

Most NI businesses 'will run out of cash in six months'

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Northern Ireland's economy has "almost shut down" due to Covid-19, the economy minister has said.

Diane Dodds told MLAs at Stormont it is "very hard to overstate" the damage the pandemic has done across the board.

She said: "That economic pain of course will be found most in the wages and salaries of thousands of workers across Northern Ireland."

Ms Dodds said there have been 2,700 applications for a £25,000 grant scheme aimed at tourism, leisure, hospitality and retail, and that 17,000 applications for a £10,000 grant scheme have been paid out with a further 1,400 issued on Tuesday for processing.



It comes as a survey revealed most businesses here have less than six months' cash reserves left amid the pandemic.

The study carried out by the Northern Ireland Chamber and business advisors BDO said three in five firms have experienced a “significant” drop in income.

It also showed 85% of businesses have furloughed some or all staff.

Ann McGregor from the chamber said: “It is evident that many business owners are facing an acute cash flow crisis, as well as fears about the long-term impact of the lockdown.

“We welcome how the UK Government has listened to the concerns of business to date and is taking steps to get cash to the front line where it is needed.

“However a lot of the support has increased business debt and this will hinder recovery unless there are more grant based systems.”

The survey was carried out between 22 and 24 April.

It said just 12% of respondents have more than six months cash reserves and just 2% have more than 12 months cash reserves.

Two in five respondents have either no, or no less than one month's, cash reserves left.

It added that 24% of businesses here have now furloughed all of their staff under the Government's job retention scheme.

Ms McGregor said the scheme has been “extremely helpful” but added that it should run beyond 30 June.

Earlier this month, Translink chief executive Chris Conway told the infrastructure committee it needed a £100m injection of funds to continue providing a public transport network following a 90% drop in passenger numbers.

Ms Mallon said Finance Minister Conor Murphy suggested she considers the idea of furloughing Translink staff as transport staff in London have been.

"The finance minister has written to me and highlighted the fact that London has taken the step in furloughing and has suggested that would be applicable to our public transport network," Nichola Mallon said.

"On the back of that suggestion it is being explored in terms of feasibility by Translink, but my view on this is very clear - to take the step of furloughing public sector workers is a hugely significant step and is one I believe is cross cutting and should be approached and discussed with serious consideration by the Executive and in consultation with the trade unions."

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