



IMPROVING PERFORMANCE AT THE NEXUS OF THE COMMERCIAL AND SOCIAL SECTORS

ABSTRACT

IRELAND GDP – PART 2 (MARCH 2018)

Ireland's high GDP growth rate of 26.3 percent in 2015 conceals the real performance of the Irish developed economy. While Ireland's national accounts statistics are in compliance with international norms, the key indicators no longer provide an accurate picture of underlying performance. Multinationals intensely affect GDP calculation, complicating an analysis of underlying conditions. The scale of multinationals' relocations of underlying intellectual property has been substantial and has added €300 billion to Ireland's capital stocks in 2015. In addition, Irish export volumes have been artificially changed by contract manufacturing. Contract manufacturing goods exports have accounted for a third of 2015 GDP. The inclusion of aircraft leasing activities in the national accounts since 2015 with approximately 4,000 aircraft leased, representing a total value of US\$115 billion also has substantial effect on growth figures. The transfer of international patents or intellectual property assets from other jurisdictions to Ireland has been another factor of GDP growth in 2015. To address the issue, additional metrics for output beyond GDP are recommended by the Economic Statistics Review Group, tasked with identification of indicators that would support better insight into Ireland's highly globalized economy.

