



Trends in Regional Output

County level data on regional GDP is released every year by the CSO¹ alongside data on household disposable income. The data for 2012 is the most recent available and was published in 2015. While the data is not current, it is still useful to look at the trends over time and at the situation in 2012, the point in time when recovery was beginning in some regions.

Regional GDP

Gross Value Added (GVA, and the related regional GDP²), provides a measure of the output, the value creating performance and economic activity of each region. It also provides a basis for comparison among regions within Ireland and internationally. It is useful for tracking regional output levels and trends as well as changes among regions but there are limitations to this indicator, in particular because of the impacts on the data of commuting, transfer pricing and profit repatriation. This data is published for regions and is not available by county.

In 2012 the GVA³ per person in the West region was €28,256 and €19,016 in the Border region. These compare with a State average of €34,308. GVA per person was highest in the South West at €44,391, Dublin and Mid East combined was €43,306 per person. It was lowest in the Midlands at €18,638 (down from a peak of €27,097 in 2006).

Key Regional GDP (GVA) Statistics, 2012

	Border	Midland	West	Dublin & Mid East	Mid West	South East	South West	State
GVA per person	€19,016	€18,636	€28,256	€43,306	€27,464	€23,588	€44,391	€34,308
Index of GVA per Person (State=100)	55.4	54.3	82.4	126.2	80.1	68.8	129.4	100
Index of GVA per Person (EU28=100)	72.1	70.6	107.1	164.1	104.1	89.4	168.2	EU28=100
% national GVA	6.2%	3.3%	8.0%	49.6%	6.6%	7.5%	18.7%	100.0%

Source: CSO, 2015, County Incomes and regional GDP, various tables

In considering the impact of the economic crisis it is interesting to compare the GVA in each region in 2003, 2007 and 2012 (Figure 1); 2007 was the peak GVA year for all regions except Border and Midland (which had their highest GVA levels in 2006), perhaps indicating an earlier onset of the recession. GVA per person in 2012 was still below that of 2007 in all regions except the West, where recovery has been strong. Both Dublin and Mid East, and the South West also showed strong signs of recovery by 2012 and their GVA for 2012 was close to that in 2007⁴. In four of the seven regions the GVA for 2012 is still significantly below that of 2003, as well as below that of 2007.

1. CSO, 2015, County Incomes and Regional GDP <http://www.cso.ie/en/releasesandpublications/er/cirgdp/countyincomesandregionalgdp2012/>

2. GDP is Gross Domestic Product, GDP and GVA both measure the value of the goods and services which are produced within a region or country. See background notes on County Incomes and Regional GDP, See footnote 1.

3. Note that GVA figures are not available at county level, so the NUTS3 regions have been used.

4. It should be noted that GVA levels can be affected by the presence of multinationals in a region and transfer pricing of products which will increase the levels of GVA.



Figure 1: GVA (€) per person at basic prices in 2003, 2007 and 2012



Source: CSO County Incomes and Regional GDP 2012, Table 9

Contribution to GDP

The Dublin and Mid East region produces almost 50% of national GDP⁵. Dublin and Mid East and the South West combined produce more than two thirds (68.3%) of national GDP. Despite good growth in the West region, it still only produces 8% of the national GDP (though this was the third highest regional contribution, followed closely by the Mid West). This highlights the strong regional concentration of economic activity and the potential for a broader spread of activity and the possibility of making more of regional potential.

Regional per capita GVA compared to the State

Using an index of GVA for regions (State=100), in 2012 the Border region was 55.4 and the West region 82.4. The lowest relative to the State was the Midland at 54.3. The South West was 129.4 and Dublin and Mid East (126.2) was also consistently above the State. There has been a widening of disparities among regions since the recovery began. In 2003 the difference between the highest and lowest was 65.8 index points but by 2012 was 75.1 index points.

The widening of disparities in GVA per person is likely to be the result of increased productivity and concentration in high value sectors, and slower recovery in some regions as against more rapid bounce back in the West, South West and Dublin and Mid East regions in particular. The increase in disparities has been particularly significant since 2008.

Conclusions

Output figures are of course influenced by the numbers of economically active people, productivity and levels of capital in each of the regions and other issues such as commuting and intra firm transfer pricing. Government policy also has a significant impact, particularly in relation to investment in the regions. It is important that the assets necessary for economic growth and development are in place in all regions to provide more opportunities for economic activity and employment, to allow more of working age to remain in employment in the regions and to reduce dependence on social transfers⁶.

A detailed report 'County Incomes and Regional GDP, 2012' and the WDC Insights 'Trends in Regional Outputs' can be downloaded from www.wdc.ie/publications/reports-and-papers/

5. Dublin alone produced almost 42% of national GDP. However, given the importance of commuting to this region we have used Dublin and Mid East combined.

6. See WDC Insights Trends in County Income in the Western Region www.wdc.ie/publications/reports-and-papers/