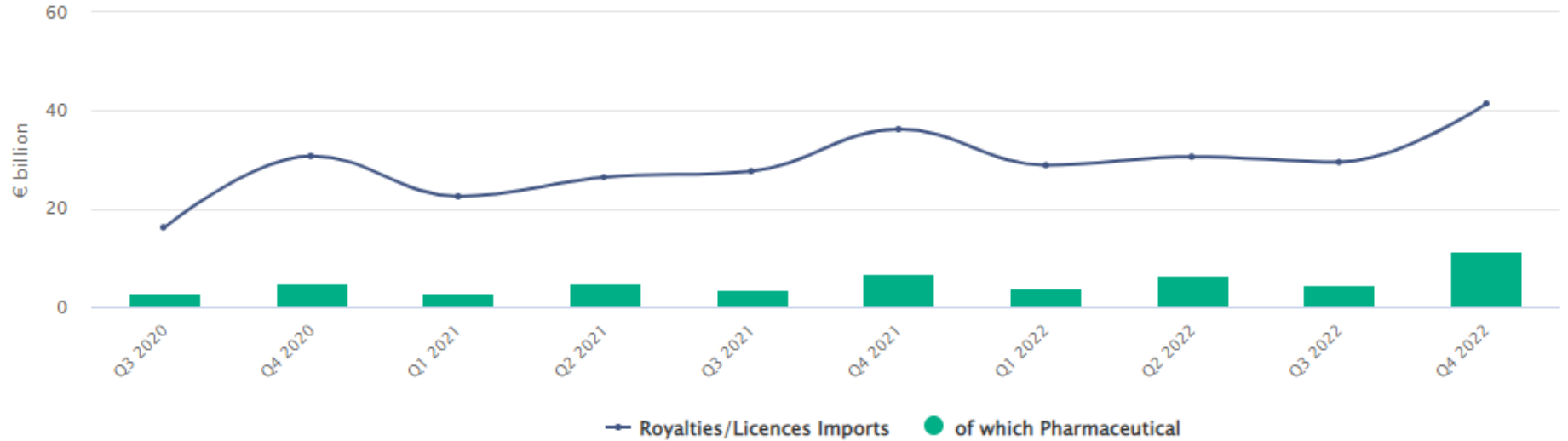
Service Exports



Service Imports



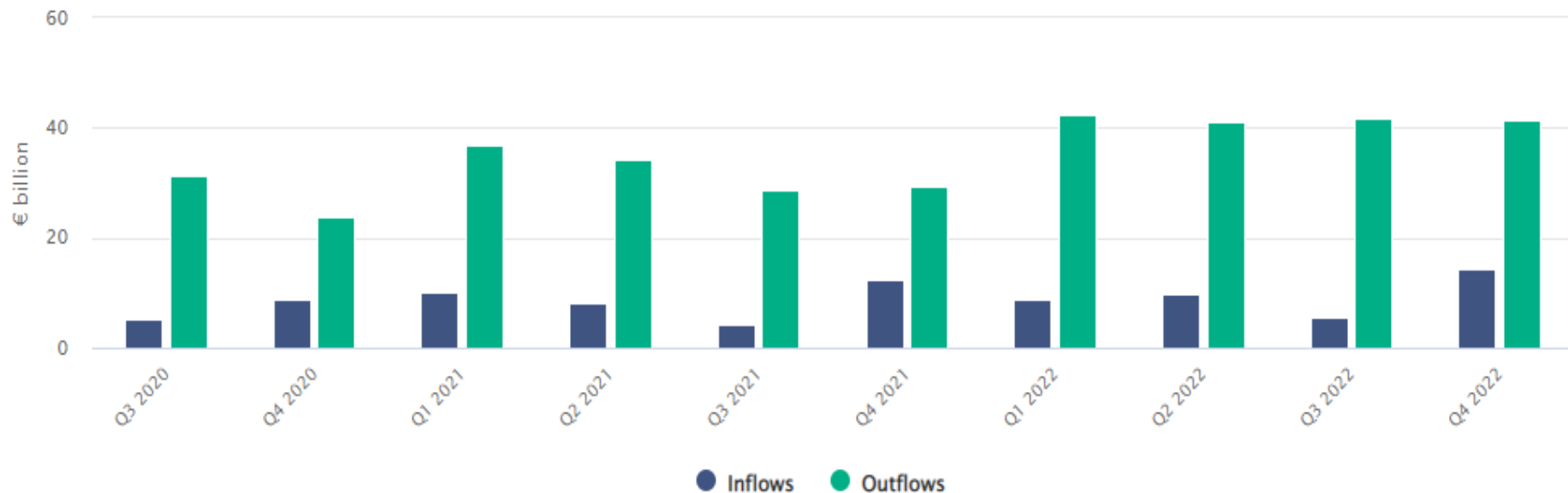
Royalties Imports



Source: CSO Ireland
Highcharts.com



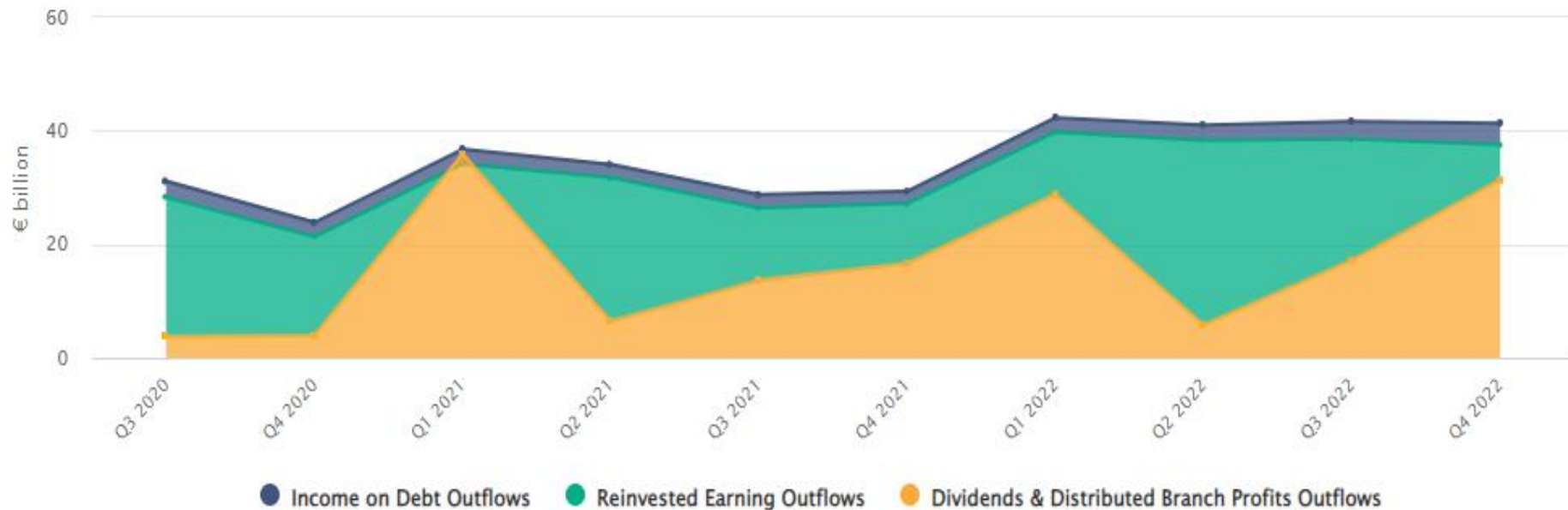
Direct Investment Income



Source: CSO Ireland
Highcharts.com



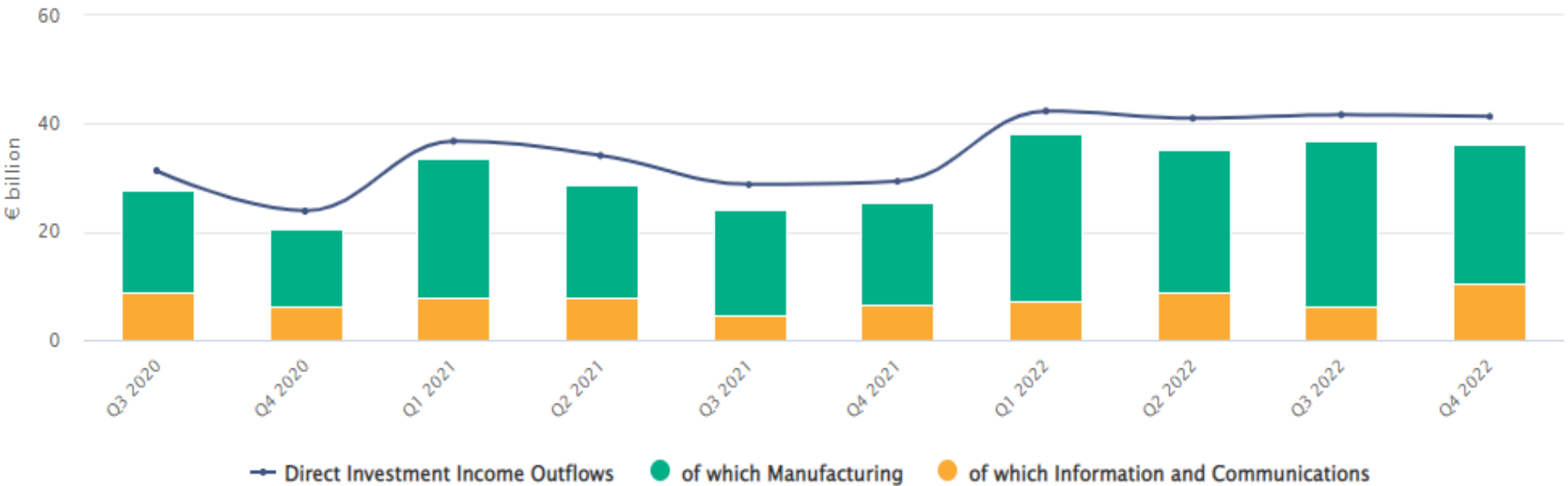
Direct Investment Income Outflows



Source: CSO Ireland
Highcharts.com



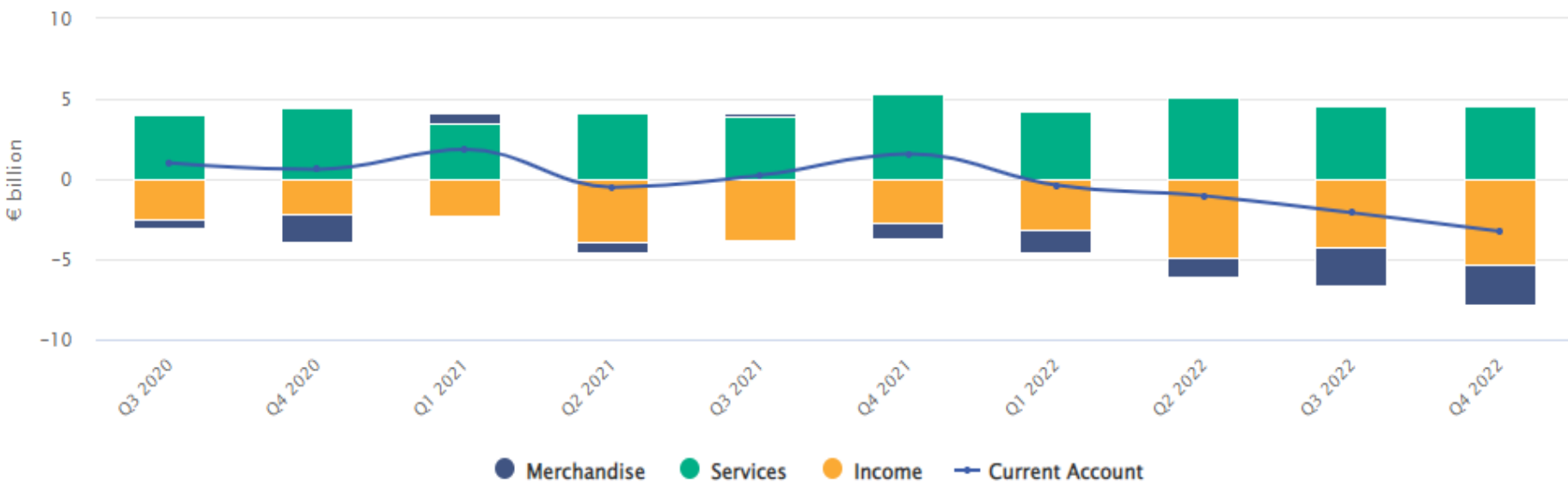
FDI Income: Quarterly Profits Outflows



Source: CSO Ireland
Highcharts.com



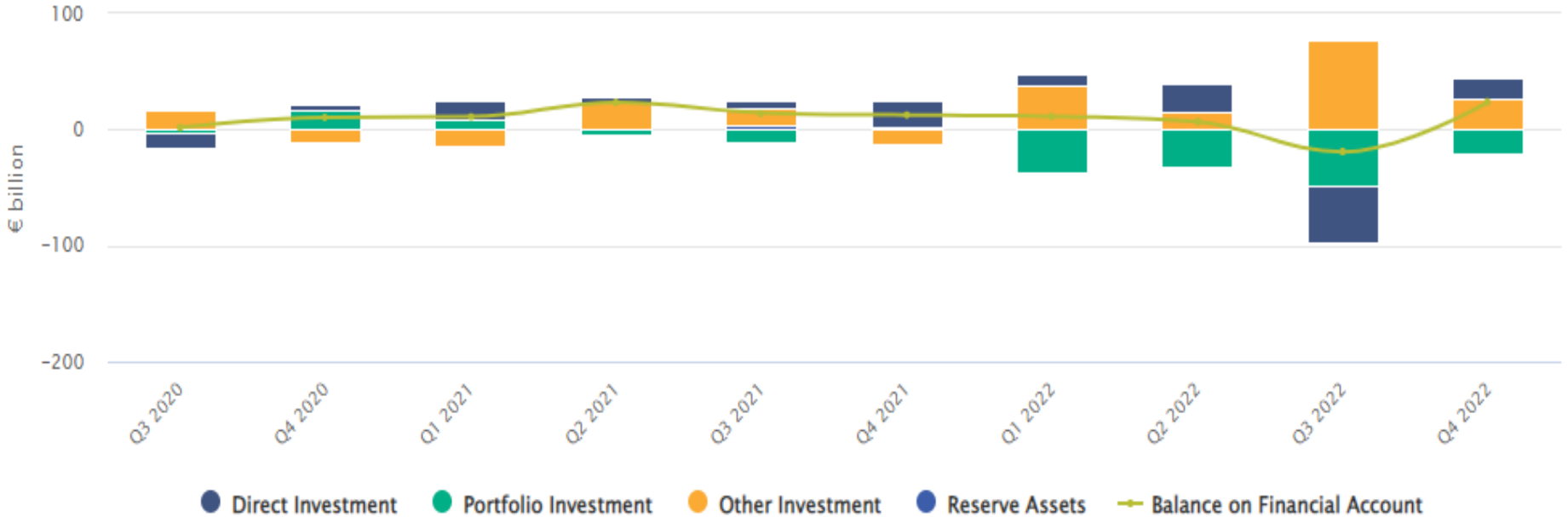
Trade, Income and CA with UK



Source: CSO Ireland
Highcharts.com



Financing Q4 2022

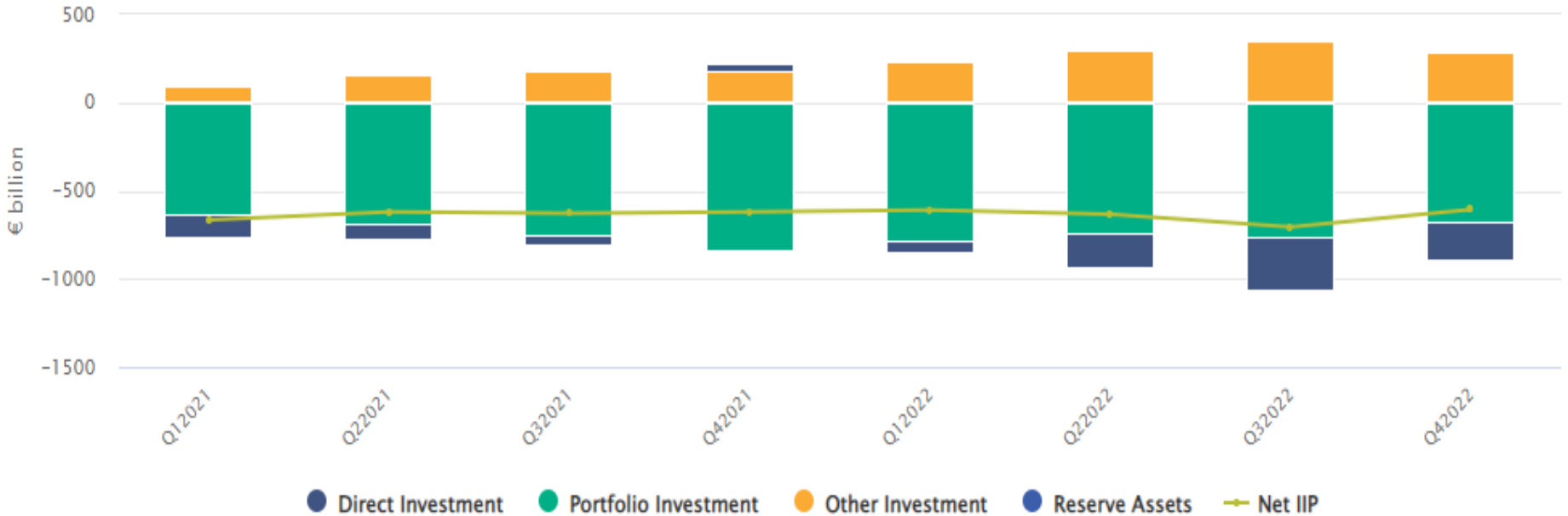


Source: CSO Ireland
Highcharts.com



www.cso.ie

International Investment Position Q4 2022



Source: CSO Ireland
Highcharts.com



International Accounts Summary

- Current Account balance in Q4 2022 of €15.8bn or 12.2% of GDP.
- We see continued growth in goods and services exports
- We continue to see the covid effects lessening:
 - Tourism and transport exports and imports coming back to more usual levels





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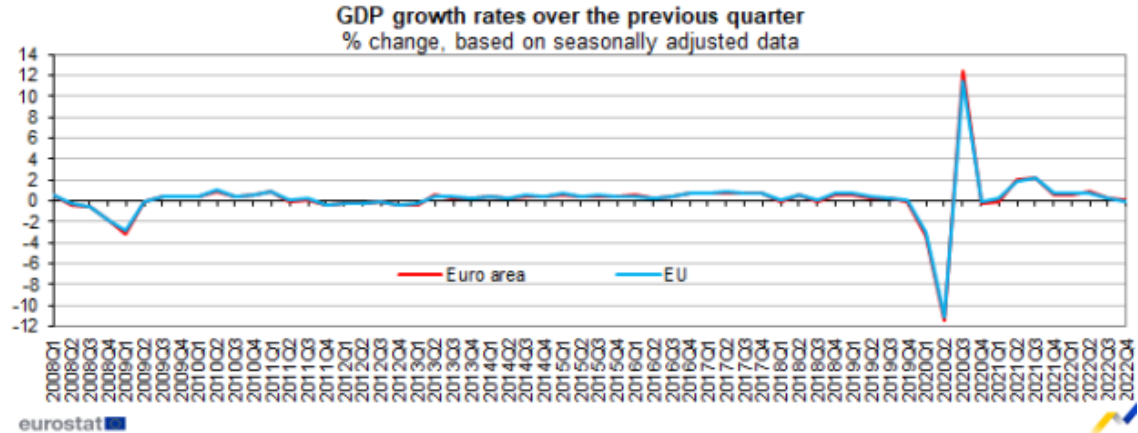
Preliminary GDP T+30

Quarter 4 2022



Motivation

- Since April 2016, Eurostat has published preliminary T30 GDP flash estimates.
- Key objectives of the EU Economic and Monetary Union (EMU) Action Plan.
- Provide timely statistics to users.
- <https://ec.europa.eu/eurostat/documents/2995521/15725194/2-31012023-AP-EN.pdf/d6c60a83-0dc6-04aa-774d-0fefc772ef68>



Preliminary Estimate vs QNA

- T+30 days
- Output method
- Data sources partial
- Less detail

T+60 days

Output and Expenditure

More data

More detail



Comparisons

GDP volume	T+30	T+60
2022 vs 2021	12.2%	12.0%
Q3/22 vs Q2/22 SA	3.7%	2.3%
Q4/22 vs Q3/22 SA	3.5%	0.3%
Q4/22 vs Q4/21	13.5%	12.0%



Headline Results

Key Indicators <i>(constant price)</i>	2022 vs 2021	Q4/22 vs Q3/22 <i>(seasonally adjusted)</i>
GDP	+12.0%	+0.3%
Modified Domestic Demand	+8.2%	-1.3%
Personal Consumption Expenditure	+6.6%	+1.1%
Compensation of Employees	+7.8%	+0.9%

