

Irish Exporters in Firing Line as Currency Crisis 'Good for UK' Firms

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[#ExportersBrex](#)it - Bad news for Irish exporters into the UK as these imports will decline as foreign products become more expensive thanks to the weakening of sterling, ratings agency Fitch has warned.

[The Irish Independent writes](#) that a weaker sterling harms the competitiveness of Irish exporters because it cuts margins and makes it more expensive for them to do business in the UK. But it benefits UK domestic businesses.

The pound has weakened considerably since late last year. At the end of November, €1 bought 69 pence. At the close of polls on Thursday, that had weakened to 76 pence, but when the Brexit vote became apparent, it weakened further and is now hovering around the 83 pence mark.

Fitch said the fall in sterling will boost UK exports, but have a negative impact on imports.

"Imports look likely to decline as investment contracts and foreign products become more expensive, resulting in expenditure switching to domestically produced goods and services and higher inflation," the ratings agency has said.

The Irish Exporters Association and other business representative groups has already warned about the impact of currency fluctuations on Irish business.

Simon McKeever, the IEA chief executive, warned further weakening is likely.

And the organisation has called on firms to hedge against this and to talk to the banks.

For much more on this story [click here](#).