



**An Phríomh-Oifig Staidrimh**  
Central Statistics Office

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# CSO & Confidentiality

- **Core principles for an NSI**
  - **Professional and political independence**
  - **Objectivity in analysis**
  - **Confidentiality of respondent data**
- **CSO cannot divulge any information that would identify an individual or a company under national and EU law**
- **Ability to compile official statistics is based on the extent to which individuals and companies trust CSO with confidential information**
- **Implication**
  - **CSO are obliged to suppress certain details to protect confidentiality of all data providers**



# **Quarterly National Accounts Balance of Payments Quarter 2 2016**

**Media Briefing  
14 September 2016**



# National Accounts

## Quarter 2 2016

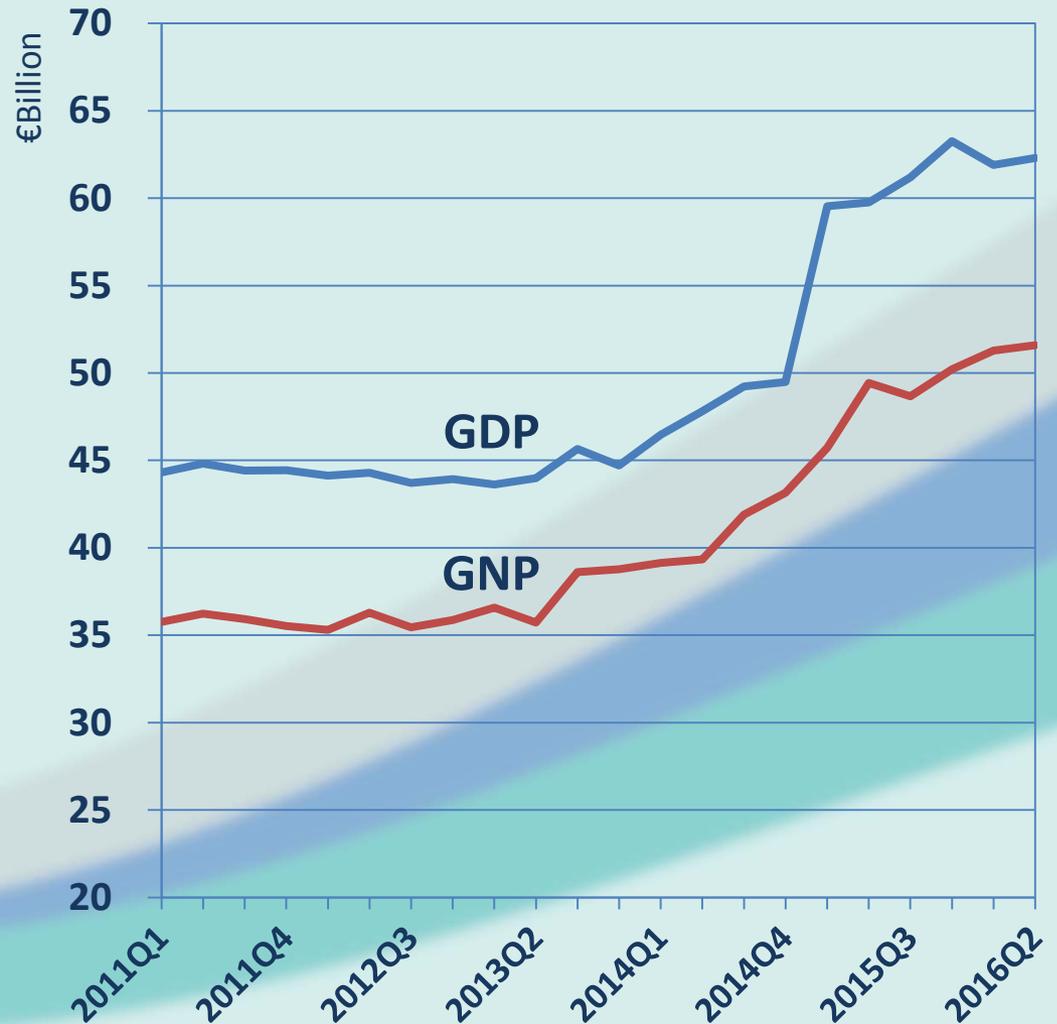


# Quarter 2 2016 – Constant Prices, Seasonally Adjusted

## Seasonally Adjusted Quarterly Changes

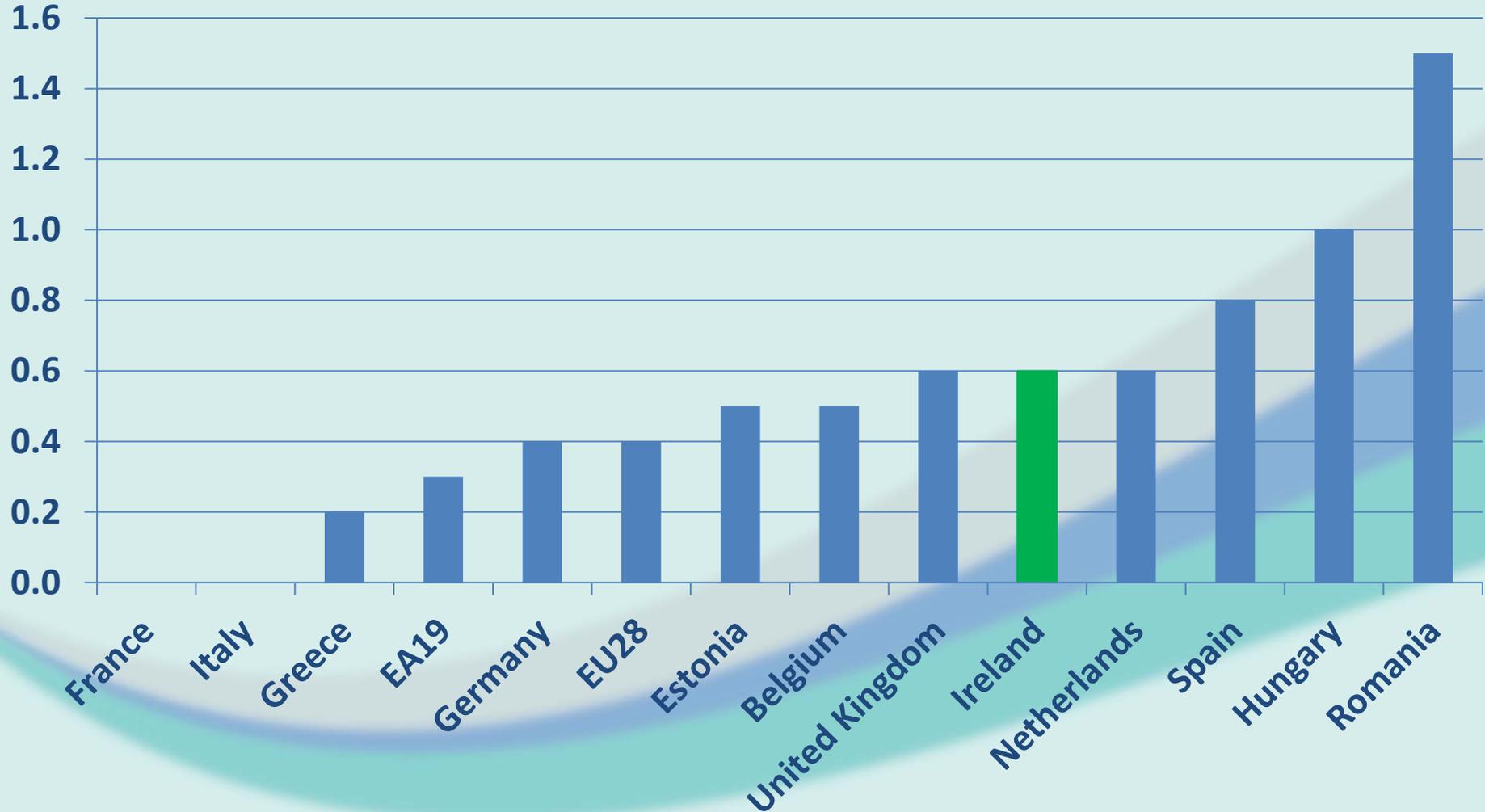
**GDP + 0.6%**

**GNP + 0.6%**



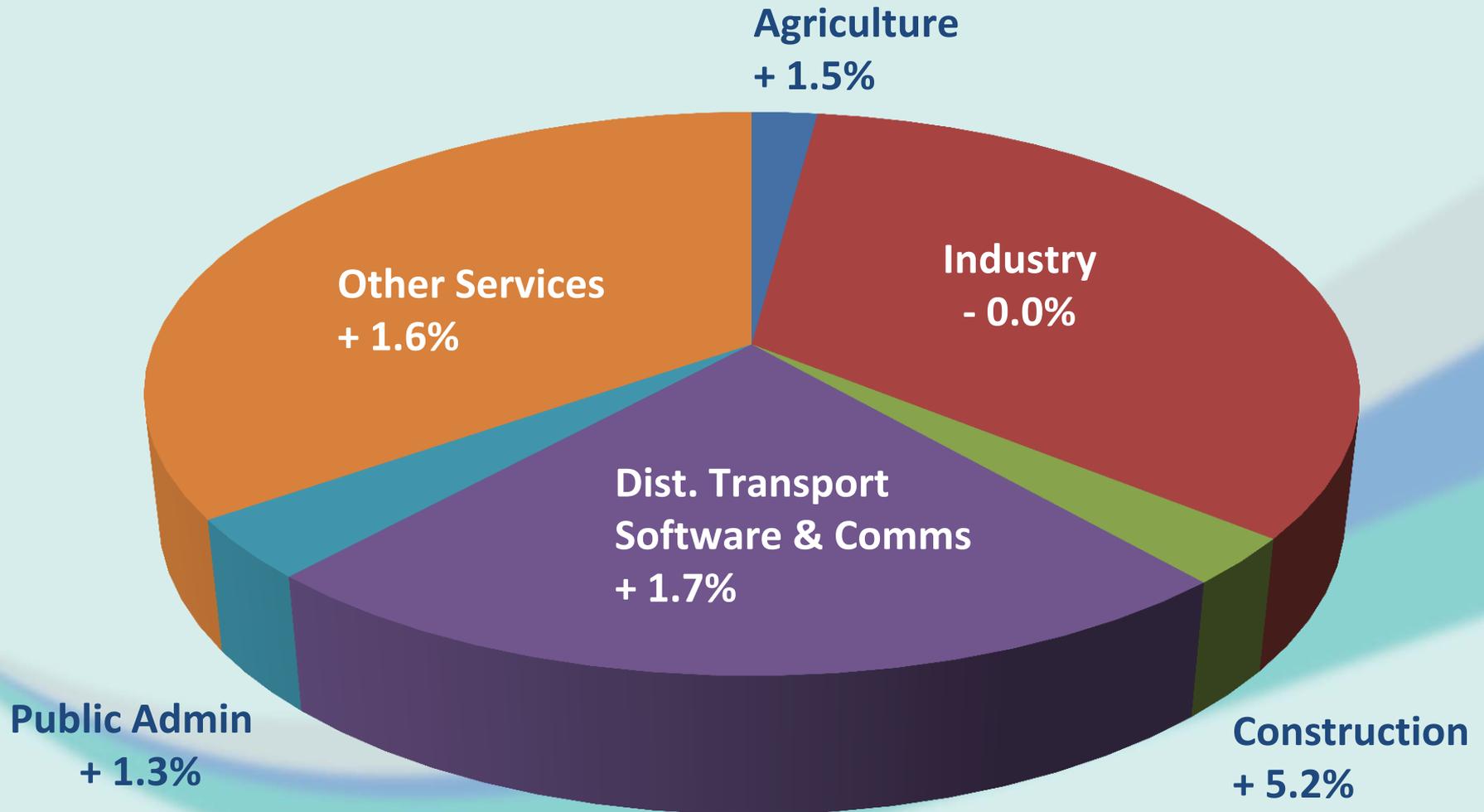


# Q2 2016 GDP % Change by Country



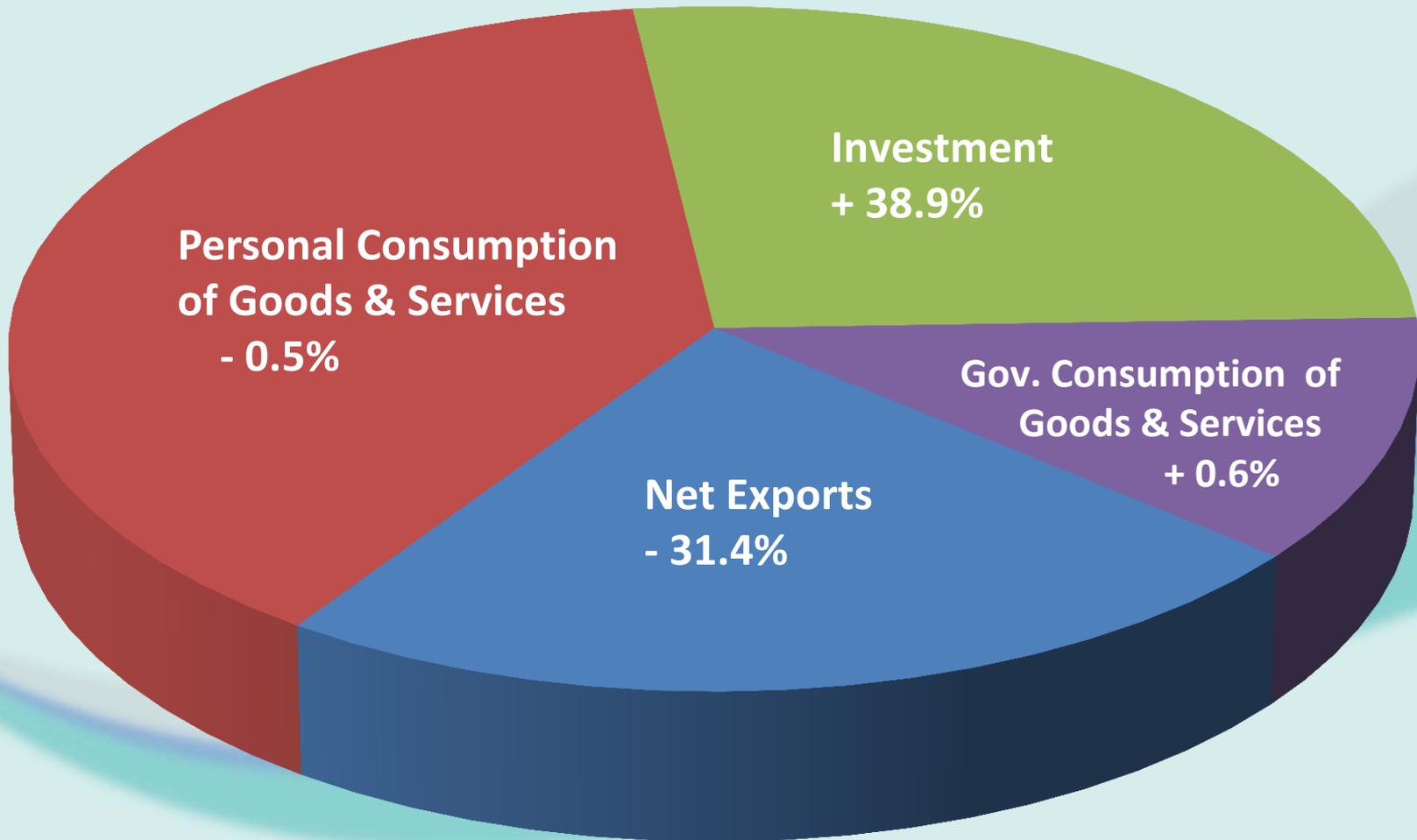


# Sector Growth by Share of GDP and Growth Rate – Q2 2016 Seasonally Adjusted





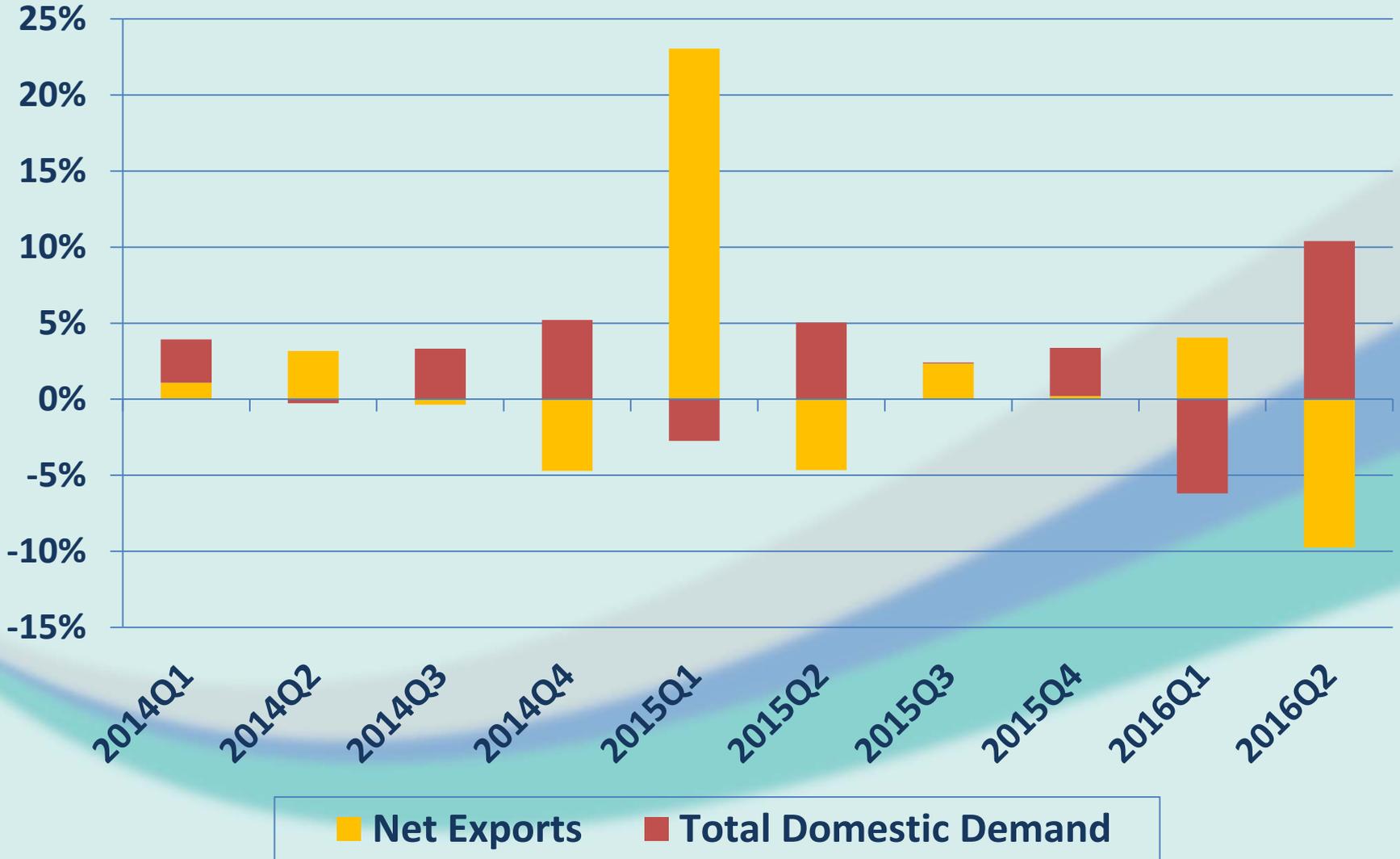
# Expenditure by Share of GDP and Growth Rate – Q2 2016 Seasonally Adjusted





# Quarterly GDP Growth in Constant Prices

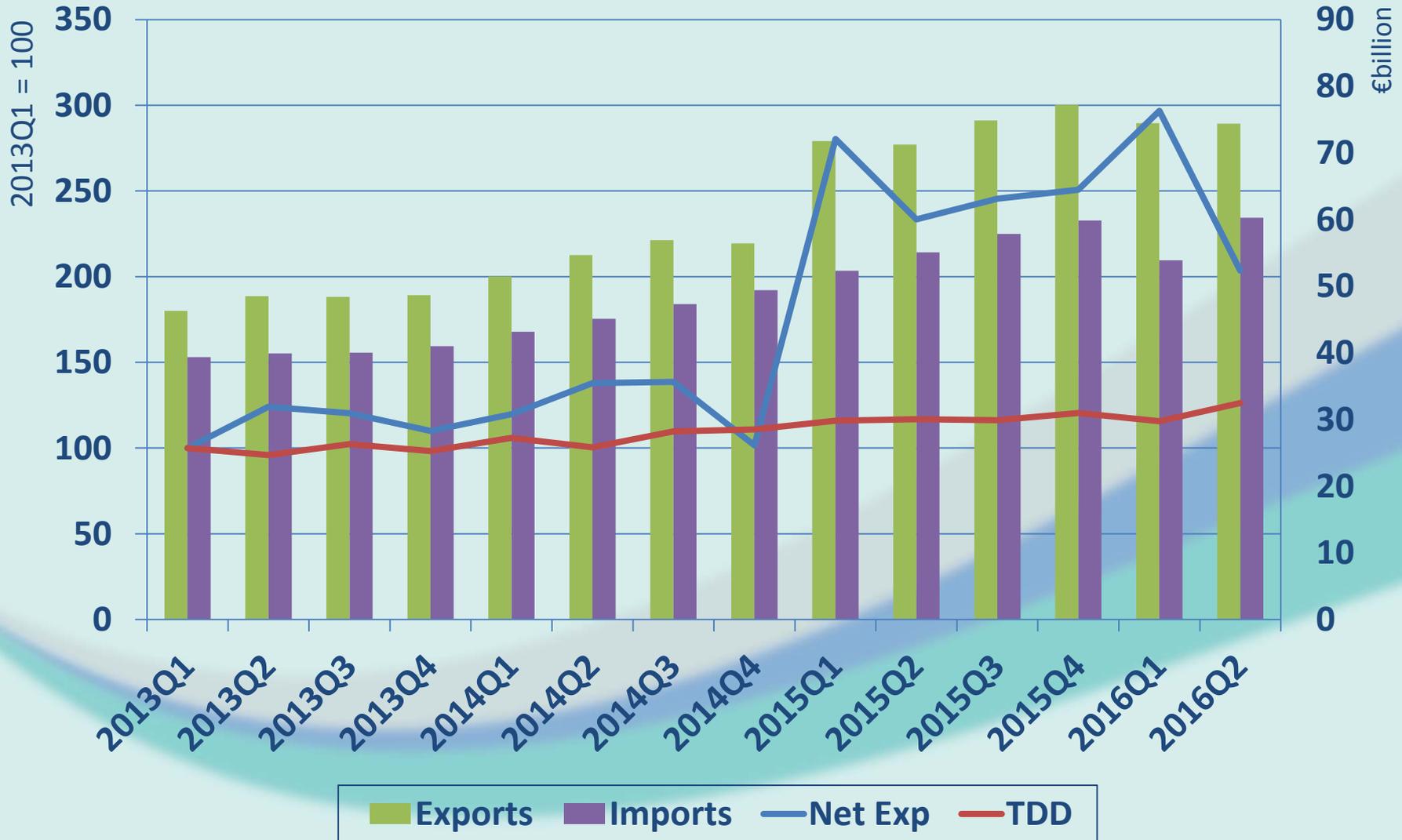
## Decomposed Total Domestic Demand and Net Exports





# Trend in Domestic Demand and Net Exports

2013 Q1 = 100 v's total exports and imports





# Personal Consumption Expenditure Q2 2016/Q1 2016

**Total - 0.5 % (seasonally adjusted)  
this quarter v's last quarter**

- **Goods** **0.0%**
- **Services** **- 1.3%**



# Capital Formation Q2 2016/Q1 2016

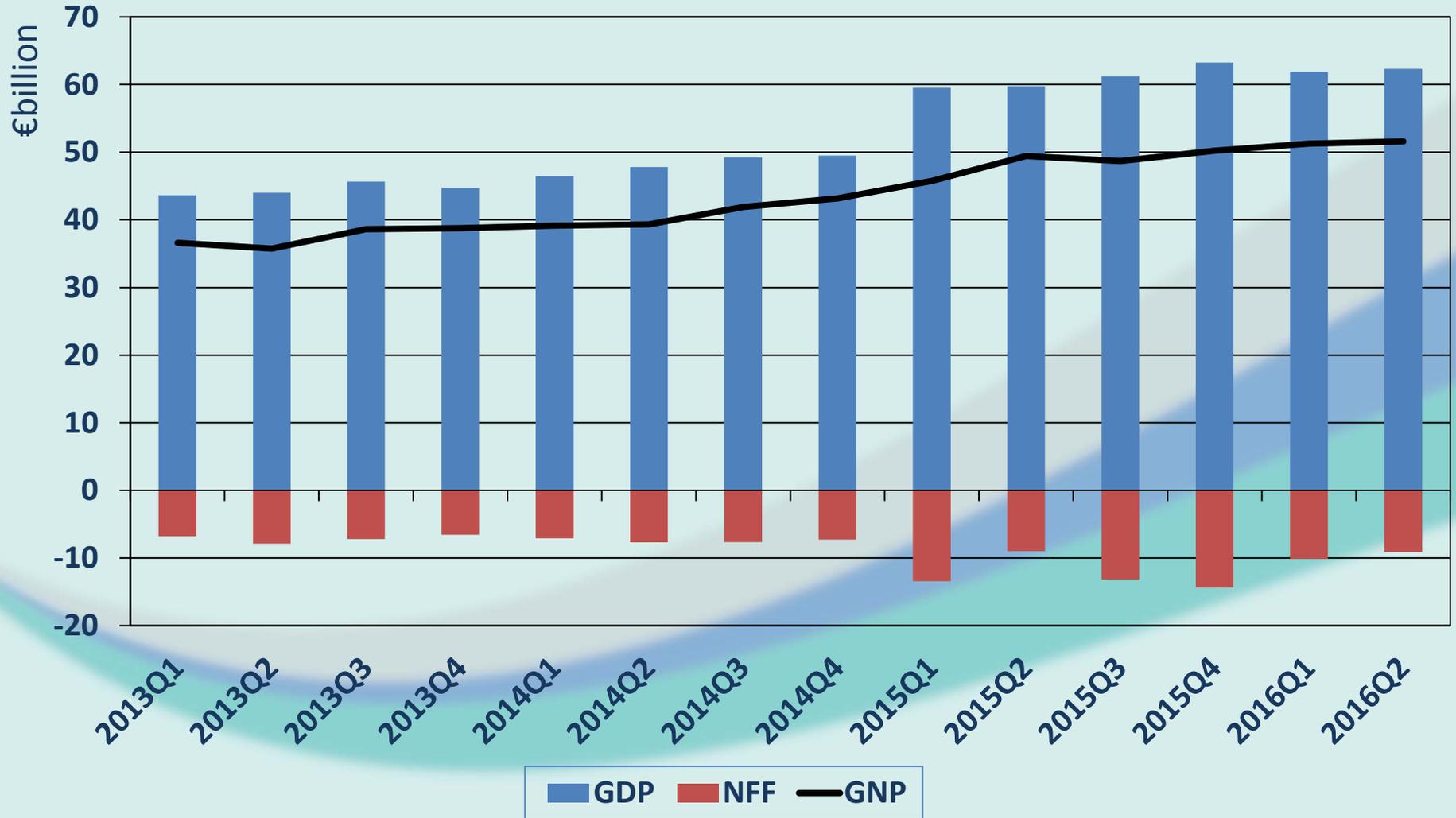
**Total +38.9% (seasonally adjusted)  
this quarter v's last quarter**

- **Building and construction** + 4.9%
- **Machinery and equipment** - 10.2%
- **Intangibles** + 113.0%



# GDP and GNP Q1 2013 – Q2 2016

## Seasonally Adjusted





# Quarterly Summary

- **GDP: + 0.6%**
- **GNP: + 0.6%**
- **Expenditure: Increase in Investment (+38.9%) and Government Consumption (+0.6%). Decrease in PCE (-0.5%) and Net Exports (-31.4%).**
- **Output: No change in Industry. Increases within all other sectors: Agriculture (+1.5%), DTS&C (+1.7%), Public Admin (+1.3%), Other Services (1.6%) and Construction (+5.2%).**
- **Net Factor Outflows: €9,089m (€10,151m in Q1 2016)**



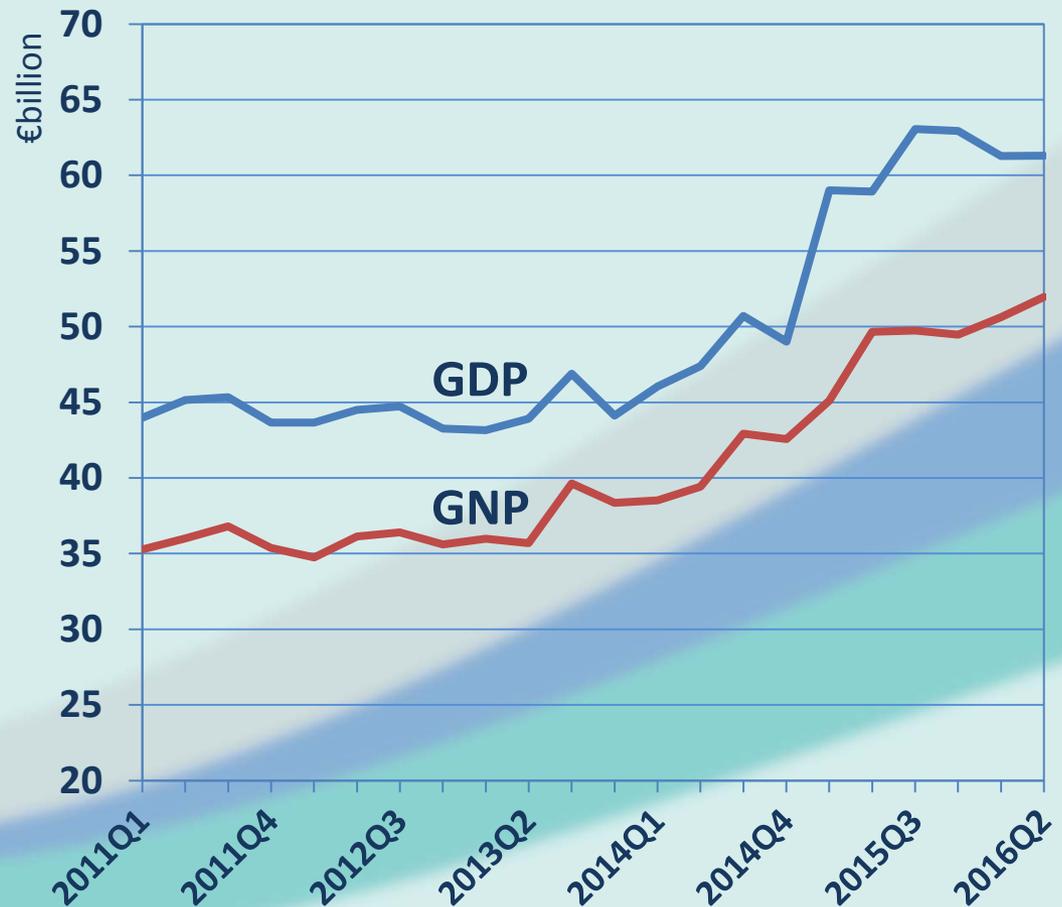
# Q2 2016/Q2 2015

**Year-on-Year  
Growth Rates**

**GDP + 4.1%**

**GNP + 4.6%**

**Chain-Linked GDP and GNP  
Non-Seasonally Adjusted**





# Personal Consumption Expenditure Q2 2016/Q2 2015

- **Total** + 1.8%
- **Goods** + 5.0%
- **Services** - 0.8%

**Many goods up including motor vehicle sales.  
Several services down e.g. Electricity,  
Communications and Expenditure abroad while  
expenditure by non-residents is up.**



# Capital Formation Q2 2016/Q2 2015

<b>Total (chain-linked)</b>	<b>+ 21.0%</b>
<b>Buildings &amp; Construction</b>	<b>+ 13.9%</b>
<b>New dwellings</b>	<b>+ 31.0%</b>
<b>All other B&amp;C</b>	<b>+ 9.3%</b>
<b>Remainder of Cap Formation</b>	<b>+ 23.0%</b>
<b>Machinery and Equipment</b>	<b>- 15.5%</b>
<b>Aircraft down approximately €320m compared to last year</b>	
<b>Machinery and equipment would be - 7.0% if aircraft had been unchanged</b>	
<b>Intangibles</b>	<b>+ 48.4%</b>



# Impact of relocations on GDP – GNP transition

## Current Prices

### Impact of additional depreciation

Year	GDP	<i>of which</i> Depreciation	Net Factor Flows	GNP	NNP
2014	193,160	30,891	-29,715	163,445	132,554
2015	255,815	61,558	-53,173	202,642	141,084
Diff	62,655	30,667	-23,458	39,197	8,530
Change	32.4%			24.0%	6.4%



# Impact of relocations on GDP – GNP transition

	GDP	GNP	NNP
2016Q2	4.1%	4.6%	5.6%

- Impact of the level shift in Q1 2015 worked through the GDP and GNP series
- More stability in estimates of depreciation
- Broadly similar growth rates for GNP and NNP

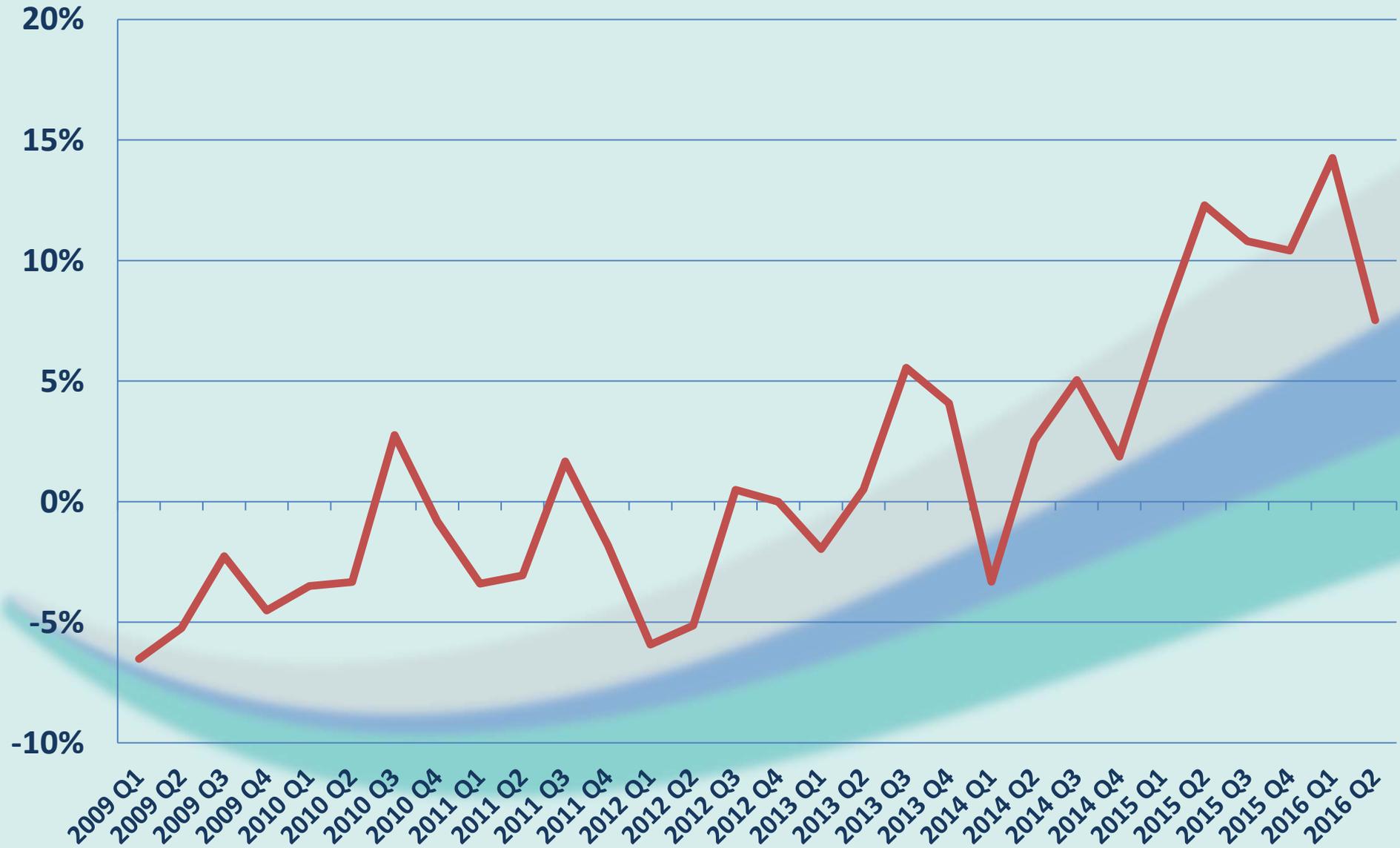


# Balance of Payments

## Quarter 2 2016



# Current Account Balance, % of GDP





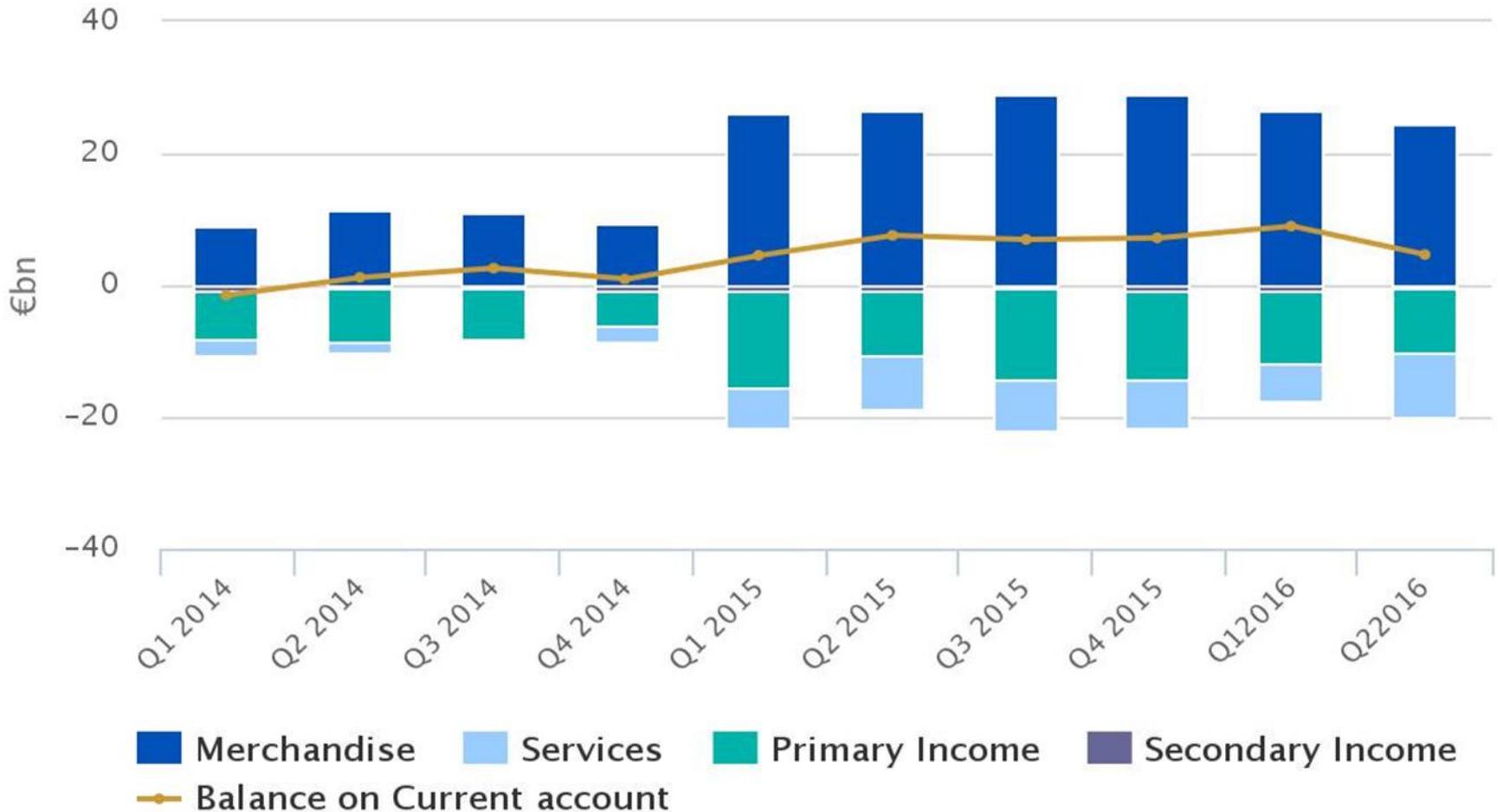
# BOP Q2 2016 - Current Account

*See BOP Table 1*

	<i>Q2 2016</i>	<i>Q2 2015</i>
<b>Current Account Surplus</b>	<b>€4,643m</b>	<b>€7,547m</b>
➤ <b>Merchandise surplus</b>	<b>€24,667m</b>	<b>€26,481m</b>
➤ <b>Services deficit</b>	<b>-€9,972m</b>	<b>-€8,257m</b>
➤ <b>Net Income outflow</b>	<b>-€10,053m</b>	<b>-€10,667m</b>



# Current Account Balance Over Time





# BOP Q2 2016 - Current Account

*See BOP Table 2a*

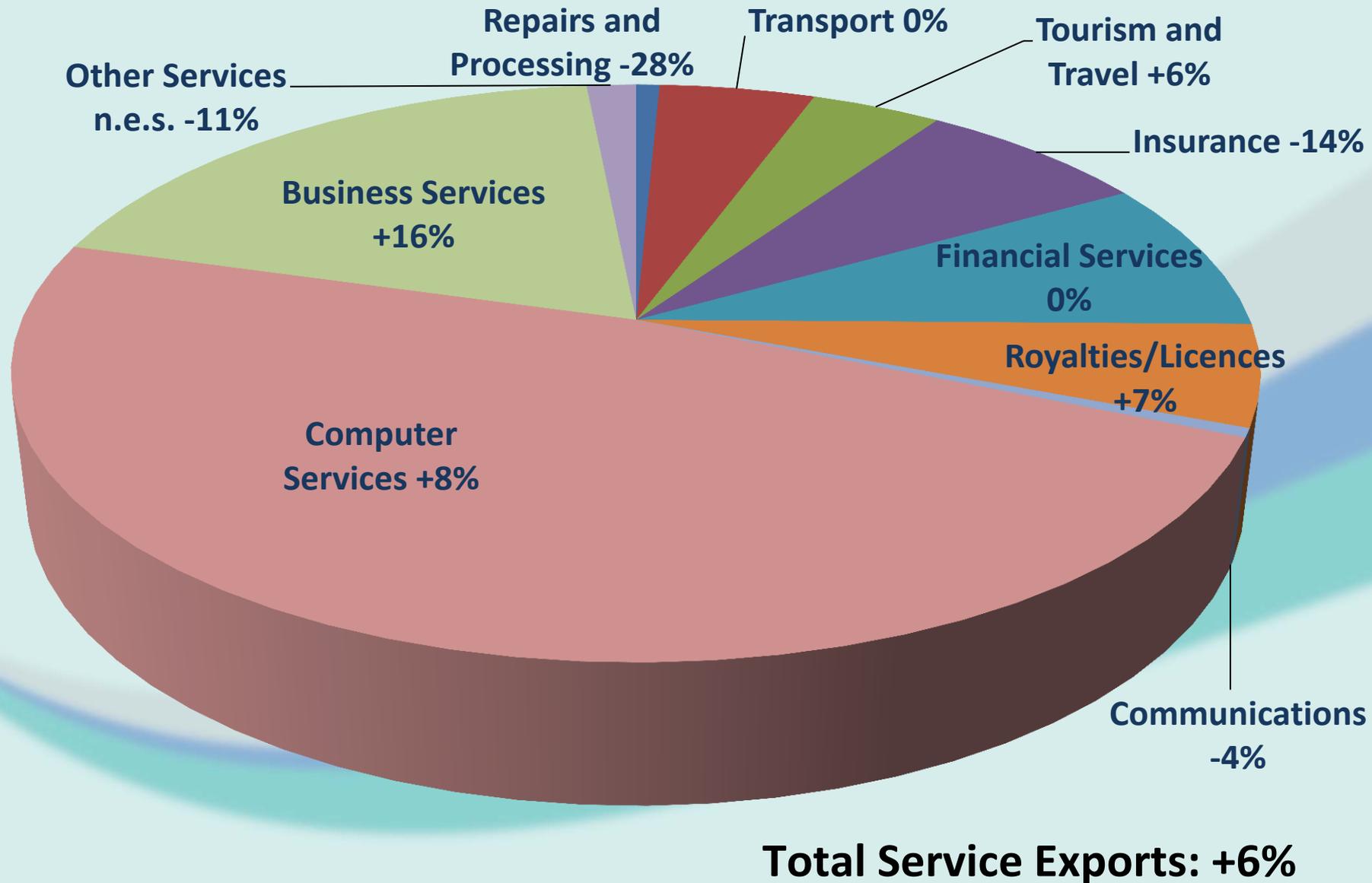
**Q2 2016**

**y-o-y Change**

<b>Merchandise</b>	<b>exports</b>	<b>€45,661m</b>	<b>-€1,540m</b>
	<b>imports</b>	<b>€20,995m</b>	<b>+€275m</b>
<b>Services</b>	<b>exports</b>	<b>€32,237m</b>	<b>+€1,685m</b>
	<b>imports</b>	<b>€42,208m</b>	<b>+€3,399m</b>
<b>Primary Income</b>	<b>inflows</b>	<b>€17,822m</b>	<b>+€2,799m</b>
	<b>outflows</b>	<b>€27,323m</b>	<b>+€2,344m</b>
<b>Direct investment profit and interest inflows</b>		<b>€4,461m</b>	<b>-€39m</b>
<b>Direct investment profit and interest outflows</b>		<b>€11,170m</b>	<b>-€745m</b>

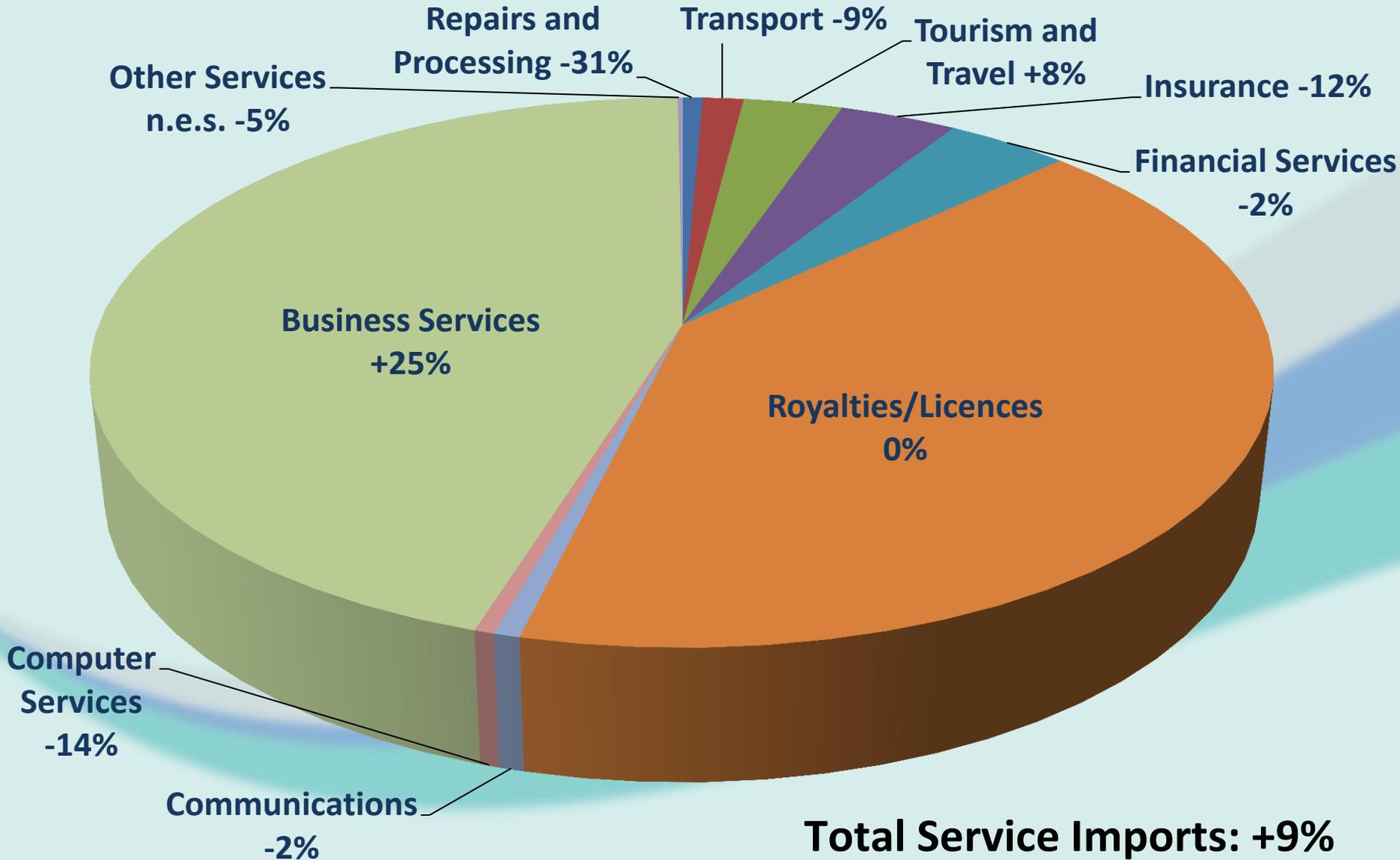


# Service Exports Q2 2016 with year on year changes, Table 2a



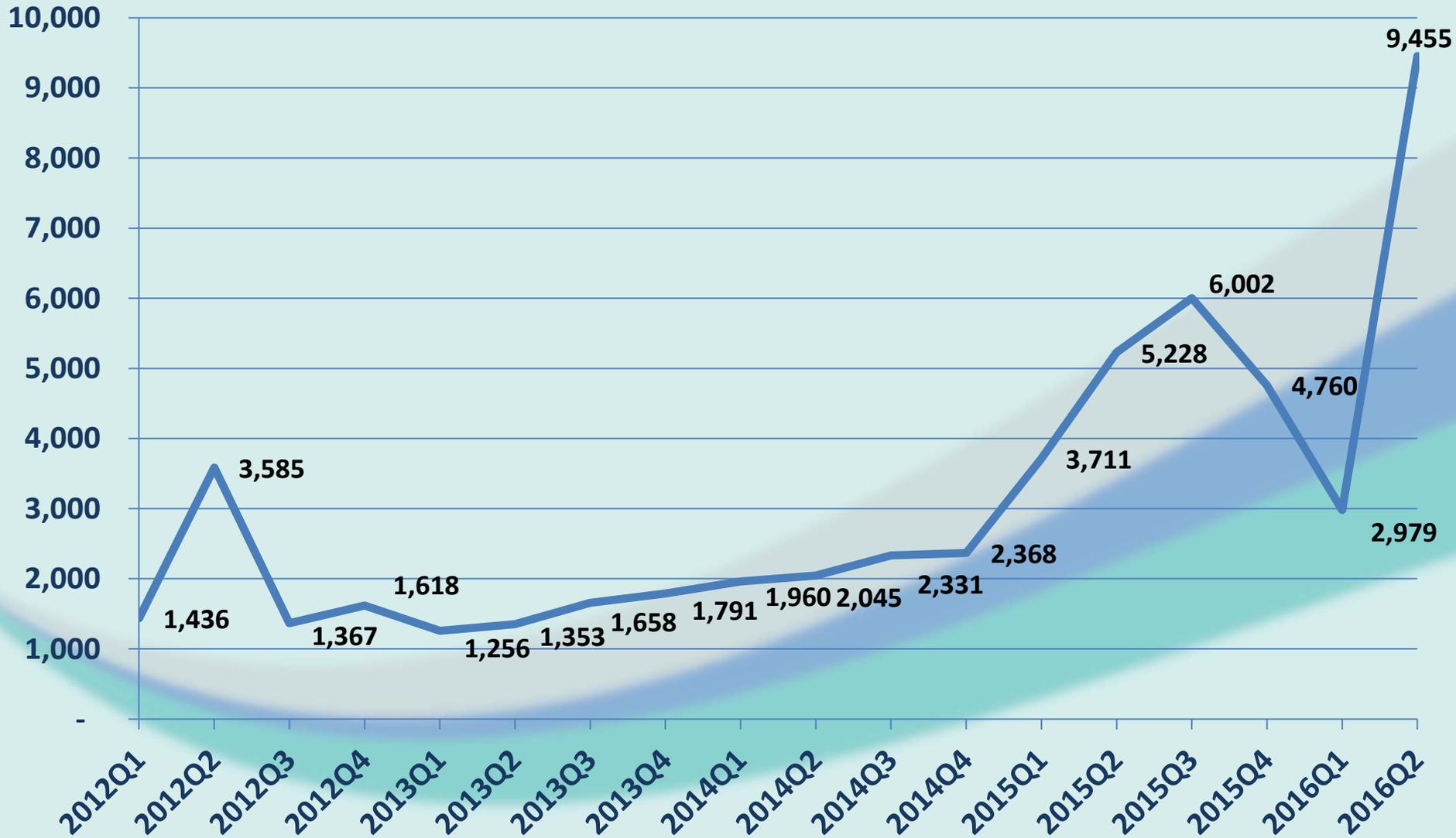


# Service Imports Q2 2016 with year on year changes, Table 2a



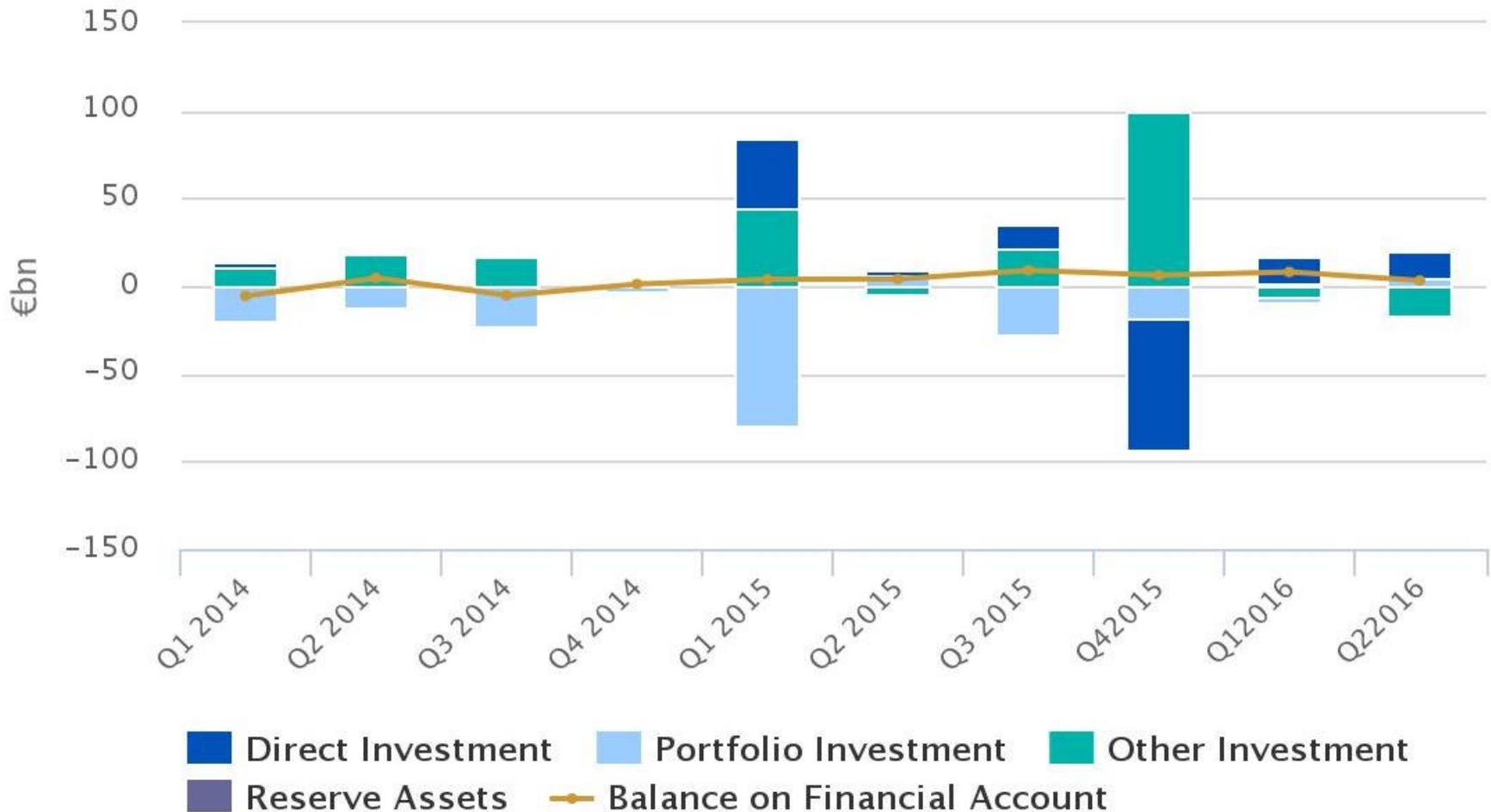


# Imports of Business Services: Research and Development, €m





# Financial Account Balance





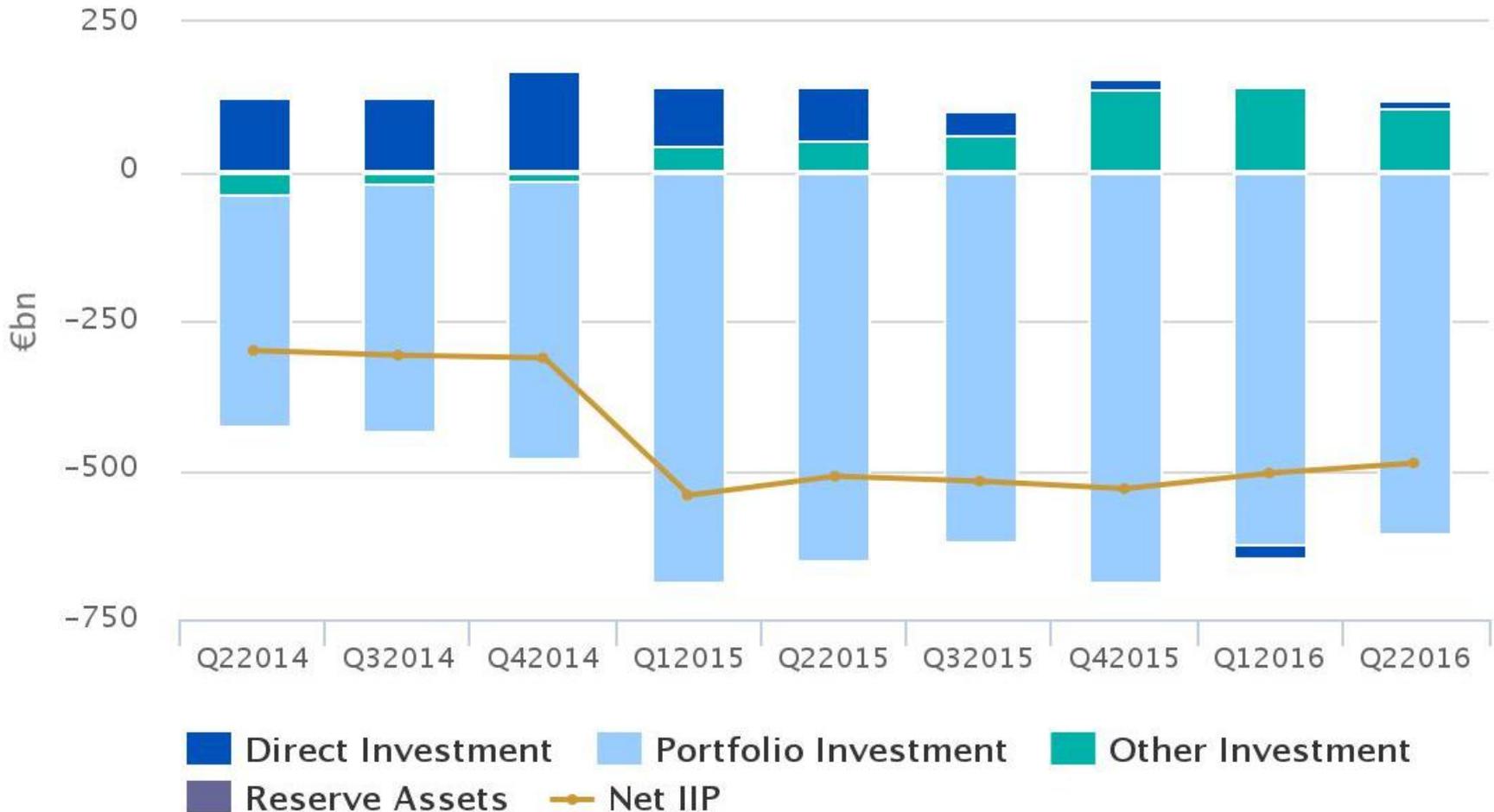
# BOP Q2 2016 - Financial Account

*See BOP Tables 2b and 3*

<b>Direct Investment: Abroad</b> <i>decrease</i>	<b>-€2,759m</b>	Decreases by non-IFSC enterprises of €2,869m
<b>In Ireland</b> <i>decrease</i>	<b>-€17,020m</b>	Increases of €5,785m in Reinvested Earnings, €4,584m in Equity along with a decrease of €27,388m in Other Capital
<b>Portfolio Investment: Assets</b> <i>increase</i>	<b>€28,284m</b>	Decrease of €16,297m in Equity assets and an increase of €44,581m in Debt Instrument assets
<b>Liabilities</b> <i>increase</i>	<b>€23,128m</b>	Increase of €53,731m in Equity liabilities and a decrease of €30,604m in Debt Instrument assets
<b>Other Investment: Assets</b> <i>decrease</i>	<b>-€23,930m</b>	Decrease of €23,568m by IFSC enterprises
<b>Liabilities</b> <i>decrease</i>	<b>-€7,770m</b>	Decrease of €10,995m by IFSC enterprises along with a increase of €3,225m by non-IFSC enterprises



# Net International Investment Position





# Balance of Payments Summary

- **Current Account balance down to 7.5% of GDP**
- **Higher imports of Intellectual property into Ireland**
- **Goods Exports down compared to Q22015**
- **Net international liabilities reduced to €488bn**



# Update – GNI Visit

- **Eurostat GNI Mission visit to CSO on August 30<sup>th</sup>**
  - **Visits are part of the GNI verification process**
  - **Very productive meeting**
  - **Results for 2015 verified**
  - **Report to the GNI Committee in October**
  - **Minutes of the GNI Committee will be made public**



# Update – Expert Group

- Increasingly difficult to represent the complexities of Irish economic activity using single headline indicators such as GDP or GNP
- Expert group will focus on recommendations for the improvement and development of indicators and analyses giving additional insight to the domestic economy
- First meeting of the group will be September 19<sup>th</sup> and group will meet between mid-September and mid-November 2016
- Group will report to the Director General of CSO



# Update – Expert Group Membership

- **High-level cross-sector consultative group**
  - Philip Lane (Chair) - Central Bank Of Ireland
  - Alan Barrett - ESRI
  - Seamus Coffey - UCC
  - Thomas Conefrey - IFAC
  - John Fitzgerald - TCD and Irish Times
  - John McCarthy - Department of Finance
  - Dan O'Brien – IIEA, Irish Independent
  - Fergal O'Brien - IBEC
  - Frances Ruane - TCD, ESAC
  - Marie Sherlock - SIPTU
  - Rossa White - NTMA
  - Jennifer Banim and Michael Connolly - CSO
  - Eurostat and IMF - International observers



# Indicators of Domestic Economy

	<i>Q2 2016</i>	<i>Q-on-Q change</i>
<b>Total Personal Consumption Expenditure (Constant Prices, SA)</b>	<b>€23,285m</b>	<b>- 0.5%</b>
<b>Retail Sales Index, Value (SA), 2005=100</b>	<b>98.5</b>	<b>- 2.2%</b>
<b>Numbers in Employment, 000 (SA)</b>	<b>2,014.9</b>	<b>+ 1%</b>
	<i>Q2 2016</i>	<i>Q1 2016</i>
<b>New Private Cars Licensed for the First Time</b>	<b>29,115</b>	<b>68,375</b>

More information at <http://www.cso.ie/indicators/Maintable.aspx>



# Main Points

- **Quarterly GDP + 0.6%**
- **Intellectual property into Ireland**
  - Service Imports increase and Net exports decrease
  - Domestic Demand increase
- **Available on CSO.IE:**
  - electronic releases of today's results, press release and slides from today's press briefing
  - additionally - Q&A note, including key points from today's releases and information on other aspects of national accounts and balance of payments statistics