

9

Economy

- In 2007, GNP in constant prices was 4.1% higher than in 2006. The overall increase for the last five years in GNP in constant prices was 30%.
- The output of manufacturing industry (including building) and the distribution, transport and communications industries increased by more than 24% in the last five years. The output of the services sector increased by 41% over this period.
- Investment in fixed capital formation increased by 38% in the last five years (2002-2007) after allowing for price changes.
- A deficit of €10.3 billion was recorded in the current account of the balance of payments in 2007. The average deficit over the last five years was €4.6 billion.



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Introduction

This chapter contains information on the performance of the overall economy and on Ireland's transactions with the rest of the world. The details are drawn from the reports on National Income and Expenditure (NIE), reports on Household Incomes at regional and county level and regional GDP as well as the regular Balance of Payments statements.

The National Accounts form a comprehensive framework within which economic data can be presented in a coherent, consistent manner. Estimates are provided at current and at constant prices. The impact of inflation is eliminated from the tables at constant prices so that these indicate the real or volume changes in the various aggregates over time. At present, the constant price tables are chain linked annually and referenced to year 2006.

The annual NIE report contains details of the main economic aggregates such as Gross Domestic Product (GDP) and of their components. Information is given on personal consumption, capital formation (investment) and on the transactions of the government sector classified according to national accounting conventions. These main aggregates are important for a number of EU administrative purposes. In particular, the level of GNP determines a major share of Ireland's contribution to the EU budget while the ratio of government debt and deficit to GDP are important Maastricht criteria. At national level, the government has now also decided to allocate one per cent of GNP to the National Pension Reserve Board.

Table 9.1 shows the long run development of GDP, GNP and their main components since 1970. It also contains the aggregates at current market prices. An extended set of aggregates for the years 2002 to 2007 are given in table 9.2 while the following tables show the evolution of some of the principal components of GDP over the same period.

The CSO's Balance of Payments collection and compilation system was completely overhauled in the late 1990s in order to meet the demands of the European Central Bank (ECB) and other international users. Results from 1998 were published in 2000 and updated regularly since then, those for 2005, 2006 and 2007 being presented in tables 9.7 and 9.8. The current account details in table 9.7 provide detail on the exports and imports of services and on the components of income inflows (credits) and outflows (debits).

Table 9.9 shows the end of year stocks (or levels) of Ireland's foreign assets and liabilities - ie the International Investment Position. A breakdown by type of investment is included.

Table 9.10 gives geographical details for 2005 and 2006 of Ireland's foreign direct investment abroad (ie outward direct investment) showing both the flows (transactions) during the year and the end of year positions (stock levels). Table 9.11 shows the corresponding flows and stocks for inward direct investment in the two years.

Some information is also provided in this chapter on the economy at a regional level. Regional Accounts are produced annually by CSO and provide estimates of Gross Value Added (GVA) for the two overall NUTS2 regions and the eight Regional Authority NUTS3 regions while household income estimates are provided on a county basis. GVA per capita is one of the principal concepts used in determining eligibility for EU structural funds. GVA differs from household income in that it includes the profits of companies operating in a region, a considerable amount of which may accrue to non-residents. In addition, the workforce contributing to those profits may live in and bring their incomes home to a neighbouring region where they will be counted in the household income estimates.

Personal income also includes items such as social welfare benefits which are not included in GVA. The Mid East region (Kildare, Meath and Wicklow) and the Dublin region are affected by a substantial proportion of their workforce living in one region and commuting to work in another. It is more meaningful to combine these two regions when analysing GVA. The main results on regional GVA are summarised in table 9.12.

Long term growth

Gross Domestic Product (GDP) is a measure of the value added generated in the production of goods and services in the economy. Over the years between 1970 and 2007, the value of GDP increased by a factor of over eighty. Increases in price levels played a major role in this increase but when the price effects are removed the increase was still more than five fold.

Gross National Product (GNP) is a better measure than GDP of the value added accruing to residents of the country. In Ireland, GNP is now considerably lower than GDP because of income flows to non-residents, especially profits and dividends of foreign direct investment enterprises. GNP is now 85% of the value of GDP. In 1970, the reverse was the case with GNP higher, because of income flows to Irish residents from abroad. As a result of this turnaround, GNP growth has been somewhat slower than GDP growth. Since 1970, real GNP has increased about four times. In the most recent year 2007, GNP increased by 4.1% while in the five years (2002-2007) it increased by an average annual rate of 5.3%.

The growth in exports has been especially noticeable. Since 1970, the value of exports has increased over twenty times in real terms. The other demand components making up GDP have increased to a lesser extent over the same period eg personal consumption over four times, public expenditure about four times and investment about seven times.

Some of the growth of recent years has resulted from increasing numbers at work. While GNP at constant prices increased by 30% between 2002 and 2007, the increase per person in employment was less at nearly 9%.

Sectors of Economy

The experience of the various sectors of the economy has been very different during the years of strong growth. Between 2002 and 2007, the output of Industry rose by 25% in constant prices. The output of the building industry increased by 33%. The output of the sectors dominated by multi-national companies (*Reproduction of recorded media, Chemicals, Computers, and Electrical machinery and equipment*) increased by 25%. There was also an increase of 22% in the output of the Distribution, Transport and Communications sector during the same period. Agriculture, Forestry and Fishing output increased by 10% in real terms.

Consumption and Investment

Personal expenditure between 2002 and 2007 increased in nominal or current prices by 47% which in real terms it increased by almost 31%.

Investment (Fixed capital formation) in construction and machinery and equipment increased by 78% in nominal or current prices and by 38% in real terms between 2002 and 2007. As a result, the total value of fixed capital investment had reached €50,140m by 2007.

Regions

Relative to an average of 100 for the State, output per head in the Dublin NUTS3 region, as measured by GVA at Basic Prices, was highest at 140.9. The corresponding figure for the Midlands NUTS3 region was just 66.5 and was the lowest of all the NUTS3 regions.

Technical Notes

GDP

Gross Domestic Product (GDP) at market prices 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.

GNP

Gross National Product (GNP) is equal to GDP plus net factor income from the rest of the world and represents the total of all payments for productive services accruing to the permanent residents of the country.

GNI

Gross National Income (GNI) at market prices is equal to GNP at market prices plus EU subsidies less EU taxes. This is more commonly described as being equal to GDP plus net primary incomes from abroad.

GNDI

Gross National Disposable Income (GNDI) is equivalent to GNI plus net current transfers from the rest of the world. It represents the income of the nation from all sources.

GVA

Gross Value Added (GVA) at basic prices is a measure of the value of goods and services produced priced at the value received by the producer minus product taxes payable and plus subsidies on products receivable. Total GVA at market prices is equivalent to GDP at market prices.

Balance of Payments Financial Account and International Investment Position - Sign Convention

For Balance of Payments purposes, financial account transactions are categorised under two headings 'Assets' and 'Liabilities' for Portfolio Investment, Other Investment and Reserve Assets. For Direct Investment, a 'directional' categorisation is used. 'Abroad' indicates direct investment by Irish investors in foreign companies; direct investment into Ireland is indicated by the heading 'In Ireland'. The sign convention used is: a minus sign in the 'Abroad' and 'Assets' columns means investments or acquisitions abroad (in enterprises, foreign securities, foreign deposits, etc) by Irish investors exceeded their disinvestments or disposals in the period, while an entry without sign (less usual) means disinvestment exceeded investment; an entry without sign in the 'In Ireland' and 'Liabilities' columns means that investment transactions into Ireland or incurrences of liabilities to foreign investors exceeded disinvestment or extinctions of liabilities in the period, while a minus sign (less usual) indicates that disinvestment exceeded investment and liability extinctions exceeded incurrences.

In presenting the International Investment Position statistics, stocks of both assets and liabilities are shown unsigned. The net position is calculated as assets minus liabilities; an unsigned (or positive) value means a net asset position of Ireland's residents to non-residents while a negative value indicates a net liability position. Under 'direct investment' a negative value for 'other capital' indicates the presence of off-setting disinvestment between affiliated enterprises.

Discontinuities

The aggregates in table 9.1 from 1995¹ to 2007 are compiled on an ESA95 basis. They include FISIM (Financial Intermediation Services Indirectly Measured), which is the output of the banking sector from borrowing and lending, calculated according to new EU guidelines. Data for 1970-1995¹ are compiled on an ESA95 basis but exclude FISIM.

The Balance of Payments data in tables 9.7 and 9.8 is obtained from a revamped and strengthened compilation system introduced in 2000. Information on this new basis is available from 1998 onwards only and is not comparable with that available for earlier years largely because of the greatly extended financial enterprise coverage and the different presentation basis now used.

Table 9.1 Gross Domestic Product (GDP) and components at current market prices

€m

Year	Personal consumption of goods and services	Public expenditure on goods and services	Capital formation	Exports	Imports	GDP	Net foreign income	GNP
1970	1,638	307	527	760	925	2,220	33	2,253
1971	1,838	365	593	851	1,022	2,538	30	2,568
1972	2,129	442	767	984	1,137	3,084	33	3,117
1973	2,531	545	993	1,307	1,541	3,724	9	3,733
1974	2,977	663	1,181	1,620	2,174	4,138	15	4,153
1975	3,583	909	1,173	2,062	2,359	5,203	-4	5,199
1976	4,488	1,083	1,548	2,742	3,219	6,409	-50	6,359
1977	5,314	1,256	2,100	3,588	4,260	7,801	-137	7,665
1978	6,170	1,506	2,605	4,298	5,167	9,220	-291	8,928
1979	7,588	1,873	3,440	5,015	6,687	10,922	-354	10,567
1980	9,119	2,437	3,456	5,907	7,541	12,961	-433	12,528
1981	10,976	2,961	4,344	7,008	9,113	15,727	-619	15,108
1982	12,229	3,464	4,912	8,192	9,499	18,657	-1,174	17,483
1983	13,301	3,751	4,707	9,869	10,501	20,564	-1,493	19,071
1984	14,553	4,047	4,941	12,436	12,633	22,774	-2,107	20,667
1985	15,812	4,377	4,742	13,668	13,378	24,739	-2,577	22,162
1986	16,878	4,725	4,796	13,177	12,734	26,352	-2,509	23,843
1987	17,787	4,806	4,646	15,053	13,707	28,163	-2,583	25,580
1988	18,999	4,743	4,758	17,349	15,442	30,085	-3,199	26,886
1989	20,536	4,926	6,127	20,562	18,661	33,373	-3,843	29,530
1990	21,813	5,469	7,671	20,689	19,011	36,184	-4,137	32,047
1991	22,907	6,020	7,251	21,812	19,936	37,649	-4,082	33,567
1992	24,285	6,544	6,547	24,353	21,299	40,100	-4,491	35,609
1993	25,446	6,980	6,561	28,537	23,948	43,189	-4,662	38,527
1994	27,293	7,427	7,536	32,916	28,316	46,421	-4,718	41,703
1995 ¹	29,295	7,853	9,685	40,224	34,202	52,546	-5,948	46,598
1995 ¹	29,712	7,866	9,543	40,473	34,247	53,093	-6,152	46,940
1996	32,530	8,291	11,337	45,397	38,323	58,714	-6,866	51,847
1997	35,952	9,224	14,375	53,994	45,060	67,972	-8,494	59,478
1998	40,157	10,113	18,100	68,241	58,916	78,573	-9,945	68,628
1999	45,096	11,299	21,336	80,683	67,951	90,501	-13,550	76,951
2000	51,788	13,108	25,098	102,885	88,697	104,845	-15,488	89,357
2001	56,762	15,442	26,532	116,975	98,657	116,990	-18,975	98,015
2002	62,114	17,605	28,763	122,481	99,906	130,190	-23,696	106,494
2003	66,497	18,956	32,418	117,006	94,399	139,442	-21,724	117,717
2004	70,226	20,535	36,543	124,973	102,466	148,975	-22,879	126,096
2005	76,395	22,287	43,844	132,368	112,819	162,168	-24,903	137,265
2006	83,688	24,314	48,975	141,663	122,627	177,286	-24,830	152,456
2007	91,582	26,766	50,044	151,390	131,017	190,603	-29,393	161,210

¹ Revised series – see technical notes

Source: CSO

Table 9.2 Main economic aggregates

Aggregate	2002	2003	2004	2005	2006	2007
Current market prices (€m)						
Gross Domestic Product (GDP)	130,190	139,442	148,975	162,168	177,286	190,603
Gross National Product (GNP)	106,494	117,717	126,096	137,265	152,456	161,210
Gross National Income (GNI)	108,016	119,150	127,560	139,072	153,765	162,121
Gross National Disposable Income (GNDI)	107,198	118,149	126,489	137,530	151,952	159,927
Constant market prices (€m)						
Chain linked volume measures referenced to year 2006						
Gross Domestic Product Index (2006=100)	144,077 81.3	150,581 84.9	157,664 88.9	167,713 94.6	177,286 100.0	187,971 106.0
Gross National Product Index (2006=100)	122,501 80.4	129,726 85.1	135,512 88.9	143,386 94.1	152,456 100.0	158,756 104.1
Gross National Income Index (2006=100)	124,206 80.8	131,125 85.3	136,885 89.0	144,831 94.2	153,765 100.0	160,182 104.2
Gross National Disposable Income Index (2006=100)	128,399 84.5	133,778 88.0	138,653 91.2	144,685 95.2	151,952 100.0	154,182 101.5
Per head of population (€)						
GDP at current market prices	33,235	35,037	36,828	39,230	41,814	43,928
GNP at current market prices	27,186	29,578	31,172	33,206	35,958	37,154
GNI at current market prices	27,575	29,938	31,534	33,643	36,267	37,364
GNDI at current market prices	27,366	29,687	31,269	33,270	35,839	36,858
GDP at constant market prices	36,781	37,835	38,976	40,571	41,814	43,321
GNP at constant market prices	31,272	32,595	33,499	34,686	35,958	36,588
GNI at constant market prices	31,708	32,947	33,839	35,036	36,267	36,917
GNDI at constant market prices	32,778	33,613	34,276	35,000	35,839	35,534
Per person in employment (€)						
GDP at current market prices	73,946	77,896	81,203	83,955	87,718	90,694
GNP at current market prices	60,487	65,760	68,732	71,063	75,432	76,708
GNI at current market prices	61,352	66,561	69,530	71,998	76,080	77,142
GNDI at current market prices	60,887	66,002	68,946	71,200	75,183	76,098
GDP at constant market prices	81,834	84,119	85,939	86,826	87,718	89,442
GNP at constant market prices	69,579	72,469	73,864	74,232	75,432	75,541
GNI at constant market prices	70,547	73,250	74,613	74,980	76,080	76,219
GNDI at constant market prices	72,929	74,732	75,577	74,904	75,183	73,364

Source: CSO

Table 9.3 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 2006)

€m

Sector of origin	2002	2003	2004	2005	2006	2007
Agriculture, forestry and fishing	3,523	3,648	3,728	4,086	3,812	3,863
Industry (including building)	45,268	46,016	47,895	50,044	52,609	56,754
Industry	32,852	33,157	34,059	35,053	36,685	40,820
of which						
Reproduction of recorded media	1,123	684	1,276	1,376	1,771	3,545
Chemicals (including man-made fibres)	11,644	12,273	10,533	10,256	10,655	11,028
Computers and Instrument Engineering	4,579	4,902	5,551	6,232	6,180	7,180
Electrical Machinery and Equipment	1,500	1,268	1,425	1,892	1,678	1,802
Building and construction	12,009	12,582	13,720	14,979	15,924	15,934
Distribution, transport and communication	21,972	22,543	22,967	24,111	25,258	26,726
Public administration and defence	5,019	5,125	5,249	5,298	5,396	5,529
Other services (including rent)	52,455	55,937	60,436	65,057	69,098	74,186
Statistical discrepancy	~	~	~	~	-1,274	-1,481
Gross value added at constant factor cost	127,857	133,593	139,480	147,351	154,899	165,576
Non product taxes	1,450	1,464	1,434	1,597	1,746	1,880
Non product subsidies	-476	-560	-567	-1,628	-1,434	-1,402
Gross value added at constant basic prices	128,700	134,358	140,207	147,344	155,211	166,053
Product taxes	17,940	18,539	19,640	21,603	23,364	23,248
Product subsidies	-2,571	-2,315	-2,173	-1,236	-1,289	-1,331
Gross domestic product at constant market prices	144,077	150,581	157,664	167,713	177,286	187,971
Net factor income from the rest of the world	-21,685	-21,424	-22,238	-24,270	-24,830	-29,214
Gross national product at constant market prices	122,501	129,726	135,512	143,386	152,456	158,756
EU subsidies	2,028	1,781	1,680	1,848	1,778	1,938
EU taxes	-402	-437	-342	-448	-470	-513
Gross national income at constant market prices	124,206	131,125	136,885	144,831	153,765	160,182

~ Chain linked series not additive except for 2006 and 2007

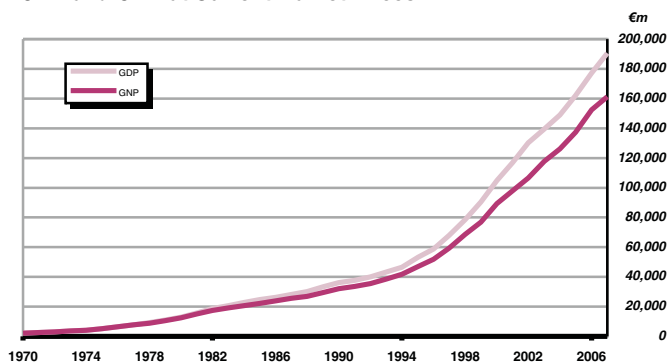
Source: CSO

Table 9.4 Expenditure on Gross National Income at current market prices

€m

Expenditure components	2002	2003	2004	2005	2006	2007
Personal consumption of goods and services	62,114	66,497	70,226	76,395	83,688	91,582
<i>of which</i>						
<i>Final consumption expenditure of Households and NPISHs</i>	60,209	64,360	67,797	73,779	80,712	88,123
<i>Final consumption expenditure of government</i>	1,906	2,138	2,429	2,616	2,976	3,460
Net expenditure by central and local government on current goods and services	17,605	18,956	20,535	22,287	24,314	26,766
Gross domestic fixed capital formation	28,117	31,130	36,118	43,113	47,632	50,140
Value of physical changes in stocks	646	1,288	425	730	1,342	-95
<i>of which</i>						
<i>Net additions to the breeding stocks</i>	-19	2	-11	-26	-58	-28
Exports of goods and services	122,481	117,006	124,973	132,368	141,663	151,390
<i>less Imports of goods and services</i>	-99,906	-94,399	-102,466	-112,819	-122,627	-131,017
Statistical discrepancy	-867	-1,037	-836	93	1,274	1,838
Gross domestic product at current market prices	130,190	139,442	148,975	162,168	177,286	190,603
Net factor income from the rest of the world	-23,696	-21,724	-22,879	-24,903	-24,830	-29,393
Gross national product at current market prices	106,494	117,717	126,096	137,265	152,456	161,210
EU subsidies	1,896	1,839	1,788	2,239	1,778	1,431
EU taxes	-374	-406	-324	-432	-470	-519
Gross national income at current market prices	108,016	119,150	127,560	139,072	153,765	162,121

Source: CSO

GDP and GNP at Current Market Prices

**Table 9.5 Expenditure on Gross National Income at constant market prices
(chain linked annually and referenced to year 2006)**

€m

Expenditure components	2002	2003	2004	2005	2006	2007
Personal consumption of goods and services	68,164	70,257	72,993	78,150	83,688	88,975
<i>of which</i>						
<i>Final consumption expenditure of Households and NPISHs</i>	65,953	67,899	70,427	75,474	80,712	85,579
<i>Final consumption expenditure of government</i>	2,233	2,386	2,601	2,712	2,976	3,396
Net expenditure by central and local government on current goods and services	21,919	22,199	22,538	23,197	24,314	25,761
Gross domestic fixed capital formation	34,870	36,789	40,128	45,790	47,632	48,203
Value of physical changes in stocks	504	1,162	393	748	1,342	-111
<i>of which</i>						
<i>Net additions to the breeding stocks</i>	-20	2	-11	-28	-58	-28
Exports of goods and services	117,844	118,493	127,356	134,028	141,663	151,273
/less Imports of goods and services	-99,861	-98,282	-106,611	-115,337	-122,627	-127,611
Statistical discrepancy	~	~	~	~	1,274	1,481
Gross domestic product at constant market prices	144,077	150,581	157,664	167,713	177,286	187,971
Net factor income from the rest of the world	-21,685	-21,424	-22,238	-24,270	-24,830	-29,214
Gross national product at constant market prices	122,501	129,726	135,512	143,386	152,456	158,756
EU subsidies	2,028	1,781	1,680	1,848	1,778	1,938
EU taxes	-402	-437	-342	-448	-470	-513
Gross national income at constant market prices	124,206	131,125	136,885	144,831	153,765	160,182

~ Chain linked series not additive except for 2006 and 2007

Source: CSO

Table 9.6 Net current income and expenditure of central and local government

€m

Income and expenditure	2002	2003	2004	2005	2006	2007
Taxes on income and wealth (including social insurance contributions)	19,898	20,959	23,425	25,072	28,106	29,950
Taxes on expenditure (including rates)	15,798	17,215	19,325	21,772	24,640	25,105
Net trading and investment income	1,329	1,199	1,249	1,326	1,494	1,797
Current transfers from the rest of the world to central and local government	207	205	227	105	223	269
Total income	37,233	39,578	44,226	48,276	54,463	57,121
Subsidies (excluding EU subsidies)	788	818	768	881	945	1,154
Transfer payments (including transfers to the rest of the world) and national debt interest	16,145	17,480	18,881	20,884	22,882	24,575
Net current expenditure on goods and services	17,605	18,956	20,535	22,287	24,314	26,766
Total expenditure	34,538	37,255	40,184	44,052	48,141	52,494
Central and local government savings	2,695	2,323	4,042	4,224	6,322	4,626

Source: CSO

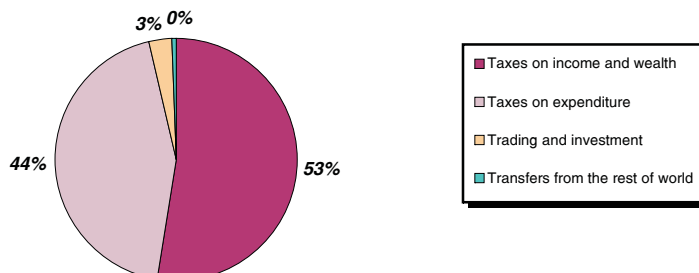
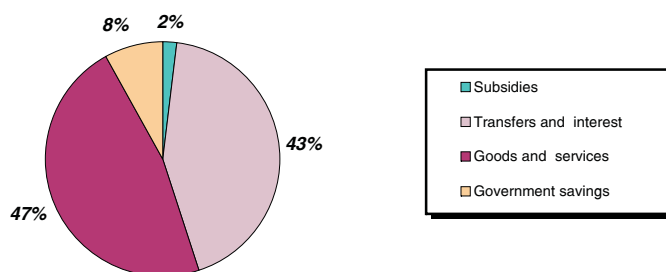
Net current income in 2007**Net current expenditure in 2007**

Table 9.7 Balance of International Payments: Current and Capital Accounts

€m

Item	2005		2006		2007	
	Credit	Debit	Credit	Debit	Credit	Debit
Current account						
Merchandise	82,686	54,467	83,235	58,203	84,300	61,840
Services	48,219	57,521	57,069	63,867	65,650	68,519
Transport	2,131	1,982	2,334	2,027	2,566	2,048
Tourism and travel	3,863	4,898	4,258	5,446	4,426	6,389
Communications	432	709	432	772	485	833
Insurance	6,909	5,976	8,738	7,239	8,707	7,056
Financial services	4,850	2,654	6,214	3,906	7,413	4,685
Computer services	15,755	352	18,298	562	21,578	588
Royalties/licences	623	15,482	737	17,534	860	17,254
Business services	13,072	25,313	15,399	26,203	18,904	29,492
Trade related	4,348	7,609	5,814	8,391	9,374	10,842
Operational leasing	4,076	813	5,439	851	5,189	1,143
Miscellaneous business services	4,650	16,890	4,145	16,961	4,342	17,505
Other services nes	581	158	661	176	710	174
Income	43,418	68,288	66,084	90,117	82,958	111,566
Compensation of employees	392	855	414	1,017	413	1,144
Investment income	43,025	67,433	65,671	89,100	82,543	110,422
Direct investment income	6,473	32,817	8,665	31,390	9,768	37,383
Income on equity	3,845	30,597	4,342	29,396	4,814	35,473
Dividends and distributed branch profits	163	26,341	515	19,920	75	17,524
Reinvested earnings	3,682	4,257	3,827	9,475	4,738	17,950
Income on debt	2,629	2,220	4,322	1,994	4,954	1,909
Portfolio investment income	22,323	18,978	33,366	33,380	40,348	42,020
Income on equity	3,543	10,854	6,242	17,048	6,401	20,335
Income on debt	18,779	8,123	27,124	16,332	33,947	21,685
Other investment income	14,229	15,636	23,641	24,328	32,428	31,019
Current Transfers	5,648	5,383	5,260	5,764	4,510	5,793
Current Account - Total	179,969	185,660	211,647	217,952	237,417	247,717
Current Account Balance	-5,690		-6,304		-10,302	
Capital Account Balance	264		223		62	

Source: CSO

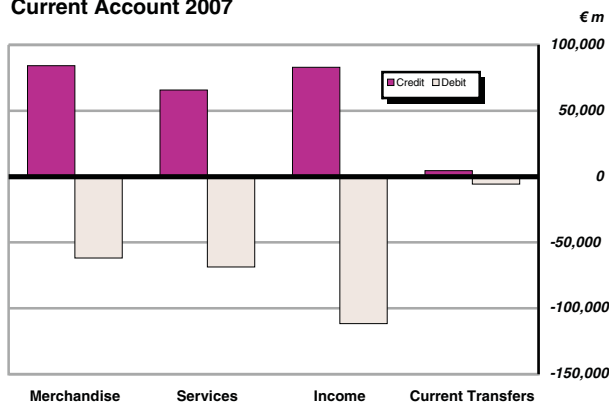
Current Account 2007

Table 9.8 Balance of International Payments: Financial Account

€m

Item	2005		2006		2007	
	Abroad	In Ireland	Abroad	In Ireland	Abroad	In Ireland
Direct investment	-11,509	-25,482	-12,215	-4,418	-15,178	22,351
Equity	-3,629	3,960	-11,440	-4,242	-5,633	-1,856
Reinvested Earnings	-3,682	4,257	-3,827	9,475	-4,738	17,950
Other Capital	-4,197	-33,698	3,055	-9,651	-4,806	6,258
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Portfolio investment	-120,759	173,459	-213,418	221,553	-164,288	161,677
Equity	-48,205	75,642	-59,647	128,215	-14,295	98,951
Debt instruments	-72,555	97,816	-153,771	93,338	-149,992	62,726
Bonds and notes	-73,668	61,049	-87,541	86,644	-85,417	51,253
Money market instruments	1,112	36,768	-66,231	6,693	-64,574	11,474
Other investment	-111,242	93,577	-118,968	132,149	-161,363	170,646
Loans, currency and deposits	-88,102	87,975	-110,839	106,972	-145,820	157,373
Other	-23,141	5,601	-8,128	25,178	-15,543	13,274
Reserve assets	1,472	—	87	—	-12	—
Monetary gold	14	—	0	—	4	—
Special drawing rights	-8	—	-3	—	-8	—
Reserve position in the IMF	165	—	41	—	48	—
Foreign exchange	1,301	—	49	—	-56	—
Other	0	—	0	—	0	—
Balance on financial account		-487		4,770		13,834
<i>Net errors and omissions</i>		<i>5,912</i>		<i>1,311</i>		<i>-3,594</i>
Memorandum item:	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<i>Government financial transactions</i>	<i>-1,500</i>	<i>1,319</i>	<i>-1,943</i>	<i>318</i>	<i>-1,478</i>	<i>3,003</i>

Source: CSO

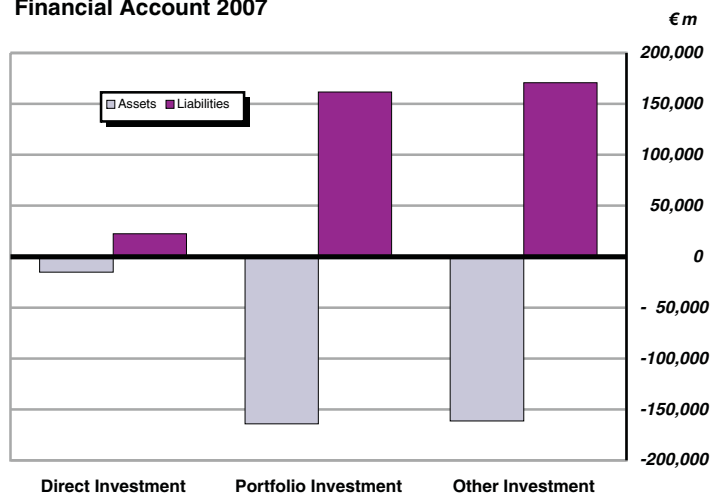
Financial Account 2007

Table 9.9 International Investment Position — detailed data

€m

Item	2000	2001	2002	2003	2004	2005	2006
Foreign assets							
Direct investment abroad	30,011	46,317	56,148	58,054	78,329	88,287	93,619
Equity capital and reinvested earnings	25,528	40,506	50,606	53,476	67,371	74,327	83,041
Other capital	4,483	5,811	5,542	4,578	10,958	13,960	10,578
Portfolio investment	366,867	491,141	547,314	660,743	787,249	1,002,129	1,210,098
Equity	140,675	151,774	145,758	176,170	223,877	324,790	412,706
Debt instruments	226,192	339,367	401,556	484,573	563,372	677,339	797,392
<i>Bonds and notes</i>	<i>154,178</i>	<i>208,636</i>	<i>237,626</i>	<i>300,265</i>	<i>348,713</i>	<i>453,724</i>	<i>518,682</i>
<i>Money market instruments</i>	<i>72,014</i>	<i>130,731</i>	<i>163,930</i>	<i>184,308</i>	<i>214,659</i>	<i>223,615</i>	<i>278,710</i>
Other investment	277,467	306,286	318,351	358,201	422,568	590,279	698,490
Loans, currency and deposits	223,624	237,112	260,135	307,949	374,960	510,653	611,046
Trade credits	26,152	37,324	30,090	22,861	21,318	27,870	28,014
Other assets	27,691	31,850	28,126	27,391	26,290	51,756	59,430
Reserve assets	5,807	6,400	5,227	3,295	2,140	745	640
Monetary gold	57	61	63	64	62	84	93
Special drawing rights	51	61	63	62	65	74	72
Reserve position in the IMF	344	382	448	457	308	150	100
Foreign exchange	5,355	5,896	4,653	2,712	1,705	437	375
Other	0	0	0	0	0	0	0
TOTAL FOREIGN ASSETS	680,152	850,144	927,040	1,080,293	1,290,286	1,681,440	2,002,847
Foreign liabilities							
Direct investment in Ireland	136,581	152,108	174,404	176,435	152,446	138,620	118,900
Equity capital and reinvested earnings	122,493	146,759	168,084	178,070	167,661	184,457	171,106
Other capital	14,088	5,349	6,320	-1,635	-15,215	-45,837	-52,206
Portfolio investment	310,528	412,082	447,063	542,200	720,952	1,025,902	1,224,126
Equity	233,748	316,833	327,807	381,403	450,650	603,823	722,654
Debt instruments	76,780	95,249	119,256	160,797	270,302	422,079	501,472
<i>Bonds and notes</i>	<i>45,333</i>	<i>50,396</i>	<i>73,795</i>	<i>118,365</i>	<i>209,995</i>	<i>319,055</i>	<i>399,456</i>
<i>Money market instruments</i>	<i>31,447</i>	<i>44,853</i>	<i>45,461</i>	<i>42,432</i>	<i>60,307</i>	<i>103,024</i>	<i>102,016</i>
Other investment	241,417	303,801	329,002	389,807	443,796	556,906	670,968
Loans, currency and deposits	212,662	261,174	276,970	326,608	371,658	476,859	567,031
Trade credits	7,460	11,414	12,022	14,138	13,386	16,955	21,747
Other liabilities	21,295	31,213	40,010	49,061	58,752	63,092	82,190
TOTAL FOREIGN LIABILITIES	688,526	867,991	950,469	1,108,442	1,317,194	1,721,428	2,013,994

Source: CSO

Table 9.10 Direct investment abroad classified by location of investment

€m

Region/Country	2005				2006			
Flows	Equity	Reinvested earnings	Other capital	Total	Equity	Reinvested earnings	Other capital	Total
Total	-3,629	-3,682	-4,197	-11,509	-11,463	-3,765	3,483	-11,746
<i>of which</i>								
United Kingdom	-1,988	-1,535	-1,478	-5,001	-1,951	-1,595	-932	-4,479
France	#	-54	#	-30	435	-90	11	357
Germany	68	#	#	-89	#	-37	2	#
Netherlands	215	-343	-3,478	-3,606	28	-293	#	#
Belgium	5	-15	4	-6	#	11	#	-206
Luxembourg	#	-55	#	#	#	#	#	#
Spain	#	-68	152	#	#	-65	-10	#
Italy	#	23	#	203	-1	#	#	6
Switzerland	#	-19	#	-119	6	-16	53	44
Canada	-3	-46	-13	-62	#	#	45	-4
United States	971	-466	2,897	3,402	-378	-739	-2,941	-4,056
China	0	#	#	-3	#	-8	#	-21
Japan	#	#	-5	-96	#	#	55	91
Hong Kong	0	#	#	-24	0	#	#	-30
Positions	Equity capital and reinvested earnings			Total	Equity capital and reinvested earnings			Total
Total	74,327			88,287	83,041			93,619
<i>of which</i>								
United Kingdom	17,408			22,611	18,462			24,269
France	1,964			2,140	1,453			1,626
Germany	2,508			2,581	3,080			3,173
Netherlands	7,170			9,273	7,618			7,039
Italy	594			683	1,033			1,164
Switzerland	321			385	#			349
Canada	230			255	262			236
United States	9,181			7,598	9,866			11,474

Source: CSO

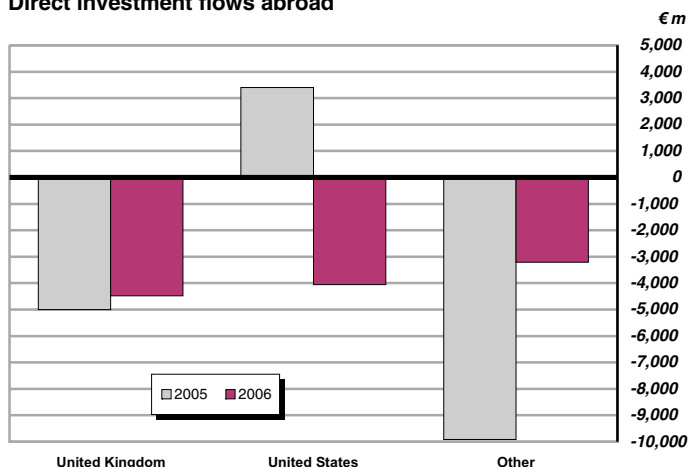
Direct investment flows abroad

Table 9.11 Direct investment in Ireland classified by location of investor

€m

Region/Country	2005				2006			
Flows	Equity	Reinvested earnings	Other capital	Total	Equity	Reinvested earnings	Other capital	Total
Total	3,960	4,257	-33,698	-25,482	-5,809	10,087	-5,027	-747
<i>of which</i>								
United Kingdom	-2,275	2,248	-5,245	-5,271	-1,251	2,431	984	2,164
Belgium	353	-328	-2,534	-2,510	-18	-639	362	-296
Luxembourg	3,319	-855	-1,474	991	33	1,219	2,481	3,733
France	#	382	#	2,137	#	317	#	-1,335
Germany	-51	785	-2,296	-1,560	-1,275	614	-2,125	-2,785
Italy	-108	611	61	564	-572	500	-343	-414
Netherlands	-1,212	1,412	-8,818	-8,618	-1,692	3,284	-9,417	-7,823
Canada	#	-104	#	-1,121	-287	-65	#	#
United States	-117	-1,877	3,154	1,158	-1,746	3,378	-1,132	501
Mexico	#	#	1,074	1,187	0	#	#	-266
Brazil	0	0	56	56	0	0	-18	-18
Japan	#	#	1,689	1,533	0	#	#	-253
China	0	0	-372	-372	0	0	-28	-28
Positions	Equity capital and reinvested earnings			Total	Equity capital and reinvested earnings			Total
Total	184,457			138,620	171,106			118,901
<i>of which</i>								
United Kingdom	26,672			17,410	25,387			16,366
Belgium	#			-692	2,442			-787
Luxembourg	28,456			29,023	29,001			32,457
France	9,660			5,365	10,999			6,333
Germany	2,802			1,277	6,623			3,061
Italy	6,693			5,092	7,119			5,546
Netherlands	50,770			55,141	32,402			26,601
Spain	1,213			-2,134	1,343			-2,249
Switzerland	4,207			4,109	5,073			4,115
Canada	6,022			5,224	6,423			7,309
United States	25,922			11,728	25,270			9,168
Brazil	0			-364	0			-374
Japan	598			3,093	259			2,652
Singapore	#			-178	#			-156
China	0			94	0			160

Source: CSO

Direct investment flows in Ireland

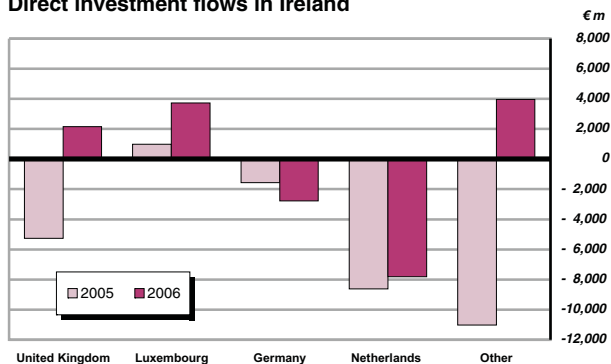


Table 9.12 Indices of Gross Value Added per person in each region at basic prices

State = 100

Region	2000	2001	2002	2003	2004	2005
Border, Midland and Western	70.9	70.3	67.6	68.8	71.8	70.3
Border	67.5	66.9	69.0	70.9	72.2	70.8
Midland	63.0	64.9	61.8	65.2	66.5	66.5
West	79.5	77.3	69.4	68.5	74.4	72.0
Southern and Eastern	110.4	110.6	111.7	111.3	110.3	110.8
Dublin	132.3	132.2	130.5	134.5	137.7	140.9
Mid East	83.4	87.5	82.3	75.8	75.9	77.8
<i>Dublin plus Mid East</i>	<i>119.5</i>	<i>120.3</i>	<i>117.6</i>	<i>118.4</i>	<i>120.6</i>	<i>123.1</i>
Mid West	93.5	83.9	82.1	88.8	91.8	88.3
South East	83.0	84.8	88.0	84.6	80.1	74.0
South West	116.2	119.7	130.8	125.0	115.8	118.5
State	100.0	100.0	100.0	100.0	100.0	100.0

Source: CSO

Indices of GVA per person at basic prices, 2005

State=100

