

6 March 2015

Summary of New Experimental Broad Economy Exports Findings

Experimental figures released by NISRA today for 2011 and 2012 indicate a much higher level of exporting activity across the Northern Ireland economy than previously indicated. The new methodology provides a much better measure of the value of both goods and services sold to customers outside Northern Ireland. The figures are designated as “experimental” as the methodology is still subject to a period of consultation with users.

Prior to this the main sources of information were HMRC estimates which referred solely to the export of goods outside the UK (excluding NI sales to Great Britain) and official surveys with very limited coverage of the NI service sector.

The new more comprehensive approach has identified £2.3 billion of business exports in the reference year (2011), which were previously not accounted for using existing measures. The paper highlights that there is considerable export activity related to both goods and services in the NI service sector, particularly in Wholesale (£1.6 billion).

The new findings also report an estimated £8.7 billion of business exports in 2011 rising by 1.8% to £8.8 billion in 2012. The latter includes £5.4 billion (60.9%) of goods and services from the Manufacturing sector and an additional £3.5 billion (39.1%) of goods and services from other sectors of the NI economy. When the value of spending by (non UK) tourists is added the total value of NI exports in 2011 was estimated to be worth £8.9 billion and £9.1 billion in 2012.

The total value of business sales outside Northern Ireland was estimated to be £20.4 billion in 2012, of which sales to Great Britain (goods and services) comprised £11.5 billion. The Construction sector had sales outside Northern Ireland worth £1.2 billion in 2012, of which £0.8 billion was to customers in GB.

Following publication of the methodology paper, NISRA will consider further user feedback and subsequently publish a three year series covering the period 2011 to 2013 in summer 2015.

End notes:

1. The Northern Ireland (NI) Executive's Programme for Government (PFG) 2011-2015 made growing the private sector (and exports) a primary vehicle for economic expansion. The Executive's Economic Strategy also noted '*...data collected on the level of exports from the local economy is largely restricted to the manufacturing sector, with limited information collated from the services sector. To ensure the appropriate measure of exports, we are taking the necessary steps to improve the coverage...*'.
2. Several measures of NI exports currently exist: HMRC's Regional Trade Statistics (RTS), relate to the export and import of goods, but provide no information on service exports or NI sales to Great Britain. NISRA carries out the Manufacturing Sales and Exports Survey (MSES) and the Exporting NI Services (ENIS) survey. The former measures goods and services and sales to Great Britain but, as the Economic Strategy noted, is restricted to the Manufacturing sector. The ENIS survey is restricted to those Service sectors that were thought most likely on the basis of previous research to have a high potential for tradable services (e.g. computer and related activity, management consultancy, technical services). It also measures goods and service exports from larger construction companies.
3. In addition, NISRA produces estimates of spending by tourists from outside the UK (another form of exports) and DARD provides estimates of the value of exports in the food and drinks sector. There are no sub UK estimates of the value of exports of financial services produced by ONS.
4. A recently published (March 2014) DETI review of how best to measure NI exports concluded that NISRA's new Broad Economy Exports (BEE) survey based approach offered the best way forward as the single most comprehensive source of exports for NI. It should be noted that the

published BEE results remain an experimental series subject to ongoing development.

5. Coverage of the new BEE measure aligns with that of the NI Annual Business Inquiry including businesses within the production, construction, distribution and service industries. The main exclusions are financial services, tourism and direct farm exports.
6. The Code of Practice for Official Statistics recommends releasing statistical work in progress, such as experimental statistics. These are defined as “new official statistics undergoing evaluation that are published in order to involve users and stakeholders in their development and as a means to build in quality at an early stage”. NISRA has therefore published a methodology paper including results for 2011 and 2012 produced on the new basis and compared against existing sources. Users are invited to provide comments and views regarding the methodology, experimental results and planned developments.
7. Data for 2014 is currently being collected and results will be published in December 2015. This developmental work puts Northern Ireland in a favourable position compared with other UK regions in terms of the comprehensiveness of its exports data.
8. The Northern Ireland Economic Strategy can be found on the following website:
<http://www.northernireland.gov.uk/ni-economic-strategy-revised-130312.pdf>
9. For media enquiries, please contact DETI Press Office on 028 9052 9604. Outside office hours, please contact the Duty Press Officer via pager number 07699 715 440 and your call will be returned.
10. General information can be obtained from Damian Buchanan, Economic & Labour Market Statistics Branch, on Tel: 028 9052 9648.