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# Northern Ireland Annual Business Inquiry (Experimental) 2009

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22 December 2010

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Department of Enterprise,  
Trade and Investment

# **Northern Ireland Annual Business Inquiry (Experimental) 2008 and 2009 Results on a Reporting Unit Basis**

22 December 2010



**NORTHERN IRELAND  
ANNUAL BUSINESS INQUIRY (Experimental)  
2008 and 2009 results on a Reporting Unit basis**

**Published 22/12/10**

The 2009 Northern Ireland Annual Business Inquiry (NIABI) collects both employment and financial information from businesses and other establishments and covers about two thirds of the economy. This includes the Production, Construction, Distribution and Service industries in Northern Ireland but excludes public sector activity for the most part.

Please note that the information presented throughout this bulletin is based on “reporting unit” (head office) information, and is therefore not directly comparable with earlier NIABI bulletins, which are based on “local unit” (individual site) information. Also, DETI has moved to producing results using Statistics Canada’s Generalized Estimation System. This has allowed DETI to produce estimates with an associated measure of their quality for the first time. These are statistics that are subject to user consultation and, as such, are not fully developed; and hence caution should be used when interpreting results. The series has been developed to National Statistics standards but the 2008 and 2009 results should be considered as experimental. Results are subject to potential modification in the light of user feedback, in terms of usefulness and reliability versus other sources. The notes in Section 3 of this Bulletin provide further information.

- Turnover by businesses in Northern Ireland is estimated to be worth £55,556 million in 2009 (excluding VAT); a decrease of 6.1% compared to 2008.
- Total Approximate Gross Value Added (GVA) at basic prices for 2009 is £16,922 million representing a decrease of £821 million (4.6%) compared to 2008.
  - GVA in the production industries decreased by 6.5% (£334 million), falling from £5,153 million in 2008 to £4,819 million in 2009.
  - The Construction sector reported a decrease in GVA of £357 million (14.4%) over the year to £2,123 million.
  - GVA in the Distribution industries decreased by 5.0% (£195 million) over the year to £3,737 million in 2009
  - The Other Services sector GVA (£6,218 million) increased by £84 million (1.4%) in the period 2008-2009.
- GVA per person in employment was £32,703 in 2009 compared to £31,503 in 2008 in Northern Ireland.
- Employment costs decreased by 1.9% over the year from £9,343 million in 2008 to £9,166 million in 2009.



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# Executive Summary

# 1

## INTRODUCTION

The 2009 Northern Ireland Annual Business Inquiry (NIABI) collects both employment and financial information from businesses and other establishments and covers about two thirds of the economy. This includes the Production, Construction, Distribution and Service industries<sup>1</sup> in Northern Ireland but excludes public sector activity for the most part. Coverage also includes Agriculture (support activities), Hunting, Forestry and Fishing. The Office for National Statistics (ONS) has responsibility for the production of the recently published UK national estimates for 2009, as well as regional 2009 estimates (scheduled for release in July 2011).

**Please note that the information presented throughout this bulletin is based on reporting unit information, and is therefore not directly comparable with earlier NIABI bulletins (which are based on local unit information). Reporting and local unit definitions can be found at: [http://www.detini.gov.uk/stats\\_bus\\_register\\_3.doc](http://www.detini.gov.uk/stats_bus_register_3.doc)**

Also, to better meet user needs, and in consultation with ONS Methodology Consultancy Service, DETI has moved to producing results using Statistics Canada's Generalized Estimation System. This has allowed DETI to produce estimates with an associated measure of quality for the first time, but this new method is still subject to user consultation.

These are statistics that are subject to ongoing development and hence caution should be used when interpreting results. The series has been developed to National Statistics standards but the 2008 and 2009 statistics should be considered as experimental. Results are subject to potential modification in the light of user feedback, in terms of usefulness and reliability versus other sources.

When interpreting ABI results, users are advised to refer to the quality indicators provided alongside the estimates in the tables. These indicate that some results have quite large margins of STATISTICAL error associated with them. Users should exercise caution when interpreting the annual changes associated with such results.

## TURNOVER AND GROSS VALUE ADDED

Turnover<sup>2</sup> by businesses in Northern Ireland was estimated to be worth £55,556 million in 2009

<sup>1</sup> Full details regarding ABI sectoral coverage can be found in the background notes.

<sup>2</sup> Turnover is defined as the value of total sales and work done.

(excluding VAT); a decrease of 6.1% compared to 2008. After expenditure on goods and services was accounted for, this represented a total figure of £16,922 million in terms of approximate Gross Value Added (GVA). GVA, which is a measure of the value of economic activity generated by businesses, decreased by 4.6% (£821 million) over the year.

## PRODUCTION INDUSTRIES (SECTION B - E)

Turnover in the Production Industries decreased by 2.3%, while GVA decreased by 6.5%. Manufacturing is the dominant industry (based on turnover) within Production, and experienced a similar drop in turnover (1.4%), while Electricity, Gas, Steam and Air Conditioning Supply showed a decrease in turnover of 9.5%.

## CONSTRUCTION INDUSTRIES (SECTION F)

In the construction industries, turnover decreased by 20.7%, purchases by 29.3% and GVA by 14.4%.

## DISTRIBUTION INDUSTRIES (SECTION G)

The Distribution Industries showed a decrease in turnover (7.1%) and GVA (5.0%).

## OTHER SERVICE INDUSTRIES (SECTIONS H – S excl K AND O)

Other Service Industries experience a slight reduction in turnover and purchases (1.3%), but an increase in GVA (1.4%). Transport and Storage reported large increases in turnover (18.7%), purchases (29.4%) and in GVA (9.1%), while Real Estate Activities also reported large increases.

## EMPLOYMENT LEVELS

The NIABI provides estimates of employment to enable per head calculations to be made. Preferred estimates of the changes in employment and employee jobs are provided by the Labour Force Survey and Quarterly Employment Survey respectively, and can be found on the DETI website.

## NI VERSUS UK

For the first time, NI ABI results and UK results are based on "reporting units" (head office), and while differences do exist (see background note), some comparisons in the change in levels are possible.

Approximate GVA for the NI Production industries fell by 6.5% compared with a fall in the UK as a whole of 10.2%. Approximate GVA for the NI Construction industries fell by 14.4% compared with a fall in the UK as a whole of 20.3%, while approximate GVA for the NI Distribution industries (wholesale and retail trade) fell

by 5.0% compared with a fall in the UK as a whole of 4.6%.

Approximate GVA for the rest of the NI Service industries (transport and storage, accommodation and food services, information and communication, real estate, professional, scientific and technical, administrative and support services and other service activities) rose by 1.4% compared with a fall in the UK as a whole of 1.5%

These results are available at:

<http://www.statistics.gov.uk/pdfdir/abi1110.pdf>

# Results by Industry

## 2

**Table 1: NIABI results by Industry, 2008 and 2009**

YEAR	STANDARD INDUSTRIAL CLASSIFICATION	DESCRIPTION	TURNOVER (£MILLION)	PURCHASES (£MILLION)	GROSS VALUE ADDED (GVA) AT BASIC PRICES (£MILLION)	EMPLOYMENT
2008	A - S <sup>1</sup>	Agriculture, fishing, production, construction, distribution and services	59,190	39,456	17,743	563,212
2009			55,556	35,589	16,922	517,455
2008	A (part)	Agriculture, forestry and fishing	99	57	44	1,198
2009			77	53	25	1,051
2008	B - E	Production Industries	18,339	10,525	5,153	95,009
2009			17,924	9,629	4,819	87,095
2008	B	Mining and quarrying	337	236	100	2,309
2009			296	189	104	1,939
2008	C	Manufacturing	15,752	8,407	4,355	86,477
2009			15,537	7,725	4,219	78,605
2008	D	Electricity, gas, steam and air conditioning supply	1,868	1,509	361	1,182
2009			1,690	1,385	300	1,245
2008	E	Water supply, sewerage, waste management and remediation activities	382	373	337	5,041
2009			401	330	197	5,306
2008	F	Construction	7,458	5,221	2,480	58,507
2009			5,914	3,690	2,123	48,899
2008	G - S <sup>1</sup>	Distribution and Service Industries	33,294	23,653	10,066	408,498
2009			31,640	22,218	9,955	380,411
2008	G	Wholesale and retail trade; repair of motor vehicles and motor cycles	20,973	17,117	3,932	145,584
2009			19,480	15,768	3,737	131,481

Coefficient of Variation (CV) Key

	CV ≤ 5%
	CV > 5% and ≤ 10%
	CV > 10% and ≤ 20%
	CV > 20%

**Table 1 (continued): NIABI results by Industry, 2008 and 2009**

YEAR	STANDARD INDUSTRIAL CLASSIFICATION	DESCRIPTION	TURNOVER (£MILLION)	PURCHASES (£MILLION)	GROSS VALUE ADDED (GVA) AT BASIC PRICES (£MILLION)	EMPLOYMENT
2008	H - S <sup>1</sup>	Other Service Industries	12,321	6,536	6,133	262,914
2009			12,160	6,449	6,218	248,930
2008	H	Transport and storage	2,416	1,392	1,070	25,508
2009			2,867	1,802	1,167	25,129
2008	I	Accommodation and food service activities	1,528	797	738	49,155
2009			1,397	759	639	44,481
2008	J	Information and communication	1,348	596	773	18,098
2009			1,364	609	777	16,639
2008	L	Real estate activities	693	303	391	8,961
2009			814	413	399	9,861
2008	M	Professional, scientific and technical activities	2,187	880	1,317	31,511
2009			1,932	647	1,401	28,252
2008	N	Administrative and support service activities	1,765	951	841	46,114
2009			1,371	590	832	43,033
2008	P-S <sup>1</sup>	Education	2,383	1,616	1,003	83,567
2009			2,416	1,630	1,001	81,535

Coefficient of Variation (CV) Key

	CV <= 5%
	CV > 5% and <= 10%
	CV > 10% and <= 20%
	CV > 20%

<sup>1</sup> See Background notes.

#### COEFFICIENT OF VARIATION

The coefficient of variation (cv) is the ratio of the standard deviation ( $\sigma$ ) to the mean ( $\mu$ ):

$$Cv = \sigma / \mu$$

It can be multiplied by 100 to be expressed as a percentage. The greater the coefficient of variation, the greater the variability in the data being measured.

# Background Notes for Northern Ireland Annual Business Inquiry (NIABI) (Experimental) 2009

## 3

The NIABI is a statutory survey and data are collected from Northern Ireland based companies by the Statistics Research Branch of the Department of Enterprise, Trade and Investment (DETI) under the Statistics of Trade and Employment (Northern Ireland) Order 1988.

### COVERAGE AND SAMPLING

The results for 2009 cover most sectors within the NI economy. The main areas excluded are Public Administration and Defence (section O), and Financial and Insurance Activities (section K). 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. Agriculture, Forestry and Fishing (section A) excludes farming (groups 01.1, 01.2, 01.3, 01.4 and 01.5).

The UK Standard Industrial Classification of Economic Activities 2007 (SIC 2007) sections covered by the 2009 NIABI data 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

**Production Industries** comprise of sections B – E

**Service Industries** comprised of sections H, I, J, L, M, N, P, Q, R and S

Information on SIC 2007 is available on the National Statistics website at:

<http://www.statistics.gov.uk/statbase/Product.asp?vlnk=14012>

To maximise survey precision, the Neyman allocation approach to sampling was utilised. The survey universe was stratified by 2 digit SIC code and employee size band, and all businesses with 50+ employees, or 20+ employees and more than one local unit, were fully enumerated. Businesses falling below the threshold of complete enumeration are selected on a random stratified basis.

### NEW RESULTS SYSTEM - IMPLICATIONS

**Please note that the information presented throughout this bulletin is based on reporting unit information, and is therefore not directly comparable with earlier NIABI bulletins (which are based on local unit information). Reporting and local unit definitions can be found at:**

[http://www.detini.gov.uk/stats\\_bus\\_register\\_3.doc](http://www.detini.gov.uk/stats_bus_register_3.doc)

Also, to better meet user needs, and in consultation with ONS Methodology Consultancy Service, DETI has moved to producing results using Statistics Canada's Generalized Estimation System. This has allowed DETI to produce estimates, with an associated measure of their quality, for the first time.

These are statistics that are subject to user consultation and, as such, are not fully developed; and hence caution should be used when interpreting results. The series has been developed to National Statistics standards but the 2008 and 2009 results should be considered as experimental. Results are subject to potential modification in the light of user feedback, in terms of usefulness and reliability versus other sources.

These statistics are new but still subject to testing in terms of their volatility and ability to meet customer needs. High volatility within the Distribution Industries (section G) has made it necessary for DETI to report on representative businesses only from within the NIABI 2008 sample.

## RESPONSE RATE

A total of 3,785 returns were received by the Department (79.4% of those sampled).

## METHOD

The Inter Departmental Business Register (IDBR) is the sampling frame used for the NIABI. The register consists of companies, partnerships, sole proprietors, public authorities, central government departments, local authorities and non-profit making bodies in the UK. The reporting units on IDBR hold the addresses to which the NIABI form is sent and may cover one or more local units. A local unit is an individual site (factory, shop, office etc.) at which business is conducted. The forms were issued by and returned to Statistics Research Branch. Data validation was carried out on the returned forms ensuring internal consistency within the form, checking data fell within expected limits or by contacting the company for clarification where appropriate. For non-returns above a selected employment threshold, data were imputed using a methodology which takes account of previous returned data and the performance of other similar businesses. The returned and imputed data are at reporting unit level, which may cover a number of local units. This information is then grossed up to the reporting unit population, to ensure that results are representative of the sampled population.

## PERIOD COVERED

For the 2009 ABI, businesses were asked to make returns for the calendar year 2009. Where this was not possible, returns for business years ending between 6 April 2009 and 5 April 2010 were accepted. Similar procedures operated in previous years. Returns covering fewer than twelve months were accepted for businesses, which had started or ceased trading during the year.

## DISCLOSURE

The inquiry is conducted under the Statistics of Trade and Employment (Northern Ireland) Order 1988 and great care is taken to avoid disclosing information about individual enterprises (in line with the stipulations in Article 7 of the Order). Figures which would be likely to disclose particulars relating to an enterprise are not published (i.e. they are suppressed) unless prior written consent for their publication has been obtained directly from the business.

## DEFINITIONS

### Approximate Gross Value Added at Basic prices

represents the income generated by businesses, out of which is paid wages and salaries, the cost of capital investment and financial charges before arriving at a figure for profit. It includes taxes on production (e.g. business rates), net of subsidies but excludes subsidies and taxes on products (e.g. VAT and excise duty). This is an output-based measure of GVA. All published GVA is given at basic prices. Please find below calculation applied to derive GVA.

The calculations used in the NIABI are:

- GVA AT BASIC PRICES: GVA at factor cost + business rates + vehicle excise duty
- GVA AT MARKET PRICES: Total turnover + insurance claims + change in stocks + own account capital expenditure – total purchases
- GVA AT FACTOR COST: GVA at market prices + subsidies – total taxes + customs & excise drawback

(Please note that GVA at basic prices is the only published GVA from the NIABI.)

**Turnover** is defined as total sales and work done.

This is calculated by adding to the value of sales of goods produced, goods purchased and resold without further processing, work done and industrial and non-industrial services rendered.

**Purchases** represent the value of all goods, materials and services purchased during the year.

## NORTHERN IRELAND ABI, UK NATIONAL ESTIMATES AND THE ONS REGIONAL ABI

This is the first time that the Northern Ireland Annual Business Inquiry report has been produced using multi-site organisations as single entities (i.e. based on reporting units). While National estimates (including the Northern Ireland component) published on 16<sup>th</sup> November 2010 are also based on reporting units, caution should be exercised when comparing these results as the methodologies vary slightly. <http://www.statistics.gov.uk/pdfdir/abi1110.pdf>

NIABI information is included in the UK National (and later Regional) estimates and since 2002 is constrained to NI Reporting Unit totals.

## ABI “APPROXIMATE GROSS VALUE ADDED” AND “REGIONAL GROSS VALUE ADDED”

The financial information from the Regional ABI provides a measure of approximate GVA, which is ultimately used to contribute to the picture of the whole economy to be built up for National Accounts purposes at the United Kingdom level. When regional economic accounts are subsequently derived, the resulting measure of Regional Gross Value Added (GVA) is a much broader based measure relating to the whole economy in a region, taking into account information from a series of economic and labour market surveys. The results of the ABI only comprise one element of the regional economic account figures, and a number of adjustments are made in line with National Accounts methodologies before estimates of Regional GVA are produced. The most recent Regional GVA estimates for Northern Ireland at industry level by ONS relating to 2009 were released on 8<sup>th</sup> December 2010. The ABI provides

more detailed industry information than is possible in Regional Accounts measures.

<http://www.statistics.gov.uk/pdfdir/gva1210.pdf>

#### **DATE OF NEXT PUBLICATION**

ABI results for 2010 will be published in December 2011.

#### **PLANNED FUTURE REVISIONS**

The DETI revisions policy can be found at:

[http://www.detini.gov.uk/deti\\_revisions\\_policy-3.pdf](http://www.detini.gov.uk/deti_revisions_policy-3.pdf)

#### **PUBLICATIONS POLICY**

All DETI statistical publications are available to download free of charge from the website:

<http://www.detini.gov.uk/deti-stats-index.htm>

The NIABI bulletin is available at:

<http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-annual-business-inquiry.htm>

The DETI statistics publication schedule is also available at:

<http://www.detini.gov.uk/deti-stats-index.htm>

The list of people given pre-release access to this publication is available at:

[http://www.detini.gov.uk/publication\\_pre-release\\_access\\_list-8.pdf](http://www.detini.gov.uk/publication_pre-release_access_list-8.pdf)

#### **FURTHER INFORMATION**

The data released in the summary results in the current report cover the basic variables by standard industrial classification at section level. There are further variables and more detailed industrial breakdowns available (subject to confidentiality constraints). There is also a facility to provide bespoke analysis on request.

If you wish to register your interest for some further analysis:

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