

## Exporters to look to US post Brexit, says McKeever

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*Simon McKeever, CEO of the Irish Exporters Association, tells Brian Finn the US will be a key market for Irish exports post-Brexit*

Ireland's exporting community has seen a fairly mixed few weeks lately. The relatively unexpected drop in sterling followed the shock outcome of the UK general election, but yesterday the Irish beef market was given a boost with the awarding of a US agriculture department seal of approval.

Simon McKeever, CEO of the Irish Exporters' Association, described that move as significant. "Ireland was the first country back into the US meat market (following the BSE scare) three years ago, but there hasn't been much business to date. That announcement by Slaney Meats and Lidl was the first manifestation. When we talk to exporters, the US is the first country they're looking to get into post-Brexit. That's starting to happen now."

Mr McKeever said many exporting companies had been caught out by the recent sterling slide in the aftermath of the shock result of the UK general election as many had put post-referendum hedging in place only up until May. "The pound is at around 88 or 89 pence to the euro. What's driving that weakness is uncertainty. Until the Brexit mess gets cleared up, there's going to be a risk of a weaker sterling going forward."

Mr McKeever said much of the focus of the exporting community was now moving away from currencies to the practicalities of what he called 'Brexit in the office.' "Companies are looking at the customs and operational implications of Brexit. We're coming up with a piece of training on dealing with the practical implications of customs and dealing with revenue. A lot of companies are only trading in to the UK market so this will be a lot of new things for them to deal with," he said.

The IEA CEO called on the Government to focus on the goodwill it has in Europe to bring influence to bear in the negotiations and their outcome. "They've done a great job in getting Northern Ireland up there. We will be asking them what they're doing around Brexit. It is not in our interest for Britain to

have an arms length arrangement with the EU. I would call on the Government to use its influence in Europe to bring both sides back from the brink," he stated.

"It is not in the best interests of this country, or Britain, for it to be very far away from Europe at the end of this process," he concluded.

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**MORNING BRIEFS** - The taxi-sharing business, Uber, has confirmed that CEO, Travis Kalanick, has resigned. The New York Times reported the story this morning saying his position had become untenable after he faced a shareholder revolt. The company has seen a shake-out in its executive ranks amid a series of scandals including disclosures about a culture of sexism and covert use of law enforcement-evading software.

\*\*\* The renewed price range that the State has set for the floatation of part of AIB on Friday values the bank at around €12.5 billion. Yesterday the Government's advisers revised the range at which the shares would float to between €4.20 and €4.60 per share - the shares had originally been priced between €3.90 and €4.90. Investment bankers involved in the initial public offering said they had received enough orders to sell all shares at the upper end of that revised range. The flotation will proceed at 8 o'clock on Friday morning. The state will offload 25% of the bank but has the option to sell more.

\*\*\* Dublin is the second most expensive city in the euro zone for expatriates, according to a survey by consultants Mercer. Not surprisingly, cost pressures associated with accommodation was a key factor in the outcome. The good news is that Ireland was placed 66th globally, down 19 places on last year but that has more to do with currency movements. The strength of the dollar to the euro meant that all euro zone cities were pushed down the scale meaning it was more affordable for global companies to relocate their workers here.

\*\*\* The price of oil has dropped to its lowest level in about seven months. Despite moves by OPEC to extend output cuts, the price of a barrel of Brent crude dipped below \$46 yesterday - a 20% drop from the high of \$58.38 reached in January. It appears that the production cuts are not putting much of a dent in global inventories.

\*\*\* Sterling fell yesterday after Bank of England governor Mark Carney appeared to distance himself from colleagues who want to increase interest rates in the UK to counter rising inflation.