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Staidrimh**

Central
Statistics
Office

Welcome to the CSO Macroeconomic Briefing Q4 2023

The briefing will begin shortly



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National Accounts International Accounts

Quarter 4 2023

Media Briefing
01 March 2024



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National Accounts

Year 2023
(Provisional)

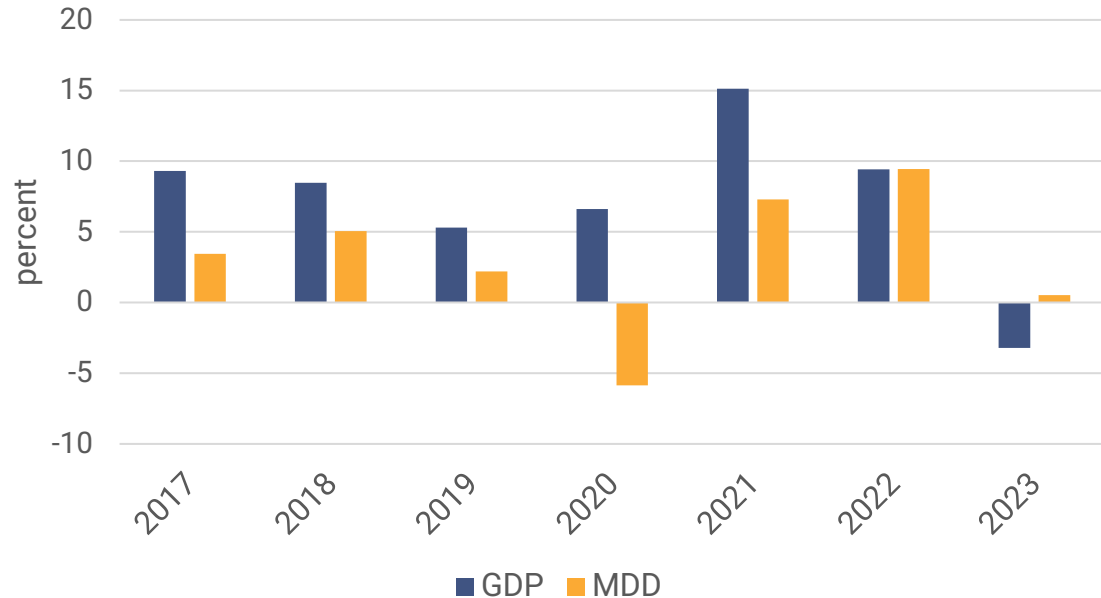


Year 2023

Year-on-Year
Growth Rates

GDP -3.2%

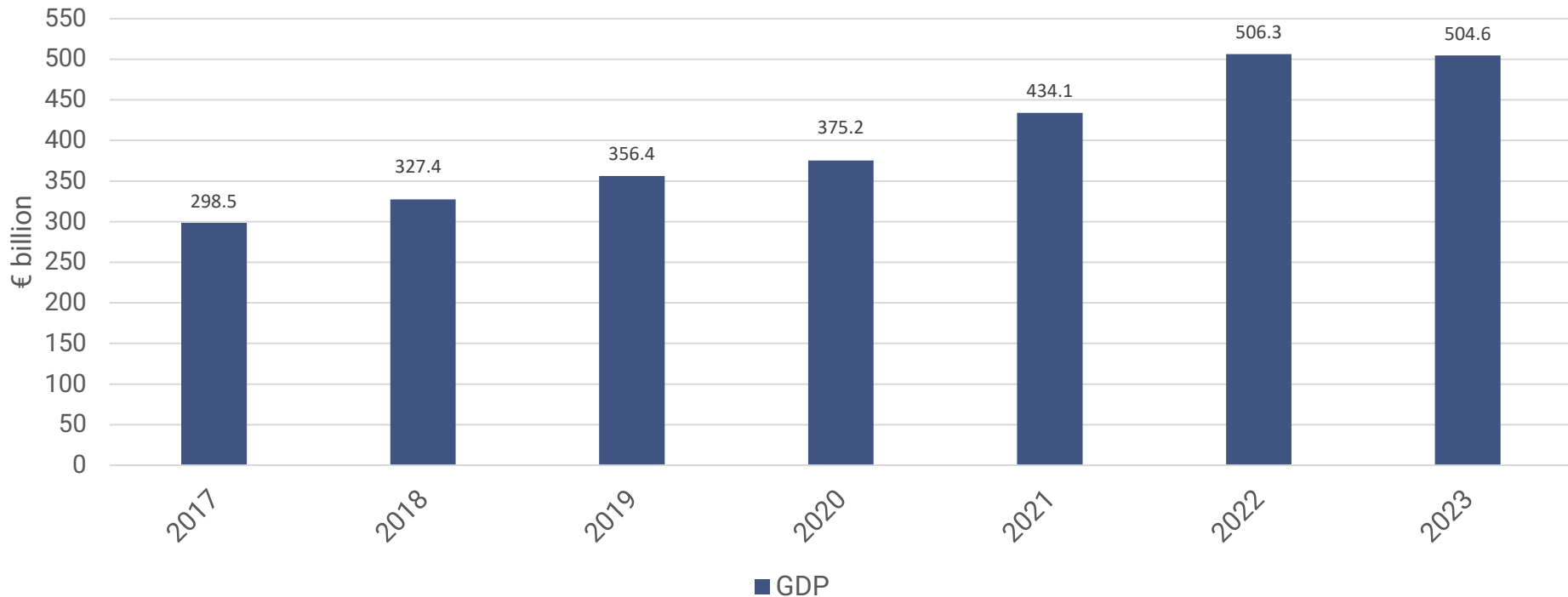
MDD +0.5%



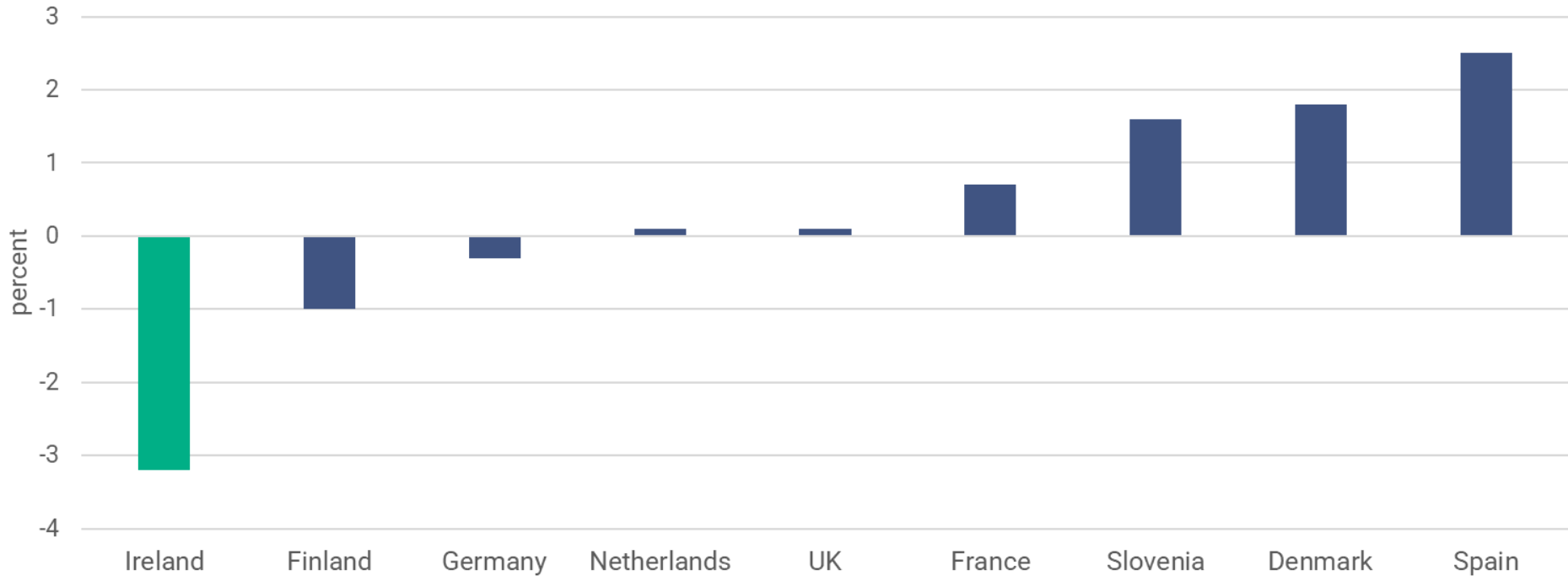
Provisional Results – will be subject to revision when annual results are issued in mid-year



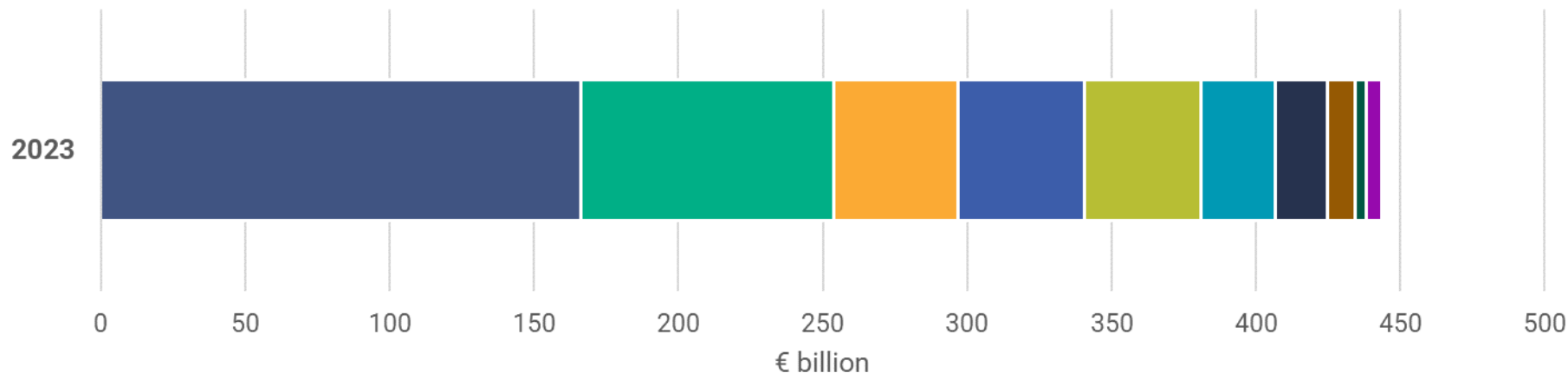
Annual GDP at Current Market Prices 2017 – 2023



2023 Annual GDP % Change in Constant Prices by Country



Annual Sector Growth by Share of GDP and Growth Rate - 2023



■ Industry (excl. Construction) ↓ -11.0%

■ Professional, Admin and Support Services ↑ +0.7%

■ Distribution, Transport, Hotels and Restaurants ↑ +4.5%

■ Financial and Insurance Activities ↑ +7.5%

■ Arts, Entertainment and Other Services ↓ -10.8%

■ Information and Communication ↑ +8.0%

■ Public Admin, Education & Health ↑ +4.3%

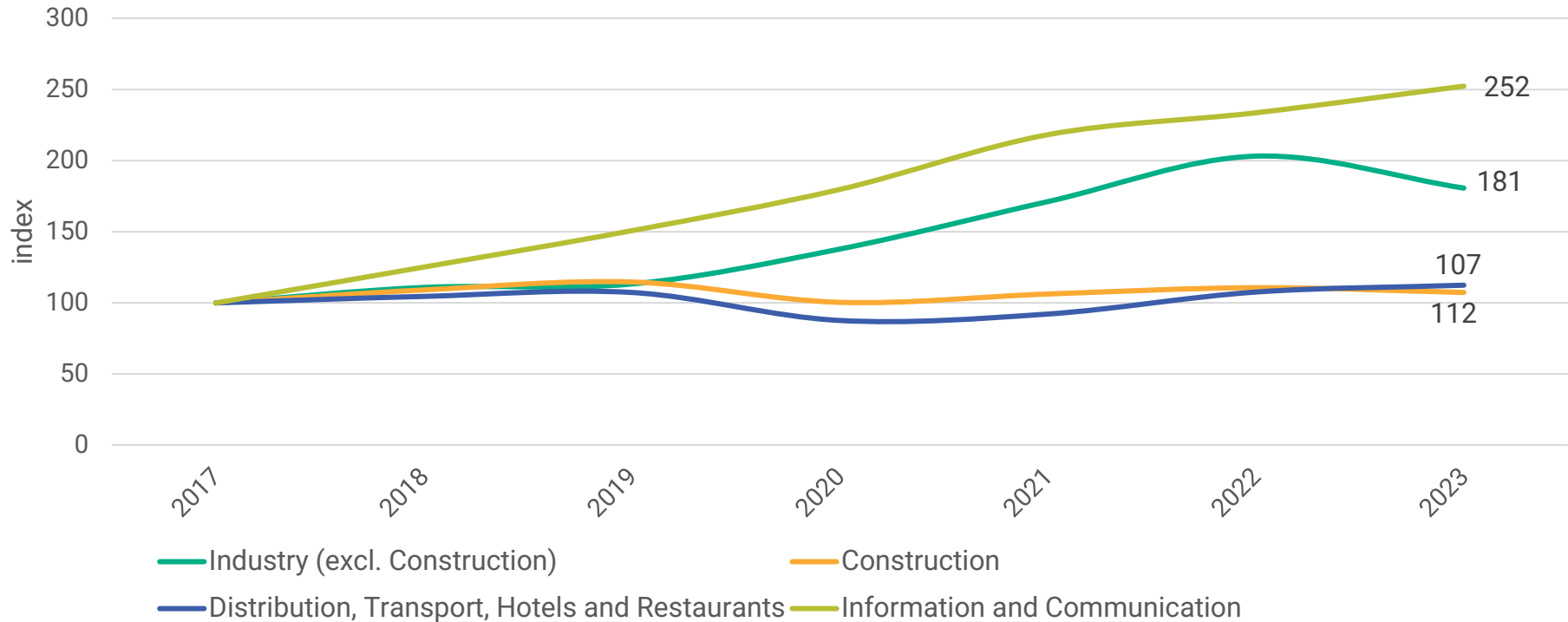
■ Real Estate Activities ↑ +1.8%

■ Construction ↓ -3.0%

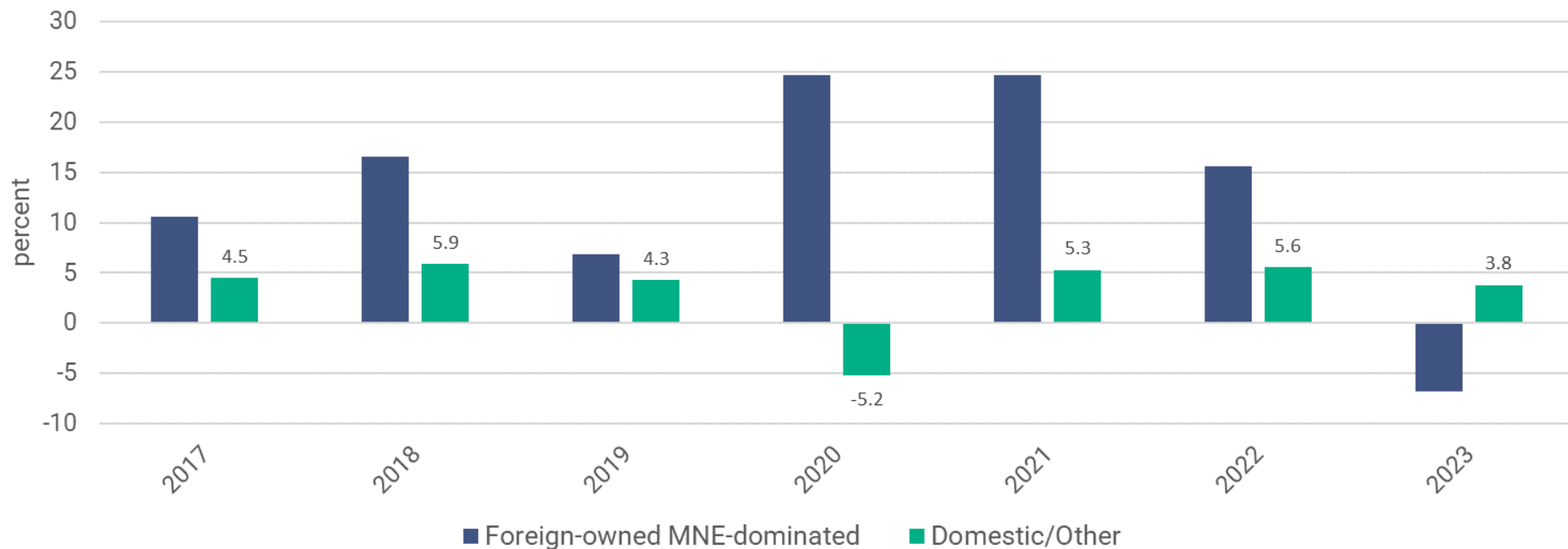
■ Agriculture, Forestry and Fishing ↑ +15.4%



Trends in Value Added by Sector (2017 = 100)



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

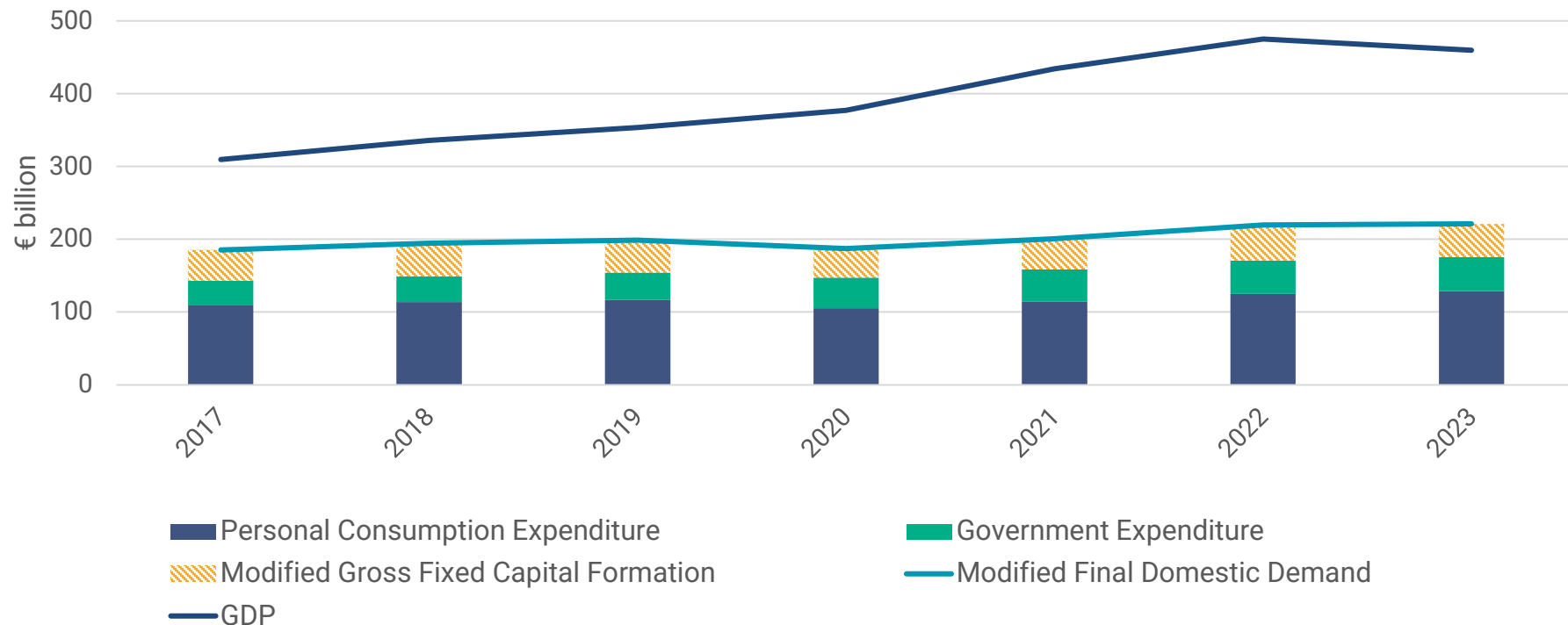


Compensation of Employees at Constant Prices - 2023

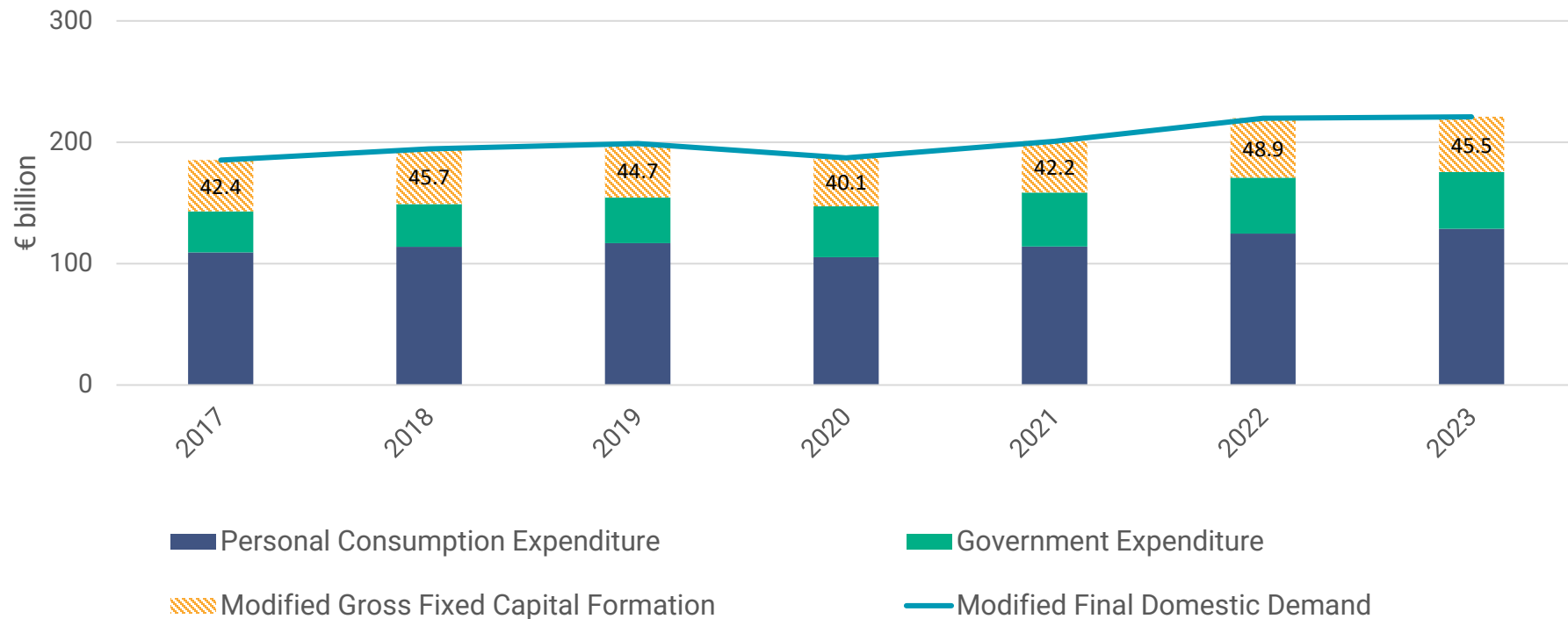
	Amount €m	Annual % change
Public Admin, Education and Health	35,240	4.3
Distribution, Transport, Hotels and Restaurants	23,154	6.2
Professional, Admin and Support Services	17,362	9.6
Industry (excl. Construction)	16,478	-2.8
Information and Communication	12,271	1.7
Financial and Insurance Activities	9,861	0.9
Construction	5,905	-1.7
Arts, Entertainment and Other Services	2,523	7.3
Agriculture, Forestry and Fishing	840	5.0
Real Estate Activities	799	-23.0
Total	124,434	3.3



Annual Expenditure – 2023



Annual Expenditure – 2023



Personal Consumption Expenditure 2023/2022

Total	+3.1%
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Goods	+2.4%
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Services	+3.6%
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- Goods up including cars
- Many services up with notable increases in foreign travel and public transport



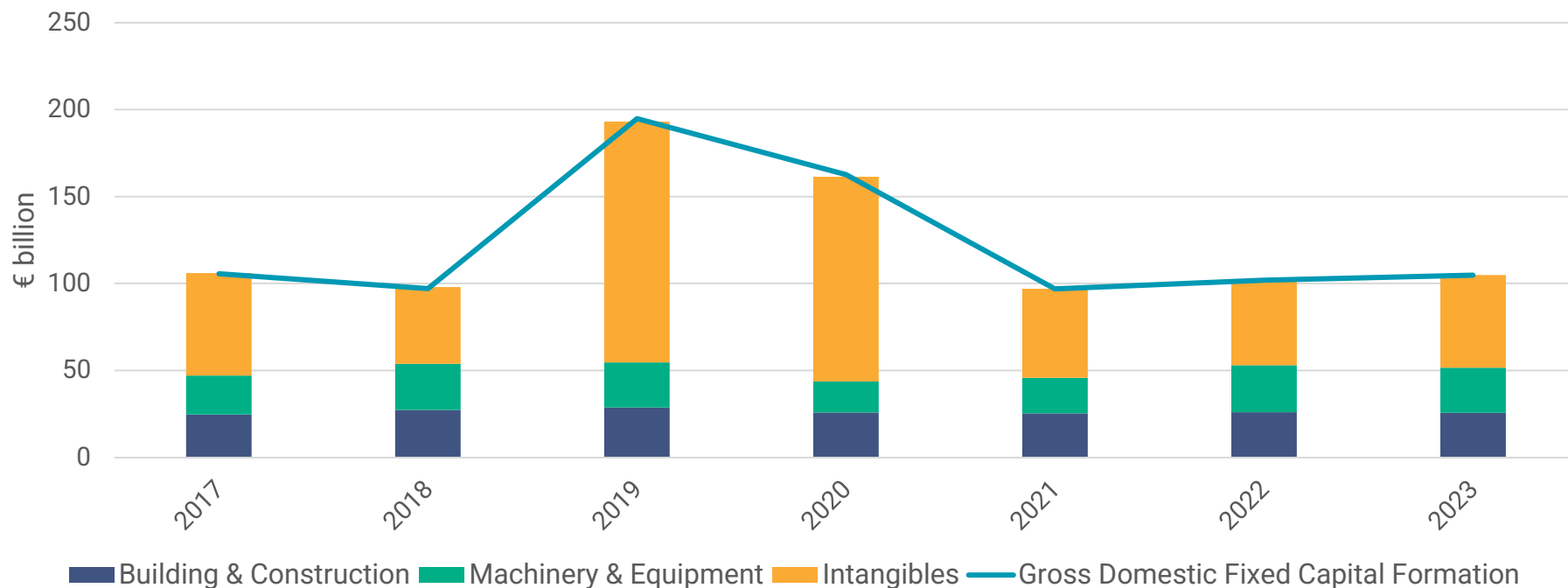
Capital Formation 2023/2022

Total +2.9%

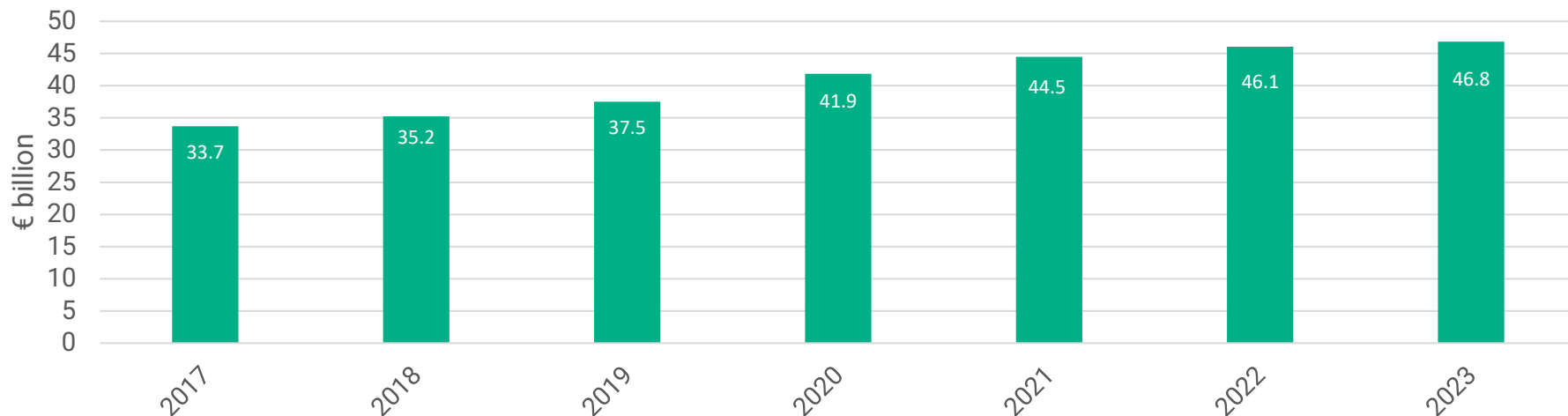
Buildings & Construction	-1.1%
New dwellings	+9.4%
All other B&C	-4.1%
Remainder of Cap Formation	+4.3%
Machinery and Equipment	-4.2%
Intangibles	+€4.4bn
Excl. R&D service imports and trade in IP	-22.8%



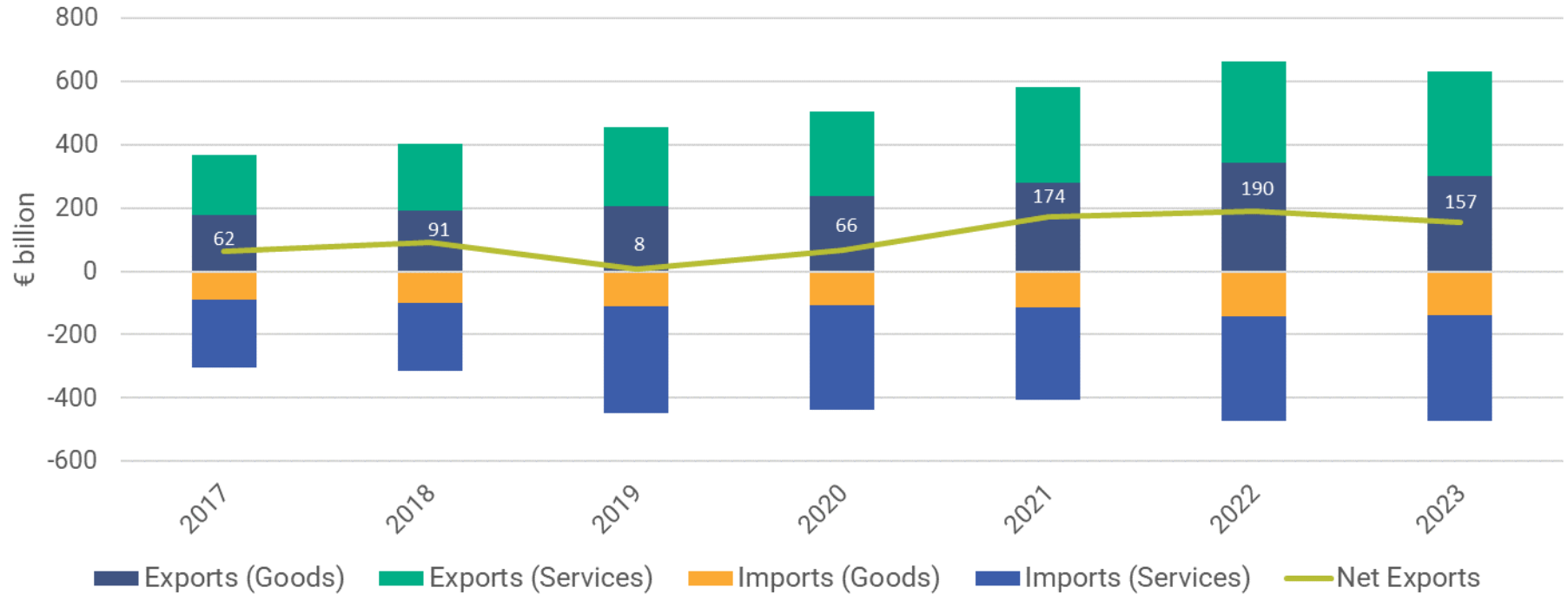
Composition of Capital Formation 2017-2023



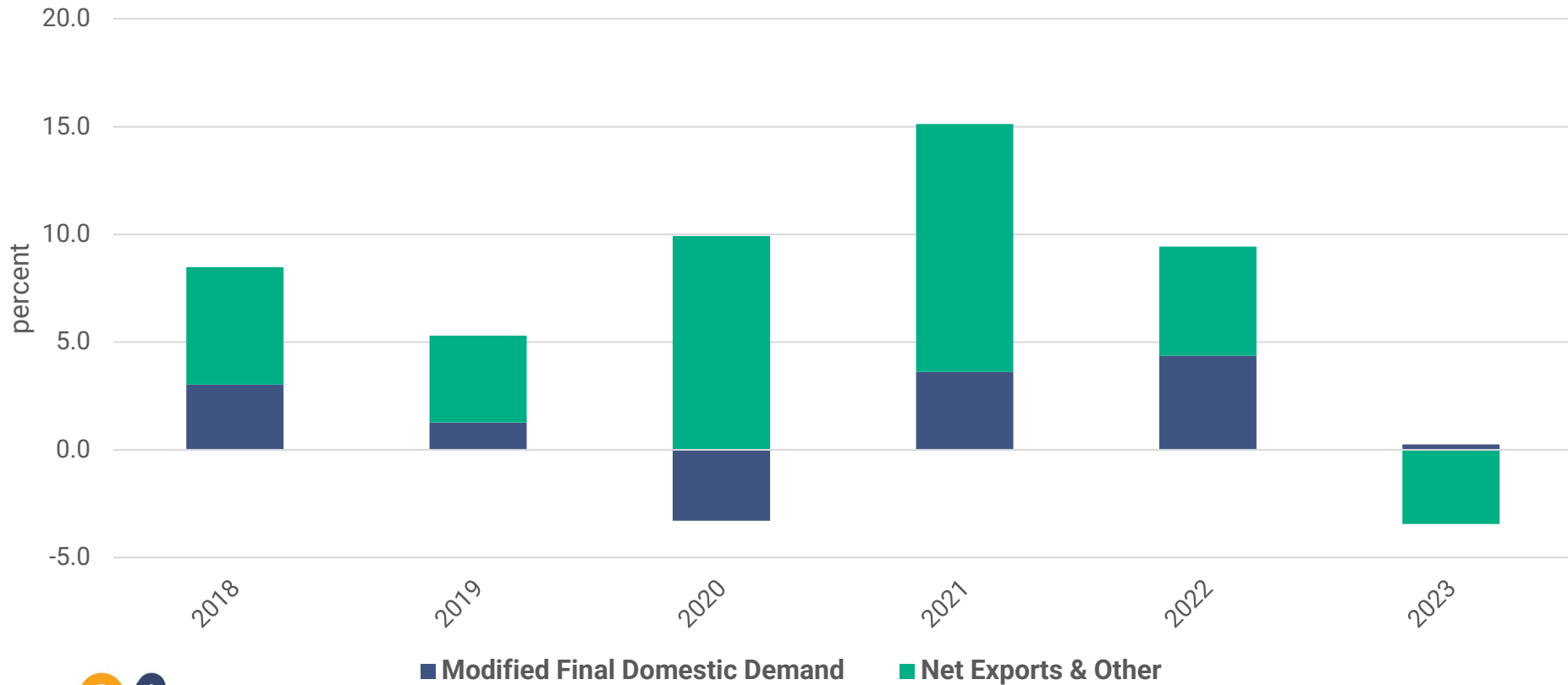
Government Expenditure on Goods and Services, 2017-2023



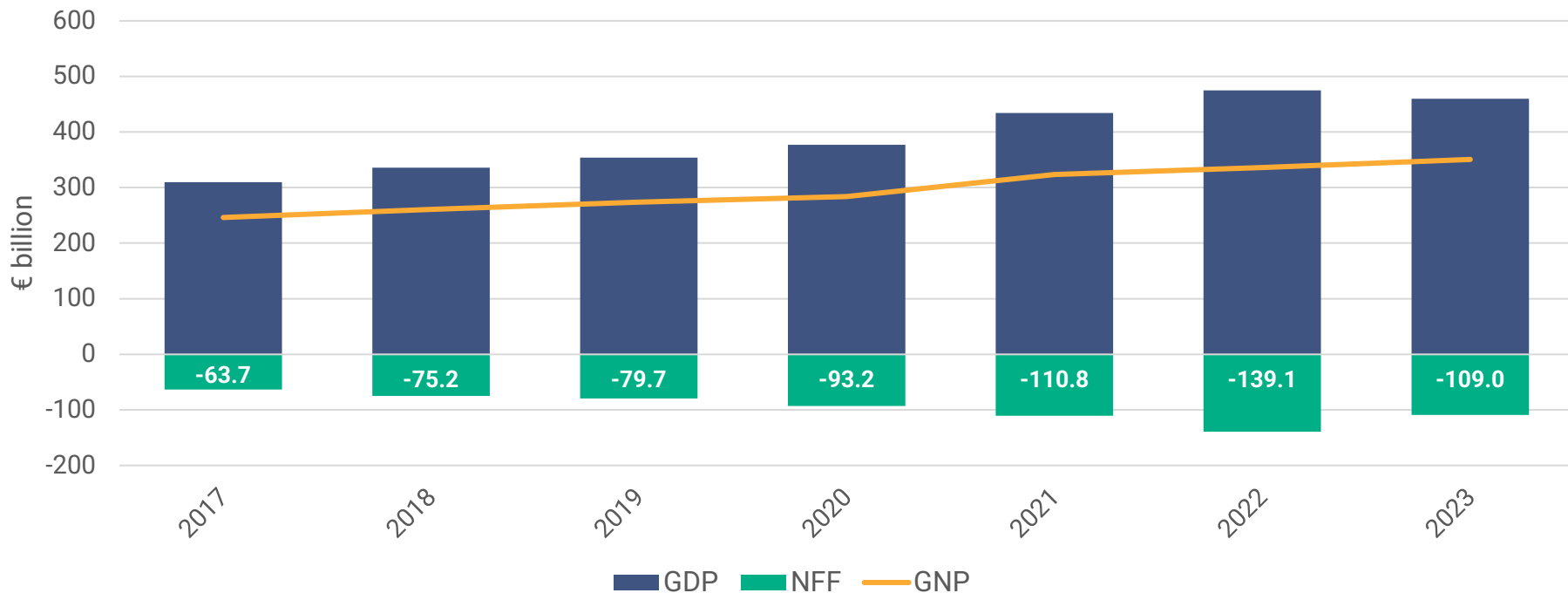
Trends in Net Exports



Contribution of Domestic Demand and Net Exports to Annual GDP Growth



GDP, GNP and Net Factor Flows 2017 – 2023



2023 Annual Summary

GDP -3.2%

Output:

- Industry -11.0%
- Construction -3.0%
- Dist, Trans, Hotels & Restaurants +4.5%
- Information & Communication +8.0%
- **MNE** dominated sectors -6.8%
- **Domestic/Other** sectors +3.8%

Expenditure:

- PCE +3.1%
- Government Expenditure +1.7%
- Investment +6.9% (Mod. Invest. -7.1%)
- Net Exports down €33.4bn
- Final Domestic Demand +2.8%
- **Modified Domestic Demand** +0.5%

- Net Factor Outflows -€109.0bn (-€139.1bn in 2022)

GNP +4.4% COE +3.3%





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Quarterly National Accounts Q4 2023

GNP ↓ 4.2%



GDP

↓ 3.4%

€110.4bn

MDD ↓ 0.4%

Industry
excl. Construction



↓ 7.7%

Information
& Comm



↓ 0.7%

Distribution,
Transport,
Hotels &
Restaurants



↑ 0.6%

Professional,
Admin. &
Support
Services



↓ 3.8%

Financial &
Insurance
Activities



↓ 0.3%

Construction



↓ 1.9%

Personal
Consumption



↑ 0.0%

Government
Expenditure



↑ 1.2%

Investment



↑ 65.4%

Exports



↓ 1.0%

Imports



↑ 14.6%

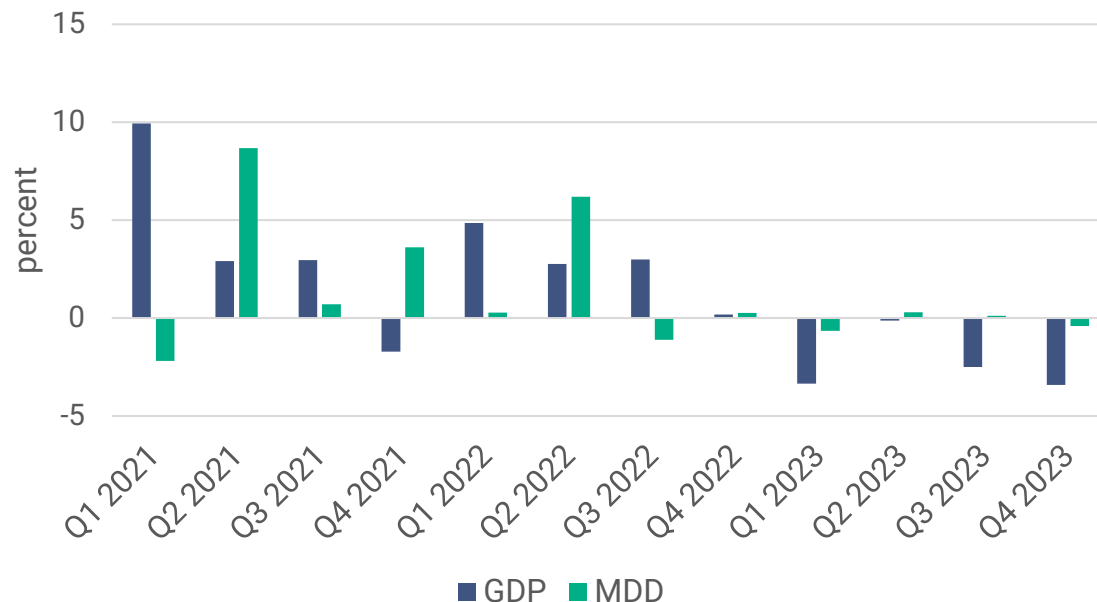
% growth Q4 2023 vs Q3 2023

Quarter 4, 2023 – Constant Prices, Seasonally Adjusted

Seasonally Adjusted Quarterly Changes

GDP -3.4%

MDD -0.4%

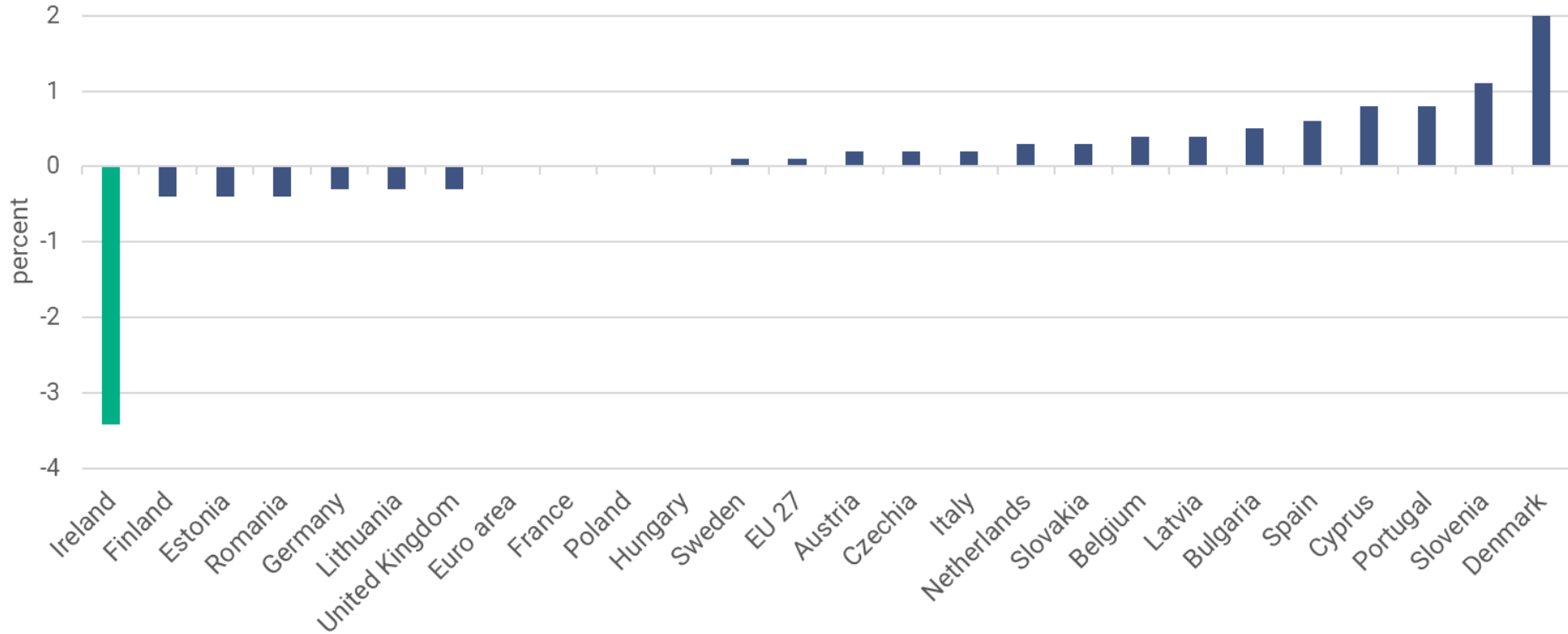


Preliminary Estimate vs QNA Comparisons

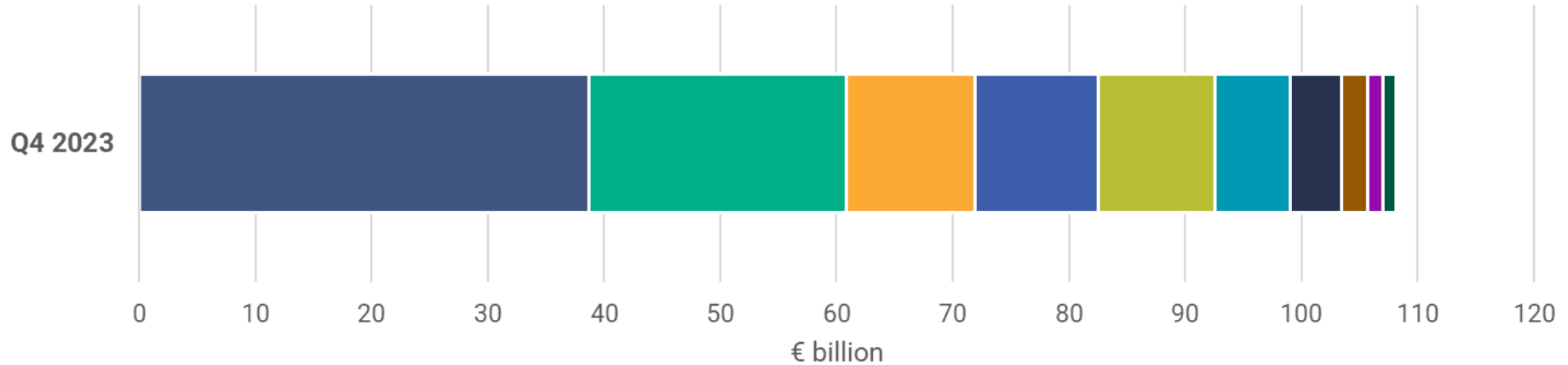
GDP Volume	T+30	T+60
Q4/23 vs Q3/2023 SA	-0.7%	-3.4%
2023 vs 2022	-1.9%	-3.2%



Q4 2023 GDP % Change by Country Seasonally Adjusted



Sector Growth – Seasonally Adjusted



■ Industry (excl. Construction) ↓ -7.7%

■ Public Admin, Education & Health ↑ +1.1%

■ Distribution, Transport, Hotels & Restaurants ↑ +0.6%

■ Financial & Insurance Activities ↓ -0.3%

■ Agriculture, Forestry & Fishing ↑ +3.1%

■ Information & Communication ↓ -0.7%

■ Professional, Admin & Support Services ↓ -3.8%

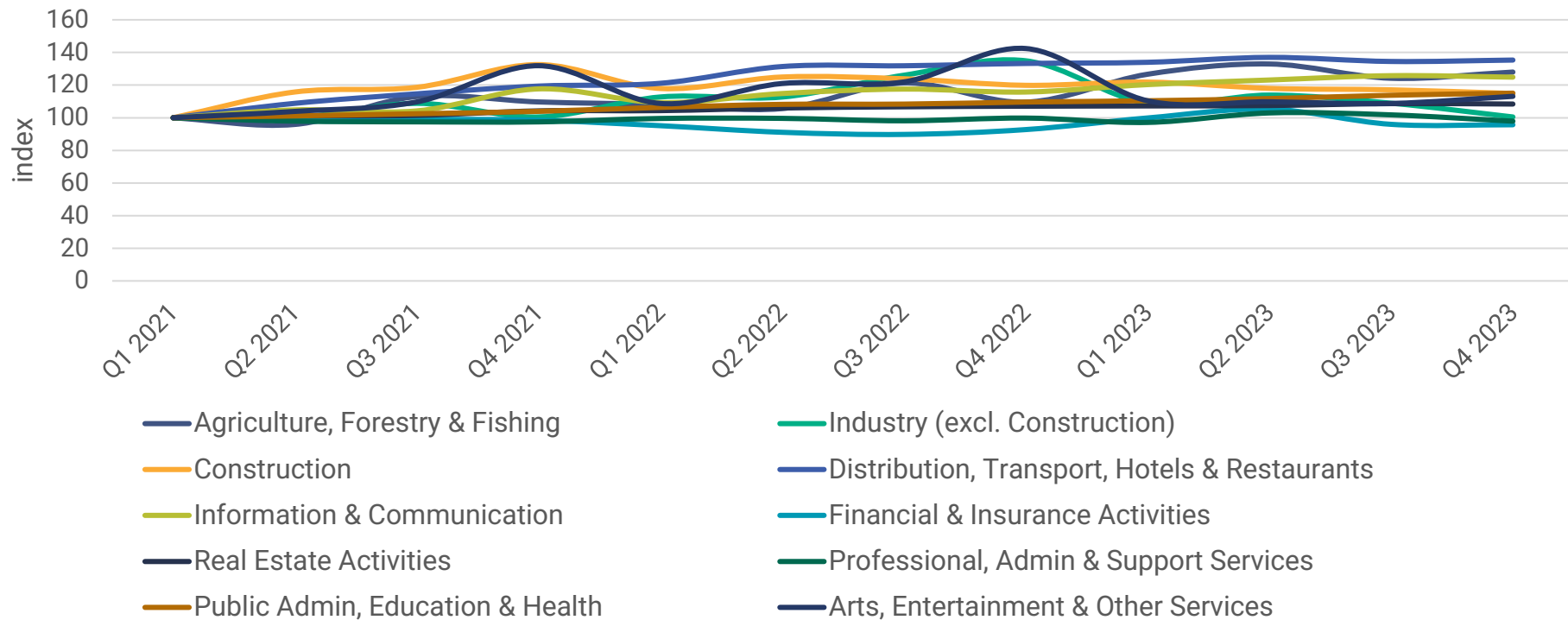
■ Real Estate Activities ↓ -0.2%

■ Construction ↓ -1.9%

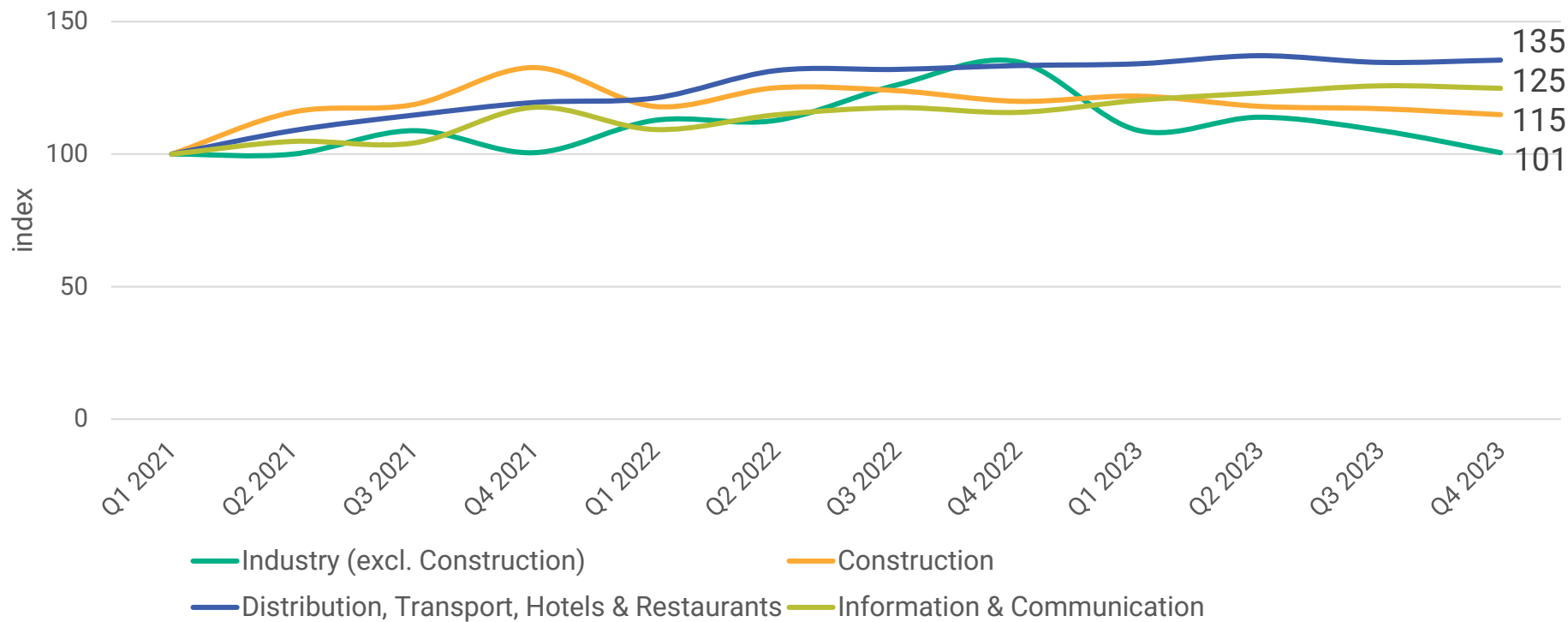
■ Arts, Entertainment & Other Services ↑ +4.0%



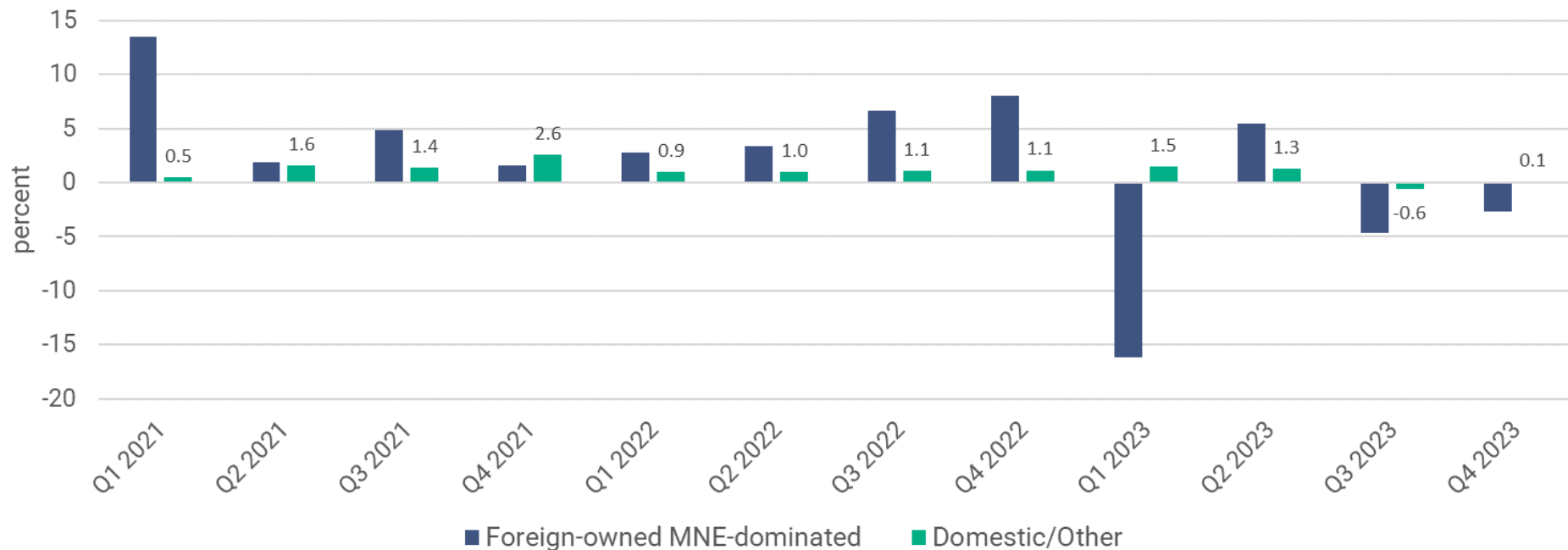
Trends in Sector Growth (Q1 2021 =100)



Trends in Sector Growth (Q1 2021 =100)



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



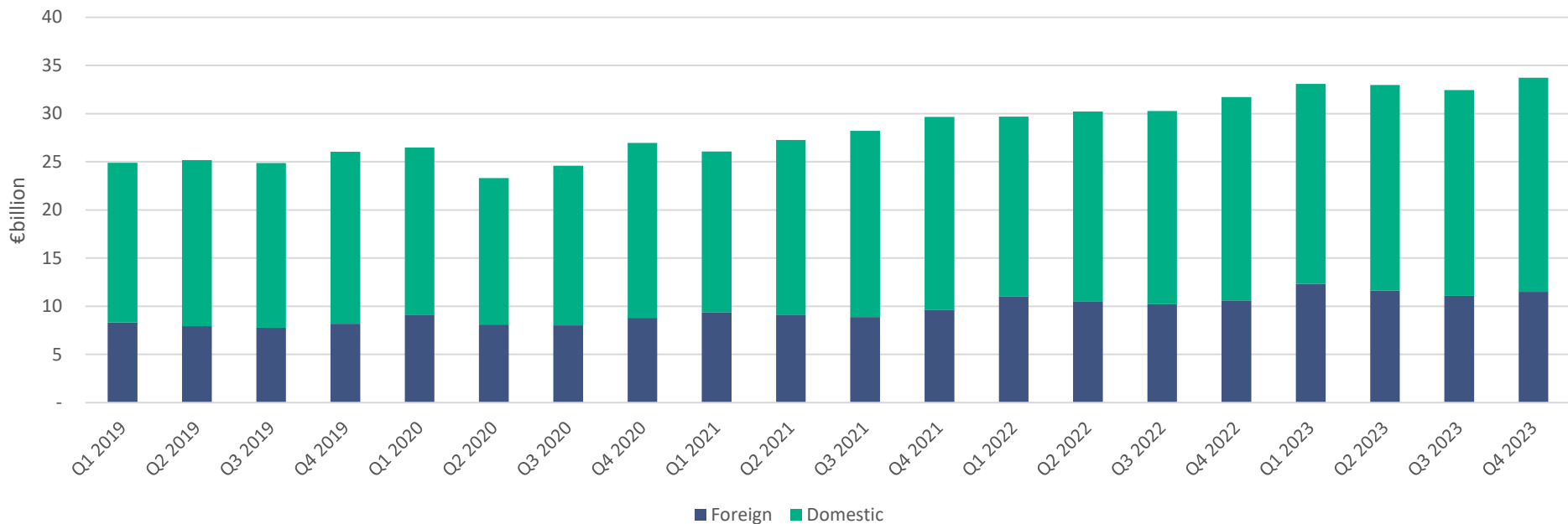
Compensation of Employees, Q4 2023

(constant prices, seasonally adjusted)

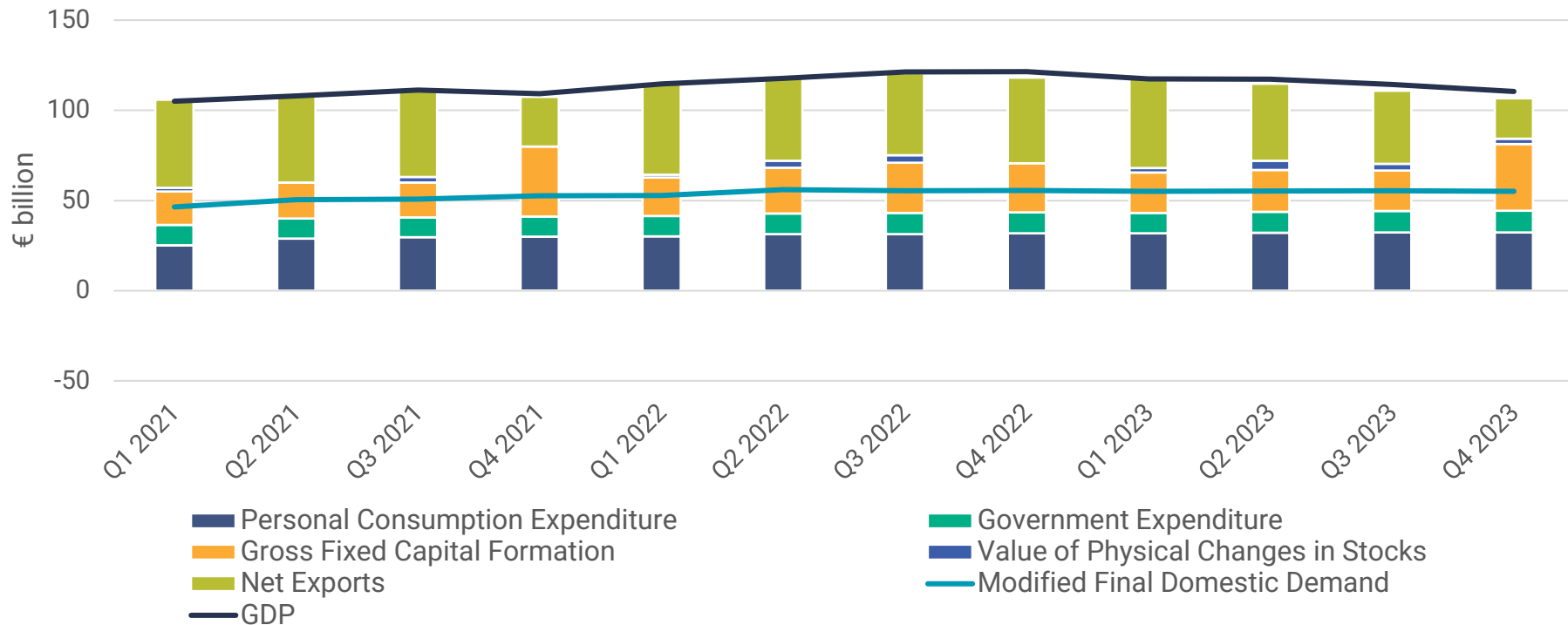
	Amount €m	Quarterly % change
Public Admin, Education and Health	8,952	1.1
Distribution, Transport, Hotels and Restaurants	6,012	4.7
Professional, Admin and Support Services	4,446	3.0
Industry (excl. Construction)	3,913	-3.2
Information and Communication	2,838	-12.5
Financial and Insurance Activities	2,430	-2.5
Construction	1,406	-3.9
Arts, Entertainment and Other Services	635	2.6
Agriculture, Forestry and Fishing	211	-19.6
Real Estate Activities	201	0.7
Total	31,043	-0.6



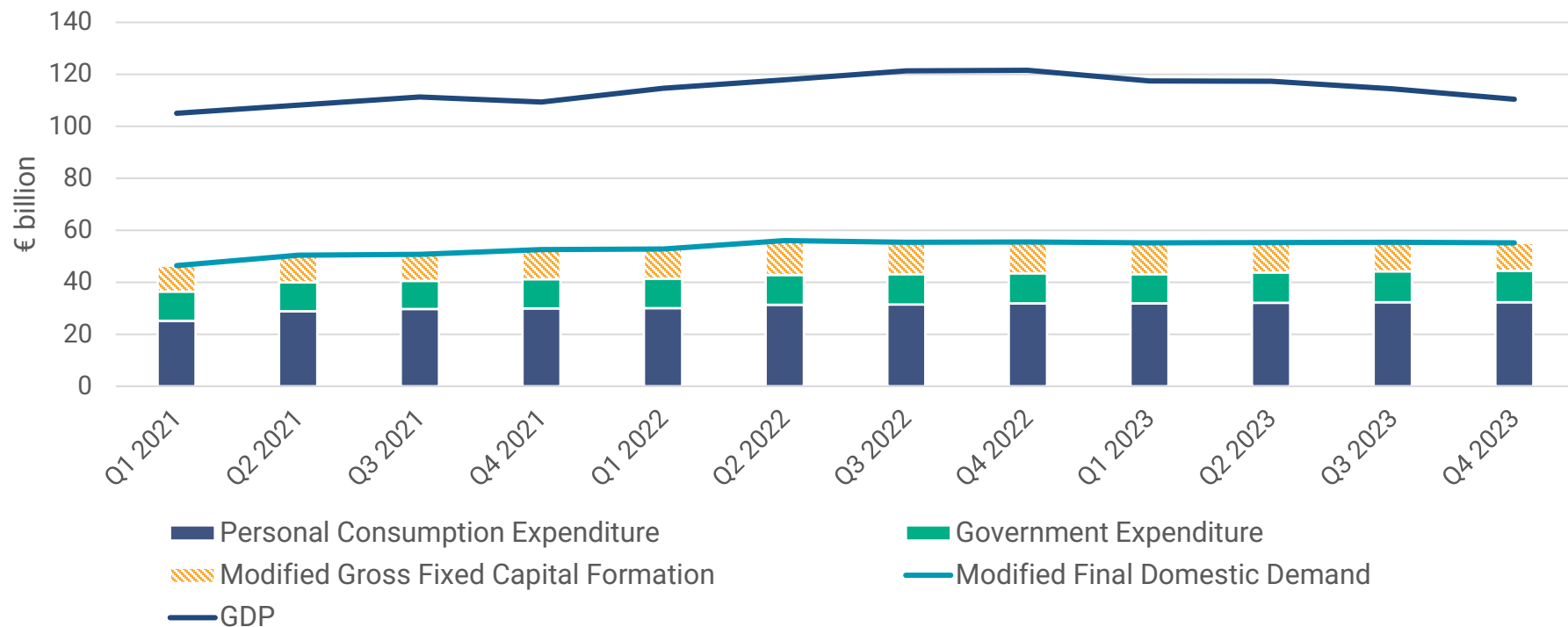
Breakdown of Compensation of Employees by Foreign and Domestic Enterprises



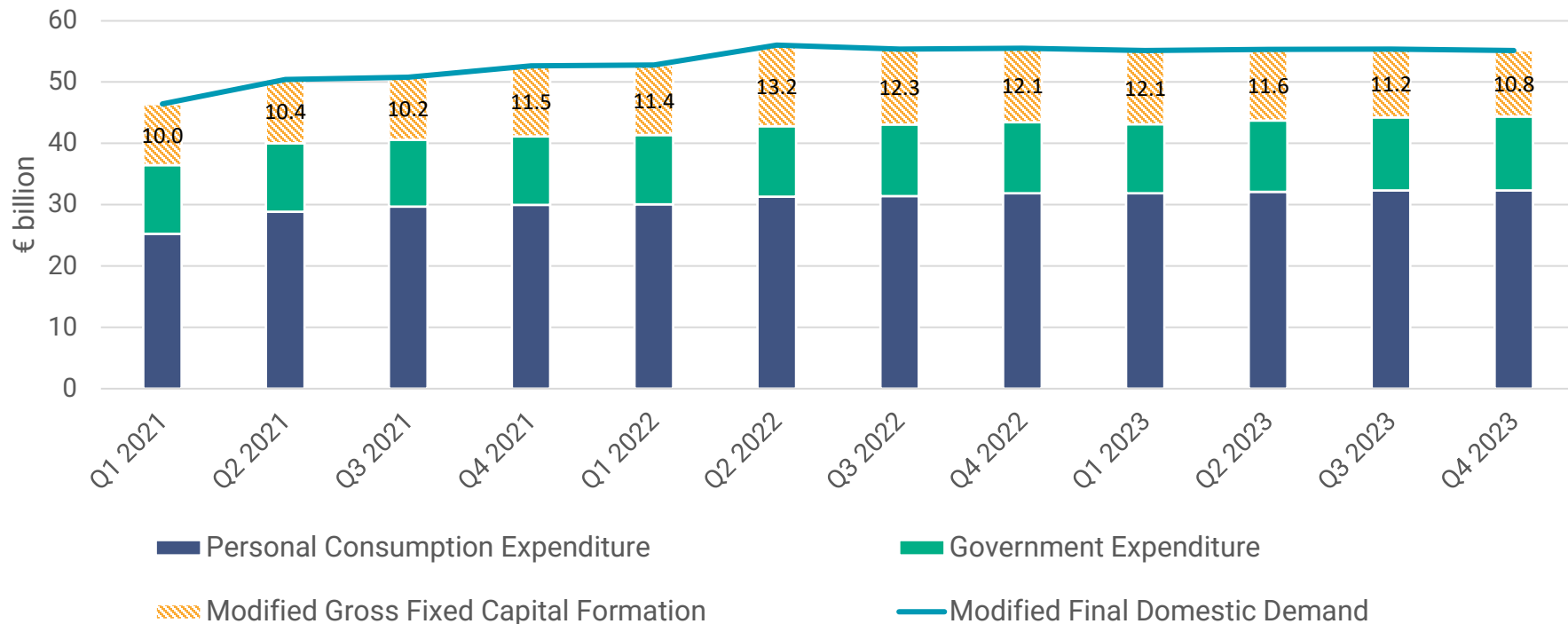
Expenditure – Q4 2023 Seasonally Adjusted



Expenditure – Q4 2023 Seasonally Adjusted



Expenditure – Q4 2023 Seasonally Adjusted



Personal Consumption Expenditure

Q4 2023/Q3 2023

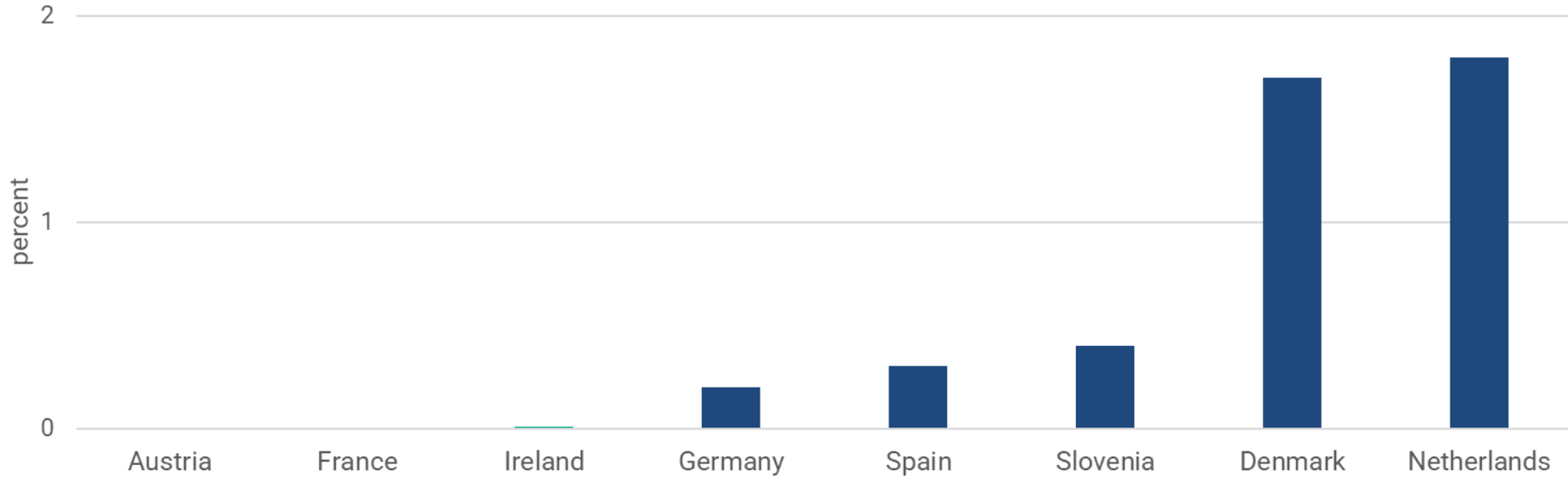
Total +0.0% (seasonally adjusted)

- Goods +0.3%
- Services -0.1%

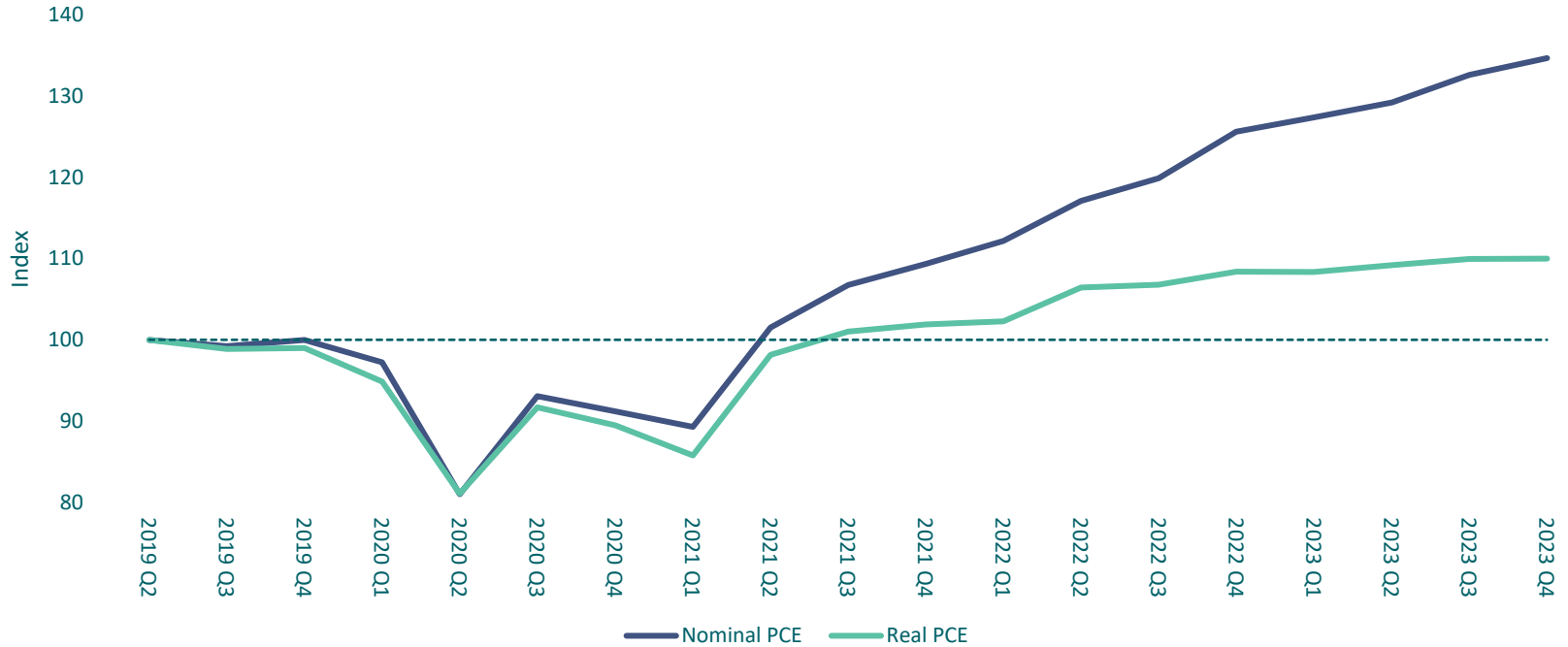


Households & NPISH Individual Consumption Expenditure

Q4 2023/Q3 2023 (Seasonally Adjusted)

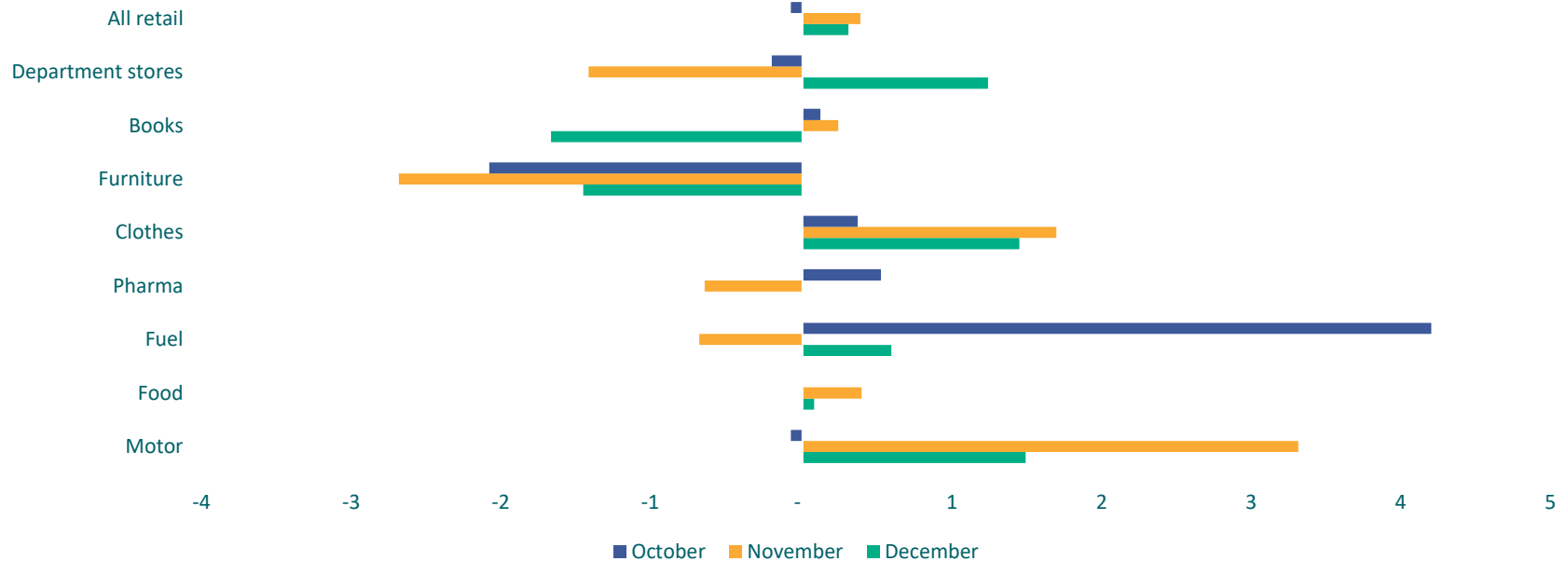


Personal Consumption Expenditure SA



Monthly Retail Sales by Item

% change over previous month



Capital Formation Q4 2023/Q3 2023

Total +65.4% (seasonally adjusted)
this quarter v's last quarter

Building and Construction	-0.9%
Machinery and Equipment	+4.3%
Intangibles	+€14.4bn
Machinery and Equipment excl. Aircraft Leasing	*
Intangibles excl. R&D service	
imports and trade in IP	*



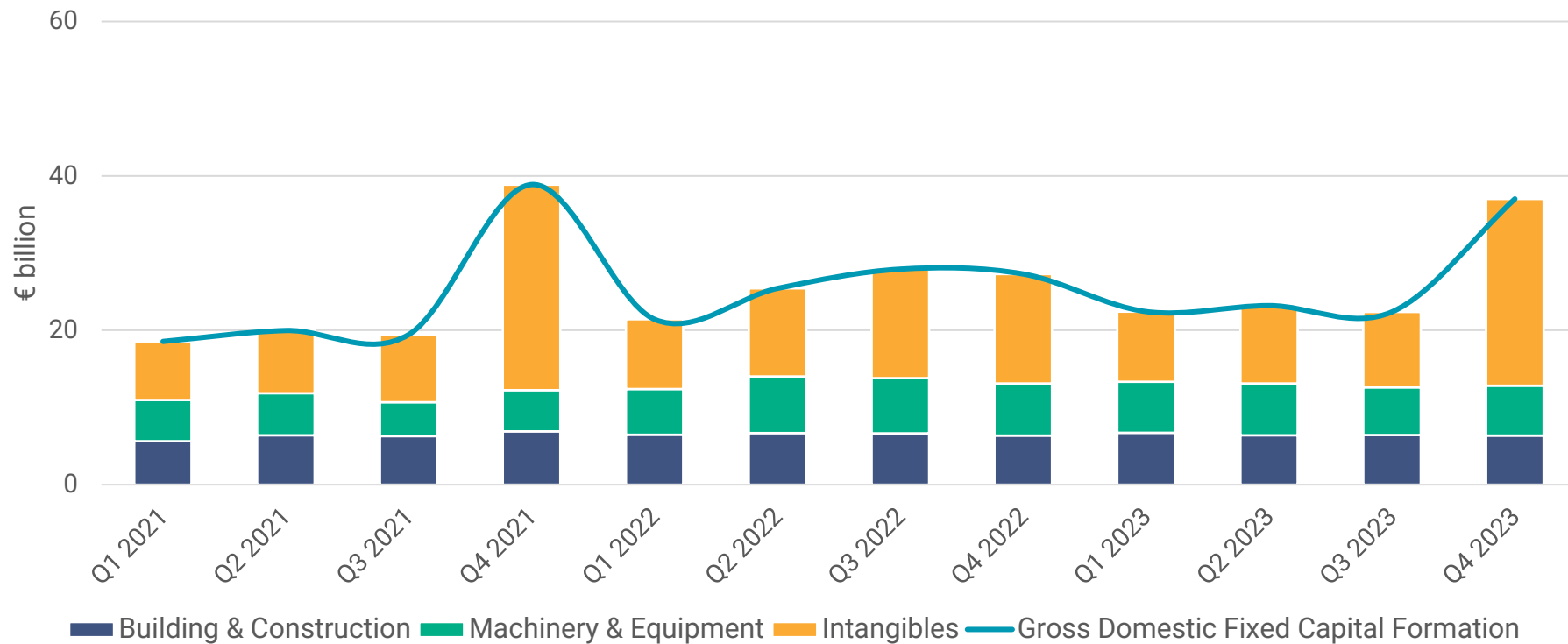
Capital Formation Q4 2023/Q4 2022

Total +34.0%

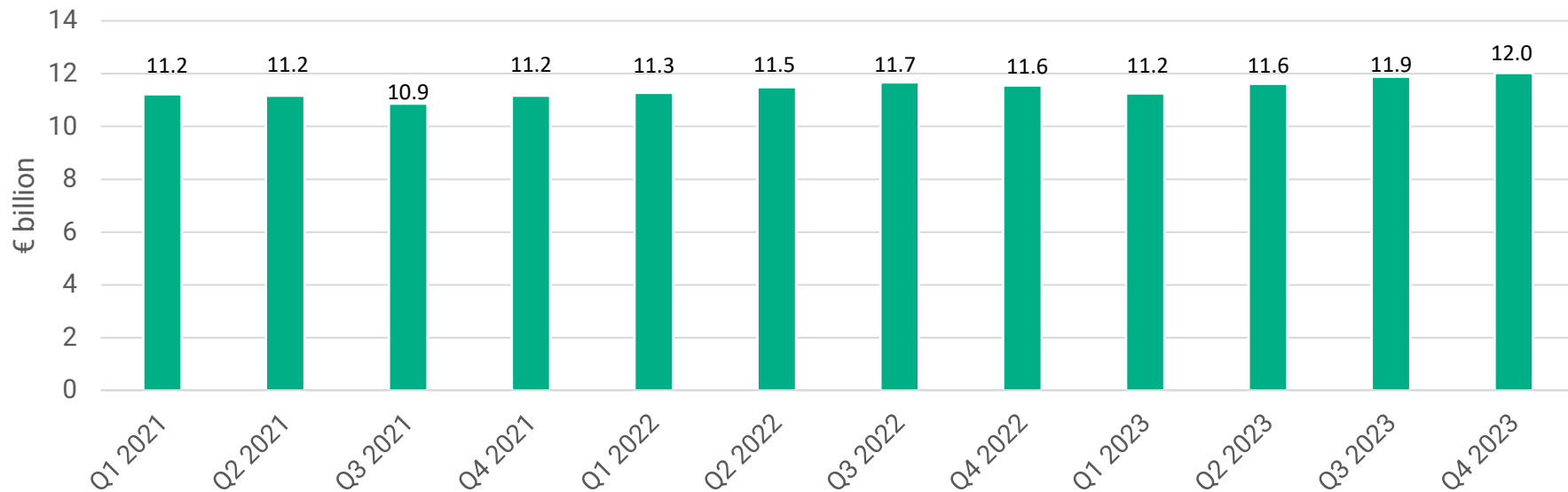
Building and Construction	-1.1%
New dwellings	+12.4%
All other B&C	-4.7%
Remainder of Cap Formation	+45.9%
Machinery and Equipment	-4.2%
Intangibles	+€10.1bn
Excluding R&D service imports and trade in IP	*



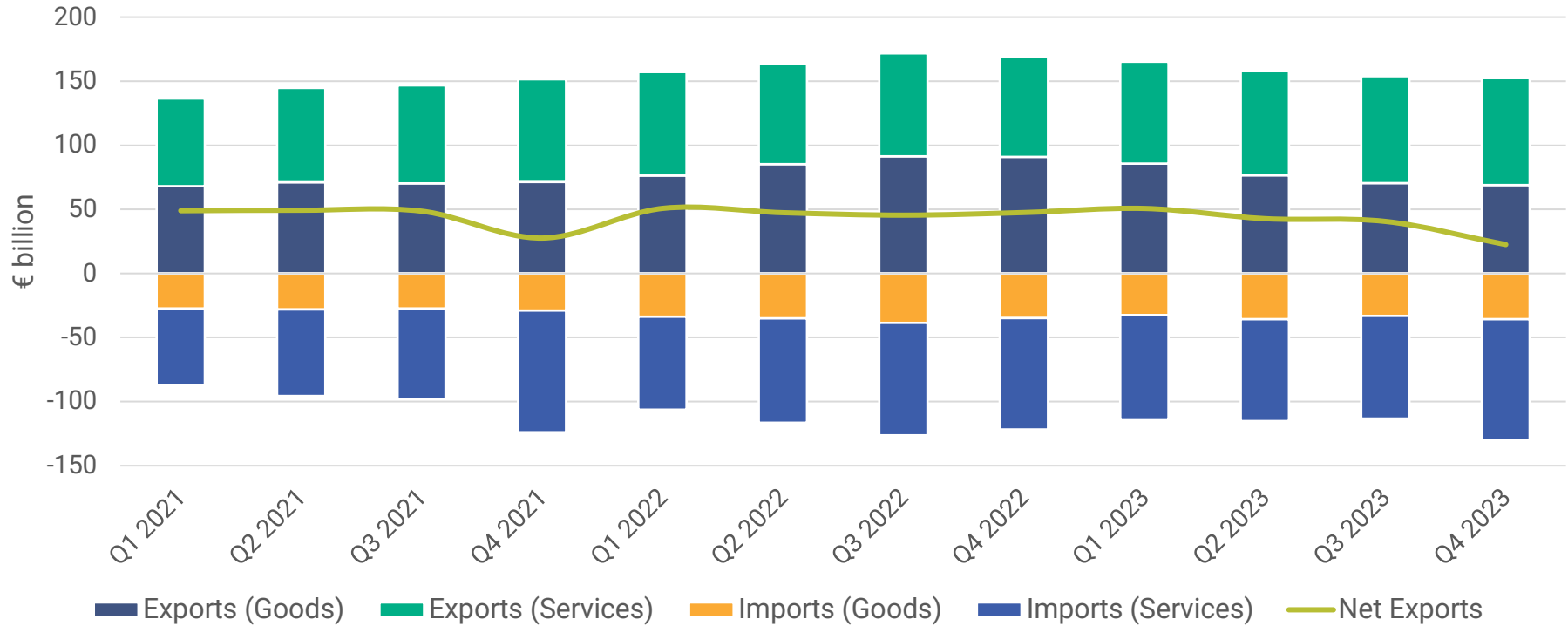
Composition of Capital Formation Q4 2023 (Seasonally Adjusted)



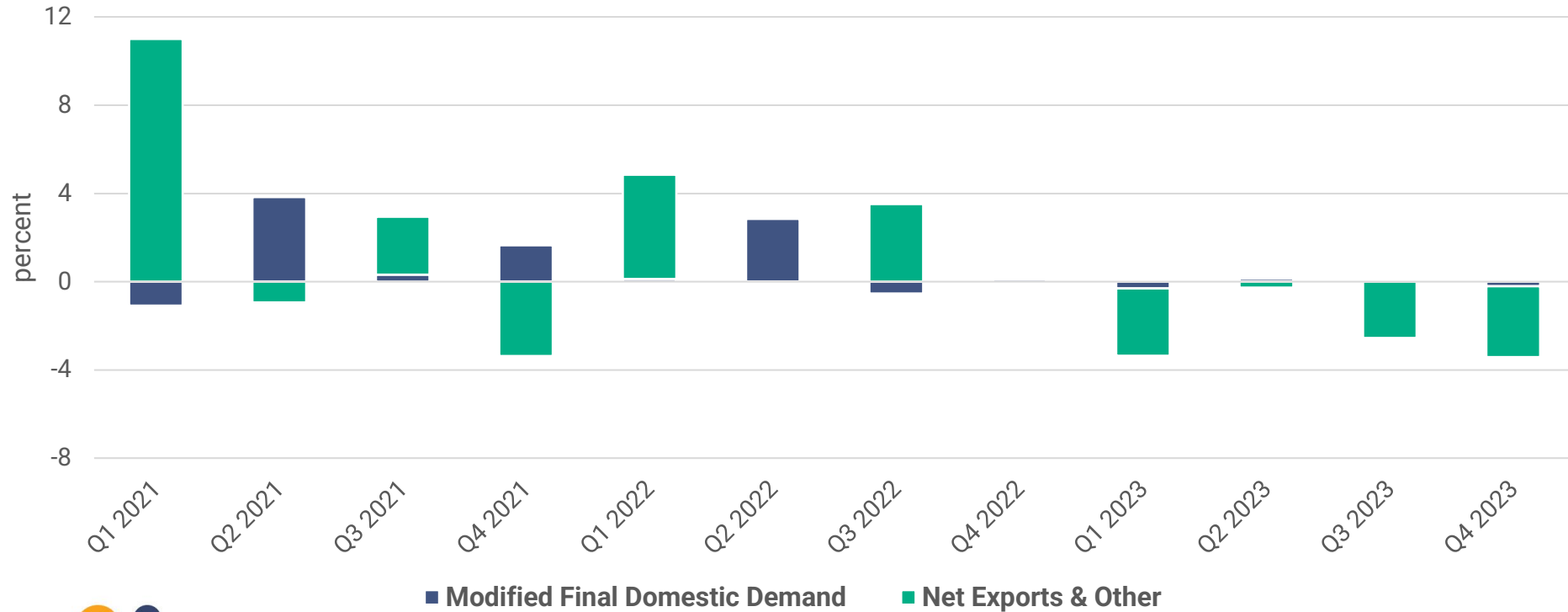
Government Expenditure on Goods and Services, Seasonally Adjusted



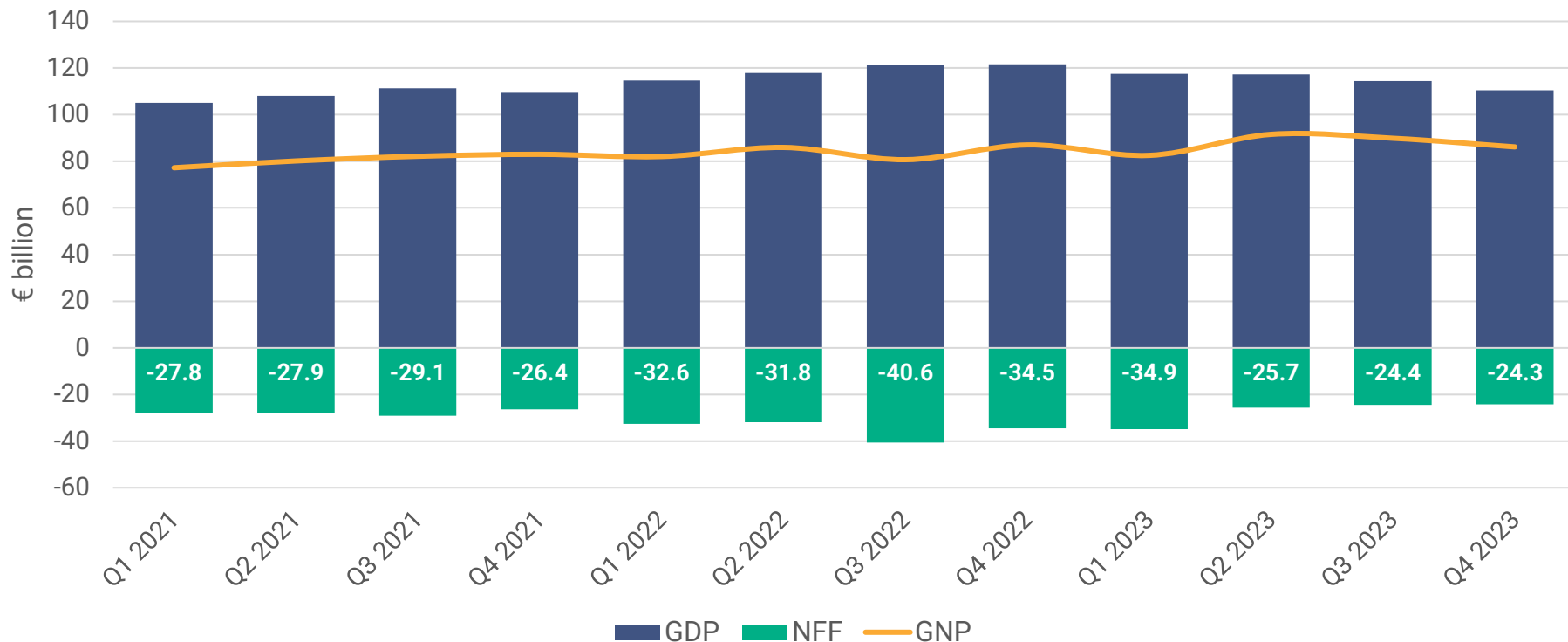
Trends in Net Exports



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



GDP, GNP and Net Factor Flows Q1 2021 – Q4 2023





Price Effects and Real GDP

Q4 2023/Q4 2022

year-on-year



GDP

Current Prices	-5.1%
Constant Prices	-8.7%
<i>Implied deflator</i>	<i>+3.9%</i>

Consumption

Current Prices	+7.4%
Constant Prices	+1.5%
<i>Implied deflator</i>	<i>+5.8%</i>



Quarterly Summary

GDP -3.4%

Output:

- Industry -7.7%
- Construction -1.9%
- Dist, Trans, Hotels & Restaurants +0.6%
- Information & Communication -0.7%

- **MNE** dominated sectors -2.7%
- **Domestic/Other** sectors +0.1%

Expenditure:

- PCE +0.0%
- Government Expenditure +1.2%
- Investment +65.4% (Mod. Invest. -3.4%)
- Net Exports down €18.1bn

- Final Domestic Demand +22.2%
- **Modified Domestic Demand -0.4%**

- Net Factor Outflows: -€24,258m (€24,435m in Q3 2023)

GNP -4.2%

COE -0.6%





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Quarter 4 2023





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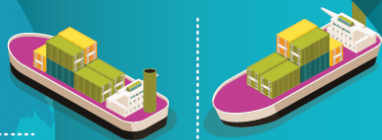
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International Accounts Q4 2023

Balance of Payments and International Investment Position

Ireland's
Economic
Interactions
with
the Rest of
the World

Goods



Exports
€72bn

Imports
€42bn

Balance

€29.8bn

Services



Exports
€101bn

Imports
€109bn

Balance

-€7.7bn

Income



In
€64bn

Out
€86bn

Balance

-€22.5bn

Current Account



In
€237bn

Out
€237bn

Balance

-€0.4bn

-0.3% of GDP

Net International
Investment Position (NIIP)

-€534bn
NET

Foreign Direct
Investment in Ireland

€1,276bn
Stock

and
how this
activity is
funded

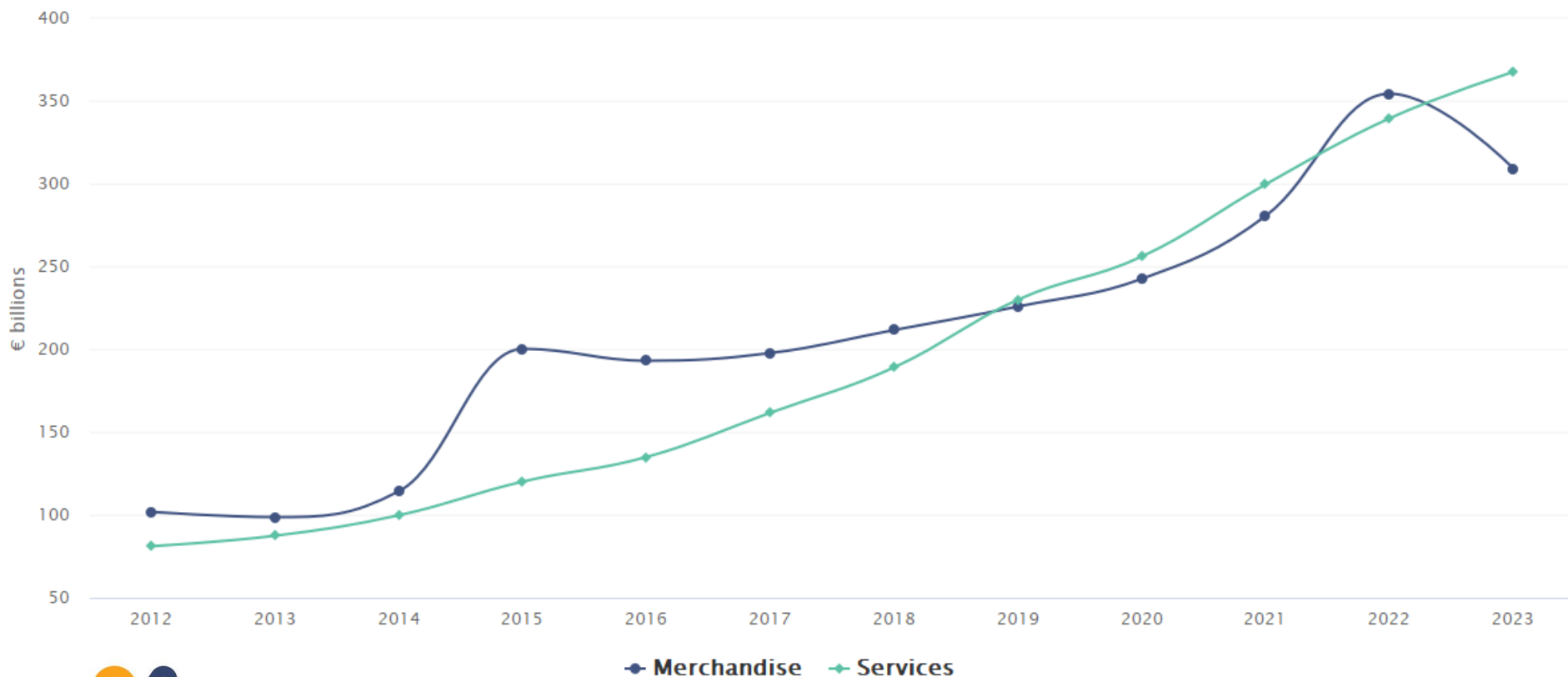
BOP Current Account

Preliminary Results for Year 2023

			€billion
	2021	2022	2023
Current Account balance	€59.5	€54.6	€49.8
• Merchandise surplus	€168.5	€202.3	€161.7
• Services balance	€5.4	-€0.2	€7.5
• Net Income outflow	-€114.4	-€147.5	-€119.4
Current Account *	€23.4	€19.5	

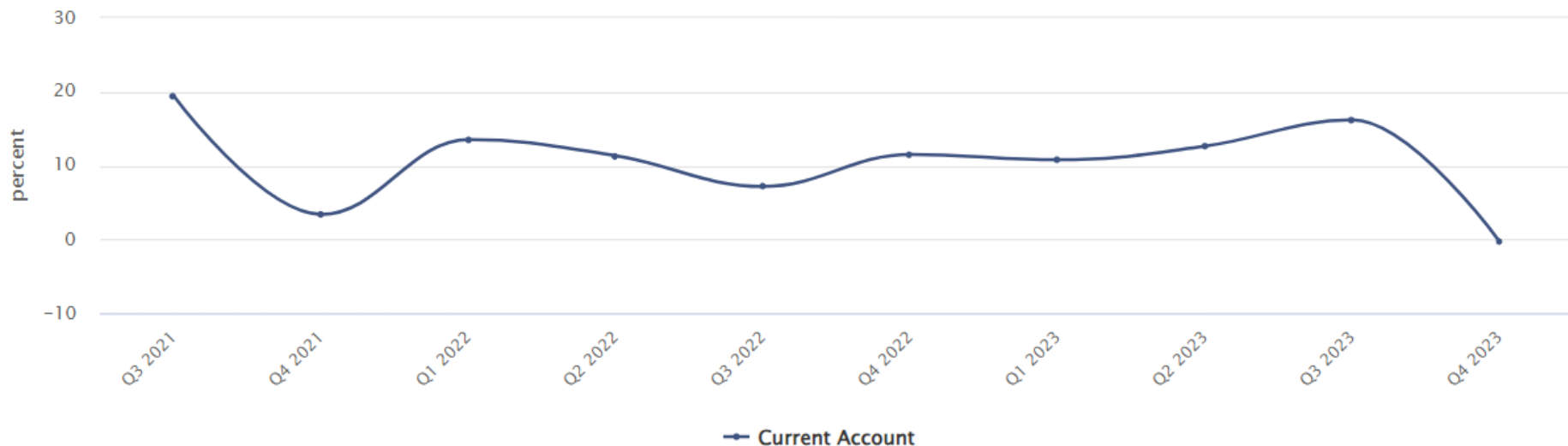


Current Account – Merchandise and Services Exports



Source: CSO Ireland

Current Account Balance, % of GDP



Source: CSO Ireland
Highcharts.com

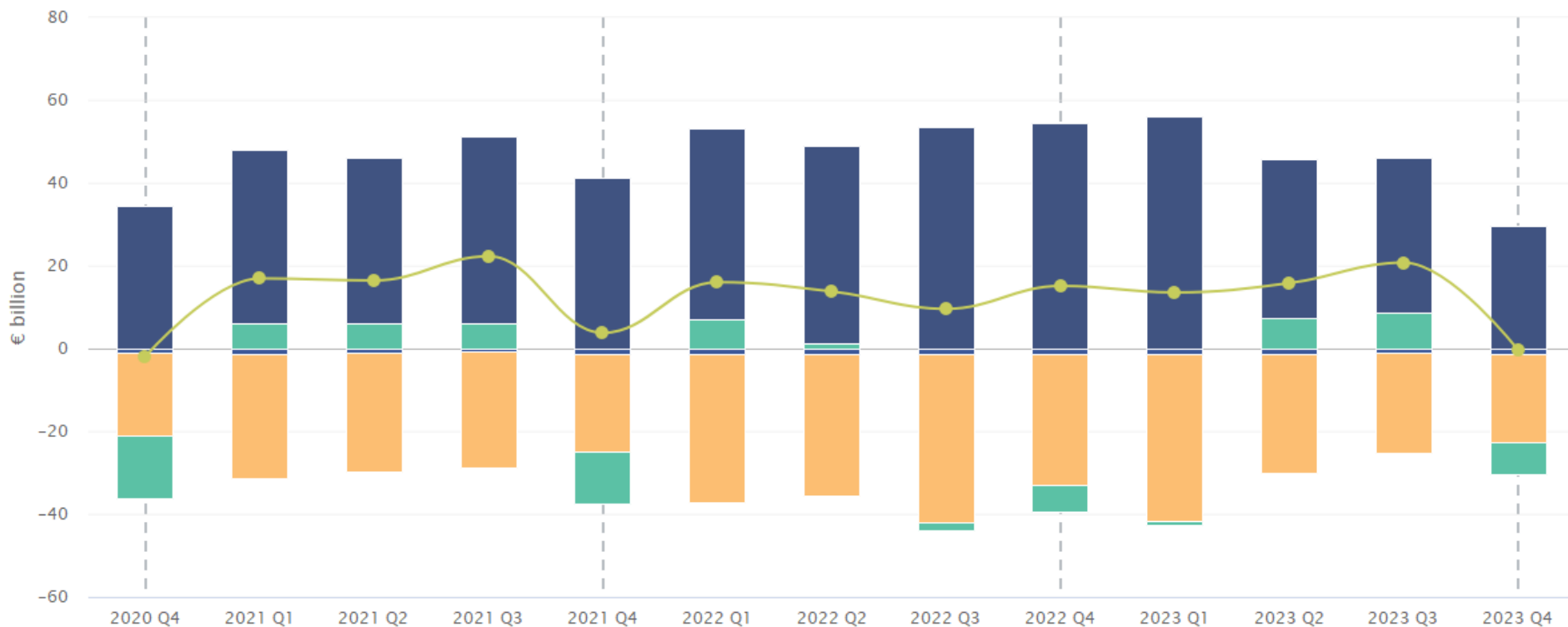


BOP Q4 2023 - Current Account

	<i>Q4 2022</i>	<i>Q4 2023</i>
Current Account Balance	€15.1bn	-€0.4bn
• Merchandise surplus	€54.5bn	€29.8bn
• Services balance	-€6.4bn	-€7.7bn
• Net Income outflow	-€32.9bn	-€22.5bn



Current Account – Balance Over Time



● Merchandise ● Services ● Primary Income ● Secondary Income ● Balance on Current Account

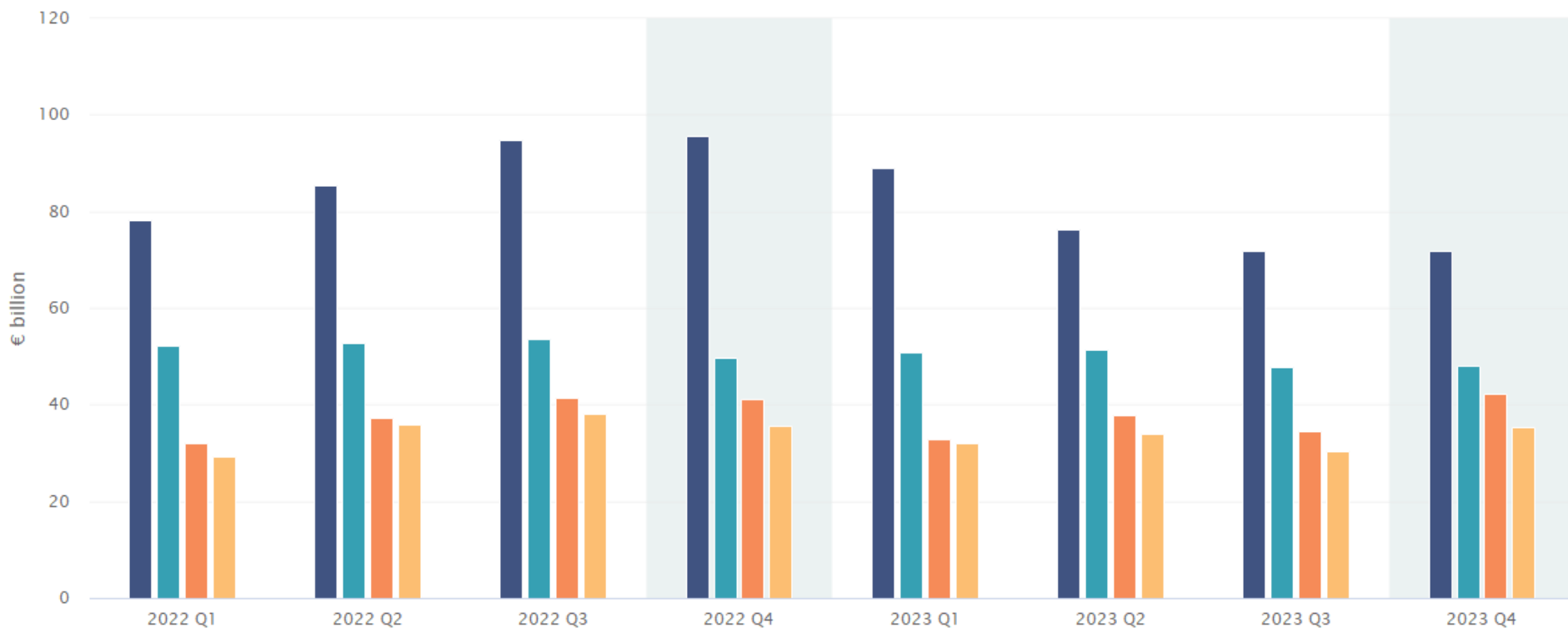
Source: CSO Ireland

BOP Q4 2023 - Current Account

		<i>Q4 2023</i>	<i>y-o-y Change</i>
Merchandise	exports	€72.0bn	-€23.8bn
	imports	€42.2bn	+€0.9bn
Services	exports	€101.1bn	+€9.6bn
	imports	€108.8bn	+€10.9bn
Primary Income	inflows	€61.5bn	+€14.3bn
	outflows	€82.6bn	+€3.6bn
Direct investment profit and interest inflows		€18.8bn	+€4.1bn
Direct investment profit and interest outflows		€37.0bn	-€6.8bn



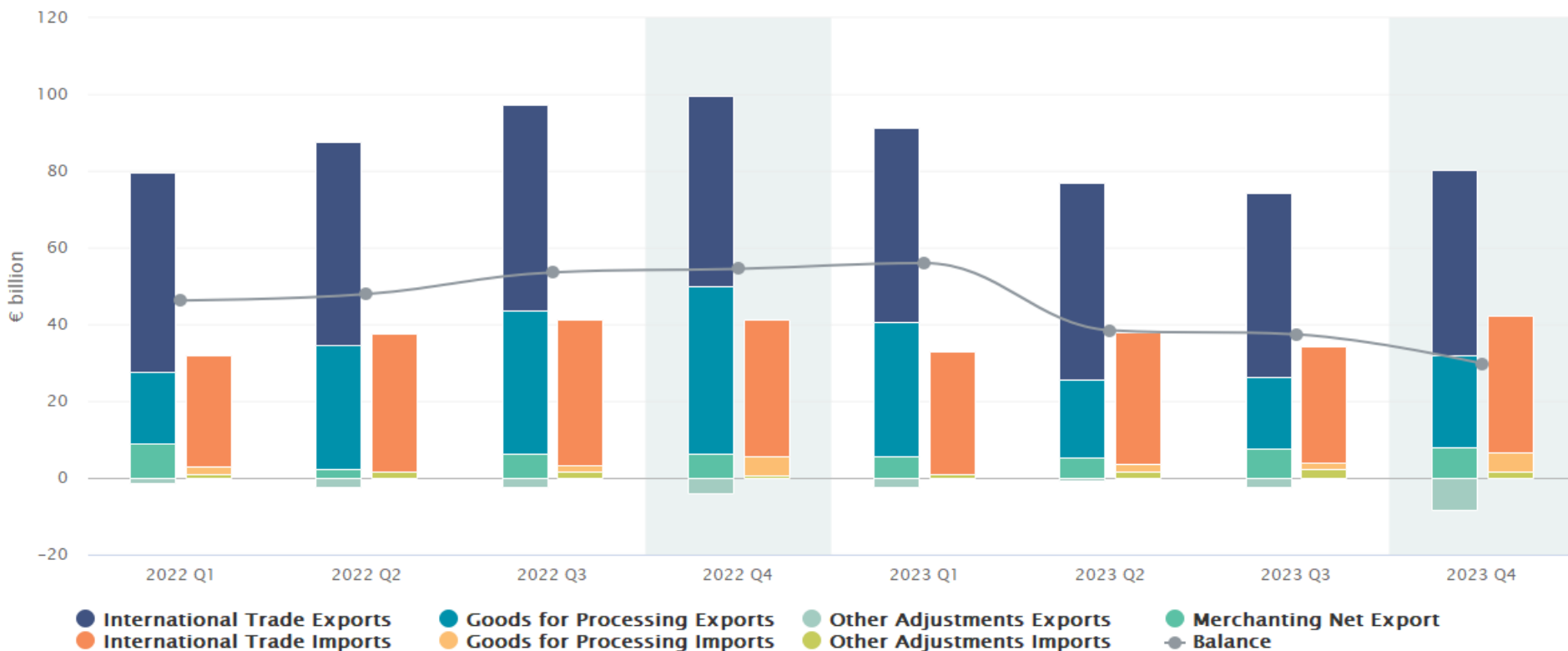
Goods Imports and Exports



● Exports ● of which International Trade ● Imports ● of which International Trade

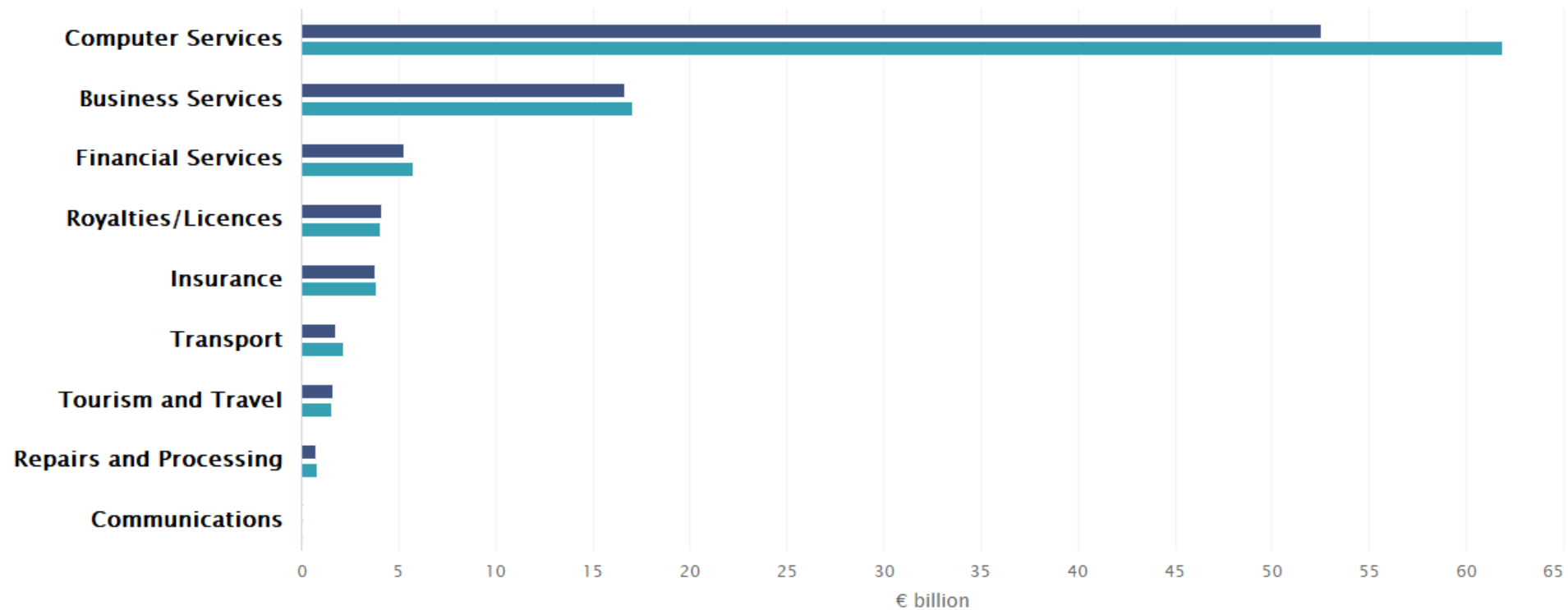
Source: CSO Ireland

Goods Imports and Exports



Source: CSO Ireland

Services Exports

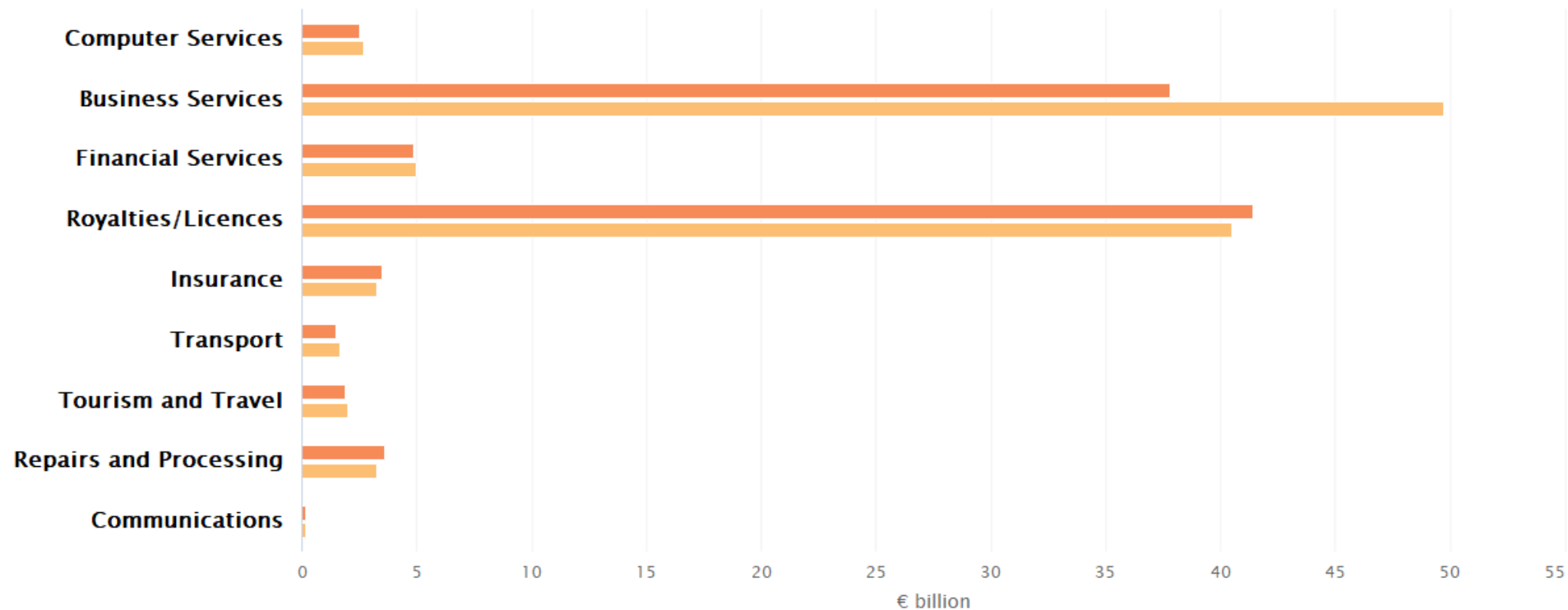


● Exports Q4 2022 ● Exports Q4 2023



Source: CSO Ireland

Services Imports

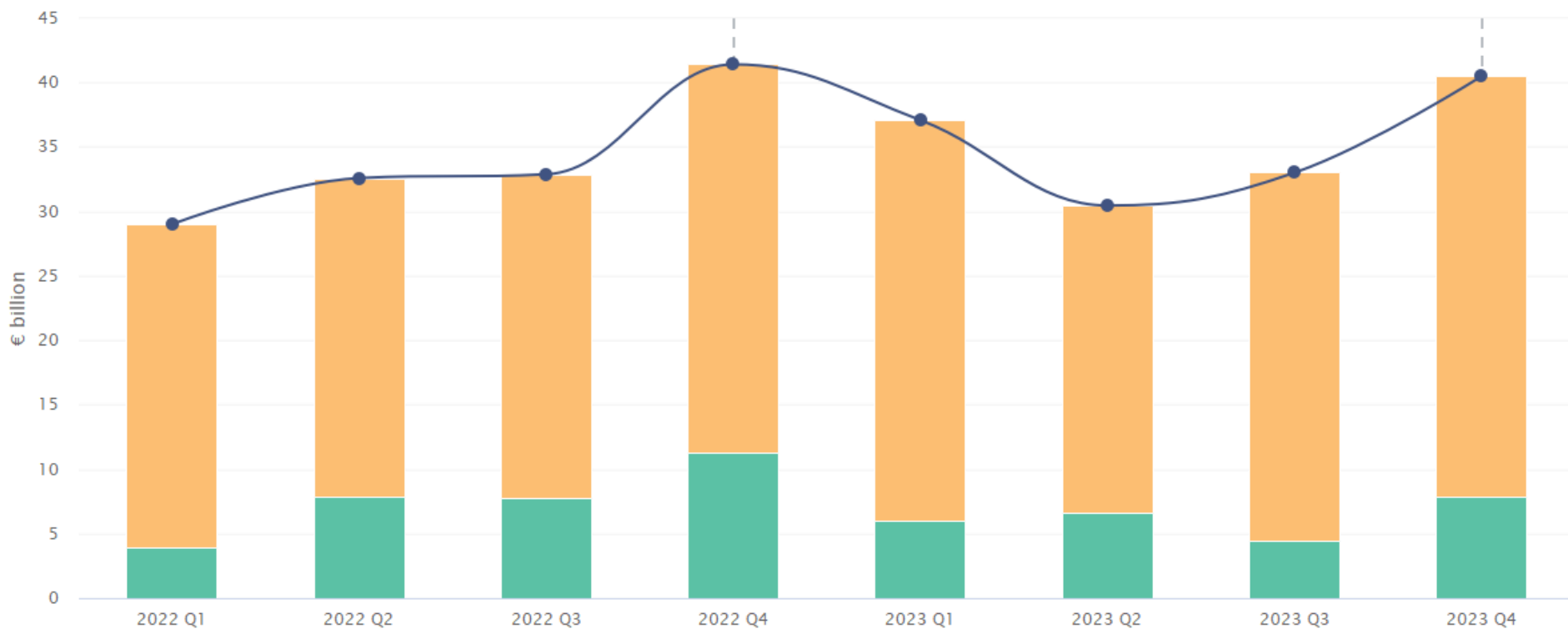


● Imports Q4 2022 ● Imports Q4 2023



Source: CSO Ireland

Royalties – Imports

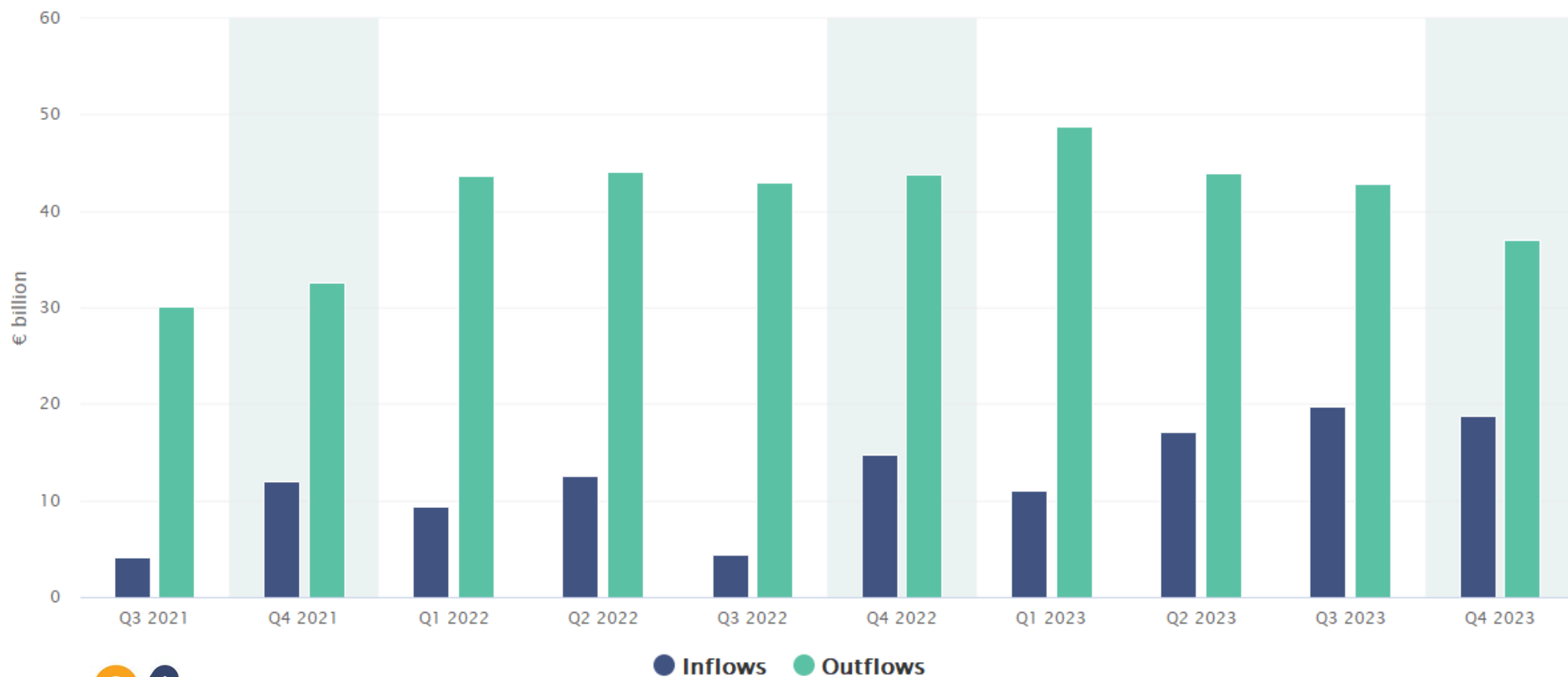


● Royalties / Licences Imports ● of which Pharmaceutical ● Other



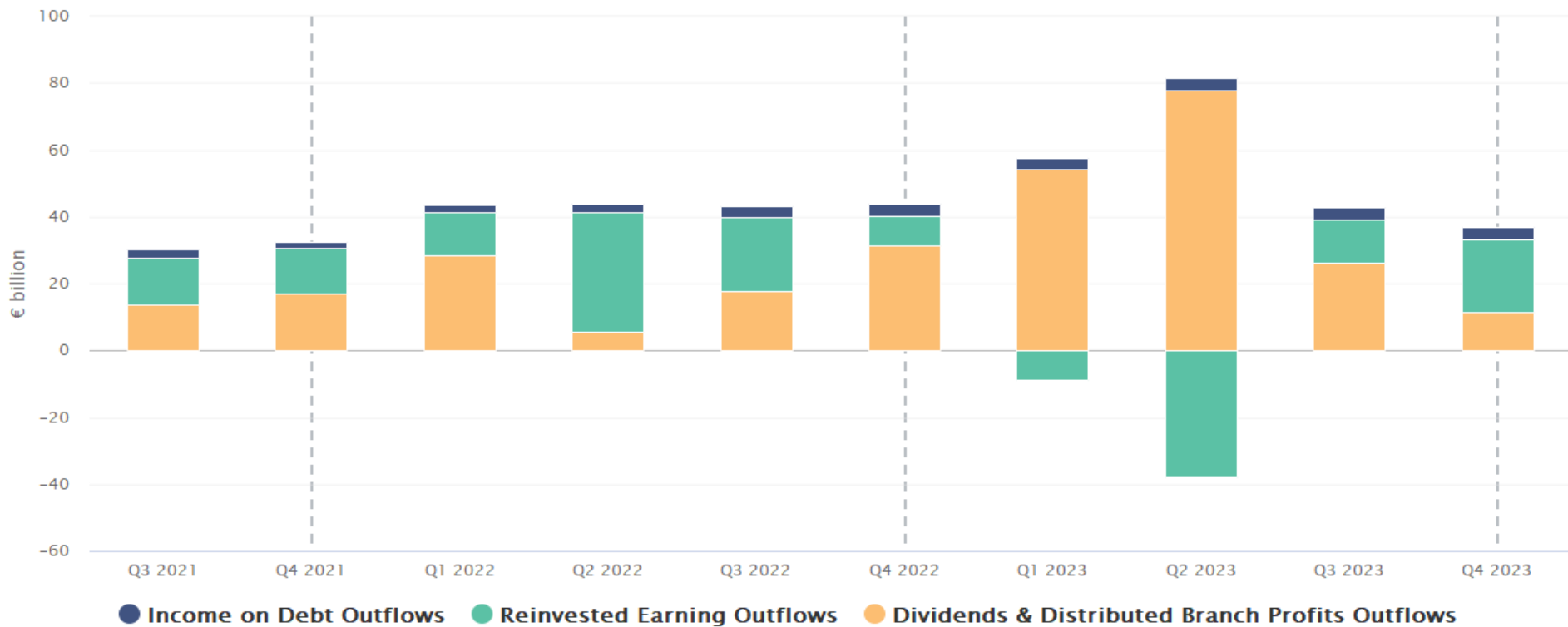
Source: CSO Ireland

Direct Investment Income



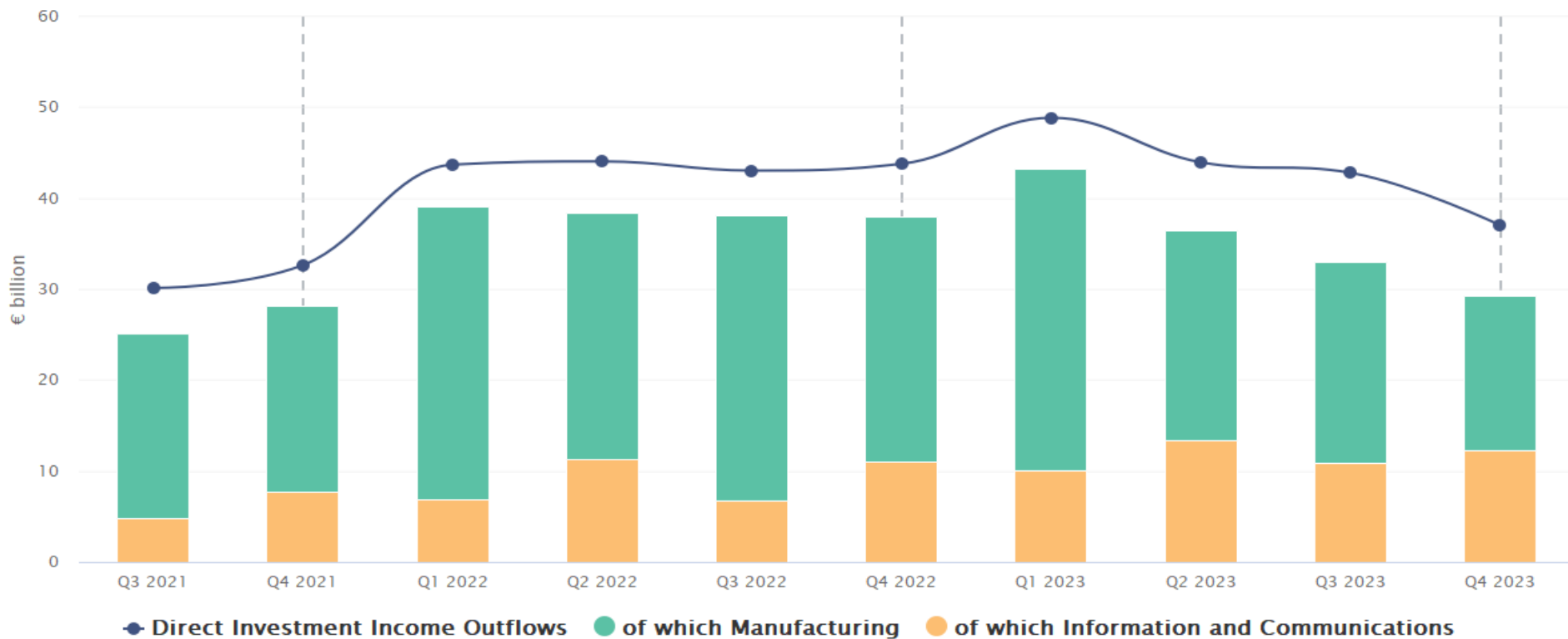
Source: CSO Ireland

Direct Investment Income Outflows



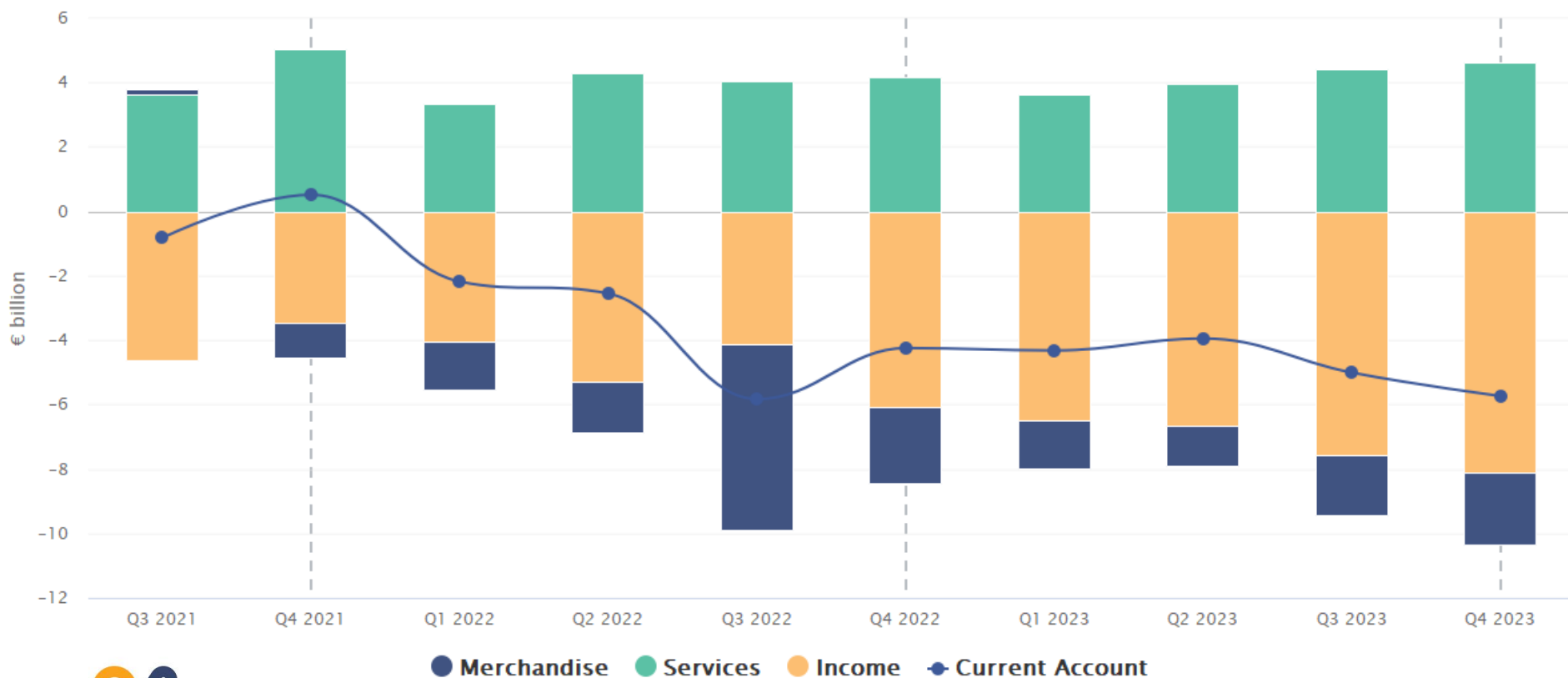
Source: CSO Ireland

FDI Income: Quarterly Profits Outflows



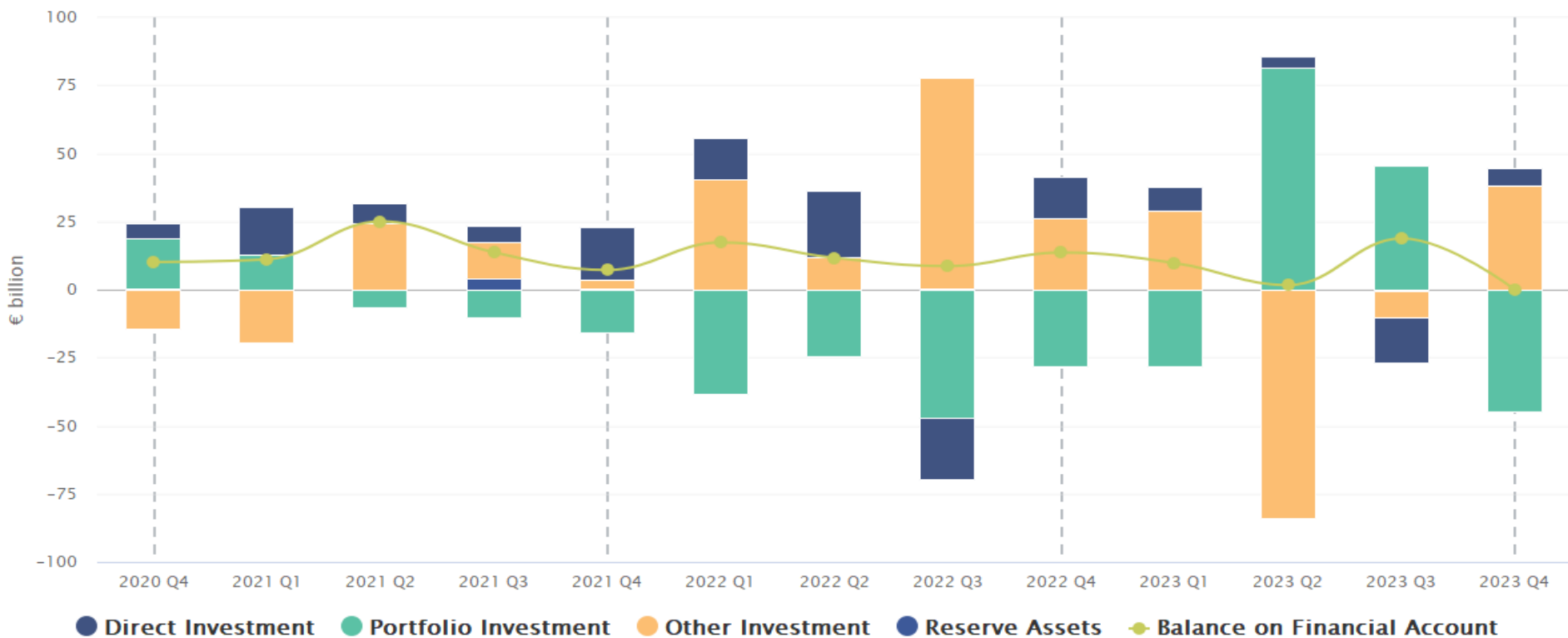
Source: CSO Ireland

Trade, Income and Current Account with the UK



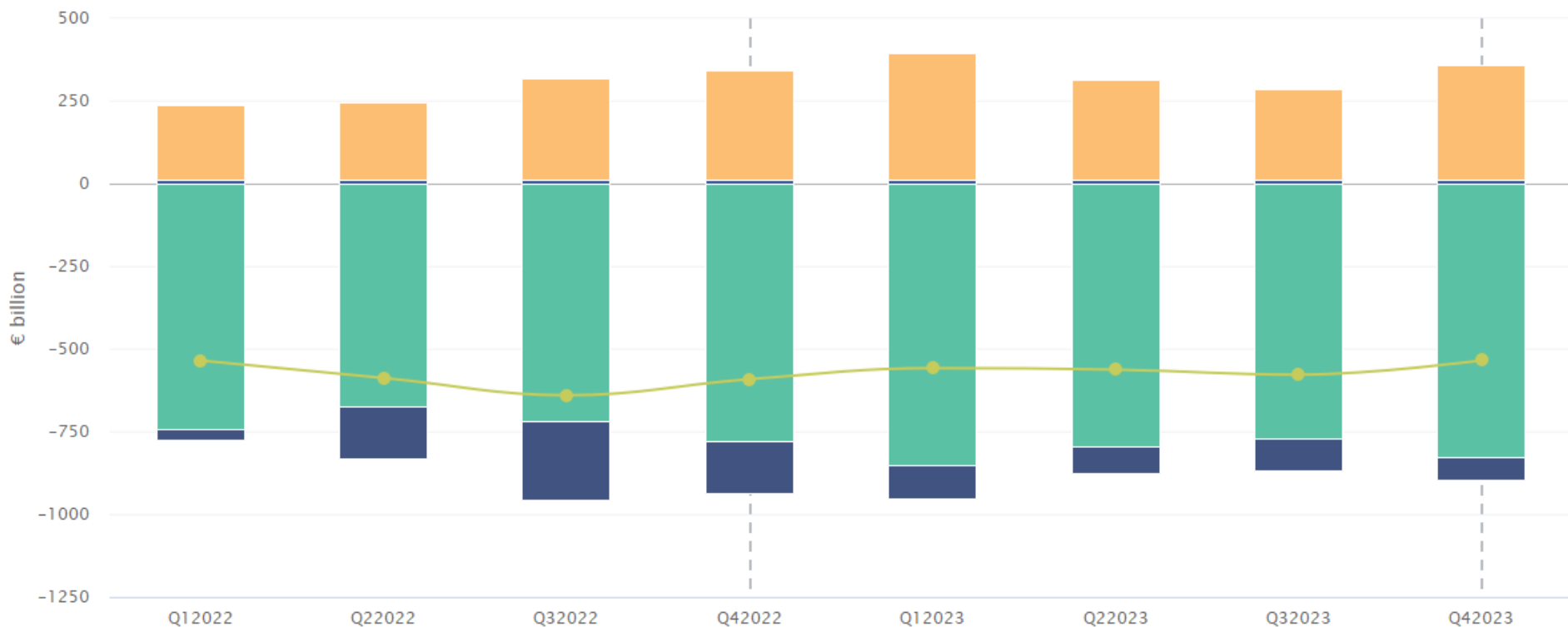
Source: CSO Ireland

Financial Account – Balance Over Time



Source: CSO Ireland

International Investment Position



● Direct Investment ● Portfolio Investment ● Other Investment ● Reserve Assets ● Net IIP

Source: CSO Ireland

International Accounts Summary

- Current Account balance in Q4 2023 of -€382m or -0.3% of GDP
- The change from last quarter being driven by increased IP imports this quarter
- We have a decreased merchandise balance, increased services balance and decreased income outflows
- But we can also see increased computer services exports and increased income outflows for the ICT sector



Upcoming Developments – ANA2023 Results

Regular annual exercise to incorporate annual/revised:

- Enterprise Statistics
- Large Cases Unit data
- Trade data
- Rebased indices
- Other annual & revised/updated sources across National Accounts & International Accounts

Work also underway to incorporate latest information from:

- Census of Population
- Labour Force Survey
- Household Budget Survey



Headline Results

Key Indicators (Constant Price)	2023 Provisional vs 2022	Q4/23 vs Q3/23 (Seasonally Adjusted)
Gross Domestic Product (GDP)	-3.2%	-3.4%
MNE-dominated Sectors	-6.8%	-2.7%
Domestic Sectors	+3.8%	0.1%
Modified Domestic Demand (MDD)	+0.5%	-0.4%
Spending on Goods & Services (PCE indicator)	+3.1%	<i>Flat</i>

