

NI Non-Financial Business Economy 2014 Provisional Local Unit Results (Annual Business Inquiry)



Date: 20/05/2016

Geographical Area: Northern Ireland

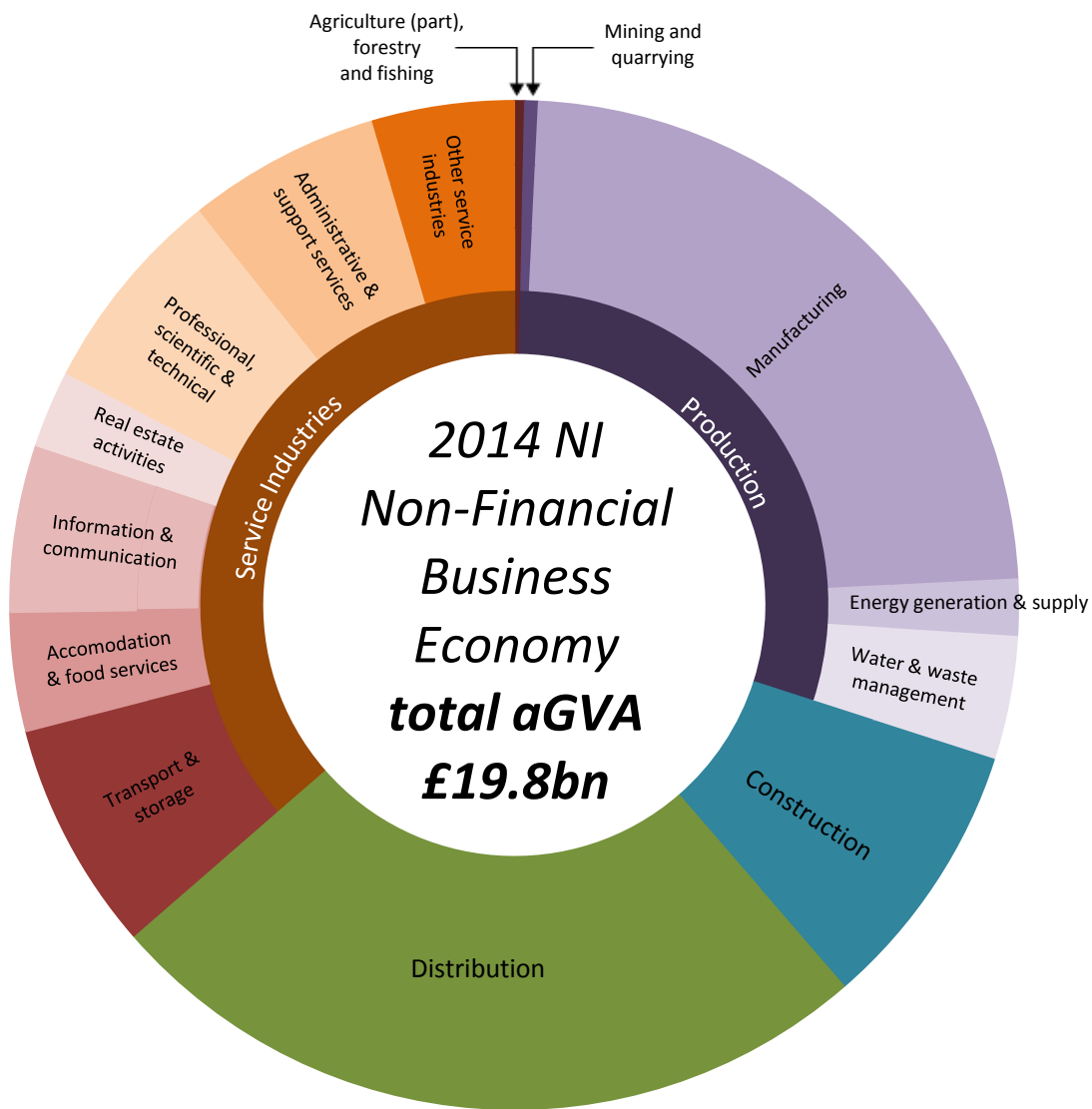
Theme: Business and energy

Frequency: Annual

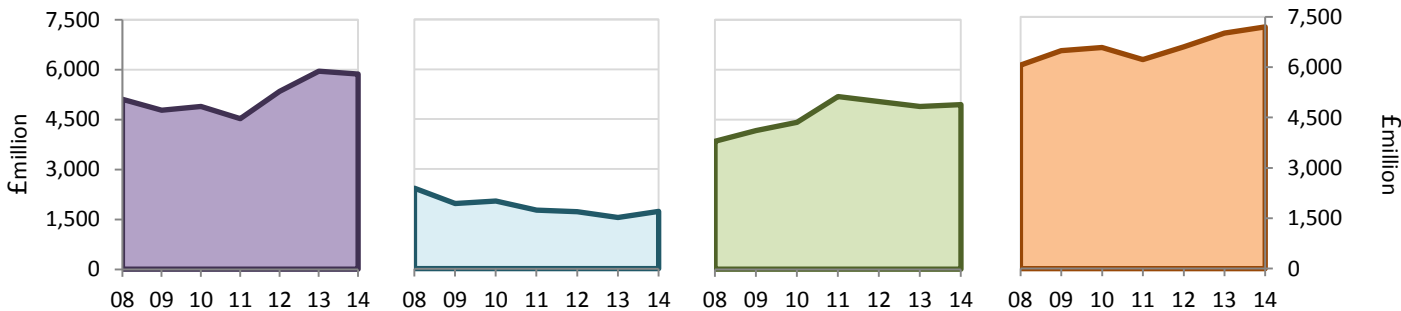
Key Points

- In 2014, the income generated by businesses in Northern Ireland, less the cost of goods and services used to create this income was estimated to be £19.8 billion. This amount represents the approximate Gross Value Added (aGVA) at basic prices of the NI non-financial business economy, excluding farming and financial services.
- The Northern Ireland (NI) non-financial business economy, as measured by the Northern Ireland Annual Business Inquiry (NIABI), recorded an increase of 1.7% in approximate Gross Value Added (aGVA) from 2013 to 2014.
- In comparison, UK aGVA increased by 10.3% (£103.5 billion), the largest annual increase since 1997.
- Growth in aGVA derived primarily from the services and construction sectors which increased by £185 million and £184 million respectively.
- The production sector declined in aGVA over the period, falling by 1.4% or £85 million in 2014.
- The construction sector recorded an increase in all key variables between 2013 and 2014 ending a period of three consecutive years of declining aGVA. There was growth in aGVA of 11.9% between 2013 and 2014, increasing from £1.5 billion to £1.7 billion.
- The turnover of the NI economy increased by 1.4% over the year. Purchases of goods, materials, energy, water and services also grew (1.7%). Employment in NI increased by an estimated 2.8% to 544,082 in 2014.

Figure 1: NI Non-Financial Business Economy: aGVA 2014



<u>Production Industries</u>	<u>Construction Industries</u>	<u>Distribution Industries</u>	<u>Service Industries</u>
-1.4% decline 2013-14	11.9% growth 2013-14	1.1% growth 2013-14	2.6% growth 2013-14



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Contents

1	Introduction and context	Page 5
2	Summary and commentary	Page 6
	Overall results	Page 6
	Production industries	Page 10
	Construction industries	Page 12
	Distribution industries	Page 13
	Non-financial services industries	Page 15
3	Results by industry	Page 18
4	Background notes	Page 24

This release contains 2014 provisional and 2013 revised local unit¹ 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.

Key variables

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 (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 2014 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).

Interpretation

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.

Quality indicators

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 2014 data. Consequently, although 2008 and 2009 figures are included in this report, users should exercise caution when making comparisons.

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

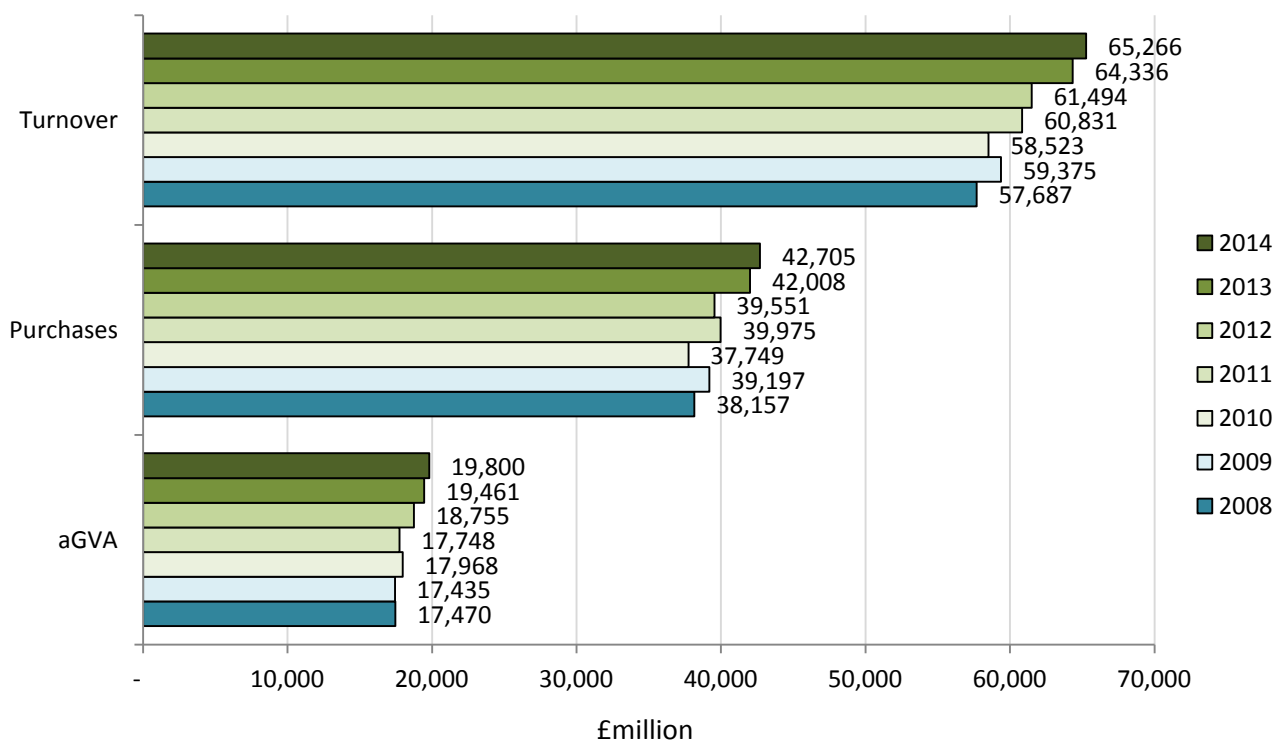
Overall results

The provisional local unit results of the 2014 NIABI and revised results from the 2013 NIABI show that the turnover generated by businesses in Northern Ireland, less the cost of goods and services used to create this income was estimated to be £19,800 million in 2014, compared to £19,461 million in 2013. This amount represents the aGVA of the Northern Ireland non-financial business economy (see background notes section (iv) for full details of industry coverage).

Turnover in the NI non-financial business economy increased for the fourth consecutive year, growing by 1.4% to £65,266 million. The value of purchases of goods, materials, energy, water and services grew by 1.7% year-on-year, from £42,008 million in 2013 to £42,705 million in 2014.

Results for the NI non-financial business economy show a slower pace of growth for aGVA than recorded for the UK as a whole. The value of aGVA in the UK increased by 10.3% between 2013 and 2014 compared with 1.7% for NI. Comparing turnover, the UK increased by 2.2% compared to 1.4% for NI. The value of purchases in NI increased by 1.7% year-on-year compared to a decline of 0.6% for the UK.

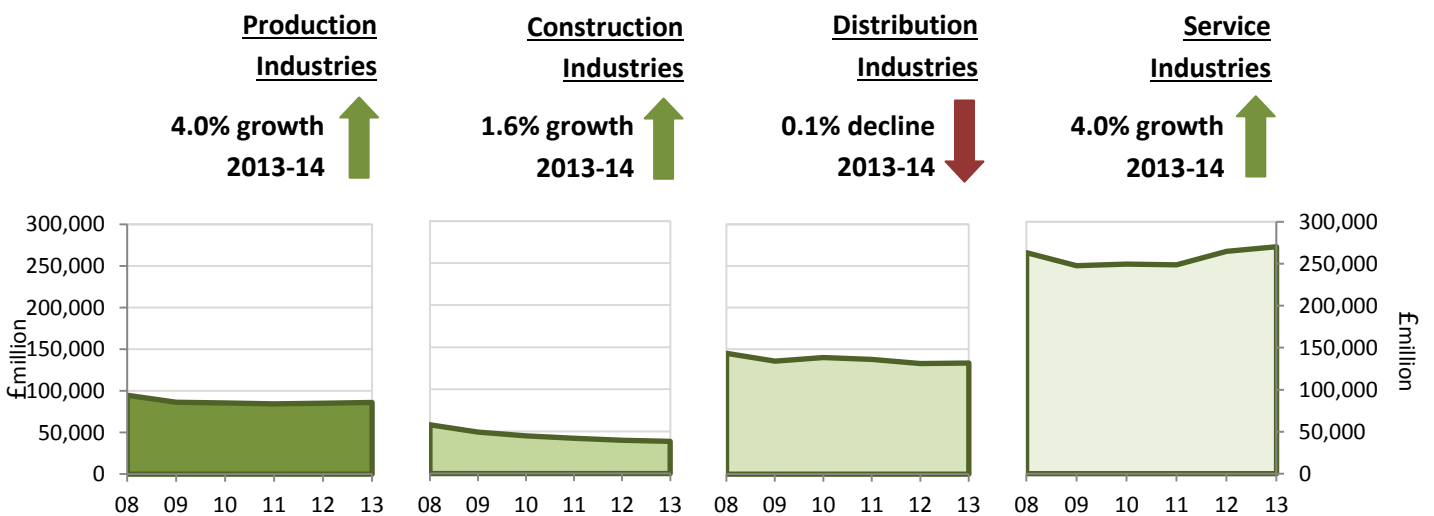
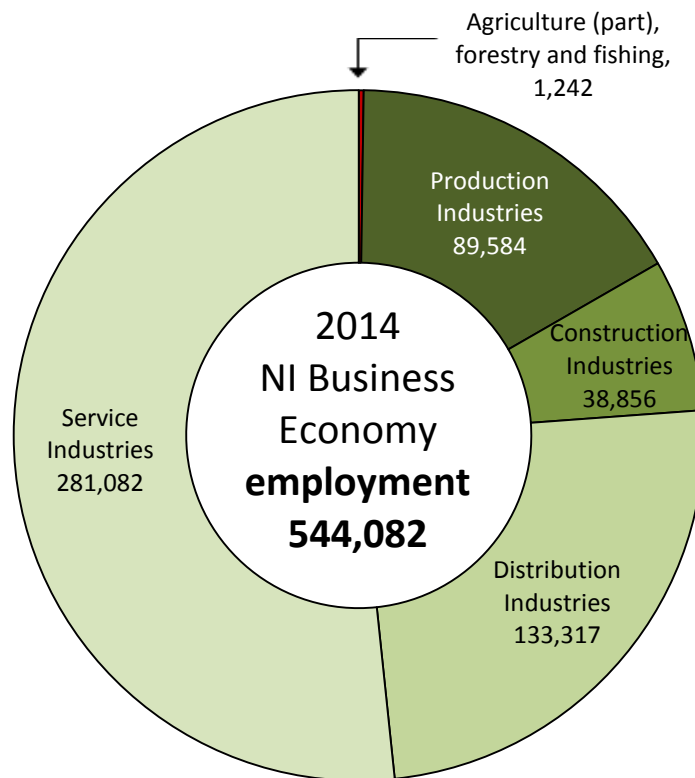
Figure 2: Trends in NI Non-Financial Business Economy: Income and Expenditure 2008 – 2014



Employment

Employment in the NI non-financial business economy increased for the third consecutive year, growing from 529,415 in 2013 to 544,082 in 2014. Employment in 2014 was 3.3% below the figure recorded in 2008; however following job growth between 2011 and 2014 it was 5.8% or 29,795 above the figure recorded in 2011. The largest contributing industry to employment growth was the non-financial services sector, which added 10,812 jobs between 2013 and 2014. Construction ended five consecutive years of declining employment by recording an increase of 609 jobs between 2013 and 2014.

Figure 3: Employment in the NI Non-Financial Business Economy: Industry share 2014 and 2008-2014 trends

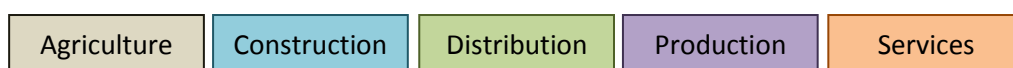


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Examining contribution by industrial section, construction was the single largest contributor to the increase in aGVA, growing by £184 million or 11.9%. Three of the top five increases were recorded by sections in the non-financial services sector. Professional, scientific and technical activities; accommodation and food services and transport and storage accounted for a combined increase in aGVA of £343 million between 2013 and 2014.

aGVA in the other services² section declined by £95 million (-9.6%) over the year, falling from £991 million in 2013 to £896 million in 2014. Electricity generation and supply also recorded a large drop in aGVA, falling by £93 million (20.5%) to £360 million in 2014.

Figure 4: Trends in NI Non-Financial Business Economy: aGVA change by industrial section 2013 – 2014

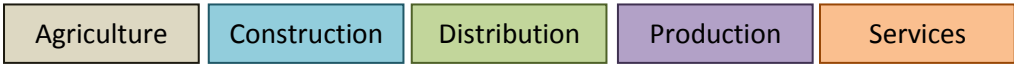
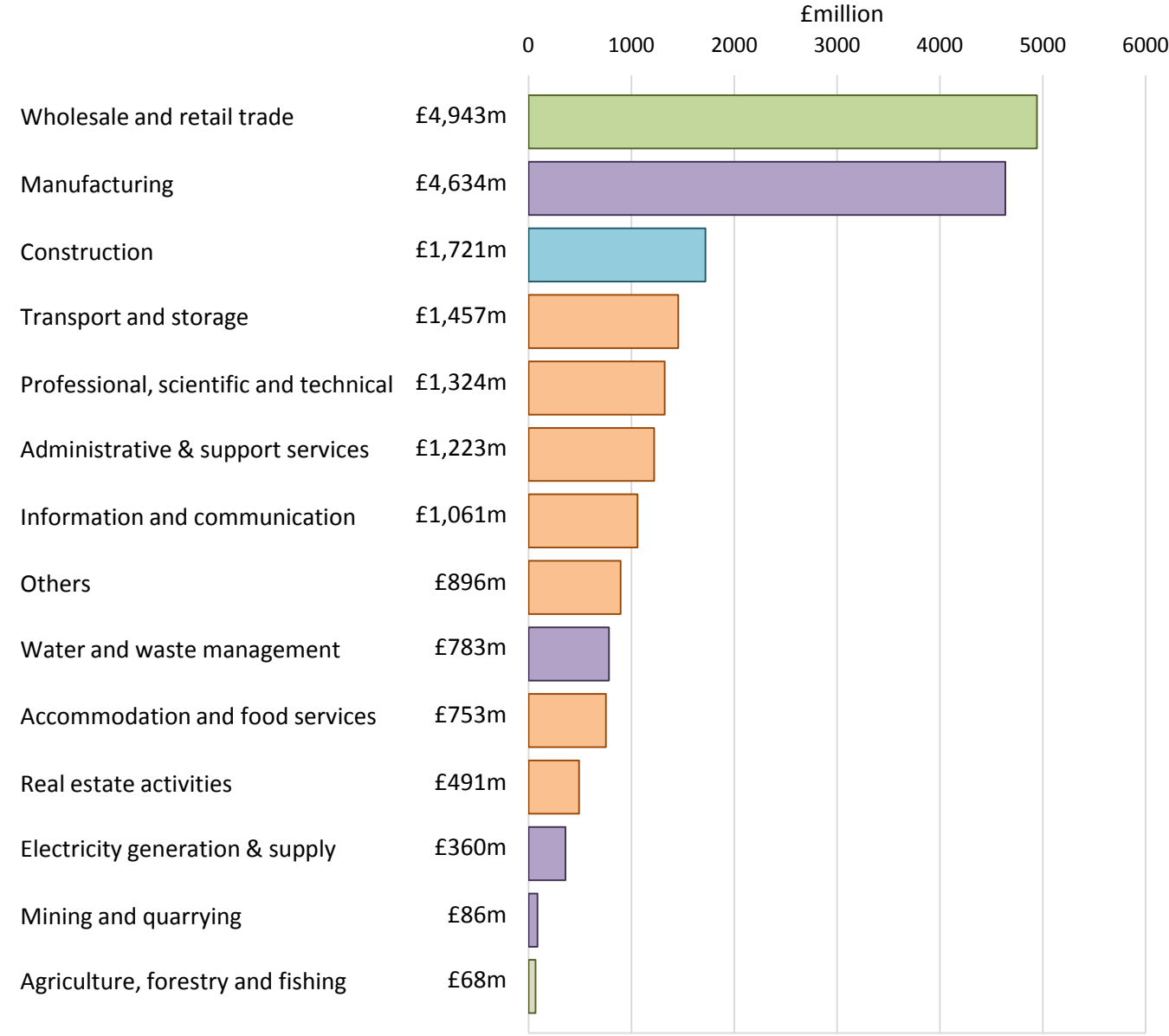


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² Others includes: education (excluding public education); human health and social work activities (excluding public health and social work); arts, entertainment and recreation and other service activities.

Two sections (wholesale and retail trade and manufacturing) account for nearly half of total aGVA in the NI non-financial business economy. Wholesale and retail trade is the largest industrial section, contributing 25.0% of total aGVA. This is followed closely by the manufacturing section, which accounts for 23.4% of aGVA.

Figure 5: Trends in NI Non-Financial Business Economy: aGVA by industrial section 2014



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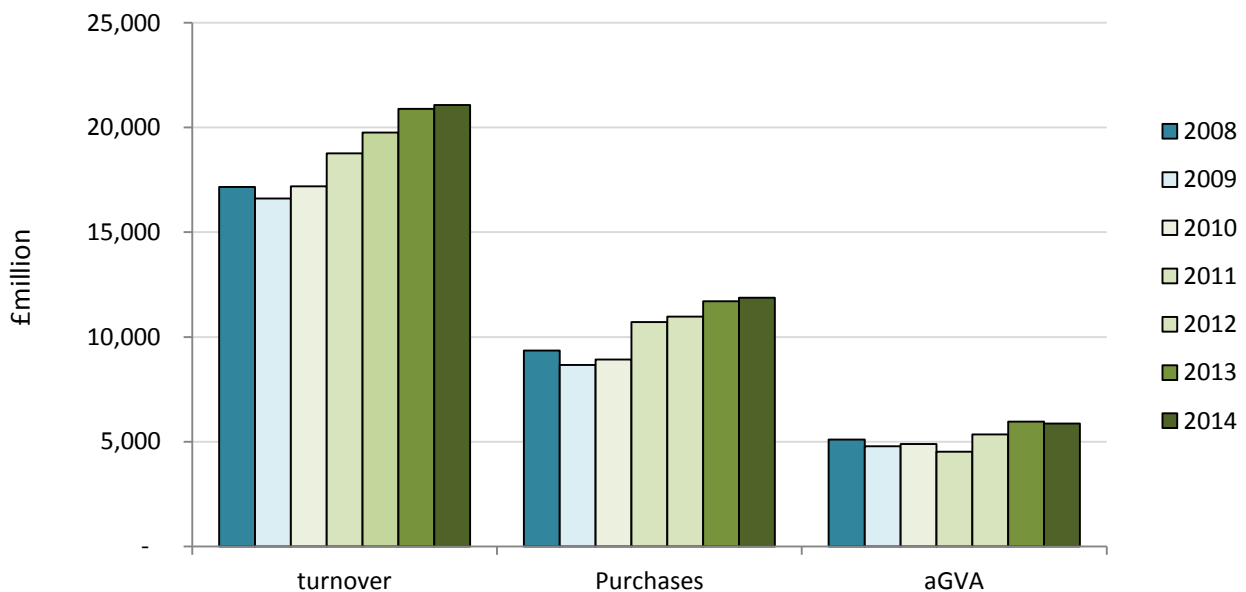
Production Industries (Sections B-E)

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.

The production sector, which accounts for 29.6% of aGVA in the NI non-financial business economy, declined by 1.4% to £5,864 million in 2014. Turnover in the sector grew by 0.9% year-on-year, increasing from £20,893 million to £21,080 million. Similarly purchases increased by 1.4%, from £11,712 million in 2013 to £11,876 million in 2014.

Individual industrial sections within the production industries showed varying performance. aGVA for the electricity generation and supply section declined by £93 million, falling from £453 million to £360 million. Manufacturing recorded a marginal change, falling by 0.1% from £4,640 million in 2013 to £4,634 million in 2014.

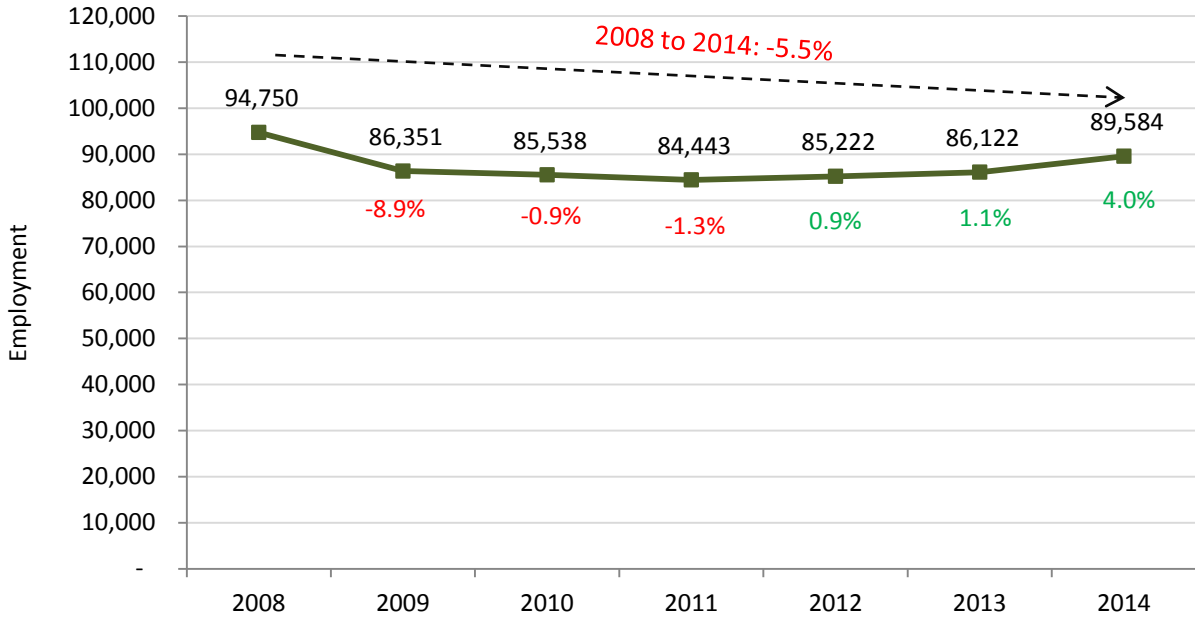
Figure 6: Trends in the Production Sector: Income and Expenditure 2008 – 2014



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Employment in the Northern Ireland production sector grew by 4.0% between 2013 and 2014. This represented the addition of an estimated 3,462 jobs over the year. 2014 employment in the production sector was 5.5% below the figure recorded in 2008, at the start of the financial downturn. Between 2011 and 2014, the production sector recorded three consecutive years of employment growth, adding an estimated 5,141 jobs to the NI non-financial business economy.

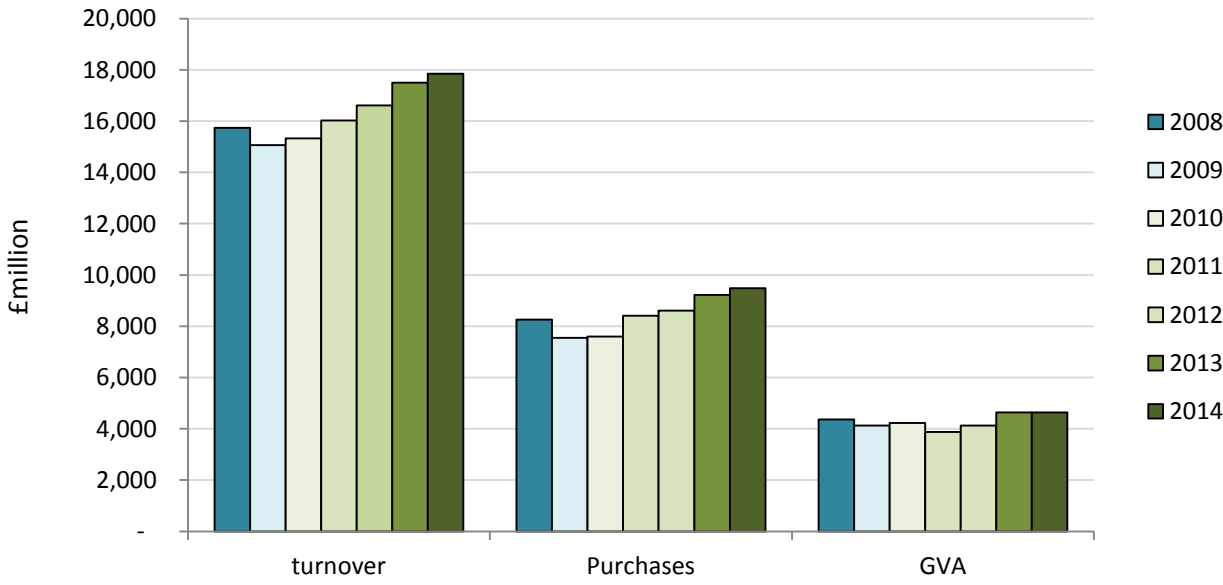
Figure 7: Trends in the Production Sector: Employment 2008 – 2014



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Manufacturing is the largest component industry in the production sector and accounts for 79.0% of production’s aGVA. In addition, manufacturing accounts for almost one quarter (23.4%) of total aGVA in the non-financial business economy and is the second largest industrial section after wholesale and retail trade. aGVA in the manufacturing sector showed a marginal change of 0.1% between 2013 and 2014, falling from £4,640 million to £4,634 million. Employment in the manufacturing sector showed growth of 4.5%, an increase of 3,433 jobs between 2013 and 2014.

Figure 8: Trends in the Manufacturing Sector: Income and Expenditure 2008 – 2014



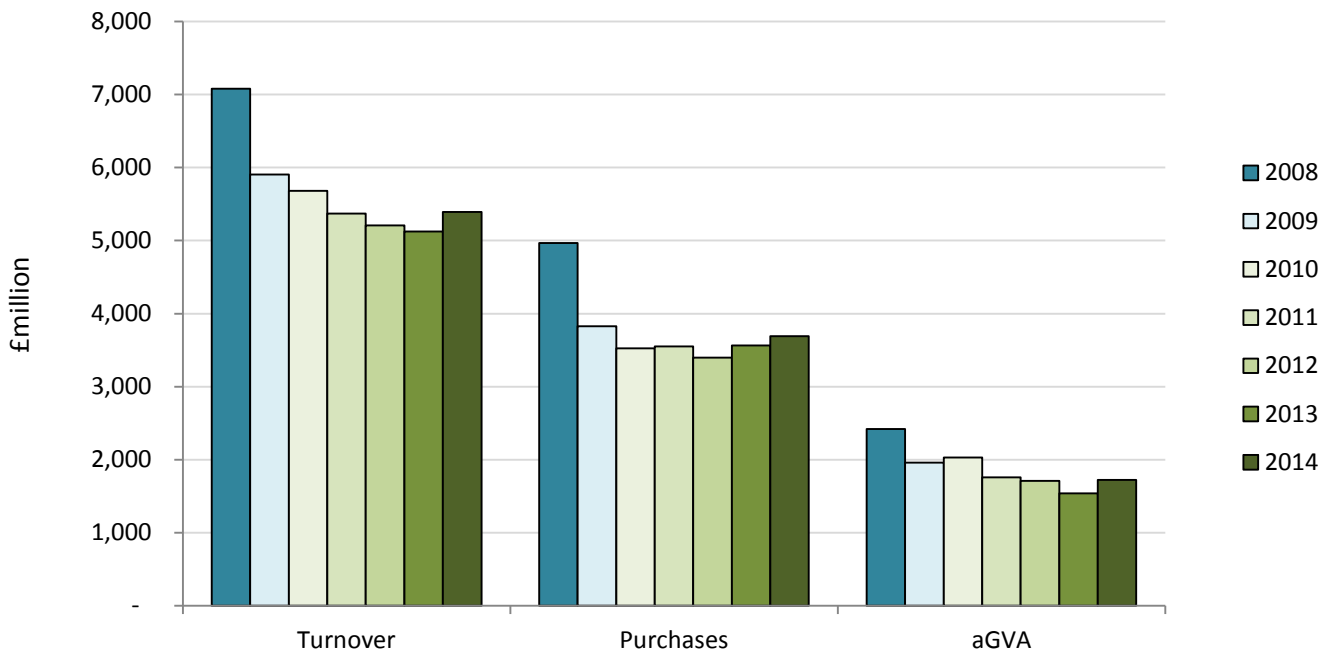
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Construction Industries (Section F)

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).

The construction sector showed growth between 2013 and 2014. Turnover recorded a 5.2% increase year-on-year, growing from £5,123 million to £5,391 million. Purchases increased by 3.5% over the year, while aGVA increased by 11.9%, from £1,537 million in 2013 to £1,721 million in 2014.

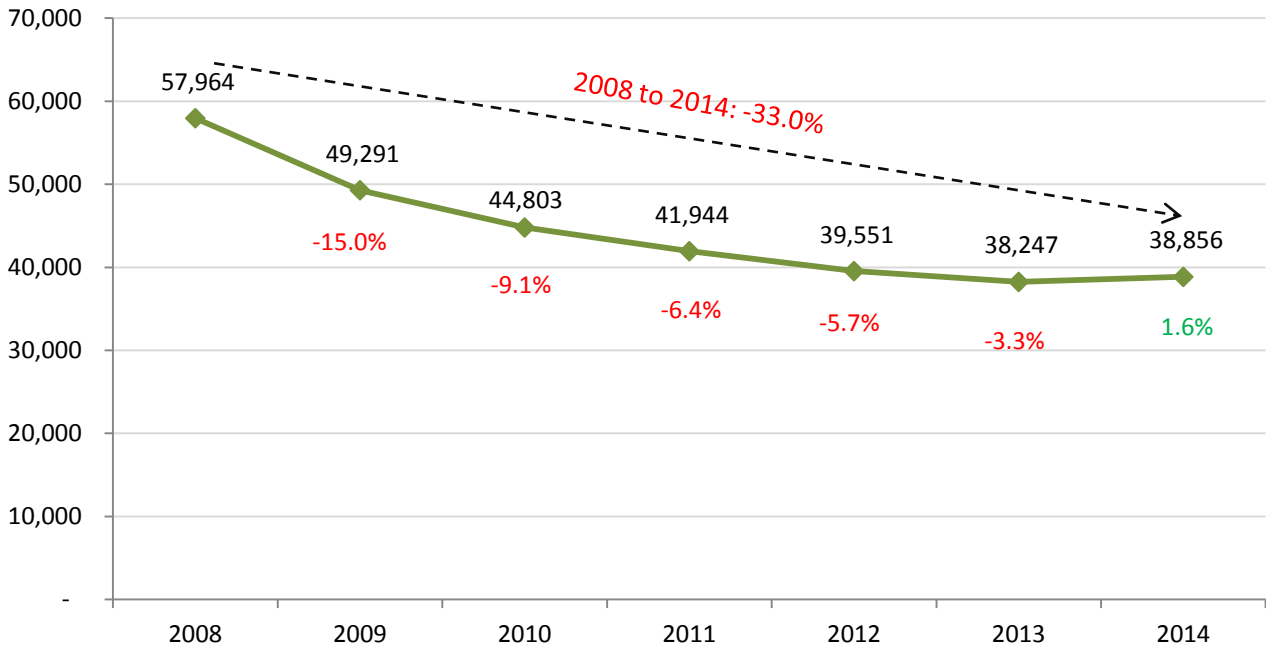
Figure 9: Trends in the Construction Sector: Income and Expenditure 2008 – 2014



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The construction sector has consistently been the worst performing sector recorded by the NIABI since 2008. In 2013, following five years of decline, employment in the sector was 34.0% below the level recorded in 2008. In 2014 however, the construction sector recorded an increase in the level of employment, growing by 1.6% to 38,856.

Figure 10: Trends in the Construction Sector: Change in Employment 2008 – 2014

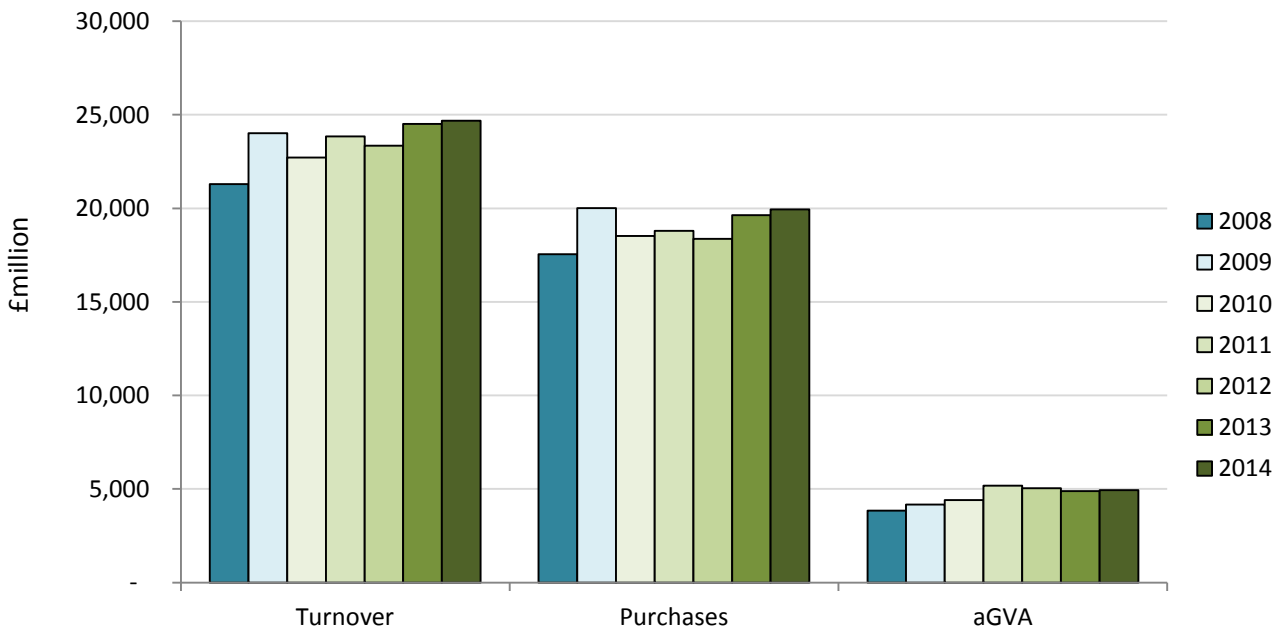


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Distribution Industries (Section G)

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 industries recorded an increase of 1.1% between 2013 and 2014. Both turnover and purchases increased, growing by 0.7% and 1.5% respectively.

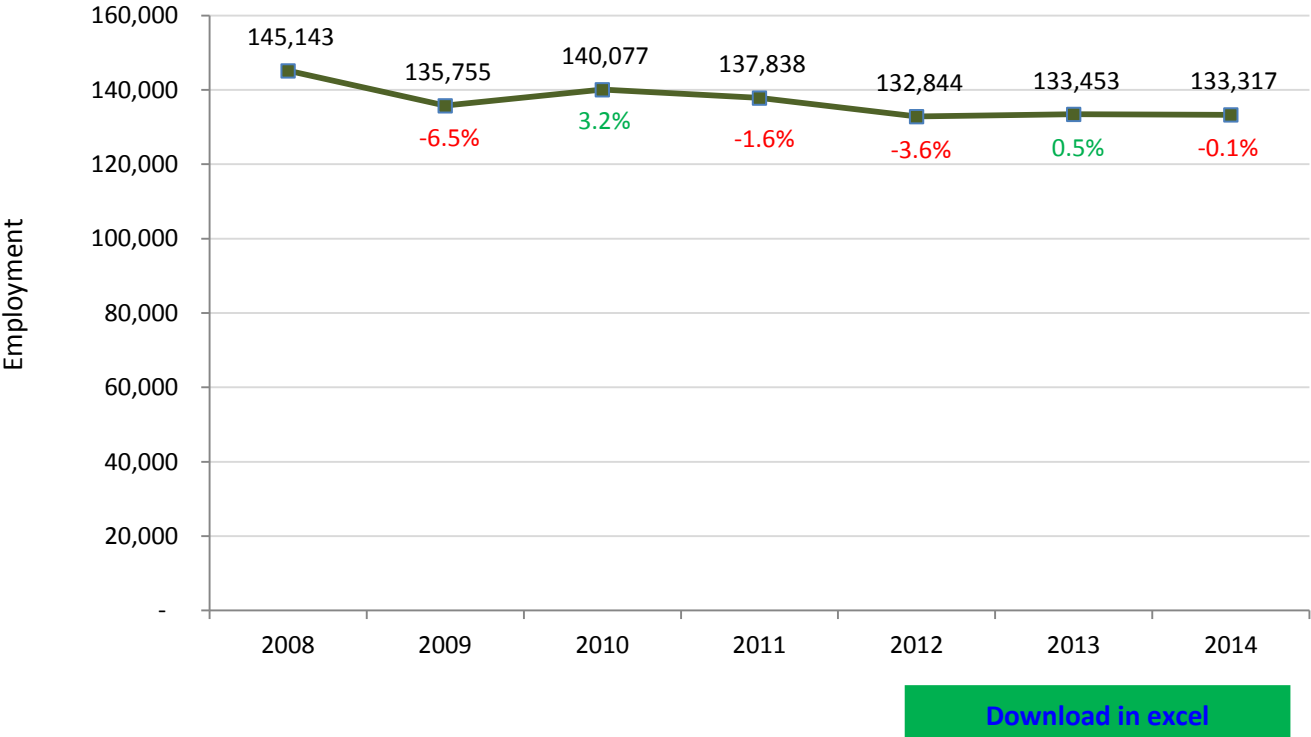
Figure 11: Trends in the Distribution Sector: Income and Expenditure 2008 – 2014



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Employment in the distribution sector showed marginal change, falling by 0.1% to 133,317 in 2014. In the period 2008 to 2014, aGVA in the distribution industries increased by 28.7%. Despite this growth in the financial variables, employment in the distribution industries declined by 8.1% over the same period.

Figure 12: Trends in the Distribution Sector: Employment 2008-2014

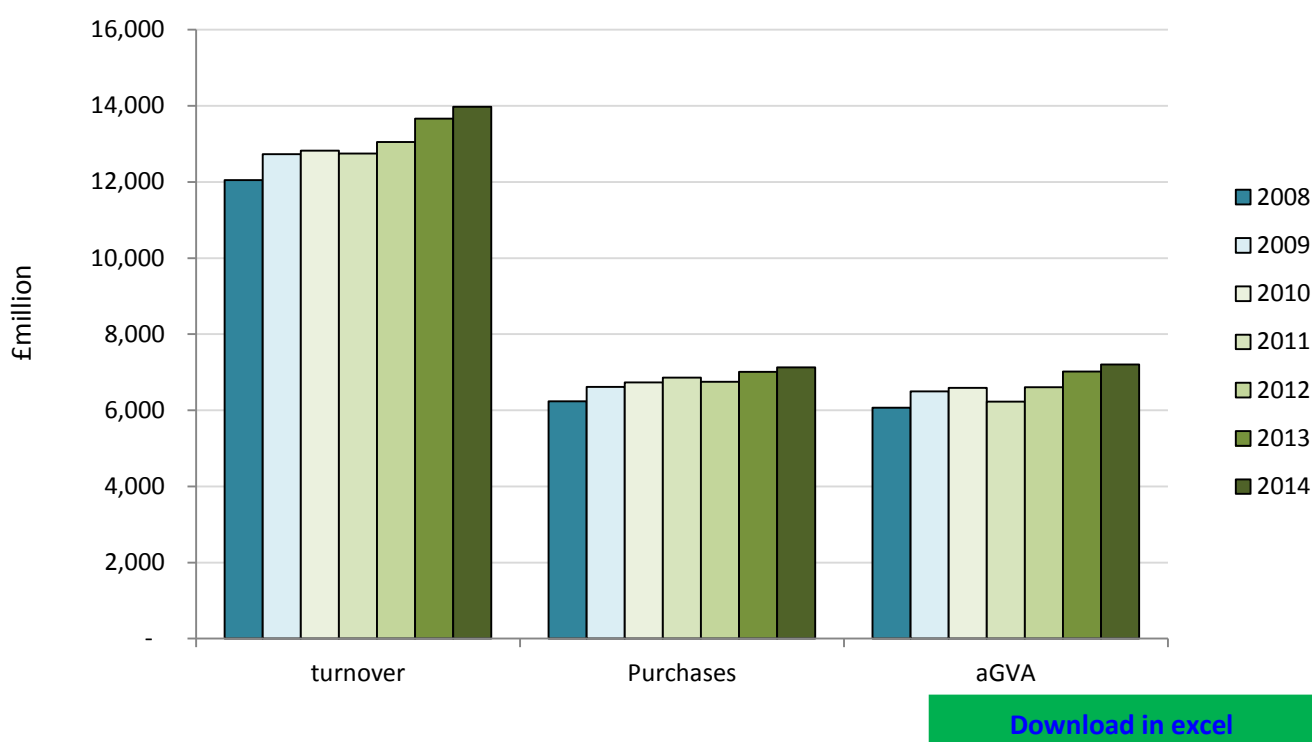


Non-Financial Service Industries (Section H–S)

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).

Representing more than a third (36.4%) of aGVA in the NI non-financial business economy, even small movements in the services sector can have a pronounced effect on overall trends. Between 2013 and 2014 aGVA increased by 2.6% to £7,204 million, the third consecutive aGVA increase for the services industry. Turnover grew by 2.3% or £308 million to £13,975 million. Purchases of goods and services grew by 1.6% or £113 million to £7,126 million.

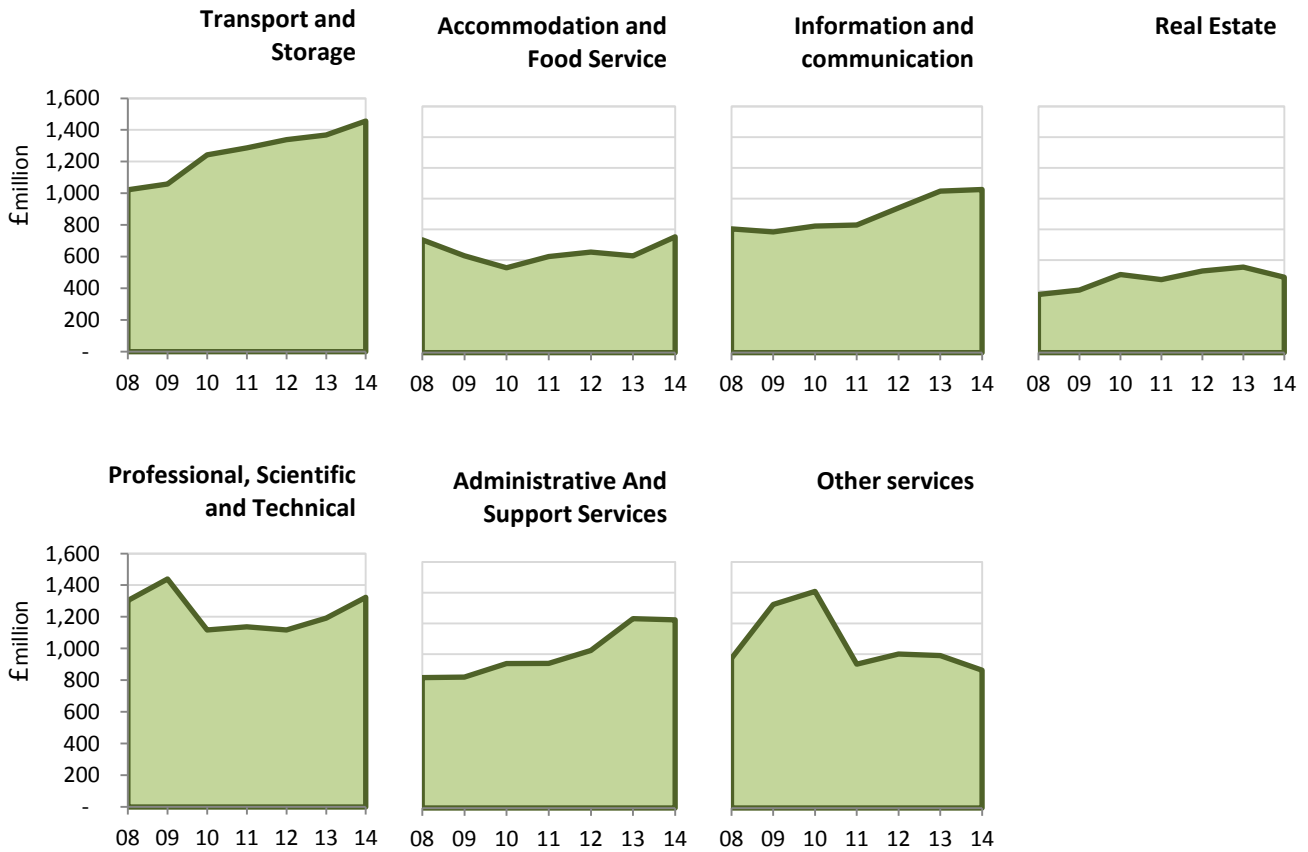
Figure 13: Trends in the Service Industries: Income and Expenditure 2008-2014



The largest contributor to the increase in the service industries' aGVA was the professional, scientific and technical section, which grew by 11.0% or £131 million. Other major contributors include accommodation and food services activities (+£124 million) and transport and storage activities (+£88 million). aGVA in both real estate activities and other³ services declined between 2013 and 2014, falling by £66 million and £95 million respectively.

³ 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 & Reinsurance 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.

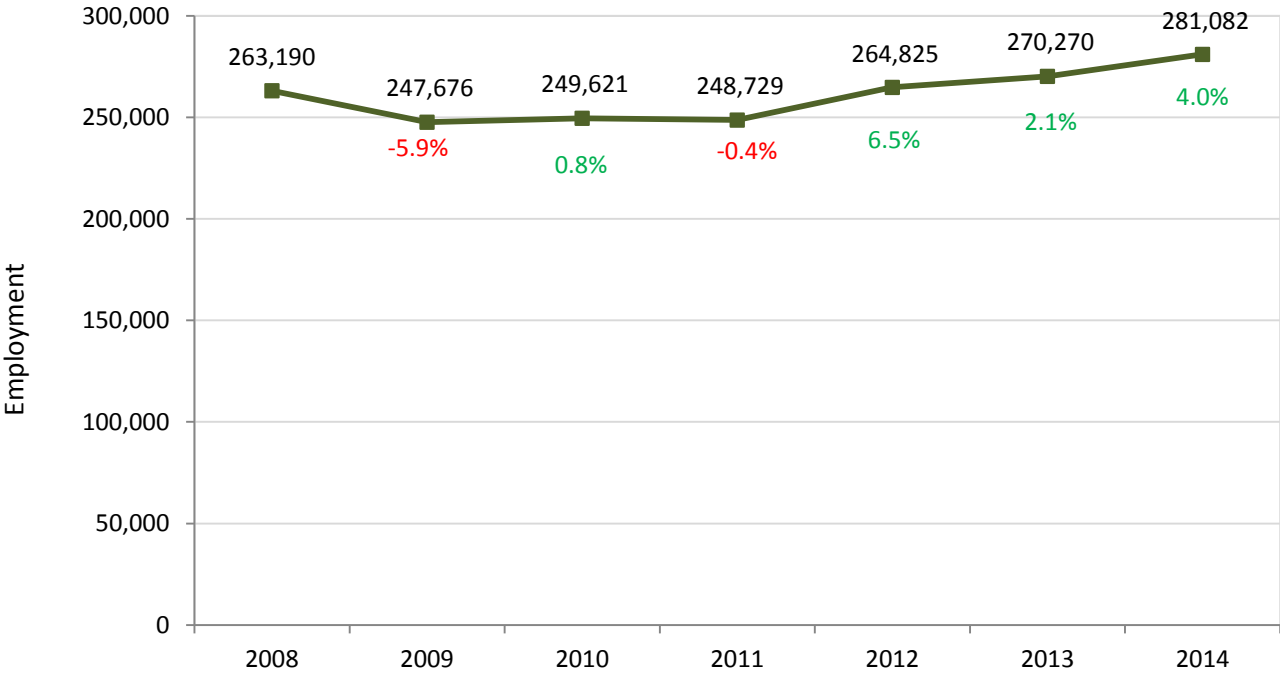
Figure 14: Trends in the Service Industries: aGVA by sector 2008-2014



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Employment in the non-financial services sector increased by 4.0% in 2014; this growth was the largest contributor to the overall growth of 2.8% in NI employment levels in 2014. The 2014 non-financial services employment was 6.8% above the 2008 employment estimate, this was the third consecutive year in which services employment exceeded the value recorded for 2008. Employment growth in the service industries was driven primarily by accommodation and food services and administrative and support services which added 4,519 and 3,721 jobs respectively to the NI non-financial business economy.

Figure 15: Trends in the Service Industries: Employment 2008-2014



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3: Results by Industry

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

Table 1: NIABI results by industry, 2013 and 2014

	Standard Industrial Classification	Description	Turnover (£million)	Approximate Gross Value Added (aGVA) (£million)	Purchases (£million)	Employment
2013	A – S	Agriculture, fishing, production, construction, distribution and services	64,336	19,461	42,008	529,415
2014			65,266	19,800	42,705	544,082
%change			1.4%	1.7%	1.7%	2.8%
2013	A (part)	Agriculture, forestry and fishing	150	68	81	1,322
2014			136	68	77	1,242
%change			-9.3%	-0.1%	-4.9%	-6.0%
2013	B – E	Production Industries	20,893	5,949	11,712	86,122
2014			21,080	5,864	11,876	89,584
%change			0.9%	-1.4%	1.4%	4.0%
2013	B	Mining and quarrying	293	88	200	1,731
2014			284	86	201	1,832
%change			-3.1%	-1.7%	0.6%	5.8%
2013	C	Manufacturing	17,497	4,640	9,220	77,078
2014			17,846	4,634	9,489	80,511
%change			2.0%	-0.1%	2.9%	4.5%
2013	D	Electricity, gas, steam and air conditioning supply	2,243	453	1,810	1,590
2014			2,070	360	1,710	1,738
%change			-7.7%	-20.5%	-5.5%	9.3%
2013	E	Water supply, sewerage, waste management and remediation activities	860	768	482	5,723
2014			880	783	476	5,503
%change			2.3%	1.9%	-1.2%	-3.8%
2013	F	Construction	5,123	1,537	3,566	38,247
2014			5,391	1,721	3,690	38,856
%change			5.2%	11.9%	3.5%	1.6%

Table 1 (continued): NIABI results by industry, 2013 and 2014

	Standard Industrial Classification	Description	Turnover (£million)	Approximate Gross Value Added (aGVA) (£million)	Purchases (£million)	Employment
2013	G – S	Distribution and service industries	38,171	11,906	26,649	403,724
2014			38,659	12,147	27,062	414,399
%change			1.3%	2.0%	1.5%	2.6%
2013	G	Wholesale and retail trade; repair of motor vehicles and motor cycles	24,504	4,887	19,636	133,453
2014			24,684	4,943	19,936	133,317
%change			0.7%	1.1%	1.5%	-0.1%
2013	H - S	Other service Industries	13,667	7,019	7,013	270,270
2014			13,975	7,204	7,126	281,082
%change			2.3%	2.6%	1.6%	4.0%
2013	H	Transport and storage	3,122	1,368	1,834	27,265
2014			3,165	1,457	1,790	28,479
%change			1.4%	6.4%	-2.4%	4.5%
2013	I	Accommodation and food service activities	1,367	630	737	44,441
2014			1,498	753	786	48,960
%change			9.6%	19.6%	6.7%	10.2%
2013	J	Information and communication	1,861	1,050	838	20,931
2014			1,847	1,061	800	18,855
%change			-0.7%	1.0%	-4.6%	-9.9%
2013	L	Real estate activities	857	556	309	9,188
2014			839	491	358	9,931
%change			-2.1%	-11.8%	16.1%	8.1%
2013	M	Professional, scientific and technical activities	2,121	1,193	977	30,128
2014			2,211	1,324	928	30,380
%change			4.2%	11.0%	-5.0%	0.8%

Table 1 (continued): NIABI results by industry, 2013 and 2014

	Standard Industrial Classification	Description	Turnover (£million)	Approximate Gross Value Added (aGVA) (£million)	Purchases (£million)	Employment
2013	N	Administrative and support service activities	1,847	1,231	678	48,965
2014			1,897	1,223	727	52,686
%change			2.7%	-0.6%	7.1%	7.6%
2013	P - S	Others	2,492	991	1,639	89,352
2014			2,518	896	1,738	91,791
%change			1.1%	-9.6%	6.0%	2.7%

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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 2014 parameter estimate for turnover in Section A is £136 million.

Table 2: NIABI results by manufacturing division, 2013 and 2014

	Standard Industrial Classification	Description	Turnover (£million)	Approximate Gross Value Added (aGVA) (£million)	Purchases (£million)	Employment
2013	10 – 12	Manufacture of food, beverages and tobacco	9,055	1,616	3,661	18,140
2014			9,064	1,662	3,537	18,870
%change			0.1%	2.9%	-3.4%	4.0%
2013	13	Manufacture of textiles	160	47	113	1,440
2014			177	53	122	1,617
%change			10.8%	11.6%	8.7%	12.3%
2013	14	Manufacture of wearing apparel	56	24	32	823
2014			67	23	44	897
%change			20.8%	-4.3%	39.7%	9.1%
2013	15	Manufacture of leather and related products	*	*	*	*
2014			*	*	*	*
%change			*	*	*	*
2013	16	Manufacture of wood and of products of wood and cork; manufacture of articles of straw and plaiting materials	312	81	227	2,732
2014			332	92	242	2,715
%change			6.4%	13.5%	6.9%	-0.6%
2013	17	Manufacture of paper and paper products	214	70	144	1,363
2014			226	69	157	1,433
%change			5.9%	-1.3%	8.8%	5.1%
2013	18	Printing and reproduction of recorded media	181	80	102	1,847
2014			189	76	114	1,880
%change			4.4%	-4.8%	11.0%	1.8%
2013	19	Manufacture of coke and refined petroleum products	*	*	*	*
2014			*	*	*	*
%change			*	*	*	*

Table 2 (continued): NIABI results by manufacturing division, 2013 and 2014

	Standard Industrial Classification	Description	Turnover (£million)	Approximate Gross Value Added (aGVA) (£million)	Purchases (£million)	Employment
2013	20	Manufactures of chemicals and chemical products	293	132	162	1,647
2014			297	137	161	1,731
%change			1.2%	3.9%	-0.3%	5.1%
2013	21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	235	*	161	1,941
2014			225	*	149	2,258
%change			-4.4%	*	-7.4%	16.3%
2013	22	Manufacture of rubber and plastic products	800	246	553	5,103
2014			848	285	568	5,476
%change			6.0%	15.9%	2.7%	7.3%
2013	23	Manufacture of other non-metallic mineral products	488	177	320	4,124
2014			552	208	354	4,373
%change			12.9%	17.5%	10.7%	6.0%
2013	24	Manufacture of basic metals	106	52	58	687
2014			129	37	91	893
%change			21.5%	-28.2%	58.1%	29.9%
2013	25	Manufacture of fabricated metal products, except machinery and equipment	936	361	580	9,334
2014			967	393	582	9,331
%change			3.3%	8.9%	0.3%	0.0%
2013	26	Manufacture of computer, electronic and optical products	611	304	309	4,000
2014			629	278	356	4,254
%change			3.0%	-8.3%	15.3%	6.4%
2013	27	Manufacture of electrical equipment	*	*	*	2,905
2014			736	143	*	2,882
%change			*	*	*	-0.8%

Table 2 (continued): NIABI results by manufacturing division, 2013 and 2014

	Standard Industrial Classification	Description	Turnover (£million)	Approximate Gross Value Added (aGVA) (£million)	Purchases (£million)	Employment
2013	28	Manufacture of machinery and equipment not elsewhere classified	1,033	360	702	5,290
2014			1,079	390	738	5,771
%change			4.4%	8.5%	5.3%	9.1%
2013	29	Manufacture of motor vehicles, trailers and semi-trailers	523	136	406	3,473
2014			553	129	430	3,382
%change			5.7%	-5.2%	6.0%	-2.6%
2013	30	Manufacture of other transport equipment	1,041	335	762	6,305
2014			1,191	362	887	6,633
%change			14.4%	7.8%	16.4%	5.2%
2013	31	Manufacture of furniture	245	105	146	3,285
2014			262	102	162	3,247
%change			6.7%	-2.0%	11.2%	-1.2%
2013	32	Other manufacturing	151	78	72	1,358
2014			156	67	93	1,439
%change			3.3%	-13.3%	28.5%	6.0%
2013	33	Repair and installation of machinery and equipment	95	44	50	1,154
2014			115	55	63	1,335
%change			22.0%	23.3%	25.7%	15.7%

[Download in excel](#)

(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 2014 NIABI sampled approximately 10,000 businesses in Northern Ireland from a population of approximately 50,000 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:

https://www.detini.gov.uk/sites/default/files/publications/deti/IDBR%20Publication%202015_0.pdf

(ii) Survey reference period

For survey reference period 2014, businesses were asked to make returns for the calendar year 2014. Where this was not possible, returns for business years ending between 6 April 2014 and 5 April 2015 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 size was approximately 10,000 for the 2014 survey year. This has resulted in improvements to the precision of the estimates, as indicated by the accompanying quality indicators for 2014. This improvement should also be borne in mind when interpreting the annual change.

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

Slightly fewer than 10,000 forms were issued from the NISRA Economic and Labour Market Statistics Branch in March 2015 and the returned forms were subjected to a range of validation and congruency checks. The 2014 response rate was 74.4%.

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 NIABI bulletins which are based on reporting unit information. Reporting and local unit definitions can be found in part vi below.

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: <https://www.detini.gov.uk/sites/default/files/publications/deti/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 abihelpline@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 units.

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 MARKET PRICES: Total turnover + insurance claims + change in stocks + own account capital expenditure + Computer software programs and databases : developed by own staff for business use – total purchases
- aGVA AT FACTOR COST: aGVA at market prices + subsidies – total taxes + customs & excise drawback
- aGVA AT BASIC PRICES: aGVA at factor cost + business rates + vehicle excise duty

(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 relate to 2014 and were released on 09 December 2015.

<http://www.ons.gov.uk/economy/grossvalueaddedgva/bulletins/regionalgrossvalueaddedincomeapproach/december2015>

(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 and 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 <https://www.detini.gov.uk/articles/labour-force-survey> and <https://www.detini.gov.uk/articles/quarterly-employment-survey> 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 <https://www.economy-ni.gov.uk/articles/inter-departmental-business-register-idbr>

(x) Other sources of information

The latest UK national estimates for 2014 can be found at <http://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/uknonfinancialbusinesseconomy/2014provisionalresults> while ONS' regional estimates for 2013 are available at <http://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/uknonfinancialbusinesseconomyannualbusinesssurvey/2015-07-23>

The latest Department of Enterprise, Trade and Investment (DETI) Economic Commentary (March 2016) provides an overview of the state of the Northern Ireland economy, setting it in a global context. This can be found at <https://www.economy-ni.gov.uk/sites/default/files/publications/deti/Economic%20Commentary%20-%20March%202016%20Final.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

<https://www.detini.gov.uk/articles/economic-overview>

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 <https://www.detini.gov.uk/articles/overview-mses>

The following link provides information relating to the integration of the MSES and NIABI in survey reference period 2011.

<https://www.detini.gov.uk/sites/default/files/publications/deti/abi-mses.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 (<https://www.detini.gov.uk/topics/statistics-and-economic-research/index-production>) while the Northern Ireland Index of Services (<https://www.detini.gov.uk/topics/statistics-and-economic-research/index-services>) 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 <https://www.detini.gov.uk/articles/construction-output-statistics>

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 <https://www.detini.gov.uk/articles/northern-ireland-composite-economic-index-nicei>

(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:

<https://www.detini.gov.uk/sites/default/files/publications/deti/summary-of-usage-of-the-niabi.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:

<https://www.detini.gov.uk/articles/statistical-protocols-and-compliance>

(xiii) Quality reporting

A summary quality report for the NIABI can be found at

<https://www.detini.gov.uk/publications/usage-methods-and-quality-and-revisions-policy-abi>

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 (2014). These 2014 provisional figures will be subject to revision to take account of additional information. The NIABI revisions policy can be accessed at <https://www.detini.gov.uk/sites/default/files/publications/deti/niabi-revisions-policy.pdf>

In line with this and with the NIABI revisions policy, provisional NIABI estimates for 2013 have been revised throughout this publication. The table below provides details of revisions to 2013 data.

Table 3: Size of revisions to previously published 2013 data

	Provisional 2013 (£)	Revised 2013 (£)	% change
Turnover	64,271	64,336	-0.1%
Purchases	42,134	42,008	0.3%
aGVA	19,366	19,461	-0.5%
Employment	528,858	529,415	-0.1%

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 the following spring. The Economic and Labour Market Statistics Branch statistics publication schedule is available at <https://www.detini.gov.uk/publications/elms-publication-schedule>

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

<https://www.detini.gov.uk/publications/statistical-protocols-and-compliance-pre-release-information>

(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: <https://www.detini.gov.uk/publications/statistical-protocols-and-compliance-data-security>

(xvi) Next publication

The 2015 reporting unit publication will be published in December 2016.

For further information

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