



Department of  
**Enterprise, Trade  
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**Business Activity**

**Statistics Bulletin**

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# **Facts & Figures from the Inter Departmental Business Register (IDBR) – Edition Twelve**

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**30<sup>th</sup> December 2009**

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# **Facts & Figures from the Inter Departmental Business Register (IDBR) – Edition Twelve**

30<sup>th</sup> December 2009

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# Executive Summary

# 1

## INTRODUCTION

The Inter Departmental Business Register (IDBR) contains information on all businesses in the United Kingdom which are VAT registered and/or operating a PAYE scheme. The register is comprised of approximately 2.2 million UK businesses, Northern Ireland accounts for just over 3% of the UK total.

## VAT AND/OR PAYE REGISTERED BUSINESSES IN NORTHERN IRELAND

For every enterprise held on the IDBR, a region marker is allocated based on the address where the enterprise employs its greatest share of employees (generally the main operating site or the head office). Thus a business with a head office in London is likely to be included in Great Britain regional figures, even though it may have work sites in Northern Ireland. Therefore many multi-national businesses are excluded from this *enterprise based* analyses. Similarly, for businesses operating solely within Northern Ireland that have headquarters in Belfast, these businesses are included only in the Belfast District council area even though they may have sites across NI.

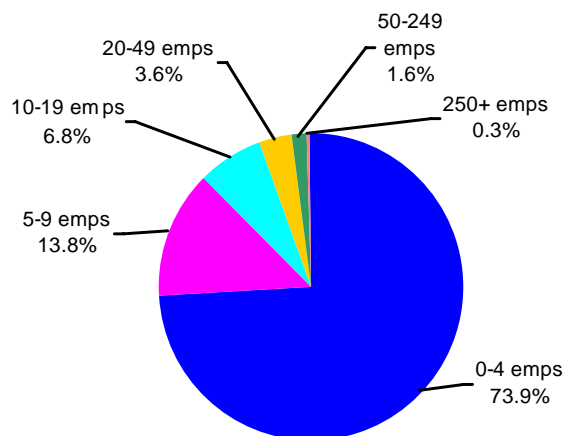
- At 24 March 2009, the IDBR estimated there to be 70,620 businesses in Northern Ireland which were either VAT registered or operating a PAYE scheme.
- Figures from the IDBR show that Northern Ireland continues to be a small business economy with this category (less than 50 employees) accounting for 98.2%, medium sized (50 -249) 1.6% and large (250+) 0.3%.
- Micro businesses (those businesses with less than 10 employees) accounted for 87.8% of the Northern

Ireland total, similar to the UK rate of 88.7%.

- Under half (44.5%) of the businesses registered for VAT and/or PAYE in Northern Ireland have a turnover which is less than £100,000, this compares to the UK average which is 42.0%.
- In Northern Ireland, 9.9% of registered businesses have a turnover which exceeds £1 million. This percentage is higher than that of Scotland (9.6%) and Wales (7.5%) but comparable with England (9.9%). The overall UK rate stood at 9.7%.
- NI has a higher reliance on agriculture, forestry and fishing with 23.1% of businesses located in this sector, compared with a figure of 6.5% for the UK as a whole.
- NI has a lower reliance on the Information and Communication sector (1.8% of businesses compared with 6.9% in the UK) and on the Professional, Scientific and Technical sectors (6.8% of businesses compared with 15.0% in the UK).

These figures cover most of the economy, including the agriculture, production, service and public sectors in Northern Ireland. However they do not include very small businesses that fall below the VAT and PAYE thresholds. Latest figures published by the Department for Business, Innovation and Skills (BIS) include an estimate of the number of unregistered businesses and indicate that at the start of 2008 the total number of businesses in NI was 126,640, which had decreased by 4.1% from 132,040 in 2007.

**VAT and/or PAYE businesses by employee sidebands, March 2009**  
Figure 1



## District Council Information

- Belfast District Council accounts for the largest proportion (12.4%) of VAT and/or PAYE registered businesses in Northern Ireland.
- Fermanagh District Council has 1,955 businesses registered for VAT and/or PAYE and with turnover below £50,000. Three other District Councils in NI (Newry & Mourne, Omagh and Dungannon) each reported more than a thousand VAT and/or PAYE registered businesses with a turnover below £50,000.
- As expected, Belfast has the greatest number (355) of VAT and/or PAYE registered businesses reporting a turnover of greater than £5million, with Lisburn accounting for the second highest number (105) within this turnover size-band.
- Belfast also had the largest number of businesses with less than 10 employees (6,875) as well as being the District Council with the largest number of businesses with 250+ employees (80).
- Outside of Belfast, Newry and Mourne had the largest number of VAT and/or PAYE registered businesses (4,865) whereas Carrickfergus had the fewest (800).

The estimates in the following two sections covering Private / Public status and Legal status are *Reporting unit* based and will include multinational businesses located in NI and are therefore comparable against previous editions of this publication.

### Private and Public Sector Businesses

All VAT and PAYE registered businesses on the IDBR can be grouped into either Public or Private sector. The Private sector is a combination of registered businesses whose legal status falls under the category of "Company", "Sole Proprietor", "Partnership" or "Non-profit making organisation" while the public sector is comprised of those registered as "Public Corporation", "Central Government" or "Local Authority".

- 72,270 (99.7%) of the 72,510 NI businesses on the register in March 2009 were within the private sector.
- Although the public sector accounts for a very small proportion (0.3%) of the

total number of businesses in Northern Ireland, estimates from the March 2009 Quarterly Employment Survey show that public sector businesses account for almost a third (31.5%) of employee jobs in Northern Ireland.

- Micro businesses (those employing between 0 and 9 persons) dominate the private sector, accounting for 88.4% of all private sector businesses. In contrast, the public sector is dominated by large businesses employing 250 or more persons, with 31.7% of public sector businesses within this category.
- 95.0% of all Northern Ireland medium sized businesses (i.e. those employing between 50 and 249 persons) are within the private sector. However, the proportion of medium sized enterprises within the Public sector and Private sector is 26.1% and 1.7% respectively.

### Legal Status of Businesses

- The majority (49.1%) of businesses in Northern Ireland, in 2009, were registered as 'Sole Proprietors'.
- Under a half of all VAT and/or PAYE registered businesses were registered as either a 'Company' (27.7%) or as a 'Partnership' (18.7%).
- A total of 0.3% of VAT and/or PAYE registered businesses, in Northern Ireland, belong to the Public sector. A further 4.2% of VAT and/or PAYE registered firms are non-profit making organisations.

## VAT AND/OR PAYE DATA TABLES

### BIRTHS, DEATHS AND SURVIVAL RATES

The Office for National Statistics (ONS) has responsibility for the publication of official business births, deaths and survival rates (*Business Demography: Enterprise Births and Deaths*). This publication uses an enterprise based methodology that includes PAYE registered units not registered for VAT.

These statistics include the births and deaths of employing businesses, which are not VAT-registered, providing a comprehensive view of business start-up activity.

- In 2008 a total of 5,690 enterprises were born in Northern Ireland. In the same year, there were 4,405 deaths of enterprises.
- The new ONS methodology expresses business birth and death rates as a proportion of active enterprises in the calendar year, rather than per 10,000 adults as previously used by BIS. The business birth rate in Northern Ireland in 2008 was 9.5% of active enterprises. This was the lowest of the 12 UK regions. The overall UK birth rate for the UK in 2008 was 11.6%.
- The Northern Ireland death rate was also the lowest of the UK regions at 7.3% (9.4% for UK) in 2008.
- At 2008, Northern Ireland had the highest five-year business survival rate of the 12 UK regions (56.2% of business births in 2003). Perhaps surprisingly Northern Ireland has one of the lowest one-year survival rates of the UK regions (94.6% of business births in 2007).
- Carrickfergus, Banbridge and Limavady had the highest one-year business survival rates (100%) while Larne District Council had the lowest survival rate with 86.7% births in 2007.
- The majority of foreign owned businesses were from the Republic of Ireland (35.4%).
- The Wholesale and Retail industry accounted for the highest proportion (32.7%) of foreign owned businesses in Northern Ireland.
- A total of 16.9% of businesses classified under 'Real Estate, Professional, Scientific & Technical and Business administration and Support Services' were foreign owned businesses.

### **FOREIGN OWNERSHIP DATA TABLES**

### **BUSINESS DEMOGRAPHY TABLES**

#### **FOREIGN OWNED BUSINESSES OPERATING IN NORTHERN IRELAND IN 2009**

The market information company Dun and Bradstreet, annually supply the Office for National Statistics (ONS) with information on foreign owned businesses operating in the United Kingdom. This information is then loaded onto the IDBR. It should be noted that this is not an exhaustive list of foreign owned businesses in Northern Ireland, only those for which we have received information from the above sources.

Information on the status of foreign owned businesses is continually updated and, as a result, figures are subject to change as more up-to-date information becomes available.

- At March 2009, there were approximately 725 foreign owned businesses operating in Northern Ireland.

# Contact Information

## 2

If you require further information about this survey, please contact Statistics Research Branch by: -

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Website:

<http://www.statistics.detini.gov.uk/>

Information regarding the UK IDBR is also  
available via the following link.

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=933>



# Background notes and definitions

## 3

To provide more timely data DETINI have brought forward the annual 'Facts and Figures' publication by six months, to December of the reference year. Future editions will now take place in December (the reference period remains at March each year)

### **i) ONS inclusion of PAYE operating businesses not registered for VAT**

Users should note that the publication of the "*Facts and Figures from the Interdepartmental Business Register*" in December 2009 (for reference period March 2008 and March 2009) differ slightly in coverage from previous editions and therefore caution should be exercised when comparing estimates to earlier years. This was partly caused by a change in methodology by the Office for National Statistics (ONS) who now include PAYE-based enterprises that are not also registered for VAT. This was an extension of the scope from the previous VAT-based enterprise tables published by ONS.

The DETINI *Facts and Figures* publication by contrast had historically provided figures of VAT and/or PAYE registered businesses albeit using "*reporting unit*" based coverage rather than the "*enterprise based*" ONS coverage. To allow NI to be set in a comparable regional context, this edition continues to adopt the "*enterprise based*" methodology for the introductory section of this "*Facts and Figures*" publication. Although, the sections on Public / Private Status and also Legal status remain on the "*Reporting Unit*" basis and are therefore comparable with previous editions.

The VAT registered enterprise data (i.e. excluding PAYE registered businesses not separately registered for VAT) is no longer published by the ONS and thus there are

no longer any comparable regional tables for this data. In line with the ONS decision, the NI publication, in June 2009, ceased to include VAT registered enterprise data although certain analysis can be carried out on request.

### **ii) Enterprise based and Reporting Unit based analysis**

The "*enterprise*" and "*reporting unit*" concepts can be thought of in the following terms, the "enterprise" is similar to the head office of a business reporting for all activity in the business, whereas the "*reporting unit*", as the name suggests, reports for only certain parts of this business e.g. GB activity only or NI activity only. An example may help to explain this concept; Joe Bloggs Ltd is a large multinational company existing in NI but also has sites across a number of other GB regions, with the London headquarters being the largest store. Any analysis at the "*enterprise level*" would assign Joe Bloggs Ltd to the London region whereas the "*reporting unit level*" analysis would assign a separate NI business.

Therefore, any analysis carried out at the "*reporting unit*" level is likely to include more businesses than an analysis based on the "*enterprise*" level. The table on the following page presents a breakdown of the extent of the differences resulting from the different coverage at March 2009.

### **iii) New business births and deaths statistics**

As detailed earlier within the report this edition includes estimates of business births and deaths and survival rates sourced from the ONS Business demography publication. This publication was introduced following a new European Commission Structural Business Statistics Regulation which came into force in February 2008, requiring National Statistical Institutes (NSIs) to produce statistics on business births, deaths and survival rates. These statistics will be produced using common definitions and methodology, which will ensure greater comparability across the EU.

For more information about the the new ONS Business Demography publication please visit the following website: [www.statistics.gov.uk/StatBase/Product.asp?vlnk=15186](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=15186)

## NI businesses by industry section - March 2009

Broad Industrial Group (SIC07)	Enterprise based	Reporting Unit based
Agriculture, forestry & fishing	16,310	16,365
Production	4,555	4,615
Construction	12,215	12,275
Motor trades	2,350	2,370
Wholesale	3,310	3,405
Retail	6,635	6,830
Transport & storage (inc. postal)	2,490	2,555
Accommodation & food services	3,685	3,715
Information & communication	1,290	1,330
Finance & insurance	1,070	1,110
Property	2,055	2,050
Professional, scientific & technical	4,780	4,870
Business administration and support services	2,815	2,895
Public administration and defence	60	80
Education	515	525
Health	2,555	2,635
Arts, entertainment, recreation and other services	3,930	4,020
<b>Total</b>	<b>70,620</b>	<b>71,650</b>