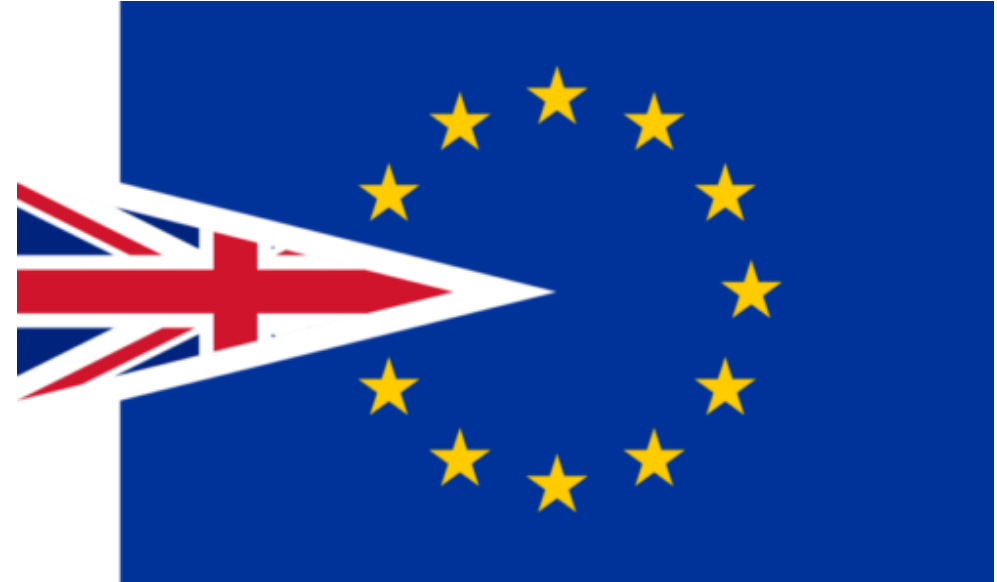




Prepare For Brexit

Brexit – top of the Enterprise Ireland agenda

- ❖ Most significant economic challenge of past 50 years
 - Expect long term, structural and disruptive change
- ❖ A huge challenge for Irish companies
 - Irish industry is export dependent
 - UK is largest market for EI clients (€7.5bn in 2015; 37% of exports)
 - UK is often first export market
- ❖ Implications for all sectors
- ❖ Encouraging clients to prepare for a hard Brexit and mobilise now
- ❖ Overall objective is to build the resilience to deal with any kind of Brexit



Prepare For Brexit



An Phríomh-Oifig Staidrimh
Central Statistics Office

Brexit: Ireland and the UK in numbers

GOODS



EXPORTS

€15.6 billion
OF GOODS
TO THE UK

IMPORTS

€18.0 billion
OF GOODS
FROM THE UK



SERVICES

EXPORTS

€18.0 billion
OF SERVICES
TO THE UK

IMPORTS

€11.4 billion
OF SERVICES
FROM THE UK

MIGRATION

IMMIGRANTS FROM UK IN 2016
13,800 persons

EMIGRANTS TO THE UK IN 2016
16,600 persons



COMMUTING

COMMUTERS TO/FROM NORTHERN IRELAND

TO IRELAND FOR
WORK OR STUDY
6,456 persons

TO NORTHERN IRELAND
FOR WORK OR STUDY
8,295 persons

FOREIGN DIRECT INVESTMENT

TOTAL FROM
IRELAND
INTO THE UK
€89 billion

TOTAL INTO
IRELAND
FROM THE UK
€37 billion



POPULATION

112,259
persons

NUMBER OF
UK NATIONALS
IN THE STATE, 2011

4,525,281
persons

TOTAL
PERSONS IN
THE STATE, 2011



FOREIGN AFFILIATES

NUMBER OF PERSONS ENGAGED
IN IRISH OWNED FOREIGN
AFFILIATES IN THE UK

86,180 persons

TURNOVER OF
IRISH OWNED FOREIGN
AFFILIATES IN THE UK

€37.6 billion

Food & Drinks Sector

Profile of Food & Drinks Exports 2016

❖ **Value of Irish Food & Drink exports €11.15bn to 180 Countries**

❖ **Destination of exports:**

- UK €4.13bn (37%)
- Continental Europe €3.52bn (32%)
- International €3.50bn (31%)

❖ **Key Export sectors:**

- Dairy & Ingredients €3.38bn
- Beef €2.38bn
- Prepared Consumer Foods €1.9bn
- Beverages €1.4bn

Beverage Exports 2016

❖ Value of Irish Drink exports €1.4bn to 130 Countries

❖ Destination of exports:

- UK €378m (27%)
- Continental Europe €322m (23%)
- International €700m (50%)

❖ Key Export sectors:

- Whiskey €505m (36%)
- Liqueurs €295m (21%)
- Beer €280m (20%)



Key Food Sectors at Risk

- ❖ **Prepared Consumer Foods**....UK accounted for 65% of PCF exports in 2016
- ❖ **Beef**....50% of total exports...270k tonnes...
- ❖ **Dairy**.....Cheddar Cheese in Particular (Ireland supplies 37.6% of UK's consumption level of 234k tonnes....value) Total cheese exports to UK... 53%
- ❖ **Alcohol Beverage Sector**...if Hard Border with NI is imposed

BREXIT Scorecard...9 areas of exposure surveyed...

Key Concerns of Food Clients

- ❖ **Changing UK market dynamics** – possible market contraction and price pressures
- ❖ **Currency** – impact on profits; delayed decision making due to uncertainty
- ❖ **Customers** – Brexit will also impact customers of our clients
- ❖ **Competition** – expect new and increased competition
- ❖ **Supply chain** – impact on cost, certainty and quality
- ❖ **Transport and logistics** – established transport routes may no longer be optimal
- ❖ **Regulations and standards** – may change for exporting to and importing from UK
- ❖ **Customs, tariffs and taxation** – may see an increase in administration, cost and time
- ❖ **Movement of people** – possible restrictions

Impact on revenue, employment and ability & appetite to invest

Irish Food Industry ...preferred outcomes

- ❖ **Frictionless border with Northern Ireland and GB, non-tariff barriers are a key concern.**
- ❖ **Acknowledgement of food and drink as a priority development sector within EU.**
- ❖ **Involve industry in shaping transition.**
- ❖ **Agreement on a clear roadmap for the transition phase.**
- ❖ **Minimal disruption to the sector from regulatory divergence, Regulatory stability is essential as existing regulatory equivalence with the EU is a facilitator of trade.**

EI Support to Clients



Competitiveness

Optimising people, equipment, technology, and information in sourcing, production and delivery of goods and services



Innovation and R&D

Development of better solutions (new or improved products services or processes) to provide a strong competitive edge



Expanding Reach

Diversifying into new international markets and new market segments within the UK and elsewhere



Collaboration

Working together for the benefit of both parties



Financial Management

Strong operational finance in parallel with strategic financial planning



Prepare For Brexit

Five strategic responses



Individual company support

- ❖ Objective is to encourage companies to prepare and plan for Brexit
- ❖ Brexit scorecard
 - online tool to help self assess risks and opportunities
- ❖ Be Prepared grant
 - support to develop a Brexit action plan
- ❖ Brexit roadshow
 - series of regional events
- ❖ Suite of financial and non-financial offers to support building scale and expanding reach
 - Use EI proprietary diagnostic tools to assess, prioritise and support needs



Prepare For Brexit

Be Prepared grant

- ❖ Objective is encourage research to develop a Brexit action plan
- ❖ Grant of €5k, 50% support against max. expenditure of €10k
 - To cover consultancy, travel & subsistence
- ❖ Available to EI clients
 - Designed for SMEs, also open to large
 - Must be actively trading with exposure to UK market
 - Should complete Brexit Scorecard first
- ❖ Apply online
- ❖ Output is a validated Brexit action plan



Summary

- ❖ Prepare for Brexit now
- ❖ Focus on things you can influence and change
- ❖ Build the resilience to deal with any kind of Brexit through:
 - Competitiveness; Innovation; Market development; Financial Management; Collaboration



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#GlobalAmbition



Prepare For Brexit

