



The Centre for
Cross Border Studies

MEDIA WATCH

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EU focused on Brexit's impact on Border; Commission president assures Kenny that bloc is aware of Ireland's challenges

The future of North-South relations could be addressed at the start of Brexit negotiations early next year, European Commission president Jean-Claude Juncker has told the Taoiseach.

Speaking in Brussels after a meeting of the European Council yesterday, Mr Kenny said Mr Juncker was aware of the importance and complexity of the issues Brexit raises for the island of Ireland.

Mr Kenny said the next meeting of the North-South Ministerial Council on November 18th offered an opportunity for Ministers from both sides of the Border to identify the key issues.

"It would be very important that the Assembly would be able to give their combined view as to what their requests for Northern Ireland are. This will not be easy, and there will be very tough negotiations with the UK government from the European view when the negotiations start," he said.

Established under the Belfast Agreement in 1998, the council co-ordinates cross-Border co-operation in a number of policy areas.

Theresa May used her first EU summit as prime minister to reassure other leaders that Britain would take a constructive approach to next year's withdrawal negotiations.

"I'm sure there'll be difficult moments. It will require some give and take. But I firmly believe that if we approach this in a constructive spirit, as I am, then we can deliver a smooth departure and build a powerful new relationship that works both for the UK and for the countries of the EU," she said.

Sanctions row

Ms May spoke briefly about Brexit after dinner with other leaders in the early hours of yesterday morning but the summit was dominated by a row over new sanctions on Russia and the future of a trade deal with Canada. Under pressure from Italy, EU leaders watered down a threat to impose sanctions on Russia over its bombing of civilian targets in Syria.

EU leaders left Brussels yesterday with the future of a trade deal with Canada, which took seven years to negotiate and had the backing of all 28 national governments, uncertain. Parliamentarians in Belgium's French-speaking region of Wallonia are blocking the deal.

Canada's trade minister Chrystia Freeland walked out of a meeting with the regional MPs yesterday, declaring the deal dead.

Earlier, the Taoiseach said he does not believe that there are any impending state-aid cases against Ireland from the European Commission similar to that against Apple.

Tax arrangements

In an interview in *The Irish Times* yesterday, EU competition commissioner Margrethe Vestager said her department was assessing approximately 1,000 tax rulings from across the EU. She declined to rule out any further inquiries into the Republic's tax arrangements with companies and it is understood that the State provided details of up to 300 tax rulings it offered to companies.

Mr Kenny confirmed that the State provided details of all tax rulings between 2010 and 2012 but said the commission had opened a state-aid investigation in respect of only one case.

"No other state-aid cases have been opened against Ireland arising from the information submitted to the commission, nor have we any indication that there are any other cases under consideration," he said. "That is not to say that at some future point the commission might not wish to reverse that."

Source: The Irish Times

October 25, 2016

Brexit 'could increase smuggling along Irish border'

Former Taoiseach John Bruton has warned that Brexit could increase smuggling along the border in Ireland.

The ex-European Union ambassador to the US said he does not envisage passport checks on routes in and out of Northern Ireland once the UK completes the split.

But in response to a direct question at the House of Lords EU Select Committee on whether Brexit could be abused and become a smugglers' charter, Mr Bruton said: "Yes is the answer to that question too."

Mr Bruton joined former Taoiseach Bertie Ahern to set out their biggest concerns for the Irish and Northern Irish economies and communities post-Brexit.

A recent suggestion that Irish ports and airports would become proxy points of entry into the UK and a type of frontier for British immigration checks was dismissed out of hand by Mr Ahern.

"I quite frankly just found that unbelievable," he said.

"To put that suggestion forward is a total lack of understanding of how people think, north and south, of either tradition. It just would not happen."

The idea was floated in recent weeks with the UK's Northern Ireland Secretary James Brokenshire saying that governments in London and Dublin would work to strengthen the Republic's external borders after Brexit.

The opinions of the former Taoisigh were sought as part of the parliamentary committee's inquiry into the impact of Brexit on UK-Irish relations, the peace process, the return of a hard border and how the common travel area between Britain and Ireland could be affected.

Mr Ahern urged the government to appoint a dedicated minister to deal with Brexit.

The 310-mile border between both jurisdictions on the island of Ireland is set to become a frontier between the UK and the EU.

British Prime Minister Theresa May has said there should not be a hard border after Brexit, but Foreign Affairs Minister Charlie Flanagan has voiced scepticism over the reassurances.

It is estimated 40,000 people travel back and forth over the Irish border for work every day.

Mr Bruton and Mr Ahern raised concerns about the cost of increased trade tariffs for businesses on both sides of the Irish border with about £1.5 billion of goods going back and forth a year.

They also discussed the importance of the Good Friday Agreement which created the conditions for power sharing at Stormont.

"All of these uncertainties I'm not suggesting they lead to disorder or community troubles or anything like that, I just don't see that," Mr Ahern said.

"But it does lead to tensions within the Executive, the Assembly, north and south.

Mr Ahern added: "I think the Executive and the Assembly and generally the Irish Government and political system on the whole island of Ireland are just hoping. Nobody is happy. I don't know anybody really that is happy that the United Kingdom is pulling out of Europe. I can't think of one person.

"I think it's the uncertainty with the issues. I really can't see any violence or related problems."

Mr Bruton said it should not be forgotten that prison officer Adrian Ismay died after dissident republicans targeted him in a car bomb attack in Belfast in March this year.

"We shouldn't forget that that has happened, even this year. So we have to be very, very careful," he said.

Mr Bruton also said questions remained over whether disadvantaged communities in Northern Ireland could suffer from a fall in funding agreed with Europe under the peace process.

The committee was told there is confidence the common travel area between Ireland and Britain will survive Brexit.

But Mr Ahern said he had huge concerns about a border being created which would hit the free movement of people.

"I really think that us opening up a border, if we have customs and tariffs, bad enough, but if we start building it around people in any form you can see the difficulties and that would be a huge concern I'd have in what is a good peace process but how you could start undermining that," he said.

"You don't have to go too far back to know how customs posts were used in the 50s and 60s as targets."

The committee was told existing institutions such as the North South Ministerial Council, the British Irish Council or the British Irish Intergovernmental Conference should be tasked with trying to promote issuing affecting Ireland and Northern Ireland during Brexit negotiations.

It also heard cross border agreements on access to health and education and agreed cross border standards on veterinary issues, animal, plant and food standards would also have to be ironed out.

The hearing went ahead as the chairman of Tesco warned food prices are "very likely" to rise as a result of Brexit,

John Allan said the plunge in the value of sterling would have a knock-on impact on customers.

Asked about whether Brexit would increase the price of food, Mr Allan told BBC Radio Four's Today programme: "I think it's probable, it obviously depends on currency, where the pound settles. If it stays where it is, it is likely."

Mr Allan insisted he wanted to protect customers as much as possible after Tesco had a high-profile dispute with a supplier who tried to use the fall in the pound to increase prices.

Source: The Belfast Telegraph

October 27, 2016

First Minister brands all-Ireland Brexit forum a 'grandstanding exercise'

Stormont's First Minister has aimed a stinging broadside at the Irish government's all-Ireland Brexit forum, insisting she had better things to do than listen to a lot of "grandstanding remoaners".

Democratic Unionist leader Arlene Foster has already declined an invite to attend next week's "civic dialogue" event in Dublin, which has been organised by Taoiseach Enda Kenny to discuss the fall-out from the referendum result.

Explaining her reason for staying away, Mrs Foster, a Brexiteer, portrayed the gathering as little more than a talking shop for those who refuse to accept the UK is leaving the EU.

"It's a complete grandstanding exercise," she said.

"It will be full of people who quite frankly haven't accepted the referendum result going down to talk about how dreadful it is and how awful it is.

"Mark my words that's exactly what will happen at the grandstanding forum that will come about.

"I'm not going to be a part of that. I am in this to do real business and to have outcomes not to sit around talking about how dreadful it is."

Mr Kenny has said the event will facilitate an all-Ireland conversation among the business community, wider civic society and politicians.

Other unionist parties in Northern Ireland are also set to stay away from the day-long event in Dublin.

Asked whether it would not be valuable to put the argument for Brexit to forum delegates, Mrs Foster responded:

"To be a lone voice amongst a whole lot of remoaners? No thank you - I have better things to do with my time."

Mrs Foster, who will address her first DUP autumn conference as leader on Saturday, has insisted the current north-south political structures are the appropriate places to raise issues around Brexit.

On the wider issue, the First Minister said economic data indicated that "gloomy predictions" in the wake of June's vote had proved unfounded.

She acknowledged some people were unsettled by what the decision would mean for the border, but she insisted political leaders in London, Belfast and Dublin were committed to secure "maximum movement" for people, good and services post-Brexit.

"I accept the negotiations (with the EU) are going to be long, they are going to be complex, but what we need to communicate to people is that we will do what is best for Northern Ireland in all of those negotiations," she said.

Mrs Foster also rubbished the suggestion that the United Kingdom had been weakened by Brexit.

She highlighted Northern Ireland's link with Great Britain was more important, in trading terms, than relations with all of the European Union and branded moves for a second Scottish independence referendum as just "noise" that was unlikely to lead to an actual vote.

"So the Union (UK) is critical for us in Northern Ireland and we shouldn't away from that and as unionist I would never shy away from that," she said.

"But sometimes there is a lot of talk about how important the RoI market is and how important the EU market is - the most important market is the United Kingdom."

Source: The Belfast Telegraph

27 October, 2016

No breaks for the Border as SME owners are the first casualties of Brexit

DERRY-BASED Nuprint Technologies is located just under 5km from the Border with Co Donegal.

The design and print SME does about 40pc of its business cross-border and sources the bulk of its raw materials from within Europe.

For Gavin Killeen, the company's managing director, the dramatic weakening in sterling over the last year is part and parcel of running a business in a border region.

"It effects me in that the vast majority of my raw material is manufactured in Europe somewhere," he says.

"So whether I buy that in sterling or buy that in euro, that price has gone up, and it's gone up by about 10pc or 15pc in the last three months, which is a significant impact in that raw materials makes up a huge percentage of our business."

Nuprint provides packaging labels for the food and drink industry in Northern Ireland and the Republic, having initially been a supplier of printed fabric labels for the clothing industry.

The business initially gained approval from prominent companies like C&C and Diageo, supplying labels for big name brands like Guinness, Magners, Harp and Molson Coors.

And then Killeen and his team penetrated the market in the Republic, to ensure they were protected against the often volatile changes in the value of the currency.

So, while he's taken a hit on the cost of importing raw materials, he's had some reprieve via his sales into the Republic.

"That's an engineered place that we've tried to get to, so that the business doesn't get exposed to fluctuations in currency like that. We forward buy, we hold and we'll watch what the markets are doing. Living in a border region, we just have to do that," Killeen says.

It's a similar picture for the city's shops.

Currency movements are a significant headache, or windfall, for the local retailers.

"A lot of the retailers here rely on the Christmas trade, and this year, because the euro was €1.44 to the pound, many of the Donegal shoppers didn't come into the city, and, by February, three of the longest established retailers in the city closed their doors," Killeen, who is also the current Chamber President, says. "Between the three of them, they traded in the city for 270 years. So the city has had to live with the impact of currency.

"Every single trader in the city will have two tills - one with euro and one with sterling."

While the Brexit vote marks the latest bump in the currency road for border firms, the vote itself has potentially far reaching consequences that extend beyond the movements in sterling and euro.

Both the Irish and British governments have stressed that they want to ensure the free movement of people remains between north and south, although it hasn't been made clear yet just yet how this will happen.

In Westminster yesterday, Labour leader Jeremy Corbyn pushed Prime Minister Theresa May into clarifying whether border checks would be introduced between the Republic and Northern Ireland.

Ms May simply replied that a "considerable amount of work" was taking place between the two governments on the issue.

And she repeated the now oft-used phrase that "none of us want to see a return to the borders of the past".

Foreign Affairs Minister Charlie Flanagan has been at pains to make clear the Government here is acutely aware of the Border issue, and the concerns of Border communities. He was in Derry last week, visiting local manufacturing firm A&E Global and addressing the city's Chamber of Commerce. He was in Newry and Armagh yesterday meeting businesses and community groups.

Driving from Bridgend in Co Donegal to Derry, but for the change in speed limit signs from kilometres to miles, you'd barely notice you've crossed a border at all.

"The city of Derry is surrounded on three sides by the Republic of Ireland," Killeen says. "No further than two miles from the centre of the city, you're in Donegal. Derry's natural hinterland, 40pc of it is in Donegal.

"While the Border has been there, over the last 20 years, since the ceasefire, the city has now spread out into parts of Donegal. As the city has grown, people have moved out to live in Donegal and they commute into Derry and back and forth."

Drive into any of the car parks of businesses in the city, Killeen says, and you'll see just how prevalent the cross-border movements are.

"The cars are completely mixed, and the owners of those cars come from both sides of the Border. The people who are employed in the North, who live in the Republic, have had a 20pc cut in their wages since this happened. That's a serious impact on some of those families. The people coming the other way have had a 20pc increase."

Killeen believes the free movement issue will be resolved. But it's the potential for tariffs and customs controls that concerns him.

He believes the need to avoid smuggling could mean smaller border roads will be shut off, just like they were during the Troubles.

And that could impact on local firms.

"Some of my staff live in the Republic of Ireland. They travel across that border and we hope that their route to work wouldn't be impeded in any way," he says.

"I'm sure there's a way around with dealing with the movement of people, but if goods and services are moving across from one region to another, there would have to be some form of tariffs and customs duty.

"In order to stop those goods going down side roads and back roads, to stop black market, I would imagine that back roads and side roads would potentially have to be closed off the way they were when we had a security border."

Tariffs, he says, could significantly impact businesses in the area, particularly the agri-food sector.

"We could revert back to the World Trade Organisation tariffs, which are in general running at 6, 7pc on average, but for agri-food based products, they are considerably higher - 40pc for some dairy products."

Source: The Irish Independent

28 October, 2016

Tourism body raises alarm on Common Travel Area

That is according to the Irish Tourist Industry Confederation, which said yesterday that Brexit is the biggest challenge since the onset of the financial crash eight years ago for an industry that employs tens of thousands of people

Any outcome that leads to a hard Brexit when Britain completes its divorce talks with the EU in the coming years will have adverse effects on tourism across Ireland, North and South, ITIC said.

In a major research note, ITIC identified border concerns, aviation, and regulatory regimes and cross-border co-operation as the key issues facing Irish tourism post-Brexit.

ITIC chairman Paul Gallagher said that under no circumstances should Brexit lead to an end to the promotion and co-operation arrangements under which the Government sells the island of Ireland as a tourism destination abroad.

The current arrangements are working well but if London erects border controls then these should be on the British mainland and not on the island of Ireland, said ITIC.

The threat of a hard Brexit has loomed large since Prime Minister Theresa May told the Conservatives party conference last month that the UK would negotiate to secure control of migration when it triggers Article 50 in March.

That stance has raised the stakes for Irish industries such as tourism, which would be badly hit by the erection of new barriers.

The slump in sterling which has dropped to 89p against the euro from 76p on the eve of the June 23 referendum and from 70p late last year could reduce British tourist numbers next year, said Mr Gallagher.

A cheaper sterling could also affect the number of North American visitors to Ireland who may opt to stay longer in Britain to cash in on the currency savings.

Separately, he welcomed the announcement by the DAA of a tender to build a 400-bedroom hotel at Terminal 2, but said the Dublin region still faced a shortage of 5,000 rooms.

Source: The Irish Examiner