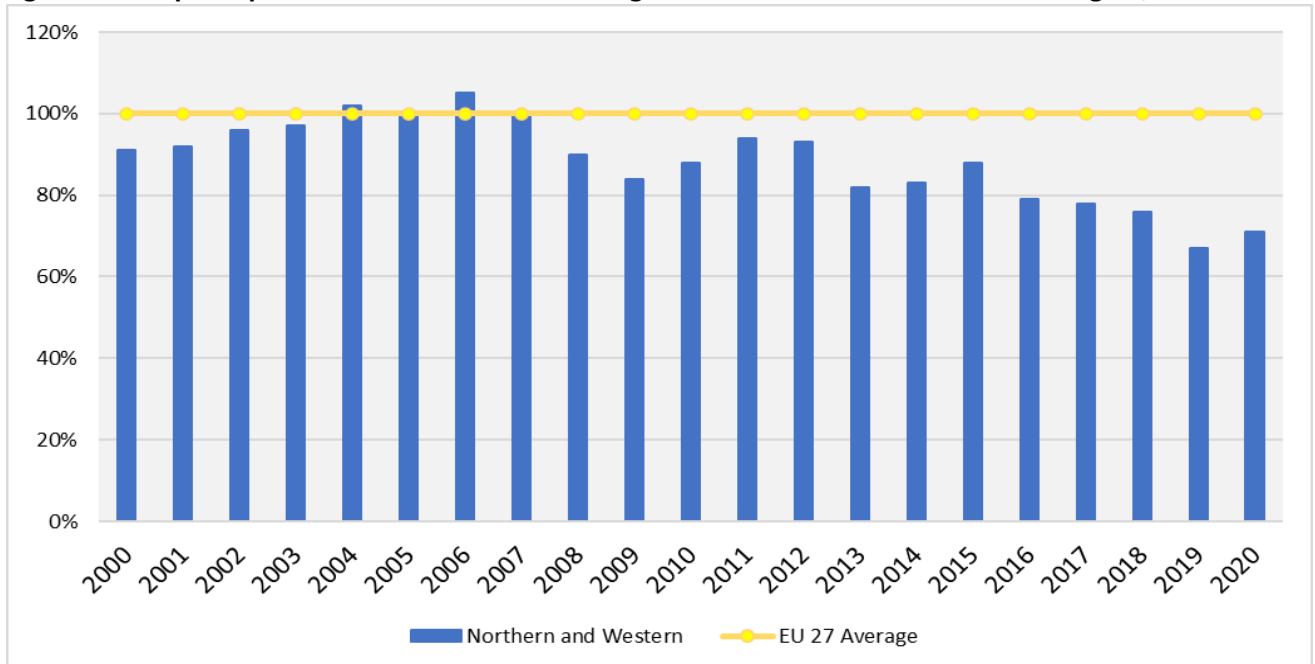


New GDP and Disposable Income Data

Regional GDP

- On the 21st of February 2022, Eurostat released their latest regional¹ GDP figures, with these statistics showing the performance of the Northern and Western Region’s economy relative to the EU27 average between 2000 and 2020².
- The Northern and Western Region’s GDP per capita (PPS³) – as a percentage of the EU27 average – was estimated to be 71% in 2020.
- As evident from Figure 1, the Northern and Western Region’s GDP per capita – as a percentage of the EU27 average – was down 34 percentage points on its previous peak of 105% as of 2006 and was down 17 percentage points on the region’s performance a decade ago, when the region’s GDP per capita was 88% of the EU27 average in 2010.
- Revised figures were also provided for 2019 which showed the region’s GDP per capita (PPS) – as a percentage of the EU27 average – was estimated to be 67% in 2019; the first time the region’s performance dropped below 70% of the EU27 average since this timeseries data was released.
- If the evaluation period for EU funding was to be applied using the last three years of data – namely 2018, 2019 and 2020 as opposed to the existing evaluation period⁴ – the Northern and Western Region would actually have been downgraded as a “Less Developed Region⁵”, instead of its existing status as a “Transition Region⁶”, since its GDP per capita averaged at 71% between 2018 and 2020. In contrast, the Southern Region and the Eastern and Midland Region are classified as “More Developed Regions”, which are regions with a GDP per capita above 100% of the EU27 average during the evaluation period.

Figure 1: GDP per capita – as a % of the EU 27 average – for the Northern and Western Region, 2000-2020



Source: Eurostat

¹ NUTS 2 Region classifications

² <https://ec.europa.eu/eurostat/web/regions/data/database>

³ Purchasing power standard

⁴ Evaluation period based on the performance of a region’s GDP per capita between 2015 and 2017

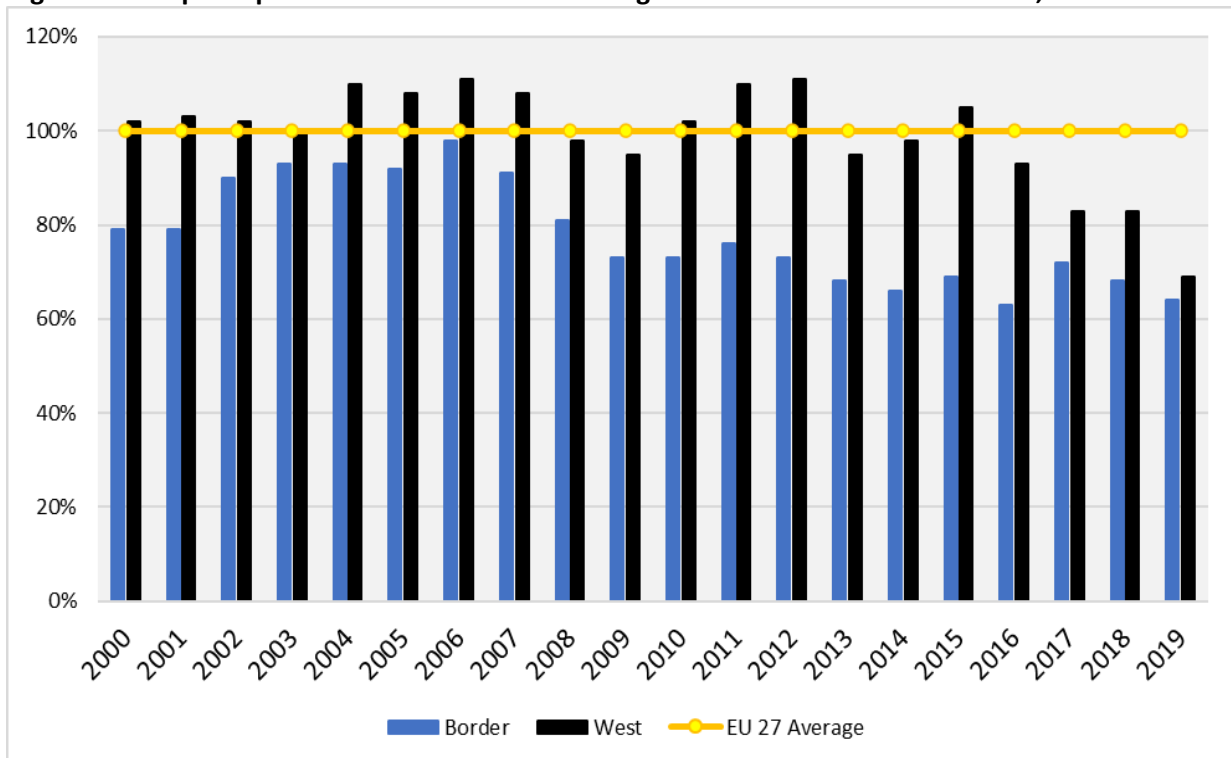
⁵ “Less Developed Regions” are regions with a GDP per capita below 75% of the EU27 average during the evaluation period (2015-2017)

⁶ “Transition Regions” are regions with a GDP per capita equal to or above 75% and below 100% of the EU27 average during the evaluation period (2015-2017)

Sub-Regional GDP

- Eurostat have also released their latest sub-regional GDP figures⁷, with these statistics showing the economic performance of the Border⁸ and the West⁹ relative to the EU27 average between 2000 and 2019¹⁰.
- The Border's GDP per capita (PPS¹¹) – as a percentage of the EU27 average – was estimated to 64% in 2019, whereas the corresponding figure for the West was 69%.
- As evident from Figure 2, the Border's GDP per capita – as a percentage of the EU27 average – was down 34 percentage points on its previous peak of 98% as of 2006 and was down 9 percentage points on the sub-region's performance a decade ago, when the Border's GDP per capita was 73% of the EU27 average in 2009.
- Likewise, the West's GDP per capita – as a percentage of the EU27 average – was down 42 percentage points on its previous peak of 111% as of 2012 and was down 26 percentage points on the sub-region's performance a decade ago, when the West's GDP per capita was 95% of the EU27 average in 2009.

Figure 2: GDP per capita – as a % of the EU 27 average – for the West and the Border, 2000-2019



Source: Eurostat

Disposable Income per capita

- New disposable income figures from the CSO show the estimated gap between the Northern and Western Region and the State average has increased to €3,237 per person in 2020, which was three times higher than the corresponding gap in 2010 – when it was €1,136 – and the gap in 2000, when it was on €1,307
- Notably, the gap between the Northern and Western Region and the State average has progressively risen over the past decade, with the region underperforming in terms of disposable income growth in 8 of the last 10 years.

⁷ NUTS 3 Region classifications

⁸ Definition of the Border includes Donegal, Sligo, Leitrim, Cavan and Monaghan

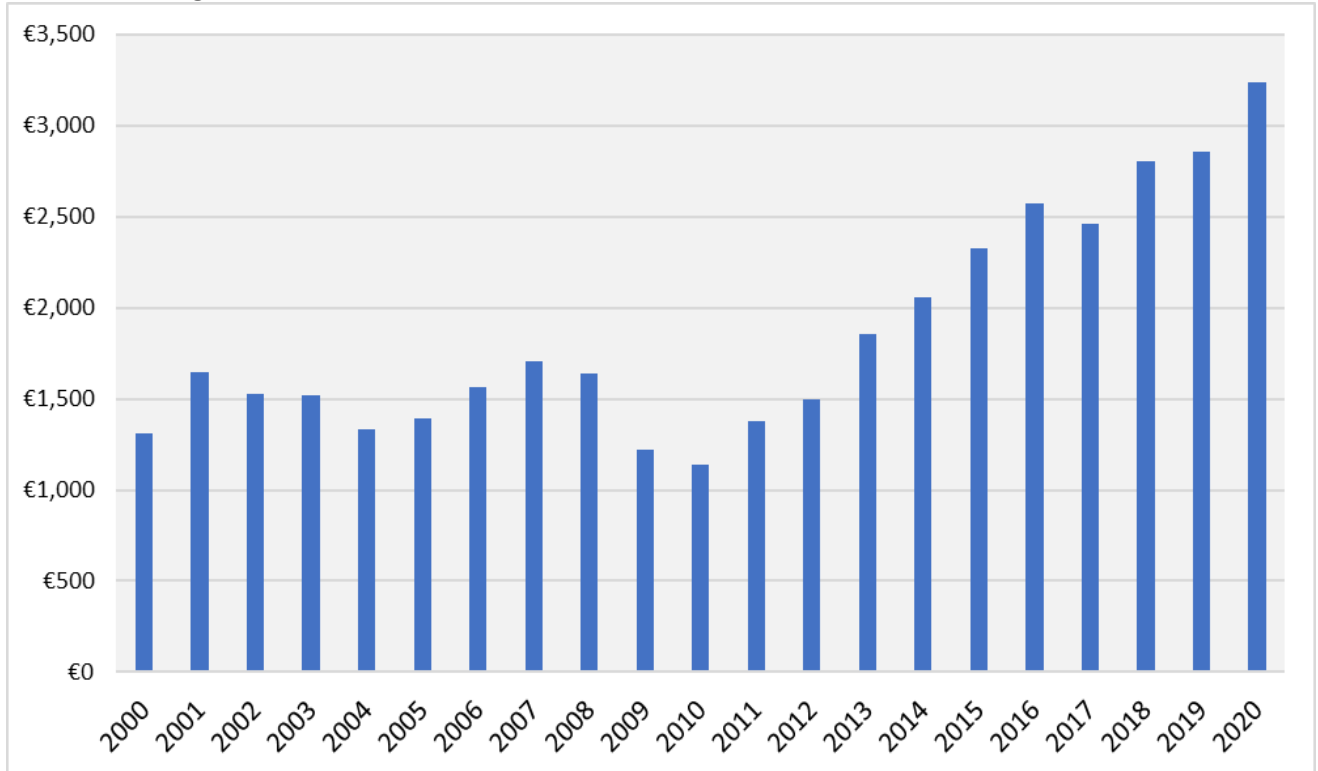
⁹ Definition of the West includes Galway, Mayo and Roscommon

¹⁰ <https://ec.europa.eu/eurostat/web/regions/data/database>

¹¹ Purchasing power standard

- The latest increase in regional inequality can be credited to the fact that disposable income in the Northern and Western Region is estimated to have increased by only 6.3% or €1,204 per person in 2020, which was less than the national growth rate of 7.2% or €1,583.

Figure 3: The difference in disposable income per capita¹² between the Northern and Western Region and the State average, between 2000 and 2020¹³



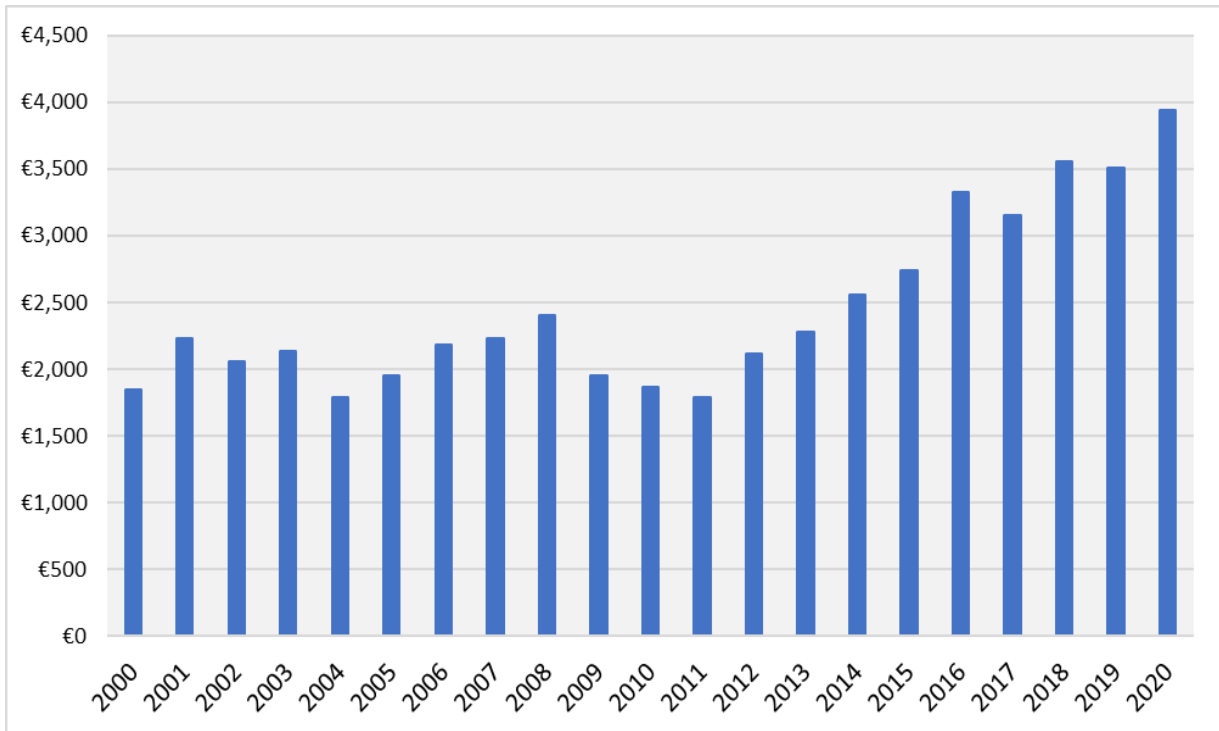
Source: CSO

- As evident from Figure 4 and 5, such trends are also available on a sub-regional level, with the estimated gap in disposable income between the Border and the State average increasing to €3,937 per person in 2020, which was significantly higher than the gap in 2010 – when it was €1,869 per person – and higher than the corresponding gap in 2000, when it was €1,852 per person.
- Similarly, the estimated gap in disposable income between the West and the State average increased to €2,630 per person in 2020, which was notably higher than the gap in 2010 – when it was only €480 per person – and higher than the corresponding gap in 2000, when it was €818 per person.
- Furthermore, all eight counties based in the Northern & Western Region recorded disposable income per capita that was below the estimated State average of €23,615 per person in 2020, with Donegal recording the lowest average disposable income in the region at €18,656 per person.

¹² <https://www.cso.ie/en/releasesandpublications/er/cirgdp/countyincomesandregionalgdp2019/>

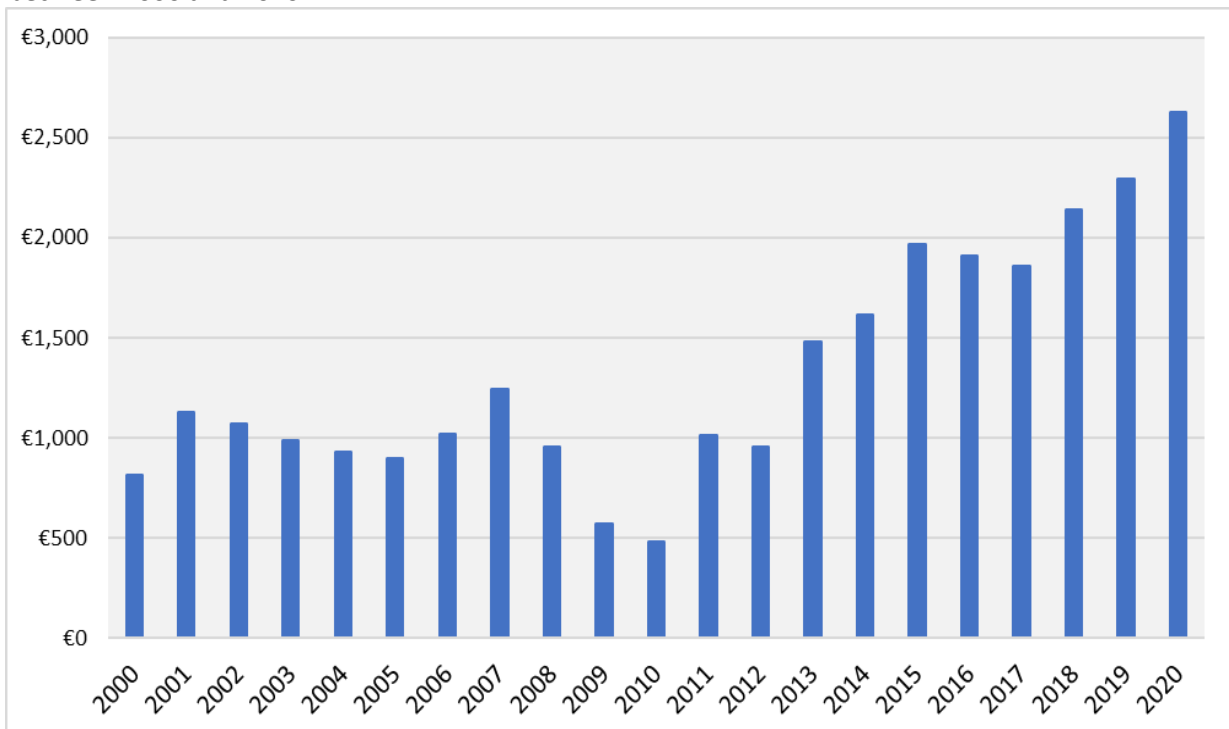
¹³ CSO provide preliminary estimate for 2020 as per Table 1a: <https://www.cso.ie/en/releasesandpublications/er/cirgdp/countyincomesandregionalgdp2019/>

Figure 4: The difference in disposable income per capita¹⁴ between the Border and the State average, between 2000 and 2020¹⁵



Source: CSO

Figure 5: The difference in disposable income per capita¹⁶ between the West and the State average, between 2000 and 2020¹⁷



Source: CSO

¹⁴ <https://www.cso.ie/en/releasesandpublications/er/cirgdp/countyincomesandregionalgdp2019/>

¹⁵ CSO provide preliminary estimate for 2020 as per Table 1a: <https://www.cso.ie/en/releasesandpublications/er/cirgdp/countyincomesandregionalgdp2019/>

¹⁶ <https://www.cso.ie/en/releasesandpublications/er/cirgdp/countyincomesandregionalgdp2019/>

¹⁷ CSO provide preliminary estimate for 2020 as per Table 1a: <https://www.cso.ie/en/releasesandpublications/er/cirgdp/countyincomesandregionalgdp2019/>