

# Northern Ireland Quarterly Retail Sales Index

## Quarter 2 (April - June) 2022

Theme: Economy

Frequency: Quarterly

Geographical Area: Northern Ireland

Date: 15 September 2022

### Introduction

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, and a representative sample of smaller businesses.

### Key Points

- Retail output in NI saw a decrease of 2.4% over the quarter to Quarter 2 2022, and a decrease of 2.1% over the year.
- GB RSI output saw a decrease of 1.4% over the quarter and a decrease of 6.1% over the year.
- NI RSI output remains 3.6% below the pre-Coronavirus pandemic level seen in Quarter 4 2019 while GB RSI output is now 0.8% above the Quarter 4 2019 level.
- When the most recent four quarters are compared to the previous four quarters the NI RSI decreased by 0.5% and the GB RSI decreased by 0.2%.
- NI RSI output is 6.0% below the series high seen in Quarter 4 2018.
- NI RSI output is 3.8% higher than the lowest point (Quarter 1 2021) since the series began.

# Contents

<b>1. Summary of Retail Sales Index</b>	<b>3</b>
1.1 Changes in the Retail Sales Index	3
1.2 Commentary	4
1.3 Context	5
1.4 Revisions	5
<b>2 Key Findings</b>	<b>6</b>
<b>3 Background notes</b>	<b>7</b>
<b>4 Index of Tables</b>	<b>9</b>

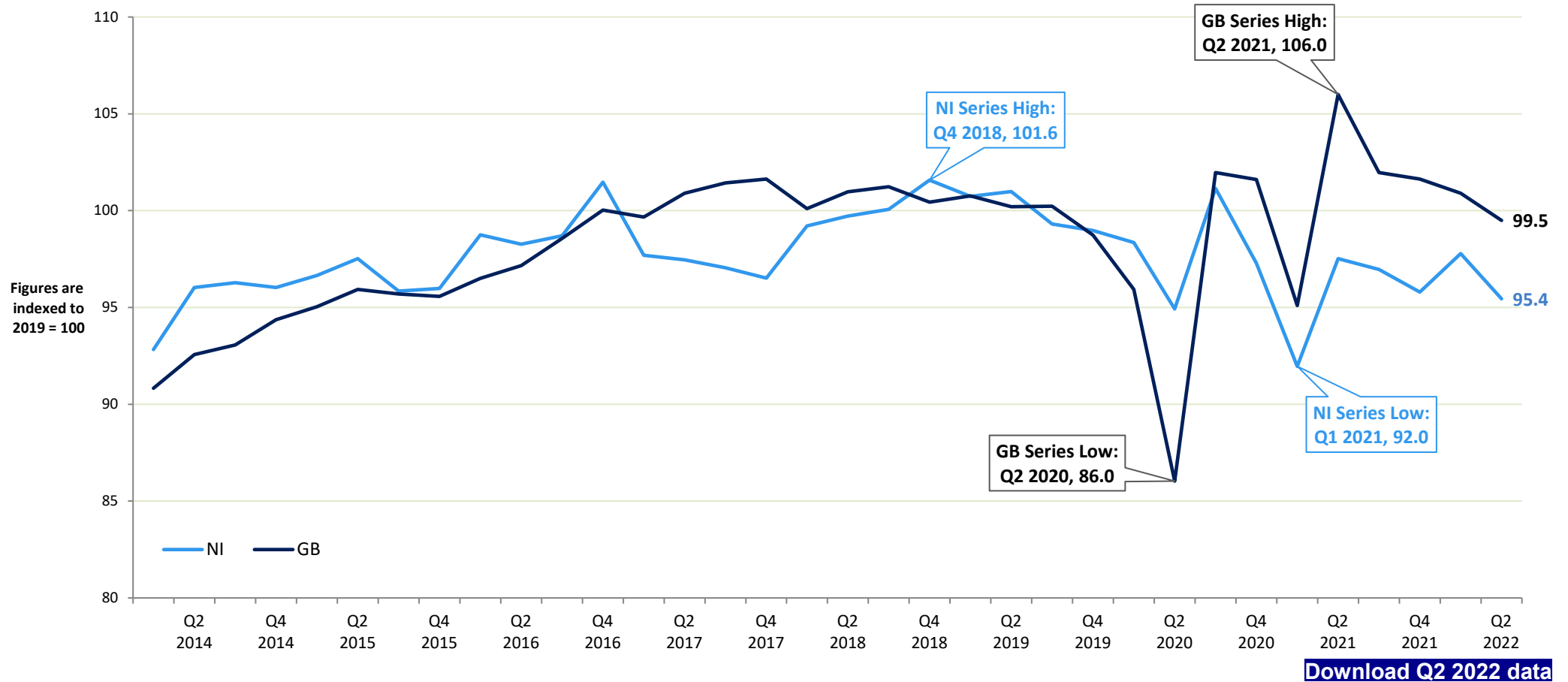
# 1 Summary of the Retail Sales Index

## 1.1 Changes in the Retail Sales Index

The seasonally adjusted estimate for NI RSI output for Quarter 2 2022 showed decreases of:

- 2.4% over the quarter from the Quarter 1 2022 estimate;
- 2.1% over the year from the Quarter 2 2021 estimate; and
- 0.5% when the most recent four quarters are compared to the previous four quarters.

**Figure 1.1 RSI, NI & GB, Q1 2014 – Q2 2022**



## 1.2 Commentary

The NI and GB Retail indices followed the same general upward trend from Quarter 1 2014 to Quarter 1 2020. While the GB index saw a greater level of decline in Quarter 2 2020 than the NI index, it has subsequently recovered 15.7% to reach its current level. In comparison the NI index has recovered 3.8% following the series low seen in Quarter 1 2021 to reach its current level.

Quarter 2 2022 NI RSI output remains 3.6% below the pre-pandemic level seen in Quarter 4 2019. In comparison the GB RSI output is now 0.8% above its pre-pandemic level. Different Covid-19 restrictions in place across NI and GB throughout 2020 and 2021 may help to explain variations between the two indices.

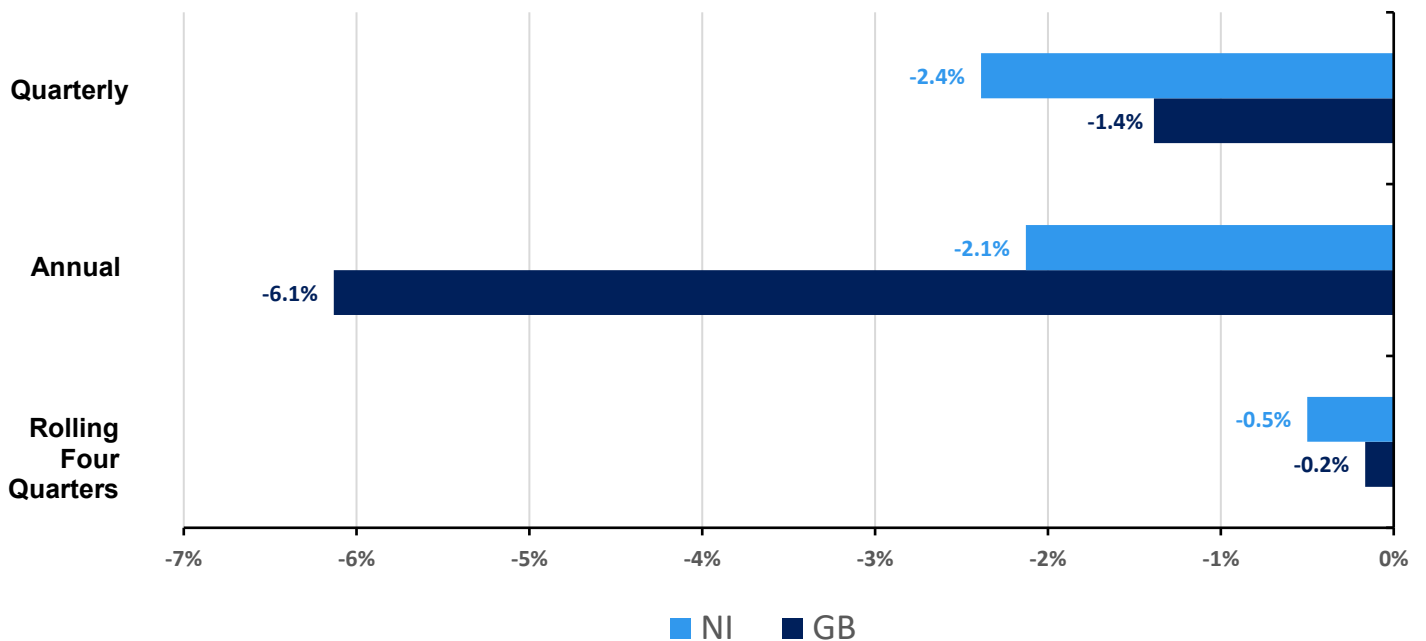
Output in the retail sector decreased by 2.4% over the second quarter of 2022. Output is now is 3.8% higher than the series low (Quarter 1 2021) but remains 6.0% below the series high which was observed in Quarter 4 2018.

Output in the retail sector decreased by 2.1% over the year. There have only been three quarters out of the last twelve (Quarter 3 2020, Quarter 2 2021 and Quarter 1 2022) 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	-2.4%	-1.4%
Year on year	-2.1%	-6.1%
Rolling four quarter	-0.5%	-0.2%

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



### 1.3 Context

The Northern Ireland RSI has been produced as an Experimental Statistic as the methods continue to be reviewed and developed.

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. The RSI revisions triangle can be accessed on the [RSI Quality and Revision documents page](#).

## 2 Key Findings

**Retail Sales:** SIC 47 – Retail Trade except of motor vehicles and motorcycles. Retailing is the resale (sale without transformation) of new and used goods mainly to the general public for personal or household consumption or utilisation, by shops, department stores, stalls, mail-order houses, door-to-door sales persons, hawkers, consumer cooperatives, auction houses etc. SIC 47 makes up 18.1% of NI IOS Gross Value Added (GVA) at 2020 prices.

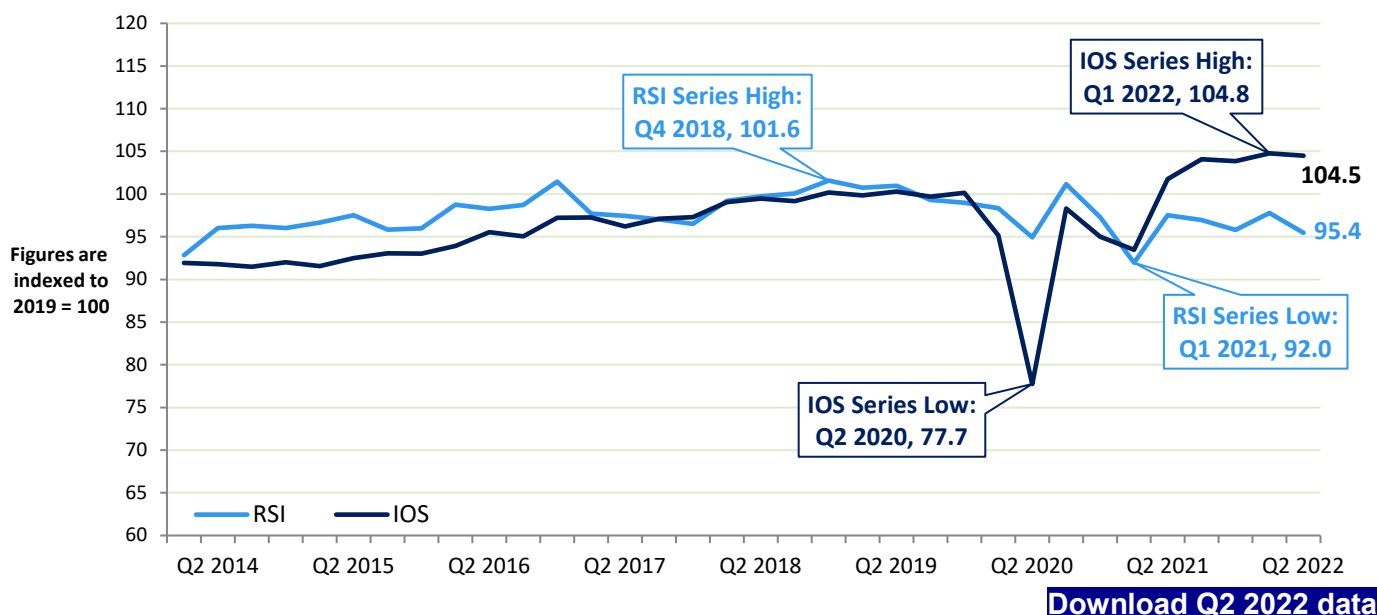
**Output:** turnover, the value of total sales generated from all NI based activity, excluding VAT. Turnover is rounded to the nearest thousand and is then grossed and deflated.

**Index:** turnover 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.

- Retail output in NI saw a quarterly decrease of 2.4% in Quarter 2 2022 and a decrease of 2.1% over the year while GB RSI output experienced decreases of 1.4% over the quarter and 6.1% over the year.
- NI RSI output remains 3.6% below the pre-Coronavirus pandemic levels seen in Quarter 4 2019 while GB RSI output is now 0.8% above its Quarter 4 2019 level.
- When the most recent four quarters are compared to the previous four quarters the NI RSI decreased by 0.5% while the GB RSI fell by 0.2%.
- NI RSI output is 6.0% below the series high seen in Quarter 4 2018.
- The NI RSI remains 3.8% above the series low (Quarter 1 2021).

When comparing the NI RSI series to the overall NI IOS, both series followed the same general trend 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 last quarter (Quarter 1 2022) while RSI remains 3.6% below its pre-pandemic level seen in Quarter 4 2019.

**Figure 1.4 NI RSI & NI IOS, Q1 2014 – Q2 2022**



## 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 2 2022, compared to the median rates in 2021, 2020 and 2019:

	Quarter 2 2022	2021 (median)*	2020 (median)*	2019 (median)*
Coverage response rate (returned turnover)	62%	53%	45%	76%

\*median value achieved at IOS database closure of quarters 1 to 4 for 2019, 2020 and 2021.

### 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 2020 GVA which became available on 30 May 2022.

### 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 September 2022. Details on [deflation improvements in the UK national accounts](#) can be found on the ONS website.

### Seasonal Adjustment Review

Following the seasonal adjustment review conducted in May 2022 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 2022 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](#).

## Changes to recent releases

Quarter	Change	Detail
Quarter 1 2022	Seasonal Adjustment Review	Following the seasonal adjustment review conducted in May 2022 changes have been made to some regressors and models used to seasonally adjust time series using X13 ARIMA SEATS.
Quarter 1 2022	2020 GVA	Figures in this publication are weighted using 2020 GVA which became available on 30 May 2022.

### 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 15 December 2022.

### Labour Market Statistics User Group

The next Labour Market Statistics User Group will take place on 29th September 2022. To register for this event, please follow this link: [Labour Market Statistics User Group Meeting 2022 Invitation](#).

The presentation from the Labour Market Statistics User Group 2021 is available from the [Labour Market Statistics User Engagement webpage](#).

A [Labour Market Statistics Newsletter](#) was published in June 2022 providing a summary of recent developments and upcoming plans.

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# 4 Index of Tables

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[4.1 RSI percentage change, NI and GB](#)

[4.2 RSI – Quarterly, Annual and Rolling Annual average changes, NI](#)

[4.3 RSI – Annual average change, NI](#)