

Protocol issues fade for Northern Ireland manufacturers as labour shortage bites

A full year after the UK left the European Union, Northern Ireland's manufacturers appear to have navigated much of the early disruption caused by the Northern Ireland Protocol and are more focused on the challenges posed by a tight labour market.

In a wide-ranging survey of its members, industry body Manufacturing NI said access to labour was the biggest issue in the sector at present with the protocol described as the least challenging.

However, while the protocol – an agreement reached between the UK and EU governments aimed at keeping the flow of goods moving between Northern Ireland and the Republic which has imposed checks on imports from Great Britain – seems to be causing less of an issue, the labour shortage is largely a result of Brexit and the Covid-19 pandemic, the report said.

“NI has lost one third (of its) EU migrants since the EU referendum in 2016 and the usual flow of people arriving in Northern Ireland to work has virtually stopped during the pandemic,” it said. “We also know that there are fewer people of working age coming onto the labour market in this and the decades to come.

“Without labour businesses cannot generate the income required to invest in automation.”

Manufacturing NI called on government for support.

“It is clear that the NI Executive and UK Government must find a way for firms to access people, even on a temporary basis, until investment in skills matures and businesses can plan and deliver on investments.”

But while there may be bigger issues for manufacturers to deal with, the protocol does still present issues and needs simplifying, the survey found.

One in four of Manufacturing NI’s members continue to struggle with the processes in the Irish Sea, down from 40% six months ago, while just over a half report a negative impact in 2021, down from 77% in April.

Of interest, one in six of those surveyed report a positive impact on their business under the protocol and the majority said that both EU and GB sales have recovered, although there appears more work to do to educate EU traders.

One issue which remains is the readiness and willingness of GB suppliers to send goods to Northern Ireland with one in five unwilling to continue exporting to the province.