

19 July 2018

## **Northern Ireland Composite Economic Index Quarter 1 2018 published**

The NI Composite Economic Index (NICEI) Q1 2018 was published today by the Northern Ireland Statistics & Research Agency (NISRA).

The NICEI is an experimental quarterly measure of the performance of the NI economy based on available official statistics. The NICEI combines existing published quarterly indices (i.e. Index of Services (IOS), Index of Production (IOP), Quarterly Construction Enquiry (QCE)), public sector employee jobs data from the Quarterly Employment Survey (QES), and unpublished agricultural output data from the Department of Agriculture, Environment and Rural Affairs (DAERA). These indices are weighted using ONS Regional Accounts Gross Value Added (GVA) data to provide a proxy measure of total economic output in the NI economy on a quarterly basis.

Key points:

### **NI Economic output decreased over the quarter and the year**

- The NICEI results indicate that NI economic activity was estimated to have decreased by 0.3% in real terms between Quarter 4 (October-December) 2017 and Quarter 1 (January-March) 2018. The index decreased by 1.0% over the year from Quarter 1 2017 to Quarter 1 2018.
- The decrease in the NICEI over the latest quarter (0.3%) was driven by decreases in the Construction sector (a negative contribution of 0.6 percentage points) and the Public Sector (a negative contribution of 0.1 percentage points). These decreases were partially offset by an increase in the Services sector (a positive contribution of 0.4 percentage points).

### **NI output reduced over the year and remains behind the UK**

- NI output decreased by 1.0% over the year to Q1 2018, whilst UK GDP<sup>1</sup> grew by 1.2% over the same period.

### **Reduction in Northern Ireland's annualised rate of growth to Q1 2018**

- When the trend in the index is considered over the last three years there is evidence that the rate of growth has slowed. Annualised average growth over the last four quarters to Quarter 1 2018 compared to the previous four quarters, remained flat (0.0%). This was lower than the annual growth over the previous two year period (to Quarter 1 2017) which was 2.0%.

### **Slowdown in private and public sector growth**

- Private sector output fell by 0.3% between Quarter 4 (October-December) 2017 and Quarter 1 (January-March) 2018 and fell by 1.2% over the year (Quarter 1 2017 to Quarter 1 2018). The Public sector jobs index decreased by 0.3% over the quarter and by 0.1% over the year.
- For the Private sector, average growth for the four quarters to Quarter 1 2018 compared to the previous four quarters remained constant (0.0%). Whilst the Public sector (employee jobs) index increased by 0.2% over the same period.

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<sup>1</sup> [ONS Quarterly National Accounts](#), Quarter 1 (January - March) 2018 (The measure of GDP referred to is the chained volume index of GDP at market prices)

## Commentary

- Growth in the UK economy was ahead of NI over the quarter and the year. NI output decreased by 0.3% over the quarter and 1.0% over the year, compared to an increase in GDP for the UK of 0.2% over the quarter and 1.2% over the year.
- Over the last two years, growth in NI output remained flat (0.0%), compared to UK growth of 1.5%. This was a fall on the NI growth rate compared to the two years to Q1 2017 (2.0%). NI's Private sector output fell over the quarter by 0.3%, and over the year by 1.2%.
- The NICEI is currently 6.3% below the maximum value recorded in Quarter 4 2006. In Quarter 1 2018, UK GDP was estimated to have been 10.5% higher than its pre-economic downturn peak of Quarter 1 2008. The latest NICEI results continue to show that the UK has had a shorter downturn and a faster recovery than NI.

## Notes to Editors

1. The Northern Ireland Composite Economic Index (NICEI) is an experimental quarterly measure of the performance of the Northern Ireland (NI) economy based on available official statistics.
2. The NICEI output measures relate to the first quarter (January-March) of 2018. These estimates are based on surveys of businesses and estimates of change are subject to sampling error. Figures for a quarter may be revised if more complete information subsequently becomes available.
3. This report will be of interest to Ministers, policy makers, public bodies, the business community, banks, economic commentators, academics and the general public with an interest in the local economy.
4. The detailed statistical bulletin is available at: [Northern Ireland Composite Economic Index](#)
5. Further information and tables from each of the data sources are available on the [NISRA - Economic and Labour Market Statistics Website](#).
6. For media enquiries, please contact DfE Press Office on 028 9052 9604. Outside office hours, please contact the Duty Press Officer via pager number 07623 974 383 and your call will be returned.
7. Feedback is welcomed and should be addressed to:

Responsible economist:

David Leonard

Economic & Labour Market Statistics Branch (ELMS),

[David.leonard@nisra.gov.uk](mailto:David.leonard@nisra.gov.uk) Tel: 028 9052 95385.

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