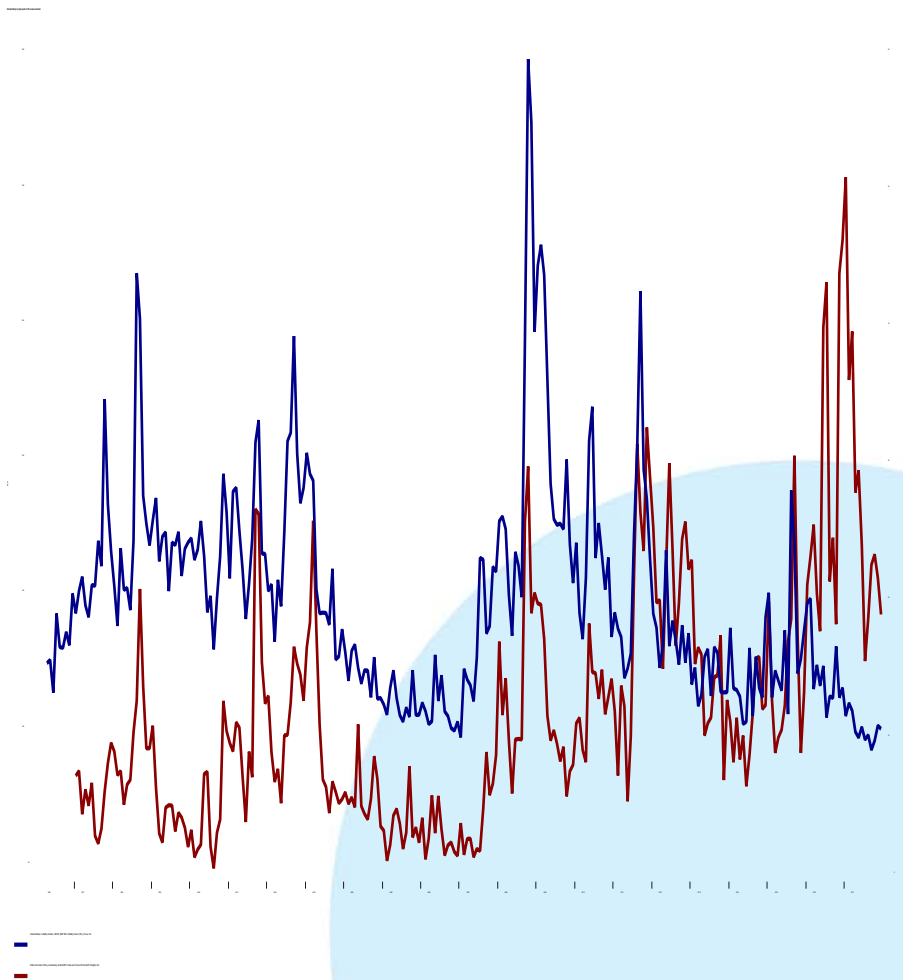
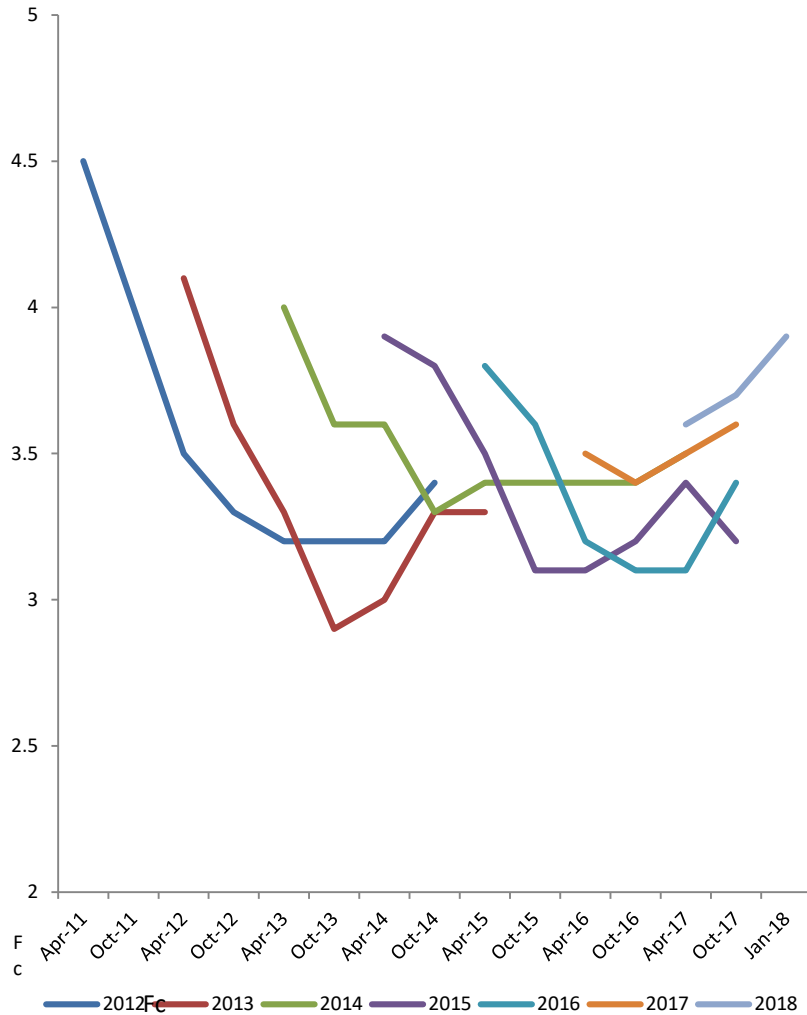


# Brexit and the “New Normal”

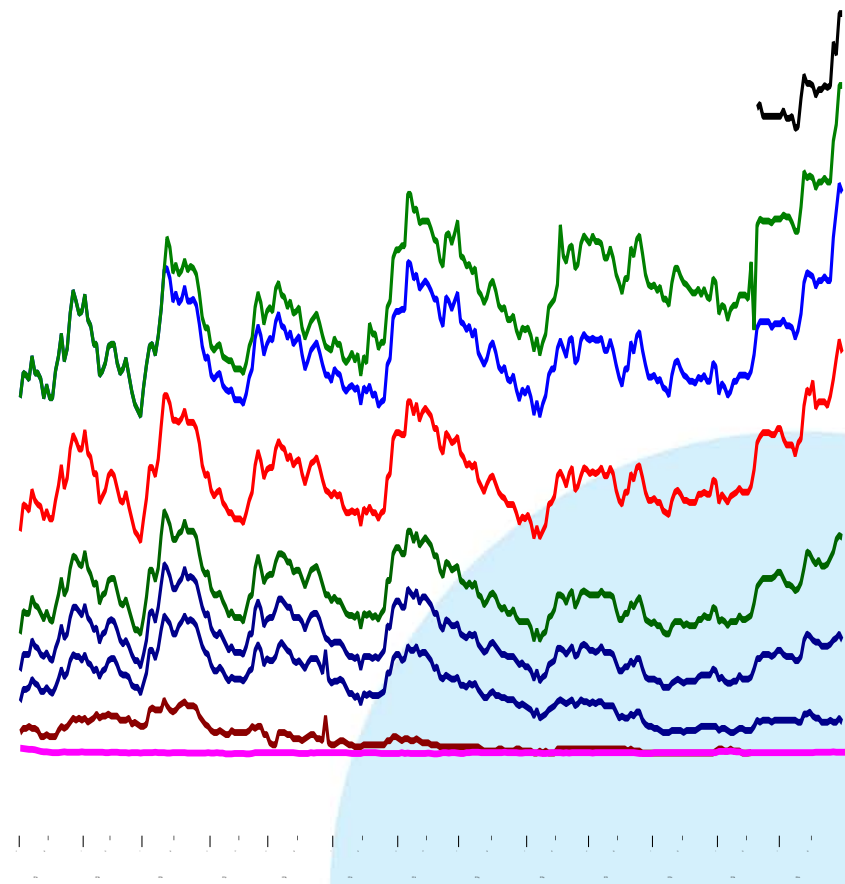
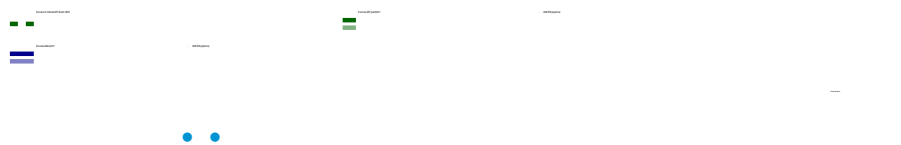
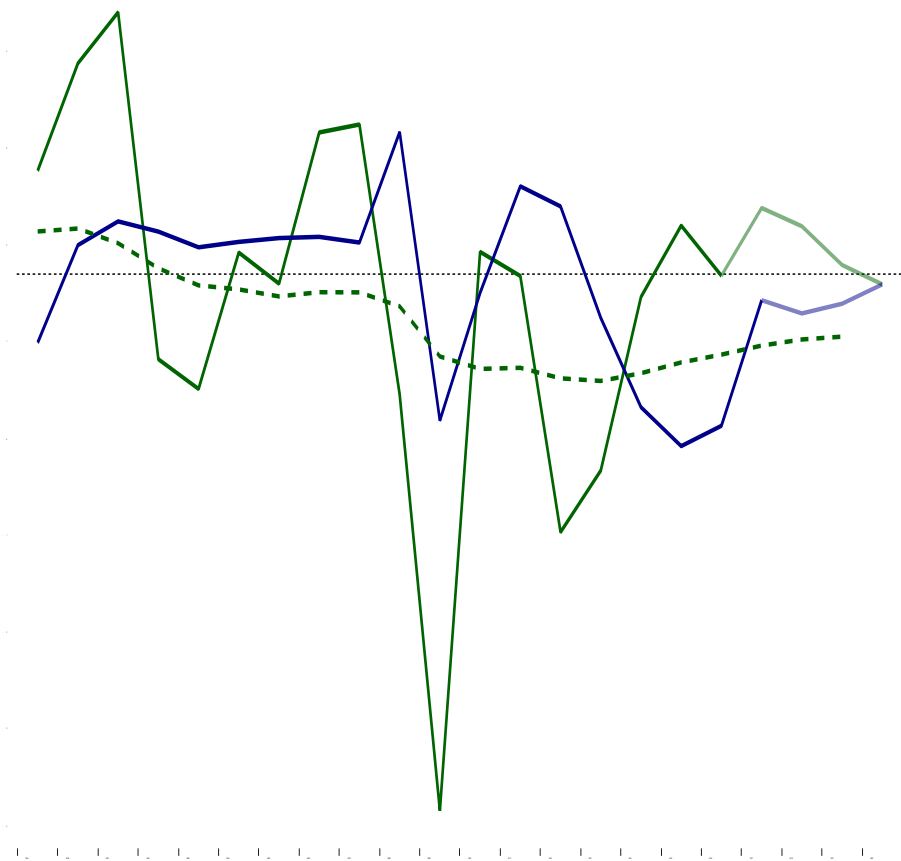
*Austin Hughes*

# From misery to a 'melt-up'

IMF forecasts for global growth



# Easy money is the answer, what was the question?



# Brexit not the primary focus for the EU

## The UK is either 8% or 18% of EU exports

Value of exports from the rest of the EU (the EU minus the UK) which go to the UK and the rest of the world, 2015

This is what other EU countries export to us



This is what other EU countries export to the world outside the EU

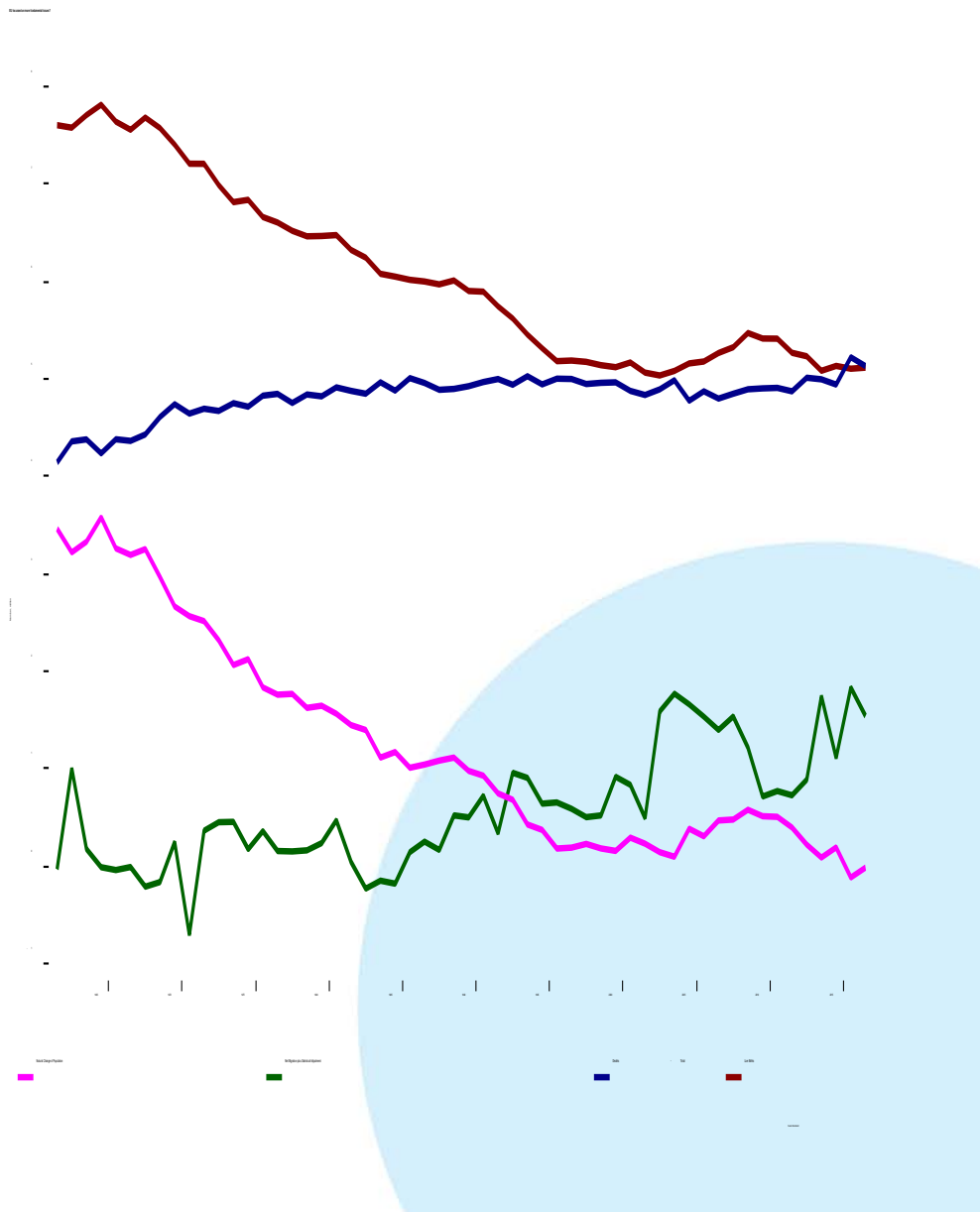


This is what other EU countries export to each other

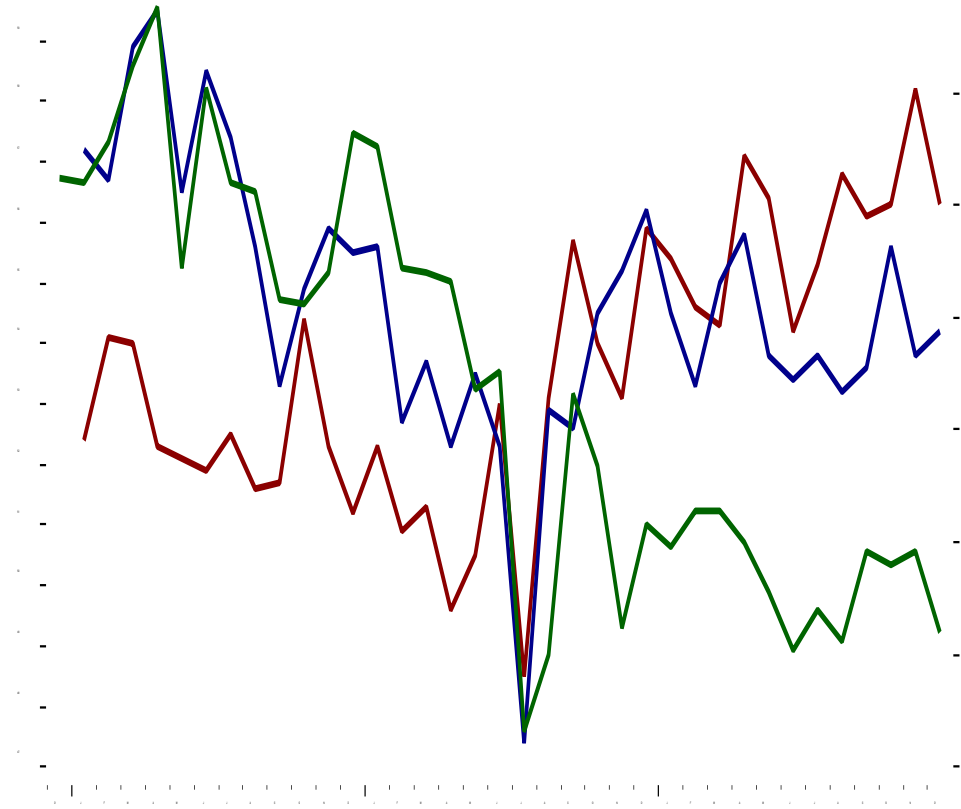


€0 billion    €2,000 billion    €4,000 billion    €6,000 billion

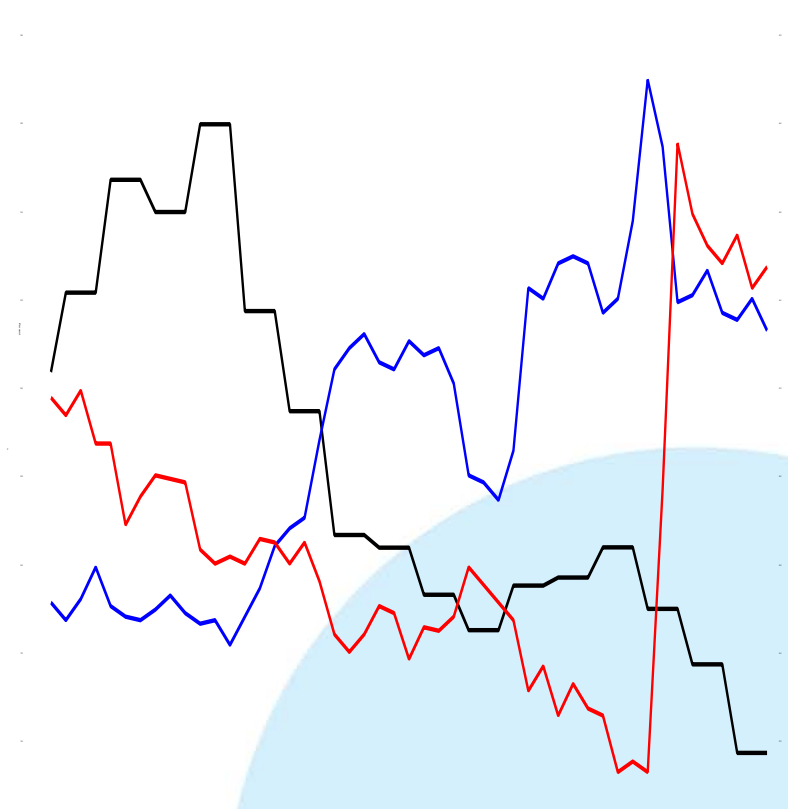
Source: European Commission trade export helpdesk (goods) and Eurostat total services, detailed geographical breakdown by EU member states (services)



# Brexit; Can it be *a gentle stroll along a smooth path to a land of cake and consumption* (Mark Carney BOE 20/6) ?

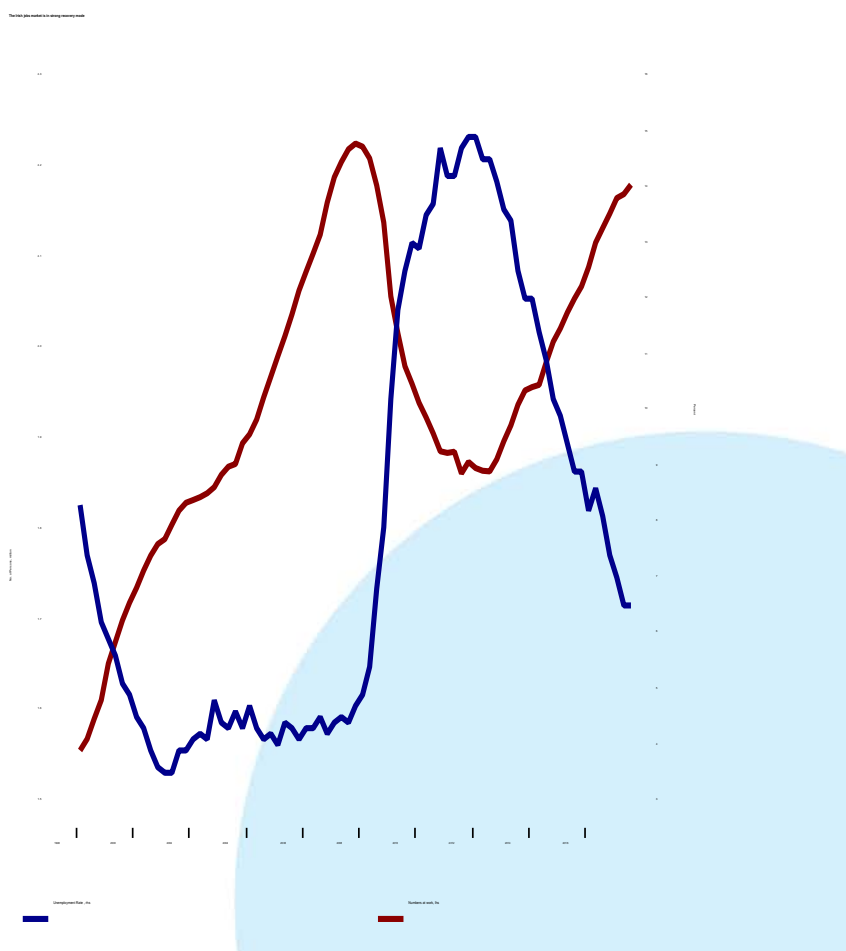
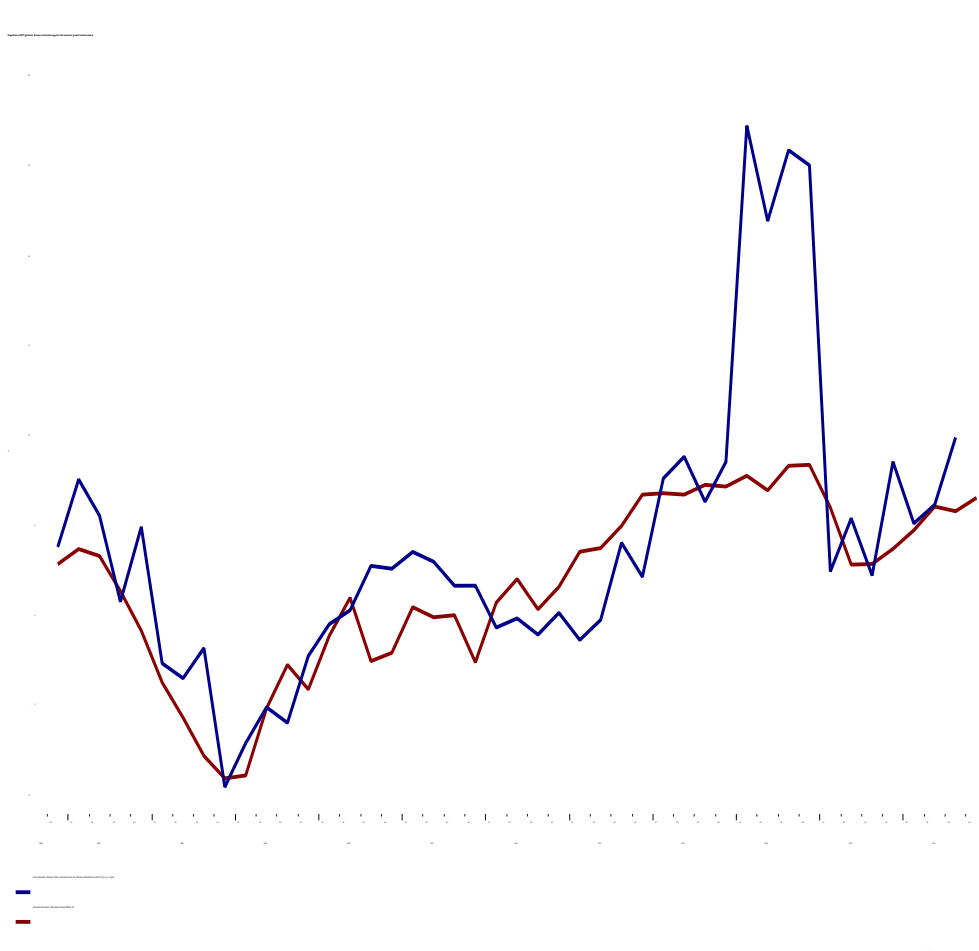


Green line: GDP  
Blue line: Retail Sales  
Red line: Manufacturing Production  
Black line: Investment



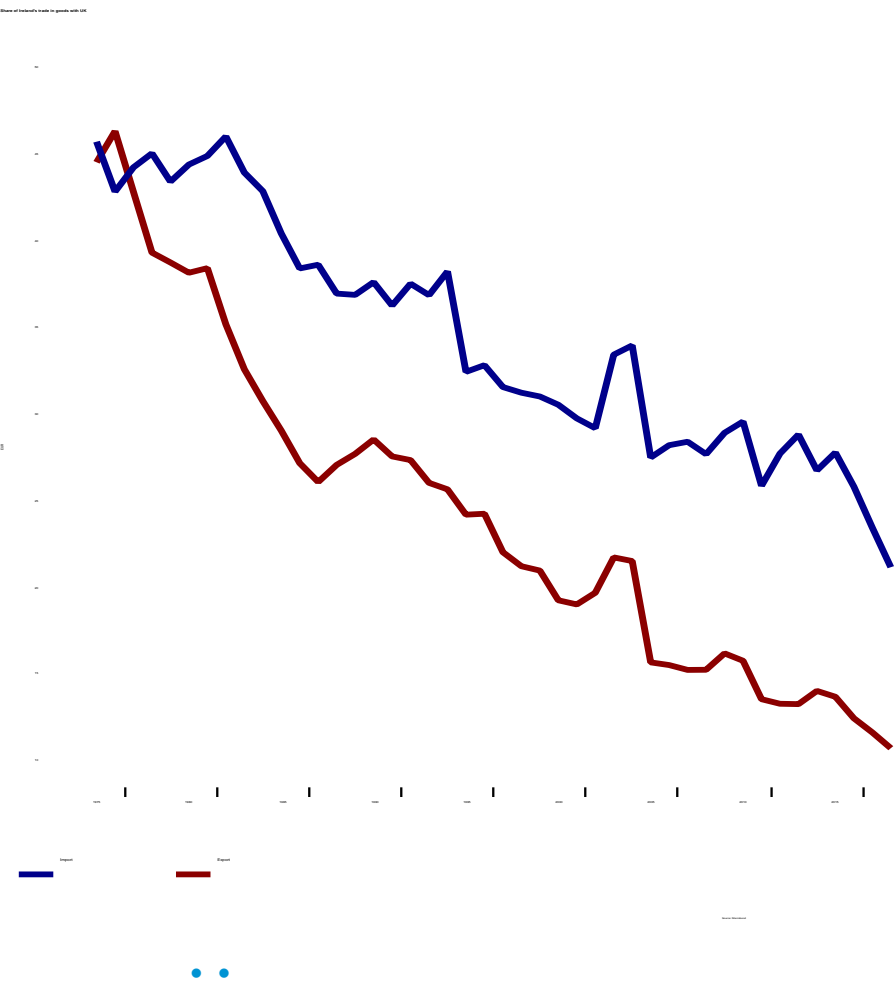
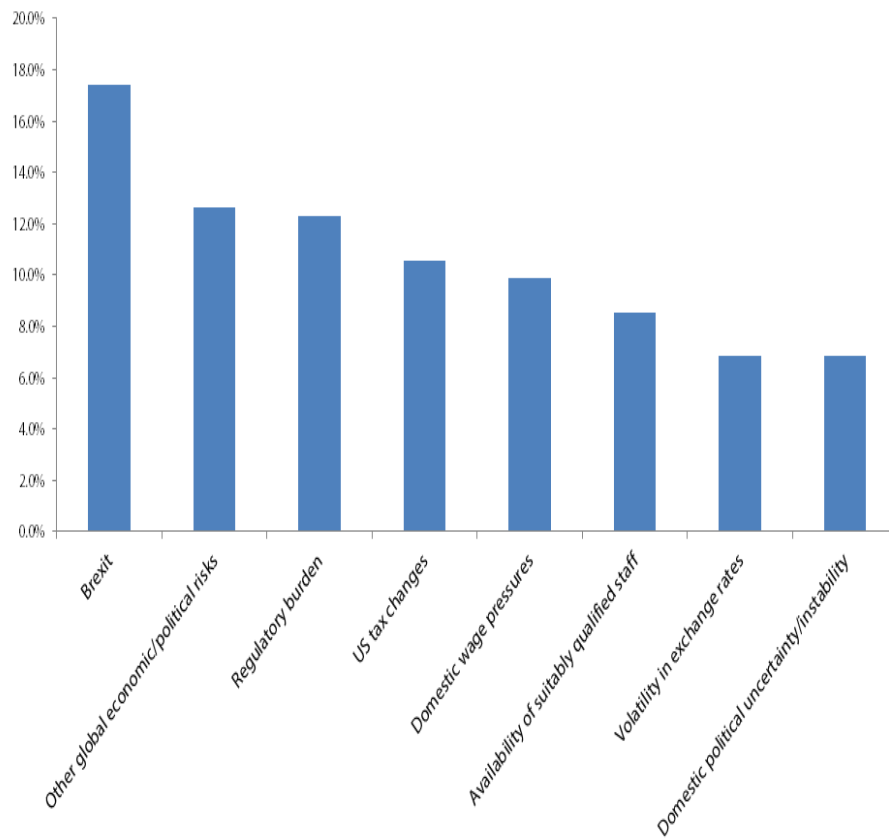
Green line: GDP  
Blue line: Retail Sales  
Red line: Manufacturing Production  
Black line: Investment

# Could there be a better time for Brexit?



# Just another known unknown?

**Diagram 7: Which of the following do you regard as posing the most significant risks to your company's activity levels in 2018 (please rank from 1 to 3 from the following list with 1 being most important):**



# The answer is not 42 or even 2-4% of GDP; **Brexit effects will not be evenly felt**

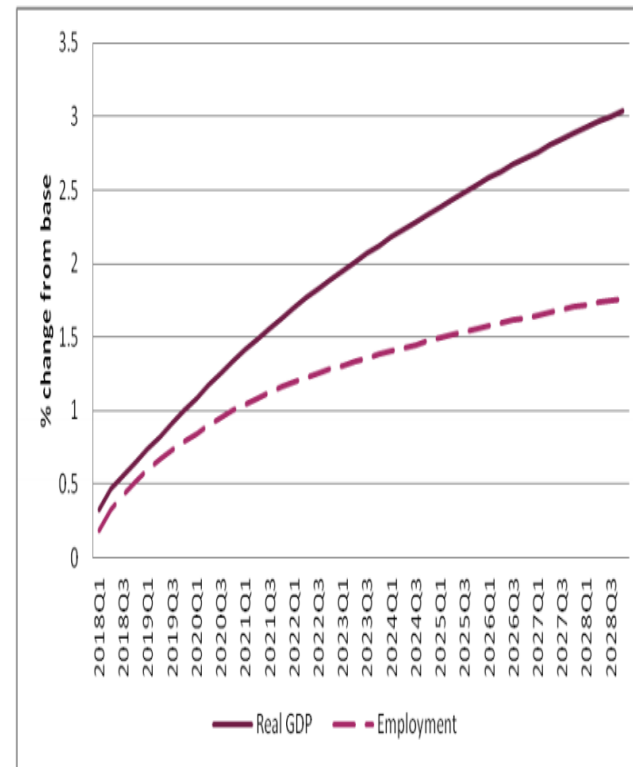
Trade could be much tougher...

...but FDI could be boosted

Table 2: Sector Level Effective Tariffs by Trade Direction

	Ireland to GB	GB to Ireland	Ireland to NI	NI to Ireland
Live animals	2.9%	0.4%	24.3%	30.3%
Meat and fish	59.2%	29.4%	73.4%	34.8%
Dairy	46.6%	31.4%	51.1%	64.1%
Vegetable products	11.0%	13.0%	18.8%	8.4%
Products of milling industry, oil, fats	10.1%	19.9%	26.4%	23.8%
Foodstuffs	11.7%	13.7%	12.2%	10.5%
Beverages	2.9%	4.7%	1.0%	2.1%
Residues of food and tobacco	9.4%	8.2%	7.9%	7.7%
Mineral products	0.2%	0.0%	1.0%	0.5%
Chemical and pharmaceutical products	0.2%	0.8%	1.4%	1.1%
Other organic chemicals	6.9%	2.4%	5.8%	5.2%
Other chemicals	1.1%	4.7%	1.3%	4.2%
Plastic and rubber	5.1%	5.2%	4.6%	5.7%
Raw Hides, skins, leather, & furs	1.4%	3.4%	0.7%	3.3%
Wood and wood products	2.1%	0.3%	1.5%	0.5%
Textiles	4.0%	5.2%	5.3%	4.7%
Carpets, footwear, umbrellas	10.2%	11.1%	10.5%	11.0%
Stone, glass	2.1%	4.0%	2.8%	3.4%
Metals	1.9%	2.0%	2.3%	1.1%
Machinery, electrical	1.1%	1.3%	1.6%	1.6%
Transportation	3.0%	5.7%	3.9%	5.2%
Miscellaneous	5.2%	3.1%	9.6%	12.3%

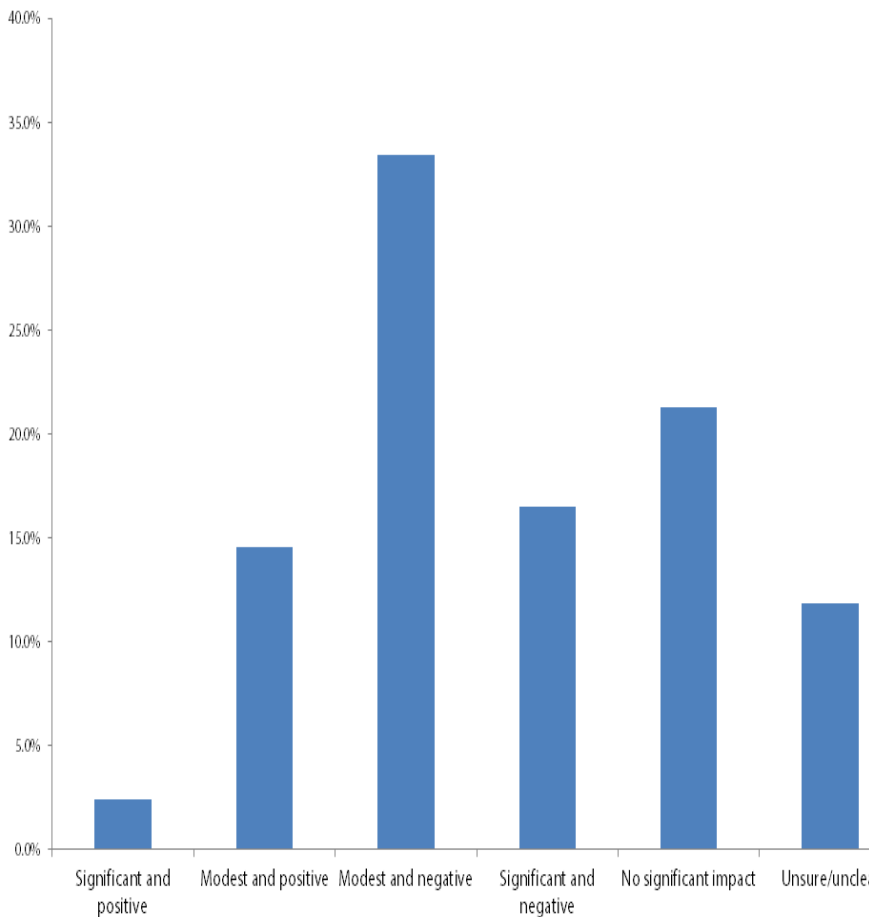
## Simulated Impact on Real GDP and Employment



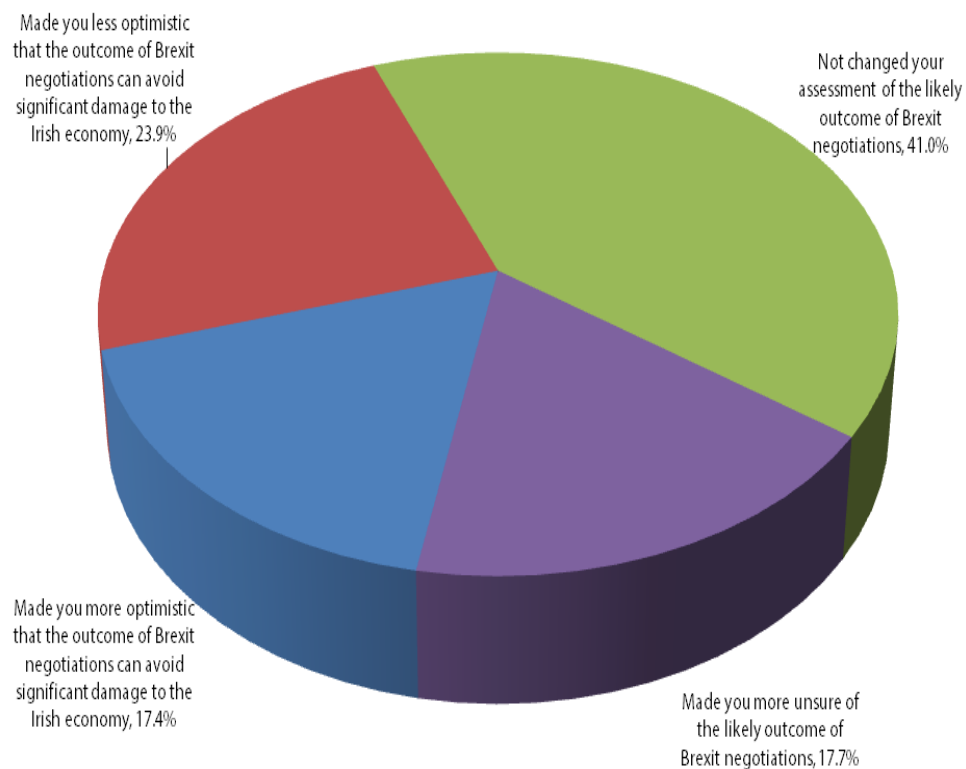


# It's mixed and getting messier

**Diagram 7: In terms of your company's activities, on balance what scale of impact do you now envisage from Brexit?**



**Diagram 8: Has the manner in which phase 1 of the Brexit negotiations was conducted and concluded:**



## A Brexit journey

- ❑ From catastrophe to complacency and chaos
- ❑ Now on long(?) 'glide path' through transition to *a new era of co-operation and partnership*
- ❑ Global upturn is shifting priorities
- ❑ Irish economy strong but is it sustainable?
- ❑ Brexit impact not 'one size fits all'
- ❑ Danger of Brexit drift increasing
- ❑ A cliff is not just for Christmas....