

Statistical Press Release Northern Ireland Composite Economic Index:



January 2018

9.30am - Thursday 18th January 2017

The NI Composite Economic Index was published today by the Northern Ireland Statistics & Research Agency. The key findings are that:

Economic output¹ increased over the year but remained relatively flat over the quarter

- The NICEI results indicate that NI economic activity was estimated to have increased by 1.2% in real terms between Quarter 3 2016 and Quarter 3 2017. The index has remained relatively flat compared to the previous quarter, decreasing by 0.1% from Quarter 2 (April- June) 2017 to Quarter 3 (July – September) 2017.
- The marginal decrease in the NICEI over the quarter (0.1%) was driven by a decrease in the Production² sector (a contribution of 0.6 percentage points (pps)). This was partially offset by increases in the Services sector (a contribution of 0.5 pps) and the Construction sector (a contribution of 0.1 pps).

NI annual average growth rate similar to the UK but below the ROI

- Although the measures are not produced on a fully equivalent basis, comparisons with the UK show that annual average growth in UK GDP³ for the four quarters to Quarter 3 2017 was 1.9% compared to the previous four quarters. The NI growth rate was 1.8% over the same period.
- The growth rate for the ROI for the four quarters to Quarter 3 2017 was 7.9% compared to the previous four quarters.

Increase in the annualised rate of growth to Q3 2017

- When the trend in the index is considered over the last three years there is some evidence that the rate of growth has increased. Annualised average growth over the last four quarters to Quarter 3 2017 compared to the previous four quarters was 1.8%. This was higher than the annual growth over the previous two year period (to Quarter 3 2016), which was 1.1%.

Private sector growth over the year

- The Private sector grew by 1.5% over the year but decreased by 0.1% over the latest quarter (Quarter 2 2017 to Quarter 3 2017). The Public sector jobs index decreased by 0.1% over the quarter and increased by 0.3% over the year.
- The Private sector also reported average growth of 2.5% for the four quarters to Quarter 3 2017 compared to previous four quarters. However, the Public sector (employee jobs) index reported a fall of 0.3% over the same period.

Comments

¹ The NICEI is an experimental quarterly measure of the performance of the NI economy based on combining official private sector output statistics with public sector jobs weighted using Regional Accounts GVA to provide a proxy measure of total economic output.

² The Production sector had the largest contribution to the quarterly decrease. The quarterly decline in production output was driven by a substantial decline in the Food, Beverages and Tobacco sub sector (18.1% fall over the quarter) as reported in the [IOP Q3 2017 publication](#).

³ [ONS Quarterly National Accounts](#), Quarter 3 (July to September) 2017 (Figures calculated using the chained volume index of GDP at market prices)

- Growth in the UK economy was ahead of NI over the quarter and the year, with NI remaining relatively flat over the quarter, experiencing a slight reduction (0.1%) in economic activity. However, economic activity increased by 1.2% over the year. Both NI (1.8%) and the UK (1.9%) experienced similar growth rates over the last 2 years. This was an improvement on the NI growth rate in the two years to Q3 2016 (1.1%). NI's Private sector performed positively over the year (increasing by 1.5%), but fell by 0.1% over the quarter.
- Despite this positive performance over the medium/longer term the NICEI is currently 6.2% below the maximum value recorded in Quarter 4 2006. In Quarter 3 2017, UK GDP was estimated to have been 10.2% higher than its pre-economic downturn peak of Quarter 1 2008. The latest NICEI results continue to show that the UK has had a shorter downturn with a faster recovery than in NI.

Notes to editors:

1. The Northern Ireland Composite Economic Index (NICEI) is an experimental quarterly measure of the performance of the Northern Ireland (NI) economy based on available official statistics.
2. The NICEI output measures relate to the third quarter (July-September) of 2017. These estimates are based on surveys of businesses and estimates of change are subject to sampling error. Figures for a quarter may be revised if more complete information subsequently becomes available.
3. This is the fifth quarter of Northern Ireland (NI) economic output results following the EU referendum on 23rd June 2016. The post-referendum picture is still emerging and will continue to do so over the coming quarters and years. It is not possible to separate out the specific impact of the referendum in this quarter.
4. This report will be of interest to Ministers, policy makers, public bodies, the business community, banks, economic commentators, academics and the general public with an interest in the local economy.
5. The detailed statistical bulletin is available at: [Northern Ireland Composite Economic Index](#)
6. Further information and tables from each of the data sources are available on the [NISRA – Economic and Labour Market Statistics Website](#).
7. For media enquiries, please contact DfE Press Office on 028 9052 9604. Outside office hours, please contact the Duty Press Officer via pager number 07623 974 383 and your call will be returned.
8. Feedback is welcomed and should be addressed to:

Responsible economist:
 David Leonard
 Economic & Labour Market Statistics Branch (ELMS),
David.leonard@nisra.gov.uk Tel: 028 9052 95385.
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