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Staidrimh**

Central
Statistics
Office

Welcome to the CSO Macroeconomic Briefing Q4 2021

The briefing will begin shortly



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National Accounts International Accounts

Quarter 4 2021

Media Briefing
4 March 2022





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Year 2021
(Preliminary)



Year 2021

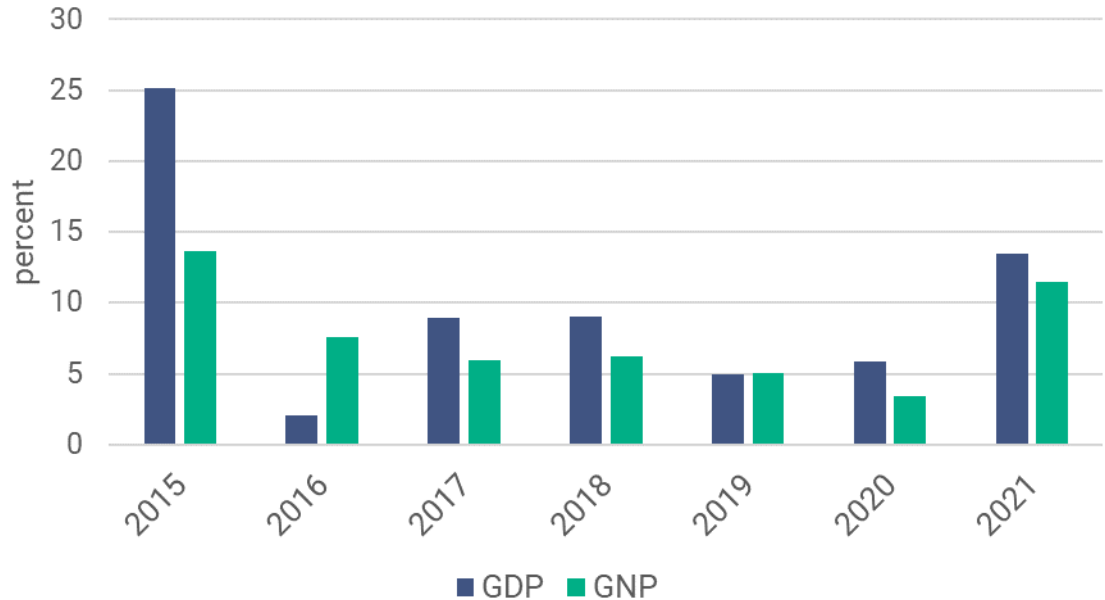
Year-on-Year

Growth Rates

GDP +13.5%

GNP +11.5%

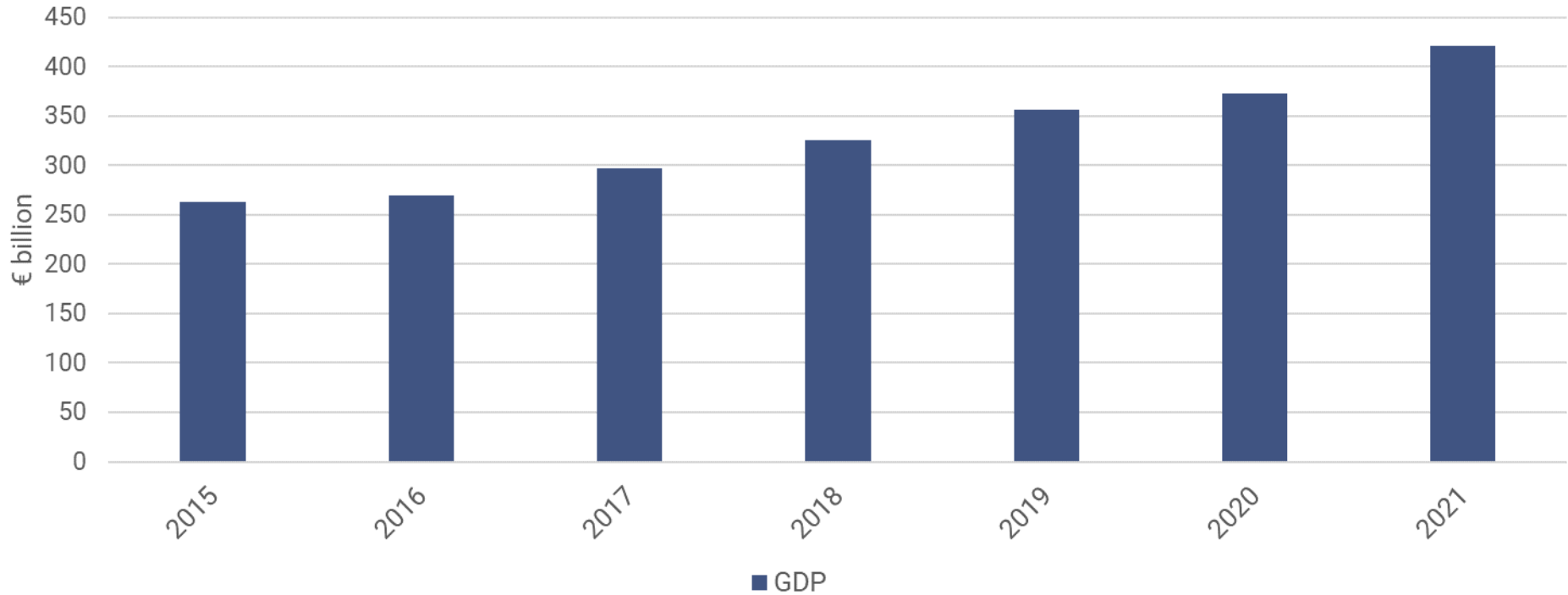
MDD +6.5%



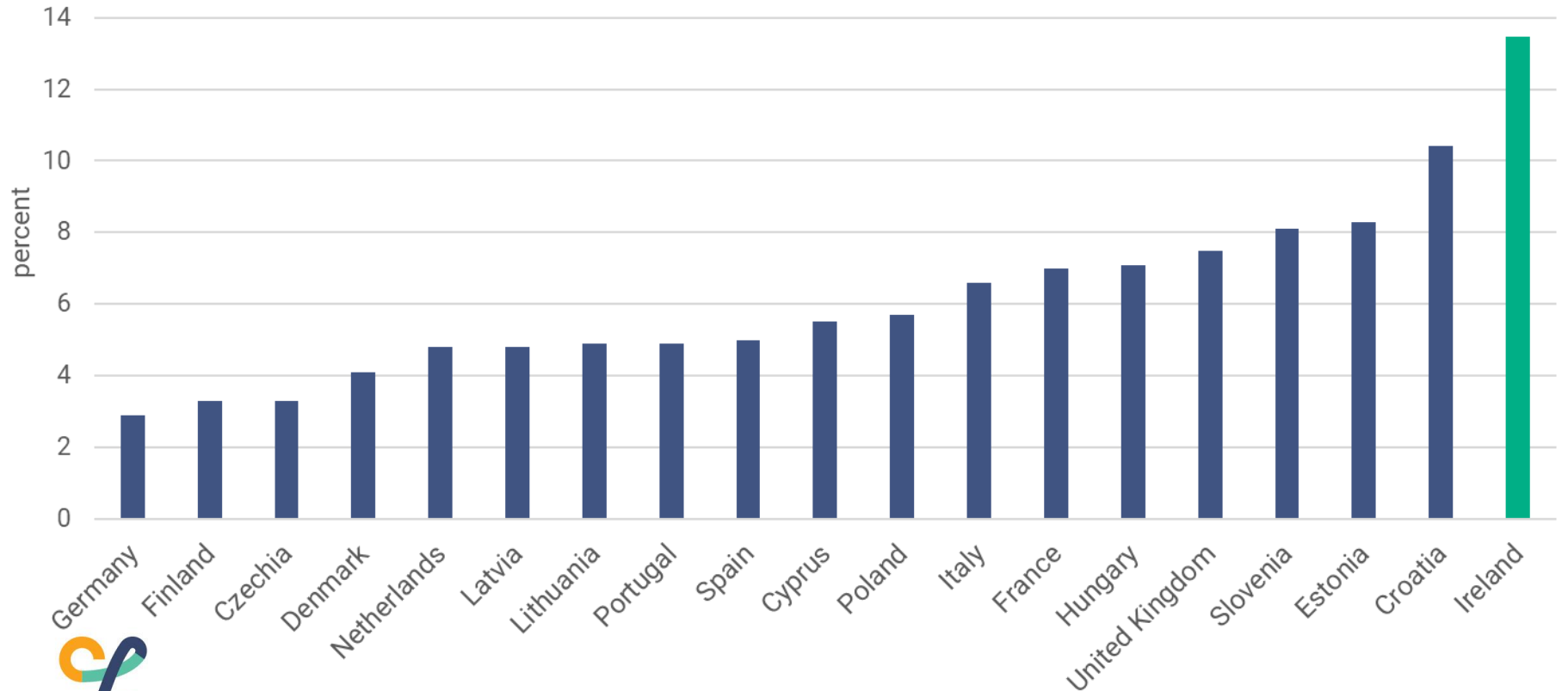
Preliminary Results – will be subject to revision when annual results are issued in mid-year



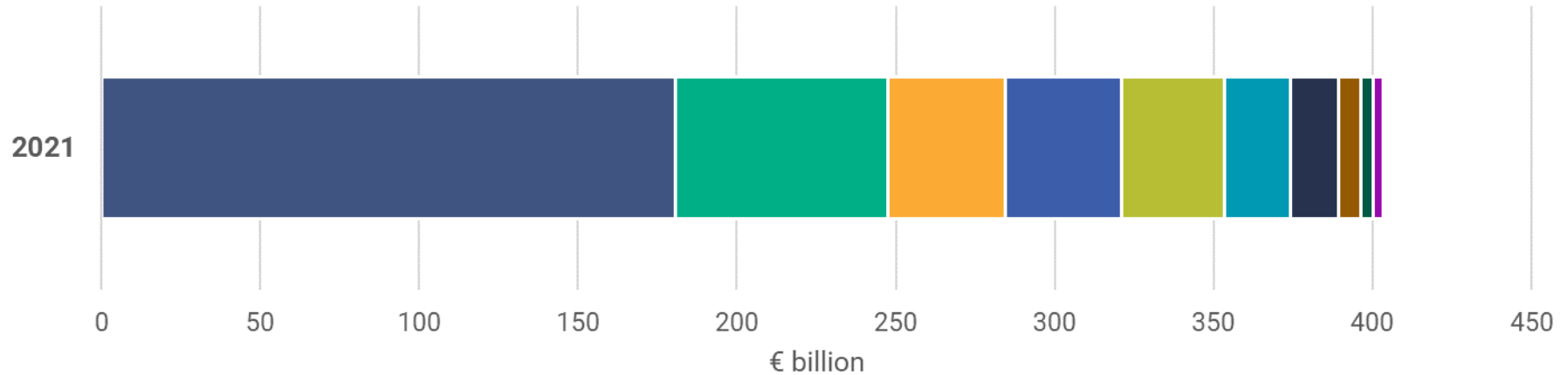
Annual GDP at Current Market Prices 2015 – 2021



2021 Annual GDP % Change in Constant Prices by Country



Annual Sector Growth by Share of GDP and Growth Rate - 2021



■ Industry (excl. Construction) ↑ +24.0%

■ Professional, Admin and Support Services ↑ +4.7%

■ Distribution, Transport, Hotels and Restaurants ↑ +6.2%

■ Financial and Insurance Activities ↑ +2.7%

■ Arts, Entertainment and Other Services ↑ +12.6%

■ Information and Communication ↑ +14.1%

■ Public Admin, Education & Health ↑ +3.6%

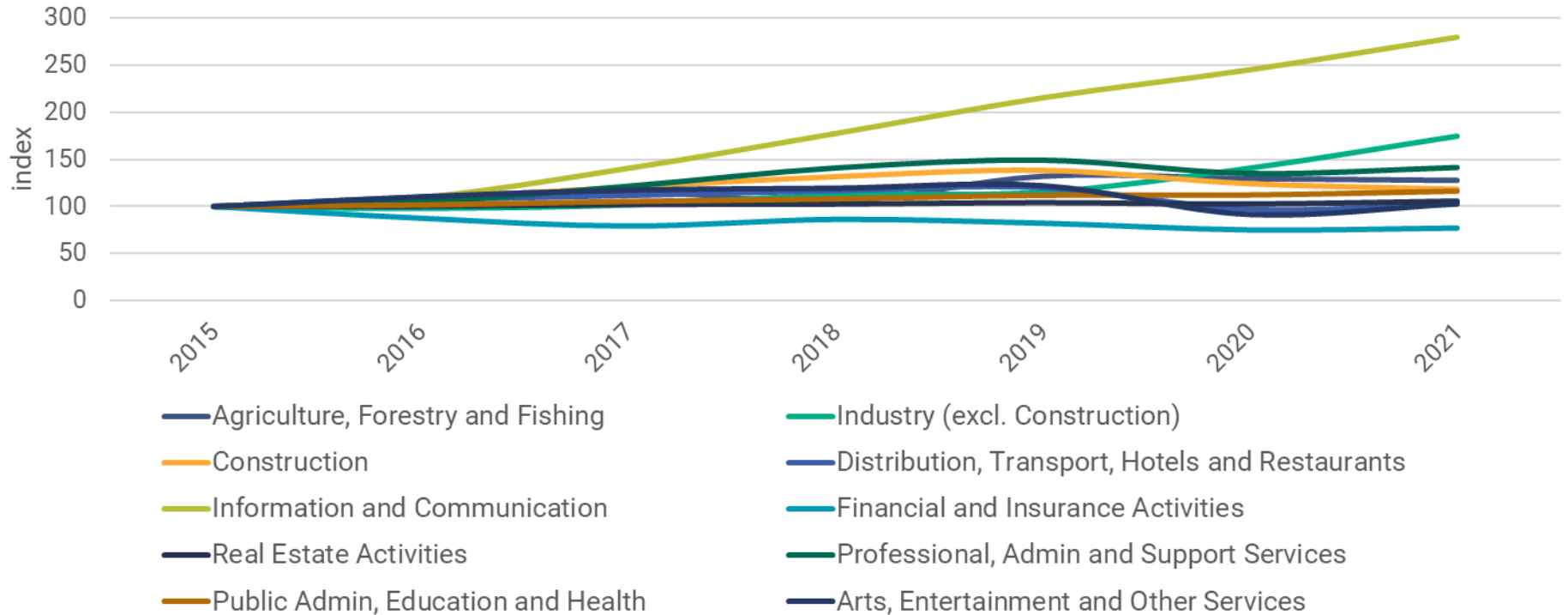
■ Real Estate Activities ↑ +3.0%

■ Construction ↓ -4.7%

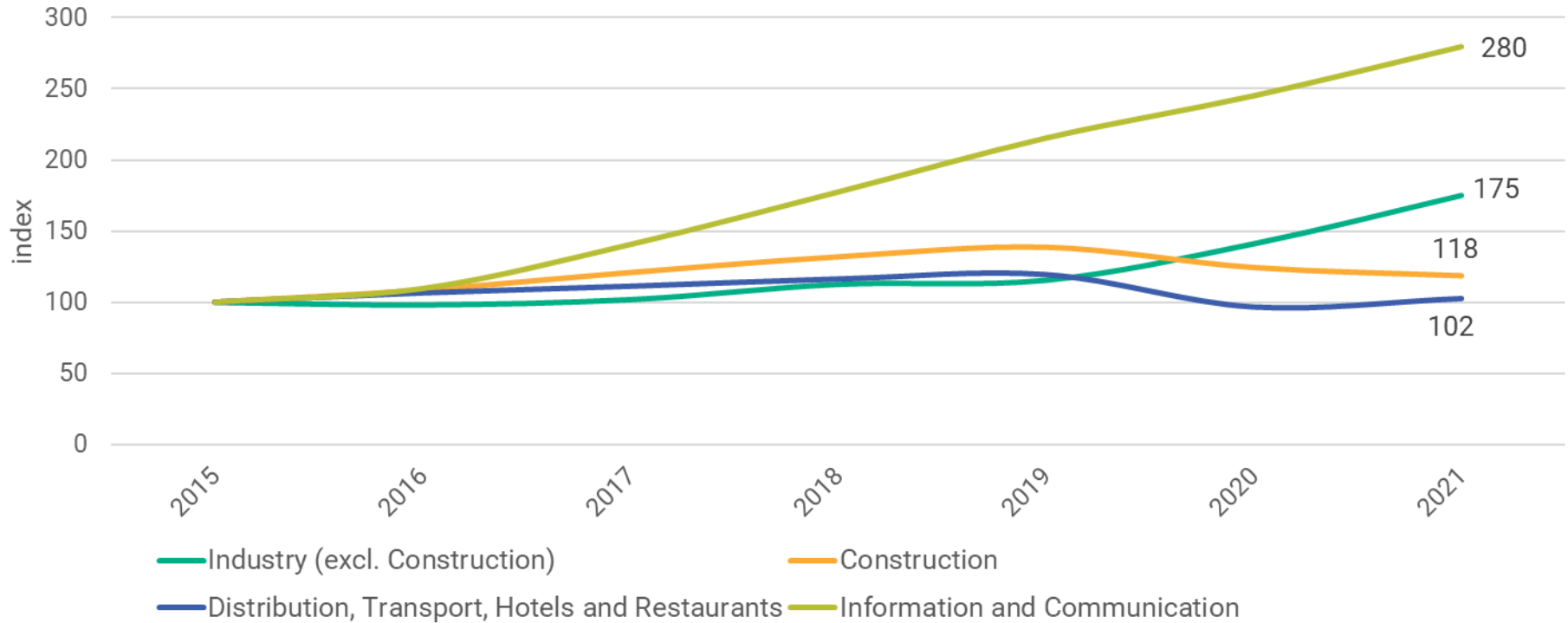
■ Agriculture, Forestry and Fishing ↓ -1.4%



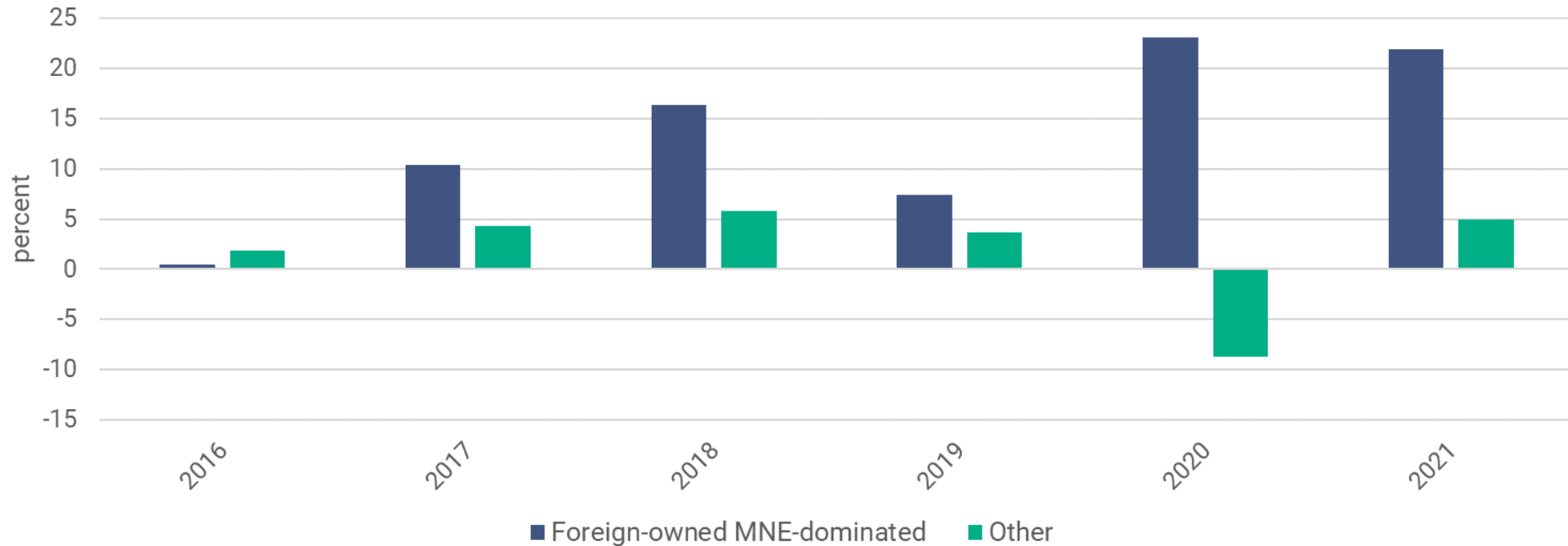
Trends in Value Added by Sector (2015 = 100)



Trends in Value Added by Sector (2015 = 100)



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



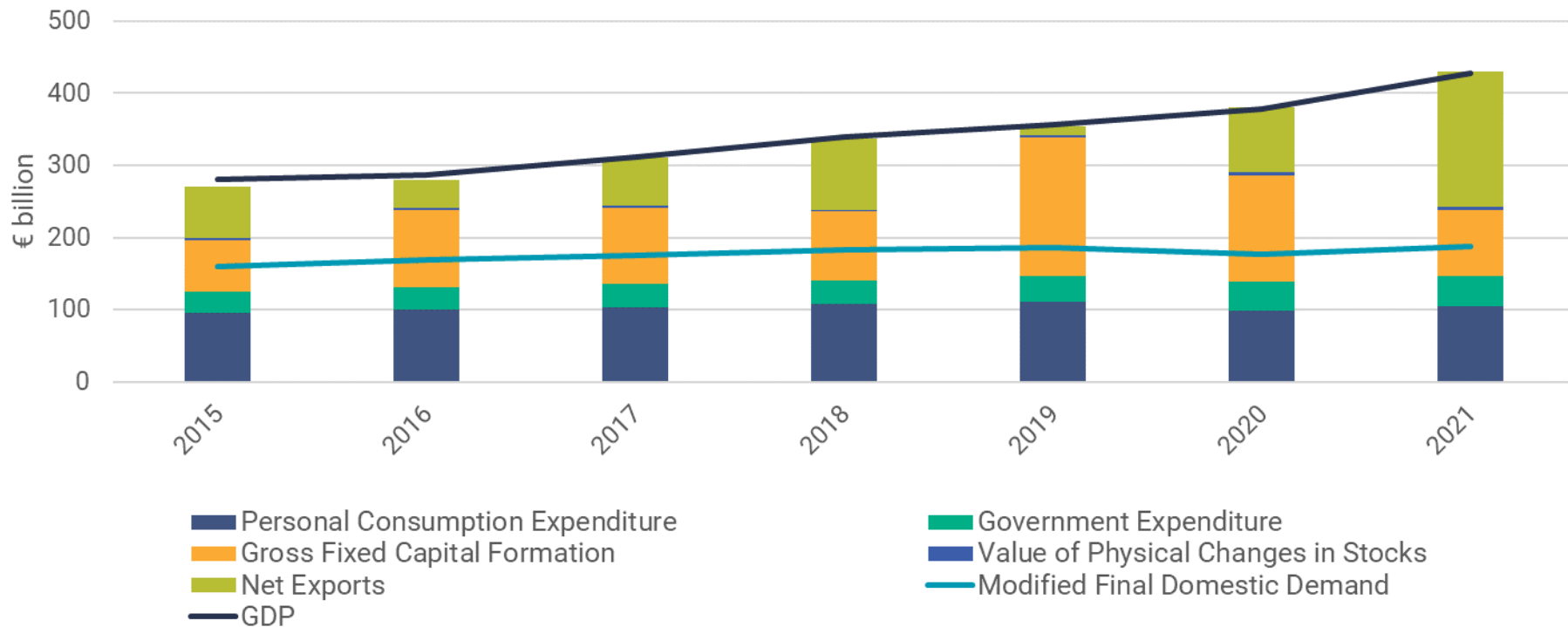
Compensation of Employees, 2021

	Amount €m	Annual % change
Public Admin, Education and Health	31,970	5.7
Distribution, Transport, Hotels and Restaurants	19,086	9.4
Industry (excl. Construction)	15,327	4.1
Professional, Admin and Support Services	15,082	12.4
Information and Communication	10,516	13.7
Financial and Insurance Activities	9,049	7.4
Construction	4,606	11.9
Arts, Entertainment and Other Services	2,031	7.9
Real Estate Activities	934	6.2
Agriculture, Forestry and Fishing	821	4.0
Total	109,422	8.1

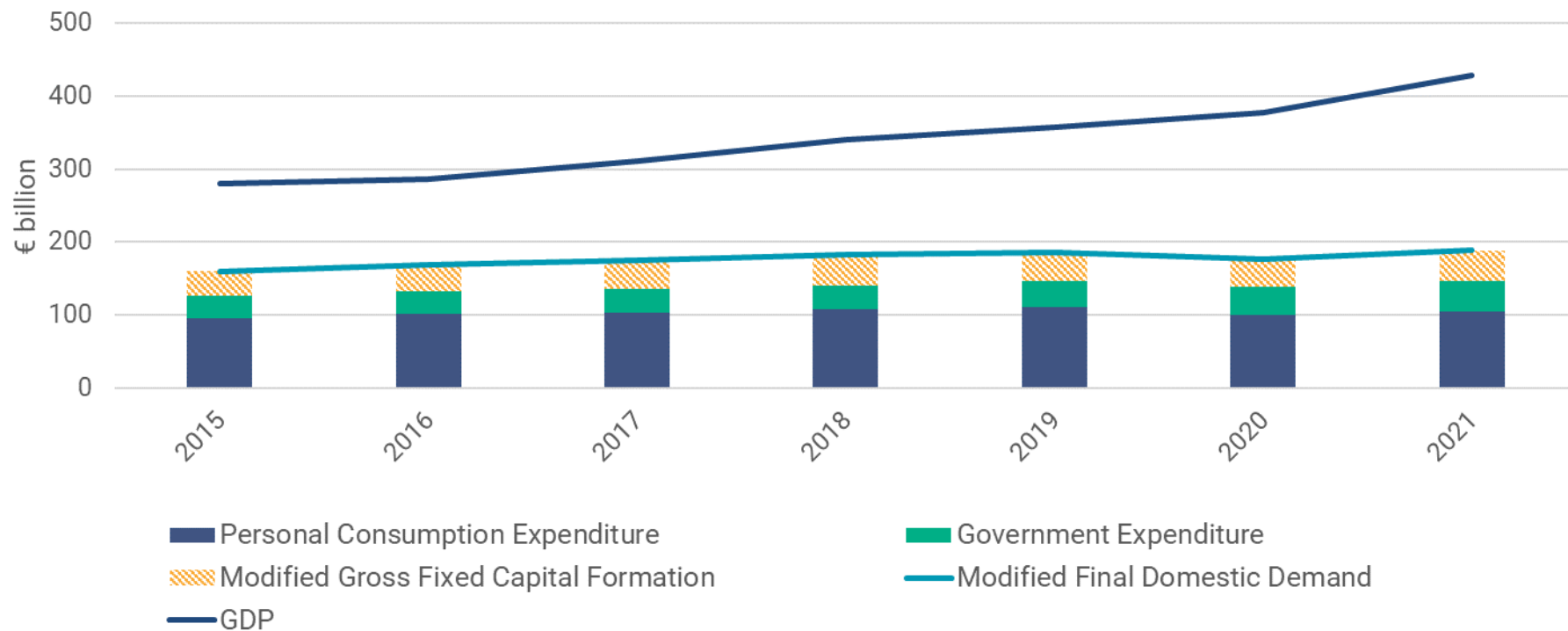
¹Current Market Prices.



Annual Expenditure – 2021



Annual Expenditure – 2021



Personal Consumption Expenditure 2021/2020

Total	+5.7%
Goods	+4.7%
Services	+6.4%

- Broad-based increases in goods but some goods down including cars.
- Many services up including social expenditure but there were significant declines in foreign travel and public transport.



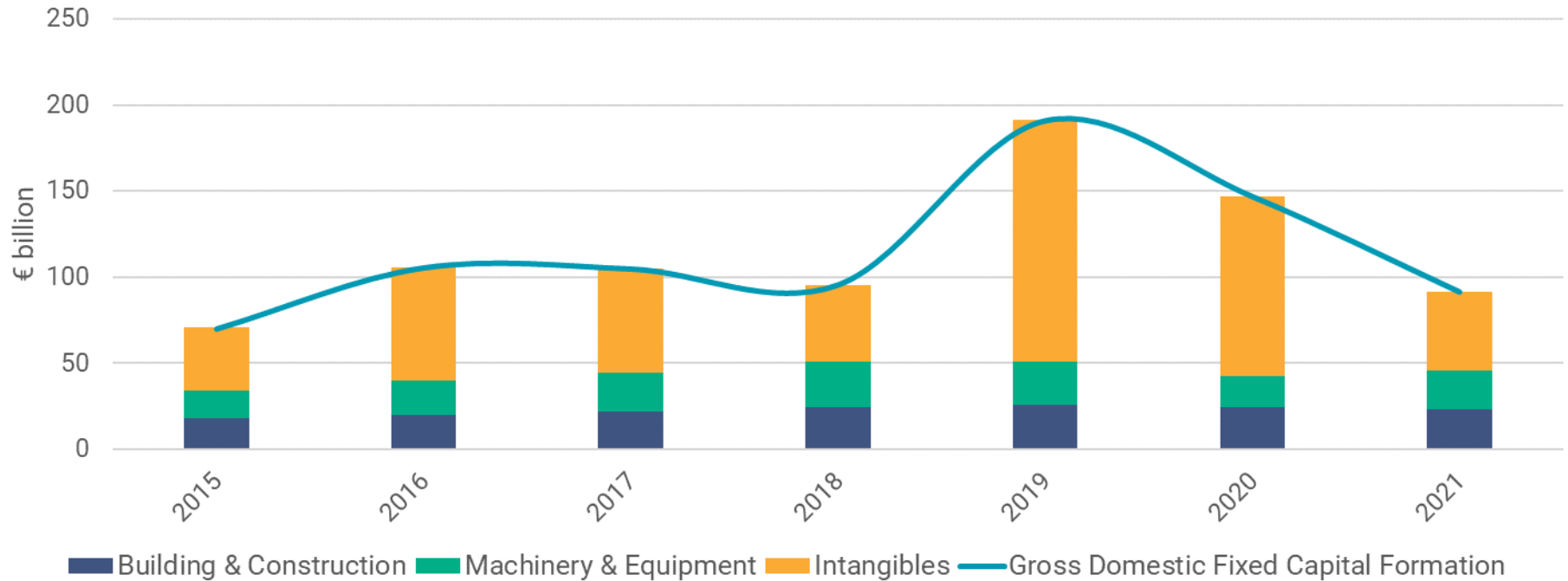
Capital Formation 2021/2020

Total -37.6%

Building and Construction	-3.4%
New dwellings	-1.3%
All other B&C	-3.8%
Remainder of Cap Formation	-44.4%
Machinery and Equipment	+23.8%
Aircraft up €1,097m compared to last year	
Machinery and equipment would be +17.7% if aircraft had been unchanged	
Intangibles	-€58.8bn
Excl. R&D service imports and trade in IP	+5.0%



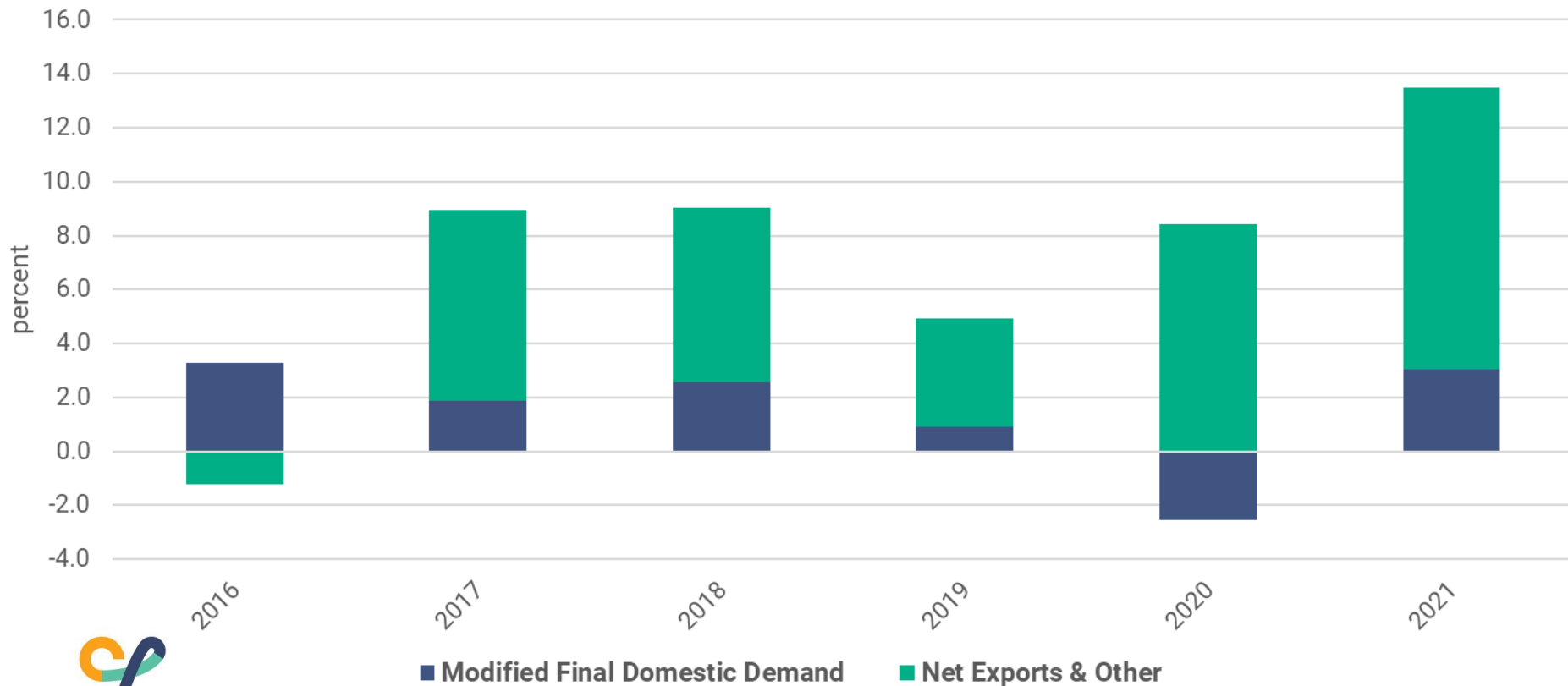
Composition of Capital Formation 2015-2021



Trends in Net Exports



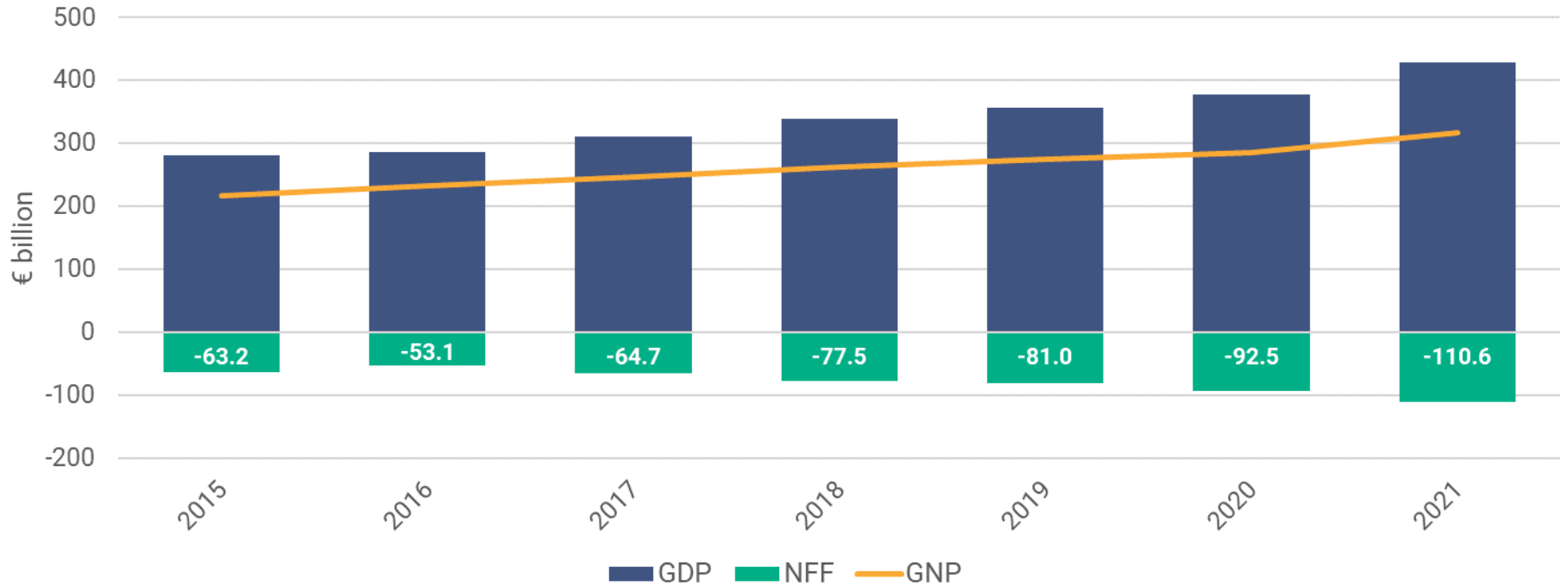
Contribution of Domestic Demand and Net Exports to Annual GDP Growth



■ Modified Final Domestic Demand

■ Net Exports & Other

GDP, GNP and Net Factor Flows 2015 – 2021



2021 Annual Summary

GDP +13.5%

Output:

- Industry +24.0%
- Construction -4.7%
- Dist, Trans, Hotels & Restaurants +6.2%
- Information & Communication +14.1%

- **MNE** dominated sectors +21.9%
- **Non-MNE** dominated sectors +5.0%

Expenditure:

- PCE +5.7%
 - Government Expenditure +5.3%
 - Investment -37.6%
 - Net Exports up €98.1bn

 - Final Domestic Demand -16.6%
 - **Modified Domestic Demand** +6.5%
-
- Net Factor Outflows €110.6bn (€92.5bn in 2020)

GNP +11.5%





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Quarterly National Accounts Q4 2021

GNP ↓ 2.1%

Industry
excl. Construction



↓ 12.2%

Construction



↑ 6.2%

Distribution,
Transport,
Hotels &
Restaurants



↑ 2.6%

Information
& Comm.



↑ 7.8%

Financial &
Insurance
Activities



↑ 0.4%

Professional,
Admin. &
Support
Services



↓ 0.6%

GDP

↓ 5.4%

€104.4bn

Personal
Consumption



↓ 0.3%

Government
Expenditure



↑ 0.9%

Investment



↑ 76.5%

Exports



↑ 1.3%

Imports



↑ 22.7%

MDD ↑ 1.3%

% growth Q4 2021 vs Q3 2021

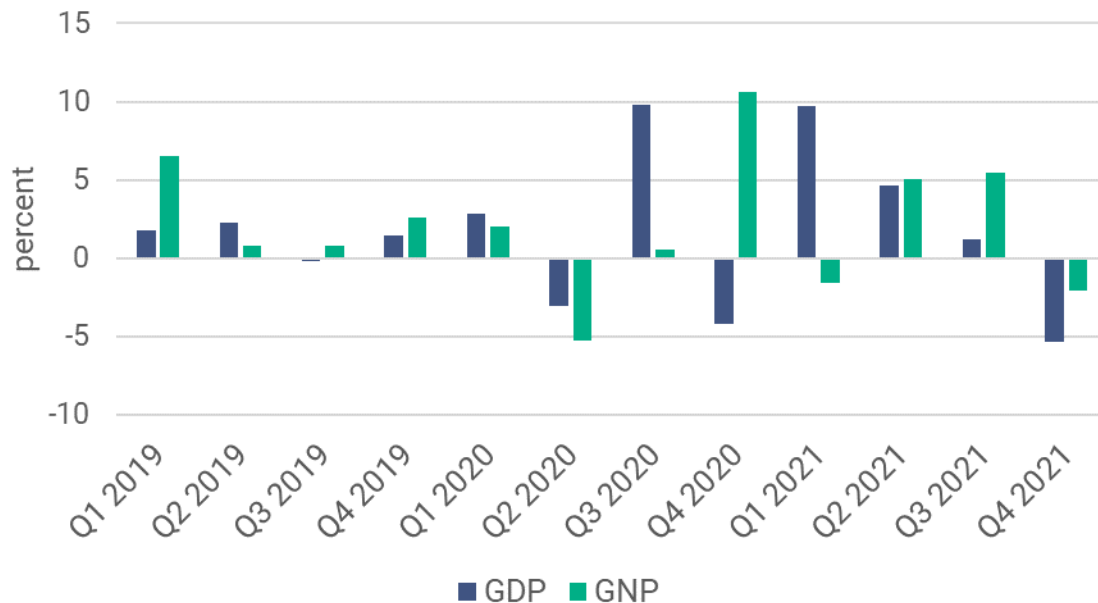
Quarter 4, 2021 – Constant Prices, Seasonally Adjusted

Seasonally Adjusted Quarterly Changes

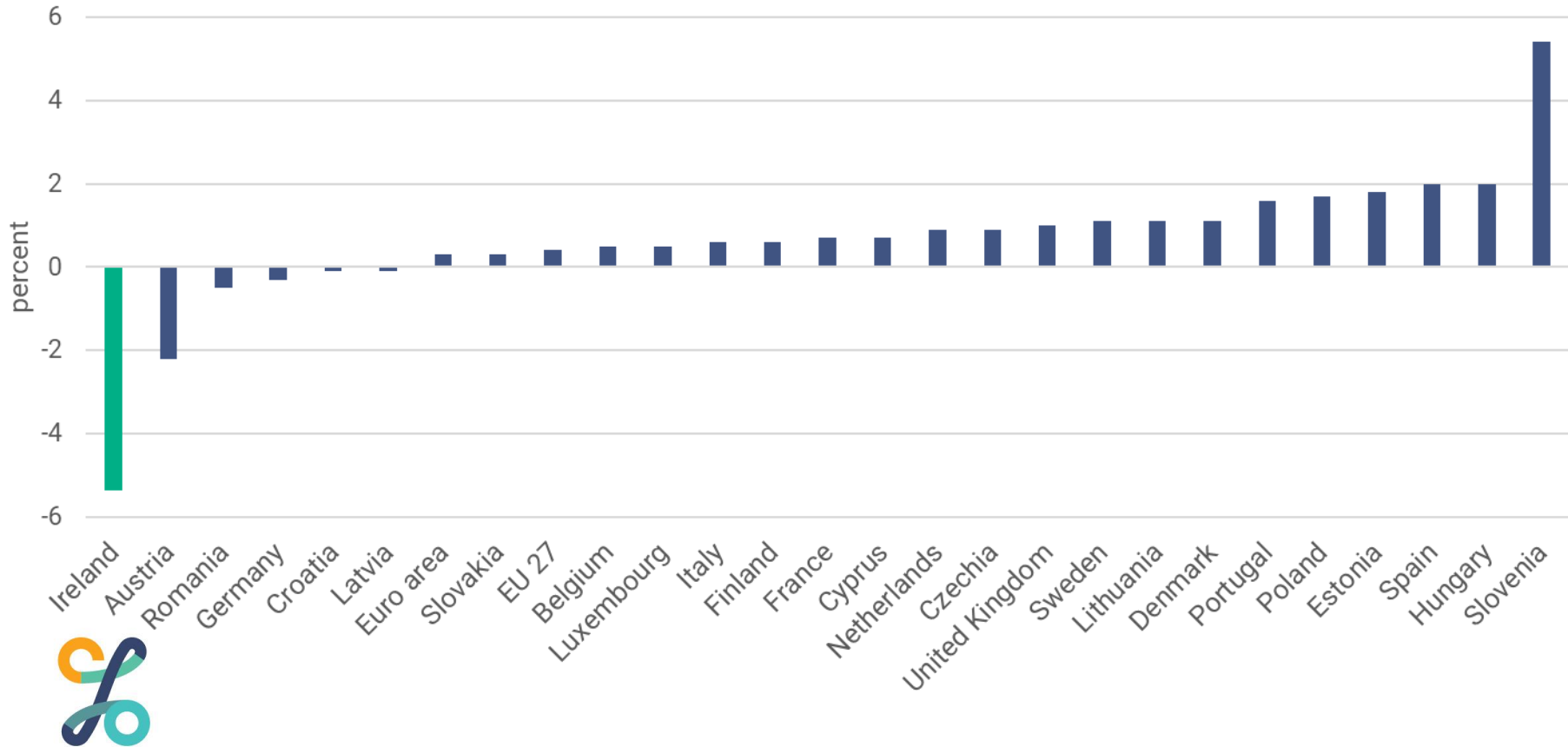
GDP -5.4%

GNP -2.1%

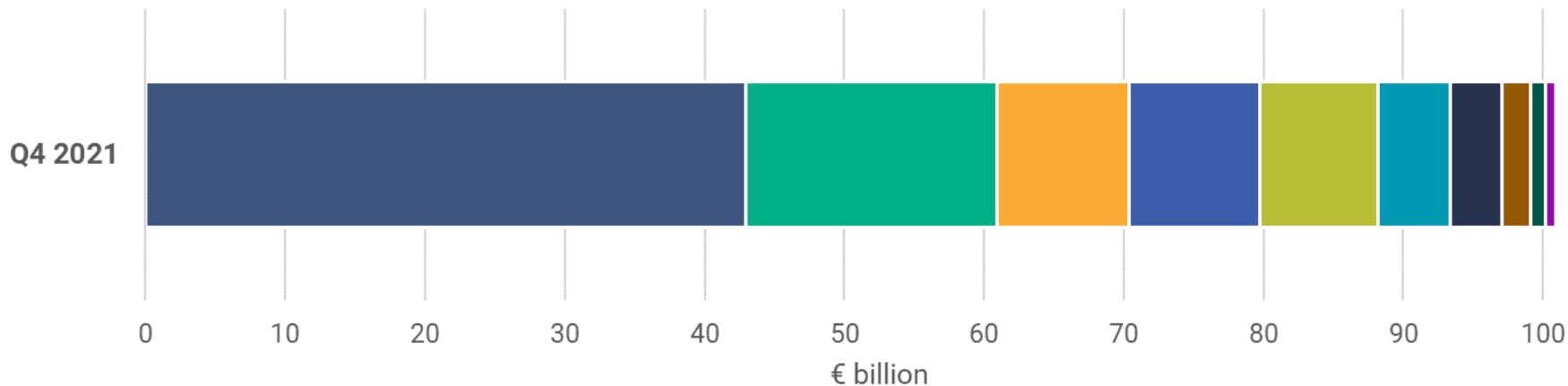
MDD +1.3%



Q4 2021 GDP % Change by Country Seasonally Adjusted



Sector Growth – Seasonally Adjusted



■ Industry (excl. Construction) ↓ -12.2%

■ Professional, Admin and Support Services ↓ -0.6%

■ Distribution, Transport, Hotels and Restaurants ↑ +2.6%

■ Financial and Insurance Activities ↑ +0.4%

■ Arts, Entertainment and Other Services ↑ +10.3%

■ Information and Communication ↑ +7.8%

■ Public Admin, Education & Health ↑ +1.8%

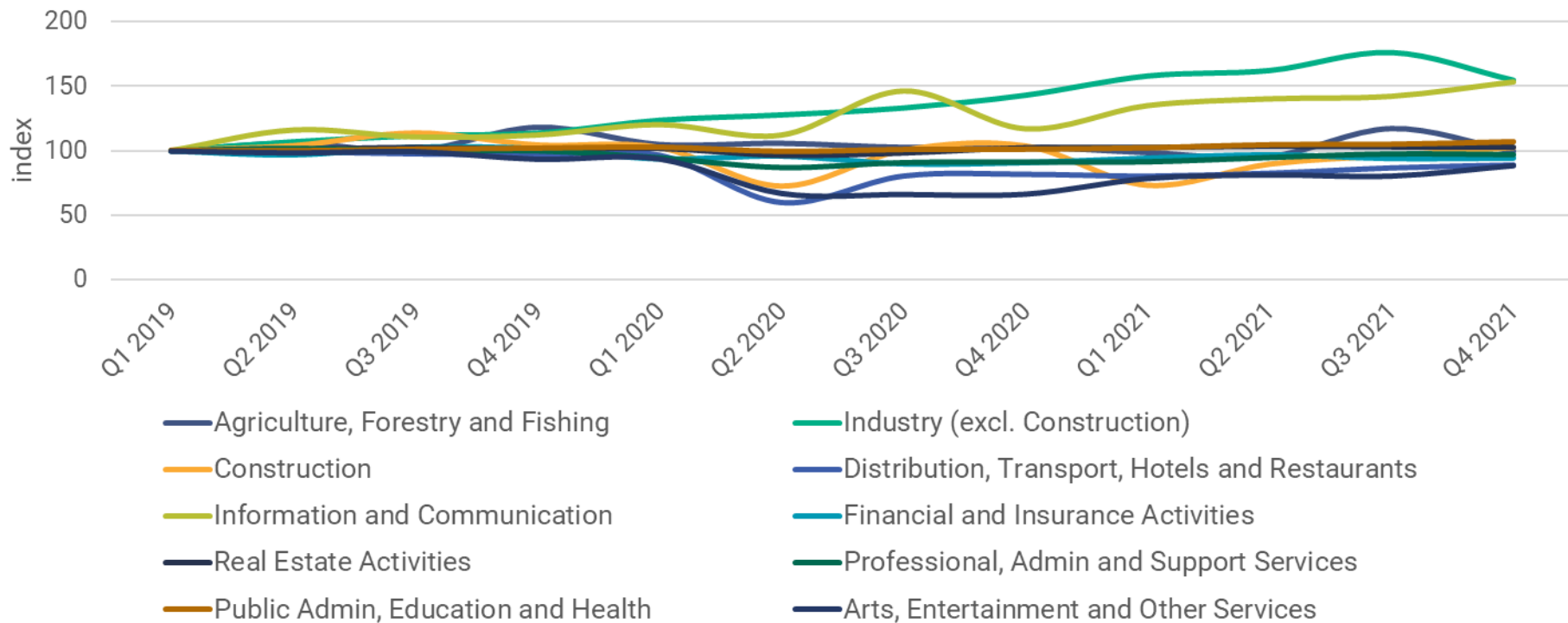
■ Real Estate Activities ↓ -0.2%

■ Construction ↑ +6.2%

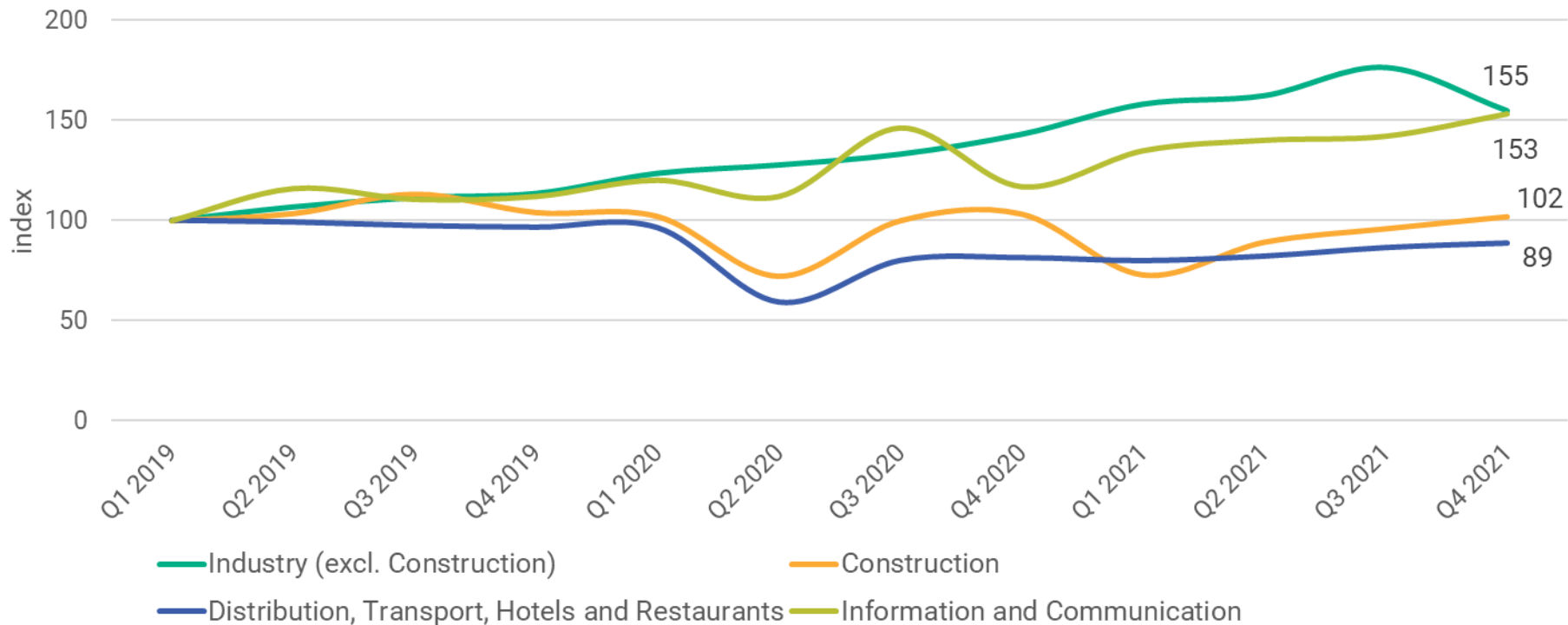
■ Agriculture, Forestry and Fishing ↓ -15.1%



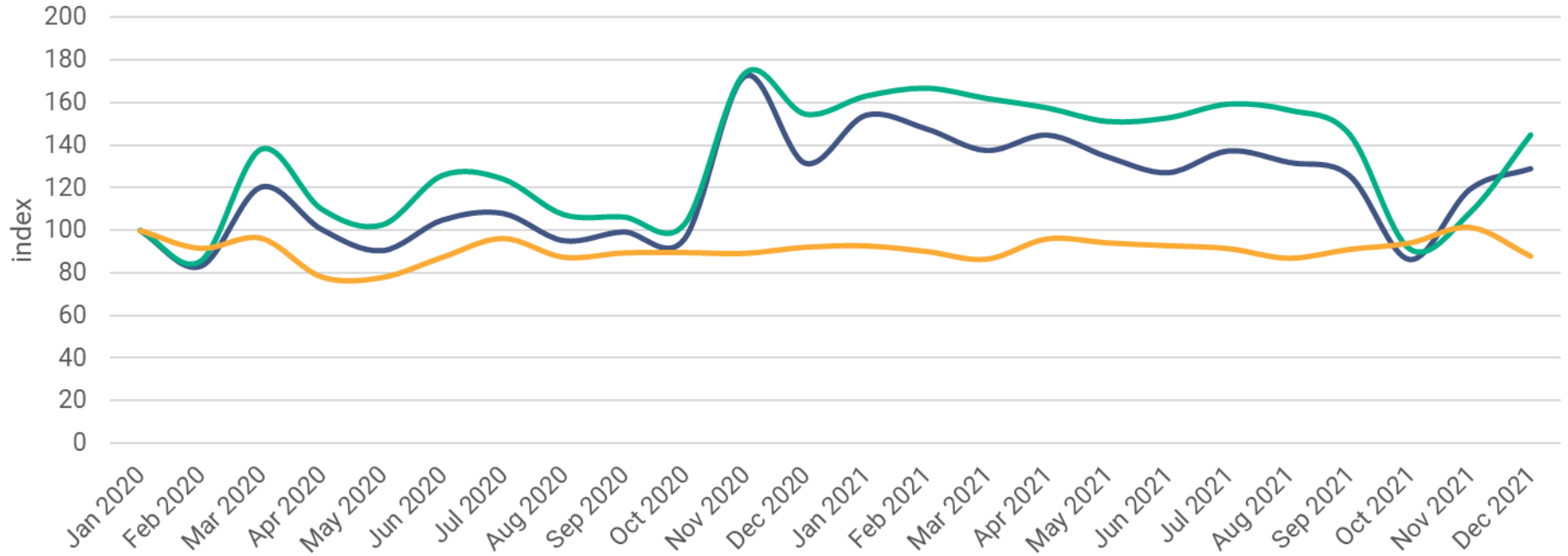
Trends in Sector Growth (Q1 2019 =100)



Trends in Sector Growth (Q1 2019 =100)



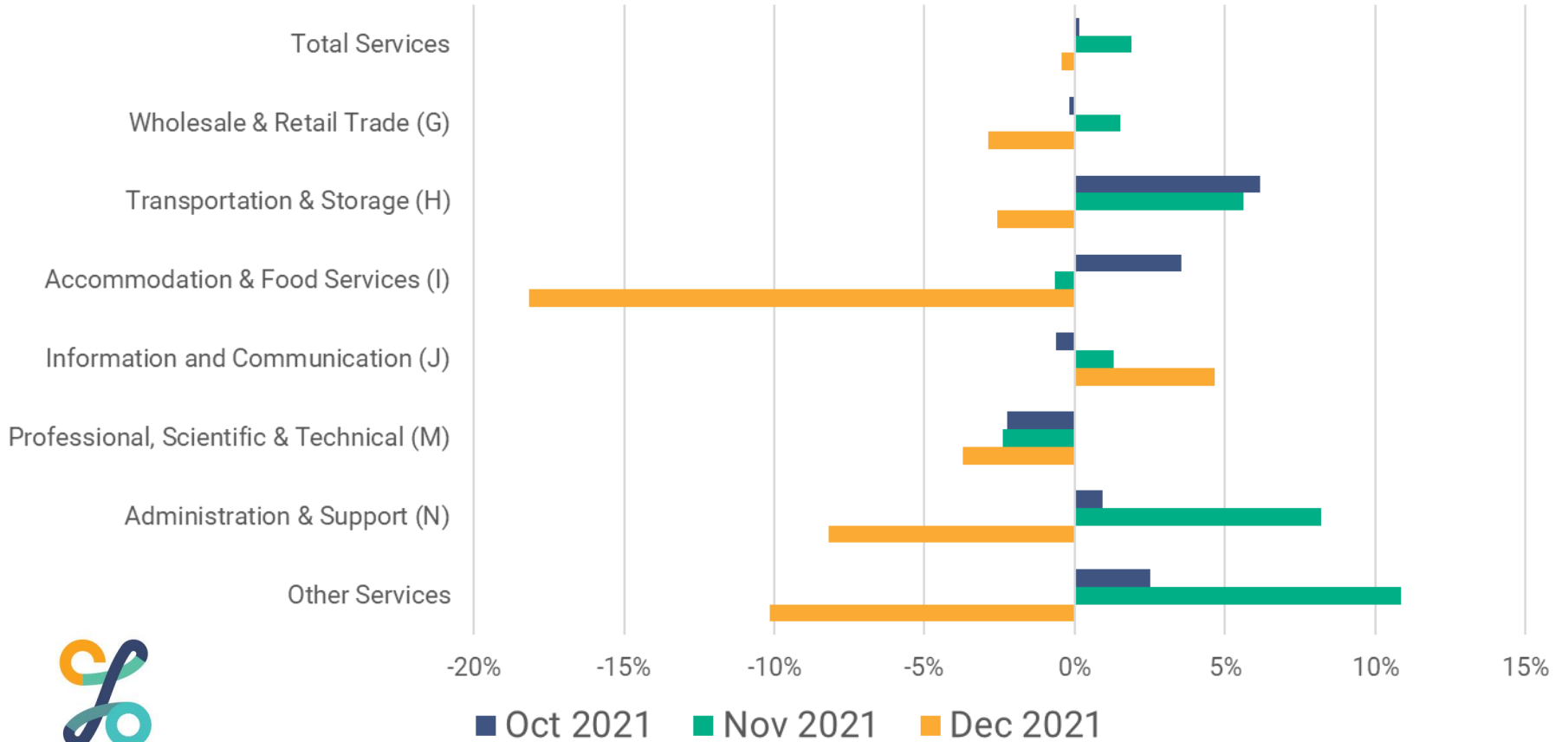
Monthly Manufacturing Trends - Modern, Traditional and Total Production (Seasonally Adjusted) Jan 2020=100



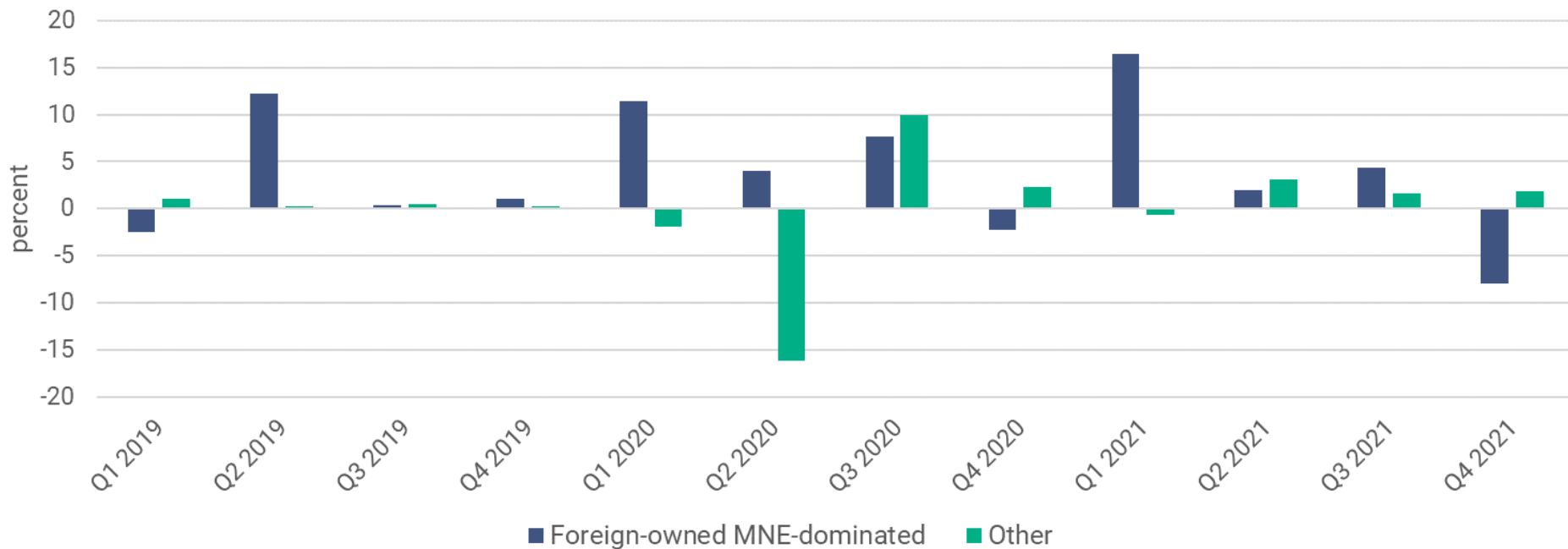
— All — Modern — Traditional

Monthly Services – October-December 2021

% change over previous month



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



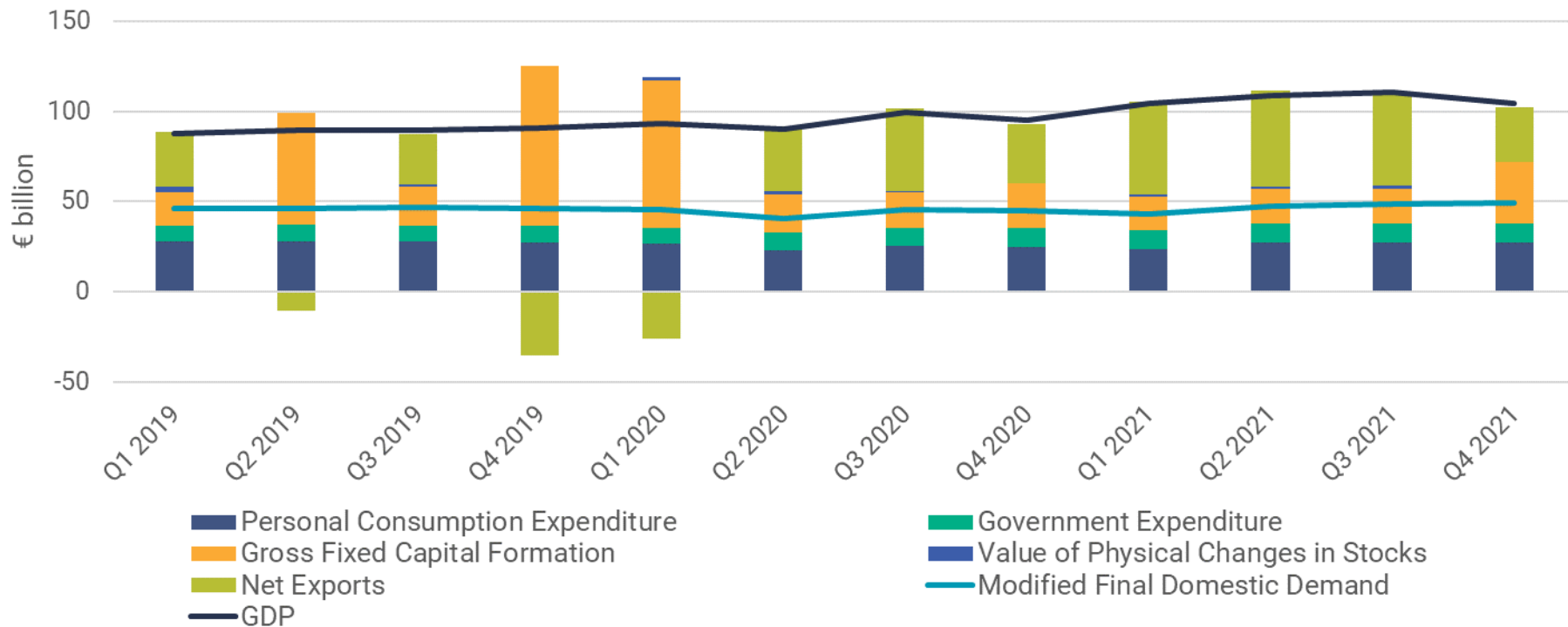
Compensation of Employees, Q4 2021

	Amount €m	Quarterly % change
Public Admin, Education and Health	8,178	-0.7
Distribution, Transport, Hotels and Restaurants	5,203	2.7
Industry (excl. Construction)	3,947	2.3
Professional, Admin and Support Services	3,943	2.6
Information and Communication	2,767	3.7
Financial and Insurance Activities	2,341	4.1
Construction	1,273	3.0
Arts, Entertainment and Other Services	584	5.7
Real Estate Activities	250	2.8
Agriculture, Forestry and Fishing	210	2.0
Total	28,697	1.9

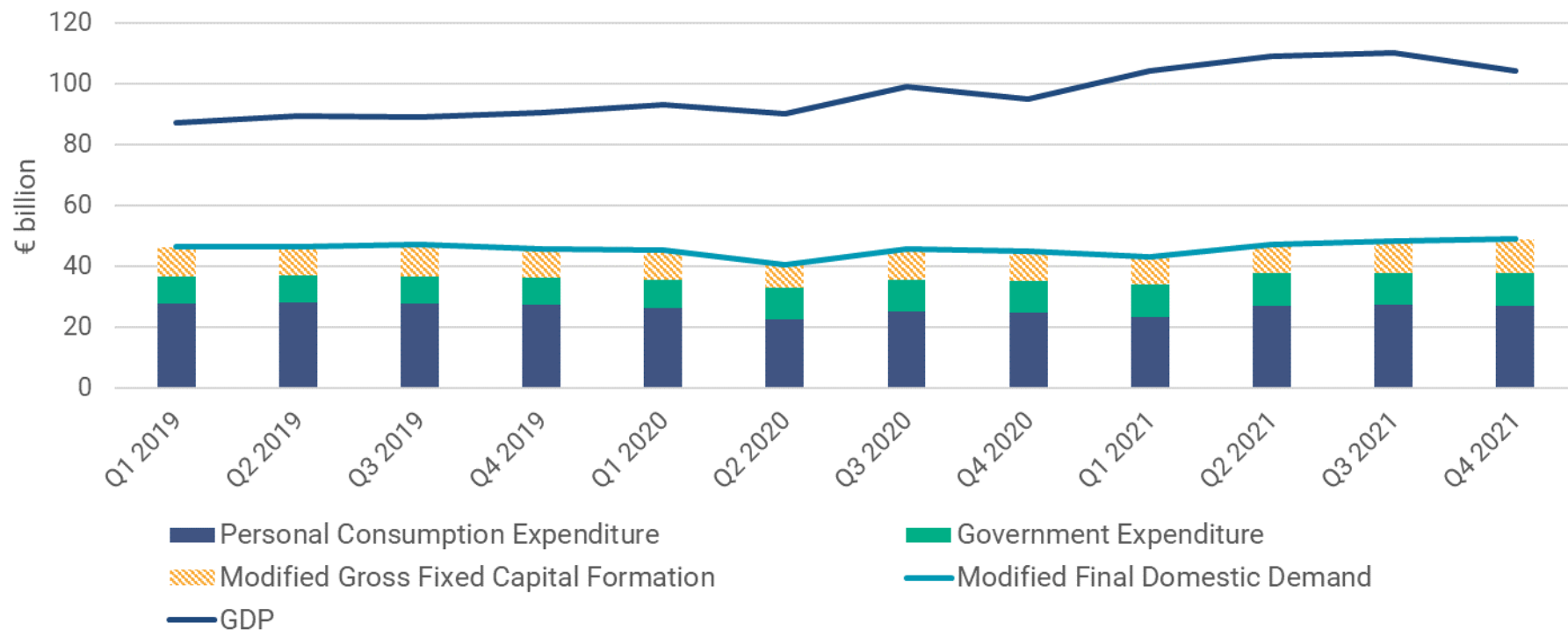
¹Current Market Prices, seasonally adjusted.



Expenditure – Q4 2021 Seasonally Adjusted



Expenditure – Q4 2021 Seasonally Adjusted



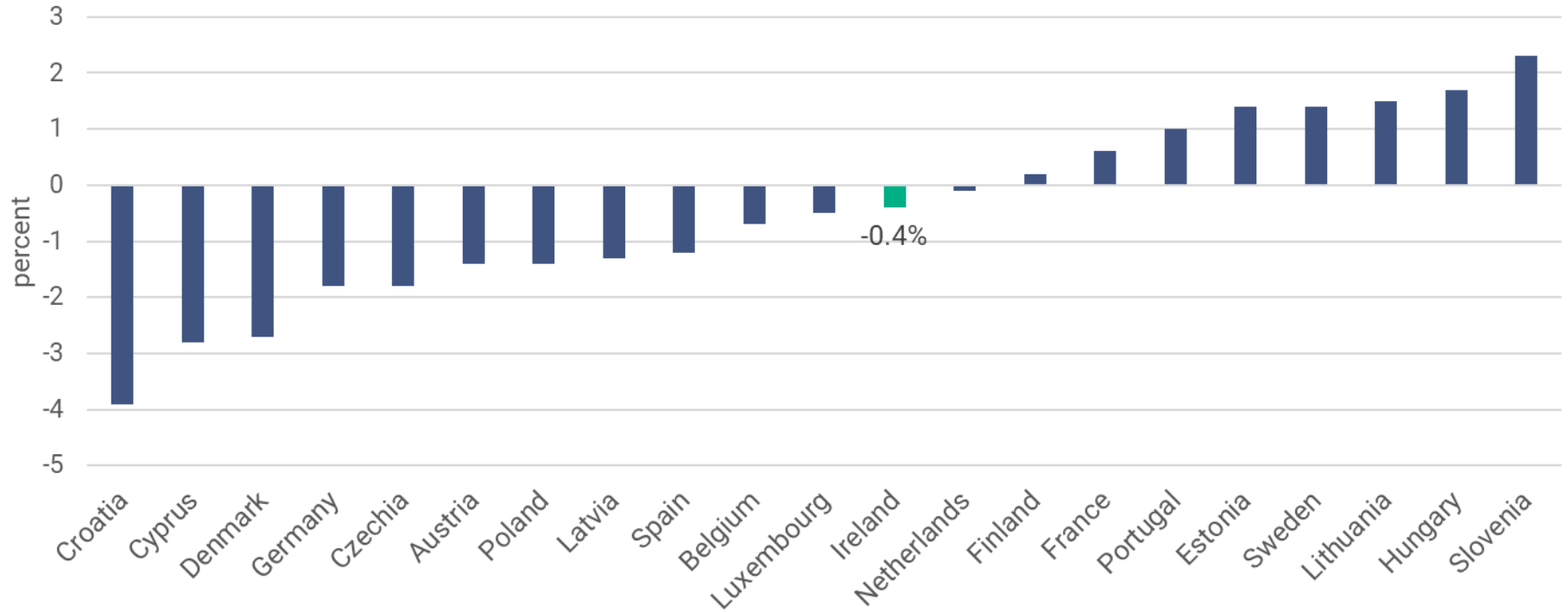
Personal Consumption Expenditure Q4 2021/Q3 2021

Total -0.3% (seasonally adjusted)
Q4 2021 v Q3 2021

- Goods -1.2%
- Services +0.3%

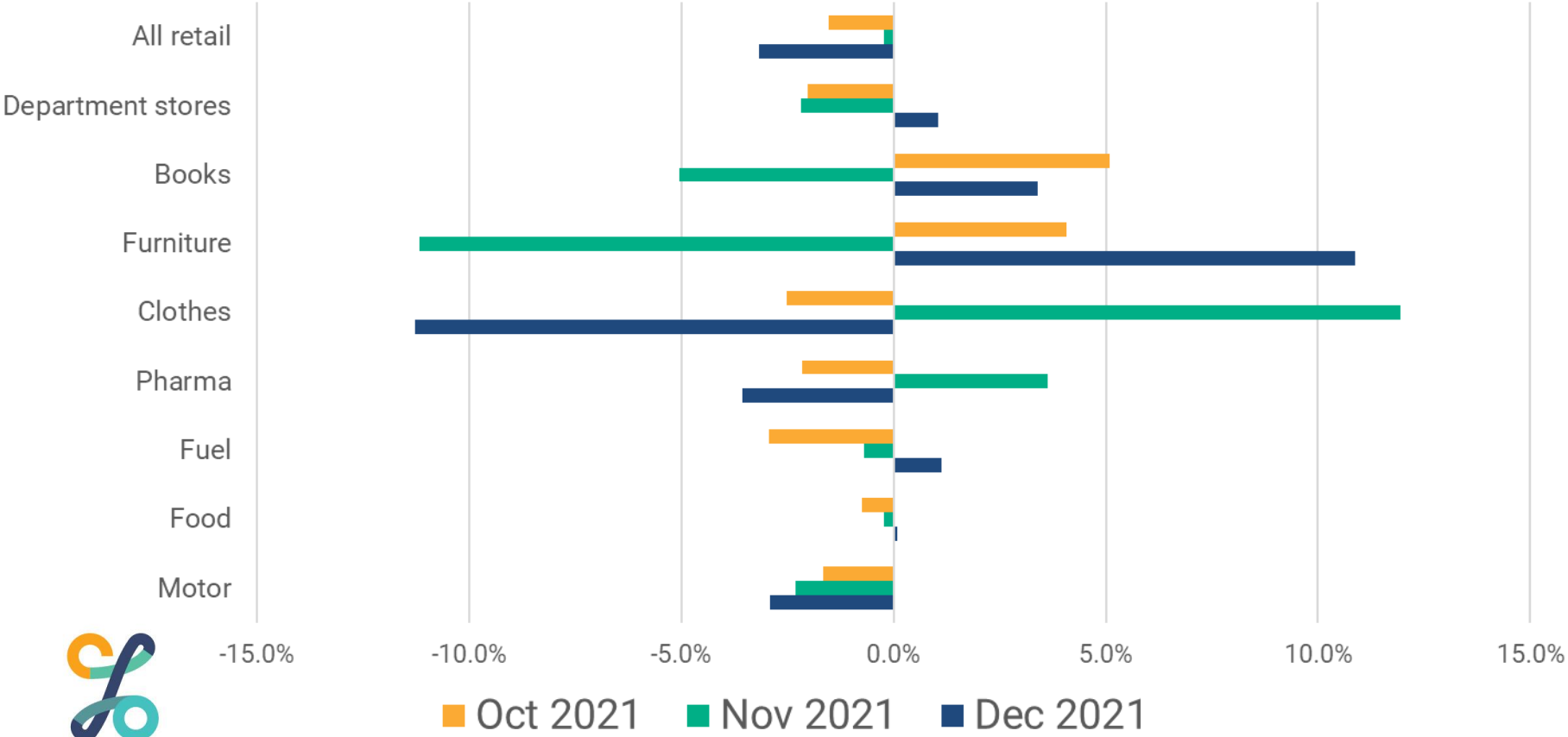


Households & NPISH Final Consumption Expenditure



Monthly Retail Sales by Item

% change over previous month



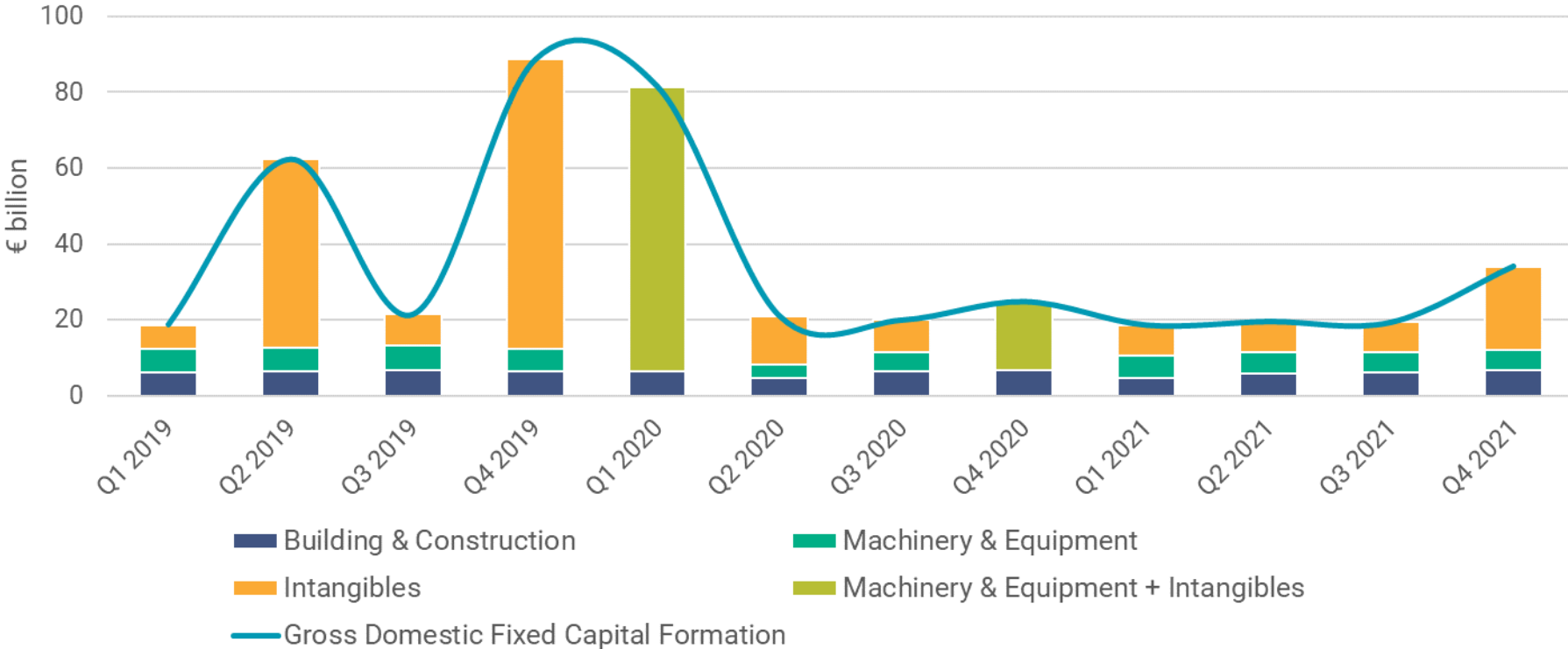
Capital Formation Q4 2021/Q3 2021

Total +76.5% (seasonally adjusted)
this quarter v's last quarter

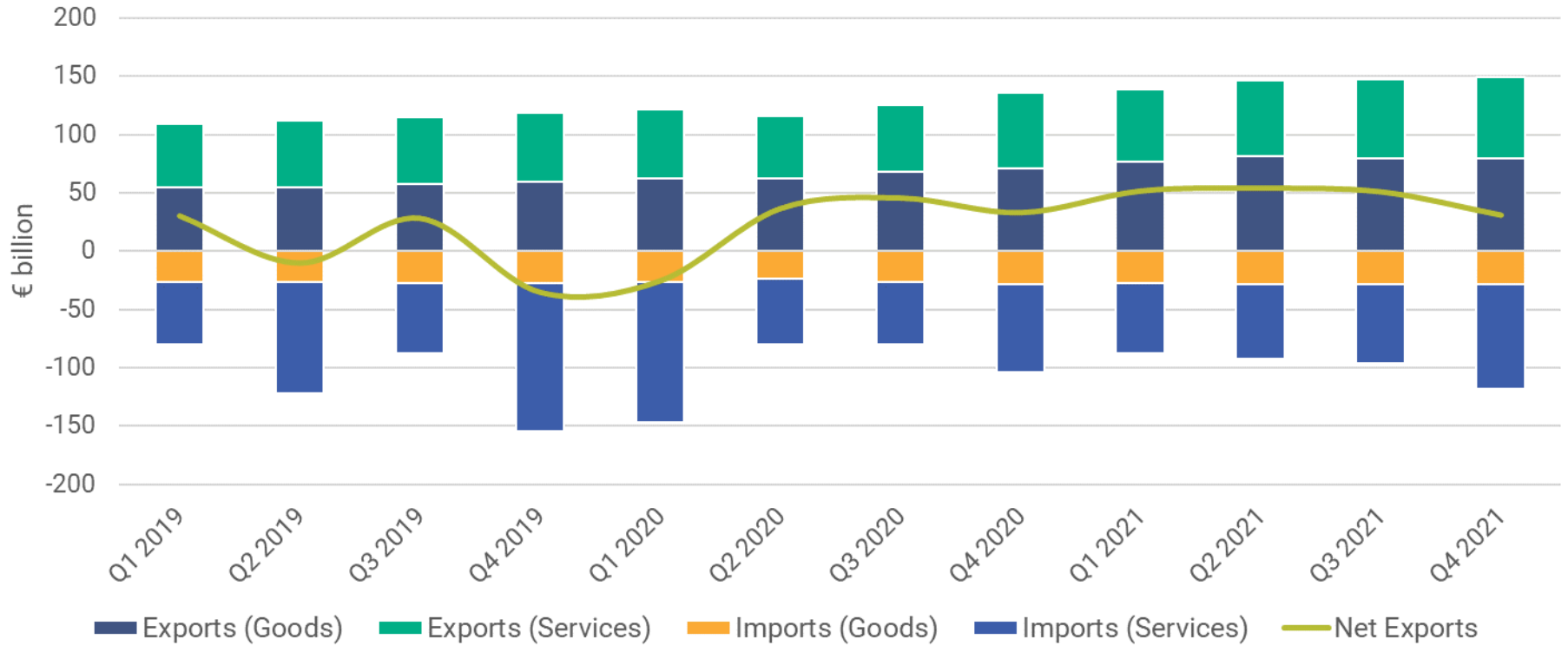
Building and construction	+9.2%
Machinery and equipment	-0.2%
Intangibles	+€14,219m
Machinery and equipment excl. aircraft leasing	*
Intangibles excl. R&D service imports and trade in IP	*



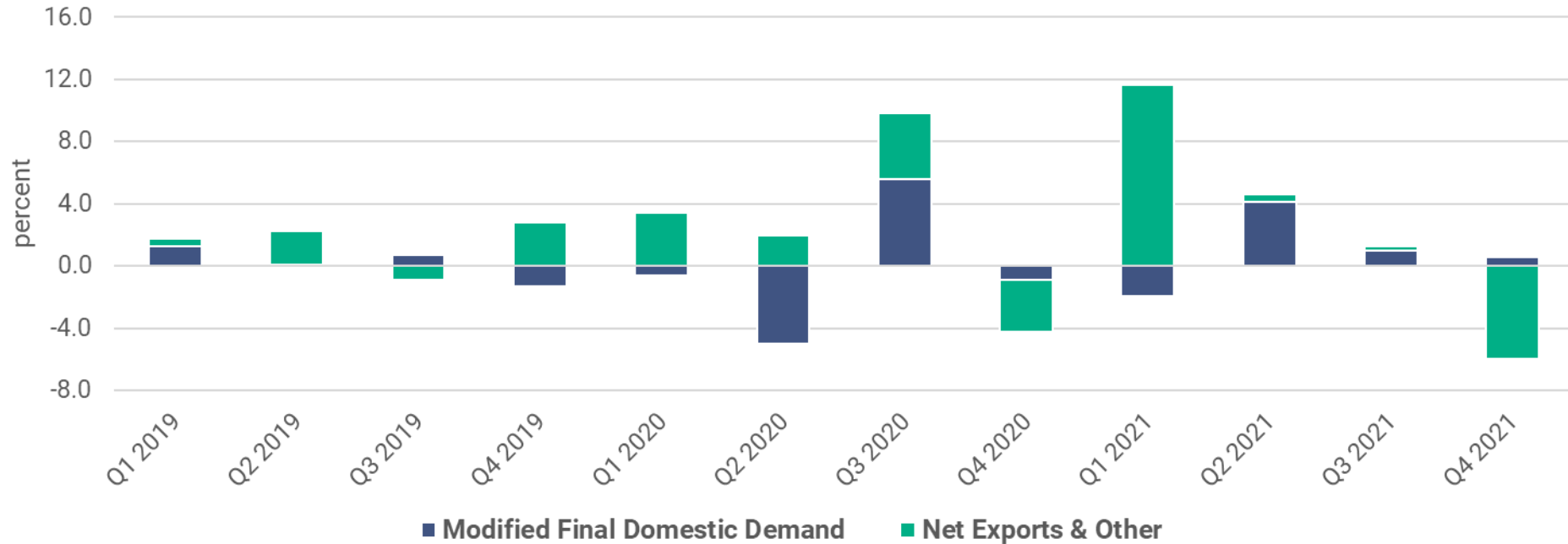
Composition of Capital Formation Q4 2021 (Seasonally Adjusted)



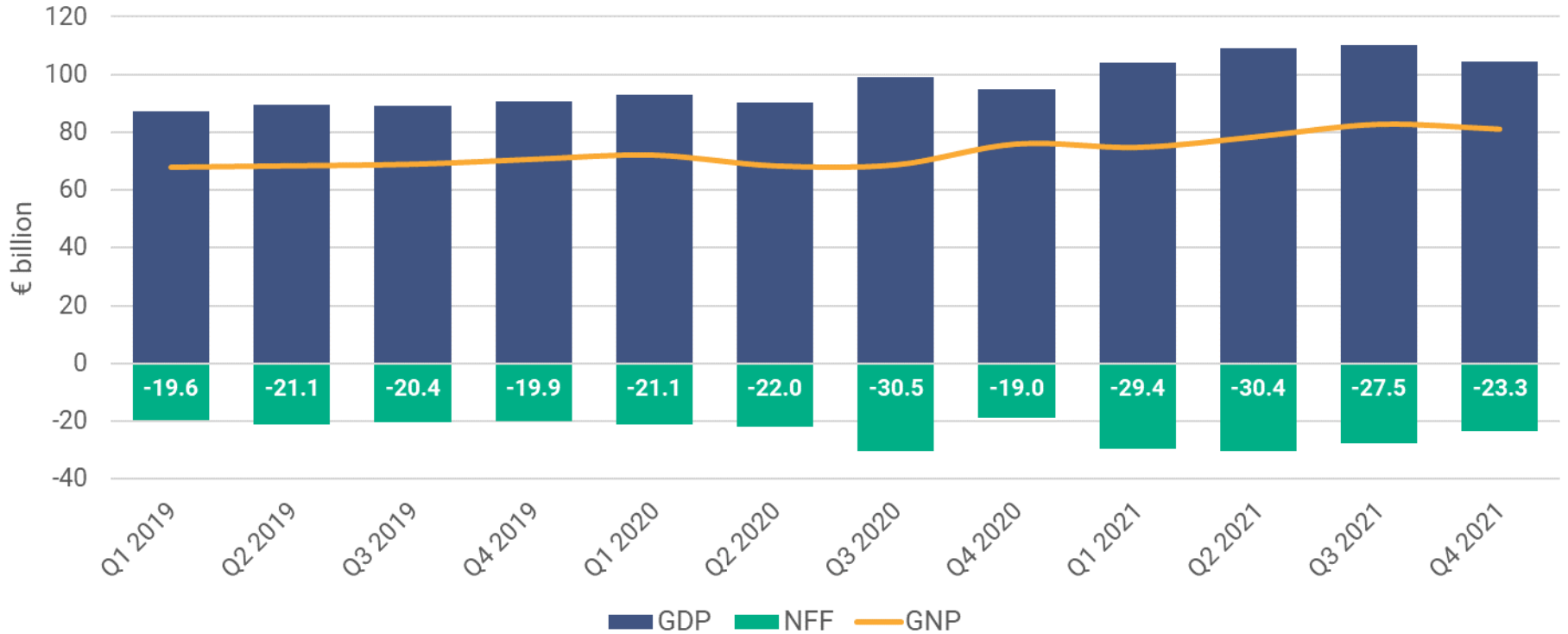
Trends in Net Exports



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

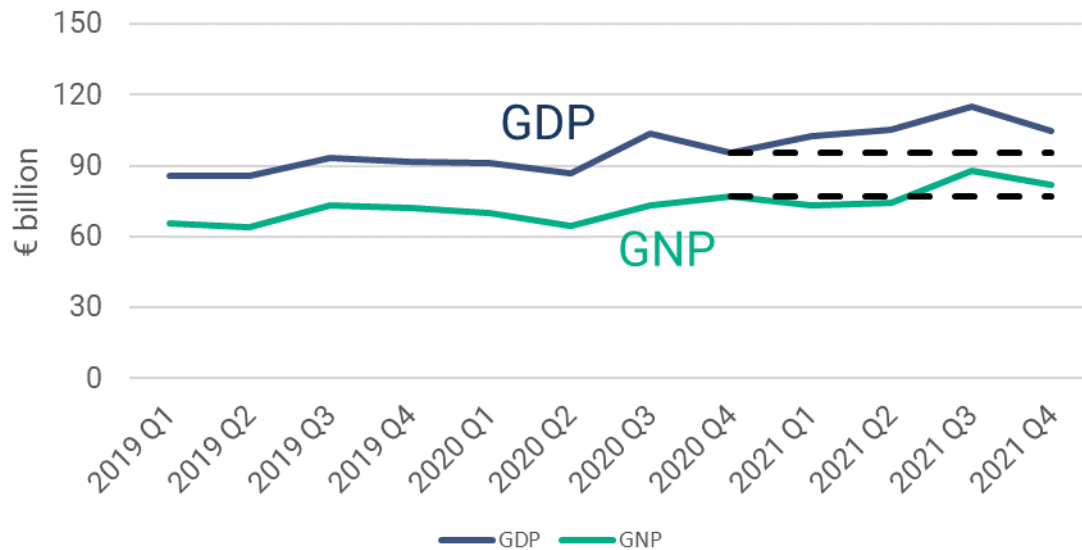


GDP, GNP and Net Factor Flows Q1 2019 – Q4 2021



Year-on-Year Growth Rates

	Q4 2021/ Q4 2020	Q4 2021/ Q4 2019
GDP	+9.6%	+14.5%
GNP	+6.4%	+13.8%



Modified Domestic Demand

(constant price, non-seasonally adjusted)

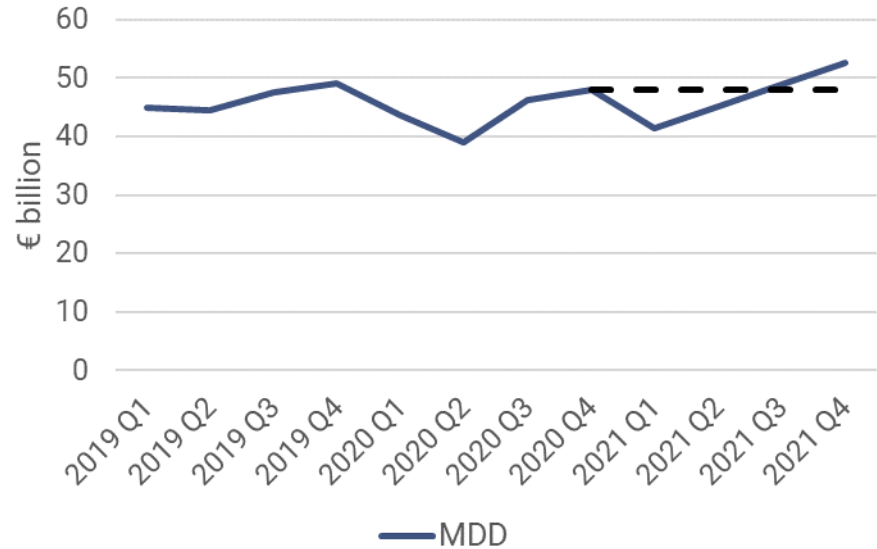
Modified
Domestic
Demand

Q4 2021/
Q4 2020

+9.8%

Q4 2021/
Q4 2019

+7.4%



Quarterly Summary

GDP -5.4%

Output:

- Industry -12.2%
- Construction +6.2%
- Dist, Trans, Hotels & Restaurants +2.6%
- Information & Communication +7.8%

- MNE dominated sectors -8.0%
- Non-MNE dominated sectors +1.9%

Expenditure:

- PCE -0.3%
 - Government Expenditure +0.9%
 - Investment +76.5%
 - Net Exports down €20bn

 - Final Domestic Demand +25.9%
 - **Modified Domestic Demand +1.3%**
- Net Factor Outflows: €23,273m (€27,487m in Q3 2021)

GNP -2.1%





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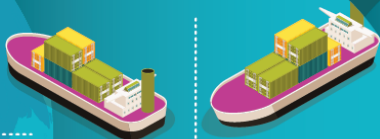
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International Accounts Q4 2021

Balance of Payments and International Investment Position

Ireland's
Economic
Interactions
with
the Rest of
the World

Goods



Exports
€73bn

Imports
€31bn

Balance
€41.3bn

Services



Exports
€83bn

Imports
€99bn

Balance
-€15.8bn

Income



In
€33bn

Out
€57bn

Balance
-€23.9bn

Current Account



In
€189bn

Out
€187bn

Balance
€1.5bn

1.4% of GDP

Net International
Investment Position (NIIP)

-€580bn
NET

Foreign Direct
Investment in Ireland

€1,195bn
Stock

and
how this
activity is
funded

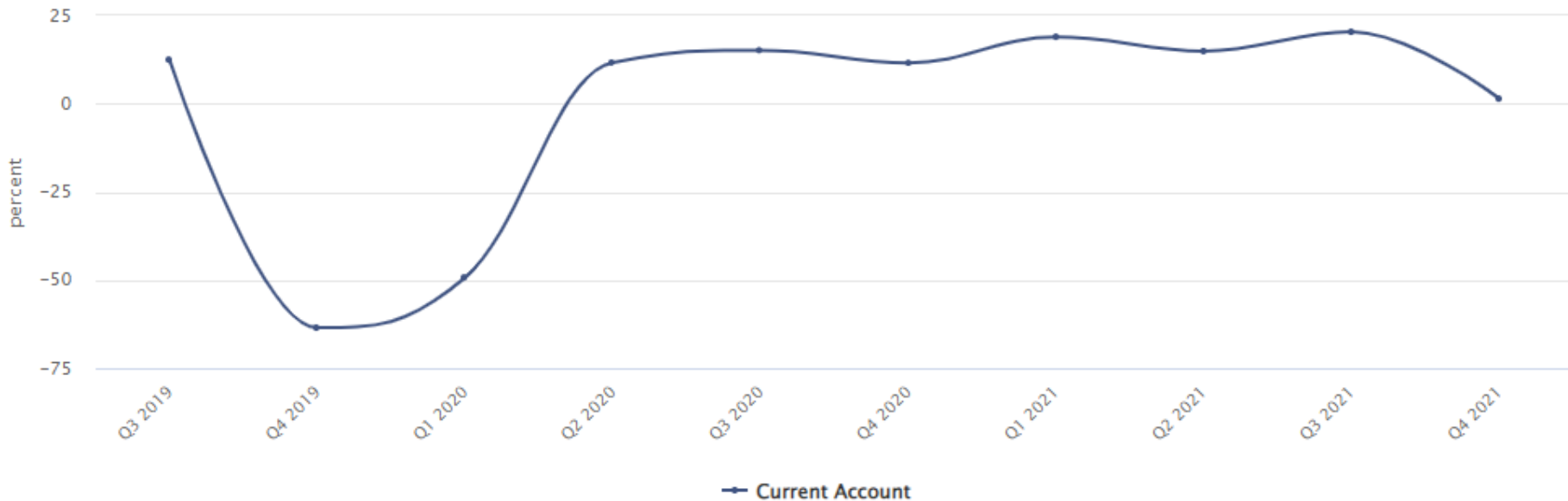
BOP Current Account

Preliminary Results for Year 2021

	2019	2020	€million 2021
Current Account balance	-€70,772	-€9,892	€58,798
• Merchandise surplus	€118,116	€144,952	€172,943
• Services balance	-€105,564	-€61,900	-€3,128
• Net Income outflow	-€83,324	-€92,946	-€111,016
Current Account *	€20,235	€23,972	



Current Account Balance, % of GDP



Source: CSO Ireland

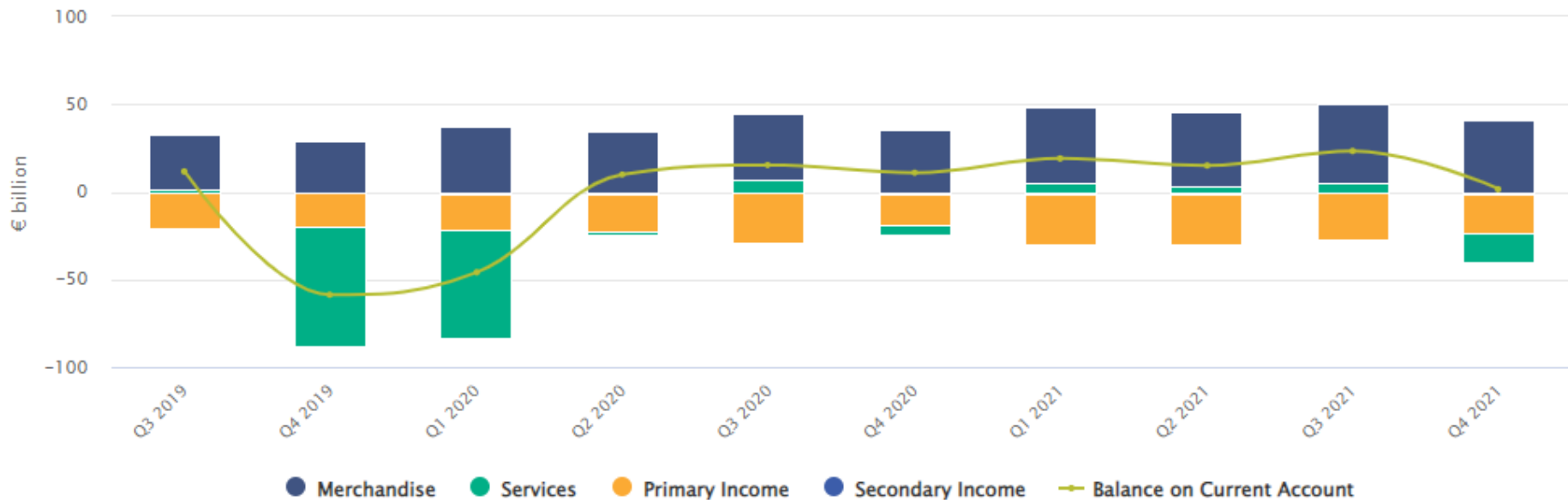


BOP Q4 2021 - Current Account

	<i>Q4 2020</i>	<i>Q4 2021</i>
Current Account Balance	€10,890m	€1,506m
• Merchandise surplus	€35,124m	€41,277m
• Services balance	-€5,498m	-€15,831m
• Net Income outflow	-€18,737m	-€23,940m



Balance Over Time



Source: CSO Ireland



BOP Q4 2021 - Current Account

		<i>Q4 2021</i>	<i>y-o-y Change</i>
Merchandise	exports	€72,681m	+€8,782m
	imports	€31,404m	+€2,630m
Services	exports	€83,125m	+€7,986m
	imports	€98,956m	+€18,320m
Primary Income	inflows	€30,824m	+€6,279m
	outflows	€53,336m	+€11,088m
Direct investment profit and interest inflows		€10,418m	+€3,089m
Direct investment profit and interest outflows		€31,067m	+€8,844m



Goods Exports and Imports



Exports



Imports



International Trade to BOP Merchandise

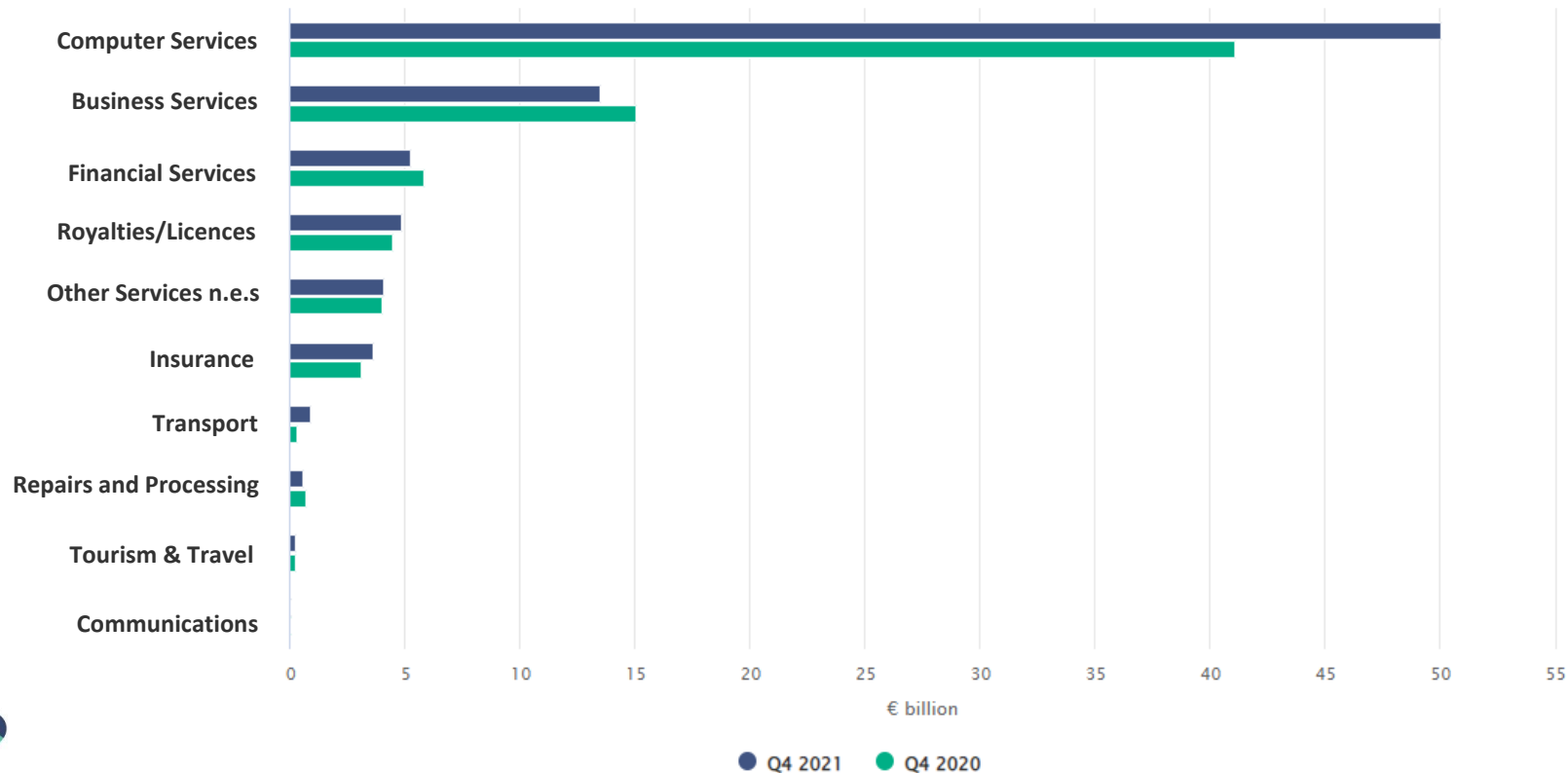
Table 2.1 Breakdown of Merchandise Exports and Imports

€ million

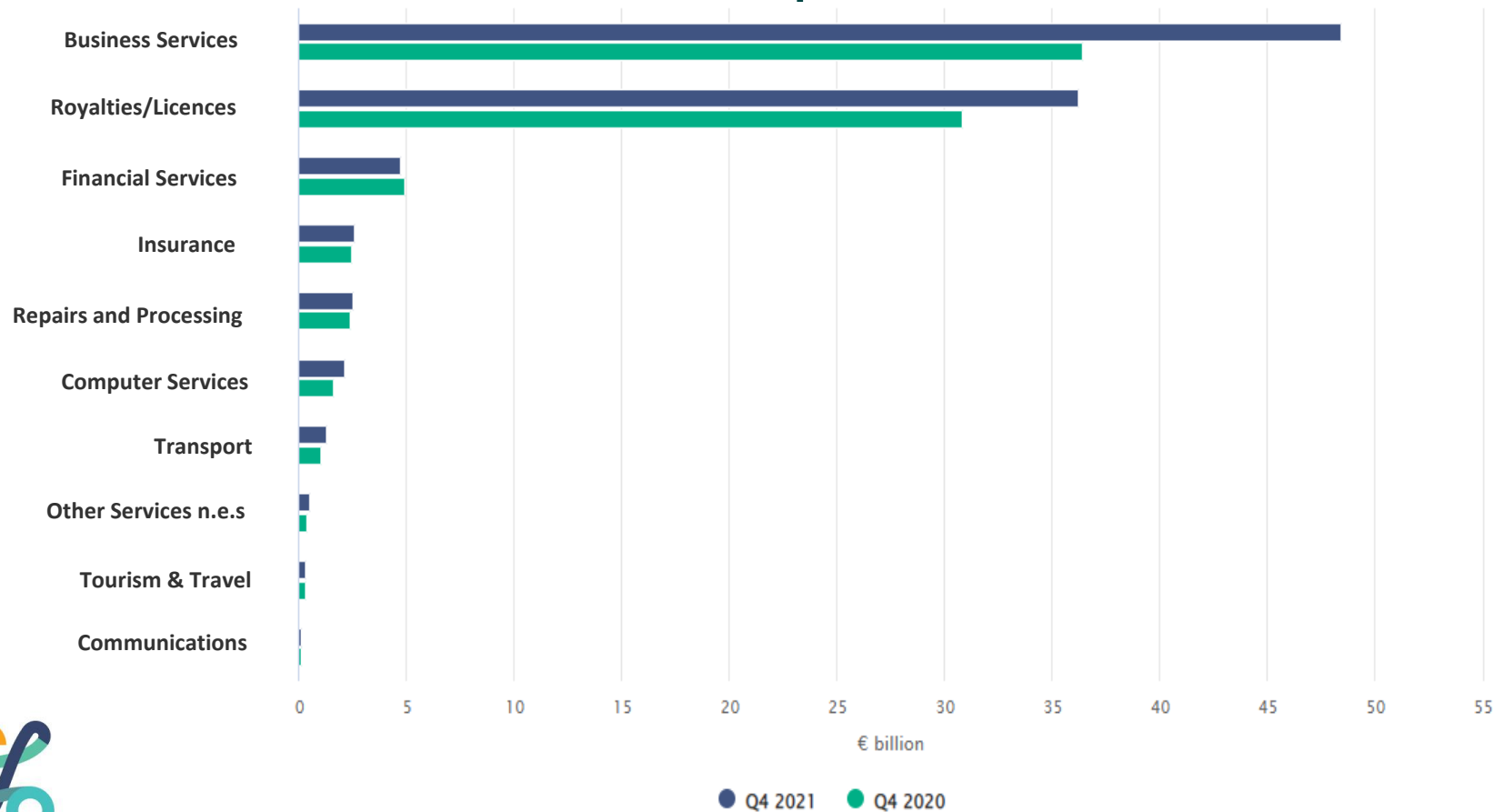
Item		2020	2021	2020				2021			
		Year	Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Current Account											
Merchandise¹											
	Exports	244,809	282,823	62,528	57,033	61,349	63,899	68,821	69,057	72,264	72,681
	Imports	99,856	109,881	24,872	22,756	23,454	28,774	25,164	26,777	26,536	31,404
International trade	Exports	161,894	164,733	44,206	37,848	40,540	39,300	40,454	40,366	40,516	43,397
	Imports	83,022	96,651	20,894	17,714	19,659	24,755	20,583	25,091	22,779	28,198
Goods for processing	Exports	73,945	105,033	14,737	16,728	18,535	23,945	25,257	21,162	27,410	31,204
	Imports	14,851	12,644	3,230	4,722	3,322	3,577	4,114	1,854	4,228	2,448
Other conceptual adjustments	Exports	-5,901	-13,288	-83	-884	-1,316	-3,618	-2,290	-1,986	-2,805	-6,207
	Imports	1,983	584	747	320	474	442	466	-168	-472	758
Merchanting (net export)	Exports	14,873	26,346	3,668	3,342	3,591	4,272	5,400	9,516	7,143	4,287



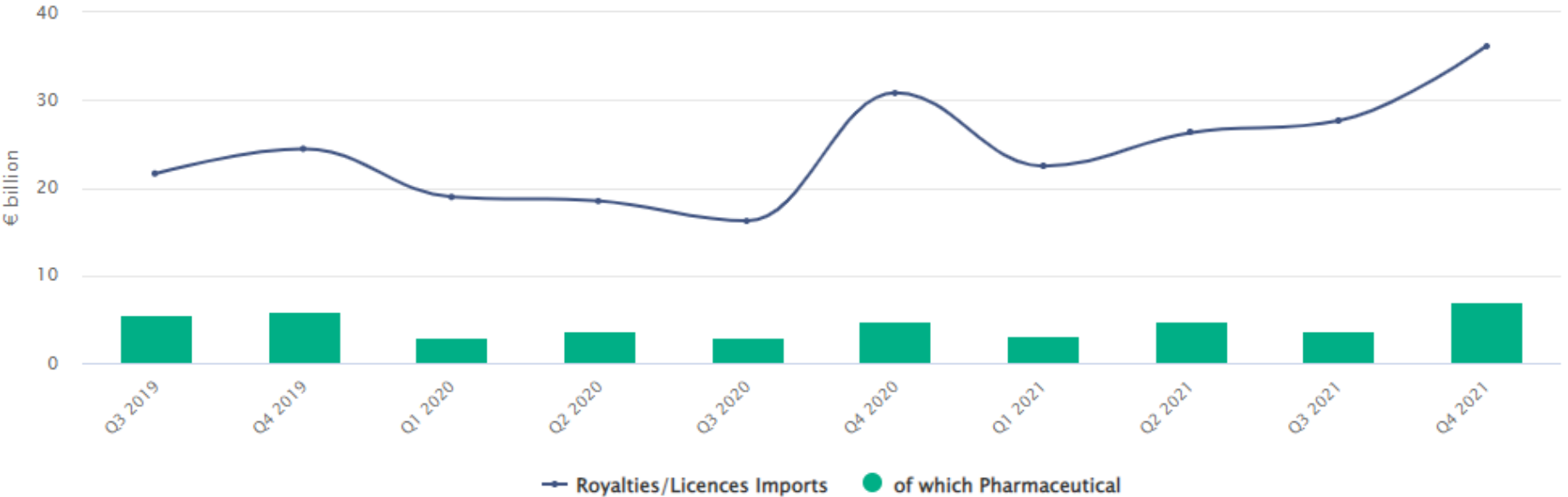
Service Exports



Service Imports



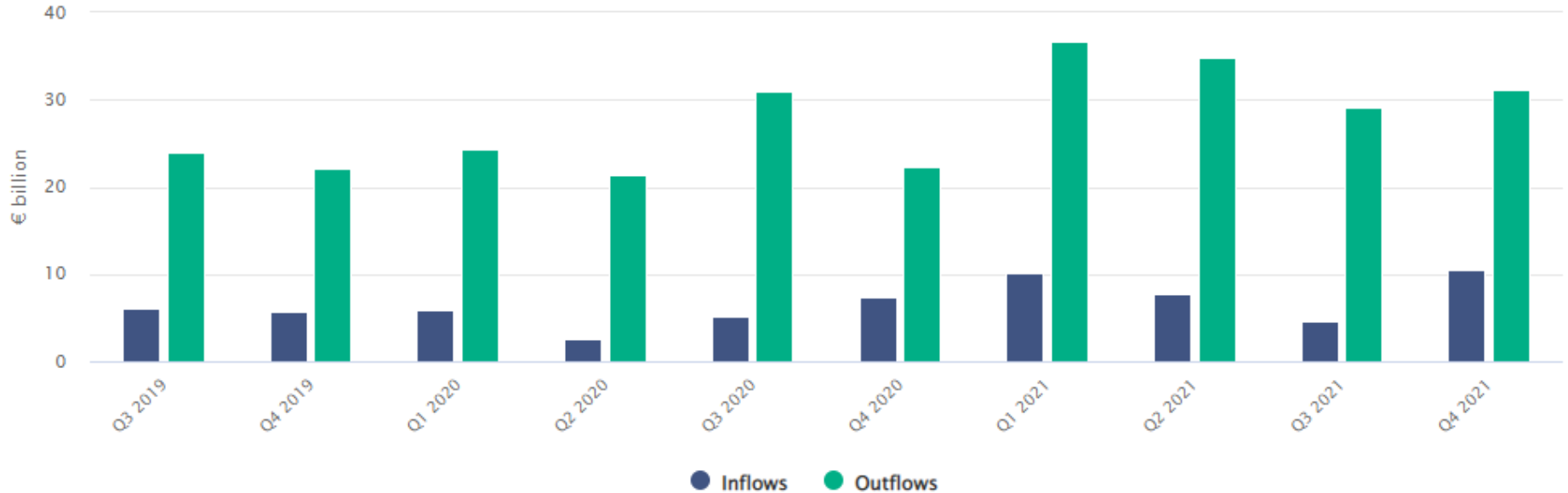
Royalties Imports



Source: CSO Ireland



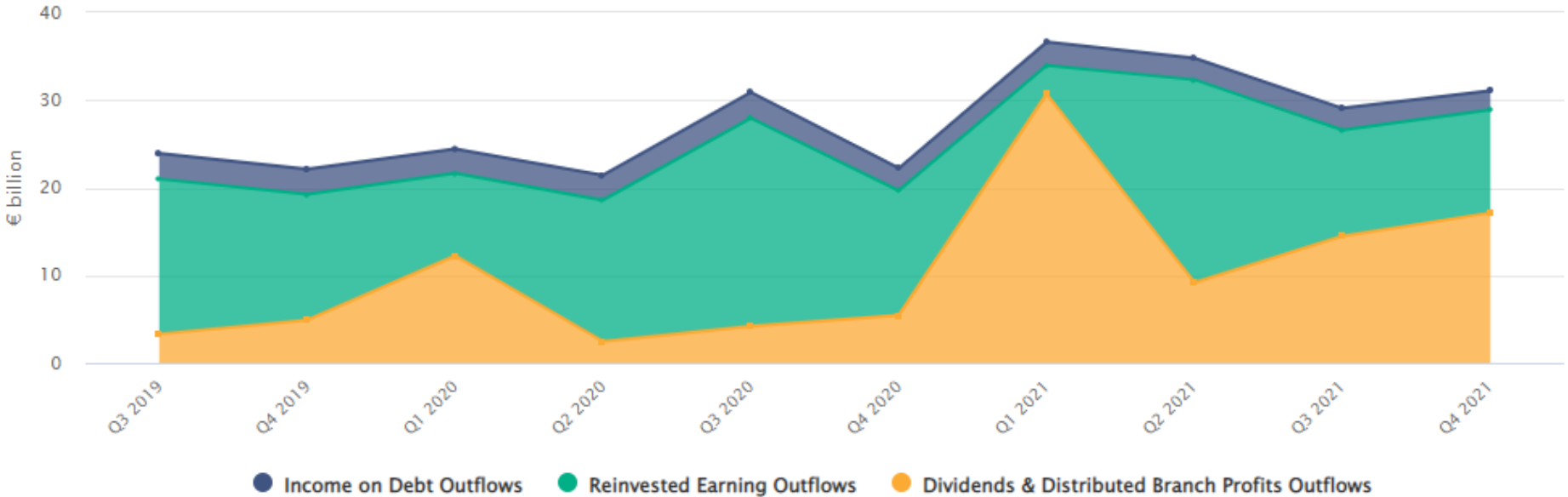
Direct Investment Income



Source: CSO Ireland



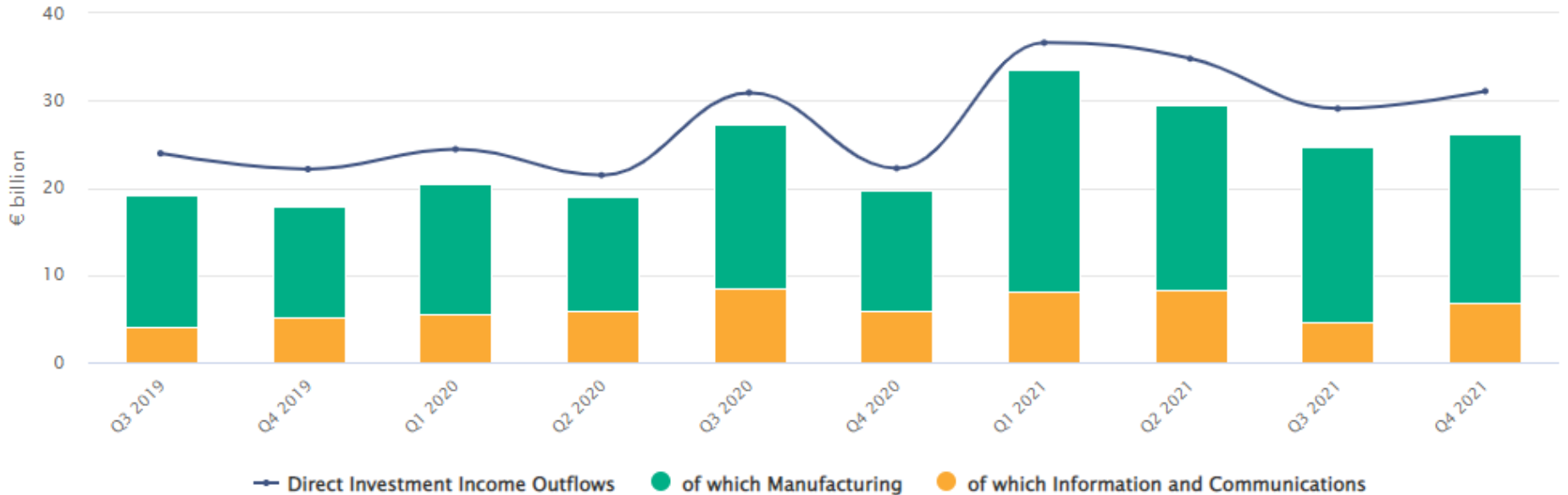
Direct Investment Income Outflows



Source: CSO Ireland



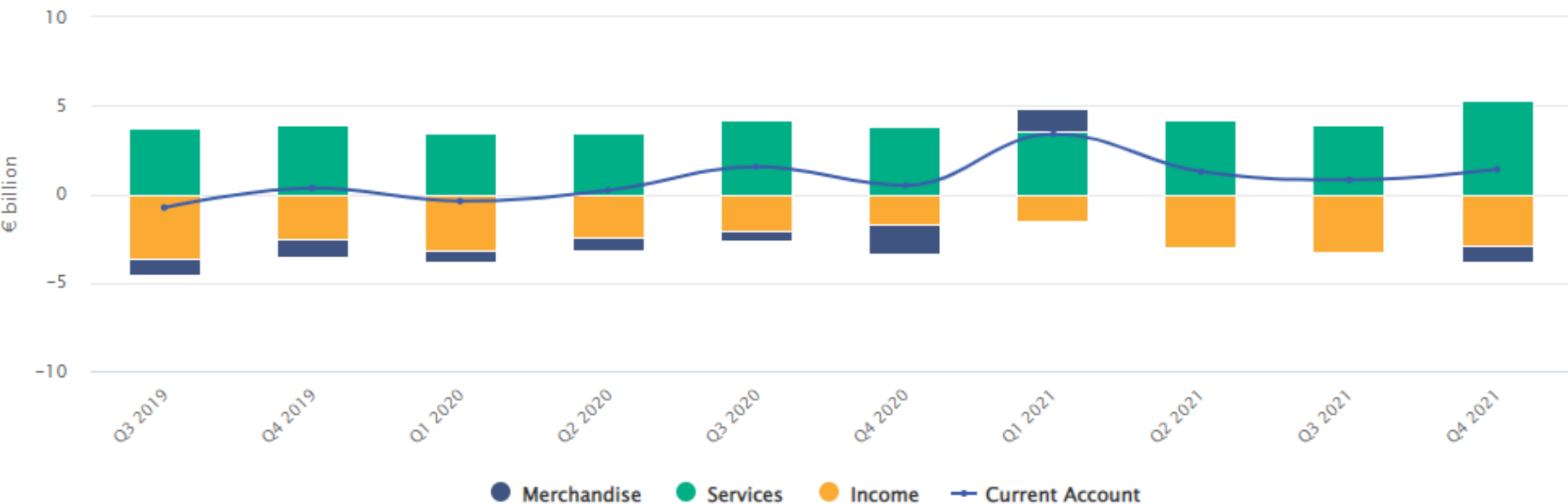
FDI Income: Quarterly Profits Outflows



Source: CSO Ireland



Trade, Income and CA with UK



Source: CSO Ireland



Financing Q4 2021



Source: CSO Ireland



International Investment Position Q4 2021

Table 5.1 International Investment Position

€ billion

	30 Sep 2021	31 Dec 2021
	NET	NET
General Government	-133.8	-128.8
Monetary Authority	71.8	87.2
Monetary Financial Institutions	78.0	81.5
Other Financial Intermediaries	75.7	50.7
Non-Financial Companies	-677.3	-670.4
Total	-585.7	-579.7



International Accounts Summary

- Current Account balance in Q4 2021 of €1.5bn or 1.4% of GDP
- Large IP imports this quarter
- Q4 2021 COVID19 effects:
 - Lower tourism exports and imports, largely netting out for the CA
 - Lower transport services exports



Headline Results

Key Indicators <i>(constant price)</i>	2021 vs 2020	Q4/21 vs Q3/21 <i>(seasonally adjusted)</i>
GDP	+13.5%	-5.4%
GNP	+11.5%	-2.1%
Modified Domestic Demand	+6.5%	+1.3%
Personal Consumption Expenditure	+5.7%	-0.3%

