

(Annual Business Inquiry)

NI Non-Financial Business Economy 2023 Provisional Reporting Unit Results

Date: 11th December 2024

Theme: Business and Energy

Geographical Area: Northern Ireland

Frequency: Annual

Key Points

- In 2023, the income generated by non-financial businesses in Northern Ireland (NI), less the cost of goods and services used to create this income, was estimated to be £37.2 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.
- aGVA 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.

Change between 2022-23

- The NI non-financial business economy¹, as measured by the Northern Ireland Annual Business Inquiry (NIABI), recorded an increase of £5.0 billion (15.4%) in aGVA from 2022 to 2023.
- The key driver of aGVA growth was the NI Services Industries sector (industry Sections H-S) which increased by £1.6 billion (12.5%). The majority of aGVA growth in this sector is attributable to the Transport and Storage services section (Section H) which increased by £525 million (28.7%). The Distribution sector (Section G) increased by £1.5 billion (19.0%) between 2022 and 2023.
- The Construction sector (Section F) also increased by £624 million (16.7%).
- The Production sector (Sections B-E) showed an increase in aGVA of £1.3 billion (16.1%) from £7.8 billion to £9.0 billion. Manufacturing within the Production sector (Section C) recorded aGVA growth of £881 million (15.2%).
- Turnover (i.e. the value of total sales and work done) in the NI non-financial business economy as a whole increased by £10.5 billion (12.1%) over the year to £97.6 billion and purchases of goods, materials, energy, water and services increased by £5.0 billion (8.7%) to £62.0 billion.

¹ Details of the industries covered by the NIABI are provided in section (iv) of the background notes.

ACCREDITED OFFICIAL STATISTICS STATUS

Accredited official statistics status mean that our statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.



These statistics were accredited as National Statistics in 2012 following a full [assessment](#) against the [Code of Practice](#).

Since the assessment by the UK Statistics Authority, we have continued to comply with the Code of Practice for Statistics, and have made the following improvements:

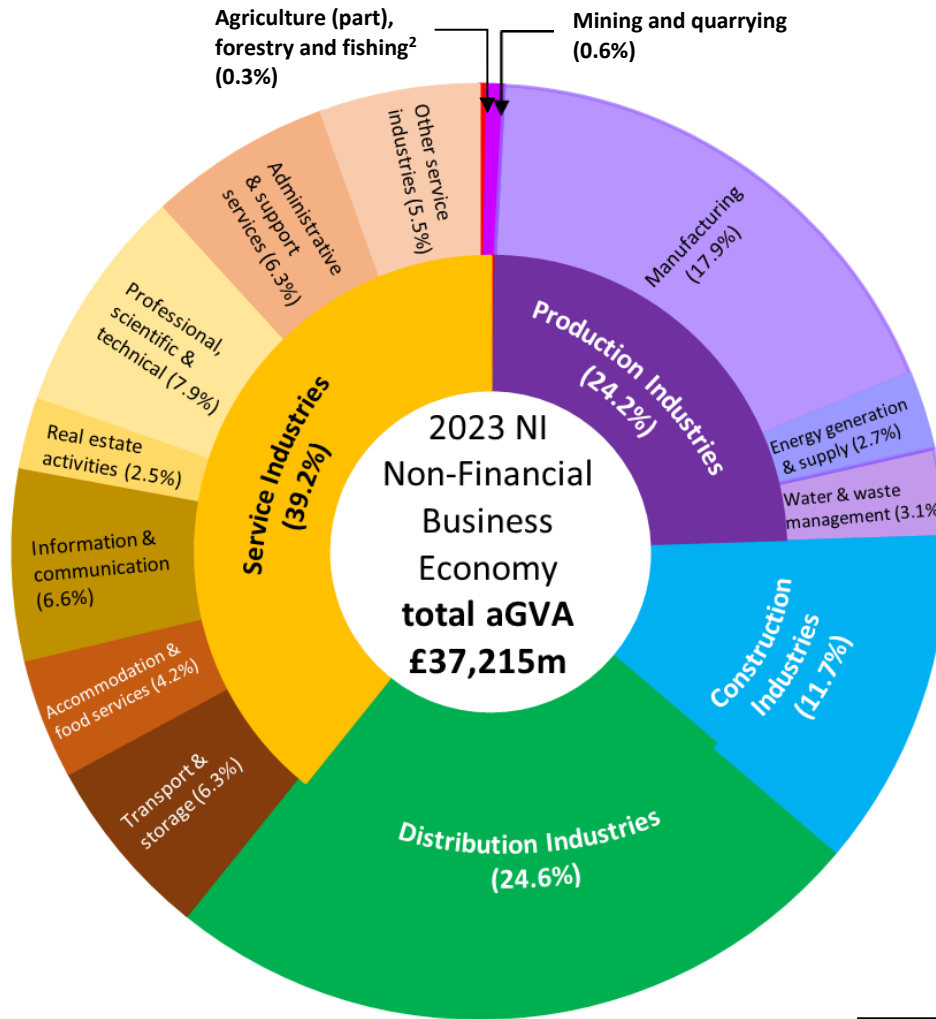
- Provided information on the use of the ABI and comparability with other similar statistics.
- Enhanced quality by providing information to users on quality assurance, methodology and explanations of statistical terms.
- Redesigned the Annual Business Inquiry report, improving explanatory material including charts, tables and data visualisations.

Our statistical practice is regulated by the Office for Statistics Regulation (OSR). OSR sets the standards of trustworthiness, quality and value in the [Code of Practice for Statistics](#) that all producers of official statistics should adhere to.

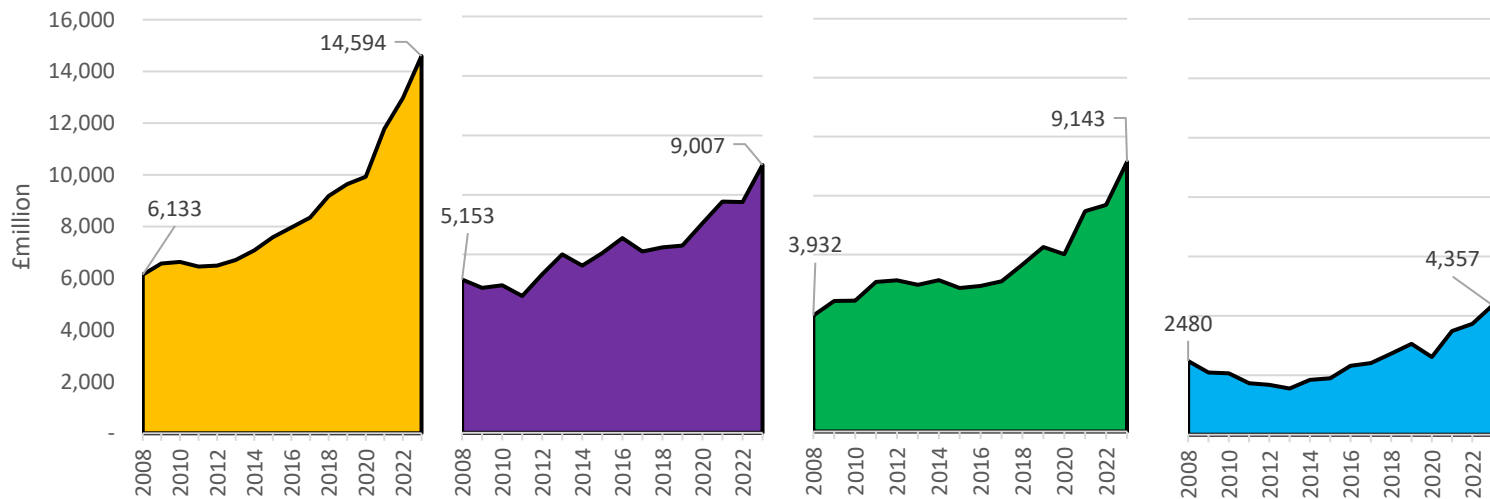
You are welcome to contact us directly with any comments about how we meet these standards. Alternatively, you can contact OSR by emailing regulation@statistics.gov.uk or via the OSR website.

Note - Accredited official statistics are called National Statistics in the Statistics and Registration Service Act 2007. Click [here](#) for more information.

Figure 1: aGVA 2023 and trends by Broad Industry 2008-2023 for NI Non-Financial Business Economy (NFBE)



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Growth by sector 2022-2023



² Agriculture (part) covers only hunting, forestry, fishing and the support activities to agriculture and excludes crop and animal production.

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1 Introduction and Context

This release contains 2023 provisional and 2022 revised reporting unit³ 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 plus an element of Agriculture and covers roughly two thirds of the total NI economy. Public sector bodies are excluded from the survey. Further information on survey coverage is contained in the background notes.

The results reported in this release are fully consistent with figures published in the [NI Economic Trade Statistics](#) produced by NISRA.

Effect of inflation on Annual Business Inquiry results

Where a large change in approximate Gross Value Added (aGVA) is recorded over the year, it is normal practice to query the data with businesses. In many cases, the changes in aGVA over the years 2021 to 2022 and 2022 to 2023 were explained by businesses stating they experienced increasing prices. An appropriate set of NI specific deflators to produce inflation-adjusted data does not exist and it is not possible at this point to isolate the effects of inflation in this data. Therefore, all values are presented in **current** prices.

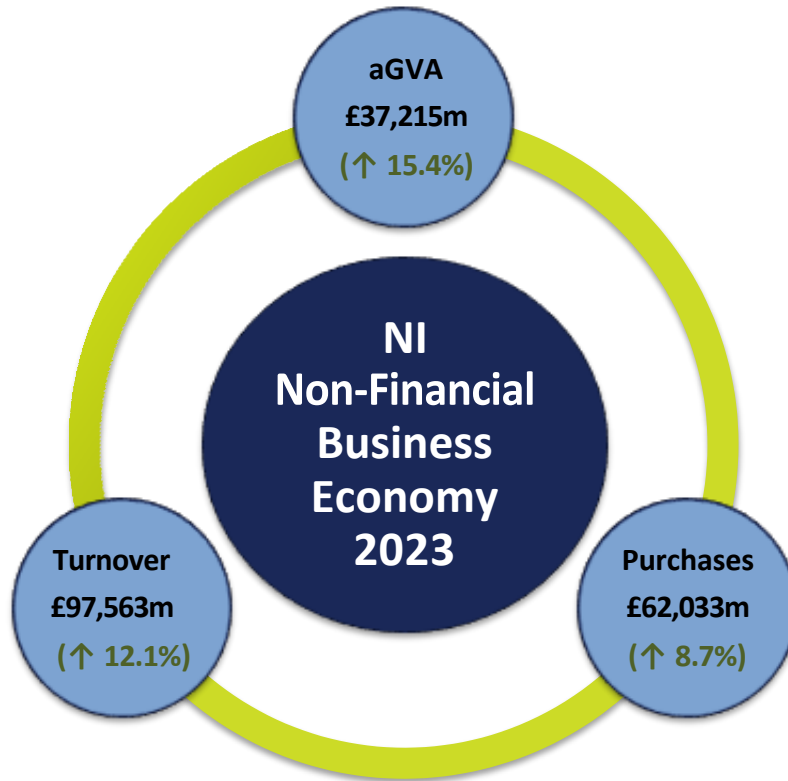
This anecdotal feedback is supported by trends reported in the Consumer Prices Index including owner occupiers' housing costs (CPIH), as published by the [Office for National Statistics \(ONS\)](#). The CPIH shows that prices began to rise from early 2021 rising to an all-time high in October 2022 and still remaining above the levels seen in 2020, prior to the spike. Users should bear in mind that this is the "All Items" series and is composed of multiple product groups, each with their own individual price index. Further detail on the CPIH performance over the last 10 years is provided in [NI Economic Trade Statistics](#) publication.

³ See section (vi) of background notes for definitions and further information.

2 Summary and Commentary

The diagrams below show how aGVA is calculated and provides a high-level overview of the top line results with more detailed information presented in the subsequent sections.

Figure 2: aGVA, Purchases and Turnover 2023 (NI NFBE)



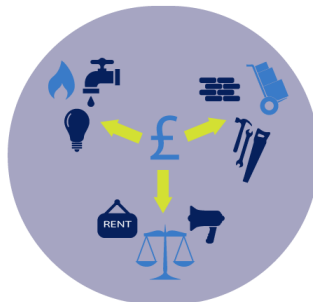
Income



Income includes turnover, insurance claims, work in progress, changes in stock and subsidies

minus

Expenditure



Expenditure includes purchases of goods, materials, energy, water and services and total taxes and levies paid

equals

aGVA



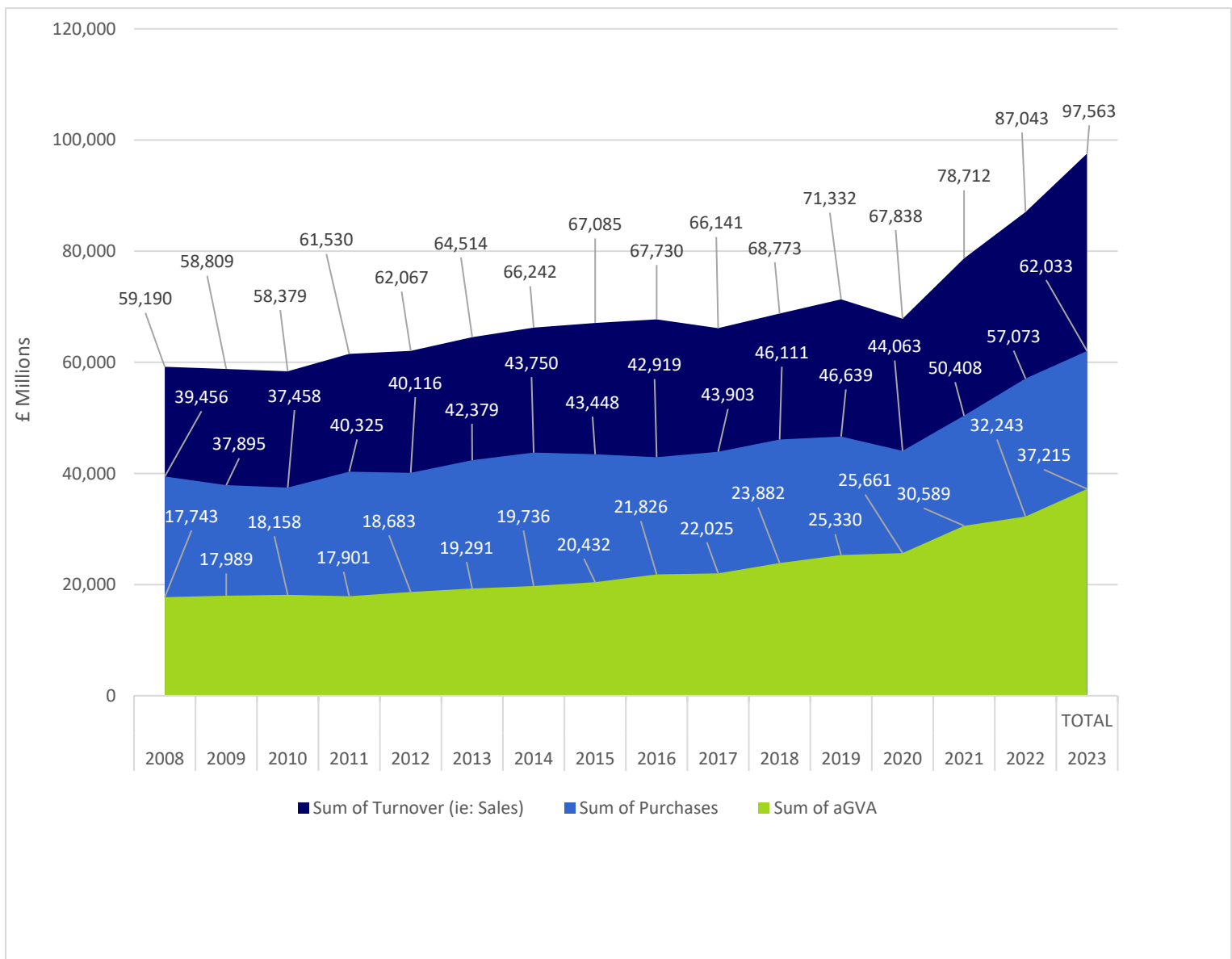
aGVA is a measure of the income generated by businesses less their expenditure

Turnover, purchases and approximate Gross Value Added (aGVA)

The provisional results of the 2023 NIABI show that turnover in the NI non-financial business economy increased by 12.1% to £97.6 billion in 2023. The value of purchases of goods, materials, energy, water and services increased by 8.7%, from £57.1 billion in 2022 to £62.0 billion 2023. The turnover generated by businesses in Northern Ireland, less the cost of goods and services used to create this income, was estimated to be £37.2 billion in 2023. This is an increase of 15.4% (£5.0 billion) from 2022 and represents the aGVA of the NI non-financial business economy (see section iv in background notes for full details of industry coverage).

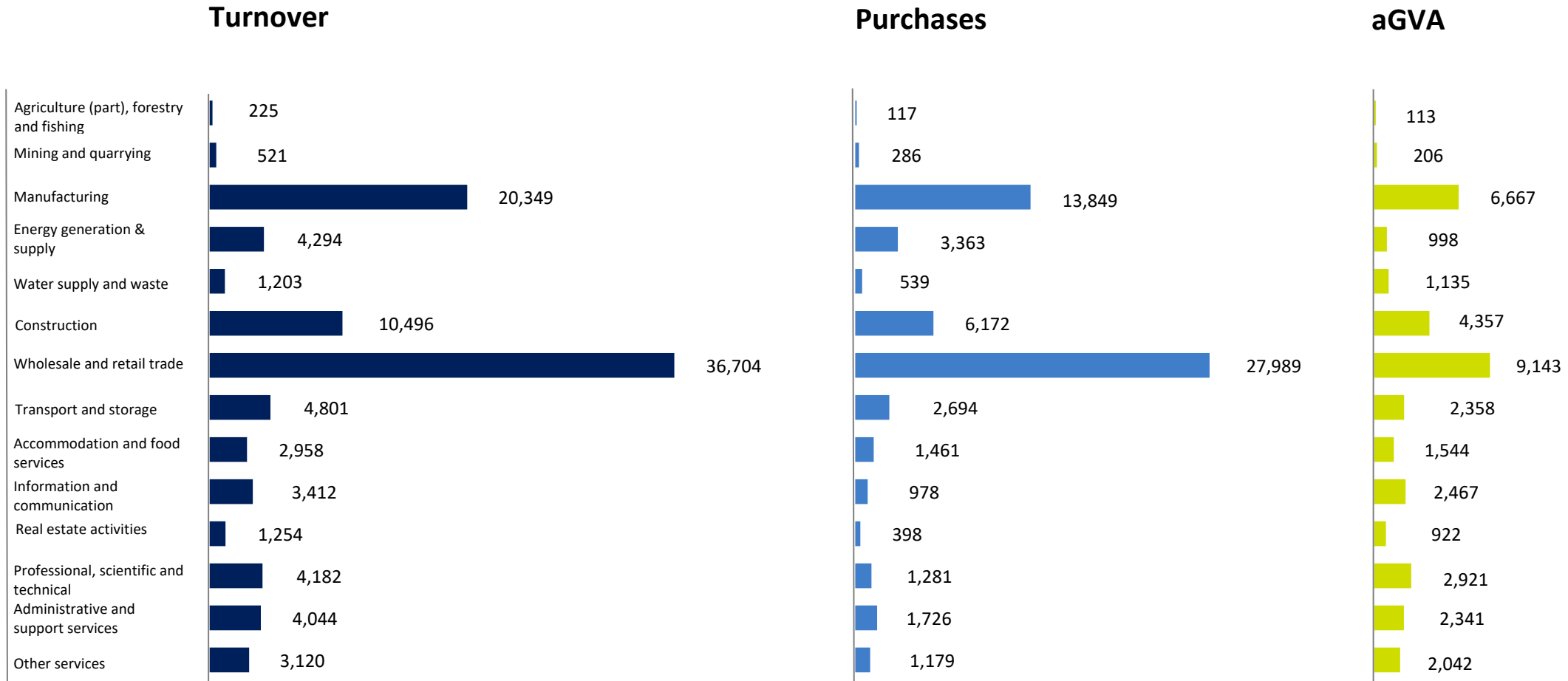
Figure 3 below shows the trends in turnover, purchases and aGVA between 2008 to 2023 with further details on the industrial section estimates for turnover, purchases and aGVA for 2023 provided in Figure 4 overleaf.

Figure 3: Trends in NI total Turnover (ie: Sales), Purchases and aGVA (£'million), 2008 – 2023 (NI NFBE)



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Figure 4: Turnover, Purchases and aGVA (£'million) by industrial section, 2023



An alternative illustration of how the Turnover, Purchases and aGVA are distributed across the non-financial businesses in Northern Ireland (NI) are presented in Annexes A-C.

aGVA by Industrial Section

Looking at industrial section rather than broad industrial sector Figure 4 on the previous page shows the aGVA for each Industrial Section in 2023. This should be considered in conjunction with Figure 5, which shows how the aGVA for each Industrial Section has changed between 2022 and 2023.

It can be seen from Figure 4 that in terms of 2023 aGVA, Wholesale and retail trade is notably the largest industrial section, accounting for 24.6% (£9.1 billion) of total aGVA in the NI non-financial business economy. Figure 5 shows that this section was ranked first among those sections that experienced growth between 2022 and 2023 (£1,458 million; 19.0%).

Manufacturing, the second largest industrial section, accounted for 17.9% (£6.7 billion) of total aGVA and was ranked second among those sections that experienced growth between 2022 and 2023 (£881 million; 15.2%).

Construction was the third largest industrial section, accounting for 11.7% (£4.4 billion) of total aGVA. As illustrated in Figure 5, Construction experienced an increase in aGVA of 16.7% (£624 million) between 2022 and 2023.

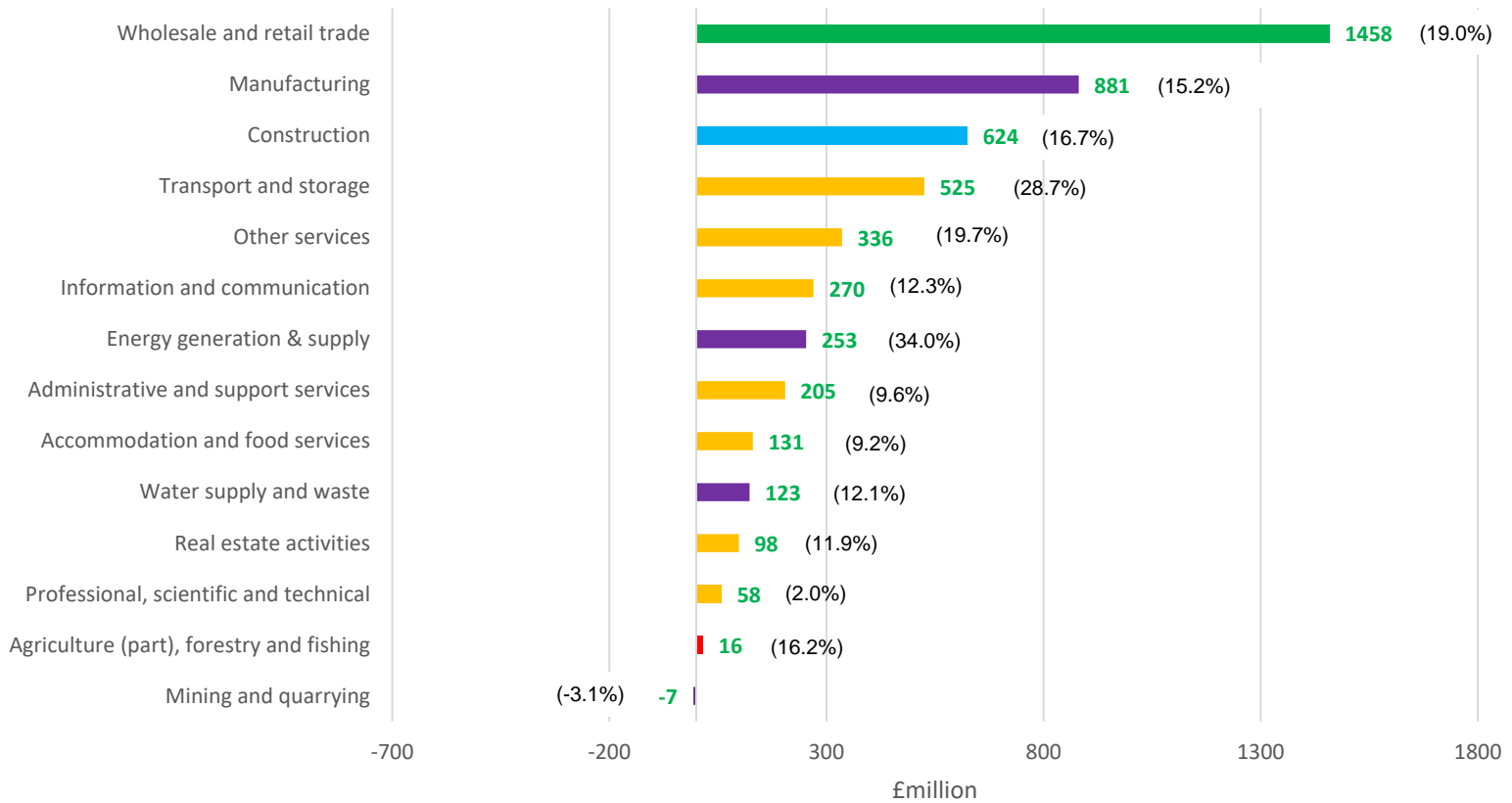
Transport and Storage services (Section H) showed large aGVA growth between 2022 and 2023, increasing by £525 million (28.7%).

Other services (Section P-S) also exhibited strong aGVA growth between 2022 and 2023, increasing by £336 million (19.7%).

An alternative illustration of how the aGVA is distributed across the NI non-financial business economy is presented in Annex C.

Figure 5 on the next page shows the change in aGVA by industrial section from 2022 to 2023.

Figure 5: Change in aGVA by industrial section (£'million), 2022 – 2023 (NI NFBE)⁴



Note – Percentages on graph indicate the percentage increase/decrease in aGVA for each section.



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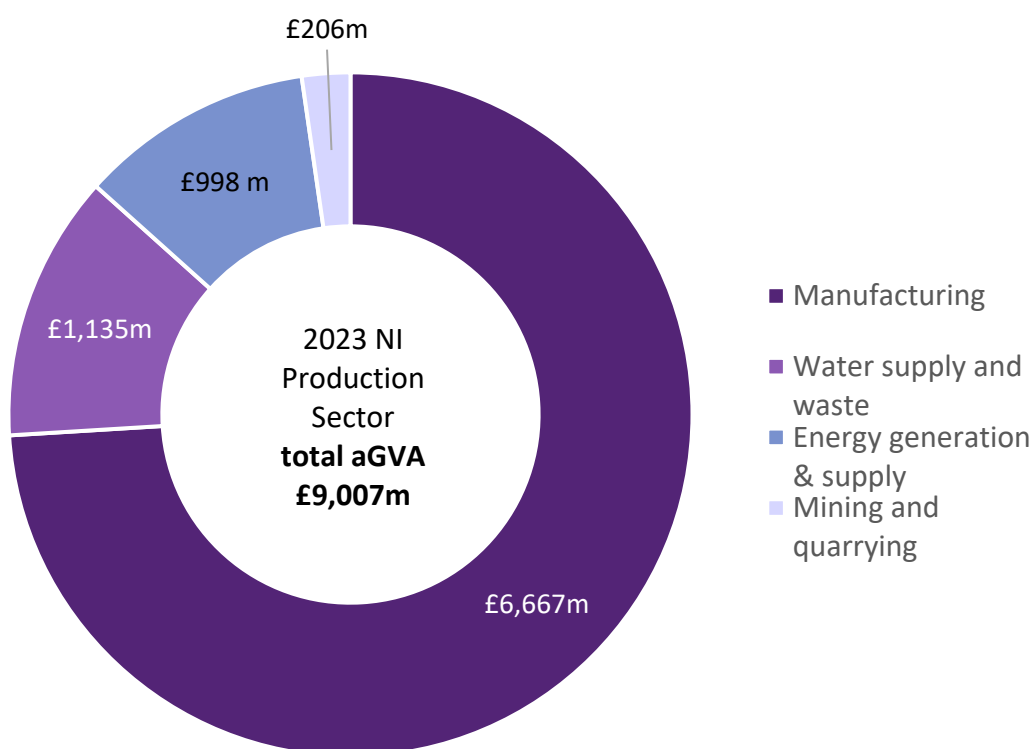
⁴ Note that Other services relates to Sections P-S

Production Industries (Sections B-E)⁵

Sections B through E have been grouped to reflect the structure of the Northern Ireland production industries. These include: Mining and quarrying (Section B); Manufacturing (Section C); Electricity, steam and air conditioning supply (Section D); Water supply, sewerage, waste management and remediation activities (Section E).

The Production sector, which accounts for 24.2% of aGVA in the NI non-financial business economy (see Figure 1), recorded an increase of £1,251 million (16.1%) between 2022 and 2023. Turnover (i.e. the value of total sales and work done) in the sector showed an increase of £1.3 billion (5.3%) over the same period in question, while purchases decreased by £338 million (-1.8%).

Figure 6: NI Production Sector: aGVA by Industrial Section, 2023



Between 2022 and 2023:

- Mining and quarrying (Section B) showed a decrease in aGVA of £7 million (-3.1%);
- At £881 million, Manufacturing (Section C) saw with the overall largest growth in aGVA (15.2%);
- Energy Generation and Supply (Section D), increased by £253 million (34.0%);
- Water supply and waste (Section E) experienced an increase in aGVA £123 million (12.1%).

⁵ Sections are based on SIC 2007 classifications - see part (iv) of background notes for further information

Manufacturing

Manufacturing (Section C) is the largest component industry in the Production sector, and accounts for 17.9% (£6.7 billion) of total aGVA in the non-financial business economy. Between 2022 and 2023, aGVA in the Manufacturing section showed an increase of £881 million (15.2%).

Construction Industries (Section F)

The Construction industries cover the entire Northern Ireland construction sector, include construction of buildings, civil engineering, and specialised construction activities (e.g. demolition and site preparation, electrical, plumbing and other construction installation activities, etc).

Up until 2020, Construction (Section F) aGVA had grown for the previous six consecutive years increasing from £1.8 billion in 2014 to £3.1 billion in 2019. In 2020 however there was a drop in aGVA to £2.6 billion which was followed in 2021 by a sharp rise of £0.9 billion bringing the aGVA to £3.5 billion. In 2022 aGVA rose again by £243 million to £3.7 billion. From 2022 to 2023 aGVA rose by £624 million (16.7%) to £4.4 billion.

Between 2022 and 2023:

- Turnover increased by 20.2% (£1.8 billion) to £10.5 billion;
- Purchases increased by 21.4% from £5.1 billion to £6.2 billion; and
- aGVA increased by 16.7% from £3.7 billion to £4.4 billion.

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.

Wholesale and retail trade (Section G) showed an increase in aGVA, growing by £1.5 billion (19.0%) from 2022 (£7.7 billion) to 2022 (£9.1 billion). Within this was a large increase in turnover of £4.8 billion (15.0%) and an increase in purchases of £3.2 billion (12.9%).

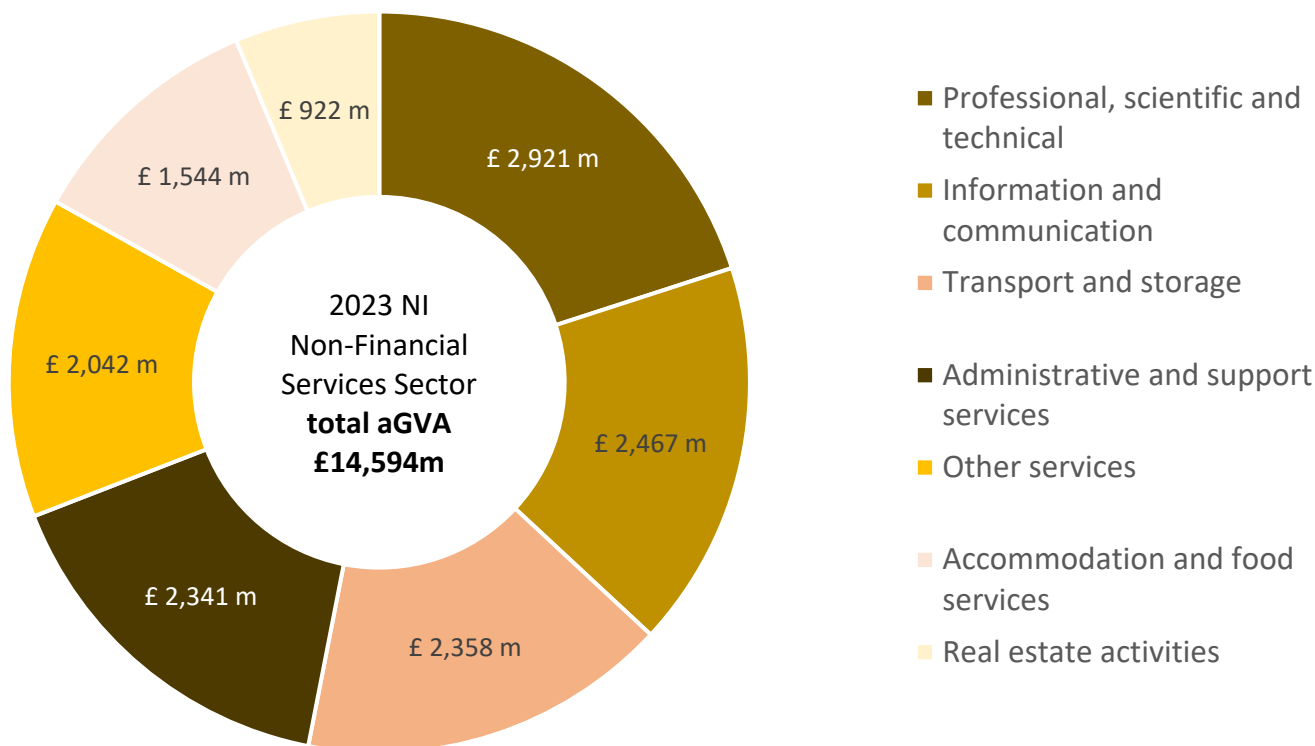
Services Industries (Section H–S) – Non-Financial

The non-financial services sector is composed of Transport and storage (Section H); Accommodation and food service activities (Section I); Information and communication (Section J); Real estate activities (Section L); Professional scientific and technical activities (Section M); Administrative and support service activities (Section N); and other service activities that are grouped to avoid disclosure of returns (Sections P-S). Note: Section K, Financial and insurance activities, are excluded.

The Services sector represents almost two-fifths (39.2%), £14.6 billion, of aGVA in the NI non-financial business economy and, as such, even small movements in the services sector can have a pronounced effect on overall trends. For example, between 2022 and 2023 aGVA in the Services sector increased by 12.5% (£1.6 billion) to £14.6 billion.

The £1.6 billion growth in the Services sector equates to 32.6% of the total aGVA growth in the NI non-financial business economy (£5.0 billion).

Figure 7: NI Non-financial Services Industries aGVA, 2023



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Turnover in the services industries increased by 12.3% (£2.6 billion) in 2023 to £23.8 billion. Purchases of goods and services recorded an increase of 11.5% (£1.0 billion) to £9.7 billion.

Within the services sector, Professional, scientific and technical activities (Section M) and Information and communication services (Section J) are the largest component industries, respectively accounting for 20.0% (£2.9 billion) and 16.9% (£2.5 billion) of the total aGVA in the sector. These are closely followed by Transport and storage, and Administrative and support services which respectively account for 16.2% (£2.4 billion) and 16.0% (£2.3 billion) of the Service sector aGVA.

The largest contributor to the increase in the services industries' aGVA was Transport and storage services (Section H), which grew by £525 million (28.7%) from £1.8 billion in 2022 to £2.4 billion in 2023. Another major contributor to growth was the Other services (Section P-S) increasing by £336 million (19.7%) over the same period.

For further informationStatistics contact:

Daniel Hogg

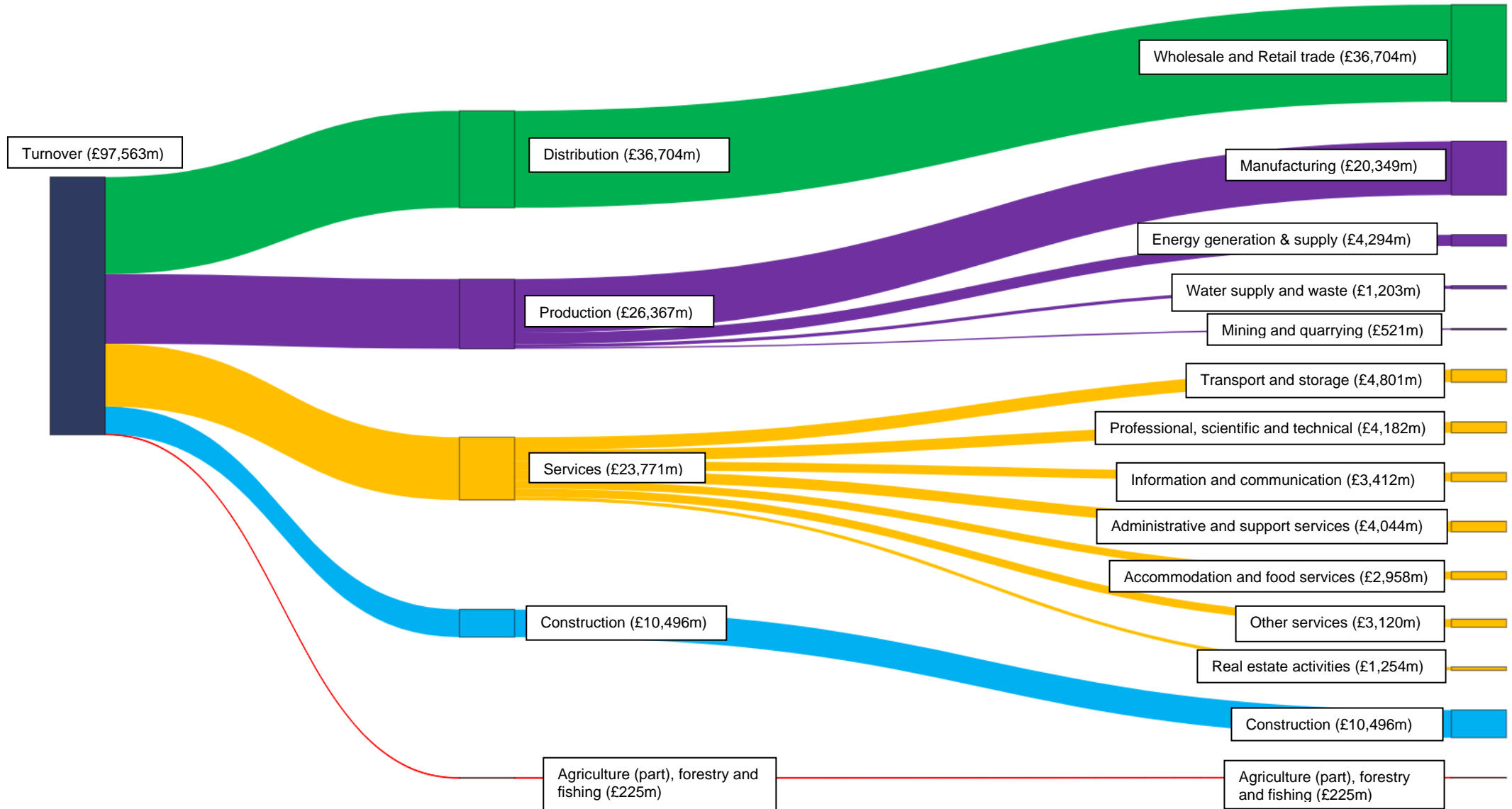
Economic and Labour Market Statistics Branch Northern Ireland Statistics and Research
Agency Floor 2, Colby House, Stranmillis Court

Belfast, BT9 5RR

Email: economicstats@nisra.gov.uk Tel: (028) 9025 51

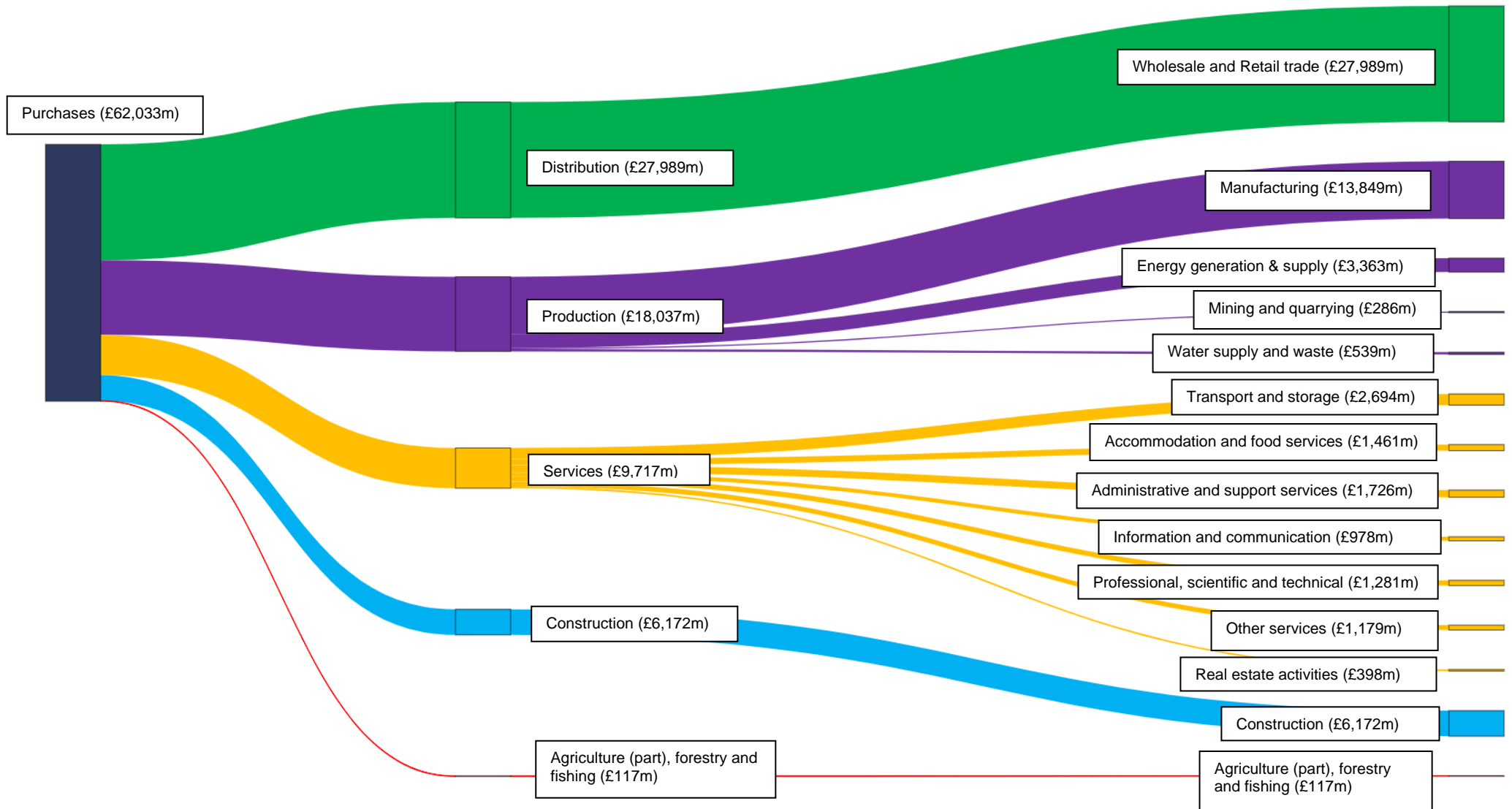
Annex A – Turnover by broad industrial sector, 2023

The width of each bar is proportionate to the value and share of Turnover of each industrial sector within the NI non-financial business economy.



Annex B – Purchases by broad industrial sector, 2023

The width of each bar is proportionate to the value and share of Purchases of each industrial sector within the NI non-financial business economy.



Annex C – aGVA by broad industrial sector, 2023

The width of each bar is proportionate to the value and share of aGVA of each industrial sector within the NI non-financial business economy.

