

OPENING STATEMENT, SEANAD COMMITTEE ON THE WITHDRAWAL OF THE UNITED KINGDOM FROM THE EUROPEAN UNION



STUART ANDERSON, CBI NORTHERN IRELAND, (22 MARCH 2021)

Introduction

1. By way of introduction, I am the senior policy adviser for the Confederation of British Industry (**CBI**) in Northern Ireland. I lead on all matters related to the Ireland/Northern Ireland Protocol (the **Protocol**), and on the wider trade implications of EU exit peculiar to Northern Ireland.
2. The CBI is the UK's leading business organisation, speaking for some 190,000 businesses that together employ around a third of the private sector workforce, covering the full spectrum of business interests both by sector and by size. The CBI in Northern Ireland (**CBI NI**) represents more than 75% of Northern Ireland's largest employers, including many of its top 100 companies.
3. I welcome the opportunity to speak to you today about the impact the withdrawal of the UK from the EU may have on mutual recognition of professional qualifications across the Common Travel Area. I am also content to engage in the wider discussion on the impact on trade in and through Northern Ireland since the end of transition.
4. Given the complexity surrounding the implementation of the Protocol and the EU/UK trade and co-operation agreement (**TCA**) (together the "**new arrangements**"), the CBI very much appreciates the decision of this Committee to continue to examine the outworking of the UK's exit from the EU.
5. As we approach 100 days into the new arrangements, our members report that trade has been moving reasonably well, and that they are increasingly getting to grips with the new administrative requirements. It should be acknowledged that this is so against the background of the prolonged challenges with COVID-19, and the absence of a universal implementation period to allow firms to adjust.
6. We know the Protocol is not perfect, but it is a dynamic framework that needs time to bed down over the coming months, to ultimately secure the peace and prosperity of Northern Ireland's businesses and households. The upshot of maintaining largely barrier free trade across the island of Ireland has already delivered economic benefits as recent data show Irish imports from Northern Ireland were up by 10% from €161m (£137m) euros to €177m (£151m) while exports to Northern Ireland were up 17% from €170m (£145) to €199m (£170m) in January.¹
7. But Great Britain is Northern Ireland's largest market, and getting to grips with the "at risk" test, rules of origin and customs administration has not all been plain sailing for Northern Ireland's businesses. The new arrangements are much better than a disorderly withdrawal, but we urgently need to find solutions to the well documented challenges and barriers to trade from Great Britain.

¹ CSO statistical release, 18 March 2021

<https://www.cso.ie/en/releasesandpublications/er/gei/goodsexportsandimportsjanuary2021/>

8. However, notwithstanding the provisions of the Protocol, the implications for Northern Ireland leaving the single market for services are perhaps less well understood. To that end, the focus of my engagement with you today is around one of those specific issues - namely, the ability of British and Irish professionals to exercise their right to work across the Common Travel Area following the end of transition.

Mutual Recognition of Professional Qualifications

9. Whilst the Protocol principally protects the free movement of goods across the island of Ireland, it also seeks to uphold the Common Travel Area² (CTA) and to maintain the conditions necessary to support North-South Co-Operation³. These obligations are important when considering the limitations of the TCA in respect of the mutual recognition of professional qualifications (MRPQ).
10. From installing equipment or clearing asbestos to providing professional advice or mending plane wings, many individuals who provide services require specific qualifications. For individuals to operate across borders or to work temporarily abroad, these qualifications must be recognised by national authorities.
11. Up until the end of transition, under free movement of services, British and Irish professionals benefited from an EU system of preferential recognition of qualifications which simplified the process for professional moving between member states⁴ on both a temporary and permanent basis. In many cases the right of recognition was automatic. As a result, doctors, accountants, engineers, hauliers, and 120 regulated professions in total have been able to exercise the rights to not just live, but also work in their chosen profession across any part of the Common Travel Area.
12. However, the TCA does not support the continuation of MRPQ between the EU and the UK. Instead, it provides a pathway for regulator to regulator recognition, in arrangements that mirror EU trade deals with each of Japan and Canada – neither of which have produced a mutual recognition agreement to date.
13. So what does this mean for MRPQ across the all-island economy and more widely, the UK and Ireland?
14. For the EU, the Commission's "Notice to Stakeholders" provides UK nationals will be third country nationals and hence the framework no longer applies to them. Recognition of professional qualifications of UK citizens in Member States, including Ireland, will therefore be governed by the national policies and rules of that Member State⁵. As a result, a myriad of bilaterals may appear over time between UK regulatory/professional bodies and their counterparts in other EU member states.
15. Meanwhile, the UK government has implemented a temporary process for the recognition of professional qualifications of EEA and Swiss professionals, although this is not as comprehensive as the system that existed under the EU framework. Under this interim process, from 1st January 2021, UK regulatory bodies are obligated to consider applications for recognition from holders of EEA and Swiss professional qualifications but are only obligated to grant recognition to qualifications that are comparable to UK qualification requirements and standards in scope, level and content.

² Article 3 of the Revised Ireland/Northern Ireland Protocol to the EU/UK Withdrawal Agreement

³ Article 11 of the Revised Ireland/Northern Ireland Protocol to the EU/UK Withdrawal Agreement

⁴ EU recognition of professional qualifications in practice
https://ec.europa.eu/growth/single-market/services/free-movement-professionals/qualifications-recognition_en

⁵ EU Preparedness notice for stakeholders: Withdrawal of the UK and EU rules in relation to regulated professions and the recognition of professional qualifications, https://ec.europa.eu/info/files/professional-qualifications_en

16. It should be acknowledged that the UK government and the Irish government have been working closely to encourage regulator to regulator arrangements. In particular, the UK Department of Business, Energy and Industrial Strategy (BEIS) have established a team to support and facilitate individual regulators in addressing the issues of mutual recognition and adapting to the post-transition changes.
17. A key driver for this is the acknowledgement that in the Memorandum of Understanding underpinning the CTA, the UK and Irish government each acknowledge that MRPQ is an “*essential facilitator*” of the right to work across both jurisdictions.⁶
18. Many of our regulated professions, including solicitors and accountants have in place arrangements for the continuation of mutual recognition, notwithstanding EU exit. It is our understanding that around 10 arrangements on mutual recognition are in place currently between individual UK and Irish regulators. However, as there are over 100 regulators of professions in the UK, there is a material risk of fragmentation over time.
19. As a result, the CBI would support the development of an overarching reciprocal framework agreed between the UK and Ireland that allows all professions to benefit from a clear and consistent route to recognition across the Common Travel Area.
20. It is arguable that such an approach is required to support North-South Co-Operation as envisaged by Article 11 of the Protocol. The importance of MRPQ being underlined by the fact that the EU/UK joint mapping exercise of June 2019 contains no fewer than six references to MRPQ facilitating numerous areas of North-South Co-Operation including Transport, Health, and Higher Education.⁷

Concluding Remarks

21. Notwithstanding the challenges, the CBI has been consistent in welcoming both the Protocol and the TCA against the alternative of a disorderly withdrawal. We are committed to supporting the policymakers in doing all that is required to implement the Protocol and the TCA in a manner that best protects trade North-South and East West.
22. The issues relating to mutual recognition of professional qualifications across the UK and Ireland, are complex, and it will take time to fully understand the implications. However, they are not insurmountable, and positive outcomes can be delivered through three guiding principles:
 - a. **Simplicity:** Strive to keep complexities and new barriers to a minimum to allow Northern Irish businesses to remain competitive on the island of Ireland and within the UK internal market;
 - b. **Co-operation:** Ensure that co-operative relationships are preserved between the UK, the EU, the Northern Ireland Executive and Ireland; and
 - c. **Flexibility:** Remain flexible, respecting the unique geographic, political and economic circumstances of the island of Ireland through continued engagement with all the relevant stakeholders, including but not limited to businesses in Northern Ireland.

⁶ Memorandum of Understanding on the Common Travel Area
<https://www.gov.uk/government/publications/memorandum-of-understanding-between-the-uk-and-ireland-on-the-cta>

⁷ EU/UK Joint Mapping Exercise of Matters of North-South Co-Operation
https://ec.europa.eu/info/publications/mapping-north-south-cooperation-implementation-bodies-report-and-key-findings-exercise_en

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