

(Annual Business Inquiry)

NI Non-Financial Business Economy 2021 Provisional Reporting Unit Results

Date: 23rd November 2022

Theme: Business and Energy

Geographical Area: Northern Ireland

Frequency: Annual

Key Points

- In 2021, 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 £30.6 billion. This amount represents the approximate Gross Value Added (aGVA) at basic prices of the NI non-financial business economy, excluding farming and financial services.
- 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.

Change between 2020-21

- The NI non-financial business economy¹, as measured by the Northern Ireland Annual Business Inquiry (NIABI), recorded an increase of £5.0 billion (19.4%) in aGVA from 2020 to 2021.
- The COVID-19 pandemic had a major impact on the economy during 2020, due to (i) lockdown measures being introduced to mitigate its spread and (ii) prolonged periods of business closures. **This should be borne in mind when considering the change in ABI estimates between 2020 and 2021.**
- The key driver of aGVA growth was the NI Services Industries sector (industry Sections H-S) which increased by £1.8 billion (17.9%) between 2020 and 2021. The majority of aGVA growth in this sector is attributable to the Transport and Storage section (Section H) which increased by £581 million (39.4%).
- Professional, Scientific and Technical services within the non-financial services sector (Section M) recorded aGVA growth of £546 million (27.3%). There was an increase in the Construction sector (Section F) of £1.2 billion (47.5%). The Distribution sector (Section G) also increased by £868 million (14.4%).
- The Production sector (Sections B-E) showed an increase in aGVA of £1.1 billion (15.5%) from £7.0 billion to £8.1 billion.

¹Details of the industries covered by the NIABI are provided in section (iv) of the background notes

- Turnover (i.e. the value of total sales and work done) in the NI non-financial business economy as a whole increased by £9.2 billion (13.6%) over the year to £77.1 billion and purchases of goods, materials, energy, water and services increased by £4.6 billion (10.5%) to £48.7 billion.

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

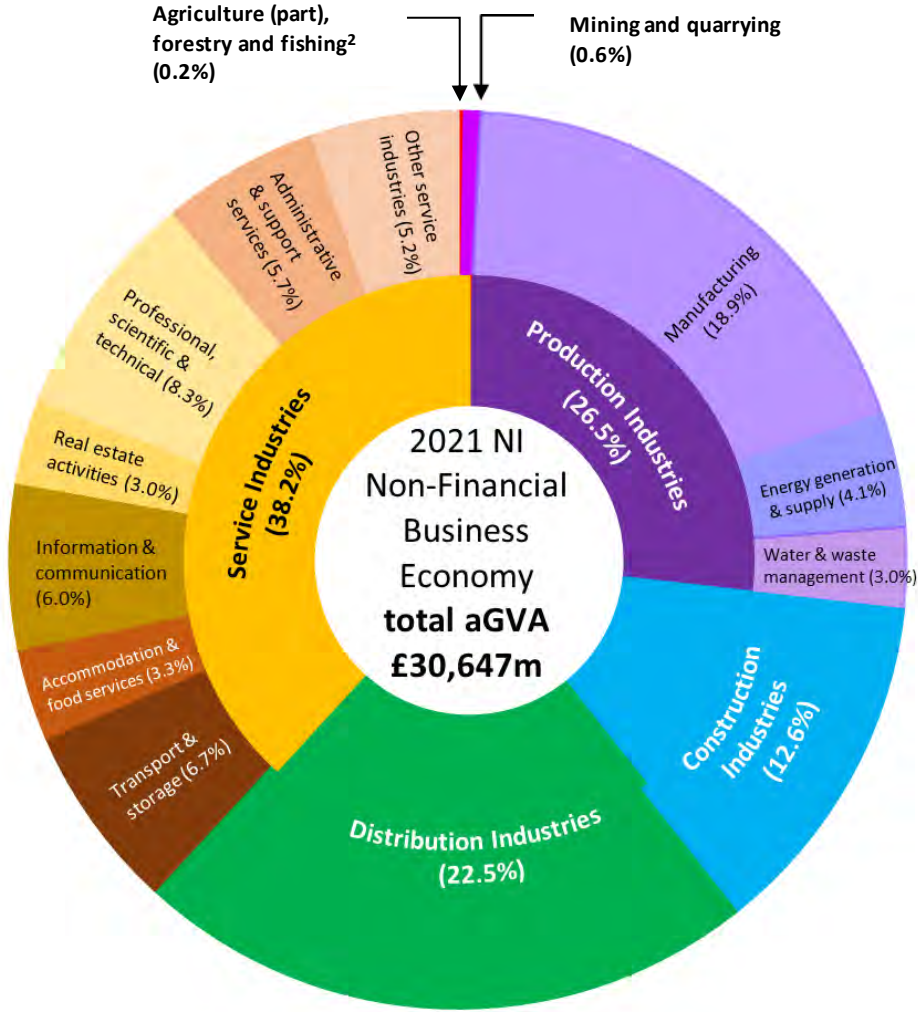
Figures published in the ABI are provisional and subject to revision, an inevitable consequence of the trade-off between timeliness and accuracy, though revisions are typically small.

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

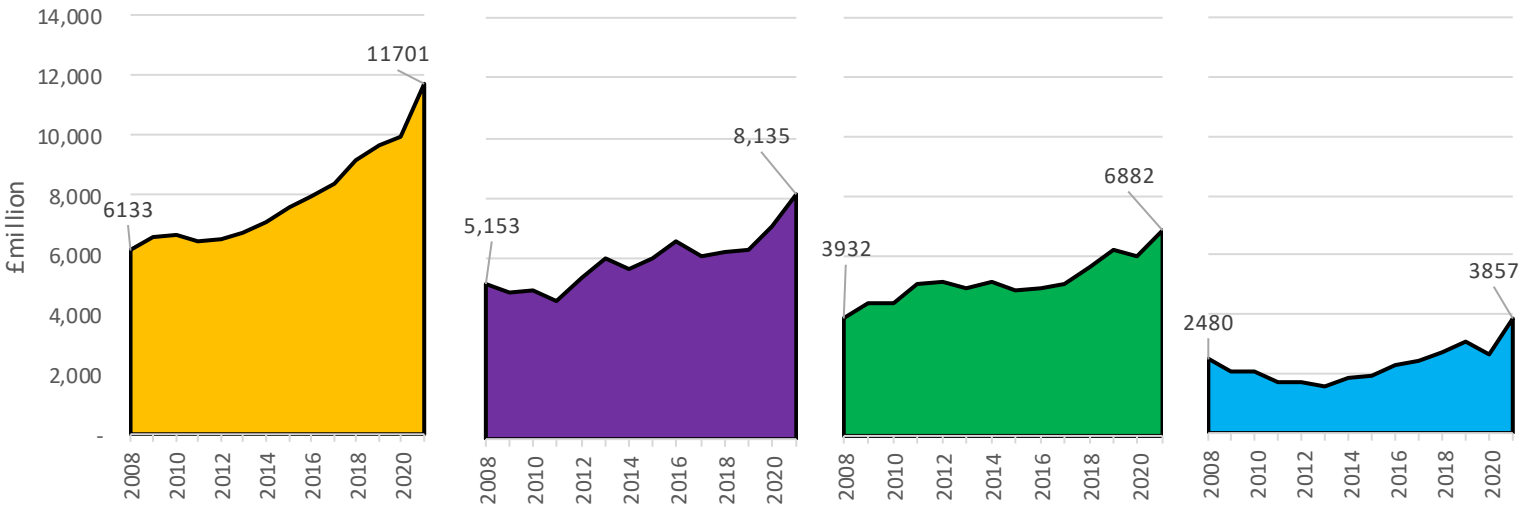
Over time, as more information becomes available, estimates can be revised to improve quality and accuracy, which will provide a better picture of the parameter being measured. Users require good quality data that are timely and can be accessed as close to the event that the data measures as possible. 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.

In 2021, 52% of the some 11,000 businesses that were surveyed submitted a return, facilitating the disaggregation of results by standard industrial classification sections. Through the application of robust imputation methods, the coefficient of variance for the final figures are 1% for Turnover, aGVA and Purchases indicating a strong level of precision for the estimates.

Figure 1: aGVA 2021 and trends by Broad Industry 2008-2021 for NI Non-Financial Business Economy (NFBE)



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Growth by sector 2020-2021



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

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1 Introduction and Context

This release contains 2021 provisional and 2020 revised reporting unit³ results from the Northern Ireland Annual Business Inquiry (NIABI). The NIABI is a key resource for measuring the size, performance and structure of the Northern Ireland non-financial business economy. It is a survey of businesses covering the Production, Construction, Distribution and Service industries plus an element of Agriculture and covers roughly two thirds of the total NI economy. Public sector bodies are excluded from the survey. Further information on survey coverage is contained in the background notes.

The ABI 2021 showed a larger than usual increase in aGVA, turnover and purchases when viewed year-on-year. This is largely due to the significant drop off in these same metrics in the ABI 2020 results because of the impact of the pandemic.

When the figures are viewed in the broader picture of trends observed over the past number of years, the 2021 figures are on par with what might reasonably have been expected were it not for the impact of the pandemic in 2020. Other factors that may go some way to explaining the higher than usual growth observed between 2020 and 2021 include businesses having surplus stock from periods of closure throughout the pandemic and government schemes designed to boost the economy such as the furlough scheme, “eat out to help out” and the high street voucher scheme.

Key Variables

The published estimates include the total value of sales and work completed by businesses (turnover); the value of the purchase of goods, materials and services and approximate Gross Value Added (aGVA) at basic prices. These estimates are further disaggregated at industry level, providing users with an insight into the size and evolution of the overall non-financial business economy from 2008 to 2021 as well as a measure of the contribution made by different industry sectors. The financial estimates are collected and presented as monetary values. All financial data are reported at current prices (effect of price changes included).

Interpretation

The non-financial business economy is constantly changing, as businesses merge, are taken over, or change the main focus of their activity. These changes can result in the industry classification of a business changing over time. In industries where movements are common, or where large businesses are involved, these changes can themselves cause large changes in the NIABI estimates. This should be taken into consideration when changes over time are being considered.

Quality Indicators

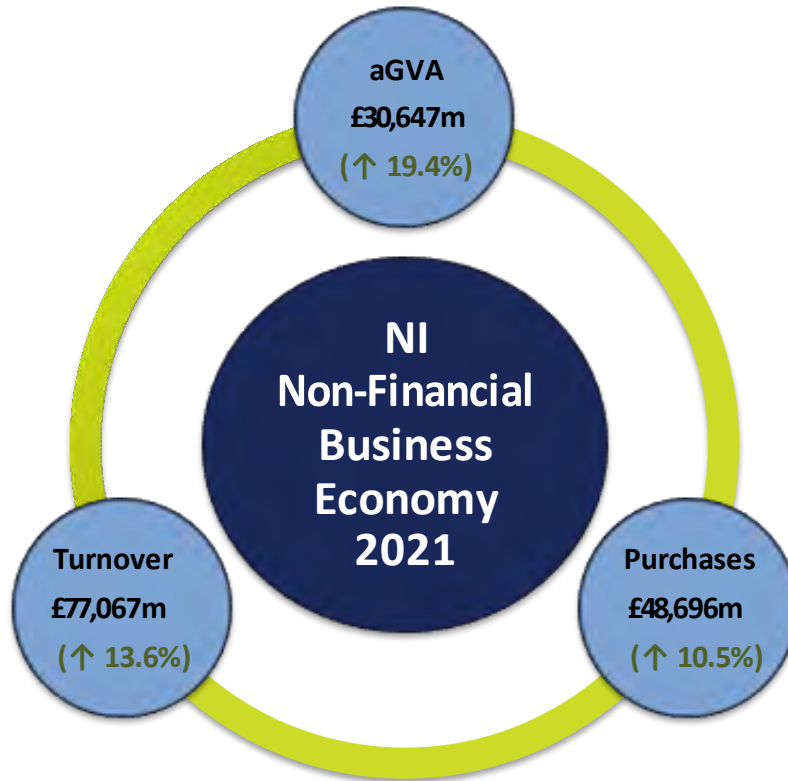
When interpreting NIABI results, users are advised to refer to the coefficient of variation quality indicators provided with the estimates in the tables, details of which are provided in the accompanying data tables. These indicate that a small number of results have quite large margins of statistical error associated with them. Users should exercise caution when interpreting the annual changes associated with such results. Users should also be aware that methodological improvements governing the treatment of business closures were introduced for the 2011 report. These improvements have been implemented for 2010 to 2021 data. Consequently, although 2008 and 2009 figures are included in this report, users should exercise caution when making comparisons.

³ See section (vi) of background notes for definitions and further information.

2 Summary and Commentary

The diagrams below show how aGVA is calculated and provides a high level overview of the top line results with more detailed information presented in the subsequent sections.

Figure 2: aGVA, Purchases and Turnover 2021 (NI NFBE)



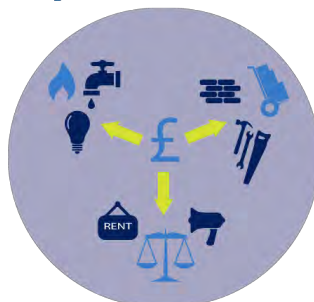
Income



Income includes turnover, insurance claims, work in progress, changes in stock and subsidies

minus

Expenditure



Expenditure includes purchases of goods, materials, energy, water and services and total taxes and levies paid

equals

aGVA



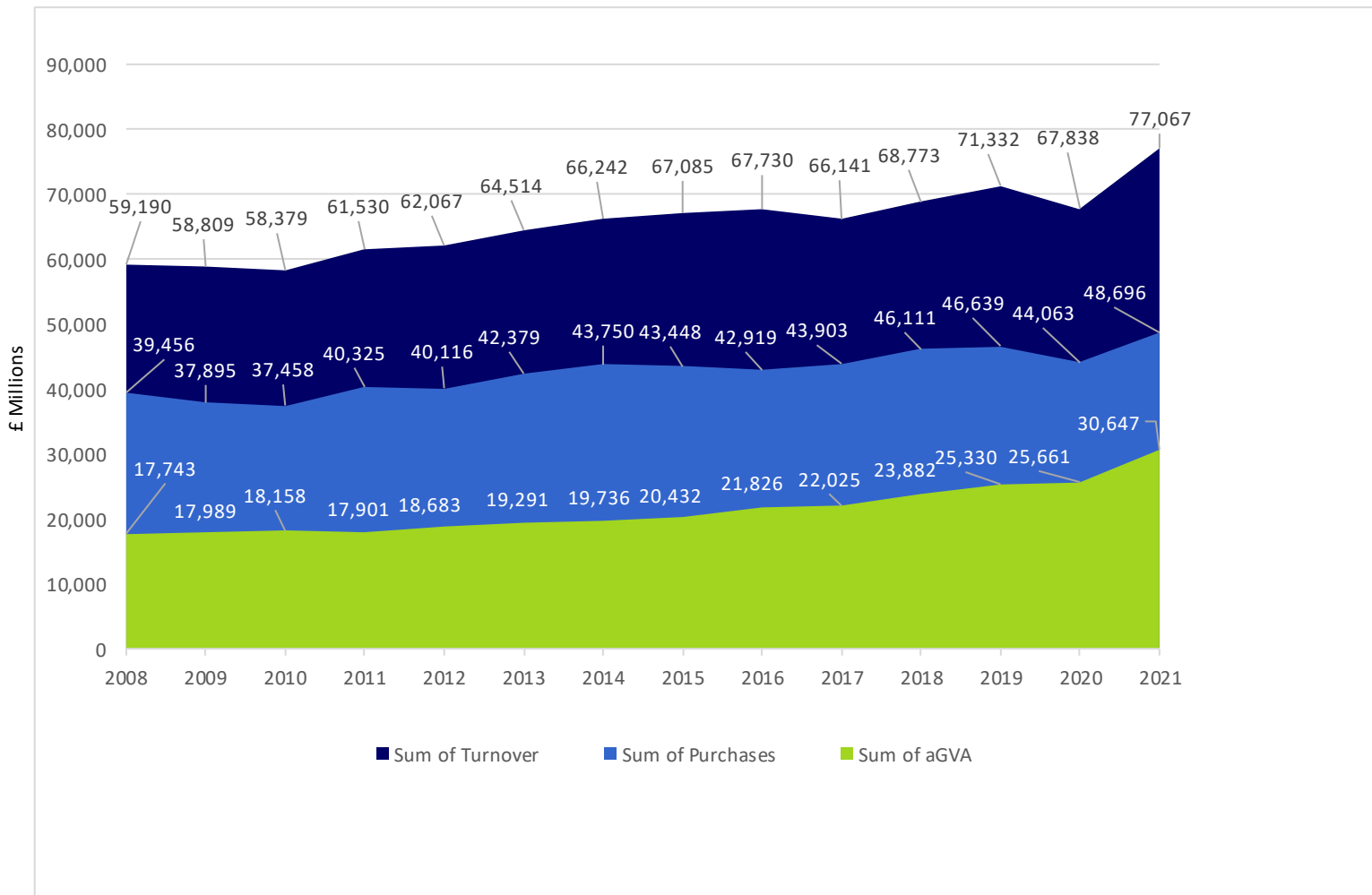
aGVA is a measure of the income generated by businesses less their expenditure

Turnover, purchases and approximate Gross Value Added (aGVA)

The provisional results of the 2021 NIABI show that turnover in the NI non-financial business economy increased by 13.6% to £77.1 billion in 2021. The value of purchases of goods, materials, energy, water and services increased by 10.5%, from £44.1 billion in 2020 to £48.7 billion 2021.

The provisional results of the 2021 NIABI and revised results from the 2020 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 £30.6 billion in 2021. This is an increase of 19.4% (£5.0 billion) from 2020 and represents the aGVA of the NI non-financial business economy (see section iv for full details of industry coverage).

Figure 3: Trends in Turnover, Purchases and aGVA, 2008 – 2021 (NI NFBE)

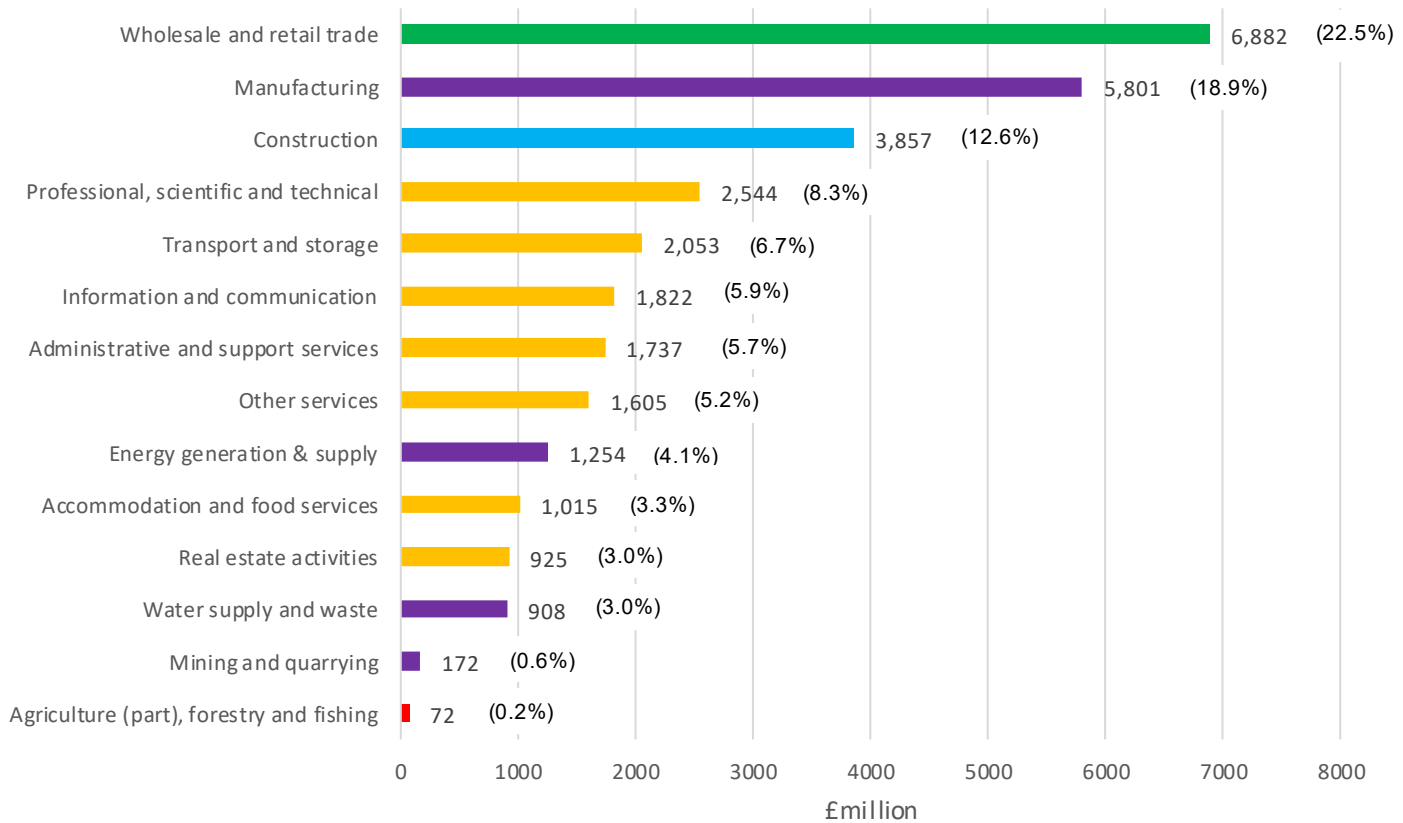


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aGVA by Industrial Section

Looking at industrial section rather than broad industrial sector, Figure 4 below shows the aGVA for each Industrial Section in 2021, the numbers in brackets represent the share of total aGVA. This should be considered in conjunction with Figure 5, which shows how the aGVA for each Industrial Section has changed between 2020 and 2021.

Figure 4: aGVA by Industrial Section, 2021 (NI NFBE)



Note – Percentages on graph indicate proportion of total aGVA accounted for by each section.



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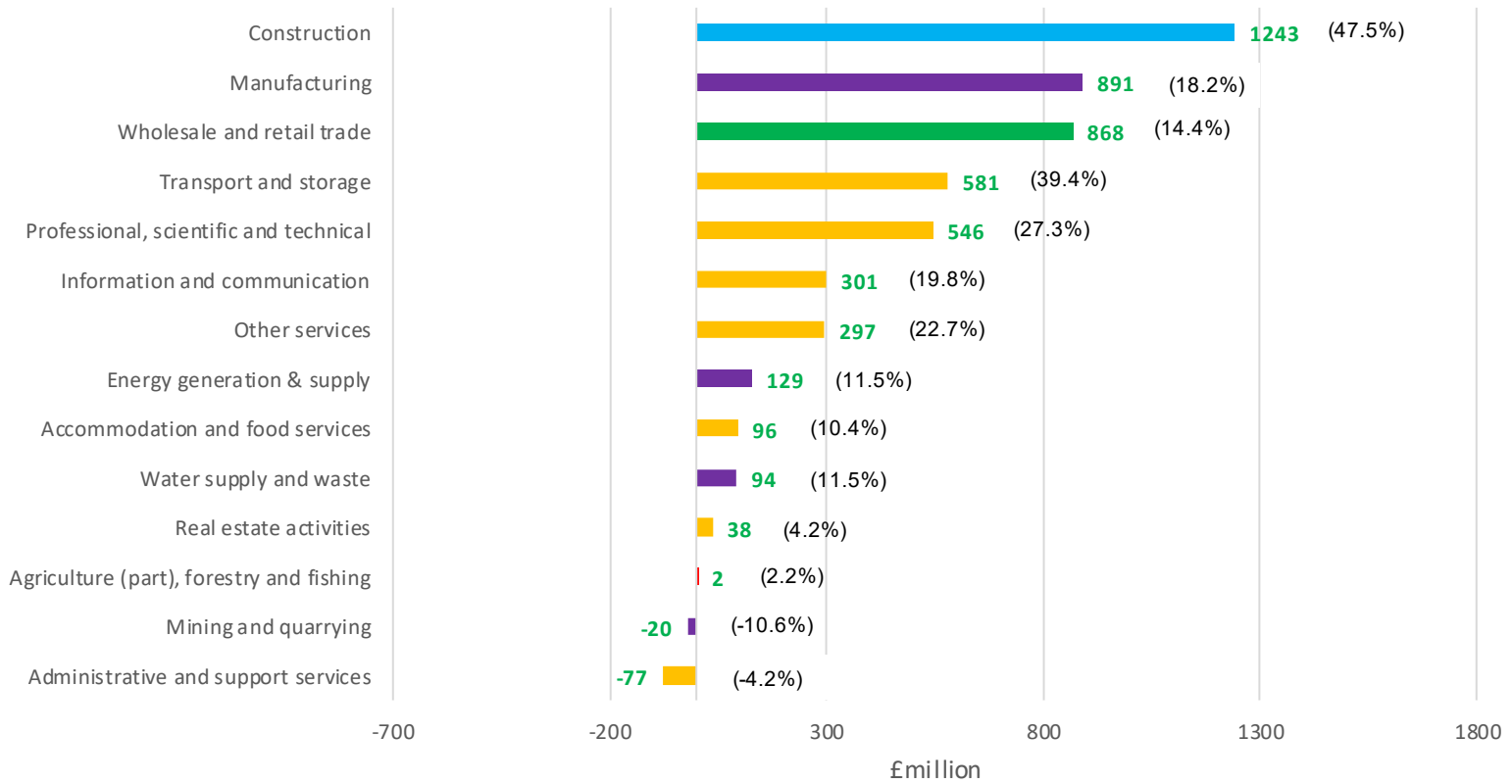
It can be seen from Figure 4 that in terms of 2021 aGVA, Wholesale and retail trade is notably the largest industrial section, accounting for 22.5% (£6.9 billion) of total aGVA in the NI non-financial business economy. Figure 5 shows that this section was ranked third among those sections that experienced growth between 2020 and 2021 (£868 million; 14.4%).

Manufacturing, the second largest industrial section, accounted for 18.9% (£5.8 billion) of total aGVA and was ranked second among those sections that experienced growth between 2020 and 2021 (£891 million; 18.2%).

Construction was the third largest industrial section, accounting for 12.6% (£3.9 billion) of total aGVA. As illustrated in Figure 5, construction experienced an increase in aGVA of 47.5% (£1,243 million) between 2020 and 2021.

Transport and Storage services (Section H) showed large aGVA growth between 2020 and 2021, increasing by £581 million (39.4%). Professional, Scientific and Technical services (Section M) also exhibited strong aGVA growth between 2020 and 2021, increasing by £546 million (27.3%).

Figure 5: Change in aGVA by industrial section, 2020 – 2021 (NI NFBE)⁴



Note – Percentages of graph indicate the percentage increase/decrease in aGVA for each section.



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⁴ Note that Other services relates to Sections P-S

Employment (taken from [Business Register and Employment Survey \(BRES\)](#), 2021)

The public/private sector jobs profile in Northern Ireland remains unchanged from 2020 with just over a quarter (27%) of jobs in the public sector. The number of private sector jobs in Northern Ireland was just over 578,000 in September 2021. This was an increase of 2.2% over the year. The majority of private sector jobs are occupied by males (55%). Male full-time jobs accounted for 44% of all jobs in the private sector and 32% of all employee jobs in Northern Ireland in 2021.

Please note that BRES excludes the following: agriculture (but includes animal husbandry service activities and hunting; trapping and game propagation); the self-employed; HM Armed Forces; private domestic servants; homeworkers and trainees with a contract of employment (non-employed status).

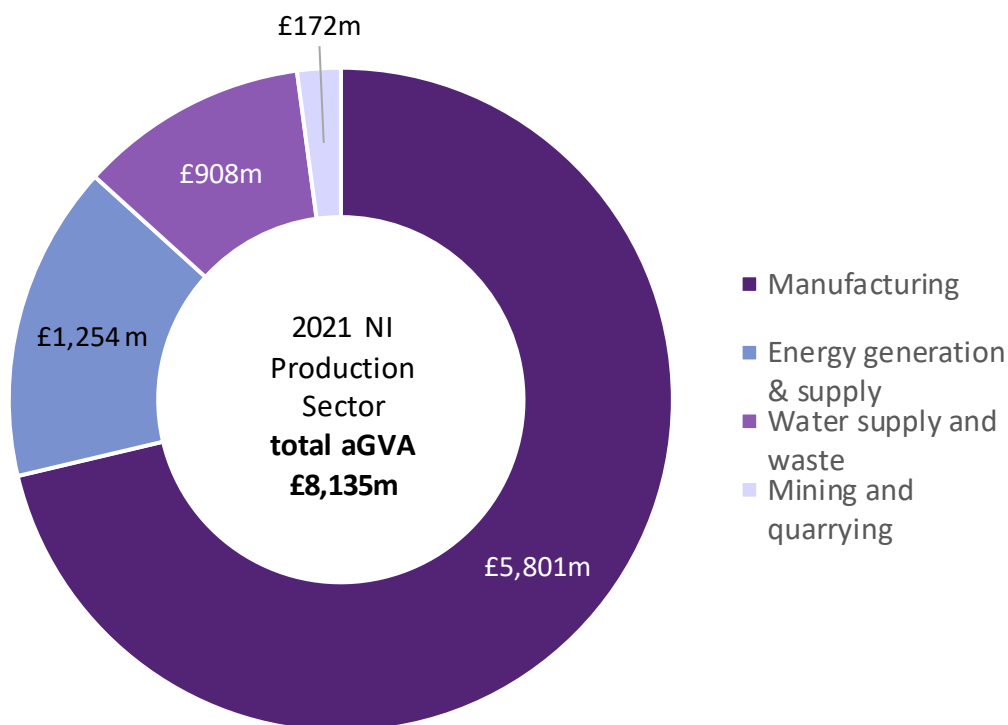
Detailed tables including employment by industry and District Council area can be found on the [BRES webpage](#).

Production Industries (Sections B-E)⁵

Sections B through E have been grouped to reflect the structure of the Northern Ireland production industries. These include: Mining and quarrying (Section B); Manufacturing (Section C); Electricity, steam and air conditioning supply (Section D); Water supply, sewerage, waste management and remediation activities (Section E).

The Production sector, which accounts for 26.5% of aGVA in the NI non-financial business economy (see Figure 1), recorded an increase of £1.1 billion (15.5%) between 2020 and 2021. Turnover (i.e. the value of total sales and work done) in the sector showed an increase of £1.6 billion (8.9%) over the same period in question, while purchases also increased by £0.7 billion (5.9%).

Figure 6: NI Production Sector: aGVA by Industrial Section, 2021

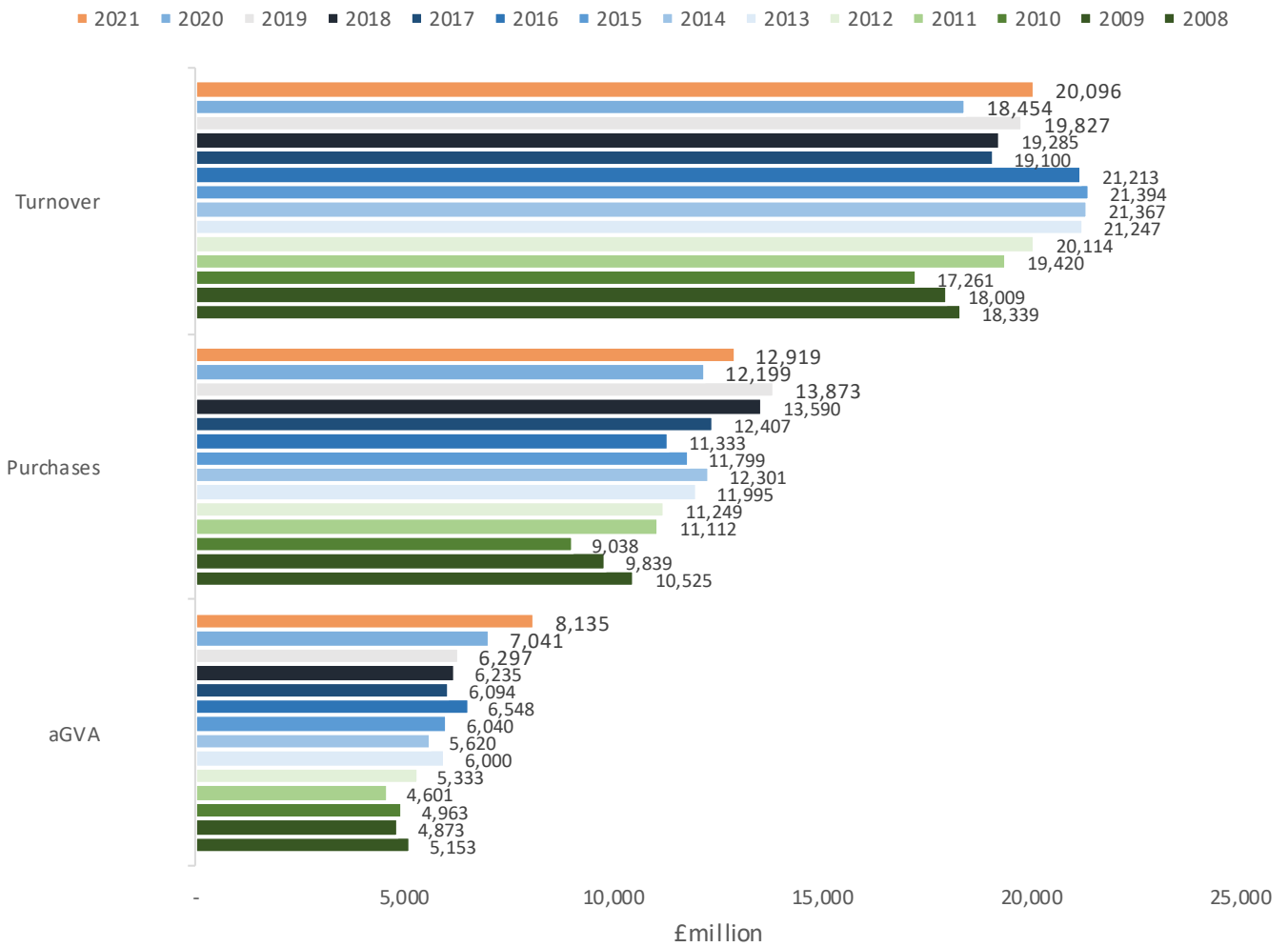


Between 2020 and 2021:

- Mining and quarrying (Section B) showed a decrease in aGVA of £20 million (10.6%);
- At £891 million, Manufacturing (Section C) saw with the overall largest growth in aGVA (18.2%);
- Energy Generation and Supply (Section D), increased by £129 million (11.5%);
- Water supply and waste (Section E) experienced an increase in aGVA (£94 million; 11.5%).

⁵ Sections are based on SIC 2007 classifications - see part (iv) of background notes for further information

Figure 7: Trends in the Production Sector: Turnover, Purchases and aGVA, 2008 – 2021

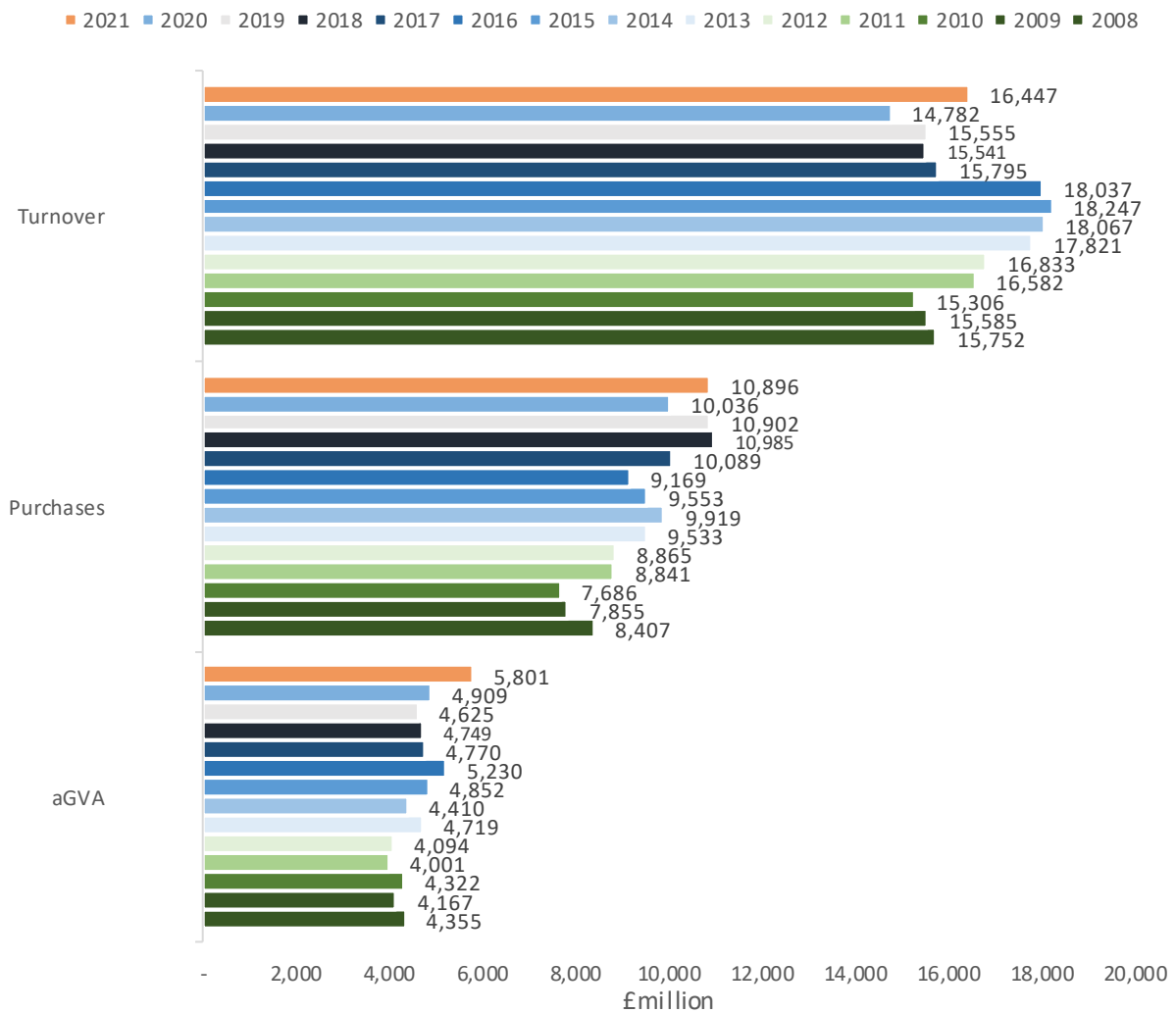


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Manufacturing

Manufacturing (Section C) is the largest component industry in the Production sector, and accounts for 18.9% (£5.8 billion) of total aGVA in the non-financial business economy. Between 2020 and 2021, aGVA in the Manufacturing section showed an increase of £891 million (18.2%).

Figure 8: Trends in the Manufacturing Sector: Turnover, Purchases and aGVA, 2008 – 2021



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Construction Industries (Section F)

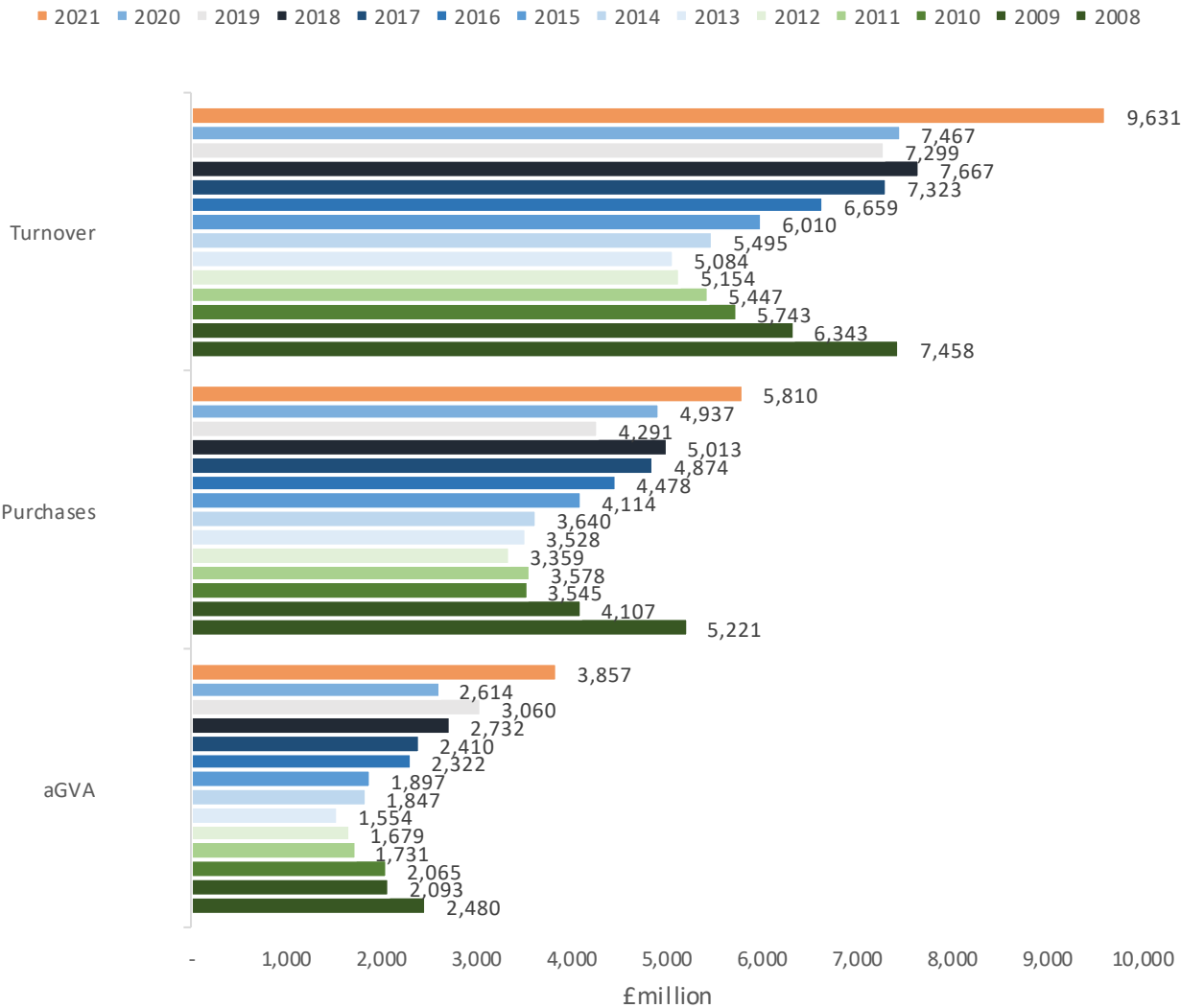
The Construction industries cover the entire Northern Ireland construction sector, include construction of buildings, civil engineering, and specialised construction activities (e.g. demolition and site preparation, electrical, plumbing and other construction installation activities, etc).

Up until 2019, Construction (Section F) aGVA had grown for the last six consecutive years increasing from £1.8 billion in 2014 to £3.1 billion in 2019. In 2020 however there was a drop in aGVA to £2.6 billion which was followed in 2021 by a sharp rise of £1.2 billion bringing the aGVA to £3.9 billion. This rise however is in line with pre pandemic trends in this section.

Between 2020 and 2021:

- Turnover increased by 29.0% (£2.2 billion) to £9.6 billion;
- Purchases increased by 17.7% from £4.9 billion to £5.8 billion; and
- aGVA increased by 47.5% from £2.6 billion to £3.9 billion.

Figure 9: Trends in the Construction Sector: Turnover, Purchases and aGVA, 2008 – 2021

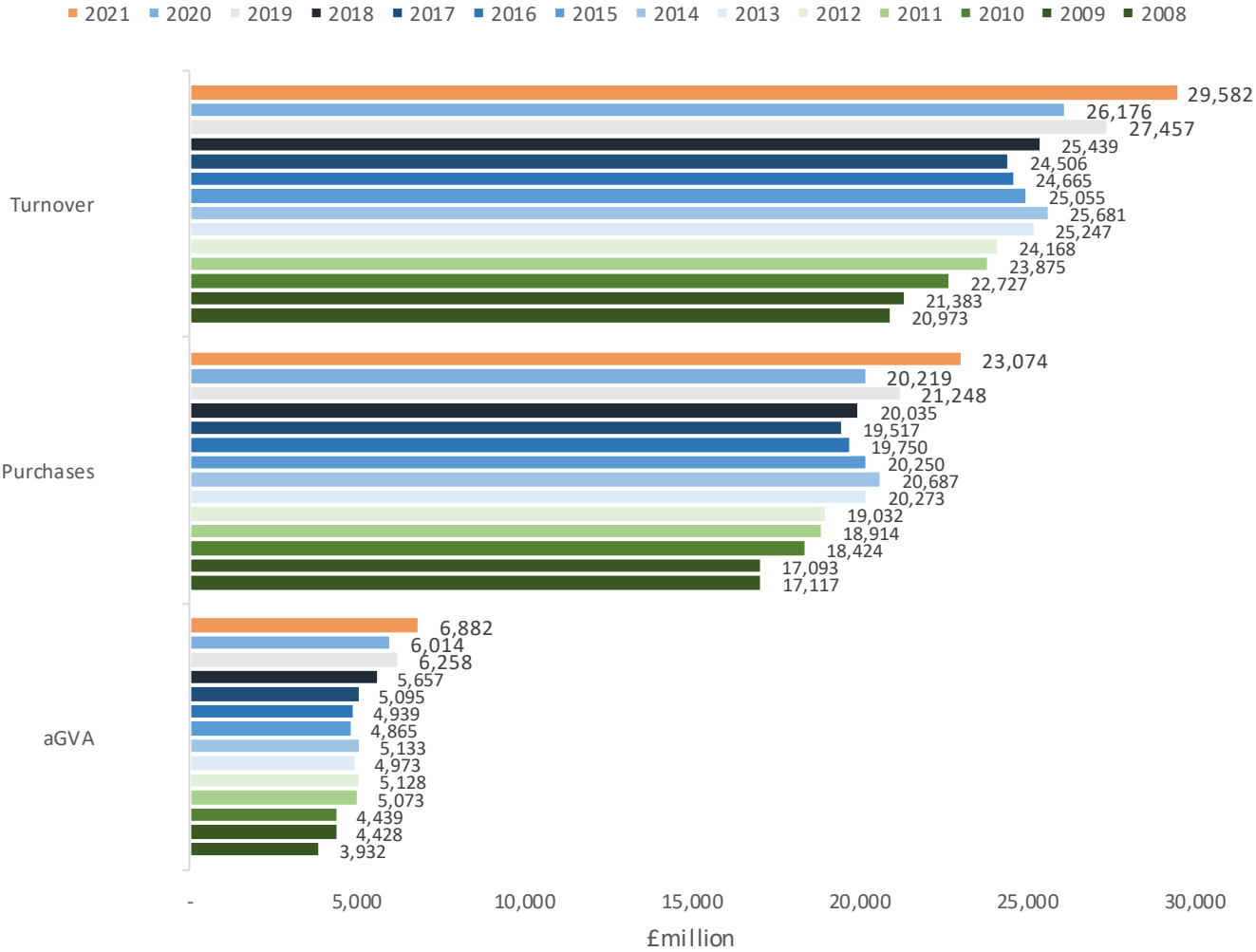


Distribution Industries (Section G)

The distribution industries consist of companies engaged in wholesale and retail trade and cover the entire Northern Ireland wholesale and retail sector.

Wholesale and retail trade (Section G) showed an increase in aGVA, growing by £868 million (14.4%) from 2020 (£6.0 billion) to 2021 (£6.9 billion). Within this was a relatively large increase in turnover of £3.4 billion (13.0%) and an increase in purchases of £2.9 billion (14.1%).

Figure 10: Trends in the Distribution Sector: Turnover, Purchases and aGVA, 2008 – 2021



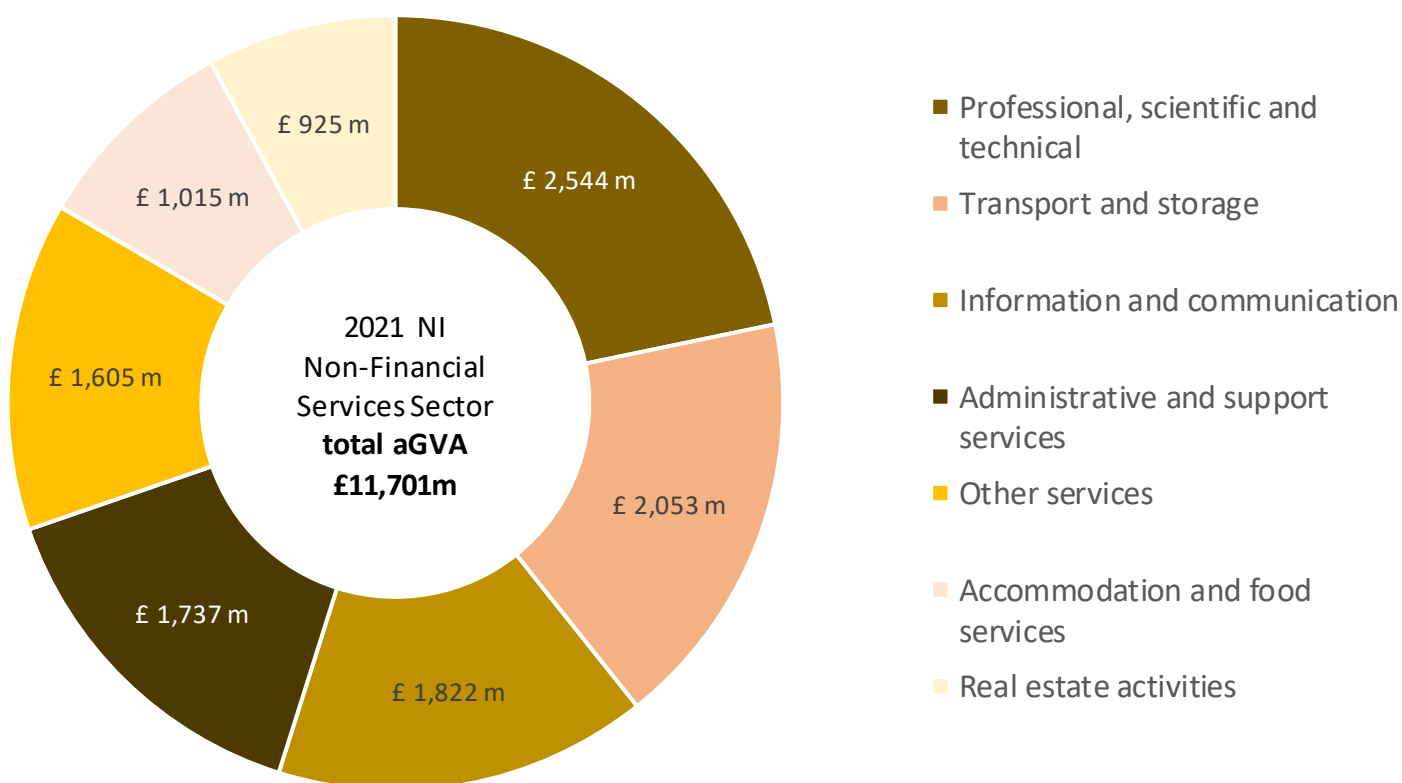
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Services Industries (Section H–S) – Non-Financial

The non-financial services sector is composed of Transport and storage (Section H); Accommodation and food service activities (Section I); Information and communication (Section J); Real estate activities (Section L); Professional scientific and technical activities (Section M); Administrative and support service activities (Section N); and other service activities that are grouped to avoid disclosure of returns (Sections P-S). Note: Section K, Financial and insurance activities, are excluded.

The Services sector represents almost two-fifths (38.2%), £11.7 billion, of aGVA in the NI non-financial business economy and, as such, even small movements in the services sector can have a pronounced effect on overall trends. For example, between 2020 and 2021 aGVA in the Services sector increased by 17.9% (£1.8 billion) to £11.7 billion. The £1.8 billion growth in the Services sector equates to 35.7% of the total aGVA growth in the NI non-financial business economy (£5.0 billion).

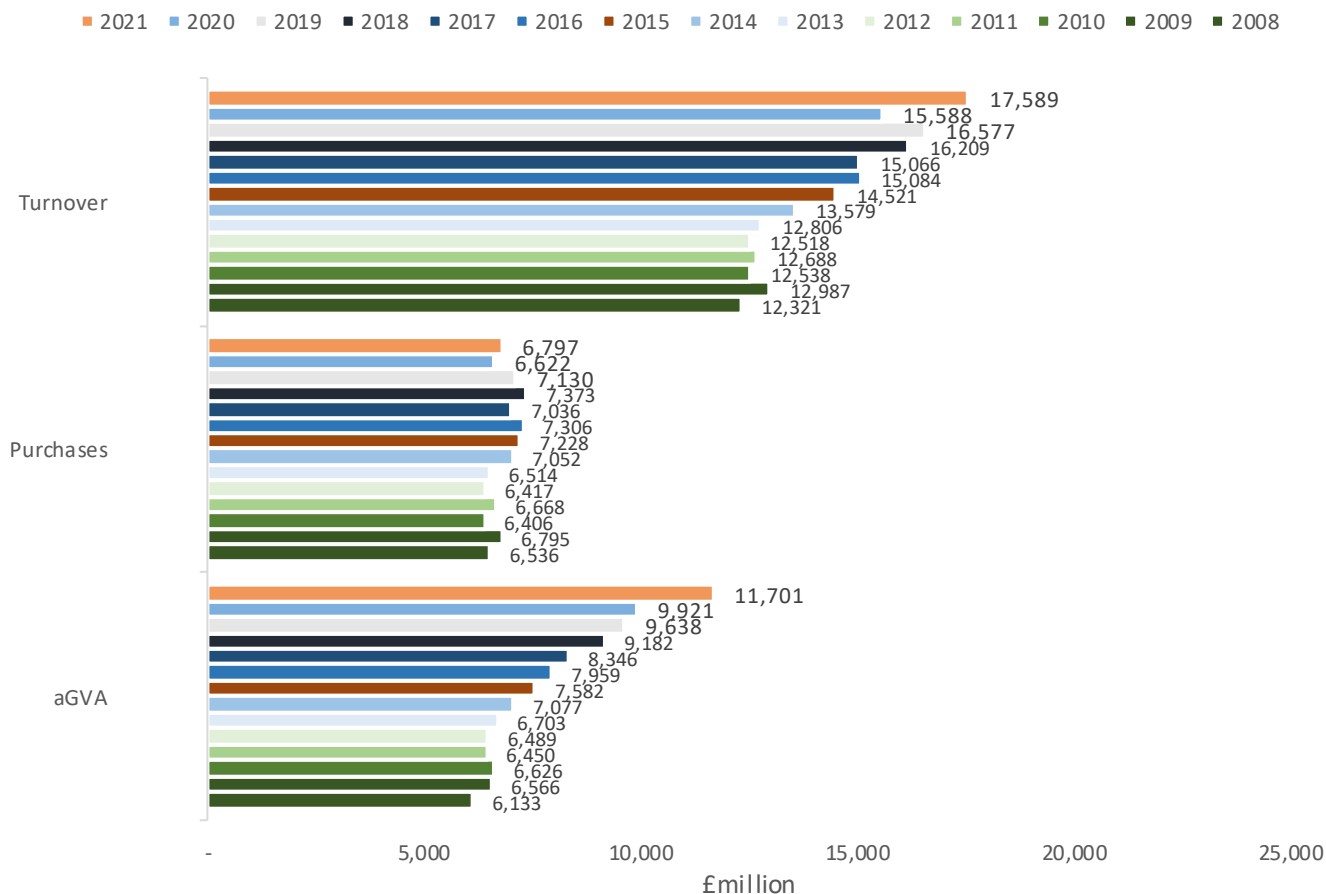
Figure 11: NI Non-financial Services Industries aGVA, 2021



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Turnover in the services industries increased by 12.8% (£2.0 billion) in 2021 to £17.6 billion. Purchases of goods and services recorded an increase of 2.6% (£175 million) to £6.8 billion.

Figure 12: Trends in Services Industries: Turnover, Purchases and aGVA, 2008 – 2021

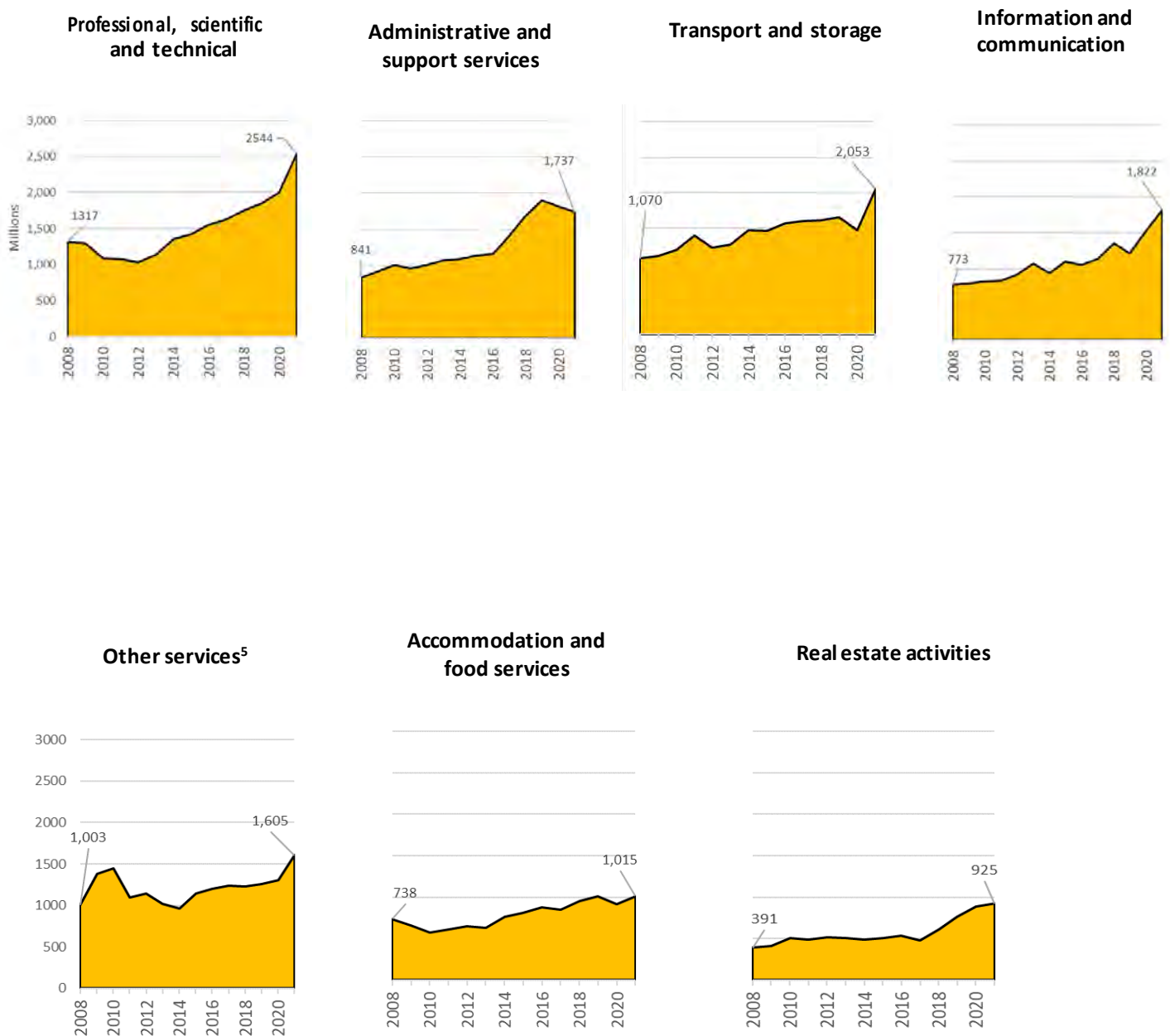


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Within the services sector, Professional, scientific and technical activities (Section M) and Transport and Storage services (Section H) are the largest component industries, respectively accounting for 21.7% (£2.5 billion) and 17.5% (£2.1 billion) of the total aGVA in the sector.

The largest contributor to the increase in the services industries' aGVA was Transport and Storage services (Section H), which grew by £581 million (39.4%) from £1.5 billion in 2020 to £2.1 billion in 2021. Another major contributor to growth was the Professional, Scientific and Technical services (Section M) increasing by £546 million (27.3%) over the same period.

Figure 13: Trends in the Service Industries: aGVA by sector, 2008 - 2021



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⁵ Other services includes: education (excluding public education); Human health and social work activities (excluding public health and social work); Arts, entertainment and recreation and other service activities. The Insurance & re-insurance industries were included for the 2009 and 2010 results; following a decision by the ONS, these have been excluded from the 2011 results onwards.

3 Results by Industry

	CV ≤ 5%
	5% < CV ≤ 10%
	10% < CV ≤ 20%
	CV > 20%

Table 1: NIABI results by industry, 2020 and 2021

	Standard Industrial Classification	Description	Turnover (£million)	Approximate Gross Value Added (aGVA) (£million)	Purchases (£million)
2020	A – S	Agriculture, fishing, production, construction, distribution and services	67,838	25,661	44,063
2021			77,067	30,647	48,696
%change			13.6%	19.4%	10.5%
2020	A (part)	Agriculture, forestry and fishing	152	70	86
2021			168	72	97
%change			10.5%	2.2%	12.7%
2020	B – E	Production industries	18,454	7,041	12,199
2021			20,096	8,135	12,919
%change			8.9%	15.5%	5.9%
2020	B	Mining and quarrying	471	192	276
2021			542	172	365
%change			14.9%	-10.6%	32.4%
2020	C	Manufacturing	14,782	4,909	10,036
2021			16,447	5,801	10,896
%change			11.3%	18.2%	8.6%
2020	D	Electricity, gas, steam and air conditioning supply	2,365	1,125	1,529
2021			2,044	1,254	1,155
%change			-13.6%	11.5%	-24.5%
2020	E	Water supply, sewerage, waste management and remediation activities	836	814	357
2021			1,063	908	502
%change			27.2%	11.5%	40.6%
2020	F	Construction	7,467	2,614	4,937
2021			9,631	3,857	5,810
%change			29.0%	47.5%	17.7%

Table 1 (continued): NIABI results by industry, 2020 and 2021

	Standard Industrial Classification	Description	Turnover (£million)	Approximate Gross Value Added (aGVA) (£million)	Purchases (£million)
2020	G – S	Distribution and service industries	41,764	15,935	26,841
2021			47,172	18,583	29,871
%change			12.9%	16.6%	11.3%
2020	G	Wholesale and retail trade; repair of motor vehicles and motor cycles	26,176	6,014	20,219
2021			29,582	6,882	23,074
%change			13.0%	14.4%	14.1%
2020	H - S	Other service industries	15,588	9,921	6,622
2021			17,589	11,701	6,797
%change			12.8%	17.9%	2.6%
2020	H	Transport and storage	3,126	1,472	2,142
2021			3,997	2,053	2,304
%change			27.8%	39.4%	7.6%
2020	I	Accommodation and food service activities	1,540	919	745
2021			1,743	1,015	851
%change			13.1%	10.4%	14.3%
2020	J	Information and communication	2,128	1,521	582
2021			2,425	1,822	620
%change			13.9%	19.8%	6.6%
2020	L	Real estate activities	1,181	887	345
2021			1,162	925	293
%change			-1.6%	4.2%	-14.9%
2020	M	Professional, scientific and technical activities	2,862	1,999	1,003
2021			3,362	2,544	940
%change			17.5%	27.3%	-6.3%

Table 1 (continued): NIABI results by industry, 2020 and 2021

	Standard Industrial Classification	Description	Turnover (£million)	Approximate Gross Value Added (aGVA) (£million)	Purchases (£million)
2020	N	Administrative and support service activities	2,535	1,814	785
2021			2,461	1,737	762
%change			-2.9%	-4.2%	-2.9%
2020	P - S	Others	2,215	1,308	1,021
2021			2,439	1,605	1,025
%change			10.1%	22.7%	0.4%

Coefficient of Variation

The coefficient of variation (cv) measures the variability of the values in the table above by expressing the standard error as a percentage of the estimated value. Unlike confidence intervals, which measure variability by providing the range of values between which the mean value for a predetermined percentage of all possible samples would fall, the coefficient of variation expresses variability as an easily comparable percentage. As the coefficient of variation is not measured in any specific unit, it facilitates comparison between surveys measuring different underlying variables. A larger coefficient of variation implies a larger variability.

$$\text{Coefficient of Variation} = \frac{\text{Standard Error}}{|\text{Parameter Estimate}|}$$

Standard Error: In statistics, sample estimates such as means and medians deviate from the actual population mean and median; and this deviation is the standard error. Standard error is a statistical term that measures the accuracy with which a sample represents a population and is essentially an indicator of the reliability of the estimate.

Parameter Estimate: The parameter estimate refers to the individual value for each of the variables in the table above. For example, the 2021 parameter estimate for turnover in Section A is £168 million.

4 Background Notes

(i) About the Northern Ireland Annual Business Inquiry

The Northern Ireland Annual Business Inquiry (NIABI) collects both financial and employment information from businesses and other establishments and covers approximately two thirds of the economy. This includes the production, construction, distribution and service industries in Northern Ireland but excludes public sector activity for the most part. The coverage of the survey is detailed at section (iv) below.

The 2021 NIABI sampled approximately 11,000 businesses in Northern Ireland from a population of approximately 59,000 businesses in the sample frame: the Inter-Departmental Business Register (IDBR). The IDBR consists of companies, partnerships, sole proprietors, public authorities, central government departments, local authorities and non-profit making bodies in the UK. The NIABI is reliant on the IDBR receiving accurate and timely updates and providing a true reflection of the Northern Ireland business population. Businesses not registered for either Pay As You Earn (PAYE) or Value Added Tax (VAT) are excluded from the frame. Additional information about the IDBR and the characteristics of the businesses covered by the IDBR is available at the link:

<https://www.nisra.gov.uk/statistics/business-statistics/inter-departmental-business-register>

(ii) Survey reference period

For survey reference period 2021, businesses were asked to make returns for the calendar year 2021. Where this was not possible, returns for business years ending between 6 April 2021 and 5 April 2022 were accepted. Similar procedures operated in previous years.

Returns covering fewer than twelve months were accepted for businesses that had started or ceased trading during the year. Estimates were made for those firms providing returns for more than six months whilst firms providing less than six months were treated as closures in the results process. These only accounted for a small proportion of all business returns in 2021 NIABI.

(iii) NIABI sample

Following user feedback and consultation with the Statistics Advisory Committee and the NISRA official statistics user group, the NIABI sample size was boosted from approximately 5,000 in the 2010 survey reference year to approximately 9,000 in 2011. This has resulted in improvements to the precision of the estimates, as indicated by the quality indicators for 2021. This improvement should also be borne in mind when interpreting annual trends.

To maximise survey precision, the Neyman allocation approach to sampling was utilised. Neyman allocation is a sample allocation method that may be used with stratified samples. The purpose of the method is to maximize survey precision, given a fixed sample size. The survey universe was stratified by 2 digit SIC code and employee size band, and all businesses with 50+ employees, or 20+ employees and more than one local unit (see section (vi) for full definition) were fully enumerated. The current NIABI sample design includes all manufacturing businesses with 6 or more employees and those with a turnover of £10 million or larger. Businesses falling below the threshold of complete enumeration are selected on a stratified random basis. In addition, some companies of special interest to policymakers and government agencies (for example, certain Invest NI clients) are added to the sample.

(iv) 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.

(v) Data collection, validation and calculation of NIABI results

Approximately 11,000 forms were issued from the NISRA Economic and Labour Market Statistics Branch in March 2022 and the returned forms were subjected to a range of validation and congruency checks. The 2021 response rate was 52%.

Data validation was carried out on the returned forms ensuring internal consistency within the form, checking data fell within expected limits or by contacting the company for clarification where appropriate. For non-returns above a selected employment threshold, data were imputed using a methodology that takes account of previous returned data and the performance of other similar businesses. This information was then grossed up to the reporting unit population, to ensure that results are representative of the sampled population.

Please note that the information presented throughout this bulletin is based on reporting unit information, and is therefore not directly comparable with earlier NIABI bulletins which are based on local unit information. Reporting and local unit definitions can be found in part (vi) below.

In addition, to better meet user needs, and in consultation with ONS Methodology Consultancy Service, NISRA produced these results using Statistics Canada's Generalized Estimation System. This allows the production of estimates with an associated measure of their quality. For more detail of the estimation methodology, please consult:

<https://www.nisra.gov.uk/publications/abi-quality-improvement-fund-project>

Users are advised to take into account the quality indicators associated with the estimates when considering the significance of annual changes. These indicate that some results have quite large margins of statistical error associated with them. Users should exercise caution when interpreting the annual changes associated with such results.

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 abihelpline@finance-ni.gov.uk

(vi) Definitions

Reporting and Local Units

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). 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 Newtownards, Bangor, Limavady, etc, these are local units.

Approximate Gross Value Added 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. It includes taxes on production (e.g. business rates), net of subsidies but excludes subsidies and taxes on products (e.g. VAT and excise duty). This is an output-based measure of aGVA. All published aGVA is given at basic prices. The calculations applied to derive aGVA are noted overleaf.

The calculations used in the NIABI are:

- aGVA AT MARKET PRICES: Total turnover + insurance claims + change in stocks + own account capital expenditure + Computer software programs and databases : developed by own staff for business use – total purchases
- aGVA AT FACTOR COST: aGVA at market prices + subsidies – total taxes + customs & excise drawback
- aGVA AT BASIC PRICES: aGVA at factor cost + business rates + vehicle excise duty

(Please note that aGVA at basic prices is the only published aGVA from the NIABI.)

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

Purchases represent the value of all goods, materials and services purchased during the year.

(vii) NIABI “Approximate Gross Value Added” and “Regional Gross Value Added”

The financial information from the NIABI provides a measure of approximate GVA, which is ultimately used to contribute to the picture of the whole economy to be built up for National Accounts purposes at the United Kingdom level. When regional economic accounts are subsequently derived, the resulting measure of Regional Gross Value Added (GVA) is a much broader based measure relating to the whole economy in a region, taking into account information from a series of economic and labour market surveys. The results of the NIABI only comprise one element of the regional economic account figures, and a number of adjustments are made in line with National Accounts methodologies before estimates of Regional GVA are produced. ONS’ most recent Regional GVA estimates for Northern Ireland at industry level relate to 2020 and were released in May 2022.

[Regional economic activity by gross domestic product, UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/regional-economic-activity-by-gross-domestic-product-uk)

(viii) Comparability with statistics from other sources

The NIABI is conducted by the NISRA and while the survey process is similar to that for Great Britain, it is not identical. ONS receive data from NISRA in August and January of each survey year. These data are processed with the Great Britain data to produce UK-wide and regional estimates. NISRA separately process the Northern Ireland data to produce their own regional estimates. These differ from the ONS estimates for a number of reasons:

- Calculation of the weights used to estimate figures for the total population:
 - Calculation of the design or a-weights: The ONS National System computes the design weights for all UK data using the sample design of the GB sample. The NI sample design is quite different from that used by the ONS. The design weights calculated by the ONS system for NI units can therefore differ from those calculated by the NI system. The ONS adopted the use of NI design weights during 2021.
 - Calculation of the g-weights: The ONS National System computes two sets of g-weights: one based on IDBR turnover and another based on IDBR employment. The latter is used for employment costs, whereas the former is used for all the other variables. The Regional System computes g-weights based on local unit employment. In the NI methodology there is no distinction between national and regional weights: estimates at all levels are based on the same weights, with the g-weights computed with respect to local unit register employment but using a different calibration method to that used in the ONS regional system.

- Regional apportionment: ONS collects all ABS data at reporting unit (RU) level; the regional system apportions RU returns between local units using factors obtained from models. The NIABI no longer collects employment data at local unit level but uses local unit employment data from the Business Register Employment Survey; data of other variables are collected at RU level and then apportioned between the local units. When NI data are processed in the ONS system, new apportioned local unit values, based on the ONS methodology, are obtained and used to produce estimates.
- The NIABI does not collect data for all the variables in the GB questionnaire; in the ONS system, values are derived for the missing variables using a model, and these values contribute towards the estimation of some derived variables.

(ix) Comparability with other NISRA ELMSB publications

Within the relevant sectors the turnover figures provided by the NIABI are the most up to date available from ELMSB statistical publications, and ultimately contribute to updating the Inter - Departmental Business Register (IDBR). However, for a more comprehensive measure of turnover within the NI economy users are recommended to refer to the IDBR. The IDBR contains information on all businesses in the UK which are VAT registered or operate a PAYE scheme; consequently the IDBR provides a more complete picture of the Northern Ireland business population. IDBR statistics can be accessed through the NISRA website at <https://www.nisra.gov.uk/statistics/inter-departmental-business-register/idbr-background-information>

(x) Other sources of information

The latest UK national estimates from the Annual Business Survey 2020 can be found at [Non-financial business economy, UK and regional \(Annual Business Survey\) - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/non-financial-business-economy/uk-and-regional/annual-business-survey) while ONS' regional estimates from the Annual Business Survey 2020 are available at:

<https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/datasets/uknonfinancialbusinesseseconomyannualbusinesssurveyregionalresultssectionsas>

The latest DfE Economic Commentary (Summer 2022) provides an overview of the state of the Northern Ireland economy, setting it in a global context. This can be found at

<https://www.economy-ni.gov.uk/publications/df-e-economic-commentary>

Estimates of the changes in employment and employee jobs are provided by the Labour Force Survey (LFS), Quarterly Employment Survey (QES) and Business Register and Employment Survey (BRES). As dedicated employment surveys, the LFS, QES and BRES provide more frequent and accurate measures of the change in employment. By utilising internationally recognised definitions the LFS provides employment figures consistent with international standards. The LFS, QES and BRES can be found at the links below:

Labour Force Survey

<https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/labour-force-survey>

Quarterly Employment Survey

<https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/quarterly-employment-survey>

Business Register and Employment Survey

<https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/annual-employee-jobs-surveys>

Information relating to NI sales and exports is available from the Broad Economy Sales and Exports Statistics. This is an experimental annual measure of local businesses' sales to markets outside NI. These statistics can be accessed at <https://www.nisra.gov.uk/statistics/business-statistics/broad-economy-sales-and-exports-statistics>

Further information on the output of manufacturing, along with electricity, gas, water and mining & quarrying industries is available from the Northern Ireland Index of Production (<https://www.nisra.gov.uk/statistics/economic-output-statistics/index-production>) while the Northern Ireland Index of Services (<https://www.nisra.gov.uk/statistics/economic-output-statistics/index-services>) provides a general measure of changes in the output of the private sector service industries in Northern Ireland.

The Construction Output Statistics published in the Northern Ireland Construction Bulletin are intended to provide a general measure of quarterly changes in the volume and value of construction output in Northern Ireland. These statistics can be accessed at <https://www.nisra.gov.uk/statistics/economic-output-statistics/construction-output-statistics>

The Composite Economic Index provides a weighted measure of output by broad industry sector and employee jobs in the public sector to provide an overall measure of change in the Northern Ireland economic activity <https://www.nisra.gov.uk/statistics/economic-output-statistics/ni-composite-economic-index>

(xi) Uses of the NIABI

- The central structure and periodicity of the NIABI is driven by the legal requirements to provide data for the UK Annual Business Survey, UK National Accounts and European Structural Business Statistics (SBS)
- Additionally the NIABI is used by the Government as a means of monitoring the progress of economic policy and to help set and measure economic targets.
- Outside government the data is used by a variety of different private sector and academic analysts to assist with industrial and investment decisions.

For a more comprehensive explanation of customers' use of the NIABI please follow the link below:

<https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/summary-of-usage-of-the-niabi.pdf>

(xii) User feedback

Development of the NIABI is designed to meet the needs of data users as identified during statistical user group meetings. Enhancements to the survey, including an increase in sample size, have been driven by feedback received through these consultations. Minutes of the meetings are available using the link below:

<https://www.nisra.gov.uk/statistics/nisra-economic-and-labour-market-statistics-elms/statistical-protocols-and-compliance>

(xiii) Quality reporting

A summary quality report for the NIABI can be found at:

<https://www.nisra.gov.uk/publications/usage-methods-and-quality-and-revisions-policy-abi>

This report describes in detail the quality of the statistics presented in this publication (in terms of relevance, accuracy, timeliness and punctuality, accessibility and clarity, coherence and comparability, trade-offs between output quality components, assessment of user needs and

perceptions, performance, cost and respondent burden and confidentiality, transparency and security).

(xiv) Status of figures in current bulletin

It is normal practice to revise the data from the previous year based on ongoing data validation and clarification of responses from individual businesses. This bulletin contains detailed provisional reporting unit results for the Northern Ireland ABI industries (2021). These 2021 provisional figures will be subject to revision to take account of additional information.

The NIABI revisions policy can be accessed at

<https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/niabi-revisions-policy.pdf>

In line with this and with the NIABI revisions policy, provisional NIABI estimates for 2020 have been revised throughout this publication. The table below provides details of revisions to 2020 data.

Table 2: Size of revisions to previously published 2020 data

	Provisional 2020 (£million)	Revised 2020 (£million)	% change
Turnover	67,078	67,838	↑ 1.1%
Purchases	43,369	44,063	↑ 1.6%
aGVA	25,683	25,661	↓ 0.1%

Turnover, purchases and aGVA values are reported in £million unless otherwise specified.

NIABI reporting unit results are published in November, while local unit results are published the following summer. The Economic and Labour Market Statistics Branch statistics publication schedule is available at <https://www.nisra.gov.uk/statistics/nisra-economic-and-labour-market-statistics-elms/about-nisra-elms>. The list of people given pre-release access to this publication is available at: <https://www.nisra.gov.uk/statistics/nisra-economic-and-labour-market-statistics-elms/statistical-protocols-and-compliance>

(xv) Disclosure

The NIABI is conducted under the Statistics of Trade and Employment (Northern Ireland) Order 1988 and great care is taken to avoid disclosing information about individual enterprises (in line with the stipulations in Article 7 of the Order). Figures which would be likely to disclose particulars relating to an enterprise are not published (i.e. they are suppressed) unless prior written consent for their publication has been obtained directly from the business. The Northern Ireland Statistics & Research Agency - Economic & Labour Market Statistics confidentiality statement can be accessed at the following link: <https://www.nisra.gov.uk/publications/dof-confidentiality-statement>

For further information

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