

**British Irish Chamber of Commerce Submission to the Joint
Committee on Business, Enterprise and Innovation**

on

‘Brexit Preparedness’



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The [British Irish Chamber of Commerce](#) (the Chamber), the only organisation representing business activities with interests across the two islands of Great Britain and Ireland, welcomes the opportunity to make a submission to the Joint Committee on Business, Enterprise and Innovation on Brexit preparations. As we have acknowledged previously, it is to the Irish Government's credit that it has been planning for various Brexit scenarios since before the outcome of the referendum in June 2016. The Chamber has contributed to the all-island plenary dialogues and the various sectoral dialogues that government departments have organised with key stakeholders from the respective sectors. The Chamber also welcomes the on-going updates we receive as a participant of the Tánaiste's Brexit Stakeholder Engagement Forum.

Over the past three years, with broad engagement across all major facets of the UK and Irish economy, the Chamber has been committed to a proactive and constructive approach to Brexit. To that end, we have continually put forward clear, nuanced and evidence-based trade proposals in the aim of breaking the current deadlock and moving the discussion on to the (equally important) long-term future relationship.

The Chamber has published numerous [policy papers](#)¹, as well as a Brexit Toolkit to support our members. This year with the support of Ulster Bank, we embarked on a national road show entitled "Business Beyond Brexit" where the Chamber put forward experts coupled with case studies to illustrate how Irish companies should now prepare to do business with their UK clients or suppliers post-Brexit.

This series is in addition to the on-going work the Chamber has been doing on behalf of our members to ensure that they are appropriately prepared for every Brexit contingency and that their concerns are factored into policy decisions in Dublin, London and Brussels. Some of these activities include:

- Hosting a UK-Ireland 'Port and Transit Forum 2019',
- Producing an expert policy discussion on the future UK-Ireland trade in services,
- Holding a roundtable on the future of the I-SEM and the IEM Post-Brexit,
- Leading UK-Ireland trade missions,
- Delivering an Expert Policy Series across Agriculture, ICT, Infrastructure and Higher Education,
- Meeting dozens of Irish and UK Ministers and Parliamentarians,
- Convening a UK -Ireland Higher Education, Research and Industry Conference.

¹ <http://www.britishirishchamber.com/brexit-publications/>

It is these events and policy outputs that ensures the Chamber's advice and input is sought by stakeholders in relation to Brexit every single day, both in the UK and Ireland.

The recommendations contained within this submission are the culmination of these meetings and interactions, supplemented with expert analysis from the Chamber's policy team. Given the broad nature of the Chamber's membership across both islands, this submission reflects the general points made by the wider membership and is not specific to every individual member.

How are our members preparing for Brexit?

Regardless of the outcome of the Brexit negotiations, the UK will remain an essential trading partner for our Irish members and vice versa for the Chamber's UK members. From our interactions with our members we can inform the Committee that the vast majority are taking key steps in preparing for Brexit. Initiatives include:

- ✓ Active participation in the Chamber's Brexit Committee,
- ✓ Active participation in the Chamber's Sectoral Policy Committee(s),
- ✓ Attendance at Chamber's Brexit Seminars,
- ✓ Attendance at Preparing for Brexit events hosted by Bord Bia, Revenue, Enterprise Ireland and other state agencies,
- ✓ Establishment of a Brexit team or Point of Contact,
- ✓ Development of a Brexit plan including a "no deal" contingency,
- ✓ Reviewing their Supply Chains,
- ✓ Calculating their tariff obligations,
- ✓ Implementing a currency strategy,
- ✓ Applying for an EORI number,
- ✓ On-going communications with their customers,
- ✓ Obtaining Authorised Economic Operators (AEO) Status where appropriate.

The Chamber communicates with our members on a weekly basis offering them expert analysis on Brexit developments through our 'Brexit Views' commentary. In addition to our 'Brexit Toolkit', we also provide members with an updated inventory of Brexit supports available in Ireland and the UK and inform them of all Brexit preparedness events taking place throughout Ireland.

We are working with the British Embassy and the UK Government's Department for Business, Energy and Industrial Strategy (BEIS) to promote UK Government events and supports that are available to our members across both islands.

The Chamber's Brexit Committee meets regularly to discuss the latest developments on Brexit and to guide the Chamber's response to unfolding events. These meetings also provide a platform to inform our members of the latest supports and measures that are being taken at governmental/EU Commission level on Brexit.

Feedback on State Supports

The Chamber recognises the extensive work of state agencies in preparing Irish businesses for Brexit. The Parliamentary Budget Office (PBO) estimates that Brexit related expenditure increased by between €92m and €171m in Budget 2019. In particular, the Chamber welcomes the increased funding for the Department of Agriculture, Food and the Marine, the Department of Business, Enterprise and Innovation and the Revenue Commissioners.

In relation to state supports that have been put in place to support businesses responding to Brexit, the feedback we have received from our members is that while they are a step in the right direction, they are overly bureaucratic and not worth applying for. Regarding the 'Brexit Loan Scheme', which was put in place to provide eligible Irish businesses access to reduced interest rates, the feedback we received was that businesses did not want to increase their debt burden while uncertain of the final outcome of Brexit.

State Supports the Chamber would like to see put in place following Brexit

The Chamber welcomed the announcement in Budget 2020 of the "Brexit Contingency Fund", the Chamber has long advocated for the setting up of such a fund to help protect those businesses most vulnerable to a "no deal" Brexit. The allocation of €1.2bn to support these businesses will be vital should a disorderly Brexit come to pass. In our Pre-Budget submission, the Chamber recommended that such a fund could be used for²:

- **Offering targeted supports for the sectors and regions most severely impacted by a "no deal" Brexit.** Such supports should be open, transparent and easily accessible to applicants.
- **Re-assure workers directly impacted by a "no deal" Brexit.** In line with revisions to the 'European Globalisation Adjustment Fund', readjustment supports should be made available to workers who may lose their jobs as a consequence of a "no deal" Brexit.

² <https://www.britishirishchamber.com/wp-content/uploads/2019/08/British-Irish-Chamber-Budget-2020-Submission.pdf>

- **Resource workers and companies that need to introduce new training/up-skilling programmes** to address impending Brexit challenges.
- Introduce a **support grant** for Irish SMEs that export to the UK.
- Introduce a **customs voucher scheme** to support Irish companies dealing with customs processes for the first time. Thousands of Irish traders who trade with the UK do not have an EORI number, an essential requirement for trading with a non-EU country.
- **Offer financial support for the freight and haulage ‘Intermediary’ Sector in Ireland.** The freight and haulage sectors currently have a skills deficit in customs expertise and are excluded from Irish Government supports as they are currently considered ‘service providers’. It is our recommendation that the Irish Government support the ‘Intermediary’ Sector to hire/upskill customs clearance agents.
- **Invest in recruitment and training of official agents with responsibility for ensuring compliance with food and drug safety rules and quality standards.** Maintaining access to the European single market for Irish and NI producers will be essential post-Brexit and one way to build confidence in the robustness of our regulatory inspections and controls is to invest in additional personnel to conduct the necessary inspections as required.
- **Encourage the economic, social and cultural relationship between the UK and Ireland.** As a principle, the Chamber believes that some resources allocated to Brexit should be spent on enhancing the unique relationship between the UK and Ireland. This includes investments in bilateral arrangements in areas such as Culture, Education and Research, Heritage and Tourism.

Key Concerns in an event of a “No Deal” Brexit

As the Brexit negotiations continue, we as a Chamber are extremely concerned that sufficient progress has not been achieved to date. The Chamber has consistently warned of the dangers of a “no deal” Brexit and of the importance of delivering a transition period to provide adequate time for businesses to prepare for any new arrangements.

The Chamber has continuously advocated for a negotiated resolution that best protects businesses who otherwise would face the prospect of severely disrupted supply chains, new barriers to trade, and significant cost increases that will impact on growth and jobs. While we stand by this position, we continue to advise our members to intensify their preparations for a “no deal” scenario.

Finally, even though the economic consequences for Ireland of a “no deal” Brexit are well documented, the Chamber is concerned that small traders are ill-equipped to deal with the significant increase in import/export declarations that could be implemented overnight. At the Chamber’s recent Ports Forum both UK and Irish participants were of the belief that the smaller freight and haulage companies do not have the required customs expertise to adhere to these potential new obligations.

[Any Other Matter of Concern in Relation to Brexit](#)

UK and Irish firms will continue to trade and do business with each other beyond Brexit, but to do so effectively will require certainty over what the final future relationship might be. The Chamber is concerned that a resolution of a Withdrawal Agreement will see the end of Brexit preparations for businesses without acknowledgement that the future nature of trade between these islands could change significantly depending on the outcome of negotiations on the future trade relationship between the UK and EU.

While the Chamber will continue to advocate for a future relationship of an unprecedented level as outlined in our policy papers, we are aware that the final outcome may be further apart than desired. Of particular concern to the Chamber, is the potential impact future UK divergence on issues such as regulations and level playing field measures (State Aid, Competition Rules, Environmental and Labour Protections) might have on the trade between these islands. We therefore see it as vitally important that this messaging is not lost during the inevitable calm that will develop during a transition period. Communication between government and business has been exemplary to date and this needs to be maintained during the next phase of the Brexit process to ensure businesses are kept aware of how they might be impacted.

On a separate note, outside of the political noise surrounding Brexit, in some sectors we have seen a pragmatism by business towards cooperation with counterparts in the UK. This has been especially evident in the Higher Education and Research sector where Brexit could lead to a loss of research funding for UK institutions and a loss of valuable research partnerships for Irish institutions. This common threat has resulted in Higher Education Institutions from both islands coming together in a pragmatic fashion to find solutions to their shared threats.

As an organisation focused solely on the promotion and growth of trade both between and from these islands, the Chamber is of the firm belief that these initiatives should be harnessed and nurtured as we move through this difficult phase. We believe this approach could be expanded to include initiatives focused towards culture, heritage and tourism to ensure the special relationship between the two islands is maintained.