

## Summary of usage of the Northern Ireland Index of Production

The Index of Production (IOP) is a key economic indicator which measures short-term changes in the output of the production industries over time and allows comparison to be made with UK figures.

Short-term economic indicator data are widely used by anyone who has an interest in the NI economy. The figures are used by economists both within and outside Government in assessments of the state of the economy. The IOP results are replicated in the First Trust Economic Outlook with other sources, reflecting its importance to local commentators on the economy. The measure also achieves significant use in the Ulster Bank's quarterly Economic Commentary and is considered a key measure of short-term economic performance. Below are links to the First Trust and Ulster Bank commentaries.

[http://www.firsttrustbank.co.uk/servlet/ContentServer?pagename=FT\\_Treasury/FT\\_Quarterly\\_Outlook&channel=Quarterly](http://www.firsttrustbank.co.uk/servlet/ContentServer?pagename=FT_Treasury/FT_Quarterly_Outlook&channel=Quarterly)

<http://www.ulsterbankcapitalmarkets.com/home/Economist/NI%20Economics%202/Ni%20Quarterly%20Economic%20Update%202.aspx>

Every month the Department of Enterprise, Trade and Investment (DETI) Minister is briefed on the economy with information from various surveys. This includes the latest quarterly information from the Index of Production, which helps build a complete picture of the state of the economy.

In addition each quarter the DETI Press Office receives a Statistics Press Release for the Index of Production and a monthly Press Statement which includes figures and comments on the Index of Production each quarter. These are used to disseminate results to the media and answer information requests they receive. Below is a link to an article in the Belfast Telegraph and an article on the BBC news website.

<http://www.belfasttelegraph.co.uk/breaking-news/uk-ireland/ni-unemployment-still-on-the-rise-14642851.html?startindex=-1>

[http://news.bbc.co.uk/1/hi/northern\\_ireland/8635594.stm](http://news.bbc.co.uk/1/hi/northern_ireland/8635594.stm)

The DETI economists use IOP data to feed into the DETI Economic Commentary they produce, which provides an overview of the state of the Northern Ireland economy. DETI economists also use IOP figures in regular briefings to the Minister on the economy, policy formation and in response to Assembly Questions and external information requests. They have used IOP data in presentations to the Executive Sub Committee on the Economy and the Economic Advisory Group, which includes economists and business leaders.

Significant non-governmental users of the data include employers associations, universities and academics, the Economic Research Institute of Northern Ireland, academic researchers both home and abroad, the media and the general public. Below is a link to a recent report by Oxford Economics for Belfast City Council which utilises both IOP and IOS data.

<http://www.belfastcity.gov.uk/economicdevelopment/docs/EconomicIndicatorsReport.pdf>

The IOP is one of the input series of data (along with the Index of Services and others) in the ongoing development of a Composite Output Index for Northern Ireland. This index would give a broad indication of the behaviour of the whole Northern Ireland economy.

The IOP is one of the major component series (the others being the number of employees in employment and average weekly hours) used in the calculation of the NI Index of Productivity, which is published in the quarterly Index of Production bulletin. Although this measure is not used in the official calculation of productivity related targets (which uses Gross Value Added from Regional Accounts), it is a short term measure which is available quarterly and is a more up-to-date one which can be used to inform policy makers.