



## **Submission to the Seanad Special Select Committee on the Withdrawal of the United Kingdom from the Europe.**

**Committee Date: 22<sup>nd</sup> March 2021**

### **InterTradelreland Opening Remarks**

Good afternoon Chair and Committee Members.

Firstly may I say that InterTradelreland welcomes the opportunity to present to the Seanad Special Select Committee on the issues arising for Irish firms trading cross-border following the UK withdrawal from the EU single market and customs union.

I am the Chairman of InterTradelreland and I am accompanied today by Kerry Curran, Assistant Director of Strategy and Policy at InterTradelreland. Kerry has been engaged at a policy level on Brexit matters since 2017 and during that time has also managed the research undertaken by the organisation on the impacts of Brexit on cross-border trade.

InterTradelreland, as you are aware, is the cross trade and business development body. Our main objective as an organisation being to increase cross border trade and economic co-operation, for the benefit of firms in both jurisdictions. In an Irish context we help Irish firms to take advantage of trade and business opportunities in the Northern Ireland market. A key priority for us at present is to help businesses to continue to trade and export cross border in these challenging times.

Cross Border trade in goods and services is also of great value not just at a firm level, but overall to both economies, and was in growth mode prior to the pandemic. The latest available statistics show that cross-border trade in goods and services has risen to €7.4bn in 2018. CSO statistics show that Irish trade with Northern Ireland continued to grow at pace in 2019. Our Trade programmes Acumen, Elevate and Emerge continue to help firms seeking to grow their cross border sales at this time.

The current economic environment is a challenging one for business however, and this is very much borne out in our recent Business Monitor survey results:

- On average 50% of the firms report that they are contracting, winding down or surviving at all costs in comparison to 13% this time last year.
- Only 40% of businesses across the island are fully operational.

Interestingly however, 61% of businesses report Covid-19 as having the main impact on business operations while just 5% saying Brexit alone is the cause of business difficulties. It is clear that the pandemic has been and remains the biggest concern for businesses at present, impacting significantly on supply and demand, business and consumer confidence and cash flow.

In addition to our full range of Trade and Innovation Supports InterTradelreland introduced a number of emergency Covid Supports when the crisis hit last year. This includes the E-merge programme - a fully funded initiative that helps businesses to move their presence and sales

on line, and the Emergency Business Solutions programme, which supports firms in adjusting to the very practical side effects of Covid – including dealing with HR implications and health and safety when getting staff back to work.

Of course, as we will be discussing today, many cross border traders will also be adjusting to the changing market access conditions arising from the UK exit from the EU. Many firms across the island have supply chains that extend into GB and InterTradelreland support those businesses to understand the new procedures that they need to undertake. In addition InterTradelreland is providing advice on the changing circumstances for businesses trading in services cross border. Indeed, we have been proactively helping businesses in their preparations for Brexit since the referendum result in 2016 through our Brexit Advisory Service.

We have engaged with and supported 1000's of small businesses over the past 4+ years to get their business Brexit ready. We saw the results of this in the preparation figures for firms at the end of the transition period with 45% of cross-border traders having a plan in place for Brexit, compared to 25% of firms overall.

Since the 1<sup>st</sup> January the Brexit Advisory Service has been incredibly busy dealing with enquiries. Our supports to Irish firms include:

- Brexit vouchers for up to €2250 of 1:1 consultancy or training support which provides firms with professional advice from an expert to map their supply chain and identify and manage supply chain issues, understand VAT and customs implications, customs training, amongst other areas of Brexit advice.
- Our Brexit digital content site, which has over 16,000 users and is an excellent source of practical advice for SME's. We update the site regularly with new information as it becomes available. We also sign post to the many other relevant sources of support and guidance, including where to Enterprise Ireland and the Local Enterprise Office supports.
- We have also been engaging with firms extensively through online events.

Challenges remain however and it is still early days for firms adapted to such change. In this current difficult and challenging economic environment we are using our full range of Trade and Innovation supports to help businesses navigate their way through.

To close, I would note that InterTradelreland continues to work in close partnership with our colleagues at the Department for Enterprise Trade and Employment, experts at the Revenue on customs issues and to bring together relevant bodies in the UK and Ireland to ensure cross-border traders on the island have a full understanding of the changes taking place.