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Northern Ireland external trade in goods and services - 2013 - 22 governmental data

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This Briefing Paper highlights key governmental data reporting on Northern Ireland's external trade, taking a specific look at the value and share of that trade in key markets, disaggregated by industry.

This information is provided to Members of the Legislative Assembly (MLAs) in support of their duties, and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as professional legal advice, or as a substitute for it.

Key Points

At the request of the Northern Ireland Assembly's Committee for the Economy, this Briefing Paper highlights key governmental data reporting on Northern Ireland's external trade in goods and services for 2013 – 2022. The Paper looks at sales and purchases, goods sales and purchases, and service sales and purchases, including the value and share, disaggregated by industry.

Those governmental data report the following:

- Northern Ireland's total external sales increased by 32% over the period 2013 to 2022, total external purchases increased by 18%. Northern Ireland's external goods sales increased by 7.8%, whilst external goods purchases increased by 20.1%. External service sales increased significantly by 146%, whilst external service purchases grew more modestly by 9%.
- Northern Ireland ran an overall external trade surplus, over the period 2013 to 2022.
- Northern Ireland operated an external goods trade deficit since 2016, but the size of that deficit has narrowed from a peak of minus £2.2 billion in 2018, to minus £0.1 billion in 2022.
- Northern Ireland ran an external service trade surplus over the period, that surplus grew from £0.9 billion in 2013, to £6.2 billion in 2022.
- Over the 2013 to 2022 period, Great Britain was Northern Ireland's most significant external trading partner.
- There was, however, a decrease in the value of Northern Ireland's external goods sales to Great Britain – from £9.74 billion in 2013, to £9.64 billion in 2022. The 2022 value is higher than previous declines that had occurred in 2017 and 2020.
- There was a significant increase in Northern Ireland's external service sales to Great Britain, growing from £2.32 billion in 2013, to £6.09 billion in 2022.
- Between 2013 and 2022, Northern Ireland's external trade with the Republic of Ireland increased across all measures examined in this Briefing Paper – all sales and purchases, goods sales and purchases;

and, service sales and purchases. Overall, its total external sales to the Republic of Ireland increased from £3.7 billion in 2013, to £6.4 billion in 2022, with its total external purchases increasing from £2.1 billion in 2013, to £3.5 billion in 2022.

- Overall, Northern Ireland's external sales to the Rest of the World increased slightly from £4.1 billion in 2013, to £4.2 billion in 2022. External purchases from the Rest of the World grew from £1.9 billion, to £3.8 billion in that same time frame.
- Overall external sales to the Rest of the European Union (EU) increased, growing from £2.2 billion in 2013, to £2.7 billion in 2022. External purchases from the Rest of the EU grew from £1.6 billion, to £2.4 billion over the same time period.
- As of 2022, manufacturing, wholesale and retail, and construction were the top three industry sectors, of the total 21 sectors participating in Northern Ireland's overall external sales and purchases.
- Please note that the scope of this Paper is limited to highlighting key relevant data in the area. It does not seek to analyse how a number of significant events occurring during the period had impacted those data; events including, but not limited to, the COVID-19 pandemic, the United Kingdom's exit from the European Union (EU) and inflation.

Introduction

This Briefing Paper was requested by the Committee for the Economy (the Committee) in the Northern Ireland Assembly (Assembly). Its purpose is to highlight key governmental data reporting on Northern Ireland’s “external trade”¹ in goods and services for 2013 – 2022. Those data report on external trade sales and purchases, goods sales and purchases, and service sales and purchases, including the value and share, disaggregated by industry. They are sourced from the Northern Ireland Statistics and Research Agency (NISRA).

The Paper is presented as follows:

- Section 1 – Governmental data and terminology
- Section 2 – All external trade
- Section 3 – Goods external trade
- Section 4 – Service external trade
- Section 5 – Key takeaways

Please note that the scope of this Paper is limited to highlighting the noted data. It does not seek to analyse how a number of significant events occurring during the period had impacted those data; events including, but not limited to, the COVID-19 pandemic, the United Kingdom’s exit from the European Union (EU) and inflation.

¹ Please see definition in sub-section 1.2 of this Paper

1 Governmental data and terminology

Before looking at the governmental data, it is useful to note some caveats and key definitions, using the following two sub-sections.

1.1 Governmental data

All data in this Paper are sourced from the NISRA, in particular its publication entitled “Northern Ireland Economic Trade Statistics”; published 13 December 2023 and updated 8 March 2024.^{2 3} Those data cover the period 2013 to 2022; inclusive of the first and the most recent years in which full data for all the variables discussed in this Paper are available. (The noted publication is published annually; next due in December 2024.)

The Committee should note that there are a number of factors potentially affecting the stated data, including, but not limited to: the COVID-19 pandemic; the United Kingdom’s exit from the European Union (EU); and, inflation.⁴ It, however, is difficult at this time, to disaggregate the effects of those events. Though their impact may become clearer in future, when more data become available.

Potential scrutiny point:

1. Going forward, in the medium to long term, the Committee may wish to examine the significant events occurring during the noted period (2013 – 2022) and their impact on the highlighted governmental data, including, for example, engaging on this point with the Department for the Economy (DfE), key stakeholders and academic economists studying in this area.

² NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

³ NISRA’s methodology for its Northern Ireland Economic Trade Statistics Series is available [here](#).

⁴ NISRA [notes](#) that all values in its trade data are at current prices, meaning that the effects of inflation are included in the figures.

1.2 Terminology

This Paper focusses on “external trade”. External trade includes trade with Great Britain as well as, export and import trade. The following three substantive sections of the Paper focus on different aspects of external trade. Section 2 examines “all external trade”, which includes both goods and services trade. Sections 3 and 4 individually focus on goods trade and service external trade.

1.2.1 Markets

Four key markets are examined through this Paper: (1) Great Britain; (2) the Republic of Ireland; (3) the Rest of the EU – i.e. the EU excluding the Republic of Ireland; and, (4) the Rest of the World.

1.2.2 Sectors

Industry sector data are based on Standard Industrial Classification codes. Those codes are used to classify “business establishments and other statistical units by the type of economic activity in which they are engaged”.⁵ NISRA data on Northern Ireland trade are available at the broadest [Standard Industrial Classification code](#) aggregation. In other words, the sectoral data is available for broad sector classifications only, e.g. “manufacturing”, or “construction”. The data is not available at a sub-sector level.

1.2.3 Sales and Balance of Trade

In addition to examining the overall value of Northern Ireland external sales and purchases made over the period 2013 to 2022, the Paper also looks at the balance of trade. Balance of trade refers to difference between a country or region’s imports and exports, or in this case external purchases and external sales. In its commentary on the trade data, NISRA highlights the Eurostat guidance on trade balances which notes:

⁵ Census 2021, Methodology: United Kingdom SIC 2007 (January 2022) <https://www.ons.gov.uk/methodology/classificationsandstandards/ukstandardindustrialclassificationofeconomicactivities/uksic2007>

*If exports exceed imports then the country has a trade surplus and the trade balance is said to be positive. If imports exceed exports, the country or area has a trade deficit and its trade balance is said to be negative. However, the words 'positive' and 'negative' have only a numerical meaning and do not necessarily reflect whether the economy of a country or area is performing well or not.*⁶

2 All external trade

This section relies on the most recent NISRA data to report on changes in the value of Northern Ireland's external sales, purchases and balance of trade over time. It then takes a deeper look at the value and share of that trade for Northern Ireland in specific markets, disaggregated by industry.

2.1 All external trade: value of external sales and purchases

Figure 1, below, shows the value of Northern Ireland's external sales and purchases for goods and services between 2013 and 2022. It also shows the balance of that trade for each year during the same period.

Between 2013 and 2022, Northern Ireland's external sales increased from £22 billion in 2013, to £29.04 billion in 2022 - an increase of 32%. There was, however, a downturn in the value of external sales from 2016 to 2017. NISRA commentary noted that those data were "mainly driven by the first recorded decrease in [Great Britain] sales".⁷

A further contraction in external sales is evident in 2020, according to NISRA, the "vast majority of businesses reported that the decrease in total trade in 2020 was as a result of the impact of COVID-19 on business operations".⁸

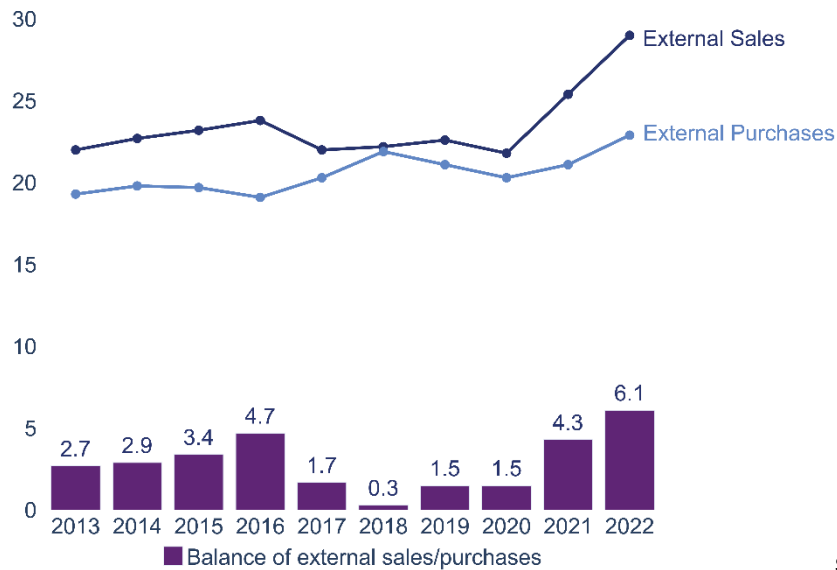
⁶ NISRA, Northern Ireland Economic Trade Statistics 2022 (13 December 2023) <https://datavis.nisra.gov.uk/economy-and-labour-market/northern-ireland-economic-trade-statistics-2022.html>

⁷ As cited immediately above

⁸ As cited in footnote 6

Over the same period, Northern Ireland's external purchases grew from £19.34 billion in 2013, to £22.89 billion in 2022 - an increase of 18%. Moreover, Northern Ireland operated an external trade surplus in each year between 2013 to 2022. In 2022, that surplus reached a high of £6.1 billion:

Figure 1: Value of external sales/purchases and balance of trade (£ billion)⁹



Source: NISRA (2024)

2.2 All external trade: value and share of sales by market

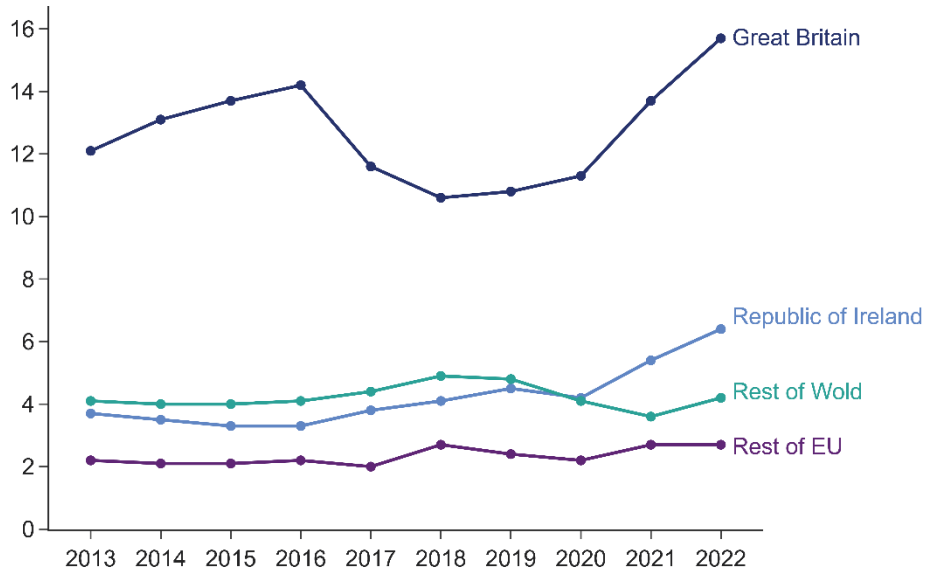
Figure 2, below, compares the overall value of external sales to Great Britain, the Republic of Ireland, the Rest of the EU and the Rest of the World, between 2013 and 2022. The Figure shows that over that period Northern Ireland's external sales to:

- Great Britain increased from £12.1 billion in 2013, to £15.7 billion in 2022
- the Republic of Ireland increased from £3.7 billion, to £6.4 billion
- the Rest of the EU increased from £2.2 billion, to £2.7 billion

⁹ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

- the Rest of the World, however, remained relatively flat; increasing from £4.1 billion, to £4.2 billion¹⁰

Figure 2: Value of external sales by market¹¹



Source: NISRA (2024)

Figure 3, below, provides a breakdown of the proportion Northern Ireland’s external sales by destination market between 2013 to 2022. The Figure shows that its sales to Great Britain consistently accounted for the largest proportion of its external sales across the period. In 2013, its sales to Great Britain accounted for 54.8% of its overall external sales. Despite declining as a proportion of its external sales in 2017, 2018 and 2019, its sales to Great Britain accounted for 54.2% of its overall external sales in 2022.

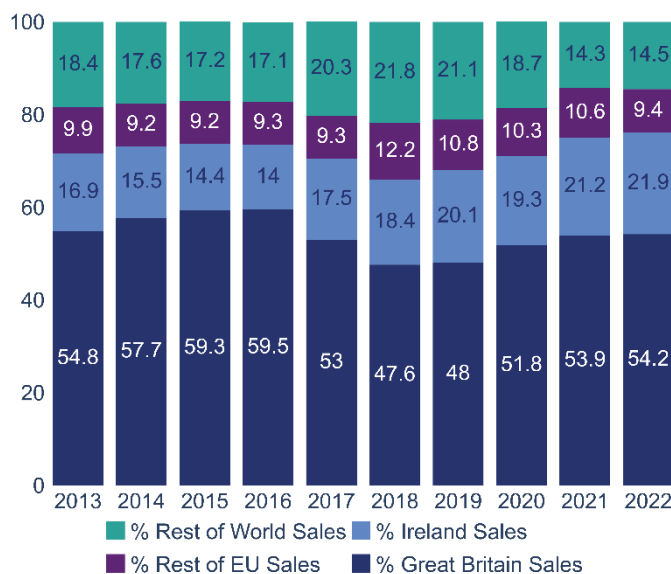
Figure 3 also shows that Northern Ireland’s sales to the Republic of Ireland accounted for the third largest proportion of total sales in 2013 (16.9%). The share of its external sales to the Republic of Ireland increased in each year from 2017 to 2022. In 2022, the Republic of Ireland accounted for the second highest proportion of its external sales (21.9%).

¹⁰ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

¹¹ As cited immediately above

Conversely, Northern Ireland’s sales to the Rest of the World accounted for the second largest proportion of its external sales in 2013 (18.4%), but fell to its third largest proportion by 2022 (14.5%). Moreover, Northern Ireland’s sales to the Rest of the EU consistently accounted for the fourth highest proportion of its external sales over the period:

Figure 3: Percentage share of external sales 2013 to 2022¹²



Source: NISRA (2024)

2.3 All trade: share of purchases by market

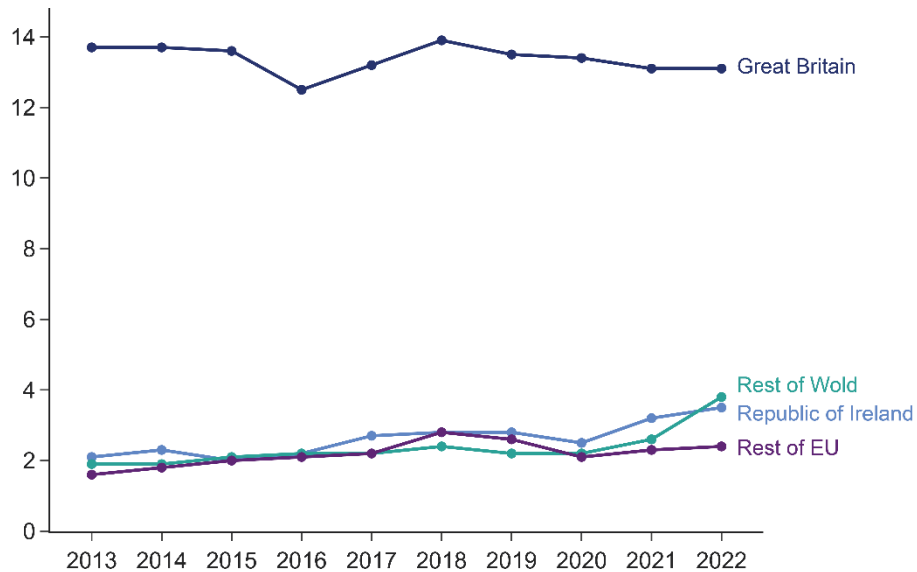
Figure 4, below, compares the value of external purchases made by Northern Ireland from Great Britain, the Republic of Ireland, the Rest of the World and the Rest of the EU between 2013 and 2022. The Figure shows that over the period Northern Ireland’s purchases from:

- Great Britain fell slightly from £13.7 billion in 2013, to £13.1 billion in 2022
- the Republic of Ireland increased from £2.1 billion, to £3.5 billion
- the Rest of the World increased from £1.9 billion, to £3.8 billion

¹² NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

- the Rest of the EU increased from £1.6 billion, to £2.4 billion¹³

Figure 4: Value of external purchases by market¹⁴



Source: NISRA (2024)

Figure 5, below, provides a breakdown of the proportion Northern Ireland’s external purchases by source market from 2013 to 2022. The Figure shows its purchases from Great Britain consistently accounted for the largest proportion of its external purchases over the period. The proportion of its external purchases from Great Britain declined from 71.1% in 2013, to 57.3% in 2022.

The Republic of Ireland was the source of the second largest proportion of Northern Ireland’s external purchases in most years between 2013 to 2022. The exceptions to that were 2015 and 2022, when the region accounted for the third largest proportion of Northern Ireland’s external purchases. Figure 5 (below) shows its share of purchases from the Republic of Ireland increased from 10.9%, to 15.4%.

Purchases from the Rest of the World accounted for the third largest share of Northern Ireland’s external purchases in most years between 2013 and 2022. In both 2015 and 2022, however, the Rest of the World accounted for its second

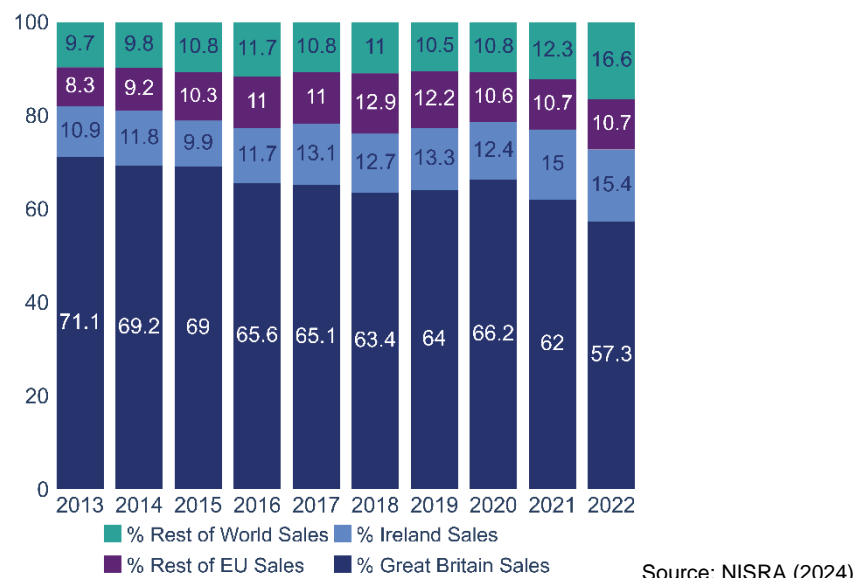
¹³ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

¹⁴ As cited immediately above

highest proportion of external purchases. Figure 5 (below) shows that Northern Ireland's purchases from the Rest of the World increased from 9.7% to 16.6% between 2013 and 2022.

The Figure also shows its purchases from the Rest of the EU consistently accounted for the fourth largest proportion of external purchases over the period, with the share growing from 8.3% in 2013, to 10.7% in 2022:

Figure 5: Percentage share of external purchases 2013 to 2022¹⁵



2.4 All external trade: value of external sales and purchases by industry

Figure 6, below, provides an overview the value of the Northern Ireland's external sales and purchases by industry sector in 2022. The sectors used in the Figure are based on [Standard Industry Definition \(SIC\) codes](#), at "section" level (the broadest aggregation of sectoral data). There are 21 different SIC code sections, which in turn breakdown into over 1,000 subsections.¹⁶ The NISRA source data do not include values for all 21 sections. Gaps in the source data occur when no data are available or when the data "ha[ve] been

¹⁵ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

¹⁶ For a full list of SIC code sections and their subdivisions please see <https://resources.companieshouse.gov.uk/sic/>

suppressed to protect confidentiality”. As such, the data presented in Figure 6 provide the available governmental data, as compiled by NISRA.

Based on those most available data, Figure 6, below, shows the top three sectors¹⁷ for Northern Ireland external sales in 2022 were:

- manufacturing, valued at £13.7 billion
- wholesale and retail trade, valued at £5.1 billion
- construction, valued at £3.4 billion¹⁸

In 2022, Northern Ireland’s total external sales were valued at £29 billion. Of those, manufacturing accounted for 47.2% of its total, while wholesale and retail trade accounted for 17.6%, and construction accounted for 11.7%.

Figure 6 also shows that the top three sectors for Northern Ireland’s external purchases in 2022 were:

- wholesale and retail trade, valued at £10.9 billion
- manufacturing, valued at £6.6 billion
- construction, valued at £1.5 billion¹⁹

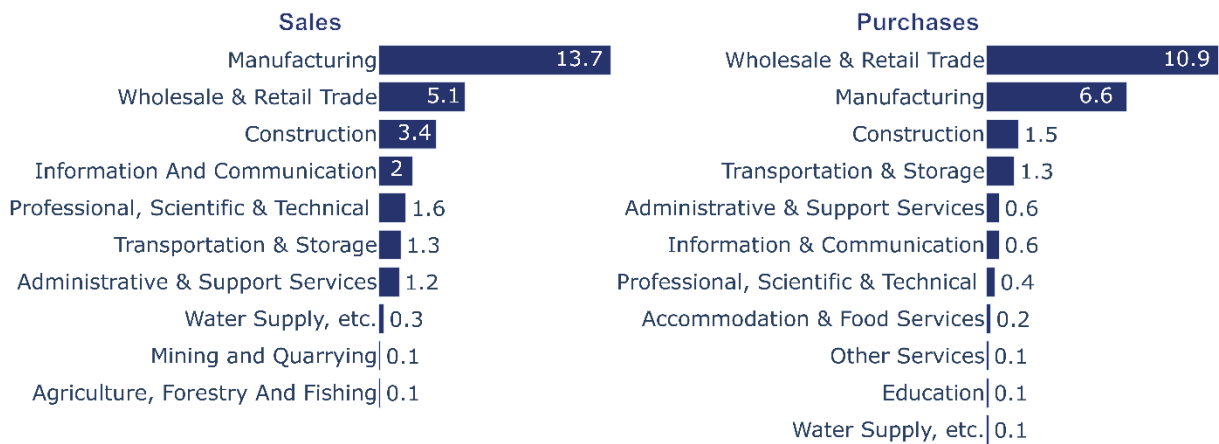
In 2022, its total external purchases were valued at £22 billion. Of those, wholesale and retail accounted for 49.5% of its total, with manufacturing accounting for 30%; and construction accounted for 6.6%:

¹⁷ As noted there are 21 broad sectors represented in the SIC code sections. These are accessible at <https://resources.companieshouse.gov.uk/sic/>

¹⁸ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

¹⁹ As cited immediately above

Figure 6: Value of external sales and purchases industry 2022 (£ billion)²⁰



Source: NISRA (2024)

3 Goods external trade

This section takes a similar approach to the previous section, examining changes to the value of goods external trade for Northern Ireland over time - in particular, looking at the value and share of that trade in specific markets, disaggregated by industry.

3.1 Goods external trade: value of sales and purchases

Figure 7, below, shows the value of Northern Ireland’s external sales and purchases of goods between 2013 and 2022. It also shows its balance of goods external trade for each year over this same period. The Figure shows that such goods purchases grew from £18.15 billion in 2013, to £19.56 billion in 2022 - an increase of 7.8%. Although the overall trend for the stated period was upwards for Northern Ireland, its external goods sales trended downwards in 2017 and again in 2020, before returning to growth in 2021, when they increased by 13.4% on the previous year. As noted in sub-section 2.2, NISRA’s commentary on the data notes a decline in sales to Great Britain from 2016 to 2017. It also highlights the impact of COVID-19 on trade in 2020.²¹

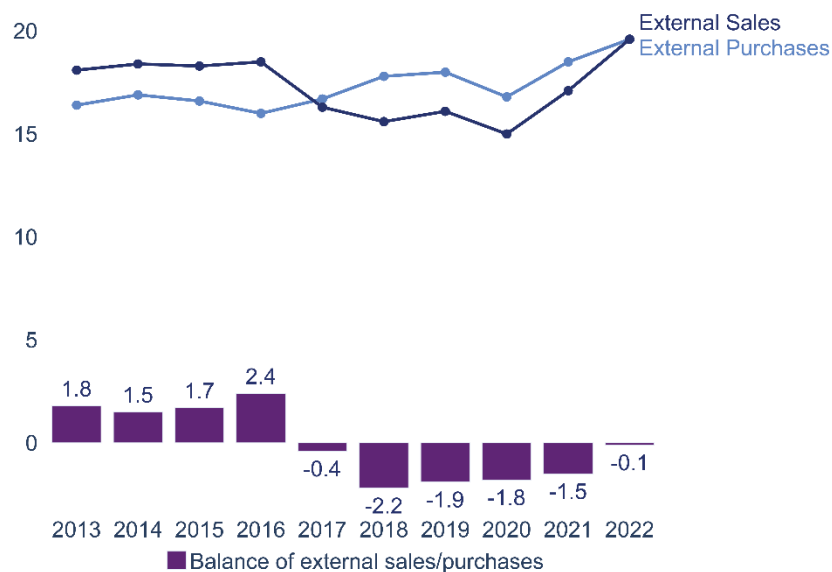
²⁰ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

²¹ As cited immediately above

Northern Ireland’s external goods purchases grew from £16.36 billion in 2013, to £19.35 billion in 2022; an increase of 20.1%. Its external goods purchases grew year-on-year in that period, with the exception of 2020, when purchases decreased compared to the previous year. Again, NISRA notes that COVID-19 impacted purchases during 2020.²²

Figure 7 (below) shows that Northern Ireland ran an external goods surplus between 2013 and 2016. Over that period, its noted surplus grew from £1.8 billion in 2013, to £2.4 billion in 2016. Since 2016, however, Northern Ireland has operated a goods trade deficit. That deficit peaked in 2018 at minus £2.2 billion, and then decreased year-on-year between 2018 and 2022. As of 2022, Northern Ireland’s external goods trade deficit was minus £0.1 billion:

Figure 7: Value of external goods sales/purchases and balance of trade (£ billion)²³



Source: NISRA (2024)

²² NISRA, Northern Ireland Economic Trade Statistics 2022 (13 December 2023) <https://datavis.nisra.gov.uk/economy-and-labour-market/northern-ireland-economic-trade-statistics-2022.html>

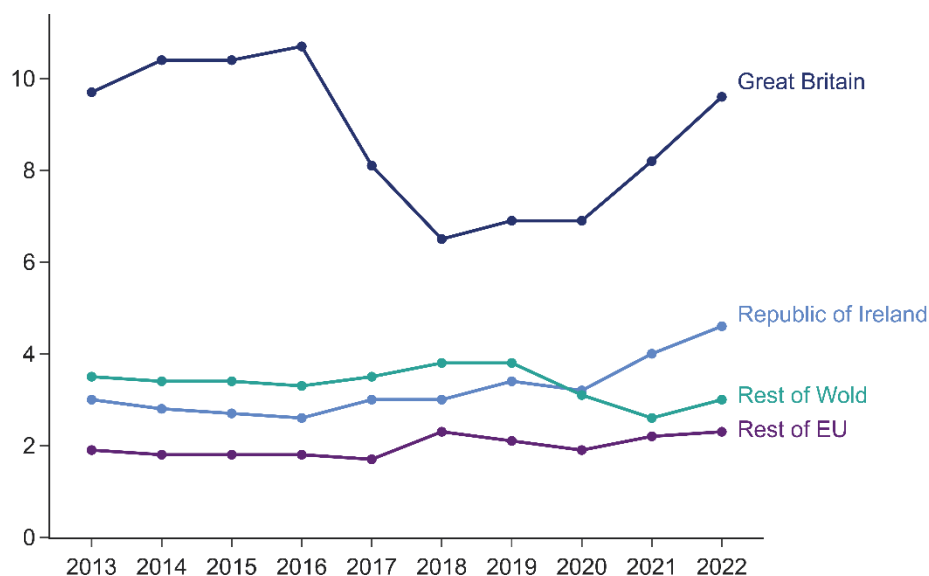
²³ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

3.2 Goods external trade: value and share of sales by market

Figure 8, below, compares the value of Northern Ireland's external goods sales to Great Britain, the Republic of Ireland, the Rest of the World and the Rest of the EU, between 2013 to 2022. The Figure shows over the period Northern Ireland's sales to:

- Great Britain decreased from £9.74 billion in 2013, to £9.64 billion; however, its sales to Great Britain increased year-on-year until 2016, after which they declined until 2018, despite returning to growth in 2019, the impact of COVID is again evident with a further decrease in 2020
- the Republic of Ireland increased from £3.02 billion in 2013, to £4.62 billion in 2022
- the Rest of the World decreased from £3.53 billion, to £3.01 billion
- the Rest of the EU increased from £1.87 billion, to £2.28 billion:²⁴

Figure 8: Value of external goods sales by market²⁵



Source: NISRA (2024)

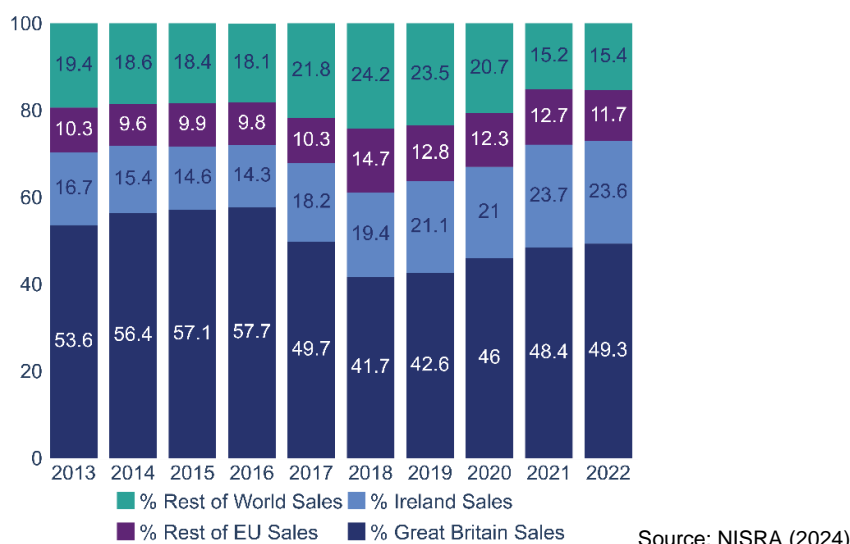
²⁴ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

²⁵ As cited immediately above

Figure 9, below, provides a breakdown of the proportion Northern Ireland’s external goods sales by destination market for the period 2013 to 2022. The Figure shows that its external goods sales from Great Britain consistently accounted for the largest proportion of those sales over the period. Figure 9 shows that the proportion of its external goods sales to Great Britain grew from 53.6% in 2013, to 57.7% in 2016. The proportion of its goods sales to Great Britain decreased to 49.7% in 2017, and 42.6% in 2018. Despite increasing in subsequent years, the proportion of its external goods sales to Great Britain in 2022 was at 49.3%; representing a smaller share of Northern Ireland’s overall external goods sales when compared to those in 2013.

Figure 9 also shows that in 2013 the Republic of Ireland was the third largest market for Northern Ireland goods by share, at 16.7%. That proportion, however, increased to become its second largest in 2022, at 23.6%. Conversely, the Rest of the World was its second largest in 2013, at 19.4%; and decreasing in 2022, at 15.4%, to become its third largest in that year. The Rest of the EU was consistently its fourth largest share over the period; that share grew from 10.3% in 2013, to 11.7% in 2022:

Figure 9: Percentage share of external goods sales 2013 to 2022²⁶



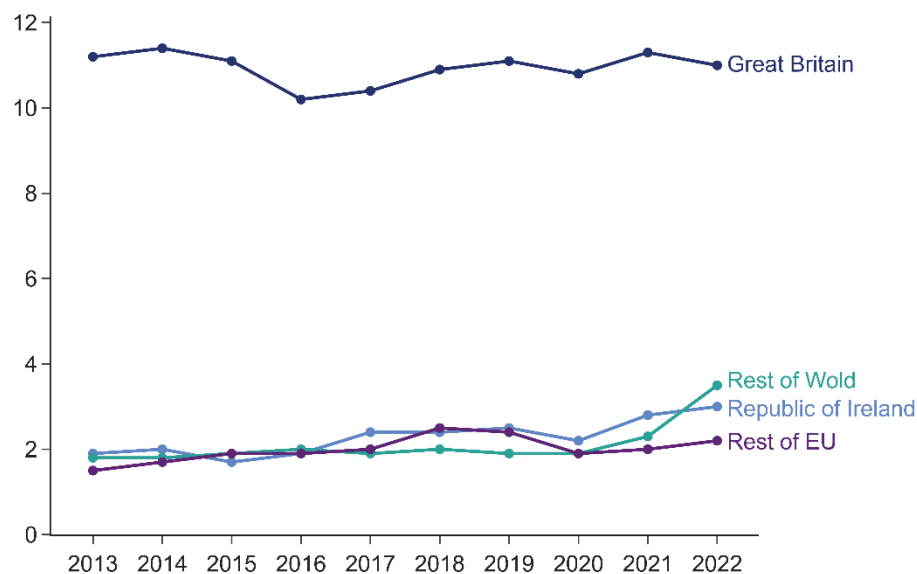
²⁶ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

3.3 Goods external trade: value and share of purchases by market

Figure 10, below, compares the value of goods purchased by Northern Ireland from Great Britain, the Republic of Ireland, the Rest of the World and the Rest of the EU, between 2013 and 2022. The Figure shows that over that period the value goods purchased from:

- Great Britain fell from £11.16 billion in 2013, to £11.01 billion in 2022
- the Republic of Ireland increased from £1.89 billion, to £2.97 billion
- the Rest of the World increased from £1.78 billion, to £3.45 billion
- the Rest of the EU increased from £1.52 billion, to £2.22 billion:²⁷

Figure 10: Value of external goods purchases by market²⁸



Source: NISRA (2024)

Figure 11, below, provides a breakdown of the proportion Northern Ireland's external goods purchases by source market over the period 2013 to 2022. The Figure shows that although Great Britain was consistently the largest source market for Northern Ireland's external goods purchases between 2013 to 2022, that share decreased over the period. It went from 68.3% of Northern Ireland's

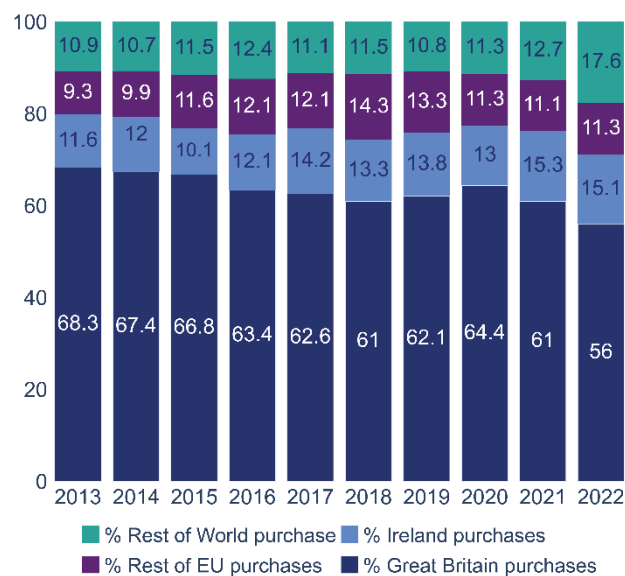
²⁷ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

²⁸ As cited immediately above

total external goods purchases in 2013, to 56% of its total external goods purchases in 2022.

Figure 11 also shows that the Republic of Ireland went from Northern Ireland's second largest source of external goods purchases in 2013, at 11.6%; to its third largest in 2022, at 15.1%. Conversely, the Rest of the World moved from its third largest source in 2013, at 10.9%; to its second largest in 2022, at 17.6%. The Rest of the EU was consistently its fourth largest over the period. And the Rest of the EU share for Northern Ireland grew from 9.3% in 2013, to 11.3% in 2022:

Figure 11: Percentage share of external goods purchases 2013 to 2022²⁹



Source: NISRA (2024)

3.4 Goods external trade: value of sales and purchases by industry

Figure 12, below, provides an overview the value of the Northern Ireland's external goods sales and purchases by industry sector in 2022. Figure 12 is subject to the same caveats about available data, as specified in sub-section 2.4 at Figure 6 of this Paper.

²⁹ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

Based on those available data, Figure 12 shows the top three sectors for Northern Ireland external sales in 2022 were:

- manufacturing, valued at £13.1 billion
- wholesale and retail trade, valued at £4.9 billion
- administration and support services, valued at £0.3 billion³⁰

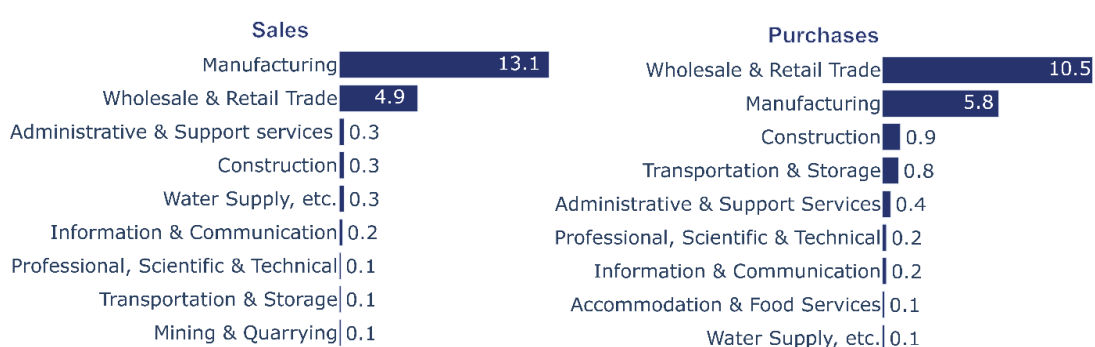
In 2022, its total external goods sales were valued at £19.6 billion. Of those, manufacturing accounted for 66.7% of its total, and wholesale and retail trade accounted for 25%, and administration and support services accounted for 1.5%.

Figure 12 also shows that Northern Ireland's top three sectors for external purchases in 2022 were:

- wholesale and retail trade, valued at £10.5 billion
- manufacturing, valued at £5.8 billion
- construction, valued at £0.9 billion³¹

In 2022, Northern Ireland's total external goods purchases were valued at £19.7 billion. Of those, wholesale and retail accounted for 53.3% of the total, manufacturing accounted for 29.4%, and construction accounted for 4.6%:

Figure 12: Value of goods sales and purchases industry (£ billion)³²



Source: NISRA (2024)

³⁰ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

³¹ As cited immediately above

³² As cited in footnote 30

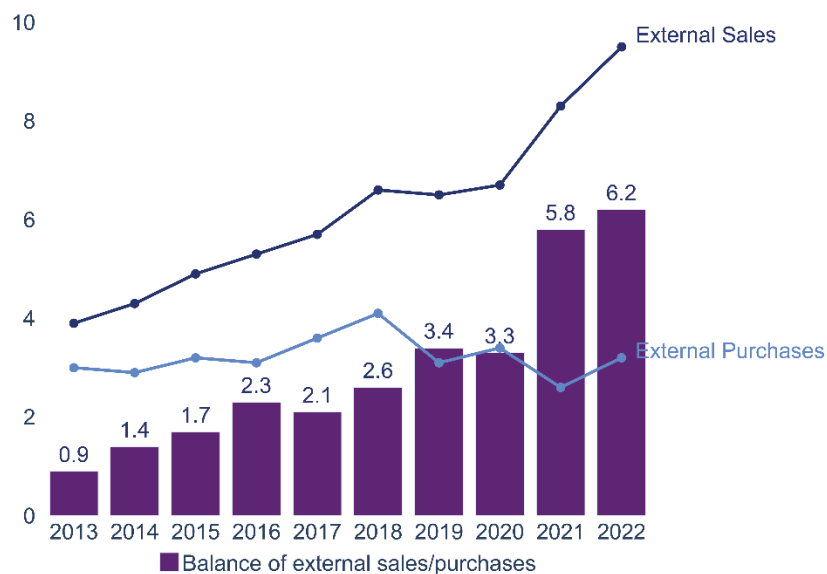
4 Service external trade

This section takes a similar approach to the previous two sections, while examining the overall value of Northern Ireland's service external trade, including the value and share of that trading in specific markets, disaggregated by industry.

4.1 Service external trade: value of sales and purchases

Figure 13, below, shows the value of Northern Ireland's external sales and purchases of services between 2013 and 2022. In particular, it shows the value of Northern Ireland's external service trade for each year over that period; increasing from £3.8 billion in 2013, to £9.5 billion in 2022, an increase of 146%. Its external purchases of services grew over the period, but at a lower rate. In 2013, Northern Ireland's external purchases of services were valued at £2.98 billion. As of 2022, they were valued at £3.24 billion; an overall increase of 9%. Reflecting this variation in growth, the Northern Ireland's external service trade balance grew significantly, from £0.9 billion in 2016, to £6.2 billion in 2022:

Figure 13: Value of external service sales/purchases and balance of trade (£ billion)³³



Source: NISRA (2024)

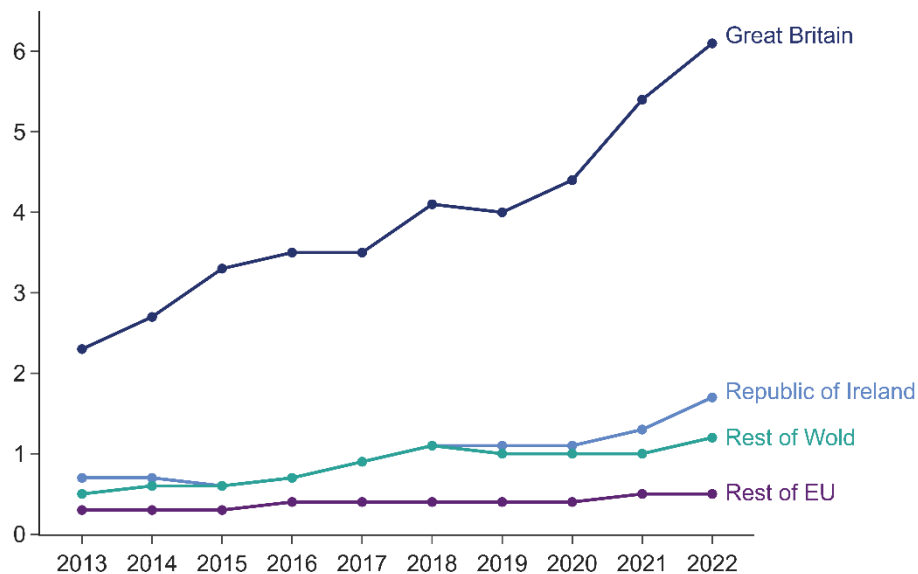
4.2 Service external trade: value and share of sales by market

Figure 14, below, compares the value of Northern Ireland's external service trade with Great Britain, the Republic of Ireland, the Rest of the World and the Rest of the EU between 2013 and 2022. The Figure shows that over the period Northern Ireland's external service sales to:

- Great Britain increased from £2.32 billion in 2013, to £6.09 billion in 2022
- The Republic of Ireland increased from £0.69 billion, to £1.73 billion
- The Rest of the World increased from £0.53 billion, to £1.21 billion
- The Rest of the EU increased from £0.31 billion, to £0.45 billion:³⁴

³³ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

³⁴ As cited immediately above

Figure 14: Value of external services sales by market³⁵

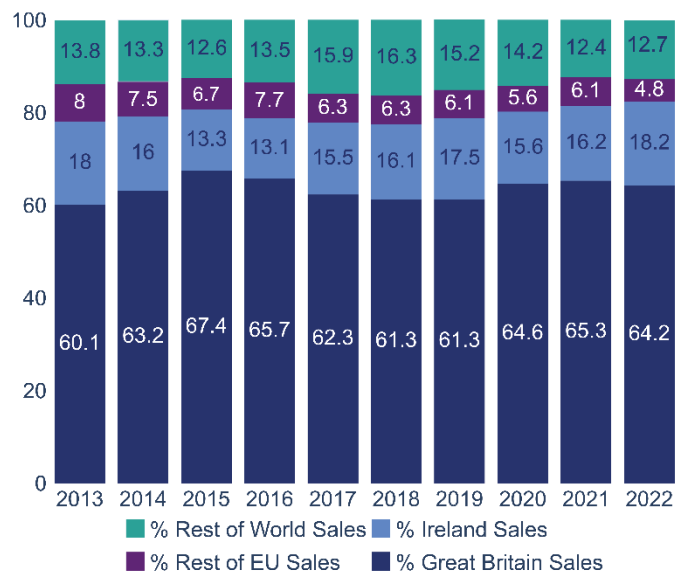
Source: NISRA (2024)

Figure 15, below, provides a breakdown of the proportion Northern Ireland's external service sales by destination market, for the period 2013 to 2022. The Figure shows external goods sales from Great Britain to Northern Ireland consistently accounted for the largest proportion of Northern Ireland external service sales for that period. The share of overall external service sales from Northern Ireland to Great Britain grew from 60.1% in 2013, to 64.2% in 2022.

Figure 15 also shows that the Republic of Ireland was generally Northern Ireland's second largest market for sales purchases over the period. Its share of such sales to the Republic of Ireland grew slightly from 18% in 2013, to 18.2% in 2022. Its share of such sales to the Rest of the World was generally the third largest in over the period. Its share of such sales to the Rest of the World declined from 13.8% in 2013, to 12.7% in 2022. And, its share of sales to the Rest of the EU was the fourth largest over the period; decreasing from 8% in 2013, to 4.6% in 2022:

³⁵ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

Figure 15: Percentage share of external services sales 2013 to 2022³⁶



Source: NISRA (2024)

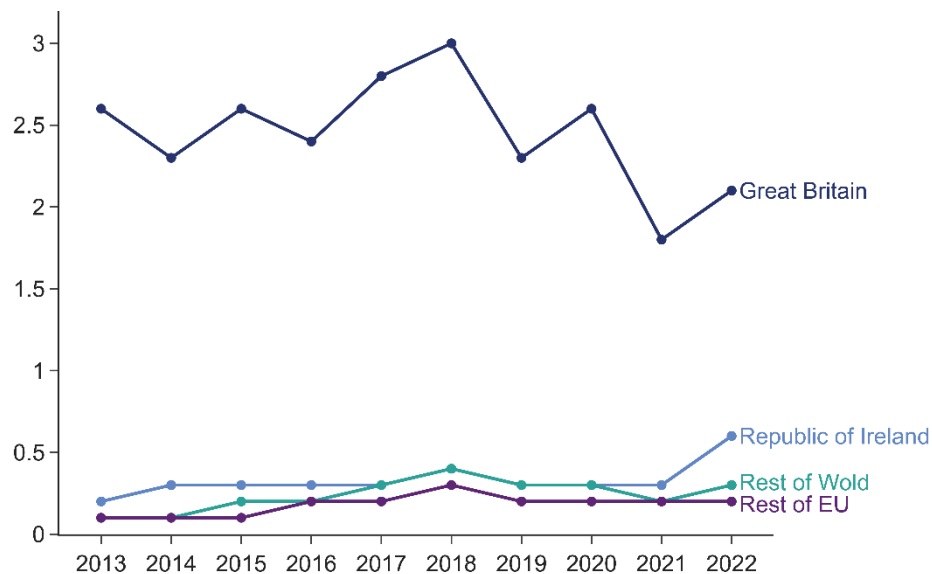
4.3 Service external trade: value and share of purchases by market

Figure 16, below, compares the value of Northern Ireland’s purchases from Great Britain, the Republic of Ireland, the Rest of the World and the Rest of the EU, between 2013 and 2022. The Figure shows that over the period the value of Northern Ireland’s purchases from:

- Great Britain fell from £2.58 billion in 2013, to £2.12 billion in 2022
- The Republic of Ireland increased from £0.21 billion, to £0.56 billion
- The Rest of the World increased from £0.09 billion, to £0.34 billion
- The Rest of the EU increased from £0.10 billion, to £0.22 billion:³⁷

³⁶ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

³⁷ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

Figure 16: Value of external services purchases by market³⁸

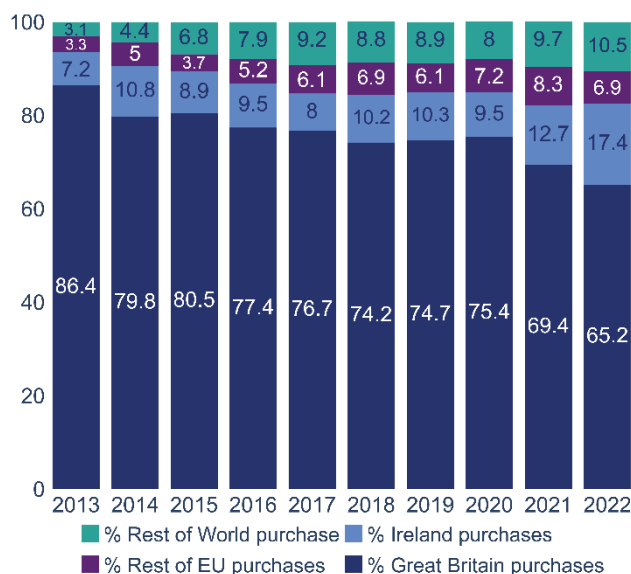
Source: NISRA (2024)

Figure 17, below, provides a breakdown of the proportion Northern Ireland's external services purchases by source market for the period 2013 to 2022. The Figure shows its goods sales from Great Britain consistently accounted for its largest proportion of external services purchases over the period. The share of its overall external service purchases sourced from Great Britain declined from 86.4% in 2013, to 65.2% in 2022.

Figure 17 also shows that the Republic of Ireland was generally Northern Ireland's second largest source of purchases over the period. Its share of such purchases from the Republic of Ireland grew from 7.2% in 2013, to 17.4% in 2022. The Rest of the World was generally its third largest source of purchases over the period. Its share of purchases from that market increased from 3.1% in 2013, to 10.5% in 2022. The Rest of the EU was Northern Ireland's fourth largest purchase market over the period. Its share of purchases from that market increased from 3.3% in 2013, to 6.9% in 2022:

³⁸ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

Figure 17: Percentage share of external services purchases 2013 to 2022³⁹



Source: NISRA (2024)

4.4 Service trade: value of external sales and purchases by industry

Figure 18, below, provides an overview of the value of the Northern Ireland’s external services sales and purchases by industry sector in 2022. Figure 18 provides a partial overview of goods trade by industry for the reasons set out in sub-section 2.4 above.

Based on the available NISRA data, Figure 18 shows that the top three sectors in Northern Ireland for external services sales in 2022 were:

- construction, valued at £3.1 billion
- information and communication, valued at £1.8 billion
- professional, scientific and technical, valued at £1.5 billion⁴⁰

In 2022, Northern Ireland’s total external services sales were valued at £9.5 billion. Of this, construction accounted for 32.67% of the total, information and

³⁹ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

⁴⁰ As cited immediately above

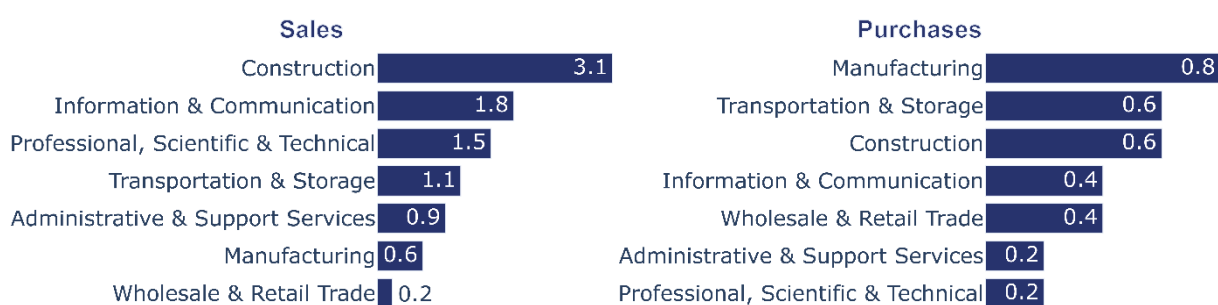
communication accounted for 18.9%, and professional, scientific and technical accounted for 15.8%.

Figure 18 also shows that the top three sectors for Northern Ireland's external services purchases in 2022 were:

- manufacturing, valued at £0.8 billion
- transportation and storage, valued at £0.6 billion
- construction, valued at £0.6 billion⁴¹

In 2022, Northern Ireland's total external services purchases were valued at £3.2 billion. Of that, manufacturing accounted for 25% of the total, transportation and storage accounted for 18.8%, and construction also accounted for 18.8%:

Figure 18: Value of services sales and purchases industry (£ billion)⁴²



Source: NISRA (2024)

5 Key takeaways

This Paper presented NISRA's data for Northern Ireland's overall external trade, including trade in goods and services, for the period 2013 to 2022. Key takeaways arise from the stated data, which – as highlighted below – can be categorised as: general external trade trends; geographic market share trends; and, industry sector performance.

⁴¹ NISRA, Northern Ireland Economic Trade Statistics – NIETS02: Trade in Goods and Services (updated 8 March 2024) <https://data.nisra.gov.uk/>

⁴² As cited immediately above

5.1 General external trade trends

Despite fluctuations, NISRA data report that Northern Ireland's total sales for its external trade grew over the period 2013 to 2022, from £22 billion, to £29.04 billion. Similarly, its total purchases also grew in that period, from £19.34 billion, to £22.89 billion; with Northern Ireland operating a trade surplus over the period.

Moreover, Northern Ireland's external trade in goods grew, with its total goods sales increasing from £18.15 billion in 2013, to £19.56 in 2022; and its goods purchases increasing from £16.36 billion, to £19.35 billion. In addition, Northern Ireland operated an external trade in goods deficit since 2016, which decreased year-on-year since 2018, narrowing from minus £2.2 billion in 2016, to minus £0.1 billion.

Potential scrutiny point

2. The Committee may wish to ask the Department for the Economy (DfE) for its assessment of this external trade goods deficit and the impact it has had on the Northern Ireland economy.

Finally, Northern Ireland's external services sales saw significant growth over the period; rising from £3.8 billion in 2013, to £9.5 billion in 2022 – equivalent to a 142% increase. However, its services purchases grew at a slower rate, from £2.98 billion in 2013, to £3.24 billion. Northern Ireland has operated a service trade surplus over the period; valued at £6.2 billion in 2022.

Potential scrutiny point

3. The Committee may wish to ask the DfE, key stakeholders and academic economists studying in this area, for an assessment of the cause(s) contributing to the significant rise in Northern Ireland's external service sales over the period 2013 to 2022.

5.2 Geographic market share trends

As the NISRA data reveal, Great Britain is Northern Ireland's largest external trade partner across all measures. It is Northern Ireland's largest proportion of its overall external sales and purchases, as well as external sales and purchases of both goods and services.

Overall, external sales from Northern Ireland to Great Britain increased in total value over the period: however, they remained relatively flat in terms of market share.

Northern Ireland's total purchases decreased from Great Britain slightly from £13.7 billion in 2013, to £13.1 billion in 2022. However, Great Britain's share of those Northern Ireland purchases fell more significantly in the period, from 71.1%, to 57.3%.

Moreover, the value of goods sales to Great Britain were down overall, despite having recovered after a number of recorded declines. In particular, sales to Great Britain saw declines from 2016 to 2018 and 2019 to 2020. As NISRA note, the second of these declines, from 2019 to 2020, was due to the impact of COVID. It is not clear from the data, or NISRA's commentary, what caused the decline in sales to Great Britain from 2016 to 2018.

Potential scrutiny point

4. The Committee may wish to ask the DfE, key stakeholders and academic economists studying in this area, for an assessment of the cause(s) contributing to the decline in external trade sales from Northern Ireland to Great Britain from 2016 to 2018.

In addition, during the period, Northern Ireland's goods purchases from Great Britain also fell slightly overall. However, its service sales to Great Britain had a significant increase, from £2.31 billion in 2013, to £6.09 billion in 2022. While its service purchases from Great Britain decreased in the same period, from £2.58 billion in 2013, to £2.12 billion in 2022.

Potential scrutiny point

5. The Committee may wish to ask the DfE, key stakeholders and academic economists studying in this area, for an assessment of the cause(s) contributing to the significant increase in Northern Ireland's external trade purchases from Great Britain from 2013 to 2022.

Northern Ireland's value of trade with the Republic of Ireland has grown across all external trade measures over the period, with Northern Ireland's overall sales and purchases from the Republic increasing, as well as its sales and purchases of both goods and services from the Republic. In terms of market share, as of 2022, the Republic is the second largest trade partner for Northern Ireland's overall sales, sales of goods and services, as well as service purchases. Moreover, it was Northern Ireland's third largest partner for overall purchases and purchases of goods.

Overall, Northern Ireland's sales to the Rest of the World decreased slightly in 2022, when compared to 2013. That largely was driven by a decrease in Northern Ireland's external goods sales to the market. In contrast, its service sales to the Rest of the World increased. Total purchases from the Rest of the World increased alongside purchases of both goods and services.

Potential scrutiny point

6. The Committee may wish to ask the DfE, key stakeholders and academic economists studying in this area, for an assessment of the cause(s) contributing to the decline in Northern Ireland's external trade sales to the Rest of the World from 2013 to 2022.

Northern Ireland's trade with the Rest of the EU increased across all external trade measures. Despite that, the Rest of the EU was its fourth largest market in terms of market share across the period for all measures.

5.3 Industry sector performance

In 2022, as reported by NISRA, manufacturing, wholesale and retail, and construction were the top three industry sectors for Northern Ireland external sales and purchases. Broken down, Northern Ireland's top three sectors for goods sales were wholesale and retail, manufacturing, and administration and support. While manufacturing, wholesale and retail, and construction were its top three sectors for external goods purchases. Moreover, the three sectors that made the largest contribution to Northern Ireland external services sales were construction information and communication, and professional, scientific and technical. While manufacturing, transportation and storage, and construction were Northern Ireland's top three sectors for external service purchases.

Potential scrutiny point

7. NISRA data on industry sector performance is available at a high-level. The Committee may wish to ask the DfE, key stakeholders (including industry representative bodies) and academic economists studying in this area, for further information on what sub-sectors are driving Northern Ireland's external trade performance in its "top" sectors.