

Northern Ireland Quarterly Index of Services

Quarter 4 (October - December) 2023

Theme: Economy

Frequency: Quarterly

Geographical Area: Northern Ireland

Date: 14 March 2024

Introduction

The quarterly Index of Services (IOS) provides a timely indicator of change in output within the private sector services industries in Northern Ireland (NI). Included in this publication is the experimental Retail Sales Index (RSI) which refers to SIC 47 (Retail trade, except of motor vehicles and motorcycles) and is a subset of IOS. Output estimates are calculated from the IOS aspect of the Quarterly Business Survey (QBS). The IOS has a sample size of approximately 3,600 businesses, covering all private sector services businesses with 100 or more employees and a representative sample of smaller businesses. The latest quarterly estimates are compared to revised Quarter 3 2023 and Quarter 4 2022 estimates.

Key Points

- The NI IOS decreased by 0.3% over the quarter (October - December), down from the series high. NI IOS increased by 1.9% over the year and 2.5% on a rolling four quarter basis.
- UK output decreased by 0.2% over both the quarter and the year.
- NI services output is now 7.0% above the pre-Coronavirus pandemic level seen in Quarter 4 2019 while UK services output is 3.3% above its Quarter 4 2019 level.
- NI services output is 37.2% higher than the series low point (Quarter 2 2020).
- Over the quarter the Wholesale and retail trade; repair of motor vehicles and motorcycles; accommodation and food service sector decreased by 0.3%; the Other services sector decreased by 5.5%; and the Transport, storage, information and communications sector also decreased by 2.1%. The only sector to show a quarterly increase was the Business services and finance sector (1.4%).
- Over the year there were increases seen in Wholesale and retail trade; repair of motor vehicles and motorcycles; accommodation and food service sector (1.3%) and the Business services and finance sector (8.9%). In contrast the Other services sector decreased 0.7% while the Transport, storage, information & communication sector fell by 3.7%.
- NI Retail Sales Index output decreased 0.7% over the quarter; increased by 0.6% over the year; and increased by 1.3% over the most recent four quarters compared to the previous four quarters.

Contents

1. Summary of Index of Services	3
1.1 Changes in the Index of Services	3
1.2 Commentary	4
2. Services output by sector	5
2.1 Wholesale and retail trade; repair of motor vehicles and motorcycles; accommodation and food service sector	5
2.2 Business services and finance sector	6
2.3 Other services sector	7
2.4 Transport, storage, information and communications sector	8
3 Retail Sales Index	9
4 Background Notes	11
5 Index of Tables	12



Accredited Official Statistics

[Accredited official statistics](#) are a sub-set of official statistics that have been independently reviewed by the Office for Statistics Regulation and confirmed as complying with the standards of trustworthiness, quality, and value in the [Code of Practice for Statistics](#). Accredited official statistics are called National Statistics in the Statistics and Registration Service Act 2007.

These accredited official statistics, the quarterly Index of Services (IOS), were **independently reviewed** by the Office for Statistics Regulation in August 2011. They comply with the standards of trustworthiness, quality and value in the Code of Practice for Statistics and should be labelled 'accredited official statistics'.

National Statistics status means that our statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.

Since the assessment by the UK Statistics Authority, we have continued to comply with the Code of Practice for Statistics and have made the following improvements:

- Removed pre-release access to enhance trustworthiness and also brought the publication date forward as a result;
- Reduced [business burden](#) by offering the option of online data returns.
- Improved accessibility of Index of Services Statistics by amending the format and structure of reports in line with accessibility regulations.
- [Consulted users](#) on streamlining the IOS statistical bulletin.

In line with the [Guide to Experimental Statistics produced by ONS](#), the Northern Ireland RSI has been produced as an Experimental Statistic as the methods continue to be reviewed and developed.

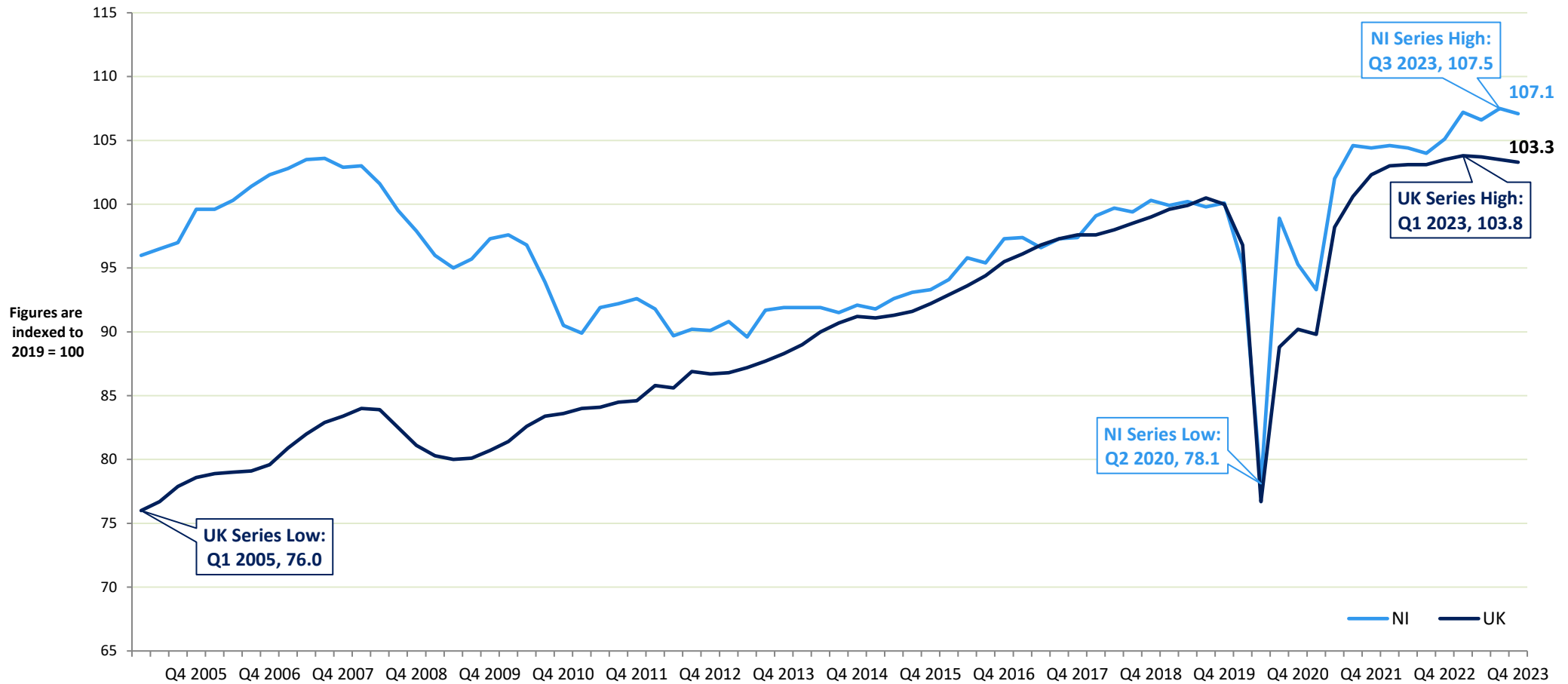
1 Summary of Index of Services

1.1 Changes in Index of Services

The seasonally adjusted estimate for the NI IOS for Quarter 4 2023 showed:

- a decrease of 0.3% over the quarter from the Quarter 3 2023 revised estimate;
- an increase of 1.9% over the year from the Quarter 4 2022 revised estimate; and
- an increase of 2.5% when the most recent four quarters are compared to the previous four quarters.

Figure 1.1 IOS, NI & UK, Q1 2005 – Q4 2023



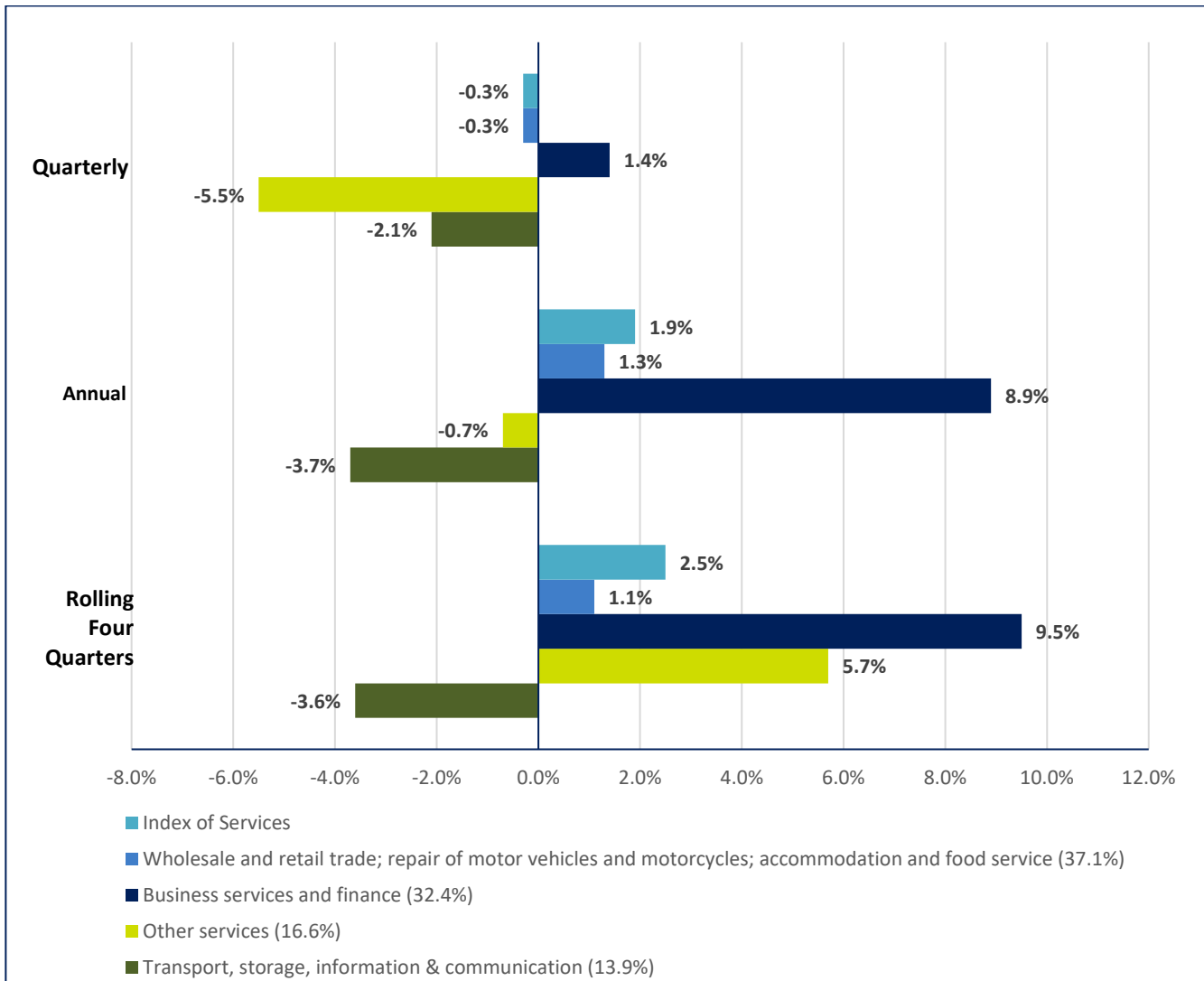
[Download Q4 2023 data](#)

1.2 Commentary

NI services sector output decreased over the fourth quarter of 2023, down from the series high seen in Quarter 3 2023. Services sector output decreased by 0.3% over the quarter but increased by 1.9% over the year. Output in the NI services sector is 37.2% higher than the series low seen in Quarter 2 2020.

Between Quarter 1 2015 and Quarter 2 2020 both the NI and UK indices followed a similar trend until Quarter 2 2020. While the two series show a similar level of decline in Quarter 2 2020, the NI index saw a greater increase in Quarter 3 2020 than the UK series. Subsequent recovery has seen the series diverge but follow similar trends, with the NI index now outperforming the UK index. The NI Index of Services is now 7.0% above its pre-pandemic level seen in Quarter 4 2019, and the UK IOS is 3.3% above its pre-pandemic level.

Figure 1.2 NI IOS Quarterly, Annual and Rolling Four Quarter Changes at Sector Level^{1,2}



¹ Note that each broad sector index and the overall IOS index are seasonally adjusted independently of each other. It is not appropriate to directly compare the changes in the broad sectors to the changes in the overall IOS index.

² A number of changes have been made by ONS to the methods and data sources used in compiling the UK series as part of [Blue Book 2023](#). This has resulted in greater revision to the UK data than is normally expected. Further detail on the changes can be found in the [ONS GDP Monthly Estimate UK: Sept 2023](#).

2 Services output by sector

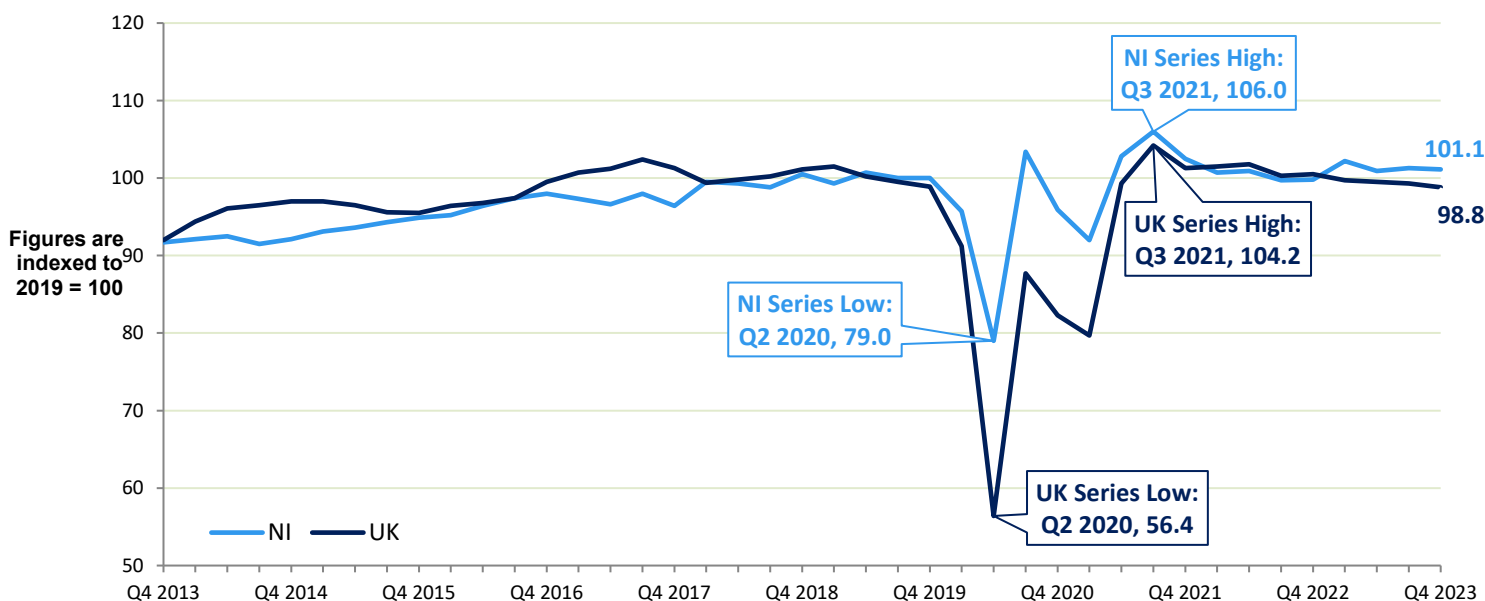
2.1 Wholesale and retail trade; repair of motor vehicles and motorcycles; accommodation and food service sector

(SIC 07 Section GI) – (weight = 37.1% of IOS): includes the wholesale and retail sale and the supply of services incidental to the sale of merchandise as well as the repair of motor vehicles and motorcycles. This sector also includes the provision of short-stay accommodation for visitors and the provision of complete meals and drinks fit for immediate consumption.

Key Findings:

- The NI seasonally adjusted figures showed:
 - a 0.3% decrease over the quarter;
 - a 1.3% increase over the year; and
 - a 1.1% increase on a rolling four quarter basis.
- The UK seasonally adjusted figures decreased:
 - by 0.5% over the quarter;
 - by 1.7% over the year; and
 - by 1.7% on a rolling four quarter basis.
- NI output in Quarter 4 2023 is 28.0% higher than the series low (Quarter 2 2020).
- NI output is 4.6% below the series high (Quarter 3 2021).
- NI output in this sector is 1.0% above its pre-pandemic level seen in Quarter 4 2019.

Figure 2.1 Wholesale and retail trade; repair of motor vehicles and motorcycles; accommodation and food service sector, NI & UK, Q4 2013 – Q4 2023



[Download Q4 2023 data](#)

The NI and UK indices followed a similar trend in this sector until Quarter 1 2020 when the UK series saw a greater decrease than the NI series. Subsequent recovery has seen the series diverge slightly but follow similar trends. In Quarter 4 2023 the UK index is 4.6% lower than its series high seen in Quarter 3 2021 and is now 0.2% below its pre-pandemic level seen in Quarter 4 2019. The NI index is now 4.6% below the series high seen in Quarter 3 2021 but remains 1.0% above its pre-pandemic level.

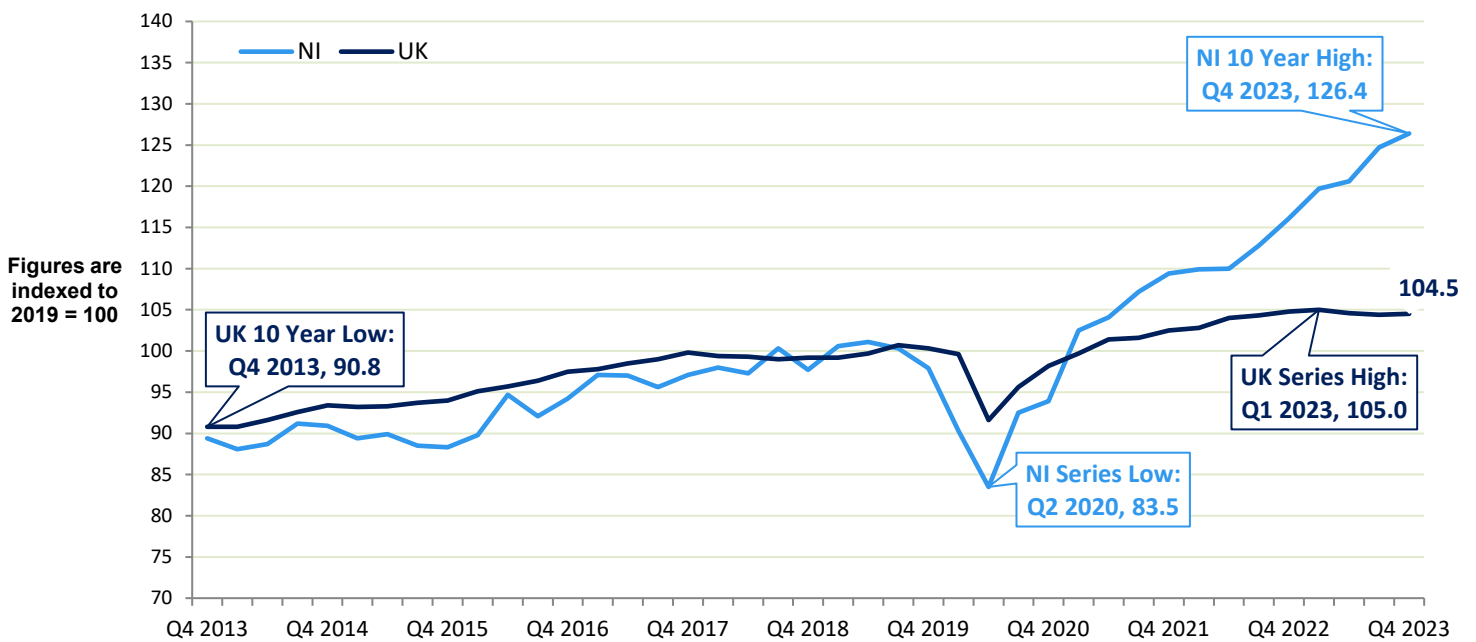
2.2 Business services and finance sector

(SIC 07 Section KLMN) - (weight = 32.4% of IOS): includes financial service activities, real estate activities, specialised professional, scientific and technical activities and a variety of activities that support general business operations.

Key Findings:

- The NI seasonally adjusted figures increased:
 - by 1.4% over the quarter;
 - by 8.9% over the year; and
 - by 9.5% on a rolling four quarter basis.
- The UK seasonally adjusted figures:
 - increased by 0.1% over the quarter;
 - decreased by 0.3% over the year; and
 - increased by 0.6% on a rolling four quarter basis.
- NI output in Quarter 4 2023 is at a 10 year high.
- NI output is now 29.1% above the pre-pandemic level seen in Quarter 4 2019.
- UK output in Quarter 4 2023 is now 0.5% below the series high seen in Q1 2023.

Figure 2.2 Business services and finance sector, NI & UK, Q4 2013 – Q4 2023



[Download Q4 2023 data](#)

The UK index in the Business services and finance sector generally outperformed the NI index between 2013 and Quarter 4 2020. NI output saw a larger decrease in 2020 than UK output and reached a series low in Quarter 2 2020 before recovering to reach a ten year high in Quarter 4 2023. The UK Quarter 4 2023 level is 4.2% above the pre-pandemic level seen in Quarter 4 2019 but is 0.5% below the series high seen in Quarter 1 2023.

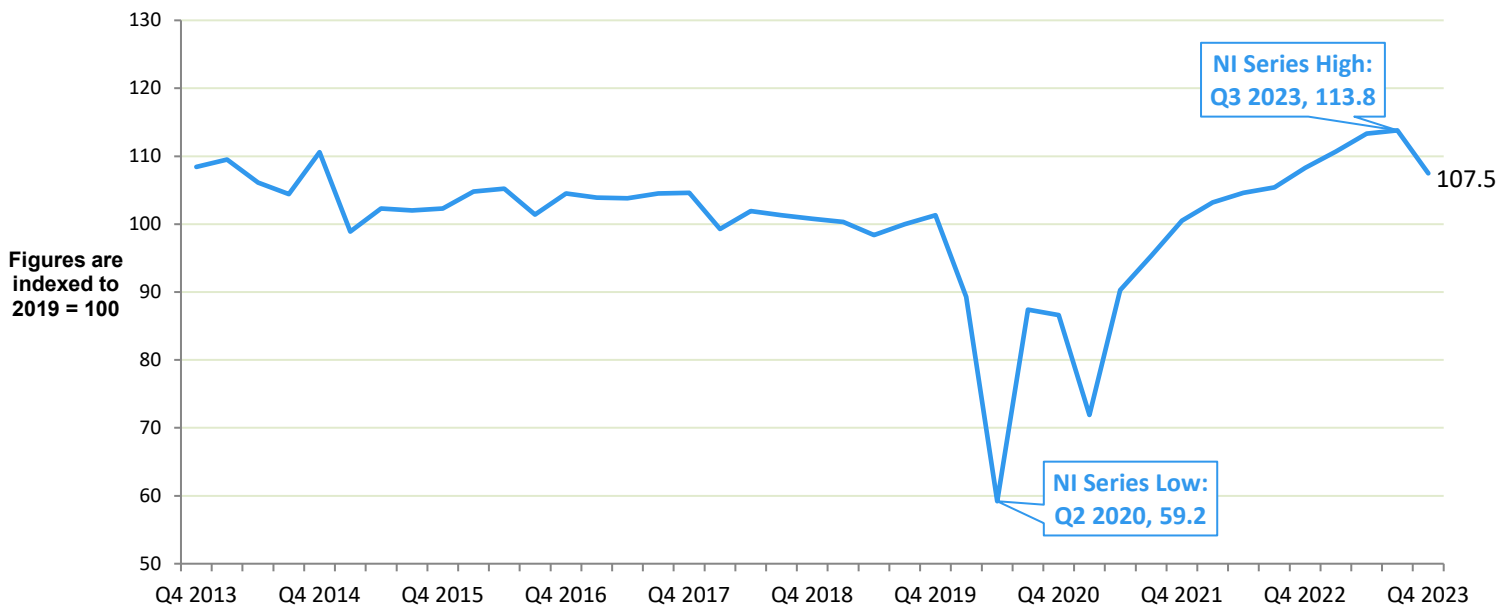
2.3 Other services sector³

(SIC 07 Section PQRS) - (weight 16.6% of IOS): includes other activities not covered elsewhere - education, health & social work, arts, entertainment and recreation and other services.

Key Findings:

- The NI seasonally adjusted figures:
 - decreased by 5.5% over the quarter;
 - decreased by 0.7% over the year; and
 - increased by 5.7% on a rolling four quarter basis.
- NI output in Quarter 4 2023 is 5.5% lower than the level in Quarter 3 2023 which was a series high.
- NI output in Quarter 4 2023 is 81.6% above the lowest point since the series began (Quarter 2 2020).
- NI output is now 6.1% above the pre-pandemic level seen in Quarter 4 2019.

Figure 2.3 Other services sector, NI, Q4 2013 – Q4 2023



[Download Q4 2023 data](#)

The NI index followed a consistent trend in this sector between Quarter 1 2015 and Quarter 4 2019. The index fell to a series low in Quarter 2 2020, 41.6% below the pre-pandemic level seen in Quarter 4 2019. The index has since recovered to be 6.1% above the level seen in Quarter 4 2019.

³ The UK does not publish results on the same basis as NI so there are no UK results to compare against.

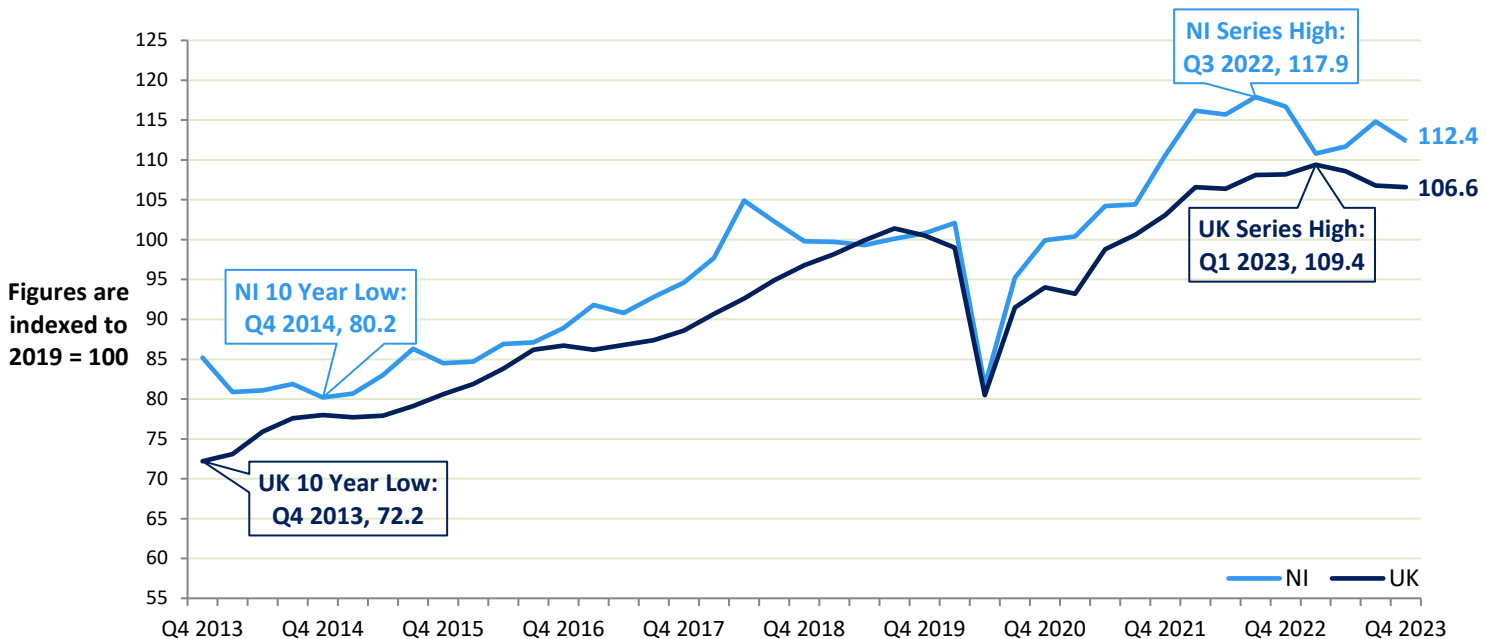
2.4 Transport, storage, information and communications sector

(SIC 07 Section HJ) - (weight 13.9% of IOS): includes the provision of passenger or freight transport and associated activities, postal and courier activities, the production and distribution of information and cultural products, as well as data or communications, information technology activities and the processing of data and other information service activities.

Key Findings:

- The NI seasonally adjusted figures decreased:
 - by 2.1% over the quarter;
 - by 3.7% over the year; and
 - by 3.6% on a rolling four quarter basis.
- The UK seasonally adjusted figures:
 - decreased by 0.2% over the quarter;
 - decreased by 1.4% over the year; and
 - increased by 0.5% on a rolling four quarter basis.
- NI output is now 4.7% below the series high seen in Quarter 3 2022 while UK output is 2.6% below its series high seen in Quarter 1 2023.
- NI output in Quarter 4 2023 is 40.1% above the lowest point recorded over the past ten years (Quarter 4 2014).
- The NI level is now 11.5% above its pre-pandemic level seen in Quarter 4 2019.

Figure 2.4 Transport, storage, information and communications, NI & UK, Q4 2013 – Q4 2023



[Download Q4 2023 data](#)

The NI and UK indices were both on an upward trend in the Transport, storage, information and communications sector throughout the series until the decline seen in Quarter 2 2020. Since then both the NI and UK indices have recovered and are now above the pre-pandemic levels seen in Quarter 4 2019, with the NI index reaching a series high in Quarter 3 2022, and the UK index reaching a series high in Quarter 1 2023. The NI index is now 11.5% above the pre-pandemic level seen in Quarter 4 2019, while the UK index is 6.1% above its Quarter 4 2019 level.

3 Retail Sales Index

The quarterly RSI provides a timely indicator of change in output within the private retail service industries in Northern Ireland (NI). The retail sales sector refers to SIC 47 (Retail trade, except of motor vehicles and motorcycles) and is a subset of the Index of Services (IOS) aspect of the Quarterly Business Survey (QBS). In line with the [Guide to Experimental Statistics produced by ONS](#), the Northern Ireland RSI has been produced as an Experimental Statistic, as it is still in the testing phase and continues to be reviewed and developed

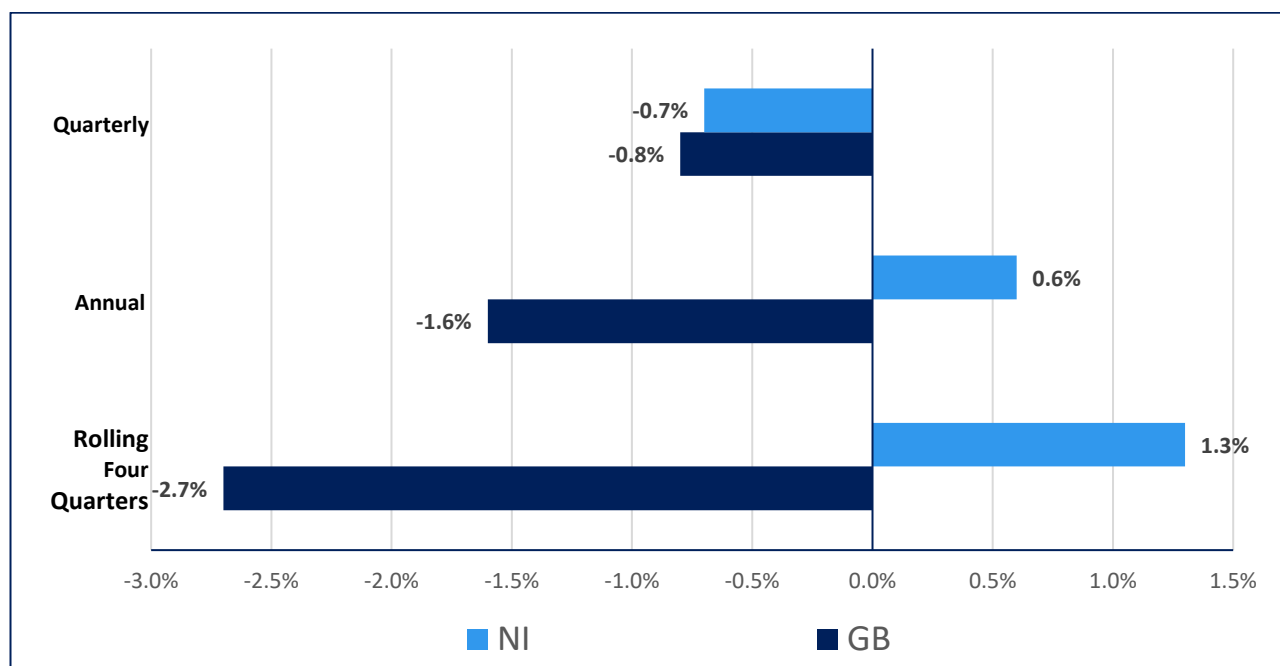
Key Points

- Retail output in NI decreased by 0.7% over the quarter to Quarter 4 2023 and increased by 0.6% over the year.
- GB RSI output saw decreases of 0.8% over the quarter and 1.6% over the year.
- NI RSI output remains 6.3% below the pre-Coronavirus pandemic level seen in Quarter 4 2019 while GB RSI output is now 3.7% below its Quarter 4 2019 level.
- When the most recent four quarters are compared to the previous four quarters the NI RSI increased by 1.3% and the GB RSI decreased by 2.7%.
- NI RSI output is 9.7% below the series high seen in Quarter 3 2020.
- NI RSI output is 3.1% higher than the lowest point (Quarter 1 2021) since the series began.

3.1 Commentary

Historically the NI and GB Retail indices followed the same general upward trend between Quarter 1 2014 and Quarter 2 2019. The GB index then saw a greater level of decline in Quarter 2 2020 than the NI index but has subsequently recovered 8.9% to reach its current level. In comparison the NI index went on to reach its series low in Quarter 1 2021 but has subsequently recovered 3.1% to reach its current level.

Figure 3.1 NI and GB RSI Quarterly, Annual and Rolling Four Quarter Changes

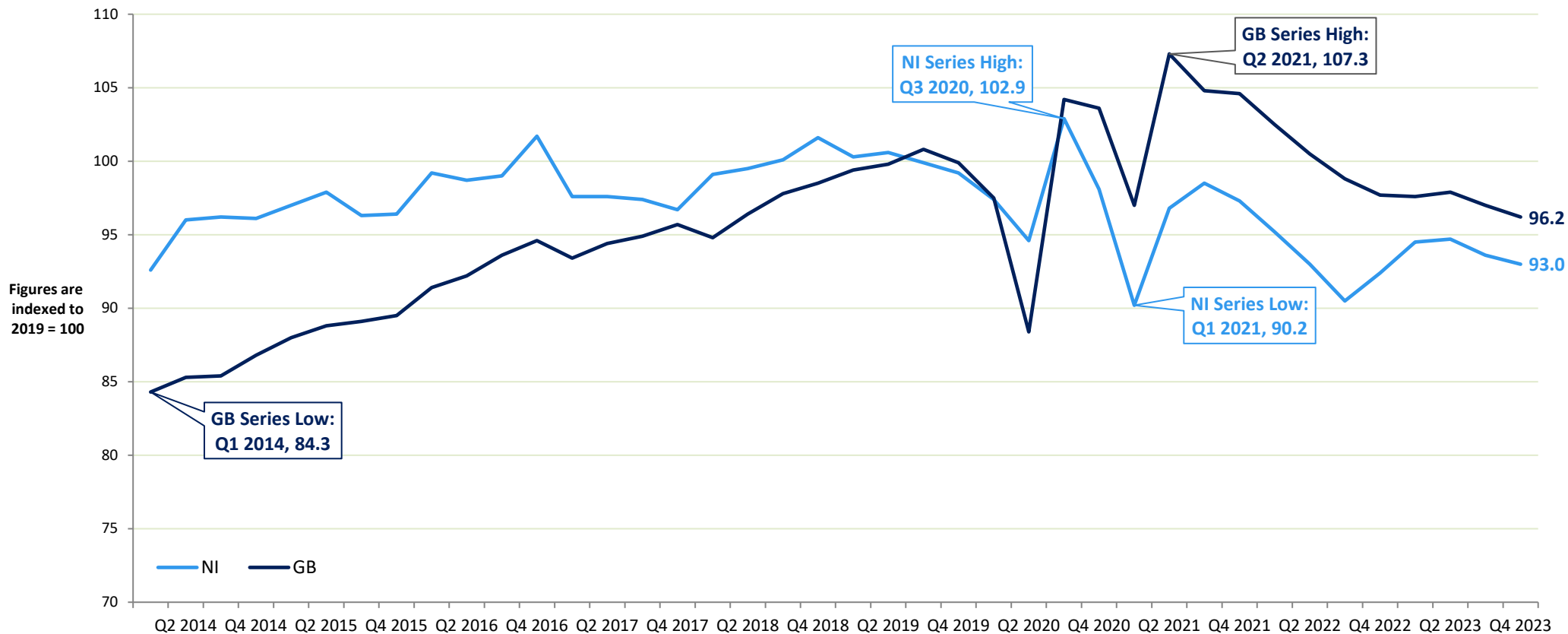


3.2 Summary of the Retail Sales Index

The seasonally adjusted estimate for NI RSI output for Quarter 4 2023:

- decreased by 0.7% over the quarter from the revised Quarter 3 2023 estimate;
- increased by 0.6% over the year from the revised Quarter 4 2022 estimate; and
- increased by 1.3% when the most recent four quarters are compared to the previous four quarters.

Figure 3.2 RSI, NI & GB, Q1 2014 – Q4 2023



[Download Q4 2023 data](#)

4 Background notes

Further Information

Data published within this bulletin is available to download from our [website](#) and the new NISRA Data Portal.

Detailed background information documents and methodology information have also been published [online](#) for users to refer to for more detailed information on the IOS.

Data collection and estimates

The following provides an overview of the IOS coverage response rates for Quarter 4 2023, compared to overall median rates for 2023, 2022 and 2021:

	Quarter 4 2023	2023 (median)*	2022 (median)*	2021 (median)*
Coverage response rate (<i>returned turnover</i>)	63%	66%	64%	64%

*median value achieved at IOS database closure of quarters 1 to 4 for 2021, 2022 and 2023.

Changes to recent releases

Quarter	Change	Detail
Quarter 2 2023	Seasonal Adjustment Review	Following the seasonal adjustment review conducted in July 2023 changes have been made to some regressors and models used to seasonally adjust time series using X13 ARIMA SEATS.
Quarter 2 2023	Revised 2019 GVA	Figures in this publication are publication have been weighted using the revised Northern Ireland 2019 GVA which became available on 25 April 2023.
Quarter 3 2023	Updated 2019 GVA Reference Year	The UK National Accounts, The Blue Book: 2023 was published on 31 October 2023. For the third consecutive year the reference year and base year have remained at 2019 due to the impact of the coronavirus (COVID-19) pandemic. Tied to the Blue Book 2023, ONS introduced improvements to deflators in line with their deflator strategy . This has resulted in greater revision to the UK data than is normally expected.
Quarter 3 2023	Outputs Consultation	Following a public consultation on NISRA outputs, the Index of Services bulletin has been streamlined and now incorporates the Retail Sales Index.

Next publication

The next bulletin is due to be published on 13 June 2024.

If you require any further information, please contact:

Gary McCracken
Economic and Labour Market Statistics Branch
Floor 1
Colby House
Stranmillis Court

Belfast, BT9 5RR
Tel: (028) 9052 9494
Email: economicstats@nisra.gov.uk
X (Formally Twitter): [@NISRA](#)

5 Index of Tables

(Links below will open in a new window)

- [1.1 IOS, NI and UK](#)
- [2.1 Wholesale and retail trade; repair of motor vehicles and motorcycles; accommodation and food service – SIC07 Sections G & I, NI and UK](#)
- [2.2 Business services and finance – SIC07 Sections K-N, NI and UK](#)
- [2.3 Other services – SIC07 Sections P-S, NI only](#)
- [2.4 Transport, storage, information & communication – SIC07 Sections H & J, NI and UK](#)
- [3.1 IOS percentage change, NI and UK](#)
- [3.2 IOS percentage change by Broad Industry Group, NI](#)
- [3.3 Wholesale and retail trade; repair of motor vehicles and motorcycles; accommodation and food service percentage change, NI and UK](#)
- [3.4 Business services and finance percentage change, NI and UK](#)
- [3.5 Other services percentage change, NI only](#)
- [3.6 Transport, storage, information & communication percentage change, NI and UK](#)
- [3.7 IOS – Quarterly, Annual and Rolling Annual average changes by sector, NI only](#)
- [3.8 NI IOS by Broad Sector – Annual Average](#)
- [4.1 Retail Sales Index, NI and GB](#)
- [4.2 NI Retail Sales index and Index of Services](#)
- [4.3 Retail Sales Index percentage change, NI and GB](#)
- [4.4 NI Retail Sales Index - Quarterly, annual and rolling average change](#)
- [4.5 NI Retail Sales Index - Annual Average](#)