

'We're screwed' as Brexit looms, says exports chief

BUSINESSES are a long way from being “Brexit ready” and continued uncertainty over its outcome is set to impose yet more costs on companies, business leaders from both sides of the Border have warned.

The rejection by the House of Commons of UK Prime Minister Theresa May’s withdrawal agreement has raised the likelihood of a disruptive ‘no-deal’ Brexit, which could have serious consequences for business here.

“We now find ourselves with a 70-day window where I don’t think we are prepared as a country,” said Simon McKeever, CEO of the Irish Exporters Association.

“We are, to put it bluntly, screwed,” he added, speaking at a manufacturing industry conference in Dublin yesterday.

The additional burdens imposed by a hard Brexit would include extra forms that businesses need to be fill in so as to cope with new customs rules, and the redrawing of shipping routes.

Food and agriculture exports from both sides of the border would be hit as many products like milk cross and re-cross the border.

The imposition of World Trade Organization tariffs would make Northern Irish goods more expensive in the Republic, and goods from the Republic more expensive in Northern Ireland.

Tariffs on agrifoods average 22pc under WTO rules, according to Michael Bell, the chief executive of the Northern Ireland Food and Drink Association.

“WTO rules are designed to stop the movement of agrifood products,” he said.

Although Brexit is the biggest shock on the horizon for most businesses, it is not the only one.

For example, a combination of Brexit uncertainty and the falling pound has seen migrant workers in the North’s agriculture industry head back home, while the planned merger of Sainsbury and Asda will put further pressure on farmers.

Multiple speakers at the event said that both British and Irish businesses needed more time to prepare, with a no-deal Brexit more likely.

“The real risk for business is the cliff edge,” said Fergal O’Brien, director of policy and public affairs at business group Ibec.

Mr Bell raised the question of what will happen when a food container is sitting on the docks and a customs official is presented with the choice of delaying a shipment worth hundreds of thousands of euro, or letting it through if there is a grey area in the rules.

“Who will be empowered?” he asked.