



Central Statistics Office
An Phríomh-Oifig Staidrimh

Mr. Laurs Norlund,
Director,
Eurostat,
Batiment Jean Monnet,
Rue Alcide De Gasperi,
L-2920 Luxembourg-Kirchberg



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2nd March, 2007

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Dear Mr. Norlund,

Thank you for your letter of 1st March concerning the classification of the Housin Finance Agency (HFA) and Irish Rail in the Irish National Accounts.

We note your recommendation accords with CSO's own view that the HFA should be reclassified within the Government sector and we will endeavour to implement this change in time for the next EDP reporting deadline at the end of this month.

We also note your request for additional accounting information for Irish Rail, in order to assess its market/non-market status. We must obtain this from the company and will endeavour to provide the data by the 15th March deadline specified in your letter. However, I should point out that even if Irish Rail is on its own deemed to be non-market, this Office is not convinced that it should be reclassified within the Government sector, when the holding company Coras Iompair Eireann (CIE) remains classified in the Non-Financial Corporations Sector. CIE is the 100% shareholder in Irish Rail and for ESA95 classification purposes it is CIE and not the Government that exercises 'control'. It does not appear consistent with ESA95 principles that a subsidiary entity should be classified in General Government when the holding company that controls and directs the management of the subsidiary is a Public Corporation.

We also note that you intend to publish details of these decisions. Can you clarify if this covers all the correspondence regarding these cases or just the final letter containing Eurostat's decision? In the case of the HFA we have no problems with publication but we would first like to confirm with the company that none of the detail provided is sensitive. We will contact you again on this issue before 15th March. In the case of Irish Rail, since the classification issue has not been finalised, we would prefer that you did not publish the details at this time.

Yours sincerely,

Bill Keating
Director



Skehard Road
Cork
Ireland

Bóthar na Sceiche Airde
Corcaigh
Éire

Tel LoCall 1890 313 414
+353-21 453 5000
Fax +353-21 453 5555
e-mail information@cs.ie
Website http://www.cso.ie

This Office may also be contacted through Dublin at +353-1 498 4000