



**MANUFACTURINGNI**

# Tughans



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

May 2021



# Executive Summary



## GROWTH & STABILITY

### Performance & Trade

Although Covid-19 continues to affect manufacturing businesses, the sector is showing signs of recovery compared to July '20

- **17%** of those surveyed described their business as reducing or contracting compared to 42% previously.
- **48%** are experiencing growth, compared to 23% previously.

### Outlook for the future

- **45%** of businesses expect that the sector will see growth in the next 12 months, compared to 15% that expect continued weakness
- **48%** believe their productivity will improve in 2021
- However, **44%** expect their profit margins to deteriorate in 2021 relative to the previous 12 months, although 35% expect to see improvement



## ISSUES & CONCERNS

### Top 4 most prevalent concerns

- 1. Availability of raw materials** – 66% businesses rated this 4 or 5.
  - 93% of manufacturers have increased expenditure on raw materials.
  - 50% think their GB suppliers are unprepared for the new requirements.
  - 37% said disrupted supply chains are the biggest obstacle to their firms recovery, with 42% requiring supply-chain support to mitigate the impacts of Covid-19 as the economy re-opens.
- 2. Impact or uncertainty of Brexit** – 63% businesses rated this 4 or 5.
  - 77% said the first three months following the transition period have had a negative impact on their business.
  - Although 36% are currently struggling with the new processes and believe this will persist, there is a growing number saying they are now on top of these issues.
  - GB suppliers preparedness and willingness is the largest issue but EU supplies and sales continue to be an issue
  - Almost half (46%) want the NI Executive to identify and secure new opportunities for their business.
- 3. Cost of doing business**– 61% businesses rated this 4 or 5.
  - 86% have increased input costs on transportation.
  - 66% of businesses want the government to cut employment related costs to support the sector.
- 4. Impact or uncertainty of Covid-19**– 59% businesses rated this 4 or 5.
  - 43% of businesses availed of government loan schemes in the last year.
  - 37% have made redundancies due to Covid-19.

## Background



# Approach

## AIM

The aim of this research is 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 190 questionnaires were completed by manufacturing businesses in Northern Ireland.

## METHOD

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

*The survey ran from 2<sup>nd</sup> April – 23<sup>rd</sup> April.*



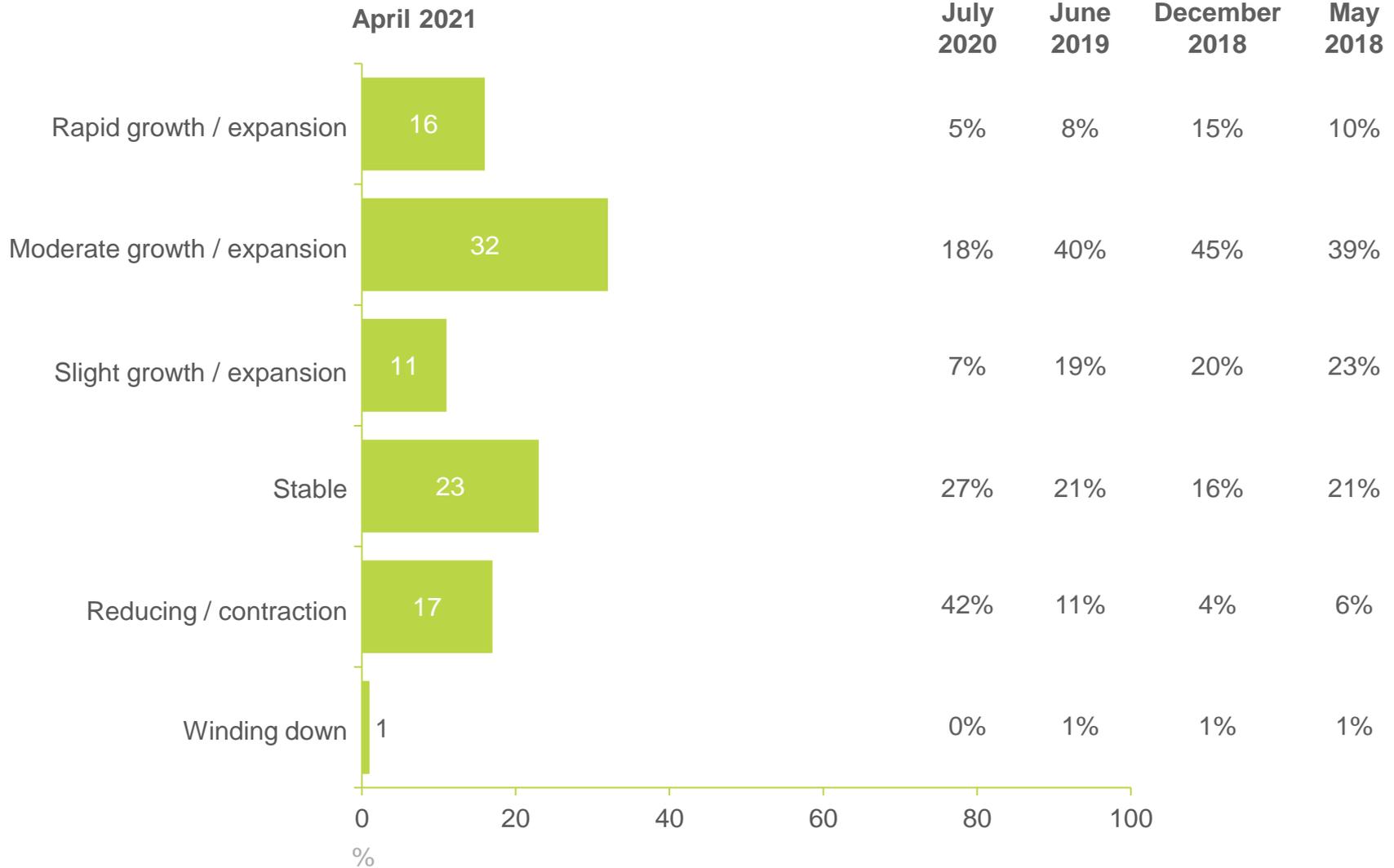
## QUESTIONNAIRE TOPICS

- Performance and trade
- Business strategy and productivity
- Support for business
- Impact of leaving the EU
- Skills and people
- Innovation

# Performance & trade

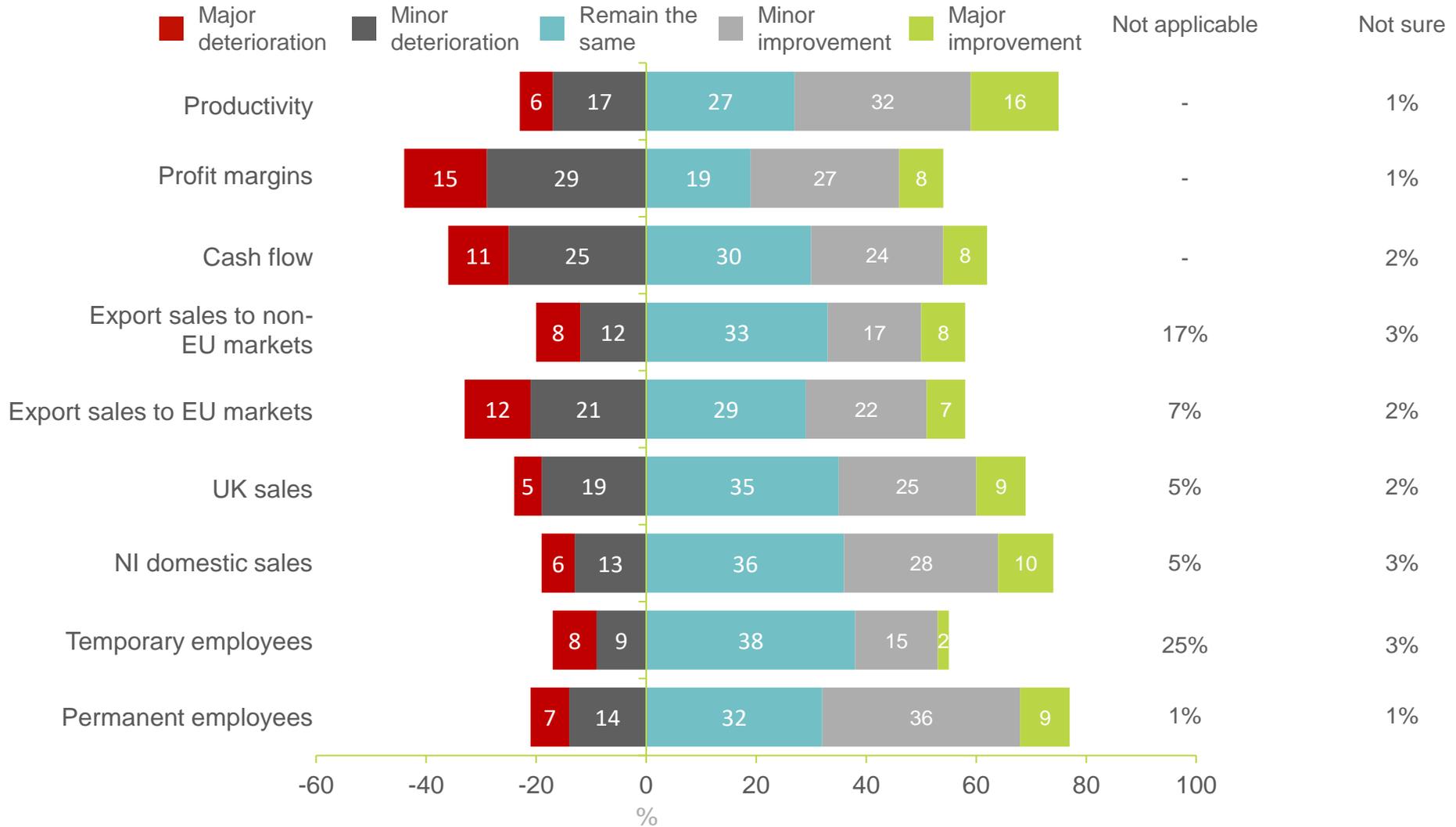
# B1 Which of the following best describes the current position of your business?

Base 190: All respondents



# B2 What changes, if any, is your company expecting in the following areas in 2021 relative to the previous 12 months?

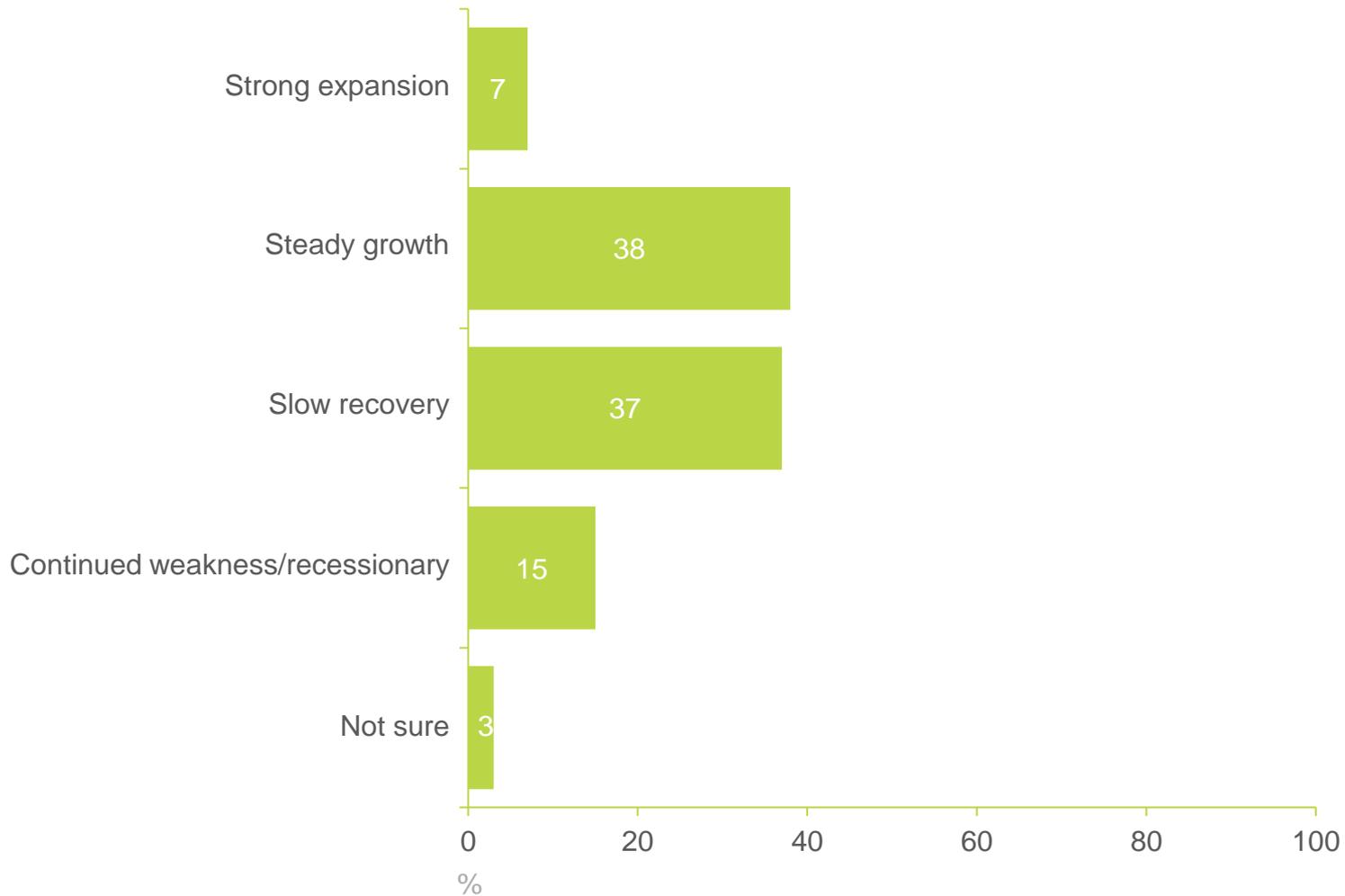
Base 190: All respondents



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

# B3 How would you assess the 12-month outlook for your sector?

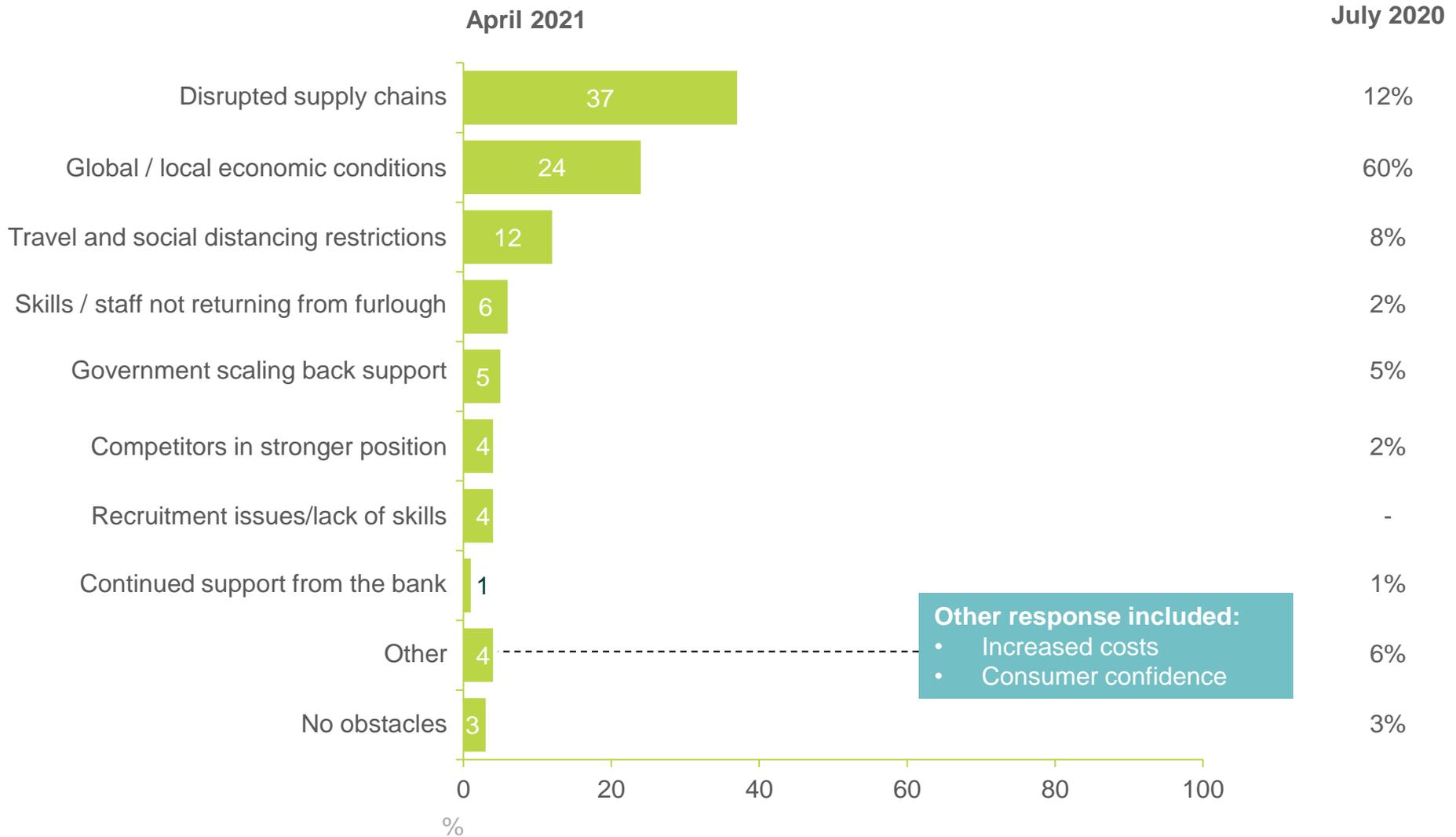
Base 190: All respondents



# Business strategy and productivity

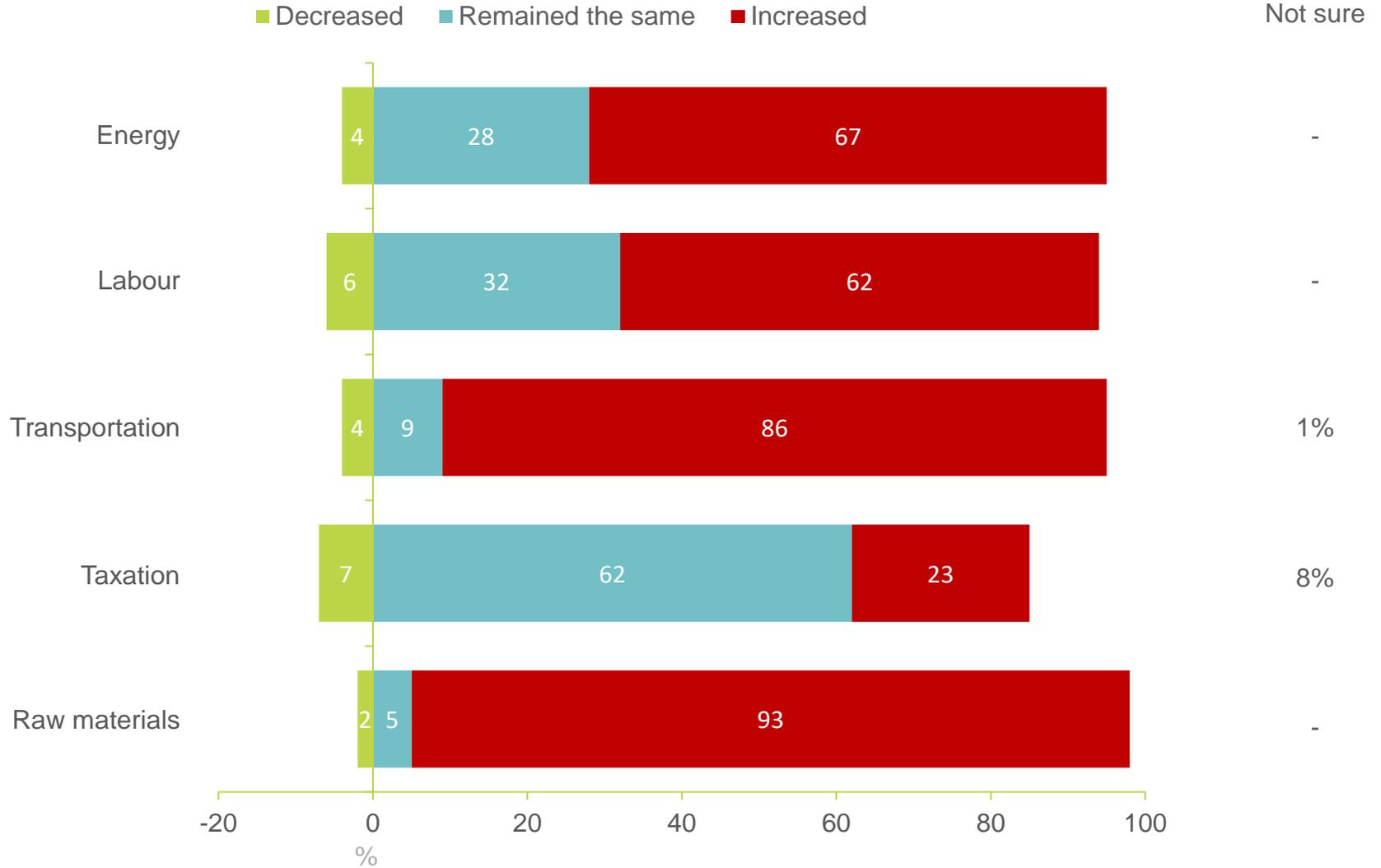
# C1 What's the biggest obstacle to the pace of recovery for your firm?

Base 190: All respondents



# C2 In the past 12 months, have the following input costs to your business increased, decreased or remained the same?

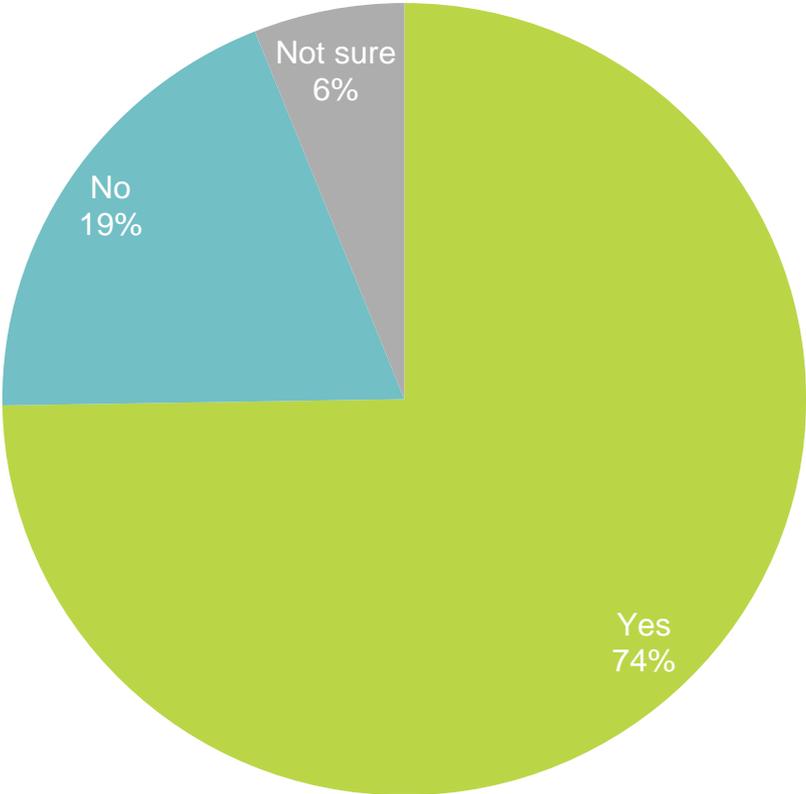
Base 190: All respondents



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

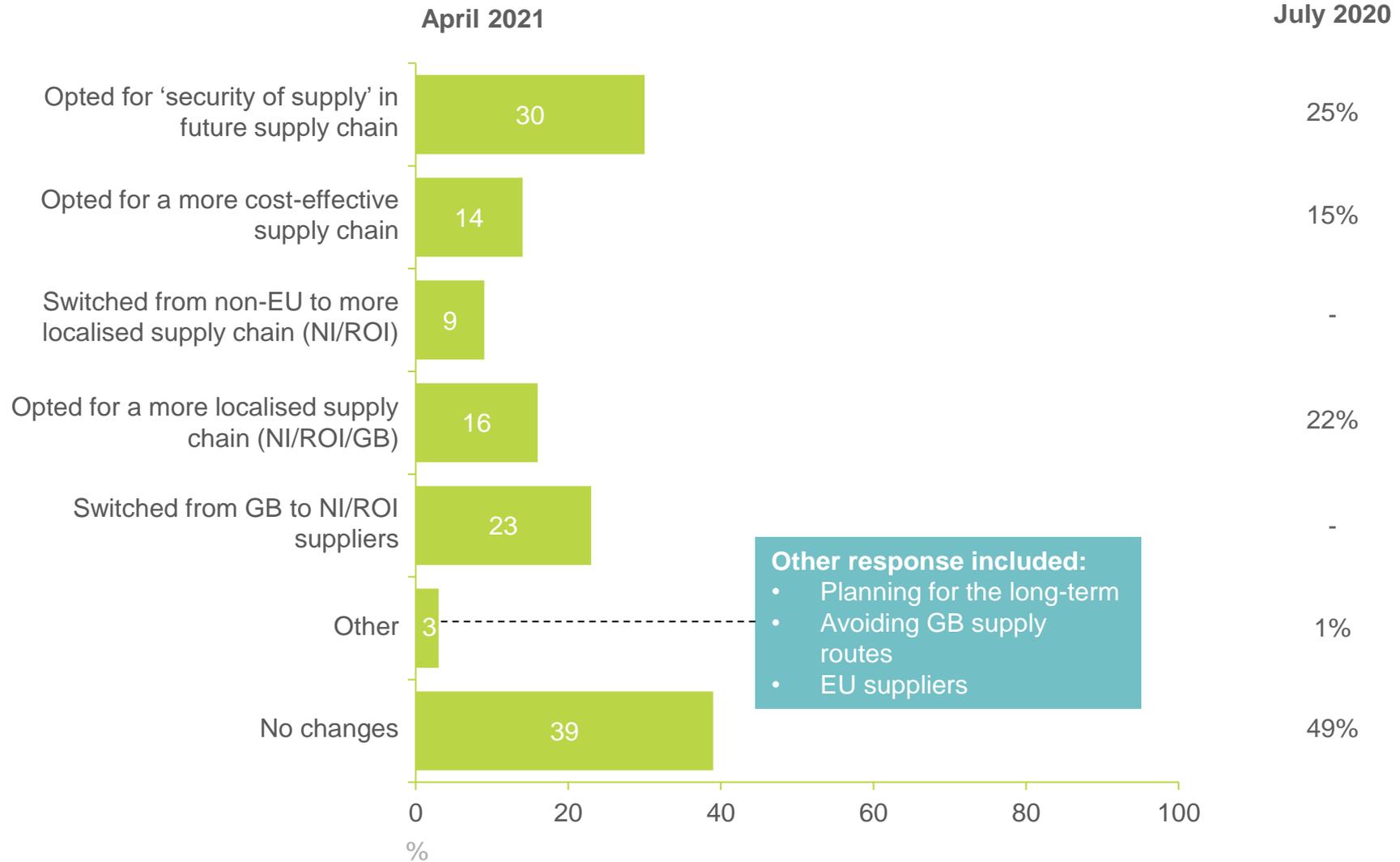
# C3 Has the shift in consumption patterns as a consequence of Covid-19 had an impact on your business?

Base 190: All respondents



# C4 As a result of Brexit / COVID-19 have you made changes to your future supply chain/ procurement processes?

Base 190: All respondents



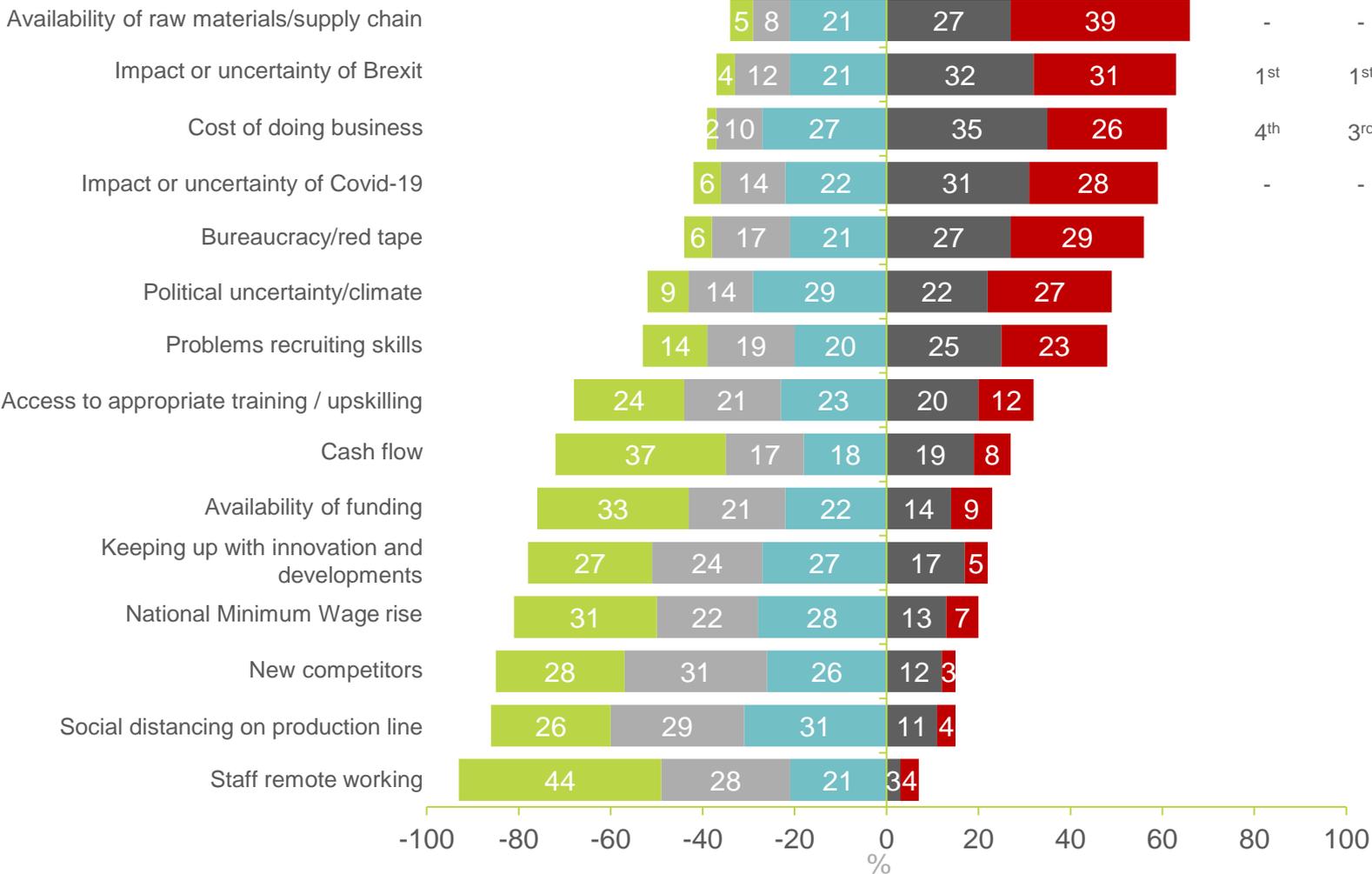
<sup>1</sup> Multiple choice question

# C5 To what extent, if at all, are each of the following an issue for your business currently?

Base 190: All respondents

1 – Not an issue 2 3 4 5 – Huge issue

July 2020 June 2019 December 2018 May 2018



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

# C5 To what extent, if at all, are each of the following an issue for your business currently?

Base 190: All respondents.

% saying it is an issue

C5 To what extent, if at all, are each of the following an issue for your business currently?	April 2021 Base: 190	July 2020 Base: 130	June 2019 Base: 139	December 2018 Base: 122	May 2018 Base: 155
Availability of raw materials/supply chain	66%	-	-	-	-
Impact or uncertainty of Brexit	63%	65%	76%	67%	56%
Cost of doing business	61%	38%	61%	65%	60%
Impact or uncertainty of Covid-19 pandemic	59%	-	-	-	-
Bureaucracy / red tape	56%	36%	48%	45%	-
Political uncertainty/climate	49%	57%	69%	59%	51%
Problems recruiting skills to meet orders	48%	20%	56%	57%	47%
Access to appropriate training/upskilling	32%	-	-	-	-
Cash flow	27%	34%	28%	22%	31%
Availability of funding	23%	25%	24%	24%	26%
Keeping up with innovation and developments in your industry	22%	15%	23%	21%	14%
National Minimum Wage rise	20%	-	-	-	-
New competitors in your market	15%	12%	26%	10%	21%
Social distancing on production line	15%	-	-	-	-
Staff remote working	7%	-	-	-	-

<sup>1</sup> Percentage of those giving a rating of 4 or 5 on a scale of 1 to 5

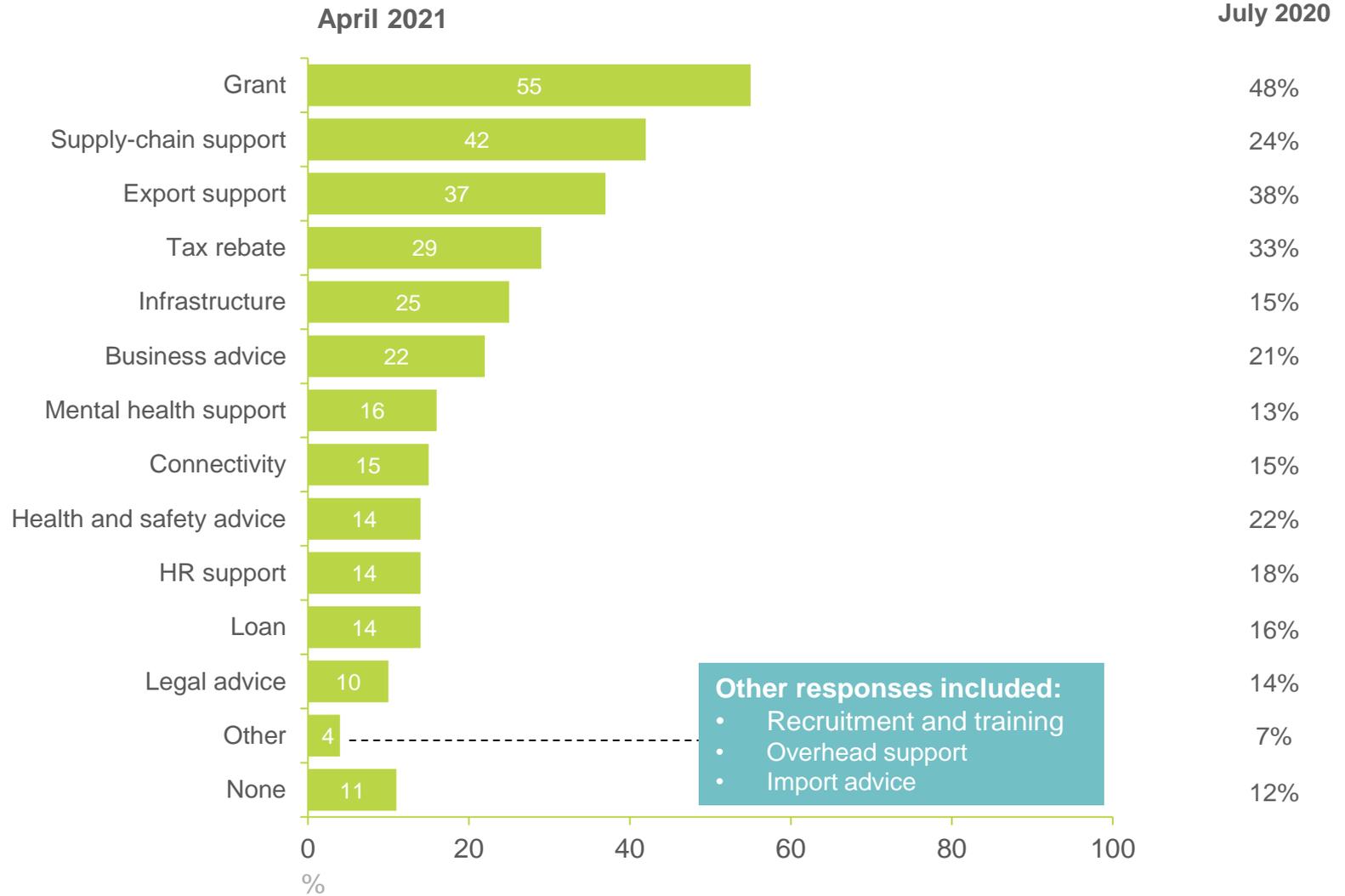
<sup>2</sup> Social distancing on the production line, staff remote working, availability of raw materials/supply chain, National Minimum Wage rise and access to appropriate skills/upskilling not asked between May '18 and July '20



# Support for business

# D1 As the economy re-opens what type of support do you need, if any, to further mitigate the impact of COVID-19?

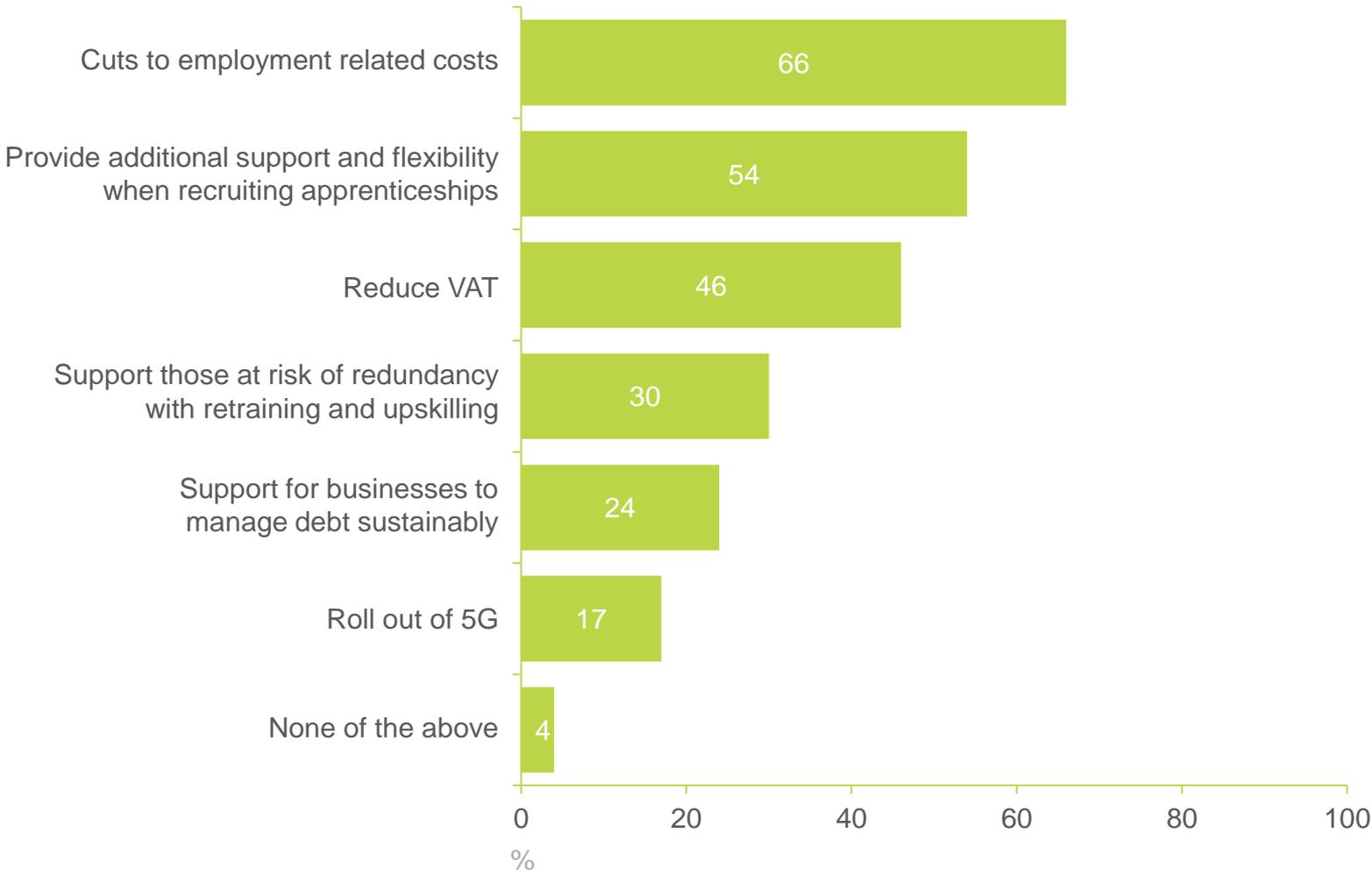
Base 190: All respondents



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

# D2 Which of the following measures do you think Government should do to support NI manufacturers at this current time?

Base 190: All respondents



<sup>1</sup> Multiple choice question

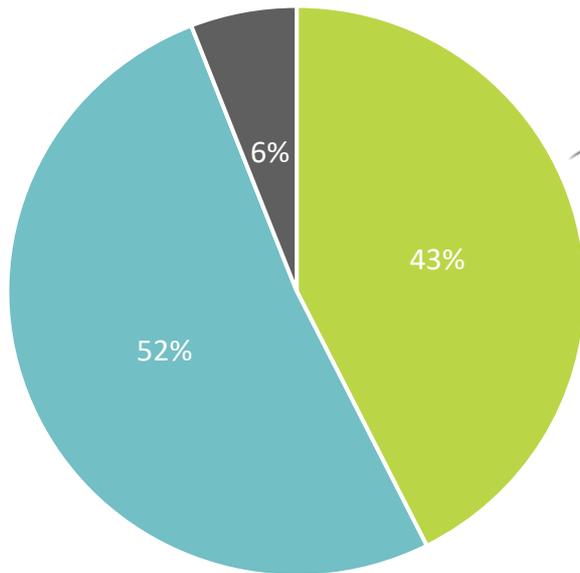
# Covid loan schemes

Base: 190. All respondents

**D3 Has your business availed of any of the specific Covid loan schemes introduced by the UK government in the last year?**

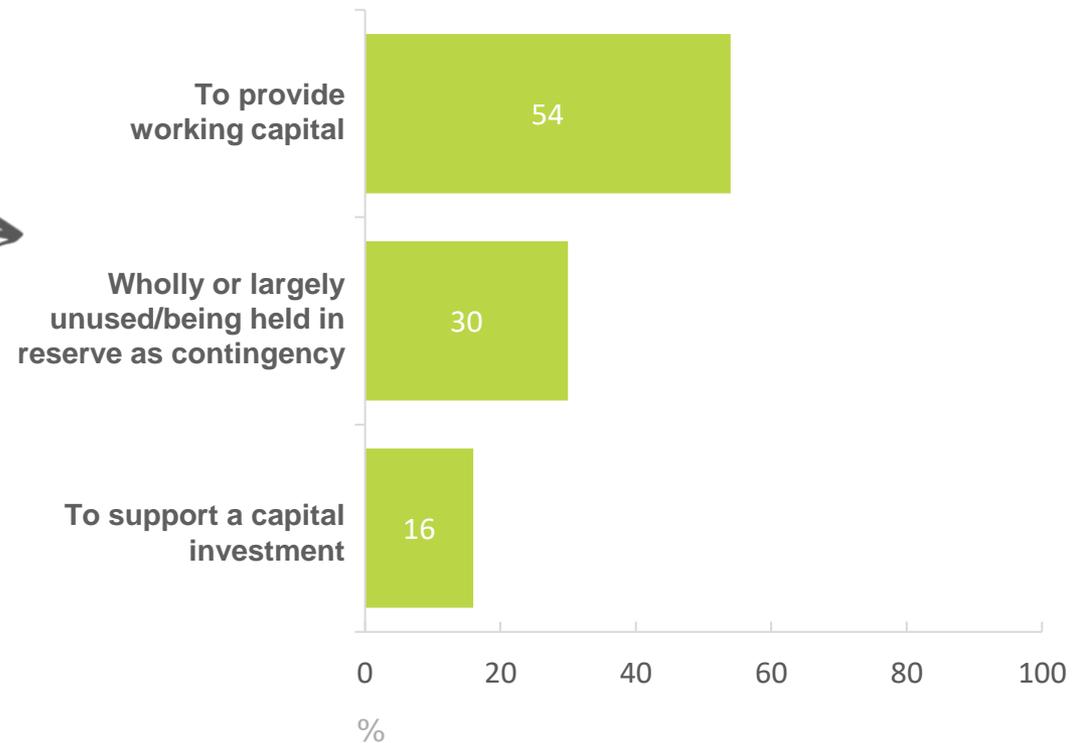
Base 190: All respondents

Yes No Not sure



**D4 What are the funds being used for?**

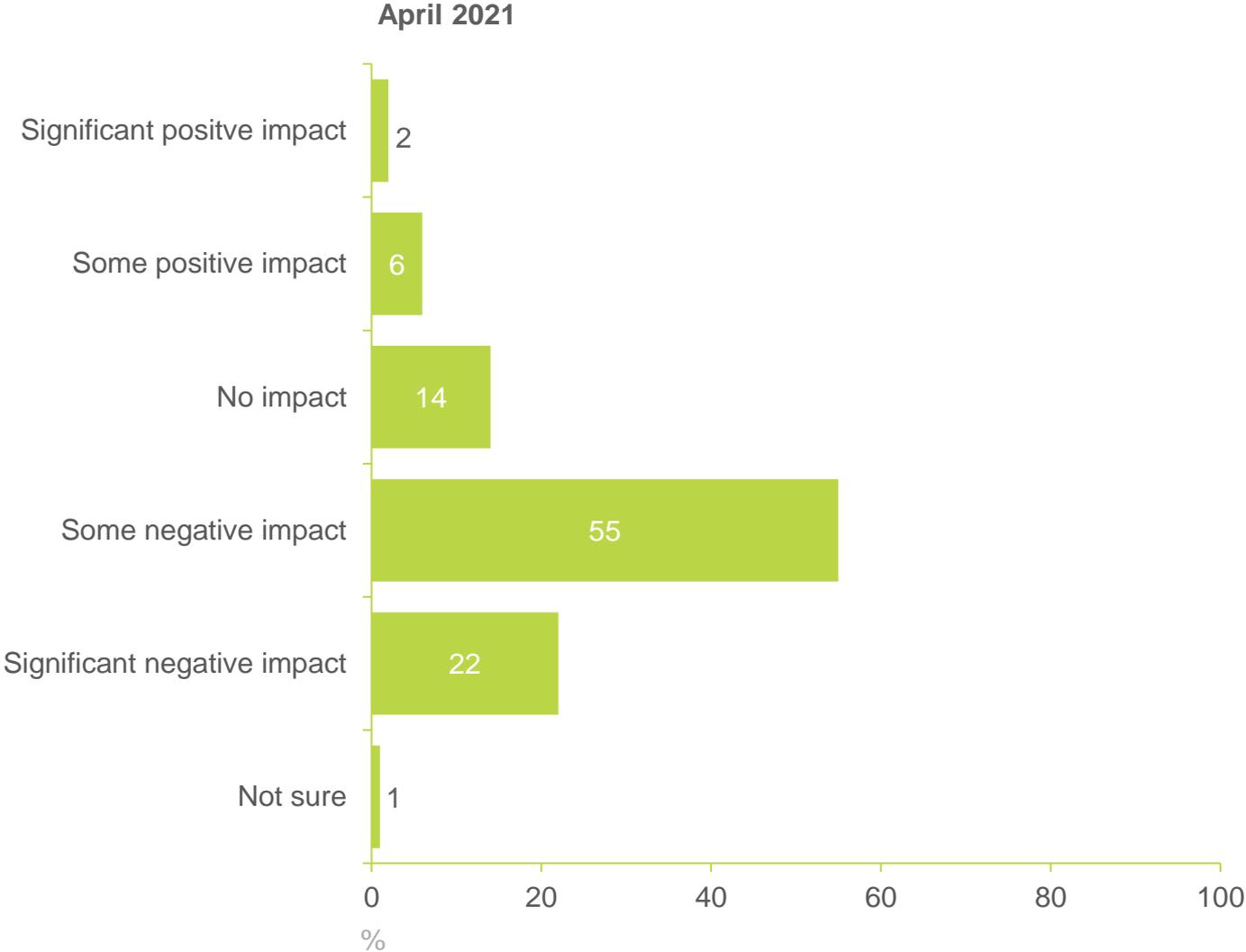
Base 81: Those that availed of Covid loan schemes



# Impact of leaving the EU

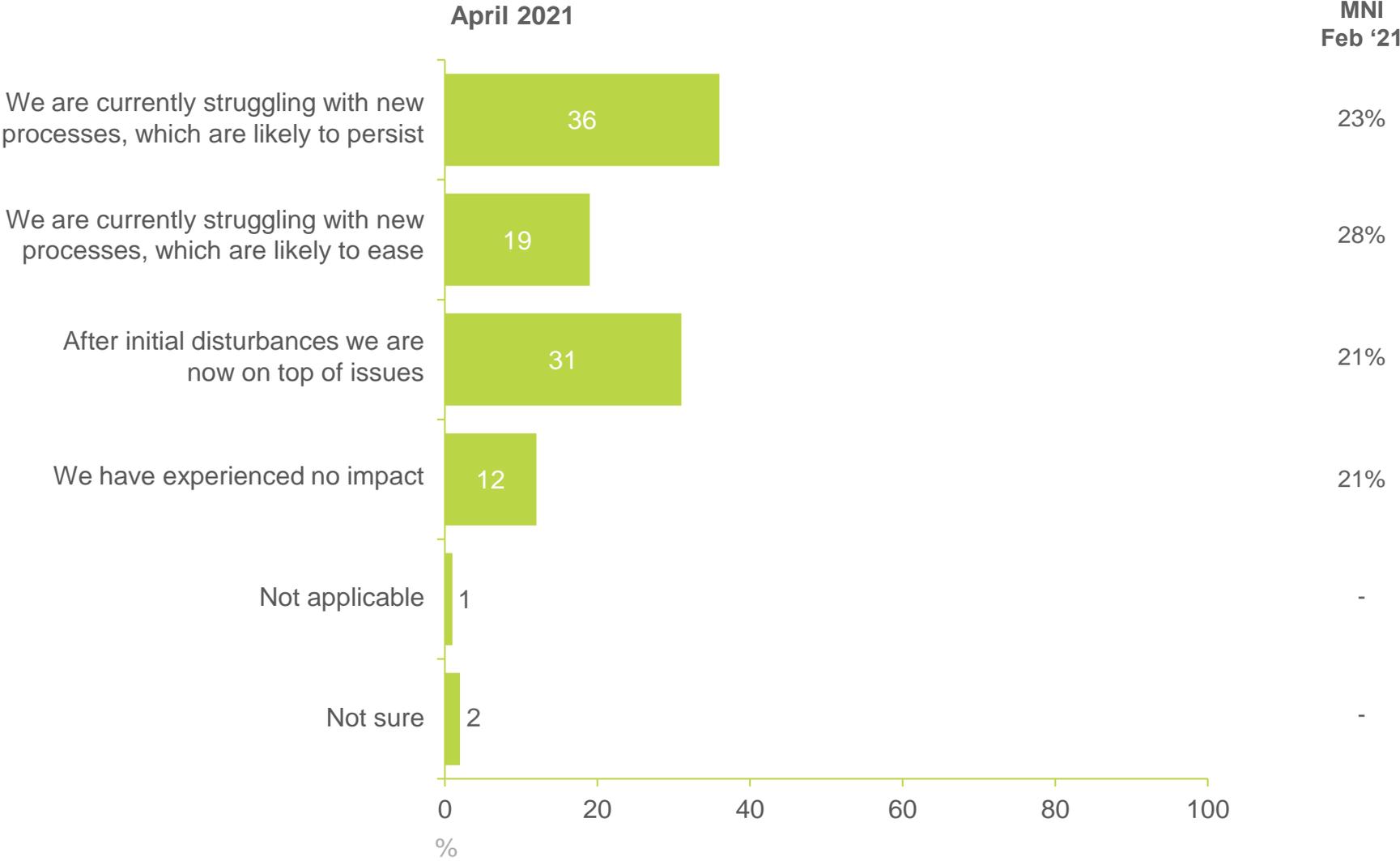
# E1 What impact, if any, has the first three months, since the end of the transition period, had on your business?

Base 190: All respondents



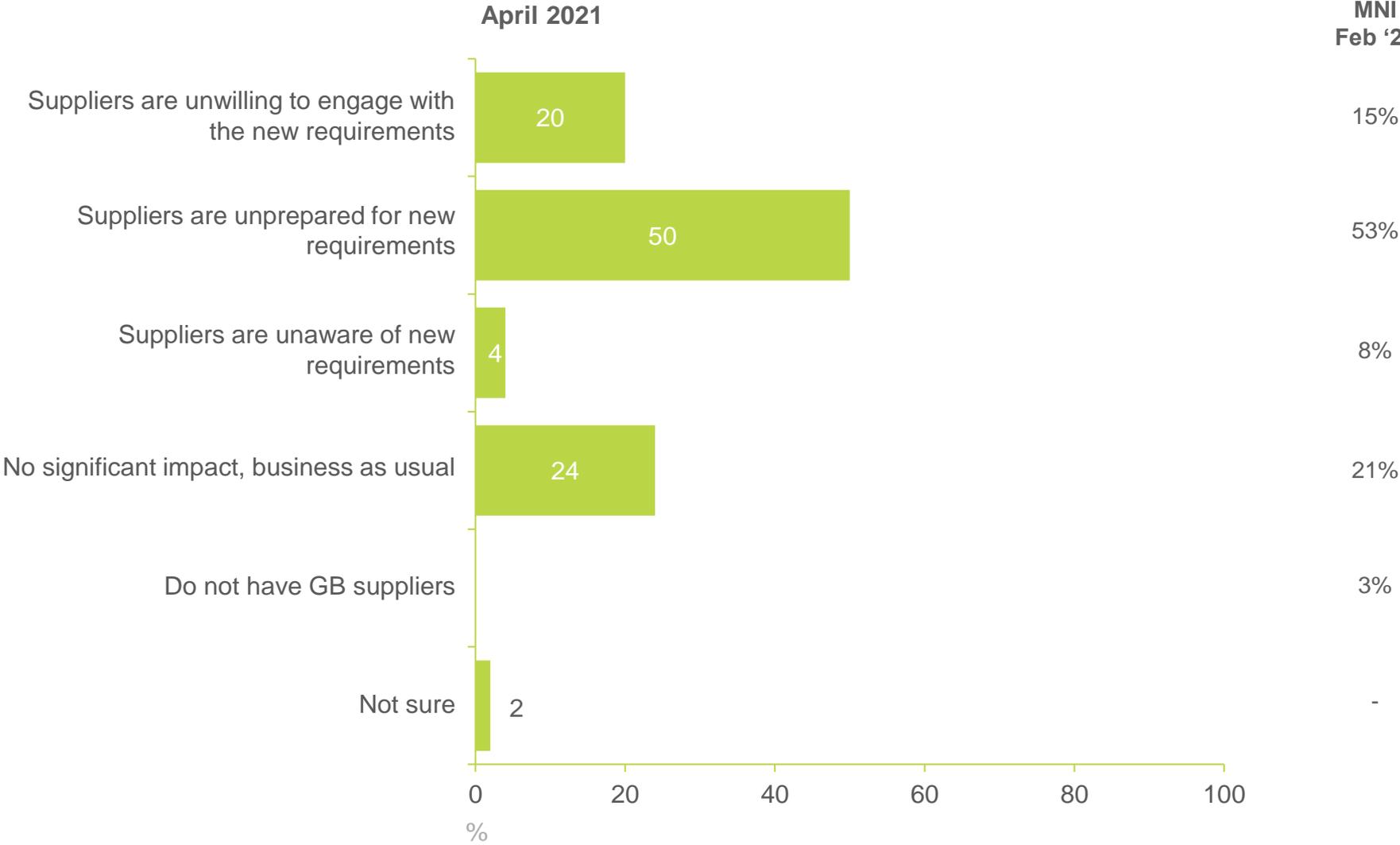
# E2 How, if at all, have the new processes as a result of the Irish Sea Border impacted your business in the past 3 months?

Base 190: All respondents



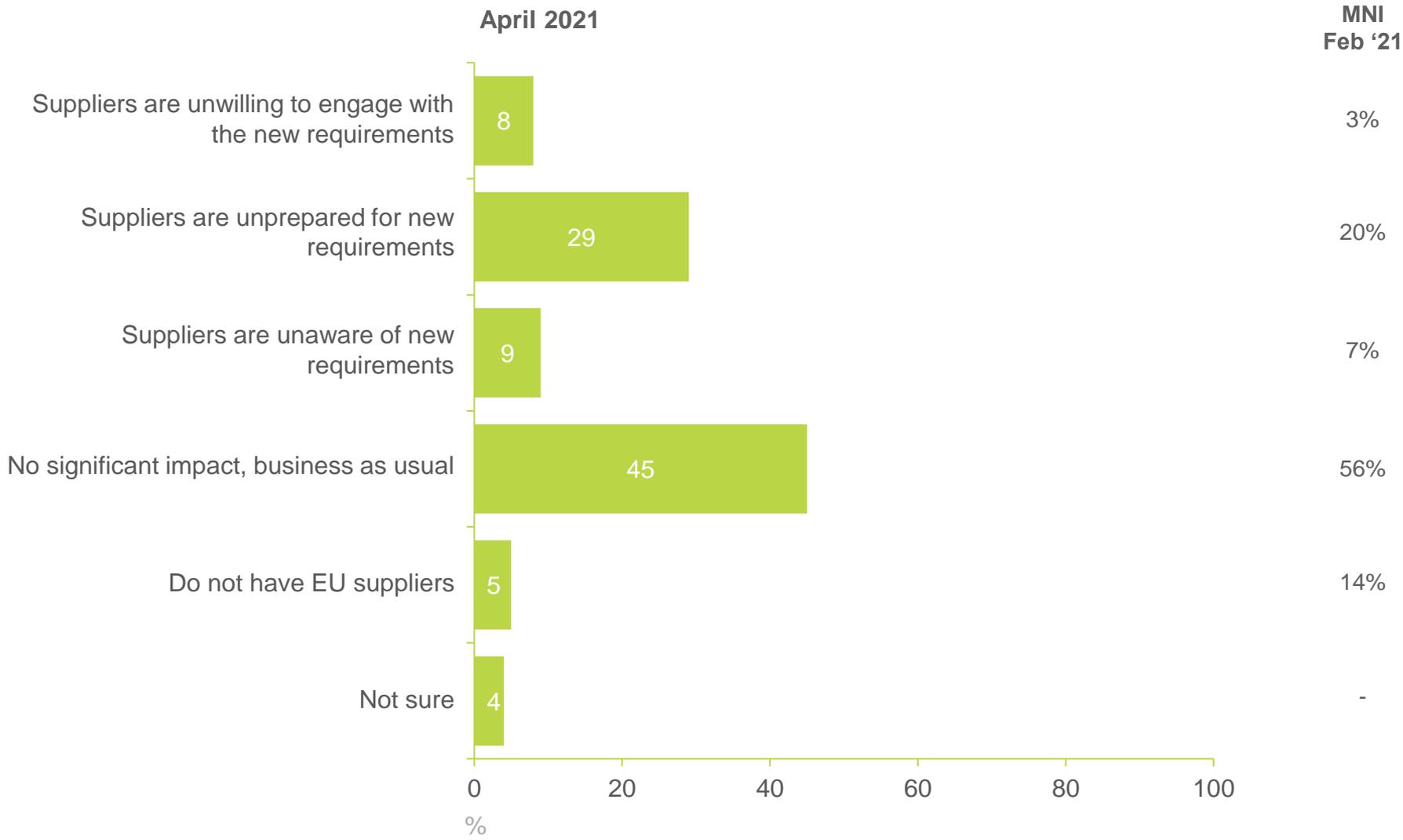
# E3 Which of the following best describes how your GB suppliers have reacted to the new requirements of the Irish Sea Border (or NI Protocol)?

Base 190: All respondents



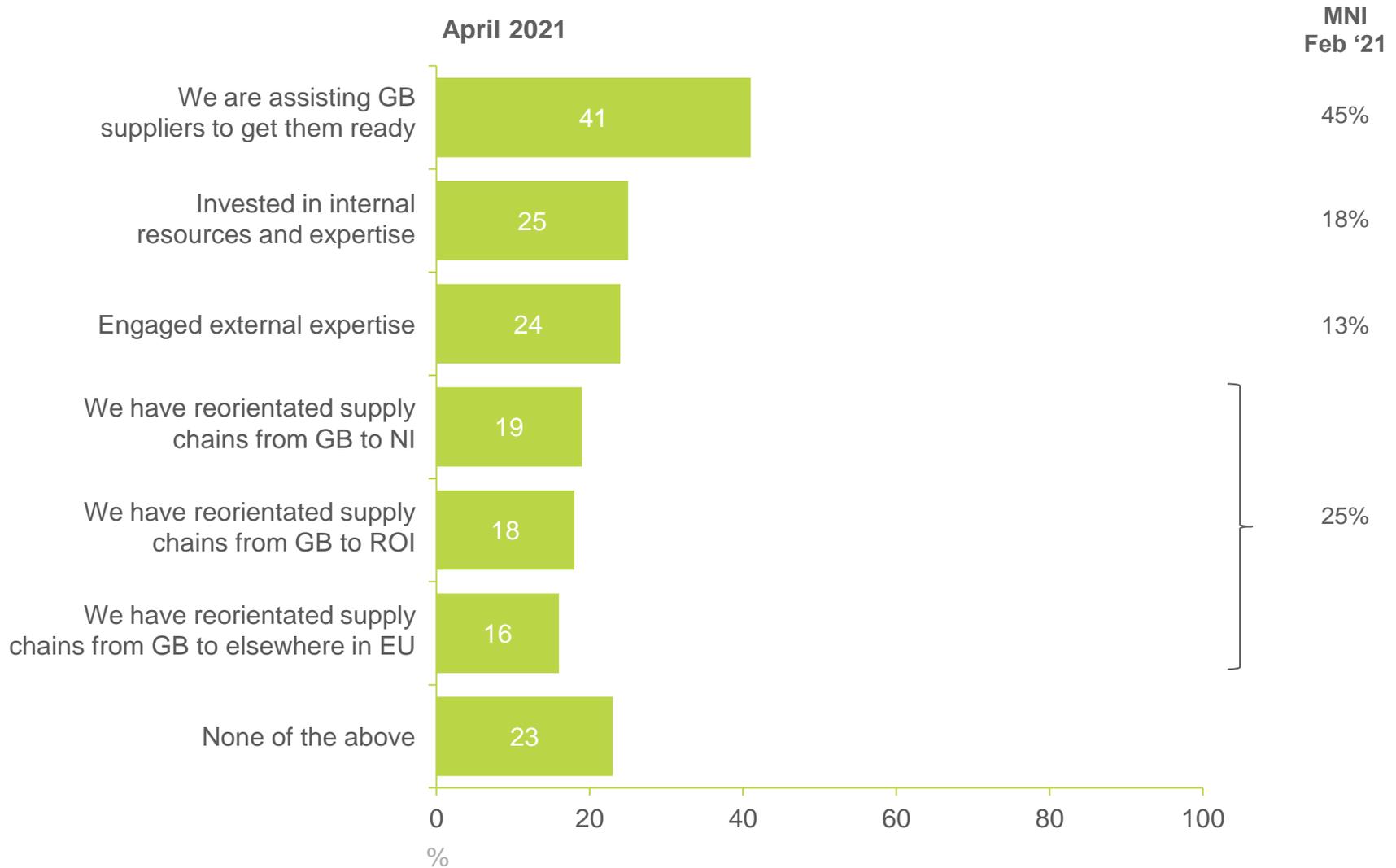
# E4 Which of the following best describes how your EU suppliers have reacted to the new requirements of the Irish Sea Border (or NI Protocol)?

Base 190: All respondents



# E5 Which, if any, of the following actions have you taken to protect your supply chains?

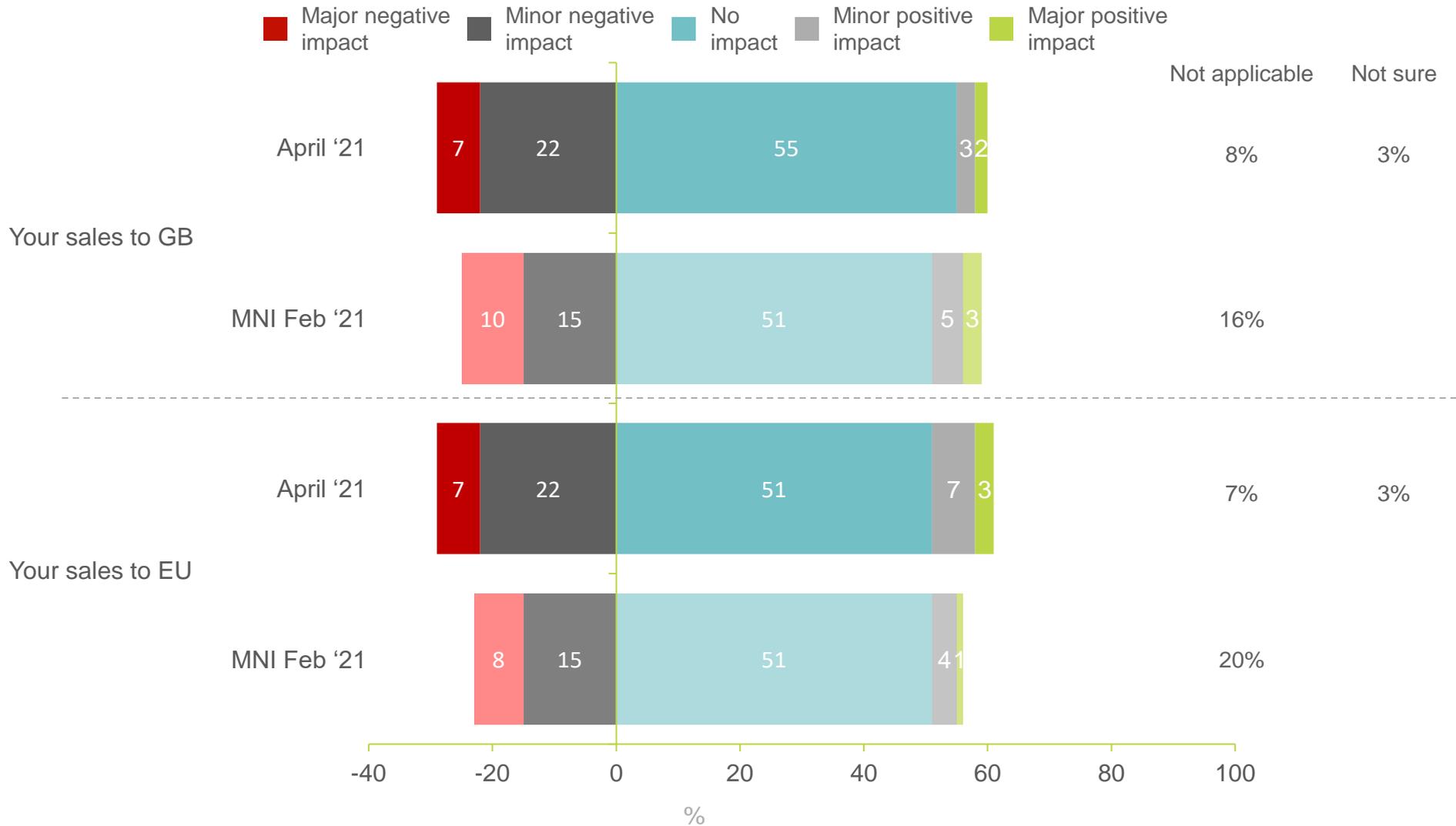
Base 190: All respondents



<sup>1</sup> Multiple choice question

# E6 What impact, if any, has the NI Protocol had on the following?

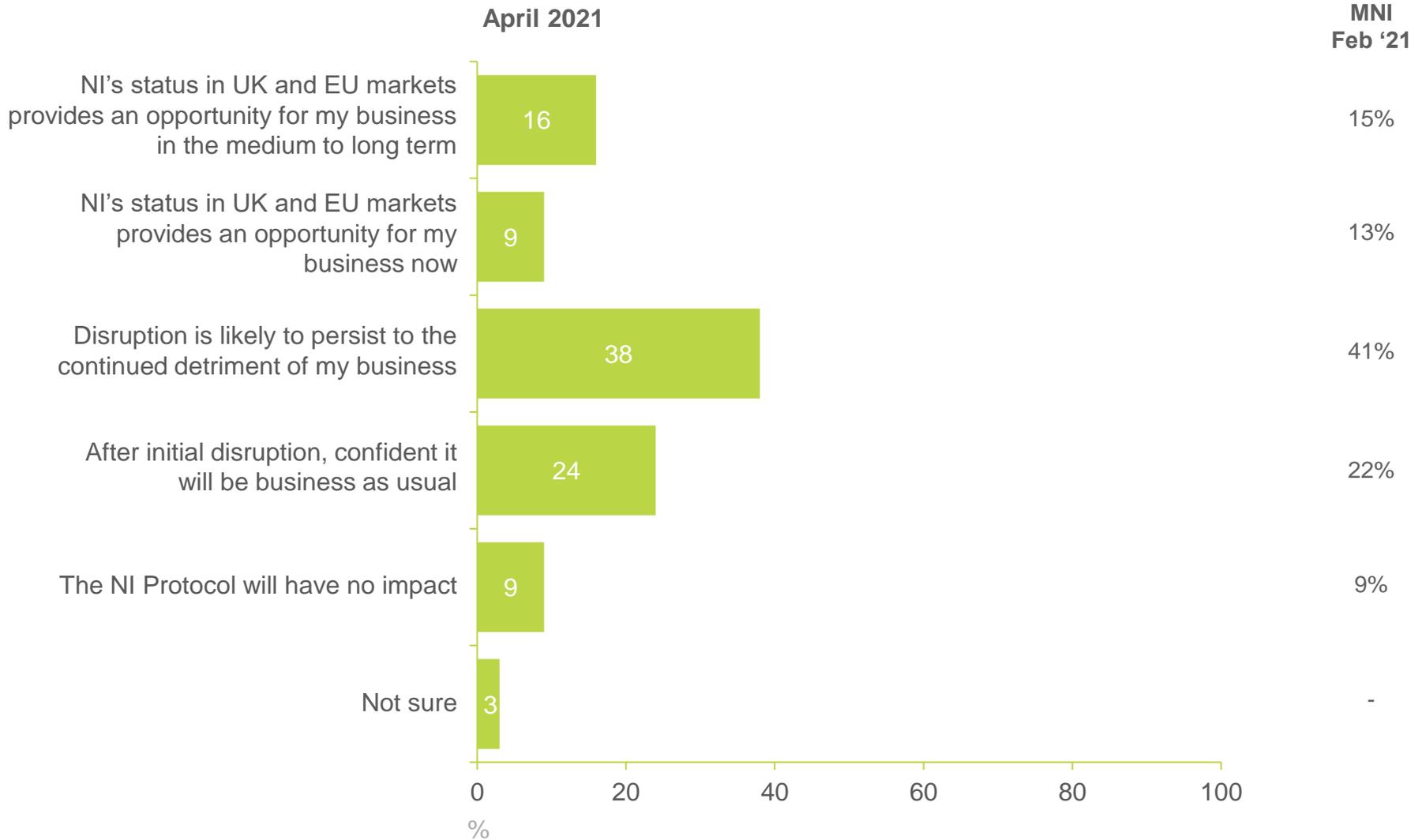
Base 190: All respondents



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

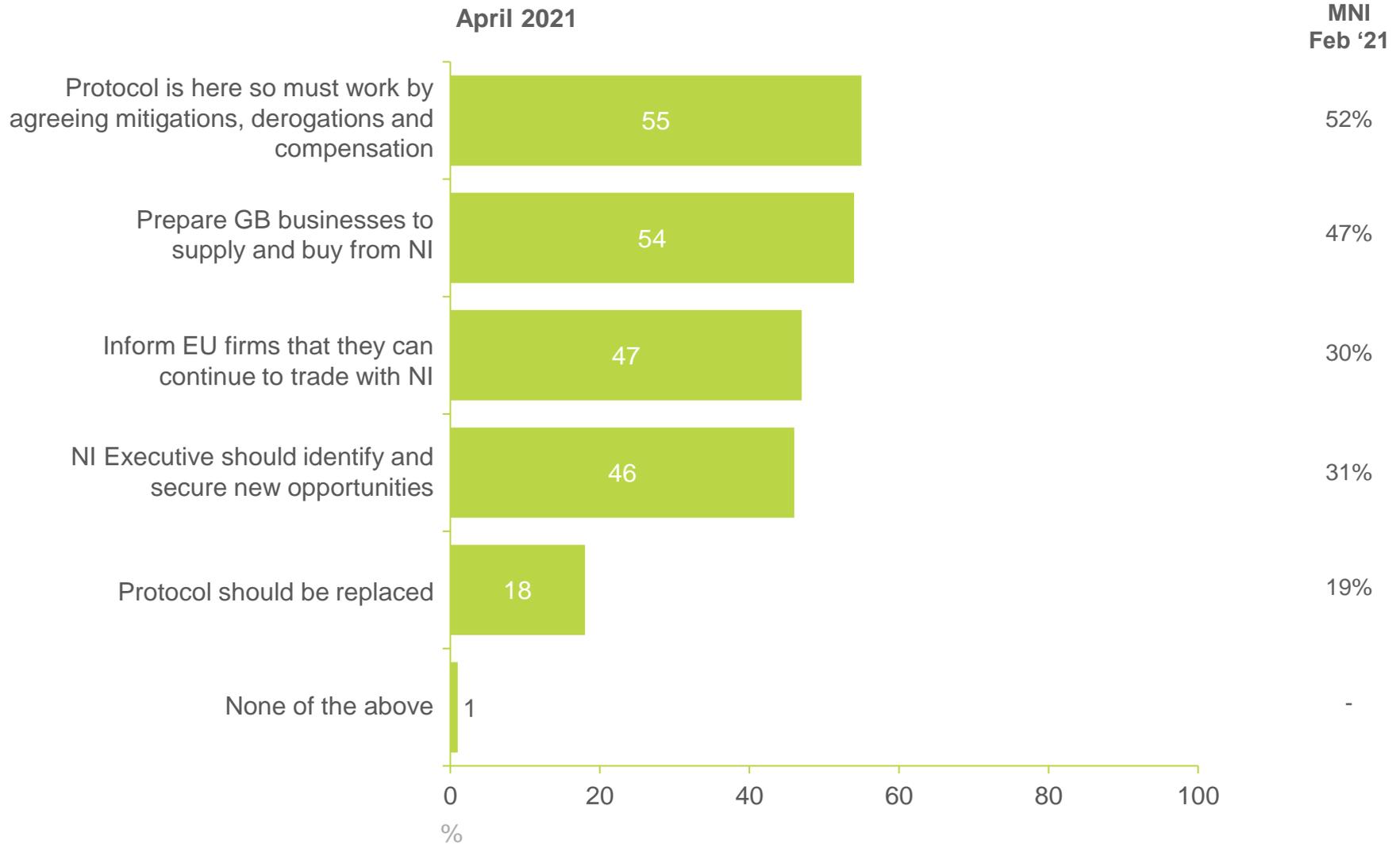
# E7 Looking ahead, which of the following best describes your view of how the NI Protocol will impact your business?

Base 190: All respondents



# E8 Which, if any, of the following actions do you believe the Government at home, in the UK and EU need to do?

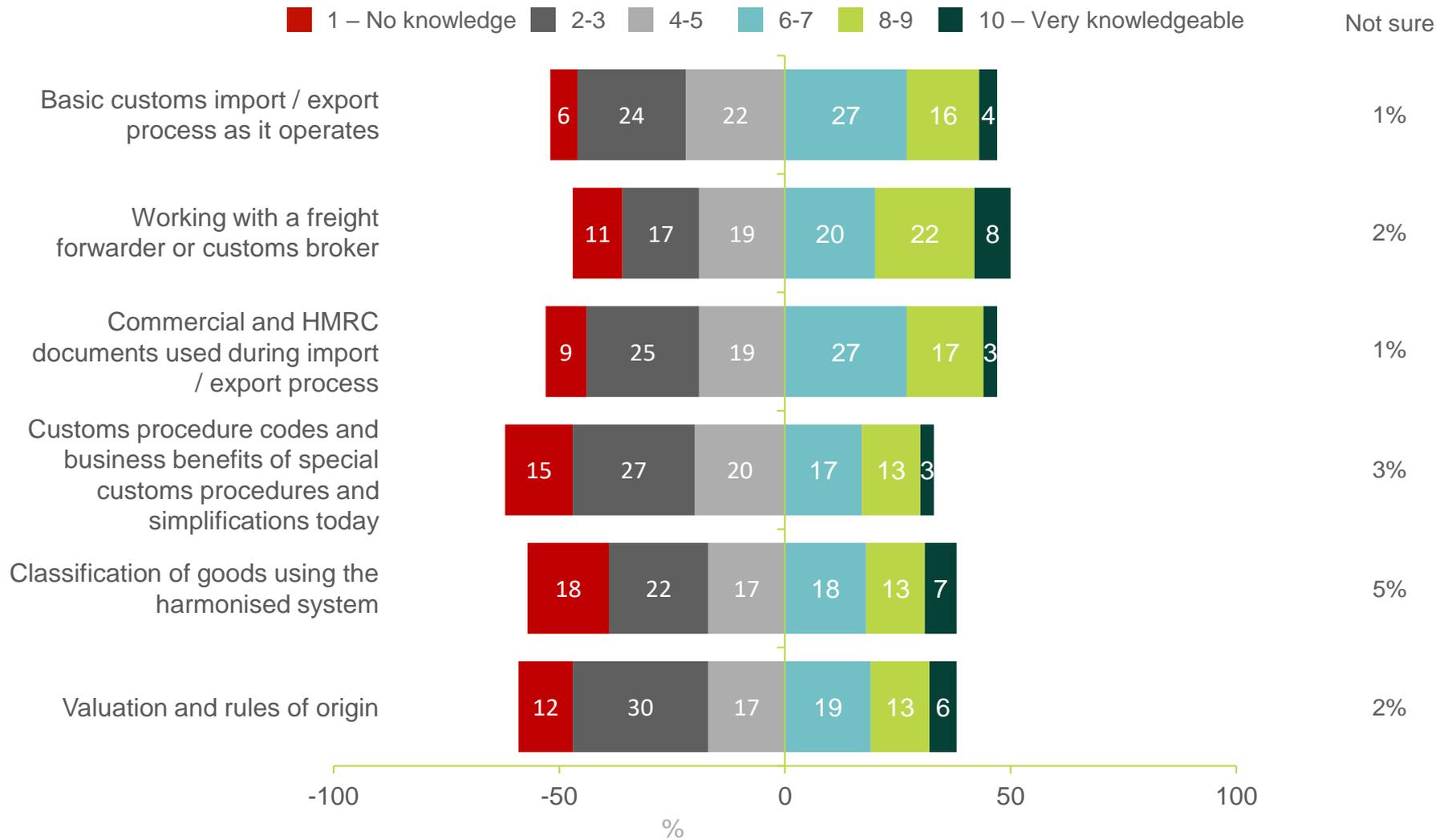
Base 190: All respondents



<sup>1</sup> Multiple choice question

# E9 How would you rate your knowledge of...?

Base 190: All respondents

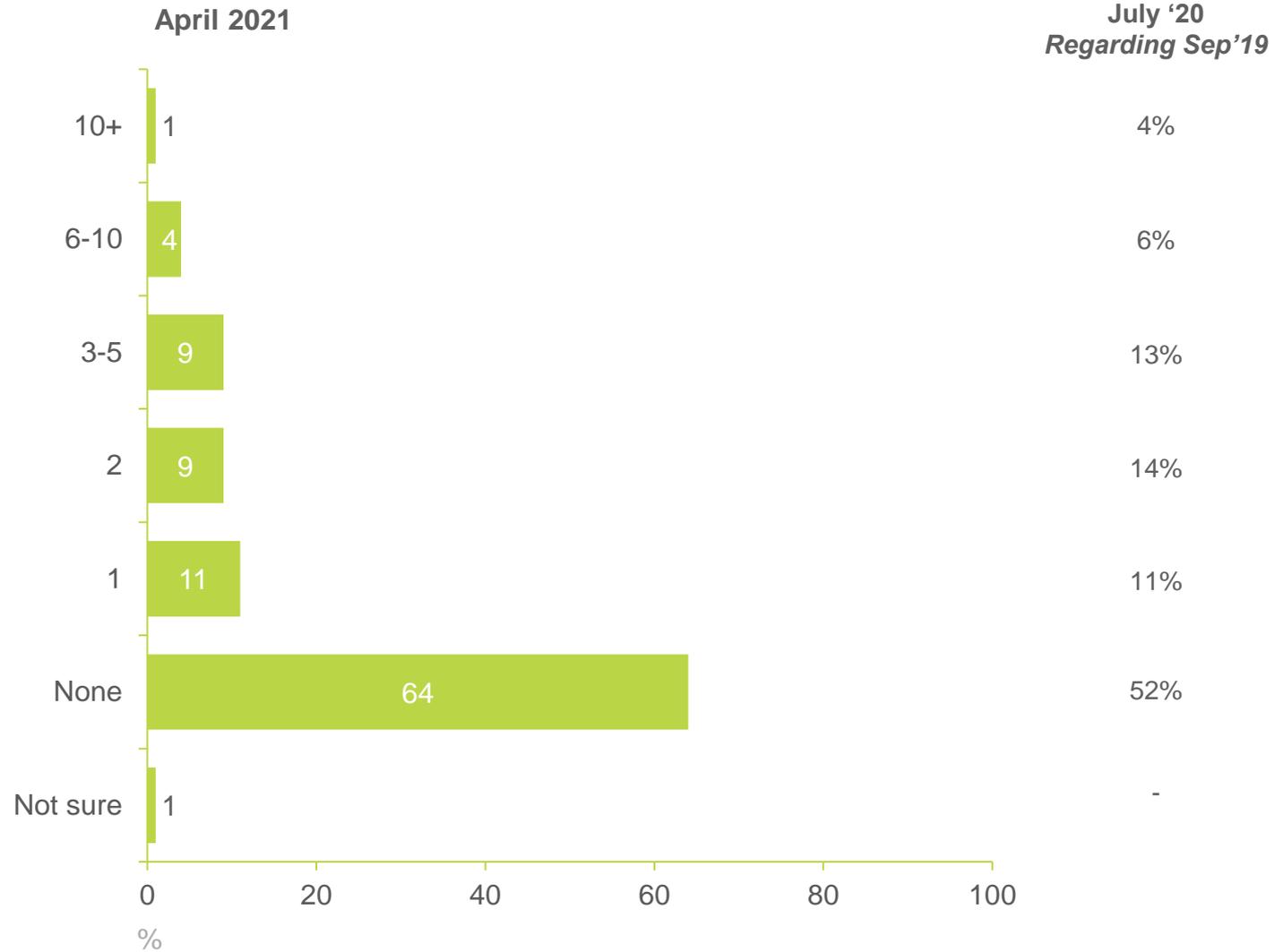


<sup>1</sup> Due to rounding percentages add to >100%

# Skills & People

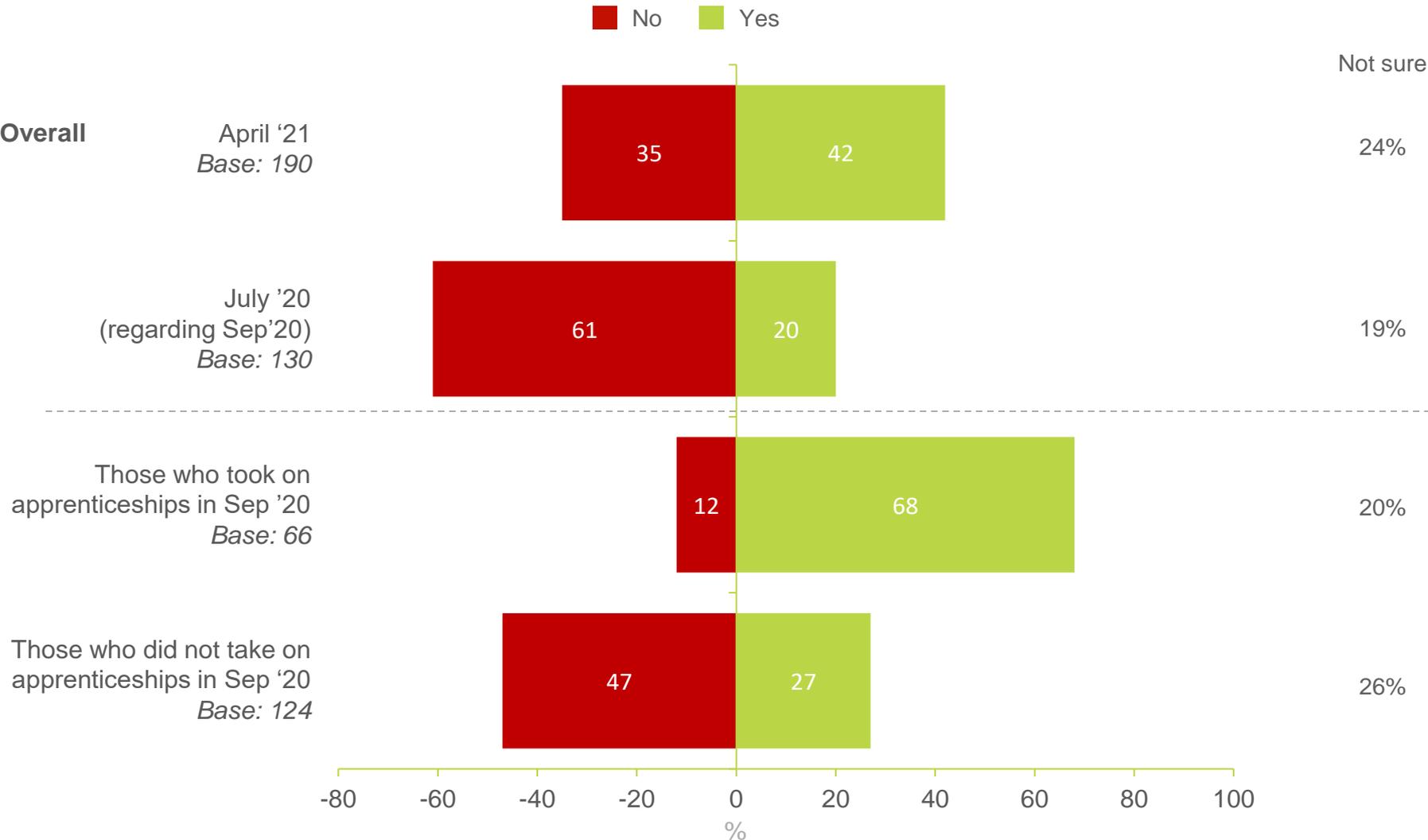
# F1 How many apprenticeships did you take on in September 2020?

Base 190: All respondents



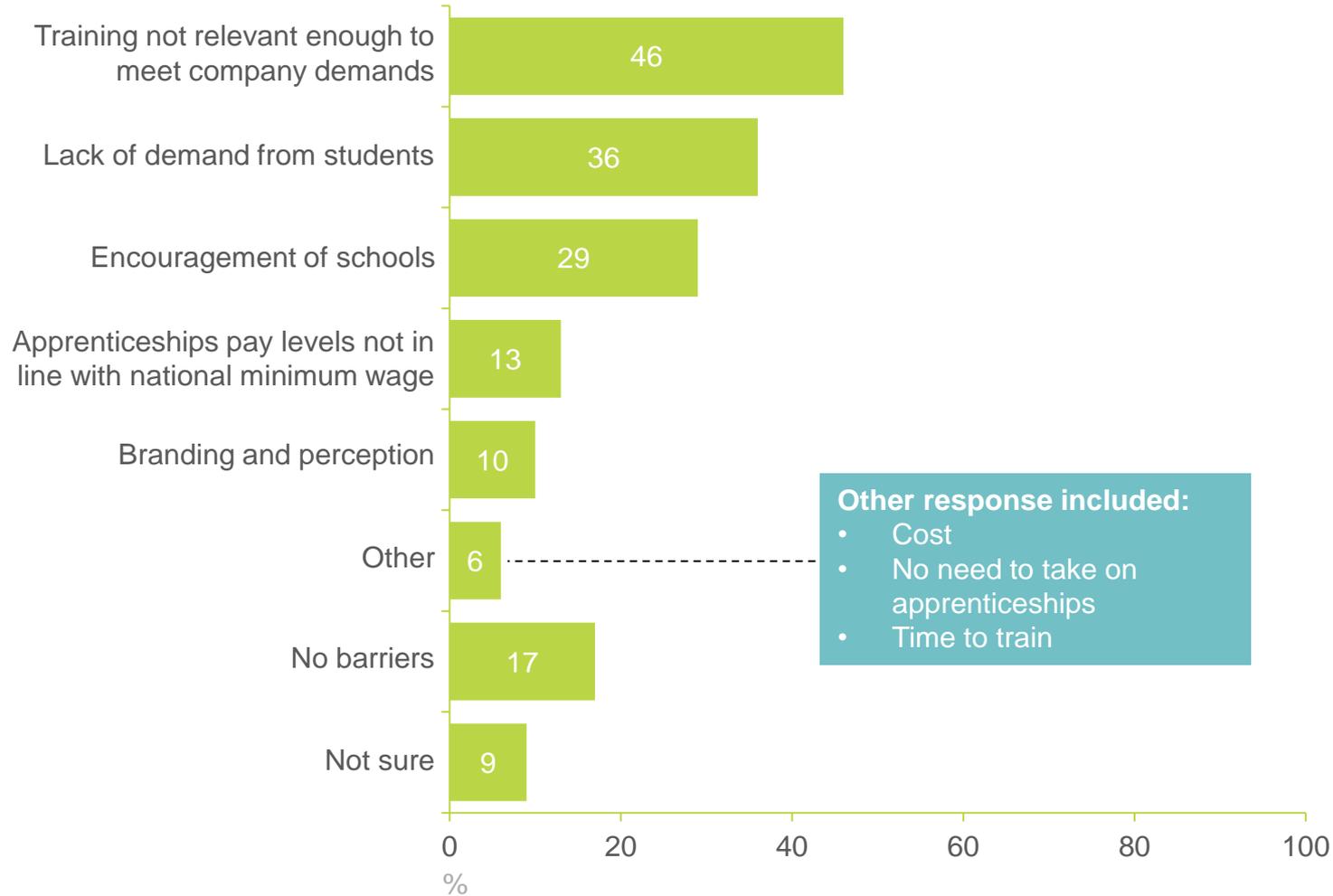
# F2 The furlough scheme starts to taper out in July and ends in October. Can you commit to taking on new apprenticeships in September 2021?

Base 190: All respondents



# F3 What barriers, if any, do you feel there are to taking on new apprenticeships?

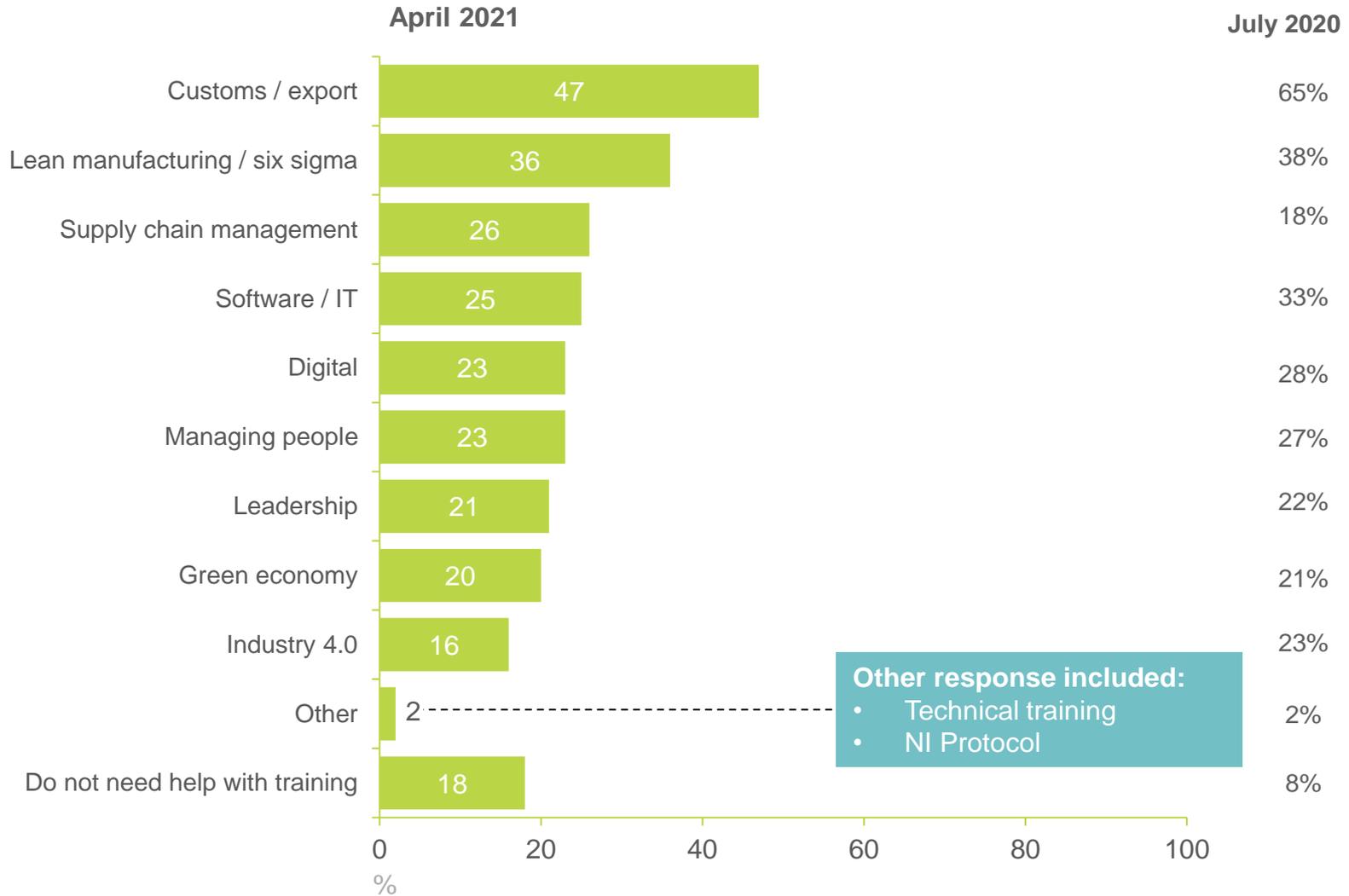
Base 190: All respondents



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

# F4 Which of the following areas of training, if any, do you need help with?

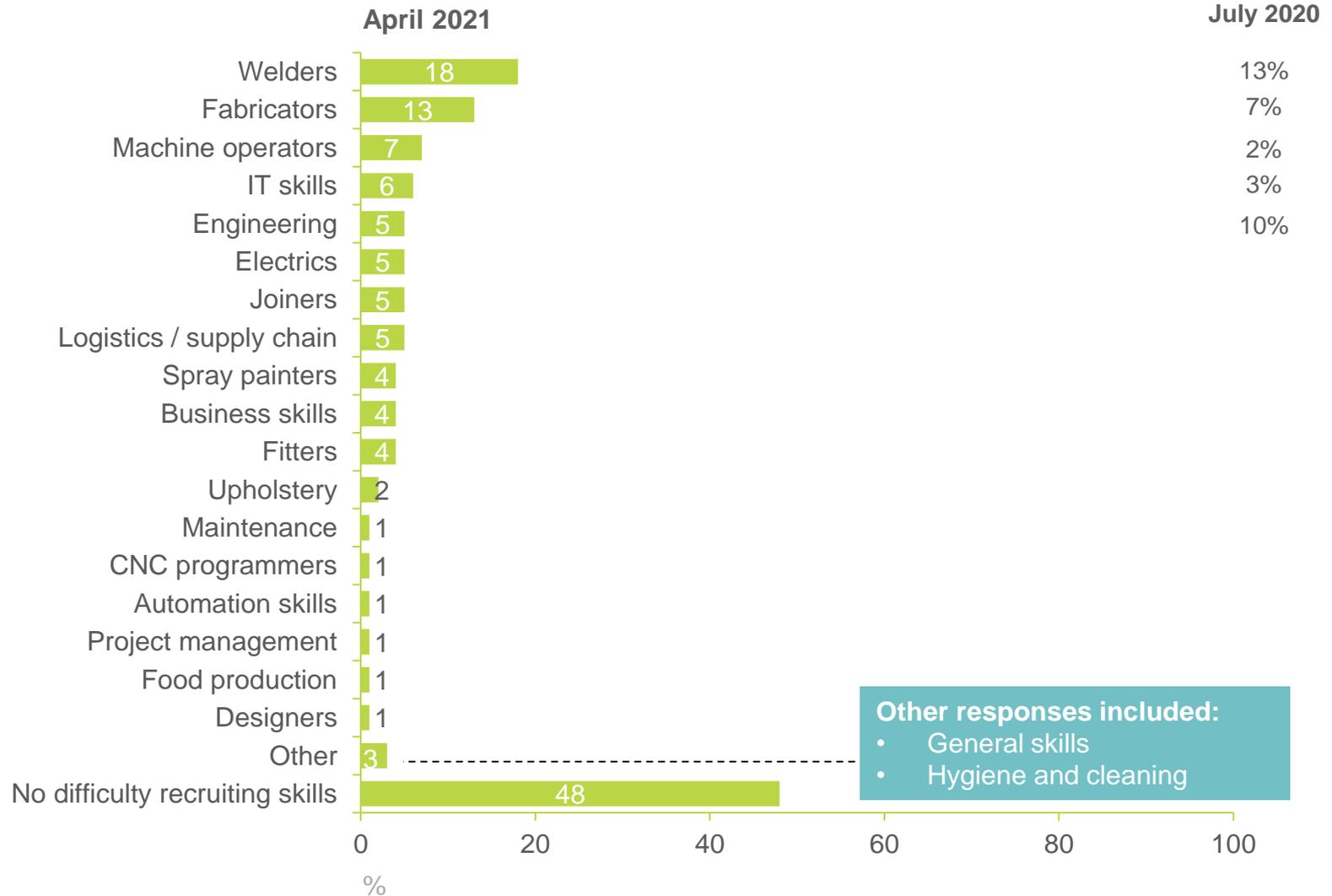
Base 190: All respondents



<sup>1</sup> Multiple choice question

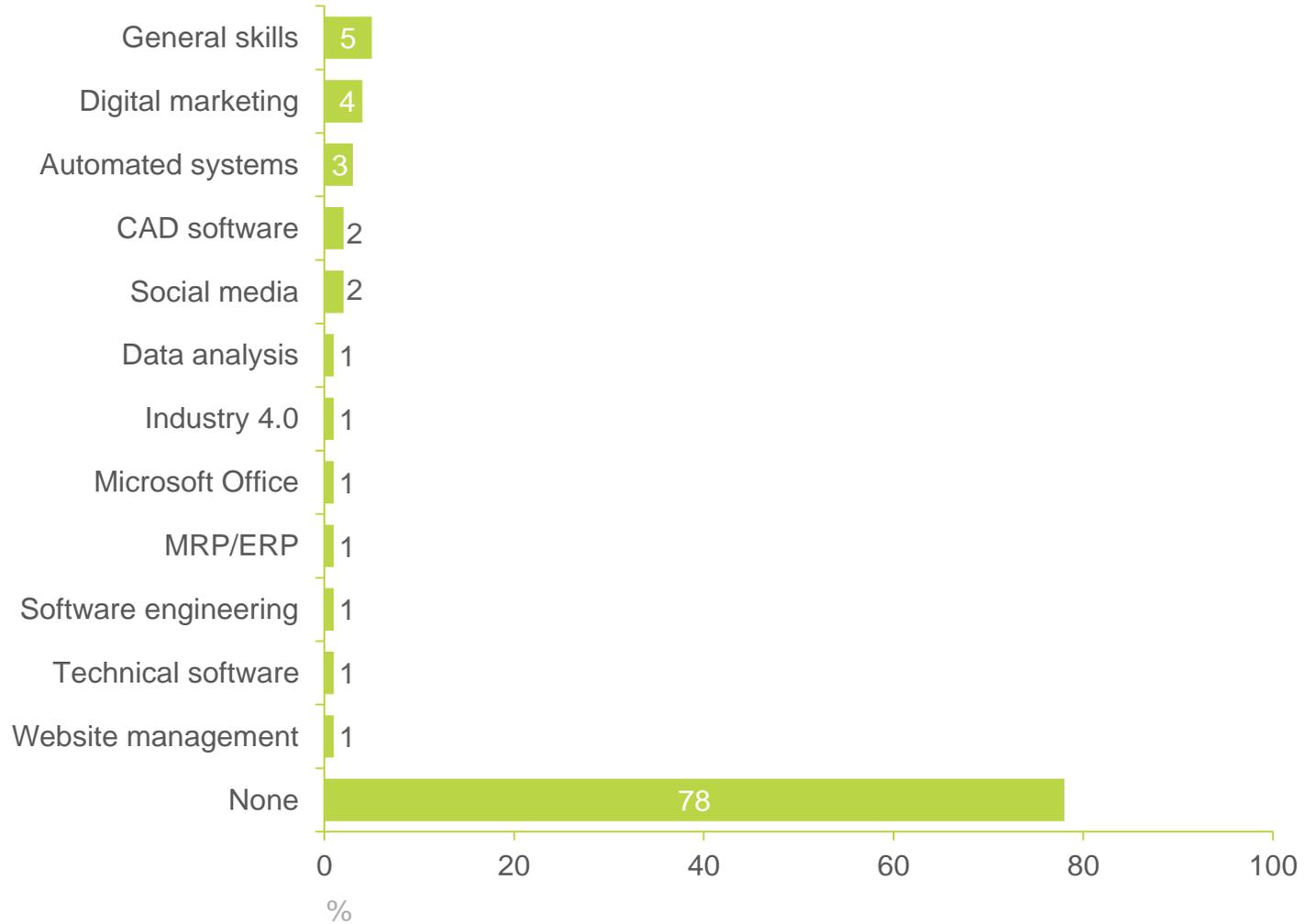
# F5 Are there any particular occupations/skills which you find difficult to recruit for from the local labour market?

Base 190: All respondents



# F6 What, if any, are your priority training requirements in the area of digital skills?

Base 190: All respondents

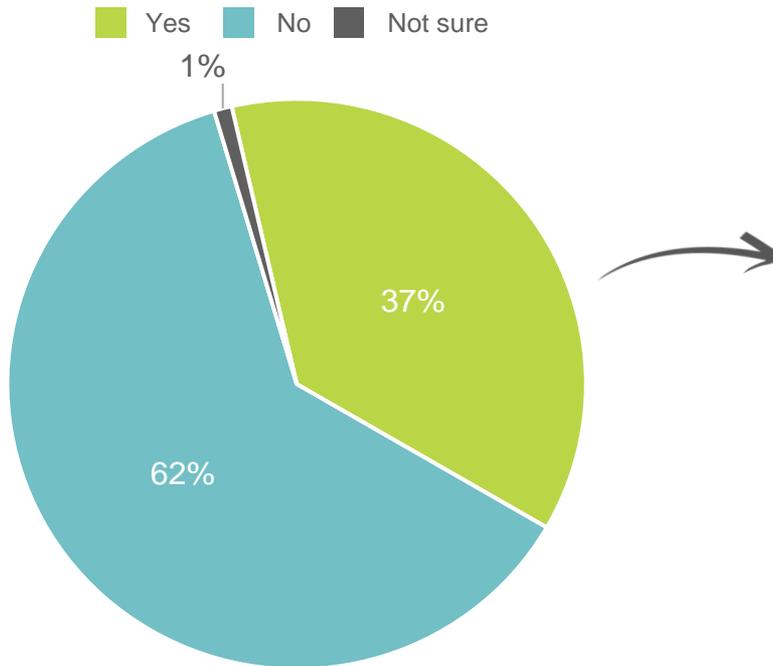


# Redundancies due to Covid

Base: 190. All respondents

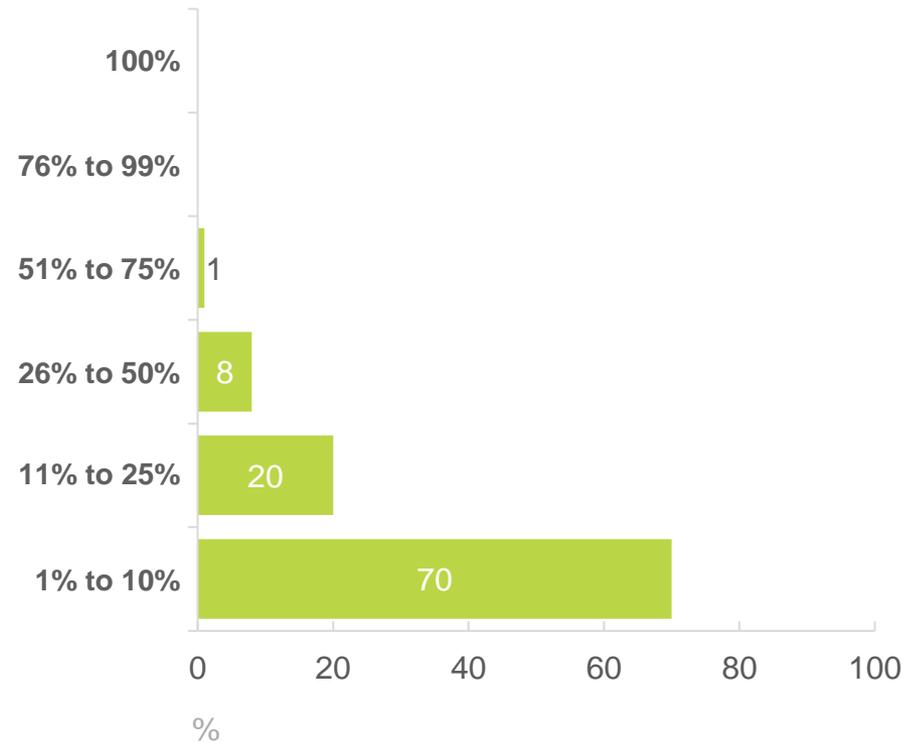
F7 Has your company already made redundancies due to Covid-19?

Base 190: All respondents



F8 What proportion of your staff has been made redundant due to Covid-19?

Base 71: Those that made redundancies



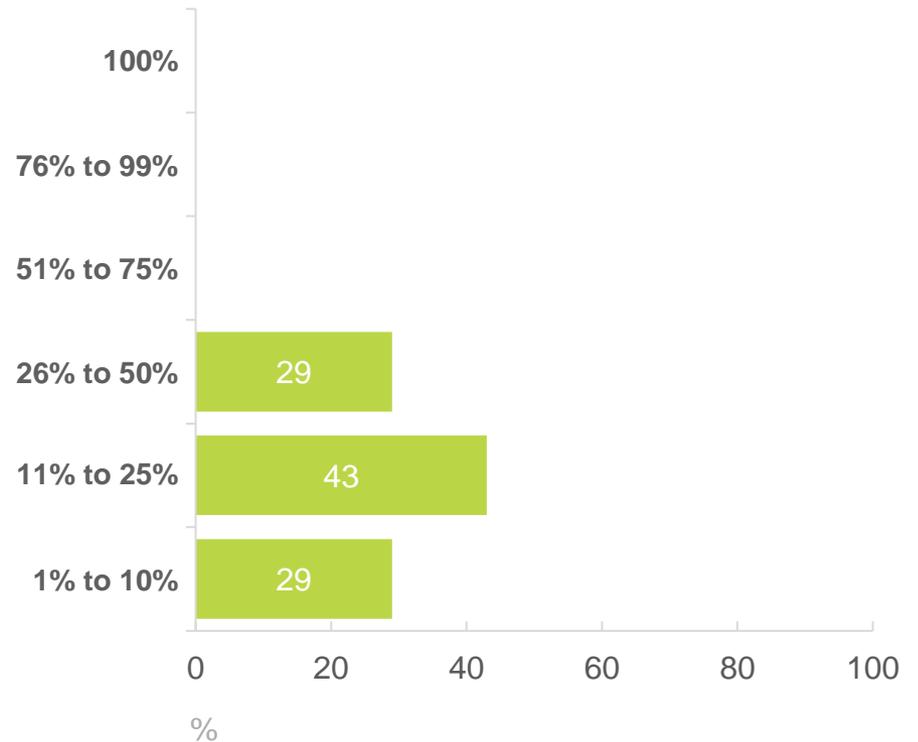
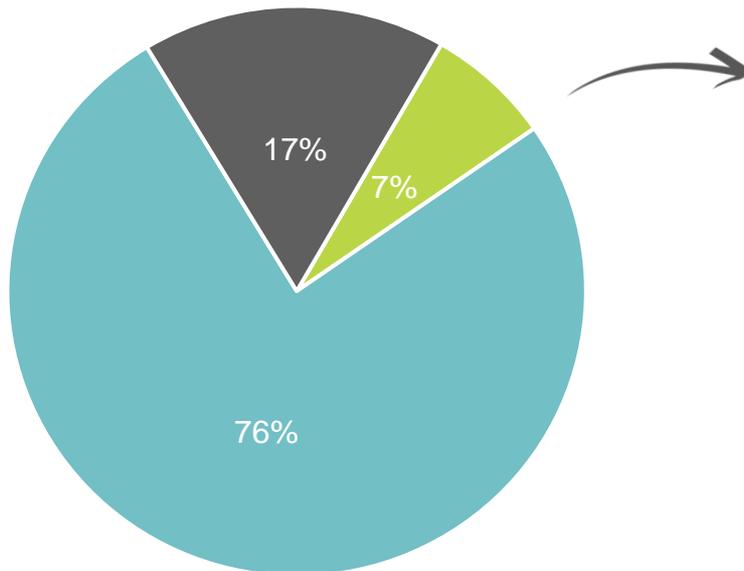
# Planned redundancies due to Covid

Base: 190. All respondents

**F9 Does your company plan to make redundancies in the next six months?**  
*Base 190: All respondents*

**F8 What proportion of your staff do you plan to make redundant in the next six months?**  
*Base 14: Those that plan to make redundancies*

Yes No Not sure



Overall, 41% have or plan to make redundancies

# Innovation

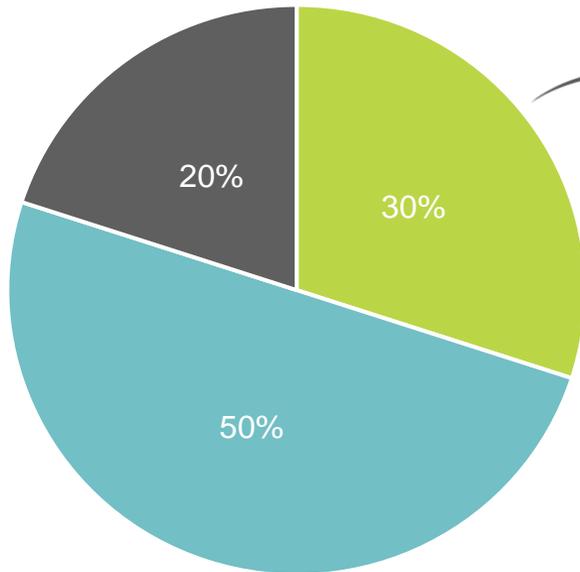
# Green technology investment

Base: 190. All respondents

**G1 Are you considering any investment in green technology in 2021?**

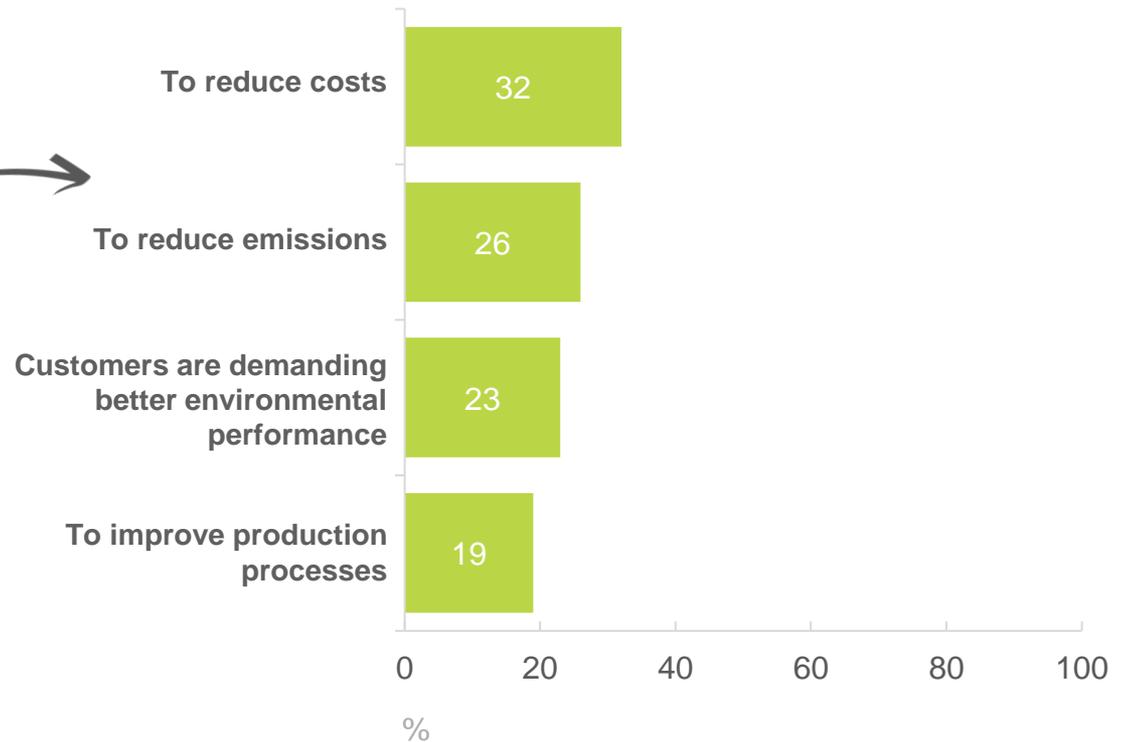
Base 190: All respondents

Yes No Not sure



**G2 Which one of the following best describes your rationale for doing so?**

Base 57: Those that are considering investment in green technology





# Thank you for reading.

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

Maureen Treacy  
Managing Director  
[Maureen.Treacy@pimr.co.uk](mailto:Maureen.Treacy@pimr.co.uk)  
t. 02890737090  
m. 07808166965