

(Annual Business Inquiry)

NI Non-Financial Business Economy 2020 Provisional Local Unit Results

Date: 29 July 2022

Theme: Business and energy

Geographical Area: Northern Ireland

Frequency: Annual

Key Points

- In 2020, the income generated by non-financial businesses in Northern Ireland (NI), less the cost of goods and services used to create this income, was estimated to be £26.3 billion. This amount represents the approximate Gross Value Added (aGVA) at basic prices of the NI non-financial business economy (NFBE), excluding farming, financial services and the public sector.
- aGVA at Basic prices represents the income generated by businesses, out of which is paid wages and salaries, the cost of capital investment and financial charges before arriving at a figure for profit.
- In terms of the profile of aGVA across the economy, Figure 1 overleaf shows that the Service¹ sector represents the largest share of aGVA (38.5%) followed by the Production and Distribution (Wholesale & retail trade) sectors (27.1% and 24.2% respectively). The Construction sector accounts for 9.9% of aGVA.

Change between 2019-20

- The NI non-financial business economy, as measured by the Northern Ireland Annual Business Inquiry, recorded an increase of £40 million (0.2%) in aGVA from 2019 to 2020. This growth was driven by increases in the Production and Wholesale and retail sales sectors; these were offset by decreases in aGVA in the Agriculture, Forestry and Fishing, Construction and Service sectors.
- The key driver of aGVA growth was the Production sector (that includes Mining and quarrying; Manufacturing; Electricity, gas, steam and air conditioning supply; and Water supply, sewerage, waste management and remediation activities) which increased by £0.8 billion (12.9%) between 2019 and 2020. The majority of aGVA growth in this sector is attributable to the Energy generation and supply section which increased by £334 million

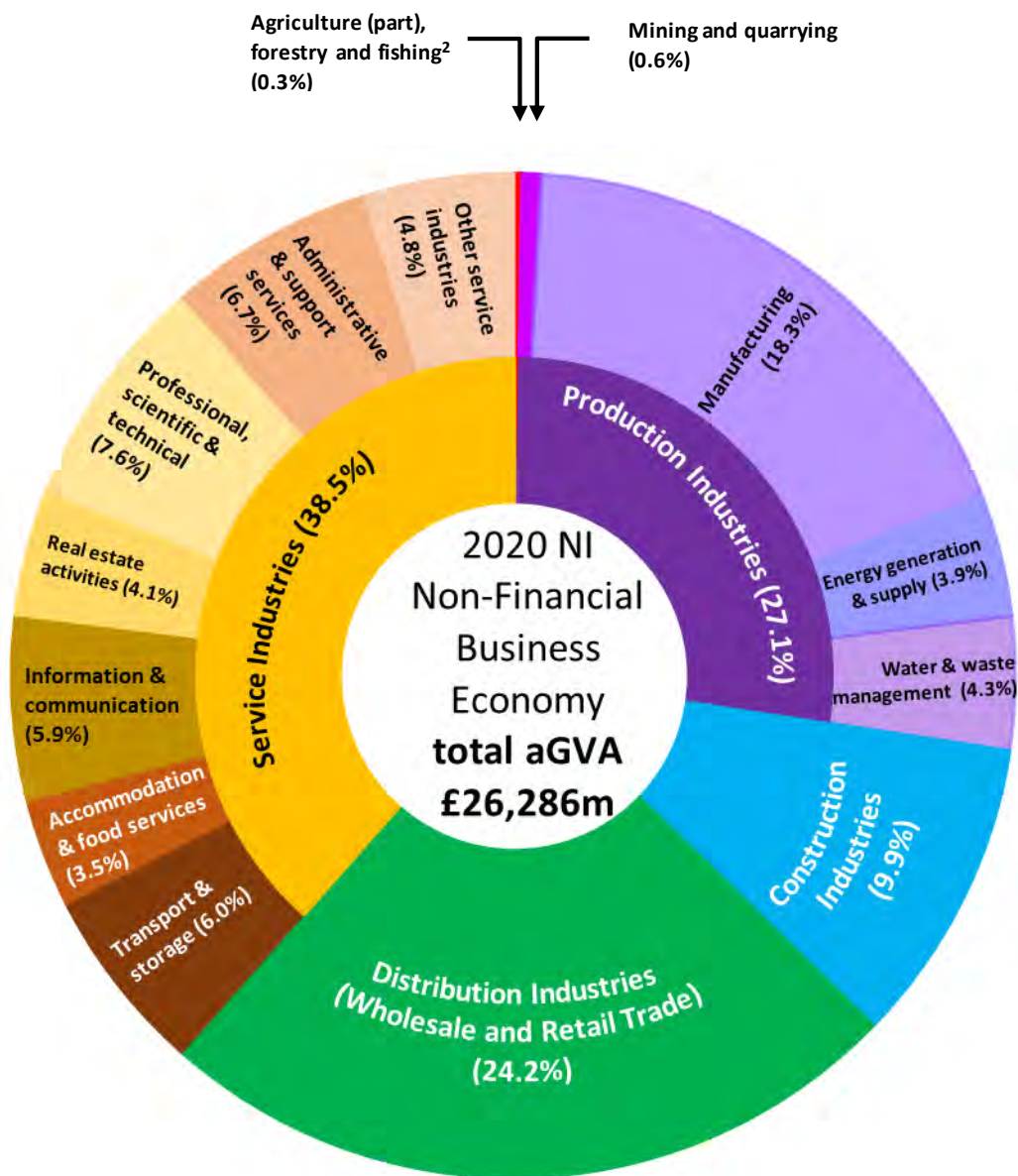
¹ Please refer to the appendix at the bottom of this bulletin for a list of the services industries

Note - A **local unit** is an individual site (factory, shop, office, etc.) at which an enterprise conducts its business.

(48.4%).

- Wholesale and retail trade within the distribution sector recorded aGVA growth of £68 million (1.1%).
- The Construction sector recorded a decrease in aGVA of £435 million (14.3%).
- The NI non-financial Services sector saw a decrease in aGVA, decreasing by £402million (3.8%) from £10.5 billion to £10.1 billion. This was despite a significant increase in aGVA in the Real estate activities section which saw an increase of £338 million (46.0%).
- Turnover (i.e. the value of total sales and work done) in the NI non-financial business economy as a whole decreased by £5.5 billion (7.5%) over the year and purchases of goods, materials, energy, water and services decreased by £3.8 billion (8.0%).

Figure 1: aGVA 2020 for NI Non-Financial Business Economy (NFBE)



² Agriculture (part) covers only hunting, forestry, fishing and the support activities to agriculture and excludes crop and animal production.

Local Unit Note - An enterprise reporting unit reports for all the local units within the enterprise (for example, the reporting unit for a large supermarket chain will respond with aggregate figures incorporating all its Northern Ireland shops). These returns are captured in the Annual Business Inquiry [Reporting Unit publication](#). A local unit is an individual site (factory, shop, office, etc.) at which an enterprise conducts its business. For example, a supermarket chain may have shops in multiple locations, these are local units. It is the data returned for these local units that is used to create this publication.

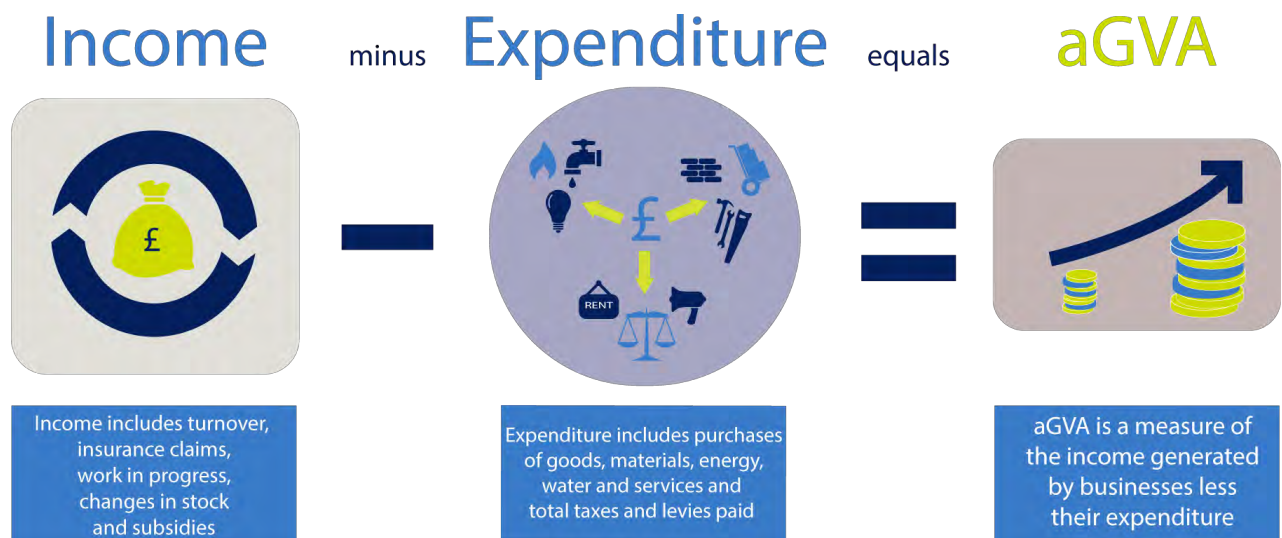
For industrial classifications a reporting unit is classified based on the dominant activities of the local units. Therefore for the Reporting Unit publication multiple local units which have different standard industrial classifications (SIC codes) will be grouped together under the one reporting unit which has the SIC code of the most dominant local unit. For example, a business (reporting unit) could have multiple sites (local units), one concerned with manufacturing and the other involved in the wholesale and retail trade of their products. Depending on the level of employment at each site, the reporting unit could either be classified under the Production sector or the Wholesale and Retail trade sector.

However for the Local Unit report, the activities of each individual local unit will be reported under the relevant SIC code for that unit. Therefore there will be some differences in the results between the Local Unit and Reporting Unit reports.

aGVA Note - A combination of falling turnover and falling purchases underlay the aGVA growth of 0.2% due to businesses recording a larger percentage decrease in their year on year purchases (8.0%) compared to their percentage decrease in year on year turnover (7.5%).

aGVA can be crudely considered to be total sales minus total purchases hence, in simplistic terms, even though business income is less than the previous year, the expenditure of businesses experienced a greater decrease and thus by proxy the businesses are adding more to the economy.

Figure 2: Equation showing how aGVA is calculated



NATIONAL STATISTICS STATUS

National Statistics status mean that our statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.



These statistics were designated as National Statistics in 2012 following a full [assessment](#) against the [Code of Practice](#).

Since the assessment by the UK Statistics Authority, we have continued to comply with the Code of Practice for Statistics, and have made the following improvements:

- Provided information on the use of the ABI and comparability with other similar statistics
- Enhanced quality by providing information to users on quality assurance, methodology and explanations of statistical terms.
- Redesigned the Annual Business Inquiry report, improving explanatory material including charts, tables and data visualisations.

Provisional estimates

Figures published in the ABI are provisional and subject to revision, an inevitable consequence of the trade-off between timeliness and accuracy, though revisions are typically small.

The most common reason for revisions is late responses to the survey after the survey has closed for the current reporting period. These late response will be included in the following publication whereby estimates will be replaced by actual data.

Over time, as more information becomes available, estimates can be revised to improve quality and accuracy, which will provide a better picture of the parameter being measured. Users require good quality data that are timely and can be accessed as close to the event which the data measures as possible. A policy of accepting revisions enables statisticians to provide users with data close to the event, but also improve the accuracy of that data as other information becomes available. Revisions are therefore a standard practice when producing official statistics.

The coronavirus (COVID-19) pandemic has impacted on the data collection and the validation of business data being collected throughout the majority of 2021. The collection period for the ABI survey data for the 2020 reference year was from March 2021 – March 2022; during this time many businesses were feeling the effects of the pandemic. However, despite the difficult year experienced by businesses we still achieved a response rate of 59%.

As a result estimates for 2020 contain a larger amount of imputations (estimates) than previous years and may be subject to higher revisions than normal next year.

That said, we are confident in the results as our imputation methods are robust and the coefficient of variance for the final figures are 1% for Turnover, aGVA and Purchases indicating a strong level of precision for the estimates

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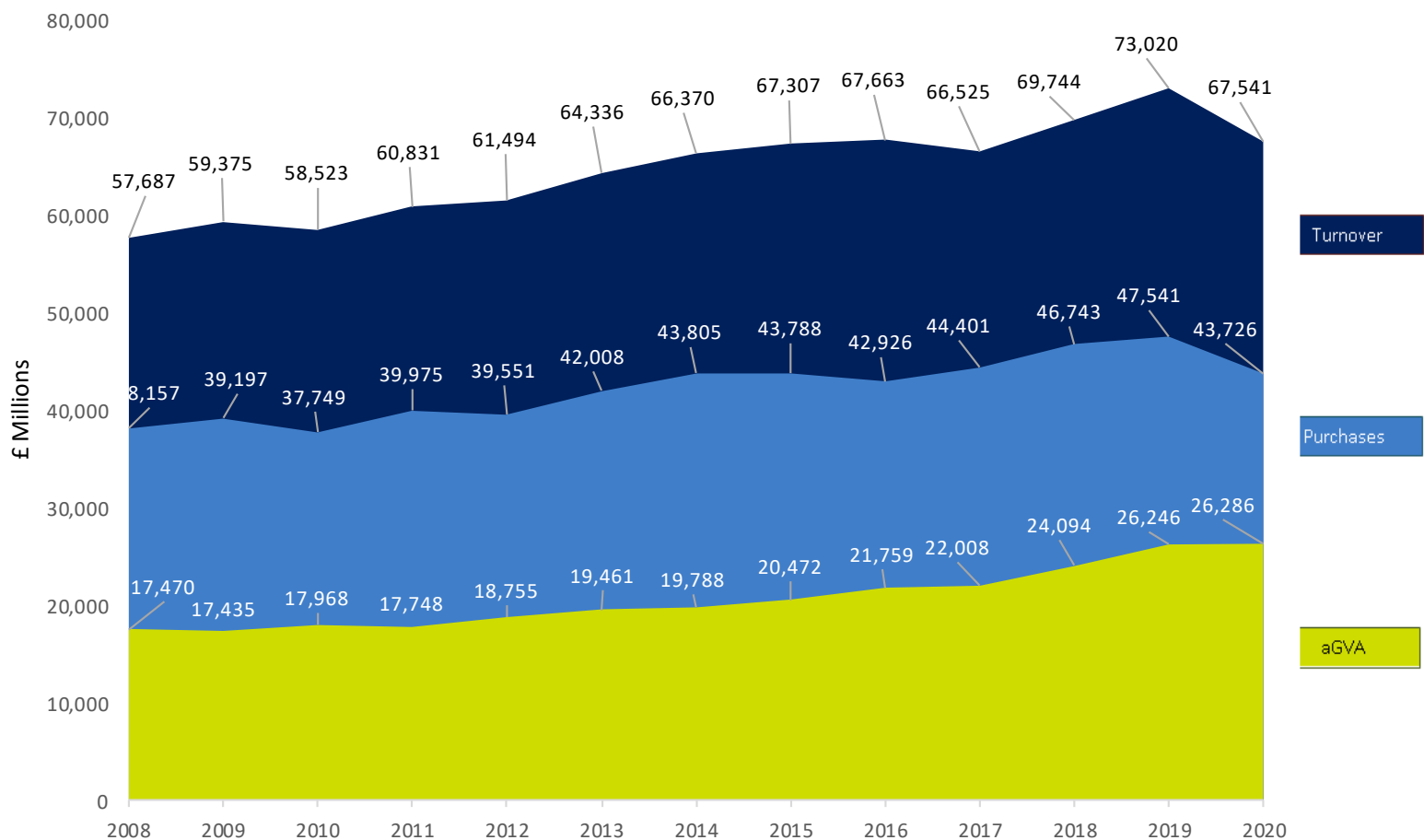
Turnover, purchases and approximate Gross Value Added (aGVA)

Turnover in the NI non-financial business economy decreased by £5.5 billion from 2019 to £67.5 billion in 2020. This was a result of a combination of decreases in turnover in the NI non-financial Services sector which decreased by £2.3 billion (12.8%) over the year, the Wholesale and retail trade sector which decreased by £1.5 billion (5.5%) and the Production sector which decreased by £1.5 billion (7.7%). The Construction and Agriculture, Forestry and Fishing sectors also reported decreases but of lesser magnitude (£128m (1.7%) and £19m (11.6%) respectively).

The value of purchases of goods, materials, energy, water and services decreased by 8.0% from £47.5 billion in 2019 to £43.7 billion in 2020. This follows on from a 1.7% increase between 2018 and 2019. The decrease in purchases was driven by decreases in the Production (£1.7 billion, 12.6%), Wholesale and retail trade (£1.5 billion, 6.9%), Services (£959m, 12.5%) and Agriculture, Forestry and Fishing (£9m, 10.3%) sectors. These decreases were marginally offset by an increase in purchases from the Construction sector (£366m, 8.3%).

The provisional results of the 2020 NIABI and revised results from the 2019 NIABI show that the turnover generated by businesses in Northern Ireland (NI), less the cost of goods and services used to create this income, was estimated to be £26.3 billion in 2020. This is an increase of 0.2% from 2019 and represents the aGVA of the NI non-financial business economy (see appendix at bottom of document for full details of industry coverage).

Figure 3: Trends in Turnover, Purchases and aGVA 2008 – 2020 (NI NFBE)



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aGVA by Industrial Section

Together, the Wholesale and retail trade and Manufacturing sections account for over two fifths (42.5%) of total aGVA in the NI non-financial business economy (see Figure 1 above). Wholesale and retail trade was the largest industrial section by aGVA, accounting for £6.4 billion (24.2%) of total aGVA in the NI non-financial business economy. This is followed by Manufacturing, accounting for £4.8 billion (18.3%) of aGVA.

Looking at industrial section rather than broad industrial sector, Real estate activities was the largest individual contributor to overall aGVA growth in the NI non-financial business economy; increasing by £338 million (46.0%) between 2019 and 2020. The Energy generation and supply section also exhibited strong aGVA growth between 2019 and 2020, increasing by £334 million (48.4%), followed by the Manufacturing section which increased by £298 million (6.6%). The Construction sector saw a large decrease in aGVA of £435 million (14.3%). Full results are available in table 1 published alongside this report.

Figure 4: Change in aGVA by industrial section 2019 - 2020 (NI NFBE)*

*Note that the colors of the bars identifies which of the broad industrial sectors the specific industry belongs to.



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Reference Tables

To support this release a set of reference tables with further sectoral breakdowns are available on the [NISRA website](#).

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.

Next Publication

The ABI Reporting Unit report for survey year 2021 will be published in winter 2022.

All publications will be available on the [NISRA website](#).

For Further Information

Further information on the ABI including details of quality, usage and revisions can be accessed on the [NISRA website](#).

Point to Note

Please be aware that the information presented throughout this bulletin is based on local unit information, and is therefore not directly comparable with earlier NIABI bulletins which are based on reporting unit information. Reporting and local unit definitions can be found in support document published alongside this report.

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Standard Industrial Classification and the coverage of the NIABI

NIABI results are classified according to the Standard Industrial Classification of Economic Activities (SIC) system. The UK is required by European legislation to have a system of classification consistent with the European Union's Industrial classification system. A review of the system was completed in 2007 and implemented in 2008. UK SIC 2007 is divided into 21 sections, each denoted by a single letter from A to U. Below this, further levels of detail are provided at division (denoted by 2 digits), groups (three digits), classes (four digits) and subclasses (five digits).

The SIC 2007 sections covered by the NIABI are as follows:

Section letter	Section description	Sector
A	Agriculture (support activities), forestry and fishing	Agriculture
B	Mining and quarrying	Production
C	Manufacturing	Production
D	Electricity, gas, steam and air conditioning supply	Production
E	Water supply, sewerage, waste management and remediation activities	Production
F	Construction	Construction
G	Wholesale and retail trade; repair of motor vehicles and motor cycles	Distribution
H	Transport and storage	Services
I	Accommodation and food service activities	Services
J	Information and communication	Services
L	Real estate activities	Services
M	Professional, scientific and technical activities	Services
N	Administrative and support service activities	Services
P	Education (excludes local authority and central government bodies)	Services
Q	Human health and social work activities (excludes local authority and central government, and medical and dental practice activities (group 86.2))	Services
R	Arts, entertainment and recreation	Services
S	Other service activities	Services

Following a decision by the Office for National Statistics to discontinue the publication of figures covering Insurance & Re-insurance industries due to ongoing volatility of the estimates, this NIABI publication also excludes estimates for this series. 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.

Index of Tables: 2008 - 2020

Data accompanying this bulletin are available in both Open Document and Excel formats at <https://www.nisra.gov.uk/statistics/business-statistics/annual-business-inquiry>

The spreadsheets include the following tables:

Table 1 – NIABI LU Results by Section 2008-2020

Table 2 – NIABI LU Results by Manufacturing sub-section 2008-2020

Table 3 – NIABI Source Data for 2020 LU Publication Graphs. **Contains the following:**
NI non-financial business economy

- 1.1 NI Non-financial business economy: aGVA 2020 and trends by broad industry 2008-2020
- 1.2 Trends in NI Non-Financial Business Economy: Income and Expenditure 2008 – 2020
- 1.3 Trends in NI Non-Financial Business Economy: aGVA change by industrial section 2019-2020
- 1.4 NI Non-Financial Business Economy: aGVA by industrial section 2020

Production sector

- 2.1 NI Production Sector: aGVA 2020
- 2.2 Trends in the Production Sector: Income and Expenditure 2008 – 2020
- 2.3 Trends in the Manufacturing Section: Income and Expenditure 2008 – 2020

Construction sector

- 3.1 Trends in the Construction Sector: Income and Expenditure 2008 – 2020

Distribution sector

- 4.1 Trends in the Distribution Sector: Income and Expenditure 2008 – 2020

NI non-financial service industries

- 5.1 NI Non-financial services Industries Sector: aGVA 2020
- 5.2 Trends in Services Industries: Turnover, Purchases and aGVA 2008 – 2020
- 5.3 Trends in the Service Industries: aGVA by sector 2008-2020