

Top 4 areas of concern for businesses



1. Rising Energy Costs

- a. 90% of businesses rated this 4 or 5/5.
- b. 98% of manufacturing firms have experienced increases in energy costs in the last 12 months.



2. Cost of doing business

- a. 83% of businesses rated this 4/5- up from 61% in 2021



3. Availability of Raw Materials

- a. 76% of businesses rated this 4/5




4. Skills & recruitment

- a. 59% rated this 4/4



How do firms see themselves

What best describes the current position of firms?

- 
- **Rapid growth 16%** (April 2021- 16%)
 - **Moderate growth 36%** (32%)
 - **Slight growth 15%** (11%)
 - **Stable 21%** (23%)
 - **Reducing/winding down 12%** (18%)

**57% of businesses see NI
as a competitive base for
manufacturing in 2022**



67%

**of businesses are growing,
compared to 42%
contracting in
July 2020**



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Over the next 12 months

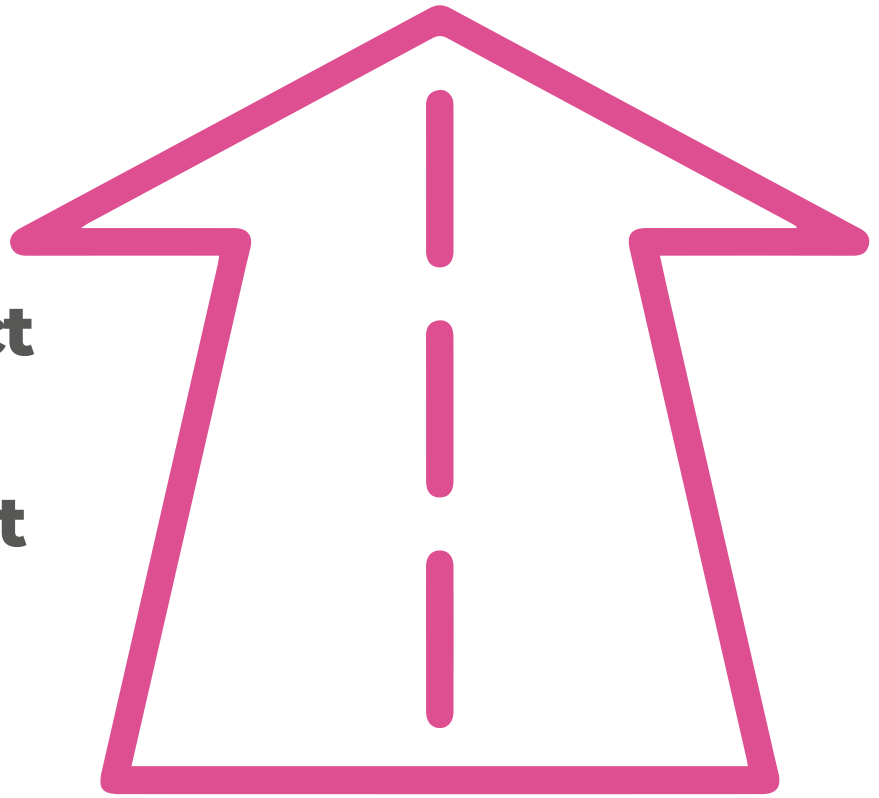
48% of businesses predict reduced profit margins

34% of businesses predict reduced cash flow

52% of businesses see increased productivity

39% increased export sales to EU markets

40% increased sales to the UK



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How do manufacturers view the overall sector in the next 12 months?

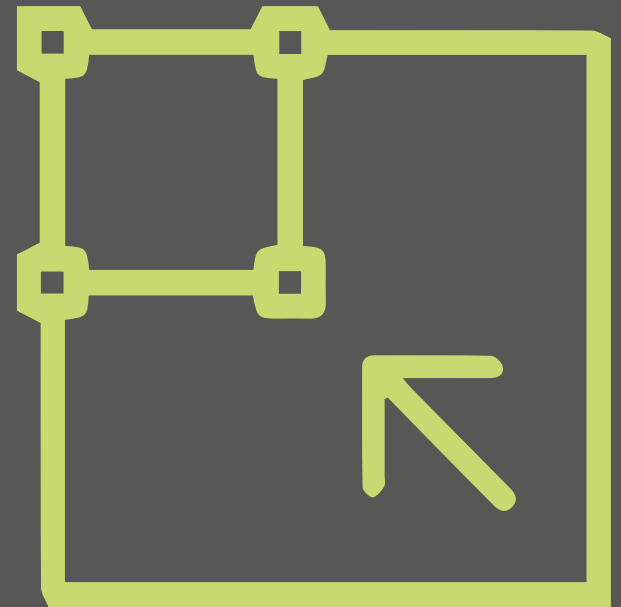
Strong expansion 5% (7% in April 2021)

Steady growth 42% (38%)

Slow recovery 27% (37%)

Continued weakness 19% (15%)

Not sure 7% (3%)



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What are the biggest obstacles to recovery for firms?

Availability of labour **28%**

Increased cost of doing business **25%**

Upward pressure on inward costs **21%**

Disrupted supply chains **14%**

Global/local economic conditions **95%**

Political instability **2%**



Largest obstacles in April 2021:

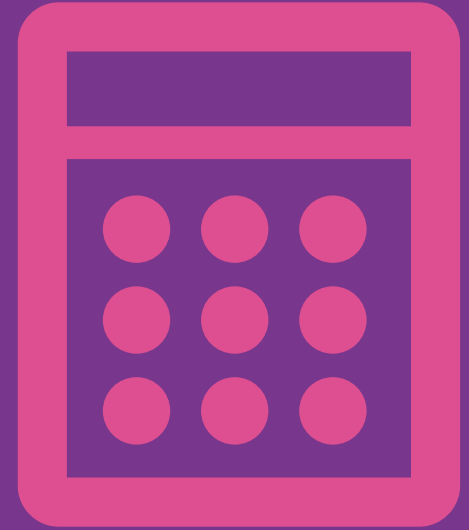
Disrupted supply chains (37%) and global economic conditions (24%)



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What costs have changed for businesses in the last 12 months



Energy 98% increase

(67% saw increases in April 2021)

Raw materials 98% increase (93%)

Transportation and freight 98% increase (86%)

Labour 95% increase (62%)

Tax 52% increase (23%)

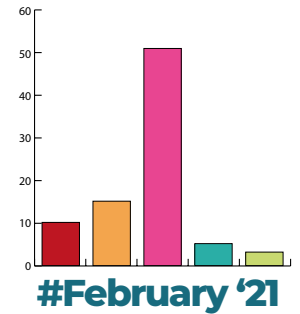
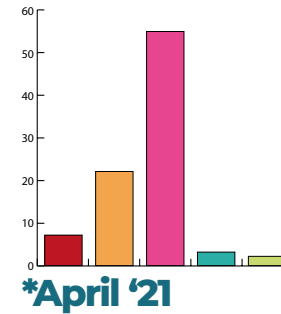
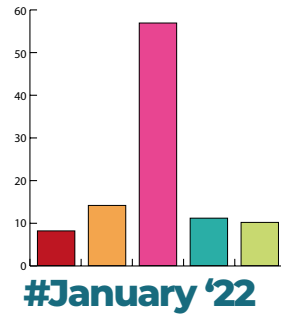
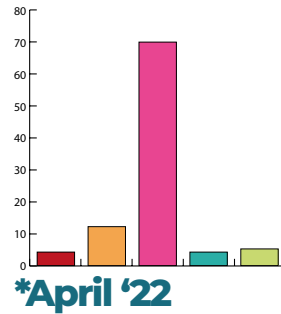


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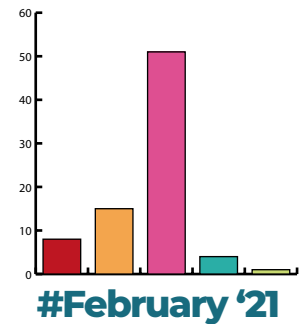
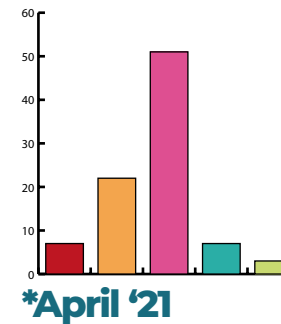
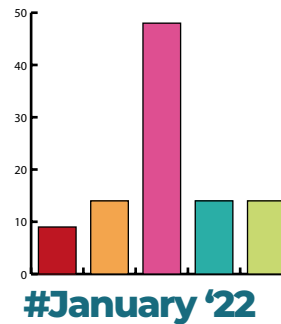
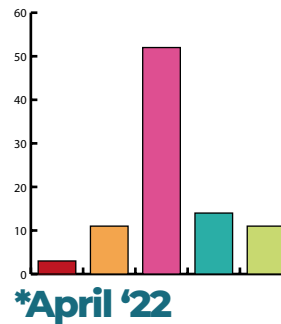
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How has the NI Protocol & new sea border process impacted business?

Sales to UK



Sales to EU



Key -

* Conducted by Perceptive Insights

#Conducted by Manufacturing NI.

People who answered non applicable have been removed

Major
Negative
Impact

Minor
Negative
Impact

No
Impact

Minor
Positive
Impact

Major
Positive
Impact



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How are GB Suppliers performing with the requirements of the NI Protocol?

39% business as usual (24% April 21, 21% Feb 21)

36% unprepared for new requirements
(50% April 21, 53% Feb 21)

15% unwilling to engage with new requirements (20% April 21, 15% Feb 21)

67% of EU suppliers are business as usual - up from 45% in April 21



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What impact has the NI Protocol had on businesses?

70% see no impact in sales to GB

9% see positive sales impact

16% see negative sales impact

25% see positive impact to EU sales
(52% no impact)

14% negative impact



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How do firms view the NI Protocol?



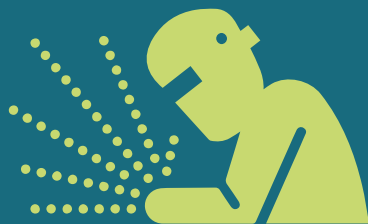
- ✓ Provides opportunity for my business now: **19%** (9% in April 2021)
- ✓ NI's status provides my business with opportunities in medium to long term: **15%** (16%)
- ✓ Business as usual after initial disruption **28%** (38%)
- Protocol has no impact **12%** (9%)
- ✗ Disruption is detrimental to my business **22%** (38%)



What are the key skills firms needs?



Welders
22%



Fabricators
9%



Machine
Operators
37%



Engineering
29%



Business
Skills
55%



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What are the top areas that NI manufacturing firms need training help with?

Customs/export **44%** (47% April 2021)

Lean manufacturing **38%** (36% April 21)

Managing people **31%** (23%)

Green economy **30%** (20%)

Leadership **28%** (21%)

Software/IT **25%**

Industry 4.0 **16%**

Supply Chain Management **25%** (26%)



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What measures are firms undertaking to retain staff?

88% increasing basic pay

57% offering flexible working

46% investing in training

45% increasing career development opportunities

42% focusing on well-being and related support

31% offering remote working



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Where are the main labour supply issues?

70% of firms having fewer applications from experienced workers

53% see a decrease in migrant labour

42% have fewer applicants from unemployed

38% having difficulty in recruiting apprentices



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How are labour shortages impacting firms?

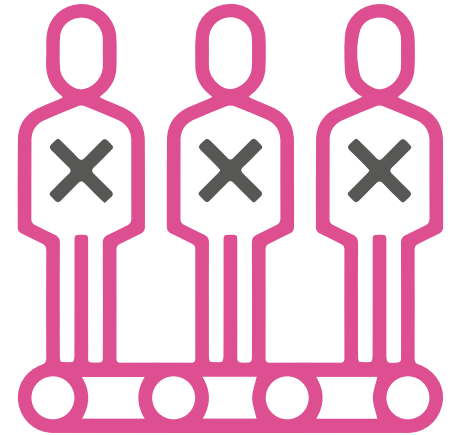
Increased recruitment and salary costs **72%**

Reduced productivity & efficiency **71%**

Slower outputs **59%**

Supply chain disruption **30%**

Losing sales **24%**



How are companies mitigating labour shortages?

Automation and new technology **58%**

More employee benefits **42%**

Increased training **38%**

Closer school engagement **27%**



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