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Central Statistics Office

National Income and Expenditure

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National Income and Expenditure 2012

INTRODUCTION

This report includes preliminary estimates of the national accounts for the year 2012 together with revised estimates for the years 2007 to 2011. 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 GDP 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 2012 are based upon indicators for the different aggregates and must be regarded as tentative. The provisional nature of the estimates for 2010 and 2011 must also be borne in mind. In particular, the estimates for the year 2011 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 2009 and 2010 are still partly subject to revision, projections for the year 2011 are also 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 2008 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 2011 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 2011. 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 2013. Net exports in 2012 of goods and services in the national accounts amount to €39,746m (see Table 5) compared to €39,574m in the BOP release for Q1 2013 (Table 1a). This excess of €172m in the national accounts is balanced by a corresponding difference in the net factor incomes for 2012 i.e. -€31,289m in the National Accounts compared to the BOP figure of -€31,117m.

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 in this publication. An output estimate is available on an experimental basis on the CSO website. 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 a hidden margin is attributed to banks on interest accrued in the course of lending and borrowing and this hidden margin is charged or apportioned to customers. (See the paragraph on “profits of businesses” on page 38 in Appendix 1).

On the expenditure side, estimates are made of:

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

The value of exports is then added and imports are deducted. The two approaches (income and expenditure) should theoretically give the same answer. However, they will always diverge to some extent as they arise from different data sources. The components of the two original estimates are shown unadjusted. The official level of GDP is taken to be an average of the expenditure and income estimates and a balancing item (statistical

discrepancy) is displayed, which is half of the difference between the two estimates. This is the amount by which both estimates have to be adjusted to agree with the official level of GDP.

Volumes or Constant price estimates

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

Definitions

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

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

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

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

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

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

Retrospective historical series; availability of data in spreadsheet format

A continuous historical series of data along the lines of the main tables in this report covering the period from 1970 to 1995 is available in excel format on the web and in the CSO's database. There is however a discontinuity in this series compared to the series post 1995 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 2012 series with FISIM included. The latter series contains some small revisions to the accounts stretching back to 1995. Otherwise the main differences between the two 1995 figures are due to FISIM. Work is ongoing at present to incorporate revisions to the 1995 to 2012 series for the year 1995 into the historical series so that the only difference between the two 1995 figures will be FISIM. (This has already been done in the paper copy of Table A in this book for the limited set of aggregates shown here.) 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 2012

Growth Rates

In constant prices, Gross Domestic Product grew by 0.2% between 2011 and 2012. The Gross National Product was higher by 1.8%.

Disposable Income

In nominal terms, Net National Product at factor cost grew by 1.7% in 2012 to €100,993m, equivalent to €22,025 per head of population. Agricultural incomes decreased by 9.5% and non-agricultural incomes decreased by 0.9%. Net factor income outflows to the rest of the world increased by 2 %.

Gross National Disposable Income increased by 1.5%.

National Consumption

In current money values, Personal Expenditure increased by 0.3% and Government Expenditure decreased by 2.4%. When price rises are discounted, Personal Expenditure decreased by 0.3% and Government Expenditure by 3.7%.

Capital Formation

The value of investment in construction and capital equipment increased by 1.0%. This represents a decrease of 1.0% in volume terms. The value of Stocks increased by €347m in constant prices.

External Trade

The value of Exports of goods and services exceeded Imports in real terms by €37,685m in 2012 as compared with €35,124m in 2011.

Balance of Payments

The current account balance in 2012 was €7,250m.

General Government Balance

The "general government balance" as reported for the excessive deficit procedure (EDP) showed a negative balance of -€12,461m in 2012 in contrast to a positive balance of €143m in 2007 (item 255 in Table 21).

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 2012. 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 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 2011 = 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 2011) market prices.

Gross National Income at current market prices decreased each year from 2007 to 2011 but increased in 2012. The changes are 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
2012	163,938	82,634	25,096	17,810	176,736	136,990
2011	162,600	82,380	25,701	18,250	166,964	131,840
2010	158,097	82,200	26,196	18,726	157,810	128,326
2009	162,284	83,294	29,304	24,606	146,369	120,352
2008	180,249	94,162	30,371	39,290	150,181	133,877
2007	189,655	92,603	28,873	49,558	152,389	135,328
2006	177,573	84,160	26,010	50,005	140,707	123,574
2005	162,897	76,850	23,670	44,472	132,526	113,457
2004	150,024	70,564	22,050	37,198	125,199	102,882
2003	140,635	66,738	20,464	32,861	117,172	94,701
2002	130,717	62,350	18,885	28,958	122,630	100,173
2001	117,524	56,886	16,605	26,721	117,112	98,908
2000	105,644	51,957	14,112	25,270	103,044	88,933
1999	90,654	44,803	12,335	21,488	80,756	68,196
1998	78,626	39,786	11,090	18,334	68,283	59,141
1997	68,073	35,522	10,111	14,568	54,037	45,269
1996	59,016	32,429	9,088	11,573	45,436	38,521
1995*	53,775	29,305	8,666	9,674	40,508	34,315
1995**	53,074	28,916	8,754	9,674	40,259	34,270
1994	46,864	26,885	8,270	7,550	32,916	28,316
1993	43,605	25,066	7,770	6,573	28,537	23,948
1992	40,489	23,952	7,260	6,559	24,353	21,299
1991	38,018	22,603	6,687	7,264	21,812	19,936
1990	36,541	21,528	6,105	7,683	20,689	19,011
1989	33,706	20,259	5,531	6,137	20,562	18,661
1988	30,389	18,736	5,306	4,767	17,349	15,442
1987	28,451	17,535	5,341	4,654	15,053	13,707
1986	26,625	16,659	5,212	4,804	13,177	12,734
1985	24,998	15,612	4,832	4,749	13,668	13,378
1984	23,013	14,358	4,477	4,948	12,436	12,633
1983	20,780	13,120	4,144	4,714	9,869	10,501
1982	18,853	12,064	3,821	4,919	8,192	9,499
1981	15,892	10,836	3,264	4,350	7,008	9,113
1980	13,097	9,012	2,678	3,461	5,907	7,541
1979	11,036	7,498	2,076	3,444	5,015	6,687
1978	9,316	6,102	1,668	2,609	4,298	5,167
1977	7,883	5,257	1,393	2,103	3,588	4,260
1976	6,476	4,437	1,200	1,550	2,742	3,219
1975	5,257	3,543	1,003	1,175	2,062	2,359
1974	4,181	2,951	732	1,182	1,620	2,174
1973	3,763	2,507	607	994	1,307	1,541
1972	3,116	2,109	494	768	984	1,137
1971	2,564	1,821	408	594	851	1,022
1970	2,243	1,622	345	528	760	925

* 1995 to 2012 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 2011=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
2012	100.2	99.7	96.3	95.6	101.6	100.0
2011	100.0	100.0	100.0	100.0	100.0	100.0
2010	97.9	101.6	102.9	101.5	94.9	100.4
2009	98.9	100.7	110.5	127.3	89.2	96.9
2008	105.7	106.1	114.4	182.0	92.7	107.4
2007	108.0	106.1	113.7	206.6	93.8	110.6
2006	102.9	99.3	106.6	204.4	86.6	102.5
2005	97.5	93.0	101.7	191.8	82.4	95.9
2004	91.9	86.7	98.3	165.5	78.9	88.5
2003	88.2	83.4	97.2	154.7	73.3	81.4
2002	85.1	81.1	94.6	142.9	72.8	82.4
2001	80.7	78.0	89.1	138.6	69.5	80.5
2000	76.9	74.4	81.0	141.1	64.0	75.0
1999	69.5	67.4	75.0	130.8	52.9	61.8
1998	62.6	61.6	71.1	120.8	45.8	54.8
1997	57.5	57.1	67.3	104.7	37.2	43.0
1996	51.6	53.6	63.7	87.9	31.7	36.9
1995	47.1	49.8	62.1	75.8	28.2	32.7
1994	43.0	47.8	60.3	61.8	23.5	28.1
1993	40.6	45.8	57.8	57.0	20.4	24.3
1992	39.6	44.7	58.0	59.5	18.6	22.6
1991	38.3	43.4	56.4	68.2	16.3	21.0
1990	37.7	42.9	54.9	73.7	15.4	20.5
1989	35.0	41.6	52.0	61.2	14.1	19.3
1988	33.1	40.3	52.6	50.0	12.7	16.9
1987	32.1	38.9	55.5	52.6	11.7	15.9
1986	31.0	38.1	57.9	53.2	10.3	14.8
1985	30.9	37.0	56.1	53.3	10.0	14.1
1984	30.3	36.0	54.8	57.5	9.4	13.7
1983	29.3	35.7	54.9	57.4	8.1	12.5
1982	29.6	36.4	54.9	65.1	7.3	11.9
1981	29.1	38.0	53.2	62.1	7.0	12.3
1980	28.4	37.8	53.1	60.0	6.9	12.1
1979	27.6	36.8	49.5	70.9	6.4	12.7
1978	26.5	34.2	47.1	55.9	6.0	11.1
1977	24.7	31.8	43.3	50.7	5.4	9.6
1976	23.3	30.5	42.4	41.3	4.7	8.5
1975	22.5	28.8	41.3	40.6	4.4	7.4
1974	22.2	29.2	38.8	51.7	4.1	8.3
1973	21.7	28.8	36.0	43.0	4.0	8.4
1972	20.5	26.8	33.7	39.1	3.6	7.0
1971	19.2	25.2	31.5	32.7	3.5	6.6
1970	18.3	24.4	29.0	35.3	3.4	6.4

Table B Main Aggregates, 2007-2012

Description	2007	2008	2009	2010	2011	2012†
	€ million					
Gross Domestic Product (GDP) at current market prices	189,655	180,249	162,284	158,097	162,600	163,938
plus Net factor income from the rest of the world	-26,520	-25,317	-28,364	-26,285	-31,938	-31,289
Gross National Product (GNP) at current market prices	163,134	154,933	133,919	131,812	130,662	132,649
EU subsidies	1,728	1,797	1,719	1,494	1,700	1,632
EU taxes	-519	-484	-359	-400	-416	-417
Gross National Income (GNI) at current market prices	164,343	156,245	135,279	132,905	131,947	133,864
less provision for depreciation	-19,236	-18,179	-16,944	-16,247	-16,263	-16,379
less Non EU taxes	-25,216	-22,246	-18,275	-17,926	-17,682	-18,032
plus Non EU subsidies	1,658	1,762	1,690	1,577	1,349	1,540
Net National Product at factor cost	121,549	117,583	101,750	100,310	99,351	100,993
Gross national disposable income (GNDI) at current market prices	162,144	153,779	132,496	130,398	129,479	131,444
Chain linked volume measures referenced to year 2011						
Gross Domestic Product at constant market prices	175,623	171,829	160,858	159,148	162,600	162,855
Index of GDP at constant market prices	108.0	105.7	98.9	97.9	100.0	100.2
Gross National Product at constant market prices	148,033	145,317	132,051	132,750	130,662	132,984
Index of GNP at constant market prices	113.3	111.2	101.1	101.6	100.0	101.8
Gross National Income at constant market prices	149,189	146,407	133,488	134,058	131,947	134,194
Index of GNI at constant market prices	113.1	111.0	101.2	101.6	100.0	101.7
Gross national disposable income at constant market prices	155,430	148,975	137,754	136,221	129,479	132,462
Index of gross national disposable income at constant market prices	120.0	115.1	106.4	105.2	100.0	102.3
Per head of population (€)						
GDP at current market prices	43,342	40,189	35,797	34,710	35,542	35,752
GNP at current market prices	37,281	34,544	29,541	28,939	28,561	28,929
GNI at current market prices	37,557	34,837	29,841	29,179	28,841	29,194
GNDI at current market prices	37,055	34,287	29,227	28,629	28,302	28,666
Net national product at factor cost	27,778	26,216	22,444	22,023	21,717	22,025
GDP at constant market prices	40,135	38,311	35,483	34,941	35,542	35,516
GNP at constant market prices	33,830	32,400	29,128	29,145	28,561	29,002
GNI at constant market prices	34,094	32,643	29,446	29,432	28,841	29,265
GNDI at constant market prices	35,520	33,216	30,386	29,907	28,302	28,888
Per person in employment (€)						
GDP at current market prices #	88,786	83,942	82,211	83,490	87,358	89,281
GNP at current market prices #	76,370	72,152	67,842	69,609	70,199	72,241
GNI at current market prices #	76,936	72,764	68,530	70,187	70,890	72,903
GNDI at current market prices #	75,907	71,615	67,121	68,862	69,564	71,585
Net national product at factor cost #	56,902	54,758	51,545	52,973	53,377	55,001
GDP at constant market prices #	82,217	80,021	81,489	84,045	87,358	88,691
GNP at constant market prices #	69,301	67,674	66,895	70,104	70,199	72,423
GNI at constant market prices #	69,842	68,182	67,623	70,795	70,890	73,082
GNDI at constant market prices #	72,763	69,378	69,784	71,937	69,564	72,139

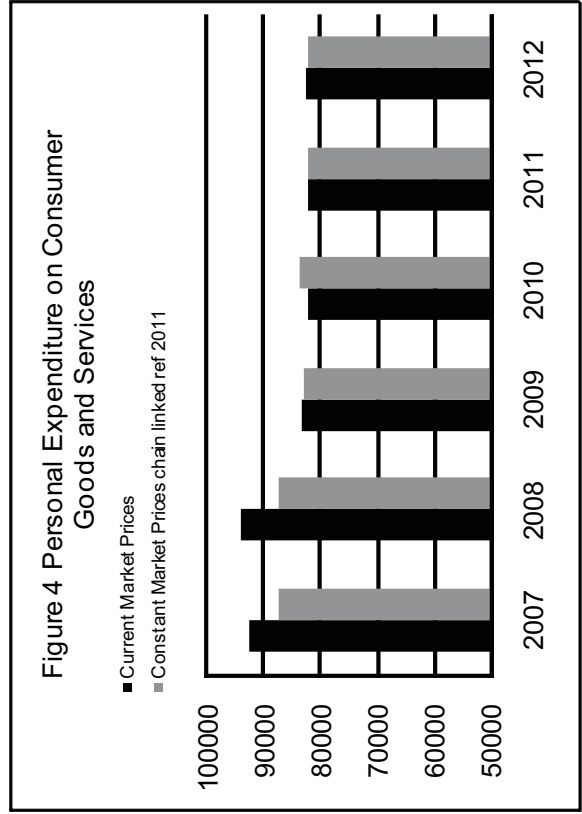
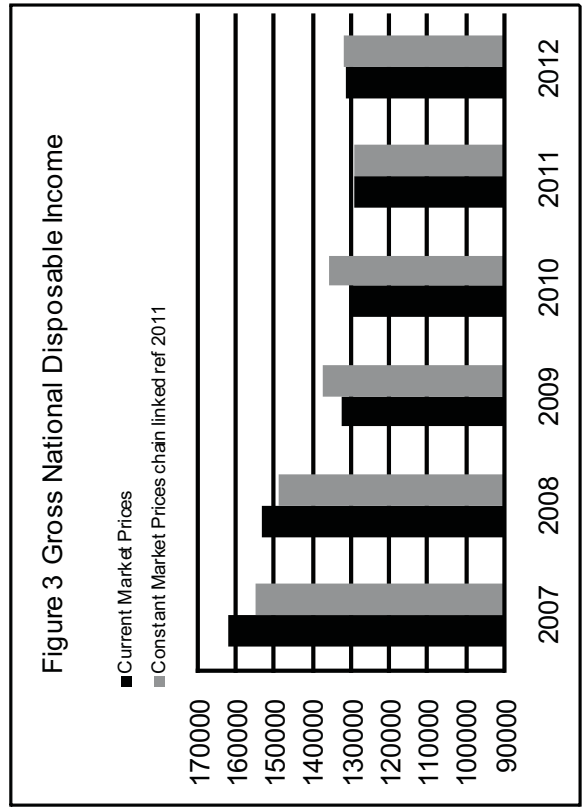
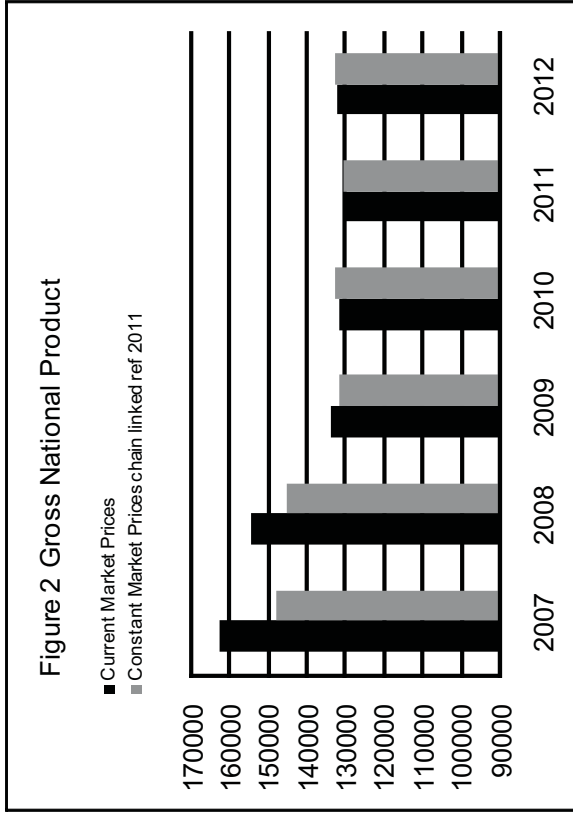
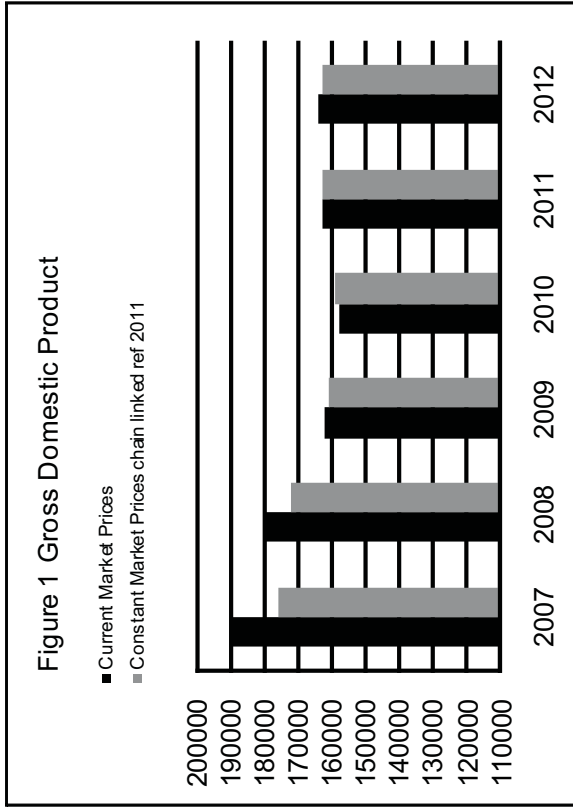
† Preliminary

Persons in employment on an ILO basis as in the QNHS (April-June) for 2007 to 2012

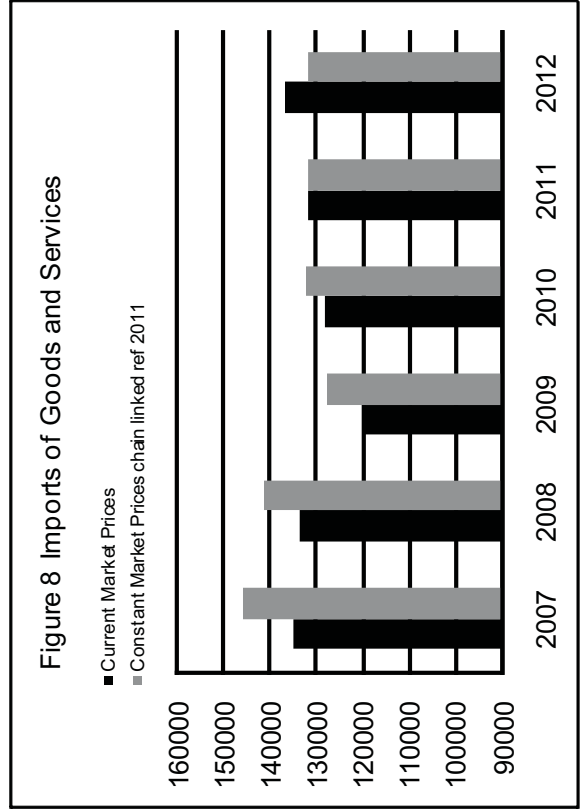
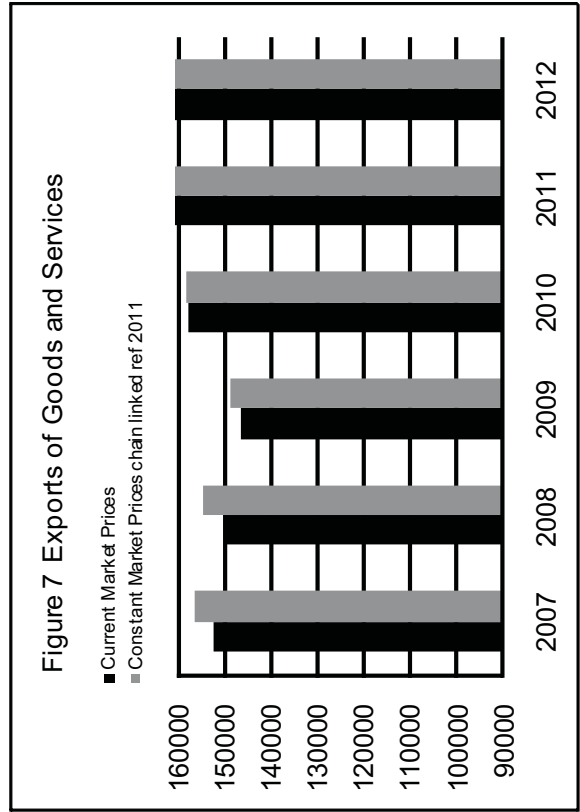
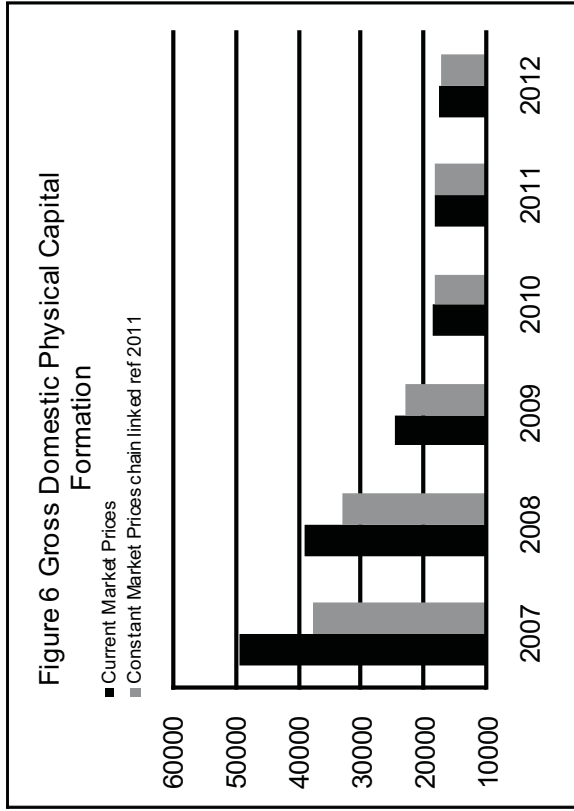
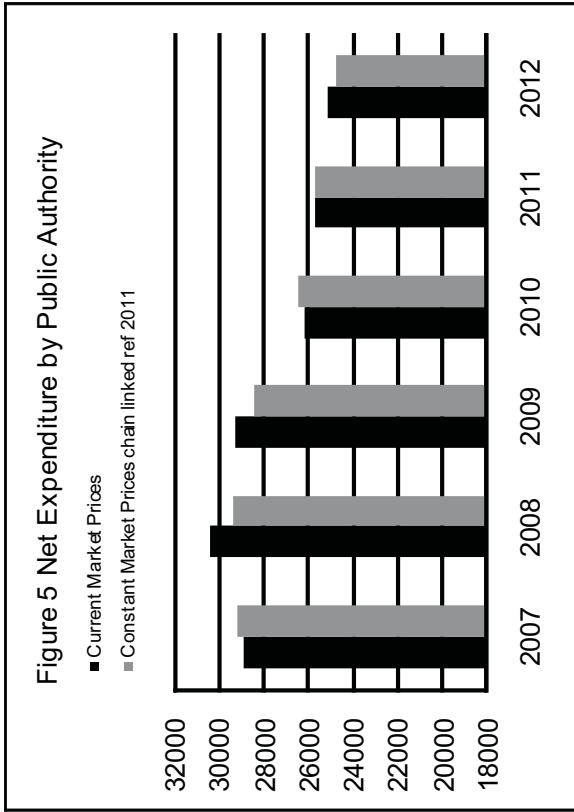
Table C Annual Percentage Changes in the Main Aggregates, GDP, GNP and GNI Deflators and the Consumer Price Index

Description	2007-2012	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Gross Domestic Product (GDP) at current market prices	-2.9	-5.0	-10.0	-2.6	2.8	0.8
Gross National Product (GNP) at current market prices	-4.1	-5.0	-13.6	-1.6	-0.9	1.5
Gross National Income (GNI) at current market prices	-4.0	-4.9	-13.4	-1.8	-0.7	1.5
Gross National Disposable Income (GNDI) at current market prices	-4.1	-5.2	-13.8	-1.6	-0.7	1.5
Net national product at factor cost	-3.6	-3.3	-13.5	-1.4	-1.0	1.7
Chain linked volume measures referenced to year 2011						
Gross Domestic Product at constant market prices	-1.5	-2.2	-6.4	-1.1	2.2	0.2
Gross National Product at constant market prices	-2.1	-1.8	-9.1	0.5	-1.6	1.8
Gross National Income at constant market prices	-2.1	-1.9	-8.8	0.4	-1.6	1.7
Gross National Disposable Income at constant market prices	-3.1	-4.2	-7.5	-1.1	-4.9	2.3
GDP deflator	-1.4	-2.9	-3.8	-1.5	0.7	0.7
GNP deflator	-2.0	-3.3	-4.9	-2.1	0.7	-0.3
GNI deflator	-2.0	-3.1	-5.0	-2.2	0.9	-0.2
GNDI deflator	-1.0	-1.1	-6.8	-0.5	4.5	-0.8
Consumer price index	0.5	4.1	-4.5	-1.0	2.6	1.7

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, software 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 years 2011 and 2012. 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 2011. One of the reasons for 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 2011) 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. The other factor which prevents additivity is that GDP is the average of the expenditure and output method and not just the sum of a set of components from one method.

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, not just as the sum of the expenditure components, but 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 2011.

Table 6 shows gross domestic product, valued in this way, and linked to 2011. 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 2011 = 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. They do 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 they do 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 2011 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 from personal income, 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 7 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 Group, 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:
 - State assistance towards student fees for 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)

The components of personal income are shown here, as already described earlier in the notes to Table 9.

Details of Personal Consumption (Tables 13 & 14)

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

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

The current price figures are, of course, affected by changes in prices as well as in volume. The figures in Table 14 provide a series of *real* or *quantum* expenditures in constant (i.e. chain linked) prices 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 2007 to 2012. (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, Community and Local Government together with additional details provided by the Department. Data for the Health Service Executive (formerly the health boards) are provided by the Department of Health. 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 Service Executive or 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. A comprehensive reappraisal is being undertaken of this table. The CSO plans to produce a new release solely on the subject of *Social Protection Accounts* in 2014, and for this reason no data for 2012 is included in this publication. In the interim significant revisions have been made to the expenditure and receipts shown in Table 29 in this publication compared to previous versions of the NIE. This is largely due to bringing the data on sickness and invalidity-disability into line with other CSO outputs relating to public health spending. 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 2013) in respect of the years 2011 and 2012 but contain revisions to earlier years which have not been incorporated in the BOP release.

Gross Value Added at Current Basic Prices NACE Rev 2 (Table 31)

This table provides gross value added at basic prices in current terms for 37 sectors of the economy according to the NACE Rev2 classification system. A much more detailed sectoral breakdown of GVA for the economy is displayed here than in Table 3 where data for the six main sectors are shown. It should be noted that Table 31 provides valuations of GVA for the sectors at "basic prices" in contrast to Table 3 which uses the "factor cost"

valuation. “Basic prices” is the valuation used in EU publications and differs from “factor cost” in that overhead taxes (such as rates) are included in the basic prices valuations while overhead subsidies are excluded.

Gross Value Added at Constant Basic Prices NACE Rev 2 (Table 32)

This table provides gross value added at constant prices (chain linked and referenced to 2011) for 37 sectors of the economy. The same sectors are used as in Table 31 which is in current prices. The table provides a detailed breakdown of real growth in the constituent sectors of the economy. It is similar to Table 4 but provides a greater level of detail. The valuation used in Table 32 (as in Table 31) is “basic prices”. The valuation is at “factor cost” in Table 4.

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	2007	2008	2009	2010	2011	2012†
Value added from agriculture, forestry and fishing (B.1n-D.29+D.39) Pt		3,134	2,708	2,066	2,580	3,179	2,876
1. Income from self-employment and other trading income	B.3 (Pt)	2,535	2,142	1,496	1,982	2,568	2,260
Remuneration of employees:	D.1 (Pt)						
2. Wages and salaries	(D.11+D.12) Pt	549	518	522	548	560	564
3. Employers' contribution to social insurance	D.12 (Pt)	50	47	48	50	51	51
Non-agricultural value added	(B.1n-D.29+D.39) Pt	146,495	140,316	127,109	125,505	129,254	128,060
Profits and self employed earnings:							
4. Domestic trading profits of companies (including corporate bodies) before tax	B.2 (Pt)	51,681	39,911	37,357	43,067	47,355	46,629
5. Self employed earnings	B.3 (Pt)	11,099	10,212	8,528	7,762	6,994	6,866
of which:							
5(a) Withdrawals from quasi-corporations [^]	D.422	1,078	1,173	724	891	748	736
6. Adjustment for stock appreciation	B.2 (Pt)	-633	-179	1,086	-318	-129	-81
7. Rent of dwellings (actual and imputed)	B.2 (Pt)	5,579	8,515	5,684	5,772	6,718	6,255
of which imputed rent		4,293	6,535	4,228	4,248	4,908	4,523
8. Rent element in land annuities		0	1	1	1	0	1
Remuneration of employees:	D.1 (Pt)						
9. Wages and salaries	(D.11+D.12) Pt	73,080	75,959	69,204	64,208	63,002	63,433
10. Employers' contribution to social insurance	D.12 (Pt)	5,689	5,897	5,250	5,013	5,313	4,957
Adjustments:							
12. Statistical discrepancy		-1,559	-124	938	-1,490	-1,144	1,347
13. Net value added at factor cost	(B.1n-D.29+D.39)	148,070	142,900	130,114	126,595	131,289	132,282
14. Net factor income from the rest of the world	D.1 & D.4 (net to abroad)	-26,520	-25,317	-28,364	-26,285	-31,938	-31,289
15. Net national product at factor cost		121,549	117,583	101,750	100,310	99,351	100,993
16. National (i.e. non EU) taxes	D.2 (Pt)	25,216	22,246	18,275	17,926	17,682	18,032
17. National (i.e. non EU) subsidies	D.3 (Pt)	-1,658	-1,762	-1,690	-1,577	-1,349	-1,540
18. Net national income at market prices	B.5*n	145,107	138,067	118,335	116,659	115,684	117,485

† Preliminary

[^] This represents the earnings of the owners of large non incorporated businesses (e.g. large partnerships) which are similar in their economic and financial behaviour to companies of an equivalent size.**Table 1.1 Annual Percentage Changes in the Main Constituents of Table 1**

Description	ESA Code	2007-2012	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Value added from agriculture, forestry and fishing (B.1n-D.29+D.39) Pt		-1.7	-13.6	-23.7	24.9	23.2	-9.5
Income from self-employment and other trading income	B.3 (Pt)	-2.3	-15.5	-30.2	32.5	29.6	-12.0
Remuneration of employees	D.1 (Pt)	0.5	-5.6	0.8	4.9	2.2	0.7
Non-agricultural value added	(B.1n-D.29+D.39) Pt	-2.7	-4.2	-9.4	-1.3	3.0	-0.9
Profits etc. #	B.2 (Pt) & B.3 (Pt)	-2.6	-13.7	-9.9	6.9	8.3	-2.1
Remuneration of employees	D.1 (Pt)	-2.8	3.9	-9.0	-7.0	-1.3	0.1
Net national product at factor cost		-3.6	-3.3	-13.5	-1.4	-1.0	1.7
Net national income at market prices	B.5*n	-4.1	-4.9	-14.3	-1.4	-0.8	1.6

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

(Note the sectors here are based on NACE Rev. 2. For further details see the methodology notes at the back)

€ million

Description	ESA code	2007	2008	2009	2010	2011	2012†
19. Agriculture, forestry and fishing							
Net value added	(B.1n-D.29+D.39) Pt	3,134	2,708	2,066	2,581	3,179	2,877
Remuneration of employees	D.1 (Pt)	599	566	570	598	611	616
Other	(B.2 & B.3) Pt	2,535	2,143	1,496	1,982	2,568	2,261
20. Industry (including building)							
Net value added	(B.1n-D.29+D.39) Pt	48,012	41,263	35,914	33,975	37,515	36,935
Remuneration of employees	D.1 (Pt)	22,555	20,974	16,406	14,413	13,699	13,206
Other	(B.2 & B.3) Pt	25,795	20,390	18,836	19,938	23,875	23,748
Adjustment for stock appreciation	(B.2 & B.3) Pt	-338	-101	673	-375	-60	-19
20a. Industry							
Net value added	(B.1n-D.29+D.39) Pt	32,587	30,445	32,170	31,718	35,436	35,022
Remuneration of employees	D.1 (Pt)	11,835	11,869	10,612	10,162	9,930	9,707
Other	(B.2 & B.3) Pt	21,090	18,678	20,885	21,931	25,566	25,335
Adjustment for stock appreciation	(B.2 & B.3) Pt	-338	-101	673	-375	-60	-19
20b. Building and construction							
Net value added	(B.1n-D.29+D.39) Pt	15,425	10,818	3,744	2,258	2,078	1,913
Remuneration of employees	D.1 (Pt)	10,719	9,105	5,793	4,251	3,770	3,499
Other	(B.2 & B.3) Pt	4,706	1,712	-2,050	-1,993	-1,691	-1,586
21. Distribution, transport, software and communication							
Net value added	(B.1n-D.29+D.39) Pt	33,533	32,639	29,561	31,382	30,920	31,427
Remuneration of employees	D.1 (Pt)	18,583	20,428	18,731	18,115	17,831	18,204
Other	(B.2 & B.3) Pt	15,244	12,289	10,417	13,209	13,159	13,285
Adjustment for stock appreciation	(B.2 & B.3) Pt	-294	-78	413	57	-70	-61
22. Public administration and defence							
Remuneration of employees	D.1 (Pt)	5,808	6,242	5,855	5,407	5,222	4,969
23. Other services (including rent)							
Net value added	(B.1n-D.29+D.39) Pt	59,142	60,171	55,780	54,740	55,597	54,727
Remuneration of employees	D.1 (Pt)	31,823	34,212	33,463	31,286	31,564	32,011
Other	(B.2 & B.3) Pt	27,319	25,959	22,316	23,454	24,034	22,717
26. Statistical discrepancy (= Item 12)		-1,559	-124	938	-1,490	-1,144	1,347
27. Net value added at factor cost	B.1n-D.29+D.39	148,070	142,900	130,114	126,595	131,289	132,282
28. plus Provision for depreciation	K.1	19,236	18,179	16,944	16,247	16,263	16,379
Agriculture, forestry and fishing		771	836	840	777	755	759
Industry (including building)		3,889	3,886	3,784	3,553	3,490	3,460
Industry		3,359	3,331	3,266	3,111	3,098	3,109
Building and construction		530	555	518	442	392	351
Distribution, transport, software & communication		3,995	4,286	4,492	4,513	4,662	4,759
Other services		10,582	9,171	7,828	7,404	7,355	7,402
29. Gross value added at factor cost	B.1g-D.29+D.39	167,306	161,078	147,058	142,842	147,552	148,661
30. Non product taxes	D.29	1,840	1,983	2,050	2,300	2,356	2,340
31. Non product subsidies	D.39	-2,261	-2,252	-2,216	-2,075	-2,055	-2,210
32. Gross value added at basic prices	B.1g	166,885	160,809	146,892	143,066	147,853	148,792
33. Product taxes	D.21	23,895	20,748	16,584	16,025	15,742	16,109
34. Product subsidies	D.31	-1,125	-1,307	-1,193	-995	-994	-962
35. Gross domestic product at current market prices	B.1*g	189,655	180,249	162,284	158,097	162,600	163,938
36. Net factor income from the rest of the world (net to abroad)	D.1 & D.4	-26,520	-25,317	-28,364	-26,285	-31,938	-31,289
37. Gross national product at current market prices		163,134	154,933	133,919	131,812	130,662	132,649
38. EU subsidies	D.3 (Pt)	1,728	1,797	1,719	1,494	1,700	1,632
39. EU taxes	D.2 (Pt)	-519	-484	-359	-400	-416	-417
40. Gross national income at current market prices	B.5*g	164,343	156,245	135,279	132,905	131,947	133,864

† Preliminary

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

(Note the sectors here are based on NACE Rev. 2. For further details see the methodology notes at the back)

€ million

Description	ESA Code	2007	2008	2009	2010	2011	2012†
41. Agriculture, forestry and fishing	(B.1g-D.29+D.39) Pt	3,905	3,545	2,907	3,358	3,935	3,635
42. Industry (including building)	(B.1g-D.29+D.39) Pt	51,901	45,148	39,698	37,528	41,005	40,394
42a. <i>Industry</i>	(B.1g-D.29+D.39) Pt	35,945	33,775	35,437	34,828	38,535	38,131
42b. <i>Building and construction</i>	(B.1g-D.29+D.39) Pt	15,956	11,373	4,262	2,699	2,470	2,263
43. Distribution, transport, software & communication	(B.1g-D.29+D.39) Pt	37,528	36,925	34,053	35,895	35,582	36,186
44. Public administration and defence	(B.1g-D.29+D.39) Pt	7,115	7,518	7,180	6,751	6,498	6,036
45. Other services (including rent)	(B.1g-D.29+D.39) Pt	68,416	68,066	62,282	60,801	61,676	61,062
47. Statistical discrepancy (= Item 12)		-1,559	-124	938	-1,490	-1,144	1,347
48. Gross value added at factor cost	B.1g-D.29+D.39	167,306	161,078	147,058	142,842	147,552	148,661
49. Non product taxes	D.29	1,840	1,983	2,050	2,300	2,356	2,340
50. Non product subsidies	D.39	-2,261	-2,252	-2,216	-2,075	-2,055	-2,210
51. Gross value added at basic prices	B.1g	166,885	160,809	146,892	143,066	147,853	148,792
52. Product taxes	D.21	23,895	20,748	16,584	16,025	15,742	16,109
53. Product subsidies	D.31	-1,125	-1,307	-1,193	-995	-994	-962
54. Gross domestic product at current market prices	B.1*g	189,655	180,249	162,284	158,097	162,600	163,938
55. Net factor income from the rest of the world	D.1 & D.4 (net to abroad)	-26,520	-25,317	-28,364	-26,285	-31,938	-31,289
56. Gross national product at current market prices		163,134	154,933	133,919	131,812	130,662	132,649
57. EU subsidies	D.3 (Pt)	1,728	1,797	1,719	1,494	1,700	1,632
58. EU taxes	D.2 (Pt)	-519	-484	-359	-400	-416	-417
59. Gross national income at current market prices	B.5*g	164,343	156,245	135,279	132,905	131,947	133,864

† Preliminary

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

Description	ESA Code	2007-2012	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Agriculture, forestry and fishing	(B.1g-D.29+D.39) Pt	-1.4	-9.2	-18.0	15.5	17.2	-7.6
Industry (including building)	(B.1g-D.29+D.39) Pt	-4.9	-13.0	-12.1	-5.5	9.3	-1.5
<i>Industry</i>	(B.1g-D.29+D.39) Pt	1.2	-6.0	4.9	-1.7	10.6	-1.0
<i>Building and construction</i>	(B.1g-D.29+D.39) Pt	-32.3	-28.7	-62.5	-36.7	-8.5	-8.4
Distribution, transport, software & communication	(B.1g-D.29+D.39) Pt	-0.7	-1.6	-7.8	5.4	-0.9	1.7
Public administration and defence	(B.1g-D.29+D.39) Pt	-3.2	5.7	-4.5	-6.0	-3.8	-7.1
Other services (including rent)	(B.1g-D.29+D.39) Pt	-2.2	-0.5	-8.5	-2.4	1.4	-1.0
Gross value added at factor cost	B.1g-D.29+D.39	-2.3	-3.7	-8.7	-2.9	3.3	0.8
Gross value added at basic prices	B.1g	-2.3	-3.6	-8.7	-2.6	3.3	0.6
Gross domestic product at current market prices	B.1*g	-2.9	-5.0	-10.0	-2.6	2.8	0.8
Gross national product at current market prices		-4.1	-5.0	-13.6	-1.6	-0.9	1.5
Gross national income at current market prices	B.5*g	-4.0	-4.9	-13.4	-1.8	-0.7	1.5

Table 4 Gross Value Added at Constant Factor Cost by Sector of Origin and Gross National Income at Constant Market Prices (chain linked annually and referenced to year 2011)

(Note the sectors here are based on NACE Rev. 2. For further details see the methodology notes at the back)

€ million

Description	ESA Code	2007	2008	2009	2010	2011	2012†
60. Agriculture, forestry and fishing		4,395	4,288	4,037	3,993	3,935	3,439
61. Industry (including building)	(B.1g-D.29+D.39) Pt	47,546	44,629	39,781	40,064	41,005	40,679
Industry	(B.1g-D.29+D.39) Pt	40,305	37,754	35,744	37,165	38,535	38,400
of which #							
<i>Chemicals and pharmaceuticals</i>		11,375	9,819	12,329	15,579	17,373	17,662
<i>Computers and Instrument engineering</i>		5,465	5,930	4,089	2,887	2,841	2,963
<i>Medical and dental instruments & supplies</i>		2,559	2,788	2,696	2,796	2,857	2,940
Building and construction	(B.1g-D.29+D.39) Pt	5,757	5,429	3,946	2,903	2,470	2,279
62. Distribution, transport, software & communication	(B.1g-D.29+D.39) Pt	37,609	36,907	35,247	35,419	35,582	35,356
of which							
<i>Software and communication</i>		11,824	12,244	13,059	13,507	14,091	14,362
63. Public administration and defence	(B.1g-D.29+D.39) Pt	7,170	7,650	7,291	6,914	6,498	6,086
64. Other services (including rent)	(B.1g-D.29+D.39) Pt	64,279	65,458	63,826	61,801	61,676	63,321
66. Statistical discrepancy		~	~	~	~	-1,144	-837
67. Gross value added at constant factor cost	B.1g-D.29+D.39	153,277	151,904	145,026	143,787	147,552	148,045
68. Non product taxes	D.29	2,088	2,224	2,263	2,365	2,356	2,411
69. Non product subsidies	D.39	-2,039	-1,871	-2,068	-2,108	-2,055	-2,135
70. Gross value added at constant basic prices	B.1g	153,435	152,338	145,236	144,044	147,853	148,320
71. Product taxes	D.21	23,640	20,869	16,733	16,083	15,742	15,505
72. Product subsidies	D.31	-1,086	-1,187	-1,095	-980	-994	-971
73. Gross domestic product at constant market prices	B.1*g	175,623	171,829	160,858	159,148	162,600	162,855
74. Net factor income from the rest of the world	D.1 & D.4 (net to abroad)	-27,301	-26,165	-28,889	-26,410	-31,938	-29,871
75. Gross national product at constant market prices		148,033	145,317	132,051	132,750	130,662	132,984
76. EU subsidies	D.3 (Pt)	1,678	1,584	1,796	1,698	1,700	1,618
77. EU taxes	D.2 (Pt)	-495	-471	-356	-394	-416	-408
78. Gross national income at constant market prices	B.5*g	149,189	146,407	133,488	134,058	131,947	134,194

† Preliminary

~ Chain linked series not additive except for 2011 and 2012

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

Description	ESA Code	2007-2012	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Agriculture, forestry and fishing	(B.1g-D.29+D.39) Pt	-4.8	-2.4	-5.9	-1.1	-1.4	-12.6
Industry (including building)	(B.1g-D.29+D.39) Pt	-3.1	-6.1	-10.9	0.7	2.3	-0.8
Industry	(B.1g-D.29+D.39) Pt	-1.0	-6.3	-5.3	4.0	3.7	-0.3
of which #							
<i>Chemicals and pharmaceuticals</i>		9.2	-13.7	25.6	26.4	11.5	1.7
<i>Computers and Instrument engineering</i>		-11.5	8.5	-31.1	-29.4	-1.6	4.3
<i>Medical and dental instruments & supplies</i>		2.8	9.0	-3.3	3.7	2.2	2.9
Building and construction	(B.1g-D.29+D.39) Pt	-16.9	-5.7	-27.3	-26.5	-14.9	-7.7
Distribution, transport, software & communication	(B.1g-D.29+D.39) Pt	-1.2	-1.9	-4.5	0.5	0.5	-0.6
of which							
<i>Software and communication</i>		4.0	3.6	6.7	3.4	4.3	1.9
Public administration and defence	(B.1g-D.29+D.39) Pt	-3.2	6.7	-4.7	-5.2	-6.0	-6.3
Other services (including rent)	(B.1g-D.29+D.39) Pt	-0.3	1.8	-2.5	-3.2	-0.2	2.7
Gross value added at constant factor cost	B.1g-D.29+D.39	-0.7	-0.9	-4.5	-0.9	2.6	0.3
Gross value added at constant basic prices	B.1g	-0.7	-0.7	-4.7	-0.8	2.6	0.3
Gross domestic product at constant market prices	B.1*g	-1.5	-2.2	-6.4	-1.1	2.2	0.2
Gross national product at constant market prices		-2.1	-1.8	-9.1	0.5	-1.6	1.8
Gross national income at constant market prices	B.5*g	-2.1	-1.9	-8.8	0.4	-1.6	1.7

The three sectors distinguished correspond to NACE Rev 2 classes 20 & 21; 26; 32.5.

Table 5 Expenditure on Gross National Income at Current Market Prices

€ million

Description	ESA Code	2007	2008	2009	2010	2011	2012†
79. Personal consumption of goods and services	P.3 (Pt)	92,603	94,162	83,294	82,200	82,380	82,634
<i>of which:</i>							
79(a) Final consumption expenditure of Households and NPISHs		88,941	90,104	79,328	77,991	78,188	78,297
79(b) Final consumption expenditure of government		3,663	4,057	3,966	4,209	4,193	4,336
80. Net expenditure by central and local government on current goods and services	P.3 (Pt)	28,873	30,371	29,304	26,196	25,701	25,096
81. Gross domestic fixed capital formation	P.51 (Pt) & P.53	48,533	39,620	26,096	19,293	17,266	17,434
82. Value of physical changes in stocks	P.51 (Pt) & P.52	1,025	-330	-1,490	-567	984	376
<i>of which</i>							
82(a) Net additions to the breeding stocks		-28	2	-44	-55	19	83
83. Exports of goods and services #	P.6	152,389	150,181	146,369	157,810	166,964	176,736
84. less Imports of goods and services #	P.7	-135,328	-133,877	-120,352	-128,326	-131,840	-136,990
85. Statistical discrepancy (= - Item 12)		1,559	124	-938	1,490	1,144	-1,347
86. Gross domestic product at current market prices	B.1*g	189,655	180,249	162,284	158,097	162,600	163,938
87. Net factor income from the rest of the world	D.1 & D.4 (net to abroad)	-26,520	-25,317	-28,364	-26,285	-31,938	-31,289
88. Gross national product at current market prices		163,134	154,933	133,919	131,812	130,662	132,649
89. EU subsidies	D.3 (Pt)	1,728	1,797	1,719	1,494	1,700	1,632
90. EU taxes	D.2 (Pt)	-519	-484	-359	-400	-416	-417
91. Gross national income at current market prices	B.5*g	164,343	156,245	135,279	132,905	131,947	133,864

† Preliminary

Excluding factor income flows

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

Description	ESA Code	2007-2012	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Personal consumption of goods and services	P.3 (Pt)	-2.3	1.7	-11.5	-1.3	0.2	0.3
Net expenditure by central and local government on current goods and services	P.3 (Pt)	-2.8	5.2	-3.5	-10.6	-1.9	-2.4
Gross domestic physical capital formation	P.5	-18.5	-20.7	-37.4	-23.9	-2.5	-2.4
<i>of which</i>							
Gross domestic fixed capital formation	P.51 (Pt) & P.53	-18.5	-18.4	-34.1	-26.1	-10.5	1.0
Exports of goods and services	P.6	3.0	-1.4	-2.5	7.8	5.8	5.9
Imports of goods and services	P.7	0.2	-1.1	-10.1	6.6	2.7	3.9
Gross domestic product at current market prices	B.1*g	-2.9	-5.0	-10.0	-2.6	2.8	0.8
Gross national product at current market prices		-4.1	-5.0	-13.6	-1.6	-0.9	1.5
Gross national income at current market prices	B.5*g	-4.0	-4.9	-13.4	-1.8	-0.7	1.5

**Table 6 Expenditure on Gross National Income at Constant Market Prices
(chain linked annually and referenced to year 2011)**

€ million

Description	ESA Code	2007	2008	2009	2010	2011	2012†
92. Personal consumption of goods and services	P.3 (Pt)	87,377	87,435	82,961	83,688	82,380	82,151
<i>of which:</i>							
92(a) Final consumption expenditure of Households and NPISHs		83,600	83,454	78,975	79,330	78,188	77,945
92(b) Final consumption expenditure of government		3,745	3,967	3,985	4,361	4,193	4,207
93. Net expenditure by central and local government on current goods and services	P.3 (Pt)	29,219	29,392	28,399	26,439	25,701	24,738
94. Gross domestic fixed capital formation	P.51 (Pt) & P.53	37,291	33,709	24,648	19,071	17,266	17,097
95. Value of physical changes in stocks	P.51 (Pt) & P.52	1,536	-325	-1,458	-567	984	347
<i>of which:</i>							
95(a) Net additions to the breeding stocks		-63	2	-52	-63	19	75
96. Exports of goods and services #	P.6	156,591	154,857	148,925	158,467	166,964	169,570
97. less Imports of goods and services #	P.7	-145,859	-141,538	-127,727	-132,373	-131,840	-131,885
98. Statistical discrepancy (= - item 66)		~	~	~	~	1,144	837
99. Gross domestic product at constant market prices	B.1*g	175,623	171,829	160,858	159,148	162,600	162,855
100. Net factor income from the rest of the world	D.1 & D.4 (net to abroad)	-27,301	-26,165	-28,889	-26,410	-31,938	-29,871
101. Gross national product at constant market prices		148,033	145,317	132,051	132,750	130,662	132,984
102. EU subsidies	D.3 (Pt)	1,678	1,584	1,796	1,698	1,700	1,618
103. EU Taxes	D.2 (Pt)	-495	-471	-356	-394	-416	-408
104. Gross national income at constant market prices	B.5*g	149,189	146,407	133,488	134,058	131,947	134,194

† Preliminary

Excluding factor income flows

~ Chain linked series not additive except for 2011 and 2012

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

Description	ESA Code	2007-2012	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Personal consumption of goods and services	P.3 (Pt)	-1.2	0.1	-5.1	0.9	-1.6	-0.3
Net expenditure by central and local government on current goods and services	P.3 (Pt)	-3.3	0.6	-3.4	-6.9	-2.8	-3.7
Gross domestic physical capital formation	P.5	-14.3	-11.9	-30.0	-20.3	-1.5	-4.4
<i>of which</i>							
Gross domestic fixed capital formation	P.51 (Pt) & P.53	-14.4	-9.6	-26.9	-22.6	-9.5	-1.0
Exports of goods and services	P.6	1.6	-1.1	-3.8	6.4	5.4	1.6
Imports of goods and services	P.7	-2.0	-3.0	-9.8	3.6	-0.4	0.0
Gross domestic product at constant market prices	B.1*g	-1.5	-2.2	-6.4	-1.1	2.2	0.2
Gross national product at constant market prices		-2.1	-1.8	-9.1	0.5	-1.6	1.8
Gross national income at constant market prices	B.5*g	-2.1	-1.9	-8.8	0.4	-1.6	1.7

**Table 6.2 Volume Index Numbers of Gross National Income and its Expenditure Constituents
(Chain linked and referenced to year 2011=100)**

Description	2007	2008	2009	2010	2011	2012†
Personal consumption of goods and services	106.1	106.1	100.7	101.6	100.0	99.7
Net expenditure by central and local government on current goods and services	113.7	114.4	110.5	102.9	100.0	96.3
Gross domestic physical capital formation	206.6	182.0	127.3	101.5	100.0	95.6
Exports of goods and services	93.8	92.7	89.2	94.9	100.0	101.6
Imports of goods and services	110.6	107.4	96.9	100.4	100.0	100.0
Gross domestic product at constant market prices	108.0	105.7	98.9	97.9	100.0	100.2
Gross national product at constant market prices	113.3	111.2	101.1	101.6	100.0	101.8
Gross national income at constant market prices	113.1	111.0	101.2	101.6	100.0	101.7
Value of gross national product at constant market prices, allowing for changes in terms of trade #	119.8	115.2	106.5	105.2	100.0	102.2
Value of gross national income at constant market prices, allowing for changes in terms of trade #	119.6	114.9	106.6	105.1	100.0	102.1

† 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	2007	2008	2009	2010	2011	2012†
105. Gross domestic product at current market prices	B.1*g	189,655	180,249	162,284	158,097	162,600	163,938
106. Net factor income from the rest of the world	D.1 & D.4 (net to abroad)	-26,520	-25,317	-28,364	-26,285	-31,938	-31,289
107. Gross national product at current market prices		163,134	154,933	133,919	131,812	130,662	132,649
108. EU subsidies	D.3 (Pt)	1,728	1,797	1,719	1,494	1,700	1,632
109. EU taxes	D.2 (Pt)	-519	-484	-359	-400	-416	-417
110. Gross national income at current market prices	B.5*g	164,343	156,245	135,279	132,905	131,947	133,864
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	-2,199	-2,467	-2,783	-2,508	-2,467	-2,420
112. Gross national disposable income	B.6g	162,144	153,779	132,496	130,398	129,479	131,444
113. Personal consumption of goods and services	P.3 (Pt)	92,603	94,162	83,294	82,200	82,380	82,634
114. Net expenditure by central and local government on current goods and services	P.3 (Pt)	28,873	30,371	29,304	26,196	25,701	25,096
115. Total consumption expenditure	P.3	121,476	124,532	112,599	108,396	108,081	107,730
116. Gross national savings	B.8g	40,668	29,246	19,898	22,002	21,398	23,714
117. Provision for depreciation	K.1	19,236	18,179	16,944	16,247	16,263	16,379
118. Net national savings	B.8n	21,432	11,068	2,954	5,755	5,135	7,335

† Preliminary

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

Description		2007-2012	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Gross domestic product at current market prices	B.1*g	-2.9	-5.0	-10.0	-2.6	2.8	0.8
Gross national product at current market prices		-4.1	-5.0	-13.6	-1.6	-0.9	1.5
Gross national disposable income	B.6g	-4.1	-5.2	-13.8	-1.6	-0.7	1.5
Personal consumption of goods and services	P.3 (Pt)	-2.3	1.7	-11.5	-1.3	0.2	0.3
Net expenditure by central and local government on current goods and services	P.3 (Pt)	-2.8	5.2	-3.5	-10.6	-1.9	-2.4
Total consumption expenditure	P.3	-2.4	2.5	-9.6	-3.7	-0.3	-0.3
Gross national savings	B.8g	-10.2	-28.1	-32.0	10.6	-2.7	10.8
Provision for depreciation	K.1	-3.2	-5.5	-6.8	-4.1	0.1	0.7
Net national savings	B.8n	-19.3	-48.4	-73.3	94.8	-10.8	42.8

**Table 8 Gross National Disposable Income at Constant Market Prices (chain linked annually and referenced to year 2011)
Adjusted for Terms of Trade (i.e. Real Gross National Disposable Income)**

€ million

Description	2007	2008	2009	2010	2,011	2012†
Gross national income (adjusted for terms of trade) (chain linked and referenced to 2011)	157,757	151,559	140,591	138,737	131,947	134,772
Net current transfers from abroad (chain linked and referenced to 2011) excluding EU subsidies and Taxes	-2,264	-2,549	-2,834	-2,520	-2,467	-2,311
Gross national disposable income (adjusted for terms of trade) (chain linked and referenced to 2011)	155,430	148,975	137,754	136,221	129,479	132,462
Index of Real gross national disposable income (chain linked and referenced to 2011)	120.0	115.1	106.4	105.2	100.0	102.3

† Preliminary

~ Chain linked series not additive except for 2011 and 2012

Table 9 Personal Income and Personal Expenditure

€ million

Description	2007	2008	2009	2010	2011	2012†
119. Net national product at factor cost before adjustment for stock appreciation	122,182	117,762	100,663	100,628	99,481	101,074
120. less Government trading and investment income	-2,018	-2,698	-2,439	-2,549	-2,453	-2,739
121. plus National debt interest	1,979	2,398	3,290	4,984	5,190	5,912
122. plus Transfer income (including net transfers from the rest of the world)	20,196	22,903	24,799	24,639	25,279	25,033
123. Private income	142,339	140,365	126,312	127,702	127,497	129,281
124. less Undistributed profits of companies before tax	-25,220	-15,440	-9,172	-17,912	-17,471	-17,097
125. Personal income	117,119	124,925	117,140	109,790	110,026	112,183
126. Personal consumption of goods and services	92,603	94,162	83,294	82,200	82,380	82,634
127. Taxes on personal income and wealth	23,558	23,410	21,880	21,090	22,598	23,056
128. Total personal expenditure	116,162	117,571	105,175	103,290	104,978	105,690
129. Personal savings°	957	7,354	11,966	6,500	5,047	6,493

° Personal Savings are compiled on a different basis to those in the Institutional Sector Accounts published by CSO. The differences in the methodologies used in the two sets of estimates are outlined in the notes to the Annual releases on Institutional Sector Accounts.

† Preliminary

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

€ million

Description	2007	2008	2009	2010	2011	2012†
130. Taxes on income and wealth (including social insurance contributions)	29,957	28,491	25,771	25,036	26,353	27,276
131. Taxes on expenditure (including rates)	25,216	22,246	18,275	17,926	17,682	18,032
132. Net trading and investment income	2,018	2,698	2,439	2,549	2,453	2,739
133. Current transfers from the rest of the world to central and local government	55	149	97	113	52	52
134. Total income	57,246	53,583	46,583	45,623	46,539	48,098
135. Subsidies (excluding EU subsidies) #	1,658	1,762	1,690	1,577	1,349	1,540
136. Transfer payments (including transfers to the rest of the world) and national debt interest	24,429	27,916	30,968	32,243	32,988	33,417
137. Net current expenditure on goods and services	28,873	30,371	29,304	26,196	25,701	25,096
138. Total expenditure	54,960	60,049	61,962	60,016	60,038	60,054
139. Central and local government savings	2,286	-6,466	-15,379	-14,393	-13,499	-11,955

See explanatory note to Table 10 in Appendix 2

† Preliminary

Table 11 Savings and Capital Formation

€ million

Description	2007	2008	2009	2010	2011	2012†
Savings before adjustment for stock appreciation						
140. Personal	957	7,354	11,966	6,500	5,047	6,493
141. Companies	18,821	10,359	5,281	13,966	13,716	12,878
142. Central and local government #	2,286	-6,466	-15,379	-14,393	-13,499	-11,955
143. Net national savings before adjustment for stock appreciation	22,065	11,247	1,867	6,073	5,264	7,416
144. Adjustment for stock appreciation	-633	-179	1,086	-318	-129	-81
145. Net national savings	21,432	11,068	2,954	5,755	5,135	7,335
146. Provision for depreciation	19,236	18,179	16,944	16,247	16,263	16,379
147. Net foreign capital transfers	39	47	-1,252	-673	-263	-2,056
148. Net foreign disinvestment	10,410	10,120	5,022	-1,112	-1,741	-5,195
149. Statistical discrepancy (= Item 12)	-1,559	-124	938	-1,490	-1,144	1,347
150. Gross total available for investment in domestic physical capital formation	49,558	39,290	24,606	18,726	18,250	17,810
Capital formation						
151. Building and construction	36,726	29,185	17,075	11,202	9,276	9,021
152. Other home produced capital goods and services	2,533	2,486	2,291	2,318	2,584	2,225
153. Imported capital goods and services	9,274	7,949	6,731	5,773	5,405	6,188
154. Value of physical changes in agric. stocks	-91	15	-13	-161	-52	194
155. Increase in value of non-agricultural stocks and work in progress (incl. EU intervention stocks)	1,749	-166	-2,564	-88	1,166	263
156. Adjustment for stock appreciation	-633	-179	1,086	-318	-129	-81
157. Gross domestic physical capital formation	49,558	39,290	24,606	18,726	18,250	17,810

† 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	2007	2008	2009	2010	2011	2012†
Gross national savings	40,668	29,246	19,898	22,002	21,398	23,714
Net foreign capital transfers	39	47	-1,252	-673	-263	-2,056
Statistical discrepancy (= Item 12)	-1,559	-124	938	-1,490	-1,144	1,347
Total available for gross national investment	39,148	29,170	19,584	19,838	19,991	23,005
Gross domestic physical capital formation	49,558	39,290	24,606	18,726	18,250	17,810
Net foreign investment	-10,410	-10,120	-5,022	1,112	1,741	5,195
Gross national investment	39,148	29,170	19,584	19,838	19,991	23,005

† Preliminary

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

€ million

Description	2007	2008	2009	2010	2011	2012†
Remuneration of employees	78,606	81,774	74,635	69,567	68,780	68,817
Agriculture, etc.	549	518	522	548	560	564
Domestic non-agriculture	73,080	75,959	69,204	64,208	63,002	63,433
Foreign	-762	-648	-389	-252	-146	-188
Employers' contribution to social insurance	5,738	5,944	5,297	5,063	5,364	5,008
Income of independent traders etc.	13,633	12,354	10,023	9,744	9,562	9,126
Agriculture, etc.	2,535	2,142	1,496	1,982	2,568	2,260
Non-agriculture	11,099	10,212	8,528	7,762	6,994	6,866
Interest earned (prior to adjustment for FISIM) and dividends received	7,410	7,322	4,971	4,845	4,822	5,024
Adjustment for FISIM on interest earned	1,592	1,772	-1,043	-929	-412	-1,310
Rent of private dwellings	5,149	7,959	5,230	5,337	6,266	5,774
less						
Interest paid (prior to adjustment for FISIM)	9,601	10,658	6,723	6,154	6,855	6,134
Adjustment for FISIM on interest paid	-1,693	-1,622	-4,311	-4,232	-3,727	-4,506
Current transfers to households (including net transfers from the rest of the world)	20,196	22,903	24,799	24,639	25,279	25,033
Statistical discrepancy (= Item 12)	-1,559	-124	938	-1,490	-1,144	1,347
Personal income of households and private non-profit institutions	117,119	124,925	117,140	109,790	110,026	112,183
Undistributed profits of companies	25,220	15,440	9,172	17,912	17,471	17,097
Private income	142,339	140,365	126,312	127,702	127,497	129,281
less National debt interest	-1,979	-2,398	-3,290	-4,984	-5,190	-5,912
less Current transfers to households (including net transfers from the rest of the world)	-20,196	-22,903	-24,799	-24,639	-25,279	-25,033
plus Government trading and investment income	2,018	2,698	2,439	2,549	2,453	2,739
Adjustment for stock appreciation	-633	-179	1,086	-318	-129	-81
Net national product at factor cost	121,549	117,583	101,750	100,310	99,351	100,993

† Preliminary

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

Description	2007-2012	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Remuneration of employees	-2.6	4.0	-8.7	-6.8	-1.1	0.1
Income of independent traders	-7.7	-9.4	-18.9	-2.8	-1.9	-4.6
Current transfers to households (including net transfers from the rest of the world)	4.4	13.4	8.3	-0.6	2.6	-1.0
Personal income of households and private non-profit institutions	-0.9	6.7	-6.2	-6.3	0.2	2.0

Table 13 Consumption of Personal Income at Current Market Prices

€ million

Description	2007	2008	2009	2010	2011	2012†
Food, beverages and tobacco	17,669	17,719	16,513	15,914	16,411	16,507
Food (excl. meals out)	7,667	7,946	7,326	7,007	7,331	7,392
Non-alcoholic beverages	516	549	529	498	606	618
Alcoholic beverages (total incl pubs)	7,230	6,966	6,326	6,253	6,277	6,355
Tobacco	2,258	2,258	2,331	2,156	2,196	2,142
Clothing and footwear	3,992	3,854	3,627	3,293	3,106	2,938
Housing (rent, local government charges, repairs and decorations)	15,437	16,881	14,562	14,241	14,721	15,101
<i>of which imputed rent</i>	<i>11,625</i>	<i>12,482</i>	<i>10,497</i>	<i>9,979</i>	<i>10,170</i>	<i>10,413</i>
Fuel and power (excluding motor fuels)	3,048	3,465	3,051	3,081	3,161	3,410
Household equipment and operation	6,191	5,750	4,410	4,060	3,817	3,923
Durable household goods	3,990	3,519	2,489	2,159	1,824	1,781
Non-durable goods and services	2,201	2,231	1,921	1,901	1,993	2,142
Transport and communication	14,671	14,222	11,782	12,263	12,746	12,697
Personal transport equipment	4,282	3,742	1,988	2,414	2,377	2,163
Operation of personal transport equipment (incl. motor fuels)	4,770	4,836	4,466	4,859	5,322	5,522
Public transport	2,629	2,726	2,612	2,511	2,643	2,744
Communication	2,990	2,918	2,715	2,479	2,404	2,268
Recreation, entertainment and education	8,166	8,006	7,975	8,367	7,826	8,022
Equipment and accessories	3,338	2,839	2,459	2,567	2,355	2,381
Services (incl. education)	4,828	5,166	5,516	5,801	5,471	5,640
Miscellaneous goods and services	21,572	21,606	19,116	18,651	18,648	18,282
Professional services (incl. medical goods and services)	8,769	8,660	9,295	9,242	8,727	8,866
Goods (n.e.s.)	3,206	2,985	2,176	2,057	2,280	2,534
Services (n.e.s.)	7,350	7,771	7,251	6,910	6,670	6,782
FISIM (financial services indirectly measured)	2,247	2,190	394	441	971	100
Expenditure outside the State	5,729	6,353	5,285	4,975	4,478	4,247
less Expenditure by non-residents	-3,872	-3,693	-3,027	-2,646	-2,532	-2,493
158. Personal consumption of goods and services at current market prices	92,603	94,162	83,294	82,200	82,380	82,634
159. Taxes on personal income and wealth	23,558	23,410	21,880	21,090	22,598	23,056
160. Total personal expenditure	116,162	117,571	105,175	103,290	104,978	105,690

† Preliminary

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

Description	2007-2012	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Food	-0.7	3.7	-7.8	-4.4	4.6	0.8
Non-alcoholic Beverages	3.7	6.5	-3.6	-5.9	21.8	1.9
Alcoholic beverages	-2.5	-3.6	-9.2	-1.2	0.4	1.2
Tobacco	-1.0	0.0	3.3	-7.5	1.9	-2.4
Clothing and footwear	-5.9	-3.5	-5.9	-9.2	-5.7	-5.4
Housing	-0.4	9.4	-13.7	-2.2	3.4	2.6
Fuel and Power	2.3	13.7	-11.9	1.0	2.6	7.9
Household equipment and operation	-8.7	-7.1	-23.3	-8.0	-6.0	2.8
Transport and communication	-2.8	-3.1	-17.2	4.1	3.9	-0.4
Recreation, entertainment and education	-0.4	-2.0	-0.4	4.9	-6.5	2.5
Miscellaneous goods and services	-3.3	0.2	-11.5	-2.4	0.0	-2.0
Expenditure outside the State	-5.8	10.9	-16.8	-5.9	-10.0	-5.2
Expenditure by non-residents	-8.4	-4.6	-18.0	-12.6	-4.3	-1.5
Personal consumption of goods and services	-2.3	1.7	-11.5	-1.3	0.2	0.3

Table 14 Consumption of Personal Income (except Taxes on Personal Income and Wealth) at Constant Market Prices (chain linked annually and referenced to year 2011)

€ million

Description	2007	2008	2009	2010	2011	2012†
Food, beverages and tobacco	18,138	17,248	15,974	15,966	16,411	16,312
Food (excl. meals out)	7,687	7,459	7,092	7,076	7,331	7,346
Non-alcoholic beverages	546	554	541	516	606	602
Alcoholic beverages (total incl pubs)	7,221	6,717	5,963	6,187	6,277	6,345
Tobacco	2,702	2,533	2,394	2,183	2,196	2,019
Clothing and footwear	2,987	3,027	3,230	3,241	3,106	2,946
Housing (rent, local government charges, repairs and decorations)	12,913	13,421	13,870	14,370	14,721	14,730
<i>of which imputed rent</i>	<i>9,520</i>	<i>9,766</i>	<i>9,946</i>	<i>10,051</i>	<i>10,170</i>	<i>10,163</i>
Fuel and power (excluding motor fuels)	3,177	3,421	3,317	3,324	3,161	3,046
Household equipment and operation	5,463	5,137	4,096	3,985	3,817	3,992
Durable household goods	3,216	2,949	2,237	2,076	1,824	1,850
Non-durable goods and services	2,187	2,149	1,844	1,901	1,993	2,142
Transport and communication	15,880	15,019	12,712	12,742	12,746	12,286
Personal transport equipment	3,646	3,205	1,790	2,306	2,377	2,202
Operation of personal transport equipment (incl. motor fuels)	5,860	5,506	5,444	5,305	5,322	5,168
Public transport	2,938	3,060	2,767	2,597	2,643	2,609
Communication	3,150	3,045	2,819	2,538	2,404	2,307
Recreation, entertainment and education	8,206	7,906	7,931	8,297	7,826	7,936
Equipment and accessories	2,701	2,381	2,230	2,485	2,355	2,525
Services (incl. education)	5,395	5,503	5,723	5,813	5,471	5,411
Miscellaneous goods and services	19,194	19,738	19,489	19,382	18,648	19,217
Professional services (incl. medical goods and services)	9,576	9,042	9,452	9,528	8,727	8,954
Goods (n.e.s.)	2,718	2,542	1,963	2,002	2,280	2,661
Services (n.e.s.)	7,318	7,512	7,071	6,856	6,670	6,680
FISIM (financial services indirectly measured)	574	859	1,044	1,040	971	923
Expenditure outside the State	6,278	6,874	5,483	5,086	4,478	4,106
less Expenditure by non-residents	-4,146	-3,780	-3,111	-2,692	-2,532	-2,420
161. Personal consumption of goods and services at constant market prices	87,377	87,435	82,961	83,688	82,380	82,151

† Preliminary

Chain linked series not additive except for 2011 and 2012

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

Description	2007-2012	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Food	-0.9	-3.0	-4.9	-0.2	3.6	0.2
Non-alcoholic Beverages	2.0	1.5	-2.5	-4.5	17.4	-0.8
Alcoholic beverages	-2.6	-7.0	-11.2	3.8	1.5	1.1
Tobacco	-5.7	-6.3	-5.5	-8.8	0.6	-8.1
Clothing and footwear	-0.3	1.3	6.7	0.3	-4.2	-5.1
Housing	2.7	3.9	3.3	3.6	2.4	0.1
Fuel and Power	-0.8	7.7	-3.0	0.2	-4.9	-3.6
Household equipment and operation	-6.1	-6.0	-20.3	-2.7	-4.2	4.6
Transport and communication	-5.0	-5.4	-15.4	0.2	0.0	-3.6
Recreation, entertainment and education	-0.7	-3.7	0.3	4.6	-5.7	1.4
Miscellaneous goods and services	0.0	2.8	-1.3	-0.5	-3.8	3.1
Expenditure outside the State	-8.1	9.5	-20.2	-7.3	-12.0	-8.3
Expenditure by non-residents	-10.2	-8.8	-17.7	-13.5	-5.9	-4.4
Personal consumption of goods and services	-1.2	0.1	-5.1	0.9	-1.6	-0.3

Table 15 Gross Domestic Physical Capital Formation at Current Market Prices

€ million

Description	2007	2008	2009	2010	2011	2012†
Fixed capital						
Dwellings	20,056	14,507	7,596	4,806	3,849	3,089
Roads	2,596	2,800	2,371	1,649	1,111	995
Other building and construction (including land rehabilitation etc.)	10,490	10,042	6,471	4,302	3,953	4,590
Costs associated with transfer of land & buildings	3,584	1,836	637	445	362	348
Transport equipment	5,690	4,750	4,623	3,874	3,205	3,646
Agricultural machinery	397	352	179	156	203	276
Other machinery and equipment	4,357	3,905	2,804	2,634	3,117	2,916
Software	864	854	841	960	1,027	1,220
Exploration	317	379	424	301	273	225
Artistic originals	183	193	149	165	164	131
Gross domestic fixed capital formation	48,533	39,620	26,096	19,293	17,266	17,434
Changes in stocks						
Value of physical changes in stocks on farms	-91	15	-13	-161	-52	194
Value of physical changes in EU intervention stocks	-33	0	79	-32	-44	-16
Value of physical changes in other stocks	1,148	-345	-1,556	-374	1,081	198
Total value of physical changes in stocks	1,025	-330	-1,490	-567	984	376
162. Gross domestic physical capital formation at current market prices	49,558	39,290	24,606	18,726	18,250	17,810

† Preliminary

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

€ million

Description	2007	2008	2009	2010	2011	2012†
Agriculture, forestry and fishing	1,344	1,998	675	557	637	859
Fuel and power products	1,947	1,983	2,012	1,691	1,252	1,465
Manufacturing products	3,148	2,878	2,232	1,658	2,077	2,065
Building and construction	723	365	105	15	17	-8
Market services	38,194	29,486	19,118	13,827	11,895	11,686
Dwellings (incl. transfer costs)	21,892	15,455	7,926	5,037	4,038	3,271
Roads	2,596	2,800	2,371	1,649	1,111	995
Other market services	13,705	11,232	8,821	7,141	6,746	7,420
Non-market services	3,178	2,910	1,954	1,545	1,388	1,366
163. Gross domestic fixed capital formation at current market prices	48,533	39,620	26,096	19,293	17,266	17,434

† Preliminary

**Table 17 Gross Domestic Physical Capital Formation at Constant Market Prices
(chain linked annually and referenced to year 2011)**

	€ million					
Description	2007	2008	2009	2010	2011	2012†
Fixed capital						
Dwellings	13,102	11,377	7,269	4,844	3,849	3,026
Roads	2,085	2,445	2,179	1,647	1,111	967
Other building and construction (including land rehabilitation etc.)	7,681	8,007	5,948	4,298	3,953	4,461
Costs assoc. with transfer of land & buildings	1,594	845	368	284	362	446
Transport equipment	5,633	4,694	4,512	3,837	3,205	3,627
Agricultural machinery	410	371	184	158	203	264
Other machinery and equipment	4,284	3,989	2,769	2,634	3,117	2,784
Software	898	868	892	973	1,027	1,172
Exploration	263	324	390	300	273	218
Artistic originals	158	169	138	162	164	131
Gross domestic fixed capital formation	37,291	33,709	24,648	19,071	17,266	17,097
Changes in stocks						
Value of physical changes in stocks on farms	-80	20	-15	-179	-52	136
Value of physical changes in EU intervention stocks	-23	0	66	-31	-44	-17
Value of physical changes in other stocks	1,573	-328	-1,489	-376	1,081	227
Total value of physical changes in stocks	1,536	-325	-1,458	-567	984	347
164. Gross domestic physical capital formation at constant market prices	37,708	33,217	23,238	18,522	18,250	17,444

† Preliminary

Chain linked series not additive except for 2011 and 2012

**Table 18 Gross Domestic Fixed Capital Formation by Sector of Use at Constant Market Prices
(chain linked annually and referenced to year 2011)**

	€ million					
Description	2007	2008	2009	2010	2011	2012†
Agriculture,forestry and fishing	1,220	1,823	647	555	637	836
Fuel and power products	1,626	1,743	1,890	1,693	1,252	1,421
Manufacturing products	2,814	2,667	2,175	1,653	2,077	2,018
Building and construction	746	383	107	16	17	-7
Market services	28,530	24,802	17,996	13,611	11,895	11,503
Dwellings (incl. transfer costs)	14,003	11,768	7,374	4,947	4,038	3,259
Roads	2,085	2,445	2,179	1,647	1,111	967
Other market services	11,969	10,273	8,428	7,022	6,746	7,277
Non-market services	2,324	2,355	1,834	1,538	1,388	1,326
165. Gross domestic fixed capital formation at constant market prices	37,291	33,709	24,648	19,071	17,266	17,097

† Preliminary

Chain linked series not additive except for 2011 and 2012

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

€ million

Description	2007	2008	2009	2010	2011	2012†
Current receipts						
166. Taxes on income and wealth	20,904	19,231	16,848	16,335	18,821	20,489
167. Taxes on expenditure	23,948	20,893	16,804	16,421	16,183	16,597
168. Social insurance contributions	9,053	9,259	8,924	8,701	7,532	6,786
169. Gross trading income	0	0	0	0	0	0
170. Investment income:						
Local government	159	195	103	80	118	97
Land annuities - interest	0	1	1	1	0	1
Other Irish sources	1,439	2,000	1,850	1,975	1,875	2,150
171. Transfers from local government	23	3	3	3	3	3
172. Transfers from the rest of the world (not elsewhere included)	55	149	97	113	52	52
173. Miscellaneous receipts	1,835	1,935	2,561	3,317	3,152	2,940
174. Total receipts - current	57,416	53,666	47,191	46,945	47,736	49,116
Capital receipts						
175. Taxes on capital	3,488	1,767	801	582	1,123	1,172
176. Loan repayments and equity sales:						
Local government	16	9	8	7	10	10
Land annuities - principal	0	0	0	0	0	0
Other	815	800	732	829	725	725
177. Transfers from the rest of the world	162	76	175	48	132	112
178. Borrowing	6,139	13,069	27,799	50,233	21,829	12,233
179. Total receipts - capital	10,621	15,720	29,514	51,700	23,819	14,252
180. Total receipts - current and capital	68,037	69,386	76,705	98,645	71,555	63,367
Current expenditure						
181. Subsidies	1,658	1,762	1,690	1,577	1,349	1,540
182. National debt interest:						
Paid to residents	939	611	661	1,101	1,101	1,263
Paid to rest of the world	1,025	1,769	2,606	3,860	4,067	4,627
183. Land bond interest	0	0	0	0	0	0
184. Transfer payments:						
To residents	19,279	22,065	24,301	24,244	24,880	24,577
To rest of the world	2,208	2,299	2,188	1,957	1,880	1,845
185. Expenditure on goods and services:						
Wages, salaries and pensions	16,840	17,899	17,597	16,445	16,269	15,988
Other	7,297	7,641	7,900	7,051	6,419	6,157
186. Grants to local government	3,498	3,328	3,302	3,325	3,090	2,936
187. Total expenditure - current	52,744	57,373	60,244	59,560	59,055	58,932
Capital expenditure						
188. Grants to enterprises	649	1,822	4,494	31,959	6,956	568
189. Other transfer payments	851	822	125	-492	264	400
190. Redemption of securities	6,714	572	5,330	1,303	646	0
191. Loans and share capital:						
Local government	0	0	0	0	0	0
Other	814	780	887	1,385	770	774
192. Gross physical capital formation	2,584	3,882	2,145	2,194	1,883	830
193. Grants to local government	3,646	4,103	3,461	2,710	1,953	1,803
194. Payments to the rest of the world	35	31	18	27	27	60
195. Total expenditure - capital	15,293	12,013	16,461	39,085	12,499	4,435
196. Total expenditure - current and capital	68,037	69,386	76,705	98,645	71,555	63,367

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

† Preliminary

Table 20 Receipts and Expenditure of Local Government

€ million

Description	2007	2008	2009	2010	2011	2012†
Current receipts						
197. Rates	1,267	1,353	1,471	1,504	1,499	1,435
198. Gross rental income	645	834	682	654	679	722
199. Grants from central government	3,498	3,328	3,302	3,325	3,090	2,936
200. Interest, incl repayments of loans under the Housing Acts	149	142	134	138	125	106
201. Miscellaneous receipts	1,097	1,118	1,011	989	970	922
202. Total receipts - current	6,656	6,774	6,599	6,610	6,363	6,120
Capital receipts						
203. Grants from central government	3,646	4,103	3,461	2,710	1,953	1,803
204. Principal, incl repayments of loans under the Housing Acts	45	49	34	56	51	51
205. Miscellaneous receipts	2,369	1,766	628	200	254	91
206. Loans received from central government	0	0	0	0	0	0
207. Other loans received and miscellaneous borrowing	1,085	1,395	773	575	531	594
208. Total receipts - capital	7,145	7,314	4,896	3,541	2,789	2,539
209. Total receipts - current and capital	13,802	14,088	11,495	10,150	9,153	8,660
Current expenditure						
210. Subsidies:						
Housing	0	0	0	0	0	0
Other	0	0	0	0	0	0
211. National debt interest:						
Central government	159	195	103	80	118	97
Other	16	18	23	22	22	22
212. Transfer payments	963	1,154	1,189	1,059	1,038	1,083
213. Transfers to central government	23	3	3	3	3	3
214. Expenditure on goods and services:						
Wages, salaries and pensions	2,999	3,239	3,044	2,781	2,786	2,738
Other	2,423	2,423	2,098	1,977	2,124	2,045
215. Total expenditure - current	6,583	7,032	6,460	5,922	6,092	5,989
Capital expenditure						
216. Grants to enterprises	174	223	234	179	133	133
217. Other transfer payments	129	132	98	93	69	69
218. Loan repayments:						
Central government	16	9	8	7	10	10
Other	137	138	214	196	192	192
219. Loans to persons	559	667	542	522	397	397
220. Gross physical capital formation	6,204	5,887	3,939	3,232	2,261	1,870
221. Total expenditure - capital	7,219	7,056	5,036	4,229	3,061	2,671
222. Total expenditure - current and capital	13,802	14,088	11,495	10,150	9,153	8,660

† Preliminary

Table 21 Receipts and Expenditure of Central and Local Government

€ million

Description	ESA Code	2007	2008	2009	2010	2011	2012†
Current receipts							
223. Taxes on income and wealth	D51rec (excl CGT)	20,904	19,231	16,848	16,335	18,821	20,489
224. Social Insurance contributions	D611rec (Pt)	9,053	9,259	8,924	8,701	7,532	6,786
225. Taxes on expenditure (including rates)	D2rec	25,216	22,246	18,275	17,926	17,682	18,032
226. Gross trading income	D4rec (Pt)	0	0	0	0	0	0
227. Gross rental income	D4rec (Pt)	645	834	682	654	679	722
228. Investment income	D4rec (Pt)	1,588	2,142	1,985	2,113	2,000	2,257
229. Transfers from the rest of the world (not elsewhere included)	D7rec (Pt)	55	149	97	113	52	52
230. Miscellaneous receipts	P131	2,931	3,053	3,572	4,306	4,123	3,862
231. Total receipts - current		60,392	56,914	50,382	50,147	50,888	52,200
Capital receipts							
232. Taxes on capital	D91rec+D51rec (CGT)	3,488	1,767	801	582	1,123	1,172
233. Loan repayments and equity sales		861	849	766	885	776	776
234. Transfers from the rest of the world	(D92rec+D99rec) (Pt)	162	76	175	48	132	112
235. Other receipts	(D92rec+D99rec) (Pt)	2,369	1,766	628	200	254	91
236. Borrowing		7,224	14,464	28,572	50,808	22,360	12,826
237. Total receipts - capital		14,103	18,922	30,941	52,523	24,645	14,978
238. Total receipts - current and capital		74,496	75,836	81,323	102,670	75,534	67,178
Current expenditure							
239. Subsidies	D3pay	1,658	1,762	1,690	1,577	1,349	1,540
240. National debt interest (including land bond interest)	D41pay	1,979	2,398	3,290	4,984	5,190	5,912
241. Transfer payments	D62pay (Pt)+D63pay+D7pay	22,450	25,519	27,678	27,259	27,798	27,505
242. Expenditure on goods and services: 242(a) Wages, salaries and pensions	D1pay-P12	19,840	21,138	20,641	19,226	19,055	18,726
242(b) Other	P2	9,720	10,063	9,998	9,028	8,543	8,202
243. Total expenditure - current		55,646	60,879	63,296	62,074	61,936	61,885
Capital expenditure							
244. Grants to enterprises	D9pay (Pt)+K2	823	2,046	4,728	32,137	7,089	701
245. Other transfer payments	D9pay (Pt)	980	954	223	-400	333	469
246. Redemption of securities and loan repayments		6,850	711	5,545	1,499	837	192
247. Loans and share capital		1,373	1,447	1,429	1,907	1,167	1,171
249. Gross physical capital formation	P5	8,788	9,769	6,084	5,425	4,144	2,700
250. Payments to the rest of the world	D9pay (Pt)	35	31	18	27	27	60
251. Total expenditure - capital		18,849	14,957	18,028	40,596	13,598	5,293
252. Total expenditure - current and capital		74,496	75,836	81,323	102,670	75,534	67,178
253. Net lending / net borrowing (231+232+234+235) - (243+244+245+249+250)	B9	139	-13,156	-22,364	-48,286	-21,132	-12,240
254. Adjustment for interest swaps		4	-4	-4	9	-135	-221
255. General Government Balance (GGB) (253+254)	EDP B9	143	-13,160	-22,368	-48,277	-21,267	-12,461
256. Net expenditure by central & local govt on current goods & services excl. depreciation (242 - 230)		26,629	28,148	27,066	23,948	23,476	23,067
257. Depreciation	K1	2,244	2,223	2,238	2,248	2,225	2,030
258. Net expenditure by central & local govt on current goods & services	P3 (Pt)	28,873	30,371	29,304	26,196	25,701	25,096

† Preliminary

Table 22 Details of Taxation

€ million

Description	2007	2008	2009	2010	2011	2012†
Central and Local Government						
Taxes on income and wealth	29,957	28,491	25,771	25,036	26,353	27,276
Income tax (incl. Universal Social Charge and Income Levy)	13,563	13,148	11,801	11,315	14,009	15,201
Corporation tax	6,393	5,071	3,889	3,944	3,751	4,216
Motor tax -						
Estimated portion paid by households etc.	526	583	582	563	556	580
Other taxes	5	6	201	201	184	189
Fees under the Petroleum and Minerals Development Acts	5	10	2	2	4	4
Training and Employment Levy	411	414	373	310	317	300
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	9,053	9,259	8,924	8,701	7,532	6,786
Taxes on capital	3,488	1,767	801	582	1,123	1,172
Estate, etc. duties	0	0	0	0	0	0
Capital gains tax	3,097	1,424	545	345	416	414
Capital acquisitions tax	391	343	256	237	244	283
Pension fund levy	0	0	0	0	463	475
Taxes on expenditure	25,216	22,246	18,275	17,926	17,682	18,032
Customs duties	30	21	11	23	18	35
Excise duties including VRT	5,993	5,547	4,909	4,824	4,904	4,809
Value added tax	14,057	12,842	10,175	9,862	9,588	10,029
Residential property tax	0	0	0	0	0	0
Rates	1,267	1,353	1,471	1,504	1,499	1,435
Motor tax - Estimated portion paid by businesses	431	477	476	461	455	475
Stamps (excluding fee stamps)	3,244	1,763	1,003	962	936	954
Fee stamps	0	0	0	0	0	0
Agricultural levies	0	0	1	0	0	0
Broadcasting licence fee *	23	23	24	27	27	0
Other fees	171	219	206	263	255	296
EU Taxes	519	484	359	400	416	417
Total taxation	59,180	52,988	45,207	43,944	45,574	46,897

* Excludes amount transferred to RTE

† Preliminary

Table 23 Details of Subsidies and Capital Grants to Enterprises

€ million

Description	2007	2008	2009	2010	2011	2012†
Subsidies						
Central and local government	1,658	1,762	1,690	1,577	1,349	1,540
Bovine Tuberculosis and Brucellosis eradication	49	62	52	40	40	53
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	269	285	278	255	174	234
Other agricultural subsidies	41	72	59	46	42	56
Current grant by BIM	7	-10	-7	-10	-11	-15
Bread subsidy	0	0	0	0	0	0
Grants by the IDA, Forbairt & Forfas	119	143	148	227	118	158
Current grants to S.F.A.D. Co. Ltd.	0	0	1	1	0	0
Current payments to CIE *	123	130	139	123	108	144
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
Education subsidies	788	823	797	697	710	683
Expenses of market intervention less recoupment from EU #	8	7	8	7	7	9
Employment subsidies	49	37	12	3	1	1
Other subsidies	205	213	203	188	161	216
EU subsidies	1,728	1,797	1,719	1,494	1,700	1,632
Capital grants to enterprises -						
Central and local government	823	2,046	4,728	32,137	7,121	672
Housing grants	153	221	233	179	133	133
Farm modernisation grants	134	1,066	46	56	8	13
Western drainage	0	0	0	0	0	0
Grants by BIM	21	13	4	0	1	1
Grants by the IDA, Forbairt, Forfas	50	60	62	87	64	102
Grants by Udaras na Gaeltachta	7	6	8	5	-4	-7
Grants by Bord Failte Eireann	-3	-1	0	-1	-1	-2
Grants to S.F.A.D. Co. Ltd.	1	1	1	6	6	10
Grants by Institute for Industrial Research and Standards	0	0	0	0	0	0
Grants to CIE *	154	143	102	-59	-146	-83
Insurance Compensation Fund	0	0	0	0	0	0
Other grants	306	537	273	290	235	224
Recapitalisation of Financial Institutions	0	0	4,000	31,575	6,825	280

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.

† Preliminary

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	2007	2008	2009	2010	2011	2012†
Current transfer payments and national debt interest	24,429	27,916	30,968	32,243	32,988	33,417
National debt interest:						
paid to residents	954	628	684	1,124	1,123	1,285
paid to the rest of the world	1,025	1,769	2,606	3,860	4,067	4,627
Land bond interest	0	0	0	0	0	0
Higher education	222	238	230	274	274	254
Secondary education	0	0	0	0	0	0
Other education	49	55	55	56	57	55
Scholarships and prizes	151	160	155	204	197	189
Old age n.c. pensions	935	989	1,017	993	999	979
Child benefit	2,651	2,934	2,726	2,224	2,077	2,047
Unemployment assistance	875	1,159	2,005	2,809	2,985	3,054
Widows' and orphans' n.c. pensions	24	28	27	24	24	23
Redundancy payments	188	202	350	490	326	317
Occupational injuries benefit	104	112	112	105	102	100
Free travel, electricity, telephone rental, television and radio licences for old age pensioners etc.	377	409	433	442	445	534
Disability benefit	755	852	920	943	876	773
Unemployment benefit	545	929	1,734	1,285	927	737
Retirement pensions *	79	92	105	108	132	146
Old age (contributory) pensions *	2,755	3,118	3,368	3,452	3,623	3,800
Widows'(contributory) pensions	1,236	1,338	1,389	1,368	1,369	1,373
Invalidity pensions	618	686	682	640	607	604
Treatment benefit	92	97	100	51	23	19
Pay-related benefit	0	0	0	0	0	0
Other social insurance etc.	369	435	443	429	406	397
less Social insurance payments to the rest of the world	-271	-276	-341	-327	-337	-337
Rehabilitation etc. of disabled persons	902	1,054	1,146	1,110	1,089	1,086
Residential care for children	0	0	0	0	0	0
Payments for medical goods supplied to households by pharmacists	1,108	1,233	1,292	1,304	1,249	1,256
Domiciliary care for handicapped children	412	469	528	247	223	226
Supplementary welfare allowance	841	980	1,173	1,180	1,178	1,082
Subsidies for drug purchases	738	817	769	716	686	690
Transport services for school children	172	186	178	181	171	168
Local government housing rental deficit	690	806	656	656	703	770
Other social payments	728	859	914	1,395	1,639	1,585
Transfers to the rest of the world	2,208	2,299	2,188	1,957	1,880	1,845
Social assistance allowance	0	-3	-10	-6	-8	-8
Social employment scheme	358	378	374	368	349	337
Family income supplement	140	170	167	186	204	223
Enterprise allowance scheme	0	0	0	0	0	0
FAS allowances	225	236	227	214	177	169
Early retirement payments	26	23	19	15	10	10
Lone Parents Allowance	1,114	1,239	1,286	1,233	1,216	1,119
Pre-retirement Allowance	124	118	97	78	60	46
Employment Support Services	142	161	194	278	394	381
Other transfer payments	1,136	1,220	907	335	1,058	1,023
Less imputed pensions received from employees	-368	-283	61	240	409	432
Repayment of nursing home charges (accrued)	0	0	0	0	0	0
Capital grants to households, etc.	980	954	223	-402	335	469
Grants under the Housing Acts	0	0	0	0	0	0
Other housing grants	5	13	34	86	91	58
Supplementary grants for housing and disabled persons grants	129	132	102	93	99	99
Grants for higher education	0	0	0	0	0	0
Grants to training colleges	4	2	1	0	0	0
Grants to secondary schools**	0	0	0	0	0	0
Building, equipping and furnishing of hospitals and other health facilities	28	15	4	9	4	4
Other capital transfer payments	813	792	711	489	141	309
Pension Funds	0	0	-629	-1,079	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.

**Non fee paying voluntary secondary schools are now classified to the Government sector.

† Preliminary

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

€ million

Description	2007	2008	2009	2010	2011	2012†
Central government	2,584	3,882	2,145	2,194	1,883	830
New works, alterations and additions by Office of Public Works (including furniture for new buildings)	299	341	188	130	113	91
Building, equipment and furnishing of national schools	399	489	329	312	289	233
Arterial drainage	23	25	36	39	31	25
Forest development (including acquisition of land)	16	23	8	10	0	0
Constructional work at airports (including acquisition of land and building)	0	0	0	0	0	0
Capital expenditure by the IDA, Forfas & Forbairt	6	4	10	6	35	28
Comprehensive schools	182	122	102	144	135	109
Other construction	277	202	200	429	332	267
Vehicles, machinery and equip. (less sales)	405	763	336	238	349	281
Roads	37	726	56	57	89	72
Rail	451	656	465	406	262	211
Health	571	532	416	422	248	246
Sale of mobile telephony licences	-82	0	0	0	0	-732
Local government	6,204	5,887	3,939	3,232	2,261	1,870
Local government housing	2,106	1,574	1,076	753	510	415
Roads	1,980	1,964	1,604	1,192	937	775
Health	0	0	0	0	0	0
Water supply and sewerage	962	973	711	519	464	384
Vocational education committees	195	175	203	195	108	90
Other	961	1,201	347	572	242	207

† Preliminary

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

€ million

Description	2007	2008	2009	2010	2011	2012†
Defence	976	1,079	1,057	963	941	888
Current transfer payments	78	87	159	162	187	185
Current expenditure on goods and services	820	892	861	790	753	702
Current grants to local government	6	6	6	6	6	5
Gross physical capital formation	72	95	31	5	-5	-4
Other central government services	6,233	6,265	4,678	2,651	4,775	4,645
Subsidies	24	24	21	28	49	65
Current transfer payments	1,891	1,958	1,750	1,094	1,834	1,811
Current expenditure on goods and services	3,604	3,655	3,053	2,244	2,537	2,363
Current grants to local government	16	0	22	-4	-6	-6
Capital grants to enterprises	34	13	11	10	54	126
Capital transfer payments	13	-3	-613	-1,090	1	1
Loans	-5	-4	1	4	-7	-6
Gross physical capital formation	591	574	388	328	284	228
Capital grants to local government	29	17	28	10	3	3
Capital payments to the rest of the world	35	31	18	27	27	60
Education	8,505	9,158	9,124	8,695	8,560	8,011
Subsidies	788	823	797	697	710	683
Current transfer payments	510	578	589	568	589	582
Current expenditure on goods and services	4,593	4,978	5,007	4,815	4,774	4,447
Current grants to local government	1,801	1,932	2,015	1,953	1,929	1,832
Capital transfer payments	91	121	110	52	37	36
Loans	0	0	0	0	0	0
Gross physical capital formation	581	610	431	457	425	342
Capital grants to local government	142	116	175	154	96	89
Health	13,605	14,470	14,668	13,851	13,241	13,494
Current transfer payments	1,768	2,037	2,060	2,383	2,387	2,356
Current expenditure on goods and services	11,235	11,884	12,185	11,037	10,603	10,887
Current grants to local government	0	0	0	0	0	0
Capital transfer payments	28	15	4	9	4	4
Loans	2	1	3	0	0	0
Gross physical capital formation	571	532	416	422	248	246
Capital grants to local government	0	0	0	0	0	0
Social security and welfare	17,206	19,605	21,890	22,264	21,608	21,272
Current transfer payments	16,105	18,506	20,790	20,962	20,630	20,369
Current expenditure on goods and services	954	967	1,015	1,260	895	833
Current grants to local government	0	0	1	1	0	0
Capital transfer payments	111	82	56	27	3	4
Gross physical capital formation	34	44	26	13	80	64
Capital grants to local government	2	6	2	2	1	1
Housing	1,444	1,576	1,219	909	635	593
Subsidies	0	0	0	0	0	0
Current transfer payments	3	3	3	2	2	2
Current expenditure on goods and services	124	133	123	106	93	87
Current grants to local government	64	61	63	61	56	53
Capital transfer payments	5	5	9	12	91	89
Loans	0	0	0	0	0	0
Gross physical capital formation	3	5	1	0	0	0
Capital grants to enterprises	0	0	0	0	0	0
Capital grants to local government	1,246	1,367	1,021	728	393	363
Other community and social services	1,242	1,528	1,580	1,479	1,253	1,197
Subsidies	3	17	15	9	3	5
Current transfer payments	276	340	285	272	207	205
Current expenditure on goods and services	355	392	745	706	657	612
Current grants to local government	29	55	85	102	117	111
Capital grants to enterprises	70	137	41	64	14	33
Capital transfer payments	204	190	118	93	52	49
Loans	0	0	0	0	0	0
Gross physical capital formation	89	89	68	59	43	35
Capital grants to local government	217	308	223	173	159	147

† Preliminary

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

Description	2007	2008	2009	2010	2011	2012†
Agriculture, forestry and fishing	2,530	3,587	2,561	2,227	2,074	2,175
Subsidies *	496	523	489	416	321	431
Current transfer payments	106	108	113	127	124	122
Current expenditure on goods and services	728	793	788	707	643	599
Current grants to local government	3	2	2	2	3	3
Capital grants to enterprises	179	1,122	82	50	31	71
Capital transfer payments	194	204	220	194	184	180
Loans	738	740	788	673	720	730
Gross physical capital formation	84	95	78	59	48	39
Mining, manufacturing and construction	723	1,085	810	715	849	830
Subsidies	121	147	138	147	99	133
Current transfer payments	358	377	374	369	349	344
Current expenditure on goods and services	131	169	125	115	121	113
Capital grants to enterprises	57	67	71	97	86	79
Loans and share capital	38	43	93	62	57	50
Gross physical capital formation	17	283	9	-75	138	111
Capital transfer payments	0	0	0	0	0	0
Transport and communication	3,692	4,736	3,474	3,584	2,768	1,851
Subsidies	165	175	180	164	134	180
Current transfer payments	19	17	13	15	11	11
Current expenditure on goods and services	574	595	582	628	676	630
Current grants to local government	572	208	191	282	266	253
Capital grants to enterprises	285	413	351	147	-70	-42
Capital transfer payments	34	44	39	51	10	15
Loans and share capital	39	1	2	0	0	0
Gross physical capital formation	491	1,492	617	856	591	-257
Capital grants to local government	1,515	1,791	1,499	1,442	1,150	1,062
Other economic services	2,198	2,282	6,128	34,210	8,257	1,782
Subsidies	60	53	50	116	33	44
Current transfer payments	373	353	352	248	440	435
Current expenditure on goods and services	1,019	1,083	1,012	1,087	935	871
Current grants to local government	1	1	1	90	-59	-56
Capital grants to enterprises	24	71	3,939	31,591	6,841	301
Capital transfer payments	172	164	182	161	-117	22
Loans	0	0	0	645	0	0
Gross physical capital formation	51	61	80	70	33	26
Capital grants to local government	497	496	512	202	150	139
Public debt	8,677	2,952	8,597	6,264	5,814	5,889
National debt interest	1,964	2,380	3,267	4,961	5,168	5,889
Redemption of securities	6,714	572	5,330	1,303	646	0
Unallocated by function						
Current Grants to local government	1,006	1,062	916	833	779	740
Total Expenditure	68,037	69,386	76,705	98,645	71,555	63,367

* See explanatory note to Table 10 in Appendix 2

† Preliminary

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

€ million

Description	2007	2008	2009	2010	2011	2012†
General government services	999	1,070	1,075	823	770	712
Current transfer payments	107	178	350	172	116	89
Transfers to central government	23	3	3	3	3	3
Current expenditure on goods and services	585	611	552	531	525	517
Gross physical capital formation	285	278	170	117	126	104
Education	2,130	2,190	2,257	2,121	2,010	1,985
Current transfer payments	141	157	213	277	263	284
Current expenditure on goods and services	1,793	1,858	1,841	1,649	1,638	1,611
Gross physical capital formation	195	175	203	195	108	90
Health	0	0	0	0	0	0
Current transfer payments	0	0	0	0	0	0
Current expenditure on goods and services	0	0	0	0	0	0
Gross physical capital formation	0	0	0	0	0	0
Social security and welfare	74	65	24	2	2	-13
Current transfer payments	74	65	24	2	2	-13
Transfers to central government	0	0	0	0	0	0
Current expenditure on goods and services	0	0	0	0	0	0
Gross physical capital formation	0	0	0	0	0	0
Housing	3,866	3,565	2,755	2,349	1,952	1,919
Subsidies	0	0	0	0	0	0
Current transfer payments	690	806	656	656	703	770
Current expenditure on goods and services	228	166	150	147	140	135
Capital transfer payments	129	132	98	93	69	69
Loans to persons	559	667	542	522	397	397
Gross physical capital formation	2,106	1,574	1,076	753	510	415
Capital grants to enterprises	153	221	233	179	133	133
Other community and social services	2,038	2,387	1,489	1,651	1,482	1,391
Current transfer payments	0	0	0	0	0	0
Current expenditure on goods and services	1,101	1,236	1,115	1,061	1,247	1,189
Gross physical capital formation	936	1,150	375	590	235	201
Agriculture, forestry and fishing	44	35	23	23	22	20
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	16	12	10	12	12	11
Capital grants to enterprises	0	0	0	0	0	0
Gross physical capital formation	27	23	13	11	10	8
Transport and communication	3,131	2,971	2,327	1,834	1,578	1,403
Current transfer payments	-49	-52	-54	-48	-46	-46
Current expenditure on goods and services	1,181	1,056	776	691	687	674
Capital grants to enterprises	20	2	1	0	0	0
Gross physical capital formation	1,980	1,964	1,604	1,192	937	775
Other economic services (incl. Mining etc.)	1,193	1,445	1,196	1,041	995	923
Transfers to central government	0	0	0	0	0	0
Current expenditure on goods and services	518	723	697	667	660	646
Gross physical capital formation	675	723	499	374	335	277
Public debt	328	360	348	306	342	321
National debt interest	175	213	126	102	141	120
Loan repayments	153	147	222	204	201	201
Total Expenditure	13,802	14,088	11,495	10,150	9,153	8,660

† Preliminary

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

Description	2007	2008	2009	2010	2011	2012†
Defence	1.4	1.6	1.4	1.0	1.3	1.4
Other central government services	9.2	9.0	6.1	2.7	6.7	7.3
Education	12.5	13.2	11.9	8.8	12.0	12.6
Health	20.0	20.9	19.1	14.0	18.5	21.3
Social security and welfare	25.3	28.3	28.5	22.6	30.2	33.6
Housing	2.1	2.3	1.6	0.9	0.9	0.9
Other community and social services	1.8	2.2	2.1	1.5	1.8	1.9
Agriculture, forestry and fishing	3.7	5.2	3.3	2.3	2.9	3.4
Mining, manufacturing and construction	1.1	1.6	1.1	0.7	1.2	1.3
Transport and communication	5.4	6.8	4.5	3.6	3.9	2.9
Other economic services	3.2	3.3	8.0	34.7	11.5	2.8
Public Debt	12.8	4.3	11.2	6.4	8.1	9.3
Unallocated by function	1.5	1.5	1.2	0.8	1.1	1.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

† Preliminary

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

Description	2007	2008	2009	2010	2011	2012†
General government services	7.2	7.6	9.4	8.1	8.4	8.2
Education	15.4	15.5	19.6	20.9	22.0	22.9
Health	0.0	0.0	0.0	0.0	0.0	0.0
Social security and welfare	0.5	0.5	0.2	0.0	0.0	-0.1
Housing	28.0	25.3	24.0	23.1	21.3	22.2
Other community and social services	14.8	16.9	13.0	16.3	16.2	16.1
Agriculture, forestry and fishing	0.3	0.2	0.2	0.2	0.2	0.2
Transport and communication	22.7	21.1	20.2	18.1	17.2	16.2
Other economic services (incl. Mining etc.)	8.6	10.3	10.4	10.3	10.9	10.7
Public Debt	2.4	2.6	3.0	3.0	3.7	3.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

† Preliminary

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

€ million

Description	2007	2008	2009	2010	2011	2012†
Defence	970	1,073	1,051	957	936	883
Current transfer payments	78	87	159	162	187	185
Current expenditure on goods and services	820	892	861	790	753	702
Gross physical capital formation	72	95	31	5	-5	-4
Other general government services	7,165	7,315	5,701	3,465	5,545	5,357
Subsidies	24	24	21	28	49	65
Current transfer payments	1,998	2,137	2,100	1,266	1,950	1,900
Current expenditure on goods and services	4,189	4,266	3,605	2,775	3,062	2,880
Capital grants to enterprises	34	13	11	10	54	126
Capital transfer payments	13	-3	-613	-1,090	1	1
Loans	-5	-4	1	4	-7	-6
Gross physical capital formation	875	852	558	445	409	332
Capital payments to the rest of the world	35	31	18	27	27	60
Education	8,691	9,301	9,191	8,710	8,545	8,075
Subsidies	788	823	797	697	710	683
Current transfer payments	651	736	803	845	852	866
Current expenditure on goods and services	6,385	6,836	6,848	6,464	6,413	6,059
Capital transfer payments	91	121	110	52	37	36
Loans	0	0	0	0	0	0
Gross physical capital formation	776	785	633	652	533	431
Health	13,605	14,470	14,668	13,851	13,241	13,494
Current transfer payments	1,768	2,037	2,060	2,383	2,387	2,356
Current expenditure on goods and services	11,235	11,884	12,185	11,037	10,603	10,887
Capital transfer payments	28	15	4	9	4	4
Loans	2	1	3	0	0	0
Gross physical capital formation	571	532	416	422	248	246
Social security and welfare	17,278	19,664	21,912	22,264	21,609	21,259
Current transfer payments	16,179	18,570	20,814	20,964	20,632	20,356
Current expenditure on goods and services	954	967	1,016	1,261	895	834
Capital transfer payments	111	82	56	27	3	4
Gross physical capital formation	34	44	26	13	80	64
Housing	4,001	3,712	2,890	2,470	2,138	2,096
Subsidies	0	0	0	0	0	0
Current transfer payments	693	809	659	658	705	771
Current expenditure on goods and services	352	298	273	253	233	221
Capital grants to enterprises	153	221	233	179	133	133
Capital transfer payments	135	137	107	105	160	158
Loans	559	667	542	522	397	397
Gross physical capital formation	2,109	1,579	1,077	754	510	415
Other community and social services	3,035	3,552	2,761	2,855	2,460	2,329
Subsidies	3	17	15	9	3	5
Current transfer payments	276	340	285	272	207	205
Current expenditure on goods and services	1,457	1,628	1,860	1,767	1,904	1,802
Capital grants to enterprises	70	137	41	64	14	33
Capital transfer payments	204	190	118	93	52	49
Loans	0	0	0	0	0	0
Gross physical capital formation	1,025	1,240	442	649	278	236
Agriculture, forestry and fishing	2,570	3,621	2,582	2,247	2,093	2,191
Subsidies #	496	523	489	416	321	431
Current transfer payments	106	108	113	127	124	122
Current expenditure on goods and services	745	804	798	719	655	610
Capital grants to enterprises	179	1,122	82	50	31	71
Capital transfer payments	194	204	220	194	184	180
Loans	738	740	788	673	720	730
Gross physical capital formation	112	119	91	69	58	47

See explanatory note to Table 10 in Appendix 2

† Preliminary

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

€ million

Description	2007	2008	2009	2010	2011	2012†
Mining, manufacturing and construction	723	1,085	810	715	849	830
Subsidies	121	147	138	147	99	133
Current transfer payments	358	377	374	369	349	344
Current expenditure on goods and services	131	169	125	115	121	113
Capital grants to enterprises	57	67	71	97	86	79
Loans and share capital	38	43	93	62	57	50
Gross physical capital formation	17	283	9	-75	138	111
Capital transfer payments	0	0	0	0	0	0
Transport and communication	4,737	5,707	4,112	3,695	2,930	1,939
Subsidies	165	175	180	164	134	180
Current transfer payments	-31	-35	-41	-33	-35	-36
Current expenditure on goods and services	1,755	1,651	1,358	1,319	1,363	1,304
Capital grants to enterprises	305	415	352	147	-70	-42
Capital transfer payments	34	44	39	51	10	15
Loans and share capital	39	1	2	0	0	0
Gross physical capital formation	2,470	3,457	2,222	2,047	1,528	518
Other economic services	2,892	3,230	6,811	34,958	9,160	2,622
Subsidies	60	53	50	116	33	44
Current transfer payments	373	353	352	248	440	435
Current expenditure on goods and services	1,536	1,806	1,709	1,754	1,596	1,517
Capital grants to enterprises	24	71	3,939	31,591	6,841	301
Capital transfer payments	172	164	182	161	-117	22
Loans	0	0	0	645	0	0
Gross physical capital formation	726	784	579	444	367	303
Public debt	8,829	3,108	8,834	6,483	6,028	6,103
National debt interest	1,979	2,398	3,290	4,984	5,190	5,912
Redemption of securities and loan repayments	6,850	711	5,545	1,499	837	192
Total Expenditure	74,496	75,836	81,323	102,670	75,534	67,178

† Preliminary

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

Description	2007	2008	2009	2010	2011	2012†
Defence	1.3	1.4	1.3	0.9	1.2	1.3
Other general government services	9.6	9.6	7.0	3.4	7.3	8.0
Education	11.7	12.3	11.3	8.5	11.3	12.0
Health	18.3	19.1	18.0	13.5	17.5	20.1
Social security and welfare	23.2	25.9	26.9	21.7	28.6	31.6
Housing	5.4	4.9	3.6	2.4	2.8	3.1
Other community and social services	4.1	4.7	3.4	2.8	3.3	3.5
Agriculture, forestry and fishing	3.5	4.8	3.2	2.2	2.8	3.3
Mining, manufacturing and construction	1.0	1.4	1.0	0.7	1.1	1.2
Transport and communication	6.4	7.5	5.1	3.6	3.9	2.9
Other economic services	3.9	4.3	8.4	34.0	12.1	3.9
Public Debt	11.9	4.1	10.9	6.3	8.0	9.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

† Preliminary

Table 29 Social Protection Accounts

€ million

Description	2007	2008	2009	2010	2011†
Current Expenditure					
Social protection benefits	29,281	32,349	35,603	35,733	35,323
Administration costs	1,199	1,210	1,281	1,174	1,400
Other current expenditure	47	51	54	58	63
Total Current Expenditure	30,528	33,610	36,938	36,964	36,786
Current Receipts					
Employers' social contributions	8,289	8,659	8,533	8,388	7,884
Social contributions by protected persons	3,631	3,759	4,037	4,107	2,401
Current general government contributions	18,027	20,906	23,910	24,108	26,189
Other current receipts	581	285	458	362	312
Total Current Receipts	30,528	33,610	36,938	36,964	36,786
Social Protection Benefits by Function					
Sickness	10,160	10,807	10,953	10,343	9,890
Invalidity-disability	3,000	3,191	3,234	3,054	2,921
Occupational accidents and diseases	97	104	104	97	94
Old-age	5,911	6,534	7,202	7,283	7,682
Survivors	1,525	1,653	1,750	1,734	1,748
Maternity	747	845	903	943	978
Family	4,496	5,040	5,317	5,180	5,025
Placement, vocational guidance, resettlement	370	396	421	514	643
Unemployment	1,846	2,484	4,204	4,695	4,392
Housing	281	314	336	341	346
Miscellaneous	849	982	1,179	1,549	1,604
Total Benefits	29,281	32,349	35,603	35,733	35,323

† Preliminary

Table 30a Balance of International Payments: Current account

€ million

Item		2007	2008	2009	2010	2011	2012†
1. Merchandise and services ¹	Cr	152,389	150,181	146,369	157,810	166,964	176,736
	Db	-135,328	-133,877	-120,352	-128,326	-131,840	-136,990
2. Net income		-26,520	-25,317	-28,364	-26,285	-31,938	-31,289
3. Subsidies less taxes		1,209	1,313	1,360	1,094	1,284	1,215
4. Net transfers		-2,199	-2,467	-2,783	-2,508	-2,467	-2,420
5. Net balance on current account		-10,449	-10,167	-3,770	1,785	2,004	7,251

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

€ million

Item		2007	2008	2009	2010	2011	2012†
6. Balance on Capital Account		39	47	-1,252	-673	-263	-2,056
Financial Account							
7	Direct Investment	2,602	-24,167	-649	15,446	17,775	15,407
8	Portfolio Investment	-7,283	-45,749	22,626	85,965	26,908	-220
9	Other Investment ²	16,744	86,128	-23,116	-94,140	-34,937	-14,210
10	Reserve Assets	-12	-78	79	5	329	12
11. Balance on Financial account		12,051	16,132	-1,060	7,276	10,075	987
12.	<i>Net errors and omissions</i>	-1,641	-6,012	6,082	-8,388	-11,815	-6,182

1 Adjusted for balance of payments purposes

2 Including financial derivatives and trade credits

† Preliminary

Table 31 Gross Value Added at Current Basic Prices

€ million

NACE REV. 2 section	NACE REV. 2 division	Description	2007	2008	2009	2010	2011	2012†
A	01-03	Agriculture, forestry and fishing	2,564	2,260	1,650	2,201	2,762	2,346
B	05-09	Mining and quarrying	1,033	767	558	562	515	525
C	10-33	Manufacturing	32,031	30,047	31,722	31,239	34,751	34,423
		of which						
CA	10-12	food products, beverages and tobacco products	6,078	5,774	5,742	6,314	6,608	6,889
CB	13-15	textiles, wearing apparel and leather products	247	201	169	142	133	118
CC	16-18	wood and paper products, and printing	1,262	903	788	748	701	668
CD-CE	19-20	coke and refined petroleum products, chemicals and chemical products	1,925	1,897	2,103	1,788	2,379	3,004
CF	21	basic pharmaceutical products and pharmaceutical preparations	10,165	10,035	12,410	12,883	15,033	13,419
CG	22-23	rubber and plastic products, and other non-metallic mineral products	1,821	1,316	972	767	716	720
CH	24-25	basic metals and fabricated metal products, except machinery and equipment	1,324	1,140	850	698	650	638
CI	26	computer, electronic and optical products	3,911	3,459	3,472	2,759	2,878	2,997
CJ	27	electrical equipment	301	334	313	162	196	142
CK	28	machinery and equipment n.e.c.	1,078	984	841	684	770	789
CL	29-30	transport equipment	434	396	232	216	214	201
CM	31-33	furniture; other manufacturing; repair and installation of machinery and equipment	3,485	3,609	3,831	4,079	4,473	4,838
D	35	Electricity, gas, steam and air-conditioning supply	2,405	2,576	2,794	2,673	2,997	2,942
E	36-39	Water Supply; sewerage, waste management and remediation activities	1,065	995	1,030	1,019	982	941
F	41-43	Construction	15,995	11,414	4,302	2,736	2,507	2,300
G	45-47	Wholesale and retail trade, repair of motor vehicles and motorcycles	17,688	16,809	14,711	14,953	14,098	14,382
H	49-53	Transportation and storage	6,322	5,786	5,952	6,208	6,313	6,348
I	55-56	Accommodation and food services activities	3,656	3,450	3,271	3,009	2,795	2,904
JA	58-60	Publishing, audiovisual and broadcasting activities	4,563	4,043	4,279	5,334	6,423	6,255
JB	61	Telecommunications	2,271	2,839	2,703	2,589	2,530	2,398
JC	62-63	Computer programming, consultancy and related activities; information service activities	3,684	4,729	3,870	4,824	4,446	4,915
K	64-66	Financial and insurance activities	17,858	16,314	16,541	15,618	15,035	13,940
L	68	Real estate activities	12,805	13,204	8,163	8,679	10,268	9,918
MA	69-71	Legal and accounting activities; activities of head offices; management consultancy activities; architecture and engineering activities; technical testing and analysis	5,243	4,756	4,159	4,145	4,165	4,227
MB	72	Scientific research and development	363	325	272	180	102	132
MC	73-75	Advertising and market research; other professional, scientific and technical activities; veterinary activities	2,170	2,228	2,081	1,966	1,995	1,896
N	77-82	Administrative and support service activities	7,154	6,905	6,542	6,889	6,705	7,274
O	84	Public administration and defence; compulsory social security	7,115	7,518	7,180	6,751	6,498	6,036
P	85	Education	7,498	8,103	8,523	8,191	8,207	8,395
QA	86	Human health activities	9,076	9,791	9,689	8,747	8,782	8,925
QB	87-88	Social work activities	2,624	2,896	2,960	3,019	2,996	2,959
R	90-93	Arts, entertainment and recreation	2,753	2,604	2,312	2,464	2,532	2,523
S	94-96	Other service activities	266	335	486	418	409	373
T	97-98	Activities of households as employers of domestic personnel and undifferentiated goods and services production for households for own use	242	240	204	141	180	165
U	99	Activities of extra-territorial organisations and bodies	0	0	1	2	2	2
		Statistical Discrepancy	-1,559	-124	938	-1,490	-1,144	1,347
Gross value added at current basic prices			166,885	160,809	146,892	143,066	147,853	148,792

† Preliminary

Table 32 Gross Value Added at Constant Basic Prices
(chain linked annually and referenced to year 2011)

€ million

NACE REV. 2 section	NACE REV. 2 division	Description	2007	2008	2009	2010	2011	2012†
A	01-03	Agriculture, forestry and fishing	3,372	3,467	2,921	2,825	2,762	2,203
B	05-09	Mining and quarrying	824	771	673	624	515	457
C	10-33	Manufacturing	35,117	33,060	32,037	33,380	34,751	35,111
		of which						
CA	10-12	food products, beverages and tobacco products	6,417	6,201	5,907	6,102	6,608	6,535
CB	13-15	textiles, wearing apparel and leather products	229	213	176	162	133	109
CC	16-18	wood and paper products, and printing	1,071	941	769	726	701	667
CD-CE	19-20	coke and refined petroleum products, chemicals and chemical products	1,840	2,250	1,877	2,253	2,379	2,575
CF	21	basic pharmaceutical products and pharmaceutical preparations	9,743	7,989	10,756	13,728	15,033	15,293
CG	22-23	rubber and plastic products, and other non-metallic mineral products	1,270	1,092	765	768	716	663
CH	24-25	basic metals and fabricated metal products, except machinery and equipment	1,005	977	620	649	650	570
CI	26	computer, electronic and optical products	5,501	5,963	4,128	2,922	2,878	3,000
CJ	27	electrical equipment	305	258	187	319	196	203
CK	28	machinery and equipment n.e.c.	939	858	790	720	770	780
CL	29-30	transport equipment	267	284	184	194	214	199
CM	31-33	furniture; other manufacturing; repair and installation of machinery and equipment	4,693	4,659	4,583	4,496	4,473	4,518
D	35	Electricity, gas, steam and air-conditioning supply	2,995	3,131	2,967	3,051	2,997	2,931
E	36-39	Water Supply; sewerage, waste management and remediation activities	1,068	1,047	1,007	985	982	960
F	41-43	Construction	5,814	5,484	3,991	2,940	2,507	2,317
G	45-47	Wholesale and retail trade, repair of motor vehicles and motorcycles	16,313	15,417	14,183	14,324	14,098	13,691
H	49-53	Transportation and storage	7,416	7,554	6,507	6,420	6,313	6,420
I	55-56	Accommodation and food services activities	2,918	2,933	2,677	2,753	2,795	2,766
JA	58-60	Publishing, audiovisual and broadcasting activities	3,172	3,663	4,923	5,786	6,423	6,123
JB	61	Telecommunications	3,402	3,364	3,078	2,798	2,530	2,297
JC	62-63	Computer programming, consultancy and related activities; information service activities	5,099	4,606	4,360	4,212	4,446	5,237
K	64-66	Financial and insurance activities	19,777	20,941	19,786	16,597	15,035	15,660
L	68	Real estate activities	9,974	9,897	9,671	9,566	10,268	9,967
MA	69-71	Legal and accounting activities; activities of head offices; management consultancy activities; architecture and engineering activities; technical testing and analysis	3,016	3,258	3,105	3,276	4,165	4,273
MB	72	Scientific research and development	96	101	105	106	102	100
MC	73-75	Advertising and market research; other professional, scientific and technical activities; veterinary activities	2,082	2,135	2,034	1,977	1,995	1,945
N	77-82	Administrative and support service activities	5,799	5,767	5,988	6,740	6,705	8,051
O	84	Public administration and defence; compulsory social security	6,621	7,065	7,047	6,915	6,498	6,086
P	85	Education	8,130	8,088	8,118	8,132	8,207	8,318
QA	86	Human health activities	9,523	9,404	9,141	8,824	8,782	8,700
QB	87-88	Social work activities	2,988	3,020	2,998	2,951	2,996	3,037
R	90-93	Arts, entertainment and recreation	3,112	3,096	3,001	2,801	2,532	2,366
S	94-96	Other service activities	347	425	430	392	409	457
T	97-98	Activities of households as employers of domestic personnel and undifferentiated goods and services production for households for own use	254	243	202	141	180	141
U	99	Activities of extra-territorial organisations and bodies	2	2	2	2	2	2
		Statistical Discrepancy	~	~	~	~	-1,144	-837
Gross value added at Constant Basic Prices*			152,058	151,470	145,186	143,812	147,853	148,779

† Preliminary

~ Chain linked series not additive except for 2011

* The total GVA at constant basic prices differs in this table from that in Table 4. The chain linking here is done at a different level (37 sectors) to the level used in Table 4 (5 sectors). The methodology employed in the two tables differs also. Table 4 firstly calculates GVA at factor cost and then adjusts for taxes and subsidies to derive GVA at basic prices whereas in this table GVA at basic prices for each sector is compiled directly.

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 the publication "National Income and Expenditure", 1959 to 2011. The latest estimates are contained in this issue of "National Income and Expenditure" (NIE 2012). 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 plus net factor income from the rest of the world. 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 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. 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 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). FISIM, as a service, can also be imported by borrowing from and lending to banks abroad. Imported FISIM is attributed to users in the same way as domestically produced 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* have been based up to NIE 2009 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. Now the depreciation estimates are based on the CSO's official estimates of the stock of fixed capital assets. The stock is calculated using a standard perpetual inventory method (PIM). The methodology used is described in the notes to the annual release on Capital Stock of Fixed Assets.

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. [Direct investment here refers to a category of international investment that is **based on an equity ownership of at least 10%** and thus reflects a lasting interest by a resident in one economy in an enterprise resident in another economy.]

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 and 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 in the heading "Net Factor Income" 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. [See the section headed "companies" for a definition of "direct investors"]

Government trading and investment income which represents the income of central and local government in their entrepreneurial capacity can be accumulated from the components of 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 ESB Group (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 (really benefits in kind to households which are also imputed as income to the Local Authorities) 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 and would thus have been included in items 4 and 5. (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 retrospectively.

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. This allowed personal income to be derived independently in Table 12. This practice continues up to the present. Personal savings (being personal income minus personal expenditure) can now also be derived independently. Item 124 (the undistributed profits of companies) is derived as a residual.

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, non financial and financial accounts on an institutional sector basis are issued in a release 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 the **2008** report, the National Oil Reserves Agency (NORA), Irish Rail and the Irish-language television station TG4 were 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.

In the **2009** report, improved data processing methodology has enabled detailed data on Government transactions for the immediately preceding year (in this case 2009) to be given for the first time in Tables 19 to 29.

Meanwhile, the presentation of Table 21 (presenting receipts and expenditure of General Government) has been enhanced:

- a) with the addition of ESA codes for all appropriate items;
- b) by bringing the presentation of the table into line with that of Tables 19 and 20, through splitting the item ‘Taxes on income and wealth (including social contributions)’ into ‘Taxes on income and wealth’ and ‘Social

contributions', and through giving a breakdown of 'Expenditure on goods and services' between 'Wages, salaries and pensions' and 'Other'; and

- c) by the inclusion and derivation of two key aggregates: General Government net lending/net borrowing (given in two versions, the second of which is the General Government Balance or deficit as defined under the EU regulation governing reporting of deficit and debt levels for the Excessive Deficit Procedure), and 'Net expenditure by central and local government on current goods and services' (already included as item 80 in Table 5 but now shown in Table 21 derived from its components).

Finally, the Voluntary Hospitals have been reclassified from the Non-Profit Institutions Serving Households (NPISH) sector to the Central Government sub-sector of the General Government sector from 2005 onwards: this reclassification reflects the greater degree of control of these bodies exerted by Government following the creation of the Health Service Executive (HSE) on 1 January 2005.

This reclassification has the effect of increasing the levels of both receipts and expenditure for Government. Previously, only payments to the hospitals from Health Boards (to end-2004) or HSE were recorded as Government expenditure. Now, however, those payments are recorded from 2005 as intra-Government flows, but all the own-resource income of the voluntary hospitals is recorded as Government revenue, and all the expenditures of the hospitals - however funded - are recorded as Government expenditure.

The reclassification has also caused a change in the composition of Government expenditure: before, payments from HSE (including those to fund pay of hospital staff) were recorded as expenditure on goods and services, whereas now the expenditures of the hospitals are recorded directly, with wages and salaries as the largest component.

In the **2010** report estimates of depreciation (more properly called "consumption of fixed capital") have been taken from the CSO's estimates of the Capital Stock of Fixed Assets. A "perpetual inventory method" (PIM) is used to compile these estimates. Details of the methodology are provided in the background notes to the CSO's annual release on the stock of fixed assets. A significant difference between the new estimates of depreciation and the former series is that property transfer costs (e.g. auctioneers' and solicitors' fees and stamp duties), being part of fixed capital investment, are depreciated in the year in which the charges are incurred. In the former series transfer costs on dwellings were not included at all in depreciation while transfer costs on other transactions were depreciated in line with individual company/business procedures.

The **2011** report introduced the NACE Rev. 2, classification of businesses in Tables 2 to 4. This replaces the national classification system for business activity which was used heretofore.

The results for the economy in these tables continue to be shown for five sectors whose titles remain the same as in previous releases and publications. However, the contents of the sectors have changed and conform to the NACE Rev. 2 system.

One of the main changes to the classification is that the "Publishing" industry has been reclassified from "Industry" to the sector "Distribution, transport, software and communication". In addition, enterprises in the "Hotels and catering" sector and the "Software" industry have been reclassified from the "Other Service" sector in the former system to the "Distribution, transport, software and communications" sector. The overall effect on the tables has been that the "Distribution, transport, software and communication" sector accounts now for a much larger share of the total GVA of the economy than heretofore while the sectors classified as "Industry" and "Other Services" account for a lower share.

In Tables 2 to 4 the following is the correspondence with the relevant sections of Nace Rev. 2:

Agriculture, forestry and fishing	Section A
Industry	Sections B to F
Distribution, transport, software and communication	Sections G to J
Public Administration and Defence	Section O
Other Services	Sections K to N and P to U

For further information on the Nace Rev. 2 classification of industrial activity, visit the CSO website: <http://www.cso.ie/en/surveysandmethodology/classifications/classificationofindustrialactivity>

Another new feature of this report is that the non fee paying Voluntary Secondary Schools are reclassified from the sector “non profit institutions serving households” to the Government sector. This treatment has been applied retrospectively to all years from 1995 onwards. The expenditure by such schools in providing education is now included with Net Government Expenditure e.g. items 80 and 93 whereas previously this expenditure was included in Personal Consumption Expenditure. (Items 79, 79(a), 92 and 92 (a).

Estimates were provided for the most recent year i.e. 2011 in Tables 9 and 12 unlike previous publications where figures for the latest year were not available. These tables now provide, in particular, estimates of personal income and personal savings for the most recent year.

Two new tables on Government accounts were introduced in this report (Tables 21(a) and (b)). These were intended to complement the existing government finance statistics tables (Tables 19 to 28) by detailing:

- In Table 21(a): the relationship between the audited Exchequer balance and the net lending / net borrowing of general government (‘GGDeficit’ or ‘GGB’); and
- In Table 21(b): the relationship between the audited national debt and the General Government Debt (‘GGDebt’ or ‘Maastricht debt’).

An annual release relating solely to Government Financial Statistics was introduced in April 2013 and Tables 21(a) and 21(b) are now included as Tables 8 and 9 of this release. Consequently they will not form part of the NIE publication in future.

A new Table 31 was also added. This provides gross value added at basic prices in current terms for 37 sectors of the economy according to the NACE Rev. 2 classification system. A much more detailed sectoral breakdown of GVA for the economy is displayed here than the six sectors shown in Table 3. It should be noted that Table 31 provides valuations of GVA for the sectors at “basic prices” in contrast to Table 3 which uses the “factor cost” valuation. “Basic prices” is the valuation used in EU publications and differs from “factor cost” in that overhead taxes (such as rates) are included in the basic prices valuations while overhead subsidies are excluded.

In this edition (i.e. the **2012** report) a new Table 32 has been added. This table provides gross value added at constant prices (chain linked and referenced to 2011) for 37 sectors of the economy. The same sectors are used as in Table 31 which is in current prices. The table provides a detailed breakdown of real growth in the constituent sectors of the economy. It is similar to Table 4 but provides a greater level of detail. The valuation used in Table 32 (as in Table 31) is “basic prices”. The valuation is at “factor cost” in Table 4.

Estimates of rent of dwellings have also been revised in the 2012 NIE report on foot of the results of the rents data collected in the 2011 Census of Population. Revisions to rents were made for each year back to 2007.

The seven public universities were reclassified from the Non-profit institutions serving households (NPISH) economic sector to the Non-financial corporations economic sector in NIE12. This change has been made following an analysis by the CSO that resulted in these entities being classified as ‘market producers’ – that is, they cover a majority of their costs through their own sales of education and research services. This has resulted in a number of changes to the national accounts aggregates. The principal changes are as follows:-

- 1 Personal Consumption expenditure (items 79 and 92) has been reduced. This item previously included the full costs of running the universities. It now only includes the student fees. The fees include actual fees paid plus the tuition fees paid by Government on behalf of students qualifying for a student grant. The latter are regarded as a benefit in kind paid by the Government to the student and paid onwards by the student to the Universities.
- 2 Government expenditure (items 80 and 93) now includes an element of the costs of research and development carried out by the universities. It is considered that the Government purchases these services as intermediate consumption.

- 3 Subsidies (items 31 and 34) have been increased to cover subventions by the Government (apart from the grants for fees) to the cost of providing education and to cover some of the cost of research and development activities undertaken by the Universities.

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 and for rent of dwellings.

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 three 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 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 has already been 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 2007 – 2012 €million

Year	Farm gate at Current Prices (a)	Retail at Current Prices (b)	At 2011 Agricultural Prices (c)
2007	77.7	168.1	77.2
2008	78.7	166.0	75.9
2009	78.8	174.6	77.0
2010	72.1	170.4	72.8
2011	72.8	167.9	72.8
2012	73.1	173.1	66.6

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 2007-2012 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 the State 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, 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. It also forms part of the final expenditure aggregates Personal Expenditure, Government Expenditure and Exports and also forms part of Imports. 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 were, up until NIE09, 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. Now depreciation (or more properly “consumption of fixed capital”) is taken for the CSO’s estimates of the capital stock of fixed assets. The methodology is described in the background notes to the annual release on this topic. Item 4 includes, in addition to trading profits of public and private companies, the operating profits of certain corporate bodies such as the ESB Group, the Central Bank, National Lottery, 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 (which include bank charges, principally FISIM, on housing loans). 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 from either method 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 2011, 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 Industrial 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, software and communication.** This total represents earnings and profits arising in distribution firms, hotels, restaurants and public houses, transport, software and communication businesses, 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, hairdressing, undertaking, etc.), entertainment and sport 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 up until NIE09 was generally taken as being the amount allowed for tax purposes (adjusted appropriately for *free depreciation*, etc.). Now it is based on the estimates derived from the CSO's Capital stock of fixed assets. 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 21 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 2011)

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 2011. 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 2011 and 2012 as these are the only years when the sums of the components (including the discrepancy) 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 2011.

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.
- Fees for 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 and not part of personal expenditure. However management charges deducted by pension and life assurance managers for the management of the funds are included in personal expenditure.

80. Current Government expenditure on goods and services less miscellaneous Government receipts, plus an estimated provision for depreciation of central and local government fixed assets. The derivation of this item is shown at item 258 in Table 21, and it is also identical with item 137.

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 2011)

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 2011.

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 2011 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 2011) 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. The item is 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 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 estimated simultaneously with the estimates of personal savings (item 129) and in recent years this latter item is the main determining factor in its value.

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 on 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 2011, 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 and services.** 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 and services.** 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 38). 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 2011)

(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 2011. 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 **dwelling**s 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, ongoing 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 2011)

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 2011 figures. Construction works are valued at previous year's prices using price deflators provided by the Department of Environment, Heritage and Local Government and tender price indices produced by the Irish Society of Chartered Surveyors.

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 and other services which are predominantly non market 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 and the Voluntary Hospitals. 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'. Meanwhile, the Voluntary Hospitals were classified prior to 2005 within the Non-Profit Institutions Serving Households (NPISH) sector.

The National Oil Reserves Agency (NORA), Irish Rail and the Irish-language television station TG4 were reclassified within Central Government from the non-financial corporations sector from 2001, 2006 and 2007 respectively, and their transactions are included in this table in respect of those years for which they are part of the Government institutional sector.

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 recouplements 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.

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 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 the imputed transfer to local authority households on low rents, 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 the General Government sector, i.e. central government (including the Social Insurance Fund) and local government.

Items 223 to 252 are obtained by adding the corresponding entries in Tables 19 and 20, excluding transactions between central and local government (items 170(a), 176(a), 186, 191(a) and 193 in Table 19, and items 203, 206, 211(a), 213 and 218(a) in Table 20), which are consolidated out.

253. **Net lending / net borrowing** is the difference between receipts and expenditures of General Government for a particular year, excluding financial transactions – that is, transactions where one financial asset is exchanged for another without a change in net worth. Note that Table 21 includes a mixture of financial and non-financial transactions: the financial transactions are items 233, 236, 246 and 247.

254. The **Adjustment for interest swaps** is the net impact of gains and losses arising from interest rate flows under agreements to exchange one stream of future National Debt interest payments for another, based on a specified principal amount. The impact of interest swaps is excluded from item 240 by definition, but is added back in calculating item 255.

255. The **General Government Balance (GGB)**, also known as the Government deficit, is the standard European measure of the fiscal balance, which is used to monitor compliance with the Stability and Growth Pact. It is defined in the EU regulation governing reporting of deficit and debt levels for the Excessive Deficit Procedure as net lending / net borrowing (item 253) adjusted for the impact on debt interest of transactions in interest rate swaps (item 254).

257. **Depreciation** of Government is an estimate of the amount of fixed assets used up in a given year as a result of normal wear and tear and foreseeable obsolescence.

258. Identical with item 80 in Table 5, and with item 137 in Table 10.

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 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 is classified here.
8. **Agriculture, forestry and fishing:** Administration of departments and other bodies dealing with agriculture, forestry and fishing. This 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 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 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

(Note: Data in respect of 2012 are not included. A comprehensive reappraisal is being undertaken of this table. The CSO plans to produce a new release solely on the subject of Social Protection Accounts in 2014. This release will contain similar data to that shown in Table 29 but in much greater detail. In the interim significant revisions have been made to the expenditure and receipts shown in Table 29 in this publication compared to previous versions of the NIE. This is largely due to bringing the data on sickness and invalidity-disability into line with other CSO outputs relating to public health spending. The notes below are the standard ones which were issued relating to this table in previous publications).

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 and Equality; 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 Jobs, Enterprise and Innovation Redundancy Fund; Redundancy payments by Enterprises; superannuation payments by enterprises; expenditure on the health services by the Department of Health and the Voluntary Health Insurance Board. Also included is expenditure by the Department of Social Protection 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, Television 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 30(a) and 30(b) give the Balance of International Payments (BOP) estimates. Retrospective estimates of the main balance of payments flows for the current account for the years 2007-2012 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 42) 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 can be obtained on the CSO Website at www.cso.ie. 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' investments abroad. Investment income excludes realised and unrealised capital and exchange gains or losses.

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

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

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

Table 30(b) – Capital and Financial Account

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

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

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

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

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

Item 10. Reserve assets at national level in the context of EMU have been defined by the European Central Bank from 1 January 1999, the date of introduction of the euro currency, as: (a) qualifying assets which are under the effective control of the national monetary authority (i.e. the Central Bank of Ireland), and (b) consisting of highly liquid, marketable and credit-worthy foreign (non-euro) currency denominated claims on non euro-area residents together with gold, special drawing rights (SDRs) and the reserve position in the IMF. Up to 31 December 1998, together with gold, SDRs and the reserve position in the IMF, the definition covered all foreign currency (non Irish Pound) denominated claims on non-residents of Ireland. Therefore, all claims on euro-area residents as well as euro-denominated claims on non euro-area residents, which prior to 1999 would have been classified as reserve assets, are from 1999 onwards classified to *portfolio investment* or *other investment* as appropriate.

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

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

Table 31 Gross Value Added at Current Basic Prices

This table provides gross value added at basic prices in current terms for 37 sectors of the economy according to the NACE Rev. 2 classification system. A much more detailed sectoral breakdown of GVA for the economy is displayed here than the six sectors shown in Table 3. It should be noted that Table 31 provides valuations of GVA for the sectors at “basic prices” in contrast to table 3 which uses the “factor cost” valuation. “Basic prices” is the valuation used in EU publications and differs from “factor cost” in that overhead taxes (such as rates) are included in the basic prices valuations while overhead subsidies are excluded.

Table 32 Gross Value Added at Constant Basic Prices

This table provides gross value added at constant prices (chain linked and referenced to 2011) for 37 sectors of the economy. The same sectors are used as in Table 31 which is in current prices. The table provides a detailed breakdown of real growth in the constituent sectors of the economy. It is similar to Table 4 but provides a greater level of detail. The valuation used in Table 32 (as in Table 31) is “basic prices”. The valuation is at “factor cost” in Table 4.

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 and 21. 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 and 21 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 manual¹. 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 for 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.

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.

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:

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 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 2012 is €82,634m. The ESA95 concept 'Final consumption of households and non profit institutions serving households', at €78,297m, is lower, by the amount (€4,336m) 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 €25,096m in 2012, is lower than the ESA95 category of 'Final expenditure of government', by the same €4,336m 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.

Treatment of Government pensions and imputed pension contributions

Most public sector workers in Ireland benefit from unfunded 'pay as you go' 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.

In ESA95, employers' imputed social contributions are included in D122pay, while pensions to current pensioners are included in D62pay, and imputed pension contributions are included in D611rec and D612rec respectively.

However, in the NIE presentation, only social insurance and health levy contributions are included under the heading 'social insurance contributions' (item 224). Imputed pension contributions are instead included as a deduction from 'transfer payments' (item 241). This means that total non-financial NIE receipts and expenditures of General Government are lower than the corresponding ESA95 totals, although net lending / net borrowing is the same in both cases.

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
B.9	Net lending / net borrowing
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.41	Interest
EDP D.41	Interest including flows on swap interest
D.422	Withdrawals from income of quasi-corporations
D.51	Taxes on income
D.611	Actual social contributions
D.62	Social benefits other than social transfers in kind
D.63	Social transfers in kind
D.7	Current transfers
D.9	Capital transfers
D.91	Capital taxes
D.92	Investment grants
D.99	Other capital transfers
EDP B.9	Net lending / net borrowing adjusted for flows on interest rate swaps
K.1	Consumption of fixed capital
K.2	Acquisitions less disposals of non-financial non-produced assets
P.12	Output for own final use
P.131	Payments for other non-market output
P.2	Intermediate consumption
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
AF.2	Currency and deposits
AF.33	Securities other than shares, exc. financial derivatives
AF.331	Short-term
AF.332	Long-term
AF.4	Loans
AF.41	Short-term
AF.42	Long-term

