



Department of  
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**Business Activity**

**Statistics Bulletin**

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# **Facts & Figures from the Inter Departmental Business Register (IDBR) – Edition Nine**

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**20 June 2007**

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Department of Enterprise,  
Trade and Investment

# **Facts & Figures from the Inter Departmental Business Register (IDBR) – Edition Nine**

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# Executive Summary

# 1

## INTRODUCTION

The Inter Departmental Business Register (IDBR) contains information on all businesses in the United Kingdom which are VAT registered or operating a PAYE scheme. The register is comprised of approximately 2.1 million UK businesses, Northern Ireland accounts for just over 3% of the UK total.

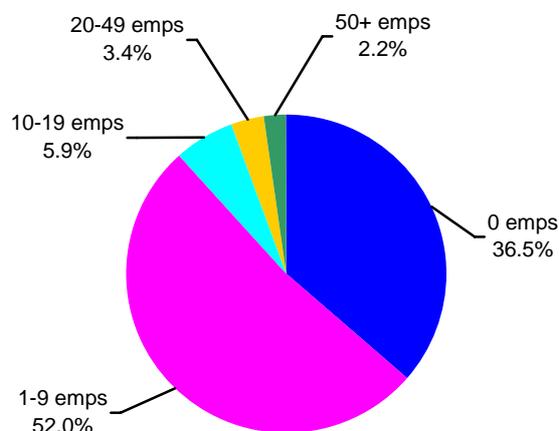
## VAT AND PAYE BUSINESSES IN NORTHERN IRELAND

- At January 2007, the IDBR estimated there to be 71,185 businesses in Northern Ireland which were either VAT registered or operating a PAYE scheme.
- There has been an increase of 2.4% in the number of VAT and PAYE businesses over the year and a 7.9% increase over the 5 year period 2002-2007.
- Figures from the IDBR show that Northern Ireland continues to be a small business economy with micro businesses (those businesses with less than 10 employees) accounting for approximately 88.4% of the Northern Ireland total.
- Of the 62,940 businesses classified as micro businesses in 2007, 36,980 (58.8%) such businesses employ at least 1 person.

Figure 1 shows a breakdown of VAT & PAYE Businesses by Employee Sizeband, January 2007. Businesses with zero employees account for 36.5% of all VAT and PAYE businesses and include sole proprietors and partnerships, holding companies and those companies that are not yet trading e.g. a factory under construction.

## VAT & PAYE Businesses by Employee Sizeband, January 2007

Figure 1



## Private and Public Sector Businesses

All businesses registered on the IDBR can be grouped into either Public or Private sector. The Private sector is a combination of registered businesses whose legal status falls under the category of "Company", "Sole Proprietor", "Partnership" or "Non-profit making organisation" while the public sector is comprised of those registered as "Public Corporation", "Central Government" or "Local Authority".

- 70,920 (99.6%) of the 71,185 NI businesses on the register in January 2007 were within the private sector.
- Although the public sector accounts for a very small proportion (0.4%) of the total number of businesses in Northern Ireland, estimates from the 2005 Census of Employment show that public sector businesses account for approximately a third (31.5%) of employee jobs in Northern Ireland. This has remained fairly constant since 2003 when the proportion was 31.7%.
- Micro businesses continue to dominate the private sector, accounting for 88.7% of all private sector businesses. In contrast, the public sector is dominated by large businesses employing 250 or more persons, with 35.8% of public sector businesses within this category.
- Medium sized enterprises (those employing between 50 and 249

persons) are mostly found within the private sector which accounts for 94.8% of all Northern Ireland medium sized businesses.

### Legal Status of Businesses

- The majority (50.9%) of businesses in Northern Ireland are registered as “Sole Proprietor”.
- NI has a much higher proportion of “Sole Proprietor” than England (25.0%), Scotland (30.3%) or Wales (31.6%).
- NI has a higher proportion of public sector enterprises (0.37%) than any of the other regions in the UK, that is, England (0.22%), Scotland (0.15%) or Wales (0.33%).
- England reports the highest proportion legally registered as “Company” at 57.0% whilst Scotland is 44.0% and Wales is 40.5%.
- NI has considerably less enterprises registered as “Company” (25.5%), however, this status of business reports the largest annual percentage increase with the number rising from 16,760 in 2006 to 18,120 in 2007 an increase of 8.1%.
- The percentage point (pp) change over the year is also greatest in those registered as “Company” (1.3 pp increase), this increase in “Company” registrations has been offset by a percentage point decline in “Sole Proprietor” (-1.0 pp) and “Partnerships” (-0.2 pp).
- The only legal status to experience a decline in numbers over the year was that of “Non-profit body/Mutual association” which decreased from 3,100 in 2006 to 3,055 in 2007 a decrease of -1.5%. “Central Government” and “Public Corporation” numbers remained static.

### [VAT & PAYE Data Tables](#)

#### VAT REGISTERED ENTERPRISES

- In 2006 businesses were legally obliged to register for VAT once their turnover reached a threshold of £61,000.
- The IDBR estimated there to be 56,670 businesses which were registered for VAT in 2006.

The number of VAT registered businesses in NI has increased by a higher rate (2.5%) over the year, compared to the UK as a whole (0.9%).

- The largest increase over the year in the number of VAT registered businesses has occurred within the Construction sector, which has increased by 7.4% or 595 VAT registered businesses.
- Just over half (50.1%) of the businesses registered for VAT in Northern Ireland have a turnover which is less than £100,000, this compares to the UK average which of 42.9%.
- In Northern Ireland, 9.4% of VAT registered businesses have a turnover which exceeds £1 million. This percentage is higher than that of Scotland (9.3%) and Wales (7.4%) but lower than England (10.6%) and the UK average of 10.3%.

### District Council Information

For every business held on the IDBR, a District Council (DC) is allocated based on the address where the business is registered for VAT (normally the head office). Thus a business with a head office in Belfast is included in figures for Belfast, even though it may have work sites in other DC areas. Similarly, businesses that have their United Kingdom headquarters in Great Britain will be included only in the region where their head office is based. Therefore many multi-national businesses are excluded from such analyses.

- Belfast District Council accounts for the largest proportion (11.1%) of VAT registered businesses in Northern Ireland.
- Four District Councils in NI (Dungannon, Fermanagh, Newry & Mourne and Omagh) each report more than a thousand VAT registered businesses with a turnover below £50,000 with Fermanagh District Council being the largest of these (1,865).
- As expected Belfast has the greatest number (280) of VAT registered businesses reporting a turnover of greater than £5million, with Lisburn accounting for the second highest (85) number of businesses within this turnover sizeband.

## [VAT Data Tables](#)

### **VAT REGISTRATION AND DE-REGISTRATION: RATES AND SURVIVAL**

The Department of Trade and Industry's Small Business Service (SBS) annually publish statistics on VAT registrations and de-registrations for the UK regions, having taken information from the IDBR. The statistics are the best official guide to the pattern of business start-ups and closures. Coverage includes both companies and self employed run businesses but excludes those businesses not registered for VAT – for example, most of the very small one-person businesses.

Registration rates provide an indicator of the level of entrepreneurship and of the health of the business population. Many factors influence the pattern of business start-ups. Among the most important are economic growth (encouraging new ventures and demand for business and personal services), the level of industrial restructuring and contracting out, and the stock of people with management or small business experience.

It should be noted that VAT registrations are not synonymous with business start-ups; some registrations are the result of changes in ownership or legal status of a business. Businesses de-registering for VAT do so due to closure, or (in a minority of cases) because turnover has fallen below the registration threshold. Closure does not necessarily involve bankruptcy or insolvency proceedings, which make up only around one in four closures throughout the UK.

- Statistics from DTI's Small Business Service show that, during 2005, the number of registrations for every 10,000 people aged 16 or over in Northern Ireland remained constant on the previous year at 32, this is somewhat behind the UK average VAT registration of 37.
- VAT de-registrations in NI increased from 27 in 2004 to 30 in 2005 but this still represents a lower rate of de-registration than the UK of 31.

- Northern Ireland has a much higher rate of survival than any of the other regions within the UK. Approximately 78.5% of NI businesses are still trading three years after registering for VAT, compares to UK rate of 71.3%.

## [VAT Reg and De-Reg Data Tables](#)

### **FOREIGN OWNED BUSINESSES OPERATING IN NORTHERN IRELAND IN 2006**

The market information company Dun and Bradstreet, annually supply the Office for National Statistics (ONS) with information on foreign owned businesses operating in the United Kingdom. This information is then loaded onto the IDBR. Statistics Research Branch, DETI, supplement this with information from two sources: Invest Northern Ireland's list of client companies and a list of publicly traded US companies with subsidiaries, affiliates or branch offices employing more than 10 people in Northern Ireland, published by the Investor Responsibility Research Centre, Washington DC (The IRRC is an independent, non-profit making research firm founded in 1972). The following analyses are based on these combined sources.

Information on the status of foreign owned businesses is continually updated. Figures are therefore subject to change as more up-to-date information becomes available.

In 2006, there were approximately 701 foreign owned businesses operating in Northern Ireland. The Republic of Ireland owned the majority (36.5%) of such businesses and the Wholesale and Retail industry accounted for the highest proportion (31.5%) of foreign owned businesses.

## [Foreign Ownership Data Tables](#)

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Information regarding the UK IDBR is also available via the following link.

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=933>