

Exporters diversifying into EU markets

Germany has emerged as a lucrative market for Irish firms looking to diversify with Brexit looming. And the US and Asia are also being explored, according to a report by an exporting body.

The Irish Exporters Association survey showed France, Spain, the Netherlands, Belgium, Italy and Sweden have all become the target of new business for Irish exporters.

Just under a third of exporters said they were looking to Germany as an export market in the next six months. There is also a growing interest in intercontinental English-speaking markets with more than a quarter of exporters looking to the USA, while there has also been significant movement towards Canada and Australia, according to the organisation.



The latest CSO figures showed that in January, seasonally adjusted goods exports rose by €1.67bn to €12.33bn, an increase of 16% on the previous month.

The association said that its members are looking more towards high growth markets like China and Japan, which it called vital in becoming less dependent on trade relationships with the EU, US and UK.

Chief executive Simon McKeever said the resilience of the industry was highlighted with exports to the UK increasing following the Brexit vote.

He said two-thirds of the association's members are planning to diversify in the next six months, up from just over half directly after the referendum.

"The results show a very positive picture but it also shows that exporters are proceeding with caution. Irish exporters need more clarity around what a post-Brexit trading environment will look like as concerns over possible customs procedures and tariff implications have increased for our members since the referendum," he said.

However, it is much less concerned about the impact on the Irish economy, jobs and the free movement of people, services and capital since the vote, he said.

The association warned that there was still a skills shortage in the industry, with almost two-thirds saying they had experienced difficulty in recruitment in the last six months, particularly in sales and marketing, transport logistics, operations and supply chain.

Sterling dropped 0.5% against the euro to 87.53 yesterday. Earlier in the week, the UK currency had soared on investor hopes of a breakthrough in Brexit talks between Brussels and London.

However, there was growing scepticism about the nature of the latest so-called breakthrough.