



The Centre for
Cross Border Studies

MEDIA WATCH

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Savvy shoppers go North for drink, south for fuel

SHOPPERS have the most to gain by going North for alcohol, but staying south of the Border for diesel.

A study, carried out by the Revenue Commissioners in advance of Brexit, shows there are sizeable price differences between Northern Ireland and the Republic.

Brexit has put a fresh focus on the impact of cross-Border shopping, amid fluctuations in the value of the pound.

Finance Minister Michael Noonan said price comparisons are particularly significant for products that are subject to excise duty.

He said price levels are monitored on a regular basis and are "an important factor in determining budgetary policy every year".

Savings The latest survey by Revenue shows that the biggest price differences relate to alcohol spirits.

Officials found a bottle of whiskey costs €24.89 in the Republic versus €21.46 in the North, a difference of €3.43.

Similarly, a vodka bottle is €20 south of the Border versus €14.70 in the North.

A bottle of wine is €2.10 cheaper in the North at a price of €8.25, while a can of lager works out 34c cheaper in the North at €1.71.

Tobacco savings depend on what products you smoke, with a packet of 20 cigarettes being 11c cheaper in the Republic. Roll-your-own tobacco is €1.39 cheaper in Northern Ireland.

Significant price gaps exist for motorists too, with auto diesel 14c cheaper per litre in the Republic.

However, both home heating kerosene and diesel are more expensive south of the Border.

The survey was carried out late last year, but was updated in March to account for changes to exchange rates.

Factors In response to questions from Social Democrats TD Róisín Shortall, Mr Noonan said the price variances could be attributed to three factors: VAT and excise rates in both jurisdictions; exchange rates; and the pricing strategies of retailers.

"I and my officials will continue to monitor price levels in order to avoid the emergence of differentials that would give rise to cross-Border diversion of trade and consumer spending in excisable products," he said.

A separate report by Goodbody Stockbrokers last year showed a 9pc increase in cross-Border traffic flow since the Brexit result.

Source: The Irish Independent

April 25 2017

EU funds should continue to support peace building work, says Sinn Fein

European Union funds should continue to support peace building work in Northern Ireland post-Brexit, Sinn Fein has said.

The maintenance of funding streams that have paid for reconciliation initiatives throughout the peace process is a key plank of the republican party's vision of special designated EU status for the region in the wake of the UK's exit.

The party's Stormont leader Michelle O'Neill said the issue of whether Northern Ireland would make a financial contribution to EU institutions as part of any potential deal would have to be worked out in Brexit negotiations.

Sinn Fein has published a policy document outlining what special status might look like ahead of Saturday's special EU Council meeting in Brussels when the Union's negotiating position on Brexit will be agreed.

Mrs O'Neill said there was a willingness within the EU to continue to support peace projects in Northern Ireland going forward.

"Europe has very much been a friend of the north of Ireland, very much been a friend of Ireland," she said.

"If you look down through the peace process they have been very supportive in terms of peace funds and I think there is a recognition out there within Europe that they want to continue that support.

"What that looks like has all to be discussed as part of the negotiations but we will be arguing very strongly that we want to maintain that close friendship which we had."

Mrs O'Neill said that the EU negotiating position should include a declaration that Northern Ireland must retain special status.

"Brexit is bad for our economy, it undermines our peace process, and it denies the democratic wish of the people who voted to remain in the European Union (56% in Northern Ireland) and will create a hard border," she told an event in west Belfast.

As well as maintaining direct EU funding streams, Sinn Fein wants the region to continue to avail itself of financial support from the European Investment Bank.

Under the party's plan, Northern Ireland would also:

- :: Have laws that reflected the principles of the European Convention on Human Rights.
- :: Retain access to the single market and customs union, with full freedom of movement of goods, people and services.
- :: Be subject to EU employment rights and the jurisdiction of the European Court.
- :: Have a right to send Stormont ministers to certain Council of Ministers meetings.
- :: Retain a form of political representation in Brussels, with EU citizens living in the region having the right to vote in European elections.

Mrs O'Neill called on the Irish government to formally adopt the call for special status as its position entering negotiations.

"There is widespread support for such a position north and south and the Irish government should now adopt it as its formal negotiating position and use their strength in the forthcoming European negotiations to make it happen," she said.

Source: The Belfast Telegraph

April 26, 2017

Ireland imports 90pc of its oil and gas from UK - so energy must be near top of list of Bregy Brexit priorities

AFTER nine months of preparation, speculation and debate, the phoney war between the UK and the EU has ended as Theresa May has pulled the trigger on Article 50. Now the real fun will begin.

Every sector and industry in every EU country has already spent months evaluating the consequences of Brexit - the energy sector in Ireland is no different.

In fact, it is doubtful that there is a more interdependent sector between any two countries in the EU.

Ireland imports 90pc of its oil products and 93pc of its gas from the UK, and since 2007 the island of Ireland has operated as a Single Electricity Market (SEM) providing the least-cost source of electricity to the benefit of all consumers on the island of Ireland.

Work is also well under way to develop this market further into the Integrated Single Electricity Market (I-SEM) which is intended to allow for more efficient trading with EU member states.

The island of Ireland is connected to Britain through two electricity interconnectors and three gas interconnectors, while planning has already been approved in Ireland for the much-anticipated north-south interconnector which will advance the connectivity of the electricity grids in Ireland and Northern Ireland.

This level of integration within the sector improves our security of supply and reduces energy prices for consumers. Therefore, it is of utmost strategic importance to Ireland, both the North and south, that the outcome of the Brexit negotiations takes into account the inter-linkage of the two energy markets.

Having canvassed our members on their concerns for the energy sector arising from Brexit, a continuing theme comes through all our conversations - that is the importance that current structures (including I-SEM) remain as is, and that key principles be made clear to ensure that the UK-Ireland energy sector remains unduly impacted by Brexit.

The alternative is that additional and unnecessary costs will be imposed on energy users to the disadvantage of both economies.

In addition, without further clarity and a reaffirming of existing policy, it is likely that Brexit will have an impact on energy investment both in Britain and Ireland. At the heart of this lack of clarity is the question as to whether the UK will remain a member of the Internal Energy Market (IEM).

The British Irish Chamber of Commerce Energy and Environment Committee, of which I am chair, represents energy users, consumers and producers in both Ireland and the UK and has identified the following positions that should be maintained post-Brexit to protect the UK Ireland energy sector.

Firstly, Northern Ireland should be encouraged and supported to continue to seek the introduction of I-SEM. This should be done regardless of the outcome of Brexit negotiations. One should remember that the Single Electricity Market (SEM) was established not by the EU but by a bilateral agreement between the UK and Irish governments.

Secondly, there should be no let-up in the development of future interconnectors. The Celtic interconnector between Ireland and France will provide access to the Continental European electricity market, while the north-south interconnector will support the security of supply to Northern Ireland.

Finally, we would advocate strongly that the UK should remain within the regulatory framework of the IEM.

There is a mutual advantage for the UK, Ireland and EU to maintain a consistent, coherent and coordinated regulatory framework. Therefore, a divergence of regulations should be avoided.

HOWEVER, in the event that the Brexit negotiations lead to an unsatisfactory outcome, it is important that Ireland positions itself in such a way that the Irish energy sector is not unduly disadvantaged.

Ireland will be isolated as an island on the periphery of Europe and as the only EU country to share a land border with the UK - a unique position requires a unique status within the EU.

Accordingly, Ireland, alongside other remote EU island member states such as Malta, should receive an 'Energy Island' designation. Such a status would be an acknowledgement of the difficulties Ireland would have in adhering to EU regulations and this would allow the EU to provide flexibility and supports to ensure such designated countries are compliant.

In the event that the UK government chooses to subsidise its energy sector post-Brexit, this would put energy consumers in Ireland at a distinct comparative disadvantage.

In those circumstances, the Irish Government should consider providing aid to energy-intensive industries if exposed to high energy costs. This is allowed under EU environmental and energy aid guidelines.

It should also be given priority access to EU funding to ensure it can withstand the economic hardships that a 'hard' Brexit may bring.

Although other EU countries have developed strong ties within their energy sectors, no other country has the reliance that Ireland has with the UK. Any outcome that jeopardises the current arrangements will be to the detriment of consumers, our security of supply and both islands' economies.

Energy needs to move up on the Government's list of priorities.

Mark Varian is chairman of the Energy and Environment Committee of the British Irish Chamber of Commerce and head of the projects and construction group in the Dublin office of international law firm Eversheds Sutherland

Source: The Irish Independent

April 28, 2017

Business - Lack of an executive putting investment at risk warns CBI

Each day without a devolved government in place is putting investment at risk, the CBI's Northern Ireland director has claimed.

Addressing the annual regional dinner in Belfast's Waterfront Hall Angela McGowan said that having an executive back up and running before the end of June was "critical" for local firms, economic policy and job creation.

"Each day without a devolved government is a lost opportunity to make progress on the key economic issues that shape the Northern Ireland business landscape," she told the 600 strong sold-out audience.

"A political vacuum comes with a very high economic price tag - it hinders business, it puts investment at risk, deters FDI and it dramatically reduces our ability to deliver those job creation promises in the Programme for Government."

Ms McGowan further stressed the importance that Northern Ireland's special circumstances are "heard and understood" in the Brexit negotiations and highlighted priorities for the local business community in the short term.

"Business wants to see immediate progress on delivering a lower corporation tax rate, the construction of the second north/south interconnector, a step change of investment in transport infrastructure and a renewed focus on education reform to ensure no young person is left behind in an increasingly digitalised economy," she said.

CBI regional chair David Gavaghan said more Northern Ireland businesses are now demonstrating global ambition and highlighted the "abundance of talent" in the region, which must be supported.

"Government and business must work together to harness that talent and infuse it with the necessary ambition to facilitate the emergence of a new generation of Northern Irish global leaders," he said.

Adrian Doran, head of corporate banking at Barclays Bank (the event sponsors) said SMEs were the "backbone" of the local economy and needed "continued support" to thrive and grow.

Following dinner the CBI hosted a panel debate with senior elected officials from the five leading regional political parties.

Responding to questions from businesses and asked to outline their party's economic ambitions for Northern Ireland were Steve Aiken (UUP), Mark Durkan (SDLP), Stephen Farry (Alliance), Mairtin O Muilleoir (Sinn Fein) and Gavin Robinson (DUP).

Source: The Irish News