



MANUFACTURING  
NORTHERN IRELAND

# Tughans

## Findings from a survey of businesses in the manufacturing industry

14 May 2018



## Background



# Approach

## AIM

The purpose for conducting this research was to assess the needs, experiences and issues affecting businesses in the manufacturing industry in Northern Ireland.

Perceptive Insight, an independent market research company, collected information on businesses' performance, activity and experiences within the manufacturing industry.

## SAMPLE

A total of 155 questionnaires were completed by manufacturing businesses in Northern Ireland.

## METHOD

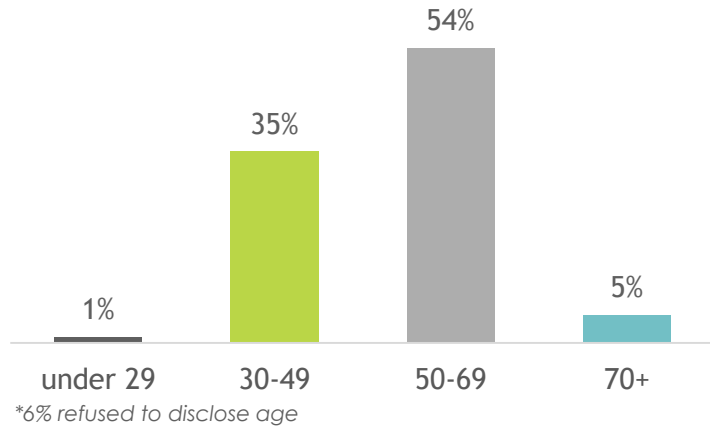
- 1 Online survey
- 2 Data was processed using precision survey analysis software

*Fieldwork ran from 4<sup>th</sup> April - 9<sup>th</sup> May 2018.*

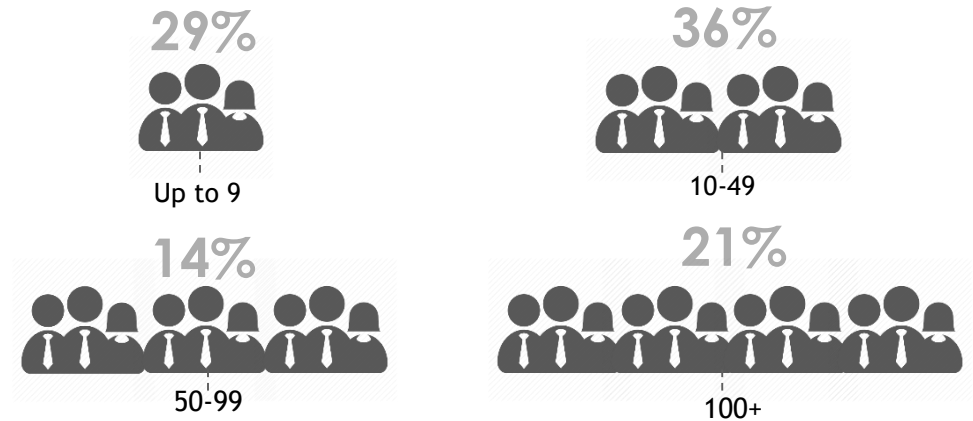


# Business profile

## AGE OF RESPONDENT



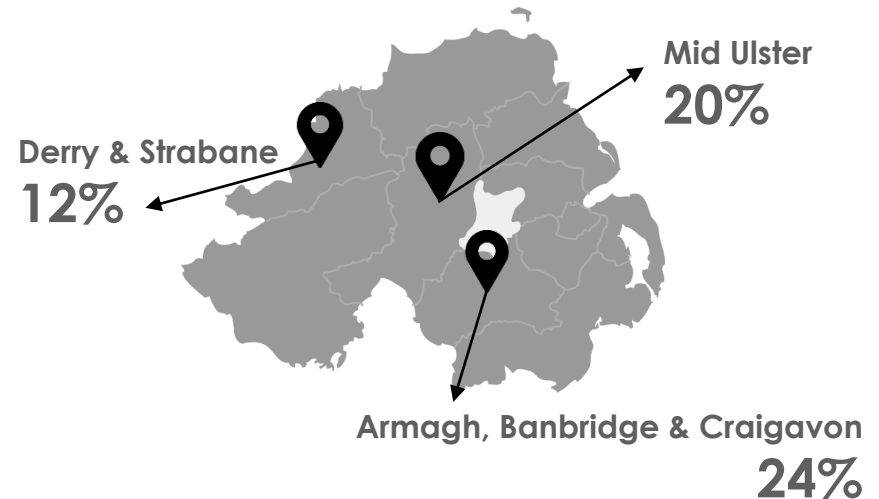
## SIZE OF BUSINESS



## TOP 3 MANUFACTURING SECTORS



## TOP 3 DISTRICT COUNCIL AREAS



## Executive summary



# What did we learn: key insights



## GROWTH & STABILITY

### Performance & Trade

The data collected within this survey suggests a fairly positive experience for businesses within the manufacturing industry.

- **72%** of those surveyed described their business as being in a position of growth.
- **81%** said their business had been profitable in the last 12 months.
- **45%** have increased their number of staff in the last 12 months.

### Outlook for the future

- **55%** of businesses expect that their business will grow in the next 12 months
- **33%** expect that their business will remain the same.



## ISSUES & CONCERNS

### Top 4 most prevalent concerns

- 1. The rising costs of doing business** – 60% businesses rated this 4 or 5.
  - Inflation
  - Heavy taxation & VAT
  - Pension contributions
  - Apprenticeship Levy
- 2. Impact or uncertainty of Brexit** – 56% businesses rated this 4 or 5.
  - 41% don't know what the impact of Brexit will have on their business.
  - 41% of businesses expect Brexit to have a negative impact on their business.
  - Businesses who export to ROI are particularly concerned regarding the impact of Brexit and status of the border.
- 3. Political uncertainty/ climate** – 51% businesses rated this 4 or 5.
  - Main legislative/policy areas of concern include: planning & infrastructure; green energy; RHI and GDPR compliance.
- 4. Recruiting skills required to meet orders** – 47% businesses rated this 4 or 5.
  - Migrant workers are proving particularly difficult to recruit.
  - In terms of skills, businesses are struggling to recruit: fabrication engineers (e.g. welders); specialist machine/equipment operators (e.g. CNC machinists); engineering skills (civil, mechanical, electrical and technical); and, automated manufacturing skills (e.g. CAD and CAM).

# What did we learn: key insights



## IMPACT ON BUSINESSES

The findings of this survey strongly indicate that the issues and concerns affecting businesses are having a ripple effect on other areas of their business, and on the wider industry and economy in general.

### Local Governance

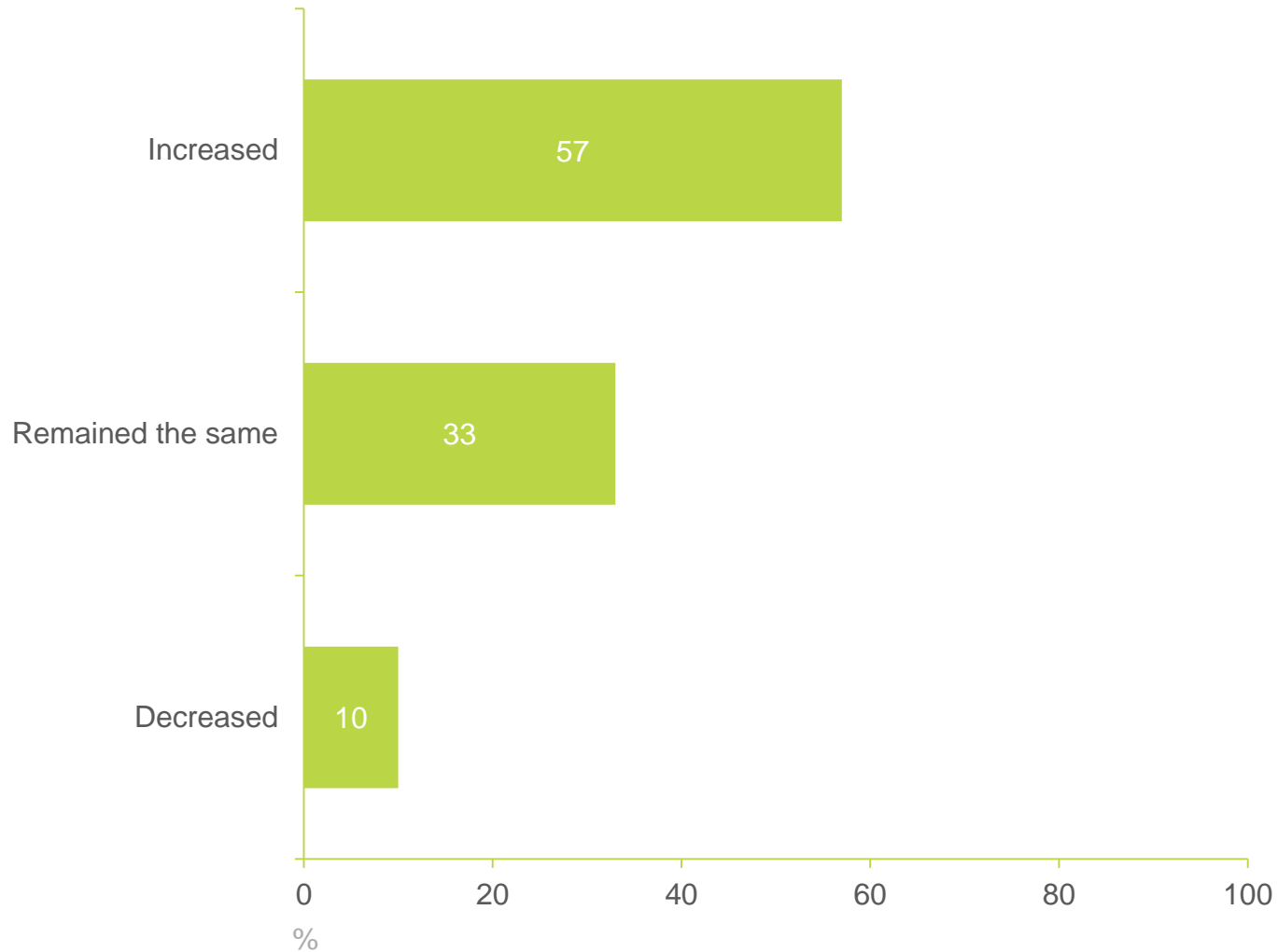
- 37% of businesses said that the absence of the NI Assembly was having no current impact on their business. However, 47% said that this was having a negative impact.
- In practical terms, the suspension of Stormont has widened the already present disjuncture between politics and business, and has become a source of frustration within the business community.
  - The lack of local governance has caused significant stagnation with regards to updating legislation and introducing new policies, which is causing problems for some businesses.
  - A number of businesses are experiencing delays with getting new products off the ground and are having to shelve a number of projects until the political climate becomes more stable.
  - Businesses are finding it difficult to make informed decisions without clarity and direction from local government.
- Overall, there is a general feeling amongst the businesses surveyed that it would be more advantageous for the business sector and economy as a whole if local governance was restored.

# Performance & Trade



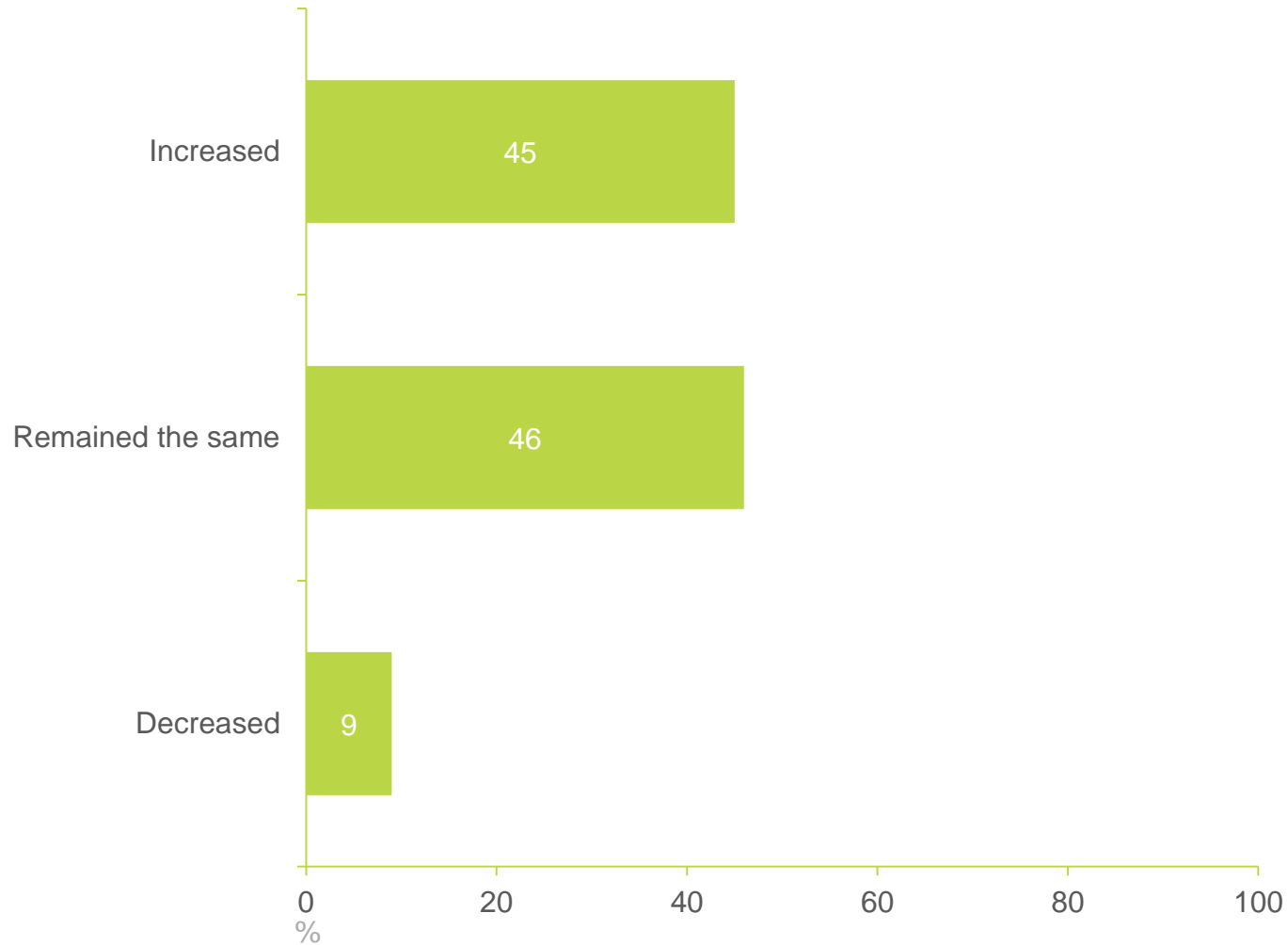
## Q4 Over the past 12 months, have your sales increased, decreased or remained the same?

Base 155: All respondents



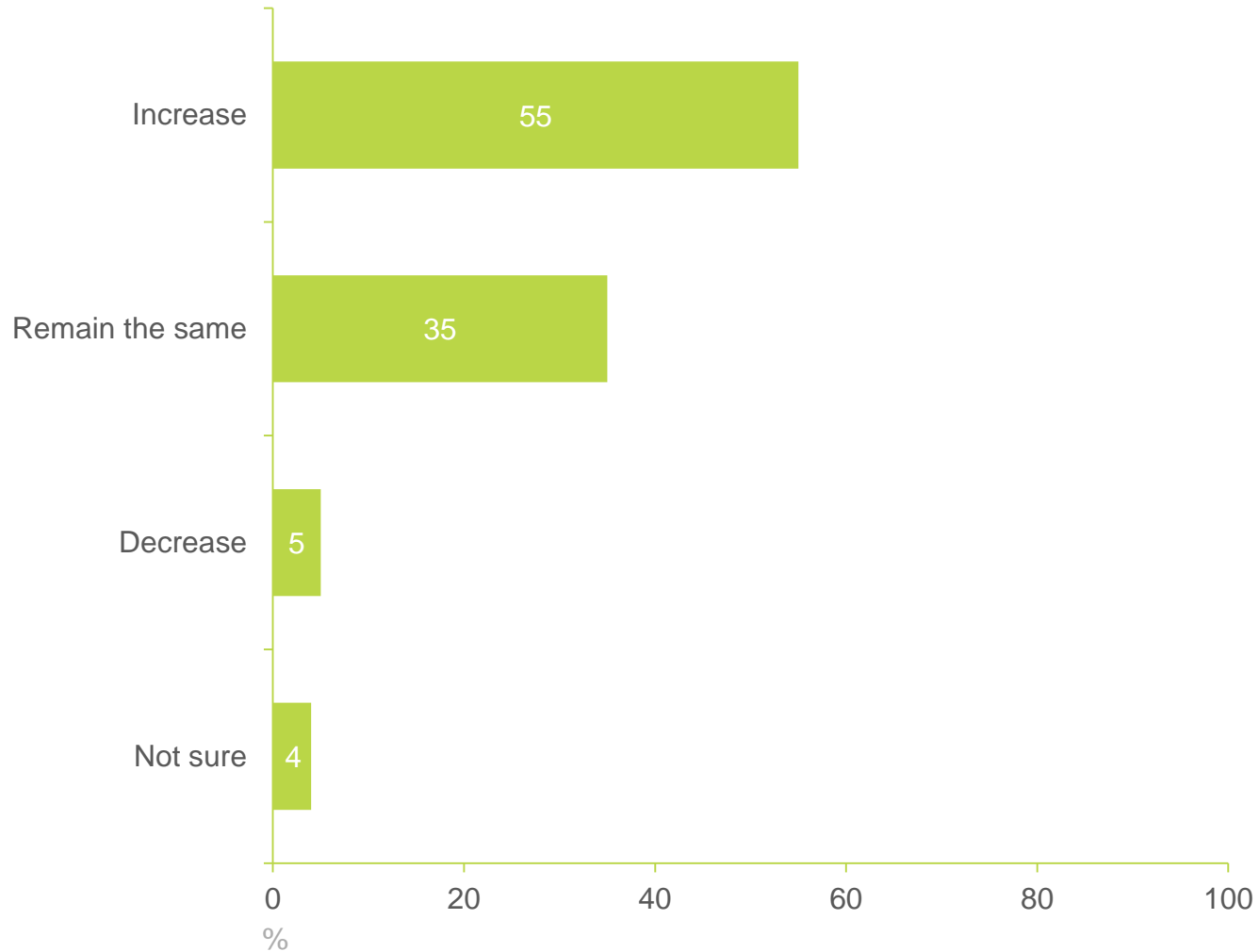
## Q5 Over the past 12 months, has your number of employees increased, decreased or remained the same?

Base 155: All respondents



## Q6 Do you expect your level of growth to increase, decrease or remain the same compared to the past year?

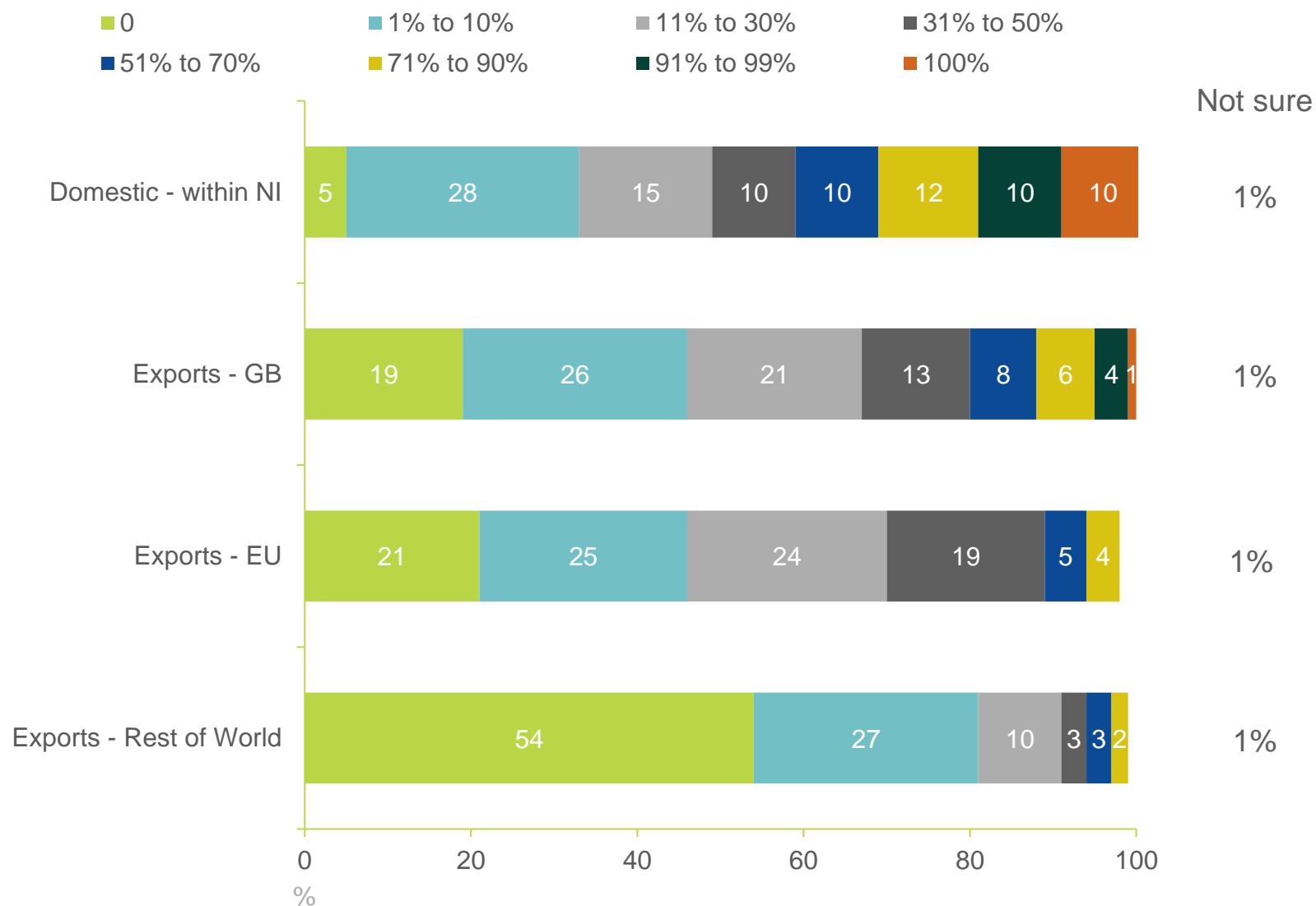
Base 155: All respondents



<sup>1</sup> Due to rounding percentages add to <100%

# Q7 Approximately, what percentage of your sales are...?

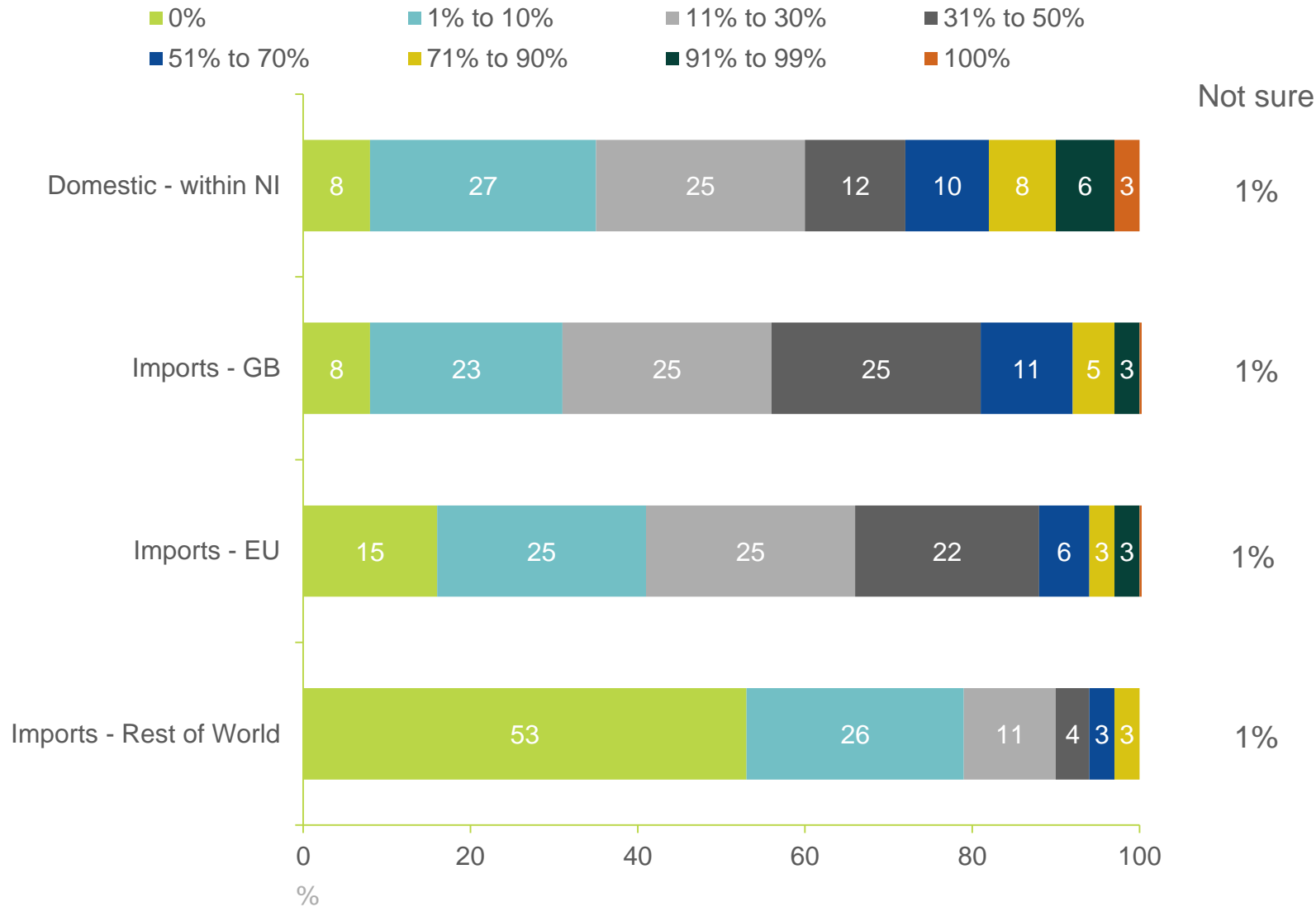
Base 155: All respondents



<sup>1</sup> Due to rounding percentages add to 99%-102%

# Q8 Approximately, what percentage of your supplies, by value, come from...?

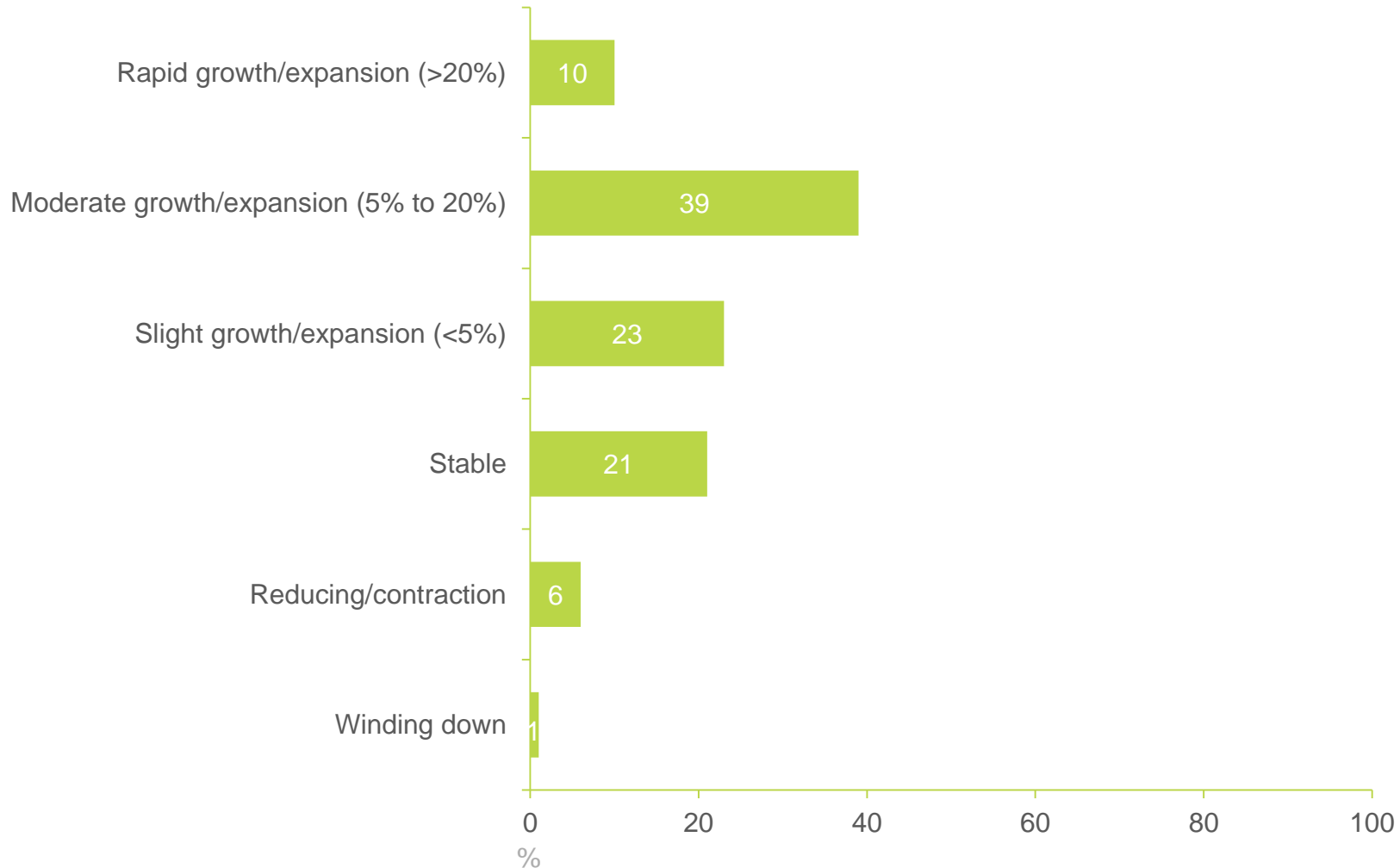
Base 155: All respondents



<sup>1</sup> Due to rounding percentages add to >100%

## Q9 Which of the following best describes the current position of your business?

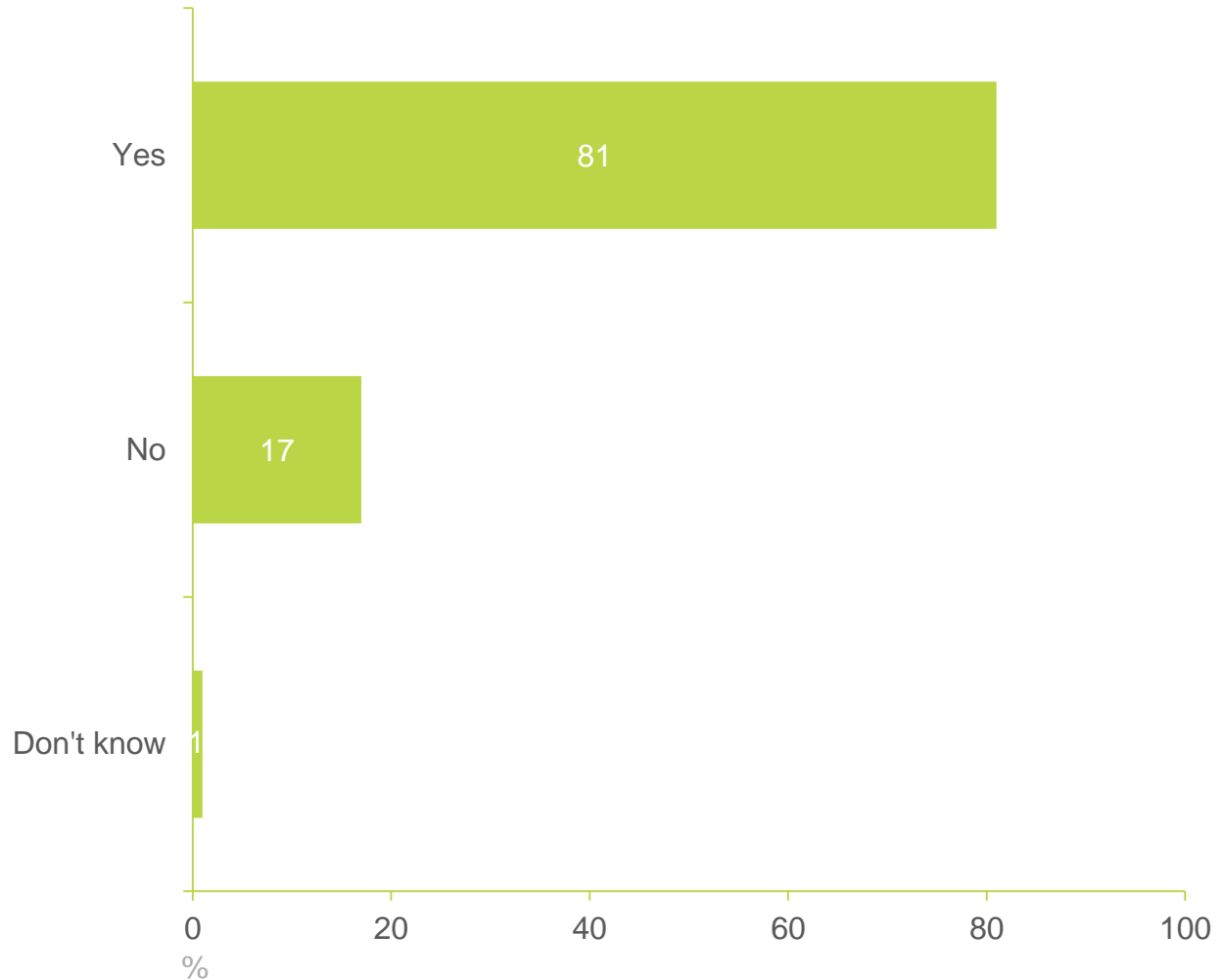
Base 155: All respondents



<sup>1</sup> Due to rounding percentages add to >100%

## Q10 During the past 12 months, has your business been profitable?

Base 155: All respondents



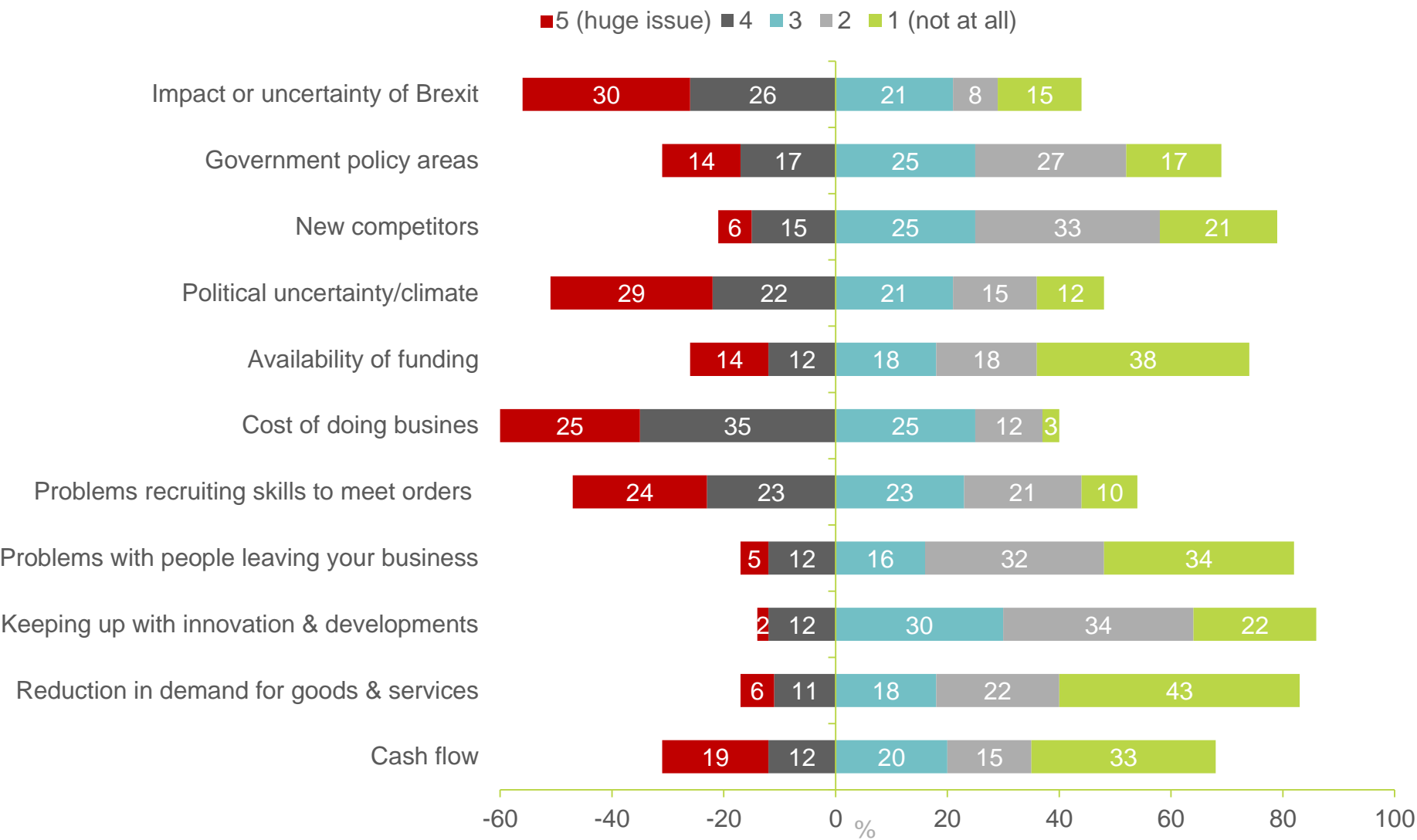
<sup>1</sup> Due to rounding percentages add to <100%

# Barriers to growth



# Q11 To what extent, if at all, are each of the following an issue for your business currently?

Base 155: All respondents

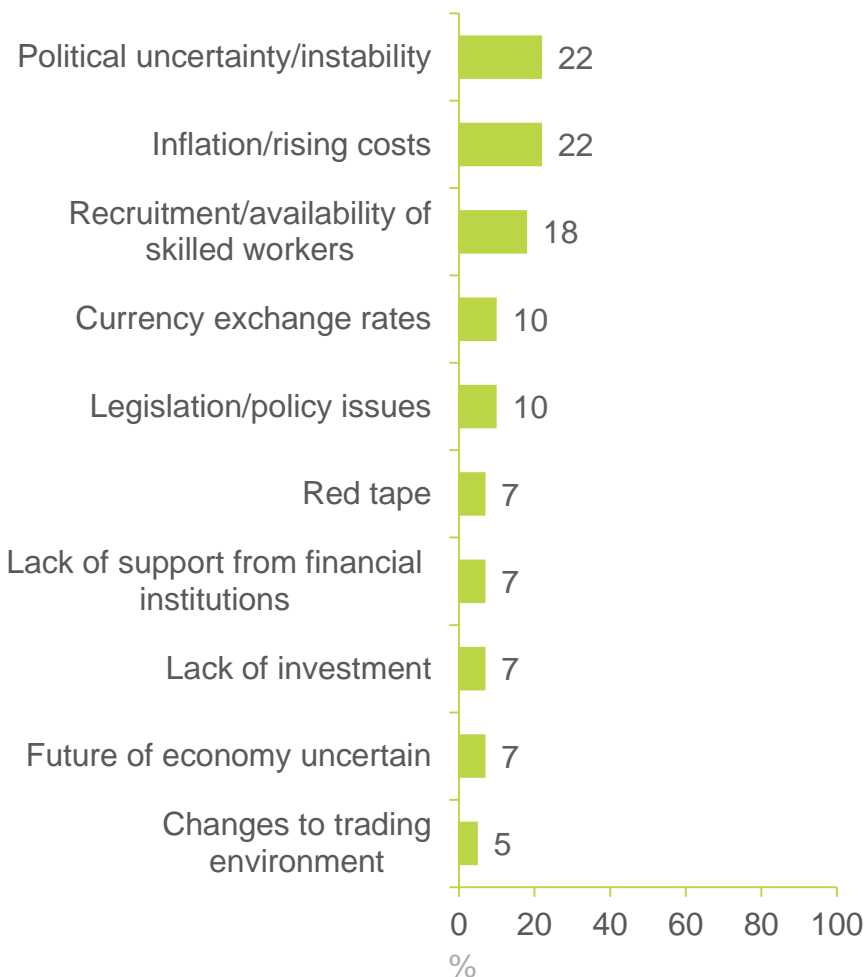


<sup>1</sup> Due to rounding percentages add to 99%-101%

## Q12 What other issues, if any, are impacting your business currently?

Base 155: All respondents

39% of respondents answered this question, their comments are depicted in the graphs below.

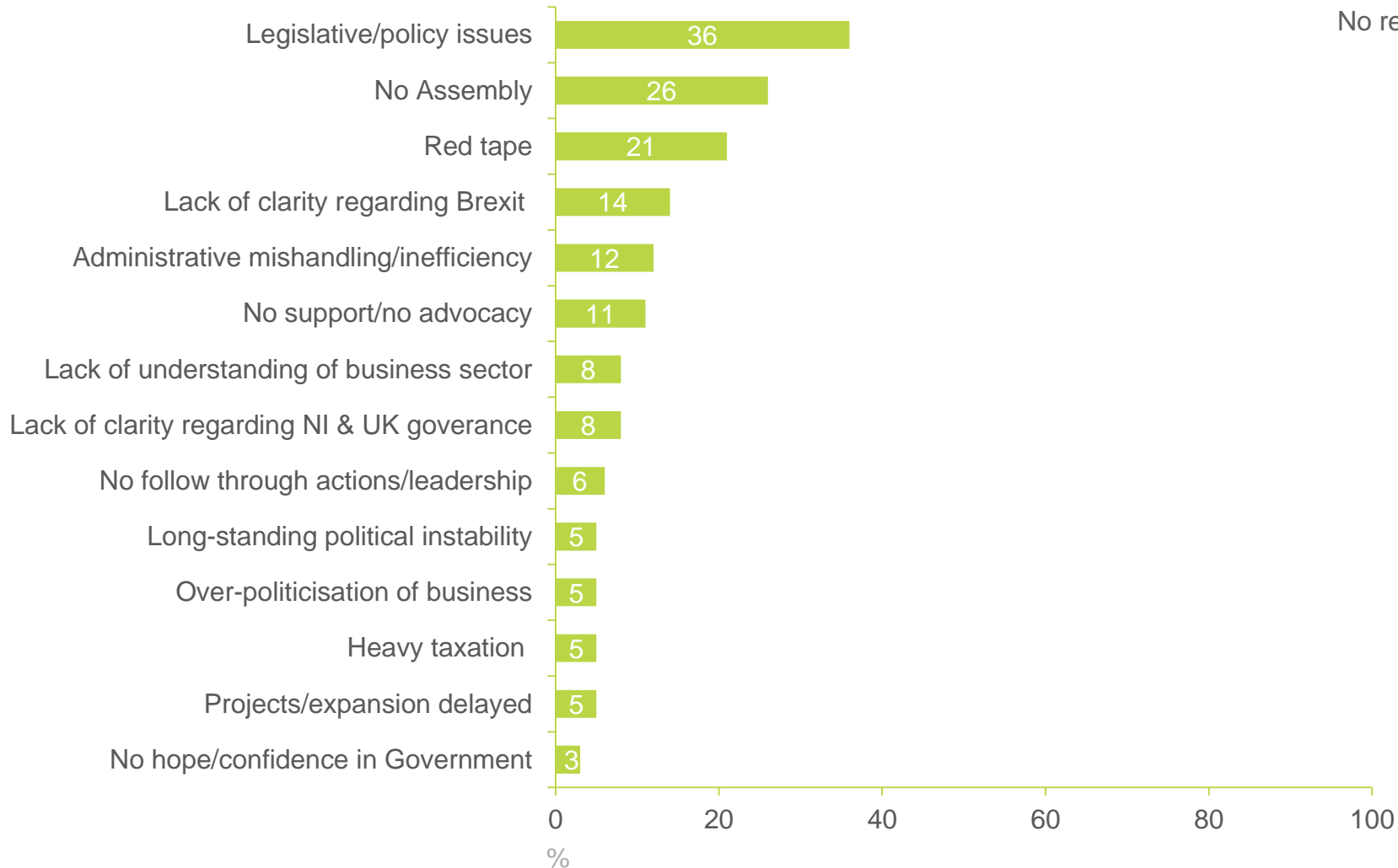


<sup>1</sup> Multi response question so percentage is greater than 100%

# Q13 You rated 'government policy areas' as somewhat of an issue. What are the main causes of this?

Base 86: Those who rated government policy areas as an issue (3~5).

No reply 23%



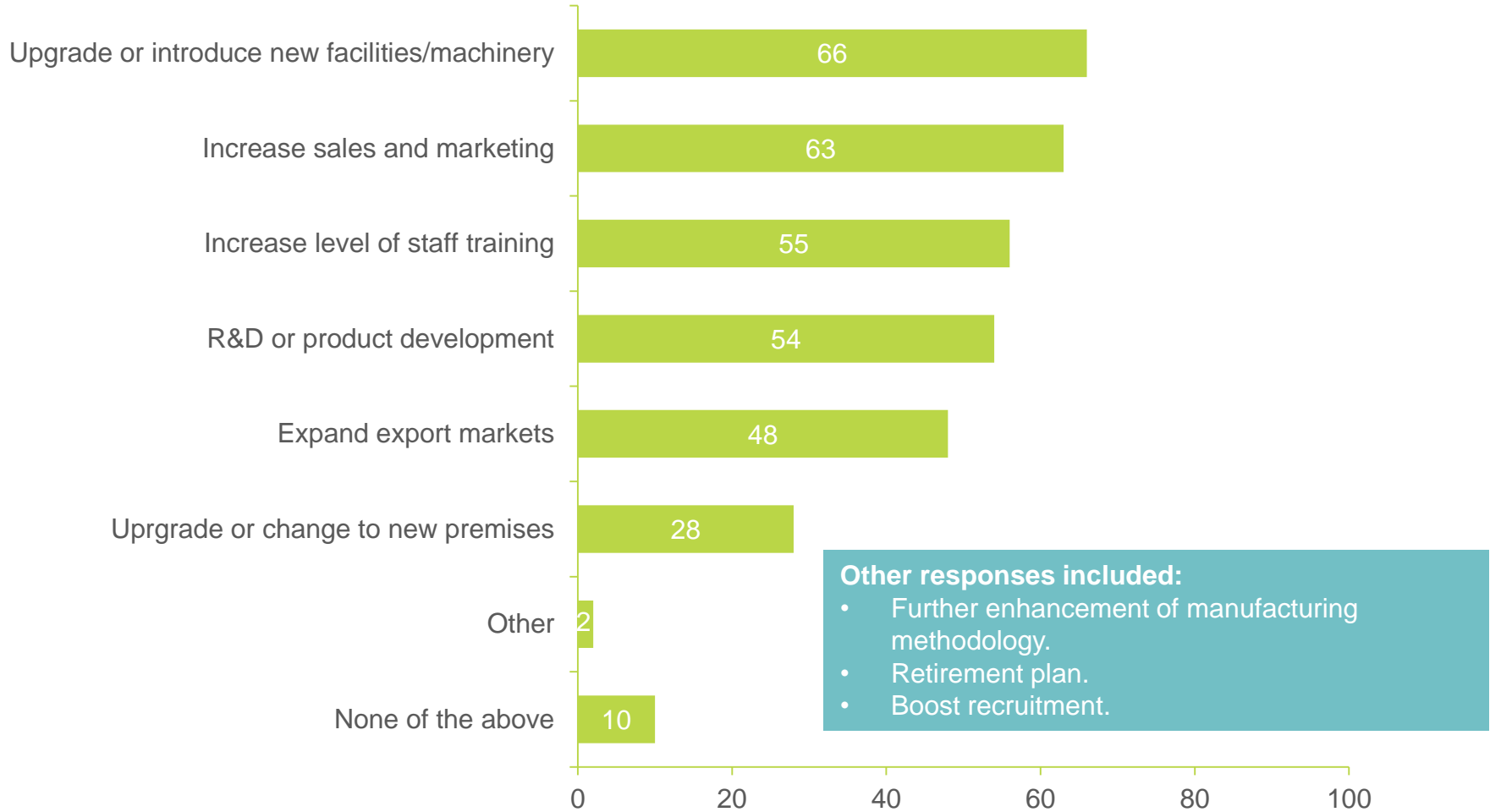
<sup>1</sup> Multi response question so percentage is greater than 100%

# Investment Support

# Q14 Over the next 12 months, do you have plans in place to undertake any of the following types of investment for your business?

Base 155: All respondents

90% of total respondents answered yes

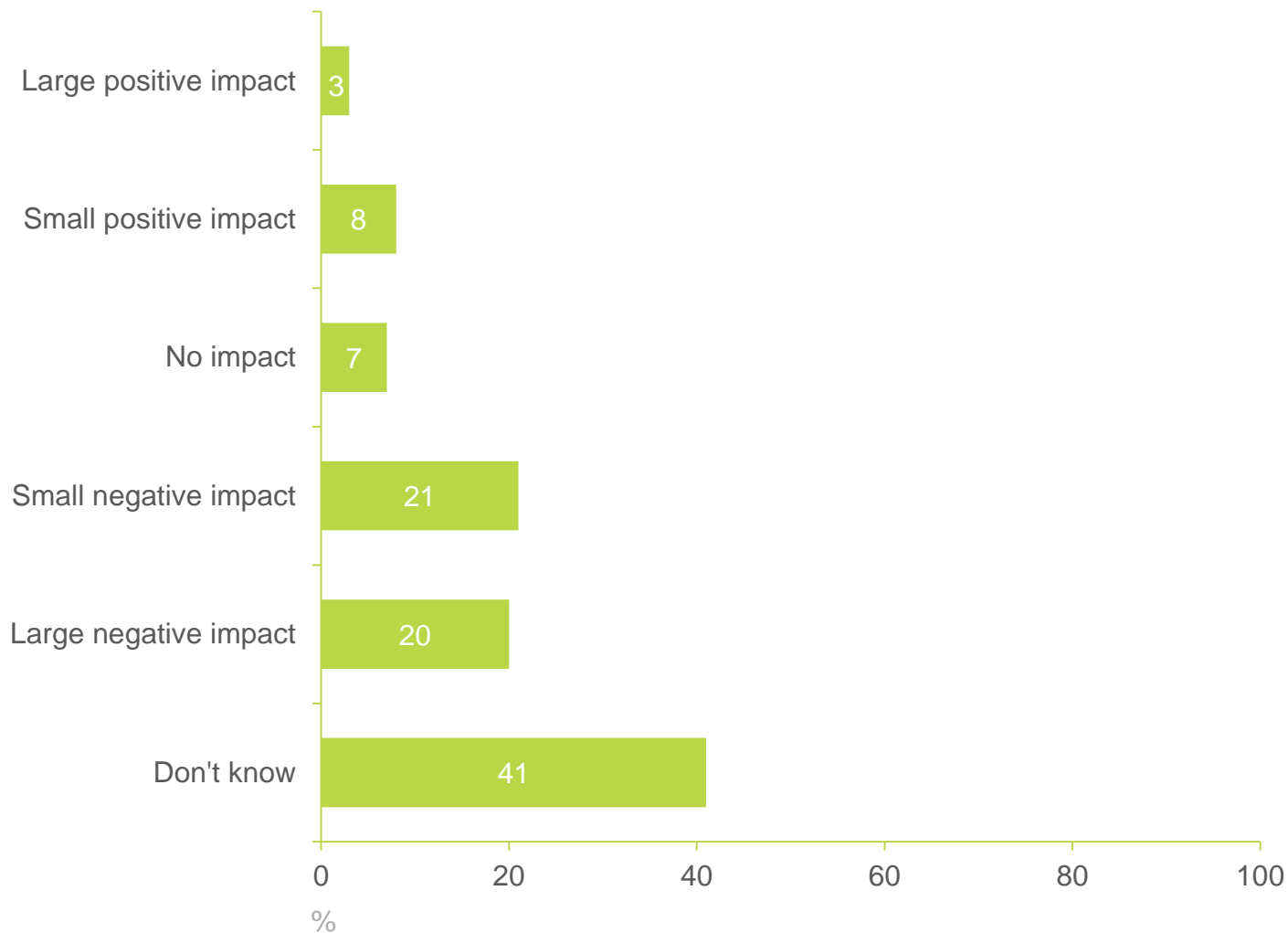


<sup>1</sup> Multi response question so percentage is greater than 100%

# Impact of leaving the EU

## Q15 What impact, if any, will Brexit have on your business?

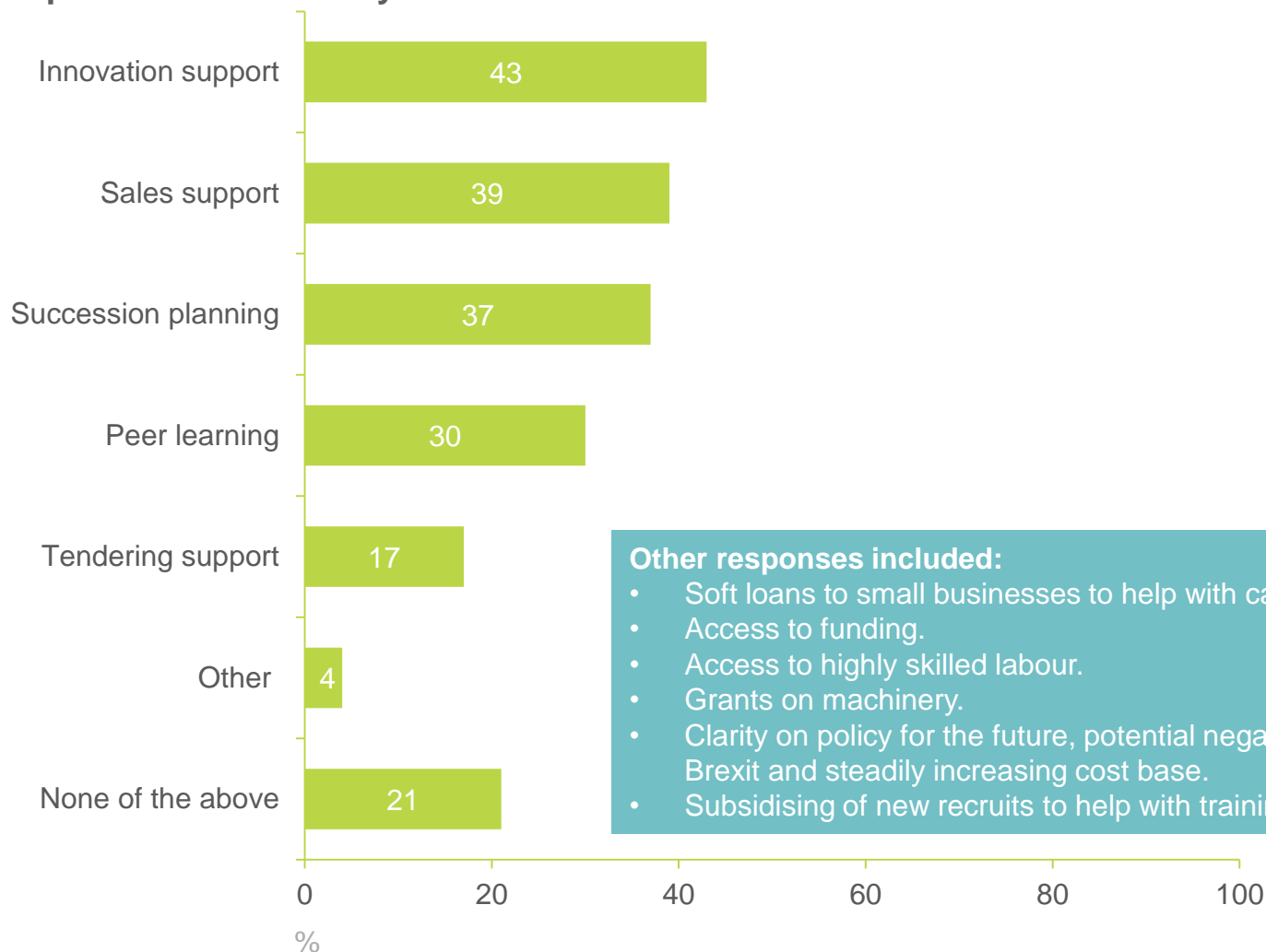
Base 155: All respondents



## Q16 Can you tell me if any of these would be of value to your business?

Base 155: All respondents

79% of total respondents answered yes



### Other responses included:

- Soft loans to small businesses to help with cash flow.
- Access to funding.
- Access to highly skilled labour.
- Grants on machinery.
- Clarity on policy for the future, potential negatives from Brexit and steadily increasing cost base.
- Subsidising of new recruits to help with training costs.

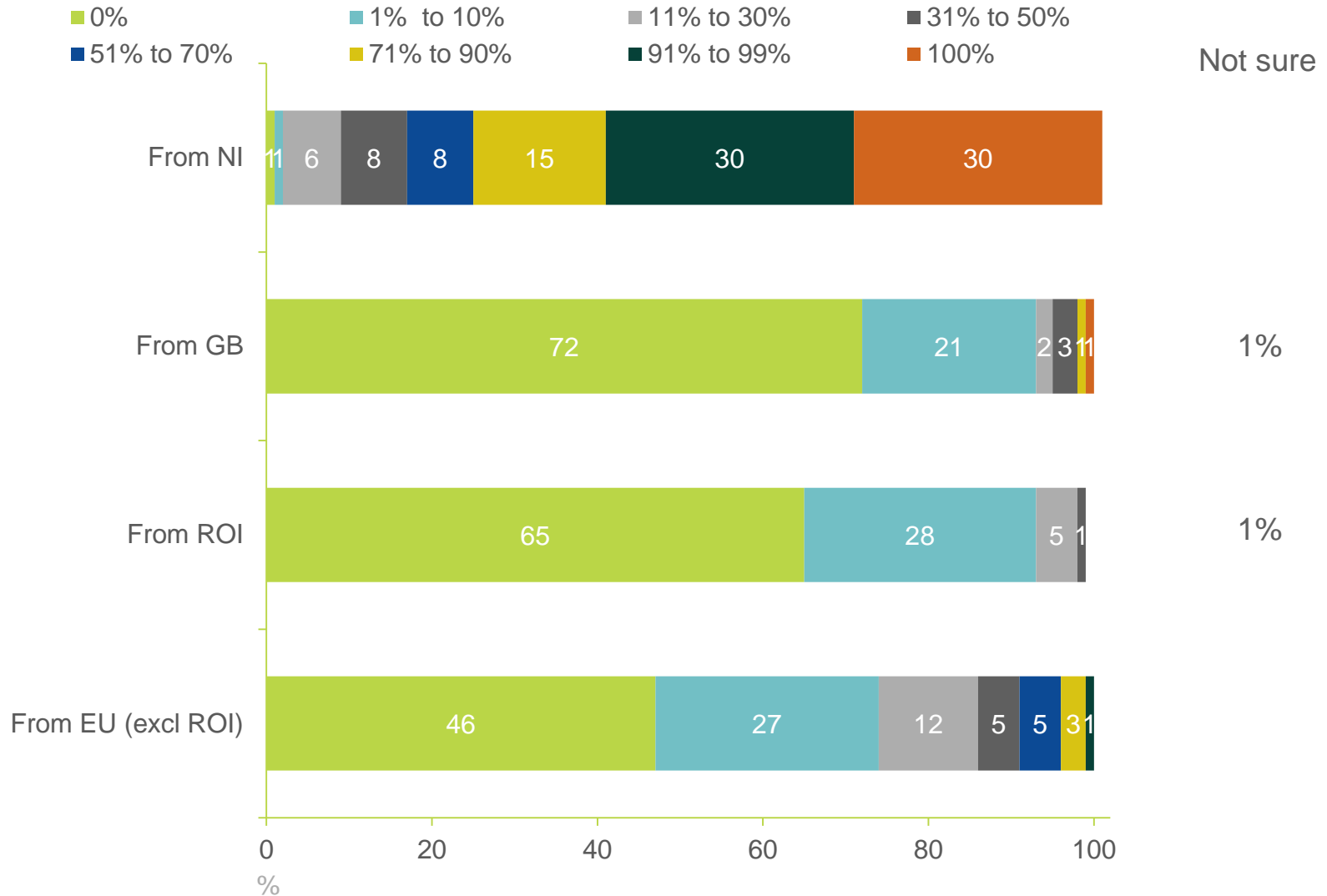
<sup>1</sup> Multi response question so percentage is greater than 100%



## Skills & People

# Q17 Approximately what percentage of your staff is...?

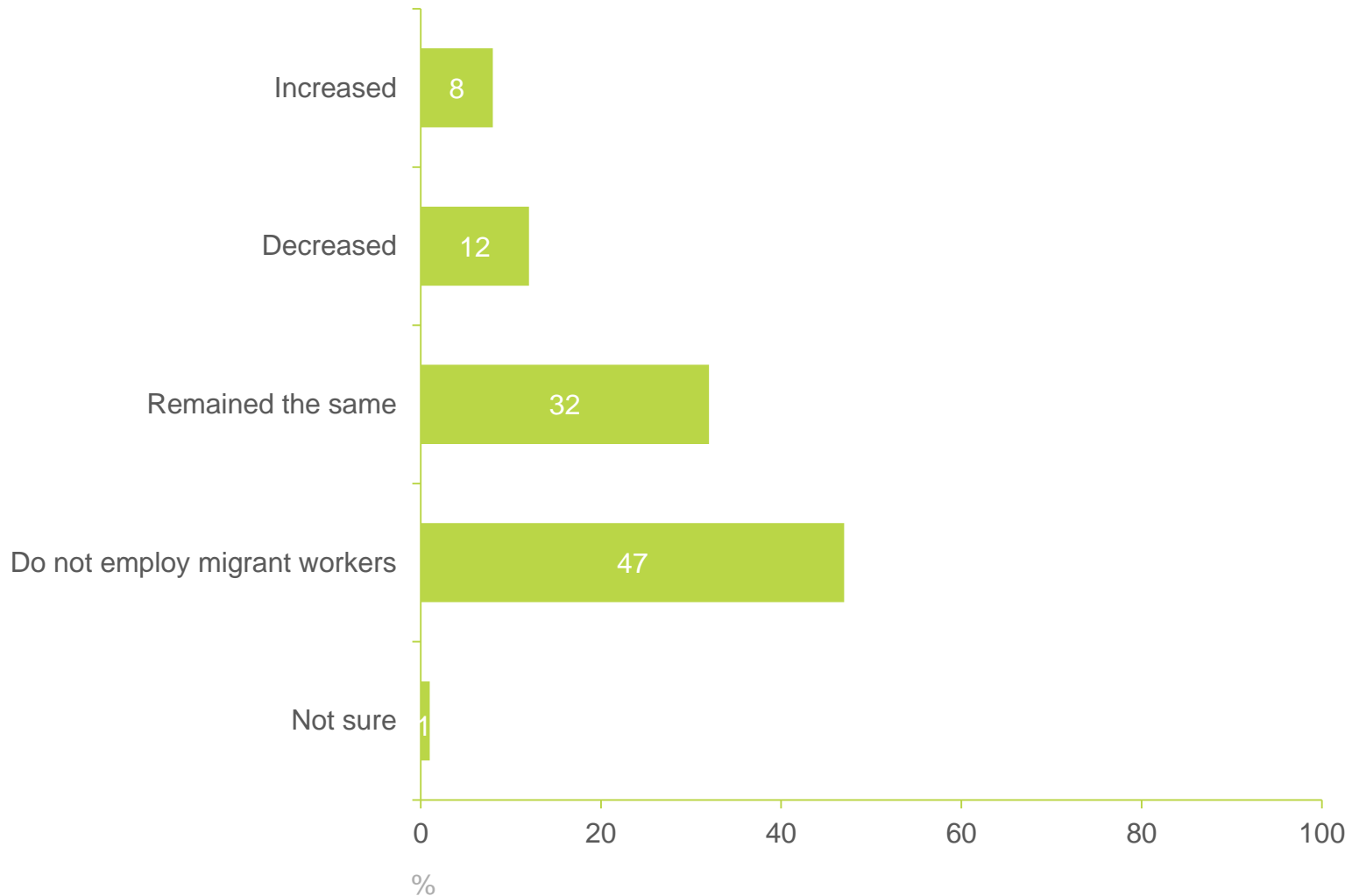
Base 155: All respondents



<sup>1</sup> Due to rounding percentages add to >100%

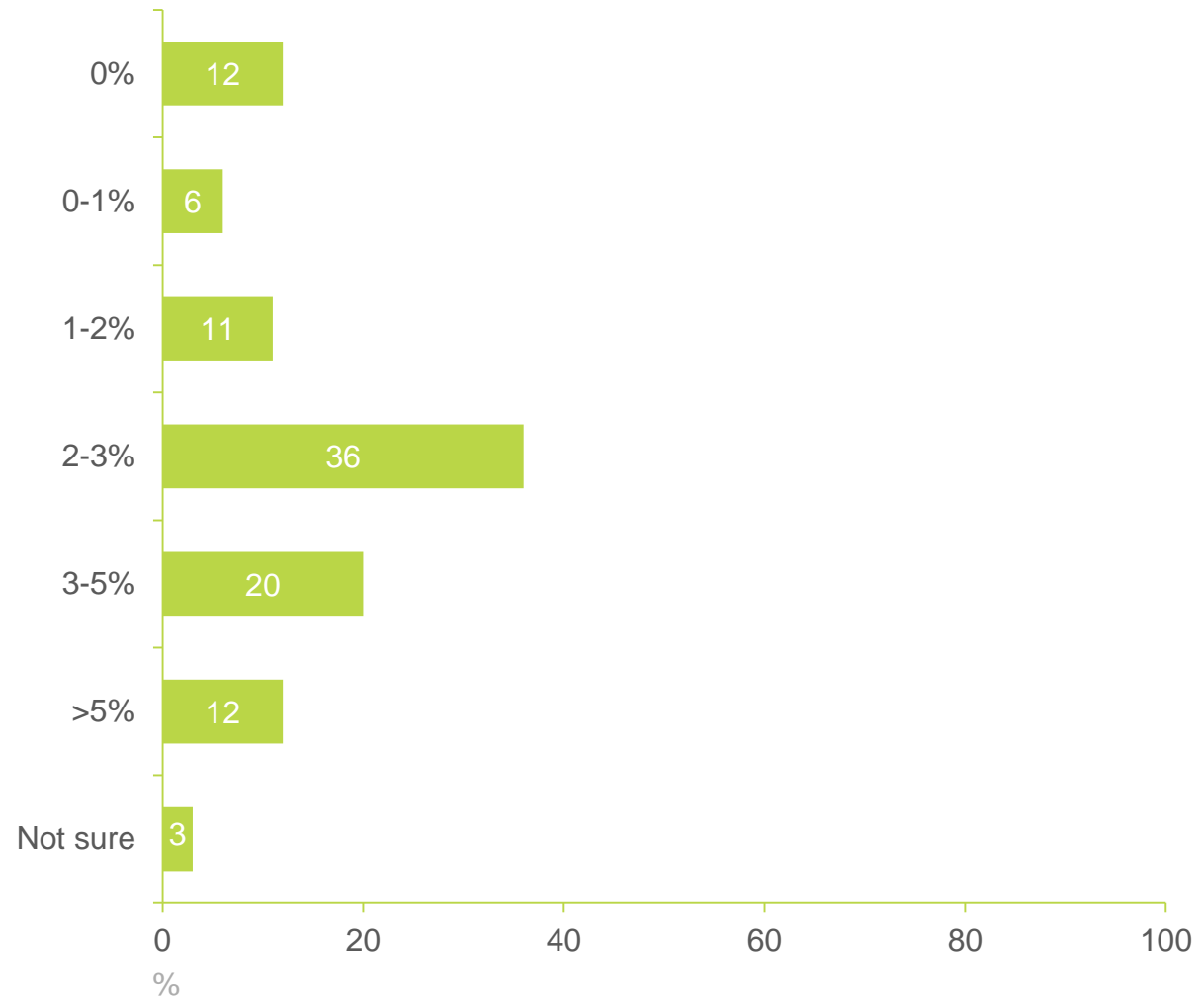
## Q18 If you employ migrant workers, has that number in the last 12 months...?

Base 155: All respondents



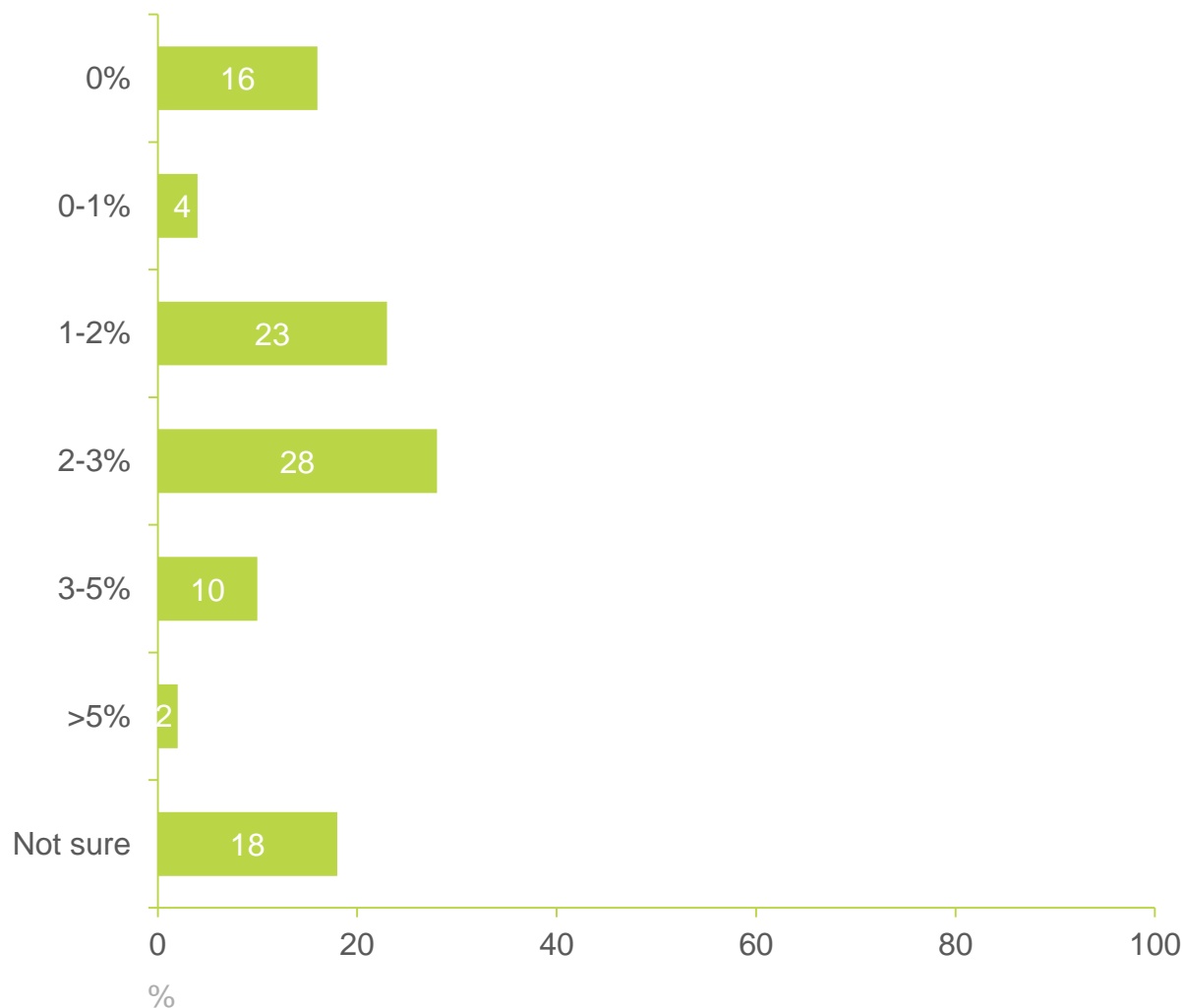
## Q19 On average what wage increases were delivered over the last 12 months?

Base 155: All respondents



## Q20 What wage increases, if any, do you plan for the next 12 months?

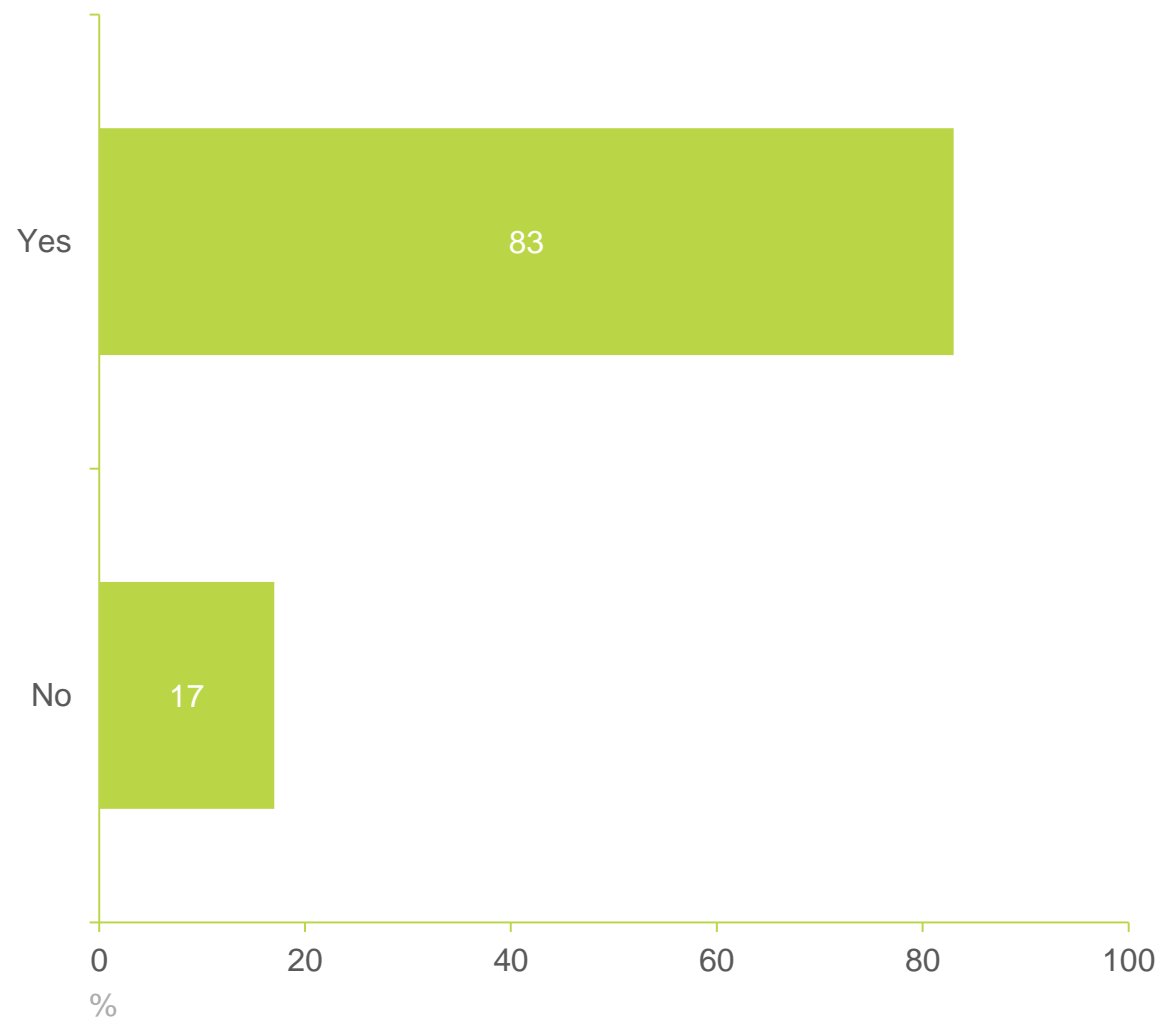
Base 155: All respondents



<sup>1</sup> Due to rounding percentages add to >100%

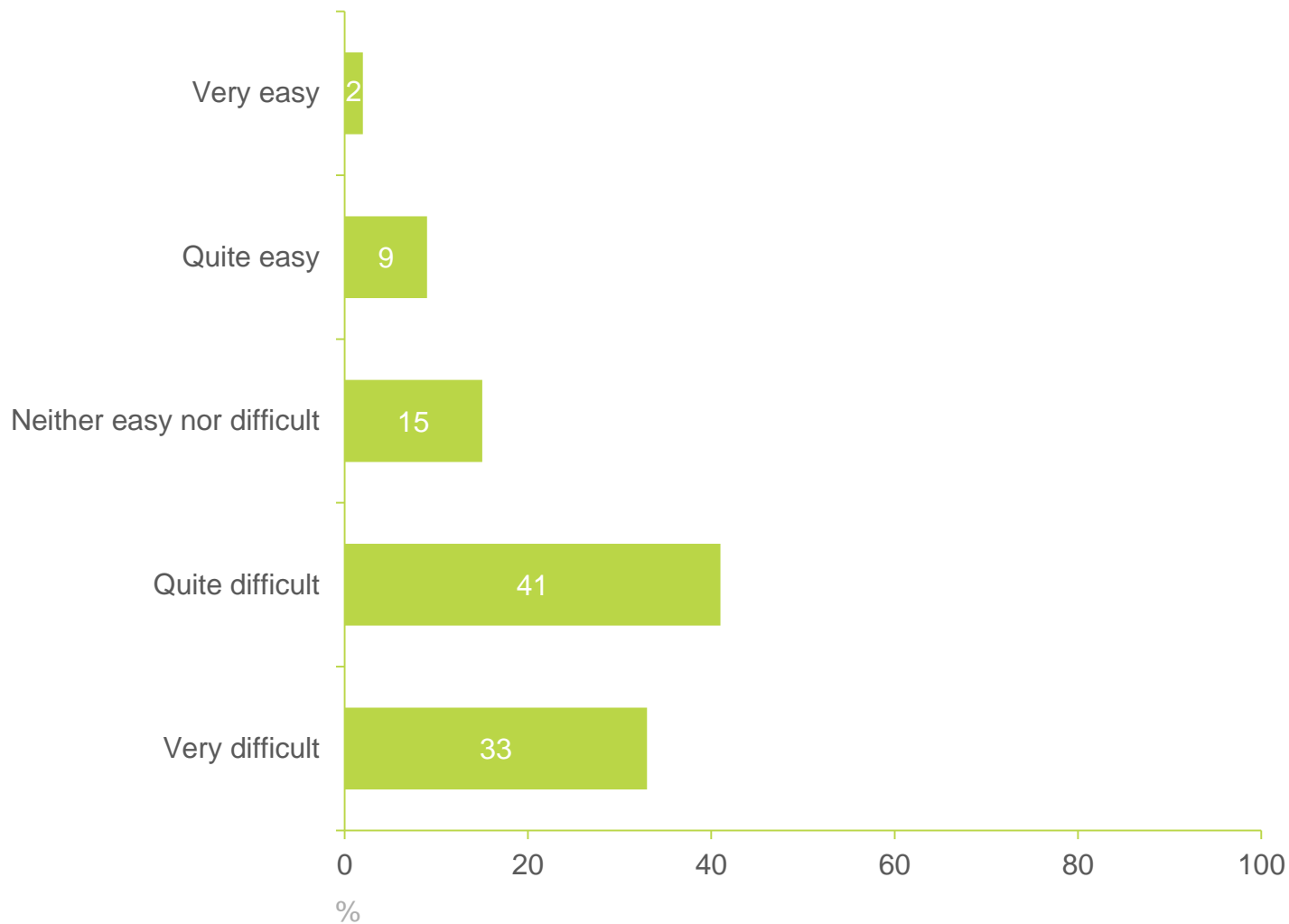
## Q21 In the last 12 months, have you tried to recruit new staff?

Base 155: All respondents



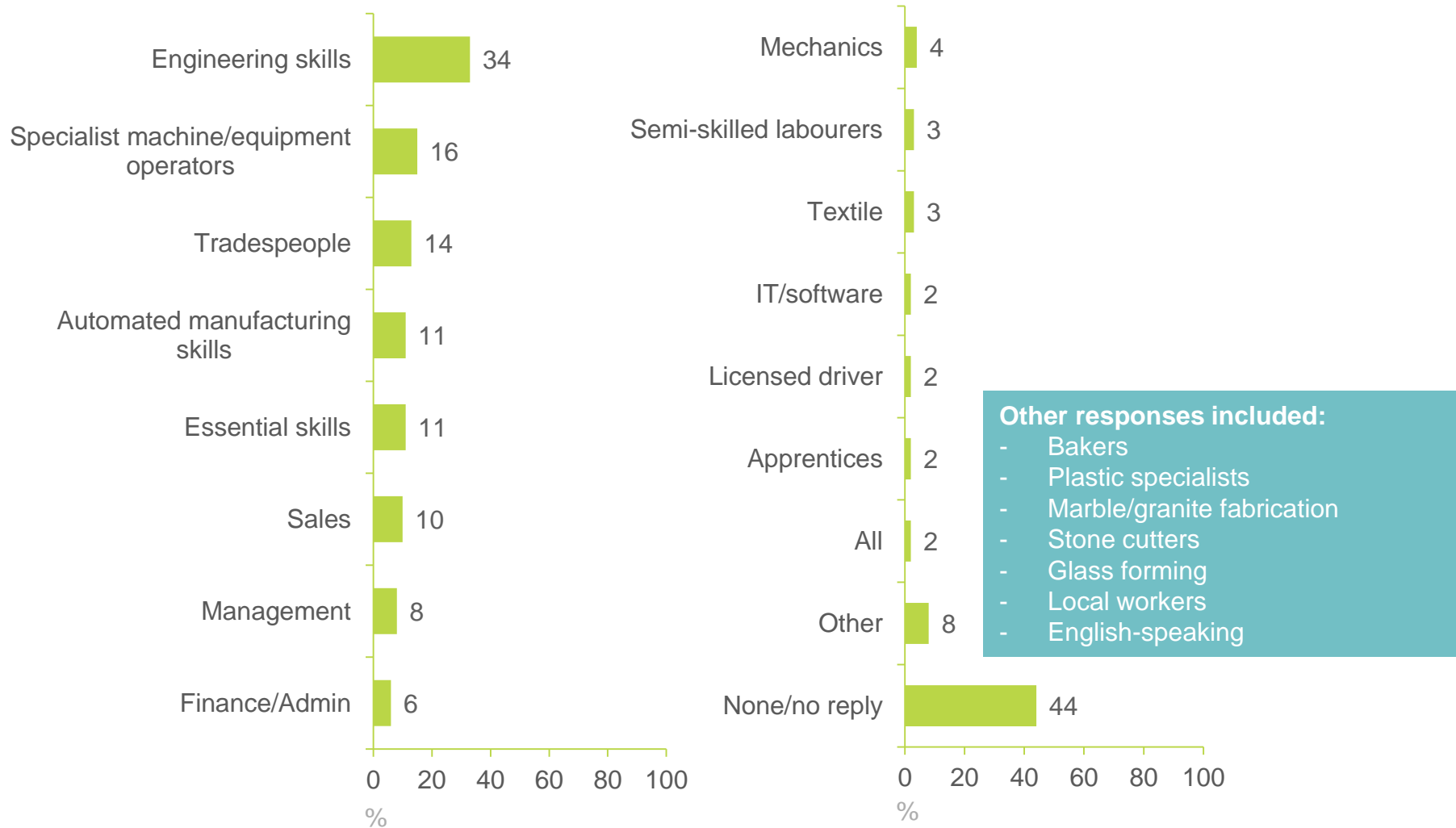
## Q22 How easy or difficult was it to recruit the skills you needed?

Base 129: Those who tried to recruit new staff.



## Q23 Are there any skills that are particularly difficult to find at the moment?

Base 155: All respondents

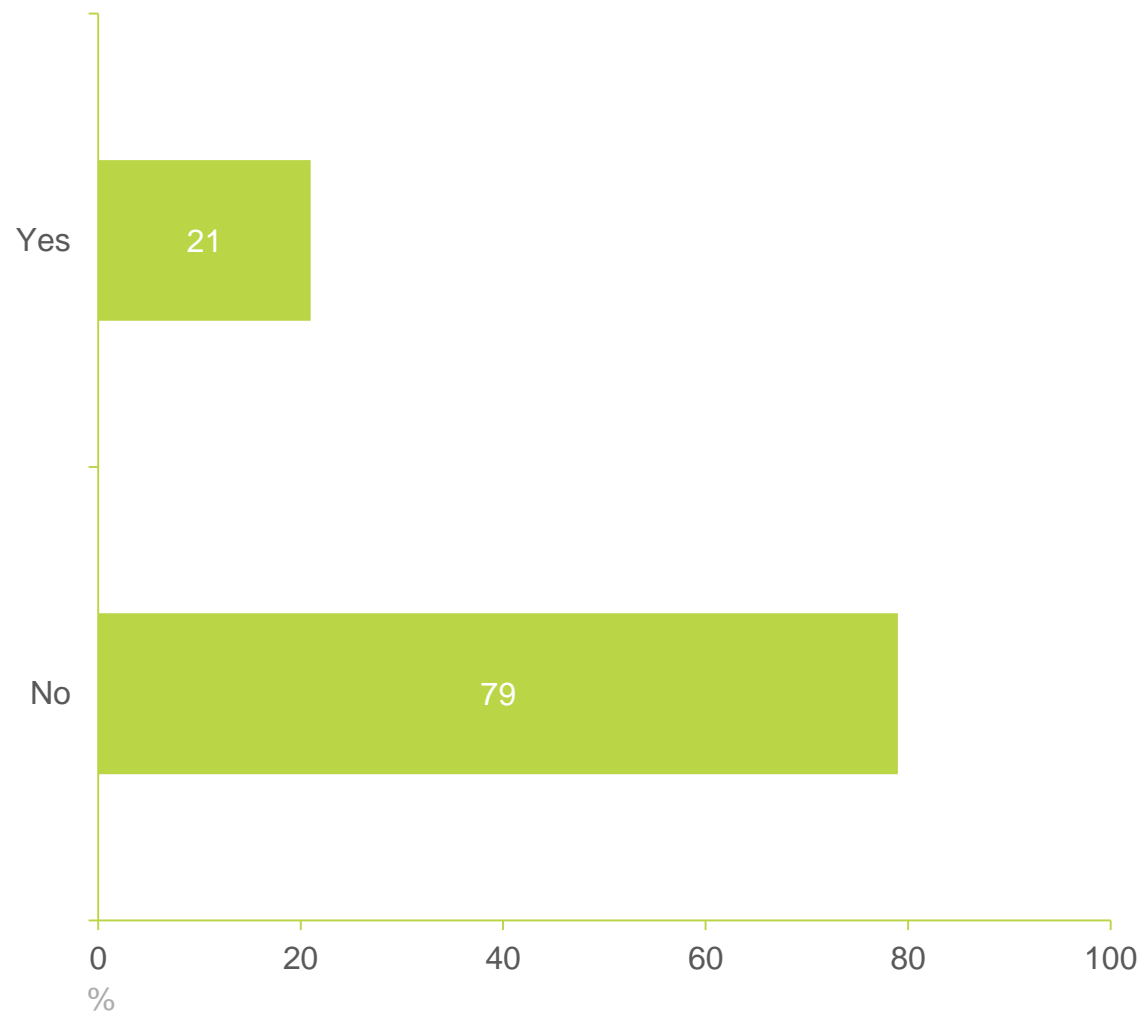


<sup>1</sup> Multi response question so percentage is greater than 100%



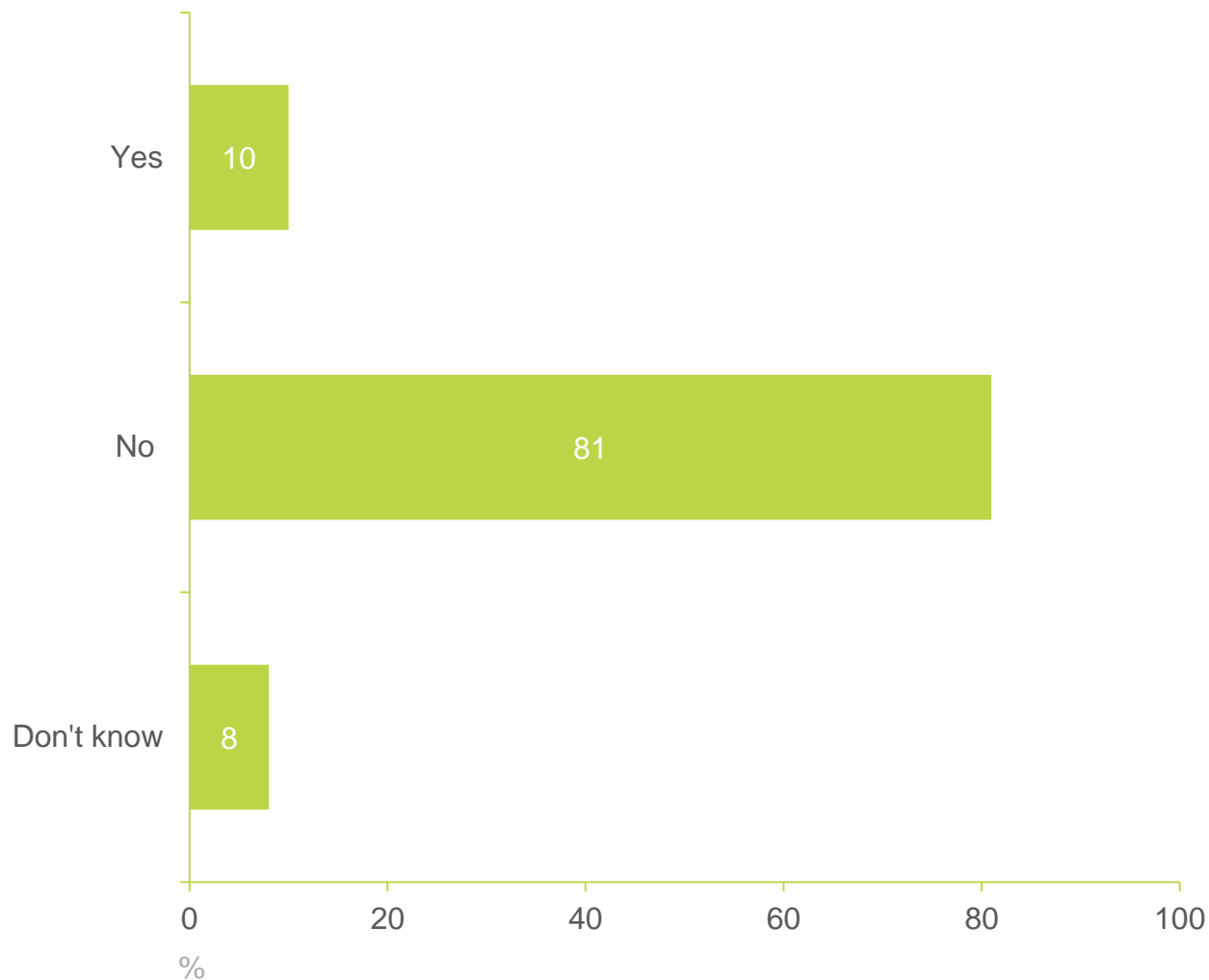
## Q24 Do you employ anyone through the Apprenticeship NI programme?

Base 155: All respondents



## Q25 Does your business pay the apprenticeship levy (i.e. has a wage bill of over £3m).

Base 155: All respondents

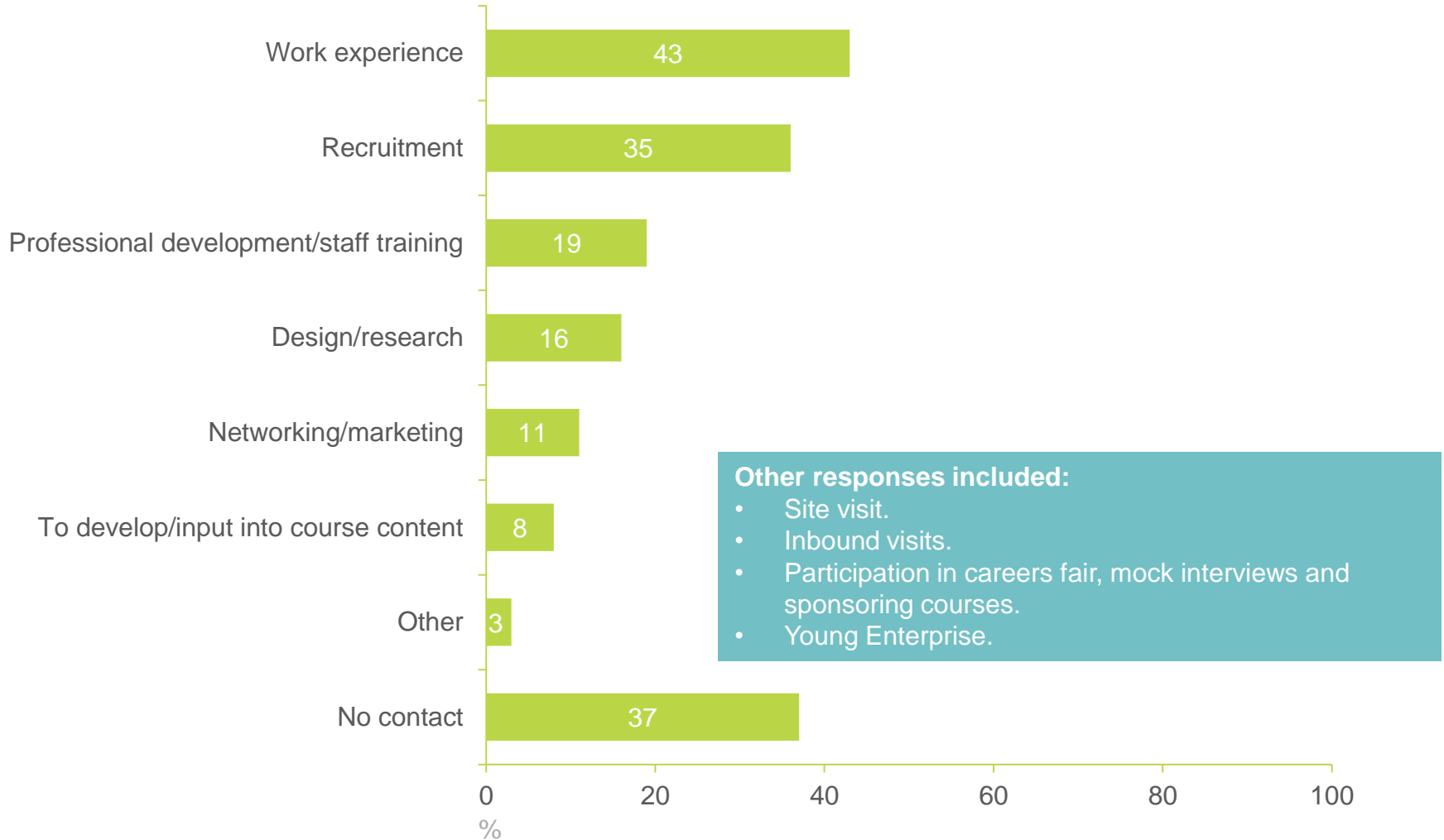


<sup>1</sup> Due to rounding percentages add to <100%

# External Engagement

# Q26 In the last 12 months, have you been in contact with local schools, colleges or universities for any of the following reasons?

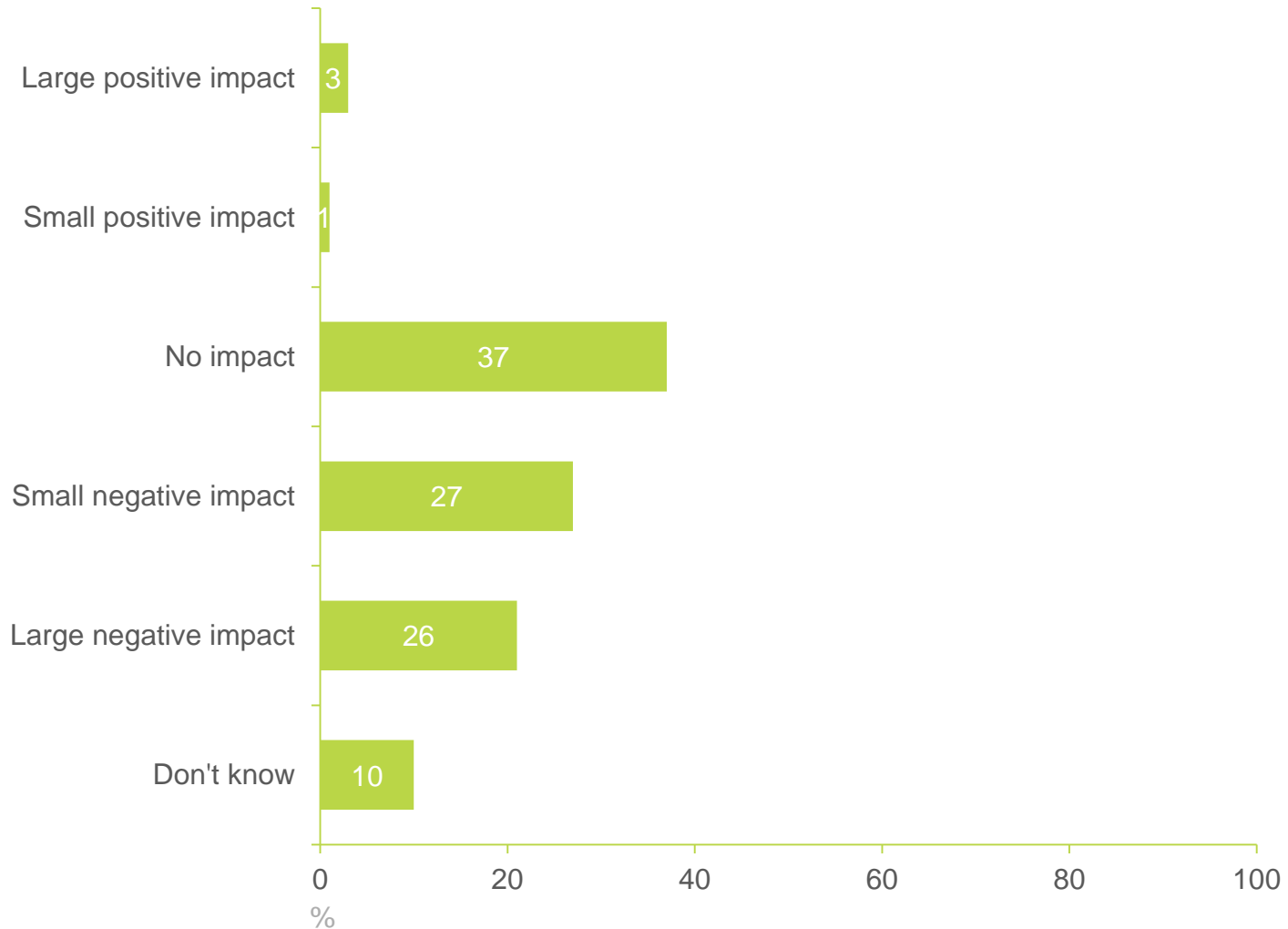
Base 155: All respondents



<sup>1</sup> Multi response question so percentage is greater than 100%

## Q27 In the last 12 months, what impact, if any, has the lack of Assembly at Stormont had on your business?

Base 155: All respondents

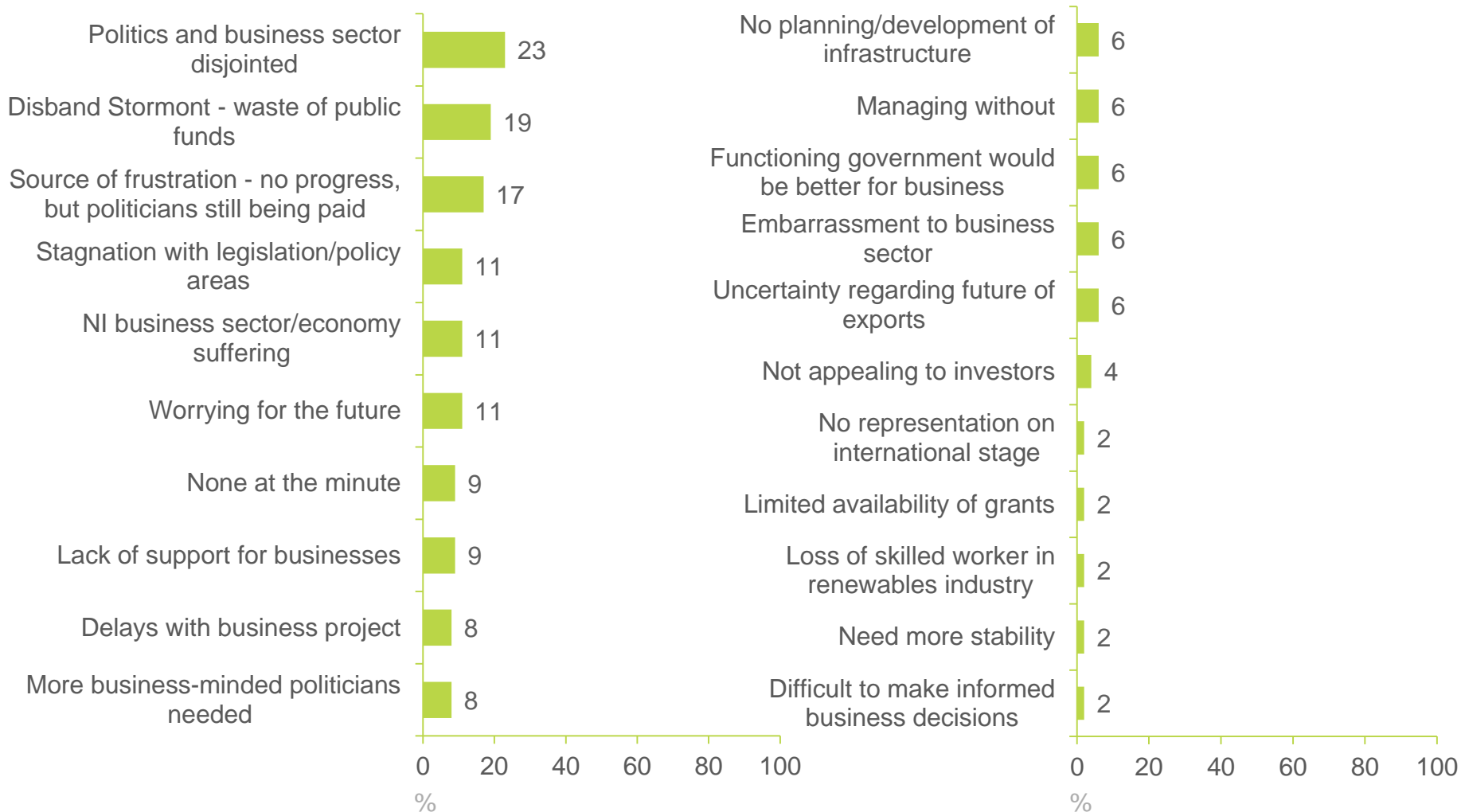


<sup>1</sup> Due to rounding percentages add to <100%

## Q28 Please provide any further comments below...

Base 155: All respondents

34% of respondents answered this question, their comments are depicted in the graphs below.



<sup>1</sup> Multi response question so percentage is greater than 100%



# Thank you for reading.

If you have any questions please get in touch with the team

Claire Mc Dermott  
Senior Research Consultant  
[Claire.McDermott@pimr.co.uk](mailto:Claire.McDermott@pimr.co.uk)

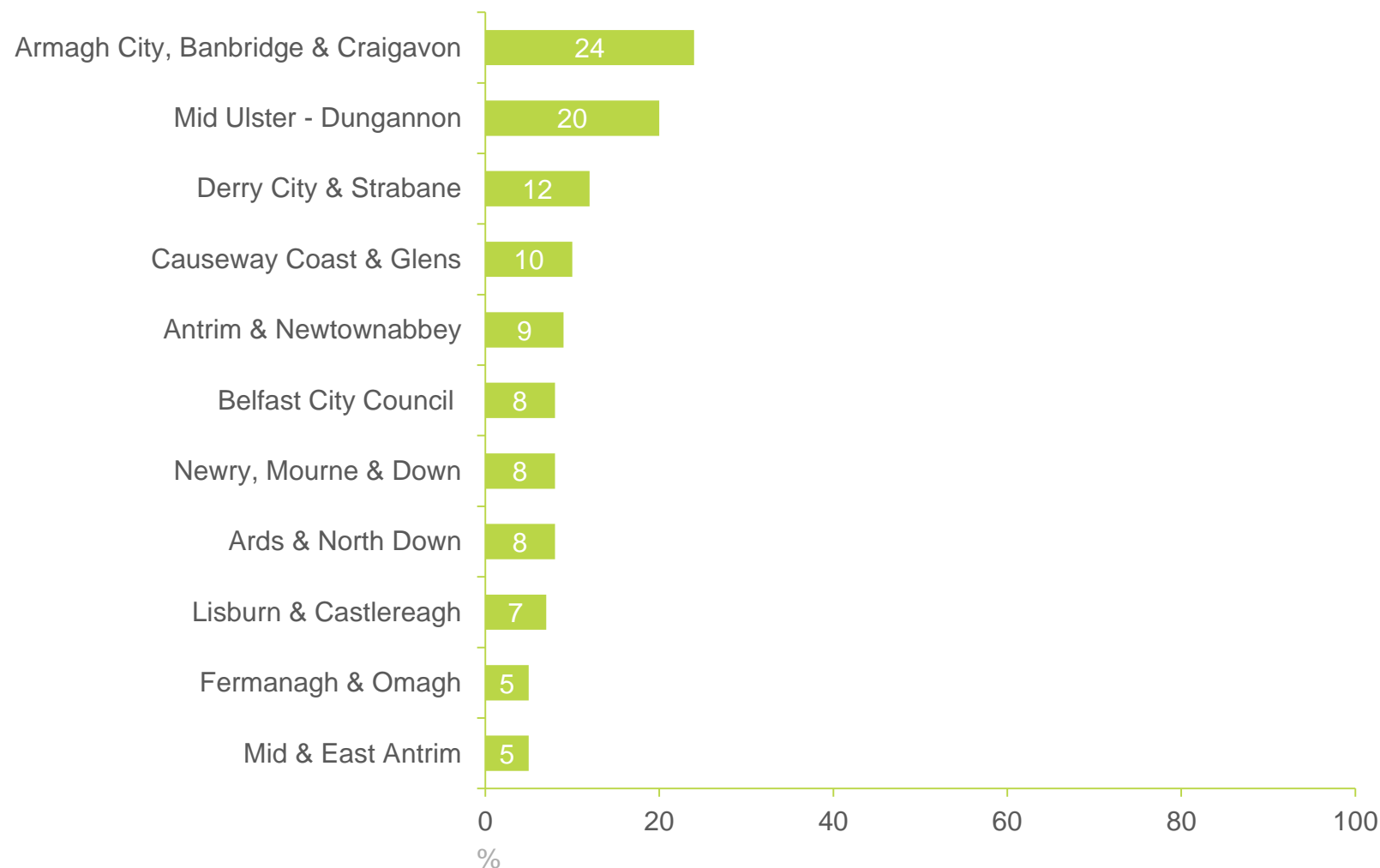
Maureen Treacy  
Managing Director  
[Maureen.Treacy@pimr.co.uk](mailto:Maureen.Treacy@pimr.co.uk)

## Appendices:



## Appendix A: Q1 In which district council areas of NI do you have sites?

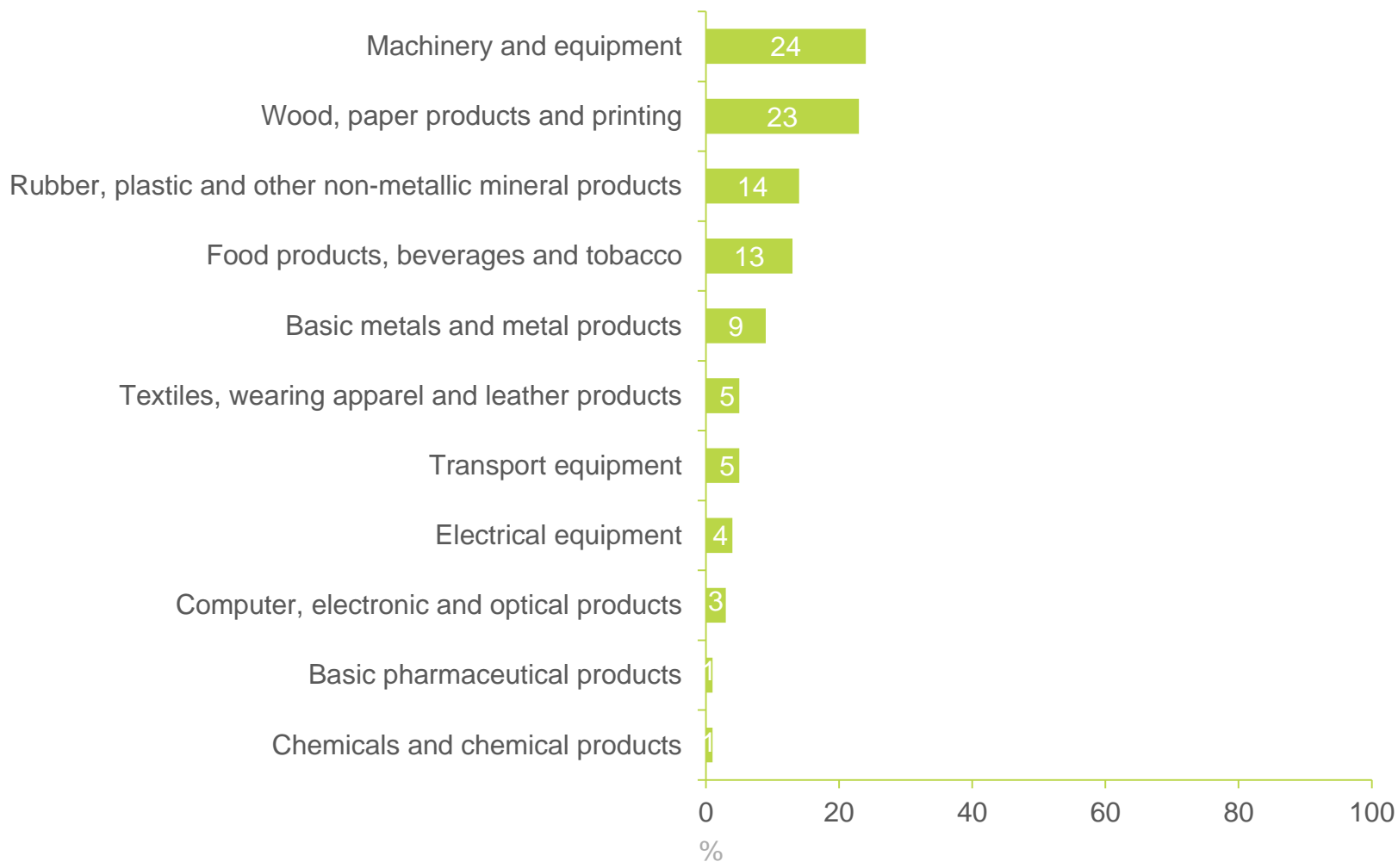
Base 155: All respondents



<sup>1</sup> Multi response question so percentage is greater than 100%

# Appendix B: Q2 Which of the following manufacturing sectors best describes the main activity of your business?

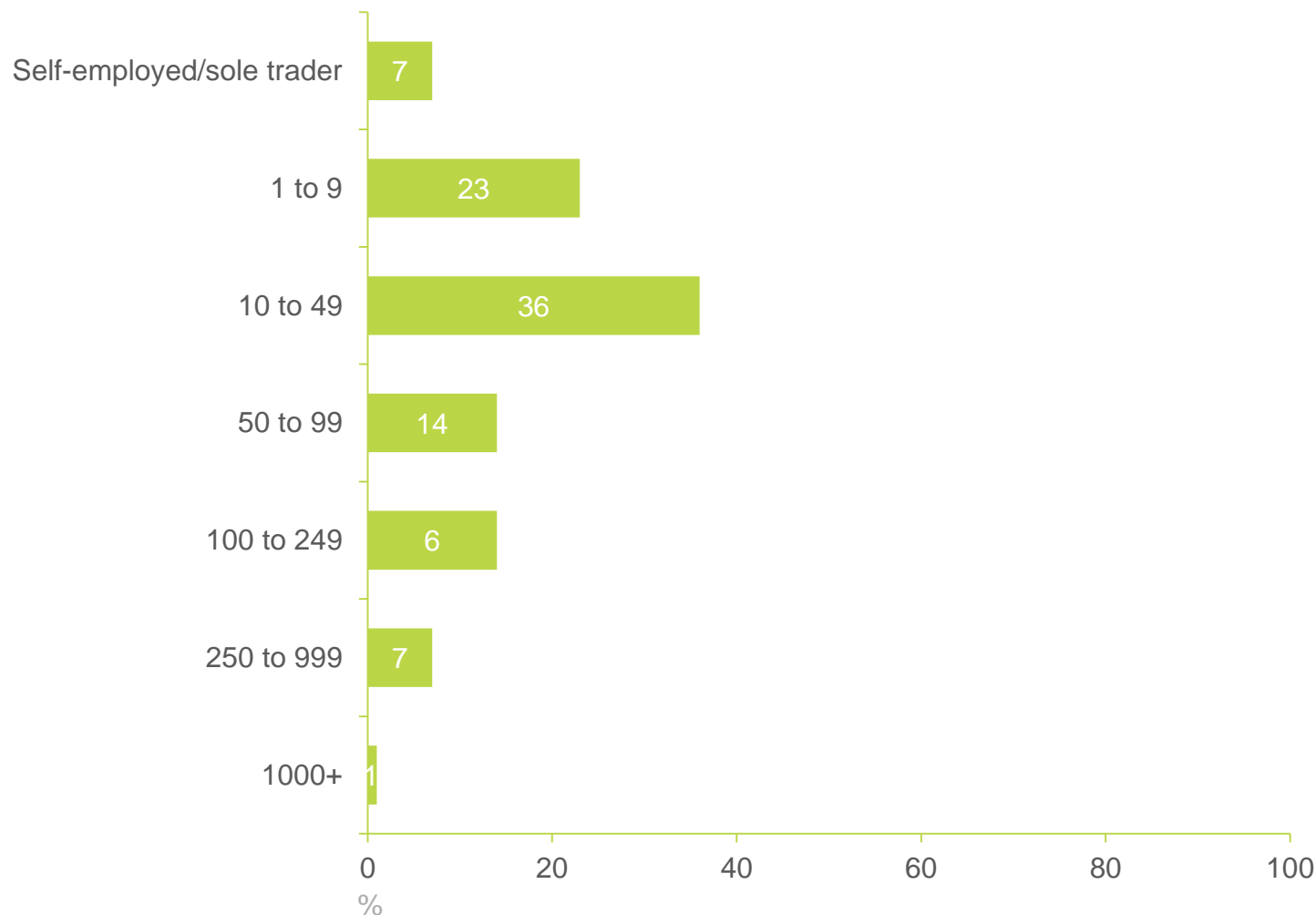
Base 155: All respondents



<sup>1</sup> Due to rounding percentages add to >100%

## Appendix C: Q3 Can you tell me how many employees do you have in your business?

Base 155: All respondents



<sup>1</sup> Due to rounding percentages add to >100%