

Overview of Northern Ireland trade with Great Britain September 2018

1. This paper accompanies detailed slides produced by the Statistics and Research Agency (NISRA) outlining the existing data providing an overview of Northern Ireland (NI) trade with Great Britain (GB). The paper focuses on trade from Great Britain to Northern Ireland i.e. East-West trade flows.

Background

2. The data provided in this paper is aimed at providing background information on the Northern Ireland economy. It is not intended to make judgements or does not represent a policy statement.
3. The statistics outlined in this paper are part of a wider range of statistics that have been analysed in response to EU Exit. In particular work on East-West trade emerges from increasing interest in this aspect of trade. NISRA continues to examine other trade flows, for example analysis of North-South supply chains.
4. Compared to international trade (imports and exports), less data are collected on trade within a country. However, Northern Ireland is in a relatively favourable position, as within-UK regional trade data on local businesses purchases from, and sales to, GB is well developed. There is information from the Broad Economy Sales and Exports Statistics (BESES) which includes data on trade with GB at sectoral level. In addition, there is good East-West trade information in relation to HGV movements and tonnage.¹

The Northern Ireland economy

5. Northern Ireland is closely integrated into the UK economy, 64% of the £17.1 billion goods purchased from outside the NI economy comes from GB. This is reflected in Northern Ireland's £18.8 billion external sales, 56% of which were to GB (£10.5 billion) in 2016 (see Table 1).

Table 1 Overview of NI-related trade in goods by origin/destination, 2016²

| Origin / Destination of sales (Goods only) | Imports (including purchases from GB) (£bn) | Exports (including sales to GB) (£bn) |
|--|---|---------------------------------------|
| Great Britain (GB) | 11.0 | 10.5 |
| Republic of Ireland (ROI) | 2.0 | 2.7 |
| Rest of the EU (REU) | 2.0 | 1.9 |
| Rest of the World (ROW) | 2.1 | 3.7 |
| Total sales | 17.1 | 18.8 |

¹Source: Broad Economy Sales and Exports Statistics 2016, NISRA

²Note numbers may not sum due to rounding

6. Trade with GB cannot however be looked at in isolation from other statistics. There is a need to consider these findings alongside the picture of NI's trade with Ireland, the EU26 and non-EU countries. For instance, the sale of some finished products to Great Britain relies upon cross border trade in raw materials and components within integrated supply chains. This means that trade with both Great Britain and Ireland are vital to Northern Ireland's economy.
7. Like many other economies, trade is a complicated picture of goods and services fluidly moving between businesses. For example, one third of businesses that purchase from GB also sell to the EU, with Ireland dominating the destination of these sales.

¹ [Port Freight Statistics: 2016 final figures \(revised\)](#); [Statistics of Port Traffic 2016](#). Central Statistics Office.

² Note: there was a further £3.1bn of services purchased by NI businesses from GB in 2016 not included in Table 1 (source: BESES).

Purchases from GB

8. GB is the most significant market for NI businesses to purchase goods from. This finding is evident across the value of sales, specific industries, business sizes and the transit routes businesses use. More detail is set out below.

Value

9. The value of goods bought from GB is substantial. These purchases were worth £11bn in 2016 and accounted for 64% of NI businesses' purchases of goods from outside the local economy.
10. The value of purchases from a small number of industries – most notably 'high street' businesses - stand out, with a long tail of lower value trade from a diverse range of other industries. For example, 'high street' businesses account for 70% (£7.7bn) of all goods purchased from GB. Of the remaining 30% of purchases, a number of manufacturing industries are most important in the areas of food products, transport equipment, motor vehicles and trailers and rubber and plastic products, as well as the two construction industries 'specialised construction activities' and 'civil engineering'. These industries purchased between £166m and £498m from GB (Slides 3 & 4).

Industries

11. A number of industries have a particularly strong dependency on GB for purchases of goods (Water related; Air transport; and Wholesale and Retail of motor vehicles at over 60% of all goods purchased from GB), whilst there is also a number of other industries where 30%-50% of all goods are purchased from GB (Slide 5).

Business size

12. Almost 10,500 NI businesses purchase goods from GB. The majority (66%) of this group of businesses employ less than ten people, i.e. they are "micro" businesses.
13. Approximately 3,500 businesses purchase goods from GB and also sell to the EU - over half of those (approximately 1,900 businesses) are micro businesses i.e. employ less than ten people.
14. Proportionately, the GB market is more important to larger businesses - 22% of micro businesses in NI purchase goods from GB, compared to 57% of businesses with more than 250 employees (see Slide 6).
15. Purchases from GB are also important for large businesses in value terms – 34% of the value of all goods purchased by large businesses in 2016 were from GB compared to 28% of all goods by value purchased by micro businesses (see Slide 7).

Transit routes

16. The available data shows that goods traded between NI and GB are generally transported directly between NI and GB. This is also the case for goods traded between Ireland and GB. That said there are examples of certain NI goods being transported to GB via Ireland ports, but the data indicates that the share of trade using these routes is small (see Slide 11).
17. Sales of perishable products from Northern Ireland to Great Britain, such as certain foods, are often cited as using Dublin Port due to a faster crossing time. However, of the £2.2bn in sales of food and drink that was transported from NI to GB (50% of total sales in this sector), only an estimated 10% of the value of these goods were transported through Ireland³. Indeed DAERA found that just half of the agri-food subsectors reported that they transported goods through Ireland to final destinations.⁴ These subsectors included Beef and Sheepmeat, Drinks, Eggs, Fish, and Fruit and Vegetables.

³ [Size and Performance of the Northern Ireland Food and Drinks Processing Sector. Subsector Statistics 2016; DAERA Migrant Labour and Trade Enquiry](#)

⁴ [DAERA Migrant Labour and Trade Enquiry.](#)

18. However, this is an area where greater work is required to gather data. Currently we do not know the detail as to the specific routes used to transport specific goods but we do know the annual movements and value of trade. The key data is as follows:

- In 2016, there were 1.8 million Heavy Goods Vehicles (HGV) on ships crossing the Irish Sea (i.e. NI/Ireland ↔ GB). Of these 45% were NI ↔ GB, with 55% Ireland ↔ GB (Slide 8).
- The value of total trade in goods NI/Ireland ↔ GB (sales and purchases) was estimated to be £47.2 billion⁵ in 2016. In total 46% of this trade (£21.5 billion) was NI ↔ GB and 54% (£25.7 billion) was Ireland ↔ GB.⁶
- In total an estimated 39 million tonnes of sea freight was shipped NI/Ireland ↔ GB. Of this 47% of the sea freight trade (by volume) was NI ↔ GB, with 53% of sea freight going between Ireland ↔ GB (see Slide 9).
- In total an estimated 49,400 tonnes of air freight crossed between NI/Ireland ↔ GB in 2016. Of this 65% of the air freight trade (by volume) was between NI ↔ GB, and 35% was between Ireland ↔ GB (see Slide 10).

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⁵ Based on BESES data and [HMRC Regional Trade Statistics](#)

⁶ <https://www.uktradeinfo.com/Statistics/RTS/Pages/default.aspx>