

NORTHERN IRELAND HIGH GROWTH FIRMS 1998-2022 Update 13

Amanda Alexander, Analytical Services Division, Department for the Economy

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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 2019-22.

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 13.xls](#)

Key points

- The total number of 'in scope'² businesses for the latest period (2019-22) was 62,045; 7,635 employed 10 or more staff in the base year and 54,415 employed less than 10 staff in the base year.
- The number of High Growth businesses employing 10 or more staff in the latest period, 2019-22 (925) was higher than the previous period 2018-21 (765).
- The High Growth rate for businesses employing 10 or more staff stood at 12.1% for 2019-22, higher than the previous period 2018-21 (10%).

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

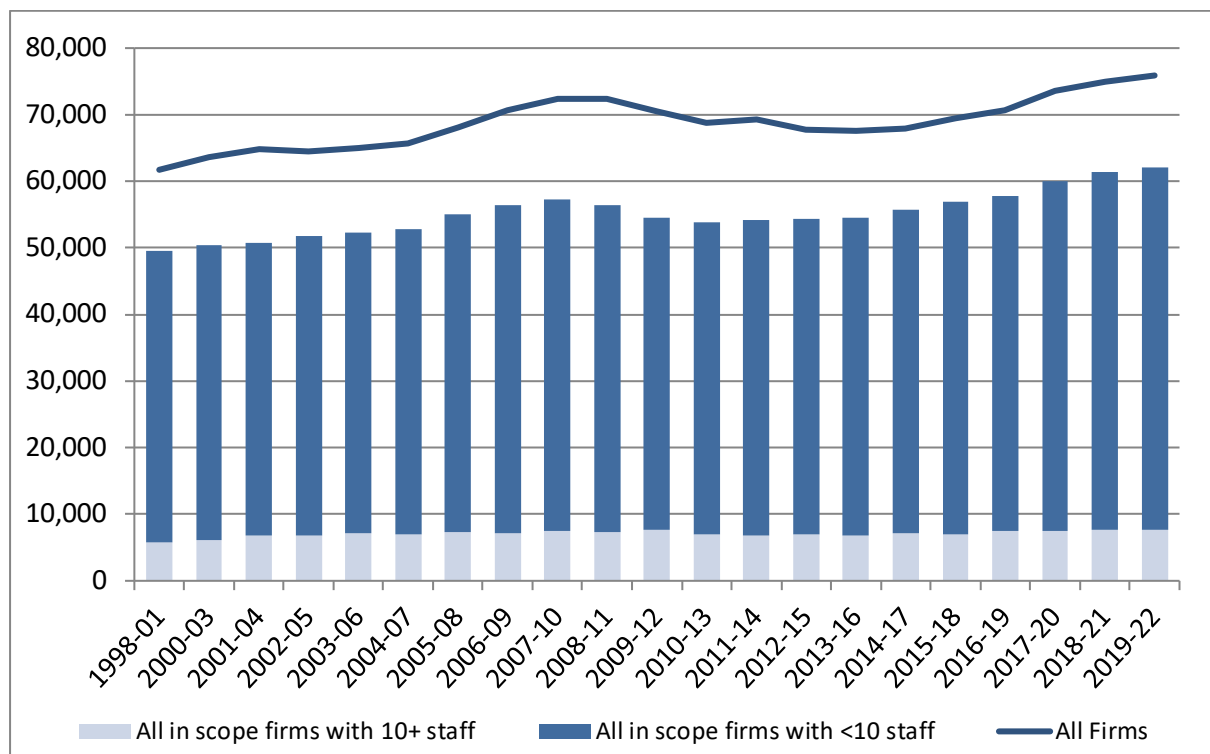
² 'In scope' businesses are those where data existed in the base year and the following 3 years.

- The number of High Growth micro businesses employing less than 10 staff in the latest period, 2019-22 (13,060) was higher than the previous period 2018-21 (11,000).
- 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. For the current period 2019-22 the high growth rate for micro businesses was 24.1% higher than the previous period 2018-21 (20.6%).
- Only 1.5% of in scope businesses were High Growth businesses employing 10 or more staff. In 2022 these businesses reported turnover of £14.6bn, accounting for 15% of total turnover for in scope businesses, lower than the £18.6bn (22%) in 2021 and the peak of £24.4bn (25%) in 2020.
- High Growth micro businesses had turnover of £8.1bn in 2022, higher than the previous year, 2021, where turnover for High Growth micro businesses was £6.0bn.
- The share of total turnover for in scope businesses accounted for by non-High Growth businesses has risen from 64% in 2020 to 76% in 2022.
- Between 2007 and 2021, the overall trend in the proportion of total employment accounted for by High Growth firms with 10+ employees has been downwards from 23% in 2007 to 11% in 2021 with a slight increase to 13% in 2022.

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 7,635, with many more in scope micro businesses employing less than 10 staff, 54,415 in 2019 (Figure 1).

Figure 1: Total number of firms listed on IDBR in base year



[Table 1, Tables for High Growth Firms update 13.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 925 such High Growth businesses in the current period 2019-22, higher than the previous period, 2018-21 (765) but still 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 70% of High Growth businesses, similar to the previous period, 2018-21 (71%) (Figure 2).

Figure 2: High Growth businesses employing 10 or more by type of high growth



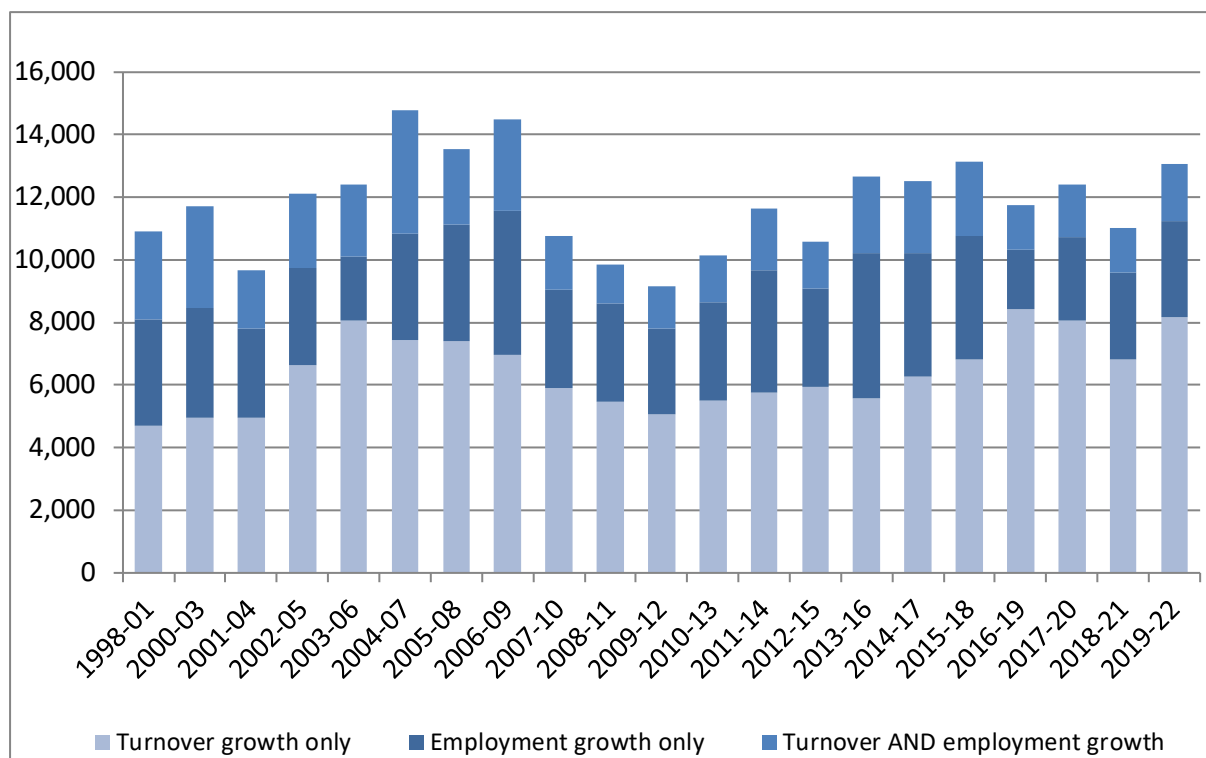
[Table 2, Tables for High Growth Firms update 13.xls](#)

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 (2019-22) is 13,060, higher than the previous period 2018-21 (11,000) 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 has seen a decrease from 72% of high growth micro businesses in 2016-19 to 62% in 2018-21 and 63% in 2019-22. High Growth in employment only increased from 16% in 2016-19 to 26% in 2018-21 with a slight fall to 23% for the current period (2019-22) (Figure 3).

Figure 3: High Growth businesses employing less than 10 (micro businesses) by type of high growth



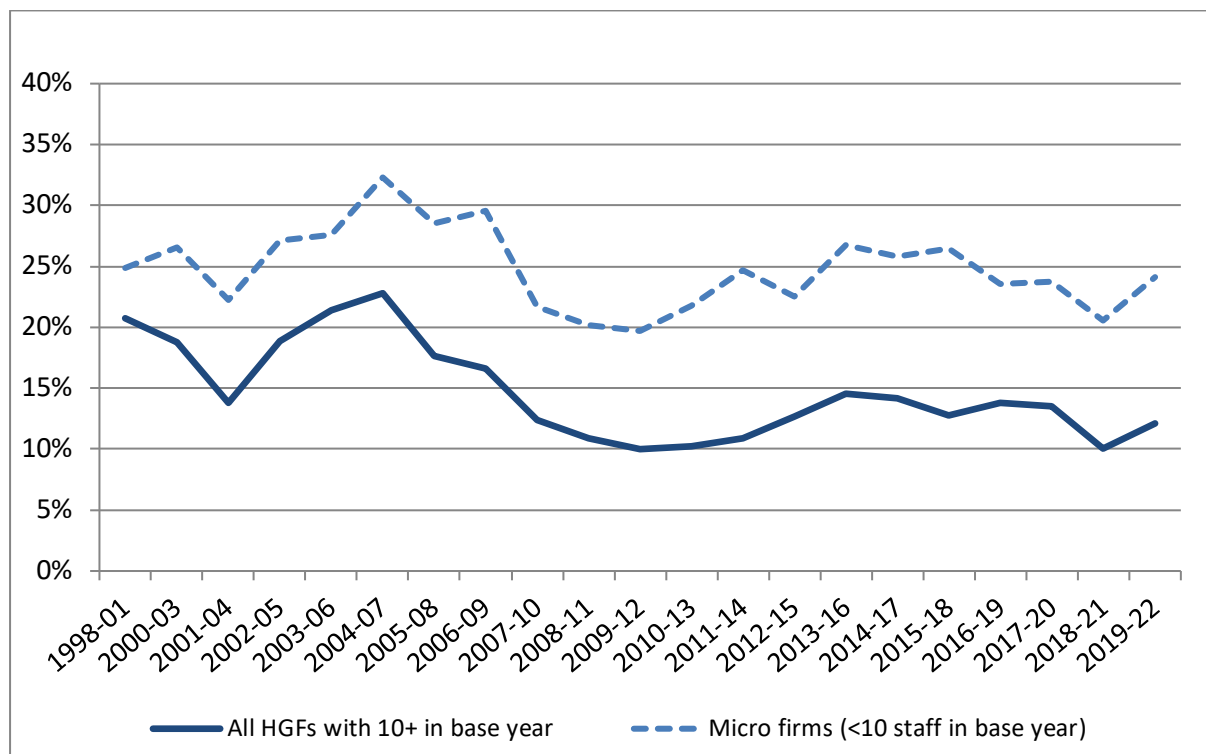
[Table 3, Tables for High Growth Firms update 13.xls](#)

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 with a drop to 10% in 2018-21, with a small increase to at 12% for 2019-22. 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, with a gradual increase to 26.7% in 2013-16, before falling to 20.6% in 2018-21. There has been an increase to 24.1% for the current period, 2019-22.

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).

Figure 4: High growth rates for in scope businesses



[Table 6, Tables for High Growth Firms update 13.xls](#)

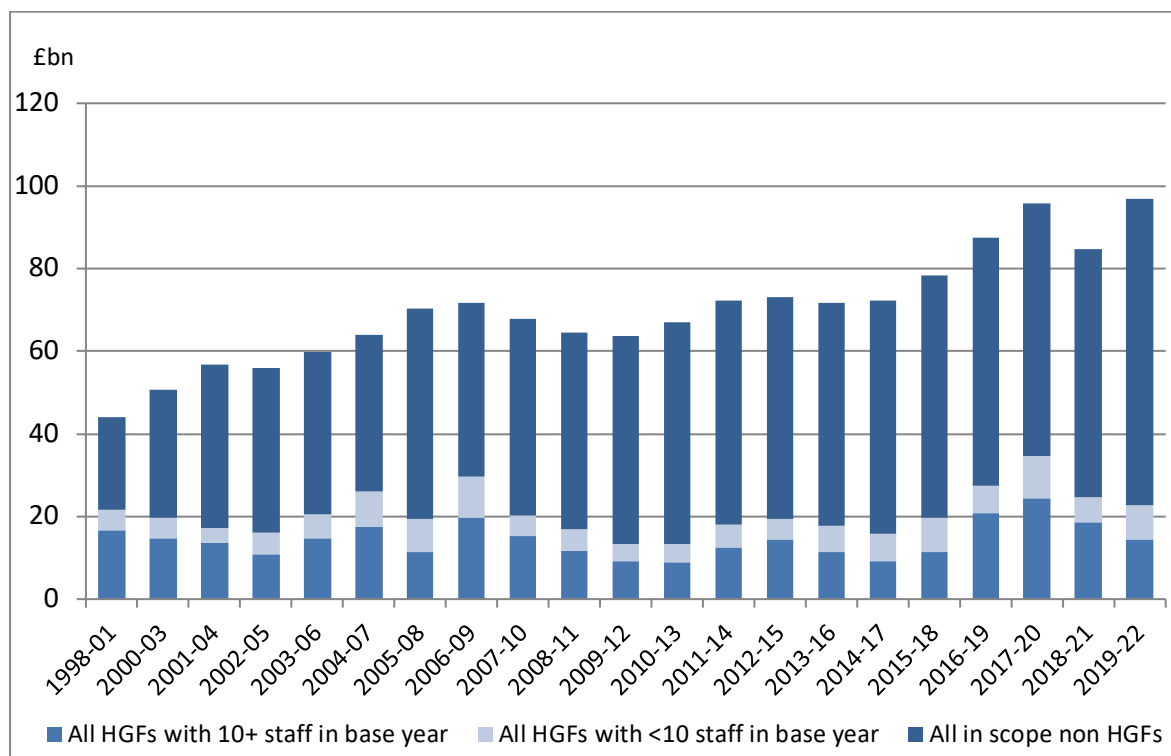
Turnover

Figure 5 illustrates the composition of turnover for all in scope businesses. There has been an increase in the value of total turnover seen over the entire period 2001 – 2022, largely provided by those businesses which have not experienced High Growth.

In 2022, High Growth businesses employing 10 or more staff had turnover of £14.6bn accounting for 15% of total turnover for in scope businesses lower than £18.6bn (22%) in 2021 and the peak of £24.4b (25%) in 2020, but still higher than £9.3bn in 2017 where High Growth businesses employing 10 or more staff accounted for 13% of total turnover for in scope businesses.

High Growth micro businesses had turnover of £8.1bn in 2022, higher than the previous year, 2021, where turnover for High Growth micro businesses was £6.0bn.

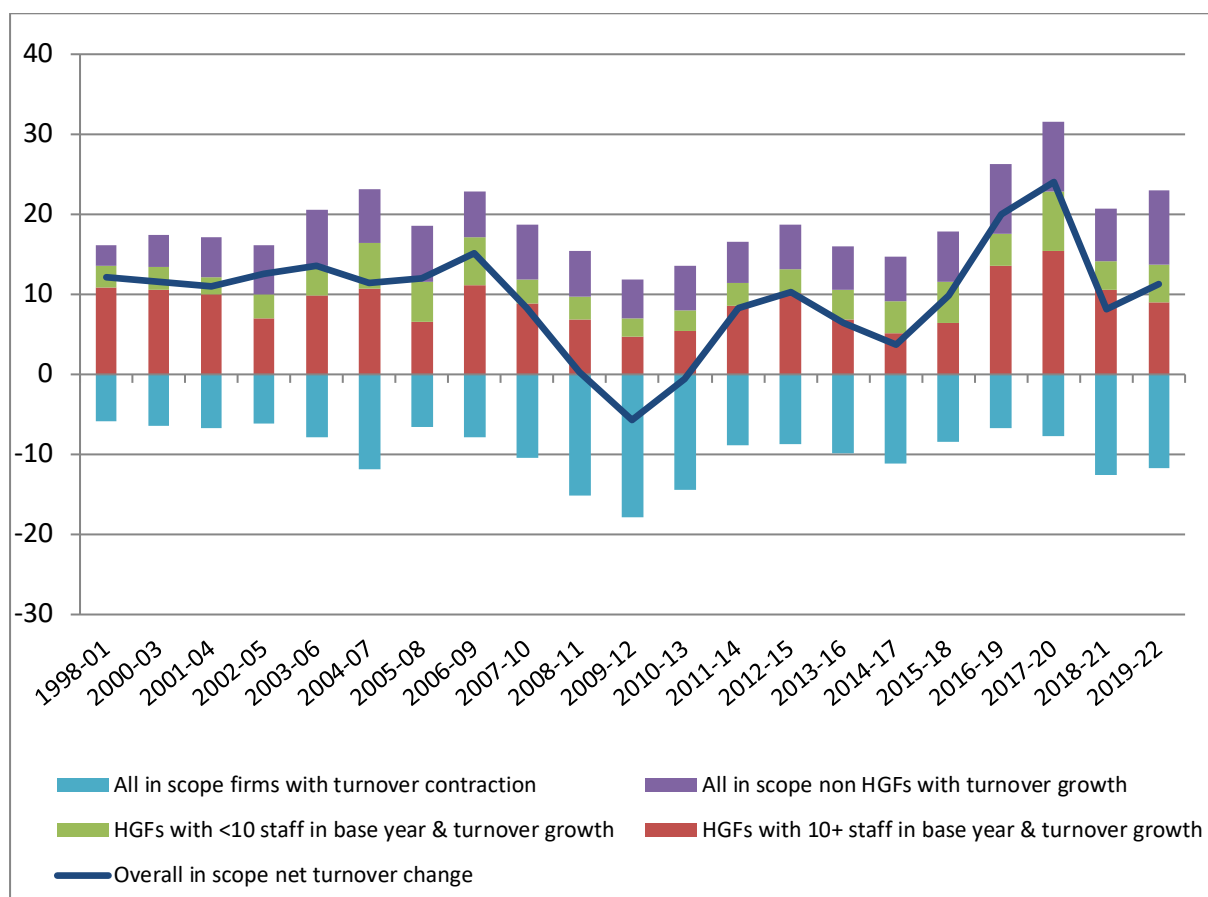
Figure 5: Total turnover (£bn) of all in scope businesses in year 3



[Table 18, Tables for High Growth Firms update 13.xls](#)

Businesses within the economy can experience growth and contraction in the value of their turnover over time as illustrated in Figure 6. The net change represents the difference between growth and contraction in turnover. With the exception of 2009-12 and 2010-13, the net effects for turnover were positive. Comparing the components of net turnover change between the base year and year 3 (Figure 6) reveals that High Growth firms, especially those employing 10 or more, contribute disproportionately to positive net turnover change in most periods. Net turnover peaked in 2017-20 (£24bn) dipping to £8.1bn in 2018-21 with an increase to £11.3bn for the most recent period, 2019-22.

Figure 6: Components of net turnover (£bn) change between base year and year 3 for all in scope businesses



[Table 19, Tables for High Growth Firms update 13.xls](#)

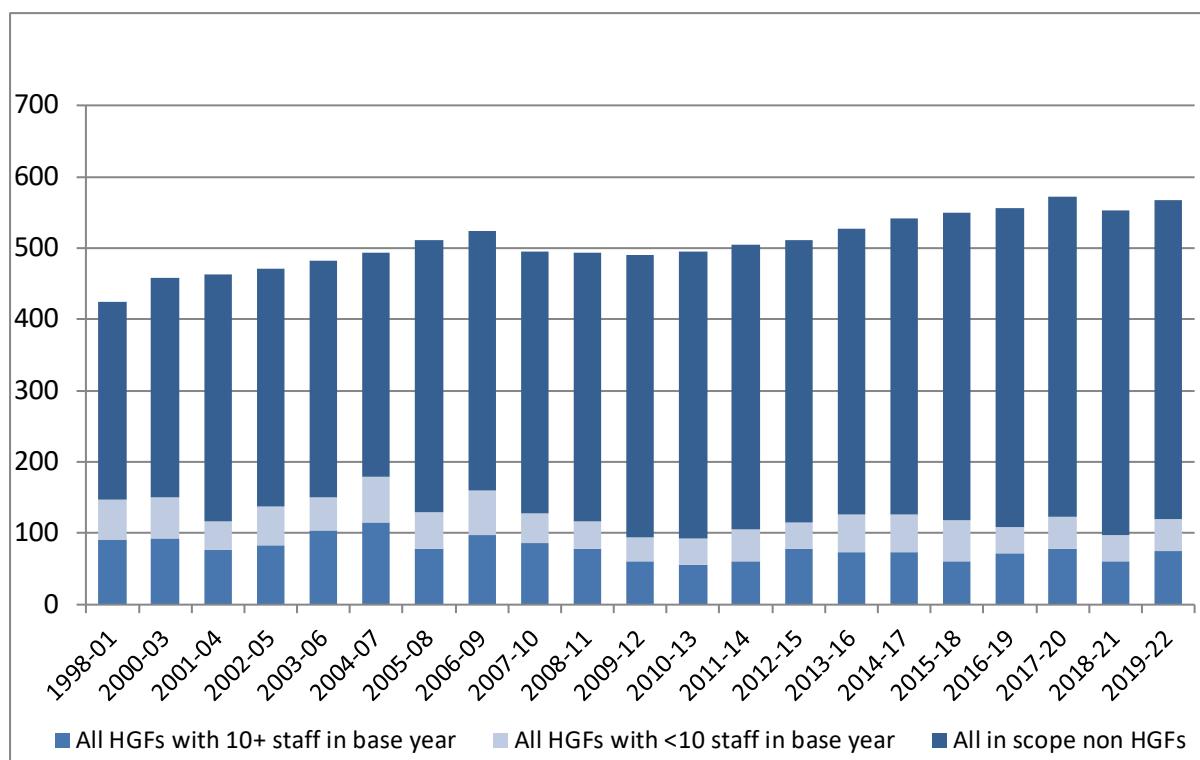
Employment

Most employees were employed by non-High Growth businesses which employed some 447.6k (79%) in 2022, lower than in 2021 (82%).

The proportion of people employed by High growth micro business (<10 employees) is similar in 2022 (8%) to the previous 3 years.

Between 2007 and 2022, 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, however there has been a slight increase to 13% in 2022 (Figure 6).

Figure 7: Total employment (000's) of all in scope businesses in year 3



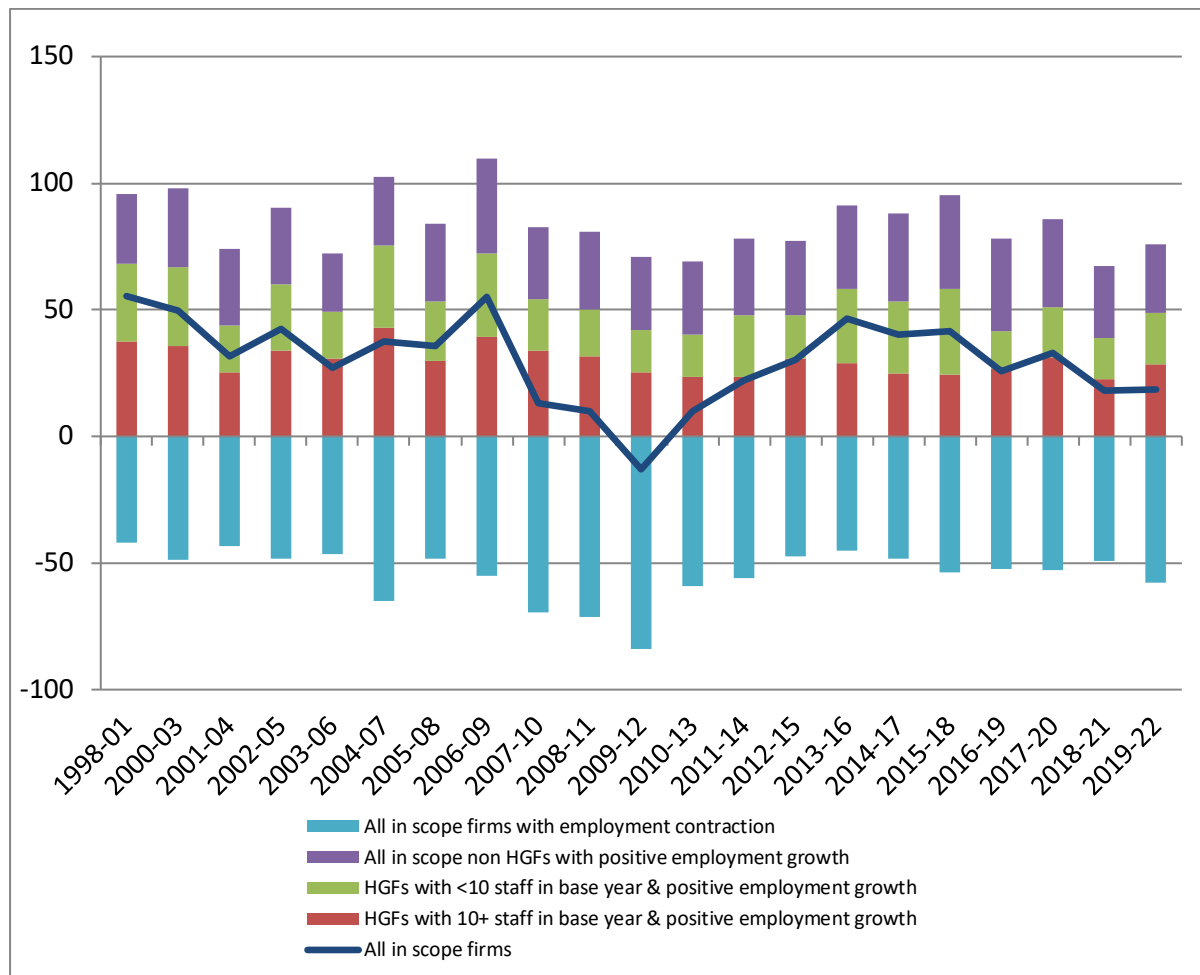
[Table 21, Tables for High Growth Firms update 13.xls](#)

Within each time period, the net employment change between the baseline year and year 3 of each period reflects the effects of both employment growth and employment contraction.

Figure 8 unpacks the various components of employment change within each time period. With the exception of 2009-12, the overall effect of employment contraction and growth resulted in net positive employment change.

Net employment peaked in 2013-16 at 46.4k falling to 18.3k in 2018-21 and 2019-22.

Figure 8: Components of net employment change between base year and year 3 for all in scope businesses (000's)



[Table 22, Tables for High Growth Firms update 13.xls](#)

Contact:

For further information please contact:

Alan McClelland

Statistics Information, Analysis and Research Branch

Department for the Economy

Alan.McClelland@economy-ni.gov.uk

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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