

## Case Study: Use of Broad Economy Sales and Exports Statistics – informing EU Exit discussions and policy development

This Case Study was first published in August 2021 in the [NI Statistical Surveys - Assessment of Cost Burden to Business 2019/20](#) report, and accompanies the [Use of Business Surveys](#) document.

Economic and Labour Market Statistics (ELMS) Branch, within the Department of Finance, publish official statistics on imports and exports in their [Broad Economy Sales and Exports Statistics](#) (BESES) publications. Recent publications<sup>1</sup> (in August 2021) included:

- Northern Ireland Broad Economy Sales and Exports Statistics: 2019 ([report](#) and [data tables](#)) - published 28 April 2021
- Northern Ireland Broad Economy Sales and Exports Statistics: Imports and Purchases 2018 ([report](#) and [data tables](#)) - published 21 May 2020
- Northern Ireland Broad Economy Sales and Exports Statistics: Goods and Services 2018 ([report](#) and [data tables](#)) - published 12 March 2020

The BESES data are captured through the [Northern Ireland Annual Business Inquiry](#) (ABI), which collects both financial and employment information from businesses and other establishments and covers about two thirds of the economy.

Data are available for trade in both goods and services at the Local Government District Level within NI and importantly data are also collected on trade between NI and GB. This is the only source anywhere for this information. Exports data are also available for trade to each member state of the EU and to approximately 50 individual non-EU countries.

The BESES data have been an invaluable resource for government officials over the last number of years, whereby they have been used by Departments to inform important and high level EU Exit policy documents and negotiations/discussions at the highest level.

Officials in the Department for Exiting the EU (DExEU) (now defunct), Cabinet Office, Department for Business, Energy & Industrial Strategy (BEIS), HM Treasury (HMT), HM Revenue & Customs (HMRC) and the Department for the Economy (DfE) in Northern Ireland have all used the BESES data to inform their EU Exit analyses. HMRC, HMT and DfE also have access to more detailed (unpublished) microdata via a data sharing agreement with Economic and Labour Market Statistics (ELMS) Branch.

BESES data have formed the input to numerous trade/EU Exit related reports and papers over recent years, a sample of the reports and papers developed or published during 2019/20 is highlighted below; a number of which, produced by DExEU and the Cabinet Office, directly informed the UK Government's policy response to proposals around the EU Withdrawal Agreement and the NI Protocol, and were used during negotiations with the EU Taskforce 50.

The following sections provide a brief overview of how various NI and GB Government Departments, along with other stakeholders used data from the BESES during 2019/20:

### The Department for the Economy (DfE)

The EU Exit Preparation and Transition Group within the Department for the Economy (DfE) has relied heavily

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<sup>1</sup> These publications have since been amalgamated into a single more timely publication, which includes some additional analysis. The publication has been renamed Northern Ireland Economic Trade Statistics (NIETS).

upon the trade data available from the BESES statistics to inform EU Exit discussions over recent years. During 2019/20 DfE used BESES data to produce a number of research articles and publications to inform the UK and NI Government's understanding of Northern Ireland's trade situation and potential impacts of EU Exit on NI, an overview is provided below. During this time, DfE also received numerous ad hoc data tables to inform internal policy discussions around EU Exit.

- [DfE: Northern Ireland Retail Study: Value, Volume and Proportion of Goods Sourced from GB or transported via GB from other parts of the world \(March 2019\)](#)

BESES data were a key input into this paper which provided analysis and information on the estimated overall value and volume of retail goods purchased in NI in 2017 and estimated the proportion of goods in NI which are sourced from GB or are transported into NI via GB from other parts of the world.

The results of this analysis demonstrated that the reliance of the NI consumer on external markets for retail products is very high. GB is by far NI's largest source for the routing of retail goods including acting as the main route for the transportation of goods that come from other parts of the EU and Rest of the World.

- [DfE: Irish land border - existing and potential customs facilitations in a no-deal scenario \(June 2019\)](#)

During 2019 the Department for the Economy commissioned research into customs facilitations that were available in a no-deal scenario as part of the Department's no deal planning. The aim of the research was to identify the facilitations available to businesses trading across the land border in a no deal context, and to identify whether there was any assistance the Department or its arms-length-bodies could offer businesses in a no-deal scenario.

The BESES data were a key data source in this research, and were used to set the context and provide detail on the profile of trade between NI and Ireland.

- [DfE: Northern Ireland Trade Data - an update \(July 2019\)](#)

In August 2017, the UK Government published an 'Additional Data Paper' along with its [Position Paper on Ireland/Northern Ireland](#). When Economic and Labour Market Statistics branch, within the Northern Ireland Statistics and Research Agency (NISRA), released updated data via the BESES the Northern Ireland Civil Service (NICS) led by DfE subsequently revised the data paper to bring it up to date.

The paper set out the evidence for stakeholders to use to help inform policy discussions/decisions in addressing the unique circumstances of Northern Ireland and Ireland in light of the UK's EU withdrawal.

## **Department of Agriculture, Environment and Rural Affairs (DAERA)**

### **EU Exit analysis**

During 2019 DAERA received access to detailed BESES microdata via a Ministerial Direction<sup>2</sup> to allow them to undertake analysis of NI trade data to provide them with information on the frequency, volume and value of goods and services imported to and exported from NI to inform EU Exit discussions. The purpose of the research was to allow policy side to better understand the nature of Northern Ireland trade by agricultural and food processing businesses in the context of EU Exit, and to inform EU Exit discussions.

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<sup>2</sup> The [Statistics of Trade and Employment Order \(NI\)](#) allows survey data collected from businesses to be shared with another government department (and some other bodies) under a Ministerial direction, for the purpose of the exercise by that department of its functions. This includes a consultant appointed by the department or body to advise, or report to, the department (or body) on a matter related to its functions.

## **Northern Ireland Food and Drinks Processing report**

ELMS has a service level agreement with DAERA to provide an annual dataset from the Annual Business Inquiry (ABI) and the BESES to facilitate production of their annual [Northern Ireland Food and Drinks Processing report](#). BESES data are used to provide details of the total sales and imports and exports of food and drinks processing businesses, alongside other information from the ABI such as gross value added and employment.

## **The Cabinet Office**

During 2019 and 2020 ELMS worked closely with key stakeholders involved in EU Exit discussions and provided support and data to inform a number of important policy papers. One such key paper was the Cabinet Office's Policy Paper titled [The UK's approach to the Northern Ireland Protocol \(May 2020\)](#).

This Command Paper outlined how the UK Government envisaged how the Protocol could be implemented in a way that would protect the interests of the people and economy of Northern Ireland, ensure the effective working of the UK's internal market, provide appropriate protection for the EU Single Market and uphold the rights of all Northern Ireland's citizens. Integral to this paper was having a clear understand of trade relationships between NI and GB, and NI and the Republic of Ireland.

## **Department for Exiting the European Union (DExEU)**

As part of the EU Exit work stream ELMS provided data and support to the Department for Exiting the European Union around their work on the EU Withdrawal Agreement. As the only source of information on trade between NI and GB the BESES data featured heavily in their work, forming input into ministerial briefing and policy papers. During 2019 the BESES data were a key data sourced quoted in the [European Union \(Withdrawal Agreement\) Bill Impact Assessment \(October 2019\)](#) which informed the key primary legislation known as The European Union (Withdrawal Agreement) Bill, and delegated legislation made under it. This would be the primary means by which the Withdrawal Agreement was brought into domestic law in the UK, including in Scotland, Wales and Northern Ireland. The Bill was a vital tool in delivering a smooth and orderly exit from the EU.

## **Economic and Social Research Institute (ESRI)**

During 2019 ABI and BESES microdata were provided to ESRI via a Ministerial Direction to produce a report titled [Shock absorption capacity of firms in Ireland and Northern Ireland](#).

This report formed part of a research programme being undertaken on behalf of InterTradeIreland by the ESRI on 'Enterprises and Cross-Border Trade'. This research used statistical data from NISRA and the Central Statistics Office (CSO). The permission for controlled access to micro datasets was granted for research purposes under strict confidentiality agreements.

This report examined how the capacity of firms to absorb shocks can be assessed using detailed firm-level patterns of risk exposure across Ireland and Northern Ireland. A risk profile of firms based on profit margins and sales growth performance shows smaller firms tend to be more exposed to shocks.

## **NISRA Supply-Use Tables (ELMS)**

The [Supply-Use tables](#) (SUTs) produced by Economic and Labour Market Statistics, in the Department of Finance, provide a picture of the flows of products and services in the economy for a single year and are used to set the level of annual current price Gross Domestic Product (GDP). They show the composition of

uses and resources across institutional sectors and the inter-dependence of industries in order to reconcile the production, income and expenditure approaches to the measurement of GDP.

Data from the ABI and BESES are key inputs to the development of the SUTs. The SUTs in turn have been used to produce Input-Output tables (IOTs) which have been used to inform the development of a number of econometric modelling tools such as a Computable General Equilibrium (CGE) model for NI (a [research paper highlighting the DfE CGE work](#) was published in August 2019).