

## NORTHERN IRELAND HIGH GROWTH FIRMS 1998-2018

### Update 9

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#### Context

This bulletin updates existing research on Northern Ireland's High Growth Businesses<sup>1</sup> to cover the entire period from 1998-01 to 2015-18.

The Inter Departmental Business Register (IDBR) is utilised to identify the number of High Growth businesses in Northern Ireland by applying the Organisation for Economic Cooperation and Development (OECD) measure of High Growth, which is defined as any business employing 10 or more staff which experienced an annualised 20% or more growth in either employment or turnover over a 3-year period compared to a baseline year. The analysis was also extended to businesses employing less than 10.

Accompanying tables and further breakdowns are available in the spreadsheet:

[Tables for High Growth Firms update 9.xls](#)

#### Key points

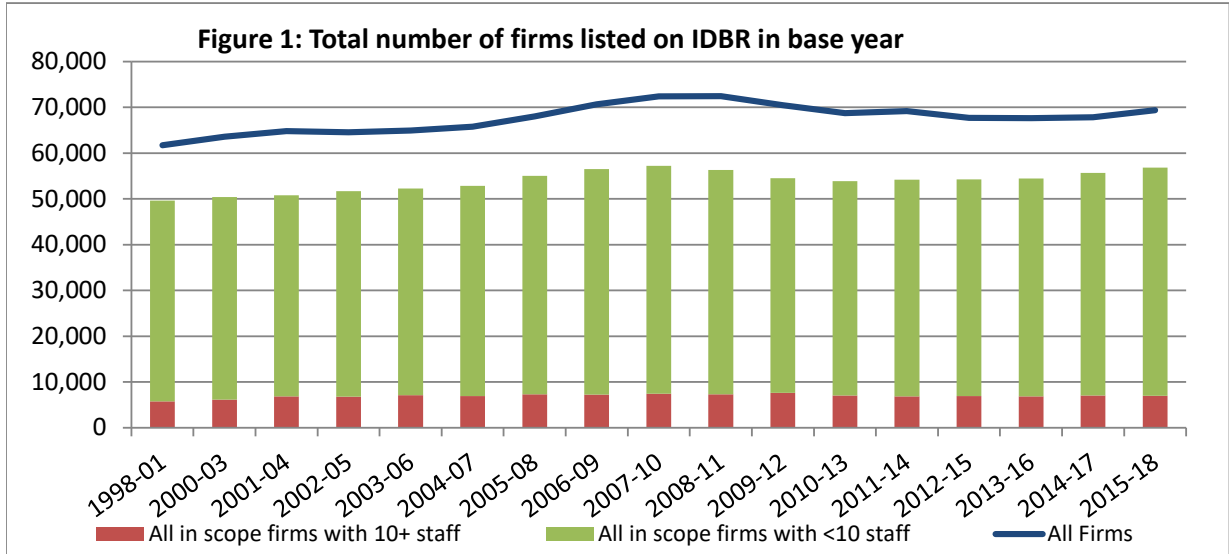
- The total number of 'in scope'<sup>2</sup> businesses for the latest period (2015-18) was 56,860; 7,000 employed 10 or more staff in the base year and 49,860 employed less than 10 staff in the base year.
- The number of High Growth businesses employing 10 or more staff in the latest period, 2015-18 (895) was lower than the previous period 2014-17 (1,005).
- The number of High Growth micro businesses employing less than 10 staff in the latest period, 2015-18 (13,145) was higher than the previous period 2014-17 (12,505).
- Micro businesses employing less than 10 staff as a group and over time, experienced higher and more sustained levels of High Growth rates than larger businesses.
- In 2018 High Growth businesses employing 10 or more staff made up 14.4% of total turnover for in scope businesses, with High Growth micro businesses making up 10.7%.
- The share of total turnover for in scope businesses accounted for by non-High Growth businesses has risen from 58.8% in 2009 to 75.0% in 2018.
- In 2018 most people were employed by non-High Growth businesses which employed some 78.3% in 2018. There has been a fall over time in the proportion of people employed within High Growth firms, this fall is mainly accounted for by High Growth firms employing 10 or more staff in base year.

<sup>1</sup> The initial research, full methodology and following bulletins can be found at <https://www.economy-ni.gov.uk/publications/measuring-northern-irelands-high-growth-firms>

<sup>2</sup> 'In scope' businesses are those where data existed in the base year and the following 3 years.

## In scope businesses

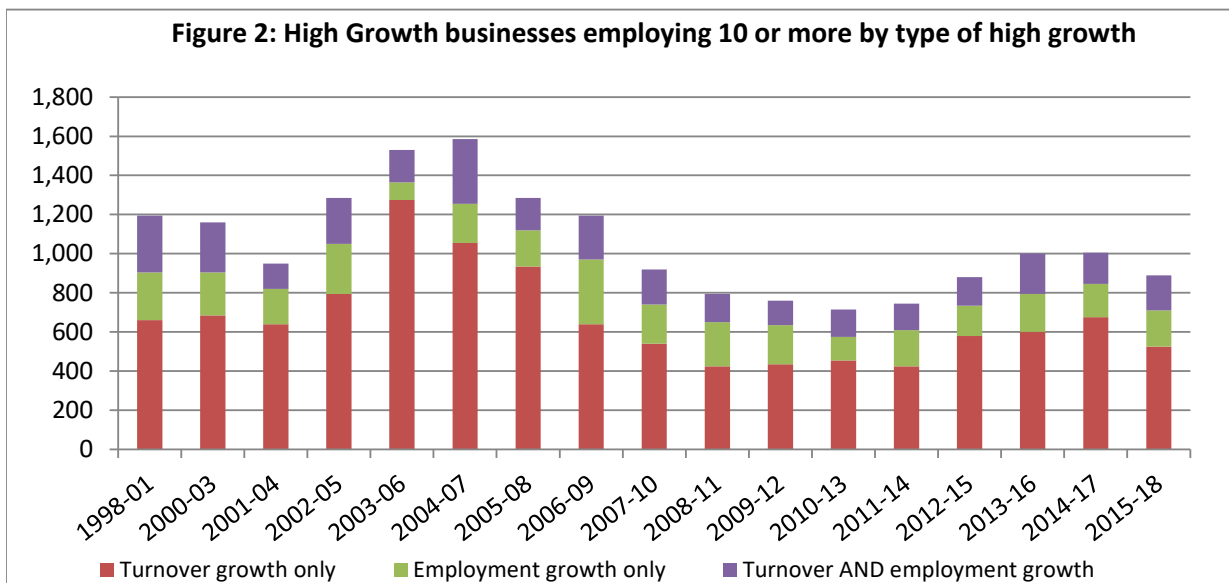
To create a consistent cohort of businesses it was necessary to identify 'in scope' businesses, where data exists in the base year and the following 3 years. The number of in scope businesses for the latest period with 10 or more staff was 7,000, with many more in scope micro businesses employing less than 10 staff, 49,860 in 2015 (Figure 1).



[Table 1, Tables for High Growth Firms update 9.xls](#)

## High Growth businesses employing 10 or more

Using the OECD definition, High Growth businesses were identified amongst those businesses employing 10 or more and who experienced 20% or more annualised growth over a 3-year period in employment or turnover compared to a baseline year. During the peak period of 2004-07, there were 1,580 High Growth businesses, with the current period 2015-18 having 895 High Growth businesses, lower than the previous period, 2014-17 (1,005). High Growth in turnover only, accounted for the majority of High Growth businesses for each period, in the most recent period High Growth in turnover growth only, accounted for 58.7% (Figure 2).

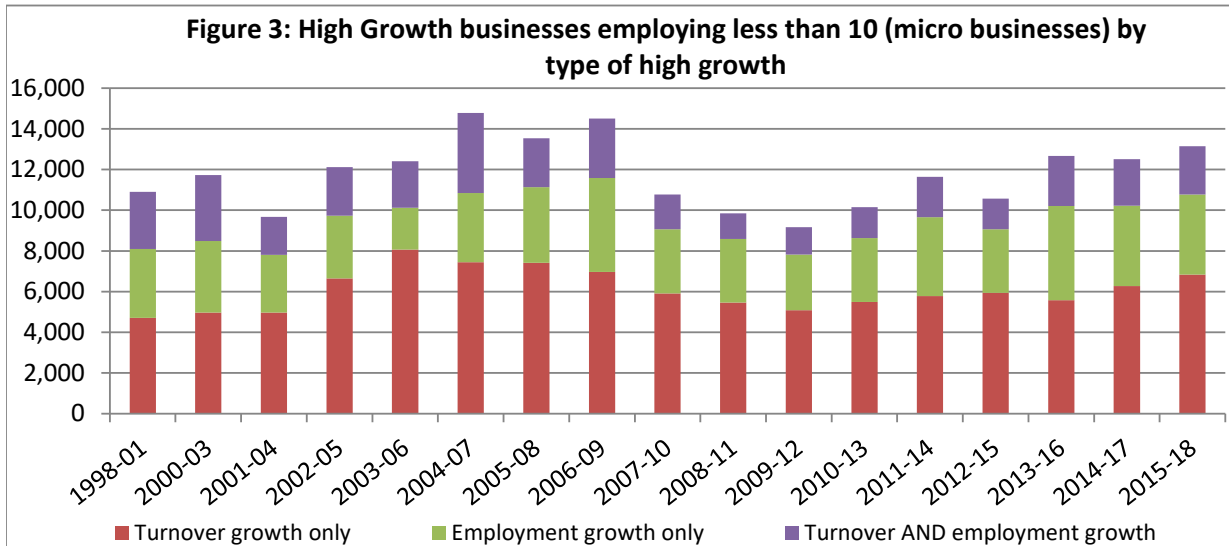


[Table 2, Tables for High Growth Firms update 9.xls](#)

### Micro businesses with High Growth

By applying the OECD High Growth definition to micro businesses, the number of businesses found to have experienced High Growth fell to a low in 2009-12 at 9,170, then broadly increased to 13,145 for the latest period, 2015-18.

As with businesses employing 10 or more staff, a large part of High Growth amongst micro businesses over time was accounted for by High Growth in turnover only (52% of all High Growth amongst micro businesses in 2015-18) (Figure 3).

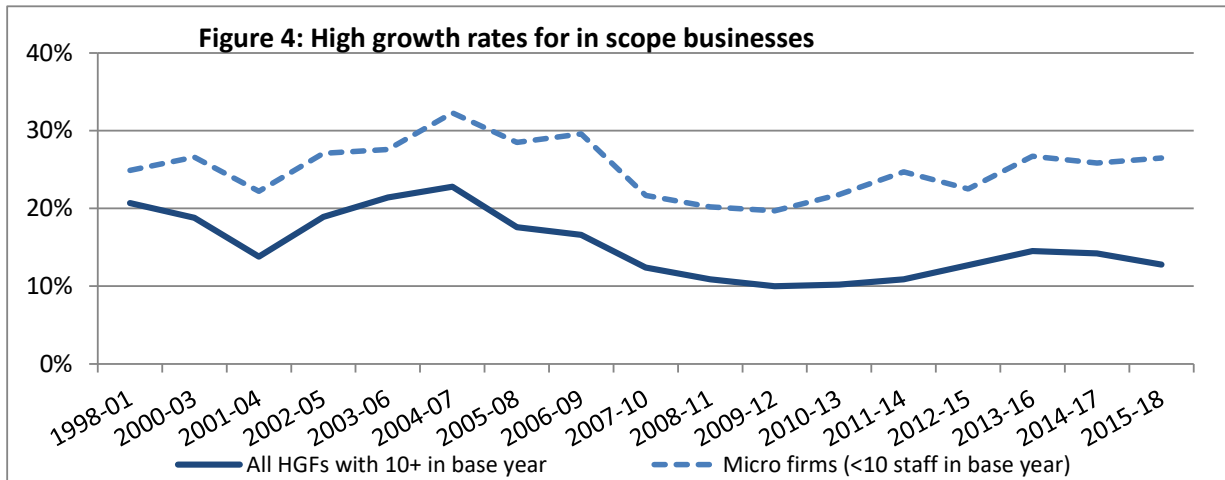


[Table 3, Tables for High Growth Firms update 9.xls](#)

### High Growth Rates

For businesses with 10 or more staff, the High Growth rates peaked at 22.8% in 2004-07, falling to 10.0% in 2009-12; it stands at 12.8% for the latest period, 2015-18. This trend was broadly reflected by the micro businesses employing less than 10 staff; with a low of 19.7% in 2009-12 and a gradual increase to 26.5% in 2015-18.

However, in comparing the High Growth rates of larger businesses to the rates for micro businesses, it is apparent that micro businesses as a group and over time, experienced consistently higher High Growth rates (Figure 4).

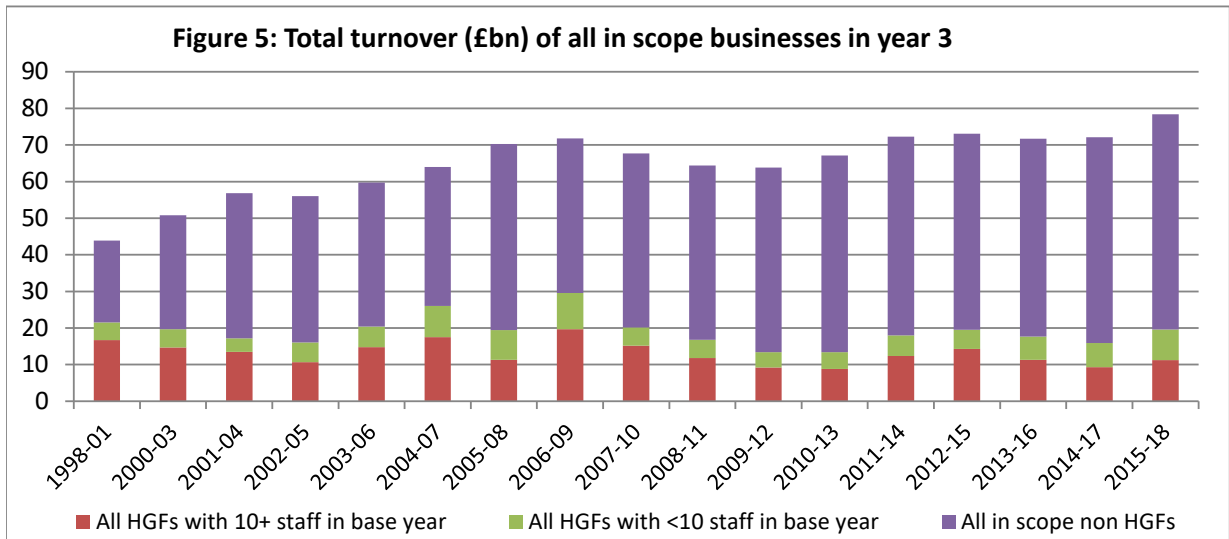


[Table 6, Tables for High Growth Firms update 9.xls](#)

## Turnover

Figure 5 illustrates the composition of turnover for all in scope businesses. In 2018 High Growth businesses employing 10 or more staff had a total turnover of £11.3bn accounting for 14.4% of total turnover for in scope businesses, with High Growth micro businesses having a total turnover of £8.4bn, accounting for 10.7% of total turnover for in scope businesses.

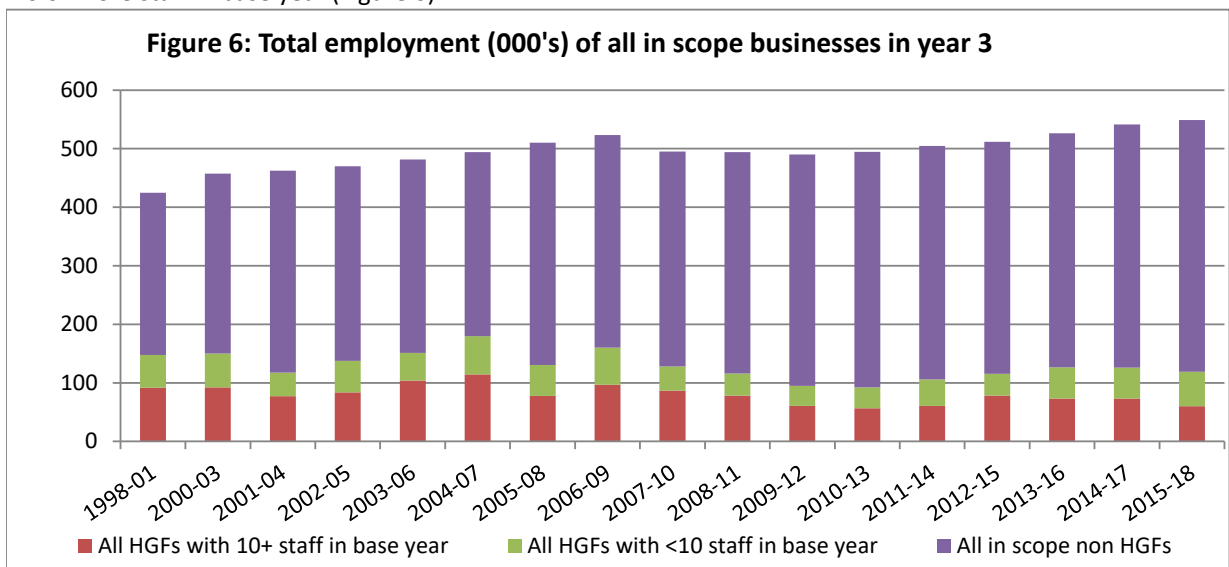
There has been an increase in the value of total turnover seen over the entire period 2001 – 2018, this has been provided largely by those businesses which have not experienced High Growth. In 2018, the share of total turnover for in scope businesses accounted for by non-High Growth businesses was 75.0% compared to 58.8% in 2009.



[Table 18, Tables for High Growth Firms update 9.xls](#)

## Employment

Employment follows the same pattern as Turnover with most people employed by non-High Growth businesses which employed some 430k (78.3%) in 2018. There has been a fall over time in the proportion of people employed within High Growth firms, this fall is mainly accounted for by High Growth firms employing 10 or more staff in base year (Figure 6).



[Table 21, Tables for High Growth Firms update 9.xls](#)

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**Download:**

This report and accompanying can be found at the link:

<https://www.economy-ni.gov.uk/publications/measuring-northern-irelands-high-growth-firms>



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