



**Business Activity**

**Statistics Bulletin**

---

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

---

**30 June 2008**

---

## A NATIONAL STATISTICS PUBLICATION

National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.

For general enquiries about National Statistics, contact  
The National Statistics Public Enquiry Service on **0845 601 3034**  
minicom: 01633 812399  
E-mail: [info@statistics.gov.uk](mailto:info@statistics.gov.uk)

Fax: 01633 652747

Letters: Room 1015, Government Buildings, Cardiff Road, Newport, Gwent, South Wales NP10 8XG

You can also find National Statistics on the Internet – go to [www.statistics.gov.uk](http://www.statistics.gov.uk)

Department of Enterprise,  
Trade and Investment

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

30 June 2008

# Contents

**1**  
Executive Summary  
Pages 1 -3

**2**  
Contact Information  
Page 4

# Executive Summary

# 1

## INTRODUCTION

The Inter Departmental Business Register (IDBR) contains information on all businesses in the United Kingdom which are VAT registered or operating a PAYE scheme. The register is comprised of approximately 2.1 million UK businesses, Northern Ireland accounts for just over 3% of the UK total.

## VAT AND PAYE BUSINESSES IN NORTHERN IRELAND

- At January 2008, the IDBR estimated there to be 72,840 businesses in Northern Ireland which were either VAT registered or operating a PAYE scheme.
- There has been an increase of 2.3% in the number of VAT and PAYE businesses over the year and a 13.4% increase over the 5 year period 2003-2008.
- Figures from the IDBR show that Northern Ireland continues to be a small business economy with this category (less than 50 employees) accounting for 97.9%, medium sized (50 -249) 1.7% and large (250+) 0.4%.
- Micro businesses (those businesses with less than 10 employees) accounted for 88.8% of the Northern Ireland total.
- Of the 64,700 businesses classified as micro businesses in 2008, 39,355 (54.0%) such businesses employed at least 1 person.

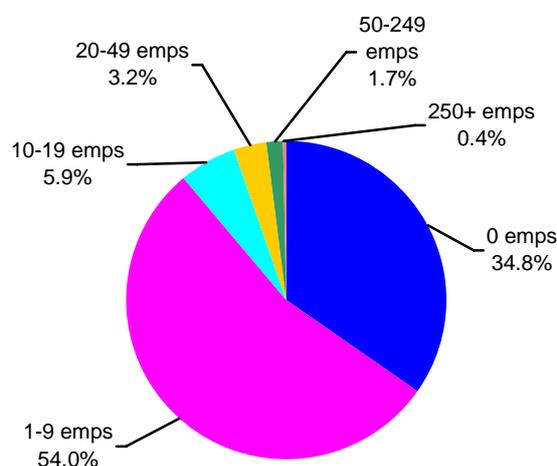
Figure 1 shows a breakdown of VAT & PAYE Businesses by Employee Sizeband, January 2008. Businesses with zero employees account for 34.8% of all VAT and PAYE businesses and include sole proprietors and partnerships, holding

companies and those companies that are not yet trading e.g. a factory under construction.

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. Figures published by the Department for Business Enterprise and Regulatory Reform (DBERR) include an estimate of the number of unregistered businesses, and indicate that in 2005 the total number of businesses in NI was 114,940.

## VAT & PAYE Businesses by Employee Sizeband, January 2008

Figure 1



## Private and Public Sector Businesses

All businesses registered 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".

- 72,600 (99.7%) of the 72,840 NI businesses on the register in January 2008 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

2008 Quarterly Employment Survey show that public sector businesses account for almost a third (30.8%) of employee jobs in Northern Ireland.

- Micro businesses continue to dominate the private sector, accounting for 89.1% of all private sector businesses. In contrast, the public sector is dominated by large businesses employing 250 or more persons, with 32.2% of public sector businesses within this category.
- Medium sized enterprises (those employing between 50 and 249 persons) are mostly found within the private sector which accounts for 95.0% of all Northern Ireland medium sized businesses, however the proportion of medium sized enterprises within the Public sector and Private sector is 26.4% and 1.6% respectively.

#### Legal Status of Businesses

- The majority (50.0%) of businesses in Northern Ireland are registered as “Sole Proprietors”.
- NI has a much higher proportion of Sole Proprietors than England (24.0%), Scotland (29.1%) or Wales (31.1%).
- The proportion of public sector enterprises is minimal for all UK regions. However, NI has the highest percentage at 0.33%, then Wales (0.31%), England (0.24%) and Scotland (0.13%).
- England reports the highest proportion legally registered as “Companies” at 58.9% whilst Scotland is 46.6% and Wales is 41.8%.
- NI has a considerably lower share of enterprises registered as Companies (26.6%), however, this status of business reports the largest annual percentage increase with the number rising from 18,120 in 2007 to 19,400 in 2008 an increase of 7.1%.
- In terms of changes in the structure of the business population, the proportion of businesses registered as Companies increased by 1.1 percentage points (pp) from 25.5% to 26.6% over the year. There has also been a decline in the proportion of Sole Proprietors (-0.9 pp), “Partnerships” (-0.1 pp), “Central Government” (-0.1 pp) and “Non Profit making organisations” (-0.1 pp) over the same period.

- Central Government registered organisations experienced a decline in numbers over the year, decreasing from 125 in 2007 to 105 in 2008, a decrease of -16.0%. Similarly “Local Authorities” decreased from 120 to 110 over the same period a decrease of 8.3%. “Public Corporation” and “Non Profit making organisations” numbers remained fairly static.

#### [VAT & PAYE Data Tables](#)

##### VAT REGISTERED ENTERPRISES

- In 2007 businesses were legally obliged to register for VAT once their turnover reached a threshold of £64,000.
- The IDBR estimated there to be 58,135 businesses which were registered for VAT in 2007.

The number of VAT registered businesses in NI has increased by a higher rate (2.6%) over the year, compared to the UK as a whole (1.7%).

- The largest increase over the year in terms of numbers of VAT registered businesses has occurred within the Property and Business Services sector, which has increased by 530 (+6.7%) VAT registered businesses. The largest percentage increase occurred within the Finance sector (+15.4%).
- Just under half (49.2%) of the businesses registered for VAT in Northern Ireland have a turnover which is less than £100,000, this compares to the UK average which is 42.6%.
- In Northern Ireland, 9.8% of VAT registered businesses have a turnover which exceeds £1 million. This percentage is marginally higher than that of Scotland (9.6%) and Wales (7.4%) but lower than England (10.6%) and the UK average of 10.4%.

##### District Council Information

For every business held on the IDBR, a District Council (DC) is allocated based on the address where the business is registered for VAT (normally the head office). Thus a business with a head office in Belfast is included in figures for Belfast, even though it may have work sites in

other DC areas. Similarly, businesses that have their United Kingdom headquarters in Great Britain will be included only in the region where their head office is based. Therefore many multi-national businesses are excluded from such analyses.

- Belfast District Council accounts for the largest proportion (10.9%) of VAT registered businesses in Northern Ireland.
- Four District Councils in NI (Dungannon, Fermanagh, Newry & Mourne and Omagh) each report more than a thousand VAT registered businesses with a turnover below £50,000 with Fermanagh District Council being the largest of these (1,895).
- As expected Belfast has the greatest number (300) of VAT registered businesses reporting a turnover of greater than £5million, with Lisburn accounting for the second highest (100) number of businesses within this turnover sizeband.

#### [VAT Data Tables](#)

#### **VAT REGISTRATION AND DE-REGISTRATION: RATES AND SURVIVAL**

The Enterprise Directorate of the Department for Business Enterprise and Regulatory Reform (DBERR) annually publish statistics on VAT registrations and de-registrations for the UK regions, having taken information from the IDBR. The statistics are the best official guide to the pattern of business start-ups and closures. Coverage includes both companies and self employed run businesses but excludes those businesses not registered for VAT – for example, most of the very small one-person businesses.

Registration rates provide an indicator of the level of entrepreneurship and of the health of the business population. Many factors influence the pattern of business start-ups. Among the most important are economic growth (encouraging new ventures and demand for business and personal services), the level of industrial restructuring and contracting out, and the stock of people with management or small business experience.

It should be noted that VAT registrations are not synonymous with business start-ups; some registrations are the result of changes in ownership or legal status of a business. Businesses de-registering for VAT do so due to closure, or (in a minority of cases) because turnover has fallen below the registration threshold. Closure does not necessarily involve bankruptcy or insolvency proceedings, which make up only around one in four closures throughout the UK.

- Statistics from DBERR show that, during 2006, the number of registrations for every 10,000 people aged 16 or over in Northern Ireland remained unchanged over the year at 33; this is somewhat behind the UK average VAT registration of 37 which also remained static over the year.
- VAT de-registrations in NI increased from 25 in 2005 to 28 in 2006 but this still represents a marginally lower rate of de-registration than the UK of 29.
- Northern Ireland has a much higher rate of survival than any of the other regions within the UK. Approximately 78.5% of NI businesses are still trading three years after registering for VAT, compared to the UK rate of 71.3%.

#### [VAT Reg and De-Reg Data Tables](#)

#### **FOREIGN OWNED BUSINESSES OPERATING IN NORTHERN IRELAND IN 2007**

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. Statistics Research Branch, DETI, supplement this with information from Invest Northern Ireland's list of client companies, the following analyses are based on these combined sources. 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 as a

result figures are subject to change as more up-to-date information becomes available.

In 2007, there were approximately 730 foreign owned businesses operating in Northern Ireland. The Republic of Ireland owned the majority (37.0%) of such businesses and the Wholesale and Retail industry accounted for the highest proportion (31.0%) of foreign owned businesses.

[Foreign Ownership Data Tables](#)

# Contact Information

## 2

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

Writing to:

Department of Enterprise, Trade and Investment,  
Statistics Research Branch,  
Room 110,  
Netherleigh,  
Massey Avenue,  
Belfast  
BT4 2JP.

Tel: (028) 9052 9228 or (028) 9052 9655

Fax: (028) 9052 9568

Email: [seana.mcilwaine@detini.gov.uk](mailto:seana.mcilwaine@detini.gov.uk)

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>