

12 April 2018

## **Northern Ireland Composite Economic Index Quarter 4 2017 published**

The NI Composite Economic Index (NICEI) Q4 2017 was published today by the Northern Ireland Statistics & Research Agency (NISRA).

The NICEI is an experimental quarterly measure of the performance of the NI economy based on available official statistics. The NICEI combines existing published quarterly indices (i.e. Index of Services (IOS), Index of Production (IOP), Quarterly Construction Enquiry (QCE)), public sector employee jobs data from the Quarterly Employment Survey (QES), and unpublished agricultural output data from the Department of Agriculture, Environment and Rural Affairs (DAERA). These indices are weighted using ONS Regional Accounts Gross Value Added (GVA) data to provide a proxy measure of total economic output in the NI economy on a quarterly basis.

Key points:

### **NI Economic output increased over the quarter but decreased over the year**

- The NICEI results indicate that NI economic activity was estimated to have increased by 0.4% in real terms between Quarter 3 (July - September) 2017 and Quarter 4 (October – December) 2017. The index decreased by 0.2% over the year from Quarter 4 2016 to Quarter 4 2017.
- The increase in the NICEI over the latest quarter (0.4%) was driven by increases in the component indices. Construction, Production, Services and Public sector each contributed 0.1 percentage points (pps) to the quarterly growth rate.

### **NI output and UK GDP grew at the same rate over the quarter, but both remain below the ROI**

- Although the measures are not produced on a fully equivalent basis, comparisons with the UK show that NI output and UK GDP<sup>1</sup> increased at the same rate (0.4%) over the quarter.
- The growth rate for the ROI over the quarter to Quarter 4 2017 was 3.2%.

### **NI output reduced over the year and remains behind the UK and ROI**

- NI output reduced by 0.2% over the year to Q4 2017. Meanwhile UK and ROI GDP grew by 1.4% and 7.8% respectively over the same period.

### **Reduction in Northern Ireland's annualised rate of growth to Q4 2017**

- When the trend in the index is considered over the last three years there is some evidence that the rate of growth has slowed. Annualised average growth over the last four quarters to Quarter 4 2017 compared to the previous four quarters was 1.1%. This was lower than the annual growth over the previous two year period (to Quarter 4 2016), which was 1.5%.

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<sup>1</sup> [ONS Quarterly National Accounts](#), Quarter 4 (October - December) 2017 (The measure of GDP referred to is the chained volume index of GDP at market prices)

### Private Sector Growth over the Quarter

- The Private sector grew by 0.4% between Quarter 3 (July-September) 2017 and Quarter 4 (October - December) 2017 but decreased by 0.3% over the year (Quarter 4 2016 to Quarter 4 2017). The Public sector jobs index increased by 0.4% over the quarter and by 0.3% over the year.
- The Private sector also reported average growth of 1.5% for the four quarters to Quarter 4 2017 compared to previous four quarters. The Public sector (employee jobs) index was unchanged over the same period.

### Commentary

- NI and the UK experienced growth at the same rate over the quarter to Q4 2017 (0.4%). Over the year, the UK economy grew by 1.4%, meanwhile NI output decreased by 0.2%. NI (1.1%) and the UK (1.8%) experienced positive growth rates over the last 2 years. This was a fall on the NI growth rate in the two years to Q4 2016 (1.5%). NI's Private sector performed positively over the quarter (increasing by 0.4%), but fell by 0.3% over the year.
- Despite the positive performance over the quarter the NICEI is currently 5.6% below the maximum value recorded in Quarter 2 2007. In Quarter 4 2017, UK GDP was estimated to have been 10.7% higher than its pre-economic downturn peak of Quarter 1 2008. The latest NICEI results continue to show that the UK has had a shorter downturn with a faster recovery than in NI.

### Notes to Editors

1. The Northern Ireland Composite Economic Index (NICEI) is an experimental quarterly measure of the performance of the Northern Ireland (NI) economy based on available official statistics.
2. The NICEI output measures relate to the fourth quarter (October-December) of 2017. These estimates are based on surveys of businesses and estimates of change are subject to sampling error. Figures for a quarter may be revised if more complete information subsequently becomes available.
3. This report will be of interest to Ministers, policy makers, public bodies, the business community, banks, economic commentators, academics and the general public with an interest in the local economy.
4. The detailed statistical bulletin is available at: [Northern Ireland Composite Economic Index](#)
5. Further information and tables from each of the data sources are available on the [NISRA - Economic and Labour Market Statistics Website](#).
6. For media enquiries, please contact DfE Press Office on 028 9052 9604. Outside office hours, please contact the Duty Press Officer via pager number 07623 974 383 and your call will be returned.
7. Feedback is welcomed and should be addressed to:

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