OUR MISSION IS TO PROMOTE THE CONDITIONS IN WHICH BUSINESSES OF ALL SIZES AND SECTORS IN THE UK CAN COMPETE AND PROSPER FOR THE BENEFIT OF ALL
EU referendum – the key issue for business
- the Economic Reform Agenda

Touch on this morning
- The broader benefits, and specifically for NI
- The need for reform
- The Tusk proposals – await outcome of Council meeting today
- The alternative arrangements
- What may happen in the case of Brexit?
Member views of the benefits of continued membership

1. A single market of over **500 million** customers, **8 times** the number in the UK & Ireland

2. Common rules make it **easier** to do business across Europe, particularly for **SMEs**

3. The **size** of the single market attracts international **investment** – to the UK & N Ireland

4. Increases **access** to the people with the right **skills** boosting economic growth

5. The **size** of the single market helps open third country markets for **trade**.

6. Major consultation with members in 2013 – c **80%** of CBI members wished to stay in a reformed EU
Overall benefits of the EU for business

Benefits for Northern Ireland

1. Some 57% of NI’s exports go into EU markets, against 45% for the UK as a whole.

2. Ireland is our largest export market - a return to border/customs controls would be harmful.

3. Our very large agri-food sector dependent on EU support and access to the EU market.

4. The aerospace sector believe access to EU research funding and pan-European supply chains is critical.

5. Members depend on free movement of labour across the island of Ireland.

6. Northern Ireland will rely on FDI to drive economic growth.
CBI members want a reformed EU – we need the EU to be successful and competitive

1. Improvements to the single market – especially for digital businesses and the services industry

2. More outward looking and seek to secure more trade deals

3. Simplified EU rules and further spending on innovation and infrastructure

4. Non-Eurozone countries need safeguards
On 2\textsuperscript{nd} February, European Council President Donald Tusk circulated a draft text outlining the state of play on reform negotiation with the UK Government. The CBI believes this is an important milestone on the way to a deal that could deliver positive changes to the EU, to benefit not just the UK but the whole of Europe.

The draft deal outlines progress on each of the four areas of reform presented by David Cameron:

- **Economic governance** - to establish principles safeguarding the rights and competences of non-Eurozone Member States;
- **Competitiveness** - to increase efforts to enhance competitiveness, regularly assess progress of better regulation, establish an annual target to reduce administrative burden;
- **Sovereignty** - the recognition that the UK is not committed to further political integration, to reinforce the respect of subsidiarity, a ‘red card’ for national parliaments to block EU rules;
- **Social benefits and free movement** - to create a tapered safeguard mechanism on in work benefits and the indexation of the export of child benefits, and to respond to exceptional inflow of EU workers.
Alternative arrangements to the EU

What are the alternatives?

1. World Trade Organisation - 90% of UK exports to the EU by value would face tariffs.

2. The Norway example - 10th highest per capita contributor to the EU between 2009 and 2014

3. The Swiss option - complex series of 17 treaties in place and over 120 bilateral agreements – took 9 years to negotiate and implement
What would happen in the case of ‘Brexit’?

If we leave - the key questions that need answered

1. How would we secure the same **benefits** we currently get from the EU?

2. How could we be confident we can secure a **good deal** from the EU post Brexit?

3. How could we mitigate the post Brexit **policy uncertainty** – stalling business investment for years
Conclusion

Uncertainties abound for NI business

1. What impact on our ability to attract FDI? Access to markets is No 1 criteria in investment decisions

2. What impact on our large agri-food sector?

3. What impact on our trade and business development?

4. What impact on labour mobility across the island of Ireland, and with the rest of the EU?

We need informed research to contribute to an informed debate!

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