

NORTHERN IRELAND INDEX OF PRODUCTION QUARTER 4 2009

Published 21/04/10

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 2005=100 basis.

- Provisional results for the Northern Ireland Index of Production for the fourth quarter of 2009 show that output levels increased over the quarter in real terms (0.2%). This is the first quarter to report an increase after peaking in Q2 2008. However, the index remains low, with the latest three quarters recording the lowest levels since Q2 2003 (94.5). Revisions to the index this quarter have resulted in the previous quarterly increase being revised downwards to reflect a 0.2% decrease from Q2 2009 to Q3 2009.
- Over the year NI Production levels fell by 7.3%. The UK as a whole reported its first increase (0.3%) since Q4 2007 over the quarter and a decrease of 5.9% over the year.
- NI manufacturing output for Q4 2009 recorded a rise of 0.2% compared to the previous quarter; the UK also reported an increase over the same period (0.8%). This is the first reported rise for NI over the quarter since peaking in Q2 2008; the UK has reported its first rise in manufacturing output since Q1 2008.
- Five out of the six broad manufacturing subsectors reported increases over the quarter: Other Manufacturing (2.3%), Basic Metals & Fabricated Metal Products (1.8%), the manufacture of Food, Drink & Tobacco (0.2%), Leather, Textiles & Textile Products (1.5%) and Chemical & Chemical Products (0.1%). Over the same period, the only industry to record a decrease was Engineering & Allied Industries (-3.0%).
- Over the year the index recorded a decrease of 8.3% in manufacturing output, the UK reported a fall of 4.8%. Over the latest four quarters NI manufacturing output decreased by 12.1% compared to the previous four quarters, the UK recorded a fall of 10.5% over the same period.
- Quarter 4 2009 manufacturing productivity increased by 0.3% 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 4 2009

April 2010

Contents

1

Executive Summary
Pages 1-2

2

Output of the
Production Industries
Pages 3-4

3

Manufacturing
Subsections
Pages 5-8

4

Market Sector
Analysis
Page 9-10

5

Manufacturing
Productivity
Page 11

6

Background Notes
Pages 12-13

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 2005=100 basis giving data up to the most recent quarter (Quarter 4 2009). Disaggregated data for manufacturing subsections and by market sector are also presented. Comparative UK data are presented where these are available.

Manufacturing comprised some 88% of Approximate Gross Value Added (GVA) in the production industries, while production accounts for some 30% of total business Approximate GVA as measured by the Annual Business Inquiry (ABI) 2005 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.

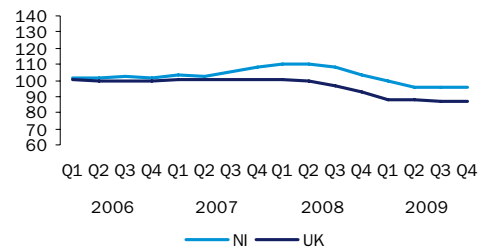
Northern Ireland Production

Results from the Index of Production for the fourth quarter of 2009 show output levels increased in real terms compared to the previous quarter (0.2%). Revised figures now indicate that this is the first quarter to report a rise after peaking in Q2 2008. However, the index remains low, with the latest three quarters recording the lowest levels since Q2 2003 (94.5). Revisions to the index this quarter have resulted in the previous quarterly increase being revised downwards to reflect a 0.2% decrease from Q2 2009 to Q3 2009.

Over the year output levels were lower when compared to the same quarter one year earlier with a decline of 7.3% recorded.

The UK as a whole reported an increase over the quarter of 0.3% and a fall over the year of 5.9%.

Figure 1: Production in NI & UK
(2005=100)



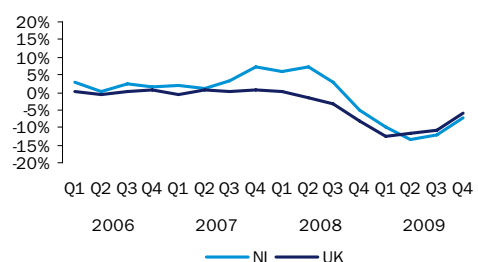
The decline in Northern Ireland's Production sector over the most recent four quarters (-10.7%) compared to the previous four quarters is similar to that recorded by the UK (-10.3%) over the same period.

NI production has decreased by 4.4% from Q4 2005 to Q4 2009 compared to a decrease of 12.3% 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 2006 with noticeable peaks in Q4 2007 (7.1%) and Q2 2008 (7.1%). Q4 2008 was the first report of negative annual growth (-5.2%) since Q4 2005. Q4 2009 continues to report negative annual growth (-7.3%).

Figure 2: Production – % change on a year earlier
NI v UK
(2005=100)



Manufacturing

Manufacturing output for Q4 2009 rose by 0.2% compared to the previous quarter; the UK reported an increase of 0.8% over the same period. This is the first reported rise over the quarter since peaking in Q2 2008; however this index remains relatively low, with the latest three quarters reporting the lowest levels since Q1 2003 (93.4). This is the first reported rise in the UK manufacturing output since Q1 2008. The index recorded a decrease of 8.3% in manufacturing output compared to the same period one year earlier; this was a greater fall than that reported by the UK as a whole (-4.8 %).

NI manufacturing output over the last four quarters decreased by 12.1% compared to the previous four quarters, the UK recorded a fall of 10.5%.

Manufacturing Subsections

Over the quarter, five out of the six broad manufacturing subsectors reported increases: Other Manufacturing (2.3%), Basic Metals & Fabricated Metal Products (1.8%), the manufacture of Food, Drink & Tobacco (0.2%), Leather, Textiles & Textile Products (1.5%) and Chemical & Chemical Products (0.1%).

Over the same period, the only industry that recorded a decrease was Engineering & Allied Industries (-3.0%).

Over the year, the index for the following industries showed increases: Chemical & Chemical Products (20.8%), Basic Metals & Fabricated Metal Products (3.3%) and Leather, Textiles & Textile Products (4.7%).

Over the same period, the index for the following industries reported decreases: Engineering & Allied Industries (-23.8%), Other Manufacturing (-9.9%) and the manufacture of Food, Drink & Tobacco (-1.9%).

Over the latest four quarters, compared to the same period one year earlier (i.e. Q1 2008 – Q4 2008 to Q1 2009 – Q4 2009), the strongest performing subsections which recorded increases were Chemicals & Chemical Products (8.1%) and the manufacture of Food, Drink & Tobacco (1.2%).

Over the same period, the subsections reporting falls were Engineering & Allied Industries (-23.4%), Basic Metals & Fabricated Metal Products (-21.4%), Other Manufacturing (-18.3%) and Leather, Textiles & Textile Products sector (-8.7%).

Lowest levels recorded. The Engineering and Allied Industries reported the lowest level this quarter (70.5) since Q4 1995 (70.5).

Other Production

The Electricity, Gas and Water index decreased by 0.6% compared to Quarter 3 2009 and also decreased over the year by 2.3%.

Mining and Quarrying recorded an increase of 6.2% compared to the previous quarter and rose by 12.8% over the year.

Over the latest four quarters the Electricity, Gas and Water sector increased by 0.6% while the Mining and Quarrying sector decreased by 6.1%.

Market Sector Changes

Between Quarter 3 2009 and Quarter 4 2009 Intermediate Goods reported an increase of 0.9%, Consumer Goods remained relatively constant (-0.1%) and Investment Goods fell by 2.7%.

Over the year all three market sectors reported decreases, Investment Goods was down 20.3%, Intermediate Goods down 5.6% and Consumer Goods down 1.5%.

Over the latest four quarters, Consumer Goods recorded an increase (0.3%), while Investment Goods (-23.2%) and Intermediate Goods (-11.8%) both fell.

Investment Goods recorded the lowest levels this quarter since the reporting of data in 2001.

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 0.3% over the quarter and reported a 2.8% increase over the year.

The most recent Quarterly Employment Survey seasonally adjusted figures for December 2009 based on the 2003 Standard Industrial Classification reported falls of 0.2% over the quarter and 8.2% over the year.

Date of Next Publication

The Northern Ireland Index of Production for Quarter 1 2010 will be published on Wednesday 14th July 2010.

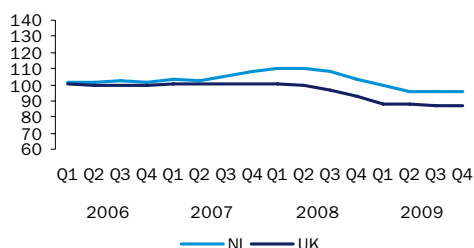
Output of the Production Industries 2005=100, Seasonally Adjusted Chained Volume Index

2

Output from the overall production industries in September-December (Quarter 4 2009) increased by 0.2% over the quarter but decreased by 7.3% 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 (0.2%); nevertheless, the index remains relatively low, with the latest three quarters recording the lowest levels since Q2 2003 (94.5). The UK reported an increase of 0.3% over the quarter and a decrease of 5.9% over the year.

Figure 3: Total Production in NI & UK (2005=100)



Over the latest four quarters compared to the same four quarters one year earlier the Production sector in NI has decreased by 10.7% similar to a fall of 10.3% reported by the UK.

NI production has decreased by 4.4% from Q4 2005 to Q4 2009 compared to a decrease of 12.3% 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 88% of Approximate Gross Value Added (GVA) within the overall production sector.

**Table 1: Northern Ireland Index of Production
Seasonally adjusted (2005 = 100)**

	Production industries	Manufacturing	Electricity, Gas & Water Supply	Mining & Quarrying
Sector	C+D+E	D	E	C
Weights	1000.0	873.1	111.3	15.6
2005	100.0	100.0	100.0	100.0
2006	101.8	102.2	97.4	111.0
2007	105.2	106.1	95.1	127.4
2008	107.8	108.2	105.0	107.5
2009	96.3	95.1	105.6	101.0
Seasonally Adjusted				
2005 1	98.8	99.1	98.3	86.4
2	101.5	101.3	104.0	99.7
3	99.8	100.0	98.3	102.5
4	99.8	99.7	99.4	111.4
2006 1	101.7	101.9	100.3	103.5
2	101.8	102.3	96.7	111.5
3	102.1	102.6	96.8	113.8
4	101.5	102.0	95.8	115.3
2007 1	103.8	104.4	96.3	123.6
2	102.8	103.7	92.7	125.9
3	105.6	106.7	93.8	130.2
4	108.7	109.7	97.5	130.1
2008 1	109.8	110.5	102.4	122.0
2	110.1	110.8	104.7	111.8
3	108.5	108.9	105.2	106.5
4	103.0	102.6	107.9	89.9
2009 1	99.1	98.3	104.6	105.2
2	95.5	94.0	106.4	102.0
3	95.3	93.9	106.1	95.5
4	95.5	94.1	105.5	101.4
Percentage change latest quarter on:				
Previous quarter				
	0.2	0.2	-0.6	6.2
Same quarter a year ago				
	-7.3	-8.3	-2.3	12.8
Rolling Average				
	-10.7	-12.1	0.6	-6.1

Manufacturing - (weight 87.3%)

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 for Q4 2009 rose slightly (0.2%) over the quarter, however this index remains relatively low, with the last three quarters reporting the lowest levels since Q1 2003 (93.4). The UK over the same period reported an increase of 0.8%. NI recorded a decrease of 8.3% in manufacturing output compared to the same period one year earlier and the UK as a whole showed a fall of 4.8%. (See figure 4).

NI manufacturing output over the last four quarters decreased by 12.1% compared to the previous four quarters, the UK recorded a fall (-10.5%) over the same period.

Electricity, Gas & Water Supply - (weight 11.1%)

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 decreased by 0.6% over the quarter, the UK reported a decrease of 2.7%. Compared to the same quarter one year earlier, NI and the UK recorded decreases of 2.3% and 8.5% respectively in this sector. (See figure 5).

Over the latest four quarters compared to the same period one year earlier, the sector increased by 0.6% compared to a decrease of 7.8% in the UK.

Mining and Quarrying - (weight 1.6%)

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 6.2% over the quarter, the UK recorded a slight increase (0.3%). Compared to the same quarter one year earlier, the sector increased by 12.8% in contrast to the decrease of 10.7% 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 6.1%, a smaller decrease than the UK as a whole (-10.3%).

Figure 4: Manufacturing NI & UK
(2005=100)

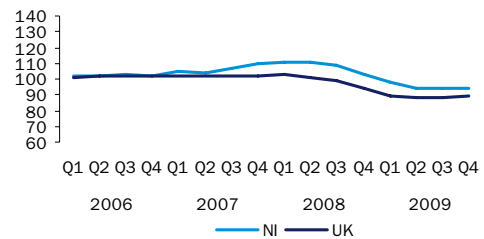


Figure 5: Electricity, Gas & Water NI & UK
(2005=100)

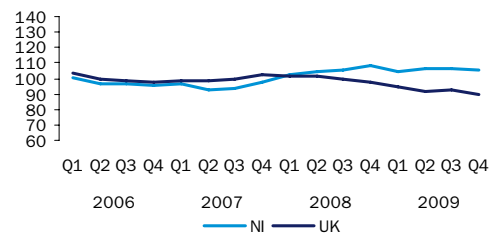
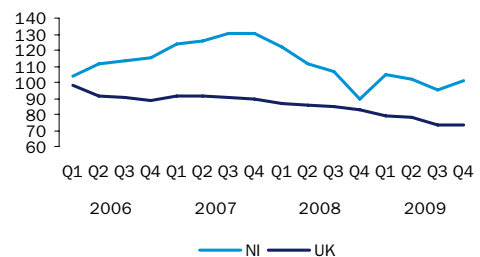


Figure 6: Mining & Quarrying NI & UK
(2005=100)



Manufacturing Subsections 2005=100

Seasonally Adjusted Chained Volume Index

3

Food, Drink & Tobacco - (weight 29.0%)

The Food, Drink and Tobacco index showed a slight increase over the quarter (0.2%), while the UK reported a decrease of 2.2%. (See figure 7).

Over the year, the NI Food, Drink and Tobacco output decreased by 1.9% similar to that reported by the UK (-2.1%).

Over the latest four quarters compared to the same period one year earlier, the sector increased by 1.2%, the UK reported a decrease of 2.0%.

Engineering & Allied Industries - (weight 24.9%)

The Engineering & Allied Industries index decreased by 3.0% over the quarter, while the UK reported an increase of 4.6%. This quarter recorded the lowest NI level (70.5) since Q4 1995 (70.5). (See figure 8)

Over the year, the NI Engineering & Allied Industries decreased by 23.8%, greater than the decrease recorded by the UK (-5.3%).

Over the latest four quarters compared to the same period one year earlier, the sector decreased by 23.4%; the UK also recorded a decrease (-14.5%)

Total Other Manufacturing - (weight 23.7%)

The Total Other Manufacturing index increased by 2.3% over the quarter, the UK reported a small decrease of 0.6% over the same period. (See figure 9).

Over the year, the NI Total Other Manufacturing index fell by 9.9% and the UK reported a fall of 4.5%.

Over the latest four quarters compared to the same period one year earlier, the sector decreased by 18.3%, the UK reported a decline of 10.4%.

Figure 7: Food, Drink & Tobacco
(2005=100)

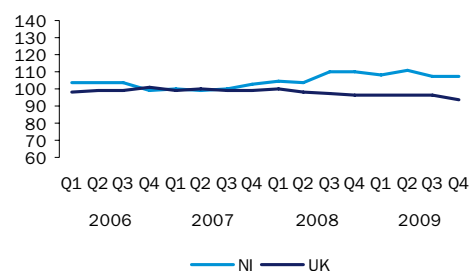


Figure 8: Engineering & Allied Industries
(2005=100)

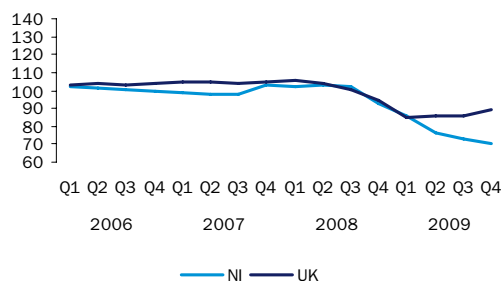
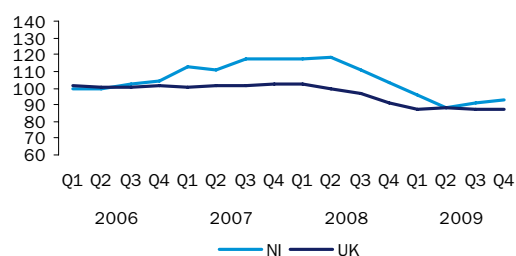


Figure 9: Total Other Manufacturing
(2005=100)



**Basic Metals & Fabricated Metal Products -
(weight 4.2%)**

The Basic Metals & Fabricated Metal Products index increased by 1.8% over the quarter, this was a similar increase to that recorded by UK as a whole (1.0%).
(See figure 10).

Over the year, the NI Basic Metals & Fabricated Metal Products index increased by 3.3% compared to a decrease of 10.1% reported in the UK.

Over the latest four quarters compared to the same period one year earlier, the sector reported a decrease of 21.4%, the UK also reported a decrease (-18.1%).

**Chemicals & Chemical Products -
(weight 3.6%)**

The Chemicals & Chemical Products index remained relatively constant over the quarter (+0.1%), as did the UK (+0.3%).
(See figure 11).

Over the year, the NI Chemicals & Chemical Products index rose by 20.8% compared to a decrease of 1.4% reported by the UK as a whole.

Over the latest four quarters compared to the same period one year earlier, the sector increased by 8.1%; the UK reported a decrease of 4.7%.

**Leather, Textiles & Textile Products –
(weight 2.0%)**

The Leather, Textiles & Textile Products index increased by 1.5% over the quarter; the UK as a whole reported a decrease (-3.2%).
(See figure 12).

Over the year, this sector reported an increase of 4.7% in contrast the UK reported a fall of 8.2%.

Over the latest four quarters compared to the same period one year earlier, NI Leather, Textiles & Textile Products decreased by 8.7%, the UK reported a similar fall of 8.9%.

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

Figure 10: Basic Metals & Fabricated Metal Products (2005=100)

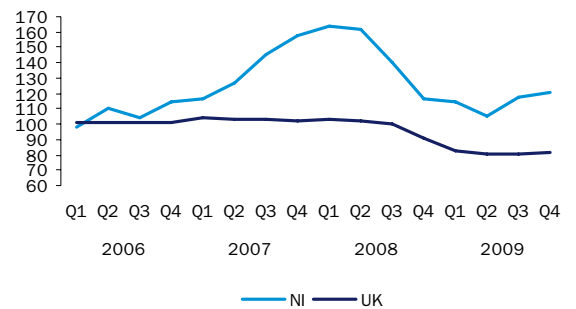


Figure 11: Chemicals & Chemical Products (2005=100)

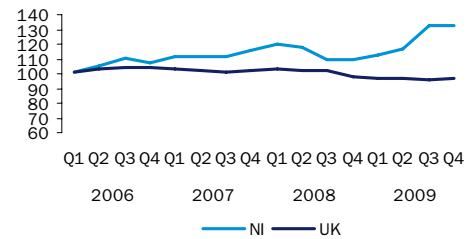
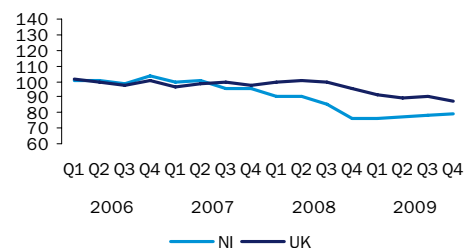


Figure 12: Leather, Textiles & Textile Products (2005=100)



**Table 2: Northern Ireland Index of Production by Broad Manufacturing Subsectors
Seasonally Adjusted (2005=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	290.0	19.6	35.7	41.7	248.7	237.4
2005	100.0	100.0	100.0	100.0	100.0	100.0
2006	102.7	100.9	106.0	106.7	101.0	101.5
2007	100.4	97.5	112.6	136.7	99.3	114.6
2008	107.1	85.4	114.3	145.6	99.9	112.7
2009	108.3	77.9	123.6	114.5	76.5	92.1
Seasonally Adjusted						
2005 1	100.4	103.6	97.3	101.1	97.1	99.0
2	100.9	107.9	101.0	102.3	100.8	101.5
3	98.7	93.5	97.8	99.9	102.0	100.4
4	100.0	95.1	103.8	96.7	100.2	99.1
2006 1	104.0	101.0	101.2	98.3	102.5	99.4
2	103.8	100.2	105.1	110.5	101.4	99.6
3	103.6	98.8	110.4	103.9	100.4	102.5
4	99.4	103.5	107.5	114.2	99.5	104.6
2007 1	99.8	99.0	111.1	116.7	99.1	112.8
2	99.0	100.2	111.3	127.1	97.9	110.4
3	100.1	95.6	111.7	145.1	97.6	117.6
4	102.5	95.1	116.3	158.0	102.7	117.5
2008 1	104.7	90.0	120.1	163.9	101.7	117.6
2	103.8	90.0	118.0	162.2	103.4	118.7
3	110.3	85.6	109.5	140.1	101.8	111.0
4	109.6	76.0	109.7	116.3	92.6	103.4
2009 1	108.0	76.2	112.6	114.9	86.0	96.0
2	110.5	77.6	116.8	104.7	76.7	88.1
3	107.3	78.4	132.4	118.1	72.7	91.1
4	107.5	79.6	132.6	120.2	70.5	93.2
Percentage change latest quarter on:						
Previous quarter						
	0.2	1.5	0.1	1.8	-3.0	2.3
Same quarter a year ago						
	-1.9	4.7	20.8	3.3	-23.8	-9.9
Rolling Average						
	1.2	-8.7	8.1	-21.4	-23.4	-18.3

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

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	50.4	94.4	103.8	19.0	46.4	96.4	54.3	21.2
2005	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2006	108.5	104.3	94.3	108.3	96.0	96.8	108.6	110.8
2007	122.0	99.1	88.6	115.3	105.5	110.6	120.3	137.3
2008	115.5	93.8	97.8	108.8	107.6	114.5	108.8	129.0
2009	76.6	74.4	78.4	79.8	99.8	91.6	81.6	115.0
Seasonally Adjusted								
2005 1	97.4	94.4	99.3	99.2	100.4	99.1	98.3	97.3
2	103.4	98.4	101.7	99.9	101.1	102.1	102.8	98.0
3	103.8	103.6	99.6	101.7	99.5	100.8	99.4	101.5
4	95.4	103.6	99.3	99.3	99.0	98.0	99.5	103.2
2006 1	109.7	103.9	97.7	102.0	98.5	95.8	102.9	106.6
2	104.3	104.8	97.0	104.9	93.6	94.3	106.9	112.8
3	105.2	105.0	94.0	108.3	95.5	97.4	112.5	109.7
4	114.7	103.5	88.5	118.0	96.4	99.6	112.2	113.9
2007 1	115.9	103.9	86.6	121.7	101.4	108.5	118.2	135.0
2	118.5	101.6	84.6	114.2	99.5	108.7	114.6	127.4
3	122.3	97.0	86.0	111.4	111.5	112.2	125.1	141.5
4	131.0	93.7	97.1	113.9	109.8	112.7	123.1	145.3
2008 1	128.5	93.4	96.3	115.4	109.8	117.1	119.7	133.7
2	124.3	94.5	101.5	117.4	110.0	123.5	115.5	125.8
3	112.8	96.5	101.3	105.3	106.7	115.5	100.3	132.3
4	96.2	90.9	92.2	97.1	103.8	101.9	99.8	124.1
2009 1	80.4	82.9	91.6	85.6	100.5	96.0	86.1	120.6
2	74.6	75.5	78.9	81.3	101.2	79.7	82.7	117.1
3	76.5	69.7	73.6	81.7	98.9	91.2	80.4	109.5
4	74.9	69.6	69.3	70.4	98.8	99.6	77.3	113.0
Percentage change latest quarter on:								
Previous quarter	-2.2	-0.1	-5.9	-13.9	-0.1	9.2	-3.8	3.2
Same quarter a year ago	-22.2	-23.4	-24.9	-27.5	-4.8	-2.3	-22.6	-9.0
Rolling Average	-33.7	-20.7	-19.9	-26.7	-7.2	-20.0	-25.0	-10.8

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 2005=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 0.9%, Consumer Goods remained relatively stable (-0.1%) and Investment Goods decreased by 2.7%.

Investment goods recorded the lowest level this quarter (74.0) since data was reported in 2001.

Over the year all three market sectors were down, Investment Goods were down 20.3%, Intermediate Goods down 5.6% and Consumer Goods by 1.5%.

Table 4 Index of Production by Market Sectors

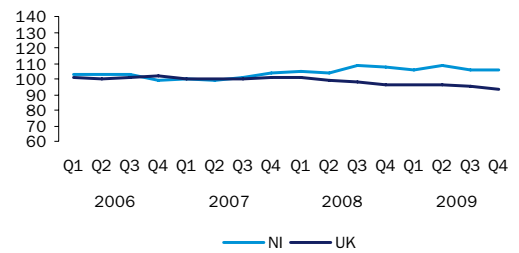
Sector	Market Sectors		
	Consumer goods	Intermediate Goods	Investment Goods
Weights	330.4	405.0	264.5
2005	100.0	100.0	100.0
2006	101.9	102.5	100.5
2007	100.9	110.7	102.1
2008	106.3	112.2	103.1
2009	106.6	99.0	79.2
Seasonally Adjusted			
2005 1	100.6	98.1	97.6
2	101.3	102.0	101.2
3	98.3	99.7	102.0
4	99.8	100.2	99.3
2006 1	103.3	100.4	101.9
2	102.6	101.7	100.9
3	103.0	102.9	99.8
4	98.8	105.0	99.5
2007 1	99.9	109.9	99.3
2	99.2	108.0	99.2
3	101.0	111.7	101.9
4	103.4	113.3	108.1
2008 1	105.1	115.1	107.3
2	104.1	116.3	108.3
3	108.4	111.5	103.8
4	107.6	105.9	92.9
2009 1	105.8	100.8	88.1
2	108.4	96.1	78.6
3	106.1	99.1	76.1
4	106.0	100.0	74.0
Percentage change latest quarter on:			
Previous quarter	-0.1	0.9	-2.7
Same quarter a year ago	-1.5	-5.6	-20.3
Rolling Average	0.3	-11.8	-23.2

Consumer Goods - (weight 33.0%)

The Consumer Goods index decreased slightly over the quarter (-0.1%), the UK also reported a decrease of 1.5%. Over the year, the sector decreased by 1.5% compared to a decrease of 2.8% in the UK. (See figure 13).

Over the latest four quarters compared to the same period one year earlier, the sector increased by 0.3% compared to a decrease of 3.6% reported by the UK as a whole.

Figure 13: Consumer Goods
(2005=100)

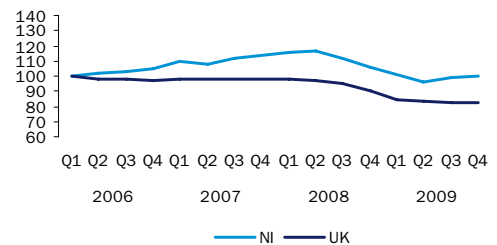


Intermediate Goods - (weight 40.5%)

The Intermediate Goods index increased over the quarter by 0.9%; the UK reported a slight fall of 0.2%. Over the year, the sector decreased by 5.6% and the UK recorded a decrease of 8.7%. (See figure 14).

Over the latest four quarters compared to the same period one year earlier, the sector decreased by 11.8% and the UK by 12.5%.

Figure 14: Intermediate Goods
(2005=100)



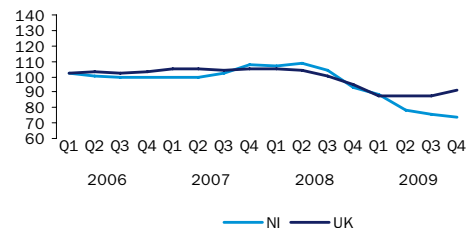
Investment Goods - (weight 26.5%)

The Investment Goods index decreased by 2.7% over the quarter, while the UK as a whole increased by 4.0%. Over the year, the sector decreased by 20.3%, a much greater decline than the UK as a whole (-3.8%). (See figure 15).

Over the latest four quarters compared to the same period one year earlier, the sector decreased by 23.2%, the UK fell by 12.7% over the same period.

Investment goods recorded the lowest level this quarter (74.0) since data was reported in 2001.

Figure 15: Investment Goods
(2005=100)



Index of Manufacturing Productivity 2005=100

Seasonally Adjusted Chained Volume Index

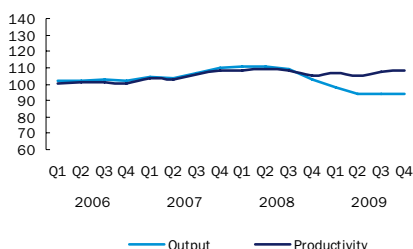
5

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 0.3% 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 decreased by 0.7%.

Figure 16: Manufacturing Output & Productivity (2005=100)



The most recent Quarterly Employment Survey seasonally adjusted figures for December 2009 based on the 2003 Standard Industrial Classification reported falls of 0.2% over the quarter and 8.2% 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	100.0
2006	100.9
2007	105.1
2008	107.7
2009	106.9
Quarterly Series	
2005 1	98.2
2	101.3
3	100.2
4	100.3
2006 1	100.6
2	101.1
3	101.3
4	100.5
2007 1	103.9
2	102.4
3	105.6
4	108.7
2008 1	108.4
2	108.7
3	108.5
4	105.0
2009 1	106.6
2	105.3
3	107.6
4	108.0
Percentage change latest quarter on:	
Previous quarter	0.3
Same quarter a year ago	2.8
Rolling Average	-0.7

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.
 - The underlying trend remains the same in the 2003=100 series as the 2005=100 series.
6. The IOP is a chained volume index referenced to 2005=100. In line with the UK IOP, the reference year of the NI IOP was updated from 2003=100 to 2005=100 from the October 2009 publication onwards. The relative weights used to produce the aggregated industries are derived from Gross Value Added data collected from the 2005 Northern Ireland Annual Business Inquiry (ABI). These weights have been used from the October 2009 publication, previous weights were derived from the 2003 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 2005 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 are automatically chosen with a random sample of companies with less than 40 employees making up the remainder of the sample.
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. All indices in this Statistics Bulletin are all 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:

www.statistics.detini.gov.uk

You can also contact Statistics Research Branch by:

Writing to:

Statistics Research Branch, Room 110,
Netherleigh, Massey Avenue, Belfast BT4 2JP.

Tel: (028) 9052 9228

Fax: (028) 9052 9568

Textphone: (028) 9052 9304

Email: iophelpdesk@detini.gov.uk