



Department of  
**Finance and  
Personnel**  
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**Business Activity**

**Statistics Bulletin**

# **Results from the Northern Ireland Annual Business Inquiry 2012**

**11 December 2013**



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## National Statistics

The United Kingdom Statistics Authority has designated these statistics as National statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics. Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

<http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/confirmation-of-designation-letters/letter-of-confirmation-as-national-statistics---assessment-report-227--2-.pdf>

## 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 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: Context

This release contains 2012 provisional reporting unit<sup>1</sup> results and 2011 revised results from the Northern Ireland Annual Business Inquiry (NIABI). The NIABI is a key resource for measuring the size, performance and structure of the Northern Ireland business economy. It is an annual survey of businesses covering the production, construction, distribution and service industries. This covers roughly two thirds of the total NI economy. Further information on survey coverage is contained in the background notes section.

The published estimates include the total value of sales and work completed by businesses (turnover), the value of the purchase of goods, materials and services, approximate Gross Value Added<sup>2</sup> at basic prices and employment. These estimates are further disaggregated at industry level, providing users with an insight into both the size and evolution of the overall business economy from 2008 to 2012 as well as a measure of the contribution made by different industry sectors. The financial estimates are collected and presented as monetary values.

The NIABI originally existed as a subcomponent of the UK Annual Business Survey and while the central structure and periodicity of the NIABI is still driven by the legal requirement to provide data for the UK ABS, the NIABI has operated as a stand-alone Northern Ireland survey conducted by the Northern Ireland Statistics and Research Agency (NISRA) since 2002.

The business economy is constantly changing, as businesses merge, are taken over, or change the main focus of their activity. These changes can result in the industry classification of a business changing over time. In industries where movements are common, or where large businesses are involved, these changes can themselves cause large changes in the NIABI estimates. This should be taken into consideration when changes over time are being considered.

When interpreting NIABI results, users are advised to refer to the quality indicators provided alongside the estimates in the tables. These indicate that some results have quite large margins of statistical error associated with them. Users should exercise caution when interpreting the annual changes associated with such results. Users should also be aware that methodological improvements governing the treatment of business closures were introduced for the 2011 report. These improvements have been implemented for the 2010, 2011 and 2012 data. Consequently, although 2008 and 2009 figures are included in this report, users should exercise caution when making comparisons.

Following user feedback and consultation with the Statistics Advisory Committee and the DFP official statistics user group, the NIABI sample size was boosted from approximately 5,000 in 2010 to 9,000 in the 2011 survey reference year. The sample was further boosted to approximately 11,000 in 2012. This has resulted in improvements to the precision of the estimates, as indicated by the accompanying quality indicators for 2012. This improvement should also be borne in mind when interpreting the annual change.

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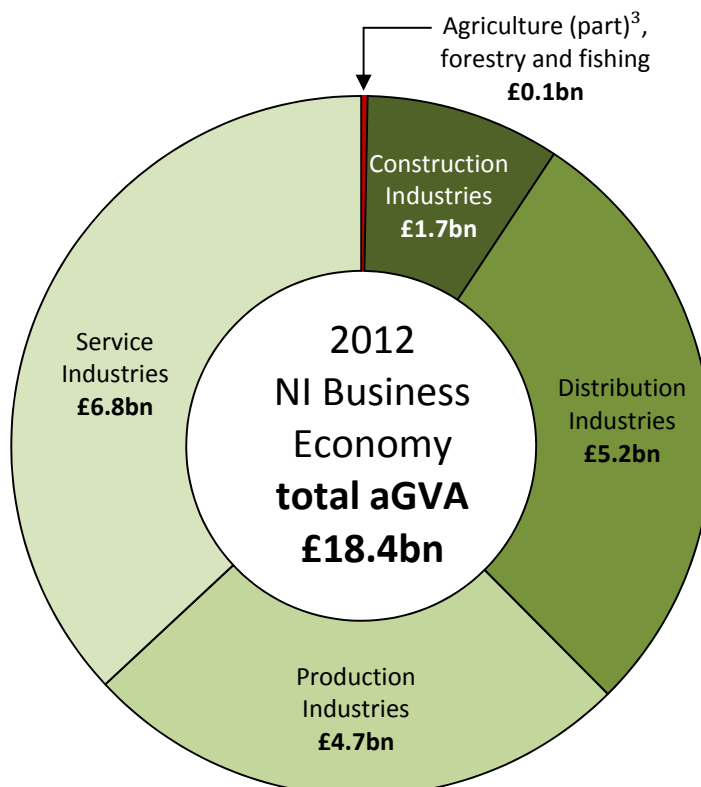
<sup>1</sup> An enterprise reporting unit reports for all the local units within the enterprise (for example, the reporting unit for a large supermarket chain will respond with aggregate figures incorporating all its Northern Ireland shops). A local unit is an individual site (factory, shop, office, etc.) at which an enterprise conducts its business. For example, a supermarket chain may have shops in Newtownards, Bangor, Limavady, etc, these are local units.

<sup>2</sup> *Approximate Gross Value Added at Basic prices* represents the income generated by businesses, out of which is paid wages and salaries, the cost of capital investment and financial charges before arriving at a figure for profit. For greater detail please see (vi) Definitions, in the background notes of this publication.

## 2: Main messages

- The Northern Ireland business economy, as measured by the Northern Ireland Annual Business Inquiry (NIABI), recorded an increase of 2.8% in approximate Gross Value Added (aGVA), growing by £498 million from £17,901 million in 2011 to £18,399 million in 2012.
- Turnover increased by 0.7% over the year, to £61,945 million.
- A combination of growing turnover and falling purchases underlay the aGVA growth, with purchases of goods and services decreasing by £482 million from £40,325 in 2011 to £39,844 million in 2012.
- Employment in the Northern Ireland business economy grew by an estimated 0.8% to 517,000 in 2012.
- At an Industry level the growth drivers were the Distribution and Services sectors, which between them accounted for £474 million of aGVA growth. The Construction sector witnessed a decline in aGVA, dropping by £75 million to £1,656 million.
- Figure 1 shows the contribution of each industry to Northern Ireland's aGVA:

**Figure 1: NI Business Economy - aGVA by Industry**



<sup>3</sup> Excludes farming

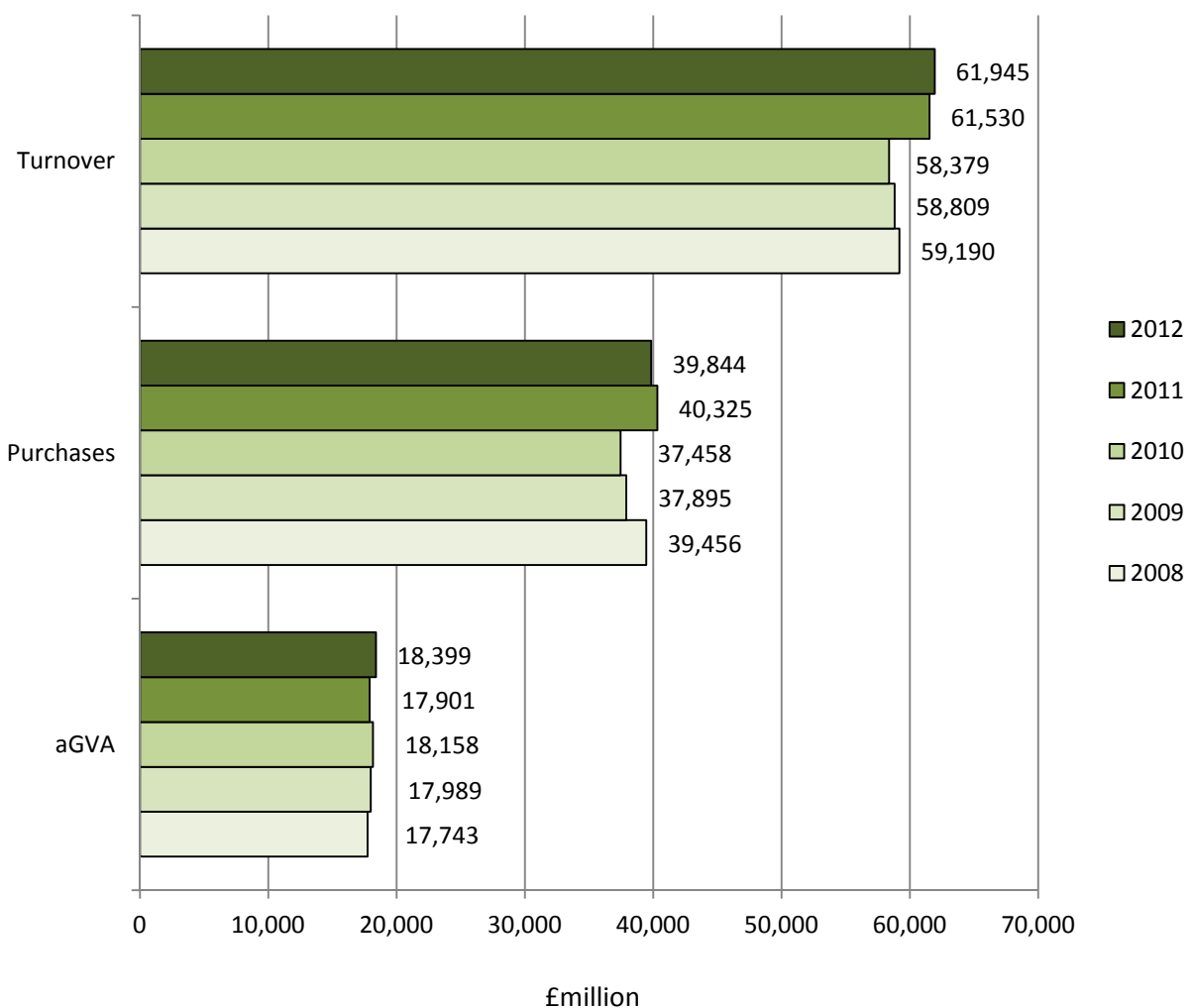
### 3: Summary and Commentary

#### Overall Results

The results of the 2012 NIABI and revised results from the 2011 NIABI show that the income generated by businesses in Northern Ireland, less the cost of goods and services used to create this income was estimated to be £18,399 million in 2012, compared to £17,901 in 2011. This amount represents the aGVA of the Northern Ireland Business Economy. Following a decline of 1.4% between 2010 and 2011, aGVA has grown by 2.8% or £498 million in 2012.

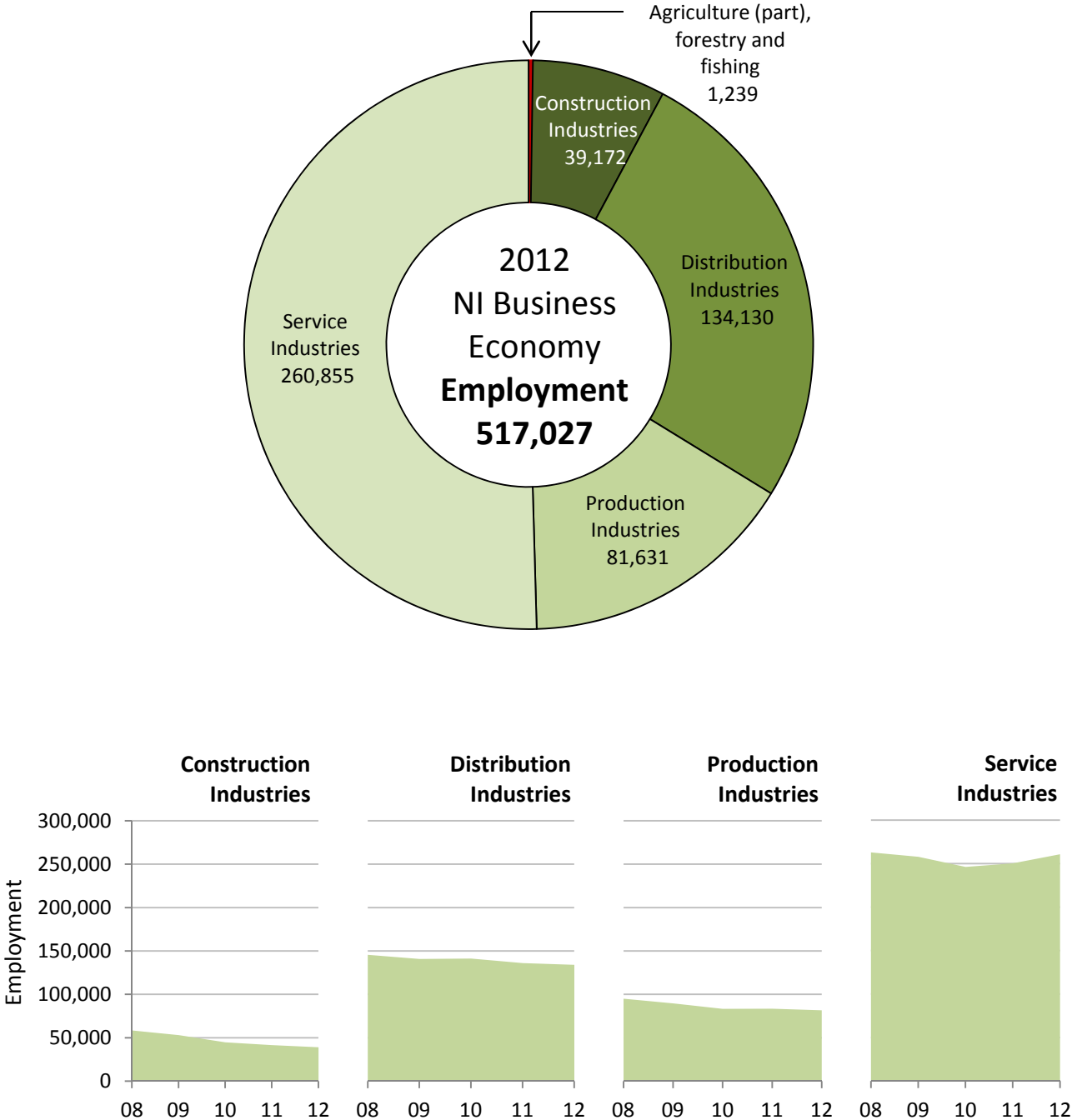
Turnover has increased for the second consecutive year, growing by 0.7% to £61,945 million. Prior to 2011 turnover had declined for two consecutive years. Purchases of goods and services have fallen by 1.2% year-on-year to £39,844 million. The combination of increasing turnover and declining purchases contributed to the 2.8% growth in aGVA between 2011 and 2012.

**Figure 2: Trends in NI Business Economy: Income and Expenditure 2008 – 2012**



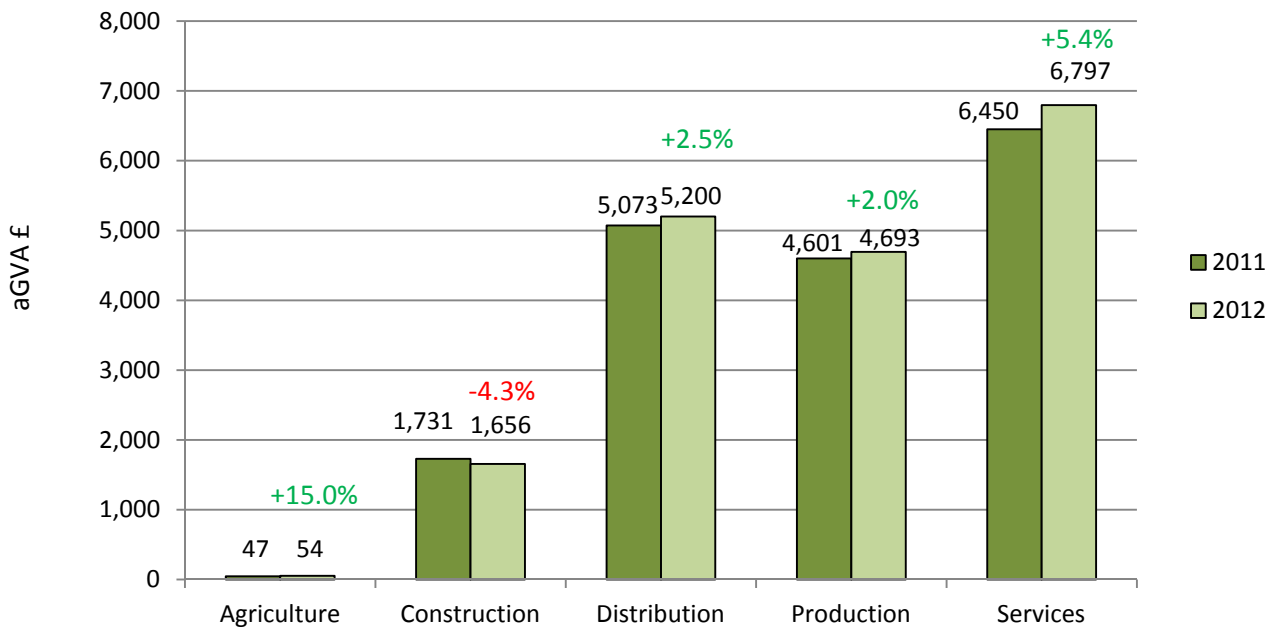
The 2012 NIABI has recorded an increase in employment of 0.8% to 517,027 in the Northern Ireland business economy. This growth was driven by an increase of more than 10,000 in Services. Construction, Distribution and Production all recorded year-on-year drops in employment.

**Figure 3: Trends in NI Business Economy: Employment 2012**



While all sectors except construction recorded increases in aGVA in 2012, the majority of the growth in the NI business economy came from the Services sector, which increased by 5.4% or £347 million. The Distribution sector also showed an increase, growing by 2.5% or £127 million. Construction was the only sector to decline with a 4.3% drop in aGVA to £1,656 million.

**Figure 4: Trends in NI Business Economy: aGVA by Industry 2011 – 2012**

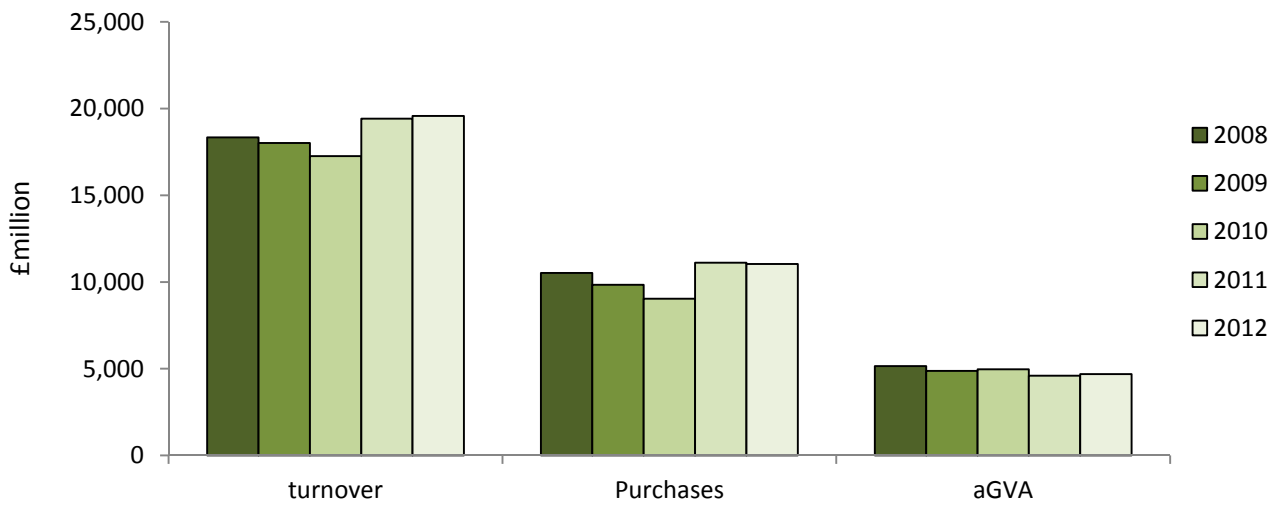


### Production Industries (Sections B-E)

Sections B through E have been grouped to reflect the structure of the Northern Ireland Production Industries, these include: Mining and Quarrying; Manufacturing; Electricity, Steam and Air Conditioning Supply and Water Supply; Sewerage, Waste Management and Remediation Activities.

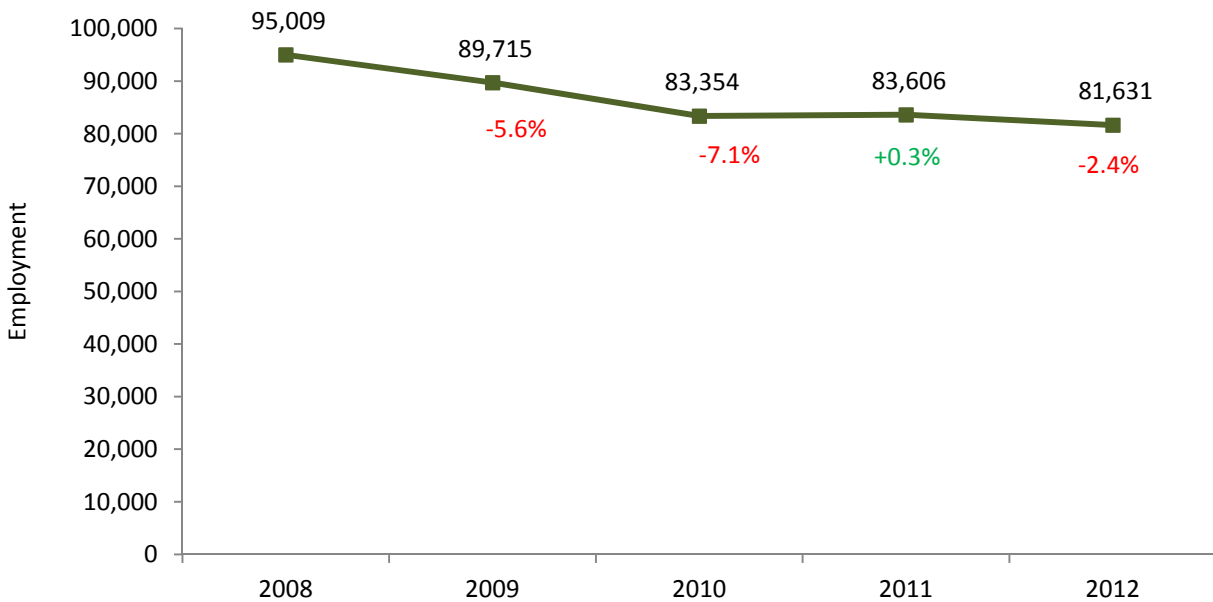
Results from the 2012 NIABI and the revised 2011 NIABI, show two consecutive years of turnover growth in the Production Industries. Turnover within the sector was estimated to be £19,576 million in 2012, a 0.8% increase on 2011. This turnover growth and a 0.7% decline in purchases to £11,038 million resulted in a 2.0% growth in aGVA to £4,693 million in 2012.

**Figure 5: Trends in the Production Sector: Income and Expenditure 2008 – 2012**



Despite growth in turnover, employment in the Production sector fell by 2.4%. The 2012 fall in employment in the Production sector was driven primarily by a decline of 2.3% in Manufacturing. The 2012 employment estimates for the Production sector is more than 13,000 below the figure recorded in 2008 at the start of the economic downturn.

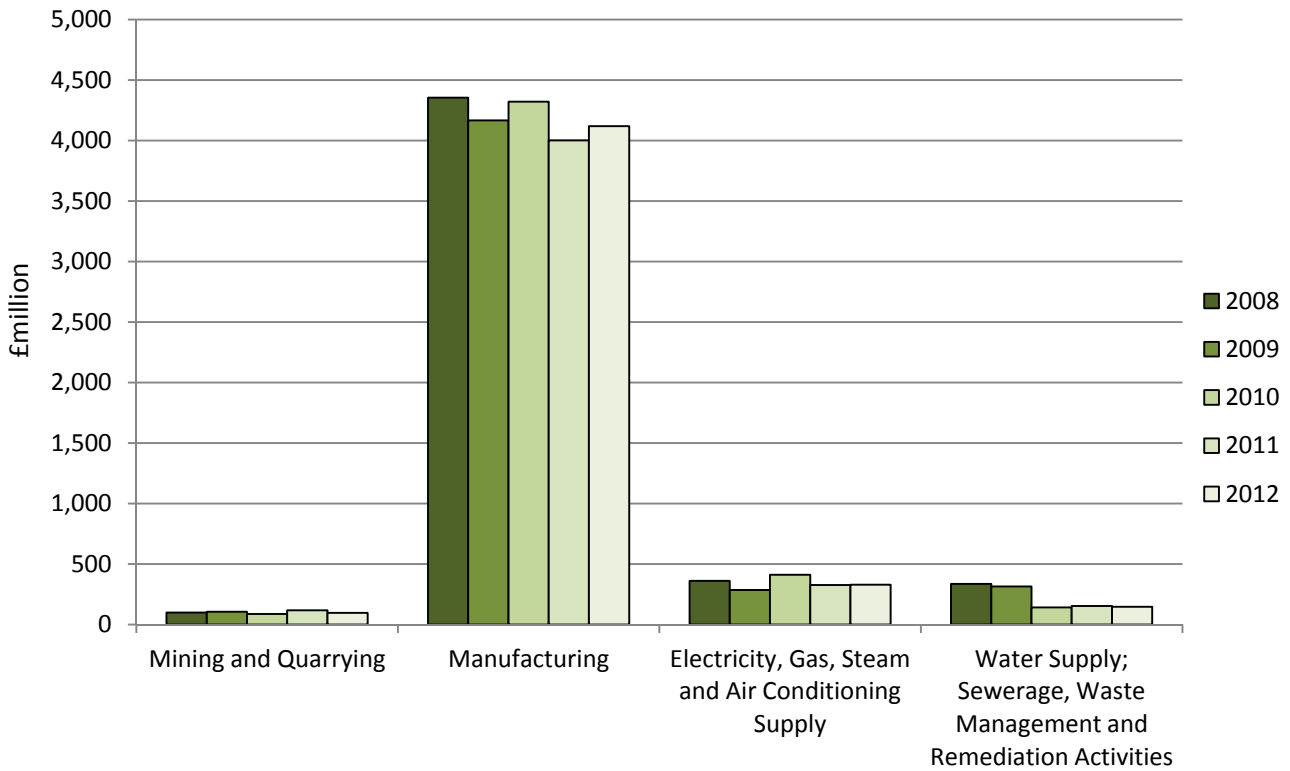
**Figure 6: Trends in the Production Sector: Employment 2008 – 2012**





The Manufacturing section's aGVA grew by 3.0% in 2012 to £4,120 million and accounted for 87.8% of the Production sector's aGVA. This aGVA growth was driven by an increase of 1.5% in turnover to £16,834 million and a marginal change in purchases to £8,824 million.

**Figure 7: Trends in the Production Sector: aGVA by Section 2008 – 2012**

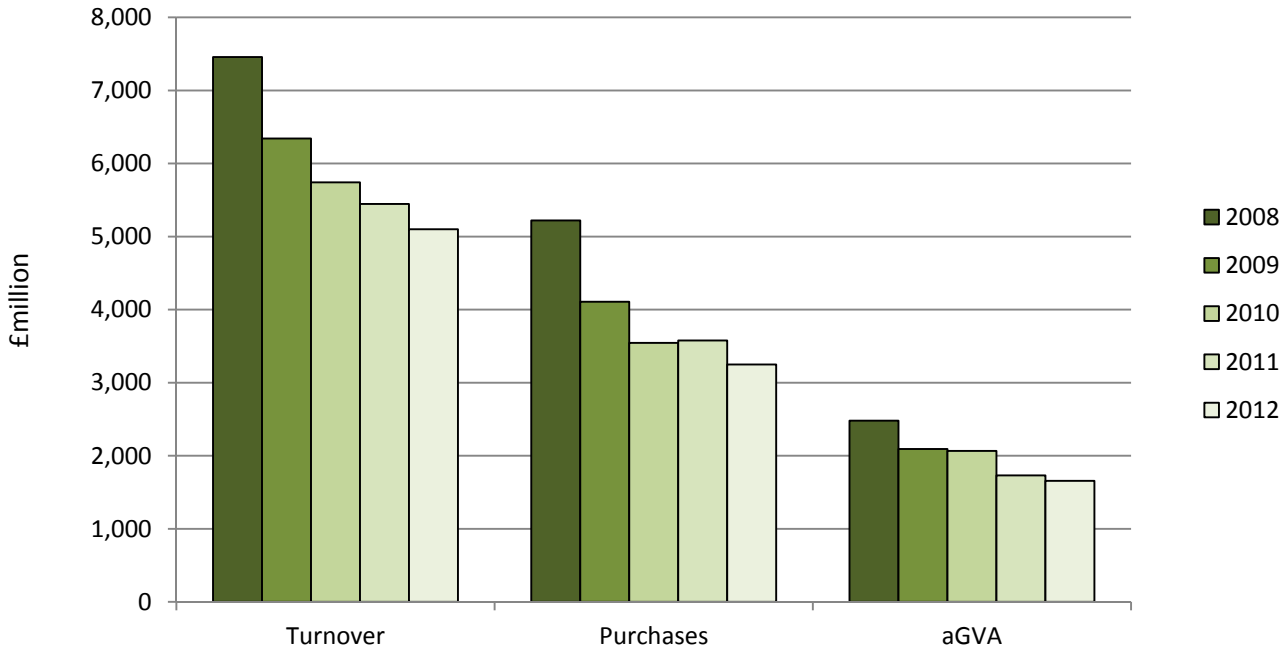


### Construction Industries (Section F)

The Construction Industries cover the entire Northern Ireland construction sector and include: Construction of Buildings, Civil Engineering and Specialised Construction Activities (e.g. Demolition and site preparation, Electrical, plumbing and other construction installation activities, etc).

Both turnover and aGVA in the Construction sector have declined for the fourth consecutive year. Turnover has fallen by 6.4% to £5,099 million; however the impact of this on aGVA was slightly offset by an even greater fall of 9.2% in purchases resulting in an aGVA decline of 4.3% to £1,656 million.

**Figure 8: Trends in the Construction Sector: Income and Expenditure 2008 – 2012**



Employment in the Construction sector has also consistently declined over the past 4 years dropping by 5.7% in 2012. The 2012 estimates are 33.0% below the employment levels recorded in 2008.

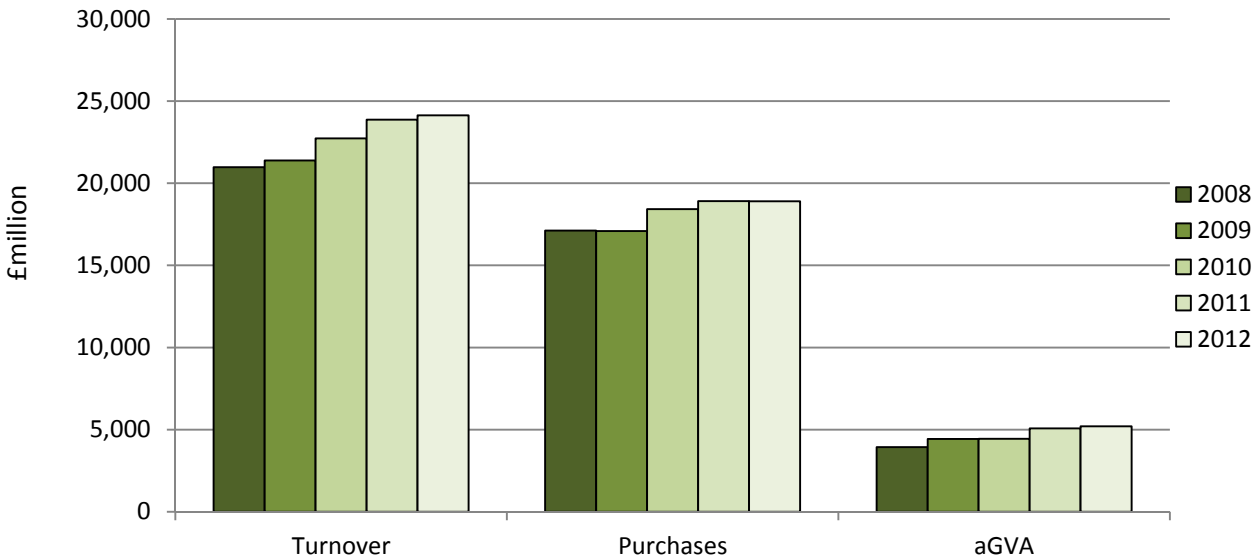
**Figure 9: Trends in the Construction Sector: aGVA and Employment 2008 – 2012**



### Distribution Industries (Section G)

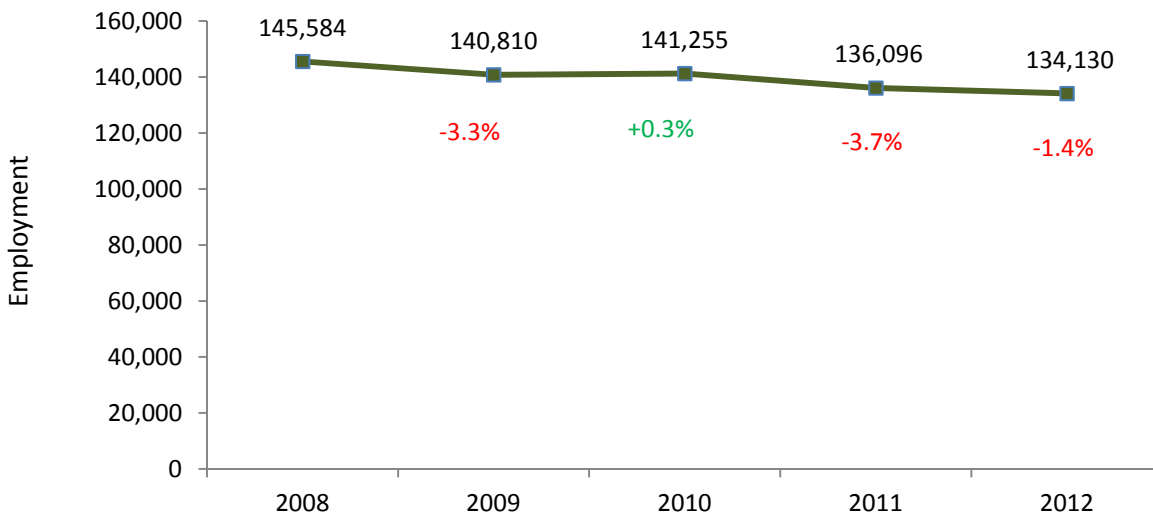
The Distribution Industries consist of companies engaged in Wholesale and Retail trade and cover the entire Northern Ireland Wholesale and Retail sector. The Distribution sector has shown resilience to the economic downturn, posting increases in turnover in recent years and growing by 1.1% in 2012 to £24,133 million. Purchases remained stable with a marginal change of 0.1% to £18,904 million. Increasing turnover combined with stable purchases contributed to a 2.5% increase in aGVA to £5,200 million in 2012.

**Figure 10: Trends in the Distribution Sector: Income and Expenditure 2008 – 2012**



The Distribution sector’s expanding turnover and aGVA has not translated into employment growth within the sector. Employment declined 1.4% in 2012. Employment in the sector has declined by 7.9% since 2008.

**Figure 11: Trends in the Distribution Sector: Employment 2008-2012**

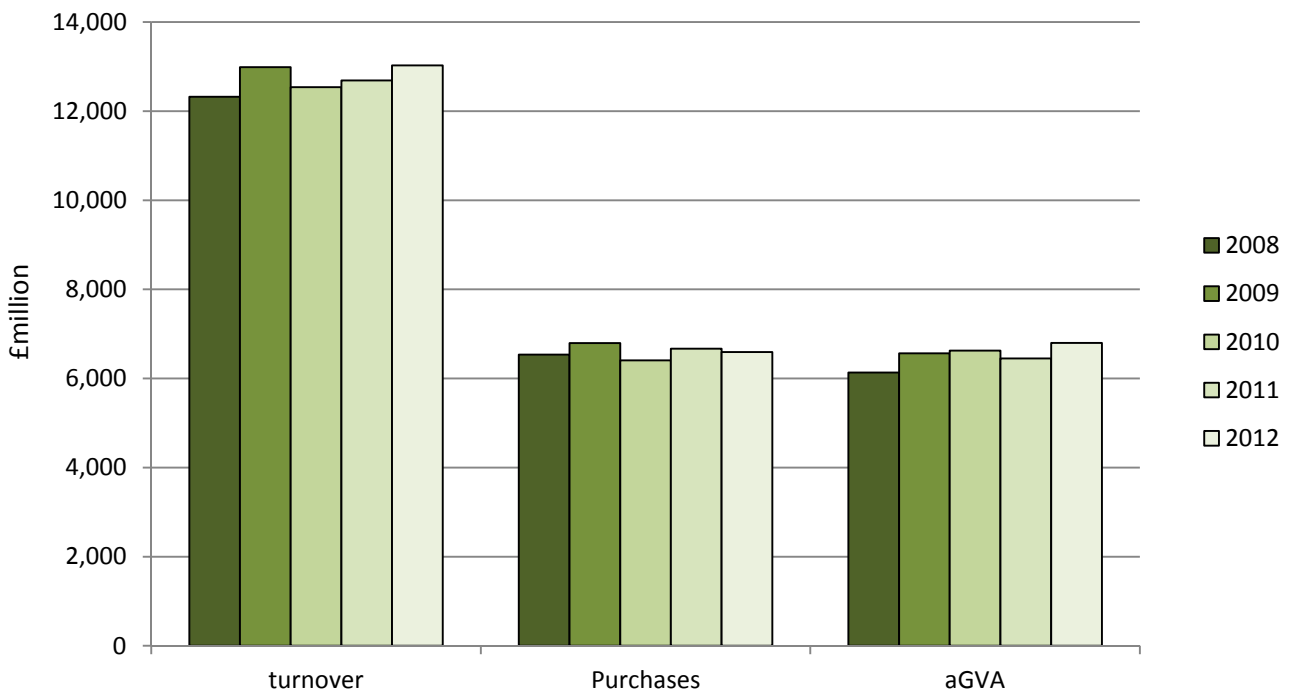


## Service Industries (Section H –S)

The Services Industry is composed of Transport and storage; Accommodation and food service activities; Information and communication; Real estate activities; Professional scientific and technical activities; Administrative and support service activities; and Others (n.b. Others are sections that are grouped to avoid disclosure of returns).

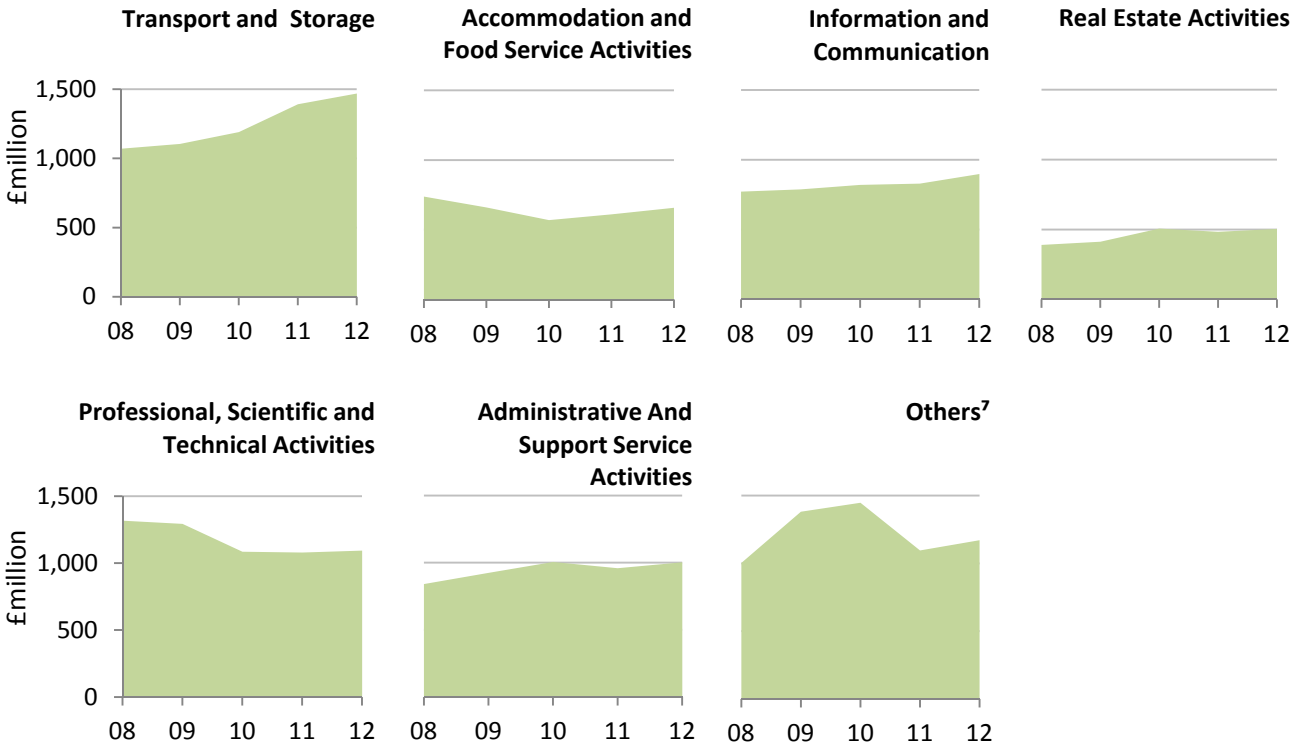
Turnover and aGVA have increased in the Services sector in 2012. Turnover has grown 2.7% to £13,026 million. This turnover growth, combined with a decline of 1.1% in purchases to £6,595 million led to an increase of 5.4% in aGVA to £6,797 million.

**Figure 12: Trends in the Service Industries: Income and Expenditure 2008-2012**



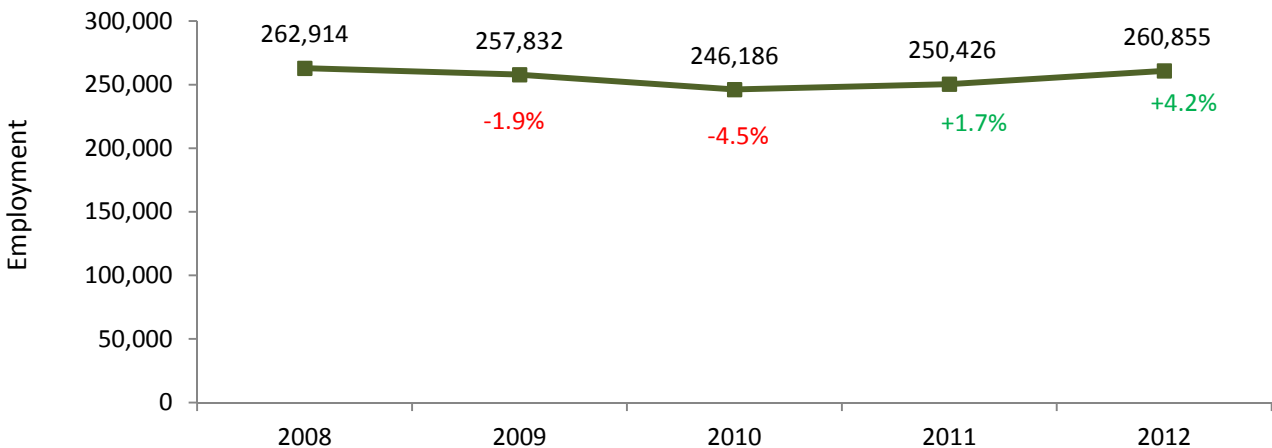
Looking at the individual Service industries, the largest aGVA growth in 2012 was in Information and communication which increased by 8.3% or £69 million to £899 million. The primary factor behind the Service sector's turnover increase was the Transportation and Storage industry, in which turnover grew by 9.7% or £287 million to £3,254 million in 2012.

**Figure 13: Trends in the Service Industries: aGVA by sector 2008-2012**



Employment in the Services sector increased by 4.2% in 2012; this growth is the primary factor behind the overall growth of 0.8% in the NI employment levels in 2012. This is the second consecutive year of employment growth in the Services sector with 2012 employment only 0.8% below the level recorded in 2008 at the start of the financial downturn. Within the industries that comprise Services; Accommodation and Food Service Industries experienced large year on year growth with an increase of 5.9%. Other increases were recorded in Administrative and Support Service Activities (+4.4%), Professional, Scientific and Technical Activities (+2.9%) and Information and Communication (+1.5%).

**Figure 14: Trends in the Service Industries: Employment 2008-2012**



<sup>4</sup> Others includes: Education (excluding Public Education); Human health and social work activities (Excluding public health and social work); Arts, entertainment and recreation and Other service activities. The Insurance & Re-insurance industries were included for the 2009 and 2010 results; following a decision by the ONS these have been excluded from the 2011 and 2012 results.

## 4: Results by Industry

	CV ≤ 5%
	5% < CV ≤ 10%
	10% < CV ≤ 20%
	CV > 20%

Table 1: NIABI results by industry, 2011 and 2012

	Standard Industrial Classification	Description	Turnover (£million)	Approximate Gross Value Added (aGVA) (£million)	Purchases (£million)	Employment
2011	A – S	Agriculture, fishing, production, construction, distribution and services	61,530	17,901	40,325	512,821
2012			61,945	18,399	39,844	517,027
%change			0.7%	2.8%	-1.2%	0.8%
2011	A (part)	Agriculture, forestry and fishing	100	47	54	1,162
2012			110	54	58	1,239
%change			9.9%	15.0%	8.7%	6.7%
2011	B – E	Production Industries	19,420	4,601	11,112	83,606
2012			19,576	4,693	11,038	81,631
%change			0.8%	2.0%	-0.7%	-2.4%
2011	B	Mining and quarrying	355	118	233	1,890
2012			325	97	220	1,949
%change			-8.5%	-18.3%	-5.4%	3.2%
2011	C	Manufacturing	16,582	4,001	8,841	76,988
2012			16,834	4,120	8,824	75,219
%change			1.5%	3.0%	-0.2%	-2.3%
2011	D	Electricity, gas, steam and air conditioning supply	2,024	328	1,685	1,408
2012			2,018	330	1,699	1,306
%change			-0.3%	0.8%	0.9%	-7.2%
2011	E	Water supply, sewerage, waste management and remediation activities	459	154	353	3,320
2012			399	147	294	3,156
%change			-13.1%	-4.6%	-16.7%	-5.0%
2011	F	Construction	5,447	1,731	3,578	41,532
2012			5,099	1,656	3,248	39,172
%change			-6.4%	-4.3%	-9.2%	-5.7%

**Table 1 (continued): NIABI results by industry, 2011 and 2012**

	Standard Industrial Classification	Description	Turnover (£million)	Approximate Gross Value Added (aGVA) (£million)	Purchases (£million)	Employment
2011	G – S	Distribution and service industries	36,563	11,523	25,582	386,522
2012			37,159	11,997	25,499	394,985
%change			1.6%	4.1%	-0.3%	2.2%
2011	G	Wholesale and retail trade; repair of motor vehicles and motor cycles	23,875	5,073	18,914	136,096
2012			24,133	5,200	18,904	134,130
%change			1.1%	2.5%	-0.1%	-1.4%
2011	H - S	Other service Industries	12,688	6,450	6,668	250,426
2012			13,026	6,797	6,595	260,855
%change			2.7%	5.4%	-1.1%	4.2%
2011	H	Transport and storage	2,967	1,392	1,680	27,570
2012			3,254	1,469	1,887	27,604
%change			9.7%	5.5%	12.3%	0.1%
2011	I	Accommodation and food service activities	1,255	611	645	41,143
2012			1,314	657	656	43,569
%change			4.7%	7.7%	1.7%	5.9%
2011	J	Information and communication	1,432	830	632	17,068
2012			1,446	899	583	17,328
%change			1.0%	8.3%	-7.8%	1.5%
2011	L	Real estate activities	892	484	419	9,629
2012			891	505	388	8,724
%change			-0.1%	4.2%	-7.5%	-9.4%
2011	M	Professional, scientific and technical activities	1,743	1,079	741	26,530
2012			1,754	1,093	695	27,308
%change			0.6%	1.3%	-6.2%	2.9%

**Table 1 (continued): NIABI results by industry, 2011 and 2012**

	Standard Industrial Classification	Description	Turnover (£million)	Approximate Gross Value Added (aGVA) (£million)	Purchases (£million)	Employment
2011	N	Administrative and support service activities	1,773	959	839	45,624
2012			1,700	1,003	706	47,619
%change			-4.1%	4.6%	-15.8%	4.4%
2011	P - S	Others	2,625	1,095	1,712	82,862
2012			2,667	1,171	1,680	88,703
%change			1.6%	6.9%	-1.8%	7.0%

### Coefficient of Variation

The coefficient of variation (cv) measures the variability of the values in the table above by expressing the standard error as a percentage of the parameter estimate. Unlike confidence intervals, which measure variability by providing the range of values between which the mean value for a predetermined percentage of all possible samples would fall, the coefficient of variation expresses variability as an easily comparable percentage. As the coefficient of variation is not measured in any specific unit, it facilitates comparison between surveys measuring different underlying variables. A larger coefficient of variation implies a larger variability.

$$\text{Coefficient of Variation} = \frac{\text{Standard Error}}{|\text{Parameter Estimate}|}$$

**Standard Error:** In statistics, sample estimates such as means and medians deviate from the actual population mean and median; and this deviation is the standard error. Standard error is a statistical term that measures the accuracy with which a sample represents a population and is essentially an indicator of the reliability of the estimate.

**Parameter Estimate:** The parameter estimate refers to the individual value for each of the variables in the table above. For example the 2012 parameter estimate for turnover in Section A is £110 million.



## 5: Background Notes

### (i) About the Northern Ireland Annual Business Inquiry

The Northern Ireland Annual Business Inquiry (NIABI) collects both financial and employment information from businesses and other establishments and covers about two thirds of the economy. This includes the Production, Construction, Distribution and Service industries in Northern Ireland but excludes public sector activity for the most part. The Coverage of the survey is detailed at section (iv) below.

The 2012 NIABI sampled approximately 11,000 businesses in Northern Ireland from a population of approximately 49,000 businesses in the sample frame: the Inter-Departmental Business Register (IDBR). The IDBR consists of companies, partnerships, sole proprietors, public authorities, central government departments, local authorities and non-profit making bodies in the UK. The NIABI is reliant on the IDBR receiving accurate and timely updates and providing a true reflection of the Northern Ireland business population. Businesses not registered for either Pay As You Earn or VAT are excluded from the frame. Additional information about the IDBR and the characteristics of the businesses covered by the IDBR is available at the link:

[http://www.detini.gov.uk/facts\\_and\\_figures\\_edition\\_15.pdf](http://www.detini.gov.uk/facts_and_figures_edition_15.pdf)

### (ii) Survey reference period

For survey reference period 2012, businesses were asked to make returns for the calendar year 2012. Where this was not possible, returns for business years ending between 6 April 2012 and 5 April 2013 were accepted. Similar procedures operated in previous years. Returns covering fewer than twelve months were accepted for businesses which had started or ceased trading during the year. Estimates were made for those firms providing returns for more than six months while firms providing less than six months were treated as closures in the results process.

### (iii) NIABI sample

Following user feedback and consultation with the Statistics Advisory Committee and the DFP official statistics user group, the NIABI sample size was boosted from approximately 5,000 in the 2010 survey reference year to approximately 9,000 in 2011. The sample was further boosted to approximately 11,000 in 2012.

To maximise survey precision, the Neyman allocation approach to sampling was utilised. Neyman allocation is a sample allocation method that may be used with stratified samples. The purpose of the method is to maximize survey precision, given a fixed sample size. The survey universe was stratified by 2 digit SIC code and employee size band, and all businesses with 50+ employees, or 20+ employees and more than one local unit, were fully enumerated. The current NIABI sample design includes all Manufacturing businesses with 6 or more employees. Businesses falling below the threshold of complete enumeration are selected on a stratified random basis. In addition, certain companies of special interest to policymakers and government agencies (for example, certain Invest NI clients) are added to the sample.

#### **(iv) Standard Industrial Classification and the coverage of the NIABI**

NIABI results are classified according to the Standard Industrial Classification of Economic Activities (SIC) system. The UK is required by European legislation to have a system of classification consistent with the European Union's Industrial classification system. A review of the system was completed in 2007 and implemented in 2008. UK SIC 2007 is divided into 21 sections, each denoted by a single letter from A to U. Below this, further levels of detail are provided at division (denoted by 2 digits), groups (three digits), classes (four digits) and subclasses (five digits).

The SIC 2007 sections covered by the NIABI are as follows:

- A. Agriculture (support activities), forestry and fishing
- B. Mining and quarrying
- C. Manufacturing
- D. Electricity, gas, steam and air conditioning supply
- E. Water supply, sewerage, waste management and remediation activities
- F. Construction
- G. Wholesale and retail trade; repair of motor vehicles and motor cycles  
(Distribution industries)
- H. Transport and storage
- I. Accommodation and food service activities
- J. Information and communication
- L. Real estate activities
- M. Professional, scientific and technical activities
- N. Administrative and support service activities
- P. Education (excludes local authority and central government bodies)
- Q. Human health and social work activities (excludes local authority and central government, and medical and dental practice activities (group 86.2))
- R. Arts, entertainment and recreation
- S. Other service activities

Production Industries are comprised of sections B – E

Service Industries are comprised of sections H, I, J, L, M, N, P, Q, R and S

Following a decision this year by the Office for National Statistics to discontinue the publication of figures covering Insurance & Re-insurance industries due to ongoing volatility of the estimates, this NIABI publication also excludes estimates for this series. The other main areas that are *excluded* are Public Administration and Defence (section O) while Agriculture, Forestry and Fishing (section A) excludes farming (groups 01.1, 01.2, 01.3, 01.4 and 01.5). Local authority and central Government bodies in Education (section P) and Human Health and Social Work Activities (section Q) have also been excluded from this publication, as has 86.2 (Medical and Dental Practice Activities) within section Q.

#### **(v) Data collection, validation and calculation of NIABI results**

Just over 11,000 forms were issued from Economic and Labour Market Statistics Branch, DFP, in March 2013 and the returned forms were subjected to a range of validation and congruency checks. The 2012 response rate was 74.6%.

Data validation was carried out on the returned forms ensuring internal consistency within the form, checking data fell within expected limits or by contacting the company for clarification where appropriate. For non-returns above a selected employment threshold, data were imputed using a methodology which takes account of previous returned data and the performance of other similar businesses. This information is then grossed up to the reporting unit population, to ensure that results are representative of the sampled population.

Please note that the information presented throughout this bulletin is based on reporting unit information, and is therefore not directly comparable with earlier NIABI bulletins which are based on local unit information. Reporting and local unit definitions can be found at: [http://www.detini.gov.uk/stats\\_bus\\_register\\_3.doc](http://www.detini.gov.uk/stats_bus_register_3.doc)

Also, to better meet user needs, and in consultation with ONS Methodology Consultancy Service, DFP produced these results using Statistics Canada's Generalized Estimation System. This allows DFP to produce estimates, with an associated measure of their quality. For more detail of the estimation methodology please consult: [http://www.detini.gov.uk/review\\_of\\_the\\_abi\\_-\\_quality\\_improvement\\_fund\\_project.pdf](http://www.detini.gov.uk/review_of_the_abi_-_quality_improvement_fund_project.pdf)

Users are advised to take into account the quality indicators associated with the estimates when considering the significance of annual changes. These indicate that some results have quite large margins of statistical error associated with them. Users should exercise caution when interpreting the annual changes associated with such results.

Ongoing development of the methodology will be informed by user feedback, both in terms of the usefulness and reliability of the estimates and their comparability with other sources. Any comments should be sent to [Brian.Spence@dfpni.gov.uk](mailto:Brian.Spence@dfpni.gov.uk)

#### **(vi) Definitions**

*Approximate Gross Value Added at Basic prices* represents the income generated by businesses, out of which is paid wages and salaries, the cost of capital investment and financial charges before arriving at a figure for profit. It includes taxes on production (e.g. business rates), net of subsidies but excludes subsidies and taxes on products (e.g. VAT and excise duty). This is an output-based measure of aGVA. All published aGVA is given at basic prices. Please find below calculation applied to derive aGVA.

The calculations used in the NIABI are:

- aGVA AT BASIC PRICES: aGVA at factor cost + business rates + vehicle excise duty
- aGVA AT MARKET PRICES: Total turnover + insurance claims + change in stocks + own account capital expenditure – total purchases
- aGVA AT FACTOR COST: aGVA at market prices + subsidies – total taxes + customs & excise drawback

(Please note that aGVA at basic prices is the only published aGVA from the NIABI.)

*Turnover* is defined as total sales and work done. This is calculated by adding to the value of sales of goods produced, goods purchased and resold without further processing, work done and industrial and non-industrial services rendered.

*Purchases* represent the value of all goods, materials and services purchased during the year.

**(vii) NIABI “Approximate Gross Value Added” and “Regional Gross Value Added”**

The financial information from the Regional NIABI provides a measure of approximate GVA, which is ultimately used to contribute to the picture of the whole economy to be built up for National Accounts purposes at the United Kingdom level. When regional economic accounts are subsequently derived, the resulting measure of Regional Gross Value Added (GVA) is a much broader based measure relating to the whole economy in a region, taking into account information from a series of economic and labour market surveys. The results of the NIABI only comprise one element of the regional economic account figures, and a number of adjustments are made in line with National Accounts methodologies before estimates of Regional GVA are produced. ONS’ most recent Regional GVA estimates for Northern Ireland at industry level prior to the release of this bulletin relate to 2011 and were released on 12th December 2012. 2012 results are scheduled for release on 11 December 2013. The NIABI provides more detailed industry information than is possible in Regional Accounts measures.

<http://www.ons.gov.uk/ons/rel/regional-accounts/regional-gross-value-added--income-approach-/december-2012/stb-regional-gva-2011.html>

**(viii) Comparability with statistics from other sources**

The NIABI is conducted by the Northern Ireland Statistics & Research Agency and while the survey process is similar to that for Great Britain, it is not identical. ONS receive data from NISRA in September and February of each survey year. These data are processed with the Great Britain data to produce UK-wide estimates as well as producing regional estimates. NISRA separately process the Northern Ireland data to produce their own regional estimates. These differ from the ONS estimates for a number of reasons:

- Calculation of the weights used to estimate figures for the total population:
  - Calculation of the design or a-weights: The ONS National System computes the design weights for all UK data using the sample design of the GB sample. The NI sample design is quite different from that used by the ONS. The design weights calculated by the ONS system for NI units can therefore differ from those calculated by the NI system.
  - Calculation of the g-weights: The ONS National System computes two sets of g-weights: one based on IDBR turnover and another based on IDBR employment. The latter is used for employment costs, whereas the former is used for all the other variables. The Regional System computes g-weights based on local unit employment. In the new NI methodology there is no distinction between national and regional weights: estimates at all levels are based on the same weights, with the g-weights computed with respect to local unit register employment but using a different calibration method to that used in the ONS regional system.
- Regional apportionment: ONS collects all ABS data at reporting unit (RU) level; the regional system apportions RU returns between local units using factors obtained from models. The NIABI collects turnover data at local unit level data; data of other variables are collected at RU level and then apportioned between the local units. When NI data are processed in the ONS system, new apportioned local unit values, based on the ONS methodology, are obtained and used to produce estimates.

- The NIABI does not collect data for all the variables in the GB questionnaire; in the ONS system, values are derived for the missing variables using a model, and these values contribute towards the estimation of some derived variables.

**(ix) Comparability with other NISRA ELMSB publications**

The NIABI provides estimates of employment to enable per head calculations to be made. Preferred estimates of the changes in employment and employee jobs are provided by the Labour Force Survey (LFS) and Quarterly Employment Survey (QES). As dedicated employment surveys, the LFS and QES provide more frequent and accurate measures of the change in employment. By utilising internationally recognised definitions the LFS provides employment figures consistent with international standards. The LFS and QES can be found on the DETI website at <http://www.detini.gov.uk/deti-stats-index/stats-surveys.htm> and <http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-qes.htm> respectively.

Within the relevant sectors the turnover figures provided by the NIABI are the most up to date available from ELMSB statistical publications, and ultimately contribute to updating the Inter-Departmental Business Register (IDBR). However for a more comprehensive measure of turnover within the NI economy users are recommended to refer to the IDBR. The IDBR contains information on all businesses in the UK which are VAT registered or operate a PAYE scheme; consequently the IDBR provides a more complete picture of the Northern Ireland business population. The IDBR can be accessed through the DETI website at <http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-inter-dept-bus-register.htm>

**(x) Other sources of information**

ONS has responsibility for the production of the recently published UK national estimates for 2012, as well as regional 2012 estimates (scheduled for release in July 2014). The latest UK national estimates for 2012 can be found at <http://www.ons.gov.uk/ons/rel/abs/annual-business-survey/2012-provisional-results/stb-pdf-abs-2012.pdf> while ONS' regional estimates for 2011 are available at <http://www.ons.gov.uk/ons/rel/abs/annual-business-survey/2011-provisional-regional-results/pdf-abs-2011-regional.pdf>

The latest Department of Enterprise, Trade and Investment (DETI) Economic Commentary (October 2013) 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/economic commentary - october 2013v1.pdf](http://www.detini.gov.uk/economic%20commentary%20-%20october%202013v1.pdf)

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>

Information relating to financial activity in the Northern Ireland Manufacturing industry is available from the Manufacturing Sales and Exports Survey (MSES), which provides estimates of the sales and exports generated by all businesses within the manufacturing industry in Northern Ireland. These statistics can be accessed at <http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-manufacturing-sales-exports.htm>

The following link provides information relating to the integration of the MSES and NIABI in survey reference period 2011. It should be noted however that the latest MSES publication

was produced on the same methodology as previous years, which differs to the methodology used by the NIABI. Table 1 provides some detail about the size of the difference yielded. Work is ongoing to provide more consistent measures of common variables.

[http://www.detini.gov.uk/notice\\_to\\_users\\_-\\_integration\\_of\\_the\\_annual\\_business\\_inquiry\\_and\\_the\\_manufacturing\\_sales\\_and\\_exports\\_survey.pdf](http://www.detini.gov.uk/notice_to_users_-_integration_of_the_annual_business_inquiry_and_the_manufacturing_sales_and_exports_survey.pdf)

Further information on the output of Manufacturing, along with Electricity, Gas, Water and Mining & Quarrying industries is available from the Northern Ireland Index of Production (<http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-index-of-production.htm>) while the Northern Ireland Index of Services (<http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-ios.htm>) provides a general measure of changes in the output of the private sector service industries in Northern Ireland.

The Construction Output Statistics published in the Northern Ireland Construction Bulletin are intended to provide a general measure of quarterly changes in the volume and value of construction output in Northern Ireland. These statistics can be accessed at <http://www.csu.nisra.gov.uk/survey.asp11.htm>

The Composite Economic Index provides a weighted measure of output by broad industry sector and employee jobs in the public sector to provide an overall measure of change in the Northern Ireland economic activity <http://www.detini.gov.uk/deti-stats-index/stats-surveys/ni-composite-economic-index-nicei.htm>

#### **(xi) Uses of the NIABI**

- The central structure and periodicity of the NIABI is driven by the legal requirements to provide data for the UK Annual Business Survey, UK National Accounts and European Structural Business Statistics (SBS)
- Additionally the NIABI is used by the Government as a means of monitoring the progress of economic policy and to help set and measure economic targets.
- Outside government the data is used by a variety of different private sector and academic analysts to assist with industrial and investment decisions.

For a more comprehensive explanation of customers' use of the NIABI please follow the link below:

[http://www.detini.gov.uk/summary\\_of\\_usage\\_of\\_the\\_northern\\_ireland\\_annual\\_business\\_inquiry.pdf](http://www.detini.gov.uk/summary_of_usage_of_the_northern_ireland_annual_business_inquiry.pdf)

#### **(xii) User feedback**

Development of the NIABI is designed to meet the needs of data users as identified during statistical user group meetings. Recent enhancements to the survey including an increase in the sample size for the 2012 reporting period have been driven by feedback received through these consultations. Minutes of the meetings are available using the link below:

<http://www.detini.gov.uk/deti-stats-index/stats-national-statistics/user-consultation-and-information.htm>

### (xiii) Quality reporting

A summary quality report for the NIABI can be found at

<http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-annual-business-inquiry.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).

### (xiv) Status of figures in current bulletin

It is normal practice to revise the data from the previous year based on ongoing data validation and clarification of responses from individual businesses. This bulletin contains detailed provisional results for the Northern Ireland ABI industries (2012). These 2012 provisional figures will be subject to revision to take account of additional information. The NIABI revisions policy can be accessed at [http://www.detini.gov.uk/niabi\\_revisions\\_policy.pdf](http://www.detini.gov.uk/niabi_revisions_policy.pdf)

In line with this and with the NIABI revisions policy, provisional NIABI estimates for 2011 have been revised throughout this publication. The table below provides details of revisions to 2011 data.

**Table 2: Size of revisions to previously published 2011 data**

	Provisional 2011 (£)	Revised 2011 (£)	% change
Turnover	58,986	61,530	4.3%
Purchases	38,164	40,325	5.7%
aGVA	17,779	17,901	0.7%
Employment	516,008	512,821	-0.6%

Turnover, purchases and aGVA values are reported in £ million unless otherwise specified.

NIABI reporting unit results are published in December, while local unit results are published in the following Spring of each year. The Economic and Labour Market Statistics Branch statistics publication schedule is available at [http://www.detini.gov.uk/publication\\_schedule\\_13-26.pdf](http://www.detini.gov.uk/publication_schedule_13-26.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\\_250712.pdf](http://www.detini.gov.uk/publication_pre-release_access_list_250712.pdf)

### (xv) Disclosure

The NIABI is conducted under the Statistics of Trade and Employment (Northern Ireland) Order 1988 and great care is taken to avoid disclosing information about individual enterprises (in line with the stipulations in Article 7 of the Order). Figures which would be likely to disclose particulars relating to an enterprise are not published (i.e. they are suppressed) unless prior written consent for their publication has been obtained directly from the business. The Northern Ireland Statistics & Research Agency Economic & Labour Market Statistics confidentiality statement can be accessed at the following link:

[http://www.detini.gov.uk/data\\_confidentiality\\_statement\\_principle\\_5\\_of\\_the\\_code\\_of\\_practice\\_for\\_official\\_statistics\\_-2.pdf](http://www.detini.gov.uk/data_confidentiality_statement_principle_5_of_the_code_of_practice_for_official_statistics_-2.pdf)

**(xvi) Next publication**

The next reporting unit publication will be published in early December 2014. The local unit publication for 2012 will be published in Spring 2014.

**For further information**

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