




MANUFACTURING
NORTHERN IRELAND

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Findings from a survey of businesses in the manufacturing industry

June 2019





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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 139 questionnaires were completed by manufacturing businesses in Northern Ireland.

METHOD

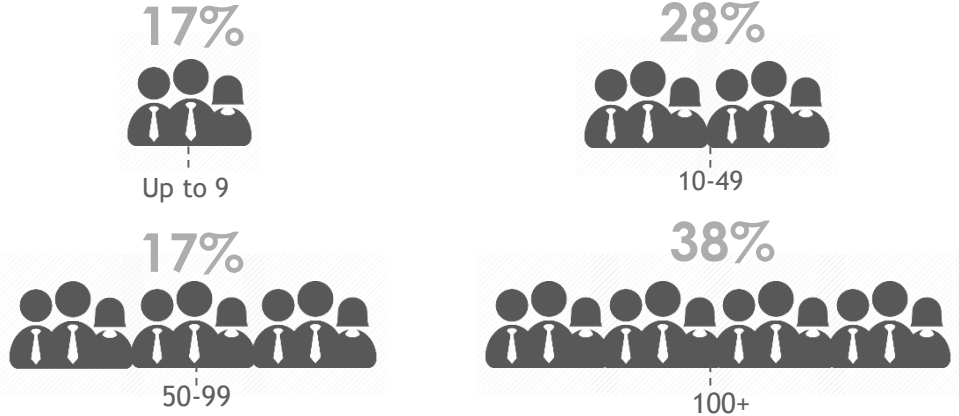
- 1 Online survey emailed to manufacturing businesses in Northern Ireland
- 2 Data was processed and analysed using specialist survey software

Fieldwork ran from 24th May – 15th June.



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

Although not as positive as the December '18 survey, the findings suggest a fairly good experience for most manufacturing businesses

- **67%** of those surveyed described their business as being in a position of growth.
- **87%** said their business had been profitable in the last 12 months.
- **47%** have increased their number of staff in the last 12 months.

Outlook for the future

- **47%** of businesses expect that their business will grow in the next 12 months
- **39%** expect that their business will remain the same, with 10% anticipating a decrease and 4% uncertain.



ISSUES & CONCERNS

Top 4 most prevalent concerns

- 1. Impact or uncertainty of Brexit** – 76% businesses rated this 4 or 5.
 - 28% are unsure as to what the impact Brexit will have on their business.
 - 60% of businesses expect Brexit to have a negative impact on their business.
 - 45% have actively stockpiled to ensure continuity of supply.
- 2. Political uncertainty/ climate** – 69% businesses rated this 4 or 5.
- 3. The rising costs of doing business** – 61% businesses rated this 4 or 5.
 - 69% of businesses are looking to be more resourceful with current facilities and working capital.
 - 35% are building cash reserves in case of future uncertainty
- 4. Recruiting skills required to meet orders** – 56% businesses rated this 4 or 5.
 - 78% found it difficult to recruit the skills needed
 - Under half (45%) are introducing training and development programmes to attract new and/or upskill existing staff
 - 37% are speeding up plans to increase automation
 - 36% are reviewing remuneration packages



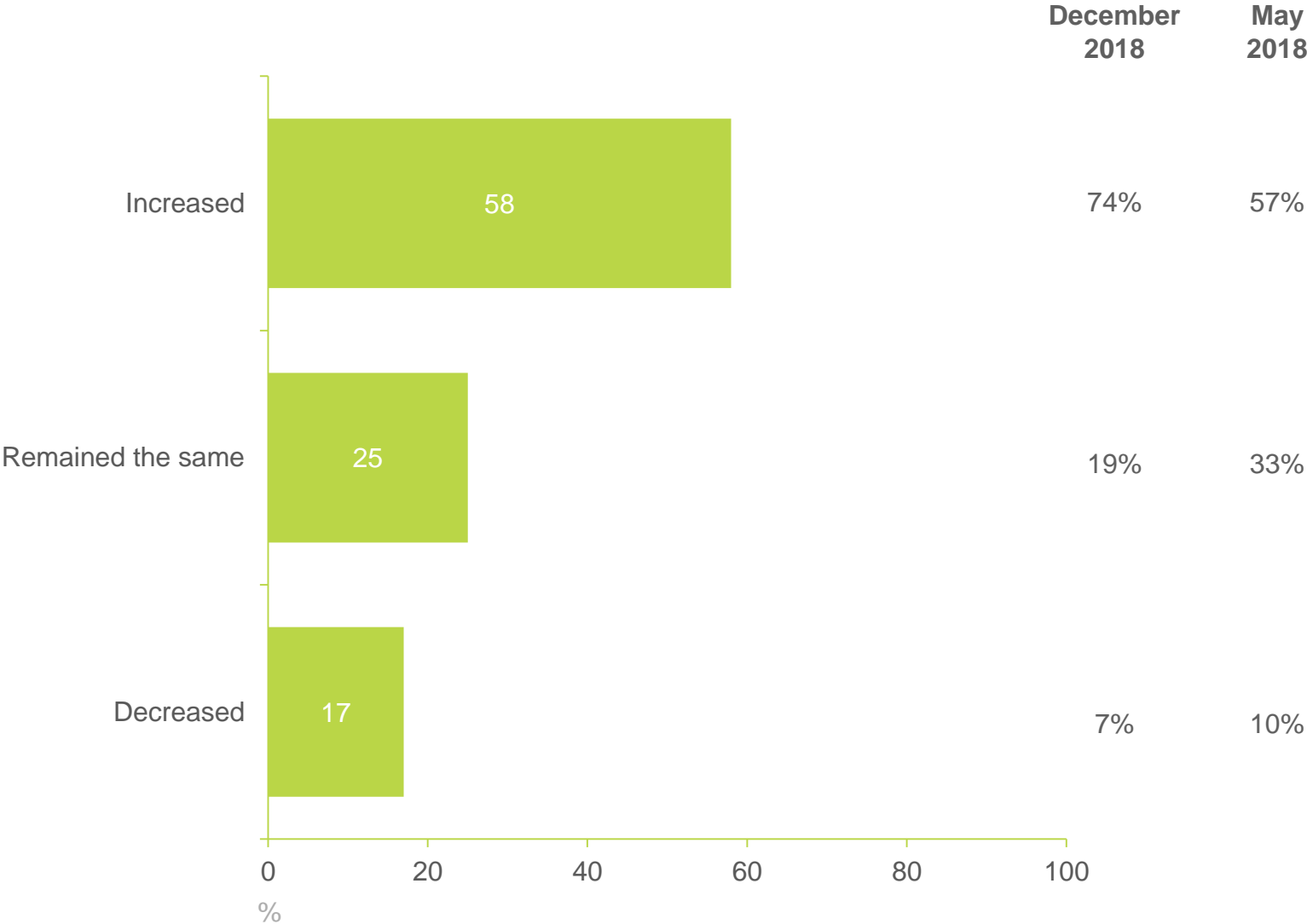
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Performance & Trade

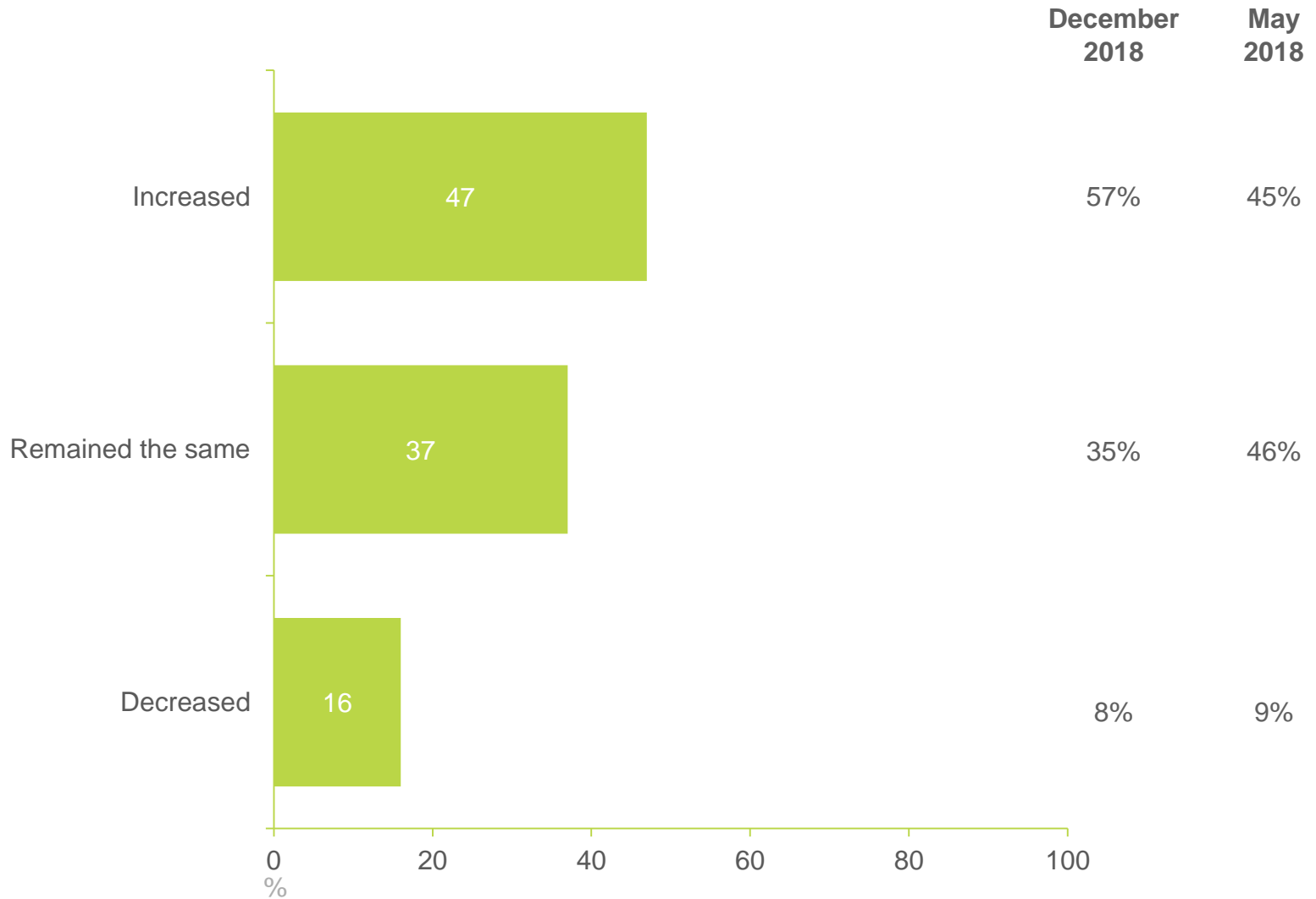
Q3 Over the past 12 months, have your sales increased, decreased or remained the same?

Base 139: All respondents



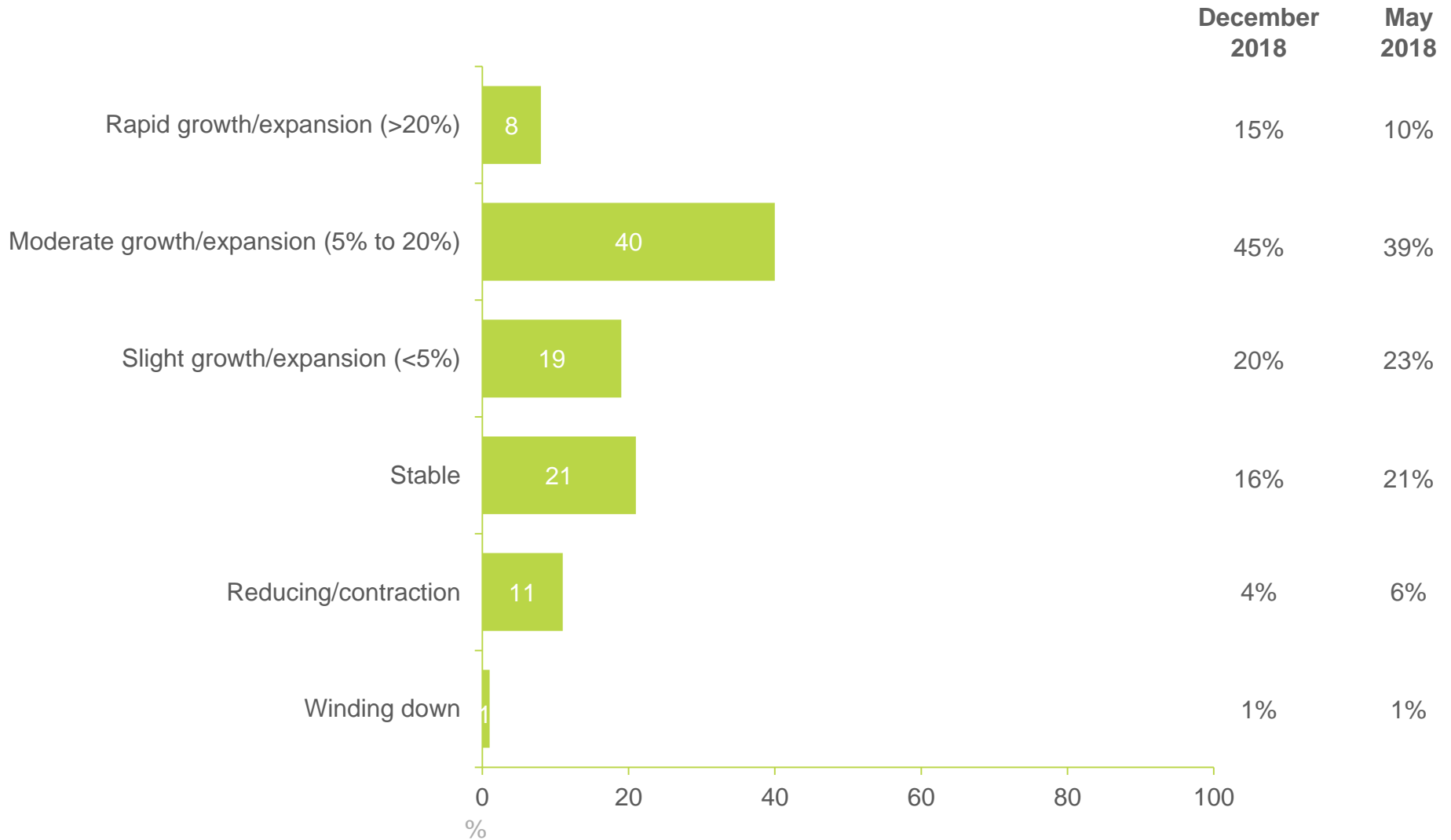
Q4 Over the past 12 months, has your number of employees increased, decreased or remained the same?

Base 139: All respondents



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

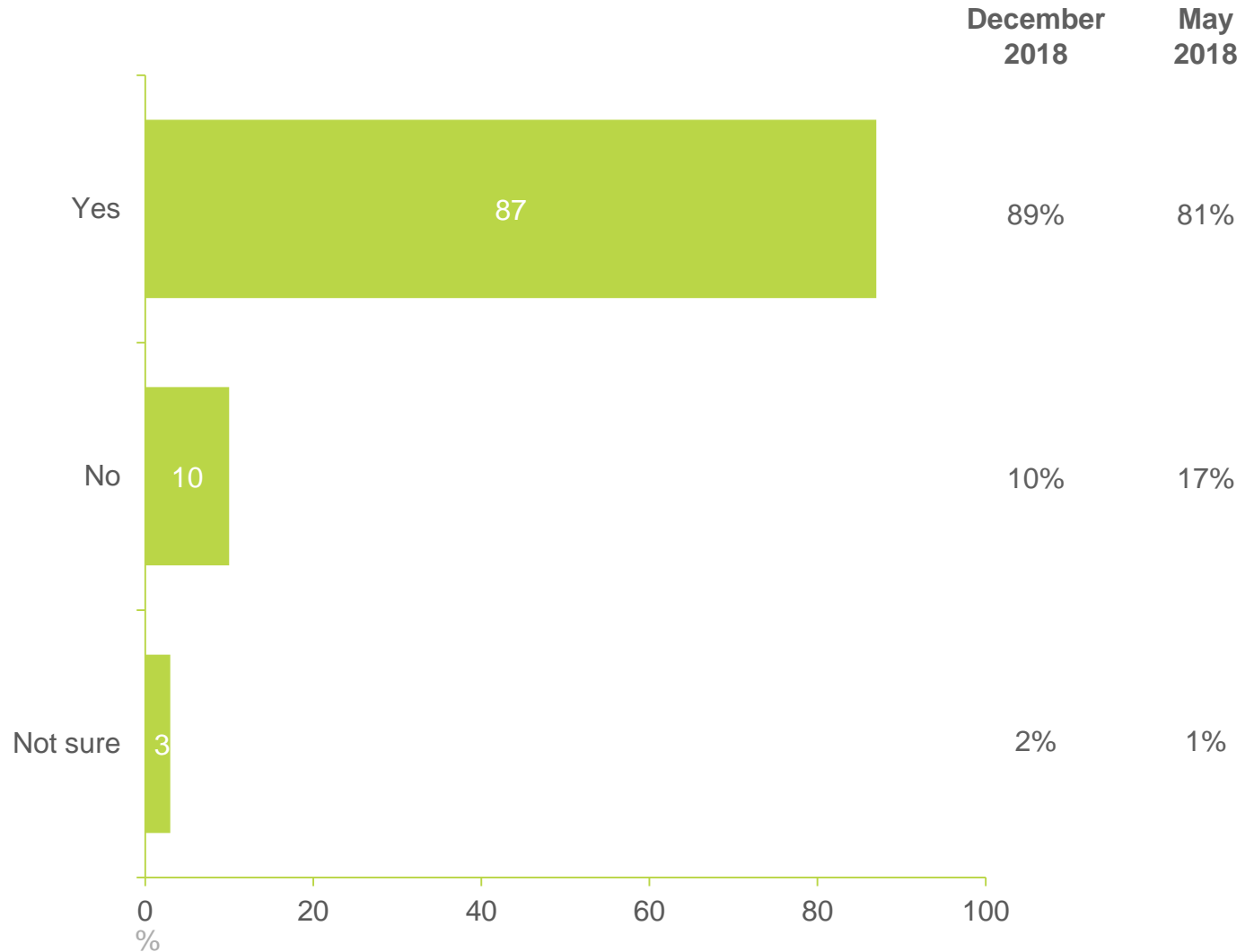
Base 139: All respondents



¹ Due to rounding percentages add to >100%

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

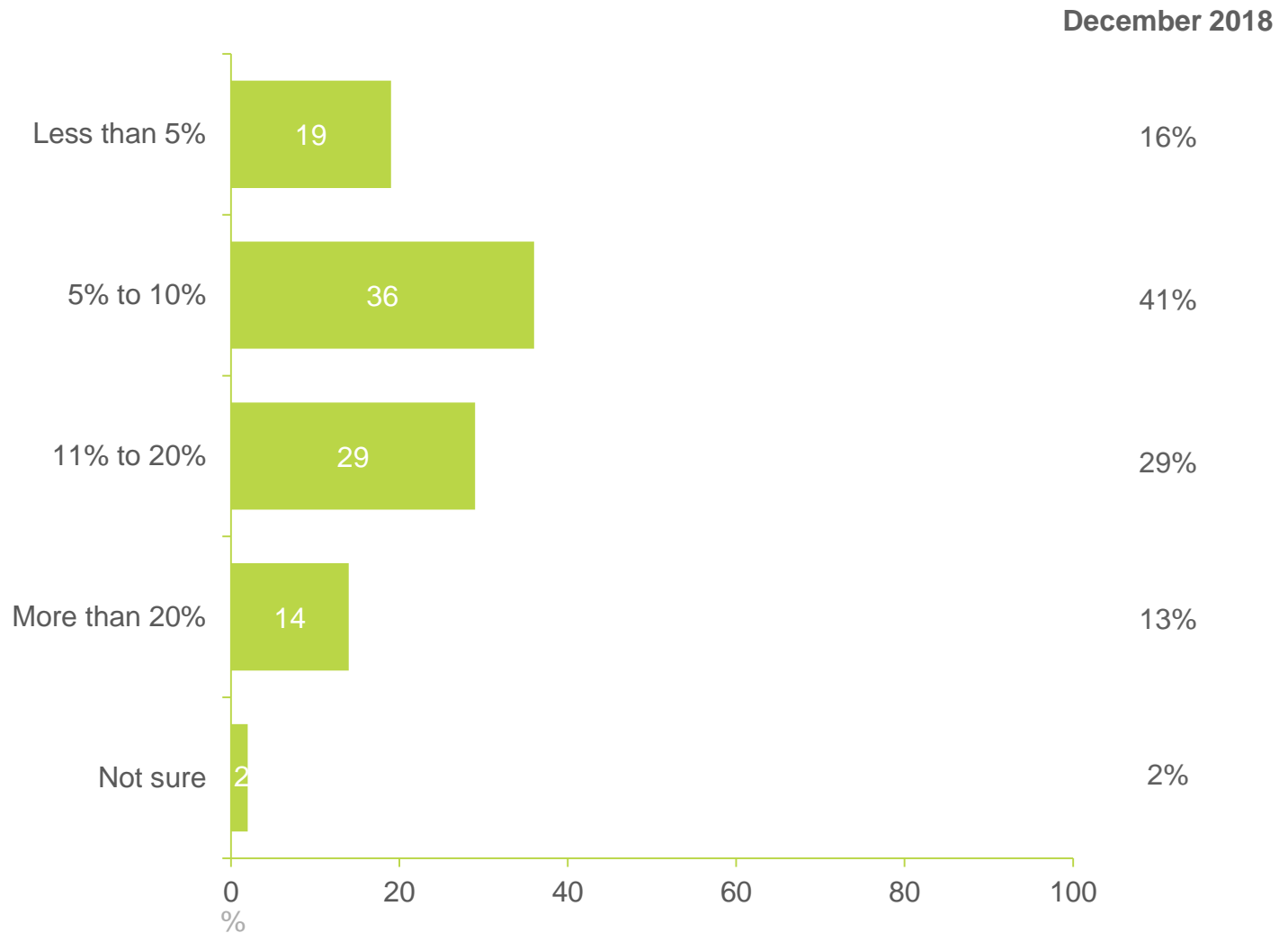
Base 139: All respondents



¹ Due to rounding percentages add to <100%

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

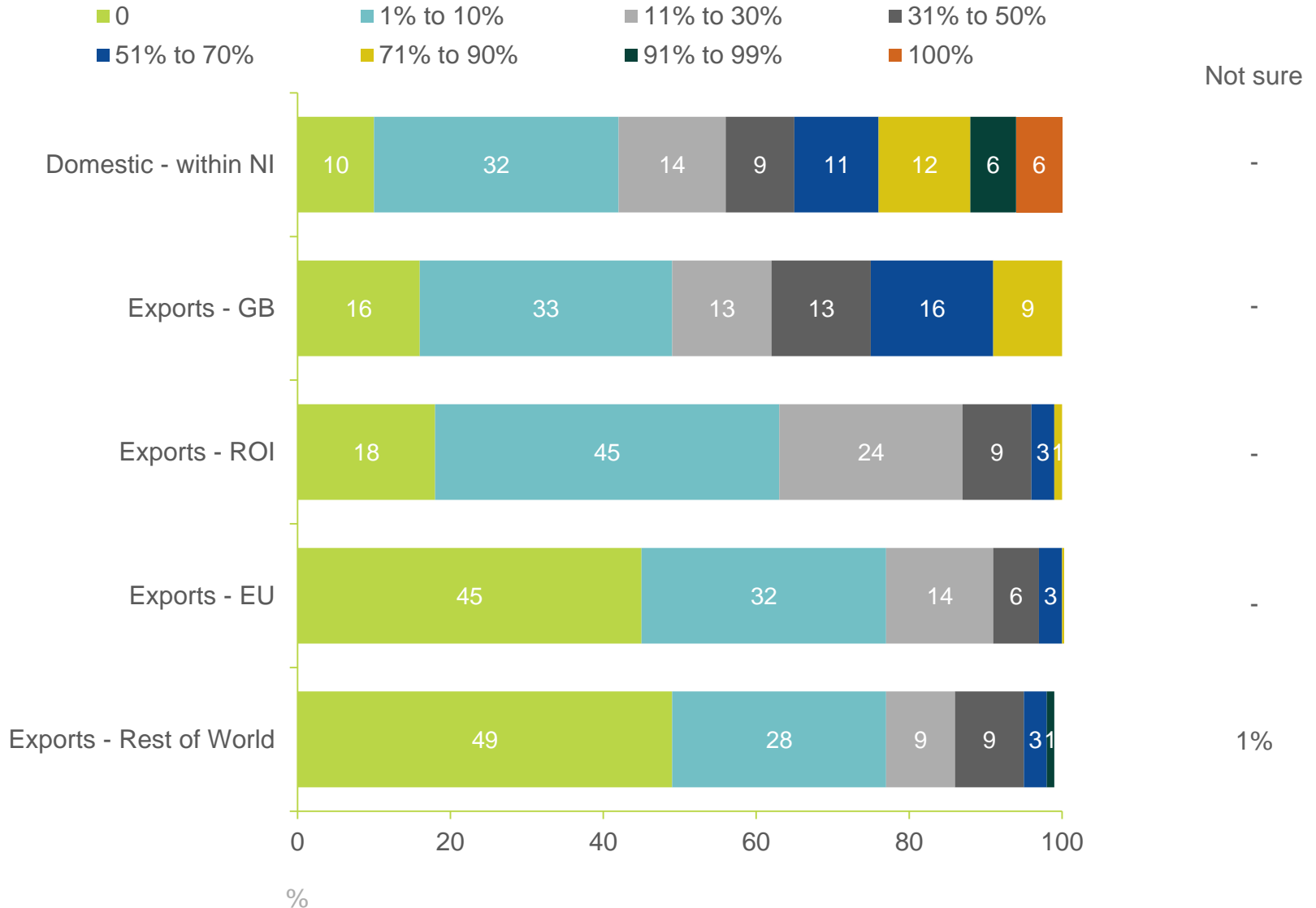
Base 139: All respondents



¹ Due to rounding percentages add to <100%

Q7 In the last 12 months, approximately, what percentage of your sales are...?

Base 139: All respondents

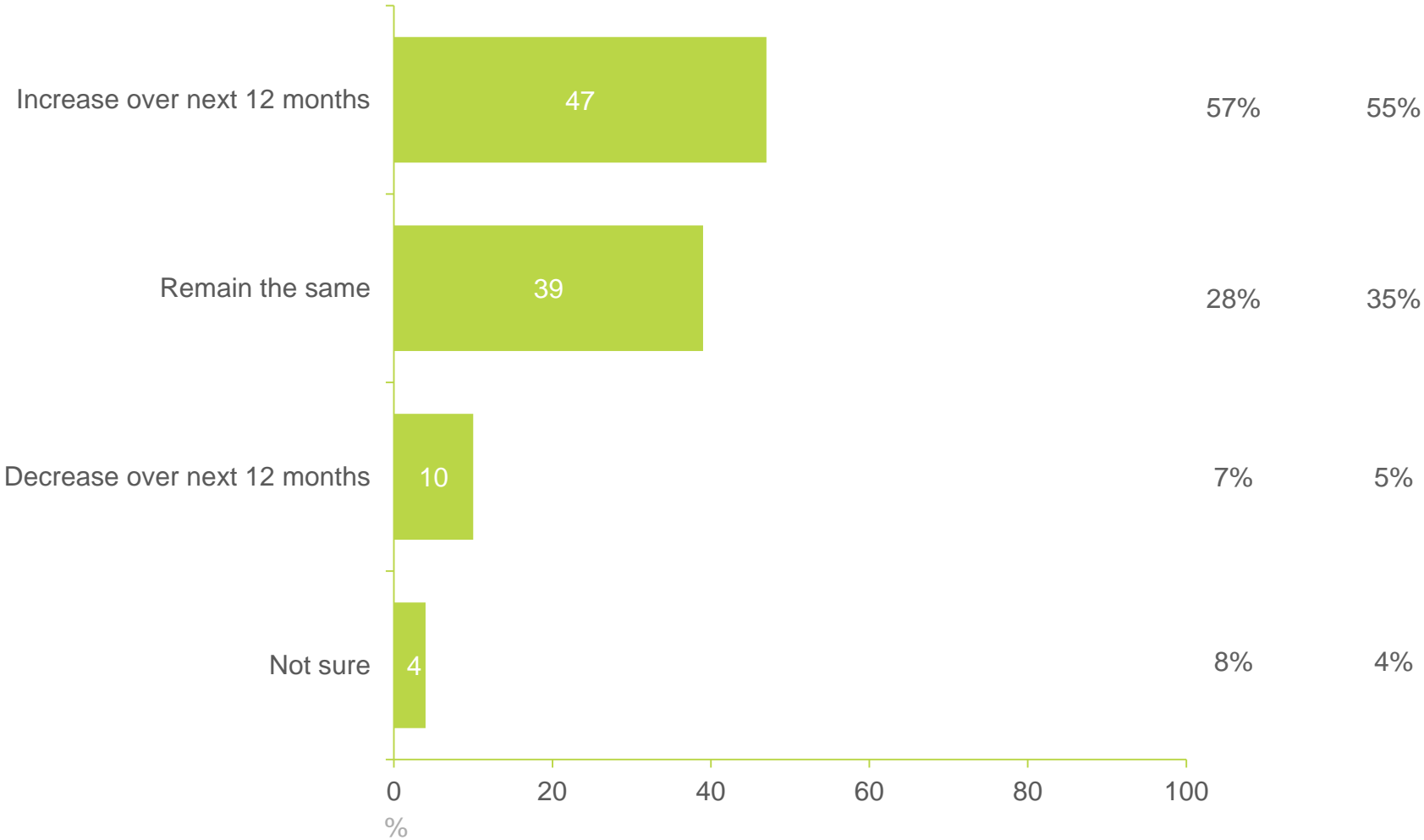


¹ Due to rounding percentages add to 99%-102%

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

Base 139: All respondents

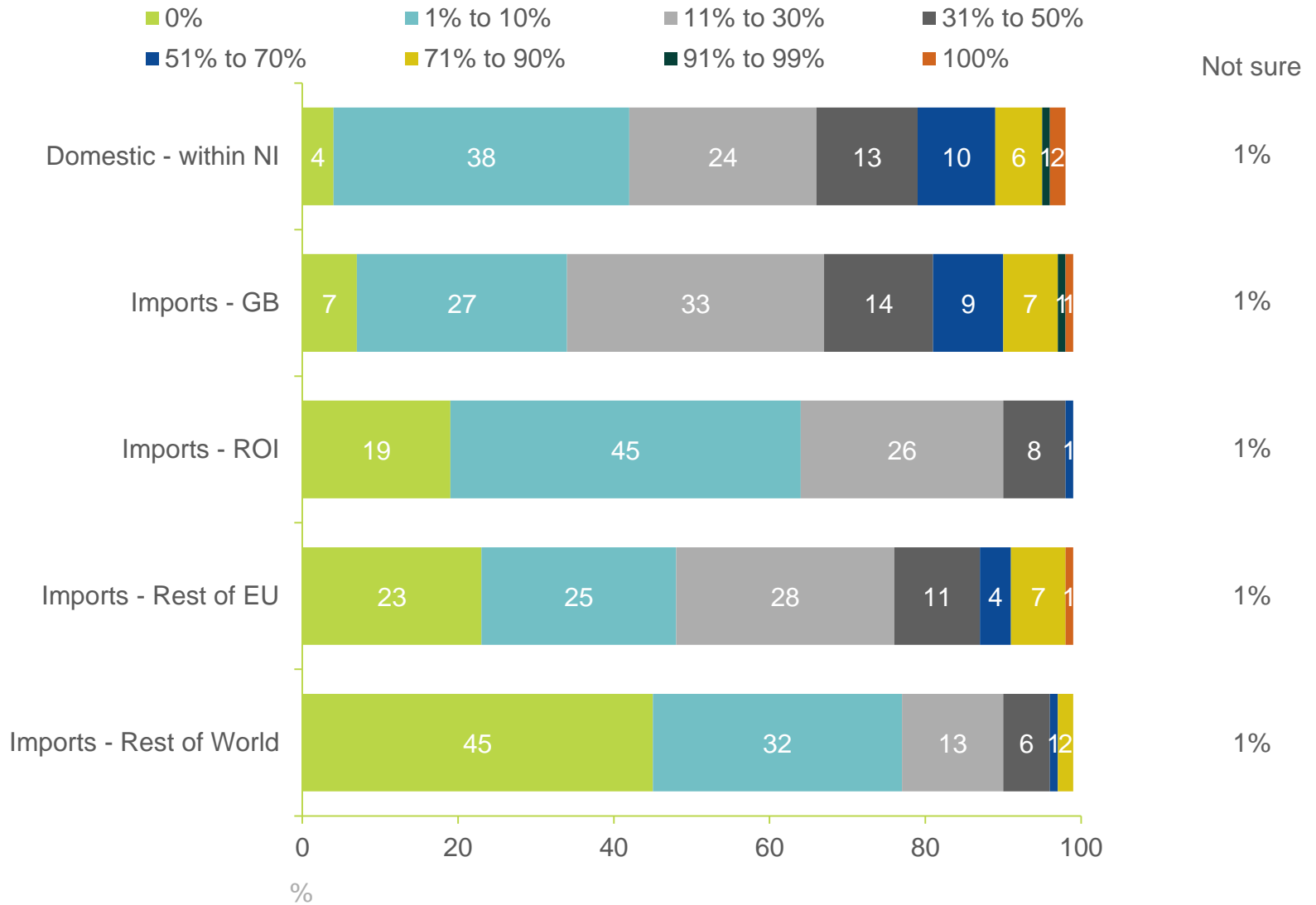
December 2018 **May 2018**



¹ Due to rounding percentages add to <100%

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

Base 139: All respondents



¹ Due to rounding percentages add to >100%



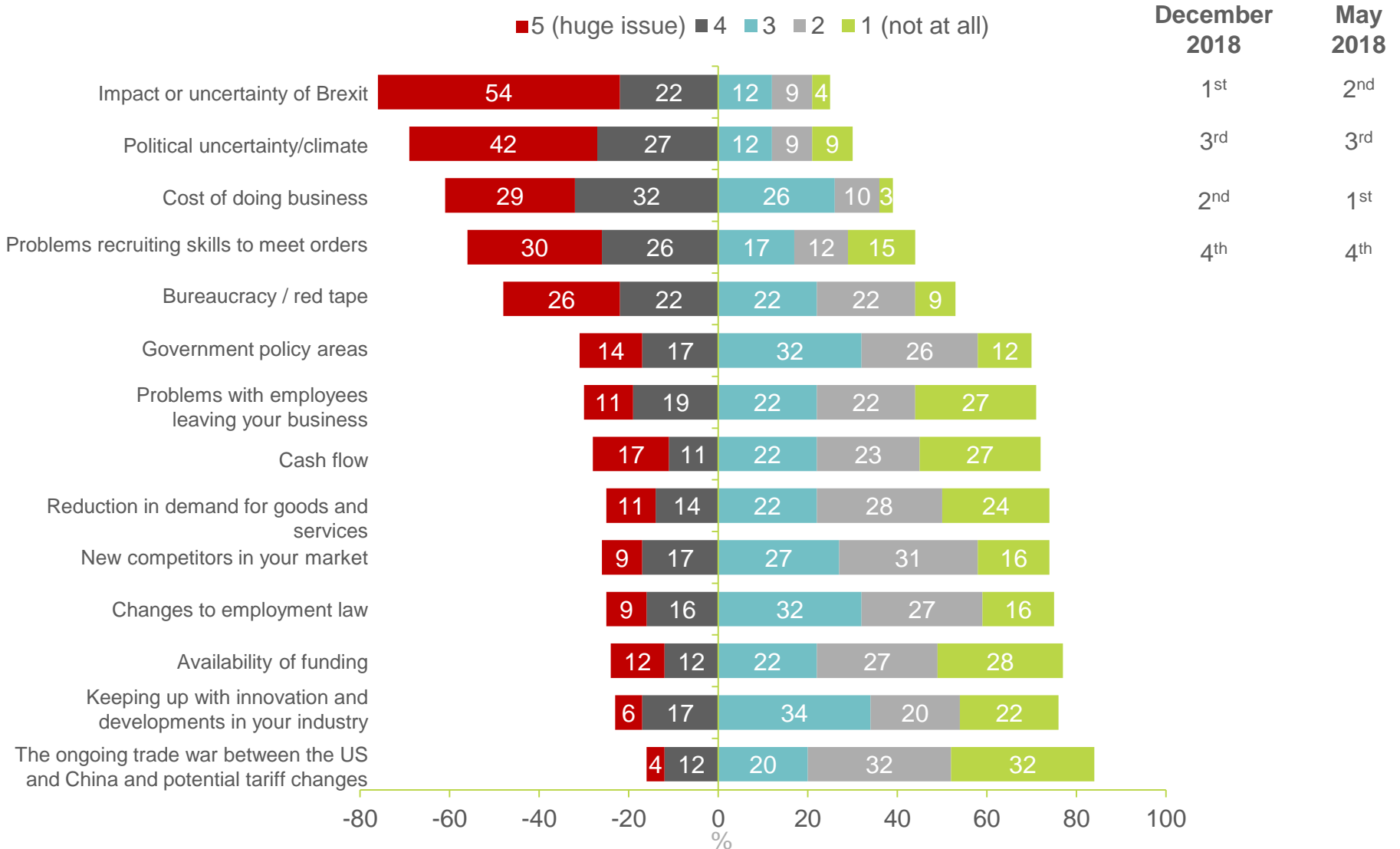
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Business strategy and productivity

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

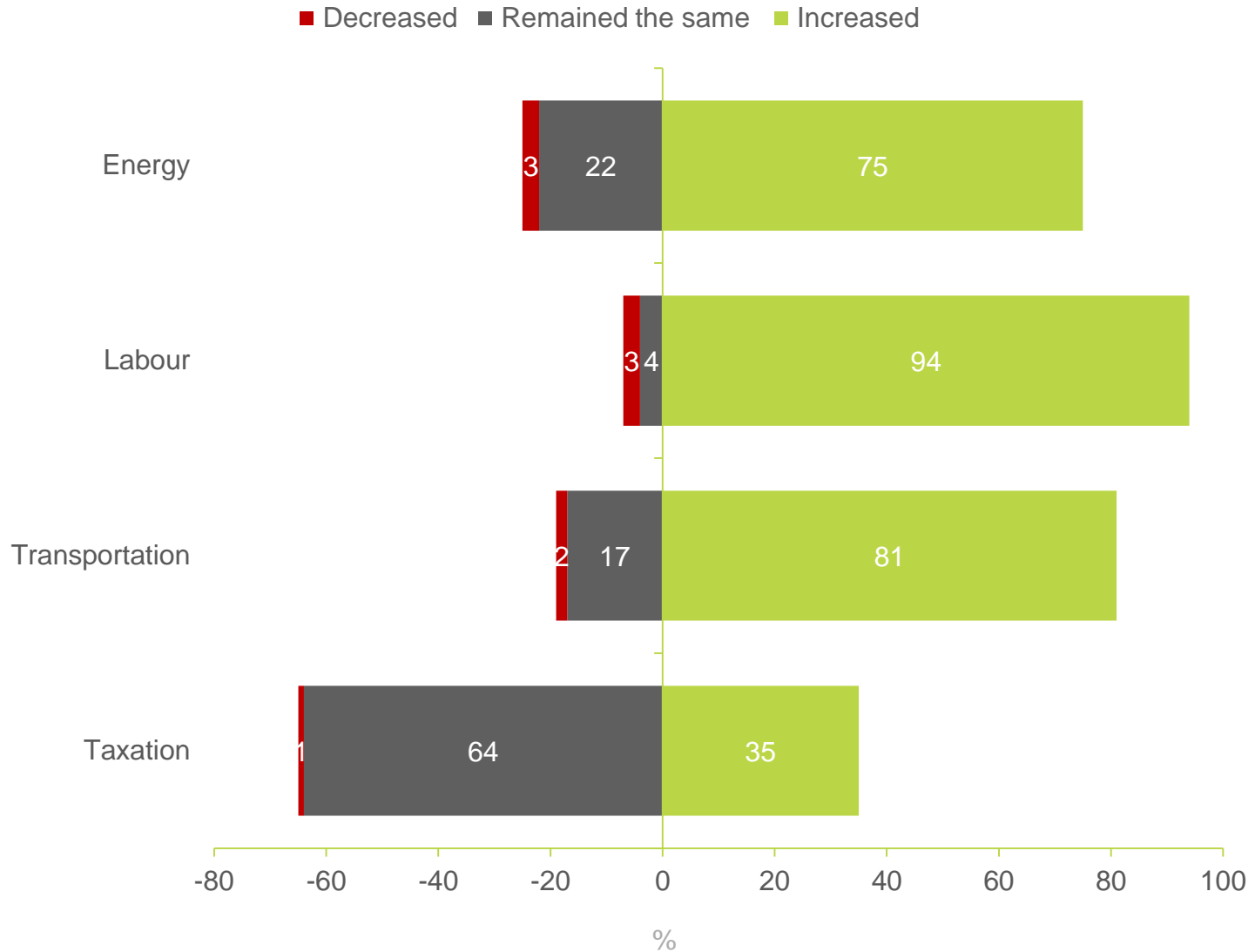
Base 139: All respondents



¹ Due to rounding percentages add to 99%-101%

Q11 In the past 12 months, have the following input costs to your business increased, decreased or remained the same?

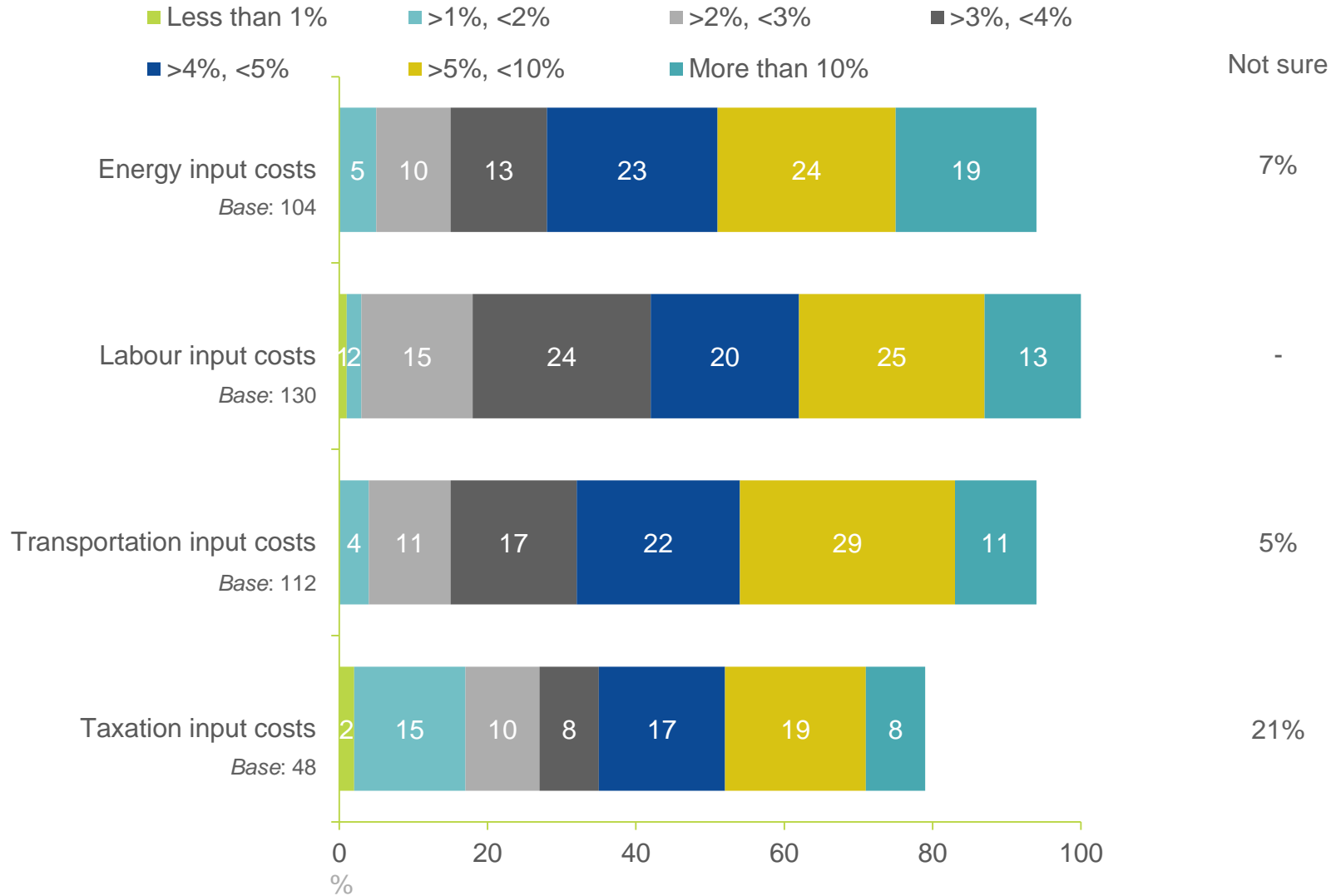
Base 139: All respondents



¹ Due to rounding percentages add to 99%-101%

Q11 What has been the approximate percentage rise in energy, labour, transportation and taxation input costs?

Individual bases below.



¹ Due to rounding percentages add to 99%-101%



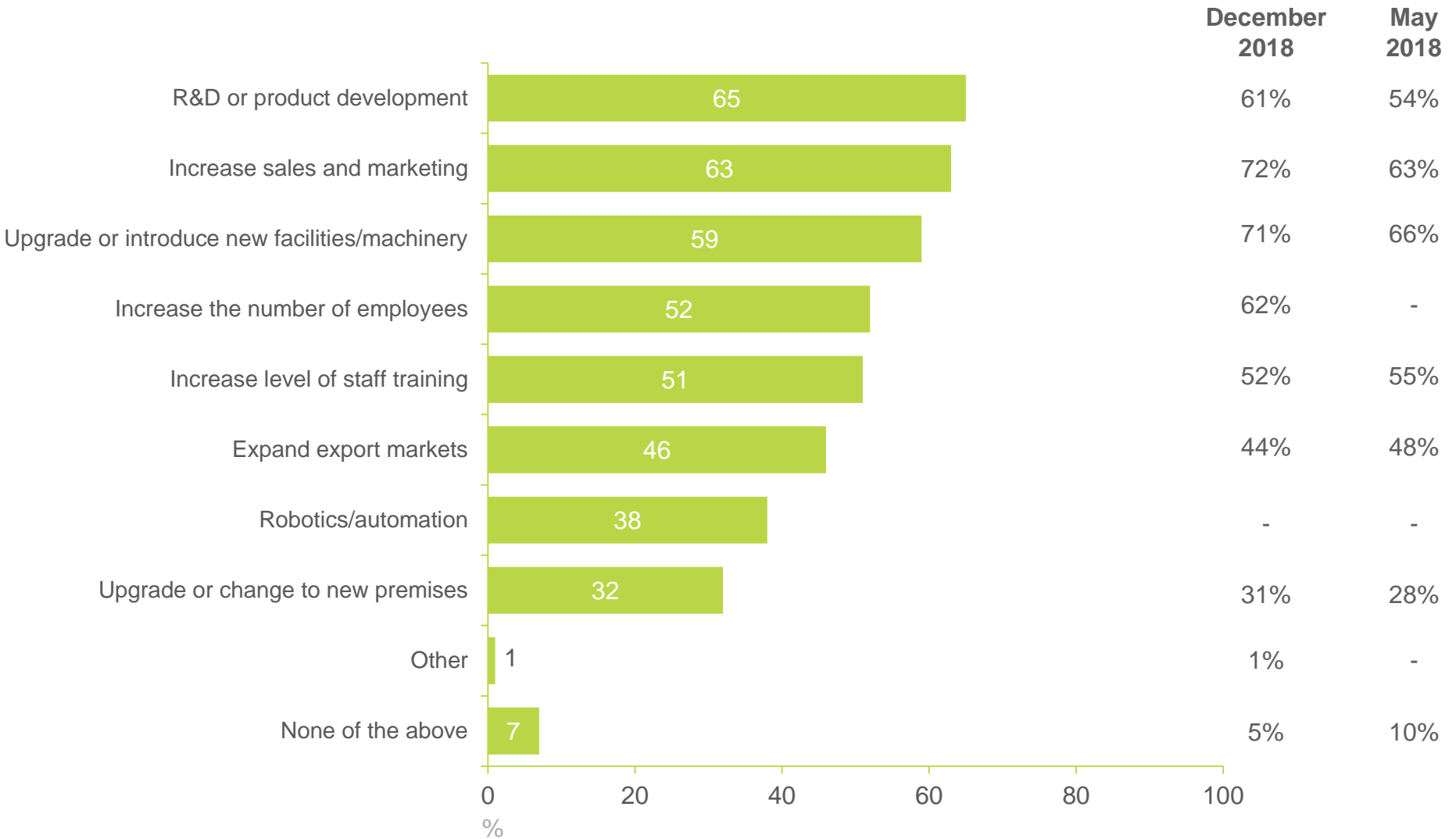
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Investment and finance

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 139: All respondents



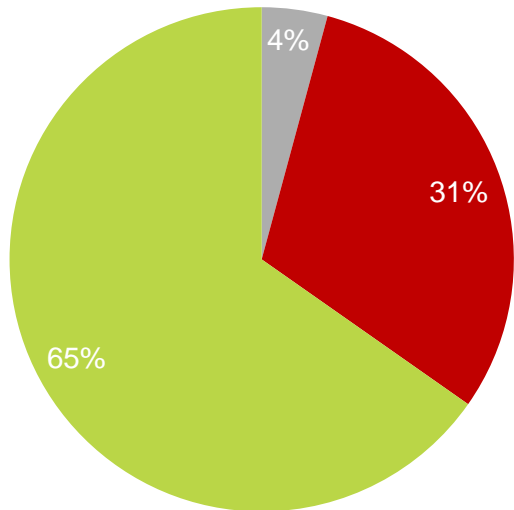
¹ Multi response question so percentage is greater than 100%

R&D tax credits

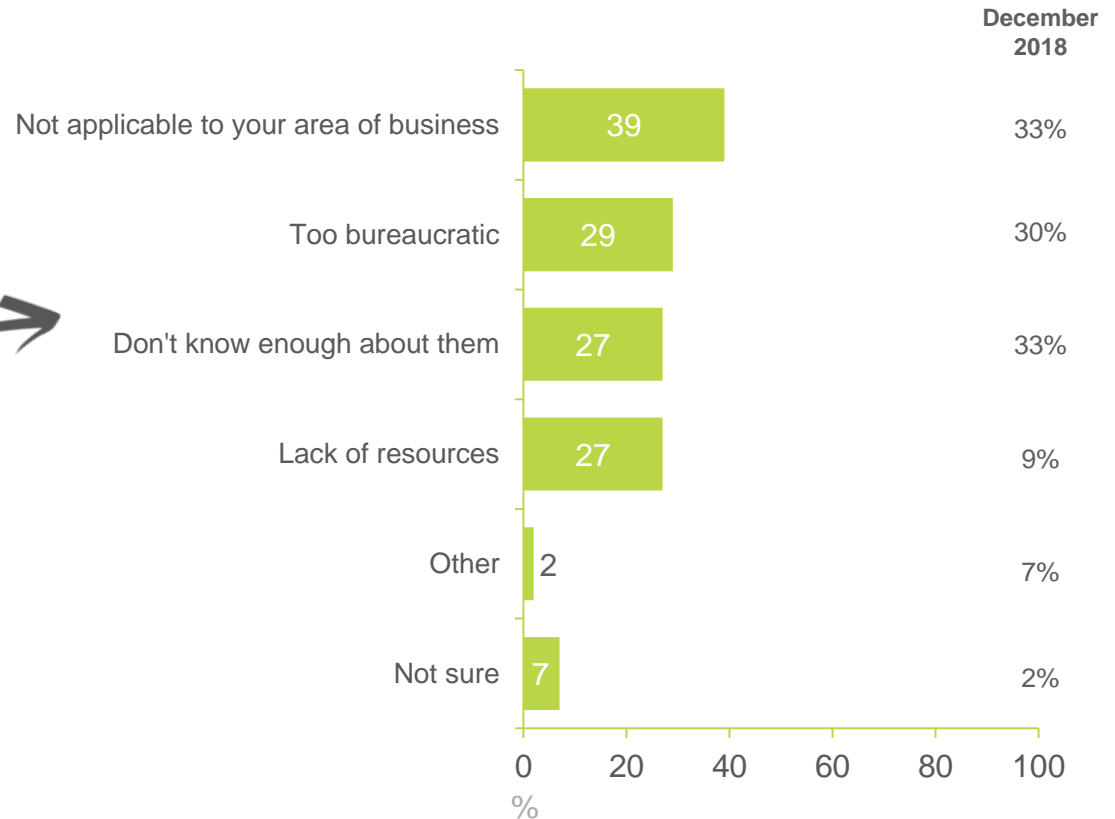
Individual bases below

Q13 In the last 12 months have you applied for R&D tax credits?
Base: 139. All respondents

■ Not aware of R&D tax credits ■ No ■ Yes



Q13b Why have you not applied for R&D Tax Credits?
Base: 41. Those who have not applied for tax credits

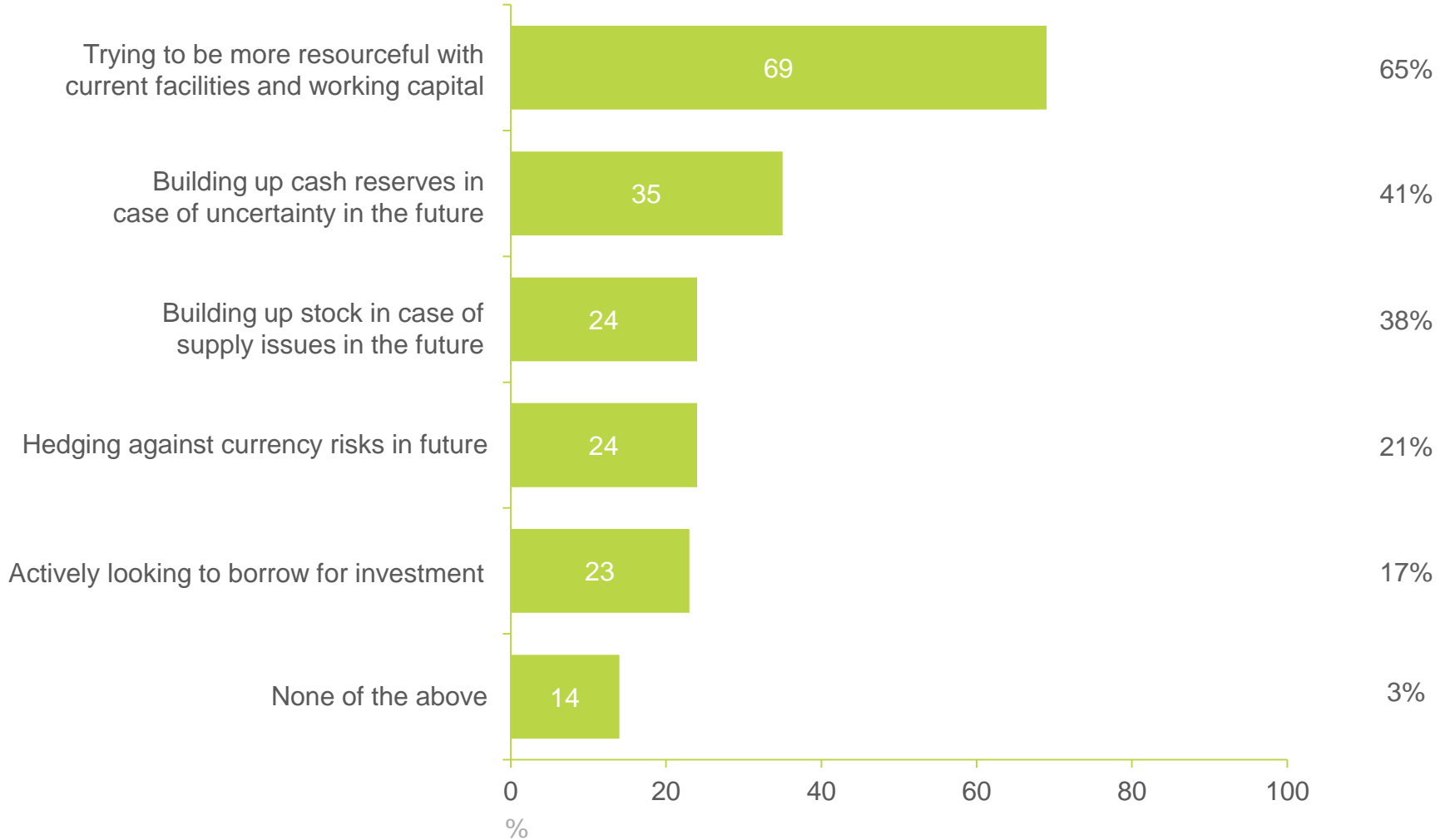


¹ Multi response question so percentage is greater than 100%

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

Base 139: All respondents

December 2018



¹ Multi response question so percentage is greater than 100%



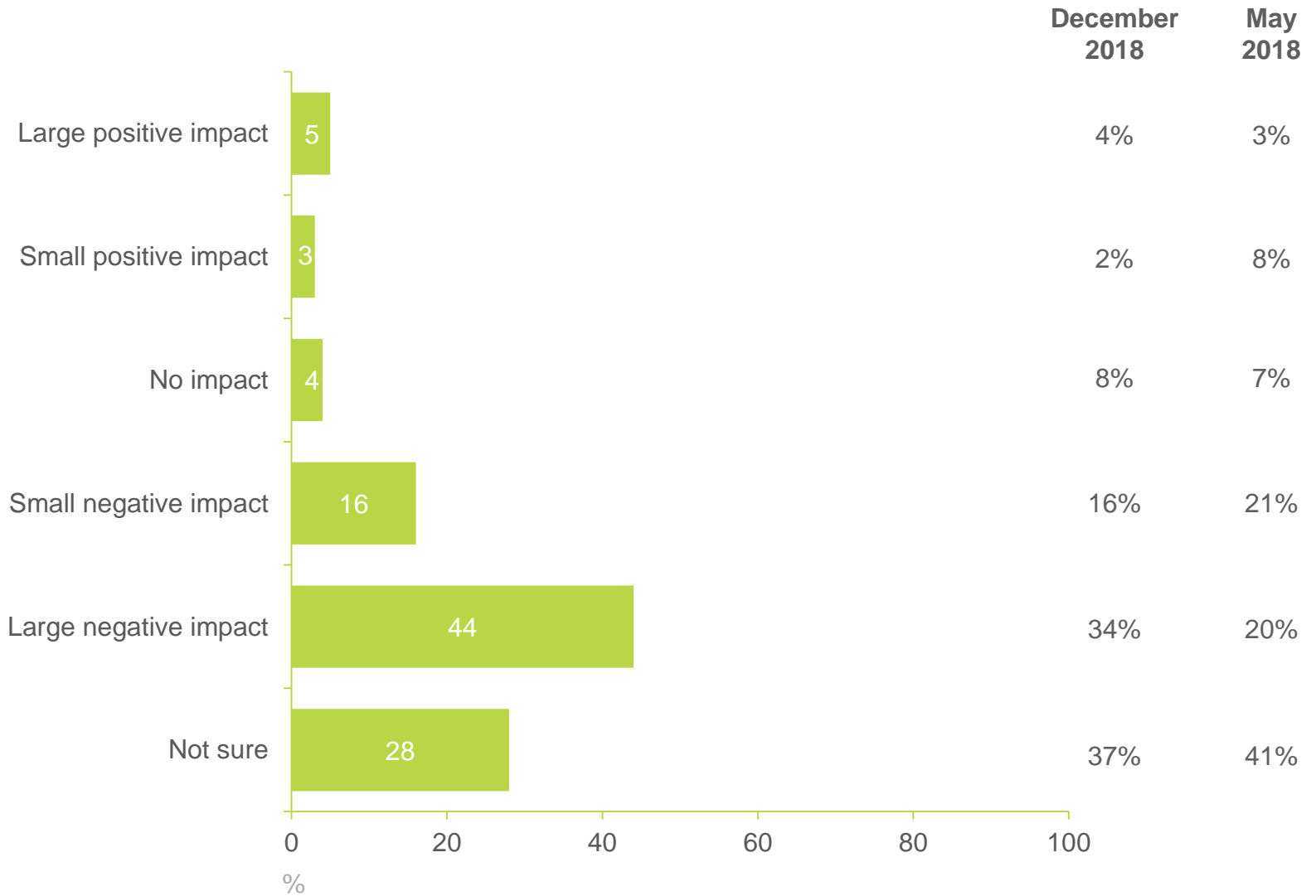
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Impact of leaving the EU

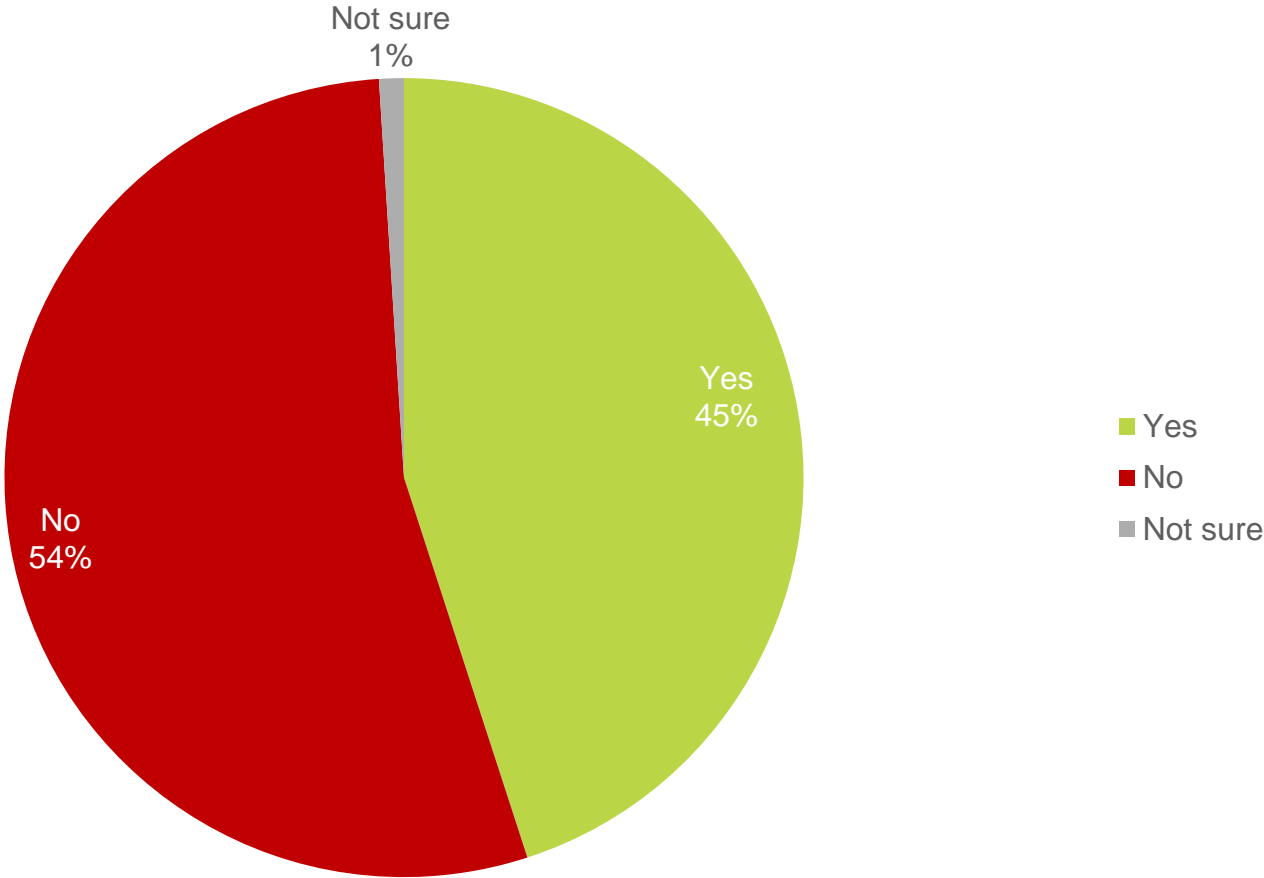
Q15 What impact, if any, will Brexit have on your business?

Base 139: All respondents



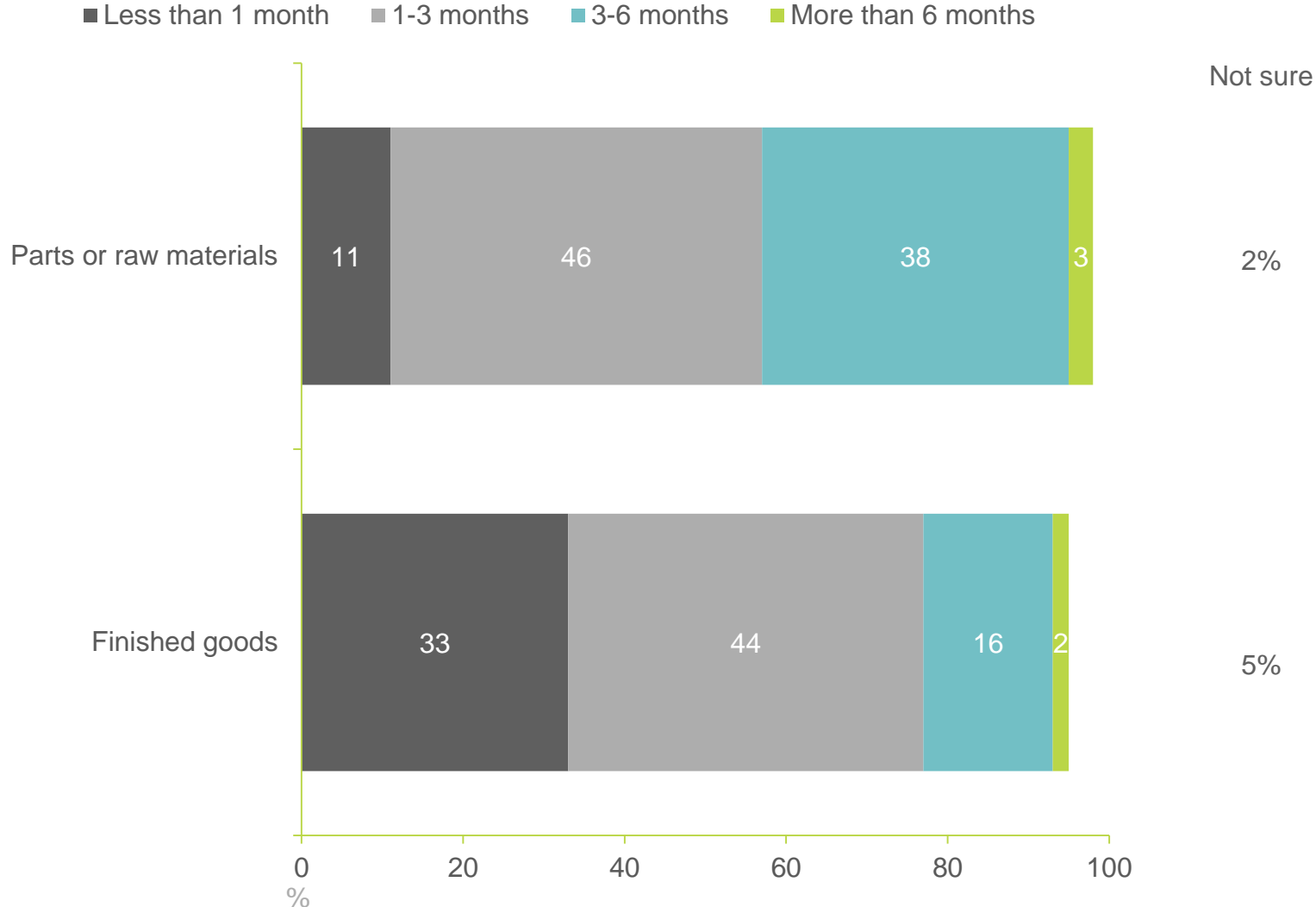
Q16 In case of a possible period of disruption to supply chains during March/April 2019, did your business actively stockpile to ensure continuity of supply?

Base 139: All respondents



Q16 Would you say that you have a stock of parts or raw materials or finished goods that you would expect to last...?

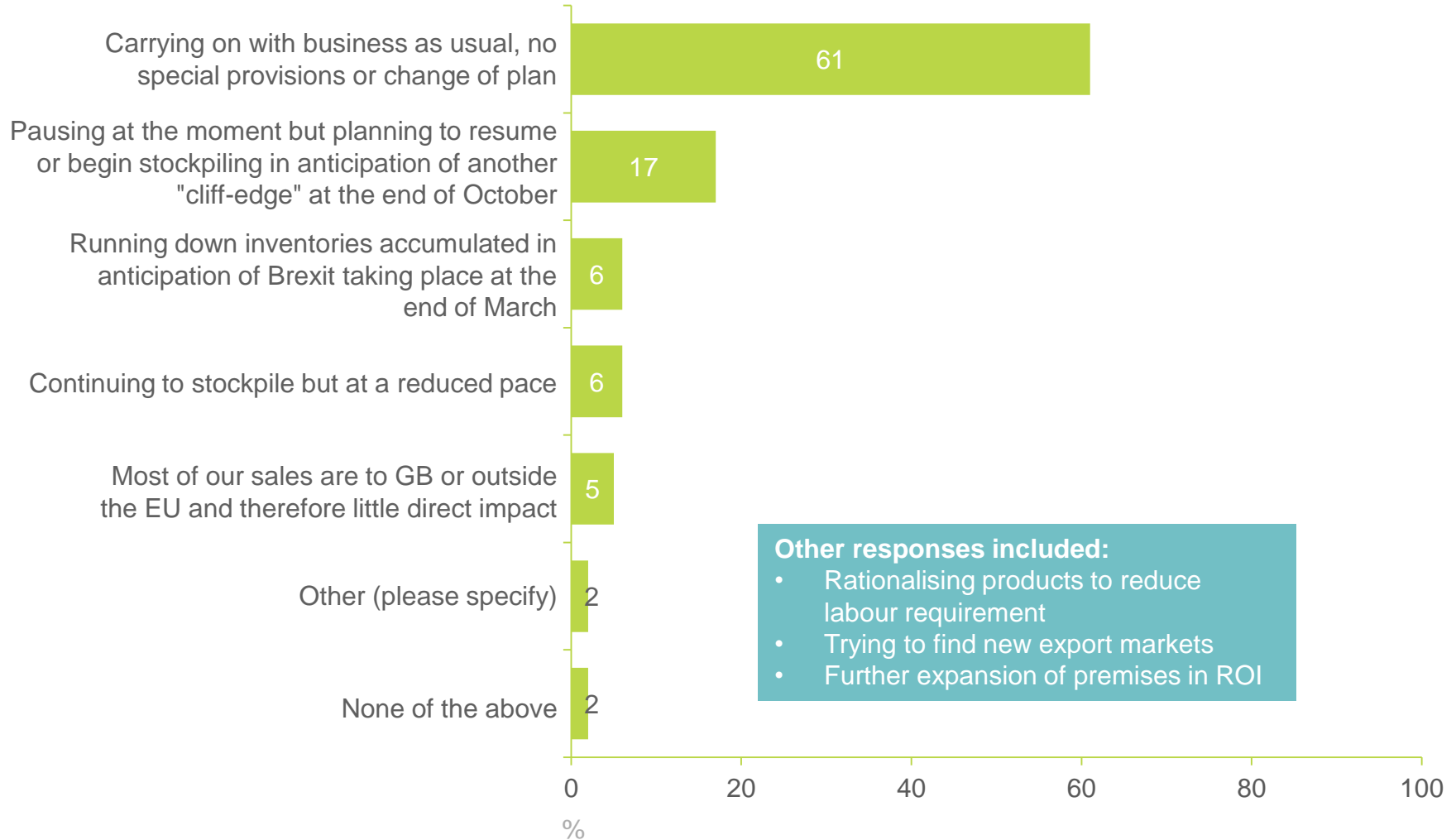
Base 63: Those that have stockpiled



¹ Due to rounding percentages add to 99%-101%

Q17 How are you responding to the repeated delay in the UK's exit from the EU?

Base 139: All respondents





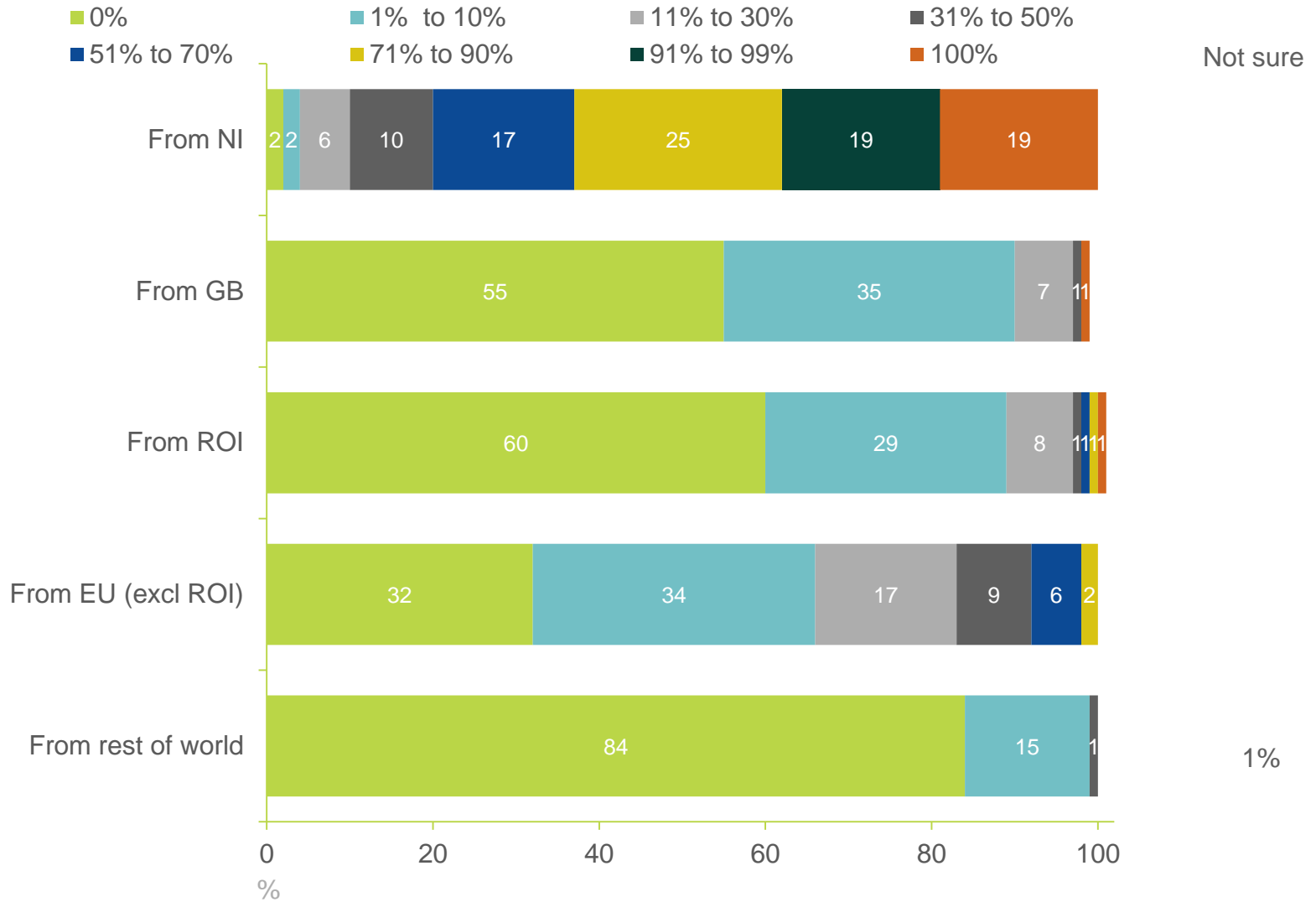
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Skills & People

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

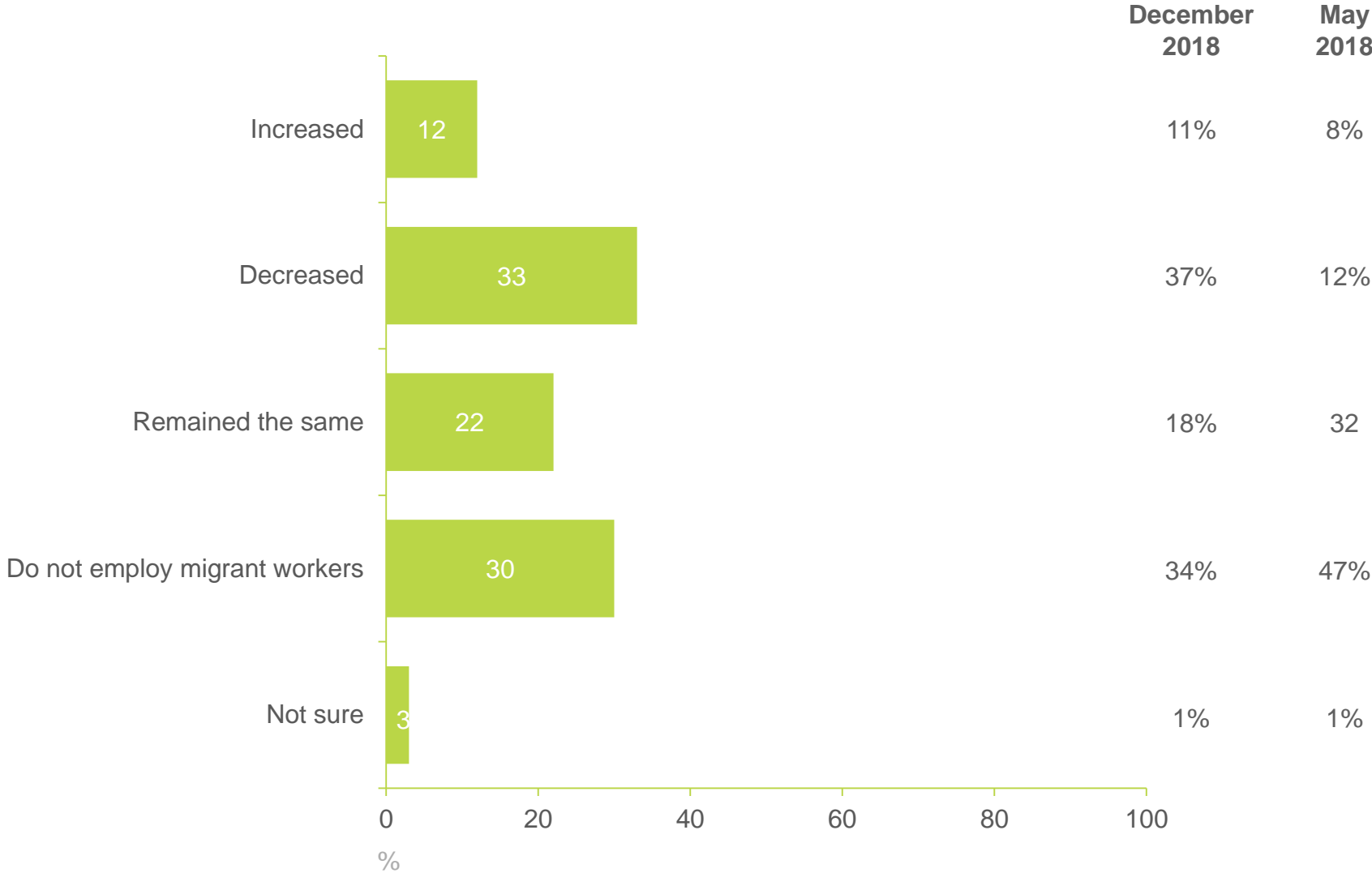
Base 139: All respondents



¹ Due to rounding percentages add to >100%

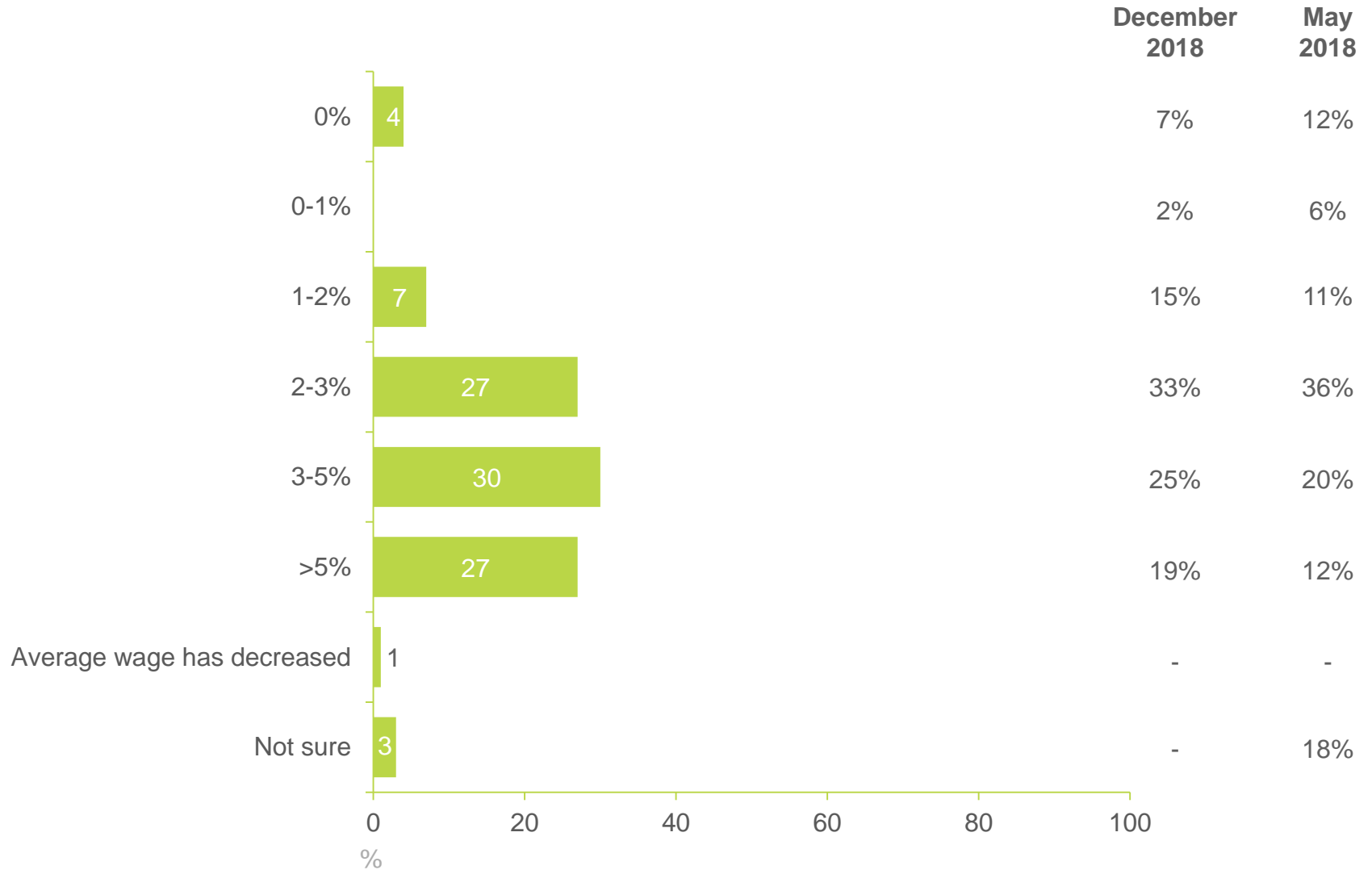
Q19 If you employ migrant workers, has that number in the last 12 months...?

Base 139: All respondents



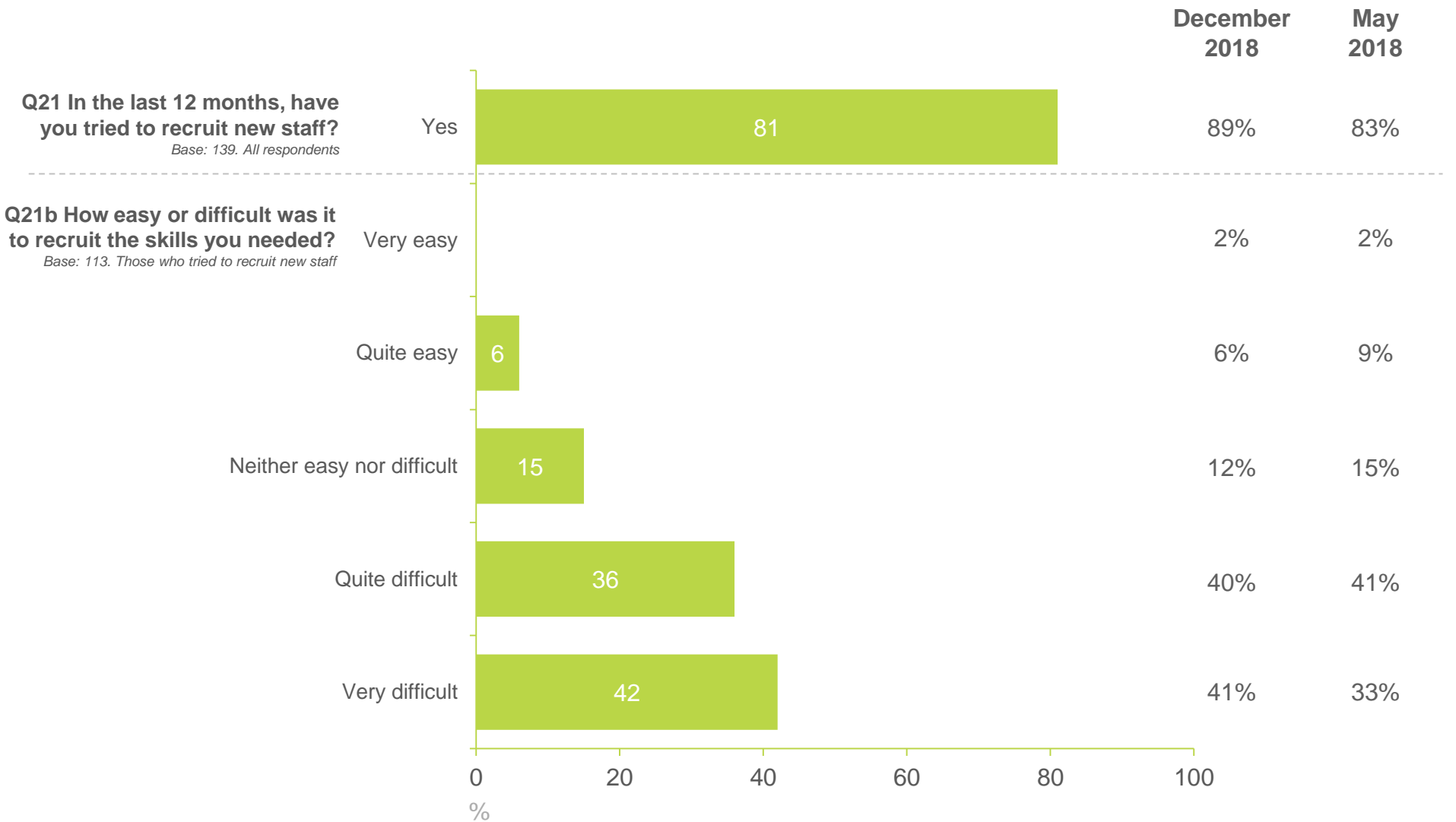
Q20 On average what wage increases were delivered over the last 12 months?

Base 139: All respondents



Recruiting new staff

Individual bases below



Q22 In the area of upskilling and training, have you undertaken any of the following training programmes?

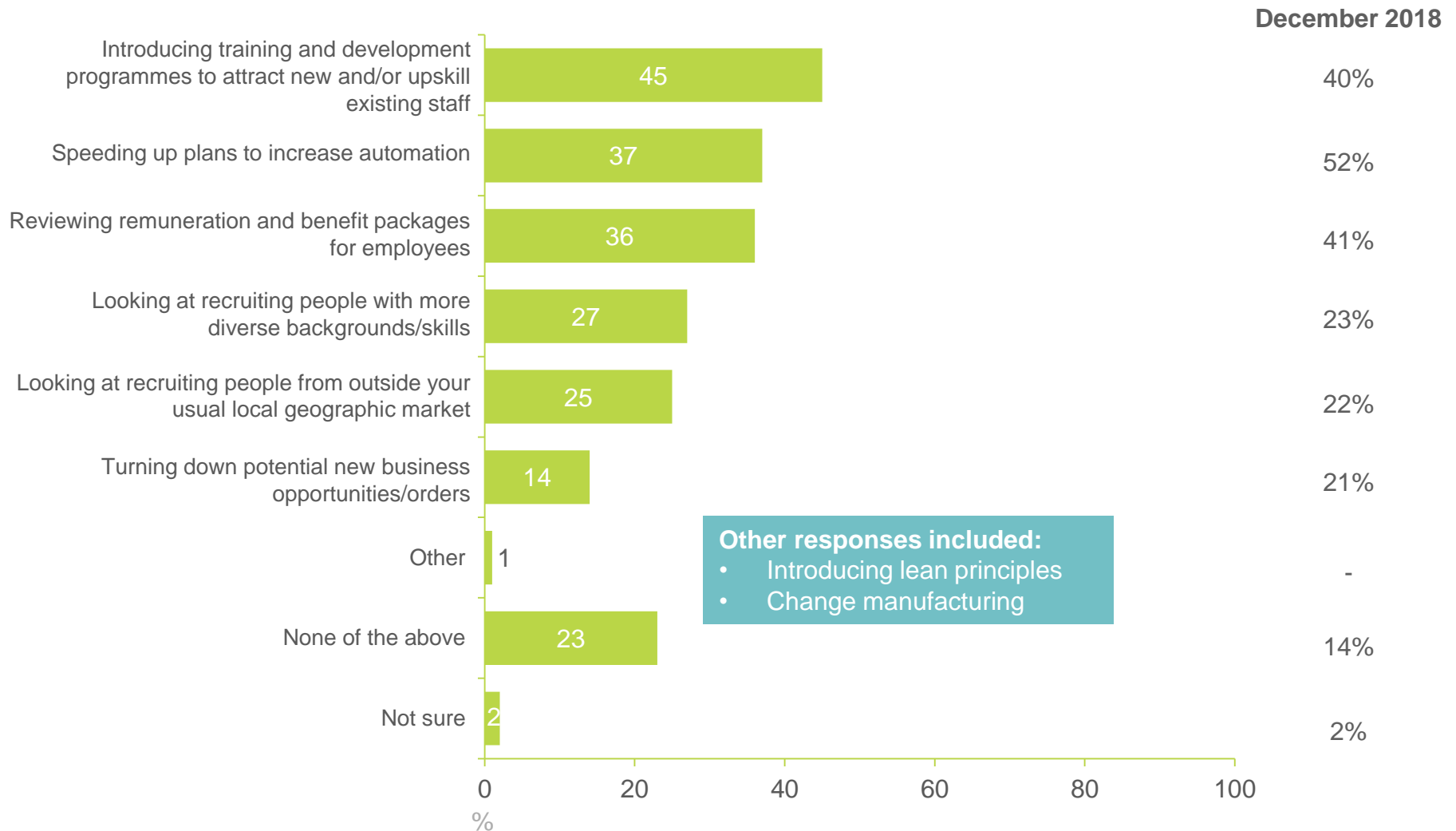
Base 139: All respondents



¹ Multi response question so percentage is greater than 100%

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

Base 139: All respondents

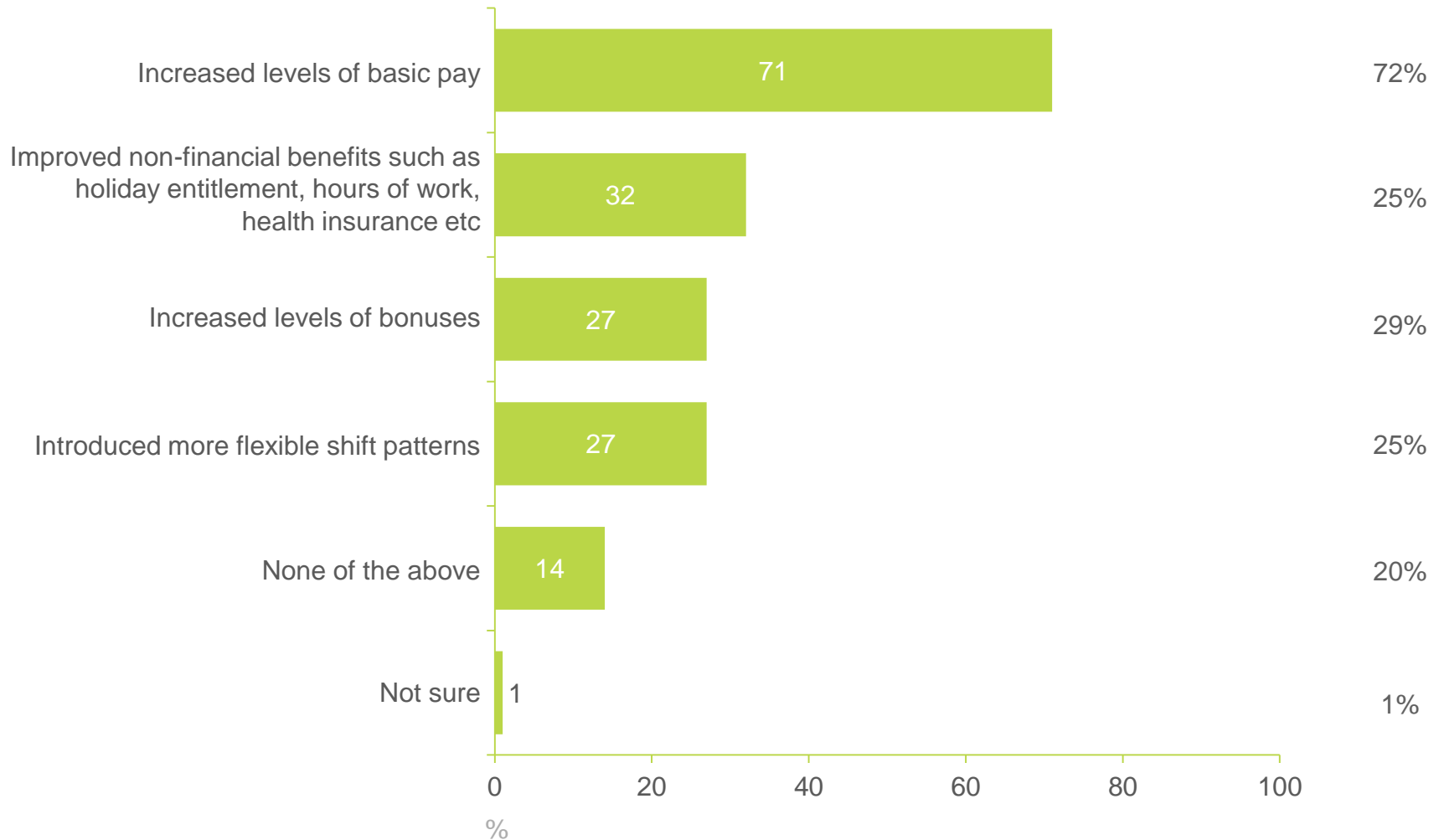


¹ Due to rounding percentages add to <100%

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

Base 139: All respondents

December 2018



¹ 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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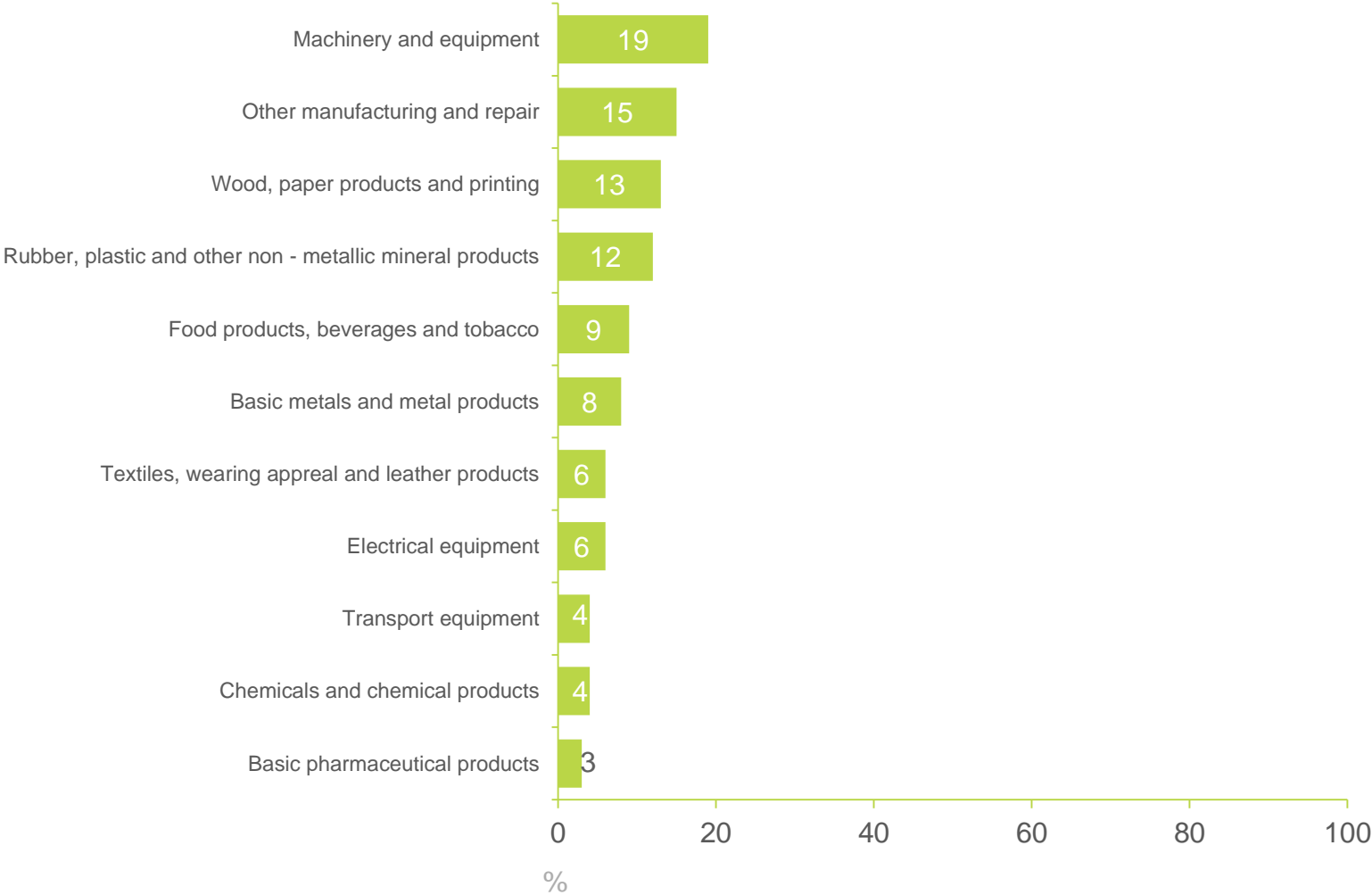
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Appendices:

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

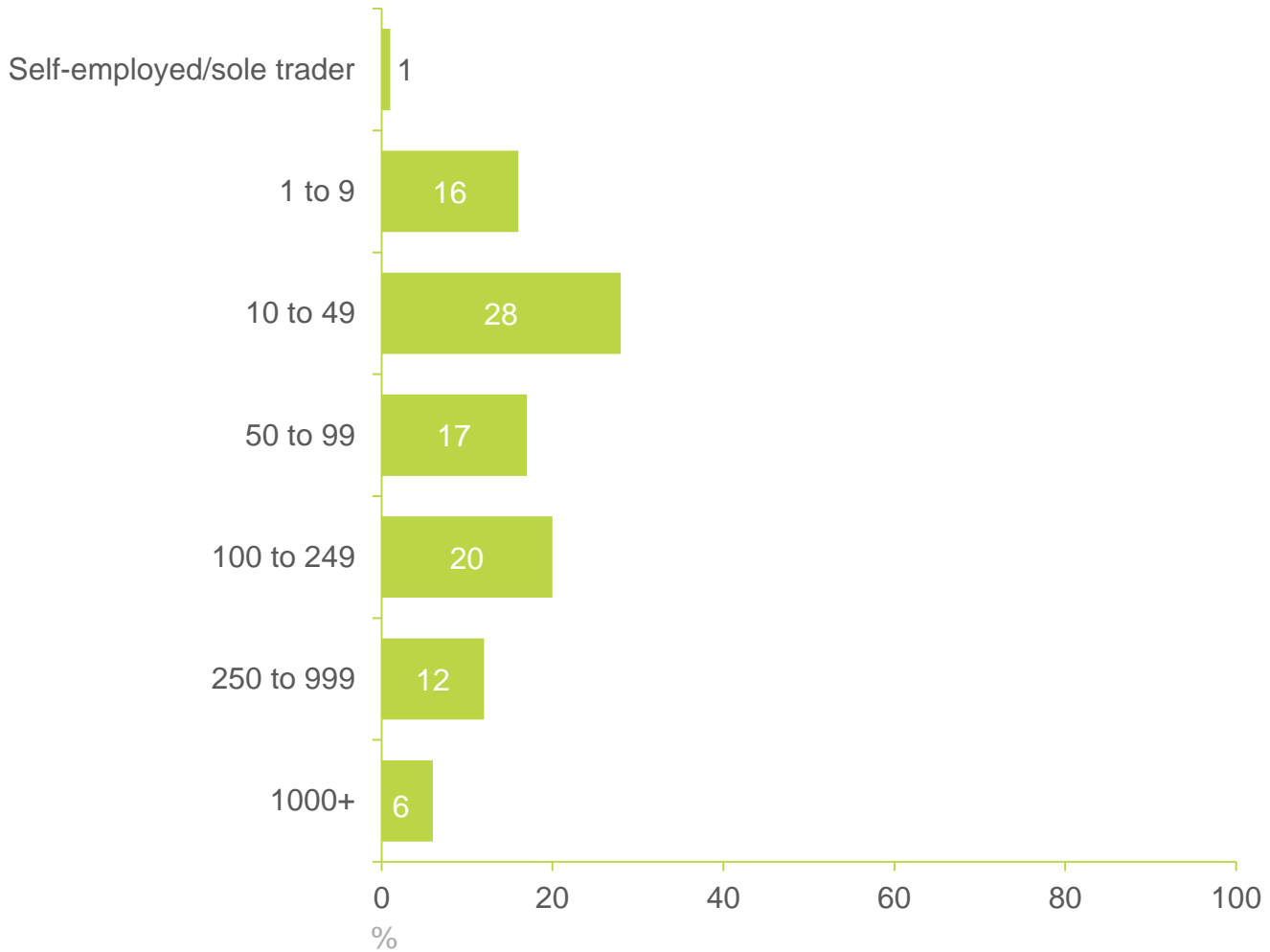
Base 139: All respondents



¹ Due to rounding percentages add to >100%

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

Base 139: All respondents



¹ Due to rounding percentages add to >100%