

Irish exporters worry about 'hard brexit'

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The Irish Exporters Association (IEA) last week released results of a survey conducted with its members regarding Irish exporters' sentiments on critical issues that have both direct and indirect impacts on business.

The IEA presented the survey findings to the Joint Committee on Foreign Affairs and Trade and Defence on 9th March 2017 to lobby government on behalf of the Irish export industry and the potential impact of Brexit on Irish exports.

The survey found that 94% of members do business with, or export to, the UK. Since the UK referendum, 22% of members say that exports to the UK have increased, 19% have decreased and 59% stayed at the same level.

Following the referendum, 58% of members are planning to diversify export markets. The most popular destinations for targeting new markets are USA (25%), Germany (22%), France (21%), Belgium (16%), China (16%), and Poland (16%).

When members were asked about their preparation for Brexit, 30% have done an impact assessment on the reintroduction of tariffs, 26% have assessed the impact of the reintroduction of customs procedures,

23% on the reintroduction of border controls, 14% on dual regulation, and 12% on increased competition in the UK market.

Thirty three per cent haven't done an impact assessment but are planning to in next 3 months and 31% are not planning on assessing the impact of Brexit on their business.

Not surprisingly, weakened Sterling has had an impact on 71% of businesses and 72% are concerned about currency volatility in the short term.

If the UK leaves the EU under the conditions of a 'hard Brexit', 14% would consider shifting some production to the UK, 11% would consider sourcing more of their supply needs from the UK and 13% would consider locating more staff in the UK.

When asked what were the major threats to the Irish economy in 2017, members said Brexit (81%), Donald Trump presidency (63%), Ireland's cost competitiveness (59%), Lack of affordable housing(47%), Elections in Holland, France and Germany (46%) and lack of availability of skilled talent in Ireland (32%).

Chief Executive of the Irish Exporters Association, Simon McKeever commented, "Ninety four per cent of our members think that Brexit will have a harmful effect on Irish exporters yet when members were asked about their preparation for Brexit, a third haven't conducted an impact assessment but are planning to and a further third are not planning on assessing the impact of Brexit on their business at all."

He added, "Indigenous Irish businesses are woefully unprepared for Brexit. Even from an administrative perspective, if you've only ever exported to the UK you've never had to deal with customs procedures before and training and upskilling staff should realistically start happening now as opposed to waiting until the chaos of implementation."