

# Northern Ireland Economic Trade Statistics: Background Information

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## Overview

**The Northern Ireland Economic Trade Statistics (NIETS), (formerly known as the Broad Economy Sales and Exports Statistics (BESES)) is an annual measure of local businesses' trade with markets outside Northern Ireland (NI). The NIETS 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.**

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.

The breadth and depth of NI trade statistics currently available via the NIETS vastly exceeds those available prior to 2015. Both they and the policy orientated work streams that they have informed, were pivotal to the work that NISRA, in conjunction with other Government Departments and delivery partners/ stakeholders, advanced in respect of EU Exit in order to secure the best possible outcome for Northern Ireland and the UK.

To reach this position, NISRA has engaged extensively with a broad range of users over the years, including expert users of NI economic statistics. This collaboration has helped to secure helpful feedback and insight that has not only underpinned NISRA's approach to the development, reporting and dissemination of NIETS, but also other statistical series within ELMS and indeed NISRA's wider portfolio of outputs.

The NIETS is designated as a National Statistic. National Statistics status means that the statistics meet the highest standards of trustworthiness, quality, and public value, and it is our responsibility to maintain compliance with these standards.



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These statistics [were designated](#) as National Statistics in March 2022 following a [full assessment of the Broad Economy Sales and Exports Statistics](#) against the [Code of Practice for statistics](#).

Since the assessment by the UK Statistics Authority, we have continued to comply with the Code of Practice for Statistics and seek to continue with the development and improvement of the BESES series. To that end, we are keen to continue receiving ongoing user feedback. Any comments should be sent to [economicstats@nisra.gov.uk](mailto:economicstats@nisra.gov.uk)

Users should refer to the [Northern Ireland Broad Economy Sales and Exports Statistics Development Plan](#)

Users should be aware that whilst we have changed the name of this publication to better reflect the content, the statistics are those that were assessed by the UKSA.

## Background

The Northern Ireland Executive's Programme for Government (PFG) 2011-2015 made the economy its top priority and identified growing the private sector (and exports) as one of the primary vehicles for delivering the vision of '*...a sustainable and growing private sector, with a highly skilled and flexible workforce operating in productive and innovative firms that are competitive in global markets*'. The Economic Strategy was subsequently published in 2012 with a further emphasis on export-led growth and the need to improve the measurement of Northern Ireland's exports beyond that of the manufacturing sector.

Northern Ireland traditionally had a very good survey-based measurement of its Manufacturing sector sales (the annual NISRA Manufacturing Sales and Exports Survey (MSES)) and was well placed compared to other regions of the UK in respect of the measurement of such exports. However there was no single published source which provided the comprehensive statistical evidence required to measure exports across the whole economy. Relating to this, a paper published by DETI (now called the Department for the Economy) in March 2014 entitled '[Measuring Northern Ireland's Exports](#)' indicated that a survey-based approach offered the greatest opportunities and utility for measuring the totality of Northern Ireland exports in the medium to long term.

NISRA's Economic and Labour Market Statistics Branch therefore undertook developmental work which involved the expansion of the [Northern Ireland Annual Business Inquiry](#) (NIABI) to include questions relating to export and import activity across the broad economy, the coverage of which is fully outlined in the "Definitions" section below. The approach to date has aligned the exports methodology with that used by the NIABI.

Prior to survey reference year 2011, the NIABI and the NI MSES existed as separate surveys with sample sizes of approximately 5,000 and 3,500 respectively. However, in light of users' need for more detailed statistics (particularly in relation to geographical disaggregation and the growing requirement for a more comprehensive picture of NI exports activity) the NIABI and MSES surveys were merged and the sample boosted to approximately 9,000 in 2011. This was expanded to approximately 11,000 in survey reference years 2012 and 2013.

The NIABI gathers a broad range of financial and employment information covering two thirds of the economy and informs National and Regional Accounts.

For the first time, and uniquely among the countries and regions of the UK, Northern Ireland now had a substantial database that linked companies' exports, imports and external sales to Great Britain, with other aspects of individual company performance including total sales, gross value added, productivity and purchase costs. This has since provided a reliable resource to inform evidence-based decision-making.

The trade data, although gathered through the NIABI, exists as a standalone product called the Northern Ireland Economic Trade Statistics (NIETS) (formerly known as the Broad Economy Sales and Exports Statistics (BESES)). The NIETS is designated as a National Statistic. National Statistics status means that the statistics meet the highest standards of trustworthiness, quality, and public value.

## Definitions

**Turnover** (also referred to as **total sales**) is defined as total sales and work done. This is calculated by adding the value of sales of goods produced, goods purchased and resold without further processing, work done and industrial and non-industrial services rendered.

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

**Exports** are defined as all sales outside the United Kingdom.

**Total purchases** are defined as the **sum of all purchases from** Northern Ireland (NI), Great Britain (GB), the Republic of Ireland (IE), the Rest of the European Union (REU) and the Rest of the World (ROW). Total purchases include all non-deductible VAT. In the case of imports the cost includes import and excise duties.

**Imports** consist of all purchases made from **outside the United Kingdom**.

The **Rest of the EU (REU)** is composed of the following countries: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden; Finland, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Bulgaria, Slovakia and Slovenia (Croatia joined the EU in July 2013 and is included in the 2014 reporting period).

The **Rest of the World (ROW)** refers to all other destinations outside the EU, GB and NI.

**Goods** refers to specific, tangible products.

**Services** refers to intangible products.

**Broad Economy:** The information needed to produce NIETS is collected via the NI Annual Business Inquiry (NIABI). Like the NIABI, the NIETS 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

**Trade balance** is [defined](#) as the difference between the value of exports and the value of imports, or:

$$\text{trade balance} = \text{value of exports} - \text{value of imports}$$

All values are in **current** prices.

**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.

### **Status of figures in current bulletin**

The most recent 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 NIETS estimates are subject to revision.

## Overview of Methodology to Estimate the Number of Businesses Selling Outside NI

Ongoing advancements in the Northern Ireland Economic Trade Statistics series include the development of an estimate of the number of businesses that trade to individual destinations.

The method for creating the counts is an adaptation of the method used to derive population estimates for the destination variables. Full details of the NIETS methodology can be found in Appendix B of the methodology paper on the [Production of Northern Ireland Broad Economy Exports Estimates](#).

Users should pay particular note to the gaps in survey coverage when using these data.

To derive the counts, only the design weight is used when weighting returned data. The design or 'a' weight is a simple expansion estimator (i.e:  $\frac{N}{n}$ ) for similar groups in the population

An example of how the number of exporters in a particular stratum is found is shown below:

In stratum x there are 6 returns ( $n_x$ ) from a population of 12 businesses ( $N_x$ ).

The a weight for stratum x ( $a_x$ ) is given by:

$$a_x = \frac{N_x}{n_x} = \frac{12}{6} = 2$$

If, say, 3 of the 6 responders in stratum x are exporters, then the estimated number of exports in x is given by:

$$\text{exporters}_x = a_x \times \text{number of returned exporters in } x, \text{ so}$$

$$\text{exporters}_x = 2 \times 3 = 6$$

The total number of exporters in the population is thus given by summing the number of exporters in each stratum.

NISRA is constantly working to improve and develop NIETS output and welcomes any feedback users might have. Ongoing development of the methodology will be informed by user feedback, both in terms of the usefulness and reliability of the estimates and their comparability with other sources. Any comments should be sent to [economicstats@nisra.gov.uk](mailto:economicstats@nisra.gov.uk).

## Overview of Methodology used to produce estimates split by Local Government District (LGD)

Ongoing advancements in the Northern Ireland Economic Trade Statistics series include the development of an estimate of both the value of trade and the number of businesses that trade split by Local Government District (LGD).

A business is assigned to a geographical location within Northern Ireland based on the postcode of the address of the site which reports Northern Ireland activity, i.e. the Northern Ireland Reporting Unit. This is usually the main operating site or 'head office' within Northern Ireland.

The postcodes are matched to geographical areas in Northern Ireland using the [NISRA Central Postcode Directory](#).

In some instances it is not possible to assign a business to a postcode. This is usually because the head office is outside NI. Such trade is labelled as "Unassigned".

Users should also be aware of a "Head Office" effect. Trade data is based on reporting unit (i.e. head office) information which means that all trade activity is coded based on the classification and location of the reporting unit. However, in reality, a business may have multiple sites or indeed a dedicated transport/logistics site from which goods are transported. This trade will still be reported under the reporting unit.

NISRA is constantly working to improve and develop NIETS output and welcomes any feedback users might have. As part of an experimental series, the use and utility of the LGD splits will be monitored both in terms of the usefulness and reliability of the estimates and their comparability with other sources. User feedback will determine whether these statistics are credible and useful and whether we will continue with their production. Any comments should be sent to [economicstats@nisra.gov.uk](mailto:economicstats@nisra.gov.uk).

# Overview of the differences between data sources measuring NI trade

## Central Statistics Office (CSO)

### *Background*

- The Central Statistics Office (CSO) Goods Exports and Imports statistics provide estimates on the movement of goods between Ireland and other countries including Northern Ireland and Great Britain.
- The collection of trade data is the responsibility of Revenue Irish Tax and Customs and the CSO is responsible for processing and disseminating the data.
- The statistics use a combination of Customs-based non-EU trade statistics and data from the Intrastat Survey of Irish traders involved in trade with other EU member states.
- Data frequency: Data is available on a monthly basis.

### *Points to note:*

- Intrastat (inter EU Trade) – all traders registered for VAT whose annual imports exceed €500,000 or annual exports exceed €635,000; approx. 7000 traders comprising some 6000 importers and 2000 exporters some of who are involved in both importing and exporting of merchandise goods.
- Extra-Stat (non-EU) trade is derived from administrative data of Revenue Commissioners (via Customs declarations – approx. 3 million movement record numbers per month).
- Data is presented in Euros and so will be different values to those in Sterling
- Trade in goods only
- Please note [revision to trade with NI September 2021](#)

For more information please refer to the [CSO website](#).

## HMRC Regional Trade Statistics (HMRC RTS)

### *Background*

- HMRC RTS 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.
- Data frequency: Data is available on a quarterly basis.



*Points to note:*

- Consistent data across all UK regions
- No inter-regional trade
- Administrative data source – it is a legal requirement for all VAT registered businesses to supply this data
- Businesses included must have EU exports and imports above the Intrastat threshold (exports >£250k, imports > £500k). Detailed information on smaller traders is not available
- Trade in goods only

For more information please refer to the [HMRC website](#).

## **Eurostat**

*Background*

- Trade in goods data for Northern Ireland published by Eurostat.
- A detailed dataset covering the UK's trade in goods at country and product level. This dashboard only provides country level data.
- They are published monthly from trade declarations, providing access to both aggregated and detailed data for over 9,500 commodities and around 200 partner countries.
- Data frequency: Data is available on a monthly basis.

*Points to note:*

- Latest figures are provisional and subject to revision
- Users should note that there has been a change to how HMRC records EU imports from January 2022 onwards, Intrastat is still used for NI but from January onwards customs declarations are being used for EU imports into GB. More detail available on the [website](#).
- There is currently a 3 month lag in availability of monthly data.
- All figures are reported in Euros and so will be different values to those in Sterling.
- Some intra and extra Union trade has not been allocated to specific partners. For the total trade figures all intra-Union trade has been allocated to Rest of European Union and all extra-Union trade has been allocated to Rest of World. It is not possible to split the intra-Union trade into Ireland and Rest of European Union.

For more information please refer to the [Eurostat website](#).

## Other sources

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 on the [ONS website](#).

While directly comparable UK data for the NIETS do not exist (the NIETS 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)'.

International trade in goods data at summary product and country level, by UK regions and devolved administrations can be found on the HMRC [Regional Trade Statistics](#) webpage. In addition, HMRC also provide an [interactive table-builder](#) to allow users to build custom tables and drill down into trade in specific commodities.

The Scottish Government also publish export statistics from the Exports Statistics Scotland series (formerly called the Global Connections Survey). These statistics can be accessed on the [Scottish Government's website](#). The Welsh Government has recently developed an experimental trade measure called "Trade Survey for Wales". The latest release can be accessed on the [Welsh Government's website](#).

### Interactive mapping tool

NISRA has developed an interactive trade in goods map to allow users to explore official trade in goods data by country and world region using data from HMRC's Regional Trade Statistics. The tool was developed by NISRA based on the existing [UN Comtrade](#) tool developed by [DIT \(Department for International Trade\)](#) and [BEIS \(Department for Business, Energy and Industrial Strategy\)](#) and can be found below.

[UK Regions Imports and Exports of Goods by Country and World Region](#)

### Northern Ireland Monthly Trade in Goods Dashboard

As part of the Northern Ireland Protocol the UK is bound to collect and send trade data that corresponds to the movement of goods in and out of NI to the Statistical Office of the European Commission (Eurostat). The Northern Ireland trade in goods data is compiled by HMRC following similar concepts to those for the published Overseas Trade Statistics.

The [dashboard](#) has been created by NISRA using monthly extracts of the data published on Eurostat. Goods are classified according to the Harmonized System, a multipurpose international product nomenclature. The dashboard covers international trade in goods, and therefore does not include data about NI-GB trade. All values are provided in Euros.

The dashboard is generally updated on the last working day of the month (unless otherwise specified).

## Counts of Businesses Exporting

The Office for National Statistics (ONS) produces [a count of importers and exporters in GB](#). For conceptual reasons, ONS were not able to derive data for NI as part of this series. While the methodologies used by NISRA and ONS to produce their respective counts are broadly similar, users should be aware that differences still exist and caution should be exercised when comparing the two measures.

The methodology used by the ONS can be found in the [Annual Business Survey \(ABS\): Exporters and Importers in Great Britain, 2014 PDF \(523KB\)](#) information paper.

The Government Statistical Service (GSS) has issued guidance on comparing official statistics produced by each nation of the UK. This guidance can be found in the report [Comparing Official Statistics Across the UK PDF \(635KB\)](#).

NISRA's exports statistics are considered as "Partially Comparable at Level D" with the ONS's statistics on importers and exporters in GB on the [ONS website](#).

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."*

## User Engagement

We welcome any feedback you might have in relation to this report, and would be particularly interested in knowing how you make use of these data to inform your work. Please contact us at [economicstats@nisra.gov.uk](mailto:economicstats@nisra.gov.uk).