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70% of Republic of Ireland businesses say Brexit will have a negative economic impact but only six percent have a plan in place

- Manufacturing, retail and tourism sectors most negative about impact of Brexit in Republic of Ireland (ROI)
- Larger businesses more likely to have Brexit plan in place
- Impact on economy and tariffs are main concerns for businesses in ROI.

The [AIB Brexit Sentiment Index for Q2 2018](#) reveals that 58% of SMEs in the Republic of Ireland believe Brexit will have a negative impact on future business, while 70% believe it will have a negative wider economic impact. Only six percent of ROI businesses in the ROI have a formal Brexit business plan in place, with only five percent of their Northern Ireland (NI) equivalents having a plan.

In ROI, businesses in the food and drink sectors are most likely to have a plan in place (11%), followed by tourism (9%) and transport (7%).

The Brexit Sentiment Index baseline is zero, with a potential range from +100 to -100. For Q2 2018, the Index registered a score of -37 in both ROI and NI compared to -41 in ROI and -31 for NI in the first quarter of the year. This means ROI is becoming slightly less negative in their outlook when it comes to the impact Brexit may have on their business than in Q1 2018.

Catherine Moroney, Head of Business Banking AIB said “Manufacturing, retail and tourism sectors continue to report the most negative Brexit sentiment. The results also indicate that larger businesses are more likely to have a formal Brexit plan.”

Catherine continued “It’s critical to plan for the worst now. When businesses do seek financing, one of the key questions we in AIB ask them about is their business’ Brexit readiness and the potential impact Brexit may have on their business in a harder line Brexit scenario. Our Brexit Sentiment Index research in Q4 2017 showed that 1 in 5 Irish exporters were considering new markets. To support our customers who are increasing their market reach, and those with exposure to the UK, AIB has launched a free export credit check in collaboration with Euler Hermes.* We have also put a €122m SBCI Brexit loan fund in place to support shorter term investment and working capital. Our local Brexit advisors are in place to support and assist businesses to navigate through Brexit and I encourage businesses to contact their local AIB to discuss how we can support their Brexit readiness.”

AIB’s Brexit Sentiment Index conducted by Ipsos MRBI is a quarterly survey of more than 700 SMEs in the Republic of Ireland and Northern Ireland that assesses the attitudes of SME business leaders on Brexit and the impact on their businesses.

AIB Chief Economist Oliver Mangan said “A key point to note is the relative stability in these readings over recent surveys. This is reflective of the lack of any major new developments over the survey period in the Brexit process. While a somewhat limited proportion of SMEs are reporting a negative impact on business now, the lack of progress and clarity in relation to Brexit and the uncertainty is

also evident in the survey results. Indeed, in ROI, the negative headline reading is being driven by concerns regarding the impact of business in the future and on the wider economic impact.”

AIB’s quarterly Brexit Index helps inform AIB about the needs and solutions required by customers as plans for Brexit progress.

ENDS

Note:

The AIB Brexit Sentiment Index is based on detailed telephone interviews conducted by IPSOS MRBI from its call centres in Dublin and Belfast among 500 SMEs in the Republic of Ireland and 200 in Northern Ireland, operating in a number of key defined sectors.

*The Euler Hermes credit check is a free risk assessment on five potential or existing overseas clients to provide greater peace of mind to gauge the likeliness of getting paid by them.

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