

Northern Ireland Broad Economy Sales and Exports Statistics 2015



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

Key points

- Total sales by companies in Northern Ireland (NI) were estimated to be worth £66.7 billion in 2015, an increase of 0.7% (£457 million) over the year.
- Sales within NI increased by £166 million to £43.7 billion, up 0.4% over the year and are at the highest level since the survey commenced in 2011.
- Sales to Great Britain (GB) increased by £774 million to £13.8 billion, up 5.9% over the year.
- External sales (sales to markets outside NI) rose by £291 million (1.3%) to £23.0 billion, and accounted for over a third of total sales in 2015 (34.4%).
- External sales and sales to GB are at their highest levels since 2011.
- Exports (sales outside the UK) fell by £483 million (5.0%) over the year, to £9.1 billion.
- Exports to the Republic of Ireland (RoI) decreased by £143 million (4.1%) over the year, to £3.4 billion.
- Exports to the Rest of the EU (RoEU, excluding RoI) fell over the year by £163 million (7.8%) to £1.9 billion. Exports to the Rest of the World (RoW) decreased by £176 million (4.4%) over the year, to £3.8 billion.
- Over the calendar year 2014 to 2015, the estimated number of businesses selling to destinations outside NI fell by 0.6% (67 businesses) while the number of businesses exporting fell by 3.7% (322 businesses).
- BESES estimates are not directly comparable with HMRC Regional Trade Statistics due to methodological differences. See Appendix B for further details.

^(a) These statistics were initially due to be published on 15th December 2016. However their publication was delayed to allow additional methodological quality assurance checks to be carried out.

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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 *number* of businesses selling to markets outside NI are also presented.

Ongoing development of the methodology (as outlined in the associated published [methodology paper](#) of 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.

Status of figures in current bulletin

- The most recent figures, 2015, are provisional and are subject to revision in the next reporting period.
- Sales and exports values are reported in £million unless otherwise specified.
- All values are in current prices.
- Percentage changes are reported to one decimal place.
- The Broad Economy Sales and Exports 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

Reference Tables

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

<https://www.economy-ni.gov.uk/sites/default/files/publications/economy/BESES-internet-tables-2011-2015.xlsx>

Further Information

Further information on the BESES can be accessed at:

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

2.1 Sales and Exports Performance

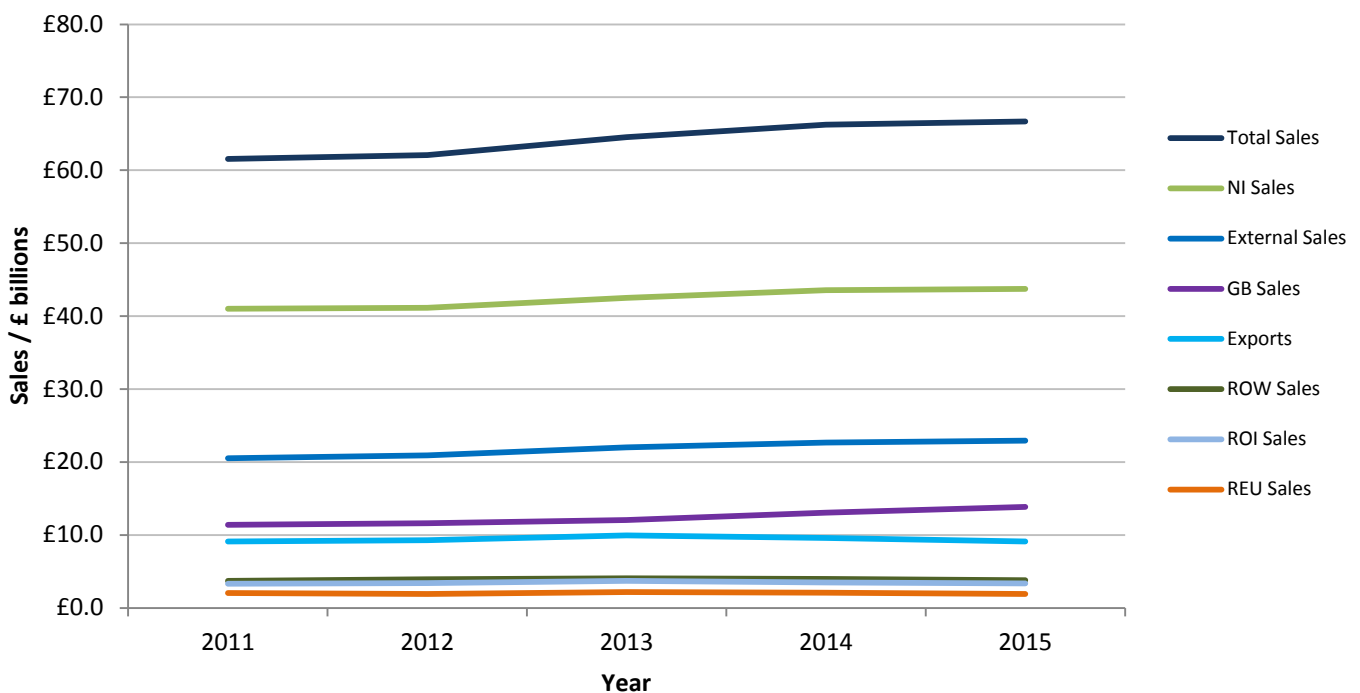
Total sales by companies in Northern Ireland (NI) were estimated to be worth £66.7 billion in 2015. This represents an increase of 0.7% (£457 million) over the year and compares to an increase of 2.7% in 2014.

In 2015, 34.4% of total sales were made to customers outside NI (external sales). This equated to £23.0 billion, representing an increase of 1.3% (£291 million) over the year. This figure exceeds the previously recorded peak in 2014 (£22.7 billion), and external sales are therefore at their highest on survey record.

Sales outside the UK (exports) were estimated to be worth £9.1 billion in 2015. This represented a decrease of 5.0% over the year, and follows a decrease in the previous period (2013 – 2014) of 3.6%.

Figure 1 shows the values of total sales, and their broad destinations over the 5 year period (2011 to 2015). Over the period 2011 - 2014, sales to all broad destinations increased. However the fall in sales to the Rest of the EU (REU) and total exports over the last year means that sales to these destinations have fallen below their levels in 2011.

Figure 1: Total Sales and their broad destinations: 2011 – 2015 (£ billions)



2.2 Annual Changes in Sales over Time

Figure 2 provides information on annual percentage changes in total sales to selected destinations.

The annual rate of growth of sales increased in the period 2011/12 – 2012/13 for all destinations. However there was a fall in growth across the board in the period 2013/14 with the exception of sales to GB, which continued to grow. All destinations experienced reduced growth over the period 2014/15 with exports actually falling by 5.0% in the period 2014/15. This followed a fall in exports of 3.6% in the period 2013/14.

Figure 2: Annual Rate of Growth of Sales to Selected Destinations: 2011 – 2015



2.3 Analysis by Destination

Over the last year, total sales increased by 0.7% (£457 million). This was largely driven by increasing sales within NI (up 0.4% or £166 million) and sales to GB (up 5.9% or £774 million). These increases offset a fall in exports, down by 5.0%, from £9.6 billion in 2014 to £9.1 billion in 2015.

Over the last year, sales to ROI have decreased by 4.1% (£143 million). This follows a fall of 5.3% the previous year. Sales to the RoEU fell by 7.8% over the year while sales to the RoW decreased by 4.4%.

Sales to GB saw the largest proportional and actual increases over the year for external markets, rising by 5.9% or £774 million to £13.8 billion in 2015. Great Britain remains the most significant single market for external sales from Northern Ireland businesses, accounting for 20.8% (£13.8 billion) of total sales. These are the highest level of sales to GB on survey record.

Sales destined for international customers (exports) accounted for 13.7% of total sales. Sales to the ROI decreased over the year by 4.1% and account for 5.1% of total sales and over a third (37.1%) of exports.

Total sales to the ROI in 2015 were £3.4 billion, down £143 million (4.1%) over the year. This is the second consecutive fall in sales to ROI on survey record, following two consecutive years of increasing sales.

Over the last year sales to the RoEU¹ decreased by 7.8% (£163 million) to £1.9 billion. Sales to the rest of the EU account for 2.9% of total sales and over a fifth of exports (21.2%).

Exports to the RoW² decreased by £176 million (4.4%) over the year, to £3.8 billion. RoW sales account for 5.7% of total sales, and 41.8% of all exports.

External sales to markets outside Northern Ireland are comprised of sales to GB plus the value of exports combined. These increased by £291 million to £23.0 billion, and accounted for over one third of total sales in 2015 (34.4%). This figure exceeds the previously recorded peak in 2014 (£22.7 billion), and external sales are therefore at their highest level since the survey began in 2011.

¹ A list of EU member countries is available at: http://europa.eu/about-eu/countries/index_en.htm

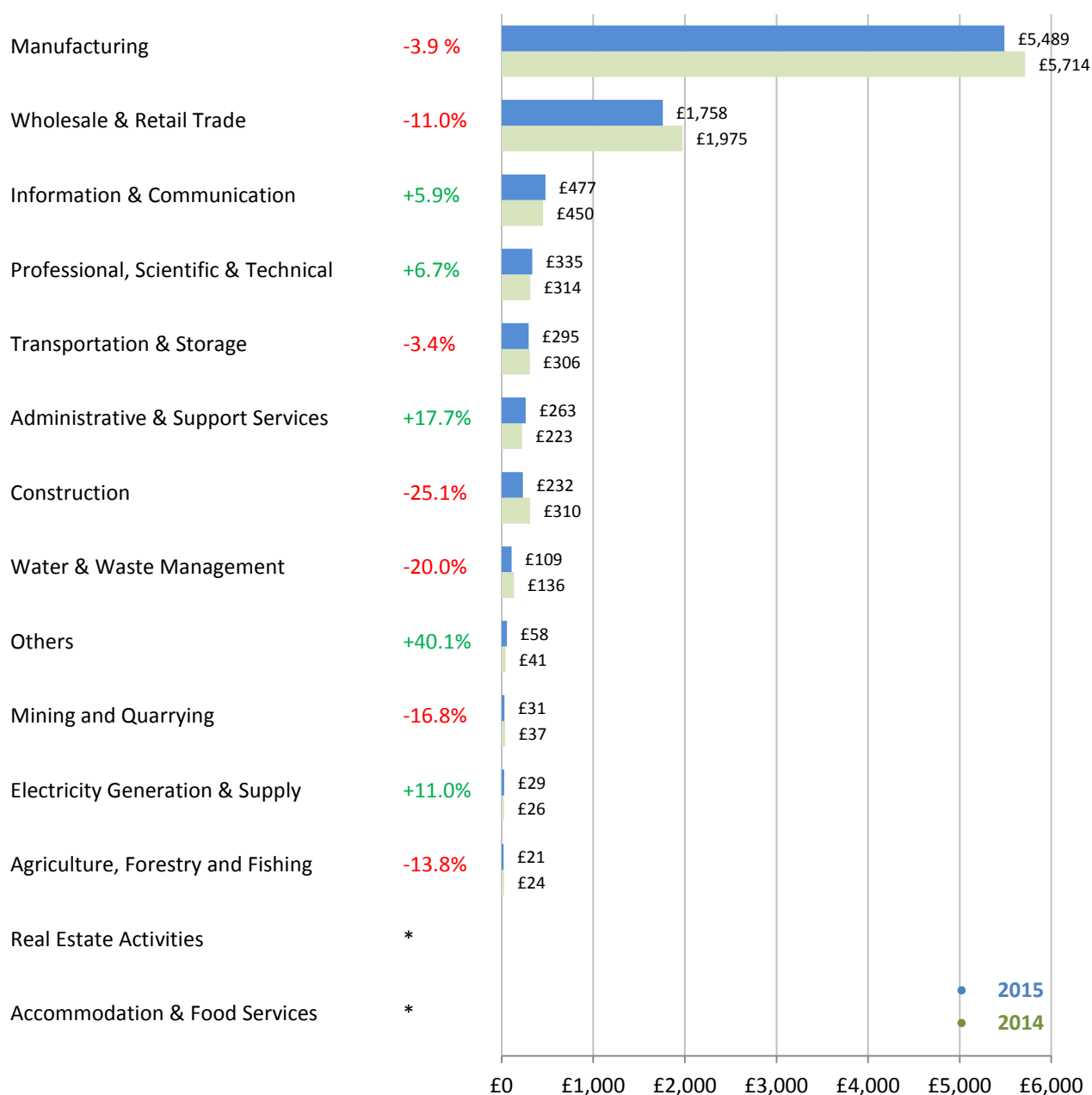
² The Rest of World refers to all destinations outside the European Union

2.4 Analysis by Industry Section

In 2015, the largest proportion of export sales was from the Manufacturing sector (Section C) which made up 60.3% (£5.5 billion) of all exports sales. Manufacturing exports fell by 3.9% over the year, and have decreased by 1.0% between 2011 and 2015.

The next largest exporter was Section G (Wholesale and Retail Trade) with 19.3% (£1.8 billion) of all exports sales. Exports in this section fell by 11.0% over the year. This was followed by Section J (Information and Communication) which accounted for 5.2% of export sales (£477 million) and section M (Professional, scientific and technical activities) which accounted for 3.7% (£335) of export sales.

Figure 3: Trends in Export Sales by Industry Section: 2014 – 2015 (£ millions)

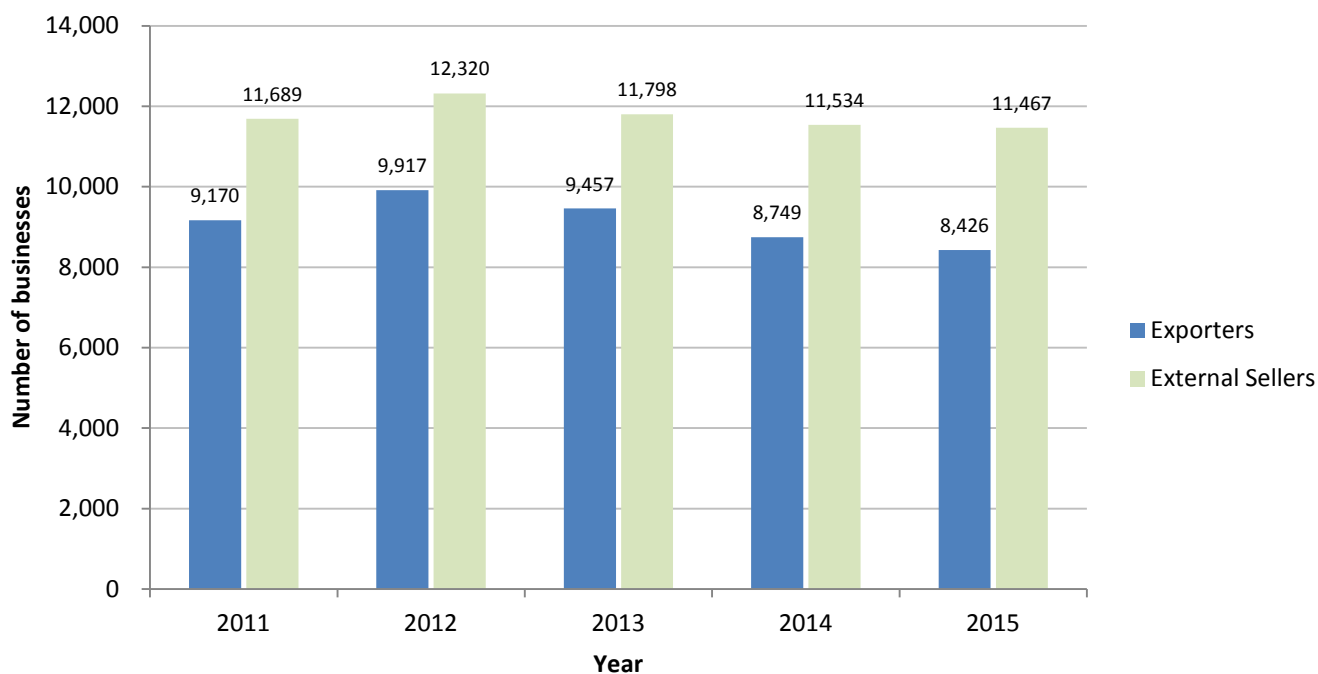


2.5 Number of Businesses Selling Outside NI

Ongoing developments in the BESES series have allowed the inclusion of estimates of the number of businesses that trade to particular destinations. The methodology used to compute these counts is likely to evolve and, at this stage, the estimates should also be considered as experimental statistics. Users should pay particular note to the gaps in survey coverage when using these data.

The number of businesses that sell outside NI (external sellers) and the number of businesses that export (exporters) are presented in Figure 3 below (please note that these groups are not mutually exclusive. An individual business can sell to both GB and export and thus will appear in both counts).

Figure 4: Number of businesses selling outside NI: 2011 – 2015



Over the calendar year 2014 to 2015, the number of businesses selling to destinations outside NI fell by 0.6% (67 businesses) while the number of businesses exporting fell by 3.7% (322 businesses).

Table 1: Total Sales, External Sales and Exports: 2011 – 2015 (£ millions)

Broad Destination	2011	2012	2013	2014	2015
Total Sales	£61,530	£62,067	£64,514	£66,242	£66,699
NI Sales	£41,022	£41,159	£42,517	£43,579	£43,745
GB Sales	£11,392	£11,612	£12,051	£13,075	£13,848
ROI Sales	£3,330	£3,428	£3,716	£3,520	£3,377
REU Sales	£2,044	£1,911	£2,177	£2,090	£1,927
ROW Sales	£3,741	£3,956	£4,053	£3,979	£3,803
External Sales	£20,508	£20,907	£21,997	£22,664	£22,955
Exports	£9,116	£9,295	£9,946	£9,589	£9,106

Table 2 – Broad Destination by Industry Section: 2015 (£ millions)

Standard Industrial Classification	Description	Total Sales	NI Sales	GB Sales	ROI Sales	REU Sales	ROW Sales	External Sales	Export Sales
A – S	Agriculture, fishing, production, construction, distribution and services	£66,699	£43,745	£13,848	£3,377	£1,927	£3,803	£22,955	£9,106
A (part)	Agriculture, forestry and fishing	£143	£115	£7	£12	*	*	£28	£21
B	Mining and quarrying	£412	£306	£74	£30	*	*	£106	£31
C	Manufacturing	£18,153	£3,914	£8,751	£1,339	£1,304	£2,846	£14,239	£5,489
D	Electricity, gas, steam and air conditioning supply	£1,957	£1,912	£16	*	*	*	£45	£29
E	Water supply, sewerage, waste management and remediation activities	£822	£648	£65	£14	£49	£45	£174	£109
F	Construction	£6,007	£4,227	£1,548	£176	£43	£13	£1,780	£232
G	Wholesale and retail trade; repair of motor vehicles and motor cycles	£25,136	£21,752	£1,626	£1,250	£239	£270	£3,384	£1,758
H	Transport and storage	£3,141	£2,206	£640	£153	£107	£36	£935	£295
I	Accommodation and food service activities	£1,587	£1,576	*	*	*	*	*	*
J	Information and communication	£1,809	£977	£356	£130	£15	£331	£833	£477
L	Real estate activities	£844	£777	*	*	*	*	*	*
M	Professional, scientific and technical activities	£2,271	£1,510	£426	£106	£69	£160	£762	£335
N	Administrative and support service activities	£1,761	£1,269	£229	£112	£68	£83	£492	£263
P – S	Others	£2,656	£2,557	£41	£26	£18	£15	£98	£58

** = Cells have been suppressed to protect confidentiality*

Table 3 – Exports by Industry Section: 2011 – 2015 (£ millions)

Standard Industrial Classification	Description	2011	2012	2013	2014	2015
A – S	Agriculture, fishing, production, construction, distribution and services	£9,116	£9,295	£9,946	£9,589	£9,106
A (part)	Agriculture, forestry and fishing	£25	£29	£33	£24	£21
B	Mining and quarrying	£52	£56	£49	£37	£31
C	Manufacturing	£5,543	£5,660	£6,109	£5,714	£5,489
D	Electricity, gas, steam and air conditioning supply	£73	£44	£40	£26	£29
E	Water supply, sewerage, waste management and remediation activities	£184	£141	£116	£136	£109
F	Construction	£218	£297	£252	£310	£232
G	Wholesale and retail trade; repair of motor vehicles and motor cycles	£2,017	£1,964	£2,045	£1,975	£1,758
H	Transport and storage	£303	£307	£324	£306	£295
I	Accommodation and food service activities	£10	£14	£17	£15	*
J	Information and communication	£248	£252	£475	£450	£477
L	Real estate activities	£15	£24	£15	£17	*
M	Professional, scientific and technical activities	£237	£249	£205	£314	£335
N	Administrative and support service activities	£170	£225	£227	£223	£263
P - S	Others	£22	£33	£37	£41	£58

* = Cells have been suppressed to protect confidentiality

Table 4 - Share of Total Sales by Broad Destination as %: 2011 - 2015

Broad Destination	2011	2012	2013	2014	2015
Total Sales	100.0	100.0	100.0	100.0	100.0
NI Sales	66.7	66.3	65.9	65.8	65.6
GB Sales	18.5	18.7	18.7	19.7	20.8
ROI Sales	5.4	5.5	5.8	5.3	5.1
REU Sales	3.3	3.1	3.4	3.2	2.9
ROW Sales	6.1	6.4	6.3	6.0	5.7
External Sales	33.3	33.7	34.1	34.2	34.4
Exports	14.8	15.0	15.4	14.5	13.7

Table 5 – Exports to markets within the rest of the EU: 2011 – 2015, £ millions

Country	2011	2012	2013	2014	2015
REU Sales	£2,044	£1,911	£2,177	£2,090	£1,927
Germany Sales	£475	£510	£473	£492	£467
France Sales	£375	£345	£486	£413	£356
Belgium Sales	£136	£119	£113	£92	£109
Luxembourg Sales	£3	£2	£3	£2	£2
Netherlands Sales	£224	£222	£398	£416	£314
Italy Sales	£138	£121	£118	£97	£90
Denmark Sales	£71	£73	£64	£65	£48
Portugal Sales	£54	£48	£44	£46	£35
Spain Sales	£204	£156	£185	£172	£167
Greece Sales	£18	£22	£19	£14	£15
Austria Sales	£24	£33	£22	£18	£20
Sweden Sales	£69	£49	£54	£41	£64
Finland Sales	£50	£33	£31	£39	£27
Cyprus Sales	£5	£7	£6	£7	£15
Czech Republic Sales	£22	£25	£26	£39	£37
Estonia Sales	£2	£7	£3	£7	£3
Hungary Sales	£31	£44	£22	£33	£22
Latvia Sales	£9	£7	£6	£4	£5
Lithuania Sales	£4	£8	£8	£8	£8
Malta Sales	£5	£3	£12	£8	£10
Poland Sales	£95	£49	£46	£44	£79
Slovakia Sales	£5	£5	£7	£5	£3
Slovenia Sales	£3	£3	£3	£2	£2
Bulgaria Sales	£4	£4	£5	£5	£5
Romania Sales	£18	£17	£24	£17	£20
Croatia Sales ¹	-	-	-	£1	£3

¹ Croatia joined the EU in July 2013 and is included for the first time in the 2014 reporting period.

A list of EU member countries is available at:

http://europa.eu/about-eu/countries/index_en.htm

Table 6 – Exports to markets outside the EU: 2011 – 2015, £ millions

Country	2011	2012	2013	2014	2015
ROW Sales	£3,741	£3,956	£4,053	£3,979	£3,803
Switzerland Sales	£748	£865	£784	£884	£906
Turkey Sales	£41	£32	£40	£18	£42
Eastern Europe	£5	£9	£19	£8	£12
Norway Sales	£42	£55	£93	£67	£27
Russia Sales	£81	£104	£121	£93	£90
Rest of Europe Other	£19	£23	£19	£24	£21
Australia Sales	£225	£251	£189	£183	£130
New Zealand Sales	£20	£16	£13	£15	£11
Rest of World Other	£13	£19	£18	£44	£27
North America Total	£1,323	£1,320	£1,548	£1,523	£1,479
Central and South America Total	£110	£153	£94	£88	£78
Middle East Total	£289	£273	£276	£265	£233
Asia Total	£550	£566	£582	£549	£548
Africa Total	£275	£272	£256	£219	£200

Table 7 – Number of businesses selling to destinations outside NI (External sales) by industry section: 2011 - 2015

Standard Industrial Classification	Description	2011	2012	2013	2014	2015
A – S	Agriculture, fishing, production, construction, distribution and services	11,689	12,320	11,798	11,534	11,467
A (part)	Agriculture, forestry and fishing	117	94	86	76	129
B	Mining and quarrying	32	24	39	54	68
C	Manufacturing	2,239	2,243	2,294	2,249	2,274
D	Electricity, gas, steam and air conditioning supply	12	21	23	23	38
E	Water supply, sewerage, waste management and remediation activities	101	68	60	59	66
F	Construction	1,244	1,338	1,282	1,405	1,308
G	Wholesale and retail trade; repair of motor vehicles and motor cycles	3,943	4,257	3,486	3,358	3,161
H	Transport and storage	683	731	684	522	537
I	Accommodation and food service activities	225	80	65	49	30
J	Information and communication	579	756	899	893	839
L	Real estate activities	223	234	292	280	229
M	Professional, scientific and technical activities	1,455	1,665	1,708	1,797	1,860
N	Administrative and support service activities	374	208	268	223	356
P	Education	112	311	270	167	244
Q	Human Health And Social Work Activities	80	45	62	71	46
R	Arts, Entertainment And Recreation	139	149	161	193	129
S	Other Service Activities	133	95	119	115	154

Table 8 – Number of businesses exporting from NI by industry section: 2011 - 2015

Standard Industrial Classification	Description	2011	2012	2013	2014	2015
A – S	Agriculture, fishing, production, construction, distribution and services	9,170	9,917	9,457	8,749	8,426
A (part)	Agriculture, forestry and fishing	86	70	51	61	105
B	Mining and quarrying	32	24	39	54	68
C	Manufacturing	2,074	2,035	2,005	2,015	2,024
D	Electricity, gas, steam and air conditioning supply	9	12	18	12	20
E	Water supply, sewerage, waste management and remediation activities	82	63	45	48	55
F	Construction	766	959	796	941	715
G	Wholesale and retail trade; repair of motor vehicles and motor cycles	3,295	3,767	3,145	2,880	2,644
H	Transport and storage	458	446	443	446	346
I	Accommodation and food service activities	121	53	20	28	5
J	Information and communication	486	590	874	511	635
L	Real estate activities	69	61	50	60	52
M	Professional, scientific and technical activities	1,061	1,273	1,297	1,185	1,102
N	Administrative and support service activities	301	107	161	127	248
P	Education	106	222	201	102	145
Q	Human Health And Social Work Activities	72	44	58	69	42
R	Arts, Entertainment And Recreation	100	130	159	132	129
S	Other Service Activities	53	60	96	78	89

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 revised estimates for 2014 and provisional estimates for 2015. In addition, estimates of the number of businesses selling to markets outside Northern Ireland are presented.

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.

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

Further information relating to Northern Ireland exports has historically been 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), which additionally collects information on the nature of services. However, service sector sales outside Northern Ireland are now collected via the BESES. In light of developments on the production of the BESES NISRA are planning to cease publication of the ENIS series (last published in August 2015). The ITIS data will continue to be collected for UK level purposes and NISRA will consult with users on any 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/businessindustryandtrade/internationaltrade/bulletins/internationaltradeinservices/2014>.

While directly comparable UK data for the BESES does 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>.

A joint NISRA/HMRC statement referencing the differences between the methodologies and ongoing collaborative working is available in Appendix B.

Counts of Businesses Exporting

The Office for National Statistics (ONS) has recently begun to produce an experimental count of importers and exporters in GB. For conceptual reasons, ONS were not able to derive data for NI as part of this series. While the methodologies used by NISRA and ONS to produce their respective counts are broadly similar, users should be aware that differences still exist and caution should be exercised when comparing the two measures.

An information paper describing the methodology used by ONS can be found here:

<http://www.ons.gov.uk/ons/guide-method/method-quality/specific/business-and-energy/annual-business-survey/quality-and-methods/information-paper--annual-business-survey--abs---exporters-and-importers-in-great-britain--2014.pdf>.

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/businessindustryandtrade/business/businessservices/articles/annualbusinesssurvey/greatbritainnonfinancialbusinesseconomyexportersandimporters2015provisionalresults>).

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.”

User Engagement

We welcome any feedback you might have in relation to this report, and would be particularly interested in knowing how you make use of these data to inform your work. Please contact us at statistics@finance-ni.gov.uk

Next Publication

The next bulletin will be published in December 2017, and will be available at: <https://www.economy-ni.gov.uk/articles/broad-economy-exports>

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5.1 Appendix A: Overview of Methodology to Estimate the Number of Businesses Selling Outside NI

Ongoing advancements in the Broad Economy Sales and Exports Statistics series include the development of an estimate of the number of businesses that trade to particular destinations.

The method for creating the counts is an adaptation of the method used to derive population estimates for the destination variables. Full details of the BESES methodology can be found in Appendix B of the methodology paper on the Production of Northern Ireland Broad Economy Exports Estimates:

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

Users should pay particular note to the gaps in survey coverage when using these data.

To derive the counts, only the design weight is used when weighting returned data. The design or 'a' weight is a simple expansion estimator (i.e: $\frac{N}{n}$) for similar groups in the population

An example of how the number of exporters in a particular stratum is found is shown below:

- In stratum x there are 6 returns (n_x) from a population of 12 businesses (N_x).
- The a weight for stratum x (a_x) is given by:

$$a_x = \frac{N_x}{n_x} = \frac{12}{6} = 2$$

- If, say, 3 of the 6 responders in stratum x are exporters, then the estimated number of exports in x is given by:

$$\text{exporters}_x = a_x \times \text{number of returned exporters in } x, \text{ so}$$

$$\text{exporters}_x = 2 \times 3 = 6$$

- The total number of exporters in the population is thus given by summing the number of exporters in each stratum.

The methodology used to compute these counts is in its infancy and, at this stage, the estimates should be considered as experimental statistics.

NISRA is constantly working to improve and develop BESES output and welcomes any feedback users might have. Ongoing development of the methodology will be informed by user feedback, both in terms of the usefulness and reliability of the estimates and their comparability with other sources. Any comments should be sent to statistics@finance-ni.gov.uk.

5.2 Appendix B: 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.

https://www.uktradeinfo.com/Statistics/OverseasTradeStatistics/AboutOverseastradeStatistics/Documents/RTS_Methodology_Revision_2016.pdf

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.

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.

5.3 Appendix C: Comparison with HMRC

HMRC Regional Trade Statistics (RTS) measure trade in goods only (not services) and are broken down using the Standard International Trade Classification (SITC). The results are therefore only broadly comparable with the Standard Industrial Classification (2007) system used in the BESES.

Prior to December 2016, the HMRC figures were estimated using a methodology which may have resulted in some exports being allocated to parts of the UK where companies' headquarters were located, instead of where goods were being physically exported from. A new methodology has now been introduced by HMRC which allocates exports between parts of the UK more in line with the activity of each company, based on their employment share in multi-branch businesses. This new methodology has resulted in a larger share of UK exports being allocated to Northern Ireland than previously estimated by HMRC.

Further information on the updated RTS methodology is available on their website: https://www.uktradeinfo.com/Statistics/OverseasTradeStatistics/AboutOverseastradeStatistics/Documents/RTS_Methodology_Revision_2016.pdf

Figure 4 below shows the value of NI exports as measured by the BESES (this figure includes both goods and services), and by the old and new RTS methodologies (goods only).

Figure 5: Northern Ireland Exports – various sources: 2006 – 2015 (£ millions)

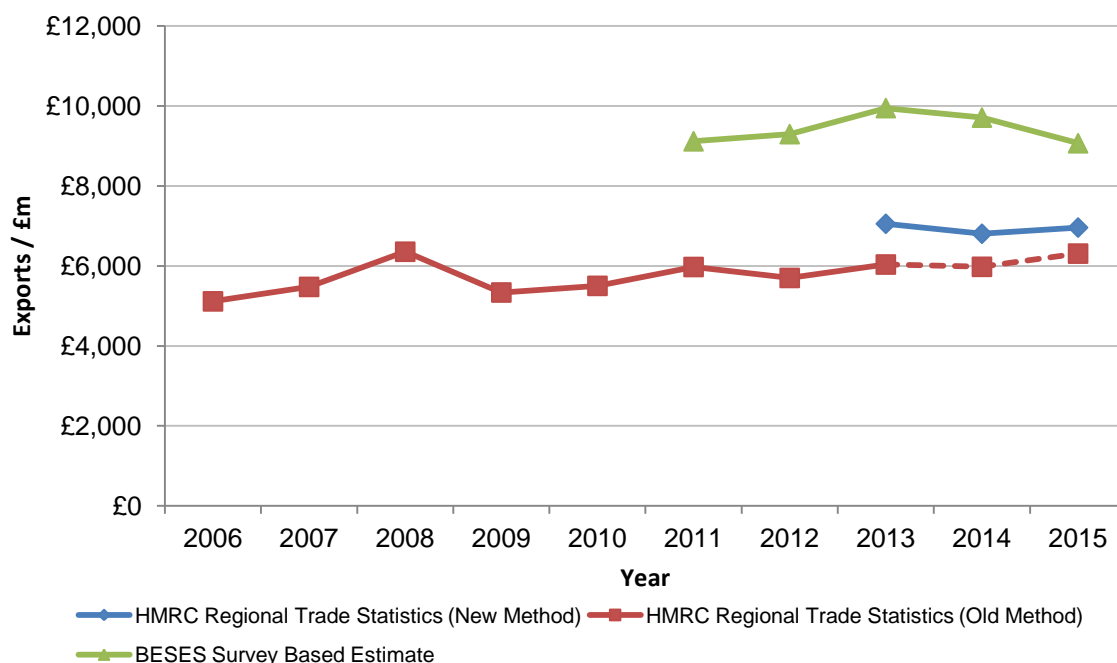
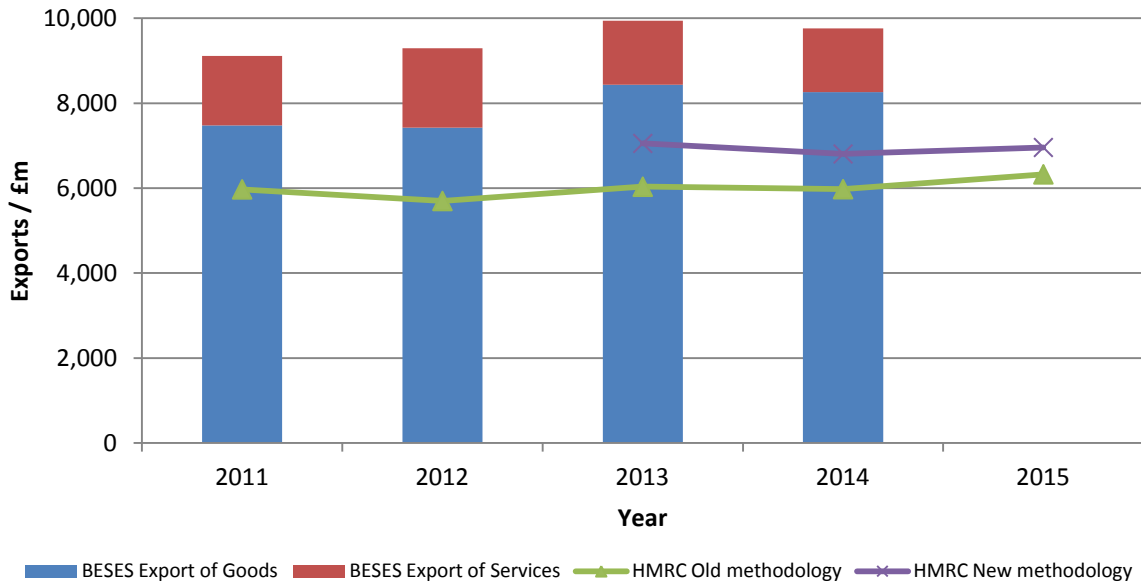


Figure 5 below shows the value of the NI export of goods (and services) as measured by the BESES and old and new RTS methodologies (goods only).

Figure 6: Northern Ireland Export of Goods – various sources: 2011 – 2015 (£ millions)



The latest BESES data available for the export of goods is for survey year 2014. Figure 5 shows that the new RTS methodology has allocated more exports to NI and hence this has reduced the difference between the two measures. BESES has historically reported higher estimates of the value of goods exported from NI (£8.3 billion in 2014), compared to HMRC (£6.8 billion in 2014).

HMRC is unable to allocate a significant amount of UK trade to the countries and regions of the UK. If one assumes that the unallocated trade is not systematically different from the allocated trade, it is likely that a portion of that unallocated trade belongs to NI. This would further reduce the gap between the HMRC and BESES measures of exports.