

# NORTHERN IRELAND INDEX OF PRODUCTION QUARTER 1 2010

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The Northern Ireland Index of Production (IOP) is a quarterly survey of around 600 companies and is designed to provide a general measure of change in real terms in the output of the Manufacturing, Electricity, Gas & Water and Mining & Quarrying industries. This publication contains seasonally adjusted NI Index of Production data on a 2006=100 basis for the first time.

- Provisional results for the Northern Ireland Index of Production for the first quarter of 2010 show that output levels increased over the quarter in real terms (1.5%). This is the first quarter to report an increase after peaking in Q2 2008. Revisions to the index this quarter have resulted in the previous quarterly increase being revised downwards to reflect a 0.7% decrease from Q3 2009 to Q4 2009.
- Over the year NI Production levels fell by 1.9%. The UK as a whole reported its second successive increase over the quarter (1.0%) and returned to the same level as one year previously.
- Manufacturing comprises the main element of the production index. Manufacturing output for Q1 2010 recorded a rise of 1.1% compared to the previous quarter; the UK also reported an increase over the same period (1.4%). NI recorded a decrease of 2.8% in manufacturing output compared to the same period one year earlier in contrast the UK as a whole reported an increase of 1.8%. Over the latest four quarters NI manufacturing output decreased by 10.2% compared to the previous four quarters, the UK recorded a fall of 6.9% over the same period.
- Three of the six broad manufacturing subsectors reported an increase over the quarter: Other Manufacturing (4.5%), Engineering & Allied Industries (1.6%) and Leather, Textiles & Textile Products (5.1%) in contrast Chemicals & Chemical Products (-3.8%), the Manufacture of Food, Drink & Tobacco (-0.5%) and Basic Metals & Fabricated Metal Products (-1.1%) all reported decreases.
- Quarter 1 2010 manufacturing productivity increased by 1.4% over the quarter and by 2.8% compared to the same quarter one year earlier.



Department of Enterprise,  
Trade and Investment

# **Northern Ireland Index of Production Quarter 1 2010**

July 2010

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# Executive Summary

# 1

## Introduction

This bulletin provides information from the Index of Production (IOP) for Northern Ireland (NI). The IOP is one of the earliest official indicators of the performance of Northern Ireland industry and, as such, represents an important short-term measure of change in a significant area of the economy.

This booklet contains detailed results for the Production Industries i.e. the Manufacturing, Electricity, Gas & Water and Mining & Quarrying sectors on a 2006=100 basis giving data up to the most recent quarter (Quarter 1 2010). Disaggregated data for manufacturing subsections and by market sector are also presented. Comparative UK data are presented where these are available.

Manufacturing comprised some 86% of Approximate Gross Value Added (GVA) in the production industries, while production accounts for some 28% of total business Approximate GVA as measured by the Annual Business Inquiry (ABI) 2006 results. Manufacturing is typically the main determinant of change in the production sector. Manufacturing subsections has been included to provide more detail on the performance of the manufacturing sector.

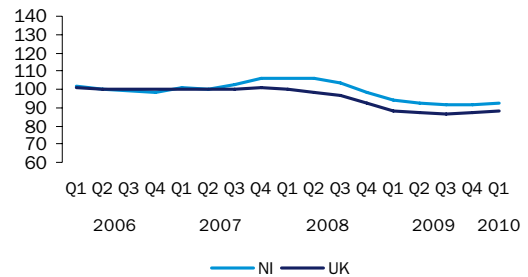
## Northern Ireland Production

Results from the Index of Production for the first quarter of 2010 show output levels increased in real terms compared to the previous quarter (1.5%). Revised figures now indicate that this is the first quarter to report a rise after peaking in Q2 2008. Revisions to the index this quarter have resulted in the previous quarterly increase being revised downwards to reflect a 0.7% decrease from Q3 2009 to Q4 2009.

Over the year output levels were lower when compared to the same quarter one year earlier with a decline of 1.9% recorded.

The UK as a whole reported an increase over the quarter of 1.0% and returned to the same level as one year previously.

**Figure 1: Production in NI & UK**  
(2006=100)



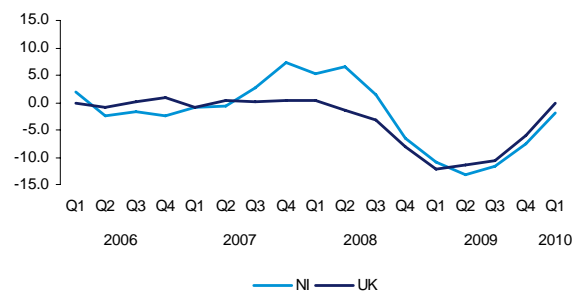
Northern Ireland's Production sector declined over the most recent four quarters (-8.8%) compared to the previous four quarters, the UK reported a fall of 7.2% over the same period.

NI production has decreased by 9.0% from Q1 2006 to Q1 2010 compared to a decrease of 12.6% recorded for the UK as a whole over the same period.

## Production – growth trend

Figure 2 illustrates the annual percentage change in output in the production sector over time. Annual growth remained steady from Q3 2007 to Q3 2008 it then reported a negative growth in Q4 2008 which continued with a noticeable low in Q2 2009 (-13.2%). Q1 2010 continues to report a negative annual growth (-1.9%).

**Figure 2: Production – % change on a year earlier**  
**NI v UK**  
(2006=100)



## Manufacturing

Manufacturing output for Q1 2010 rose by 1.1% compared to the previous quarter; the UK reported an increase of 1.4% over the same period. The NI Index recorded a decrease of 2.8% in manufacturing output compared to the same period one year earlier; the UK reported an increase of 1.8% over the same period.

NI manufacturing output over the latest four quarters decreased by 10.2% compared to the previous four quarters, the UK recorded a fall of 6.9%.

### Manufacturing Subsections

**Over the quarter**, the broad manufacturing subsectors that reported increases include: Other Manufacturing (4.5%), Engineering & Allied Industries (1.6%) and Leather, Textiles & Textile Products (5.1%).

Over the same period, the industries to report a decline include Chemicals & Chemical Products (-3.8%), the Manufacture of Food, Drink & Tobacco (-0.5%) and Basic Metals & Fabricated Metal Products (-1.1%).

**Over the year**, four of the six broad manufacturing subsectors reported an increase: Chemicals & Chemical Products (10.8%), Leather, Textiles & Textile Products (14.2%), Basic Metals & Fabricated Metal Products (2.2%) and Other Manufacturing (0.5%).

Over the same period, the index for the following industries reported decreases: Engineering & Allied Industries (-12.4%) and the manufacture of Food, Drink & Tobacco (-2.2%).

**Over the latest four quarters**, compared to the same period one year earlier (i.e. Q2 2008 – Q1 2009 to Q2 2009 – Q1 2010), the only subsector to record an increase was Chemicals & Chemical Products (11.3%).

Over the same period, the subsections reporting falls were Engineering & Allied Industries (-23.6%), Basic Metals & Fabricated Metal Products (-14.2%), Other Manufacturing (-12.9%), Leather, Textiles & Textile Products sector (-2.0%) and the Manufacture of Food, Drink & Tobacco (-0.4%).

## Other Production

The Electricity, Gas and Water index increased by 3.2% compared to Quarter 4 2009 and also increased over the year by 2.1%.

Mining and Quarrying recorded an increase of 5.3% compared to the previous quarter and rose by 9.4% over the year.

Over the latest four quarters the Electricity, Gas and Water sector decreased by 0.1% and the Mining and Quarrying sector decreased by 0.3%.

### Market Sector Changes

Between Quarter 4 2009 and Quarter 1 2010 Intermediate Goods and Investment Goods both reported an increase, 3.8% and 0.4% respectively while Consumer Goods recorded a decline of 0.7%.

Over the year Intermediate Goods recorded an increase of 3.7% in contrast Investment Goods was down 12.0% and Consumer Goods down 2.0% over the same period.

Over the latest four quarters, all three market sectors reported a decrease, Investment Goods down 22.6%, Intermediate Goods down 6.7% and Consumer Goods recorded a fall of 1.0%.

### Manufacturing Productivity

The index of manufacturing productivity (which provides a measure of the number of units of output produced per person per paid hour) increased by 1.4% over the quarter and reported a 2.8% increase over the year.

The most recent Quarterly Employment Survey seasonally adjusted figures for March 2010 based on the 2003 Standard Industrial Classification reported falls of 0.2% over the quarter and 5.5% over the year.

### Date of Next Publication

The Northern Ireland Index of Production for Quarter 2 2010 will be published on Wednesday 13<sup>th</sup> October 2010.

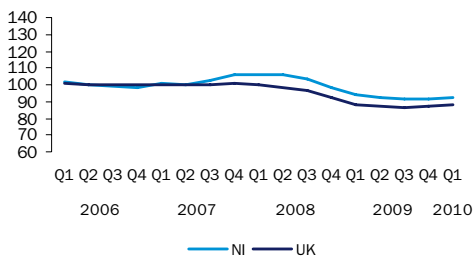
# Output of the Production Industries 2006=100, Seasonally Adjusted Chained Volume Index

## 2

Output from the overall production industries in January-March (Quarter 1 2010) increased by 1.5% over the quarter and decreased by 1.9% compared to one year earlier. This is the first quarter to report a rise after peaking in Q2 2008.

Northern Ireland's production levels increased over the quarter (1.5%), the UK reported an increase of 1.0% over the quarter and remained constant (0.0%) over the year.

**Figure 3: Total Production in NI & UK (2006=100)**



Over the latest four quarters compared to the same four quarters one year earlier the Production sector in NI has decreased by 8.8%, the UK also reported a fall of 7.2%.

NI production has decreased by 9.0% from Q1 2006 to Q1 2010 compared to a decrease of 12.6% recorded for the UK as a whole over the same period.

The next page focuses on the broad sectors within Production. Manufacturing is the main component of the production sector accounting for some 86% of Approximate Gross Value Added (GVA) within the overall production sector.

**Table 1: Northern Ireland Index of Production  
Seasonally adjusted (2006 = 100)**

	Production industries	Manufacturing	Electricity, Gas & Water Supply	Mining & Quarrying
Sector	C+D+E	D	E	C
Weights	1000.0	864.8	117.3	17.9
2005	101.2	101.1	102.8	91.7
2006	100.0	100.0	100.0	100.0
2007	102.1	102.5	97.5	112.6
2008	103.6	103.2	108.3	93.3
2009	92.3	90.3	108.1	85.6
Seasonally Adjusted				
2005 1	99.7	99.9	101.0	81.6
2	102.8	102.5	107.2	91.1
3	101.2	101.4	100.9	94.0
4	100.9	100.8	102.0	99.9
2006 1	101.6	101.6	103.2	94.9
2	100.3	100.5	99.1	100.4
3	99.5	99.5	99.4	102.5
4	98.5	98.5	98.2	102.1
2007 1	100.6	100.7	98.9	108.3
2	99.6	100.0	95.1	111.5
3	102.3	102.9	96.0	114.7
4	105.7	106.3	100.0	115.7
2008 1	106.0	106.0	105.7	107.0
2	106.1	106.0	108.2	96.8
3	103.8	103.4	108.5	91.6
4	98.7	97.5	110.7	77.9
2009 1	94.3	92.7	107.6	85.5
2	92.1	89.9	109.3	85.7
3	91.8	89.6	109.1	82.5
4	91.1	89.1	106.4	88.9
2010 1	92.5	90.1	109.8	93.6
Percentage change latest quarter on:				
Previous quarter				
	1.5	1.1	3.2	5.3
Same quarter a year ago				
	-1.9	-2.8	2.1	9.4
Rolling Average				
	-8.8	-10.2	-0.1	-0.3

### Manufacturing - (weight 86.5%)

The manufacturing index covers those businesses primarily involved in the mechanical, physical or chemical transformation of materials, substances or components into new products.

Manufacturing output in Northern Ireland from Q4 2009 to Q1 2010 rose by 1.1%, the UK over the same period reported an increase of 1.4%. NI recorded a decrease of 2.8% in manufacturing output over the year in contrast the UK as a whole reported a rise of 1.8%. (See figure 4).

NI manufacturing output over the latest four quarters decreased by 10.2% compared to the previous four quarters, the UK recorded a fall (-6.9%) over the same period.

### Electricity, Gas & Water Supply - (weight 11.7%)

The Electricity, Gas and Water Supply sector covers the provision of electric power, natural gas, steam and water supply through a permanent infrastructure.

The index for this sector increased by 3.2% over the quarter, the UK also reported an increase (0.3%). Compared to the same quarter one year earlier, NI recorded an increase of 2.1% while the UK recorded a decrease of 4.7%. (See figure 5).

Over the latest four quarters compared to the same period one year earlier, the sector reported a slight decrease of 0.1% compared to a decrease of 7.9% in the UK.

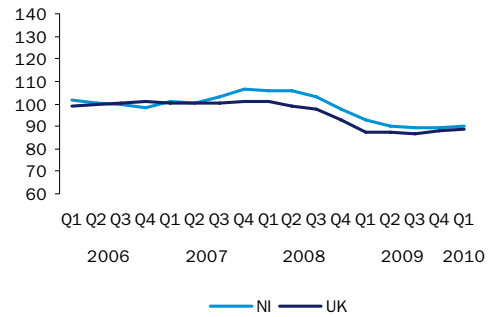
### Mining and Quarrying - (weight 1.8%)

Mining and Quarrying includes those businesses involved in the extraction of minerals occurring naturally as solids, liquids or gases.

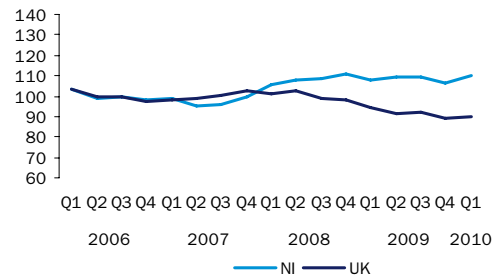
The Mining and Quarrying index increased by 5.3% over the quarter, the UK recorded a decrease of 0.5%. Compared to the same quarter one year earlier, the sector increased by 9.4% in contrast to the decrease of 5.3% reported by the UK as a whole. (See figure 6).

Over the latest four quarters compared to the same period one year earlier, the sector decreased by 0.3%, a smaller decrease than the UK as a whole (-8.4%).

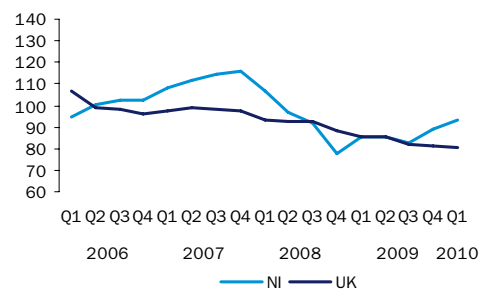
**Figure 4: Manufacturing NI & UK**  
(2006=100)



**Figure 5: Electricity, Gas & Water NI & UK**  
(2006=100)



**Figure 6: Mining & Quarrying NI & UK**  
(2006=100)



# Manufacturing Subsections 2006=100

## Seasonally Adjusted Chained Volume Index

# 3

### Food, Drink & Tobacco - (weight 29.1%)

The Manufacture of Food, Drink and Tobacco index showed a decrease over the quarter (-0.5%), while the UK reported an increase of 3.5%. (See figure 7).

Over the year, the NI Food, Drink and Tobacco output decreased by 2.2% and again the UK recorded an increase (1.9%).

Over the latest four quarters compared to the same period one year earlier, both NI and the UK as a whole recorded a decrease, NI down 0.4% and the UK down 0.7%.

### Engineering & Allied Industries - (weight 24.9%)

The Engineering & Allied Industries index increased by 1.6% over the quarter, the UK reported a similar increase of 1.4%. (See figure 8)

Over the year, the NI Engineering & Allied Industries decreased by 12.4%, in contrast to the rise recorded by the UK (6.5%).

Over the latest four quarters compared to the same period one year earlier, the sector decreased by 23.6%; the UK also recorded a decrease (-8.5%).

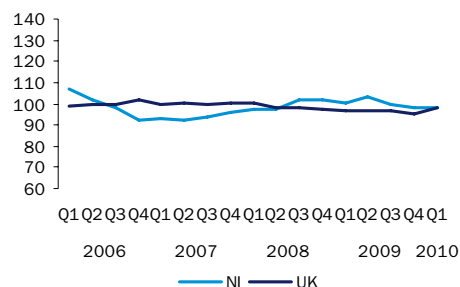
### Total Other Manufacturing - (weight 21.5%)

The Total Other Manufacturing index increased by 4.5% over the quarter, the UK reported an increase of 1.4% over the same period. (See figure 9).

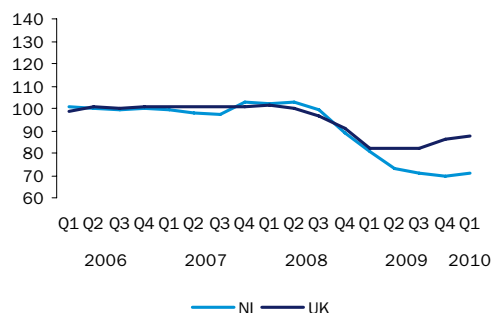
Over the year, the NI Total Other Manufacturing index rose by 0.5% as did UK as a whole (0.5%).

Over the latest four quarters compared to the same period one year earlier, the sector decreased by 12.9%, the UK reported a decline of 6.9%.

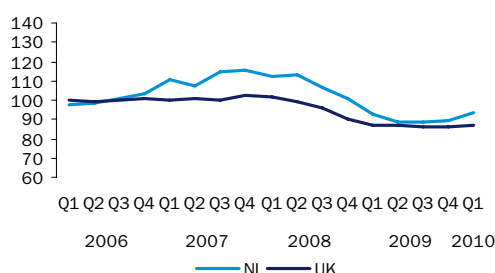
**Figure 7: Food, Drink & Tobacco**  
(2006=100)



**Figure 8: Engineering & Allied Industries**  
(2006=100)



**Figure 9: Total Other Manufacturing**  
(2006=100)



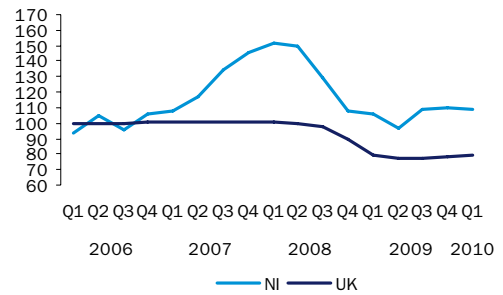
**Basic Metals & Fabricated Metal Products - (weight 4.8%)**

The Basic Metals & Fabricated Metal Products index decreased by 1.1% over the quarter, in contrast the UK rose by 1.5%. (See figure 10).

Over the year, the NI Basic Metals & Fabricated Metal Products index increased by 2.2% while the UK remained constant (0.0%).

Over the latest four quarters compared to the same period one year earlier, the sector reported a decrease of 14.2%, the UK recorded a similar decrease of 14.5%.

**Figure 10: Basic Metals & Fabricated Metal Products (2006=100)**



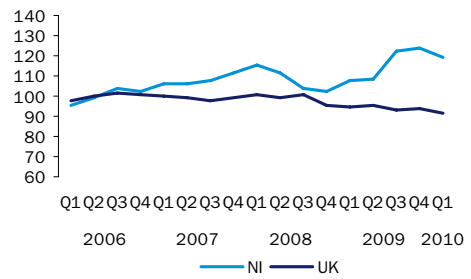
**Chemicals & Chemical Products - (weight 3.9%)**

The Chemicals & Chemical Products index reported a decrease of 3.8%, the UK reported a decrease also (-2.2%). (See figure 11).

Over the year, the NI Chemicals & Chemical Products index rose by 10.8% compared to a decrease of 2.8% reported by the UK as a whole.

Over the latest four quarters compared to the same period one year earlier, the sector increased by 11.3%; the UK reported a decrease of 4.0%.

**Figure 11: Chemicals & Chemical Products (2006=100)**



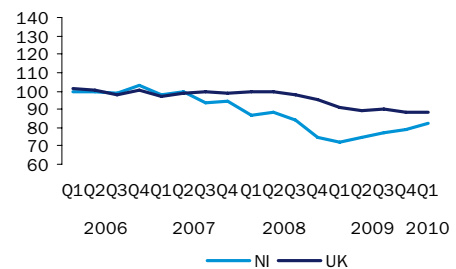
**Leather, Textiles & Textile Products - (weight 2.3%)**

The Leather, Textiles & Textile Products index increased by 5.1% over the quarter; the UK as a whole reported an increase (0.6%). (See figure 12).

Over the year, this sector reported an increase of 14.2%, in contrast the UK reported a fall of 2.5%.

Over the latest four quarters compared to the same period one year earlier, NI Leather, Textiles & Textile Products decreased by 2.0%, the UK reported a fall of 7.2%.

**Figure 12: Leather, Textiles & Textile Products (2006=100)**



See Tables 2 and 3 overleaf for more detailed information on each series.

**Table 2: Northern Ireland Index of Production by Broad Manufacturing Subsectors  
Seasonally Adjusted (2006=100)**

	Food, Drink & Tobacco	Leather, Textiles & Textile Products	Chemicals & Chemical Products	Basic Metals & Fabricated Metal Products	Engineering and Allied industries	Total Other Manufacturing
Sector	DA	DB+DC	DG	DJ	DK,DL,DM	DD, DE, DF, DH, DI, DN
Weights	291.1	23.2	39.4	47.6	248.6	215.0
2005	107.5	99.0	94.3	95.1	98.8	98.0
2006	100.0	100.0	100.0	100.0	100.0	100.0
2007	93.7	96.5	107.8	126.4	99.3	112.3
2008	99.5	83.5	108.3	134.7	98.4	108.1
2009	100.4	75.7	115.6	105.2	73.6	89.7
Seasonally Adjusted						
2005 1	106.8	102.0	92.0	96.2	96.5	96.6
2	109.3	106.6	95.0	97.1	99.4	98.8
3	106.3	93.1	92.7	94.9	100.9	99.2
4	107.7	94.1	97.7	92.4	98.4	97.4
2006 1	107.3	99.6	95.6	93.7	100.8	97.8
2	102.1	99.4	99.0	104.6	100.1	98.3
3	98.4	98.3	103.5	96.1	99.5	100.9
4	92.2	102.6	101.9	105.6	99.7	103.0
2007 1	92.9	98.1	106.0	108.3	99.2	110.6
2	92.5	99.7	106.1	117.5	98.0	107.6
3	93.5	93.4	107.6	134.1	97.6	115.0
4	96.0	94.8	111.4	145.8	102.6	115.8
2008 1	97.5	86.7	115.0	151.9	102.1	112.4
2	97.1	88.1	111.8	149.7	102.8	113.0
3	101.8	84.4	104.1	129.7	99.4	106.2
4	101.7	74.8	102.5	107.5	89.3	100.7
2009 1	100.3	72.3	107.6	106.2	80.8	92.6
2	103.2	74.5	108.8	96.4	73.1	88.2
3	99.7	77.4	122.0	108.5	70.9	88.8
4	98.5	78.6	124.0	109.8	69.6	89.1
2010 1	98.1	82.6	119.3	108.6	70.7	93.1
Percentage change latest quarter on:						
Previous quarter						
	-0.5	5.1	-3.8	-1.1	1.6	4.5
Same quarter a year ago						
	-2.2	14.2	10.8	2.2	-12.4	0.5
Rolling Average*						
	-0.4	-2.0	11.3	-14.2	-23.6	-12.9

Figures are provisional and subject to revision to take account of more recent information and more up-to-date seasonal factors (see Notes to Editors).

\* The change in the rolling annual average measures the change in the average of the latest four quarters against the same four quarters one year previous.

**Table 3: Northern Ireland Index of Production – Engineering & Allied Trades, Total Other Manufacturing Industries, Seasonally Adjusted (2006=100)**

Engineering & Allied Trades				Total Other Manufacturing Industries				
	Machinery & Equipment NES	Electrical & Optical Equipment	Transport Equipment	Wood & Wood Products	Pulp, Paper & Printing	Rubber & Plastic Products	Non-metallic Mineral Products	Other Manufacturing
Sector	DK	DL	DM	DD	DE	DH	DI	DF+DN
Weights	62.7	91.5	94.3	18.6	47.9	70.4	52.3	25.8
2005	90.8	96.0	106.7	92.7	108.1	100.1	91.3	90.9
2006	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2007	114.2	93.5	95.1	106.3	110.5	109.6	111.2	129.3
2008	108.5	86.3	103.4	99.7	111.8	109.6	101.1	117.2
2009	67.8	69.5	81.4	73.1	102.8	88.8	75.5	108.4
Seasonally Adjusted								
2005 1	87.5	91.3	107.4	91.8	108.2	98.1	90.2	87.5
2	93.3	94.8	108.0	92.4	109.1	101.7	93.7	87.0
3	95.6	99.0	106.1	94.4	107.8	100.9	91.0	98.3
4	87.0	99.1	105.3	92.1	107.2	99.7	90.4	90.6
2006 1	100.0	99.4	102.6	94.2	101.7	99.4	94.6	95.1
2	96.7	100.3	102.2	96.6	98.0	97.2	98.3	102.9
3	97.3	100.6	99.8	100.6	100.5	100.2	103.6	98.3
4	106.0	99.7	95.4	108.6	99.8	103.1	103.6	103.6
2007 1	107.2	99.1	93.9	111.1	106.9	107.3	109.2	129.1
2	110.3	96.2	91.5	104.8	104.4	107.8	105.1	120.0
3	115.1	90.8	92.4	104.0	116.4	110.9	115.7	130.4
4	124.2	87.9	102.6	105.5	114.2	112.4	114.9	137.7
2008 1	123.8	86.5	102.7	104.2	114.7	113.0	110.4	116.4
2	118.3	87.2	107.6	106.6	113.8	118.0	106.8	114.7
3	105.2	88.0	106.5	98.8	110.1	110.2	93.2	120.1
4	86.5	83.6	96.7	89.1	108.8	97.1	93.9	117.7
2009 1	69.8	76.3	92.5	76.3	104.0	90.9	79.4	114.4
2	64.6	70.6	81.2	73.8	103.5	82.2	76.2	111.3
3	68.2	66.5	77.1	77.8	101.7	88.3	74.1	104.2
4	68.7	64.7	74.9	64.5	101.9	94.0	72.3	103.9
2010 1	68.7	66.0	76.7	72.4	103.3	97.1	75.9	113.0
Percentage change latest quarter on:								
Previous quarter	0.0	2.0	2.4	12.3	1.4	3.3	5.0	8.8
Same quarter a year ago	-1.5	-13.4	-17.1	-5.1	-0.7	6.8	-4.4	-1.2
Rolling Average*	-28.8	-20.0	-23.2	-22.2	-6.0	-13.1	-20.0	-7.4

Figures are provisional and subject to revision to take account of more recent information and more up-to-date seasonal factors (see Notes to Editors).

\* The change in the rolling annual average measures the change in the average of the latest four quarters against the same four quarters one year previous.

# Market Sector Analysis 2006=100

## Seasonally Adjusted Chained Volume Index

# 4

### Market Sector Analysis

Market sector analysis classifies production under one of three headings which are derived from the main SIC classification groups.

Consumer Goods are defined as goods purchased by the private consumer. The goods are ultimately consumed rather than used in the production of another good. For example a car would be classified as a consumer good whereas the tyres purchased by the car manufacturer would be defined as intermediate goods.

Intermediate Goods are goods purchased by industry for further processing. Investment Goods which can also be referred to as Capital Goods are the plant, equipment and inventories used to produce the final product.

From Table 4 and the figures provided overleaf, you can see that over the quarter Intermediate Goods reported an increase of 3.8% and Investment Goods an increase of 0.4% while Consumer Goods recorded a decrease of 0.7%.

Over the year two of the market sectors were down, Investment Goods (-12.0%) and Consumer Goods (-2.0%) and Intermediate Goods was up 3.7%.

#### Notes to table 4

Figures are provisional and subject to revision to take account of more recent information and more up-to-date seasonal factors (see Notes to Editors).

**Table 4: Index of Production by Market Sectors**

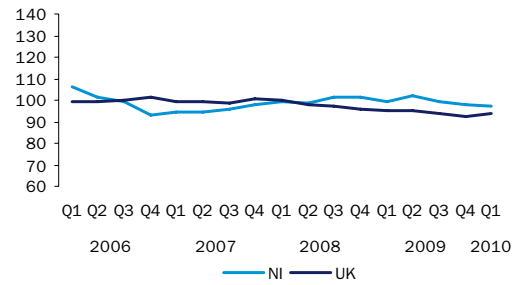
Sector	Market Sectors		
	Consumer goods	Intermediate Goods	Investment Goods
Weights	333.1	404.9	262.0
2005	107.3	97.3	99.3
2006	100.0	100.0	100.0
2007	95.8	106.8	102.7
2008	100.1	107.4	102.4
2009	99.6	96.3	77.0
Seasonally Adjusted			
2005 1	106.8	95.3	97.4
2	109.3	99.1	100.4
3	105.8	97.2	101.5
4	107.2	97.7	97.9
2006 1	106.4	98.3	100.7
2	101.6	99.5	100.1
3	99.1	100.0	99.3
4	92.9	102.2	100.0
2007 1	94.7	106.1	99.8
2	94.2	104.0	99.8
3	96.0	107.3	102.6
4	98.2	109.8	108.9
2008 1	99.2	109.8	108.6
2	98.7	110.7	108.5
3	101.4	106.8	102.1
4	101.1	102.3	90.2
2009 1	99.3	97.0	83.8
2	101.9	94.7	75.7
3	99.3	96.6	74.9
4	98.0	97.0	73.4
2010 1	97.3	100.6	73.7
Percentage change latest quarter on:			
Previous quarter	-0.7	3.8	0.4
Same quarter a year ago	-2.0	3.7	-12.0
Rolling Average	-1.0	-6.7	-22.6

### Consumer Goods - (weight 33.3%)

The Consumer Goods index decreased over the quarter (-0.7%), the UK reported an increase of 1.2%. Over the year, the sector decreased by 2.0% compared to a decrease of 1.7% in the UK. (See figure 13).

Over the latest four quarters compared to the same period one year earlier, the sector decreased by 1.0% compared to a decrease of 2.8% reported by the UK as a whole.

**Figure 13: Consumer Goods**  
(2006=100)

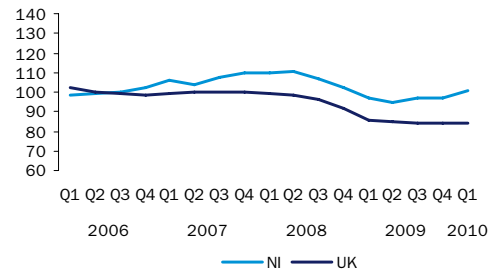


### Intermediate Goods - (weight 40.5%)

The Intermediate Goods index increased over the quarter by 3.8%; the UK reported a rise of 0.5%. Over the year, the sector increased by 3.7% and the UK recorded a decrease of 1.6%. (See figure 14).

Over the latest four quarters compared to the same period one year earlier, the sector decreased by 6.7% and the UK by 9.3%.

**Figure 14: Intermediate Goods**  
(2006=100)

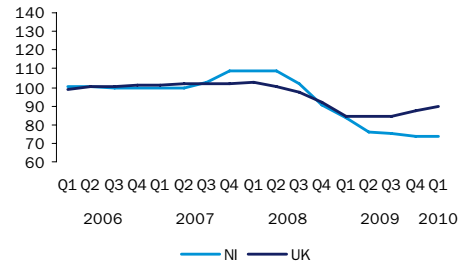


### Investment Goods - (weight 26.2%)

The Investment Goods index increased by 0.4% over the quarter, while the UK as a whole increased by 2.2%. Over the year, the sector decreased by 12.0% in contrast the UK reported a rise of 6.2%. (See figure 15).

Over the latest four quarters compared to the same period one year earlier, the sector decreased by 22.6%, the UK fell by 7.4% over the same period.

**Figure 15: Investment Goods**  
(2006=100)



# Index of Manufacturing Productivity 2006=100

## Seasonally Adjusted Chained Volume Index

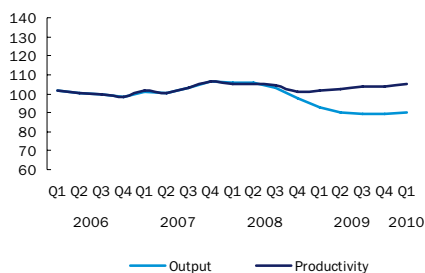
# 5

### Manufacturing Productivity

The index of manufacturing productivity provides a measure of the number of units of output produced each man hour. The index includes seasonally adjusted employees in employment, the manufacturing index and average weekly hours (based on hours worked for full-time adult manufacturing workers including overtime from the Annual Survey of Hours and Earnings).

The index of manufacturing productivity increased by 1.4% over the quarter and recorded an increase of 2.8% over the year. Over the latest four quarters compared to the same period one year earlier, the index increased by 0.4%.

**Figure 16: Manufacturing Output & Productivity**  
(2006=100)



The most recent Quarterly Employment Survey seasonally adjusted figures for March 2010 based on the 2003 Standard Industrial Classification reported falls of 0.2% over the quarter and 5.5% over the year.

#### Notes to table 5

Figures are provisional and subject to revision to take account of more recent information and more up-to-date seasonal factors (see Notes to Editors).

\* The change in the rolling annual average measures the change in the average of the latest four quarters against the same four quarters one year previous.

**Table 5: Manufacturing Productivity**

Manufacturing Productivity Index	
Annual Averages	
2005	102.4
2006	100.0
2007	102.8
2008	104.1
2009	102.9
Quarterly Series	
2005 1	100.3
2	103.9
3	102.9
4	102.7
2006 1	101.5
2	100.6
3	99.5
4	98.4
2007 1	101.5
2	100.1
3	103.1
4	106.6
2008 1	105.4
2	105.4
3	104.3
4	101.2
2009 1	101.9
2	102.2
3	104.1
4	103.4
2010 1	104.8
Percentage change latest quarter on:	
Previous quarter	1.4
Same quarter a year ago	2.8
Rolling Average	
	0.4

# Background Notes

## 6

5. The Northern Ireland Index of Production (IOP) is designed to provide a general measure of changes in the output of the production industries. The Index is a weighted average of individual series. The overall production index is calculated by weighting together 160 class indices that describe the activity of an industry using the Standard Industrial Classification (SIC 03). For most series, the value of sales, deflated to allow for price changes, is used as the indicator. In the remaining cases, changes in the volume of production or the number employed are used.
6. The IOP is a chained volume index referenced to 2006=100. In line with the UK IOP the reference year of the NI IOP has been updated from 2005=100 to 2006=100 from this publication onwards.
7. The main changes in the 2006=100 series are:
  - Each series has been rebased so that the average quarterly output in 2006 = 100.
  - The relative weights used to produce the aggregated industries are derived from Gross Value Added data collected from the 2006 Northern Ireland Annual Business Inquiry (ABI). This is the first time the relative weights have been produced using the 2006 ABI results. Previous weights were derived from the 2005 ABI.
  - All indices were recalculated back to the first quarter of 2001 using the revised weights and data from the sample. Also, all of the sales-based indicators have been deflated to constant 2006 prices using rebased Producer Price Indices.
  - The IOP is a statutory quarterly survey covering a sample of production industries that is selected directly from the Inter Departmental Business Register (IDBR). The sample was obtained by stratifying companies by company size. All companies in the production sector with 40 or more employees were automatically chosen with a random sample of companies with less than 40 employees making up the remainder of the sample.
- The underlying trend remains the same in the 2005=100 series as the 2006=100 series.
3. The aggregated production and manufacturing indices are weighted averages of the output indices for the component industrial sectors. The industrial sectors in the first table of Section 2 are calculated by weighting together 25 2-digit SIC divisions, which are in turn weighted averages of 57 group indices.
4. It is also possible to aggregate all individual series to give indices by final use of goods produced. This is known as a market sector analysis and seasonally adjusted estimates are given in Section 4 of this bulletin. It distinguishes between Consumer, Investment and Intermediate goods. The latter are described as 'intermediate' because they require further processing, perhaps by another industrial sector.
5. The Productivity index provides a measure of the number of units of output produced each man hour. The productivity index is based on the manufacturing index, seasonally adjusted employees in employment and average weekly hours (based on hours worked for full-time adult manufacturing workers including overtime from the Annual Survey of Hours and Earnings). An index of man hours is calculated based on the number of employees in employment and average weekly hours. The index of manufacturing is divided by the index of man hours to produce the index of productivity.
6. The indices in this Statistics Bulletin are seasonally adjusted chained volume indices. Seasonal adjustment aids interpretation by removing annually recurring variations due, for example, to the incidence of holidays and other regular seasonal patterns of behaviour or demand. The NI indices are seasonally adjusted using X11 ARIMA software. Unadjusted data are available on request.

7. All figures are published to one decimal place. Figures for annual averages and percentage changes over the previous quarter and year are based on unrounded figures and may not agree with the published constituent parts.
8. Results, particularly for the latest quarter, are provisional and subject to revision as fuller information become available.
9. Methodological changes introduced: The changes to deflation have been adopted within the NI IOP from quarter (Q4 2008).
10. For Further Information:

An electronic version of this document is available on the branch website at:

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