

National Income and Expenditure

2005

Published by the Stationery Office, Dublin, Ireland.

To be purchased from the:

Central Statistics Office, Information Section, Skehard Road, Cork,

Government Publications Sales Office, Sun Alliance House,
Molesworth Street, Dublin 2,

or through any bookseller.

© Government of Ireland 2006

Material compiled and presented by the
Central Statistics Office.

Reproduction is authorised, except for commercial
purposes, provided the source is acknowledged.

ISSN 0075-0603

ISBN 0-7557-7150-8

Contents

	Page
Introduction	v
Summary of Results 2005	x
Summary Tables A, B and C	xi
Graphs of Selected Series	xvi
Description of Detailed Tables	xviii
Tables	
Table 1 - Net value added at factor cost and net national income at basic prices, 2000 - 2005	2
Table 2 - Net value added at factor cost by sector of origin and gross national income at current market prices, 2000 - 2005	3
Table 3 - Gross value added at factor cost by sector of origin and gross national income at current market prices, 2000 - 2005	4
Table 4 - Gross value added at constant factor cost by sector of origin and gross national income at constant market prices, 2000 - 2005 (chain linked annually and referenced to year 2004)	5
Table 5 - Expenditure on gross national income at current market prices, 2000 - 2005	6
Table 6 - Expenditure on gross national income at constant market prices, 2000 - 2005 (chain linked annually and referenced to year 2004)	7
Table 7 - Gross national disposable income and its use, 2000 - 2005	9
Table 8 - Gross national disposable income at constant market prices adjusted for terms of trade, 2000 - 2005 (Real Gross National Disposable Income)	10
Table 9 - Personal income and personal expenditure, 2000 - 2004	11
Table 10 - Net current income and expenditure of central and local government, 2000 - 2005	11
Table 11 - Savings and capital formation, 2000 - 2005	12
Table 12 - Distribution of personal income and its relationship to net national product at factor cost, 2000 - 2004	13
Table 13 - Consumption of personal income at current market prices, 2000 - 2005	14
Table 14 - Consumption of personal income (except taxes on personal income and wealth) at constant market prices, 2000 - 2005 (chain linked annually and referenced to year 2004)	15

Table 15 - Gross domestic physical capital formation at current market prices, 2000 - 2005	16
Table 16 - Gross domestic fixed capital formation by sector of use at current market prices, 2000 - 2005	16
Table 17 - Gross domestic physical capital formation at constant market prices, 2000 - 2005 (chain linked annually and referenced to year 2004)	17
Table 18 - Gross domestic fixed capital formation by sector of use at constant market prices, 2000 - 2005 (chain linked annually and referenced to year 2004)	17
Table 19 - Receipts and expenditure of central government (including extra-budgetary funds), 2000 - 2004	18
Table 20 - Receipts and expenditure of local government, 2000 - 2004	19
Table 21 - Receipts and expenditure of central and local government, 2000 - 2004	20
Table 22 - Details of taxation, 2000 - 2004	21
Table 23 - Details of subsidies and capital grants to enterprises, 2000 - 2004	22
Table 24 - Central and local government - details of transfer payments, national debt interest and capital grants to households and private non-profit institutions, 2000 - 2004	23
Table 25 - Central and local government - details of gross physical capital formation, 2000 - 2004	24
Table 26 - Expenditure of central government (including extra-budgetary funds) classified by purpose of expenditure and economic category, 2000 - 2004	25
Table 27 - Expenditure of local government classified by purpose of expenditure and economic category, 2000 - 2004	27
Table 28 - Expenditure of central and local government classified by purpose of expenditure and economic category, 2000 - 2004	29
Table 29 - Social protection accounts, 2000 - 2004	31
Table 30(a) - Balance of international payments: current account	32
Table 30(b) - Balance of international payments: capital and financial account and net errors and omissions	32
Table 31 - Summary sectoral financial balance sheets, 2001-2004, non-consolidated	33
 Appendices	
Appendix 1. Definitions and concepts	35
Appendix 2. Explanatory notes to tables	45

National Income and Expenditure 2005

INTRODUCTION

This report includes preliminary estimates of the national accounts for the year 2005 together with revised estimates for the years 2000 to 2004. The tables relate to national income and expenditure, capital formation and savings together with details of transactions of the government sector classified in accordance with national accounting definitions.

Particular attention is drawn to the detailed definitions and notes given in the Appendices which must be borne in mind in interpreting the various items. Thus, in considering the figures for trading profits, it should be noted that domestic trading profits as compiled for national income purposes refer to profits arising from productive activity *within* the State; items such as receipts of national debt and other interest and income arising *outside* the State are excluded. Furthermore, all losses are taken fully into account for the year in which they were incurred. For these reasons, trading profits as computed for national income purposes differ in principle both from the aggregate of profits shown by individual concerns in their own accounts and from total profits liable for taxation purposes by the Revenue authorities.

As will be apparent from detailed information in the Appendices, most of the elements in the compilation of the national accounts are estimates subject to margins of error. Generally, more reliance can be placed on the changes between years than on the absolute level of any single figure.

The estimates for 2005 are based upon indicators for the different aggregates and must be regarded as tentative. The provisional nature of the estimates for 2003 and 2004 must also be borne in mind. In particular, the estimates for the year 2004 in the present report must be regarded as preliminary. Many of the inquiries upon which the basic compilations rest are incomplete and to the extent that figures given for 2002 and 2003 are still partly subject to revision, projections for the year 2004 will also be affected. While no guarantee can be given that published figures will remain unaltered as inquiries proceed and as sources and methods are reviewed, it is expected that any changes made in future in relation to years earlier than 2000 will have a relatively insignificant effect on the year-to-year trend in these data.

Except where otherwise indicated the tables in this report relate to current money values, and therefore, the year-to-year changes include an element due to monetary inflation. Certain tables are shown in chain linked values and these indicate the *real* (or *volume* or *quantum*) changes in the various entities from year to year.

The tables have all been generated from approximately 500 base headings. As a result, in the tables, the totals may differ from the sum of components due to rounding.

New table in this report

A new table, Table 31, is presented in this report. It presents for the first time financial balance sheets for the institutional sectors of the economy. Results are given for the years 2001 to 2004 for the following sectors: Non Financial Corporations, Financial Corporations (with separate data for Monetary Financial institutions, Other Financial Intermediaries and Financial auxiliaries, Insurance corporations and Pension Funds) General government, Households and Non profit institutions serving households and Rest of the world. A full range of financial accounts statistics is being developed by the CSO and the Central Bank and Financial Services Authority of Ireland, and the results given here should be considered provisional and subject to revision. Some background information is given at the end of Appendix 2.

Personal Savings

Previous editions of NIE advised that the estimates of both company and personal savings should be treated with caution. However, over the past year results from ongoing work, which has been undertaken in the compilation for the first time of non-financial institutional sectoral accounts have provided an improved basis for these data.

This work has included making independent estimates of personal savings which were previously estimated only residually. This has resulted in somewhat lower estimates of personal savings (and thus also in the personal savings ratio) for most of the years 2000 to 2004 with consequential increases in the level of company savings. The latter are now estimated to some extent simultaneously with the estimates of personal savings.

Chain Linking

The volume measures are now being produced using annual chain linked indices. On the output side, for each pair of successive years, the volume growth measures at a detailed level are weighted together using

value added weights of the first year. Similarly, on the expenditure side, annual growth estimates are weighted by previous year expenditure weights. The average of the two measures is the official level of GDP to base the previous year. The change over a period of years is then calculated by linking together the annual volume changes. The estimates in this release are referenced to 2004 values.

It should be noted that under the system of chain linking individual components are chain linked independently of their aggregates. Thus, the expenditure estimate of GDP, in constant prices on a chain linked basis, is not derived by adding the chain linked values of personal consumption, government expenditure, capital expenditure, stock changes and exports minus imports. Rather it is estimated by linking the year to year volume changes in GDP (which have been calculated to base the previous year) to the GDP value in 2004. This results in the loss of additivity by which is meant that the sum of the chain linked components do not add to the chain linked aggregate.

In addition there is the extra complication that the official volume estimate of GDP is the average of the expenditure estimates of GDP (to base the previous year) and the output estimate of GDP (to base the previous year). Thus, before the chain linking process even begins, the GDP volume estimate can not be derived as the sum of its components.

Discrepancy with Balance of Payments arising from FISIM

The introduction of FISIM in the "NIE 2004" publication has caused a discrepancy between national accounts figures for some external transactions and Balance of Payments (BOP) figures. In particular FISIM generated through lending and borrowing between this country and abroad is included in the import and export of services in the national accounts. This has not been done to date in the BOP publications. Conversely interest flows are not adjusted for FISIM in the BOP statements whereas they are so adjusted in the national accounts. The effect of this can be seen by comparing the figures in this publication with those in the BOP release of Q1 2006. Net exports in 2005 of goods and services in the national accounts amount to €20,448ml (see table 5) compared to €19,515ml in the BOP release for Q1 2006 (Table 1a). This excess of €933ml in the national accounts is balanced by a shortfall in the national accounts net factor incomes for 2005 i.e. -€25,248 compared to the BOP figure of -€24,316.

ESA95 terminology

The terminology used in the book is in line with the conventions of the ESA95. The term *GDP* is now reserved for valuation at market prices while *Value Added* is used for other valuations of the aggregate previously known as GDP. There are now three valuations being shown i.e. Market Prices, Factor Cost and Basic Prices. The first two were always provided in the publications which preceded the adoption of the ESA95 methodology. The third one (GVA at basic prices) equals GDP (at market prices) minus product taxes plus product subsidies. This is also equal to GVA at factor cost plus other (non product) taxes minus other (non product) subsidies – see line 29 onwards in Table 2. The terms *Gross National Income (GNI)* and *Net National Income (NNI)* are also being used. GNI is equivalent to GNP plus EU subsidies minus EU taxes. Alternatively it may be described as GDP minus primary income payable by resident units to non resident units plus primary income receivable by resident units from the rest of the world. NNI is equal to GNI minus depreciation.

Methodology

The National Accounts form a comprehensive framework within which economic data can be presented in a coherent, consistent manner. There are three approaches to measuring National Income, each of which theoretically gives the same answer, i.e.

- output (value added by each producer);
- income (all income generated);
- expenditure (all spending on final demand).

In Ireland, the income and expenditure approaches are used. For the income estimate, the main components are:

- * profits of companies and of the self-employed
- * remuneration of employees (wages, salaries and employers' contributions to social insurance and pension funds including imputed contributions in respect of public service employees)
- * rent of dwellings (imputed in the case of owner-occupied).

Adjustments are made in respect of stock appreciation i.e. to eliminate the effect of price changes on the level of stocks. Another feature of the national accounts is that interest is not regarded as part of income or expenditure in calculating GDP but the hidden margin which banks make on interest in the course of lending

and borrowing is charged to customers. (See the paragraph on “profits of businesses” on page 38 in Appendix 1).

On the expenditure side, estimates are made of:

- * personal expenditure on consumers' goods and services
- * expenditure by central and local government on current goods and services
- * gross domestic fixed capital formation
- * value of physical changes in stocks.

The value of exports is then added and imports are deducted. The two approaches (income and expenditure) should theoretically give the same answer. However, they will always diverge to some extent as they arise from different data sources. The components of the two original estimates are shown unadjusted. The official level of GDP is taken to be an average of the expenditure and income estimates and a balancing item (statistical discrepancy) is displayed, which is half of the difference between the two estimates. This is the amount by which both estimates have to be adjusted to agree with the official level of GDP.

Volumes or Constant price estimates

Two measures of GDP (output and expenditure) are compiled annually to base the previous year and chain linked to a reference year. The output measure is obtained by using various output indicators to project forward the previous year's value added. On the expenditure side, the current price estimates are deflated to the previous year's prices using appropriate price indices. The average of the two provides the official GDP to base the previous year and is used to produce the annual volume change in GDP. The annual volume changes are then chain linked. The chain linked values for the components of both methods are shown in tables 4 and 6.

Definitions

Appendices 1 and 2 contain detailed definitions and explanatory notes relating to all the variables contained in the various tables in this report. The following are the main features of the principal economic aggregates.

Gross Value Added at factor cost (previously called Gross Domestic Product at factor cost) is equal to the sum of the values of the goods and services (or part thereof) produced in the country without deducting an amount in respect of capital consumption (i.e. depreciation). It excludes taxes on production and includes subsidies on production.

Net Value Added at factor cost is equal to Gross Value Added at factor cost minus depreciation.

Gross Value Added at basic prices is equal to Gross Value Added at factor cost plus other (i.e. non product) taxes on production minus other (i.e. non product) subsidies on production.

Gross Domestic Product at market prices is equal to Gross Value Added at basic prices plus taxes on products less subsidies on products. It represents total expenditure on the output of final goods and services produced in the country (“final” means not for further processing within the country) and valued at the prices at which the expenditure is incurred.

Gross National Income at market prices is equal to Gross Domestic Product minus primary income payable by resident institutional units to non resident units plus primary income receivable by resident units from the rest of the world. It therefore represents total primary income available to resident institutional units of the country.

Retrospective historical series; availability of data in spreadsheet format

A continuous historical series of data along the lines of the main tables in this report covering the period from 1970 to 1995 is available in excel format on the web and in the CSO's database. There is however a discontinuity in this series due to the introduction of FISIM which is incorporated in the accounts from 1995 onwards but not for earlier years. Two sets of figures are available for the year 1995 i.e. one in the historical series without FISIM and one in the 1995 to 2005 series with FISIM included. This will allow users to assess the impact of FISIM on the various aggregates.

All tables in this publication are available in spreadsheet format on the CSO website <http://www.cso.ie>. They are also available in the CSO's database.

Summary of Results

Summary Tables

Graphs of Selected Series

SUMMARY OF RESULTS 2005

Growth Rates

In constant prices, Gross Domestic Product rose by 5.5% between 2004 and 2005. The growth in Gross National Product was lower at 5.3%. (There has been a minor revision to the net factor incomes from abroad since the publication of the release in July, which provided the first detailed results for 2005. This has resulted in the growth in GNP being revised from 5.4 % to 5.3% in 2005 over 2004).

Disposable Income

In nominal terms, Net National Product at factor cost rose by 8.6% in 2005 to €100,254 million, equivalent to €24,271 per head of population. Agricultural incomes increased by 17.1% and non-agricultural incomes increased by 8.8%. Factor income outflows to the rest of the world increased by 8.8%.

Gross National Disposable Income increased by 9.4%.

National Consumption

In current money values, Personal Expenditure increased by 7.9% and Government Expenditure by 10.4%. When price rises are discounted, the real increases are 6.6% and 4.6% respectively.

Capital Formation

The value of investment in construction and capital equipment rose by 20.2%. This represents an increase of 12.8% in volume terms. The value of stocks rose by € 166ml in constant prices

External Trade

The value of Exports of goods and services increased by 5.6% in 2005. Export prices increased by 1.7% and export volumes increased by 3.9%. The value of Imports increased by 8.3% representing a 1.7% increase in price and a 6.5% increase in volume.

Balance of Payments

The current account deficit in 2005 was €4,200 million.

SUMMARY TABLES A, B and C

Table A which follows gives historical time series of Gross Domestic Product and its expenditure components presented in both current and constant prices for the period 1970 to 2005. The rules and definitions of the European System of Accounts (ESA 95) are now being applied. The official level of GDP is derived as an average of the independently estimated Income and Expenditure estimates.

There is a discontinuity indicated by the dotted line at 1995 in Table A. Figures above the line for GDP include the new treatment of FISIM (see page vi) while figures below the line exclude FISIM.

Data at constant prices in Table A are expressed in the form of index numbers with reference year 2004 = 100. The index numbers were derived by annually chain linking indices which were calculated to base the previous year

Summary Table B shows the main aggregates e.g. Gross Domestic Product, Gross National Product at current and constant (i.e. annually chain linked and referenced to the year 2004) market prices.

Gross National Income at current market prices increased each year between 2000 and 2005, the increase over the five year period being over 150 per cent. This increase is due to both price and volume changes. The effect of price changes over the period is eliminated by re-valuing Gross National Income at constant market prices, thus indicating the *real* or *volume* changes which occurred.

Table B also contains particulars per head of population and per person at work of Gross National Income in current and constant terms. In addition, the corresponding details of Gross Domestic Product are also shown.

The annual percentage changes in the main aggregates at current and constant prices are shown in Table C. Changes in the consumer price index and in the implied GNP deflator are also shown. The GNP deflator is obtained by dividing the figures for Gross National Product at current prices by the corresponding figures at constant prices. This deflator is a measure of overall price changes in the economy while the consumer price index measures the average price change of goods and services bought by households.

Table A Time series of Gross Domestic Product and components at Current Market Prices (€ million)

Year	Gross domestic product	Personal consumption of goods and services	Net expenditure by central and local government on current goods and services	Gross domestic physical capital formation	Exports of goods and services	Imports of goods and services
2005	161,163	74,114	22,952	43,680	131,001	110,553
2004	147,569	68,719	20,785	36,492	124,049	102,096
2003	138,941	65,136	18,839	33,161	116,379	94,087
2002	129,947	60,730	17,601	29,704	121,723	99,524
2001	116,756	55,584	15,381	27,498	116,975	98,657
2000	104,553	50,561	13,068	26,192	102,885	88,697
1999	90,612	44,455	11,411	22,104	80,683	67,951
1998	78,679	39,786	10,113	18,700	68,241	58,916
1997	68,071	35,733	9,224	14,805	53,994	45,060
1996	58,806	32,412	8,291	11,644	45,397	38,323
1995*	53,147	29,679	7,866	9,685	40,473	34,247
1995**	52,546	29,295	7,853	9,685	40,224	34,202
1994	46,421	27,293	7,427	7,536	32,916	28,316
1993	43,189	25,446	6,980	6,561	28,537	23,948
1992	40,100	24,285	6,544	6,547	24,353	21,299
1991	37,649	22,907	6,020	7,251	21,812	19,936
1990	36,184	21,813	5,469	7,671	20,689	19,011
1989	33,373	20,536	4,926	6,127	20,562	18,661
1988	30,085	18,999	4,743	4,758	17,349	15,442
1987	28,163	17,787	4,806	4,646	15,053	13,707
1986	26,352	16,878	4,725	4,796	13,177	12,734
1985	24,739	15,812	4,377	4,742	13,668	13,378
1984	22,774	14,553	4,047	4,941	12,436	12,633
1983	20,564	13,301	3,751	4,707	9,869	10,501
1982	18,657	12,229	3,464	4,912	8,192	9,499
1981	15,727	10,976	2,961	4,344	7,008	9,113
1980	12,961	9,119	2,437	3,456	5,907	7,541
1979	10,922	7,588	1,873	3,440	5,015	6,687
1978	9,220	6,170	1,506	2,605	4,298	5,167
1977	7,801	5,314	1,256	2,100	3,588	4,260
1976	6,409	4,488	1,083	1,548	2,742	3,219
1975	5,203	3,583	909	1,173	2,062	2,359
1974	4,138	2,977	663	1,181	1,620	2,174
1973	3,724	2,531	545	993	1,307	1,541
1972	3,084	2,129	442	767	984	1,137
1971	2,538	1,838	365	593	851	1,022
1970	2,220	1,638	307	527	760	925

* 1995 to 2005 based on ESA95 methodology including FISIM

** 1970 to 1995 based on ESA95 methodology excluding FISIM

Table A (contd.) Index Numbers of Gross Domestic Product and Expenditure Aggregates at Constant Market Prices (Base 2004=100)

Year	Gross Domestic Product	Personal consumption of goods and services	Net expenditure by central and local government on current goods and services	Gross domestic physical capital formation	Exports of goods and services	Imports of goods and services
2005	105.5	106.6	104.6	112.5	103.9	106.5
2004	100.0	100.0	100.0	100.0	100.0	100.0
2003	95.9	96.4	98.3	95.9	93.2	92.0
2002	91.9	93.4	95.2	88.8	92.7	93.2
2001	86.7	90.0	88.9	85.6	88.7	91.0
2000	81.9	85.4	81.0	87.4	81.6	84.9
1999	75.0	78.6	74.8	80.1	67.9	69.8
1998	67.7	72.6	70.2	72.9	58.8	62.1
1997	62.4	67.8	66.5	62.3	47.8	48.7
1996	55.9	63.1	63.3	51.6	40.6	41.7
1995	51.6	59.2	61.2	44.1	36.1	37.1
1994	47.1	56.8	59.5	35.9	30.1	31.9
1993	44.5	54.5	57.1	33.2	26.2	27.6
1992	43.5	53.1	57.3	34.6	23.8	25.7
1991	42.0	51.6	55.6	39.7	20.9	23.7
1990	41.3	51.1	54.2	42.9	19.8	23.2
1989	38.3	49.5	51.3	35.6	18.2	21.9
1988	36.3	47.9	51.9	29.1	16.3	19.2
1987	35.2	46.2	54.8	30.6	15.1	18.0
1986	34.0	45.3	57.1	31.0	13.2	16.8
1985	33.9	44.0	55.3	31.0	12.9	16.0
1984	33.2	42.9	54.1	33.4	12.1	15.5
1983	32.2	42.5	54.2	33.4	10.4	14.1
1982	32.4	43.3	54.2	37.8	9.4	13.4
1981	31.9	45.2	52.5	36.1	9.0	14.0
1980	31.2	44.9	52.3	34.9	8.8	13.7
1979	30.3	43.8	48.8	41.2	8.3	14.4
1978	29.1	40.6	46.5	32.5	7.8	12.6
1977	27.1	37.8	42.7	29.5	6.9	10.9
1976	25.5	36.2	41.8	24.0	6.1	9.6
1975	24.7	34.3	40.7	23.6	5.6	8.4
1974	24.4	34.7	38.3	30.1	5.2	9.4
1973	23.7	34.3	35.5	25.0	5.2	9.6
1972	22.5	31.9	33.2	22.8	4.7	7.9
1971	21.0	30.0	31.0	19.0	4.5	7.5
1970	20.1	29.0	28.6	20.5	4.4	7.2

Table B Main Aggregates, 2000 - 2005

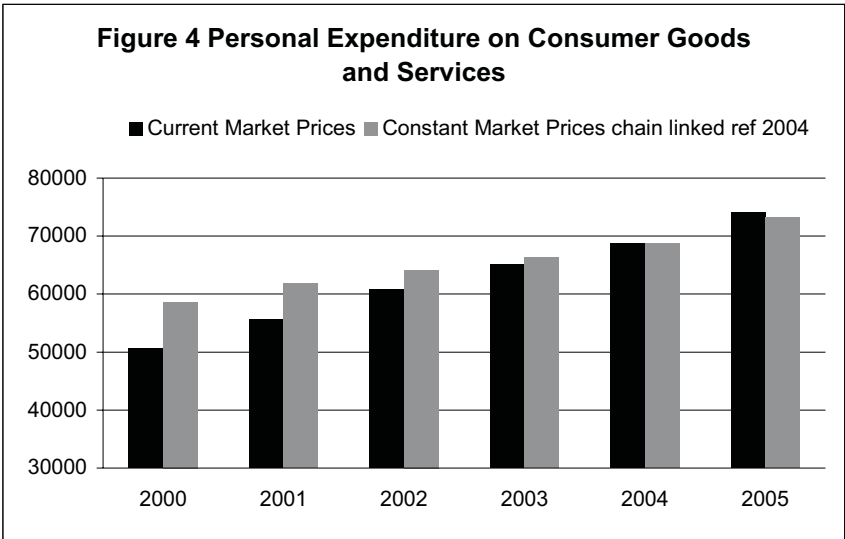
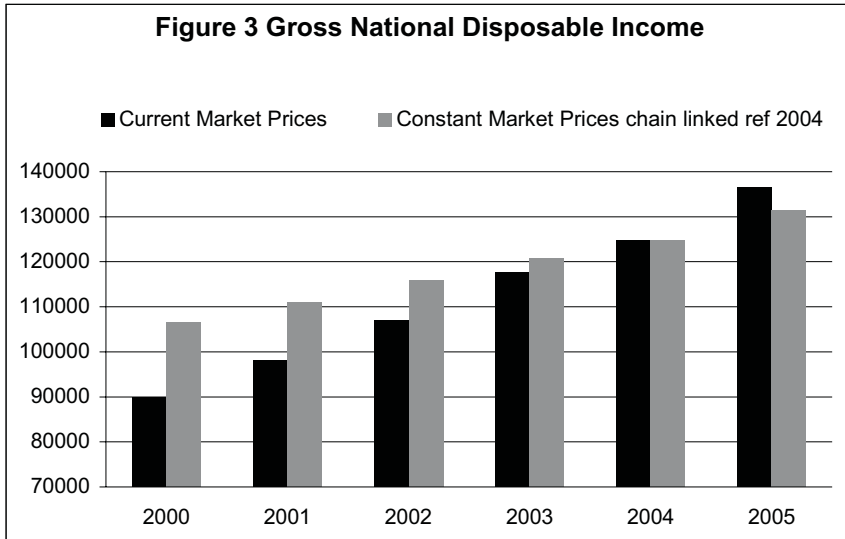
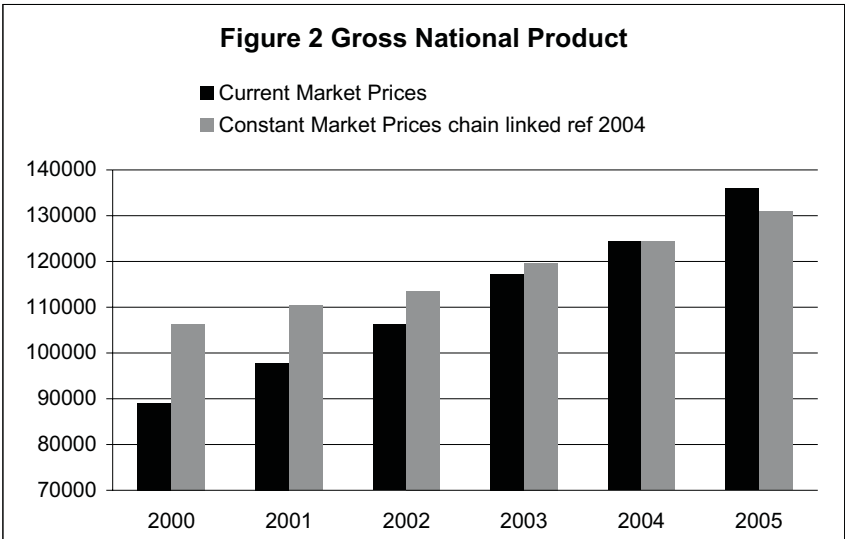
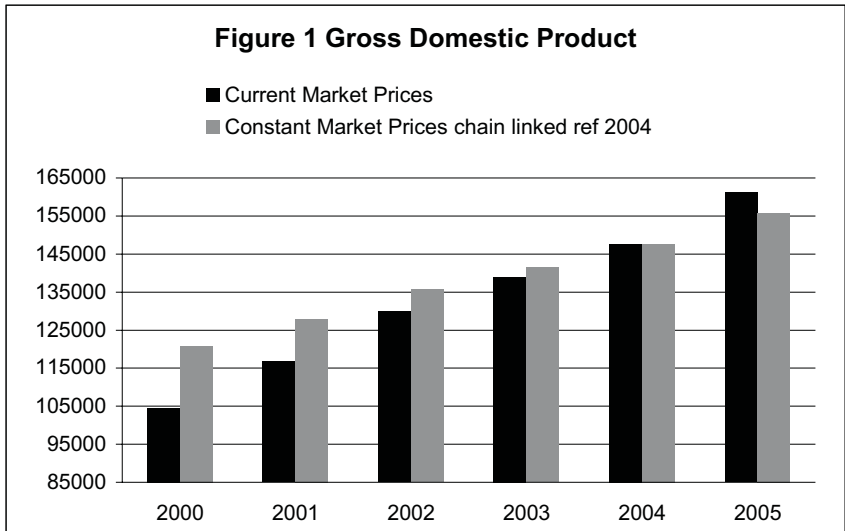
Description	2000	2001	2002	2003	2004	2005*
	€ million					
Gross Domestic Product (GDP) at current market prices	104,553	116,756	129,947	138,941	147,569	161,163
plus Net factor income from the rest of the world	-15,488	-18,975	-23,699	-21,723	-23,215	-25,248
Gross National Product (GNP) at current market prices	89,065	97,781	106,248	117,218	124,354	135,914
EU subsidies	1,634	1,520	1,896	1,839	1,788	2,237
EU taxes	-683	-756	-488	-535	-324	-432
Gross National Income (GNI) at current market prices	90,016	98,545	107,655	118,522	125,818	137,719
less provision for depreciation	-10,614	-11,825	-13,073	-14,405	-15,037	-16,896
less Non EU taxes	-13,646	-13,831	-15,685	-17,084	-19,289	-21,494
plus Non EU subsidies	759	1,034	834	864	814	925
Net National Product at factor cost	66,514	73,924	79,731	87,898	92,306	100,254
Gross National Disposable Income (GNDI) at current market prices	89,994	97,976	106,952	117,650	124,747	136,515
Chain linked volume measures referenced to year 2004						
Gross Domestic Product at constant market prices	120,865	127,931	135,649	141,472	147,569	155,723
Index of GDP at constant market prices	81.9	86.7	91.9	95.9	100.0	105.5
Gross National Product at constant market prices	106,260	110,399	113,466	119,699	124,354	130,932
Index of GNP at constant market prices	85.4	88.8	91.2	96.3	100.0	105.3
Gross National Income at constant market prices	107325	111338	114984	120998	125818	132559
Index of GNI at constant market prices	85.3	88.5	91.4	96.2	100.0	105.4
Gross National Disposable Income at constant market prices	106,539	111,017	115,809	120,790	124,747	131,334
Index of GNDI at constant prices	85.4	89.0	92.8	96.8	100.0	105.3
Per head of population (€)						
GDP at current market prices	27,590	30,350	33,175	34,919	36,493	39,016
GNP at current market prices	23,503	25,418	27,125	29,459	30,752	32,903
GNI at current market prices	23,754	25,616	27,484	29,787	31,114	33,340
GNDI at current market prices	23,748	25,468	27,304	29,568	30,849	33,049
Net national product at factor cost	17,552	19,216	20,355	22,090	22,826	24,271
GDP at constant market prices	31,895	33,255	34,631	35,555	36,493	37,699
GNP at constant market prices	28,041	28,697	28,968	30,083	30,752	31,697
GNI at constant market prices	28,322	28,941	29,355	30,409	31,114	32,091
GNDI at constant market prices	28,114	28,858	29,566	30,357	30,849	31,795
Per person in employment (€)						
GDP at current market prices #	62,554	67,807	73,670	77,474	80,367	83,539
GNP at current market prices #	53,288	56,787	60,235	65,361	67,723	70,451
GNI at current market prices #	53,857	57,230	61,032	66,088	68,521	71,387
GNDI at current market prices #	53,843	56,900	60,634	65,602	67,937	70,763
Net national product at factor cost #	39,795	42,932	45,202	49,012	50,270	51,967
GDP at constant market prices #	72,314	74,296	76,903	78,885	80,367	80,719
GNP at constant market prices #	63,575	64,115	64,327	66,744	67,723	67,869
GNI at constant market prices #	64,213	64,660	65,187	67,469	68,521	68,712
GNDI at constant market prices #	63,742	64,474	65,655	67,353	67,937	68,077

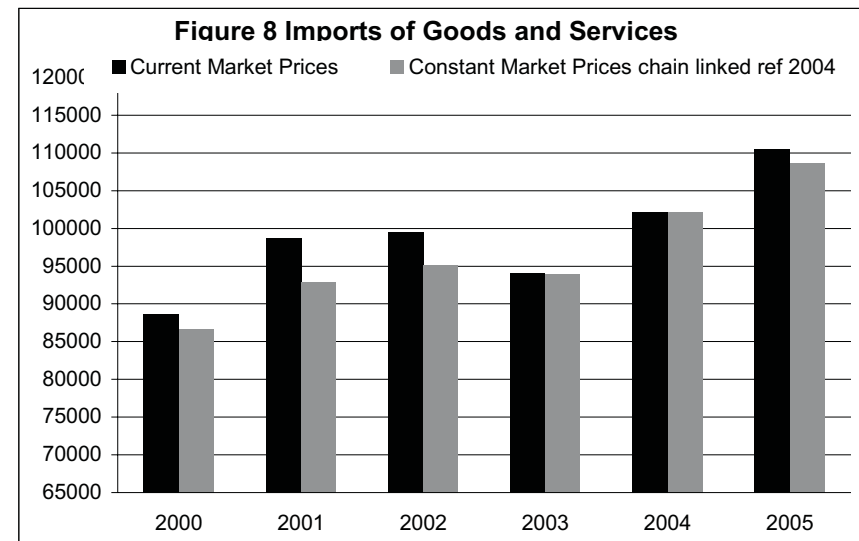
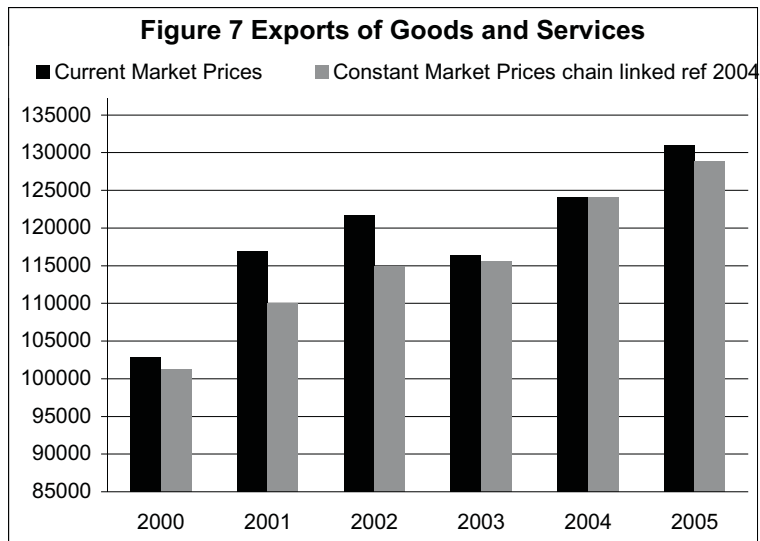
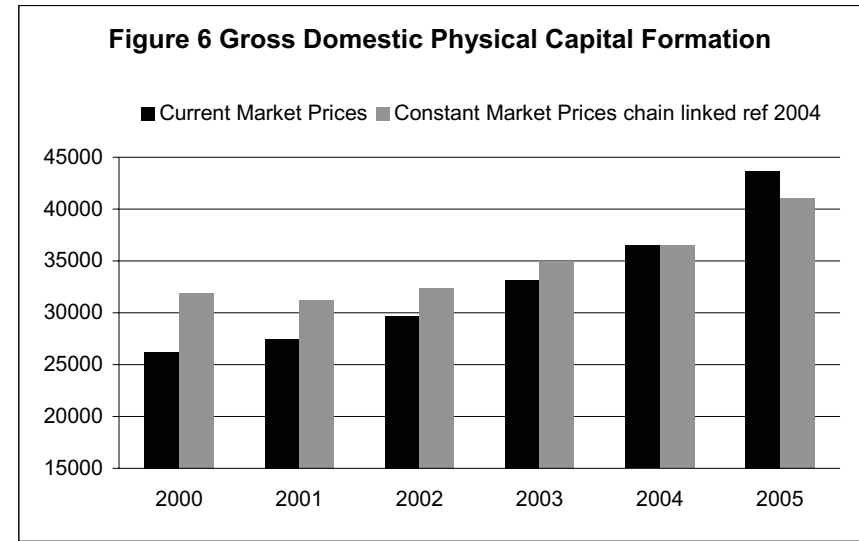
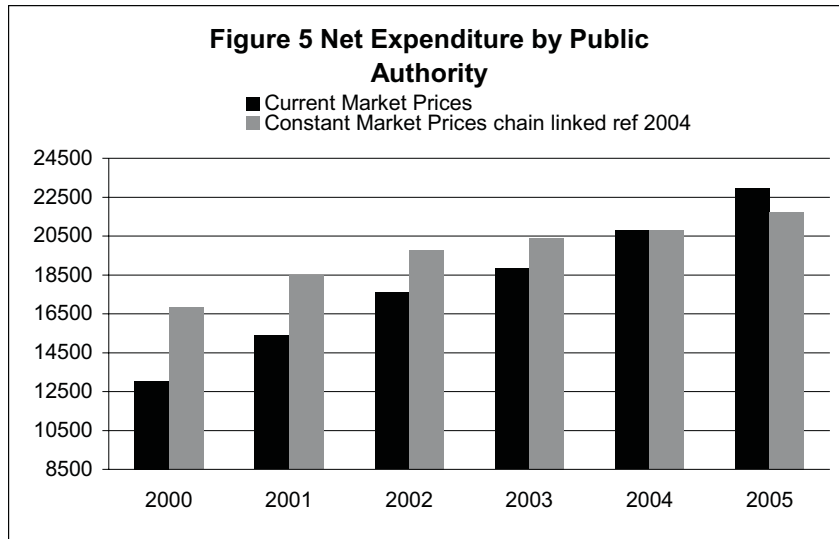
* Preliminary

Persons in employment on an ILO basis as in the QNHS (March - May) for 2000 to 2005

Table C Annual Percentage Changes in the Main Aggregates, GNP, GDP and GNI Deflators and the Consumer Price Index

Description	2000-2005	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Gross Domestic Product (GDP) at current market prices	9.0	11.7	11.3	6.9	6.2	9.2
Gross National Product (GNP) at current market prices	8.8	9.8	8.7	10.3	6.1	9.3
Gross National Income (GNI) at current market prices	8.9	9.5	9.2	10.1	6.2	9.5
Gross National Disposable Income (GNDI) at current market prices	8.7	8.9	9.2	10.0	6.0	9.4
Net national product at factor cost	8.6	11.1	7.9	10.2	5.0	8.6
Chain linked volume measures referenced to year 2004						
Gross Domestic Product at constant market prices	5.2	5.8	6.0	4.3	4.3	5.5
Gross National Product at constant market prices	4.3	3.9	2.8	5.5	3.9	5.3
Gross National Income at constant market prices	4.3	3.7	3.3	5.2	4.0	5.4
Gross National Disposable Income at constant market prices	4.3	4.2	4.3	4.3	3.3	5.3
GDP deflator	3.7	5.5	5.0	2.5	1.8	3.5
GNP deflator	4.4	5.7	5.7	4.6	2.1	3.8
GNI deflator	4.4	5.5	5.8	4.6	2.1	3.9
GNDI deflator	4.2	4.5	4.6	5.5	2.7	3.9
Consumer price index	3.5	4.9	4.6	3.5	2.2	2.5





DESCRIPTION OF DETAILED TABLES

Except where otherwise indicated the tables in this report relate to current money values and, therefore, the year-to-year changes include an element due to monetary inflation. Certain tables are shown at constant money values and these indicate the "real" (or "volume" or "quantum") changes in the various entities from year to year.

The tables have all been computer generated from approximately 500 base headings. As a result, in the tables, the totals may differ from the sum of components due to rounding.

Net National Product at Factor Cost classified by Type of Income (Table 1)

The estimated earnings of the different factors of production are given in Table 1 distinguishing (i) income from agriculture, forestry and fishing, (ii) all other domestic income and (iii) income from the rest of the world.

Table 1.1 shows the annual percentage changes in the main items of Table 1.

National and Domestic Product classified by Sector of Origin at Current Prices (Tables 2 & 3)

Table 2 shows net domestic product originating in each sector, distinguishing agriculture, forestry and fishing, industry, distribution, transport and communication, public administration and defence and other services sectors. The contribution of each domestic sector is divided into *remuneration of employees* and *other* (i.e. net profits and self employed income). Figures for adjustment for stock appreciation and for depreciation of assets are shown separately for the relevant sectors. When these figures are added to those for net value added in each sector, the gross value added at factor cost in each sector, after adjustment for stock appreciation, is derived. These figures are shown in Table 3. By adding taxes on expenditure net of subsidies to the gross value added at factor cost the gross domestic product at market prices is derived. Net factor income from the rest of the world is then added to arrive at gross national product at market prices.

Gross National Product classified by Sector of Origin at Constant Prices (Table 4)

Table 4 contains estimates of the gross national product at constant prices sub-divided by branch of activity. It contains estimates of the contribution of certain industrial sectors which are more than 90% foreign owned. The estimates have been made by adding together the contributions to the gross value added at factor cost, valued at previous year's prices, of the different branches, adjusting from factor cost to market prices by adding taxes on expenditure and subtracting subsidies - both valued at previous year's rates - and then adding net factor income from the rest of the world. The purpose of valuation at constant prices is to derive a series of figures which reflect volume or *real* changes only as distinct from current prices figures which reflect both volume and price changes. A number of conceptual problems occur in attempting to measure the contribution, at constant prices, of each sector to the gross national product and some of these difficulties are referred to in Appendix 1.

The difference between the annual percentage changes in gross domestic product and gross national product at constant market prices are due to the changes in the rate of growth of net factor income from the rest of the world.

Table 4.1 shows the annual percentage changes in gross national product at constant prices by sector of origin.

The results obtained by using the sector output method for compiling constant price estimates of gross national product are somewhat different from those derived by using the expenditure method. The average of the two sets of figures is the official level of gross national product and this gives rise to a *Statistical discrepancy* item which is displayed in Tables 4 and 6 for the year 2004 and 2005. This is the adjustment required to achieve convergence of the two estimates. It should be borne in mind that, for either the expenditure method or the output method, GDP and other aggregates can not be derived as the sum of the components in earlier years than 2004. This is because GDP and the components are based to the previous year in each of those years and the components and the aggregates (such as GDP) are independently chain linked (to 2004) in accordance with international practise. Additivity (i.e. the sum of the chain linked components being equal to the chain linked aggregate) is lost in this process. Thus there is a difference between the sum of the chain linked components and the chain linked aggregates in those years which is not

solely due to the aggregate being the average of the expenditure and output method but also due to the chain linking system itself.

Expenditure on Gross National Product - Current Market Prices (Table 5)

Table 5 shows the expenditure on the gross national product analysed by categories of expenditure. Table 5.1 shows the percentage changes over the period shown.

Expenditure on Gross Domestic Product - Constant Market Prices (Table 6)

In order to compile figures for the gross domestic product at constant market prices the estimates of the expenditure on the gross domestic product can be revalued at the prices of the previous year and chain linked to a reference year. This is done by revaluing constituents of expenditure at previous year's prices or by deflating current price expenditures by a suitable price index. The resulting total for gross domestic product at previous year's market prices is, therefore, a measure of the volume of output of goods and services originating in the national economy which can be compared with the output of the economy in the previous year without being affected by price change. However the official GDP volume measure as shown in all tables is derived as an average of the income measure and expenditure measure (see notes on Table 4) The resulting volume changes are then linked to a reference year which in this publication is 2004.

Table 6 shows gross domestic product, valued in this way, and linked to 2004. The annual percentage changes in the different categories of expenditure are shown in Table 6.1. Table 6.2 shows corresponding index numbers referenced to 2004 = 100. The index numbers of gross domestic product at constant market prices arrived at in this way provide a measure of year-to-year changes in the total output of goods and services of the national economy. It does not, however, give a reliable indication of changes from year to year in the volume of goods and services available to the community arising from current production as it does not take into account the effect of changing terms of trade on this volume of goods and services. To allow for changes in the terms of trade, a further adjustment must be made and the last row of Table 6.2 shows index numbers of the volume of gross national product referenced to 2004 and adjusted to take account of changes in the terms of trade.

Gross National Disposable Income at Current Prices (Table 7)

In Table 7 the relationship between gross national product and gross national disposable income is shown and also the use of gross national disposable income for consumption expenditure and savings. Gross national disposable income represents the income available for consumption expenditure and savings by adding net receipts of current international transfers to national product. Table 7.1 shows the annual percentage changes in gross national disposable income and its use.

Gross National Disposable Income at Constant Market Prices, adjusted for Terms of Trade (Table 8)

Table 8 shows the derivation of real Gross National Disposable Income adjusted for terms of trade.

In order to trace the development of real income (or income at constant prices) available for consumption or saving it is useful to express national disposable income at constant prices by deflating net receipts of current international transfers. To take full account of the changes in the volume of goods and services available to the community the adjustment for terms of trade previously outlined in relation to Table 6.2 should also be incorporated.

Following the convention used for deflation of net factor income from abroad (Appendix 1) the implied price index of the imports of goods and services is used to deflate net current international transfers if they are positive while the corresponding export index is used if they are negative.

Personal Income and Expenditure (Table 9)

Table 9 shows the relationships between Personal Income, Private Income and Net National Product. Personal Income is the income accruing to households and private non-profit institutions. Personal savings is estimated residually by subtracting total personal expenditure including taxes on personal income and wealth.

The method used to derive Private Income from Net National Product can be summarised as follows:

1. Reverse the adjustment for stock appreciation made in Table 1, as changes in stock values, including those arising from holding gains, are included in the total income available.
2. Subtract the income which the Government earns, e.g.
 - (a) Surplus of National Lottery (included in trading profits of companies - item 4 of Table 1)
 - (b) Imputed net rental income of Local Government (included in item 8 of Table 1)
 - (c) Interest element in land annuities (item 8 of Table 1)
 - (d) Interest earned by the Government on holdings of foreign securities (included in net factor income from the rest of the world - item 14 of Table 1)
 - (e) Interest/dividends which the Government earns from its investment in State or semi-State companies, advances to the ESB, shares in Bord Gáis Éireann, and the Irish Aviation Authority etc. (included in the profits of these companies – item 4 of Table 1)

Also subtracted at this stage are

- (f) Interest which Local Government receive on loans under the Housing Acts which are subtracted to comply with the international definitions of Private and Personal Income which define them as being net of interest
 - (g) The gross trading income of the Post Office Savings Bank Fund which is excluded to take account of the fact that in adding on the interest paid out by the Government to the private sector (in item 121) an allowance has to be made for the part which is absorbed by the Post Office Savings Bank.
3. Add on National Debt Interest paid out by the Government (including interest paid abroad which has been subtracted in the adjustment for net factor incomes from abroad - item 14 in Table 1).
 4. Add transfer income (including net transfers from abroad).

The four steps above yield Private Income. The transition from Private Income to Personal Income is achieved by subtracting from private income the undistributed income (including interest/dividend and investment income) of companies and corporate bodies. It follows that the main components of Personal Income are:

- (a) Income from self-employment
- (b) Imputed rent assigned to owner-occupiers in respect of their dwellings
- (c) The difference between the lower rent paid by the tenants of Local Government dwellings and the economic rents of these dwellings (treated as a state transfer to households)
- (d) Wages, salaries and employer contributions to pension funds or imputed contributions where applicable
- (e) Employers' contributions to Social Insurance of its employees
- (f) Net Interest (i.e. interest and dividends earned less interest paid out on loans, mortgages, etc.)
- (g) State benefits in cash (e.g. state pensions, unemployment benefit and assistance, child benefit, etc.)
- (h) Some State benefits in kind considered to be transfers and included in item 122. Principal among these are:
 - The costs of free secondary education
 - State assistance towards 3rd level education
 - State scholarships and prizes
 - Free travel, electricity and telephone rental
 - Drugs and medicines received free of charge or subsidised
 - Transport services for school children.

(See Table 24 for a more comprehensive list.)

Net Current Income and Expenditure of Central and Local Government (Table 10)

The detailed tables of the central and local government accounts are described below. Table 10 presents a summary of the income and expenditure of central and local government and gives the derivation of central and local government savings.

Capital Formation and Savings (Table 11)

The savings of persons, central and local government and companies, together with provisions for depreciation, net foreign capital transfers and net foreign disinvestment are used to finance domestic capital formation. In Table 11 gross domestic capital formation is equated to the total amount available for investment. Figures for domestic capital formation are obtained by adding figures for expenditure on imported and home produced capital goods to the value of the physical changes in stocks, including the value of changes in numbers of livestock on farms. Gross physical capital formation includes expenditure on renewal, replacement and major reconstruction work but does not include repair and maintenance of existing physical assets. In Table 11 personal savings are not directly assessed; the figures represent a residual, i.e. the difference between Personal Income (item 125 of Table 9), which is a residual, and the sum of personal consumption and taxes on personal income and wealth.

An alternative arrangement of the capital account to that presented in Table 11 is given in Table 11.1. This shows the trend in the additions to national wealth or gross national investment. Gross national savings plus capital transfers from abroad (which do not create external liabilities) represent the funds available for investment which take the form of gross domestic physical capital formation plus net foreign investment.

Distribution of Personal Income (Table 12)

From the data in Tables 1 and 9 it is possible to allocate personal income between the different categories of income and the figures are shown in Table 12. In this table the item interest, dividends and rent is obtained as a residual and, therefore, it is not possible to separate it into its constituent parts nor to state how it is divided into receipts from companies, receipts from government and receipts from the rest of the world. Any errors in other items affect the level of the residual item. It is also a *net item* representing receipts less payments by households.

Details of Personal Consumption (Tables 13 & 14)

The consumption of personal income on different items of goods and services is shown in Table 13 at current prices and in Table 14 at constant prices. For more information on the item called "FISIM" refer to the paragraph on "Profits of businesses" in Appendix 1 page 38.

Table 13.1 shows the annual percentage changes for the main items of consumption at current prices.

The current price figures are, of course, affected by changes in prices as well as in volume. The figures in Table 14 indicate the level of *real* or *quantum* expenditure for each of the years shown. The corresponding annual percentage changes are shown in Table 14.1.

Details of Capital Formation (Tables 15 to 18)

A detailed breakdown of gross domestic physical capital formation by type is given in Table 15 at current prices and in Table 17 at constant prices.

Tables 16 and 18 give a breakdown of gross domestic fixed capital formation by sector of use at current and constant prices.

Central and Local Government Accounts (Tables 19 to 28)

The central and local government accounts represent a consolidation of central government accounts (including extra-budgetary funds) with those of local government. The details are shown in Tables 19 to 28. The classification of certain constituents in the tables into current and capital expenditure is not the same as that used in tables issued in connection with the Budget and in the Local Taxation Returns. Further slight adjustments are made to some of the figures in Table 21 for inclusion in the national accounts. The adjusted figures are shown in Table 10. The main differences between the central government accounts as incorporated in the national income accounts and those shown in the Finance Accounts were fully described on pages 21-22 of National Income and Expenditure, 1963.

Tables 26, 27 and 28 show central and local government expenditure classified by purpose of expenditure and economic category. Table 28 shows the consolidated transactions for all central and local government while the separate details for central government and for local government are contained in Tables 26 and 27, respectively. The data are presented in Tables 26, 27 and 28 for the years 2000 to 2004. (The tables are consistent with the rest of the national accounts and the expenditure totals correspond with those in Tables 19, 20 and 21).

Data for central government expenditure are derived from the Finance and Appropriation Accounts published by the Department of Finance, supplemented by the Estimates for the Public Services and information on the various extra-budgetary accounts. The data for the local government are derived from the Local Taxation Returns published by the Department of the Environment, Heritage and Local Government together with additional details provided by the Department. Data for the health boards are provided by the Department of Health and Children. The accounts of some subsidiary bodies are also used. Certain practical and conceptual difficulties arise in the allocation of these expenditures to rigidly defined categories and, therefore, this classification must to some extent be regarded as estimated. This qualification applies in particular to the local government tables since the form of local government and health board accounts does not allow as much analysis of expenditure as do the central government accounts.

Twelve purpose categories have been distinguished for central government and the combined central and local government' expenditure, while for local government ten such categories are shown (*Defence* is omitted and expenditures on *Mining, manufacturing and construction* which are relatively small are included with *Other economic services*). It is not feasible to allocate expenditure on the public debt (interest and repayments) between the various types of services so *Public debt* is featured as a special purpose category. Three main groups covering general government services, social services and economic services, with subdivisions in each group, have been identified.

While it would be impossible to specify the detailed content of each purpose category a broad description of the types of expenditure included under each heading is given in Appendix 2. It may be noted that the total expenditure on *Agriculture, Forestry and Fishing* by central government is shown to be considerably higher than by the combined central and local government. This is due to the inclusion in the former of the payments to local government in relief of rates on agricultural land, which are consolidated out of the combined tables.

Tables 26.1, 27.1 and 28.1 show the percentage distribution of total expenditure allocated to each purpose category.

Social Protection Accounts (Table 29)

For a number of years development of the *Social Protection Accounts* has been undertaken by the member states and the Statistical Office of the European Community (Eurostat). The supply of data relating to Ireland is co-ordinated by the Central Statistics Office. These results are published annually by Eurostat, with the objective of providing a basis for comparison of social protection expenditure and its financing among the member states. To improve national dissemination of these results they are included here in Table 29 as a complementary set of data to the national accounts. Explanatory notes are in Appendix 2.

Balance of International Payments (Table 30)

Tables 30(a) and 30(b) give the main results of the annual balance of international payments on current, capital and financial accounts. The figures agree with the most recent BOP release (i.e. that of Q1 2006) in respect of the years 2004 and 2005 but contain revisions to earlier years which have not been incorporated in the BOP release.

Summary Sectoral Financial Balance Sheets (Table 31)

This new table gives summary financial balance sheets (financial assets and liabilities) for the domestic economy as a whole, for the main domestic institutional sectors (non-financial corporations, financial corporations and sub-sectors, government and households and non-profit institutions serving households), and for the rest of the world sector. The figures relate to end-year positions, and the table gives results for the years 2001 to 2004. Explanatory notes are given in Appendix 2. This new series is still to some extent work in progress, and the results given here should be considered provisional and subject to revision.

National Income and Expenditure

Detailed Tables

Table 1 Net Value Added at Factor Cost and Net National Income at Market Prices

	€ million					
Description	2000	2001	2002	2003	2004	2005*
Value added from agriculture, forestry and fishing	2,879	2,936	2,786	2,820	2,904	3,399
1. Income from self-employment and other trading income	2,395	2,453	2,293	2,314	2,356	2,846
Remuneration of employees:						
2. Wages and salaries	439	439	448	459	497	503
3. Employers' contribution to social insurance	45	44	45	46	50	51
Non-agricultural value added	79,668	89,939	100,357	106,315	112,237	122,074
Profits and self employed earnings:						
4. Domestic trading profits of companies (including corporate bodies) before tax	28,098	30,476	36,324	37,784	39,027	} 51,832
5. Self employed earnings	6,576	7,857	8,351	8,523	8,939	
6. Adjustment for stock appreciation	-818	219	-63	432	-309	-578
7. Rent of dwellings (actual and imputed) of which imputed rent	4,378	5,170	5,969	6,083	5,734	5,542
8. Rent element in land annuities	3,582	4,229	4,869	4,928	4,573	4,363
8. Rent element in land annuities	3	5	3	3	3	6
Remuneration of employees:						
9. Wages, salaries, pensions	38,712	43,005	46,298	49,843	54,893	60,956
10. Employers' contribution to social insurance	2,719	3,207	3,476	3,647	3,951	4,315
Adjustments:						
12. Statistical discrepancy	-544	24	288	486	380	30
13. Net value added at factor cost	82,002	92,899	103,431	109,621	115,521	125,503
14. Net factor income from the rest of the world	-15,488	-18,975	-23,699	-21,723	-23,215	-25,248
15. Net national product at factor cost	66,514	73,924	79,731	87,898	92,306	100,254
16. National (i.e. non EU) taxes	13,646	13,831	15,685	17,084	19,289	21,494
17. National (i.e. non EU) subsidies	-759	-1,034	-834	-864	-814	-925
18. Net national income at market prices	79,401	86,721	94,582	104,117	110,780	120,823

* Preliminary

Table 1.1 Annual Percentage Changes in the Main Constituents of Table 1

Description	2000-2005	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Value added from agriculture, forestry and fishing	3.4	2.0	-5.1	1.2	3.0	17.1
Income from self-employment and other trading income	3.5	2.4	-6.5	0.9	1.8	20.8
Remuneration of employees	2.7	-0.1	2.0	2.6	8.2	1.2
Non-agricultural value added	8.9	12.9	11.6	5.9	5.6	8.8
Profits etc. #	8.2	14.4	15.7	4.4	1.1	6.4
Remuneration of employees	9.5	11.5	7.7	7.5	10.0	10.9
Net national product at factor cost	8.6	11.1	7.9	10.2	5.0	8.6
Net national income at market prices	8.8	9.2	9.1	10.1	6.4	9.1

i.e. Items 4 to 8 in Table 1

Table 2 Net Value Added at Factor Cost by Sector of Origin and Gross National Income at Current Market Prices

€ million

Description	2000	2001	2002	2003	2004	2005*
19. Agriculture, forestry and fishing						
Net value added	2,882	2,941	2,788	2,823	2,906	3,405
Remuneration of employees	483	483	493	505	547	554
Other	2,398	2,458	2,296	2,317	2,359	2,852
20. Industry (including building)						
Net value added	36,323	40,324	45,045	43,761	44,114	47,236
Remuneration of employees	13,775	15,135	15,645	16,395	17,941	n/a
Other	23,094	24,857	29,362	26,963	26,413	n/a
Adjustment for stock appreciation	-546	331	38	403	-239	-471
21. Distribution, transport and communication						
Net value added	12,667	13,709	15,151	16,834	17,807	19,350
Remuneration of employees	8,254	8,709	8,953	9,625	10,175	n/a
Other	4,685	5,112	6,298	7,181	7,702	n/a
Adjustment for stock appreciation	-272	-112	-101	29	-70	-107
22. Public administration and defence						
Remuneration of employees	3,253	3,617	4,073	4,409	4,834	5,137
23. Other services (including rent)						
Net value added	27,421	32,286	36,085	41,307	45,479	50,345
Remuneration of employees	16,149	18,751	21,102	23,060	25,894	n/a
Other	11,272	13,535	14,984	18,247	19,585	n/a
26. Statistical discrepancy (= Item 12)	-544	24	288	486	380	30
27. Net value added at factor cost	82,002	92,899	103,431	109,621	115,521	125,503
28. plus Provision for depreciation	10,614	11,825	13,073	14,405	15,037	16,896
Agriculture, forestry and fishing	626	659	674	678	688	698
Industry	3,136	3,459	3,764	3,784	3,834	3,693
Distribution, transport and communication	1,802	2,096	2,222	2,593	2,787	2,736
Other services	5,051	5,611	6,413	7,351	7,728	9,768
29. Gross value added at factor cost	92,616	104,724	116,503	124,026	130,558	142,399
30. Non product taxes	886	977	1,105	1,267	1,361	1,418
31. Non product subsidies	-556	-585	-567	-520	-493	-1,558
32. Gross value added at basic prices	92,946	105,116	117,041	124,773	131,427	142,260
33. Product taxes	13,443	13,610	15,068	16,351	18,252	20,508
34. Product subsidies	-1,836	-1,969	-2,162	-2,183	-2,110	-1,605
35. Gross domestic product at current market prices	104,553	116,756	129,947	138,941	147,569	161,163
36. Net factor income from the rest of the world	-15,488	-18,975	-23,699	-21,723	-23,215	-25,248
37. Gross national product at current market prices	89,065	97,781	106,248	117,218	124,354	135,914
38. EU subsidies	1,634	1,520	1,896	1,839	1,788	2,237
39. EU taxes	-683	-756	-488	-535	-324	-432
40. Gross national income at current market prices	90,016	98,545	107,655	118,522	125,818	137,719

* Preliminary

Breakdown between Remuneration of Employees and Other (Net Operating Surplus) not available for all sectors in latest year

Table 3 Gross Value Added at Factor Cost by Sector of Origin and Gross National Income at Current Market Prices

€ million

Description	2000	2001	2002	2003	2004	2005*
41. Agriculture, forestry and fishing	3,508	3,600	3,462	3,500	3,594	4,103
42. Industry (including building)	39,459	43,782	48,809	47,545	47,948	50,929
43. Distribution, transport and communication	14,469	15,805	17,372	19,427	20,595	22,086
44. Public administration and defence	3,253	3,617	4,073	4,409	4,834	5,137
45. Other services (including rent)	32,472	37,897	42,499	48,658	53,207	60,113
47. Statistical discrepancy (= Item 12)	-544	24	288	486	380	30
48. Gross value added at factor cost	92,616	104,724	116,503	124,026	130,558	142,399
49. Non product taxes	886	977	1,105	1,267	1,361	1,418
50. Non product subsidies	-556	-585	-567	-520	-493	-1,558
51. Gross value added at basic prices	92,946	105,116	117,041	124,773	131,427	142,260
52. Product taxes	13,443	13,610	15,068	16,351	18,252	20,508
53. Product subsidies	-1,836	-1,969	-2,162	-2,183	-2,110	-1,605
54. Gross domestic product at current market prices	104,553	116,756	129,947	138,941	147,569	161,163
55. Net factor income from the rest of the world	-15,488	-18,975	-23,699	-21,723	-23,215	-25,248
56. Gross national product at current market prices	89,065	97,781	106,248	117,218	124,354	135,914
57. EU subsidies	1,634	1,520	1,896	1,839	1,788	2,237
58. EU taxes	-683	-756	-488	-535	-324	-432
59. Gross national income at current market prices	90,016	98,545	107,655	118,522	125,818	137,719

* Preliminary

Table 3.1 Annual Percentage Change in the Main Constituents of Table 3

Description	2000-2005	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Agriculture, forestry and fishing	3.2	2.6	-3.8	1.1	2.7	14.2
Industry (including building)	5.2	11.0	11.5	-2.6	0.8	6.2
Distribution, transport and communication	8.8	9.2	9.9	11.8	6.0	7.2
Public administration and defence	9.6	11.2	12.6	8.2	9.6	6.3
Other services (including rent)	13.1	16.7	12.1	14.5	9.3	13.0
Gross value added at factor cost	9.0	13.1	11.2	6.5	5.3	9.1
Gross value added at basic prices	8.9	13.1	11.3	6.6	5.3	8.2
Gross domestic product at current market prices	9.0	11.7	11.3	6.9	6.2	9.2
Gross national product at current market prices	8.8	9.8	8.7	10.3	6.1	9.3
Gross national income at current market prices	8.9	9.5	9.2	10.1	6.2	9.5

Table 4 Gross Value Added at Constant Factor Cost by Sector of Origin and Gross National Income at Constant Market Prices (chain linked annually and referenced to year 2004)

	€ million					
Description	2000	2001	2002	2003	2004	2005*
60. Agriculture, forestry and fishing	3,445	3,457	3,401	3,533	3,594	3,998
61. Industry (including building)	38,984	41,482	45,218	46,001	47,948	49,597
of which #						
<i>Reproduction of recorded media</i>	1,551	1,751	2,308	1,851	3,105	3,401
<i>Chemicals (incl. man-made fibres)</i>	9,329	10,934	14,078	14,842	12,688	12,365
<i>Computers and Instrument engineering</i>	3,638	3,960	3,755	3,988	4,500	5,073
<i>Electrical machinery and equipment</i>	1,805	1,510	1,514	1,275	1,451	1,505
62. Distribution, transport and communication	17,433	18,953	19,574	19,926	20,595	21,683
63. Public administration and defence	4,336	4,468	4,615	4,733	4,834	4,919
64. Other services (including rent)	41,827	45,028	47,041	49,707	53,207	57,095
66. Statistical discrepancy	~	~	~	~	380	497
67. Gross value added at constant factor cost	106,160	113,556	120,489	125,702	130,558	137,789
68. Non product taxes	1,024	1,080	1,134	1,326	1,361	1,355
69. Non product subsidies	-437	-359	-338	-453	-493	-1,509
70. Gross value added at constant basic prices	106,734	114,315	121,358	126,578	131,427	137,635
71. Product taxes	16,349	16,417	16,808	17,188	18,252	19,418
72. Product subsidies	-2,253	-2,921	-2,560	-2,319	-2,110	-1,330
73. Gross domestic product at constant market prices	120,865	127,931	135,649	141,472	147,569	155,723
74. Net factor income from the rest of the world	-15,318	-17,932	-22,022	-21,782	-23,215	-24,790
75. Gross national product at constant market prices	106,260	110,399	113,466	119,699	124,354	130,932
76. EU subsidies	1,820	1,776	2,019	1,845	1,788	2,046
77. EU taxes	-769	-842	-506	-549	-324	-419
78. Gross national income at constant market prices	107,325	111,338	114,984	120,998	125,818	132,559

* Preliminary

~ Chain linked series not additive except for 2004 and 2005

Table 4.1 Annual Percentage Changes in the Main Constituents of Table 4

Description	2000-2005	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Agriculture, forestry and fishing	3.0	0.4	-1.6	3.9	1.7	11.2
Industry (including building)	4.9	6.4	9.0	1.7	4.2	3.4
of which #						
<i>Reproduction of recorded media</i>	17.0	12.9	31.8	-19.8	67.8	9.5
<i>Chemicals (incl. man-made fibres)</i>	5.8	17.2	28.8	5.4	-14.5	-2.5
<i>Computers and Instrument engineering</i>	6.9	8.8	-5.2	6.2	12.8	12.7
<i>Electrical machinery and equipment</i>	-3.6	-16.4	0.3	-15.8	13.8	3.7
Distribution, transport and communication	4.5	8.7	3.3	1.8	3.4	5.3
Public administration and defence	2.6	3.1	3.3	2.6	2.1	1.8
Other services (including rent)	6.4	7.7	4.5	5.7	7.0	7.3
Gross value added at constant factor cost	5.4	7.0	6.1	4.3	3.9	5.5
Gross value added at constant basic prices	5.2	7.1	6.2	4.3	3.8	4.7
Gross domestic product at constant market prices	5.2	5.8	6.0	4.3	4.3	5.5
Gross national product at constant market prices	4.3	3.9	2.8	5.5	3.9	5.3
Gross national income at constant market prices	4.3	3.7	3.3	5.2	4.0	5.4

The four sectors distinguished correspond to NACE REV1 classes 223; 24; 30 & 33; 31 & 32.

Table 5 Expenditure on Gross National Income at Current Market Prices

€ million

Description	2000	2001	2002	2003	2004	2005*
79. Personal consumption of goods and services	50,561	55,584	60,730	65,136	68,719	74,114
80. Net expenditure by central and local government on current goods and services	13,068	15,381	17,601	18,839	20,785	22,952
81. Gross domestic fixed capital formation	25,373	27,120	29,059	31,964	36,243	43,582
82. Value of physical changes in stocks	819	378	645	1,197	248	98
83. Exports of goods and services #	102,885	116,975	121,723	116,379	124,049	131,001
84. less Imports of goods and services #	-88,697	-98,657	-99,524	-94,087	-102,096	-110,553
85. Statistical discrepancy (= - Item 12)	544	-24	-288	-486	-380	-30
86. Gross domestic product at current market prices	104,553	116,756	129,947	138,941	147,569	161,163
87. Net factor income from the rest of the world	-15,488	-18,975	-23,699	-21,723	-23,215	-25,248
88. Gross national product at current market prices	89,065	97,781	106,248	117,218	124,354	135,914
89. EU subsidies	1,634	1,520	1,896	1,839	1,788	2,237
90. EU taxes	-683	-756	-488	-535	-324	-432
91. Gross national income at current market prices	90,016	98,545	107,655	118,522	125,818	137,719

* Preliminary

Excluding factor income flows

Table 5.1 Annual Percentage Changes in the Main Constituents of Table 5

Description	2000-2005	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Personal consumption of goods and services	7.9	9.9	9.3	7.3	5.5	7.9
Net expenditure by central and local government on current goods and services	11.9	17.7	14.4	7.0	10.3	10.4
Gross domestic physical capital formation of which	10.8	5.0	8.0	11.6	10.0	19.7
Gross domestic fixed capital formation	11.4	6.9	7.2	10.0	13.4	20.2
Exports of goods and services	5.0	13.7	4.1	-4.4	6.6	5.6
Imports of goods and services	4.5	11.2	0.9	-5.5	8.5	8.3
Gross domestic product at current market prices	9.0	11.7	11.3	6.9	6.2	9.2
Gross national product at current market prices	8.8	9.8	8.7	10.3	6.1	9.3
Gross national income at current market prices	8.9	9.5	9.2	10.1	6.2	9.5

**Table 6 Expenditure on Gross National Income at Constant Market Prices
(chain linked annually and referenced to year 2004)**

€ million

Description	2000	2001	2002	2003	2004	2005*
92. Personal consumption of goods and services	58,669	61,833	64,176	66,231	68,719	73,282
93. Net expenditure by central and local government on current goods and services	16,826	18,483	19,794	20,424	20,785	21,751
94. Gross domestic fixed capital formation	30,913	30,853	31,925	33,747	36,243	40,869
95. Value of physical changes in stocks	1,251	481	591	1,272	248	166
96. Exports of goods and services #	101,259	110,003	114,985	115,608	124,049	128,861
97. less Imports of goods and services #	-86,669	-92,897	-95,154	-93,974	-102,096	-108,710
98. Statistical discrepancy (= - item 66)	~	~	~	~	-380	-497
99. Gross domestic product at constant market prices	120,865	127,931	135,649	141,472	147,569	155,723
100. Net factor income from the rest of the world	-15,318	-17,932	-22,022	-21,782	-23,215	-24,790
101. Gross national product at constant market prices	106,260	110,399	113,466	119,699	124,354	130,932
102. EU subsidies	1,820	1,776	2,019	1,845	1,788	2,046
103. EU Taxes	-769	-842	-506	-549	-324	-419
104. Gross national income at constant market prices	107,325	111,338	114,984	120,998	125,818	132,559

* Preliminary

Excluding factor income flows

~ Chain linked series not additive except for 2004 and 2005

Table 6.1 Annual Percentage Changes in the Main Constituents of Table 6

Description	2000-2005	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Personal consumption of goods and services	4.5	5.4	3.8	3.2	3.8	6.6
Net expenditure by central and local government on current goods and services	5.3	9.8	7.1	3.2	1.8	4.6
Gross domestic physical capital formation of which	5.0	-2.6	3.8	7.7	4.2	12.5
Gross domestic fixed capital formation	5.7	-0.2	3.5	5.7	7.4	12.8
Exports of goods and services	4.9	8.6	4.5	0.5	7.3	3.9
Imports of goods and services	4.6	7.2	2.4	-1.2	8.6	6.5
Gross domestic product at constant market prices	5.2	5.8	6.0	4.3	4.3	5.5
Gross national product at constant market prices	4.3	3.9	2.8	5.5	3.9	5.3
Gross national income at constant market prices	4.3	3.7	3.3	5.2	4.0	5.4

**Table 6.2 Volume Index Numbers of Gross National Income and its Expenditure Constituents
(Chain linked and referenced to year 2004=100)**

Description	2000	2001	2002	2003	2004	2005*
Personal consumption of goods and services	85.4	90.0	93.4	96.4	100.0	106.6
Net expenditure by central and local government on current goods and services	81.0	88.9	95.2	98.3	100.0	104.6
Gross domestic physical capital formation	88.1	85.9	89.1	96.0	100.0	112.5
Exports of goods and services	81.6	88.7	92.7	93.2	100.0	103.9
Imports of goods and services	84.9	91.0	93.2	92.0	100.0	106.5
Gross domestic product at constant market prices	81.9	86.7	91.9	95.9	100.0	105.5
Gross national product at constant market prices	85.4	88.8	91.2	96.3	100.0	105.3
Gross national income at constant market prices	85.3	88.5	91.4	96.2	100.0	105.4
Value of gross national product at constant market prices, allowing for changes in terms of trade #	84.7	88.9	92.4	96.8	100.0	105.3
Value of gross national income at constant market prices, allowing for changes in terms of trade #	84.6	88.6	92.6	96.7	100.0	105.3

* Preliminary

The adjustment for terms of trade is explained in the notes to Table 8 in Appendix 2.

Table 7 Gross National Disposable Income and its Use

€ million

Description	2000	2001	2002	2003	2004	2005*
105. Gross domestic product at current market prices	104,553	116,756	129,947	138,941	147,569	161,163
106. Net factor income from the rest of the world	-15,488	-18,975	-23,699	-21,723	-23,215	-25,248
107. Gross national product at current market prices	89,065	97,781	106,248	117,218	124,354	135,914
108. EU subsidies	1,634	1,520	1,896	1,839	1,788	2,237
109. EU taxes	-683	-756	-488	-535	-324	-432
110. Gross national income at current market prices	90,016	98,545	107,655	118,522	125,818	137,719
111. Current transfers from the rest of the world less current transfers to the rest of the world (excluding EU subsidies and taxes)	-22	-569	-703	-872	-1,071	-1,204
112. Gross national disposable income	89,994	97,976	106,952	117,650	124,747	136,515
113. Personal consumption of goods and services	50,561	55,584	60,730	65,136	68,719	74,114
114. Net expenditure by central and local government on current goods and services	13,068	15,381	17,601	18,839	20,785	22,952
115. Total consumption expenditure	63,628	70,965	78,331	83,975	89,504	97,066
116. Gross national savings	26,366	27,012	28,621	33,676	35,242	39,450
117. Provision for depreciation	10,614	11,825	13,073	14,405	15,037	16,896
118. Net national savings	15,751	15,187	15,548	19,271	20,205	22,554

* Preliminary

Table 7.1 Annual Percentage Changes in the Main Constituents of Table 7

Description	2000-2005	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Gross domestic product at current market prices	9.0	11.7	11.3	6.9	6.2	9.2
Gross national product at current market prices	8.8	9.8	8.7	10.3	6.1	9.3
Gross national disposable income	8.7	8.9	9.2	10.0	6.0	9.4
Personal consumption of goods and services	7.9	9.9	9.3	7.3	5.5	7.9
Net expenditure by central and local government on current goods and services	11.9	17.7	14.4	7.0	10.3	10.4
Total consumption expenditure	8.8	11.5	10.4	7.2	6.6	8.4
Gross national savings	8.4	2.5	6.0	17.7	4.7	11.9
Provision for depreciation	9.7	11.4	10.6	10.2	4.4	12.4
Net national savings	7.4	-3.6	2.4	23.9	4.8	11.6

**Table 8 Gross National Disposable Income at Constant Market Prices (chain linked annually and referenced to year 2004)
Adjusted for Terms of Trade (i.e. Real Gross National Disposable Income)**

€ million

Description	2000	2001	2002	2003	2004	2005*
Gross national income (adjusted for terms of trade) (chain linked and referenced to 2004)	106,400	111,504	116,448	121,653	125,818	132,514
Net current transfers from abroad (chain linked and referenced to 2004) excluding EU subsidies and Taxes	-21	-535	-667	-868	-1,071	-1,180
Gross national disposable income (adjusted for terms of trade) (chain linked and referenced to 2004)	106,539	111,017	115,809	120,790	124,747	131,334
Index of Real gross national disposable income (chain linked and referenced to 2004)	85.4	89.0	92.8	96.8	100.0	105.3

* *Preliminary*

Table 9 Personal Income and Personal Expenditure

€ million

Description	2000	2001	2002	2003	2004
119. Net national product at factor cost before adjustment for stock appreciation	67,332	73,705	79,794	87,466	92,614
120. less Government trading and investment income	-1,040	-1,363	-1,325	-1,196	-1,259
121. plus National debt interest	2,029	1,651	1,657	1,643	1,580
122. plus Transfer income (including net transfers from the rest of the world)	9,902	11,438	13,355	14,453	15,609
123. Private income	78,222	85,430	93,481	102,365	108,544
124. less Undistributed profits of companies before tax	-11,351	-9,481	-11,184	-14,904	-14,643
125. Personal income	66,871	75,949	82,297	87,461	93,901
126. Personal consumption of goods and services	50,561	55,584	60,730	65,136	68,719
127. Taxes on personal income and wealth	13,575	14,819	15,046	15,690	17,954
128. Total personal expenditure	64,136	70,403	75,776	80,826	86,674
129. Personal savings	2,735	5,547	6,521	6,636	7,227

Table 10 Net Current Income and Expenditure of Central and Local Government #

€ million

Description	2000	2001	2002	2003	2004	2005*
130. Taxes on income and wealth (including social insurance contributions)	17,476	18,979	19,857	20,851	23,294	24,854
131. Taxes on expenditure (including rates)	13,646	13,831	15,685	17,084	19,289	21,494
132. Net trading and investment income	1,040	1,363	1,325	1,196	1,259	1,529
133. Current transfers from the rest of the world to central and local government	268	182	188	176	254	213
134. Total income	32,431	34,354	37,055	39,306	44,097	48,090
135. Subsidies (excluding EU subsidies) #	759	1,034	834	864	814	925
136. Transfer payments (including transfers to the rest of the world) and national debt interest	12,221	13,839	15,903	17,144	18,514	21,404
137. Net current expenditure on goods and services	13,068	15,381	17,601	18,839	20,785	22,952
138. Total expenditure	26,047	30,254	34,338	36,847	40,113	45,280
139. Central and local government savings	6,384	4,100	2,717	2,459	3,984	2,810

* Preliminary

See explanatory note to Table 10 in Appendix 2

Table 11 Savings and Capital Formation

€ million

Description	2000	2001	2002	2003	2004	2005*
Savings before adjustment for stock appreciation						
140. Personal	2,735	5,547	6,521	6,636	7,227 }	20,321
141. Companies	7,450	5,321	6,373	9,743	9,303 }	
142. Central and local government #	6,384	4,100	2,717	2,459	3,984	2,810
143. Net national savings before adjustment for stock appreciation	16,569	14,968	15,611	18,839	20,514	23,131
144. Adjustment for stock appreciation	-818	219	-63	432	-309	-578
145. Net national savings	15,751	15,187	15,548	19,271	20,205	22,554
146. Provision for depreciation	10,614	11,825	13,073	14,405	15,037	16,896
147. Net foreign capital transfers	1,182	703	512	93	279	266
148. Net foreign disinvestment	-811	-241	284	-1,094	590	3,934
149. Statistical discrepancy (= Item 12)	-544	24	288	486	380	30
150. Gross total available for investment in domestic physical capital formation	26,192	27,498	29,704	33,161	36,492	43,680
Capital formation						
151. Building and construction	15,880	18,172	20,100	23,249	27,014	32,169
152. Other home produced capital goods net of exports (including re-exports)	1,973	2,297	1,882	1,803	1,700	1,966
153. Imported capital goods	7,519	6,651	7,078	6,912	7,529	9,447
154. Value of physical changes in agric. stocks	-151	-14	-40	-43	-21	-12
155. Increase in value of non-agricultural stocks and work in progress (incl. EU intervention stocks)	1,788	173	748	807	578	687
156. Adjustment for stock appreciation	-818	219	-63	432	-309	-578
157. Gross domestic physical capital formation	26,192	27,498	29,704	33,161	36,492	43,680

* Preliminary

See explanatory note to Table 10 in Appendix 2

In this table the total amount available for investment, (i.e. current savings, the provision for depreciation, net foreign capital transfers and net foreign disinvestment) is equated to gross domestic physical capital formation. The figures for capital formation are obtained by adding figures for imported and home produced capital goods ready for use to the value of the physical changes in stocks, including the value of the changes in agricultural stocks. Since personal savings (item 129) is a residual figure, it includes the effect of the changes in agricultural and certain other stocks. Personal savings accordingly includes a substantial non-monetary element.

Table 11.1 Gross National Investment

€ million

Description	2000	2001	2002	2003	2004	2005*
Gross national savings	26,366	27,012	28,620	33,676	35,242	39,450
Net foreign capital transfers	1,182	703	512	93	279	266
Statistical discrepancy (= Item 12)	-544	24	288	486	380	30
Total available for gross national investment	27,003	27,739	29,421	34,255	35,902	39,746
Gross domestic physical capital formation	26,192	27,498	29,704	33,161	36,492	43,680
Net foreign investment	811	241	-284	1,094	-590	-3,934
Gross national investment	27,003	27,739	29,420	34,255	35,902	39,746

* Preliminary

Table 12 Distribution of Personal Income and its relationship to Net National Product at Factor Cost

€ million

Description	2000	2001	2002	2003	2004
Remuneration of employees	41,860	46,534	50,110	53,779	59,113
Agriculture, etc.	439	439	448	459	497
Domestic non-agriculture	38,712	43,005	46,298	49,843	54,893
Foreign	-55	-161	-156	-216	-278
Employers' contribution to social insurance	2,764	3,252	3,521	3,693	4,001
Income of independent traders etc.	8,971	10,310	10,644	10,837	11,296
Agriculture, etc.	2,395	2,453	2,293	2,314	2,356
Non-agriculture	6,576	7,857	8,351	8,523	8,939
Interest (on a net basis), dividends and rent paid to households and private non-profit institutions	6,684	7,644	7,901	7,906	7,503
Current transfers to households (including net transfers from the rest of the world)	9,902	11,438	13,355	14,453	15,609
Statistical discrepancy (= Item 12)	-544	24	288	486	380
Personal income of households and private non-profit institutions	66,871	75,949	82,297	87,461	93,901
Undistributed profits of companies	11,351	9,481	11,184	14,904	14,643
Private income	78,222	85,430	93,481	102,365	108,544
less National debt interest	-2,029	-1,651	-1,657	-1,643	-1,580
less Current transfers to households (including net transfers from the rest of the world)	-9,902	-11,438	-13,355	-14,453	-15,609
plus Government trading and investment income	1,040	1,363	1,325	1,196	1,259
Adjustment for stock appreciation	-818	219	-63	432	-309
Net national product at factor cost	66,514	73,924	79,731	87,898	92,306

Table 12.1 Annual Percentage Changes in the Main Constituents of Personal Income

Description	2000-2004	2000-2001	2001-2002	2002-2003	2003-2004
Remuneration of employees	9.0	11.2	7.7	7.3	9.9
Income of independent traders	5.9	14.9	3.2	1.8	4.2
Interest (on a net basis), dividends and rent paid to households and private non-profit institutions	2.9	14.4	3.4	0.1	-5.1
Current transfers to households (including net transfers from the rest of the world)	12.1	15.5	16.8	8.2	8.0
Personal income of households and private non-profit institutions	8.9	13.6	8.4	6.3	7.4

Table 13 Consumption of Personal Income at Current Market Prices

	€ million					
Description	2000	2001	2002	2003	2004	2005*
Food, beverages and tobacco	12,391	13,183	13,992	13,936	14,096	14,560
Food (excl meals out)	5,110	5,415	5,455	5,352	5,493	5,698
Non-alcoholic beverages	451	476	519	514	496	525
Alcoholic beverages (total incl pubs)	4,996	5,430	5,981	6,021	6,260	6,404
Tobacco	1,834	1,862	2,037	2,049	1,847	1,933
Clothing and footwear	3,295	3,460	3,405	3,210	3,117	3,325
Housing (rent, local government charges, repairs and decorations)	7,797	9,074	10,316	11,416	11,896	12,504
<i>of which imputed rent</i>	<i>6,138</i>	<i>7,135</i>	<i>8,079</i>	<i>8,924</i>	<i>9,224</i>	<i>9,686</i>
Fuel and power	1,516	1,580	1,678	1,849	2,062	2,415
Household equipment and operation	3,763	4,177	4,391	4,780	5,016	5,247
Durable household goods	2,351	2,611	2,735	2,938	3,040	3,230
Non-durable goods and services	1,412	1,566	1,655	1,842	1,976	2,017
Transport and communication	7,104	7,098	7,763	8,636	9,651	10,905
Personal transport equipment	2,420	1,995	2,038	2,143	2,359	2,729
Operation of personal transport equipment	2,082	2,194	2,477	2,733	3,061	3,530
Public transport	1,434	1,522	1,633	1,840	1,940	2,065
Communication	1,168	1,386	1,614	1,919	2,291	2,581
Recreation, entertainment and education	5,135	5,750	5,963	6,561	7,166	7,746
Equipment and accessories	2,042	2,400	2,211	2,333	2,703	2,954
Services (incl. education)	3,093	3,350	3,752	4,228	4,462	4,793
Miscellaneous goods and services	10,134	11,552	12,949	14,394	15,486	16,840
Professional services (incl. medical goods and services)	4,055	4,879	5,274	5,956	6,475	7,154
Goods (n.e.s.)	1,696	1,808	2,127	2,310	2,198	2,222
Services (n.e.s.)	3,556	3,933	4,416	4,966	5,395	5,794
FISIM (financial services indirectly measured)	827	931	1,133	1,162	1,418	1,670
Expenditure outside the State	2,276	2,847	3,529	3,763	3,765	4,384
less Expenditure by non-residents	-2,851	-3,136	-3,256	-3,409	-3,536	-3,813
158. Personal consumption of goods and services at current market prices	50,561	55,584	60,730	65,136	68,719	74,114
159. Taxes on personal income and wealth	13,575	14,819	15,046	15,690	17,954	19,260
160. Total personal expenditure	64,136	70,403	75,776	80,826	86,674	93,374

* Preliminary

Table 13.1 Annual Percentage Changes in the Main Constituents of Table 13

Description	2000-2005	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Food	2.2	6.0	0.7	-1.9	2.6	3.7
Non-alcoholic Beverages	3.1	5.6	9.0	-0.8	-3.6	5.9
Alcoholic beverages	5.1	8.7	10.2	0.7	4.0	2.3
Tobacco	1.1	1.5	9.4	0.6	-9.8	4.6
Clothing and footwear	0.2	5.0	-1.6	-5.7	-2.9	6.7
Housing	9.9	16.4	13.7	10.7	4.2	5.1
Fuel and Power	9.8	4.2	6.2	10.2	11.5	17.1
Household equipment and operation	6.9	11.0	5.1	8.9	4.9	4.6
Transport and communication	8.9	-0.1	9.4	11.2	11.8	13.0
Recreation, entertainment and education	8.6	12.0	3.7	10.0	9.2	8.1
Miscellaneous goods and services	10.7	14.0	12.1	11.2	7.6	8.7
Expenditure outside the State	14.0	25.1	24.0	6.6	0.1	16.4
Expenditure by non-residents	6.0	10.0	3.8	4.7	3.7	7.8
Personal consumption of goods and services	7.9	9.9	9.3	7.3	5.5	7.9

Table 14 Consumption of Personal Income (except Taxes on Personal Income and Wealth) at Constant Market Prices (chain linked annually and referenced to year 2004)

	€ million					
Description	2000	2001	2002	2003	2004	2005*
Food, beverages and tobacco	14,495	14,660	14,799	14,097	14,096	14,516
Food (excl meals out)	5,472	5,459	5,358	5,273	5,493	5,777
Non-alcoholic beverages	533	533	548	523	496	524
Alcoholic beverages (total incl pubs)	6,152	6,368	6,550	6,160	6,260	6,303
Tobacco	2,348	2,319	2,389	2,157	1,847	1,912
Clothing and footwear	2,783	3,029	3,129	3,087	3,117	3,435
Housing (rent, local government charges, repairs and decorations)	10,006	10,468	10,901	11,364	11,896	12,520
<i>of which imputed rent</i>	<i>7,708</i>	<i>8,053</i>	<i>8,392</i>	<i>8,773</i>	<i>9,224</i>	<i>9,743</i>
Fuel and power	1,897	1,993	1,924	1,982	2,062	2,142
Household equipment and operation	3,981	4,251	4,377	4,754	5,016	5,269
Durable household goods	2,314	2,516	2,630	2,869	3,040	3,281
Non-durable goods and services	1,684	1,743	1,749	1,885	1,976	1,988
Transport and communication	7,538	7,746	8,217	8,933	9,651	10,720
Personal transport equipment	2,553	2,102	2,102	2,168	2,359	2,707
Operation of personal transport equipment	2,302	2,518	2,729	2,939	3,061	3,293
Public transport	1,728	1,784	1,814	1,920	1,940	2,069
Communication	1,036	1,375	1,596	1,919	2,291	2,651
Recreation, entertainment and education	6,007	6,439	6,340	6,679	7,166	7,618
Equipment and accessories	1,899	2,234	2,064	2,217	2,703	3,058
Services (incl. education)	4,189	4,202	4,319	4,499	4,462	4,560
Miscellaneous goods and services	12,639	13,569	14,269	15,046	15,486	16,303
Professional services (incl. medical goods and services)	5,373	5,969	5,953	6,265	6,475	6,814
Goods (n.e.s.)	1,814	1,863	2,126	2,286	2,198	2,268
Services (n.e.s.)	4,502	4,668	4,912	5,216	5,395	5,534
FISIM (financial services indirectly measured)	959	1,096	1,271	1,266	1,418	1,687
Expenditure outside the State	2,632	3,130	3,637	3,766	3,765	4,483
less Expenditure by non-residents	-3,309	-3,471	-3,444	-3,486	-3,536	-3,722
161. Personal consumption of goods and services at constant market prices	58,669	61,833	64,176	66,231	68,719	73,282

* Preliminary

Table 14.1 Annual Percentage Changes in the Main Constituents of Table 14

Description	2000-2005	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Food	1.1	-0.2	-1.9	-1.6	4.2	5.2
Non-alcoholic Beverages	-0.4	-0.1	2.9	-4.7	-5.2	5.6
Alcoholic beverages	0.5	3.5	2.9	-6.0	1.6	0.7
Tobacco	-4.0	-1.2	3.0	-9.7	-14.4	3.5
Clothing and footwear	4.3	8.9	3.3	-1.3	1.0	10.2
Housing	4.6	4.6	4.1	4.2	4.7	5.2
Fuel and Power	2.5	5.0	-3.5	3.0	4.1	3.8
Household equipment and operation	5.8	6.8	3.0	8.6	5.5	5.0
Transport and communication	7.3	2.8	6.1	8.7	8.0	11.1
Recreation, entertainment and education	4.9	7.2	-1.5	5.4	7.3	6.3
Miscellaneous goods and services	5.2	7.4	5.2	5.4	2.9	5.3
Expenditure outside the State	11.2	18.9	16.2	3.5	0.0	19.0
Expenditure by non-residents	2.4	4.9	-0.8	1.2	1.4	5.3
Personal consumption of goods and services	4.5	5.4	3.8	3.2	3.8	6.6

Table 15 Gross Domestic Physical Capital Formation at Current Market Prices

€ million

Description	2000	2001	2002	2003	2004	2005*
Fixed capital						
Dwellings	8,157	9,541	10,804	13,785	16,958	20,890
Roads	1,033	1,435	1,726	1,774	1,832	1,865
Other building and construction (including land rehabilitation etc.)	5,546	6,080	6,279	5,821	5,911	6,344
Costs assoc. with transfer of land & buildings	1,144	1,116	1,291	1,869	2,314	3,070
Transport equipment	3,847	3,649	4,107	3,535	4,413	5,646
Agricultural machinery	221	239	240	223	251	259
Other machinery and equipment	4,868	4,276	3,871	4,141	3,762	4,575
Software	289	407	379	343	391	455
Exploration	159	252	254	335	199	255
Artistic originals	107	125	108	138	213	223
Gross domestic fixed capital formation	25,373	27,120	29,059	31,964	36,243	43,582
Changes in stocks						
Value of physical changes in stocks on farms	-151	-14	-40	-43	-21	-12
Value of physical changes in EU intervention stocks	-114	14	176	48	-16	-83
Value of physical changes in other stocks	1,084	378	509	1,191	285	192
Total value of physical changes in stocks	819	378	645	1,197	248	98
162. Gross domestic physical capital formation at current market prices	26,192	27,498	29,704	33,161	36,492	43,680

* Preliminary

Table 16 Gross Domestic Fixed Capital Formation by Sector of Use at Current Market Prices

€ million

Description	2000	2001	2002	2003	2004	2005*
Agriculture, forestry and fishing	848	687	701	662	696	785
Fuel and power products	1,069	1,278	1,758	1,796	1,956	2,039
Manufacturing products	3,667	3,237	3,772	3,918	3,672	4,652
Building and construction	487	417	376	476	544	582
Market services	17,216	19,041	20,135	23,023	27,456	33,345
Dwellings (incl. transfer costs)	8,746	10,114	11,472	14,749	18,146	22,465
Roads	1,033	1,435	1,726	1,774	1,832	1,865
Other market services	7,437	7,491	6,937	6,500	7,478	9,015
Non-market services	2,085	2,461	2,318	2,090	1,919	2,179
163. Gross domestic fixed capital formation at current market prices	25,373	27,120	29,059	31,964	36,243	43,582

* Preliminary

**Table 17 Gross Domestic Physical Capital Formation at Constant Market Prices
(chain linked annually and referenced to year 2004)**

	€ million					
Description	2000	2001	2002	2003	2004	2005*
Fixed capital						
Dwellings	11,791	12,531	13,189	15,137	16,958	19,100
Roads	1,267	1,614	1,848	1,845	1,832	1,784
Other building and construction (including land rehabilitation etc.)	6,413	6,452	6,517	6,041	5,911	6,104
Costs assoc. with transfer of land & buildings	1,587	1,440	1,651	2,102	2,314	2,823
Transport equipment	4,049	3,784	4,189	3,563	4,413	5,618
Agricultural machinery	180	187	196	208	251	236
Other machinery and equipment	4,210	3,609	3,338	3,959	3,762	4,282
Software	369	468	422	360	391	439
Exploration	198	287	271	349	199	245
Artistic originals	102	117	99	130	213	238
Gross domestic fixed capital formation	30,913	30,853	31,925	33,747	36,243	40,869
Changes in stocks						
Value of physical changes in stocks on farms	-90	-12	-27	-25	-21	-20
Value of physical changes in EU intervention stocks	-87	29	185	40	-16	-16
Value of physical changes in other stocks	1,281	363	505	1,432	285	201
Total value of physical changes in stocks	1,251	481	591	1,272	248	166
164. Gross domestic physical capital formation at constant prices chain linked to 2004	31,898	31,225	32,392	35,012	36,492	41,035

* Preliminary

**Table 18 Gross Domestic Fixed Capital Formation by Sector of Use at Constant Market Prices
(chain linked annually and referenced to year 2004)**

	€ million					
Description	2000	2001	2002	2003	2004	2005*
Agriculture, forestry and fishing	801	624	649	654	696	738
Fuel and power products	1,256	1,385	1,806	1,835	1,956	1,960
Manufacturing products	3,650	3,081	3,618	3,938	3,672	4,456
Building and construction	451	377	344	463	544	554
Market services	22,363	22,935	23,127	24,675	27,456	31,067
Dwellings (incl. transfer costs)	12,611	13,269	14,045	16,219	18,146	20,550
Roads	1,267	1,614	1,848	1,845	1,832	1,784
Other market services	8,021	7,698	7,040	6,608	7,478	8,733
Non-market services	2,226	2,484	2,320	2,134	1,919	2,093
165. Gross domestic fixed capital formation at constant prices chain linked to 2004	30,913	30,853	31,925	33,747	36,243	40,869

* Preliminary

Table 19 Receipts and Expenditure of Central Government (including extra-budgetary funds)

€ million

Description	2000	2001	2002	2003	2004
Current receipts					
166. Taxes on income and wealth	13,098	13,995	14,360	14,947	16,729
167. Taxes on expenditure	13,058	13,173	14,937	16,247	18,381
168. Social insurance contributions	4,379	4,984	5,497	5,904	6,565
169. Gross trading income	-6	-2	0	0	0
170. Investment income:					
Local government	23	20	18	16	13
Land annuities - interest	3	5	3	3	3
Other Irish sources	649	922	818	637	658
171. Transfers from local government	8	8	11	14	17
172. Transfers from the rest of the world (not elsewhere included)	268	182	188	176	254
173. Miscellaneous receipts	574	588	681	785	789
174. Total receipts - current	32,054	33,875	36,513	38,728	43,408
Capital receipts					
175. Taxes on capital	997	1,043	770	1,649	1,718
176. Loan repayments and equity sales:					
Local government	39	19	22	28	23
Land annuities - principal	0	0	0	0	0
Other	1,837	941	1,162	851	478
177. Transfers from the rest of the world	424	590	588	387	409
178. Borrowing	-2,731	504	11,182	2,129	1,057
179. Total receipts - capital	566	3,097	13,724	5,044	3,684
180. Total receipts - current and capital	32,620	36,972	50,237	43,772	47,093
Current expenditure					
181. Subsidies	759	1,034	834	864	814
182. National debt interest:					
Paid to residents	1,308	1,044	966	904	525
Paid to rest of the world	701	585	670	726	1,061
183. Land bond interest	0	0	0	0	0
184. Transfer payments:					
To residents	7,787	8,950	10,482	11,395	12,133
To rest of the world	689	865	1,063	1,227	1,532
185. Expenditure on goods and services:					
Wages, salaries and pensions	4,123	4,624	5,169	5,669	6,234
Other	1,788	2,239	2,419	2,532	2,845
186. Grants to local government	7,701	9,432	10,900	12,207	13,229
187. Total expenditure - current	24,856	28,773	32,502	35,524	38,372
Capital expenditure					
188. Grants to enterprises	476	459	500	512	367
189. Other transfer payments	480	649	444	693	850
190. Redemption of securities	3,743	2,837	12,095	2,680	3,154
191. Loans and share capital:					
Local government	0	0	0	0	0
Other	163	206	353	313	230
192. Gross physical capital formation	932	1,224	1,161	1,077	1,105
193. Grants to local government	1,960	2,814	3,171	2,958	2,991
194. Payments to the rest of the world	11	11	11	14	22
195. Total expenditure - capital	7,765	8,199	17,735	8,247	8,720
196. Total expenditure - current and capital	32,620	36,972	50,237	43,772	47,092

Table 20 Receipts and Expenditure of Local Government

€ million

Description	2000	2001	2002	2003	2004
Current receipts					
197. Rates	587	658	747	836	908
198. Gross rental income	437	498	574	643	730
199. Grants from central government	7,701	9,432	10,900	12,207	13,229
200. Repayments of loans under the Housing Acts. - Interest	103	106	121	127	113
201. Miscellaneous receipts	742	808	985	1,178	1,231
202. Total receipts - current	9,571	11,502	13,327	14,992	16,210
Capital receipts					
203. Grants from central government	1,960	2,814	3,171	2,958	2,991
204. Repayments of loans under the Housing Acts. - Principal	43	25	35	50	46
205. Miscellaneous receipts	712	607	849	1,165	1,278
206. Loans received from central government	0	0	0	0	0
207. Other loans received and miscellaneous borrowing	431	989	976	262	277
208. Total receipts - capital	3,145	4,435	5,031	4,435	4,592
209. Total receipts - current and capital	12,716	15,936	18,358	19,427	20,802
Current expenditure					
210. Subsidies:					
Housing	0	0	0	0	0
Other	0	0	0	0	0
211. National debt interest:					
Central government	23	20	18	16	13
Other	20	22	21	14	-6
212. Transfer payments	1,716	2,373	2,701	2,878	3,270
213. Transfers to central government	8	8	11	14	17
214. Expenditure on goods and services:					
Wages, salaries and pensions	4,255	5,206	6,064	6,823	7,667
Other	3,460	3,831	4,598	4,660	4,813
215. Total expenditure - current	9,482	11,460	13,413	14,404	15,773
Capital expenditure					
216. Grants to enterprises	59	91	111	132	130
217. Other transfer payments	30	47	61	53	50
218. Loan repayments:					
Central government	39	19	22	28	23
Other	67	71	91	116	121
219. Loans to persons	226	326	368	482	361
220. Gross physical capital formation	2,813	3,923	4,292	4,213	4,346
221. Total expenditure - capital	3,234	4,476	4,945	5,024	5,030
222. Total expenditure - current and capital	12,716	15,936	18,358	19,428	20,802

Table 21 Receipts and Expenditure of Central and Local Government

€ million

Description	2000	2001	2002	2003	2004
Current receipts					
Taxes on income and wealth (including social contributions)	17,476	18,979	19,857	20,851	23,294
Taxes on expenditure (including rates)	13,646	13,831	15,685	17,084	19,289
Gross trading income	-6	-2	0	0	0
Gross rental income	437	498	574	643	730
Investment income	755	1,033	942	767	773
Transfers from the rest of the world (not elsewhere included)	268	182	188	176	254
Miscellaneous receipts	1,316	1,396	1,666	1,963	2,020
Total receipts - current	33,893	35,916	38,911	41,484	46,359
Capital receipts					
Taxes on capital	997	1,043	770	1,649	1,718
Loan repayments and equity sales	1,880	966	1,197	901	523
Transfers from the rest of the world	424	590	588	387	409
Other receipts	712	607	849	1,165	1,278
Borrowing	-2,300	1,493	12,159	2,392	1,334
Total receipts - capital	1,711	4,699	15,562	6,494	5,262
Total receipts - current and capital	35,604	40,616	54,474	47,977	51,622
Current expenditure					
Subsidies	759	1,034	834	864	814
National debt interest (including land bond interest)	2,029	1,651	1,657	1,643	1,580
Transfer payments	10,192	12,188	14,246	15,500	16,935
Expenditure on goods and services	13,626	15,900	18,250	19,684	21,558
Total expenditure - current	26,605	30,773	34,987	37,692	40,886
Capital expenditure					
Grants to enterprises	534	550	611	644	497
Other transfer payments	510	696	506	747	900
Redemption of securities and loan repayments	3,810	2,908	12,186	2,796	3,275
Loans and share capital	389	532	721	795	590
Gross physical capital formation	3,745	5,147	5,454	5,289	5,451
Payments to the rest of the world	11	11	11	14	22
Total expenditure - capital	8,999	9,843	19,487	10,286	10,736
Total expenditure - current and capital	35,604	40,616	54,474	47,977	51,622

Table 22 Details of Taxation

€ million

Description	2000	2001	2002	2003	2004
Central and Local Government					
Taxes on income and wealth	17,476	18,979	19,857	20,851	23,294
Income tax (including sur tax)	8,906	9,319	8,979	9,156	10,695
Corporation tax	3,885	4,144	4,804	5,155	5,335
Motor tax - Estimated portion paid by households etc.	273	301	320	374	411
Other taxes	3	12	9	1	1
Fees under the Petroleum and Minerals Development Acts	14	16	7	5	5
Training and Employment Levy	15	203	241	255	282
Income Levy	0	0	0	0	0
Levies under Sections 93 & 94 of Finance Act, 1986	2	0	0	0	0
Social Insurance contribution	4,379	4,984	5,497	5,904	6,565
Taxes on capital	997	1,043	770	1,649	1,718
Estate, etc. duties	0	0	0	0	0
Capital gains tax	774	876	619	1,436	1,528
Capital acquisitions tax	223	168	151	213	190
Taxes on expenditure	13,646	13,831	15,685	17,084	19,289
Customs duties	-3	-7	16	24	37
Excise duties including VRT	4,483	4,220	4,610	4,740	5,067
Value added tax	7,195	7,420	8,806	9,396	10,766
Residential property tax	2	2	1	0	0
Rates	587	658	747	836	908
Motor tax - Estimated portion paid by businesses	223	246	262	306	336
Stamps (excluding fee stamps)	1,088	1,222	1,138	1,664	2,069
Fee stamps	12	14	25	1	1
Agricultural levies	0	0	1	1	1
Broadcasting licence fee *	10	11	12	21	18
Other fees	49	45	67	94	87
EU Taxes	683	756	488	535	324
Total taxation	32,802	34,609	36,800	40,118	44,625

* Excludes amount transferred to RTE

Table 23 Details of Subsidies and Capital Grants to Enterprises

€ million

Description	2000	2001	2002	2003	2004
Subsidies					
Central and local government	759	1,034	834	864	814
Bovine Tuberculosis and Brucellosis eradication	74	64	77	65	53
Grants from hardship fund	0	0	0	0	0
Beef, mutton, etc. export schemes	0	0	0	0	0
Beef cattle incentive scheme	0	0	0	0	0
Dairy produce	0	0	0	0	0
Aids to farmers	171	153	136	204	178
Other agricultural subsidies	20	269	90	95	38
Current grant by BIM	15	19	9	7	7
Bread subsidy	0	0	0	0	0
Grants by the IDA, Forbairt & Forfas	157	121	90	102	85
Current grants to S.F.A.D. Co. Ltd.	0	0	0	0	0
Current payments to CIE	190	222	233	245	257
Land Acts, 1923-53 - interest	0	0	0	0	0
Local government housing subsidy	0	0	0	0	0
Other housing subsidies	0	0	0	0	0
Interest subsidy for building societies	0	0	0	0	0
Expenses of market intervention less # recoupment from EU	2	3	11	-22	6
Employment subsidies	13	17	14	11	12
Other subsidies	115	167	174	156	177
EU subsidies	1,634	1,520	1,896	1,839	1,788
Capital grants to enterprises -					
Central and local government	534	550	611	644	497
Housing grants	54	86	106	127	125
Farm modernisation grants	39	18	7	0	0
Western drainage	0	0	0	0	0
Grants by BIM	19	12	11	10	17
Grants by the IDA, Forbairt, Forfas	62	44	51	18	12
Grants by Udaras na Gaeltachta	7	9	6	6	6
Grants by Bord Fáilte Éireann	30	15	5	3	5
Grants to S.F.A.D. Co. Ltd.	4	0	3	3	1
Grants by Institute for Industrial Research and Standards	0	0	0	0	0
Grants to CIE	58	69	263	302	166
Insurance Compensation Fund	0	0	0	0	0
Other grants	262	296	158	175	166

See explanatory note to Table 10 in Appendix 2

Table 24 Central and Local Government - Details of Transfer Payments, National Debt Interest and Capital Grant to Households and Private Non-Profit Institutions

€ million

Description	2000	2001	2002	2003	2004
Current transfer payments and national debt interest	12,221	13,839	15,903	17,144	18,514
National debt interest:					
paid to residents	1,328	1,066	986	918	519
paid to the rest of the world	701	585	670	726	1,061
Land bond interest	0	0	0	0	0
Higher education	511	600	660	702	719
Secondary education	638	711	776	918	959
Other education	12	17	21	17	19
Scholarships and prizes	101	98	106	116	131
Old age n.c. pensions	469	504	552	580	616
Child benefit	638	965	1,463	1,667	1,765
Unemployment assistance	469	430	512	566	614
Widows' and orphans' n.c. pensions	97	112	121	123	129
Redundancy payments	23	33	59	98	148
Occupational injuries benefit	65	70	77	79	83
Free travel, electricity, telephone rental, television and radio licences for old age pensioners etc.	149	180	216	257	280
Disability benefit	281	330	385	433	480
Unemployment benefit	265	291	423	477	456
Retirement pensions	594	697	803	899	984
Old age (contributory) pensions	577	717	869	947	1,050
Widows'(contributory) pensions	598	677	770	836	917
Invalidity pensions	312	354	404	440	487
Treatment benefit	58	57	61	63	70
Pay-related benefit	0	0	0	0	0
Other social insurance etc.	148	173	199	206	221
less Social insurance payments to the rest of the world	-56	-96	-151	-160	-183
Rehabilitation etc. of disabled persons	279	332	408	464	545
Residential care for children	153	196	241	265	287
Payments for medical goods supplied to households by pharmacists	339	434	551	651	763
Domiciliary care for handicapped children	25	25	33	34	37
Supplementary welfare allowance	350	425	565	671	686
Subsidies for drug purchases	249	323	352	366	408
Transport services for school children	65	77	96	102	110
Local government housing rental deficit *	482	548	628	698	786
Other social payments	173	215	252	297	333
Transfers to the rest of the world	689	865	1,063	1,227	1,532
Social assistance allowance	5	5	7	7	5
Social employment scheme	368	350	323	275	264
Family income supplement	39	37	42	45	56
Enterprise allowance scheme	0	0	0	0	0
FAS allowances	106	148	169	165	168
Early retirement payments	97	84	82	80	73
Lone Parents Allowance	480	537	613	661	695
Pre-retirement Allowance	79	83	87	89	95
Employment Support Services	190	214	168	139	116
Other transfer payments	354	688	616	438	436
Less imputed pensions received from employees	-281	-318	-376	-436	-405
Capital grants to households, etc.	510	696	506	747	900
Grants under the Housing Acts	38	39	39	44	18
Other housing grants	5	6	7	6	6
Supplementary grants for housing and disabled persons grants	30	47	61	53	50
Grants for higher education	74	88	91	45	34
Grants to training colleges	0	6	4	0	0
Grants to secondary schools	54	95	100	78	76
Building, equipping and furnishing of hospitals and other health facilities	24	54	189	284	257
Other capital transfer payments	90	360	14	236	461
Pension Funds	195	0	0	0	0

* Previously treated as a subsidy.

Table 25 Central and Local Government - Details of Gross Physical Capital Formation

€ million

Description	2000	2001	2002	2003	2004
Central government	932	1,224	1,161	1,077	1,105
New works, alterations and additions by Office of Public Works (including furniture for new buildings)	225	290	257	265	249
Building, equipment and furnishing of national schools	103	140	173	175	173
Arterial drainage	5	11	18	21	15
Forest development (including acquisition of land)	5	5	2	4	5
Constructional work at airports (including acquisition of land and building)	0	0	0	0	0
Capital expenditure by the IDA, Forfas and Forbairt	-23	-7	15	-8	11
Comprehensive schools	48	39	33	35	24
Other construction	276	295	332	271	213
Vehicles, machinery and equipment (less sales)	292	450	332	314	415
Local government	2,813	3,923	4,292	4,213	4,346
Local government housing	419	787	926	793	871
Roads	1,033	1,435	1,726	1,774	1,832
Health	250	289	336	416	482
Water supply and sewerage	522	716	647	545	489
Vocational education committees	139	232	118	73	67
Other	450	463	540	611	605

Table 26 Expenditure of Central Government (including extra-budgetary funds) classified by Purpose of Expenditure and Economic Category

€ million

Description	2000	2001	2002	2003	2004
Defence	734	845	808	803	908
Current transfer payments	80	88	81	76	64
Current expenditure on goods and services	612	645	666	684	730
Current grants to local government	3	3	3	5	6
Gross physical capital formation	41	110	58	39	109
Other central government services	3,156	3,658	4,004	4,152	4,861
Subsidies	89	69	42	60	41
Current transfer payments	540	644	771	902	1,206
Current expenditure on goods and services	2,064	2,401	2,640	2,764	3,240
Current grants to local government	1	2	88	7	8
Capital grants to enterprises	14	19	13	25	31
Capital transfer payments	8	26	25	16	26
Loans	3	2	-5	-3	-2
Gross physical capital formation	416	464	399	345	267
Capital grants to local government	10	20	20	22	22
Capital payments to the rest of the world	11	11	11	14	22
Education	4,093	4,739	5,297	5,741	6,251
Current transfer payments	1,214	1,411	1,553	1,715	1,790
Current expenditure on goods and services	1,528	1,714	2,008	2,329	2,604
Current grants to local government	898	1,005	1,156	1,280	1,410
Capital transfer payments	117	164	158	90	78
Loans	0	0	0	0	0
Gross physical capital formation	204	241	235	236	228
Capital grants to local government	132	204	187	91	141
Health	5,637	7,066	8,304	9,256	10,093
Current transfer payments	60	75	66	73	89
Current expenditure on goods and services	94	117	136	192	238
Current grants to local government	5,186	6,497	7,594	8,477	9,256
Capital transfer payments	24	54	189	284	257
Gross physical capital formation	19	28	32	44	72
Capital grants to local government	254	295	287	186	181
Social security and welfare	6,862	7,786	9,524	10,556	11,238
Current transfer payments	5,780	6,723	8,172	9,027	9,678
Current expenditure on goods and services	257	290	343	360	374
Current grants to local government	612	742	948	1,110	1,146
Capital transfer payments	207	22	43	38	37
Gross physical capital formation	6	10	18	21	2
Housing	566	915	1,044	1,043	1,031
Subsidies	0	0	0	0	0
Current transfer payments	10	16	21	23	25
Current expenditure on goods and services	17	18	23	30	28
Current grants to local government	61	99	44	127	131
Capital transfer payments	41	43	45	48	21
Loans	0	0	0	0	0
Gross physical capital formation	1	1	0	1	1
Capital grants to enterprises	0	0	0	0	0
Capital grants to local government	436	737	910	815	825
Other community and social services	415	534	625	597	648
Subsidies	1	1	2	2	2
Current transfer payments	81	105	117	96	102
Current expenditure on goods and services	161	190	184	181	190
Current grants to local government	1	1	1	1	1
Capital grants to enterprises	35	29	25	17	15
Capital transfer payments	47	64	85	94	118
Loans	0	0	0	0	0
Gross physical capital formation	22	49	69	24	29
Capital grants to local government	67	94	142	181	191

Table 26 (contd.) Expenditure of Central Government (including extra-budgetary funds) classified by Purpose of Expenditure and Economic Category

€ million

Description	2000	2001	2002	2003	2004
Agriculture, forestry and fishing	1,200	1,610	1,733	1,770	1,752
Subsidies *	362	615	426	439	385
Current transfer payments	157	153	160	147	143
Current expenditure on goods and services	408	531	627	663	655
Current grants to local government	7	7	9	5	2
Capital grants to enterprises	99	73	76	80	74
Capital transfer payments	25	39	53	73	201
Loans	107	133	309	263	175
Gross physical capital formation	35	59	73	101	117
Mining, manufacturing and construction	620	874	599	464	534
Subsidies	92	82	71	59	64
Current transfer payments	368	350	323	275	264
Current expenditure on goods and services	55	61	65	67	76
Capital grants to enterprises	73	53	60	28	19
Loans and share capital	44	74	38	39	42
Gross physical capital formation	-11	13	31	-3	14
Capital transfer payments	0	242	11	0	55
Transport and communication	1,313	1,766	1,934	2,268	2,187
Subsidies	198	246	278	294	308
Current transfer payments	1	2	16	17	29
Current expenditure on goods and services	44	69	80	58	92
Current grants to local government	66	87	94	62	55
Capital grants to enterprises	203	245	295	335	200
Capital transfer payments	0	-22	-185	37	38
Loans and share capital	9	-3	11	14	3
Gross physical capital formation	157	184	213	239	230
Capital grants to local government	635	957	1,132	1,213	1,232
Other economic services	1,406	1,724	1,674	1,679	1,636
Subsidies	17	20	15	11	12
Current transfer payments	186	248	265	271	274
Current expenditure on goods and services	672	828	816	875	852
Current grants to local government	0	2	1	1	1
Capital grants to enterprises	52	39	30	28	28
Capital transfer payments	11	17	21	13	19
Loans	0	0	0	0	12
Gross physical capital formation	42	64	33	30	38
Capital grants to local government	425	507	493	450	400
Public debt	5,752	4,466	13,731	4,310	4,740
National debt interest	2,009	1,629	1,636	1,630	1,586
Redemption of securities	3,743	2,837	12,095	2,680	3,154
Unallocated by function					
Current Grants to local government	867	988	961	1,131	1,213
Total Expenditure	32,620	36,972	50,237	43,772	47,091

* See explanatory note to Table 10 in Appendix 2

Table 27 Expenditure of Local Government classified by Purpose of Expenditure and Economic Category
€ million

Description	2000	2001	2002	2003	2004
General government services	502	598	738	785	807
Current transfer payments	12	28	15	21	39
Transfers to central government	8	8	11	14	17
Current expenditure on goods and services	360	386	492	522	511
Gross physical capital formation	122	176	220	229	241
Education	1,132	1,360	1,394	1,483	1,618
Current transfer payments	86	70	76	74	93
Current expenditure on goods and services	907	1,059	1,200	1,336	1,458
Gross physical capital formation	139	232	118	73	67
Health	5,551	6,905	8,039	8,994	10,024
Current transfer payments	476	710	676	762	903
Current expenditure on goods and services	4,824	5,906	7,027	7,816	8,640
Gross physical capital formation	250	289	336	416	482
Social security and welfare	690	1,061	1,356	1,378	1,503
Current transfer payments	675	1,037	1,328	1,348	1,473
Transfers to central government	0	0	0	0	0
Current expenditure on goods and services	15	25	28	30	30
Gross physical capital formation	0	0	0	0	0
Housing	1,544	2,137	2,461	2,259	2,315
Subsidies	0	0	0	0	0
Current transfer payments	482	548	628	698	786
Current expenditure on goods and services	333	342	372	105	123
Capital transfer payments	30	47	61	53	50
Loans to persons	226	326	368	482	361
Gross physical capital formation	419	787	926	793	871
Capital grants to enterprises	54	86	106	127	125
Other community and social services	1,010	1,162	1,298	1,416	1,498
Current transfer payments	0	0	0	0	0
Current expenditure on goods and services	545	664	792	900	1,011
Gross physical capital formation	465	498	506	515	487
Agriculture, forestry and fishing	30	38	40	35	31
Subsidies	0	0	0	0	0
Current transfer payments	0	0	0	0	0
Transfers to central government	0	0	0	0	0
Current expenditure on goods and services	14	15	18	13	14
Capital grants to enterprises	0	0	0	0	0
Gross physical capital formation	16	23	22	22	17
Transport and communication	1,501	1,799	2,145	2,215	2,188
Current transfer payments	-16	-19	-23	-24	-23
Current expenditure on goods and services	479	377	437	459	374
Capital grants to enterprises	5	5	5	5	5
Gross physical capital formation	1,033	1,436	1,726	1,775	1,832
Other economic services (incl. Mining etc.)	607	745	735	689	669
Transfers to central government	0	0	0	0	0
Current expenditure on goods and services	238	264	296	300	319
Gross physical capital formation	369	481	439	389	349
Public debt	149	131	152	173	150
National debt interest	43	42	39	29	7
Loan repayments	106	89	113	144	143
Total Expenditure	12,716	15,936	18,358	19,428	20,802

Table 26.1 Percentage Distribution of Central Government (including extra-budgetary funds) Expenditure classified by Purpose of Expenditure

Description	2000	2001	2002	2003	2004
Defence	2.3	2.3	1.6	1.8	1.9
Other central government services	9.7	9.9	8.0	9.5	10.3
Education	12.5	12.8	10.5	13.1	13.3
Health	17.3	19.1	16.5	21.1	21.4
Social security and welfare	21.0	21.1	19.0	24.1	23.9
Housing	1.7	2.5	2.1	2.4	2.2
Other community and social services	1.3	1.4	1.2	1.4	1.4
Agriculture, forestry and fishing	3.7	4.4	3.4	4.0	3.7
Mining, manufacturing and construction	1.9	2.4	1.2	1.1	1.1
Transport and communication	4.0	4.8	3.8	5.2	4.6
Other economic services	4.3	4.7	3.3	3.8	3.5
Public Debt	17.6	12.1	27.3	9.8	10.1
Unallocated by function	2.7	2.7	1.9	2.6	2.6
Total	100.0	100.0	100.0	100.0	100.0

Table 27.1 Percentage Distribution of Local Government Expenditure classified by Purpose of Expenditure

Description	2000	2001	2002	2003	2004
General government services	3.9	3.8	4.0	4.0	3.9
Education	8.9	8.5	7.6	7.6	7.8
Health	43.7	43.3	43.8	46.3	48.2
Social security and welfare	5.4	6.7	7.4	7.1	7.2
Housing	12.1	13.4	13.4	11.6	11.1
Other community and social services	7.9	7.3	7.1	7.3	7.2
Agriculture, forestry and fishing	0.2	0.2	0.2	0.2	0.1
Transport and communication	11.8	11.3	11.7	11.4	10.5
Other economic services (incl. Mining etc.)	4.8	4.7	4.0	3.5	3.2
Public Debt	1.2	0.8	0.8	0.9	0.7
Total	100.0	100.0	100.0	100.0	100.0

Table 28 Expenditure of Central and Local Government classified by Purpose of Expenditure and Economic Category

€ million

Description	2000	2001	2002	2003	2004
Defence	732	843	805	798	902
Current transfer payments	80	88	81	76	64
Current expenditure on goods and services	612	645	666	684	730
Gross physical capital formation	41	110	58	39	109
Other general government services	3,638	4,226	4,623	4,894	5,621
Subsidies	89	69	42	60	41
Current transfer payments	552	672	785	923	1,245
Current expenditure on goods and services	2,423	2,787	3,132	3,286	3,751
Capital grants to enterprises	14	19	13	25	31
Capital transfer payments	8	26	25	16	26
Loans	3	2	-5	-3	-2
Gross physical capital formation	538	640	619	574	507
Capital payments to the rest of the world	11	11	11	14	22
Education	4,195	4,890	5,348	5,852	6,317
Current transfer payments	1,300	1,481	1,629	1,789	1,883
Current expenditure on goods and services	2,435	2,773	3,208	3,665	4,062
Other capital transfer payments	117	164	158	90	78
Loans	0	0	0	0	0
Gross physical capital formation	343	473	353	309	295
Health	5,748	7,179	8,461	9,588	10,680
Current transfer payments	537	785	742	835	992
Current expenditure on goods and services	4,918	6,023	7,163	8,008	8,878
Capital transfer payments	24	54	189	284	257
Gross physical capital formation	269	317	368	460	554
Social security and welfare	6,940	8,105	9,933	10,825	11,595
Current transfer payments	6,455	7,759	9,500	10,375	11,151
Current expenditure on goods and services	272	314	371	390	404
Capital transfer payments	207	22	43	38	37
Gross physical capital formation	6	10	18	21	2
Housing	1,613	2,216	2,550	2,360	2,390
Subsidies	0	0	0	0	0
Current transfer payments	492	564	650	720	811
Current expenditure on goods and services	350	361	395	135	151
Capital grants to enterprises	54	86	106	127	125
Capital transfer payments	71	90	106	102	71
Loans	226	326	368	482	361
Gross physical capital formation	419	788	926	794	872
Other community and social services	1,357	1,601	1,779	1,830	1,954
Subsidies	1	1	2	2	2
Current transfer payments	81	105	117	96	102
Current expenditure on goods and services	706	854	975	1,081	1,201
Capital grants to enterprises	35	29	25	17	15
Capital transfer payments	47	64	85	94	118
Loans	0	0	0	0	0
Gross physical capital formation	487	548	575	540	515
Agriculture, forestry and fishing	1,222	1,642	1,764	1,801	1,782
Subsidies #	362	615	426	439	385
Current transfer payments	157	153	160	147	143
Current expenditure on goods and services	422	546	645	676	669
Capital grants to enterprises	99	73	76	80	74
Other capital transfer payments	25	39	53	73	201
Loans	107	133	309	263	175
Gross physical capital formation	51	82	95	123	134

See explanatory note to Table 10 in Appendix 2

Table 28 (contd.) Expenditure of Central and Local Government classified by Purpose of Expenditure and Economic Category € million

Description	2000	2001	2002	2003	2004
Mining, manufacturing and construction	620	874	599	464	534
Subsidies	92	82	71	59	64
Current transfer payments	368	350	323	275	264
Current expenditure on goods and services	55	61	65	67	76
Capital grants to enterprises	73	53	60	28	19
Loans and share capital	44	74	38	39	42
Gross physical capital formation	-11	13	31	-3	14
Capital transfer payments	0	242	11	0	55
Transport and communication	2,114	2,520	2,853	3,208	3,087
Subsidies	198	246	278	294	308
Current transfer payments	-15	-17	-7	-7	6
Current expenditure on goods and services	523	446	517	517	465
Capital grants to enterprises	208	250	300	340	205
Capital transfer payments	0	-22	-185	37	38
Loans and share capital	9	-3	11	14	3
Gross physical capital formation	1,191	1,620	1,939	2,014	2,061
Other economic services	1,587	1,961	1,915	1,918	1,904
Subsidies	17	20	15	11	12
Current transfer payments	186	248	265	271	274
Current expenditure on goods and services	910	1,091	1,112	1,175	1,172
Capital grants to enterprises	52	39	30	28	28
Capital transfer payments	11	17	21	13	19
Loans	0	0	0	0	12
Gross physical capital formation	411	545	472	419	388
Public debt	5,838	4,559	13,843	4,440	4,855
National debt interest	2,029	1,651	1,657	1,643	1,580
Redemption of securities and loan repayments	3,810	2,908	12,186	2,796	3,275
Total Expenditure	35,604	40,616	54,474	47,977	51,621

Table 28.1 Percentage Distribution of Central and Local Government Expenditure classified by Purpose of Expenditure

Description	2000	2001	2002	2003	2004
Defence	2.1	2.1	1.5	1.7	1.7
Other general government services	10.2	10.4	8.5	10.2	10.9
Education	11.8	12.0	9.8	12.2	12.2
Health	16.1	17.7	15.5	20.0	20.7
Social security and welfare	19.5	20.0	18.2	22.6	22.5
Housing	4.5	5.5	4.7	4.9	4.6
Other community and social services	3.8	3.9	3.3	3.8	3.8
Agriculture, forestry and fishing	3.4	4.0	3.2	3.8	3.5
Mining, manufacturing and construction	1.7	2.2	1.1	1.0	1.0
Transport and communication	5.9	6.2	5.2	6.7	6.0
Other economic services	4.5	4.8	3.5	4.0	3.7
Public Debt	16.4	11.2	25.4	9.3	9.4
Total	100.0	100.0	100.0	100.0	100.0

Table 29 Social Protection Accounts

€ million

Description	2000	2001	2002	2003	2004
Current Expenditure					
Social protection benefits	13,844	16,530	19,648	21,712	23,752
Administration costs	671	759	824	911	1,002
Other current expenditure	23	28	29	36	38
Total Current Expenditure	14,538	17,317	20,501	22,658	24,793
Current Receipts					
Employers' social contributions	3,903	4,512	4,993	5,369	5,944
Social contributions by protected persons	2,343	2,549	2,904	3,276	3,730
Current general government contributions	9,076	11,137	13,251	14,560	15,629
Other current receipts	238	261	332	386	418
Total Current Receipts	15,560	18,459	21,481	23,590	25,721
Social Protection Benefits by Function					
Sickness	4,896	6,016	7,033	7,743	8,550
Invalidity-disability	1,261	1,525	1,804	2,069	2,310
Occupational accidents and diseases	59	64	70	72	76
Old-age	2,711	3,172	3,626	3,960	4,364
Survivors	819	929	1,047	1,120	1,231
Maternity	335	423	489	536	580
Family	1,774	2,246	2,941	3,267	3,463
Placement, vocational guidance, resettlement	311	344	337	305	284
Unemployment	824	831	1,099	1,266	1,417
Housing	483	549	629	698	787
Miscellaneous	371	430	572	677	691
Total Benefits	13,844	16,530	19,648	21,712	23,752

Table 30a Balance of International Payments: Current account

€ million

Item		2000	2001	2002	2003	2004	2005*
1. Merchandise and services ¹	Cr	102,885	116,975	121,723	116,379	124,049	131,001
	Db	-88,697	-98,657	-99,524	-94,087	-102,096	-110,553
2. Net income		-15,488	-18,975	-23,699	-21,723	-23,215	-25,248
3. Subsidies less taxes		951	764	1,407	1,304	1,464	1,805
4. Net transfers		-22	-569	-703	-872	-1,071	-1,204
5. Net balance on current account		-371	-462	-796	1,001	-869	-4,200

Table 30b Balance of International Payments: Capital and Financial Account and net errors and omissions

€ million

Item		2000	2001	2002	2003	2004	2005*
6. Balance on Capital Account		1182	703	512	93	279	266
Financial Account							
7.	Direct Investment	22,957	6,241	19,444	15,270	-23,095	-35,945
8.	Portfolio Investment	-5,358	-25,158	-37,979	-39,977	14,287	53,560
9.	Other Investment ²	-9037	19039	19263	21567	11430	-20040
10.	Reserve Assets	-142	-441	343	1,770	1,177	1,472
11. Balance on Financial account		8420	-319	1070	-1372	3801	-954
12.	<i>Net errors and omissions</i>	-9,231	78	-786	278	-3,211	4,888

¹ Adjusted for balance of payments purposes² Including financial derivatives and trade credits

Table 31 Summary Sectoral Financial Balance Sheet, 2001-2004, non-consolidated

€ million

Institutional sector (ESA95)									
S1	Resident Sector						S13	S14/15	S2
	S11	S12	S121+S122	S123 + S124	S125				
Total economy	Non-financial corporations	Financial corporations	Monetary financial institutions	Other financial intermediaries + Financial auxiliaries	Insurance corporations and pension funds	General government	Households and non-profit institutions serving households	Rest of the world	

Financial Assets

AF.1 Gold and SDRs

2001	123	0	123	123	0	0	0	0	0
2002	126	0	126	126	0	0	0	0	0
2003	126	0	126	126	0	0	0	0	0
2004	127	0	127	127	0	0	0	0	0

AF.2 Currency and deposits

2001	242,141	25,421	147,855	112,132	30,093	5,631	11,941	56,923	166,595
2002	256,962	25,975	162,708	115,002	38,444	9,262	6,330	61,949	165,802
2003	315,147	33,289	207,379	160,088	35,932	11,358	7,398	67,081	227,589
2004	378,436	32,983	262,404	204,413	46,048	11,943	8,434	74,615	276,687

AF.3 Securities other than shares

2001	368,375	5,925	361,369	192,773	131,237	37,359	0	1,081	126,726
2002	445,610	5,380	437,016	239,694	151,737	45,585	1,288	1,926	167,366
2003	555,888	6,431	545,510	310,667	176,970	57,872	1,371	2,576	193,465
2004	637,632	1,445	632,242	403,423	163,731	65,088	1,531	2,414	256,570

AF.4 Loans

2001	401,019	40,148	359,011	204,554	151,872	2,585	1,860	0	132,163
2002	422,392	43,334	376,777	214,915	157,272	4,590	2,281	0	157,653
2003	504,079	63,399	438,074	245,762	188,367	3,945	2,606	0	160,517
2004	573,030	77,574	492,824	291,646	197,186	3,992	2,631	0	168,629

AF.5 Shares and other equity

2001	331,395	54,480	213,237	36,547	119,228	57,462	9,697	53,982	464,412
2002	350,200	56,994	223,672	52,541	120,175	50,955	12,867	56,667	496,178
2003	360,223	52,446	231,889	24,851	144,291	62,747	15,567	60,321	558,995
2004	433,818	66,657	284,302	27,543	185,808	70,951	17,883	64,977	617,481

AF.6 Insurance technical reserves

2001	76,662	0	9,458	0	0	9,458	0	67,204	27,483
2002	74,105	0	10,379	0	0	10,379	0	63,727	39,944
2003	97,020	0	13,949	0	0	13,949	0	83,071	44,263
2004	111,538	0	13,844	0	0	13,844	0	97,694	49,030

AF.7 Other accounts receivable

2001	104,518	46,265	56,551	15,138	33,217	8,195	600	1,103	33,358
2002	114,152	65,625	46,384	15,336	20,500	10,548	748	1,395	35,879
2003	114,324	63,517	48,631	24,215	13,788	10,628	1,094	1,082	39,576
2004	107,377	50,074	54,670	14,055	29,007	11,608	986	1,648	40,719

AF.A Total financial assets

2001	1,524,234	172,240	1,147,604	561,267	465,647	120,690	24,098	180,293	950,738
2002	1,663,547	197,308	1,257,062	637,614	488,128	131,319	23,514	185,664	1,062,823
2003	1,946,807	219,081	1,485,559	765,708	559,350	160,501	28,036	214,131	1,224,405
2004	2,241,958	228,732	1,740,413	941,207	621,780	177,426	31,465	241,348	1,409,115

Table 31 (contd.) Summary Sectoral Financial Balance Sheet, 2001-2004, non-consolidated

€ million

Institutional sector (ESA95)											
S1	Resident Sector						S13	S14/15	S2		
	S11	S12	of which:			S13				S14/15	S2
			S121+S122	S123 + S124	S125						
			Monetary financial institutions	Other financial intermediaries + Financial auxiliaries	Insurance corporations and pension funds						
Total economy	Non-financial corporations	Financial corporations	Monetary financial institutions	Other financial intermediaries + Financial auxiliaries	Insurance corporations and pension funds	General government	Households and non- profit institutions serving households	Rest of the world			

Liabilities

AF.2 Currency and deposits

2001	308,235	0	300,398	300,397	0	0	7,837	0	100,501
2002	339,309	0	331,573	331,572	0	0	7,736	0	83,455
2003	420,043	0	412,144	412,143	0	0	7,899	0	122,694
2004	507,184	0	499,108	499,107	0	0	8,076	0	147,939

AF.3 Securities other than shares

2001	137,751	1,865	104,892	78,266	26,555	71	30,994	0	357,350
2002	183,854	2,450	148,993	95,120	53,873	0	32,411	0	429,121
2003	220,310	4,101	182,707	108,930	73,697	80	33,502	0	529,043
2004	283,117	3,513	245,528	161,997	83,461	70	34,076	0	611,085

AF.4 Loans

2001	333,814	73,332	184,656	42,271	141,206	1,179	4,322	71,504	199,368
2002	348,199	66,509	199,084	28,498	168,581	2,005	4,725	77,881	231,845
2003	424,045	126,774	203,787	49,942	152,274	1,572	4,260	89,223	240,551
2004	469,328	157,287	194,727	43,450	149,312	1,965	4,327	112,987	272,330

AF.5 Shares and other equity

2001	585,131	157,523	427,608	147,092	268,470	12,046	0	0	210,677
2002	618,963	184,004	434,958	185,412	235,612	13,934	0	0	227,415
2003	679,637	167,338	512,299	196,437	300,274	15,588	0	0	239,580
2004	764,727	160,227	604,500	230,861	354,848	18,791	0	0	286,572

AF.6 Insurance technical reserves

2001	97,646	0	97,646	155	0	97,491	0	0	6,499
2002	104,966	0	104,966	182	0	104,784	0	0	9,084
2003	130,825	0	130,825	203	0	130,622	0	0	10,458
2004	146,989	0	146,989	273	0	146,716	0	0	13,579

AF.7 Other accounts payable

2001	79,516	60,882	16,596	1,721	8,111	6,764	1,613	425	58,361
2002	91,687	70,205	19,137	1,213	10,556	7,369	1,992	353	58,344
2003	98,388	72,844	22,965	1,820	12,392	8,753	2,031	548	55,512
2004	96,879	70,862	22,792	2,146	14,204	6,442	2,029	1,195	51,217

AF.L Total liabilities

2001	1,542,092	293,601	1,131,796	569,902	444,343	117,551	44,766	71,929	932,757
2002	1,686,978	323,169	1,238,711	641,997	468,623	128,091	46,864	78,234	1,039,266
2003	1,973,248	371,057	1,464,728	769,474	538,639	156,616	47,692	89,771	1,197,838
2004	2,268,223	391,889	1,713,644	937,834	601,827	173,983	48,508	114,182	1,382,723

Net financial assets

2001	-17,858	-121,361	15,808	-8,635	21,304	3,139	-20,668	108,363	17,981
2002	-23,430	-125,861	18,351	-4,383	19,506	3,228	-23,350	107,430	23,557
2003	-26,442	-151,976	20,830	-3,766	20,711	3,885	-19,656	124,360	26,567
2004	-26,265	-163,157	26,769	3,373	19,953	3,443	-17,043	127,166	26,392

Appendix 1

Definitions and Concepts

Appendix 1

Definitions and Concepts

The series of official estimates of national income and expenditure was inaugurated in the White Paper on National Income and Expenditure, 1938-44 (P.No. 7356) and continued in a second White Paper "Tables of National Income and Expenditure, 1938 and 1944-50" (Pr.No. 350), in the annual issues of the "Irish Statistical Survey" from 1950-51 to 1958 and in "National Income and Expenditure", 1959 to 2004. The latest estimates are contained in this issue of "National Income and Expenditure" (NIE 2005). These estimates are based, not on exact information but on incomplete data collected from many sources. The estimates of different items are therefore of varying accuracy, but where exact statistics were not available it was possible in some cases to compare independent estimates from alternative sources and thus obtain a check on the accuracy of the methods used.

Definitions

Net national product at factor cost may be defined as the total of all payments for productive services provided in this country or abroad accruing to the permanent residents of this country. The exact content of this definition is best shown by reference to the Explanatory Notes to Tables which appear in Appendix 2. Some income accrues to Irish residents as a result of economic activity abroad or property held abroad while some income arising in the State is paid to non-residents. **Domestic income** is the total income arising from productive activity within the State. **Domestic income plus net factor income from the rest of the world equals net national product at factor cost.**

Gross domestic product at factor cost is equal to net domestic product (domestic income) plus total provision for depreciation. **Gross national product at factor cost** is equal to net national product plus total provision for depreciation.

Gross national product at current market prices is equal to gross national product at factor cost plus taxes on expenditure less subsidies. It represents total expenditure on the output of goods and services of the national economy valued at the prices at which the expenditure is incurred. This expenditure is made up of personal expenditure on consumers' goods and services, net expenditure by central and local government on current goods and services, gross domestic physical capital formation (comprising fixed capital and stocks) and net expenditure by the rest of the world on goods and services originating in Ireland plus net factor income from the rest of the world.

The concept of gross national product at factor cost, together with the closely related concept of gross national product at current market prices suggest that there are three different methods of summarising the total economic activity of the country. These three different presentations are given in Tables 1, 2 and 5. Table 1 shows net national product broken down by type of income. Table 2 shows net national product at factor cost broken down by sector of origin. Table 5 shows expenditure on gross national product at market prices broken down by category of expenditure.

The following are some points regarding the constituents of net national product:

Wages, salaries and pensions include all such elements of earnings as overtime payments, bonuses, piece-work payments, commission earnings of distribution employees, directors' fees, etc. as well as income in kind (food, clothing, fuel and light). These are computed without deduction of employees' contributions to social insurance and to contributory pension funds. Where pension funds exist, the employers' contributions to pension funds are included in this item. Where pension funds do not exist, the actual pensions paid are included in this item, the payments being regarded as imputed superannuation contributions. The value of unpaid domestic services performed by spouses is excluded, whereas the remuneration in cash and kind of domestic servants is included.

Remuneration of employees includes, in addition to the above elements, employers' contributions to social insurance.

Transfer income such as emigrants' remittances and old age pensions, blind pensions, widows' and orphans' pensions, unemployment benefit or assistance and all other social welfare payments whether contributory or not, are excluded from net national product. Employees' and employers' contributions to

social insurance funds are, therefore, regarded as taxes on income. Gross national disposable income is the sum of gross national product and net current transfer payments from the rest of the world.

Profits of businesses are taken before deduction of taxes on income but are net of taxes on expenditure (including rates). For 1990 and later years, royalty payments made or received by businesses are regarded as purchases or sales respectively of services, rather than as a form of investment income.

In measuring profits, receipts of investment income (interest and dividends) are in general not included in the output of businesses, and expenditures on investment income are in general excluded from their intermediate consumption. However, in the case of banks and similar businesses, output includes, in addition to invoiced fees and charges, an estimated service charge (called FISIM - financial intermediation services indirectly measured) in respect of their non-invoiced services, represented by the margin between the interest they pay on deposits and the interest they receive on loans. The estimation methodology makes use of a reference rate, approximating a pure interest rate, and calculated as the effective interest rate on inter-bank positions. In the case of loans (for which customers usually pay a higher rate than the inter-bank rate) the FISIM amount is calculated as the difference between the reference rate and the actual loan rate charged to customers, multiplied by the stock of loans of customers, and is subtracted from the original interest amount to yield the pure (FISIM-exclusive) interest amount. In the case of deposits (for which customers usually earn less than the inter-bank rate) it is the difference between the reference rate and the actual deposit rate paid by the bank to customers, multiplied by the stock of deposits from customers, and this is added to the original amount.

Of the total domestic production of FISIM, some is attributable to consumption in the form of final demand by depositing and borrowing customers (by households in their capacity as consumers, in the form of personal expenditure, by government in the form of government consumption, and by non-residents, in the form of exports). These components therefore add directly to GDP. The remainder of domestic production of FISIM is consumed as intermediate consumption by businesses or by households in their capacity as self-employed businesses and as borrowers for owner-occupation of dwellings, and has no net effect on aggregate GDP (although it does of course reduce the value added of the activity branches concerned, offsetting to some extent the increase in the value added of the financial services branch that produces the FISIM).

The presentation and content in the national accounts tables of interest flows to and from non-residents differs from the presentation in the balance of payments (BOP) statistics. In the BOP, the gross interest flows are reported on the original basis, that is on the ordinary basis as reported by banks and customers. In the national accounts, on the other hand, the estimated FISIM charged to non-resident depositors and borrowers by resident banks has been removed from the relevant flows, as described above, and a similar exclusion is made from the flows between resident customers and non-resident banks (which in turn is booked as imports in the calculation of GDP). The components for interest flows involving banks in the national accounts item **Net factor income from abroad** (i.e. the adjustment item from GDP to GNP) are therefore constructed on the basis of the "pure" interest rates (that is, exclusive of FISIM). FISIM is not computed on interest flows between entities neither of whom is a bank or bank-like entity (for example between a manufacturing company and its affiliates overseas on inter-company loans), or on interest flows on securities, and these are therefore treated in the same way in the BOP and the national accounts.

The provisions for depreciation deducted to arrive at *net profits* are normally based on those allowed for tax purposes adjusted, as appropriate, for *free depreciation*, etc. rather than the provisions made by the enterprises themselves in their business accounts.

Companies include all public and private companies incorporated either in or outside the State, as well as certain corporate bodies, such as, the Electricity Supply Board, the Central Bank, etc. **Companies' Savings** comprise the undistributed income net of tax of all bodies counted as companies. In the case of subsidiaries or branches of foreign companies operating in the State the foreign direct investors' share of the total trading income (less corporation tax payable in the State) is regarded as distributed to these investors. Correspondingly, the Irish direct investors' share of trading profits of subsidiaries or branches operating abroad of Irish companies is regarded as having been distributed to these investors.

Income from dwellings is included in net national product. An imputed rent is included in respect of owner-occupied dwellings but no such element is imputed to other classes of durable goods.

Income of agriculturists is based on estimates of the value of gross output of agriculture (eliminating duplication due to inter-farm sales) after the deduction of estimates of various elements of costs, viz., the cost of marketing, feed-stuffs, fertilisers and seeds, petrol and oil, veterinary fees and medicines,

depreciation, etc., as well as the interest element in land annuities paid. Farm produce consumed in farm households without process of sale is valued at the prices which farmers receive for similar goods sold. The value of changes in the numbers of livestock on farms and the value of the change in the stock of crops held on farms are included in agricultural income. **Income originating in the agricultural sector** includes, in addition to the above, the total interest element in land annuities, including both the interest element in annuities actually paid by farmers and that met by way of subsidy under the land acts.

Profits, interest, dividends, remuneration of employees from the rest of the world are included in national product and similar items arising in Ireland and paid to foreign residents are excluded. In the case of subsidiaries or branches of foreign companies operating in the State the foreign direct investors' share of the total trading income (less corporation tax payable in the State) is regarded as distributed to these investors and hence excluded from National Income. Correspondingly, the Irish direct investors' share of trading profits of subsidiaries or branches operating abroad of Irish companies is regarded as having been distributed to these investors and hence included in National Income.

Government trading and investment income which represents the income of central and local government in their entrepreneurial capacity, is included in net national product. The constituents of this item are (i) the trading income of the Post Office Savings Bank, (ii) interest receipts in respect of land annuities, (iii) interest on advances by the government to various concerns, such as the Electricity Supply Board, (iv) net dividend payments from state sponsored bodies and payments to the Exchequer out of the profits of the Central Bank, (v) income from foreign securities, (vi) proceeds of the National Lottery surplus, (vii) interest payments under the Housing Acts and (viii) rental income of local government, consisting of actual rents received plus the amounts of subsidies involved less expenses. Depreciation is deducted in respect of item (viii).

An **adjustment for stock appreciation is deducted** in the estimation of national product for years in which changes in commodity prices have been such that non-agriculture stocks held at the beginning of the year would have increased in value if no physical change had occurred. A similar provision is **added** for years in which price changes were such as to cause a fall in value of non-agricultural stocks held at the beginning of the year. The effect of this is to include in the various aggregates only the value of the change in volume of stocks between the beginning and end of the year, as distinct from the change in the value of stocks which, in general, is brought to account as part of income according to normal accounting definitions. (The value of the physical change in agricultural stocks is computed directly so no similar adjustment is required in this case.)

Personal income is the aggregate income from all sources in cash or kind, whether from productive services or not, at the disposal of individuals permanently resident in the State. It is equal to net national product plus provision for stock appreciation, less government trading and investment income, plus national debt interest and other current transfer payments, less undistributed profits before tax of companies and other corporate bodies. See the explanatory notes on Table 9 on pages xix-xx.

Private income is the aggregate income from all sources in cash or kind, whether from productive services or not, of all individuals, companies, charities, etc. which are permanent residents of the State. It is equal to personal income plus the undistributed profits before tax of companies and other corporate bodies. See the explanatory notes on Table 9 on pages xix-xx.

Changes in Concepts and Methods

To take account of developments in international standards, and as part of the ongoing process of improvement, many editions of the accounts over the years have introduced methodological or data changes. Changes since the late 1970s are summarised below. In addition to these systematic changes, routine revisions in the source data usually also result in revisions for a number of years in each edition.

The changes in the 2005 edition affect the current price estimates of profits, the constant price output estimates and the estimation of company and personal savings. They are summarised at the end of this section

In the **1978** report it was possible to produce an improved classification of local government expenditure by purpose for the years from 1976 onwards. This was due to changes in the local government accounting system which took effect in 1976.

In the **1979** report a fundamental revision of methodology produced changes in the figures for gross fixed capital formation. These are described in that report. Also a more complete survey of trading profits of unincorporated enterprises, professional earnings, etc. resulted in revisions to these data.

In the **1980** report following a review of methodology, changes were made to balance of international payments data. Changes were also made to the method of recording housing subsidies. These changes are described in that report.

The **1982** report included revisions to the estimates for a number of items in the accounts arising from an ongoing review of sources and methods. These changes principally affected the Balance of International Payments estimate, company profits and the residual items personal consumers' expenditure and savings.

The **1983/1984** report incorporated the new series of estimates for agricultural output and income released in July 1985. The classification used in the analysis of personal consumers' expenditure was also changed in that report and is now aligned with that of the European System of Accounts. The headings are more functional in concept and some additional detail is involved. The detail of the relationship between the new and the old classification can be supplied on request.

The **1985** report introduced the concept of real gross national disposable income.

The **1988** report introduced a change in the treatment of non-commercial bodies, which were principally funded by grants from the State. Prior to this, these bodies were excluded from the scope of *Central and local government* and transactions between them and government were shown explicitly. In the 1988 report they were classified within the *Central and local government* sector and their receipts and expenditure consolidated with those of government. The net current expenditure of central and local government now includes the intermediate consumption of these grant aided bodies.

Arising from the Local Loans Fund (Amendment) Act, 1987, certain circular flows involving transfers and loan transactions between central government and local government decreased significantly. From 1988 this affects the comparability of data, for some headings, in Tables 19, 20, 26 and 27 but has no effect on the consolidated tables for *Central and local government*.

A number of methodological improvements were introduced in the **1992** Report. These changes principally involved the estimates of Wages and Salaries (mainly through the use of new surveys), Profits (using improved estimation procedures), Rent of dwellings (use of 1987 Household budget data) and Imports and Exports (new Balance of Payments surveys of International Trade in Services). These revisions significantly increased the levels of some of the key national accounting aggregates including Personal Consumption which was derived as a residual. Revisions have been made retrospective to 1985 and it is intended, if resources permit, to extend the revisions back to 1980.

The **1993** Report incorporated a revised treatment of the deficit on the Local Government housing account, which was described in detail in the November 1993 issue of the Economic Series. Traditionally, in the Irish National Accounts, this deficit was treated as a subsidy. Following a legal decision published by the EU on the scope of subsidies in National Accounts (OJ L 224, 3.9.93, page 27), this deficit had to be reclassified as a current transfer payment from Local Government to households.

The **1994** report introduced the base 1990 for the constant price volume series.

The **1995** report revised the concept of Domestic Product and National Product by introducing two new points of methodology. They can be summarised as follows :

1. Royalty payments made by businesses are now excluded from profits as in normal company accounts. They are considered part of intermediate consumption and when the royalty payments are made abroad they are therefore considered as an import of services. Previously, royalty payments were included as part of profits (i.e. as a distribution out of profits). They were, however, considered part of *Factor Incomes* in the transition from GDP to GNP so while the level of GDP is affected by this change the level of GNP is unaffected.
2. In the transition from GDP to GNP the foreign direct investors' share of the profits of subsidiaries or branches operating in Ireland of foreign companies are considered to have been distributed to these investors. Correspondingly, the Irish direct investors' share of the profits of subsidiaries or branches operating abroad of Irish companies are considered to have been distributed to these investors.

Previously only the profits actually remitted to/from abroad were taken into account in the transition from GDP to GNP.

A number of other changes were made in the 1995 Balance of Payments Statement, some of which also affected items in the main national accounts tables. The main ones were :

- Improved estimates were made of remuneration of employees working outside their country of residence
- There was improved coverage of transfers vis-à-vis the rest of the world
- A change was made to an accruals based timing for EU transfers (previously on a cash basis)

Much detailed work was done on improving the estimates of wages and salaries for the 1995 report. This led to significant revisions in several sectors. The most notable changes were as follows :

- the overall comprehensiveness of the estimates was improved by changing control totals for employment from the PES (Principal Economic Status) basis of the Labour Force Survey data to the ILO (International Labour Office) basis;
- new information from the annual CSO services inquiries was incorporated, notably in the distribution sector, leading to increases from 1992 onwards;
- revised calculations have reduced the estimate for wages in small enterprises not covered by the Census of Industrial Production.

A major revision was also made in the 1995 report to the estimates of imputed rent of owner-occupied dwellings following methodology laid down in 1994 in a Decision of the EU Commission based on the results of the 1991 Census of Population.

The full ESA95 methodology was brought into effect in the **1998** report. This widened the scope of capital formation. Computer software, original literary and musical works, unsuccessful mineral exploration, military equipment similar to that used by civilian producers e.g. hospitals, are now included as capital investment.

The output of the insurance sector was increased by regarding the income from the investment of the technical reserves as additional imputed premium contributions.

Some payments to Government which were previously regarded as transfers e.g. passport fees, are now classified as payments for services while others (e.g. stamp taxes on banking transactions) are now regarded as taxes on products.

Rent of dwellings was revised downwards in the **2003** report based on the results of the 2002 Census of Population. The Census of Population provides details of the rent paid by all tenants in respect of their dwellings as well as details of the size of and facilities in the dwellings. This allows the imputed rent of owner occupiers to be revised in line with current rates in similar rented dwellings.

The **2004** report introduced two significant methodological changes. Firstly, the volume (constant price) measures were calculated to base the previous year rather than to a fixed base as in previous publications. The annual volume changes were then chain linked to a reference year to produce indices and values of the main aggregates in "constant" prices. This system was introduced throughout the EU to comply with EU Decision 98/715. The output and expenditure measures of GDP are calculated to base the previous year and the average of the two measures provides the official volume measure of GDP. A practical consequence of the chain linking system is that the chain linked aggregates are not equal to the sum of their chain linked components.

Secondly, a new method was introduced for estimating and allocating the interest margin that banks and similar entities earn by taking deposits at a relatively low nominal interest rate and making loans at a relatively high nominal rate (the so-called FISIM – Financial Intermediation Services Indirectly Measured). Under the previous methodology, this margin was presented in the accounts as though it were produced by the financial services branch, and entirely consumed, as intermediate consumption, by a notional branch which produced no output. The resulting notional loss (the item *Adjustment for financial services* in the editions before the 2004 report) completely offset the apparent profit earned by the financial services branch, and the net effect on GDP was therefore nil.

The new FISIM methodology introduced in the 2004 report follows new guidelines set down in EU legislation. It involves some relatively minor changes in the method of calculating the total amount of FISIM. More importantly, the allocation to the consuming sectors was changed. Instead of being allocated to a notional sector, it is now allocated to the sectors of the depositors and borrowers, in proportion to the quantity of their

deposits and loans, and to the margin between the de facto rate earned by or charged to the sector and a pure or FISIM-free reference rate, calculated as the de facto effective rate for inter-bank business. The effect on GDP depends therefore on which sectors consume the FISIM: consumption that constitutes final demand (such as by households in their capacity as consumers, by government, or by non-residents) adds to GDP, but intermediate consumption (such as by companies, or by households in their capacity as self-employed businesses or as owner-occupiers of dwellings) has no net effect. There is also some relatively small reduction in GDP arising from imports of FISIM, but the net effect for Ireland, as for most countries, is that the new methodology results in a net increase in GDP levels.

The 2004 report also introduced a new retrospective series from the year 1970 estimated according to the ESA95 rules and conventions. The main aggregates from this series are shown in Table A. Most of the standard tables in the NIE report are available from this retrospective series from 1970 onwards on the CSO's website in excel format and are also available in the CSO's database.

In this edition (2005) some changes have been made to the estimation methods for the profits of companies and self-employed. The main changes are as follows:

- The methodology and data sources for financial enterprises have been overhauled: the coverage of the branch has been more accurately delimited by improvements in the activity classification codes on the register, and more explicit and detailed use has been made of survey data on financial enterprises collected in the CSO balance of payments and financial sector surveys
- Other improvements in the activity coding in the register have also resulted in some reclassifications between branches
- Technical improvements have been made to cater for situations where companies change their accounting periods, resulting in two or no accounting periods ending in a given calendar year
- Improvements have been made in aligning the profits of both companies and self-employed persons more closely to the calendar year.

In this edition these changes have been implemented for the years 2000 to 2005. For the earliest years, the effect at the overall level is quite small, and it has not been possible to carry them through to years before 2000. Furthermore, while the effects on the branch results at the level published in this report (Tables 2 and 3) are also not very large (and in any event cannot readily be distinguished from routine revisions arising from more up-to-date source data), the effect on more detailed branch results may be more significant. This will be examined, and the feasibility of revising the figures for years before 2000 will be considered.

Changes have also been made to the estimation of the constant price output estimates (i.e. Table 4). New methodologies have been used for the calculation of the value added of the education and health services provided by government. The revised methodology for education uses pupil numbers, stratified by level of education in primary and second level, and by level of education and subject at third level to derive an overall volume index. This index is applied to base year unit costs. A quality adjustment is included in the calculation to take account of the number of teachers working in the education system.

The output of the health service is now being measured using a weighted index comprising measures of in-patient services, out-patient services and medical card services, applied to the base year contributions of these components to GVA. The value added for both education and health are captured as part of the total "Other Services" figure in Table 4.

Finally for 2005, changes have also been made in the estimation of company and personal savings. In previous editions, item 124 (Undistributed profits of companies before tax) was estimated independently, and personal savings (item 129) was calculated as a residual. In this edition, additional independent information on households' investment income and savings has been used, based on initial work on setting up a series of non-financial sector accounts results, and this has yielded somewhat different estimates. Elements from the two methods have therefore been combined to give revised series for both items. This work is still to some extent work in progress, and further revisions are possible. Items 124 and 129 and related items 140 and 141 should therefore continue to be treated with caution.

Financial balance sheets

This edition (2005) includes a new table (Table 31) giving summary financial balance sheets for the institutional sectors of the economy for the years 2001 to 2004. A full range of financial accounts statistics is still being developed, and the results given here should be considered provisional and subject to revision. For further details see Appendix 2.

External Transactions at Constant Prices

In the external account imports and exports of merchandise are expressed at constant prices by using import and export unit value indices. Invisible (i.e. non-merchandise) non-factor items are deflated separately by the most appropriate price index on consideration of the nature of the flow in question. The aggregate value of the imports of goods and non-factor services at constant prices is then determined and a general price index for the aggregate is deduced. Similarly, a general price index for the aggregate value of the exports of goods and non-factor services is calculated.

This implied price index for exports of goods and non-factor services is then used to deflate net factor income from abroad in years when this item is negative. In years when it is positive it is deflated by the implied price index for imports of goods and non-factor services. Net current international transfers are similarly deflated. The rationale for this approach is that a positive net factor income flow can be used to finance imports while a negative net factor income flow must be met with increased exports. In recent years, (e.g. 1999 onwards) exceptional income payments have had to be deflated separately.

Gross National Product by Sector of Origin at constant prices

In the 1965 report estimates of the gross national product at constant prices subdivided by industrial sector were included for the first time. These estimates were compiled by aggregating the contributions, to the gross national product at factor cost, valued at constant prices, of the different industries, and of net factor income from the rest of the world, and adjusting to market prices by adding taxes on expenditure and deducting subsidies, both valued at constant prices.

Two principal methods have been used to derive gross value added at factor cost at constant prices as given in the tables.

The first method, which may be called the *double deflation* method, consists of valuing both the output and the input (expenses) of the sector at base year prices (now previous year prices). The difference between output and input is the gross product, *gross* signifying that depreciation has not been deducted as an expense. This is the basic approach used for the agricultural sector.

The second method consists of estimating an index of volume of output for the sector for a series of years and then multiplying the base year (now previous year) gross value added by these index numbers to derive the gross value added figures for other years. This method is widely used since, for most sectors, there is considerable difficulty in expressing the inputs at constant prices. Clearly, if at constant prices the ratio of input to output remains unchanged, both methods would give identical results.

The estimates for agriculture incorporate the official indices for agricultural output. In the case of industry, this report contains estimates of the contribution from four industrial sectors which are more than 90% foreign owned. These estimates, as well as those for the remainder of industry, are based on the official industrial production indices adjusted for the impact of royalties on intermediate consumption. The agricultural and industrial sectors together account for about forty per cent of gross national product and reliable indicators of volume are available and are used in compiling the official indices. The choice of suitable volume indicators on which to base volume index numbers in certain other sectors, however, raises conceptual problems which have not yet been solved satisfactorily. The service type industries include distribution, transport and communication, insurance, banking and finance, education, health, professional and miscellaneous services and public administration and defence. In certain industries, e.g. transport, suitable volume indicators such as passenger-miles and freight tonne-miles are available; in other industries it is more difficult to obtain volume indicators.

Particular difficulty is experienced in estimating the output of public administration and defence and other services provided by central and local government. In most of these cases no reasonable measure of output is available and the practice adopted is to apply an index of employment, where available, to the base year remuneration. Where reliable data are not available the implied index of rates of remuneration is used to deflate current values. The effect of using this method is to assume no increase in productivity. However in this year's estimates (i.e. NIE 2005) new methodologies have been used for the calculation of the value added of the education and health services provided by government. The revised methodology for education uses pupil numbers, stratified by level of education in primary and second level, and by level of education and subject at third level to derive an overall volume index. This index is applied to base year unit costs. A quality adjustment is included in the calculation to take account of the number of teachers working in the education system.

The output of the health service is measured using a weighted index comprising measures of in-patient services, out-patient services and medical card services, applied to the base year remuneration. The value added for both education and health are captured as part of the total "Other Services" figure in Table 4.

In order to derive gross national product at constant market prices, net factor income from the rest of the world, taxes on expenditure and subsidies are also valued at base year prices. The method of expressing net factor income from abroad at constant prices is explained in the section *External transactions at constant prices*, above. Where taxes on expenditure and subsidies relate to particular goods, the rate of tax or subsidy per unit quantity of the item taxed or subsidised, if available, is used to derive an index to deflate current values. In the case of *ad valorem* duties both the rate of duty and an appropriate price index are used to compile constant price data. If neither of these methods of deflation can be used the estimation of a constant price series is made by using volume indicators appertaining to the relevant industry or by deflating by a suitable price index. In a few cases, where the taxes on expenditure or subsidies were not in operation in the base year, they are by definition, omitted from the constant price series.

Appendix 2

Explanatory Notes to Tables

Appendix 2 - Explanatory Notes to Tables

The numbering of the notes refers to the numbering of the items in the foregoing tables.

Table 1 Net Value Added at Factor Cost and Net National Income at Market Prices

1. **Value added from agriculture, forestry and fishing.** Gross receipts from the sale of agricultural produce, timber and turf (excluding inter-farm transactions) together with the value of farmers' own produce consumed in farm households without process of sale and the value of the changes in the numbers of livestock on farms and on-farm stocks of the principal crops, all valued at current agricultural prices, less expenses incurred in production, including purchased materials, maintenance of machinery, depreciation, rent (Item 8) and other expenses. The income originating from agricultural activity is measured prior to any distribution to the various factors of production, which in combination produced it. Therefore, no deduction is made for interest on capital whether borrowed or not. The total represents income from agricultural activity only and does not, for example, include investment income of agriculturists, which is contained in items 4, 5 and 14. The item also includes income from sea and inland fisheries.

In comparing the average value of national income per head in this and in other countries, the part which subsistence farming plays in some economies should be borne in mind. It may be considered desirable in making such comparisons to value farm household consumption at full retail prices in order to arrive at comparable concepts. The requisite figures are shown below and the adjustment may be made by increasing agricultural income by the difference between the entries in columns (a) and (b) for each year.

Farm Produce and Fuel Consumed on farms without Process of Sale 2000 - 2005			
<i>Year</i>	<i>Farm gate at Current Prices (a)</i>	<i>Retail at Current Prices (b)</i>	<i>At 2004 Agricultural Prices (c)</i>
2000	64.3	182.9	79.9
2001	71.2	172.7	81.3
2002	71.5	181.3	76.3
2003	77.9	197.2	78.9
2004	77.9	193.2	77.9
2005	80.2	170.1	76.4

If it is desired to make comparisons between agricultural income figures when the value of the changes in the numbers of livestock on farms is excluded, the value of these changes for the years 2000-2005 at average annual prices (shown in item 154) should be subtracted from agricultural income figures in item 1.

2. **Agricultural wages and salaries.** Payments in cash and kind to farm employees and to employees in forestry.

3. **Employers' contribution to social insurance.** This item consists of the contributions of employers to social insurance funds. These contributions are classified as part of employee remuneration and also as part of direct taxation on households.

4 to 5. **Domestic trading profits, self employed earnings, interest, etc.** Domestic here means arising from economic activity within the State. Hence these items include the profits of subsidiaries or branches of foreign companies in respect of operations within the State (these are included also, net of corporation tax, as a negative entry in item 14), and exclude the profits of Irish concerns in respect of their operations abroad as well as investment income, etc., originating outside the State (included as a positive entry in item 14).

Trading profits are taken after payment of indirect (but not direct) taxes. For years after 1990, they are taken after net payments of royalties. In computing profits all interest payments are treated as an allocation of profit; they are not deducted as operating expenses before the trading profit is struck. For this reason, interest received as well as dividends received are excluded from trading profits. In the case of banks and similar businesses a charge is calculated on interest earned on loans and interest paid on deposits of customers. The charge, in the case of deposits, is the difference between the reference rate of interest and the actual rate paid by the bank and applied to the stock of deposits of customers. In the case of loans the charge is the difference between the reference rate and the actual loan rate charged by the banks and applied to the stock of loans of customers. This charge is also treated as intermediate

consumption by business and owner occupiers of dwellings with loans. However the interest itself is not treated as a receipt or a cost in the calculation of domestic profits. The effect of this is that net payments (i.e. receipts minus payments) of interest (i.e. pure interest) by households and central and local government are excluded from the calculation of GDP. The provision for depreciation deducted to arrive at net profits are normally those allowed for tax purposes adjusted, as appropriate, for *free depreciation* etc. as distinct from either the depreciation provisions of the enterprises themselves or depreciation estimates at replacement costs. Item 4 includes, in addition to trading profits of public and private companies, the operating profits of certain corporate bodies such as the Electricity Supply Board, the Central Bank, National Lottery, Bord Telecom, etc. These bodies are also regarded as companies in items 124 and 141.

6. Adjustment for stock appreciation. The adjustment has the effect of replacing the total of items 154 and 155 by item 82. Identical with item 156. It is included to ensure that only the value of physical change in stocks is counted as part of national product by eliminating the effects of price changes on the level of stocks.

7. Rent of dwellings. 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.

8. Rent element in land annuities. This item represents the interest element in land annuities (forming the major part thereof) and includes both the interest element in actual payments by farmers and that met by way of subsidy under the Land Acts. This item forms part of Government trading and investment income (item 120). Letting of lands, e.g. on conacre, is considered as an inter-farm transaction and hence the corresponding rent is not included either as an expense or as a source of income for the agricultural sector.

9. Domestic wages, salaries, pensions. Wages, salaries and pensions include, in addition to basic wages and salaries, all items of earnings such as overtime payments, bonuses, piecework payments, commission earnings of distribution employees, directors' fees, income in kind, etc., arising from economic activity within the State. They exclude transfer payments such as old-age pensions, unemployment benefit, etc. Earnings are measured gross, i.e. before deduction of employees' contributions to social insurance and to contributory pension funds. The value of unpaid domestic service performed by household members is excluded, although the remuneration in cash and in kind of domestic servants is included. The earnings of Irish diplomatic and consular personnel abroad are included, while those of representatives of other states in this country are excluded.

Since the item measures remuneration for current work, pensions currently paid to former employees are in principle excluded. However, current employees benefit by the provision being made by their employers for their future pensions in the form of contributions to funded pension schemes. These contributions are viewed as an implicit part of the remuneration of the employee (known as *voluntary social insurance* contributions) and are therefore included in the wages/salaries/pensions item. Where funded pension schemes do not exist, the value to the current employees of their future pension entitlements is estimated. The amount of actual pensions currently being paid directly to former employees is sometimes taken as an estimate but in the case of the Public Service an actuarial assessment is available.

10. Employers' contribution to social insurance. This item consists of the contributions of employers to the state social insurance funds. These contributions are classified as part of employee remuneration and also as part of direct taxation on households.

12. Statistical discrepancy. This arises from the fact that Gross Domestic Product is calculated in two independent ways (viz. income and expenditure methods) as already explained on pages v-vii. The two methods produce different estimates as can be seen from summing the income components in Table 1 (plus depreciation from Table 2) and the expenditure components in Table 5. The official level of GDP is taken to be the average of the two independent estimates and the statistical discrepancy is the amount by which each estimate has to be adjusted to bring it in line with the official estimate. In other words, it is calculated as the average less the sum of the relevant components or one half of the difference between the two independent estimates. If the income-based estimate is higher than the expenditure-based estimate, the discrepancy will have a negative sign in the income tables (Tables 1, 2 and 3, and also item 149 in Table 11, and items in Tables 11.1 and 12) and a positive sign in the expenditure table (Table 5), and vice versa.

13. **Net value added at factor cost.** This item is the total of items 1 to 12.
14. **Net factor income from the rest of the world.** This is taken from the current account of the Balance of Payments. It contains some revisions to the years prior to 2002, which have not been incorporated in the Balance of Payments publications, and the interest payments contained therein are adjusted for FISIM. The FISIM adjustments are incorporated in the imports and exports of services. See also notes on Table 30(a).
15. **Net national product at factor cost.** Total of items 13 and 14.
16. **National (i.e. non EU) taxes.** This covers all taxes on production except EU taxes on production as defined in item 39.
17. **National (i.e. non EU) subsidies.** This covers all subsidies on production except EU subsidies on production as defined in item 38.
18. **Net national income at market prices.** Total of items 15,16 and 17.

**Table 2 - Net Value Added at Factor Cost by Sector of Origin and
Gross National Income at Current Market Prices**

19. **Agriculture, forestry and fishing.** The total contribution of the agricultural sector to the national income equals the total of items 1, 2, 3 and 8. As indicated in the note to item 1, this total does not include the income of agriculturists from sources other than their agricultural activities and in the estimation the value of the change in livestock numbers together with the on-farm stocks of the principal crops is taken into account.
20. **Industry (including building).** This total represents remuneration of employees (including all elements of earnings, see items 9 and 10) and profits in the case of all concerns engaged in industrial production, and building and construction. Remuneration of construction workers employed by central and local government and communication and transport companies as well as the value added of activities of these concerns covered by the Census of Production are included here and not in items 21 and 22. The contribution to national income is divided into *remuneration of employees* and *other*. *Remuneration of employees* in this item and in items 21, 22 and 23 includes, in addition to all elements of earnings, employers' contribution to social insurance.
21. **Distribution, transport and communication.** This total represents earnings and profits arising from distribution, transport and communication activities, including subsidies paid to such concerns. Earnings of workers covered by the Census of Industrial Production, or engaged in building and construction are excluded here and included in item 20. Remuneration of employees is shown separately.
22. **Public administration and defence.** This item includes payments in cash and kind to employees of the central government and local government who are engaged in administrative or regulatory activities, including those in the administrative departments and offices of government, the army and Gardai and diplomatic and consular officials abroad. It does not include payments to employees of concerns covered by the Census of Industrial Production (included in item 20), and to employees engaged in activities, other than administrative, such as building and construction (included in item 20), forestry (included in item 19), and educational and health services (included in item 23).
23. **Other services (including rent).** The total of estimated earnings (cash and kind) and profits in the case of all professions, financial and insurance concerns, health services, personal services (private domestic service, hotels, restaurants, lodging and boarding houses, hairdressing, undertaking, etc.), entertainment and sport (including Radio Telefis Eireann), etc. as well as net rent (actual and imputed). Remuneration of employees is shown separately.
24. Identical with item 6, but showing separately the figures for the sectors industry and distribution.
26. Identical with item 12.
27. Identical with item 13.

28. **Provision for depreciation.** Separate estimates are shown for the main sectors. 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.

29. Item 27 plus item 28.

30. **Non product taxes.** These are taxes on production excluding taxes on products as defined in item 33. Rates on commercial property and motor vehicle duties paid by businesses are examples of non product taxes.

31. **Non product subsidies.** These are subsidies on production excluding subsidies on products as defined in item 34. Grants for employment creation are examples of non product subsidies.

32. Item 29 plus item 30 plus item 31.

33. **Product taxes.** These are taxes that are payable per unit of some good or service produced or transacted. Excise duties on drink and tobacco are examples of product taxes.

34. **Product subsidies.** These are subsidies that are payable per unit of good or service produced or imported. They mostly relate to agricultural subsidies such as aid to farmers in less favoured areas.

35. Item 32 plus item 33 less item 34.

36. Identical with item 14.

37. Item 35 plus item 36.

38. **EU subsidies.** These consist principally of all payments made under the Guarantee section of the European Guidance and Guarantee fund (E.A.G.G.F. or F.E.O.G.A.) and are gross of levies paid to the EU such as the Co-responsibility levy on milk, the Co-responsibility levy on cereals and the Super levy in the dairy sector. These tax elements form part of EU taxes.

39. **EU taxes.** This mainly consists of the annual Exchequer contribution to the EU Budget, but excludes the GNP based Fourth Own Resource contribution, which in ESA95 is treated as a 'Miscellaneous other current transfer' (D75). Refunds

40. Item 37 plus item 38 plus item 39.

**Table 3 - Gross Value Added at Factor Cost by Sector of Origin and
Gross National Income at Current Market Prices**

41. Item 19 plus item 28 (a).

42. Item 20 plus item 24(a) plus item 28 (b).

43. Item 21 plus item 24(b) plus item 28 (c).

44. Identical with item 22.

45. Item 23 plus item 28 (d).

47. Identical with item 12.

48. The total of items 41 to 47.

54. Item 51 plus item 52 less item 53. Identical with item 35.

- 55. Identical with item 14.
- 56. Item 54 plus item 55. Identical with item 37.
- 57. Identical with item 38.
- 58. Identical with item 39.
- 59. Identical with item 40.

Table 4 - Gross Domestic Product at Constant Factor Cost by Sector of Origin and Gross National Income at Constant Market Prices (chain linked to 2004)

The entries in this table have been obtained by expressing the items in Table 3 in prices of the previous year and then chain linking them. The methods used are referred to in Appendix 1. The Statistical discrepancy item 66 (a) arises from the fact that estimates of gross domestic product at constant market prices are calculated in two independent ways (viz. the output method and the expenditure method see pages v-vii). The two methods produce different estimates as can be seen from summing the output components in Table 4 and the expenditure components in Table 6 for the year 2004. The official level of GDP at constant prices is taken to be the average of the two independent estimates when calculated to base the previous year and the statistical discrepancy in item 66 (a) is the amount by which either estimate has to be adjusted to bring it in line with the official estimate. The statistical discrepancy is only shown for the years 2004 and 2005 as these are the only years when the sums of the components of either the output or expenditure methods are equal to the output or expenditure estimate of GDP. Irrespective of the official GDP being the average of two independent estimates additivity is lost for the individual estimates due to the chain linking process (see page xviii of the introductory text). Also the two independent estimates of GDP are not chain linked. The average of the two is calculated to base the previous year and it is this average which is chain linked to give the official level of GDP, referenced to year 2004.

Table 5 - Expenditure on Gross National Income at Current Market Prices

79. Personal consumption of goods and services at current market prices. The consumption of personal goods and services by Irish residents. Excludes the purchase of dwellings but includes the purchase of all durable (e.g. private motor cars, furniture, etc.) and non-durable (e.g. food, etc.) goods as well as gross rent (including the gross rental value of Local Government and owner-occupied dwellings) and services. In particular this item includes the consumption of a number of goods and services, which are paid for by the state. These form part of *state transfer payments*. For national accounts purposes it is considered that the state provides the money to the households and the household pays the concern providing the good or service. They thus form part of personal income and personal expenditure. Principal among these are:

- Higher Education Grants, Scholarships, etc.
- Secondary Education
- University Education
- Free travel, electricity, telephone rental, television and radio licenses
- Medical goods supplied to households by pharmacists
- Transport Services for school children
- The difference between the lower rent paid by local government tenants and the economic rent of these dwellings

Also included is an imputed rent for owner-occupied dwellings, which never actually takes place as a real transaction. Here an estimated rent is assigned to households, which own their dwellings. This is done to avoid changes in the level of owner-occupied versus rented dwellings affecting the level of GDP in national or international comparisons.

The allocation of the total between different categories of expenditure, given in Table 13 at current prices and in Table 14 at constant prices, is based on a direct estimate of the expenditure in these categories. These figures include expenditure in the State by tourists and other visitors and this is deducted in aggregate at the foot of the tables to obtain the total expenditure by Irish residents. Expenditure on

consumption goods by business concerns and their representatives is excluded. Taxes on income and wealth (including total contribution to social insurance) are also excluded.

In principle the life funds of assurance companies are regarded as part of the personal sector and the payments of life assurance premiums and the receipt of accrued benefits are treated as transfers within that sector. The effect of this is that the increase in the life funds of assurance companies forms part of personal savings.

80. The total of items 185 and 214 less items 163 and 201, plus estimated central and local government depreciation (excluding depreciation of local government dwellings). Identical with item 137. See also notes on Tables 19 to 28.

81. **Gross domestic fixed capital formation.** The total of items 151, 152 and 153.

82. **Value of physical changes in stocks.**

83. **Exports of goods and services.** Total current credit item with this heading in Table 30 (a).

84. **Imports of goods and services.** Total current debit item with this heading in Table 30 (a).

85. **Statistical discrepancy.** Equals items 12, but with sign reversed. See the notes for item 12.

86. **Gross domestic product at current market prices.** The total of items 79 to 85. Identical with item 54.

87. **Net factor income from the rest of the world.** Identical with item 14.

88. **Gross national product at current market prices.** Item 86 plus item 87. Identical with item 37.

Table 6 - Expenditure on Gross National Income at Constant Market Prices (chain linked to 2004)

92. **Personal consumption of goods and services at constant market prices.** The constituents of personal expenditure on consumers' goods and services were separately valued at previous year's prices and chain linked to reference year 2004.

93. **Net expenditure by central and local government on current goods and services at constant market prices.** In most cases, employees' remuneration was expressed at constant prices by applying an index of employment to the base year remuneration. Where reliable employment data were not available the implied index of rates of remuneration was used to deflate current values. Other expenditure was deflated partly by the consumer price index and partly by the wholesale price index.

94. **Gross domestic fixed capital formation at constant market prices.** The construction elements of item 81 were deflated using price indicators supplied by the Department of the Environment, Heritage and Local Government. The remaining constituents of item 81 were separately deflated by the most appropriate wholesale and import price index numbers.

95. **Changes in stocks at constant market prices.** Agricultural and intervention stocks were re-valued at individual commodity level to 2004 prices. Other non-agricultural stocks were deflated by the most appropriate price index numbers.

96. **Exports of goods and services at constant market prices.** Merchandise exports were deflated by the export price index (after taking account of the Balance of Payments adjustment) and receipts from services were deflated by the most appropriate price index in each case.

97. **Imports of goods and services at constant market prices.** Merchandise imports were deflated by the import price index and expenditures on services were deflated by the most appropriate price index in each case.

98. **Statistical Discrepancy.** Equals item 66, but with sign reversed. See the notes for Table 4.

99. **Gross domestic product at constant market prices.** The total of items 92 to 98.

100. **Net factor income from the rest of the world.** Identical with item 74. Item 87 when negative, is generally deflated by the implied price index for exports of goods and non-factor services. The rationale is that the deficit net-factor income flow must be financed by increased exports. See Appendix 1. Since 1999 exceptional adjustments for Balance of Payments purposes have been separately deflated.

101. **Gross national product at constant market prices.** Item 99 plus item 100.

Table 7 - Gross National Disposable Income and its use

105. Identical with item 35.

106. Identical with item 14.

107. Identical with item 37.

108. Identical with item 38.

109. Identical with item 39.

110. Identical with item 40.

111. **Net current transfers from the rest of the world.** Receipts less payments to the rest of the world which are not in exchange for a specified amount of goods or services. Includes, in particular, emigrants' remittances, social welfare transactions, contributions by the central and local government to international organisations and net current transfers from the European Union. In Table 30 (a) the net amount is shown as item 4.

112. Item 110 plus item 111, represents the income of the nation from all sources after allowance for transfers received and paid.

113. Identical with item 79.

114. Identical with item 80.

115. Item 113 plus item 114.

116. Item 112 less item 115.

117. Identical with item 28.

118. Item 116 less item 117. Identical with item 145.

Table 8 - Gross National Disposable Income at Constant Market Prices (chain linked to 2004) Adjusted for Terms of Trade (i.e. Real Gross National Disposable Income)

This table provides a measurement of real income available for consumption or saving incorporating the conventional adjustment for terms of trade. This adjustment was obtained as the difference between the figure obtained by deflating to prices of the previous year, the current value of exports of goods and services by an index of import prices and the value of exports of goods and services as normally deflated to previous year's prices. In years in which there is an improvement in the terms of trade (i.e. where export prices rise faster than or fall more slowly than import prices), the adjustment is positive so that the increase in the availability of goods and services to the community is larger than the change in gross national product at previous year's prices without taking account of the terms of trade

Following the convention used for deflation of net factor income from abroad the implied price index of the exports of goods and services is used to deflate net current international transfers when they are negative and the import index is used when they are positive.

Table 9 - Personal Income and Personal Expenditure

119. Item 15 less item 6.

120. Government trading and investment income. Consists of the profit income accruing to the central government and local government in their entrepreneurial capacity. The constituents are (a) the interest element in land annuities received (b) interest and dividends on State investments (such as holdings of foreign securities, loans and equity investments in state owned companies etc.) (c) Central Bank payments to the Exchequer (d) gross trading income of the Post Office Savings Bank (e) interest on loans under the Housing Acts (f) surplus of National Lottery and (g) imputed net rental income of local government. Item derived as the total of item 169, the second and the third parts of item 170, items 198 and 200 less provision for depreciation in respect of local government housing.

121. The total of items 182 plus 183 and the second part of item 211.

122. The total of items 184, 212 and 111 (excluding EU subsidies and taxes) less item 172.

123. Private income. This represents the total available to all except the central and local government sector for current expenditure, savings and taxation.

124. Undistributed profits of companies. Conceptually, that portion of company income (profits plus investment income) before tax which is not distributed in the form of dividends or interest. In the case of enterprises owned by non residents the entire income after tax is regarded as having been distributed and this item reduces to the tax element. In the case of foreign investments owned by Irish residents the entire income after foreign tax (which has been included in item 119) is included in item 124. *Companies* include certain corporate bodies other than public and private companies. Operationally this is a residual item computed indirectly as the difference between large aggregates. As such, it can be disproportionately affected by small errors in the underlying items and should therefore be treated with caution. It is also estimated to some extent simultaneously with the estimates of personal savings (item 129). Results from recent work on the development of institutional sectoral accounts have been taken into account in compiling the estimate and have improved the quality of this item.

125. Personal income. Differs from item 123 by the exclusion of the undistributed profits of companies.

126. Identical with item 79.

127. Taxes on personal income and wealth. This item is the difference between the total taxes on income and wealth (including contributions to social insurance) and the payments of direct tax on undistributed profits of domestic companies and on profits of foreign concerns arising from their activity within the State. Since 1987 this item includes Deposit Interest Retention Tax (DIRT). Some relatively small proportion of this tax is in fact paid by Companies and is not therefore appropriate to this heading. No adjustment has been made for this as firm information is not available on the proportion involved.

128. The total of items 126 and 127.

129. Personal savings. That portion of personal income that is not expended on current goods and services or on payment of taxes on income and wealth. Hence it equals item 125 less item 128. Item 125 is calculated as a residual (i.e. item 123 minus item 124) and as a cautionary warning has been given above on item 124 it follows that item 129 is vulnerable to small errors in the underlying aggregates. Results obtained from ongoing work on the development of institutional sectoral accounts have recently been taken into account in its calculation and have improved the quality of the estimate.

Table 10 - Net Current Income and Expenditure of Central and Local Government

(See also notes on Tables 19 to 28).

Item 135 (and thus items 138 and 139) of this table had previously been affected by the timing of EU Intervention Agency subsidies. Mismatches in timing between the incurring of losses by the Intervention Agency and the recoupment of these losses from the EU was overcome by the inclusion in item 135 of an imputed (positive or negative as appropriate) subsidy by the Irish Government to cover these losses. This was previously included as a component of the item *Expenses of market intervention less recoupment from EU* in Table 23. The change to an accruals basis for the recording of EU transfers (reflected in the change to the level of *EU subsidies* item in Table 23) has eliminated the need for this imputation.

130. The total of items 166 and 168. Further detail is provided in Table 22.

131. The total of items 167 and 197. Details of individual taxes given in Table 22.

132. Identical with item 120. The total of item 169, the second and third parts of item 170, items 198 and 200 less provision for depreciation in respect of local government housing.

133. Identical with item 172.

134. The total of items 130 to 133.

135. The total of items 181 and 210. Further detail given in Table 23.

136. The total of items 121, 184 and 212.

137. The total of items 185 and 214 less items 173 and 201, plus estimated central and local government' depreciation (excluding depreciation of local government dwellings).

138. The total of items 135 to 137.

139. Item 134 less item 138.

Table 11 - Savings and Capital Formation

140. **Personal.** Identical with item 129.

141. **Companies.** Equals item 124 less corporation tax, fees under the Petroleum and Minerals Development Acts and levies under the Finance Acts (i.e. company profits taxes in Table 22). These taxes are included on a cash receipts basis. To the extent that cash receipts in the year overstate/understate the tax liability of the companies, the balance remains attributed to company savings.

142. **Central and local government.** Identical with item 139. The year to year change in this aggregate can be distorted by delays in payment of EU FEOGA subsidies (see note to Table 10).

143. **Net national savings before adjustment for stock appreciation.** The total of items 140, 141 and 142.

144. Identical with item 156.

145. **Net national savings.** The total amount available from domestic sources for net investment. Equals item 143 adjusted for item 144. Identical with item 118.

146. Identical with item 28.

147. **Net foreign receipts of transfers for capital purposes.** These include capital receipts from the EU as well as the net sale of non produced intangible assets. In Table 30 (b) this item is shown as "Balance on Capital Account".

148. **Net foreign disinvestment.** Net debit balance on current account of the Balance of International Payments Statement, item 5 in Table 30(a) plus capital transfers (i.e. Balance on Capital Account Table 30(b)). It includes some revisions for years prior to 2002, which have not been, included in the Balance of payments publications themselves. It equals the total of items 83, 84, 87, 108, 109, 111 and 147 with the signs changed.

149. **Statistical discrepancy.** Identical with item 12.

150. **Gross total available for investment in domestic physical capital formation.** The total of items 145-149.

151. **Building and Construction.** Includes all new building and major reconstruction of existing buildings as well as all construction work such as roads, harbours, airports, electricity generating stations, drainage and reclamation of agricultural land, bog development, forestry development, etc.

152. Other home produced capital goods. Includes transport equipment (aircraft, ships, rail vehicles and road vehicles other than those bought for personal use), agricultural machinery and other machinery and equipment including tools, containers and other durable goods for industrial, agricultural, commercial and professional use. Durable goods for personal and household use are excluded. Data are largely estimated from the CSO's PRODCOM Enquiry after deductions are made in respect of exports (including re-exports) and distribution margins are added.

153. Imported capital goods. Covers the same goods as item 152, data being obtained from detailed import returns and additions made in respect of distribution margins.

154. Value of changes in agricultural stocks and work in progress. Includes the increase in the value of (i) stocks of raw materials and finished goods held by industry (ii) distribution stocks including intervention stocks and (iii) work in progress in industry. The total change in the value of stocks during any year can be considered in two parts; (a) that due to price changes and (b) that due to volume changes. Item 155 includes both elements of change.

156. Adjustment for stock appreciation. This item represents that portion of the change in the value of non-agricultural stocks during each year attributable to price changes alone. This is deducted from the sum of items 154 and 155 to give the value of physical changes in stocks shown as item 82.

157. Gross domestic physical capital formation. The total of items 151 to 156 and equals the gross total savings available for investment in capital formation (item 150).

Table 12 - Distribution of Personal Income and its relationship to Net National Product at Factor Cost

This Table is a re-allocation of items comprising personal income and private income as given in Table 9.

Table 13 - Consumption of Personal Income at Current Market Prices

(See the special note on item 79 in Table 5 for background information on the scope of personal consumption.)

[Note that in NIE publications prior to NIE 2002, all food, including the food element of meals out was included under the category "Food". From NIE 2002 onwards the entire value of meals out (excluding the drinks element) is included with services under "miscellaneous goods and services"].

This Table provides a breakdown of personal consumption of different categories of goods and services.

A variety of methods are used to compile the estimates. Administrative sources provide information for some commodities, but consumption estimates for the majority of goods are estimated using a commodity flow approach. The total supply of individual commodities is derived by adding home production to imports and subtracting off any exports. Personal consumption is estimated by deducting the purchases of businesses and central and local government from the available supply.

For some well-defined products including certain foodstuffs the commodity flow exercise provides reliable estimates of the quantities of produce consumed. Personal consumption of these items is calculated by valuing the quantities at national average retail prices. For other goods the commodity flow calculations are done directly in value terms. The resulting estimates valued at producer and import prices are marked up to incorporate trade margins and taxes.

A variety of methods are used for estimating personal consumption of services, the most important sources being household budget surveys and direct inquiries.

In NIE 2004 the methods of estimating and allocating FISIM (financial intermediation services indirectly measured) were changed. FISIM represents the margin which banks withhold for themselves in paying interest on deposits or charging interest on loans. In the case of deposits 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 it is

calculated as the difference between the reference rate and the average loan rate, multiplied by the stock of loans held by households. For further details see the section on *Profits of businesses* in Appendix 1.

Consumption of all items is valued at retail prices, except for own consumption of home grown produce, which is valued at farm gate prices.

158. Identical with item 79.

159. Identical with item 127.

160. **Total personal consumption.** Equals the total of items 158 and 159.

Table 14 - Consumption of Personal Income at Constant Market Prices (chain linked to 2004)

(See the special note on item 79 in Table 5 for background information on the scope of personal consumption.)

The entries in this table have been obtained by valuing, at previous year's prices, each of the constituents of personal consumption in Table 13 to obtain an annual volume change. The volume changes are chain linked to 2004. When consumption quantities are not directly available expenditures at previous year's prices are estimated by deflating current value amounts by appropriate price indices.

161. **Total personal consumption (except taxes on income and wealth) at constant market prices.** Identical with item 92. This represents the total consumption, included in item 79, valued in constant prices and thus gives a measure of the changes in the volume of consumption.

Table 15 - Gross Domestic Physical Capital Formation at Current Market Prices

In this table the main constituents of item 151 and of the total of items 152 and 153 are shown separately. The figure for **dwellings** includes the total value of new building (excluding site costs), reconstruction and conversion, and is based mainly on data relating to numbers of dwellings built, estimates of capital repairs and extensions to dwellings from an ESRI survey, together with information on work done by local government. For **roads** the expenditure included relates to improvement and new construction only, repair and maintenance work being excluded. The **other building and construction** category includes the full cost of work done on land reclamation. **Transport equipment** covers aircraft, ships and boats, rail vehicles and road vehicles for business use (including the proportion of private cars estimated to be purchased for business use). **Other machinery and equipment** includes tools and durable containers as well as all industrial machinery.

162. Identical with item 157.

Table 17 - Gross Domestic Physical Capital Formation at Constant Market Prices (chain linked to 2004)

164. **Total gross domestic physical capital formation at constant prices.** With the exception of construction works, the constituents of Table 15 are separately deflated to previous year's prices using the appropriate wholesale and import price index number in each case. Annual volume changes are derived in this way and these volume changes are chain linked to the 2004 figures. Construction works are valued at previous year's prices using price deflators provided by the Department of Environment, Heritage and Local Government.

Tables 16 and 18 - Gross Fixed Capital Formation by Sector of Use at Current and Constant Market Prices

In these tables, Gross Fixed Capital Formation is broken down over the various sectors of use. The majority of the sectoral headings are self-explanatory and are as defined in the European System of Accounts. Market services include all recovery, repair and trade services, the services of transport and communication, credit and insurance institutions and all business, recreational, cultural and other personal

services. Non-market services on the other hand covers general government and local government services such as health, education and other public services.

Deflation to constant prices is consistent with the estimates in Table 17 and is done within the various sectors at product level.

163. Identical with item 81.

165. Identical with item 94.

**Table 19 - Receipts and Expenditure of Central Government
(including extra-budgetary funds)**

166. Income tax (including sur-tax), corporation profits tax, corporation tax, portion of motor vehicles duties, etc. paid by households, wealth tax and fees under the Petroleum and other Mineral Development Acts.

167. Customs duties, excise duties, value added taxes, stamp duties (including fee stamps), portion of motor vehicle duties paid by businesses, agricultural levies, etc., broadcasting licence fees, fees and licences paid to the government under various acts, levies and tolls paid into extra-budgetary funds. Details are given in Table 22. Under ESA95 accounting conventions, fees and licences paid by businesses are now treated as payments for services. In the past these were treated as taxes on production.

Receipts during 1993 and 1994 under the 1993 tax amnesties amounted to €309 million. About €15 million of this amount was collected in 1993 and the remainder in 1994. As these receipts comprised mainly income tax and, thus, did not directly affect the level of GNP, no retrospective adjustments have been made to the data for 1993 or earlier years in respect of these amnesties.

168. The contributions under the Social Insurance Acts.

169. The excess of interest received over interest credited to depositors in the Post Office Savings Bank Fund less management expenses.

170. The amount shown under land annuities is the total of interest receipts including that part paid by the Exchequer under the Land Acts. Receipts of interest from other Irish sources comprise mainly interest receipts from investment in public corporations and payments by the Central Bank to the Exchequer.

171. Transfers from local government comprise mainly contributions under the Unemployment Assistance Act, 1933 and recoupments to central government departments in respect of services rendered.

172. That part of item 111 received by central government (not elsewhere included). Includes mainly receipts under the European Social Fund.

173. Appropriations-in-aid and extra receipts payable to the Exchequer which have not been included elsewhere together with certain miscellaneous receipts in extra-budgetary funds.

174. Total of items 166 to 173.

175. Estate, etc., duties, capital acquisition and capital gain taxes.

176. Repayments from local government comprise payments to the Local Loans Fund. Other loans repaid consist mainly of loans repaid by public corporations and loan repayments under the European Communities Act, 1972.

177. Includes mainly payments under the European Regional Development Fund and receipts from the Guidance Section of the European Agricultural Guidance and Guarantee Fund (FEOGA).

178. Money raised by creation of public debt less issues for redemption of public debt as shown in Finance Accounts together with net sales of securities, changes in balances, etc. of extra-budgetary funds and the Exchequer. Issues of National Loan bonds are treated gross except for issues under sale and repurchase agreements. Large increase in activity in 1996 followed the introduction of Primary Dealing at the end of 1995.

179. Total of items 175 to 178.

180. Total of items 174 and 179.

181. Unrequited payments which can be regarded as paid into the current account of enterprises for the purpose of reducing prices and/or ensuring that factors of production receive an adequate income. The separate items are shown in Table 23.

182. Interest paid on government borrowing. In line with ESA95 accounting conventions, all interest is recorded on an accruals basis. All internal payments between extra-budgetary funds have been eliminated and the total also excludes the liability under the Land Acts and the liability under the Housing Acts (which are treated as national debt interest in the Finance Accounts). The amount of interest payments to non-residents is included in item 2 of the Balance of International Payments Table 30a.

183. Interest paid on land bonds.

184. Unrequited payments into the current account of households and private non-profit making institutions. The separate items are shown in Table 24. From 1988, this item includes the GNP related contribution to the EU budget. Includes also, as a negative expenditure, the receipts of imputed pension contributions from Government employees (see Item 185 below).

185. Expenditure on wages, salaries, pensions, goods, services, materials, Most public sector workers benefit from unfunded pension schemes. In line with international accounting conventions, the wages of these workers are increased by an estimate of the amount that the employer would have to contribute if these pensions were actually being funded. This is calculated as the actuarial value of the pension entitlements accrued by employees in respect of their year's work less any pension contributions actually paid by these employees.

The public sector in Ireland is relatively young and the value of pension contributions thus calculated exceeds the value of pensions actually paid, by the Government, to retired employees. To balance the accounts, this excess is routed back to Government and treated as pension contributions paid by employees towards their future pension entitlements. In Table 19, this amount is actually shown as a negative expenditure in item 184 -Transfer payments.

186 Transfers to local government which will be used for current expenditure.

187 Total of items 181 to 186.

188. Unrequited payments regarded as being paid into the capital accounts of enterprises which will result in expenditure on capital formation. Details are given in Table 23.

189. Unrequited payments regarded as being paid into the capital accounts of persons and private non-profit making institutions. Details are given in Table 24.

190. Monies applied to the redemption of debt through sinking funds, etc. together with repayment of National loans. Excludes the cancellation of bonds created under sale and repurchase agreements, which are treated net. Large increase in activity in 1996 followed the introduction of Primary Dealing at the end of 1995.

191. Loans made to local government from the Local Loans Fund. The other loans are mainly loans to public corporations and loans under the European Communities Act, 1972.

192. Direct expenditure on capital formation by the central government. Under ESA95 accounting rules, expenditures on military structures and equipment that can be used for civilian purposes are treated as capital formation. These were previously treated as current expenditures and included in Item 185 "Expenditure on goods and services". Details are given in Table 25.

193. Transfers to local government, which will be used for capital expenditure.

194. Payments under Bretton Woods Agreement Acts, International Development Association Act, 1960 and European Communities Act, 1972.

195. Total of items 188 to 194.

196. Total of items 187 and 195.

**Table 20 - Receipts and Expenditure of Local Government
(includes Health Boards, Vocational Education Committees)**

197. Receipts from rates as shown in the Local Taxation Returns together with rates in respect of government property.

198. Total rents received, including imputed housing subsidy, less expenditure on maintenance and repair and other expenditure in the housing accounts in the Local Taxation Returns.

199. Identical with item 186.

200. Interest on loans under the Housing Acts.

201. Trading receipts and miscellaneous receipts for services rendered by local government.

202. Total of items 197 to 201.

203. Identical with item 193.

204. Repayments of principal on loans under the Housing Acts.

205. Miscellaneous receipts of a capital nature.

206. Identical with the first part of item 191.

207. This is a balancing item.

208. Total of items 203 to 207.

209. Total of items 202 and 208.

210. Subsidies refer to repayments to the agricultural sector by the County Committees of Agriculture.

211. Interest on monies borrowed by local government.

212. Unrequited payments to persons, including payments in kind. Details are given in Table 24. In the case of Local Government housing 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. Includes also, as a negative expenditure, imputed pension contributions by workers towards their future pension entitlements.

213. Identical with item 171.

214. Expenditure on wages, salaries, goods, services and materials. As explained in the note to item 185, the wages of workers benefiting from unfunded pension schemes are increased by an estimate of the amount that the employer would have to contribute if these pensions were actually being funded. This is calculated as the actuarial value of the pension entitlements accrued by employees in respect of their year's work less any pension contributions actually paid by these employees. To balance the accounts, when the pension contributions thus imputed exceed the pensions actually paid to retired employees, the balance must be routed back to Government and treated as pension contributions paid by employees towards their future pension entitlements. In Table 20, this amount is actually shown as a negative expenditure in item 212 – "Transfer payments"

215. Total of items 210 to 214.

216. Grants for local improvement schemes and grants by the County Committees of Agriculture.

217. Supplementary grants to persons under the Housing Acts.

218. Loans repaid to central government. Identical with the first part of item 176.

219. Loans made to persons under the Housing Acts.

220. Direct expenditure on capital formation by local government on houses, hospitals, roads, harbours, water supplies, etc. Details are given in Table 25.

221. Total of items 216 to 220.

222. Total of items 215 and 221.

Table 21 - Receipts and Expenditure of Central and Local Government

This table summarises the consolidated accounts of central government and local government. Individual items are obtained by adding corresponding entries in Tables 19 and 20, omitting those entries, which refer to internal transactions of the central and local government sector.

The items in Table 10 are related to those in Table 21 as follows: Items 130, 131, 133 and 135 correspond with individual entries in Table 21.

Item 132 is equal to the sum of gross trading income, gross rental income and investment income as given in Table 21 less provision for depreciation in relation to the rental income of local government.

Item 136 is equal to the sum of National debt interest and transfer payments in Table 21.

Item 137 is equal to current expenditure on goods and services less miscellaneous receipts (both as in Table 21) plus an estimated provision for depreciation of central and local government' fixed assets, other than local government dwellings.

Tables 22 to 28

Tables 22 to 25 give details of the constituents of certain items in Tables 19 to 21.

Tables 26 to 28 show the expenditure included in Tables 19 to 21 classified by purpose of expenditure and by economic category. These tables continue the series originally published in the June, 1969 and March, 1970 issues of the "Irish Statistical Bulletin".

Definitions of the various purpose categories of the expenditure are as follows:

1. **Defence:** Administration and upkeep of the defence forces including expenditure on barracks, military equipment and on civil defence. All such expenditure is treated as current.
2. **Other general government services:** General services of government relating to finance, the legislature, the judiciary, public order and safety and foreign affairs. Includes other general services not specifically allocated to one purpose.
3. **Education:** Administration of education departments. Provision, management, inspection and support of primary, secondary and vocational schools, university type institutions and schools for the handicapped, including reformatory and industrial schools. Included are scholarships, loans and grants to persons and institutions for educational purposes; subsidiary services such as school meals and transportation. School medical and dental services are included under Health.
4. **Health:** Administration of health departments, national health schemes and medical insurance schemes, together with expenditure on these schemes. Expenditure on hospitals, clinics and similar institutions including homes for the aged, blind, disabled, etc. Individual services such as medical, dental and maternity care, provision of drugs and medical appliances, immunisation and vaccination programmes and similar field programmes. School health and dental services are included.
5. **Social security and welfare:** Administration of funds for unemployment assistance and benefit, old age, blind and widows' and orphans' pensions, children's allowances, accident, injury, sickness, redundancy and other benefits to compensate for loss of income, together with payments from the relevant funds or other sources. Included are such items as allowances to disabled person (Department of Health and Children vote) and special allowances under the Army Pension Acts (Army Pensions vote).

6. **Housing:** Expenditure in relation to provision of housing, including subsidies and grants in connection with construction or reconstruction of houses. Includes estimate of administration expenses in relation to the above.

7. **Other community and social services:** Administration, provision and upkeep of all other community services. Grants and support to bodies providing these services. Included are town and country planning, sanitary services, recreational and cultural facilities such as parks, libraries, museums, etc. Expenditure on support of the arts, theatres, religious groups, youth and civic organisations as well as on the promotion of the Irish language are classified here.

8. **Agriculture, forestry and fishing:** Administration of departments and other bodies dealing with agriculture, forestry and fishing. Includes outlays on advisory services, veterinary services, land reclamation, arterial drainage, reforestation, grants, subsidies and agricultural price support schemes. Central government expenditure includes also payment to local government in relief of rates on agricultural land.

9. **Mining, manufacturing and construction:** Administration of promotion, regulations, research, grants, subsidies and other assistance in relation to the development of industry, together with the corresponding outlays on these services.

10. **Transport and communication:** Administration of promotion, regulations, research, grants, subsidies and other assistance in relation to transport and communication, together with the corresponding outlays on these services.

11. **Other economic services:** Provision, administration and upkeep of all other economic services, such as those relating to labour, commerce, electricity, gas and water, meteorology, ordnance survey, etc., together with the central administration of the relevant Departments.

12. **Public debt:** Includes payment of public debt interest and principal both to residents and non-residents. Local government' loan repayments to central government are included here in the local government tables.

13. **Unallocated by function:** Certain grants payable by Central Government to Local Governments are multi-purpose grants and cannot be assigned to specific functions. These include road vehicle taxes. Since 1997, Local Governments are allowed to retain the amounts of motor tax collected to finance their activities. However, in the national accounts these taxes are still treated as accruing to Central Government and are then assigned to Local Governments as grants in aid. This category also includes block grants payable to Local Governments via the Local Government Fund.

Table 29 - Social Protection Accounts

This Table shows the current receipts and expenditure of the nation on social protection together with a functional classification of the benefits arising from this expenditure. Social protection in this context is taken to include social security in its broadest sense and covers such functions as sickness and invalidity, occupational accidents and diseases, old age, family, vocational guidance, unemployment and housing.

In principle the social protection accounts should bring together under the appropriate headings receipts and expenditure of all public and privately financed schemes considered to provide social benefits. In practice, it has not been possible to compile comprehensive information for Ireland in two important areas viz.:

- (1) Privately funded pension schemes and
- (2) Wages and salaries paid by employers when employees are absent due to sickness.

This must be borne in mind in any comparisons with data for other countries.

Social protection benefits for the **functional** category 'Placement, vocational guidance, settlement' now exclude payments linked to direct job creation in keeping with the principles of ESA95.

The detailed definitions of the categories in the European Social Protection Accounts are contained in "European System of Integrated Social Protection Statistics (ESSPROS) Methodology, Part 1, Eurostat 1981". The following is a summary of the terminology and sources used in the compilation.

Definitions:

Social expenditure:

Any expenditure involved in meeting expenses incurred by households as a result of the materialisation or existence of certain risks or needs, insofar as this expenditure gives rise to the intervention of a *third party*, namely a unit other than the households themselves - a public or private administration or undertaking - without there being any simultaneous equivalent counter-contribution by the beneficiary.

Social protection benefits:

These refer to that part of social expenditure, which is distributed to households in the form of personal allocations.

They may be granted to households either by social institution or directly by the employers and may be provided in cash or in kind.

Administrative expenditure related to benefits:-

administration costs (compensation of employees of the institutions and agencies concerned, purchases of goods and services).

Other current expenditure.

Functions of social benefits:

The list of functions corresponds to the risks or needs taken into consideration. The functions generally relate to the circumstances (unemployment, maternity, etc.) of the beneficiaries.

Sources of the data:

In principle, social expenditure is financed by social contributions from employers, protected persons, general government and other receipts. However, the omission of important private sources mentioned above should be noted.

The coverage of the data comprises: Central Government/Local Government wages and salaries paid during illness; compensation for criminal injuries paid by the Department of Justice, Equality and Law Reform; free travel, electricity and T.V licences provided to certain army veterans by the Department of Defence; Central Government/Local Government housing subsidies; Central Government/Local Government superannuation of employees; Central Government promotion of employment programmes; children's allowances paid to civil servants; Local Government' social assistance; the Department of Labour Redundancy Fund; Redundancy payments by Enterprises; superannuation payments by enterprises; expenditure on the health services by the Department of Health and Children and the Voluntary Health Insurance Board. Also included is expenditure by the Department of Social and Family Affairs under such headings as Free Travel, Free Electricity, Free T.V. Licences, Free Telephone Rental Scheme and Free Bottled Gas for the Elderly, Old-age and Blind Pensions (Non-contributory), Children's allowances, Unemployment Assistance and Other Social Assistance, in addition to certain Social Welfare funds, namely, the Social Insurance Fund, the Supplementary Unemployment Fund and the Occupational Injuries Fund.

The sources, used to compile the necessary data are, in the case of schemes having a Central Government component, the annual Appropriation Accounts as well as special returns from Government departments. Annual Reports and Accounts of Government departments and agencies are also used. CSO enterprise surveys such as the Census of Industrial Production provide some data on the private sector involvement in social protection schemes.

Relationship with the National Accounts:

Data presented in the Social Accounts appear under the number of different flows in the National Accounts. In the transfers and final expenditure. In the Social Accounts the various expenditure are re-classified to their appropriate function. As far as General Government is concerned this can be illustrated

by reference to Tables 19 et seq. For example, wages and salaries paid during illness as well as superannuation of employees form part of items 185 and 214 both of which items contain a sub-heading for expenditure on wages, salaries and pensions. Promotion of employment programmes data fall under the headings Subsidies (item 181), Transfer payments (item 184), Expenditure on other goods and services (item 185) and Grants to local government (item 186). Housing transfer payments, which are mainly Local Government Transfer payments (item 212) are included in Table 24. Health expenditure is recorded partly as Transfer payments (item 212) and partly as Expenditure on goods and services (item 214). The remaining items are coded as transfers and are set out in Table 24. They comprise old age (non-contributory) pensions, Children's allowances, Unemployment assistance, Widows' and orphans' (non-contributory) pensions, Free travel, electricity, telephone rental, televisions and radio licences for old age pensioners, etc., Redundancy payments, Occupational injuries benefit, Supplementary welfare allowance (part of Local Government Social Assistance), together with payments from the Social Insurance Fund covering Disability benefit, Retirement pensions, Old age (contributory) pensions, Widows' (contributory) pensions, Invalidity pensions, Treatment benefit, Pay-related benefit and Other social insurance.

Also in Table 24 are listed the principal health transfer payments viz. Rehabilitation, etc. of disabled persons, Section 65 of the Health Act, 1953, Payments for medical goods supplied to households by pharmacists, Domiciliary care for handicapped children and Subsidies for drug purchases. Transfers not separately listed are included in *Other social payments*.

It may be noted that item 168, Social insurance contributions consists of contributions paid by employers and protected person to the Social Insurance Fund, the Occupational Injuries Fund, the Redundancy Fund and towards the operation of the Health Services.

Tables 30 (a) and (b) - Balance of International Payments

Tables 30a and 30b give the Balance of International Payments (BOP) estimates. Retrospective estimates of the main balance of payments flows for the current account for the years 2000-2005 are included in Table 30(a). Consequently the figures in this table differ from the Balance of Payments publications which do not incorporate revisions for more than two years retrospectively.

A new treatment of FISIM (Financial Intermediation Services Indirectly Measured - see Appendix 1 page 38) was introduced in NIE 2004 and this results in a presentational difference between the figures published in the BOP publications and the figures in Table 30(a) of the NIE publication. This arises because the nominal interest flows in the BOP are not adjusted for FISIM. In the national accounts the FISIM element of the relevant nominal interest flows is included as an import or export of services, and only the pure (i.e. FISIM-free) elements are recorded in the net factor incomes item. The combination of the national accounts items net exports of services (including FISIM) and net factor income from abroad (excluding FISIM) does however equal the BOP combination of net exports of services and net income. It is not possible to give comparable estimates for the components of the financial account (i.e. Table 30(b)) for years earlier than 1998 as a new series was introduced in respect of that year onwards incorporating the activities of the IFSC.

Full definitions of the component items of the Balance of Payments are provided in the Quarterly Balance of Payments release and in the Statistical Bulletin. Summary descriptions are provided hereunder.

Table 30(a) – Current Account

Item 1. Merchandise exports and imports are valued f.o.b. (*free on board*) for BOP purposes (imports are valued c.i.f. [*cost, insurance and freight*] in the official external trade statistics and this valuation was formerly used in the BOP). Some adjustments are also made to the official merchandise trade statistics to conform to the BOP change of ownership and market valuation principles. In addition, certain exports sales of software licences, which were formerly included in merchandise exports, are now recorded as service exports.

Services covers transport, tourism and travel, communications, insurance services, financial services, computer services, royalties and licences, business services and other services not elsewhere specified. Because of the presentation of merchandise imports on a f.o.b. basis (rather than c.i.f. as before), the freight element of the c.i.f. to f.o.b. adjustment is now included in transport services.

Item 2. Income covers (a) compensation of employees, which relates to the earnings of persons working outside their country of residence for less than one year and earnings of local staff working in embassies and consulates, and (b) investment income, which covers earnings arising from foreign investors' investments in Ireland and Irish investors' investment abroad. Investment income excludes realised and unrealised capital and exchange gains or losses.

Item 3. Subsidies less Taxes These relate to EU subsidies and taxes.

Item 4. Current transfers cover unrequited receipts and payments such as payments under Third World aid programmes operated by non-governmental organisations.

Item 5. Current account balance is the total of all current account credits less the total of all current account debits.

Table 30(b) – Capital and Financial Account

Item 6. Balance on Capital account. The capital account largely covers capital transfers, in particular amounts receivable under the EU Regional Development Fund and the Cohesion Fund and all other transfers intended for capital purposes. Estimates of migrants' transfers (i.e. the transfer of the net worth of immigrants and emigrants) are included but they are not well based. In addition, acquisitions and disposals of non-produced, non-financial assets (patents, copyrights, etc.) are also covered here. These transactions tend to occur infrequently but the amounts can vary substantially. Because of certain data limitations only the net flows are shown.

Financial account. The financial account covers transactions in foreign financial assets (i.e. claims on non-residents) and foreign liabilities (i.e. obligations to non-residents). The four categories of functional investment, which are distinguished (i.e. direct investment, portfolio investment, other investment and reserve assets), are based primarily on the relationship between the parties and secondly on the nature of the instrument involved.

Item 7. Direct investment is a category of international investment that, based on an equity ownership of at least 10%, reflects a lasting interest by a resident in one economy (the direct investor) in an enterprise resident in another economy (the direct investment enterprise). Using this criterion, a direct investment relationship can exist between a number of affiliated enterprises whether the linkage involves a single chain or a number of chains. It can extend to a direct investment enterprise's subsidiaries, sub-subsidiaries and associates. Once the direct investment relationship is established, all subsequent financial flows between the related entities are recorded as direct investment transactions, regardless of the type of financial instrument used in the financing arrangement (except for financial intermediary affiliates among which direct investment transactions are limited to those involving equity and permanent debt).

Item 8. Portfolio investment covers the acquisition and disposal of equity and debt securities, which cannot be classified under, direct investment or reserve assets transactions. The securities involved are traded (or tradable) in organised and other financial markets. *Debt securities* cover *bonds and notes*, which have an original maturity term of more than one year and *money market instruments* with original maturity of one year or less. Transactions are valued at market value inclusive of accrued income.

Item 9. Other investment covers assets and liabilities other than those classifiable to direct investment, portfolio investment or reserve assets. It comprises loans, currency and deposits, short and long-term trade credits, financial derivatives and other accounts receivable and payable. Derivatives cover over-the-counter (OTC) and exchange-traded contracts and include options, futures, swaps, forwards, etc. For BOP purposes, all receipts and payments connected to financial derivative contracts (other than the values of transactions in the underlying commodities or financial instruments) are recorded in the financial account i.e. there are no entries in the current account other than related fees and service charges (not always identifiable). In principle, other investment transactions are valued at market valuation inclusive of accrued income. For loans, book values are accepted as a proxy for market values.

Item 10. Reserve assets at national level in the context of EMU have been defined by the European Central Bank from 1 January 1999, the date of introduction of the euro currency, as: (a) qualifying assets which are under the effective control of the national monetary authority (i.e. the Central Bank of Ireland),

and (b) consisting of highly liquid, marketable and credit-worthy foreign (non-euro) currency denominated claims on non euro-area residents together with gold, special drawing rights (SDRs) and the reserve position in the IMF. Up to 31 December 1998, together with gold, SDRs and the reserve position in the IMF, the definition covered all foreign currency (non Irish Pound) denominated claims on non-residents of Ireland. Therefore, all claims on euro-area residents as well as euro-denominated claims on non euro-area residents, which prior to 1999 would have been classified as reserve assets, are from 1999 onwards classified to *portfolio investment* or *other investment* as appropriate.

Item 11. Balance on Financial Accounts is the total of all financial account credits less the total of all financial account debits.

Item 12. Net errors and omissions. The sum of the credit entries should, in principle, equal the sum of the debit entries over all three accounts. In practice, because of differences in coverage, valuation and timing this does not occur and a balancing item, *net errors and omissions* is inserted to balance the overall account.

Table 31- Summary Sectoral Financial Balance Sheets

Table 31 gives summary financial balance sheets (financial assets and liabilities) for the main institutional sectors of the economy. The figures relate to the end of year positions.

The classification systems for sectors and financial instruments are those of the European System of Accounts 1995 (ESA95).

The **institutional sectors and sub-sectors** distinguished 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. 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 financial claims (assets) of non-residents on Irish residents and the liabilities of non-residents to Irish 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. The figures therefore also correspond to those in the CSO's annual 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 versa¹. Because of differences in instrument classifications and in some valuations, the relationships with individual items in the 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.

Consolidation

In general, in this table, 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). An exception is made for General Government (S.13), which is fully consolidated: all positions between two units of general government (such as between two separate units of central government, or between a central government unit and a local government unit) are offset and do not contribute to the result. 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.

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 property²). (*Note, however, that holdings by residents of 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.*)

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.

² Irish residents' holdings of foreign property are in general reflected in this item net of associated foreign borrowings.

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.

The item *Net financial assets* is shown for reference, calculated as total financial assets less total liabilities. It should be noted that this can not be taken as an estimate of net worth, as the assets table does not include fixed assets or non-financial intangible assets.

Valuation principles

In general, positions are reported at end-year market value where they are available or can be estimated. 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 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. 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.

Data sources and compilation

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 used in the compilation at present are: the CSO Balance of Payments and International Investment Position statistics and the underlying surveys; the banking and insurance statistics of the Central Bank and the Financial Regulator respectively; other published and unpublished statistics from the Central Bank and Financial Services Authority of Ireland; 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. In the early stages of the work, these positions 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 statistics. 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 most 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 present state of development of financial accounts for Ireland, the scale of the internal imbalances and probable errors is still quite large. The estimates, particularly for S.14+S.15, 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.