

Summary of usage of the Northern Ireland Index of Production (IOP)

The Index of Production (IOP) is one of several short term economic indicators which are used to provide an indicator of changes within the Northern Ireland (NI) Economy. Short term economic indicators provide a snap shot of change over a recent time period. Further examples of short term economic indicators for NI include the [Index of Services \(IOS\)](#), [Construction output statistics](#) and [NI Labour market statistics](#).

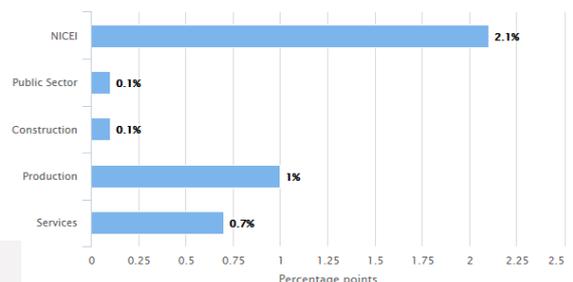
The Minister for the Department of Finance (DoF) receives quarterly IOS and IOP Indices to advise on the position of the NI economy.

The purpose of the NI IOP is to report the percentage changes in output occurring on a quarterly, annual and on a rolling four quarters basis within the NI production industries. It covers four main sectors, Manufacturing, Electricity, gas, steam and air conditioning supply, Water supply, sewerage and waste management (Inc. recycling) and Mining and quarrying. Changes in output for the production industries are published quarterly with comparisons drawn with the United Kingdom (UK).

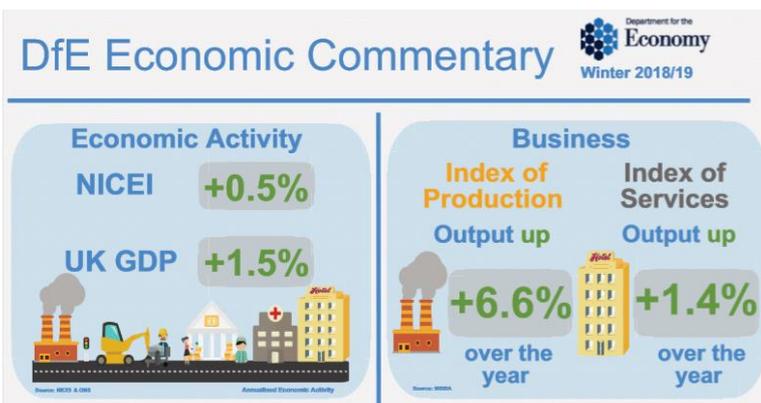
The main user of the NI IOP is the [Northern Ireland Composite Economic Index \(NICEI\)](#). IOP is amalgamated along with the IOS and Construction indices, agricultural output data and employee jobs data to produce the quarterly NICEI. The NICEI provides a seasonally adjusted and deflated measure of change in NI economic activity.

NICEI components of change

Contributions of component indices to annual change in the NICEI*
Q3-2018



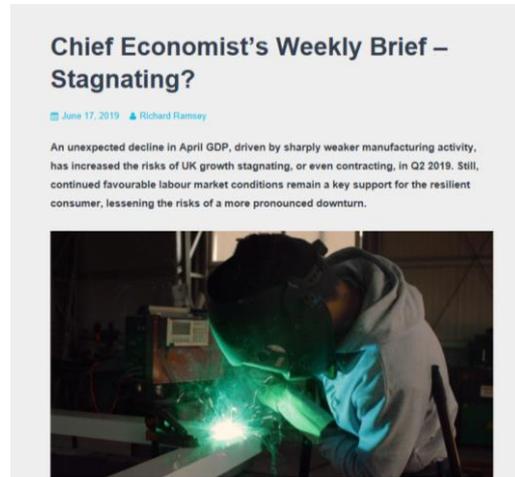
IOP is also used by The Department for the Economy who publish a [commentary of the NI Economy](#) which draws comparisons between the performance of the NI economy and the Republic of Ireland and UK economies.



The Department for the Economy also publish the key findings from the Index of Production publication on the [News](#) section of their website.

The IOP is also used by the local government (Northern Ireland Executive) to inform policy decisions.

The IOP is also used within [Ulster Economix](#) NI Purchasing Managers' Index (PMI) and within the Chief Economist's Weekly Briefs.



The best performers within NI manufacturing output in Q2-18 were: Basic & fabricated metal products up 7.3% q/q & 12.5% y/y. Metals output never higher and more than doubled (+115%) since Q3 2010 low. 'Other manufacturing' category record high +6.5% q/q & +21% y/y

Economists also use the IOP to help advise on socio-economic issues.

Other users include research committees, business experts, the European Commission, employers' associations, academics, the media and the general public who have an interest in the Northern Ireland economy. The departmental press office also disseminates IOP data to the media on a quarterly basis and it is regularly covered in the local media.



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Production (which is mainly manufacturing) also showed growth in Q2: 0.9% q/q and 0.1% y/y.

