The Centre for Cross Border Studies

MEDIA WATCH

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Ireland must be given effective veto over final Brexit deal, warns MEP

THE EU should agree that no final Brexit settlement can be signed off if it's opposed by Ireland, Brian Hayes has warned.

Under the current rules the Brexit deal could be voted through by a qualified majority vote of the European Council - made up of heads of governments.

Unless that changes, Ireland could be "railroaded by other member states into something that is not on our national interests," said Mr Hayes.

The Fine Gael MEP said it would be a disaster for Ireland if a Brexit agreement was concluded over the heads of Irish opposition.

He said it's likely to be a decade before the Brexit process is finally concluded.

He was speaking at the British Irish Chamber of Commerce annual conference in Dublin.

Other speakers at the packed event at Dublin's Clayton Burlington Road Hotel included Health Minister Simon Harris, Deirdre Somers, CEO of the Irish Stock Exchange, Tony Hanway of Virgin Media, Ulster Bank chief economist Simon Barry and former Unilever CEO and patron of the British Irish Chamber of Commerce Niall FitzGerald.

Mr Harris said continuation of cross-Border healthcare arrangements were a priority for Ireland in the coming Brexit talks.

"Patients on the island of Ireland are benefiting from significant developments in cross-Border healthcare activity over the last decade.

"My department is fully playing its part in the interdepartmental group on Brexit with the priority of ensuring continuity of health services, both north and south, and, of course, between Ireland and the UK," he said.

Implications The implications of Brexit for financial services and the food sector were major themes at yesterday's all-day conference, but some of the biggest interest was in the outlook and implications for small and medium sized enterprises.

The focus of financial services was on whether London-based firms will relocate elsewhere in the EU as a result of Brexit, and how much of that investment will come here.

CBRE's Marie Hunt said that there was no question that Dublin has capacity, including office space, to absorb firms moving as a result of Brexit.

Brian Daly, a partner and global head of insurance tax at KPMG, said Irish authorities have taken the view that they are not closed to any business model looking to establish here.

However, he queried whether it might have been better to develop a Brexit approach targeting specific sectors He warned that some other cities out for Brexit investment were actively running down rivals.

London-based banking lawyer Barney Reynolds, a partner at Shearman & Sterling, warned that some EU members are touting for business on the basis of softer regulation.

"It’s very risky for them to do that, but they are doing that," he said.

The chair of UK-based investment firm Tilman Berwin, Angela Knight, said there was little scope for so-called regulatory arbitrage inside the EU, but that levels of supervision, and in cases of wrong doing, fines, do vary.

"The arbitrage is not so much the rules, as enforcement of the rules," she said.

Source: The Irish Independent

March 17, 2017

No-one wants border return

Eight months after the EU referendum and the British government is finally coming up with some thoughts on how it will manage the border with the Republic following full withdrawal from the European Union.

So far we have had little more than airy platitudes about not wanting a return to the hard borders of the past.

That has not taken us very far in determining what arrangements will be in place to control the movement of people and goods between the UK and its only land border with an EU state.

Needless to say, this continued uncertainty has created considerable anxiety, particularly in the border areas and the business community, in terms of what the future holds.

This week the Northern Ireland Hotels Federation warned that around 1,000 hospitality workers who cross the border every day to go to work would be affected by any controls that may be imposed.

Chief executive Janet Gault said reimposing controls would be a retrograde step.

Of course, no-one wants a return to border checkpoints and customs posts and all that that would entail.

But to date we have been given scant information about what is likely to happen in practical terms.

On Wednesday Tory Brexit secretary David Davis offered a bit more information to a Westminster scrutiny committee, telling them the British government would adopt technology to cover the movement of goods north and south.

He also admitted this scheme was "not going to be easy", in fact it would be expensive and require a lot of work.

Mr Davis added he was confident the UK, the Republic and the European Commission between them will be able to solve this issue.

From this testimony, it would seem we are inching towards a virtual border but we are a long way from knowing precisely what this will involve, what it will cost and how it will work on a day to day basis.

This issue also exposes the British government's complete lack of preparedness for a hard Brexit and the enormously complex matters that will need to be addressed.

It is expected that Therese May will trigger Article 50 within days, beginning a two-year process of negotiations to extract Britain from the EU.

The border between north and south is just one of the difficult problems that she has to resolve and there will be many more, not least the push for a second independence referendum in Scotland.

Taoiseach Enda Kenny has welcomed Mr Davis's assurance there will be no return to border posts but the wider public will suspend judgment until we see what measures will actually be put in place.

Source: The Irish News

March 21 2017

Why uncertain post-Brexit future awaits Northern Ireland's farmers

After 2020 farm incomes and food prices in the UK face major uncertainties. The expectation is that the UK Government will move from the EU system of single farm payments. In the post-Brexit environment, the UK ambition will be to create a less expensive form of farm income support.

The new post-Brexit situation for farming poses an immediate tension. The best answer for Britain may not apply equally for Northern Ireland.

Potential problems will emerge if, for example, cross-border trade in cattle, sheep and pigs, as well as milk, needs to be monitored to measure cross-border flows to minimise subsidy manipulation (even if no cross-border tariffs or taxes were introduced).

The ambition of Government ministers is that the border between north and south on this island should be frictionless and minimise formalities. That ambition will be constrained by the legalities of the trading arrangements between the EU (of 27 countries) and the UK. Those arrangements could only remain seamless if the UK negotiated to remain part of the EU Single Market and the Customs Union. The declared negotiating stance of the UK Government is that that is not expected.

In reverse, therefore, a formal border will exist and cross-border trade in farm produce and food would require some kind of documentation, even if minimised through the use of internet documents.

The significance of the emergence of a formal border becomes clearer depending on the structure of UK policies on importing food. Prior to joining the EU and signing up for what became the Common Agriculture Policy, the UK supported farming incomes by a combination of facilitating the import of cheaper food at then world prices alongside a system of deficiency payments direct to farmers to support farm incomes. Comparatively this was a less expensive system than the more comprehensive single farm payments (of the CAP) and pushed food prices down when there were competitive suppliers around the world.

For the totality of the UK market place, this was an attempt to deliver cheaper food to consumers alongside supporting farm incomes. In operation, the deficiency payments system was less generous to farming than the CAP.

The deficiency payments formula had a built-in bias for farming in Northern Ireland. Northern Ireland producers faced a more appealing set of market arrangements than those in the Republic. This was one of the influences in the discussions leading up to the Anglo-Irish Free Trade Agreement, just prior to EU entry.

Farming and food processing sectors are anxious that the post-Brexit changes affecting these sectors should be identified soon. Farm production plans will adjust to new circumstances but lack of certainty in the immediate future will deter investment in the interim.

The Scottish Government is asking questions about whether farming policies will be devolved from Westminster. London has avoided a clear answer, for the moment, but it seems likely that the UK Government will be reluctant to devolve farm policies affecting farm incomes. The logic of a no-devolution policy is that London will make the critical decisions on food import policies and the scale of Government spending to support farming.

Northern Ireland ministers (provided that Stormont ministers are eventually reappointed) will be anxious that a London perspective, trying to keep down the cost of farm support and opening the UK market to cheaper imports of temperate food products, may hit local farm activity disproportionately.

The UK market for imported food supplies is of major significance to the food processing sector in the Republic of Ireland. The threat of any restriction (or trade tariffs) on access to the UK market, particularly if they are a by-product of UK farm policy support, is one of the potentially most serious distorting effects of a 'no deal Brexit'. Ironically, post-Brexit the border on this island may open new incentives for cross-border smuggling. Back to the habits of the 1950s.

Source: Belfast Telegraph