

Business Activity

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Northern Ireland Manufacturing Sales & Exports Survey 2008/2009

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NORTHERN IRELAND MANUFACTURING SALES & EXPORTS SURVEY 2008/09

Published 9/12/09

The Northern Ireland Manufacturing Sales and Exports Survey provides information on the value of sales and exports generated by businesses classified within the manufacturing industry in Northern Ireland. This report presents provisional information for 2008/09 along with revised data for previous years.

- Total Sales by manufacturing companies in Northern Ireland (NI) were estimated to be worth £16.2 billion in 2008/09. This represents an increase of 4.6% over the year in current prices. The overall rate of growth is at a slightly lower rate of growth than last year when growth was 5.0%.
- Manufacturing exports increased by 8.2% (£446 million) over the year to £5.9 billion. In current prices the rate of export growth was constant with the previous period (2006/07 – 2007/08) when growth was also 8.2%.
- Sales within Northern Ireland experienced a decrease of 3.1% (£120 million) over the year in current prices, equating to a decrease of 9.0% in real terms. However sales to Great Britain increased by 6.2% (current prices).
- Sales to the European Union (including the Republic of Ireland) accounted for the largest share of exports and growth remained positive (8.5%), although it was down slightly on the previous year (9.6%) in current price terms.
- Total sales to the Republic of Ireland (ROI) in 2008/09 were £1.7 billion, up £38 million (2.3%) over the year (2007/08 – 2008/09). However this represented a slowdown in growth compared to the previous year when exports to ROI increased by 9.3%.
- Exports to the Rest of the World (ROW) were worth £2.6 billion in 2008/09, up £192 million (7.9%) over the year. This rate of growth is higher than growth in the previous year (£150 million, 6.6%).
- The increase in the value of Northern Ireland exports has also been affected by changes in the exchange rate over the period. It is therefore also of interest to assess the value of exports in real terms, i.e. when the impact of such changes and price changes due to inflation have been removed. In real terms total sales decreased by 3.7%, exports decreased by 3.8%, sales to ROI and ROW decreased by 9.0% and 4.0% respectively, while sales to Rest of EU increased by 3.1% over the year.

Department of Enterprise,
Trade and Investment

Northern Ireland Manufacturing Sales & Exports Survey 2008/2009

9 December 2009

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Executive Summary

1

Figures are provisional and subject to revision to take account of additional information

The Manufacturing Sales and Exports Survey (MSES) provides information on the value of sales and exports generated by businesses classified within the Manufacturing Industry in Northern Ireland.

Sales & Export Performance in Current Prices

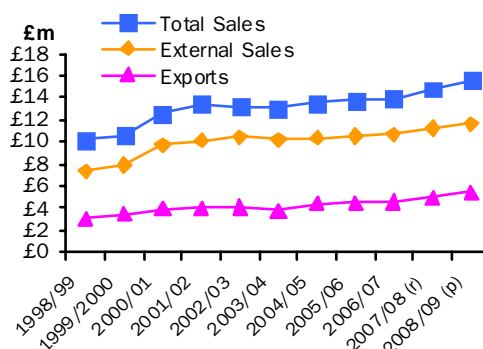
Total Sales by manufacturing companies in Northern Ireland (NI) were estimated to be worth £16.2 billion in 2008/09. This represents a current price increase of 4.6% (£709 million) over the year. The overall rate of growth has slowed marginally from last year when growth was 5.0%.

In 2008/09, 76.8% of manufacturing sales were made to customers outside NI (external sales). This equated to £12.5 billion, representing an increase of 7.1% (£829 million) over the year.

Sales outside the UK (exports) were estimated to be worth £5.9 billion in 2008/09. This represented an increase of 8.2% over the year, and was similar to the rate of growth in the previous period (2006/07 – 2007/08).

Figure 1 shows the values of sales, external sales and exports over the 10 year period (1998/99 to 2008/09).

Figure 1: Sales, External Sales and Exports 1998/99 to 2008/09



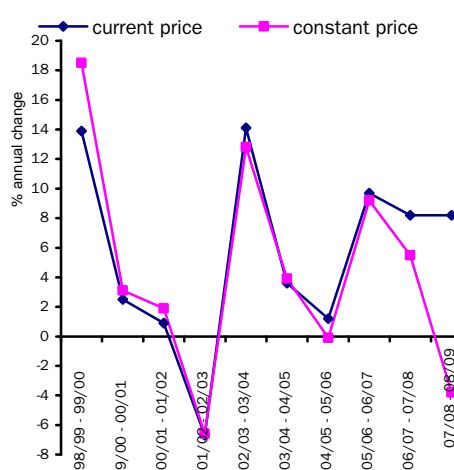
Sales and Export Performance in Constant Prices

Constant prices allow figures to be presented with the effects of inflation removed, and reflects the effects of other factors such as exchange rate fluctuations. This allows changes to be reported in real terms (by using a deflator).

When considered in real terms, there has been a decrease in total sales of 3.7% (£624m), a decrease of 2.0% in external sales (£251m) and internal sales to NI fell by 9.0% over the year (£120m). Overall, exports decreased by 3.8% over the year with sales to ROI falling by 9.0% and sales to the Rest of the World declining 4.0%. These decreases are offset by an increase in sales to Rest of EU where sales have risen by 3.1%.

Figure 2, below, shows the annual rate of growth over the last ten years in both current and constant prices. This shows how the rate of growth has continued to decrease in 2008/09 from the higher rate of growth reported in 2006/07.

Figure 2: Annual Growth of Exports 1998/99 to 2008/09 in current and constant prices



Information in the rest of the report is provided in current prices unless otherwise stated.

Analysis by Destination

Great Britain remains the most significant single market for sales from Northern Ireland manufacturing businesses, accounting for 40.6% (£6.5 billion) of total sales.

Sales destined for international customers (exports) accounted for over a third (36.3%) of total sales. Sales to the Republic of Ireland grew over the year by 2.3% and account for 10.4% of total sales and over a quarter (28.6%) of exports.

Total sales to the Republic of Ireland (ROI) in 2008/09 were £1.7 billion, up £38 million (2.3%) over the year. However, this represented a slowdown in growth compared to the previous year when exports to ROI increased by 9.3%. In real terms the value of exports to ROI fell by 9.0%.

Sales to the Rest of EU¹ increased by 16.0% (£216 million) over the year. Germany, Italy and France are the main key destinations for sales and accounted for a combined 49.6% of sales to the Rest of EU. In real terms the value of exports to the Rest of EU increased by 3.1%.

Sales to the Rest of the World² rose over the year by 7.9% (£192 million). The most significant market for sales outside the European Union in 2008/09 was North America which accounted for 42.3% of total Rest of World sales. Sales to the Rest of the World fell in real terms by 4.0%.

Analysis by Sector

The Food, Drink and Tobacco industry contributes the largest proportion of sales and external sales to the Northern Ireland manufacturing sector, accounting for 45.1% of total sales and 46.7% of external sales. The Electrical and Optical Equipment industry contributes the largest share to exports, accounting for 23.0% of exports but only 10.4% of total sales.

Three quarters of the manufacturing sub sectors experienced increases in exports over the year. Increases were driven by the following manufacturing sub sectors: (i) Manufacture of Food, Drink & Tobacco (£230 million increase) (ii) Manufacture of Transport Equipment (£82 million increase); and (iii) Paper & Printing (£63 million increase).

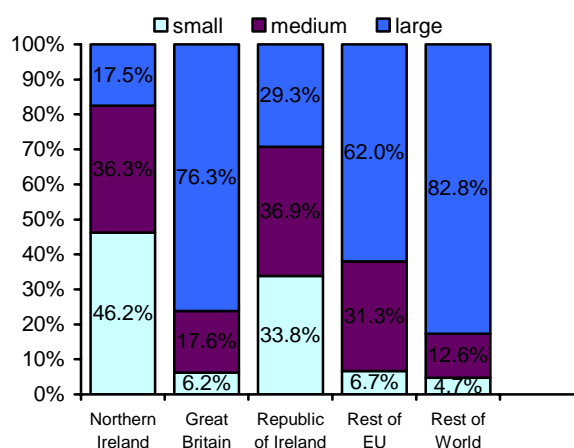
Analysis by size of business

For the purpose of this analysis, small (0-49 employees), medium (50-249 employees) and large (250+ employees) businesses have been examined.

In 2008/09, small and medium businesses (combined) accounted for 42.5% of total sales, 30.5% of external sales and 38.1% of exports.

Figure 3 provides information on how the sales to each of the broad destinations are spread among small, medium and large businesses. It is evident that, the more distant the market, the more likely large firms are to have a greater share of the market. In contrast, small and medium sized businesses prefer domestic markets, accounting for over four fifths (82.5%) of internal sales (sales within NI).

Figure 3: Sales by Broad Destination & Size of Business in 2008/09



Exports by small businesses have decreased by 1.3% over the year to 2008/09 while medium and large sized businesses recorded increases of 15.7% and 7.8% respectively over the year. In real terms, small businesses reported a decrease of 12.6% in export sales, large businesses decreased by 4.1% and medium size businesses increased by 2.9% over the year.

¹ The Rest of EU is composed of the following countries: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden; Finland; Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Bulgaria and Romania.

² The Rest of World refers to all destinations outside the European Union.

Sales & Export Performance

2

Figures are provisional and subject to revision to take account of additional information

Total sales are defined as the sum of sales to Northern Ireland, Great Britain, the Republic of Ireland, the Rest of the European Union and the Rest of the World. Total sales include all taxes and duties on goods invoiced with the exception of VAT which is excluded from total sales.

Provisional estimates from the Northern Ireland Manufacturing Sales and Exports Survey for 2008/09, estimate the value of sales from NI manufacturing businesses to be worth some £16.2 billion, this represents a current price increase of 4.6% (£709 million) over the year, a rise of 20.3% over the 5-year period, 2003/04 to 2008/09, and a rise of 53.3% over the last decade (1998/99 to 2008/09).

External sales are comprised of those sales made outside Northern Ireland, that is, sales to Great Britain, the Republic of Ireland, the Rest of the European Union and the Rest of the World.

Sales to customers based outside Northern Ireland (external sales) accounted for three-quarters (76.8%) of total sales in 2008/09. The value of such sales has increased over the year by 7.1% from £11.7 billion in 2007/08 to £12.5 billion in 2008/09.

Figure 4: Total Sales & External Sales made by NI Manufacturing Businesses, 1998/99 – 2008/09

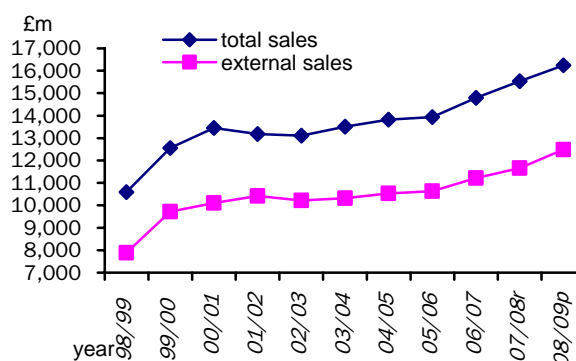
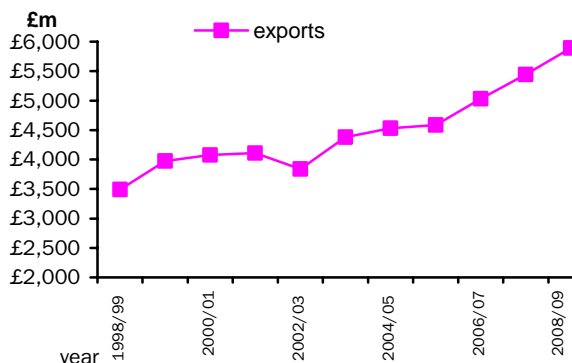


Figure 4 provides information on the level of sales and external sales for the 10 year period 1998/99 to 2008/09. Continual growth has been experienced over the last decade with consistent growth in both sales and external sales (increasing by 53.3% and 58.3% respectively).

Exports consist of all sales made outside the United Kingdom. Figure 5 shows export performance in the 10 years to 2008/09.

Figure 5: Export Sales made by Northern Ireland Manufacturing Businesses, 1998/99 – 2008/09



Estimates for 2008/09, show an increase of 8.2% in manufacturing exports over the year from £5.4 billion in 2007/08 to £5.9 billion in 2008/09. Although there has been a notable increase in the level of exports over the 5-year period (2003/04 to 2008/09) from £4.4 billion to £5.9 billion, the annual rate of growth has fluctuated considerably, with growth ranging from 1.2% in 2004/05 – 2005/06 to 9.7% growth in 2005/06-2006/07. Exports have risen significantly over the last decade from £3.5 billion to £5.9 billion, an increase of £2.4 billion (68.8%).

Current Price and Constant Price Changes

Current prices show data where the value for each item is expressed in terms of the prices in that period. All prices presented in this report are provided in current price terms, unless otherwise stated.

Constant prices present data in real terms, by applying a deflator to the current price (prices have been adjusted so 2008/09=100). Using deflators to produce constant prices removes the effect of inflation and reflects the impact on prices of other factors such as exchange rate fluctuations. Further information on the deflator used can be found in the background notes in section 7.

Constant prices therefore provide a method to compare changes in sales and exports over time, by allowing real growth to be shown without the effect of inflation. Although there has been an increase in sales (4.6%), external sales (7.1%) and exports (8.2%) over the year (current prices), when expressed in real terms the picture is somewhat different with total sales decreasing by 3.7% and external sales decreasing by 2.0%. Sales within NI and to ROI both fell by 9.0% while exports decreased by 3.8% (constant prices).

Figure 6, below, provides information on annual percentage changes in exports, in both current and constant prices. When considering export sales in current prices, there has been an increase of 68.8% over the 10 year period to 2008/09 while in constant prices, exports have actually increased by 51.0%. The annual rate of growth of exports continued to decrease in the periods 2006/07 – 2007/08 (5.5%) and 2007/08 – 2008/09 (-3.8%) from the higher rate of growth reported in 2005/06 – 2006/07 (9.2%).

Figure 6: Comparison of current & constant price annual changes in Exports

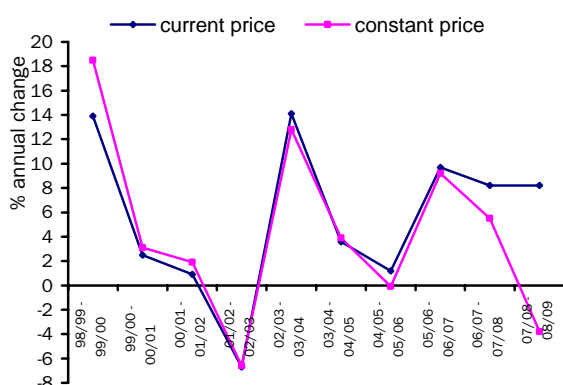


Table 1 provides further information on the effects of current and constant prices on exports over 1, 3, 5 and 10 year periods. The percentage growth is more evident as time increases in both series.

Table 1: Comparing changes in exports over 1, 3, 5 and 10 years, in current and constant prices.

	1998/99 to 2008/09	2003/04 to 2008/09	2005/06 to 2008/09	2007/08 to 2008/09
	% change (10yr)	% change (5yr)	% change (3 yr)	% change (1 yr)
Exports (current)	68.8	34.6	28.5	8.2
Exports (constant)	51.0	15.1	10.9	-3.8

Further data in both current and constant prices can be found in the results tables in section 6.

Analysis by destination

3

Figures are provisional and subject to revision to take account of additional information

Sales by broad destination

Figure 7 provides information on the destination of sales from NI Manufacturing businesses for the five most recent years: 2003/04 to 2008/09.

Figure 7: Total Sales by Broad Destination, 2002/03 to 2007/08

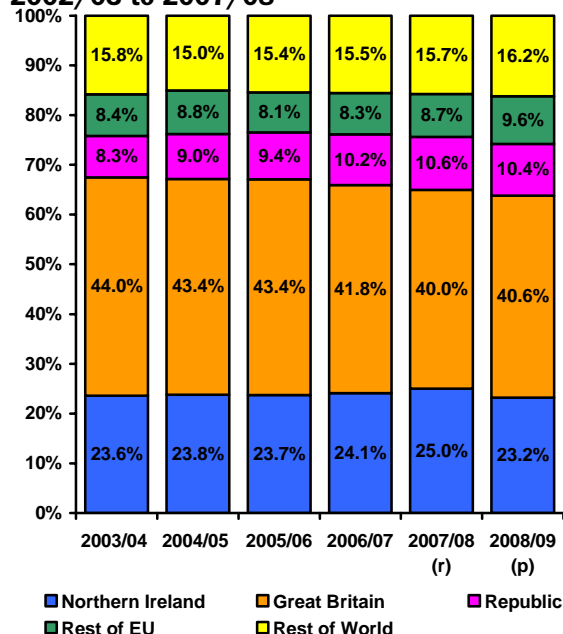


Figure 7 illustrates that there has been a steady rate of growth in the proportion of total sales destined for ROI, increasing by 2.1 percentage points over the 5 year period to 2008/09. There has also been growth in the proportion of sales to Rest of EU, increasing by 1.2 percentage points during this 5 year period (increasing from 8.4% to 9.6%). The level of exports destined for the ROW has remained relatively static over the 5 year period to 2008/09 with a reported increase of 0.4 percentage points. In this 5 year period, 2003/04 to 2008/09, there has been a decline in the importance of GB as a destination for sales, with

the proportion of sales destined for GB falling from 44.0% in 2003/04 to 40.6% in 2008/09.

Despite a slight decline in the dominance of GB as a market for sales, (decline of 3.4 percentage points) over the 5 year period, 2003/04 to 2008/09, it remains the most significant destination for sales, accounting for two fifths (40.6%) of total sales in 2008/09.

The most important export market in terms of broad destination in 2008/09, was the Rest of World, which accounts for 16.2% of total manufacturing sales in Northern Ireland compared to 9.6% for the Rest of the European Union. Table 2 provides further information on sales to the broad destinations over time, in current prices.

Table 2: Broad Destination Sales, 1998/99, 2003/04, 2007/08 and 2008/09

	1998/99	2003/04	2007/08 (r)	2008/09 (p)
	£m	£m	£m	£m
Total Sales	£10,595	£13,508	£15,535	£16,245
Northern Ireland	£2,709	£3,182	£3,883	£3,763
External Sales	£7,886	£10,326	£11,652	£12,482
Great Britain	£4,396	£5,949	£6,208	£6,591
Export Sales	£3,490	£4,377	£5,444	£5,891
Republic of Ireland	£832	£1,115	£1,649	£1,687
Rest of EU	£1,046	£1,133	£1,351	£1,567
Rest of World	£1,612	£2,129	£2,444	£2,637

(p) = provisional (r) = revised

Note: Figures may not add due to rounding

Changes in sales by broad destination over time

Table 3 reports the percentage changes in sales over the year, 2007/08 to 2008/09 and also for the 3, 5 and 10 year periods (2005/06 to 2008/09, 2003/04 to 2008/09 and 1998/99 to 2008/09).

Table 3: Changes in Broad Destination Sales over 1, 3, 5 and 10 years

	% change (10 year)	% change (5 year)	% change (3 year)	% change (1 year)
	1998/99 to 2008/09	2003/04 to 2008/09	2005/06 to 2008/09	2007/08 to 2008/09
Northern Ireland	38.9%	18.3%	13.9%	-3.1%
Great Britain	49.9%	10.8%	8.9%	6.2%
Republic of Ireland	102.8%	51.3%	29.0%	2.3%
Rest of EU	49.8%	38.3%	38.4%	16.0%
Rest of World	63.6%	23.8%	22.8%	7.9%

Sales to GB, ROI and the Rest of the World have experienced significant percentage increases over the last decade, 1998/99 to 2008/09, (49.9%, 102.8% and 63.6% respectively) while the Rest of the EU experienced a slightly lower increase of 49.8%.

Over the 5-year period, 2003/04 to 2008/09, the largest percentage increase in sales has been to ROI with sales rising by 51.3%, from £1,115 million in 2003/04 to £1,687 million in 2008/09. Sales to GB rose by 10.8%, from £5,949 million in 2003/04 to £6,591 million in 2008/09. Sales to the Rest of World and the Rest of EU have also risen over the 5 year period - Rest of World had an increase of 23.8% (£508 million) and the Rest of EU experienced an increase of 38.3% (£434 million).

Over the 3 year period, 2005/06 to 2008/09, an increase in sales of 29.0% to ROI has been reported. This is lower than the 3 year change in sales to the Rest of EU (38.4%). Sales to the Rest of World have risen by 22.8% over the 3 year period, from £2,444 million in 2005/06 to £2,637 million in 2008/09. GB also experienced an increase in sales (8.9%) in this 3 year period. Over the last year, sales to each of the broad destinations GB, ROI, REU and ROW have risen (6.2%, 2.3%, 16.0% and 7.9% respectively),

however sales in NI fell by 3.1%. When compared to the previous year ROI had the most marked slowdown, decreasing from growth of 9.3% in 06/07 to 07/08 to growth of 2.3% in 2007/08 to 2008/09. GB experienced increased growth from 0.3% in 2006/07 to 2007/08 to 6.2% in 2007/08 to 2008/09.

Table 4 provides information on the value of sales to export markets in the European Union (excludes NI, GB and ROI).

Table 4: Exports to markets within Rest of EU (2008/09)

Export Market	Sales £m	% of REU sales
Germany	£296.4	18.9%
Italy	£246.8	15.7%
France	£233.8	14.9%
Sweden	£139.4	8.9%
Poland	£118.1	7.5%
Netherlands	£94.9	6.1%
Belgium	£92.3	5.9%
Portugal	£49.1	3.1%
Cyprus	£43.9	2.8%
Austria	£36.5	2.3%
Spain	£34.9	2.2%
Czech Republic	£32.4	2.1%
Latvia	£26.5	1.7%
Eu non specified	£23.9	1.5%
Malta	£18.8	1.2%
Greece	£13.6	0.9%
Denmark	£13.5	0.9%
Bulgaria	£13.2	0.8%
Slovenia	£10.4	0.7%
Finland	£8.1	0.5%
Hungary	£5.3	0.3%
Lithuania	£4.3	0.3%
Estonia	£4.3	0.3%
Romania	£2.8	0.2%
Slovakia	£2.4	0.2%
Luxembourg	£1.2	0.1%
Rest eu	£1,566.9	100.0%
*Non Specified is comprised of those units which did not specify the destination within the European Union		
** Data suppressed due to disclosure		

In 2008/09 NI manufacturing businesses have reported Germany, Italy and France as the main export destination within the Rest of EU accounting for almost half (49.6%) of all sales to the Rest of EU. Sales to Bulgaria (£9.7 million) and Romania (£10.0 million) were reported within EU for the first time in 2007/08 and, this year, are estimated to account for 1.0% of sales within the Rest of EU.

Table 5 below, provides information on the major export markets outside of the European Union which form the Rest of World (ROW) destination group. NI Manufacturing businesses reported sales of £1,116 million to North America in 2008/09 which accounts for the largest share of the sales to markets outside the European Union, representing 42.3% of all sales to the Rest of the World group.

Table 5: Major Export Markets outside the European Union

Export Market	Sales £m	% of ROW
North America	£1,116.1	42.3%
Asia	£75.5	2.9%
Middle East	£260.5	9.9%
Africa	£397.2	15.1%
Switzerland	£173.3	6.6%
Central And South America	£296.5	11.2%
Russia	£123.2	4.7%
Australia	£9.7	0.4%
Europe Other	£32.3	1.2%
Turkey	£16.4	0.6%
Easteurope	£8.2	0.3%
Norway	£22.2	0.8%
New Zealand	£22.9	0.9%
Rest Of World non specified*	£82.6	3.1%
Rest Of World	£2,636.6	100.0%

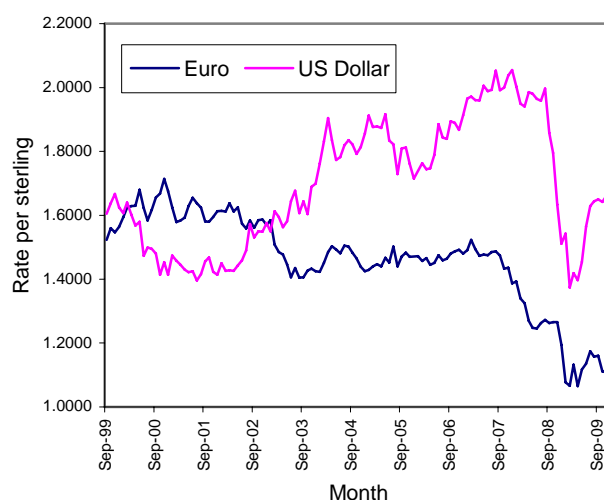
*Non-Specified is comprised of those units which did not specify the destination of sales within the RoW

¹ The Rest of EU is composed of the following countries: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden; Finland and since May 2004, the following accession countries Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Throughout the report, 2004/05 REU information refers to the enlarged EU whilst 2003/04 and previous years exclude the aforementioned accession countries. Bulgaria and Romania joined the EU on 1st January 2007 and is reported within the Rest of EU from 2007/08.

² The Rest of World refers to all destinations outside the European Union.

Figure 8 below shows the Sterling Exchange Rates with Euro and US Dollar. The exchange rates with both Euro and US Dollar have decreased substantially since 2008.

Figure 8: Sterling Exchange Rates with Euro and US Dollar: September 1999 – December 2009 (Source: HMRC)



Analysis by Sector

4

Figures are provisional and subject to revision to take account of additional information

Table 6 and Figure 9 provides information on sales, external sales and exports for each of the industrial sub sectors in 2008/09.

The Food, Drink & Tobacco sector contributes the highest proportion of sales and external sales to the Northern Ireland manufacturing sector, accounting for 45.1% of total sales and

46.7% of external sales, it does not however account for the largest share of exports. It is, in fact, the Electrical and Optical Equipment industry which contributes the greatest amount of exports to the manufacturing sector, accounting for approximately 23.0% of total exports.

Table 6: Share of Sales and Exports by Industrial Sector

SIC(03) Division	Industrial sector	Total Sales (p)		External Sales (p)		Exports (p)	
		£m	%	£m	%	£m	%
15-16	Food, Drink & Tobacco	£7,321	45.1%	£5,835	46.7%	£1,032	17.5%
30-33	Electrical & Optical Equipment	£1,688	10.4%	£1,612	12.9%	£1,352	23.0%
29	Other Machinery & Equipment	£1,254	7.7%	£1,014	8.1%	£733	12.4%
34-35	Transport Equipment	£1,047	6.4%	£948	7.6%	£690	11.7%
27-28	Basic Metals & Fabricated Metal Products	£947	5.8%	£518	4.1%	£309	5.2%
25	Rubber & Plastics	£839	5.2%	£657	5.3%	£464	7.9%
26	Other Non-Metallic Mineral Products	£740	4.6%	£290	2.3%	£147	2.5%
36-37 & 23	Other Manufacturing not elsewhere classified	£717	4.4%	£487	3.9%	£375	6.4%
21-22	Paper & Printing	£544	3.3%	£270	2.2%	£181	3.1%
24	Chemicals & Man-Made Fibres	£535	3.3%	£458	3.7%	£405	6.9%
20	Wood & Wood Products	£348	2.1%	£177	1.4%	£114	1.9%
17-19	Textiles, Clothing & Leather	£264	1.6%	£216	1.7%	£88	1.5%
	Total	£16,245	100%	£12,482	100%	£5,891	100%
(p) = provisional Note: Figures may not add due to rounding							

Figure 9, below, displays external sales and exports as a proportion of total sales for each of the sub sectors within manufacturing. It is evident from figure 8 that manufacturing businesses are more likely to have external sales than exports, this may be due in part, to Northern Ireland businesses' reliance on the GB market.

Divisions 30-33 (Manufacture of Electrical and Optical Equipment) have the highest level of both external sales (95.4%) and exports (80.1%) as a proportion of total

sales. The Transport and Equipment industry (SIC 34-35) is the next highly externally focused sector with 90.6% of sales made externally while the Chemicals and Man-made fibres sector (SIC 24) is export orientated with 75.6% of sales made outside the United Kingdom (exports).

Figure 10 provides further information on the share of sales, external sales and exports by industrial sector.

Figure 9: External Sales and Exports as a Proportion of Total Sales by Industry

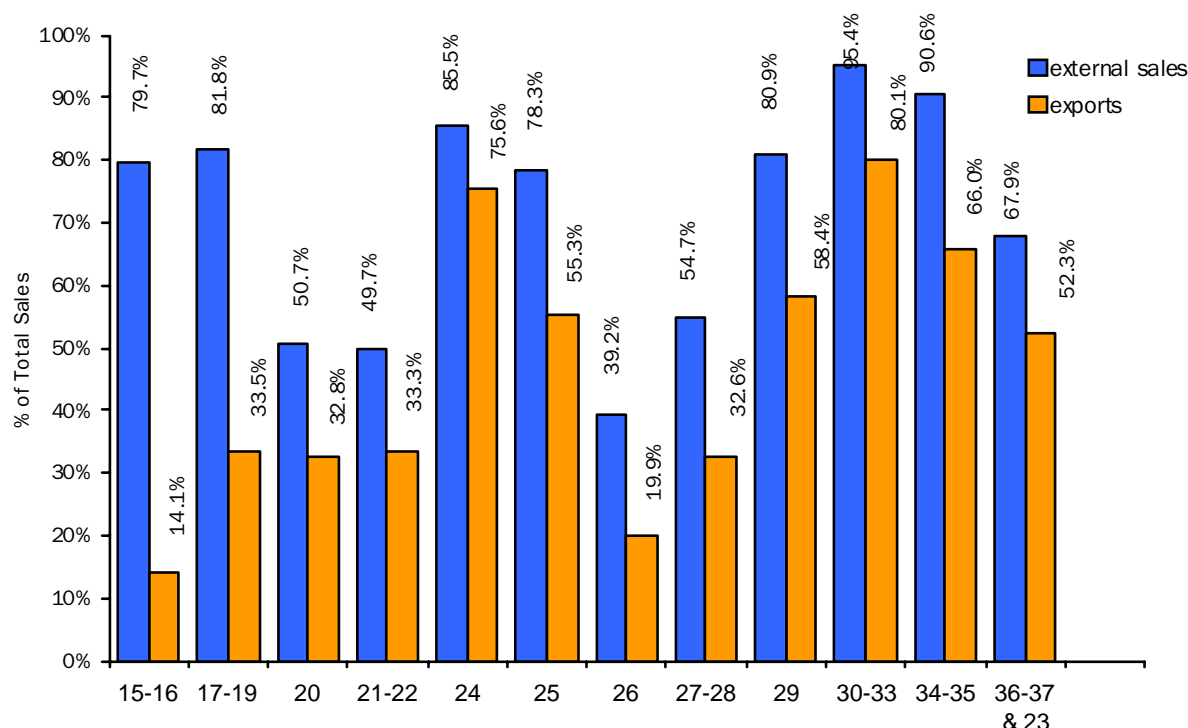


Figure 10: Share of Sales, External Sales and Exports by Industrial Sector

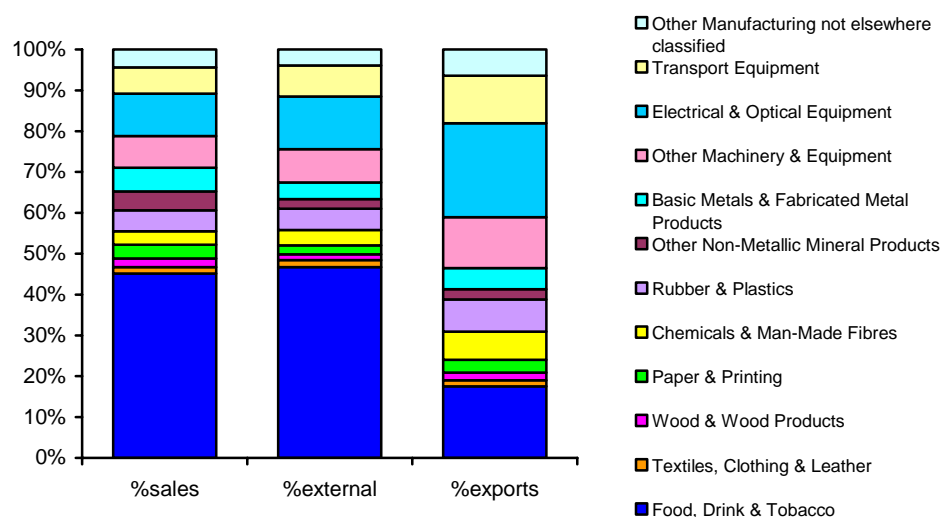


Table 7 provides information on the sales, external sales and exports of each of the manufacturing subsectors in 2007/08 and 2008/09.

The largest actual increase in total sales, external sales and exports over the year (2007/08 to 2008/09) has been reported within SIC 15-16 (Manufacture of Food, Drink & Tobacco) with total sales estimated to have increased by £603 million (9.0%) to £7,321 million, external sales estimated to have increased by £558 million (10.6%) and exports estimated to have increased by £230 million (28.6%). The Manufacture of Basic Metals & Fabricated Metal Products (SIC 27-28) experienced the second largest actual increase in external sales, where external sales have been estimated to have risen to £518 million in 2008/09, representing a £119 million increase over the year (29.9%). The Manufacture of

Transport Equipment sector (SIC 34-35) have reported the second largest actual increase in export sales, rising by £82 million (13.5%) to £690 million in 2008/09.

Other key increases in exports have occurred within SIC 21-22 (Paper & Printing), SIC 29 (Other Machinery & Equipment) and SIC 27-28 (Basic Metals & Fabricated Metal Products) where increases of £63 million (53.3%), £52 million (7.7%) and £46 million (17.5%) were reported.

Declines in sales, external sales and exports are evident in SIC 26, (Manufacture of Other Non-Metallic Mineral Products) where a decline of £95 million in sales, £68 million in external sales and £71 million in export sales has been noted. This is a likely effect of the downturn in the construction sector.

Table 7: Annual Change in Sales, External Sales & Exports by Industrial Sector, 2007/08–2008/09

SIC(03) Division	Total Sales			External Sales			Exports		
	2007/08 (r)	2008/09	% change	2007/08 (r)	2008/09	% change	2007/08 (r)	2008/09	% change
		(p)			(p)			(p)	
	£m	£m	%	£m	£m	%	£m	£m	%
15-16	£6,718	£7,321	9.0	£5,276	£5,835	10.6	£802	£1,032	28.6
17-19	£277	£264	-4.8	£221	£216	-2.1	£88	£88	0.6
20	£442	£348	-21.2	£230	£177	-23.1	£148	£114	-23.2
21-22	£502	£544	8.4	£200	£270	35.2	£118	£181	53.3
24	£521	£535	2.8	£438	£458	4.4	£383	£405	5.6
25	£849	£839	-1.3	£661	£657	-0.6	£434	£464	6.9
26	£835	£740	-11.4	£359	£290	-19.1	£218	£147	-32.4
27-28	£851	£947	11.3	£399	£518	29.9	£263	£309	17.5
29	£1,197	£1,254	4.7	£983	£1,014	3.2	£681	£733	7.7
30-33	£1,642	£1,688	2.8	£1,540	£1,612	4.6	£1,327	£1,352	1.9
34-35	£987	£1,047	6.1	£881	£948	7.6	£608	£690	13.5
36-37 & 23	£713	£717	0.6	£465	£487	4.7	£374	£375	0.3
Total	£15,535	£16,245	4.6	£11,652	£12,482	7.1	£5,444	£5,891	8.2

Note: Figures may not add due to rounding

Analysis by Size of Business

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Figures are provisional and subject to revision to take account of additional information

Table 8 details the value of Total Sales, External Sales and Exports by size of business in 2008/09. Prior to 2005/06 survey years, the size of business was expressed as large businesses (defined as those employing 50 or more employees) and small businesses (defined as those employing less than 50 employees). Since 2005/06 information on Small (0-49 employees), Medium (50-249 employees) and Large (250+ employees) businesses has been provided.

Table 8: Total Sales, External Sales and Exports by Size of Business, 2008/09

	Small Business	Medium Business	Large Business	Total
Northern Ireland	£1,739	£1,364	£660	£3,763
%	46.2%	36.3%	17.5%	100.0%
External Sales	£1,205	£2,603	£8,674	£12,482
%	9.7%	20.9%	69.5%	100.0%
Great Britain	£406	£1,158	£5,027	£6,591
%	6.2%	17.6%	76.3%	100.0%
Export Sales	£799	£1,445	£3,647	£5,891
%	13.6%	24.5%	61.9%	100.0%
Republic of Ireland	£571	£623	£494	£1,687
%	33.8%	36.9%	29.3%	100.0%
Rest of European Union	£105	£491	£971	£1,567
%	6.7%	31.3%	62.0%	100.0%
Rest of World	£123	£331	£2,182	£2,637
%	4.7%	12.6%	82.8%	100.0%
Total Sales	£2,943	£3,967	£9,334	£16,245
%	18.1%	24.4%	57.5%	100.0%

Large manufacturing businesses accounted for the largest proportion of sales within each of the external markets in 2008/09 with the exception of the Republic of Ireland where sales are split almost evenly between the small (33.8%), medium (36.9%) and large (29.3%).

Large businesses account for 69.5% of external sales and 61.9% of export sales.

Over four fifths of internal sales (sales to Northern Ireland) are split between small and medium businesses with small businesses accounting for 46.2% of total sales to Northern Ireland and medium businesses accounting for 36.3%.

Small businesses unlike medium and large businesses are less likely to make sales to the Rest of EU (6.7 %) and the Rest of the World markets (4.7%).

Figure 11, overleaf, compares small, medium and large businesses in terms of broad destination sales and shows the proportion of broad destination sales accounted for by size of business. The divide between small, medium and large businesses, in terms of the destination of sales, appears smallest where the distance which goods travel is limited.

Figure 11: Proportion of Small, Medium and Large Business Sales made to each Broad Destination

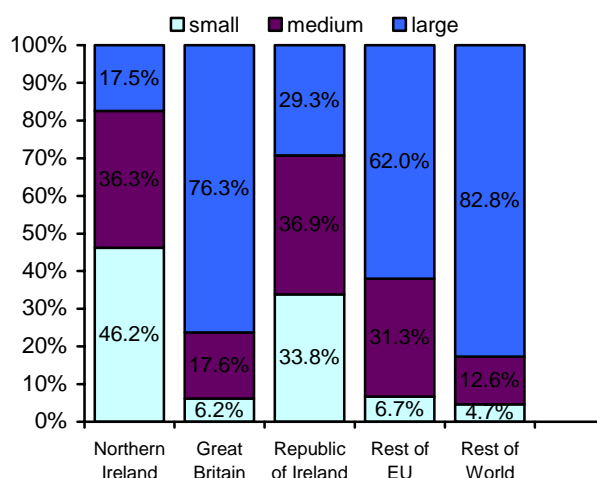
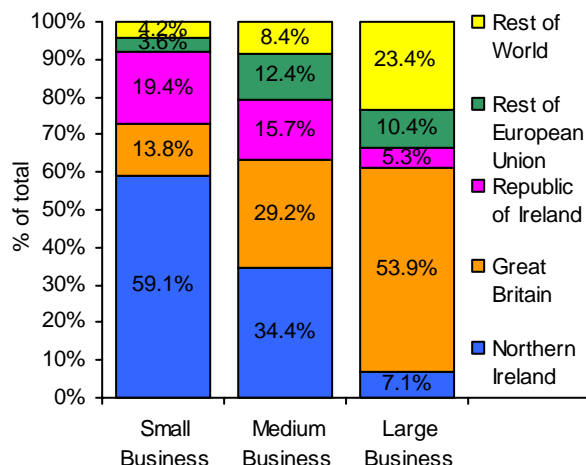


Figure 12 provides information on how the sales to each of the broad destinations are spread among small, medium and large businesses.

Figure 12: Share of Sales by Broad Destination and Size of Business



Small businesses are heavily reliant on the internal market with 59.1% of sales made within Northern Ireland.

Medium sized businesses have a fairly even spread of sales between internal sales in Northern Ireland (34.4%), external sales to Great Britain (29.2%) and export sales (24.5%).

Large businesses have a significant share of both external and export markets accounting for 76.3% of GB sales, 29.3% of ROI sales, 62.0% of Rest of EU sales and 82.8% of Rest of World sales. GB is the most significant single market for large businesses, representing 53.9% of sales destined there.

Large and medium sized businesses are more inclined to export, with just over one third (36.4% and 39.1 %, respectively) of sales made outside the UK. In comparison only 27.1% of sales from small businesses are exported where the main export market is the Republic of Ireland, accounting for over two thirds of small business exports (71.5%).

Table 9, below, reports the percentage changes in Sales, External Sales and Exports by size of business over 1, 5 and 10 years. Tables 10 and 11 show Sales, External Sales and Exports for 1998/99, 2003/04, 2007/08 and 2008/09 in current and constant prices respectively.

Table 9: Changes in Sales, External Sales and Exports by size of business over 1, 5 and 10 years.

		% change (10 year)	% change (5 year)	% change (1 year)
	Size of business	1998/99 to 2008/09	2003/04 to 2008/09	2007/08 to 2008/09
Total Sales	0-49	56.0	23.6	-8.5
	50-249	44.6	38.0	15.1
	250+	56.4	13.1	5.2
External Sales	0-49	52.9	23.8	2.5
	50-249	40.9	27.7	11.7
	250+	65.2	18.6	6.5
Export Sales	0-49	96.8	34.7	-1.7
	50-249	77.4	45.2	15.7
	250+	60.7	30.8	7.8

Over the 10 year period (1998/99 to 2008/09) the largest percentage change in total sales was reported in large size businesses and small businesses, increasing by 56.4% and 56.0% respectively. The largest percentage change in export sales over the decade to 2008/09 was reported by small sized enterprises which have experienced growth of 96.8%. Small businesses had the second largest percentage growth in sales and external sales, with total sales and external sales increasing by 56.0% and 52.9%, respectively over the 10 year period.

Over the five year period, 2003/04 to 2008/09, small sized enterprises have experienced growth of more than 20% in sales (23.6%), external sales (23.8%) and exports (34.7%). In contrast, large sized businesses have experienced a slightly lower rate of growth in sales (13.1%), external sales (18.6%) and a higher increase in exports (30.8%) over the same period. Since 2003/04 medium sized businesses had the highest rate of growth in total sales (38.0%) and slower growth in external sales (27.7%) than export sales (45.2%).

Exports by small businesses have decreased by 1.7% over the year to 2008/09 while medium and large sized businesses have both recorded a higher increase of 15.7% and 7.8% over the year.

When considered in constant prices, the growth in Export Sales for each size of business are considerably lower than when expressed in current prices over the 10 year period (1998/99 to 2008/09). In constant prices small businesses are estimated to have increased by 76.1%, medium sized enterprises have increased by 58.8% and large businesses have increased by 43.8%.

Changes over the year to 2008/09 report smaller percentage changes in constant prices with small businesses showing a decrease of 12.6%, large businesses decreasing by 4.1% and medium size businesses increasing by 2.9%.

Table 10: Sales, External Sales and Exports by size of business 1998/99, 2003/04, 2007/08 and 2008/09 (Current Prices)

		1998/99	2003/04	2007/08	2008/09
Total Sales	0-49	£1,887	£2,381	£3,218	£2,943
	50-249	£2,743	£2,874	£3,446	£3,967
	250+	£5,967	£8,253	£8,872	£9,334
	Total	£10,596	£13,508	£15,535	£16,245
External Sales	0-49	£788	£973	£1,175	£1,205
	50-249	£1,847	£2,038	£2,331	£2,603
	250+	£5,251	£7,315	£8,146	£8,674
	Total	£7,887	£10,326	£11,652	£12,482
Export Sales	0-49	£406	£593	£813	£799
	50-249	£814	£995	£1,249	£1,445
	250+	£2,270	£2,789	£3,382	£3,647
	Total	£3,490	£4,377	£5,444	£5,891

Table 11: Sales, External Sales and Exports by size of business 1998/99, 2003/04, 2007/08 and 2008/09 (Constant Prices)

		1998/99	2003/04	2007/08	2008/09
Total Sales	0-49	£2,235	£2,782	£3,475	£2,943
	50-249	£3,231	£3,358	£3,744	£3,967
	250+	£6,985	£9,642	£9,649	£9,334
	Total	£12,451	£15,782	£16,869	£16,244
External Sales	0-49	£913	£1,137	£1,300	£1,205
	50-249	£2,153	£2,381	£2,556	£2,603
	250+	£6,124	£8,547	£8,877	£8,674
	Total	£9,191	£12,066	£12,733	£12,481
Export Sales	0-49	£454	£693	£914	£799
	50-249	£910	£1,163	£1,404	£1,445
	250+	£2,537	£3,261	£3,802	£3,647
	Total	£3,900	£5,117	£6,121	£5,891

1998/99 to 2008/09 Results

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Figures are provisional and subject to revision to take account of additional information

Table 12: Total Sales, External Sales and Exports, 1998/99-2008/09 (current prices)

	1998/99 £m	1999/2000 £m	2000/01 £m	2001/02 £m	2002/03 £m	2003/04 £m	2004/05 £m	2005/06 £m	2006/07 £m	2007/08 (revised) £m	2008/09 (provisional) £m
Total Sales	£10,595	£12,561	£13,451	£13,184	£13,116	£13,508	£13,826	£13,944	£14,789	£15,535	£16,245
Northern Ireland	£2,709	£2,840	£3,346	£2,772	£2,898	£3,182	£3,288	£3,305	£3,570	£3,883	£3,763
External Sales	£7,886	£9,721	£10,105	£10,412	£10,218	£10,326	£10,538	£10,639	£11,219	£11,652	£12,482
Great Britain	£4,396	£5,748	£6,031	£6,299	£6,382	£5,949	£6,005	£6,052	£6,187	£6,208	£6,591
Exports	£3,490	£3,974	£4,074	£4,111	£3,836	£4,377	£4,533	£4,586	£5,032	£5,444	£5,891
Republic of Ireland	£832	£903	£960	£910	£978	£1,115	£1,243	£1,308	£1,508	£1,649	£1,687
Rest of EU	£1,046	£1,150	£1,310	£1,236	£1,102	£1,133	£1,212	£1,132	£1,230	£1,351	£1,567
Rest of World	£1,612	£1,921	£1,805	£1,965	£1,756	£2,129	£2,078	£2,147	£2,294	£2,444	£2,637

Table 13: Annual Nominal Growth in Total Sales, External Sales and Exports, 1998/99-2008/09

	Change 98/99 - 99/00 %	Change 99/00 - 00/01 %	Change 00/01 - 01/02 %	Change 01/02 - 02/03 %	Change 02/03 - 03/04 %	Change 03/04 - 04/05 %	Change 04/05 - 05/06 %	Change 05/06 - 06/07 %	Change 06/07 - 07/08 %	Change 07/08 - 08/09 %
Total Sales	18.6	7.1	-2.0	-0.5	3.0	2.4	0.9	6.1	5.0	4.6
Northern Ireland	4.8	17.8	-17.2	4.5	9.8	3.3	0.5	8.0	8.8	-3.1
External Sales	23.3	4.0	3.0	-1.9	1.1	2.1	1.0	5.4	3.9	7.1
Great Britain	30.8	4.9	4.4	1.3	-6.8	0.9	0.8	2.2	0.3	6.2
Exports	13.9	2.5	0.9	-6.7	14.1	3.6	1.2	9.7	8.2	8.2
Republic of Ireland	8.5	6.3	-5.2	7.5	14.0	11.5	5.2	15.3	9.3	2.3
Rest of EU	9.9	13.9	-5.6	-10.8	2.8	7.0	-6.6	8.6	9.9	16.0
Rest of World	19.2	-6.0	8.9	-10.6	21.2	-2.4	3.3	6.8	6.6	7.9

Table 14 - Total Sales, External Sales and Exports, 1998/99-2008/09 (constant prices)

	1998/99 £m	1999/2000 £m	2000/01 £m	2001/02 £m	2002/03 £m	2003/04 £m	2004/05 £m	2005/06 £m	2006/07 £m	2007/08 (revised) £m	2008/09 (provisional) £m
Total Sales	£12,450	£14,867	£15,803	£15,596	£15,462	£15,782	£15,992	£15,845	£16,564	£16,869	£16,245
Northern Ireland	£3,260	£3,388	£3,939	£3,282	£3,412	£3,716	£3,776	£3,721	£3,938	£4,136	£3,763
External Sales	£9,190	£11,479	£11,864	£12,314	£12,050	£12,066	£12,216	£12,125	£12,625	£12,733	£12,482
Great Britain	£5,289	£6,856	£7,100	£7,457	£7,513	£6,948	£6,897	£6,813	£6,825	£6,612	£6,591
Exports	£3,901	£4,623	£4,765	£4,857	£4,536	£5,117	£5,319	£5,312	£5,800	£6,121	£5,891
Republic of Ireland	£930	£1,051	£1,122	£1,075	£1,157	£1,304	£1,458	£1,515	£1,739	£1,854	£1,687
Rest of EU	£1,169	£1,338	£1,532	£1,460	£1,303	£1,325	£1,422	£1,311	£1,417	£1,519	£1,567
Rest of World	£1,802	£2,235	£2,110	£2,322	£2,077	£2,489	£2,438	£2,486	£2,644	£2,748	£2,637

Table 15 - Annual Real Growth in Total Sales, External Sales and Exports, 1998/99-2008/09

	Change 98/99 - 99/00 %	Change 99/00 - 00/01 %	Change 00/01 - 01/02 %	Change 01/02 - 02/03 %	Change 02/03 - 03/04 %	Change 03/04 - 04/05 %	Change 04/05 - 05/06 %	Change 05/06 - 06/07 %	Change 06/07 - 07/08 %	Change 07/08 - 08/09 %
Total Sales	19.4	6.3	-1.3	-0.9	2.1	1.3	-0.9	4.5	1.8	-3.7
Northern Ireland	3.9	16.3	-16.7	4.0	8.9	1.6	-1.5	5.9	5.0	-9.0
External Sales	24.9	3.4	3.8	-2.1	0.1	1.2	-0.7	4.1	0.9	-2.0
Great Britain	29.6	3.6	5.0	0.8	-7.5	-0.7	-1.2	0.2	-3.1	-0.3
Exports	18.5	3.1	1.9	-6.6	12.8	3.9	-0.1	9.2	5.5	-3.8
Republic of Ireland	13.0	6.8	-4.2	7.6	12.7	11.9	3.8	14.8	6.6	-9.0
Rest of EU	14.4	14.5	-4.7	-10.8	1.6	7.4	-7.8	8.1	7.2	3.1
Rest of World	24.0	-5.6	10.0	-10.6	19.9	-2.0	2.0	6.4	3.9	-4.0

Table 16 - Share of Total Sales by Broad Destination, 1998/99-2008/09, (current prices)

	1998/99 %	1999/2000 %	2000/01 %	2001/02 %	2002/03 %	2003/04 %	2004/05 %	2005/06 %	2006/07 %	2007/08 (revised) %	2008/09 (provisional) %
Northern Ireland	25.6	22.6	24.9	21.0	22.1	23.6	23.8	23.7	24.1	25.0	23.2
Great Britain	41.5	45.8	44.8	47.8	48.7	44.0	43.4	43.4	41.8	40.0	40.6
Republic of Ireland	7.9	7.2	7.1	6.9	7.5	8.3	9.0	9.4	10.2	10.6	10.4
Rest of EU	9.9	9.2	9.7	9.4	8.4	8.4	8.8	8.1	8.3	8.7	9.6
Rest of World	15.2	15.3	13.4	14.9	13.4	15.8	15.0	15.4	15.5	15.7	16.2
Total Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1994/95 - 2003/04 Rest of EU figures are based on information for the following member states of the European Union: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden and Finland.

In May 2004, the accession countries joined the EU and hence 2004/05 results refer to the enlarged EU. The accession countries are: Cyprus; Czech Republic; Estonia; Hungary; Latvia; Lithuania; Malta; Poland; Slovakia and Slovenia.

In January 2007 Bulgaria and Romania joined the EU and figures for these member states are included within the EU from 2007/08

Background Notes



Figures are provisional and subject to revision to take account of additional information

Coverage of Survey

The Northern Ireland Manufacturing Sales and Exports Survey covers all businesses classified within the Manufacturing industry in Northern Ireland (SIC(03) divisions 15-37).

Method for producing results

Forms are issued from Statistics Research Branch, DETI, to all those businesses which employ 5 or more persons and are classified within the Manufacturing industry. Returned forms are subjected to a range of validation and congruency checks.

Individual estimates are made for those companies with 50 or more employees, which fail to respond to the survey. Estimation is based on previous year returns, if available, by applying growth rates, calculated from changes over the year in similar businesses. If no previous year data is available, a sales value is derived from another comparable survey and destination information is estimated based on the returns of the industry to which the non-respondent belongs. If no data is available, an estimate is made based purely on the returns of similar businesses.

No individual estimate is made for those companies which fall below the 50 employee threshold, instead responses are grossed thus providing a population estimate of the full value of sales for such companies in Northern Ireland. Grossing factors are calculated using the Quarterly Employment Survey as the population; factors are produced at a subsector level thus reflecting the distributions across the various industrial sectors.

Survey Reference Period

The current survey covers the accounting periods, 2008/09 which runs from 1 April 2008 to 31 March 2009, calendar year information is accepted if financial year information is not readily available.

Response Rates 2008/09

The 2008/09 response rate was 81.6%, based on actual returns, this rose to an effective response rate of 90.2% once individual estimations were made.

Rest of European Union

The Rest of EU refers to the member states of the European Union, excluding the UK and ROI. REU figures prior to 2004/05 refer to the following member states: Germany; France; Belgium; Luxembourg; Netherlands; Italy; Denmark; Portugal; Spain; Greece; Austria; Sweden and Finland. From 2004/05 results onwards, the Rest of EU refers to the aforementioned countries plus the accession countries (Cyprus; Czech Republic; Estonia; Hungary; Latvia; Lithuania; Malta; Poland; Slovakia and Slovenia) which joined the EU in May 2004. Bulgaria and Romania joined the EU in January 2007 and are included in the Rest of EU from 2007/08.

Constant/Current Prices

Constant prices allow figures to be presented so that the effects of inflation are removed and changes can be reported in real terms (by using a deflator). The deflators used are based on price indices which report the prices of manufactured products both within the UK and internationally. The deflators therefore fully recognise the impact of inflation and other factors such as exchange rates which are represented in the price changes of goods.

The values for each time period are expressed in terms of the prices in some base period (2008/09=100). Current price figures show data where the value for each item is expressed in terms of the prices in that period.

All prices presented in the report are provided in current price terms, unless otherwise stated.

Deflators

A deflator is an index showing the price movements over a period of time. Constant price data are normally calculated by dividing current price data by the deflator. Sales to Northern Ireland and Great Britain have been deflated using price index PLLU – net output of manufactured products, and exports have been deflated using price index BQKK – total trade in goods excluding oil (exports).

Producer Price Indices (PPIs) are a series of economic indicators that measure the price movement of goods bought and sold by UK manufacturers. It is a base weighted index working on the basket of goods concept. A wide range of representative products are selected and the prices of these collected each month.

The movement in the prices are weighted to reflect the relative importance of the products in a chosen year (known as the base year) currently 2008/09. These are then aggregated for various industrial sectors to provide indices that are published monthly by National Statistics.

Standard Industrial Classification 2007

Users may be aware that the Office for National Statistics in conjunction with various stakeholders has implemented major revisions to the UK Standard Industrial Classification of Economic Activities (SIC). As a result the SIC 2003 categorisation of business activities has been replaced and updated by the new SIC 2007 activity codes. These changes will eventually be rolled out to all individual UK business surveys and is in line with the major revision to the European Union's industrial classification system, NACE.

The UK is required by European legislation to revise the SIC in parallel with NACE so that both systems remain identical down to and including the 4 digit class level. These revisions are motivated by the need to

adapt the classifications to changes in the world economy. The revised classifications reflect the growing importance of service activities in the economy over the last fifteen years, mainly due to the developments in information and communication technologies (ICT).

More information on the extent of the revisions and correspondence between SIC 2007 and the existing SIC 2003 can be accessed via the following link:

<http://www.ons.gov.uk/about-statistics/classifications/future-developments/operation-2007/index.html>

The Northern Ireland Manufacturing Sales and Exports Survey results will be produced on a SIC 07 basis for the first time in early 2010.

Further Information

If you require further information about this survey, please contact:

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