

# 10

## Public Finance and Banking

- The General Government Balance was a surplus of €554m in 2007 compared with a surplus of €5,213m in 2006.
- National Debt as a percentage of GDP has fallen from 87.7% in 1990 to 19.7% in 2007.
- The General Government Debt as a percentage of GDP has fallen from 94.2% in 1990 to 24.8% in 2007.
- Lending by credit institutions to the personal (private households) sector increased to over €148bn in 2007 from €134bn in 2006, but the pace of growth slowed compared to previous years.



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## Introduction

This chapter contains information on the Banking and Public Finance areas in the Irish economy. The source data on banking are principally drawn from the Central Bank and Financial Services Authority of Ireland Quarterly Bulletin with additional data provided by the Irish Stock Exchange. The statistics on public finance are obtained primarily from two administrative sources, namely the Department of Finance, (drawn from the Budget Book, Finance Accounts and Public Capital Programme publications) and the Revenue Commissioners' Annual Report. In addition, certain tables in the chapter contain data drawn from the CSO's National Income and Expenditure (NIE) publication.

## Banking and finance

Statistics on banking and finance are given in the first four tables of this chapter. Tables 10.1 to 10.3 set out certain financial indicators such as details of domestic credit extended to Irish residents, the assets and liabilities of the Irish Monetary Sector and a breakdown of loans to and deposits held by the various sectors of the economy. Table 10.4 provides summary data relating to the Irish Stock Exchange (including the Government Securities Market).

## Public Finance

The public finance area is the subject of the remaining nine tables. Tables 10.5 and 10.6 examine the National and General Government Debt and Balance. Tables 10.7 and 10.8 detail the movements of all Exchequer receipts and issues. Tables 10.9 provides a summary of National Debt while table 10.10 examines the Public Capital Programme. Tables 10.11 and 10.12 move to the areas of central and local government. Details are provided for receipts and expenditures, with expenditure being classified by purpose and economic category. Finally, table 10.13 details Excise duty receipts.

Main trends to note in these tables include

- The importance of the credit institution sector continues to grow, with assets exceeding €1.3bn in 2007.
- Advances by credit institutions to the resident non-Government sectors increased from €317bn to €375bn between 2006 and 2007; in the same period, deposits by these sectors have risen from €169bn to €180bn.
- The General Government Balance was a surplus of €554m in year 2007 compared with a surplus of €5,213m in 2006. In parallel, the Exchequer Balance in year 2007 was a deficit of €1,619m compared with a surplus of €2,265m in year 2006.
- National Debt as a percentage of GDP was an estimated 19.7% in 2007, compared with 87.7% in 1990; similarly the General

Government Debt as a percentage of GDP was an estimated 24.8% in 2007 compared with 94.2% in 1990.

- Capitalisation of the Irish Stock market (based on equities included in ISEQ only) was €90.5bn at end-2007 compared with €117bn at end-2006.
- Outstanding indebtedness on the 2.3 million credit cards in issue at the end of 2007 stood at €3.0bn, compared to €2.7bn at the end of 2006.

## Technical Notes

### Table 10.1

Other Monetary Financial Institutions (MFIs) comprise financial institutions whose business is to receive deposits or close substitutes for deposits.

In line with Eurosystem requirements, demand accounts are classified as overnight deposits.

### Table 10.2

The figures for the number of credit cards in issue represent credit cards issued by credit institutions resident in Ireland. Debit cards or store cards are excluded.

*Typical Annualised Percentage Rate (APR) charged on credit cards* is calculated as a simple non-weighted average of the advertised APR charged by the issuers on standard credit cards.

### Table 10.4

The ISEQ Overall Index reproduced in this table covers all Irish registered equities quoted on the Official List, ITEQ and Developing Companies Markets including Northern Ireland companies.

*Turnover* is the sum of purchases and sales by stockbrokers' personal and corporate clients.

*Amount raised* is the cash value of funds raised by new issues of securities.

*Capitalised value* is the market value of all issues on the last trading day of each period. The price used to value each individual issue is the last trading price at close of business on the last trading day of a trading period.

### Table 10.5

*Total exchequer balance* is the sum of current and capital budget balance. It is the traditional domestic budgetary aggregate which measures Central Government's net surplus or borrowing position. It is the difference between total receipts into and total expenditure out of the Exchequer Account of the Central Fund.

The General Government Balance (GGB) measures the fiscal performance of all arms of Government ie Central Government, Local Authorities, Health Boards (these were dissolved on 31 December 2004 and replaced by the Health Service Executive), Vocational Education Committees and non-commercial semi-state bodies, as well as funds such as the Social Insurance Fund and the National Pensions Fund which are managed by Government agents. It thus provides an accurate assessment of the fiscal performance of a more complete government sector.

The figures for General Government Balance are on an ESA79 basis up to 1996 and on an ESA95 basis thereafter. The figures for Current budget balance, Capital budget balance and total Exchequer balance are on an ESA79 basis for all years. (ESA79 and ESA95 refer to the 1979 and 1995 editions respectively of the European System of Accounts, which sets down standards for National Accounts).

The transition from total Exchequer balance (Irish Government definition) to the General Government Balance (EU definition) is explained by a series of adjustments:

- The EU definition excludes all flows between the Exchequer and non-commercial State agencies and between the agencies themselves.
- It also excludes loan and share capital receipts and expenditure.

- Payments in respect of prefunding of future pension liabilities (ie payments made by Government into the National Pensions Reserve Fund), while treated as expenditure for the purpose of calculating the Exchequer Balance do not have an impact on the GGB.
- Exchequer balance is compiled on a cash basis, whereas the General Government Balance is compiled on an accruals basis.

#### **Table 10.6**

National Debt is calculated in accordance with domestic conventions. Details are published annually in the Department of Finance's Finance Accounts and the report and accounts of the National Treasury Management Agency (NTMA). In calculating the National Debt, certain liquid assets held by the State are offset.

The General Government Debt (GGD) is the standardised measure of indebtedness of EU governments. It takes account of all liabilities included in the National Debt, without any offsetting of liquid assets, together with the liabilities of non-commercial State agencies and local authorities. In addition it includes the build-up of accrued interest on certain government borrowings, in particular on small savings schemes such as Saving Certificates, Savings Bonds and National Instalment Savings.

#### **Table 10.5 and 10.6**

For the calculation of the Current Budget Balance, Capital Budget Balance, and Total Exchequer Balance as percentages of GNP and General Government Balance as a percentage of GDP in table 10.5 and National Debt and General Government Debt as percentages of GDP in table 10.6, the GNP and GDP data used has FISIM allocated. FISIM stands for Financial Intermediation Services Indirectly Measured.

For the calculation of GDP National Income and Expenditure annual results for 2004 and subsequent years, the method of estimating and allocating the output of non-invoiced services produced by financial intermediaries (mostly banks) has been changed. Formerly, the margin earned on lending and borrowing was treated as intermediate consumption of a notional producer sector and so made no net contribution to GDP. The negative value of this notional sector was shown in the National Accounts publication as Adjustment for Financial Services. The revenue from the margin on lending and borrowing is FISIM. Some changes have been made to the method of estimating this item. In addition, and more significantly, it is now being assigned to the different customer sectors and, as for other services, adds to GDP if consumed by government, non-residents or households as consumers. For customers who are resident market producers, and in respect of borrowing for house purchase by owner-occupiers, the service is part of their intermediate consumption and has a neutral effect on GDP.

Table 10.1 Credit institutions – aggregate balance sheet at end of year

€m

	2002	2003	2004	2005	2006	2007
<b>Liabilities</b>						
1 Capital and reserves	35,036	37,568	43,987	53,495	62,545	74,353
2 Deposits from credit institutions and other MFIs (excluding Central Bank)	181,441	234,350	293,131	380,218	463,860	516,874
3 Deposits from Central Bank	11,158	17,535	18,214	20,990	27,044	40,088
3.1 Short term	11,158	17,535	18,214	20,990	27,044	40,088
3.2 Other	–	–	–	–	0	0
4 Deposits from resident and non-resident general government (central, regional and local)	6,240	7,178	7,604	12,091	11,675	16,176
5 Deposits from other residents (non-MFIs, non-government entities)	136,716	153,014	174,605	216,412	270,816	300,031
5.1 Overnight: Current	20,105	23,858	27,988	35,403	53,222	55,517
Demand	28,244	30,156	31,743	37,016	49,164	61,345
5.2 Agreed maturity:						
Up to and including 1 year	61,076	66,575	71,849	84,250	101,661	121,852
1 to 2 years	2,283	2,142	3,314	3,612	5,652	4,700
Over 2 years	15,068	18,504	25,217	30,193	32,144	32,103
5.3 Notice:						
Up to and including 3 months	7,542	7,866	10,109	11,725	12,559	14,110
Over 3 months	115	49	35	26	36	33
5.4 Repurchase agreements	2,284	3,864	4,348	14,187	16,377	10,371
6 Debt securities issued	43,636	65,519	118,023	186,406	238,541	254,022
6.1 Up to and including 1 year	26,050	30,237	47,064	71,167	87,537	105,741
6.2 1 to 2 years	3,209	2,872	9,014	12,057	11,623	14,852
6.3 Over 2 years	14,377	32,411	61,946	103,182	139,381	133,429
7 Remaining liabilities	60,401	60,004	66,980	72,295	103,647	135,812
<b>Total</b>	<b>474,628</b>	<b>575,168</b>	<b>722,545</b>	<b>941,907</b>	<b>1,178,128</b>	<b>1,337,356</b>
<b>Assets</b>						
1 Holdings of notes and coin	1,118	1,132	1,156	1,168	1,271	1,650
2 Loans to credit institutions and other MFIs (excluding Central Bank)	105,042	141,931	178,996	257,506	344,767	335,743
3 Balances with Central Bank	5,086	4,303	4,760	8,883	13,617	22,752
3.1 Mandatory balances	4,909	4,303	4,749	8,710	13,468	11,409
3.2 Other	177	0	12	173	148	11,343
4 Loans to general government (central, regional and local)	25,785	17,074	21,875	24,444	25,596	22,996
5 Loans to other residents (non-MFI, non-government entities)	200,410	233,034	292,019	385,976	492,816	607,906
5.1 Overdrafts	6,440	6,245	6,703	7,639	9,027	10,165
5.2 Repurchase agreements	1,816	2,756	4,572	4,277	7,090	8,608
5.3 Loans up to and including 1 year	23,364	21,560	29,065	43,805	49,681	69,588
5.4 Term/revolving loans	82,987	88,503	105,943	136,307	170,533	209,363
5.5 Instalment credit/hire-purchases/leases	4,343	4,026	4,037	4,036	4,288	4,334
5.6 Residential mortgages	43,704	54,924	73,616	95,024	111,682	124,458
5.7 Other mortgages	8,485	9,632	12,799	12,577	18,103	18,812
5.8 Other loans and securities issued to other residents	29,270	45,388	55,285	82,312	122,412	162,578
6 Holdings of securities	69,159	114,315	155,441	191,571	213,046	220,901
6.1 Issued by MFIs	38,677	49,945	73,105	94,837	119,032	132,976
6.2 Issued by resident and non-resident general government	30,482	64,369	82,336	96,734	94,014	87,925
6.2.1 Exchequer notes	1,382	1,662	2,314	3,435	2,772	691
6.2.2 Securities	29,100	62,707	80,022	93,300	91,241	87,234
7 Holdings of shares and other equity	13,750	11,408	12,968	13,411	15,046	13,071
7.1 Issued by MFIs	5,647	4,715	5,316	5,339	5,867	4,597
7.2 Issued by other residents (non-MFIs, non-government entities)	8,103	6,693	7,653	8,072	9,179	8,475
8 Fixed assets	1,902	2,196	2,451	2,261	2,562	2,054
9 Remaining assets	52,376	49,775	52,878	56,686	69,408	110,281
<b>Total</b>	<b>474,628</b>	<b>575,168</b>	<b>722,545</b>	<b>941,907</b>	<b>1,178,128</b>	<b>1,337,356</b>

Source: Central Bank and Financial Services Authority of Ireland

Table 10.2 Domestic credit (to Irish residents) at end of year

€m

	2002	2003	2004	2005	2006	2007	
<b>Credit institutions</b>							
1	Loans to other residents (non-MFI, non-government entities)	135,275	153,105	192,092	250,506	306,611	363,741
1.1	Euro	111,681	132,115	170,149	218,918	269,793	314,486
1.2	Non-euro	23,593	20,991	21,943	31,588	36,819	49,255
2	Holding of securities, shares and other equity issued by other residents	6,922	6,855	6,937	7,549	10,054	11,792
2.1	Securities	1,492	1,808	1,882	2,489	4,980	7,012
2.1.1	Euro	1,122	1,477	1,477	1,649	3,865	5,864
2.1.2	Non-euro	370	331	404	841	1,115	1,148
2.2	Shares and other equity	5,431	5,047	5,055	5,060	5,074	4,780
2.2.1	Euro	5,019	4,808	4,807	4,770	4,785	4,462
2.2.2	Non-euro	411	238	248	290	288	318
3	General government credit (central, regional and local)	5,017	5,279	4,751	4,607	4,173	1,685
3.1	Loans	582	615	713	990	1,052	1,048
3.1.1	Euro	582	612	713	990	1,052	1,048
3.1.2	Non-euro	-	3	-	-	-	-
3.2	Securities	4,436	4,664	4,038	3,653	3,121	637
3.2.1	Euro	4,418	4,658	4,028	3,496	3,121	637
3.2.2	Non-euro	18	6	10	121	-	-
4	Accrued interest receivable on credit to other residents	494	469	567	754	1,111	1,263
4.1	Euro	361	365	450	553	862	977
4.2	Non-euro	133	104	116	200	249	287
<b>Other</b>							
5	Direct net external government borrowing from 1 Jan each year	-3,251	-4,032	-2,193	-178	-	885
6	Non-Euro lending by credit institutions to non-MFI IFSC companies	13,530	12,918	11,123	14,567	15,194	25,231
7	Total lending by credit institutions to non-MFI IFSC companies	21,849	19,287	19,120	25,499	24,547	35,634
<b>Selected measures of domestic credit (to Irish residents)</b>							
	Total euro credit (1.1, 2.1.1, 2.2.1, 3.1.1, 3.2.1, 4.1)	123,183	144,035	181,624	230,376	283,478	327,474
	Private sector credit (1+2+4)	142,691	160,429	199,596	258,809	317,776	376,796
	Residential mortgage lending	43,416	54,614	73,120	94,259	110,603	123,002
<b>Credit card statistics</b>							
	Number of credit cards in issue (000)	1,870	1,993	2,002	2,028	2,163	2,303
	Outstanding indebtedness on credit cards (€m)	1,512	1,723	1,997	2,305	2,738	2,992

Source: Central Bank and Financial Services Authority of Ireland

**Table 10.3 Credit institutions – sectoral distribution of advances and deposits (vis-à-vis resident non-government), end of year**

€m

	2000	2001	2002	2003	2004	2005	2006	2007
<b>Advances</b>								
Agriculture and forestry	3,118	3,086	3,153	3,155	3,379	3,690	4,401	4,761
Fishing	243	278	286	331	406	436	410	377
Mining and quarrying	349	337	241	175	238	310	371	453
Manufacturing	5,744	5,719	4,906	4,409	5,509	6,001	6,812	8,082
Electricity, gas and water supply	562	555	828	503	607	971	1,274	1,343
Construction	3,630	4,269	4,497	6,075	9,547	14,000	20,793	25,980
Wholesale/retail trade and repairs	4,349	4,497	5,277	6,385	7,724	10,092	11,118	13,483
Hotels and restaurants	4,105	4,516	5,170	5,767	7,002	9,043	10,897	11,745
Transport, storage and communications	1,802	2,285	1,984	1,832	2,224	2,446	2,497	3,522
Financial intermediation	35,367	41,744	40,129	36,624	36,136	46,630	49,959	64,502
Real estate and business activities	10,552	14,398	17,207	23,659	32,247	44,886	69,120	86,101
Education (schools and colleges)	186	248	367	385	408	508	646	663
Health and social work	349	465	555	620	834	1,311	1,861	2,645
Other community, social and personal services	1,063	1,087	1,194	1,502	1,798	2,371	2,457	3,235
Personal (private households)	39,231	45,594	56,403	68,539	90,970	115,361	134,051	148,639
<b>Total</b>	<b>110,650</b>	<b>129,078</b>	<b>142,197</b>	<b>159,961</b>	<b>199,029</b>	<b>258,056</b>	<b>316,665</b>	<b>375,532</b>
<b>Deposits</b>								
Agriculture and forestry	1,835	1,951	1,918	2,019	2,583	3,208	3,407	2,904
Fishing	64	99	96	83	74	107	99	116
Mining and quarrying	180	182	282	189	262	243	369	286
Manufacturing	4,082	4,712	4,771	5,095	5,284	5,787	5,538	6,210
Electricity, gas and water supply	295	237	214	633	264	291	372	995
Construction	1,355	1,720	2,269	2,409	3,130	4,032	4,550	4,079
Wholesale/retail trade and repairs	2,895	3,870	3,781	3,796	4,223	4,468	4,973	5,349
Hotels and restaurants	385	443	540	581	676	814	849	907
Transport, storage and communications	1,595	2,096	2,776	1,826	2,455	2,938	4,168	4,232
Financial intermediation	27,663	25,713	28,371	31,192	34,654	41,134	48,724	53,188
Real estate and business activities	6,147	6,940	7,442	9,130	10,260	12,884	16,081	15,822
Education (schools and colleges)	681	767	780	1,076	1,180	1,287	1,523	1,615
Health and social work	268	302	328	404	820	952	823	828
Other community, social and personal services	2,648	3,380	2,862	3,356	3,968	4,101	4,402	4,949
Personal (private households)	31,303	37,442	42,815	47,865	53,688	63,393	73,848	78,687
<b>Total</b>	<b>81,396</b>	<b>89,855</b>	<b>99,244</b>	<b>109,654</b>	<b>123,522</b>	<b>145,619</b>	<b>169,726</b>	<b>180,166</b>

**Table 10.3 Credit institutions – sectoral distribution of advances and deposits (vis-à-vis non-resident non-government), end of year (continued)**

€m

	2000	2001	2002	2003	2004	2005	2006	2007
<b>Advances</b>								
Agriculture and forestry	79	179	144	124	264	502	352	227
Fishing	–	–	8	8	9	11	14	30
Mining and quarrying	378	474	351	177	219	313	335	672
Manufacturing	7,390	8,195	6,363	4,320	4,597	5,005	6,312	7,417
Electricity, gas and water supply	3,191	3,947	4,060	2,784	2,453	3,838	6,728	9,797
Construction	788	767	889	863	2,884	4,244	5,077	3,746
Wholesale/retail trade and repairs	1,545	2,047	1,617	1,202	1,311	1,486	2,382	2,540
Hotels and restaurants	493	559	334	746	1,103	1,485	1,523	1,479
Transport, storage and communications	7,740	10,526	10,396	10,526	12,898	13,766	16,462	20,525
Financial intermediation	26,366	34,795	32,225	45,745	54,907	81,880	122,758	161,573
Real estate and business activities	5,304	6,279	5,564	7,873	13,201	15,580	13,503	22,070
Education (schools and colleges)	82	214	298	391	779	1,208	1,650	1,766
Health and social work	464	451	459	736	1,084	1,389	2,335	3,242
Other community, social and personal services	918	1,073	1,039	1,416	1,917	2,081	1,774	1,805
Personal (private households)	1,836	2,454	2,575	2,855	3,017	3,206	4,123	3,959
<b>Total</b>	<b>56,574</b>	<b>71,960</b>	<b>66,322</b>	<b>79,766</b>	<b>100,643</b>	<b>135,992</b>	<b>185,328</b>	<b>240,849</b>
<b>Deposits</b>								
Agriculture and forestry	77	41	164	160	160	226	88	61
Fishing	4	5	7	9	4	3	3	4
Mining and quarrying	160	26	27	57	1,142	686	502	187
Manufacturing	1,179	1,187	1,604	2,416	2,595	2,476	2,737	2,631
Electricity, gas and water supply	115	416	327	955	453	462	722	872
Construction	278	535	842	517	690	714	854	585
Wholesale/retail trade and repairs	290	300	288	268	1,200	1,138	1,730	2,354
Hotels and restaurants	32	56	30	52	117	64	562	398
Transport, storage and communications	1,429	1,967	1,869	1,718	2,225	2,532	2,843	3,515
Financial intermediation	15,602	21,624	23,665	28,003	33,008	50,182	79,076	97,003
Real estate and business activities	1,153	2,020	2,396	2,812	2,597	3,424	2,871	4,022
Education (schools and colleges)	108	84	85	106	384	919	534	1,414
Health and social work	76	46	40	21	16	48	207	441
Other community, social and personal services	599	1,282	645	1,814	2,128	2,694	2,059	1,720
Personal (private households)	5,478	5,347	5,484	4,450	4,365	5,226	6,302	4,658
<b>Total</b>	<b>26,580</b>	<b>34,937</b>	<b>37,472</b>	<b>43,360</b>	<b>51,083</b>	<b>70,793</b>	<b>101,090</b>	<b>119,864</b>

Source: Central Bank and Financial Services Authority of Ireland

Table 10.4 Irish Stock Exchange

	Unit	2000	2001	2002	2003	2004	2005	2006	2007
<b>Government securities</b>									
Turnover	€m	44,903	43,590	93,471	74,461	72,333	51,297	37,457	51,994
Amounts raised/redeemed (+/-)	€m	-1,983	-2,106	6,600	6,570	2,837	1,440	-	5,959
Capitalised value at end of period	€m	20,750	18,812	21,869	29,557	33,031	33,062	32,413	31,190
Number of issues	No.	19	18	16	15	15	13	11	11
<b>Irish equity market</b>									
<b>Official list</b>									
Turnover	€m	31,031	50,031	69,490	77,196	72,298	108,094	127,706	196,021
Amounts raised	€m	5,192	4,239	1,635	721	2,543	1,435	2,761	5,376
Capitalised value at end of period (Equities included in ISEQ only)	€m	79,851	78,633	52,234	62,548	80,868	93,925	116,987	90,460
Number of issues	No.	88	79	70	67	61	61	53	49
<b>Unlisted securities and other markets</b>									
Turnover		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Amounts raised		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capitalised value at end of period (Equities included in ISEQ only)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of issues		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Developing Companies Market/ Explorations Securities Market/ITEQ</b>									
Turnover	€m	430	1,011	765	319	211	418	1,256	3,152
Amounts raised	€m	687	255	1	28	47	69	941	1,241
Capitalised value at end of period	€m	4,257	2,116	899	1,014	1,182	850	2,464	3,083
Number of issues	No.	25	20	17	12	13	13	23	30
<b>Price index of ordinary stocks and shares (ISEQ) at end-year</b>									
(Base Jan 4th 1988, 9am=1000)		5,723	5,707	3,995	4,921	6,198	7,364	9,408	6,934

Source: Irish Stock Exchange

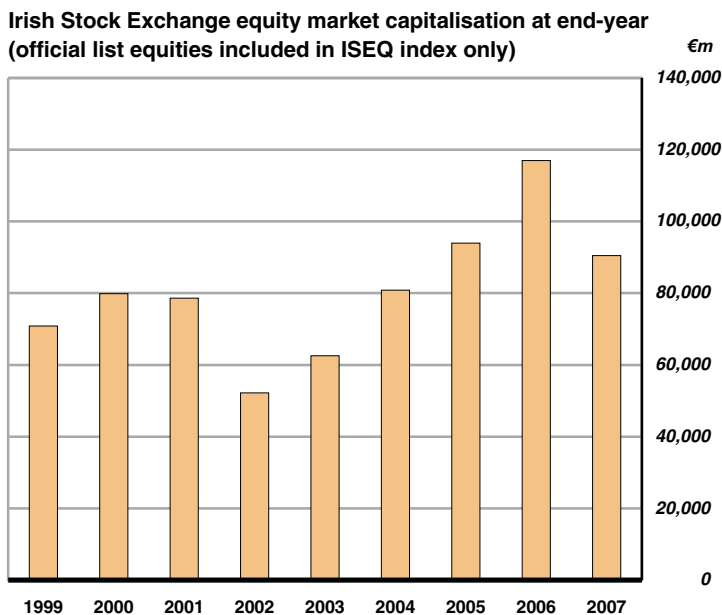


Table 10.5 National and General Government balances

Year	Current budget balance		Capital budget balance		Total Exchequer balance		General government balance	
	€m	% of GNP with FISIM allocated	€m	% of GNP with FISIM allocated	€m	% of GNP with FISIM allocated	€m	% of GDP with FISIM allocated
1980	-695	-6.0	-851	-7.4	-1,545	-13.4	n/a	n/a
1981	-1,018	-7.3	-1,168	-8.4	-2,186	-15.7	n/a	n/a
1982	-1,255	-7.9	-1,215	-7.6	-2,470	-15.5	n/a	n/a
1983	-1,219	-7.0	-1,011	-5.8	-2,230	-12.8	n/a	n/a
1984	-1,319	-7.0	-998	-5.2	-2,317	-12.2	n/a	n/a
1985	-1,630	-8.0	-928	-4.6	-2,559	-12.6	n/a	n/a
1986	-1,771	-7.9	-952	-4.2	-2,724	-12.1	n/a	n/a
1987	-1,498	-6.2	-769	-3.2	-2,268	-9.4	-2,409	-9.0
1988	-403	-1.6	-383	-1.5	-786	-3.1	-1,416	-4.9
1989	-334	-1.2	-274	-1.0	-608	-2.2	-902	-2.8
1990	-193	-0.6	-427	-1.3	-620	-1.9	-1,019	-2.8
1991	-379	-1.1	-275	-0.8	-654	-1.9	-1,076	-2.9
1992	-566	-1.6	-349	-1.0	-915	-2.6	-1,184	-3.0
1993	-481	-1.2	-399	-1.0	-880	-2.3	-1,181	-2.7
1994	19	0.0	-873	-2.1	-854	-2.0	-932	-2.0
1995	-459	-1.0	-337	-0.7	-796	-1.7	-1,043	-2.0
1996	371	0.7	-925	-1.8	-554	-1.1	-62	-0.1
1997	754	1.3	-1,052	-1.8	-298	-0.5	765	1.1
1998	2,642	3.8	-1,694	-2.5	948	1.4	1,865	2.4
1999	4,367	5.7	-2,855	-3.7	1,512	2.0	2,461	2.7
2000	6,971	7.8	-3,794	-4.3	3,177	3.6	4,923	4.7
2001	4,725	4.8	-4,075	-4.2	650	0.7	1,083	0.9
2002	5,402	5.1	-5,307	-5.0	95	0.1	-555	-0.4
2003	4,410	3.7	-5,390	-4.6	-980	-0.8	541	0.4
2004	5,620	4.5	-5,587	-4.4	33	0.0	2,053	1.4
2005	6,353	4.6	-6,852	-5.0	-499	-0.4	1,623	1.0
2006	9,151	6.0	-6,886	-4.5	2,265	1.5	5,213	2.9
2007	6,997	4.3	-8,616	-5.3	-1,619	-1.0	554	0.3

Source: Department of Finance

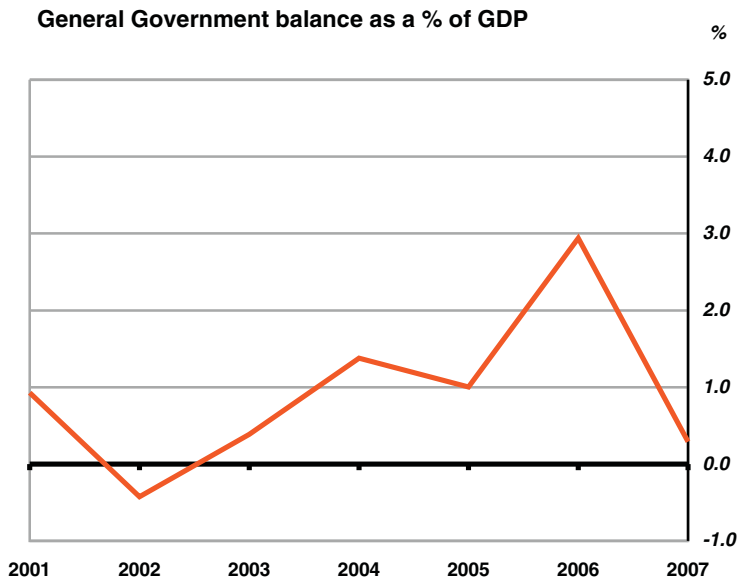


Table 10.6 National and General Government Debt

End of year	National Debt		General Government Debt	
	€m	% of GDP with FISIM allocated (ESA95 basis)	€m	% of GDP with FISIM allocated (ESA95 basis)
1990	31,849	87.7	34,194	94.2
1991	32,223	85.5	36,004	95.6
1992	33,450	83.6	37,041	92.5
1993	36,006	83.3	41,128	95.1
1994	37,111	79.8	41,673	89.6
1995	38,358	72.2	43,061	81.1
1996	37,980	65.2	43,162	74.1
1997	38,966	57.8	43,694	64.8
1998	37,510	48.1	42,081	53.9
1999	39,851	44.3	43,853	48.8
2000	36,511	34.9	39,658	37.9
2001	36,183	31.0	41,576	35.6
2002	36,361	27.9	41,912	32.2
2003	37,611	27.0	43,322	31.1
2004	37,846	25.4	43,857	29.4
2005	38,182	23.5	44,228	27.3
2006	35,917	20.3	43,783	24.7
2007	37,559	19.7	47,199	24.8

Source: Department of Finance

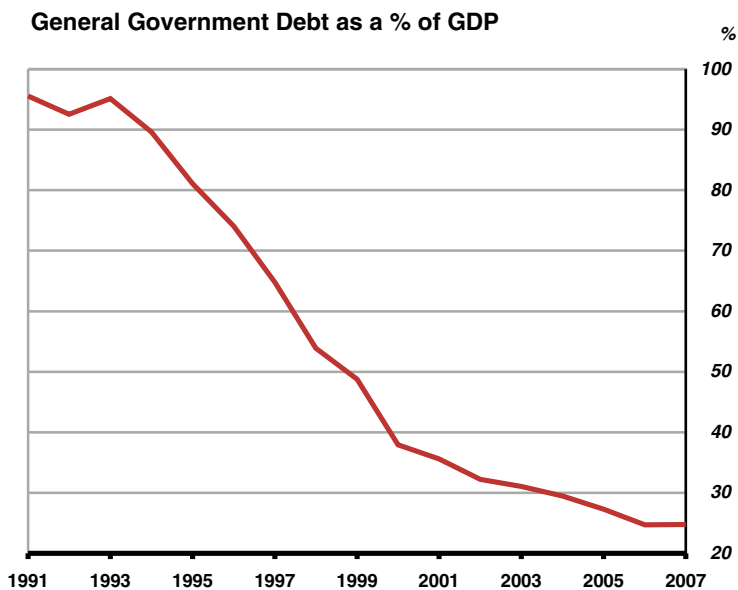


Table 10.7 Exchequer receipts

€000

	2001	2002	2003	2004	2005	2006
<b>Tax revenue</b>						
Agricultural levies	9,744	7,691	5,417	6,442	8,615	1,890
Capital Acquisitions Tax	168,767	150,206	214,167	190,064	248,912	352,696
Capital Gains Taxes	880,339	627,340	1,442,820	1,515,555	1,959,659	3,099,933
Corporation Tax	4,156,050	4,803,465	5,161,370	5,331,596	5,491,687	6,683,247
Customs	164,365	133,097	135,923	173,285	226,132	256,829
Excise	4,050,006	4,441,077	4,572,137	4,927,554	5,232,669	5,588,897
Income levy	-	11,695	-	-	-	-
Income Tax	9,346,872	9,062,906	9,161,767	10,650,541	11,266,298	12,389,939
Motor Vehicle Duties, etc	-	-	-	-	-	-
Residential Property Tax	1,652	827	404	382	360	-36
Stamps	1,226,902	1,166,531	1,688,382	2,088,454	2,725,210	3,716,501
Training and Employment Levy	-	-	-	3,658	5,361	1,017
Value-Added Tax	7,920,461	8,884,902	9,720,544	10,693,291	12,089,070	13,447,991
Youth Employment Levy	206	4,372	-	-	-	-
<b>Total</b>	<b>27,925,364</b>	<b>29,294,109</b>	<b>32,102,931</b>	<b>35,580,822</b>	<b>39,253,973</b>	<b>45,538,904</b>
<b>Non-tax revenue</b>	<b>812,443</b>	<b>2,230,064</b>	<b>1,053,583</b>	<b>802,161</b>	<b>595,166</b>	<b>606,039</b>
<b>TOTAL REVENUE</b>	<b>28,737,807</b>	<b>31,524,173</b>	<b>33,156,514</b>	<b>36,382,983</b>	<b>39,849,139</b>	<b>46,144,943</b>
<b>Money raised by creation of debt</b>						
Borrowings from ministerial funds	26,520,053	42,363,312	55,842,082	78,567,034	102,161,453	67,244,701
Commercial paper	56,359,104	78,863,430	71,501,885	104,530,160	139,526,360	120,836,608
European Investment Bank loans	-	-	-	-	-	-
Exchequer bills	-	-	-	-	-	-
Exchequer notes	-	-	-	-	-	-
Foreign borrowings	-	-	-	-	-	-
Increase in foreign liquid assets	-	-	-	-	-	-
Medium term notes	-	-	-	-	-	-
Miscellaneous debt	1,022,477	1,275,910	701,345	473,801	725,248	-
National Instalment Savings	72,035	63,379	64,070	72,351	106,122	96,161
National Loans Sinking Fund payments	-	-	-	-	-	-
National Loans/ Irish Govt Bonds-Title changed in 1997	5,389,053	22,272,168	26,978,866	31,515,344	41,321,405	25,326,031
Other Irish Government Public Bond Issues	1,540	-	-	-	-	-
Other domestic borrowings	-	-	-	-	-	-
Prize Bonds	72,795	86,072	132,735	126,778	134,448	134,592
Savings Bonds	233,693	263,050	460,221	505,060	518,399	671,847
Savings Certificates	227,802	224,054	317,951	422,604	751,422	462,011
Savings Stamps	-	-	-	-	-	-
Sinking Fund Transfer	-	-	-	-	-	-
Ways and Means Advances	-	-	-	-	-	-
<b>Total raised by creation of debt</b>	<b>89,898,552</b>	<b>145,411,375</b>	<b>155,999,155</b>	<b>216,213,132</b>	<b>285,244,857</b>	<b>214,771,951</b>

Table 10.7 Exchequer receipts (continued)

€000

	2001	2002	2003	2004	2005	2006
<b>Other receipts</b>						
Bord Iascaigh Mhara	965	1,049	1,175	403	297	216
Bord Na Móna	–	–	–	–	–	–
Cohesion Fund	294,579	172,549	143,956	25,849	15,634	39,513
Coillte Teoranta	–	–	–	–	–	–
European Regional Development Fund	256,307	387,872	220,519	318,737	234,436	133,010
Feoga Guarantee	66,735	140,210	341,849	207,570	175,649	650,289
Feoga Intervention	–	–	–	–	–	–
Local Loans Funds Acts, 1935-87	13,341	13,355	14,925	10,875	5,394	27,568
Miscellaneous Capital	831,234	315,887	82,736	89,560	75,593	539,216
National Building Agency Ltd Acts, 1963-74	–	–	–	–	–	–
Nitrigin Éireann Teo Acts, 1963-87	–	–	–	–	350	–
Shannon Free Airport Development Co Ltd Acts	309	296	302	156	–	–
Insurance Compensation Fund	–	40,632	–	–	–	–
EIB-EEA Financial Mechanism	2,298	7,201	–	–	11	5
Trans European Network	–	6,199	4,000	–	10,040	4,860
Turkish Aid Protocol	33	33	33	33	33	33
<b>Total other receipts</b>	<b>1,465,801</b>	<b>1,085,283</b>	<b>809,495</b>	<b>653,183</b>	<b>517,437</b>	<b>1,394,710</b>
<b>TOTAL EXCHEQUER RECEIPTS</b>	<b>120,102,159</b>	<b>178,020,831</b>	<b>189,965,164</b>	<b>253,249,298</b>	<b>325,611,433</b>	<b>262,311,604</b>

Source: Department of Finance

Table 10.8 Exchequer issues

€000

	2001	2002	2003	2004	2005	2006
<b>Current payments</b>						
Voted Departmental expenditures	20,403,652	23,313,765	25,451,867	27,179,456	29,600,886	32,915,380
Servicing national debt	2,323,719	1,668,910	2,026,822	2,203,428	2,237,535	2,379,583
Payments to EU budget	1,219,992	1,045,363	1,190,386	1,185,539	1,496,811	1,529,743
Other non-voted expenditures	61,646	97,564	77,482	195,202	160,989	251,856
<b>Total</b>	<b>24,009,009</b>	<b>26,125,602</b>	<b>28,746,557</b>	<b>30,763,625</b>	<b>33,496,221</b>	<b>37,076,562</b>
<b>Issues for redemption of debt</b>						
Borrowings from ministerial funds	27,494,508	42,271,587	55,755,390	78,333,954	101,808,502	68,156,216
Commercial paper	52,423,153	79,891,166	74,495,264	107,173,283	139,731,244	120,830,381
European Investment Bank loans	99,461	168,705	77,719	59,862	4,260	–
Exchequer bills	–	–	–	–	–	–
Exchequer notes	–	–	–	–	–	–
Foreign borrowings	–	–	–	–	–	–
Medium term notes	26,240	95,191	192,848	111,508	307,062	–
Miscellaneous debt	912,007	1,291,602	1,073,155	473,891	341,976	713
National Instalment saving	76,533	87,531	86,197	92,319	106,207	87,164
National loans	7,543,502	19,413,717	21,198,433	28,640,311	41,108,387	25,448,099
Other Irish Government Public Bond issues	746,888	773,356	625,400	153,626	–	–
Private placements	471,157	920,107	563,560	23,004	35,835	–
Other domestic borrowings	–	–	–	–	–	–
Prize Bonds	38,446	42,670	53,340	74,554	79,400	106,660
Savings Bonds	344,554	271,841	297,078	283,208	361,865	547,746
Savings Certificates	442,798	363,614	407,079	488,449	739,936	455,148
Tax Reserve Certificates	–	–	–	–	–	–
Ways and Means Advances	–	–	–	–	–	–
<b>Total</b>	<b>90,619,249</b>	<b>145,591,087</b>	<b>154,825,463</b>	<b>215,907,969</b>	<b>284,624,674</b>	<b>215,632,127</b>
<b>Capital payments</b>						
Voted Departmental expenditures	4,903,829	5,509,251	5,289,755	5,368,493	5,866,602	6,475,790
Funding of superannuation liabilities	971,984	1,034,500	1,103,000	1,177,000	1,320,250	1,446,500
Loans issued	134,044	309,541	262,717	175,030	650,684	730,400
Share capital acquired in State Bodies	8,990	12,594	15,442	3,538	6,494	460
Other non-voted capital expenditures	1,618	1,702	7,332	5,158	6,230	22,285
<b>Total</b>	<b>6,020,465</b>	<b>6,867,588</b>	<b>6,678,246</b>	<b>6,729,219</b>	<b>7,850,260</b>	<b>8,675,435</b>
<b>TOTAL EXCHEQUER ISSUES</b>	<b>120,648,723</b>	<b>178,584,277</b>	<b>190,250,266</b>	<b>253,400,813</b>	<b>325,971,155</b>	<b>261,384,124</b>

Source: Department of Finance

Table 10.9 Summary National Debt statement at end of year

€m

	2001	2002	2003	2004	2005	2006
<b>Medium/long term debt</b>						
Borrowing from Central Bank	0	0	0	0	0	0
European Investment Bank loans	454	274	178	120	118	120
Irish Government Bonds listed on Irish Stock Exchange	19,632	22,323	28,130	31,260	31,311	31,189
Medium term notes	943	743	501	377	496	443
Miscellaneous debt	-312	131	158	34	-26	26
Other Irish Govt Public Bond Issues	2,056	1,112	191	37	37	38
Private placements	1,639	705	59	36	-	-
<b>Total</b>	<b>24,412</b>	<b>25,288</b>	<b>29,217</b>	<b>31,864</b>	<b>31,936</b>	<b>31,816</b>
<b>Short term debt</b>						
Borrowings from funds under the control of the Minister for Finance	2,807	2,900	2,987	3,220	3,573	2,661
Commercial paper	7,002	5,753	2,801	307	115	118
<b>Total</b>	<b>9,809</b>	<b>8,653</b>	<b>5,788</b>	<b>3,527</b>	<b>3,688</b>	<b>2,779</b>
<b>National Savings Schemes</b>						
National Instalment Savings	451	427	405	385	385	394
Prize Bonds	332	375	454	506	561	590
Saving Certificates	2,491	2,351	2,262	2,196	2,208	2,215
Savings Stamps	2	2	2	2	2	2
Savings Bonds	1,053	1,045	1,207	1,429	1,585	1,709
<b>Total</b>	<b>4,329</b>	<b>4,200</b>	<b>4,330</b>	<b>4,518</b>	<b>4,741</b>	<b>4,910</b>
Less liquid assets	2,367	1,780	1,725	2,063	2,183	3,588
<b>NATIONAL DEBT</b>	<b>36,183</b>	<b>36,361</b>	<b>37,610</b>	<b>37,846</b>	<b>38,182</b>	<b>35,917</b>

Source: Department of Finance

Table 10.10 Public Capital Programme

	€m						
	2001	2002	2003	2004	2005	2006	2007
<b>Sources of funds</b>							
Exchequer	4,980	5,593	5,378	5,212	5,674	6,423	8,034
Non-Exchequer	2,316	3,029	3,101	3,209	2,885	2,963	3,771
<b>Total</b>	<b>7,296</b>	<b>8,622</b>	<b>8,479</b>	<b>8,421</b>	<b>8,559</b>	<b>9,386</b>	<b>11,805</b>
<b>Use of funds</b>							
<b>Sectoral economic investment</b>							
Agriculture and Food	121	95	93	87	117	123	217
Industry	405	409	402	434	470	670	570
Tourism	57	35	40	30	43	57	77
Fisheries	44	63	49	36	44	54	42
Forestry	122	140	125	149	133	196	147
<b>Total</b>	<b>748</b>	<b>742</b>	<b>709</b>	<b>736</b>	<b>807</b>	<b>1,100</b>	<b>1,053</b>
<b>Productive Infrastructure</b>							
Energy	924	1,428	1,292	1,489	1,249	1,188	1,281
Transport (includes roads from 1997)	1,877	2,160	2,366	2,334	2,448	2,647	3,992
Environmental services	593	597	573	530	548	655	713
Telecommunications, RTÉ, postal service	97	106	75	45	39	70	68
<b>Total</b>	<b>3,491</b>	<b>4,291</b>	<b>4,306</b>	<b>4,398</b>	<b>4,284</b>	<b>4,560</b>	<b>6,054</b>
<b>Social Infrastructure</b>							
Housing	1,297	1,614	1,704	1,524	1,546	1,612	2,181
Education and Science	561	571	440	488	558	675	842
Health	400	529	515	504	516	502	715
Government Construction, Computerisation, etc	799	875	805	773	848	939	1,528
<b>Total</b>	<b>3,057</b>	<b>3,589</b>	<b>3,464</b>	<b>3,289</b>	<b>3,468</b>	<b>3,728</b>	<b>5,266</b>

Source: Department of Finance

Use of Public Capital Programme funds

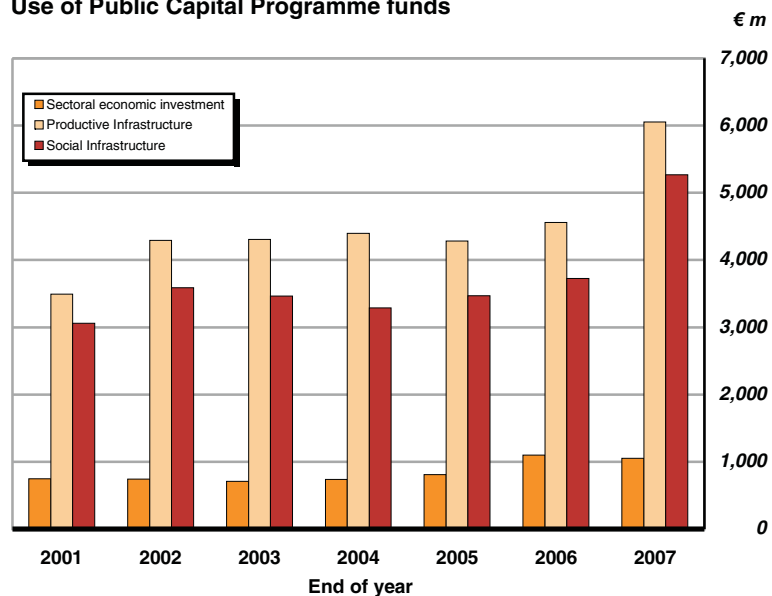


Table 10.11 Receipts and expenditure of central and local government

	€m					
	2001	2002	2003	2004	2005	2006
<b>Current receipts</b>						
Gross rental income	498	574	643	730	725	726
Gross trading income	-2	0	0	0	-7	0
Investment income	1,034	947	770	762	850	1,010
Miscellaneous receipts	1,408	1,703	1,983	2,235	2,352	2,432
Taxes on expenditure (including rates)	13,954	15,798	17,215	19,325	21,772	24,640
Taxes on income and wealth (including social contributions)	18,963	19,898	20,959	23,425	25,072	28,106
Transfers from the rest of the world (not elsewhere included)	209	207	205	227	105	223
<b>Total receipts - current</b>	<b>36,064</b>	<b>39,127</b>	<b>41,775</b>	<b>46,704</b>	<b>50,870</b>	<b>57,137</b>
<b>Capital receipts</b>						
Borrowing	1,453	12,250	2,300	1,241	478	-3,976
Loan repayments and equity sales	966	1,197	901	523	323	771
Other receipts	585	870	1,085	977	1,300	1,766
Taxes on capital	1,043	770	1,649	1,718	2,231	3,342
Transfers from the rest of the world	689	566	431	434	122	250
<b>Total receipts - capital</b>	<b>4,736</b>	<b>15,652</b>	<b>6,366</b>	<b>4,893</b>	<b>4,454</b>	<b>2,154</b>
<b>TOTAL RECEIPTS - CURRENT AND CAPITAL</b>	<b>40,800</b>	<b>54,780</b>	<b>48,141</b>	<b>51,597</b>	<b>55,324</b>	<b>59,291</b>
<b>Current expenditure</b>						
Expenditure on goods and services	15,977	18,306	19,837	21,507	23,255	25,205
National debt interest (including land bond interest)	1,732	1,753	1,732	1,675	1,681	1,554
Subsidies	1,039	788	818	768	881	945
Transfer payments	12,307	14,392	15,749	17,207	19,202	21,328
<b>Total expenditure - current</b>	<b>31,055</b>	<b>35,240</b>	<b>38,136</b>	<b>41,157</b>	<b>45,019</b>	<b>49,032</b>
<b>Capital expenditure</b>						
Grants to enterprises	568	617	650	506	690	766
Gross physical capital formation	5,016	5,552	5,153	5,261	5,627	6,491
Loans and share capital	532	721	795	590	1,128	1,315
Other transfer payments	711	453	597	787	725	876
Payments to the rest of the world	11	11	14	22	24	105
Redemption of securities and loan repayments	2,908	12,186	2,796	3,274	2,110	706
<b>Total expenditure - capital</b>	<b>9,745</b>	<b>19,540</b>	<b>10,005</b>	<b>10,440</b>	<b>10,305</b>	<b>10,259</b>
<b>TOTAL EXPENDITURE - CURRENT AND CAPITAL</b>	<b>40,800</b>	<b>54,780</b>	<b>48,141</b>	<b>51,597</b>	<b>55,324</b>	<b>59,291</b>

Source: CSO

**Table 10.12 Expenditure of central and local government classified by purpose of expenditure and economic category**

	€m						
	2000	2001	2002	2003	2004	2005	2006
Defence	735	840	802	704	656	848	892
Other general government services	3,889	4,647	4,928	5,349	5,681	5,877	6,373
Education	4,284	4,993	5,455	6,028	6,496	7,089	7,790
Health	5,758	7,179	8,412	9,439	10,477	11,346	11,811
Social security and welfare	6,793	7,915	9,777	10,650	11,858	13,075	14,914
Housing	1,614	2,215	2,545	2,198	2,235	2,822	3,301
Other community and social services	1,350	1,592	1,858	1,902	1,992	2,259	2,614
Agriculture, forestry and fishing	1,183	1,599	1,660	1,675	1,681	2,224	2,327
Mining, manufacturing and construction	620	874	599	464	536	543	604
Transport and communication	2,044	2,398	2,966	3,322	3,149	3,292	3,909
Other economic services	1,547	1,908	1,839	1,880	1,888	2,156	2,495
Public debt	5,901	4,640	13,939	4,528	4,949	3,791	2,260
<b>Total Expenditure</b>	<b>35,717</b>	<b>40,800</b>	<b>54,780</b>	<b>48,141</b>	<b>51,597</b>	<b>55,324</b>	<b>59,291</b>

Source: CSO

Table 10.13 Net receipts from excise duties

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	2000	2001	2002	2003	2004	2005	2006
Beer	475,915	435,645	477,361	455,390	458,195	457,308	460,694
Betting	58,869	68,066	47,952	38,422	45,552	45,850	54,296
Bookmaking premises	310	343	344	369	329	401	387
Bookmakers licences	-	-	-	-	-	-	-
Cider and perry	33,350	36,119	62,147	60,387	64,196	66,058	69,176
Clubs	695	498	391	403	439	470	459
Excise duty on Public Dancing licences	8,739	7,537	9,159	9,495	9,773	9,955	11,190
Firearm certificates	3,211	4,272	4,030	5,700	4,392	5,079	2,160
Firearm dealers	11	28	21	26	28	24	16
Foreign travel	1,928	40	16	-45	-43	-	-17
Liquor licences	9,408	14,044	14,141	14,779	15,309	14,693	15,842
Motor vehicles	-	-	-	-	-	-	-
Oil							
Mineral hydrocarbon light	754,836	725,254	854,233	853,784	970,702	1,001,879	1,026,360
Other hydrocarbons	746,096	649,104	777,051	847,687	992,643	1,046,016	1,117,804
Other licences	-	-	-	2	-	-2	-1
Spirits	247,086	220,918	266,461	305,026	314,906	319,779	338,040
Tobacco	958,652	1,141,824	1,137,317	1,157,248	1,059,152	1,079,551	1,103,340
Vehicle Registration Tax (VRT)	1,001,252	788,029	792,571	819,450	945,973	1,148,783	1,287,408
Wine	123,807	120,883	152,154	167,822	184,795	195,129	209,239
Made wine	-	-	-	-	-	-	-
An Post				12	22	9	14
<b>Total</b>	<b>4,424,165</b>	<b>4,212,603</b>	<b>4,595,350</b>	<b>4,735,957</b>	<b>5,066,363</b>	<b>5,390,982</b>	<b>5,696,407</b>

Source: Office of the Revenue Commissioners

