



An Roinn Airgeadais
Department of Finance

Fiscal Data

Contingent Liabilities Update

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Ireland: Contingent Liabilities Update

1.1 Introduction

This publication forms part of a suite of outputs introduced to ensure that Ireland is compliant with the requirements of fiscal reporting set out under the Enhanced Economic Governance package (the 'six-pack'). This document addresses in particular the obligations set out by Council Directive 2011/85 of 8 November 2011, which requires the publication of data on contingent liabilities of government with potentially large impacts on public budgets. These include "government guarantees, non-performing loans, and liabilities stemming from the operation of public corporations". EU Member States are required both to publish these data nationally and to report them to Eurostat in the form of supplementary tables to the Excessive Deficit Procedure questionnaire.

This publication incorporates an update to the liabilities of public corporations and the participation of Government in the capital of corporations as at end 2018.

Data presented in this publication may be seen to vary from those previously published. Such variations arise from revisions made by the source organisation. Data may also be amended from year to year to reflect changes in the source data.

Suggestions for improving the content and format of the publication are welcome.

1.2 Background

In 2012 Eurostat established a task force to assist Member States in the implementation of Council Directive 2011/85 in relation to the reporting of fiscal data. The task force agreed a set of templates and related notes describing the methodology, the scope of compulsory details, the periodicity and the timeliness for the national publication of such data. The data presented in this publication is based on these templates which cover government guarantees, off-balance sheet PPPs, non-performing loans of government and participation by government in the capital of corporations.

Data on the first two items have been published in Ireland by the Central Statistics Office since April 2013. This note brings these data items together with the other items required under the directive.

1.3 Guarantees

The Government may provide guarantees, partially or fully covering the borrowing of a project partner. Generally this allows a partner to raise funds at a lower cost on the market and improves credit rating.

Data on Ireland's government guarantees are transmitted to Eurostat as part of the bi-annual Excessive Deficit Procedure (EDP) notification. The data are also published by the CSO in conjunction with their Government Finance Statistics annual results. The most recent data for Ireland, which was prepared as part of the October 2019 EDP notification, are available at <https://www.cso.ie/en/statistics/governmentaccounts/>

1.4 Liabilities of public corporations

Public corporations are entities which are under public control but which are not classified within the general government sector due to their commercial nature. A listing of the bodies currently classified as public sector entities (financial / non-financial corporations) is published by the CSO – see

<https://www.cso.ie/en/methods/governmentaccounts/classificationdecisions/registerofpublicsectorbodiesinireland/>

Data on the liabilities of these corporations have been compiled by CSO annually since 2012 and reported to Eurostat on a confidential basis. In this context liabilities are defined as the stock at the end of the year of liabilities as reported in the business accounts for each corporation. Table 2.2 shows the latest estimate of the aggregate unconsolidated liabilities of these entities as at end 2018. Only those entities whose liabilities exceed 0.01% of GDP are included in this aggregate.

The data from 2015 – 2017 have been updated since the October publication to take into account the latest data compiled by CSO.

1.5 Off balance sheet PPPs

Data on PPPs is reported to Eurostat as part of the bi-annual EDP notification. These data items are also published by the CSO in conjunction with its Government Finance Statistics annual results.

In table 2.3 'Adjusted capital value' is defined as the outstanding debt associated with the contract at year end. This differs from the reporting under the EDP notification which requires the recording of the initial contractual capital value along with other details such as the unitary and other payments made under the PPP contract.

1.6 Non-performing loans

Non-performing loans are defined as loans where payments of interest or principal are past due by 90 days or more, or interest payments equal to 90 days or more have been capitalised, refinanced, or delayed by agreement, or payments are less than 90 days overdue, but there are other good reasons (such as a debtor filing for bankruptcy) to doubt that payments will be made in full.

Data in this table is based on a survey covering the local government section of the Department of the Housing, Planning and Local Government and central government bodies identified as holding loan assets. The central government amount for non-performing loans is reported in this table as a gross figure, while the quarterly financial accounts of general government reported to Eurostat and published nationally by the CSO refer to an asset position net of provisions for impairment.

1.7 Participation of Government in the capital of corporations

The participation of government in the capital of corporations is defined as the value of shares and other equity which represents property rights of government on corporation capital and entitle the holders to a share on corporation profit and on net worth of the corporation in the event of liquidation. These are regarded as assets of government.

Table 2.5 shows the value of these holdings of the Irish Government at the end of 2018, expressed as percentages of GDP. The data is subdivided into holdings of shares and other equity in public corporations (as previously defined) and private corporations.

The data is based on the annual reports of commercial and non-commercial semi-state corporations and on data extracted from the ISIF annual report.

Tables

2.1 Outstanding amount of guarantees, per cent of GDP

	2015	2016	2017	2018
Total General Government				
One-off guarantees				
Total stock of guarantees, excluding debt assumed by government	4.3	1.5	0.1	0.0
<i>of which: public corporations</i>	1.0	0.5	0.1	0.0
<i>Memo item: financial corporations</i>	4.3	1.5	0.1	0.0
<i>Memo item: guarantees given in the context of financial turmoil</i>	4.3	1.5	0.1	0.0
Standardised guarantees				
Total stock of government guarantees	0.0	0.0	0.0	0.0
Central Government				
One-off guarantees				
Total stock of guarantees, excluding debt assumed by government	4.3	1.5	0.1	0.0
<i>of which: public corporations</i>	1.0	0.5	0.1	0.0
<i>Memo item: financial corporations</i>	4.3	1.5	0.1	0.0
<i>Memo item: guarantees given in the context of financial turmoil</i>	4.3	1.5	0.1	0.0
Standardised guarantees				
Total stock of government guarantees	0.0	0.0	0.0	0.0
State Government				
One-off guarantees				
Total stock of guarantees, excluding debt assumed by government	n.a.	n.a.	n.a.	n.a.
<i>of which: public corporations</i>	n.a.	n.a.	n.a.	n.a.
<i>Memo item: financial corporations</i>	n.a.	n.a.	n.a.	n.a.
<i>Memo item: guarantees given in the context of financial turmoil</i>	n.a.	n.a.	n.a.	n.a.
Standardised guarantees				
Total stock of government guarantees	n.a.	n.a.	n.a.	n.a.
Local Government				
One-off guarantees				
Total stock of guarantees, excluding debt assumed by government	0.0	0.0	0.0	0.0
<i>of which: public corporations</i>	0.0	0.0	0.0	0.0
<i>Memo item: financial corporations</i>	0.0	0.0	0.0	0.0
<i>Memo item: guarantees given in the context of financial turmoil</i>	0.0	0.0	0.0	0.0
Standardised guarantees				
Total stock of government guarantees	0.0	0.0	0.0	0.0

2.2 Liabilities of public corporations, per cent of GDP

	2015	2016	2017	2018
Total General Government				
Total outstanding liabilities of government controlled entities classified outside general government	59.1	51.3	49.0	46.6
<i>of which:</i>				
<i>Liabilities of units involved in financial activities</i>	41.6	44.8	43.1	40.3
<i>Liabilities of units involved in other activities</i>	17.5	6.5	5.9	6.3
<i>Of which: loss-making non-financial units</i>	11.0	0.7	0.7	0.7
Central Government				
Total outstanding liabilities of government controlled entities classified outside general government	59.1	51.3	49.0	46.6
<i>of which:</i>				
<i>Liabilities of units involved in financial activities</i>	41.6	44.8	43.1	40.3
<i>Liabilities of units involved in other activities</i>	17.5	6.5	5.9	6.3
<i>Of which: loss-making non-financial units</i>	11.0	0.7	0.7	0.7
State Government				
Total outstanding liabilities of government controlled entities classified outside general government	n.a.	n.a.	n.a.	n.a.
<i>of which:</i>				
<i>Liabilities of units involved in financial activities</i>	n.a.	n.a.	n.a.	n.a.
<i>Liabilities of units involved in other activities</i>	n.a.	n.a.	n.a.	n.a.
<i>Of which: loss-making non-financial units</i>	n.a.	n.a.	n.a.	n.a.
Local Government				
Total outstanding liabilities of government controlled entities classified outside general government	-	-	-	-
<i>of which:</i>				
<i>Liabilities of units involved in financial activities</i>	-	-	-	-
<i>Liabilities of units involved in other activities</i>	-	-	-	-
<i>Of which: loss-making non-financial units</i>	-	-	-	-

2.3 Off balance sheet PPPs, per cent of GDP

	2015	2016	2017	2018
Total general government	0.6	0.7	0.7	0.7
<i>of which by government subsectors</i>				
Central government	0.6	0.7	0.7	0.7
State government	n.a.	n.a.	n.a.	n.a.
Local government	0	0	0	0
Social security funds	n.a.	n.a.	n.a.	n.a.

2.4 Non-performing loans, per cent of GDP

	2015	2016	2017	2018
Total general government	0.3	0.2	0.2	0.2
<i>of which by government subsectors</i>				
Central government	0.2	0.2	0.1	0.2
State government	n.a.	n.a.	n.a.	n.a.
Local government	0.1	0.1	0.1	0.1
Social security funds	n.a.	n.a.	n.a.	n.a.

2.5 Participation of Government in the capital of corporations, per cent of GDP

	2015	2016	2017	2018
A. Public corporations	13.1	12.0	9.8	7.3
B. Private corporations	2.6	3.0	2.9	2.6



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