

'Brexit-proofing' by diversification

FUTURE OF FOOD In the days following the UK Referendum in June 2016, the Irish Exporters Association (IEA) surveyed members on Brexit's impact on their business. In January this year we performed the same survey and compared the two snapshots to see changes and trends over the previous year and a half.



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What our analysis shows is the resilience of the Irish export industry. Our members are 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 over the next six months, up from 54% directly after the referendum.

These figures complement the CSO figures on external trade for 2017. Both tell the story that the Irish export industry is performing very well. Despite global uncertainty and despite 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% on last year. Exports to the EU and USA both increased by 4% and exports to the UK were up 9%.

We are seeing an increasing interest in Germany with 29% of members looking to diversify here. This is reflected by the CSO data, which showed exports to Germany increasing 25% in 2017. Germany was the top destination for diversification with other EU markets featuring prominently, France being third with 23%, Spain fourth at 19% 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 USA (27%), Australia (17%) and Canada (16%) all gaining popularity. Our members are looking more towards high growth markets like China (10%), Japan (8%) and ASEAN nations (8%) which are vital to becoming less dependent on trade relationships with the EU, US and UK.

We launched a new initiative for 2018, the IEA Markets Network, aimed at supporting exporters to access overseas market opportunities and support them to better understand the opportunities and challenges as they explore, enter or expand overseas. The format of events will include knowledge briefings with Irish Ambassadors overseas and Ambassadors in Ireland, as well as case studies to provide the export community with insights into business opportunities in specific markets.

The IEA has also refined its training offering to support the industry in diversifying and preparing for new market access. IEA training courses that prepare Irish businesses¹ for Brexit now qualify for financial support from InterTradeIreland. The IEA has recently launched a new training initiative on Authorised Economic Operator (AEO) status to support importers and exporters to comply with the Union Customs Code and to modernise and enhance the way in which goods flow across the international supply chain.

AEO is a standard issued by customs administrations in the EU to businesses involved in the import and export of goods. AEO status certifies that businesses have reached certain standards in relation to their security arrangements, management systems, compliance with customs rules and procedures and on-going solvency. Being AEO-certified will provide companies with very attractive benefits such as: a low security risk; customs simplifications; very low examination rates; priority clearance of goods; and significant financial savings on various customs bonds.

IEA Export Eye:

