



The Centre for  
Cross Border Studies

# MEDIA WATCH

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**8 June 2018 – 15 June 2018**

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## What Government means by its 'backstop' arrangements

A GOVERNMENT position paper has said that temporary "backstop" arrangements to prevent a hard border between Northern Ireland and the Republic should not continue beyond December 2021. Here are some key questions answered.

WHAT is the backstop? QA Downing Street is planning to prevent a hard frontier at the UK's only land border with an EU state after Brexit if no preferred trade agreement is reached on withdrawal. Ensuring frictionless passage of goods and services across the border is one of the most vexed issues for negotiators and the backstop is the Government's option of last resort if current talks fail.

Maintaining customs harmony would make border checks less likely or unnecessary but keeping common food or other regulatory standards covered by the EU single market for goods and services could pose other challenges.

What is the Government's latest position? QA The UK said a backstop customs arrangement would be temporary and only in place until a future deal is introduced. It expects a permanent future arrangement by the end of December 2021 at the latest.

WHAT would it mean? QA Elimination of tariffs, quotas and customs processes on all UK-EU trade. Applying the EU's common external tariff at the UK's border.

The UK would be able to negotiate, sign and ratify free trade agreements with other countries and implement those elements that do not affect the functioning of the backstop.

When would the backstop be introduced? QA After Brexit implementation period, in "specific and narrow" circumstances, such as delay in implementing a permanent customs arrangement, and it would be time-limited.

The transitional period will last from Brexit day on March 29, 2019 to December 31, 2020.

What does this mean for trade? QA Common Irish cross-border processes and procedures for VAT and excise, some administrative cooperation and information exchange between enforcement agencies. Applying preferential tariff rates for trade with the rest of the world as set out in the EU's existing agreements.

Participating in any new EU free trade agreements that come into force during the period of the backstop.

Q Why is Brexit such a difficult political issue for the Government? A The Cabinet is split over how to manage customs arrangements with the entire bloc, including the Republic of Ireland, long term. The Prime Minister has established two groups of ministers to try to reconcile their differences.

What options are on the table? QA Brexiteers like Boris Johnson oppose a "customs partnership" with the EU, whereby the UK would collect tariffs set by the EU customs union on goods entering the country on behalf of the bloc.

The other possibility is maximum facilitation and, rather than scrapping customs checks, it would use technology to minimise the need for them.

Brexit Secretary David Davis has talked of trusted trader arrangements, which could allow companies to pay duties in bulk every few months rather than every time their goods cross a border, and automated number plate recognition.

**Source: Belfast Telegraph**

**11 June 2018**

## Irish food and drink companies concerned about impact of Brexit

Food Drink Ireland (FDI), the Ibec group that represents the food and drink sector, today published its quarterly Business Monitor which includes an analysis of food and drink responses to a recent Ibec Brexit survey of businesses across Ireland. The survey showed that 59% of food and drink companies had a hedging or pricing arrangement in place (an increase from 51.5% in summer 2016 when the previous Ibec Brexit survey was published) compared with 35% of businesses generally.

From an export perspective, 50% of food and drink companies said Brexit would have a negative impact on the value of export sales (an increase from 42% in summer 2016) compared with 28% of businesses generally. The deeply integrated nature of food and drink supply chains across the island of Ireland were reflected in responses to a question on the impact of Brexit on the island of Ireland. 89% expressed concern about increased custom and certification procedures (60% for all businesses) and 72% highlighted the risk to all-island supply chains, including rules of origin (43% for all businesses)

Companies are also looking at skills needs and potential shortages after Brexit. Customs procedures is seen by 66% of companies as the area where the greatest skills shortages are likely to occur. Training existing staff supplemented by recruitment within Ireland is seen as the primary remedy. Logistics, distribution and supply chain management skills are the next most frequently cited areas

where skills shortages are anticipated. Commenting on the survey, FDI Director, Paul Kelly said, "Food and drink companies are actively engaged in Brexit planning. With 35% of food and drink exports going to the UK and further 33% destined for the rest of the EU mainly via the UK land-bridge, it is clear they are more worried than other business sectors even though they are better prepared. Government must implement policies to help mitigate the risks facing the sector by addressing cost competitiveness in the economy and helping companies innovate and improve productivity."

He added, "FDI continues to call for Brexit policy measures to support and protect Ireland's most important indigenous sector including a transition period of sufficient duration; an ambitious EU-UK future trade agreement that avoids tariffs, TRQs and regulatory divergence and no hard border with Northern Ireland. There is also a compelling case for exceptional state aid support to minimise the economic fallout arising from Brexit."

**Source: Business World**