



Department of
**Enterprise, Trade
and Investment**
www.detini.gov.uk

Business Activity

Statistics Bulletin

Northern Ireland Manufacturing Sales & Exports Survey 2007/2008

10 December 2008



A NATIONAL STATISTICS PUBLICATION

National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.

For general enquiries about National Statistics, contact
The National Statistics Public Enquiry Service on 0845 601 3034
minicom: 01633 812399
E-mail: info@statistics.gov.uk
Fax: 01633 652747
Letters: Room 1015, Government Buildings, Cardiff Road, Newport,
Gwent, South Wales NP10 8XG

You can also find National Statistics on the internet – go to
www.statistics.gov.uk

NORTHERN IRELAND MANUFACTURING SALES & EXPORTS SURVEY 2007/08

Published 10/12/08

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 2007/08 along with revised data for previous years.

- Total Sales by manufacturing companies in Northern Ireland (NI) were estimated to be worth £15.6 billion in 2007/08. This represents an increase of 5.2% over the year in current prices. The overall rate of growth has slowed somewhat from last year when growth was 6.1%.
- Manufacturing exports increased by 8.5% (£428 million) over the year to £5.5 billion. The rate of export growth was also slower than in the previous period (2005/06 – 2006/07) when growth was 9.7%.
- Sales to the rest of the European Union (including the Republic of Ireland) accounted for the largest share of exports and growth remained positive (10.0%) while also down on the previous year (12.2%).
- Total sales to the Republic of Ireland (ROI) in 2007/08 were £1.7 billion, up £150 million (10.0%) over the year (2006/07 – 2007/08). However this represented a slowdown in growth compared to the previous year when exports to ROI increased by 15.3%.
- Exports to the Rest of the World (ROW) were worth £2.5 billion in 2007/08, up £156 million (6.8%) over the year. This was broadly equivalent to the export sales growth in the previous year (£147 million, 6.8%).
- The 'Other Manufacturing' sector (sic 36-37) reported the largest rate of export growth over the year increasing by (£117 million) in export sales over the year (44.8%). The Electrical and Optical Equipment sector (SIC 30-33) reported the second largest increase in export sales, rising by £106 million (8.7%) to £1,330 million in 2007/08.
- In real terms total sales increased by 1.9%, exports increased by 5.5% and sales to ROI increased by 6.9% while sales to GB decreased by 3.0% over the year.

Department of Enterprise,
Trade and Investment

Northern Ireland Manufacturing Sales & Exports Survey 2007/2008

10 December 2008

Contents

1

Executive Summary
Pages 1-2

2

Sales & Export
Performance
Page 3-4

3

Analysis by
Destination
Pages 5-7

4

Analysis by Sector
Pages 8-10

5

Analysis by Size of
Business
Pages 11-13

6

1997/98 to 2007/08
results
Pages 14-16

7

Background Notes &
Contact Details
Pages 17-18

Executive Summary

1

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

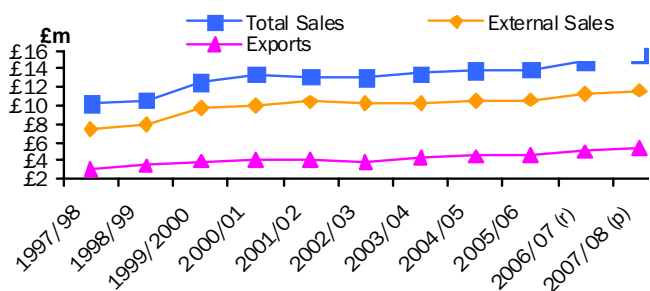
Total Sales by manufacturing companies in Northern Ireland (NI) were estimated to be worth £15.6 billion in 2007/08. This represents a current price increase of 5.2% (£774 million) over the year. The overall rate of growth has slowed somewhat from last year when growth was 6.1%.

In 2007/08, 75.0% of manufacturing sales were made to customers outside NI (external sales). This equated to £11.7 billion, representing an increase of 4.1% (£456 million) over the year.

Sales outside the UK (exports) were estimated to be worth £5.5 billion in 2007/08. This represented an increase of 8.5% over the year, but was slower than the rate of growth in the previous period (2005/06 – 2007/08) when growth was 9.7%. Exports increased by 42.3% over the 5-year period 2002/03 to 2007/08.

Figure 1 shows the values of sales, external sales and exports over the 10 year period (1997/98 to 2007/08).

Sales, External Sales and Exports 1997/98 to 2007/08
Figure 1



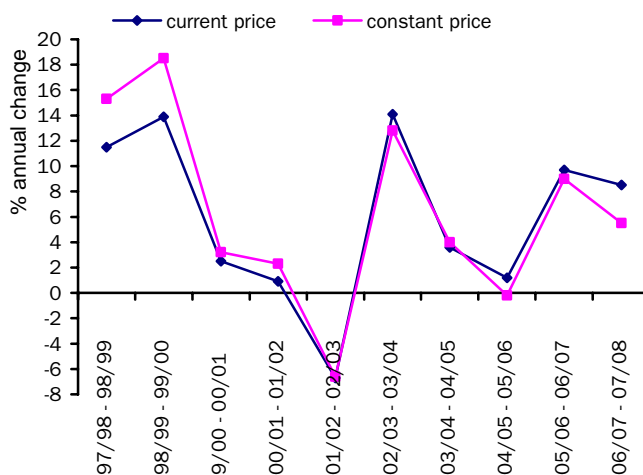
Sales and Export Performance in Constant Prices

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).

When considered in real terms, there has been an increase in total sales of 1.9% (£283m) and an increase of 0.8% in external sales (£92m) whereas sales to Great Britain continued to decline (-3.0%) over the year. Overall, exports increased by 5.5% over the year with sales to both ROI and Rest of EU having risen by 6.9%. Sales to the Rest of the World increased by 3.8%. This rate of growth in exports was slower than 3 years ago when the annual increase was 14.8%.

Figure 2, below, shows the annual rate of growth over the last ten years in both current and constant prices. This shows how the rate of growth has decreased in 2007/08 from the higher rate of growth reported in 2006/07.

Annual Growth of Exports 1997/98 to 2007/08 in current and constant prices
Figure 2



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 39.9% (£6.2 billion) of total sales.

Sales destined for international customers (exports) accounted for over a third (35.1%) of total sales. Sales to the Republic of Ireland grew over the year by 10.0% and account for 10.7% of total sales and over a quarter (30.4%) of exports.

Total sales to the Republic of Ireland (ROI) in 2007/08 were £1.7 billion, up £150 million (10.0%) over the year. However, this represented a slowdown in growth compared to the previous year when exports to ROI increased by 15.3%.

Sales to the Rest of EU¹ increased by 9.9% (£122 million) over the year. Germany, France and Netherlands are the main key destinations for sales and accounted for a combined 49.7% of sales to the Rest of EU.

Sales to the Rest of the World² rose over the year by 6.8% (£156 million). The most significant market for sales outside the European Union in 2007/08 was North America which accounted for 46.6% of total Rest of World sales.

Analysis by Sector

The Food, Drink and Tobacco industry contributes the largest proportion of sales and external sales to the Northern Ireland manufacturing sector, accounting for 42.8% of total sales and 45.2% of external sales. The Electrical and Optical Equipment industry contributes the largest share to exports, accounting for 24.4% of exports but only 10.6% of total sales.

Three quarters of the manufacturing sub sectors experienced increases in exports over the year. Increases were driven by the following manufacturing sub sectors: (i) Other Manufacturing not elsewhere classified (£117 million increase) (ii) Electrical & Optical Equipment (£106 million increase); and (iii) Other Machinery & Equipment (£55 million increase).

Analysis by size of business

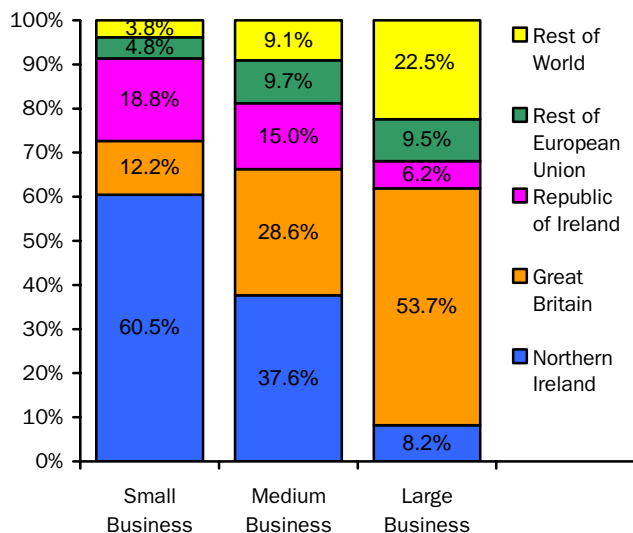
For the purpose of this analysis, small (0-49 employees), medium (50-249 employees) and large (250+ employees) businesses have been examined.

In 2007/08, small and medium businesses (combined) accounted for 43.0% of total sales, 30.2% of external sales and 38.1% 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 (81.4%) of internal sales (sales within NI).

Sales by Broad Destination & Size of Business in 2007/08

Figure 3



Exports by small businesses have increased by 2.9% over the year to 2007/08 while medium and large sized businesses have both recorded a higher increase of 7.7% and 10.2% 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

2

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 2007/08, estimate the value of sales from NI manufacturing businesses to be worth some £15.6 billion, this represents a current price increase of 5.2% (£774 million) over the year, a rise of 18.7% over the 5-year period, 2002/03 to 2007/08, and a rise of 52.3% over the last decade (1997/98 to 2007/08).

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 (75.0%) of total sales in 2007/08. The value of such sales have increased over the year by 4.1% from £11.2 billion in 2006/07 to £11.7 billion in 2007/08.

Total Sales & External Sales made by NI Manufacturing Businesses, 1997/98 – 2007/08
Figure 4

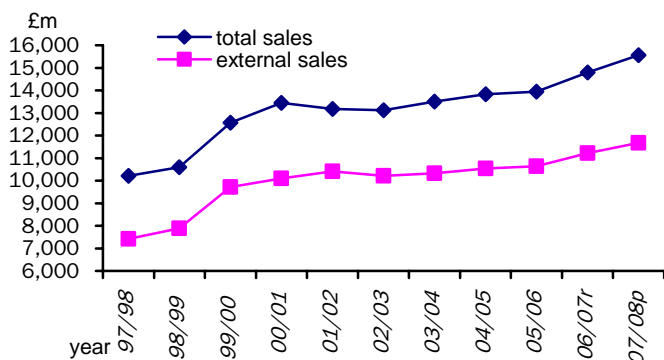


Figure 4 provides information on the level of sales and external sales for the 10 year period 1997/98 to 2007/08. Continual growth has been experienced over the last decade with consistent growth in both sales and external sales (increasing by 52.3% and 57.3% respectively).

Exports consist of all sales made outside the United Kingdom. Figure 5 shows export performance in the 10 years to 2007/08.

Export Sales made by Northern Ireland Manufacturing Businesses, 1997/98 – 2007/08
Figure 5



Estimates for 2007/08, show an increase of 8.5% in manufacturing exports over the year from £5.0 billion in 2006/07 to £5.5 billion in 2007/08. Although there has been a notable increase in the level of exports over the 5-year period (2002/03 to 2007/08) from £3.8 billion to £5.5 billion, the rate of growth has decreased considerably from 14.1% five years ago (2002/03 – 2003/04) to 8.5% in 2006/07-2007/08. Exports have risen significantly over the last decade from £3.1 billion to £5.5 billion, an increase of £2.3 billion (74.5%).

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 so 2007/08=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 deflator used can be found in the background notes in section 7.

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 an increase in sales (5.2%), external sales (4.1%) and exports (8.5%) over the year (current prices), when expressed in real terms the increase is actually slightly lower with total sales increasing by 1.9%, external sales increasing by 0.8% and exports increasing by 5.5% (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 74.5% over the 10 year period to 2007/08 while in constant prices, exports have actually increased by 81.5%. While the higher rate of growth in real terms over the longer period is perhaps surprising it reflects a fall in input prices over part of the time period. Although the rate of growth of exports increased in the period (2005/06 – 2006/07), growth has been at a slower rate in 2006/07 - 2007/08.

Comparison of current & constant price annual changes in Exports

Figure 6

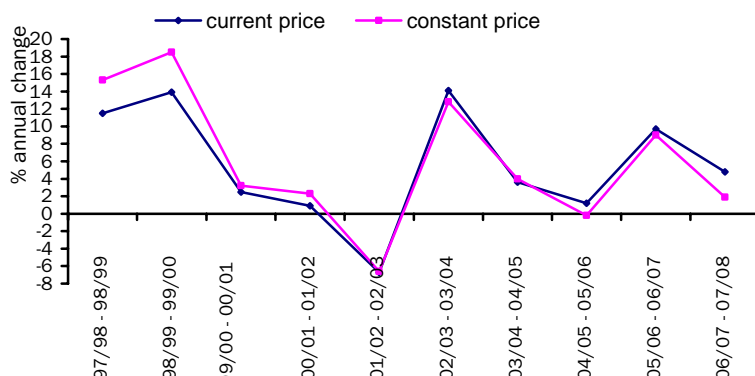


Table 1 provides further information on the effects of current and constant prices on exports over 1, 3, 5 and 10 year periods. The percentage growth is more evident as time increases in both series.

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

Table 1

	1997/98 to 2007/08	2002/03 to 2007/08	2004/05 to 2007/08	2006/07 to 2007/08
	% change (10yr)	% change (5yr)	% change (3 yr)	% change (1 yr)
Exports (current)	74.5	42.3	20.4	8.5
Exports (constant)	81.5	34.6	14.8	5.5

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

Analysis by destination

3

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

Sales by broad destination

Figure 7 provides information on the destination of sales from NI Manufacturing businesses for the five most recent years: 2002/03 to 2007/08.

Total Sales by Broad Destination, 2002/03 to 2007/08

Figure 7

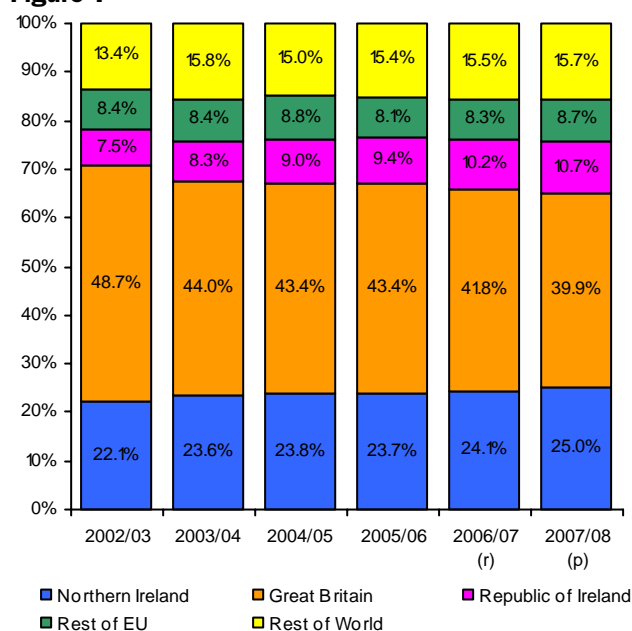


Figure 7 illustrates that there has been a steady rate of growth in the proportion of total sales destined for ROI, increasing by 3.2 percentage points over the 5 year period to 2007/08. There has also been consistent growth in the proportion of sales to ROW², increasing by 2.3 percentage points during this 5 year period (increasing from 13.4% to 15.7%) with the exception of 2003/04 when ROW had a larger share of sales (15.8%). The growth of exports destined for the Rest of EU increased at a slightly lower rate over the 5 year period to 2007/08 with a reported increase of 0.3 percentage points. In this 5 year period, 2002/03 to 2007/08, there has been a decline in the importance of GB as a destination for sales, with

the proportion of sales destined for GB falling from 48.7% in 2002/03 to 39.9% in 2007/08.

Despite a slight decline in the dominance of GB as a market for sales, (decline of 8.8 percentage points) over the 5 year period, 2002/03 to 2007/08, it remains the most significant destination for sales, accounting for almost two fifths (39.9%) of total sales in 2007/08.

The most important export market in terms of broad destination in 2007/08, was the Rest of World, which accounts for 15.7% of total manufacturing sales in Northern Ireland compared to 8.7% for the Rest of the European Union. Table 2 provides further information on sales to the broad destinations over time, in current prices.

Broad Destination Sales, 1997/98, 2002/03, 2006/07 and 2007/08

Table 2

	1997/98	2002/03	2006/07 (r)	2007/08 (p)
	£m	£m	£m	£m
Total Sales	£10,218	£13,116	£14,789	£15,563
Northern Ireland	£2,796	£2,898	£3,570	£3,889
External Sales	£7,422	£10,218	£11,219	£11,674
Great Britain	£4,294	£6,382	£6,187	£6,215
Export Sales	£3,129	£3,836	£5,032	£5,460
Republic of Ireland	£779	£978	£1,508	£1,659
Rest of EU	£1,060	£1,102	£1,230	£1,352
Rest of World	£1,290	£1,756	£2,294	£2,449

(p) = provisional (r) = revised

Note: Figures may not add due to rounding

Changes in sales by broad destination over time

Table 3 reports the percentage changes in sales over the year, 2006/07 to 2007/08 and also for the 3, 5 and 10 year periods (2004/05 to 2007/08, 2002/03 to 2007/08 and 1997/98 to 2007/08).

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

Table 3

	% change (10 year)	% change (5 year)	% change (3 year)	% change (1 year)
	1997/98 to 2007/08	2002/03 to 2007/08	2004/05 to 2007/08	2006/07 to 2007/08
Northern Ireland	39.1%	34.2%	18.3%	8.9%
Great Britain	44.7%	-2.6%	3.5%	0.4%
Republic of Ireland	112.9%	69.6%	33.4%	10.0%
Rest of EU	27.5%	22.6%	11.5%	9.9%
Rest of World	89.9%	39.5%	17.9%	6.8%

Sales to GB, ROI and the Rest of the World have experienced significant percentage increases over the last decade, 1997/98 to 2007/08, (44.7%, 112.9% and 89.9% respectively) while the Rest of the EU experienced a slightly lower increase of 27.5%.

Over the 5-year period, 2002/03 to 2007/08, while GB experienced a decline of 2.6% the largest percentage increase in sales has been to ROI with sales rising by 69.6%, from £978 million in 2002/03 to £1,659 million in 2007/08. Sales to the Rest of World and the Rest of EU have also risen over the 5 year period when the Rest of World experienced an increase of 39.5% (£693 million) and the Rest of EU had an increase of 22.6% (£250 million).

Over the 3 year period, 2004/05 to 2007/08, an increase in sales of 33.4% to ROI has been reported which is considerably higher than the 3 year change in sales to the Rest of EU (11.5%). Sales to the Rest of World have risen by 17.9% over the 3 year period, from £2,078 million in 2004/05 to £2,449 million in 2007/08. GB also experienced an increase in sales (3.5%) in this 3 year period.

Over the last year, sales to each broad destination NI, GB, ROI, REU and ROW have risen (8.9%, 0.4%, 10.0%, 9.9% and 6.8% respectively). When compared to the previous year GB, ROI and ROW experienced a slower rate of growth when ROI had the most marked slowdown decreasing from growth of 15.3% in 05/06 to 06/07 to growth of 10.0% in 2006/07 to 2007/08.

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

Exports to markets within Rest of EU (2007/08)

Table 4

Export Market	Sales	
	£m	% of REU sales
Germany	£299.7	22.2%
France	£226.4	16.8%
Netherlands	£145.1	10.7%
Spain	£130.6	9.7%
Italy	£101.7	7.5%
Belgium	£79.4	5.9%
Austria	£74.7	5.5%
Portugal	£39.6	2.9%
Poland	£36.4	2.7%
Denmark	£24.2	1.8%
Sweden	£20.3	1.5%
Czech Republic	£18.8	1.4%
Greece	£14.4	1.1%
Finland	£14.1	1.0%
Latvia	£10.7	0.8%
Romania	£10.0	0.7%
Bulgaria	£9.7	0.7%
Hungary	£8.3	0.6%
Estonia	£4.7	0.4%
Slovakia	£4.3	0.3%
Cyprus	£4.2	0.3%
Lithuania	£3.9	0.3%
Malta	£2.1	0.2%
Luxembourg	**	**
Slovenia	**	**
Eu non specified*	£62.1	4.6%
Rest EU	£1,351.6	100.0%

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

** Data suppressed due to disclosure

In 2007/08 NI manufacturing businesses have reported Germany, France and the Netherlands as the main export destination within the Rest of EU accounting for almost half (49.7%) of all sales to the Rest of EU. Sales to Bulgaria (£9.7 million) and Romania (£10.0 million) were reported within EU for the first time in 2007/08 and are estimated to account for 1.5% 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 £1,142 million to North America in 2007/08 which accounts for the largest share of the sales to markets outside the European Union, representing 46.6% of all sales to the Rest of the World group.

Major Export Markets outside the European Union
Table 5

Export Market	Sales £m	% of ROW
North America	£1,141.5	46.6%
Asia	£377.2	15.4%
Middle East	£229.9	9.4%
Africa	£185.8	7.6%
Switzerland	£155.7	6.4%
Central And South America	£86.2	3.5%
Russia	£64.1	2.6%
Australia	£47.1	1.9%
Europe Other	£43.6	1.8%
Turkey	£41.5	1.7%
Easteurope	£32.5	1.3%
Norway	£17.5	0.7%
New Zealand	£8.7	0.4%
Rest Of World non specified*	£18.1	0.7%
Rest Of World	£2,449.4	100.0%

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

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 in 2007/08.

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

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 sub sectors in 2007/08.

The Food, Drink & Tobacco sector contributes the highest proportion of sales and external sales to the Northern Ireland manufacturing sector, accounting for 42.8% of total sales and

45.2% of external sales, it does not however account for the largest share of exports. It is, in fact, the Electrical and Optical Equipment industry which contributes the greatest amount of exports to the manufacturing sector, accounting for approximately 24.4% of total exports.

Share of Sales and Exports by Industrial Sector
Table 6

SIC(03) Division	Industrial sector	Total Sales (p)		External Sales (p)		Exports (p)	
		£m	%	£m	%	£m	%
15-16	Food, Drink & Tobacco	£6,662	42.8%	£5,272	45.2%	£798	14.6%
30-33	Electrical & Optical Equipment	£1,651	10.6%	£1,545	13.2%	£1,330	24.4%
29	Other Machinery & Equipment	£1,216	7.8%	£989	8.5%	£685	12.5%
34-35	Transport Equipment	£982	6.3%	£879	7.5%	£607	11.1%
27-28	Basic Metals & Fabricated Metal Products	£861	5.5%	£396	3.4%	£261	4.8%
25	Rubber & Plastics	£844	5.4%	£659	5.6%	£433	7.9%
26	Other Non-Metallic Mineral Products	£825	5.3%	£355	3.0%	£214	3.9%
36-37 & 23	Other Manufacturing not elsewhere classified	£739	4.7%	£473	4.1%	£379	6.9%
24	Chemicals & Man-Made Fibres	£523	3.4%	£444	3.8%	£388	7.1%
21-22	Paper & Printing	£509	3.3%	£202	1.7%	£119	2.2%
20	Wood & Wood Products	£470	3.0%	£239	2.0%	£156	2.9%
17-19	Textiles, Clothing & Leather	£282	1.8%	£223	1.9%	£89	1.6%
	Total	£15,563	100%	£11,674	100%	£5,460	100%

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

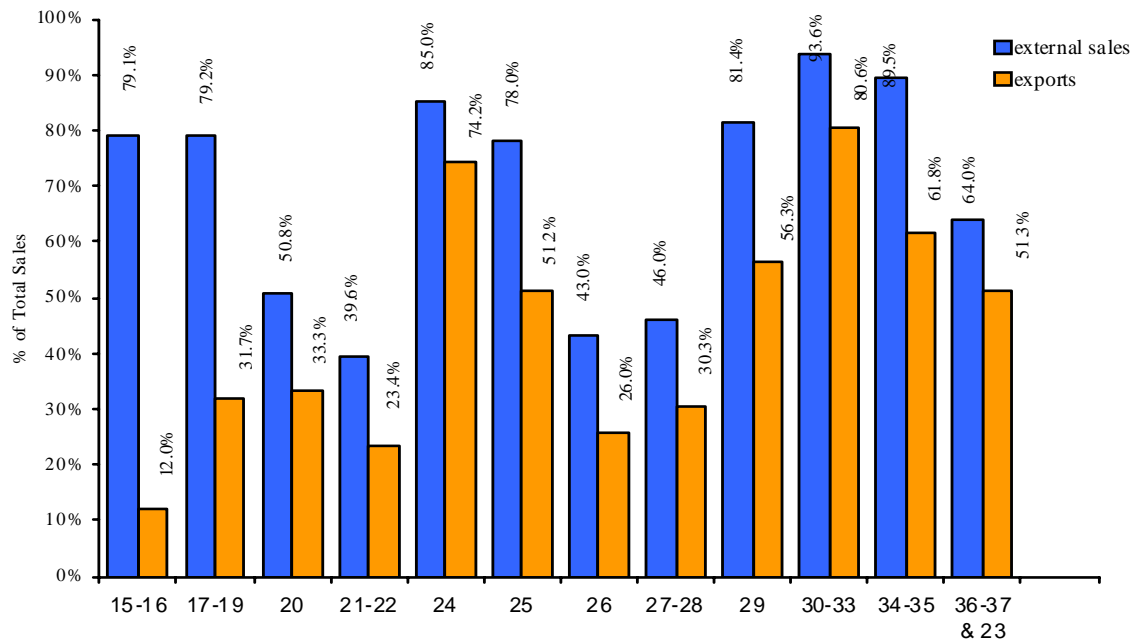
Figure 8, below, displays external sales and exports as a proportion of total sales for each of the sub sectors within manufacturing. It is evident from figure 8 that manufacturing businesses are more likely to have external sales than exports, this may be due in part, to Northern Ireland businesses' reliance on the GB market.

exports (80.6%) as a proportion of total sales. The Transport and Equipment (SIC 34-35) industry is the next highly externally focused sector with 89.5% of sales made externally while the Chemicals and Man-made fibres sector (SIC 24) is export orientated with 74.2% of sales made outside the United Kingdom (exports).

Divisions 30-33 (Manufacture of Electrical and Optical Equipment) have the highest level of both external sales (93.6%) and

Figure 9 provides further information on the share of sales, external sales and exports by industrial sector.

External Sales and Exports as a Proportion of Total Sales by Industry
Figure 8



Share of Sales, External Sales and Exports by Industrial Sector
Figure 9

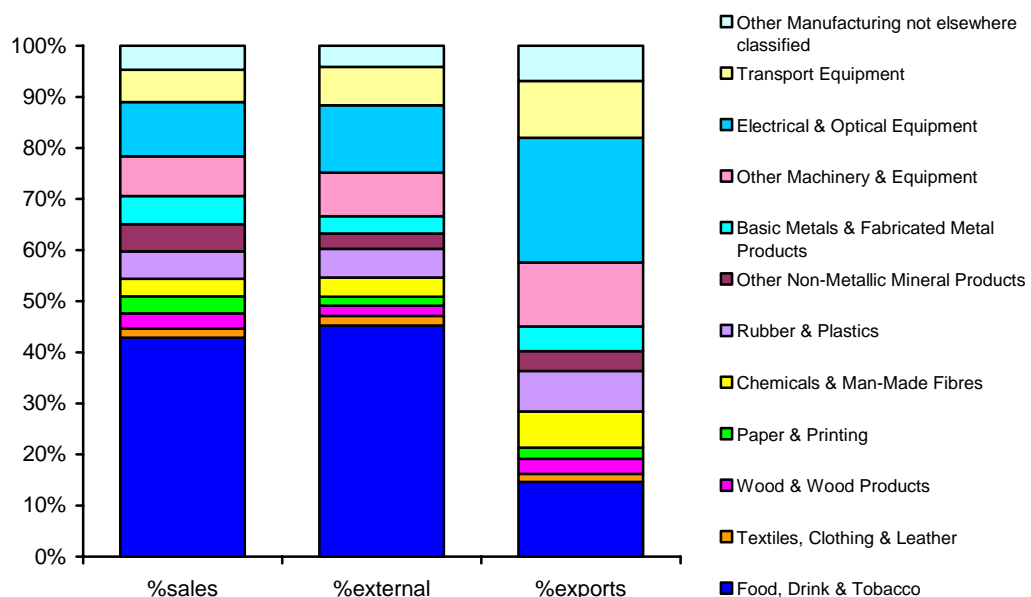


Table 7 provides information on the sales, external sales and exports of each of the manufacturing subsectors in 2006/07 and 2007/08.

The largest actual increase in total sales, external sales and exports over the year (2006/07 to 2007/08) has been reported within SIC 36-37&23 (Other Manufacturing not elsewhere classified) with total sales estimated to have increased by £174 million (30.7%) to £739 million, external sales estimated to have increased by £125 million (35.9%) and exports estimated to have increased by £117 million (44.8%). The Electrical & Optical Equipment Sector (SIC 30-33) experienced the second largest actual increase in external sales, where external sales have been estimated to have risen to £1,545 million in 2007/08, representing a £109 million increase over the year (7.6%). SIC

30-33 (Electrical & Optical Equipment) have also reported the second largest actual increase in export sales, rising by £106 million (8.7%) to £1,330 million in 2007/08.

Other key increases in exports have occurred within SIC 29 (Other Machinery & Equipment), SIC 15-16 (Food Drink and Tobacco) and SIC 24 (Chemicals & Man-Made Fibres) where increases of £56 million (8.8%), £55 million (7.5%) and £51 million (15.0%) were reported.

Declines in sales external sales and exports are evident in SIC 17-19, (Textiles, Clothing & Leather) where a decline of £38 million in sales, £34 million in external sales and £26 million in export sales has been noted.

Annual Change in Sales, External Sales & Exports by Industrial Sector, 2006/07– 2007/08

Table 7

SIC(03) Division	Total Sales			External Sales			Exports		
	2006/07 (r)	2007/08 (p)	% change	2006/07 (r)	2007/08 (p)	% change	2006/07 (r)	2007/08 (p)	% change
	£m	£m	%	£m	£m	%	£m	£m	%
15-16	£6,536	£6,662	1.9	£5,245	£5,272	0.5	£743	£798	7.5
17-19	£320	£282	-12.0	£257	£223	-13.1	£115	£89	-22.3
20	£451	£470	4.2	£221	£239	7.8	£157	£156	-0.2
21-22	£472	£509	8.0	£179	£202	12.7	£99	£119	20.5
24	£462	£523	13.3	£392	£444	13.2	£337	£388	15.0
25	£851	£844	-0.8	£659	£659	-0.1	£424	£433	2.1
26	£733	£825	12.5	£307	£355	15.7	£187	£214	14.9
27-28	£795	£861	8.4	£366	£396	8.2	£252	£261	3.6
29	£1,103	£1,216	10.2	£914	£989	8.2	£629	£685	8.8
30-33	£1,550	£1,651	6.5	£1,436	£1,545	7.6	£1,224	£1,330	8.7
34-35	£951	£982	3.3	£894	£879	-1.7	£605	£607	0.4
36-37 & 23	£565	£739	30.7	£348	£473	35.9	£262	£379	44.8
Total	£14,789	£15,563	5.2	£11,219	£11,674	4.1	£5,032	£5,460	8.5

Note: Figures may not add due to rounding

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 2007/08. 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.

Total Sales, External Sales and Exports by Size of Business, 2007/08

Table 8

	Small Business	Medium Business	Large Business	Total
Northern Ireland	£1,710	£1,454	£725	£3,889
%	44.0%	37.4%	18.6%	100.0%
External Sales	£1,118	£2,410	£8,146	£11,674
%	9.6%	20.6%	69.8%	100.0%
Great Britain	£345	£1,106	£4,764	£6,215
%	5.5%	17.8%	76.7%	100.0%
Export Sales	£774	£1,304	£3,382	£5,460
%	14.2%	23.9%	61.9%	100.0%
Republic of Ireland	£530	£578	£550	£1,659
%	32.0%	34.9%	33.2%	100.0%
Rest of European Union	£136	£376	£840	£1,352
%	10.0%	27.8%	62.2%	100.0%
Rest of World	£108	£350	£1,992	£2,449
%	4.4%	14.3%	81.3%	100.0%
Total Sales	£2,828	£3,863	£8,872	£15,563
%	18.2%	24.8%	57.0%	100.0%

Large manufacturing businesses accounted for the largest proportion of sales within each of the external markets in 2007/08 with the exception of the Republic of Ireland where sales are split almost evenly between the small (32.0%), medium (34.9%) and large (33.2%) .

Large businesses account for 69.8% of external sales and 61.9% 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 44.0% of total sales to Northern Ireland and medium businesses accounting for 37.4%.

Medium businesses have the largest percentage share of sales to the Republic of Ireland. Small businesses unlike medium and large businesses are less likely to make sales to the Rest of EU (10.0 %) and the Rest of the World markets (4.4%).

Figure 10, 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.

Proportion of Small, Medium and Large Business Sales made to each Broad Destination
Figure 10

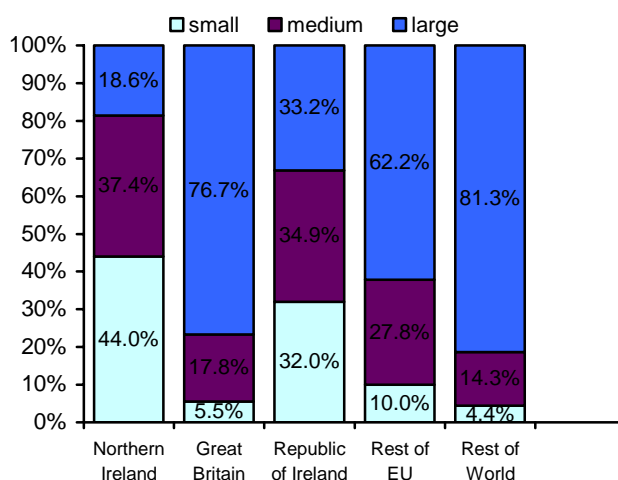
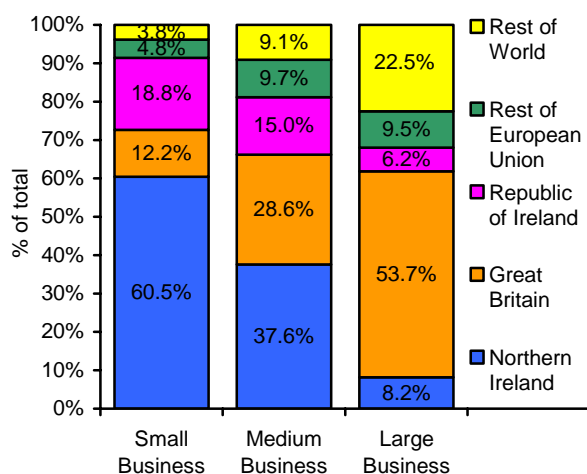


Figure 11 provides information on how the sales to each of the broad destinations are spread among small, medium and large businesses.

Share of Sales by Broad Destination and Size of Business
Figure 11



Small businesses are heavily reliant on the internal market with 60.5% of sales made within Northern Ireland.

Medium sized businesses have a fairly even spread of sales between internal sales in Northern Ireland (37.6%), external sales to Great Britain (28.6%) and export sales (33.8%).

Large businesses have a significant share of both external and export markets accounting for 76.7% of GB sales, 33.2% of ROI sales, 62.2% of Rest of EU sales and 81.3% of Rest of World sales. GB is the most significant single market for large businesses, representing 53.7% of sales destined there.

Large and medium sized businesses are more inclined to export, with just over one third (38.2% and 33.8%, respectively) of sales made outside the UK. In comparison only 27.4% of sales from small businesses are exported where the main export market is the Republic of Ireland, accounting for over two thirds of small business exports (68.6%).

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 1997/98, 2002/03, 2006/07 and 2007/08 in current and constant prices respectively.

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

	Size of business	% change (10 year)	% change (5 year)	% change (1 year)
		1997/98 to 2007/08	2002/03 to 2007/08	2006/07 to 2007/08
Total Sales	0-49	45.3	31.0	2.8
	50-249	34.6	43.9	9.5
	250+	64.3	7.2	4.2
External Sales	0-49	52.3	36.8	-2.1
	50-249	24.3	26.3	9.1
	250+	71.5	8.7	3.5
Export Sales	0-49	96.4	61.6	2.9
	50-249	58.8	40.8	7.7
	250+	76.8	39.1	10.2

Over the 10 year period (1997/98 to 2007/08) the largest percentage change in total sales and external sales was reported in large size businesses, increasing by 64.3% and 71.5 respectively. The largest percentage change in export sales over the decade to 2007/08 was reported by small sized enterprises which have experienced growth of 96.4%. Small businesses had the second largest percentage growth in sales and external sales, with total sales and exports increasing by 45.3% and 52.3%, respectively over the 10 year period.

Over the five year period, 2002/03 to 2007/08, small sized enterprises have experienced growth of more than 30% in sales (31.0%), external sales (36.8%) and exports (61.6%). In contrast, large sized businesses have experienced a slightly lower rate of growth in both sales (7.2%) and external sales (8.7%) and a higher increase in exports of 39.1% over the same period. Since 2002/03 medium sized businesses had the highest rate of growth in total sales (43.9%) and slower growth in external sales (26.3%) than export sales (40.8%).

Exports by small businesses have increased by 2.9% over the year to 2007/08 while medium and large sized businesses have both recorded a higher increase of 7.7% and 10.2% over the year.

When considered in constant prices, the growth in Export Sales for each size of business are considerably higher than when expressed in current prices over the 10 year period (1997/98 to 2007/08). In constant prices small businesses are estimated to have increased by 104.2%, medium sized enterprises have increased by 65.1% and large businesses have increased by 83.9%.

Changes over the year to 2007/08 report smaller percentage change in constant prices with small businesses remaining fairly static, medium and large businesses increasing by 4.7% and 7.2% respectively.

Sales, External Sales and Exports by size of business 1997/98, 2002/03, 2006/07 and 2007/08 (Current Prices)

Table 10

		1997/98	2002/03	2006/07	2007/08
Total Sales	0-49	£1,946	£2,159	£2,750	£2,828
	50-249	£2,871	£2,684	£3,527	£3,863
	250+	£5,401	£8,274	£8,511	£8,872
	Total	£10,218	£13,116	£14,789	£15,563
External Sales	0-49	£734	£817	£1,142	£1,118
	50-249	£1,939	£1,908	£2,209	£2,410
	250+	£4,749	£7,492	£7,867	£8,146
	Total	£7,422	£10,218	£11,219	£11,674
Export Sales	0-49	£394	£479	£752	£774
	50-249	£821	£926	£1,211	£1,304
	250+	£1,913	£2,431	£3,068	£3,382
	Total	£3,129	£3,836	£5,032	£5,460

Sales, External Sales and Exports by size of business 1997/98, 2002/03, 2006/07 and 2007/08 (Constant Prices)

Table 11

		1997/98	2002/03	2006/07	2007/08
Total Sales	0-49	£2,129	£2,363	£2,843	£2,828
	50-249	£3,101	£2,922	£3,645	£3,863
	250+	£5,772	£9,029	£8,793	£8,872
	Total	£11,003	£14,314	£15,280	£15,563
External Sales	0-49	£762	£880	£1,178	£1,118
	50-249	£2,050	£2,065	£2,279	£2,410
	250+	£5,037	£8,169	£8,126	£8,146
	Total	£7,850	£11,111	£11,582	£11,674
Export Sales	0-49	£379	£507	£774	£774
	50-249	£790	£979	£1,246	£1,304
	250+	£1,839	£2,573	£3,156	£3,382
	Total	£3,009	£4,057	£5,175	£5,460

1997/98 to 2007/08 Results

6

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

Table 12 - Total Sales, External Sales and Exports, 1997/98-2007/08 (current prices)

	1997/98 £m	1998/99 £m	1999/2000 £m	2000/01 £m	2001/02 £m	2002/03 £m	2003/04 £m	2004/05 £m	2005/06 £m	2006/07 (revised) £m	2007/08 (provisional) £m
Total Sales	£10,218	£10,595	£12,561	£13,451	£13,184	£13,116	£13,508	£13,826	£13,944	£14,789	£15,563
Northern Ireland	£2,796	£2,709	£2,840	£3,346	£2,772	£2,898	£3,182	£3,288	£3,305	£3,570	£3,889
External Sales	£7,422	£7,886	£9,721	£10,105	£10,412	£10,218	£10,326	£10,538	£10,639	£11,219	£11,674
Great Britain	£4,294	£4,396	£5,748	£6,031	£6,299	£6,382	£5,949	£6,005	£6,052	£6,187	£6,215
Exports	£3,129	£3,490	£3,974	£4,074	£4,111	£3,836	£4,377	£4,533	£4,586	£5,032	£5,460
Republic of Ireland	£779	£832	£903	£960	£910	£978	£1,115	£1,243	£1,308	£1,508	£1,659
Rest of EU	£1,060	£1,046	£1,150	£1,310	£1,236	£1,102	£1,133	£1,212	£1,132	£1,230	£1,352
Rest of World	£1,290	£1,612	£1,921	£1,805	£1,965	£1,756	£2,129	£2,078	£2,147	£2,294	£2,449

Table 13 - Annual Nominal Growth in Total Sales, External Sales and Exports, 1997/98-2007/08

	Change 97/98 - 98/99 %	Change 98/99 - 99/00 %	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 %
Total Sales	3.7	18.6	7.1	-2.0	-0.5	3.0	2.4	0.9	6.1	5.2
Northern Ireland	-3.1	4.8	17.8	-17.2	4.5	9.8	3.3	0.5	8.0	8.9
External Sales	6.3	23.3	4.0	3.0	-1.9	1.1	2.1	1.0	5.4	4.1
Great Britain	2.4	30.8	4.9	4.4	1.3	-6.8	0.9	0.8	2.2	0.4
Exports	11.5	13.9	2.5	0.9	-6.7	14.1	3.6	1.2	9.7	8.5
Republic of Ireland	6.8	8.5	6.3	-5.2	7.5	14.0	11.5	5.2	15.3	10.0
Rest of EU	-1.3	9.9	13.9	-5.6	-10.8	2.8	7.0	-6.6	8.6	9.9
Rest of World	25.0	19.2	-6.0	8.9	-10.6	21.2	-2.4	3.3	6.8	6.8

Table 14 - Total Sales, External Sales and Exports, 1997/98-2007/08 (constant prices)

	1997/98 £m	1998/99 £m	1999/2000 £m	2000/01 £m	2001/02 £m	2002/03 £m	2003/04 £m	2004/05 £m	2005/06 £m	2006/07 (revised) £m	2007/08 (provisional) £m
Total Sales	£11,003	£11,496	£13,730	£14,607	£14,424	£14,314	£14,587	£14,777	£14,635	£15,280	£15,563
Northern Ireland	£3,152	£3,060	£3,180	£3,698	£3,081	£3,203	£3,489	£3,545	£3,493	£3,698	£3,889
External Sales	£7,850	£8,436	£10,550	£10,909	£11,343	£11,111	£11,098	£11,232	£11,142	£11,582	£11,674
Great Britain	£4,841	£4,966	£6,437	£6,665	£7,001	£7,054	£6,523	£6,475	£6,396	£6,408	£6,215
Exports	£3,009	£3,470	£4,113	£4,243	£4,342	£4,057	£4,575	£4,757	£4,746	£5,175	£5,460
Republic of Ireland	£749	£827	£935	£1,000	£961	£1,034	£1,165	£1,304	£1,353	£1,551	£1,659
Rest of EU	£1,019	£1,040	£1,190	£1,364	£1,306	£1,166	£1,184	£1,272	£1,171	£1,265	£1,352
Rest of World	£1,240	£1,603	£1,988	£1,880	£2,076	£1,857	£2,225	£2,181	£2,221	£2,359	£2,449

Table 15 - Annual Real Growth in Total Sales, External Sales and Exports, 1997/98-2007/08

	Change 97/98 - 98/99 %	Change 98/99 - 99/00 %	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 %
(2000=100)	%	%	%	%	%	%	%	%	%	%
Total Sales	4.5	19.4	6.4	-1.2	-0.8	1.9	1.3	-1.0	4.4	1.9
Northern Ireland	-2.9	3.9	16.3	-16.7	4.0	8.9	1.6	-1.5	5.9	5.2
External Sales	7.5	25.1	3.4	4.0	-2.0	-0.1	1.2	-0.8	4.0	0.8
Great Britain	2.6	29.6	3.6	5.0	0.8	-7.5	-0.7	-1.2	0.2	-3.0
Exports	15.3	18.5	3.2	2.3	-6.6	12.8	4.0	-0.2	9.0	5.5
Republic of Ireland	10.4	13.0	7.0	-3.8	7.6	12.7	11.9	3.7	14.6	6.9
Rest of EU	2.0	14.4	14.6	-4.3	-10.7	1.6	7.4	-7.9	8.0	6.9
Rest of World	29.2	24.0	-5.5	10.4	-10.5	19.8	-2.0	1.9	6.2	3.8

Table 16 - Share of Total Sales by Broad Destination, 1997/98-2007/08, (current prices)

	1997/98 %	1998/99 %	1999/2000 %	2000/01 %	2001/02 %	2002/03 %	2003/04 %	2004/05 %	2005/06 %	2006/07 (revised) %	2007/08 (provisional) %
Northern Ireland	27.4	25.6	22.6	24.9	21.0	22.1	23.6	23.8	23.7	24.1	25.0
Great Britain	42.0	41.5	45.8	44.8	47.8	48.7	44.0	43.4	43.4	41.8	39.9
Republic of Ireland	7.6	7.9	7.2	7.1	6.9	7.5	8.3	9.0	9.4	10.2	10.7
Rest of EU	10.4	9.9	9.2	9.7	9.4	8.4	8.4	8.8	8.1	8.3	8.7
Rest of World	12.6	15.2	15.3	13.4	14.9	13.4	15.8	15.0	15.4	15.5	15.7
Total Sales	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

Background Notes

7

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(03) divisions 15-37).

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. 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 as the population; factors are produced at a subsector level thus reflecting the distributions across the various industrial sectors.

Survey Reference Period

The current survey covers the accounting periods, 2007/08 which runs from 1 April 2007 to 31 March 2008, calendar year information is accepted if financial year information is not readily available.

Response Rates 2007/08

The 2007/08 response rate was 81.9%, based on actual returns, this rose to an effective response rate of 91.4% once individual estimations were made.

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 the impact on prices of other factors can be reported in real terms (by using a deflator). The values for each time period are expressed in terms of the prices in some base period (2007/08=100). 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 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).

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 2007/08. These are then aggregated for various industrial sectors to provide indices that are published monthly by National Statistics.

Further Information

If you require further information about this survey, please contact:

Sharon Mc Cullagh

Statistics Research Branch

Department of Enterprise, Trade and Investment

Room 114

Netherleigh

Massey Avenue Belfast

BT4 2JP

Telephone: 028 9052 9403

Fax: 028 9052 9658

E-mail: sharon.mccullagh@detini.gov.uk

www.statistics.detini.gov.uk