

Northern Ireland Broad Economy Sales and Exports Statistics: Goods and Services Results 2015



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NISRA published its Broad Economy Sales and Exports Statistics (BESES) results relating to local businesses' sales in 2015 to markets outside Northern Ireland in February 2017. The latest publication provides further disaggregation of these results into the value of goods and services sold. The February 2017 estimates remain designated as 'experimental' to reflect the fact that they are under development.

Key points

- Total sales by companies in Northern Ireland (NI) were estimated to be worth £66.7 billion in 2015, an increase of 0.7% (£0.5 billion) over the year.
- Total sales of goods were estimated to be worth £48.5 billion in 2015. The total sales of goods in 2014 were also worth £48.5 billion and hence the total sales of goods have remained stagnant over the year.
- Sales of services represented 27.2% of total sales in 2015 and were estimated to be worth £18.2 billion. Sales of services increased by 2.5% over the year (£0.4 billion).
- External sales to markets outside of NI rose by £0.3 billion (1.3%) to £23.0 billion in 2015.
- External sales of goods by NI companies were estimated to be worth £18.3 billion in 2015, 79.6% of all external sales. This represents a decrease of 0.5% over the year (£0.1 billion).
- External sales of services were estimated to be worth £4.7 billion or 20.4% of all external sales in 2015. This represents an increase of 8.8% (£0.4 billion) over the year.
- Exports were estimated to be worth £9.1 billion in 2015, a fall of 5.0% (£0.5 billion) over the year.
- Exports of goods were estimated to be worth £7.6 billion in 2015, a decrease of 5.6% (£0.4 billion). Exports of goods represented 83.0% of all exports sales.
- Exports of services represented 17.0% of total export sales in 2015 and were estimated to be worth £1.5 billion. Exports of services decreased by 2.4% (£38 million) over the year.

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Experimental Status

The Broad Economy Sales and Exports Statistics (BESES) is an experimental annual measure of local businesses' sales to markets outside Northern Ireland (NI). The BESES was first published in 2015 (referring to survey years 2011 and 2012) to provide a more comprehensive measure of such sales than had previously been available. This publication includes estimates of the value of both goods and services sold by NI businesses in 2015, as well as their point of destination. The results provide further disaggregation of 2015 BESES estimates first published in February 2017.

Ongoing development of the methodology (as outlined in the associated published [methodology paper](#) (March 2015)) will be informed by user feedback, both in terms of the usefulness and reliability of the estimates and their comparability with other sources and the statistics will remain experimental until user feedback indicates that they are useful and credible. Any comments should be sent to economicstats@nisra.gov.uk

NISRA has engaged extensively throughout the evolution of this output with expert users of NI economic statistics whose views have already helped to inform the current approach. Users include DfE DoF, and DAERA economists, the Ulster University Economic Policy Centre and a number of NI economic commentators and ONS methodologists. NISRA will continue to consult on any further methodological changes which may improve the quality and value of the statistics.

Background

The Northern Ireland Executive's Economic Strategy referred to the need to improve the measurement of Northern Ireland's exports beyond that of the manufacturing sector. NISRA subsequently published initial estimates of 'broad economy' sales and exports by industry sector in March 2015 https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/broad-economy-exports-methodology-paper-2011-and-2012_0.pdf.

This release provides a further breakdown of the revised estimates for 2014 and provisional estimates for 2015 first published in February 2017 (https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/BESES-Publication-2015-Headline-results-pdf_1.pdf), by splitting the sales into its goods and services elements.

To support this release a set of reference tables with further sectoral breakdowns are available at the following link:

<https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/BESES-goods-and-services-internet-tables-2011-2015.xlsx>

The contents of this report will be of interest to government policy makers, Members of the Legislative Assembly (MLAs), the business community, economic commentators, academics and members of the general public with an interest in the NI economy. Previous uses and users of the old Manufacturing Sales and Exports Survey, which was superseded by the BESES, are separately documented at:

<https://www.economy-ni.gov.uk/sites/default/files/publications/deti/summary-of-usage-of-the-mses.pdf>

The latest Department for the Economy Economic Commentary provides an overview of the state of the Northern Ireland economy, setting it in a global context. This can be found at:

<https://www.economy-ni.gov.uk/articles/economic-commentary>

Other sources

This goods and services report has been released to coincide with the second release of the Office for National Statistics (ONS) experimental paper '[Estimating the value of services exports abroad from different parts of the UK](#)'. The article presents the results of an ONS project to estimate the value of services exports abroad from the English regions, Scotland, Wales and Northern Ireland, which BESES figures contribute to. It presents experimental estimates of the value of these exports for 2011 - 2015 (the latest year available). The estimates by region and country of the UK are broadly consistent with the UK totals shown in the Balance of Payments.

The International Trade in Services (ITIS) survey is a UK wide survey which collects information on overseas transactions of consultants and companies offering business services. Information collected from the survey is fed into the UK balance of payments and published at the UK level. The full bulletin can be accessed at:

<https://www.ons.gov.uk/businessindustryandtrade/internationaltrade/bulletins/internationaltradeinservices/2015>.

While directly comparable UK data for the BESES do not exist (the BESES covers goods and services produced in Northern Ireland), HM Revenue & Customs (HMRC) are responsible for collecting the UK's international trade in goods data, which are published as two National Statistics series - the 'Overseas Trade Statistics (OTS) of the UK' and the 'UK Regional Trade Statistics (RTS)'. These UK regional statistics can be accessed at: <https://www.uktradeinfo.com/Statistics/RTS/Pages/default.aspx>.

A joint NISRA/HMRC statement referencing the differences between the methodologies and ongoing collaborative working is available in Appendix A. Users should also refer to Appendix C of the [2015 BESES publication](#) where the differences in estimates produced by NISRA and HMRC are further explored.

The Scottish Government also publish export statistics from the Exports Statistics Scotland series (formerly called the Global Connections Survey). These statistics can be accessed at:

<http://www.gov.scot/Topics/Statistics/Browse/Economy/Exports/ESSPublication>

The Government Statistical Service (GSS) has issued guidance on comparing official statistics produced by each nation of the UK. This guidance can be accessed here:

<https://gss.civilservice.gov.uk/wp-content/uploads/2014/02/Comparability-Report-Final.pdf>

NISRA's exports statistics are considered as "Partially Comparable at Level D" with the ONS's statistics on importers and exporters in GB (most recent publication at <http://www.ons.gov.uk/ons/rel/abs/annual-business-survey/exporters-and-importers-in-great-britain--2014/sty-exporters-and-importers.html>).

Level D comparability is described as:

"Figures which are produced from separate sources of data. Methods and standards are broadly comparable, but users should be made aware of the limitations."

Status of figures in current bulletin

The most recent figures relate to survey year 2015. These figures are provisional and are subject to revision in the next reporting period.

It is normal practice to revise the data from the previous year based on ongoing data validation and clarification of responses from individual businesses. In line with this, previously published provisional BESES estimates for 2014 have been revised throughout this publication.

Sales and exports values are reported in £ million unless otherwise specified.

Percentage changes are reported to one decimal place.

The Broad Economy Sales and Exports Statistics series is classified as experimental (see above).

Definitions used in this publication

Broad Economy: The information needed to produce BESES is collected via the NI Annual Business Inquiry (NIABI). Like NIABI, the BESES results are classified according to the Standard Industrial Classification of Economic Activities (SIC) system. The SIC 2007 sections covered by the NIABI defines the term 'Broad Economy' and are as follows:

- A. Agriculture (support activities), forestry and fishing
- B. Mining and quarrying
- C. Manufacturing
- D. Electricity, gas, steam and air conditioning supply
- E. Water supply, sewerage, waste management and remediation activities
- F. Construction
- G. Wholesale and retail trade; repair of motor vehicles and motor cycles (Distribution industries)
- H. Transport and storage
- I. Accommodation and food service activities
- J. Information and communication
- L. Real estate activities
- M. Professional, scientific and technical activities
- N. Administrative and support service activities
- P. Education (excludes local authority and central government bodies)
- Q. Human health and social work activities (excludes local authority and central government, and medical and dental practice activities (group 86.2))
- R. Arts, entertainment and recreation
- S. Other service activities

Coverage: Following a decision in 2013 by the Office for National Statistics to discontinue the publication of figures covering Insurance & Re-insurance industries (within Sector K) due to ongoing volatility of the estimates, the NIABI and BESES publications also exclude estimates for this sector.

The other main areas that are excluded are: Public Administration and Defence (section O) while Agriculture, Forestry and Fishing (section A) excludes farming (groups 01.1, 01.2, 01.3, 01.4 and 01.5). Local authority and central Government bodies in Education (section P) and Human Health and Social Work Activities (section Q) have also been excluded from this publication, as has 86.2 (Medical and Dental Practice Activities) within section Q.

Total sales are defined as the sum of sales to Northern Ireland (NI), Great Britain (GB), the Republic of Ireland (ROI), the Rest of the European Union (REU) and the Rest of the World (ROW). Total sales include all taxes and duties on goods invoiced with the exception of VAT which is excluded from total sales.

External sales are comprised of those sales made outside Northern Ireland, that is, sales to Great Britain, the Republic of Ireland, the Rest of the European Union and the Rest of the World.

Exports consist of all sales made outside the United Kingdom.

All values are in **current** prices.

Further Information

Further information on the BESES can be accessed at:

<https://www.nisra.gov.uk/statistics/business-statistics/broad-economy-sales-and-exports-statistics>

2

Summary and commentary

2.1 Sales and Exports Performance

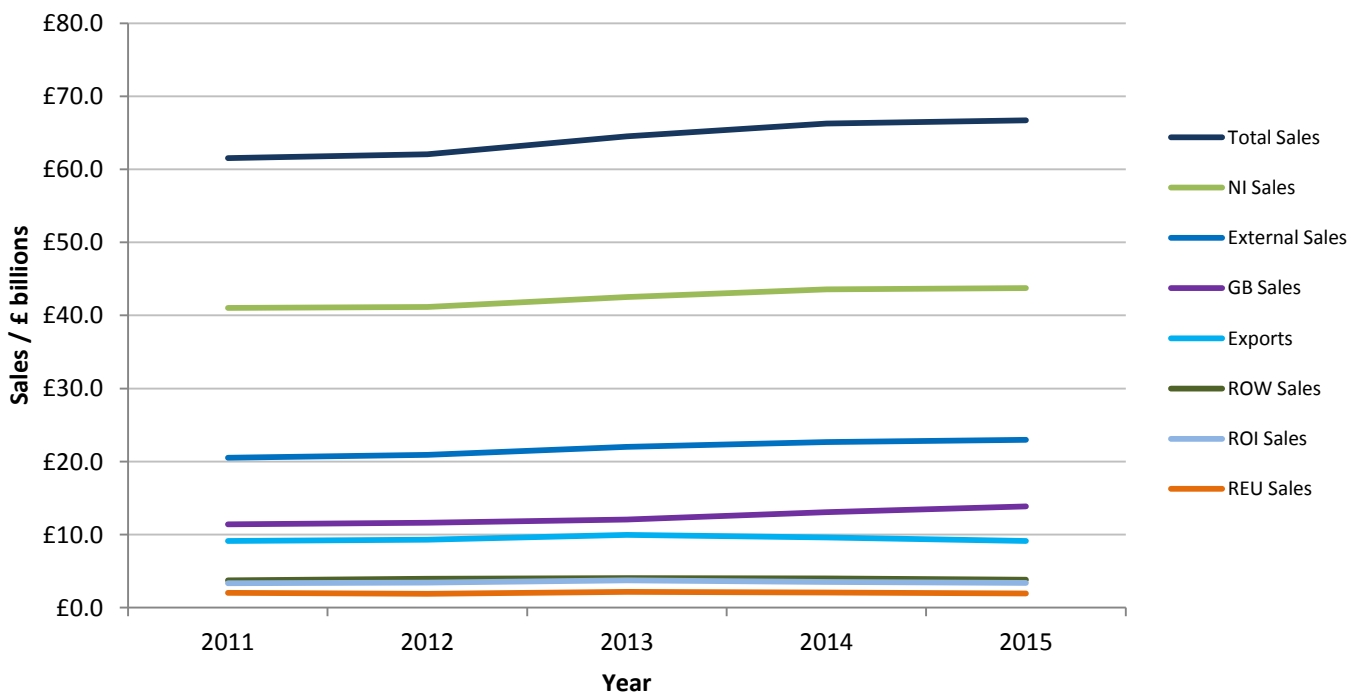
Total sales by companies in Northern Ireland were estimated to be worth £66.7 billion in 2015. This represents an increase of 0.7% (£457 million) over the year and compares to an increase of 2.7% in 2014.

In 2015, 34.4% of total sales were made to customers outside NI (external sales). This equated to £23.0 billion, representing an increase of 1.3% (£291 million) over the year. This figure exceeds the previously recorded peak in 2014 (£22.7 billion), and external sales and are therefore at their highest on survey record.

Sales outside the UK (exports) were estimated to be worth £9.1 billion in 2015. This represented a decrease of 5.0% over the year, and follows a decrease in the previous period (2013 – 2014) of 3.6%.

Figure 1 shows the values of total sales, and their broad destinations over the 5 year period (2011 to 2015). Over the period 2011 - 2013, sales to all broad destinations increased. However over each of the last two years, total exports have fallen, driven by a fall in sales to each export destination (ROI, REU and ROW). As a result of these falls, exports to these destinations are very similar to their levels in 2011.

Figure 1: Total Sales and their broad destinations: 2011 – 2015 (£ billions)

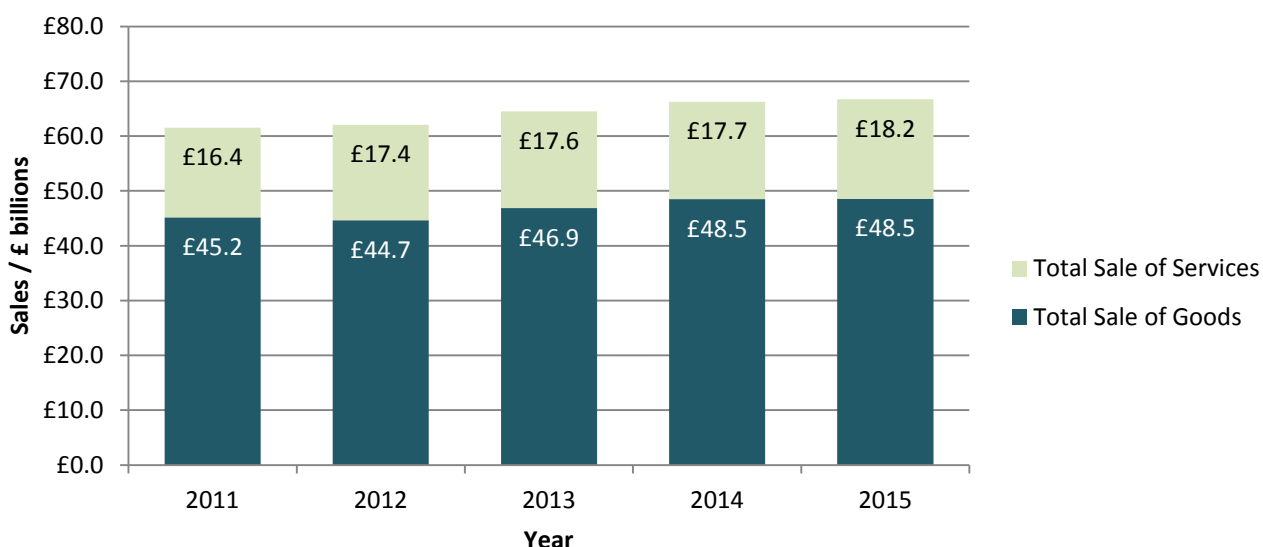


2.2 Sale of Goods and Services over Time

Total sales of goods were estimated to be worth £48.5 billion in 2015. The total sales of goods in 2014 were also worth £48.5 billion and hence the total sales of goods have been stagnant over the year. Total sales of goods represented almost three quarters (72.8%) of total sales in 2015.

Sales of services represented 27.2% of total sales in 2015 and were estimated to be worth £18.2 billion. Sales of services increased by 2.5% over the year (£0.4 billion), compared to an increase of 0.5% the previous year. Figures 2 – 4 show the values of total sales, external sales and export sales of goods and services over the 5 year period (2011 – 2015).

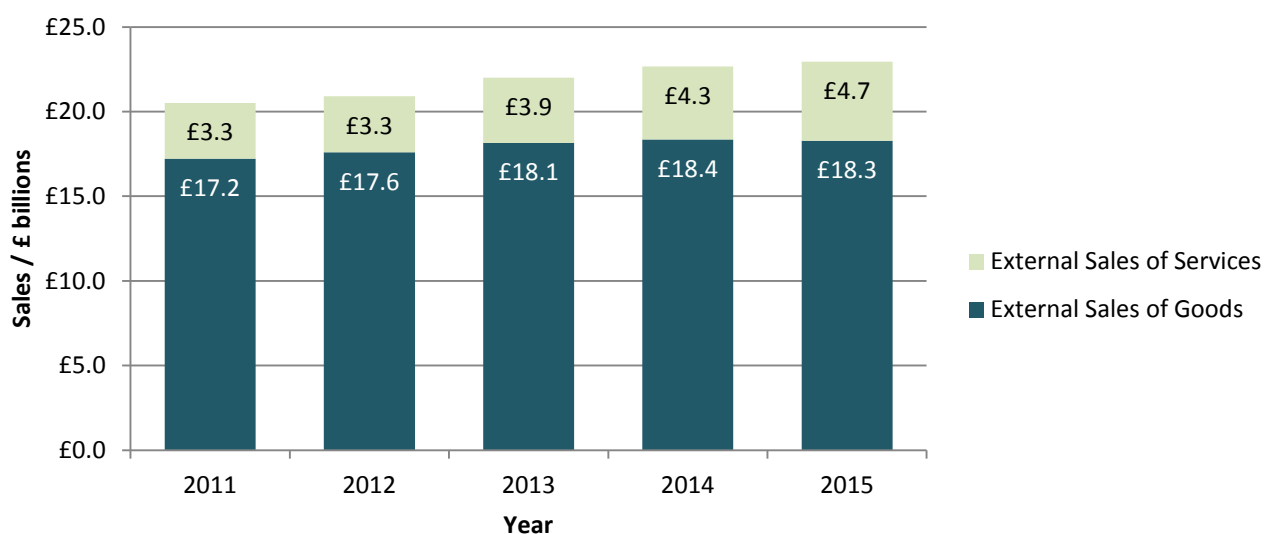
Figure 2: Total Sales of Goods and Services: 2011 – 2015 (£ billions)



The total value of external sales of goods by Northern Ireland companies was estimated to be worth £18.3 billion in 2015. This represents a decrease of 0.5% over the year (£0.1 billion) compared to a rise the previous year of 1.2%. External sales of goods represented 79.6% of all external sales in 2015.

External sales of services were estimated to be worth £4.7 billion in 2015. This represents an increase of 8.8% (£0.4 billion) over the year and compares to an increase of 11.9% in 2014. External sales of services represented 20.4% of all external sales over the year.

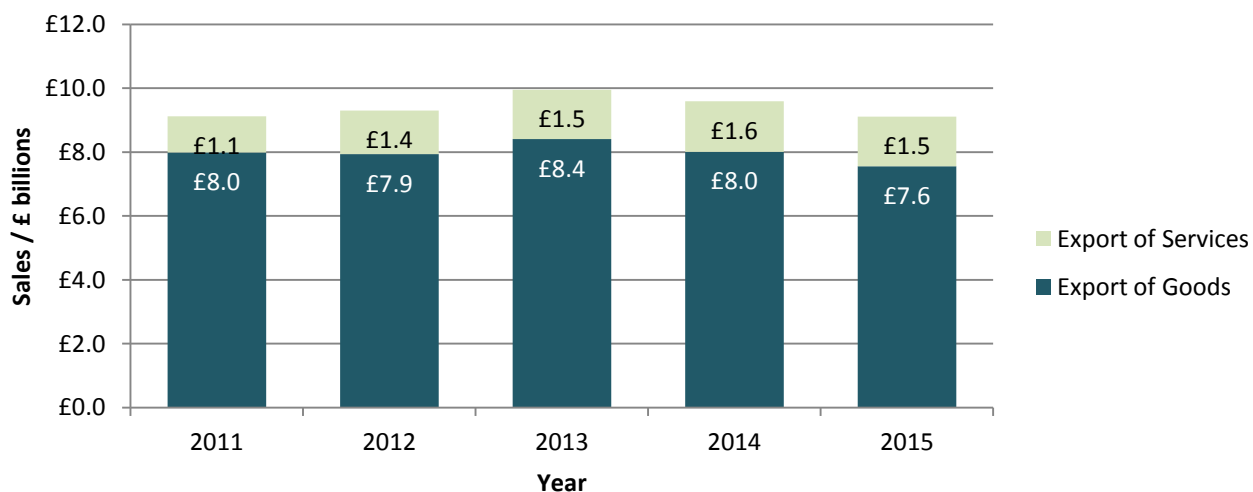
Figure 3: External Sales of Goods and Services: 2011 – 2015 (£ billions)



Total exports of goods were estimated to be worth £7.6 billion in 2015. This represents a decrease of 5.6% (£0.4 billion) over the year and compares to a decrease of 4.8% in 2014. The export of goods represented 83.0% of all exports in 2015.

Exports of services represented 17.0% of total export sales in 2015 and were estimated to be worth £1.5 billion. Exports of services decreased by 2.4% (£38 million) over the year compared to an increase of 3.2% (£50 million) the previous year.

Figure 4: Exports of Goods and Services: 2011 – 2015 (£ billions)



2.3 Analysis by Destination

Figure 5 shows the proportion of broad destination sales accounted for by goods and services. Sales of goods account for the largest proportion of sales within each broad destination in 2015. It is evident that the more distant the market, the greater the proportion of sales are attributed to goods, e.g., goods account for 69.2% of total Northern Ireland sales, and 84.4% of all Rest of World sales. Sales of goods account for 83.0% of export sales and 79.6% of all external sales.

For sales of services it is apparent that the closer the market the greater the proportion of service sales occur, with 30.8% of total sales in Northern Ireland and just 15.6% of all Rest of World sales. Service sales make up 17.0% of export sales and 20.4% of external sales.

Figure 5: Goods and Services, as a proportion of sales, to each destination: 2015

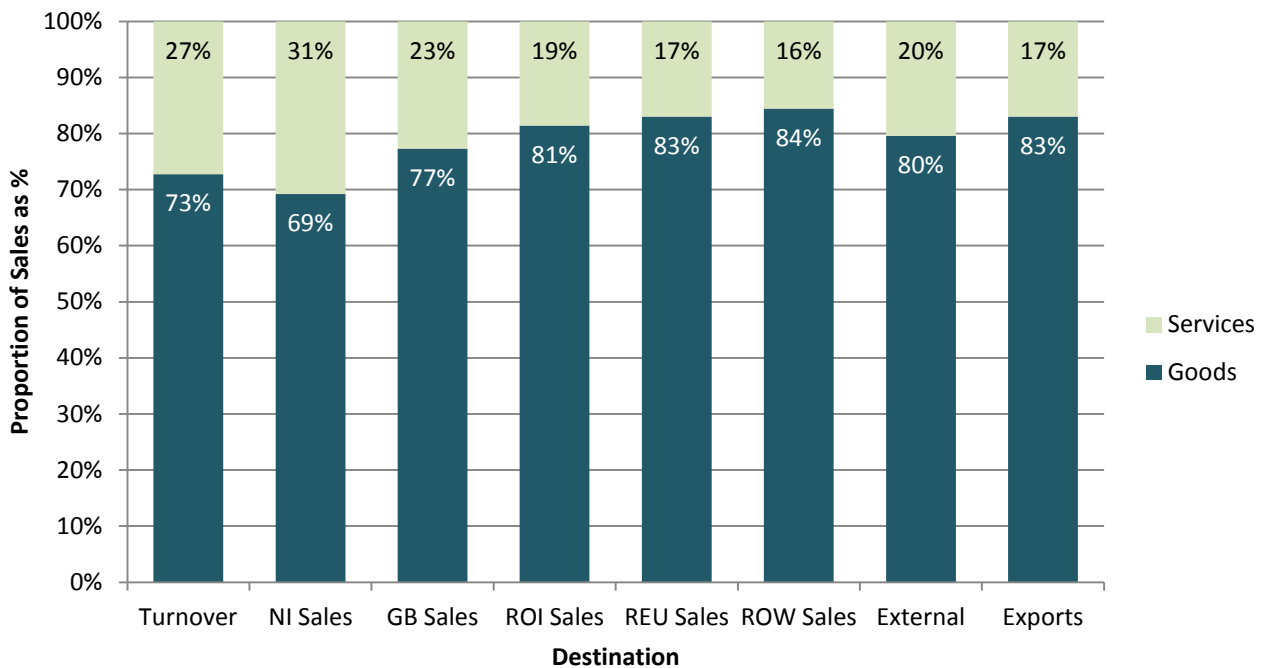
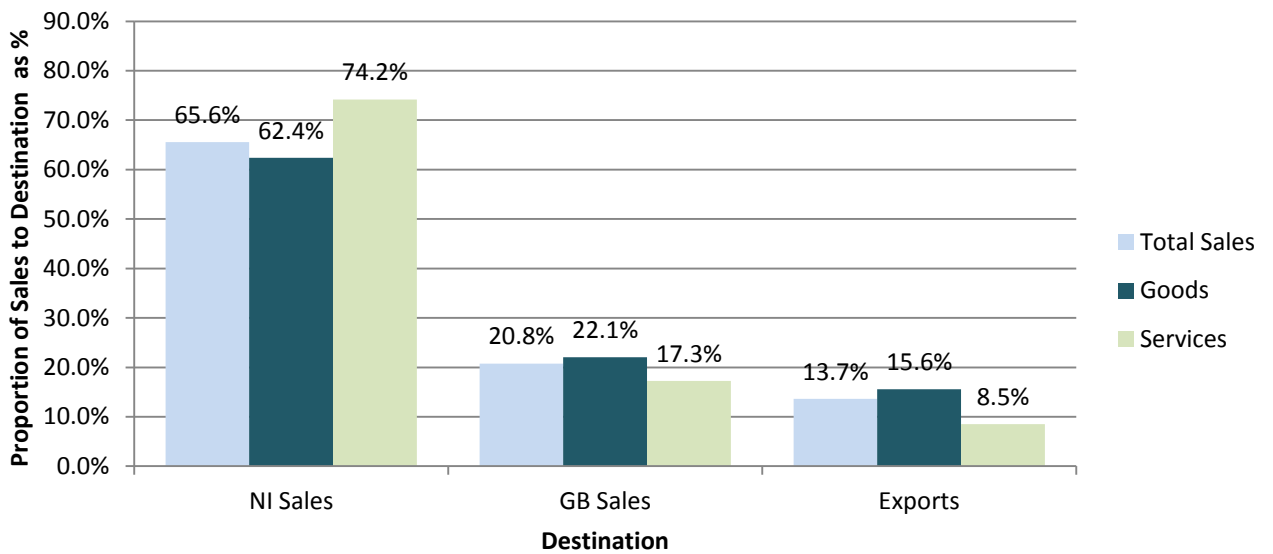


Figure 6 shows the proportion of total sales, sales of goods and sales of services sold to Northern Ireland, Great Britain and those sold as Exports. It is apparent that the highest proportion of service sales occurs internally, with 74.2% of all service sales made within Northern Ireland. The more distant the market, the smaller the proportion of sales of services becomes, with 17.3 % of sales in GB and 8.5% of sales exported.

62.4% of all sales of goods occur within Northern Ireland. While the proportion again drops with increasing market distance, the share of goods sold in Great Britain and those exported (22.1% and 15.6%) is greater than the corresponding proportion of services in these regions (17.3% and 8.5% respectively).

Figure 6: Proportion of the sale of Goods and Services to each destination: 2015



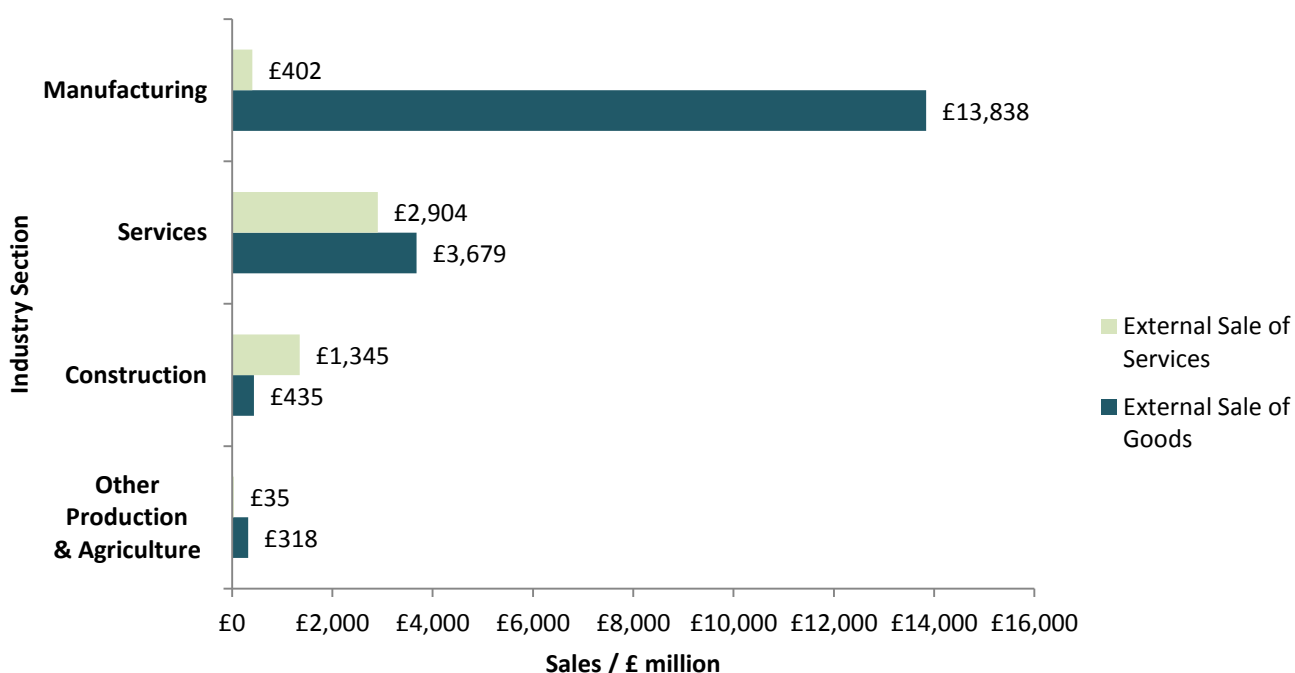
2.4 Analysis by Industry Section

External sales to markets outside Northern Ireland are comprised of sales to GB plus the value of exports combined. Figures 7 – 9 show the value, trends and proportion of external sales of goods and services over the year. In 2015, the largest proportion of external sales of goods was from the Manufacturing sector (Section C) which made up 75.7% (£13.8 billion) of all external sales of goods. External sales of manufactured goods remained relatively flat over the year, increasing by £3 million.

The next largest sector for external sales of goods was the Services sector¹, with 20.1% (£3.7 billion) of external sales of goods. External sales of goods in this sector saw the largest actual decrease over the year, down £111 million (2.9%).

The Construction sector (Section F) saw the next largest proportion of external sales of goods (2.4% or £435 million) while the Other Production & Agriculture² section represented just 1.7% (or £318 million) of external sales of goods. The Construction sector saw the largest increase in external sales of goods over the year, up £66 million over the year (17.9%).

Figure 7: External sales of goods and services by industry section: 2015 (£ millions)



¹ The Services section comprises sectors G – J, L – N and sectors P – S

² The Other Production & Agriculture section comprises sectors A, B, D & E

The largest proportion of external sales of services was, not surprisingly, from the Services section which made up 62.0% (£2.9 billion) of all external sales of services. Such activity saw an increase of £169 million (6.2%) between 2014 and 2015.

The next largest sector for external sales of services was the Construction sector, with 28.7% (£1.3 billion) of external sales of services. External sales of services in this sector saw an increase of £141 million over the year (11.7%).

Manufacturing saw the next largest proportion of the external sale of services with 8.6% (£402 million) of such sales in 2015. The Manufacturing sector also saw the largest percentage increase in external sales of services over the year, increasing by 19.5 % (£65 million). The Other Production & Agriculture section represented just 0.7% (£35 million) of external sales of services in 2015, and saw a marginal increase (£3 million or 8.0%) over the year.

Figure 8: Trends in external sales of goods and services: change by industry section 2014 – 2015 (£ millions)

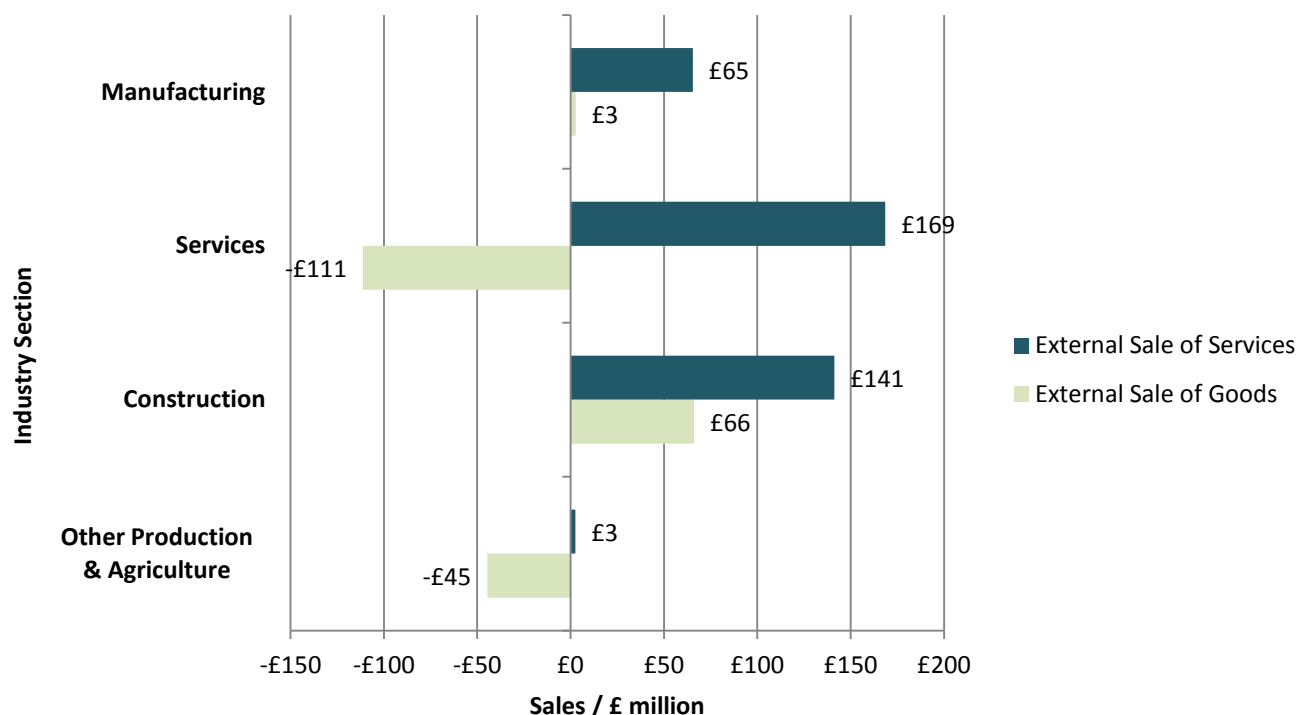
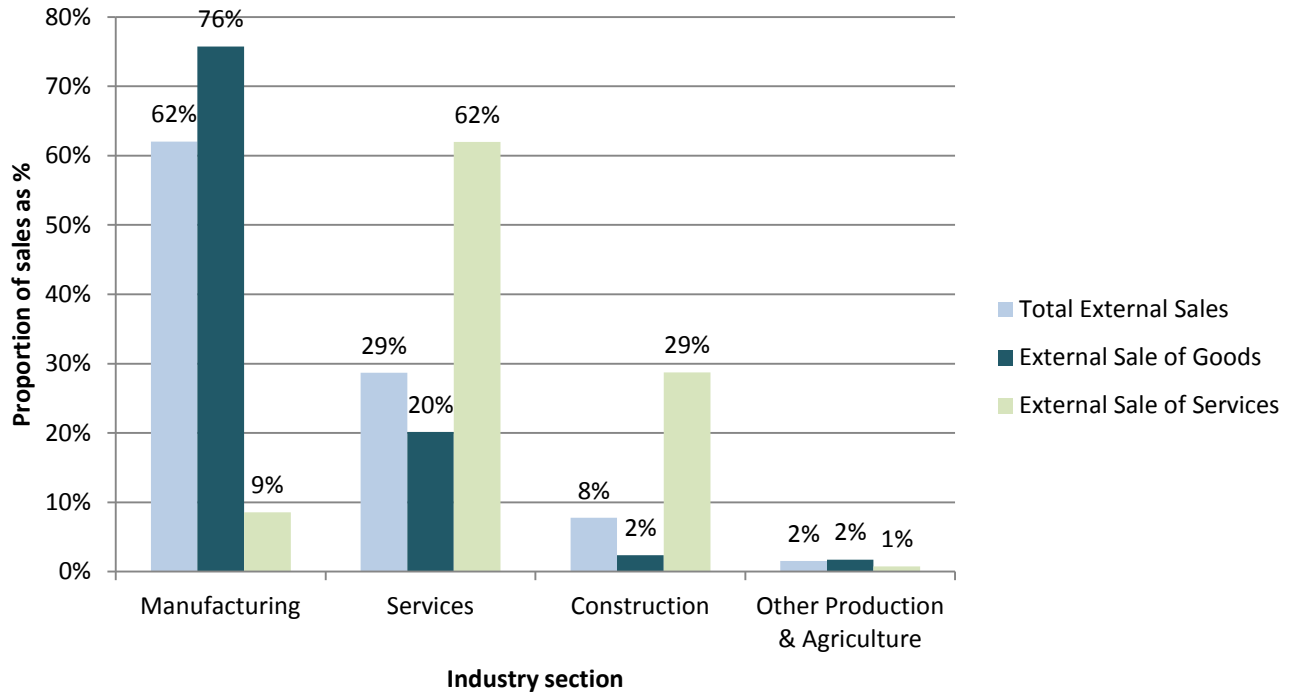


Figure 9: Proportion of external sales of goods and services by industry section: 2015



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Results Tables: 2015

Table 1: Sales to Broad Destinations Split by Goods and Services: 2015 (£ millions)

Broad Destination	Total Sales	Total Sales of Goods	Total Sales of Services
Total Sales	£66,699	£48,541	£18,158
NI Sales	£43,745	£30,272	£13,473
GB Sales	£13,848	£10,711	£3,138
ROI Sales	£3,377	£2,749	£628
REU Sales	£1,927	£1,599	£327
ROW Sales	£3,803	£3,211	£592
External Sales	£22,955	£18,270	£4,685
Exports	£9,106	£7,559	£1,547

Figures may not sum due to rounding.

Table 2 – Total Goods and Services by Industry Section: 2015 (£ millions)

Standard Industrial Classification	Description	Total Sales	Total Sales of Goods	Total Sales of Services
A – S	Agriculture, fishing, production, construction, distribution and services	£66,699	£48,541	£18,158
A (part)	Agriculture, forestry and fishing	£143	£116	£27
B	Mining and quarrying	£412	£369	£43
C	Manufacturing	£18,153	£17,449	£704
D	Electricity, gas, steam and air conditioning supply	£1,957	£1,573	£384
E	Water supply, sewerage, waste management and remediation activities	£822	£386	£436
F	Construction	£6,007	£1,962	£4,045
G	Wholesale and retail trade; repair of motor vehicles and motor cycles	£25,136	£24,040	£1,095
H	Transport and storage	£3,141	£310	£2,831
I	Accommodation and food service activities	£1,587	£1,120	£467
J	Information and communication	£1,809	£278	£1,531
L	Real estate activities	£844	£37	£807
M	Professional, scientific and technical activities	£2,271	£460	£1,811
N	Administrative and support service activities	£1,761	£307	£1,454
P - S	Others	£2,656	£135	£2,520

* = Cells have been suppressed to protect confidentiality.

Figures may not sum due to rounding.

Table 3 – Export of Goods and Services by Industry Section: 2015 (£ millions)

Standard Industrial Classification	Description	Total Exports	Export of Goods	Export of Services
A – S	Agriculture, fishing, production, construction, distribution and services	£9,106	£7,559	£1,547
A (part)	Agriculture, forestry and fishing	£21	*	*
B	Mining and quarrying	£31	£29	£2
C	Manufacturing	£5,489	£5,319	£169
D	Electricity, gas, steam and air conditioning supply	£29	£26	£3
E	Water supply, sewerage, waste management and remediation activities	£109	£101	£7
F	Construction	£232	£66	£166
G	Wholesale and retail trade; repair of motor vehicles and motor cycles	£1,758	£1,689	£68
H	Transport and storage	£295	£8	£287
I	Accommodation and food service activities	*	*	*
J	Information and communication	£477	£36	£441
L	Real estate activities	*	*	*
M	Professional, scientific and technical activities	£335	£124	£211
N	Administrative and support service activities	£263	£133	£130
P - S	Others	£58	£5	£53

* = Cells have been suppressed to protect confidentiality

Figures may not sum due to rounding.

Table 4 – External Sales of Goods and Services by Broad Industry Section: 2015 (£ millions)

Standard Industrial Classification	Description	Total External Sales	External Sale of Goods	External Sale of Services
A – S	Agriculture, fishing, production, construction, distribution and services	£22,955	£18,270	£4,685
C	Manufacturing	£14,239	£13,838	£402
F	Construction	£1,780	£435	£1,345
G – J, L – M, P – S	Services	£6,582	£3,679	£2,904
A, B, D & E	Other Production & Agriculture	£353	£318	£35

Figures may not sum due to rounding.

Appendix A: NISRA/HMRC joint statement referencing the differences in methodological approaches between BESES and HMRC RTS

Due to methodological differences, the BESES (NISRA's Broad Economy Sales and Exports Statistics) and HMRC Regional Trade Statistics (RTS) are not directly comparable.

HMRC's primary source data is collected from the EU-wide Intrastat survey and from Customs import and export entries, both administered by HMRC. These record the movement - for trade purposes - of goods only between the UK and both EU and non-EU countries. There is a legal requirement for all VAT-registered businesses to supply this data, although for trade with the EU this only applies to businesses trading above the Intrastat threshold.

The RTS methodology allocates trade to a region based on the location of the business exporting or importing the goods. For multi-branch businesses, it allocates trade to a region, based on the proportional distribution of employees of that business across the regions of the UK. HMRC consider this to be a good proportionate reflection of trade at a regional basis. This methodology is in harmony with other regional statistical products from across the GSS, including the Annual Business Survey and the recently launched Regional Trade in Services from the ONS.

This main allocation method is used for all trade except for specific goods, the treatment of which are outlined in the published RTS methodology:
https://www.uktradeinfo.com/Statistics/OverseasTradeStatistics/AboutOverseastradeStatistics/Documents/RTS_Methodology_Revision_2016.pdf

The BESES is an experimental measure, based on an annual survey of local businesses' sales to markets outside Northern Ireland (NI). BESES data is gathered through the Northern Ireland Annual Business Inquiry and has been running since 2011. The ABI surveys all businesses with 50 or more employees; all multi-site businesses with 20-49 employees; all manufacturing businesses with more than 5 employees; and a representative sample of other smaller businesses. In all, the ABI samples about 20% of the eligible business population each year.

Statisticians in NISRA and HMRC are working together to understand the differences. This will lead to the documentation of the differences which will assist users. In the long term it may lead to future methodological enhancements of the products.