Economists are stereotyped as being, let's say, not the most rock and roll people. But of late, those of us working on Northern Ireland have had reason to focus strongly on drugs, cigarettes and heavy metals. That's because these are some of the subsectors of the economy and the manufacturing sector that have seen the biggest highs or are the most troubled.

Overall, the manufacturing sector has outperformed expectations. At one stage in time, it was seen as a sector in terminal decline having previously been the mainstay of the NI economy. Following the global recession a decade ago, a recovery was anticipated, but not on the scale that we have seen.

In the last six years or so, there have been an extra 15,000 jobs added to Northern Ireland's

manufacturing sector, bringing total employment in the industry to a 15-and-a-half-year high. In terms of output, growth over the past year has been four times that of the services sector, which has been a star performer in previous years.

This strong performance comes despite some of our flagship manufacturers having shut up shop and left these shores in recent years. One of the key ones is cigarette manufacturer JTI, formerly Gallahers (not Liam and Noel), which previously employed upwards of 1,000 people. Michelin also ceased manufacturing in Northern Ireland around the same time, making another dent in the local manufacturing sector's employment and output figures.

What we have lost in cigarette related jobs and output, we have more than made up for with growth in sectors such as drugs – i.e. the pharmaceutical and chemical sectors – and heavy metals, which includes companies that fabricate metals for a range of uses such as the construction sector. In the past five years, the number of jobs in the pharmaceutical and chemical products sector has increased by 700 and the basic and fabricated metals sector has seen a rise of 2,300 jobs.

We've even seen an apparent resurgence in the textile industry. When we look at the figures for employment, this sector has added over 1,100 jobs in the last half-decade; an increase of something like 80 percent. It has to be said that this is coming off a very low base. At its peak according to the available data, the textile sector in Northern Ireland employed in the region of close to 25,000 (1971). Today, the figure is a modest 2,610. However, the fact that the apparent terminal decline of the subsector has been reversed at all is remarkable.

In many respects, this is a testament to the innovation of people in the sector; reflected in the fact that the textile industry today bears little resemblance to the one in the 1970s, with all kinds of sophisticated textiles now being produced for a wide range of purposes.

Whilst we have talked about rock and roll in this article, the manufacturing sector has been on something of a rollercoaster. We've talked about the contrasting performances of some of the subsectors and their various ups and downs. In addition, the sector has had the turbulence associated with Brexit to deal with. This has meant that stockpiling has been highly prominent in the sector. In many respects, this has driven the strong performance of manufacturing in recent quarters, particularly in the early part of 2019 due to the original Brexit date of 29th March. For instance, the chemical and pharma products sector saw output rise by over a quarter in Q1 alone.

In essence, firms have been over-manufacturing in the present to service the future. This means that there will likely be a correction at some stage, resulting in a 'downer' after the stockpiling high.

It is likely that we will therefore see significant falls in manufacturing output in Q2 2019 reflecting a winding down of these stockpiles. It remains to be seen whether there will be further ramping up of stockpiles ahead of the new 31stOctober Brexit deadline.

Concerningly, this comes in the context of wider challenges on both the supply and demand fronts. The biggest challenge is perhaps what The Economist magazine described as Trump's 'weapons of mass disruption' – that is, the disruption to supply chains and trade and investment flows at a time when the global economy is looking fragile. Brexit is clearly another disruption, the scale of which is yet to be seen.

For Northern Ireland's manufacturers, supply disruption is one of the biggest concerns, both in terms of access to the raw materials they need to make their products, and also to their ability to deliver their wares to their customers around the world. Brexit also presents challenges in relation to supply of labour, when skills shortages are already widespread within the sector. This is highlighted in the latest Manufacturing NI and Tughans State of

Manufacturing Survey. So, what transpires over the next six months in terms of Brexit will be crucial to the performance of the sector.

However, what we have learned from the data from recent years is that there will always be winners and losers. Even if a very challenging period for the manufacturing sector as a whole lies ahead, there will be many individual companies and sub sectors that continue to adapt, innovate, and thrive.

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