

21 March 2019

Northern Ireland Broad Economy Sales and Exports Statistics: Goods and Services Results 2017

Geographical Area: Northern Ireland

Theme: Economy

Frequency: Annual

In December 2018 NISRA published its Broad Economy Sales and Exports Statistics (BESES) results relating to local businesses' sales in 2017 to markets outside Northern Ireland. The latest publication provides further disaggregation of these results into the value of goods and services sold. The December 2018 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 £66.6 billion in 2017, a decrease of 1.7% (£1.1 billion) over the year.
- Total sales of goods were estimated to be worth £45.8 billion in 2017, a decrease of 5.8% (£2.8 billion) over the year
- Sales of services represented 31.3% of total sales in 2017 and were estimated to be worth £20.8 billion. Sales of services increased by 8.9% over the year (£1.7 billion).
- External sales to markets outside of NI fell by £2.4 billion (10.1%) to £21.4 billion in 2017. These were driven by a substantial decline in the Food, Beverages and Tobacco sub sector.
- External sales of goods by NI companies were estimated to be worth £15.7 billion in 2017, 73.1% of all external sales. This represents a decrease of 15.2% over the year (£2.8 billion).
- External sales of services were estimated to be worth £5.8 billion or 26.9% of all external sales in 2017. This represents an increase of 7.7% (£0.4 billion) over the year.
- Exports were estimated to be worth £10.1 billion in 2017, an increase of 4.8% (£0.5 billion) over the year.
- Exports of goods were estimated to be worth £8.1 billion in 2017, an increase of 3.5% (£0.3 billion). Exports of goods represented 79.9% of all exports sales.
- Exports of services represented 20.1% of total export sales in 2017 and were estimated to be worth £2.0 billion. Exports of services increased by 10.7% (£0.2 billion) 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). The BESES was first published in 2015 (referring to survey years 2011 and 2012) to provide a more comprehensive measure of such sales than had previously been available. This publication includes estimates of the value of both goods and services sold by NI businesses in 2017, as well as their point of destination. The results provide a further disaggregation of 2017 BESES estimates first published in December 2018.

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 economicstats@nisra.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](#).

This release provides a further breakdown of the revised estimates for 2016 and provisional estimates for 2017 first published in [December 2018](#) 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 on the [NISRA website](#).

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 old [Manufacturing Sales and Exports Survey](#), which was superseded by the BESES, are documented separately.

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.

Other sources

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 [here](#).

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 [here](#).

A joint NISRA/HMRC statement referencing the differences between the methodologies and ongoing collaborative working is available in Appendix A. Users should also refer to Appendix C of the [2015 BESES publication](#) where the differences in estimates produced by NISRA and HMRC are further explored.

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

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](#).

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](#)).

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 relate to survey year 2017. These figures are provisional and are subject to revision in the next reporting period.

It is normal practice to revise the data from the previous year based on ongoing data validation and clarification of responses from individual businesses. In line with this, previously published provisional BESES estimates for 2016 have been revised throughout this publication.

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

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.

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

Coverage: Following a decision in 2013 by the Office for National Statistics to discontinue the publication of figures covering Insurance & Re-insurance industries (within Sector K) due to ongoing volatility of the estimates, the NIABI and BESES publications also exclude estimates for this sector.

The other main areas that are excluded are: Public Administration and Defence (section O) while Agriculture, Forestry and Fishing (section A) excludes farming (groups 01.1, 01.2, 01.3, 01.4 and 01.5). Local authority and central Government bodies in Education (section P) and Human Health and Social Work Activities (section Q) have also been excluded from this publication, as has 86.2 (Medical and Dental Practice Activities) within section Q.

Total sales are defined as the **sum of all sales** to Northern Ireland (NI), Great Britain (GB), the Republic of Ireland (IE), the Rest of the European Union (REU) and the Rest of the World (ROW). 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**.

All values are in **current** prices.

Further Information

Further information on the BESES can be accessed on the [NISRA website](#).

2 Summary and Commentary

2.1 Sales and Exports Performance

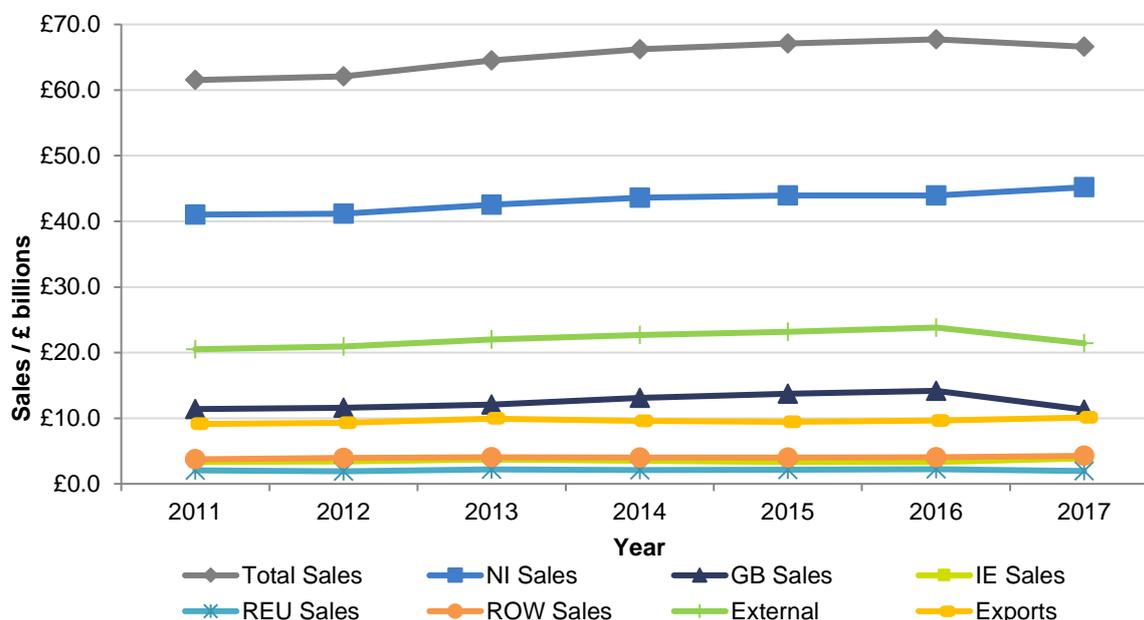
Total sales by companies in Northern Ireland (NI) were estimated to be worth £66.6 billion in 2017. This represents a decrease of 1.7% (£1.1 billion) over the year and compares to a previous annual increase of 1.0% in 2016.

In 2017, 32.1% of total sales were made to customers outside NI (external sales). This equated to £21.4 billion, representing a decrease of 10.1% (£2.4 billion) over the year. This figure has fallen below the previously recorded peak in 2016 (£23.8 billion), and this is the first fall in external sales on survey record since recording began in 2011.

Sales outside the UK (exports) were estimated to be worth £10.1 billion in 2017. This represented an increase of 4.8% over the year, and follows an increase in the previous period (2015 – 2016) of 2.1%.

Figure 1 shows the values of total sales, and their broad destinations over the 7 year period (2011 to 2017). Over the period 2011 – 2017, sales to all broad destinations increased with the exception of sales to REU and GB (and thus external sales). The fall in sales to GB in 2017 was mainly driven by a substantial fall in turnover in the manufacturing sub sector of food, beverages and tobacco.

Figure 1: Total Sales and their broad destinations, 2011 – 2017 (£ billions)



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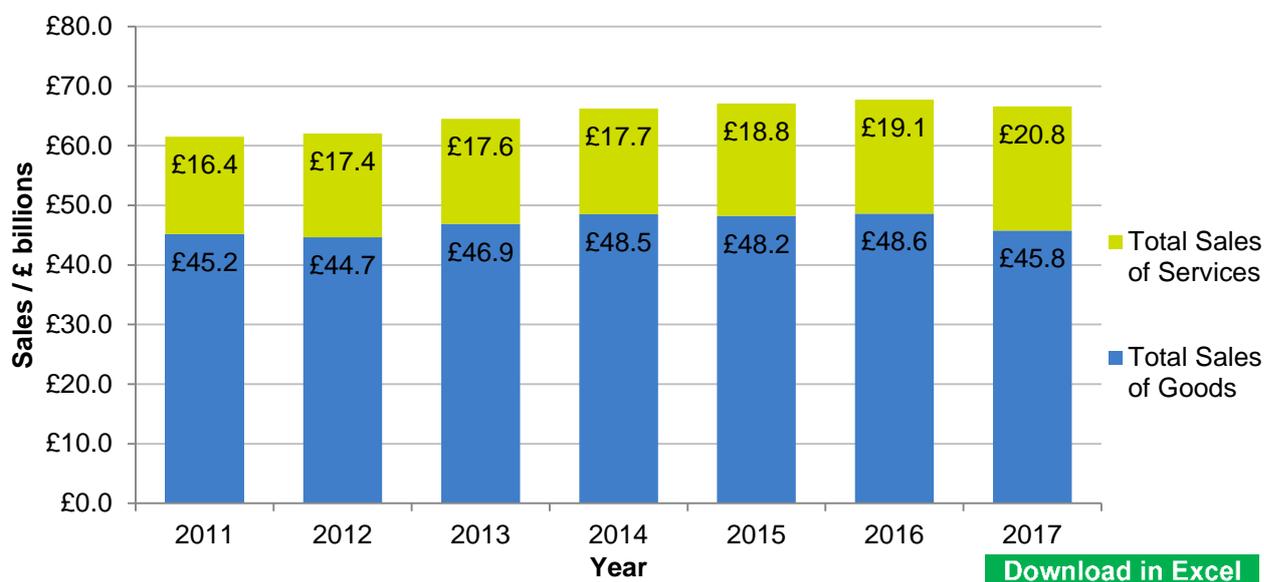
2.2 Sale of Goods and Services over Time

Total Sales

Total sales of goods were estimated to be worth £45.8 billion in 2017. Sales of goods decreased by 5.8% over the year (£2.8 billion), compared to an increase of 0.8% the previous year. Total sales of goods represented over two third (68.7%) of total sales in 2017.

Sales of services represented 31.3% of total sales in 2017 and were estimated to be worth £20.8 billion. Sales of services increased by 8.9% over the year (£1.7 billion), compared to an increase of 1.4% the previous year. Figures 2 – 4 show the values of total sales, external sales and export sales of goods and services over the 7 year period (2011 – 2017).

Figure 2: Total Sales of Goods and Services, 2011 – 2017 (£ billions)

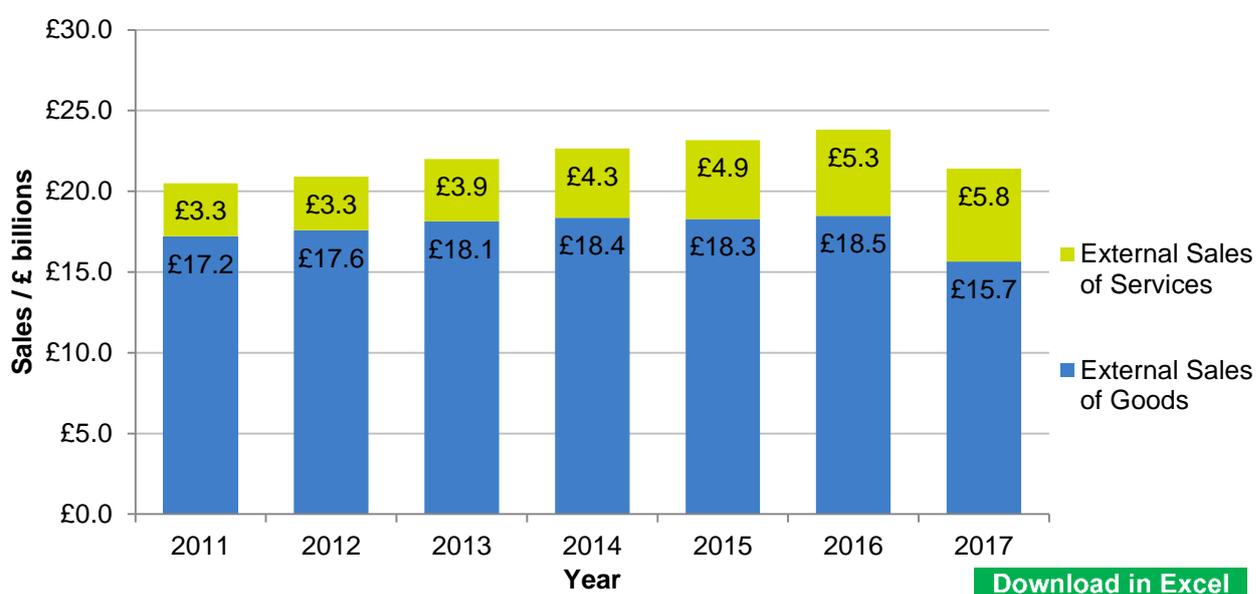


External Sales

The total value of external sales of goods by Northern Ireland companies was estimated to be worth £15.7 billion in 2017. This represents a decrease of 15.2% over the year (£2.8 billion) compared to a rise the previous year of 1.0%. External sales of goods represented 73.1% of all external sales in 2017.

External sales of services were estimated to be worth £5.8 billion in 2017. This represents an increase of 7.7% (£0.4 billion) over the year and compares to an increase of 9.6% in 2016. External sales of services represented 26.9% of all external sales over the year.

Figure 3: External Sales of Goods and Services, 2011 – 2017 (£ billions)



Exports

Total exports of goods were estimated to be worth £8.1 billion in 2017. This represents an increase of 3.5% (£0.3 billion) over the year and compares to a decrease of 0.6% in 2016. The export of goods represented 79.9% of all exports in 2017.

Exports of services represented 20.1% of total export sales in 2017 and were estimated to be worth £2.0 billion. Exports of services increased by 10.7% (£0.2 billion) over the year compared to an increase of 15.3% (£0.2 billion) the previous year.

Figure 4: Exports of Goods and Services, 2011 – 2017 (£ billions)



2.3 Analysis by Destination

Figure 5 (overleaf) 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 2017. It is evident that, in general, the more distant the export market, the greater the proportion of sales are attributed to goods, e.g. goods account for 66.7% of total Northern Ireland sales, compared to 82.3% of Rest of Europe sales and 81.6% of all Rest of World sales. Sales of goods account for 79.9% of export sales and 73.1% 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 services accounting for 33.3% of total sales in Northern Ireland and just 17.7% of all Rest of Europe sales. Service sales make up 20.1% of export sales and 26.9% of external sales.

Figure 5: Goods and Services, as a proportion of sales, to each destination, 2017

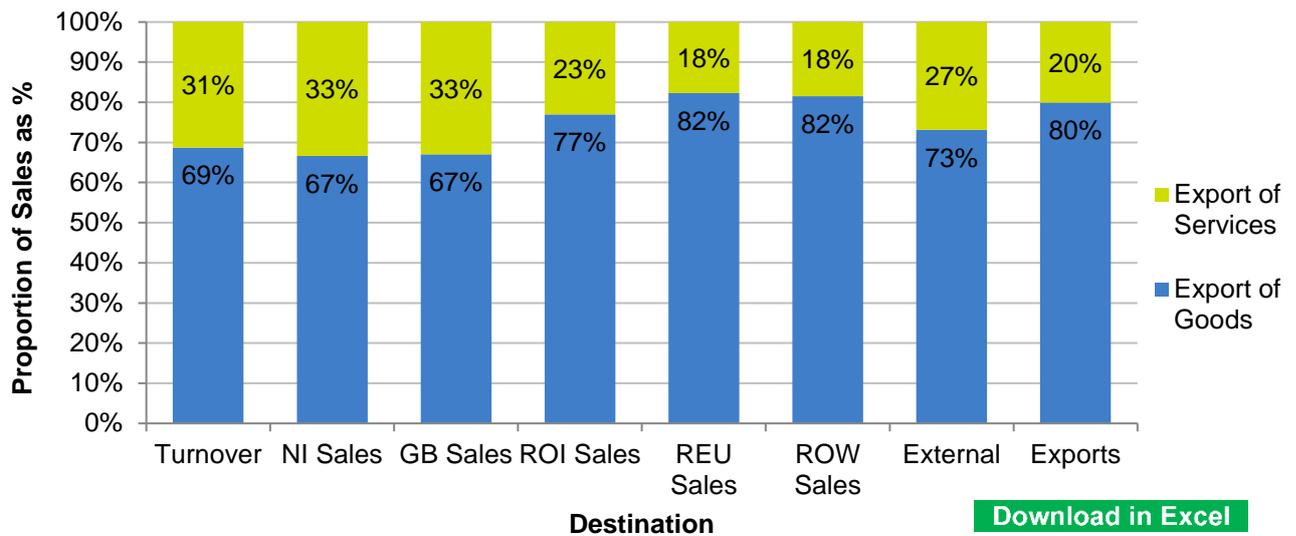
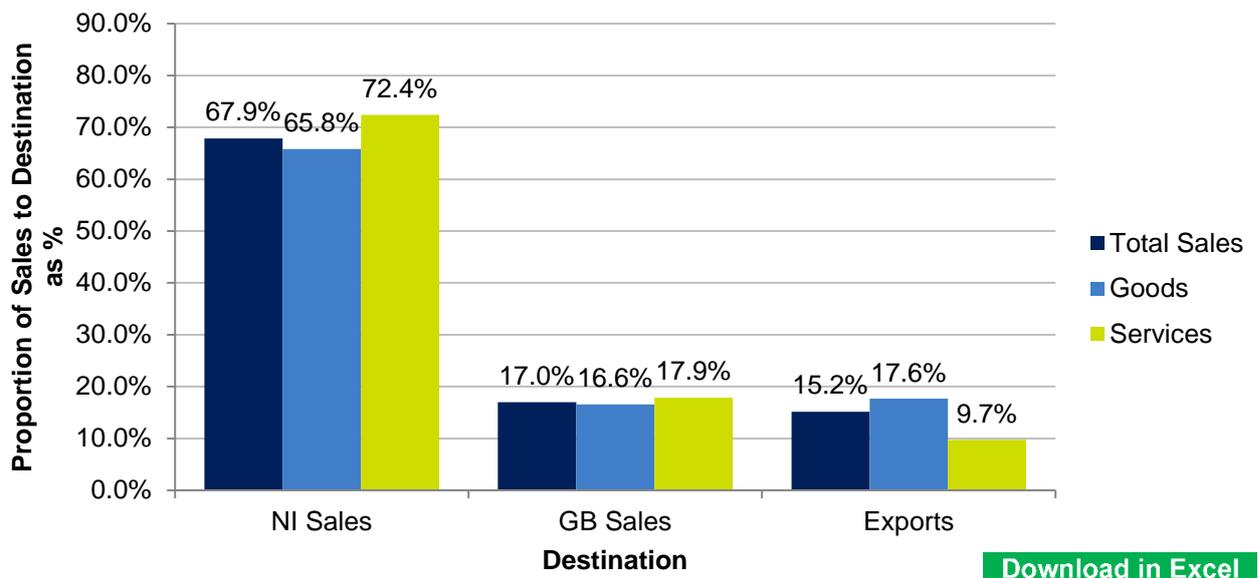


Figure 6 shows the proportion of total sales, sales of goods and sales of services sold to Northern Ireland, Great Britain and those sold as Exports. It is apparent that the highest proportion of service sales occurs internally, with 72.4% of all service sales made within Northern Ireland. The more distant the market, the smaller the proportion of sales of services becomes, with 17.9% of sales in GB and 9.7% of sales exported.

65.8% of all sales of goods occur within Northern Ireland. However the proportion increases with increasing market distance as the share of goods sold in Great Britain (16.6%) is less than those exported (17.6%)

Figure 6: Proportion of the sale of Goods and Services to each destination, 2017



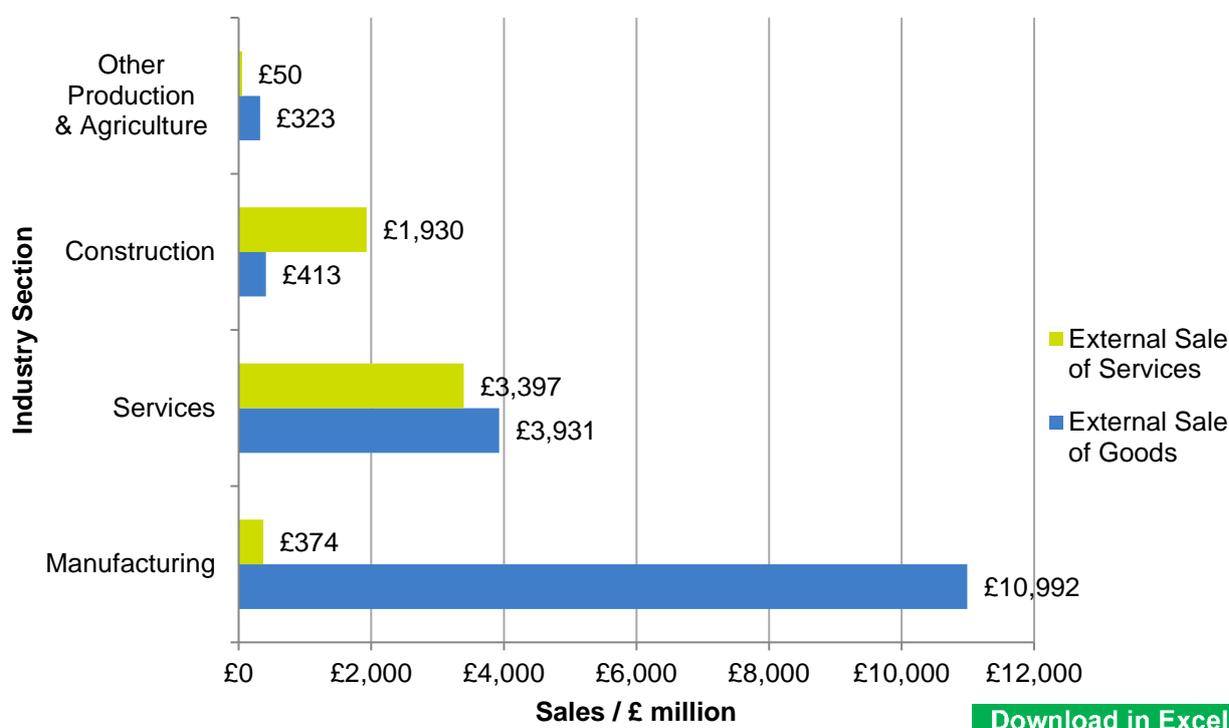
2.4 Analysis by Industry Section

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 2017, the largest proportion of external sales of goods was from the Manufacturing sector (Section C) which made up 70.2% (£11.0 billion) of all external sales of goods. External sales of goods by businesses in the manufacturing sector decreased by £3.0 billion over the year.

The next largest sector for external sales of goods was the Services sector¹, with 25.1% (£3.9 billion) of external sales of goods. External sales of goods in this sector increased by £161m (4.3%).

The Construction sector (Section F) saw the next largest proportion of external sales of goods (2.6% or £413 million) while the Other Production & Agriculture² section represented just 2.1% (or £323 million) of external sales of goods.

Figure 7: External sales of goods and services by industry section, 2017 (£ millions)



The largest proportion of external sales of services was, not surprisingly, from the Services sector which made up 59.1% (£3.4 billion) of all external sales of services. Such activity saw an increase of £36 million (1.1%) between 2016 and 2017.

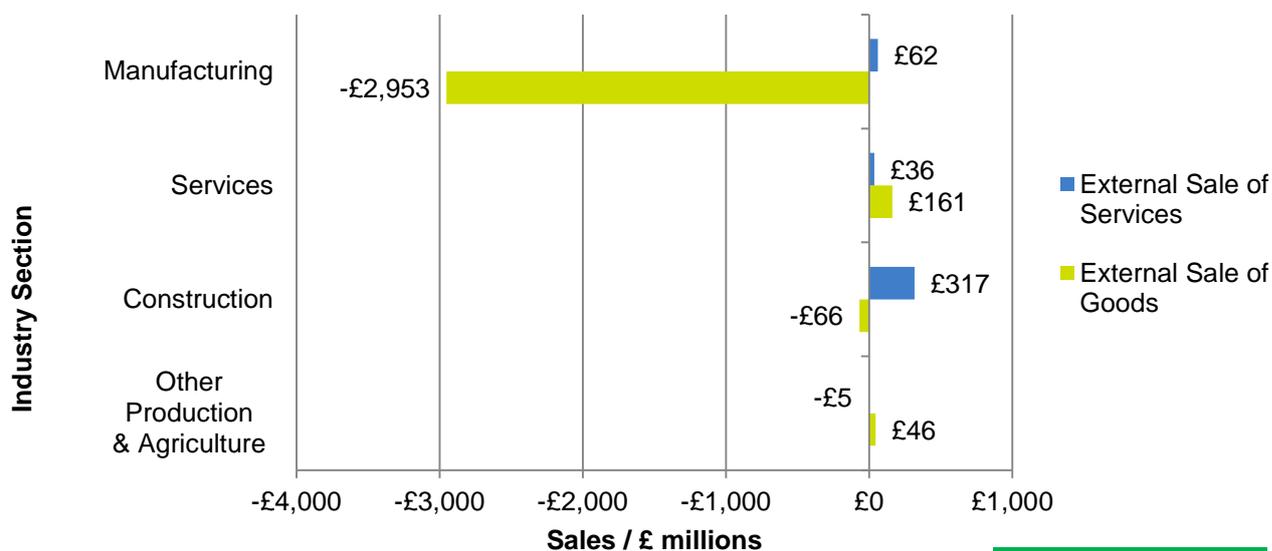
The next largest sector for external sales of services was the Construction sector, with 33.6% (£1.9 billion) of external sales of services. The Construction sector also saw the second largest percentage increase in external sales of services over the year, increasing by £317 million over the year (19.7%).

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

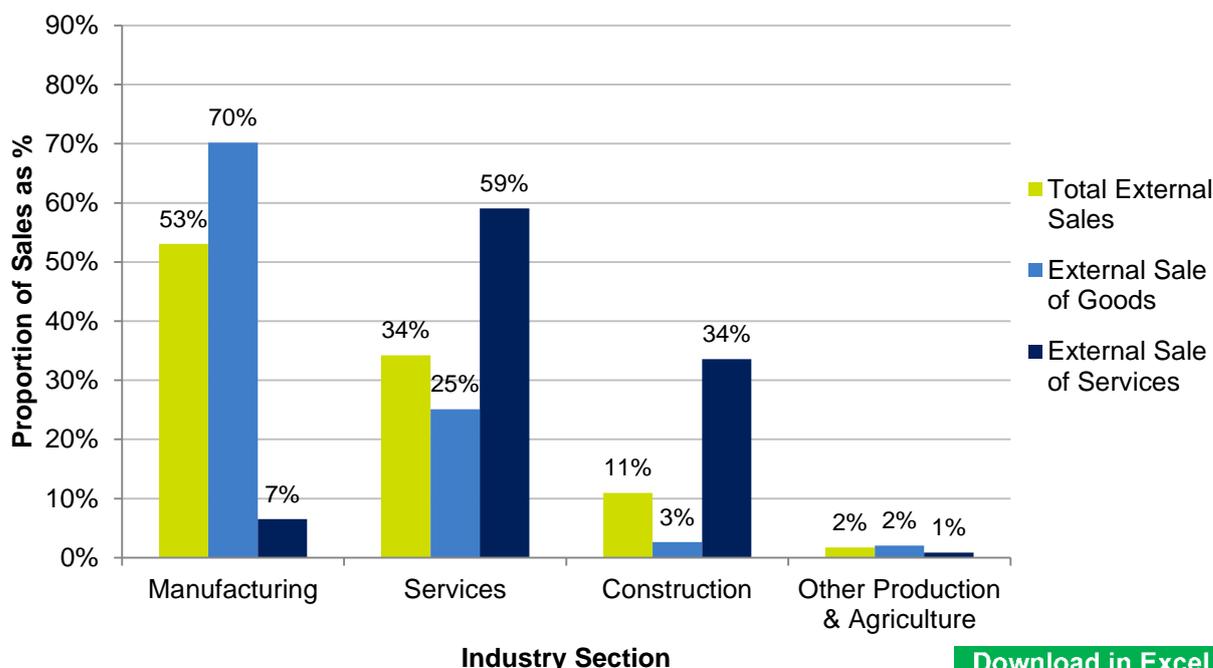
Manufacturing saw the next largest proportion of the external sale of services with 6.5% (£374 million) of such sales in 2017. The Manufacturing sector increased in external sales of services over the year, by 19.8% (£62 million). The Other Production & Agriculture section represented just 0.9% (£50 million) of external sales of services in 2017, and saw a decrease (£5 million or 8.4%) over the year. This is the only sector that showed an annual decrease although, this change is based on a relatively low level of sales.

Figure 8: Trends in external sales of goods and services: change by industry section, 2016 – 2017 (£ millions)



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Figure 9: Proportion of external sales of goods and services by industry section, 2017



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3 Results Tables: 2017

Table 1: Sales to Broad Destinations Split by Goods and Services: 2017 (£ millions)

Broad Destination	Total Sales	Total Sales of Goods	Total Sales of Services
Total Sales	£66,603	£45,780	£20,822
NI Sales	£45,193	£30,121	£15,072
GB Sales	£11,304	£7,581	£3,723
IE Sales	£3,881	£2,987	£895
REU Sales	£1,958	£1,612	£346
ROW Sales	£4,267	£3,480	£787
External Sales	£21,410	£15,659	£5,751
Exports	£10,106	£8,078	£2,028

Figures may not sum due to rounding.

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Table 2 – Total Goods and Services by Industry Section: 2017 (£ millions)

Standard Industrial Classification	Description	Total Sales	Total Sales of Goods	Total Sales of Services
A – S	Agriculture, fishing, production, construction, distribution and services	£66,603	£45,780	£20,822
A (part)	Agriculture, forestry and fishing	£151	£111	£40
B	Mining and quarrying	£372	£299	£73
C	Manufacturing	£15,595	£14,859	£735
D	Electricity, gas, steam and air conditioning supply	£2,031	£1,767	£264
E	Water supply, sewerage, waste management and remediation activities	£898	£429	£470
F	Construction	£7,543	£2,076	£5,467
G	Wholesale and retail trade; repair of motor vehicles and motor cycles	£24,599	£23,444	£1,155
H	Transport and storage	£3,098	£300	£2,798
I	Accommodation and food service activities	£1,871	£1,409	£462
J	Information and communication	£1,920	£246	£1,674
L	Real estate activities	£891	£49	£843
M	Professional, scientific and technical activities	£2,465	£292	£2,174
N	Administrative and support service activities	£2,262	£305	£1,957
P - S	Others	£2,908	£196	£2,712

** = Cells have been suppressed to protect confidentiality.
Figures may not sum due to rounding.*

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Table 3 – Export of Goods and Services by Industry Section: 2017 (£ millions)

Standard Industrial Classification	Description	Total Exports	Export of Goods	Export of Services
A – S	Agriculture, fishing, production, construction, distribution and services	£10,106	£8,078	£2,028
A (part)	Agriculture, forestry and fishing	£28	*	*
B	Mining and quarrying	£34	£27	£7
C	Manufacturing	£6,032	£5,803	£229
D	Electricity, gas, steam and air conditioning supply	£38	*	*
E	Water supply, sewerage, waste management and remediation activities	£127	£123	£4
F	Construction	£317	£69	£248
G	Wholesale and retail trade; repair of motor vehicles and motor cycles	£1,787	£1,738	£49
H	Transport and storage	£376	£15	£361
I	Accommodation and food service activities	£5	*	*
J	Information and communication	£580	£48	£532
L	Real estate activities	£6	*	*
M	Professional, scientific and technical activities	£395	£78	£318
N	Administrative and support service activities	£328	£110	£218
P - S	Others	£51	£15	£36

* = Cells have been suppressed to protect confidentiality
 Figures may not sum due to rounding.

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Table 4 – External Sales of Goods and Services by Broad Industry Section: 2017 (£ millions)

Standard Industrial Classification	Description	Total External Sales	External Sale of Goods	External Sale of Services
A – S	Agriculture, fishing, production, construction, distribution and services	£21,410	£15,659	£5,751
C	Manufacturing	£11,366	£10,992	£374
F	Construction	£2,342	£413	£1,930
G – J, L – M, P – S	Services	£7,328	£3,931	£3,397
A, B, D & E	Other Production & Agriculture	£373	£323	£50

Figures may not sum due to rounding.

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4 Appendices

Appendix A: NISRA/HMRC joint statement referencing the differences in methodological approaches between BESES and HMRC RTS

Due to methodological differences, the BESES (NISRA's Broad Economy Sales and Exports Statistics) and HMRC Regional Trade Statistics (RTS) are not directly comparable.

HMRC's primary source data is collected from the EU-wide Intrastat survey and from Customs import and export entries, both administered by HMRC. These record the movement - for trade purposes - of goods only between the UK and both EU and non-EU countries. There is a legal requirement for all VAT-registered businesses to supply this data, although for trade with the EU this only applies to businesses trading above the Intrastat threshold.

The RTS methodology allocates trade to a region based on the location of the business exporting or importing the goods. For multi-branch businesses, it allocates trade to a region, based on the proportional distribution of employees of that business across the regions of the UK. HMRC consider this to be a good proportionate reflection of trade at a regional basis. This methodology is in harmony with other regional statistical products from across the GSS, including the Annual Business Survey and the recently launched Regional Trade in Services from the ONS.

This main allocation method is used for all trade except for specific goods, the treatment of which are outlined in the published [RTS methodology](#).

The BESES is an experimental measure, based on an annual survey of local businesses' sales to markets outside Northern Ireland (NI). BESES data is gathered through the Northern Ireland Annual Business Inquiry and has been running since 2011. The ABI surveys all businesses with 50 or more employees; all multi-site businesses with 20-49 employees; all manufacturing businesses with more than 5 employees; and a representative sample of other smaller businesses. In all, the ABI samples about 20% of the eligible business population each year.

Users should refer to Appendix C of the [2015 publication](#) for estimates of the size of the difference between HMRC and NISRA measures of trade.

Statisticians in NISRA and HMRC are working together to understand the differences. This will lead to the documentation of the differences which will assist users. In the long term it may lead to future methodological enhancements of the products.