

# **Impact of COVID-19 on the UK Composites Supply Chain**

29 October 2020

## **Impact of COVID-19 on the supply chain - Member Survey results**

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The results from the Composites sector have been compared with the rest of the manufacturing industry through the Make UK Manufacturing Monitor report 26 October 2020.

#### ***Key findings***

50% of companies currently have no staff furloughed (51 % for whole manufacturing sector)

25% have already made redundancies due to Covid (50% for whole manufacturing sector)

25% are still planning further redundancies in the next 6 months (20% for whole manufacturing sector)

25% believe they will achieve full operating levels by the start of 2021 (26% for whole manufacturing sector)

75% believe the UK will return to normal trading conditions in less than 12 months (50% for whole manufacturing sector)

50% plan to use the JSS (42% for whole manufacturing sector)

#### ***Impact on business sales and orders***

50% of companies reported a decrease in business sales of between 26-75%.

25% reported an increase in sales of 1-10%.

25% reported an increase in orders between 1-10%

25% reported a decrease in orders between 26-50%

50% reported no change in orders.

#### ***Operating levels and predicted recovery rate***

75% of companies reported current operating levels above 51% compared to the start of the year

75% expect to be operating at above 50% level by the start of 2021, with 25% predicting they will be at full operating levels

#### ***Workforce***

25% have made staff redundant due to the pandemic

Companies that have made redundancies report the levels to be between 26-50% of their workforce

25% of companies expect to make between 1-10% more staff redundant in the next 6 months.

33% report that they will use the new government Job Support Scheme

25% of companies are utilising the Kickstart scheme, using Composites UK as their Kickstart Gateway

25% state they will probably recruit more apprentices due to the new Government incentive of £2000

### **Support required to rebuild/restructure the supply chain**

The majority of companies stated that support would be needed to help rebuild the supply chain. Specific comments are also given:

- Waive business rate bills and reduce the overall cost of business rates
- Support those at risk of redundancy with retaining and upskilling
- Support for businesses to manage debt sustainably
- Increase the R&D tax credit limit
- Offer a more generous Job Support Scheme – this has since been done by Government as a result of industry feedback

### **Note**

A small number of companies (only 4) responded to the survey so results should be treated with caution.