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Institutional Sector Accounts

Financial and Non-Financial

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Introduction

This is the first publication of institutional sector accounts for Ireland. Whereas the traditional national accounts, as presented for example in the annual National Income and Expenditure publication, show the results for all the main macro-economic variables for the national economy as a whole, the institutional sector accounts analyse these variables by reference to the sectors that make up the economy (companies, government, households etc). Additionally, they present a new set of variables that display the financial operations of each sector, and conclude with a statement of the financial assets and liabilities of each sector.

While the sector accounts are designed to form an integral part of the national accounts system, they draw in part on data sources not previously used, group and confront the data in new ways, and result in new aggregates and analyses. As with any system of macro-economic accounts, alternative approaches can sometimes result in differences between two measures of a given item. It has not been possible, and indeed may never be possible, to resolve these fully, and several examples of such discrepancies are retained explicitly in the tables.

As experience is gained in compiling these tables and integrating them more fully with other macro-economic statistics, improvements can be expected in the accuracy of the results and in the scale of the discrepancies.

Consistency with other CSO statistics

The institutional sector accounts draw on a wide range of sources, including many that are used in the compilation of other sets of CSO statistics. However, the ongoing and continuous process of revision that is a normal feature of most macro-economic statistics work inevitably results in some differences with other published statistics because of the differing compilation and publication schedules. For this publication, the main relationships to other published CSO series are as follows:

- the non-financial accounts are based on and are largely consistent with the National Income and Expenditure 2005 (NIE 2005) (please consult appendix 3 in order to obtain a clear definition of any item in the non-financial accounts). Nevertheless, there are a number of reasons for differences between these two data sets:
 - *Changes in methodology* - the sector accounts more closely follow the European System of Accounts (ESA95) methodology in order to ensure greater international comparability. Consequently, there are differences with some previously published variables. For example Personal Consumption (P.3) differs from the same item as published in the NIE2005 because social transfers in kind (e.g. free school transport) are excluded from this variable in the non-financial accounts.
 - *Introduction of new data* – New data has been introduced into these accounts particularly in the area of transfers e.g. estimates for occupational and personal pensions have been included for the first time and this has resulted in changes to some associated variables previously published in the NIE 2005.
 - *Balancing adjustments* - differences have arisen as a result of reconciling a number of data sources for the same items and this has resulted in some amendments to variables previously published in NIE 2005.
- the financial accounts are consistent with the currently published Balance of Payments and International Investment Position results for 2004 and 2005, but incorporate some amendments to the underlying data for 2001, 2002 and 2003 that have not been reflected in the published BOP and IIP results.

Future work

The results in this release are for the years 2002 to 2005 (2001 to 2005 for the financial balance sheets). Annual updates will be issued in future years. As well as expected improvements in the quality of the figures, future work is also expected to lead to additional details, in particular in the financial accounts: results will be produced using a more detailed instrument breakdown (distinguishing long-term and short-term assets, for example), and tables may also be produced on a consolidated sector basis. (See the note on Consolidation in Appendix 4).

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Commentary

Non-Financial Accounts

The main macroeconomic variables detailed in this part of the publication have already been published in the National Income and Expenditure 2005. The focus of the non-financial accounts commentary here will therefore generally be on the new institutional sector analysis.

Definitions of the sectors are given in Appendix 1. Appendix 2 describes the sequence of the accounts, and Appendix 3 gives definitions of the items.

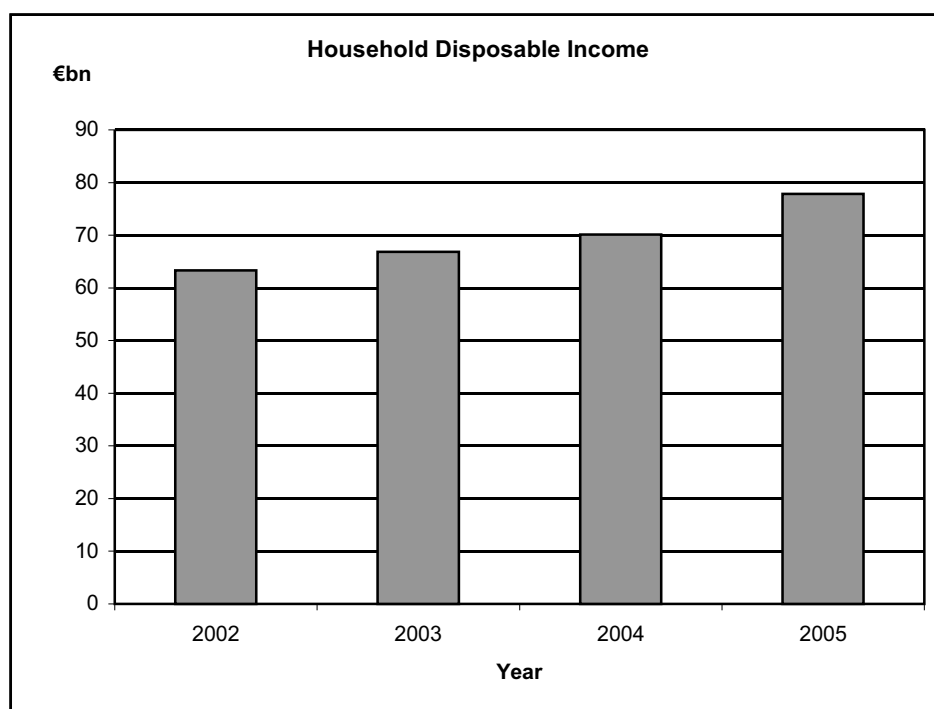
The accounts (Tables 1.1 – 1.9) are all expressed in current value terms and therefore include the effect of price changes.

The accounts record **Output (P.1)** for the total economy of over €260bn in 2002 rising to almost €311bn in 2005, an increase of almost 20%. The principal producer of output is the non-financial corporations, with output rising from €182bn to almost €206bn. **Gross Value Added** for each sector is calculated by deducting **Intermediate Consumption (P.2)** from Output, and **GDP at Market Prices** for the economy is calculated by adding taxes less subsidies to Gross Value Added.

Total **GDP** increased over the period 2002 – 2005 by 24%, from almost €130bn to over €161bn. Sector by sector, the increases in value added are as follows: non-financial corporations increased by 14% from €67bn to almost €77bn, financial corporations increased by 72% from €8.8bn to €15.2bn, government increased by 36% from €12.2bn to almost €16.7bn, and households increased by 18% from €28.5bn to €33.6bn. The most striking element of this analysis is the large increase in the value added of financial corporations compared to the considerably lower rate of growth in value added of non-financial corporations.

A similar picture emerges in the **Entrepreneurial Income Account** i.e. when property incomes (interest, dividends, rents etc.) are included. This shows the entrepreneurial income of financial corporations increasing from €16.4bn to €24.1bn, an increase of 47%, while the entrepreneurial income of non-financial corporations is practically unchanged over the period at around €34.5bn.

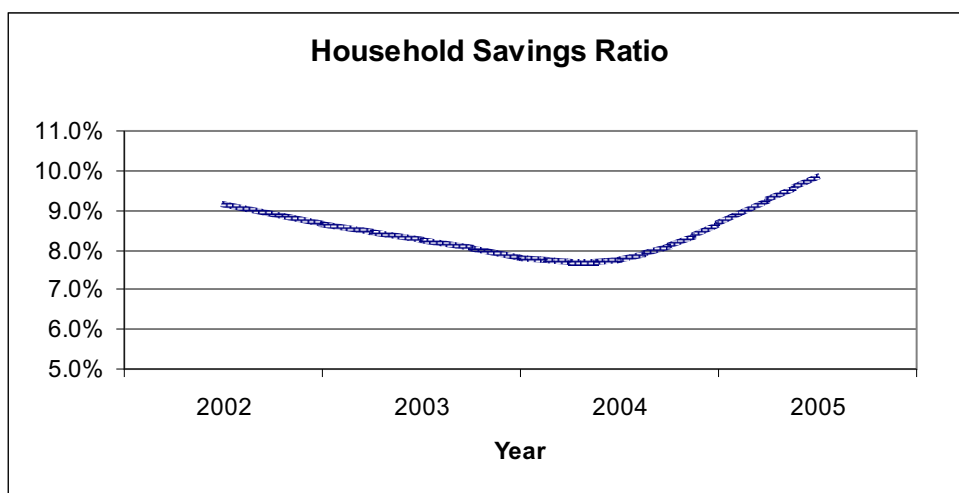
The removal of direct taxes and the addition of social contributions and other current transfers results in **Net Disposable Income**. For the household sector this increased by almost 23% from 2002 to 2005, with a particularly dramatic increase from 2004 to 2005 of 11%. The increase in 2005 is explained in part by exceptional provisions for Government liabilities to households and to some extent by the once-off increase in farm income caused by the introduction of the single farm subsidy payment scheme in 2005.



¹For convenience, sectors S.14 +S.15 will be labelled Households in the remainder of this section. In practice the share of S.15 (Non-profit institutions serving households) is relatively small

² A provision of €1bn was made by government to repay nursing home charges in 2005

The household savings ratio, defined as **Net Savings (B.8n) divided by Net Disposable Income (B.6n)** fell from 9.2% in 2002 to 7.8% in 2004. The rise to almost 10% in 2005 is largely due to the once-off increases in incomes in that year, as outlined in the preceding paragraph.



The **Net Lending (+)/Net Borrowing (-) (item B.9)** by Non-financial corporations has not changed significantly over the period, with net borrowing in each year in a range from €1.3bn in 2002 to €1.5bn in 2005. Net borrowing by the household sector increased from €1.8bn in 2002 to €9.1bn in 2005. This funding requirement is explained mainly by the shortfall between **Gross Fixed Capital Formation** (Table 1.9 item P.51) for the household sector and **Household Savings** in each year. Gross Fixed Capital Formation, which amounted to €11.4bn in 2002 increased to €22.3bn in 2005, explained largely by increases in residential construction. The annual funding requirement of households was met in part by the net lending of Financial Corporations, which was €2.5bn in 2002 rising to €5.0bn in 2005. For the domestic sectors of the economy as a whole, Net Lending (+) /Net Borrowing (-) is the mirror image of net borrowing and lending of the rest of the world sector.

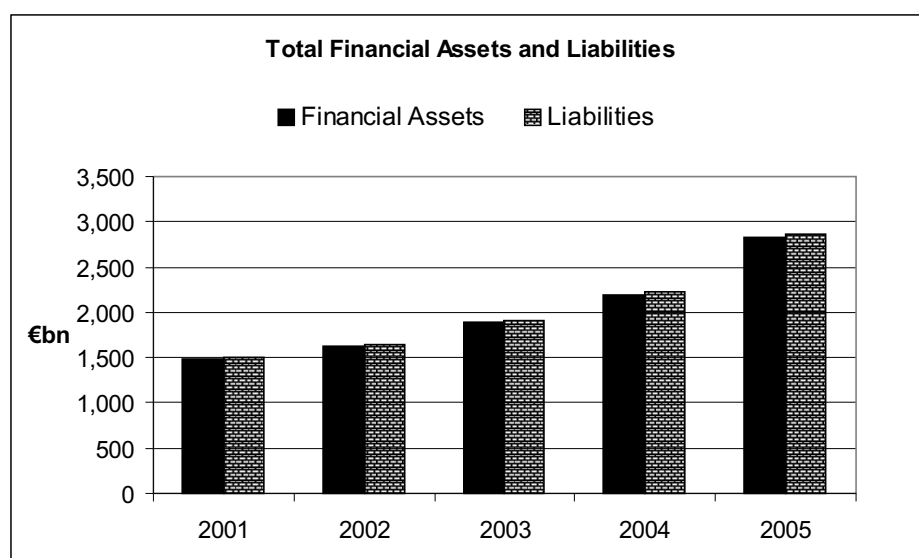
Financial transactions and balance sheets

Tables 2 and 3 give the financial accounts results. Table 2 gives the net financial transactions for each sector for each year from 2002 to 2005, showing how the net lending or borrowing of each sector is reflected in its financial operations. Table 3 gives the end-of-year financial balance sheets for each sector for the years 2001 to 2005.

Appendix 4 gives definitions of the financial instruments, and notes on the valuation and consolidation principles and on the sources and compilation methods of the financial accounts.

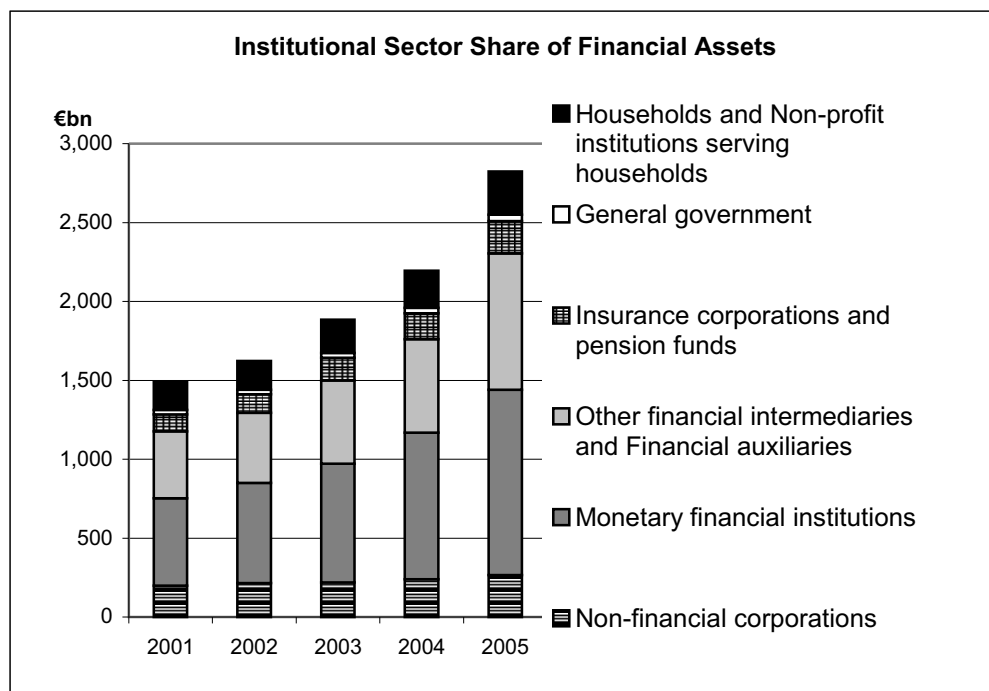
Financial balance sheets

The total financial assets of all sectors, including their assets vis-à-vis non-residents, are estimated at €2,823bn at the end of 2005, an increase of 89% on the €1,490bn position at the end of 2001. The total liabilities at the same two dates are estimated at €2,868bn and €1,508bn respectively. The overall net position was thus an increase in the net liability to the rest of the world in the period, from €18bn at the end of 2001 to €45bn at the end of 2005. (The net figures correspond to the Net International Investment Position).



At the end of 2005, 79.4% of the gross financial assets of the economy were held by financial corporations, including claims on other financial corporations. Non-financial corporations held 9.4%, government held 1.5% and households and non-profit institutions held 9.7%.

Similarly, 79.2% of the gross liabilities of the economy at the end of 2005 are those of financial corporations. Non-financial corporations had 13.9%, government had 1.8% and households and non-profit institutions had 5.1%.



At the end of 2005, the composition of the gross financial assets of the economy was as follows: € 0.1bn was in the form of Gold and Special Drawing Rights; €474bn was in the form of currency and deposits; €752bn was in securities other than shares; €772bn was in loans; €575bn was in shares and other forms of equity, including mutual fund shares; €134bn was in insurance and pension fund reserves; and €115bn was in the form of trade credit and other receivables. On the liabilities side, the composition was as follows: €641bn in currency and deposits; €435bn in securities other than shares; €595bn in loans; €901bn in shares and other forms of equity, including mutual fund shares; €183bn in insurance and pension fund reserves; and €112bn in the form of trade credit and other receivables.

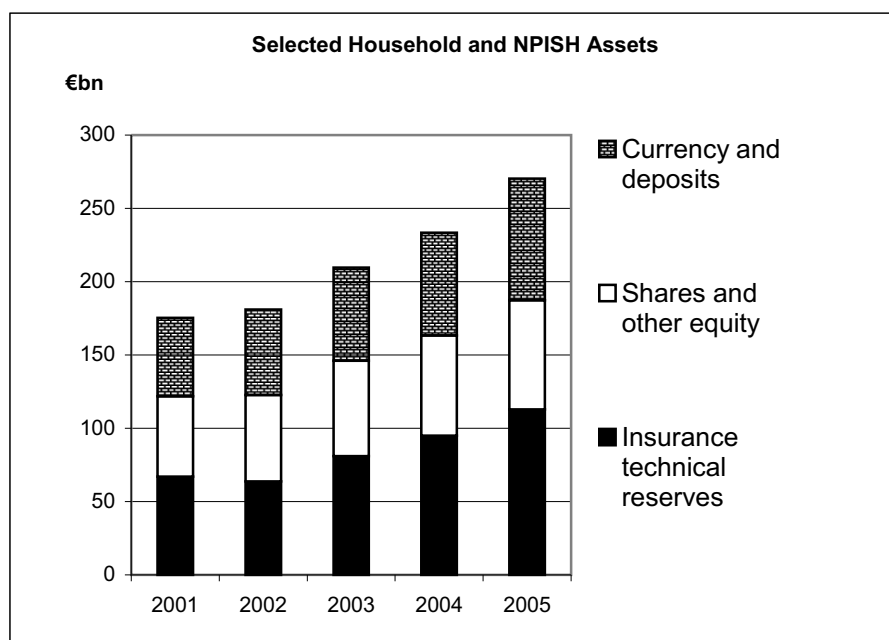
Because of the increasingly important role of Ireland as an international financial centre, these figures tend to give a somewhat exaggerated view of the scale of the domestic economy. To illustrate this, Table A has been constructed to show only the positions between residents, by subtracting the figures in the Rest of the World column of the liabilities table from the Total Economy column of the assets table. The result, for 2005, is as follows:

Table A: Internal financial assets of the economy, end-2005

	€bn	%
AF.2 Currency and deposits	274	28
AF.3 Securities other than shares	40	4
AF.4 Loans	352	36
AF.5 Shares and other equity	158	16
AF.6 Insurance technical reserves	114	11
AF.7 Other accounts receivable	53	5
Total	991	100

The **net financial assets** of each sector are shown at the end of the liabilities page of the financial balance sheet table. Throughout the period, all resident sectors other than the households sector are estimated to have negative net financial assets. Since, by definition, the tables do not show non-financial assets such as fixed assets, this result is broadly to be expected (see also the notes on Valuation in Appendix 4). The net financial asset position of households is estimated to have increased only relatively slowly during the period from end-2001 to end-2005, from €114bn to €128bn: although both their financial assets and their liabilities grew considerably more rapidly in the period than GDP, GNI or personal disposable income, their liabilities grew much more rapidly (by 130%, from €63bn to €145bn, compared to 54%, from €177bn to €273bn, for their financial assets).

The **instrument composition** of the financial assets of households remained relatively stable during the period. Holdings of currency and deposits remained broadly level at about 30% of the total, while assets in the form of insurance policies and pension fund assets rose from about 38% at end-2001 to about 41% at end-2005, after a temporary fall during the stock market downturn in 2002.



Financial transactions

The change in the financial balance sheet position of a sector between successive years is a result of two factors: transactions and revaluations (changes in the value of an item - securities, for example - because of price changes or, in the case of items denominated in foreign currencies, because of changes in exchange rates). Table 2 shows the estimated net transactions in each asset and liability instrument by each sector. The final item, shown at the end of the liabilities, is the net financial transactions of each sector (B.9F). Conceptually, this is the same as the final balancing item of the non-financial accounts, Net Lending (+)/Borrowing (-), item B.9 in Table 1.9. However, because the sources used for the two sets of accounts are different, and for other reasons such as valuation and timing differences, the figures are unlikely to agree exactly. In this set of results, there is reasonably good agreement in terms of amounts and trends for the non-financial corporations sector, for government and for households, but the results are not so satisfactory for financial corporations. For the Rest of the World sector, the difference corresponds in principle to the net errors and omissions of the balance of payments statistics. Because the system as a whole is closed, the effect of the BOP Net errors and omissions must have a counterpart somewhere in the results of the domestic sectors.

The net financial transactions (B.9F) of non-financial corporations have been negative (i.e. net incurrence of liabilities has exceeded net acquisitions of assets) in each year from 2002 to 2005, within a range € -0.9bn to € -1.6bn. For households, over this period, the annual growth in the net incurrence of liabilities (overwhelmingly loans) has outpaced the net acquisition of financial assets. The result is that the out-turn each year for the net financial transactions item (B.9F) has become increasingly negative, from € -0.7bn in 2002 to € -9.9bn in 2005.

Institutional Sector Accounts
Summary Table
2002-2005

ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR - SUMMARY TABLE

€ million

Key Variables		Year	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
B.1g*	Gross Domestic Product	2002		129,947	13,193	67,147	8,825	12,249	28,533
		2003		138,942	14,655	69,222	11,446	13,610	30,009
		2004		147,568	16,522	71,555	12,719	15,145	31,626
		2005		161,162	18,933	76,782	15,189	16,671	33,588
K.1	Consumption of Fixed Capital	2002		13,073		6,736	1,732	1,016	3,589
		2003		14,405		7,643	1,692	1,118	3,952
		2004		15,037		7,810	1,505	1,245	4,478
		2005		16,896		9,189	1,340	1,384	4,983
B.1n*	Net Domestic Product	2002		116,874	13,193	60,411	7,093	11,233	24,944
		2003		124,537	14,655	61,579	9,754	12,492	26,058
		2004		132,531	16,522	63,745	11,215	13,900	27,148
		2005		144,266	18,933	67,593	13,849	15,287	28,605
B.2n	Net Operating Surplus /Mixed Income	2002		53,164	288	32,688	3,955	0	16,233
		2003		55,626	486	32,421	6,242	0	16,477
		2004		56,130	380	32,196	7,078	0	16,476
		2005		59,677	30	33,002	9,339	0	17,306
B.5n	Net National Income	2002		94,584	288	8,643	2,425	15,002	68,226
		2003		104,117	486	9,508	5,543	15,841	72,738
		2004		110,781	380	9,040	5,600	18,250	77,510
		2005		120,824	30	9,372	6,060	20,381	84,981
B.6n	Net Disposable Income	2002		93,882	288	4,485	2,556	23,221	63,332
		2003		103,244	486	5,356	5,642	24,909	66,850
		2004		109,707	380	4,851	5,654	28,724	70,099
		2005		119,618	30	5,083	5,715	30,949	77,841
B.8n	Net Saving	2002		15,551	288	4,485	1,208	3,714	5,856
		2003		19,269	486	5,356	3,956	3,932	5,538
		2004		20,203	380	4,851	4,018	5,520	5,434
		2005		22,553	30	5,083	4,323	5,405	7,712

ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR - SUMMARY TABLE

€ million

Key Variables		Year	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
B.11 ⁽¹⁾	External Balance of Goods and Services	2002	-22,198						
		2003	-22,292						
		2004	-21,953						
		2005	-20,448						
B.12 ⁽¹⁾	Current External Balance	2002	793						
		2003	-1,000						
		2004	873						
		2005	4,201						
B.10.1	Changes in net worth due to saving and capital transfers	2002	211	16,133	288	4,374	1,208	4,175	6,089
		2003	-1,424	19,692	486	5,045	3,956	4,300	5,904
		2004	426	20,650	380	4,314	4,018	5,979	5,958
		2005	3,966	22,787	30	4,760	4,323	5,413	8,262
B.9	Net lending (+) / Net Borrowing (-)	2002	282	-281	576	-1,276	2,503	-266	-1,817
		2003	-1,094	1,092	973	-554	5,249	135	-4,712
		2004	594	-592	760	-564	5,122	1,818	-7,729
		2005	3,935	-3,936	60	-1,549	5,049	1,658	-9,153
B.9F	Net Financial Transactions	2002	1,064	-1,064		-876	832	-351	-669
		2003	-1,371	1,371		-1,610	3,773	364	-1,157
		2004	3,801	-3,801		-1,510	3,518	2,417	-8,225
		2005	-954	954		-1,211	11,865	214	-9,914
B.9 - B.9F	Discrepancy	2002	-783	783	576	-400	1,671	84	-1,148
		2003	277	-279	973	1,056	1,476	-229	-3,555
		2004	-3,206	3,208	760	946	1,604	-598	496
		2005	4,889	-4,889	60	-338	-6,815	1,444	761

Institutional Sector Accounts
Non-Financial Tables
2002

2002
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR € million

Uses								CURRENT ACCOUNTS	Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)

1.1 PRODUCTION ACCOUNT																
								P.1	Output	260,447	260,447	288	181,966	19,186	19,266	39,741
11,208	7,017	10,361	114,819		143,406		143,406	P.2	Intermediate consumption							
28,533	12,249	8,825	67,147	288	117,041			B.1g	Gross value added							
								D.21-D.31	Taxes less subsidies on products	12,906	12,906	12,906				
28,533	12,249	8,825	67,147	13,193	129,947			B.1g*	Gross Domestic Product							
3,589	1,016	1,732	6,736		13,073			K.1	Consumption of fixed capital							
24,944	11,233	7,093	60,411	13,193	116,874			B.1n*	Net domestic product							

1.2 GENERATION OF INCOME ACCOUNT																
								B.1n*	Net domestic product		116,874	13,193	60,411	7,093	11,233	24,944
8,904	11,232	3,086	27,044		50,266	289	50,555	D.1	Compensation of employees							
					15,068	15,068	15,068	D.21	Taxes on products							
267	0	53	784		1,105		1,105	D.29	Other taxes on production							
								D.31	Subsidies on products	2,162	2,162	2,162				
								D.39	Other subsidies on production	567	567		105	1	0	462
19,822	1,016	5,687	39,424	288	66,237			B.2g	Gross operating surplus/Mixed income							
3,589	1,016	1,732	6,736		13,073			K.1	Consumption of fixed capital							
16,233	0	3,955	32,688	288	53,164			B.2n	Net operating surplus/Mixed income							

2002																	
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR																	
€ million																	
Uses								CURRENT ACCOUNTS	Resources								
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)	
1.3 ALLOCATION OF PRIMARY INCOME ACCOUNT																	
								B.2n	Net operating surplus		53,164	288	32,688	3,955	0	16,233	
								D.1	Compensation of employees	50,555	445	50,110				50,110	
								D.2	Taxes on production and imports	16,173	488	15,685			15,685		
								D.21	Taxes on products	15,068	488	14,580			14,580		
								D.29	Other taxes on production	1,105	0	1,105			1,105		
	834				834	1,896	2,730	D.3	Subsidies								
	639				639	1,524	2,163	D.31	Subsidies on products								
	195				195	372	567	D.39	Other subsidies on production								
3,128	1,593	31,578	27,235		63,535	28,333	91,867	D.4	Property income	91,867	51,874	39,993		3,190	30,048	1,744	5,011
2,946	1,593	16,046	1,418		22,003	22,414	44,417	D.41	Interest	44,416	13,216	31,200		1,666	26,915	392	2,226
0	0	11,367	13,848		25,215	2,405	27,620	D.42	Distributed income of corporations	27,620	22,969	4,651		-7	2,282	1,351	1,024
0	0	2,617	11,969		14,586	2,245	16,831	D.43	Reinvested earnings on direct foreign investment	16,831	14,586	2,245		1,435	810	0	0
0	0	1,549	0		1,549	1,269	2,818	D.44	Property income attributed to insurance policy holders	2,818	1,103	1,715		96	41	0	1,578
182	L	0	0		182		182	D.45	Rent	182		182		0	0	0	182
68,226	15,002	2,425	8,643	288	94,584			B.5n	Net national income								
1.4 MEMORANDUM: ENTREPRENEURIAL INCOME ACCOUNT																	
								B.2n	Net operating surplus				32,688	3,955			
		16,046	1,418					D.41	Interest				1,666	26,915			
								D.42	Distributed income of corporations				-7	2,282			
								D.43	Reinvested earnings on direct foreign investment				1,435	810			
		1,549	0					D.44	Property income attributed to insurance policy holders				96	41			
		0	0					D.45	Rent				0	0			
		16,409	34,461					B.4n	Entrepreneurial income, net								

2002																
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR																
€ million																
Uses								CURRENT ACCOUNTS	Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
1.5 SECONDARY DISTRIBUTION OF INCOME ACCOUNT																
								B.5n	Net national income		94,584	288	8,643	2,425	15,002	68,226
10,106	0	1,153	3,784		15,043	0	15,043	D.5	Current taxes on income, wealth, etc.	15,043	64	14,979			14,979	
10,362					10,362	0	10,362	D.61	Social contributions	10,362	0	10,362		2,840	7,459	63
394	11,543	1,463			13,399	380	13,779	D.62	Social benefits other than social transfers in kind	13,779	130	13,650				13,650
1,491	2,874	8,192	904		13,461	5,643	19,104	D.7	Other current transfers	19,104	6,531	12,573	530	8,099	198	3,746
1,296	82	235	904		2,517	5,440	7,957	D.71	Net non-life insurance premiums	7,957	0	7,957		7,957	0	
	0	7,957			7,957	0	7,957	D.72	Non-life insurance claims	7,957	5,440	2,517	530	142	10	1,835
	357				357	188	545	D.74	Current international cooperation	545	357	188			188	
195	2,435				2,630	15	2,645	D.75	Miscellaneous current transfers	2,645	734	1,911	0	0	0	1,911
63,332	23,221	2,556	4,485	288	93,882			B.6n	Net disposable income							

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ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR

€ million

Uses								CURRENT ACCOUNTS	Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
1.6 USE OF DISPOSABLE INCOME ACCOUNT																
								B.6n	Net disposable income		93,882	288	4,485	2,556	23,221	63,332
58,825	19,506				78,331			P.3	Final consumption expenditure							
58,825	12,566				71,391			P.31	Individual consumption expenditure							
	6,940				6,940			P.32	Collective consumption expenditure							
0	0	1,348	0		1,348	0	1,348	D.8	Adjustment for the change in net equity of households in pension funds reserves	1,348	0	1,348				1,348
5,855	3,714	1,208	4,485	288	15,551			B.8n	Net saving							
1.7 EXTERNAL ACCOUNT																
					121,722			P.6	Exports of goods and services							
					89,495			P.61	Exports of goods							
					32,227			P.62	Exports of services							
								P.7	Imports of goods and services	99,523						
								P.71	Imports of goods	54,052						
								P.72	Imports of services	45,471						
					-22,198			B.11	External balance of goods & services							
					184,421	36,541	220,962	D.1 to D.8	Primary incomes and current transfers	220,961	59,532	161,429				
					793			B.12	Current external balance							

2002																	
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR																	
€ million																	
Uses								CAPITAL ACCOUNTS	Resources								
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)	

1.8 CHANGE IN NET WORTH DUE TO SAVING AND CAPITAL TRANSFERS ACCOUNT

								B.8n	Net saving			15,551	288	4,485	1,208	3,714	5,856
								B.12	Current external balance		793						
386	1,127	0	679	0	2,192	658	2,850	D.9	Capital transfers	2,850	76	2,774	568	0	1,587	619	
151		0	0		151	0	151	D.91	Capital taxes	151	0	151			151		
	1,055				1,055	640	1,695	D.92	Investment grants	1,695	0	1,695	568		570	557	
235	72	0	679		986	18	1,004	D.99	Other capital transfers	1,004	76	928	0	0	867	61	
6,089	4,175	1,208	4,374	288	16,133	211	16,344	B.10.1	Changes in net worth due to saving and capital transfers								

1.9 ACQUISITION OF NON-FINANCIAL ASSETS ACCOUNT

								B.10.1	Changes in net worth due to saving and capital transfers	16,344	211	16,133	288	4,374	1,208	4,175	6,089
11,494	5,457	437	12,315	-288	29,416		29,416	P.5	Gross capital formation								
11,395	5,454	437	11,753		29,039		29,039	P.51	Gross fixed capital formation								
99	3	0	562	-288	376		376	P.52	Changes in inventories								
0	0	0	1		1		1	P.53	Acquisitions less disposals of valuables								
								K.1	Consumption of fixed capital	13,073		13,073	6,736	1,732	1,016	3,589	
0	0	0	70		70	-70	0	K.2	Acquisitions less disposals of non-produced non-financial assets								
-1817	-266	2503	-1276	576	-281	282	1	B.9	Net lending (+) / net borrowing (-)								

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2003																
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR															€ million	
Uses								CURRENT ACCOUNTS	Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
1.1 PRODUCTION ACCOUNT																
								P.1	Output	279,228	279,228	486	190,627	25,360	20,802	41,953
11,944	7,192	13,914	121,405		154,455		154,455	P.2	Intermediate consumption							
30,009	13,610	11,446	69,222	486	124,773			B.1g	Gross value added							
								D.21-D.31	Taxes less subsidies on products	14,169	14,169	14,169				
30,009	13,610	11,446	69,222	14,655	138,942			B.1g*	Gross Domestic Product							
3,952	1,118	1,692	7,643		14,405			K.1	Consumption of fixed capital							
26,058	12,492	9,754	61,579	14,655	124,537			B.1n*	Net domestic product							

1.2 GENERATION OF INCOME ACCOUNT																
								B.1n*	Net domestic product	124,537	14,655	61,579	9,754	12,492	26,058	
9,680	12,492	3,452	28,371		53,995	269	54,264	D.1	Compensation of employees							
					16,351		16,351	D.21	Taxes on products							
310	0	60	897		1,267		1,267	D.29	Other taxes on production							
								D.31	Subsidies on products	2,183	2,183	2,183				
								D.39	Other subsidies on production	520	520		109	0	0	410
20,429	1,118	7,934	40,063	486	70,031			B.2g	Gross operating surplus/Mixed income							
3,952	1,118	1,692	7,643		14,405			K.1	Consumption of fixed capital							
16,477	0	6,242	32,421	486	55,626			B.2n	Net operating surplus/Mixed income							

2003																	
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR																	
€ million																	
Uses								CURRENT ACCOUNTS	Resources								
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)	
1.3 ALLOCATION OF PRIMARY INCOME ACCOUNT																	
								B.2n	Net operating surplus		55,626	486	32,421	6,242	0	16,477	
								D.1	Compensation of employees	54,264	485	53,779				53,779	
								D.2	Taxes on production and imports	17,619	535	17,084			17,084		
								D.21	Taxes on products	16,351	535	15,816			15,816		
								D.29	Other taxes on production	1,267	0	1,267			1,267		
	864				864	1,839	2,703	D.3	Subsidies								
	672				672	1,511	2,183	D.31	Subsidies on products								
	192				192	328	520	D.39	Other subsidies on production								
2,288	1,565	31,457	26,107		61,417	29,930	91,347	D.4	Property income	91,347	51,438	39,909		3,195	30,758	1,187	4,770
2,109	1,565	15,019	1,948		20,642	23,104	43,746	D.41	Interest	43,747	13,019	30,727		1,167	27,825	176	1,560
0	0	10,663	12,245		22,908	2,227	25,135	D.42	Distributed income of corporations	25,135	21,216	3,919		-2	2,100	1,011	810
0	0	3,979	11,914		15,893	2,669	18,563	D.43	Reinvested earnings on direct foreign investment	18,562	15,893	2,669		1,895	775	0	0
0	0	1,795	0		1,795	1,929	3,725	D.44	Property income attributed to insurance policy holders	3,724	1,310	2,414		135	58	0	2,221
179	-	0	0		179		179	D.45	Rent	179		179		0	0	0	179
72,738	15,841	5,543	9,508	486	104,117			B.5n	Net national income								
1.4 MEMORANDUM: ENTREPRENEURIAL INCOME ACCOUNT																	
								B.2n	Net operating surplus				32,421	6,242			
		15,019	1,948					D.41	Interest				1,167	27,825			
								D.42	Distributed income of corporations				-2	2,100			
								D.43	Reinvested earnings on direct foreign investment				1,895	775			
		1,795	0					D.44	Property income attributed to insurance policy holders				135	58			
		0	0					D.45	Rent				0	0			
		20,186	33,667					B.4n	Entrepreneurial income, net								

2003																
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR																
€ million																
Uses								CURRENT ACCOUNTS	Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
1.5 SECONDARY DISTRIBUTION OF INCOME ACCOUNT																
								B.5n	Net national income		104,117	486	9,508	5,543	15,841	72,738
11,079	0	1,598	3,759		16,436	0	16,436	D.5	Current taxes on income, wealth, etc.	16,437	53	16,383			16,383	
11,398					11,398	0	11,398	D.61	Social contributions	11,398	0	11,398		3,234	8,093	70
413	12,642	1,454	0		14,509	427	14,936	D.62	Social benefits other than social transfers in kind	14,936	172	14,764				14,764
1,471	2,952	6,423	890		11,737	3,920	15,657	D.7	Other current transfers	15,656	4,994	10,662	497	6,341	185	3,639
1,240	84	240	890		2,454	3,729	6,184	D.71	Net non-life insurance premiums	6,184	0	6,184		6,184	0	
	0	6,184			6,184	0	6,184	D.72	Non-life insurance claims	6,184	3,729	2,454	497	157	9	1,791
	357				357	176	533	D.74	Current international cooperation	532	357	176			176	
231	2,510	0	0		2,741	15	2,756	D.75	Miscellaneous current transfers	2,756	908	1,848			0	1,848
66,850	24,909	5,642	5,356	486	103,245			B.6n	Net disposable income							

2003
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR

€ million

Uses								CURRENT ACCOUNTS	Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
1.6 USE OF DISPOSABLE INCOME ACCOUNT																
								B.6n	Net disposable income		103,245	486	5,356	5,642	24,909	66,850
62,998	20,977				83,975			P.3	Final consumption expenditure							
62,998	13,596				76,594			P.31	Individual consumption expenditure							
	7,381				7,381			P.32	Collective consumption expenditure							
0	0	1,686	0		1,686	0	1,686	D.8	Adjustment for the change in net equity of households in pension funds reserves	1,686	0	1,686				1,686
5,538	3,932	3,956	5,356	486	19,269			B.8n	Net saving							
1.7 EXTERNAL ACCOUNT																
						116,380		P.6	Exports of goods and services							
						78,314		P.61	Exports of goods							
						38,066		P.62	Exports of services							
								P.7	Imports of goods and services	94,087						
								P.71	Imports of goods	45,709						
								P.72	Imports of services	48,378						
						-22,292		B.11	External balance of goods & services							
					189,660	36,386	226,045	D.1 to D.8	Primary incomes and current transfers	226,044	57,677	168,367				
						-1,000		B.12	Current external balance							

2003																
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR													€ million			
Uses								CAPITAL ACCOUNTS	Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
1.8 CHANGE IN NET WORTH DUE TO SAVING AND CAPITAL TRANSFERS ACCOUNT																
								B.8n	Net saving		19,269	486	5,356	3,956	3,932	5,538
								B.12	Current external balance		-1,000					
508	1,405	0	932	0	2,845	499	3,344	D.9	Capital transfers	3,344	76	3,268	621	0	1,773	874
213		0	0		213	0	213	D.91	Capital taxes	213	0	213			213	
	1,337				1,337	491	1,828	D.92	Investment grants	1,828	0	1,828	621		387	820
295	68	0	932		1,294	8	1,302	D.99	Other capital transfers	1,302	76	1,226	0	0	1,173	53
5,904	4,300	3,956	5,045	486	19,692	-1,423	18,269	B.10.1	Changes in net worth due to saving and capital transfers							

1.9 ACQUISITION OF NON-FINANCIAL ASSETS ACCOUNT																	
								B.10.1	Changes in net worth due to saving and capital transfers	18,268	-1,424	19,692	486	5,045	3,956	4,300	5,904
14,567	5,283	399	12,911	-486	32,675		32,675	P.5	Gross capital formation								
14,557	5,289	399	11,727		31,972		31,972	P.51	Gross fixed capital formation								
11	-5	0	1,188	-486	708		708	P.52	Changes in inventories								
-1	-1	0	-4		-6		-6	P.53	Acquisitions less disposals of valuables								
								K.1	Consumption of fixed capital	14,405		14,405	7,643	1,692	1,118	3,952	
0	0	0	330		330	-330	0	K.2	Acquisitions less disposals of non-produced non-financial assets								
-4712	135	5249	-554	973	1092	-1094	-2	B.9	Net lending (+) / net borrowing (-)								

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2004
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR

€ million

Uses								CURRENT ACCOUNTS	Resources								
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)	
1.1 PRODUCTION ACCOUNT																	
								P.1	Output	293,300		293,300	380	198,376	27,868	22,803	43,873
12,247	7,658	15,149	126,821		161,874		161,874	P.2	Intermediate consumption								
31,626	15,145	12,719	71,555	380	131,426			B.1g	Gross value added								
								D.21-D.31	Taxes less subsidies on products	16,142		16,142	16,142				
31,626	15,145	12,719	71,555	16,522	147,568			B.1g*	Gross Domestic Product								
4,478	1,245	1,505	7,810		15,037			K.1	Consumption of fixed capital								
27,148	13,900	11,215	63,745	16,522	132,531			B.1n*	Net domestic product								

1.2 GENERATION OF INCOME ACCOUNT																	
								B.1n*	Net domestic product			132,531	16,522	63,745	11,215	13,900	27,148
10,744	13,900	4,072	30,675		59,391	311	59,702	D.1	Compensation of employees								
					18,252		18,252	D.21	Taxes on products								
327	0	65	969		1,361		1,361	D.29	Other taxes on production								
								D.31	Subsidies on products	2,110		2,110	2,110				
								D.39	Other subsidies on production	493		493		95	0	0	399
20,953	1,245	8,583	40,006	380	71,167			B.2g	Gross operating surplus/Mixed income								
4,478	1,245	1,505	7,810		15,037			K.1	Consumption of fixed capital								
16,476	0	7,078	32,196	380	56,130			B.2n	Net operating surplus/Mixed income								

2004																	
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR																	
€ million																	
Uses								CURRENT ACCOUNTS		Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)			Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
1.3 ALLOCATION OF PRIMARY INCOME ACCOUNT																	
								B.2n	Net operating surplus								
										56,130	380	32,196	7,078	0	16,476		
								D.1	Compensation of employees	59,702	589	59,113				59,113	
								D.2	Taxes on production and imports	19,613	324	19,289			19,289		
								D.21	Taxes on products	18,252	324	17,928			17,928		
								D.29	Other taxes on production	1,361	0	1,361			1,361		
	815				815	1,788	2,603	D.3	Subsidies								
	646				646	1,463	2,109	D.31	Subsidies on products								
	169				169	325	494	D.39	Other subsidies on production								
2,955	1,550	35,963	27,084		67,552	33,573	101,125	D.4	Property income	101,125	56,511	44,614		3,928	34,485	1,325	4,877
2,728	1,550	17,838	2,435		24,549	25,998	50,547	D.41	Interest	50,547	16,376	34,172		1,489	30,954	185	1,543
0	0	11,299	20,322		31,621	3,163	34,784	D.42	Distributed income of corporations	34,784	29,625	5,159		30	3,028	1,140	961
0	0	4,963	4,327		9,290	2,720	12,011	D.43	Reinvested earnings on direct foreign investment	12,011	9,290	2,720		2,275	445	0	0
56	0	1,863	0		1,919	1,692	3,611	D.44	Property income attributed to insurance policy holders	3,611	1,220	2,392		134	57	0	2,200
172	-	0	0		172		172	D.45	Rent	172		172		0	0	0	172
77,510	18,250	5,600	9,040	380	110,781			B.5n	Net national income								
1.4 MEMORANDUM: ENTREPRENEURIAL INCOME ACCOUNT																	
								B.2n	Net operating surplus				32,196	7,078			
		17,838	2,435					D.41	Interest				1,489	30,954			
								D.42	Distributed income of corporations				30	3,028			
								D.43	Reinvested earnings on direct foreign investment				2,275	445			
		1,863	0					D.44	Property income attributed to insurance policy holders				134	57			
		0	0					D.45	Rent				0	0			
		21,862	33,689					B.4n	Entrepreneurial income, net								

2004																	
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR																	
€ million																	
Uses								CURRENT ACCOUNTS	Resources								
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)	
1.5 SECONDARY DISTRIBUTION OF INCOME ACCOUNT																	
								B.5n	Net national income			110,781	380	9,040	5,600	18,250	77,510
12,764	0	1,707	3,845		18,317	0	18,317	D.5	Current taxes on income, wealth, etc.	18,317	60	18,257				18,257	
12,311					12,311	0	12,311	D.61	Social contributions	12,311	0	12,311	0	3,280	8,951	80	
449	13,614	1,434	0		15,496	393	15,889	D.62	Social benefits other than social transfers in kind	15,889	196	15,693					15,693
1,414	3,383	5,332	785		10,915	3,135	14,049	D.7	Other current transfers	14,049	4,345	9,704	441	5,246	262	3,755	
1,186	75	208	785		2,254	2,870	5,124	D.71	Net non-life insurance premiums	5,124	0	5,124		5,124	0		
	0	5,124			5,124	0	5,124	D.72	Non-life insurance claims	5,124	2,870	2,254	441	122	9	1,683	
	372				372	254	626	D.74	Current international cooperation	626	372	254			254		
228	2,936	0	0		3,164	11	3,175	D.75	Miscellaneous current transfers	3,175	1,103	2,072	0	0	0	2,072	
70,099	28,724	5,654	4,851	380	109,707			B.6n	Net disposable income								

2004
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR

€ million

Uses								CURRENT ACCOUNTS	Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
1.6 USE OF DISPOSABLE INCOME ACCOUNT																
								B.6n	Net disposable income		109,707	380	4,851	5,654	28,724	70,099
66,301	23,203				89,504			P.3	Final consumption expenditure							
66,301	15,144				81,445			P.31	Individual consumption expenditure							
	8,060				8,060			P.32	Collective consumption expenditure							
0	0	1,635	0		1,635	0	1,635	D.8	Adjustment for the change in net equity of households in pension funds reserves	1,635	0	1,635				1,635
5,434	5,520	4,018	4,851	380	20,203			B.8n	Net saving							

1.7 EXTERNAL ACCOUNT																
						124,049		P.6	Exports of goods and services							
						80,544		P.61	Exports of goods							
						43,505		P.62	Exports of services							
								P.7	Imports of goods and services		102,096					
								P.71	Imports of goods		49,122					
								P.72	Imports of services		52,974					
						-21,953		B.11	External balance of goods & services							
					206,044	39,198	245,242	D.1 to D.8	Primary incomes and current transfers	245,244	62,025	183,219				
					873			B.12	Current external balance							

2004															
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR													€ million		
Uses								CAPITAL ACCOUNTS	Resources						
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)

1.8 CHANGE IN NET WORTH DUE TO SAVING AND CAPITAL TRANSFERS ACCOUNT																	
								B.8n	Net saving			20,203	380	4,851	4,018	5,520	5,434
								B.12	Current external balance			873					
500	1,419	0	1,023	0	2,941	523	3,464	D.9	Capital transfers	3,464	76	3,388		486	0	1,877	1,025
190		0	0		190	0	190	D.91	Capital taxes	190	0	190				190	
	1,347				1,347	519	1,866	D.92	Investment grants	1,866	0	1,866		486	0	405	975
310	72	0	1,023		1,404	4	1,408	D.99	Other capital transfers	1,408	76	1,332		0	0	1,282	50
5,958	5,979	4,018	4,314	380	20,650	426	21,076	B.10.1	Changes in net worth due to saving and capital transfers								

1.9 ACQUISITION OF NON-FINANCIAL ASSETS ACCOUNT																	
								B.10.1	Changes in net worth due to saving and capital transfers	21,076	426	20,650	380	4,314	4,018	5,979	5,958
18,165	5,405	401	12,520	-380	36,112		36,112	P.5	Gross capital formation								
18,107	5,451	401	12,289		36,248		36,248	P.51	Gross fixed capital formation								
60	-43	0	242	-380	-121		-121	P.52	Changes in inventories								
-2	-3	0	-10		-15		-15	P.53	Acquisitions less disposals of valuables								
								K.1	Consumption of fixed capital	15,037		15,037		7,810	1,505	1,245	4,478
0	0	0	168		168	-168	0	K.2	Acquisitions less disposals of non-produced non-financial assets								
-7729	1818	5122	-564	760	-592	594	2	B.9	Net lending (+) / net borrowing (-)								

Institutional Sector Accounts
Non-Financial Tables
2005

2005																
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR														€ million		
Uses								CURRENT ACCOUNTS	Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
1.1 PRODUCTION ACCOUNT																
								P.1	Output	310,924	310,924	30	205,622	32,425	25,179	47,667
14,079	8,509	17,236	128,840		168,664		168,664	P.2	Intermediate consumption							
33,588	16,671	15,189	76,782	30	142,260			B.1g	Gross value added							
								D.21-D.31	Taxes less subsidies on products	18,903	18,903	18,903				
33,588	16,671	15,189	76,782	18,933	161,163			B.1g*	Gross Domestic Product							
4,983	1,384	1,340	9,189		16,896			K.1	Consumption of fixed capital							
28,605	15,287	13,849	67,593	18,933	144,267			B.1n*	Net domestic product							

1.2 GENERATION OF INCOME ACCOUNT																
								B.1n*	Net domestic product	144,267	18,933	67,593	13,849	15,287	28,605	
12,216	15,287	4,443	33,880		65,825	503	66,328	D.1	Compensation of employees							
					20,508		20,508	D.21	Taxes on products							
341	0	67	1,010		1,418		1,418	D.29	Other taxes on production							
								D.31	Subsidies on products	1,605	1,605	1,605				
								D.39	Other subsidies on production	1,558	1,558		300	1	0	1,258
22,289	1,384	10,679	42,192	30	76,573			B.2g	Gross operating surplus/ Mixed income							
4,983	1,384	1,340	9,189		16,896			K.1	Consumption of fixed capital							
17,306	0	9,339	33,002	30	59,677			B.2n	Net operating surplus/Mixed income							

2005
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR

€ million

Uses								CURRENT ACCOUNTS	Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
1.3 ALLOCATION OF PRIMARY INCOME ACCOUNT																
								B.2n	Net operating surplus							
										59,677	30	33,002	9,339	0	17,306	
								D.1	Compensation of employees	66,328	711	65,617			65,617	
								D.2	Taxes on production and imports	21,926	432	21,494		21,494		
								D.21	Taxes on products	20,508	432	20,076		20,076		
								D.29	Other taxes on production	1,418	0	1,418		1,418		
	925				925	2,237	3,162	D.3	Subsidies							
	672				672	932	1,604	D.31	Subsidies on products							
	253				253	1,305	1,558	D.39	Other subsidies on production							
2,861	1,624	47,769	27,637		79,891	41,751	121,641	D.4	Property income	121,641	66,791	54,851	4,006	44,489	1,436	4,919
2,706	1,624	27,620	2,409		34,359	33,025	67,384	D.41	Interest	67,384	24,128	43,256	1,594	39,825	255	1,581
0	0	13,487	25,060		38,547	3,889	42,437	D.42	Distributed income of corporations	42,437	36,577	5,860	834	2,917	1,181	928
0	0	4,585	167		4,753	3,129	7,881	D.43	Reinvested earnings on direct foreign investment	7,881	4,753	3,129	1,441	1,688	0	0
0	0	2,076	0		2,076	1,708	3,784	D.44	Property income attributed to insurance policy holders	3,784	1,334	2,451	137	59	0	2,255
155	0	0	0		155		155	D.45	Rent	155		155	0	0	0	155
84,981	20,380	6,060	9,372	30	120,823			B.5n	Net national income							
1.4 MEMORANDUM: ENTREPRENEURIAL INCOME ACCOUNT																
								B.2n	Net operating surplus				33,002	9,339		
		27,620	2,409					D.41	Interest				1,594	39,825		
								D.42	Distributed income of corporations				834	2,917		
								D.43	Reinvested earnings on direct foreign investment				1,441	1,688		
		2,076	0					D.44	Property income attributed to insurance policy holders				137	59		
		0	0					D.45	Rent				0	0		
		24,132	34,599					B.4n	Entrepreneurial income, net							

2005																	
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR																	
€ million																	
Uses								CURRENT ACCOUNTS	Resources								
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)	
1.5 SECONDARY DISTRIBUTION OF INCOME ACCOUNT																	
								B.5n	Net national income		120,823	30	9,372	6,060	20,380	84,981	
13,910	0	1,816	3,961		19,687	0	19,687	D.5	Current taxes on income, wealth, etc.	19,687	71	19,616			19,616		
13,163					13,163	0	13,163	D.61	Social contributions	13,163	0	13,163	0	3,104	9,968	91	
472	15,575	1,546	0		17,594	425	18,019	D.62	Social benefits other than social transfers in kind	18,019	195	17,824				17,824	
1,293	3,676	5,037	710		10,716	3,037	13,753	D.7	Other current transfers	13,752	4,401	9,351	382	4,950	235	3,783	
1,081	72	189	710		2,051	2,797	4,848	D.71	Net non-life insurance premiums	4,848	0	4,848		4,848	0		
	0	4,848			4,848	0	4,848	D.72	Non-life insurance claims	4,848	2,797	2,051	382	102	8	1,559	
	308				308	227	535	D.74	Current international cooperation	535	308	227			227		
212	3,296	0	0		3,508	12	3,521	D.75	Miscellaneous current transfers	3,521	1,296	2,224	0	0	0	2,224	
77,841	30,949	5,715	5,083	30	119,617			B.6n	Net disposable income								

2005
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR

€ million

Uses								CURRENT ACCOUNTS	Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)

1.6 USE OF DISPOSABLE INCOME ACCOUNT

								B.6n	Net disposable income		119,617	30	5,083	5,715	30,949	77,841
71,521	25,544				97,065			P.3	Final consumption expenditure							
71,521	16,863				88,384			P.31	Individual consumption expenditure							
	8,681				8,681			P.32	Collective consumption expenditure							
0	0	1,392	0		1,392	0	1,392	D.8	Adjustment for the change in net equity of households in pension funds reserves	1,392	0	1,392				1,392
7,712	5,404	4,323	5,083	30	22,552			B.8n	Net saving							

1.7 EXTERNAL ACCOUNT

					131,001			P.6	Exports of goods and services							
					83,692			P.61	Exports of goods							
					47,309			P.62	Exports of services							
								P.7	Imports of goods and services	110,553						
								P.71	Imports of goods	54,086						
								P.72	Imports of services	56,467						
					-20,448			B.11	External balance of goods & services							
					231,119	47,952	279,071	D.1 to D.8	Primary incomes and current transfers	279,071	72,601	206,470				
					4,201			B.12	Current external balance							

2005
ANNUAL ACCOUNTS BY INSTITUTIONAL SECTOR

€ million

Uses								CAPITAL ACCOUNTS	Resources								
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)	
1.8 CHANGE IN NET WORTH DUE TO SAVING AND CAPITAL TRANSFERS ACCOUNT																	
								B.8n	Net saving			22,552	30	5,083	4,323	5,404	7,712
								B.12	Current external balance			4,201					
528	1,665	0	903	0	3,095	311	3,406	D.9	Capital transfers	3,406	76	3,330	579	0	1,673	1,077	
250		0	0		250	0	250	D.91	Capital taxes	250	0	250			250		
	1,591				1,591	305	1,896	D.92	Investment grants	1,896	0	1,896	579	0	289	1,028	
278	73	0	903		1,254	6	1,260	D.99	Other capital transfers	1,260	76	1,184	0	0	1,134	49	
8,262	5,413	4,323	4,760	30	22,787	3,966	26,753	B.10.1	Changes in net worth due to saving and capital transfers								

1.9 ACQUISITION OF NON-FINANCIAL ASSETS ACCOUNT

								B.10.1	Changes in net worth due to saving and capital transfers	26,753	3,966	22,787	30	4,760	4,323	5,413	8,262
22,398	5,140	613	15,528	-30	43,650		43,650	P.5	Gross capital formation								
22,297	5,186	613	15,458		43,554		43,554	P.51	Gross fixed capital formation								
101	-47	0	70	-30	94		94	P.52	Changes in inventories								
0	0	0	1		1		1	P.53	Acquisitions less disposals of valuables								
								K.1	Consumption of fixed capital	16,896		16,896	9,189	1,340	1,384	4,983	
0	0	0	-31		-31	31	0	K.2	Acquisitions less disposals of non-produced non-financial assets								
-9153	1658	5049	-1549	60	-3936	3935	-1	B.9	Net lending (+) / net borrowing (-)								

Institutional Sector Accounts
Financial Accounts Tables

Table 2 Financial Transactions Account, 2002-2005, non-consolidated

€ million

		Institutional sector (ESA95)											
		Resident Sector									S.2 Rest of the world		
		S.1 Total economy	S.11 Non-financial corporations	S.12 Financial corporations	S.121 + S.122			S.13 General government	S.14 + S.15				
					Monetary financial institutions	Other financial intermediaries and Financial auxiliaries	Insurance corporations and pension funds		Households and Non-profit institutions serving households	Non-profit institutions			
S.123 + S.124	S.125												
Financial assets	F.1	Gold and SDRs	2002	8	0	8	8	0	0	0	0	0	-8
			2003	3	0	3	3	0	0	0	0	0	-3
			2004	-7	0	-7	-7	0	0	0	0	0	7
			2005	-6	0	-6	-6	0	0	0	0	0	6
F.2	Currency and deposits	2002	25,912	1,456	26,354	19,523	4,613	2,219	-6,667	4,769	22,986		
		2003	23,057	1,143	17,149	5,888	10,008	1,253	-337	5,102	42,697		
		2004	58,853	5,398	46,088	41,847	3,625	616	564	6,802	49,019		
		2005	95,728	2,194	79,280	71,229	6,226	1,825	1,044	13,210	51,760		
F.3	Securities other than shares	2002	118,746	101	117,349	52,563	58,516	6,271	1,206	89	12,270		
		2003	161,331	101	161,105	118,735	37,829	4,541	60	65	59,618		
		2004	111,171	742	110,354	88,364	18,885	3,105	70	5	112,683		
		2005	83,838	-102	83,330	78,727	2,734	1,870	553	57	114,461		
F.4	Loans	2002	36,758	7,432	28,806	11,747	14,981	2,078	519	0	11,273		
		2003	52,650	4,395	47,897	27,237	20,966	-306	359	0	11,843		
		2004	107,515	11,840	95,657	61,673	33,774	209	18	0	6,039		
		2005	175,997	5,171	170,899	72,683	98,165	52	-73	0	42,147		
F.5	Shares and other equity	2002	46,260	10,466	26,847	3,933	16,170	6,744	5,324	3,623	111,327		
		2003	53,836	14,243	33,453	2,220	22,545	8,689	1,474	4,666	100,058		
		2004	53,824	9,789	39,436	627	32,428	6,381	1,614	2,985	63,024		
		2005	83,765	21,437	57,034	-4,434	49,864	11,603	834	4,461	76,273		
F.6	Insurance technical reserves	2002	4,111	0	1,089	0	0	1,089	0	3,022	9,134		
		2003	6,322	0	2,208	0	0	2,208	0	4,114	8,036		
		2004	5,536	0	1,609	0	0	1,609	0	3,927	7,114		
		2005	6,353	0	2,450	0	0	2,450	0	3,903	10,265		
F.7	Other accounts receivable	2002	8,943	2,891	5,385	1,557	1,793	2,035	459	209	3,907		
		2003	5,141	2,338	1,950	932	-947	1,965	667	186	11,869		
		2004	4,514	4,828	-758	-3,171	-284	2,697	284	161	2,112		
		2005	15,860	7,852	6,761	3,123	3,636	2	174	1,072	5,755		
F.A	Total financial assets	2002	240,738	22,346	205,838	89,331	96,072	20,436	842	11,712	170,888		
		2003	302,339	22,219	263,764	155,015	90,400	18,349	2,223	14,133	234,118		
		2004	341,406	32,598	292,378	189,333	88,428	14,617	2,551	13,880	239,998		
		2005	461,534	36,552	399,748	221,321	160,625	17,801	2,532	22,703	300,668		

Table 2 (contd.)

€ million

		Institutional sector (ESA95)											
		Resident Sector								S.2			
S.1		S.11		S.12		S.121 + S.122		S.123 + S.124		S.125	S.13	S.14 + S.15	S.2
Total economy		Non-financial corporations	Financial corporations	Monetary financial institutions		Other financial intermediaries and Financial auxiliaries		Insurance corporations and pension funds		General government	Households and Non-profit institutions serving households	Rest of the world	
Liabilities	F.2	Currency and deposits	2002	33,579	0	33,748	33,747	0	0	-169	0	15,318	
			2003	69,566	0	69,247	69,247	0	0	319	0	-3,812	
			2004	96,681	0	96,505	96,505	0	0	176	0	11,190	
			2005	110,376	0	110,293	110,293	0	0	84	0	37,112	
			F.3	Securities other than shares	2002	49,680	-396	49,867	13,934	35,932	0	209	0
	2003	72,329			-313	71,243	46,769	24,474	0	1,399	0	148,620	
	2004	97,901			-66	98,300	59,770	38,529	0	-333	0	125,952	
	2005	107,654			240	106,401	69,470	36,931	0	1,013	0	90,646	
	F.4	Loans			2002	27,930	11,847	3,299	-410	3,054	656	738	12,046
			2003	45,350	15,373	15,006	11,675	3,739	-407	70	14,900	19,144	
			2004	66,096	25,601	18,392	3,297	14,702	393	280	21,824	47,459	
			2005	120,524	9,536	78,547	3,913	74,565	68	247	32,195	97,620	
			F.5	Shares and other equity	2002	114,671	13,549	101,121	38,434	60,278	2,409	0	0
	2003	92,669			7,740	84,929	24,336	59,393	1,200	0	0	61,225	
	2004	71,626			7,841	63,785	30,982	32,537	267	0	0	45,221	
	2005	96,775			20,859	75,917	31,365	44,405	146	0	0	63,263	
	F.6	Insurance technical reserves			2002	12,200	0	12,200	27	0	12,173	0	0
			2003	12,145	0	12,145	21	0	12,124	0	0	2,213	
			2004	11,016	0	11,016	70	0	10,946	0	0	1,634	
			2005	14,430	0	14,430	114	0	14,316	0	0	2,188	
F.7			Other accounts payable	2002	3,743	-1,778	4,771	2,239	2,175	357	415	335	9,107
	2003	8,910		1,030	7,420	1,571	4,111	1,738	70	389	8,100		
	2004	1,887		732	863	-3,144	4,544	-537	11	281	4,740		
	2005	10,822		7,129	2,296	3,536	-1,539	299	975	422	10,793		
	F.L	Total liabilities		2002	241,802	23,222	205,006	87,972	101,440	15,595	1,193	12,381	169,824
2003			300,968	23,829	259,991	153,619	91,717	14,655	1,858	15,290	235,489		
2004			345,207	34,108	288,861	187,480	90,312	11,070	134	22,105	236,197		
2005			460,581	37,763	387,883	218,692	154,363	14,829	2,318	32,617	301,622		
B9.F			Net financial transactions	2002	-1,064	-876	832	1,359	-5,368	4,841	-351	-669	1,064
	2003	1,371		-1,610	3,773	1,396	-1,317	3,694	364	-1,157	-1,371		
	2004	-3,801		-1,510	3,518	1,853	-1,883	3,548	2,417	-8,225	3,801		
	2005	954		-1,211	11,865	2,630	6,262	2,973	214	-9,914	-954		

Table 3 Financial Balance Sheet, end-years 2001-2005, non-consolidated

€ million

		Institutional sector (ESA95)											
		Resident Sector									S.2 Rest of the world		
		S.1 Total economy	S.11 Non-financial corporations	S.12 Financial corporations	S.121 + S.122			S.123 + S.124		S.125		S.13 General government	S.14 + S.15 Households and Non-profit institutions serving households
					Monetary financial institutions	Other financial intermediaries and Financial auxiliaries		Insurance corporations and pension funds					
Financial assets	AF.1 Gold and SDRs	2001	125	0	125	125	0	0	0	0	0	0	
		2002	126	0	126	126	0	0	0	0	0	0	
		2003	126	0	126	126	0	0	0	0	0	0	
		2004	127	0	127	127	0	0	0	0	0	0	
		2005	159	0	159	159	0	0	0	0	0	0	
	AF.2 Currency and deposits	2001	272,289	27,635	178,223	140,309	31,451	6,463	12,855	53,576	156,828		
		2002	301,895	28,978	208,057	159,625	39,171	9,262	6,515	58,345	169,764		
		2003	304,004	28,947	205,113	159,612	34,270	11,230	6,498	63,446	225,267		
		2004	363,224	33,537	251,737	198,500	41,198	12,038	7,701	70,249	296,966		
		2005	473,872	37,031	345,361	273,786	56,916	14,659	8,573	82,907	366,877		
	AF.3 Securities other than shares	2001	343,539	5,863	336,938	190,466	121,268	25,204	2	735	95,257		
		2002	420,963	5,315	413,631	245,173	136,359	32,099	1,290	727	132,323		
		2003	540,463	6,363	532,115	344,725	151,289	36,101	1,372	613	185,635		
		2004	625,608	5,381	618,280	425,715	152,865	39,700	1,533	414	266,190		
		2005	752,354	5,382	744,419	522,239	178,156	44,024	2,183	370	395,535		
	AF.4 Loans	2001	404,063	62,081	340,117	203,296	134,244	2,577	1,865	0	150,443		
		2002	415,420	64,608	348,428	206,555	137,283	4,590	2,384	0	135,760		
		2003	475,105	68,457	403,905	222,959	177,010	3,936	2,743	0	183,899		
		2004	571,056	73,722	494,573	280,956	209,603	4,013	2,761	0	169,092		
		2005	772,485	88,273	681,524	354,669	322,398	4,458	2,688	0	242,869		
AF.5 Shares and other equity	2001	305,926	49,735	191,817	10,338	125,061	56,418	9,696	54,678	452,339			
	2002	311,588	54,949	184,799	13,951	119,428	51,420	12,867	58,974	502,243			
	2003	369,378	55,685	233,104	15,506	149,888	67,710	15,568	65,021	536,165			
	2004	421,070	62,006	273,101	16,223	173,755	83,122	17,664	68,299	580,516			
	2005	575,181	73,748	405,441	13,187	285,651	106,603	21,660	74,332	742,874			
AF.6 Insurance technical reserves	2001	76,365	0	9,262	0	0	9,262	0	67,103	26,895			
	2002	73,883	0	10,233	0	0	10,233	0	63,650	40,092			
	2003	94,734	0	13,657	0	0	13,657	0	81,078	46,904			
	2004	108,757	0	13,846	0	0	13,846	0	94,912	52,099			
	2005	134,217	0	21,243	0	0	21,243	0	112,974	69,523			
AF.7 Other accounts receivable	2001	87,905	53,410	29,619	8,475	13,176	7,968	4,113	762	47,527			
	2002	98,243	61,595	31,149	10,032	10,569	10,549	4,573	926	45,198			
	2003	101,480	58,869	36,253	10,919	14,826	10,508	5,239	1,119	44,655			
	2004	105,040	63,863	34,242	7,769	15,459	11,014	5,689	1,245	49,499			
	2005	114,944	61,225	45,213	10,874	21,423	12,916	6,189	2,317	58,912			
AF.A Total financial assets	2001	1,490,212	198,725	1,086,101	553,009	425,200	107,892	28,532	176,854	929,290			
	2002	1,622,117	215,444	1,196,424	635,462	442,810	118,152	27,628	182,622	1,025,380			
	2003	1,885,290	218,321	1,424,272	753,847	527,284	143,141	31,420	211,277	1,222,525			
	2004	2,194,882	238,509	1,685,905	929,290	592,882	163,733	35,349	235,119	1,414,362			
	2005	2,823,212	265,659	2,243,360	1,174,914	864,543	203,903	41,293	272,900	1,876,590			

Table 3 (contd.)

€ million

		Institutional sector (ESA95)									
		S.1	Resident Sector								S.2
		S.11	S.12	S.121 + S.122	S.123 + S.124	S.125	S.13	S.14 + S.15		S.2	
		Non-financial corporations	Financial corporations	Monetary financial institutions	Other financial intermediaries and Financial auxiliaries	Insurance corporations and pension funds	General government	Households and Non-profit institutions serving households		Rest of the world	
Liabilities		Total economy									
AF.2	Currency and deposits	2001	340,151	0	331,850	331,850	0	0	8,302	0	88,966
		2002	378,204	0	370,071	370,071	0	0	8,133	0	93,455
		2003	434,294	0	425,842	425,842	0	0	8,452	0	94,977
		2004	517,233	0	508,605	508,605	0	0	8,628	0	142,956
		2005	641,375	0	633,216	633,216	0	0	8,159	0	199,374
AF.3	Securities other than shares	2001	113,197	1,903	80,297	54,311	25,986	0	30,997	0	325,599
		2002	152,221	2,450	117,412	63,239	54,173	0	32,359	0	401,064
		2003	215,066	4,146	177,419	103,433	73,986	0	33,502	0	511,032
		2004	305,182	3,736	267,469	159,614	107,855	0	33,977	0	586,617
		2005	435,100	4,216	394,853	233,730	161,123	0	36,031	0	712,789
AF.4	Loans	2001	333,602	85,312	184,259	13,532	169,702	1,025	3,102	60,930	220,903
		2002	329,334	92,261	160,174	12,471	145,807	1,895	3,848	73,052	221,845
		2003	390,736	98,725	200,217	23,657	175,105	1,454	3,908	87,886	268,268
		2004	449,931	120,076	215,949	27,307	186,813	1,829	4,197	109,709	290,217
		2005	595,168	133,987	314,865	30,768	282,379	1,718	4,429	141,886	420,187
AF.5	Shares and other equity	2001	534,932	144,409	390,523	155,859	224,110	10,554	0	0	223,333
		2002	585,797	147,270	438,527	187,877	236,706	13,944	0	0	228,034
		2003	649,833	164,644	485,189	196,942	272,756	15,491	0	0	255,710
		2004	708,035	170,445	537,589	233,297	285,406	18,886	0	0	293,552
		2005	901,187	199,270	701,917	277,575	400,027	24,315	0	0	416,868
AF.6	Insurance technical reserves	2001	96,761	0	96,761	155	0	96,606	0	0	6,499
		2002	103,975	0	103,975	182	0	103,793	0	0	10,001
		2003	128,223	0	128,223	203	0	128,020	0	0	13,415
		2004	147,275	0	147,275	273	0	147,002	0	0	13,581
		2005	183,064	0	183,064	387	0	182,677	0	0	20,676
AF.7	Other accounts payable	2001	89,426	65,025	20,290	7,074	7,462	5,754	2,202	1,909	46,005
		2002	96,014	68,126	23,114	9,171	7,821	6,122	2,617	2,158	47,427
		2003	93,580	62,534	25,799	10,731	7,400	7,668	2,687	2,560	52,555
		2004	96,095	61,656	28,862	7,656	14,974	6,232	2,783	2,794	58,444
		2005	111,805	61,481	42,997	11,231	23,421	8,344	3,996	3,332	62,050
AF.A	Total liabilities	2001	1,508,069	296,649	1,103,979	562,781	427,260	113,938	44,602	62,839	911,306
		2002	1,645,545	310,107	1,213,272	643,011	444,507	125,754	46,957	75,209	1,001,827
		2003	1,911,732	330,049	1,442,689	760,808	529,247	152,634	48,549	90,445	1,195,957
		2004	2,223,751	355,914	1,705,750	936,752	595,049	173,949	49,585	112,503	1,385,366
		2005	2,867,699	398,954	2,270,911	1,186,907	866,951	217,054	52,615	145,218	1,831,943
BF.90	Net financial assets	2001	-17,857	-97,924	-17,878	-9,772	-2,059	-6,046	-16,071	114,015	17,984
		2002	-23,428	-94,662	-16,849	-7,549	-1,697	-7,602	-19,329	107,412	23,553
		2003	-26,443	-111,728	-18,417	-6,961	-1,963	-9,493	-17,129	120,832	26,568
		2004	-28,869	-117,405	-19,845	-7,462	-2,167	-10,216	-14,236	122,617	28,996
		2005	-44,487	-133,295	-27,551	-11,993	-2,407	-13,151	-11,322	127,682	44,646

Appendix 1
Institutional Sectors

Institutional sectors in the accounts

In the sector accounts, institutional sectors are distinguished not in terms of the nature of their production activity (such as agriculture, industry, services etc) but rather in terms primarily of the institutional form of the units that make them up. Thus companies, whether engaged in commercial non-financial or financial business, are grouped in a different sector from households, even though the latter are in many cases also engaged in commercial production, and from government or other non-market producers such as voluntary agencies.

The classification system is that of the European System of Accounts 1995 (ESA95). The sectors and sub-sectors distinguished in the present publication are as follows:

S.11 *Non-financial corporations* are corporate bodies producing goods and non-financial services on a commercial basis. They include public limited companies, private companies and other corporate forms of business, whether owned by residents (including the government) or non-residents or both. In particular, therefore, Irish subsidiaries of foreign companies and the Irish branches of foreign companies operating in Ireland on a branch basis are included, while the foreign subsidiaries of Irish companies and the foreign branches of Irish companies operating abroad are excluded (they form part of the Rest of the world sector S.2). The business activities of self-employed persons (quasi-corporations) are in principle to be included here if separate accounts are available for statistical purposes. In practice, the extent to which this can be achieved is uncertain, and these businesses are more probably reflected in the figures for S.14 (see below).

S.12 *Financial corporations* are corporate bodies producing financial services on a commercial basis. As with S.11, they can take various legal forms, with a range of ownership arrangements. In the financial transactions account and in the financial balance sheets, the following sub-sectors are distinguished:

S.121 + S.122 *Monetary financial institutions* consists of the Central Bank and Financial Services Authority of Ireland (S.121) and Other monetary financial institutions (S.122). The latter sub-sector consists of credit institutions (banks and building societies), money market funds and credit unions.

S.123 + S.124 *Other financial intermediaries (S.123) and Financial auxiliaries (S.124)*. S.123 includes collective investment schemes (unit trusts, UCITs etc, other than money market funds), companies engaged in leasing and consumer and other lending, securitisation vehicles, treasury companies and a range of other companies engaged in financial intermediation. S.124 covers companies which provide auxiliary financial services, including management and administration of pension funds and mutual funds, custody and related services, insurance and other broking services, and other financial advisory and consultancy services.

S.125 *Insurance corporations and pension funds* consists of life and non-life insurance companies (including reinsurers) and pension funds.

S.13 *General government* consists of central and local government and the social security fund. Central government includes the National Pension Reserve Fund, and non-commercial agencies owned and funded by government, but does not include commercial state-owned companies (which are proper to S.11 or S.12 as appropriate).

S.14 + S.15 *Households (S.14) and Non-profit institutions serving households (S.15)*. S.14 consists of persons in their capacity as holders of financial assets or as borrowers. The business assets and liabilities of unincorporated self-employed persons are also mainly reflected in this sector. S.15 consists of non-profit institutions such as charities and non-commercial agencies not owned by the government, such as some schools and hospitals.

S.2 *Rest of the world*. The figures represent the economy's transactions and financial claims on and liabilities to non-residents. The conceptual definition is the same as in the balance of payments (BOP) and international investment position (IIP) statistics. In particular, non-residents include foreign subsidiaries of Irish companies, the foreign branches of Irish companies that operate abroad on a branch basis, and the head offices of foreign companies that operate in Ireland on a branch basis. In the financial balance sheets, the figures therefore also correspond to those in the IIP statistics, but with the opposite convention for labelling assets and liabilities: what are shown in the IIP as assets (of Ireland) appear in these tables as liabilities of the S.2 sector, and vice versa. Because of differences in instrument classifications and in some valuations, the relationships with individual items in the BOP and IIP, and with the aggregate IIP assets and liabilities positions, are not explicit, although the net IIP position is in principle the same as the net financial assets of the total economy (S.1) in the financial balance sheets table. However, because of different publication dates and vintages of the data and for other technical processing reasons, an exact correspondence with the most recently published net IIP statistics is not always achieved. (See also the section on Consistency with other CSO statistics in the Introduction.)

S.1N *Not sectorised*. In the non-financial accounts an additional residual sector is used to report the amounts that appear as the statistical discrepancy in the National Income and Expenditure GDP accounts, arising from the use of two independent estimates of GDP (from the Income and Expenditure approaches). In each of NIE tables 1 and 5, the official estimate of GDP is reported as the average of the two measures, and the discrepancy is therefore displayed as half the difference between the two independent estimates (and thus with different signs in the two tables). In the sector accounts it appears as the first balancing item in the sequence (in the gross value added item in the production account), and is then carried through successive accounts via the balancing item. In the final non-financial account, the full amount of the discrepancy then emerges as the unallocated net lending or borrowing in the economy. In the

financial transactions account and in the financial balance sheets, no use is made of the “Not sectorised” convention. The amount of the discrepancy therefore contributes to the discrepancies for each sector between the net lending/borrowing from the capital account and the net financial transactions from the financial transactions account.

¹ There is one exception. Holdings (by the Central Bank, S.121, as part of Reserve Assets) of Monetary Gold and Special Drawing Rights (asset class AF.1) are not considered to be the liability of any sector, and in particular they are not a liability of the Rest of the World sector (S.2). Accordingly, the Net Financial Asset position of S.2, which would otherwise be equal to the Net Financial Asset position of the total domestic economy (S.1), with sign reversed, in fact exceeds that amount by the amount of the holdings of AF.1.

Appendix 2
Sequence of Accounts

Sequence of Accounts

Sector accounts present a coherent overview of all economic processes and the roles played by the various sectors. Each economic process is described in a separate account. The accounts describe successively production, generation of income, primary and secondary income distribution, final consumption, redistribution by means of capital transfers, capital formation, financing and investment and end with the financial balance sheets of each sector. The accounts record economic transactions, distinguishing between uses and resources, (e.g. the *resources* side of the transaction category *D.41 Interest* records the amounts of interest receivable by the different sectors of the economy and the *uses* side shows interest payable) with a special item to **balance** the two sides of each account. By passing on the balancing item from one account to the next a connection is created between successive accounts.

These accounts are compiled for the total economy and include accounts for separate domestic sectors and the rest of the world sector. In this way the sector accounts describe:

- for each economic process the role of each sector, for instance general government in the income redistribution and financial corporations in financing.
- for each sector all economic transactions and their relation with other domestic sectors and the rest of the world.

The successive accounts are explained in more detail below.

The Accounts

Current Accounts:

1.1 Production Account

The production account shows the transactions that are related to the production process. The output is recorded as a resource, the intermediate consumption as a use. The balance of these two items for the individual sectors is B.1g Gross Value Added at basic prices. The production account of the total economy is the total of the production accounts of the sectors together with the transactions for which there is no sectoral distribution available (taxes and subsidies on products). The balancing item of the production account for the total economy is B.1n* Net Domestic Product at market prices which is obtained by adjusting GDP for consumption of fixed capital (depreciation).

1.2 Generation of Income Account

This account displays the transactions through which Net Domestic Product at market prices is distributed to labour (compensation of employees), capital (operating surplus) and government (the balance of taxes and subsidies on production). The balancing item for the household and NPISH sector in this account is called mixed income, because apart from operating surplus it also contains compensation for work by self-employed persons and their family members. B.2n Net operating surplus / net mixed income is the balancing item for the entire account that remains after deducting consumption of fixed capital.

1.3 Allocation of Primary Income Account

This account records as resources the income from direct participation in the production process as well as property income received in exchange for the use of land, financial resources and other intangible assets. In addition, this account records the taxes on production and imports, received by the government. On the uses side property income is recorded as well as the subsidies paid by the government.

On this account the interest paid and received are recorded excluding imputed bank services (financial intermediation services indirectly measured - FISIM¹). In the national accounts insurance technical reserves are seen as a liability of insurance enterprises and pension funds to policyholders. Therefore, the receipts from investing these reserves are recorded as payments from insurance enterprises and pension funds to households, in the form of property income attributed to insurance policy holders and pension scheme members. The balancing item of this account for each sector is B.5n Net National Income, the balance of primary income.

1.4 Memorandum - Entrepreneurial Income Account

This memorandum account is included for the Financial Corporations and Non-Financial Corporations sectors. In addition to Net operating surplus the account records all the property income transactions involving these two sectors, apart from D.42 Distributed Income and D.43 Reinvested Earnings in the uses side. B.4n Entrepreneurial income presents a more comprehensive measure of corporate profitability than operating surplus.

¹See Appendix 3 for a comprehensive explanation of FISIM

1.5 Secondary Distribution of Income Account

The secondary distribution of income account shows how primary income is redistributed by means of current taxes on income and wealth, social contributions (including contributions to pension schemes), social benefits (including pension benefits) and other current transfers. The balancing item of this account is B.6n Net disposable income. For the consuming sectors (households, NPISH and general government) this item is passed on to 1.6 Use of Disposable Income Account. For the other sectors the disposable income is generally equal to savings. This is then passed on to the capital account.

1.6 Use of Disposable Income Account

This account shows the element of disposable income that is spent on final consumption and also the element which is saved. As mentioned above, final consumption only exists for households, NPISH and general government. The net equity of households in pension funds and life insurance reserves are seen as financial assets that belong to households. Changes in these reserves need to be included in the savings of households. However, contributions to pension schemes and pension benefits have already been recorded on 1.5 Secondary Distribution of Income Account (as social contributions and social benefits). Therefore, an adjustment is needed to include in the savings of households the change in pension funds reserves on which they have a definite claim. This adjustment is called D.8 'Adjustment for the change in net equity in pension funds reserves'. There is no need for a similar adjustment concerning life insurance because life insurance premiums and benefits are not recorded as current transactions. The balancing item for this account is B.8n Net Savings.

1.7 External account

This account records the summarised transactions of S2 the Rest of the World sector, including on the uses side exports of goods and services, primary incomes and current transfers receivable. The resources side of this account includes imports of goods and services together with primary incomes and transfers payable. The balancing item is B.12 Current External Balance which records the balance on current accounts with the rest of the world.

Capital accounts:

1.8 Change in Net Worth due to Saving and Capital Transfers

On this account the capital transfers are recorded and combined with net savings and the current external balance. The resulting balancing item is B.10.1 Changes in Net Worth due to Savings and Capital Transfers.

1.9 Acquisition of Non-financial Assets Account

On this account gross fixed capital formation, changes in inventories and acquisitions less disposals of valuables and non-produced non-financial assets are recorded among the uses. The decline in the value of fixed capital goods caused by consumption of fixed capital goods is recorded among the resources. The balancing item is net lending (+) or borrowing (-). It shows the amount a sector can lend / invest or has to borrow as a result of its current and capital transactions.

Financial Accounts:

Financial transactions account

This account shows the net transactions of each sector in each type of financial instrument (deposits, loans, shares etc) on each side of the balance sheet (assets and liabilities). In other words, it shows how the net lending or borrowing of each sector is reflected in the sector's financial transactions. For example, a sector for which the balancing item in the capital account is net borrowing may finance that activity either by reducing its financial assets, or by increasing its liabilities, or by some combination of both. The balancing item of the financial account, consisting of total acquisitions of financial assets net of disposals, less total incurrence of liabilities net of redemptions, is net financial transactions. This is conceptually equivalent to and has the same sign as the net lending or borrowing from the capital account. In practice, however, because of the use of different data sources, and for other reasons, there may be and usually is a discrepancy between the results from the two sequences of accounts. In the Irish accounts, this discrepancy is not removed in the course of balancing the system.

Financial balance sheet

This account shows the stock at the end of each year of the financial assets and liabilities of the sector. Note however that estimates are not available of the stock of non-financial assets (property, equipment, valuables, intangible non-financial assets) and it is not therefore possible to estimate the net worth of each sector or of the total economy.

Appendix 3
Non-Financial Accounts

Definitions and Concepts – Non-Financial Accounts

Output¹ basic prices

Output covers the value of all goods produced for sale, including unsold goods, and all receipts for services rendered. Output furthermore covers the market equivalent of goods and services produced for own use, such as own account capital formation, services of owner-occupied dwellings and agricultural products produced by farmers for own consumption. The output of such goods is estimated by valuing the quantities produced against the price that the producer would have received if these goods had been sold.

Output is valued at basic prices, defined as the price received by the producer excluding trade and transport margins and the balance of taxes and subsidies on products. This is the price the producer is ultimately left with.

Some special cases:

- Distributive trade i.e. retail /wholesale trade in goods where no physical transformation occurs. The value of these services is the difference between the sales value and the purchase value of traded goods.
- Real estate activities not only include services of non-residential buildings and rented dwellings, but also of owner-occupied dwellings. The latter are valued on the basis of rents of comparable rented dwellings.
- Banking mainly deals with financial intermediation, i.e. the acquisition, transformation and issuing of financial assets. The compensation for these services is implicitly included in the interest paid to and received from banks. The value of these imputed bank services is calculated as the margin paid by banks on deposits and received by banks on loans.
- Insurance and pension funding mainly transforms individual risk into collective risk. The value of these services is set as the difference between contributions and benefits. In the case of pension funds and life insurance companies, corrections are made for changes in actuarial reserves.
- Government mainly produces collective services. Since there are no market prices available, government output is determined from production costs and is estimated as the total of intermediate consumption, compensation of employees, consumption of fixed capital and taxes on production paid by the government itself.

Intermediate consumption (purchasers' prices)

Intermediate consumption includes all goods and services used up in the production process in the accounting period, regardless of the date of purchase. This includes for example fuel, raw materials, semi manufactured goods, communication services, cleansing services and audits by accountants. Intermediate consumption is valued at purchasers' prices, excluding deductible VAT. For companies, which do not need to charge VAT on their sales, the VAT paid on their purchases is non-deductible. It is therefore recorded as a component of intermediate consumption.

Not included in intermediate consumption are:

- Purchases of goods by retail / wholesale enterprises, which are resold without undergoing any processing.
- Purchases of goods used in the production process with a life span of more than one year. These purchases are recorded as fixed capital formation. The use of these goods is spread over their economic life span and recorded as consumption of fixed capital.

Value added (basic prices)

Value added at basic prices by industry is equal to the difference between output (basic prices) and intermediate consumption (purchasers' prices).

Gross Domestic Product / Value added (market prices)

Value added at market prices of the total economy (GDP) is calculated as follows:

$$\begin{array}{rcl} & & \text{Total value added at basic prices of industries} \\ \text{plus} & & \text{Balance of taxes and subsidies on products} \\ = & & \text{GDP (Value added) at market prices} \end{array}$$

VAT, taxes on imports and subsidies on re-exports cannot be attributed to individual industries. Therefore, GDP at market prices cannot be broken down completely by sector. Value added can be valued gross (including consumption of fixed capital) or net (excluding consumption of fixed capital).

¹ CSO is currently working towards producing regular estimates of GDP using the Production Approach. This work is sufficiently advanced to provide early estimates for Output and Intermediate Consumption for this publication. Moreover, the estimates for Value Added included here are consistent with estimates provided previously in NIE 2005. Nevertheless these estimates will be subject to revision once this work is finalised.

Consumption of fixed capital²

Consumption of fixed capital represents the depreciation of the stock of produced fixed assets, as a result of normal technical and economical ageing and insurable accidental damage. The consumption of fixed capital is the depreciation of the net stock of produced fixed assets during the year not caused by revaluations because of price changes, new fixed capital formation or discarding of fixed assets.

Compensation of employees

Compensation of employees is the total remuneration paid by employers to their employees in return for work done. Employees are all residents and non-residents working in a paid job. Managing directors of limited companies are considered to be employees; therefore, their salaries are also included in the compensation of employees.

The same holds for people working in sheltered workshops. Compensation of employees includes both wages and salaries and employers' social contributions.

Taxes on production and imports

Taxes on production and imports are compulsory payments to the government and the European Union (EU), which are related to production, imports and to the use of production factors. Taxes on production and imports are classified into taxes on products and other taxes on production.

Taxes on products

Taxes on products are related to the value or the volume of products. They are levied on domestically produced or transacted products and on imported products. Taxes on products are classified into taxes on domestic products, taxes on imports and VAT.

Other taxes on production

Other taxes on production include all taxes on production paid by producers, not related to the value or volume of products produced or transacted. Examples are rates and refuse charges paid by producers.

Subsidies

Subsidies are current payments from the government or the EU to producers with the objective to influence output prices, employment or the remuneration of production factors. Subsidies are distinguished between subsidies on products and other subsidies on production.

Subsidies on products

Subsidies on products are related to the value or the volume of products. They can be distinguished between subsidies on domestic products and subsidies on imports.

Subsidies on domestic products

Subsidies on domestic products are related to the value or the volume of domestically produced or transacted products. Examples are EU-subsidies on food products and public transport subsidies.

Subsidies on imports

Subsidies on imports are related to the value or the volume of imported products that are re-exported without undergoing any processing. These are mainly subsidies on the re-exports of dairy products. Subsidies on imports cannot be broken down by industry.

Other subsidies on production

Other subsidies on production include all subsidies on production paid to producers, not related to the value or volume of products domestically produced or transacted. These are mainly wage subsidies.

² For the agricultural sector the figure is based on the perpetual inventory method, carried forward using data on capital formation, and covers machinery, vehicles and equipment and farm buildings. In the case of business concerns included in the other sectors, depreciation is generally taken as being the amount allowed for tax purposes (adjusted appropriately for free depreciation, etc.). For central and local government an estimate of the depreciation on government buildings is included. An estimate of the depreciation on dwellings is also included.

Operating surplus / mixed income

Gross operating surplus by industry is the balance that remains after deducting from the value added (basic prices) the compensation of employees and the balance of other taxes and subsidies on production. The operating surplus of the self-employed is called mixed income, because it also contains compensation for work by the owners and their family members. Net operating surplus / mixed income remains after deducting consumption of fixed capital from gross operating surplus / mixed income.

Property Income

Incomes that accrue from lending or renting financial or tangible non-produced assets, including land are defined as property income.

Interest

Interest is accrued for the accounting period (i.e. the calendar year in these accounts) for which the underlying claim or liability has been in place. Actual interest payments are corrected for imputed bank services. There is a shift from the actual interest payments to the production or the consumption of bank services i.e. Financial Intermediation Services Indirectly Measured (FISIM). For producers of imputed bank services this results in a decrease of the received interest and an increase in paid interest relative to the actual interest flows. For the consumers of imputed bank services this means an increase in received interest and a decrease in paid interest, compared with the actual interest flows.

FISIM

FISIM represents the margin which banks withhold for themselves in paying interest on deposits or charging interest on loans. In the case of household deposits with financial corporations it is calculated as the difference between a reference rate (calculated as the effective FISIM-free interest rate on inter-bank business) and the average interest rate, multiplied by the stock of deposits held by households. In the case of loans to households by financial corporations it is calculated as the difference between the reference rate and the average loan rate, multiplied by the stock of loans held by households.

Dividends

Dividends are a form of property income received by owners of shares to which they become entitled as a result of placing funds at the disposal of corporations. Dividends are recorded gross, before deduction of dividend tax. This applies also for the taxes on dividends to and from the rest of the world. Dividends are recorded at the moment they are made payable.

Reinvested earnings on foreign direct investment

Reinvested earnings on foreign direct investment are calculated as follows:

	Operating surplus of the foreign direct investment enterprise
<i>plus</i>	Property income and current transfers receivable.
<i>minus</i>	Property income and current transfers payable, including dividends (actual remittances) to foreign direct investors and any current taxes payable on income and wealth of the foreign direct investment enterprise
=	Reinvested earnings on foreign direct investment

Property income attributed to insurance policy holders

In the national accounts pension and life insurance provisions are seen as a liability of insurance enterprises to policyholders. Therefore, the investment revenues on these provisions are booked as payments from insurance enterprises to households. Subsequently, households reinvest these revenues as imputed contributions to pension funds and life insurance companies. In the financial accounts the latter transaction is recorded as a component of net equity in life insurance and pension funds reserves.

Rent

This represents net income from ownership of dwellings, i.e. gross receipts of rent for rented dwellings plus imputed rent of owner - occupied dwellings less depreciation, repairs and maintenance and other costs. In the case of dwellings owned by local government the amount included represents the full economic rent less depreciation, repair costs and other current expenses. In the national accounts, the difference between the economic rent and the lower rent actually paid by tenants is treated as an income transfer from Local Government to households.

National Income / primary income

This includes factor income flows to the rest of the world i.e. wages and salaries to non-resident employees, interest and dividends to non-resident investors, retained profits of foreign owned subsidiaries and branch profits. Income earned abroad is attributed to Ireland. National income is the sum of GDP and net primary income from the rest of the world.

Current taxes on income and wealth

Current taxes on income and wealth of corporations consist of corporation tax and dividend tax. These taxes are based on the profits of corporations. Current taxes on income and wealth of households include all taxes, which are periodically imposed on income and wealth, such as the income tax, p.a.y.e., capital gains taxes and other taxes on the net wealth of individuals. Non-periodical levies, such as inheritance tax are defined as capital transfers.

Several types of taxes are simultaneously seen as taxes on production and imports when imposed on producers, and as taxes on income and wealth when imposed on consumers. For instance, motor vehicle tax is a tax on production when it is imposed on company cars and it is a tax on income and wealth when it is imposed on cars for private use. The treatment of dividend tax results from the recording of dividends, because dividends are recorded gross (i.e. before deduction of dividend tax) dividend tax is in all cases recorded at the receiving sector. The same applies for the dividend tax to and from the rest of the world.

Social contributions³

Social contributions include social security contributions, private social contributions (i.e. contributions to pension schemes) and imputed social contributions. Employers, employees, self employed persons and non-active persons pay these contributions. Actually, the employers' part is paid directly to the insurers. However, in the national accounts, the employers' contributions are considered to be part of primary income of households (i.e. the income from direct participation in the production process). Therefore, in the first instance these contributions are treated as payments by employers to households as compensation of employees, who are deemed to pay them to the insurers in the income account.

- *Contributions to pension schemes* are based on collective contracts with pension funds and life insurance companies. The contributions are calculated as follows:

	Actual contributions to pension schemes (gross)
<i>minus</i>	Compensation of insurance services (part of consumption of households)
<i>plus</i>	Supplement from investment income
=	Contributions to pension schemes

The supplement from investment income is part of the property income attributed to insurance policyholders that relates to pensions.

- *Other private social contributions*; These are contributions paid to private social schemes excluding pension schemes. The contributions to these schemes can be derived in the same way as the contributions to pension schemes.
- *Imputed social contributions*; Imputed social contributions represent the counterpart to the "unfunded employee social benefits" (less any employees' social contributions) paid directly by employers to their (former) employees. It is necessary to introduce this imputation because the direct payments are recorded twice. Firstly they are recorded as employers' social contributions (part of the compensation of employees). Secondly they are recorded as social benefits.

Social benefits

Social benefits are transfers to households, intended to relieve them from the financial burden of a number of risks or needs, such as sickness, invalidity, disability, old age, dependants and unemployment. Social benefits are classified in social security benefits, social assistance benefits, private social benefits (i.e. pension benefits) and unfunded employee social benefits.

Social security benefits; Social security benefits are paid by social security funds, in the field of unemployment, disability, sickness, old age etc.

Social assistance benefits; Social assistance benefits are payments of the central and local government to households, for which no quid pro quo by the beneficiary is expected.

³ This item includes contributions by households into Occupational Pension Schemes and benefits received by households from occupational pension schemes. Fully comprehensive statistics have not been developed for Occupational Pensions and for the purpose of Sector Accounts preliminary values have been estimated. Accordingly, this element of the total Social Benefits and Social Contributions item will be subject to revision in the future.

Pension benefits; Pension benefits are private social benefits in the field of old age, survivors or disability, paid by pension funds and life insurance companies.

Unfunded employee social benefits; These social benefits are directly paid by employers to their (former) employees, without involving any social security fund. Examples are some civil service pension provisions.

Non-life insurance premiums

Non-life insurance premiums comprise both the actual premiums payable by policyholders to obtain insurance cover during the accounting period, and the premium supplements payable out of the property income attributed to insurance policy holders, after deducting the compensation of insurance services. These premiums provide cover against damage as a result of fires, floods, crashes, collisions, theft, violence, accidents, sickness, etc.

As the compensation of insurance services of non-life insurance enterprises is calculated by subtracting the claims from the premiums (actual premiums and premium supplements), it follows that the total non-life insurance premiums must equal the total non-life insurance claims of the insurance enterprises.

Non-life insurance claims

Non-life insurance claims represent the amounts which insurance enterprises are obliged to pay in settlement of injuries or damage as a result of fires, floods, crashes, collisions, theft, violence, accidents, sickness, etc.

Other current transfers

This transaction includes all transactions not mentioned before, which do not have the character of a capital transfer. This concerns particularly the current transfers within the general government.

Disposable income

Disposable income is the balancing item of the secondary distribution of income account. It shows for each sector its disposable income, which remains after the redistribution of primary income by current transfers (compulsory or non-compulsory) between the sectors. Total disposable income of all resident units is called disposable national income, which is equal to national income plus net current transfers received from the rest of the world.

Final consumption expenditure

Final consumption expenditure consists of expenditure incurred by resident institutional units on goods and services that are used for the direct satisfaction of individual needs or wants or the collective needs of members of the community. Final consumption expenditure may take place on the domestic territory or abroad. Final consumption expenditure exists only for households (incl. NPISH) and general government.

Final consumption expenditure by households

Final consumption expenditure by households includes the following borderline cases:

- Non cash expenditure arising from
 - Income in kind, such as accommodation, food, clothing etc.
 - Services of dwellings, which are occupied by the owners themselves and without any actual rent payments. These services are valued by applying the rents of similar dwellings.
- Goods and services produced for own use, as in agriculture. The value of these products is calculated by applying the market prices for similar products.

It also includes durable consumption goods such as private cars, household appliances, furniture and clothing. However, the purchases of dwellings by households are not seen as final consumption, but as fixed capital formation by households.

Final consumption expenditure by NPISH

Final consumption expenditure by NPISH consists of all the non-market output of this sector excluding the own account capital formation.

Final consumption expenditure by general government

Final consumption expenditure by general government results from the specific recording of government output. Only a small part of government output is actually sold (market output). The larger part of government output is paid out of public funds and provided free of charge to all sectors (non-market output).

The government is by convention considered to be the consumer of its own output, because the allocation of government output to different users is problematic. In the absence of market prices, output and final consumption expenditure by general government is calculated from the production costs as follows:

	Intermediate consumption
<i>plus</i>	Compensation of employees
<i>plus</i>	Consumption of fixed capital
<i>plus</i>	Other taxes on production (paid by the government)
<i>minus</i>	Other subsidies on production (received by the government)
=	Output (basic prices)
	Output (basic prices)
<i>minus</i>	Sales (=market output)
<i>minus</i>	Own-account capital formation
<i>plus</i>	Social benefits in kind via market producers
=	Final consumption expenditure by the government

Actual individual consumption

Final consumption expenditure by households refers to expenditure on consumption goods and services by households. In contrast, actual individual consumption refers to the acquisition of consumption goods and services by individuals. The difference between these concepts lies in the treatment of certain goods and services financed by the government or NPISH but supplied to households as social transfers in kind. By convention, all final consumption expenditure by NPISH, households and most of the final consumption expenditure by the government in the field of education, health, social security and welfare, sport and recreation and culture are treated as individual consumption. So actual individual consumption is:

	Final consumption expenditure by households
<i>plus</i>	Final consumption expenditure by NPISH
<i>plus</i>	Individual consumption by the government
=	Actual individual consumption

Actual collective consumption

Services for collective consumption (collective services) are provided simultaneously to all members of the community or all members of a particular section of the community. Actual collective consumption consists in particular of government expenditures on services in the field of:

- Management and regulation of society
- Security and defence
- Law and order, legislation and regulation
- Public health
- Environment
- Research and development
- Management of infrastructure and economic development.

Adjustment for net equity in pension funds reserves⁴

Since households are treated in the financial accounts as owners of the pension funds reserves an adjustment item is necessary to ensure that any excess of contributions to pension schemes over pension benefits does not affect household savings:

	Contributions to pension schemes
<i>minus</i>	Pension benefits
=	Adjustment for net equity in pension funds reserves

This adjustment is also made for the claims of non-residents on the reserves of Irish insurance companies.

Saving

Saving is the difference between disposable income and final consumption expenditure. In the national accounts households are treated as owners of life insurance and pension funds reserves. Since contributions to pension schemes and pension benefits are recorded in the secondary distribution of income account, an adjustment item (adjustment for net equity in pension funds reserves) on the use of income account is necessary to ensure that any excess of contributions to pension schemes over pension benefits does not affect household saving.

⁴ See footnote relating to **Social Contributions & Benefits**

Exports and imports (merchandise)

Exports and imports are valued f.o.b. (*free on board*) for National Accounts purposes. While imports are valued c.i.f. (*cost, insurance and freight*) in the official external trade statistics, adjustments are made to reflect an estimated f.o.b. valuation. These adjustments result from the application of different c.i.f./f.o.b. conversion ratios to the values of imports from within the European Union and from outside the European Union.

In addition and in line with EU and ECB requirements, merchandise imports from within European Union member states are compiled on the basis of country of consignment rather than country of ultimate origin (as was the case formerly). Some adjustments are also made to the official merchandise trade statistics to conform to the Balance of Payments (BOP) change of ownership and market valuation principles.

In addition, certain exports sales of software licences are included in National Accounts and BOP service exports and not in National Accounts and BOP merchandise exports. The BOP merchandise figures now include the estimated values of (unrecorded) retail exports of fuel to Northern Ireland and of unrecorded imports of goods for personal consumption from Northern Ireland and elsewhere.

Exports and Imports of services

Exports and imports include various categories of service types: *transport, tourism and travel, communications, insurance services, financial services, computer services, royalties and licences, business services etc.* Some specific points of note are:

- Because of the presentation of merchandise imports on a f.o.b. (rather than c.i.f.) basis, the freight element of the c.i.f. to f.o.b. adjustment is included in *transport*.
- The value of *insurance services* provided to non-residents by resident insurers (credit) is estimated as the value of direct and supplementary premiums earned less the value of claims payable less increases in the actuarial element of insurance technical reserves.
- Exports and imports of computer software which is embedded in hardware or carried on other physical media are not included in *computer services* but under *merchandise*. Sales and purchases of software transmitted electronically as well as exports of certain software licences are recorded under *computer services*.

Current External Balance

The surplus/deficit on current of the Balance of Payments is equivalent to this item. It consists of:

- Net exports, the difference between exports and imports of goods and services.
- Net primary income from the rest of the world: compensation of employees, taxes on production and imports, subsidies and property income, such as interest and dividend.
- Net current transfers from the rest of the world, such as dividend tax, social security benefits and other current transfers.

Capital transfers

Capital transfers are payments for which no quid pro quo by the beneficiary is expected. They represent a charge on the wealth of the payer, or are meant to finance fixed capital formation or other long-term expenditures of the receiver. Capital transfers can be classified into investment grants, capital taxes, other capital transfers and imputed capital transfers.

Investment grants

Investment grants are capital transfers, which are intended to finance fixed capital formation of other units.

Capital taxes

Capital taxes are compulsory, non-periodical payments to the government. They are based on the wealth of taxable persons. In practise, they only cover the inheritance tax. Taxes on net wealth of individuals are imposed periodically and are therefore recorded as taxes on income and wealth.

Other capital transfers

Other capital transfers are capital transfers that cannot be characterised as investment grants or as capital taxes.

Fixed capital formation

Fixed assets are produced tangible or intangible assets that are used in the production process for more than one year. Gross fixed capital formation consists of producers' acquisitions less disposals of fixed assets:

➤ Tangible fixed assets include the following:

- Dwellings and non-residential buildings
- Civil engineering works
- Transport equipment
- Machinery, equipment and computers
- Cultivated assets (trees and livestock).

➤ Intangible fixed assets include the following:

- Mineral exploration
- Computer software
- Entertainment, literary or artistic originals
- Other intangible fixed assets.

➤ Major improvements to land (reclamation, land consolidation and land preparing for building

Fixed capital formation also includes:

- Work in progress of construction such as unfinished dwellings, non-residential buildings and civil engineering works are recorded as fixed capital formation of the client.
- Military structures and equipment, similar to those used by civilian producers, such as airfields and hospitals.
- Improvements to existing fixed assets that go well beyond the requirements of ordinary maintenance and repairs.
- Transfer costs of fixed assets, such as conveyance fees and costs made by real estate agents, architects and notaries.

Changes in inventories

Inventories consist of all raw materials, semi-manufactured goods, work in progress and final products that producers have in stock at a certain moment. Changes in work in progress are in general considered to be changes in inventories. However, work in progress in construction is seen as fixed capital formation of the client and not as changes in inventories of the construction industry. This concerns unfinished buildings and civil engineering works.

Increases in inventories occur when goods are produced (or purchased) but not yet sold (or used) in the year under review. Decreases in inventories occur when goods are withdrawn from existing inventories in order to be sold or used in the production process.

The assessment of the changes in inventories is done in such way that gains or losses on inventories caused by price changes are avoided. With this objective the initial and final stock of each good is valued at the same price, namely raw materials at the average purchase price in the period, final products at average sales price and work in progress at the average cost price. This valuation method prevents output and subsequently value added from being influenced by changes in prices of stocks during the period under review.

Acquisitions less disposals of valuables

This transaction consists of the acquisitions less disposals of precious stones, non-monetary gold, antiques, art objects and jewellery that are acquired and held primarily as stores of value. In the national accounts this transaction is mostly combined with changes in inventories.

Acquisitions less disposals of non-produced non financial assets⁵

Acquisitions less disposals of non-produced non-financial assets mainly consist of sales of land by landowners such as farmers to investors in dwellings and non-residential buildings. The valuation of sales and purchases of land is exclusive of VAT and transfer costs. These are included in fixed capital formation.

Net lending (+) or net borrowing (-)

Net lending (+) or net borrowing (-) shows the amount a sector can lend / invest or has to borrow, given the current and capital transactions in the sector accounts.

⁵ This item records acquisitions and disposals between economic sectors of non-produced non-financial assets such as land and patents. CSO has had difficulty in obtaining a reliable data source that will allow us make consistent estimates for the acquisition and disposal of land between households (including farmers) and non-financial corporations (large construction companies) and therefore a zero value is entered for all domestic sectors for this item. This is the current situation despite a considerable amount of research work, which is ongoing. For many economies this item is not particularly significant. However, with the scale of construction activities in the Irish economy over the past few years, this item may be more important for the Irish accounts.

Appendix 4
Financial accounts

Financial instrument classes

The scope of the tables is restricted to financial assets and liabilities: in other words, fixed assets and intangibles are not included, except when they are held by residents abroad or by non-residents in Ireland (see AF.5 below). The financial instrument classes distinguished are as follows:

AF.1 Monetary gold and Special Drawing Rights (SDRs). These form part of the Official External Reserves held by the Central Bank and Financial Services Authority of Ireland. In the financial accounts statistics they are recorded only on the assets side of the table, as they are not considered to be the liabilities of any sector.

AF.2 Currency and deposits. This category includes currency notes and coins (assets of the holders, liabilities of S.12 and S.13 respectively), but is dominated by deposits, transferable or other (assets of the holders, liabilities of the deposit-taking sectors - mainly S.12, but also S.2 and, in respect of government small savings schemes, S.13).

AF.3 Securities other than shares. This category covers short-term and long-term debt securities other than equities, together with derivatives.

AF.4 Loans. This category covers short-term and long-term loans.

AF.5 Shares and other equity. This category covers quoted and unquoted shares, other forms of equity and shares in mutual funds and similar types of collective investment scheme. Other forms of equity includes, in particular, cross-border investments in unincorporated businesses (branch operations) or fixed assets (such as property). (Note, however, that holdings by residents of Irish residential property or other non-financial assets are outside the scope of the financial accounts and are not reflected in these tables. Borrowings from Irish lenders associated with such holdings (mortgages, for example) are of course included (in item AF.4), but foreign borrowings of this type in general are not.)

AF.6 Insurance technical reserves covers the net equity of households in life insurance and pension fund reserves, together with prepayments of insurance premiums and reserves for outstanding claims.

AF.7 Other accounts receivable/payable. This covers all other financial assets and liabilities, including in particular trade receivables and payables.

BF.90 Net financial assets. This is computed as total financial assets less total liabilities. Since it excludes non-financial assets (property, equipment, durable goods, intangible non-financial assets etc) it is not a measure of net worth.

Valuation principles in the financial accounts

In general, balance sheet positions are reported at end-year market value where they are available or can be estimated, and transactions are reported at the actual value of the transaction. This applies in particular to marketable securities (AF.3 and part of AF.5) on both the assets and liabilities sides. However, unquoted equity assets and liabilities (part of AF.5) are in general reported at book value. Foreign assets and liabilities are reported in general on the same basis as in the CSO's International Investment Position statistics, with the relatively minor exception of certain derivatives positions of banks (for which asset and liability positions are reported on a gross basis in the financial accounts, but on a net basis in the IIP). The liabilities under Insurance Technical Reserves of life insurance companies and, especially, pension funds (and the corresponding assets of policy holders and fund members) are estimated primarily from the values of the assets of the companies and the funds, and are not, in general, based on the actuarial liabilities to policy holders and fund members.

The values reported for the net financial assets of each sector must be assessed in the light of these differences in valuation practice. Firstly, the absence of estimates of the non-financial assets means that the estimates can not be taken as estimates of the net worth of the sector. For the household sector, for example, the net worth will clearly be much larger than the (positive) net financial assets, as much of the wealth of households is invested in property and durable goods. This is also true, but to a proportionately lesser extent, for the corporate sectors, especially for the non-financial corporate sector. In general, for these sectors, the net financial assets are typically negative, partly for this reason. But an additional factor must be taken into account for these sectors. The net financial assets of a company as reported in these results will be negative to the extent that the market value of its shares, if this is what is used in the account, exceeds the net asset value as reported in its balance sheet. In the present phase of development of the Irish accounts, this practice has been implemented for companies whose shares are quoted on the stock exchange (although with some exceptions), and in some other cases where a value more reflective of market value has been reported in response to CSO surveys. For the majority of indigenous non-quoted companies, however, the equity liability is captured essentially on the basis of their net asset value as reported in their balance sheet. Methods of estimating a market value for these equity liabilities will be explored in a later phase of the work. If, as is usual, the aggregate estimated market value exceeds the book value, the net financial assets of these sectors may therefore become more negative than reported here.

Consolidation

In general, in the financial transactions and balance sheet tables, the results are given on a non-consolidated basis for both sectors and sub-sectors. In other words, a liability of a unit in a sector to another unit in the same sector or sub-sector (such as a deposit received by a bank from another bank) is reported in the liabilities table for the sector of the reporting unit and in the assets table for the lending sub-sector and sector (in this example, in the tables for S.121+S.122 and S.12). A consequence of this is that the aggregate sector S.12 (Financial corporations) and the groupings of sub-sectors within S.12 (S.121 + S.122, and S.123 + S.124) are also not consolidated. The results for S.1 (Total economy) are by definition not consolidated; in other words, the entry for any instrument for S.1 is the arithmetic total of the sectors S.11, S.12, S.13 and S.14/15.

Data sources and compilation of the financial accounts statistics

Financial accounts statistics are in general compiled as secondary statistics, by assembling and combining statistics drawn from other primary published and unpublished official and unofficial sources such as statistical surveys, administrative records of government agencies and of representative bodies, and academic or other research work. The main sources currently used in the compilation are the CSO Balance of Payments and International Investment Position statistics and the underlying surveys, and published Central Bank and Financial Regulator statistics, primarily for banking and insurance. Some unpublished Central Bank and Financial Services Authority of Ireland data are also incorporated, together with other sources such as: the administrative records and statistics of the Revenue Commissioners; government administrative and statistical records; accounts and other records of state-owned companies; company accounts filed in the Companies Registration Office; and the statistical reports of representative bodies such as the Irish Association of Pension Funds and the Irish Association of Investment Managers.

The compilation process involves assembling from these sources the asset and liability positions of each sector for each instrument class at the end of each year, and as far as possible, the net transactions in the year. Where transactions estimates are not available in the primary source, estimates are made by removing from the change in position the estimated effect of revaluations, due for example to price movements in securities, or to exchange rate movements in the case of items denominated in foreign currencies. In the early stages of the work, the positions and transactions are then further allocated to the extent possible to counterpart sectors, based on original information or on preliminary allocation proportions. For many cells in the tables this process yields two estimates, one from each side (for example, deposits of government with resident banks, reported as claims on banks in the government statistics and as liabilities to government in the banking statistics). Almost invariably the two estimates differ to some extent, because of differences in such factors as coverage, valuation and timing. Furthermore, for many other cells, only a single-sided estimate is available. This is the case in particular for the household sector, for which no direct or primary data are available, and which must be compiled entirely on the basis of counterpart data and estimations.

After the first phase estimates have been assembled in this way and discrepancies have been identified, the tables are balanced by a mixture of mechanical and judgemental processes, to bring about compliance with several accounting identities and conventions. A key requirement is that the sum of all holdings by residents and non-residents of financial assets of a given class should be equal to the sum of all liabilities of that class (also by residents and non-residents). In this operation, priority is given to retaining as far as possible consistency with other well-based statistics such as the official banking and international investment position and balance of payments statistics. Some of the imbalances that come to the surface inevitably therefore get allocated by default to sectors or instruments for which the primary statistics are less well based. In these tables, as in the financial accounts of many countries, these tend to be the sectors S.14 and S.15 (Households and Non-profit institutions serving households), and, to a lesser extent, S.11 (Non-financial corporates). In the Irish accounts, the large size and somewhat heterogeneous nature of the non-monetary financial sectors, in particular S.123 (Other financial intermediaries) can also result in the indirect allocation to them of some significant imbalances.

In the present state of development of financial accounts for Ireland, the scale of the internal imbalances and probable errors is still quite large. The estimates may therefore include a significant margin of error and should be treated with some caution. The quality of the results is expected to improve as the data sources and compilation system are strengthened and developed.