

Irish exporters see Brexit hurting sector -survey

Published 28/07/2016

Sam Pinder



Nine out of 10 Irish exporters see Britain's vote to leave the European Union hurting businesses with more than half of those firms planning to diversify into different markets as a result, a survey showed on Thursday.

Ireland's fast growing economy is considered more vulnerable than any other in the EU to Brexit with its exporters first to suffer after a significant weakening of the pound against the euro made their euro-priced goods more expensive.

In a survey conducted in the two weeks following the June 23 vote, the Irish Exporters Association (IEA) said 92 percent of members felt the decision by its neighbour and major trade partner to quit the EU would have a harmful effect on the sector.

The IEA is the main representative group for goods and service exporters in Ireland.

The weaker pound has already had an impact on two thirds of exporters, the survey found, while nearly three-quarters were concerned about currency volatility in the short term.

The curtailing of trade due to Brexit caused Ireland's central bank to cut its forecast for economic growth for this year and next on Wednesday and warn of worse consequences ahead if Britain leaves on bad terms.

According to the survey, exporters are most concerned about the possible reintroduction of border controls between British-run Northern Ireland and the Republic of Ireland. This is closely followed by the impact on Irish economic growth and potential revival of customs procedures and tariffs.

However, some worries have eased since a similar survey was conducted in March ahead of the vote, with 79 percent of firms concerned over the impact to the Irish economy versus 83 percent previously while the effect on jobs was substantially lower at 44 percent from 60 percent four months ago.

"This may suggest that exporters are adapting to the idea of an EU without the UK. Ireland has traded with the UK for 1,000 years and we will continue to do so," IEA Chief Executive Simon McKeever said.

"This current situation does highlight the need for Ireland to diversify its export markets. We need to focus more of our attention on high growth markets like China, India, Africa, South America and emerging opportunities in places like Iran." (Reuters)