

Eurozone Update

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Eurozone update

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Introduction

- Countries' update – where do we stand?
- Brexit: a beauty contest for the “new London”
- EU developments – harmonising pre-insolvency proceedings: future or fiction?
- Industries outlook: who's next?

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Country Update

- Germany
- Ireland
- France
- Netherlands

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Brexit: where to go? a beauty contest

- Paris: Vive la France
- Frankfurt: Deutsche Gründlichkeit
- Dublin: Luck of the Irish
- Amsterdam: Going Dutch



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Paris, city of romance



Paris post Brexit: more than just romance



Frankfurt: financial capital of Europe



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BREXIT: luck of the Irish?



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BREXIT – Ireland and UK economic links

- €1.1 billion of trade between Ireland and UK each week
- 15% of all Irish goods and 20% of all Irish services exported to the UK
- 32% of all goods and 11% of all services imported from the UK
- Ireland is the UK's 5th largest market

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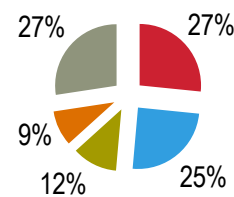
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BREXIT – Ireland and UK economic links

- Brexit likely to significantly reduce bilateral trade flows between UK and Ireland – estimated at 20%+
- Impact will differ across sectors and products
- Concentrated nature of Irish exports – narrowly applied trade barriers may have significant consequences

Exports to UK

- Food and Beverages
- Chemicals / Pharmaceuticals
- Financial Intermediation
- Business Services
- Other



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BREXIT – Foreign Direct Investment

- UK less attractive to FDI?
- Uncertainty and reduced access to the EU single market
- Possible short term gains for Ireland – FDI in Ireland
- Less FDI in the UK likely to translate into a lower potential growth in the UK with negative consequences on Ireland's economic growth – less demand for Irish exports
- Corporate tax reforms in UK could have consequences for Ireland

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BREXIT – what Ireland can offer

- Ireland committed to remaining a member of the EU
- English speaking gateway to one of the world's largest markets
- Common law jurisdiction – certainty of applicable law – revisit exclusive jurisdiction and choice of law clauses
- Certainty in relation to long term recognition or enforceability of Irish insolvency processes

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BREXIT – what Ireland can offer

- Examinership v Schemes of Arrangement
 - Insolvency process for the purpose of the Insolvency Regulations
 - Offers viable restructuring alternative with favourable write down and voting mechanics
 - Flexibility of examinership scheme attractive to companies from other EU jurisdictions able to undertake a COMI shift to Ireland to avail themselves (and related companies) of the procedure

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Amsterdam the new London?



EU Legislation

- EC Recommendation on pre-insolvency proceedings (March 2014)
- EU Legislative proposal expected on 26 October 2016

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Trends and outlook: who's next?



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