

# Embargo on Information

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

18 July 2019

Quarterly National Accounts Table 1-8 and Statbank Tables NQQ40 and NQQ41 have been updated since publication on Thursday 11 July 2019. Please see Errata Note dated 18 July 2019 in QNA Q1 2019 release for further details. On foot of the update, Press Conference Slides 26, 34, 35 and 63 have also been updated.





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# National Accounts International Accounts Annual 2018 & Quarter 1 2019

Media Briefing  
11 July 2019



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# National Accounts Annual 2018





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# National Accounts NIE 2018



# NIE 2018

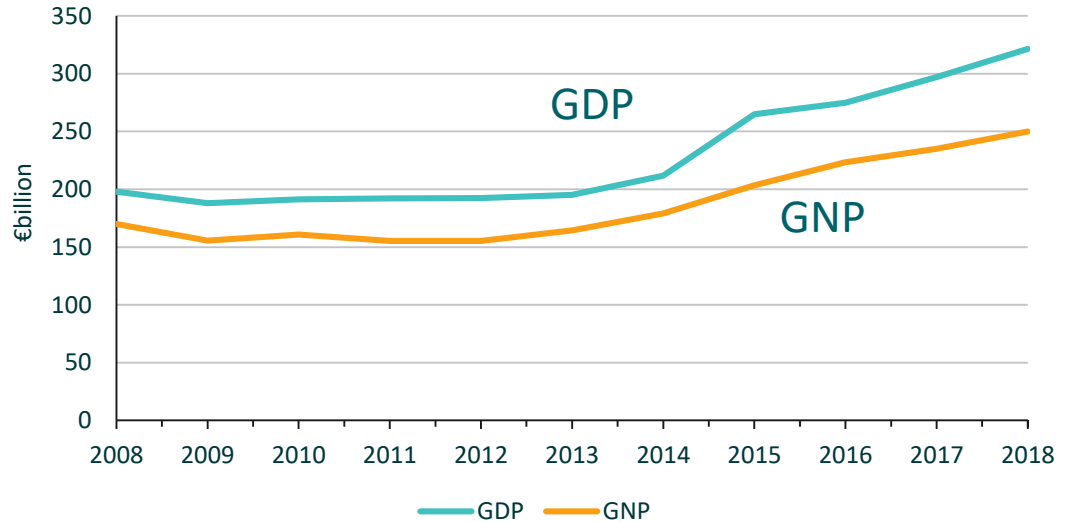
## Year-on-Year Growth Rates

GDP +8.2% (+6.7%)

GNP +6.5% (+5.9%)

*Previous preliminary  
annual estimates in  
brackets*

## Annual GDP & GNP Constant Prices 2008 - 2018



# NIE 2018 – Standard Annual Revisions

New data since Q4 2018:

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

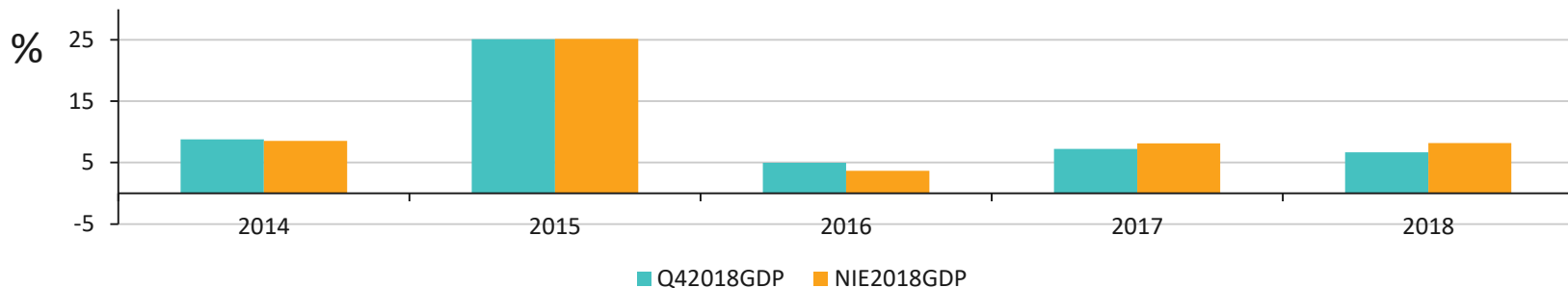


# NIE 2018 – Other

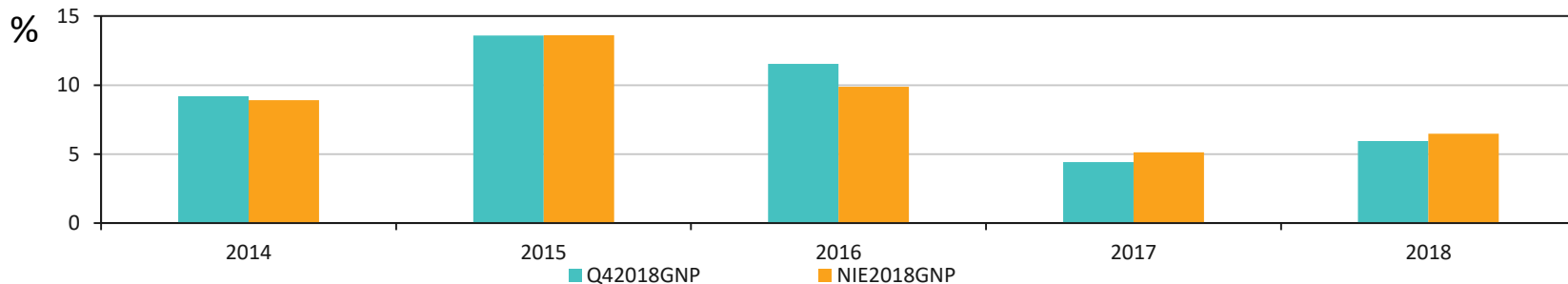
- Introduction of new Table on Output and Intermediate Consumption in the Economy
- Introduction of four new tables on revisions in NIE



# Preliminary and Current Estimate of Real GDP Growth Rates

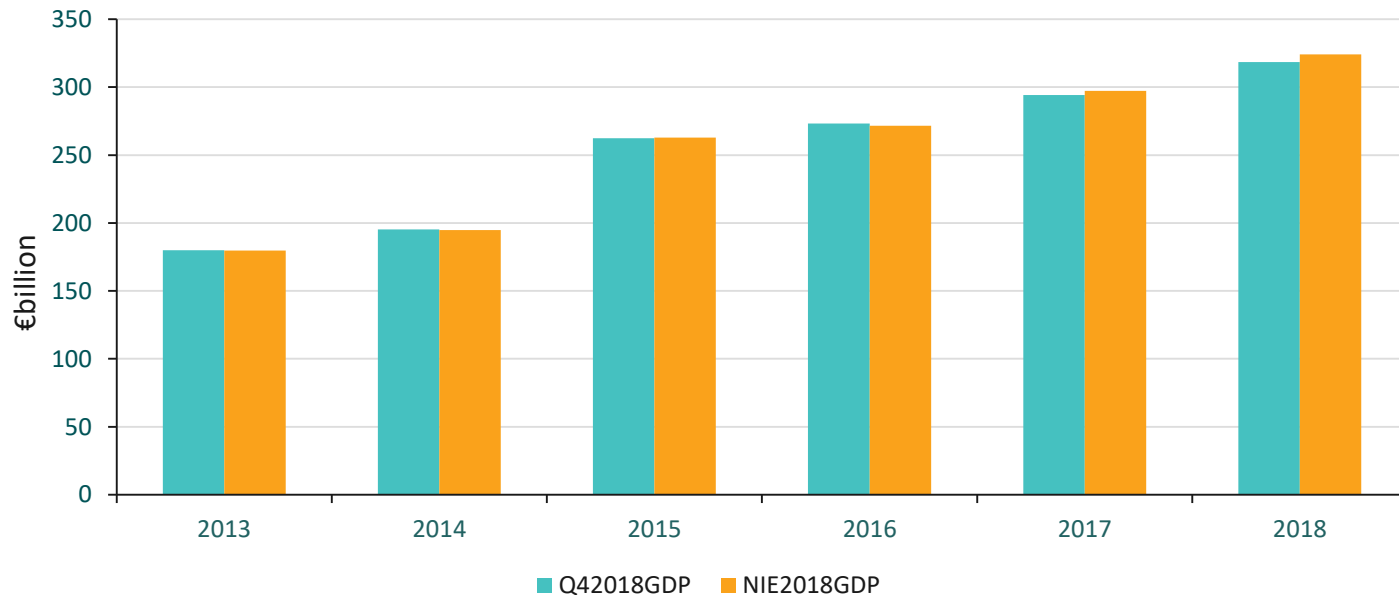


# Preliminary and Current Estimate of Real GNP Growth Rates

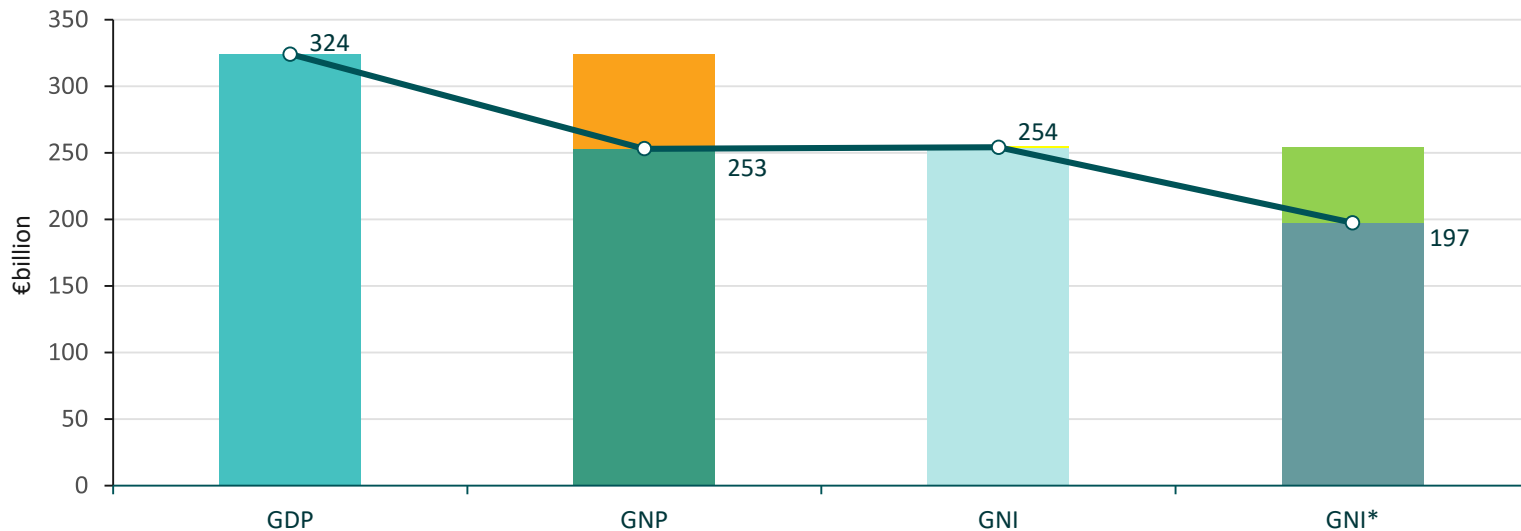




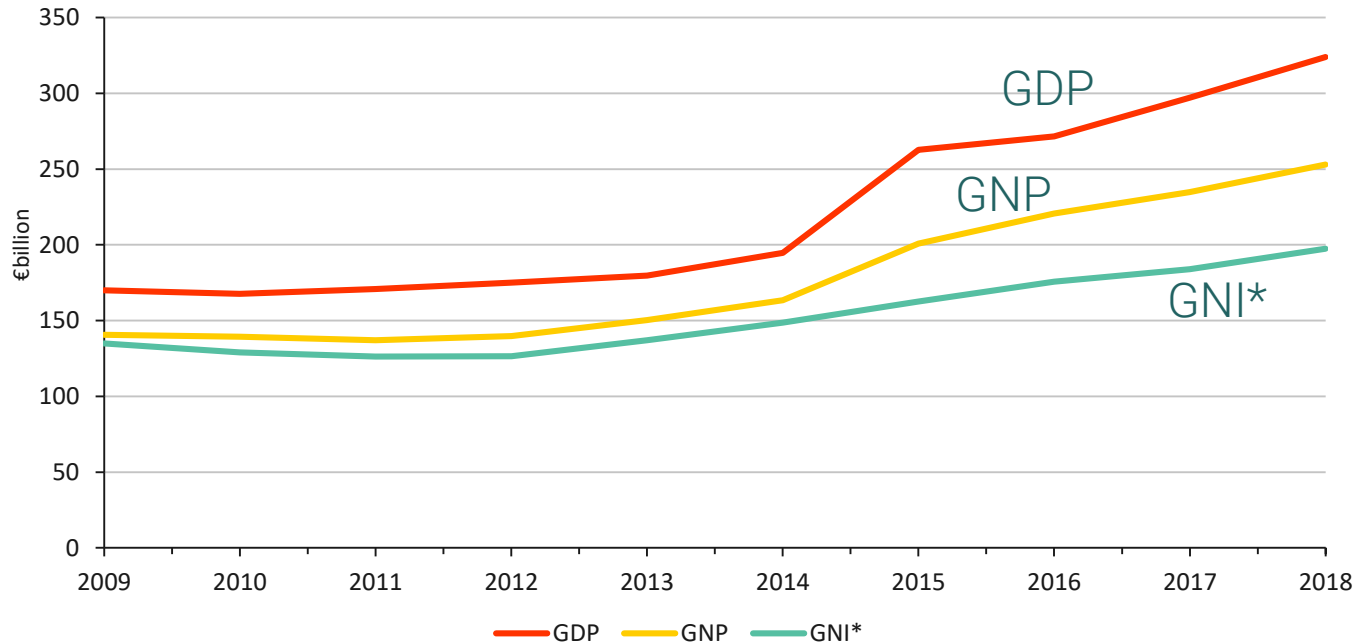
# Preliminary and Current Estimate of Annual GDP at Current Market Prices



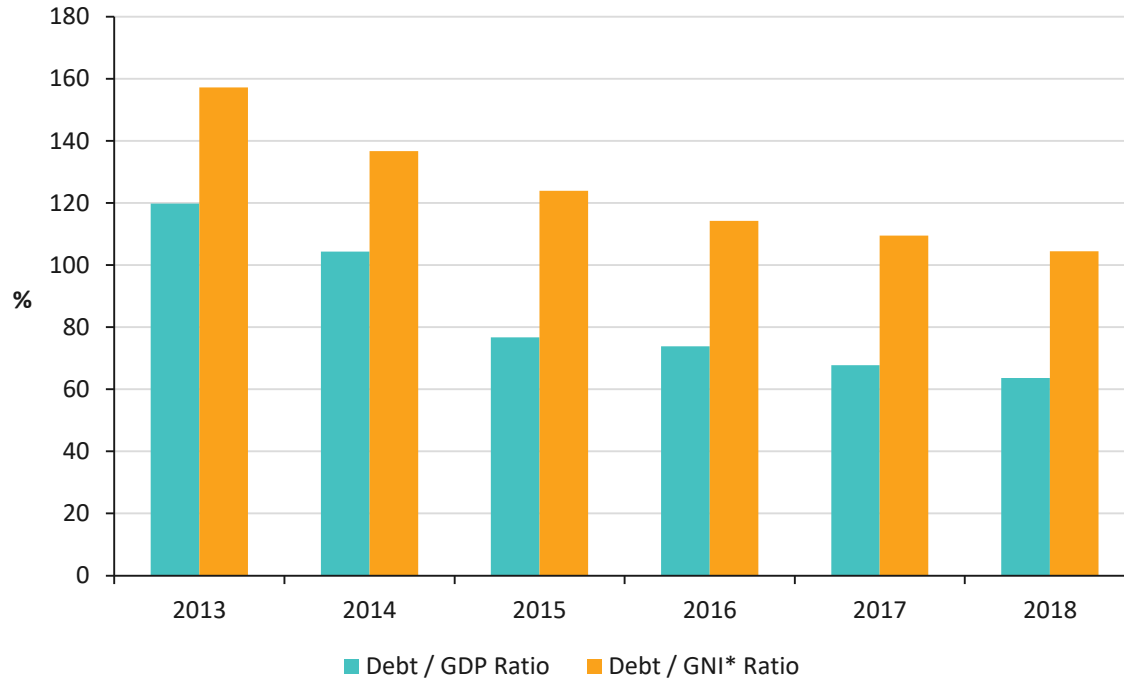
# Modified GNI (GNI\*) – 2018



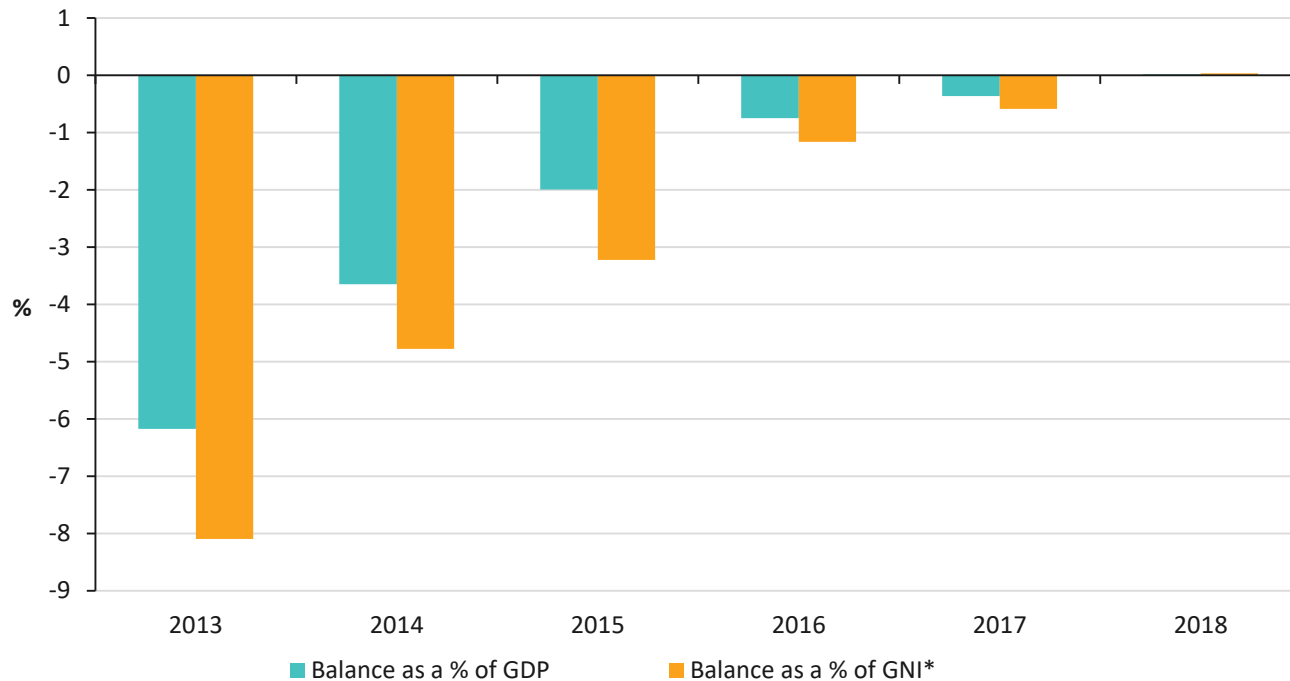
# GDP, GNP and Modified GNI at Current Prices



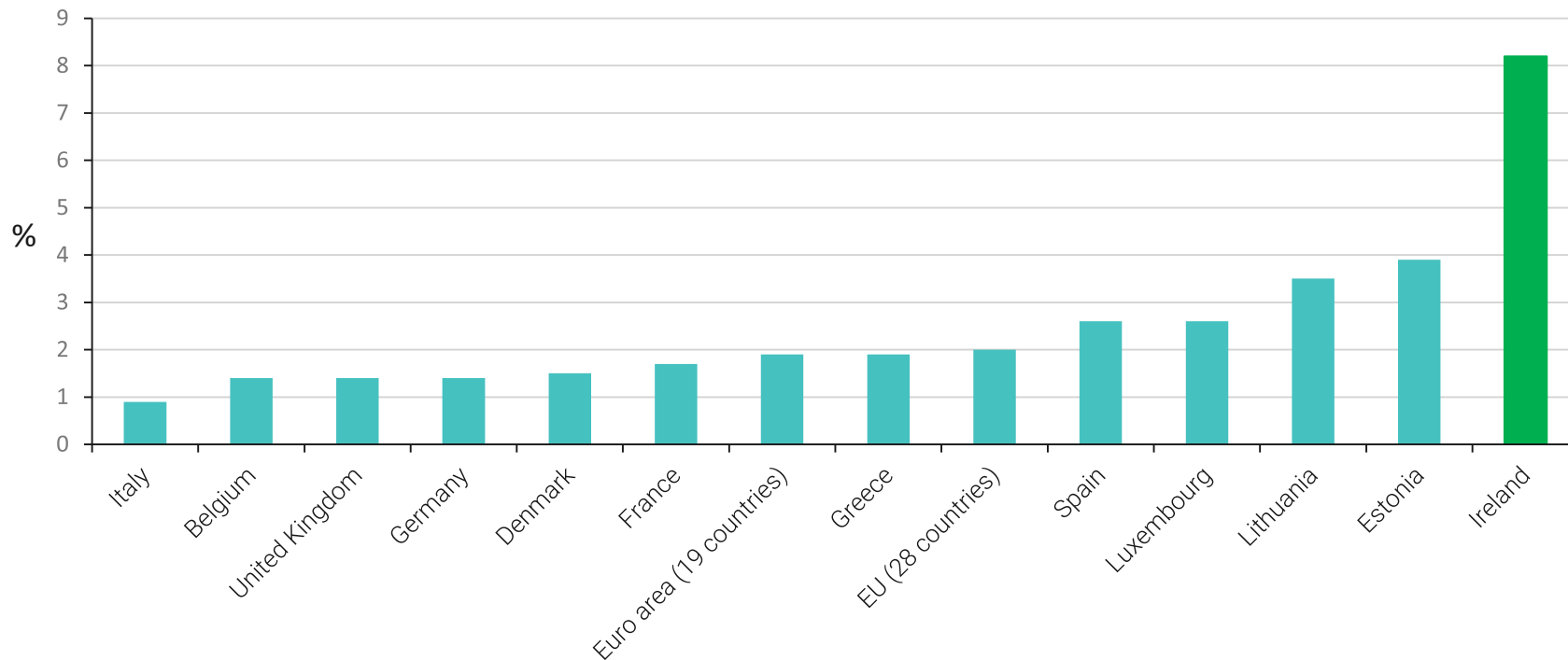
# General Govt Debt to GDP/GNI\* Ratios



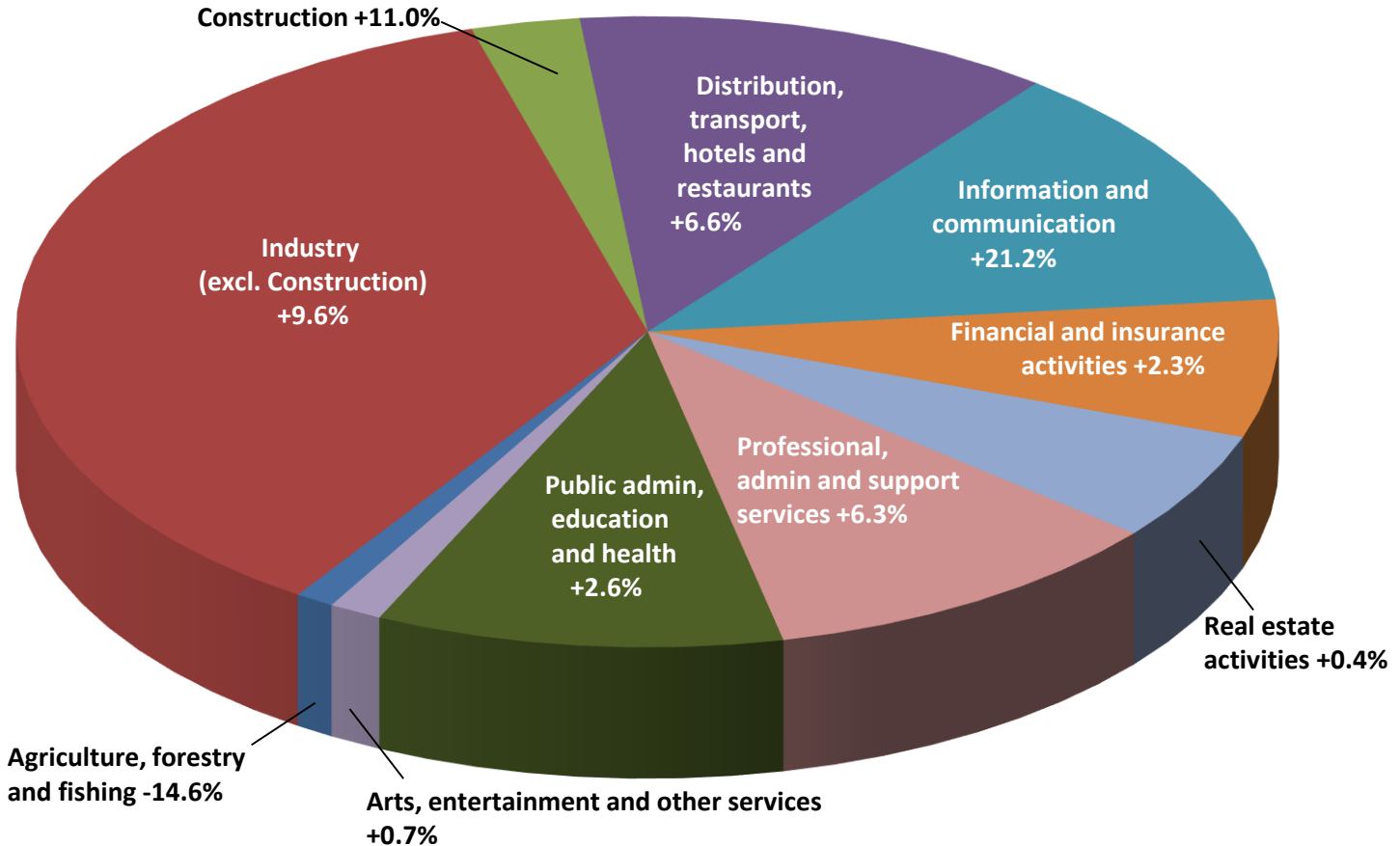
# General Govt Balance as a percentage of GDP and GNI\*



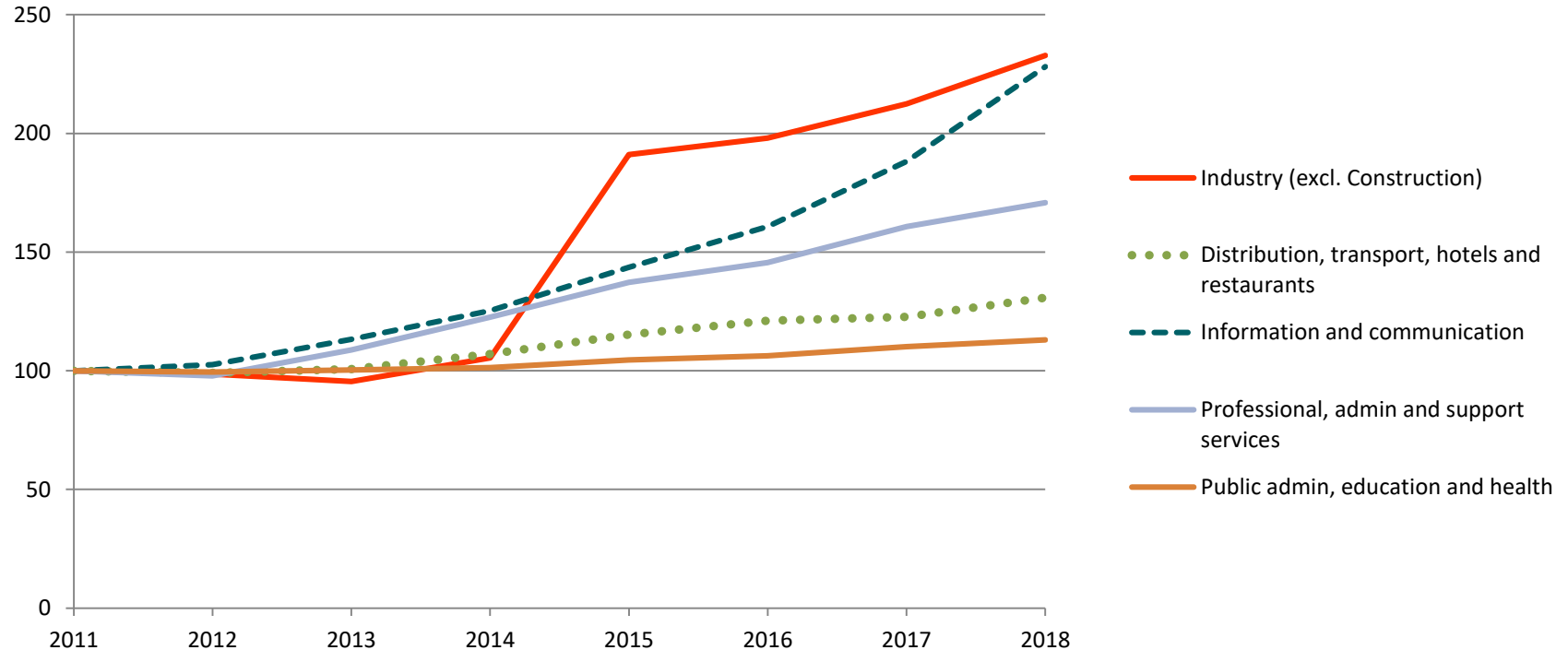
# 2018 Annual GDP % Change in Constant Prices by Country



# Annual Sector Growth by Share of GDP and GVA Growth Rate – 2018

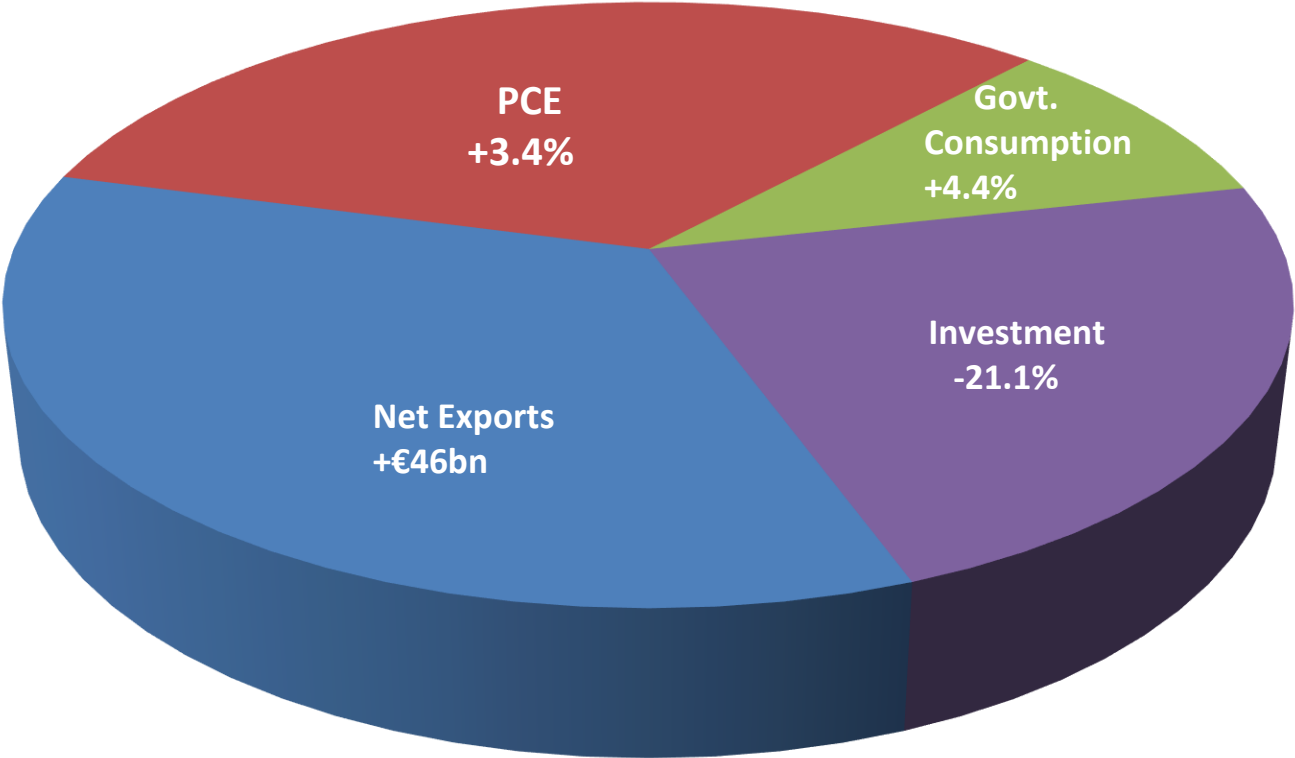


# Trends in Value Added by Sector (2011 =100)

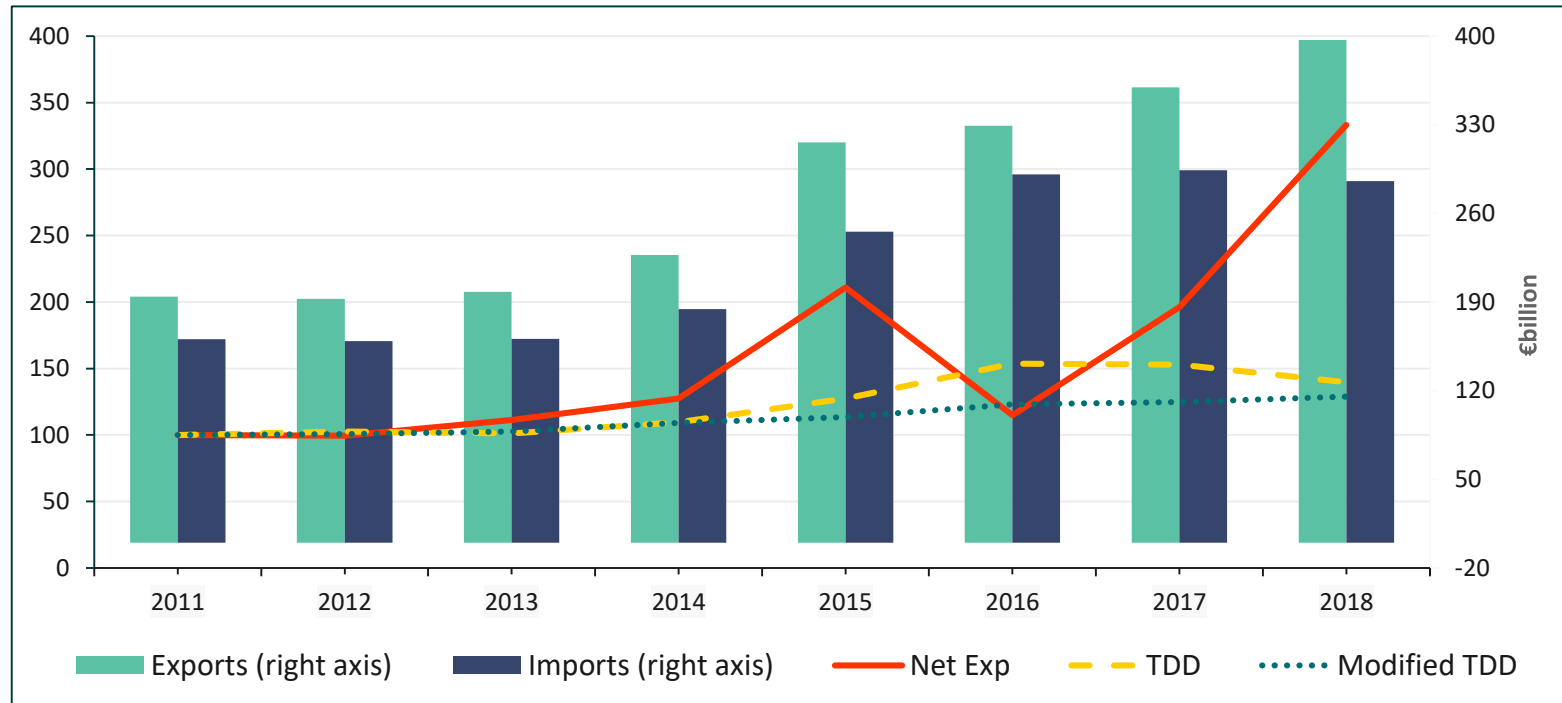




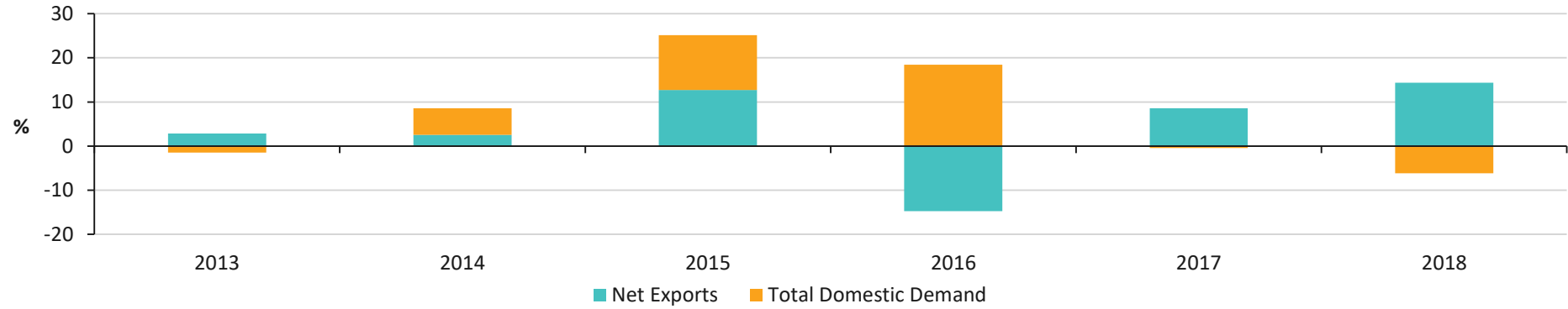
# Annual Expenditure by Share of GDP and Growth Rate 2018



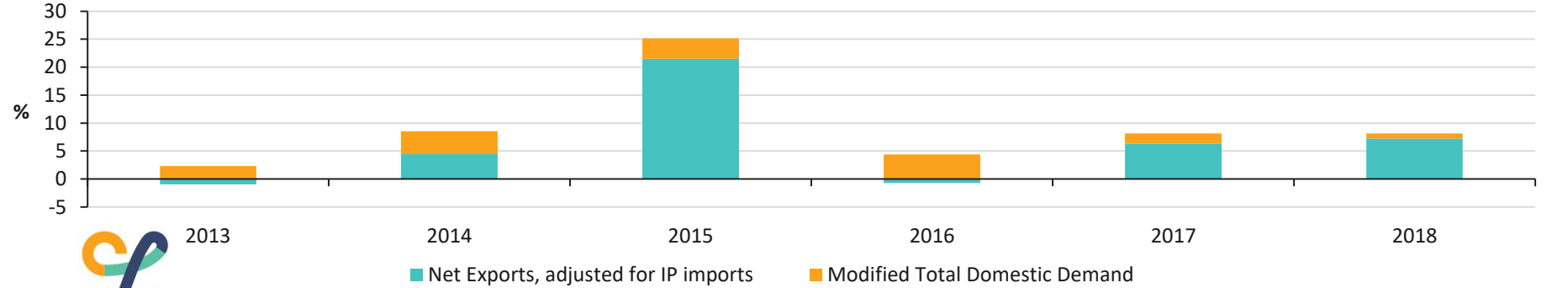
# Trend in TDD, MDD and Net Exports 2011 = 100 v's Total Exports and Imports



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

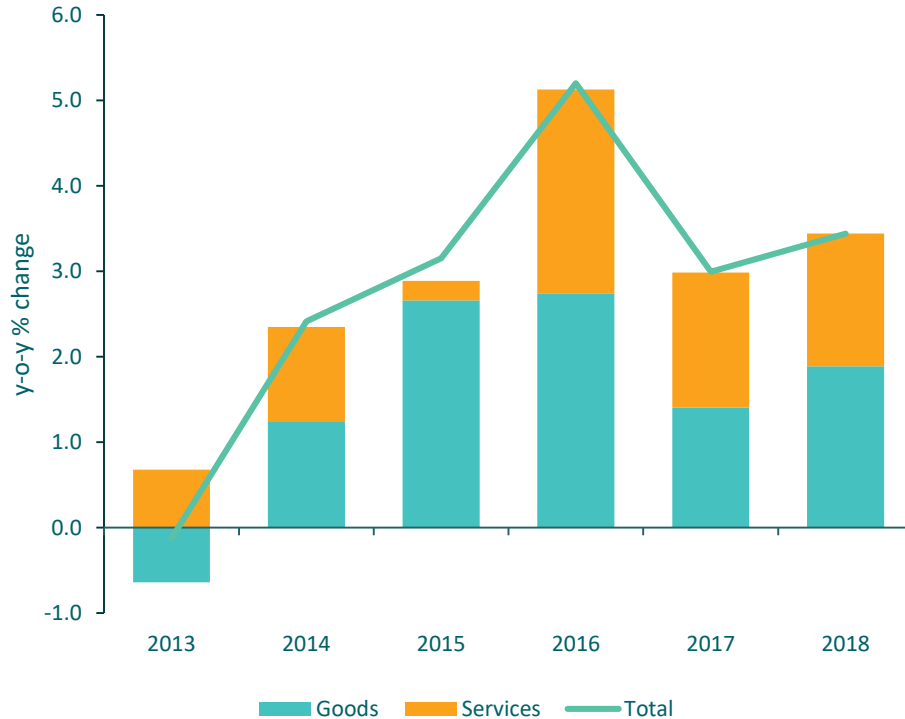


# Contribution of Modified Domestic Demand and Modified Net Exports to Annual GDP Growth



■ Net Exports, adjusted for IP imports    ■ Modified Total Domestic Demand

# Personal Consumption Expenditure 2018/2017



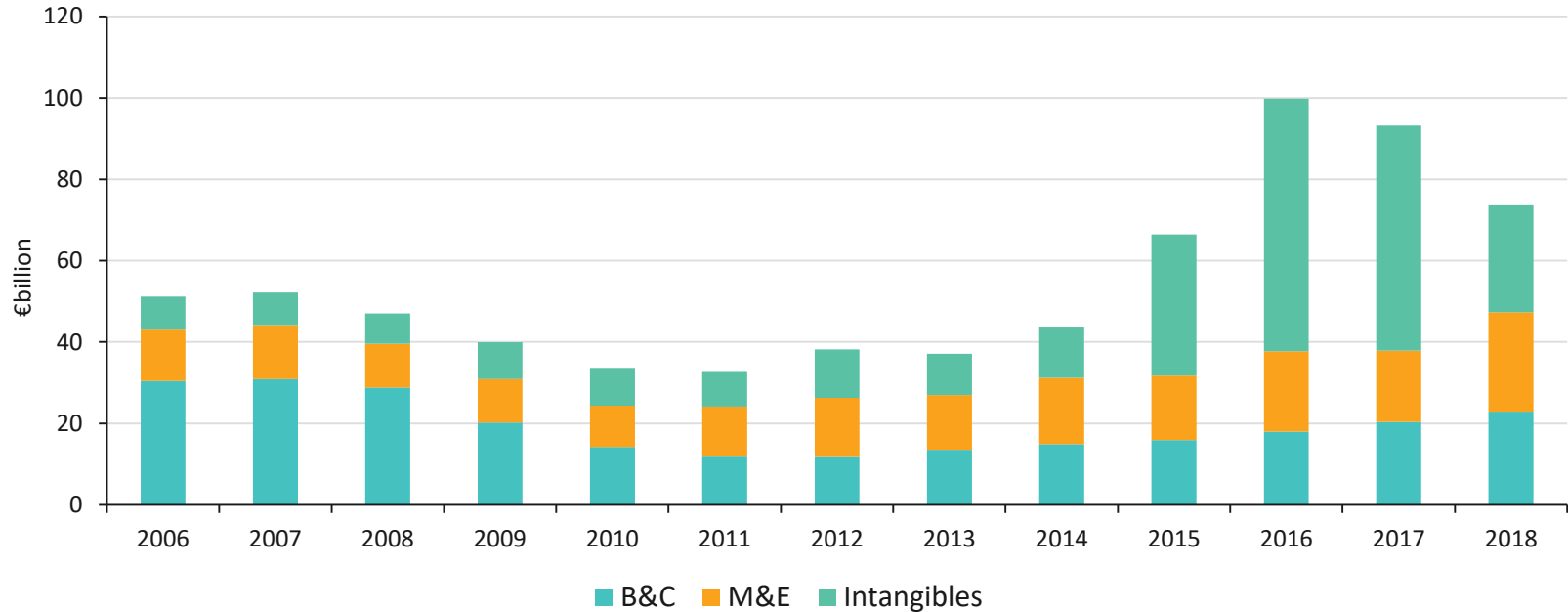
Annual PCE Total +3.4% in volume compared to 2017

- Goods +4.6%
- Growth driven by durable household goods and private cars.
- Services +2.6%
- Growth driven by meals out and expenditure outside the State.



# Composition of Capital Formation 2006 – 2018

## Constant prices - chain linked



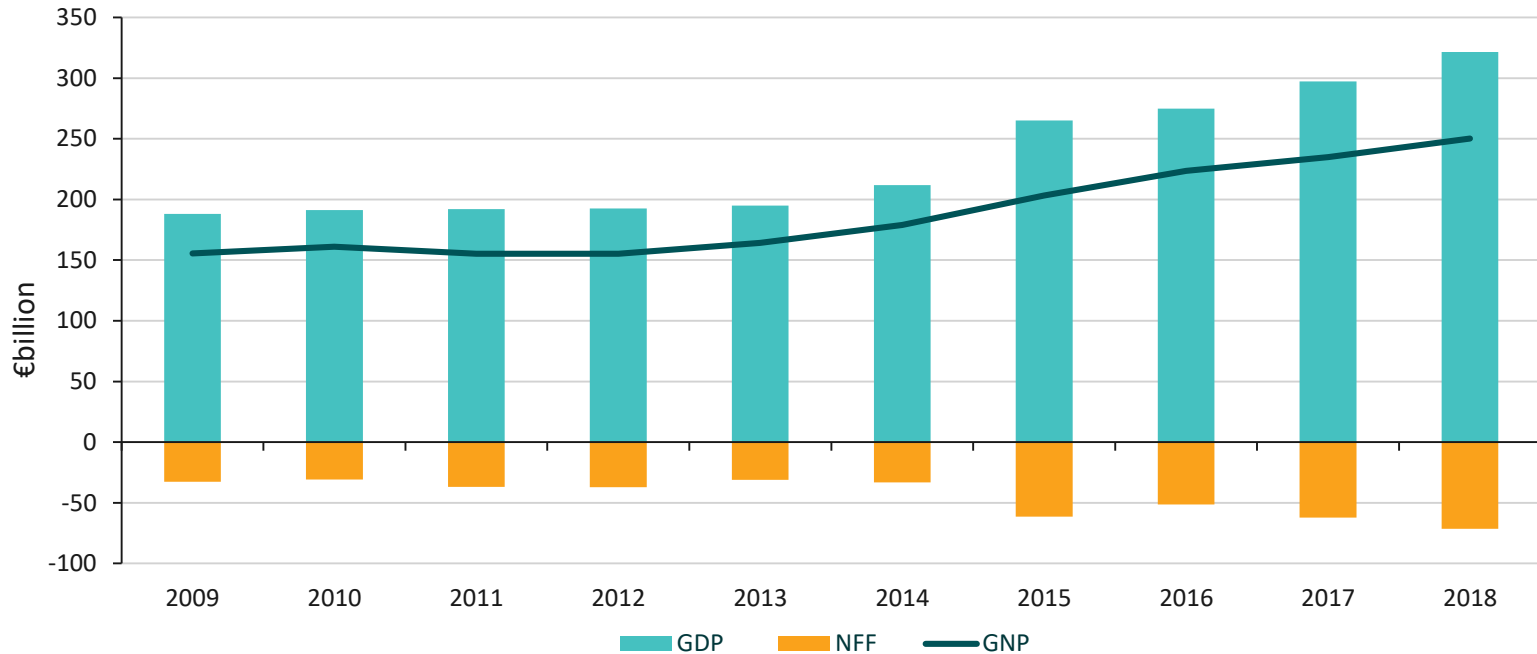
# Capital Formation 2018/2017

Total -21.1%

Buildings & Construction	+12.5%
New dwellings	+27.5%
All other B&C	+9.9%
Remainder of Capital Formation	-30.4%
Machinery and Equipment	+39.4%
Aircraft up approximately €5,845m compared to last year	
Machinery and equipment would be +6.0% if aircraft had been unchanged	
Intangibles	- €29,072m
Excluding net R&D service imports and trade in IP	+0.3%



# GDP, GNP and Net Factor Flows 2009 – 2018



# 2018 Annual Summary

GDP +8.2% GNP +6.5%

## Expenditure:

- PCE +3.4%
- Government Expenditure +4.4%
- Investment -21.1%
- Net Exports up €45,824m

Total Domestic Demand -8.6%

Modified Domestic Demand +1.7%

## Output:

- Industry +9.6%
- Information & Communication +21.2%
- Professional, Admin & Support + 6.3%
- Public Administration +2.6%
- Financial & Insurance Activities +2.3%

Net Factor Outflows €71,346m  
(€62,251m in 2017)







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# National Accounts Quarter 1 2019

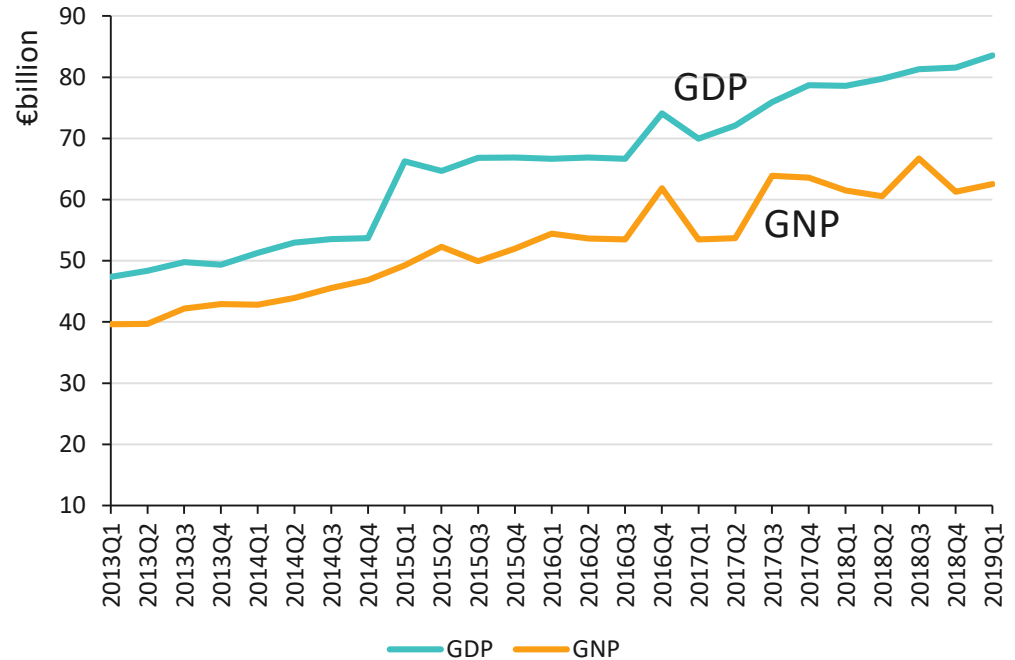


# Quarter 1 2019 – Constant Prices, Seasonally Adjusted

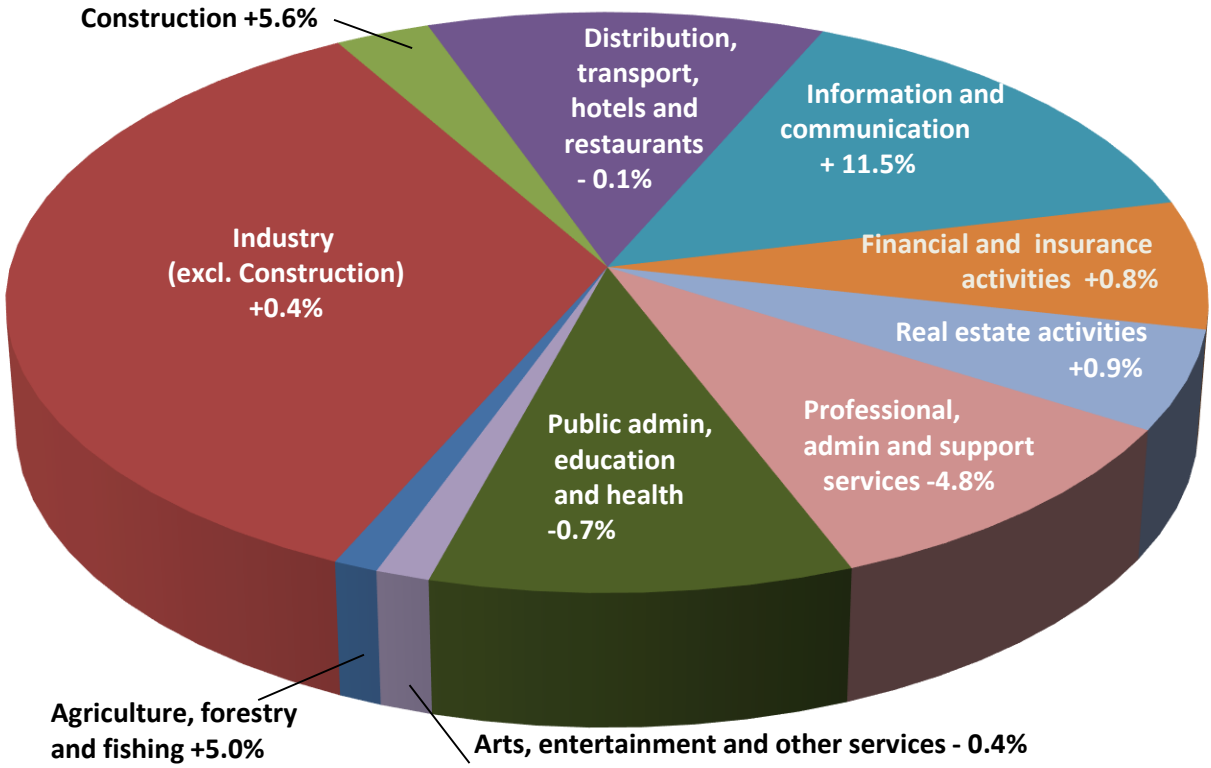
Seasonally Adjusted  
Quarterly Changes

GDP +2.4%

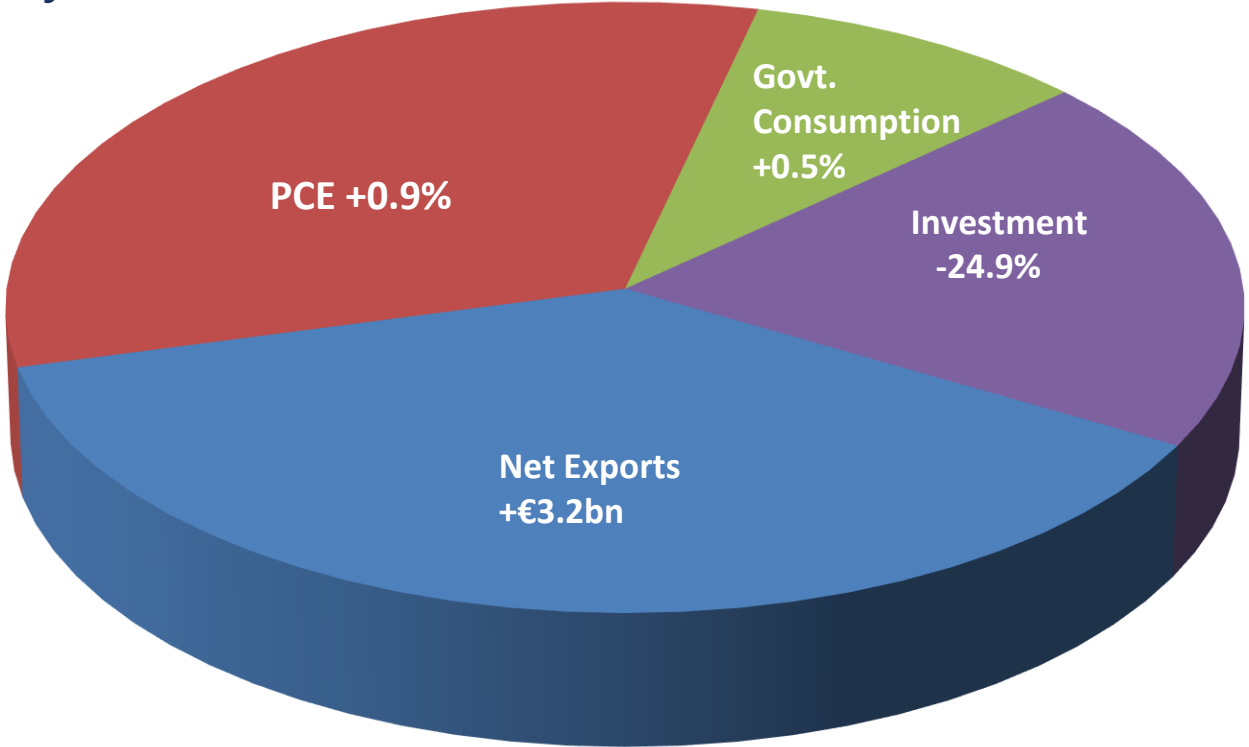
GNP +3.0%



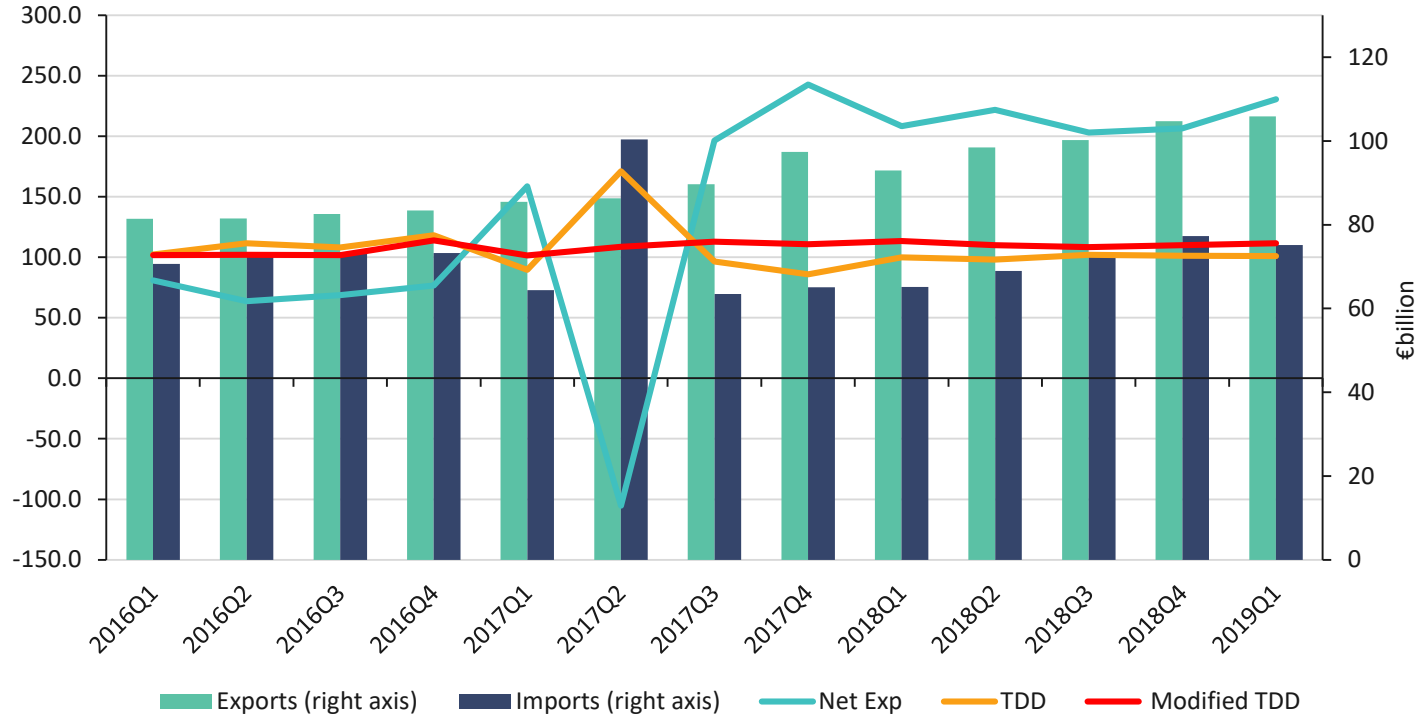
# Sector Growth by Share of GDP and Growth Rate Q1 2019 Seasonally Adjusted



# Expenditure by Share of GDP and Growth Rate Q1 2019 Seasonally Adjusted



# Trend in Domestic Demand and Net Exports 2016 Q1 = 100 v's total exports and imports



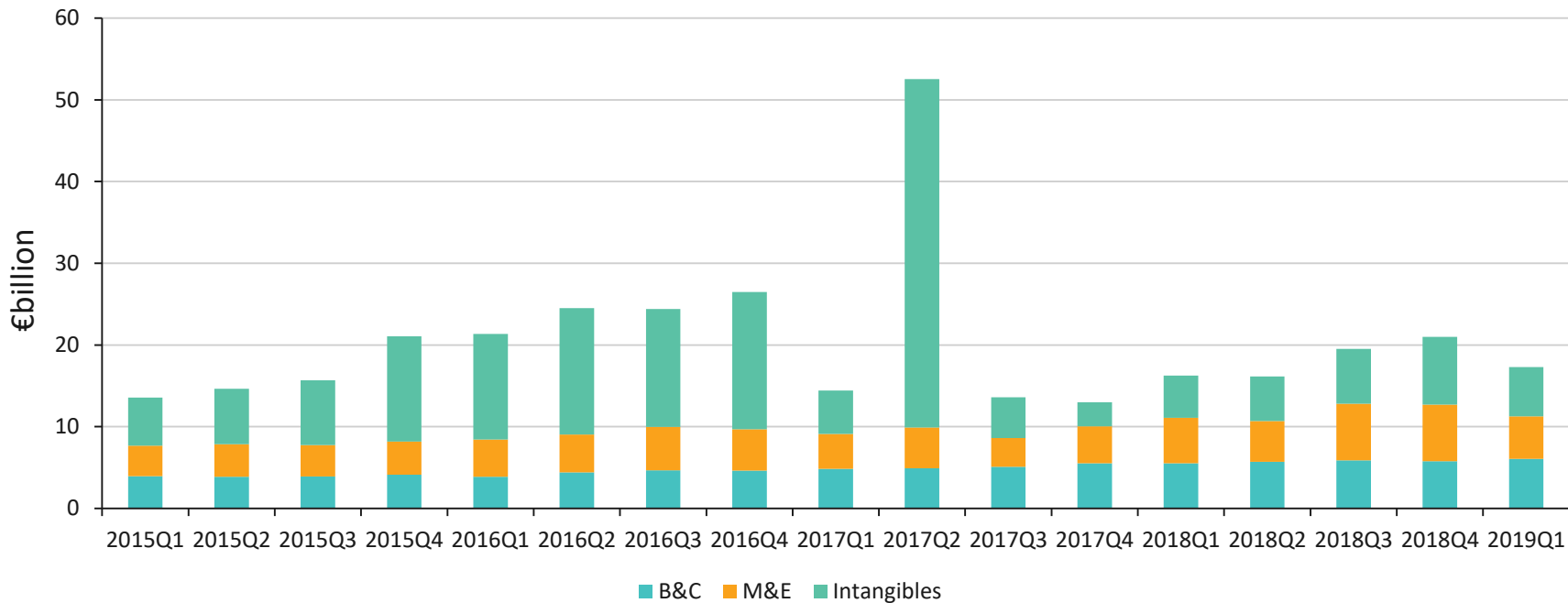
# Personal Consumption Expenditure Q1 2019/Q4 2018

- PCE increased 0.9% (seasonally adjusted) in Q1 2019 vs Q4 2018
- Goods: + 0.7%
- Services: + 0.8 %



# Capital Formation Q1 2019

## constant prices, seasonally adjusted



# Capital Formation Q1 2019/Q4 2018

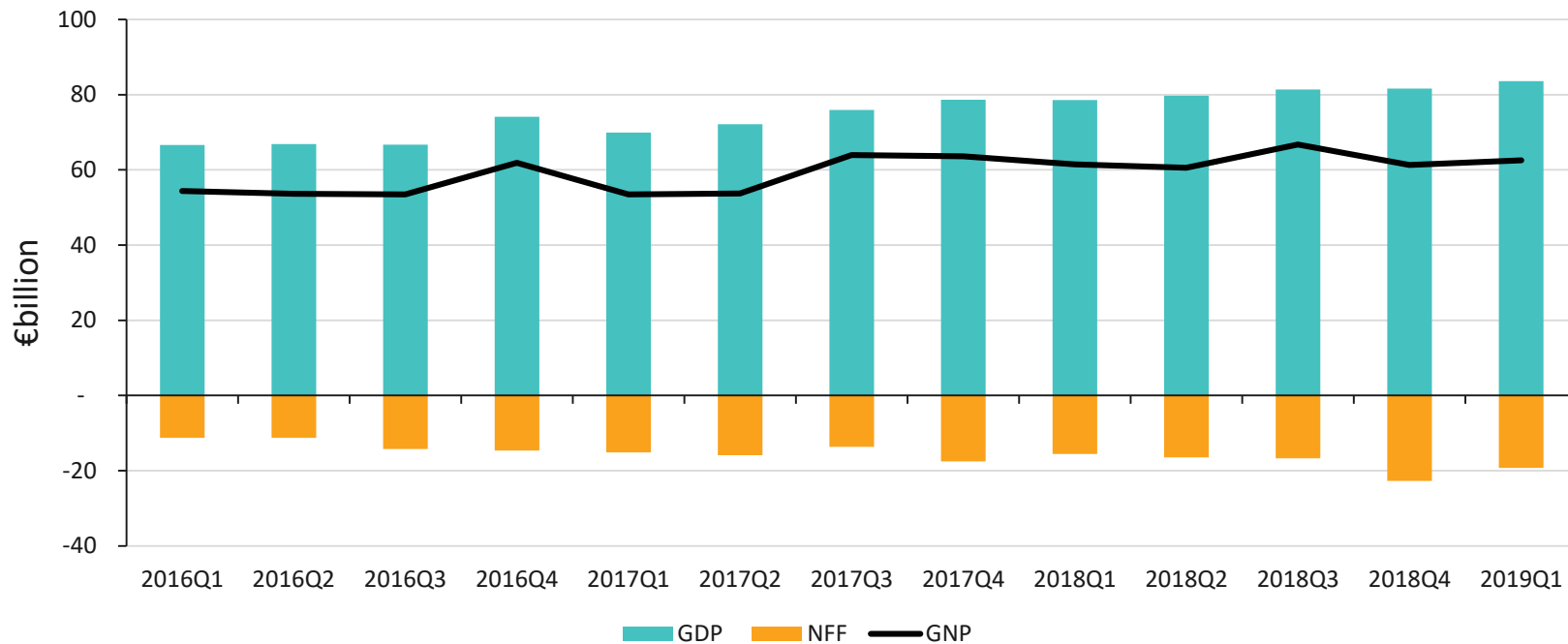
Total -24.9% (seasonally adjusted)  
this quarter v's last quarter

Building and construction	+5.0%
Machinery and equipment	-24.8%
Intangibles	-27.3%
Machinery and equipment excl. aircraft leasing	-8.2%
Intangibles excl. net R&D Service Imports and trade in IP	+6.6%





# GDP, GNP and Net Factor Flows Q1 2016 – Q1 2019



# Quarterly Summary

GDP +2.4% GNP +3.0%

## Expenditure:

- PCE +0.9%
- Government Expenditure +0.5%
- Investment -24.9%
- Net Exports up €3,228m

Total Domestic Demand -0.3%

Modified Domestic Demand +1.6%

## Output:

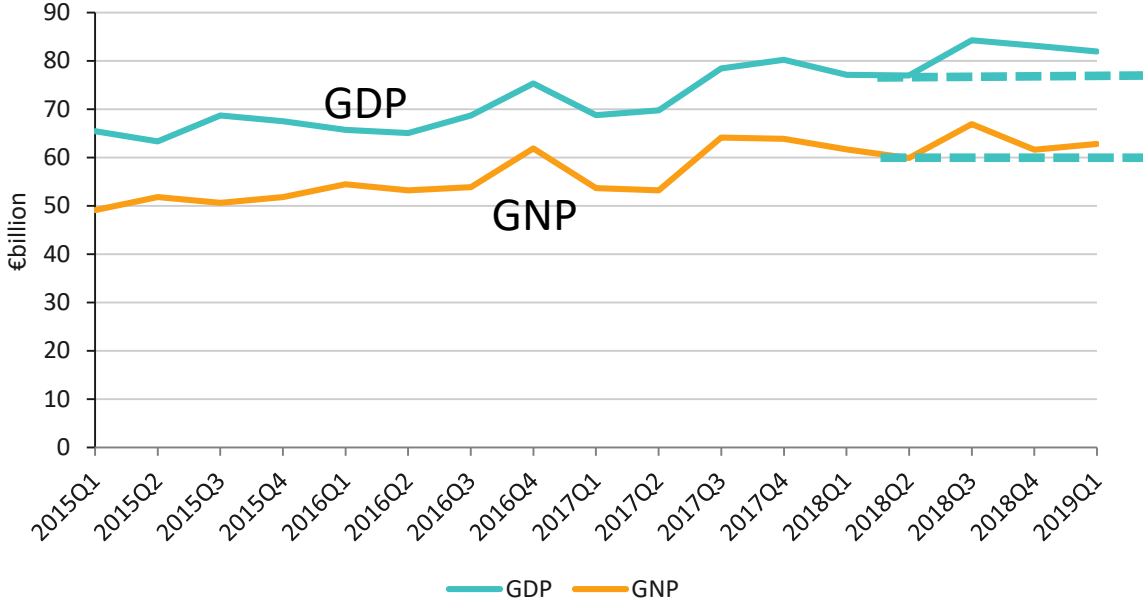
- Industry (Excl. Construction) +0.4%
- Information & Communication +11.5%
- Financial & Insurance Activities +0.8%
- Professional, Admin & Support -4.8%
- Dist, Trans etc. -0.1%
- Public Admin Educ, Health -0.7%

Net Factor Outflows €18,444m  
(€21,989m in Q4 2018)



# Year-on-Year Growth Rates Q1 2019/Q1 2018

GDP +6.3%  
GNP +4.8%





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# International Accounts

## Quarter 1 2019 & Year 2018 Results



# New Information & Revisions to International Accounts Series

New data series:

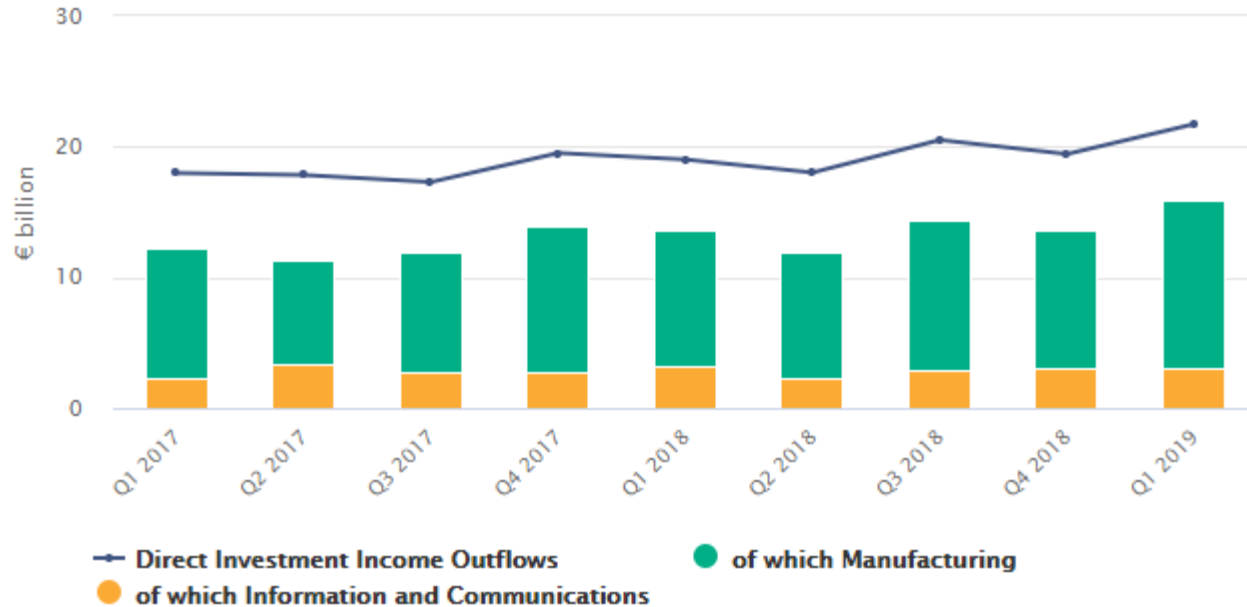
- New series on profit outflows in the Manufacturing and ICT Sector
- Redomiciled PLC's note updated
- CA\* note updated

Main Data Revisions:

- Additional IP imports in Q2 2017
- Additional Capital Account activity in Q4 2018



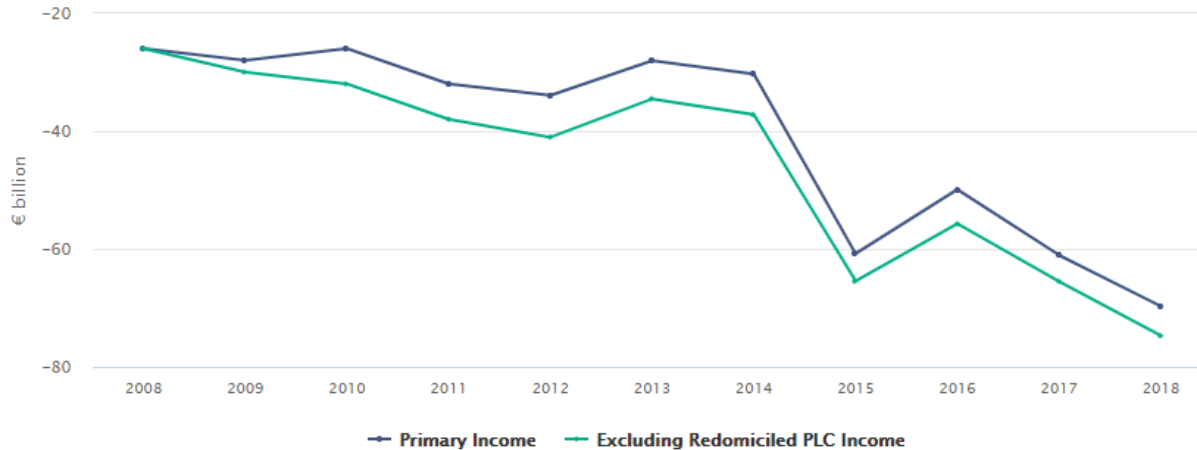
# New information on Quarterly Profits Outflows



Source: CSO Ireland



# Redomiciled PLC's note updated



Source: CSO Ireland

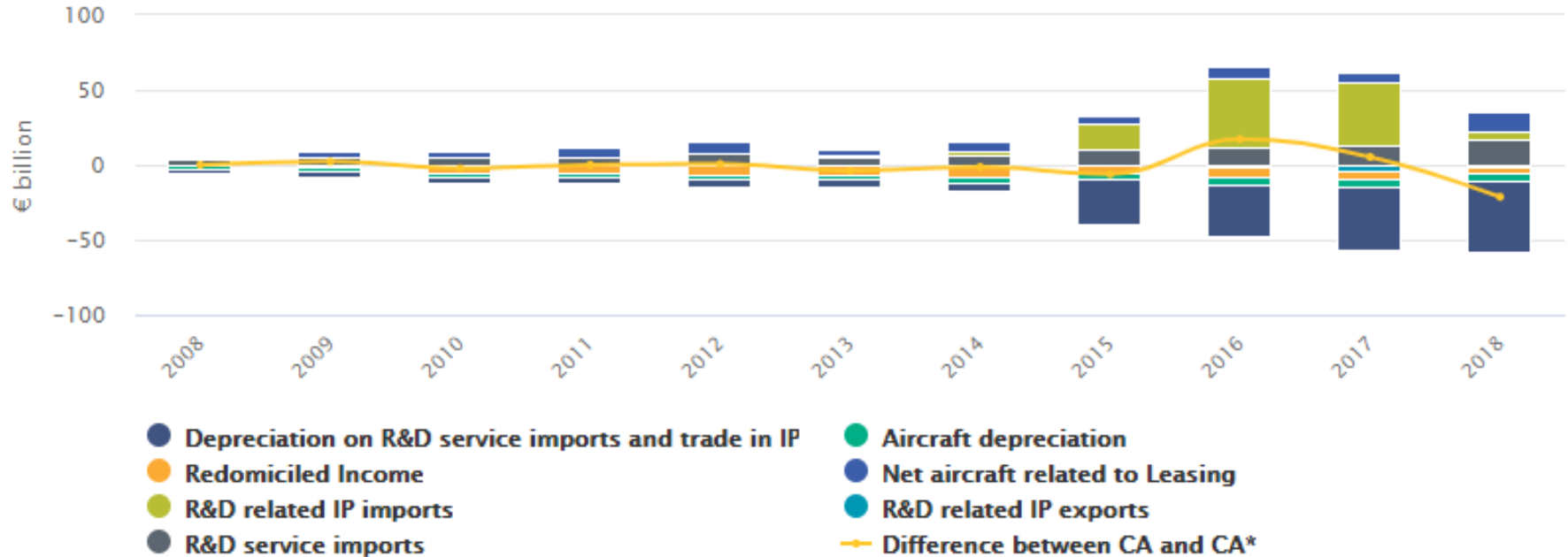
Table 1 Net Income of Redomiciled PLCs

€ million

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	292	1,594	5,260	5,548	7,097	6,474	6,851	4,663	5,780	4,457	5,001



# A Modified Current Account Balance for Ireland, CA\*

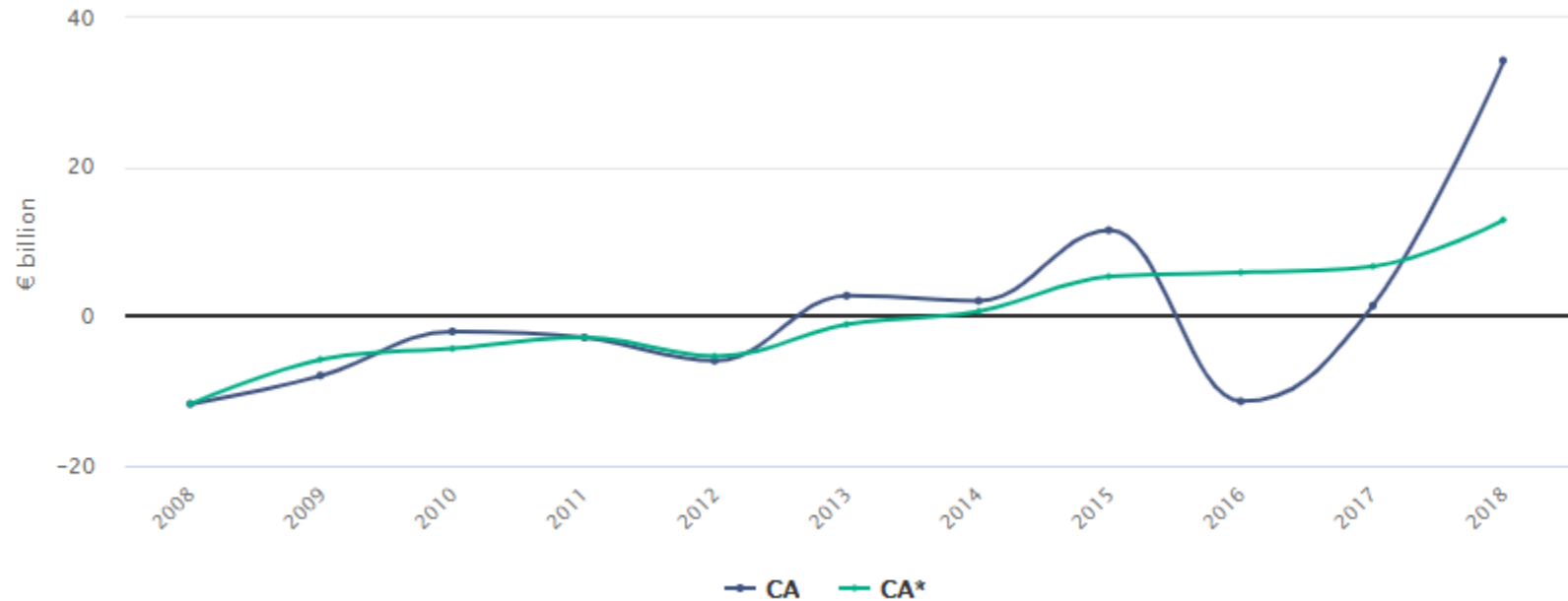


Source: CSO Ireland





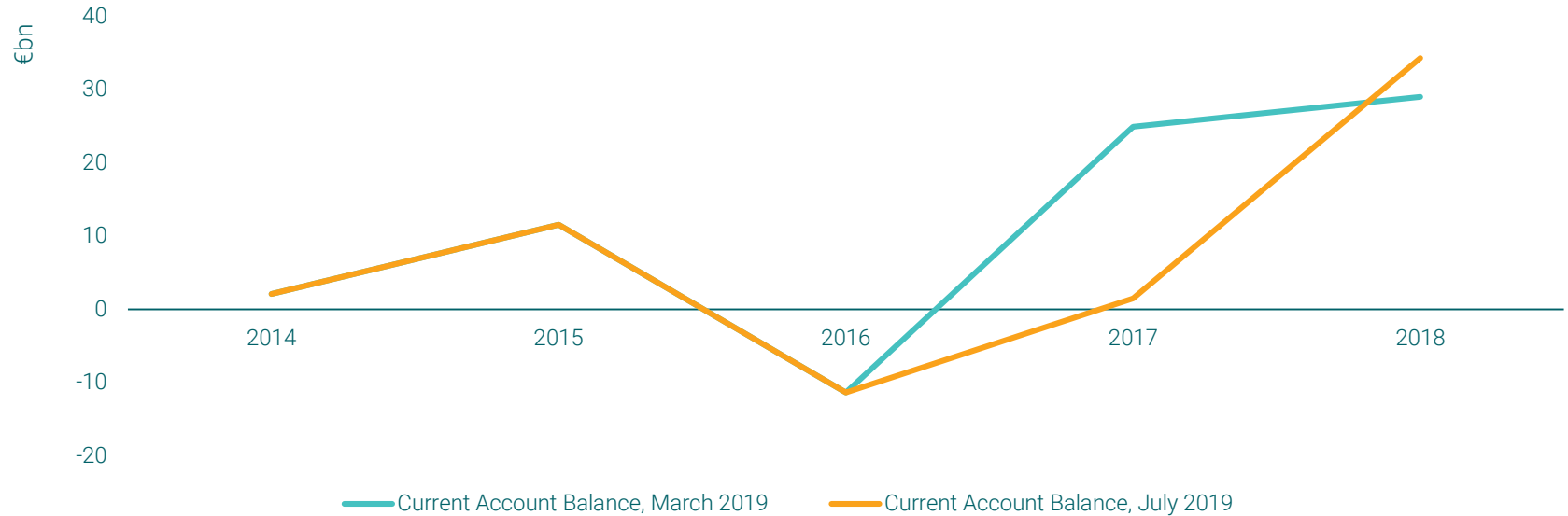
# A Modified Current Account Balance for Ireland, CA\*



Source: CSO Ireland



# Revisions to Current Account Balance



# BOP Current Account – Results for Year 2018

millions

	2018	2017	2016
Current Account Balance	€34,292	€1,457	-€11,373
• Merchandise surplus	€112,960	€109,119	€106,088
• Services balance	-€5,571	-€43,491	-€63,735
• Net Income outflow	-€73,097	-€64,169	-€53,725





# International Accounts Q1 2019

## Balance of Payments and International Investment Position

### Ireland's economic interactions with the rest of the world

#### Current Account



In	€128bn	←	<b>Balance</b> <b>€11.0bn</b> 13.2% of GDP
Out	€117bn	→	

#### Goods



Exports	€57bn	←	<b>€32.2bn</b>
Imports	€25bn	→	

#### Services



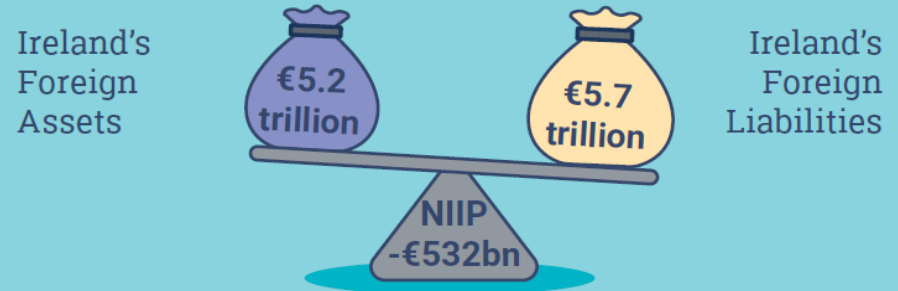
Exports	€46bn	←	<b>-€1.2bn</b>
Imports	€48bn	→	

#### Net Income Outflow



In	€24bn	←	<b>-€19.9bn</b>
Out	€44bn	→	

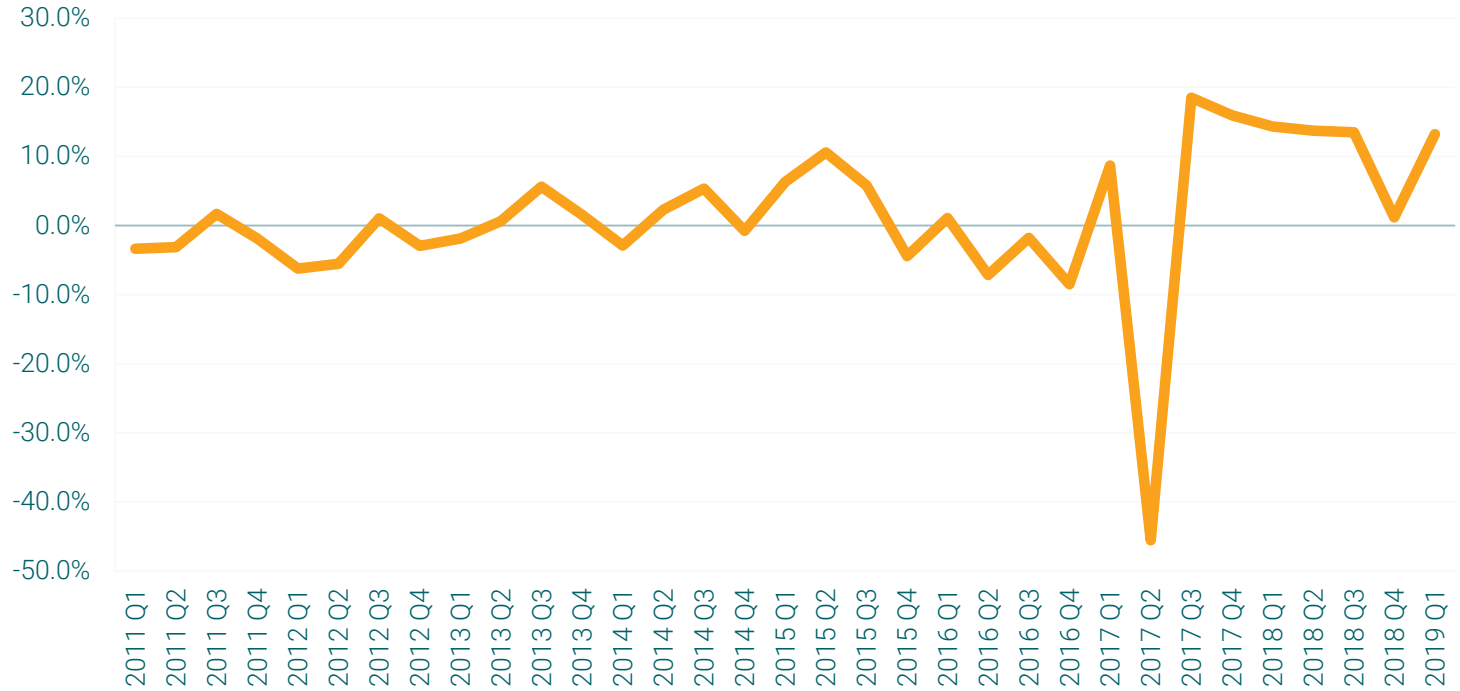
### and how this activity is funded Net International Investment Position (NIIP)



### Foreign Direct Investments in Ireland



# Current Account Balance, % of GDP

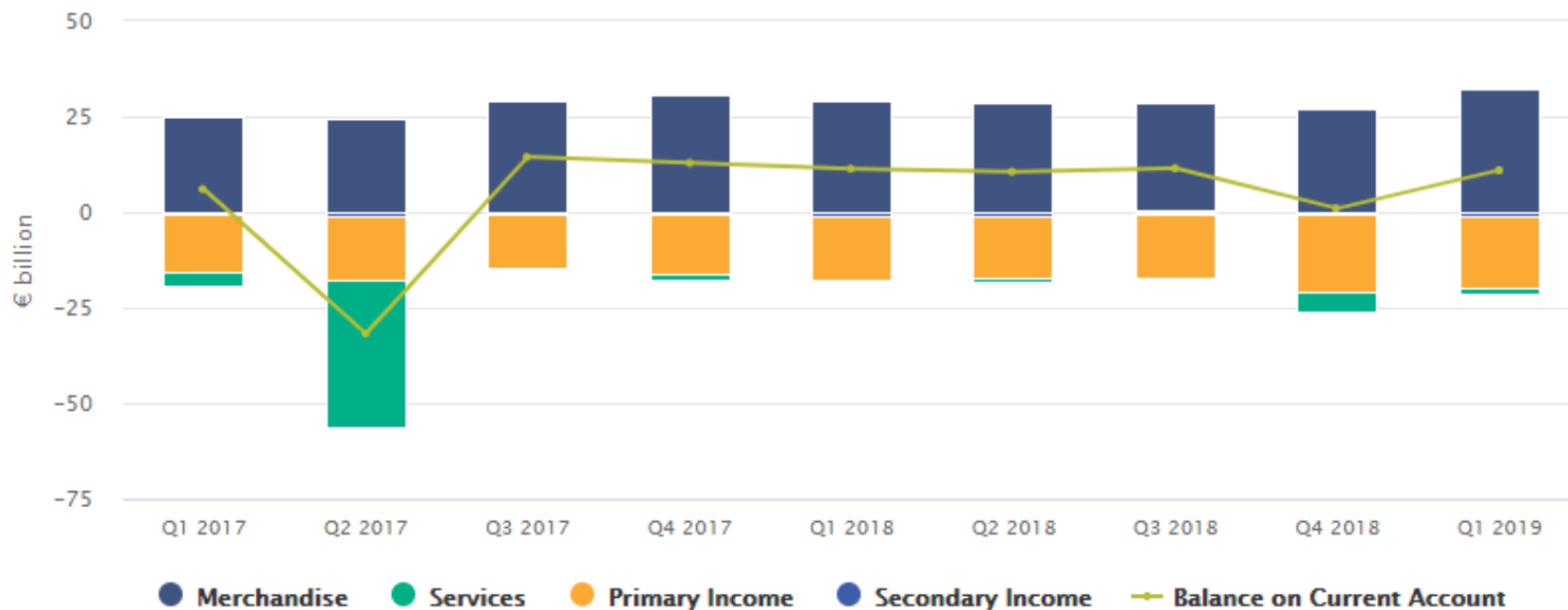


# BOP Q1 2019 - Current Account

	<i>Q1 2019</i>	<i>Q1 2018</i>
Current Account Balance	€10,990m	€11,325m
<ul style="list-style-type: none"><li>• Merchandise surplus</li></ul>	€32,151m	€29,060m
<ul style="list-style-type: none"><li>• Services deficit</li></ul>	-€1,224m	-€151m
<ul style="list-style-type: none"><li>• Net Income outflow</li></ul>	-€19,938m	-€17,583m



# Balance Over Time



Source: CSO Ireland



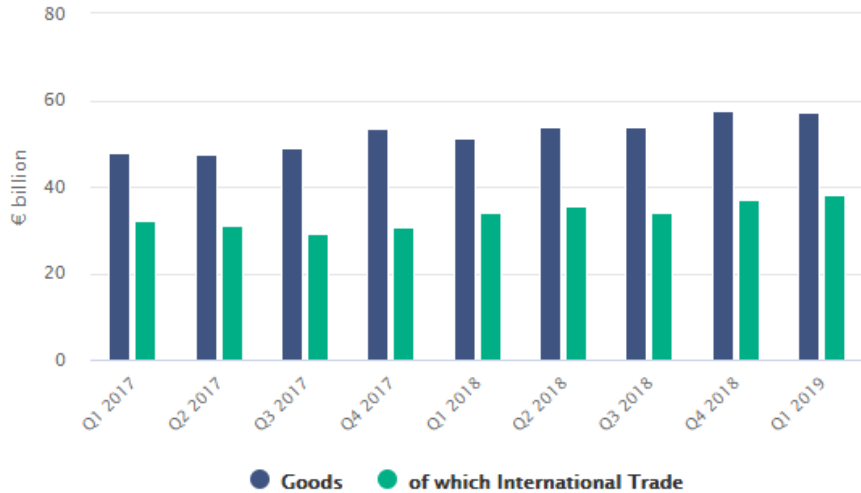
# BOP Q1 2019 - Current Account

		<i>Q1 2019</i>	<i>y-o-y Change</i>
Merchandise	exports	€57,145m	+€5,755m
	imports	€24,994m	+€2,663m
Services	exports	€46,484m	+€6,788m
	imports	€47,708m	+€7,861m
Primary Income	inflows	€22,849m	+€4,321m
	outflows	€41,531m	+€6,322m
Direct investment profit and interest inflows		€4,682m	+€730m
Direct investment profit and interest outflows		€21,721m	+€2,704m





# Goods Exports and Imports



Source: CSO Ireland

Exports



Source: CSO Ireland

Imports

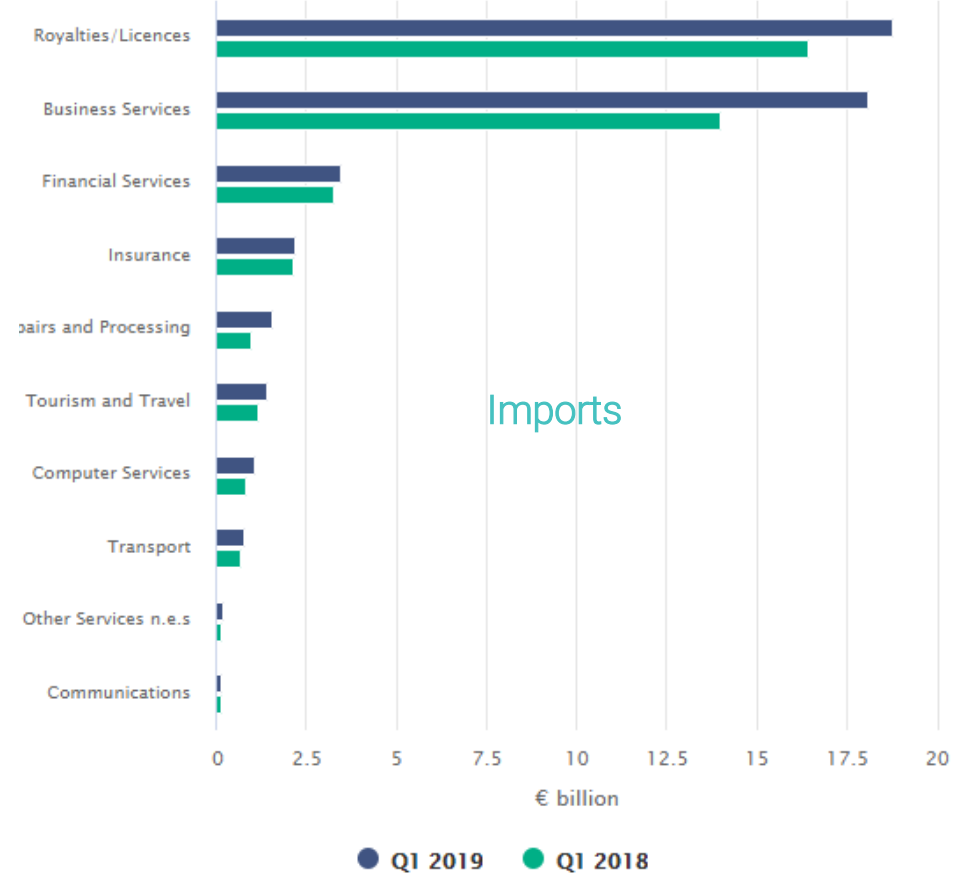
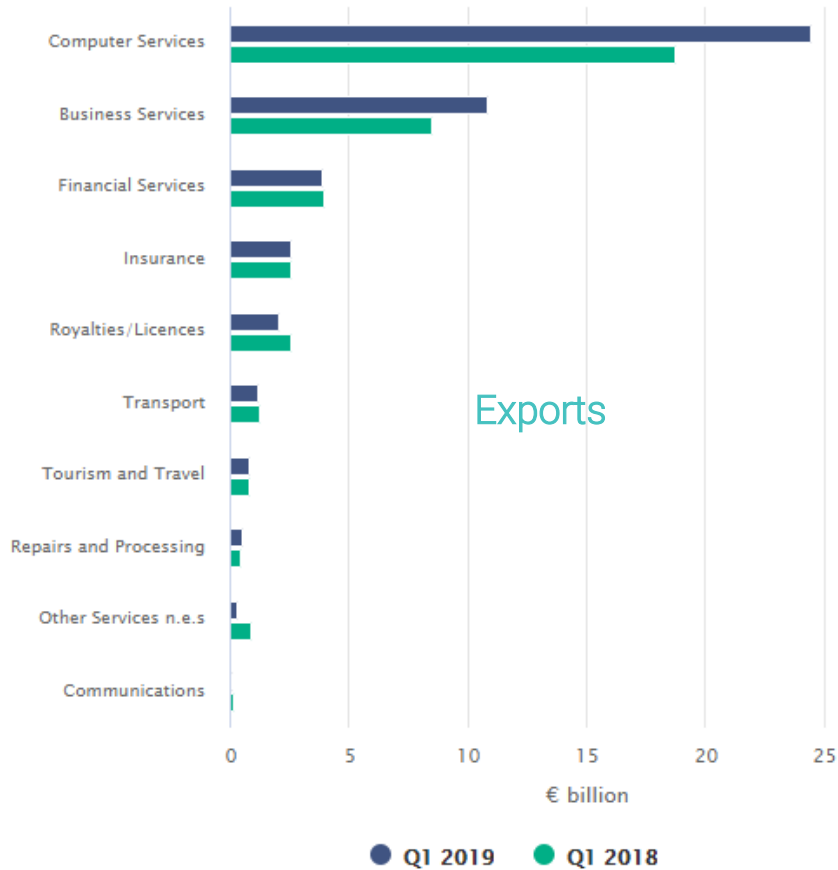


# International Trade to BOP Merchandise

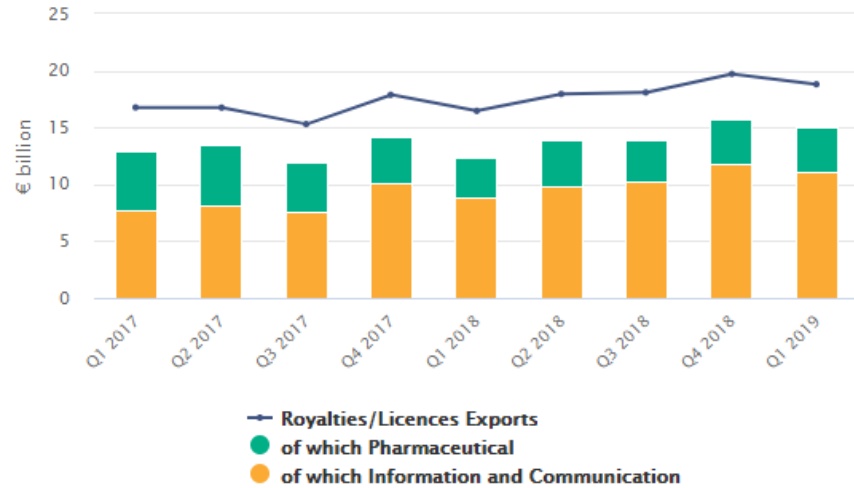
												€ millions
Current Account		2017	2018	2017				2018				2019
				Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1
Merchandise	Exports	197,824	216,307	47,901	47,323	48,977	53,623	51,390	53,698	53,773	57,446	57,145
	Imports	88,705	103,346	22,714	22,777	20,314	22,900	22,331	24,894	25,553	30,568	24,994
International trade	Exports	122,747	140,626	32,172	31,066	28,974	30,535	33,837	35,564	34,090	37,135	38,018
	Imports	80,510	88,611	20,389	21,086	18,005	21,030	19,490	21,245	22,304	25,572	19,803
Goods for processing	Exports	64,962	68,196	16,055	12,600	16,107	20,200	15,979	15,884	17,932	18,401	17,500
	Imports	4,744	11,514	1,516	818	1,473	937	2,300	2,831	2,322	4,061	4,308
Other conceptual adjustments	Exports	358	-1,002	-3,073	1,150	2,079	202	-375	333	-200	-760	-1
	Imports	3,452	3,222	810	873	836	933	541	818	928	935	882
Merchanting (net export)	Exports	9,759	8,488	2,747	2,508	1,817	2,687	1,950	1,916	1,952	2,670	1,628



# Service Exports and Imports

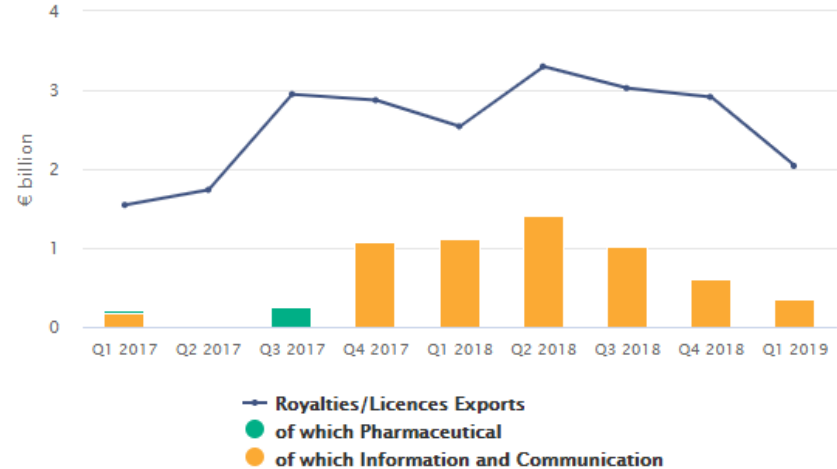


# Royalties in the Pharma and ICT sector



Source: CSO Ireland

Imports

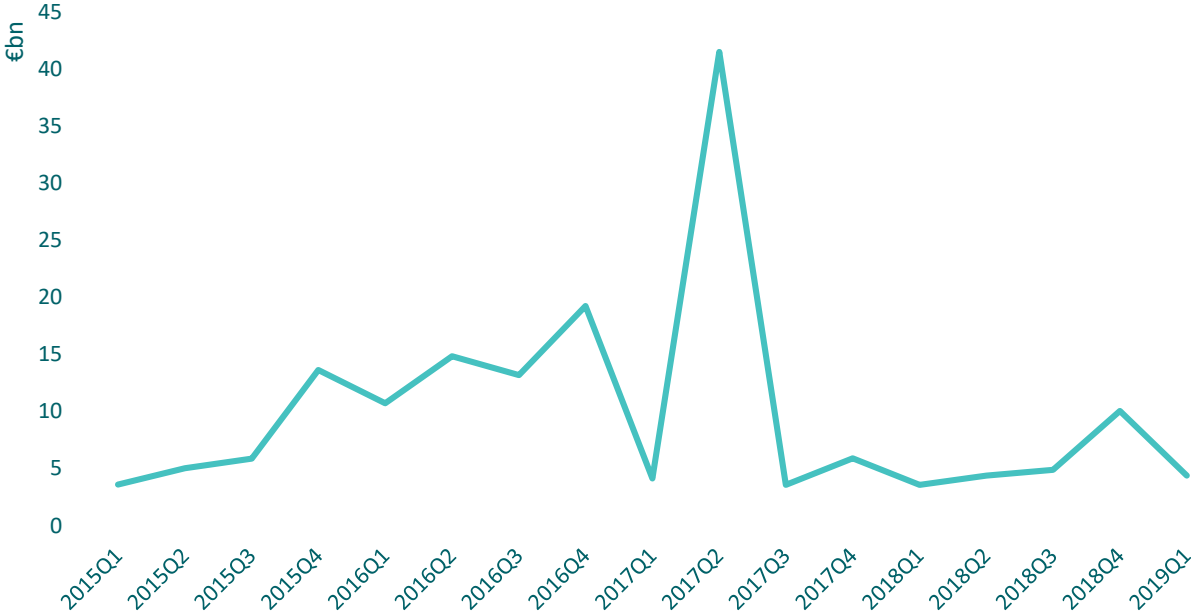


Source: CSO Ireland

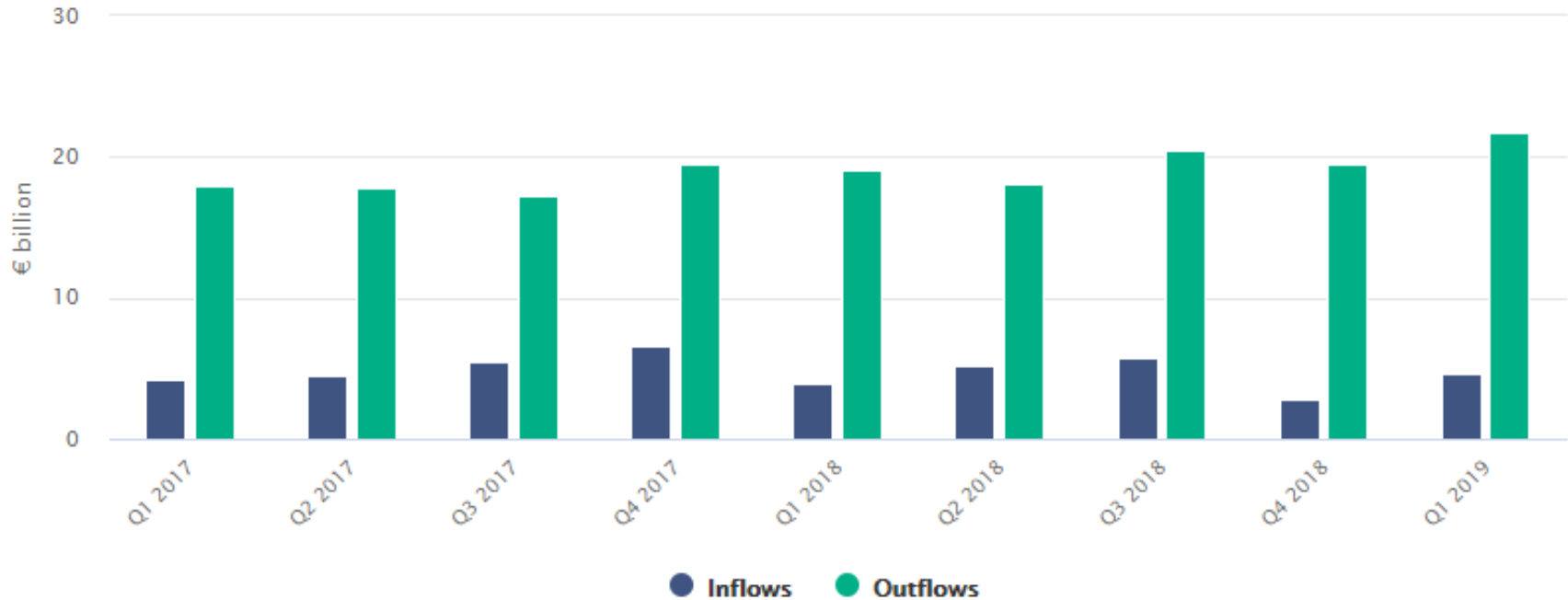
Exports



# Research and Development Service Imports



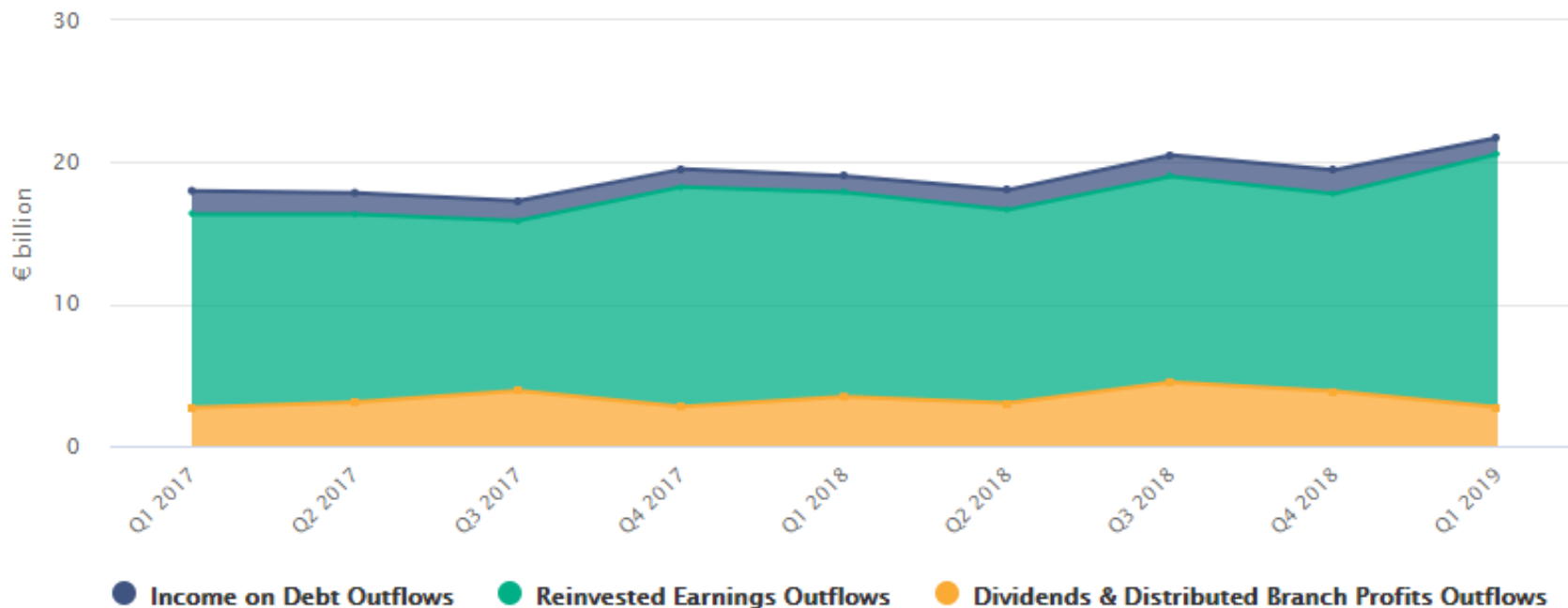
# Direct Investment Income



Source: CSO Ireland



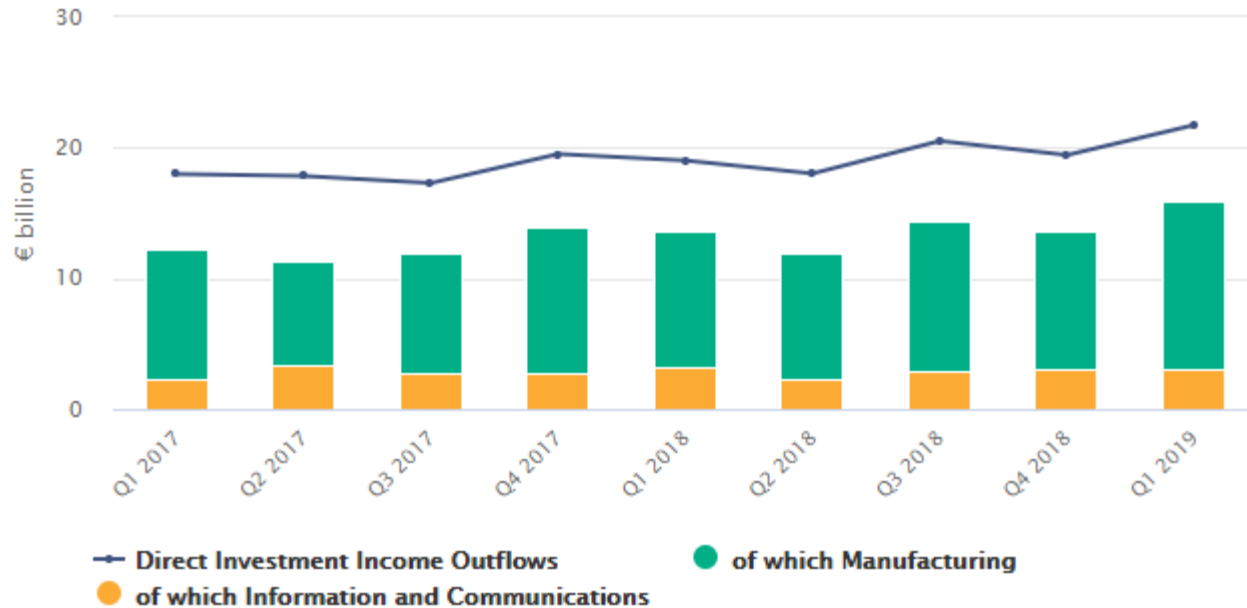
# Direct Investment Income Outflows



Source: CSO Ireland



# FDI Income: Quarterly Profits Outflows

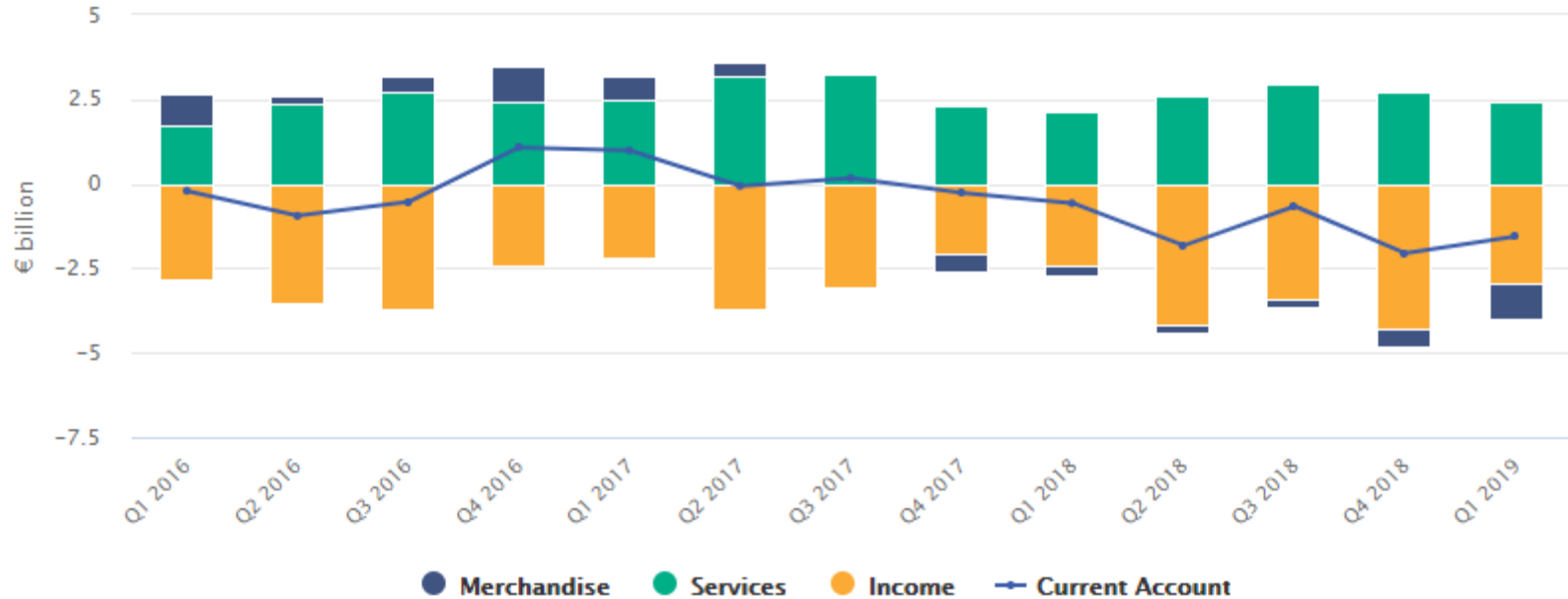


Source: CSO Ireland





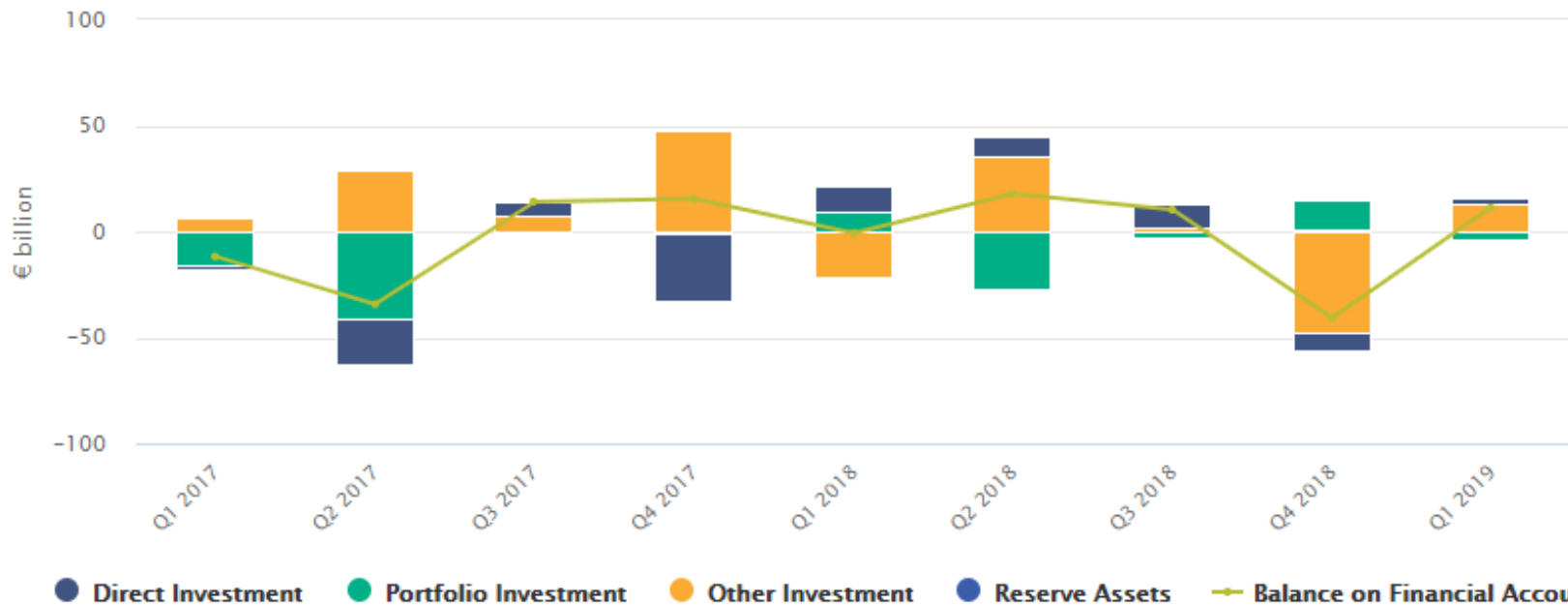
# Trade, Income and CA with UK



Source: CSO Ireland



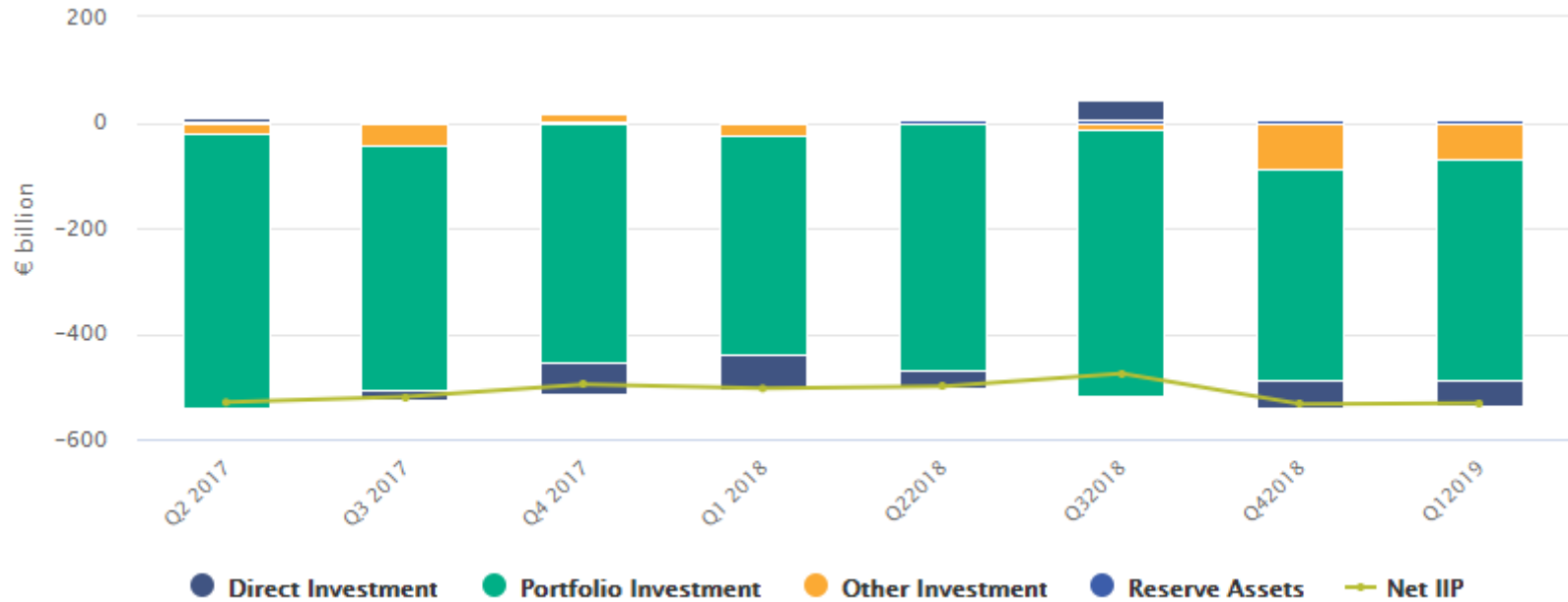
# Financing Q1 2019



Source: CSO Ireland



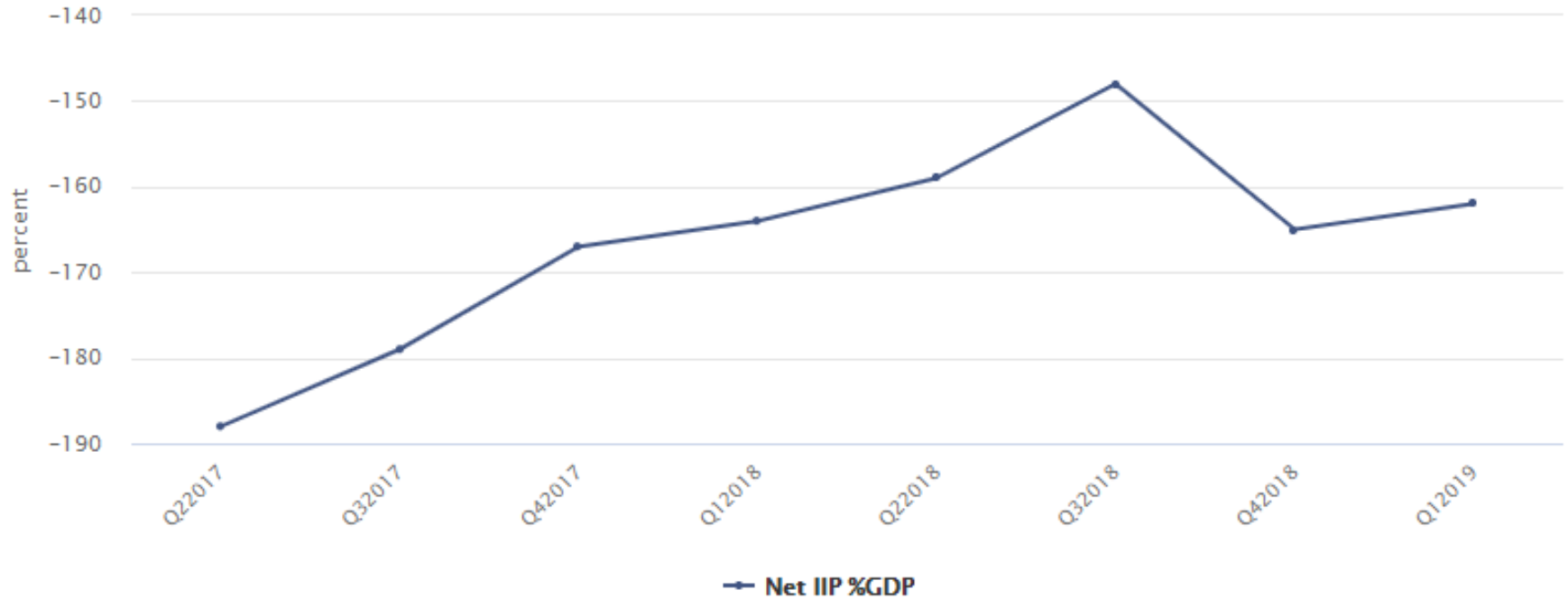
# IIP Q1 2019



Source: CSO Ireland



# NIIP Q1 2019 % GDP



Source: CSO Ireland



# Balance of Payments Summary

- Current Account balance 13.2% of GDP in Q1 2019, growth related to increased exports of computer services.
- Current Account balance with the UK showing a continued deficit of -€1.6bn.
- Surplus for the year 2018 continues on trend with the series without IP imports in 2015, 2016 and 2017, with a new CA\* balance of €12.9bn in 2018.



# Economic Statistics Review Group – Update on Progress

- Production approach to measuring economic activity
  - Output, intermediate consumption & value added – NIE Table 3
- Planned for Q4 2019
  - Further development of foreign / domestic split in the Annual Institutional Sector Accounts
- GNI\* at constant prices – note now available on [cso.ie](http://cso.ie)
  - 2018: GNI growth 6.5% vs GNI\* growth 6.3%



# Today's Key Results

Key Indicators (at constant price)	2017 vs 2016	2018 vs 2017		Q1/19 vs Q4/18 (seasonally adjusted)
GDP	8.1%	8.2%		2.4%
GNP	5.1%	6.5%		3.0%
Personal Consumption of Goods & Services	3.0%	3.4%		0.9%
Modified Domestic Demand (MDD)	3.5%	1.7%		1.6%
<i>Employment</i>	3.1%	2.3%		1.5%





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# Ireland's Economy 2018 & Quarter 1 2019

## How is our economy doing?



**+8.2%**  
Year on Year  
GDP Growth  
(2018 vs 2017)



**+2.4%**  
Quarterly  
GDP Growth  
(Q1 2019  
vs Q4 2018)



**-0.3%**  
Total Domestic  
Demand  
(Q1 2019  
vs Q4 2018)

## What are we spending our money on? (2018 vs 2017)



**+3.4%**  
Personal  
Consumption  
Expenditure



**+16.3%**  
Durable  
Household  
Goods



**+9.8%**  
Personal  
Transport  
Equipment

## How are the different parts of our economy doing? (2018 vs 2017)



**+9.6%**  
Industry



**+11.0%**  
Construction



**+21.2%**  
Information &  
Communication

## Our interactions with the rest of the world

**€113.0bn**  
Goods Net Exports

**€5.6bn**  
Services Net Imports



**€34.3bn**  
Current Account

**€71.0bn**  
Net profit outflow

## Removing the effects of globalisation

**€12.9bn**  
Current Account\*

**+1.6%**  
Modified  
Domestic Demand  
(Q1 2019 vs Q4 2018)



**€254.2bn**  
GNI

**€197.5bn**  
GNI\*