

# NORTHERN IRELAND HIGH GROWTH FIRMS 1998-2019

## Update 10

Amanda Alexander, Analytical Services Division, Department for the Economy

February 2020

---

### 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 2016-19.

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 10.xls](#)

### Key points

- The total number of 'in scope'<sup>2</sup> businesses for the latest period (2016-19) was 57,805; 7,575 employed 10 or more staff in the base year and 50,230 employed less than 10 staff in the base year.
- The number of High Growth businesses employing 10 or more staff in the latest period, 2016-19 (1,040) was up from the previous period 2015-18 (895).
- The number of High Growth micro businesses employing less than 10 staff in the latest period, 2016-19 (11,755) was less than the previous period 2015-18 (13,145).
- The High Growth rate for businesses employing 10 or more staff stood at 14% for the latest period.
- 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, however the high growth rate for micro businesses is lower for the current period 24% than the previous period 2015-18 (26%).

---

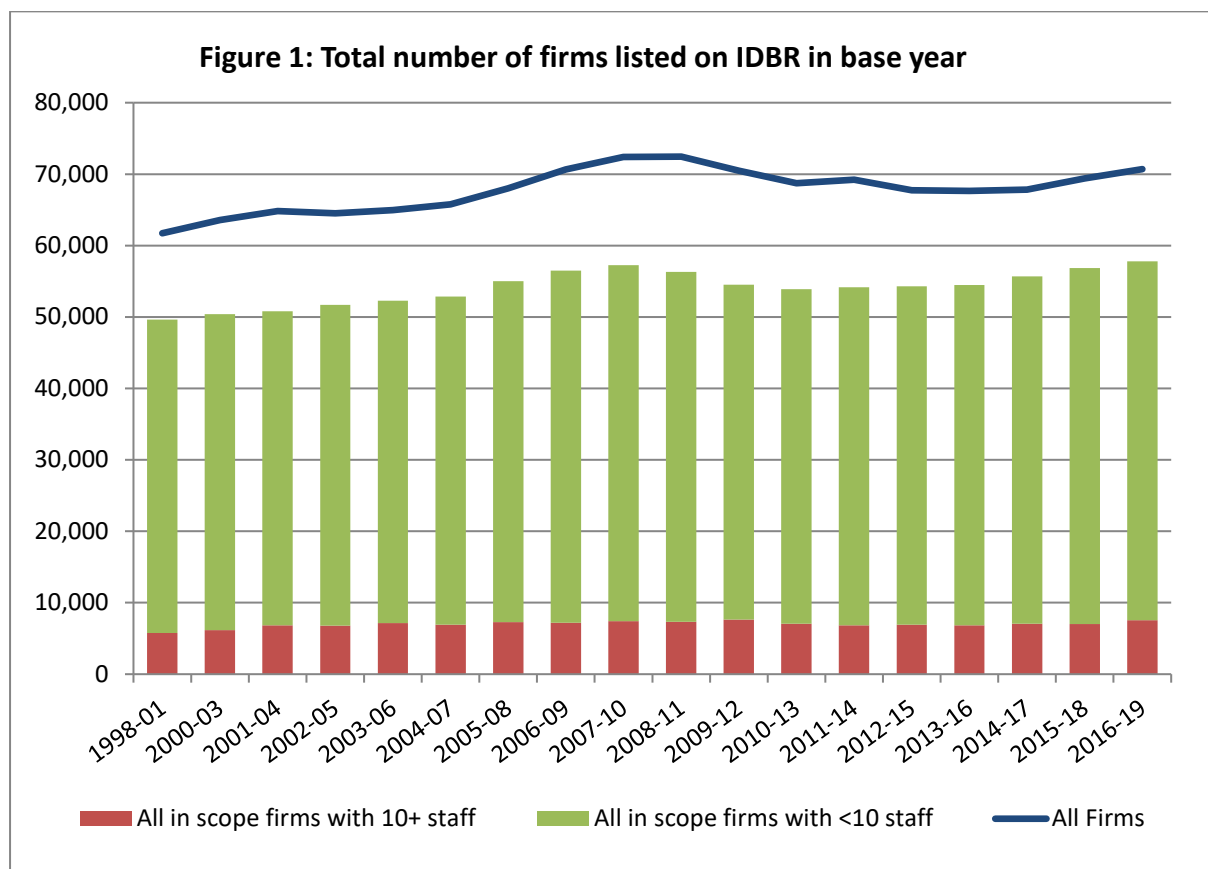
<sup>1</sup> The initial research, full methodology and following bulletins can be found at <https://www.economy-ni.gov.uk/publications/measuring-northern-irelands-high-growth-firms>

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

- In 2019 High Growth businesses employing 10 or more staff made up 24% of total turnover for in scope businesses, higher than in 2018 (14%), with High Growth micro businesses making up 7% of total turnover, lower than in 2018 (11%).
- The share of total turnover for in scope businesses accounted for by non-High Growth businesses has risen from 59% in 2009, peaking at 80% in 2013 and has gradually fallen to 69% for 2019.
- In 2019 most employees (80%) were employed by non-High Growth businesses. 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.

### 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 7,575, with many more in scope micro businesses employing less than 10 staff, 50,230 in 2016 (Figure 1).

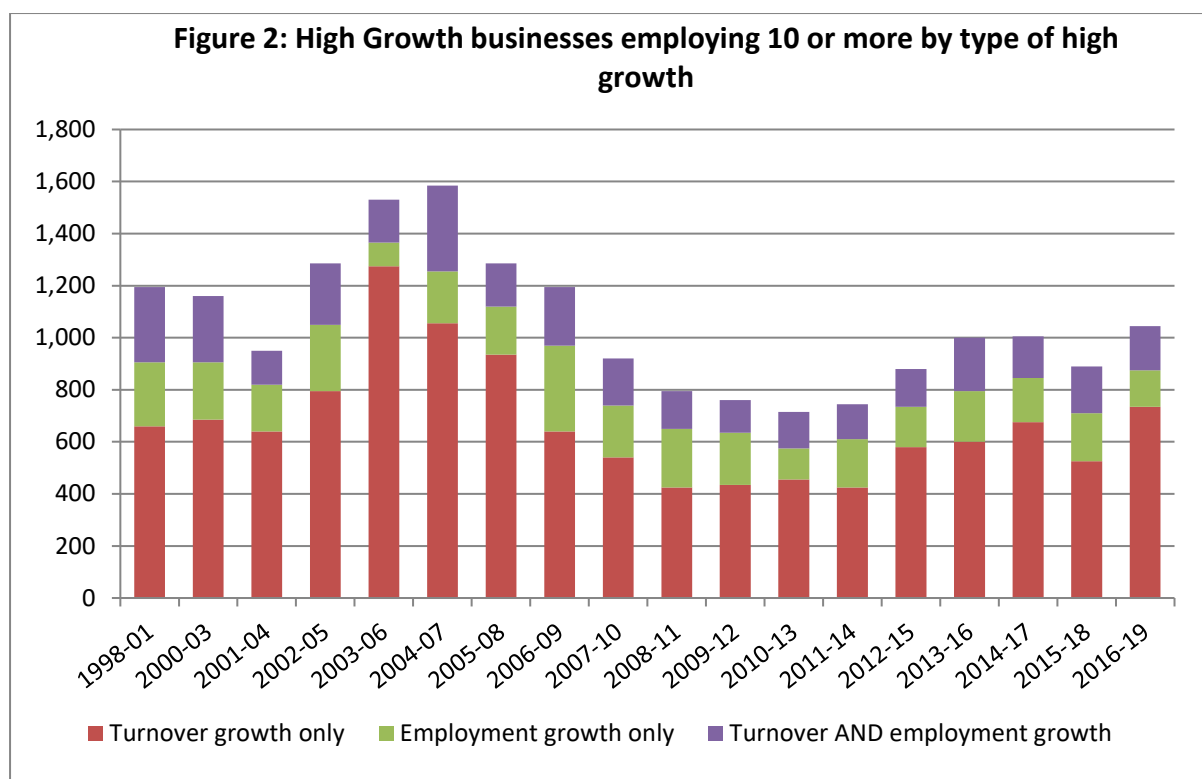


[Table 1, Tables for High Growth Firms update 10.xls](#)

## 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.

There are 1,040 High Growth businesses in the current period 2016-19, higher than the previous period, 2015-18 (895), but well below the peak in 2004-07 (1,580). 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 71% of High Growth businesses, higher than the previous period, 2015-18 (59%). There has been a fall from the previous period in the proportion of high growth accounted for by High Growth in Employment only (21% in 2015-18 and 13% in 2016-19) (Figure 2).

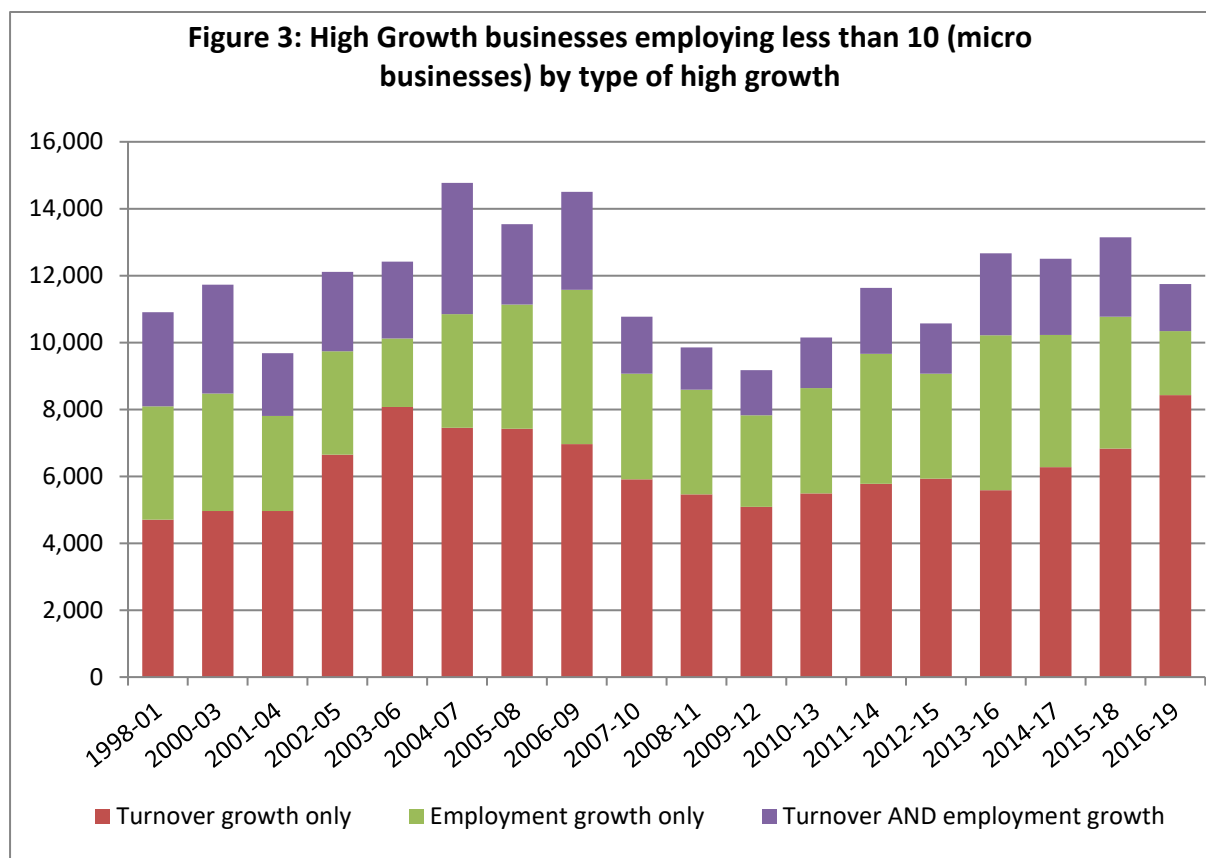


[Table 2, Tables for High Growth Firms update 10.xls](#)

## 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 in 2015-18, before falling in the latest period to 11,755.

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. High growth in turnover only for micro businesses has seen an increase to 72% in 2016-19 from 52% in 2015-18. High Growth in employment only has decreased from 30% in 2015-18 to 16% for the current period (2016-19) (Figure 3).

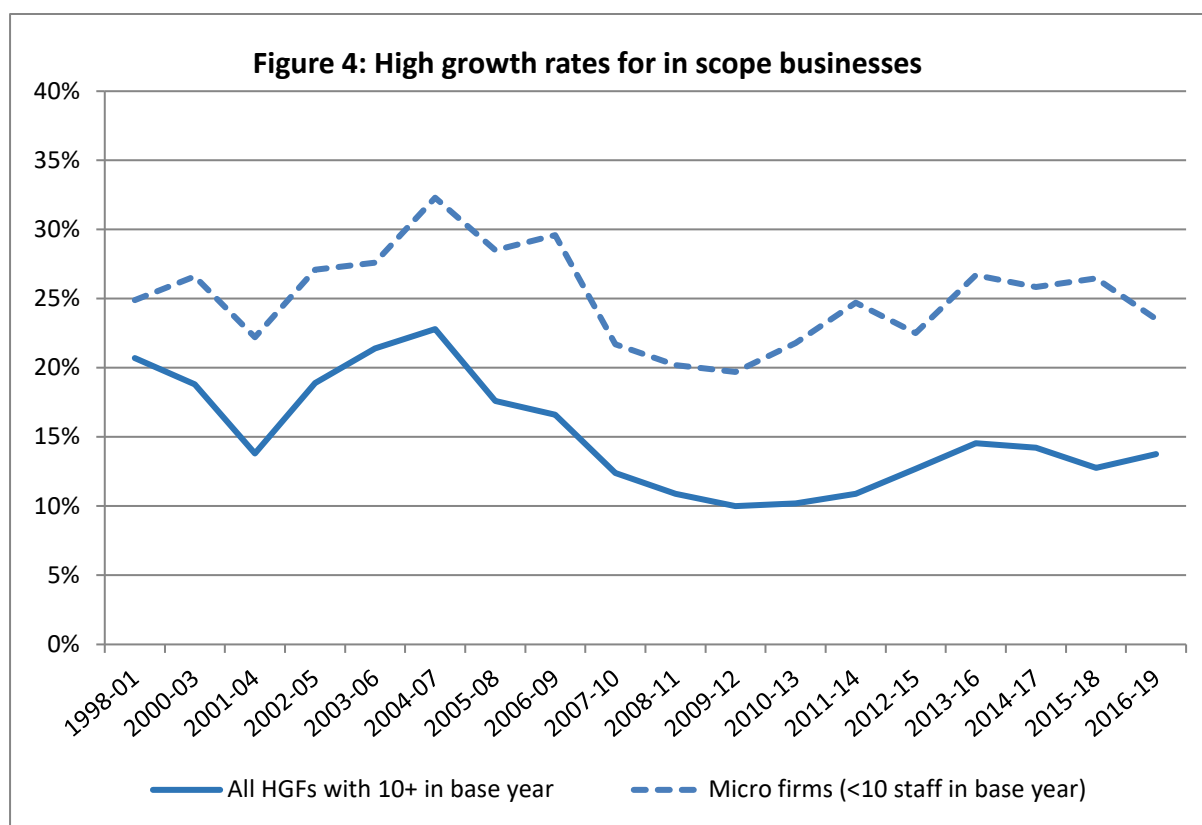


[Table 3, Tables for High Growth Firms update 10.xls](#)

## High Growth Rates

For businesses with 10 or more staff, the High Growth rates peaked at 23% in 2004-07, falling to 10% in 2009-12; it stands at 14% for the latest period, 2016-19. This trend was broadly reflected by the micro businesses employing less than 10 staff; peaking at 32% in 2004-07, falling to 20% in 2009-12 and a gradual increase to 26% in 2015-18. However, for micro businesses, there has been a drop in the current period to 24%.

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).

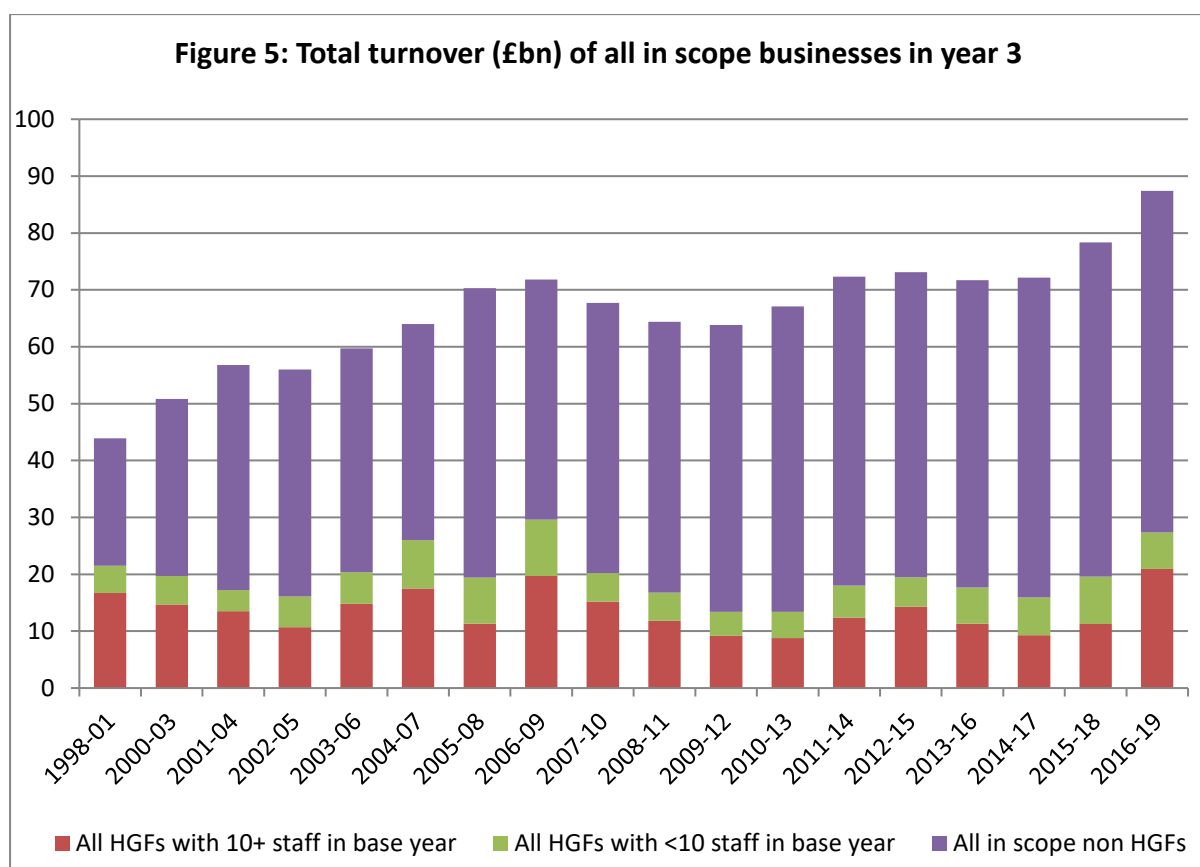


[Table 6, Tables for High Growth Firms update 10.xls](#)

## Turnover

Figure 5 illustrates the composition of turnover for all in scope businesses. In 2019, High Growth businesses employing 10 or more staff had turnover of £20.9bn accounting for 24% of total turnover for in scope businesses, an increase from 2018 where High Growth businesses employing 10 or more staff had turnover of £11.3bn accounting for 14% of total turnover for in scope businesses. High Growth micro businesses had turnover of £6.4bn, accounting for 7% of total turnover for in scope businesses, lower than the previous year, 2018, where turnover for High Growth micro businesses was £8.4bn accounting for 11% of total turnover for in scope businesses.

There has been an increase in the value of total turnover seen over the entire period 2001 – 2019, this has been provided largely by those businesses which have not experienced High Growth. In 2019, the share of total turnover for in scope businesses accounted for by non-High Growth businesses was 69%.

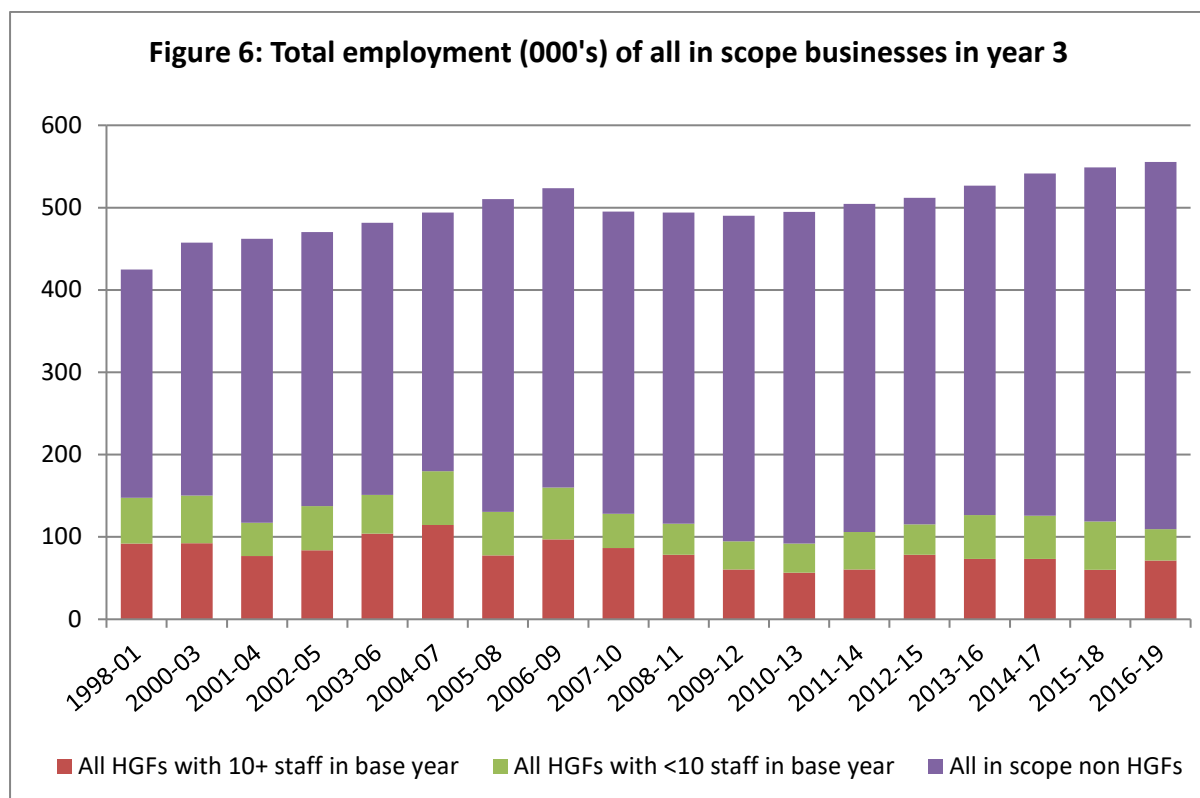


[Table 18, Tables for High Growth Firms update 10.xls](#)

## Employment

Employment follows the same pattern as Turnover with most employees employed by non-High Growth businesses which employed some 446.2k (80%) in 2019. The proportion of people employed by micro business (<10 employees) is lower in 2019 (7%) than in 2018 (11%).

Between 2001 and 2019, the overall trend in the proportion of employment accounted for by High Growth firms has been downwards from 35% in 2011 to 20% in 2019 (Figure 6).



[Table 21, Tables for High Growth Firms update 10.xls](#)

**Contact:**

For further information please contact:

Amanda Alexander  
Statistics Information, Analysis and Research  
Department for the Economy  
[Amanda.Alexander@economy-ni.gov.uk](mailto:Amanda.Alexander@economy-ni.gov.uk)

Download:

This report and accompanying can be found at the link:

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



© Crown copyright 2019

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence visit [www.nationalarchives.gov.uk/doc/open-government-licence/version/3/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/) or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk)