

# IRELAND & BREXIT

## What could it mean?

### A STRONG DEPENDENCE ON THE UK

The UK = Ireland's most important EU trade partner



**IMPORTS FROM THE UK**

**11%** of services

**32%** of goods



oil



electronics



chemicals



machinery



equipment

Irish imports from the UK could prove **extremely difficult to substitute or to produce domestically** if import prices increased and new tariffs were introduced in the UK.

**EXPORTS TO THE UK**

**20%** of services

**15%** of goods



agrifood



services

Tariffs could be introduced/increased for primary agri-food products.

### UNCERTAINTY AS WE APPROACH THE UK VOTE

Potential consequences of the wait



Unfavorable currency movements



Delayed investments



Slower investment growth + higher export and import prices



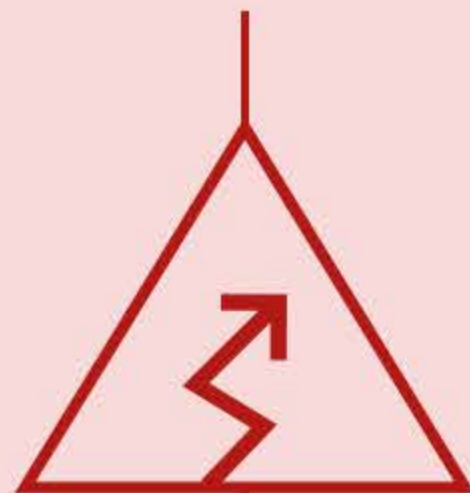
Higher inflation and slow down of GDP growth

### IMPACTS OF A BREXIT

**SHORT TERM**  
Negative impacts



**Economic dislocation** as the two close trading partners adjust to the UK's non-EU status and Ireland finds new markets



**Higher energy prices** and possible **supply disruption** as most energy imports come from the UK



**95%** of Irish gas supplies come from Scotland



**Industrial, chemicals and agrifood** sectors would be impacted the most

**LONG TERM**  
Positive impacts



Attraction of **significant investment flows from London**, notably in the financial, chemicals and pharmaceuticals sectors



Opportunity to **become the US gateway to Europe** instead of the UK and **attract additional investments** thanks to:



Dublin's financial sector



Ireland's geographical location



Business-friendly tax system



Further investment could be attracted in the **high-tech and digital sectors**: the EU headquarters of some US giants are already located in Ireland

➔ Irish **GDP** could fall by **-2%** in the **1st year** after a Brexit but could gradually recover afterwards if Ireland replaces the **loss in export market shares** with the UK and **attracts additional Foreign Direct Investment**.

### PRESSURE POINTS ON IRELAND

- #1** Redefining the trade relationship with the UK
- #2** Getting the agrifood sector prices right
- #3** How much additional investment would Ireland attract or lose?
- #4** A reorganization of the finance sector
- #5** Finding new energy sources
- #6** Keeping the tech advantage

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