

NORTHERN IRELAND HIGH GROWTH FIRMS 1998-2021 Update 12

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Context

This bulletin updates existing research on Northern Ireland's High Growth Businesses¹ to cover the entire period from 1998-01 to 2018-21.

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 12.xls](#)

Key points

- The total number of 'in scope'² businesses for the latest period (2018-21) was 61,420; 7,655 employed 10 or more staff in the base year and 53,765 employed less than 10 staff in the base year.
- The number of High Growth businesses employing 10 or more staff in the latest period, 2018-21 (765) was down from the previous period 2017-20 (1,020).
- The High Growth rate for businesses employing 10 or more staff stood at 10% for the latest period, lower than the previous period 2017-20 (13.5%).

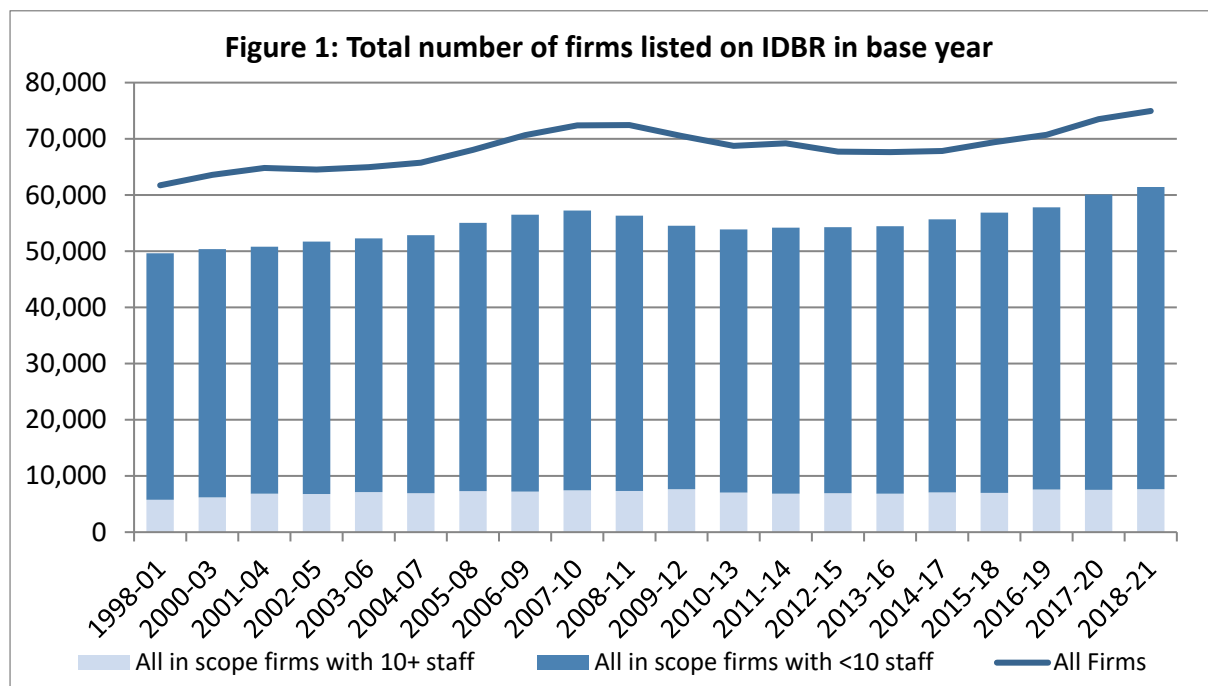
¹ The initial research, full methodology and following bulletins can be found at [Previously published High Growth Firms Bulletins \(opens in a new window\)](#)

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

- The number of High Growth micro businesses employing less than 10 staff in the latest period, 2018-21 (11,000) was lower than the previous period 2017-20 (12,400).
- 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 for the current period (20.6%) is lower than the previous period 2017-20 (23.8%).
- Only 1.2% of in scope businesses were High Growth businesses employing 10 or more staff, however they had turnover of £18.6bn accounting for 22% of total turnover for in scope businesses, lower than in 2020 (£24.4bn) but still higher than £9.3bn in 2017 which accounted for 13% of total turnover for in scope businesses.
- High Growth micro businesses had turnover of £6.0bn in 2021, again lower than the previous year, 2020, where turnover for High Growth micro businesses was £10.4bn; however the proportion of total turnover for in scope businesses was similar to 2019 (7% in 2021, 7.3% in 2019).
- All High Growth businesses accounted for 29% of total turnover of in scope businesses compared to a share of 19% of the number of in scope businesses.
- 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 now stands at 71% for 2021.
- Between 2007 and 2021, the overall trend in the proportion of employment accounted for by High Growth firms with 10+ employees has been downwards from 23% in 2007 to 11% in 2021.

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 7,655, with many more in scope micro businesses employing less than 10 staff, 53,765 in 2018 (Figure 1).

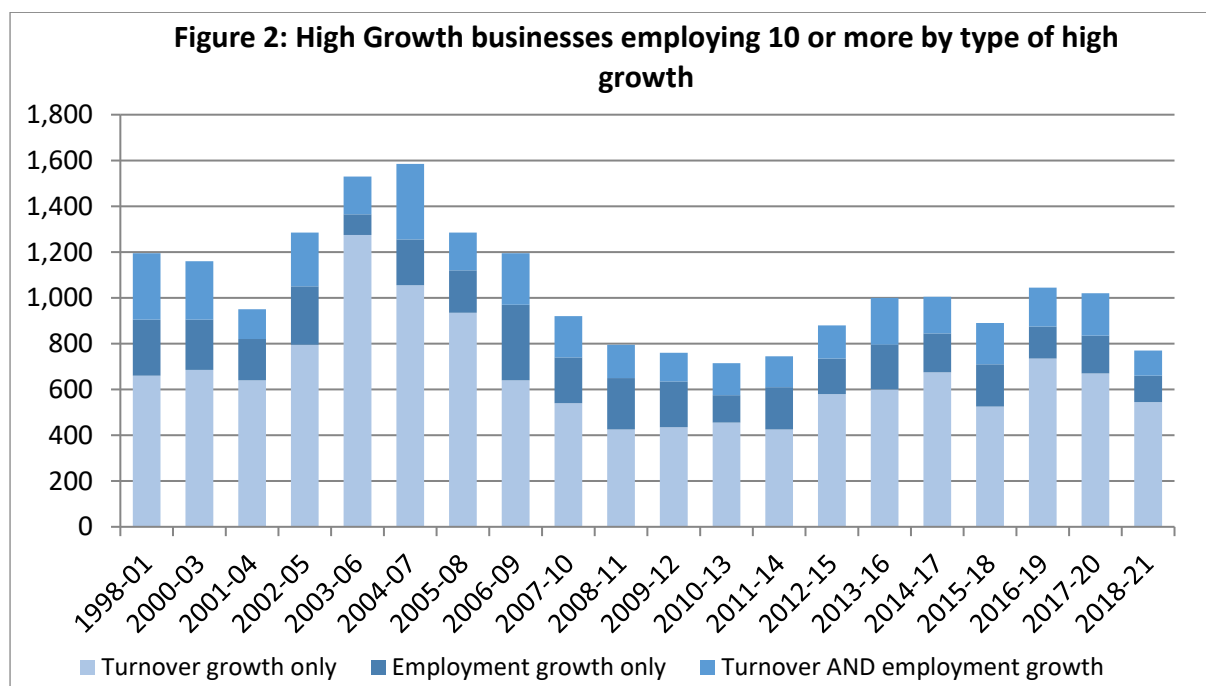


[Table 1, Tables for High Growth Firms update 12.xls](#)

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 765 High Growth businesses in the current period 2018-21, lower than the previous period, 2017-20 (1,020) and 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, 2017-20 (66%) (Figure 2).

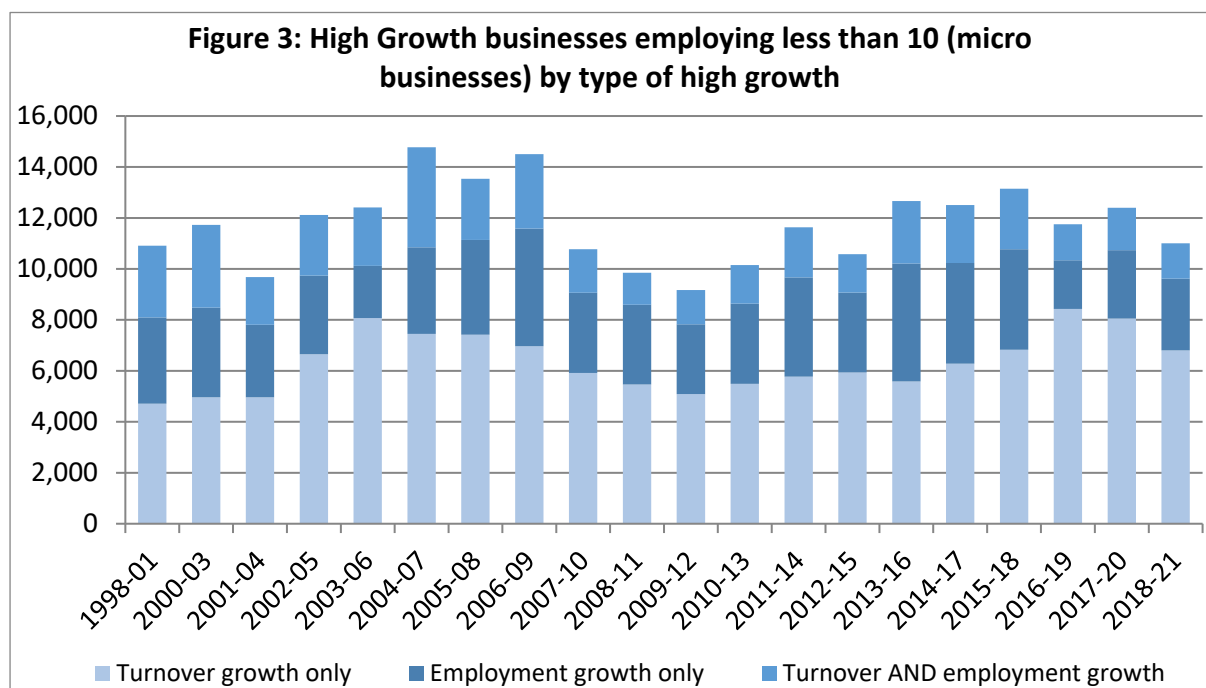


[Table 2, Tables for High Growth Firms update 12.xls](#)

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 in the current period (2018-21) is 11,000, lower than the previous period 2017-20 of 12,400 and considerably higher than the low in 2009-12 of 9,170.

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 a decrease to 62% in 2018-21 from 72% in 2016-19 and 65% in 2017-20 however this is considerably higher than 52% in 2015-18. High Growth in employment only has increased from 16% in 2016-19 to 26% for the current period (2018-21), but is still lower than the figure for 2015-18 (30%) (Figure 3).

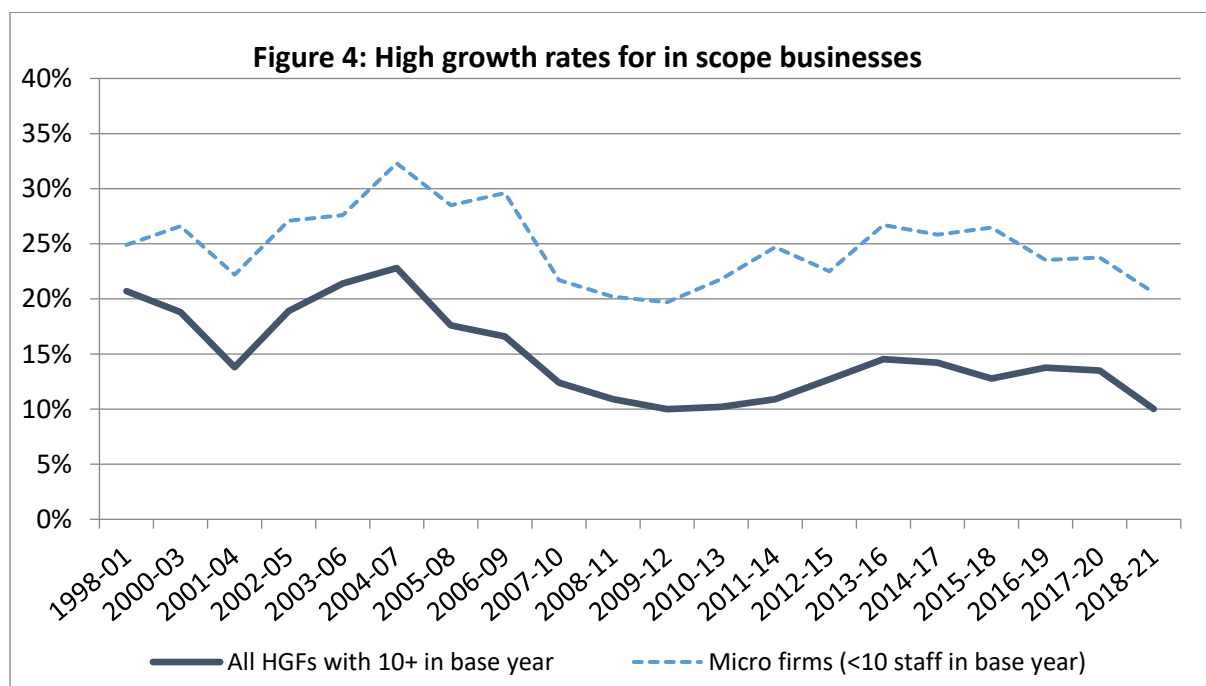


[Table 3, Tables for High Growth Firms update 12.xls](#)

High Growth Rates

For businesses with 10 or more staff, the High Growth rate peaked at 22.8% in 2004-07, falling to 10% in 2009-12; it rose to 14.5% in 2013-16 but has fallen to 10% for the latest period, 2018-21. This trend was broadly reflected by the micro businesses employing less than 10 staff; peaking at 32.3% in 2004-07, falling to 19.7% in 2009-12 and a gradual increase to 26.7% in 2013-16, and falling to 20.6% for the latest period, 2018-21.

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).



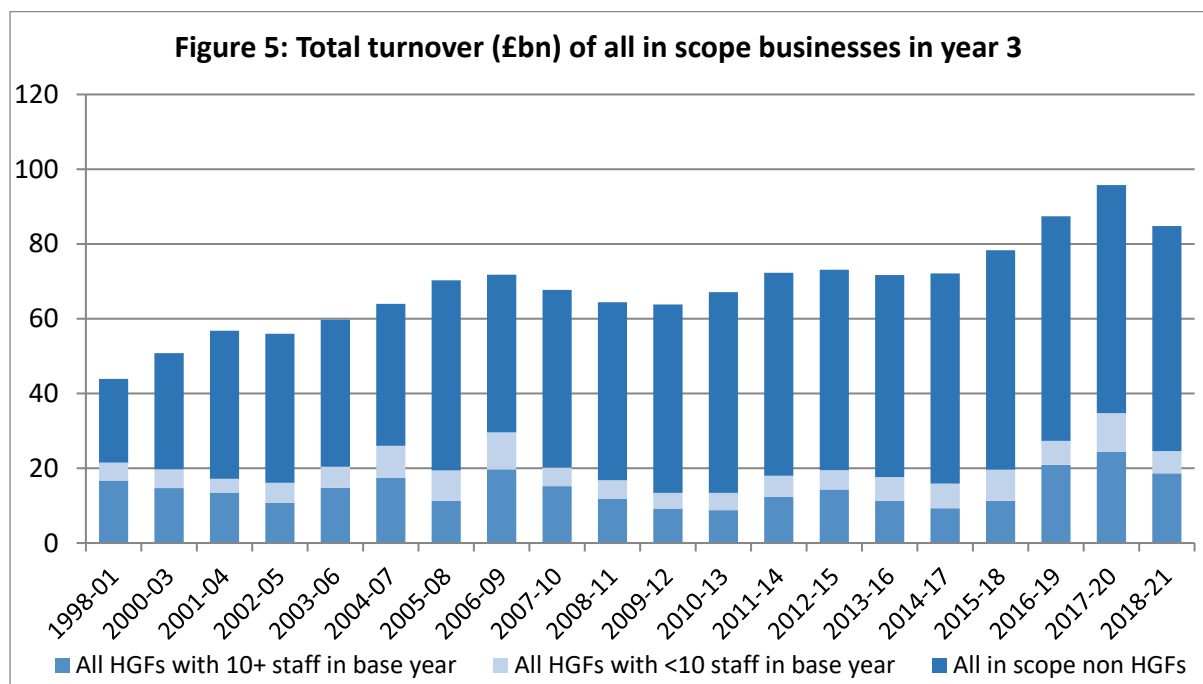
[Table 6, Tables for High Growth Firms update 12.xls](#)

Turnover

Figure 5 illustrates the composition of turnover for all in scope businesses. In 2021, High Growth businesses employing 10 or more staff had turnover of £18.6bn accounting for 22% of total turnover for in scope businesses lower than in 2020 (£24.4bn) but still higher than £9.3bn in 2017 which accounted for 13% of total turnover for in scope businesses.

High Growth micro businesses had turnover of £6.0bn in 2021, again lower than the previous year, 2020, where turnover for High Growth micro businesses was £10.4bn; however in the proportion of total turnover for in scope businesses was similar to 2019 (7% in 2021, 7.3% in 2019).

There has been an increase in the value of total turnover seen over the entire period 2001 – 2021, largely provided by those businesses which have not experienced High Growth. Although the value of total turnover has decreased since 2020, it is still higher than the years prior to 2019, with the drop being mainly accounted for by lower turnover in HGF's with the percentage share of total turnover for non-High Growth in scope businesses 71% in 2021 higher than in 2020, 64%.



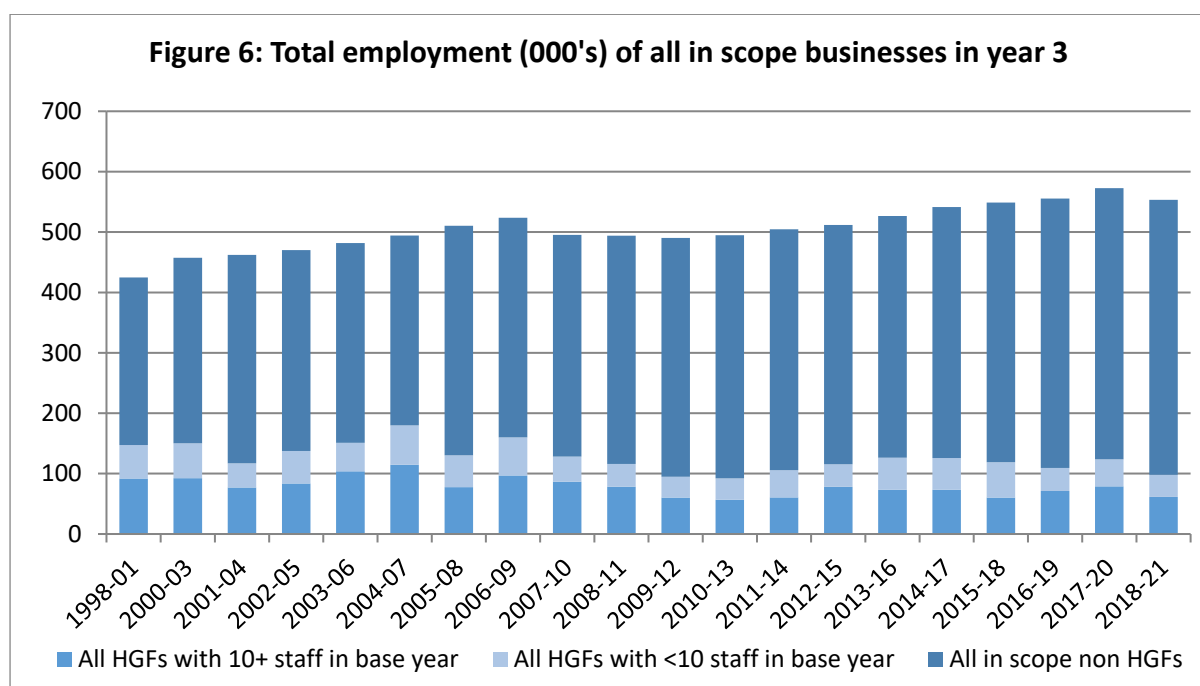
[Table 18, Tables for High Growth Firms update 12.xls](#)

Employment

Most employees were employed by non-High Growth businesses which employed some 455.3k (82%) in 2021, higher than in 2020 (78%).

The proportion of people employed by High growth micro business (<10 employees) is similar in 2021 (7%) to the previous 2 years (8% in 2020 and 7% in 2019).

Between 2007 and 2021, the overall trend in the proportion of employment accounted for by High Growth firms with 10+ employees has been downwards from 23% in 2007 to 11% in 2021 (Figure 6).



[Table 21, Tables for High Growth Firms update 12.xls](#)

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Download:

This report and accompanying tables can be found on [Northern Irelands high growth firms page \(opens in a new window\)](#)



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