

## Boost for Irish exporters as sterling soars

By Sarah McCabe

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The surge in the value of sterling alongside a falling euro will continue into July, experts predict.

Ireland's exporters look set to reap further benefits following a week in which no major currency outperformed Britain's pound. The UK buys more Irish goods than anyone else.

With negotiations between Greece and European officials crumbling and the indebted nation's future in the euro hanging in the balance, investors are pouring money into relatively stable sterling. Data pointing to an economic recovery firming up in the UK and the Bank of England's moves toward raising interest rates are adding to the pound's strength.

Sterling climbed to a six-and-a-half-year high against a basket of its major peers last week. It has gained 5pc in the past three months alone, the best performer among 10 developed-nation currencies tracked by Bloomberg Correlation-Weighted Indexes.

The same index shows the euro is down 3.9pc this year.

"Sterling has this remarkable attraction, it stands out," said Steven Englander, global head of G-10 currency strategy at New York-based Citigroup, the world's biggest foreign-exchange trader. He's telling clients he expects the pound to climb to its strongest level versus the euro since the start of the global financial crisis in late 2007.

One of the biggest beneficiaries is Irish exporters, many of whom are paid by buyers in sterling but pay most of their outgoings in euro.

Data from the Central Statistics Office showed that Irish goods exports to the US and Britain rose 22.4pc and 7.5pc respectively in the first four months of 2015.

"A weakening euro against a strengthening pound and dollar has been a major contributing factor to the strong export statistics we've seen in the last few months" said Simon McKeever, chief executive of the Irish Exporters Association and a former currency trader.

Food and drink exporters to the UK and the tourism sector are benefiting in particular, he said.

"We think it will continue in the short-term. Both the US and the UK are talking about interest rate hikes which will further strengthen the currencies.

"If Greece leaves the euro, then certainly you would expect the euro to fall considerably.

"Beyond that though, I see volatility. The next big event is the Brexit vote and the effect there is hard to predict."

In numbers

71.45 - The amount of sterling pennies one euro would buy you last Friday

€1bn - Worth of trade between UK and Ireland each week

2007 - The last time the pound was this strong against the euro

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<http://www.independent.ie/business/irish/boost-for-irish-exporters-as-sterling-soars-31318961.html>