

BREXIT and Ireland Challenges and Opportunities



**LE BREXIT,
COMMENT S'Y PREPARER ?**

Hainaut Développement
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Ireland in Figures



Population: 4.9 m RoI (NI: 1.9 m)

Size: RoI -> 70,273 m²

GDP: € 324 bn (2018)

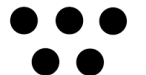
GDP per capita: € 65,800 (2018)

GDP Growth: 2018 -> 6.7%
 2019 -> 3.8%
 2020 -> 3.4%

Unemployment: 2006 -> 4.3%
 2011 -> 15.1%
 2019 -> 5.2%

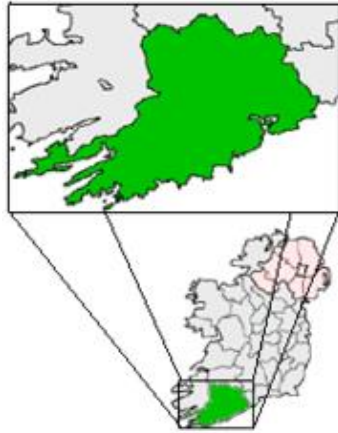
4 Provinces / 32 counties (6 NI)

Main Cities: Dublin (capital) – 1.1m
 Cork – 210,000
 Limerick – 95,000
 Galway – 80,000

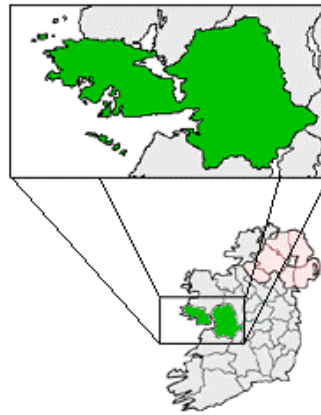


Dublin + ...

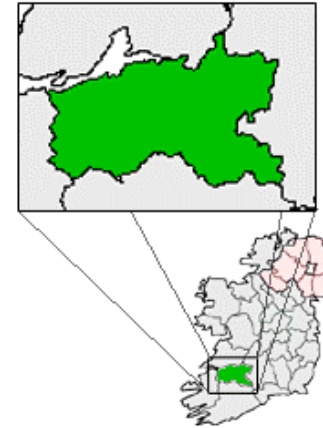
CORK



GALWAY



LIMERICK

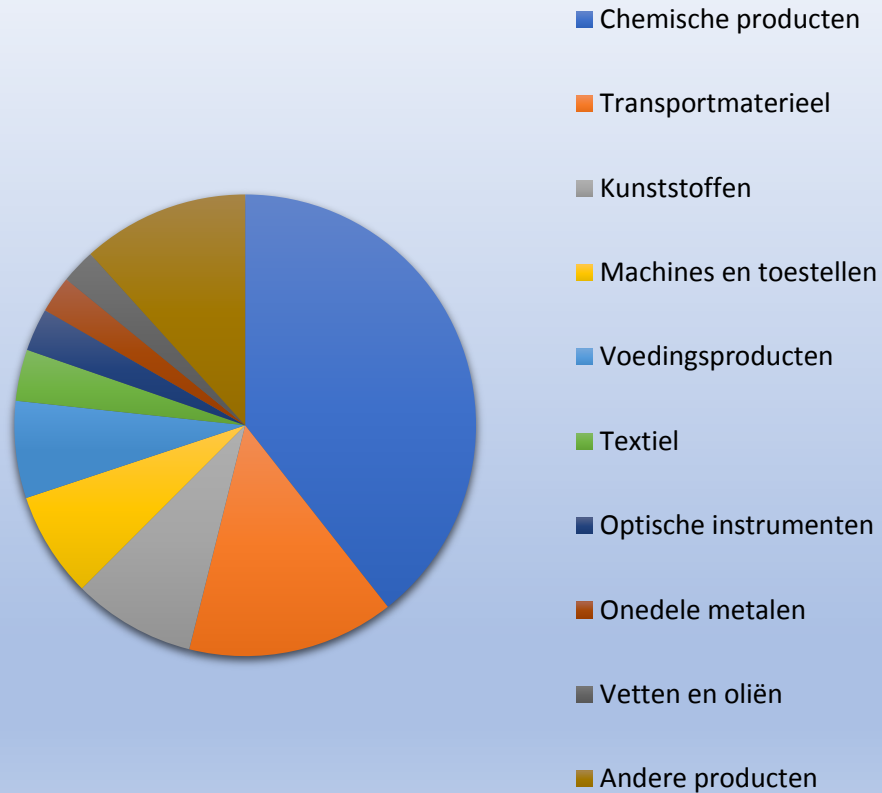


- 50% of Irish economic activity occurs around Dublin
 - ICT / Pharma cluster
- Cork / Limerick
 - Pharma / Chemicals cluster
- Galway
 - Medical Devices cluster

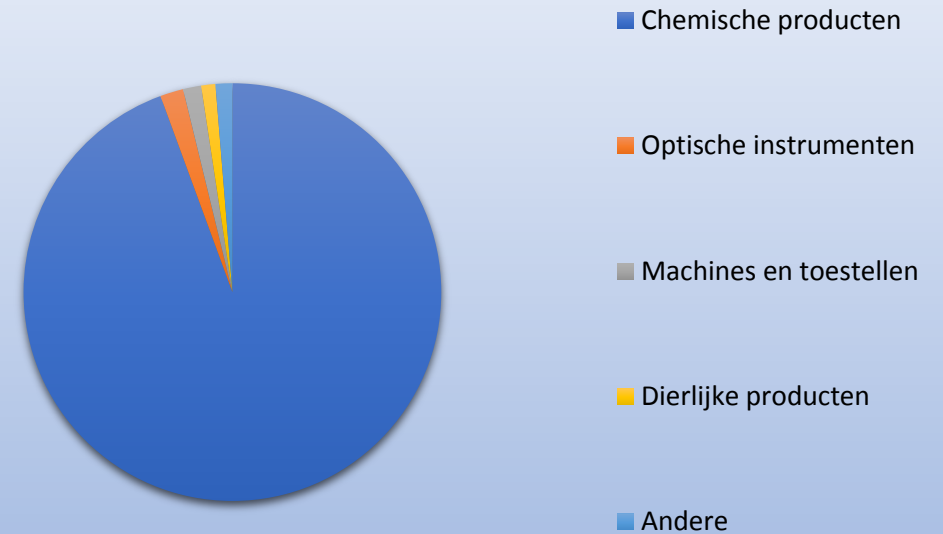
Trade Belgium – Ireland (EU28)

In billion €	2014	2015	2016	2017	2018
Export	1,7	1,8	2,0	2,0	2,3
Import	12,6	15,7	15	14,8	19,8
Trade Balance	-10,9	-13,9	-13,0	-12,8	-17,5
Export: variatie (in %)	2,3	5,5	13,0	1,1	14,0
Import: variatie (in %)	6,7	24,7	-4,8	-1,1	33,3

Export Belgium -> Ierland (2018)



Import from Ireland (2018)



48% REMAIN

THE FINAL TALLY

WINNER
LEAVE 52%



SCOTLAND



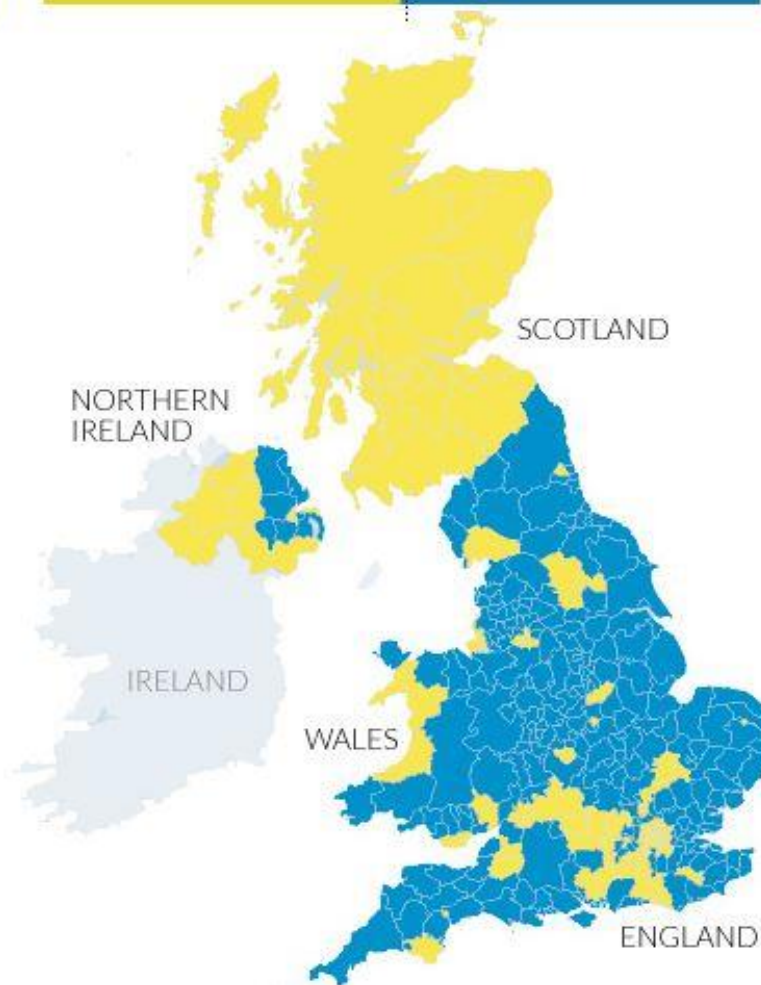
A second Scottish independence vote is "highly likely" according to First Minister Nicola Sturgeon



N. IRELAND



Deputy First Minister is calling for a vote on a united Ireland after Brexit



WALES



Wales, despite receiving £500m of EU funding annually, voted to leave



ENGLAND



London was the only major area in England to vote heavily in favor of remaining in the EU (60%)

BREXIT – Issues unique to Ireland

- Northern Ireland and the Peace Process

Good Friday Agreement 1998 (20 years of Peace)

- Foundation of the Peace Process in Northern Ireland
- Contribution to increased economic prosperity on the island

Shared Land Border

- No 'customs borders' since EU Single Market 1992
- No 'security checkpoints' or military installations after 1998

Reintroduction of a visible hard border would have

economic / social / political / security / psychological impact

- Common Travel Area (CTA) – 1922 (Irish Independence)

Bilateral arrangement, not dependent on membership of the EU

- Free movement of people between Great Britain and Ireland + North and South
- UK citizens enjoy in Ireland similar rights and privileges to those enjoyed by Irish citizens in the UK

BREXIT – Impact on the Irish Economy

- **AGRI-FOOD**

- 39% of all exports -> UK
 - 50% of beef
 - 80% of cheddar
 - 90% of mushrooms
- 47% of all imports <- UK

Worse case scenario = no agreement => WTO tariff.

Products in agri-food attract the highest tariff rates should a WTO tariff regime apply.

Food sector already impacted by the UK Brexit decision

- value of food and drink exports fell due to drop in value of sterling against the euro
- companies closed down

- **SEAFOOD**

- Sharing of fishing grounds with the UK
- Potential loss of access to fishing grounds in UK waters
- UK increases its current quota shares

- **ENERGY**

- UK big source of energy import
- Threat to the all-island Single Electricity Market

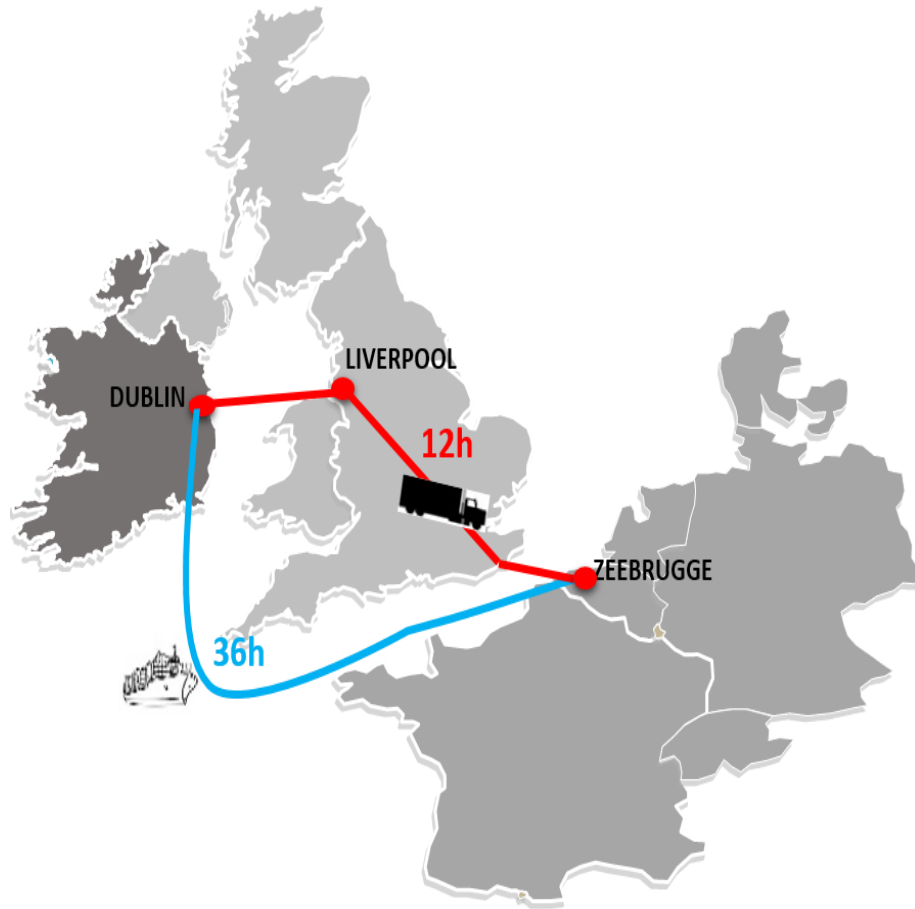
- **TRANSPORT**

- Impact on future maritime and air connectivity
- Movement of goods cross border Northern Ireland and UK (+ UK landbridge)
 - increased costs and administrative burden (cross border transit of goods)
 - infrastructural challenges for ports

- **CONSTRUCTION**

- Attracting FDI's BUT...

BREXIT – The UK Landbridge



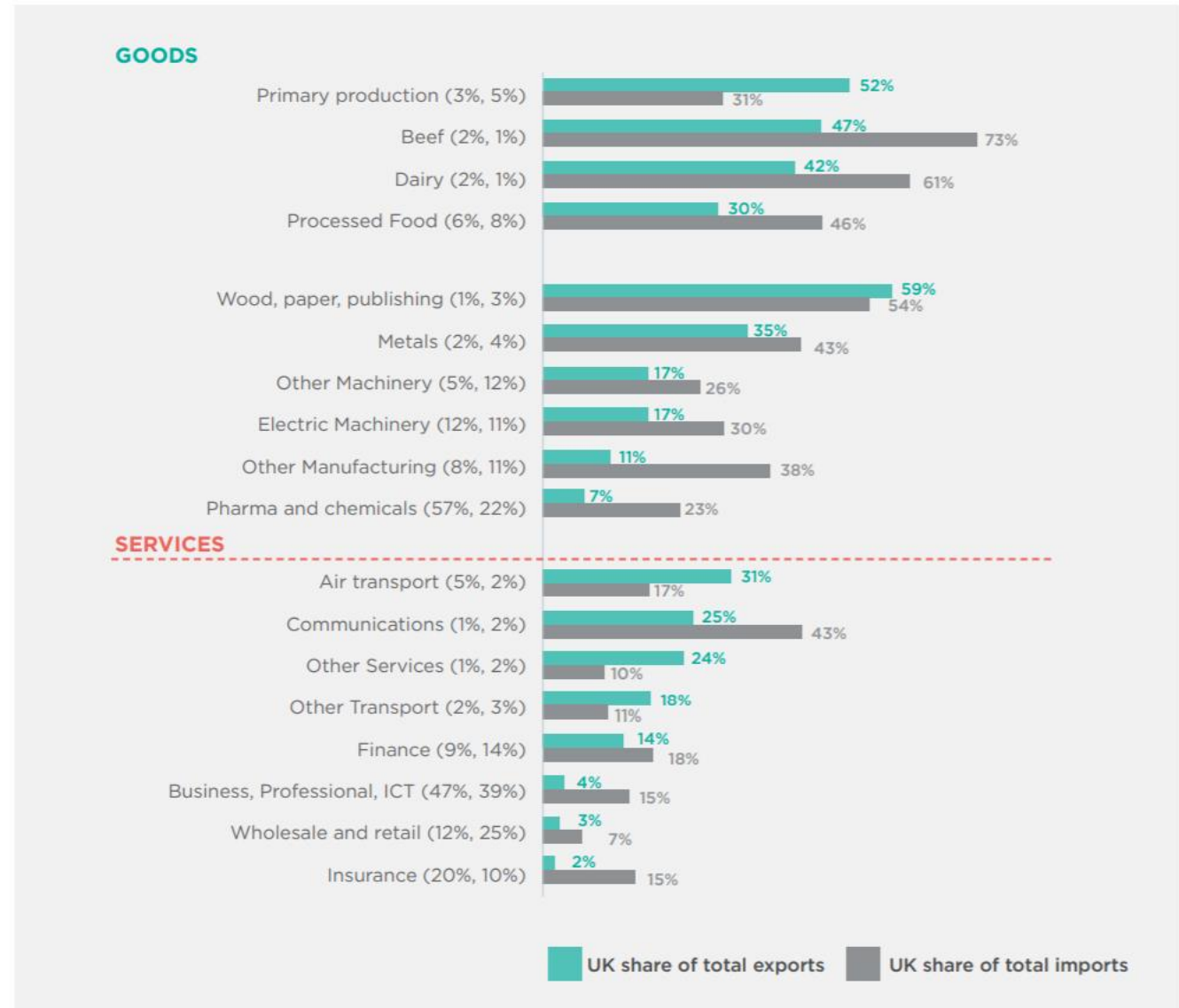
- Transport from and to continental Europe
- What if 'HARD BORDER'?
- Irish and Belgian ports are ready (UK?)
- Avoid the landbridge:

Direct short sea shipping routes between Ireland - Belgium

SOURCING

- Irish exports to UK -> 16bn
- Irish imports from UK -> 20bn
- Companies are advised to
 - look at their supply chain
 - identify possible new suppliers in the EU

Share of total exports or imports with UK (% of total)



Doing business with Ireland

- Republic of Ireland **IS NOT** part of the UK (Great Britain and Northern Ireland)
- Proud of Celtic heritage (similar to the Scots and Welsh)
- Ireland is not part of the British Isles

- Personal approach -> 'first name basis'
- Very kind but negotiations can be hard (don't be misled by the pint of Guinness)
- Visit your client or invite them (Ryanair / Aer Lingus)

- 1 distributor can be enough BUT be weary of exclusivity
- UK agent could be but 'is not always' the right person to assist / represent your company on the Irish market
- Finding an 'agent' is not straight forward (presence on exhibitions can help)

Doing business with Ireland

- Trust and quality build long relations (eg. construction sector)
- Visit trade fairs -> get a feel of who is present
- Don't expect an Anuga or Medica.
- Energy Show / Hardware Show / Catex...
- Small market -> less competitors
- USP!!
- Networking -> be active on social media / make connections / join groups
- LinkedIn

CLOSING REMARKS

- Diversify – look at new markets
- Don't try to conquer the world in one day
- Ireland, although a small market → open for business
- Contact our office -> dublin@fitagency.com

THANK YOU