Irish Independent
IRISH exporters association

More was needed to prepare for Brexit

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British Prime Minister Theresa May welcomes President Kolinda Grabar-Kitarovic of Croatia to No 10 Downing Street yesterday. Photo: AP

Are we Brexit-proofed as promised? Not near enough, say business chiefs. The Government was accused of doing too little to help boost the competitiveness of Irish businesses internationally and to aid firms exposed to the dramatic weakening in sterling.

The Irish Exporters Association (IEA) branded the measures "disappointing" and a "missed opportunity", while Fianna Fáil described them as "absolutely pathetic".

Extra cash was provided for the Departments of the Taoiseach, Jobs, Agriculture, Revenue and State agencies to tackle the Brexit fallout. About €1m was set aside for tourism and the special 9pc VAT rate was maintained.

But the Department of Foreign Affairs and Trade - arguably a central player in the Brexit negotiations - only received extra funding to boost passport services.

A key senior official has returned to the Department from the Department of the Taoiseach to be Ireland's lead negotiator on the EU side during the complex negotiations. That suggests Iveagh House is gearing up to play an important role.

Foreign Affairs Minister Charlie Flanagan, who has been a prominent voice articulating Ireland's position since the June 23 vote, has promised to boost embassy teams in Brussels, London and other key EU capitals, as well as enhancing teams at headquarters in Dublin.

But the wind was taken out of his sails a little yesterday. Without extra funding, enhancing simply means shifting staff around.

A spokesman for Mr Flanagan said it was "a little early to say what the Department of Foreign Affairs needs".

"We don't know what the ask is going to be on us yet," he said. "If further staffing needs to be funded, and further resource allocation needs to happen, Brexit is the biggest foreign policy issue facing the Government, so it's almost inconceivable that wouldn't happen," the spokesman added.

Instead, extra resources were announced for the Department of Agriculture for measures that included access to a low interest agri-cash flow fund, while financial services schemes were extended.

An extra €1m was set aside for Revenue for extra staff and to enhance IT; a 12pc increase in Enterprise Ireland funding was announced to allow the agency increase its funding in priority export markets.

A further €1m was provided for the Department of the Taoiseach, although only a portion of this will be put towards Brexit.

But Fianna Fáil's Finance spokesman Michael McGrath said the funding allocation falls short.

"If you compare that to what is being done throughout Europe by all of the other main countries who have a lot less at stake in the Brexit process compared to what we have... that package is pathetic," he said.

The Department of Finance published a sector-by-sector analysis of the impact of a UK withdrawal alongside the Budget, highlighting just how exposed Ireland is.

The UK, it said, accounted for 15pc of Ireland's goods exports in 2014 and 20pc of services exports. The most exposed manufacturing sectors here include food and drink and traditional manufacturing.

Food and drink accounts for the biggest employer, with about 80pc of staff outside of Dublin. "The Budget has provided some support for exporters, it does not place us at the forefront to compete internationally, which is disappointing," said the IEA's Simon McKeever.