

IRISH MANUFACTURERS WARNED TO PREPARE FOR HARD BREXIT



Irish manufacturers were warned to make preparations for a hard Brexit at the National Manufacturing and Supply Chain Conference which took place yesterday in Citywest, Dublin. The annual National Manufacturing and Supply Chain Conference welcomed 3,000 manufacturing and supply chain industry professionals including over 200 speakers and 170 exhibitors.

In 2016, over 1.3 million customs declarations were handled by Irish customs authorities. The conference warned that should Brexit happen, the UK would become a 'third country'. A country outside of the EU for which goods must pass to reach their destined EU member state. In a 'third country' scenario customs declarations handled by Irish customs authorities are expected to increase to 20 million post Brexit according to the Irish Exporters Association.

Over 80% of goods that leave Ireland for continental Europe travel through the UK meaning the potential disruption for Irish businesses could be substantial.

The manufacturing sector accounts for 25% of Ireland's GDP and employs over 440,000 people. The sector has seen steady job growth over the past five years but already Brexit is beginning to have a negative effect on certain export sectors with the agri-food sector being adversely impacted seeing a drop of 6% in exports to the UK over the past two years.

Brexit negotiations have moved onto the second stage between the EU and UK following a commitment in December to maintain the free flowing border between Ireland and the UK.

However, delegates at the National Manufacturing and Supply Chain Conference have expressed concern over the practicalities of the arrangement and how the promise of a free flowing border will be achieved.

A recent Behaviour and Attitudes survey conducted for the Department of Business, Enterprise and Innovation found that 75% of SMEs expect to be impacted by Brexit over the next 18 months while less than one-fifth of those SMEs had a formal Brexit contingency plan. The survey also revealed that Brexit is discouraging SMEs from investing in their businesses according to Minister Pat Breen who addressed delegates on Main Stage at the conference.

Speaking yesterday, Minister Breen said, "Regardless of whether Brexit represents a challenge or an opportunity for your company, as a first step, I strongly encourage you, at company level, to ensure you have prepared and planned for Brexit. While the Government is leaving no stone unturned in its efforts to respond to Brexit, it is critical also for companies themselves to consider their business operations."