



How might Brexit impact on industry?

Sectors most likely to be affected by Brexit include those with strong trade links (such as exporters), those affected by EU funding or regulation, and those more likely to employ migrant workers. The Office for National Statistics released an analysis showing which parts of the country might feel the most impact, based on the representation of employees by sector¹. The analysis excluded agriculture, forestry & fishing as agriculture data were not then available to sub-regional geographies. The CIPD also produced a report looking at labour market impacts². This bulletin looks at the local picture for Dorset.

Big Numbers

7,000 working age people in Dorset born in EU, (2011)

760 NINo registrations in Dorset, 2018

↓ 37% Fall in NINo registrations from the EU, 2017 - 2018

550 Dorset firms are exporters

42 Dorset firms are EU non-UK owned

6% of Dorset live births to EU born mothers, 2017

BOX 1: Which sectors benefit most from trade links with the EU?

550 Businesses in Dorset are exporters

Agric/food & drink manf 6%	Precision instruments 4%
Chemicals/pharmaceuticals 10%	Rubber and plastics 12%
Electrical/electronic goods 17%	Textiles, footwear, leather goods and garments 8%
Metals 9%	Vehicles and parts 5%
Machinery 9%	Wood, paper, books etc 6%
Other 13%	

Lower employment concentration than GB

Q : Human health and social work	
M : Professional, scientific and technical	
J : Information and communication	
B : Mining and quarrying	
N : Administrative and support services	
H : Transportation and storage	
K : Financial and insurance activities	
D : Electricity, gas, steam and air con	

Higher employment concentration than GB

A : Agriculture, forestry and fishing
I : Accommodation and food service activities
F : Construction
C : Manufacturing
R : Arts, entertainment and recreation
S : Other service activities
O : Public administration and defence
L : Real estate activities
P : Education
G : Wholesale and retail trade
E : Water supply; sewerage, waste management



- 47% of **goods** exported from the UK go to the EU
- 39% of **services** exported from the UK go to the EU
- 45% of exports from the **South West** go to the EU

EU trade is key to **exporters** and also to the **finance** sector. Dorset has low representation of finance & insurance employment, but neighbouring Bournemouth and Poole are above average, particularly Bournemouth, and this pulls up the average for the LEP area. Whilst London is the country's financial centre, the rest of Britain could feel the impact if big finance companies move away from there.

Sources:

- 1 <http://visual.ons.gov.uk/where-are-industry-eyes-on-brexit/> using Business Register and Employment Survey 2015, ONS
- 2 CIPD, Facing the future: tackling post-Brexit labour and skills shortages, June 2017
- 3 HM Revenue & Customs, 2018



BOX 2: Which sectors are affected by EU funding and regulation?

Across the country, scientific research organisations and universities benefit from EU funding and employ EU nationals as researchers. **Purbeck and Weymouth & Portland** have above average employment representation in scientific R&D⁴.

The EU's Common Agricultural Policy and Common Fisheries Policy will both be affected by Brexit. Employment representation in Dorset is almost **three times** above the average, and much higher in West Dorset and North Dorset. Changes in CAP could have a lasting effect on the Dorset countryside.

Percentage of employment in agriculture, forestry and fishing⁵



BOX 3: Which sectors are most associated with migrant workers?

EU migrant workers are key to **construction, hotels and restaurants, public services, and manufacturing**, especially food and drink⁶ – important to West and North Dorset. Many EU nationals work in Education – high in North Dorset – and in **Health & social care**. Some Dorset care providers have raised concerns for the future⁷.

Nationally, 14% of workers in accommodation and food services, wholesale and retail are international migrants⁸. This suggests **6,600 migrants** could work in these sectors in Dorset.

An additional pressure on construction skills and labour may be felt as the **Hinckley Point C** ten year construction project progresses and local firms win contract work and deploy staff to work there.

Total employment in Dorset in sectors key to EU workers



Dorset NI No registrations have fallen



Why does it matter?

Many migrants choose to stay in Dorset and some start families which affects service demands: in 2017, 10% of live births in Dorset were to non-UK born mothers⁹. However, EU workers contribute to the economy through taxes and household spending as well as their skills and labour.

In 2016, seven per cent of the UK workforce were EU nationals⁸. Applied to Dorset, this could mean as many as 11,400 EU workers in the county – more than, for example, the whole of our construction sector. EU workers are more likely to be over-qualified for their jobs and work longer hours than UK workers, with their jobs polarised largely to professional and elementary occupations. If Brexit were to result in the loss of all or a good number of EU workers, this could make vacancies hard to fill, especially with unemployment at low levels and many unskilled jobs being perceived as unattractive by UK workers.

Sources:

4 Business Register and Employment Register 2017, Employment, SIC72, ONS

5 Business Register and Employment Register 2017, Employment, ONS

6 CIPD, Facing the future

7 http://www.dorsetecho.co.uk/news/15446252.Will_Brexit_mean_care_homes_are_left_short_staffed/

8 ONS, International immigration and the labour market, UK, 2016, ONS 9 ONS, Parents' country of birth, 2015