



Department of  
**Finance and  
Personnel**

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Statistics Bulletin

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# Characteristics of VAT and/or PAYE registered businesses in NI:

## Facts and Figures from the IDBR

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*Northern Ireland*  
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Department of Finance and Personnel

# Characteristics of VAT and/or PAYE registered businesses in NI: Facts and Figures from the IDBR

28 October 2013

Please note that a correction has been made to this document. This bulletin was first published at 9.30am on 31 January 2013. It was reissued on 28 October 2013.

In tables 2.1 to 2.3 of Table 2: Business Demography Tables in the original publication, provisional data for 2009 and 2010 had not been updated with final data. There was also an alignment error in table 2.4. The 2011 figures in this table were correct but the figures for 2010 to 2005 were for the previous year instead of the stated year. This also affected some of the figures quoted in the bulletin in the BIRTHS, DEATHS AND SURVIVAL RATES section. The errors have now been corrected and the revised bulletin and updated tables reissued. Amended cells in the tables are highlighted in yellow.

NISRA seeks to minimise the need for corrections in its statistical publications. However, where material errors are detected, it undertakes to issue corrections promptly, to alert key stakeholders and to provide an explanation.

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# Executive Summary

## 1

### INTRODUCTION

The Inter Departmental Business Register (IDBR) contains information on all businesses in the United Kingdom which are VAT registered and/or operating a PAYE scheme. The register is comprised of approximately 2.1 million UK businesses. Northern Ireland accounts for just over 3% of the UK total.

### VAT AND/OR PAYE REGISTERED BUSINESSES IN NORTHERN IRELAND

For every enterprise held on the IDBR, a region marker is allocated based on the businesses registered UK address, (generally the main operating site or the head office). Thus in the *enterprise based* analyses a business with a head office in London is likely to be included for Great Britain figures, even though it may have work sites in Northern Ireland. Therefore many multi-national businesses operating in Northern Ireland are excluded from these analyses. Similarly, for businesses operating solely within Northern Ireland that have their headquarters in Belfast, these businesses will only be included in the Belfast District council area even though they may have sites across NI.

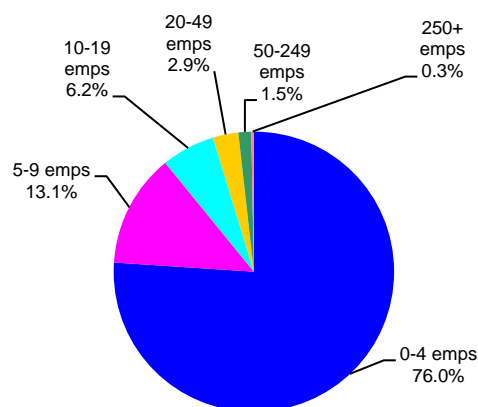
- At 31 March 2012, the IDBR estimated there to be 67,480 businesses in Northern Ireland which were either VAT registered or operating a PAYE scheme (67,955 at 31 March 2011).
- Figures from the IDBR show that Northern Ireland continues to be a small business economy with this category (less than 50 employees) accounting for 98.2% of all Northern Ireland based VAT and/or PAYE registered enterprises; medium sized (50 - 249) businesses account for 1.5% and large businesses for 0.3% (250+).
- Micro businesses (those businesses with less than 10 employees) accounted for

89.1% of the Northern Ireland total, which is similar to the UK rate of 88.7%.

- Under half (47.2%) of the businesses registered for VAT and/or PAYE in Northern Ireland have a turnover of less than £100,000; this compares to the UK average which is 42.2%.
- In Northern Ireland, 8.8% of registered businesses have a turnover which exceeds £1 million. This percentage is similar to that for Scotland (8.6%), but higher than that of Wales (7.2%) and lower than that of England (9.4%). The overall UK rate stood at 9.3%.
- NI has a higher reliance on agriculture, forestry and fishing with 24.3% of businesses located in this sector, compared with a figure of 6.5% for the UK as a whole.
- NI conversely, has a lower reliance on the Information and Communication sector (1.9% of businesses compared with 7.4% in the UK) and on the Professional, Scientific and Technical sectors (7.2% of businesses compared with 16.4% in the UK).

The figures above cover businesses in most of the economy, including the agriculture, production, service and public sectors in Northern Ireland. However they do not include very small businesses that fall below the VAT and PAYE thresholds. Latest figures published by the Department for Business, Innovation and Skills (BIS), which include an estimate of the number of unregistered businesses, indicate that at the start of 2012 the total number of businesses in NI was 114,200 (122,065 in 2011).

### VAT and/or PAYE businesses by employee sidebands, March 2012 Figure 1



## District Council Information

- Belfast District Council accounts for the largest proportion (12.3%) of VAT and/or PAYE registered businesses in Northern Ireland.
- Outside of Belfast, Newry and Mourne had the largest percentage of VAT and/or PAYE registered businesses (6.8%) whereas Carrickfergus had the lowest (1.1%).
- Of all the district councils in Northern Ireland, Fermanagh has the greatest number of VAT and/or PAYE registered businesses (2,055) with turnover below £50,000. This is followed by Newry & Mourne (1,415), Omagh (1,360), Dungannon (1,125), Belfast (1,095) and Armagh (1,050).
- As expected, Belfast has the greatest number (330) of VAT and/or PAYE registered businesses reporting a turnover of greater than £5million, with Lisburn accounting for the second highest number (90).
- Belfast also had the largest number of micro businesses (6,655), as well as being the District Council with the largest number of businesses with 250 plus employees (70).

The estimates covering Private / Public sector status and Legal status are *Reporting unit* based and will therefore include multinational businesses operating in Northern Ireland.

## Private and Public Sector Businesses

All VAT and PAYE registered businesses on the IDBR can be grouped into either Public or Private sector. The Private sector is a combination of registered businesses whose legal status falls under the category of "Company (incl. Building society), Limited Liability Partnerships and Joint Ventures", "Sole Proprietor", "Partnership and Limited Partnership" and "Non-profit body or mutual association" while the public sector is comprised of those registered as "Public Corporation/nationalised body", "Central Government" and "Local Authority".

- 68,480 (99.6%) of the 68,740 NI businesses on the register in March 2012 were within the private sector.
- Although the public sector accounts for a very small proportion (0.4%) of the total number of businesses in Northern

Ireland, estimates from the March 2012 Quarterly Employment Survey show that public sector businesses account for almost a third (31.6%) of employee jobs in Northern Ireland.

- Micro businesses (those employing between 0 and 9 persons) dominate the private sector, accounting for 89.5% of all private sector businesses. In contrast, the public sector is dominated by large businesses employing 250 or more persons, with 30.8% of public sector businesses within this category.
- 91.8% of all Northern Ireland medium sized businesses (i.e. those employing between 50 and 249 persons) are within the private sector.

## Legal Status of Businesses

- The majority (47.0%) of businesses in Northern Ireland, in March 2012, were registered as 'Sole Proprietors'.
- Under half of all VAT and/or PAYE registered businesses were registered as either a 'Company' (28.8%) or as a 'Partnership' (18.6%).
- A total of 0.4% of VAT and/or PAYE registered businesses, in Northern Ireland, belong to the Public sector. A further 5.2% of VAT and/or PAYE registered firms are non-profit making organisations.

## [VAT AND/OR PAYE DATA TABLES LINK](#)

## BIRTHS, DEATHS AND SURVIVAL RATES

The Office for National Statistics (ONS) has responsibility for the publication of official business births, deaths and survival rates (*Business Demography: Enterprise Births and Deaths*). This publication uses an enterprise based methodology that includes all businesses registered for VAT and/or PAYE.

- In the 2011 calendar year, a total of 3745 enterprises were born in Northern Ireland (4590 in 2010). In the same year, there were 4950 deaths of enterprises (5,235 in 2010).
- The business birth rate in Northern Ireland in 2011, as a proportion of active enterprises, was 6.5% (7.8% in 2010). This was the lowest of the 12 UK regions. The overall birth rate for the UK in 2011 was 11.2% (10.0% in 2010).

- The Northern Ireland death rate was also the lowest of the UK regions at 8.6% (9.8% for the UK) in 2011.
- At 2011 Northern Ireland had the highest five-year business survival rate of the 12 UK regions (50.5% of business births in 2006). Perhaps surprisingly Northern Ireland has one of the lowest one-year survival rates of the 12 UK regions (86.9% of business births in 2010).
- Carrickfergus and Omagh had the highest one-year business survival rate (93.3%), followed by Newtownabbey (92.9%) and Ballymoney (92.3%) while Belfast District Council had the lowest survival rate (81.2%).

### [BUSINESS DEMOGRAPHY TABLES LINK](#)

#### **FOREIGN OWNED BUSINESSES OPERATING IN NORTHERN IRELAND IN 2012**

The market information company Dun and Bradstreet, annually supply the Office for National Statistics (ONS) with information on foreign owned businesses operating in the United Kingdom. This information is then loaded onto the IDBR. It should be noted that this is not an exhaustive list of foreign owned businesses in Northern Ireland, only those for which we have received information from the above sources.

Information on the status of foreign owned businesses is continually updated and, as a result, figures are subject to change as more up-to-date information becomes available.

- At 31 March 2012, there were approximately 830 foreign owned businesses operating in Northern Ireland.
- The majority of foreign owned businesses were from the Republic of Ireland (33.1%).
- The Wholesale industry accounted for the highest proportion (17.5%) of foreign owned businesses in Northern Ireland, followed by the Production Industry (16.9%) and the Retail Industry (15.7%).

### [FOREIGN OWNERSHIP DATA TABLES LINK](#)

# Contact Information

## 2

If you require further information about this survey, please contact Statistics Research Branch by: -

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Email: [sarah.mcauley@dfpni.gov.uk](mailto:sarah.mcauley@dfpni.gov.uk)

Information regarding the IDBR is also available via the following link:

Website: <http://www.detini.gov.uk/deti-stats-index.htm>



# Background notes and definitions

## 3

Details of the methodology and definitions used in each set of tables, along with information on the coverage of the statistics, known quality issues and disclosure control methods is included in the Notes sheet accompanying the tables. Any planned revisions to the data are also outlined. Some general notes are included below:

### **i) Inclusion of PAYE operating businesses not registered for VAT**

Users should note that prior to December 2009 the *enterprise based* tables included in this publication, did not include PAYE operating businesses not registered for VAT. Therefore caution should be exercised when comparing estimates to earlier years.

The VAT registered enterprise data (i.e. excluding PAYE registered businesses not separately registered for VAT) is no longer published by the ONS and thus there are no longer any comparable regional tables for this data.

### **ii) Enterprise based and Reporting Unit based analysis**

The “*enterprise*” and “*reporting unit*” concepts can be thought of in the following terms, the “*enterprise*” is similar to the head office of a business reporting for all activity in the business, whereas the “*reporting unit*”, as the name suggests, reports for only certain parts of this business e.g. GB activity only or NI activity only. An example may help to explain this concept; Joe Bloggs Ltd is a large multinational company existing in NI but also has sites across a number of other GB regions, with the London headquarters being the largest store. Any analysis at the “*enterprise level*” would assign Joe Bloggs Ltd to the London region whereas the

“*reporting unit level*” analysis would assign a separate NI business.

Therefore, any analysis carried out at the “*reporting unit*” level is likely to include more businesses than an analysis based on the “*enterprise*” level. The table on the following page presents a breakdown of the extent of the differences resulting from the different coverage at March 2012.

### **iii) Births and deaths statistics**

The ONS publication, *Business Demography: Enterprise Births and Deaths*, was introduced in 2009 (for the reference period 2008 onwards) following a new European Commission Structural Business Statistics Regulation which came into force in February 2008, requiring National Statistical Institutes (NSIs) to produce statistics on business births, deaths and survival rates. Prior to this, information on VAT registrations and de-registrations was published by the department of Business, Innovation and Skills (formerly the Department of Trade and Industry).

Births, deaths and survival statistics are produced using common definitions and methodology, which ensures greater comparability across the EU. For more information on the ONS publication please visit the following website:

<http://www.ons.gov.uk/ons/rel/business-register/business-demography/2011/index.html>

### **iv) Historic data**

Prior editions of the ‘Facts and Figures from the IDBR’ are available from the Department of Enterprise, Trade and Investment website. Please follow the link below:

<http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-inter-dept-business-register.htm>

### **v) Comparability with other UK business publications**

A document detailing the comparability of this publication with other UK business statistics is available to view by following the link below:

[http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-inter-dept-business-register.htm/comparison\\_of\\_uk\\_business\\_information\\_sources-2.docx](http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-inter-dept-business-register.htm/comparison_of_uk_business_information_sources-2.docx)

**vi) Comparability with other NI Economic and Labour Market Statistics**

A guide to NI Economic and Labour Market Statistics is available at the bottom of the following web page:

<http://www.detini.gov.uk/index/homepage-stats-surveys.htm>

**NI businesses by Broad Industrial Group\* - 31 March 2012**

<b>Broad Industrial Group (SIC07)</b>	<b>Enterprise based</b>	<b>Reporting Unit based</b>
Agriculture, forestry & fishing	16,405	16,470
Production	4,240	4,320
Construction	10,395	10,425
Motor trades	2,350	2,375
Wholesale	3,205	3,320
Retail	6,295	6,540
Transport & storage (inc. postal)	2,200	2,270
Accommodation & food services	3,595	3,645
Information & communication	1,310	1,370
Finance & insurance	1,020	1,085
Property	1,940	1,945
Professional, scientific & technical	4,830	4,925
Business administration and support services	2,305	2,395
Public administration and defence	25	80
Education	520	535
Health	2,705	2,785
Arts, entertainment, recreation and other services	4,140	4,250
<b>Total</b>	<b>67,480</b>	<b>68,740</b>

\* Please see the notes section of the VAT/PAYE tables for further information on this classification