

Northern Ireland

Annual Business Inquiry Local Unit Results

2013

Date: 23rd September 2015

Geographical Area: Northern Ireland

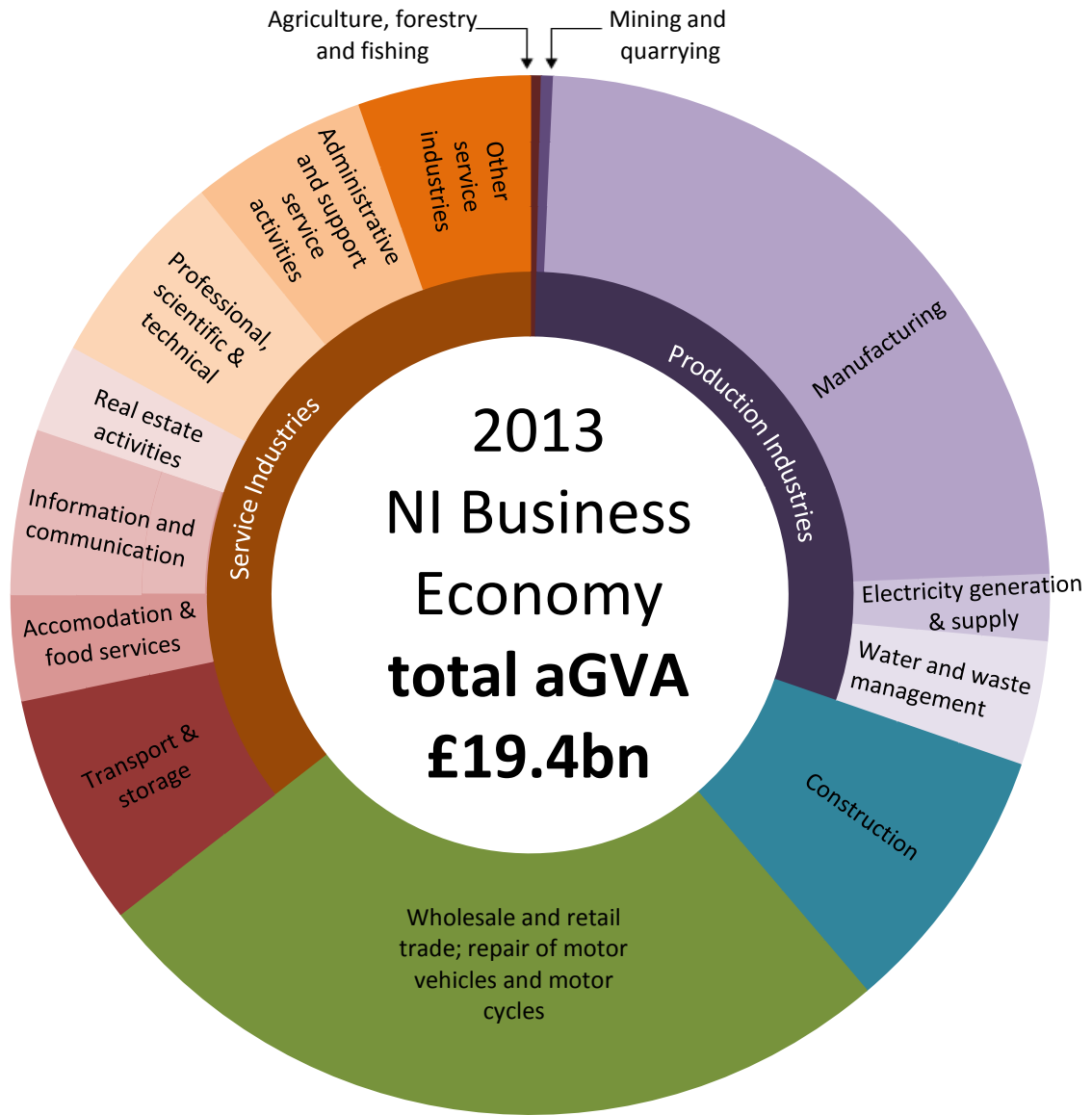
Theme: Business Statistics

Frequency: Annual

Key Points

- In 2013, the income generated by turnover in Northern Ireland, less the cost of goods and services used to create this income was estimated to be £19.4 billion. This amount represents the approximate Gross Value Added (aGVA) of the NI non-financial business economy.
- The Northern Ireland non-financial business economy, as measured by the Northern Ireland Annual Business Inquiry (NIABI), recorded an increase of 3.3% in approximate Gross Value Added (aGVA) from 2012 to 2013.
- The turnover of the NI non-financial business economy increased by 4.5% over the year, to £64.3 billion.
- Purchases of goods, materials, energy, water and services in the NI non-financial business economy grew by 6.5%, from £39.6 billion in 2012 to £42.1 billion in 2013.
- Employment in the Northern Ireland non-financial business economy grew by an estimated 1.0% to 528,858 in 2013.
- The key contributor to 2013 aGVA growth was the Production industry, in which aGVA increased by £459 million (8.6%) from £5.3 billion to £5.8 billion.
- By contrast aGVA in the Construction and Distribution industries declined, falling by £70 million (4.1%) and £60 million (1.2%) respectively.

Figure 1: NI Business Economy: aGVA 2013

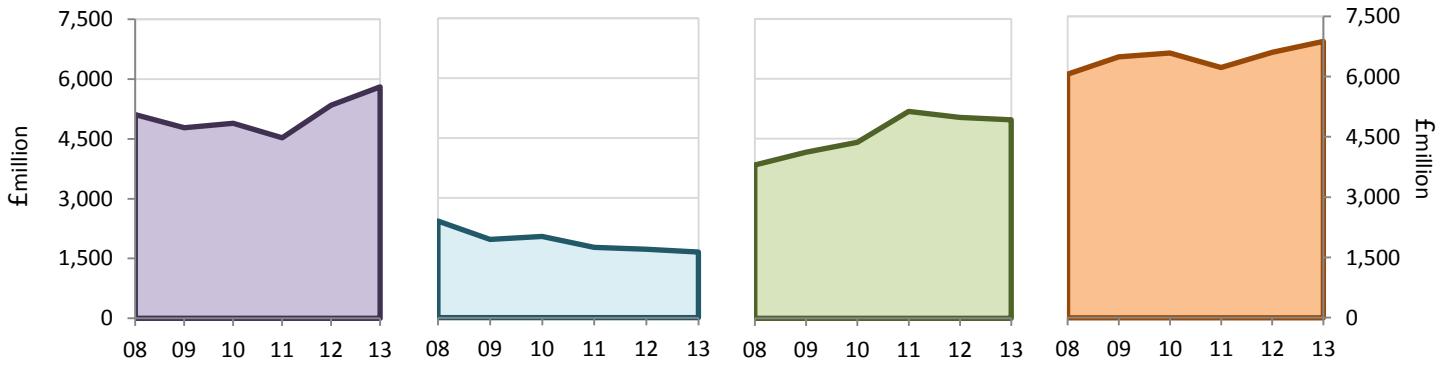


Production Industries
8.6% growth 2012-13 ↑

Construction Industries
4.1% decline 2012-13 ↓

Distribution Industries
1.2% decline 2012-13 ↓

Service Industries
4.1% growth 2012-13 ↑



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>

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This release contains 2013 provisional local unit¹ results and 2012 revised local unit 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 non-financial business economy. It is a survey of businesses covering the production, construction, distribution and service industries and 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 Added¹ (aGVA) at basic prices and employment. These estimates are further disaggregated at industry level, providing users with an insight into the size and evolution of the overall non-financial business economy from 2008 to 2013 as well as a measure of the contribution made by different industry sectors. The financial estimates are collected and presented as monetary values. All financial data are reported at current prices (effect of price changes included).

The NIABI originally existed as a subcomponent of the UK Annual Business Survey (ABS) 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 non-financial 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 2010 to 2013 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 NISRA 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 10,000 for the 2013 survey year. This has resulted in improvements to the precision of the estimates, as indicated by the accompanying quality indicators for 2013. This improvement should also be borne in mind when interpreting the annual change.

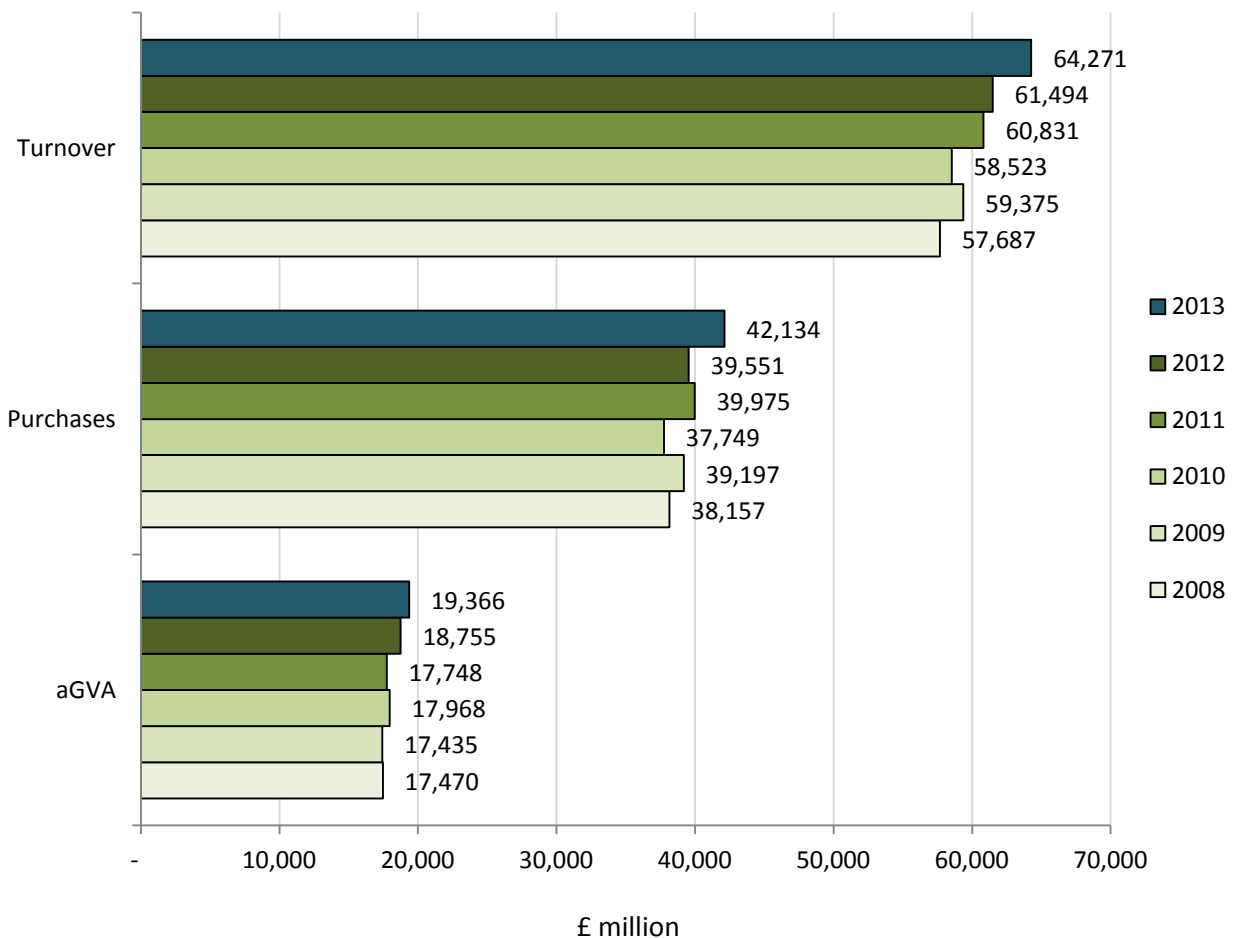
¹ See part (vi) of background notes for definitions and further information.

Overall Results

The provisional results of the 2013 NIABI and revised results from the 2012 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 £19,366 million in 2013, compared to £18,755 million in 2012. This amount represents the aGVA of the Northern Ireland non-financial business economy. The estimated 2013 aGVA is now more than 10% higher than that recorded in 2008, at the start of the financial downturn.

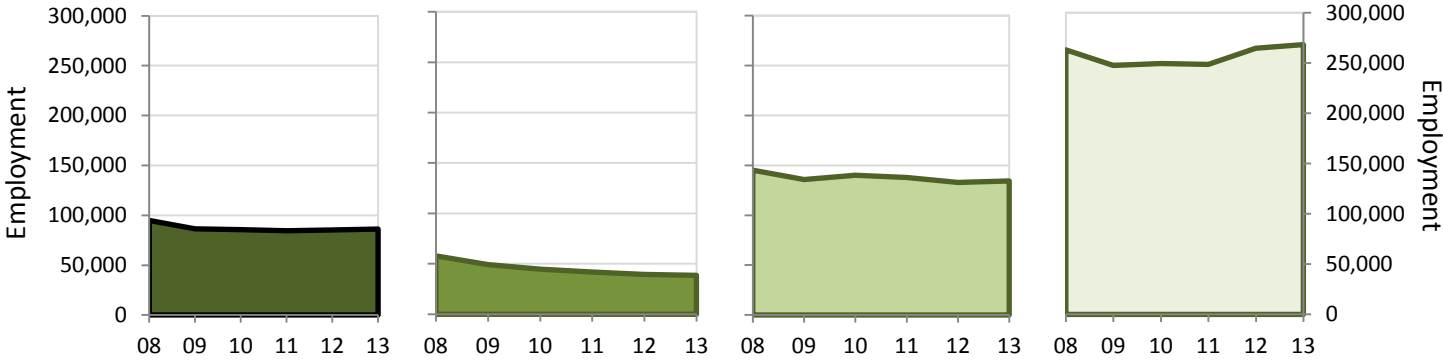
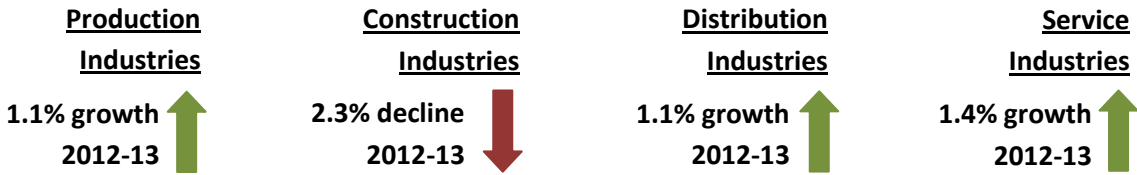
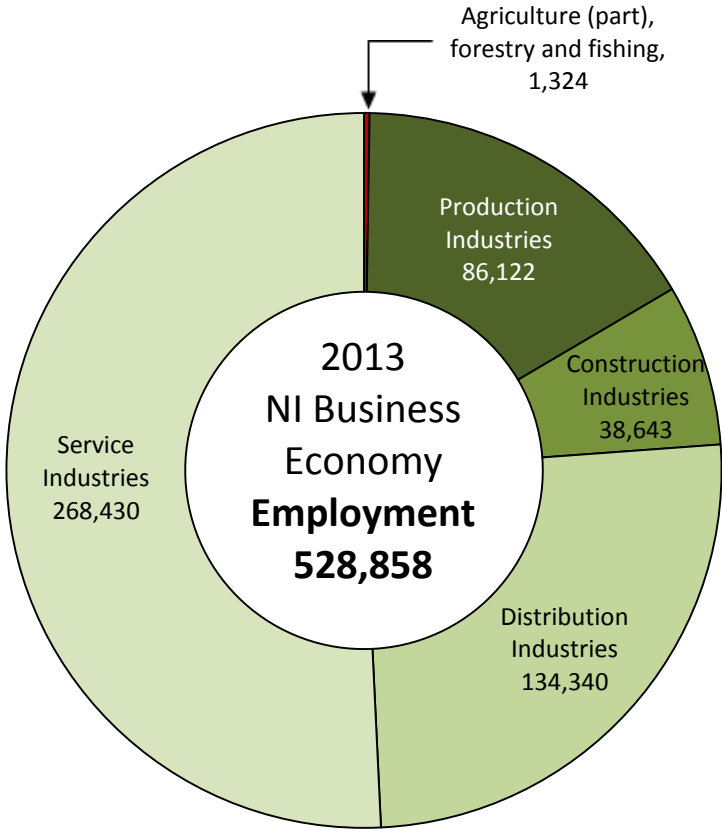
Turnover increased for the third consecutive year, growing by 4.5% to £64,271 million. Purchases of goods and services increased by 6.5% year-on-year, from £39,551 million in 2012 to £42,134 million in 2013.

Figure 2: Trends in NI Non-Financial Business Economy: Income and Expenditure 2008 – 2013



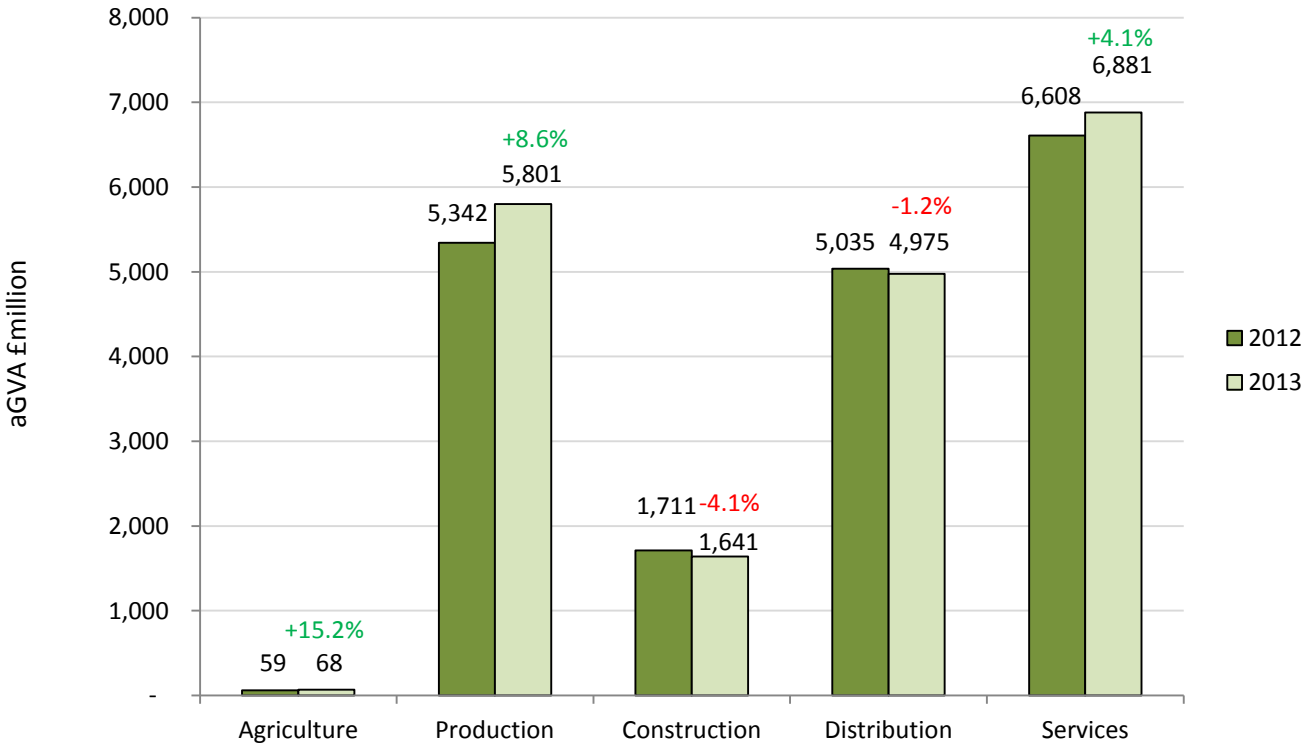
The 2013 NIABI recorded growth in employment of 1.0% to 528,858 in the Northern Ireland non-financial business economy. This was driven by an employment increase of over 3,600 in non-financial Services. Construction recorded a year-on-year drop in employment figures for the fifth consecutive year.

Figure 3: Trends in NI Non-Financial Business Economy: Employment 2013



The majority of the aGVA growth in the NI non-financial business economy came from the Production sector, which increased by 8.6% or £459 million to £5,801 million. The non-financial Services sector also showed an increase, growing by 4.1% or £272 million to £6,881 million. These increases were offset somewhat by declines in the Construction and Distribution sectors, which fell by £70 million (4.1%) and £60 million (1.2%) respectively.

Figure 4: Trends in NI Non-Financial Business Economy: % change in aGVA by Industry 2011 – 2013

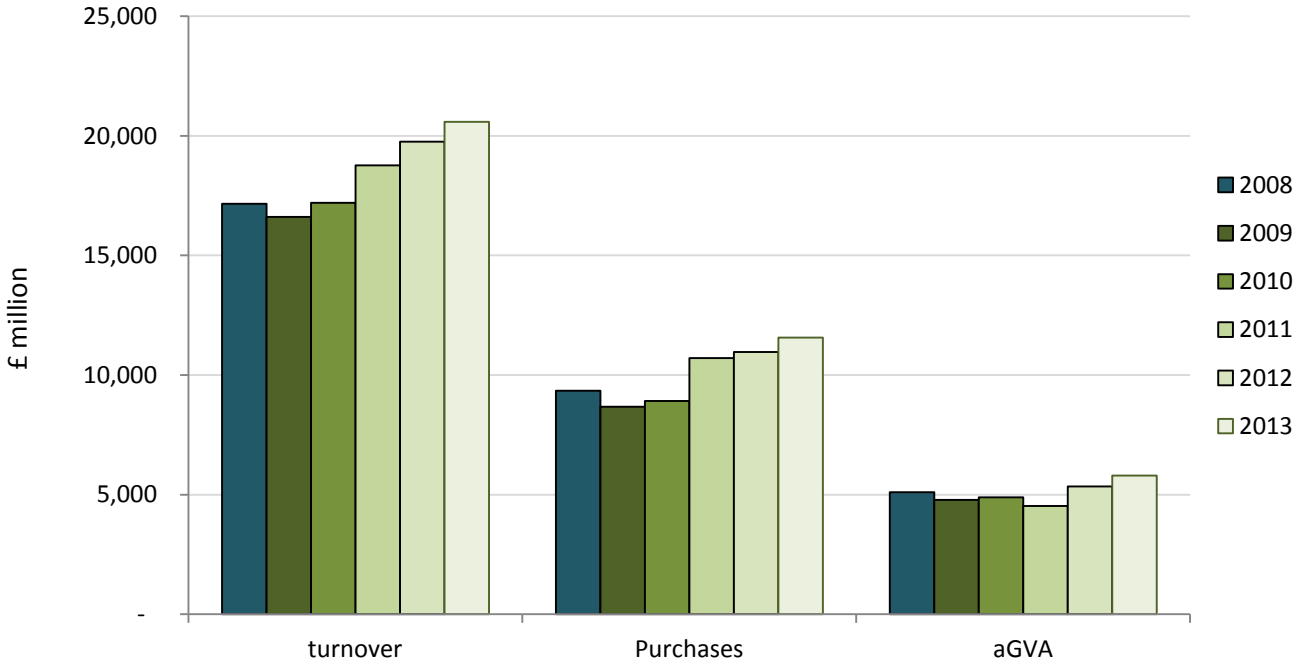


Production Industries (Sections B-E)

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.

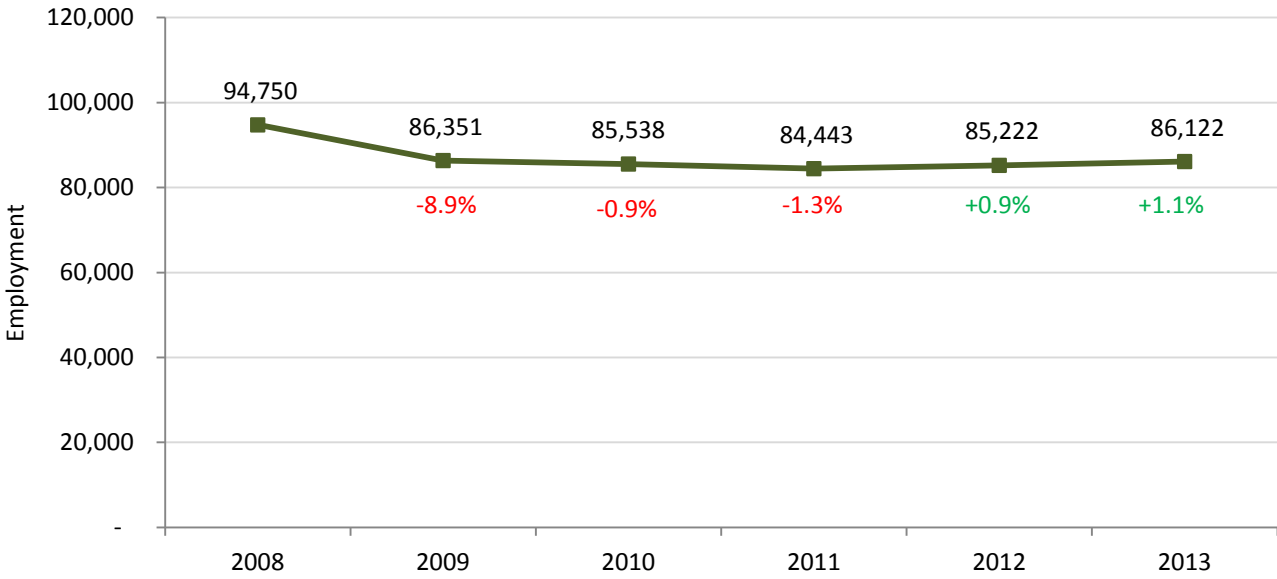
aGVA in the production sector increased by 8.6% or £459 million between 2012 and 2013, growing from £5,342 million to £5,801 million. Growth in aGVA was driven by turnover growth in excess of the industry’s spending on goods and services. Turnover grew by £825 million to £20,581 million while purchases increased by £595 million to £11,565.

Figure 5: Trends in the Production Sector: Income and Expenditure 2008 – 2013



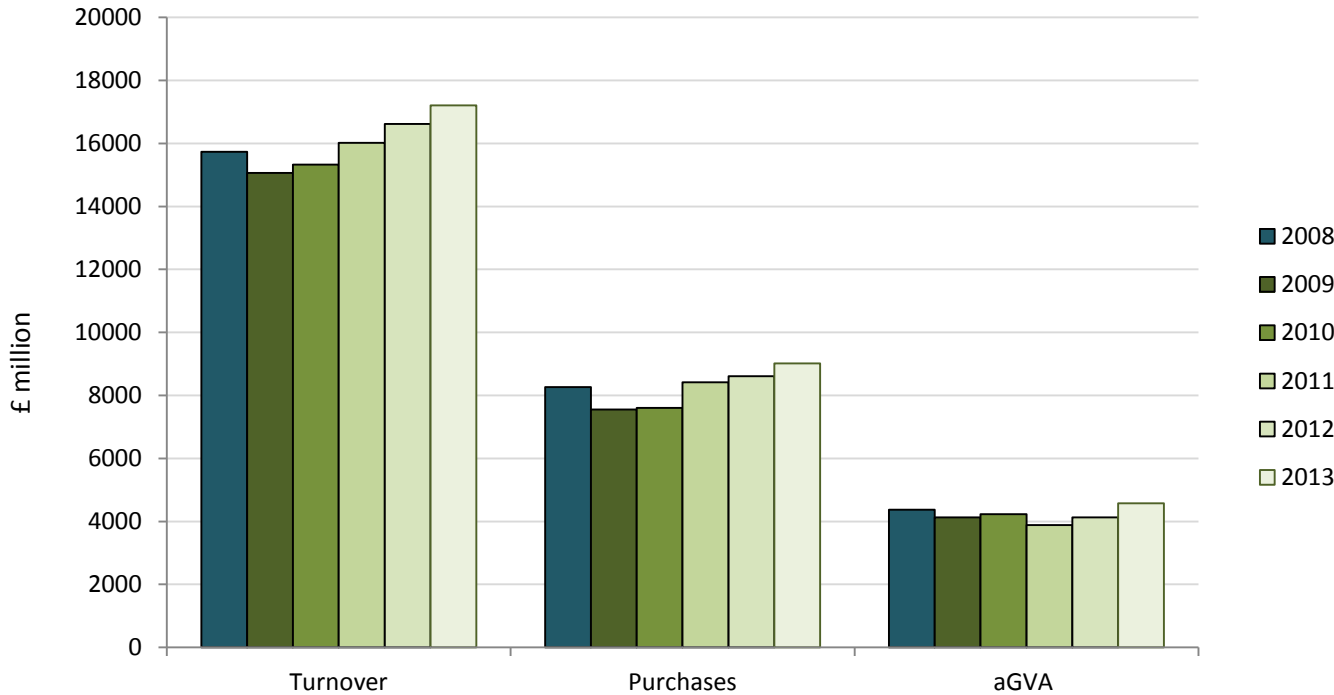
Employment in the production sector grew by 1.1% between 2012 and 2013. This was driven primarily by employment growth in water supply industries which is estimated to have added almost 1,000 jobs in 2013. The NIABI recorded approximately 8,600 fewer jobs in the NI production sector in 2013 compared to 2008, at the start of the economic downturn.

Figure 6: Trends in the Production Sector: Employment 2008 – 2013



The manufacturing section’s aGVA grew by 10.9% or £450 million in 2013 to £4,579 million and accounted for 78.9% of the Production sector’s aGVA.

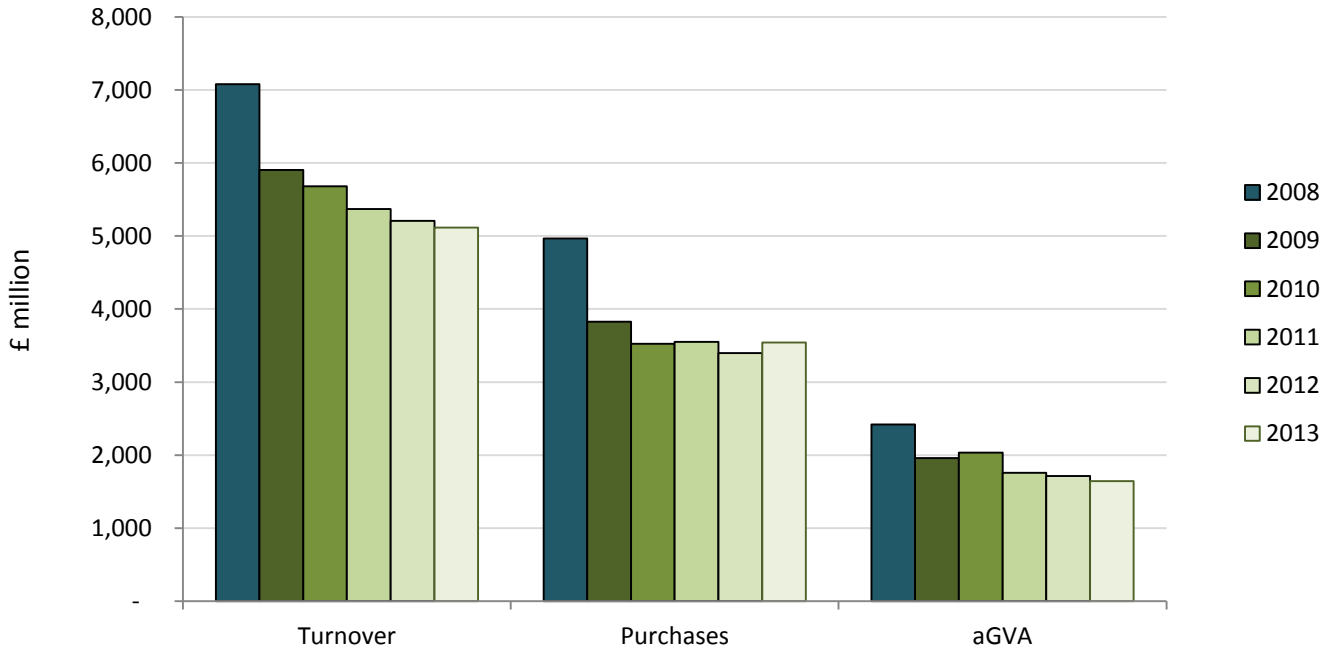
Figure 7: Trends in the Manufacturing Sector: Income and Expenditure 2008 – 2013



Construction Industries (Section F)

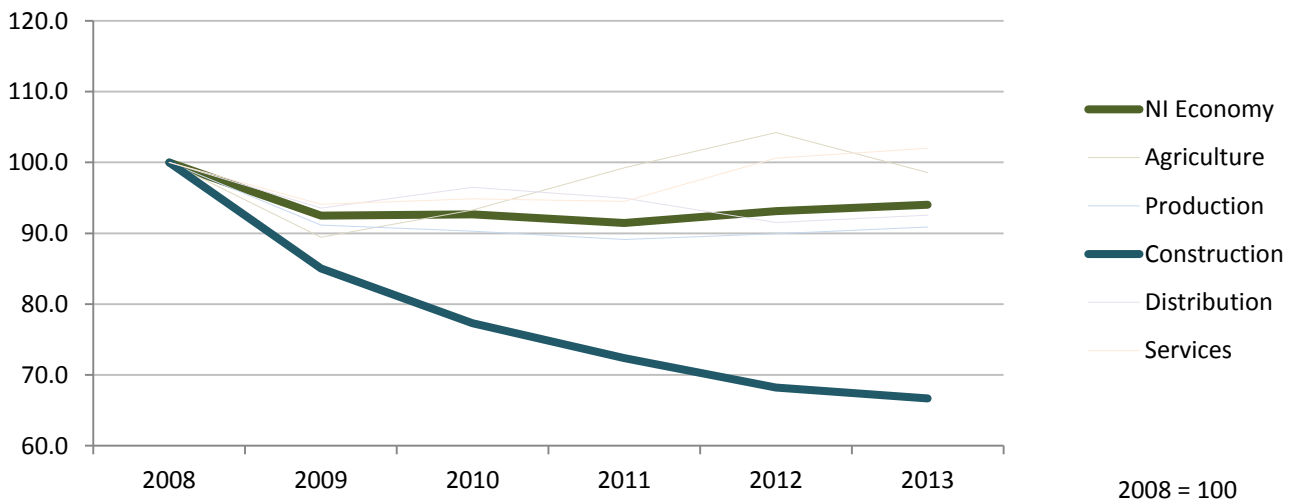
The construction industries cover the entire Northern Ireland construction sector and include: construction of buildings, civil engineering and specialised construction activities (e.g. demolition and site preparation, electrical, plumbing and other construction installation activities, etc). Turnover in the construction sector declined for the fifth consecutive year, falling by 1.7% to £5,117 million in 2013. Purchases increased by 4.2% resulting in an aGVA decline of 4.1% to £1,641 million.

Figure 8: Trends in the Construction Sector: Income and Expenditure 2008 – 2013



Employment in the construction sector also consistently declined over the period 2008 to 2013, dropping by 2.3% between 2012 and 2013. The 2013 construction sector estimates are 33.3% below the employment levels recorded in 2008.

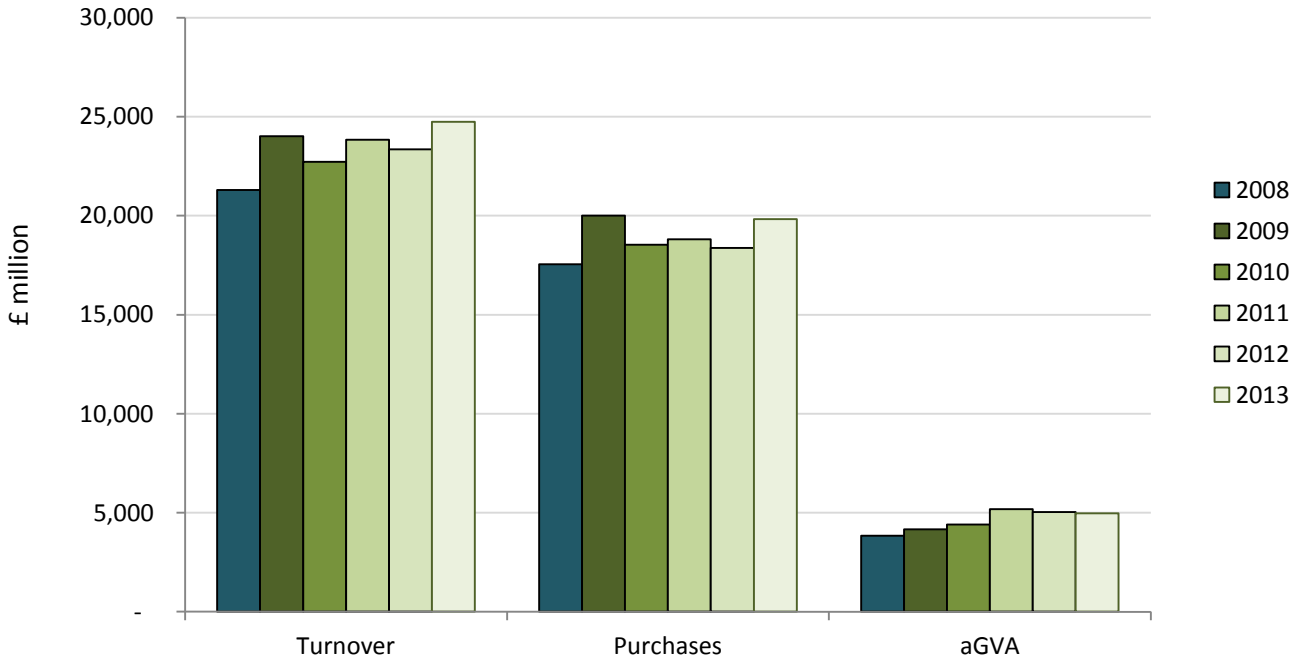
Figure 9: Trends in the Construction Sector: change in employment 2008 – 2013



Distribution Industries (Section G)

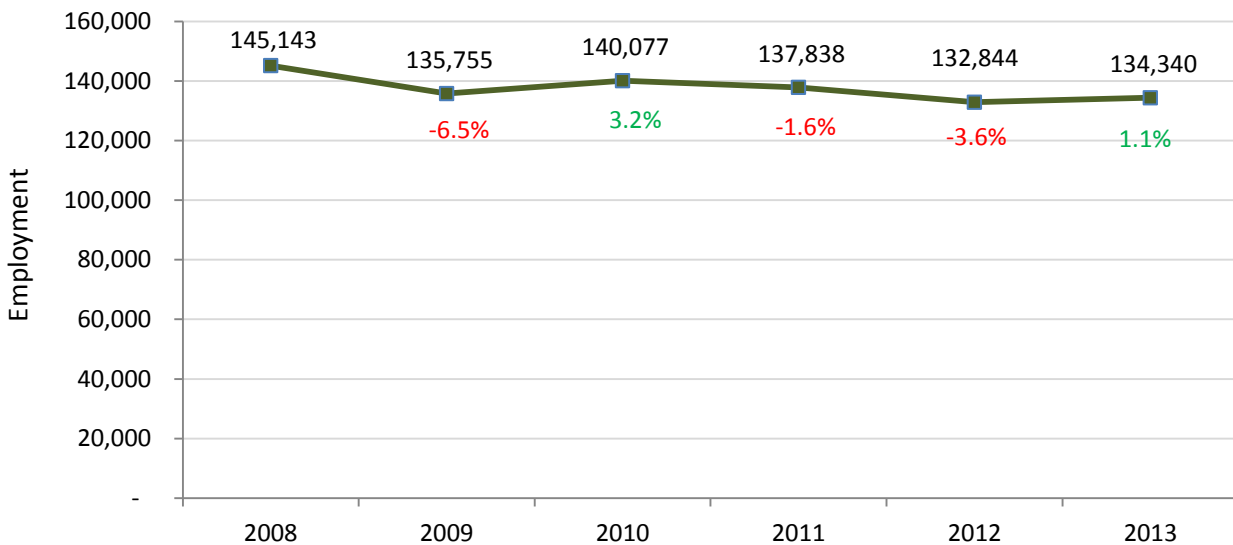
The distribution industries consist of companies engaged in wholesale and retail trade and cover the entire Northern Ireland wholesale and retail sector. aGVA in the distribution sector declined by 1.2% or £60 million from £5,035 million to £4,975 million. Turnover in the distribution sector increased by 6.0% to £24,748 million but was offset by a larger rise in purchases of goods and services, from £18,373 million in 2012 to £19,823 million in 2013.

Figure 10: Trends in the Distribution Sector: Income and Expenditure 2008 – 2013



Employment in the distribution sector increased for the first time since 2010, growing by 1.1% between 2012 and 2013 to 134,340. 2013 employment levels are estimated to be 7.4% below the level recorded in 2008.

Figure 11: Trends in the Distribution Sector: Employment 2008-2013

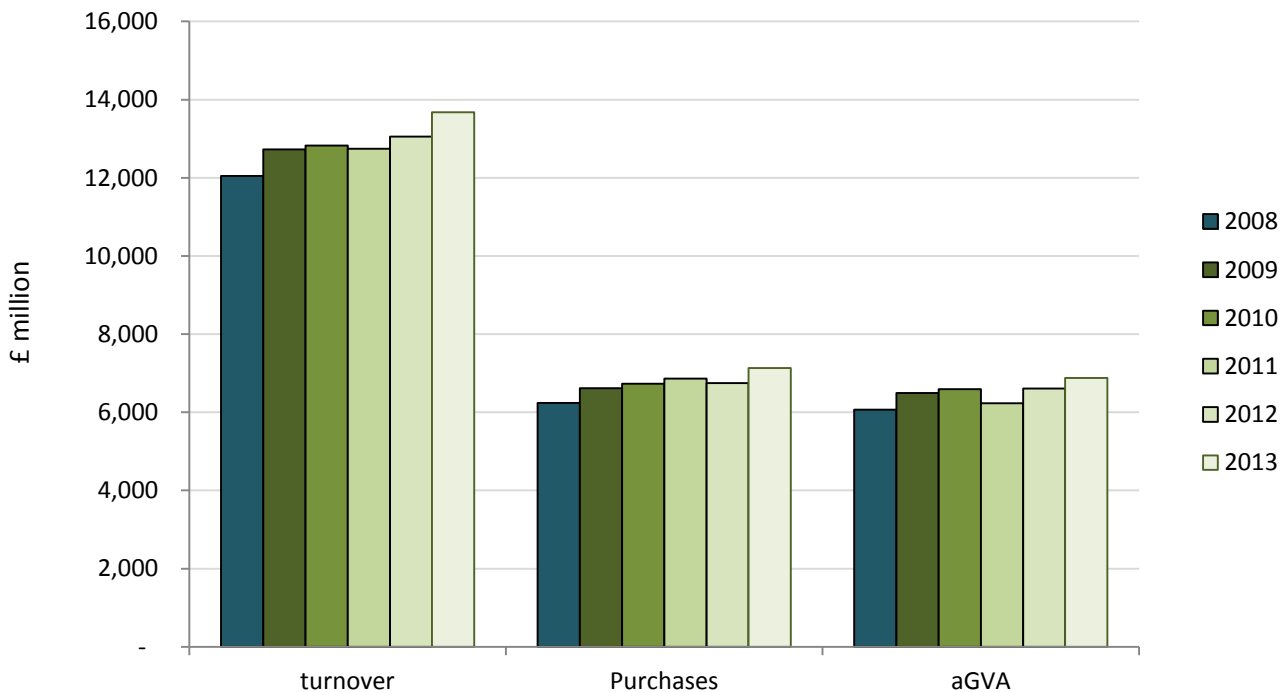


Non-Financial Service Industries (Section H –S)

The non-financial services sector 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).

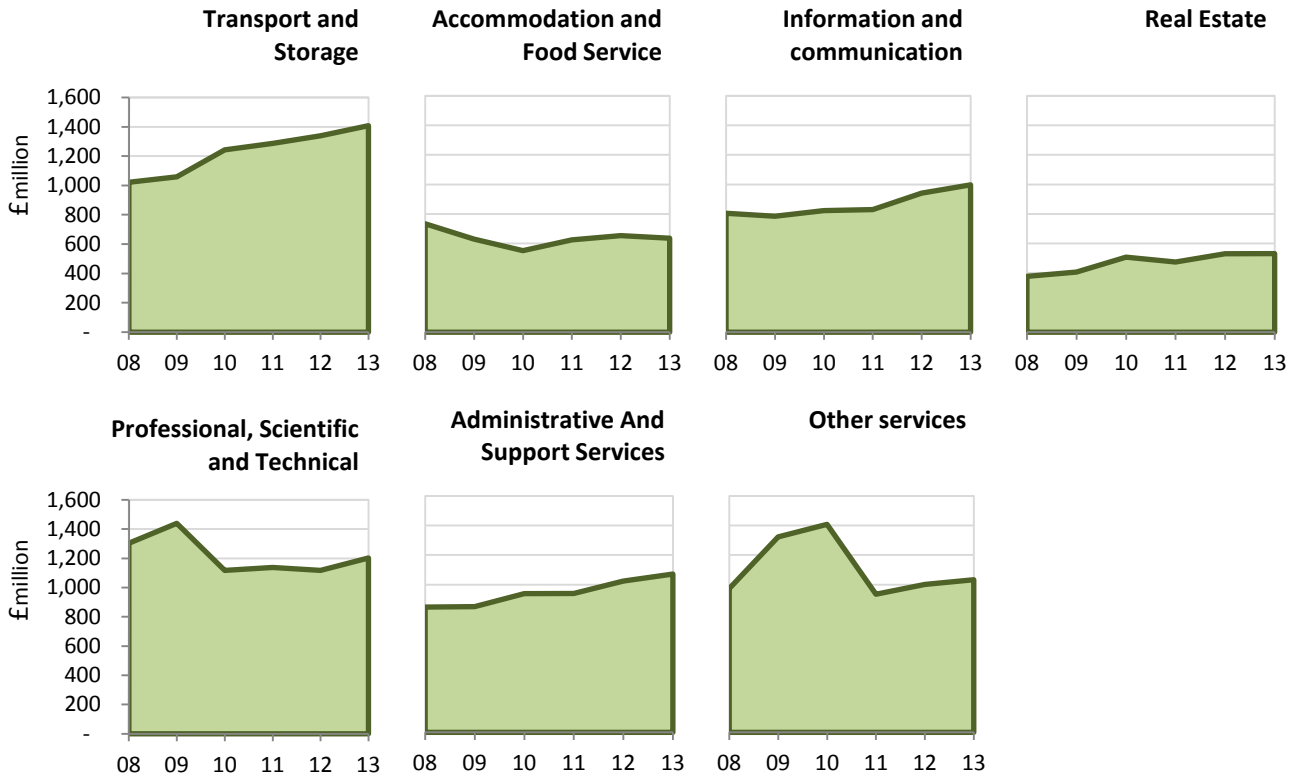
The non-financial services industries recorded overall growth in all key variables. Turnover grew by 4.8% or £627 million to £13,681 million. Purchases of goods and services increased by 5.7% or £385 million to £7,131 million. The larger absolute growth in turnover resulted in an aGVA increase of 4.1% to £6,881 million in 2013.

Figure 12: Trends in the Service Industries: Income and Expenditure 2008-2013



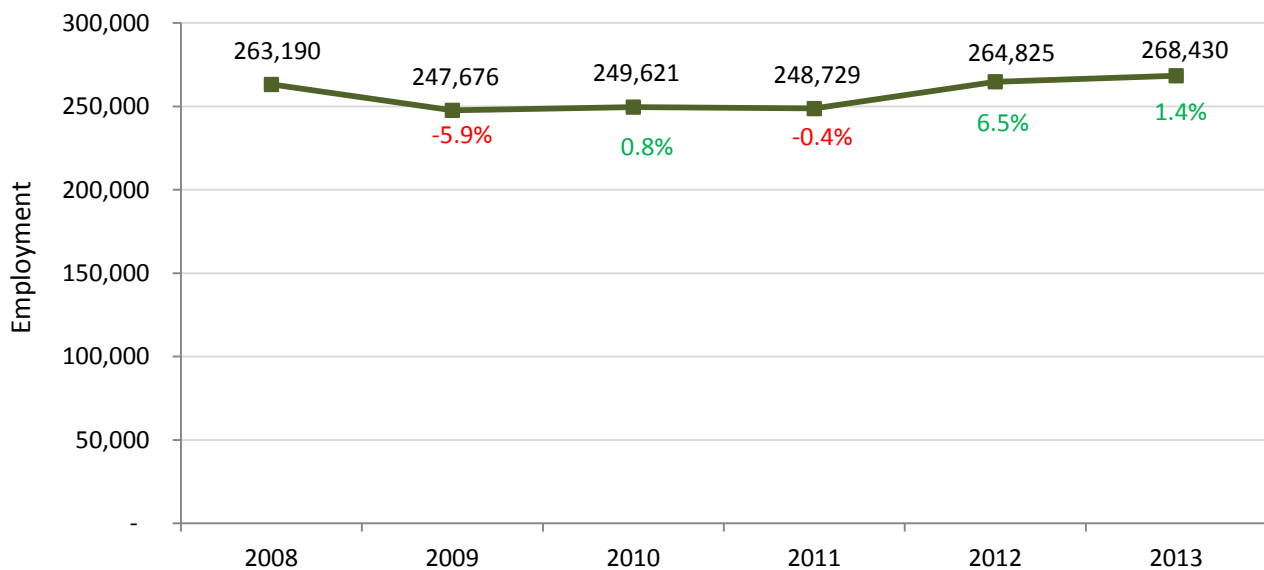
The largest contributor to the increase in the service industries' aGVA was the professional, scientific and technical activities section, which grew by 7.6% or £85 million. Other major contributors include transportation and storage (+£69 million), information and communication (+£56 million) and administrative and support service activities (+£48 million).

Figure 13: Trends in the Service Industries: aGVA by sector 2008-2013



Employment in the non-financial services sector increased by 1.4% in 2013; this growth is the primary contributor behind the overall growth of 1.0% in the NI employment levels in 2013. 2013 non-financial services employment was 2.0% above the level recorded in 2008 - the only sector in which employment was above 2008 levels. Within the industries that comprise non-financial services, the main industrial divisions responsible for employment growth were; information and communication (+2,389); accommodation and food services (+1,260) and others (+1,230).

Figure 14: Trends in the Service Industries: Employment 2008-2013



3: Results by Industry

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

Table 1: NIABI results by industry, 2012 and 2013

| | Standard Industrial Classification | Description | Turnover (£million) | Approximate Gross Value Added (aGVA) (£million) | Purchases (£million) | Employment |
|---------|------------------------------------|---|---------------------|---|----------------------|------------|
| 2012 | A – S | Agriculture, fishing, production, construction, distribution and services | 61,494 | 18,755 | 39,551 | 523,841 |
| 2013 | | | 64,271 | 19,366 | 42,134 | 528,858 |
| %change | | | 4.5% | 3.3% | 6.5% | 1.0% |
| 2012 | A (part) | Agriculture, forestry and fishing | 123 | 59 | 66 | 1,400 |
| 2013 | | | 144 | 68 | 75 | 1,324 |
| %change | | | 16.7% | 15.2% | 14.3% | -5.4% |
| 2012 | B – E | Production Industries | 19,756 | 5,342 | 10,970 | 85,222 |
| 2013 | | | 20,581 | 5,801 | 11,565 | 86,122 |
| %change | | | 4.2% | 8.6% | 5.4% | 1.1% |
| 2012 | B | Mining and quarrying | 288 | 80 | 190 | 1,806 |
| 2013 | | | 265 | 73 | 178 | 1,540 |
| %change | | | -8.2% | -9.2% | -6.2% | -14.7% |
| 2012 | C | Manufacturing | 16,616 | 4,129 | 8,611 | 76,790 |
| 2013 | | | 17,208 | 4,579 | 9,016 | 76,990 |
| %change | | | 3.6% | 10.9% | 4.7% | 0.3% |
| 2012 | D | Electricity, gas, steam and air conditioning supply | 1,955 | 323 | 1,670 | 1,663 |
| 2013 | | | 2,270 | 402 | 1,887 | 1,664 |
| %change | | | 16.1% | 24.5% | 13.0% | 0.1% |
| 2012 | E | Water supply, sewerage, waste management and remediation activities | 896 | 810 | 500 | 4,963 |
| 2013 | | | 837 | 747 | 483 | 5,927 |
| %change | | | -6.5% | -7.7% | -3.2% | 19.4% |
| 2012 | F | Construction | 5,206 | 1,711 | 3,396 | 39,551 |
| 2013 | | | 5,117 | 1,641 | 3,540 | 38,643 |
| %change | | | -1.7% | -4.1% | 4.2% | -2.3% |

Table 1 (continued): NIABI results by industry, 2012 and 2013

| | Standard Industrial Classification | Description | Turnover (£million) | Approximate Gross Value Added (aGVA) (£million) | Purchases (£million) | Employment |
|---------|------------------------------------|---|---------------------|---|----------------------|------------|
| 2012 | G – S | Distribution and service industries | 36,409 | 11,643 | 25,119 | 397,669 |
| 2013 | | | 38,429 | 11,856 | 26,954 | 402,770 |
| %change | | | 5.5% | 1.8% | 7.3% | 1.3% |
| 2012 | G | Wholesale and retail trade; repair of motor vehicles and motor cycles | 23,355 | 5,035 | 18,373 | 132,844 |
| 2013 | | | 24,748 | 4,975 | 19,823 | 134,340 |
| %change | | | 6.0% | -1.2% | 7.9% | 1.1% |
| 2012 | H - S | Other service Industries | 13,053 | 6,608 | 6,746 | 264,825 |
| 2013 | | | 13,681 | 6,881 | 7,131 | 268,430 |
| %change | | | 4.8% | 4.1% | 5.7% | 1.4% |
| 2012 | H | Transport and storage | 3,271 | 1,339 | 2,039 | 27,519 |
| 2013 | | | 3,335 | 1,408 | 2,019 | 27,204 |
| %change | | | 2.0% | 5.1% | -1.0% | -1.1% |
| 2012 | I | Accommodation and food service activities | 1,298 | 654 | 649 | 43,097 |
| 2013 | | | 1,322 | 636 | 707 | 44,357 |
| %change | | | 1.9% | -2.7% | 8.8% | 2.9% |
| 2012 | J | Information and communication | 1,504 | 941 | 598 | 17,761 |
| 2013 | | | 1,741 | 997 | 773 | 20,150 |
| %change | | | 15.8% | 5.9% | 29.3% | 13.5% |
| 2012 | L | Real estate activities | 911 | 531 | 381 | 9,057 |
| 2013 | | | 918 | 532 | 391 | 9,085 |
| %change | | | 0.7% | 0.1% | 2.4% | 0.3% |
| 2012 | M | Professional, scientific and technical activities | 1,937 | 1,118 | 829 | 29,343 |
| 2013 | | | 2,057 | 1,203 | 860 | 28,489 |
| %change | | | 6.2% | 7.6% | 3.7% | -2.9% |

Table 1 (continued): NIABI results by industry, 2012 and 2013

| | Standard Industrial Classification | Description | Turnover (£million) | Approximate Gross Value Added (aGVA) (£million) | Purchases (£million) | Employment |
|---------|------------------------------------|---|---------------------|---|----------------------|------------|
| 2012 | N | Administrative and support service activities | 1,691 | 1,024 | 681 | 50,311 |
| 2013 | | | 1,746 | 1,072 | 723 | 50,178 |
| %change | | | 3.2% | 4.7% | 6.1% | -0.3% |
| 2012 | P - S | Others | 2,441 | 1,001 | 1,568 | 87,737 |
| 2013 | | | 2,562 | 1,033 | 1,659 | 88,967 |
| %change | | | 4.9% | 3.2% | 5.8% | 1.4% |

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.

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

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 2013 parameter estimate for turnover in Section A is £144 million.

Table 2: NIABI results by manufacturing division, 2012 and 2013

| | Standard Industrial Classification | Description | Turnover (£million) | Approximate Gross Value Added (aGVA) (£million) | Purchases (£million) | Employment |
|---------|------------------------------------|---|---------------------|---|----------------------|------------|
| 2012 | 10 – 12 | Manufacture of food, beverages and tobacco | 8,597 | 1,429 | 3,265 | 18,024 |
| 2013 | | | 8,819 | 1,570 | 3,494 | 18,003 |
| %change | | | 2.6% | 9.9% | 7.0% | -0.1% |
| 2012 | 13 | Manufacture of textiles | 177 | 53 | 125 | 1,629 |
| 2013 | | | 174 | 52 | 123 | 1,637 |
| %change | | | -1.8% | -1.7% | -1.6% | 0.5% |
| 2012 | 14 | Manufacture of wearing apparel | 134 | 43 | 88 | 743 |
| 2013 | | | 63 | 22 | 40 | 598 |
| %change | | | -52.7% | -50.0% | -54.6% | -19.5% |
| 2012 | 15 | Manufacture of leather and related products | * | * | * | * |
| 2013 | | | * | * | * | * |
| %change | | | * | * | * | * |
| 2012 | 16 | Manufacture of wood and of products of wood and cork; manufacture of articles of straw and plaiting materials | 301 | 105 | 199 | 2,703 |
| 2013 | | | 286 | 75 | 206 | 2,487 |
| %change | | | -5.2% | -28.7% | 3.7% | -8.0% |
| 2012 | 17 | Manufacture of paper and paper products | 242 | 77 | 162 | 1,572 |
| 2013 | | | 225 | 72 | 153 | 1,436 |
| %change | | | -7.0% | -6.8% | -5.5% | -8.7% |
| 2012 | 18 | Printing and reproduction of recorded media | 155 | 81 | 75 | 1,921 |
| 2013 | | | 156 | 76 | 82 | 1,880 |
| %change | | | 0.4% | -6.9% | 9.1% | -2.1% |
| 2012 | 19 | Manufacture of coke and refined petroleum products | * | * | * | * |
| 2013 | | | * | * | * | * |
| %change | | | * | * | * | * |

Table 2 (continued): NIABI results by manufacturing division, 2012 and 2013

| | Standard Industrial Classification | Description | Turnover (£million) | Approximate Gross Value Added (aGVA) (£million) | Purchases (£million) | Employment |
|---------|------------------------------------|--|---------------------|---|----------------------|------------|
| 2012 | 20 | Manufactures of chemicals and chemical products | 234 | 115 | 120 | 1,308 |
| 2013 | | | 268 | 122 | 146 | 1,470 |
| %change | | | 14.4% | 6.0% | 21.9% | 12.4% |
| 2012 | 21 | Manufacture of basic pharmaceutical products and pharmaceutical preparations | 288 | 88 | 193 | 2,125 |
| 2013 | | | 305 | 98 | 201 | 1,999 |
| %change | | | 5.6% | 11.2% | 4.0% | -5.9% |
| 2012 | 22 | Manufacture of rubber and plastic products | 756 | 249 | 509 | 5,221 |
| 2013 | | | 846 | 273 | 572 | 5,206 |
| %change | | | 11.9% | 9.7% | 12.5% | -0.3% |
| 2012 | 23 | Manufacture of other non-metallic mineral products | 445 | 166 | 276 | 4,219 |
| 2013 | | | 462 | 192 | 283 | 4,127 |
| %change | | | 3.8% | 15.5% | 2.5% | -2.2% |
| 2012 | 24 | Manufacture of basic metals | 86 | 36 | 51 | 734 |
| 2013 | | | 95 | 46 | 53 | 557 |
| %change | | | 10.8% | 27.9% | 4.3% | -24.1% |
| 2012 | 25 | Manufacture of fabricated metal products, except machinery and equipment | 865 | 315 | 556 | 8,591 |
| 2013 | | | 909 | 359 | 556 | 9,185 |
| %change | | | 5.1% | 13.9% | 0.0% | 6.9% |
| 2012 | 26 | Manufacture of computer, electronic and optical products | 573 | 312 | 271 | 3,852 |
| 2013 | | | 593 | 309 | 288 | 3,997 |
| %change | | | 3.5% | -0.8% | 6.4% | 3.8% |
| 2012 | 27 | Manufacture of electrical equipment | * | 181 | * | 3,437 |
| 2013 | | | * | 315 | * | 3,481 |
| %change | | | * | 73.7% | * | 1.3% |

Table 2 (continued): NIABI results by manufacturing division, 2012 and 2013

| | Standard Industrial Classification | Description | Turnover (£million) | Approximate Gross Value Added (aGVA) (£million) | Purchases (£million) | Employment |
|---------|------------------------------------|---|---------------------|---|----------------------|------------|
| 2012 | 28 | Manufacture of machinery and equipment not elsewhere classified | 1,019 | 308 | 718 | 5,272 |
| 2013 | | | 1,054 | 347 | 735 | 5,299 |
| %change | | | 3.4% | 12.9% | 2.3% | 0.5% |
| 2012 | 29 | Manufacture of motor vehicles, trailers and semi-trailers | 443 | 124 | 321 | 3,271 |
| 2013 | | | 512 | 135 | 399 | 3,396 |
| %change | | | 15.6% | 9.0% | 24.6% | 3.8% |
| 2012 | 30 | Manufacture of other transport equipment | 858 | 224 | 647 | 6,496 |
| 2013 | | | 955 | 273 | 729 | 5,995 |
| %change | | | 11.3% | 21.7% | 12.8% | -7.7% |
| 2012 | 31 | Manufacture of furniture | 231 | 94 | 136 | 3,074 |
| 2013 | | | 221 | 95 | 131 | 3,212 |
| %change | | | -4.2% | 0.4% | -4.1% | 4.5% |
| 2012 | 32 | Other manufacturing | 143 | 74 | 70 | 1,414 |
| 2013 | | | 195 | 100 | 94 | 1,634 |
| %change | | | 36.0% | 34.9% | 34.5% | 15.6% |
| 2012 | 33 | Repair and installation of machinery and equipment | 107 | 48 | 61 | 1,132 |
| 2013 | | | 112 | 45 | 67 | 1,260 |
| %change | | | 4.6% | -7.5% | 10.0% | 11.4% |

(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 2013 NIABI sampled approximately 10,000 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/idbr_publication_edition_17_updated_jan_2015.pdf?rev=0

(ii) Survey reference period

For survey reference period 2013, businesses were asked to make returns for the calendar year 2013. Where this was not possible, returns for business years ending between 6 April 2013 and 5 April 2014 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 NISRA 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 10,000 for the 2013 survey year.

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 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 10,000 forms were issued from the NISRA Economic and Labour Market Statistics Branch in March 2014 and the returned forms were subjected to a range of validation and congruency checks. The 2013 response rate was 75.2%.

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 local unit information, and is therefore not directly comparable with earlier NIABI bulletins which are based on reporting unit information. Reporting and local unit definitions can be found on the NISRA Economic and Labour Market Statistics website at: http://www.detini.gov.uk/stats_bus_register_3.doc

Also, to better meet user needs, and in consultation with ONS Methodology Consultancy Service, NISRA produced these results using Statistics Canada's Generalized Estimation System. This allows the production of 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

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

(vi) Definitions

Reporting and Local Units

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 unit.

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 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 2013 and were released on 10 December 2014. 2014 results are scheduled for release in December 2015. The NIABI provides more detailed industry information than is possible in Regional Accounts measures.

http://www.ons.gov.uk/ons/dcp171778_388340.pdf

(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 August 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 employment data at local unit level; 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/labour_market_statistics/labour_force_survey.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 UK national estimates for 2013, as well as the recently published regional 2013 estimates. The latest UK national estimates for 2013 can be found at http://www.ons.gov.uk/ons/dcp171778_384804.pdf while ONS' regional estimates for 2013 are available at http://www.ons.gov.uk/ons/dcp171778_411677.pdf

The latest Department of Enterprise, Trade and Investment (DETI) Economic Commentary (June 2015) 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_-_june_2015_v2.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.

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/index/what-we-do/deti-stats-index/economic_output_statistics/index-of-services.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

(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 sample size 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/december_2014_-_niabi_quality_report.pdf?rev=0

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 local unit results for the Northern Ireland ABI industries (2013). These 2013 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

In line with this and with the NIABI revisions policy, provisional NIABI estimates for 2012 have been revised throughout this publication. The table below provides details of revisions to 2012 data.

Table 3: Size of revisions to previously published 2012 data

| | Provisional 2012 (£) | Revised 2012 (£) | % change |
|------------|----------------------|------------------|----------|
| Turnover | 61,306 | 61,494 | 0.3% |
| Purchases | 39,469 | 39,551 | 0.2% |
| aGVA | 18,196 | 18,755 | 3.1% |
| Employment | 518,518 | 523,841 | 1.0% |

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/elmsb_2015-2016_publication_schedule_-_revised-5.xlsx?rev=0

The list of people given pre-release access to this publication is available at:

http://www.detini.gov.uk/elms_publication_and_pre-release_access_list_-_updated_april_2015.docx?rev=0

(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?rev=0

(xvi) Next publication

The 2014 reporting unit publication will be published in early December 2015. The local unit publication for 2014 will be published in Summer 2016.

For further information

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