



Department of
**Finance and
Personnel**
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Business Activity

Statistics Bulletin

Northern Ireland Annual Business Inquiry 2010

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National Statistics

The Northern Ireland Annual Business Inquiry is a National Statistic which is due to be assessed by the UK Statistics Authority in 2012/13.

Northern Ireland Statistics and Research Agency

From 1st April 2011, responsibility for the production of official statistics on the economy and labour market became the responsibility of Department of Finance and Personnel (DFP). Those powers previously exercised by the Department of Enterprise, Trade and Investment (DETI) under the Statistics of Trade and Employment (Northern Ireland) Order 1988 are now exercised by DFP from this date, as a result of the The Departments (Transfer of Functions) (No.2) Order (Northern Ireland) 2011. While DFP exercise the powers of the 1988 Order, in practice the operational responsibility for statistics production will reside with the Northern Ireland Statistics and Research Agency (NISRA), an Agency of DFP.

1: Context

Introduction

The 2010 Northern Ireland Annual Business Inquiry (NIABI) collects both financial and employment information from businesses and other establishments and covers about two thirds of the economy. This includes the Production, Construction, Distribution and Service industries in Northern Ireland but excludes public sector activity for the most part. Coverage also includes Agriculture (support activities), Hunting, Forestry and Fishing. In line with improvements made to the Office for National Statistics' (ONS) Annual Business Survey, data for groups 65.1 (Insurance) and 65.2 (Reinsurance) within Financial and Insurance Activities are included for the first time, though the rest of this sector continues to be excluded.

The other main areas that are excluded are Public Administration and Defence (section 0) while Agriculture, Forestry and Fishing (section A) excludes farming (groups 01.1, 01.2, 01.3, 01.4 and 01.5). Local authority and central Government bodies in Education (section P) and Human Health and Social Work Activities (section Q) have also been excluded from this publication, as has 86.2 (Medical and Dental Practice Activities) within section Q.

When interpreting ABI results, users are advised to refer to the quality indicators provided alongside the estimates in the tables. These indicate that some results have quite large margins of STATISTICAL error associated with them. Users should exercise caution when interpreting the annual changes associated with such results.

ONS has responsibility for the production of the recently published UK national estimates for 2010, as well as regional 2010 estimates (scheduled for release in July 2012). The latest UK national estimates for 2010 can be found at <http://www.ons.gov.uk/ons/rel/abs/annual-business-inquiry/2010-national-provisional/index.html> while ONS' regional estimates for 2009 are available at <http://www.ons.gov.uk/ons/rel/abs/annual-business-inquiry/2009-regional-results/index.html>

A more broadly based estimate of 2010 NI whole economy Gross Value Added (GVA) that includes the public sector and uses a wider range of data sources was published on 14 December 2011 by the Office for National Statistics as part of their UK Regional Accounts series. These measures of Regional Economic Activity are available at <http://www.ons.gov.uk/ons/rel/regional-accounts/regional-economic-activity--gva-/december-2011/index.html>

The latest Department of Enterprise, Trade and Investment (DETI) Economic Commentary provides an overview of the state of the Northern Ireland economy, setting it in a global context. This can be found at <http://www.detini.gov.uk/deti-stats-index/deti-stats-index-4.htm>

The most up-to-date official statistics on the economy and labour market are available on the Economic Overview page of the DETI website at <http://www.detini.gov.uk/deti-stats-index/deti-stats-index-2.htm>

Information relating to financial activity in the Northern Ireland Manufacturing industry is available from the Manufacturing Sales and Exports Survey (MSES), which provides estimates of the sales and exports generated by all businesses within the manufacturing industry in Northern Ireland. These statistics can be accessed at <http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-manufacturing-sales-exports.htm>

Further information on the output of Manufacturing, along with Electricity, Gas, Water and Mining & Quarrying industries is available from the Northern Ireland Index of Production

(<http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-index-of-production.htm>) while the Northern Ireland Index of Services (<http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-ios.htm>) provides a general measure of changes in the output of the private sector service industries in Northern Ireland.

The Construction Output Statistics published in the Northern Ireland Construction Bulletin are intended to provide a general measure of quarterly changes in the volume and value of construction output in Northern Ireland. These statistics can be accessed at <http://www.csu.nisra.gov.uk/survey.asp11.htm>

Please note that the information presented throughout this bulletin is based on reporting unit information, and is therefore not directly comparable with earlier NIABI bulletins which are based on local unit information. Reporting and local unit definitions can be found at: http://www.detini.gov.uk/stats_bus_register_3.doc

To better meet user needs, and in consultation with ONS Methodology Consultancy Service, these results were produced using Statistics Canada's Generalized Estimation System. This allows the Department of Finance and Personnel (DFP) to produce estimates with an associated measure of quality, but this method is still subject to user consultation.

These are statistics that are subject to ongoing development and hence caution should be used when interpreting results. The series has been developed to National Statistics standards but should be considered as experimental. Results are subject to potential modification in the light of user feedback, in terms of usefulness and reliability versus other sources.

Revisions

The background notes in Section 4 of this publication provide detailed information on the methodology used to produce the statistics as well as information on the quality and accuracy of the data. This bulletin contains detailed provisional results for the Northern Ireland ABI industries (2010). These 2010 provisional figures are subject to revision to take account of additional information. In line with this and with the ABI revisions policy, provisional ABI estimates for 2009 have been revised throughout this publication. The ABI revisions policy can be accessed at <http://www.detini.gov.uk/deti-stats-index/stats-survey/stats-annual-business-inquiry.htm>

2: Summary and Commentary

Northern Ireland Annual Business Inquiry Results

Turnover and Gross Value Added

Turnover¹ by businesses in Northern Ireland was estimated to be worth £60,461 million in 2010 (excluding VAT); an increase of 2.8% compared to 2009. After expenditure on goods and services was accounted for, this represented a total figure of £18,664 million in terms of approximate Gross Value Added (GVA). GVA, which is a measure of the value of economic activity generated by businesses, increased by 3.8% (£675 million) over the year.

Production Industries (Section B - E)

Turnover in the Production Industries increased by 5.0%, while GVA increased by 2.6%. Manufacturing is the dominant industry (based on turnover) within Production, and experienced a similar increase in turnover (4.9%), but a higher increase in GVA (5.4%).

Construction Industries (Section F)

In the construction industries, turnover increased by 2.9%. Purchases decreased by 3.2% over the year, contributing to a GVA increase of 8.0%.

Distribution Industries (Section G)

The Distribution Industries showed an increase in turnover of 3.4%, while GVA increased by 8.1%.

Other Service Industries (Sections H – S excl O)

Other Service Industries experienced a slight reduction in turnover and purchases (-1.1% and -0.8% respectively), but a marginal increase in GVA (0.3%).

Transport and Storage, the largest industry (based on turnover) within the Other Service industries, also experienced reductions in turnover (-3.6%) and purchases (-18.4%). However, as shown by the coefficients of variation in Table 1, Section 3, many of the financial estimates for this, and other industries within Services were subject to relatively high levels of volatility.

Employment Levels

The NIABI provides estimates of employment to enable per head calculations to be made. Preferred estimates of the changes in employment and employee jobs are provided by the Labour Force Survey and Quarterly Employment Survey respectively, and can be found on the DETI website at <http://www.detini.gov.uk/deti-stats-index/stats-surveys.htm>

NI versus UK

NIABI results and UK results are based on “reporting units” (head office), and while differences do exist (see background note), some comparisons in the change in levels are possible.

¹ Turnover is defined as the value of total sales and work done.

Approximate GVA for the NI Production industries increased by 3% compared with an increase in the UK as a whole of 4%. Approximate GVA for the NI Construction industries increased by 8% compared with a fall in the UK as a whole of 3%, while approximate GVA for the NI Distribution industries (wholesale and retail trade) increased by 8% compared with an increase in the UK as a whole of 4%.

Approximate GVA for the rest of the NI Service industries (transport and storage, accommodation and food services, information and communication, real estate, professional, scientific and technical, administrative and support services and other service activities) showed marginal change (0.3%) compared with an increase in the UK as a whole of 3%.

These results are available at <http://www.ons.gov.uk/ons/rel/abs/annual-business-inquiry/2010-national-provisional/index.html>

3: Results by Industry

Table 1: NIABI results by Industry, 2009 and 2010

Year	Standard Industrial Classification	Description	Turnover (£Million)	Purchases (£Million)	Gross Value Added (GVA) at Basic Prices (£Million)	Employment
2009	A – S	Agriculture, fishing, production, construction, distribution and services	58,809	37,895	17,989	542,661
2010			60,461	38,756	18,664	537,166
2009	A (part)	Agriculture, forestry and fishing	87	59	29	1,184
2010			77	45	32	1,182
2009	B – E	Production Industries	18,009	9,839	4,873	89,715
2010			18,913	10,491	4,999	86,633
2009	B	Mining and quarrying	301	195	106	1,997
2010			296	216	80	1,951
2009	C	Manufacturing	15,585	7,855	4,167	80,351
2010			16,345	8,520	4,393	79,081
2009	D	Electricity, gas, steam and air conditioning supply	1,688	1,396	286	2,258
2010			1,758	1,362	380	2,511
2009	E	Water supply, sewerage, waste management and remediation activities	436	393	315	5,109
2010			514	393	146	3,089
2009	F	Construction	6,343	4,107	2,093	53,120
2010			6,524	3,978	2,261	49,443
2009	G – S	Distribution and Service Industries	34,370	23,889	10,994	398,642
2010			34,948	24,242	11,371	399,909
2009	G	Wholesale and retail trade; repair of motor vehicles and motor cycles	21,383	17,093	4,428	140,810
2010			22,110	17,504	4,785	143,485

Coefficient of Variation (CV) Key

	CV <= 5%
	CV > 5% and <= 10%
	CV > 10% and <= 20%
	CV > 20%

Table 1 (continued): NIABI results by Industry, 2009 and 2010

Year	Standard Industrial Classification	Description	Turnover (£Million)	Purchases (£Million)	Gross Value Added (GVA) at Basic Prices (£Million)	Employment
2009	H – S	Other Service Industries	12,987	6,795	6,566	257,832
2010			12,838	6,739	6,586	256,424
2009	H	Transport and storage	2,843	1,807	1,105	26,599
2010			2,741	1,474	1,380	27,270
2009	I	Accommodation and food service activities	1,449	790	660	46,589
2010			1,273	658	620	45,871
2009	J	Information and communication	1,397	630	789	17,616
2010			1,205	486	740	16,026
2009	L	Real estate activities	837	423	413	10,090
2010			882	364	537	10,180
2009	M	Professional, scientific and technical activities	1,877	615	1,294	29,723
2010			1,827	745	1,124	27,632
2009	N	Administrative and support service activities	1,614	741	925	44,009
2010			1,842	878	1,031	41,609
2009	K (part), P-S	Others	2,968	1,790	1,381	83,207
2010			3,069	2,134	1,153	87,835

	CV <= 5%
	CV > 5% and <= 10%
	CV > 10% and <= 20%
	CV > 20%

COEFFICIENT OF VARIATION

The coefficient of variation (cv) is calculated from the Parameter Estimate and its Standard Error as follows.

$$\text{Coefficient of Variation} = \frac{\text{Standard Error}}{|\text{Parameter Estimate}|}$$

It can be multiplied by 100 to be expressed as a percentage. The greater the coefficient of variation, the greater the variability in the data being measured.

4: Background Notes

Background

The Northern Ireland Annual Business Inquiry (NIABI) collects both financial and employment information from businesses and other establishments and covers about two thirds of the economy. This includes the Production, Construction, Distribution and Service industries in Northern Ireland but excludes public sector activity for the most part. Coverage also includes Agriculture (support activities), Hunting, Forestry and Fishing. In line with improvements made to the Office for National Statistics' (ONS) Annual Business Survey, data for groups 65.1 (Insurance) and 65.2 (Reinsurance) within Financial and Insurance Activities are included for the first time, though the rest of this sector continues to be excluded.

Survey reference period

For the 2010 ABI, businesses were asked to make returns for the calendar year 2010. Where this was not possible, returns for business years ending between 6 April 2010 and 5 April 2011 were accepted. Similar procedures operated in previous years. Returns covering fewer than twelve months were accepted for businesses, which had started or ceased trading during the year.

NIABI sample

The results for 2010 cover most sectors within the NI economy. Along with those exclusions stated above, the other main areas that are excluded are Public Administration and Defence (section 0) while Agriculture, Forestry and Fishing (section A) excludes farming (groups 01.1, 01.2, 01.3, 01.4 and 01.5). Local authority and central Government bodies in Education (section P) and Human Health and Social Work Activities (section Q) have also been excluded from this publication, as has 86.2 (Medical and Dental Practice Activities) within section Q.

The Inter Departmental Business Register (IDBR) is the sampling frame used for the NIABI. The register consists of companies, partnerships, sole proprietors, public authorities, central government departments, local authorities and non-profit making bodies in the UK.

The UK Standard Industrial Classification of Economic Activities 2007 (SIC 2007) sections covered by the 2010 NIABI data are as follows:

- A Agriculture (support activities), forestry and fishing
- B Mining and quarrying
- C Manufacturing
- D Electricity, gas, steam and air conditioning supply
- E Water supply, sewerage, waste management and remediation activities
- F Construction
- G Wholesale and retail trade; repair of motor vehicles and motor cycles (Distribution Industries)
- H Transport and storage
- I Accommodation and food service activities
- J Information and communication
- K Financial and Insurance Activities
- L Real estate activities
- M Professional, scientific and technical activities
- N Administrative and support service activities

P Education (excludes local authority and central government bodies)
Q Human health and social work activities (excludes local authority and central government, and medical and dental practice activities (group 86.2))
R Arts, entertainment and recreation
S Other service activities
Production Industries comprise of sections B – E
Service Industries comprised of sections H, I, J, K, L, M, N, P, Q, R and S

To maximise survey precision, the Neyman allocation approach to sampling was utilised. The survey universe was stratified by 2 digit SIC code and employee size band, and all businesses with 50+ employees, or 20+ employees and more than one local unit, were fully enumerated. Businesses falling below the threshold of complete enumeration are selected on a random stratified basis.

Data collection, validation and calculation of ABI results

Forms were issued from Economic and Labour Market Statistics Branch, DFP, in March 2011 and the returned forms were subjected to a range of validation and congruency checks. The 2010 response rate was 79.6%.

Data validation was carried out on the returned forms ensuring internal consistency within the form, checking data fell within expected limits or by contacting the company for clarification where appropriate. For non-returns above a selected employment threshold, data were imputed using a methodology which takes account of previous returned data and the performance of other similar businesses. This information is then grossed up to the reporting unit population, to ensure that results are representative of the sampled population.

Please note that the information presented throughout this bulletin is based on reporting unit information, and is therefore not directly comparable with earlier NIABI bulletins which are based on local unit information. Reporting and local unit definitions can be found at:

http://www.detini.gov.uk/stats_bus_register_3.doc

Also, to better meet user needs, and in consultation with ONS Methodology Consultancy Service, DFP produced these results using Statistics Canada's Generalized Estimation System. This allows DFP to produce estimates, with an associated measure of their quality, but this method is still subject to user consultation.

The series has been developed to National Statistics standards but the 2009 and 2010 statistics should be considered as experimental in nature. As such, these are statistics that are subject to ongoing development and hence some caution should be used when interpreting results. In particular, users are advised to take into account the quality indicators associated with the estimates, when considering the significance of annual changes. These indicate that some results have quite large margins of STATISTICAL error associated with them. Users should exercise caution when interpreting the annual changes associated with such results.

Ongoing development of the methodology will be informed by user feedback, both in terms of the usefulness and reliability of the estimates and their comparability with other sources. Any comments should be sent to Brian.Spence@dfpni.gov.uk

Disclosure

The inquiry is conducted under the Statistics of Trade and Employment (Northern Ireland) Order 1988 and great care is taken to avoid disclosing information about individual enterprises (in line with the stipulations in Article 7 of the Order). Figures which would be likely to disclose particulars relating to an enterprise are not published (i.e. they are suppressed) unless prior written consent for their publication has been obtained directly from the business.

Definitions

Approximate Gross Value Added 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. It includes taxes on production (e.g. business rates), net of subsidies but excludes subsidies and taxes on products (e.g. VAT and excise duty). This is an output-based measure of GVA. All published GVA is given at basic prices. Please find below calculation applied to derive GVA.

The calculations used in the NIABI are:

- GVA AT BASIC PRICES: GVA at factor cost + business rates + vehicle excise duty
- GVA AT MARKET PRICES: Total turnover + insurance claims + change in stocks + own account capital expenditure – total purchases
- GVA AT FACTOR COST: GVA at market prices + subsidies – total taxes + customs & excise drawback

(Please note that GVA at basic prices is the only published GVA from the NIABI.)

Turnover is defined as total sales and work done. This is calculated by adding to the value of sales of goods produced, goods purchased and resold without further processing, work done and industrial and non-industrial services rendered.

Purchases represent the value of all goods, materials and services purchased during the year.

Northern Ireland ABI, UK National Estimates and the ONS Regional ABI

This is the second time that the Northern Ireland Annual Business Inquiry report has been produced using multi-site organisations as single entities (i.e. based on reporting units). While National estimates (including the Northern Ireland component) published on 17th November 2011 are also based on reporting units, caution should be exercised when comparing these results as the methodologies vary slightly.

<http://www.ons.gov.uk/ons/rel/abs/annual-business-inquiry/2010-national-provisional/index.html>

NIABI information is included in the UK National (and later Regional) estimates and since 2002 is constrained to NI Reporting Unit totals.

ABI “Approximate Gross Value Added” and “Regional Gross Value Added”

The financial information from the Regional ABI provides a measure of approximate GVA, which is ultimately used to contribute to the picture of the whole economy to be built up for National Accounts purposes at the United Kingdom level. When regional economic accounts are subsequently derived, the resulting measure of Regional Gross Value Added (GVA) is a much broader based measure relating to the whole economy in a region, taking into account information from a series of economic and labour market surveys. The results of the ABI only comprise one element of the regional economic account figures, and a number of adjustments are made in line with National Accounts methodologies before estimates of Regional GVA are produced. The most recent Regional GVA estimates for Northern Ireland at industry level by ONS relating to 2010 were released on 14th December 2011. The ABI provides more detailed industry information than is possible in Regional Accounts measures.

<http://www.ons.gov.uk/ons/rel/regional-accounts/regional-economic-activity--gva-/december-2011/index.html>

Quality reporting

A summary quality report for the ABI can be found at <http://www.detini.gov.uk/deti-stats-index/stats-survey/stats-annual-business-inquiry.htm>

This report describes in detail the quality of the statistics presented in this publication (in terms of relevance, accuracy, timeliness and punctuality, accessibility and clarity, coherence and comparability, trade-offs between output quality components, assessment of user needs and perceptions, performance, cost and respondent burden and confidentiality, transparency and security).

Status of figures in current bulletin

The most recent figures, 2010, are provisional and are subject to revision in the next reporting period. The 2009 overall figures have been revised upwards.

Turnover, Purchases and GVA values are reported in £ million unless otherwise specified.

Percentage changes are reported to one decimal place, unless compared against other sources of information that are not reported to one decimal place.

Planned future revisions

The ABI revisions policy can be found at: <http://www.detini.gov.uk/deti-stats-index/stats-survey/stats-annual-business-inquiry.htm>

Publications policy

All Economic and Labour Market Statistics Branch statistical publications are available to download free of charge from the website <http://www.detini.gov.uk/deti-stats-index.htm>

The ABI statistical bulletin is available at <http://www.detini.gov.uk/deti-stats-index/stats-survey/stats-annual-business-inquiry.htm>

The tables from the current publication are available in Excel format to download free of charge from the ABI website at: <http://www.detini.gov.uk/deti-stats-index/stats-survey/stats-annual-business-inquiry.htm>

NIABI reporting unit results are published in December, while local unit results are published in the following Spring of each year. The Economic and Labour Market Statistics Branch statistics publication schedule is available at http://www.detini.gov.uk/publication_schedule_11-17.pdf

The list of people given pre-release access to this publication is available at http://www.detini.gov.uk/publication_pre-release_access_list-18.pdf

Next publication

The next reporting unit publication will be published in early December 2012, while the next local unit publication will be in Spring 2012.

For further information

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