

Northern Ireland Broad Economy Sales and Exports Statistics: Goods and Services Results 2014



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Geographical Area: Northern Ireland

Theme: Economy

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NISRA introduced a more comprehensive measure of local businesses' sales to markets outside Northern Ireland in 2015. The latest goods and services estimates remain designated as 'experimental' to reflect the fact that they are under development.

Key points

- Total sales by companies in Northern Ireland (NI) were estimated to be worth £65.8 billion in 2014, an increase of 2.0% (£1.3 billion) over the year.
- Total sales of goods were estimated to be worth £48.3 billion in 2014 and represented 73.3% of total sales. Sales of goods increased by 2.9% (£1.4 billion) over the year.
- Total sales of services represented 26.7% of total sales in 2014 and were estimated to be worth £17.5 billion. Sales of services decreased by 0.5% over the year (£0.1 billion).
- External sales to markets outside of NI rose by £0.5 billion (2.1%) to £22.5 billion in 2014.
- External sales of goods by NI companies were estimated to be worth £18.3 billion in 2014, 81.6% of all external sales. This represents an increase of 0.9% over the year (£0.2 billion).
- External sales of services were estimated to be worth £4.1 billion or 18.4% of all external sales in 2014. This represents an increase of 7.5% (£0.3 billion) over the year.
- Exports were estimated to be worth £9.8 billion in 2014, a fall of 1.9% (£0.2 billion) over the year.
- Exports of goods were estimated to be worth £8.3 billion in 2014, a decrease of 1.7% (£0.1 billion). Exports of goods represented 84.7% of all exports sales.
- Exports of services represented 15.3% of total export sales in 2014 and were estimated to be worth £1.5 billion. Exports of services decreased by 2.6% (£40 million) over the year.

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1. Introduction and context

Experimental Status

The Broad Economy Sales and Exports Statistics (BESES) is an experimental annual measure of local businesses' sales to markets outside Northern Ireland (NI). Estimates of the value of both goods and services sold by NI businesses, as well as their point of destination, are presented for the first time.

Ongoing development of the methodology (as outlined in the associated published [methodology paper](#) (March 2015)) will be informed by user feedback, both in terms of the usefulness and reliability of the estimates and their comparability with other sources and the statistics will remain experimental until user feedback indicates that they are useful and credible. Any comments should be sent to statistics@finance-ni.gov.uk

NISRA has engaged extensively throughout the evolution of this output with expert users of NI economic statistics whose views have already helped to inform the current approach. Users include DfE DoF, and DAERA economists, the Ulster University Economic Policy Centre and a number of NI economic commentators and ONS methodologists. NISRA will continue to consult on any further methodological changes which may improve the quality and value of the statistics.

Background

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 https://www.economy-ni.gov.uk/sites/default/files/publications/deti/broad-economy-exports-methodology-paper-2011-and-2012_0.pdf.

This release provides a further breakdown of the estimates for 2011 to 2014 first published in February 2016 (https://www.economy-ni.gov.uk/sites/default/files/publications/deti/BESES-Publication-2014-Headline-results_0.pdf), by splitting the sales into its goods and services elements.

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

<https://www.economy-ni.gov.uk/sites/default/files/publications/economy/BESES-goods-and-services-internet-tables-2011-2014.xlsx>

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 Manufacturing Sales and Exports Survey are separately documented at:

<https://www.economy-ni.gov.uk/sites/default/files/publications/deti/summary-of-usage-of-the-mses.pdf>

The latest Department for the Economy 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.economy-ni.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 DfE website at: <https://www.economy-ni.gov.uk/articles/economic-overview>.

Other sources

This goods and services report has been released to coincide with the Office for National Statistics (ONS) experimental paper '[Estimating the value of services exports abroad from different parts of the UK](#)'. The article presents the results of an ONS project to estimate the value of services exports abroad from the English regions, Scotland, Wales and Northern Ireland, which BESES figures contribute to. It presents experimental estimates of the value of these exports for 2011 - 2014 (the latest year available). The estimates by region and country of the UK are broadly consistent with the UK totals shown in the Balance of Payments.

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_431553.pdf.

While directly comparable UK data for the BESES do not exist (the BESES covers goods and services produced 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 the BESES (e.g. live animals).

The Scottish Government also publish export statistics from the Exports Statistics Scotland series (formerly called the Global Connections Survey). These statistics can be accessed at:

<http://www.gov.scot/Topics/Statistics/Browse/Economy/Exports/ESSPublication>

The Government Statistical Service (GSS) has issued guidance on comparing official statistics produced by each nation of the UK. This guidance can be accessed here: <https://gss.civilservice.gov.uk/wp-content/uploads/2014/02/Comparability-Report-Final.pdf>

NISRA's exports statistics are considered as "Partially Comparable at Level D" with the ONS's statistics on importers and exporters in GB (most recent publication at <http://www.ons.gov.uk/ons/rel/abs/annual-business-survey/exporters-and-importers-in-great-britain--2014/sty-exporters-and-importers.html>).

Level D comparability is described as:

"Figures which are produced from separate sources of data. Methods and standards are broadly comparable, but users should be made aware of the limitations."

Status of figures in current bulletin

The most recent figures, 2013 and 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.

The Broad Economy Sales and Exports Statistics series is classified as experimental (see above).

Definitions used in this publication

Broad Economy: The information needed to produce BESES is collected via the NI Annual Business Inquiry (NIABI). Like NIABI, the BESES results are classified according to the Standard Industrial Classification of Economic Activities (SIC) system. The SIC 2007 sections covered by the NIABI defines the term 'Broad Economy' and are as follows:

- A. Agriculture (support activities), forestry and fishing
- B. Mining and quarrying
- C. Manufacturing
- D. Electricity, gas, steam and air conditioning supply
- E. Water supply, sewerage, waste management and remediation activities
- F. Construction
- G. Wholesale and retail trade; repair of motor vehicles and motor cycles (Distribution industries)
- H. Transport and storage
- I. Accommodation and food service activities
- J. Information and communication
- L. Real estate activities
- M. Professional, scientific and technical activities
- N. Administrative and support service activities
- P. Education (excludes local authority and central government bodies)
- Q. Human health and social work activities (excludes local authority and central government, and medical and dental practice activities (group 86.2))
- R. Arts, entertainment and recreation
- S. Other service activities

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

Further information on the BESES can be accessed at:

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

2. Summary and commentary

Sales and Exports Performance

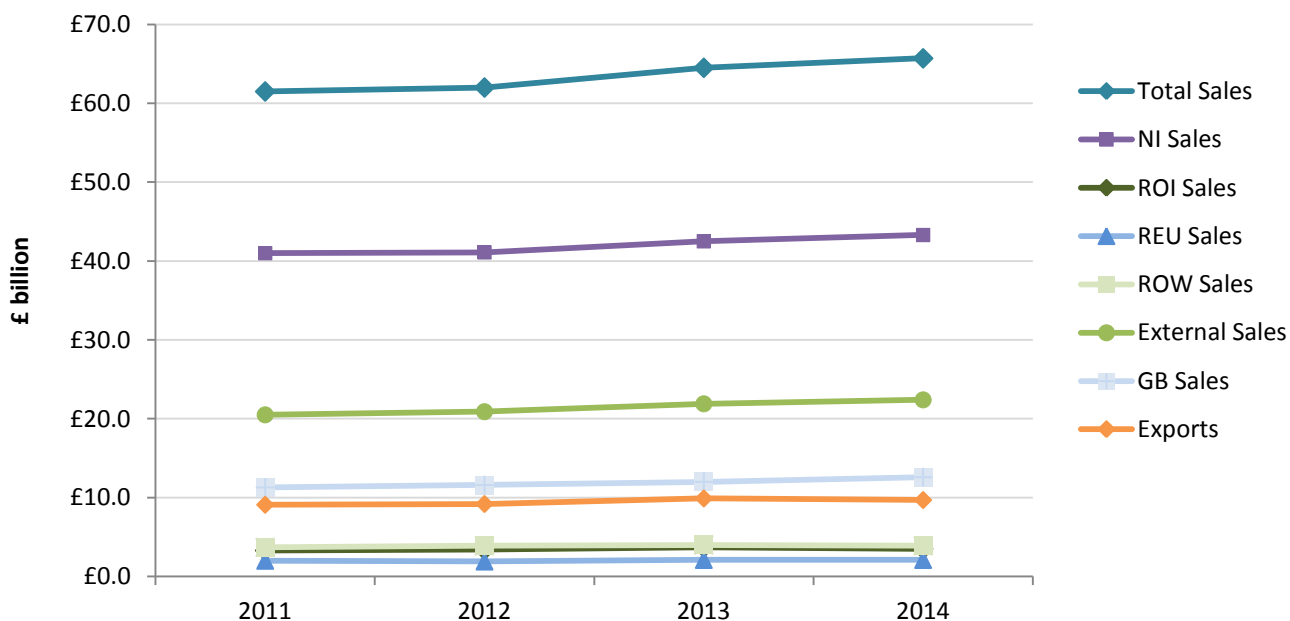
Total sales by companies in Northern Ireland (NI) were estimated to be worth £65.8 billion in 2014. This represents an increase of 2.0% (£1.3 billion) over the year and compares to an increase of 3.9% in 2013.

In 2014, 34.1% of total sales were made to customers outside NI (external sales). This equated to £22.5 billion, representing an increase of 2.1% (£458 million) over the year. This figure exceeds the previously recorded peak in 2013 (£22.0 billion), and external sales and are therefore at their highest on survey record.

Sales outside the UK (exports) were estimated to be worth just under £9.8 billion in 2014. This represented a decrease of 1.9% over the year, compared to an increase in the previous period (2012 – 2013) of 7.0%. This fall in exports was largely driven by a decrease in sales to the Republic of Ireland (ROI), which fell by 3.1% (£117 million) over the year.

Figure 1 shows the values of total sales, and their broad destinations over the 4 year period (2011 to 2014). Over this period, sales to all broad destinations have increased. When considering export sales there has been an increase of 7.1% over the 4 year period to 2014.

Figure 1: Total Sales and their broad destinations: 2011 – 2014 (£ billions)

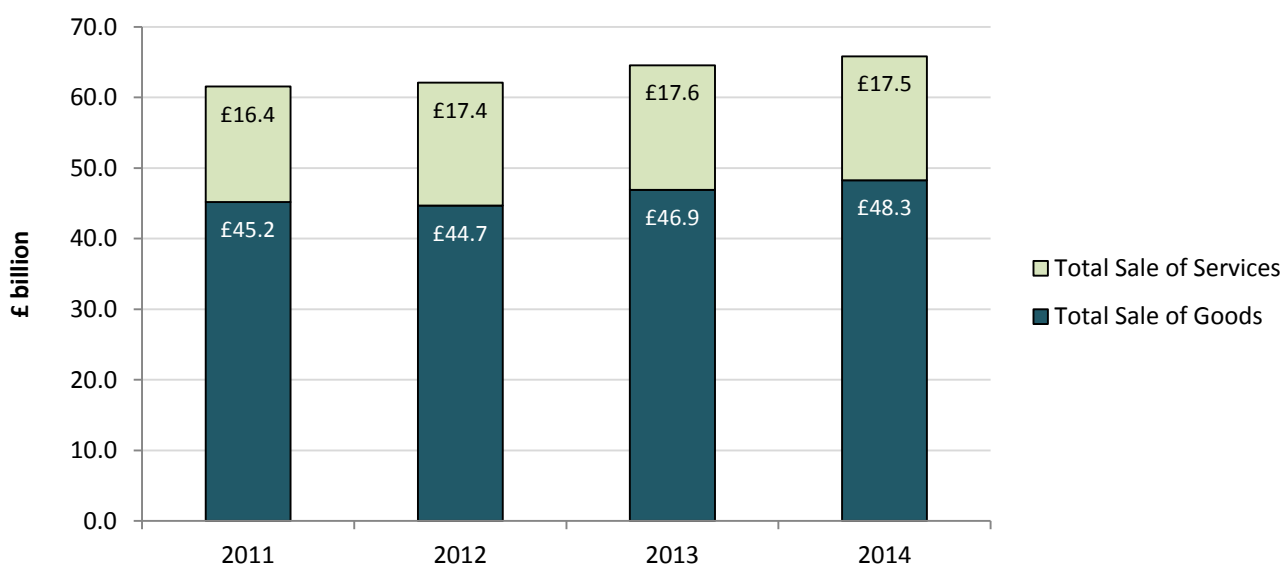


Sale of Goods and Services over Time

Total sales of goods were estimated to be worth £48.3 billion in 2014. This represents an increase of 2.9% (£1.4 billion) over the year and compares to an increase of 5.0% in 2013. Total sales of goods represented almost three quarters (73.3%) of total sales in 2014.

Sales of services represented 26.7% of total sales in 2014 and were estimated to be worth £17.5 billion. Sales of services decreased by 0.5% over the year (£0.1 billion), compared to an increase of 1.3% the previous year. Figures 2 – 4 show the values of total sales, external sales and export sales of goods and services over the 4 year period (2011 – 2014).

Figure 2: Total Sales of Goods and Services: 2011 – 2014 (£billions)



The total value of external sales of goods by Northern Ireland companies was estimated to be worth £18.3 billion in 2014. This represents an increase of 0.9% over the year (£0.2 billion) compared to a rise the previous year of 3.2%. External sales of goods represented 81.6% of all external sales in 2014.

External sales of services were estimated to be worth £4.1 billion in 2014. This represents an increase of 7.5% (£0.3 billion) over the year and compares to an increase of 16.0% in 2013. External sales of services represented 18.4% of all external sales over the year.

Figure 3: External Sales of Goods and Services: 2011 – 2014 (£billions)



Total exports of goods were estimated to be worth £8.3 billion in 2014. This represents a decrease of 1.7% (£0.1 billion) over the year and compares to an increase of 6.0% in 2013. The export of goods represented 84.7% of all exports in 2014.

Exports of services represented 15.3% of total export sales in 2014 and were estimated to be worth £1.5 billion. Exports of services decreased by 2.6% (£40 million) over the year compared to an increase of 13.0% (£0.2 billion) the previous year.

Figure 4: Exports of Goods and Services: 2011 – 2014 (£billions)



Analysis by Destination

Figure 5 shows the proportion of broad destination sales accounted for by goods and services. Sales of goods account for the largest proportion of sales within each broad destination in 2014. It is evident that the more distant the market, the greater the proportion of sales are attributed to goods, e.g., goods account for 69.1% of total Northern Ireland sales, and 87.5% of all Rest of World sales. Sales of goods account for 84.7% of export sales and 81.6% of all external sales.

For sales of services it is apparent that the closer the market the greater the proportion of service sales occur, with 30.9% of total sales in Northern Ireland and just 12.5% of all Rest of World sales. Service sales make up 15.3% of export sales and 18.4% of external sales.

Figure 5: Goods and Services, as a proportion of sales, to each destination: 2014

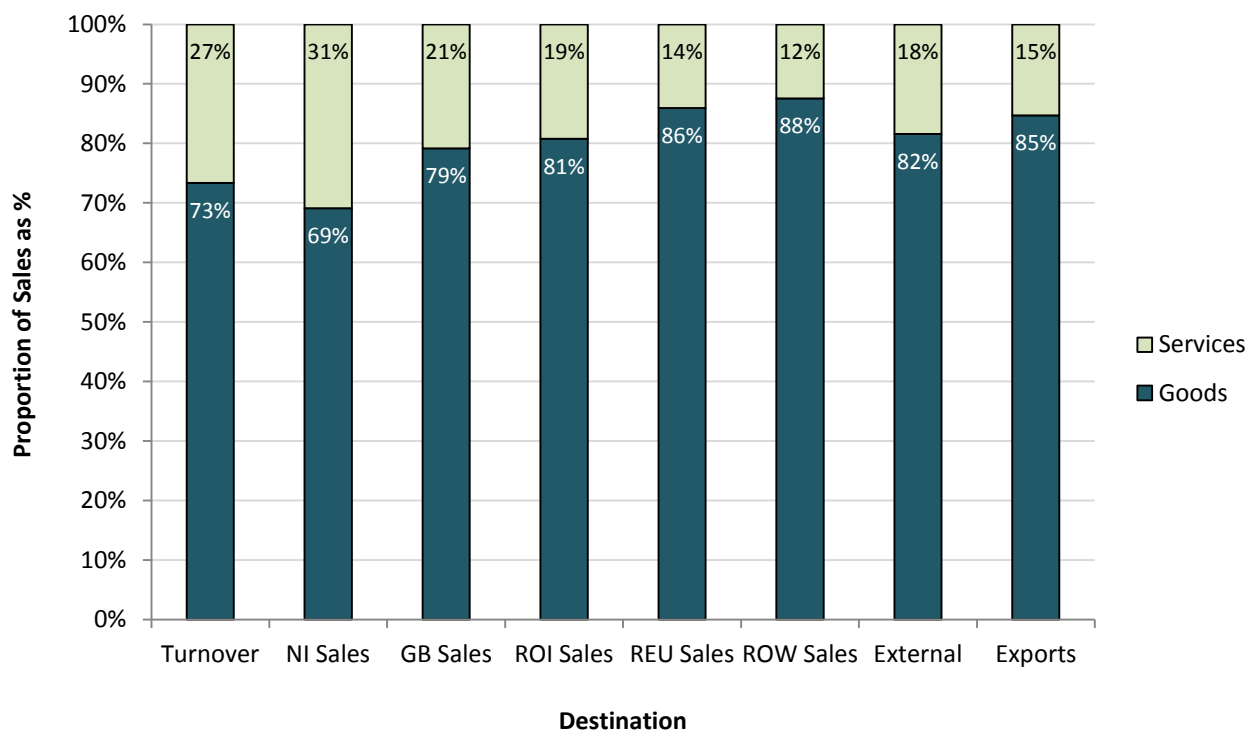
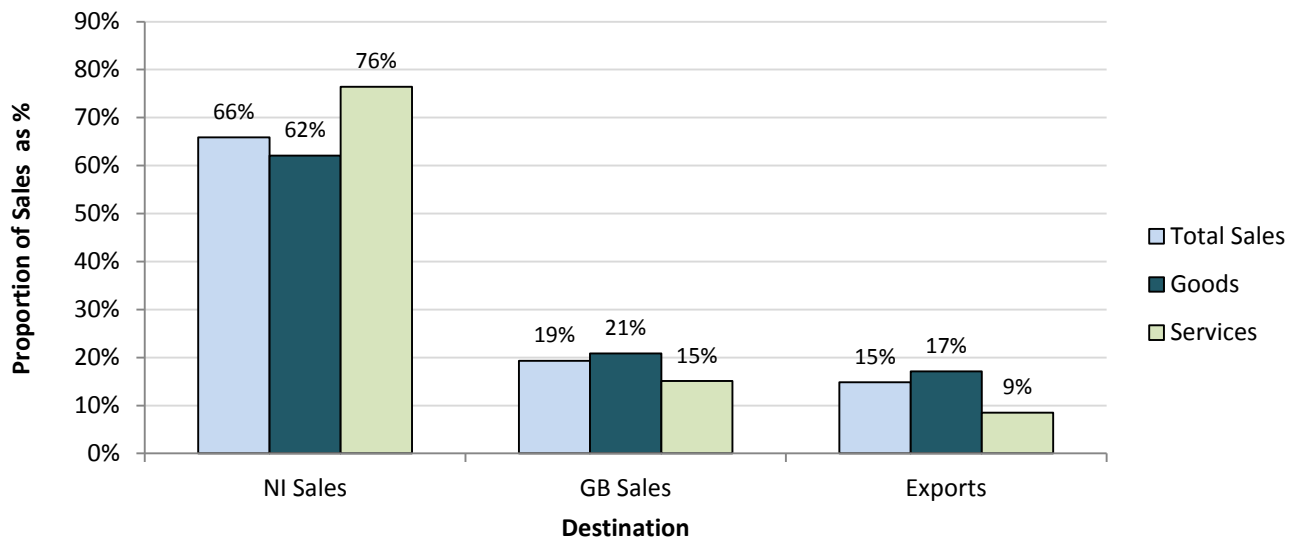


Figure 6 shows the proportion of total sales, sales of goods and sales of services sold to Northern Ireland, Great Britain and those sold as Exports. It is apparent that the highest proportion of service sales occurs internally, with 76.4% of all service sales made within Northern Ireland. The more distant the market, the smaller the proportion of sales of services becomes, with 15.1 % of sales in GB and 8.5% of sales exported.

62.1% of all sales of goods occur within Northern Ireland. While the proportion again drops with increasing market distance, the share of goods sold in Great Britain and those Exported (20.8% and 17.1%) is greater than the corresponding proportion of services in these regions (15.1% and 8.5% respectively).

Figure 6: Proportion of the sale of Goods and Services to each destination: 2014



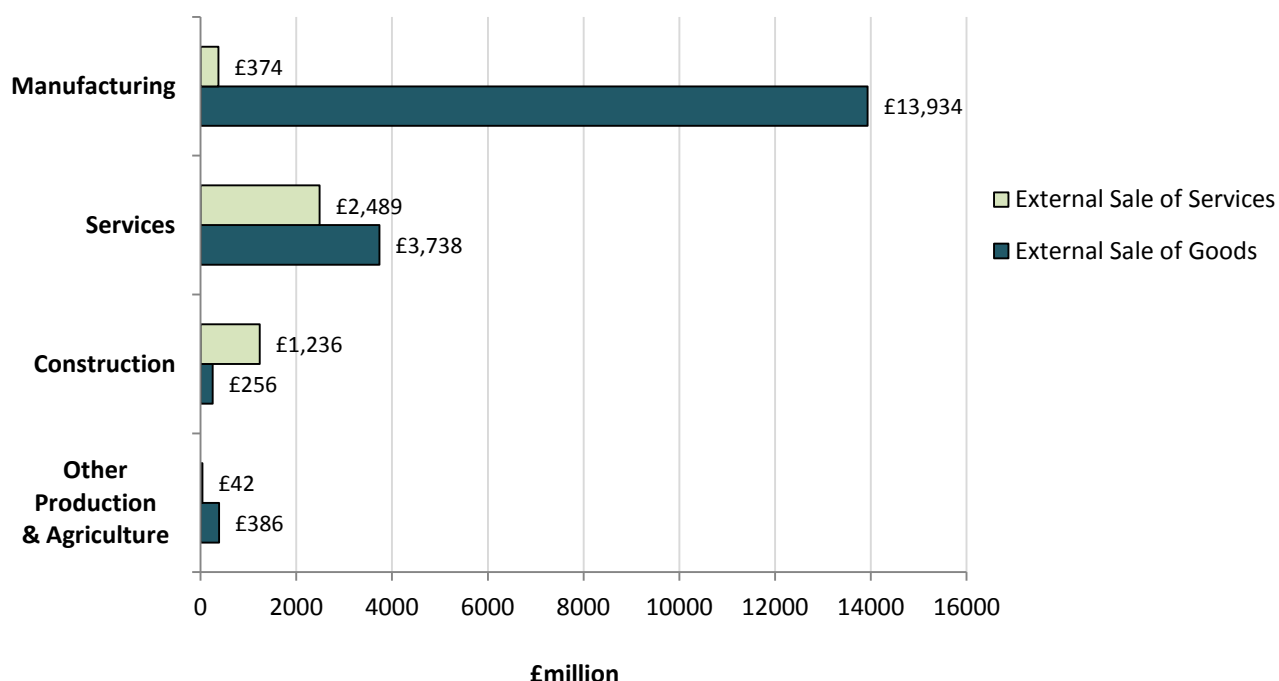
Analysis by Industry Section

External sales to markets outside Northern Ireland are comprised of sales to GB plus the value of exports combined. Figures 7 – 9 show the value, trends and proportion of external sales of goods and services over the year. In 2014, the largest proportion of external sales of goods was from the Manufacturing sector (Section C) which made up 76.1% (£13.9 billion) of all external sales of goods. External sales of manufactured goods saw the largest actual increase over the last year, up £193 million.

The next largest sector for external sales of goods was the Services sector¹, with 20.4% (£3.7 billion) of external sales of goods. External sales of goods in this sector saw the largest actual decrease over the year, down £198 million (5.0%).

The Other Production & Agriculture² section saw the next largest proportion of external sales of goods (2.1% or £386 million) while the Construction sector (Section F) represented just 1.4% (or £256 million) of external sales of goods. However, the Construction sector saw the largest proportional increase in external sales of goods over the year, up £137 million over the year (115.6%).

Figure 7: External sales of goods and services by industry section: 2014 (£millions)



¹ The Services section comprises sectors G – J, L – N and sectors P – S

² The Other Production & Agriculture section comprises sectors A, B, D & E

The largest proportion of external sales of services was, not surprisingly, from the Services section which made up 60.1% (£2.5 billion) of all external sales of services. Such activity saw an increase of £121 million (5.1%) between 2013 and 2014.

The next largest sector for external sales of services was the Construction sector, with 29.9% (£1.2 billion) of external sales of services. External sales of services in this sector saw an increase of £42 million over the year (3.5%).

Manufacturing saw the next largest proportion of the external sale of services with 9.0% (£374 million) of such sales in 2014. The Manufacturing sector also saw the largest percentage increase in external sales of services over the year, increasing by 71.4 % (£156 million). The Other Production & Agriculture section represented just 1.0% (£42 million) of external sales of services in 2014, and saw the greatest percentage decrease over the year, falling by £29 million (40.3%) over the year.

Figure 8: Trends in external sales of goods and services: change by industry section 2013 – 2014 (£millions)

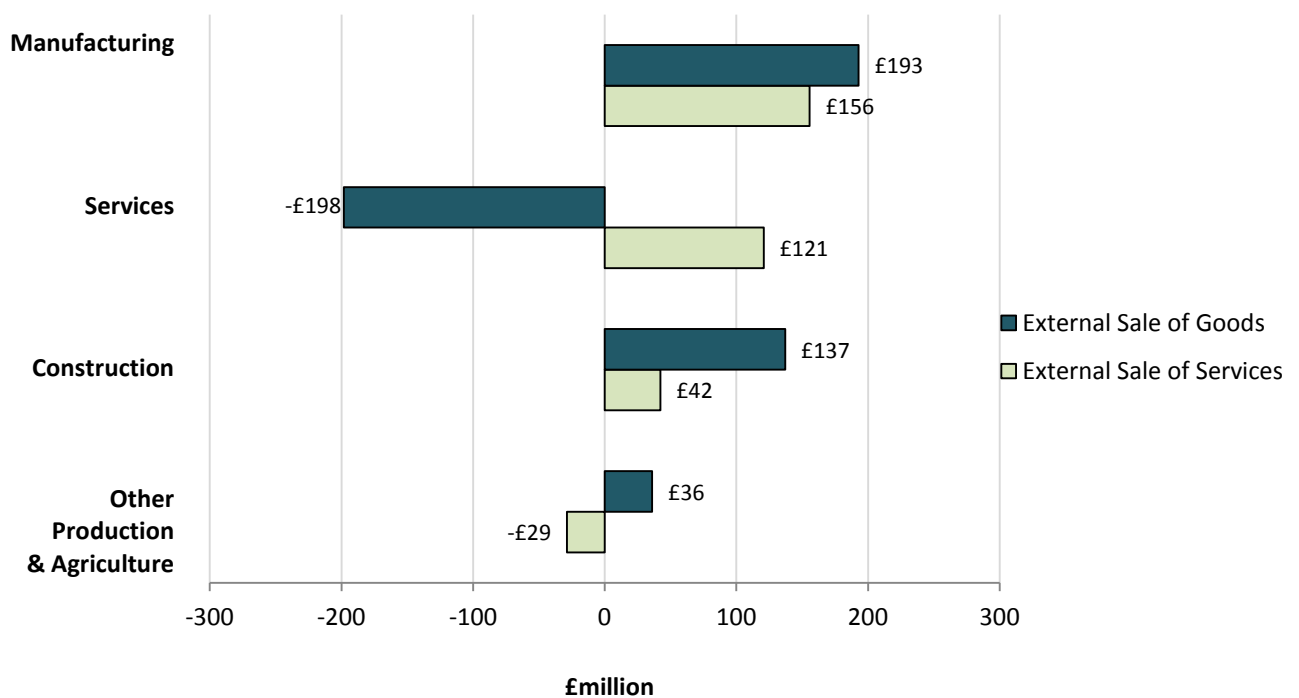
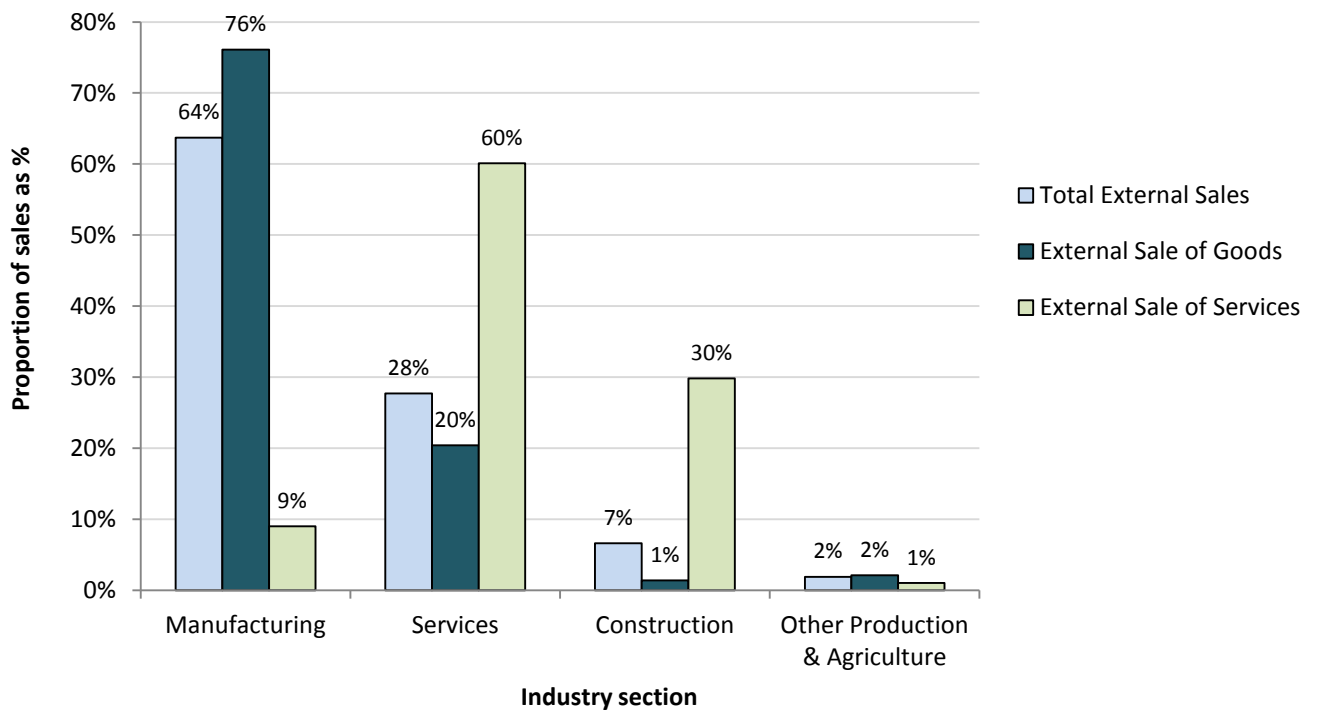


Figure 9: Proportion of external sales of goods and services by industry section: 2014



3: Results tables: 2014

Table 1: Sales to Broad Destinations Split by Goods and Services: 2014 (£ millions)

Broad Destination	Total Sales	Total Sales of Goods	Total Sales of Services
Total Sales	£65,800	£48,260	£17,540
NI Sales	£43,345	£29,946	£13,400
GB Sales	£12,694	£10,049	£2,645
ROI Sales	£3,599	£2,906	£693
REU Sales	£2,174	£1,868	£306
ROW Sales	£3,988	£3,491	£497
External Sales	£22,455	£18,314	£4,141
Exports	£9,761	£8,265	£1,495

Figures may not sum due to rounding.

Table 2 – Total Goods and Services by Industry Section: 2014 (£ millions)

Standard Industrial Classification	Description	Total Sales	Total Sales of Goods	Total Sales of Services
A – S	Agriculture, fishing, production, construction, distribution and services	£65,800	£48,260	£17,540
A (part)	Agriculture, forestry and fishing	£118	£87	£31
B	Mining and quarrying	£373	£337	£36
C	Manufacturing	£18,120	£17,494	£626
D	Electricity, gas, steam and air conditioning supply	£2,083	£1,706	£377
E	Water supply, sewerage, waste management and remediation activities	£836	£441	£395
F	Construction	£5,454	£1,365	£4,089
G	Wholesale and retail trade; repair of motor vehicles and motor cycles	£25,552	£24,500	£1,052
H	Transport and storage	£2,905	£376	£2,529
I	Accommodation and food service activities	£1,480	£1,000	£480
J	Information and communication	£1,872	£294	£1,578
L	Real estate activities	£817	£75	£742
M	Professional, scientific and technical activities	£1,891	£223	£1,667
N	Administrative and support service activities	£1,728	£244	£1,484
P - S	Others	£2,570	£117	£2,453

* = Cells have been suppressed to protect confidentiality.

Figures may not sum due to rounding.

Table 3 – Export of Goods and Services by Industry Section: 2014 (£ millions)

Standard Industrial Classification	Description	Total Exports	Export of Goods	Export of Services
A – S	Agriculture, fishing, production, construction, distribution and services	£9,761	£8,265	£1,495
A (part)	Agriculture, forestry and fishing	£25	*	*
B	Mining and quarrying	£36	£28	£8
C	Manufacturing	£6,020	£5,827	£193
D	Electricity, gas, steam and air conditioning supply	£41	*	*
E	Water supply, sewerage, waste management and remediation activities	£140	£133	£7
F	Construction	£324	£68	£256
G	Wholesale and retail trade; repair of motor vehicles and motor cycles	£1,982	£1,938	£44
H	Transport and storage	£290	£12	£278
I	Accommodation and food service activities	£17	£9	£8
J	Information and communication	£385	£16	£369
L	Real estate activities	£17	*	*
M	Professional, scientific and technical activities	£220	£57	£163
N	Administrative and support service activities	£228	£111	£117
P - S	Others	£37	£3	£35

* = Cells have been suppressed to protect confidentiality

Figures may not sum due to rounding.

Table 4 – External Sales of Goods and Services by Broad Industry Section: 2014 (£ millions)

Standard Industrial Classification	Description	Total External Sales	External Sale of Goods	External Sale of Services
C	Manufacturing	£14,307	£13,934	£374
F	Construction	£1,492	£256	£1,236
G – J, L – M, P – S	Services	£6,227	£3,738	£2,489
A, B, D & E	Other Production & Agriculture	£429	£386	£42

Figures may not sum due to rounding.