
Northern Ireland Manufacturing Sales & Exports Survey 2009/10

8 December 2010

NORTHERN IRELAND MANUFACTURING SALES & EXPORTS SURVEY 2009/10

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The Northern Ireland Manufacturing Sales and Exports Survey provides information on the value of sales and exports generated by businesses classified within the manufacturing industry in Northern Ireland. This report presents provisional information for 2009/10 along with revised data for previous years.

- Total Sales by manufacturing companies in Northern Ireland (NI) were estimated to be worth £15.7 billion in 2009/10. This represents a decrease of 0.4% over the year in current prices. This compared to growth of 4.6% last year.
- Manufacturing exports decreased by 8.5% (£487 million) over the year to £5.2 billion. This compared to growth of 8.2% last year.
- Sales within Northern Ireland experienced a decrease of 3.7% (£129 million) over the year in current prices, equating to a decrease of 5.4% in real terms. However sales to Great Britain increased by 8.5% (£549 million in current prices).
- Sales to the European Union (including the Republic of Ireland) now account for just under half (49%) of exports. EU sales declined by 16.4%, or by £505 million in current price terms.
- Total sales to the Republic of Ireland (ROI) in 2009/10 were £1.5 billion, down £99 million (6.3%) over the year (2008/09 – 2009/10). This compares to growth of 2.3% in the previous year.
- Exports to the Rest of the World (ROW) were worth £2.7 billion in 2009/10, up £17million (0.7%) over the year. This rate of growth is lower than growth in the previous year (£192 million, 7.9%).
- The increase in the value of Northern Ireland exports has also been affected by changes in the exchange rate over the period. It is therefore also of interest to assess the value of exports in real terms, i.e. when the impact of such changes and price changes due to inflation have been removed. In real terms total sales decreased by 2.9%, exports decreased by 11.8%, sales to ROI and ROW decreased by 9.7% and 3.0% respectively, while sales to the Rest of EU decreased by 30.0% over the year. Sales to Great Britain grew by 6.5% in real terms over the year.

**Department of Enterprise,
Trade and Investment**

**Northern Ireland
Manufacturing Sales &
Exports Survey
2009/10**

8 December 2010

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Executive Summary



Figures are provisional and subject to revision to take account of additional information

The Manufacturing Sales and Exports Survey (MSES) provides information on the value of sales and exports generated by businesses classified within the Manufacturing Industry in Northern Ireland.

Sales & Export Performance in Current Prices

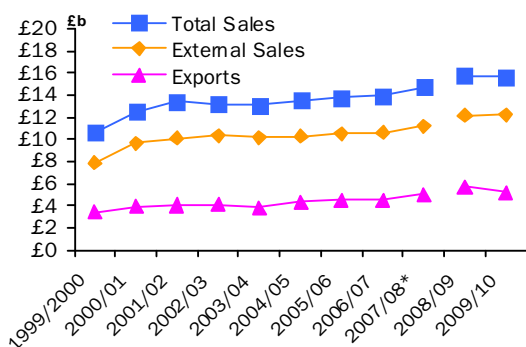
Total Sales by manufacturing companies in Northern Ireland (NI) were estimated to be worth £15.7 billion in 2009/10. This represents a current price decrease of 0.4% (£67 million) over the year. This compared to growth of 4.6% last year.

In 2009/10, 78.4% of manufacturing sales were made to customers outside NI (external sales). This equated to £12.3 billion, representing an increase of 0.5% (£62 million) over the year.

Sales outside the UK (exports) were estimated to be worth £5.2 billion in 2009/10. This represented a decrease of 8.5% over the year, compared to a rate of growth in the previous period (2007/08 – 2008/09) of 8.2%.

Figure 1 shows the values of total sales, external sales and exports over the 10 year period (1999/2000 to 2009/10).

Figure 1: Sales, External Sales and Exports 1998/99 to 2008/09



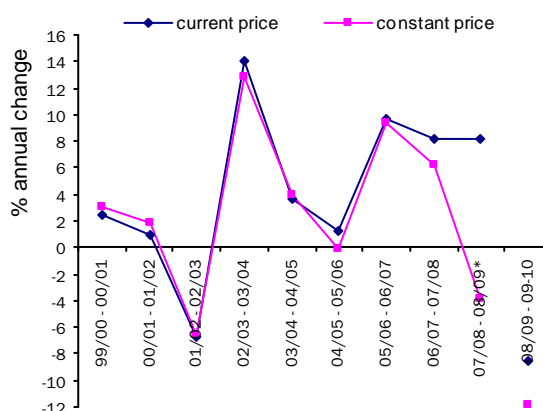
Sales and Export Performance in Constant Prices

Constant prices allow figures to be presented with the effects of inflation removed, and reflects the effects of other factors such as exchange rate fluctuations. This allows changes to be reported in real terms (by using a deflator). The transition from sic 2003 to sic 2007 has impacted on deflators, and this is discussed in the background note.

When considered in real terms, there has been a decrease in total sales of 2.9% (£464m), a decrease of 2.2% in external sales (£271m) and internal sales to NI fell by 5.4% over the year (£193m). Overall, exports decreased by 11.8% over the year with sales to ROI falling by 9.7% and to the Rest of the World by 3.0%. While sales to Rest of EU fell by 30.0% (£461m), these decreases were somewhat offset by an increase in sales to GB (£432m, 6.5%).

Figure 2, below, shows the annual rate of growth in exports over the last ten years in both current and constant prices. The decreases reported in 2009/10 are the lowest over the 10 year period.

Figure 2: Annual Growth of Exports 1999/2000 to 2009/10 in current and constant prices



*Changes in sic 03 and sic 07 have resulted in discontinuity of trends. Please see background notes for more information.

Information in the rest of the report is provided in current prices unless otherwise stated.

Analysis by Destination

Great Britain remains the most significant single market for sales from Northern Ireland manufacturing businesses, accounting for 44.9% (£7.0 billion) of total sales.

Sales destined for international customers (exports) accounted for a third (33.4%) of total sales. Sales to the Republic of Ireland decreased over the year by 6.3% and account for 9.5% of total sales and over a quarter (28.4%) of exports.

Total sales to the Republic of Ireland (ROI) in 2009/10 were £1.5 billion, down £99 million (6.3%) over the year. However, this represented a slowdown in growth compared to the previous year when exports to ROI increased by 2.3%. In real terms the value of exports to ROI fell by 9.7%.

Sales to the Rest of EU¹ decreased by 27.4% (£405 million) over the year. Germany, France and the Netherlands are the main key destinations for sales and accounted for a combined 52.0% of sales to the Rest of EU. In real terms the value of exports to the Rest of EU decreased by 30.0%.

Sales to the Rest of the World² rose over the year by 0.7% (£17 million). The most significant market for sales outside the European Union in 2009/10 was North America which accounted for 46.7% of total Rest of World sales. Sales to the Rest of the World fell in real terms by 3.0%.

Analysis by Sector

The Food, Beverages and Tobacco grouped division contributes the highest proportion of sales and external sales to the Northern Ireland manufacturing sector, accounting for over half of both total sales (51.5%) and external sales (52.9%). This grouped division also accounted for a fifth (19.8%) of exports, just ahead of the Other Transport Equipment division (18.9%) which accounted for the second highest proportion of total exports.

Several divisions have experienced marked declines in sales, external sales and exports over the year. This was the case in the Non-Metallic Minerals division, the Repair and Installation of Equipment division, the Machinery and Equipment not

elsewhere classified division, and the Electrical Equipment division.

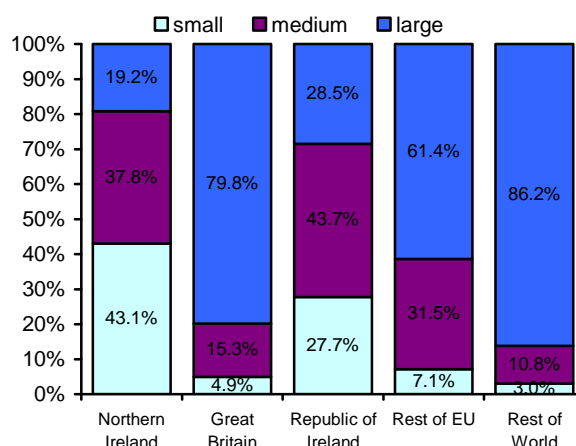
Analysis by size of business

For the purpose of this analysis, small (0-49 employees), medium (50-249 employees) and large (250+ employees) businesses have been examined.

In 2009/10, small and medium businesses (combined) accounted for 38.4% of total sales, 26.6% of external sales and 35.3% of exports.

Figure 3 provides information on how the sales to each of the broad destinations are spread among small, medium and large businesses. It is evident that, the more distant the market, the more likely large firms are to have a greater share of the market. In contrast, small and medium sized businesses prefer domestic markets, accounting for over four fifths (80.8%) of internal sales (sales within NI).

Figure 3: Sales by Broad Destination & Size of Business in 2009/10



Exports by small businesses have decreased by 18.6% over the year to 2009/10 while medium and large sized businesses recorded decreases of 4.3% and 8.1% respectively over the year.

¹ The Rest of EU is composed of the following countries: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden; Finland; Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Bulgaria and Romania.

² The Rest of World refers to all destinations outside the European Union.

Sales & Export Performance

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Figures are provisional and subject to revision to take account of additional information

Total sales are defined as the sum of sales to Northern Ireland, Great Britain, the Republic of Ireland, the Rest of the European Union and the Rest of the World. Total sales include all taxes and duties on goods invoiced with the exception of VAT which is excluded from total sales.

Provisional estimates from the Northern Ireland Manufacturing Sales and Exports Survey for 2009/10, estimate the value of sales from NI manufacturing businesses to be worth some £15.7 billion, this represents a current price decrease of 0.4% (£67 million) over the year, a rise of 13.3% over the 5-year period, 2004/05 to 2009/10, and a rise of 24.7% over the last decade (1999/00 to 2009/10).

External sales are comprised of those sales made outside Northern Ireland, that is, sales to Great Britain, the Republic of Ireland, the Rest of the European Union and the Rest of the World.

Sales to customers based outside Northern Ireland (external sales) accounted for three-quarters (78.4%) of total sales in 2009/10. The value of such sales has increased over the year by 0.5% from £12.2 billion in 2008/09 to £12.3 billion in 2009/10.

Figure 4: Total Sales & External Sales made by NI Manufacturing Businesses, 1999/00 – 2009/10

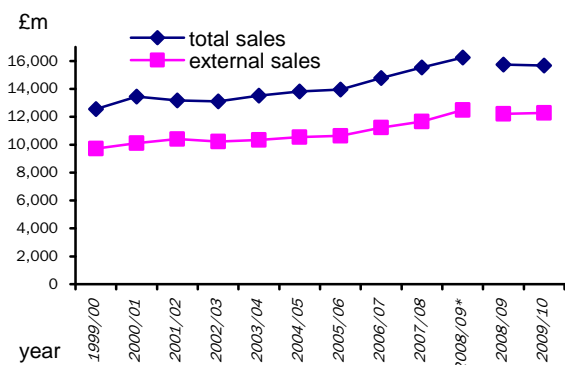
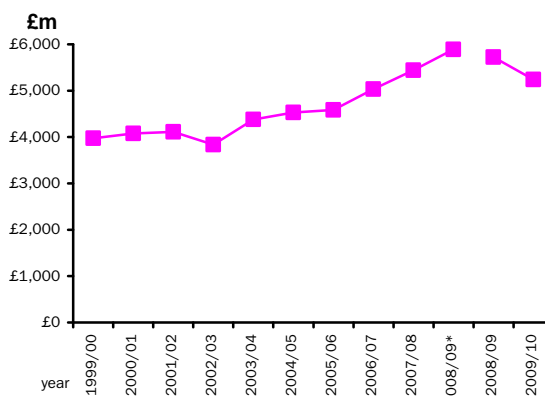


Figure 4 provides information on the level of sales and external sales for the 10 year period 1999/00 to 2009/10. There has been consistent growth in both sales and external sales (increasing by 24.7% and 26.3% respectively).

Exports consist of all sales made outside the United Kingdom. Figure 5 shows export performance in the 10 years to 2009/10.

Figure 5: Export Sales made by Northern Ireland Manufacturing Businesses, 1999/00 – 2009/10



*Changes from sic 03 to sic 07 have resulted in discontinuity of trends. Please see background notes for more information.

Estimates for 2009/10, show a decrease of 8.5% in manufacturing exports over the year from £5.7 billion in 2008/09 to £5.2 billion in 2009/10. Although there has been a notable increase in the level of exports over the 5-year period (2004/05 to 2009/10) from £4.5 billion to £5.2 billion, the annual rate of growth has fluctuated considerably, with growth ranging from 1.2% in 2004/05 – 2005/06 to 9.7% growth in 2005/06-2006/07. Exports have risen significantly over the last decade from £4.0 billion to £5.2 billion, an increase of £1.3 billion (31.9%).

Current Price and Constant Price Changes

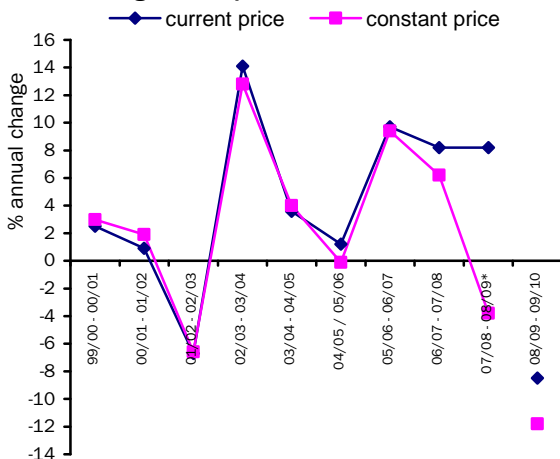
Current prices show data where the value for each item is expressed in terms of the prices in that period. All prices presented in this report are provided in current price terms, unless otherwise stated.

Constant prices present data in real terms, by applying a deflator to the current price (prices have been adjusted to 2009/10=100). Using deflators to produce constant prices removes the effect of inflation and reflects the impact on prices of other factors such as exchange rate fluctuations. Further information on the deflators used can be found in the background notes in section 8.

Constant prices therefore provide a method to compare changes in sales and exports over time, by allowing real growth to be shown without the effect of inflation. Although there has been a decrease in sales (0.4%) and exports (8.5%), and an increase in external sales (0.5%) over the year in current prices, when expressed in real terms the picture is somewhat different with total sales decreasing by 2.9% and external sales decreasing by 2.2%. Sales within NI and to ROI fell by 5.4% and 9.7% respectively, while exports decreased by 11.8% (constant prices).

Figure 6, below, provides information on annual percentage changes in exports, in both current and constant prices. When considering export sales in current prices, there has been an increase of 31.9% over the 10 year period to 2009/10 while in constant prices, exports have actually increased by 14.1%. The annual rate of growth of exports (constant prices) continued to decrease in the periods 2007/08 – 2008/09 (-3.8%) and 2008/09 – 2009/10 (-11.8%) from the higher rate of growth reported in 2006/07 - 2007/08 (6.2%).

Figure 6: Comparison of current & constant price annual changes in Exports



* Please note that constant prices for 2008/09 (sic 2003) and earlier years are deflated to base 2008/09 (sic 2003)=100 while 2008/09 (sic 2007) and 2009/10 are deflated to base 2009/10 (sic 2007)=100. For more information, please see the background notes.

Table 1 provides further information on the effects of current and constant prices on exports over 1, 3, 5 and 10 year periods. The percentage growth is more evident as time increases in both series.

Table 1: Comparing changes in exports over 1, 3, 5 and 10 years, in current and constant prices.

	1999/00 to 2009/10	2004/05 to 2009/10	2006/07 to 2009/10	2008/09 to * 2009/10
	% change (10yr)	% change (5yr)	% change (3 yr)	% change (1 yr)
Exports (current)	31.9%	15.6%	4.1%	-8.5%
Exports (constant)	14.1%	-0.8%	-9.2%	-11.8%

*Changes from sic 03 to sic 07 have resulted in discontinuities to data. Please see background notes for more details.

Further data in both current and constant prices can be found in the results tables in section 6.

Analysis by destination

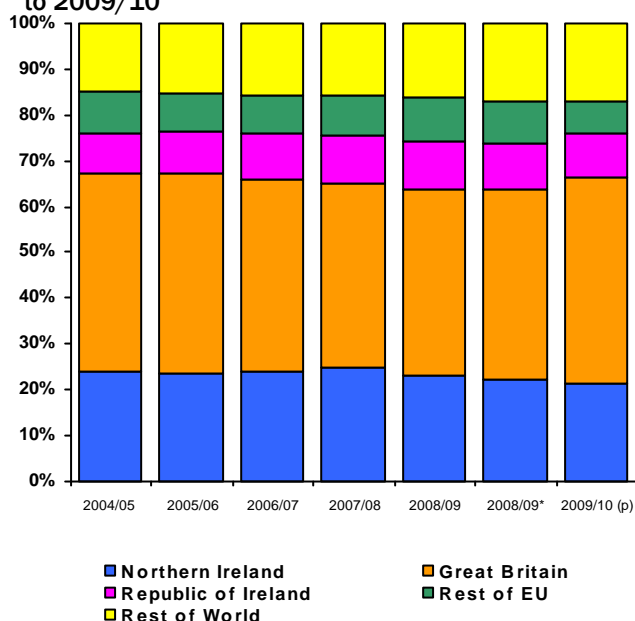
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Sales by broad destination

Figure 7 provides information on the destination of sales from NI Manufacturing businesses for the five most recent years: 2004/05 to 2009/10.

Figure 7: Total Sales by Broad Destination, 2004/05 to 2009/10



*Changes from sic 03 to sic 07 have resulted in discontinuities to data. Please see background notes for more details.

Figure 7 illustrates that there has been a slight but steady rate of growth in the proportion of total sales destined for ROW, increasing by 2.1 percentage points over the 5 year period to 2009/10. However, there has also been a fall in the proportion of sales to Rest of EU, decreasing by 1.9 percentage points during this 5 year period (decreasing from 8.8% to 6.9%). The level of exports destined for the ROI has remained relatively static over the 5 year period to 2009/10 with a reported increase of 0.5 percentage points. In this 5 year period, 2004/05 to 2009/10, there has been a slight increase in the importance of GB as a destination for sales, with the proportion of

sales destined for GB increasing from 43.4% in 2004/05 to 44.9% in 2009/10.

Despite only a slight increase in the dominance of GB as a market for sales, (increase of 1.5 percentage points) over the 5 year period, 2004/05 to 2009/10, it remains the most significant destination for sales, accounting for more than two fifths (44.9%) of total sales in 2009/10.

The most important export market in terms of broad destination in 2009/10, was the Rest of World, which accounts for 17.1% of total manufacturing sales in Northern Ireland compared to 6.9% for the Rest of the European Union. Table 2 provides further information on sales to the broad destinations over time, in current prices.

Table 2: Broad Destination Sales, 1999/00, 2004/05, 2008/09, and 2009/10

	1999/00	2004/05	2008/09*	2009/10 (P)
	£m	£m	£m	£m
Total Sales	£12,561	£13,826	£15,736	£15,669
Northern Ireland	£2,840	£3,288	£3,520	£3,391
External Sales	£9,721	£10,538	£12,216	£12,278
Great Britain	£5,748	£6,005	£6,489	£7,038
Export Sales	£3,974	£4,533	£5,727	£5,240
Republic of Ireland	£903	£1,243	£1,590	£1,491
Rest of EU	£1,150	£1,212	£1,479	£1,074
Rest of World	£1,921	£2,078	£2,658	£2,675

*Changes from sic 03 to sic 07 have resulted in discontinuities to data. Please see background notes for more details.

Changes in sales by broad destination over time

Table 3 reports the percentage changes in sales over the year, 2008/09 to 2009/10 and also for the 3, 5 and 10 year periods (2006/07 to 2009/10, 2004/05 to 2009/10 and 1999/00 to 2009/10).

Table 3: Changes in Broad Destination Sales over 1, 3, 5 and 10 years

	% change (10 year)	% change (5 year)	% change (3 year)	% change (1 year)
	1999/00 to 2009/10	2004/05 to 2009/10	2006/07 to 2009/10	2008/09* to 2009/10
Northern Ireland	19.4%	3.1%	-5.0%	-3.7%
Great Britain	22.4%	17.2%	13.8%	8.5%
Republic of Ireland	65.1%	19.9%	-1.2%	-6.3%
Rest of EU	-6.6%	-11.4%	-12.7%	-27.4%
Rest of World	39.3%	28.7%	16.6%	0.7%

*Changes from sic 03 to sic 07 have resulted in discontinuities to data. Please see background notes for more details.

Sales to GB, ROI and the Rest of the World have experienced significant percentage increases over the last decade, 1999/2000 to 2009/10, (22.4%, 65.1% and 39.3% respectively) while the Rest of the EU experienced a decrease of 6.6%.

Over the 5-year period, 2004/05 to 2009/10, the largest percentage increase in sales has been to Rest of the World with sales rising by 28.7%, from £2,078 million in 2004/05 to £2,675 million in 2009/10. Sales to ROI rose by 19.9%, from £1,243million in 2004/05 to £1,491 million in 2009/10. Sales to GB have also risen over the 5 year period, increasing by 17.2% (£1,033m) while sales to the Rest of EU fell by 11.4% (£138 million).

Over the 3 year period, 2006/07 to 2009/10, an increase in sales of 13.8% to Great Britain has been reported. This is lower than the 3 year change in sales to the Rest of the World (16.6%). Sales to ROI have fallen by 1.2% over the 3 year period, from £1,508 million in 2006/07 to £1,491 million in 2009/10. Rest of EU also experienced a decrease in sales (12.7%) in this 3 year period.

Over the last year, only sales to GB and ROW have risen (8.5% and 0.7% respectively), while sales in NI fell by 3.7%. Sales to the Rest of EU fell by 27.4% from £1,479 million in 2008/09 to £1,074 million in 2009/10, while sales to ROI fell by 6.3%.

Table 4 provides information on the value of sales to export markets in the European Union (excludes NI, GB and ROI).

Table 4: Exports to markets within Rest of EU (2009/10)

Export Market	Sales	
	£m	% of REU sales
Germany	£216.1	20.1%
France	£210.7	19.6%
Netherlands	£131.9	12.3%
Italy	£88.5	8.2%
Belgium	£76.6	7.1%
Spain	£70.2	6.5%
Denmark	£47.6	4.4%
Sweden	£32.4	3.0%
Poland	£28.1	2.6%
Finland	£23.9	2.2%
Greece	£22.3	2.1%
Czech Republic	£19.2	1.8%
Hungary	£18.5	1.7%
Austria	£16.4	1.5%
Romania	£14.1	1.3%
Portugal	£10.8	1.0%
Slovakia	£7.1	0.7%
Bulgaria	£5.6	0.5%
Cyprus	£4.3	0.4%
Lithuania	£4.1	0.4%
Malta	£4.0	0.4%
Latvia	£3.8	0.4%
Slovenia	£3.1	0.3%
Luxembourg	£1.9	0.2%
Estonia	£1.4	0.1%
EU non specified*	£11.6	1.1%
Rest EU ¹	£1,074.0	100.0%

*Non Specified is comprised of those units which did not specify the destination within the European Union

¹ The Rest of EU is composed of the following countries: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden; Finland and since May 2004, the following accession countries Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Throughout the report, 2004/05 REU information refers to the enlarged EU whilst 2003/04 and previous years exclude the aforementioned accession countries. Bulgaria and Romania joined the EU on 1st January 2007 and is reported within the Rest of EU from 2007/08.

In 2009/10 NI manufacturing businesses have reported Germany, France and the Netherlands as the main export destinations within the Rest of EU accounting for over half (52.0%) of all sales to the Rest of EU. In 2007/08 Sales to Bulgaria and

Romania were reported within EU for the first time and, this year, are estimated to account for 1.8% of sales within the Rest of EU.

Table 5 below, provides information on the major export markets outside of the European Union which form the Rest of World (ROW) destination group. NI Manufacturing businesses reported sales of £1,253.8 million to North America in 2009/10 which accounts for the single largest share of the sales to markets outside the European Union, representing 46.7% of all sales to the Rest of the World group.

Table 5: Major Export Markets outside the European Union

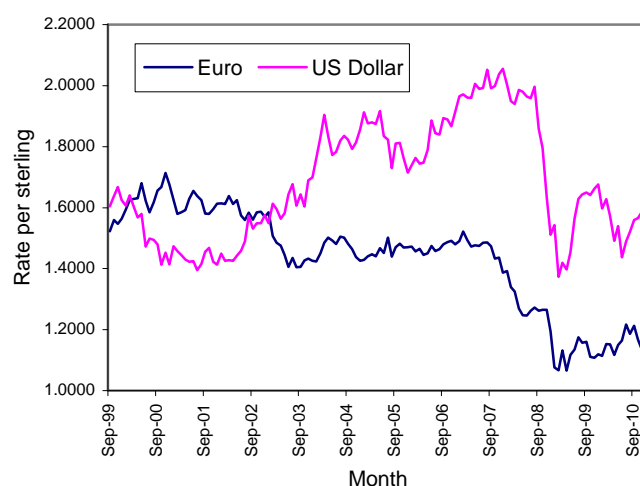
Export Market	Sales	
	£m	% of ROW
North America	£1,253.8	46.7%
Asia Total	£425.3	15.8%
Switzerland sales	£352.3	13.1%
Middle East Total	£254.9	9.5%
Africa Total	£169.7	6.3%
Central and South America Total	£47.1	1.8%
Australia sales	£44.1	1.6%
Russia sales	£35.5	1.3%
Norway sales	£22.4	0.8%
Turkey sales	£21.9	0.8%
Europe other sales	£7.1	0.3%
New Zealand sales	£4.5	0.2%
Eastern Europe sales	£4.4	0.2%
Rest of world non specified*	£42.2	1.6%
Rest of world sales ²	£2,675.4	100.0%

*Non-Specified is comprised of those units which did not specify the destination of sales within the RoW

² The Rest of World refers to all destinations outside the European Union.

Figure 8 below shows the Sterling Exchange Rates with Euro and US Dollar. The exchange rates with both Euro and US Dollar have decreased substantially since 2008.

Figure 8: Sterling Exchange Rates with Euro and US Dollar: September 1999 – December 2010
(Source: HMRC)



Analysis by Sector

4

Figures are provisional and subject to revision to take account of additional information

Table 6 and Figure 9 provides information on sales, external sales and exports for each of the industrial divisions in 2009/10.

The Food, Beverages and Tobacco grouped division contributes the highest proportion of sales and external sales to the Northern

Ireland manufacturing sector, accounting for over half of both total sales (51.5%) and external sales (52.9%). This grouped division also accounted for a fifth (19.8%) of exports, just ahead of the Other Transport Equipment division (18.9%) which accounted for the second highest proportion of total exports.

Table 6: Share of Sales and Exports by Industrial Division

SIC(07) Division	Industrial sector	Total sales (p)		External sales (p)		Exports (p)	
		Total Sales £m	% Total sales	External Sales £m	% External Sales	Exports £m	% Exports
10-12	Food, Beverages and tobacco	£8,076	51.5%	£6,500	52.9%	£1,038	19.8%
13	Textiles	£174	1.1%	£143	1.2%	£39	0.7%
14	Wearing apparel	£71	0.5%	£55	0.4%	£24	0.5%
15	Manufacture of leather and related products	d	d	d	d	d	d
16	Wood and of products of wood and cork	£295	1.9%	£156	1.3%	£93	1.8%
17	Paper and paper products	£270	1.7%	£170	1.4%	£118	2.3%
18	Printing and reproduction of recorded media	£151	1.0%	£46	0.4%	£28	0.5%
19	Coke and refined petroleum products	d	d	d	d	d	d
20	Chemicals and chemical products	£440	2.8%	£344	2.8%	£323	6.2%
21	Pharmaceutical	£187	1.2%	£165	1.3%	£134	2.5%
22	Rubber and plastics	£720	4.6%	£564	4.6%	£377	7.2%
23	Non-metallic minerals	£497	3.2%	£198	1.6%	£90	1.7%
24	Basic metals	£18	0.1%	£4	0.0%	£4	0.1%
25	Fabricated metal products	£771	4.9%	£421	3.4%	£148	2.8%
26	Computer, electronic and optical	£699	4.5%	£683	5.6%	£573	10.9%
27	Electrical equipment	£765	4.9%	£727	5.9%	£642	12.3%
28	Machinery and equipment n.e.c.	£717	4.6%	£574	4.7%	£433	8.3%
29	Motor vehicles and trailers	£335	2.1%	£270	2.2%	£69	1.3%
30	Other transport equipment	£1,076	6.9%	£1,050	8.6%	£991	18.9%
31	Furniture	£240	1.5%	£108	0.9%	£54	1.0%
32	Other manufacturing	£93	0.6%	£59	0.5%	£42	0.8%
33	Repair and installation of equipment	£62	0.4%	£39	0.3%	£19	0.4%
	Total	£15,669	100%	£12,278	100%	£5,240	100%

(p) = provisional d = disclosive Note: Figures may not add due to rounding

Figure 9, below, displays external sales and exports as a proportion of total sales for each of the divisions within manufacturing.

Over 95% of the total sales within the Computer, Electronic and Optical division (97.6%), the Other Transport Equipment division (97.6%), and the Electrical Equipment division (95.0%) were external. These three divisions also were the highest exporters, as a proportion of total

sales, across the divisions. The Other Transport Equipment division had the noticeably highest proportion (92.1%), followed by the Electrical Equipment division (83.9%), and the Computer, Electronic and Optical division (82.0%).

Figure 10 provides further information on the share of sales, external sales and exports by industrial sector.

Figure 9: External Sales and Exports as a Proportion of Total Sales by Industry

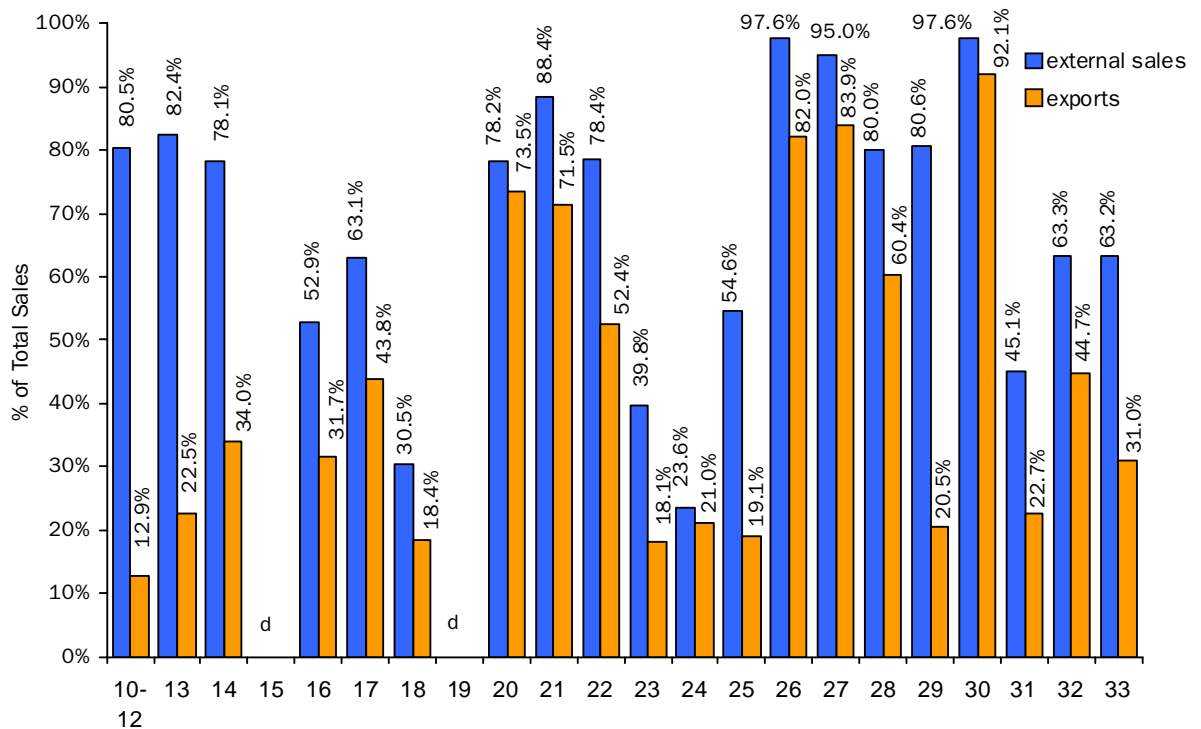


Figure 10: Share of Sales, External Sales and Exports by Industrial Sector

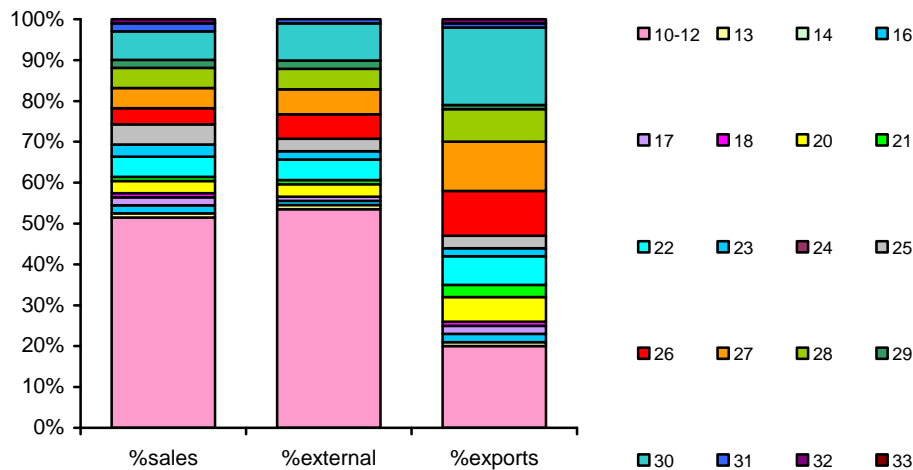


Table 7 provides information on the sales, external sales and exports of each of the manufacturing subsectors in 2008/09 and 2009/10.

The largest proportional increases in total sales, external sales and exports over the year (2008/09 to 2009/10) have been reported in the Pharmaceutical division, followed by the Other Transport Equipment division.

However, the largest actual increase in total sales and external sales over the year (2008/09 to 2009/10) has been reported within the Food, Beverages and Tobacco grouping (sic 10-12), with total sales estimated to have increased by £802 million (11.0%) and external sales by £693 million (11.9%).

The Other Transport Equipment division had the largest actual increase in export sales over the year (£218 million, 28.2%), and the second largest actual increase in total (£238 million, 28.5%) and external (£227 million; 27.5%) sales.

Several divisions have experienced marked declines in sales, external sales and exports over the year. This was the case in the Non-Metallic Minerals division, the Repair and Installation of Equipment division, the Machinery and Equipment not elsewhere classified division, and the Electrical Equipment division.

Non-Metallic Minerals division saw the largest actual decline in total sales (£228 million), while the Repair and Installation of Equipment division saw the largest decline in external sales (£189 million) and exports (£162 million).

Table 7: Annual Change in Sales, External Sales & Exports by Industrial Sector, 2008/09–2009/10

SIC(07) Division		Total Sales			External Sales			Exports		
		2008/09 (r)	2009/10	% change	2008/09 (r)	2009/10	% change	2008/09 (r)	2009/10	% change
		£m	(p) £m		£m	(p) £m		£m	(p) £m	
10-12	Food, Beverages and tobacco	£7,274	£8,076	11.0%	£5,807	£6,500	11.9%	£1,005	£1,038	3.3%
13	Textiles	£198	£174	-12.4%	£168	£143	-14.9%	£53	£39	-26.3%
14	Wearing apparel	£63	£71	12.3%	£50	£55	10.5%	£26	£24	-8.7%
15	Manufacture of leather and related products	d	d	d	d	d	d	d	d	d
16	Wood and of products of wood and cork	£355	£295	-16.9%	£190	£156	-17.9%	£125	£93	-25.2%
17	Paper and paper products	£240	£270	12.6%	£170	£170	-0.1%	£118	£118	0.2%
18	Printing and reproduction of recorded media	£146	£151	3.9%	£48	£46	-3.7%	£32	£28	-13.2%
19	Coke and refined petroleum products	d	d	d	d	d	d	d	d	d
20	Chemicals and chemical products	£414	£440	6.3%	£320	£344	7.8%	£291	£323	11.3%
21	Pharmaceutical	£136	£187	37.7%	£119	£165	38.4%	£100	£134	34.0%
22	Rubber and plastics	£822	£720	-12.5%	£647	£564	-12.8%	£461	£377	-18.1%
23	Non-metallic minerals	£725	£497	-31.4%	£287	£198	-31.0%	£145	£90	-38.0%
24	Basic metals	£50	£18	-64.1%	£35	£4	-87.8%	d	£4	d
25	Fabricated metal products	£858	£771	-10.1%	£472	£421	-10.8%	£208	£148	-29.1%
26	Computer, electronic and optical	£794	£699	-11.9%	£769	£683	-11.2%	£638	£573	-10.1%
27	Electrical equipment	£923	£765	-17.1%	£884	£727	-17.7%	£759	£642	-15.4%
28	Machinery and equipment n.e.c.	£887	£717	-19.1%	£694	£574	-17.4%	£566	£433	-23.5%
29	Motor vehicles and trailers	£390	£335	-14.2%	£316	£270	-14.5%	£110	£69	-37.6%
30	Other transport equipment	£837	£1,076	28.5%	£823	£1,050	27.5%	£773	£991	28.2%
31	Furniture	£248	£240	-3.2%	£101	£108	6.9%	£57	£54	-4.5%
32	Other manufacturing	£114	£93	-17.9%	£88	£59	-33.0%	£62	£42	-32.4%
33	Repair and installation of equipment	£246	£62	-74.6%	£229	£39	-82.7%	£181	£19	-89.3%
	Total	£15,736	£15,669	-0.4%	£12,216	£12,278	0.5%	£5,727	£5,240	-8.5%

Note: Figures may not add due to rounding d = disclosive

Analysis by Size of Business

5

Figures are provisional and subject to revision to take account of additional information

Table 8 details the value of Total Sales, External Sales and Exports by size of business in 2009/10. Prior to 2005/06 survey years, the size of business was expressed as large businesses (defined as those employing 50 or more employees) and small businesses (defined as those employing less than 50 employees). Since 2005/06 information on Small (0-49 employees), Medium (50-249 employees) and Large (250+ employees) businesses has been provided.

Table 8: Total Sales, External Sales and Exports by Size of Business, 2009/10

	Small Business	Medium Business	Large Business	Total
Northern Ireland	£1,461	£1,281	£649	£3,391
%	43.1%	37.8%	19.2%	100.0%
External Sales	£915	£2,353	£9,010	£12,278
%	7.5%	19.2%	73.4%	100.0%
Great Britain	£345	£1,073	£5,619	£7,038
%	4.9%	15.3%	79.8%	100.0%
Export Sales	£570	£1,279	£3,391	£5,240
%	10.9%	24.4%	64.7%	100.0%
Republic of Ireland	£413	£652	£425	£1,491
%	27.7%	43.7%	28.5%	100.0%
Rest of European Union	£76	£338	£660	£1,074
%	7.1%	31.5%	61.4%	100.0%
Rest of World	£80	£289	£2,306	£2,675
%	3.0%	10.8%	86.2%	100.0%
Total Sales	£2,376	£3,634	£9,660	£15,669
%	15.2%	23.2%	61.6%	100.0%

Large manufacturing businesses accounted for the largest proportion of sales within each of the external markets in 2009/10 with the exception of the Republic of Ireland where small businesses accounted for 27.7% of sales, medium for 43.7%, and large for 28.5%.

Large businesses account for 73.4% of external sales and 64.7% of export sales.

Over four fifths of internal sales (sales to Northern Ireland) are split between small and medium businesses with small businesses accounting for 43.1% of total sales to Northern Ireland and medium businesses accounting for 37.8%.

Figure 11, overleaf, compares small, medium and large businesses in terms of broad destination sales and shows the proportion of broad destination sales accounted for by size of business. The divide between small, medium and large businesses, in terms of the destination of sales, appears smallest where the distance which goods travel is limited.

Figure 11: Proportion of Small, Medium and Large Business Sales made to each Broad Destination

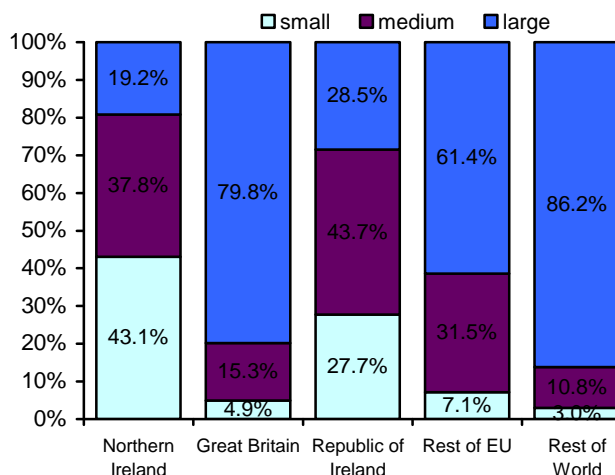
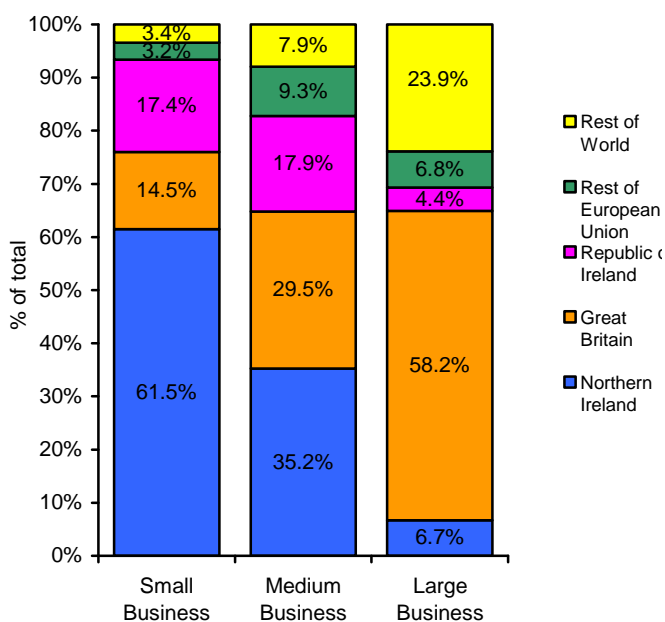


Figure 12 provides information on how the sales to each of the broad destinations are spread among small, medium and large businesses.

Figure 12: Share of Sales by Broad Destination and Size of Business



Small businesses are heavily reliant on the internal market with 61.5% of sales made within Northern Ireland.

Medium sized businesses have a fairly even spread of sales between internal sales in Northern Ireland (35.2%), external

sales to Great Britain (29.5%) and export sales (35.2%).

Large businesses have a significant share of both external and export markets accounting for 79.8% of GB sales, 28.5% of ROI sales, 61.4% of Rest of EU sales and 86.2% of Rest of World sales. GB is the most significant single market for large businesses, representing 58.2% of sales destined there.

Large and medium sized businesses are more inclined to export, with just over one third (35.1% and 35.2%, respectively) of their sales made outside the UK. In comparison only 24.0% of sales from small businesses are exported, with the main export market of the Republic of Ireland, accounting for over two thirds of small business exports (72.6%).

Table 9, below, reports the percentage changes in Sales, External Sales and Exports by size of business over 1, 5 and 10 years. Tables 10 and 11 show Sales, External Sales and Exports for 1999/00, 2004/05, 2008/09 and 2009/10 in current and constant prices respectively.

Table 9: Changes in Sales, External Sales and Exports by size of business over 1, 5 and 10 years.

	Size of business	% change (10 year)	% change (5 year)	% change (1 year)
		1999/00 to 2009/10	2004/05 to 2009/10	2008/09 to 2009/10
Total Sales	0-49	19.7%	-3.0%	-6.9%
	50-249	37.5%	24.3%	-5.9%
	250+	21.7%	14.3%	3.6%
External Sales	0-49	13.1%	-11.4%	-11.5%
	50-249	33.7%	18.5%	-5.1%
	250+	25.9%	19.8%	3.5%
Export Sales	0-49	28.9%	-17.0%	-18.6%
	50-249	49.2%	22.9%	-4.3%
	250+	26.7%	20.8%	-8.1%

Over the 10 year period (1999/00 to 2009/10) the largest percentage change in total sales was reported in medium size businesses, increasing by 37.5%. Medium size businesses also reported the largest increase in external sales (33.7%) and exports (49.2%).

The largest percentage change in total sales over the 5 year period 2004/05 to 2009/10 was also reported by medium size businesses (24.3%), as was the change in exports (22.9%). However, large businesses reported the largest percentage increase in external sales (19.8%). During the 5 year period, total sales by small businesses fell by 3.0%, external sales by 11.4% and exports by 17.0%, though this may partially be due to changes in Manufacturing based on the transition from sic 2003 to sic 2007 (see background notes).

Total sales, external sales and exports reported by small and medium businesses have decreased over the year to 2009/10. Large businesses reported an increase in total and external sales, but a decrease in exports.

Table 11 shows, that, when considered in constant prices, the growth in Export Sales for each size of business are considerably lower than when expressed in current prices over the 10 year and 5 year period.

As with current prices, changes in constant prices over the year to 2009/10 show a decrease in total, external sales and export sales for small and medium business. However, these decreases are more marked based on constant prices.

Similarly, large businesses reported a slight increase in total and external sales over the year, but a decrease in exports.

Table 10: Sales, External Sales and Exports by size of business 1999/00, 2004/05, 2008/09 and 2009/10 (Current Prices)

		1999/00	2004/05	2008/09	2009/10
Total Sales	0-49	£1,985	£2,449	£2,552	£2,376
	50-249	£2,643	£2,924	£3,860	£3,634
	250+	£7,936	£8,453	£9,325	£9,660
	Total	£12,561	£13,826	£15,736	£15,669
External Sales	0-49	£809	£1,033	£1,034	£915
	50-249	£1,760	£1,985	£2,479	£2,353
	250+	£7,155	£7,520	£8,703	£9,010
	Total	£9,721	£10,538	£12,216	£12,278
Export Sales	0-49	£442	£687	£700	£570
	50-249	£858	£1,041	£1,337	£1,279
	250+	£2,676	£2,806	£3,690	£3,391
	Total	£3,974	£4,533	£5,727	£5,240

Table 11: Sales, External Sales and Exports by size of business 1999/00, 2004/05, 2008/09 and 2009/10 (Constant Prices)

		1999/00	2004/05	2008/09	2009/10
Total Sales	0-49	£2,351	£2,825	£2,612	£2,376
	50-249	£3,121	£3,375	£3,956	£3,634
	250+	£9,366	£9,756	£9,566	£9,660
	Total	£14,836	£15,956	£16,133	£15,669
External Sales	0-49	£949	£1,198	£1,067	£915
	50-249	£2,067	£2,298	£2,550	£2,353
	250+	£8,435	£8,684	£8,933	£9,010
	Total	£11,448	£12,180	£12,550	£12,278
Export Sales	0-49	£511	£800	£726	£570
	50-249	£991	£1,213	£1,387	£1,279
	250+	£3,092	£3,270	£3,830	£3,391
	Total	£4,592	£5,283	£5,943	£5,240

Please note that constant prices for 1990/00 and 2004/05 (sic 2003) are deflated to base 2008/09 (sic 2003)=100 while 2008/09 and 2009/10 (sic 2007) are deflated to base 2009/10 (sic 2007)=100. For more information on this and the impact of changing from sic 2003 to sic 2007, please see the background notes.

1999/00 to 2009/10 Results

6

Figures are provisional and subject to revision to take account of additional information

Table 12: Total Sales, External Sales and Exports, 1999/00 - 2009/10 (current prices)

	1999/00 £m	2000/01 £m	2001/02 £m	2002/03 £m	2003/04 £m	2004/05 £m	2005/06 £m	2006/07 £m	2007/08 £m	2008/09 (sic2003) £m	2008/09 (sic2007) £m	2009/10 (provisional) £m
Total Sales	£12,561	£13,451	£13,184	£13,116	£13,508	£13,826	£13,944	£14,789	£15,535	£16,245	£15,736	£15,669
Northern Ireland	£2,840	£3,346	£2,772	£2,898	£3,182	£3,288	£3,305	£3,570	£3,883	£3,763	£3,520	£3,391
External Sales	£9,721	£10,105	£10,412	£10,218	£10,326	£10,538	£10,639	£11,219	£11,652	£12,482	£12,216	£12,278
Great Britain	£5,748	£6,031	£6,299	£6,382	£5,949	£6,005	£6,052	£6,187	£6,208	£6,591	£6,489	£7,038
Exports	£3,974	£4,074	£4,111	£3,836	£4,377	£4,533	£4,586	£5,032	£5,444	£5,891	£5,727	£5,240
Republic of Ireland	£903	£960	£910	£978	£1,115	£1,243	£1,308	£1,508	£1,649	£1,687	£1,590	£1,491
Rest of EU	£1,150	£1,310	£1,236	£1,102	£1,133	£1,212	£1,132	£1,230	£1,351	£1,567	£1,479	£1,074
Rest of World	£1,921	£1,805	£1,965	£1,756	£2,129	£2,078	£2,147	£2,294	£2,444	£2,637	£2,658	£2,675

Table 13: Annual Nominal Growth in Total Sales, External Sales and Exports, 1999/00 - 2009/10

	Change 99/00 - 00/01 %	Change 00/01 - 01/02 %	Change 01/02 - 02/03 %	Change 02/03 - 03/04 %	Change 03/04 - 04/05 %	Change 04/05 - 05/06 %	Change 05/06 - 06/07 %	Change 06/07 - 07/08 %	*Change 07/08 - 08/09 %	*Change 08/09 - 09/10 %
Total Sales	7.1	-2.0	-0.5	3.0	2.4	0.9	6.1	5.0	4.6	-0.4
Northern Ireland	17.8	-17.2	4.5	9.8	3.3	0.5	8.0	8.8	-3.1	-3.7
External Sales	4.0	3.0	-1.9	1.1	2.1	1.0	5.4	3.9	7.1	0.5
Great Britain	4.9	4.4	1.3	-6.8	0.9	0.8	2.2	0.3	6.2	8.5
Exports	2.5	0.9	-6.7	14.1	3.6	1.2	9.7	8.2	8.2	-8.5
Republic of Ireland	6.3	-5.2	7.5	14.0	11.5	5.2	15.3	9.3	2.3	-6.3
Rest of EU	13.9	-5.6	-10.8	2.8	7.0	-6.6	8.6	9.9	16.0	-27.4
Rest of World	-6.0	8.9	-10.6	21.2	-2.4	3.3	6.8	6.6	7.9	0.7

*Please note that 07/08 – 08/09 and earlier changes are on a sic 2003 basis, while 08/09 – 09/10 changes are on a sic 2007 basis.

Table 14 - Total Sales, External Sales and Exports, 1999/00 - 2009/10 (constant prices)

	*1999/00 £m	*2000/01 £m	*2001/02 £m	*2002/03 £m	*2003/04 £m	*2004/05 £m	*2005/06 £m	*2006/07 £m	*2007/08 £m	*2008/09 (sic2003) £m	2008/09 (sic2007) £m	2009/10 (provisional) £m
Total Sales	£14,836	£15,770	£15,562	£15,431	£15,747	£15,956	£15,809	£16,533	£16,874	£16,245	£16,133	£15,669
Northern Ireland	£3,388	£3,939	£3,282	£3,412	£3,716	£3,776	£3,721	£3,938	£4,136	£3,763	£3,583	£3,391
External Sales	£11,448	£11,831	£12,280	£12,019	£12,030	£12,180	£12,088	£12,595	£12,738	£12,482	£12,550	£12,278
Great Britain	£6,856	£7,100	£7,457	£7,513	£6,948	£6,897	£6,813	£6,825	£6,612	£6,591	£6,606	£7,038
Exports	£4,592	£4,732	£4,823	£4,506	£5,082	£5,283	£5,275	£5,770	£6,126	£5,891	£5,943	£5,240
Republic of Ireland	£1,043	£1,115	£1,068	£1,149	£1,295	£1,449	£1,504	£1,729	£1,855	£1,687	£1,650	£1,491
Rest of EU	£1,329	£1,521	£1,450	£1,294	£1,315	£1,412	£1,302	£1,410	£1,520	£1,567	£1,535	£1,074
Rest of World	£2,220	£2,096	£2,305	£2,063	£2,472	£2,422	£2,469	£2,630	£2,750	£2,637	£2,758	£2,675

Table 15 - Annual Real Growth in Total Sales, External Sales and Exports, 1999/00 - 2009/10

	Change 99/00 - 00/01 %	Change 00/01 - 01/02 %	Change 01/02 - 02/03 %	Change 02/03 - 03/04 %	Change 03/04 - 04/05 %	Change 04/05 - 05/06 %	Change 05/06 - 06/07 %	Change 06/07 - 07/08 %	**Change 07/08 - 08/09 %	**Change 08/09 - 09/10 %
Total Sales	6.3	-1.3	-0.8	2.0	1.3	-0.9	4.6	2.1	-3.7	-2.9
Northern Ireland	16.3	-16.7	4.0	8.9	1.6	-1.5	5.9	5.0	-9.0	-5.4
External Sales	3.3	3.8	-2.1	0.1	1.2	-0.7	4.2	1.1	-2.0	-2.2
Great Britain	3.6	5.0	0.8	-7.5	-0.7	-1.2	0.2	-3.1	-0.3	6.5
Exports	3.0	1.9	-6.6	12.8	4.0	-0.1	9.4	6.2	-3.8	-11.8
Republic of Ireland	6.8	-4.2	7.6	12.7	11.9	3.8	15.0	7.3	-9.1	-9.7
Rest of EU	14.5	-4.7	-10.7	1.6	7.4	-7.8	8.3	7.8	3.1	-30.0
Rest of World	-5.6	10.0	-10.5	19.8	-2.0	2.0	6.5	4.6	-4.1	-3.0

*Please note that constant prices for 2008/09 (sic 2003) and earlier years are deflated to base 2008/09 (sic 2003)=100 while 2008/09 (sic 2007) and 2009/10 are deflated to base 2009/10 (sic 2007)=100. For more information, please see the background notes.

**Please note that 07/08 – 08/09 changes are on a sic 2003 basis, while 08/09 – 09/10 changes are on a sic 2007 basis.

Table 16 - Share of Total Sales by Broad Destination, 1999/00 - 2009/10, (current prices)

	1999/00 %	2000/01 %	2001/02 %	2002/03 %	2003/04 %	2004/05 %	2005/06 %	2006/07 %	2007/08 %	2008/09 (sic2003) %	2008/09 (sic2007) %	2009/10 (provisional) %
Northern Ireland	22.6	24.9	21.0	22.1	23.6	23.8	23.7	24.1	25.0	23.2	22.4	21.6
Great Britain	45.8	44.8	47.8	48.7	44.0	43.4	43.4	41.8	40.0	40.6	41.2	44.9
Republic of Ireland	7.2	7.1	6.9	7.5	8.3	9.0	9.4	10.2	10.6	10.4	10.1	9.5
Rest of EU	9.2	9.7	9.4	8.4	8.4	8.8	8.1	8.3	8.7	9.6	9.4	6.9
Rest of World	15.3	13.4	14.9	13.4	15.8	15.0	15.4	15.5	15.7	16.2	16.9	17.1
Total Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1994/95 - 2003/04 Rest of EU figures are based on information for the following member states of the European Union: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden and Finland.

In May 2004, the accession countries joined the EU and hence 2004/05 results refer to the enlarged EU. The accession countries are: Cyprus; Czech Republic; Estonia; Hungary; Latvia; Lithuania; Malta; Poland; Slovakia and Slovenia.

In January 2007 Bulgaria and Romania joined the EU and figures for these member states are included within the EU from 2007/08

Transition from SIC 2003 to SIC 2007

7

Figures are provisional and subject to revision to take account of additional information

Table 17: Total Sales, Northern Ireland and Great Britain Sales, 1999/00 - 2009/10 (constant prices at base periods 2008/09=100 and 2009/10=100 for sic 2003 results)

	1999/00 £m	2000/01 £m	200/02 £m	2002/03 £m	2003/04 £m	2004/05 £m	2005/06 £m	2006/07 £m	2007/08 £m	2008/09 (sic2003) £m	*2008/09 (sic2007) £m	*2009/10 (provisional) £m
Total Sales (09/10)	£15,178	£16,130	£15,920	£15,781	£16,114	£16,331	£16,182	£16,928	£17,282	£16,637	£16,133	£15,669
Total Sales (08/09)	£14,836	£15,770	£15,562	£15,431	£15,747	£15,956	£15,809	£16,533	£16,874	£16,244		
Difference in Sales	£342	£360	£359	£350	£367	£375	£373	£395	£408	£393		
Northern Ireland (09/10)	£3,443	£4,004	£3,336	£3,468	£3,778	£3,839	£3,782	£4,003	£4,204	£3,825	£3,583	£3,391
Northern Ireland (08/09)	£3,388	£3,939	£3,282	£3,412	£3,716	£3,776	£3,721	£3,938	£4,136	£3,763		
Difference in NI	£56	£65	£54	£56	£61	£62	£61	£65	£68	£62		
Great Britain (09/10)	£6,969	£7,217	£7,580	£7,637	£7,063	£7,011	£6,926	£6,937	£6,721	£6,699	£6,606	£7,038
Great Britain (08/09)	£6,856	£7,100	£7,457	£7,513	£6,948	£6,897	£6,813	£6,825	£6,612	£6,591		
Difference in GB	£113	£117	£123	£124	£115	£114	£112	£113	£109	£109		

*Please note that constant prices for 2008/09 (sic 2007) and 2009/10 are deflated to base 2009/10 (sic 2007)=100.

Change to Standard Industrial Classification 2007

As highlighted in the 2008/09 MSES bulletin, the Office for National Statistics (ONS) in conjunction with stakeholders has implemented major revisions to the UK Standard Industrial Classification of Economic Activities (SIC). The MSES 2009/10 results reflect this change, which has resulted in discontinuities between results presented on a sic 2003 (2008/09 and earlier years) and sic 2007 (2008/09 and subsequent years) basis.

This change is evident in the difference between 2008/09 (sic 2003) and 2008/09 (sic 2007) figures where, for example, current prices show a 3% drop in total sales (from £16.2 billion to £15.7 billion). However, this is in

line with the employee population, as shown in the below link:

http://www.detini.gov.uk/notice_for_publication_of_sic2007_estimates-2.doc

Historically, the MSES constant price back-series was deflated to the most recent year (i.e. 2009/10=100). However, with ONS' producer prices implementation of sic 2007 (see background notes), deflators on a sic 2003 basis will no longer be available.

Section 6 constant prices for 2008/09 (sic 2003) and earlier years are deflated to 2008/09=100, in this and subsequent MSES publications. If these figures had been deflated to 2009/10, total sales would rise from £16.2 billion to £16.6 billion (see table 17, above) and is perhaps a more consistent constant comparison than the figures presented in section 6.

Background Notes



Figures are provisional and subject to revision to take account of additional information

Coverage of Survey

The Northern Ireland Manufacturing Sales and Exports Survey covers all businesses classified within the Manufacturing industry in Northern Ireland (SIC(07) divisions 10-33).

Method for producing results

Forms are issued from Statistics Research Branch, DETI, to all those businesses which employ 5 or more persons and are classified within the Manufacturing industry. The 2009/10 response rate was 80.3%, and the returned forms are subjected to a range of validation and congruency checks.

Individual estimates are made for those companies with 50 or more employees, which fail to respond to the survey. Estimation is based on previous year returns, if available, by applying growth rates, calculated from changes over the year in similar businesses. If no previous year data is available, a sales value is derived from another comparable survey and destination information is estimated based on the returns of the industry to which the non-respondent belongs. If no data is available, an estimate is made based purely on the returns of similar businesses.

No individual estimate is made for those companies which fall below the 50 employee threshold, instead responses are grossed thus providing a population estimate of the full value of sales for such companies in Northern Ireland. Grossing factors are calculated using the Quarterly Employment Survey (QES) as the population; factors are produced at a divisional level thus reflecting the distributions across the various industrial sectors.

Survey Reference Period

The current survey covers the accounting periods, 2009/10 which runs from 1 April 2009 to 31 March 2010, calendar year information is accepted if financial year information is not readily available.

Rest of European Union

The Rest of EU refers to the member states of the European Union, excluding the UK and ROI. REU figures prior to 2004/05 refer to the following member states: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden and Finland. From 2004/05 results onwards, the Rest of EU refers to the aforementioned countries plus the accession countries (Cyprus; Czech Republic; Estonia; Hungary; Latvia; Lithuania; Malta; Poland; Slovakia and Slovenia) which joined the EU in May 2004. Bulgaria and Romania joined the EU in January 2007 and are included in the Rest of EU from 2007/08.

Constant/Current Prices

Constant prices allow figures to be presented so that the effects of inflation are removed and changes can be reported in real terms (by using a deflator). The deflators used are based on price indices which report the prices of manufactured products both within the UK and internationally. The deflators therefore fully recognise the impact of inflation and other factors such as exchange rates which are represented in the price changes of goods.

The values for each time period are usually expressed in terms of the prices in some base period (2009/10=100). However, the move from sic 2003 to sic 2007 has resulted in two base years, and this is more fully discussed later in this section.

Current price figures show data where the value for each item is expressed in terms of the prices in that period. All prices presented in the report are provided in current price terms, unless otherwise stated.

Deflators

A deflator is an index showing the price movements over a period of time. Constant price data are normally calculated by dividing current price data by the deflator. Sales to Northern Ireland and Great Britain have historically been deflated using price index PLLU – net output of manufactured products, and exports have been deflated using price index BQKK – total trade in goods excluding oil (exports).

However, as a result of changing from sic 2003 to sic 2007, the PLLU index has been discontinued, meaning that the Northern Ireland and Great Britain figures from 2008/09 onwards have been deflated using price index JVZ7. This is discussed more fully below.

Producer Price Indices (PPIs) are a series of economic indicators that measure the price movement of goods bought and sold by UK manufacturers. It is a base weighted index working on the basket of goods concept. A wide range of representative products are selected and the prices of these collected each month.

The movement in the prices are weighted to reflect the relative importance of the products in a chosen year (known as the base year) currently 2009/10. These are then aggregated for various industrial sectors to provide indices that are published monthly by National Statistics.

Move from SIC 2003 to SIC 2007

As highlighted in the 2008/09 MSES bulletin, the Office for National Statistics (ONS) in conjunction with various stakeholders has implemented major revisions to the UK Standard Industrial Classification of Economic Activities (SIC).

The UK is required by European legislation to revise the SIC in parallel with NACE so that both systems remain identical down to and including the 4 digit class level. These revisions are motivated by the need to adapt the classifications to changes in the world economy. The revised classifications reflect the growing importance of service

activities in the economy over the last fifteen years, mainly due to the developments in information and communication technologies (ICT).

More information on these revisions and correspondence between sic 2007 and the previous sic 2003 can be accessed via the following link:

http://www.statistics.gov.uk/methods_quality/sic/downloads/SIC2007explanatorynotes.pdf

As a result, the sic 2003 categorisation of business activities has been replaced and updated by the new sic 2007 activity codes within the MSES 2009/10. This has resulted in discontinuities between results presented on a sic 2003 (2008/09 and earlier years) and sic 2007 (2008/09 and subsequent years) basis.

As discussed earlier, grossing factors for the MSES are calculated using the QES, and the extent of the changes in QES estimates for Manufacturing based on sic 2003 and sic 2007 can be accessed via the following link:

http://www.detini.gov.uk/notice_for_publication_of_sic2007_estimates-2.doc

Caution should therefore be exercised when comparing results presented on a sic 2003 and sic 2007 basis.

The move from sic 2003 to sic 2007 has also resulted in the ONS discontinuing the sic 2003 deflator price index PLLU (in favour of the 2007 JVZ7 index). Details of PPI implementation of sic 2007 and the impact of this move can be accessed via the following link:

http://www.statistics.gov.uk/downloads/t_heme_economy/mm22october2010.pdf

This discontinuation means that constant prices for MSES results collected on a sic 2003 basis will be deflated to base period (2008/09=100) from now on, while sic 2007 results will be deflated to the current year (i.e. 2009/10=100 in this report). Section 7 of this bulletin quantifies the differences that occur when deflating the sic 2003 results to base years 2008/09=100 and 2009/10=100.

Please note that any annual changes presented in this report between years 2008/09 and 2009/10 are on a sic 2007 basis, while changes between 2007/08 and 2008/09 and earlier years are on a sic 2003 basis. This has resulted in two sets of results being calculated for 2008/09.

Planned Future Revisions

The MSES revisions policy can be found at:
http://www.detini.gov.uk/deti_revisions_policy-3.pdf

Publications Policy

All DETI statistical publications are available to download free of charge from the website:

<http://www.detini.gov.uk/deti-stats-index.htm>

The MSES bulletin is available at:

<http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-manufacturing-sales-exports.htm>

The DETI statistics publication schedule is also available at:

<http://www.detini.gov.uk/deti-stats-index.htm>

The list of people given pre-release access to this publication is available at:

http://www.detini.gov.uk/publication_prerelease_access_list-7.pdf

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