



The Centre for
Cross Border Studies

MEDIA WATCH

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Sutherland rejects Brexit Border claim; Former EU commissioner describes David Davis's assertions on Border as 'ridiculous'

Former EU commissioner Peter Sutherland has rejected a claim by the British Brexit secretary that there will be no hard trade border in Ireland after the UK leaves the EU.

Secretary of state for exiting the EU David Davis made the comment yesterday during his first visit to Stormont House.

Mr Davis said Brexit would lead to "big opportunities" for Northern Ireland business and said the British government would take "looking after the regions and nations seriously" in its negotiations with the EU. He also said Britain and the Republic both wanted to maintain an open Border on the island and the Common Travel Area.

He said he was "100 per cent" in agreement with British Prime Minister Theresa May, who spoke on Wednesday of wanting to control immigration and preserve good trade arrangements. He also said the UK was ideally seeking tariff-free access to the EU.

Matter of negotiation

"With respect to access to the single market, what we will seek to do is ideally have a tariff-free access, but this is a matter of negotiation," he said. "We will be negotiating over an issue I suspect is in the interest of other members of the EU to get a good trading relationship in the long run."

Mr Sutherland, a former World Trade Organisation director general and chairman of Goldman Sachs International described the assertions as "ridiculous" insofar as goods and services were concerned.

"I am absolutely mystified, not for the first time in this debate, about what is coming out of London," he said. "We have been told by a number of Conservative Party spokespeople that Britain will leave the common customs area of the EU. If this is true, the customs union, which relates to sharing a common external tariff of the EU, will have to be maintained by all other EU countries with the UK following its withdrawal. Goods will have to be checked at borders.

"I would be very fearful that they may be heading towards a negotiation that will require a hard Border between north and south in Ireland. Dismissing this as a prospect at this stage is ridiculous."

In Belfast yesterday, Mr Davis attended talks with DUP First Minister Arlene Foster and DUP Minister for the Economy Simon Hamilton, as well as the inaugural meeting of the Northern Ireland Advisory Group, set up by the Northern Secretary James Brokenshire.

The four core members are the Confederation of British Industry, the Northern Ireland Chamber of Commerce, the Federation of Small Businesses, and the Institute of Directors (NI). Mr Brokenshire said the British government "will get the best possible deal for Northern Ireland" and dismissed suggestions he was out of step with the majority in the North who voted to remain in the EU. "The public of the UK gave a very clear vote," he said. "We now need to move on and get the best possible deal for the UK and for Northern Ireland."

Source: The Irish Times

September 4, 2016

Brexit and you: what impact will it really have?

Irish people are failing to make a personal link with the effects of Britain leaving the EU

Keen readers of this column may recall that, last October, we measured public opinion on economic and political events in terms of their likelihood of happening and their potential to impact on "me".

One of those scenarios we measured was that of Britain leaving the EU (before it became universally known as Brexit). I fear that, like many others, Irish people were complacent on this issue, with only a lowly three in ten believing it was likely to happen; and a similar number believing that if it did, it would have no real impact on them.

Ten months later, in a post-Brexit earthquake world, we are having to adjust to the consequences of that referendum result. The latest Coyne Research/Sunday Business Post research revisits the issue of Brexit, to examine the impact it is perceived to have on Irish people as individuals and as a whole.

One in two Irish adults believe Brexit will be bad for the Irish economy in the short term, while just over one in ten (11 per cent) believe it will be good for the economy. The widespread talk of recession post-Brexit in Britain is clearly seen as having a detrimental effect on Ireland, for whom Britain is the largest trading partner.

However, the pattern of opinion is rather different to that in Britain, where older and less affluent voters were the mainstay of the 'leave' campaign's victory; here the youngest age group is the most positive about Brexit's effect on Ireland, with 23 per cent of 18-24 year olds seeing it as a good thing. In contrast, older voters – unlike their British counterparts – are more likely to think it is a bad thing. But the more affluent ABC1 social group, as in Britain, is more likely to be negative.

Taking a longer-term view, opinion becomes more optimistic, with only 44 per cent believing Brexit will be bad for the Irish economy and 19 per cent believing it will be good for the economy, with younger people again being more optimistic, with 28 per cent of under 25s thinking it will be good for Ireland.

Overall, Brexit is seen as harmful to the Irish economy, but the negative effect will dissipate over time. To better understand how this effect will occur, we focused in on a number of key areas that may be impacted.

Weaker pound

The fall in sterling will have a direct impact on the island of Ireland, according to most people. Seven in ten think it likely/very likely that there will be an increase in cross-border shopping due to the pound's drop in value. Fewer people, however, think that cross-border trade will be damaged (46 per cent likely/very likely) with 23 per cent thinking it unlikely that trade will be damaged.

However, large majorities also believe Irish goods will become more expensive when exported to Britain, and that Ireland will become more expensive for British tourists. As an exporting nation, most people are well aware of the potential for damage by any devaluing of sterling against the euro.

There is little disagreement with the statement that a recession in Britain will harm the Irish economy, enforcing the view that Brexit will cause short-term and long-term damage to the Irish economy. But there is also opportunity to be had in the view of many.

One in two (49 per cent) believe Ireland will win additional foreign investment that otherwise would have gone to Britain, clearly indicating how Ireland, as the sole English-speaking country left in the EU, could profit from Britain's departure in terms of FDI.

More specifically, there is also much agreement that financial services firms and banks may relocate their offices from London to Dublin as part of the fallout from the referendum (44 per cent likely/very likely).

This presents a clear opportunity for Ireland to profit from the City of London's discomfiture, and to copper fasten Dublin's role and image as a financial centre and a key bridge into the EU for international financial institutions.

Immigration

Then there is the key issue of immigration – which, more than any other topic came to the fore as the main factor behind the Brexit vote.

Almost six in ten (58 per cent) think it likely/very likely that there will be more immigration into Ireland if Britain's borders are closed to EU immigrants.

This may make Ireland a more attractive destination in its own right, but also as the only land border with Britain, Ireland may become a magnet for more immigrants seeking passage to Britain via the North.

Given this scenario, it is possible that new border controls may be brought in – 42 per cent think this likely/very likely; however, many people are now used to the open border that the island enjoys, and 30 per cent think it unlikely that border controls will be reintroduced.

This will be one of the biggest obstacles facing Irish government policy in the wake of Brexit.

How it is solved will determine not only our 'special relationship' with Britain, but also whether the gains of the Belfast agreement in terms of an open border can be maintained.

We have looked at the impact of Brexit at the national level, but what of the impact at the individual level, what effect is it perceived to have on individual levels of economic wellbeing and on the decisions we make as consumers?

Three-quarters of Irish people are passive in relation to the impact Brexit will have on their finances: 25 per cent say it will make no difference, with a further 49 per cent placing themselves midway on a scale between very positive and very negative effect.

This finding is curious in light of the numbers we have seen who believe a British recession will harm the Irish economy; it suggests there is a decoupling between the perceived impact of a recession nationally and the impact on the person individually.

In this sense, Brexit and its possible consequences still remain at a remove from the Irish citizen, despite us living through almost a decade of recession and austerity.

Fewer than one in five (18 per cent) believe Brexit will impact negatively upon them, whilst an optimistic (or perhaps opportunistic) 8 per cent believe it will have a positive impact on their finances.

Indeed, this figure jumps to 18 per cent among the under-25s, who it seems are most likely (or at least consider themselves most likely) to reap a Brexit dividend.

There are pros and cons to Brexit at a national level, so perhaps these findings for individual finances reflect that overall balance – rather than coming down on one side or the other.

Bargain hunting

All of this may filter down to how we act in terms of our own economic behaviour or spending decisions. We asked how Brexit may impact on these – in terms of being “a good time to buy” or “a good time to wait”.

Irish people remain most cautious about buying a house following Brexit.

Opinion is evenly split, with one in four thinking it is a good time to buy and a good time to wait. Buying a foreign holiday is where Irish people express most confidence, with almost four in ten (39 per cent) saying now is a good time to buy and only 19 per cent a good time to wait.

Currency differentials may have some impact on this finding but bargain hunting may be equally as strong a factor as people seek the best deals on flights and packages.

There is slightly less confidence in purchasing big-ticket items such as cars or items for the home. Some one in three think it is a good time to buy and one in four a good time to wait. However, with car sales buoyant for the year to date, it appears that the marketplace has yet to be unduly spooked by the Brexit effect and the recovery in consumer sales continues upwards.

Overall, it appears that ‘Brexit and me’ has yet to filter through as a concept.

Certainly ‘Brexit and Ireland’ does ring true to people and its effects are for ill and good – although largely the former. But most people don’t think it is actually hitting them personally, at least not yet.

A prolonged British recession and an immigrant crisis diverted to Ireland rather than Calais might paint a very different picture of the impact of Brexit – and we shall come back to the issue should such events come to pass.

Source: The Sunday Business Post

September 5, 2016

Plans for cross-border residential autism centre in Armagh shelved

Ambitious plans for a residential centre to support hundreds of children with autism throughout Ireland look to have been abandoned.

By now, almost 2,000 young people should have been put up at the Middletown Centre for Autism. Hailed as a major example of all-island co-operation, it still does not offer its full range of services.

First, money issues - with the north blaming the Republic - and later a shift in focus have seen accommodation plans shelved.

The idea was that up to 320 children and their families each year would stay at Middletown while assessments and therapies were carried out.

Both governments have been reluctant to admit defeat - the north's Department of Education only saying it is "not a key focus at present".

The centre supports the promotion of excellence in the development and coordination of education services to young people with Autistic Spectrum Disorders (ASD).

Although located in Co Armagh, it is a cross-border facility jointly funded by the north's Department of Education and the Department of Education and Skills (DES) in the Republic. The north spent almost £6 million between 2002 and 2012 on the centre.

Plans were announced in 2002; it launched in 2004 following the purchase of the site and opened in 2007.

An "exciting building and refurbishment programme", which would have seen accommodation for children, was due to be completed by 2010.

The centre's learning support service planned to provide five-week assessments to the 140 most challenging cases from across Ireland and the educational assessment service was also intending to offer a further 180 two-day assessment places.

These services have never been realised.

A Department of Education spokeswoman said residential provision would have allowed staff to work with children "in meeting their educational needs" but the financial position in the Republic in 2009 meant funding was paused.

"Consequently the departments, the Middletown board and senior management team worked together to focus on the development of service provision, including the now well established trans-disciplinary learning support and assessment service, delivered on an outreach basis," she said.

"The trans-disciplinary team work with identified children to understand their needs in their school and home settings and also provide training and techniques for teachers, parents and siblings as well as awareness and understanding for the children's peers."

She added that the centre continued to deliver services in three key areas - learning support and assessment; training and advisory; and research and information.

"DE are content with the services that have been developed. A joint inspection report, published on August 30, provides further assurance on these services given the excellent evaluation confirming the significant impact the services have on the education and life experiences of referred pupils, their teachers and parents.

"Any residential provision, whilst not ruled out in the future, is not a key focus at present."

DES said it paused additional funding in 2009 "due to the difficult budgetary situation".

"Late in 2009, the pause in development funding was lifted by DES and in 2010/11 a limited expansion of services and small capital works were undertaken," a spokeswoman said.

She added that the two governments agreed at the North-South Ministerial Council to "review autism services in the context of preparing an updated, phased multi-annual plan for the future development of the centre".

Source: The Irish News

September 6, 2016

'We will not be able to secure power supply without having this vital link-up';

As the System Operator for Northern Ireland speaks to Westminster about the need ; for a North South Interconnector, we look at why this infrastructure is so necessary ; NI Grid Operator warns MPs that we are fast approaching a crisis in electricity

SONI (System Operator for Northern Ireland) is today to warn a Westminster Committee that Northern Ireland is on the verge of an electricity supply crisis.

The NI Affairs Select Committee has been holding an Inquiry into the NI Electricity Sector over the summer months, seeking evidence on a series of significant challenges facing the sector, including the anticipated shortfall in generation and what that means for security of supply.

During a session to be held later this morning, the MPs are expected to take evidence from both Jenny Pyper, the Chief Executive at NIAUR (Northern Ireland Authority for Utility Regulation), and Robin McCormick, General Manager at the System Operator Northern Ireland SONI.

Speaking ahead of the hearing, Mr McCormick said he would not sugar-coat the severity of the situation: "It is important that Westminster has a clear understanding about what is confronting us, and I very much welcome the opportunity to explain the situation to the inquiry. The facts are clear - Northern Ireland is facing an electricity supply crisis, as old conventional fossil fuel generators retire.

"Our modelling of electricity demand and available generation capacity tells us that over the next five years we will be at a point where we are in electricity generation deficit. What that means is that as the system operator, I cannot be confident that we would be able to 'keep the lights on'.

"It has been possible to temporarily defer the problem with a short term solution provided by a local power station. However, this safety net is costing Northern Ireland consumers an additional £8m per year and is not sustainable.

"The problem can be addressed by delivering the North South Interconnector, which is now absolutely critical and cannot suffer any further delay. With the interconnector in place, customers in Northern Ireland will benefit from having access to the most economic generation capacity available on the island and we can then be confident that we can 'keep the lights on'."

The proposal for the project, which is currently in planning, aims to provide a high-capacity connection between the electricity grids north and south, ensuring that Northern Ireland has the secure supply it needs.

"The interconnector has been in the planning process since 2009 and we are hoping to see a full planning hearing into the project by the end of the year. It is critical and essential to the NI Economy; to businesses large and small and to domestic users. It is fundamental that Westminster appreciates the urgency and does all it can to support the project."

The Most Important Infrastructure Project on the Island While the security of supply issue and the considerable savings to consumers will be outlined to the NI Affairs Select Committee; Mr McCormick will also highlight the North South Interconnector's role in relation to meeting the challenge of increased renewables on the system.

"The island is leading the way in dealing with high levels of wind on the grid systems both north and south; the interconnector is needed to ensure that everyone can benefit from the increases in wind generation." At present, restricted power flows on the existing North South Interconnector (between Tandragee and Louth), are creating a bottleneck on cross-border transfer capacity, which increases the cost of electricity. "We have the capacity bottleneck, but the need to work around the limits on cross border power flows also has a significant effect on electricity generation. It means we cannot utilise potentially cheaper electricity produced by some generators in the Republic. Instead, we have to rely on more locally produced electricity, which can lead to higher costs for the consumer."

With the North South Interconnector in place these bottlenecks and inefficiencies will reduce and Mr McCormick says MPs need to be aware of the savings which will start to flow as a result.

"We estimate that the North South Interconnector will benefit customers across the island with savings of approximately £14m in 2020. These savings will rise to between £29m and £43m per annum by 2030. This does not include the £8m being paid by Northern Ireland customers for the back-up generation contract."

"This is the most important infrastructure project on the island and I intend to make this crystal clear to the Inquiry today."

It's been planned since 2009 and it's still essential to the economy here

Source: The Belfast Telegraph