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National Income and Expenditure

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National Income and Expenditure 2008

INTRODUCTION

This report includes preliminary estimates of the national accounts for the year 2008 together with revised estimates for the years 2002 to 2007. 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 2008 are based upon indicators for the different aggregates and must be regarded as tentative. The provisional nature of the estimates for 2006 and 2007 must also be borne in mind. In particular, the estimates for the year 2007 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 2005 and 2006 are still partly subject to revision, projections for the year 2007 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 2004 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.

Chain Linking

The volume measures are 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 report are referenced to 2007 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 2007. 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 2009. Net exports in 2008 of goods and services in the national accounts amount to €18,894m (see table 5) compared to €18,449m in the BOP release for Q1 2009 (Table 1a). This excess of €445m in the national accounts is balanced by a corresponding difference in the net factor incomes for 2008 i.e. €27,218m in the National Accounts compared to the BOP figure of -€26,770m.

ESA95 terminology

The terminology used in the book is in line with the conventions of the ESA95. The term *GDP* is 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 item 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 36 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 2008 series with FISIM included. This will allow users to assess the impact of FISIM on the various aggregates.

All the detailed 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 2008

Growth Rates

In constant prices, Gross Domestic Product fell by 3% between 2007 and 2008. Gross National Product fell by 2.8%.

Disposable Income

In nominal terms, Net National Product at factor cost fell by 2.5% in 2008 to €117,139m, equivalent to €26,489 per head of population. Agricultural incomes decreased by 11.0% and non-agricultural incomes decreased by 3.7%. Factor income outflows to the rest of the world decreased by 4.5%.

Gross National Disposable Income decreased by 4.2%.

National Consumption

In current money values, Personal Expenditure increased by 2.1% and Government Expenditure by 6.0%. When price rises are discounted, Personal Expenditure decreased by 1.0% and Government Expenditure increased by 2.6%.

Capital Formation

The value of investment in construction and capital equipment decreased by 20.1%. This represents a decrease of 15.5% in volume terms. The value of stocks increased by €301m in constant prices.

External Trade

The value of Exports of goods and services exceeded imports in real terms by €20,609m in 2008 as compared with €19,369m in 2007.

Balance of Payments

The current account deficit in 2008 was €9,435m.

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 2008. The rules and definitions of the European System of Accounts (ESA 95) apply. 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 vii) 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 2007 = 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 2007) market prices.

Gross National Income at current market prices increased each year between 2002 and 2008, the increase over the six year period being over 40 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
2008	181,815	93,863	28,901	39,791	151,896	133,002
2007	189,751	91,948	27,275	49,283	153,481	134,112
2006	176,759	83,979	24,593	49,273	141,042	123,574
2005	162,091	76,927	22,246	43,951	132,671	113,457
2004	149,098	70,899	20,557	36,861	125,199	102,882
2003	139,763	67,203	18,985	32,626	117,172	94,701
2002	130,258	62,637	17,632	28,763	122,630	100,173
2001	116,931	57,130	15,449	26,532	117,112	98,908
2000	104,830	52,086	13,105	25,098	103,044	88,933
1999	90,378	45,048	11,299	21,336	80,756	68,196
1998	78,535	40,136	10,113	18,239	68,283	59,141
1997	67,934	35,929	9,224	14,497	54,037	45,269
1996	58,714	32,541	8,291	11,499	45,436	38,521
1995*	53,112	29,674	7,866	9,627	40,508	34,315
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 2008 based on ESA95 methodology including FISIM

** 1970 to 1995 based on ESA95 methodology excluding FISIM

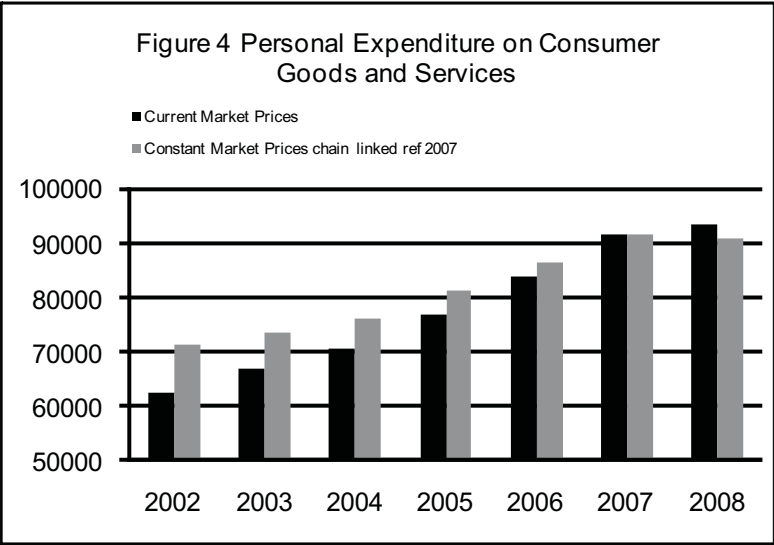
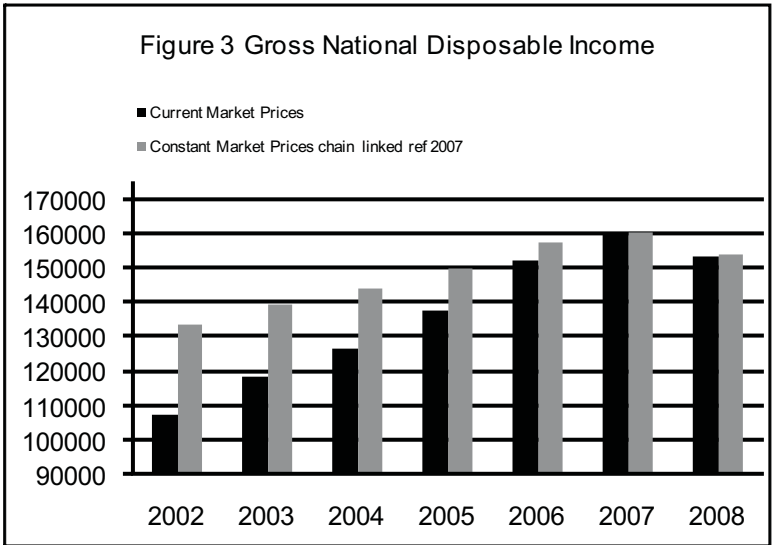
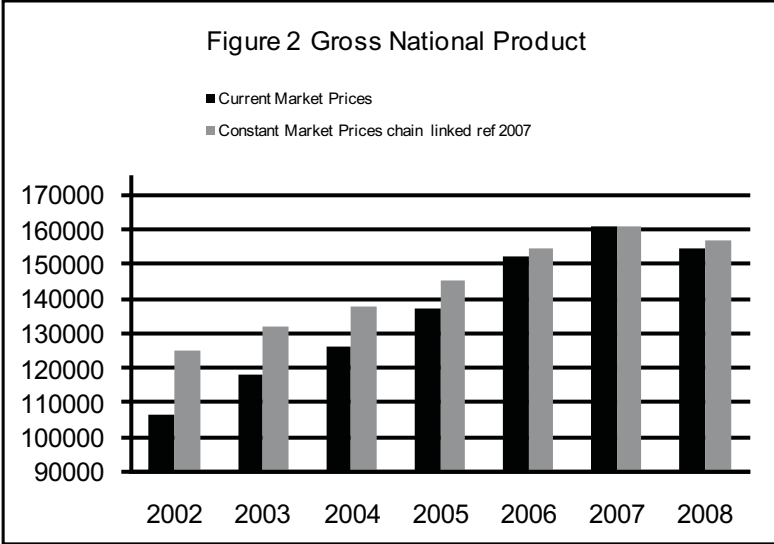
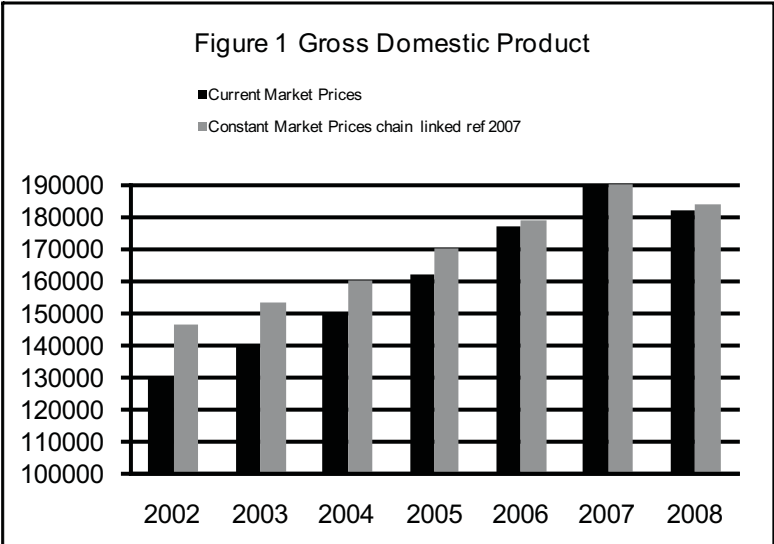
Table A (contd.) Index Numbers of Gross Domestic Product and Expenditure Aggregates at Constant Market Prices (Base 2007=100)

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
2008	97.0	99.0	102.6	85.4	99.0	97.9
2007	100.0	100.0	100.0	100.0	100.0	100.0
2006	94.3	94.4	93.5	101.5	92.1	94.7
2005	89.5	88.6	88.4	95.9	87.6	93.9
2004	84.3	83.1	85.2	83.0	83.3	82.0
2003	80.6	80.2	83.9	77.8	77.5	75.5
2002	77.2	77.9	82.9	71.3	77.0	76.7
2001	72.5	74.9	77.8	68.8	73.2	74.7
2000	68.6	71.2	70.7	70.1	67.4	69.7
1999	62.7	64.8	64.7	65.0	56.1	57.3
1998	56.6	59.5	61.2	60.0	48.5	51.0
1997	52.2	55.3	58.0	51.6	39.4	40.0
1996	46.8	51.4	55.0	43.3	33.5	34.3
1995	43.3	48.1	53.4	37.3	29.8	30.4
1994	39.5	46.1	51.8	30.4	24.9	26.1
1993	37.3	44.2	49.7	28.1	21.6	22.6
1992	36.5	43.1	49.9	29.3	19.7	21.0
1991	35.2	41.9	48.5	33.6	17.3	19.5
1990	34.7	41.4	47.2	36.3	16.4	19.0
1989	32.2	40.1	44.7	30.1	15.0	17.9
1988	30.5	38.8	45.2	24.6	13.4	15.7
1987	29.6	37.5	47.7	25.9	12.4	14.8
1986	28.6	36.7	49.8	26.2	10.9	13.8
1985	28.4	35.7	48.2	26.2	10.6	13.1
1984	27.9	34.8	47.1	28.3	10.0	12.7
1983	27.0	34.5	47.2	28.2	8.6	11.6
1982	27.2	35.1	47.2	32.0	7.8	11.0
1981	26.8	36.7	45.8	30.6	7.4	11.4
1980	26.2	36.5	45.6	29.5	7.3	11.3
1979	25.4	35.5	42.6	34.9	6.8	11.8
1978	24.4	33.0	40.5	27.5	6.4	10.3
1977	22.8	30.7	37.2	25.0	5.7	9.0
1976	21.4	29.4	36.4	20.3	5.0	7.9
1975	20.7	27.8	35.5	20.0	4.6	6.9
1974	20.5	28.2	33.4	25.4	4.3	7.7
1973	19.9	27.8	30.9	21.1	4.3	7.8
1972	18.9	25.9	28.9	19.3	3.9	6.5
1971	17.7	24.3	27.0	16.1	3.8	6.1
1970	16.9	23.5	24.9	17.4	3.6	5.9

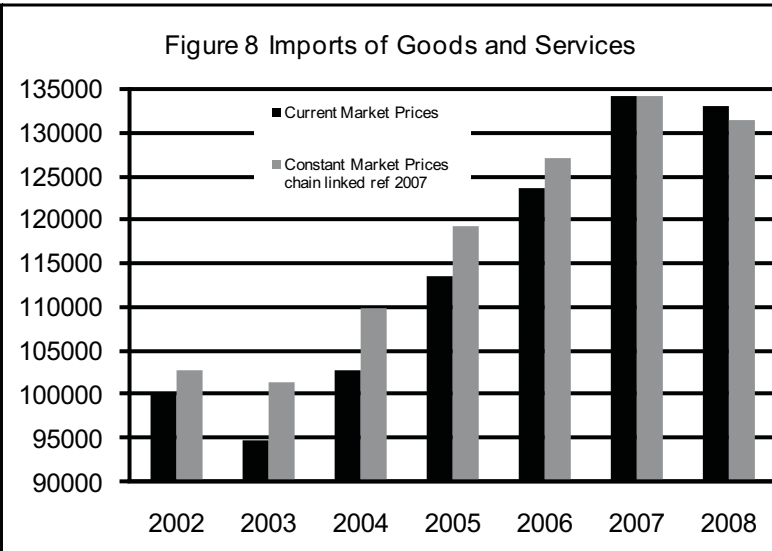
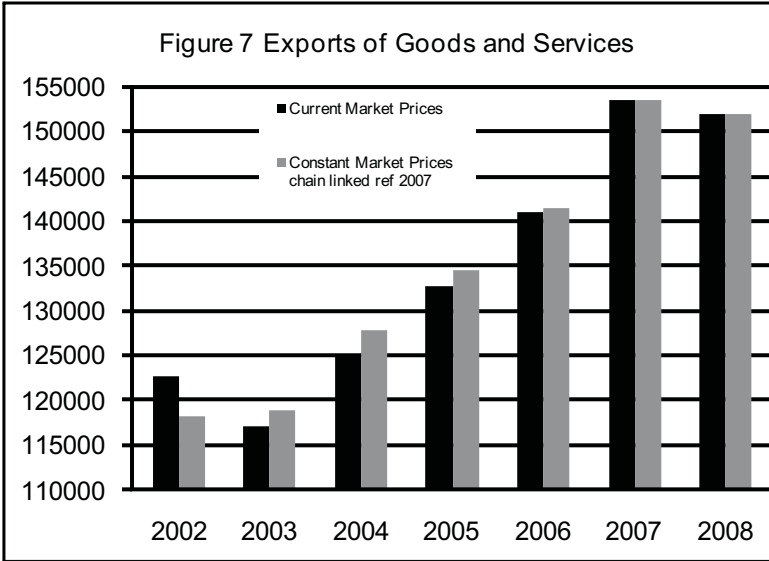
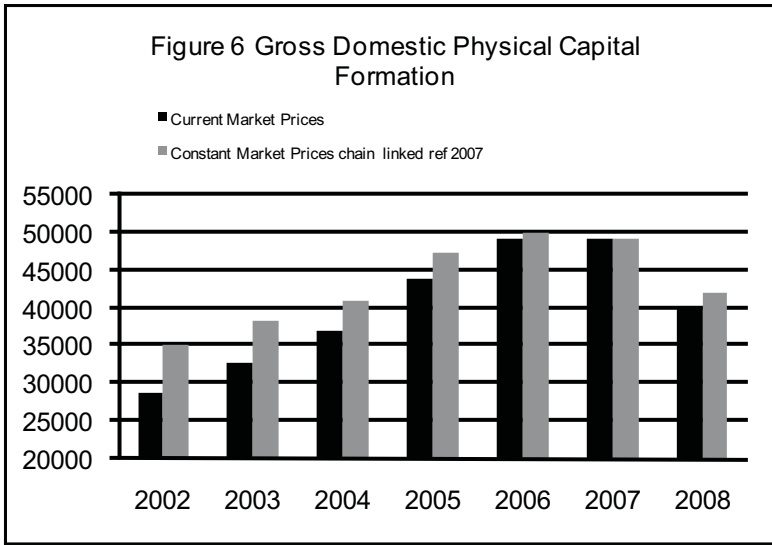
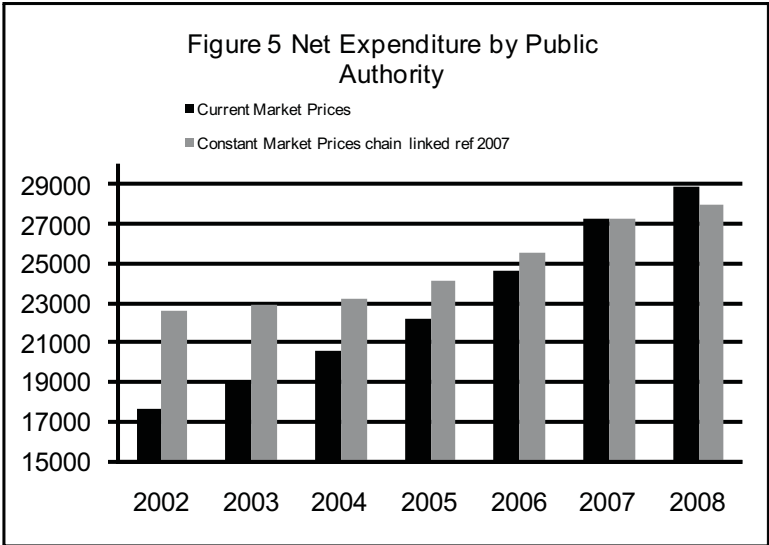
Table C Annual Percentage Changes in the Main Aggregates, GDP, GNP and GNI Deflators and the Consumer Price Index

Description	2002-2008	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Gross Domestic Product (GDP) at current market prices	5.7	7.3	6.7	8.7	9.0	7.4	-4.2
Gross National Product (GNP) at current market prices	6.4	10.8	6.9	8.7	11.2	5.7	-4.1
Gross National Income (GNI) at current market prices	6.3	10.5	6.9	8.9	10.7	5.6	-4.0
Gross National Disposable Income (GNDI) at current market prices	6.2	10.4	6.9	8.6	10.6	5.4	-4.2
Net national product at factor cost	6.6	11.8	5.6	7.7	11.1	6.7	-2.5
Chain linked volume measures referenced to year 2007							
Gross Domestic Product at constant market prices	3.9	4.4	4.6	6.2	5.4	6.0	-3.0
Gross National Product at constant market prices	3.9	5.7	4.3	5.6	6.3	4.4	-2.8
Gross National Income at constant market prices	3.8	5.4	4.3	5.5	6.2	4.3	-2.6
Gross National Disposable Income at constant market prices	2.4	4.1	3.5	4.1	5.0	1.7	-4.0
GDP deflator	1.8	2.8	2.0	2.4	3.5	1.3	-1.2
GNP deflator	2.4	4.8	2.5	2.9	4.6	1.3	-1.4
GNI deflator	2.4	4.9	2.5	3.2	4.2	1.2	-1.5
GNDI deflator	3.7	6.1	3.3	4.3	5.3	3.7	-0.3
Consumer price index	3.5	3.5	2.2	2.5	4.0	4.9	4.1

Graphs of Selected Series



Graphs of Selected Series



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, building and construction, 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 2007 and 2008. This is the adjustment required to achieve convergence of the two estimates. For both the expenditure and output methods, it should be borne in mind that, GDP and other aggregates can not be derived as the sum of the components in years prior to 2007. 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 2007) 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 2007.

Table 6 shows gross domestic product, valued in this way, and linked to 2007. 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 2007 = 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 second last row of Table 6.2 shows index numbers of the volume of gross national product referenced to 2007 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. They will largely be subtracted again in the transition from private income to personal income in item 124.
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. The main components of Personal Income are shown below: These are also listed in Table 12. Personal income is actually derived directly from Table 12 and the undistributed profits of companies are in fact obtained as the residual of private income and personal income. In former years (prior to NIE06) the undistributed profits of companies were firstly obtained and were subtracted from private income to produce personal income. The method now employed to derive personal income is considered to yield a better estimate than the former method.

Components of personal income:

- (a) Income from self-employment
- (b) Income from the 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 (i.e. net national savings as also shown in Table 7), together with provisions for depreciation, net foreign capital transfers and net foreign disinvestment are, by definition, equal to gross domestic capital formation. This equality is shown in Table 11. Figures for domestic capital formation are also 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. They are taken from table 9 where the figures are obtained as a residual, i.e. the difference between Personal Income (item 125 of Table 9), 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.

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 36.

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 2002 to 2007. (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 2009) in respect of the years 2007 and 2008 but contain revisions to earlier years which have not been incorporated in the BOP release.

National Income and Expenditure

Detailed Tables

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

									€ million
Description	ESA code	2002	2003	2004	2005	2006	2007	2008†	
Value added from agriculture, forestry and fishing (B.1n-D.29+D.39) Pt		2,560	2,589	2,702	3,150	2,901	3,249	2,890	
1. Income from self-employment and other trading income	B.3 (Pt)	2,068	2,081	2,182	2,622	2,316	2,653	2,321	
Remuneration of employees:	D.1 (Pt)								
2. Wages and salaries	(D.11+D.12) Pt	448	461	473	481	532	542	517	
3. Employers' contribution to social insurance	D.12 (Pt)	45	46	47	48	53	54	52	
Non-agricultural value added (B.1n-D.29+D.39) Pt		99,656	106,800	112,787	122,887	135,406	147,267	141,832	
Profits and self employed earnings:									
4. Domestic trading profits of companies (including corporate bodies) before tax	B.2 (Pt)	36,380	38,567	40,134	42,612	46,884	53,100	} 55,633	
5. Self employed earnings	B.3 (Pt)	7,945	8,195	9,279	10,151	11,261	11,025		
6. Adjustment for stock appreciation	B.2 (Pt)	-67	599	-379	-573	-100	-648	-186	
7. Rent of dwellings (actual and imputed) of which imputed rent	B.2 (Pt)	5,873	5,881	5,424	5,193	5,375	6,462	7,454	
8. Rent element in land annuities		4,888	4,826	4,384	4,146	4,246	5,148	5,968	
Remuneration of employees:	D.1 (Pt)								
9. Wages and salaries	(D.11+D.12) Pt	3	3	3	2	11	0	1	
10. Employers' contribution to social insurance	D.12 (Pt)	46,046	49,909	54,374	61,038	66,861	71,644	73,037	
		3,476	3,647	3,953	4,464	5,114	5,684	5,892	
Adjustments:									
12. Statistical discrepancy		1,230	1,521	1,535	247	-1,446	-1,876	-365	
13. Net value added at factor cost (B.1n-D.29+D.39)		103,446	110,910	117,024	126,284	136,860	148,641	144,357	
14. Net factor income from the rest of the world (net to abroad)	D.1 & D.4	-23,696	-21,724	-22,879	-24,903	-24,230	-28,507	-27,218	
15. Net national product at factor cost		79,750	89,185	94,145	101,381	112,630	120,133	117,139	
16. National (i.e. non EU) taxes	D.2 (Pt)	15,828	17,245	19,360	21,812	24,667	25,340	21,928	
17. National (i.e. non EU) subsidies	D.3 (Pt)	-788	-818	-768	-881	-775	-870	-870	
18. Net national income at market prices B.5*n		94,790	105,612	112,738	122,312	136,522	144,604	138,197	

† Preliminary

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

Description	ESA Code	2002-2008	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Value added from agriculture, forestry and fishing (B.1n-D.29+D.39) Pt		2.0	1.1	4.4	16.6	-7.9	12.0	-11.0
Income from self-employment and other trading income	B.3 (Pt)	1.9	0.6	4.9	20.1	-11.6	14.5	-12.5
Remuneration of employees	D.1 (Pt)	2.4	3.0	2.5	1.7	10.5	2.0	-4.5
Non-agricultural value added (B.1n-D.29+D.39) Pt		6.1	7.2	5.6	9.0	10.2	8.8	-3.7
Profits etc. #	B.2 (Pt) & B.3 (Pt)	3.9	6.2	2.3	5.4	10.5	10.3	-10.1
Remuneration of employees	D.1 (Pt)	8.1	8.1	8.9	12.3	9.9	7.4	2.1
Net national product at factor cost		6.6	11.8	5.6	7.7	11.1	6.7	-2.5
Net national income at market prices	B.5*n	6.5	11.4	6.7	8.5	11.6	5.9	-4.4

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	ESA code	2002	2003	2004	2005	2006	2007	2008†
19. Agriculture, forestry and fishing								
Net value added	(B.1n-D.29+D.39) Pt	2,563	2,591	2,705	3,152	2,912	3,250	2,891
Remuneration of employees	D.1 (Pt)	493	508	520	529	584	596	569
Other	(B.2 & B.3) Pt	2,070	2,084	2,185	2,624	2,328	2,654	2,322
20. Industry (including building)								
Net value added	(B.1n-D.29+D.39) Pt	44,078	43,771	43,733	45,805	49,713	52,444	49,145
Remuneration of employees	D.1 (Pt)	15,598	16,439	17,892	20,361	21,691	22,708	21,792
Other	(B.2 & B.3) Pt	28,442	26,929	26,079	25,784	28,017	30,068	27,477
Adjustment for stock appreciation	(B.2 & B.3) Pt	38	403	-239	-340	5	-331	-124
20a. Industry								
Net value added	(B.1n-D.29+D.39) Pt	35,343	34,081	32,337	32,027	34,303	36,715	35,747
Remuneration of employees	D.1 (Pt)	9,657	9,881	10,335	11,027	11,389	11,765	12,309
Other	(B.2 & B.3) Pt	25,648	23,796	22,241	21,340	22,909	25,281	23,561
Adjustment for stock appreciation	(B.2 & B.3) Pt	38	403	-239	-340	5	-331	-124
20b. Building and construction								
Net value added	(B.1n-D.29+D.39) Pt	8,734	9,691	11,395	13,778	15,411	15,729	13,399
Remuneration of employees	D.1 (Pt)	5,941	6,558	7,557	9,334	10,302	10,943	9,483
Other	(B.2 & B.3) Pt	2,794	3,132	3,839	4,444	5,108	4,787	3,916
21. Distribution, transport and communication								
Net value added	(B.1n-D.29+D.39) Pt	14,363	16,098	17,434	19,383	21,437	23,254	22,984
Remuneration of employees	D.1 (Pt)	8,990	9,661	10,174	11,494	12,583	13,397	13,993
Other	(B.2 & B.3) Pt	5,477	6,241	7,400	8,121	8,958	10,174	9,053
Adjustment for stock appreciation	(B.2 & B.3) Pt	-104	196	-140	-233	-105	-317	-62
22. Public administration and defence								
Remuneration of employees	D.1 (Pt)	4,098	4,414	4,845	5,078	5,426	5,842	6,197
23. Other services (including rent)								
Net value added	(B.1n-D.29+D.39) Pt	37,114	42,514	46,773	52,619	58,819	65,727	63,505
Remuneration of employees	D.1 (Pt)	20,835	23,042	25,416	28,569	32,274	35,382	36,947
Other	(B.2 & B.3) Pt	16,279	19,473	21,357	24,050	26,545	30,345	26,558
26. Statistical discrepancy (= Item 12)		1,230	1,521	1,535	247	-1,446	-1,876	-365
27. Net value added at factor cost	B.1n-D.29+D.39	103,446	110,910	117,024	126,284	136,860	148,641	144,357
28. plus Provision for depreciation	K.1	13,294	13,860	14,945	16,683	17,315	17,849	17,712
Agriculture, forestry and fishing		672	675	684	693	711	736	777
Industry (including building)		4,075	3,346	3,506	3,711	3,513	3,365	3,018
Industry		3,843	3,007	3,130	3,296	3,056	2,918	2,641
Building and construction		232	339	377	414	457	447	377
Distribution, transport and communication		2,199	2,466	2,660	2,551	2,365	2,410	2,366
Other services		6,349	7,373	8,095	9,728	10,726	11,338	11,552
29. Gross value added at factor cost	B.1g-D.29+D.39	116,741	124,769	131,969	142,967	154,176	166,489	162,069
30. Non product taxes	D.29	1,118	1,289	1,419	1,569	1,749	1,863	2,012
31. Non product subsidies	D.39	-579	-528	-502	-1,477	-1,501	-1,569	-1,608
32. Gross value added at basic prices	B.1g	117,279	125,531	132,886	143,059	154,424	166,783	162,474
33. Product taxes	D.21	15,083	16,362	18,266	20,675	23,388	23,997	20,400
34. Product subsidies	D.31	-2,104	-2,129	-2,054	-1,643	-1,052	-1,029	-1,059
35. Gross domestic product at current market prices B.1*g		130,258	139,763	149,098	162,091	176,759	189,751	181,815
36. Net factor income from the rest of the world	D.1 & D.4 (net to abroad)	-23,696	-21,724	-22,879	-24,903	-24,230	-28,507	-27,218
37. Gross national product at current market prices		106,562	118,039	126,219	137,188	152,529	161,244	154,596
38. EU subsidies	D.3 (Pt)	1,896	1,839	1,788	2,239	1,778	1,728	1,797
39. EU taxes	D.2 (Pt)	-374	-406	-324	-432	-470	-519	-484
40. Gross national income at current market prices	B.5*g	108,084	119,471	127,683	138,995	153,837	162,453	155,909

† Preliminary

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

€ million

Description	ESA Code	2002	2003	2004	2005	2006	2007	2008†
41. Agriculture, forestry and fishing	(B.1g-D.29+D.39) Pt	3,235	3,266	3,389	3,846	3,623	3,985	3,669
42. Industry (including building)	(B.1g-D.29+D.39) Pt	48,152	47,117	47,239	49,515	53,226	55,809	52,163
42a. <i>Industry</i>	(B.1g-D.29+D.39) Pt	39,186	37,088	35,467	35,323	37,358	39,633	38,388
42b. <i>Building and construction</i>	(B.1g-D.29+D.39) Pt	8,966	10,029	11,772	14,192	15,868	16,176	13,775
43. Distribution, transport and communication	(B.1g-D.29+D.39) Pt	16,562	18,564	20,093	21,934	23,802	25,664	25,349
44. Public administration and defence	(B.1g-D.29+D.39) Pt	4,098	4,414	4,845	5,078	5,426	5,842	6,197
45. Other services (including rent)	(B.1g-D.29+D.39) Pt	43,463	49,887	54,868	62,347	69,545	77,066	75,057
47. Statistical discrepancy (= Item 12)		1,230	1,521	1,535	247	-1,446	-1,876	-365
48. Gross value added at factor cost	B.1g-D.29+D.39	116,741	124,769	131,969	142,967	154,176	166,489	162,069
49. Non product taxes	D.29	1,118	1,289	1,419	1,569	1,749	1,863	2,012
50. Non product subsidies	D.39	-579	-528	-502	-1,477	-1,501	-1,569	-1,608
51. Gross value added at basic prices	B.1g	117,279	125,531	132,886	143,059	154,424	166,783	162,474
52. Product taxes	D.21	15,083	16,362	18,266	20,675	23,388	23,997	20,400
53. Product subsidies	D.31	-2,104	-2,129	-2,054	-1,643	-1,052	-1,029	-1,059
54. Gross domestic product at current market prices	B.1*g	130,258	139,763	149,098	162,091	176,759	189,751	181,815
55. Net factor income from the rest of the world	D.1 & D.4 (net to abroad)	-23,696	-21,724	-22,879	-24,903	-24,230	-28,507	-27,218
56. Gross national product at current market prices		106,562	118,039	126,219	137,188	152,529	161,244	154,596
57. EU subsidies	D.3 (Pt)	1,896	1,839	1,788	2,239	1,778	1,728	1,797
58. EU taxes	D.2 (Pt)	-374	-406	-324	-432	-470	-519	-484
59. Gross national income at current market prices	B.5*g	108,084	119,471	127,683	138,995	153,837	162,453	155,909

† Preliminary

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

Description	ESA Code	2002-2008	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Agriculture, forestry and fishing	(B.1g-D.29+D.39) Pt	2.1	1.0	3.8	13.5	-5.8	10.0	-7.9
Industry (including building)	(B.1g-D.29+D.39) Pt	1.3	-2.1	0.3	4.8	7.5	4.9	-6.5
<i>Industry</i>	(B.1g-D.29+D.39) Pt	-0.3	-5.4	-4.4	-0.4	5.8	6.1	-3.1
<i>Building and construction</i>	(B.1g-D.29+D.39) Pt	7.4	11.9	17.4	20.6	11.8	1.9	-14.8
Distribution, transport and communication	(B.1g-D.29+D.39) Pt	7.4	12.1	8.2	9.2	8.5	7.8	-1.2
Public administration and defence	(B.1g-D.29+D.39) Pt	7.1	7.7	9.8	4.8	6.9	7.7	6.1
Other services (including rent)	(B.1g-D.29+D.39) Pt	9.5	14.8	10.0	13.6	11.5	10.8	-2.6
Gross value added at factor cost	B.1g-D.29+D.39	5.6	6.9	5.8	8.3	7.8	8.0	-2.7
Gross value added at basic prices	B.1g	5.6	7.0	5.9	7.7	7.9	8.0	-2.6
Gross domestic product at current market prices	B.1*g	5.7	7.3	6.7	8.7	9.0	7.4	-4.2
Gross national product at current market prices		6.4	10.8	6.9	8.7	11.2	5.7	-4.1
Gross national income at current market prices	B.5*g	6.3	10.5	6.9	8.9	10.7	5.6	-4.0

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 2007)

									€ million
Description	ESA Code	2002	2003	2004	2005	2006	2007	2008†	
60. Agriculture, forestry and fishing		3,603	3,762	3,876	4,272	3,958	3,985	3,951	
61. Industry (including building)	(B.1g-D.29+D.39) Pt	44,067	44,920	46,895	49,118	51,909	55,809	53,798	
Industry	(B.1g-D.29+D.39) Pt	31,861	32,205	33,160	34,151	36,070	39,633	39,507	
of which #									
<i>Reproduction of recorded media</i>		839	593	1,054	1,142	1,449	2,758	3,915	
<i>Chemicals (incl. man-made fibres)</i>		13,360	14,082	12,084	11,774	12,549	12,568	12,021	
<i>Computers and Instrument engineering</i>		3,216	3,442	3,898	4,382	4,331	4,774	5,508	
<i>Electrical machinery and equipment</i>		1,571	1,329	1,492	1,997	1,732	1,852	1,510	
Building and construction	(B.1g-D.29+D.39) Pt	11,756	12,423	13,627	14,993	15,867	16,176	14,290	
62. Distribution, transport and communication	(B.1g-D.29+D.39) Pt	21,167	21,670	22,091	23,228	24,354	25,664	24,814	
63. Public administration and defence	(B.1g-D.29+D.39) Pt	5,267	5,385	5,500	5,552	5,696	5,842	5,945	
64. Other services (including rent)	(B.1g-D.29+D.39) Pt	56,679	59,764	64,162	68,178	72,134	77,066	78,149	
66. Statistical discrepancy		~	~	~	~	~	-1,876	-2,269	
67. Gross value added at constant factor cost	B.1g-D.29+D.39	129,387	135,084	141,022	148,467	155,750	166,489	164,387	
68. Non product taxes	D.29	1,578	1,596	1,531	1,682	1,782	1,863	1,946	
69. Non product subsidies	D.39	-512	-627	-660	-1,682	-1,635	-1,569	-1,612	
70. Gross value added at constant basic prices	B.1g	130,307	135,887	141,737	148,490	155,909	166,783	164,721	
71. Product taxes	D.21	18,679	19,263	20,295	22,237	23,991	23,997	20,355	
72. Product subsidies	D.31	-2,298	-2,059	-1,921	-866	-917	-1,029	-1,086	
73. Gross domestic product at constant market prices	B.1*g	146,536	152,962	159,992	169,871	178,970	189,751	183,991	
74. Net factor income from the rest of the world	D.1 & D.4 (net to abroad)	-21,881	-21,620	-22,442	-24,475	-24,459	-28,507	-27,231	
75. Gross national product at constant market prices		124,741	131,899	137,611	145,306	154,520	161,244	156,760	
76. EU subsidies	D.3 (Pt)	1,944	1,707	1,610	1,647	1,637	1,728	1,976	
77. EU taxes	D.2 (Pt)	-409	-444	-346	-453	-474	-519	-480	
78. Gross national income at constant market prices	B.5*g	126,402	133,245	138,929	146,544	155,681	162,453	158,256	

† Preliminary

~ Chain linked series not additive except for 2007 and 2008

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

Description	ESA Code	2002-2008	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Agriculture, forestry and fishing	(B.1g-D.29+D.39) Pt	1.5	4.4	3.0	10.2	-7.3	0.7	-0.9
Industry (including building)	(B.1g-D.29+D.39) Pt	3.4	1.9	4.4	4.7	5.7	7.5	-3.6
Industry	(B.1g-D.29+D.39) Pt	3.7	1.1	3.0	3.0	5.6	9.9	-0.3
of which #								
<i>Reproduction of recorded media</i>		29.3	-29.3	77.9	8.3	26.8	90.4	41.9
<i>Chemicals (incl. man-made fibres)</i>		-1.7	5.4	-14.2	-2.6	6.6	0.2	-4.4
<i>Computers and Instrument engineering</i>		9.4	7.0	13.2	12.4	-1.2	10.2	15.4
<i>Electrical machinery and equipment</i>		-0.7	-15.4	12.3	33.8	-13.3	7.0	-18.5
Building and construction	(B.1g-D.29+D.39) Pt	3.3	5.7	9.7	10.0	5.8	1.9	-11.7
Distribution, transport and communication	(B.1g-D.29+D.39) Pt	2.7	2.4	1.9	5.1	4.8	5.4	-3.3
Public administration and defence	(B.1g-D.29+D.39) Pt	2.0	2.2	2.1	0.9	2.6	2.6	1.8
Other services (including rent)	(B.1g-D.29+D.39) Pt	5.5	5.4	7.4	6.3	5.8	6.8	1.4
Gross value added at constant factor cost	B.1g-D.29+D.39	4.1	4.4	4.4	5.3	4.9	6.9	-1.3
Gross value added at constant basic prices	B.1g	4.0	4.3	4.3	4.8	5.0	7.0	-1.2
Gross domestic product at constant market prices	B.1*g	3.9	4.4	4.6	6.2	5.4	6.0	-3.0
Gross national product at constant market prices		3.9	5.7	4.3	5.6	6.3	4.4	-2.8
Gross national income at constant market prices	B.5*g	3.8	5.4	4.3	5.5	6.2	4.3	-2.6

The four sectors distinguished correspond to NACE REV1 classes 22.3; 24; 30 & 33; 31 & 32.

Table 5 Expenditure on Gross National Income at Current Market Prices

€ million

Description	ESA Code	2002	2003	2004	2005	2006	2007	2008†
79. Personal consumption of goods and services	P.3 (Pt)	62,637	67,203	70,899	76,927	83,979	91,948	93,863
<i>Of which:</i>								
79(a) Final consumption expenditure of Households and NPISHs		60,902	65,249	68,715	74,595	81,336	88,886	91,010
79(b) Final consumption expenditure of government		1,735	1,954	2,184	2,332	2,643	3,062	2,853
80. Net expenditure by central and local government on current goods and services	P.3 (Pt)	17,632	18,985	20,557	22,246	24,593	27,275	28,901
81. Gross domestic fixed capital formation	P.51 (Pt) & P.53	28,117	31,338	36,435	43,220	47,628	49,429	39,474
82. Value of physical changes in stocks	P.51 (Pt) & P.52	646	1,288	425	730	1,645	-146	317
<i>of which</i>								
82(a) Net additions to the breeding stocks		-19	2	-11	-26	-58	-28	-6
83. Exports of goods and services #	P.6	122,630	117,172	125,199	132,671	141,042	153,481	151,896
84. less Imports of goods and services #	P.7	-100,173	-94,701	-102,882	-113,457	-123,574	-134,112	-133,002
85. Statistical discrepancy (= - Item 12)		-1,230	-1,521	-1,535	-247	1,446	1,876	365
86. Gross domestic product at current market prices	B.1*g	130,258	139,763	149,098	162,091	176,759	189,751	181,815
87. Net factor income from the rest of the world	D.1 & D.4 (net to abroad)	-23,696	-21,724	-22,879	-24,903	-24,230	-28,507	-27,218
88. Gross national product at current market prices		106,562	118,039	126,219	137,188	152,529	161,244	154,596
89. EU subsidies	D.3 (Pt)	1,896	1,839	1,788	2,239	1,778	1,728	1,797
90. EU taxes	D.2 (Pt)	-374	-406	-324	-432	-470	-519	-484
91. Gross national income at current market prices	B.5*g	108,084	119,471	127,683	138,995	153,837	162,453	155,909

† Preliminary

Excluding factor income flows

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

Description	ESA Code	2002-2008	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Personal consumption of goods and services	P.3 (Pt)	7.0	7.3	5.5	8.5	9.2	9.5	2.1
Net expenditure by central and local government on current goods and services	P.3 (Pt)	8.6	7.7	8.3	8.2	10.5	10.9	6.0
Gross domestic physical capital formation	P.5	5.6	13.4	13.0	19.2	12.1	0.0	-19.3
<i>of which</i>								
Gross domestic fixed capital formation	P.51 (Pt) & P.53	5.8	11.5	16.3	18.6	10.2	3.8	-20.1
Exports of goods and services	P.6	3.6	-4.5	6.9	6.0	6.3	8.8	-1.0
Imports of goods and services	P.7	4.8	-5.5	8.6	10.3	8.9	8.5	-0.8
Gross domestic product at current market prices	B.1*g	5.7	7.3	6.7	8.7	9.0	7.4	-4.2
Gross national product at current market prices		6.4	10.8	6.9	8.7	11.2	5.7	-4.1
Gross national income at current market prices	B.5*g	6.3	10.5	6.9	8.9	10.7	5.6	-4.0

**Table 6 Expenditure on Gross National Income at Constant Market Prices
(chain linked annually and referenced to year 2007)**

€ million

Description	ESA Code	2002	2003	2004	2005	2006	2007	2008†
92. Personal consumption of goods and services	P.3 (Pt)	71,592	73,762	76,446	81,470	86,828	91,948	91,055
of which:								
92(a) Final consumption expenditure of Households and NPISHs		67,299	69,257	71,651	76,404	81,332	88,886	88,253
92(b) Final consumption expenditure of government		1,940	2,081	2,284	2,389	2,646	3,062	2,801
93. Net expenditure by central and local government on current goods and services	P.3 (Pt)	22,605	22,895	23,237	24,111	25,511	27,275	27,991
94. Gross domestic fixed capital formation	P.51 (Pt) & P.53	34,769	36,956	40,514	46,468	48,305	49,429	41,766
95. Value of physical changes in stocks	P.51 (Pt) & P.52	368	848	287	546	1,204	-146	301
of which:								
95(a) Net additions to the breeding stocks		-20	2	-11	-28	-58	-28	-6
96. Exports of goods and services #	P.6	118,214	118,897	127,843	134,479	141,311	153,481	151,875
97. less Imports of goods and services #	P.7	-102,836	-101,318	-109,970	-119,154	-126,940	-134,112	-131,266
98. Statistical discrepancy (= - item 66)		~	~	~	~	~	1,876	2,269
99. Gross domestic product at constant market prices	B.1*g	146,536	152,962	159,992	169,871	178,970	189,751	183,991
100. Net factor income from the rest of the world	D.1 & D.4 (net to abroad)	-21,881	-21,620	-22,442	-24,475	-24,459	-28,507	-27,231
101. Gross national product at constant market prices		124,741	131,899	137,611	145,306	154,520	161,244	156,760
102. EU subsidies	D.3 (Pt)	1,944	1,707	1,610	1,647	1,637	1,728	1,976
103. EU Taxes	D.2 (Pt)	-409	-444	-346	-453	-474	-519	-480
104. Gross national income at constant market prices	B.5*g	126,402	133,245	138,929	146,544	155,681	162,453	158,256

† Preliminary

Excluding factor income flows

~ Chain linked series not additive except for 2007 and 2008

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

Description	ESA Code	2002-2008	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Personal consumption of goods and services	P.3 (Pt)	4.1	3.0	3.6	6.6	6.6	5.9	-1.0
Net expenditure by central and local government on current goods and services	P.3 (Pt)	3.6	1.3	1.5	3.8	5.8	6.9	2.6
Gross domestic physical capital formation of which	P.5	3.0	7.6	7.9	15.2	5.3	-0.5	-14.6
Gross domestic fixed capital formation	P.51 (Pt) & P.53	3.1	6.3	9.6	14.7	4.0	2.3	-15.5
Exports of goods and services	P.6	4.3	0.6	7.5	5.2	5.1	8.6	-1.0
Imports of goods and services	P.7	4.2	-1.5	8.5	8.4	6.5	5.6	-2.1
Gross domestic product at constant market prices	B.1*g	3.9	4.4	4.6	6.2	5.4	6.0	-3.0
Gross national product at constant market prices		3.9	5.7	4.3	5.6	6.3	4.4	-2.8
Gross national income at constant market prices	B.5*g	3.8	5.4	4.3	5.5	6.2	4.3	-2.6

**Table 6.2 Volume Index Numbers of Gross National Income and its Expenditure Constituents
(Chain linked and referenced to year 2007=100)**

Description	2002	2003	2004	2005	2006	2007	2008†
Personal consumption of goods and services	77.9	80.2	83.1	88.6	94.4	100.0	99.0
Net expenditure by central and local government on current goods and services	82.9	83.9	85.2	88.4	93.5	100.0	102.6
Gross domestic physical capital formation	71.3	76.7	82.8	95.4	100.5	100.0	85.4
Exports of goods and services	77.0	77.5	83.3	87.6	92.1	100.0	99.0
Imports of goods and services	76.7	75.5	82.0	88.8	94.7	100.0	97.9
Gross domestic product at constant market prices	77.2	80.6	84.3	89.5	94.3	100.0	97.0
Gross national product at constant market prices	77.4	81.8	85.3	90.1	95.8	100.0	97.2
Gross national income at constant market prices	77.8	82.0	85.5	90.2	95.8	100.0	97.4
Value of gross national product at constant market prices, allowing for changes in terms of trade #	82.4	86.2	89.3	93.3	98.2	100.0	96.0
Value of gross national income at constant market prices, allowing for changes in terms of trade #	82.8	86.4	89.4	93.4	98.1	100.0	96.2

† 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	ESA Code	2002	2003	2004	2005	2006	2007	2008†
105. Gross domestic product at current market prices	B.1*g	130,258	139,763	149,098	162,091	176,759	189,751	181,815
106. Net factor income from the rest of the world	D.1 & D.4 (net to abroad)	-23,696	-21,724	-22,879	-24,903	-24,230	-28,507	-27,218
107. Gross national product at current market prices		106,562	118,039	126,219	137,188	152,529	161,244	154,596
108. EU subsidies	D.3 (Pt)	1,896	1,839	1,788	2,239	1,778	1,728	1,797
109. EU taxes	D.2 (Pt)	-374	-406	-324	-432	-470	-519	-484
110. Gross national income at current market prices	B.5*g	108,084	119,471	127,683	138,995	153,837	162,453	155,909
111. Current transfers from the rest of the world less current transfers to the rest of the world (excluding EU subsidies and taxes)	(D.7 & D.9) Pt	-818	-1,001	-1,071	-1,542	-1,813	-2,199	-2,428
112. Gross national disposable income	B.6g	107,266	118,471	126,612	137,453	152,025	160,254	153,481
113. Personal consumption of goods and services	P.3 (Pt)	62,637	67,203	70,899	76,927	83,979	91,948	93,863
114. Net expenditure by central and local government on current goods and services	P.3 (Pt)	17,632	18,985	20,557	22,246	24,593	27,275	28,901
115. Total consumption expenditure	P.3	80,268	86,187	91,456	99,173	108,572	119,223	122,764
116. Gross national savings	B.8g	26,998	32,283	35,157	38,280	43,453	41,031	30,717
117. Provision for depreciation	K.1	13,294	13,860	14,945	16,683	17,315	17,849	17,712
118. Net national savings	B.8n	13,704	18,424	20,211	21,597	26,138	23,182	13,005

† Preliminary

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

Description		2002-2008	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Gross domestic product at current market prices	B.1*g	5.7	7.3	6.7	8.7	9.0	7.4	-4.2
Gross national product at current market prices		6.4	10.8	6.9	8.7	11.2	5.7	-4.1
Gross national disposable income	B.6g	6.2	10.4	6.9	8.6	10.6	5.4	-4.2
Personal consumption of goods and services	P.3 (Pt)	7.0	7.3	5.5	8.5	9.2	9.5	2.1
Net expenditure by central and local government on current goods and services	P.3 (Pt)	8.6	7.7	8.3	8.2	10.5	10.9	6.0
Total consumption expenditure	P.3	7.3	7.4	6.1	8.4	9.5	9.8	3.0
Gross national savings	B.8g	2.2	19.6	8.9	8.9	13.5	-5.6	-25.1
Provision for depreciation	K.1	4.9	4.3	7.8	11.6	3.8	3.1	-0.8
Net national savings	B.8n	-0.9	34.4	9.7	6.9	21.0	-11.3	-43.9

**Table 8 Gross National Disposable Income at Constant Market Prices (chain linked annually and referenced to year 2007)
Adjusted for Terms of Trade (i.e. Real Gross National Disposable Income)**

€ million

Description	2002	2003	2004	2005	2006	2,007	2008†
Gross national income (adjusted for terms of trade) (chain linked and referenced to 2007)	134,556	140,297	145,237	151,670	159,432	162,453	156,295
Net current transfers from abroad (chain linked and referenced to 2007) excluding EU subsidies and Taxes	-814	-1,045	-1,123	-1,589	-1,830	-2,199	-2,429
Gross national disposable income (adjusted for terms of trade) (chain linked and referenced to 2007)	133,841	139,307	144,165	150,098	157,611	160,254	153,866
Index of Real gross national disposable income (chain linked and referenced to 2007)	83.5	86.9	90.0	93.7	98.4	100.0	96.0

† Preliminary

Table 9 Personal Income and Personal Expenditure

€ million

Description	2002	2003	2004	2005	2006	2007
119. Net national product at factor cost before adjustment for stock appreciation	79,817	88,586	94,525	101,954	112,730	120,781
120. less Government trading and investment income	-1,216	-1,077	-1,089	-1,180	-1,422	-1,787
121. plus National debt interest	1,758	1,739	1,685	1,692	1,580	1,587
122. plus Transfer income (including net transfers from the rest of the world)	13,080	14,132	15,710	17,179	19,096	21,674
123. Private income	93,439	103,381	110,831	119,645	131,984	142,255
124. less Undistributed profits of companies before tax	-11,767	-15,545	-16,526	-17,473	-22,616	-24,563
125. Personal income	81,672	87,836	94,305	102,172	109,368	117,692
126. Personal consumption of goods and services	62,637	67,203	70,899	76,927	83,979	91,948
127. Taxes on personal income and wealth	15,087	15,798	18,085	19,564	21,407	23,558
128. Total personal expenditure	77,724	83,001	88,984	96,491	105,386	115,506
129. Personal savings^o	3,948	4,835	5,321	5,681	3,982	2,186

^o Personal Savings are compiled on a different basis to those in the Institutional Sector Accounts published by CSO. An updated release on Institutional Sector Accounts will be published later this year and details of the relationship between the two methods of compiling personal savings will be supplied in the new release.

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

€ million

Description	2002	2003	2004	2005	2006	2007	2008†
130. Taxes on income and wealth (including social insurance contributions)	19,898	20,959	23,425	25,072	28,103	29,957	28,408
131. Taxes on expenditure (including rates)	15,828	17,245	19,360	21,812	24,667	25,340	21,928
132. Net trading and investment income	1,216	1,077	1,089	1,180	1,422	1,787	2,207
133. Current transfers from the rest of the world to central and local government	209	234	269	250	210	63	16
134. Total income	37,151	39,514	44,143	48,314	54,403	57,147	52,559
135. Subsidies (excluding EU subsidies) #	788	818	768	881	775	870	870
136. Transfer payments (including transfers to the rest of the world) and national debt interest	15,865	17,106	18,735	20,663	22,699	25,523	28,966
137. Net current expenditure on goods and services	17,632	18,985	20,557	22,246	24,593	27,275	28,901
138. Total expenditure	34,284	36,909	40,060	43,790	48,067	53,668	58,737
139. Central and local government savings	2,866	2,605	4,083	4,524	6,337	3,480	-6,178

† Preliminary

See explanatory note to Table 10 in Appendix 2

Table 11 Savings and Capital Formation

€ million

Description	2002	2003	2004	2005	2006	2007	2008†
Savings before adjustment for stock appreciation							
140. Personal	3,948	4,835	5,321	5,681	3,982	2,186	} 19,369
141. Companies	6,956	10,384	11,186	11,965	15,919	18,165	
142. Central and local government #	2,866	2,605	4,083	4,524	6,337	3,480	-6,178
143. Net national savings before adjustment for stock appreciation	13,770	17,825	20,591	22,170	26,238	23,830	13,191
144. Adjustment for stock appreciation	-67	599	-379	-573	-100	-648	-186
145. Net national savings	13,703	18,424	20,211	21,597	26,138	23,182	13,005
146. Provision for depreciation	13,294	13,860	14,945	16,683	17,315	17,849	17,712
147. Net foreign capital transfers	512	93	279	264	223	39	68
148. Net foreign disinvestment	23	-1,271	-110	5,160	7,043	10,089	9,371
149. Statistical discrepancy (= Item 12)	1,230	1,521	1,535	247	-1,446	-1,876	-365
150. Gross total available for investment in domestic physical capital formation	28,763	32,626	36,861	43,951	49,273	49,283	39,791
Capital formation							
151. Building and construction	20,111	23,518	28,195	33,349	37,817	38,266	29,997
152. Other home produced capital goods net of exports (including re-exports)	1,669	1,617	1,734	1,413	1,747	1,898	1,856
153. Imported capital goods	6,337	6,204	6,507	8,459	8,065	9,265	7,620
154. Value of physical changes in agricultural stocks	-43	-42	-19	-15	-122	-91	14
155. Increase in value of non-agricultural stocks and work in progress (incl. EU intervention stocks)	755	731	824	1,318	1,867	593	489
156. Adjustment for stock appreciation	-67	599	-379	-573	-100	-648	-186
157. Gross domestic physical capital formation	28,763	32,626	36,861	43,951	49,273	49,283	39,791

† 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	2002	2003	2004	2005	2006	2007	2008†
Gross national savings	26,998	32,283	35,157	38,280	43,453	41,031	30,717
Net foreign capital transfers	512	93	279	264	223	39	68
Statistical discrepancy (= Item 12)	1,230	1,521	1,535	247	-1,446	-1,876	-365
Total available for gross national investment	28,741	33,898	36,970	38,791	42,230	39,194	30,420
Gross domestic physical capital formation	28,763	32,626	36,861	43,951	49,273	49,283	39,791
Net foreign investment	-23	1,271	110	-5,160	-7,043	-10,089	-9,371
Gross national investment	28,740	33,898	36,970	38,791	42,230	39,194	30,420

† Preliminary

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

	€ million					
Description	2002	2003	2004	2005	2006	2007
Remuneration of employees	49,858	53,847	58,569	65,568	71,956	77,163
Agriculture, etc.	448	461	473	481	532	542
Domestic non-agriculture	46,046	49,909	54,374	61,038	66,861	71,644
Foreign	-156	-216	-278	-463	-603	-762
Employers' contribution to social insurance	3,521	3,693	4,000	4,512	5,167	5,738
Income of independent traders etc.	10,013	10,276	11,461	12,773	13,578	13,678
Agriculture, etc.	2,068	2,081	2,182	2,622	2,316	2,653
Non-agriculture	7,945	8,195	9,279	10,151	11,261	11,025
Interest earned (prior to adjustment for FISIM) and dividends received	4,189	4,144	4,108	4,112	4,853	5,994
Adjustment for FISIM on interest earned	640	447	605	785	1,315	1,617
Rent of private dwellings	5,608	5,578	5,105	4,863	5,017	6,083
less						
Interest paid (prior to adjustment for FISIM)	3,757	3,426	4,386	5,140	6,772	8,366
Adjustment for FISIM on interest paid	-811	-1,317	-1,599	-1,786	-1,771	-1,726
Current transfers to households (including net transfers from the rest of the world)	13,080	14,132	15,710	17,179	19,096	21,674
Statistical discrepancy (= Item 12)	1,230	1,521	1,535	247	-1,446	-1,876
Personal income of households and private non-profit institutions	81,672	87,836	94,305	102,172	109,368	117,692
Undistributed profits of companies	11,767	15,545	16,526	17,473	22,616	24,563
Private income	93,439	103,381	110,831	119,645	131,984	142,255
less National debt interest	-1,758	-1,739	-1,685	-1,692	-1,580	-1,587
less Current transfers to households (including net transfers from the rest of the world)	-13,080	-14,132	-15,710	-17,179	-19,096	-21,674
plus Government trading and investment income	1,216	1,077	1,089	1,180	1,422	1,787
Adjustment for stock appreciation	-67	599	-379	-573	-100	-648
Net national product at factor cost	79,750	89,185	94,145	101,381	112,630	120,133

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

Description	2002-2007	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Remuneration of employees	9.1	8.0	8.8	11.9	9.7	7.2
Income of independent traders	6.4	2.6	11.5	11.4	6.3	0.7
Current transfers to households (including net transfers from the rest of the world)	10.6	8.0	11.2	9.4	11.2	13.5
Personal income of households and private non-profit institutions	7.6	7.5	7.4	8.3	7.0	7.6

Table 13 Consumption of Personal Income at Current Market Prices

€ million

Description	2002	2003	2004	2005	2006	2007	2008†
Food, beverages and tobacco	14,495	14,573	14,607	15,232	16,319	17,426	17,800
Food (excl. meals out)	5,842	5,877	5,978	6,243	6,861	7,308	7,894
Non-alcoholic beverages	519	514	496	509	519	630	633
Alcoholic beverages (total incl pubs)	5,972	5,994	6,131	6,376	6,803	7,230	7,028
Tobacco	2,163	2,188	2,002	2,105	2,137	2,258	2,245
Clothing and footwear	3,404	3,209	3,147	3,545	3,756	3,993	3,832
Housing (rent, local government charges, repairs and decorations)	10,188	11,278	11,737	12,358	13,405	15,151	16,433
<i>of which imputed rent</i>	<i>8,079</i>	<i>8,853</i>	<i>9,079</i>	<i>9,456</i>	<i>10,184</i>	<i>11,580</i>	<i>12,595</i>
Fuel and power (excluding motor fuels)	1,722	1,913	2,153	2,540	2,760	3,031	3,486
Household equipment and operation	4,382	4,736	5,028	5,254	5,682	6,181	5,702
Durable household goods	2,731	2,904	2,984	3,198	3,572	3,946	3,399
Non-durable goods and services	1,651	1,832	2,044	2,057	2,111	2,235	2,303
Transport and communication	8,615	9,544	10,711	12,146	13,371	14,416	14,148
Personal transport equipment	2,705	2,779	3,068	3,565	3,950	4,282	3,738
Operation of personal transport equipment (incl. motor fuels)	2,640	2,972	3,367	3,882	4,181	4,521	4,860
Public transport	1,633	1,840	1,940	2,063	2,307	2,629	2,726
Communication	1,637	1,953	2,336	2,636	2,933	2,984	2,823
Recreation, entertainment and education	6,364	6,917	7,528	8,148	9,049	9,713	9,670
Equipment and accessories	2,200	2,319	2,648	2,833	2,866	3,245	2,962
Services (incl. education)	4,163	4,598	4,880	5,315	6,183	6,468	6,707
Miscellaneous goods and services	13,194	14,681	15,758	17,167	18,993	20,733	20,710
Professional services (incl. medical goods and services)	5,281	5,972	6,436	6,835	7,523	7,974	7,967
Goods (n.e.s.)	2,127	2,310	2,217	2,445	2,807	3,206	3,046
Services (n.e.s.)	4,641	5,200	5,627	6,165	6,534	7,301	7,424
FISIM (financial services indirectly measured)	1,146	1,198	1,477	1,722	2,128	2,252	2,272
Expenditure outside the State	3,529	3,762	3,764	4,399	4,901	5,729	6,362
less Expenditure by non-residents	-3,256	-3,409	-3,536	-3,863	-4,258	-4,426	-4,279
158. Personal consumption of goods and services at current market prices	62,637	67,203	70,899	76,927	83,979	91,948	93,863
159. Taxes on personal income and wealth	15,087	15,798	18,085	19,564	21,407	23,558	23,460
160. Total personal expenditure	77,724	83,001	88,984	96,491	105,386	115,506	117,323

† Preliminary

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

Description	2002-2008	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Food	5.1	0.6	1.7	4.4	9.9	6.5	8.0
Non-alcoholic Beverages	3.4	-0.8	-3.6	2.6	2.1	21.4	0.5
Alcoholic beverages	2.8	0.4	2.3	4.0	6.7	6.3	-2.8
Tobacco	0.6	1.2	-8.5	5.1	1.5	5.7	-0.6
Clothing and footwear	2.0	-5.7	-1.9	12.7	5.9	6.3	-4.0
Housing	8.3	10.7	4.1	5.3	8.5	13.0	8.5
Fuel and Power	12.5	11.1	12.6	18.0	8.7	9.8	15.0
Household equipment and operation	4.5	8.1	6.2	4.5	8.1	8.8	-7.8
Transport and communication	8.6	10.8	12.2	13.4	10.1	7.8	-1.9
Recreation, entertainment and education	7.2	8.7	8.8	8.2	11.1	7.3	-0.4
Miscellaneous goods and services	7.8	11.3	7.3	8.9	10.6	9.2	-0.1
Expenditure outside the State	10.3	6.6	0.1	16.8	11.4	16.9	11.0
Expenditure by non-residents	4.7	4.7	3.7	9.2	10.2	3.9	-3.3
Personal consumption of goods and services	7.0	7.3	5.5	8.5	9.2	9.5	2.1

Table 14 Consumption of Personal Income (except Taxes on Personal Income and Wealth) at Constant Market Prices (chain linked annually and referenced to year 2007)

	€ million						
Description	2002	2003	2004	2005	2006	2007	2008†
Food, beverages and tobacco	16,635	15,906	15,692	16,252	17,131	17,426	16,631
Food (excl. meals out)	6,284	6,242	6,364	6,662	7,199	7,308	7,317
Non-alcoholic beverages	561	535	507	520	530	630	603
Alcoholic beverages (total incl pubs)	7,017	6,578	6,582	6,743	7,088	7,230	6,608
Tobacco	2,851	2,589	2,249	2,339	2,320	2,258	2,104
Clothing and footwear	2,853	2,814	2,870	3,339	3,623	3,993	4,035
Housing (rent, local government charges, repairs and decorations)	11,951	12,461	13,090	13,775	14,476	15,151	15,750
<i>of which imputed rent</i>	<i>9,174</i>	<i>9,514</i>	<i>9,945</i>	<i>10,447</i>	<i>10,985</i>	<i>11,580</i>	<i>12,088</i>
Fuel and power (excluding motor fuels)	2,556	2,658	2,797	2,975	2,986	3,031	3,070
Household equipment and operation	4,240	4,572	4,876	5,131	5,615	6,181	5,775
Durable household goods	2,403	2,596	2,732	2,998	3,447	3,946	3,535
Non-durable goods and services	1,870	2,010	2,189	2,160	2,177	2,235	2,240
Transport and communication	9,940	10,704	11,557	12,780	13,660	14,416	13,830
Personal transport equipment	2,862	2,884	3,147	3,625	3,970	4,282	3,765
Operation of personal transport equipment (incl. motor fuels)	3,427	3,758	3,963	4,242	4,309	4,521	4,531
Public transport	2,021	2,139	2,161	2,303	2,431	2,629	2,738
Communication	1,693	1,994	2,326	2,627	2,947	2,984	2,796
Recreation, entertainment and education	7,197	7,492	8,006	8,424	9,205	9,713	9,450
Equipment and accessories	1,887	2,024	2,436	2,629	2,733	3,245	3,032
Services (incl. education)	5,459	5,591	5,594	5,805	6,507	6,468	6,418
Miscellaneous goods and services	16,480	17,385	17,868	18,531	19,575	20,733	20,346
Professional services (incl. medical goods and services)	6,690	7,052	7,234	7,325	7,753	7,974	7,620
Goods (n.e.s.)	2,070	2,226	2,159	2,419	2,811	3,206	3,037
Services (n.e.s.)	5,889	6,233	6,423	6,731	6,816	7,301	7,213
FISIM (financial services indirectly measured)	1,864	1,877	2,134	2,086	2,202	2,252	2,476
Expenditure outside the State	3,694	3,825	3,825	4,569	5,064	5,729	6,282
less Expenditure by non-residents	-3,848	-3,894	-3,950	-4,213	-4,468	-4,426	-4,114
161. Personal consumption of goods and services at constant market prices	71,592	73,762	76,446	81,470	86,828	91,948	91,055

† Preliminary

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

Description	2002-2008	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Food	2.6	-0.7	2.0	4.7	8.1	1.5	0.1
Non-alcoholic Beverages	1.2	-4.7	-5.2	2.4	1.9	19.0	-4.3
Alcoholic beverages	-1.0	-6.3	0.1	2.4	5.1	2.0	-8.6
Tobacco	-4.9	-9.2	-13.1	4.0	-0.8	-2.7	-6.8
Clothing and footwear	5.9	-1.3	2.0	16.3	8.5	10.2	1.0
Housing	4.7	4.3	5.0	5.2	5.1	4.7	4.0
Fuel and Power	3.1	4.0	5.2	6.4	0.4	1.5	1.3
Household equipment and operation	5.3	7.8	6.7	5.2	9.4	10.1	-6.6
Transport and communication	5.7	7.7	8.0	10.6	6.9	5.5	-4.1
Recreation, entertainment and education	4.6	4.1	6.9	5.2	9.3	5.5	-2.7
Miscellaneous goods and services	3.6	5.5	2.8	3.7	5.6	5.9	-1.9
Expenditure outside the State	9.3	3.5	0.0	19.5	10.8	13.1	9.6
Expenditure by non-residents	1.1	1.2	1.4	6.7	6.1	-0.9	-7.1
Personal consumption of goods and services	4.1	3.0	3.6	6.6	6.6	5.9	-1.0

Table 15 Gross Domestic Physical Capital Formation at Current Market Prices

€ million

Description	2002	2003	2004	2005	2006	2007	2008†
Fixed capital							
Dwellings	10,804	13,785	16,958	20,509	22,626	21,542	15,123
Roads	1,737	1,846	2,062	2,079	2,164	2,624	2,678
Other building and construction (including land rehabilitation etc.)	6,279	6,018	6,861	7,693	8,859	10,728	10,515
Costs associated with transfer of land & buildings	1,291	1,869	2,314	3,068	4,168	3,373	1,681
Transport equipment	3,445	2,834	3,620	4,739	4,499	5,628	4,680
Agricultural machinery	240	223	251	261	285	424	377
Other machinery and equipment	3,609	3,928	3,626	4,152	4,204	4,306	3,571
Software	359	362	411	391	387	354	358
Exploration	254	335	199	178	301	317	368
Artistic originals	98	138	134	150	135	133	123
Gross domestic fixed capital formation	28,117	31,338	36,435	43,220	47,628	49,429	39,474
Changes in stocks							
Value of physical changes in stocks on farms	-43	-42	-19	-15	-122	-91	14
Value of physical changes in EU intervention stocks	176	48	-16	-83	-163	-33	0
Value of physical changes in other stocks	512	1,282	460	828	1,931	-23	304
Total value of physical changes in stocks	646	1,288	425	730	1,645	-146	317
162. Gross domestic physical capital formation at current market prices	28,763	32,626	36,861	43,951	49,273	49,283	39,791

† Preliminary

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

€ million

Description	2002	2003	2004	2005	2006	2007	2008†
Agriculture, forestry and fishing	689	653	690	737	883	1,308	1,378
Fuel and power products	1,752	1,787	1,920	1,929	1,959	1,707	1,678
Manufacturing products	3,558	3,141	2,642	3,578	3,543	3,357	3,418
Building and construction	338	435	498	527	496	529	324
Market services	19,794	23,296	28,594	34,341	38,453	39,728	29,966
Dwellings (incl. transfer costs)	11,472	14,749	18,146	22,083	24,754	23,265	15,986
Roads	1,737	1,846	2,062	2,079	2,164	2,624	2,678
Other market services	6,585	6,701	8,386	10,179	11,535	13,839	11,302
Non-market services	1,985	2,025	2,090	2,109	2,294	2,800	2,711
163. Gross domestic fixed capital formation at current market prices	28,117	31,338	36,435	43,220	47,628	49,429	39,474

† Preliminary

**Table 17 Gross Domestic Physical Capital Formation at Constant Market Prices
(chain linked annually and referenced to year 2007)**

	€ million						
Description	2002	2003	2004	2005	2006	2007	2008†
Fixed capital							
Dwellings	15,358	17,310	19,230	22,416	23,004	21,542	15,886
Roads	2,093	2,160	2,319	2,238	2,239	2,624	2,911
Other building and construction (including land rehabilitation etc.)	7,059	6,763	7,438	8,034	8,913	10,728	11,594
Costs assoc. with transfer of land & buildings	2,269	2,884	3,174	3,845	4,424	3,373	1,936
Transport equipment	3,553	2,892	3,669	4,783	4,517	5,628	4,649
Agricultural machinery	202	214	254	262	282	424	374
Other machinery and equipment	3,086	3,756	3,630	4,140	4,155	4,306	3,599
Software	435	413	447	411	403	354	336
Exploration	301	387	221	190	313	317	355
Artistic originals	83	118	122	144	131	133	126
Gross domestic fixed capital formation	34,769	36,956	40,514	46,468	48,305	49,429	41,766
Changes in stocks							
Value of physical changes in stocks on farms	-32	-31	-13	-16	-125	-91	11
Value of physical changes in EU intervention stocks	290	62	-25	-77	-161	-33	0
Value of physical changes in other stocks	673	287	403	247	568	-23	290
Total value of physical changes in stocks	368	848	287	546	1,204	-146	301
164. Gross domestic physical capital formation at constant prices chain linked to 2007	35,147	38,338	40,882	47,247	50,030	49,283	42,068

† Preliminary

**Table 18 Gross Domestic Fixed Capital Formation by Sector of Use at Constant Market Prices
(chain linked annually and referenced to year 2007)**

	€ million						
Description	2002	2003	2004	2005	2006	2007	2008†
Agriculture, forestry and fishing	683	688	730	760	882	1,308	1,378
Fuel and power products	1,929	1,971	2,075	2,026	1,998	1,707	1,754
Manufacturing products	3,482	3,254	2,753	3,665	3,557	3,357	3,575
Building and construction	306	423	501	527	494	529	327
Market services	25,913	28,235	32,206	37,292	39,086	39,728	31,752
Dwellings (incl. transfer costs)	16,617	18,867	20,943	24,476	25,284	23,265	16,854
Roads	2,093	2,160	2,319	2,238	2,239	2,624	2,911
Other market services	7,153	7,332	8,991	10,629	11,592	13,839	11,987
Non-market services	2,170	2,229	2,240	2,191	2,299	2,800	2,979
165. Gross domestic fixed capital formation at constant prices chain linked to 2007	34,769	36,956	40,514	46,468	48,305	49,429	41,766

† Preliminary

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

€ million

Description	2002	2003	2004	2005	2006	2007
Current receipts						
166. Taxes on income and wealth	14,381	15,017	16,821	17,751	19,945	20,904
167. Taxes on expenditure	15,080	16,408	18,416	20,760	23,475	24,073
168. Social insurance contributions	5,517	5,942	6,604	7,322	8,159	9,053
169. Gross trading income	0	0	0	-7	0	0
170. Investment income:						
Local government	116	104	92	92	116	159
Land annuities - interest	3	3	3	2	11	0
Other Irish sources	822	639	659	768	945	1,259
171. Transfers from local government	11	14	17	18	21	23
172. Transfers from the rest of the world (not elsewhere included)	209	234	269	250	210	63
173. Miscellaneous receipts	716	802	820	1,512	1,771	1,929
174. Total receipts - current	36,855	39,162	43,701	48,467	54,653	57,463
Capital receipts						
175. Taxes on capital	770	1,649	1,718	2,231	3,442	3,488
176. Loan repayments and equity sales:						
Local government	22	28	23	22	25	16
Land annuities - principal	0	0	0	0	0	0
Other	1,162	851	478	271	721	815
177. Transfers from the rest of the world	600	409	478	230	193	167
178. Borrowing	11,233	1,961	938	85	-4,283	5,735
179. Total receipts - capital	13,787	4,898	3,633	2,840	98	10,222
180. Total receipts - current and capital	50,642	44,059	47,334	51,307	54,752	67,685
Current expenditure						
181. Subsidies	788	818	768	881	775	870
182. National debt interest:						
Paid to residents	1,066	998	611	825	578	393
Paid to rest of the world	670	726	1,061	861	991	1,201
183. Land bond interest	0	0	0	0	0	0
184. Transfer payments:						
To residents	10,500	11,421	12,384	16,446	18,245	20,883
To rest of the world	1,178	1,355	1,533	1,847	2,076	2,208
185. Expenditure on goods and services:						
Wages, salaries and pensions	5,166	5,655	6,188	12,417	13,654	15,013
Other	2,484	2,545	2,794	6,478	7,181	7,983
186. Grants to local government	10,904	12,209	13,250	3,058	3,294	3,557
187. Total expenditure - current	32,758	35,727	38,589	42,814	46,793	52,107
Capital expenditure						
188. Grants to enterprises	491	504	362	561	373	552
189. Other transfer payments	392	543	737	729	824	1,138
190. Redemption of securities	12,095	2,680	3,154	1,971	594	6,714
191. Loans and share capital:						
Local government	0	0	0	0	0	0
Other	353	313	230	699	765	777
192. Gross physical capital formation	1,283	1,132	1,077	1,383	1,652	2,431
193. Grants to local government	3,258	3,146	3,164	3,125	3,645	3,930
194. Payments to the rest of the world	11	14	22	24	105	35
195. Total expenditure - capital	17,884	8,332	8,745	8,493	7,959	15,577
196. Total expenditure - current and capital	50,642	44,059	47,334	51,307	54,752	67,684

* Irish Rail reclassified within Government from 2006 onwards - see note under Changes in Concepts and Methods in Appendix 1.

Table 20 Receipts and Expenditure of Local Government

€ million

Description	2002	2003	2004	2005	2006	2007
Current receipts						
197. Rates	747	836	944	1,052	1,192	1,267
198. Gross rental income	397	455	480	495	536	568
199. Grants from central government	10,904	12,209	13,250	3,058	3,294	3,557
200. Interest, incl repayments of loans under the Housing Acts	126	132	107	87	109	149
201. Miscellaneous receipts	990	1,182	1,417	971	1,027	1,097
202. Total receipts - current	13,165	14,815	16,198	5,663	6,158	6,639
Capital receipts						
203. Grants from central government	3,258	3,146	3,164	3,125	3,645	3,930
204. Principal, incl repayments of loans under the Housing Acts	35	50	46	52	50	45
205. Miscellaneous receipts	870	1,085	977	1,300	1,766	2,079
206. Loans received from central government	0	0	0	0	0	0
207. Other loans received and miscellaneous borrowing	882	151	295	159	332	1,092
208. Total receipts - capital	5,045	4,431	4,481	4,636	5,794	7,147
209. Total receipts - current and capital	18,210	19,246	20,679	10,299	11,952	13,785
Current expenditure						
210. Subsidies:						
Housing	0	0	0	0	0	0
Other	0	0	0	0	0	0
211. National debt interest:						
Central government	116	104	92	92	116	159
Other	22	15	13	7	11	-6
212. Transfer payments	2,428	2,590	3,132	677	798	844
213. Transfers to central government	11	14	17	18	21	23
214. Expenditure on goods and services:						
Wages, salaries and pensions	6,134	6,912	7,485	2,562	2,765	2,919
Other	4,548	4,752	5,058	1,870	2,216	2,631
215. Total expenditure - current	13,259	14,387	15,798	5,226	5,928	6,570
Capital expenditure						
216. Grants to enterprises	126	146	144	129	161	174
217. Other transfer payments	61	53	50	85	114	129
218. Loan repayments:						
Central government	22	28	23	22	25	16
Other	91	116	120	138	112	137
219. Loans to persons	368	482	361	430	551	559
220. Gross physical capital formation	4,284	4,033	4,184	4,269	5,062	6,201
221. Total expenditure - capital	4,951	4,859	4,881	5,073	6,024	7,216
222. Total expenditure - current and capital	18,210	19,246	20,679	10,299	11,952	13,785

Table 21 Receipts and Expenditure of Central and Local Government *

	€ million					
Description	2002	2003	2004	2005	2006	2007
Current receipts						
Taxes on income and wealth (including social contributions)	19,898	20,959	23,425	25,072	28,103	29,957
Taxes on expenditure (including rates)	15,828	17,245	19,360	21,812	24,667	25,340
Gross trading income	0	0	0	-7	0	0
Gross rental income	397	455	480	495	536	568
Investment income	951	773	769	857	1,065	1,409
Transfers from the rest of the world (not elsewhere included)	209	234	269	250	210	63
Miscellaneous receipts	1,706	1,984	2,237	2,483	2,798	3,026
Total receipts - current	38,989	41,650	46,540	50,962	57,380	60,363
Capital receipts						
Taxes on capital	770	1,649	1,718	2,231	3,442	3,488
Loan repayments and equity sales	1,197	901	523	323	771	861
Transfers from the rest of the world	600	409	478	230	193	167
Other receipts	870	1,085	977	1,300	1,766	2,079
Borrowing	12,116	2,112	1,233	244	-3,951	6,827
Total receipts - capital	15,552	6,156	4,928	4,329	2,222	13,422
Total receipts - current and capital	54,541	47,805	51,469	55,291	59,603	73,785
Current expenditure						
Subsidies	788	818	768	881	775	870
National debt interest (including land bond interest)	1,758	1,739	1,685	1,692	1,580	1,587
Transfer payments	14,107	15,367	17,050	18,970	21,119	23,935
Expenditure on goods and services	18,333	19,863	21,525	23,328	25,816	28,546
Total expenditure - current	34,986	37,788	41,028	44,872	49,290	54,938
Capital expenditure						
Grants to enterprises	617	650	506	690	534	726
Other transfer payments	453	597	787	814	938	1,267
Redemption of securities and loan repayments	12,186	2,796	3,274	2,110	706	6,850
Loans and share capital	721	795	590	1,129	1,316	1,337
Gross physical capital formation	5,567	5,165	5,261	5,652	6,714	8,631
Payments to the rest of the world	11	14	22	24	105	35
Total expenditure - capital	19,555	10,018	10,440	10,419	10,313	18,847
Total expenditure - current and capital	54,541	47,805	51,468	55,291	59,603	73,785

* Irish Rail reclassified within Government from 2006 onwards - see note under Changes in Concepts and Methods in Appendix 1.

Table 22 Details of Taxation

	€ million					
Description	2002	2003	2004	2005	2006	2007
Central and Local Government						
Taxes on income and wealth	19,898	20,959	23,425	25,072	28,103	29,957
Income tax (including sur tax)	9,000	9,226	10,787	11,466	12,391	13,563
Corporation tax	4,804	5,155	5,335	5,503	6,685	6,393
Motor tax -						
Estimated portion paid by households etc.	320	374	411	441	484	526
Other taxes	9	1	1	3	5	5
Fees under the Petroleum and Minerals Development Acts	7	5	5	5	12	5
Training and Employment Levy	241	255	282	332	368	411
Income Levy	0	0	0	0	0	0
Levies under Sections 93 & 94 of Finance Act, 1986	0	0	0	0	0	0
Social Insurance contribution	5,517	5,942	6,604	7,322	8,159	9,053
Taxes on capital	770	1,649	1,718	2,231	3,442	3,488
Estate, etc. duties	0	0	0	0	0	0
Capital gains tax	619	1,436	1,528	1,982	3,099	3,097
Capital acquisitions tax	151	213	190	249	343	391
Taxes on expenditure	15,828	17,245	19,360	21,812	24,667	25,340
Customs duties	16	24	37	31	34	24
Excise duties including VRT	4,605	4,740	5,069	5,410	5,699	6,003
Value added tax	8,920	9,524	10,766	12,134	13,557	14,179
Residential property tax	1	0	0	0	0	0
Rates	747	836	944	1,052	1,192	1,267
Motor tax - Estimated portion paid by businesses	262	306	336	361	396	431
Stamps (excluding fee stamps)	1,138	1,664	2,069	2,672	3,631	3,244
Fee stamps	25	1	1	1	1	0
Agricultural levies	1	1	0	1	0	-1
Broadcasting licence fee *	10	19	14	0	0	23
Other fees	102	129	125	150	158	171
EU Taxes	374	406	324	432	470	519
Total taxation	36,869	40,259	44,828	49,547	56,683	59,305

* Excludes amount transferred to RTE

Table 23 Details of Subsidies and Capital Grants to Enterprises

€ million

Description	2002	2003	2004	2005	2006	2007
Subsidies						
Central and local government	788	818	768	881	775	870
Bovine Tuberculosis and Brucellosis eradication	77	65	53	50	46	49
Grants from hardship fund	0	0	0	0	0	0
Beef, mutton, etc. export schemes	0	0	0	0	0	0
Beef cattle incentive scheme	0	0	0	0	0	0
Dairy produce	0	0	0	0	0	0
Aids to farmers	136	204	178	245	257	269
Other agricultural subsidies	89	93	38	53	40	41
Current grant by BIM	9	7	7	8	10	7
Bread subsidy	0	0	0	0	0	0
Grants by the IDA, Forbairt & Forfas	90	102	85	98	107	119
Current grants to S.F.A.D. Co. Ltd.	0	0	0	0	0	0
Current payments to CIE *	233	245	257	282	108	123
Land Acts, 1923-53 - interest	0	0	0	0	0	0
Local government housing subsidy	0	0	0	0	0	0
Other housing subsidies	0	0	0	0	0	0
Interest subsidy for building societies	0	0	0	0	0	0
Expenses of market intervention less recoupment from EU #	11	-22	6	8	5	8
Employment subsidies	14	11	12	18	37	49
Other subsidies	130	112	131	119	165	205
EU subsidies	1,896	1,839	1,788	2,239	1,778	1,728
Capital grants to enterprises -						
Central and local government	617	650	506	690	534	726
Housing grants	115	135	132	112	138	153
Farm modernisation grants	7	0	0	0	0	0
Western drainage	0	0	0	0	0	0
Grants by BIM	11	10	17	18	25	21
Grants by the IDA, Forbairt, Forfas	51	18	12	41	66	50
Grants by Udaras na Gaeltachta	6	6	6	9	7	7
Grants by Bord Failte Eireann	5	3	5	5	0	-3
Grants to S.F.A.D. Co. Ltd.	3	3	1	0	3	1
Grants by Institute for Industrial Research and Standards	0	0	0	0	0	0
Grants to CIE *	263	302	166	285	46	154
Insurance Compensation Fund	0	0	0	0	0	0
Other grants	156	172	168	219	249	344

See explanatory note to Table 10 in Appendix 2

* Irish Rail reclassified within Government from 2006 onwards - see note under Changes in Concepts and Methods in Appendix 1.

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

	€ million					
Description	2002	2003	2004	2005	2006	2007
Current transfer payments and national debt interest	15,865	17,106	18,735	20,663	22,699	25,523
National debt interest:						
paid to residents	1,087	1,013	624	831	589	386
paid to the rest of the world	670	726	1,061	861	991	1,201
Land bond interest	0	0	0	0	0	0
Higher education	660	702	708	732	832	913
Secondary education	775	916	952	988	1,109	1,204
Other education	21	17	19	24	32	49
Scholarships and prizes	106	116	131	133	141	151
Old age n.c. pensions	552	580	616	648	745	935
Child benefit	1,463	1,667	1,765	1,900	2,338	2,651
Unemployment assistance	512	566	614	667	769	875
Widows' and orphans' n.c. pensions	121	123	129	131	109	24
Redundancy payments	59	98	148	150	170	188
Occupational injuries benefit	77	79	83	88	96	104
Free travel, electricity, telephone rental, television and radio licences for old age pensioners etc.	216	257	280	301	314	377
Disability benefit	385	433	480	540	628	755
Unemployment benefit	423	477	456	418	455	545
Retirement pensions *	803	899	984	1,060	858	79
Old age (contributory) pensions *	869	947	1,050	1,153	1,581	2,755
Widows'(contributory) pensions	770	836	917	1,011	1,115	1,236
Invalidity pensions	404	440	487	548	602	618
Treatment benefit	61	63	70	65	95	92
Pay-related benefit	0	0	0	0	0	0
Other social insurance etc.	199	206	221	231	285	369
less Social insurance payments to the rest of the world	-151	-160	-183	-198	-238	-271
Rehabilitation etc. of disabled persons	408	464	545	631	738	902
Residential care for children	241	265	287	0	2	0
Payments for medical goods supplied to households by pharmacists	551	651	763	863	989	1,108
Domiciliary care for handicapped children	33	34	37	277	321	425
Supplementary welfare allowance	565	671	686	710	765	841
Subsidies for drug purchases	352	366	408	556	665	738
Transport services for school children	96	102	110	122	160	172
Local government housing rental deficit	457	514	545	569	623	677
Other social payments	253	297	382	449	596	728
Transfers to the rest of the world	1,178	1,355	1,533	1,847	2,076	2,208
Social assistance allowance	7	7	5	6	4	0
Social employment scheme	323	275	264	296	326	358
Family income supplement	42	45	56	72	107	140
Enterprise allowance scheme	0	0	0	0	0	0
FAS allowances	169	165	168	193	206	225
Early retirement payments	82	80	73	62	55	26
Lone Parents Allowance	613	661	695	751	834	962
Pre-retirement Allowance	87	89	95	103	113	124
Employment Support Services	168	139	116	107	116	142
Other transfer payments	543	347	750	796	873	1,004
Less imputed pensions received from employees	-386	-422	-435	-433	-483	-494
Repayment of nursing home charges (accrued)	0	0	40	400	0	0
Capital grants to households, etc.	453	597	787	814	938	1,267
Grants under the Housing Acts	39	44	18	0	0	0
Other housing grants	6	4	3	4	4	5
Supplementary grants for housing and disabled persons grants	73	65	66	102	136	129
Grants for higher education	91	55	54	70	69	151
Grants to training colleges	4	0	0	0	7	4
Grants to secondary schools	100	78	76	82	91	118
Building, equipping and furnishing of hospitals and other health facilities	116	114	104	148	117	140
Other capital transfer payments	24	236	466	408	514	719
Pension Funds	0	0	0	0	0	0

* Since September, 2006, recipients of 'Retirement Benefits' are transferred to 'Old Age (Contributory) Pension' when they reach age 66. Prior to this Retirement Benefits included some people aged 66 and over.

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

€ million

Description	2002	2003	2004	2005	2006	2007
Central government	1,284	1,132	1,077	1,383	1,653	2,435
New works, alterations and additions by Office of Public Works (including furniture for new buildings)	257	265	249	218	264	302
Building, equipment and furnishing of national schools	173	175	173	267	245	399
Arterial drainage	18	21	15	16	14	23
Forest development (including acquisition of land)	2	4	5	13	14	16
Constructional work at airports (including acquisition of land and building)	0	0	0	0	0	0
Capital expenditure by the IDA, Forfas & Forbairt	15	-8	11	15	-25	6
Comprehensive schools	33	35	24	58	60	39
Other construction	439	314	202	141	101	403
Vehicles, machinery and equip. (less sales)	315	282	326	293	705	781
Health	32	44	71	363	275	466
Local government	4,284	4,033	4,184	4,269	5,062	6,599
Local government housing	917	614	709	1,055	1,340	1,902
Roads	1,726	1,774	1,832	1,871	2,073	2,118
Health	336	416	482	0	0	0
Water supply and sewerage	647	545	489	578	732	962
Vocational education committees	118	73	67	85	120	255
Other	540	611	605	680	797	1,362

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

€ million

Description	2002	2003	2004	2005	2006	2007
Defence	805	796	895	854	898	957
Current transfer payments	81	76	74	76	69	57
Current expenditure on goods and services	663	677	727	752	785	823
Current grants to local government	3	5	6	6	6	6
Gross physical capital formation	58	39	90	20	39	72
Other central government services	4,233	4,371	4,803	5,120	5,523	6,228
Subsidies	43	59	42	46	25	24
Current transfer payments	950	1,097	1,276	1,548	1,702	1,824
Current expenditure on goods and services	2,685	2,802	3,114	3,058	3,201	3,617
Current grants to local government	90	6	12	14	8	16
Capital grants to enterprises	14	24	33	46	45	34
Capital transfer payments	24	8	12	8	15	13
Loans	-5	-3	-2	-4	-5	-5
Gross physical capital formation	401	343	271	351	407	644
Capital grants to local government	21	21	24	27	19	25
Capital payments to the rest of the world	11	14	22	24	105	35
Education	5,404	5,866	6,399	6,996	7,714	8,570
Current transfer payments	1,553	1,715	1,778	1,865	2,109	2,369
Current expenditure on goods and services	2,114	2,443	2,744	2,982	3,323	3,552
Current grants to local government	1,156	1,280	1,410	1,538	1,661	1,801
Capital transfer payments	158	100	98	116	133	244
Loans	0	0	0	0	0	0
Gross physical capital formation	235	236	228	340	314	462
Capital grants to local government	187	91	141	155	176	142
Health	8,325	9,272	10,130	11,529	12,020	13,433
Current transfer payments	96	101	158	1,602	1,408	1,583
Current expenditure on goods and services	127	180	194	9,410	10,219	11,245
Current grants to local government	7,594	8,477	9,266	0	0	0
Capital transfer payments	116	114	104	148	117	140
Loans	0	0	0	6	1	1
Gross physical capital formation	32	44	71	363	275	466
Capital grants to local government	360	356	335	0	0	0
Social security and welfare	9,413	10,435	11,284	13,023	14,833	17,221
Current transfer payments	8,112	8,964	9,779	12,245	13,969	16,117
Current expenditure on goods and services	293	301	318	731	758	957
Current grants to local government	948	1,110	1,146	0	0	0
Capital transfer payments	43	38	37	40	85	132
Gross physical capital formation	18	21	2	6	20	13
Capital grants to local government	0	0	0	0	1	2
Housing	1,054	1,052	1,041	1,175	1,322	1,444
Subsidies	0	0	0	0	0	0
Current transfer payments	5	2	2	3	2	3
Current expenditure on goods and services	22	27	27	29	36	41
Current grants to local government	48	131	138	138	137	147
Capital transfer payments	57	60	37	21	26	5
Loans	0	0	0	0	0	0
Gross physical capital formation	0	1	1	0	1	3
Capital grants to enterprises	0	0	0	0	0	0
Capital grants to local government	922	832	838	983	1,121	1,246
Other community and social services	705	671	762	895	1,004	1,229
Subsidies	2	2	2	2	2	3
Current transfer payments	142	135	160	215	237	264
Current expenditure on goods and services	211	208	223	256	294	354
Current grants to local government	1	1	1	2	7	29
Capital grants to enterprises	25	17	15	38	50	70
Capital transfer payments	95	99	136	106	129	204
Loans	0	0	0	0	0	0
Gross physical capital formation	85	25	33	61	81	88
Capital grants to local government	144	183	193	216	203	216

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

Description	2002	2003	2004	2005	2006	2007
Agriculture, forestry and fishing	1,629	1,644	1,651	2,169	2,294	2,579
Subsidies *	380	394	339	406	441	507
Current transfer payments	152	143	143	129	126	106
Current expenditure on goods and services	589	594	606	664	688	771
Current grants to local government	9	5	2	2	2	3
Capital grants to enterprises	65	72	67	70	78	179
Capital transfer payments	53	73	201	157	169	194
Loans	309	263	175	651	730	740
Gross physical capital formation	73	101	119	91	59	78
Mining, manufacturing and construction	637	498	564	568	696	722
Subsidies	71	59	64	68	99	121
Current transfer payments	323	275	264	296	326	358
Current expenditure on goods and services	88	89	105	110	121	131
Capital grants to enterprises	60	28	19	51	89	57
Loans and share capital	38	39	42	30	34	38
Gross physical capital formation	46	9	14	13	27	17
Capital transfer payments	11	0	55	0	0	0
Transport and communication	2,040	2,327	2,191	2,245	2,865	3,337
Subsidies	278	294	308	340	170	165
Current transfer payments	16	17	29	8	15	16
Current expenditure on goods and services	95	72	113	80	500	536
Current grants to local government	94	62	55	55	60	59
Capital grants to enterprises	295	335	200	321	84	188
Capital transfer payments	-185	37	38	21	36	34
Loans and share capital	11	14	3	6	0	1
Gross physical capital formation	305	283	213	90	339	537
Capital grants to local government	1,132	1,213	1,232	1,325	1,660	1,802
Other economic services	1,604	1,592	1,574	1,773	2,006	2,161
Subsidies	15	11	12	19	38	49
Current transfer payments	248	252	256	307	358	396
Current expenditure on goods and services	763	807	810	822	909	970
Current grants to local government	1	1	1	1	1	1
Capital grants to enterprises	33	28	28	35	26	24
Capital transfer payments	21	13	19	112	114	172
Loans	0	0	12	11	5	2
Gross physical capital formation	31	30	36	48	89	51
Capital grants to local government	493	450	400	418	465	497
Public debt	13,831	4,404	4,826	3,657	2,163	8,307
National debt interest	1,736	1,724	1,672	1,686	1,569	1,594
Redemption of securities	12,095	2,680	3,154	1,971	594	6,714
Unallocated by function						
Current Grants to local government	961	1,131	1,213	1,303	1,412	1,494
Total Expenditure	50,642	44,059	47,334	51,307	54,752	67,684

* 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	2002	2003	2004	2005	2006	2007
General government services	706	793	810	790	845	957
Current transfer payments	-17	-6	-29	-33	9	25
Transfers to central government	11	14	17	18	21	23
Current expenditure on goods and services	492	556	582	574	583	625
Gross physical capital formation	220	229	241	231	232	285
Education	1,394	1,483	1,618	1,786	1,912	2,188
Current transfer payments	80	77	104	112	122	117
Current expenditure on goods and services	1,197	1,332	1,447	1,589	1,670	1,815
Gross physical capital formation	118	73	67	85	120	255
Health	8,041	9,000	9,949	3	2	2
Current transfer payments	683	774	890	0	0	0
Current expenditure on goods and services	7,023	7,810	8,577	3	2	2
Gross physical capital formation	336	416	482	0	0	0
Social security and welfare	1,311	1,326	1,721	54	74	75
Current transfer payments	1,249	1,256	1,646	54	74	74
Transfers to central government	0	0	0	0	0	0
Current expenditure on goods and services	62	70	75	0	0	0
Gross physical capital formation	0	0	0	0	0	1
Housing	2,290	1,925	1,924	2,538	3,048	3,851
Subsidies	0	0	0	0	0	0
Current transfer payments	457	514	545	569	623	677
Current expenditure on goods and services	372	126	127	287	283	430
Capital transfer payments	61	53	50	85	114	129
Loans to persons	368	482	361	430	551	559
Gross physical capital formation	917	614	709	1,055	1,340	1,902
Capital grants to enterprises	115	135	132	112	138	153
Other community and social services	1,298	1,416	1,424	1,581	1,820	2,039
Current transfer payments	0	0	0	0	0	0
Current expenditure on goods and services	792	900	937	982	1,058	1,101
Gross physical capital formation	506	515	487	600	762	937
Agriculture, forestry and fishing	40	35	31	57	35	44
Subsidies	0	0	0	0	0	0
Current transfer payments	0	0	0	0	0	0
Transfers to central government	0	0	0	0	0	0
Current expenditure on goods and services	18	13	14	38	15	16
Capital grants to enterprises	0	0	0	0	0	0
Gross physical capital formation	22	22	17	20	20	27
Transport and communication	2,151	2,271	2,244	2,427	2,995	3,132
Current transfer payments	-23	-24	-23	-25	-31	-49
Current expenditure on goods and services	437	509	424	564	929	1,043
Capital grants to enterprises	11	11	12	17	23	20
Gross physical capital formation	1,726	1,775	1,832	1,872	2,073	2,118
Other economic services (incl. Mining etc.)	729	735	711	804	956	1,193
Transfers to central government	0	0	0	0	0	0
Current expenditure on goods and services	290	346	362	396	441	518
Gross physical capital formation	439	389	349	407	515	675
Public debt	250	263	248	259	264	306
National debt interest	137	119	105	99	127	153
Loan repayments	113	144	142	160	137	153
Total Expenditure	18,210	19,246	20,679	10,299	11,952	13,785

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

€ million

Description	2002	2003	2004	2005	2006	2007
Defence	802	791	890	848	892	951
Current transfer payments	81	76	74	76	69	57
Current expenditure on goods and services	663	677	727	752	785	823
Gross physical capital formation	58	39	90	20	39	72
Other general government services	4,817	5,124	5,560	5,850	6,320	7,122
Subsidies	43	59	42	46	25	24
Current transfer payments	933	1,091	1,246	1,516	1,711	1,850
Current expenditure on goods and services	3,177	3,358	3,696	3,632	3,785	4,242
Capital grants to enterprises	14	24	33	46	45	34
Capital transfer payments	24	8	12	8	15	13
Loans	-5	-3	-2	-4	-5	-5
Gross physical capital formation	621	572	511	582	639	929
Capital payments to the rest of the world	11	14	22	24	105	35
Education	5,455	5,977	6,466	7,089	7,790	8,815
Current transfer payments	1,633	1,793	1,882	1,977	2,231	2,486
Current expenditure on goods and services	3,312	3,775	4,191	4,571	4,992	5,367
Capital transfer payments	158	100	98	116	133	244
Loans	0	0	0	0	0	0
Gross physical capital formation	353	309	295	426	434	718
Health	8,412	9,439	10,477	11,532	12,022	13,435
Current transfer payments	778	874	1,048	1,602	1,408	1,583
Current expenditure on goods and services	7,150	7,990	8,771	9,412	10,221	11,247
Capital transfer payments	116	114	104	148	117	140
Loans	0	0	0	6	1	1
Gross physical capital formation	368	460	554	363	275	466
Social security and welfare	9,777	10,650	11,858	13,076	14,906	17,294
Current transfer payments	9,361	10,220	11,425	12,299	14,043	16,191
Current expenditure on goods and services	355	371	393	731	758	957
Capital transfer payments	43	38	37	40	85	132
Gross physical capital formation	18	21	2	6	20	14
Housing	2,374	2,014	1,989	2,591	3,112	3,902
Subsidies	0	0	0	0	0	0
Current transfer payments	463	516	546	572	625	680
Current expenditure on goods and services	394	153	153	316	319	471
Capital grants to enterprises	115	135	132	112	138	153
Capital transfer payments	118	113	87	106	139	135
Loans	368	482	361	430	551	559
Gross physical capital formation	917	615	710	1,055	1,340	1,905
Other community and social services	1,858	1,902	1,992	2,259	2,614	3,023
Subsidies	2	2	2	2	2	3
Current transfer payments	142	135	160	215	237	264
Current expenditure on goods and services	1,003	1,109	1,160	1,238	1,352	1,456
Capital grants to enterprises	25	17	15	38	50	70
Capital transfer payments	95	99	136	106	129	204
Loans	0	0	0	0	0	0
Gross physical capital formation	591	541	520	661	843	1,025
Agriculture, forestry and fishing	1,660	1,675	1,681	2,224	2,327	2,619
Subsidies #	380	394	339	406	441	507
Current transfer payments	152	143	143	129	126	106
Current expenditure on goods and services	607	607	620	702	703	787
Capital grants to enterprises	65	72	67	70	78	179
Capital transfer payments	53	73	201	157	169	194
Loans	309	263	175	651	730	740
Gross physical capital formation	95	123	136	110	79	106

See explanatory note to Table 10 in Appendix 2

Table 29 Social Protection Accounts

€ million

Description	2002	2003	2004	2005	2006	2007
Current Expenditure						
Social protection benefits	19,480	21,543	23,458	25,501	28,120	31,271
Administration costs	824	911	965	1,024	1,118	1,201
Other current expenditure	29	36	38	41	44	47
Total Current Expenditure	20,333	22,490	24,462	26,566	29,283	32,520
Current Receipts						
Employers' social contributions	4,992	5,354	5,907	6,562	7,427	8,165
Social contributions by protected persons	2,909	3,278	3,729	3,941	4,305	4,776
Current general government contributions	13,080	14,390	15,371	16,464	18,158	20,043
Other current receipts	332	386	418	536	490	605
Total Current Receipts	21,315	23,408	25,425	27,503	30,380	33,590
Social Protection Benefits by Function						
Sickness	7,036	7,745	8,539	9,451	10,403	11,471
Invalidity-disability	1,804	2,069	2,310	2,607	2,936	3,400
Occupational accidents and diseases	70	72	76	81	88	97
Old-age	3,626	3,960	4,340	4,680	5,184	5,888
Survivors	1,047	1,120	1,231	1,358	1,476	1,525
Maternity	489	536	580	623	707	821
Family	2,941	3,267	3,463	3,723	4,082	4,481
Placement, vocational guidance and resettlement	337	305	284	299	321	370
Unemployment	1,099	1,266	1,417	1,447	1,623	1,846
Housing	458	528	528	519	527	523
Miscellaneous	572	677	691	712	774	849
Total Benefits	19,480	21,543	23,458	25,501	28,120	31,271

Table 30a Balance of International Payments: Current account

		€ million						
Item		2002	2003	2004	2005	2006	2007	2008†
1. Merchandise and services ¹	Cr	122,630	117,172	125,199	132,671	141,042	153,481	151,896
	Db	-100,173	-94,701	-102,882	-113,457	-123,574	-134,112	-133,002
2. Net income		-23,696	-21,724	-22,879	-24,903	-24,230	-28,507	-27,218
3. Subsidies less taxes		1,522	1,433	1,464	1,807	1,309	1,209	1,313
4. Net transfers		-818	-1,001	-1,071	-1,542	-1,813	-2,199	-2,428
5. Net balance on current account		-535	1,178	-169	-5,424	-7,266	-10,128	-9,439

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

		€ million						
Item		2002	2003	2004	2005	2006	2007	2008†
6. Balance on Capital Account		512	93	279	264	223	39	68
Financial Account								
7	Direct Investment	19,444	15,270	-23,095	-36,992	-16,634	2,602	-22,892
8	Portfolio Investment	-37,979	-39,977	14,287	52,698	8,135	-7,283	-39,352
9	Other Investment ²	19,263	21,567	11,430	-17,665	13,182	16,744	78,378
10	Reserve Assets	343	1,770	1,177	1,472	87	-12	-78
11. Balance on Financial account		1,070	-1,372	3,801	-487	4,770	12,051	16,057
12.	<i>Net errors and omissions</i>	-1,047	101	-3,911	5,647	2,273	-1,962	-6,686

¹ Adjusted for balance of payments purposes

² Including financial derivatives and trade credits

† Preliminary

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 2007. The latest estimates are contained in this issue of "National Income and Expenditure" (NIE 2008). 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 and salaries 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 the

state 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 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 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.

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 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 (including net investment income) 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 (including net investment income) 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 the **2005** report some changes were made to the estimation methods for the profits of companies and self-employed. The main changes were:

- The methodology and data sources for financial enterprises were overhauled: the coverage of the branch was more accurately delimited by improvements in the activity classification codes on the register, and more explicit and detailed use was 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 also resulted in some reclassifications between branches
- Technical improvements were 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.

These changes were implemented for the years 2000 to 2005. For the earliest years, the effect at the overall level was 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 have been more significant.

Changes were also made to the estimation of the constant price output estimates (i.e. Table 4). New methodologies were developed 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.

Changes were also 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 the 2005 edition, additional independent information on households' investment income and savings was used, based on initial work on setting up a series of non-financial sector accounts results. This system has been continued since then.

A new table of final balance sheets for the institutional sectors of the economy was given (Table 31). This table has not been repeated in later editions as it was combined with new tables of financial flows and of non financial sector accounts in a separate publication in April 2007. Updates of these series, separately for non financial and financial accounts are issued as releases annually.

The **2006** report contained reclassifications due to the abolition of the Health Boards at the beginning of 2005 and their replacement by the Health Service Executive (HSE). The main tables affected were the Government Accounts tables, especially tables 19 and 20. The old Health Boards were considered to be part of the Local Government Sector but the new HSE belongs to Central Government. The Incomes and Expenditures of Health Boards are therefore recorded in Table 20 'Local Government' for all years up to and including 2004, with transactions between the Exchequer and the Health Boards explicitly shown. From 2005 onwards the corresponding transactions of the HSE are recorded as part of Table 19 'Central Government', with transactions between the Exchequer and the HSE consolidated out and no longer identifiable. Table 21, which includes the consolidated account for Central and Local Government is unaffected by the reclassification.

In the **2007** report the ESA codes for each item were introduced in Tables 1 to 7. An annex explaining the codes and their background is provided in Appendix 3.

In this edition (the **2008** report), the National Oil Reserves Agency (NORA), Irish Rail and the Irish-language television station TG4 have been reclassified within Government, having previously been included in the commercial public sector.

- NORA is a State body under the control of the Minister for Communications, Energy and Natural Resources, whose function is to arrange for the holding of national strategic oil stocks. It is financed by a levy imposed on certain oil products; this levy is now classified as a tax on expenditure, and accordingly NORA is reclassified within Government from 2001, the year in which it ceased to be a subsidiary of the commercial National Petroleum Corporation.
- From 2006 onwards, the commercial revenues of Irish Rail have covered less than 50% of the company's operating costs (including depreciation), and this trend is expected to continue. As Irish Rail is publically owned, this means that in the National Accounts, the company must be reclassified within Government from that year.
- TG4 became an independent statutory entity (Teilifís na Gaeilge) on 1 April 2007, having previously been part of RTÉ. It is controlled and mainly funded by the Minister for Communications, Energy and Natural Resources, and has accordingly been classified within Government from the date of separation from RTÉ.

This reclassification means that subsidies and capital grants to Irish Rail and TG4 are now recorded in the National Accounts as intra-Government flows, which are consolidated out. As a result, a reduction in expenditure in these categories totalling some €400 million may be seen in 2006, with corresponding increases in other expenditure categories.

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. From the year 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, since NIE 2005, special methodologies have been developed 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 constant prices. The method of expressing net factor income from abroad at constant prices is explained in the section *External transactions at constant prices*. 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 2002 – 2008 €million

Year	<i>Farm gate at Current Prices (a)</i>	<i>Retail at Current Prices (b)</i>	<i>At 2007 Agricultural Prices (c)</i>
2002	72.0	180.6	84.4
2003	77.3	191.9	86.0
2004	77.6	191.8	85.0
2005	79.5	195.1	81.7
2006	84.5	208.8	82.9
2007	84.0	210.4	84.0
2008	80.5	202.9	97.3

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 2002-2008 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 and salaries.** Wages and salaries 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 2006, 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 Raidió Teilifís Éireann), etc. as well as net rent (actual and imputed). Remuneration of employees is shown separately.

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).

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 28 (b).

43. Item 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 2007)

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 2007. 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 2007 and 2008 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 2007.

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 173 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 2007)

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 2007.

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 2007 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 2007) 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. It is derived in table 12.

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.

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 2007, 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. In publications prior to NIE 2006 there was a single item for "Net interest, dividends and rents". This item has now been disaggregated to show interest and dividends received, interest paid and rent of dwellings. All interest payments used in national accounts estimates must be adjusted for FISIM. FISIM is a notional payment regarded as having been charged by the banks on interest paid and interest received. (More information on FISIM is given in the section on *Profits of businesses* in Appendix 1 – page 36). Table 12 shows the interest earned by the household sector and the interest paid by the sector prior to the FISIM adjustments and shows the FISIM adjustments separately. Users then have the "normal" interest and the national accounts adjusted version of interest at their disposal.

The interest and dividends shown in this table include interest and dividends from life assurance and pension funds which are regarded as accruing to the household sector. In the administration of these funds such interest and dividends may be automatically reinvested in the funds.

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. The FISIM in this table does not include FISIM charged on mortgage lending. This latter FISIM is regarded as being incurred by householders in their business capacity as landlords. Households which own their own dwellings are regarded in the national accounts as being landlords to themselves and an imputed rent is entered in respect of owner occupied dwellings under the housing heading in this table. For further details on FISIM 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.

In NIE2008 an estimate of the consumption of smuggled tobacco products has been included in the "tobacco " item.

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 2007)

(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 2007. 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, 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 2007)

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 2007 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)**

Table 19 - From 2005 onwards this table includes the transactions of the Health Service Executive. Prior to 2005, the health system was organised via the regional Health Boards. These were considered part of the Local Government Sector and their incomes and expenditures were in Table 20 'Local Government'.

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).

In 2005 the total includes an amount of €400m in respect of the repayment of the fees wrongly charged to certain residents of nursing homes. Even though the repayments have to be claimed individually, and these claims have been taking a number of years to process, the accounting rules dictate that the value of the overall amount to be paid should be accrued and recorded in the year when the liability to pay was established with certainty. In 2004, an amount of €40m has been included for these repayments. This represents the value of the ex-gratia payments that Government agreed to pay at the end of 2004.

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)**

Table 20 - The Incomes and Expenditures of Health Boards are recorded in Table 20 'Local Government' for all years up to and including 2004. In 2005 the Health Boards were replaced by the Health Service Executive, which is considered part of Central Government. From 2005 onwards, these transactions appear in Table 19 'Central Government'.

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**”.

The Health Service Executive was established in 2005 and is considered as part of Central Government in the national accounts. It replaces the former Health Boards which were treated as part of Local Government. In year 2005, this has resulted in current grants to local government under the "Health" category being zero in Table 26 and in current transfers by local government under the "Health" category being zero in Table 27.

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 2002-2008 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 39) 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.

Appendix 3

ESA Codes

Appendix 3

ESA Codes

The item codes in the European System of Accounts are displayed in the second column of Tables 1 to 7. The ESA95 presentation is being used in the CSO releases on institutional sector accounts and is also used by Eurostat in their releases and publications on national accounts. The inclusion of the ESA95 codes in Tables 1 to 7 here makes comparisons with these publications more explicit. A full list of all the codes in the ESA95 system can be found in Annex IV of the ESA95 manual.¹ A list of the ESA95 codes for the variables reported in this report is given at the end of this annex.

Some aspects of the coding system are described in the following paragraphs.

Value Added and Domestic Product

The ESA95 recognises two valuations of the aggregate 'value added': *at basic prices* (Code B.1) and *at market prices* (Code B.1*). The previous edition of the system of accounts (ESA79) also used a third measure of value added, namely valuation *at factor cost*. It has been retained in this release for reasons of continuity of the series. Since it does not have a formal code in the ESA95 system it is shown as a combination of the codes of its constituents.

A further variant is the recording of the aggregates gross or net of depreciation (labelled *Consumption of Fixed Capital* in the ESA system). The two versions are distinguished by appending the letter "g" or "n" to the code. For example, Gross Value Added at Market Prices is coded B.1*g, and Net Value Added at Basic Prices is B.1n.

In the general sense, value added is defined as the value of the goods and services produced (output) less the cost of goods and services (not including labour costs) used in the production process (intermediate consumption). The concept of value added can relate to a specific sector or branch of the economy, or to the whole economy. When used of the whole economy at the market price valuation, the term *domestic product* is more often used.

The differences between the three valuation approaches (factor cost, basic prices and market prices) relate to the treatment of taxes and subsidies on production (not to be confused with taxes on income or wealth, which are not relevant in this context).

To understand the links it is necessary to note that production taxes and subsidies are divided into two categories in the ESA95, namely *product taxes/subsidies* and *other taxes/subsidies on production*. The term *product* is used when the tax or subsidy is proportional to the quantity or value of product on which it is levied or granted (such as VAT or excise duties) and the term *other* is used otherwise.

In the valuation at factor cost product taxes (e.g. vat, excise duties etc.) are not included in the value of output while *other production* taxes (e.g. rates on business premises) are deducted from output in the same way as intermediate consumption. On the other hand the value of all production subsidies (*product* and *other*) are added to output.

In the valuation at basic prices *product* taxes (e.g. vat, excise duties) are not included in output and *other production* taxes (e.g. rates on business premises) are not deducted from output in deriving value added as is done at factor cost. *Product* subsidies are added to the value of output but *other production* subsidies are not added to output.

In the valuation at market prices (which is technically referred to as GDP) *product* taxes (e.g. vat, excise duties) are included in output while *other production* taxes (e.g. rates) are not deducted. None of the production subsidies (neither *product* nor *other production* subsidies) are added to output.

The link between the three versions of value added (VA) can be seen most clearly in Table 3 of this report. It can be summarised as follows:

¹ The ESA95 manual is Annex 1 of the ESA95 Regulation (Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community). Annex IV (Classifications and Accounts) of the manual begins at page 281.

Adding *other taxes on production* to and subtracting *other subsidies on production* from the aggregate of the (sectoral) *value added at factor cost* gives the (economy-wide) *value added at basic prices*.

Adding *product taxes* to and subtracting *product subsidies* from *value added at basic prices* gives *domestic product*.

In Table 3, the valuations are Gross (i.e. inclusive of depreciation). In Table 1, and in the first part of Table 2, all valuations (of profits and rents, for example) are shown Net.

Final Expenditure

In the national presentation (Tables 5 and 6 of this report, for example) three categories of final expenditure have traditionally been distinguished: *Personal consumption of goods and services*, *Net expenditure by central and local government on current goods and services*; and *Gross domestic fixed capital formation*. The ESA95 system uses three related but slightly different categories: *Final consumption expenditure of households and non-profit institutions serving households*; *Final consumption expenditure of government*; and *Gross capital formation*. The detail in Table 5 (at current prices) and Table 6 (at constant prices) in this report has been expanded to clarify the relationship between the two systems.

The national concept of *personal consumption of goods and services* includes a certain amount of consumption for which the expense is borne by the government and not directly by the household. Examples are electricity and other fuels that the government provides free of charge to some households, free travel availed of by senior citizens and others, and free medicines provided to holders of medical cards. These items are treated in the national system as if the government provided the money to households to purchase them. The expenditure therefore appears as household expenditure (Items 79(b) and 92(b) in Tables 5 and 6 respectively), rather than as government expenditure. The ESA95 system is more straightforward. Expenditure on the items provided free to households is included in Government final expenditure. Thus, Table 5 shows that 'Personal consumption of goods and services' (i.e. the national concept) in current prices in 2008 is €93,863m. The ESA95 concept 'Final consumption of households and non profit institutions serving households', at €91,010m, is lower, by the amount (€2,853m) of the value of these goods and services provided by government to households. The national and ESA versions of government expenditure are of course also different, for the same reason: 'Net expenditure by central and local government on current goods and services' (the national concept), at €28,901m in 2008, is lower than the ESA95 category of 'Final expenditure of government', by the same €2,853m amount.

There is also a minor difference between the national and ESA definitions of gross capital formation. The ESA definition includes net additions to the breeding stocks of farm animals whereas in the national system these are included in the value of physical changes in stocks (items 82 and 95 in Tables 5 and 6). The value of the net additions to the breeding stocks has been shown as item 82(a)/95(a) to allow the transition to be made from one definition to the other.

ESA codes and descriptions of variables reported in this publication

Code	Description
B.1	Value added
B.1*	Domestic product (B.1*g =gross domestic product; B.1*n = net domestic product)
B.2	Operating surplus
B.3	Mixed income (i.e. income of self employed)
B.5*	National income
B.6	Disposable income
B.8	Saving
D.1	Compensation of employees
D.11	Wages and salaries
D.12	Employers' social contributions
D.2	Taxes (on production and imports)
D.21	Taxes on products
D.29	Other taxes on production
D.3	Subsidies (on production and imports)
D.31	Subsidies on products
D.39	Other subsidies on production
D.4	Property income (which includes distributed income of corporations and reinvested earnings)

D.7	Current transfers
D.9	Capital transfers
K.1	Consumption of fixed capital
P.3	Final consumption expenditure
P.5	Gross capital formation
P.51	Gross fixed capital formation
P.52	Changes in inventories
P.53	Acquisitions less disposals of valuables
P.6	Exports of goods and services
P.7	Imports of goods and services