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**Finance and
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Business Activity

Statistics Bulletin

Facts & Figures from the Inter Departmental Business Register (IDBR) – Edition Fourteen

29th December 2011



 **Northern Ireland
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Research
Agency**

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Executive Summary

1

INTRODUCTION

The Inter Departmental Business Register (IDBR) contains information on all businesses in the United Kingdom which are VAT registered and/or operating a PAYE scheme. The register is comprised of approximately 2.1 million UK businesses, Northern Ireland accounts for just over 3% of the UK total.

VAT AND/OR PAYE REGISTERED BUSINESSES IN NORTHERN IRELAND

For every enterprise held on the IDBR, a region marker is allocated based on the address where the enterprise employs its greatest share of employees (generally the main operating site or the head office). Thus in the *enterprise based* analyses a business with a head office in London is likely to be included in Great Britain regional figures, even though it may have work sites in Northern Ireland. Therefore many multi-national businesses operating in Northern Ireland are excluded from these analyses. Similarly, for businesses operating solely within Northern Ireland that have headquarters in Belfast, these businesses are included only in the Belfast District council area even though they may have sites across NI.

- At 31 March 2011, the IDBR estimated there to be 67,955 businesses in Northern Ireland which were either VAT registered or operating a PAYE scheme (68,525 at March 2010).
- Figures from the IDBR show that Northern Ireland continues to be a small business economy with this category (less than 50 employees) accounting for 98.2% of all Northern Ireland based VAT and/or PAYE registered enterprises; medium sized (50-249) businesses account for 1.5% and large businesses for (250+) 0.3%.
- Micro businesses (those businesses with less than 10 employees) accounted for

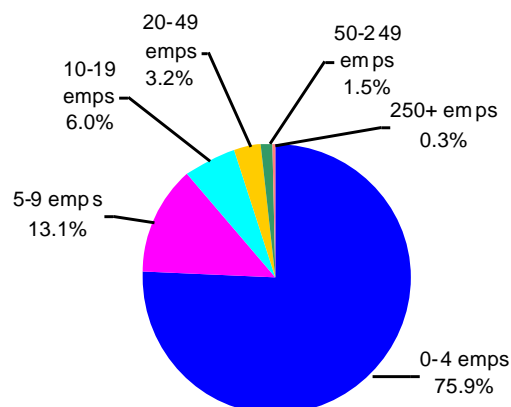
89.0% of the Northern Ireland total, similar to the UK rate of 88.8%.

- Under half (46.7%) of the businesses registered for VAT and/or PAYE in Northern Ireland have a turnover which is less than £100,000; this compares to the UK average which is 42.1%.
- In Northern Ireland, 9.1% of registered businesses have a turnover which exceeds £1 million. This percentage is similar to that of Scotland (9.0%), but higher than that of Wales (7.3%) and marginally lower than that of England (9.5%). The overall UK rate stood at 9.4%.
- NI has a higher reliance on agriculture, forestry and fishing with 24.0% of businesses located in this sector, compared with a figure of 6.7% for the UK as a whole.
- NI has a lower reliance on the Information and Communication sector (1.9% of businesses compared with 7.1% in the UK) and on the Professional, Scientific and Technical sectors (7.1% of businesses compared with 15.9% in the UK).

The figures above cover businesses in most of the economy, including the agriculture, production, service and public sectors in Northern Ireland. However they do not include very small businesses that fall below the VAT and PAYE thresholds. Latest figures published by the Department for Business, Innovation and Skills (BIS), which include an estimate of the number of unregistered businesses, indicate that at the start of 2010 the total number of businesses in NI was, 122,065 (123,895 in 2009).

VAT and/or PAYE businesses by employee sizebands, March 2011

Figure 1



District Council Information

- Belfast District Council accounts for the largest proportion (12.3%) of VAT and/or PAYE registered businesses in Northern Ireland.
- Fermanagh District Council has the greatest number of VAT and/or PAYE registered businesses (2,000) with turnover below £50,000. Five other District Councils in NI (Newry & Mourne, Omagh, Dungannon, Belfast and Armagh) each reported a thousand or more VAT and/or PAYE registered businesses with a turnover below £50,000.
- As expected, Belfast has the greatest number (325) of VAT and/or PAYE registered businesses reporting a turnover of greater than £5million, with Lisburn accounting for the second highest number (90).
- Belfast also had the largest number of businesses with less than 10 employees (6,705) as well as being the District Council with the largest number of businesses with 250+ employees (75).
- Outside of Belfast, Newry and Mourne had the largest number of VAT and/or PAYE registered businesses (4,680) whereas Carrickfergus had the fewest (765).

The estimates in the following two sections covering Private / Public status and Legal status are *Reporting unit* based and will include multinational businesses located in NI and are therefore comparable against previous editions of this publication.

Private and Public Sector Businesses

All VAT and PAYE registered businesses on the IDBR can be grouped into either Public or Private sector. The Private sector is a combination of registered businesses whose legal status falls under the category of "Company", "Sole Proprietor", "Partnership" or "Non-profit making organisation" while the public sector is comprised of those registered as "Public Corporation", "Central Government" or "Local Authority".

- 68,910 (99.6%) of the 69,175 NI businesses on the register in March 2011 were within the private sector.
- Although the public sector accounts for a very small proportion (0.4%) of the total number of businesses in Northern Ireland, estimates from the March 2011

Quarterly Employment Survey show that public sector businesses account for almost a third (31.4%) of employee jobs in Northern Ireland.

- Micro businesses (those employing between 0 and 9 persons) dominate the private sector, accounting for 89.4% of all private sector businesses. In contrast, the public sector is dominated by large businesses employing 250 or more persons, with 32.3% of public sector businesses within this category.
- 92.2% of all Northern Ireland medium sized businesses (i.e. those employing between 50 and 249 persons) are within the private sector. However, the proportion of medium sized enterprises within the Public sector and Private sector is 35.8% and 1.6% respectively.

Legal Status of Businesses

- The majority (47.7%) of businesses in Northern Ireland, in 2011, were registered as 'Sole Proprietors'.
- Under half of all VAT and/or PAYE registered businesses were registered as either a 'Company' (27.9%) or as a 'Partnership' (18.8%).
- A total of 0.4% of VAT and/or PAYE registered businesses, in Northern Ireland, belong to the Public sector. A further 5.2% of VAT and/or PAYE registered firms are non-profit making organisations.

[VAT AND/OR PAYE DATA TABLES LINK](#)

BIRTHS, DEATHS AND SURVIVAL RATES

The Office for National Statistics (ONS) has responsibility for the publication of official business births, deaths and survival rates (*Business Demography: Enterprise Births and Deaths*). This publication uses an enterprise based methodology that includes all businesses registered for VAT and/or PAYE.

- In the 2010 calendar year, a total of 4,590 enterprises were born in Northern Ireland (3,945 in 2009). In the same year, there were 5,390 deaths of enterprises (5,470 in 2009).
- The business birth rate in Northern Ireland in 2010, as a proportion of active enterprises, was 7.8% (6.6% in 2009). This was the lowest of the 12 UK regions. The overall birth rate for the UK in 2010 was 10.2% (10.1% in 2009).

- The Northern Ireland death rate was also the lowest of the UK regions at 9.1% (12.9% for the UK) in 2010.
- At 2010 Northern Ireland had the highest five-year business survival rate of the 12 UK regions (54.0% of business births in 2005). Perhaps surprisingly Northern Ireland has the lowest one-year survival rates of the UK regions (85.4% of business births in 2009).
- Ards had the highest one-year business survival rate (94.1%), followed by Ballymoney (92.9%) and Larne and Omagh (each 92.2%) while Belfast District Council had the lowest survival rate (76.7%).

[BUSINESS DEMOGRAPHY TABLES LINK](#)

FOREIGN OWNED BUSINESSES OPERATING IN NORTHERN IRELAND IN 2010

The market information company Dun and Bradstreet, annually supply the Office for National Statistics (ONS) with information on foreign owned businesses operating in the United Kingdom. This information is then loaded onto the IDBR. It should be noted that this is not an exhaustive list of foreign owned businesses in Northern Ireland, only those for which we have received information from the above sources.

Information on the status of foreign owned businesses is continually updated and, as a result, figures are subject to change as more up-to-date information becomes available.

- At March 2011, there were approximately 765 foreign owned businesses operating in Northern Ireland.
- The majority of foreign owned businesses where from the Republic of Ireland (32.2%).
- The Wholesale industry accounted for the highest proportion (17.8%) of foreign owned businesses in Northern Ireland, followed by the Production Industry (17.5%) and the Retail Industry (15.4%).

[FOREIGN OWNERSHIP DATA TABLES LINK](#)

Contact Information

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stats-index.htm](http://www.detini.gov.uk/deti-stats-index.htm)

Information regarding the UK IDBR is also
available via the following link.

[http://www.ons.gov.uk/ons/about-ons/who-
we-are/services/idbr/about-the-
idbr/index.html](http://www.ons.gov.uk/ons/about-ons/who-we-are/services/idbr/about-the-idbr/index.html)

Background notes and definitions

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i) Inclusion of PAYE operating businesses not registered for VAT

Users should note that prior to December 2009 the *enterprise based* tables included in this publication, did not include PAYE operating businesses not registered for VAT. Therefore caution should be exercised when comparing estimates to earlier years.

The VAT registered enterprise data (i.e. excluding PAYE registered businesses not separately registered for VAT) is no longer published by the ONS and thus there are no longer any comparable regional tables for this data.

ii) Enterprise based and Reporting Unit based analysis

The “*enterprise*” and “*reporting unit*” concepts can be thought of in the following terms, the “*enterprise*” is similar to the head office of a business reporting for all activity in the business, whereas the “*reporting unit*”, as the name suggests, reports for only certain parts of this business e.g. GB activity only or NI activity only. An example may help to explain this concept; Joe Bloggs Ltd is a large multinational company existing in NI but also has sites across a number of other GB regions, with the London headquarters being the largest store. Any analysis at the “*enterprise level*” would assign Joe Bloggs Ltd to the London region whereas the “*reporting unit level*” analysis would assign a separate NI business.

Therefore, any analysis carried out at the “*reporting unit*” level is likely to include more businesses than an analysis based on the “*enterprise*” level. The table on the following page presents a breakdown of the extent of the differences resulting from the different coverage at March 2011.

iii) Births and deaths statistics

The ONS publication, *Business Demography: Enterprise Births and Deaths*, was introduced in 2009 (for the reference period 2008 onwards) following a new European Commission Structural Business Statistics Regulation which came into force in February 2008, requiring National Statistical Institutes (NSIs) to produce statistics on business births, deaths and survival rates. Prior to this, information on VAT registrations and de-registrations was published by the department of Business, Innovation and Skills (formerly the Department of Trade and Industry).

Births, deaths and survival statistics are produced using common definitions and methodology, which ensures greater comparability across the EU. For more information on the ONS publication please visit the following website:

<http://www.ons.gov.uk/ons/rel/business-register/business-demography/2010/index.html>

NI businesses by industry section - March 2011

Broad Industrial Group (SIC07)	Enterprise based	Reporting Unit based
Agriculture, forestry & fishing	16,285	16,340
Production	4,280	4,365
Construction	10,910	10,959
Motor trades	2,360	2,380
Wholesale	3,220	3,335
Retail	6,390	6,628
Transport & storage (inc. postal)	2,300	2,371
Accommodation & food services	3,650	3,683
Information & communication	1,270	1,324
Finance & insurance	1,035	1,095
Property	1,960	1,975
Professional, scientific & technical	4,800	4,899
Business administration and support services	2,365	2,449
Public administration and defence	50	84
Education	505	526
Health	2,645	2,729
Arts, entertainment, recreation and other services	3,930	4,033
Total	67,955	69,175