



## **The majority of Irish SME exporters expect an increase in turnover during 2014 and also forecast entry into new markets this year, according to a new report commissioned by AIB**

**24th June 2014**

In tandem with the Exports Outlook Report, published today (June 24), AIB also announces the establishment of a specialist nationwide team to assist SME exporters as well as a €200 million fund to support exporting companies.

The Exports Outlook Report produced in association with the Irish Exporters Association, Bord Bia and IPSOS MRBI is the eighth in a series of reports commissioned by AIB across key areas and sectors of the economy.

This 'Exports Outlook Report', based on a survey conducted on behalf of the bank by IPSOS/MRBI among 200 SMEs exporting goods or services out of Ireland shows a strong upbeat mood among respondents. With exports accounting for almost 40% of total SME turnover last year, a total of 65% of respondents expect improved export sales, while 30% plan to export to new markets in 2014. Almost 40% of the SMEs say that staff levels will increase, while close to two in three expect an increase in turnover this year.

Reflecting positive growth expectations, 30% of SMEs contacted in the survey confirm that they are planning to export to new countries this year, with 86% engaging in export-enhancing strategies. Among these companies, the US is cited as the top destination (27%), followed by Germany (16%) and France (13%). In the year ahead, 46% of companies expect their exports to increase on last year.

**AIB's Head of Business Banking, Ken Burke**, said the research clearly demonstrates the potential for major export growth amongst SMEs. AIB is firmly focused on being the bank of choice for exporters and is launching a series of key initiatives in support. "Against the backdrop of improved business performance in 2013, it is important that AIB supports SMEs as they continue to build in existing markets and identify additional export opportunities. The research suggested that banks needed to do more for exporters and have a better understanding of exporting. With this in mind, AIB has set up a team of 85 Export Finance Champions across the country to specifically assist exporting businesses and we have established a €200m fund to support the funding requirements of exporting companies. We are also helping to support exporting customers in the key area of logistics in overseas markets by partnering with DHL. A key element of the partnership will be the provision of a 50% discount on DHL Express standard tariffs for international shipping for all AIB exporting customers for 12 months," he said.

**CEO of the Irish Exporters Association (IEA), Simon McKeever CEO**, said: "Exporting is the lifeblood of the Irish economy driving growth, innovation and employment. Our own data supports some of the findings of this report showing that a strong majority of exporters expect further growth in exports this year and that they are continuing to target new markets and develop new products and services as a result. The Irish Exporters Association welcomes and backs this initiative taken by AIB in building capacity and capability around supporting Irish exporters, and this undertaking and the

appointment of 85 Export Finance Champions should go some long way in helping the bank to understand the needs of Exporters. However access to finance remains an issue for many exporting SME's and we need to see this engagement delivering more funds to these companies."

**Bord Bia's Director of Markets, Michael Murphy,** said: "Food and drink companies are optimistic to build on the €10 billion exports achieved in 2013. Global demand is growing strongly. It is great to see AIB committing additional resources both human and financial to help SMEs realise this opportunity."

**MD DHL Express (Ireland) Limited, Bernard McCarthy,** said: "We are delighted to partner with AIB in order to support SMEs' logistics requirements. There are many challenges for companies seeking to enter a new export market, but organising the transportation of their product shouldn't be one of them. With a strong presence in Ireland and a global network covering more than 220 countries and territories around the world, DHL is uniquely positioned to support the needs of Ireland's exporting community."

AIB is also today announcing a number of initiatives to support exporting SMEs:

- The establishment of a team of 85 Export Finance Specialists located nationwide. These specialists will provide export customers, with a local expert who will provide practical export information, and access to teams of product specialists within Treasury, Trade Finance and Commercial Finance
- The launch of a €200 million SME Export Finance Fund. This will support the provision of multiple export finance products including working capital and loan finance for Irish exporters
- Partnership with DHL to support exporters international logistics requirements to overseas markets. This will include a 50% discount on DHL Express standard tariffs for international shipping for 12 months for all AIB exporting customers.

**-ENDS-**

***Pictures have been sent to picture desks by Fennell Photography***

***For more information please contact:***

Niamh Hennessy, 01-7721382 / 086-3110156 / niamh.n.hennessy@aib.ie

Helen Leonard, 01- 6414141 / 087-9850445 / Helen.m.leonard@aib.ie