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**Finance and
Personnel**
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Business Activity

Statistics Bulletin

Results from the Northern Ireland Manufacturing Sales & Exports Survey 2012/13

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Northern Ireland
**Statistics &
Research
Agency**

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National Statistics

The Manufacturing Sales & Exports Survey is a National Statistic which is currently undergoing assessment by the UK Statistics Authority.

Northern Ireland Statistics and Research Agency

From 1st April 2011, responsibility for the production of official statistics on the economy and labour market became the responsibility of Department of Finance and Personnel (DFP). Those powers previously exercised by the Department of Enterprise, Trade and Investment (DETI) under the Statistics of Trade and Employment (Northern Ireland) Order 1988 are now exercised by DFP from this date, as a result of the The Departments (Transfer of Functions) (No.2) Order (Northern Ireland) 2011. While DFP exercise the powers of the 1988 Order, in practice the operational responsibility for statistics production will reside with the Northern Ireland Statistics and Research Agency (NISRA), an Agency of DFP.

1: Main Messages

Total sales by manufacturing companies in Northern Ireland (NI) were estimated to be worth £16.9 billion in 2012/13. This represents a current price increase of 1.9% (£308 million) over the year.

In 2012/13, 78.5% of manufacturing sales were made to customers outside NI (external sales). This equated to £13.3 billion, representing an increase of 3.2% (£415 million) over the year.

Sales outside the UK (exports) were estimated to be worth just under £5.2 billion in 2012/13. This represented a decrease of 1.2% over the year.

This decrease in exports was largely driven by a decrease in sales to the Rest of EU, which fell by 13.1% over the year.

When considered in real terms, there has been an increase in total sales of 1.2% (£200 million) and an increase of 2.9% in external sales (£370 million) over the year. Sales within NI decreased by 4.5%, while those to GB increased by 4.5%. While exports fell by 1.2% in current prices, in real terms they increased by 0.4%.

Great Britain remains the most significant single market for sales from Northern Ireland manufacturing businesses, accounting for 47.9% (£8.1 billion) of total sales. This is the highest value of sales to GB on record for the survey (2001/02).

Sales destined for international customers (exports) accounted for almost a third (30.6%) of total sales. Sales to the ROI increased over the year by 5.3% and account for 7.9% of total sales and just over a quarter (25.8%) of exports.

The largest actual increase in total sales was in the Food, Beverages and Tobacco grouping (SIC 10-12) with total sales estimated to have increased by £235 million.

The Food, Beverages and Tobacco grouping also reported the highest actual increase in external sales (£195 million over the year from 2011/12), and the second highest (£61 million) in exports. Conversely, the Other Transport Equipment division reported the highest actual increase in exports (£115 million) and the second highest increase in external sales (£106 million).

Small and medium businesses (combined) accounted for 41.4% of total sales, 29.3% of external sales and 39.9% of exports.

2: Context

Introduction

The Manufacturing Sales and Exports Survey (MSES) provides information on the value of sales and exports generated by businesses classified within the manufacturing industry in Northern Ireland. The contents of this report will be of interest to government policy makers, Members of the Legislative Assembly (MLAs), the business community, economic commentators, academics and members of the general public with an interest in the NI economy. Uses and users of the MSES are separately documented at http://www.detini.gov.uk/summary_of_usage_of_the_mses.pdf

The latest Department of Enterprise, Trade and Investment Economic Commentary provides an overview of the state of the Northern Ireland economy, setting it in a global context. This can be found at: <http://www.detini.gov.uk/deti-stats-index/deti-stats-index-4.htm>

The most up-to-date official statistics on the economy and labour market are available on the Economic Overview page of the DETI website at: <http://www.detini.gov.uk/deti-stats-index/deti-stats-index-2.htm>

Further information relating to Northern Ireland exports is available from the Exporting Northern Ireland Services Study (ENIS). The Exporting Northern Ireland Services (ENIS) Study is a survey which was first introduced by the Department of Enterprise, Trade and Investment in 2003 to further understand and estimate the value to the Northern Ireland economy of exporting services. The study is based on information collected via the International Trade in Services Survey (ITIS).

The International Trade in Services (ITIS) survey is a UK wide survey which collects information on overseas transactions of consultants and companies offering business services. Information collected from the survey is fed into the UK balance of payments and published at the UK level. The full bulletin can be accessed at: <http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-exporting-ni-services.htm>

While directly comparable UK data for the MSES do not exist, HM Revenue & Customs (HMRC) are responsible for collecting the UK's international trade in goods data, which are published as two National Statistics series - the 'Overseas Trade Statistics (OTS) of the UK' and the 'UK Regional Trade Statistics (RTS)'. These UK regional statistics can be accessed at: https://www.uktradeinfo.com/index.cfm?task=td_regstats

The Scottish Government also publish export statistics from the Global Connections Survey. These statistics can be accessed at: <http://www.scotland.gov.uk/Topics/Statistics/Browse/Economy/Exports/GCSIntroduction>

3: Summary and Commentary

Northern Ireland Manufacturing Sales and Exports

Results

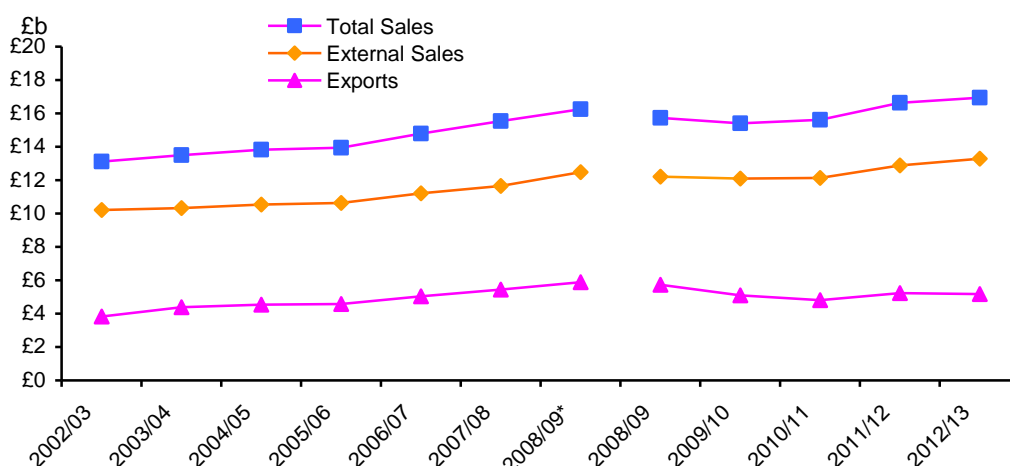
Total sales by manufacturing companies in Northern Ireland (NI) were estimated to be worth £16.9 billion in 2012/13. This represents a current price increase of 1.9% (£308 million) over the year. This compared to an increase of 6.6% last year.

In 2012/13, 78.5% of manufacturing sales were made to customers outside NI (external sales). This equated to £13.3 billion, representing an increase of 3.2% (£415 million) over the year. Manufacturing sales made outside NI have returned to levels above the peak of such activity recorded in 2011/12 (£12.9 billion) and are therefore the highest on record.

Sales outside the UK (exports) were estimated to be worth just under £5.2 billion in 2012/13. This represented a decrease of 1.2% over the year, compared to an increase in the previous period (2010/11 – 2011/12) of 8.9%. This decrease in exports was largely driven by a decrease in sales to the Rest of EU, which fell by 13.1% over the year.

Figure 1 shows the values of total sales, external sales and exports over the 10 year period (2002/03 to 2012/13).

Figure 1: Sales, External Sales and Exports 2002/03 to 2012/13



*Changes in SIC 03 and SIC 07 have resulted in discontinuity of trends. Please see background notes for more information.

Sales and Exports Performance in Constant Prices

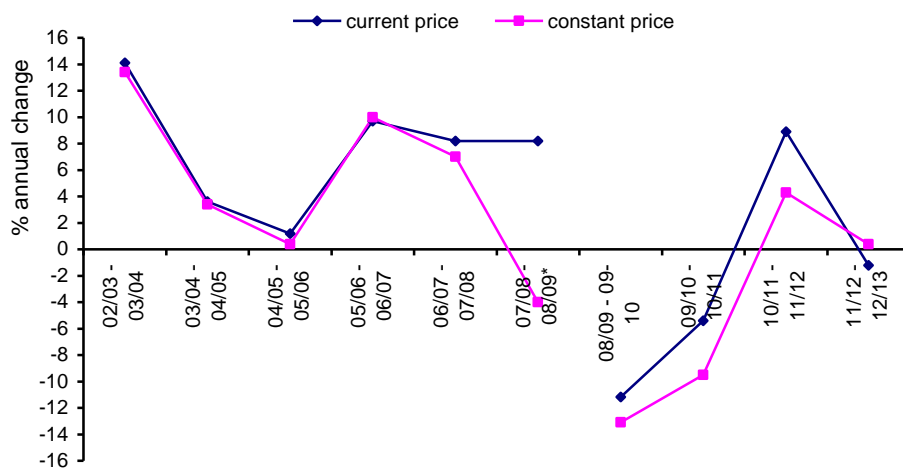
Constant prices allow figures to be presented with the effects of inflation removed, and reflect the effects of other factors such as exchange rate

fluctuations. This allows changes to be reported in real terms (by using a deflator). The transition from SIC 2003 to SIC 2007 has impacted on deflators, and this is discussed in the background note.

When considered in real terms, there has been an increase in total sales of 1.2% (£200 million) and an increase of 2.9% in external sales (£370 million) over the year. Sales within NI decreased by 4.5%, while those to GB increased by 4.5%. While exports fell by 1.2% in current prices, in real terms they increased by 0.4%. This follows growth of 4.3% in real terms in the previous period (2010/11 – 2011/12).

Figure 2 provides information on annual percentage changes in exports, in both current and constant prices. When considering export sales in current prices, there has been an increase of 34.9% over the 10 year period to 2012/13 while in constant prices, exports have actually increased by 16.9%. The annual rate of growth of exports (constant prices) continued to decrease in the periods 2007/08 – 2008/09 (-4.0%), 2008/09 – 2009/10 (-13.1%) and 2009/10 – 2010/11 (-9.5%). The increase of 0.4% from 2011/12 - 2012/13 follows growth (4.3%) in real terms in the previous period (2010/11 – 2011/12).

Figure 2: Annual Growth of Exports 2002/2003 to 2012/13 in current and constant prices



*Changes in SIC 03 and SIC 07 have resulted in discontinuity of trends. Please see background notes for more information.

Information in the rest of the report is provided in current prices unless otherwise stated.

Analysis by Destination

Over the last year, sales to ROI have increased in current prices by 5.3%. This compared to an increase of 4.3% last year. Sales to GB increased by 6.2% and Rest of World sales by 2.0%. Sales within Northern Ireland decreased by £107 million to £3.6 billion - down 2.9% over the year. Sales to the Rest of the EU saw the largest proportional annual decrease of 13.1%, falling by £181 million to £1,206 million in 2012/13.

Great Britain remains the most significant single market for sales from Northern Ireland manufacturing businesses, accounting for 47.9% (£8.1 billion) of total sales. This is the highest value of sales to GB on record for the survey (2001/02).

Sales destined for international customers (exports) accounted for almost a third (30.6%) of total sales. Sales to the ROI increased over the year by 5.3% and account for 7.9% of total sales and just over a quarter (25.8%) of exports.

Total sales to the ROI in 2012/13 were £1.3 billion, up £68 million (5.3%) over the year. This is the second consecutive year of increasing sales to ROI, following three consecutive years of falling sales. In real terms the value of exports to ROI increased by 7.0% over the year.

Sales to the Rest of the EU¹ decreased by 13.1% (£181 million) to 1.2 billion, over the year. Germany, France and the Netherlands are the main key destinations for sales and accounted for a combined 52.1% of sales to the Rest of the EU. In real terms the value of exports to the Rest of the EU decreased by 11.7%.

Sales to the Rest of the World² rose over the year by 2.0% (£52 million). The most significant market for sales outside the European Union in 2012/13 was North America which accounted for 33.5% of total Rest of World sales. Sales to the Rest of the World increased in real terms by 3.6%.

Analysis by Sector

The Pharmaceutical division reported the highest proportional increase in total sales and was among the highest increases in external and export sales over the year.

The largest actual increase in total sales was in the Food, Beverages and Tobacco grouping (SIC 10-12) with total sales estimated to have increased by £235 million. This is followed by increases in Other Transport Equipment (£62 million) and the Pharmaceutical division, with sales estimated to have increased by £57 million over the year.

The Food, Beverages and Tobacco grouping also reported the highest actual increase in external sales (£195 million over the year from 2011/12), and the second highest (£61 million) in exports. Conversely, the Other Transport Equipment division reported the highest actual increase in exports (£115 million) and the second highest increase in external sales (£106 million) over the twelve month period.

The Food, Beverages and Tobacco grouped division contributes the highest proportion of sales and external sales to the Northern Ireland manufacturing sector, accounting for over half of both total sales (52.0%) and external sales (52.1%). This grouped division also accounted for over a fifth (21.4%) of exports, just ahead of the Other Transport Equipment division (16.0%) which accounted for the second highest proportion of total exports.

Almost all sales within the Computer, Electronic and Optical grouping (92.9%) were external, and this division was also the highest exporter as a proportion of total sales (89.0%). Other divisions which also had high proportions of sales attributable to exports were Other Transport Equipment (88.1%), Chemicals and Chemical Products (81.2%) and Machinery and Equipment not elsewhere classified (64.3%).

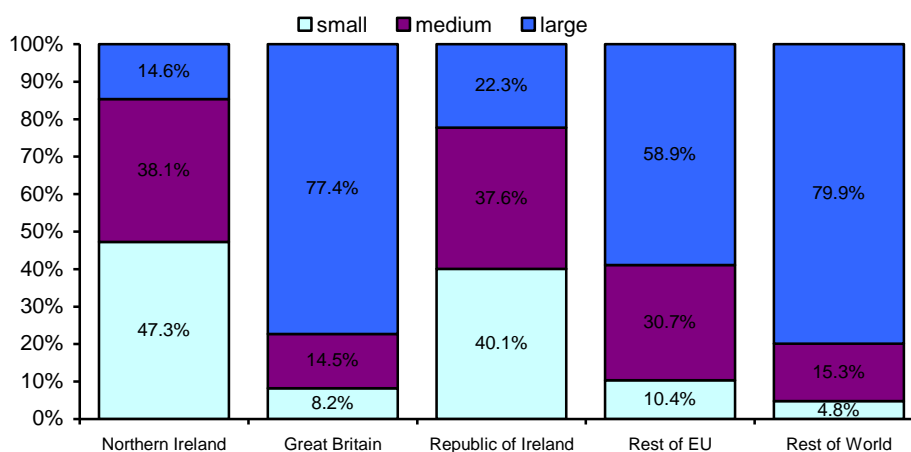
While almost four fifths (78.7%) of the value of Food, Beverages and Tobacco grouped division total sales were external, only 12.6% of this group's total sales were due to exports outside of NI and GB.

Analysis by size of business

For the purpose of this analysis, small (0-49 employees), medium (50-249 employees) and large (250+ employees) businesses have been examined. In 2012/13, small and medium businesses (combined) accounted for 41.4% of total sales, 29.3% of external sales and 39.9% of exports.

Figure 3 provides information on how the sales to each of the broad destinations are spread among small, medium and large businesses. It is evident that, the more distant the market, the more likely large firms are to have a greater share of the market. In contrast, small and medium sized businesses prefer domestic markets, accounting for over four fifths (85.4%) of internal sales (sales within NI).

Figure 3: Sales by Broad Destination & Size of Business in 2012/13



Exports by medium businesses showed an increase of 22% over the year to 2012/13. This was mainly driven by increased sales to Rest of the World. Exports by large businesses showed a decrease of 9.2%, while small businesses reported an increase of 2.8% over the year.

¹ The Rest of the EU is composed of the following countries: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden; Finland; Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Bulgaria and Romania.

² The Rest of World refers to all destinations outside the European Union.

4: Sales and Export Performance

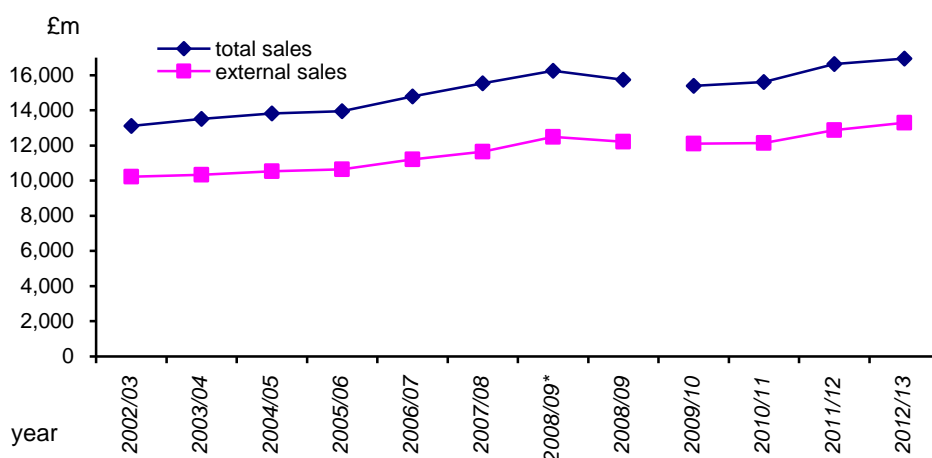
Total sales are defined as the sum of sales to Northern Ireland, Great Britain, the Republic of Ireland, the Rest of the European Union and the Rest of the World. Total sales include all taxes and duties on goods invoiced with the exception of VAT which is excluded from total sales.

Provisional figures from the Northern Ireland Manufacturing Sales and Exports Survey for 2012/13, estimate the value of sales from NI manufacturing businesses to be worth some £16.9 billion, this represents a current price increase of 1.9% (£308 million) over the year, a rise of 9.0% over the 5-year period, 2007/08 to 2012/13, and a rise of 29.1% over the last decade (2002/03 to 2012/13) (Table 12 and 13).

External sales are comprised of those sales made outside Northern Ireland, that is, sales to Great Britain, the Republic of Ireland, the Rest of the European Union and the Rest of the World.

Sales to customers based outside Northern Ireland (external sales) accounted for over three-quarters (78.5%) of total sales in 2012/13. The value of such sales has increased over the year by 3.2% from £12.9 billion in 2011/12 to £13.3 billion in 2012/13. Manufacturing sales made outside NI are at their highest level on record.

Figure 4: Total Sales & External Sales (Current Prices) made by NI Manufacturing Businesses, 2002/03 – 2012/13

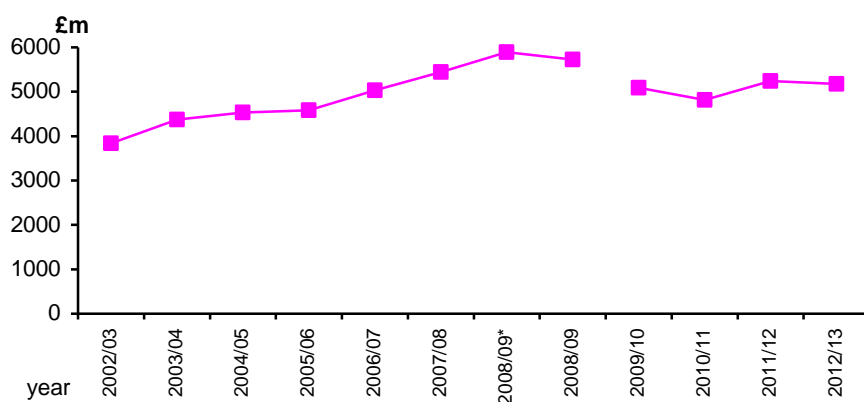


*Changes in SIC 03 and SIC 07 have resulted in discontinuity of trends. Please see background notes for more information.

Figure 4 provides information on the level of sales and external sales for the 10 year period 2002/03 to 2012/13. There has been relatively consistent growth in both sales and external sales (increasing by 29.1% and 30.1% respectively).

Exports consist of all sales made outside the United Kingdom. Figure 5 shows export performance in the 10 years to 2012/13.

Figure 5: Export Sales (Current Prices) made by Northern Ireland Manufacturing Businesses, 2002/03 – 2012/13



*Changes in SIC 03 and SIC 07 have resulted in discontinuity of trends. Please see background notes for more information.

Estimates for 2012/13 show a decrease of 1.2% in manufacturing exports over the year to just under £5.2 billion in 2012/13. Although there was an 8.9% increase in the level of exports in 2011/2012, there were decreases of 11.2% and 5.4% in 2009/10 and 2010/11. Exports have risen significantly over the last decade from £3.8 billion to £5.2 billion, an increase of £1.3 billion (34.9%).

Current Price and Constant Price Changes

Current prices show data where the value for each item is expressed in terms of the prices in that period. All prices presented in this report are provided in current price terms, unless otherwise stated.

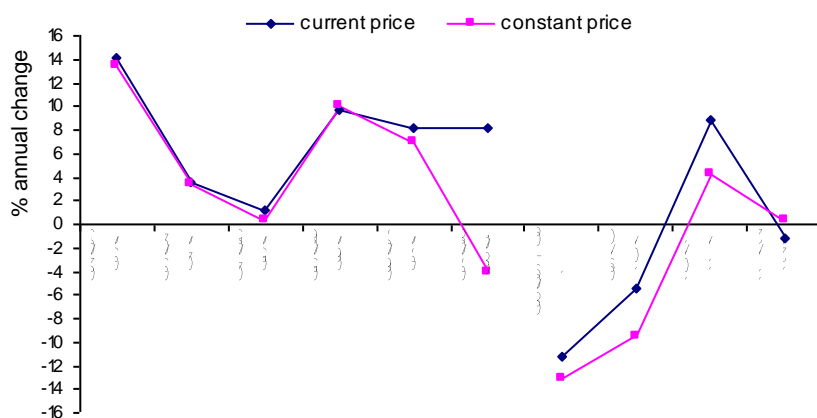
Constant prices present data in real terms, by applying a deflator to the current price (prices have been adjusted to 2012/13=100). Using deflators to produce constant prices removes the effect of inflation and reflects the impact on prices of other factors such as exchange rate fluctuations. Further information on the deflators used can be found in the background notes in section 9.

Constant prices therefore provide a method to compare changes in sales and exports over time, by allowing real growth to be shown without the effect of inflation. When expressed in real terms (constant prices) the picture is broadly similar to that shown using the current price data. Total sales and external sales increased by 1.2% and 2.9% respectively in real terms in 2011/12-2012/13. Sales within NI decreased by 4.5%; however, those to GB increased by 4.5%. Total exports increased by 0.4%. Sales to the Rest of EU fell by 11.7%, while Rest of World sales rose by 3.6% in real terms over the year (Tables 14 and 15).

Figure 6 provides information on annual percentage changes in exports, in both current and constant prices. When considering export sales in current prices, there has been an increase of 34.9% over the 10 year period to 2012/13 while in constant prices, exports have actually increased by 16.9%. The annual rate of growth of exports (constant prices) continued to decrease in the periods 2007/08 – 2008/09 (-4.0%), 2008/09 – 2009/10 (-

13.1%) and 2009/10 – 2010/11 (-9.5%). The increase of 0.4% from 2011/12 - 2012/13 follows growth (4.3%) in real terms in the previous period (2010/11 – 2011/12).

Figure 6: Comparison of current & constant price annual changes in Exports



* Please note that constant prices for 2008/09 (SIC 2003) and earlier years are deflated to base 2008/09 (SIC 2003)=100 while 2008/09 (SIC 2007) and later years are deflated to base 2012/13 (SIC 2007)=100. For more information, please see the background notes.

Table 1 provides further information on the effects of current and constant prices on exports over 1, 2, 5 and 10 year periods. The percentage growth is more evident as time increases in both series. Due to discontinuities in trends, SIC 03 results are deflated to 2008/09=100, while SIC 07 results are deflated to 2012/13=100.

Table 1: Comparing changes in exports over 1, 3, 5 and 10 years, in current and constant prices.

	1998/99 to 2008/09	2003/04 to 2008/09	2009/10 to 2012/13*	2011/12 to 2012/13*
	SIC 03 % change (10yr)	SIC 03 % change (5yr)	SIC 07 % change (3 yr)	SIC 07 % change (1 yr)
Exports (current)	68.8%	34.6%	1.8	-1.2
Exports (constant)	53.8%	17.3%	-5.2	0.4

*Changes in SIC 03 and SIC 07 have resulted in discontinuity of trends. Please see background notes for more information.

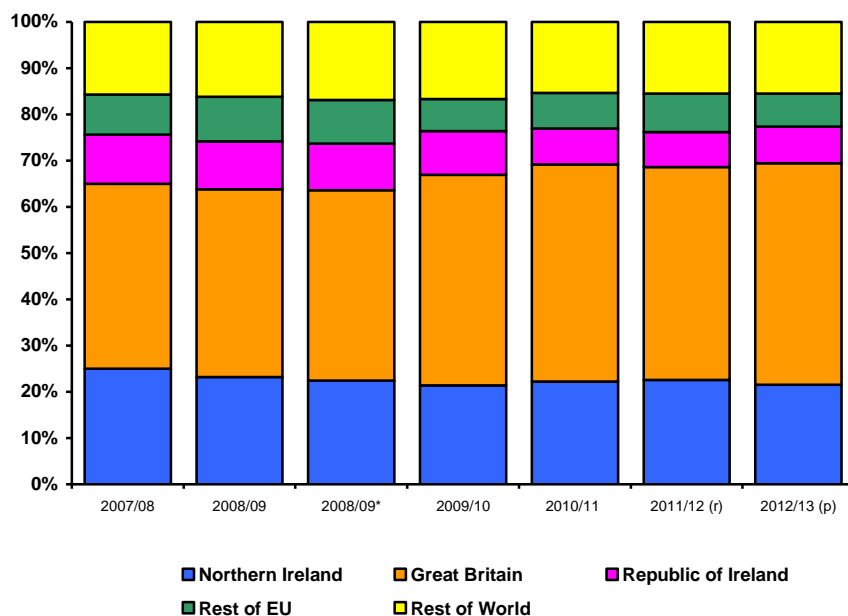
Further data in both current and constant prices can be found in the results tables in section 7.

5: Analysis by Destination

Sales by broad destination

Figure 7 provides information on the destination of sales from NI Manufacturing businesses for the years 2007/08 to 2012/13.

Figure 7: Total Sales by Broad Destination, 2007/08 to 2012/13



*Changes in SIC 03 and SIC 07 have resulted in discontinuity of trends. Please see background notes for more information.

Figure 7 illustrates that there has been a fall in the proportion of sales to both NI and ROI over the 5 year period (-3.5 and -2.7 percentage points). Sales to both the Rest of the EU and the Rest of the World are at similar levels in 2012/13 compared to 2007/08. In this 5 year period, 2007/08 to 2012/13, there has been an increase in the importance of GB as a destination for sales, with the proportion of sales destined for GB increasing from 40.0% in 2007/08 to 47.9% (£8.1 billion) in 2012/13. This is the highest value of sales to GB on record for the survey.

This increase in the dominance of GB as a market for sales (by 7.9 percentage points) over the 5 year period means it remains the most significant destination for sales, accounting for just under half of total sales in 2012/13.

The most important export market in terms of broad destination in 2012/13 was the Rest of the World, which accounts for 15.5% of total manufacturing sales in Northern Ireland. This compared to 7.9% for ROI and 7.1% for the Rest of the EU. Table 2 provides further information on sales to the broad destinations over time, in current prices.

Table 2: Broad Destination Sales, 2002/03, 2007/08, 2011/12, and 2012/13

	2002/03	2007/08	2011/12*	2012/13 (P)
	£m	£m	£m	£m
Total Sales	£13,116	£15,535	£16,630	£16,938
Northern Ireland	£2,898	£3,883	£3,751	£3,644
External Sales	£10,218	£11,652	£12,879	£13,295
Great Britain	£6,382	£6,208	£7,641	£8,119
Export Sales	£3,836	£5,444	£5,238	£5,176
Republic of Ireland	£978	£1,649	£1,269	£1,337
Rest of EU	£1,102	£1,351	£1,388	£1,206
Rest of World	£1,756	£2,444	£2,581	£2,633

*Changes in SIC 03 and SIC 07 have resulted in discontinuity of trends. Please see background notes for more information.

Changes in sales by broad destination over time

Table 3 reports the percentage changes in sales over the year, 2011/12 to 2012/13 and also for the 3, 5 and 10 year periods (2009/10 to 2012/13, 2007/08 to 2012/13 and 2002/03 to 2012/13).

Table 3: Changes in Broad Destination Sales over 1, 3, 5 and 10 years

	% change (10 year)	% change (5 year)	% change (3 year)	% change (1 year)
	2002/03 to 2012/13	2007/08 to 2012/13	2009/10 to 2012/13	2011/12* to 2012/13
Northern Ireland	25.7%	-6.2%	10.5%	-2.9%
Great Britain	27.2%	30.8%	15.7%	6.2%
Republic of Ireland	36.7%	-18.9%	-8.4%	5.3%
Rest of EU	9.5%	-10.7%	13.6%	-13.1%
Rest of World	49.9%	7.7%	2.6%	-2.0%

*Changes in SIC 03 and SIC 07 have resulted in discontinuity of trends. Please see background notes for more information.

Sales to GB, ROI, Rest of EU and the Rest of the World have experienced substantial percentage increases over the last decade, 2002/2003 to 2012/13, (27.2%, 36.7%, 9.5% and 49.9% respectively).

Over the 5-year period, 2007/08 to 2012/13, the largest percentage increases in sales have been to GB (rising by 30.8%, from £6,208 million to £8,119 million) and to the Rest of the World (rising by 7.7%, from £2,444 million to £2,633 million). While sales to GB and the Rest of the World increased, sales to NI, ROI and REU fell by 6.2%, 18.9% and 10.7% respectively between 2007/08 and 2012/13.

Over the 3 year period, 2010/11 to 2012/13, ROI was the only broad destination to report a decrease in sales, a fall of 8.4%. At 15.7%, the largest percentage increase in sales was to GB (from £7,015 million to £8,119 million in 2012/13). Northern Ireland reported an increase of 10.5%, while the Rest of the EU and the Rest of the World reported increases of 13.6% and 2.6% respectively.

Over the last year GB, ROI and ROW reported an increase in sales. At 6.2% the increase in GB sales was slightly higher than that to ROI (5.3%), and these are the highest level of sales to GB on record in current prices. ROW sales increased by 2.0%. NI saw a decrease of 2.9% while the Rest of the EU saw a decrease of 13.1%. Sales to the Rest of the EU saw the largest annual decrease, falling by £181 million to £1,206 million in 2012/13.

Table 4 provides information on the value of sales to export markets in the European Union (excludes NI, GB and ROI).

Table 4: Exports to markets within the Rest of the EU (2012/13)

Export Market	Sales	% of REU sales
	£m	
Germany	£304.2	25.2%
France	£236.0	19.6%
Netherlands	£88.9	7.4%
Belgium	£77.6	6.4%
Italy	£69.9	5.8%
Spain	£56.3	4.7%
Denmark	£34.7	2.9%
Poland	£30.4	2.5%
Austria	£24.7	2.1%
Sweden	£22.1	1.8%
Finland	£17.1	1.4%
Czech Republic	£16.5	1.4%
Hungary	£14.3	1.2%
Portugal	£11.2	0.9%
Greece	£9.6	0.8%
Romania	£8.3	0.7%
Lithuania	£4.9	0.4%
Slovakia	£3.1	0.3%
Estonia	£2.8	0.2%
Latvia	£2.6	0.2%
Malta	£2.5	0.2%
Bulgaria	£2.5	0.2%
Luxembourg	£2.2	0.2%
Slovenia	£2.0	0.2%
Cyprus	£1.3	0.1%
EU non specified*	£160.8	13.3%
Rest EU ¹	£1,206.4	100.0%

*Non Specified is comprised of those units which did not specify the destination within the European Union

¹ The Rest of the EU is composed of the following countries: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden; Finland and since May 2004, the following accession countries Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Throughout the report, 2004/05 REU information refers to the enlarged EU whilst 2003/04 and previous years exclude the aforementioned accession countries. Bulgaria and Romania joined the EU on 1st January 2007 and is reported within the Rest of the EU from 2007/08.

In 2012/13 NI manufacturing businesses have reported Germany, France and the Netherlands as the main export destinations within the Rest of the EU accounting for over half (52.1%) of all sales to the Rest of the EU. In 2007/08 Sales to Bulgaria and Romania were reported within EU for the first time and, this year, are estimated to account for 0.9% of sales within the Rest of the EU.

Table 5 below, provides information on the major export markets outside of the European Union which form the Rest of World (ROW) destination group. NI Manufacturing businesses reported sales of £880.7 million to North America in 2012/13 which accounts for the single largest share of the sales to markets outside the European Union, representing 33.5% of all sales to the Rest of the World group.

Table 5: Major Export Markets outside the European Union

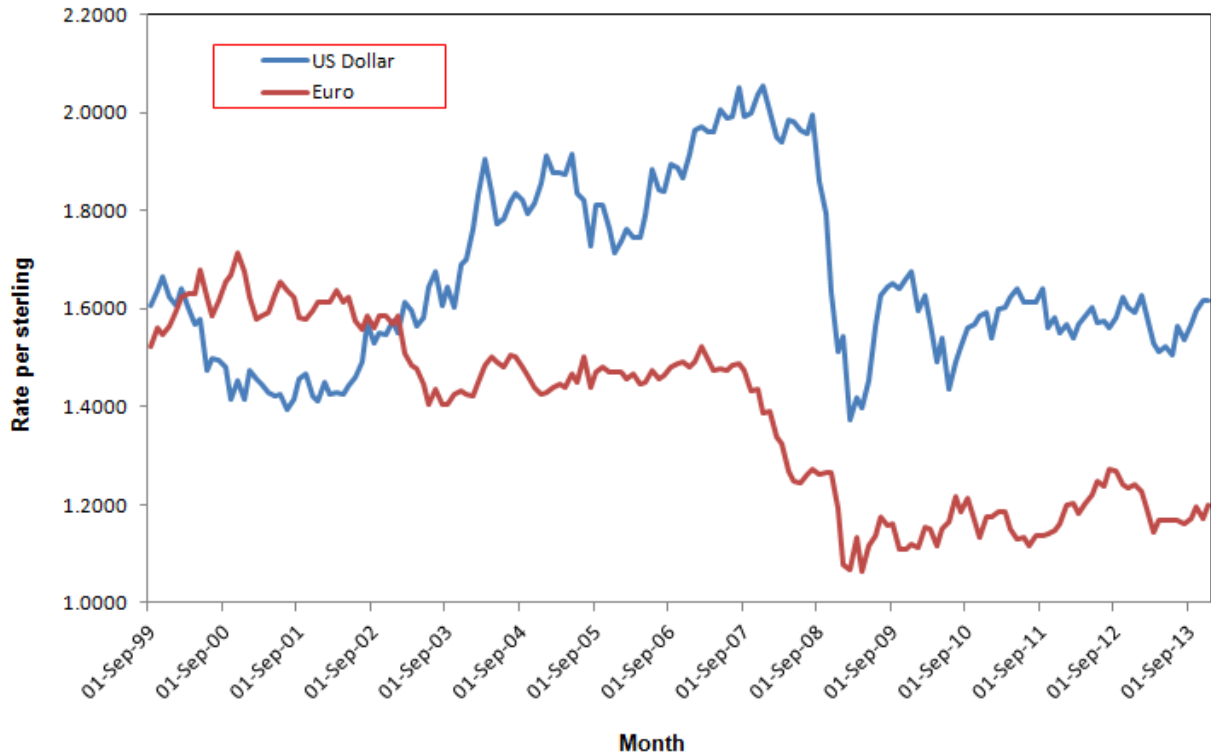
Export Market	Sales	% of ROW
	£m	
North America Total	£880.7	33.5%
Switzerland	£521.9	19.8%
Asia Total	£386.2	14.7%
Middle East Total	£221.3	8.4%
Africa Total	£169.8	6.4%
Australia	£120.0	4.6%
Russia	£80.9	3.1%
Central and South America Total	£71.1	2.7%
Norway	£25.4	1.0%
Turkey	£24.1	0.9%
Europe Other	£14.3	0.5%
New Zealand	£9.9	0.4%
East Europe	£5.4	0.2%
Rest of World non specified*	£101.6	3.9%
Rest of World ²	£2,632.7	100.0%

*Non-Specified is comprised of those units which did not specify the destination of sales within the RoW

² The Rest of World refers to all destinations outside the European Union.

Figure 8 below shows the Sterling Exchange Rates with Euro and US Dollar. The exchange rates with both Euro and US Dollar have decreased substantially since 2008.

Figure 8: Sterling Exchange Rates with Euro and US Dollar: September 1999 – December 2013
(Source: HMRC)



6: Analysis by Sector

Table 6 and Figure 9 provide information on total sales, external sales and exports for each of the industrial divisions in 2012/13.

The Food, Beverages and Tobacco grouped division contributes the highest proportion of total sales (52.0%) and external sales (52.1%) to the Northern Ireland manufacturing sector. This grouped division also accounted for over a fifth (21.4%) of exports, ahead of the Other Transport Equipment division (16.0%) which accounted for the second highest proportion of total exports. Examples of activities included in the latter division are described in the Standard Industry Classification 2007 Manual as “the manufacture of transportation equipment such as ship building, railway rolling stock and locomotives and air and spacecraft and the manufacture of parts thereof.”

Table 6: Share of Sales and Exports by Industrial Division 2012/13

SIC(07) Division	Industrial sector	Total sales (p)		External sales (p)		Exports (p)	
		Total Sales £m	% Total sales	External Sales £m	% External Sales	Exports £m	% Exports
10-12	Food, Beverages and tobacco	£8,814	52.0%	£6,932	52.1%	£1,108	21.4%
13	Textiles	£174	1.0%	£145	1.1%	£52	1.0%
14	Wearing apparel	£174	1.0%	£160	1.2%	£30	0.6%
15	Manufacture of leather and related products	d	d	d	d	d	d
16	Wood and of products of wood and cork	£320	1.9%	£186	1.4%	£79	1.5%
17	Paper and paper products	£231	1.4%	£165	1.2%	£101	1.9%
18	Printing and reproduction of recorded media	£158	0.9%	£53	0.4%	£29	0.6%
19	Coke and refined petroleum products	d	d	d	d	d	d
20	Chemicals and chemical products	£279	1.6%	£248	1.9%	£227	4.4%
21	Pharmaceutical	£331	2.0%	£303	2.3%	£187	3.6%
22	Rubber and plastics	£752	4.4%	£571	4.3%	£207	4.0%
23	Non-metallic minerals	£493	2.9%	£263	2.0%	£60	1.2%
24	Basic metals	£86	0.5%	£65	0.5%	£30	0.6%
25	Fabricated metal products	£802	4.7%	£404	3.0%	£138	2.7%
26	Computer, electronic and optical	£582	3.4%	£540	4.1%	£517	10.0%
27	Electrical equipment	£941	5.6%	£902	6.8%	d	d
28	Machinery and equipment n.e.c.	£1,005	5.9%	£859	6.5%	£646	12.5%
29	Motor vehicles and trailers	£428	2.5%	£366	2.8%	£62	1.2%
30	Other transport equipment	£943	5.6%	£927	7.0%	£830	16.0%
31	Furniture	£237	1.4%	£112	0.8%	£39	0.7%
32	Other manufacturing	£106	0.6%	£78	0.6%	£45	0.9%
33	Repair and installation of equipment	£60	0.4%	£14	0.1%	£9	0.2%
	Total	£16,938	100%	£13,295	100%	£5,176	100%

(p) = provisional d = disclosive Note: Figures may not add due to rounding

Figure 9, below, displays external sales and exports as a proportion of total sales for each of the divisions within manufacturing.

The Computer, Electronic and Optical division was the highest exporter as a proportion of total sales (89.0%). Other divisions which also had high proportions of sales attributable to exports were Other Transport Equipment (88.1%), Chemicals and Chemical Products (81.2%) and Machinery and Equipment not elsewhere classified (64.3%).

While almost four fifths of the value of Food, Beverages and Tobacco grouped division total sales were external, only 12.6% of this group's total sales were due to exports outside of NI and GB.

Figure 9: External Sales and Exports as a Proportion of Total Sales by Industry 2012/13

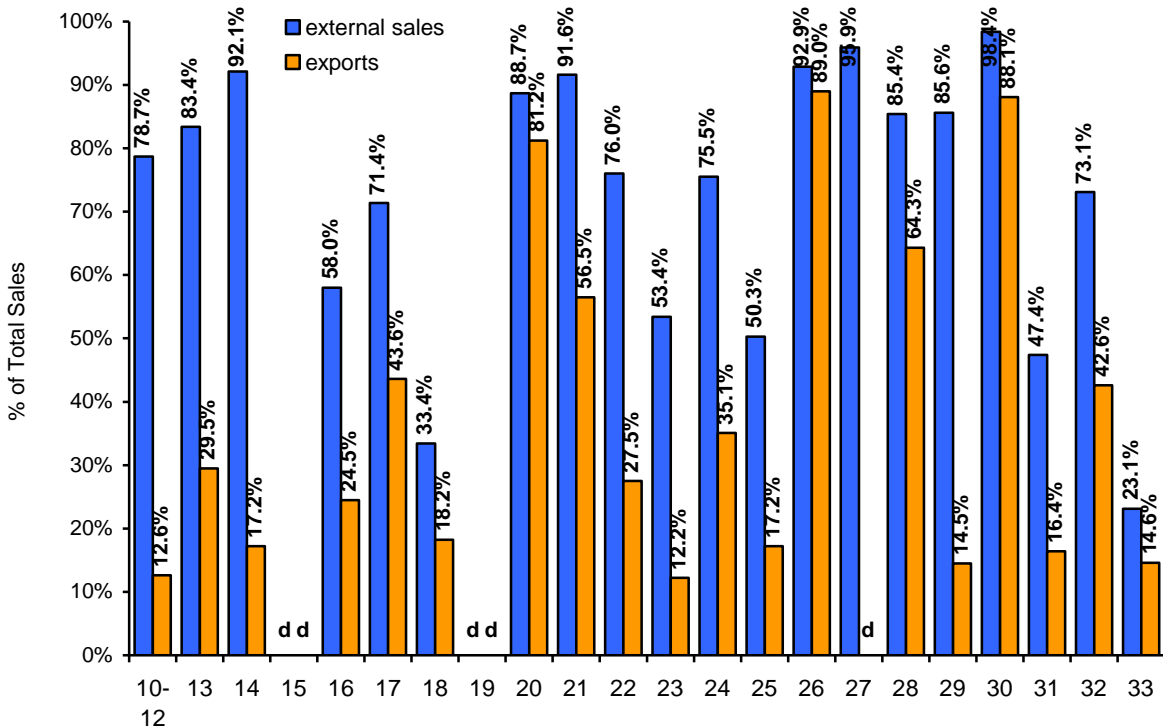


Figure 10 provides further information on the share of sales, external sales and exports by industrial sector.

Figure 10: Share of Sales, External Sales and Exports by Industrial Sector 2012/13

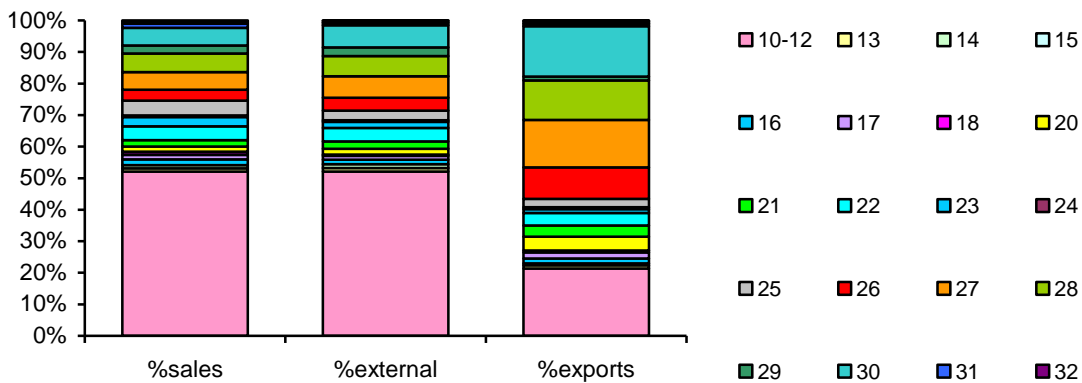


Table 7 provides information on the sales, external sales and exports of each of the manufacturing sectors in 2011/12 and 2012/13.

The largest proportional increase in total sales across the divisions was reported in the Pharmaceutical category, an increase of 20.6% or £57 million. The largest increase across exports was within Wood and Products of Wood and Cork (26.4%) and in external sales the largest proportional increase was in the Furniture category (27.7%). These increases, however, are based on relatively small sales figures.

The largest actual increase in total sales was in the Food, Beverages and Tobacco grouping (SIC 10-12) with total sales estimated to have increased by £235 million. This is followed by increases in Other Transport Equipment (£62 million) and the Pharmaceutical category (£57 million).

The Food, Beverages and Tobacco grouping also reported the highest actual increase in external sales (£195 million over the year from 2011/12), and the second highest (£61 million) in exports. Conversely, the Other Transport Equipment division reported the highest actual increase in exports (£115 million) and the second highest increase in external sales (£106 million) over the twelve month period.

The largest decreases across total sales, external sales and export sales over the year were reported in the Rubber and Plastics division and in Machinery and Equipment not elsewhere classified (which includes such activity as manufacture of crushing machinery, agricultural and forestry machinery etc). Rubber and Plastics recorded the largest actual fall in external sales (-£55 million) and export sales (-£199 million) and the second largest in total sales (£72 million), while Machinery and Equipment n.e.c recorded the largest fall in total sales (-£88 million), and the second largest in external sales (-£47 million) and exports (-£35 million).

Table 7: Annual Change in Sales, External Sales & Exports by Industrial Sector, 2011/12– 2012/13

SIC(07) Division		Total Sales			External Sales			Exports		
		2011/12 (r)	2012/13 (p)	% change	2011/12 (r)	2012/13 (p)	% change	2011/12 (r)	2012/13 (p)	% change
		£m	£m	%	£m	£m	%	£m	£m	%
10-12	Food, Beverages and tobacco	£8,579	£8,814	2.7%	£6,737	£6,932	2.9%	£1,047	£1,108	5.8%
13	Textiles	£195	£174	-10.4%	£168	£145	-13.7%	£65	£52	-20.7%
14	Wearing apparel	£178	£174	-2.3%	£167	£160	-3.8%	£51	£30	-40.8%
15	Manufacture of leather and related products	d	d	d	d	d	d	d	d	d
16	Wood and of products of wood and cork	£301	£320	6.4%	£170	£186	9.5%	£62	£79	26.4%
17	Paper and paper products	£213	£231	8.2%	£149	£165	10.5%	£98	£101	2.5%
18	Printing and reproduction of recorded media	£154	£158	2.4%	£56	£53	-5.0%	£30	£29	-2.8%
19	Coke and refined petroleum products	d	d	d	d	d	d	d	d	d
20	Chemicals and chemical products	£312	£279	-10.5%	£254	£248	-2.5%	£239	£227	-5.0%
21	Pharmaceutical	£274	£331	20.6%	£251	£303	20.9%	£165	£187	13.2%
22	Rubber and plastics	£824	£752	-8.8%	£626	£571	-8.7%	£406	£207	-49.0%
23	Non-metallic minerals	£453	£493	8.7%	£224	£263	17.7%	£69	£60	-12.8%
24	Basic metals	£88	£86	-2.6%	£67	£65	-3.8%	£30	£30	1.5%
25	Fabricated metal products	£817	£802	-1.8%	£366	£404	10.4%	£143	£138	-4.0%
26	Computer, electronic and optical	£557	£582	4.4%	£528	£540	2.3%	£508	£517	1.8%
27	Electrical equipment	£933	£941	0.9%	£881	£902	2.4%	d	d	d
28	Machinery and equipment n.e.c.	£1,093	£1,005	-8.1%	£906	£859	-5.2%	£681	£646	-5.1%
29	Motor vehicles and trailers	£381	£428	12.5%	£335	£366	9.4%	£81	£62	-23.0%
30	Other transport equipment	£880	£943	7.1%	£821	£927	13.0%	£715	£830	16.1%
31	Furniture	£214	£237	11.1%	£88	£112	27.7%	£36	£39	8.5%
32	Other manufacturing	£108	£106	-1.9%	£63	£78	22.6%	£46	£45	-1.3%
33	Repair and installation of equipment	£51	£60	17.7%	£21	£14	-34.7%	£18	£9	- 52.3%
	Total	£16,630	£16,938	1.9%	£12,879	£13,295	3.2%	£5,238	£5,176	-1.2%

Note: Figures may not add due to rounding (r) = revised (p) = provisional d = disclosive - = no businesses responded in this division

7: Analysis by Size of Business

Table 8 details the value of total sales, external sales and exports by size of business in 2012/13. Prior to 2005/06 survey years, the size of business was expressed as large businesses (defined as those employing 50 or more employees) and small businesses (defined as those employing less than 50 employees). Since 2005/06 information on Small (0-49 employees), Medium (50-249 employees) and Large (250+ employees) businesses has been provided.

Table 8: Total Sales, External Sales and Exports by Size of Business, 2012/13

	Small Business	Medium Business	Large Business	Total
Northern Ireland	£1,724	£1,390	£530	£3,644
%	47.3%	38.1%	14.6%	100.0%
External Sales	£1,449	£2,452	£9,394	£13,295
%	10.9%	18.4%	70.7%	100.0%
Great Britain	£662	£1,175	£6,281	£8,119
%	8.2%	14.5%	77.4%	100.0%
Export Sales	£786	£1,277	£3,113	£5,176
%	15.2%	24.7%	60.1%	100.0%
Republic of Ireland	£536	£503	£298	£1,337
%	40.1%	37.6%	22.3%	100.0%
Rest of European Union	£125	£371	£711	£1,206
%	10.4%	30.7%	58.9%	100.0%
Rest of World	£126	£403	£2,104	£2,633
%	4.8%	15.3%	79.9%	100.0%
Total Sales	£3,172	£3,842	£9,924	£16,938
%	18.7%	22.7%	58.6%	100.0%

Large manufacturing businesses accounted for the largest proportion of sales within each of the external markets in 2012/13 with the exception of the Republic of Ireland where small businesses accounted for 40.1% of sales, medium for 37.6%, and large for 22.3%. Large businesses account for 70.7% of external sales and 60.1% of export sales.

Over four fifths of internal sales (sales to Northern Ireland) are split between small and medium businesses with small businesses accounting for 47.3% of total sales to Northern Ireland and medium businesses accounting for 38.1%.

Figure 11 compares small, medium and large businesses in terms of broad destination sales and shows the proportion of broad destination sales accounted for by size of business. It is evident that the more distant the market, the more likely large firms are to have a greater share of the market. The divide between small, medium and large businesses appears smallest where the distance which goods travel is limited (NI and ROI), and indeed small and medium businesses account for 85.4% of internal sales.

Figure 11: Proportion of Small, Medium and Large Business Sales made to each Broad Destination 2012/13

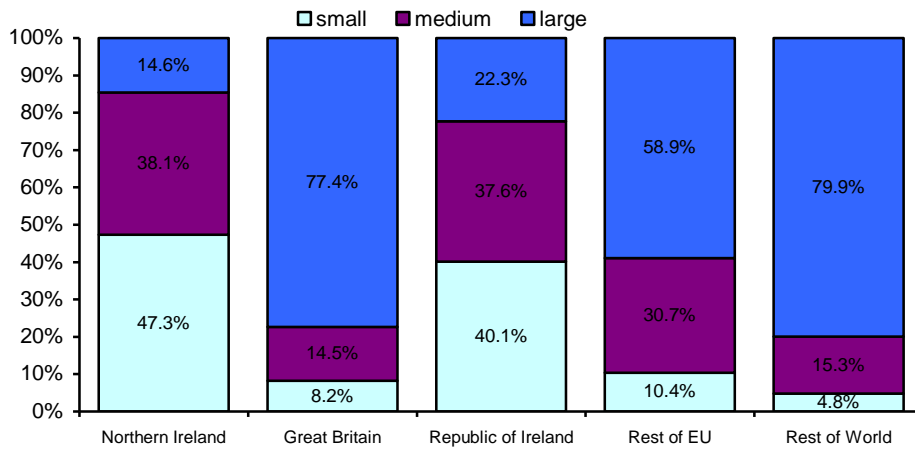
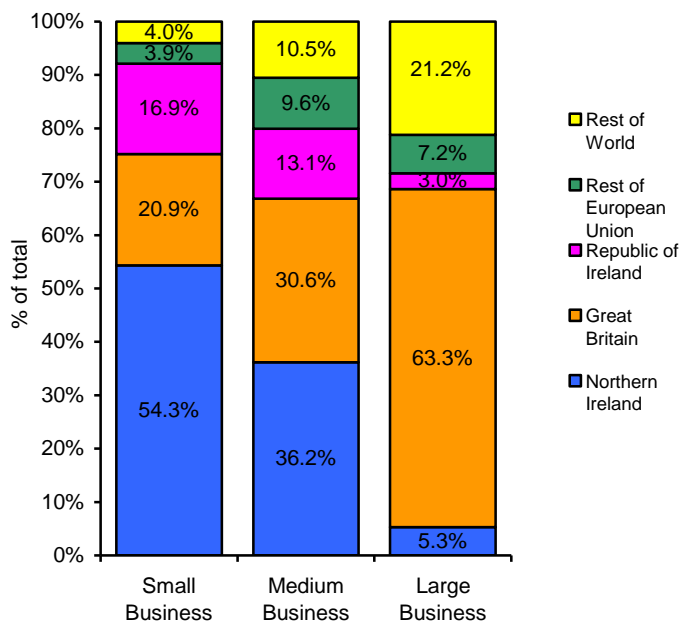


Figure 12 provides information on how the sales to each of the broad destinations are spread among small, medium and large businesses.

Figure 12: Share of Sales by Broad Destination and Size of Business 2012/13



Small businesses are heavily reliant on the internal market with 54.3% of sales made within Northern Ireland.

Medium sized businesses also show some reliance on the internal market with 36.2% of sales made to NI whilst external sales to Great Britain accounted for 30.6% and export sales for 33.2%.

Large businesses have a significant share of both external and export markets accounting for 77.4% of GB sales, 22.3% of ROI sales, 58.9% of Rest of the EU sales and 79.9% of

Rest of the World sales. GB is the most significant single market for large businesses, representing 63.3% of sales destined there.

Large and medium businesses are more inclined to export, with sales of 31.4% and 33.2% respectively made outside the UK. In comparison, 24.8% of sales from small businesses are exported. While the main export market for large businesses was the Rest of the World, ROI was the main export market for small and medium sized businesses.

Table 9, below, reports the percentage changes in Sales, External Sales and Exports by size of business over 1, 5 and 10 years. Tables 10 and 11 show sales, external sales and exports for 2002/03, 2007/08, 2011/12 and 2012/13 in current and constant prices respectively.

Table 9: Changes in Sales, External Sales and Exports by size of business over 1, 5 and 10 years

		% change (10 year)	% change (5 year)	% change (1 year)
	Size of business	2002/03 to 2012/13	2007/08 to 2012/13	2011/12 to 2012/13*
Total Sales	0-49	46.9%	-1.4%	11.6%
	50-249	43.1%	11.5%	5.4%
	250+	19.9%	11.9%	-2.2%
External Sales	0-49	77.4%	23.3%	8.0%
	50-249	28.5%	5.2%	16.0%
	250+	25.3%	15.3%	-0.3%
Export Sales	0-49	64.2%	-3.3%	2.8%
	50-249	37.9%	2.2%	22.0%
	250+	28.0%	-8.0%	-9.2%

*Changes in SIC 03 and SIC 07 have resulted in discontinuity of trends. Please see background notes for more information.

Over the 10 year period (2002/03 to 2012/13) the largest percentage rise in total sales was reported in small sized businesses, increasing by 46.9%. Total sales for medium sized businesses increased by 43.1% and for large sized businesses increased by 19.9% during this period. Small businesses also reported the largest increase in external sales (77.4%) and exports (64.2%). Large and medium sized business also reported increases in exports and external sales, but the percentage growth was lower than for small businesses.

Over the period 2007/08 to 2012/13, medium businesses were the only size category to report increases in all areas; total sales (11.5%), external sales (5.2%) and export sales (2.2%). Small businesses reported the largest percentage increase in external sales (23.3%), with decreases in total sales (-1.4%) and export sales (-3.3%). Large businesses reported increases in both total (11.9%) and external sales (15.3%), but the largest percentage decrease in exports for this period (-8.0%).

Over the period 2011/12 to 2012/13, small businesses reported an annual increase in total sales of 11.6%, an increase of 8.0% in external sales and an increase of 2.8% in exports.

The increase in external sales for small businesses was mainly driven by increased sales to GB and to ROI. Medium businesses saw the largest increases in external sales (16%) and exports (22.0%), and an increase of 5.4% in total sales, mainly driven by increased Rest of World sales. Over the period large businesses were the only category to report decreases in all areas; total sales (-2.2%), external sales (-0.3%) and export sales (-9.2%).

Table 10: Sales, External Sales and Exports by size of business 2002/03, 2007/08, 2011/12 and 2012/13 (Current Prices)

		2002/03	2007/08	2011/12*	2012/13
Total Sales	0-49	£2,159	£3,218	£2,843	£3,172
	50-249	£2,684	£3,446	£3,644	£3,842
	250+	£8,274	£8,872	£10,143	£9,924
	Total	£13,116	£15,535	£16,630	£16,938
External Sales	0-49	£817	£1,175	£1,341	£1,449
	50-249	£1,908	£2,331	£2,114	£2,452
	250+	£7,496	£8,146	£9,424	£9,394
	Total	£10,221	£11,652	£12,879	£13,295
Export Sales	0-49	£479	£813	£765	£786
	50-249	£926	£1,249	£1,046	£1,277
	250+	£2,433	£3,382	£3,426	£3,113
	Total	£3,838	£5,444	£5,238	£5,176

*Changes in SIC 03 and SIC 07 have resulted in discontinuity of trends. Please see background notes for more information.

Table 11 shows that, as with current prices, changes in constant prices over the 10 year period 2002/03 to 2012/13 show an increase in total sales, external sales and export sales. However, these increases are less marked based on constant prices.

While changes in constant prices over the 5 year period 2007/08 to 2012/13 show an increase in total sales for medium businesses, export sales now show a decrease of 4.0%, and external sales show a decrease of 9.3% during this period.

Over the period 2011/12 – 2012/13, small, medium and large businesses reported similar percentage increases and decreases when considered in current and constant prices.

Table 11: Sales, External Sales and Exports by size of business 2002/03, 2007/08, 2011/12 and 2012/13 (Constant Prices)

		2002/03	2007/08	2011/12*	2012/13
Total Sales	0-49	£2,501	£3,467	£2,866	£3,172
	50-249	£3,107	£3,738	£3,671	£3,842
	250+	£9,581	£9,635	£10,202	£9,924
	Total	£15,189	£16,840	£16,739	£16,938
External Sales	0-49	£945	£1,300	£1,339	£1,449
	50-249	£2,208	£2,555	£2,116	£2,452
	250+	£8,679	£8,865	£9,471	£9,394
	Total	£11,832	£12,721	£12,925	£13,295
Export Sales	0-49	£553	£916	£753	£786
	50-249	£1,069	£1,408	£1,030	£1,277
	250+	£2,809	£3,812	£3,372	£3,113
	Total	£4,431	£6,136	£5,155	£5,176

Please note that constant prices for 2002/03 and 2007/08 (SIC 2003) are deflated to base 2008/09 (SIC 2003)=100 while 2010/11 to 2012/13 (SIC 2007) are deflated to base 2012/13 (SIC 2007)=100. For more information on this and the impact of changing from SIC 2003 to SIC 2007, please see the background notes.

8: 2002/03 to 2012/13 Results

Table 12: Total Sales, External Sales and Exports, 2002/03 - 2012/13 (current prices)

	2002/03 £m	2003/04 £m	2004/05 £m	2005/06 £m	2006/07 £m	2007/08 £m	2008/09 (sic2003) £m	2008/09 (sic2007) £m	2009/10 £m	2010/11 £m	2011/12 (revised) £m	2012/13 (provisional) £m
Total Sales	£13,116	£13,508	£13,826	£13,944	£14,789	£15,535	£16,245	£15,736	£15,401	£15,607	£16,630	£16,938
Northern Ireland	£2,898	£3,182	£3,288	£3,305	£3,570	£3,883	£3,763	£3,520	£3,298	£3,469	£3,751	£3,644
External Sales	£10,218	£10,326	£10,538	£10,639	£11,219	£11,652	£12,482	£12,216	£12,103	£12,137	£12,879	£13,295
Great Britain	£6,382	£5,949	£6,005	£6,052	£6,187	£6,208	£6,591	£6,489	£7,015	£7,326	£7,641	£8,119
Exports	£3,836	£4,377	£4,533	£4,586	£5,032	£5,444	£5,891	£5,727	£5,087	£4,811	£5,238	£5,176
Republic of Ireland	£978	£1,115	£1,243	£1,308	£1,508	£1,649	£1,687	£1,590	£1,459	£1,217	£1,269	£1,337
Rest of EU	£1,102	£1,133	£1,212	£1,132	£1,230	£1,351	£1,567	£1,479	£1,062	£1,199	£1,388	£1,206
Rest of World	£1,756	£2,129	£2,078	£2,147	£2,294	£2,444	£2,637	£2,658	£2,566	£2,395	£2,581	£2,633

Table 13: Annual Nominal Growth in Total Sales, External Sales and Exports, 2002/03 - 2012/13

	Change 02/03 - 03/04 %	Change 03/04 - 04/05 %	Change 04/05 - 05/06 %	Change 05/06 - 06/07 %	Change 06/07 - 07/08 %	*Change 07/08 - 08/09 %	*Change 08/09 - 09/10 %	Change 09/10 - 10/11 %	Change 10/11 - 11/12 %	Change 11/12 - 12/13 %
Total Sales	3.0	2.4	0.9	6.1	5.0	4.6	-2.1	1.3	6.6	1.9
Northern Ireland	9.8	3.3	0.5	8.0	8.8	-3.1	-6.3	5.2	8.1	-2.9
External Sales	1.1	2.1	1.0	5.4	3.9	7.1	-0.9	0.3	6.1	3.2
Great Britain	-6.8	0.9	0.8	2.2	0.3	6.2	8.1	4.4	4.3	6.2
Exports	14.1	3.6	1.2	9.7	8.2	8.2	-11.2	-5.4	8.9	-1.2
Republic of Ireland	14.0	11.5	5.2	15.3	9.3	2.3	-8.2	-16.6	4.3	5.3
Rest of EU	2.8	7.0	-6.6	8.6	9.9	16.0	-28.2	12.9	15.8	-13.1
Rest of World	21.2	-2.4	3.3	6.8	6.6	7.9	-3.5	-6.6	7.8	2.0

*Please note that 07/08 – 08/09 and earlier changes are on a SIC 2003 basis, while 08/09 – 09/10 and later changes are on a SIC 2007 basis.

Table 14 - Total Sales, External Sales and Exports, 2002/03 - 2012/13 (constant prices)

	2002/03 £m	2003/04 £m	2004/05 £m	2005/06 £m	2006/07 £m	2007/08 £m	*2008/09 (SIC2003) £m	*2008/09 (SIC2007) £m	2009/10 £m	2010/11 £m	2011/12 (revised) £m	2012/13 (provisional) £m
Total Sales	£15,189	£15,571	£15,780	£15,650	£16,427	£16,840	£16,244	£17,298	£16,775	£16,408	£16,739	£16,938
Northern Ireland	£3,360	£3,676	£3,747	£3,687	£3,912	£4,119	£3,763	£3,874	£3,619	£3,685	£3,814	£3,644
External Sales	£11,829	£11,895	£12,033	£11,963	£12,515	£12,721	£12,481	£13,424	£13,156	£12,723	£12,925	£13,295
Great Britain	£7,400	£6,873	£6,843	£6,751	£6,780	£6,585	£6,591	£7,142	£7,698	£7,782	£7,770	£8,119
Exports	£4,429	£5,022	£5,190	£5,212	£5,735	£6,136	£5,891	£6,282	£5,458	£4,941	£5,155	£5,176
Republic of Ireland	£1,129	£1,279	£1,423	£1,486	£1,719	£1,858	£1,687	£1,744	£1,566	£1,250	£1,249	£1,337
Rest of EU	£1,272	£1,300	£1,388	£1,286	£1,402	£1,523	£1,567	£1,622	£1,139	£1,231	£1,366	£1,206
Rest of World	£2,027	£2,443	£2,379	£2,440	£2,615	£2,755	£2,637	£2,915	£2,753	£2,460	£2,540	£2,633

Table 15 - Annual Real Growth in Total Sales, External Sales and Exports, 2002/03 - 2012/13

	Change 02/03 - 03/04 %	Change 03/04 - 04/05 %	Change 04/05 - 05/06 %	Change 05/06 - 06/07 %	Change 06/07 - 07/08 %	**Change 07/08 - 08/09 %	**Change 08/09 - 09/10 %	Change 09/10 - 10/11 %	Change 10/11 - 11/12 %	Change 11/12 - 12/13 %
Total Sales	2.5	1.3	-0.8	5.0	2.5	-3.5	-3.0	-2.2	2.0	1.2
Northern Ireland	9.4	1.9	-1.6	6.1	5.3	-8.6	-6.6	1.8	3.5	-4.5
External Sales	0.6	1.2	-0.6	4.6	1.6	-1.9	-2.0	-3.3	1.6	2.9
Great Britain	-7.1	-0.4	-1.3	0.4	-2.9	0.1	7.8	1.1	-0.2	4.5
Exports	13.4	3.4	0.4	10.0	7.0	-4.0	-13.1	-9.5	4.3	0.4
Republic of Ireland	13.3	11.3	4.4	15.7	8.1	-9.2	-10.2	-20.2	-0.0	7.0
Rest of EU	2.2	6.8	-7.3	9.0	8.7	2.9	-29.8	8.0	10.9	-11.7
Rest of World	20.5	-2.6	2.5	7.2	5.4	-4.3	-5.6	-10.6	3.3	3.6

*Please note that constant prices for 2008/09 (SIC 2003) and earlier years are deflated to base 2008/09 (SIC 2003)=100 while 2008/09 (SIC 2007) and later years are deflated to base 2010/11 (SIC 2007)=100. For more information, please see the background notes.

**Please note that 07/08 – 08/09 changes are on a SIC 2003 basis, while 08/09 – 09/10 and later changes are on a SIC 2007 basis.

Table 16 - Share of Total Sales by Broad Destination, 2002/03 - 2012/13, (current prices)

	2002/03 %	2003/04 %	2004/05 %	2005/06 %	2006/07 %	2007/08 %	2008/09 (SIC2003) %	2008/09 (SIC2007) %	2009/10 %	2010/11 %	2011/12 (revised) %	2012/13 (provisional) %
Northern Ireland	22.1	23.6	23.8	23.7	24.1	25.0	23.2	22.4	21.4	22.2	22.6	21.5
Great Britain	48.7	44.0	43.4	43.4	41.8	40.0	40.6	41.2	45.6	46.9	45.9	47.9
Republic of Ireland	7.5	8.3	9.0	9.4	10.2	10.6	10.4	10.1	9.5	7.8	7.6	7.9
Rest of EU	8.4	8.4	8.8	8.1	8.3	8.7	9.6	9.4	6.9	7.7	8.3	7.1
Rest of World	13.4	15.8	15.0	15.4	15.5	15.7	16.2	16.9	16.7	15.3	15.5	15.5
Total Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1994/95 - 2003/04 Rest of the EU figures are based on information for the following member states of the European Union: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden and Finland.

In May 2004, the accession countries joined the EU and hence 2004/05 results refer to the enlarged EU. The accession countries are: Cyprus; Czech Republic; Estonia; Hungary; Latvia; Lithuania; Malta; Poland; Slovakia and Slovenia.

In January 2007 Bulgaria and Romania joined the EU and figures for these member states are included within the EU from 2007/08.

Annex A: Revisions to 2012/13 Results

It is normal practice to revise the data from the previous year based on ongoing data validation and clarification of responses from individual businesses. Table A1 below shows that revisions to the previously published 2011 data have resulted in an increase of £2 million in total sales.

Table A1 – Size of revisions to previously published 2011/12 data

	2011/12 published results £m	2011/12 revised results £m	Difference £m
Total Sales	16,628	£16,630	£2.0
Northern Ireland	3,749	£3,751	£2.0
External Sales	12,879	£12,879	0
Great Britain	7,641	£7,641	0
Exports	5,238	£5,238	0
Republic of Ireland	1,269	£1,269	0
Rest of EU	1,388	£1,388	0
Rest of World	2,581	£2,581	0

The background notes in Section 9 of this publication provide detailed information on the methodology used to produce the statistics as well as information on the quality and accuracy of the data. This bulletin contains detailed provisional results for 2012/13. These 2012/13 provisional figures are subject to revision to take account of additional information. In line with this and with the MSES revisions policy, provisional MSES estimates for 2011/12 have been revised throughout this publication. The MSES revisions policy can be accessed at <http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-manufacturing-sales-exports.htm>

9: Background Notes

Background

The annual Northern Ireland Manufacturing Sales and Exports Survey (MSES) provides estimates of the sales and exports generated by all businesses within the manufacturing industry in Northern Ireland (classified as Standard Industrial Classification 2007 (SIC07) divisions 10-33). The survey has been carried out since 1991/92. The Northern Ireland Economic Research Centre conducted the survey fieldwork each year prior to 2003 when it was passed to Economic and Labour Market Statistics Branch, DFP. It provides information on total sales, external sales and exports by SIC07 division and destination of goods.

Survey reference period

The current survey covers the accounting period 2012/13 which runs from 1 April 2012 to 31 March 2013. Calendar year information is accepted if financial year information is not readily available.

MSES sample

Given the size of the manufacturing sector in Northern Ireland, the sample is designed as a census of all businesses within manufacturing with 5 or more employees.

Data collection, validation and calculation of Sales and Exports results

Forms were issued from Economic and Labour Market Statistics Branch, DFP in April 2013 and the returned forms were subjected to a range of validation and congruency checks. The 2012/13 response rate was 83.5%,

Individual estimates are made for those companies with 50 or more employees, which fail to respond to the survey. Estimation is based on previous year returns, if available, by applying growth rates, calculated from changes over the year in similar businesses. If no previous year data is available, a sales value is derived from another comparable survey and destination information is estimated based on the returns of the industry to which the non-respondent belongs. If no data are available, an estimate is made based purely on the returns of similar businesses.

No individual estimate is made for those companies which fall below the 50 employee threshold, instead responses are grossed thus providing a population estimate of the full value of sales for such companies in Northern Ireland. Grossing factors are calculated using surveys such as the Quarterly Employment Survey (QES) and the Census of Employment as the population; factors are produced at a divisional level thus reflecting the distributions across the various industrial sectors.

The results are presented in current prices, and where possible, in constant prices.

Constant/Current Prices

Constant prices allow figures to be presented so that the effects of inflation are removed and changes can be reported in real terms (by using a deflator). The deflators used are based on price indices which report the prices of manufactured products both within the UK and internationally. The deflators therefore fully recognise the impact of inflation and other factors such as exchange rates which are represented in the price changes of goods.

The values for each time period are usually expressed in terms of the prices in some base period (2012/13=100). However, the move from SIC 2003 to SIC 2007 has resulted in two base years, and this is more fully discussed later in this section

Current price figures show data where the value for each item is expressed in terms of the prices in that period. All prices presented in the report are provided in current price terms, unless otherwise stated.

Deflation

A deflator is an index showing the price movements over a period of time. Constant price data are normally calculated by dividing current price data by the deflator. Sales to Northern Ireland and Great Britain have historically been deflated using price index PLLU – net output of manufactured products, and exports have been deflated using price index BQKK – total trade in goods excluding oil (exports).

However, as a result of changing from SIC 2003 to SIC 2007, the PLLU index has been discontinued, meaning that the Northern Ireland and Great Britain figures from 2008/09 onwards have been deflated using price index JVZ7. This is discussed more fully below.

Producer Price Indices (PPIs) are a series of economic indicators that measure the price movement of goods bought and sold by UK manufacturers. It is a base weighted index working on the basket of goods concept. A wide range of representative products are selected and the prices of these collected each month.

The movement in the prices are weighted to reflect the relative importance of the products in a chosen year (known as the base year) currently 2012/13. These are then aggregated for various industrial sectors to provide indices that are published monthly by National Statistics.

Details on the changes to the ONS deflators methodology can be found at the following link.

<http://www.ons.gov.uk/ons/rel/naa1-rd/national-accounts-concepts--sources-and-methods/august-2011/deflation-improvements-in-the-uk-national-accounts.pdf>

Move from SIC 2003 to SIC 2007

As highlighted in the 2008/09 MSES bulletin, the Office for National Statistics (ONS) in conjunction with various stakeholders has implemented major revisions to the UK Standard Industrial Classification of Economic Activities (SIC).

The UK is required by European legislation to revise the SIC in parallel with NACE (Statistical classification of economic activities in the European Community) so that both systems remain identical down to and including the 4 digit class level. These revisions are motivated by the need to adapt the classifications to changes in the world economy. The revised classifications reflect the growing importance of service activities in the economy over the last fifteen years, mainly due to the developments in information and communication technologies (ICT).

More information on these revisions and correspondence between SIC 2007 and the previous SIC 2003 can be accessed via the following link:

<http://www.ons.gov.uk/ons/guide-method/classifications/development-projects/operation-2007/index.html>

As a result, the SIC 2003 categorisation of business activities has been replaced and updated by the new SIC 2007 activity codes within the MSES 2012/13. This has resulted in discontinuities between results presented on a SIC 2003 (2008/09 and earlier years) and SIC 2007 (2008/09 and subsequent years) basis.

As discussed earlier, grossing factors for the MSES are calculated using the QES, and the extent of the changes in QES estimates for Manufacturing based on SIC 2003 and SIC 2007 can be accessed via the following link:

http://www.detini.gov.uk/notice_for_publication_of_sic2007_estimates.pdf

Caution should therefore be exercised when comparing results presented on a SIC 2003 and SIC 2007 basis.

The move from SIC 2003 to SIC 2007 has also resulted in the ONS discontinuing the SIC 2003 deflator price index PLLU (in favour of the 2007 JVZ7 index). Details of PPI implementation of SIC 2007 and the impact of this move can be accessed by e-mailing ppi@ons.gov.uk

This discontinuation means that constant prices for MSES results collected on a SIC 2003 basis will be deflated to base period (2008/09=100) from now on, while SIC 2007 results will be deflated to the current year (i.e. 2012/13=100 in this report). Section 7 of this bulletin quantifies the differences that occur when deflating the SIC 2003 results to base years 2008/09=100 and 2012/13=100.

Rest of European Union

The Rest of EU refers to the member states of the European Union, excluding the UK and ROI. REU figures prior to 2004/05 refer to the following member states: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden and Finland. From 2004/05 results onwards, the Rest of EU refers to the aforementioned countries plus the accession countries (Cyprus; Czech Republic; Estonia; Hungary; Latvia; Lithuania; Malta; Poland; Slovakia and Slovenia) which joined the EU in May 2004. Bulgaria and Romania joined the EU in January 2007 and are included in the Rest of EU from 2007/08.

Quality reporting

A summary quality report for the MSES can be found at <http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-manufacturing-sales-exports.htm>

This report describes in detail the quality of the statistics presented in this publication (in terms of relevance, accuracy, timeliness and punctuality, accessibility and clarity, coherence and comparability, trade-offs between output quality components, assessment of user needs and perceptions, performance, cost and respondent burden and confidentiality, transparency and security).

Status of figures in current bulletin

The most recent figures, 2012/13 are provisional and are subject to revision in the next reporting period. The 2011/12 figures have been revised upwards by approximately £2 million. Please see Annex A for further details.

Sales and exports values are reported in £ million unless otherwise specified.

Percentage changes are reported to one decimal place.

SIC03 constant prices are deflated to 2008/09 values and SIC07 constant prices are deflated to the most recent year.

Planned future revisions

The MSES revisions policy can be found at: <http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-manufacturing-sales-exports.htm>

Publications policy

All Economic and Labour Market Statistics Branch statistical publications are available to download free of charge from the website
<http://www.detini.gov.uk/deti-stats-index.htm>

The MSES statistical bulletin is available at <http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-manufacturing-sales-exports.htm>

The tables from the current publication are available in Excel format to download free of charge from the MSES website at: <http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-manufacturing-sales-exports.htm>

The MSES is published in early December each year and the Economic and Labour Market Statistics Branch statistics publication schedule is [available at: http://www.detini.gov.uk/publication_schedule_11-17.pdf](http://www.detini.gov.uk/publication_schedule_11-17.pdf)

The list of people given pre-release access to this publication is available at http://www.detini.gov.uk/publication_pre-release_access_list-18.pdf

Next publication

The next publication will be published in early December 2014.

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