



Press Release

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SMOOTH TRANSITION TO POST-BREXIT BRITAIN CRITICAL FOR REGION'S MANUFACTURERS SAYS AIB ECONOMIST

Manufacturers across the West Midlands need a smooth transition to a post-Brexit Britain if they are to continue boosting regional economic growth, according to specialists at Allied Irish Bank (GB) ("AIB (GB)").

At a recent economic briefing in Birmingham for regional manufacturers, Oliver Mangan, Chief Economist at AIB (GB), discussed the key economic factors facing local businesses in the short and medium term, highlighting the 're-balancing' of the UK economy brought about by growth in the manufacturing sector.

Mangan said: "While there are clear signs of a slowdown in retail spending as a result of rising inflation, this is being offset to some extent by a better performance by the manufacturing sector, which is benefitting from low interest rates, the sharp fall in sterling over the past year and stronger global growth - most notably in Europe.

"And, with 48% of the UK's goods exports going to the EU, it's absolutely critical that these businesses experience minimal disruption to operations as a result of Brexit. This is why the upcoming Brexit negotiations are of crucial importance to UK industry."

Mangan said that a key element of these negotiations from an EU point of view will be the retention of a 'level playing field' for businesses trading between the UK and EU and vice versa: "In the short term, the Great Repeal Bill, which will see all EU legislation transferred to UK law, will help in this regard, particularly where regulations such as health and safety standards, environmental controls and workers' rights are concerned. The preservation of common standards is likely to be a key part of any future UK-EU trade deal.

Paul O'Reilly, relationship manager at AIB (GB) in Birmingham and a manufacturing sector specialist, added: "In spite of the undoubted uncertainty surrounding how the Brexit negotiations will play out and the terms of any resultant deal, our manufacturing clients across the West Midlands are reporting positive confidence levels and pressing on with running their businesses.

"An accurate indicator of this confidence is the fact that they are continuing to invest in the new technologies, plant and machinery that will move their companies' fortunes forward. However, this positive business confidence and continued economic growth will depend on how smooth the negotiations are over the forthcoming two years."

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