

Exporters give cautious welcome to Brexit developments

The Irish Exporters' Association has welcomed the latest Brexit developments, but stressed that the withdrawal text is still just a draft agreement.

Simon McKeever, CEO of the Exporters' Association, described it as a 'soft Brexit.'

"It's a good deal for Ireland, but there's a huge amount to be done to get this through the House of Commons. The maths simply aren't there. If you're a Brexiteer, this isn't Brexit. It ties the UK very closely to the EU. It will be extremely difficult to get it through the House of Commons", he said.

The limited moves in the pound overnight appear to suggest that currency traders are not convinced about the chances of the deal progressing.

It moved lower from its \$1.30 holding point after the Brexit Secretary Dominic Raab announced his resignation this morning. "They're not convinced either way. The fact that the pound held steady suggests people are still reading the document and that there's a long way to go."

Simon McKeever said companies were increasingly looking to take action around issues like customs and stockpiling of goods.

"There's huge demand for warehousing space from the pharma and food and drink sectors both here and in the UK. Companies are pre-placing items in the event of a hard Brexit," he said.

"I wouldn't describe it as a sense of panic but we're starting to see the signs of concern that we have put our eggs in the basket of a deal and mitigating against outcomes in a deal scenario. There really isn't a plan B if there isn't a deal."

He said one of the positive outcomes of the whole process over the past two and a half years was the move by companies to diversify their markets and to learn about trading outside of Europe. "There's a huge rush to go the US. 10% of members are looking at China. From a discipline point of view, if you want to go further afield you have to learn about customs," he stated.

Mr McKeever said there was huge appetite for that knowledge and he referenced a customs course that the association put on during this summer. "It was four times oversubscribed. We had to put more on in September. There is huge demand for knowledge around customs," he added.