

NORTHERN IRELAND HIGH GROWTH FIRMS 1998-2020

Update 11

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Context

This bulletin updates existing research on Northern Ireland's High Growth Businesses¹ to cover the entire period from 1998-01 to 2017-20.

The Inter-Departmental Business Register (IDBR) is utilised to identify the number of High Growth businesses in Northern Ireland by applying the Organisation for Economic Cooperation and Development (OECD) measure of High Growth, which is defined as any business employing 10 or more staff which experienced an annualised 20% or more growth in either employment or turnover over a 3-year period compared to a baseline year. The analysis was also extended to businesses employing less than 10.

Accompanying tables and further breakdowns are available in the spreadsheet:

[Tables for High Growth Firms update 11.xls](#)

Key points

- The total number of 'in scope'² businesses for the latest period (2017-20) was 60,080; 7,540 employed 10 or more staff in the base year and 52,540 employed less than 10 staff in the base year.
- The number of High Growth businesses employing 10 or more staff in the latest period, 2017-20 (1,020) was down from the previous period 2016-19 (1,040).
- The High Growth rate for businesses employing 10 or more staff stood at 14% for the latest period.
- The number of High Growth micro businesses employing less than 10 staff in the latest period, 2017-20 (12,400) was more than the previous period 2016-19 (11,755).
- Micro businesses employing less than 10 staff as a group and over time, experienced higher and more sustained levels of High Growth rates than larger businesses, the high growth rate for micro businesses for the current period (24%) is the same as the previous period 2016-19.

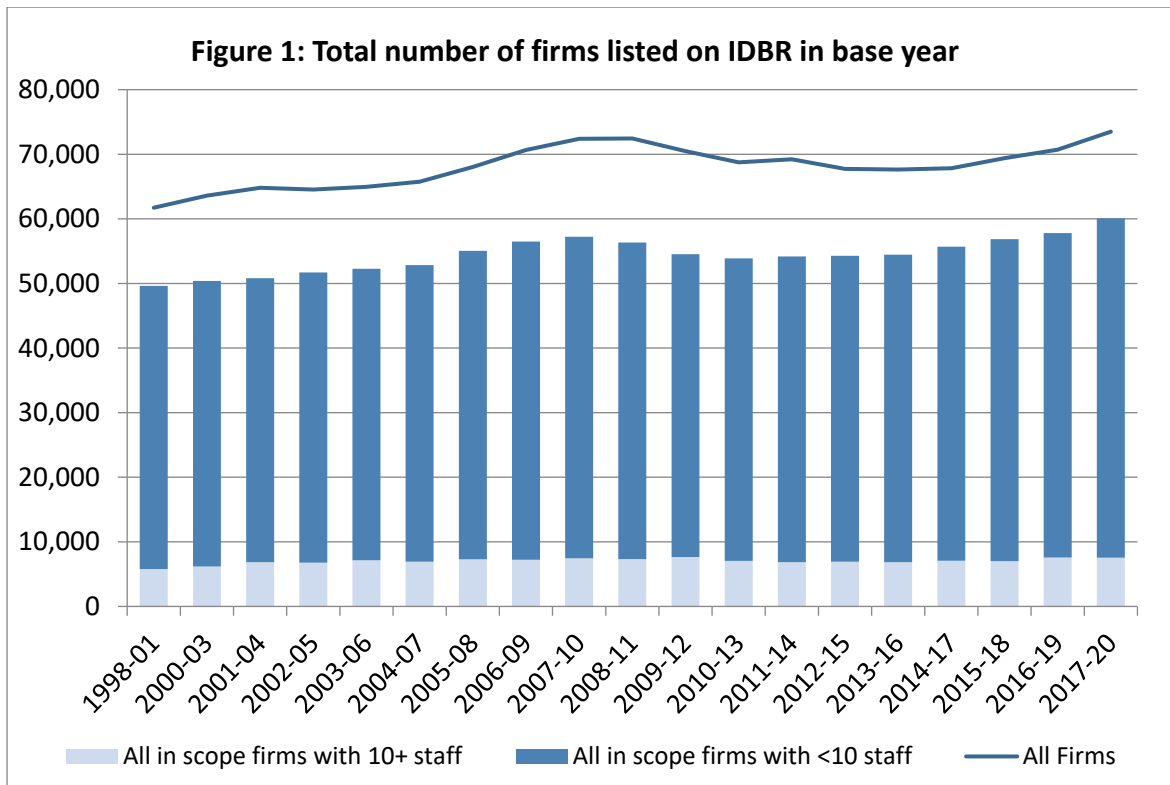
¹ The initial research, full methodology and following bulletins can be found at [Previously published High Growth Firms Bulletins \(opens in a new window\)](#)

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

- Only 2% of in scope businesses were High Growth businesses employing 10 or more staff, however they had turnover of £24.4bn accounting for 25% of total turnover for in scope businesses, continuing an upward trend from £9.3bn in 2017 which accounted for 13% of total turnover for in scope businesses.
- High Growth micro businesses had turnover of £10.4bn in 2020, accounting for 11% of total turnover for in scope businesses, these businesses accounted for 21% of in scope businesses.
- All High Growth businesses accounted for 36% of total turnover of in scope businesses compared to a share of 22% of the number of in scope businesses.
- The share of total turnover for in scope businesses accounted for by non-High Growth businesses has risen from 59% in 2009, peaking at 80% in 2013 and has gradually fallen to 64% for 2020.
- Between 2001 and 2019, the overall trend in the proportion of employment accounted for by High Growth firms has been downwards from 35% in 2011 to 20% in 2019, however there was a slight increase in 2020 to 22%.

In scope businesses

To create a consistent cohort of businesses it was necessary to identify 'in scope' businesses, where data exists in the base year and the following 3 years. The number of in scope businesses for the latest period with 10 or more staff was 7,540, with many more in scope micro businesses employing less than 10 staff, 52,540 in 2017 (Figure 1).

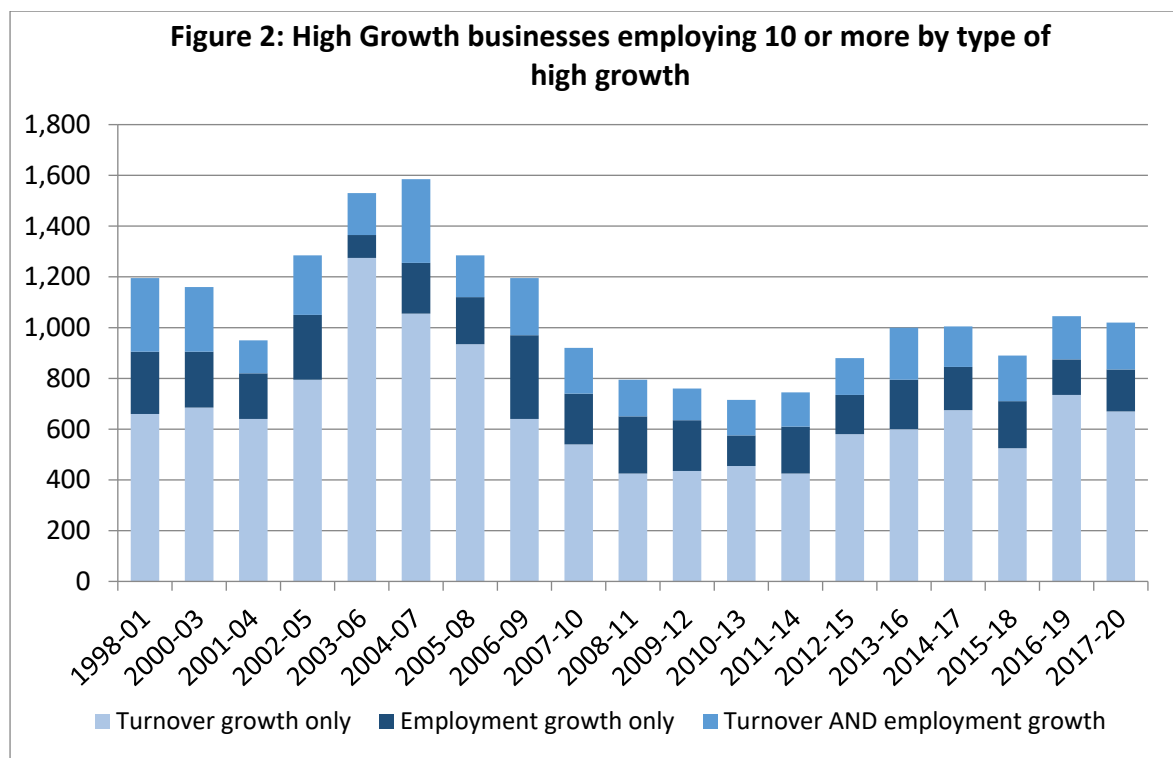


[Table 1, Tables for High Growth Firms update 11.xls](#)

High Growth businesses employing 10 or more

Using the OECD definition, High Growth businesses were identified amongst those businesses employing 10 or more and who experienced 20% or more annualised growth over a 3-year period in employment or turnover compared to a baseline year.

There are 1,020 High Growth businesses in the current period 2017-20, slightly lower than the previous period, 2016-19 (1,040) and well below the peak in 2004-07 (1,580). High Growth in turnover only, accounted for the majority of High Growth businesses for each period. In the most recent period, High Growth in turnover growth only, accounted for 66% of High Growth businesses, lower than the previous period, 2016-19 (71%). There has been an increase of 3% points from the previous period in the proportion of high growth accounted for by High Growth in Employment only (13% in 2016-19 and 16% in 2017-20) (Figure 2).

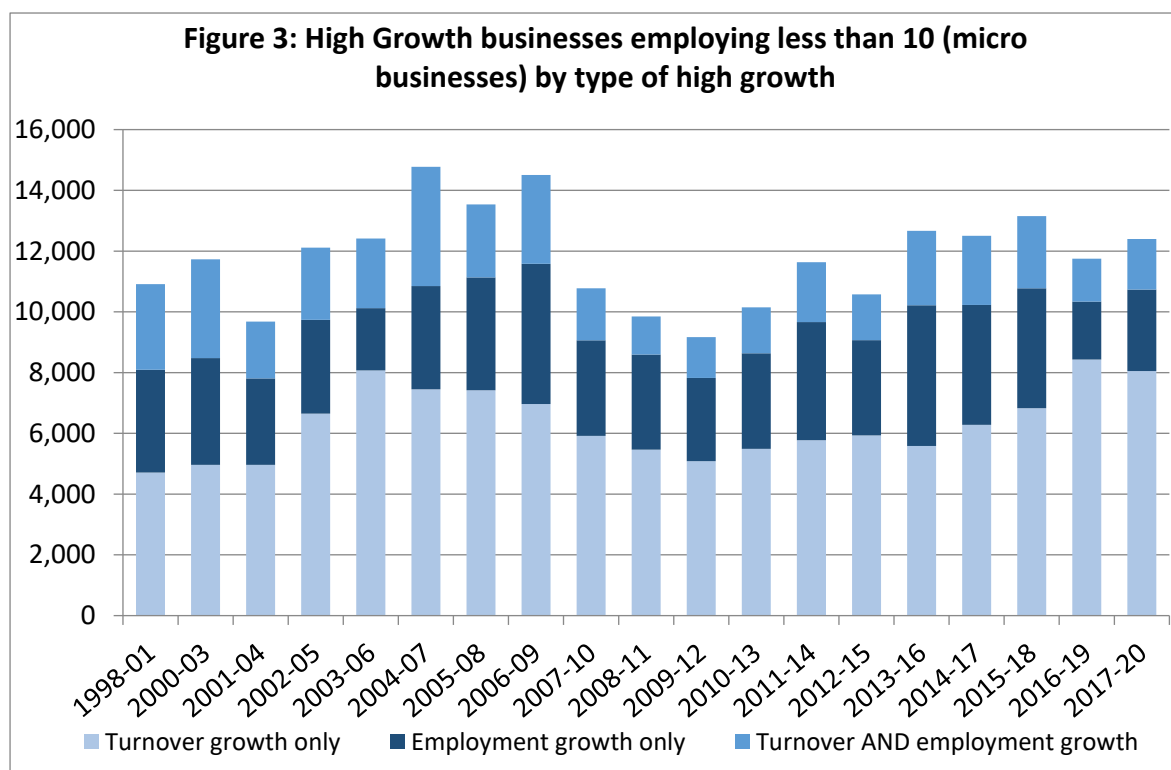


[Table 2, Tables for High Growth Firms update 11.xls](#)

Micro businesses with High Growth

By applying the OECD High Growth definition to micro businesses, the number of businesses found to have experienced High Growth in the current period (2017-20) is 12,400, this is considerably higher than the low in 2009-12 of 9,170.

As with businesses employing 10 or more staff, a large part of High Growth amongst micro businesses over time was accounted for by High Growth in turnover only. High growth in turnover only for micro businesses has seen a decrease to 65% in 2017-20 from 72% in 2016-19 however this is considerably higher than 52% in 2015-18. High Growth in employment only has increased from 16% in 2016-19 to 22% for the current period (2017-20), but is still lower than the figure for 2015-18 (30%) (Figure 3).

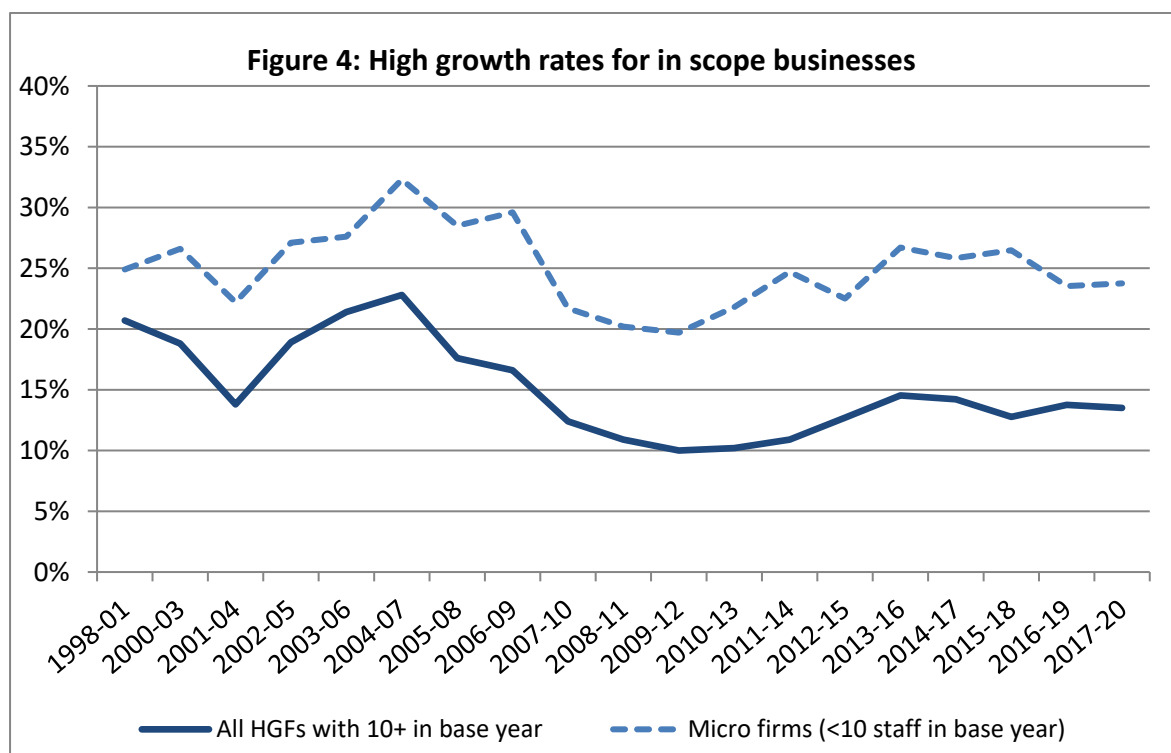


[Table 3, Tables for High Growth Firms update 11.xls](#)

High Growth Rates

For businesses with 10 or more staff, the High Growth rates peaked at 23% in 2004-07, falling to 10% in 2009-12; it stands at 14% for the latest period, 2017-20. This trend was broadly reflected by the micro businesses employing less than 10 staff; peaking at 32% in 2004-07, falling to 20% in 2009-12 and a gradual increase to 27% in 2013-16.

In comparing the High Growth rates of larger businesses to the rates for micro businesses, it is apparent that micro businesses as a group and over time, experienced consistently higher High Growth rates (Figure 4).



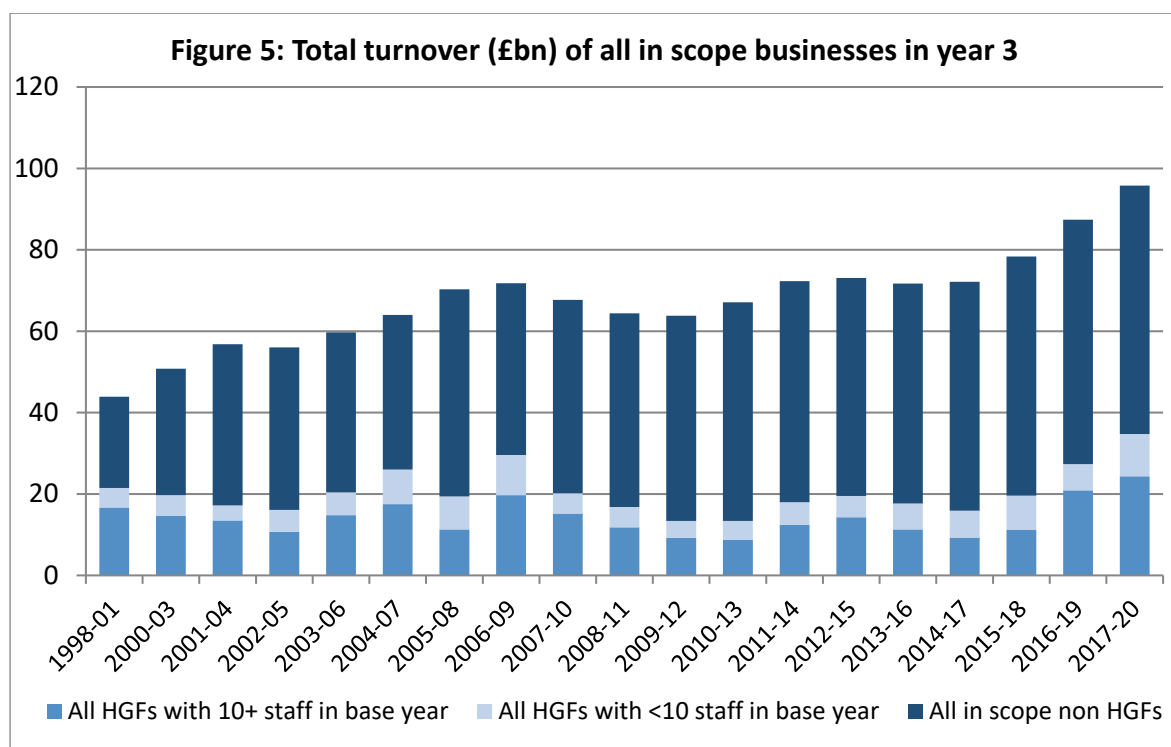
[Table 6, Tables for High Growth Firms update 11.xls](#)

Turnover

Figure 5 illustrates the composition of turnover for all in scope businesses. In 2020, High Growth businesses employing 10 or more staff had turnover of £24.4bn accounting for 25% of total turnover for in scope businesses, continuing an upward trend from £9.3bn in 2017 which accounted for 13% of total turnover for in scope businesses.

High Growth micro businesses had turnover of £10.4bn in 2020, a higher value than the previous year, 2019, where turnover for High Growth micro businesses was £6.4bn; however in both years turnover for High Growth micro businesses accounted for 11% of total turnover for in scope businesses.

There has been an increase in the value of total turnover seen over the entire period 2001 – 2020, this has been provided largely by those businesses which have not experienced High Growth. However, the percentage share of total turnover for non-High Growth in scope businesses has been decreasing since a high of 80% in 2013 and now stands at 64% in 2020.



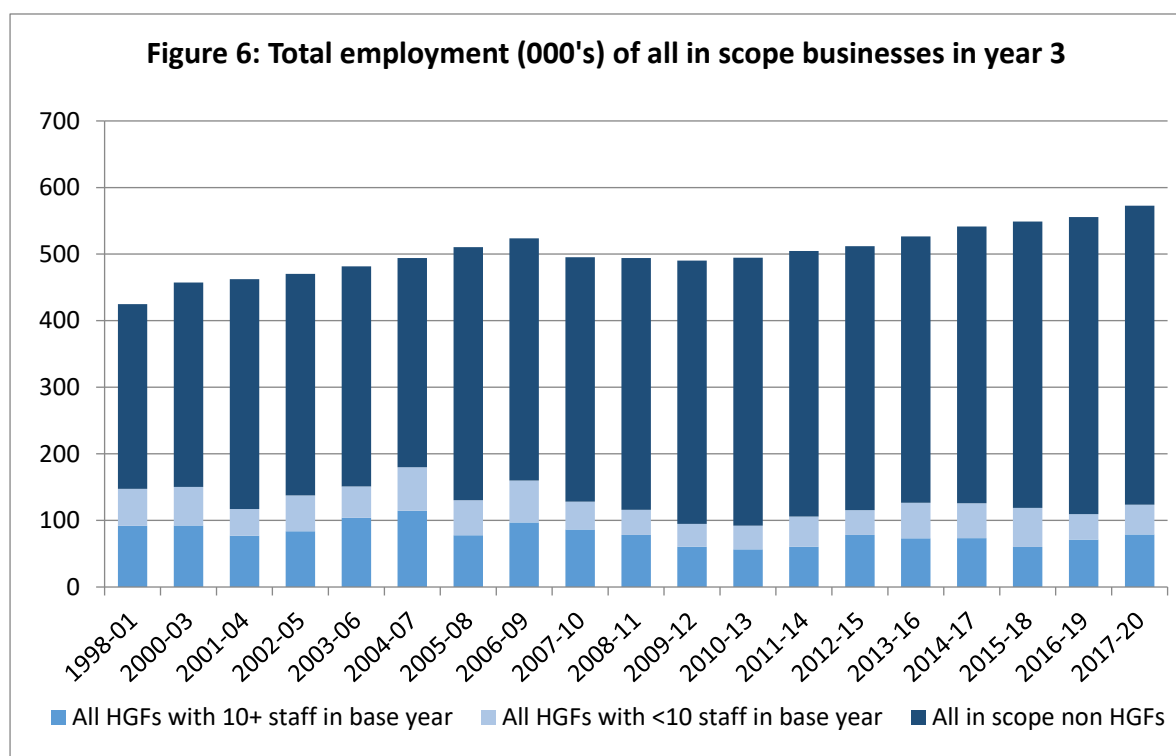
[Table 18, Tables for High Growth Firms update 11xls](#)

Employment

Employment follows a similar pattern as Turnover with most employees employed by non-High Growth businesses which employed some 449.1k (78%) in 2020.

The proportion of people employed by micro business (<10 employees) is similar in 2020 (8%) to the previous year, 2019 (7%).

Between 2001 and 2019, the overall trend in the proportion of employment accounted for by High Growth firms has been downwards from 35% in 2011 to 20% in 2019, however there was a slight increase in 2020 to 22% (Figure 6).



[Table 21, Tables for High Growth Firms update 11.xls](#)

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Download:

This report and accompanying tables can be found on [Northern Irelands high growth firms page \(opens in a new window\)](#)



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