



MANUFACTURING  
NORTHERN IRELAND

# Tughans



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

December 2018





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## Background



# Approach

## AIM

The aim of 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 122 questionnaires were completed by manufacturing businesses in Northern Ireland.

## METHOD

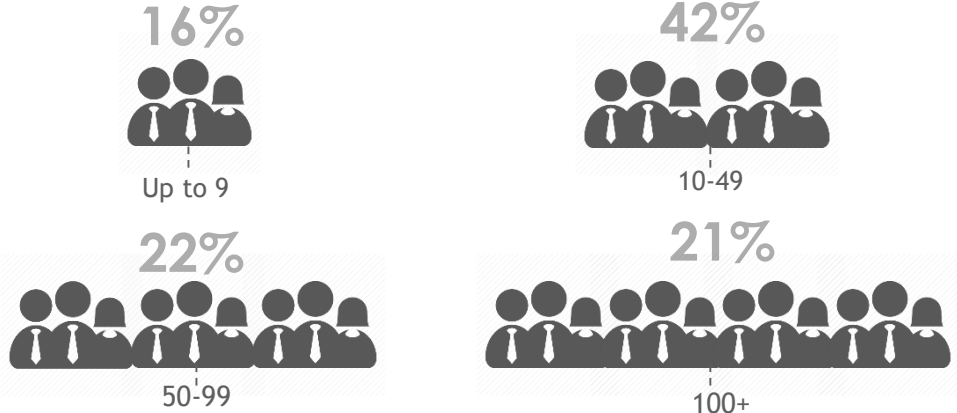
- 1 Online survey emailed to manufacturing businesses in Northern Ireland
- 2 Data was processed and analysed using specialist survey software

*Fieldwork ran from 7<sup>th</sup> December – 31<sup>st</sup> December.*



# Business profile

## SIZE OF BUSINESS



## TOP 3 MANUFACTURING SECTORS





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# 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.

- **80%** of those surveyed described their business as being in a position of growth.
- **89%** said their business had been profitable in the last 12 months.
- **57%** have increased their number of staff in the last 12 months.

### Outlook for the future

- **57%** of businesses expect that their business will grow in the next 12 months
- **28%** expect that their business will remain the same, with 7% anticipating a decrease and 8% uncertain.



## ISSUES & CONCERNS

### Top 4 most prevalent concerns

- 1. Impact or uncertainty of Brexit** – 67% businesses rated this 4 or 5.
  - 37% are unsure as to what the impact Brexit will have on their business.
  - 50% of businesses expect Brexit to have a negative impact on their business.
  - 16% have already stockpiled and 41% plan to.
- 2. The rising costs of doing business** – 65% businesses rated this 4 or 5.
  - 65% of businesses are looking to be more resourceful with current facilities and working capital.
  - 41% are building cash reserves in case of future uncertainty
- 3. Political uncertainty/ climate** – 59% businesses rated this 4 or 5.
- 4. Recruiting skills required to meet orders** – 57% businesses rated this 4 or 5.
  - 81% found it difficult to recruit the skills needed
  - Over half (52%) are speeding up plans for increased automation
  - 41% are reviewing remuneration packages
  - 21% are turning down potential business opportunities



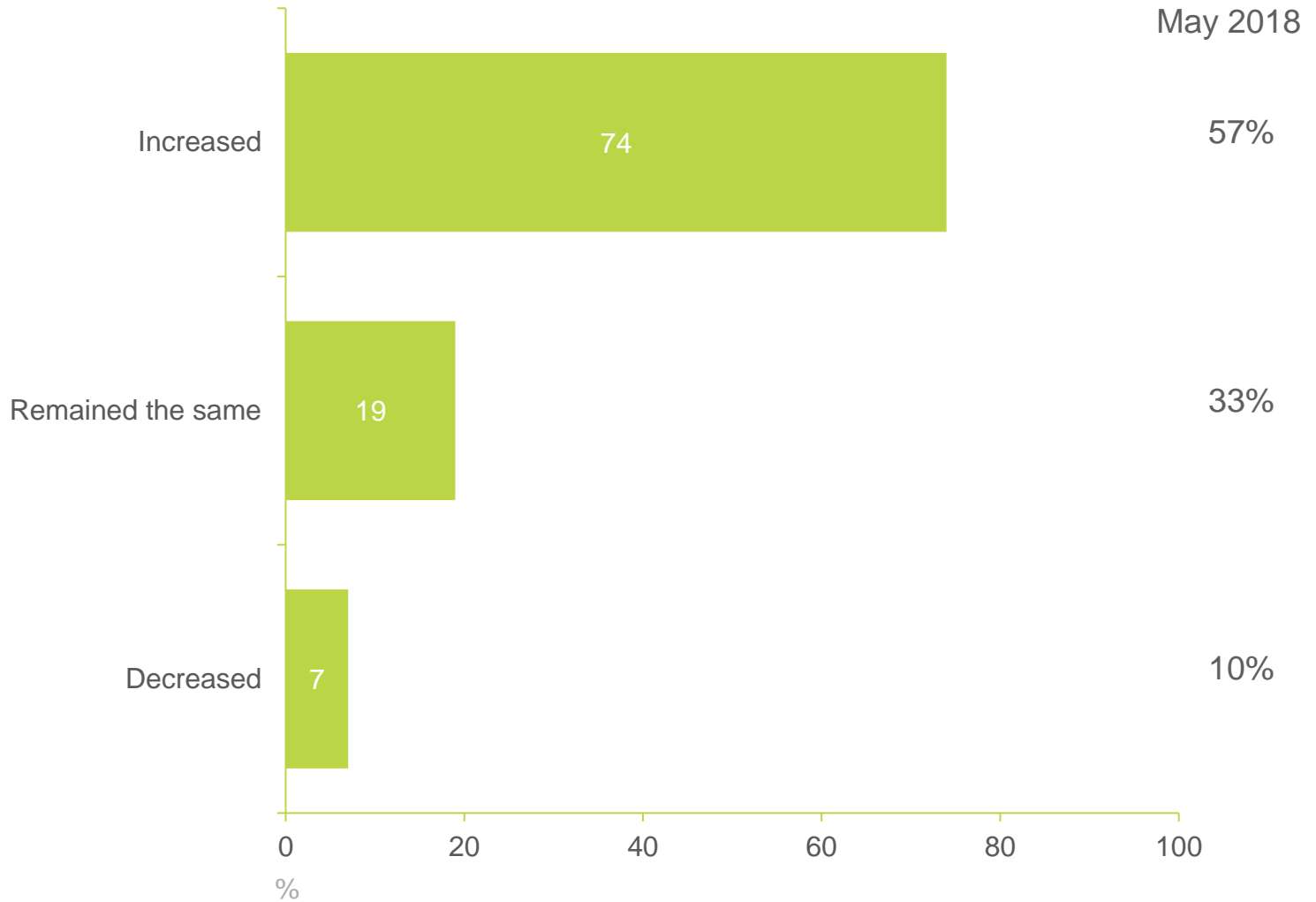
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# Performance & Trade

# Q3 Over the past 12 months, have your sales increased, decreased or remained the same?

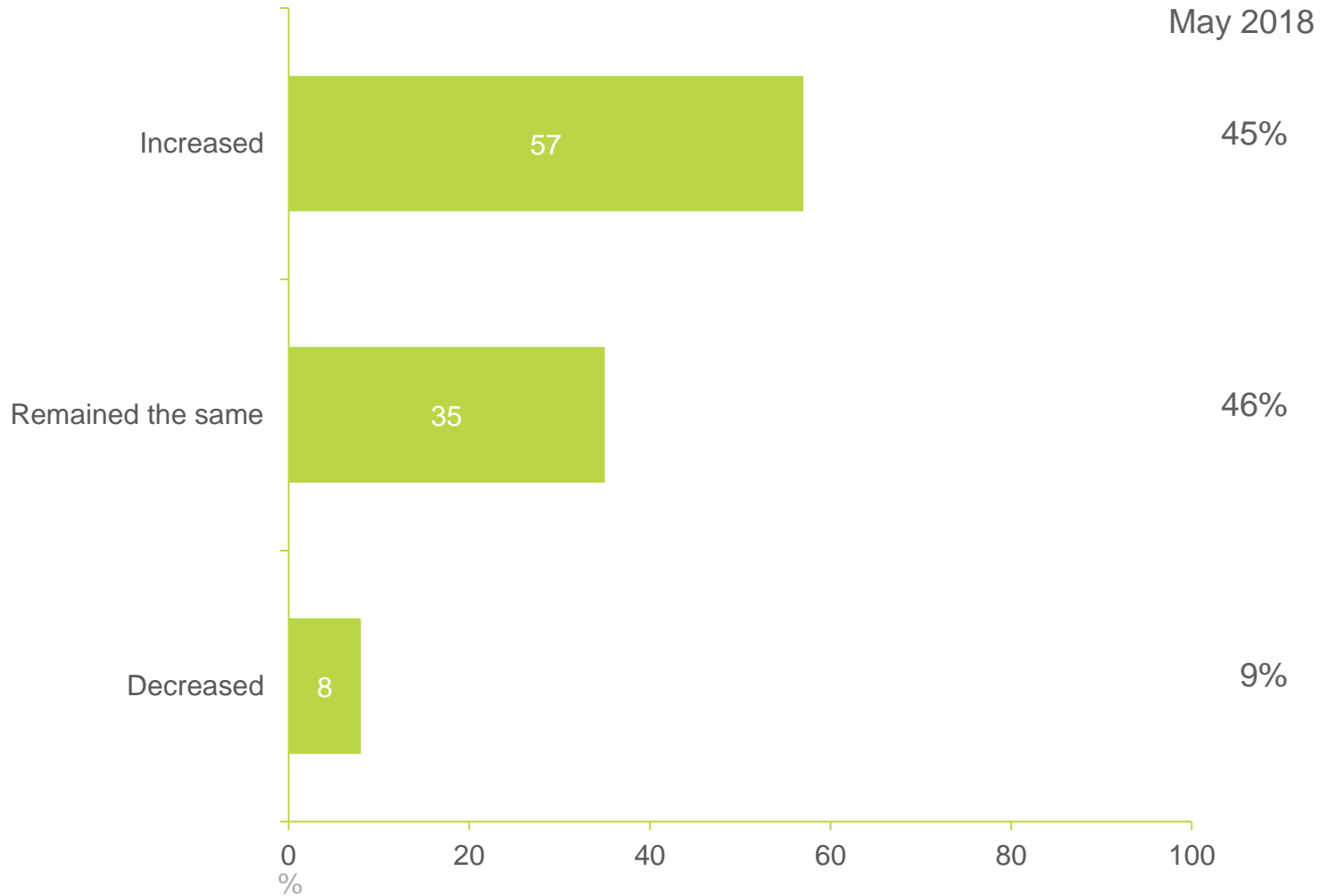
Base 122: All respondents





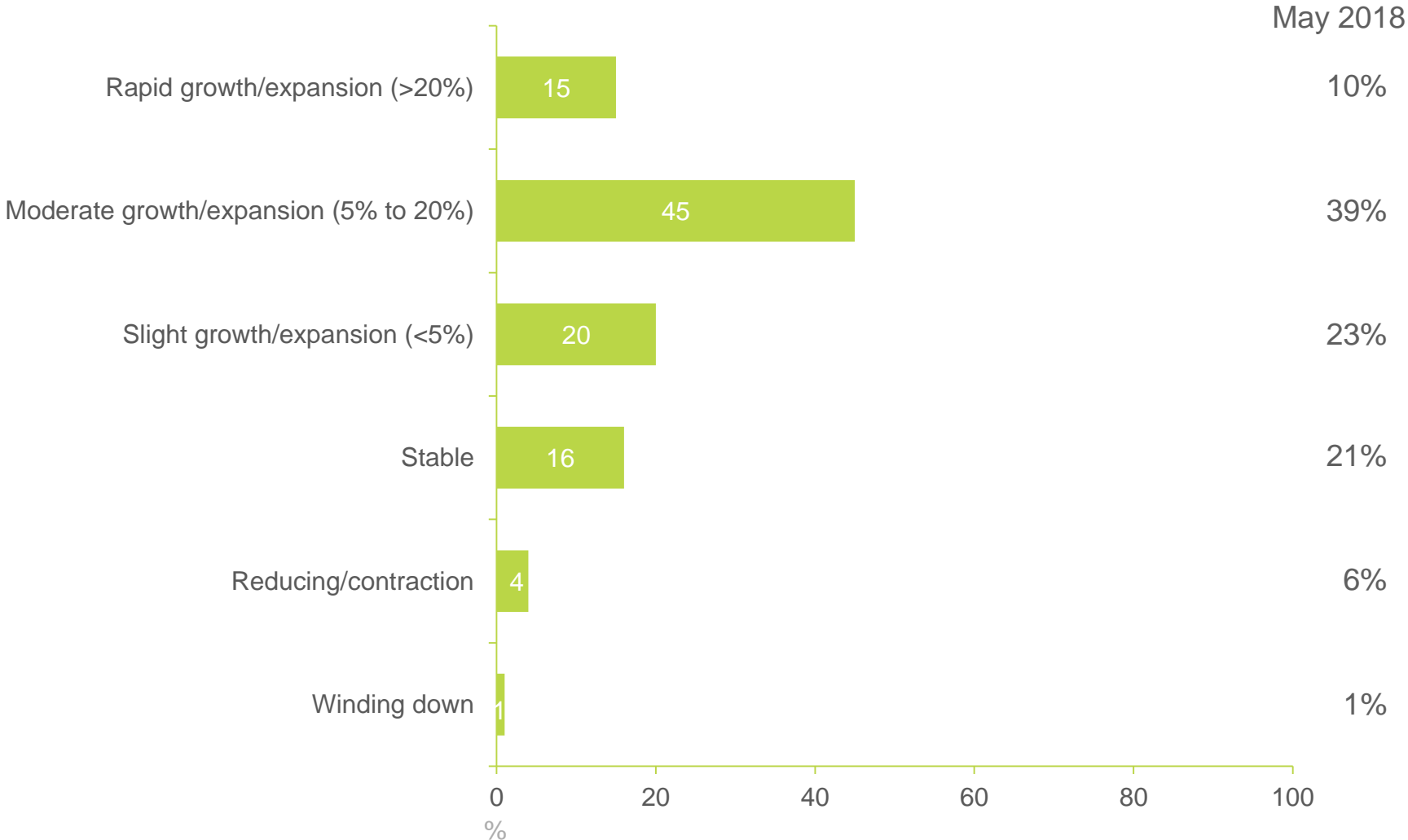
# Q4 Over the past 12 months, has your number of employees increased, decreased or remained the same?

Base 122: All respondents



# Q5 Which of the following best describes the current position of your business?

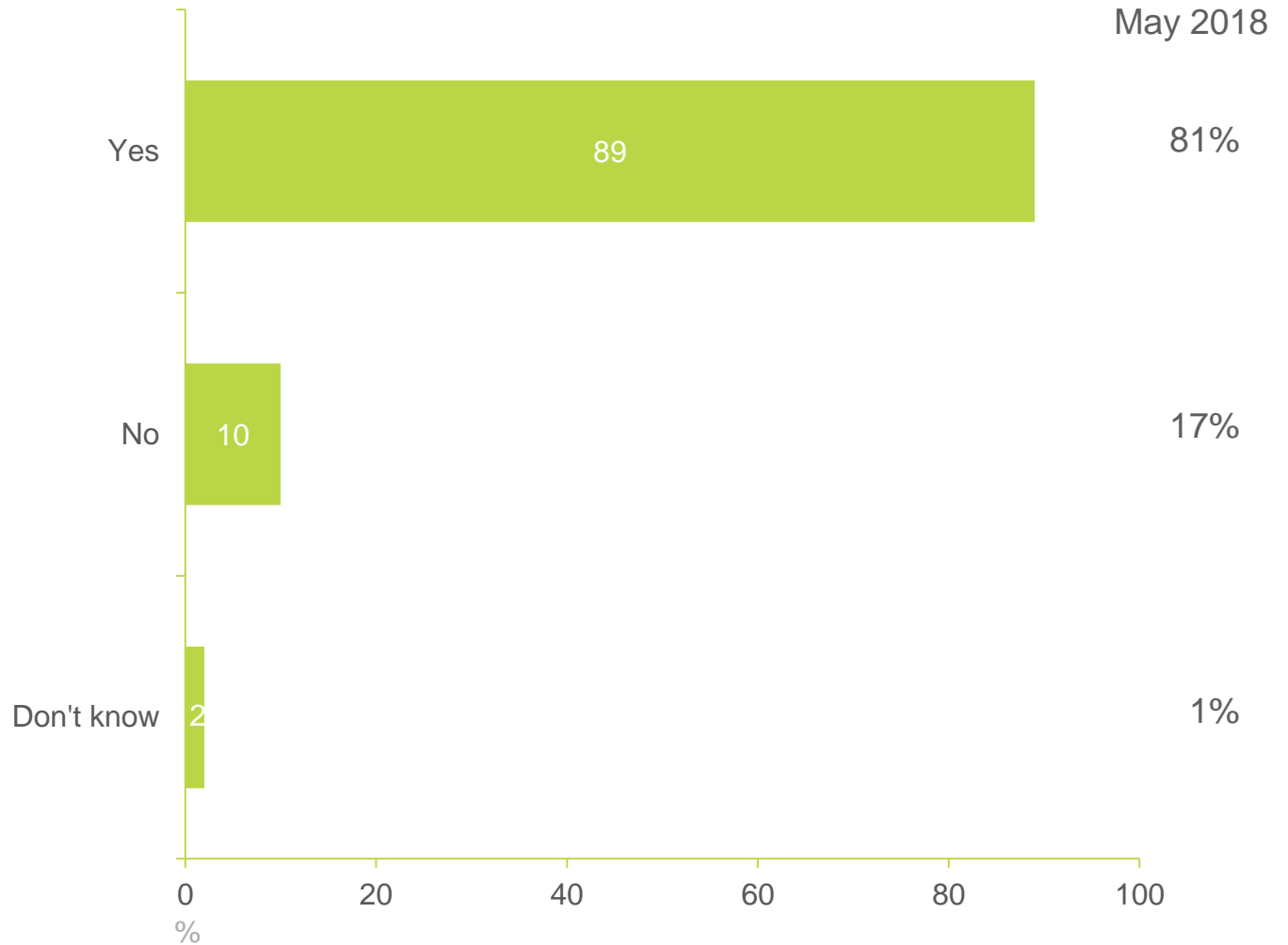
Base 122: All respondents



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

# Q6 During the past 12 months, has your business been profitable?

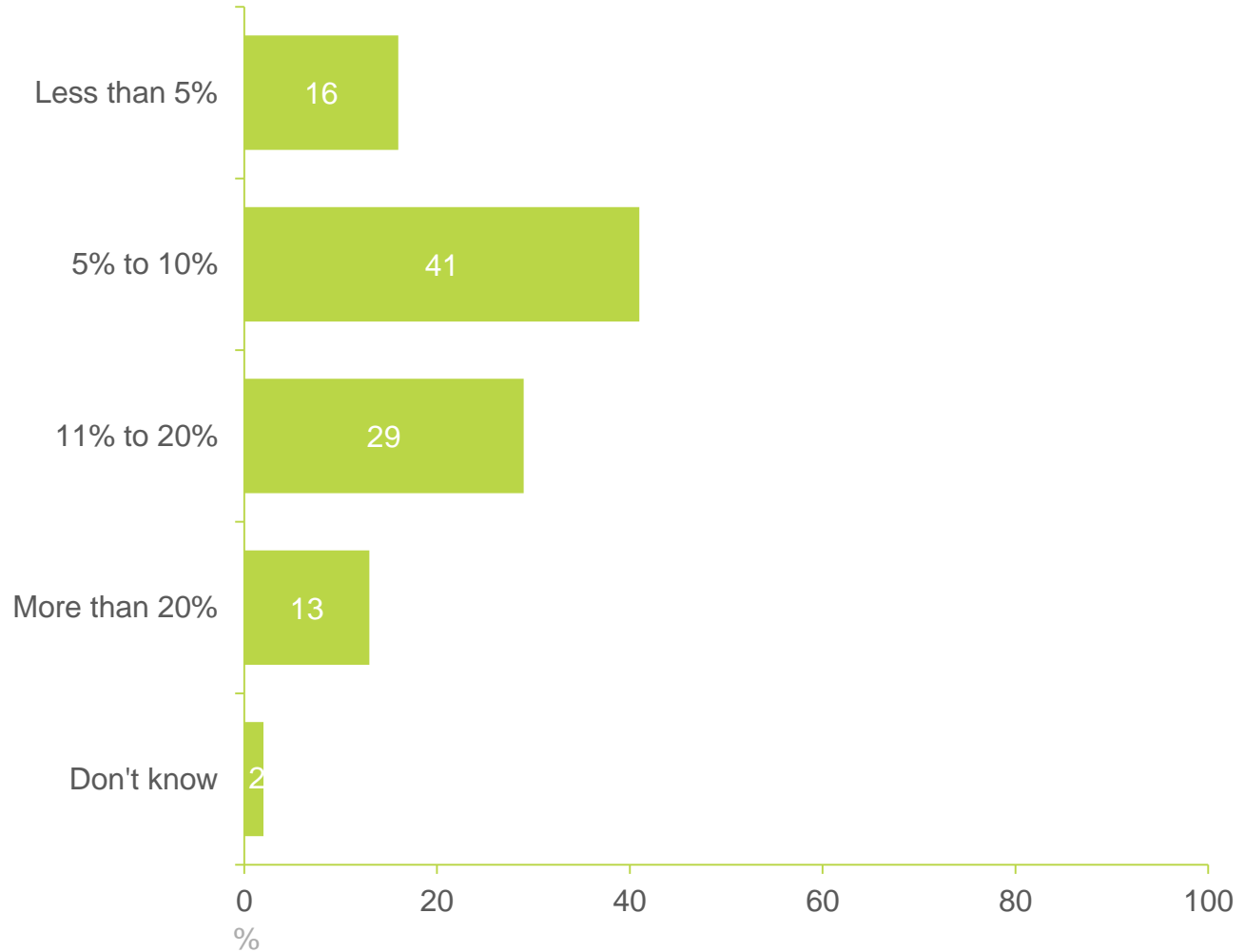
Base 122: All respondents



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

# Q6b Typically, what are the margins that your businesses work to?

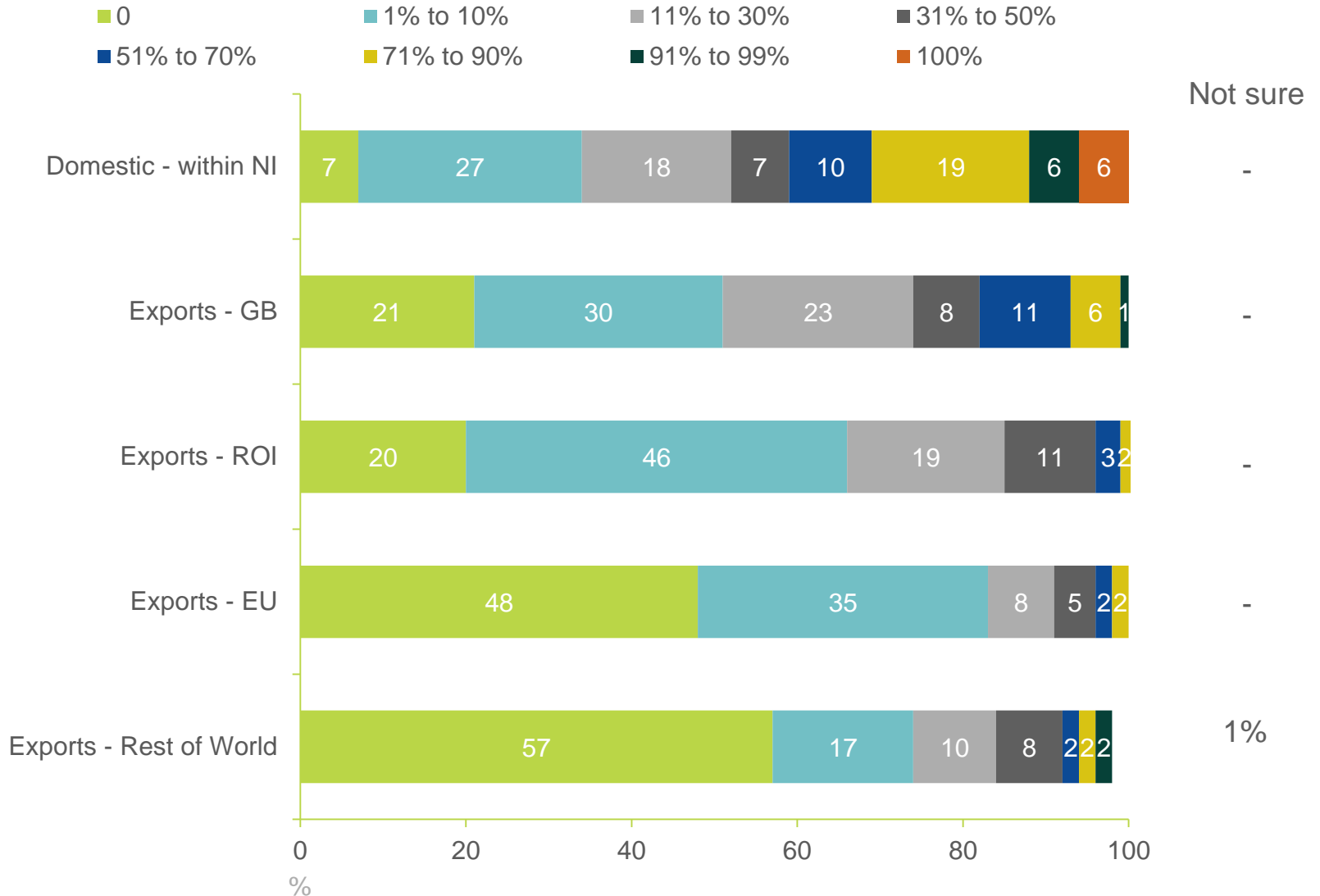
Base 122: All respondents



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

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

Base 122: All respondents

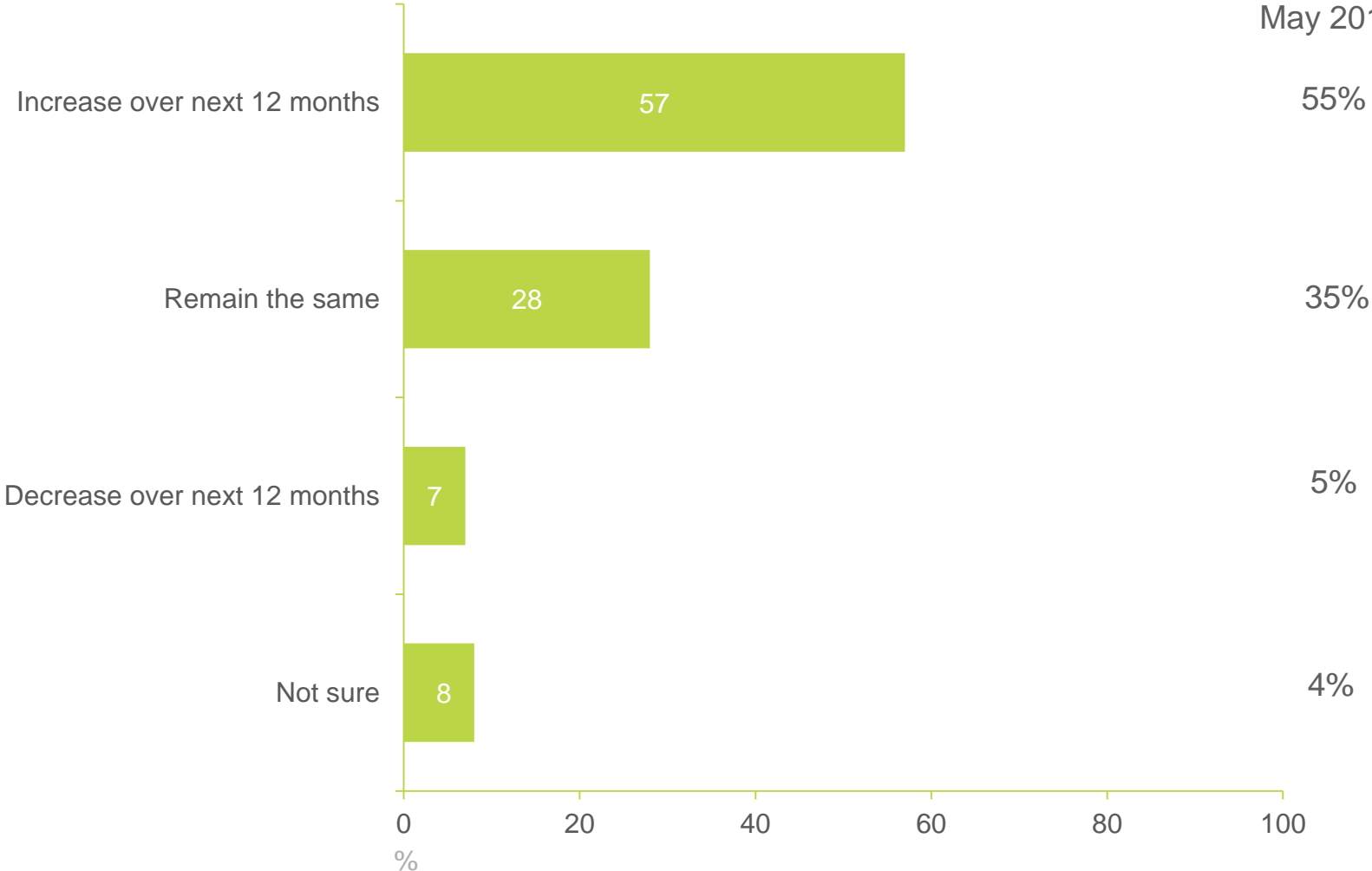


<sup>1</sup> Due to rounding percentages add to 99%-102%

# Q8 Compared to the past 12 months, do you expect your level of growth to increase, decrease or remain the same?

Base 122: All respondents

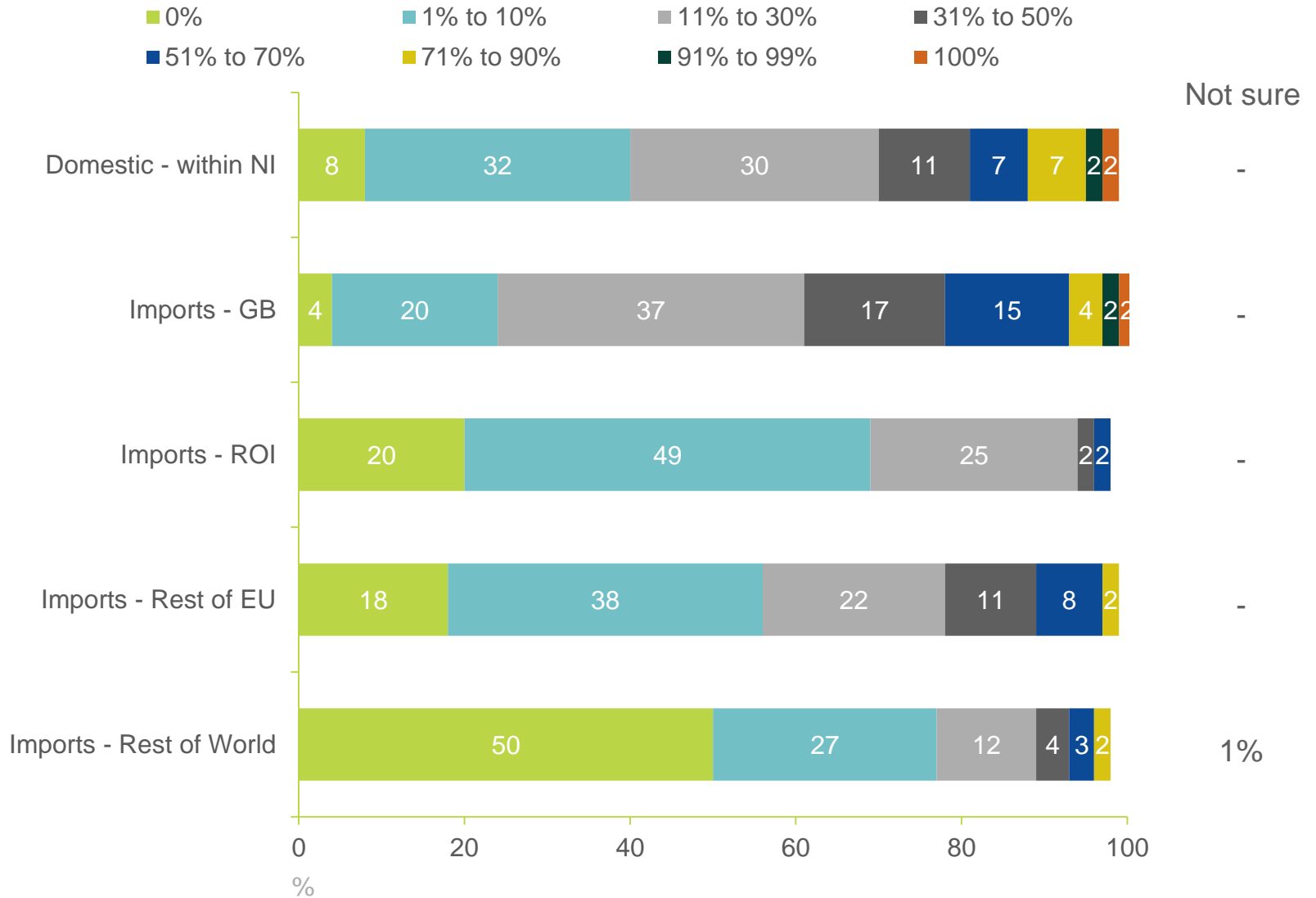
May 2018



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

# Q9 Approximately, what percentage of your supplies, by value, come from...?

Base 122: All respondents



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



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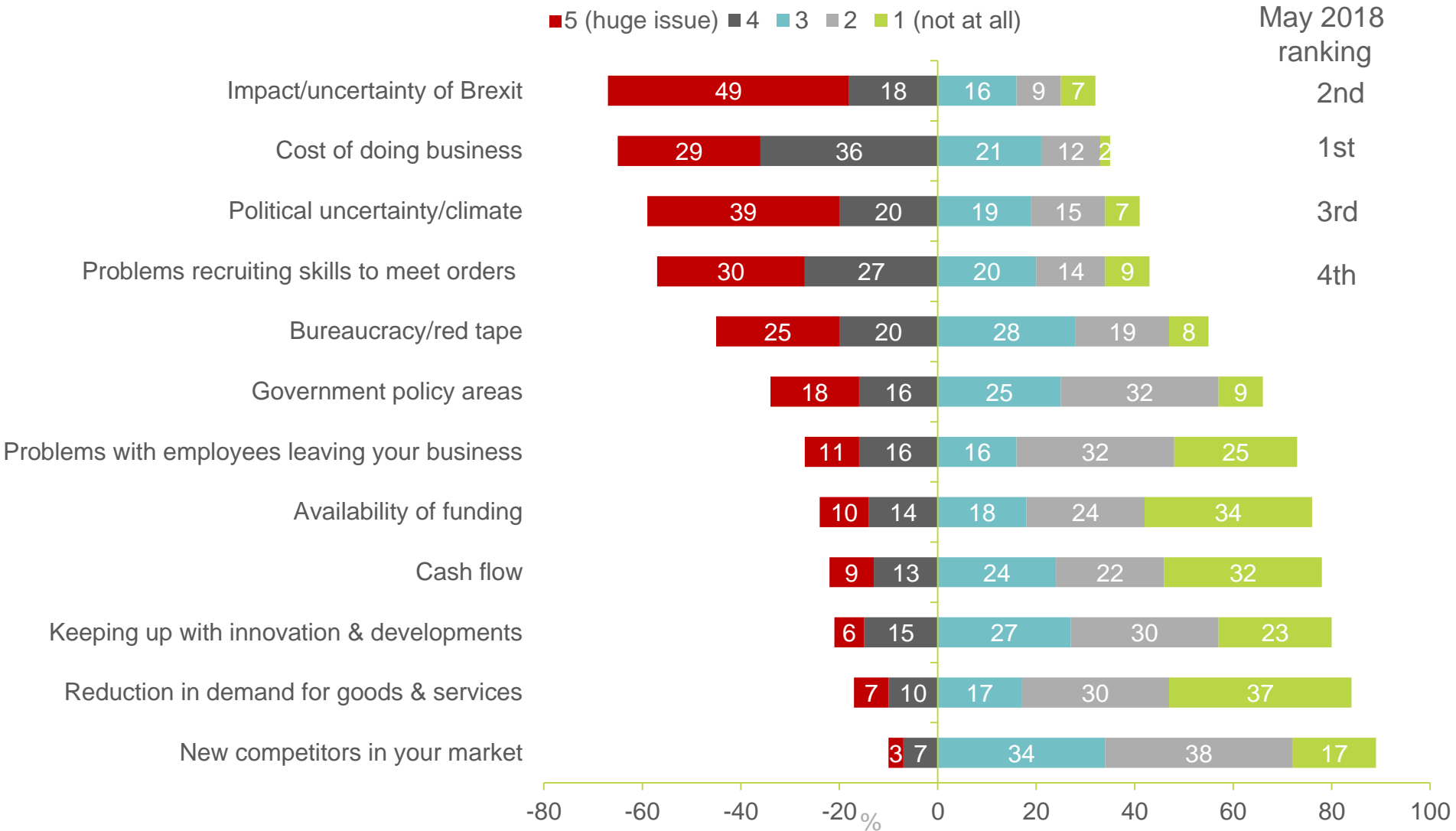
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# Barriers to growth



# Q10 To what extent, if at all, are each of the following an issue for your business currently?

Base 122: All respondents



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



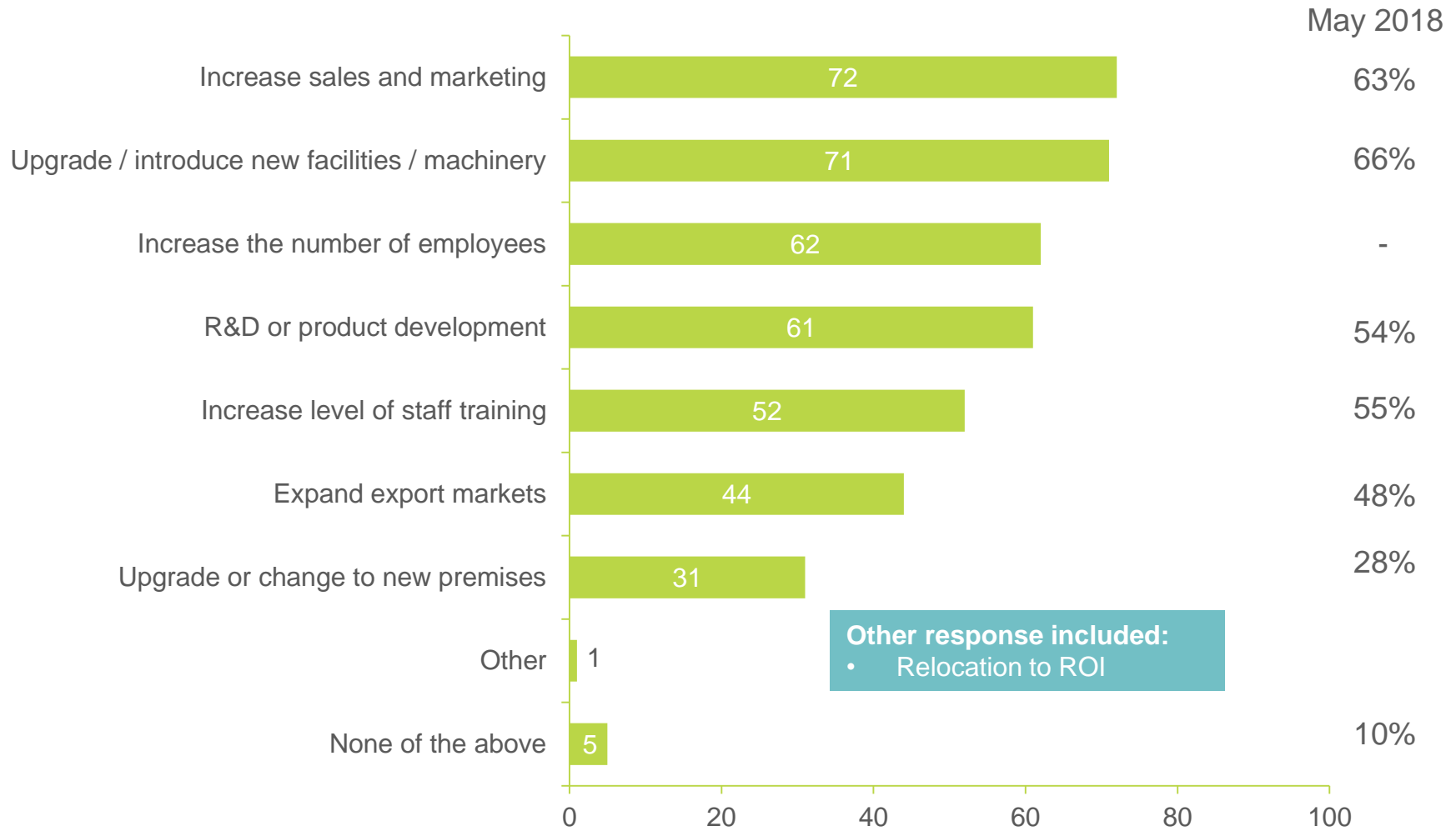
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# Investment and finance

# Q12 Over the next 12 months, do you have plans in place to undertake any of the following types of investment for your business?

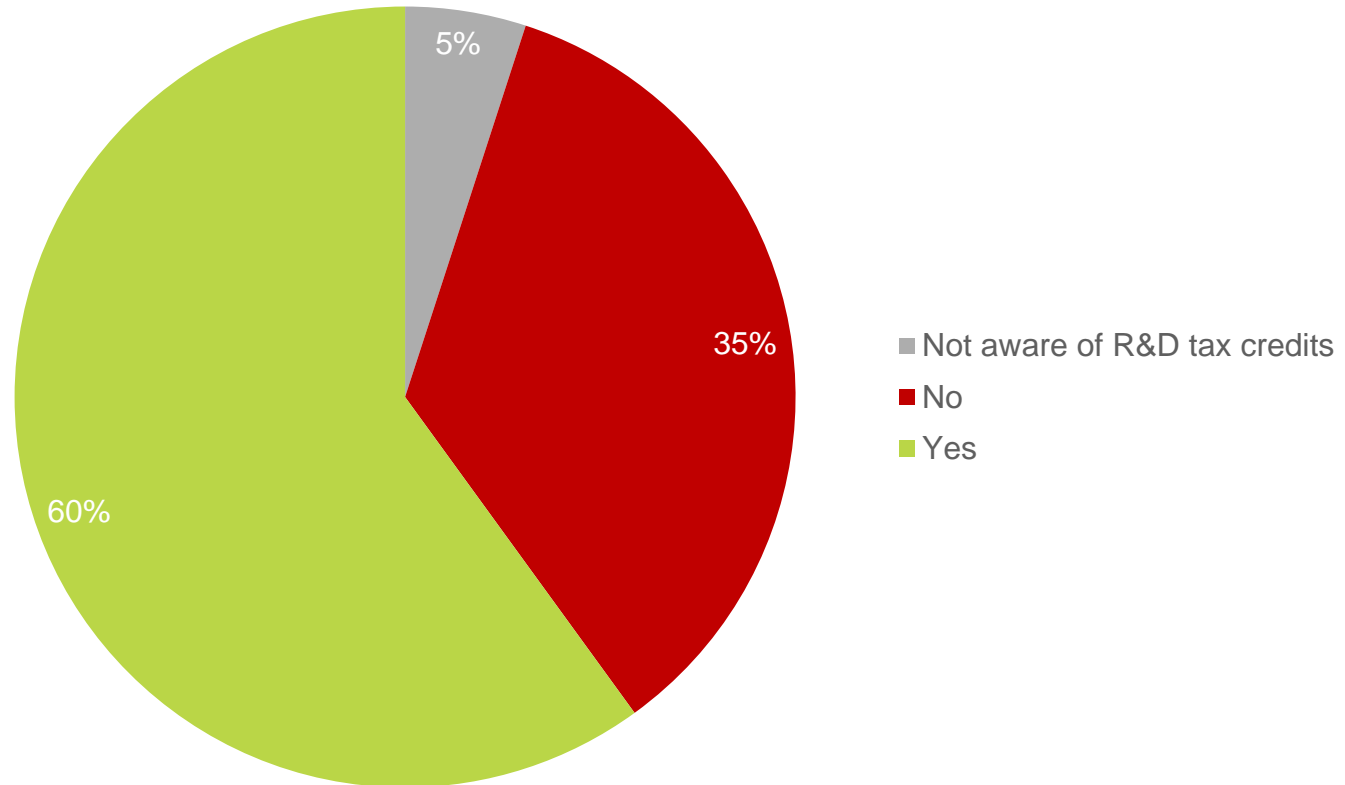
Base 122: All respondents



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

# Q13 In the last 12 months have you applied for R&D tax credits?

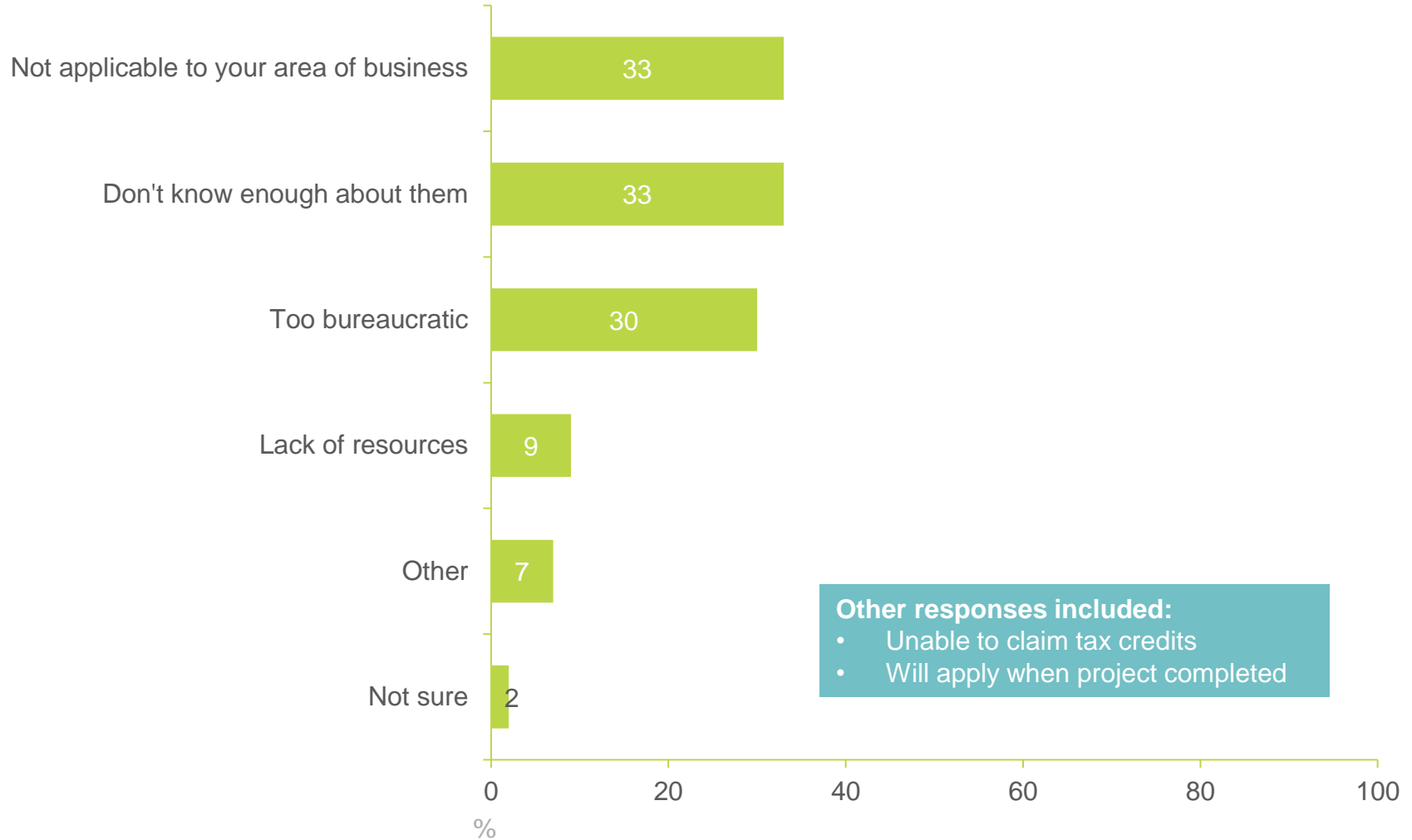
Base 122: All respondents



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

# Q13b Why have you not applied for R&D tax credits?

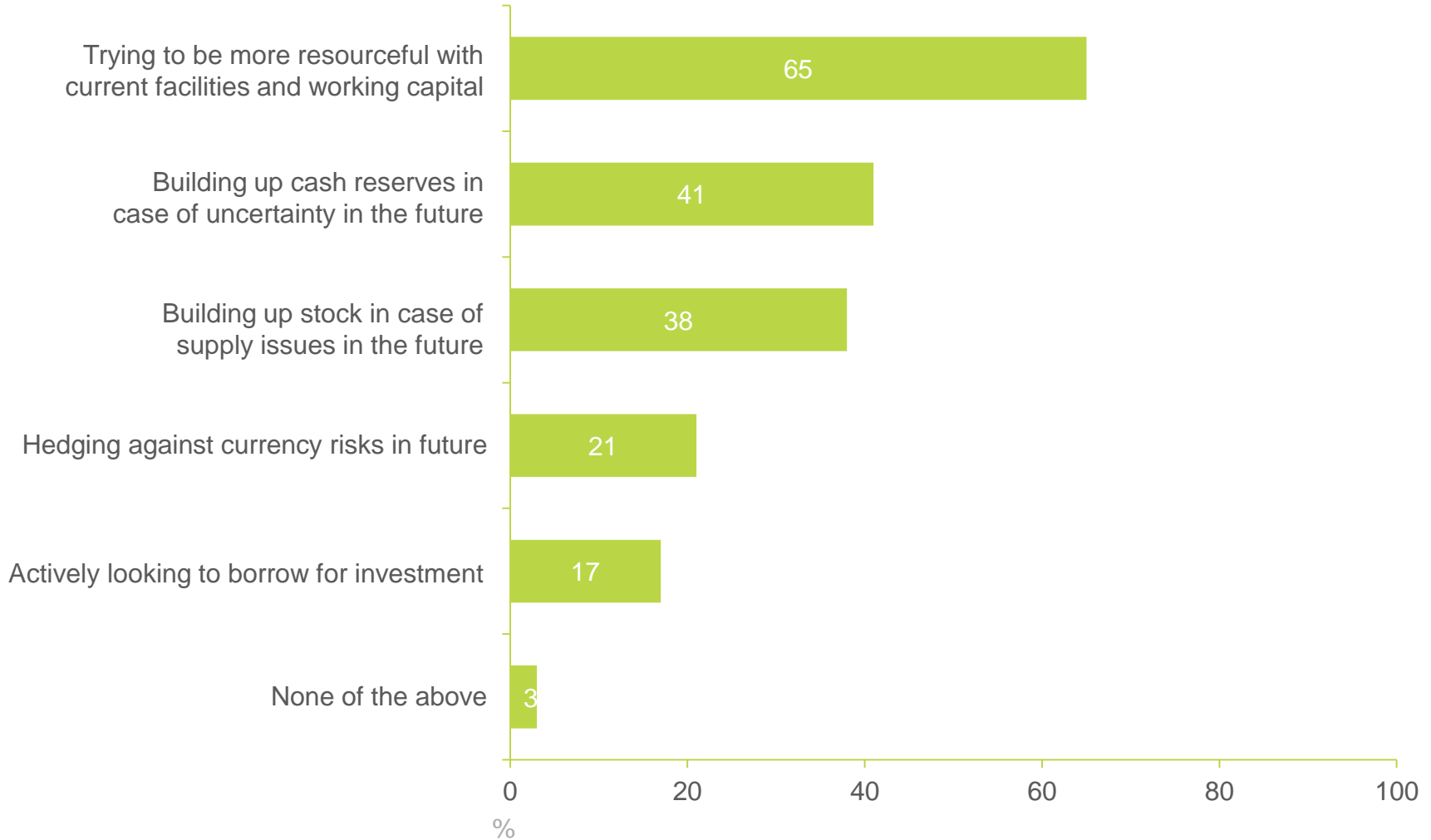
Base 43: Respondents that have not applied for tax credits



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

# Q14 Is your business currently undertaking any of the following activities?

Base 122: All respondents



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



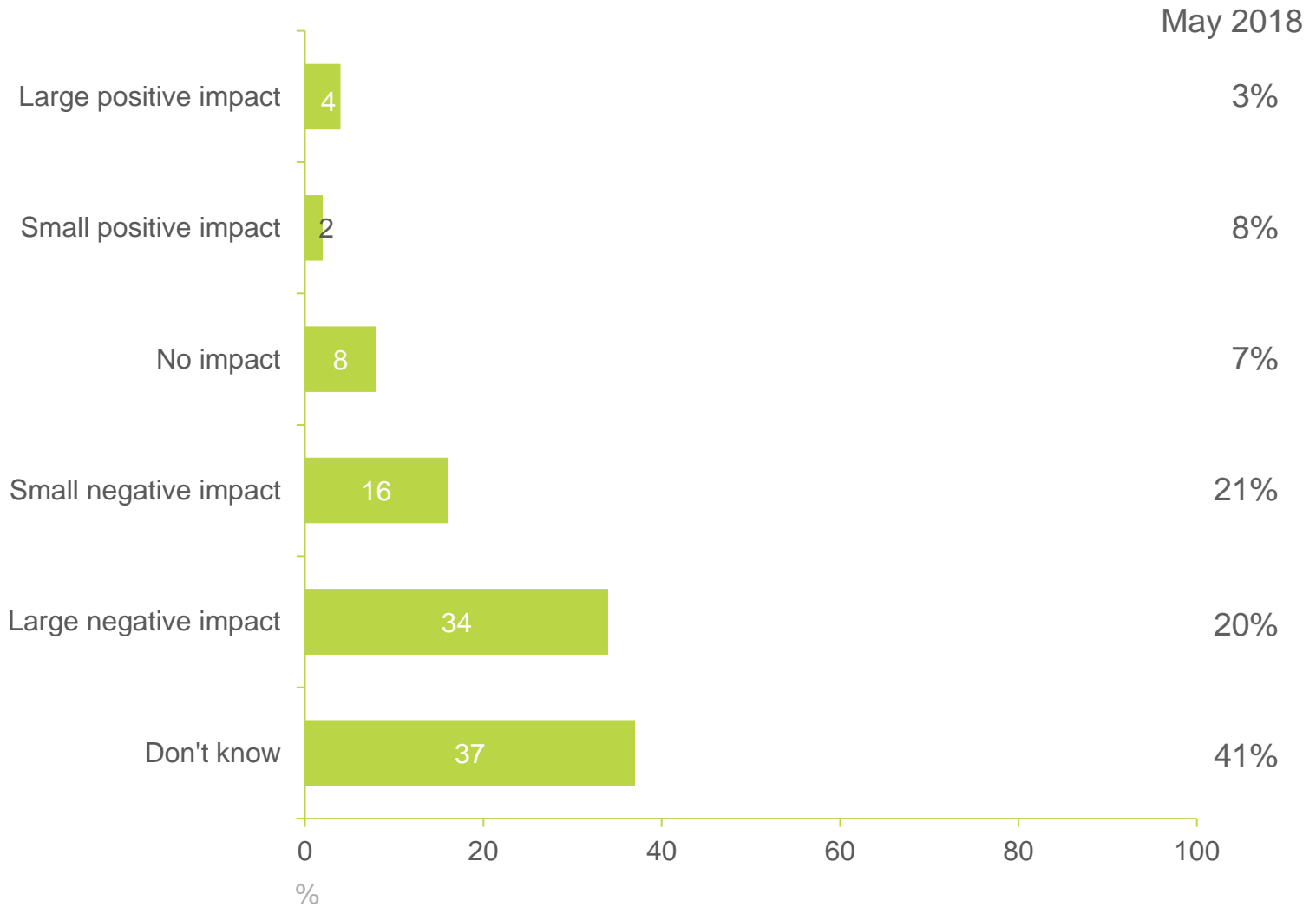
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# Impact of leaving the EU

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

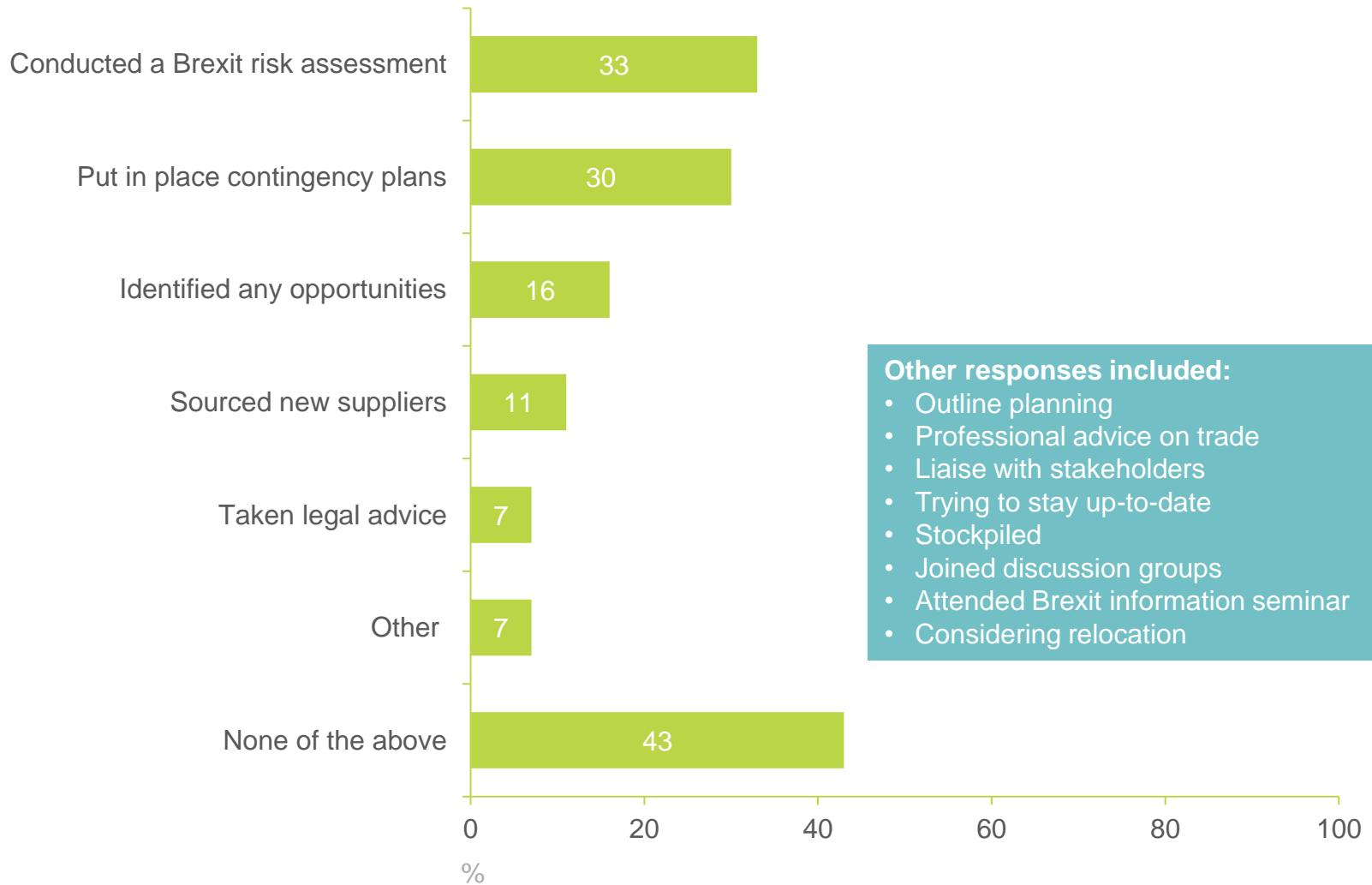
Base 122: All respondents





# Q16 In preparation for Brexit, have you undertaken any of the following?

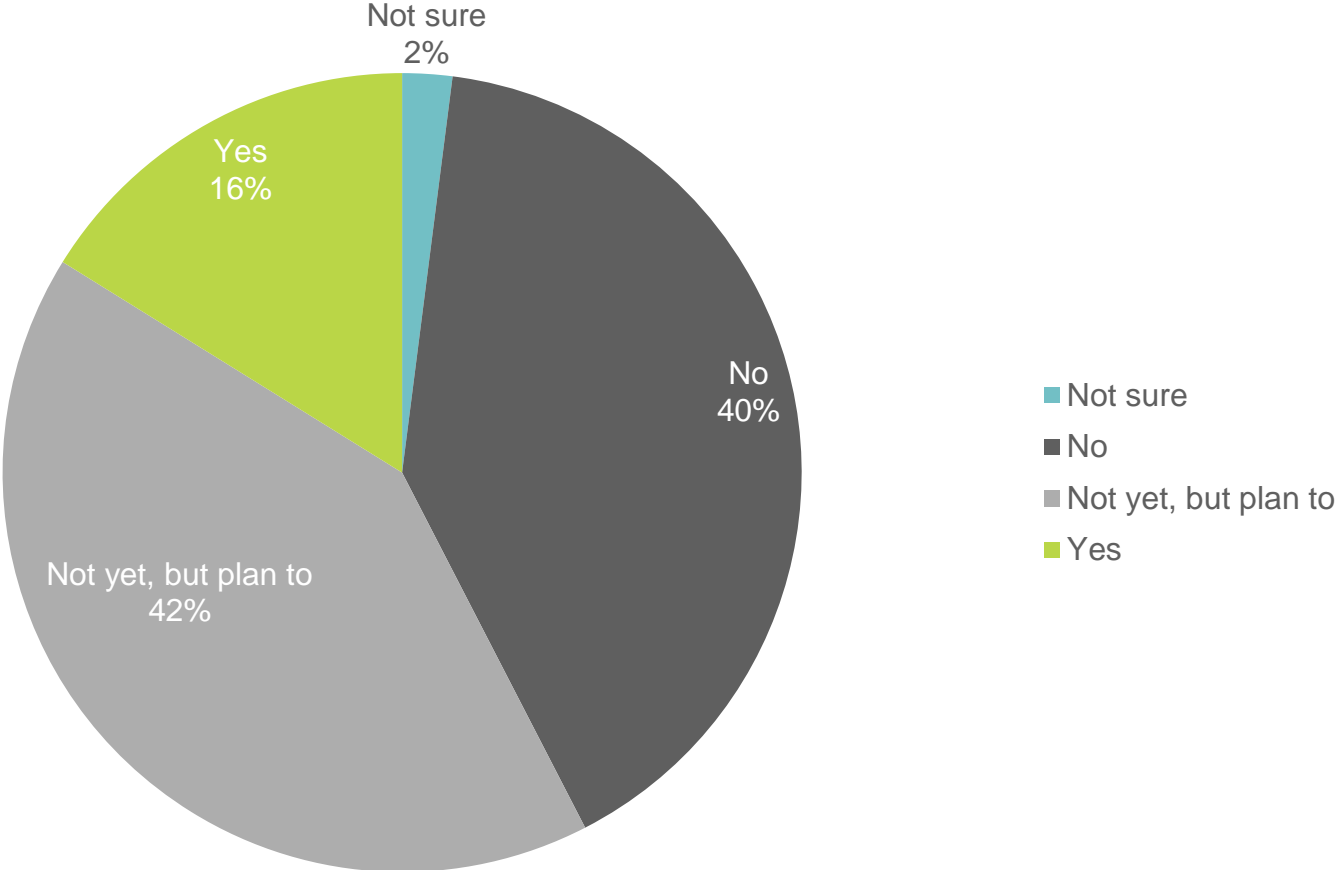
Base 122: All respondents



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

# Q17 In case of a possible period of disruption to supply chains during March/April 2019, has your business actively stockpiled to ensure continuity of supply?

Base 122: All respondents





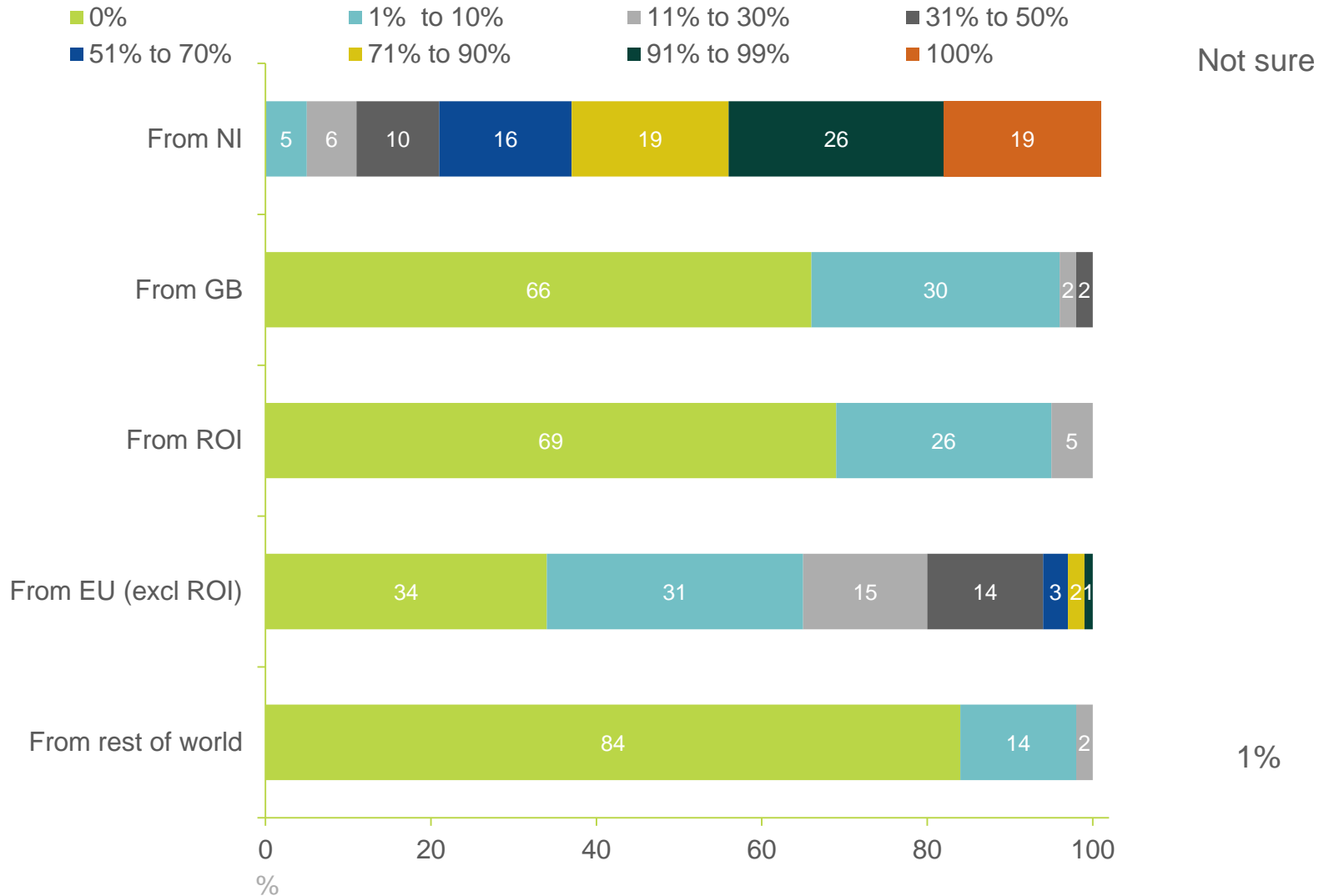
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# Skills & People

# Q18 Approximately what percentage of your staff is...?

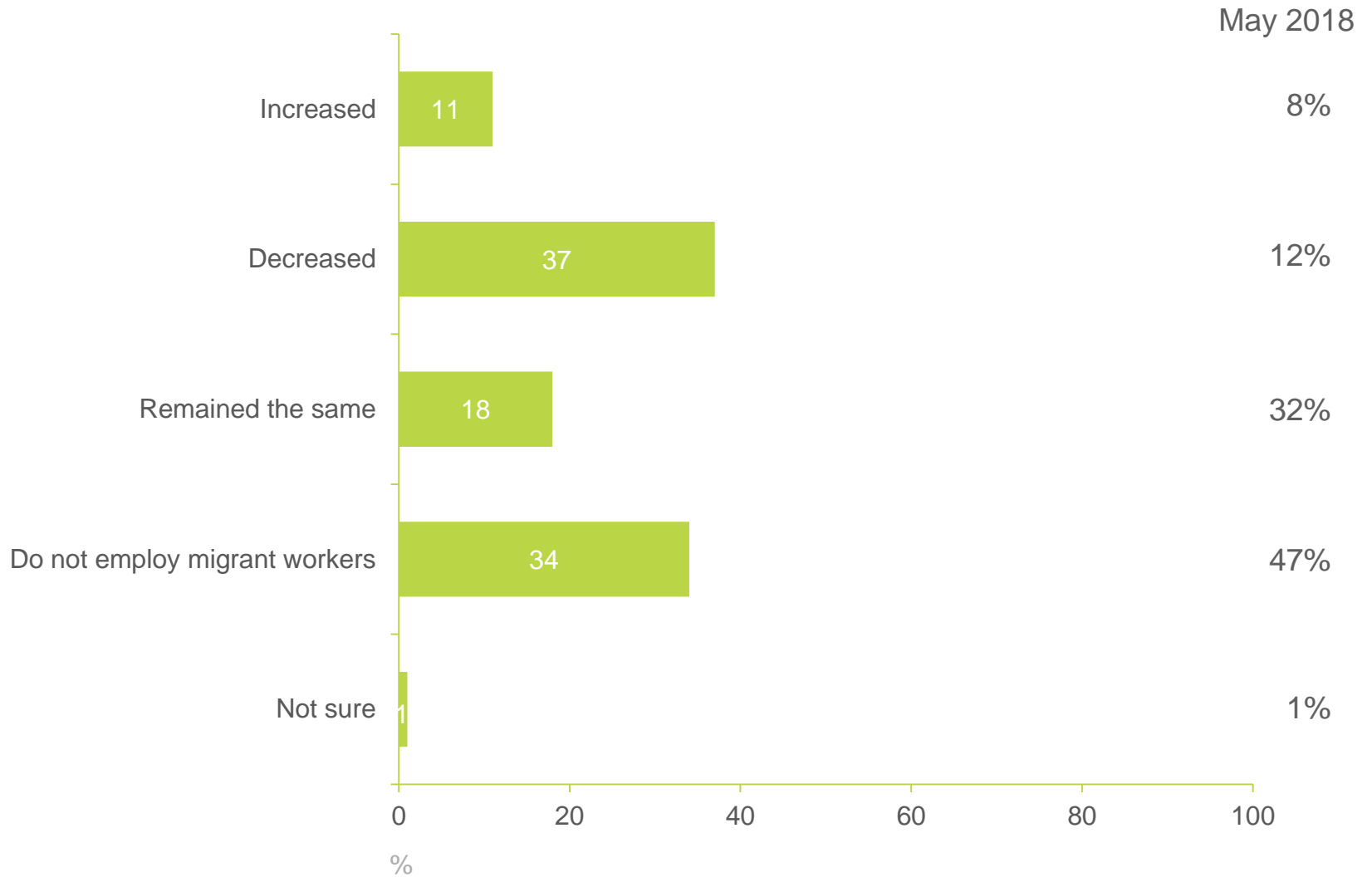
Base 122: All respondents



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

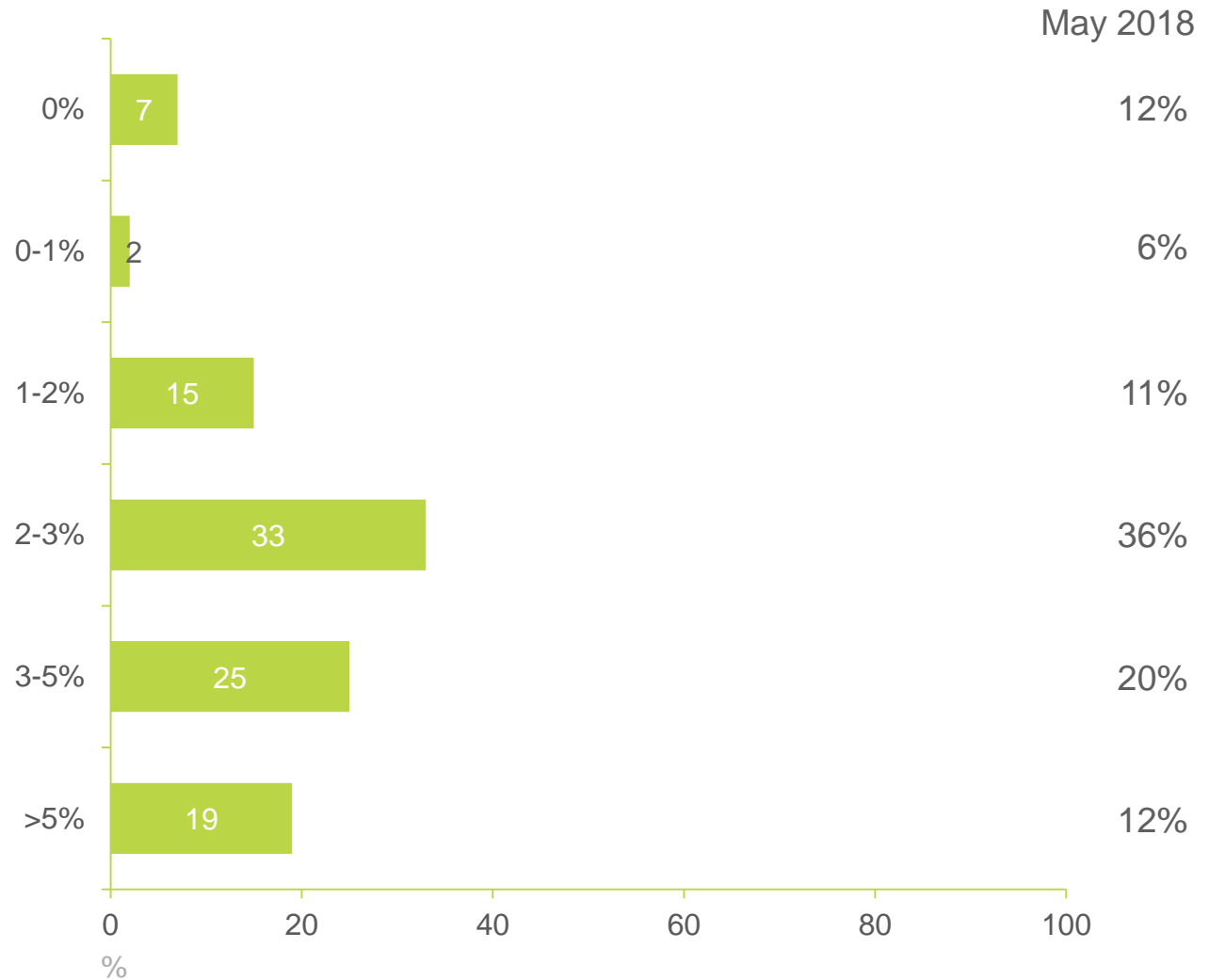
# Q19 If you employ migrant workers, has that number in the last 12 months...?

Base 122: All respondents



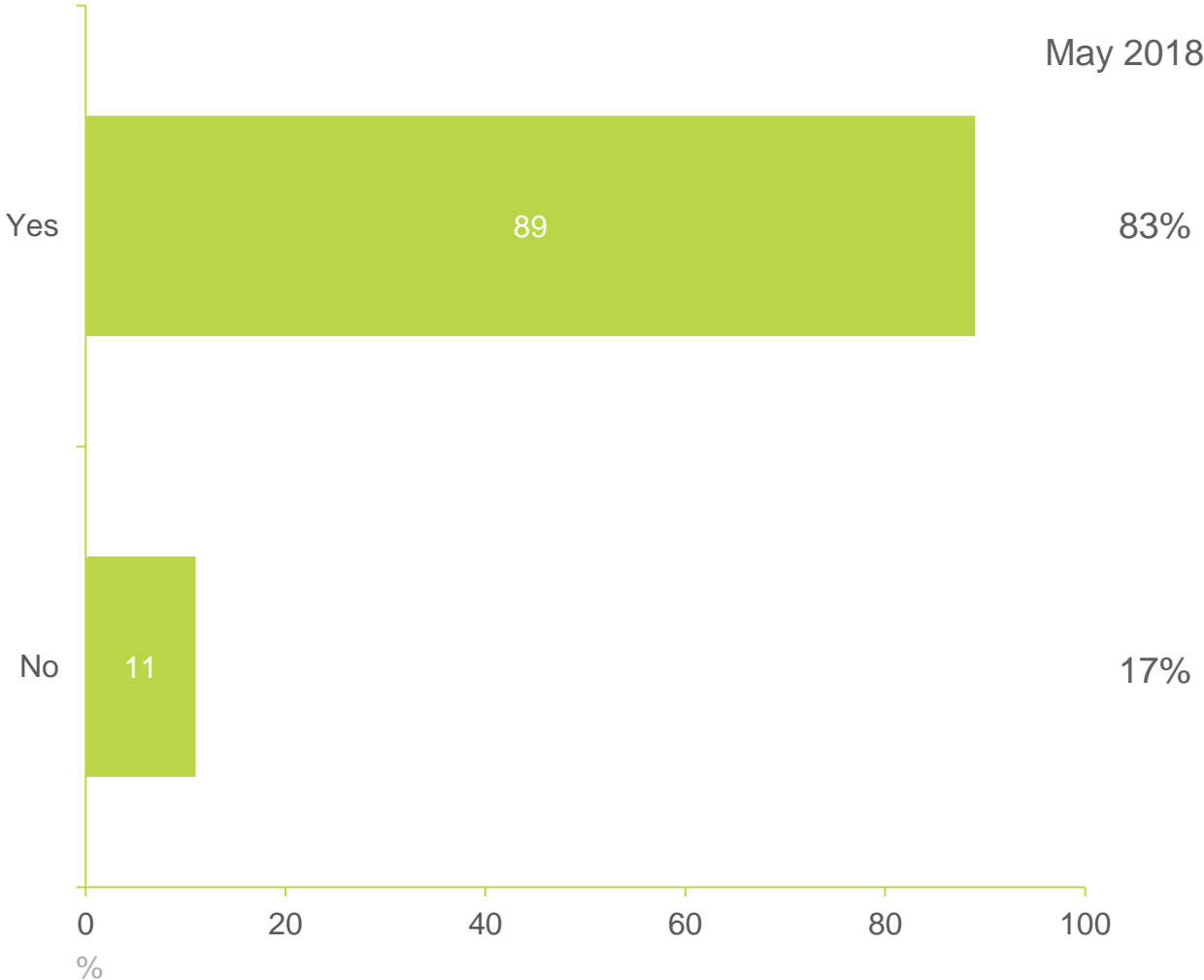
# Q20 On average what wage increases were delivered over the last 12 months?

Base 122: All respondents



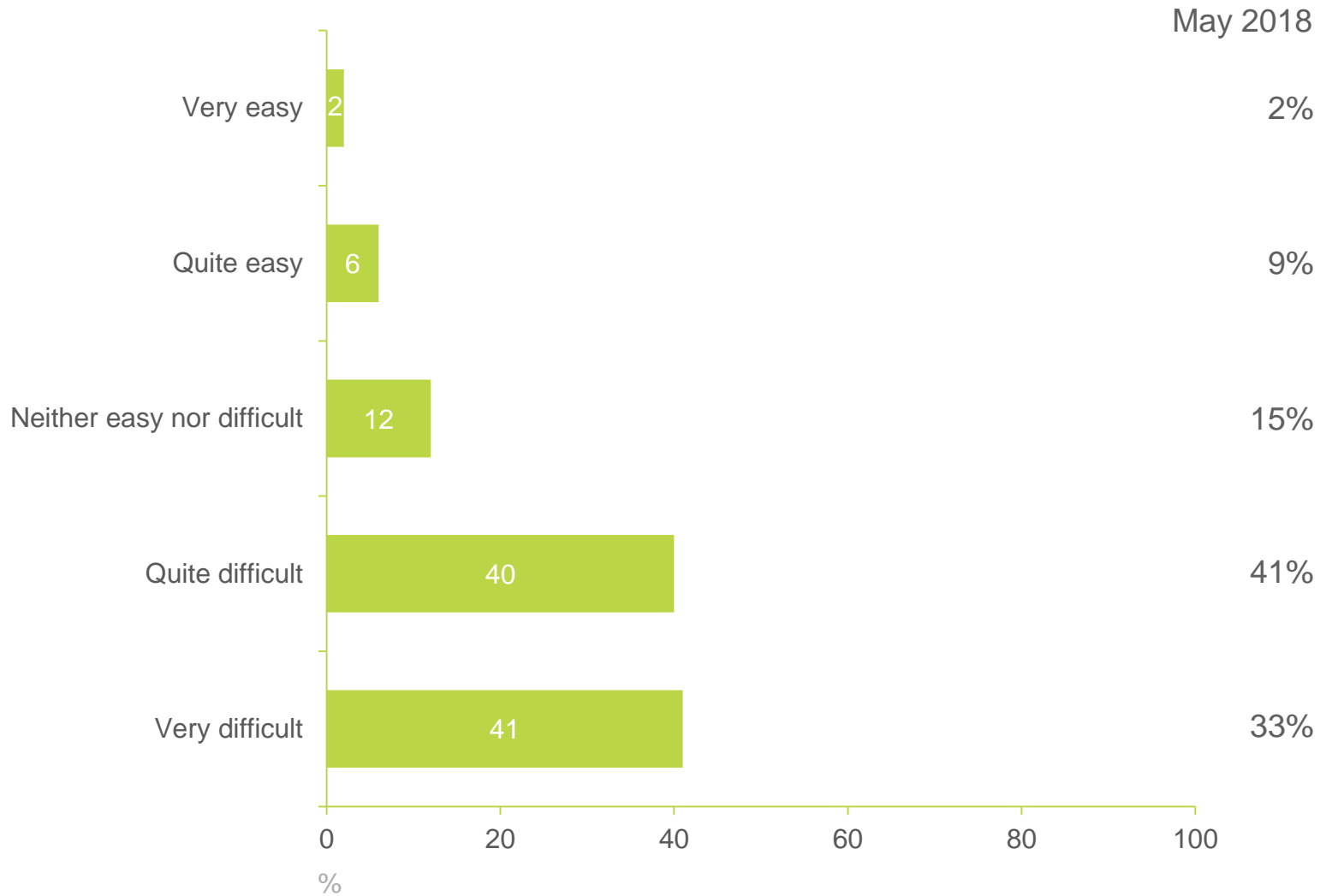
# Q21 In the last 12 months, have you tried to recruit new staff?

Base 122: All respondents



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

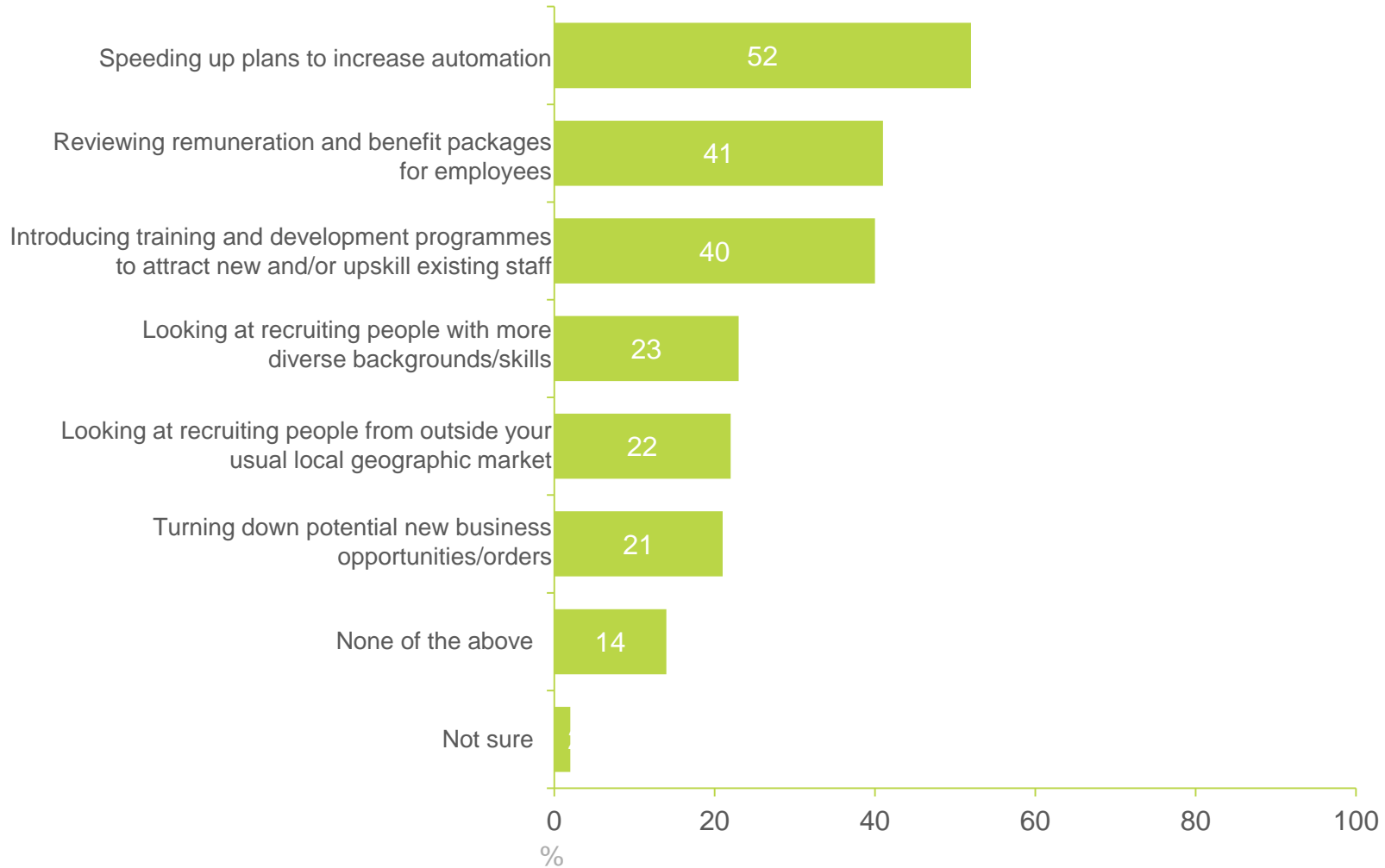
Base 108: Those who tried to recruit new staff.





# Q23 In order to address the challenge of skills and labour shortages, are you currently doing any of the following?

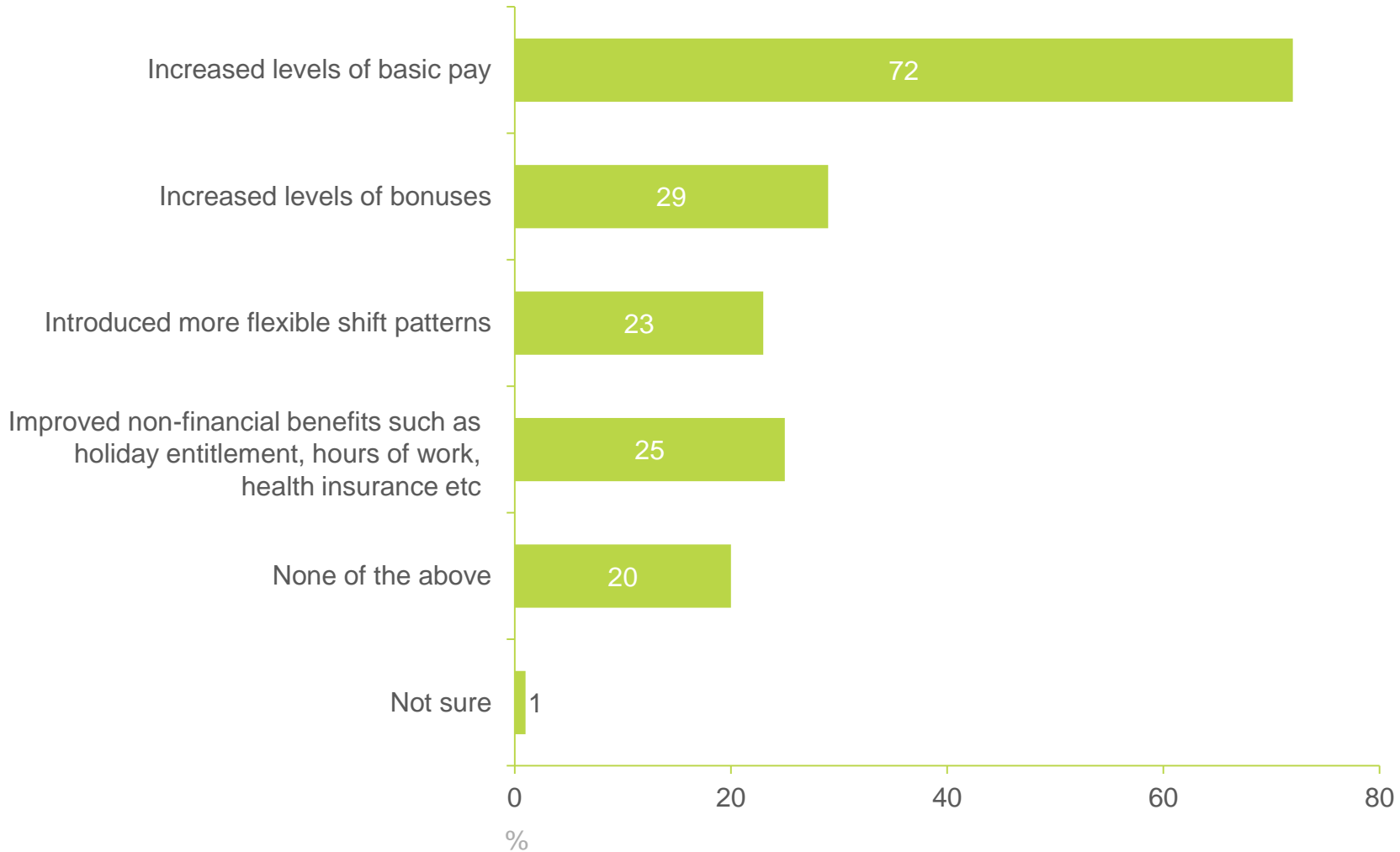
Base 122: All respondents



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

# Q24 In the last 12 months, in order to retain or recruit staff have you undertaken any of the following steps?

Base 122: All respondents



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



# Thank you for reading.

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

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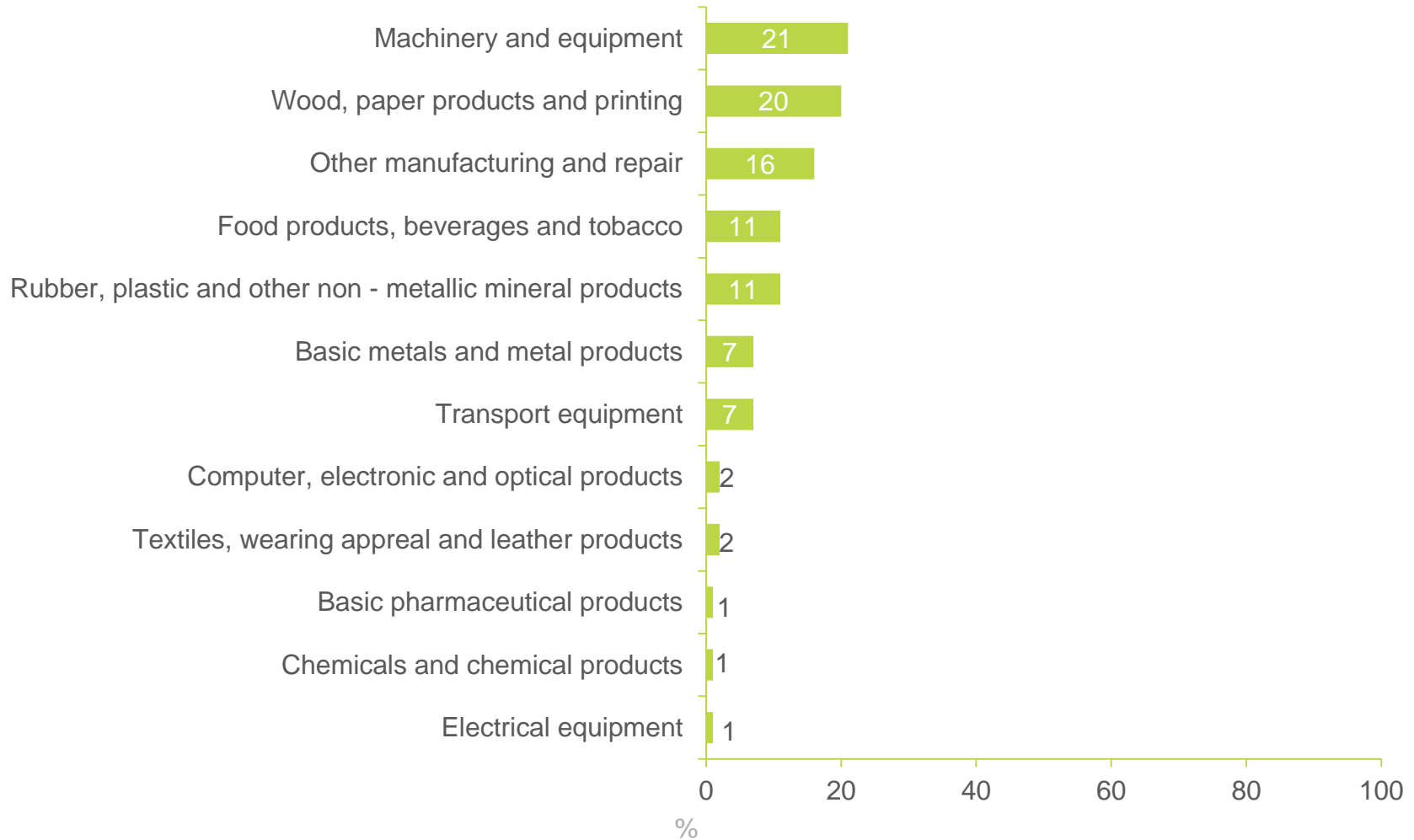
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Appendices:

# Appendix A: Q1 Which of the following manufacturing sectors best describes the main activity of your business?

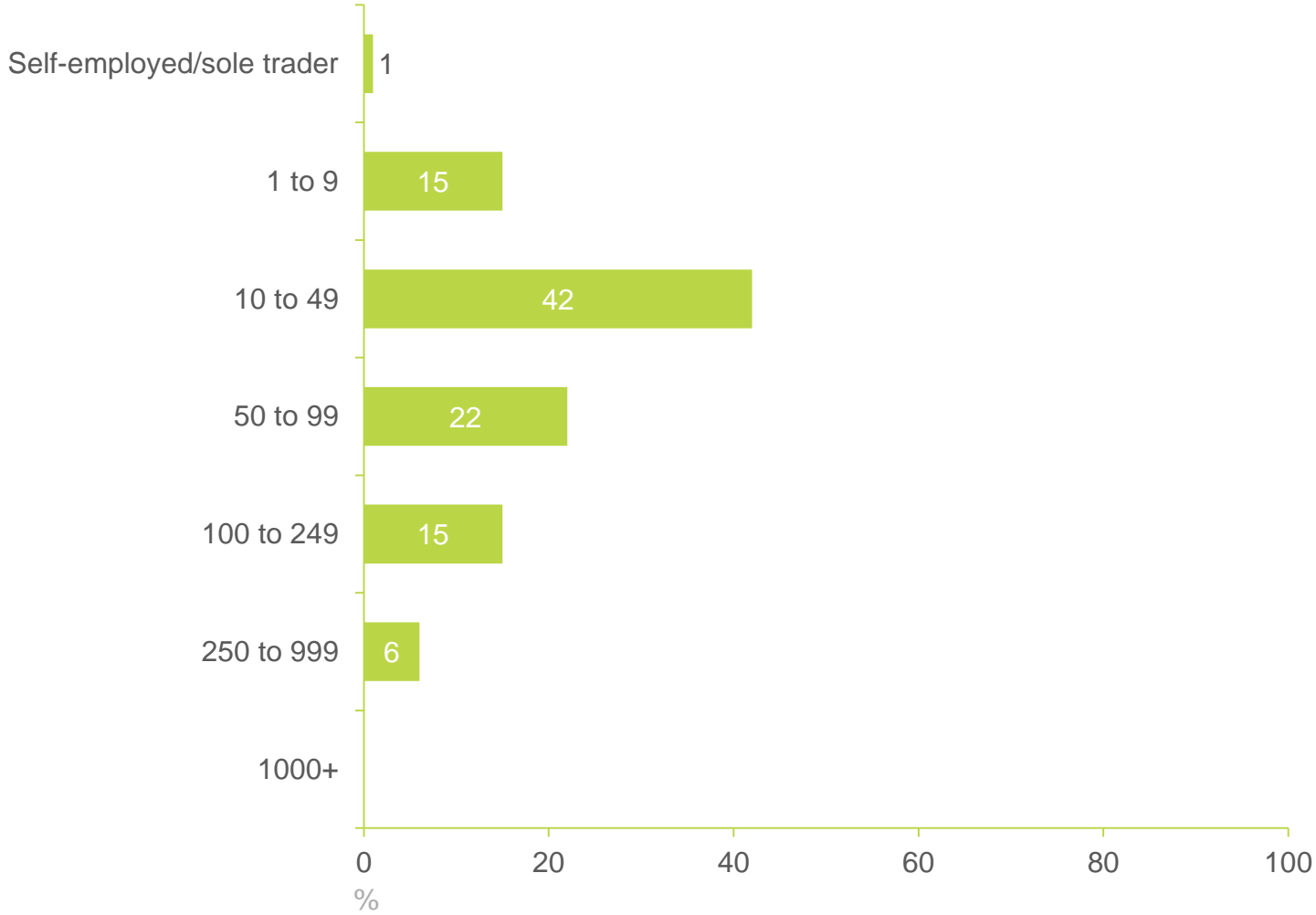
Base 122: All respondents



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

# Appendix B: Q2 Can you tell me how many employees do you have in your business?

Base 122: All respondents



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