




**MANUFACTURINGNI**

# Tughans



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

April 2022



# Executive Summary



## GROWTH & STABILITY

### Performance & Trade

Although Covid-19 continues to impact over half of manufacturing businesses (53%), the sector is showing signs of recovery compared to April '21

- **11%** of those surveyed described their business as reducing or contracting compared to 17% previously.
- **52%** are experiencing growth, compared to 48% previously.

### Outlook for the future

- **47%** of businesses expect that the sector will see growth in the next 12 months, compared to 19% that expect continued weakness



## ISSUES & CONCERNS

### Top 4 most prevalent concerns

- 1. Rising energy costs** – 90% businesses rated this 4 or 5 (on a scale of 1 to 5).
  - 98% of manufacturing firms have experienced an increase in energy costs over the past 12 months, compared to 2% who said these costs have remained the same.
  - 58% have taken action to mitigate rising energy costs.
  - 49% are planning investment in Green Technology/energy efficiency measures in 2022.
- 2. Cost of doing business** – 83% businesses rated this 4 or 5 up from 61% in April 21.
  - 25% mentioned the increased cost of doing business as the main obstacle for the recovery of their firm; 21% also said the upward pressure on input costs was an issue for their recovery.
  - 98% have increased expenditure on transportation in the past 12 months.
- 3. Availability of raw materials** – 76% businesses rated this 4 or 5.
  - 98% of manufacturers have increased expenditure on raw materials.
  - 36% think their GB suppliers are unprepared for the new requirements.
  - 14% said disrupted supply chains are the biggest obstacle to their firms recovery, with 66% requiring supply-chain support to mitigate the impacts of Brexit and Covid-19 as the economy re-opens.
- 4. Problems recruiting skills** – 59% businesses rated this 4 or 5.
  - 28% said the availability of labour was the biggest obstacle to their firms recovery, with 85% experiencing labour supply issues and 95% increasing their expenditure on labour.
  - 58% are exploring automation and investment in technology to mitigate the effects of labour shortages.

## Background



# Approach

## AIM

The aim of the study is to assess the needs, experiences and issues affecting businesses in the manufacturing industry in Northern Ireland.

## METHOD

- 1 An online survey was emailed to manufacturing businesses in Northern Ireland
- 2 A total of 130 questionnaires were completed and analysed.

*The survey ran from 1<sup>st</sup> April – 22<sup>nd</sup> April 2022.*



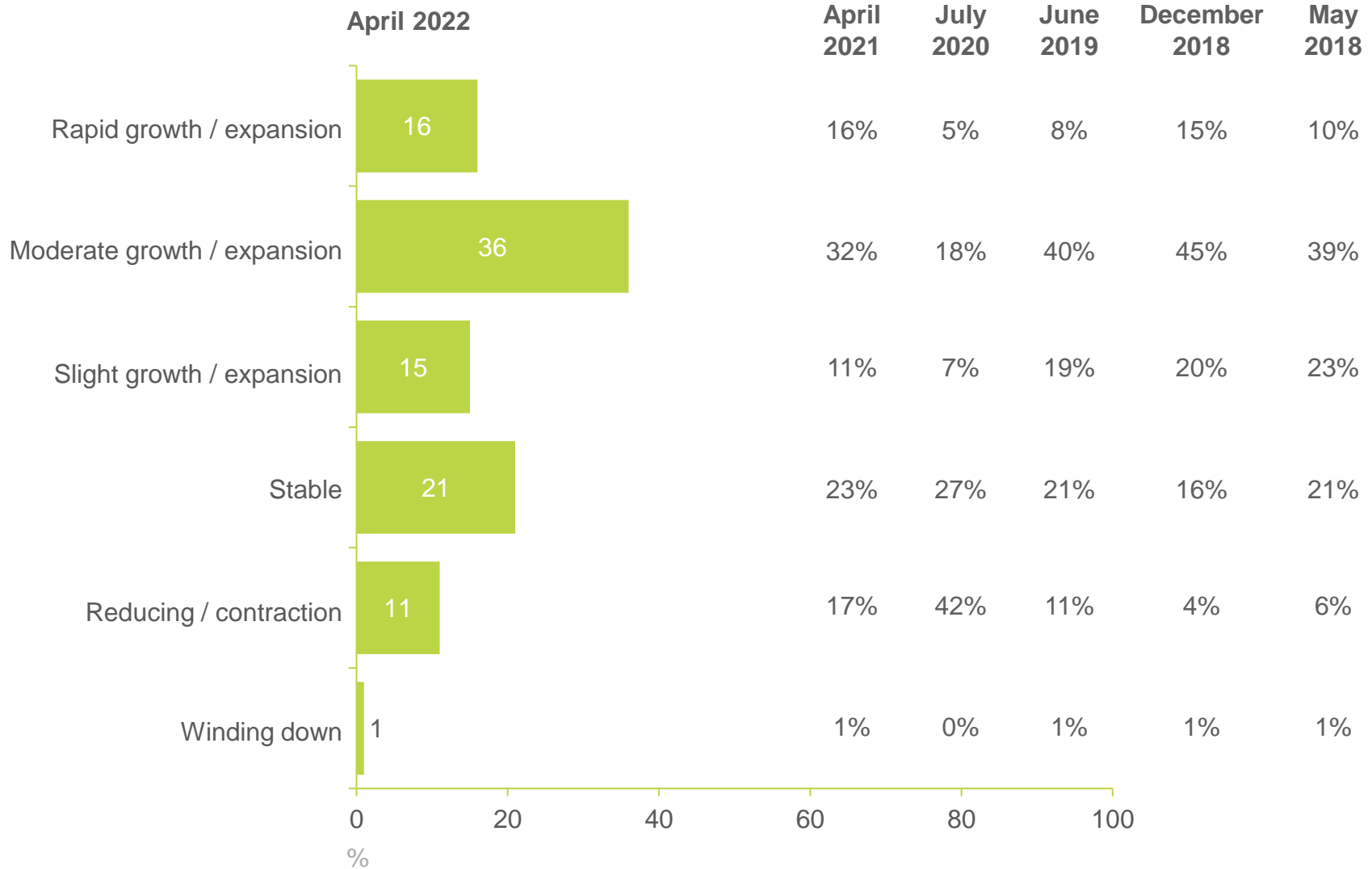
## QUESTIONNAIRE TOPICS

- Performance and trade
- Business strategy and productivity
- Support for business
- Impact of leaving the EU
- Skills and people
- Net Zero/Energy efficiency

# Performance & trade

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

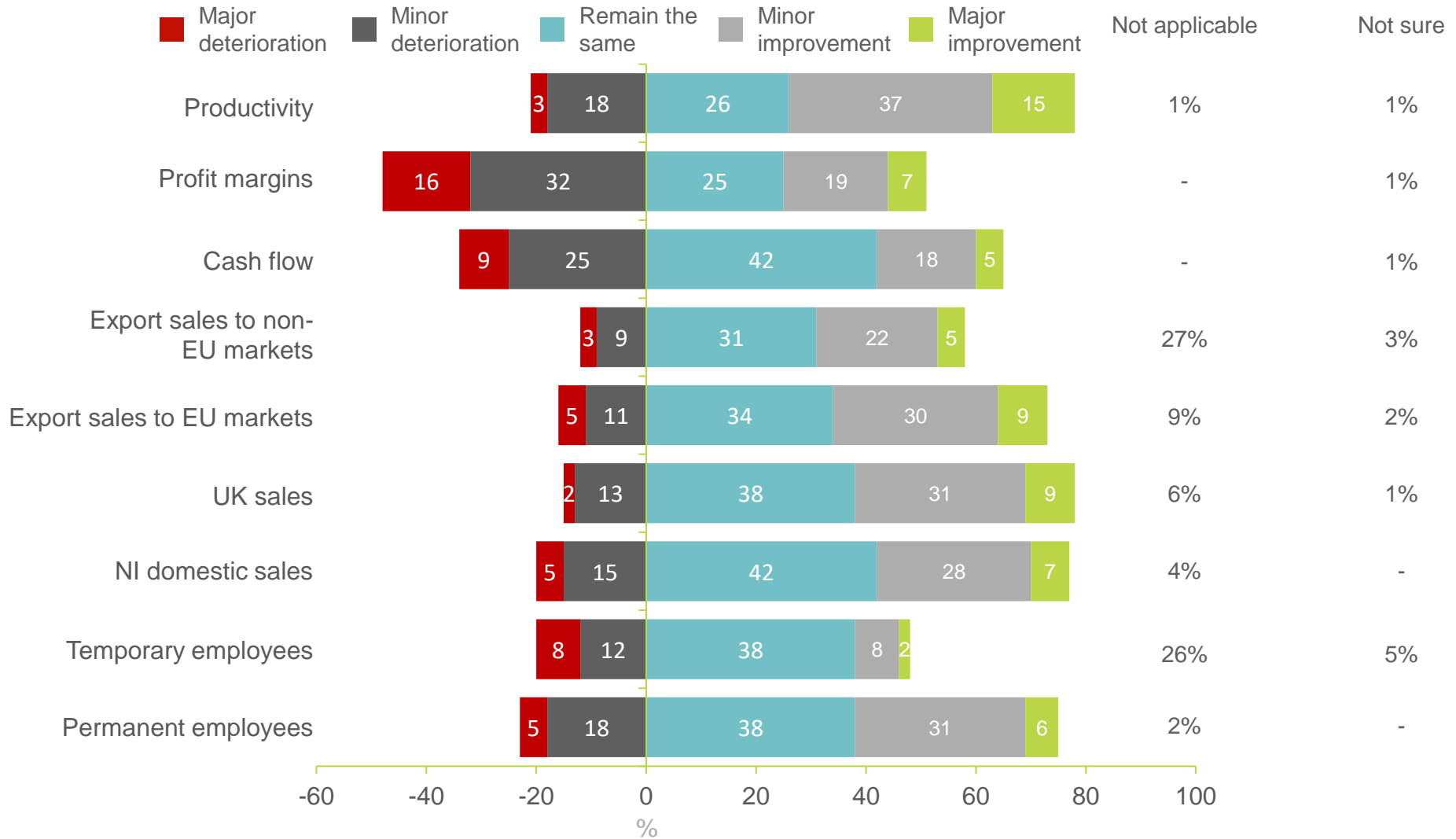
Base 130: All respondents





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

Base 130: All respondents

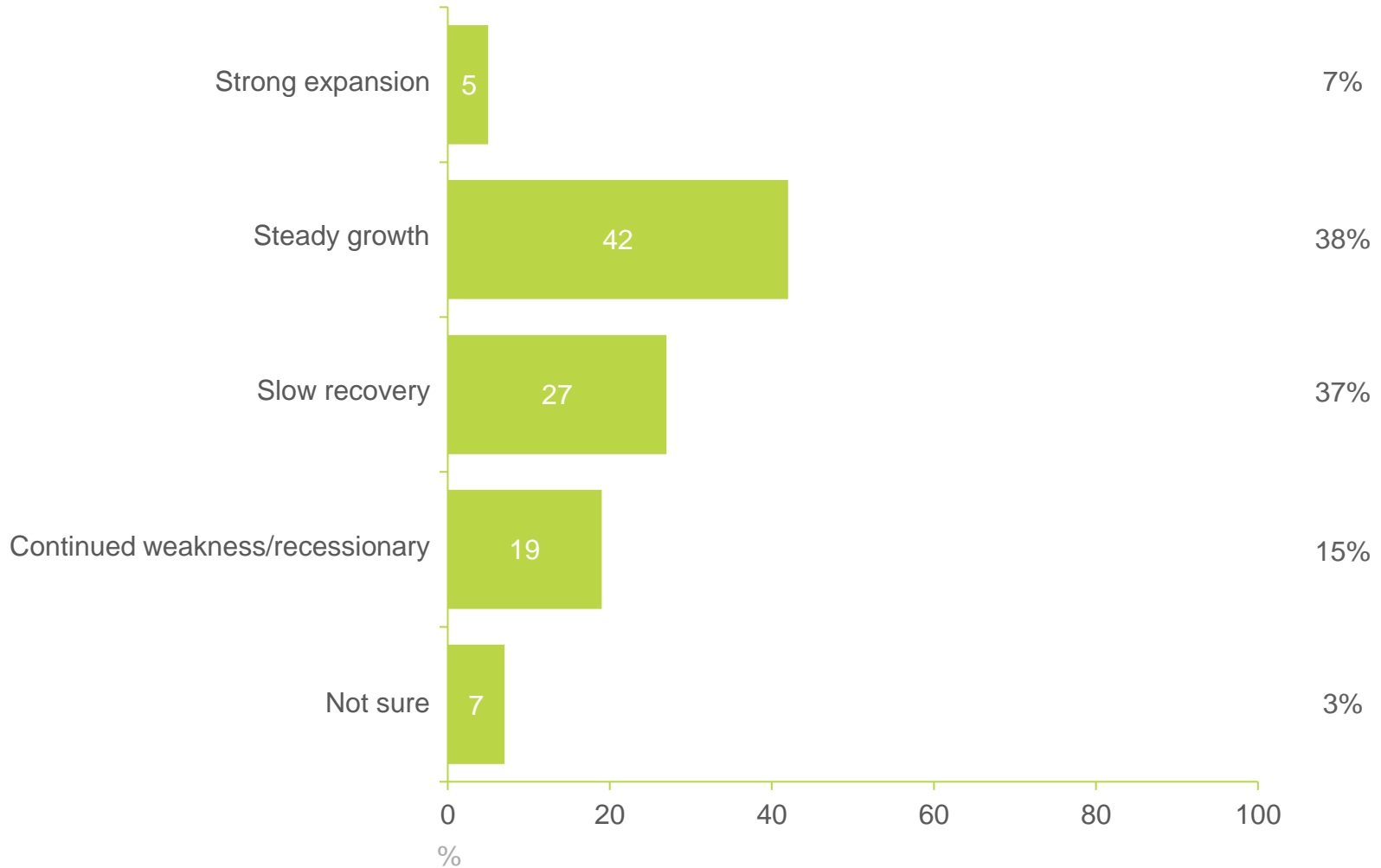


<sup>1</sup> Due to rounding percentages add to >100%

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

Base 130: All respondents

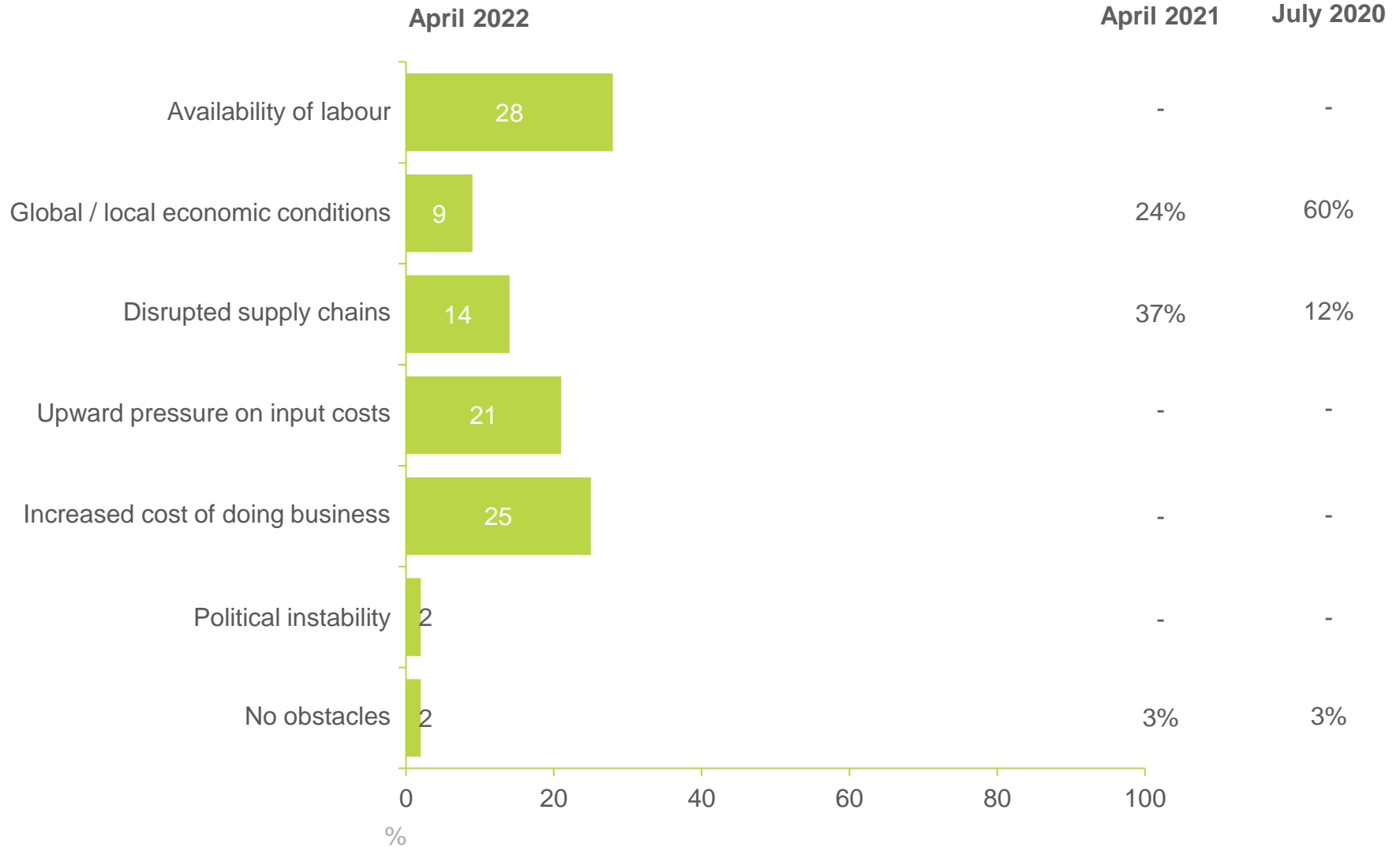
April 2021



# Business strategy and productivity

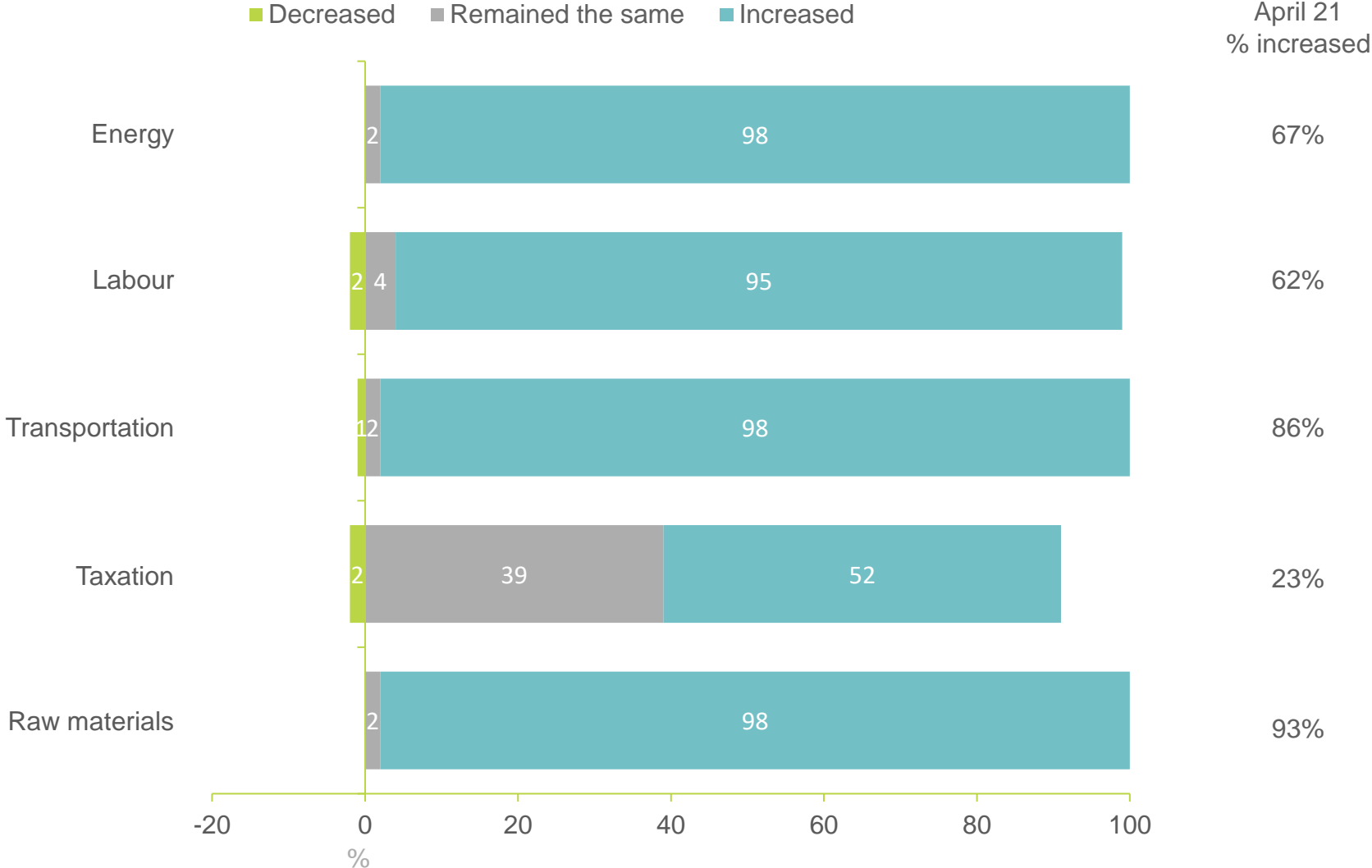
# C1 What's the biggest obstacle to the pace of recovery for your firm?

Base 130: All respondents



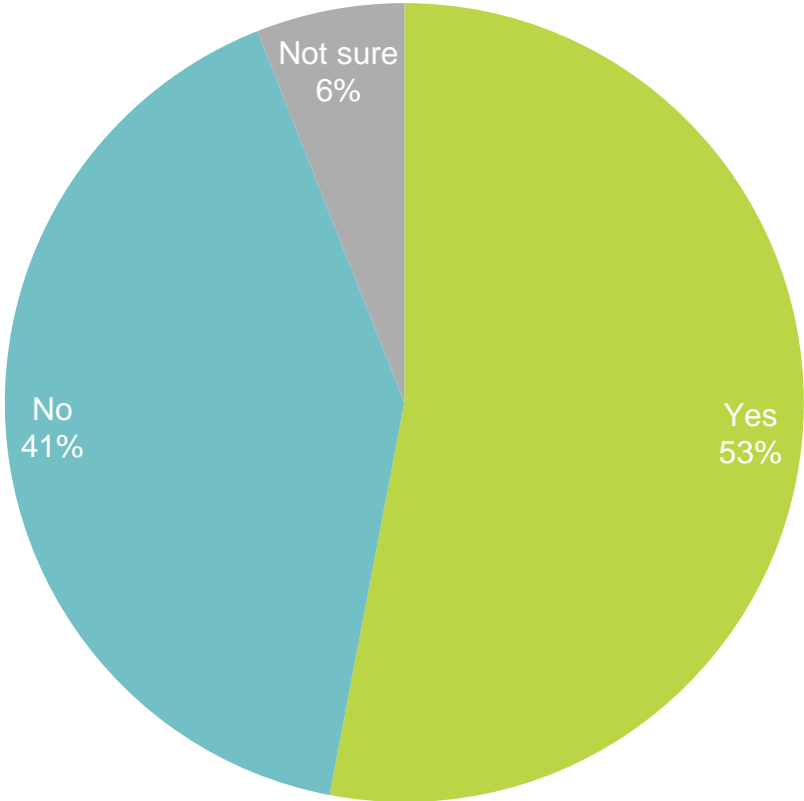
# C2 In the past 12 months, have the following input costs to your business increased, decreased or remained the same?

Base 130: All respondents



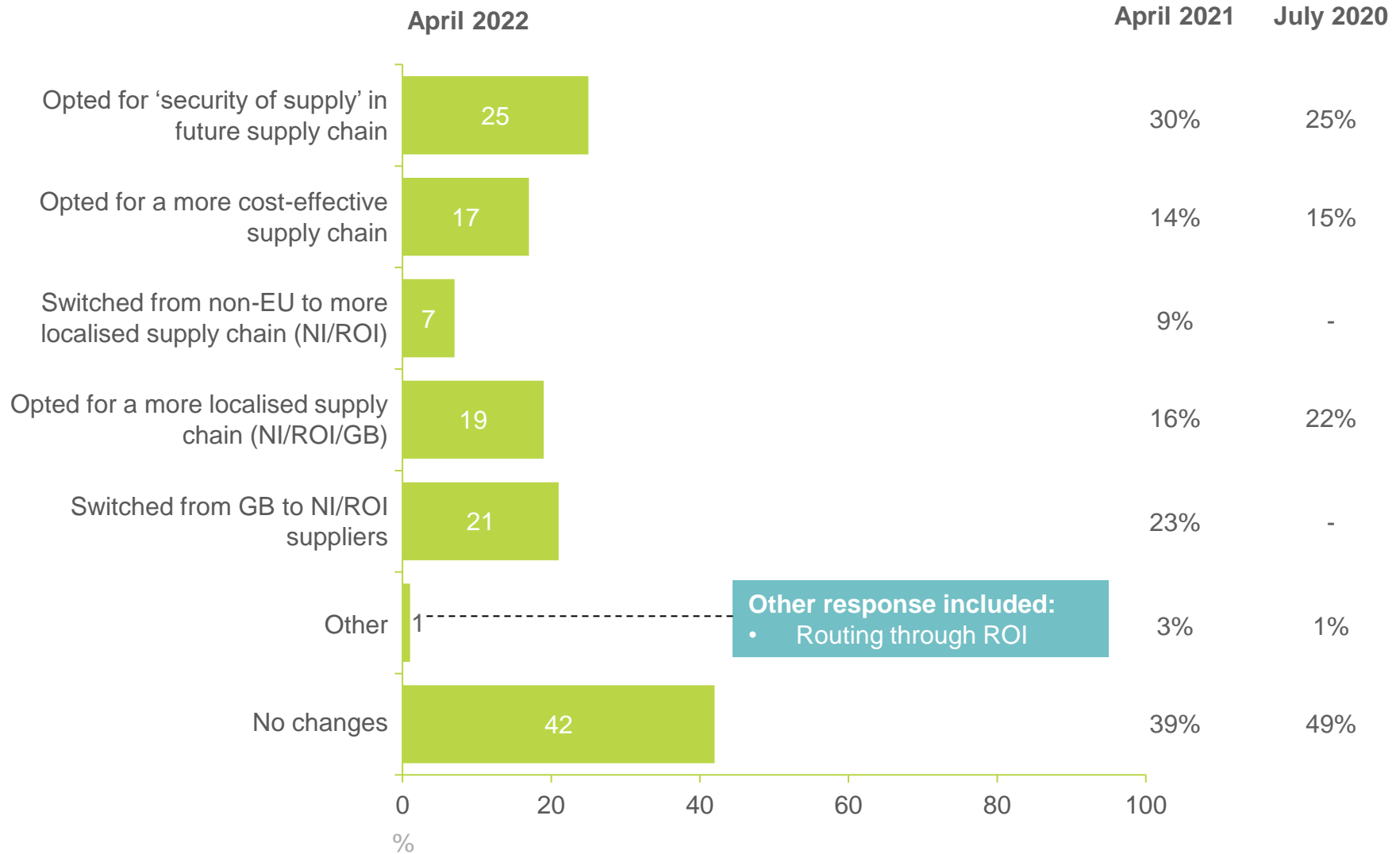
# C3 Is your business still experiencing an impact from the Covid pandemic?

Base 130: All respondents



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

Base 130: All respondents



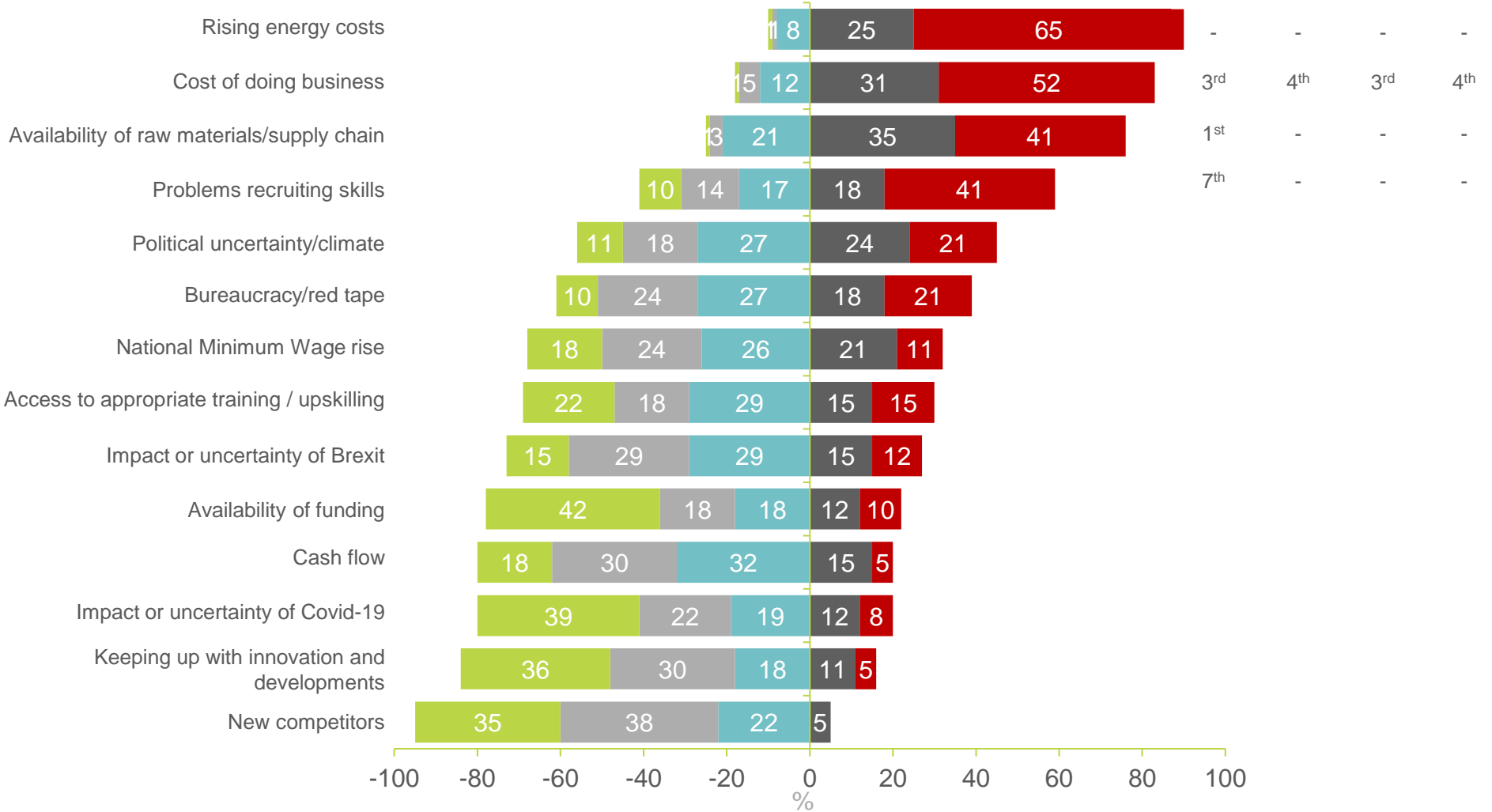
<sup>1</sup> Multiple choice question

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

Base 130: All respondents

1 – Not an issue 2 3 4 5 – Huge issue

April 2021 July 2020 June 2019 Dec 2018



<sup>1</sup> Due to rounding percentages add to 99%-130%



# C5 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

C5 To what extent, if at all, are each of the following an issue for your business currently?	April 2022	April 2021	July 2020	June 2019	December 2018	May 2018
	Base:130	Base:190	Base:130	Base: 139	Base: 122	Base: 155
Rising energy costs	90%	-	-	-	-	-
Cost of doing business	83%	61%	38%	61%	65%	60%
Availability of raw materials/supply chain	76%	66%	-	-	-	-
Problems recruiting skills to meet orders	59%	48%	20%	56%	57%	47%
Political uncertainty/climate	45%	49%	57%	69%	59%	51%
Bureaucracy / red tape	39%	56%	36%	48%	45%	-
National Minimum Wage rise	32%	20%	-	-	-	-
Access to appropriate training/upskilling	30%	32%	-	-	-	-
Impact or uncertainty of Brexit	27%	63%	65%	76%	67%	56%
Cash flow	22%	27%	34%	28%	22%	31%
Availability of funding	20%	23%	25%	24%	24%	26%
Impact or uncertainty of Covid-19 pandemic	20%	59%	-	-	-	-
Keeping up with innovation and developments in your industry	16%	22%	15%	23%	21%	14%
New competitors in your market	5%	15%	12%	26%	10%	21%

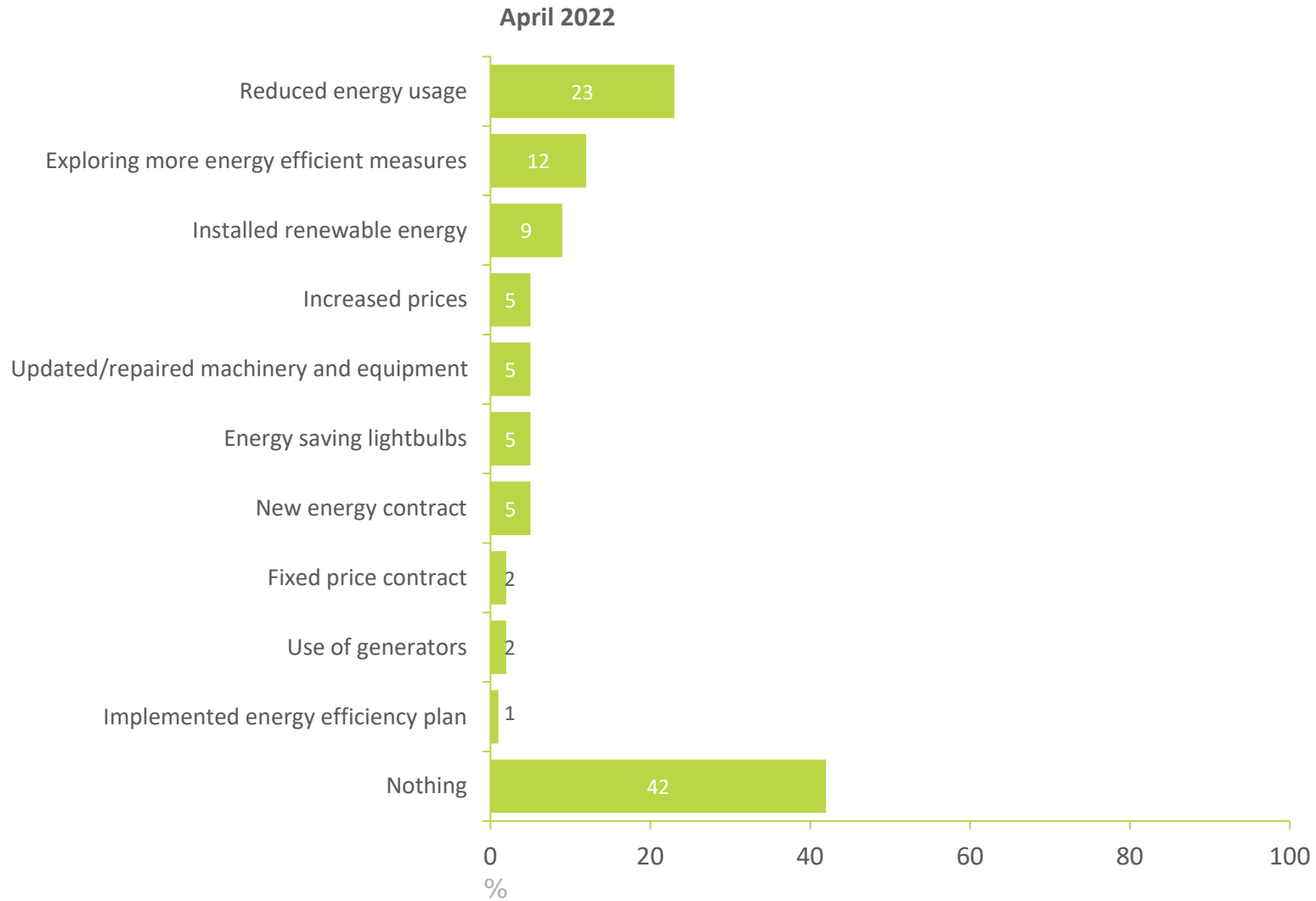
<sup>1</sup> Percentage of those giving a rating of 4 or 5 on a scale of 1 to 5

<sup>2</sup> Availability of raw materials/supply chain, National Minimum Wage rise and access to appropriate skills/upskilling not asked between May '18 and July '20. Rising energy costs first asked April '22



# C6 What steps, if any, has your business taken to mitigate against rising energy costs?

Base 130: All respondents

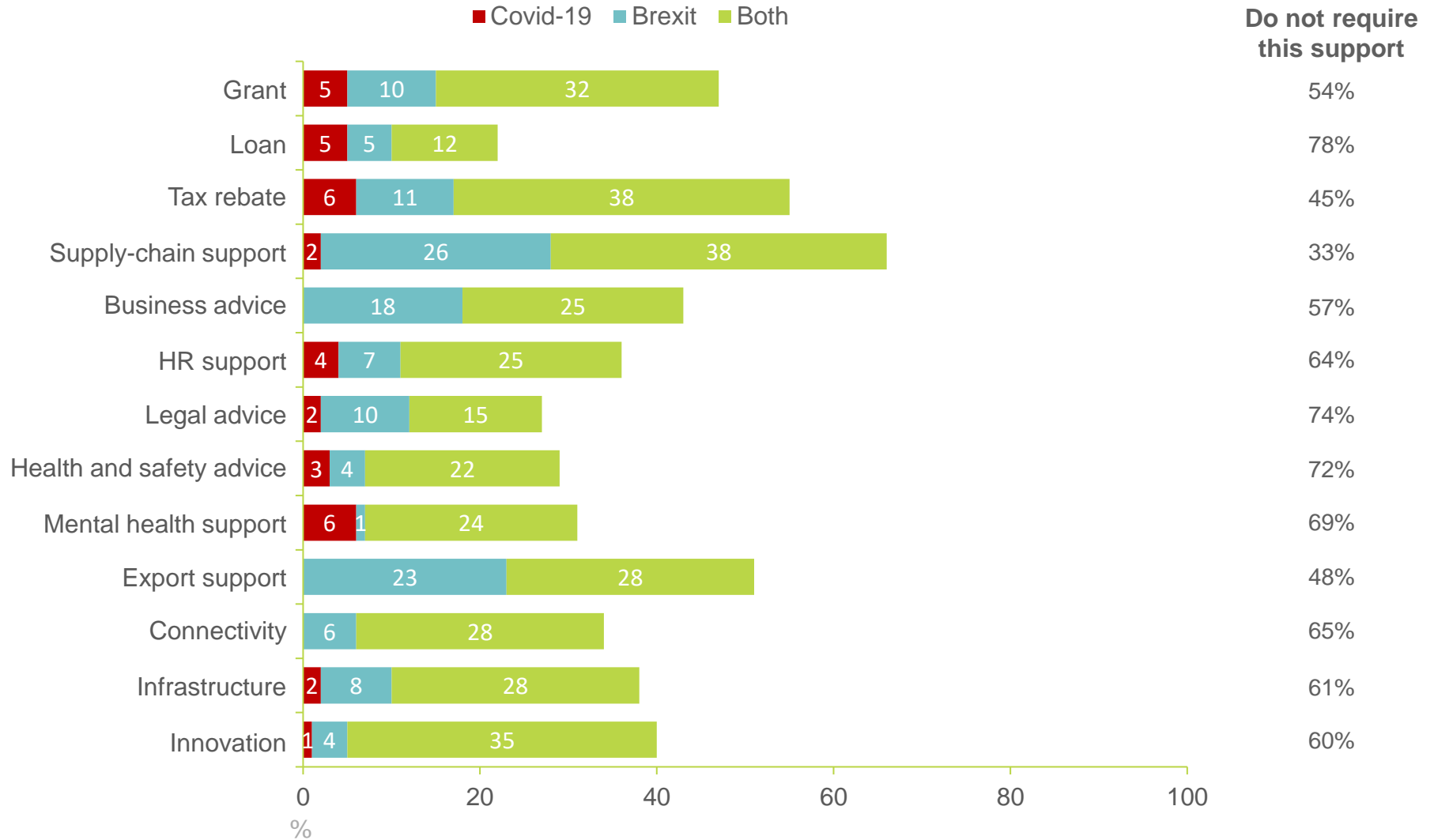


<sup>1</sup> Multi response question so percentage is greater than 100%

# 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/Brexit?

Base 130: All respondents



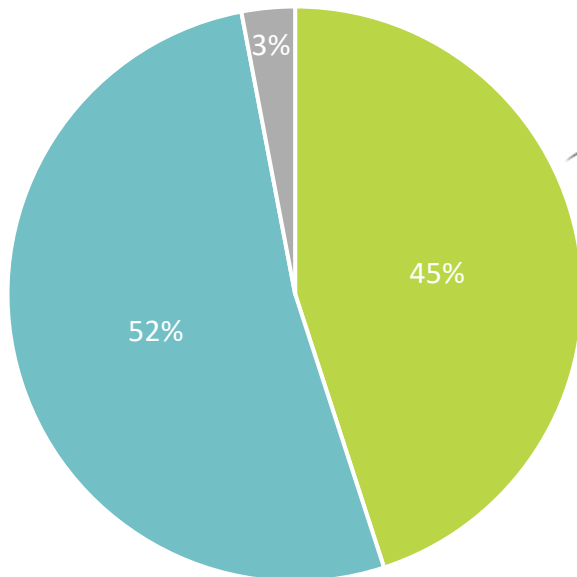
# Covid loan schemes

Base: 130. All respondents

**D2 Has your business availed of any of the specific Covid loan schemes introduced by the UK government in the last year?**

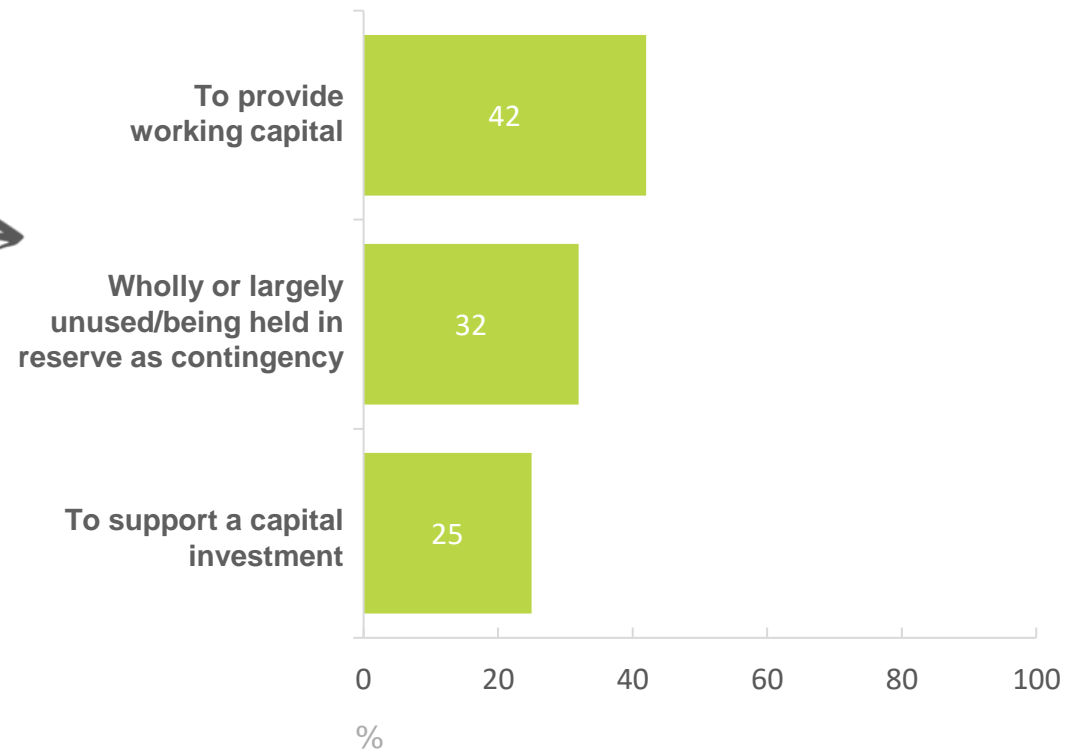
Base 130: All respondents

Yes No Not sure



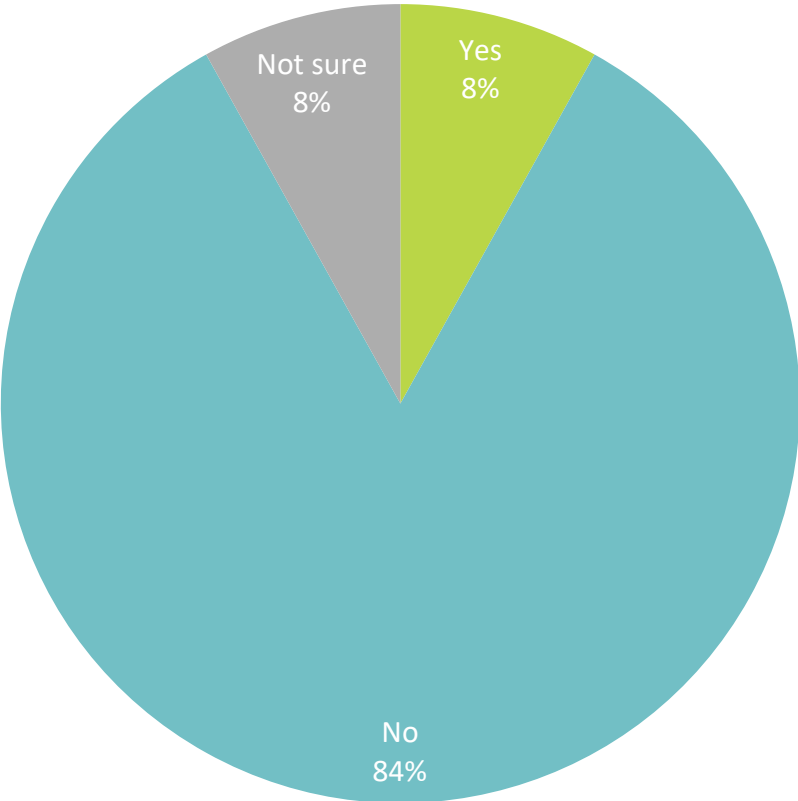
**D3 What are the funds being used for?**

Base 59: Those that availed of Covid loan schemes



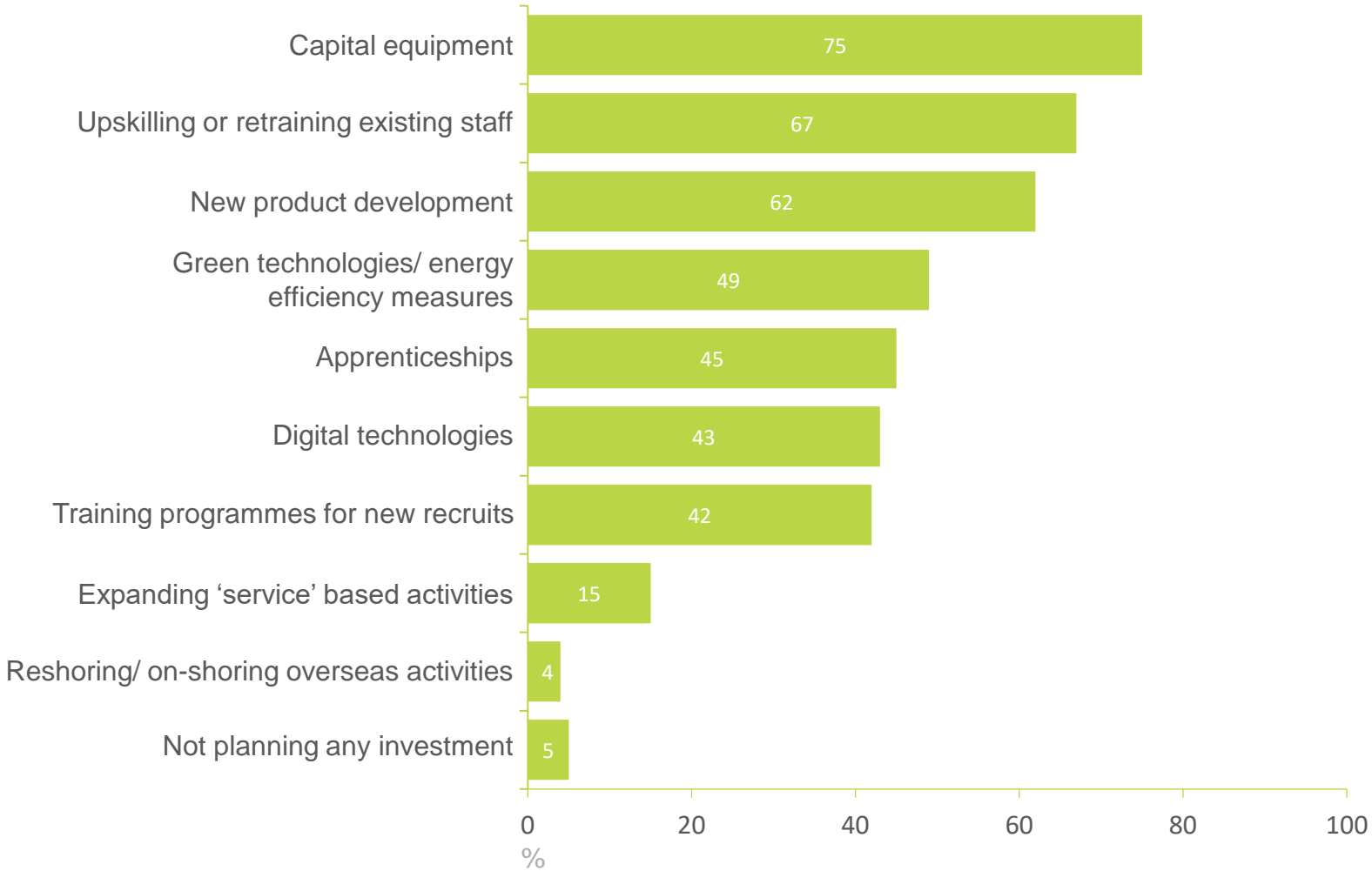
# D4 Are you encountering or envisage any issues with the need to repay these loans?

Base 59: Those that availed of Covid loan schemes



# D5 Which of the following are you planning to invest in over the next 12 months?

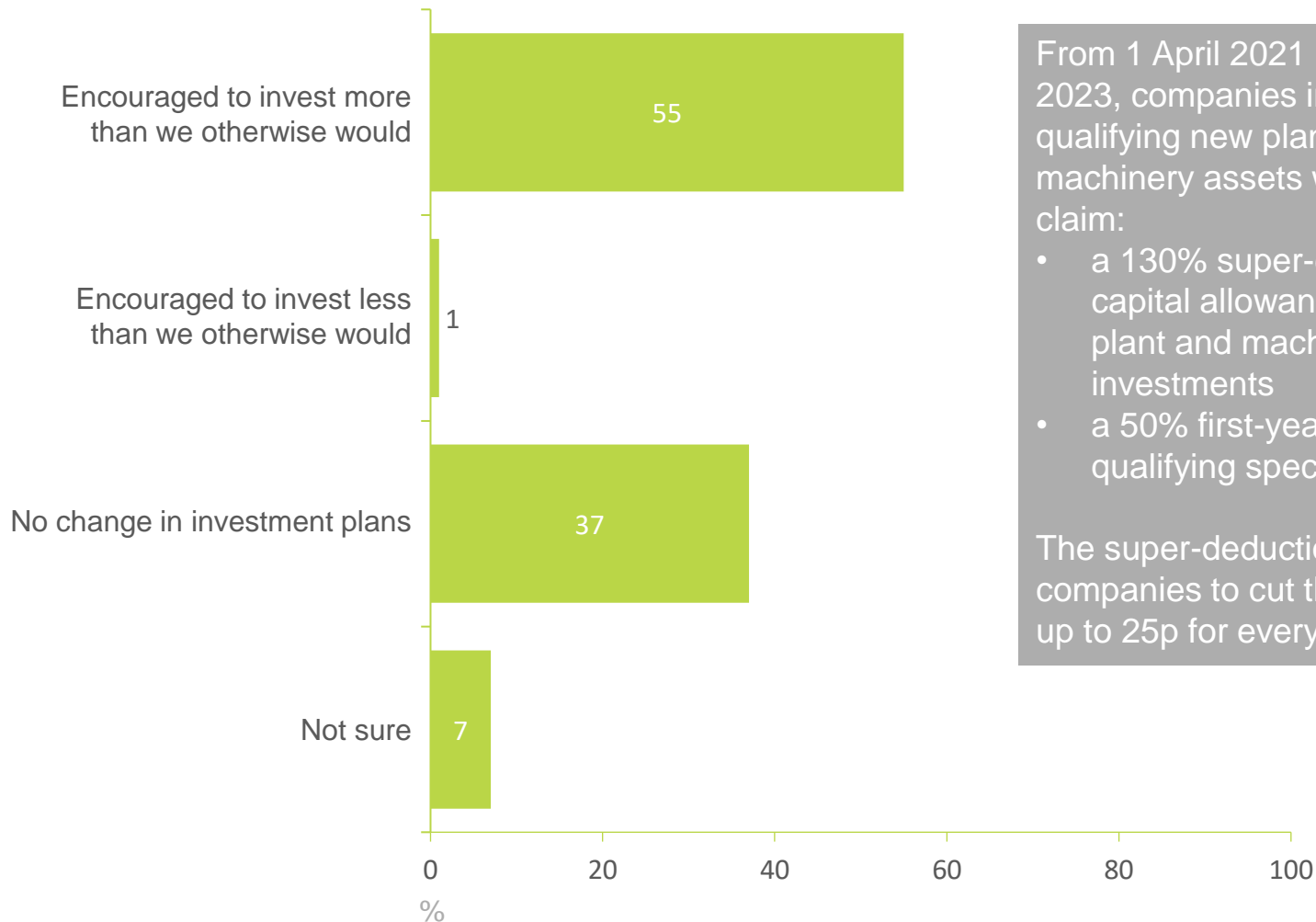
Base 130: All respondents



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

# D6 What impact, if any, will the Super Deduction have on your business' investment decisions?

Base 130: All respondents



From 1 April 2021 until 31 March 2023, companies investing in qualifying new plant and machinery assets will be able to claim:

- a 130% super-deduction capital allowance on qualifying plant and machinery investments
- a 50% first-year allowance for qualifying special rate assets

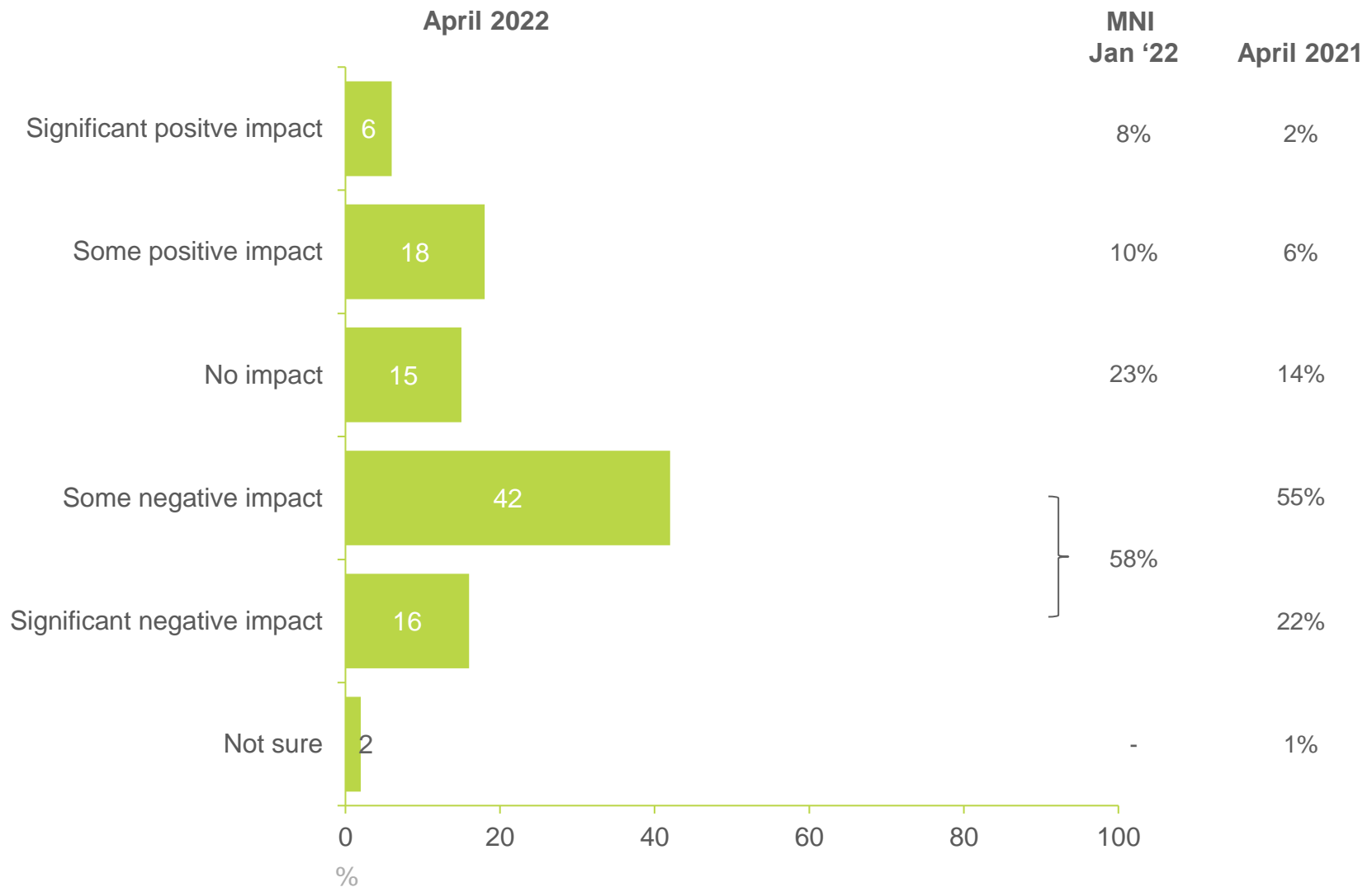
The super-deduction will allow companies to cut their tax bill by up to 25p for every £1 they invest.



# Impact of leaving the EU

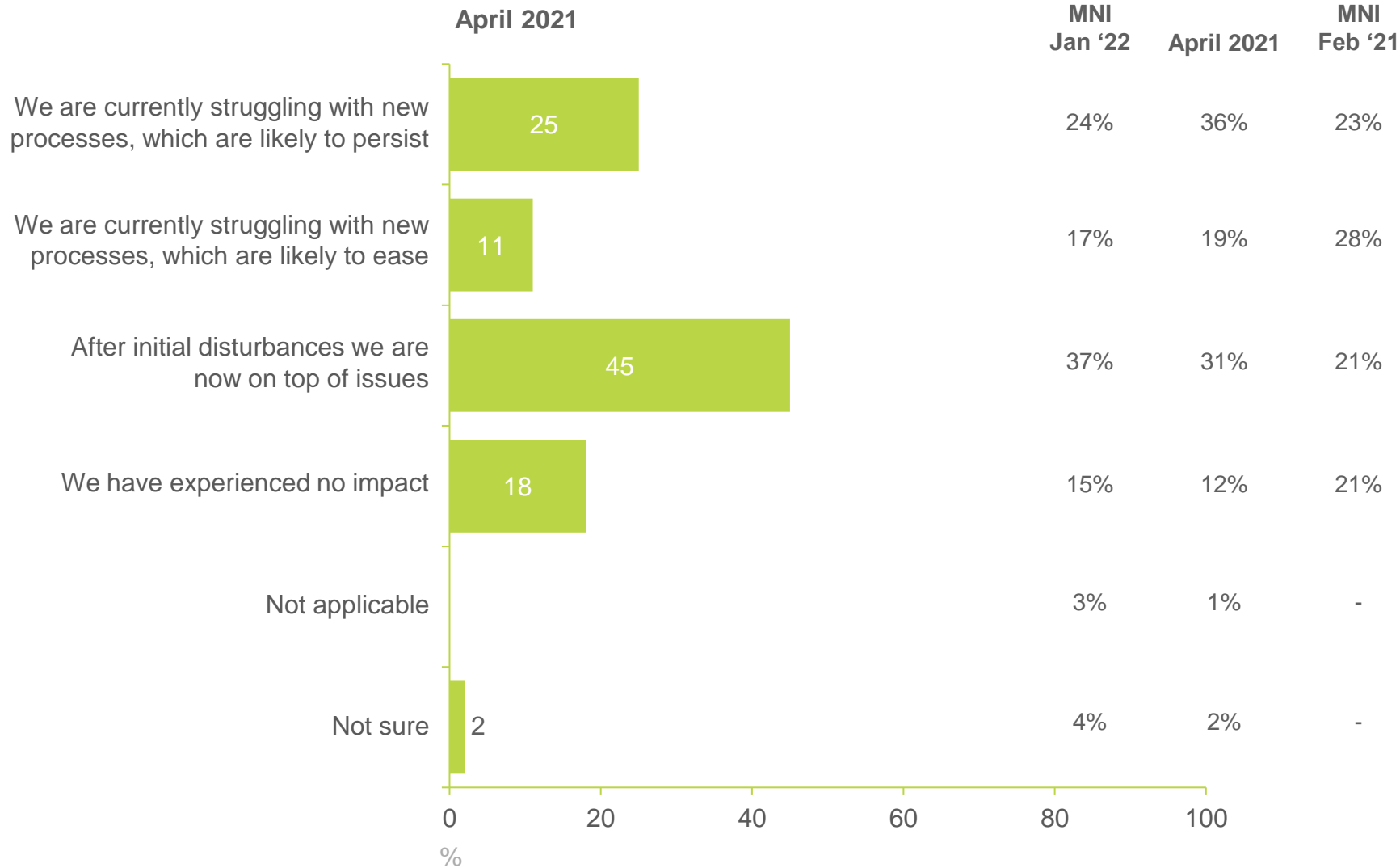
# E1 What impact, if any, has the first 15 months, since the end of the transition period, had on your business?

Base 130: All respondents



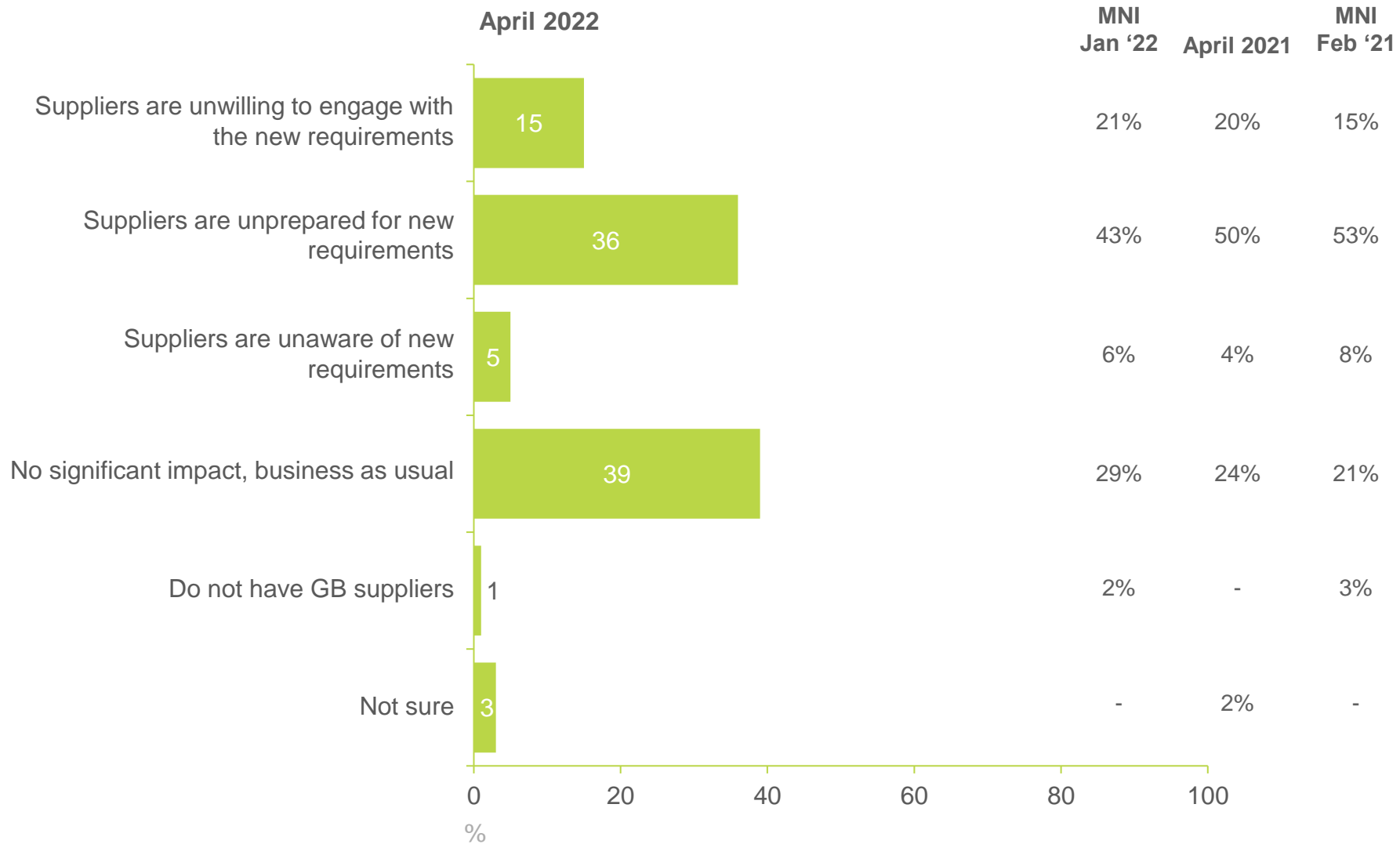
# E2 How, if at all, have the new processes as a result of the Irish Sea Border impacted your business in the past 15 months?

Base 130: All respondents



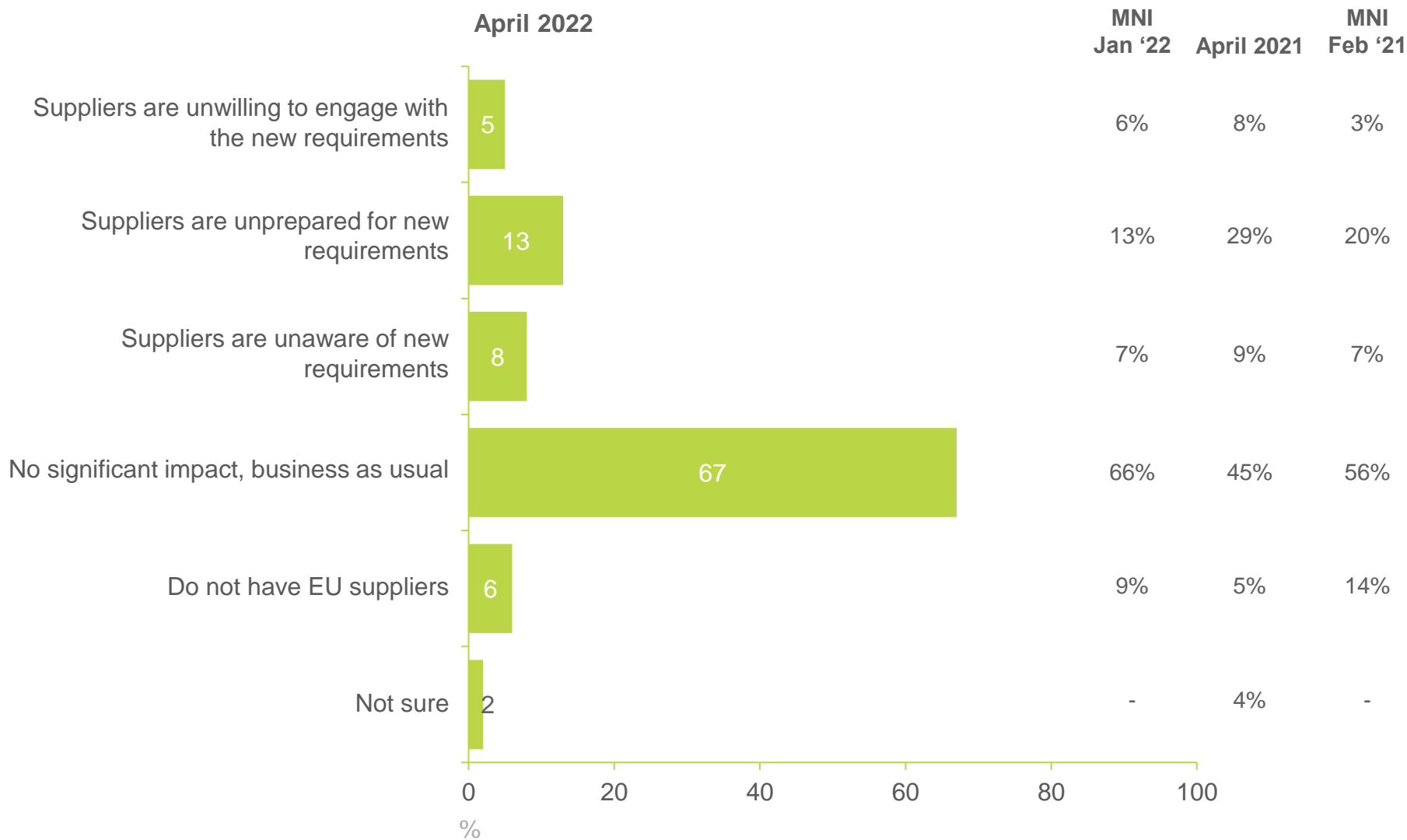
# E3 Regardless of the past 15 months, which of the following best describes the performance of your GB suppliers today to the new requirements of the NI Protocol?

Base 130: All respondents



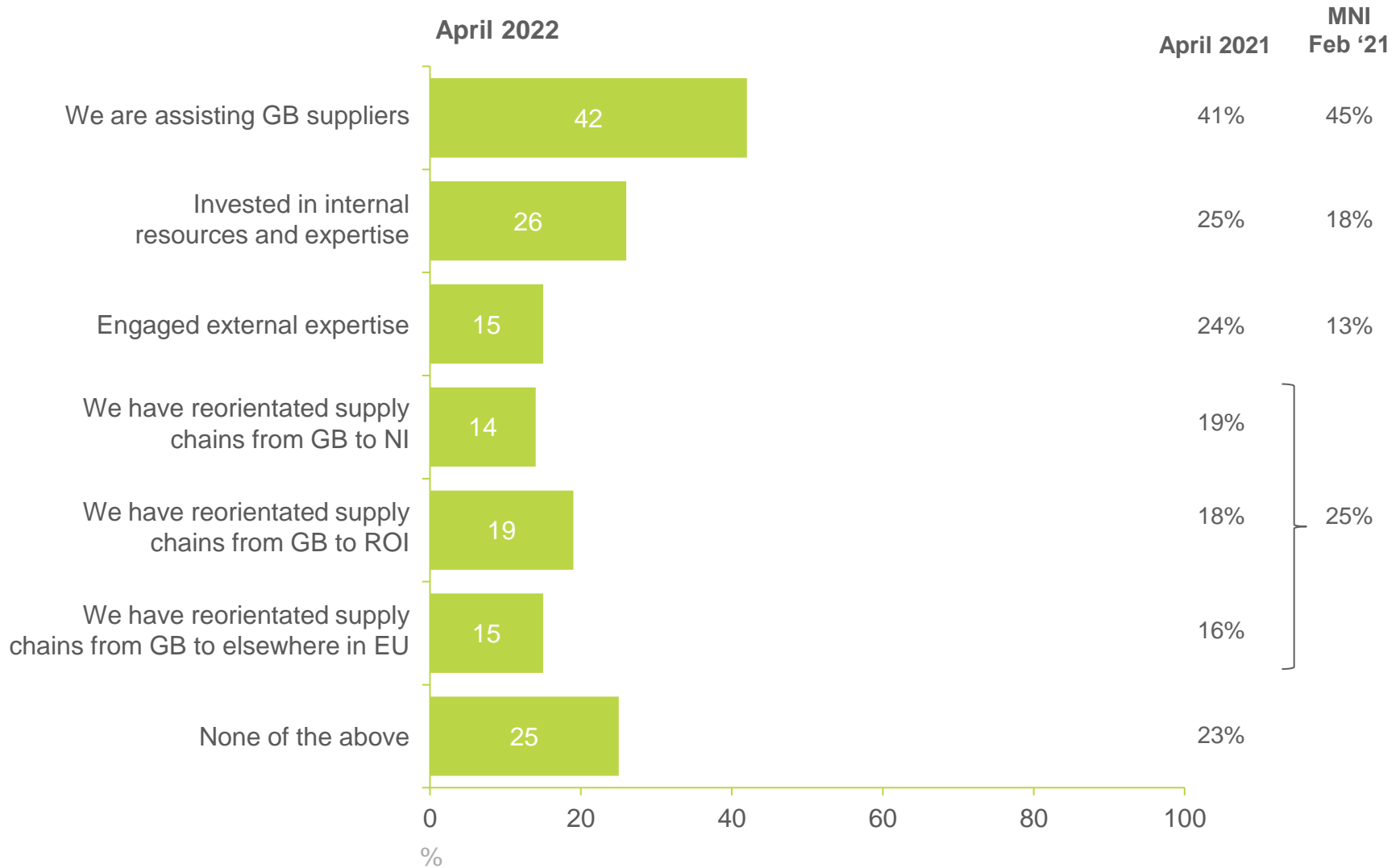
# E3 Regardless of the past 15 months, which of the following best describes the performance of your EU suppliers today to the new requirements of the NI Protocol?

Base 130: All respondents



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

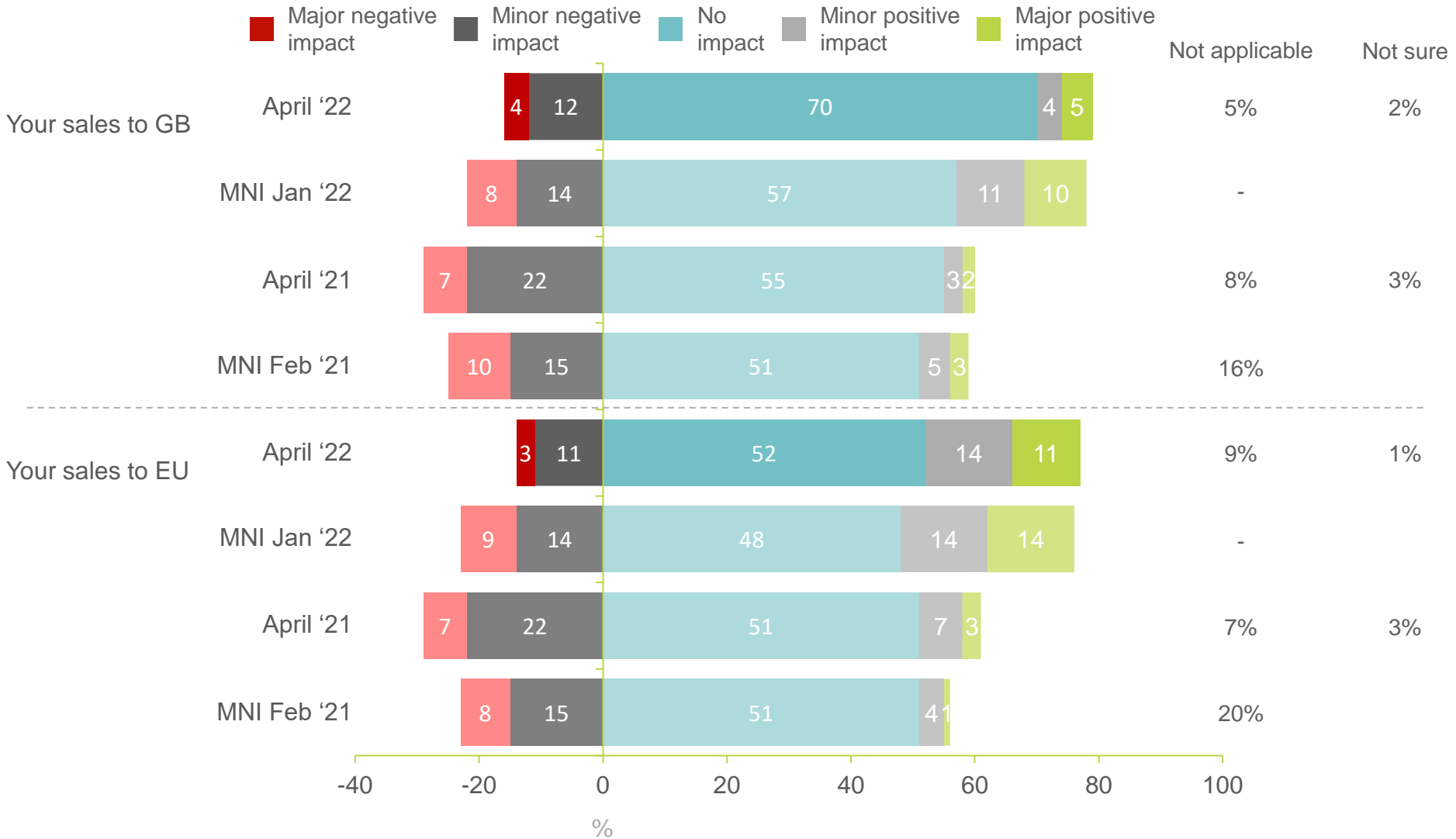
Base 130: All respondents



<sup>1</sup> Multiple choice question

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

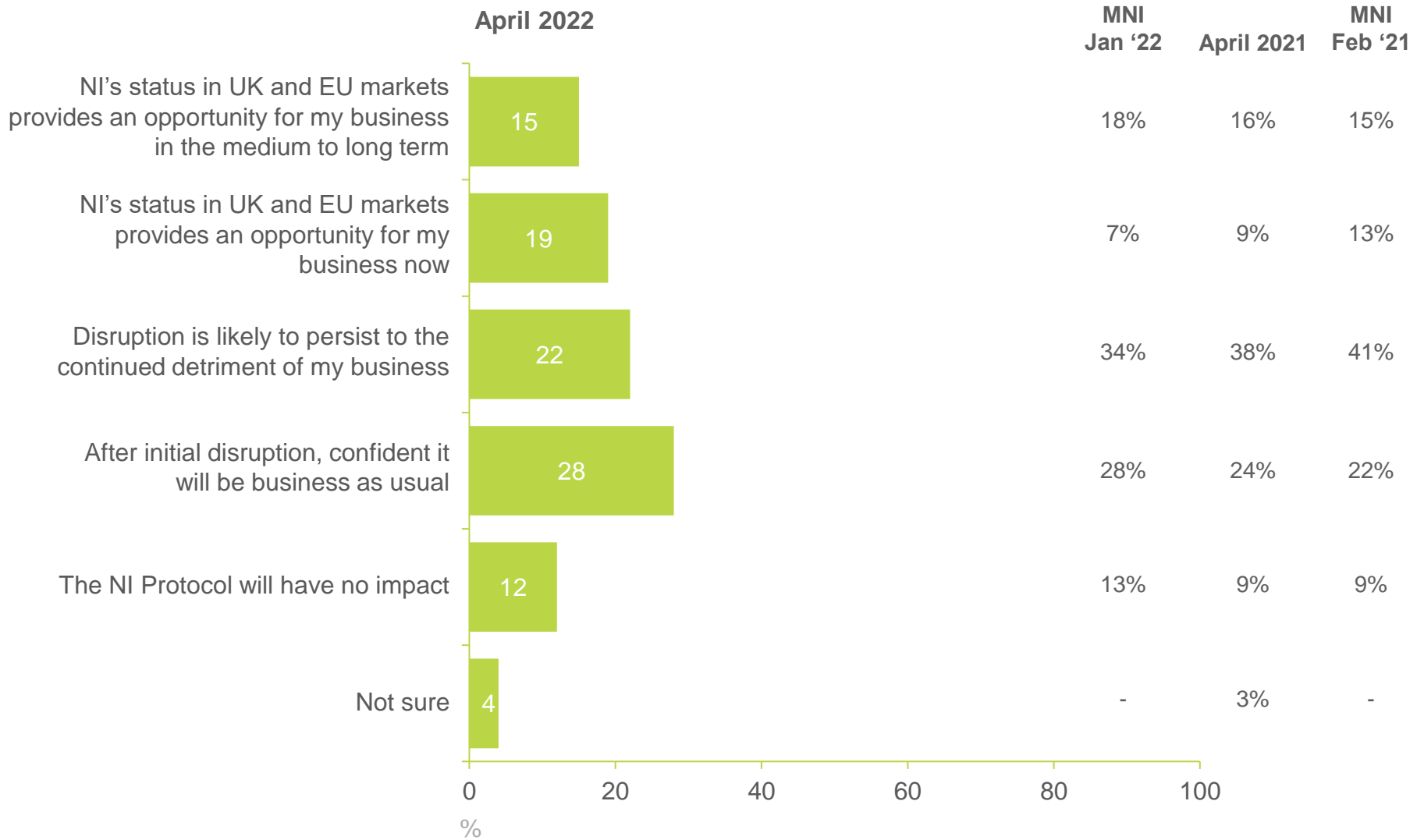
Base 130: All respondents



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

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

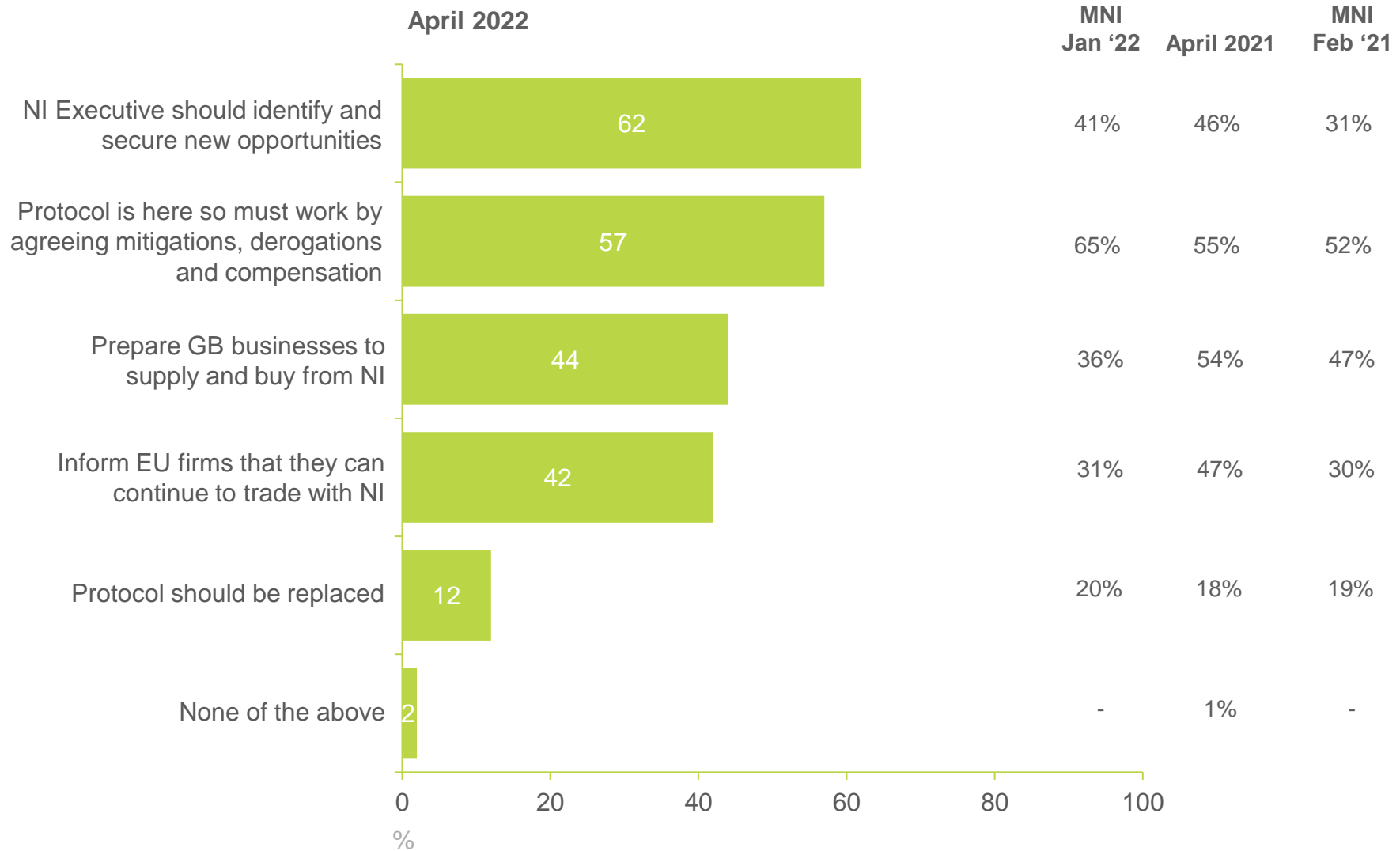
Base 130: All respondents





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

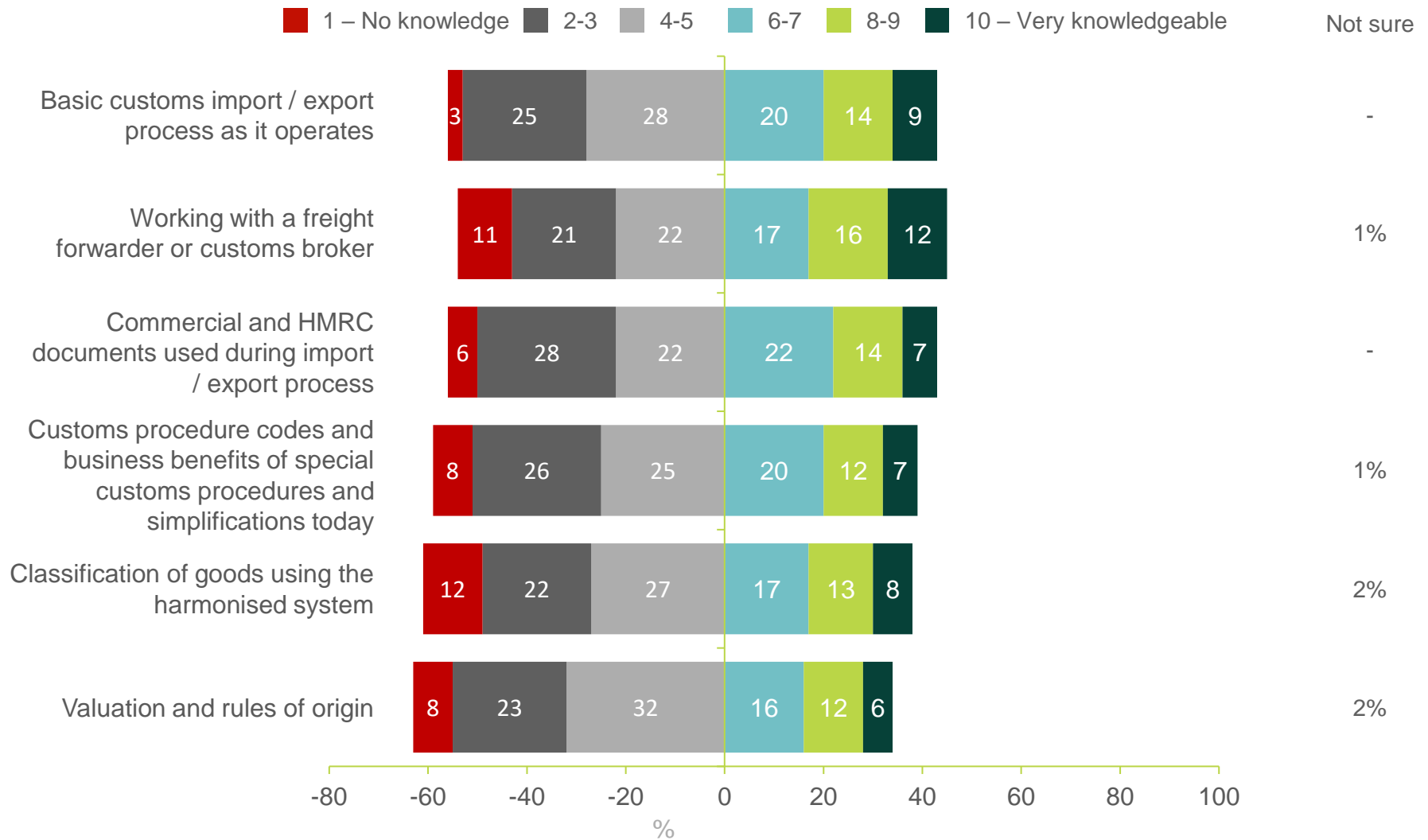
Base 130: All respondents



<sup>1</sup> Multiple choice question

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

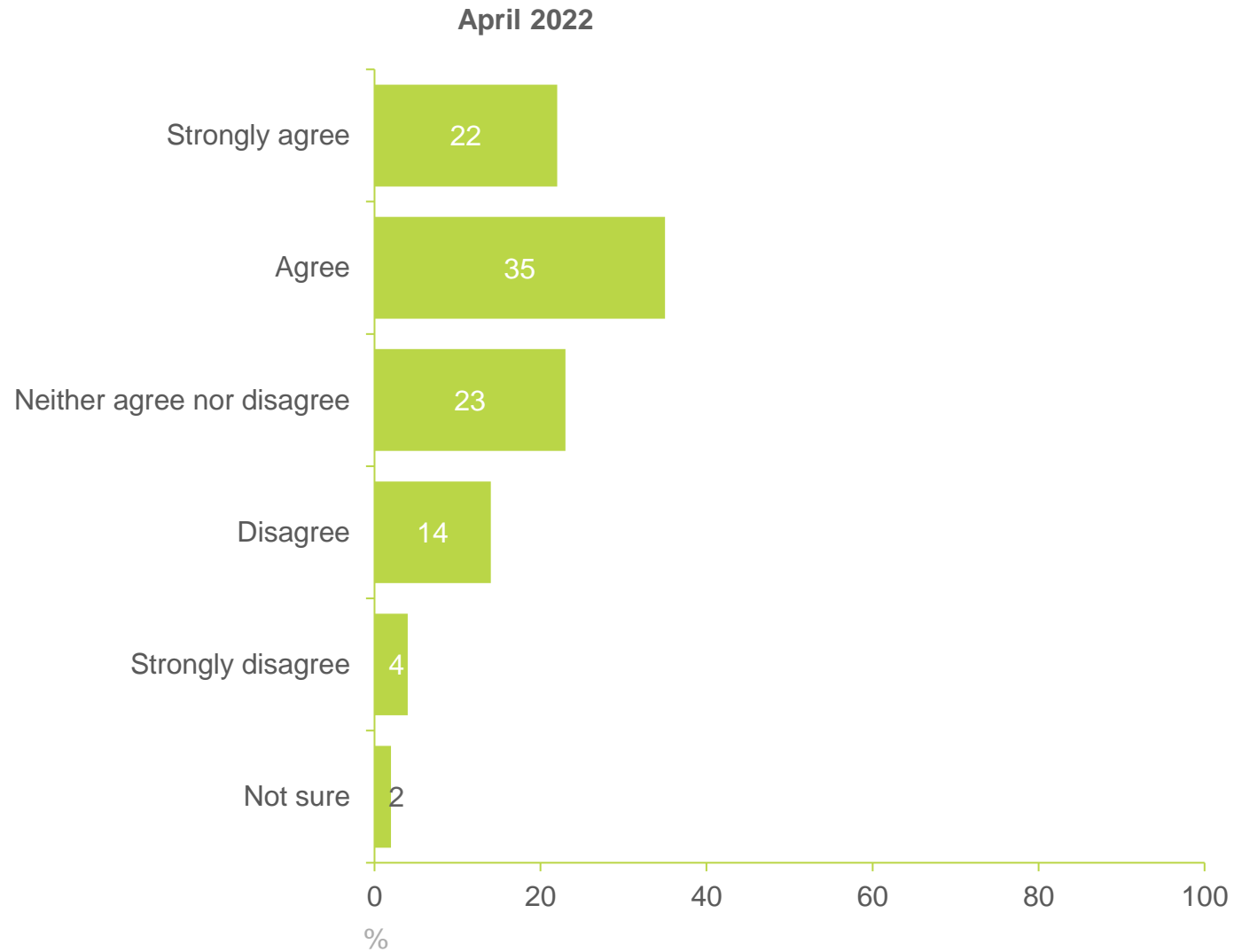
Base 130: All respondents



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

# E10 Do you believe NI remains a competitive base for manufacturing in 2022?

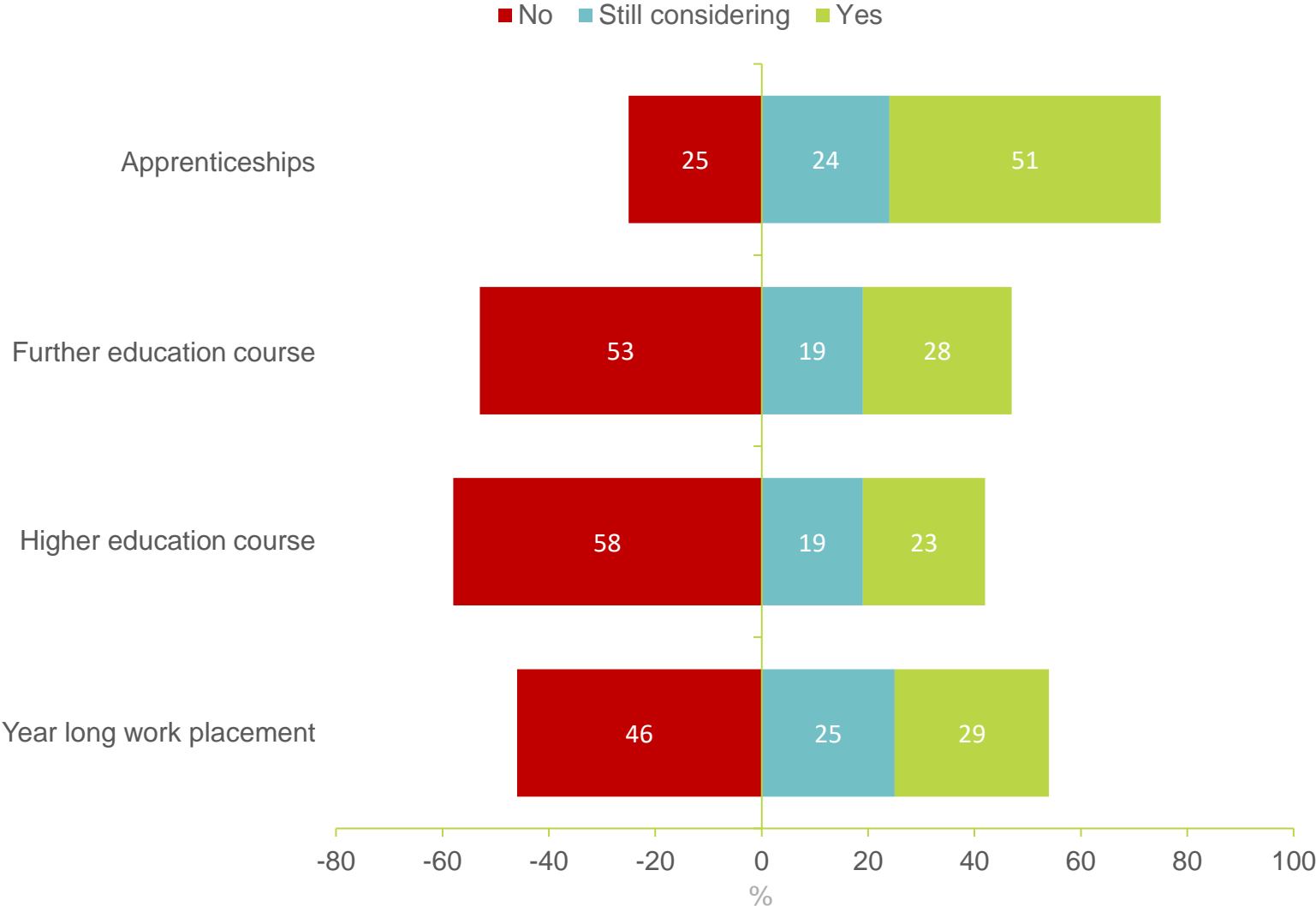
Base 130: All respondents



# Skills & People

# F1 Over the next 12 months, are you considering using any of the following education and training schemes to recruit talent?

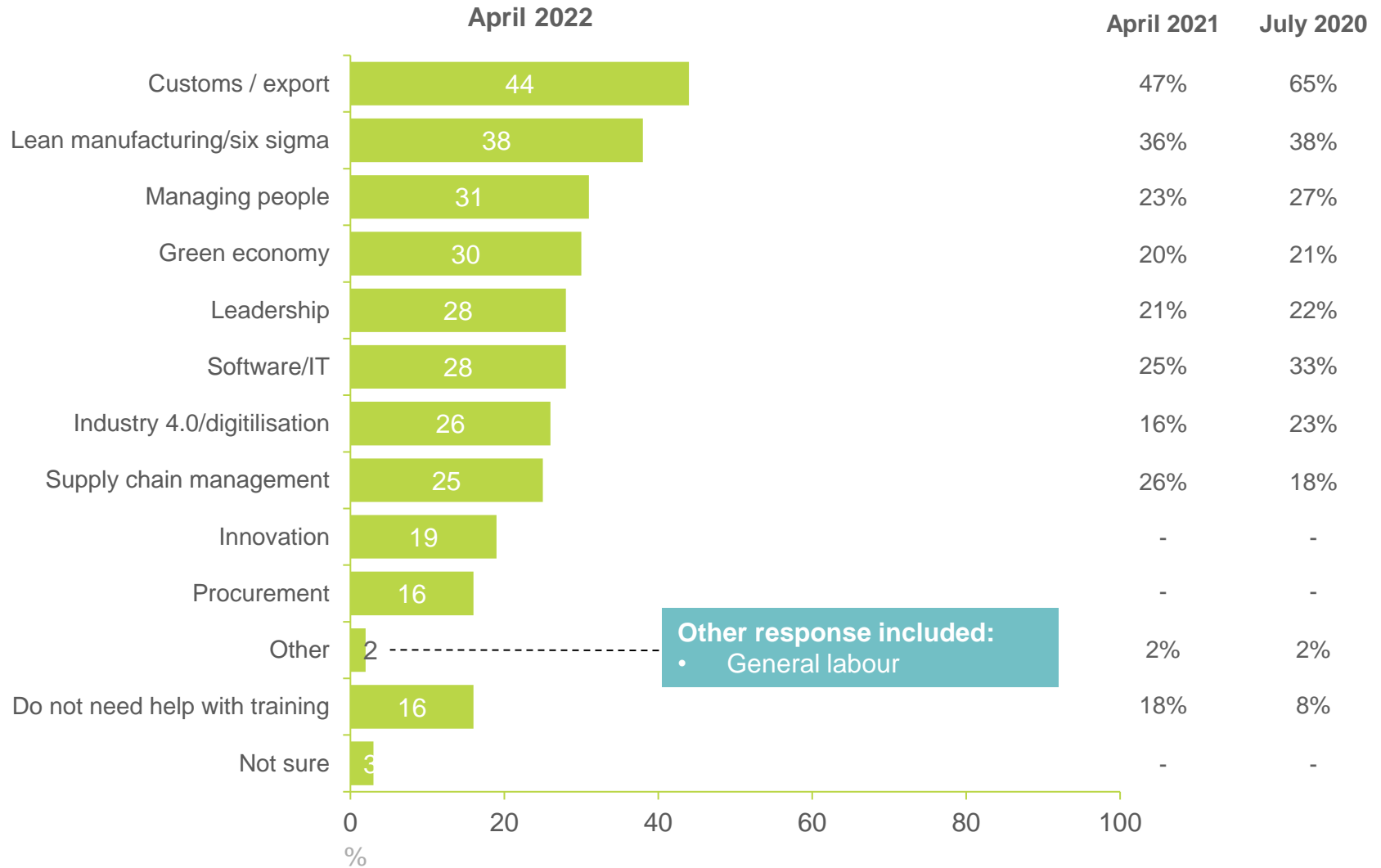
Base 130: All respondents



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

# F2 Which of the following areas of training, if any, do you need help with?

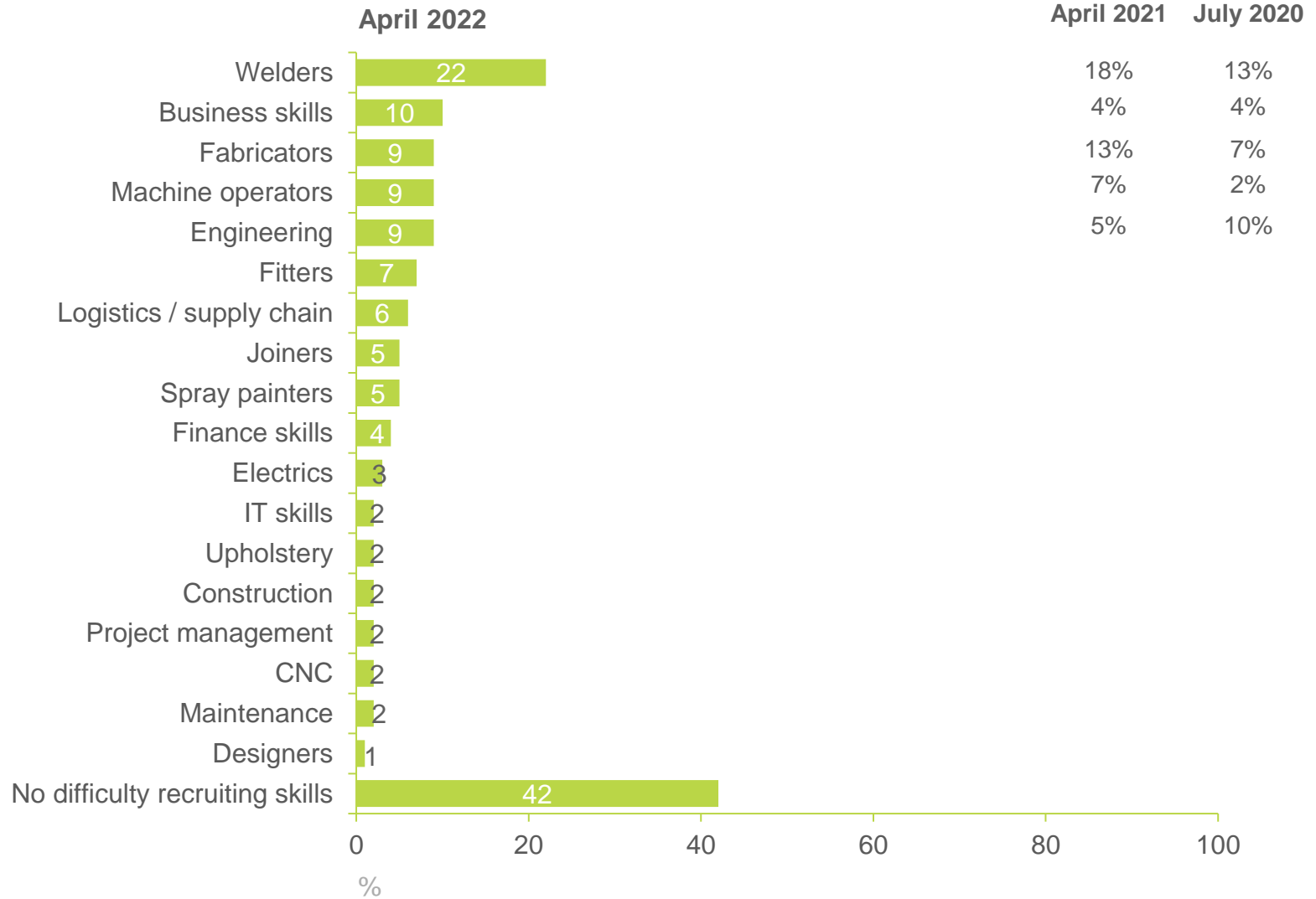
Base 130: All respondents



<sup>1</sup> Multiple choice question

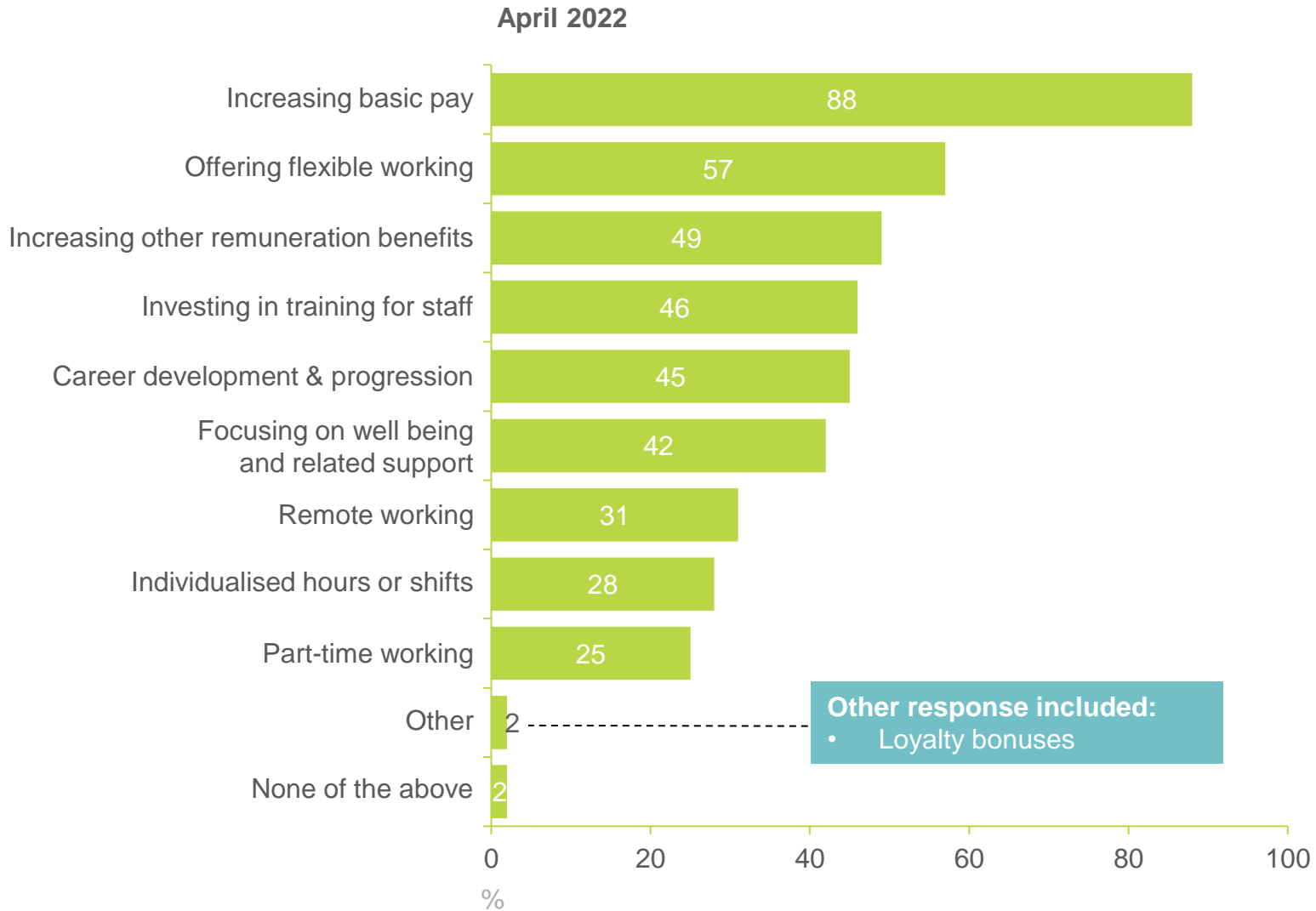
# F3 Are there any particular occupations/skills which you find difficult to recruit for from the local labour market?

Base 130: All respondents



# F4 What measures, if any, is your company actively undertaking to retain staff?

Base 130: All respondents

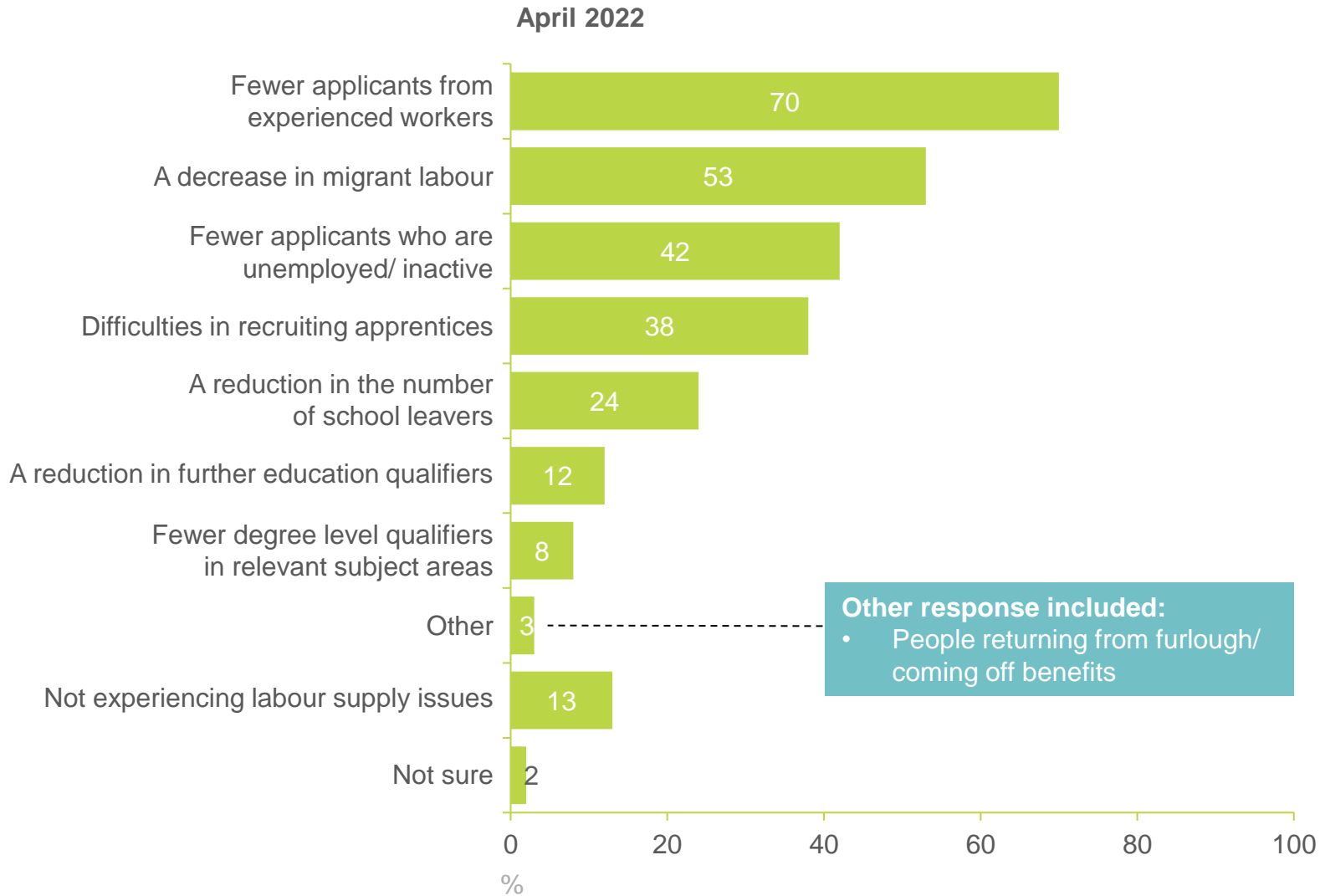


<sup>1</sup> Multiple choice question



# F5 From which of the following sources, if any, are you currently experiencing labour supply issues?

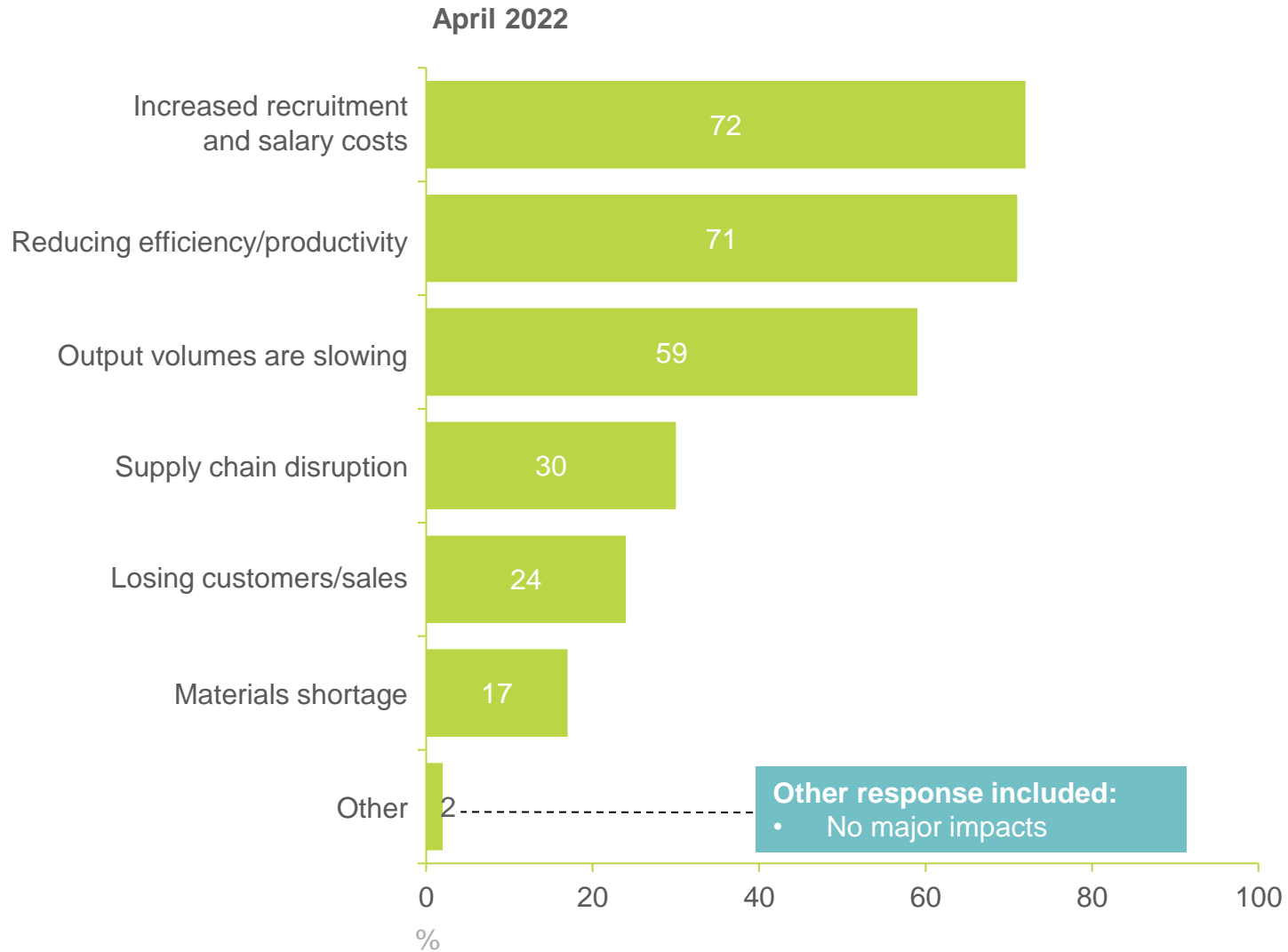
Base 130: All respondents



<sup>1</sup> Multiple choice question

# F6 How are labour shortages impacting your firm?

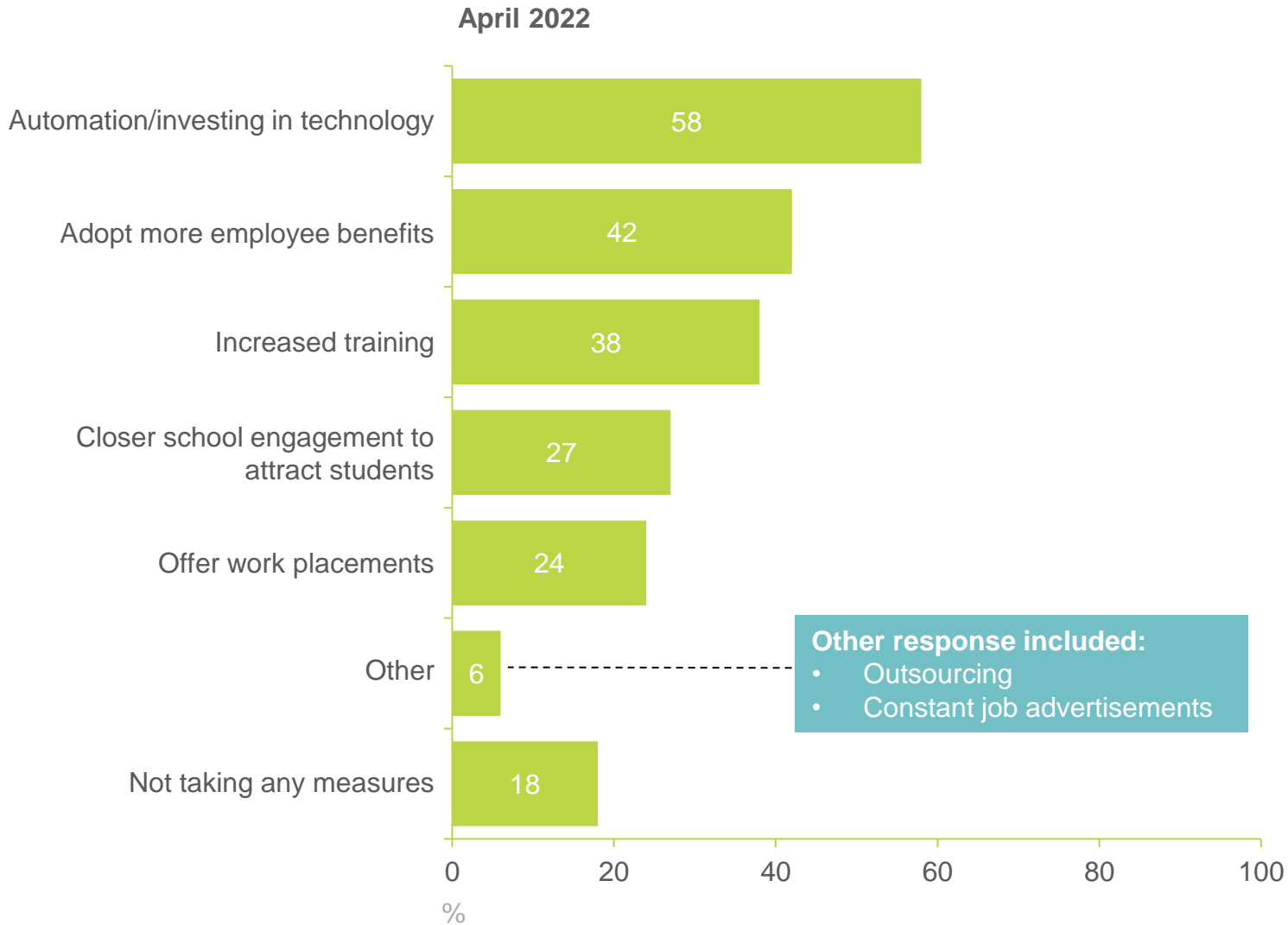
Base 111. Those impacted by labour shortages



<sup>1</sup> Multiple choice question

# F7 What measures, if any, is your company taking to mitigating the effects of labour shortages?

Base 130: All respondents



<sup>1</sup> Multiple choice question

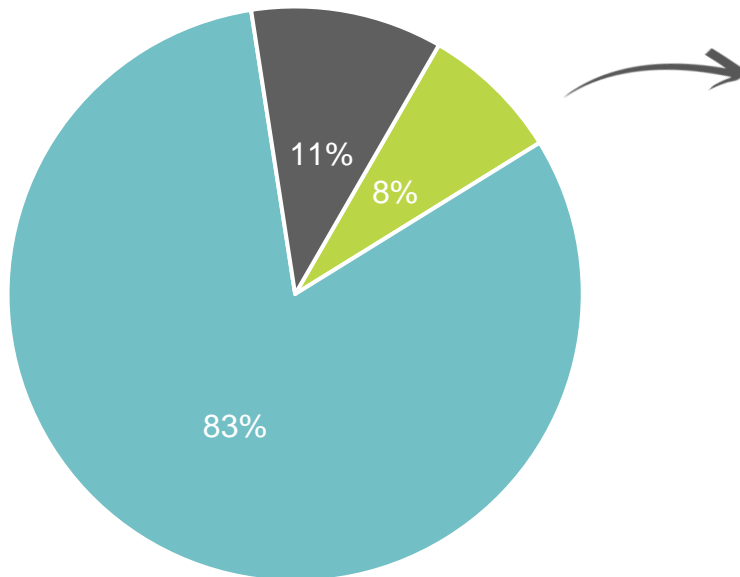
# Planned redundancies

Base: 130. All respondents

**F8 Does your company plan to make redundancies in the next 12 months?**

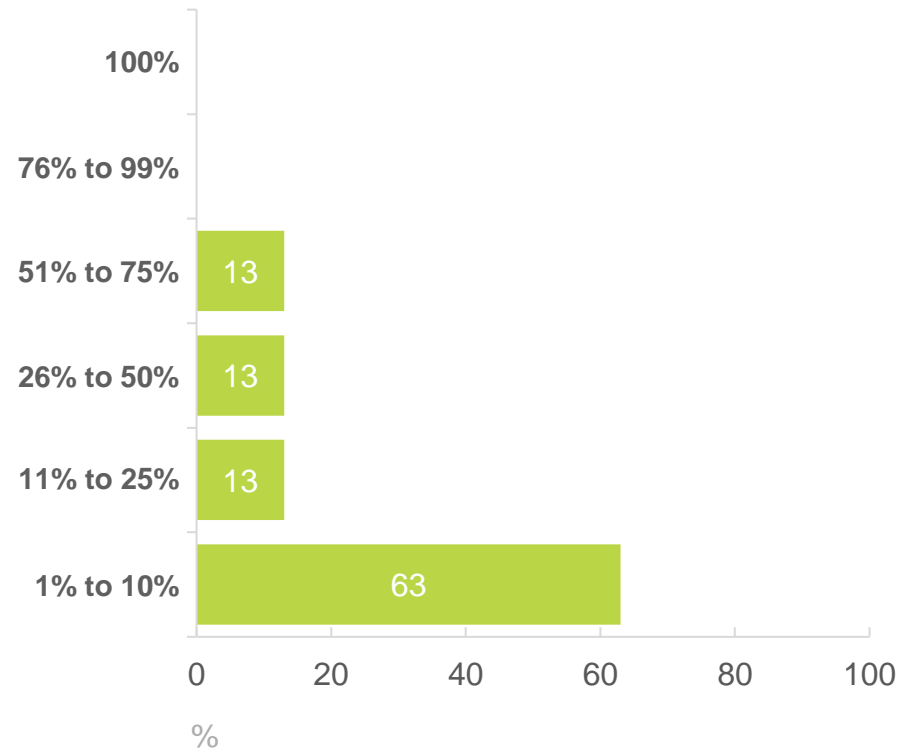
*Base 130: All respondents*

Yes No Not sure



**F9 What proportion of your staff do you plan to make redundant in the next 12 months?**

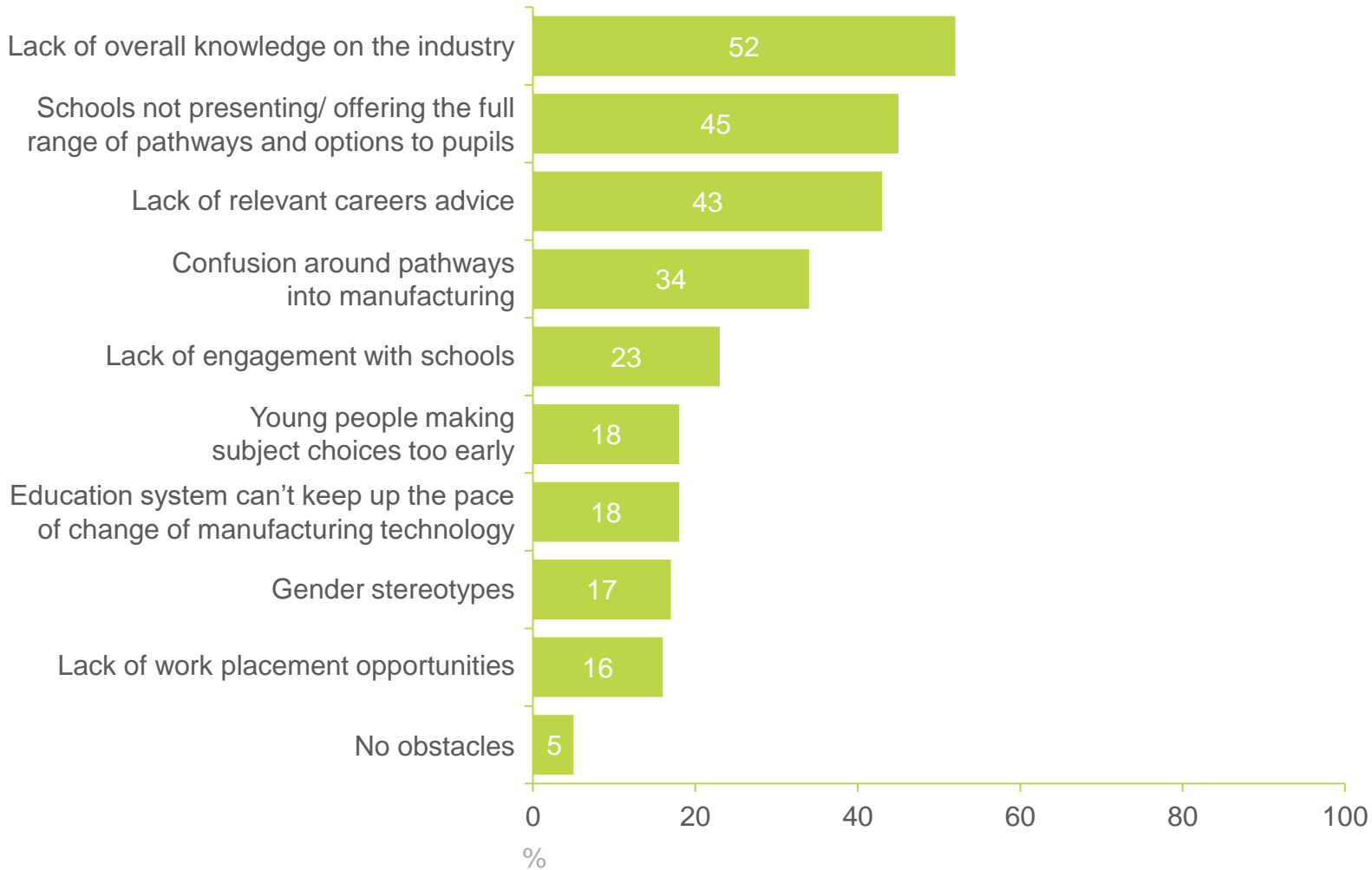
*Base 8: Those that plan to made redundancies*



# F10 In your opinion, what are the main obstacles for young people considering a career in manufacturing?

Base 130: All respondents

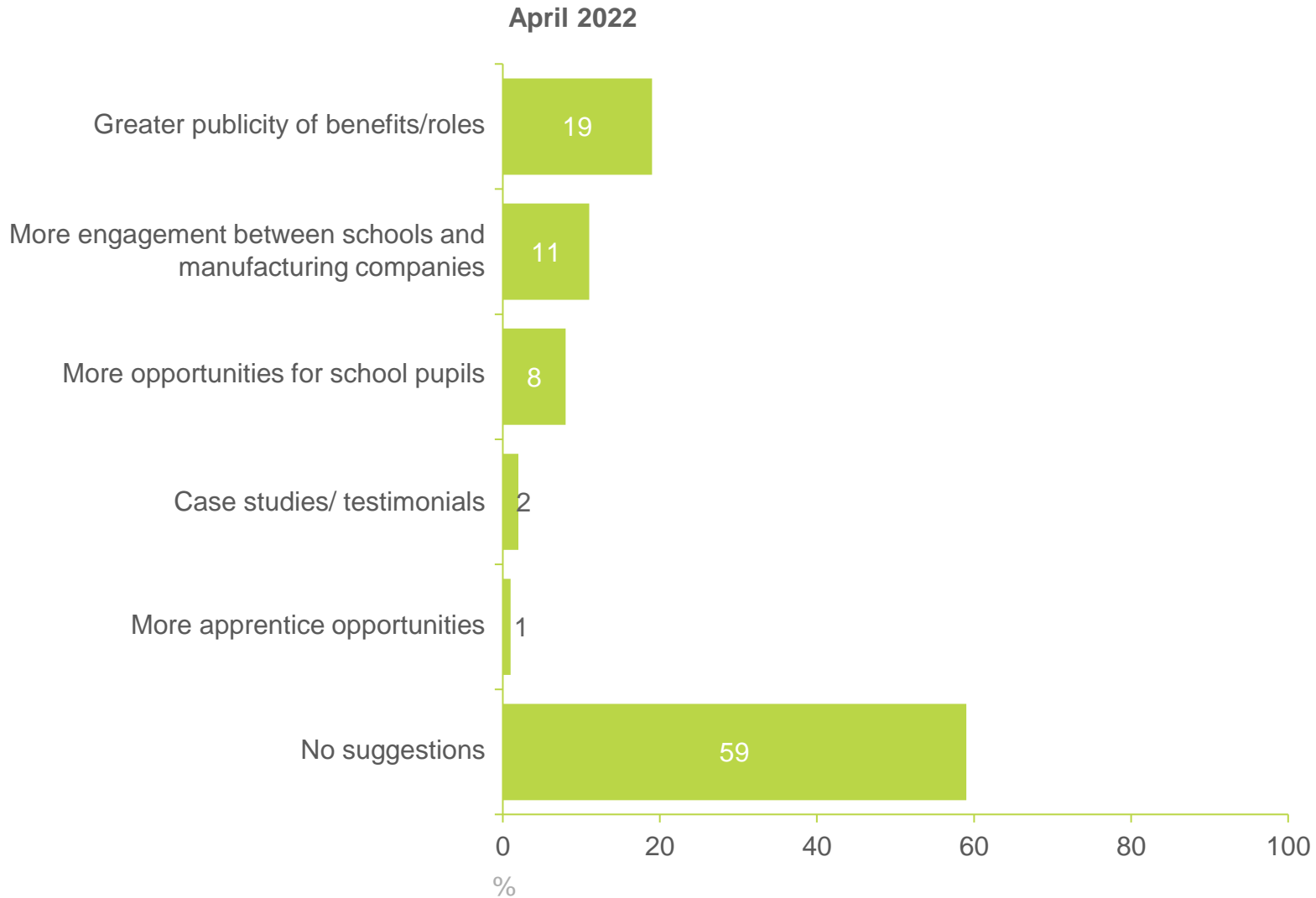
April 2022



<sup>1</sup> Multiple choice question

# F11 In your opinion, how could the image of manufacturing in NI be improved to attract young people to the sector?

Base 130: All respondents

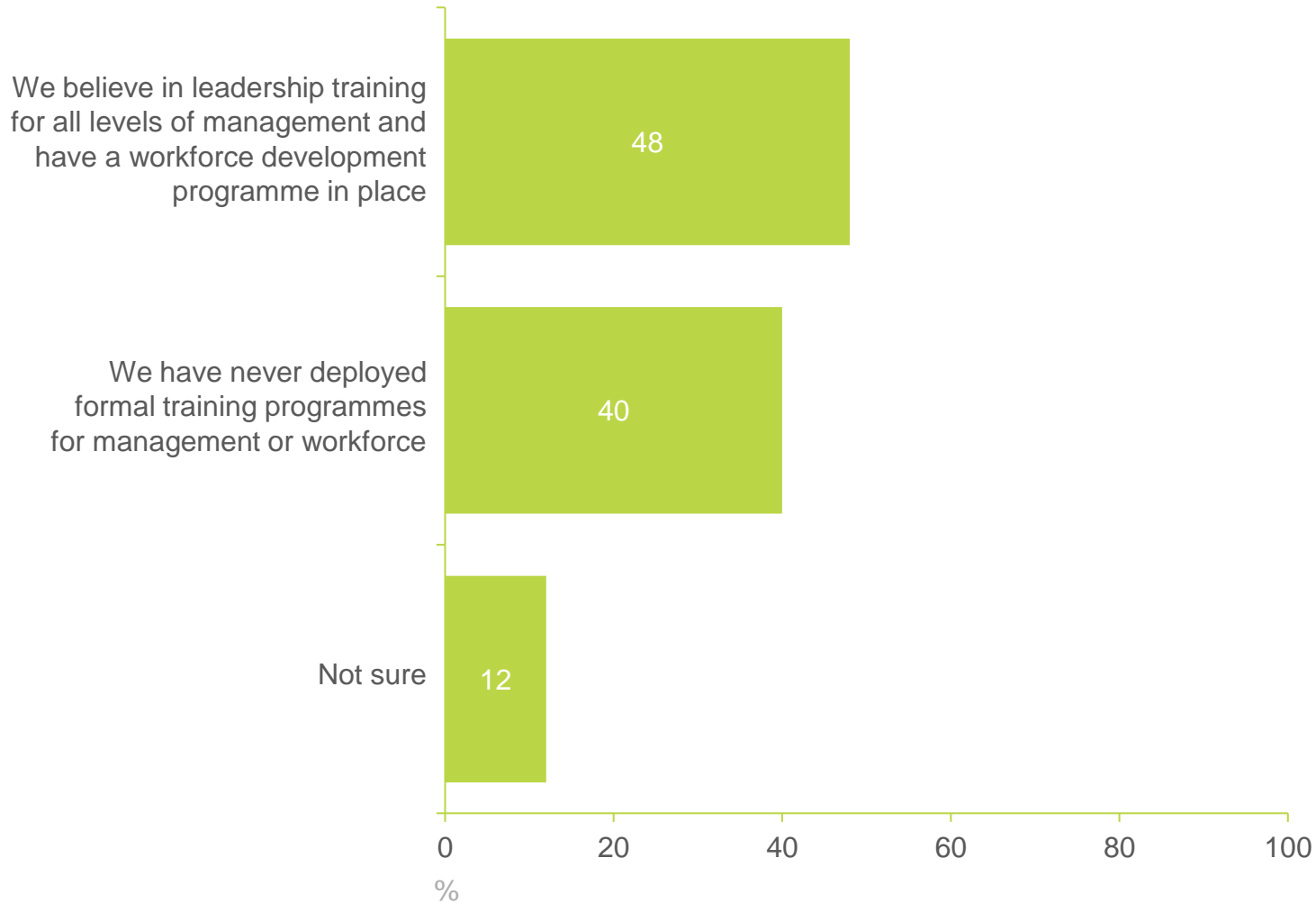


<sup>1</sup> Multiple choice question

# F12 Which of the following statements about leadership training best describes your business?

Base 130: All respondents

April 2022

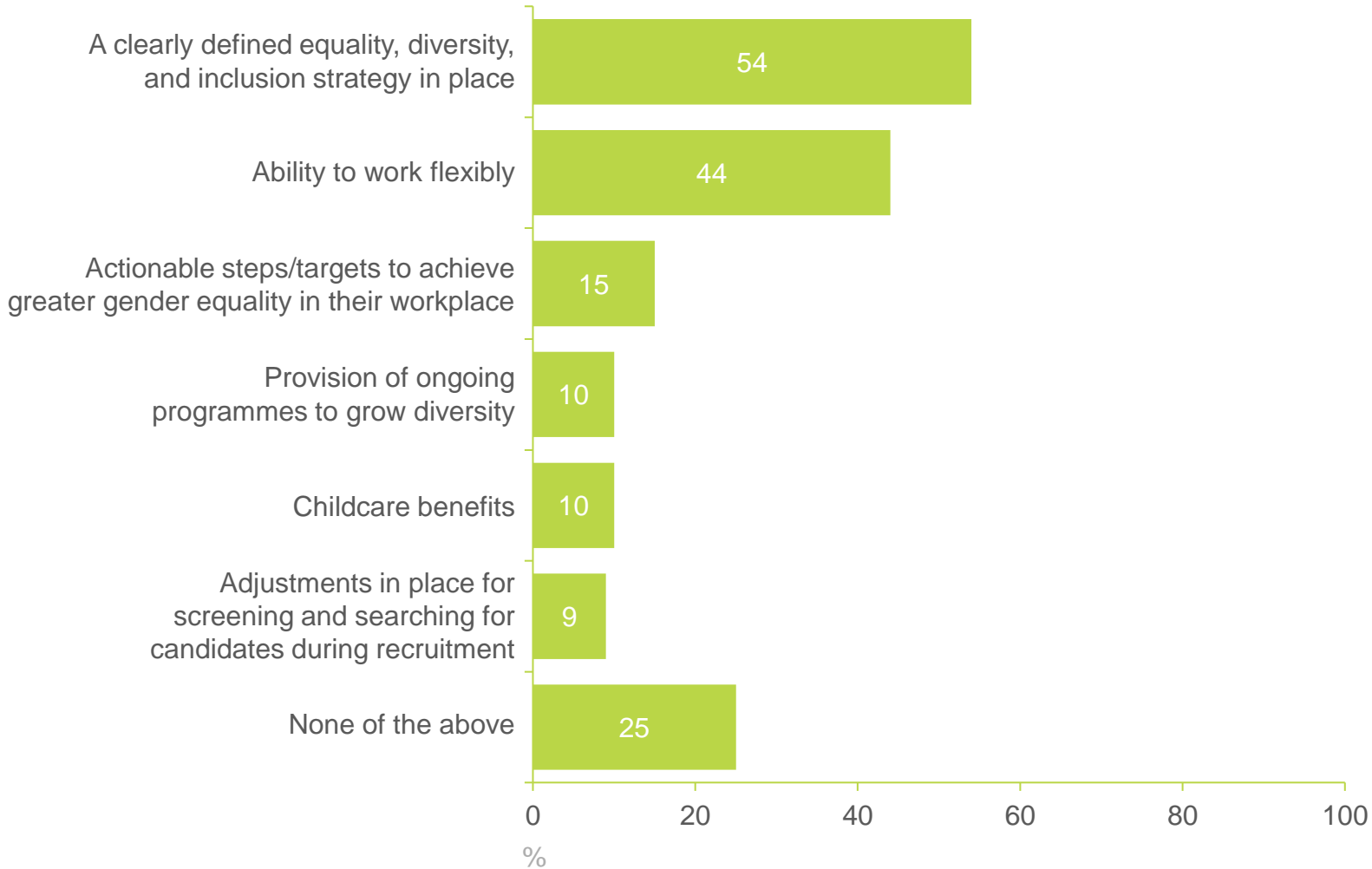


<sup>1</sup> Multiple choice question

# F13 With reference to diversity & inclusion do you have any of the following in place?

Base 130: All respondents

April 2022



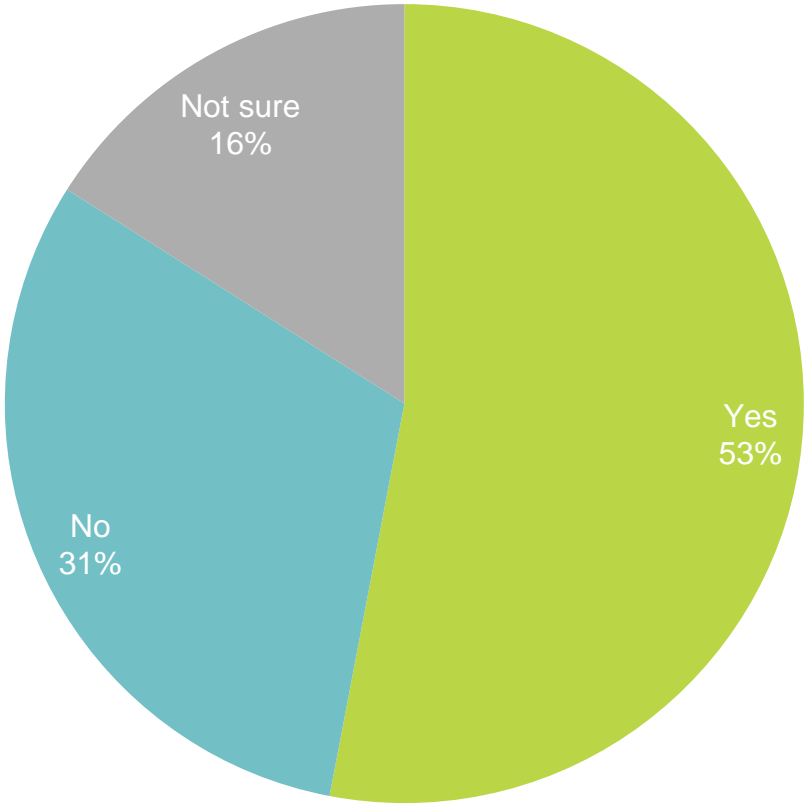
<sup>1</sup> Multiple choice question



# Net Zero and energy efficiency

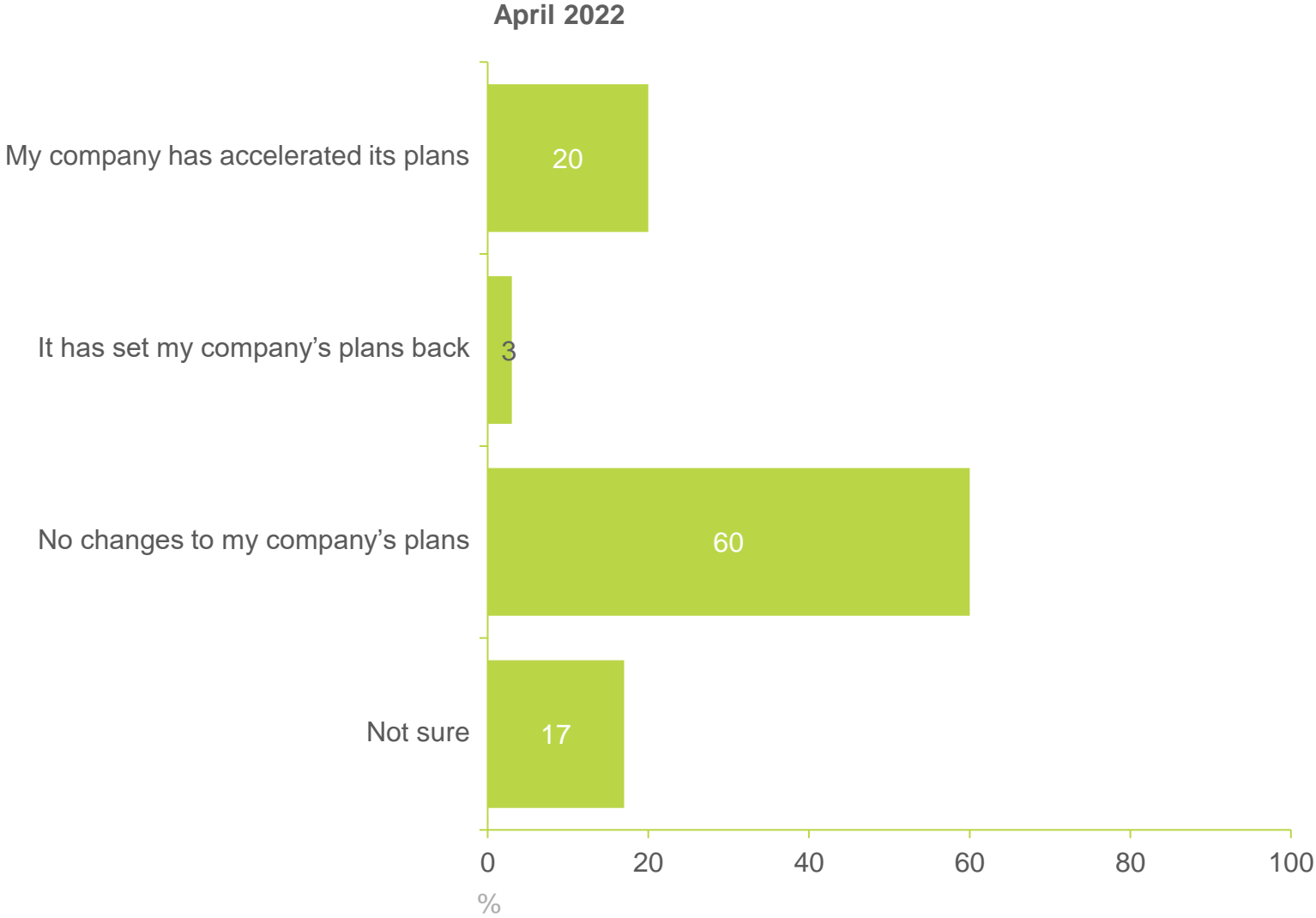
# G1 Are you considering any investment in green technology in 2022?

Base 130: All respondents



# G2 How does the commitments at COP26 and introduction of the NI Climate Bill impact your company?

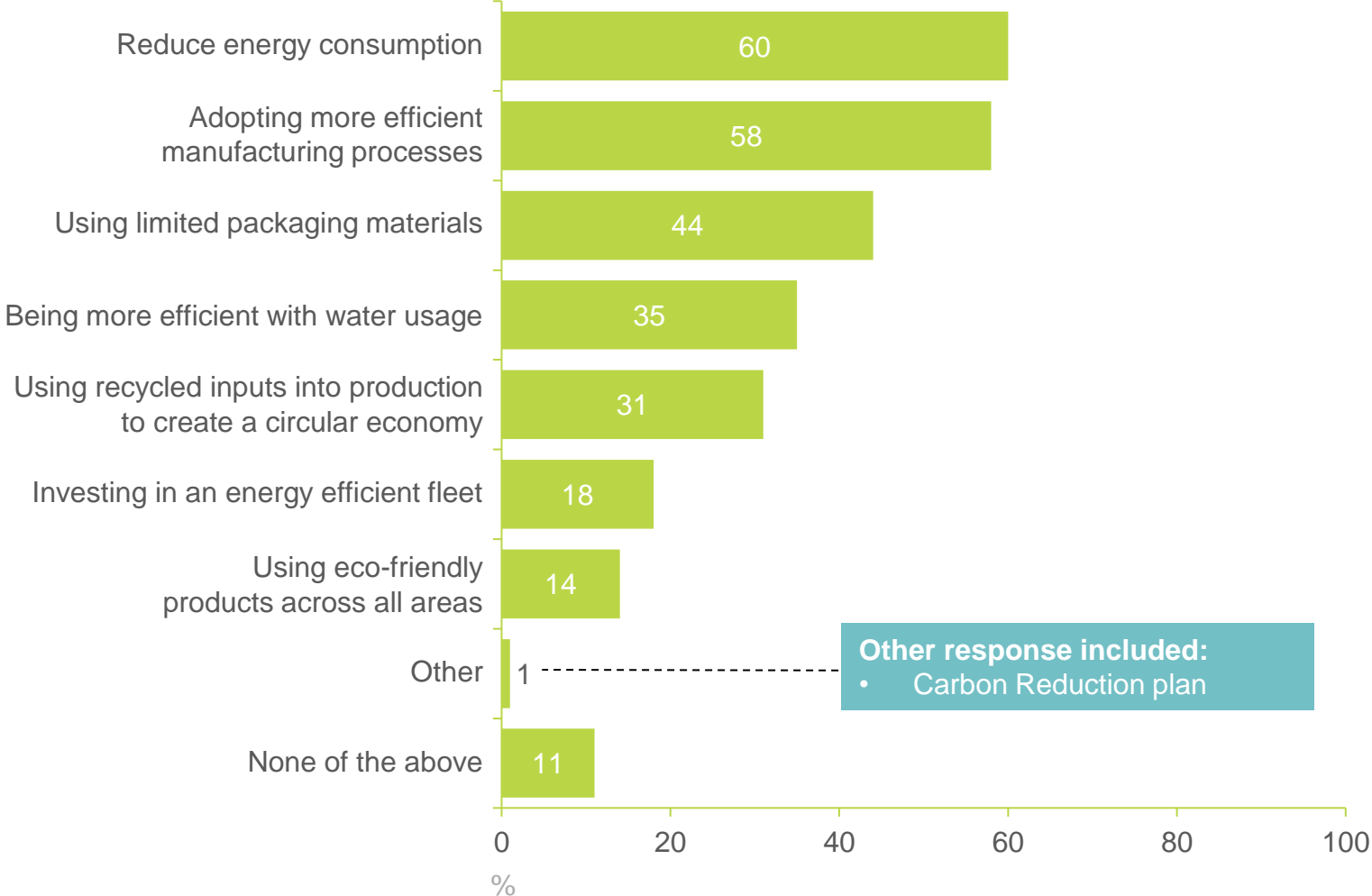
Base 130: All respondents



# G3 Which of the following measures has your company taken / or plan to take to tackle climate change?

Base 130: All respondents

April 2022



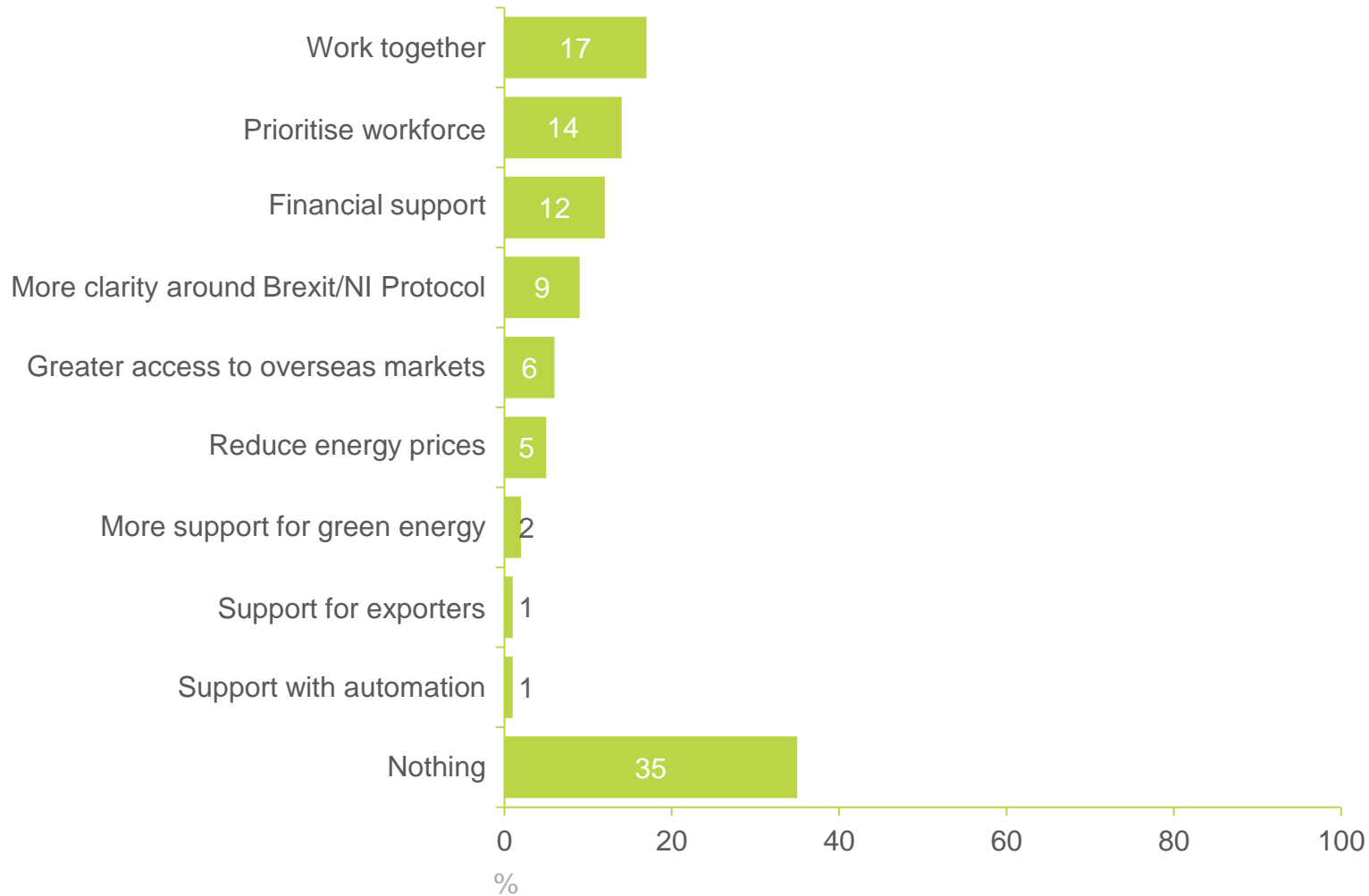
**Other response included:**  
• Carbon Reduction plan

<sup>1</sup> Multiple choice question

# What would be the most important policy decision that the new Assembly could make for businesses?

Base 130: All respondents

April 2022



<sup>1</sup> Multiple choice question



# Thank you for reading.

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

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