

CBI NI PEOPLE & SKILLS FORUM

A&L GOODBODY, BELFAST
19TH MARCH 2019



CBI NI IMMIGRATION ECONOMIC IMPACT REPORT

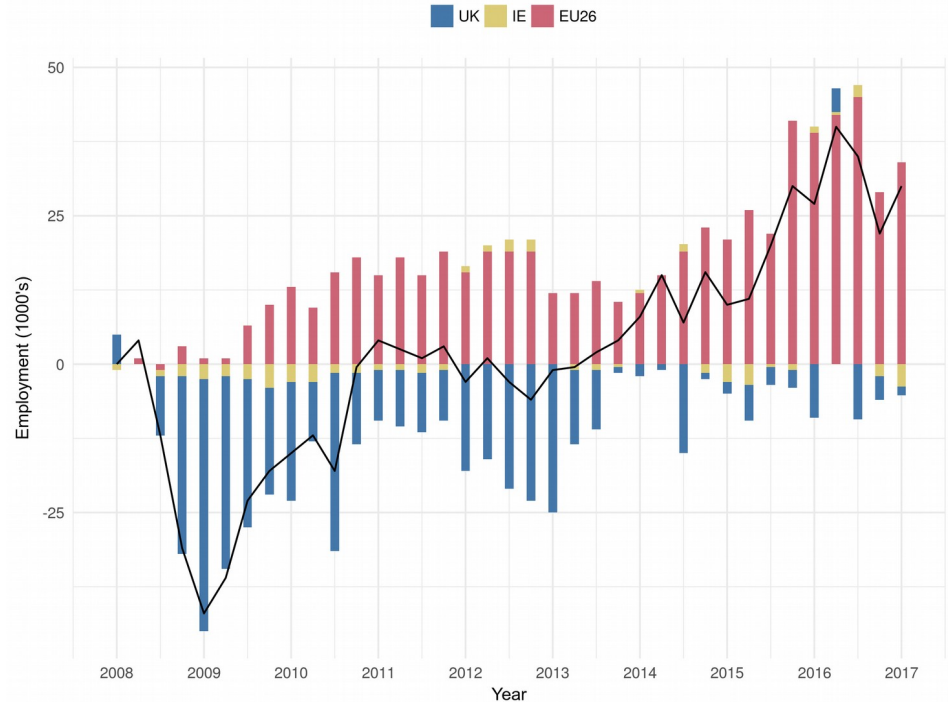


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CONTRIBUTION TO EMPLOYMENT

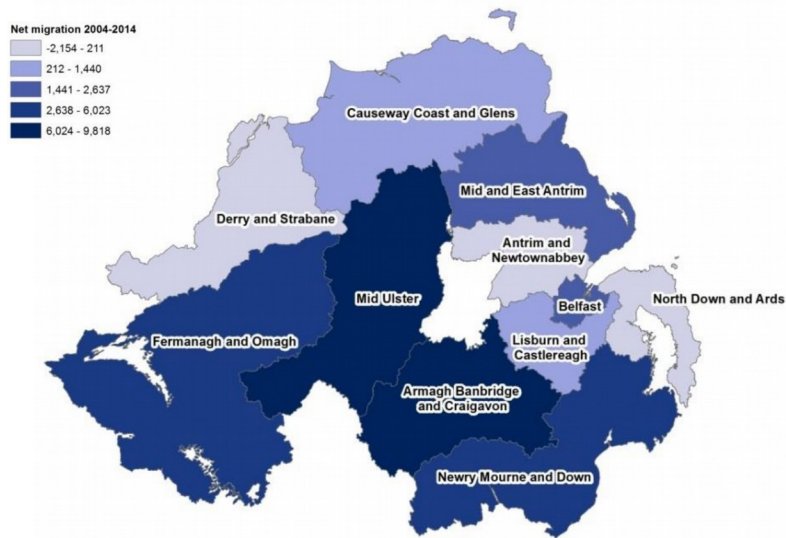
- The global financial crisis (2008/2009) brought with it a **structural change** to the make-up of the NI labour market.
- Over the past decade migrant workers from EU economies have driven employment in NI beyond the pre-crisis levels.
- Increasingly **filling skills gaps** through all levels of occupational complexity.
- NI has welcomed **38,000 migrants to work within its borders** over the past 10 years.

Change in employment by country of birth, Northern Ireland, 2008-2017

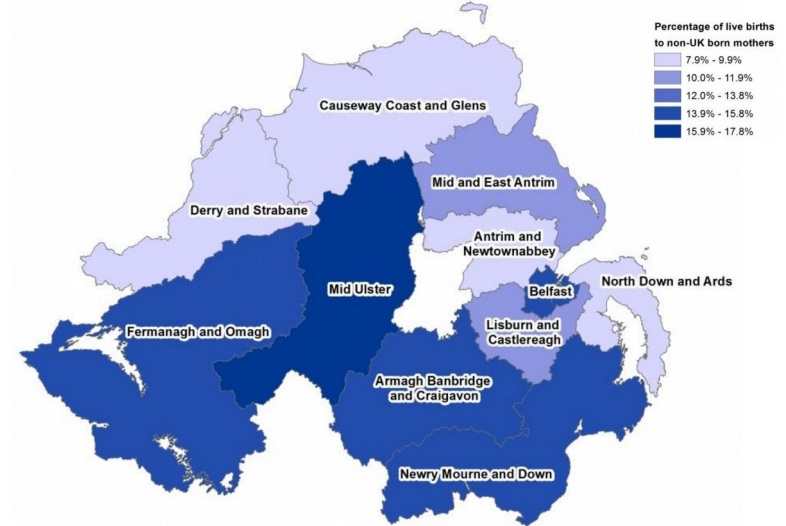


GEOGRAPHY OF MIGRANT INFLOWS

Net international migration by district, 2006–2016

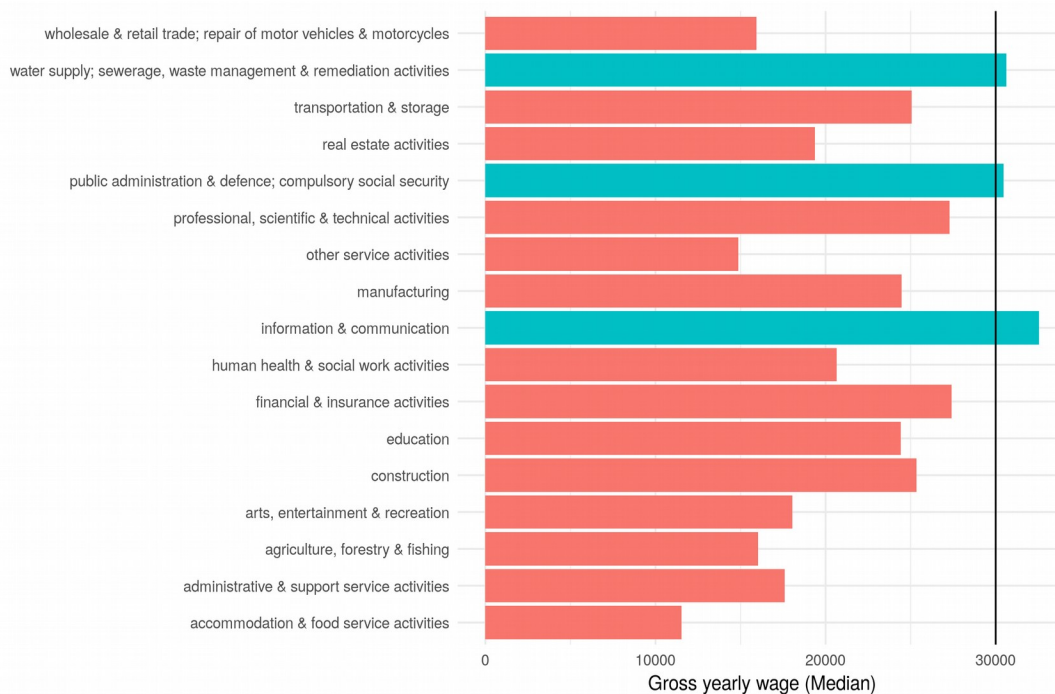


Births to non-UK mothers by district, 2006–2016



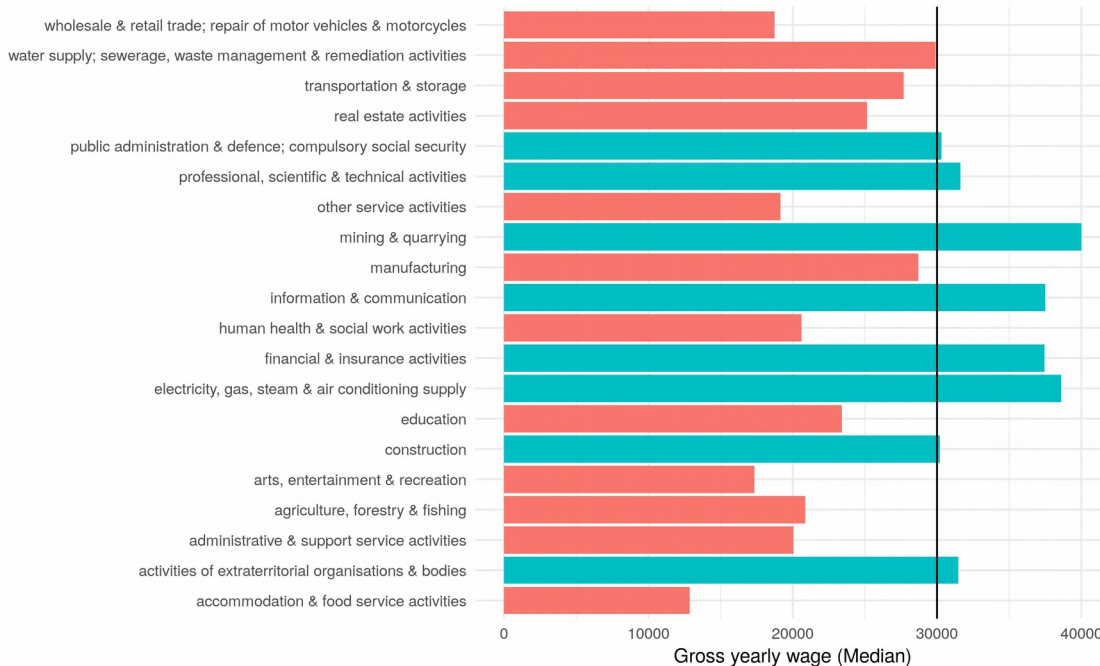
- Overall, **8%** of Northern Ireland's population was born overseas (149,000 people) – 5.5% from the EEA and 2.5% from the rest of the world.

THRESHOLD: AVERAGE INDUSTRY WAGES IN NI



- The **median** (*mean*) wage in Northern Ireland is **£22,016** (£25,704) compared to the UK's **£24,006** (£29,832).
- Taking median wages, 83% of industries currently do not provide a salary equal to or above £30,000.
- This is compared to 55% of industries, on average, in the UK as a whole.
- Importantly, **37%** of workers in food and drink manufacturing and **11%** in manufacturing are EEA nationals.

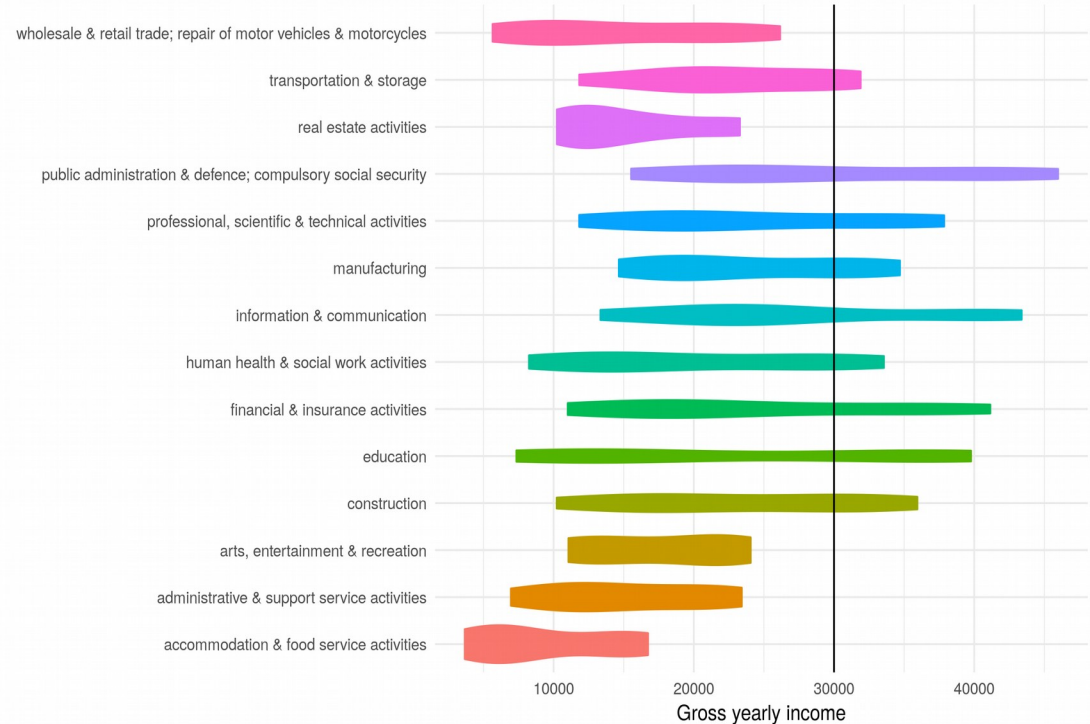
THRESHOLD: AVERAGE INDUSTRY WAGES IN UK



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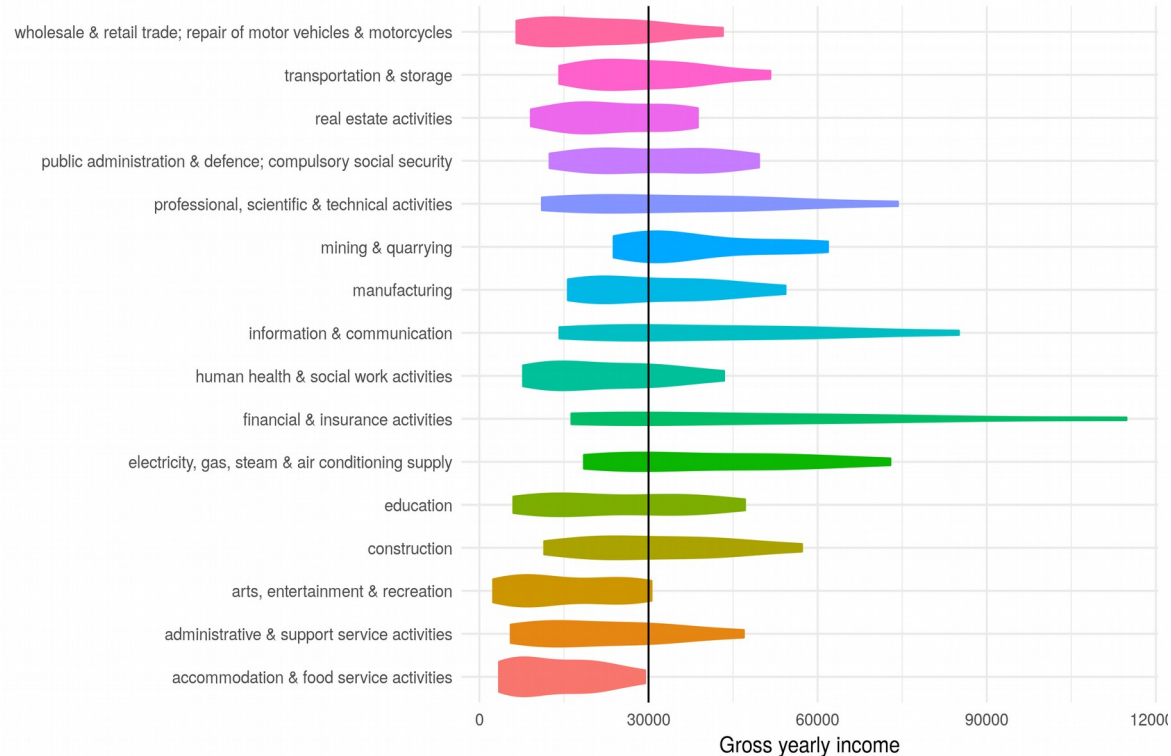
THRESHOLD: INDUSTRY WAGE DISTRIBUTIONS IN NI

- The distribution of wages in NI shows that:
 - Even at the top scale, 35% of industries would not be open to migrant workers even at the top end of the wage scale.
 - Other industries require workers to be in the upper 60%-70% to be open to migrant workers.
 - A lot of wage data is missing in Northern Ireland compared to the rest of the UK.
 - The *public sector* provides the most prosperous wages; even compared to growth sectors, such as *Information & Communication*.

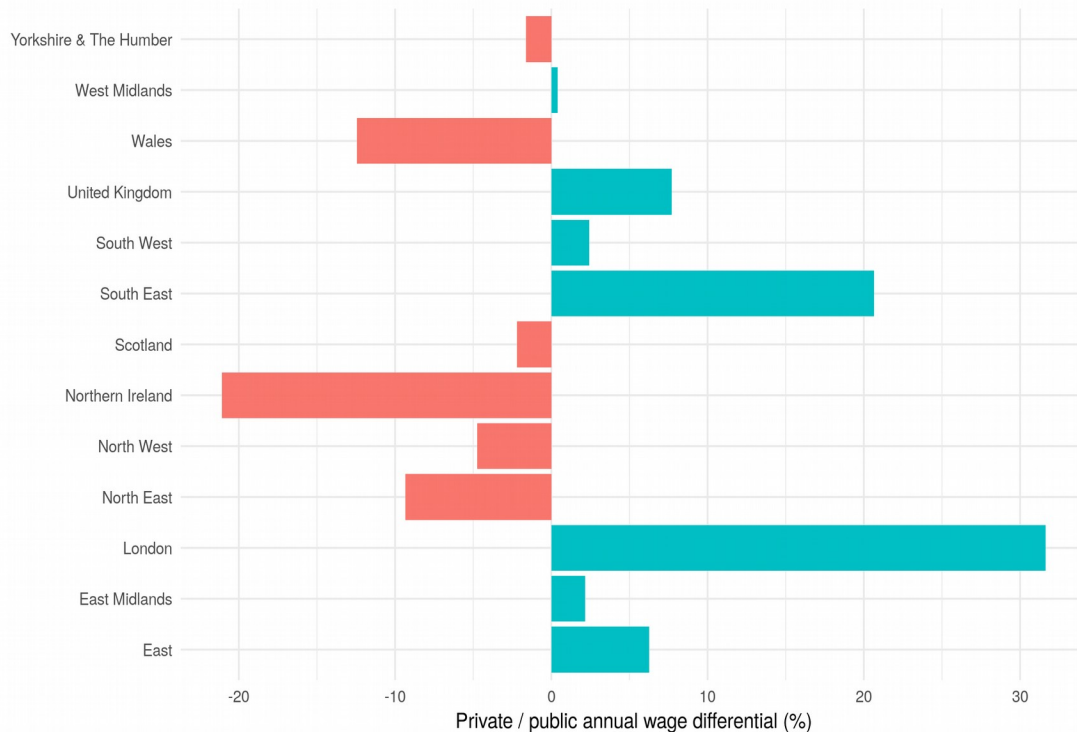


THRESHOLD: INDUSTRY WAGE DISTRIBUTIONS IN UK

- Significantly different to the UK average.
- Basically all industries can facilitate migrant labour at some level.
- The composition of industry wages is remarkably different: financial & insurance activities, construction and manufacturing are more prosperous.
- Importantly, public sector wages do not dominate other sectors.



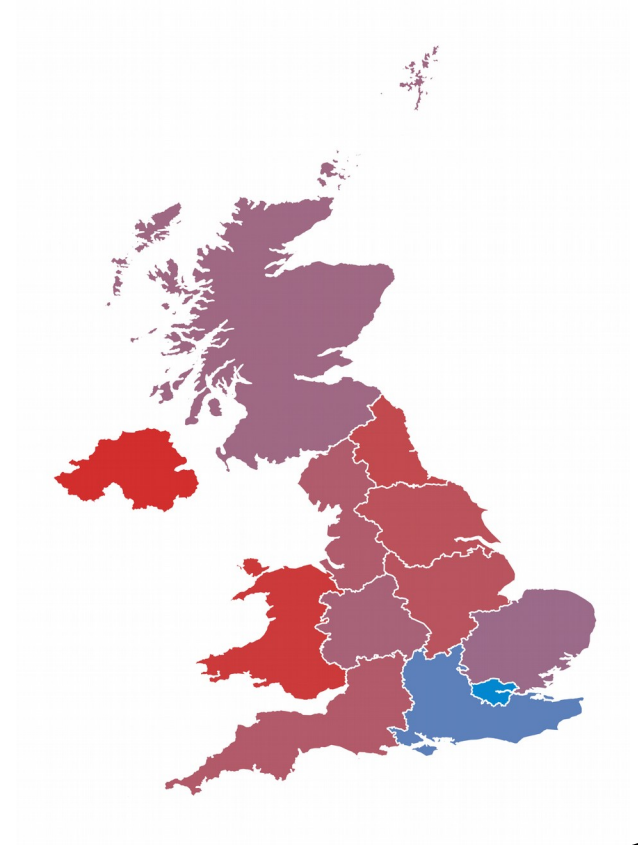
THRESHOLD: PUBLIC / PRIVATE WAGE DIFFERENTIAL



- **Public sector wages distort the averages** for NI compared to the rest of UK.
- Average wages in the private sector are **typically over 20% lower in NI** compared to public sector wages. This is a real anomaly.
- Taking this into account, the **median** (*mean*) wage in NI private sector is **£19,738** (£22,713) compared to the UK's **£23,628** (£30,779).

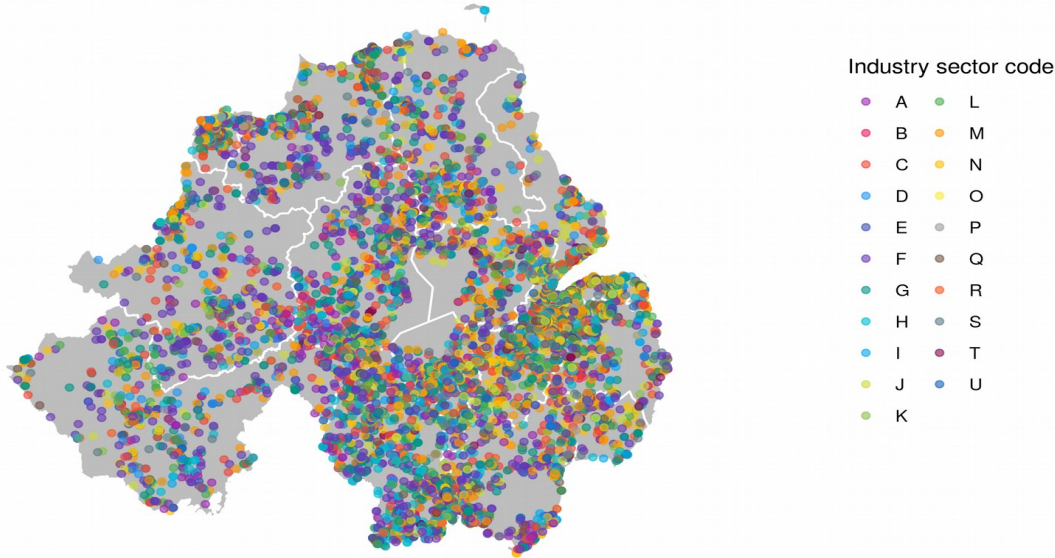
THRESHOLD: IMPACT THROUGHOUT THE UK

- Using this public/private differential, combined with the mean wages from the throughout the UK we can mock up what regions will be impacted in the short-run.
- Although NI seems to be impacted the most, particularly since industries impacted the most have the **highest output and employment multipliers** and **supply chains** throughout the Island.
- **It is not the only region.**



MOST IMPACTED AREAS IN NORTHERN IRELAND (1)

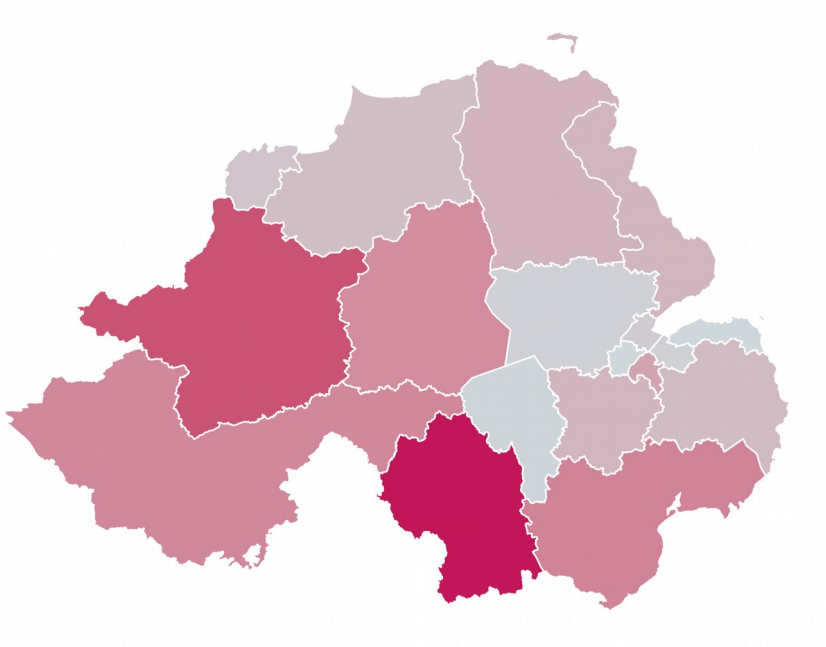
Geolocation of all NI companies registered with Companies House, 2019



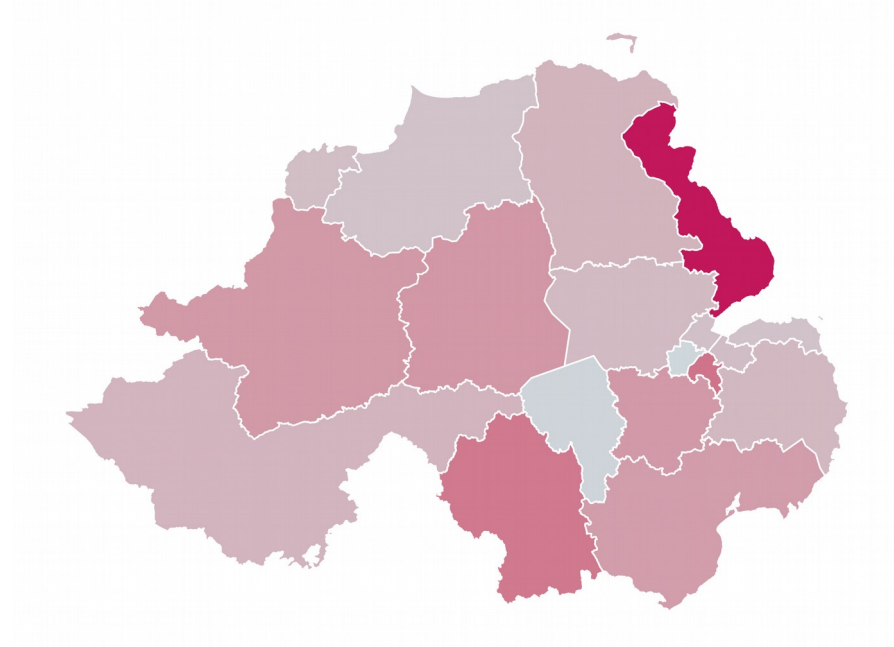
- Companies House have a very nice API, which can be used to request data on all firms operating in NI and across the UK.
- Each company registers a 5-Digit SIC code, which can be aggregated up to the industry sectors, like, Communication and Information.
- Also able to extract balance sheet data (by parsing PDFs).

MOST IMPACTED AREAS IN NORTHERN IRELAND (2)

Heatmap of short-term impact for Agriculture



Heatmap of short-term impact for Manufacturing

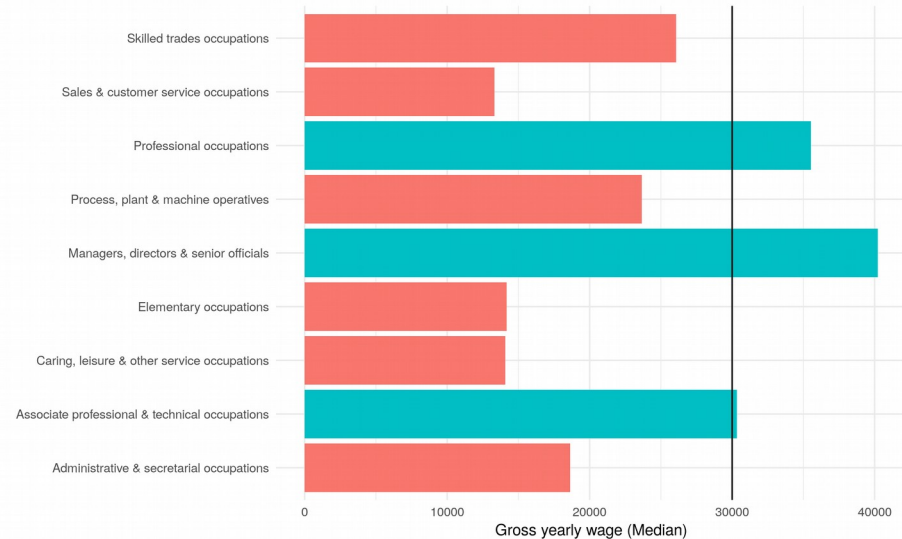
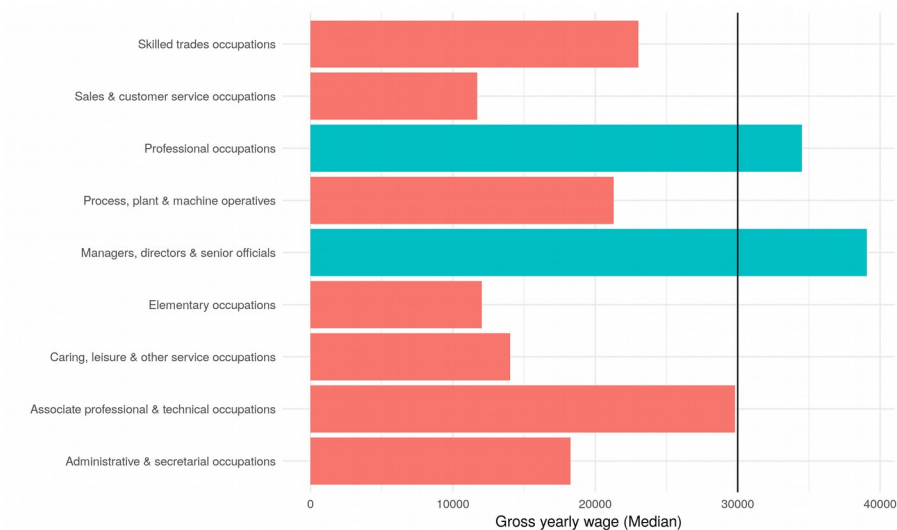


ANY QUESTIONS?

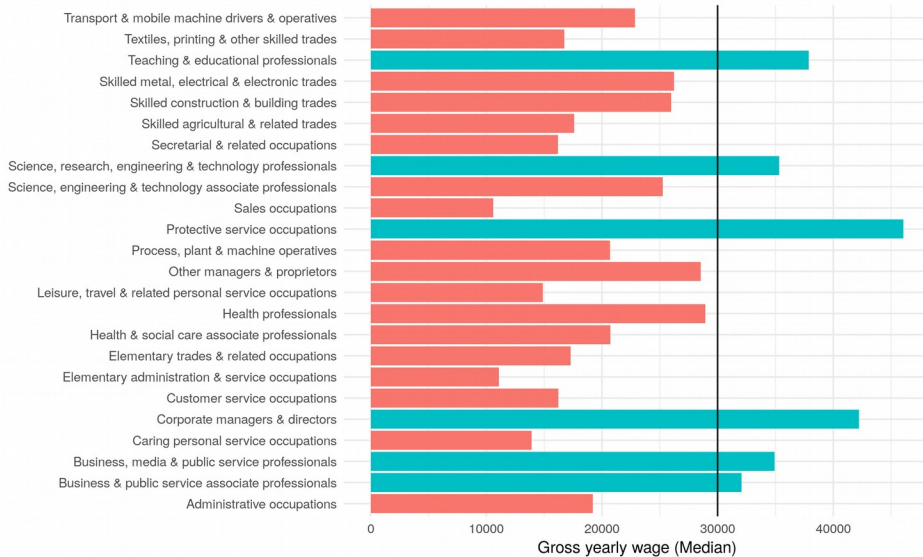
APPENDIX: WAGES BY OCCUPATION



UK AND NI SOC1 OCCUPATIONS



UK AND NI SOC2 OCCUPATIONS



CBI

