Overview of Northern Ireland Trade
20th Dec 2017
Outline

• The following slides provide an analysis of Northern Ireland’s current trade with:
  
  • Great Britain (GB)
  • Ireland (IE)
  • the Rest of the European Union (REU)
  • the Rest of the World (ROW)

see appendix for data sources related to NI trade
In 2016, NI Sales to GB were worth 1.3 times more than all exports and 3.7 times more than NI exports to Ireland. Ireland remains NI’s single largest export market.

1 Sales to GB are not “exports”, which are defined as sales outside the UK.
## Total Value of NI sales and exports by Destination 2015-2016 (£ billions)

<table>
<thead>
<tr>
<th>Destination</th>
<th>Total Sales by NI Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NI External Sales to</td>
</tr>
<tr>
<td></td>
<td>Ireland (IE)</td>
</tr>
<tr>
<td>2015 £bn</td>
<td>3.9</td>
</tr>
<tr>
<td>2016 £bn</td>
<td>4.0</td>
</tr>
<tr>
<td>Annual Growth (%)</td>
<td>(2.2%)</td>
</tr>
</tbody>
</table>

**Notes:**
- Total sales and exports include Agriculture, Manufactured Goods, Non-Financial Services, Financial Services & Tourism
- *External Sales* represents those made outside NI (i.e. including GB)
- *Export Sales* represents those made outside the UK (i.e. excluding GB)
- The above figures are calculated based on the most up to date data available as at the 14th December 2017
- This includes the latest Broad Economy Sales & Exports Statistics published on the 14th December 2017

NISRA, ONS, DAERA – 2015, 2016
NI Sales to Great Britain (GB) were 56% of External Sales and 19% of Total Sales in 2016

<table>
<thead>
<tr>
<th>2016 Summary</th>
<th>Value £bn</th>
<th>Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to GB</td>
<td>14.6</td>
<td>56%</td>
</tr>
<tr>
<td>External sales(^1) (outside NI)</td>
<td>26.0</td>
<td>100%</td>
</tr>
<tr>
<td>Sales to GB</td>
<td>14.6</td>
<td>19%</td>
</tr>
<tr>
<td>Total NI sales(^2) were</td>
<td>76.0</td>
<td>100%</td>
</tr>
</tbody>
</table>

\(^1\) External Sales are defined as sales by NI businesses to destinations outside NI (i.e. sales to GB + exports)

\(^2\) Total NI Sales are defined as sales by NI businesses within NI + External Sales
NI Sales to Ireland (IE) were 35% of exports, 15% of External Sales and 5% of Total Sales

<table>
<thead>
<tr>
<th>2016 Summary</th>
<th>Value £bn</th>
<th>Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to IE</td>
<td>4.0</td>
<td>35%</td>
</tr>
<tr>
<td>Sales to REU</td>
<td>2.6</td>
<td>23%</td>
</tr>
<tr>
<td>Sales to RoW</td>
<td>4.8</td>
<td>42%</td>
</tr>
<tr>
<td>Total Exports</td>
<td>11.4</td>
<td>100%</td>
</tr>
</tbody>
</table>

NI’s single largest export market in terms of individual countries was Ireland (IE)

Exports are defined as sales outside the UK

External Sales are defined as sales by NI businesses to destinations outside NI (i.e. sales to GB + exports)

Total NI Sales are defined as sales by NI businesses within NI + External Sales
Trade in Goods
Great Britain Exported £283bn to the:-

- Rest of EU
  (not including IE)
  (44% or £124bn)
- Rest of World
  (51% or £144bn)
- Ireland
  (5% or £15bn)

Great Britain Exported £283bn to the:

- Rest of World (50% or £48bn)
- Rest of EU (not including UK) (38% or £36bn)
- Great Britain (11% or £11bn)
- NI (1% or £1bn)

Ireland exported €119bn (£96bn*) to the:

- Rest of World (50% or £48bn)
- Rest of EU (not including IE) (44% or £124bn)
- Rest of World (51% or £144bn)

Ireland (5% or £15bn)

*Average Annual Euro to Sterling exchange rate for 2016 applied of €1=£0.807397, Financial Times [http://markets.ft.com/markets/currencies.asp](http://markets.ft.com/markets/currencies.asp)
## Goods Exports 2016

<table>
<thead>
<tr>
<th>Country</th>
<th>Export Value</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest of World</td>
<td>€119bn (£96bn*)</td>
<td>50% or £48bn</td>
</tr>
<tr>
<td>Rest of EU (not including UK)</td>
<td>£36bn</td>
<td>38%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>€119bn (£96bn*)</td>
<td>50% or £48bn</td>
</tr>
<tr>
<td>Rest of EU (not including IE)</td>
<td>£36bn</td>
<td>38%</td>
</tr>
<tr>
<td>Great Britain</td>
<td>£11bn</td>
<td>11%</td>
</tr>
<tr>
<td>Ireland</td>
<td>£2bn</td>
<td>30%</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>£1bn</td>
<td>1%</td>
</tr>
</tbody>
</table>

- **Ireland exported €119bn (£96bn*) to the:**
  - Rest of World: 50% or £48bn
  - Rest of EU (not including UK): 38% or £36bn
  - Great Britain: 11% or £11bn
  - Ireland: 30% or £2bn
  - Northern Ireland: 1% or £1bn

- **Northern Ireland exported £7.8bn to the:**
  - Rest of World: 47% or £4bn
  - Rest of EU (not including IE): 23% or £2bn

- **Rest of EU (not including IE) exported:**
  - Great Britain: 11% or £11bn
  - Ireland: 5% or £15bn
  - Northern Ireland: 1% or £1bn
  - Rest of World (not including IE): 23% or £2bn

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*Average Annual Euro to Sterling exchange rate for 2016 applied of €1=£0.807397, Financial Times [http://markets.ft.com/markets/currencies.asp](http://markets.ft.com/markets/currencies.asp).*
NI is more dependent on GB market than IE (trade in goods, 2015)

<table>
<thead>
<tr>
<th>2015</th>
<th>N Ireland</th>
<th>Ireland*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value £bn</td>
<td>Share %</td>
</tr>
<tr>
<td>Sales to GB</td>
<td>10.7</td>
<td>59%</td>
</tr>
<tr>
<td>External sales</td>
<td>18.3</td>
<td>100%</td>
</tr>
</tbody>
</table>

NI sales of goods to GB in 2015 accounted for 59% of all External Sales, compared to 12% of External Trade in Ireland

*Average Annual Euro to Sterling exchange rate for 2015 applied of €1=£0.728284, Financial Times [http://markets.ft.com/markets/currencies.asp](http://markets.ft.com/markets/currencies.asp)
Broad Economy Sales and Exports Statistics – Goods and Services, NISRA 2015 (provisional)
Goods Exports and Imports, CSO 2016
Total Value of NI Exports of Goods to EU Countries 2016 - £4.2bn
Export of Goods to Ireland 2016

HMRC’s Regional Trade Statistics estimate £2.4bn goods exported from NI to Ireland in 2016. The main points are:

- The largest export sector was ‘Food and Live Animals’ – 31% (£742m) of total exports to Ireland during 2016. Within this the dominant product sections were ‘Dairy Products and Birds’ Eggs’ (£202m) and ‘Meat and Meat Preparations’ (£146m), which together accounted for 47% of ‘Food and Live Animals’ exports to Ireland.

- The second sector was ‘Machinery and Transport Equipment’ which was worth 17% (£400m) of exports to Ireland during 2016. The dominant sections were ‘Road Vehicles (including Air Cushion Vehicles)’ (39% or £157m) and ‘Machinery Specialized for Particular Industries’ (25% or £99m).

- ‘Manufactured Goods Classified Chiefly by Material’ accounted for 16% (£375m) of exports to Ireland in 2016. This was predominantly made up from ‘Manufactures of Metal’ (26% or £99m) and ‘Paper, Paperboard and Manufactures Thereof’ (16% or £59m).

- Combined, the three sectors above make up £1.5bn (64%) of all exports from Northern Ireland to Ireland in 2016.
HMRC Regional Trade Statistics estimate a value of £2.4 billion goods exported from NI to Ireland (IE) in 2016.

The top ten products (by SITC2) accounted for £1.3 billion, 54% of all exported goods to Ireland.
HMRC’s Regional Trade Statistics estimate £1.8bn goods exported from NI to the Rest of the EU in 2016. The main points are:

- The largest export sector was ‘Machinery and Transport Equipment’ – 38% (£685m) of total exports to the Rest of the EU during 2016. Within this the dominant product sections were ‘General Industrial Machinery and Equipment and Machine Parts’ (£185m), ‘Machinery Specialized for Particular Industries’ (£149m) and ‘Other Transport Equipment’ (£138m), which together accounted for 69% of ‘Machinery and Transport Equipment’ exports to the Rest of the EU.

- The second sector was ‘Miscellaneous Manufactured Articles’ which was worth 19% (£342m) of exports to the Rest of the EU during 2016. The dominant sections were ‘Professional, Scientific and Controlling Instruments and Apparatus’ (47% or £161m) and ‘Furniture and Parts Thereof; Bedding, Mattresses etc.’ (29% or £101m).

- ‘Food and Live Animals’ accounted for 13% (£237m) of exports to the Rest of the EU in 2016. This was predominantly made up from ‘Meat and Meat Preparations’ (49% or £116m) and ‘Dairy Products and Birds’ Eggs’ (37% or £87m).

- Combined, the three sectors above make up £1.3bn (70%) of all exports from Northern Ireland to the Rest of the EU in 2016.
HMRC Regional Trade Statistics estimate a value of £1.8 billion goods exported from NI to the Rest of the EU (REU) in 2016.

The top ten products (by SITC2) accounted for £1.2 billion, 68% of all exported goods to the REU.
Export of Goods to the Rest of World 2016

HMRC’s Regional Trade Statistics estimate £3.6bn goods exported from NI to the Rest of the World in 2016. The main points are:

• The largest export sector was ‘Machinery and Transport Equipment’ – 42% (£1.5bn) of total exports to the Rest of the World during 2016. Within this the dominant product sections were ‘Other Transport Equipment’ (£601m), ‘Machinery Specialized for Particular Industries’ (£268m) and ‘Power Generating Machinery and Equipment’ (£229m), which together accounted for 73% of ‘Machinery and Transport Equipment’ exports to the Rest of the World.

• The second sector was ‘Chemicals and Related Products’ which was worth 34% (£1.2bn) of exports to the Rest of the World during 2016. The dominant section was ‘Medicinal and Pharmaceutical Products’ which was worth £1.1bn (90%) of ‘Chemicals and Related Products’ exports to the Rest of the World.

• ‘Miscellaneous Manufactured Articles’ accounted for 14% (£497m) of exports to the Rest of the World in 2016. This was predominantly made up from ‘Furniture and Parts Thereof; Bedding, Mattresses etc.’ (55% or £273m) and ‘Professional, Scientific and Controlling Instruments and Apparatus’ (35% or £176m).

• Combined, the three sectors above make up £3.2bn (89%) of all exports from Northern Ireland to the Rest of the World in 2016.
HMRC Regional Trade Statistics estimate a value of £3.6 billion goods exported from NI to the Rest of World (RoW) in 2016.

The top ten products (by SITC2) accounted for £3.2 billion, 86% of all exported goods to RoW.
Top 5 Rest of World Export Partners by Value and Product, 2016

- **USA**: £1,734 million
  - Medicinal & pharmaceutical products
  - Other transport equipment
  - Furniture & parts thereof; bedding, mattresses etc
  - Machinery specialized for particular industries
  - Professional, scientific & controlling ins & app n.e.s.
  - OTHER

- **Canada**: £363 million
  - Other transport equipment
  - Medicinal & pharmaceutical products
  - General industrial machinery & eqp. & machine pt.n.e.s.
  - OTHER

- **China**: £128 million
  - Professional, scientific & controlling ins & app n.e.s.
  - Other transport equipment
  - Furniture & parts thereof; bedding, mattresses etc
  - Hides, skins & furskins, raw
  - OTHER

- **Thailand**: £115 million
  - Ele machinery, app & appliances & ele pt thereof n.e.s.
  - OTHER

- **UAE**: £84 million
  - Power generating machinery & equipment
  - Furniture & parts thereof; bedding, mattresses etc
  - General industrial machinery & eqp. & machine pt.n.e.s.
  - OTHER

**Regional Trade Statistics, HMRC 2016**
HMRC Regional Trade Statistics estimate a value of £1.7 billion goods exported from NI to the USA in 2016 (48% of total ROW exported goods).

The top ten products (by SITC2) accounted for £1.6 billion, 94% of all exported goods to USA.
Northern Ireland’s export value (£7.8bn) was worth 2.7% of total UK export value (£291bn) in 2016. These are the 32 sectors in which NI has a share of the UK total above 2.7%.
Business Characteristics

• The majority of Northern Ireland trade (58% or £8,194m) with GB is composed of a small number of large businesses (1% or 88 businesses).

• Conversely 46% (£1,578m) of Northern Ireland trade with Ireland is composed of a large number of small businesses (93% or 7,148 businesses).

<table>
<thead>
<tr>
<th>Business Size</th>
<th>Value (£m)</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GB</td>
<td>IE</td>
</tr>
<tr>
<td>No. of employees</td>
<td>GB</td>
<td>IE</td>
</tr>
<tr>
<td>0-9</td>
<td>£1,185</td>
<td>£523</td>
</tr>
<tr>
<td>10-49</td>
<td>£2,084</td>
<td>£1,055</td>
</tr>
<tr>
<td>50-249</td>
<td>£2,545</td>
<td>£1,226</td>
</tr>
<tr>
<td>250+</td>
<td>£8,194</td>
<td>£597</td>
</tr>
<tr>
<td>Total</td>
<td>£14,008</td>
<td>£3,401</td>
</tr>
</tbody>
</table>

Broad Economy Sales and Exports Statistics, NISRA 2016
NI large businesses (250+) account for just 1% of those selling to GB, but 58% of the value of NI sales to GB (2016)

Number of Businesses Exporting to Great Britain by Size of Business 2016

Value of Exports (£ million) to Great Britain by Size of Business 2016

Broad Economy Sales and Exports Statistics, NISRA 2016
NI small businesses (0-49) account for 93% of exporters and 46% of value of exports to Ireland (2016)

Number of Businesses Exporting to Ireland by Size of Business 2016

Value of Exports (£ million) to Ireland by Size of Business 2016
Top 30 NI Industries Selling Goods & Services to GB by Value 2016

Manufacture of Food, Beverages and Tobacco accounts for £6.0bn (43%) of all goods sold to GB

Total Goods And Services Sold to GB £14.0bn

Broad Economy Sales and Exports Statistics, NISRA 2016
In summary, the estimated total value of NI sales and exports, including Agriculture, Manufactured Goods, Non-Financial Services, Financial Services and Tourism exports in 2016 were:

- External sales (sales to markets outside NI) rose by £1 billion (4.1%) to £26.0 billion
- Sales to Great Britain (GB) increased by £0.3 billion to £14.6 billion, up 2.2% over the year
- Exports (sales outside the UK) increased by £0.7 billion (6.7%) over the year, to £11.4 billion
- Exports to Ireland increased by £0.1 billion (2.2%) over the year, to £4.0 billion
- Exports to the Rest of the EU (excluding Ireland) increased over the year by £0.2 billion (8.2%) to £2.6 billion
- Exports to the Rest of the World increased by £0.4 billion (9.8%) over the year, to £4.8 billion
Appendix
Data Sources

There are two main sources of data on trade for Northern Ireland:

- **HM Revenue & Customs (HMRC)** – HMRC is responsible for collecting the UK’s international trade in goods data. Their ‘UK Regional Trade Statistics (RTS)’ combine UK-wide Intrastat returns and customs declarations with data from Office for National Statistics’ (ONS) Inter-Departmental Business Register to apportion trade to each of the constituent parts of the UK, including Northern Ireland.

- **Northern Ireland Statistics & Research Agency (NISRA)** – NISRA is responsible for collecting the ‘Broad Economy Sales and Exports Statistics (BESES)’. BESES provides an experimental measure of local businesses’ domestic, regional and export sales¹ to markets outside Northern Ireland and has been gathered through the Northern Ireland Annual Business Inquiry since 2011.

In addition, the Department of Agriculture, Environment and Rural Affairs in Northern Ireland (DAERA) collects and publishes detailed administrative data on the movement of animals, and the Central Statistics Office (CSO) in Ireland also produces its own estimates of trade between Ireland, Northern Ireland and Great Britain.

Where data is available from multiple sources, NISRA and DAERA sources are used to provide consistent estimates of trade in both goods and services between Northern Ireland and Ireland, and between Northern Ireland and Great Britain for local businesses. HMRC sources are used where equivalence is required between UK national trade or for trade at the individual product level.

¹Only Northern Ireland sales to, or purchases from, outside the UK (i.e. not those with Great Britain) are considered exports