

Embargo on Information

Please note that there is an embargo on all of the publications until 11 a.m.

We would appreciate if you would switch off mobile phones/communication devices until this time.





An
Phríomh-Oifig
Staidrimh

Central
Statistics
Office

National Accounts Balance of Payments Annual 2017 & Quarter 1 2018

Media Briefing
19 July 2018



An
Phríomh-Oifig
Staidrimh

Central
Statistics
Office

National Accounts

Annual 2017



National Accounts

NIE 2017



NIE 2017

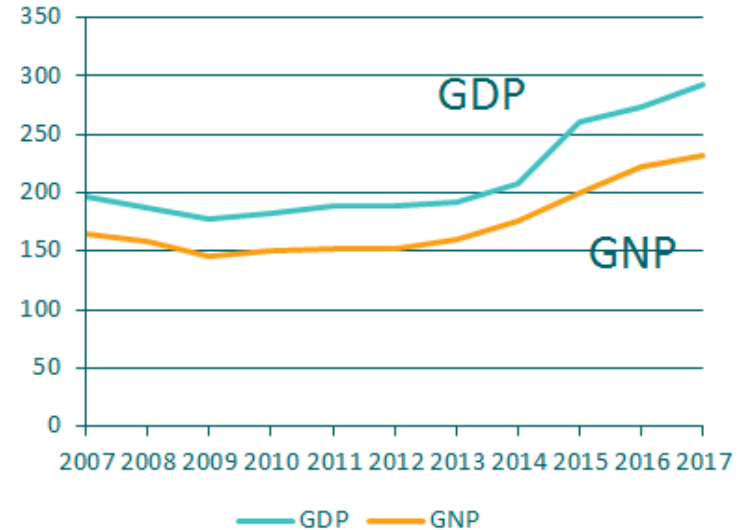
Year-on-Year Growth Rates

GDP **+ 7.2%** **(+7.8%)**

GNP **+ 4.4%** **(+6.6%)**

*Previous provisional annual
estimate in brackets*

Annual GDP & GNP Constant Prices 2007 - 2017



NIE 2017 – Regular Revisions

New data since Q4 2017:

- Latest Revenue tax files
- Commodity flow estimates
- Structural Business Survey Data - CIP, ASI, Prodcorn
- Insurance Statistics

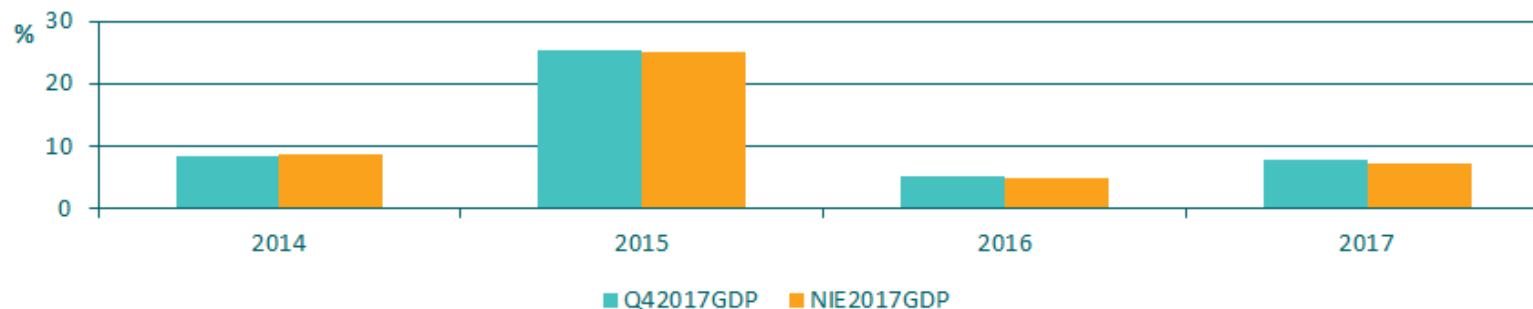


NIE 2017 – Other Revisions

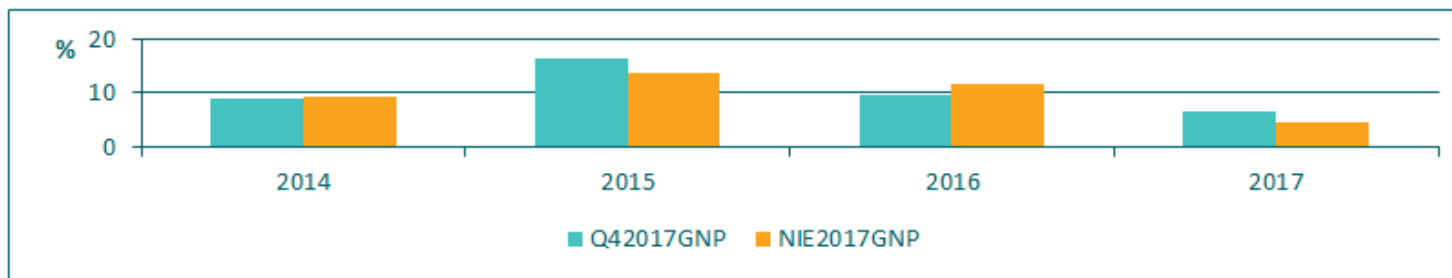
- **Additional imports of Financial Services** - increased imports of services - negative impact on GDP
- **Implemented consistent recording of profits and depreciation**
MNEs **import R&D services** in both National Accounts (done in previous NIE) and BOP(revised in current accounts) – GDP neutral - lower costs – higher profits - negative impact on GNP/GNI/GNI*
- **Additional imports of R&D related Intellectual Property Products** in 2016 - no impact on GDP



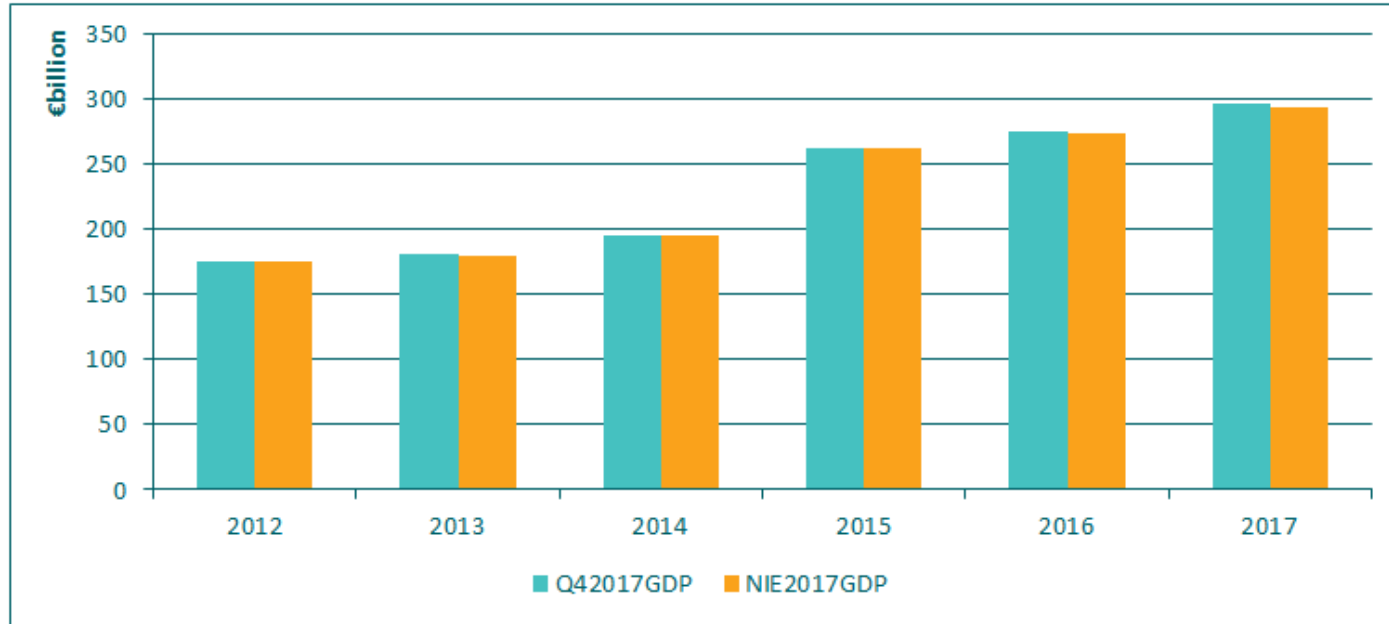
Preliminary and Current Estimate of real GDP growth rates



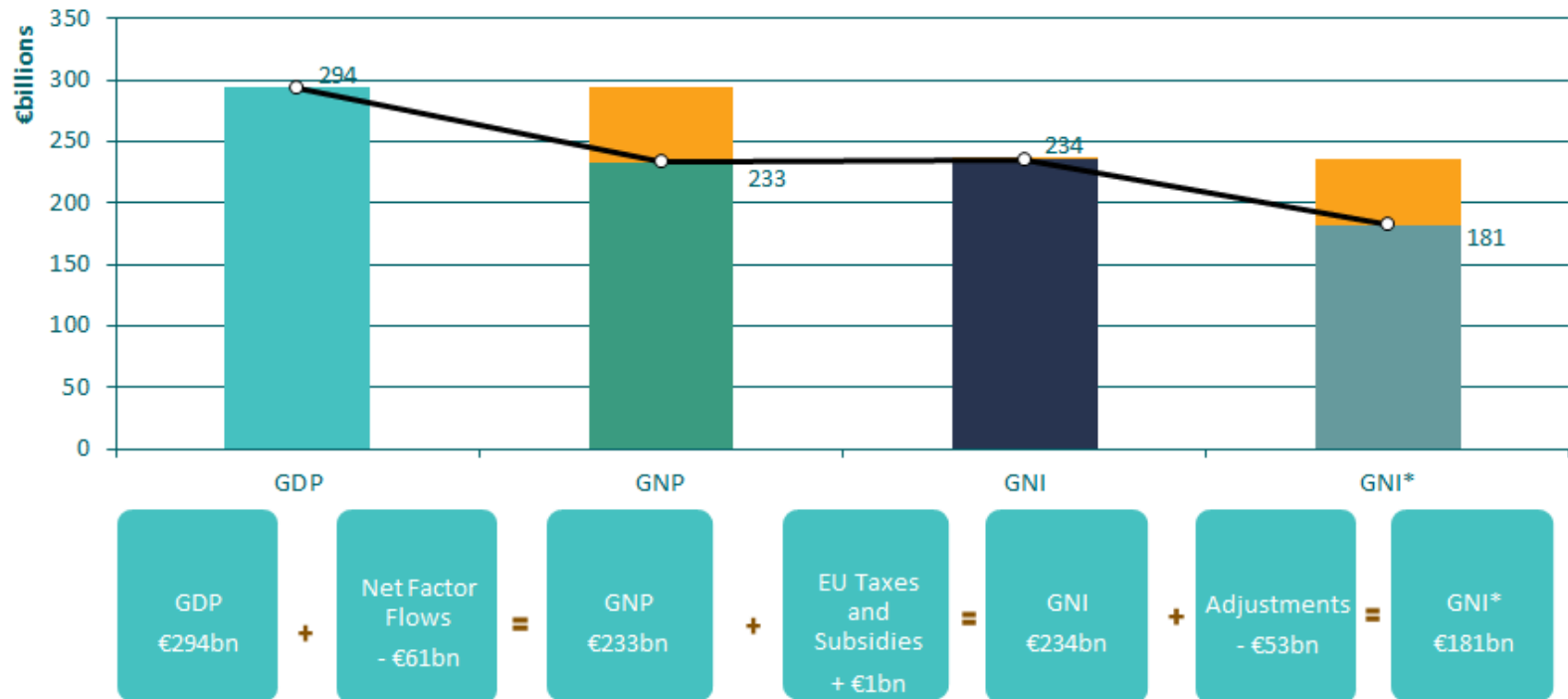
and real GNP growth rates



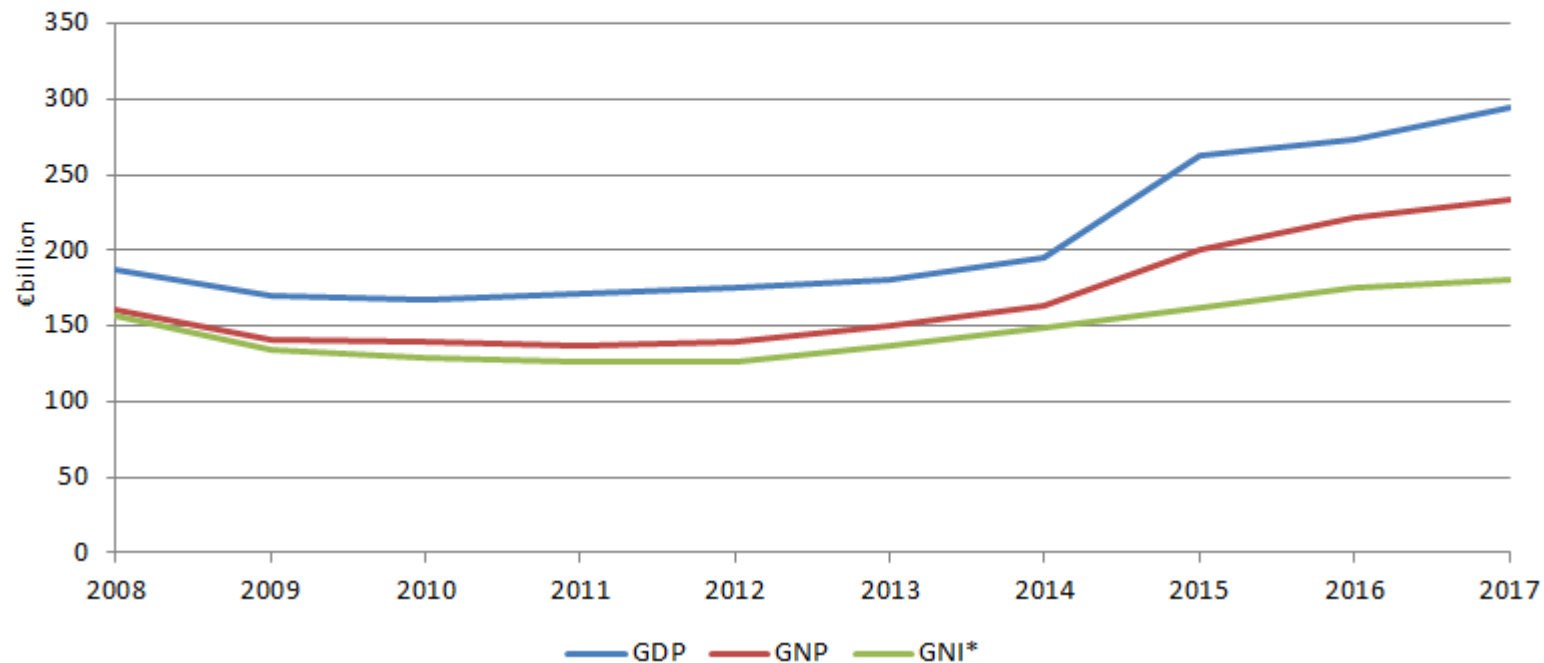
Preliminary and Current Estimate of Annual GDP at Current Market Prices



Modified GNI (GNI*) - 2017



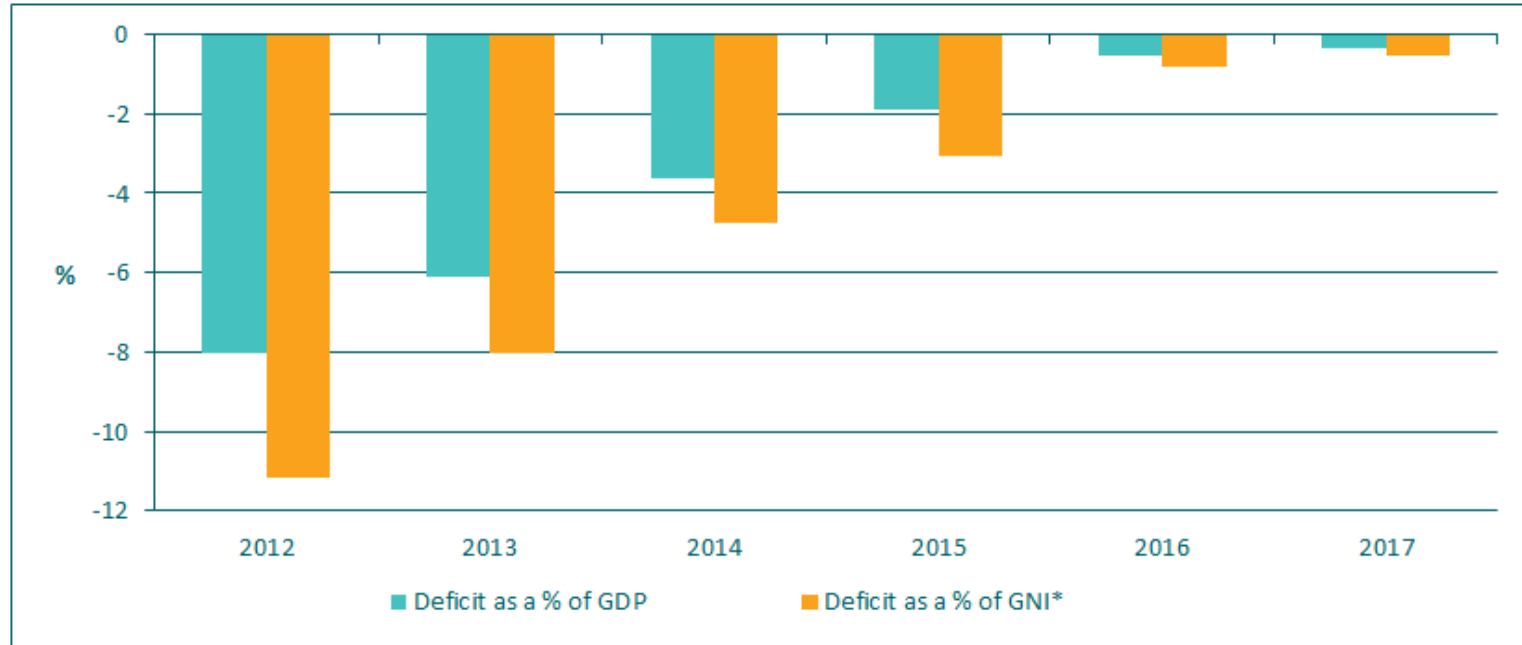
GDP, GNP and Modified GNI at Current Prices



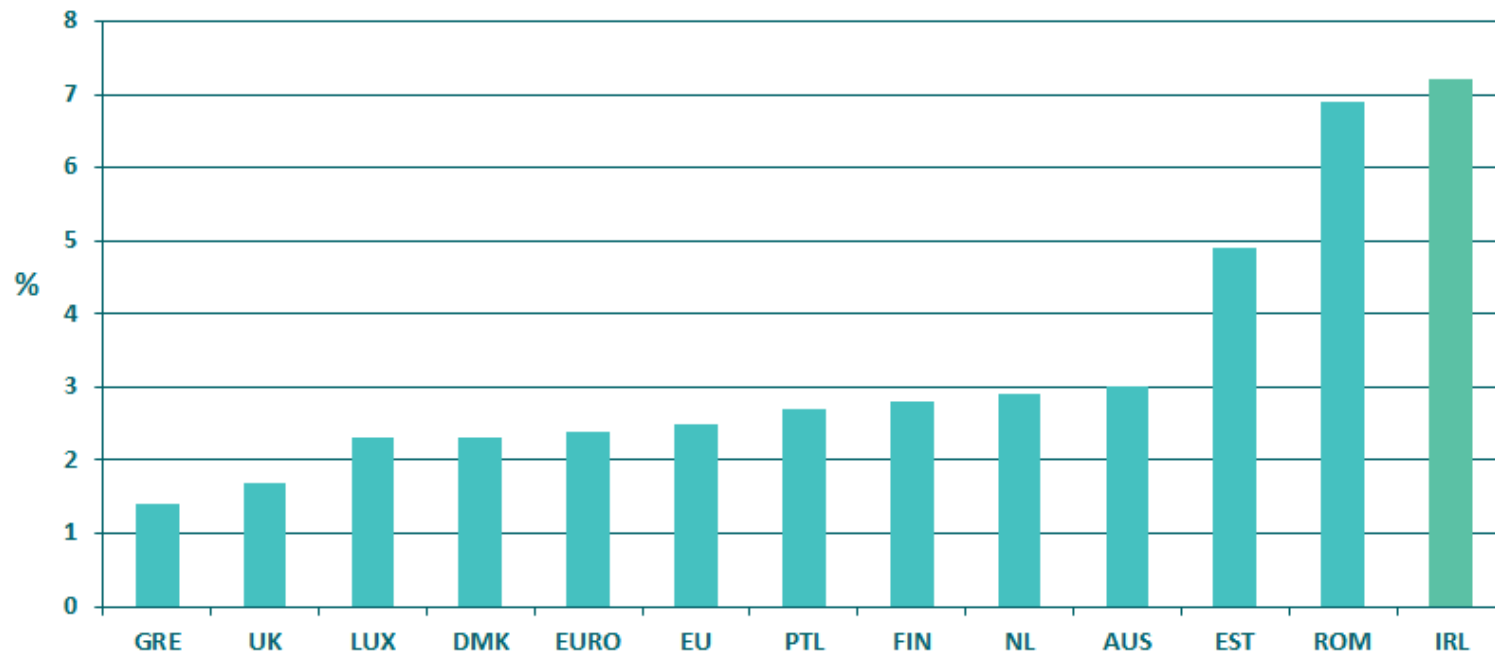
Debt to GDP/GNI* Ratios



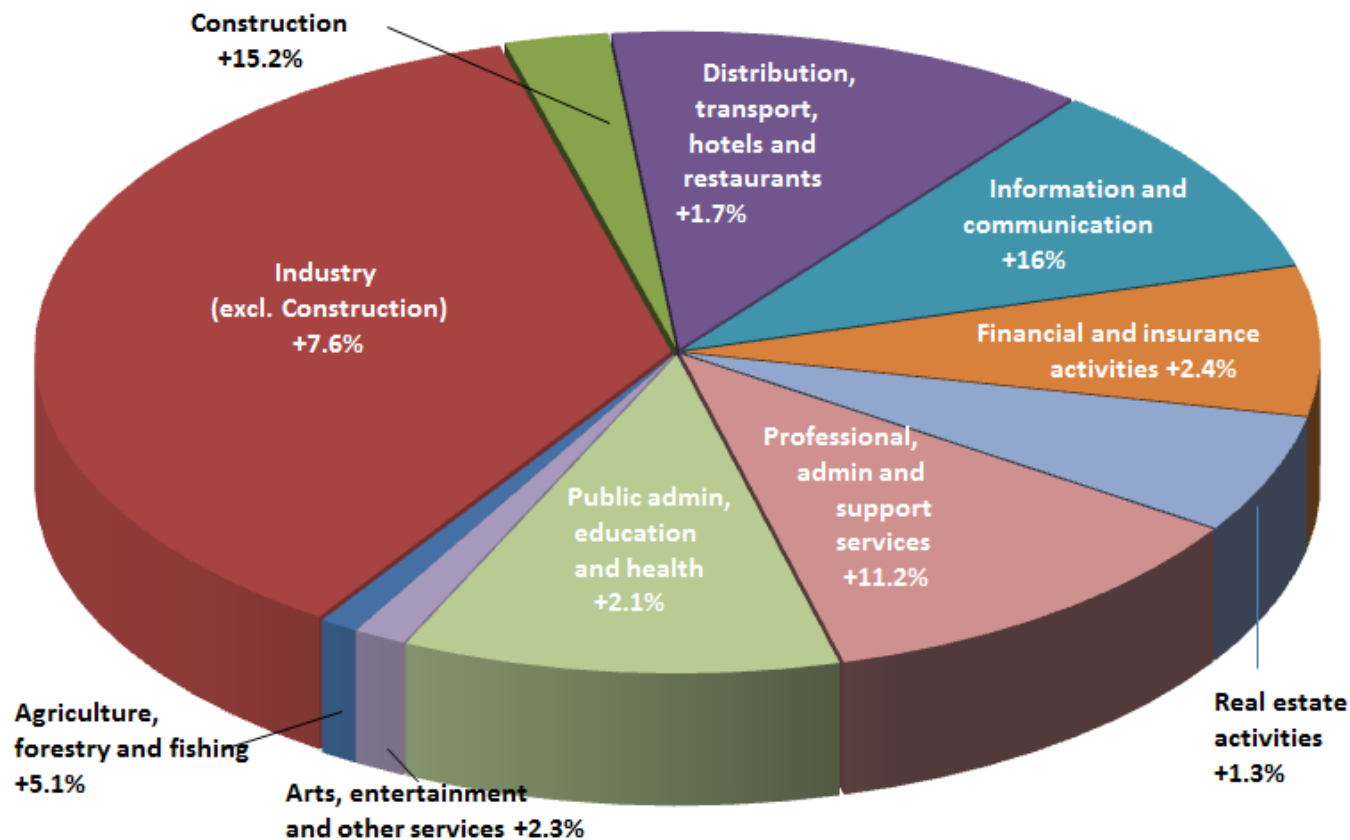
Government Deficit as a percentage of GDP and Modified GNI



2017 Annual GDP % Change in Constant Prices by Country

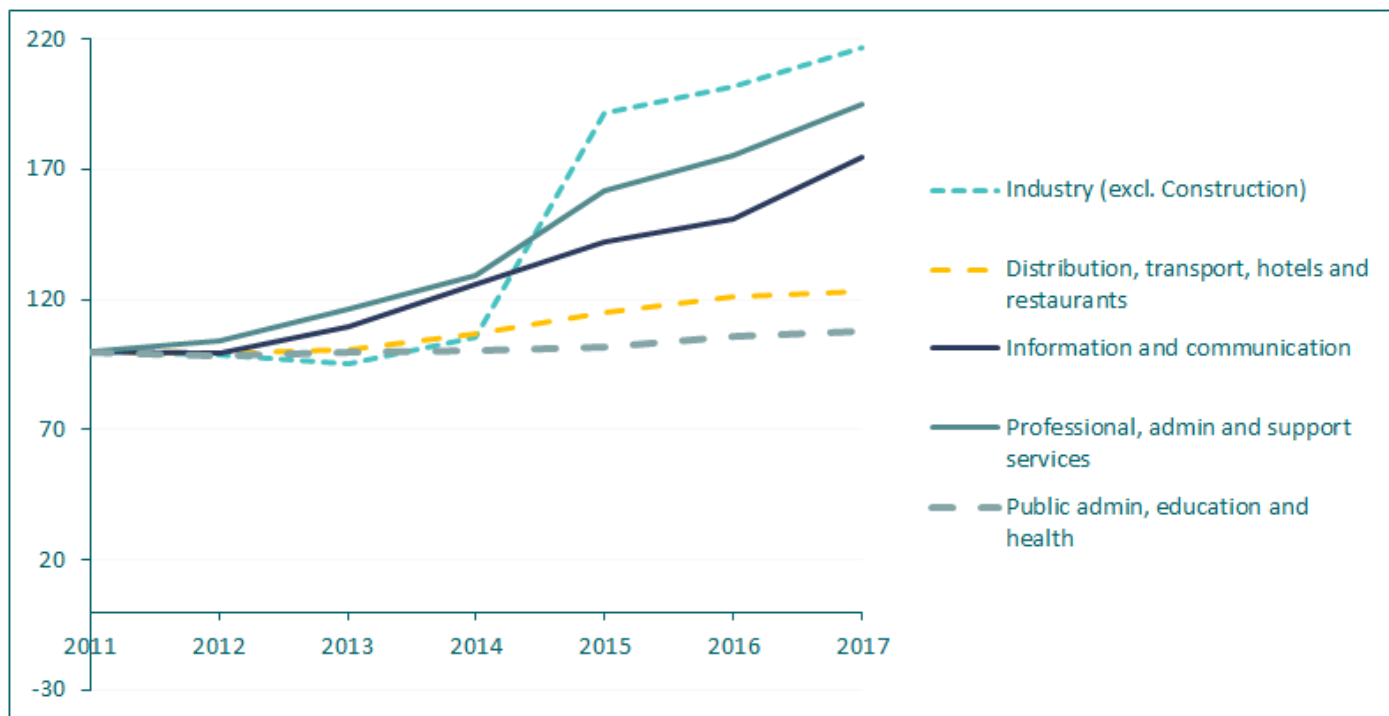


Annual Sector Growth by Share of GDP and Growth Rate - 2017

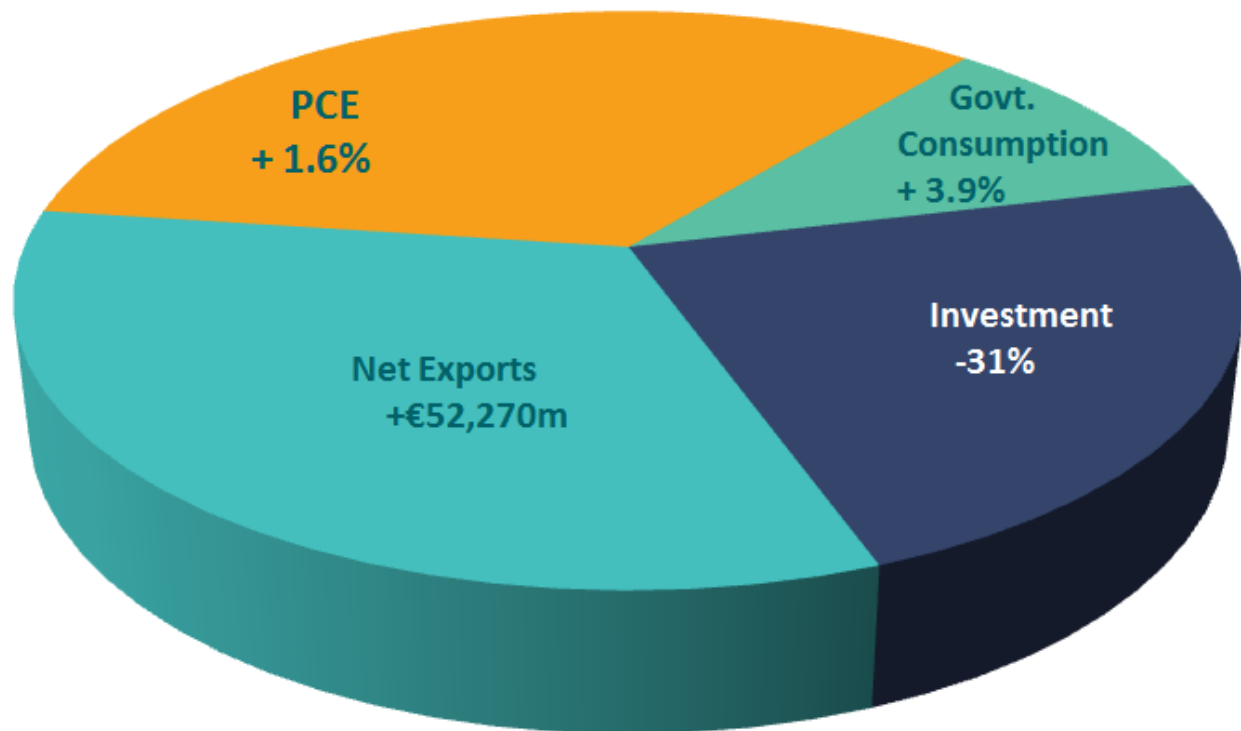


Trends in Value Added by Sector

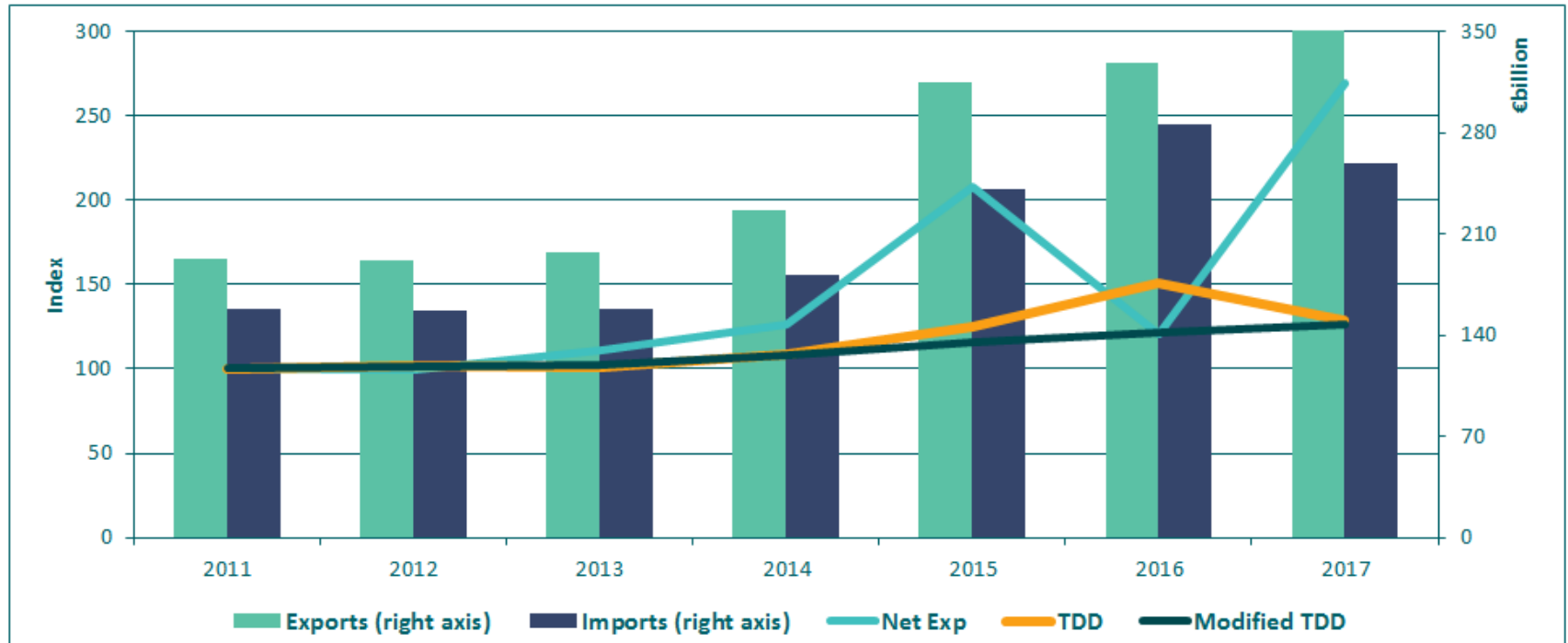
2011 = 100



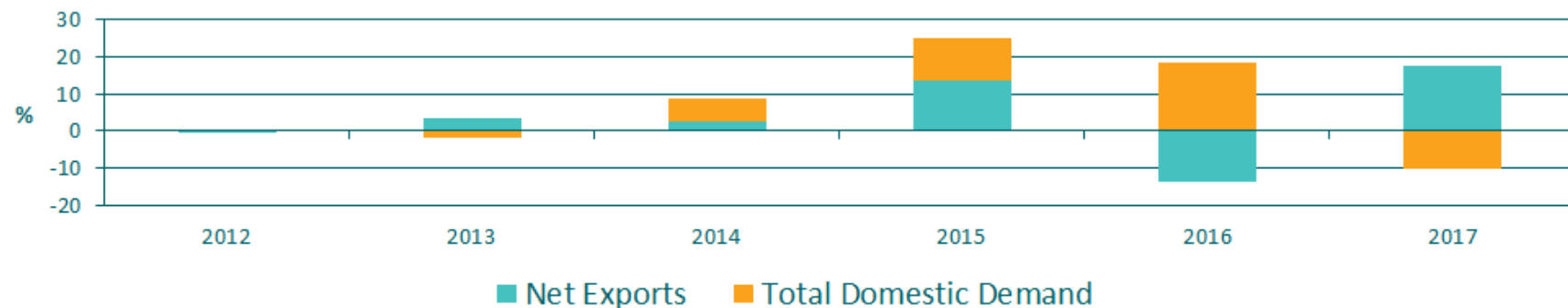
Annual Expenditure by Share of GDP and Growth Rate 2017



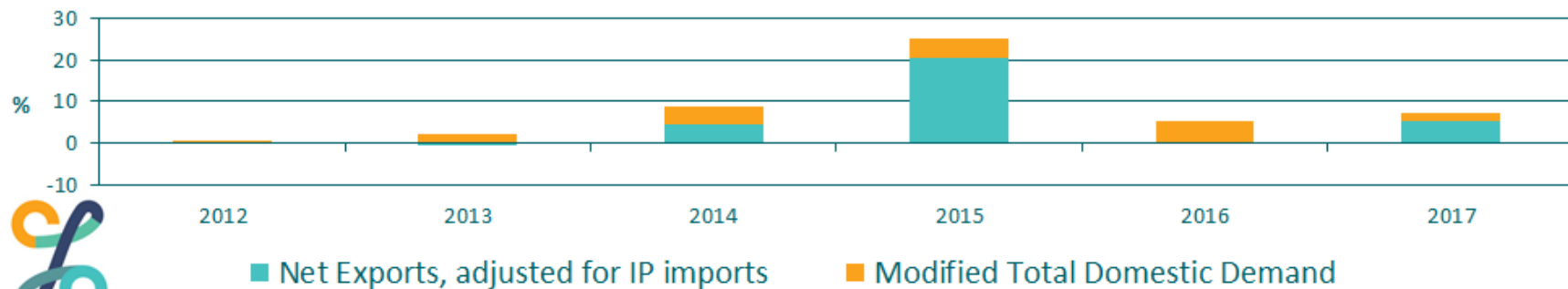
Trend in TDD, MDD and Net Exports 2011 = 100 v's Total Exports and Imports



Contribution of Domestic Demand and Net Exports to Annual GDP Growth



Contribution of Modified Domestic Demand and Modified Net Exports to Annual GDP Growth



Personal Consumption Expenditure 2017/2016

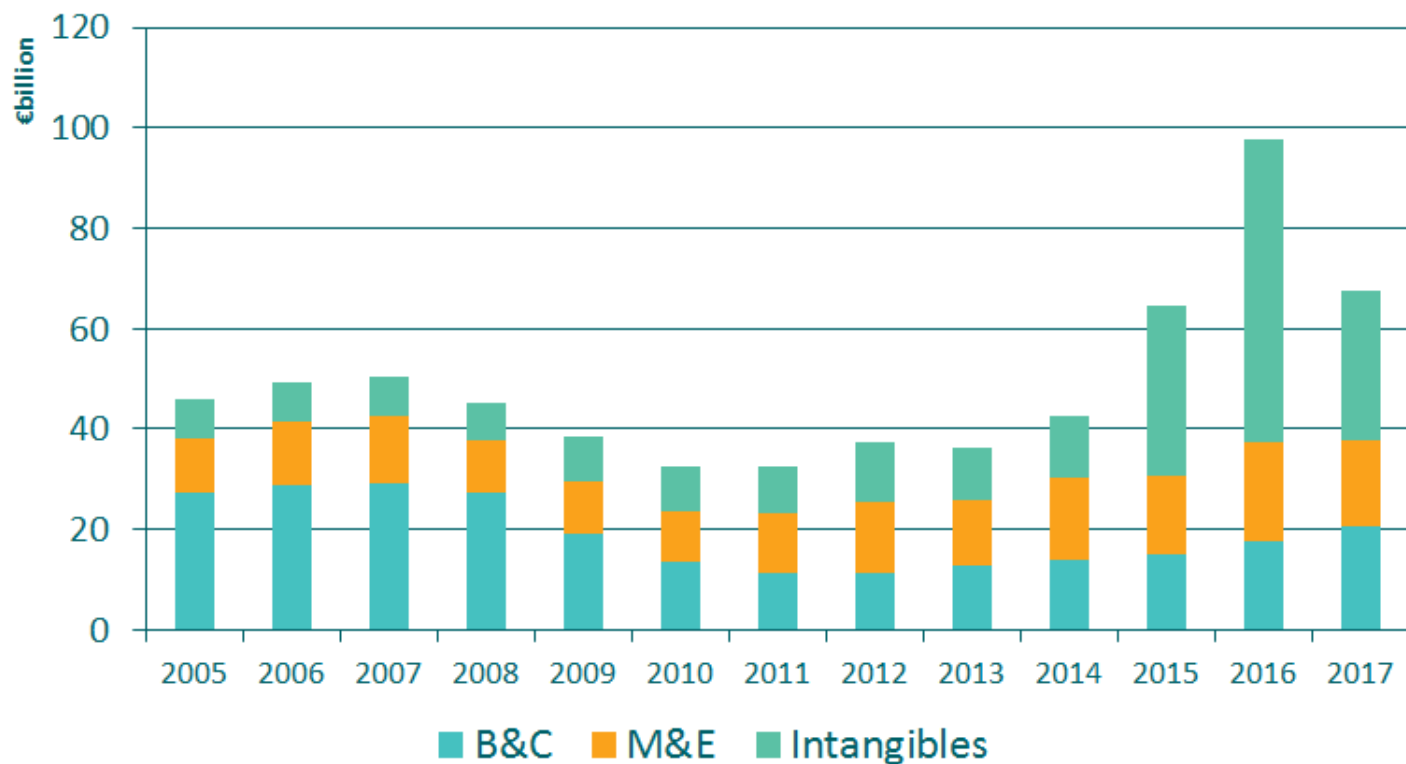
Annual PCE Total +1.6% in volume compared to 2016

- Goods +1.1% Many goods up including clothing and tobacco, but private cars are down.
- Services +2.0%
- Many services up including insurance and professional services, electricity and gas are down.



Composition of Capital Formation 2005 – 2017

Constant prices - chain linked



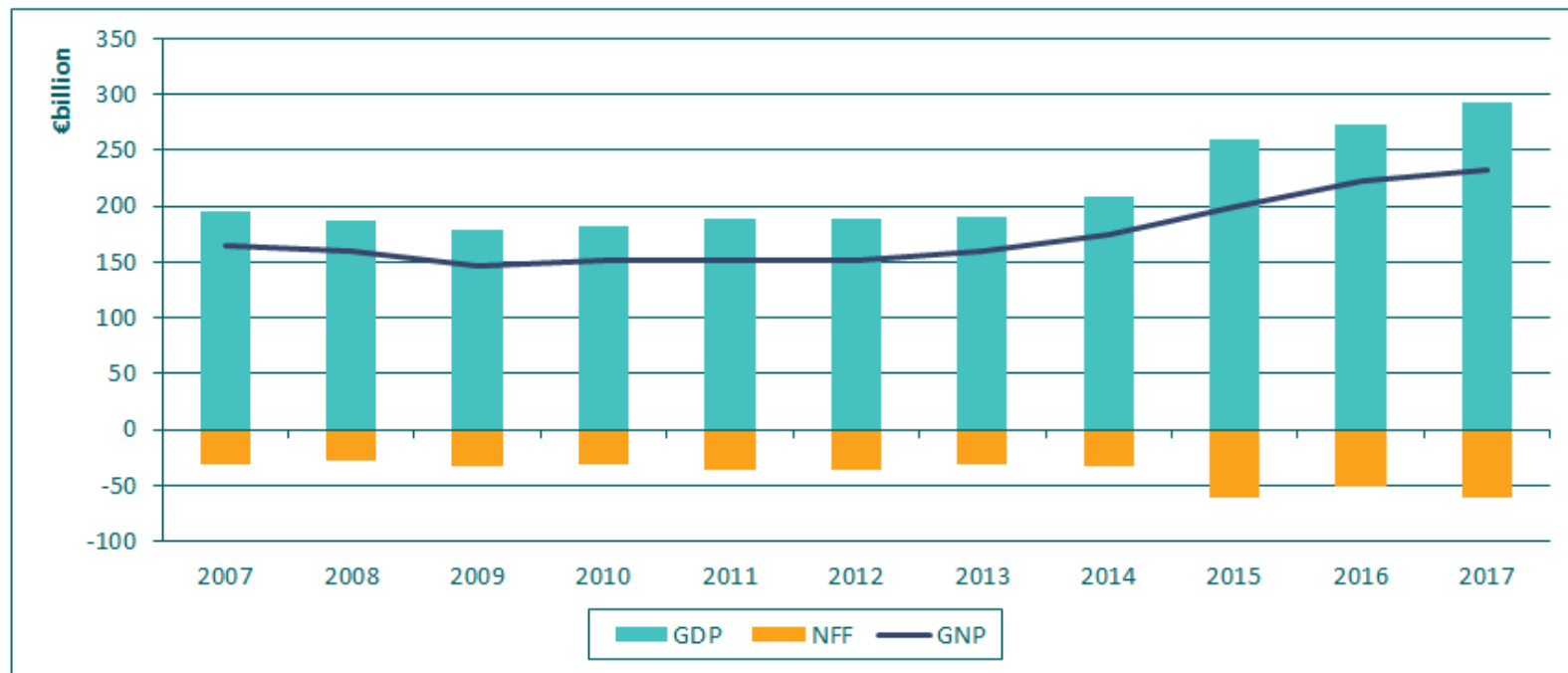
Capital Formation 2017/2016

Total -31.0%

Buildings & Construction	+16.0%
New dwellings	+42.8%
All other B&C	+12.6%
Remainder of Cap Formation	-41.4%
Machinery and Equipment	-11.2%
Aircraft down approximately €897m compared to last year	
Machinery and equipment would be -6.6% if aircraft had been unchanged	
Intangibles	- €29,524m
Excluding net R&D imports	+19.7%



GDP, GNP and Net Factor Flows 2007 – 2017



2017 Annual Summary

GDP +7.2% GNP +4.4%

Expenditure:

- PCE +1.6%
- Government Expenditure +3.9%
- Investment -31%
- Net Exports up €94,624m

Total Domestic Demand -13.3%

Modified Domestic Demand +1.4%

Output:

- Industry +7.6%
- Information & Communication +16%
- Professional, Admin & Support +11.2%
- Public Administration +2.1%
- Financial & Insurance Activities +2.4%

Net Factor Outflows €61,027m

(€51,082m in 2016)



National Accounts

Quarter 1 2017

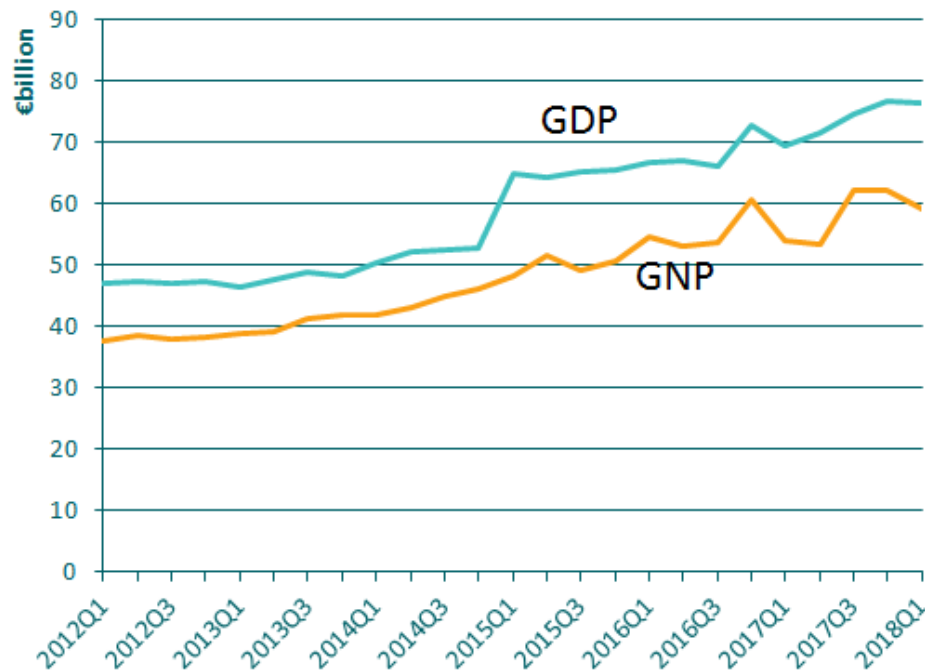


Quarter 1 2018 – Constant Prices, Seasonally Adjusted

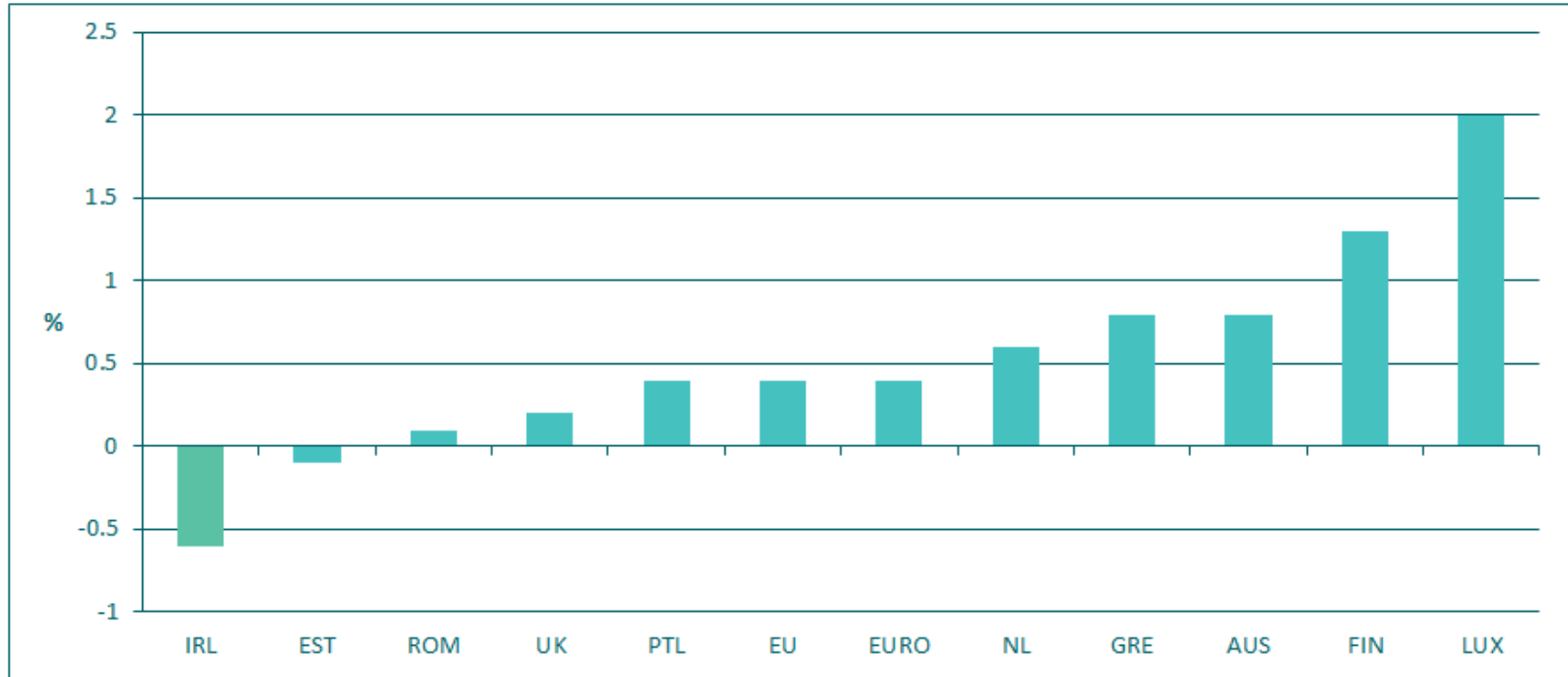
Seasonally Adjusted
Quarterly Changes

GDP - 0.6%

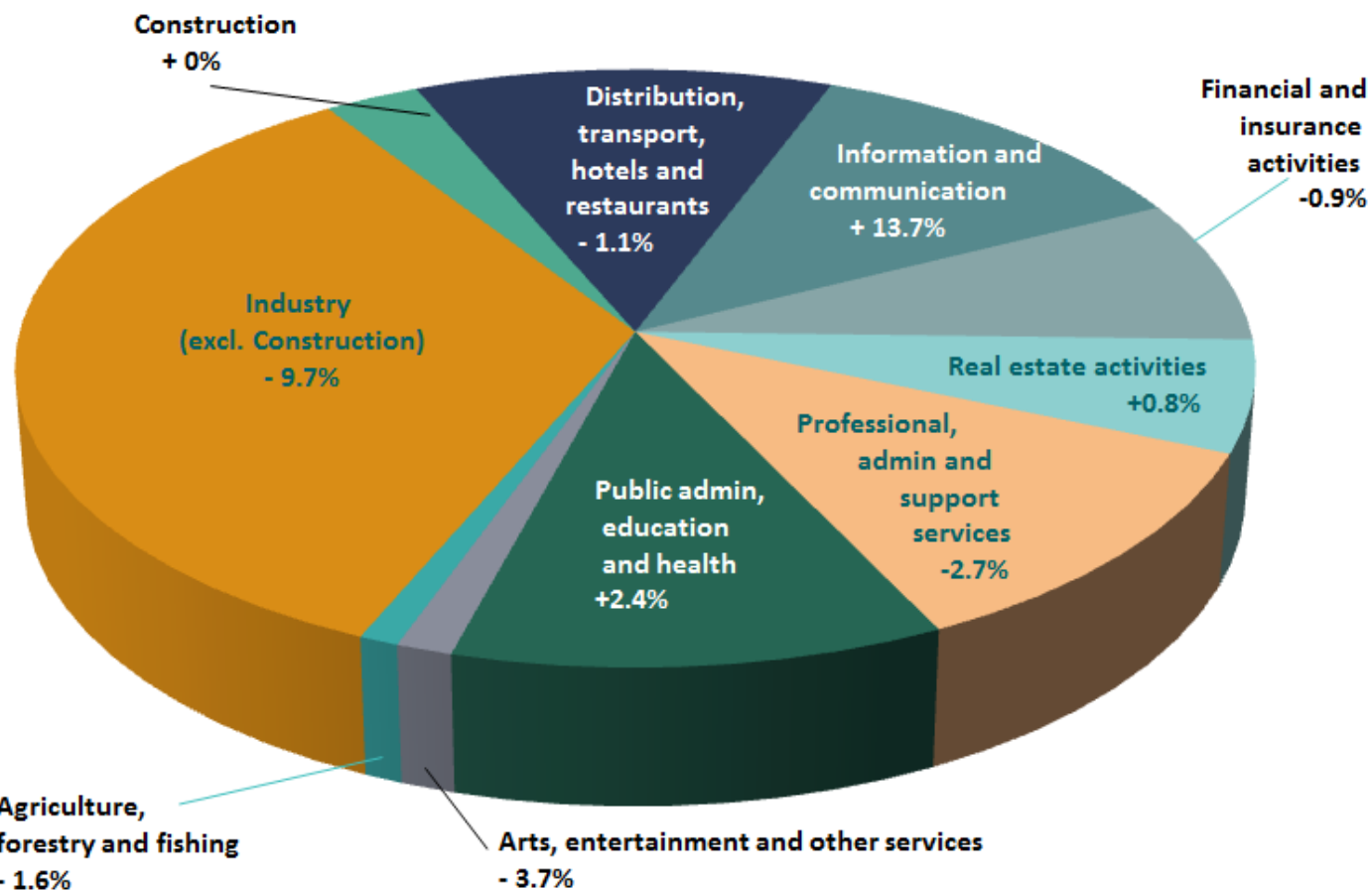
GNP - 4.9%



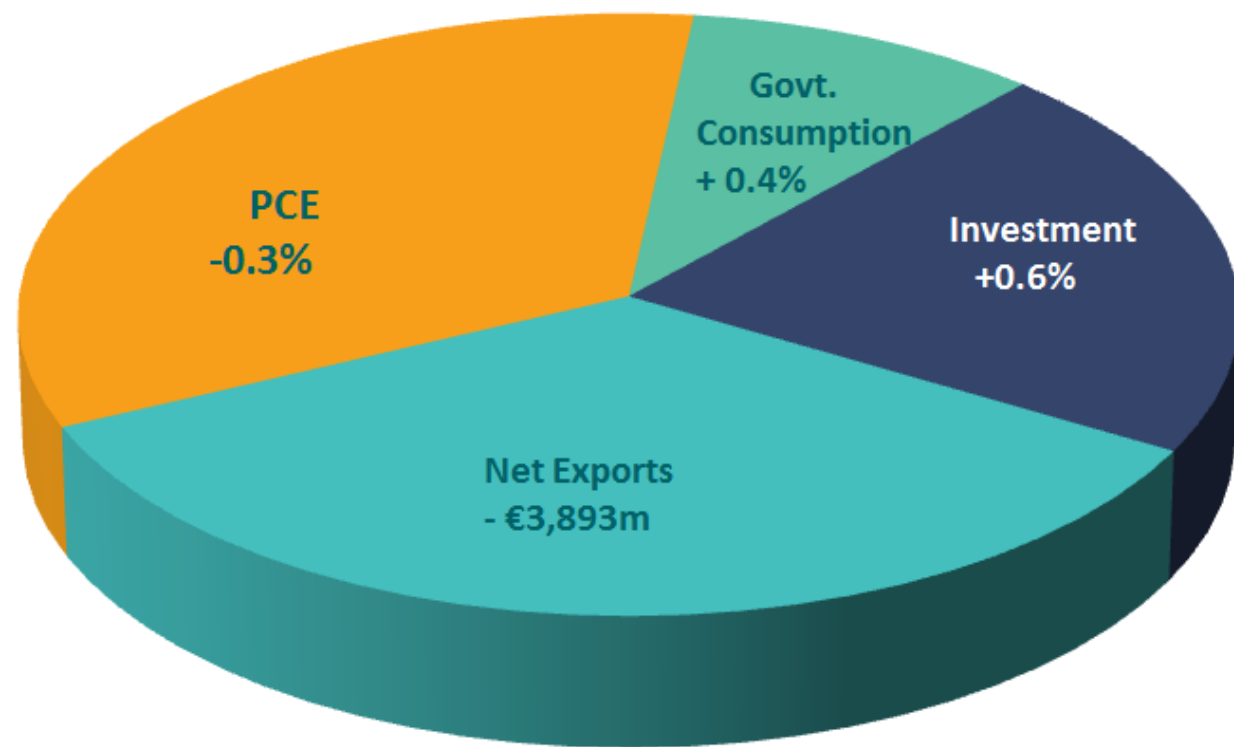
Q1 2018 GDP % Change by Country - Seasonally Adjusted



Sector Growth by Share of GDP and Growth Rate Q1 2018 Seasonally Adjusted

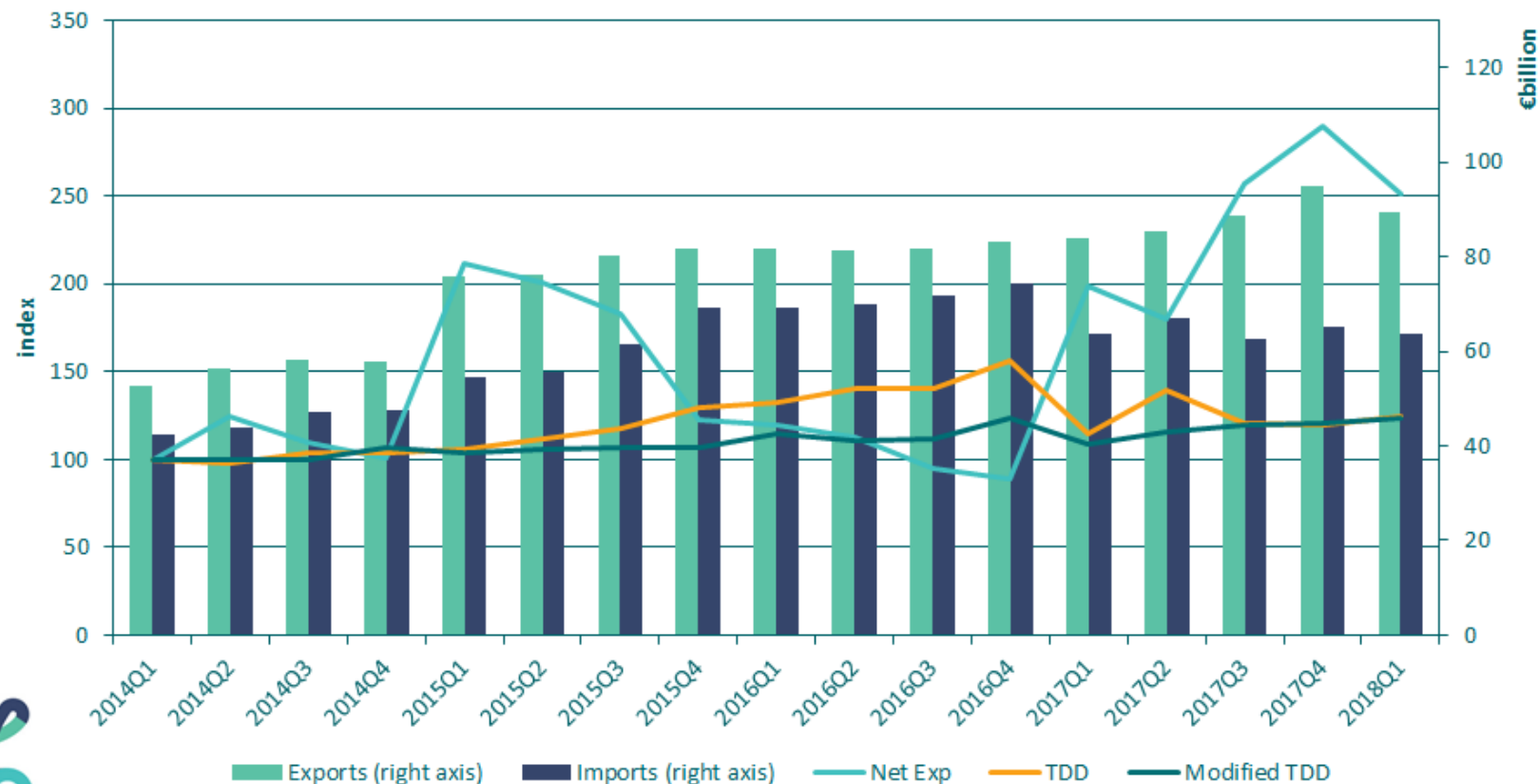


Expenditure by Share of GDP and Growth Rate Q1 2018 Seasonally Adjusted

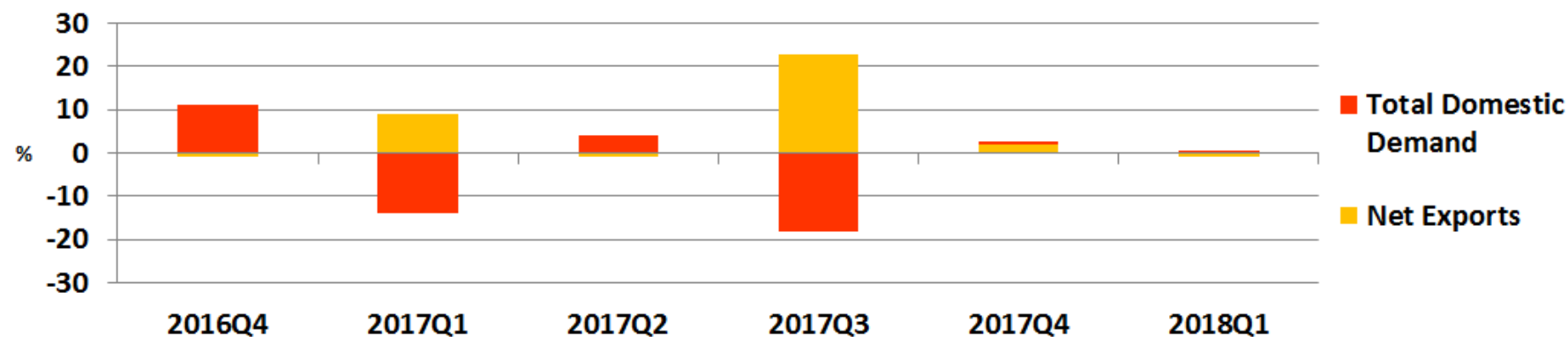


Trend in Domestic Demand and Net Exports

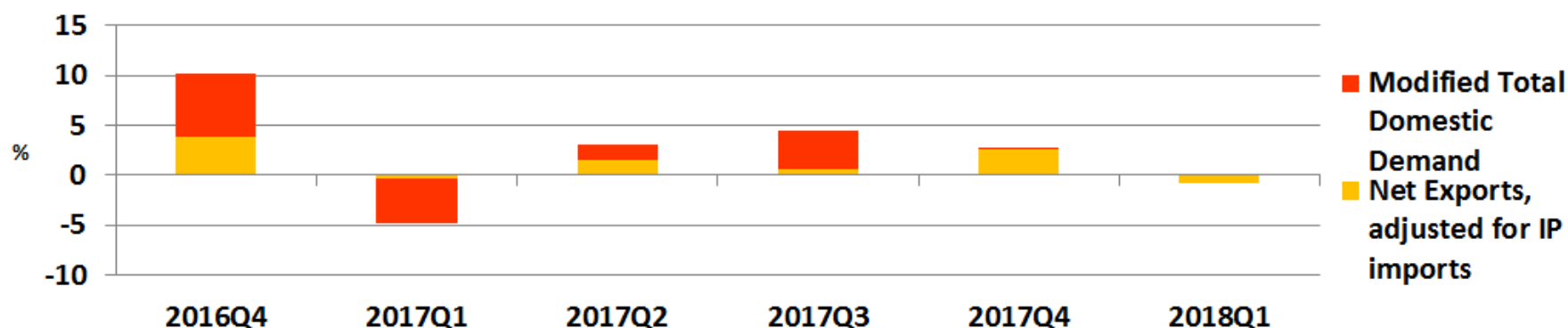
2014 Q1 = 100 v's total exports and imports



Contribution of Total Domestic Demand and Net Exports to Quarterly GDP Growth



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



Personal Consumption Expenditure

Q1 2018/Q4 2017

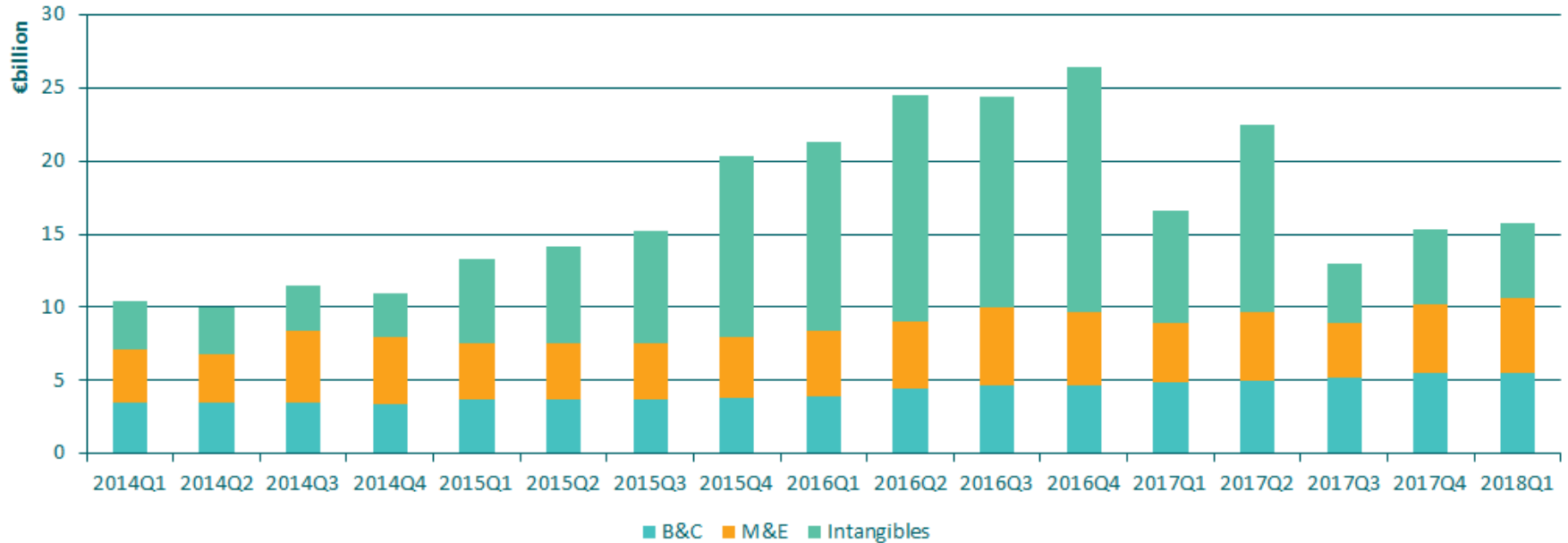
Total -0.3% (seasonally adjusted)

- Goods +0.5%
 - Services - 0.3%
-
- Some goods up including Cars and Medical goods.
 - Some services down including professional services while expenditure by non-residents is up contributing to negative result.



Capital Formation Q1 2018

constant prices, seasonally adjusted



Capital Formation Q1 2018/Q4 2017

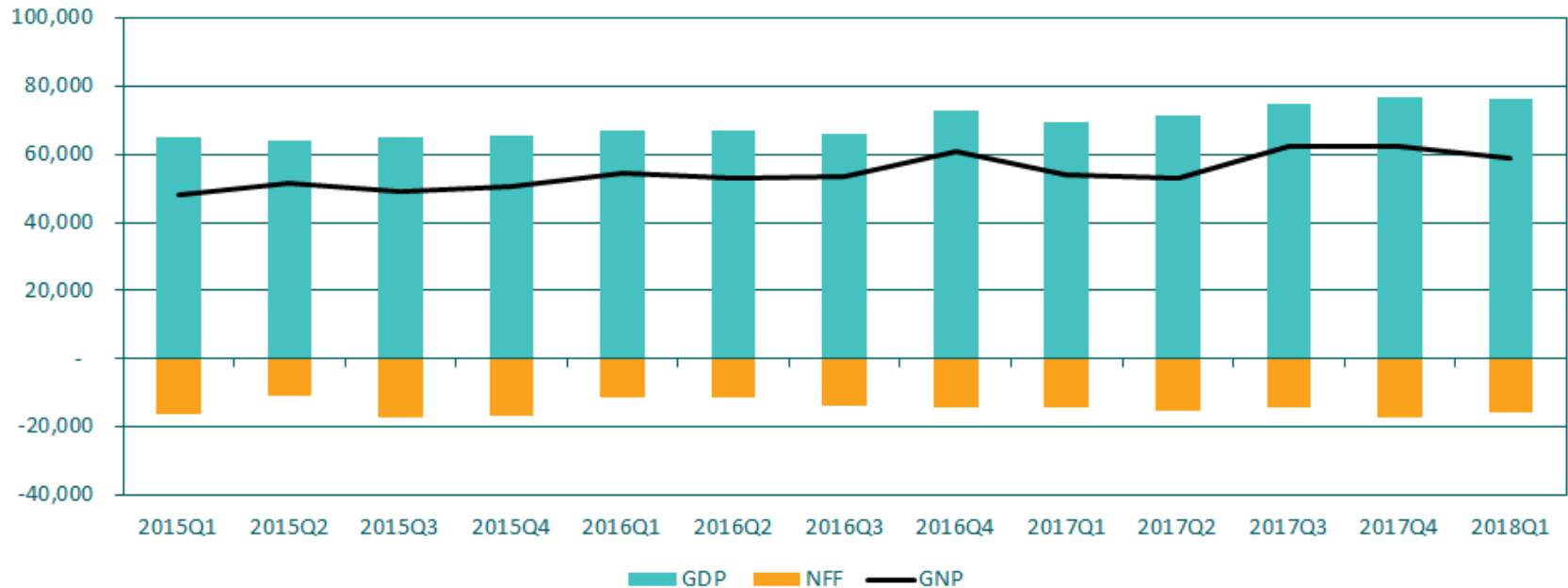
Total +0.6% (seasonally adjusted)
this quarter v's last quarter

Building and construction	-0.4%
Machinery and equipment	+8.9%
Intangibles	-0.5%
Machinery and equipment excl. aircraft leasing	+12.6%
Intangibles excl. net R&D imports	-28.8%



GDP, GNP and Net Factor Flows

Q1 2015 – Q1 2018



Quarterly Summary

GDP -0.6% GNP -4.9%

Expenditure:

- PCE -0.3%
- Government Expenditure +0.4%
- Investment +0.6%
- Net Exports up -€3,894m

Total Domestic Demand +3.7%

Modified Domestic Demand +2.8%

Output:

- Industry -9.7%
- Information & Communication +13.7%
- Financial & Insurance Activities -0.9%
- Professional, Admin & Support -2.7%
- Dist, Trans etc. -1.1%
- Public Admin Educ, Health +2.4%

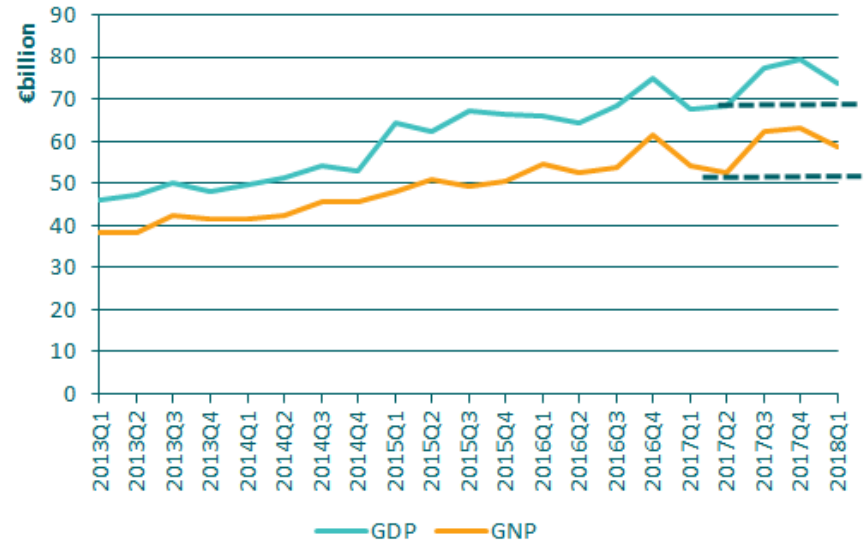
Net Factor Outflows €15,489m
(€17,188m in Q42017)



Year-on-Year Growth Rates Q1 2018/Q1 2017

GDP + 9.1%

GNP + 8.8%





**An
Phríomh-Oifig
Staidrimh**

Central
Statistics
Office

Section: Balance of Payments

Quarter 1 2018 & Year 2017 Results

New Information & Revisions to BOP Series

New data series:

- Quarterly detail on Goods for Processing
- New series on Royalties imports and exports in the Pharma and ICT sector
- New series on R&D related IP imports and exports
- Redomiciled PLC's note updated
- CA* updated to adjust for exports of IP and R&D services

Main Data Revisions:

- Consistency of treatment of Research and Development in Ireland's National Accounts and Balance of Payments
- Improved estimates of Trade in Financial Services
- Review of Merchanting of Services



Quarterly detail on Goods for Processing

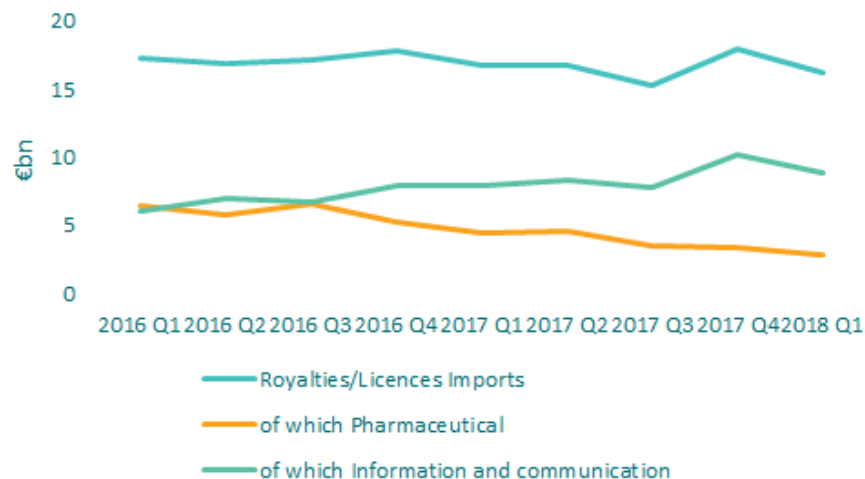
Table 2a Current Account

Table 2a Current Account								€ million
		2016	2017	2017				2018
		Year		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1
Current Account								
Merchandise	Exports	193,160	192,854	45,963	45,793	48,427	52,671	48,485
	Imports	87,072	85,214	20,931	22,248	19,512	22,523	21,407
International trade	Exports	119,267	122,539	32,134	31,030	28,921	30,454	33,514
	Imports	71,934	76,677	18,639	20,519	17,278	20,241	19,327
Goods for processing	Exports	67,436	64,668	15,672	12,985	15,872	20,139	13,821
	Imports	8,379	5,575	1,601	975	1,508	1,491	1,629
Other conceptual adjustments	Exports	115	-1,947	-4,096	-203	2,307	45	-721
	Imports	6,758	2,961	690	753	727	791	451
Merchanting (net export)	Exports	6,341	7,593	2,253	1,980	1,327	2,033	1,871

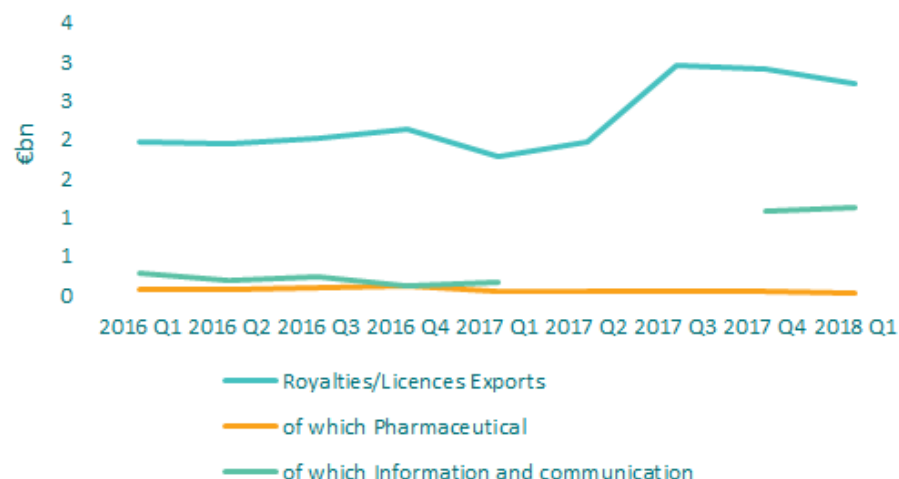


Royalties in the Pharma and ICT sector

Royalties/Licences Imports



Royalties/Licences Exports

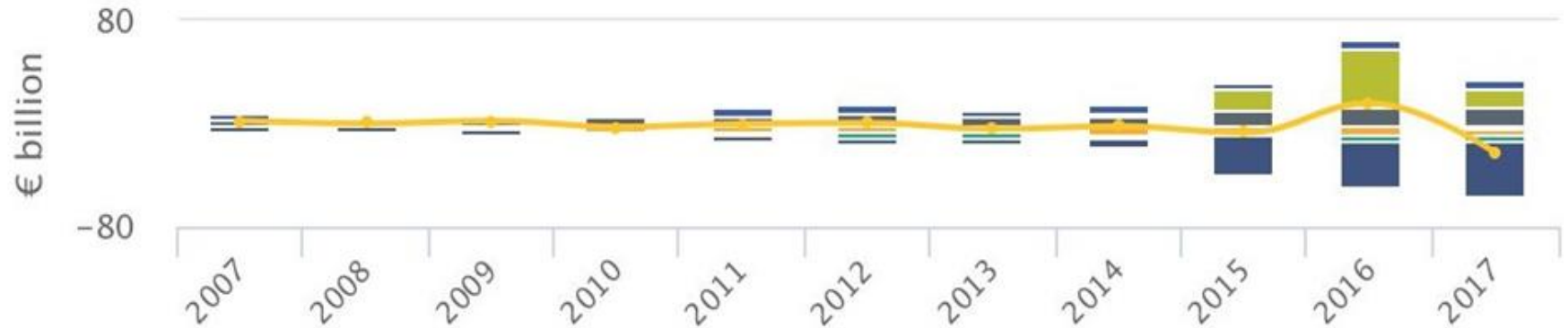


Redomiciled PLC's note updated

Net Income of Redomiciled PLCs										€ million
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total	292	1,594	5,260	5,548	7,097	6,474	6,851	4,663	5,778	4,851



A Modified Current Account Balance for Ireland, CA*

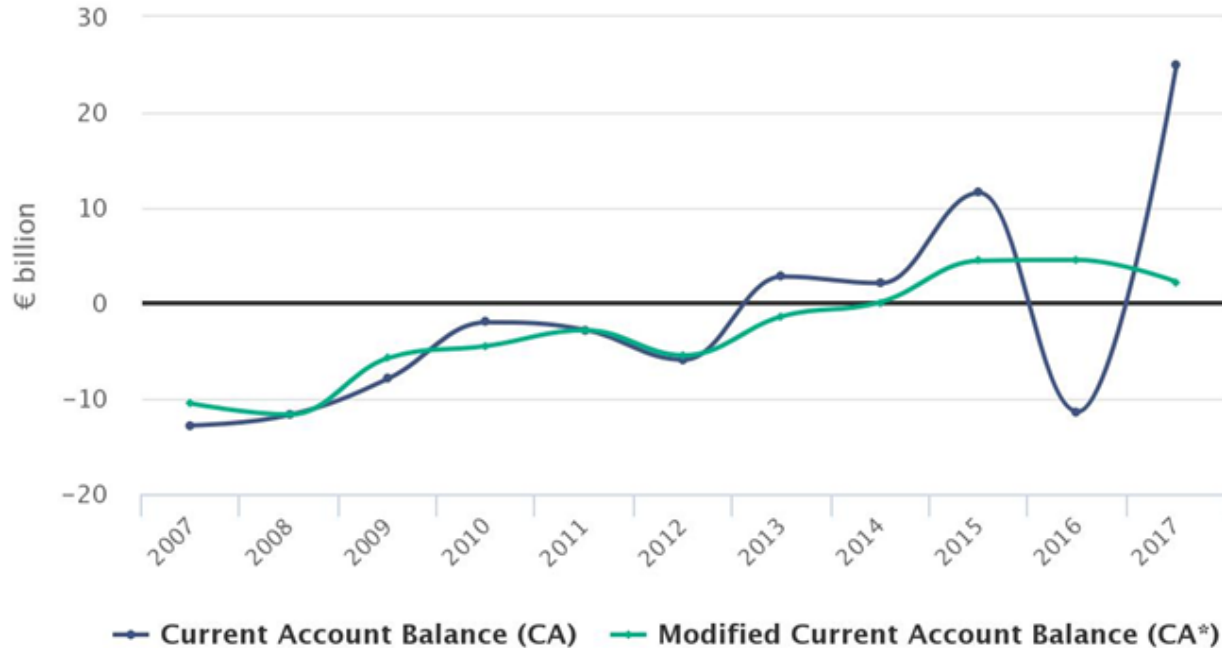


- Depreciation on R&D service imports and trade in IP
- Aircraft depreciation
- Redomiciled Income
- Net Aircraft related to Leasing
- R&D related IP imports
- R&D related IP exports
- R&D service imports
- Difference between CA and CA*

Source: CSO Ireland



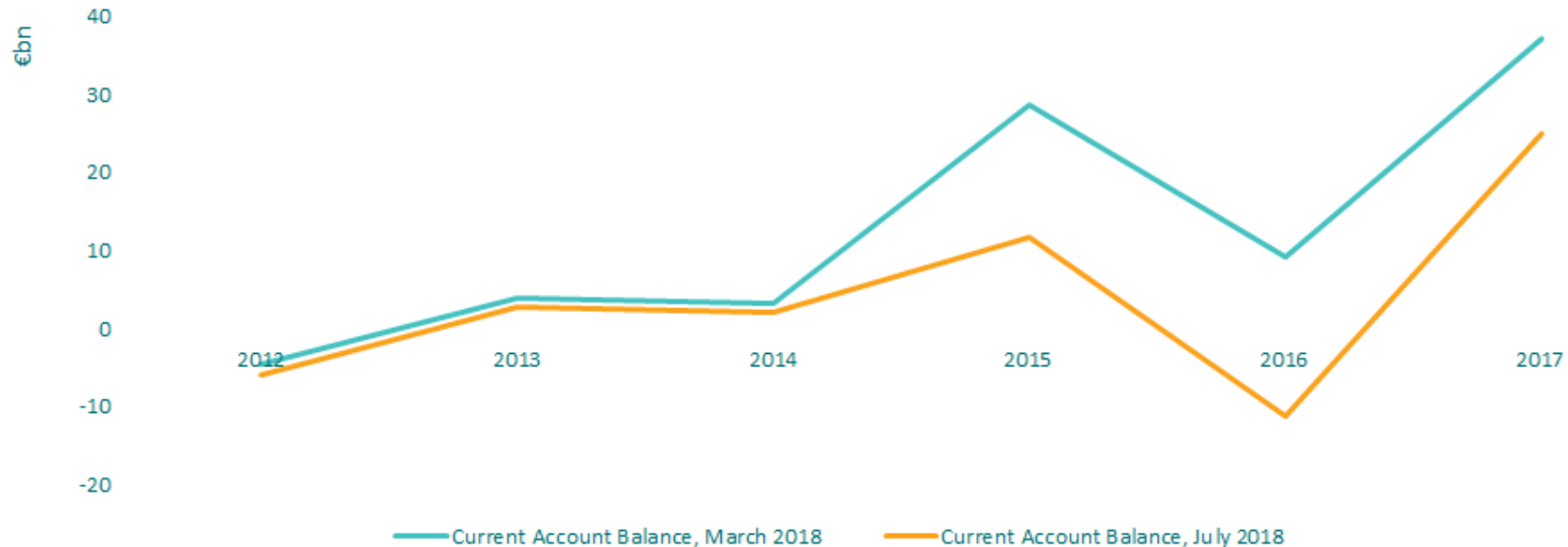
A Modified Current Account Balance for Ireland, CA*



Source: CSO Ireland



Revisions to Current Account Balance



BOP Current Account – Results for Year 2017

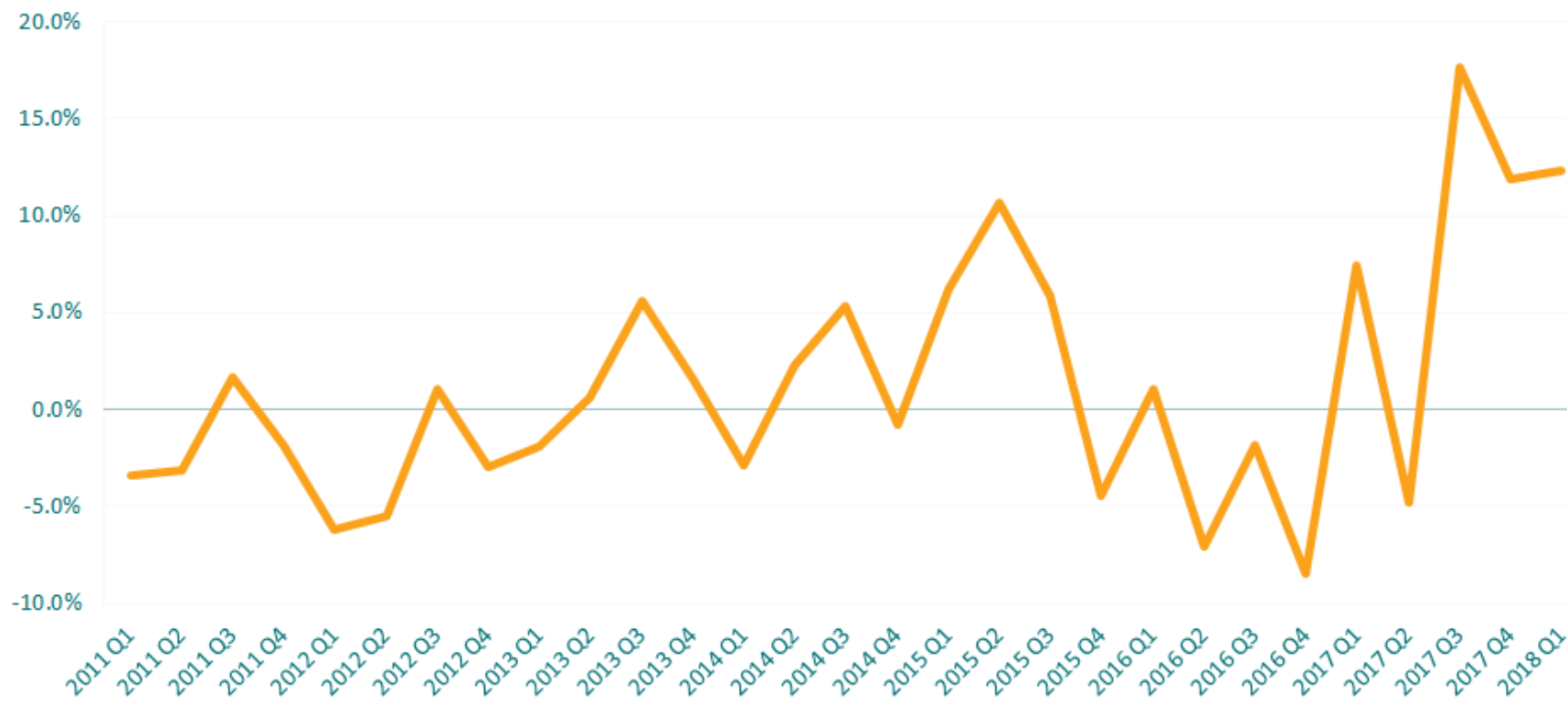
See BOP Table 1

millions

	2017	2016	2015
<i>Current Account Balance</i>	€24,924	-€11,373	€11,556
• <i>Merchandise surplus</i>	€107,639	€106,088	€113,394
• <i>Services balance</i>	-€18,351	-€63,735	-€37,715
• <i>Net Income outflow</i>	-€64,362	-€53,725	-€64,123



Current Account Balance, % of GDP



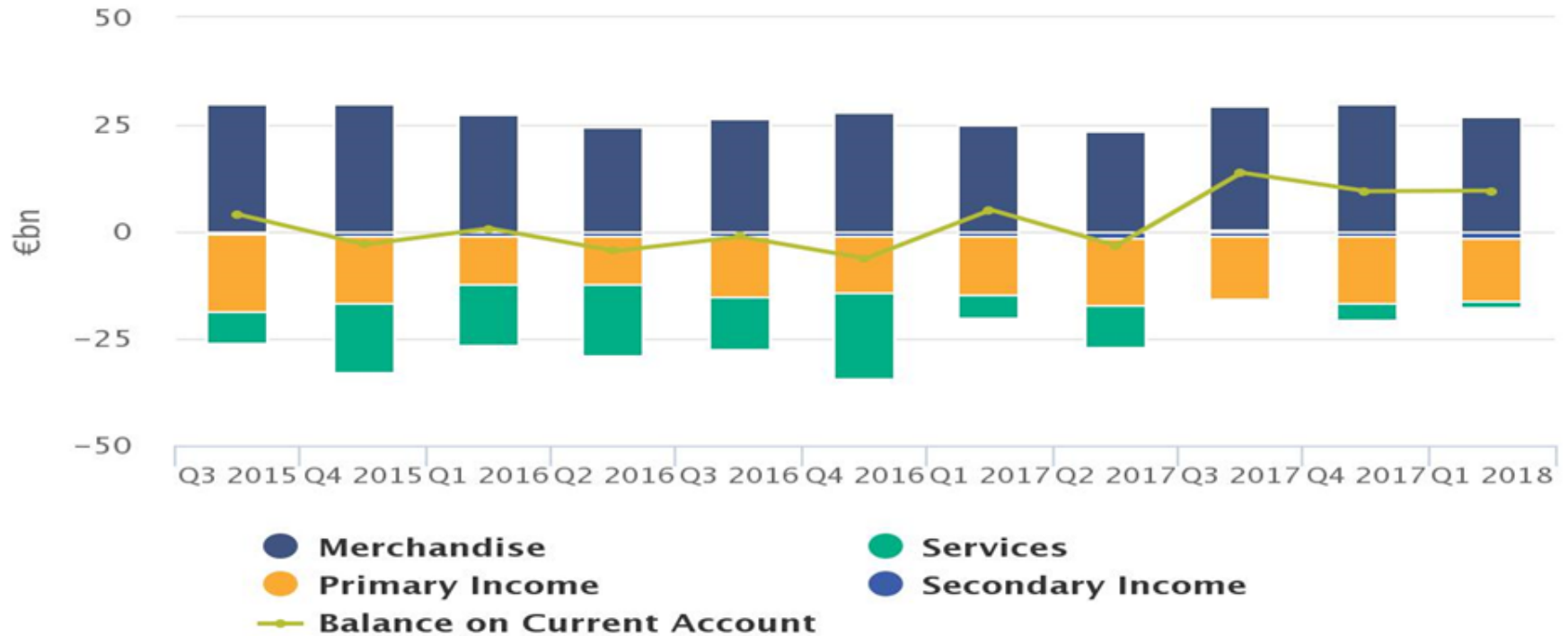
BOP Q1 2018 - Current Account

See BOP Table 1

	Q1 2018	Q1 2017
Current Account Balance	€9,552m	€5,056m
• Merchandise surplus	€27,078m	€25,032m
• Services deficit	-€1,250m	-€5,356m
• Net Income outflow	-€16,277m	-€14,620m



Balance Over Time

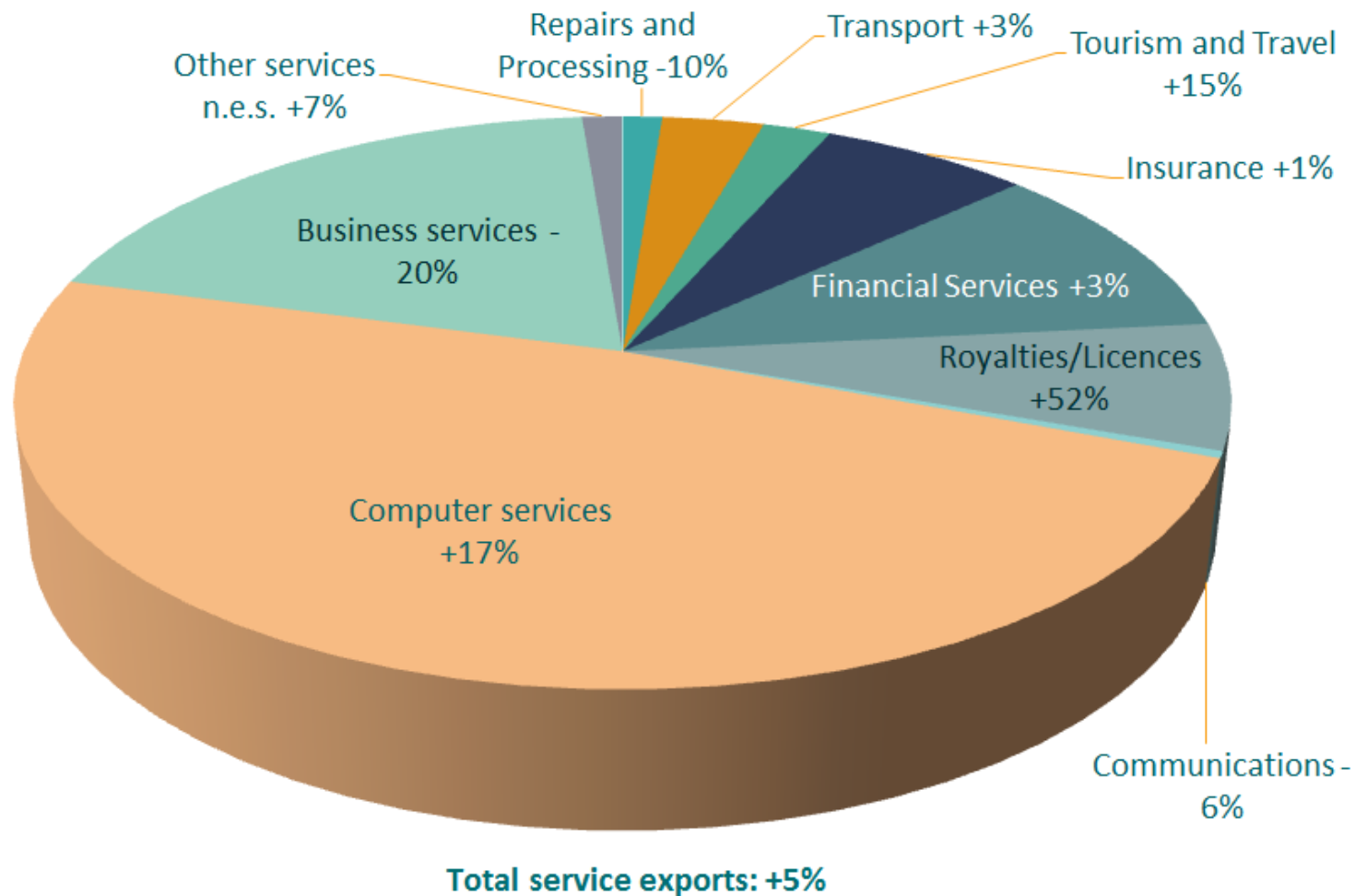


BOP Q1 2018 - Current Account

<i>See BOP Table 2a</i>		<i>Q1 2018</i>	<i>y-o-y Change</i>
Merchandise	exports	€48,485m	+€2,522m
	imports	€21,407m	+€476m
Services	exports	€38,205m	+€1,971m
	imports	€39,455m	-€2,136m
Primary Income	inflows	€18,162m	+€228m
	outflows	€33,133m	+€1,516m
<i>Direct investment profit and interest inflows</i>		€3,868m	-€390m
<i>Direct investment profit and interest outflows</i>		€17,374m	+€625m

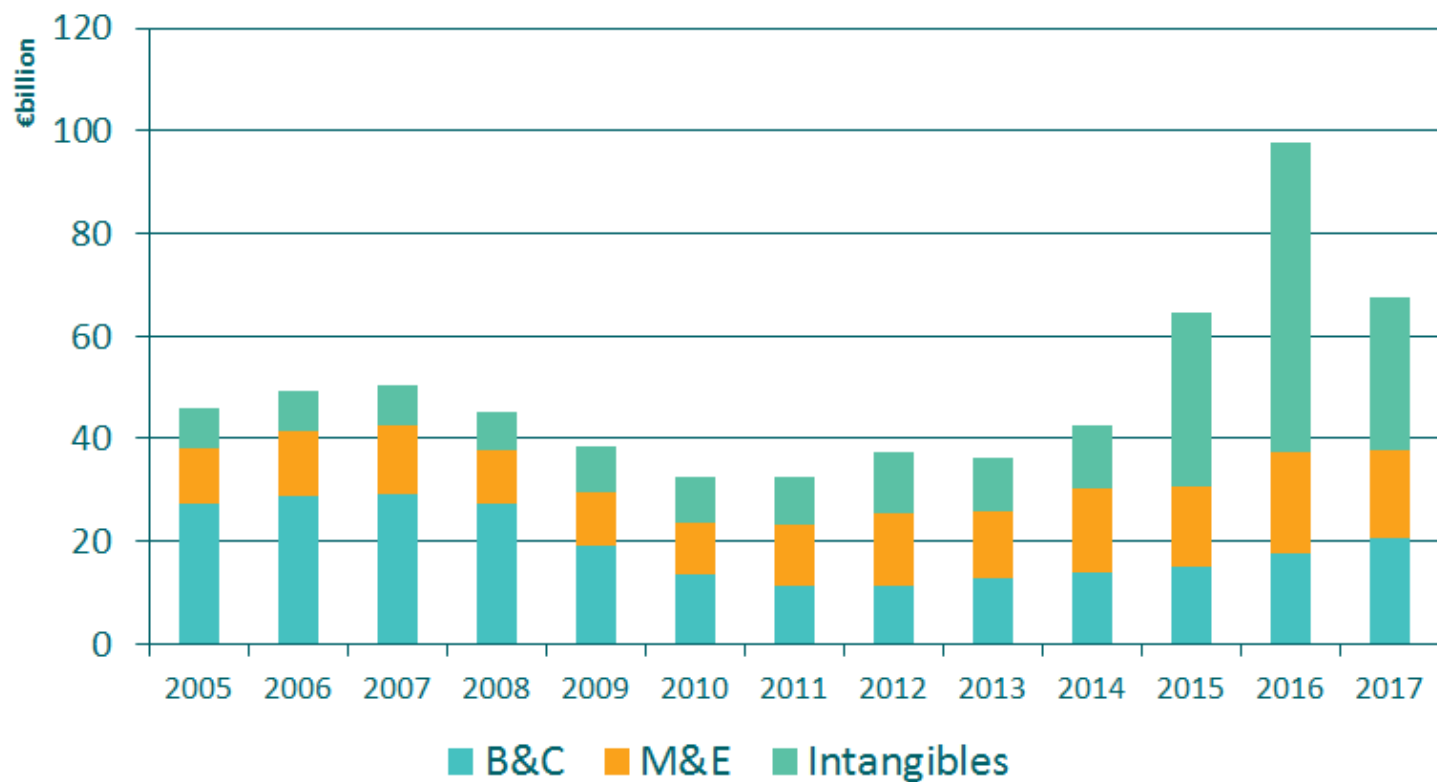


Service Exports Q1 2018 with year on year changes, Table 2a

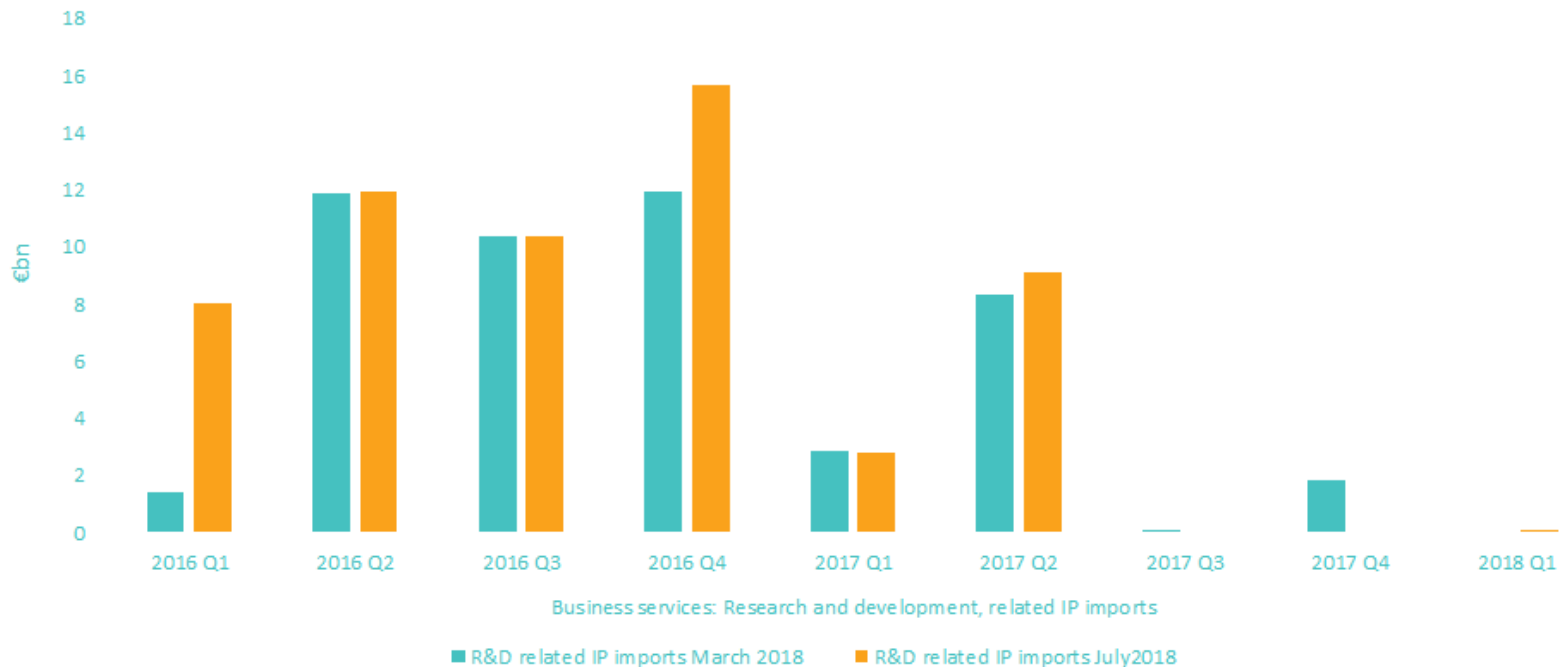


Composition of Capital Formation 2005 – 2017

Constant prices - chain linked



Business services: Research and development, related IP imports



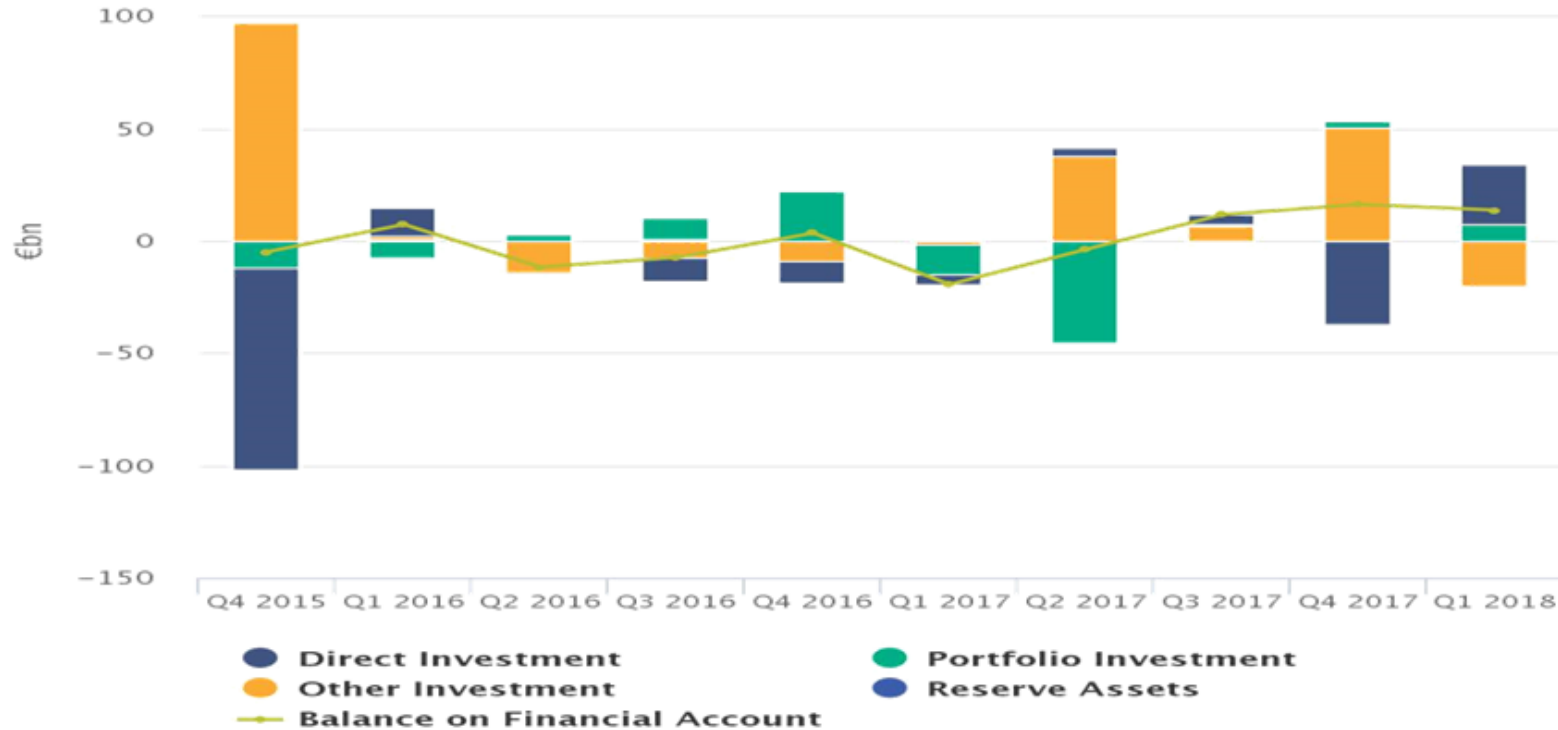
Trade, Income and CA with UK



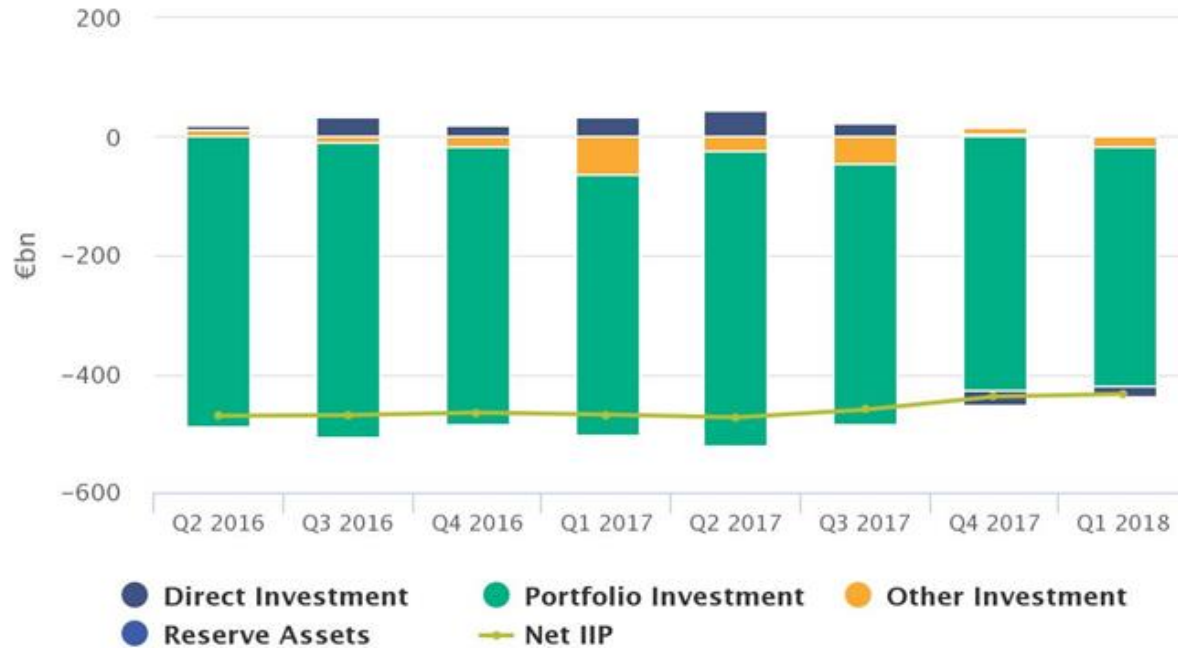
Source: CSO Ireland



Financing Q1 2018



IIP Q1 2018



Source: CSO Ireland



Balance of Payments Summary

- Current Account balance 12.4% of GDP in Q1 2018.
- Surplus for the year 2017 continues on trend with the series without IP imports in 2015 and 2016.
- Current Account balance with the UK showing small deficit of -€778m.
- New data series this quarter, including new CA*.



Key Results - Levels

Indicator (Current Prices)	2016	2017
GDP	€273bn	€294bn
GNP	€222bn	€233bn
GNI*	€176bn	€181bn



Key Results – Growth Rates

Key Indicators (Current Prices)	2016 vs 2015	2017 vs 2016
GDP	5.0%	7.2%
Modified Domestic Demand (MDD)	8.4%	1.4%
Personal Consumption & Expenditure (PCE)	4.0%	1.6%
<i>Employment (FTE)</i>	4.3%	3.4%



Ireland's Economy 2017 And Quarter 1 2018

How Is Our Economy Doing?



+7.2%
Year On Year
GDP Growth
(2017 vs 2016)

-0.6%
Quarterly GDP
Growth
(Q1 2018
vs Q4 2017)

+3.7%
Total Domestic
Demand
(Q1 2018
vs Q4 2017)

What Are We Spending Our Money On?

(2017 vs 2016)



+1.6%
All Personal
Consumption
Expenditure



+3.3%
Food,
Beverages
& Tobacco



+7.7%
Clothing &
Footwear

How Are The Different Parts Of Our Economy Doing?

(2017 vs 2016)



+7.6%
Industry



+15.2%
Construction



+16.0%
Information &
Communication

Our Interactions With The Rest Of The World

€107.6bn
Goods Net
Exports

€18.4bn
Services Net
Imports



€24.9bn
Current Account

€61.0bn
Net profit outflow

Removing The Effects of Globalisation

€2.2bn
Current Account*

+2.8%
Modified Domestic Demand
(Q1 2018 vs Q4 2017)



€234.2bn
GNI

€181.2bn
GNI*