




MANUFACTURING  
NORTHERN IRELAND

# Tughans



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

July 2020





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# 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 130 questionnaires were completed by manufacturing businesses in Northern Ireland.

## METHOD

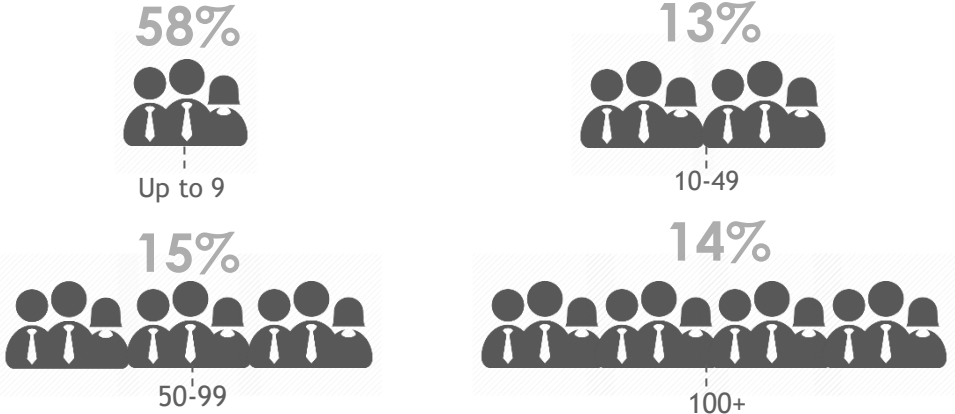
- 1 An online survey was emailed to manufacturing businesses in Northern Ireland
- 2 Data was processed and analysed using specialist survey software

*The survey ran from 1<sup>st</sup> July – 17<sup>th</sup> July.*

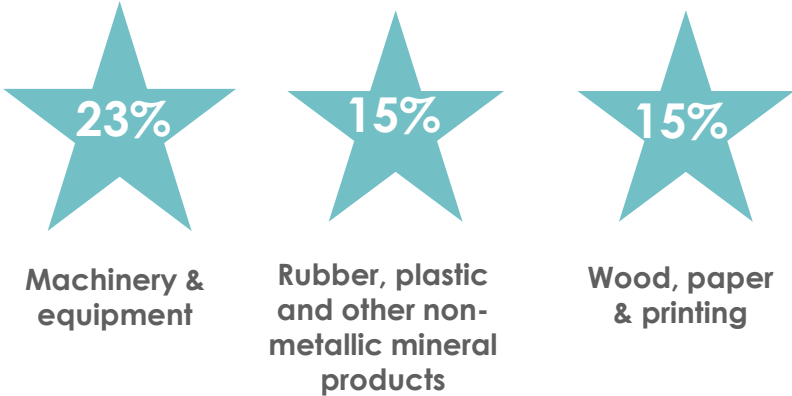


# Business profile

## SIZE OF BUSINESS



## TOP 3 MANUFACTURING SECTORS





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# Executive summary



# What did we learn: key insights



## GROWTH & STABILITY

### Performance & Trade

The impact of the Coronavirus pandemic has been felt across the manufacturing industry in NI with a more negative outlook compared to the June '19 study

- **42%** of those surveyed described their business as reducing or contracting compared to 12% previously.
- **34%** said their business is operating at over 80% of its capacity.
- **68%** have had reduced sales in the GB market since March.

### Outlook for the future

- **38%** of businesses expect that their business will be operating at over 80% of its capacity by the end of 2020
- **42%** expect reduced sales in the GB market over the next 12 months



## ISSUES & CONCERNS

### Top 4 most prevalent concerns

- 1. Impact or uncertainty of Brexit** – 65% businesses rated this 4 or 5.
  - 30% expect the UK-EU protocol in NI-ROI to reduce their sales.
  - 30% of businesses are not confident at all about understanding and implementing Customs arrangements.
  - 22% see understanding Customs compliance and processes as very important for their business.
  - 65% of businesses need support with Customs / exports training.
- 2. Reduction in demand for goods and services**– 61% businesses rated this 4 or 5.
  - 41% have seen a reduction in sales across domestic, GB and export markets.
  - 27% expect a reduction in sales over the next 6 months across all markets.
- 3. Political uncertainty/climate** – 57% businesses rated this 4 or 5.
- 4. Cost of doing business**– 38% businesses rated this 4 or 5.
  - 65% of businesses have seen an increase of labour costs.
  - 64% believe costs and funding challenges are the biggest obstacles to implementing new technologies.



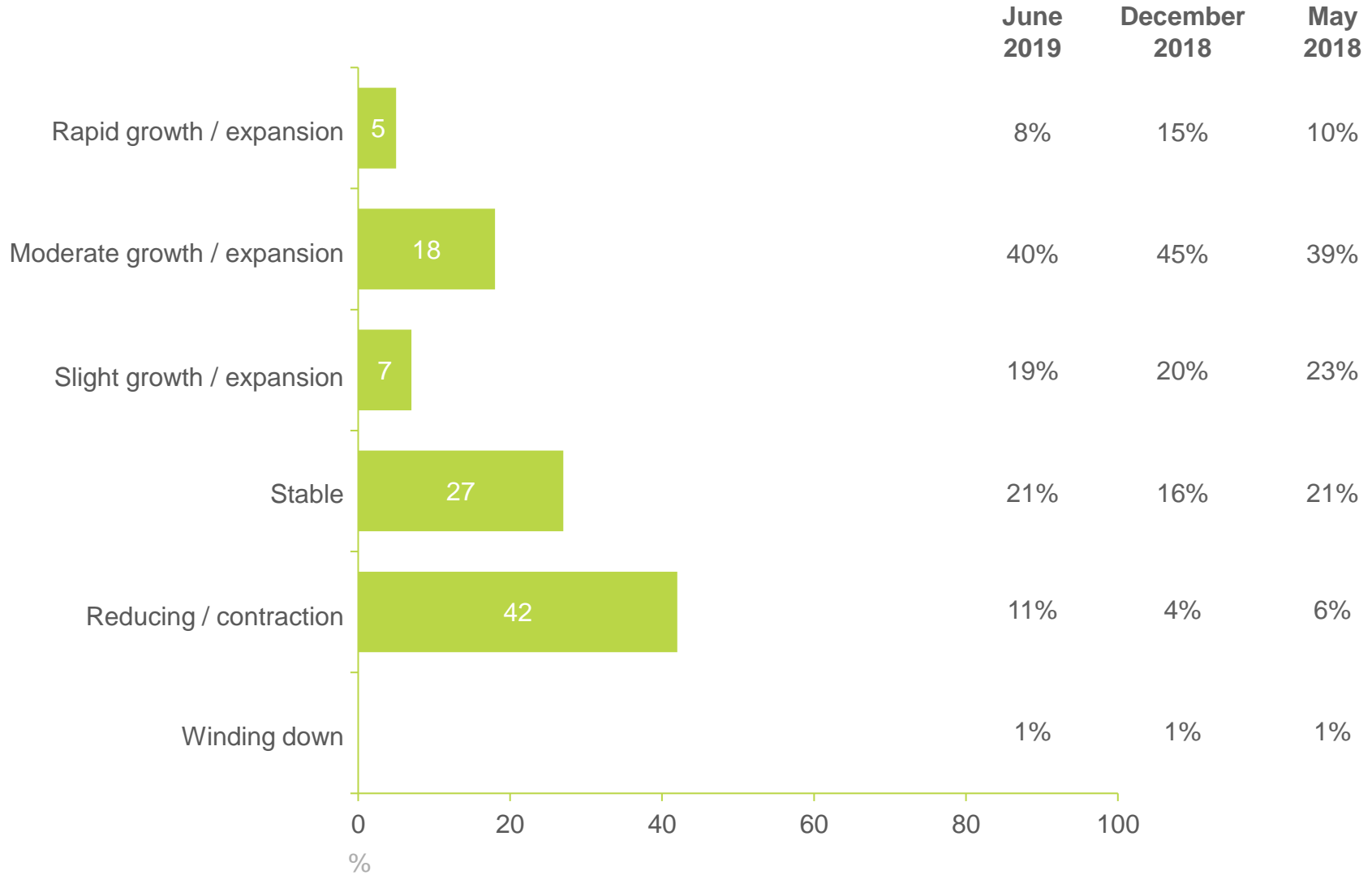
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# Performance & Trade

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

Base 130: All respondents

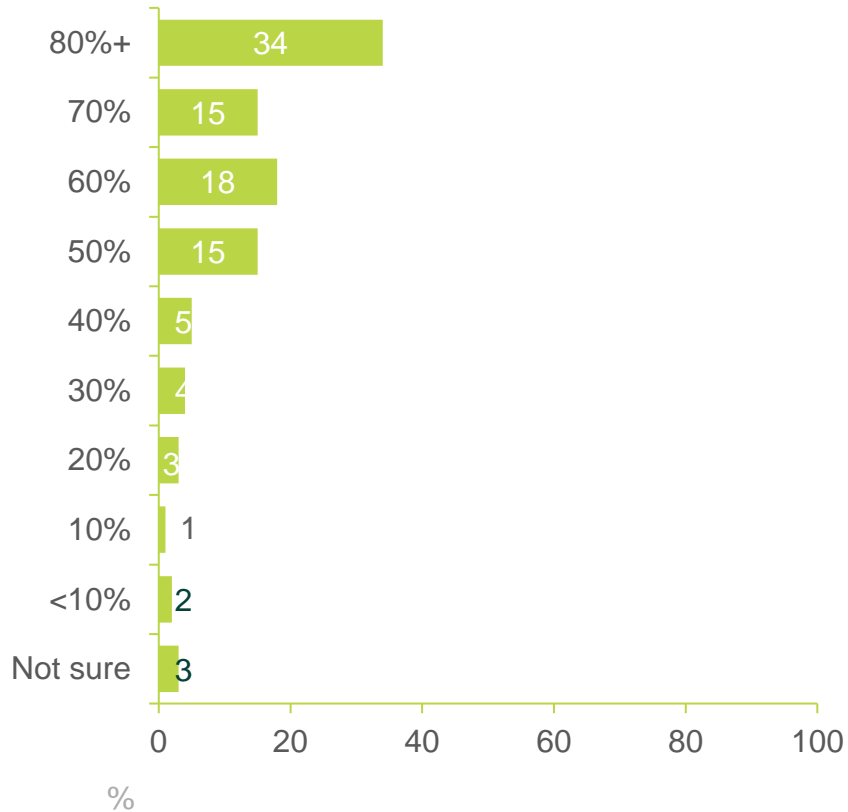




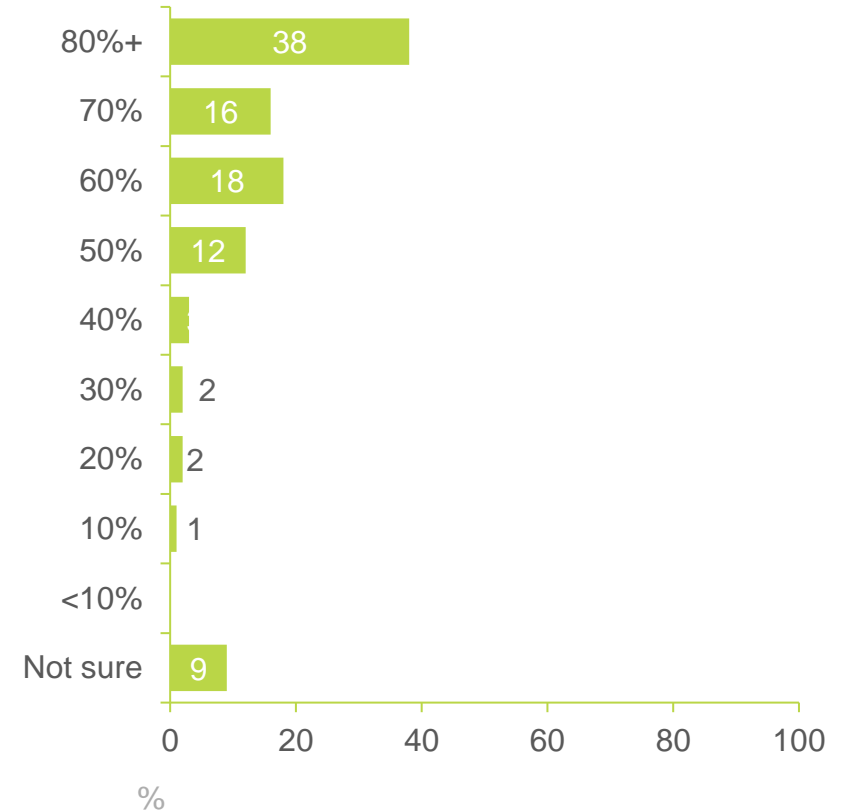
# Capacity

Base 130: All respondents

Q6 At approximately what capacity are you currently working at?

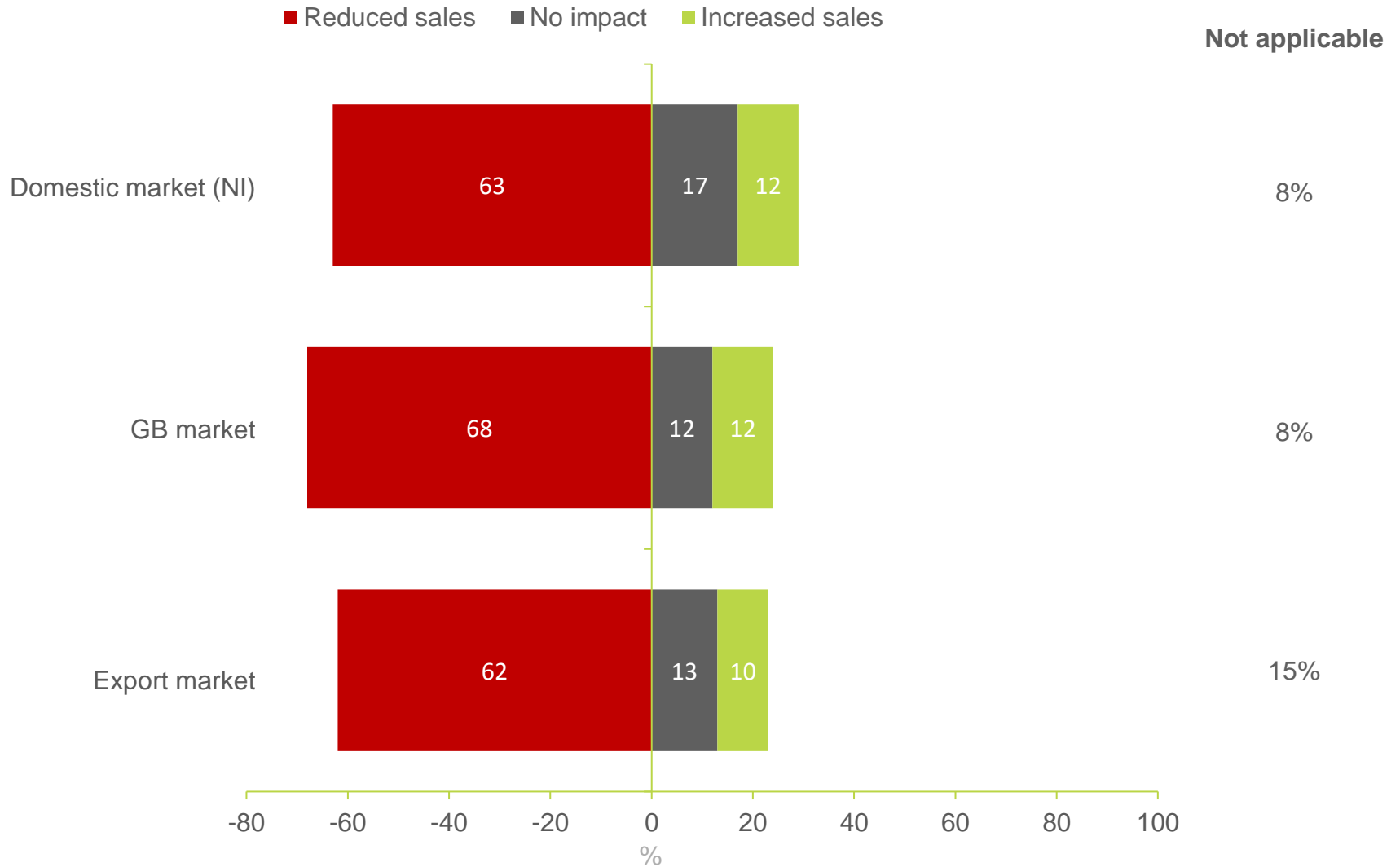


Q7 At approximately what capacity are you expecting to be at the end of 2020?



# Q8 How has COVID-19 impacted sales in the following markets since March?

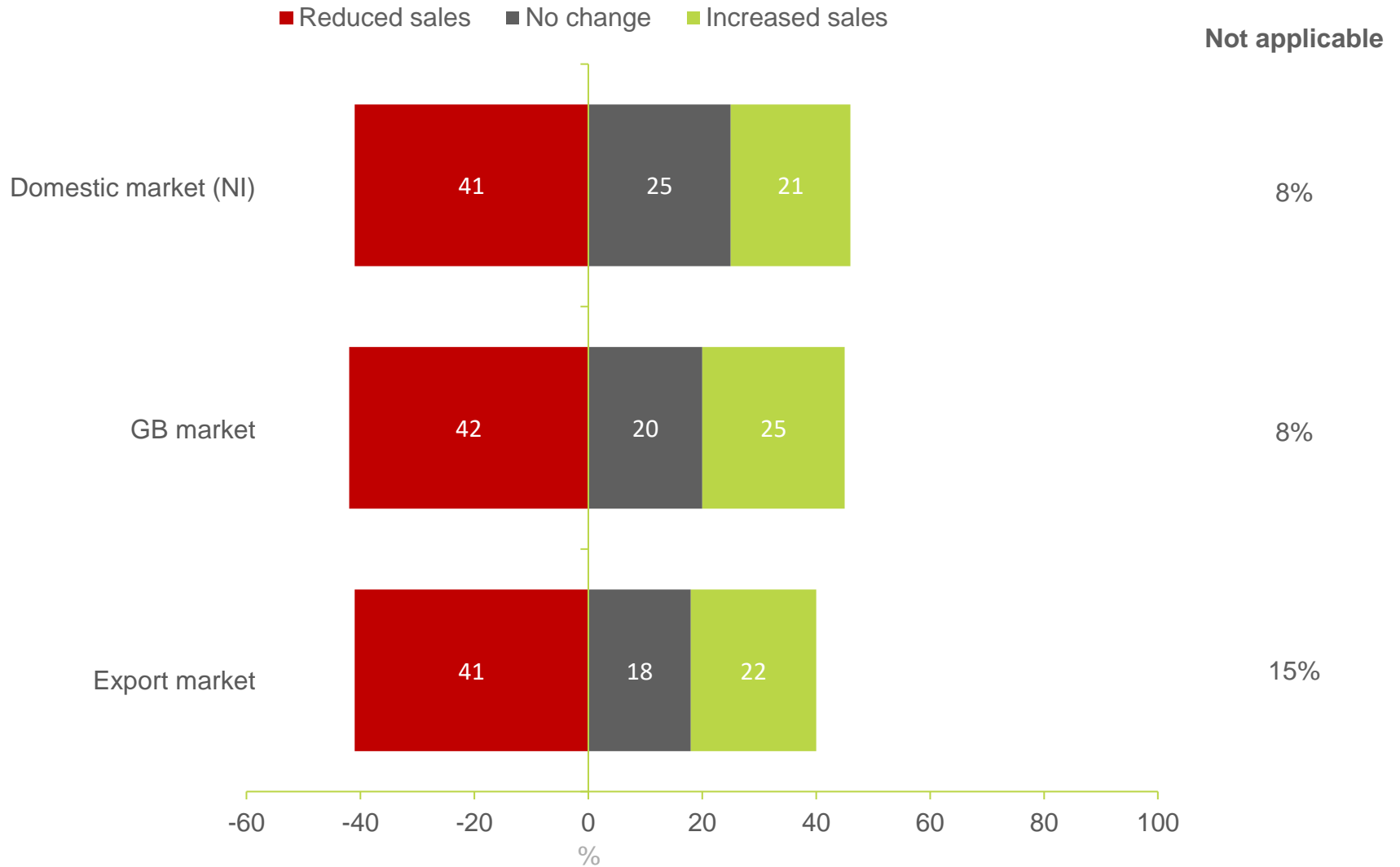
Base 130: All respondents



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

# Q9 How do you expect sales to change over the next 6 months in the following markets?

Base 130: All respondents



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



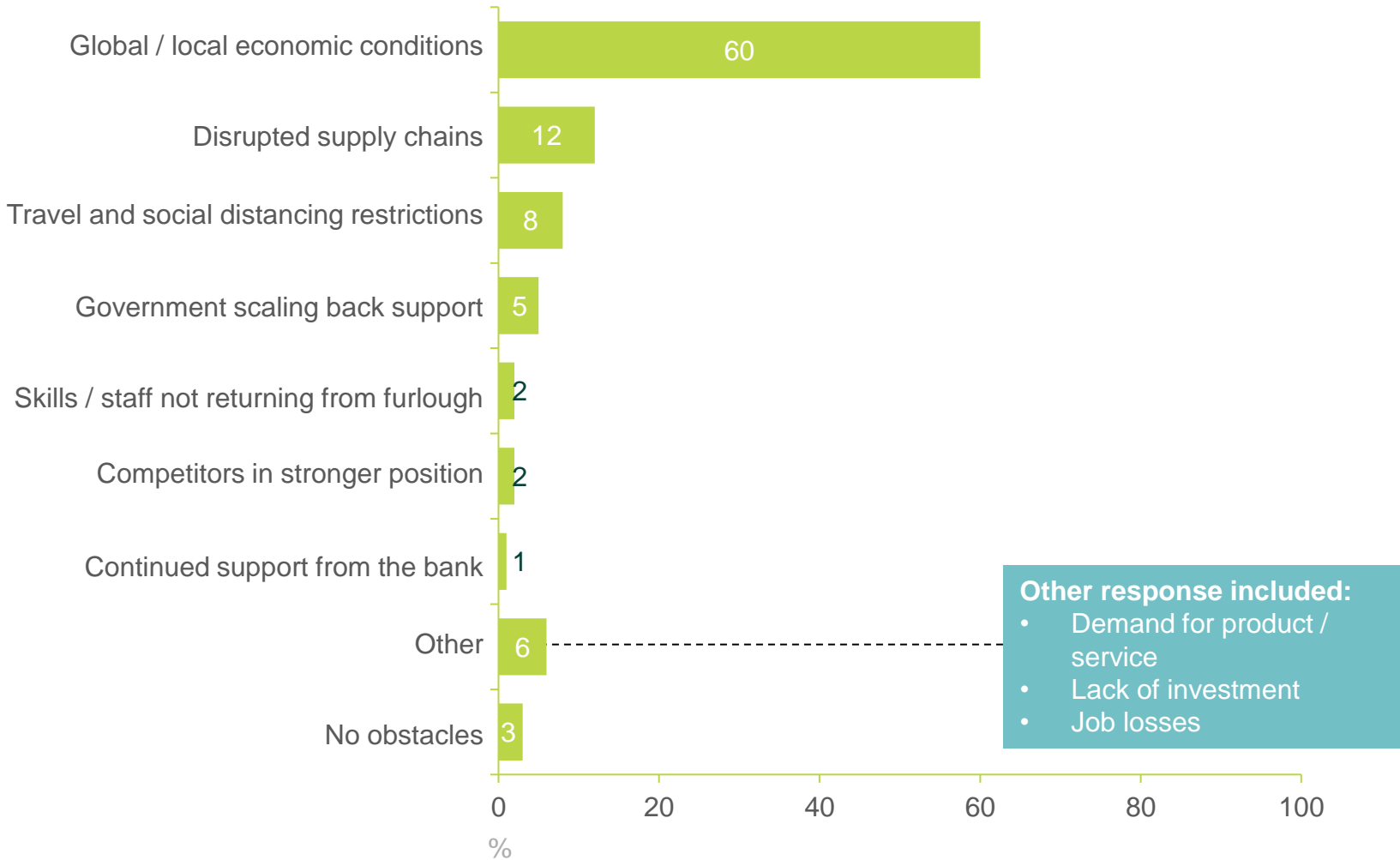
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# Business strategy and productivity

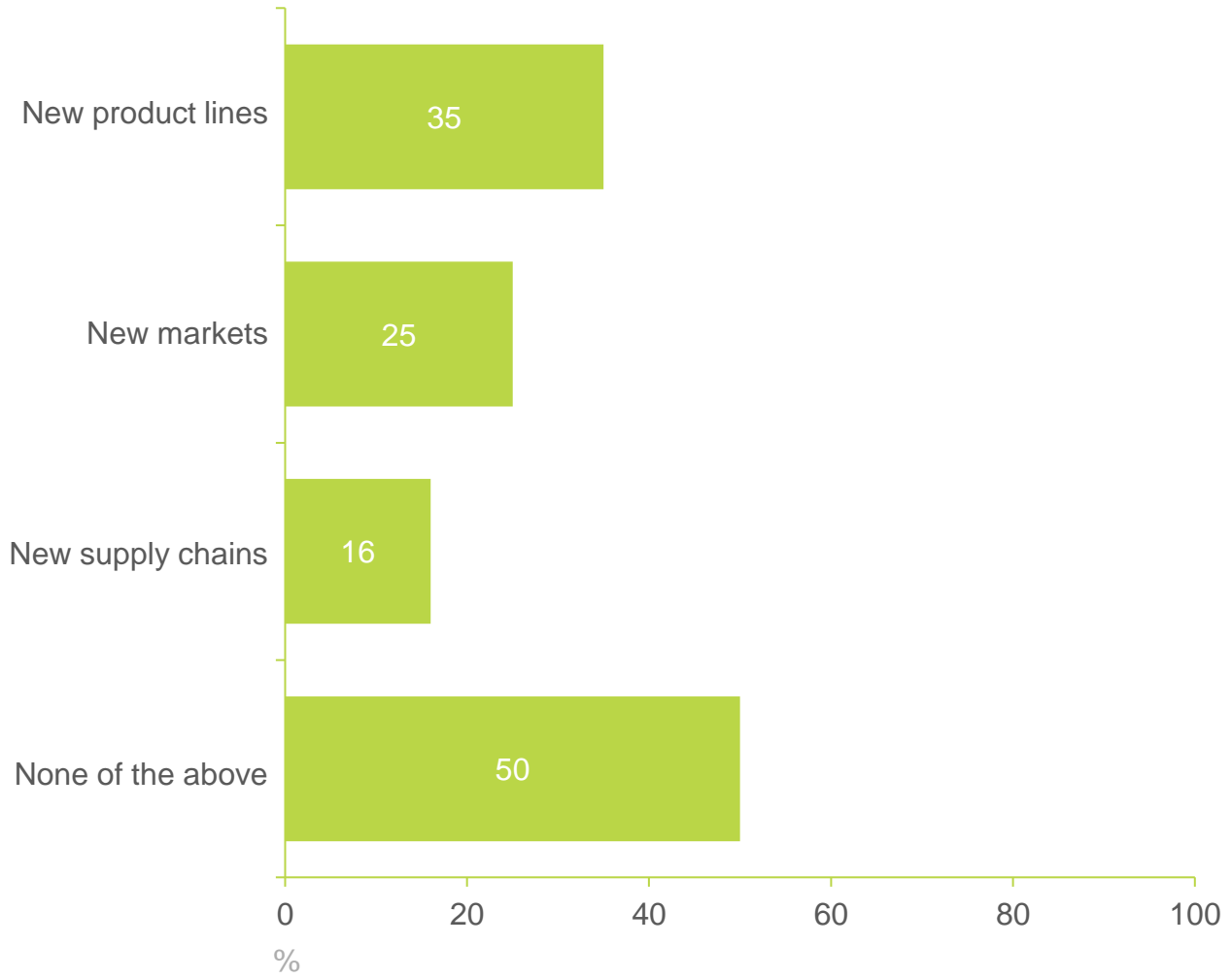
# Q10 What's the biggest obstacle to the pace of recovery for your firm?

Base 130: All respondents



# Q11 As a result of COVID-19, have you pivoted your business to introduce any of the following...?

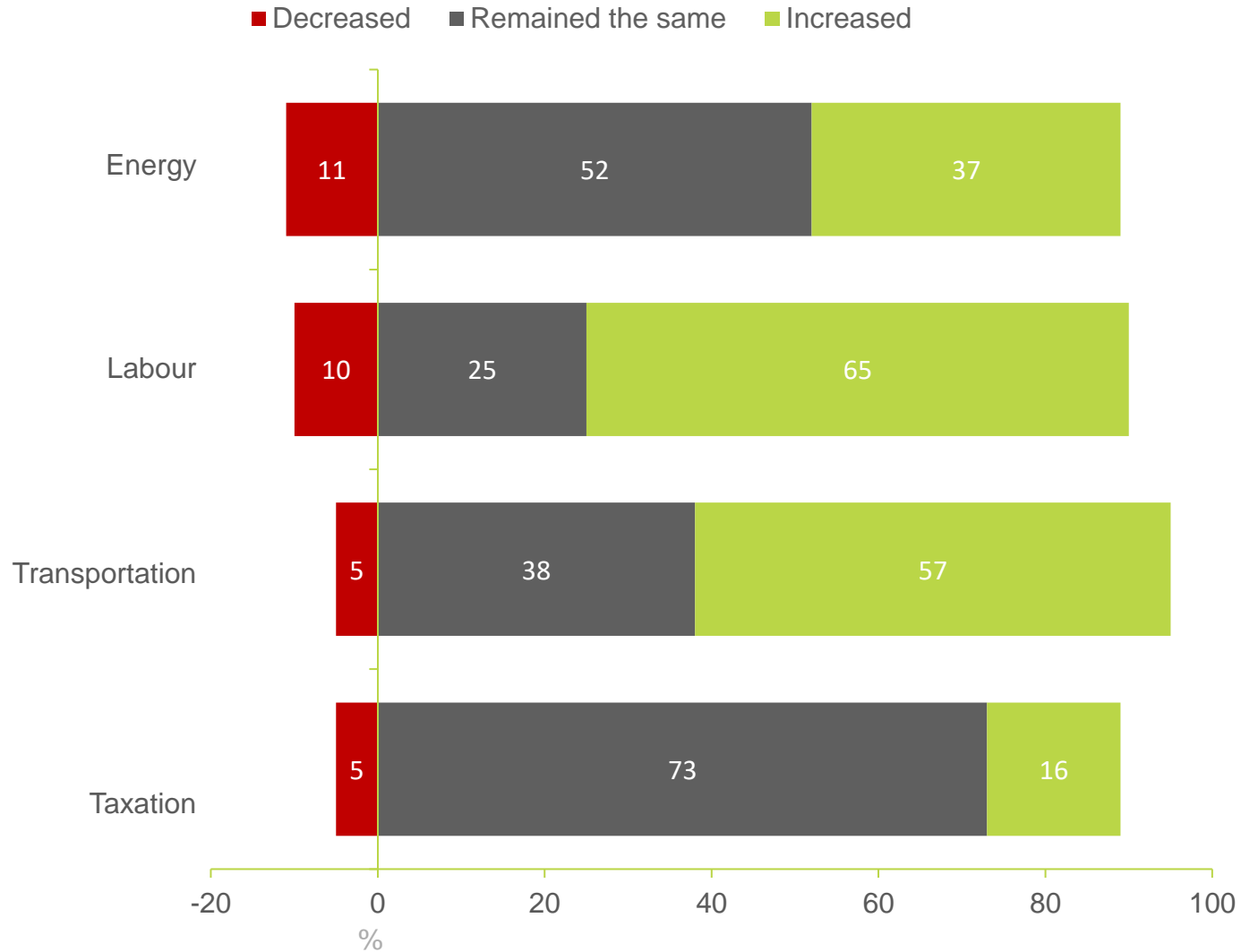
Base 130: All respondents



<sup>1</sup> Multiple choice question

# Q12 In the past 12 months, have the following input costs to your business increased, decreased or remained the same?

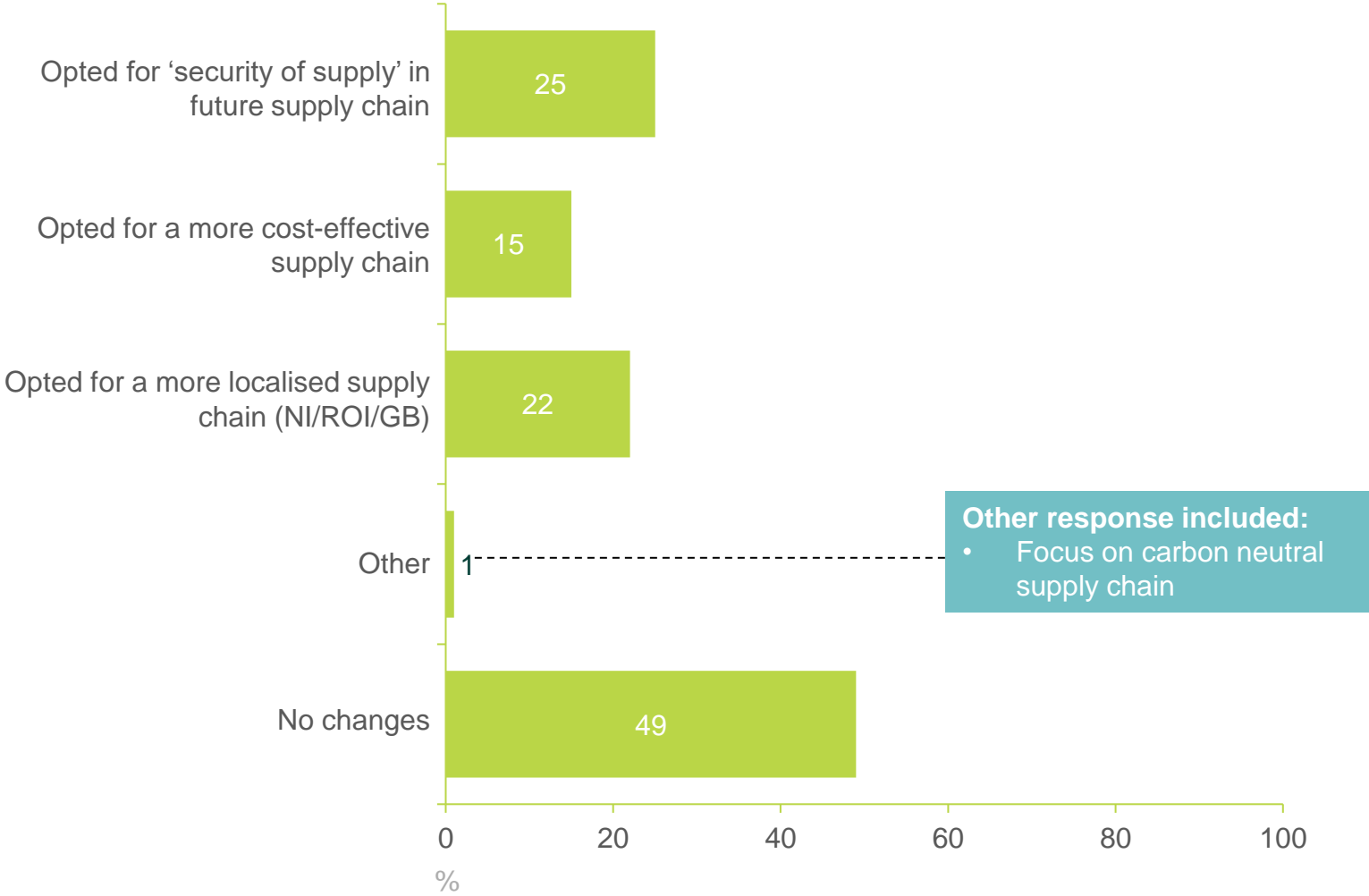
Base 130: All respondents



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

# Q13 As a result of Brexit / COVID-19 have you made changes to your future supply chain/ procurement processes?

Base 130: All respondents

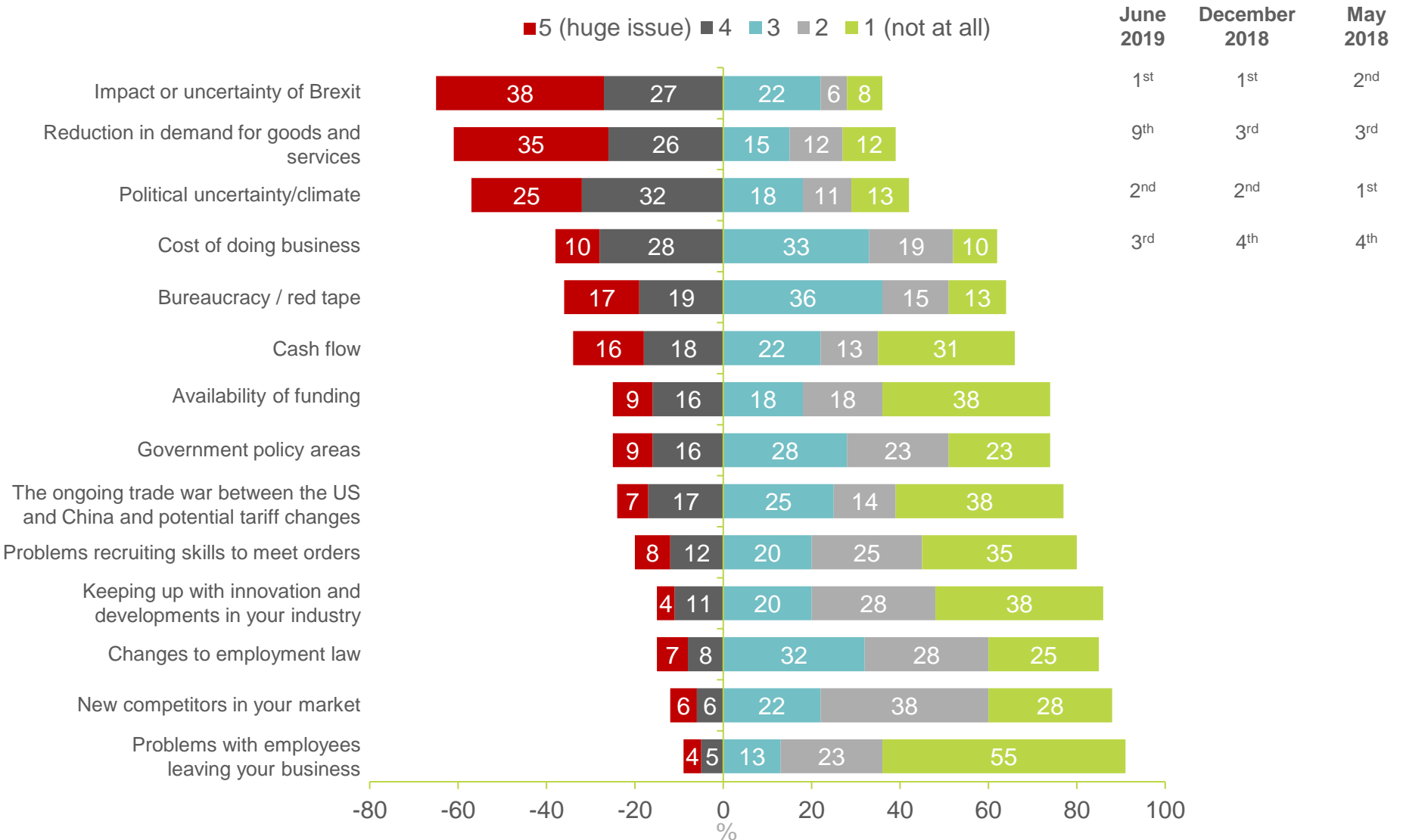


<sup>1</sup> Multiple choice question



# Q14a To what extent, if at all, are each of the following an issue for your business currently?

Base 130: All respondents



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

# Q14a To what extent, if at all, are each of the following an issue for your business currently?

Base 130: All respondents.

% saying it is an issue

Q14a To what extent, if at all, are each of the following an issue for your business currently?	July 2020 <i>Base: 130</i>	June 2019 <i>Base: 139</i>	December 2018 <i>Base: 122</i>	May 2018 <i>Base: 155</i>
Impact or uncertainty of Brexit	65%	76%	67%	56%
Reduction in demand for goods and services	61%	25%	17%	17%
Political uncertainty/climate	57%	69%	59%	51%
Cost of doing business	38%	61%	65%	60%
Bureaucracy / red tape	36%	48%	45%	-
Cash flow	34%	28%	22%	31%
Availability of funding	25%	24%	24%	26%
Government policy areas	25%	31%	34%	31%
The ongoing trade war between the US and China and potential tariff changes	24%	16%	-	-
Problems recruiting skills to meet orders	20%	56%	57%	47%
Keeping up with innovation and developments in your industry	15%	23%	21%	14%
Changes to employment law	15%	25%	-	-
New competitors in your market	12%	26%	10%	21%
Problems with employees leaving your business	9%	30%	27%	17%

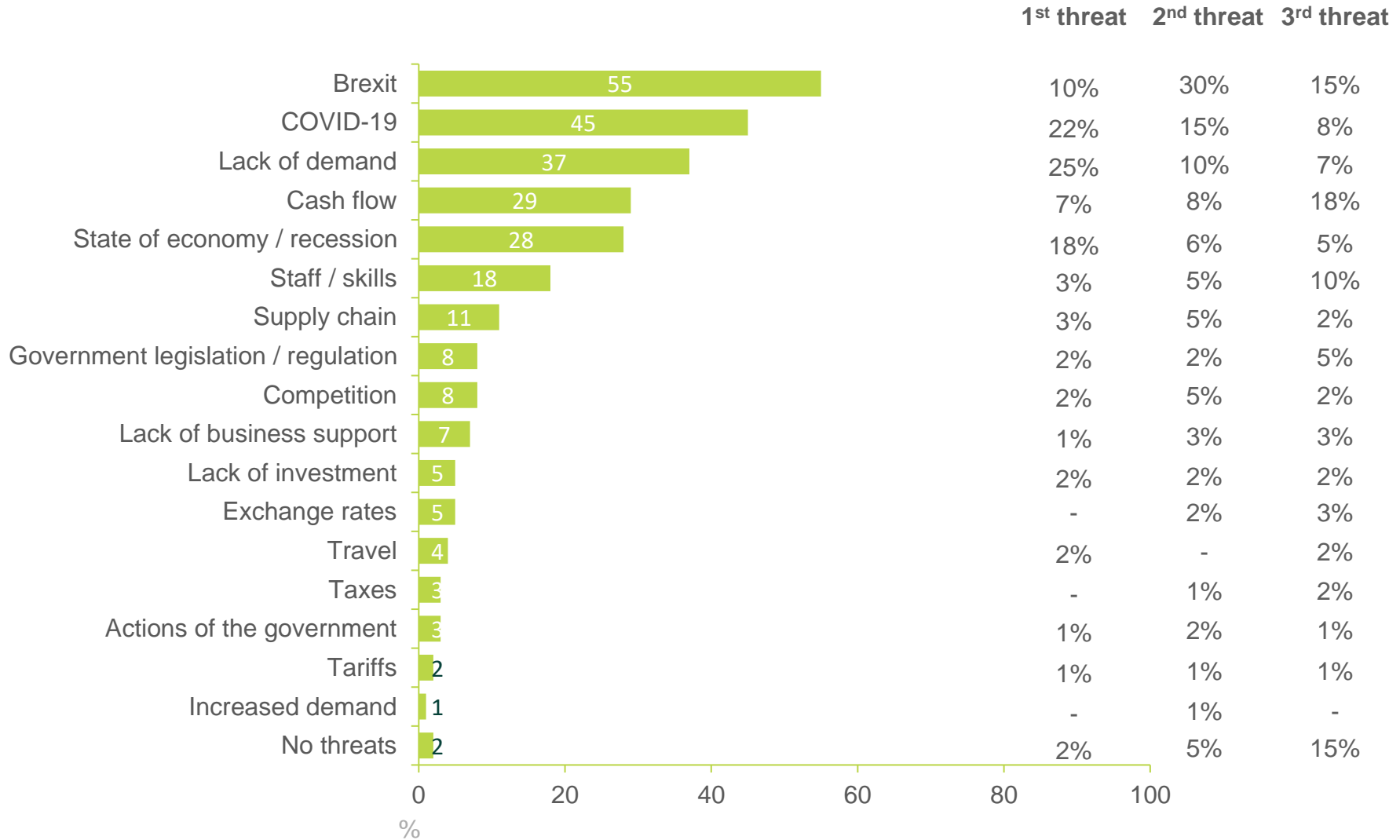
<sup>1</sup> Percentage of those giving a rating of 4 or 5 on a scale of 1 to 5

<sup>2</sup>The ongoing trade war between the US and China' and 'Changes to employment law' were not asked in the Dec '18 or May '18 surveys

<sup>1</sup> 'Bureaucracy / red tape' was not asked in the May '18 survey

# Q14b What do you think are the three biggest threats to your businesses in the next 6 months?

Base 130: All respondents



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



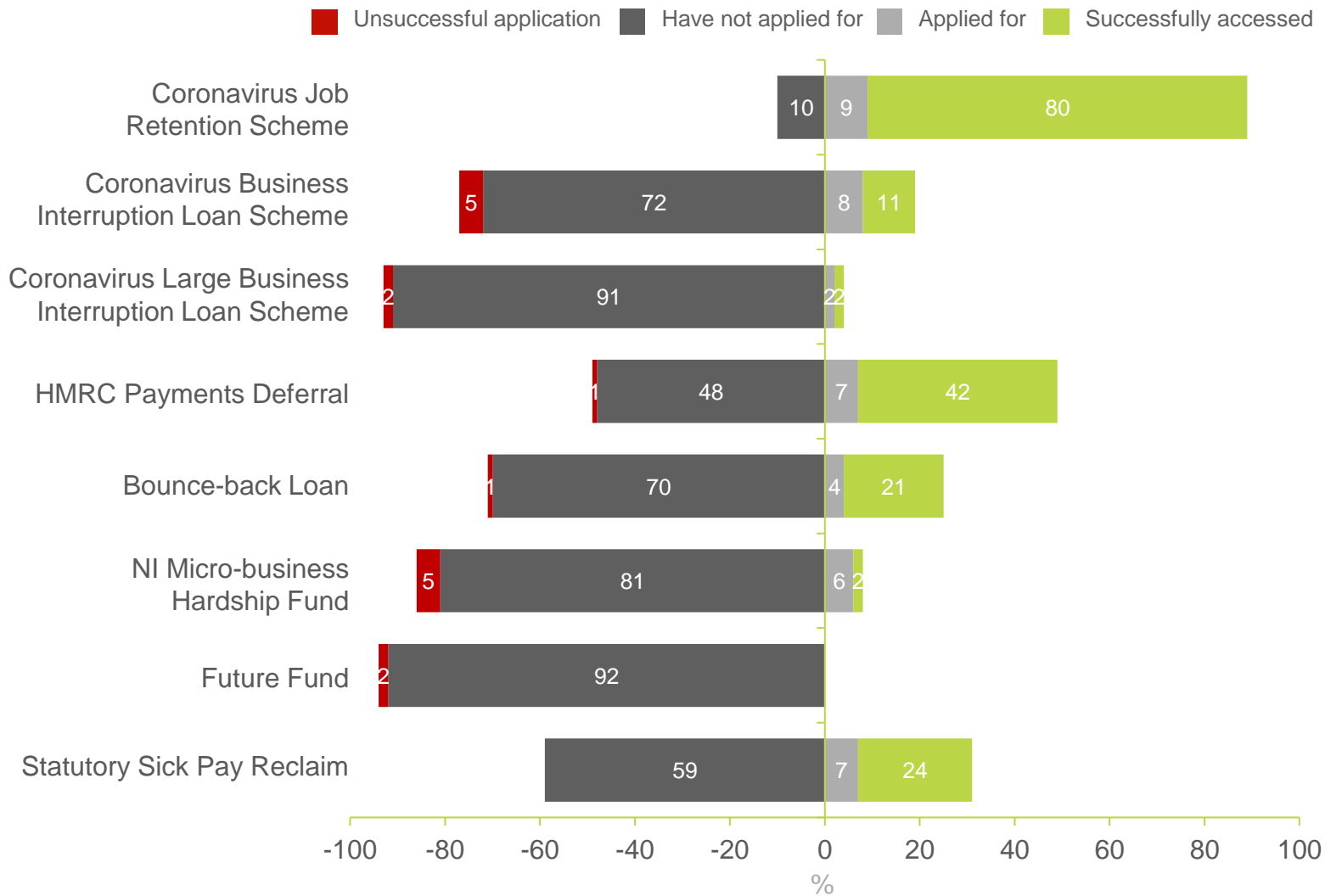
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# Investment and finance

# Q15 Which of the following government interventions has your business applied for and successfully accessed?

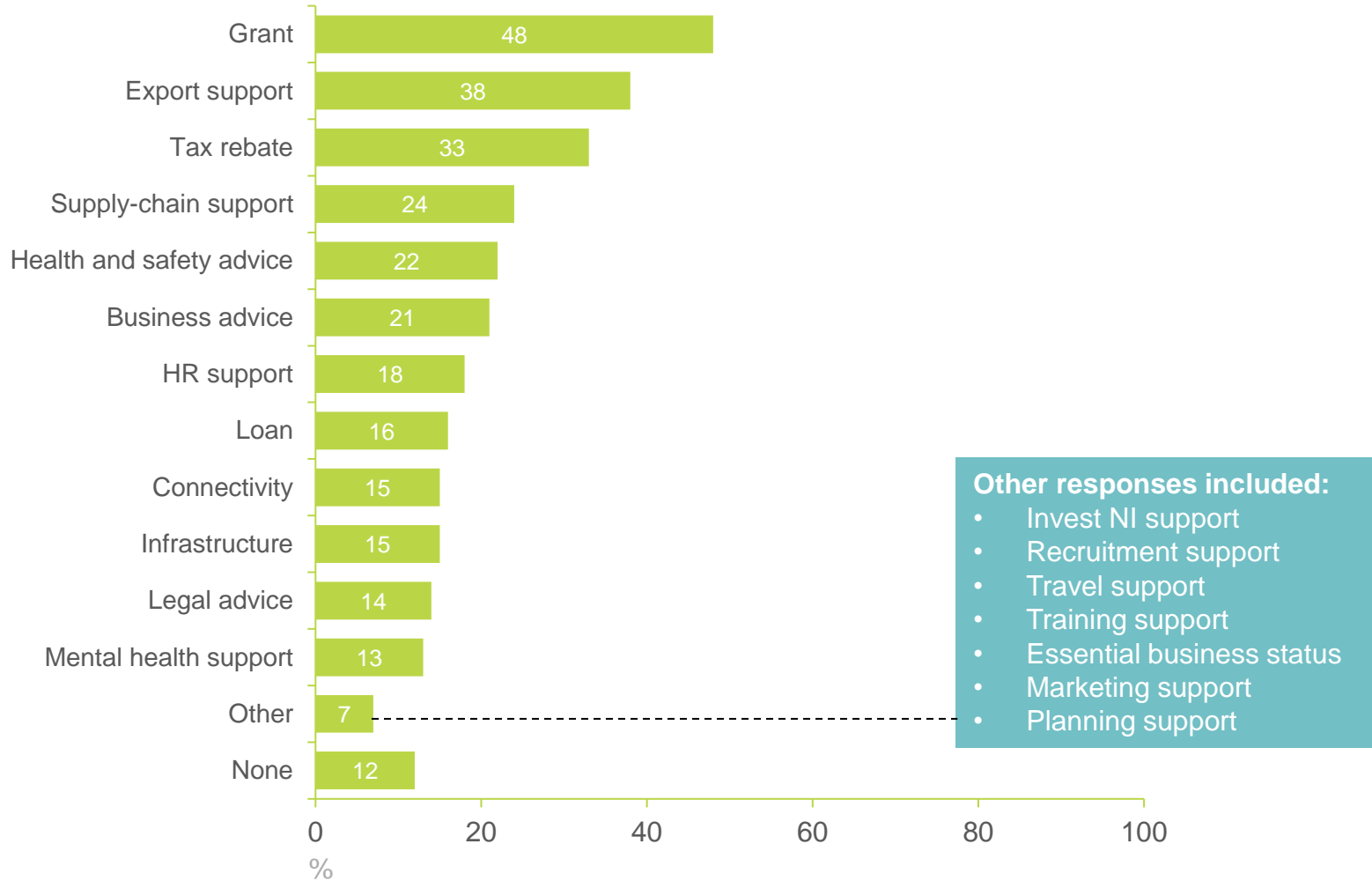
Base 130: All respondents



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

# Q16 As the economy re-opens what type of support do you need, if any, to further mitigate the impact of COVID-19?

Base 130: All respondents



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



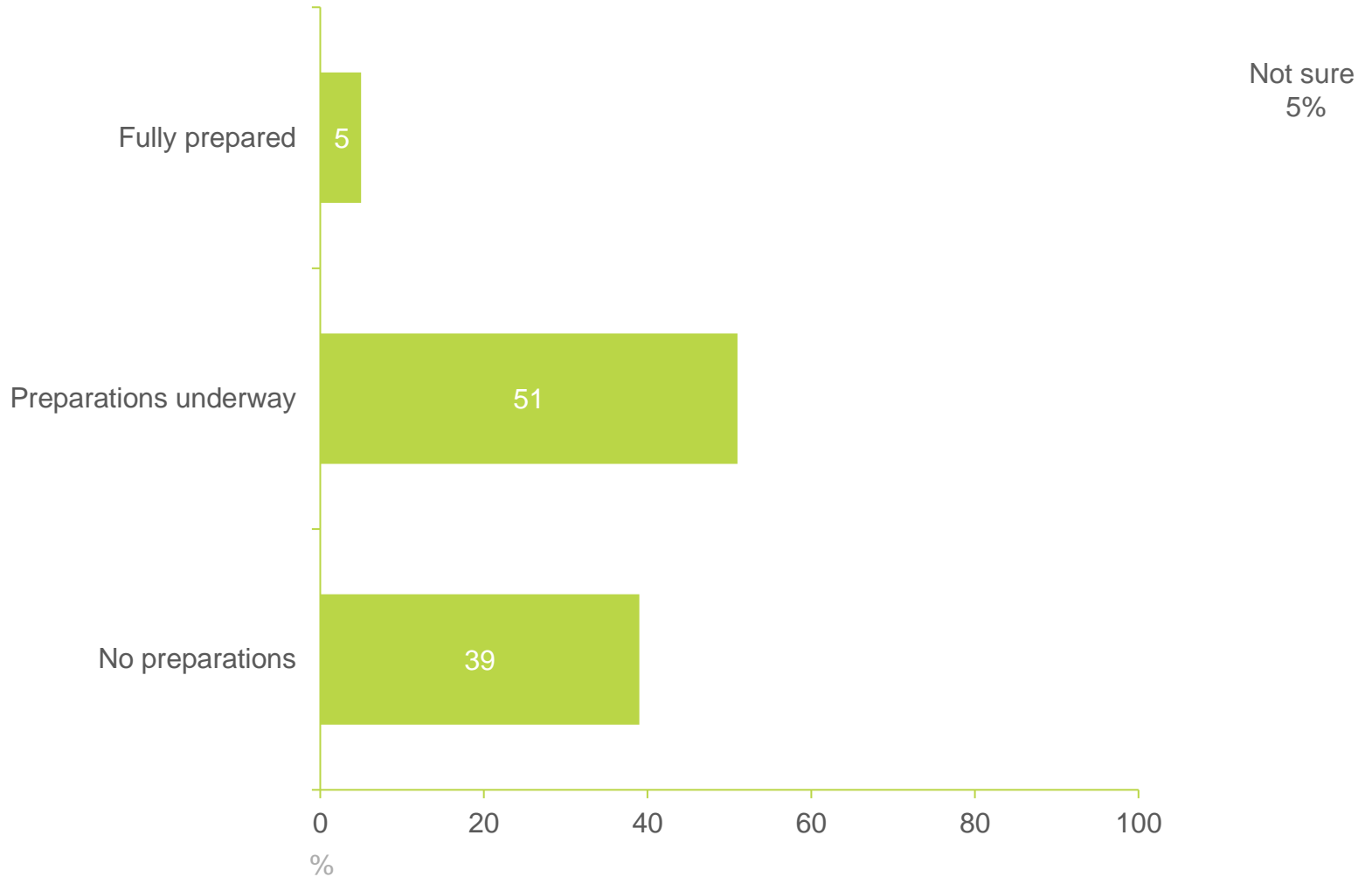
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# Impact of leaving the EU

# Q17 With the potential for a No Deal Brexit re-emerging, how would you describe your current state of preparations?

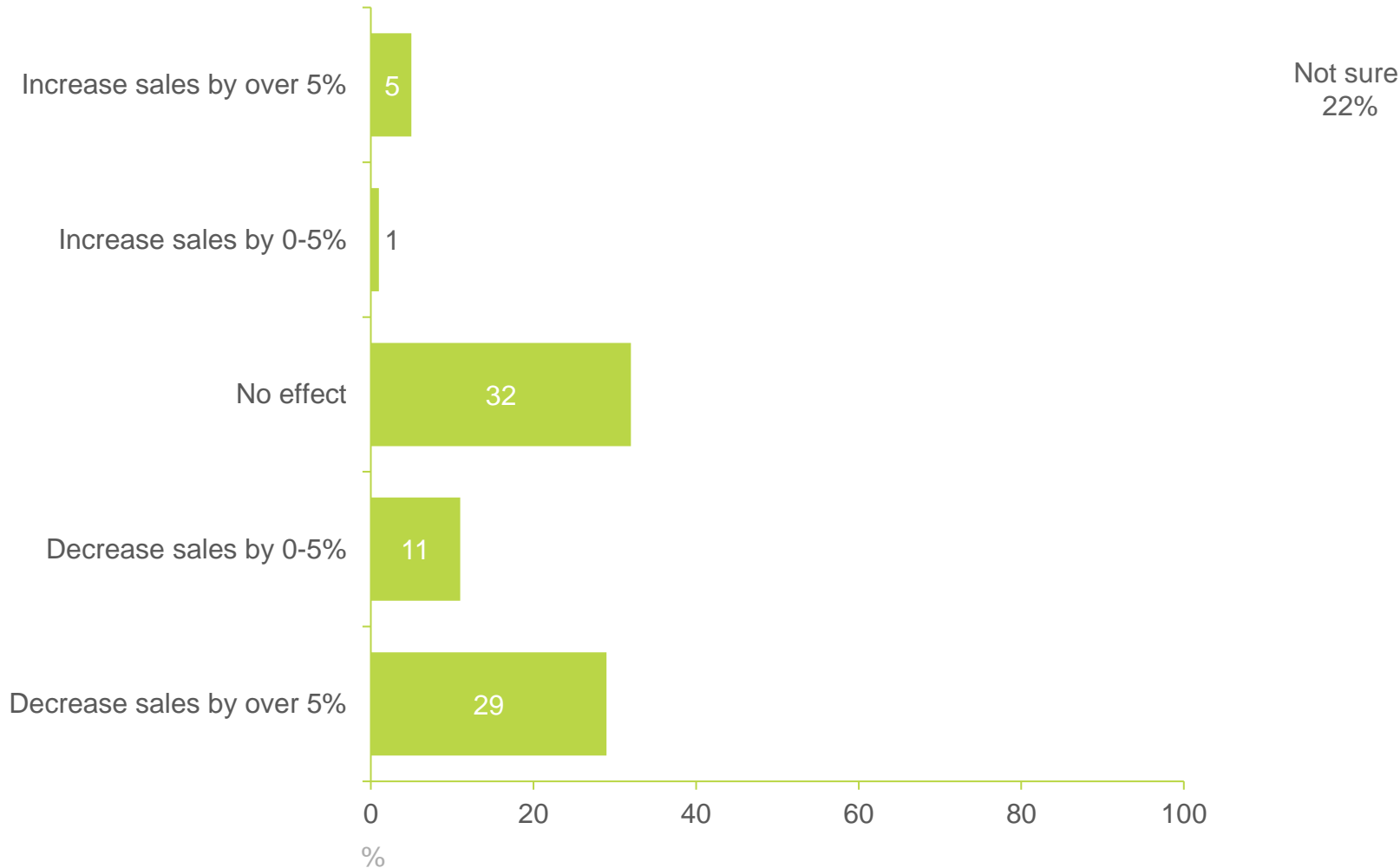
Base 130: All respondents





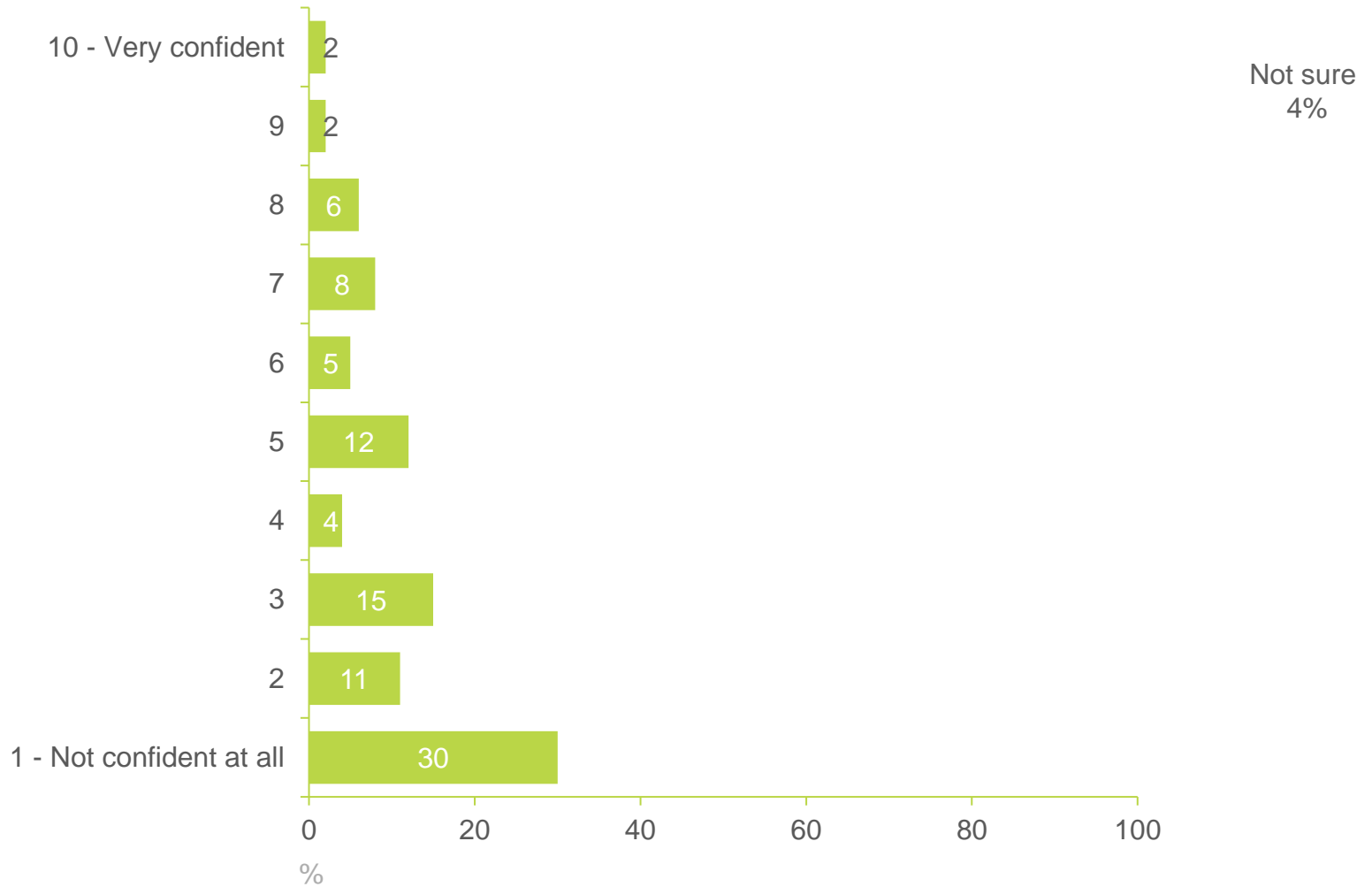
# Q18 What impact, if any, do you expect the UK-EU protocol on NI-ROI to have on your sales?

Base 130: All respondents



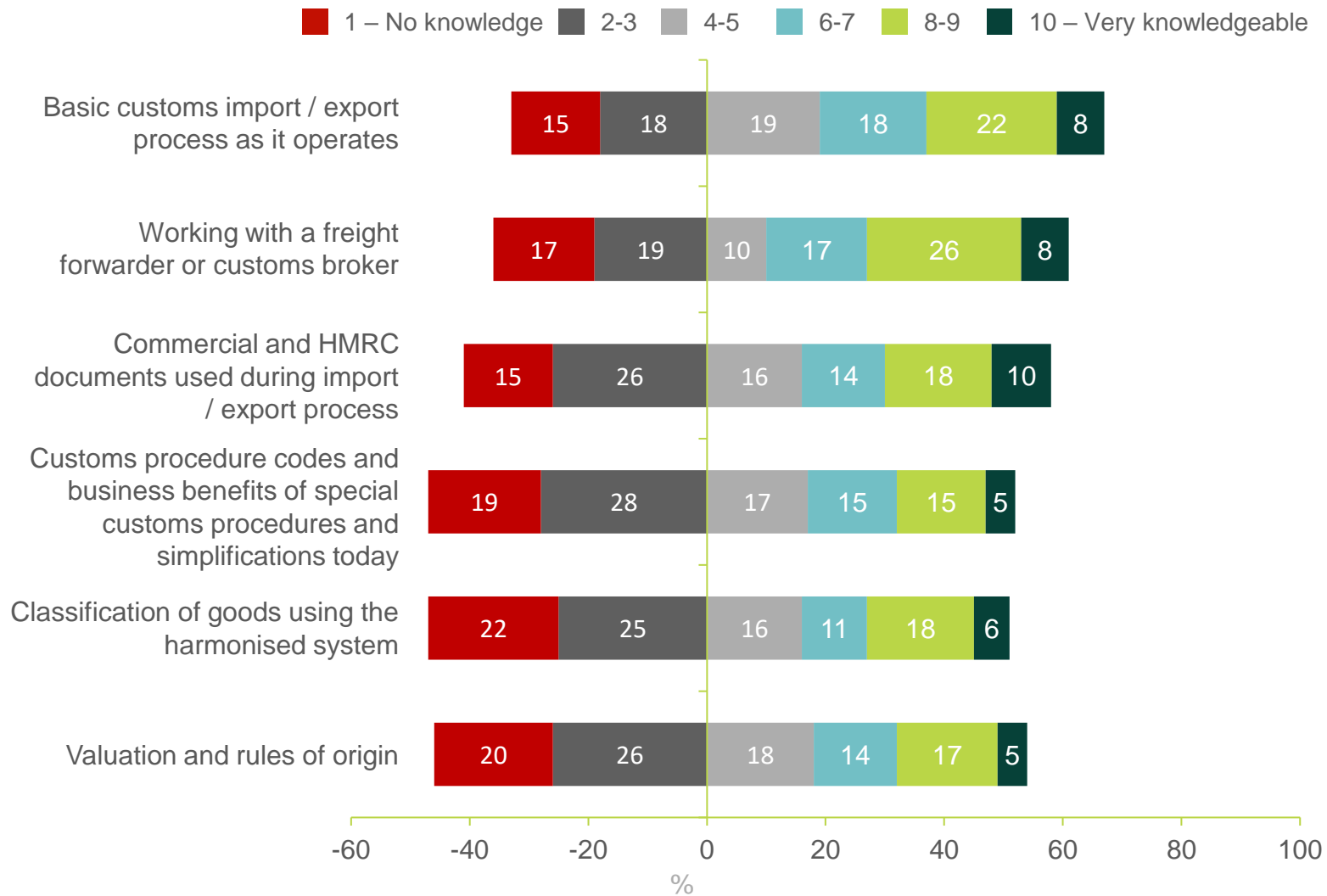
# Q19 How confident are you about understanding and implementing customs arrangements to move your products from 1 Jan 2021?

Base 130: All respondents



# Q20 How would you rate your knowledge of...?

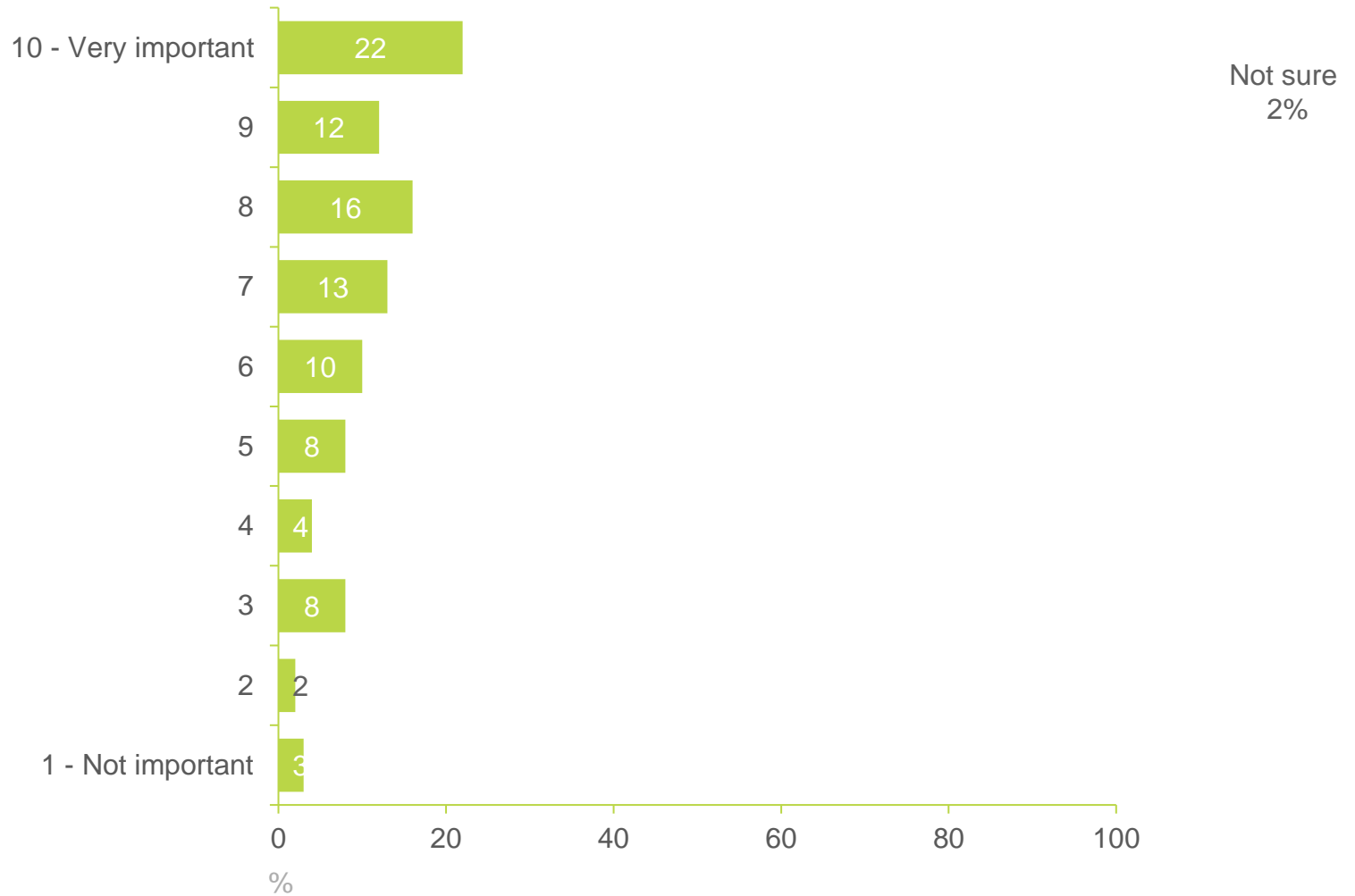
Base 130: All respondents



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

# Q21 What level of importance do you attach to understanding customs compliance and processes for your business?

Base 130: All respondents





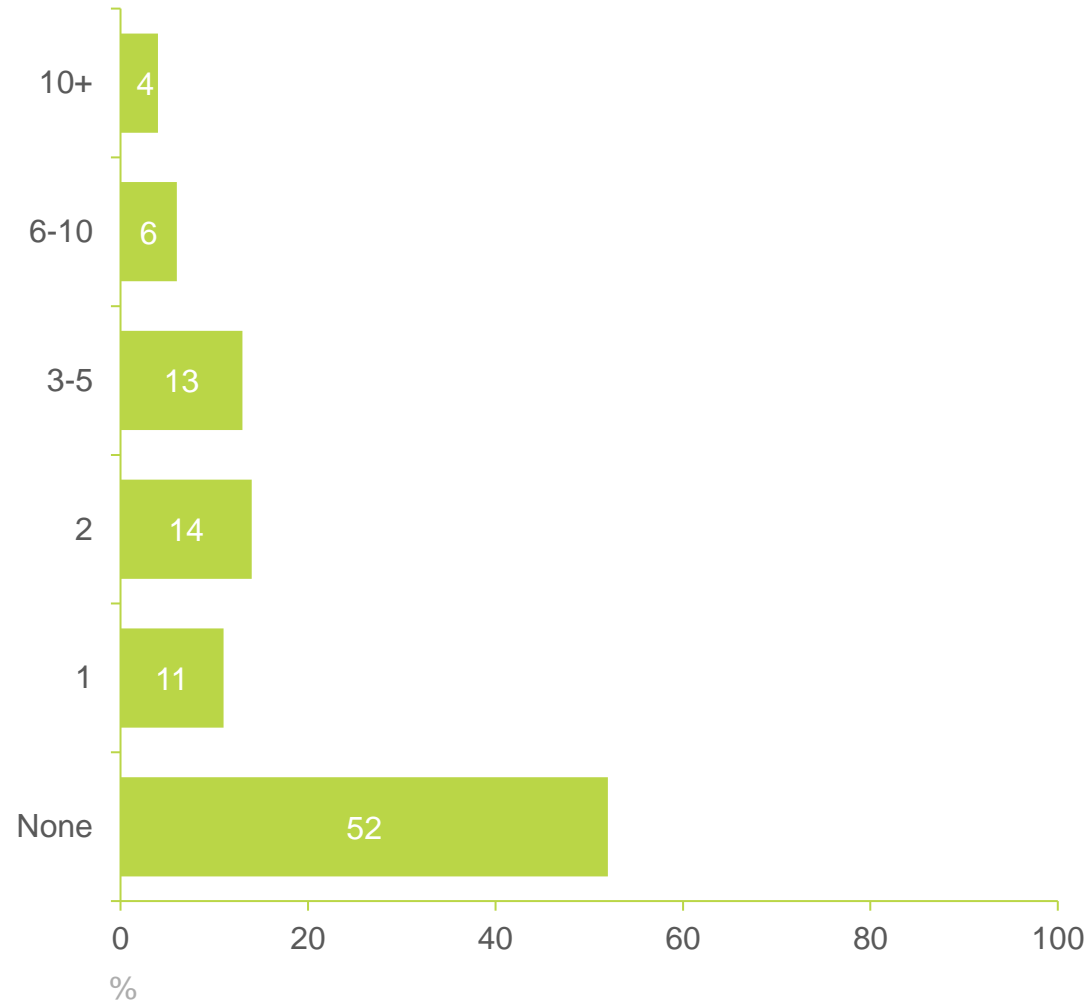
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# Skills & People

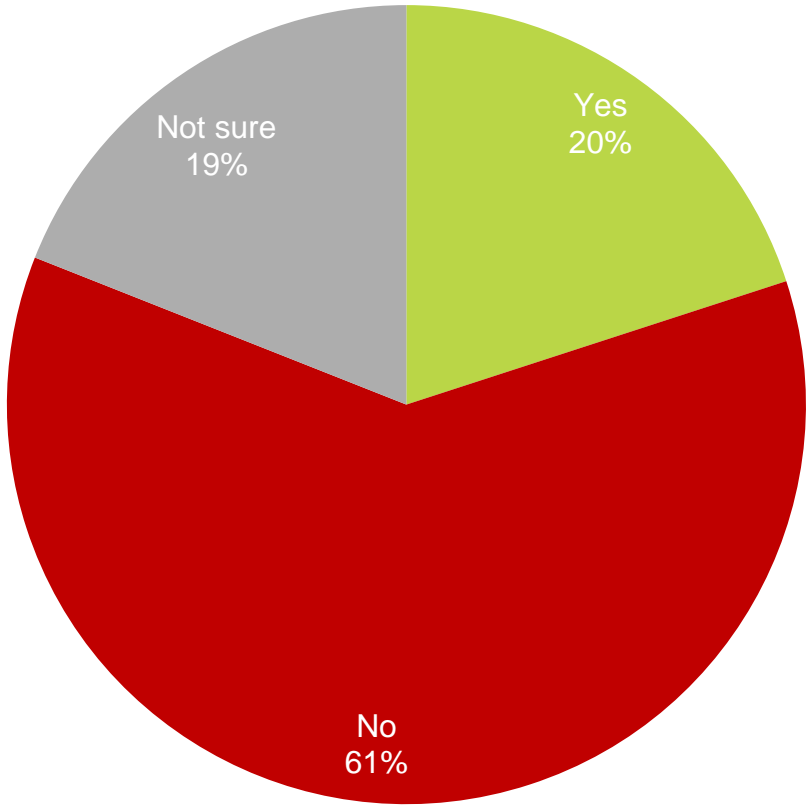
## Q22 How many apprenticeships did you take on in 2019?

Base 130: All respondents



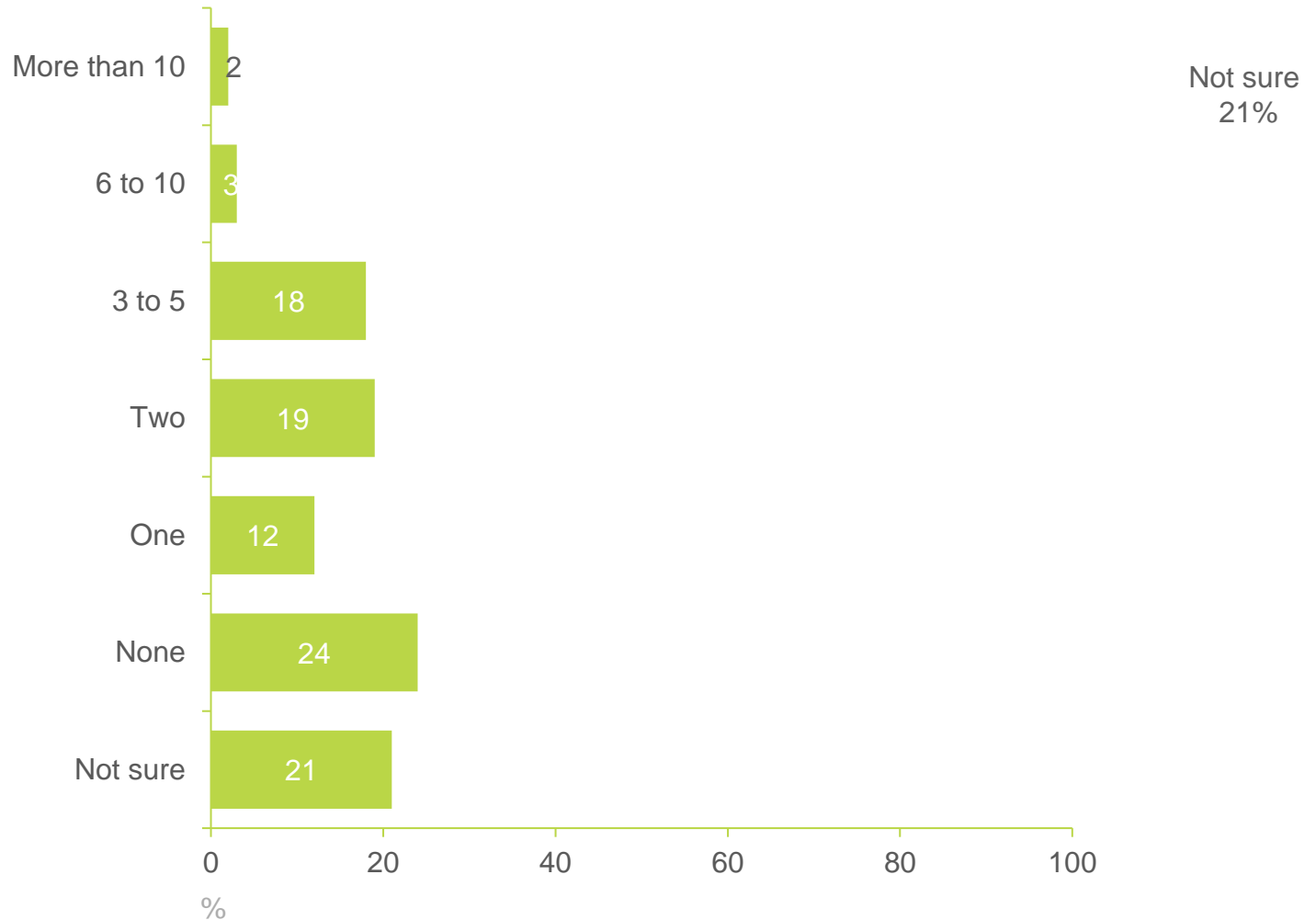
# Q23 The furlough scheme starts to taper out in July and ends in October. Can you commit to taking on new apprenticeships in September 2020?

Base 130: All respondents



# Q24 If there was a support from the Government to pay a % of the wages of your new apprenticeship intake for September 2020, how many would you commit to taking on?

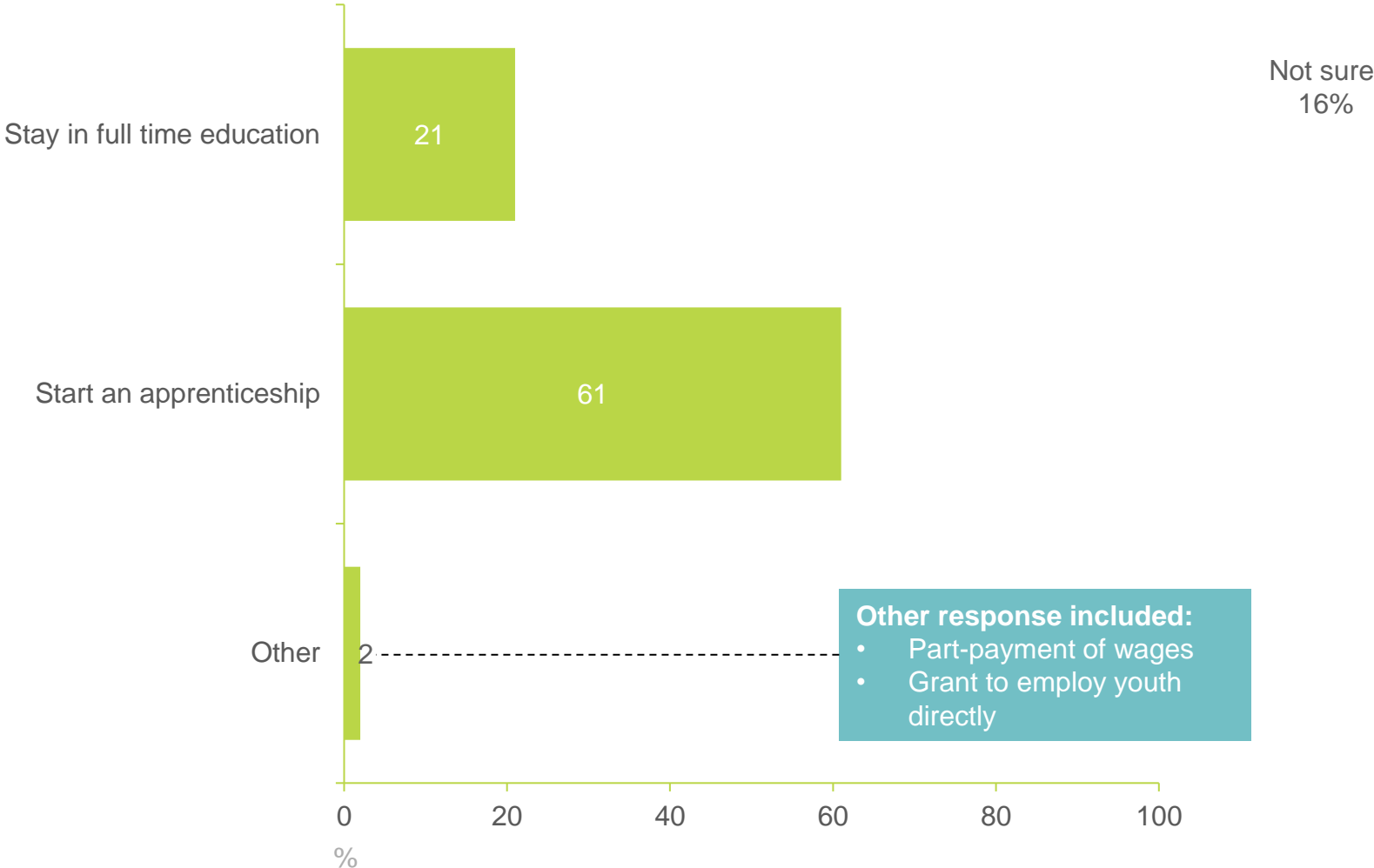
Base 130: All respondents





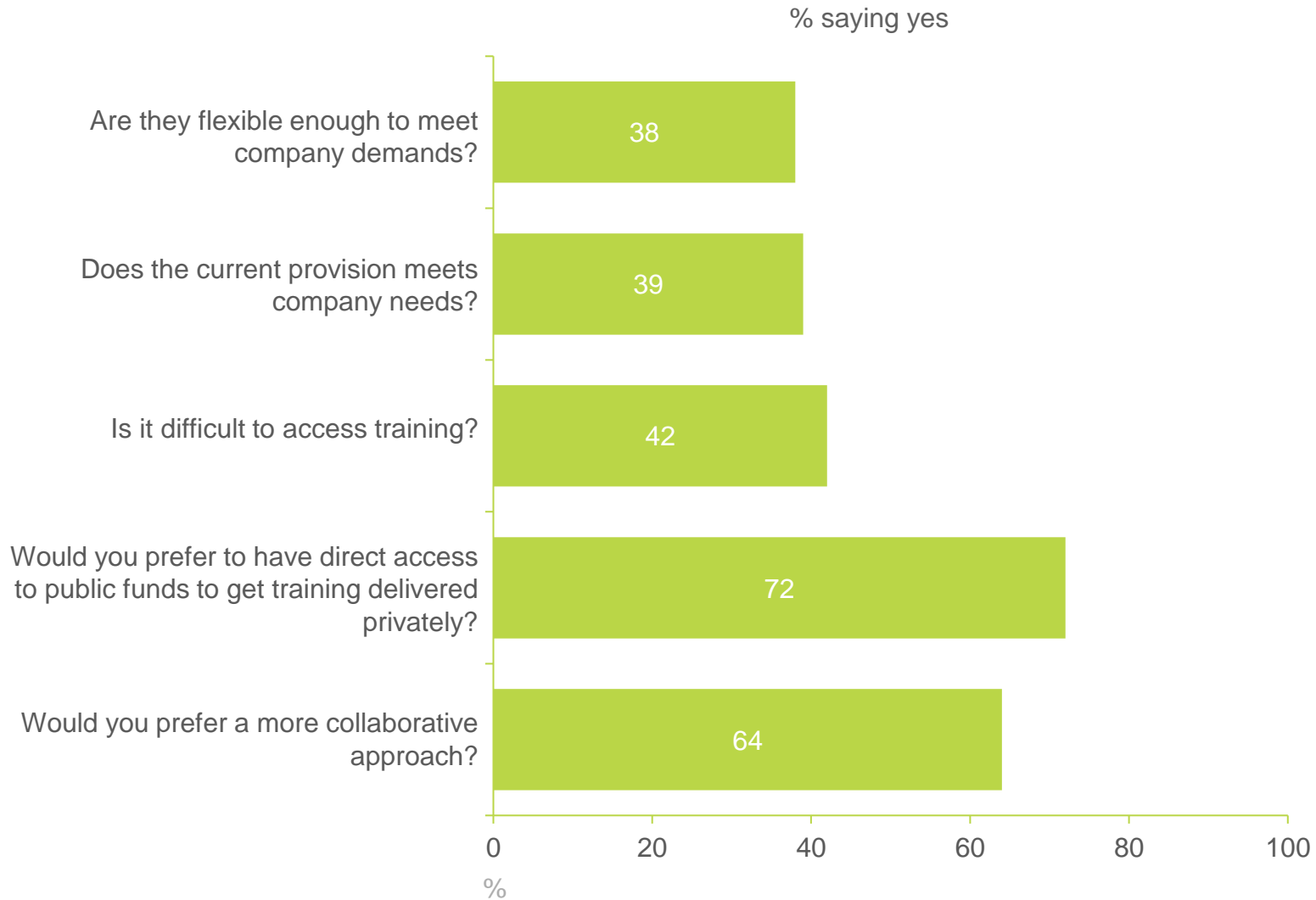
# Q25 Would you prefer if Government provided support for 16 to 18 year olds in September 2020 to...?

Base 130: All respondents



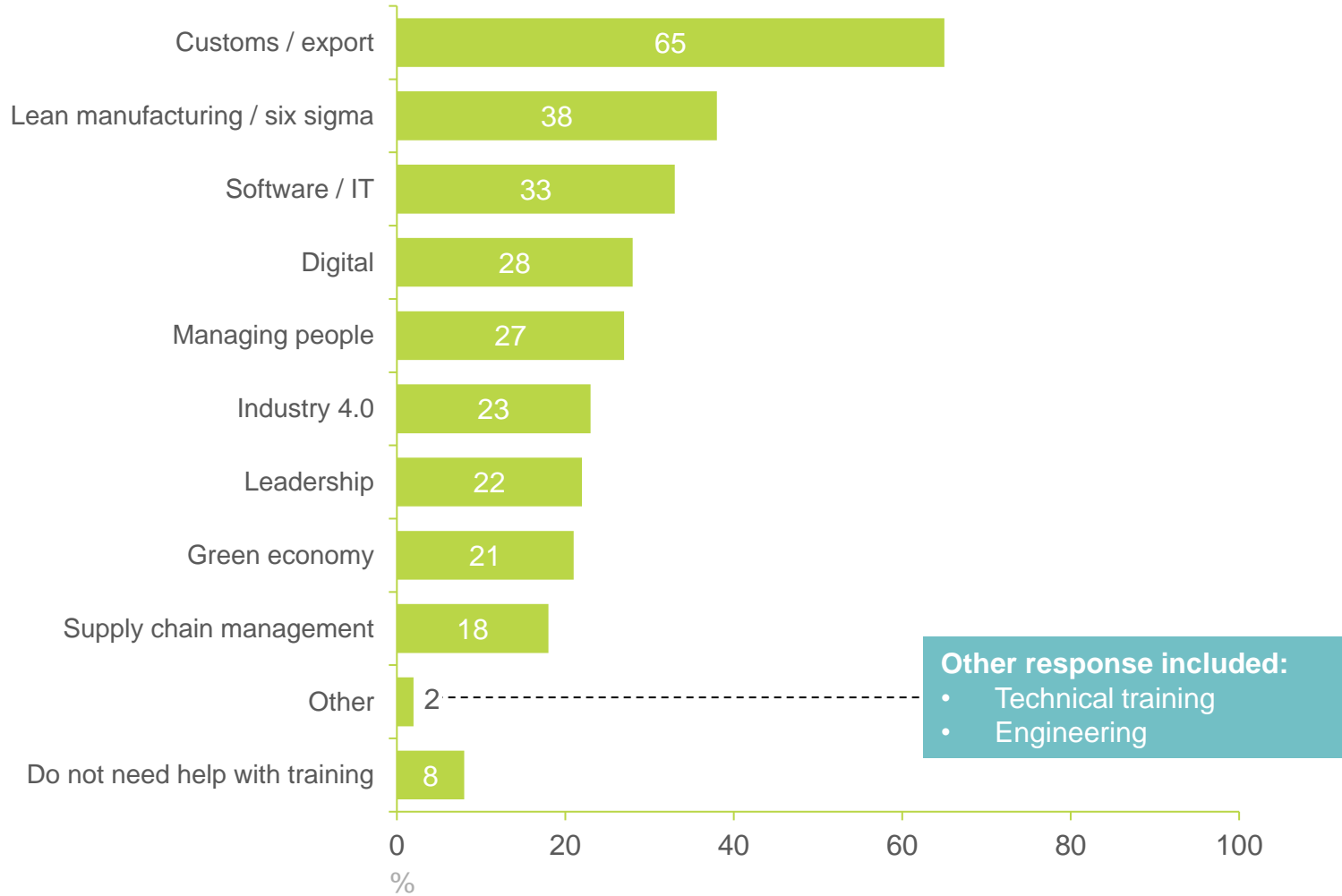
# Q26 In relation to the current provision of skills in Northern Ireland at present...?

Base 130: All respondents



# Q27 Which of the following areas of training, if any, do you need help with?

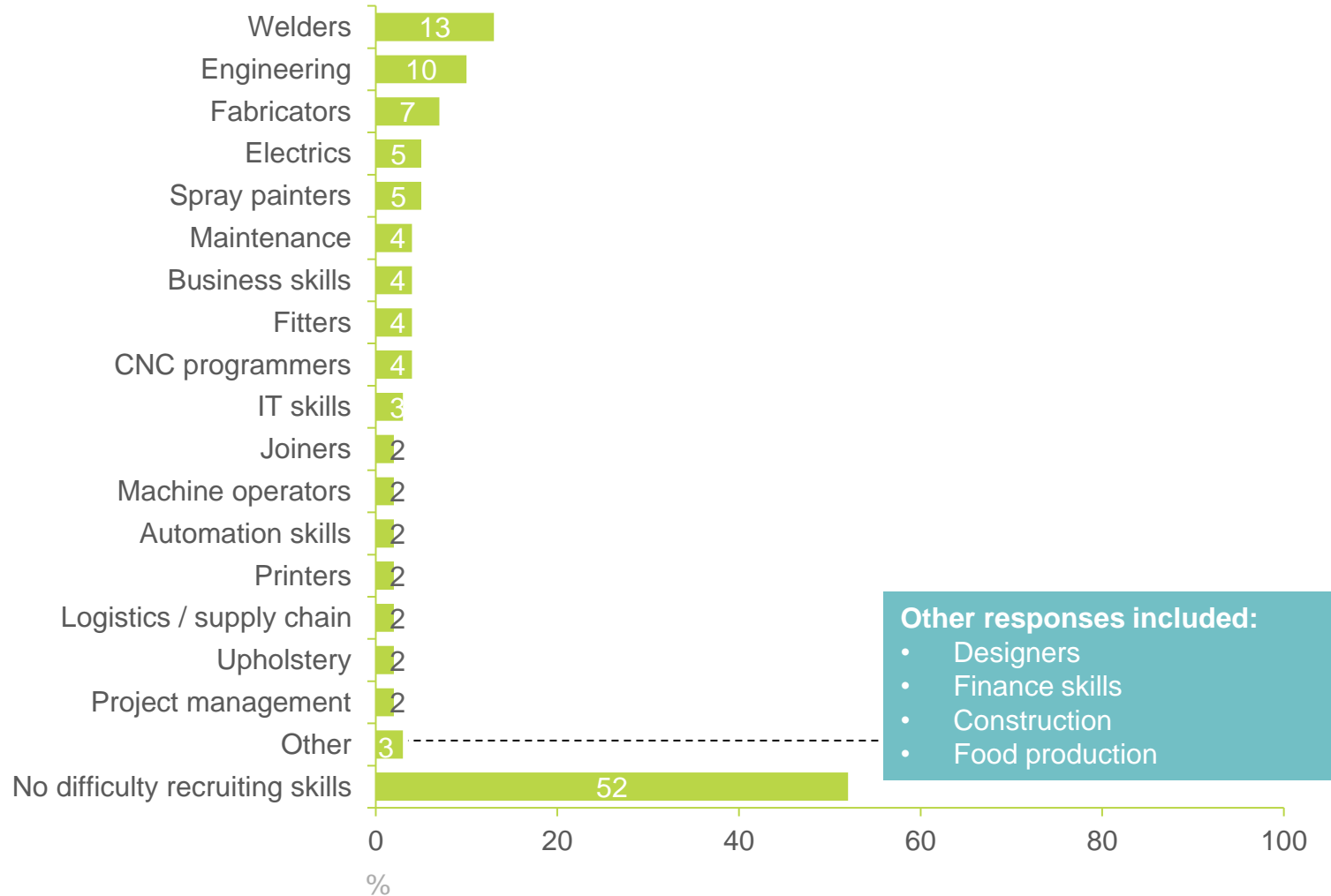
Base 130: All respondents



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

# Q29 Are there any particular occupations/skills which you find difficult to recruit for from the local labour market?

Base 130: All respondents





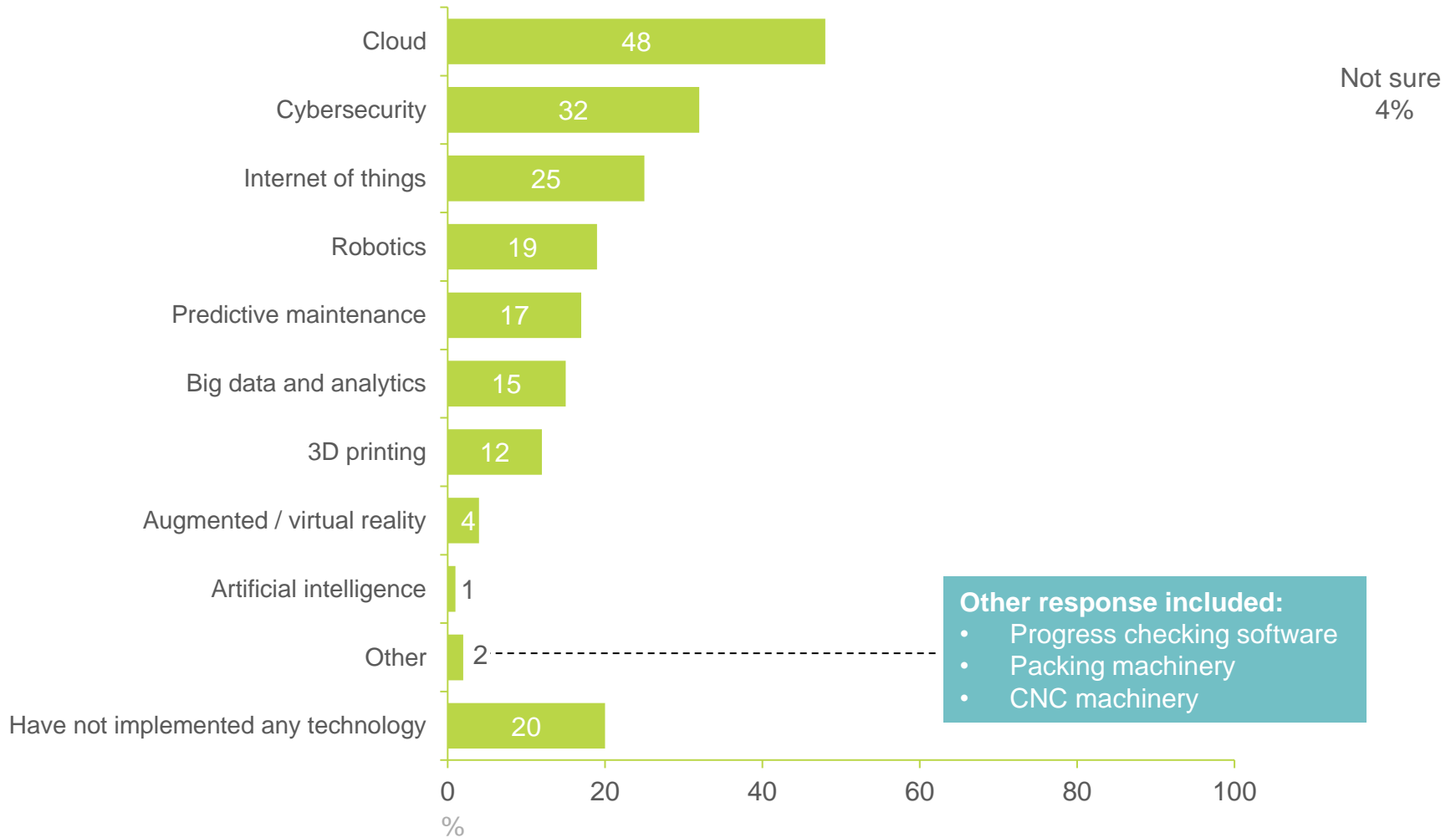
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# Innovation

# Q30 Have you implemented any of the following technologies in your business?

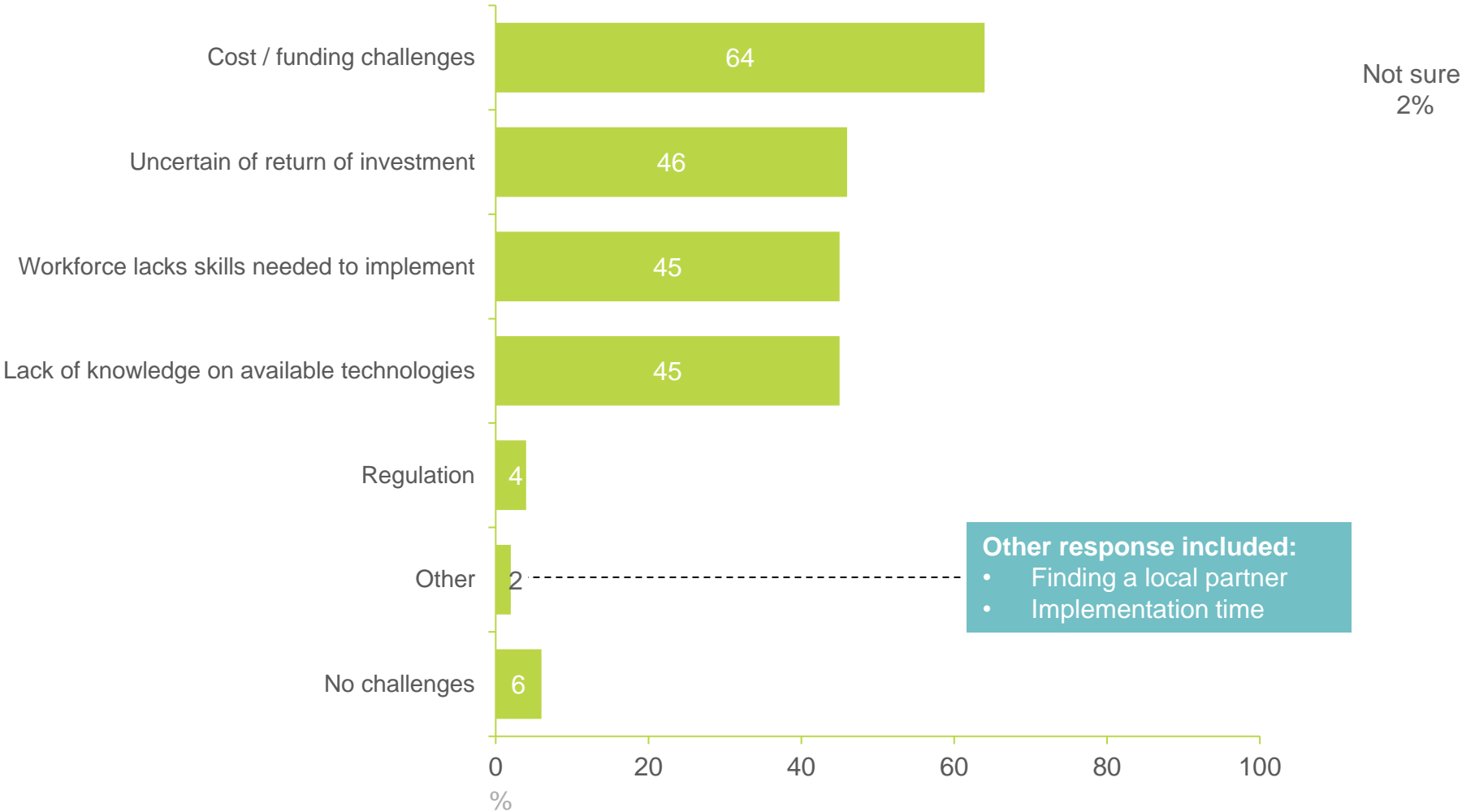
Base 130: All respondents



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

# Q31 What are the biggest challenges in adopting new technologies?

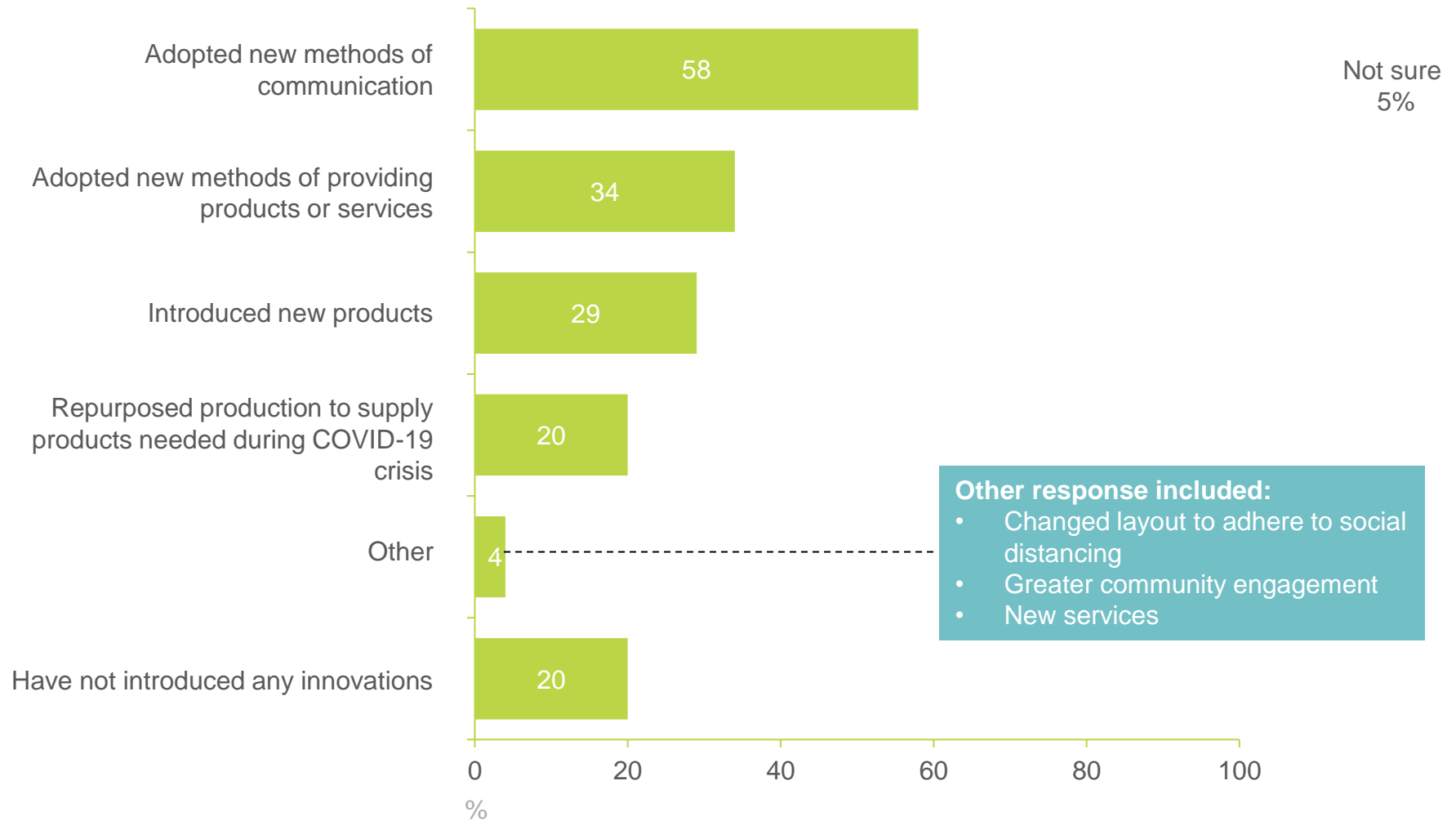
Base 130: All respondents



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

# Q32 Has your business introduced any of the following innovations to adapt to the effects of the COVID-19 crisis?

Base 130: All respondents

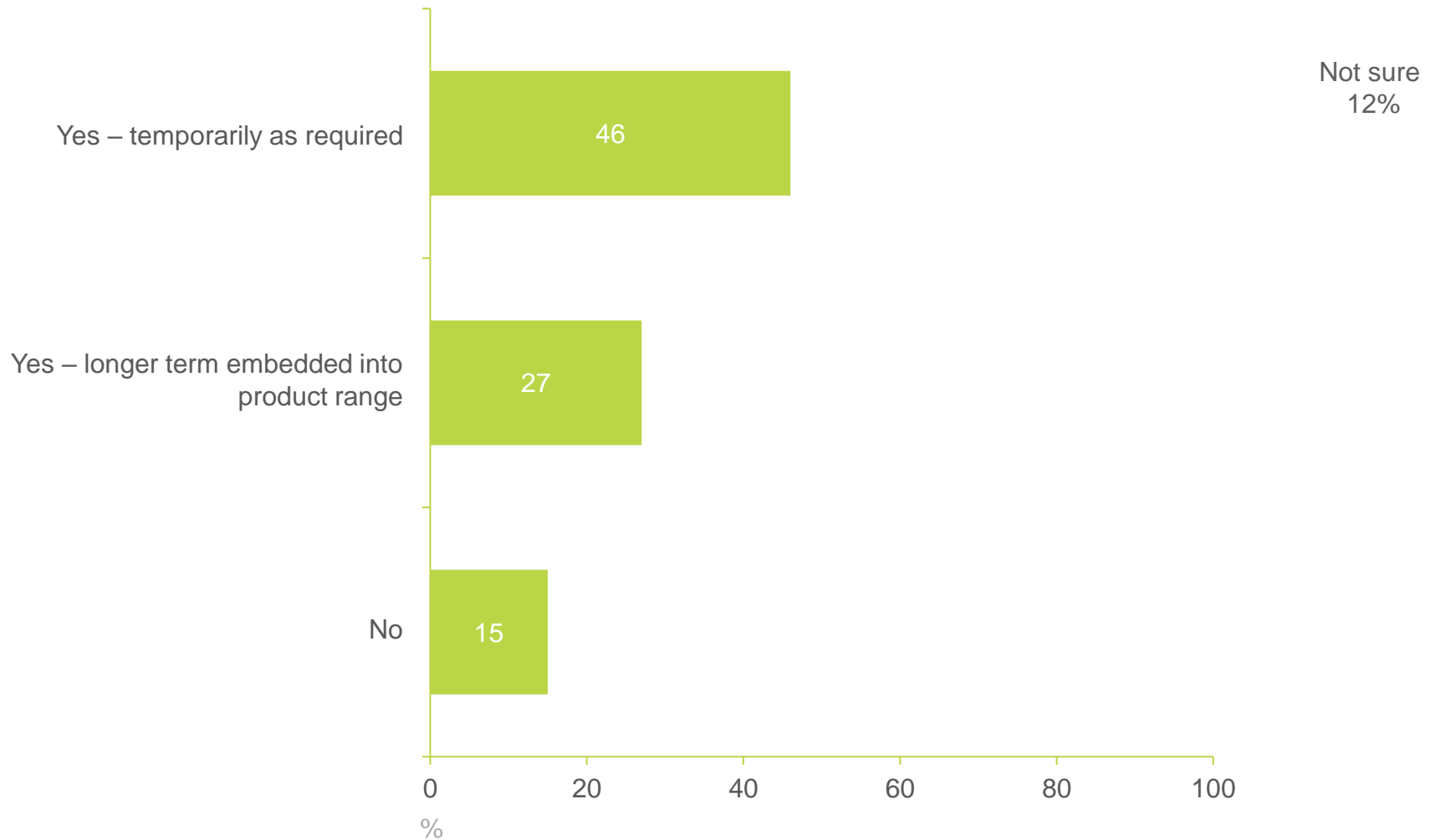


<sup>1</sup> Multi response question so percentage is greater than 100%



# Q33 For those that have repurposed production, will you maintain this production as an addition to your existing product range?

Base 26: Businesses that have repurposed production





# Thank you for reading.

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

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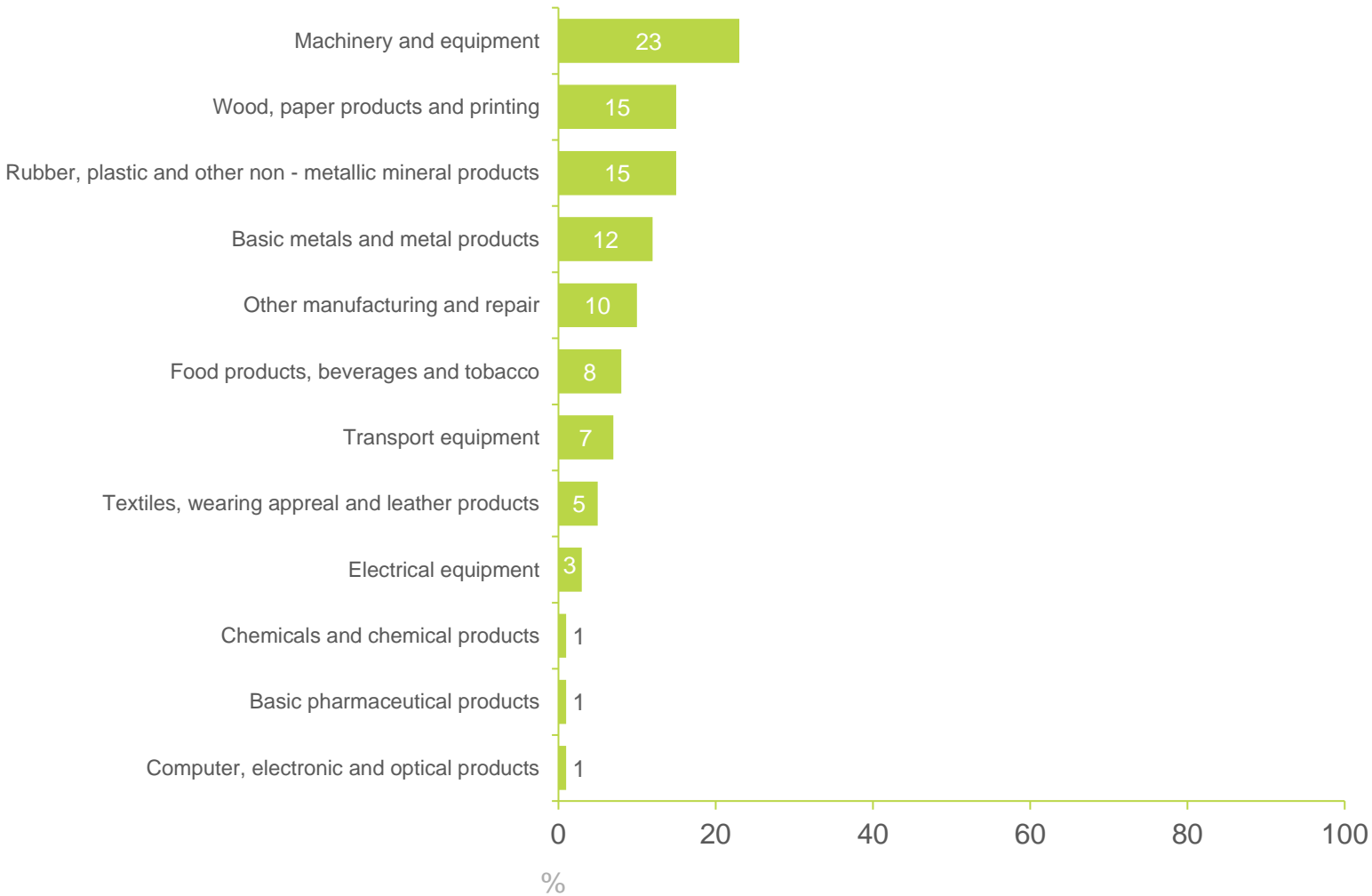
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Appendices:

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

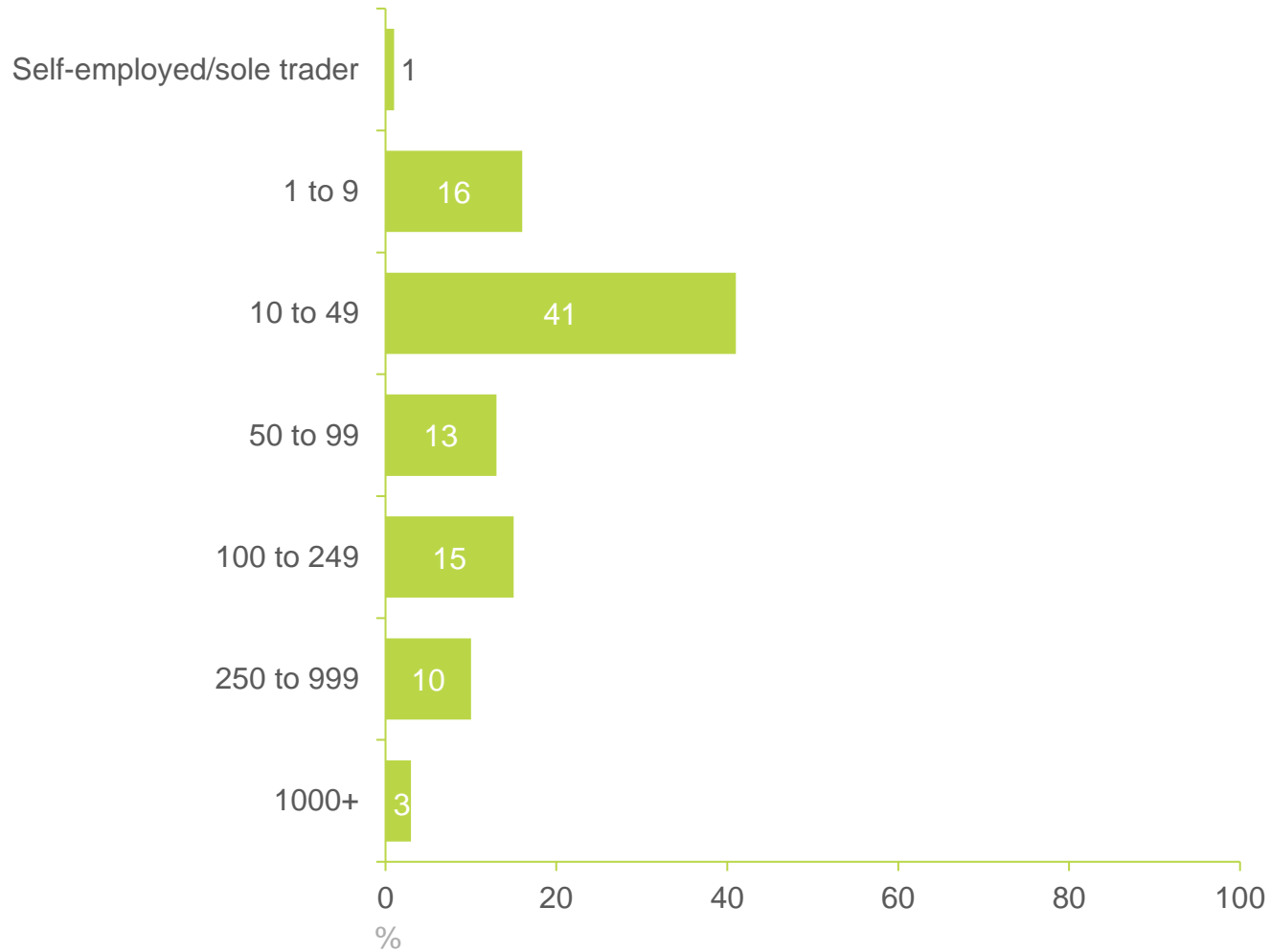
Base 130: All respondents



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

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

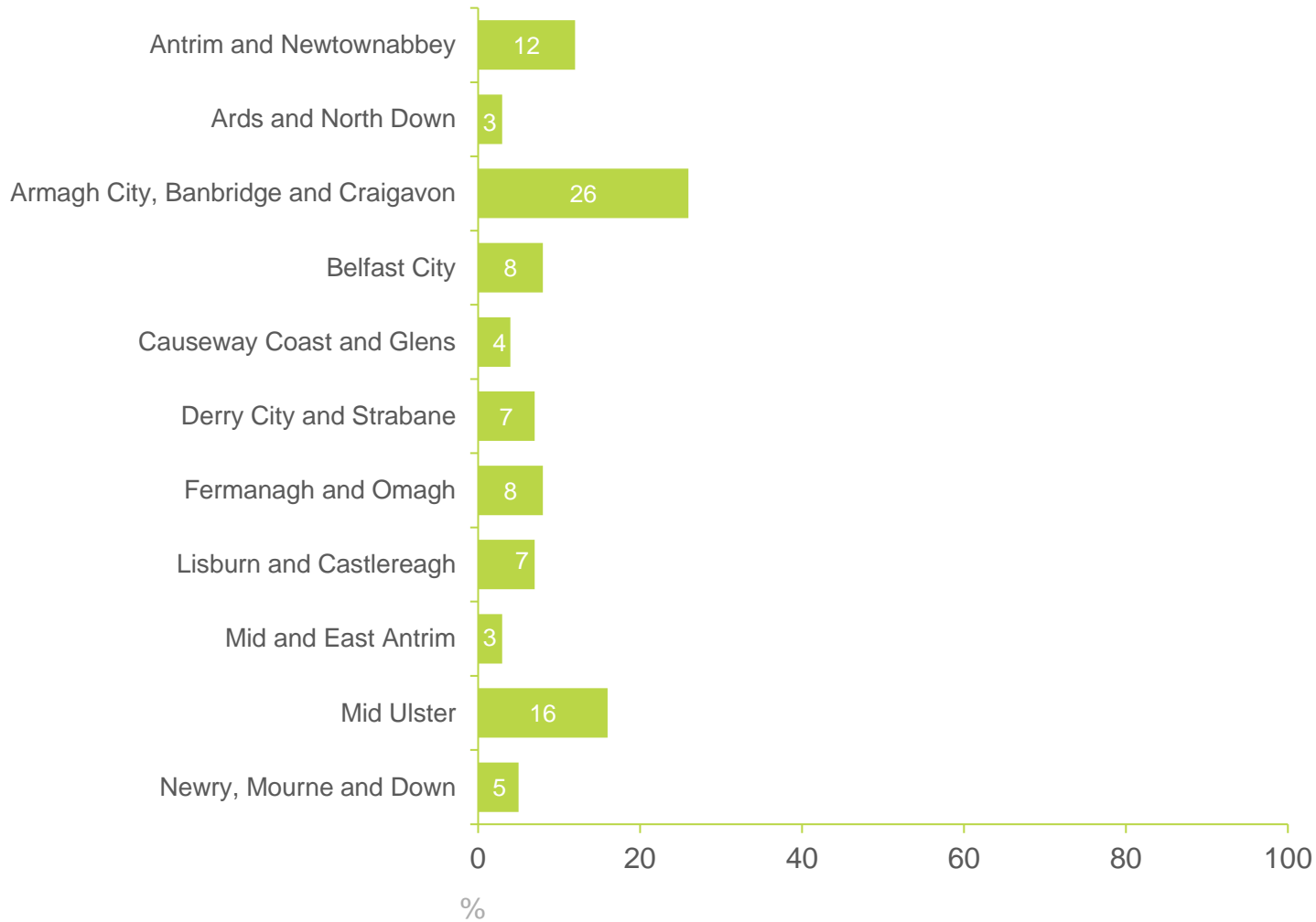
Base 130: All respondents



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

# Appendix C: Q4 In which Council area is your business based?

Base 130: All respondents



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