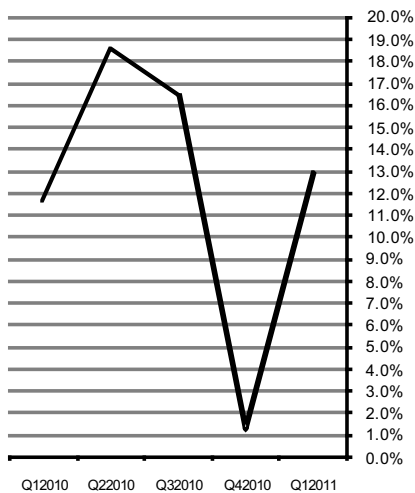




Chart 1: Gross Household Saving Ratio
Q1 2010 - Q1 2011



Quarterly Institutional Sector Accounts Non-Financial Q1 2011

Year	Gross Saving by Institutional Sector			
	Non-Financial Corporations (S.11)	Financial Corporations (S.12)	General Government (S.13)	Households and NPISH (S.14 & S.15)
	€m			
Q1 2010	2,563	2,236	-4,278	2,509
Q1 2011	2,600	2,010	-4,223	2,761

Gross Household Savings ratio 12.9% in first quarter

Gross Household Savings increased by €2.76bn in Q1 2011 compared to an increase of €2.5bn in Q1 2010. The gross savings ratio in Q1 2011 which expresses gross savings as a percentage of gross disposable income is 12.9% compared to 11.6% in Q1 2010.

The first estimate for annual gross saving in 2010 of €10.7bn is presented in these accounts. The gross annual savings ratio for 2010 is 12.2%. In general, the gross disposable income of households fell over the course of 2010 and into Q1 2011. However, consumption by households has remained generally flat resulting in lower gross savings in 2010 (see Chart 2).

This new Quarterly series highlights the trend over the past five quarters in a number of key macro economic variables in the Summary Table. The transition from GDP to Net Lending/Net Borrowing including Primary Incomes, Gross National Income, Gross Disposable Income and Gross Saving. The detailed results for the first quarter of 2011 are set out in greater detail in the 2011 Q1 table.

Financial corporations had gross savings of €2.0bn in the first quarter of 2011 – down from €2.2bn in Q1 2010 while the corresponding figures for non-financial corporations were €2.6bn and €2.56bn, respectively. The Government sector had a savings deficit of €4.2bn which is almost identical to the result for Q1 2010 of €4.3bn.

Tables 1.2 to 1.9 of the present release provide detailed institutional sector accounts for Q1 2011. Corresponding information for Q1 2010 – Q4 2010 is available at http://www.cso.ie/px/pxeirestat/Database/eirestat/Institutional%20Sector%20Accounts/Institutional%20Sector%20Accounts_statbank.asp?SP=Institutional%20Sector%20Accounts&Planguage=0

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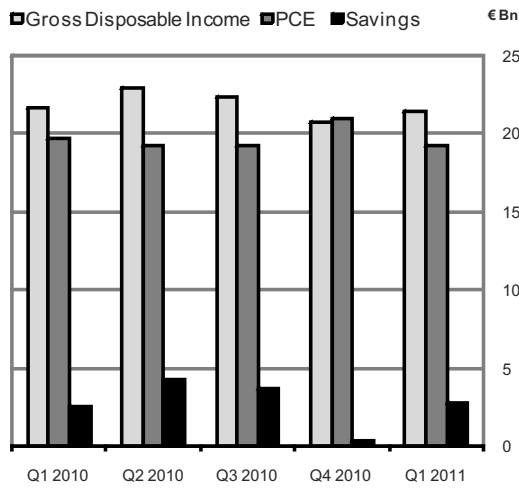
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**Total Gross Disposable Income v's PCE and Savings
Q1 2010 - Q1 2011**



Government Sector – S.13

The gross saving deficit of Government in Q1 2011 is -€4.2bn. This reflects the shortfall between the main components of Government income i.e. Taxes on Income and Wealth and Social Contributions and the main components of Government expenditure of payroll, social benefits and debt service. However the change in Capital Accounts in the Summary Table highlights the scale of Government funding of the banking sector in 2010. These capital transfers together with the savings deficit result in the net borrowing of Government of €49.5bn in 2010. Net borrowing of Government amounted to -€5bn in Q1 2011 as there was no support for the banking sector or substantial capital investment in this period.

Rest of the World Sector – S.2

The rest of the world recorded a surplus with Ireland in the first quarter (i.e. Ireland recorded a current account deficit with the rest of the world) reversing the trend of the third and fourth quarters of 2010. Net Lending to Ireland in Q1 2011 amounted to €1,017m .

**Tables for Institutional Sector Accounts
Non-Financial**

Quarter 1 2011

QUARTERLY ACCOUNTS BY INSTITUTIONAL SECTOR - SUMMARY TABLE

€ million

Key Variables	Quarter	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
(a) B.1*g	Gross domestic product							
	Q1 2010		38,949	3,461	18,585	4,222	5,338	7,343
	Q2 2010		39,881	3,671	19,147	4,349	5,150	7,564
	Q3 2010		39,770	3,981	18,957	4,079	5,252	7,501
	Q4 2010		37,392	3,739	17,709	3,875	5,524	6,544
Q1 2011		38,587	3,444	18,573	4,148	5,029	7,394	
(b) B.2g	Gross operating surplus / Mixed income							
	Q1 2010		17,611	-46	9,428	2,606	742	4,881
	Q2 2010		18,276	-47	9,800	2,734	716	5,073
	Q3 2010		18,121	-47	9,695	2,701	753	5,019
	Q4 2010		17,020	-44	9,044	2,506	831	4,683
Q1 2011		17,823	-45	9,631	2,606	678	4,953	
(c) D.1_D.4	Net Primary Income							
	Q1 2010		13,123	0	-6,690	-330	3,107	17,036
	Q2 2010		13,553	0	-7,043	-619	4,076	17,138
	Q3 2010		14,715	0	-7,561	2,161	3,425	16,690
	Q4 2010		16,879	0	-4,624	869	3,547	17,088
Q1 2011		12,254	0	-6,800	-527	2,825	16,757	
(d) B.5g	Gross national income = (b + c)							
	Q1 2010		30,735	-46	2,738	2,277	3,849	21,917
	Q2 2010		31,829	-47	2,757	2,116	4,792	22,211
	Q3 2010		32,836	-47	2,134	4,862	4,178	21,708
	Q4 2010		33,900	-44	4,421	3,375	4,378	21,770
Q1 2011		30,077	-45	2,831	2,079	3,503	21,710	
(e) D.5_D.7	Net Current Transfers							
	Q1 2010		-756	0	-175	555	-887	-250
	Q2 2010		-515	0	-1,113	136	-292	753
	Q3 2010		-610	0	-475	395	-1,126	596
	Q4 2010		-436	0	-1,330	58	1,921	-1,086
Q1 2011		-731	0	-231	505	-666	-338	
(f) B.6g	Gross disposable income = (d + e)							
	Q1 2010		29,979	-46	2,563	2,832	2,962	21,667
	Q2 2010		31,313	-47	1,644	2,252	4,500	22,964
	Q3 2010		32,225	-47	1,658	5,258	3,052	22,305
	Q4 2010		33,464	-44	3,091	3,433	6,299	20,685
Q1 2011		29,346	-45	2,600	2,584	2,836	21,372	

QUARTERLY ACCOUNTS BY INSTITUTIONAL SECTOR - SUMMARY TABLE
€ million

Key Variables	Year	Rest of	Total	Not	Non-financial	Financial	General	Households
		World (S.2)	economy (S.1)	sectorized (S.IN)	corporations (S.11)	corporations (S.12)	government (S.13)	including NPISH (S.14+S.15)
(g) P.3 + D.8 Use of disposable income	Q1 2010		-26,994	0	0	-596	-7,240	-19,159
	Q2 2010		-26,577	0	0	-587	-7,281	-18,708
	Q3 2010		-26,780	0	0	-573	-7,560	-18,647
	Q4 2010		-28,463	0	0	-584	-7,441	-20,437
	Q1 2011		-26,243	0	0	-573	-7,060	-18,610
(h) B.8g Gross saving = (f + g)	Q1 2010		2,984	-46	2,563	2,236	-4,278	2,509
	Q2 2010		4,736	-47	1,644	1,665	-2,781	4,256
	Q3 2010		5,445	-47	1,658	4,685	-4,508	3,657
	Q4 2010		5,001	-44	3,091	2,849	-1,142	247
	Q1 2011		3,103	-45	2,600	2,010	-4,223	2,761
(i) Changes in Capital Accounts	Q1 2010		-305	-46	-362	10,984	-10,271	-610
	Q2 2010		-1,160	-47	-566	2,325	-2,659	-213
	Q3 2010		-189	-47	503	8,593	-9,424	186
	Q4 2010		-205	-44	1,266	9,698	-11,678	553
	Q1 2011		33	-45	160	80	-151	-10
(j) K.1 Consumption of fixed capital	Q1 2010		4,112		2,143	160	678	1,130
	Q2 2010		4,092		2,131	159	678	1,123
	Q3 2010		4,080		2,124	159	678	1,120
	Q4 2010		3,936		2,034	152	678	1,072
	Q1 2011		4,152		2,175	162	678	1,138
(k) B.9 Net lending (+) / Net borrowing (-) = (h + i) - j	Q1 2010	1,432	-1,432	-92	58	13,059	-15,226	769
	Q2 2010	516	-516	-94	-1,054	3,830	-6,117	2,919
	Q3 2010	-1,176	1,176	-94	38	13,119	-14,610	2,723
	Q4 2010	-859	860	-88	2,323	12,395	-13,498	-272
	Q1 2011	1,017	-1,016	-91	585	1,929	-5,052	1,613

Q1 2011

QUARTERLY ACCOUNTS BY INSTITUTIONAL SECTOR

€million

Uses								CURRENT ACCOUNTS	Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
1.2 GENERATION OF INCOME ACCOUNT																
								B.1*g	Gross domestic product		38,587	3,444	18,573	4,148	5,029	7,394
2,533	4,351	1,518	8,582		16,984	117	17,101	D.1	Compensation of employees							
117	0	24	382	3,681	4,203		4,203	D.2	Taxes on production and imports, paid							
								D.3	Subsidies, received	423	423	192	22	0	0	210
4,953	678	2,606	9,631	-45	17,822			B.2g	Gross operating surplus/ Mixed income							
1.3 ALLOCATION OF PRIMARY INCOME ACCOUNT																
								B.2g	Gross operating surplus/ Mixed income		17,822	-45	9,631	2,606	678	4,953
								D.1	Compensation of employees	17,101	196	16,906				16,906
								D.2	Taxes on production and imports, received	4,203	128	4,075			4,075	
	236				236	187	423	D.3	Subsidies, paid							
1,216	1,319	12,758	9,225		24,519	12,978	37,496	D.4	Property income	37,497	21,468	16,029	2,425	12,231	305	1,068
1,179	1,319	7,599	136		10,232	9,330	19,563	D.41	Interest	19,563	7,805	11,759	212	10,896	222	429
0	0	3,233	3,960		7,193	1,459	8,652	D.42	Distributed income of corporations	8,652	6,797	1,855	218	1,142	83	412
0	0	1,239	5,130		6,369	2,188	8,557	D.43	Reinvested earnings on direct foreign investment	8,557	6,369	2,188	1,995	193	0	0
0	0	687	0		687	0	687	D.44	Property income attributed to insurance policy holders	687	499	189	0	0	0	189
38	0	0	0		38		38	D.45	Rent	38		38	0	0	0	38
21,710	3,503	2,079	2,831	-45	30,077			B.5g	Gross national income							

Q1 2011

QUARTERLY ACCOUNTS BY INSTITUTIONAL SECTOR

€ million

Uses								CURRENT ACCOUNTS	Resources							
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)
1.5 SECONDARY DISTRIBUTION OF INCOME ACCOUNT																
								B.5g	Gross national income		30,077	-45	2,831	2,079	3,503	21,710
3,133	0	65	166		3,364	25	3,389	D.5	Current taxes on income, wealth, etc.	3,389	19	3,370			3,370	
3,768					3,768	0	3,768	D.61	Social contributions	3,768	0	3,768	0	960	2,717	90
119	5,812	387	0		6,318	72	6,390	D.62	Social benefits other than social transfers in kind	6,390	147	6,242				6,242
805	990	1,678	207		3,680	966	4,645	D.7	Other current transfers	4,645	1,627	3,018	142	1,675	48	1,154
21,372	2,836	2,584	2,600	-45	29,346			B.6g	Gross disposable income							
1.6 USE OF DISPOSABLE INCOME ACCOUNT																
								B.6g	Gross disposable income		29,346	-45	2,600	2,584	2,836	21,372
19,184	7,060				26,243			P.3	Final consumption expenditure							
		573			573	0	573	D.8	Adjustment for the change in net equity of households in pension funds reserves	573	0	573				573
2,761	-4,223	2,010	2,600	-45	3,103			B.8g	Gross saving							
1.7 EXTERNAL ACCOUNT																
					40,641			P.6	Exports of goods and services							
								P.7	Imports of goods and services		32,430					
								B.11	External balance of goods & services		-8,211					
					63,645	14,344	77,989	D.1 to D.8	Primary incomes and current transfers	77,990	23,585	54,405				
					1,030			B.12	Current external balance							

Q1 2011
QUARTERLY ACCOUNTS BY INSTITUTIONAL SECTOR

€ million

Changes in assets								CAPITAL ACCOUNTS	Changes in liabilities and net worth								
Households including NPISH (S.14+S.15)	General government (S.13)	Financial corporations (S.12)	Non-financial corporations (S.11)	Not sectorized (S.IN)	Total economy (S.1)	Rest of World (S.2)	Sum over sectors (S.1+S.2)		Sum over sectors (S.1+S.2)	Rest of World (S.2)	Total economy (S.1)	Not sectorized (S.IN)	Non-financial corporations (S.11)	Financial corporations (S.12)	General government (S.13)	Households including NPISH (S.14+S.15)	
1.8 CHANGE IN NET WORTH DUE TO SAVING AND CAPITAL TRANSFERS ACCOUNT																	
								B.8g	Gross saving		3,103	-45	2,600	2,010	-4,223	2,761	
								B.12	Current external balance		1,030						
62	298	0	124		484	24	508	D.9	Capital transfers	508	15	493	44	0	225	223	
1,138	678	162	2,175		4,152			K.1	Consumption of fixed capital								
1,784	-4,974	1,849	346	-45	-1,040	1,021	-19	B.10.1	Changes in net worth due to saving and capital transfers								
1.9 ACQUISITION OF NON-FINANCIAL ASSETS ACCOUNT																	
								B.10.1	Changes in net worth due to saving and capital transfers	-19	1,021	-1,040	-45	346	1,849	-4,974	1,784
1,309	756	82	1,940	45	4,132		4,132	P.5	Gross capital formation								
								K.1	Consumption of fixed capital	4,152		4,152	2,175	162	678	1,138	
0	0	0	-4		-4	4	0	K.2	Acquisitions less disposals of non-produced non-financial assets								
1,613	-5,052	1,929	585	-91	-1,016	1,017	1	B.9	Net lending (+) / net borrowing (-)								

Background Notes

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

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

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

S.12 Financial Corporations are corporate bodies producing financial services on a commercial basis. As with S.11, they can take various legal forms, with a range of ownership arrangements. They include monetary financial institutions, other financial intermediaries, financial auxiliaries and insurance corporations and pension funds.

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

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

S.2 Rest of the World.

The figures represent the economy's transactions with non-residents. The conceptual definition is the same as in the balance of payments (BOP) statistics. In particular, non-residents include foreign subsidiaries of Irish companies, the foreign branches of Irish companies that operate abroad on a branch basis, and the head offices of foreign companies that operate in Ireland on a branch basis.

S.1N Not Sectorised.

In the non-financial accounts an additional residual sector is used to report taxes and subsidies in the Production Account (*Account 1.1*) as it is not possible to allocate these amounts to Institutional Sectors. In addition throughout these accounts S.1N is used to report the amounts that appear as the statistical discrepancy in the National Income and Expenditure GDP accounts, arising from the use of two independent estimates of GDP (from the Income and Expenditure approaches). In each of NIE tables 1 and 5, the official estimate of GDP is reported as the average of the two measures, and the discrepancy is therefore displayed as half the difference between the two independent estimates (and thus with different signs in the two tables). In the sector accounts it appears as the first balancing item in the sequence (in the gross value added item in the production account), and is then carried through successive accounts via the balancing item. In the final non-financial account, the full amount of the discrepancy then emerges as the unallocated net lending or borrowing in the economy.

Sequence of accounts Sector accounts present a coherent overview of all economic processes and the roles played by the various sectors. Each economic process is described in a separate account. The accounts describe successively generation of income, primary and secondary income distribution, final consumption, redistribution by means of capital transfers and capital formation. Note that the *Production Account (1.1)* from the Annual Accounts is not included in these quarterly accounts as the data is not available on a quarterly basis. The accounts record economic transactions, distinguishing between uses and resources, (e.g. the *resources* side of the transaction category *D.41 Interest* records the amounts of interest receivable by the different sectors of the economy and the *uses* side shows interest payable) with a special item to **balance** the two sides of each account. By passing on the balancing item from one account to the next a connection is created between successive accounts.

The accounts are compiled for the total economy and include accounts for separate domestic sectors and the Rest of the World sector. In this way the sector accounts describe:

- for each economic process the role of each sector, for instance General Government in income redistribution and Financial Corporations in financing.
- for each sector all economic transactions and their relation with other domestic sectors and the Rest of the World.

The successive accounts are explained in more detail below.

The Accounts

Current Accounts 1.1 Production Account

This Account is not presented in the Quarterly Non-Financial Accounts as quarterly data is not available.

1.2 Generation of Income Account

This account displays the transactions through which Gross Domestic Product at market prices is distributed to labour (compensation of employees), capital (operating surplus) and government (the balance of taxes and subsidies on production). The balancing item for the Household and NPISH sector in this account is called mixed income, because apart from operating surplus it also contains compensation for work by self-employed persons and their family members. B.2g Gross Operating Surplus / Mixed Income is the balancing item for the entire account.

1.3 Allocation of Primary Income Account

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

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

¹See Appendix 3 in Institutional Sector Accounts – Financial and Non-Financial, April 2007 at: <http://www.cso.ie/releasespublications/documents/economy/current/institutionalacc.pdf> for a comprehensive explanation of FISIM

1.4 Memorandum - Entrepreneurial Income Account

This account is not presented in the Quarterly series.

1.5 Secondary Distribution of Income Account

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

1.6 Use of Disposable Income Account

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

1.7 External account

This account records the summarised transactions of S.2 the Rest of the World sector, including on the uses side exports of goods and services, primary incomes and current transfers receivable. The resources side of this account includes imports of goods and services together with primary incomes and transfers payable. The balancing item is B.12 Current External Balance, which records the balance on current accounts with the Rest of the World.

Capital accounts 1.8 Change in Net Worth due to Saving and Capital Transfers

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

1.9 Acquisition of Non-Financial Assets Account

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

Definitions

Household Savings Ratio The household saving ratio is Gross Household Saving expressed as a percentage of total resources i.e. the sum of Gross Household Disposable income and the adjustment for the change in net equity of households in pension funds.