

Exports to UK have increased since Brexit vote – IEA



The Irish Exporters Association (IEA) has released figures from a survey of its members, which indicate that exports from Ireland to the UK have increased since the Brexit vote.

The *IEA Export Eye*, conducted with members in January 2018 regarding Irish exporters' sentiments on issues that have both direct and indirect impacts on business, specifically focused on Brexit and the skills shortage in Ireland. The analysis of the survey results contains a comparison to a similar survey that the IEA performed with members directly following the UK referendum to leave the EU in June 2016.

Chief executive of the Irish Exporters Association, Simon McKeever, said: "In the days following the UK referendum in June 2016, the IEA surveyed our members on Brexit's impact on their business and their biggest concerns. In January this year we performed the same survey and compared the two snapshots to see changes and trends over the past year and a half. What our analysis shows is the resilience of the Irish export industry. Exports to the UK have actually increased. In June 2016, 32 per cent of our members surveyed exported more than a quarter to the UK; this has increased to 44 per cent. And 41 per cent are planning to increase their level of trade with the UK in the next six months; this has increased from 31 per cent in 2016.



"Our members are also increasingly looking to new markets and to diversify their exports, which shows an adaptability and an emerging preparedness to rebalance the over-reliance on the UK market. Sixty-six per cent are planning to diversify their export markets in the next six months, up from 54 per cent directly after the referendum.

"The release of these figures complements the latest figures from the Central Statistics Office (CSO) on external trade for 2017 and both tell the story that the Irish export industry is performing very well. Despite global uncertainty, and in the face of our biggest trading partner heading towards the exit sign of the EU, we are driving forward. Irish export figures for 2017 were the highest on record, up 2 per cent on last year. Exports to the EU and the US both increased by 4 per cent and exports to the UK were up 9 per cent."

The IEA says it is seeing an increasing interest in Germany, with 29 per cent of its members looking to diversify there as an export market in the next six months. Germany was the top destination for diversification, with other EU markets featuring prominently – France being third with 23 per cent, Spain fourth at 19 per cent and the Netherlands, Belgium, Italy and Sweden all appearing in the top 10. There is also a growing interest in English-speaking further-flung markets, with the US (27 per cent), Australia (17 per cent) and Canada (16 per cent) all gaining popularity. IEA members are looking more towards high growth markets like China (10 per cent), Japan (8 per cent) and ASEAN nations (8 per cent), which, the association says, is vital to become less dependent on trade relationships with the EU, US and UK.

"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. They are, however, much less concerned in other areas, such as the impact on the Irish economy or jobs and the free movement of people, services or capital," Mr McKeever said.

"An area of major concern for our members is still the current skills shortage in Ireland. Sixty-two per cent have experienced difficulty in recruitment in the past six months, the most prominent being in sales and marketing (31 per cent), transport logistics (23 per cent), operations (20 per cent) and supply chain (19 per cent). The skills shortage in the logistics sector has been a major concern for some time and approximately a third of members in this space are experiencing difficulty finding heavy goods vehicle (HGV) drivers, managers and directors in storage and warehousing, customs expertise and fork-lift truck drivers.

"The IEA is continuing to lobby Government on these issues and we are also refining our training offering to support the industry."