



**Only one in five SMEs who have already seen or expect an impact from Brexit have a plan in place to address it – AIB SME Financial Services Monitor**

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The [AIB SME Financial Services Monitor](#) has revealed that one in five SMEs who have already seen or expect an impact from Brexit has a plan in place to address it. The monitor is a nationally representative survey of 1,327 SMEs which is conducted annually, and this year included a section on the business impacts of Brexit.

Among the main findings in the context of Brexit were:

- More than half (54%) of SMEs say they expect no impact from Brexit
- SMEs who trade internationally are currently more optimistic for the future of their businesses in the next 3-5 years (76%) than the wider SME population (65%).
- More than a third (35%) of SMEs are already seeing a negative impact, or expect the impact to be negative
- Less than one in ten (9%) SMEs has a plan in place to address the potential impact of Brexit, or one in five (21%) for those who have already seen or expect an impact.

The AIB SME Financial Services Monitor also confirmed the strong trade links between Irish SMEs and the UK, as 57% of SMEs that export typically export to the UK. 50% of Irish SMEs that import typically import from the UK.

For the 35% of SMEs already seeing a negative impact following the Brexit vote, or expecting the impact to be negative, adverse currency fluctuations are seen as the primary threat among 19% of them. However, business confidence and bureaucracy also rate highly, foreseen as the primary threat for 16% and 15% respectively.

Speaking about the survey, Tom Hall, AIB's Head of Customer Treasury Services said "Some of the findings of the survey in a Brexit context are consistent with what our customers are telling us. It is to be expected that a large proportion of SMEs are seeing, or expect to see, a negative impact from Brexit. We also know that for Irish SMEs trading internationally, a majority of that trade is with the UK. What is surprising is the number of SMEs who expect no impact from Brexit on their business – 54% of all SMEs, and 28% of those who are trading internationally. Despite the generally positive sentiment at this stage, businesses are looking for more support and guidance. Borders, tariffs and customs are now the critical unknowns as Brexit negotiations evolve."

He continued "AIB have appointed 21 Brexit Advisors across the country to support our SME customers in the challenges they face. Our Brexit Advisors are being trained

to ensure that as a bank we continue to support our customers during this period of uncertainty.”

AIB will also commence a quarterly Brexit Sentiment Index in September, and the outputs will facilitate the monitoring of trends in sentiment, activity and business preparations for Brexit.

**ENDS**

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*Source: SME Financial Monitor 2017* – a nationally representative survey of 1,327 SMEs (with up to 250 employees) conducted annually on behalf of AIB by Ipsos MRBI. Telephone interviews took place 10<sup>th</sup> April – 30<sup>th</sup> May 2017