



The Centre for  
Cross Border Studies

# MEDIA WATCH

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## Irish border must be Brexit-ready now says customs expert

THERE will be severe consequences if a customs and border solution for Ireland is not designed and developed now to be ready for Brexit, according to a report by a former head of Swedish Customs.

In a detailed study, Lars Karlsson argues that with the UK outside of the customs union and single market, a customs and border solution will be required for March 2019, regardless of any political solution or the outcome of the negotiations.

The Border has emerged as the most contentious issue in the Brexit talks with just weeks to go until a crucial December summit of EU leaders during which it will be decided whether sufficient progress has been made to allow the Brexit talks move on to the next phase.

So far, the Government here has said more clarity is needed from the UK on how a frictionless border without controls or customs can operate.

All the while, businesses and exporters selling their goods into the UK are plagued by uncertainty.

Maintaining as smooth a border as possible is necessary, given the costs and the integrated supply chains, the former director of Swedish Customs adds.

For example, in the course of production of Guinness, 13,000 border crossings between north and south are made each year, the report states. Bombardier, one of Northern Ireland's biggest employers, engages more than 60 suppliers in Ireland.

But he argues there will have to be some form of Border - a claim backed up by Sweden's Europe Minister Ann Linde who told Sky News that it was not possible to have frictionless trade outside of the single market and customs union.

Documentation and compliance requirements at a border can increase transaction costs by 2pc-24pc, Mr Karlsson says, and the total cost of obtaining a certificate of origin could be more than €450 per consignment.

Border controls can add 30-60 minutes to the border crossing time of a truck and 10-20 minutes for a car, he argues.

"The introduction of border controls along the Border will impact a large number of companies that have never previously made an export and/or import declaration. There are a number of studies that point to the time and cost impacts of border controls and compliance requirements, for example the need to obtain a certificate of origin for exporters," the report notes.

The study, prepared for the European Parliament's policy office, suggests the only way to minimise disruption as a result of a border is through the use of technology - even though this has been expressly rejected by the Government - securing a bilateral agreement with the UK on customs co-operation, and the use of mobile technology and patrols.

"Regardless of any form of agreement reached by the UK and the EU, the UK and Ireland, as the only European Single Market land border with the UK, will need to put in place some form of border and customs compliance procedures," the report notes.

The study points to the Swedish/Norwegian border, and describes it as "the most advanced customs solutions in the world".

In that case regulations allow for a 15km control zone on either side of the border where customs controls can take place, by either state on either state's territory.

There are, however, 14 customs border posts, despite heavy investment in technology.

"A small percentage of goods are selected for documentary control or physical control by customs.

"The approach to controls taken by Swedish and Norwegian customs is heavily risk-based, relying on risk-management technology to identify those vehicles to undergo documentary or physical checks."

The report states that elements of this, tuned to meet the requirements of the Irish border, can be rolled out.

The report states that domestic and cross border coordinated border management as well as trusted trader and trusted traveller programmes can significantly reduce compliance requirements and make borders "almost friction free".

The document states that there needs to be a greater use of so-called Authorised Economic Operators (AEOs). In those cases, checks are carried out in the facilities owned by those operators by customs officials, rather than at a border or port.

The UK currently has 604 AEO companies, while Ireland has just 139. By comparison, Germany has 6,000, France 1,453 and Italy 1,238.

"Customs and other border control practices that keep the border open, such as release before clearance, deferred duty payments and clearance away from the border, also help keep the border free of traffic and speed up or even remove the need for processing," the report adds.

"Technologies such as automatic number plate recognition, enhanced drivers' licences, barcode scanning and the use of smartphone apps can also have a significant impact by reducing paperwork and allowing pre- or on-arrival release, which can reduce or even eliminate the need to stop or undergo checks."

The report states that at both the Norway-Sweden and the Canada-US frontiers, "low friction" borders have been created through a focus on sharing of both data and facilities, the creation of electronic environments for trade and travel and the use of modern technologies.

Of course, the Government has stressed that it will not accept a situation where what has been detailed in the report would occur.

Both Taoiseach Leo Varadkar and Foreign Affairs Minister Simon Coveney have said they want either the UK to remain in some form of customs union with the EU, or ensure there is no regulator divergence between Northern Ireland and the Republic.

The clock is ticking though and there appears to be little in the way of progress towards achieving that.

The coming weeks will be crucial.

**Source: The Irish Independent**

**26 November 2017**

## **N Ireland border issue can't be resolved before Brexit trade talks - Liam Fox**

Resolving the issue of Northern Ireland's border after leaving the European Union cannot be completed until talks on a trade deal with Brussels have concluded, Liam Fox has said.

The International Trade Secretary said a final position could not be reached until it was known what the "end state" of the UK-EU relationship after Brexit would be.

His comments came as Dublin put fresh pressure on the Government to accept a solution which would see either the whole of the UK or just Northern Ireland remain in the single market and customs union.

Rejecting the proposal, Dr Fox said: "We don't want there to be a hard border but the UK is going to be leaving the customs union and the single market"

He told Sky News's Sunday with Niall Paterson: "We have always had exceptions for Ireland - whether it's in our voting rights, our rights of residence in the UK, we have always accepted a certain

asymmetry and that will have to be part of whatever agreement we come to with the European Union but we can't come to a final answer to the Irish question until we get an idea of the end state.

"And until we get into discussions with the EU on the end state that will be very difficult, so the quicker that we can do that the better and we are still in a position where the EU doesn't want to do that."

He blamed the European Commission's "obsession" with forging a closer union for the delays in the Brexit talks, which the UK hopes will move on to discussing trade after a meeting of EU leaders on December 14-15.

"I think the European Union countries need to consider the welfare and the economic prosperity of their people as opposed to the obsession of the commission about the concept of ever closer union." he said.

Irish MEP Mairead McGuinness, a member of Taoiseach Leo Varadkar's Fine Gael party, told BBC's Sunday Politics she was "troubled" by Dr Fox's comments.

"I hope that the UK is not holding the Irish situation to ransom in these negotiations, it is far too serious and far too critical," she said.

Ms McGuinness said if Theresa May wants the situation to remain the same post-Brexit "t he only way to achieve that is to stay in the customs union and single market, that is the solution".

The Prime Minister's DUP allies have warned they will not tolerate any attempt to put barriers between Northern Ireland and the rest of the UK after Brexit.

Mrs May has been given until December 4 to come up with further proposals on issues including the border, the Brexit divorce bill and citizens' rights if European leaders are to give the green light to moving on to the next phase of negotiations covering the future relationship between the UK and Brussels.

Ireland's European Commission member Phil Hogan said it was a "very simple fact" that "if the UK or Northern Ireland remained in the EU customs union, or better still the single market, there would be no border issue".

In a swipe at the Government's approach to Brexit, he told the Observer: "I continue to be amazed at the blind faith that some in London place in theoretical future free trade agreements.

"First, the best possible FTA with the EU will fall far short of being in the single market. This fact is simply not understood in the UK.

"Most real costs to cross-border business today are not tariffs - they are about standards, about customs procedures, about red tape.

"These are solved in the single market, but not in an FTA."

Any arrangement which appeared to give Northern Ireland a separate status would be strongly resisted by the DUP, whose 10 MPs are effectively keeping Mrs May in Downing Street after she lost her majority in the general election.

DUP leader Arlene Foster told her party conference on Saturday: "We will not support any arrangements that create barriers to trade between Northern Ireland and the rest of the United Kingdom or any suggestion that Northern Ireland, unlike the rest of the UK, will have to mirror European regulations."

Speaking on ITV's Peston on Sunday, shadow chancellor John McDonnell said he was worried about Dr Fox's comments and said the option of remaining in the customs union and single market should remain on the table.

"I think the one thing that we don't want to do is jeopardise any movement quickly, because we need movement to enable us to get into the proper trade negotiations.

"So I'm hoping that isn't a Downing Street sanctioned statement that's he's made."

Mr McDonnell said it was important not to lose any of the gains from the peace process in Ireland during Brexit talks.

"So yes, we've said all the way along now that customs union, single market, all these options have got to be on the table now as part of the negotiations, and then through those negotiations see what security that people feel that we can give as a result of that," he said.

Scottish Tory leader Ruth Davidson said that unless progress on to the next phase is made in December "we are rapidly going to run out of time" for a transitional deal to be put in place.

"I don't think it means that the world has ended but I do think it's a setback," she said.

**Source: The Belfast Telegraph**

**27 November 2017**

## **North-South Council 'should manage Border after Brexit'**

THE current North-South Ministerial Council (NSMC) should have its powers increased to manage all Border issues - including trade - in the wake of Brexit.

This is the key recommendation by experts in a new report to the European Parliament.

The NSMC was set up under the 1998 Good Friday Agreement to promote cross-Border co-operation in six areas - but has very limited powers.

The NSMC has six implementation bodies that ensure a common approach in various areas of co-operation. But observers say the structure has not been used to its full potential, having a broad mandate but not the powers to develop real North-South co-operation.

Dublin Fine Gael MEP Brian Hayes has welcomed the move by the European Parliament's constitutional affairs committee. He said it was logical that the NSMC should be beefed up and put to work on a vital issue for all the island of Ireland.

"The Irish Border remains a sticking point in the Brexit negotiations. Real and tangible solutions need to be found to ensure that we get firm commitments on protecting the Good Friday Agreement and making sure there is no hard Border," Mr Hayes said.

"Giving the NSMC more power is entirely sensible. Mutual co-operation already exists in areas such as energy, health and education. But there has never been a need to have strict regulatory oversight of all-island co-operation."

**Source: The Irish Independent**