Note on 13th ENTERPRISE FORUM ON BREXIT AND GLOBAL CHALLENGES

Monday 10 February 2020

Attendees:

Dr Orlaigh Quinn	Secretary General – Dept of Business, Enterprise & Innovation
Jonathan Mc Millan	Enterprise Ireland
Aisling Carney	American Chamber of Commerce
Simon McKeever	Irish Exporters Association
Oliver O'Connor	Irish Pharmaceutical Healthcare Association
Pat Ivory	Ibec
Kathryn O'Donovan	Ibec
Cormac Healy	Meat Industry Ireland
Aisling Mc Niffe	Financial Services Ireland
Arnold Dillon	Retail Ireland
Tara Buckley	RGDATA
Ian Talbot	Chambers Ireland
Philip Kelly	DBEI
Declan Hughes	DBEI
Anne Coleman Dunne	DBEI
John Hughes	DBEI
Derval Monaghan	DBEI
Paul Mc Mahon	DBEI
Caroline Savage	DBEI
Karl Finnegan	DBEI

Item 1: Minutes from 12th meeting

- The Secretary General welcomed all attendees & the minutes from meeting 12 were approved.

Item 2: Free Trade Agreements – Essential Features

- Karl Finnegan from the DBEI Trade Policy Unit made a presentation on the essential features of a free trade agreement.
- The aim of an FTA is to have a more advanced level of engagement and trade than WTO terms.
- It normally takes 4-5 years to negotiate an FTA, the agreement with Japan took 4.5 years.
- MFN (Most Favoured Nation) – you must provide the same trading advantages to all WTO members.
- 95%-97% of tariff lines eliminated by market access, will not have 100% due to sensitive goods, e.g., agri.
- Technical Barriers to trade (TBT) – aim to advance and minimise undue certification, i.e., not requiring double testing.
- Trade facilitation – minimising procedures and delays using technology to speed up processes, aid transit, etc.
- Other areas of FTAs include investment, cross border trade of services mobility (Mode 4), mutual recognition of qualifications and intellectual property.

Item 3: Overview of 2020 Report on Economic Impacts for Ireland from the Potential Future EU/UK Trading Relationship

- Philip Kelly, Assistant Secretary, provided an overview of the main findings from the recently published Copenhagen Economics report, which examines the likely impact on the Irish economy based of a future EU-UK trading relationship, using the provisions of the Revised Political Declaration. It builds on our previous Brexit work with Copenhagen Economics from 2018.

- Brexit will still be negative, but the report quantifies it. A FTA will mean GDP will be 3.2% – 3.9% lower in 2030 than it would have been without Brexit, as opposed to 7% in a crash-out, WTO scenario.
- No FTA will ever equal being in the EEA, paperwork will still need to be completed, even in a scenario of zero tariffs/zero quotas and SPS checks will need to take place.
- The negative impact of Brexit on our GDP could potentially be mitigated if we exploited existing FTAs.

Item 4: State of Play of EU/UK Negotiations on the Future Trading Relationship with the UK

- Anne Coleman Dunne from the DBEI Brexit Unit provided an update on the next phase of negotiations, including the recent technical seminars and the Protocol between Ireland and Northern Ireland.
- The next phase of negotiations will determine the future economic partnership with the UK: 10 workstreams in parallel with priority given to certain areas e.g., level playing field (LPF) and fisheries.
- The negotiations themselves for each workstream will have a four-week cycle – a week of consultation; a week of negotiations; a week of feedback to EP committees; and a week of preparation for the next round.
- Access to the EU market will be very different from the scenario where the UK was a member and, therefore, trading will be different. The level of difference is dependent on alignment. If the UK want zero tariffs/zero quotas, then there has to be a level playing field (LPF) and to ensure fair and open competition.
- The mandate was published on 3 February with a view to it being adopted by 25 February. Negotiations will take place between March to October, with a stocktaking meeting in June to consider progress.
- The current view is that the UK will not seek an extension to the transition period.
- The workstream on the Protocol on Ireland/Northern Ireland is beginning, with Commission officials meeting Irish officials this week.
- Businesses and business representative groups need to consider what work needs to be done during the transition period and to get this messaging out to their members.
- The Secretary General invited members to provide their views which included the following:
    - There is concern regarding the timeframe to conclude an agreement and the level of ambition and scope of an agreement.
    - Regulatory divergence is a key concern as there will be issues, with mutual recognition dependent on what is reciprocated.
    - Awareness levels need to increase to ensure businesses are prepared for the changes, there will be an inescapable difference from 1 January 2021, in particular in the customs area. A refocus in this area is necessary. This needs to include classroom-based instruction as well as a possible online refresher tool for those having already completed customs courses.
    - Level of interconnectedness is something we have to calibrate, i.e., nothing is agreed until everything is agreed.
    - It was noted that Business Europe issued a paper on 6 February on the future EU-UK relations.
    - Concern remains around blockages and possible delays at Dublin Port and the time available should be used to put the necessary capacity in place as well as using other port facilities, e.g., Cork.
    - A current shortage of refrigerated containers was raised as a potential issue.
    - Questions regarding the Protocol implementation and its implications were raised. We are at the beginning of the discussions so there is much to be worked through with the Joint Committee whose work will commence shortly.

Item 6: AOB

- No items were raised under Any Other Business.