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Supporting regional economies to rebuild in the face of a recession, and our impending new relationship with the EU, all whilst recovering from Covid-19, will be a huge challenge. This provides an overview of the key priorities and challenges for manufacturers specific to this region to reviving and rebalancing the regional economy.

THE DEVOLVED ADMINISTRATIONS (SCOTLAND, WALES, AND NORTHERN IRELAND)

SCOTLAND 🍴 28.1%

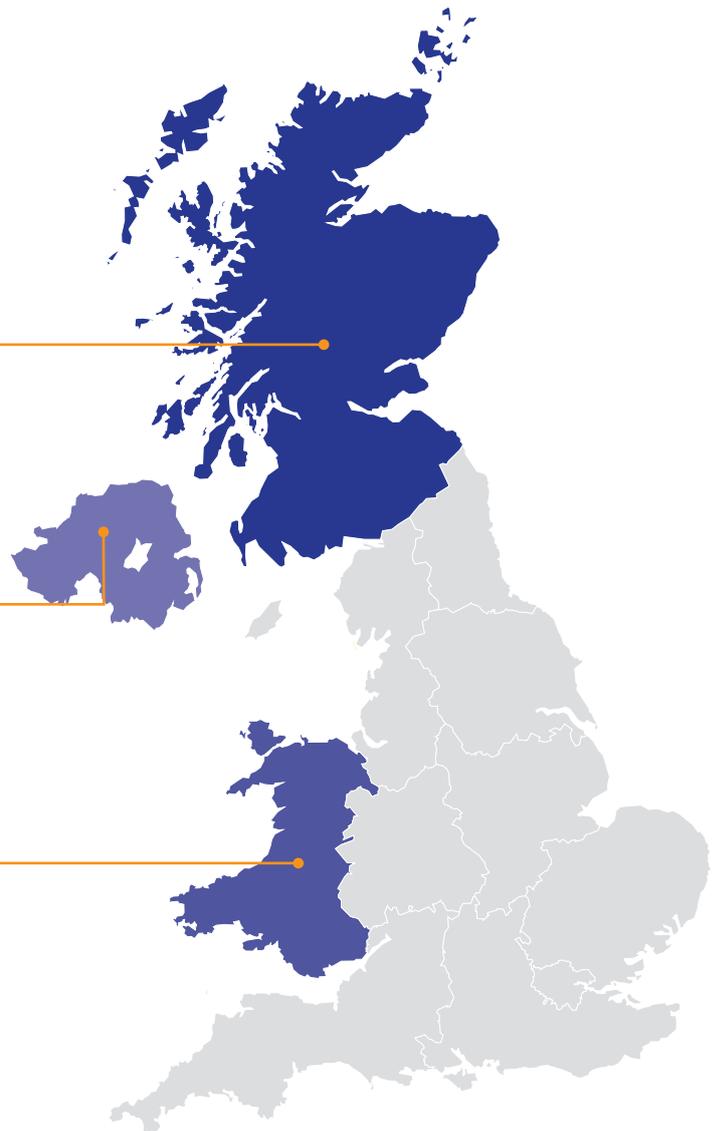
- £11,247 public spending per head
- 193,000 manufacturing jobs
- 28% have degree-level education or above

NORTHERN IRELAND 🍴 14.7%

- £10,656 public spending per head
- 153,000 manufacturing jobs
- 26.2% have degree-level education or above

WALES ✈️ 27.0%

- £11,590 public spending per head
- 95,000 manufacturing jobs
- 23.5% have degree-level education or above





NORTHERN IRELAND

Northern Ireland's biggest reported barrier to levelling up is the inadequate state of its digital connectivity in towns and rural areas. Digital connectivity stands as a limiting factor for Northern Ireland on firms' ability to modernise manufacturing processes and implement productivity enhancing technology – 1 in 5 manufacturers said they had not implemented any technology in their business in the last year. The biggest challenges to doing so was the upfront cost (64%) followed by the uncertainty around its return on investment (46%). But for many manufacturers in Northern Ireland the issue of levelling up is contingent on the outcome of Brexit. 65% of manufacturers in Northern Ireland said this was the most prevalent concern for them, with almost a third expecting a reduction in sales over the next 6 months, and many concerned about the impact it will have on the two main airports within the country. And finally, much like in England, the Apprenticeship Levy is hampering manufacturers' ability to train the next generation when skills shortages are a live issue. There continues to be a lack of transparency on how the money is accessed and invested.

SCOTLAND

While Scotland has the second highest proportion of degree-holding residents in the UK, Scottish manufacturers still hold that up-skilling, particularly in the modern-manufacturing processes field, is crucial to allow manufacturers in the nation to raise their productivity, in turn progressing the adoption of new technology and green methods.

The Scottish export economy has a just above average dependence on the EU for its exports (48%), but it has the largest dependency on the Asian markets (24%) in the UK. Scottish manufacturers' ability to level-up, particularly within the largest manufacturing subsector, Food & Drink, will be closely aligned with the outcome of both incumbent and novel trading relationships with those countries in Asian markets.

WALES

Wales generates 17% of its output from its manufacturing sector, significantly above the UK at 10%. As the Welsh manufacturing economy is so important to its overall regional economy, effective levelling up in this nation will demand bespoke focus on manufacturing. The export economy in Wales is also the most dependent on the EU (60% of all exports to EU). Policy that prioritises Wales' international competitiveness of its output will be a high priority to levelling up the nation with the UK, particularly given the immediate pressures from the impending uncertainty around Wales' future trading relationship with the EU.

Welsh manufacturers have indicated that the most immediate concern for their national industry is the threat of further lockdowns hampering their ability to keep output levels up in already troubling circumstances.