

Northern Ireland's food and drink sector brushes off Brexit, Covid and inflation headwinds

Northern Ireland's food and drink sector has continued to grow despite facing headwinds from Brexit, the Covid-19 pandemic and soaring inflationary pressures.

Latest data from the Department of Agriculture, Environment and Rural Affairs (DAERA) showed food and drink processing companies increased sales by 0.9% to £5,424 million in 2020, while provisional estimates suggest a jump of 6.4% in 2021. Of note is the latter move, given it was recorded just after the new trade rules came into force under the Northern Ireland protocol, suggesting the sector managed to outperform under the new regime.

The figures back suggestions the protocol offers companies based in Northern Ireland an advantage by giving them access to export both to Great Britain and to the European Union. Food and drink processors in Northern Ireland are also thought to have benefited from the fact there is more red tape and costs for GB companies exporting to the province.

A breakdown of the volume of exports of food and drinks from Northern Ireland is only available for 2020 but, when released the breakdown for 2021 will be telling as to whether the sector has indeed managed to take advantage of protocol.

For 2020, DAERA's report shows that sales increased to GB by £107.7 million in 2020 compared to 2019, to the Republic by £13.3 million, but fell in the domestic Northern Ireland market by £300,000, to other European Union Countries by £25.3 million and to the Rest of the World by £47.4 million. GB

remains the largest market, accounting for 48.9% of sales.

The number of people employed in the sector also increased in 2020 despite the impact of the Covid-19 pandemic. A total of 25,078 full-time employee equivalents were recorded, up 0.8% on the year. For 2021, that figures is estimated to have climbed by a further 0.7% to 25,105.

Overall, the food and drink processing sector represents 2.6% of Northern Ireland's total GVA (gross value added), up from 2.4%.