

Irish Exporters Association: Budget shows more action needed to prepare for a potential no-deal Brexit

Update: The Irish Exporters Association has cautiously welcomed today's budget delivered by Paschal Donohoe.

Among the measures welcomed by the group are a €300m Human Capital Initiative, a Future Growth loan scheme for SMEs in the SME, agriculture and food sectors worth €300m, and the provision of over €110m for preparation across a number of Departments.



However, it criticised the government's preparations for Brexit saying that they are based on the assumption that a deal will be done between the EU and the UK, ignoring the high risk of a no-deal crash-out by the UK. "In particular, we are disappointed that the Government chose not to address the impact of the current Import VAT regime on Irish Supply Chains and potential cashflow problems on importers," said Simon McKeever, Chief Executive of the IEA. "A six-month deferred accounting of the Import VAT scheme, as proposed by the IEA, would greatly support Irish businesses.

In the event of a crash-out Brexit, the impact on Irish Businesses' from having to pay Vat on UK imports at the point of entry of up to 23% on some imports could seriously impact their cashflow and competitiveness. "In addition, by only raising the Earned Income Credit for the self-employed by €200, the Government missed a prime opportunity to create a level playing field between PAYE workers and the self-employed."

The group also welcomed the allocation of €10.8bn for the Department of Education and Skills calling for some of the funding to be made available to companies to draw down on to avail of specific on-the-job competence building training.

"The IEA also welcomes the allocated funding of €950 million for the Department of Business, Enterprise and Innovation to support SMEs address the challenges posed by Brexit and increasing digitalisation.

"In this regard, we very much welcome the establishment of a Disruptive Technologies Innovation Fund worth €500 million under the National Development Plan."