

Northern Ireland Manufacturing Sales & Exports Headline Results 2014



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Key points

- Total sales by manufacturing companies in Northern Ireland (NI) were estimated to be worth £18.1 billion in 2014, an increase of 1.7% (£299 million) over the year in current prices and growth of 2.5% in real terms (i.e. controlling for price changes).
- Sales within Northern Ireland decreased in current prices by £50 million to £3.8 billion, down 1.3% over the year and remaining below peak levels last reported in 2007/08.
- Sales to Great Britain (GB) increased in current prices by £438 million to £8.3 billion, up 5.6% over the year.
- External sales to markets outside of NI rose by £348 million (2.5%) to £14.3 billion in current prices, and accounted for almost four fifths of total sales in 2014 (79%).
- External sales and GB sales are at their highest on record.
- Exports fell by £89 million (1.5%) over the year, to just over £6.0 billion in current prices, largely driven by a decrease in sales to the Rest of the World.
- Exports to the Republic of Ireland (ROI) increased by £5 million (0.3%) over the year, to just over £1.4 billion in current prices.
- Exports to the Rest of the EU (excluding ROI) fell over the year by £29 million (1.9%) to £1.5 billion in current prices.
- Exports to the Rest of the World decreased by £65 million (2.1%) over the year, to £3.1 billion in current prices.

National Statistics

The United Kingdom Statistics Authority has designated these statistics as National statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics. Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

<http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/confirmation-of-designation-letters/letter-of-confirmation-as-national-statistics---assessment-report-227--2-.pdf>

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1. Introduction and context

The Northern Ireland Executive's Economic Strategy referred to the need to improve the measurement of Northern Ireland's exports beyond that of the manufacturing sector. NISRA subsequently published initial estimates of 'broad economy' sales and exports by industry sector in March 2015.

This release focuses on manufacturing sector activity for 2014 from the Broad Economy Exports (BEE) measure. Further to user consultation, it represents a break in the previous manufacturing sales and exports series (ie: the annual Manufacturing Sales and Exports Survey report) due to the advantages of improved alignment of methods with that used for the production of key Annual Business Inquiry variables including approximate Gross Value Added. Users should therefore note that while the methodology has minimal impact in terms of the results herein, a break in series is shown from 2011 to highlight the change in approach from that point onwards.

To support this release a set of reference tables with further sectoral and geographic breakdowns are available at the following link:

https://www.detini.gov.uk/sites/default/files/publications/deti/BEE_Manufacturing_internet_tables_2011-2014.xlsx

NISRA had sought user views on proposals for the future measurement of survey based estimates of manufacturing sales and exports. Further details can be found at: <https://www.detini.gov.uk/publications/current-publication-manufacturing-sales-exports-survey>

The contents of this report will be of interest to government policy makers, Members of the Legislative Assembly (MLAs), the business community, economic commentators, academics and members of the general public with an interest in the NI economy. Previous uses and users of the MSES are separately documented at: <https://www.detini.gov.uk/sites/default/files/publications/deti/summary-of-usage-of-the-mses.pdf>

The latest Department of Enterprise, Trade and Investment Economic Commentary provides an overview of the state of the Northern Ireland economy, setting it in a global context. This can be found at:

<https://www.detini.gov.uk/publications/deti-economic-commentary>

The most up-to-date official statistics on the economy and labour market are available on the Economic Overview page of the DETI website at:

<https://www.detini.gov.uk/topics/deti-statistics-and-economic-research>

Further information relating to Northern Ireland exports is available from the Exporting Northern Ireland Services Study (ENIS). The Exporting Northern Ireland Services (ENIS) Study is a survey which was first introduced by the Department of Enterprise, Trade and Investment in 2003 to further understand and estimate the value to the Northern Ireland economy of exporting services. The study is based on information collected via the International Trade in Services Survey (ITIS). In light of

developments on the production of Broad Economy Exports statistics NISRA are reviewing the continuation of the ENIS series and will consult with users on future plans in relation to this.

The International Trade in Services (ITIS) survey is a UK wide survey which collects information on overseas transactions of consultants and companies offering business services. Information collected from the survey is fed into the UK balance of payments and published at the UK level. The full bulletin can be accessed at: http://www.ons.gov.uk/ons/dcp171778_393834.pdf

While directly comparable UK data for the MSES do not exist (the MSES, covers goods and services produced solely by the manufacturing sector in Northern Ireland), HM Revenue & Customs (HMRC) are responsible for collecting the UK's international trade in goods data, which are published as two National Statistics series - the 'Overseas Trade Statistics (OTS) of the UK' and the 'UK Regional Trade Statistics (RTS)'. These UK regional statistics can be accessed at: <https://www.uktradeinfo.com/Statistics/RTS/Pages/default.aspx>

It should, however, be noted that the HMRC estimates are based on customs declarations; employ regional allocation for London based large businesses and include the exports of goods from other industry sectors as well as Manufacturing. The HMRC estimates also include exports not covered by either the MSES or BEE (e.g. live animals).

The Scottish Government also publish export statistics from the Global Connections Survey. These statistics can be accessed at: <http://www.scotland.gov.uk/Topics/Statistics/Browse/Economy/Exports/GCSIntroduction>

Status of figures in current bulletin

The most recent figures, 2014, are provisional and are subject to revision in the next reporting period.

Sales and exports values are reported in £ million unless otherwise specified.

Percentage changes are reported to one decimal place.

SIC03 constant prices are deflated to 2008/09 values and SIC07 constant prices are deflated to the most recent year.

Definitions used in this publication

Total sales are defined as the sum of sales to Northern Ireland, Great Britain, the Republic of Ireland, the Rest of the European Union and the Rest of the World. Total

sales include all taxes and duties on goods invoiced with the exception of VAT which is excluded from total sales.

External sales are comprised of those sales made outside Northern Ireland, that is, sales to Great Britain, the Republic of Ireland, the Rest of the European Union and the Rest of the World.

Exports consist of all sales made outside the United Kingdom.

Further Information

Background information for the MSES can be accessed at:

<https://www.detini.gov.uk/articles/manufacturing-sales-exports-survey-background-information>

Further information on the BEE can be accessed at:

<https://www.detini.gov.uk/articles/broad-economy-exports>

2. Summary and commentary

Sales and Exports Performance in Current Prices

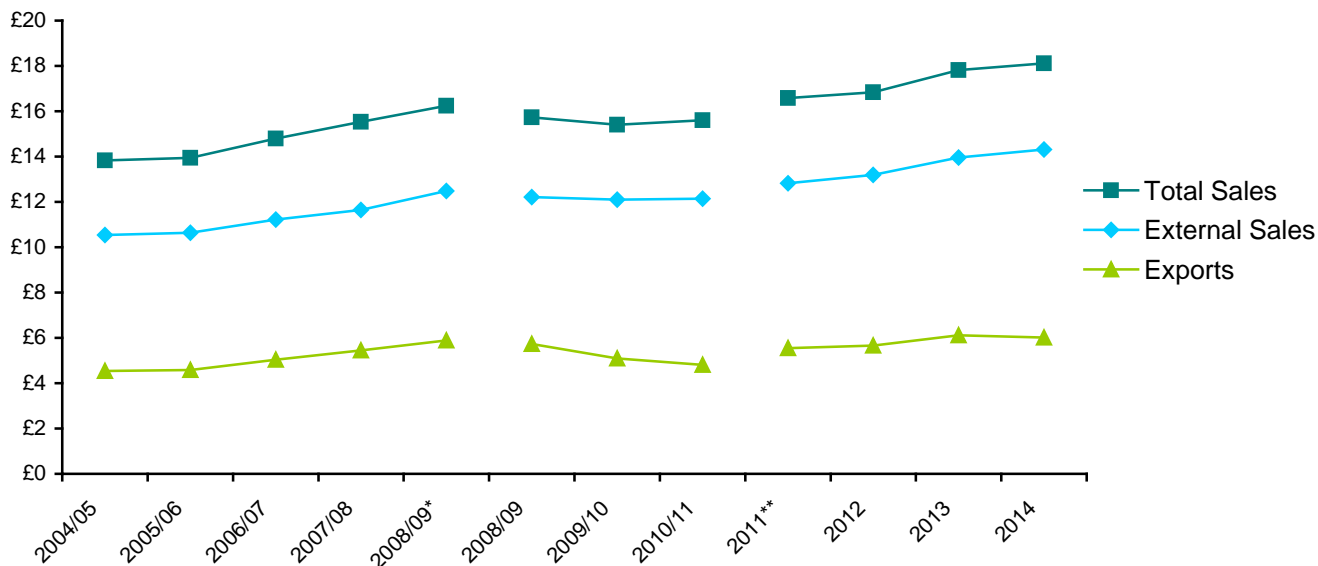
Total sales by manufacturing companies in Northern Ireland (NI) were estimated to be worth £18.1 billion in 2014. This represents a current price increase of 1.7% (£299 million) over the year and compares to an increase of 5.9% last year.

In 2014, 79.0% of manufacturing sales were made to customers outside NI (external sales). This equated to £14.3 billion, representing an increase of 2.5% (£348 million) over the year. This figure exceeds the previously recorded peak in 2013 (£14.0 billion), and external sales and are therefore at their highest on record.

Sales outside the UK (exports) were estimated to be worth just over £6.0 billion in 2014. This represented a decrease of 1.5% over the year, compared to an increase in the previous period (2012 – 2013) of 7.9%. This decrease in exports was largely driven by a decrease in sales to the Rest of the World, which fell by 2.1% (£65 million) over the year.

Figure 1 shows the values of total sales, external sales and exports over the 10 year period (2004/05 to 2014).

Figure 1: Sales, External Sales and Exports 2004/05 to 2014 (£billions)



*Changes in SIC 03 and SIC 07 have resulted in discontinuity of trends.

** From 2011 onwards, manufacturing trade data comes from BEE. This represents a break in the series. Please see [link to background notes](#) on page 6.

Sales and Exports Performance in Constant Prices

Constant prices allow figures to be presented with the effects of inflation removed, and reflect the effects of other factors such as exchange rate fluctuations. This allows changes to be reported in real terms (by using a deflator). The transition from SIC 2003 to SIC 2007 has impacted on deflators, and this is discussed in the background notes (see link on page 6).

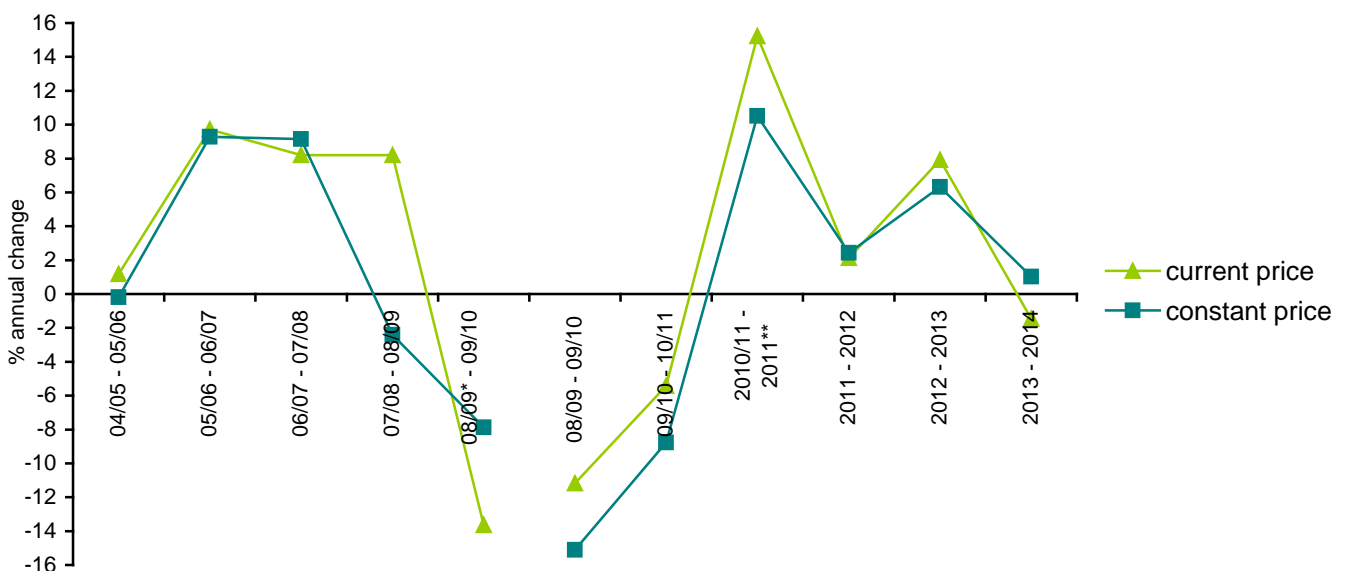
When considered in real terms, there has been growth in total sales of 2.5% (£449 million) and an increase of 3.6% in external sales (£499 million) over the year 2013 - 2014. Sales within NI decreased by 1.3%, while those to GB rose by 5.6%. While exports fell by 1.5% in current prices, in real terms they increased by 1.0%. This follows growth of 6.3% in real terms in the previous period (2012 – 2013).

Annual Changes in Exports over Time

Figure 2 provides information on annual percentage changes in exports, in both current and constant prices. When considering export sales in current prices there has been an increase of 32.8% over the 10 year period to 2014, while in constant prices exports have actually increased by 18.7% since 2004/05.

The annual rate of growth of exports (constant prices) decreased in the periods 2007/08 – 2008/09 (-2.4%), 2008/09 – 2009/10 (-15.1%) and 2009/10 – 2010/11 (-8.8%). The increase of 1.0% from 2013 to 2014 follows growth of 6.3% in real terms in the previous period (2012 – 2013).

Figure 2: Annual Growth of Exports 2004/2005 to 2014 in current and constant prices



*Changes in SIC 03 and SIC 07 have resulted in discontinuity of trends.

** From 2011 onwards, manufacturing trade data comes from BEE. This represents a break in the series.

Please see [link to background notes](#) on page 6.

Information in the rest of the report is provided in current prices unless otherwise stated.

Analysis by Destination

Over the last year, sales to ROI have increased in current prices by 0.3% (£5 million). This compared to an increase of 3.3% last year. Sales to the Rest of the EU fell by 1.9% over the year and sales to the Rest of the World decreased by 2.1%. Sales within Northern Ireland decreased by £50 million to £3.8 billion and are down 1.3% over the year.

Sales to Great Britain saw the largest proportional and actual increases over the year, rising by 5.6% or £438 million to £8.3 billion in 2014. Great Britain remains the most significant single market for sales from Northern Ireland manufacturing businesses, accounting for 45.7% (£8.3 billion) of total sales. These are the highest level of sales to GB on survey record in current prices.

Sales destined for international customers (exports) accounted for almost a third (33.2%) of total sales. Sales to the ROI increased over the year by 0.3% and account for 7.8% of total sales and just under a quarter (23.5%) of exports.

Total sales to the ROI in 2014 were £1.4 billion, up £5 million (0.3%) over the year. This is the fourth consecutive year of increasing sales to ROI, following three consecutive years of falling sales. In real terms, the value of exports to ROI grew by 2.9% over the year, and the ROI remains our single largest export market.

Over the last year sales to the rest of the EU¹ decreased by 1.9% (£29 million) to £1.5 billion. However, in real terms this represented growth of 0.6%. Sales to the rest of the EU account for 8.3% of total sales and almost a quarter of exports (24.9%).

Exports to the rest of the World² decreased by £65 million (2.1%) over the year, to £3.1 billion in current prices. After adjusting for price changes, the 2014 sales represented a rise of 0.4% in real terms. Rest of World sales account for 17.1% of total sales, and over half of all exports (51.6%).

External sales to markets outside Northern Ireland are comprised of sales to GB plus the value of exports combined. These increased by £348 million to £14.3 billion in current prices, and accounted for almost four fifths of total sales in 2014 (79%). This figure exceeds the previously recorded peak in 2013 (£14.0 billion), and external sales are therefore at their highest on record.

¹ The Rest of the EU is composed of the following countries: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden; Finland; Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Bulgaria and Romania. Croatia joined the EU in July 2013 and is included in the 2014 reporting period.

² The Rest of World refers to all destinations outside the European Union

3: Results tables: 2004/05 to 2014

Table 1: Total Sales, External Sales and Exports, 2004/05 – 2014, £millions (current prices)

	2004/05	2005/06	2006/07	2007/08	2008/09 (SIC03)	2008/09 (SIC07)	2009/10	2010/11	2011**	2012	2013	2014
Total Sales	£13,826	£13,944	£14,789	£15,535	£16,245	£15,736	£15,401	£15,607	£16,582	£16,833	£17,821	£18,120
Northern Ireland	£3,288	£3,305	£3,570	£3,883	£3,763	£3,520	£3,298	£3,469	£3,759	£3,647	£3,862	£3,813
External Sales	£10,538	£10,639	£11,219	£11,652	£12,482	£12,216	£12,103	£12,137	£12,822	£13,185	£13,959	£14,307
Great Britain	£6,005	£6,052	£6,187	£6,208	£6,591	£6,489	£7,015	£7,326	£7,279	£7,525	£7,850	£8,288
Exports	£4,533	£4,586	£5,032	£5,444	£5,891	£5,727	£5,087	£4,811	£5,543	£5,660	£6,109	£6,020
Republic of Ireland	£1,243	£1,308	£1,508	£1,649	£1,687	£1,590	£1,459	£1,217	£1,353	£1,365	£1,410	£1,414
Rest of EU	£1,212	£1,132	£1,230	£1,351	£1,567	£1,479	£1,062	£1,199	£1,330	£1,248	£1,527	£1,498
Rest of World	£2,078	£2,147	£2,294	£2,444	£2,637	£2,658	£2,566	£2,395	£2,860	£3,048	£3,172	£3,107

Table 2: Annual Nominal Growth in Total Sales, External Sales and Exports, 2004/05 – 2014 (% change)

	04/05 - 05/06	05/06 - 06/07	06/07 - 07/08	07/08 - 08/09*	08/09 - 09/10	09/10 - 10/11	10/11 - 2011**	2011 - 2012	2012 - 2013	2013 - 2014
Total Sales	0.9	6.1	5.0	4.6	-2.1	1.3	6.2	1.5	5.9	1.7
Northern Ireland	0.5	8.0	8.8	-3.1	-6.3	5.2	8.4	-3.0	5.9	-1.3
External Sales	1.0	5.4	3.9	7.1	-0.9	0.3	5.6	2.8	5.9	2.5
Great Britain	0.8	2.2	0.3	6.2	8.1	4.4	-0.6	3.4	4.3	5.6
Exports	1.2	9.7	8.2	8.2	-11.2	-5.4	15.2	2.1	7.9	-1.5
Republic of Ireland	5.2	15.3	9.3	2.3	-8.2	-16.6	11.2	0.9	3.3	0.3
Rest of EU	-6.6	8.6	9.9	16.0	-28.2	12.9	11.0	-6.2	22.3	-1.9
Rest of World	3.3	6.8	6.6	7.9	-3.5	-6.6	19.4	6.6	4.1	-2.1

*Please note that 07/08 – 08/09 and earlier changes are on a SIC 2003 basis, while 08/09 – 09/10 and later changes are on a SIC 2007 basis. Please see [link to background notes](#) on page 6.

** From 2011 onwards, manufacturing trade data comes from BEE. This represents a break in the series.

Table 3 - Total Sales, External Sales and Exports, 2004/05 - 2014, £millions (constant prices)

	2004/05	2005/06	2006/07	2007/08	2008/09 (SIC03)*	2008/09 (SIC07)	2009/10	2010/11	2011**	2012	2013	2014
Total Sales	£15,615	£15,482	£16,178	£16,805	£16,244	£17,589	£16,906	£16,653	£16,889	£16,922	£17,671	£18,120
Northern Ireland	£3,731	£3,681	£3,896	£4,144	£3,763	£3,937	£3,671	£3,761	£3,888	£3,695	£3,862	£3,813
External Sales	£11,884	£11,801	£12,282	£12,661	£12,481	£13,651	£13,235	£12,892	£13,000	£13,227	£13,808	£14,307
Great Britain	£6,814	£6,741	£6,751	£6,625	£6,591	£7,259	£7,808	£7,941	£7,529	£7,623	£7,850	£8,288
Exports	£5,070	£5,061	£5,531	£6,036	£5,891	£6,393	£5,427	£4,951	£5,471	£5,604	£5,958	£6,020
Republic of Ireland	£1,390	£1,443	£1,658	£1,828	£1,687	£1,775	£1,557	£1,252	£1,335	£1,351	£1,375	£1,414
Rest of EU	£1,356	£1,249	£1,352	£1,498	£1,567	£1,651	£1,133	£1,234	£1,313	£1,235	£1,489	£1,498
Rest of World	£2,324	£2,369	£2,521	£2,710	£2,637	£2,967	£2,737	£2,465	£2,823	£3,017	£3,094	£3,107

Table 4 - Annual Real Growth in Total Sales, External Sales and Exports, 2004/05 – 2014 (% change)

	04/05 - 05/06	05/06 - 06/07	06/07 - 07/08	07/08 - 08/09**	08/09 - 09/10	09/10 - 10/11	10/11 - 2011**	2011 - 2012	2012 - 2013	2013 - 2014
Total Sales	-0.8	4.5	3.9	-3.3	-3.9	-1.5	1.4	0.2	4.4	2.5
Northern Ireland	-1.3	5.8	6.4	-9.2	-6.8	2.5	3.4	-5.0	4.5	-1.3
External Sales	-0.7	4.1	3.1	-1.4	-3.1	-2.6	0.8	1.7	4.4	3.6
Great Britain	-1.1	0.2	-1.9	-0.5	7.6	1.7	-5.2	1.3	3.0	5.6
Exports	-0.2	9.3	9.1	-2.4	-15.1	-8.8	10.5	2.4	6.3	1.0
Republic of Ireland	3.8	14.9	10.3	-7.7	-12.3	-19.6	6.6	1.2	1.8	2.9
Rest of EU	-7.9	8.2	10.9	4.6	-31.4	8.9	6.4	-5.9	20.5	0.6
Rest of World	1.9	6.4	7.5	-2.7	-7.7	-9.9	14.5	6.9	2.6	0.4

Please note that constant prices for 2008/09 (SIC 2003) and earlier years are deflated to base 2008/09 (SIC 2003)=100 while 2008/09 (SIC 2007) and later years are deflated to base 2014 (SIC 2007)=100. For more information, please see link to background notes on page 6.

*Please note that 07/08 – 08/09 changes are on a SIC 2003 basis, while 08/09 – 09/10 and later changes are on a SIC 2007 basis

** From 2011 onwards, manufacturing trade data comes from BEE. This represents a break in the series.

Table 5 - Share of Total Sales by Broad Destination, 2004/05 - 2014, (current prices)

	2004/05	2005/06	2006/07	2007/08	2008/09 (SIC03)*	2008/09 (SIC07)	2009/10	2010/11	2011**	2012	2013	2014
Northern Ireland	23.8	23.7	24.1	25.0	23.2	22.4	21.4	22.2	22.7	21.7	21.7	21.0
Great Britain	43.4	43.4	41.8	40.0	40.6	41.2	45.6	46.9	43.9	44.7	44.0	45.7
Republic of Ireland	9.0	9.4	10.2	10.6	10.4	10.1	9.5	7.8	8.2	8.1	7.9	7.8
Rest of EU*	8.8	8.1	8.3	8.7	9.6	9.4	6.9	7.7	8.0	7.4	8.6	8.3
Rest of World	15.0	15.4	15.5	15.7	16.2	16.9	16.7	15.3	17.2	18.1	17.8	17.1
Total Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*1994/95 - 2003/04 Rest of the EU figures are based on information for the following member states of the European Union: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden and Finland.

In May 2004, the accession countries joined the EU and hence 2004/05 results refer to the enlarged EU. The accession countries are: Cyprus; Czech Republic; Estonia; Hungary; Latvia; Lithuania; Malta; Poland; Slovakia and Slovenia.

In January 2007 Bulgaria and Romania joined the EU and figures for these member states are included within the EU from 2007/08.

Croatia joined the EU in July 2013 and is included in the 2014 reporting period.

** From 2011 onwards, manufacturing trade data comes from BEE. This represents a break in the series.