

# Northern Ireland Quarterly Retail Sales Index

## Quarter 4 (October – December) 2021

Theme: Economy

Frequency: Quarterly

Geographical Area: Northern Ireland

Date: 16 March 2022

### Introduction

This is the first publication of the experimental Northern Ireland Quarterly Retail Sales Index (RSI). In line with the [Guide to Experimental Statistics produced by ONS](#), the Northern Ireland RSI has been produced as an Experimental Statistic as the methods continue to be reviewed and developed.

The quarterly RSI provides a timely indicator of change in output within the private retail service industries in Northern Ireland (NI). The retail sales sector refers to SIC 47 (Retail trade, except of motor vehicles and motorcycles) and is a subset of the [Index of Services \(IOS\)](#) aspect of the Quarterly Business Survey (QBS).

The RSI has a sample size of approximately 360 businesses, covering all private retail service businesses with 100 or more employees and those employing 0 to 99 employees with an annual turnover of £10 million or more, along with a representative sample of smaller businesses.

### Key Points

- Retail output in NI saw a quarterly decrease of 1.1% in Quarter 4 2021 and a decrease of 2.9% over the year.
- GB RSI output experienced a decrease of 0.6% over the quarter and 0.5% over the year.
- NI RSI output remains 4.4% below the pre-Coronavirus pandemic levels seen in Quarter 4 2019 while GB RSI output is now 3.0% above the Quarter 4 2019 level.
- When the most recent four quarters are compared to the previous four quarters the NI RSI decreased by 3.1% while the GB RSI increased by 4.7%.
- NI RSI output is 6.8% below the series high seen in Quarter 4 2018.
- NI RSI output is 2.9% higher than the lowest point (Quarter 1 2021) since the series began.

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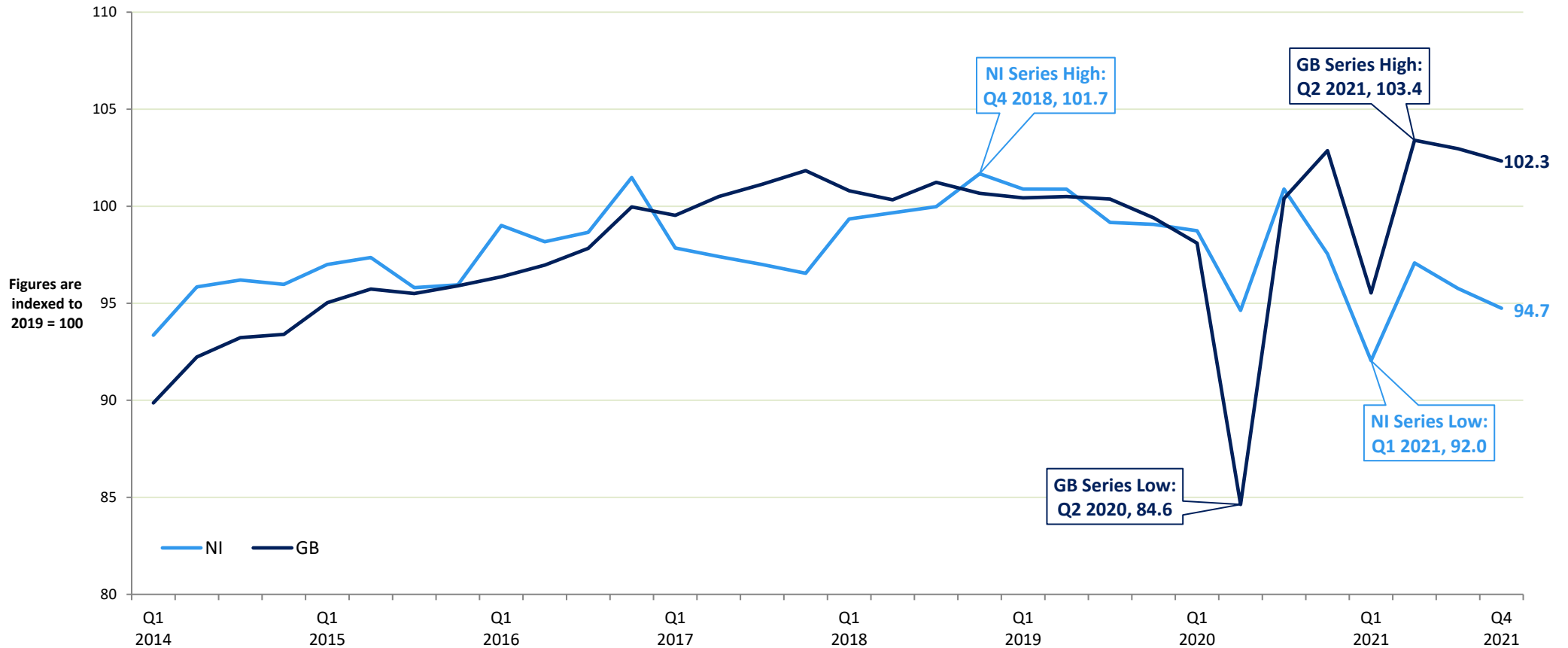
# 1 Summary of the Retail Sales Index

## 1.1 Changes in the Retail Sales Index

The seasonally adjusted estimate for the NI RSI for Quarter 4 2021 output decreased:

- by 1.1% over the quarter from the Quarter 3 2021 estimate;
- by 2.9% over the year from the Quarter 4 2020 estimate; and
- by 3.1% when the most recent four quarters are compared to the previous four quarters.

**Figure 1.1 RSI, NI & GB, Q1 2014 – Q4 2021**



[Download Figure 1.1 data](#)

## 1.2 Commentary

The NI and GB indices followed the same general upward trend from Quarter 1 2014 to Quarter 1 2020 with the NI index outperforming the GB index with the exception of the periods between Quarter 1 2017 and Quarter 3 2018. Since Quarter 3 2019, the GB index has generally exceeded the NI index. Although the GB index saw a greater level of decline in Quarter 2 2020, it has subsequently recovered to outperform the NI index.

The coronavirus (COVID-19) pandemic and subsequent measures taken to reduce the transmission of the virus have impacted on the economy since 2020. Further information on restrictions on NI businesses can be found on NI Direct: [Coronavirus guidance documents](#).

Throughout Quarter 4 2021, COVID-19 continued to have an impact, with the Omicron variant leading to a slowdown in the easing of restrictions on businesses.

Although the NI and GB indices have broadly followed the same trends since Quarter 1 2020, different Covid-19 restrictions across NI and GB may help to explain variations between the two indices.

Quarter 4 2021 NI RSI output remains 4.4% below the pre-pandemic level seen in Quarter 4 2019. In comparison the GB RSI output is now 3.0% above the pre-pandemic level.

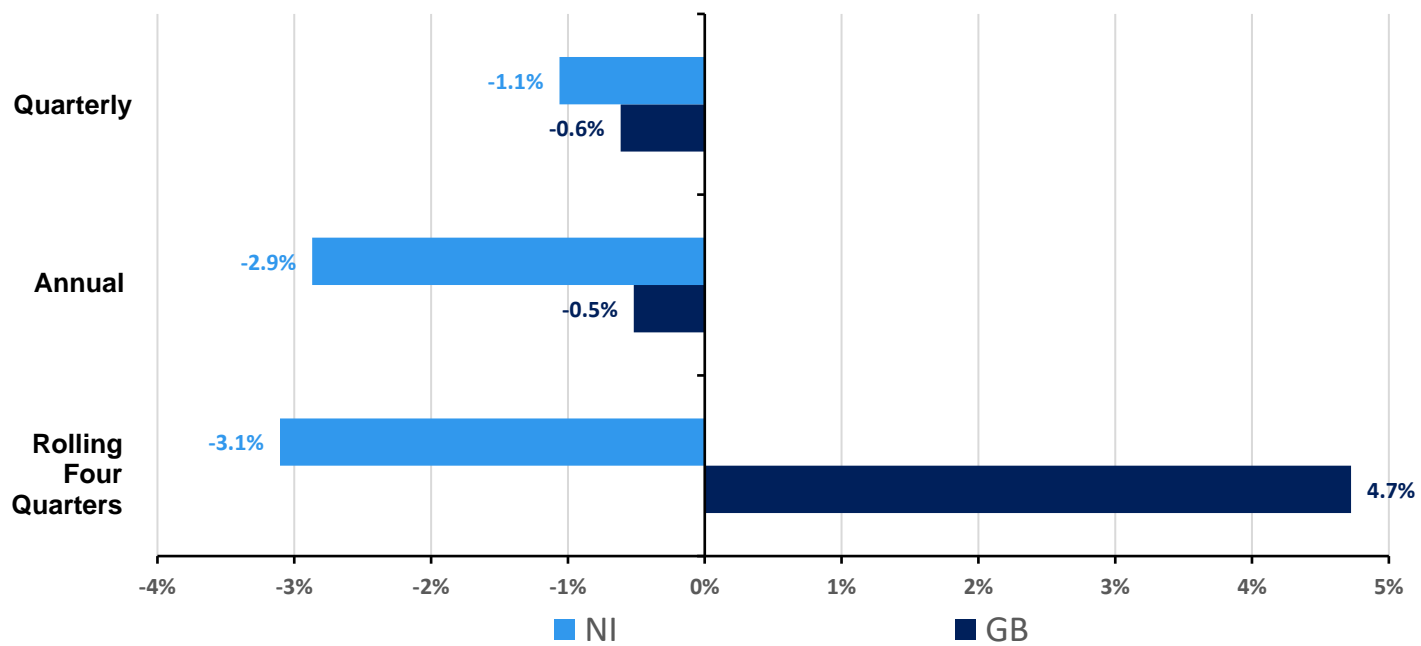
Output in the retail sector decreased by 1.1% over the fourth quarter of 2021. NI RSI output remains 6.8% below the series high which was observed in Quarter 4 2018. However output is now 2.9% higher than the series low (Quarter 1 2021).

Output in the retail sector decreased by 2.9% over the year to Quarter 4 2021. There have only been two quarters out of the last ten (Quarter 3 2020 and Quarter 2 2021) which have seen annual growth.

**Figure 1.2 NI and GB RSI Quarterly, Annual and Rolling Four Quarter Changes**

Time Period	NI	GB
Quarter on quarter	-1.1%	-0.6%
Year on year	-2.9%	-0.5%
Rolling four quarter	-3.1%	4.7%

Figure 1.3 NI and GB RSI Quarterly, Annual and Rolling Four Quarter Changes



### 1.3 Context

The RSI is an important short-term measure of change in the output of the retail sector of the economy. The contents of this report will be of interest to government policymakers, Members of the Legislative Assembly, the business community, economic commentators, academics and members of the general public with an interest in the NI economy.

The Department for the Economy (DfE) [Economic Commentary](#) provides an overview of the NI economy, setting it in context with the UK and Republic of Ireland.

The most up-to-date official statistics on the economy and labour market are available on the [Economic Overview](#) dashboard on the [Economic and Labour Market Statistics \(ELMS\) section](#) of the NISRA website.

The RSI is published on a Standard Industrial Classification 2007 (SIC07) basis. Volatility can arise when businesses inform NISRA of SIC code changes via business surveys, the Office of National Statistics (ONS) or HM Revenue & Customs (HMRC). This new information helps to improve the industry estimates of services output but can add volatility to quarterly and annual changes.

The [Background notes](#) section of this document provides information on the methodology used to produce these statistics as well as information on the quality and accuracy of the data.

The RSI series is seasonally adjusted on a 2019 = 100 basis using X-13 ARIMA SEATS.

Comparative GB data, produced by the ONS, are presented where these are available. The [latest GB RSI results](#) published on the ONS website.

This publication provides three measures of growth for all indices.

1. **Quarter-on-quarter change** provides the most recent measure of how the sector is changing. It is appropriate to compare consecutive quarters as the indices are seasonally adjusted to remove the effects of changes in output as a result of the time of the year;
2. **Year-on-year change** compares the current quarter with the same quarter one year ago; and
3. **Rolling four quarter change** compares the most recent twelve months with the twelve months before. This comparison is useful for identifying changes in output over a longer time period than the other two approaches.

### 1.4 Revisions

Results are provisional and subject to revision which can be made for a variety of reasons. The most common include late responses to surveys, estimates being replaced by actual data, revisions to seasonal adjustment factors, methodological changes and changes to business classifications. A revisable period of the preceding four quarters is applied for late responses from RSI census businesses. Volatility also arises when businesses inform NISRA of SIC code changes via business surveys, ONS or HMRC. This new information helps to improve the estimates of growth each quarter but also adds volatility to quarterly and annual changes. Only rarely are there avoidable 'errors', such as human or system failures, and such mistakes are made quite clear when they do occur.

## 2 Key Findings

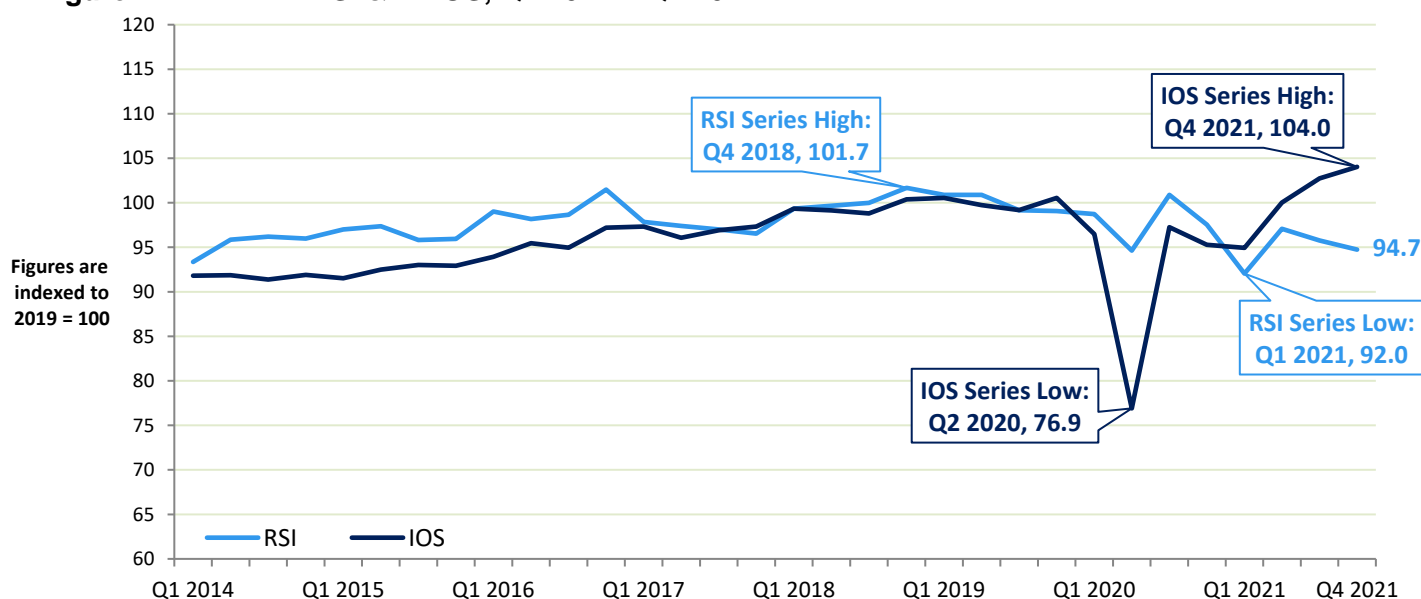
**Output:** turnover, the value of total sales generated from all NI based activity, excluding VAT. Turnover is rounded to the nearest thousand and is then grossed, deflated and seasonally adjusted. This turnover is then converted into an index value which is a convenient form of expressing a series in a way that makes it easier to see changes in that series. The numbers in the series are expressed relatively, in this case the average of the turnover in 2019 chosen to be the 'base' (expressed as 100) and other turnover values being measured relative to this base.

**RSI:** SIC 47 makes up 18.3% of NI IOS Gross Value Added (GVA) at 2019 prices.

- The RSI output decreased by:
  - 1.1% over the quarter;
  - 2.9% over the year; and,
  - 3.1% on a rolling four quarters basis.
- Retail output in NI saw a quarterly decrease of 1.1% in Quarter 4 2021 and a decrease of 2.9% over the year while GB RSI output experienced a decrease of 0.6% over the quarter and 0.5% over the year.
- NI RSI output remains 4.4% below the pre-Coronavirus pandemic levels seen in Quarter 4 2019 while GB RSI output is now 3.0% above the Quarter 4 2019 level.
- When the most recent four quarters are compared to the previous four quarters the NI RSI decreased by 3.1% while the GB RSI increased by 4.7%.
- NI RSI output is 6.8% below the series high seen in Quarter 4 2018.
- The NI RSI has fallen over the last two quarters but remains 2.9% above the series low (Quarter 1 2021). In contrast, the NI IOS has seen increases over the last three quarters and is now at a new series high.

When comparing the NI RSI series to the NI IOS, the IOS marginally outperformed RSI until Quarter 4 2017. The two series then maintained a similar level until Quarter 1 2020. The impact of COVID-19 restrictions was seen to be greater on the IOS series than RSI, with IOS hitting a series low in Quarter 2 2020 while RSI did not reach a series low until Quarter 1 2021. The subsequent recovery has seen IOS reach a series high in Quarter 4 2021 while RSI remains 4.4% below the pre-pandemic level seen in Quarter 4 2019.

**Figure 1.4 NI RSI & NI IOS, Q1 2014 – Q4 2021**



[Download Figure 1.4 data](#)

# 3 Background notes

## Background

The RSI is a subset of IOS and refers to SIC 47 (Retail trade, except of motor vehicles and motorcycles). It provides a measure of change in output within the private retail service industries in Northern Ireland. For further information please see the [Methodology for the NI Retail Sales Index \(RSI\)](#).

## Impact of coronavirus (COVID-19) on data collection and estimates

Coronavirus impacted on the data collection and the validation of turnover data, which are collected on the Quarterly Business Survey.

The following provides an overview of the NI RSI coverage response rates for Quarter 4 2021, compared to the median rates in 2019 and 2020:

	Quarter 4 2021	2020 (median)*	2019 (median)*
Coverage response rate ( <i>returned turnover</i> )	67%	45%	76%

\*median value achieved at IOS database closure of quarters 1 to 4 for 2019 and 2020.

Coronavirus has resulted in a decrease in coverage response rates in 2020 and 2021 when compared to 2019 figures, primarily due to the restrictions in place for businesses. As a result the estimates for Quarter 4 2021 may be subject to higher revisions than normal over the coming quarters.

## Deflation

The RSI is measured at a constant market price (2019 = 100). Deflators adjust the value series, taking out the effect of price change, to create the volume series. The deflators used in this bulletin were provided by ONS on 7 March 2022. Details on [deflation improvements in the UK national accounts](#) can be found on the ONS website.

## Gross Value Added (GVA)

Weighting has been carried out using the balanced GVA approach which balances the income and production approaches to measuring the economy into a single estimate. For more information please see [Regional GVA information](#). Figures in this publication are weighted using 2019 GVA which became available on 26 May 2021.

## Seasonal Adjustment Review

Following the seasonal adjustment review conducted in March 2021 changes have been made to some regressors and models used to seasonally adjust (where applicable) time series using X13 ARIMA SEATS. This improves the reliability of results. Further details on [this review and other methodological changes](#) implemented in June 2021 are available on the NISRA website.

## Experimental Statistics

These statistics are experimental statistics which are still undergoing evaluation and are subject to revision. It is our goal that the new RSI will undergo assessment by the Office for Statistics Regulation to ensure compliance with the standards of the [Code of Practice for Statistics](#).



### **Publications policy**

All ELMS publications are available to download free of charge from the [ELMS section of the NISRA website](#). The RSI bulletin and tables from the current publication, which includes all the data from the start of the series in 2014, are available in Excel and Open Document format to download from the [RSI section of the NISRA website](#).

Future RSI publications are due to be published on the same day as the [Index of Services](#) and [Index of Production](#) in March, June, September and December of each year. The [ELMS Publication Schedule](#) is available on the NISRA website.

### **Next publication**

The next bulletin is due to be published on 16 June 2022.

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