

# BREXIT BUSINESS SURVEY

Draft Results 1 November 2016



Chartered Institute of  
Management Accountants

# THE BRITISH IRISH CHAMBER OF COMMERCE

## **Maintaining Focus on Two Way Trade**

The British Irish Chamber of Commerce plays a vital role in maintaining focus on the value of two-way trade between the United Kingdom and Ireland, for business, for our governments and our communities. Every week, over €1.1 billion of trade is conducted between the two islands. This trade sustains over 400,000 jobs directly and many more indirectly. British Irish Chamber member businesses employ almost 2 million people globally.

## **Informing and Influencing**

The Chamber enables vital access between governments, policymakers, industry and employers for the benefit of all. It ensures viewpoints are heard and respectfully discussed and champions cooperation for the mutual interests of all our stakeholders.

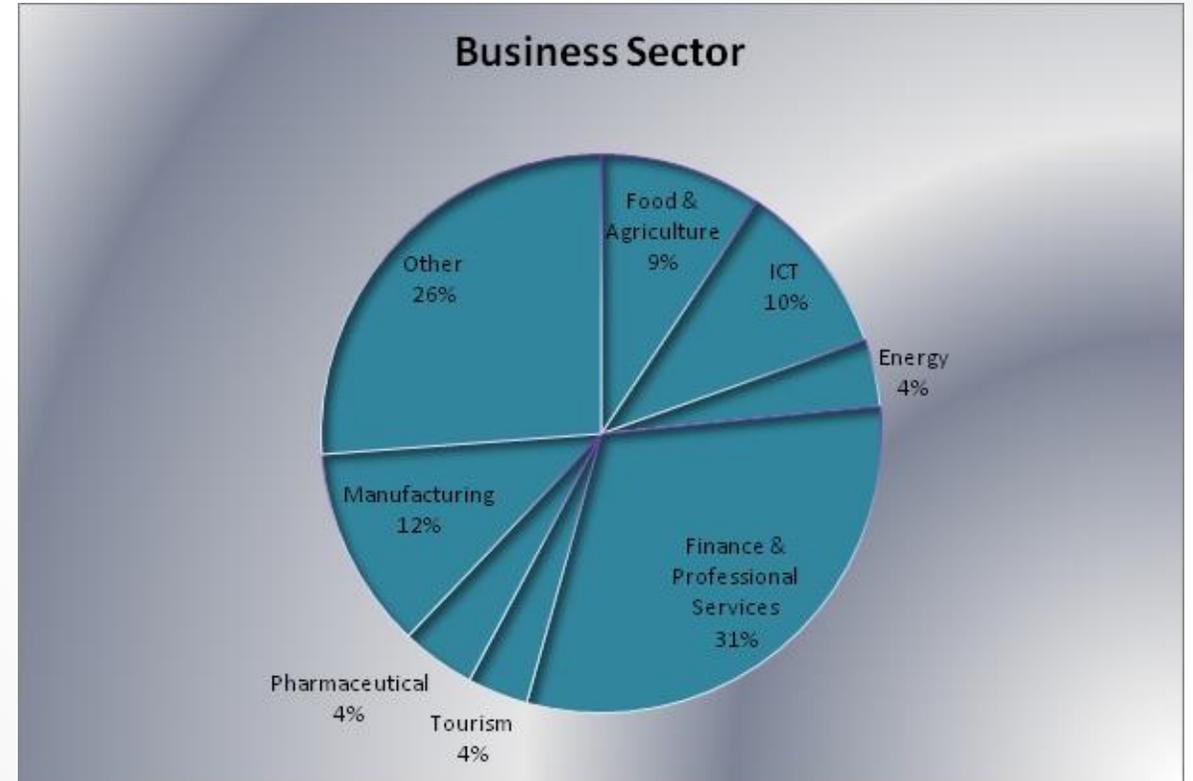
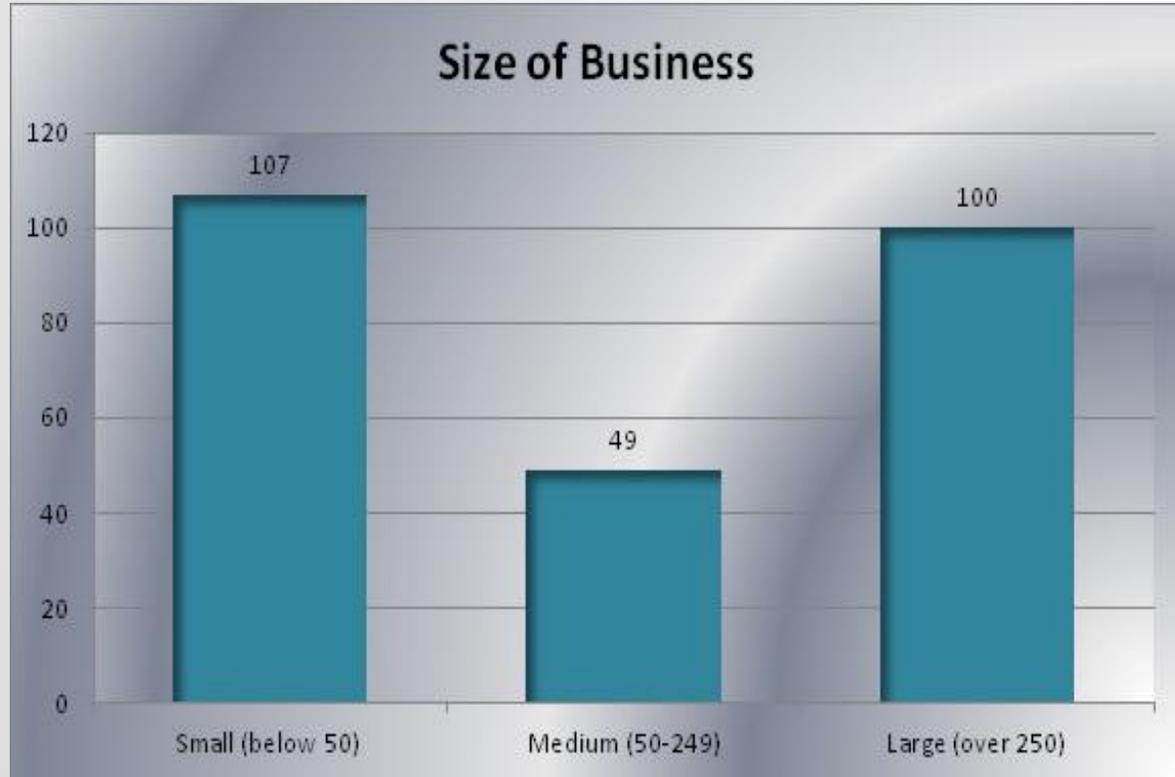
## **Mission**

Core to the Chamber's mission is a commitment to promote the interests of members in the combined business space. By engaging with stakeholders in business, governments, political parties and like-minded trade organisations and the informed media, the Chamber is **the** focal point of British Irish business.

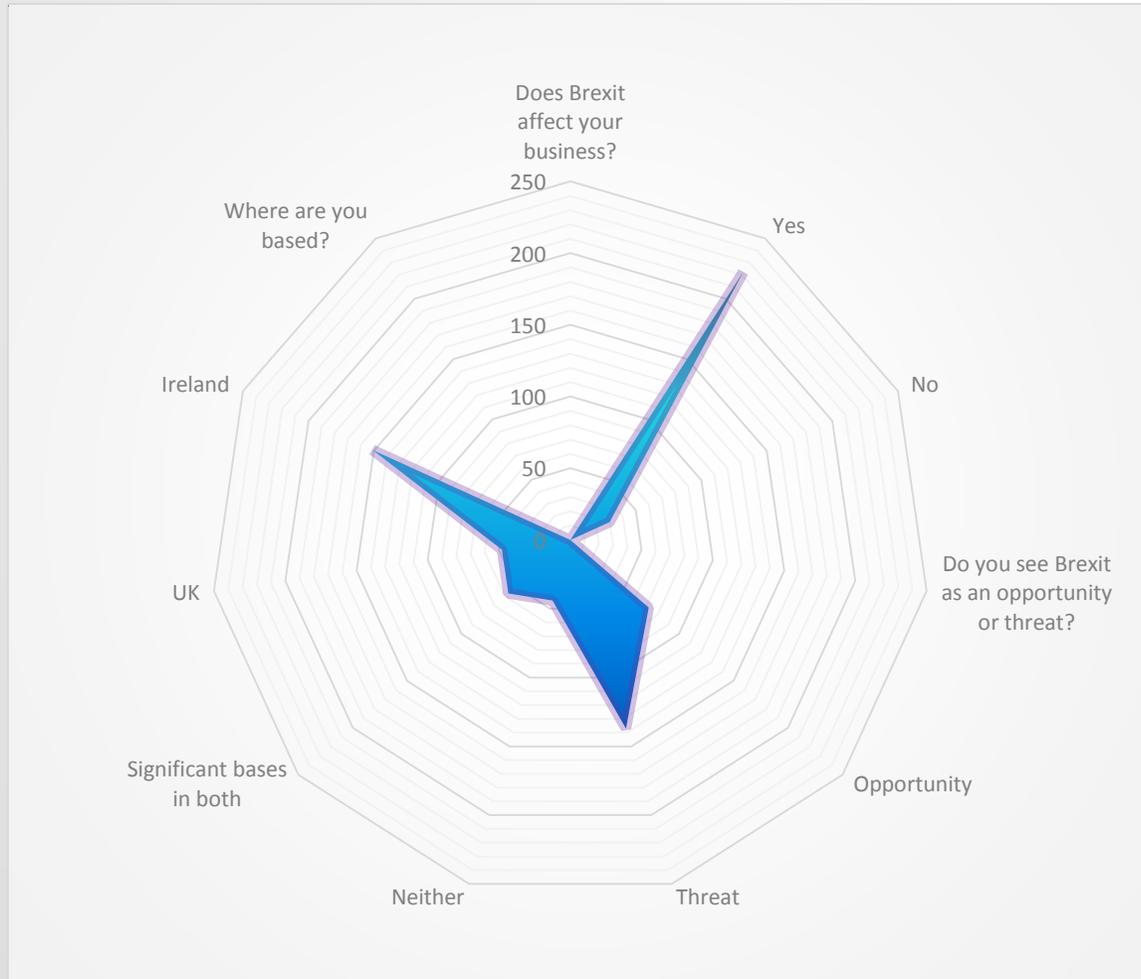
# SURVEY METHODOLOGY

- The British Irish Chamber of Commerce, in conjunction with CIMA and Small Business Can, conducted a survey of businesses based in the UK and Ireland on their reactions to the recent UK EU Referendum result.
- The survey went live on the 11<sup>th</sup> October 2016.
- The survey was distributed to members of the British Irish Chamber of Commerce, the Chartered Institute of Management Accountants and Small Business Can.
- The Survey closed on 23<sup>rd</sup> October with 256 responses.
- Participants answered the questions most important to them whilst others were found to be not specifically applicable.
- The survey is part of the Chamber's ongoing engagement with business in the UK & Ireland following the Brexit referendum. Utilising our unique position as the only organisation to represent these interests, it builds on our previous rolling Brexit survey conducted last July.
- The underlying data and responses contained in this summary is available in excel format from the Chamber upon request.

# DEMOGRAPHICS OF THOSE SURVEYED:



# INSIGHT



The survey indicates that, in general, firms believe Brexit will threaten their business.

## Where are you based?

UK	48
Ireland	151
Based in both	57

## Does Brexit affect your business?

Yes	222
No	30

## Do you see Brexit as an Opportunity or a Threat?

Opportunity	72
Threat	137
Neither	44

# WHAT IS YOUR BUSINESS DOING IN PREPARATION FOR BREXIT?

## Notable Comments:

'Who knows what this now means in reality. We are just left hoping for the best whilst fearing the worst.'

'Exchange rate fluctuations have had and will continue to have major implications for our business.'

'Our principle activities involve Public Procurement and Contract Management. We currently comply the EU Public Procurement Regulations 2006 and are awaiting the procedures that the UK will apply in due course. In terms of contract management, a number of our suppliers / contractors are EU based and as a consequence we can foresee an impact on prices / cost of services etc which we will need to be aware of in terms of future financial planning.'

'Too early to say but we will consider complete relocation from UK to EU and establishing an EU base depending on outcome of trade negotiations and reaction of our customers and suppliers.'

'I already have an Irish presence and UK/EU offices. I have however as a BREXIT strategy incorporated into the US.'



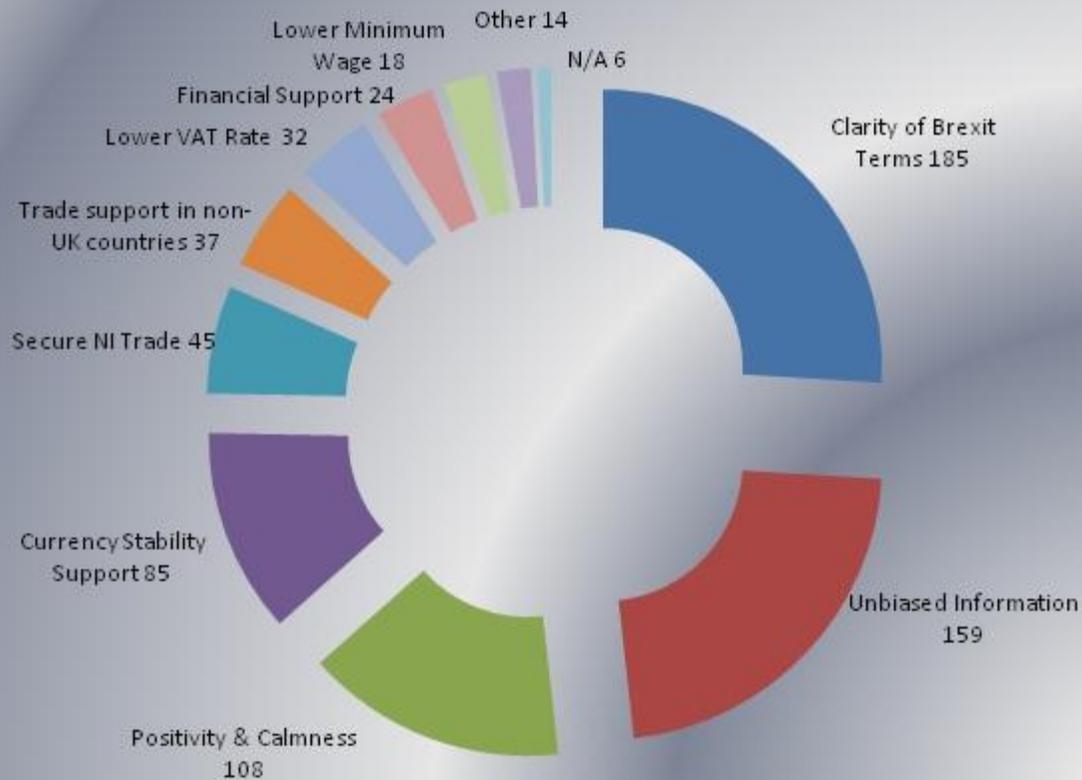
Business Preparation	Count
Reviewing Currency Strategy	116
Seeking Advice	90
Establishing a Brexit Team	47
Non Applicable / None	45
Sourcing New Suppliers	37
Cutting Costs	37
Seeking New Territories	35
Delaying investment strategy	32
Training Staff	21
Establishing a UK base	7
Establishing an EU base	4
Complete Relocation from UK to EU	1
Complete Relocation to UK to EU	0
<b>Grand Total</b>	<b>472</b>

# WHICH OF THESE ARE THE MOST IMPORTANT TO YOU (RANKED)?

1	A strategy to maintain access to the EU/UK markets?	91	37%
2	A strategy to manage regulatory uncertainty in dealing with the EU/UK market post Brexit?	34	14%
3	A strategy in the event of medium term economic retrenchment? (Lower sales)	20	8%
4	A hedging strategy to guard against currency risk?	16	7%
5	A strategy to become more competitive, to overcome any imposition of tariffs or other trade barriers?	14	6%
6	A commercial strategy with regards to the currency you will trade/invoice in?	14	6%
7	A strategy to engage with suppliers/customers to reassure them of your future plan?	10	4%
8	A commercial strategy with regards to domicile, taxation, financial reporting etc.?	8	3%
9	A strategy to retain and continue to attract non-national employees?	8	3%
10	A strategy to review legal contracts, terms and conditions etc. to mitigate risk of a Brexit?	7	3%
11	A strategy to diversify your trade outside of the EU/UK?	7	3%
12	A strategy to handle longer inter-country transport journeys, for your goods, because of borders?	6	2%
13	A strategy to secure short / medium funding for your business?	6	2%
14	A commercial strategy to manage credit risk more assertively?	4	2%
	Total Participants Addressing this Question	245	

# WHAT SUPPORTS DO YOU NEED TO DEAL WITH EFFECTS FROM BREXIT?

Support Needed for Business



## Notable Comments

'We will need detail as to what parts of the EU structures Britain is in and out of. In addition how NI is impacted and if it needs to adopt all of Britain's decisions will be very important to us.'

'Once we know what the Brexit terms are we may have a fighting chance of finding out exactly what we need - there is far too much hubris from both the UK and EU at the moment. Political posturing is well ahead of business needs at the moment.'

'Encouragement to trade from UK, NI, ROI administrations and practical measures such as Border enterprise zones with specific benefits to encourage location of industry.'

'Clear policy from the Irish government supportive of businesses looking to move to Ireland.'

# WHAT DO YOU WANT TO SEE FROM THE IRISH GOVERNMENT AHEAD OF BREXIT NEGOTIATIONS?

'A clear strategy to take advantage of the new opportunities presented by Brexit. A plan to attract FDI and skilled staff and entrepreneurs to Ireland from the UK.'

'Irish Govt must urgently establish a professional team, including business people (not just politicians) to establish, negotiate and prioritise all issues (real or currently threatened) for Ireland Inc.'

'A coordinated approach to maximize the opportunities Brexit offers, while mitigating the risks. A sense that the Government is in charge and in control is crucial to allay concerns.'

'Support for exporters to the UK; focus and resources to achieve Irelands key objectives from the negotiations; nurturing alliances with other EU member States.'

'Strategy to avoid hard borders and to secure UK/Ireland free trade and if not 100% free, simplified procedures to reduce the overhead costs of bureaucracy.'