

## Exporters still far from knowing what post-Brexit trading environment will be like



*Simon McKeever, CEO of the IEA, tells Brian Finn a concrete view of what the trading environment will be post-Brexit is still far away*

Theresa May's hopes of securing agreement on the terms of Britain's EU withdrawal were stalled yesterday when the Democratic Unionist Party refused to accept proposals which would have shifted Northern Ireland's customs border to the Irish Sea. This gave us - at the very least - a glimpse at what the post-Brexit landscape might look like, at least on the island of Ireland.

Simon McKeever, CEO of the Irish Exporters' Association, said we are still very far away from a concrete view of what the trading environment will be post-Brexit, but the IEA was clear in what it wanted. "We want to see a non-divergent position between north and south, but that opens questions about what happens with the east-west trading position."

On the issue of "regulatory alignment", Mr McKeever said there was considerable confusion about what constitutes the single market and what the customs union is, but he said the regulatory piece lay within the single market. He said companies, having dealt with the currency issue since the vote, were now turning their attention towards the customs arrangements that may be necessary post-Brexit.

"They're looking at something called 'Authorised Economic Operator,' which is trusted trader status. That would allow goods to move more freely between UK and Ireland," he said. "The latest thing we're seeing is that the border is getting closer to the consumer. We're now talking to retailers. They have supply chains. A lot of merchandise that comes in here comes out of the UK, which will have implications for the consumer. Up to now people have been focused on the business to business aspect of this but retailers are now having conversations with us about their supply chains," he explained.

On the currency question, Simon McKeever said it was still an issue for exporters. "We saw the currency go up and down yesterday on the possibility of a deal and then the breakdown. If a deal is struck at the end of the week, we will probably see the currency break lower," he concluded.

MORNING BRIEFS - AIB has reported a net interest margin of 2.57% for the first nine months of the year. That was up marginally on the figure for the first half of the year. The key measure of profitability reflects the continued growth in lending at the bank. AIB said its impaired loans stood at €7.3 billion at the end of September; that was down a fifth from €9.1 billion at the end of last year.

Apple will start paying money early next year into a special account being set up to hold the €13 billion in back taxes it owes Ireland. Finance Minister Paschal Donohoe said tendering for the management of this escrow account would be completed in January. The money will be held there pending an appeal by Ireland and Apple against the Commission ruling that the tech giant had effectively received illegal state aid.

Irish cyber security firm Integrity 360 has acquired the UK based IT security specialist, Metadigm, for an undisclosed sum. Metadigm has been operating in the UK for more than 20 years and has turnover of around £3m. Integrity 360 has annual turnover of £37.5m.

One curious aspect of yesterday's Exchequer returns is that income taxes are still running behind expectations, given the buoyancy in the labour market. The latest unemployment figures are due out this morning which some believe will see the unemployment rate dropping below 6% in October. Youth unemployment remains high, however, at around 14%.