

DÁIL ÉIREANN

ROGHCHOISTE SPEISIALTA AN TSEANAID UM AN RÍOCHT AONTAITHE DO THARRAINGT SIAR AS AN AONTACH EORPACH

SEANAD SPECIAL COMMITTEE ON THE WITHDRAWAL OF THE UNITED KINGDOM FROM THE EUROPEAN UNION

Dé Luain, 17 Bealtaine 2021

Monday, 17 May 2021

Tháinig an Comhchoiste Te chéile ag 3 p.m.

The Joint Committee met at 3 p.m.

Comhaltaí a bhí i láthair/Members present:

Seanadóirí /Senators	
Malcolm Byrne,	Malcolm Byrne,
Timmy Dooley,	Robbie Gallagher,
Robbie Gallagher,	Róisín Garvey,
Róisín Garvey,	Tim Lombard,
Tim Lombard,	Vincent P. Martin,
Vincent P. Martin,	Michael McDowell,
Michael McDowell,	Joe O'Reilly,
Joe O'Reilly,	Niall Ó Donnghaile,
Niall Ó Donnghaile.	Mark Wall.

Seanadóir /Senator Lisa Chambers sa Chathaoir/in the Chair.

Business of Select Committee

Chairman: I welcome everyone to today's meeting. We have no correspondence to consider in terms of minutes. Is it agreed that we adopt the draft minutes of the meeting on 10 May 2021, which was attended by officials from the Revenue Commissioners, the Department of Agriculture, Food and the Marine and the Health Service Executive? Agreed.

Impact of Brexit on Irish and UK Businesses: British Irish Chamber of Commerce

Chairman: The agenda for today's meeting is to discuss the impact of Brexit on Irish and UK businesses, post-Brexit trading relationship between Ireland the UK and Brexit opportunities. I will now read the note on privilege. Witnesses giving evidence from within the parliamentary precincts are protected by absolute privilege in respect of the evidence that they give to the committee. This means that a witness has a full defence in a defamation act or anything said at a committee meeting. However, witnesses are expected not to abuse this privilege and may be directed to cease giving evidence on an issue at the Chair's direction. Witnesses should follow the direction of the Chair in this regard and are reminded of the long-standing parliamentary practice to the effect that, as is reasonable, no adverse commentary should be made against an identifiable third party or entity. Witnesses who are to give evidence from a location outside the parliamentary precincts are asked to note they may not benefit from the same level of immunity from legal proceedings as a witness giving evidence from within the parliament precincts, so may consider it appropriate to take legal action on this matter. Privilege against information does not apply to the publication by them, outside of the proceedings held by the committee, of any matters arising from the proceedings.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment or make charges against a person outside the Houses or an official either by name or in such a way as to make him or her identifiable. I remind members that they are only allowed to participate in this meeting if they are physically located on the Leinster House campus. In this regard, I ask all members, prior to making their initial contribution, to confirm they are on the grounds of the Leinster House campus. If they are directed to cease giving evidence by the Chair, I ask them please cease to do so.

The witnesses for today's meeting are Mr. John McGrane, director general, Mr. Paul Lynam, director of policy, and Mr. Cillian Molloy, policy associate at the British Irish Chamber of Commerce. I thank all three for their attendance at the committee this afternoon. I call on Mr. McGrane to make the opening statement on behalf of the group.

Mr. John McGrane: I thank the committee for inviting us here today. I am joined by my senior colleague, Mr. Paul Lynam, the director of policy at the British Irish Chamber of commerce and our policy associate, Mr. Cillian Molloy. I am privileged to be the director general of the British Irish Chamber of Commerce. Ten years ago today, the British Irish Chamber of Commerce was formed in this very town, in the important glow of the historic visit to Ireland by Her Majesty Queen Elizabeth, followed quickly thereafter, within months, by the equally historic visit of President Michael D. Higgins to Great Britain. We were then, have been since and remain today the only organisation of our type. We represent with equanimity the interests of businesses, employers and trade growers on both islands, for the betterment of trade and the increase of jobs, as well as the well-being, peace and prosperity that delivers for people

throughout these islands, North, South, east and west. Our *raison d'être* is to protect, champion and grow that trade between Ireland and the UK, a trade that pre-Covid-19 and Brexit was worth more than €90 billion a year and which sustained more than 400,000 jobs, evenly spread across the communities of Britain and Ireland. We have no reason to think - despite intermittent administrative blips of which we certainly have one at the moment - that the underlying rationale for strong trade, employment, investment and community outcomes, North, South, east and west, is anything but vitally important to these two islands.

Before I speak on the potential and initial impact of Brexit, I want to give due credit, as we always do in our public engagements, to our civil servants and our public representatives for their diplomatic work, behind the scenes often, typically unacknowledged work with great people in public representation. It was a diplomatic triumph to secure a trade deal that many commentators had originally described as impossible to achieve. Late though it was, it does not matter, the deal was achieved by great public servant work. Because of this deal, there are now zero tariffs and zero quotas on trade between the UK and the EU, not least with Ireland, in all goods that comply with the appropriate rules of origin.

The EU-UK Trade and Cooperation Agreement, TCA, sets out preferential arrangements for the trade of services. I might mention the importance of another three letter CTA acronym, the actual CTA itself. The common travel area is equally important and is a privilege of citizenship on both of these islands. It allows for people movement. Critically, it also enables certain key activity in the services area, which is otherwise less comprehensively covered in the TCA and is less available to other member states.

However, having given that preface, there is no such thing as a good Brexit. The UK is out of the Single Market and the Customs Union. Therefore, the seamless trade enjoyed hitherto between Ireland and the UK for the last 40 plus years, has been disrupted and then some. While we must also bear in mind the unprecedented challenges that businesses are facing with Covid-19 - and indeed other things around us at this time - it is clear that the first four months of Brexit have indeed been challenging for UK-Ireland trade and all who derive their benefits from it.

Exports of goods to Great Britain are down 12% - I might qualify some of these numbers in a moment - and imports were down a worrying disclosed 53%. The agrifood sector is a particular concern, given its enormous importance to people on the island of Ireland, with exports down 35% and imports down a very considerable 65%. Those are the numbers at the start of the year and are there by comparison with comparable periods. The disparity between the significant, if not catastrophic, fall in exports per these numbers, compared to the collapse in imports, could be explained for the following reasons. First, there was a substantial amount of stockpiling, with which members will be familiar, taking place in advance of January, given the lateness of the deal in coming to fruition. However, we are not naive enough to suggest that that is the most significant reason for the reductions. Second, it was evident to us for some time that, generally speaking, Irish traders have been better prepared than their British counterparts. The consequence of this was some stockpiling and some change in the normal time flows of goods across the Irish Sea. Finally, a key factor in the disparity between Irish exports to the UK and UK exports to Ireland has been the temporary easements on customs procedures put in place by the UK Government. This is very important.

By comparison, Ireland was bound by the terms of the Union Customs Code from day one: 1 January 2021. It applied the full customs procedures, as is its obligation, to imports and exports. Our point here is that the UK has not effectively fully applied Brexit at this time to

anything like the same degree as Ireland was bound to do. As a consequence, we saw significant disruption to supply chains, resulting in empty shelves in some of Ireland's most reputable supermarkets. Thankfully, it seems that most of these challenges have now been overcome. However, it is imperative that Irish exporters and UK importers use the time afforded to them by the UK Government's decision to extend customs easements until this October and, indeed, to January next in certain instances. Otherwise, we could face similar problems again in terms of disruption, as was seen in January and February of this year, as people had to get used to, without adequate preparation, some significant changes in logistics and trade flows as normal.

Furthermore, we do hope that the EU and the UK will conclude a comprehensive veterinary deal. This is a very important point, as such a deal will significantly reduce the frequency of physical checks, related costs, interruptions and delays required on goods of animal origin. The specialised committees established in the trade and co-operation agreement offer an opportunity to address potential future divergences and challenges within sectors between the UK and the EU. Accordingly, the British Irish Chamber of Commerce is already reformulating and re-basing our sectoral policy fora. Senators Byrne and Chambers and some others will be familiar with our construct. We are a multi-sectorial chamber formed around member committees, representing all of the key industry and trade streams between these islands. We have re-based our sectoral policy committees to effectively input into these new EU-UK committees, so that we can effectively advocate for business and employment against unnecessary regulatory deviations that could lead to increased barriers to trade, and I might return to that.

Closer to home, we acknowledge the unprecedented efforts made by Departments, agencies, people like the committee members and our ports, operationally, in preparing for Brexit. Going forward, we have some suggestions that we would commend to consideration.

First, a UK-Ireland port and transit forum would be well worth establishing. This forum would be open to all major stakeholders in the UK and Ireland port and transit sector - the people at the sharp end of the logistics of trade. It would allow for streamlined communications, sharing of best practices, along with information exchange, and act as a platform to address issues of mutual concern. As an aside, business does not do politics and we certainly do not either. We just do solutions to practical, operational, real-life, ordinary, course-of-business situations that arise. These suggestions are absolutely in that pragmatic domain.

The second call-out we would have at present would be for a single access window for customs in order to facilitate in the burden on trade and customs agencies. To limit the bureaucratic burden, traders would only have to deal with one entity for all administrative, customs and licensing requirements. In the absence of such a one-stop shop, a designated senior point of contact should be allocated to the largest traders to avoid unnecessary delays. This simply responds to real-life learnings from pragmatic circumstances from the start of the year.

Third, Cork Port should be designated as a border inspection post, given the strategic importance of Dublin Port and the elevated importance of Rosslare Europort in a post-Brexit context. There is an opportunity to increase the connectivity of Ireland's other ports as alternative gateways to trade and tourism. It is recommended that this approach be adopted to ensure no port is overburdened as a consequence of Brexit and that all of our national resources can be put to good effect for the benefit of all of the stakeholders involved.

As we turn our attention to the post-Brexit trading relationship between Ireland and the UK, I would first like to address the repeated mantra of diversification by some, as a panacea for Brexit. By this, we mean people who will say "Look, it is over with Britain, can we open up

some new markets elsewhere?” While diversification and market expansion are important in responding to Brexit, and we fully support those values over time, the Chamber urges caution against over-simplification of such an approach. The UK market shares similar tastes to the Irish market. For instance, most of the cheddar cheese favoured by British people is actually produced from Irish cheese. Continental cheese producers do not produce cheddar cheese to the same formulation. This is just one of the many representative examples that most people were not aware of, that indicate the great favouring of Irish, high-quality food at very decent prices, that the British consumer prefers to purchase. As well as that food preference, obviously our two countries enjoy essentially the same language, mostly the same laws and similar cultural traits, in so many respects. Irish companies have invested considerable resources and time in gaining a foothold in the UK market that cannot be easily replicated in a European or other external market. As an aside, we are joined, if not at the hip, certainly by a very narrow body of water. Reflecting all of that, pretty well everything we do is similar to each other. We would be nuts not to follow a reasonably coherent and cohesive forward investment, job creation, trade derived well-being programme to each other’s benefit, without in any way diluting our allegiance to the broad values and constitutional commitments of the ideals of the European Union.

In fact, the unique characteristics between Ireland and the UK may offer Irish businesses a strategic advantage over other EU exporters. Ireland also has the added advantage, especially in the trade of services, whereby the common travel area, to which I alluded, allows Irish people to freely travel and work in the UK and *vice versa*. Therefore, our message to businesses remains the same. They should have a plan to protect and grow their presence in the UK. While Brexit will slow trade growth, it will not diminish the UK’s importance as Ireland’s leading two-way trading partner. We have noticed, even in the recent weeks, that our member businesses are responding to this message. They are getting information, making connections and looking to trade with the UK for the first time, or to expand their operations further. In our discussion, we can elaborate on the fact that every day, including this morning, we help firms on both sides of the Irish Sea - North, South, east and west - to open up specific pathways to new trade partnerships. These are basically new customer-supplier partnerships that we can help to find as a trade-promoting organisation, notwithstanding the inconveniences that have arisen from Brexit. Those firms deeply appreciate the work that we, uniquely, can make happen for them. As always, our members are getting a service that allows them to access valuable markets in the UK or Ireland, to grow their sales further and to consider the feasibility of establishing an appropriate operation in the opposite jurisdiction. For clarity, we never tell somebody to close in one market. We suggest they think about opening in the additional market in order that they can have a footprint, not only this island but in two operational jurisdictions and that they can have the best of both worlds, and they can.

We have also established a new online platform, Kmend, as in recommend, which gives businesses instant access to a constantly growing market of recommended trading partners, counter-party customers and suppliers. This platform, Kmend, was built in Dublin on the UCD campus using advanced artificial intelligence, AI, technology. It is continually sending new businesses opportunities to new customers and to trading firms on both islands, North, South, east and west. Members will hear much more about that in the weeks and months to come.

I will give just two examples of sectors that are primed for further collaborative growth between the UK and Ireland. The British Irish Chamber of Commerce has always said that Brexit should be a catalyst for greater collaboration in the vitally important area of higher education and research across these islands. Good progress has been made in this area. I pay tribute to Senator Byrne’s direct contribution to our work from his previous role in the Higher Education

Authority, HEA. We have made huge progress on this vital element. We have especially been exhorting for the creation and development of a North-South research corridor and research centre. We believe that this should be expanded to support researchers across all stages of their careers. We are hopeful that further collaborative models can be developed for England, Scotland and Wales. As an aside, if we were to pick one single element of public work that could secure the future, not just for people like us, but for younger people like Mr. Cillian Molloy, our young colleague, and for those after him, it would be to invest in all education, not just in higher education and research. All advanced and all contemporary cultures prove that point. We have the assets, we have wonderful talent and we have the connectivity, if we want to make it. We absolutely call that out.

There is also huge potential in the green agenda, especially with the hosting by the UK of the 2021 United Nations Climate Change Conference, COP26, in Glasgow in November. Taking offshore wind as an example, the UK has the most developed offshore wind sector in the world. Not many people know that. At the same time, Ireland has clearly unparalleled potential and ambition in the offshore wind sector. I might mention, if we had had this conversation five years ago, this point would have had a lot less relevance. What has happened in the last five years is that the technological advances have so reduced the cost of offshore wind installation, that this is now a major competitive opportunity on a global scale, both for Ireland and for the operators on these islands. The wind does not know where the Border is. Irish developers are keen to engage with UK expertise throughout the supply chain, as well as with their contracting partners. This is an area that has significant growth potential and we have already begun making important connections across the Irish Sea. I am glad to say that we are working with relevant government departments on both islands and, indeed, with the administration in Northern Ireland.

As well as realising the potential of trade across numerous sectors, there is significant potential in growing trade across the devolved nations of the UK. I am delighted to say that the British Irish Chamber of Commerce has been centrally involved in both the new Ireland-Scotland and Ireland-Wales bilateral accords and reviews, which are both designed to increase trade. We look forward to working with our partners in those administrations to implement these ambitious plans. We would like to see a similar initiative carried out between the Irish Government and the UK Government and we would happily support such an exercise. Clearly, some further water needs to pass under one or two bridges, but we absolutely believe that the logical potential for this lies ahead. It would be remiss of us not to reference Northern Ireland and the Northern Ireland protocol here today. In December, the British Irish Chamber of Commerce welcomed the agreement on the Northern Ireland protocol. It is our view that - while being far from perfect but well capable of being made perfect - this agreement offers a pathway for businesses in the North to maintain their trade with businesses in the South, with Great Britain and with the Single Market; one might say it is the golden ticket. We also believe this agreement should provide an opportunity for Northern Ireland to attract investment which, genuinely, will be the best of both worlds. A pragmatic approach is needed by both sides to ensure that an agreement that works in theory can also work in practice. We firmly believe that this can be achieved soon.

For the Northern Ireland protocol to work, North-South co-operation is essential. To this end, we would urge all participants to be proactive in all North-South bodies such as the North-South Ministerial Council. We would also maintain our view that if UK-Ireland trade is to grow and prosper, it is important that the British-Irish Intergovernmental Conference, meets regularly and that business and civic society have an opportunity to feed into these important

dialogues. I might mention, through our board membership of a wonderful organisation called the British-Irish Association, an apolitical, community-focused organisation chaired by our good friend Hugo MacNeill, that we look forward to being central to the bringing of business to the conversation, in ways that are perhaps overdue - for ideas, pragmatic engagement and investment, that business should be rightly asked to bring in the resolution of political challenge.

It is our view that despite recent challenges, with good political will and strong planning, UK-Irish trade can rebound for the greater prosperity of all people across these islands. However, we cannot be complacent. We must remind ourselves that with both Brexit and Covid-19 still unresolved, businesses have undergone unprecedented challenge. It is essential that businesses across these islands are enabled, allowed and encouraged to operate in an economic environment that allows them to do what they do best - to create trade, to generate investment, to grow jobs and well-being and to grow with responsibility as well as opportunity. Any temptation to place the economic burden on the shoulders of businesses has to be resisted. Equally, business knows exactly the part that it is rightly obliged and expected to play.

I thank Senators again for their time; my colleagues and I are happy to take any questions they may have. Go raibh maith agaibh go léir.

Chairman: I thank Mr. McGrane. He has been to the fore of the Brexit issue since it kicked off nearly four years ago. The British Irish Chamber of Commerce has provided valuable insight, from a business perspective. Its analytical work on all aspects of Brexit on business has been invaluable to us as policymakers and legislators. It is great that they have taken the very positive view that trade can not only rebound, but can actually grow and that we can do new things together. This is a good, positive attitude to be taking on the whole Brexit process. I also congratulate the British Irish Chamber of Commerce on its ten-year anniversary. I had not been aware that today was the day. That is a lovely milestone to reach.

I will now call on members for questions. I call on Senator Malcolm Byrne first, followed by Senator Michael McDowell.

Senator Malcolm Byrne: I thank Mr. McGrane for the presentation and for the work that he does. He stressed the importance of how there is still a market for exporting cheddar from Ireland to the UK. I think in the interests of harmony I might avoid asking any questions around the need to expand cheddar infrastructure in Ireland. Can I talk about one area in which I have an interest, and where the British Irish Chamber of Commerce has done a lot of work, which is the common education and research ecosystem? I know Mr. McGrane has spoken a lot about a research corridor that would operate North-South. This committee will be making recommendations to Government on policy areas to follow through. We have obviously had Minister for Further and Higher Education, Research, Innovation and Science, Deputy Harris, before us. First, will Mr. McGrane outline the specific measures he thinks that we need to take to enhance those areas of co-operation in higher education and research? The second question I would like to ask - and Mr. Grane has already referred to it - refers to the twin challenges of Covid-19 and Brexit. Had we been talking 18 months ago, Brexit would have been the big political issue. Many of us would have preferred that it was the biggest political issue but Covid-19 has taken over. Brexit has, in many ways, slipped down the news agenda. In the context of both the national recovery plan, which is currently being prepared, and the budget, which is planned for the end of the year, are there specific measures Mr. McGrane believes to be necessary in order to be able to support businesses to mitigate the effects of Brexit, but also that will look at ways that will enhance Irish-British trade?

Mr. John McGrane: I thank the Senator for his remarks. By way of introduction, I would say that my colleague, Mr. Paul Lynam, our director of policy, has been central and has been doing extraordinary work on behalf of our members. As an organisation, we represent all of the universities on the island of Ireland, bar one, and a growing number and a significant percentage of the major universities on the island of Great Britain. We are honoured to be among the small number of people invited by the Minister for Further and Higher Education, Research, Innovation and Science, Deputy Simon Harris, to be a standing member on his new forum on the furtherance of higher education and further education research. We are enormously committed in this space. I will take the Senator's second question but I will defer to my colleague, Mr. Paul Lynam, to take some of the detail on the first question.

Mr. Paul Lynam: I thanks Senator Byrne. As the committee will know, our long-standing request is that a UK-Ireland bilateral research fund be established. This would be a fund where the UK and Irish Governments would commit, proportionately, resources to research collaboration across these islands. Within that, we would see numerous different measures. The Senator will be aware of the North-South research centre agenda and the idea of creating a North-South hub but we are thinking also in terms of supporting early career researchers, mobility grants, which are important, and placement programmes between the various different jurisdictions. We have seen, with some success the joint professorships that were put in place, and we think they could be expanded further. We saw the successful Science Foundation Ireland, SFI, and Oxford one, between UCC and Oxford. There is progress to be made on various different fronts there.

What we have found is a greater interest, as a result of Brexit, in collaboration from UK universities, research bodies and institutes with their Irish counterparts. The Royal Society of Edinburgh, RSE, and the Royal Irish Academy, RIA, have developed a grant support programme. There is huge progress potential in this area. This is one of those areas when one thinks of UK-Irish relations more generally where we can be working on the same page, addressing the same agenda.

Broken down further, the devolved administrations in the North, Scotland and Wales are keen to do more research collaboration with Ireland. These are countries with similar research and higher education ecosystems to Ireland. They face a disproportionately higher challenge, as a result of Brexit. We have previously brought together all the vice presidents for research from Scotland, Ireland, Wales and Northern Ireland. They are keen to do much more work in this area. It is identified in both the Scottish-Irish and Wales-Ireland bilateral deals as an area that can be developed further. The honest reality is that it comes down to euros and cents. We will need more for these specific projects. Obviously, we are feeding into Horizon Europe and Ireland is now getting more money back out of that programme. Additional programmes, built on what we have seen in terms of the SFI-America fund, could be put in place as an example of the structure between Ireland and the UK.

This an area that is primed for great potential, but we would have to put some resources into it. It would be great if this committee recommended that area as one where if we put the money in, we will get more back and it will increase our collaborative agenda with the United Kingdom. Again, it would be good for UK-Irish relations, working on the same agenda.

Mr. John McGrane: I take Senator Byrne's second question on a post-Covid-19 and post-Brexit environment, which please God will be soon. We have a very simple view. The recovery can only be jobs-led. There is no recovery in community without employment. Members do not need us to tell them the shocking statistics on job loss. Indeed, we are always first to call

out our appreciation, on behalf of businesses, of the extraordinary levels of support being given to businesses, employers and citizens by the Irish Government and its officials. Equally, we are extraordinarily conscious that this cannot be sustained indefinitely, to say the very least. It was interesting that last week Ireland got a very approving analysis from the International Money Fund, IMF, for instance. It was very understanding of Ireland's very particular circumstances. We are not unique, but we have particular circumstances and the IMF identified some of those exposures.

Taking the Senator's point about how businesses on this island and in this country can get back to their pre-crises condition, the reality is that the foreign direct investment sector, which we greatly appreciate, may not create the same sort of job content as before the pandemic. The reality is behind my office on Merrion Square, where Twitter built a new building about two years ago. It is being literally topped out as we speak, now that construction is back. It is probably not going to be occupied by Twitter, because Twitter basically told its staff that they are not necessarily going to be coming back to the office. Google, as members know, which is around the corner from me on Macken Street, has basically cancelled a deal to place 2,000 staff into what was then Ireland's largest new office building.

The reality is that a jobs-led recovery is probably not going to be led by the foreign direct investment sector. It is going to be led by indigenous, Ireland-based, Irish-owned and many family-owned, businesses. These are not just in major urban centres, but very importantly to the fabric of our country and of our communities, they are literally in every parish and in every constituency of the country. Those companies have appreciated very much the supports of schemes like the employment wage subsidy scheme, EWSS, the temporary Covid-19 wage subsidy scheme, TWSS, and the Covid restrictions support scheme, CRSS. Indeed, employees have benefited from the pandemic unemployment scheme, PUP, and other supports. However, it would be easy to think that now that they will be back in business on some future date - please God this autumn - that they can begin to somehow contribute to the costs of all that, just overnight. That could not be further from the truth. The worst thing that we could do would be to enable businesses to get back in business, to recreate lost jobs and then stymie them in any way from achieving their fullest potential.

We absolutely want to promote and to be at the table to discuss a form of tapering resumption of some kind of normal. Ideally, this would be the volume of jobs that we had, certainly before Brexit, and definitely before the pandemic. Ireland was doing very well in job creation. Much of that was done quietly, much more quietly than in the foreign direct investment sector. It was being promoted by businesses - the plain businesses of Ireland - the length and breadth of every constituency in the country, which were quietly going about their business, growing and creating community in that circular community economy. An employer creates a job, creates wages, creates spending on VAT and excise in the community and creates well-being for an entire household and the furtherance of the circular economy in that way. What we believe would be the very best outcome - and indeed should be the only outcome - is that we think about recreating jobs and allowing businesses time to respond to the resumption. Then we should figure out nationally, rather than factionally, how the extraordinary costs of what we have had to endure need to be taken care of. Then everybody can play their part in a fair way.

Chairman: I thank Mr. McGrane. The next speaker is Senator Michael McDowell.

Senator Michael McDowell: I thank the Chair. I want to welcome Mr. McGrane, Mr. Lynam and Mr. Molloy and thank them for the presentations and answers thus far. I was just reflecting that the last time Mr. McGrane and I shared platform was in the Four Seasons Hotel

in Dublin in the fortnight running up to the referendum. Both he and I warned Danny Finkelstein that he should not be too presumptuous about a referendum victory, because of the noises that we were hearing. A lot of water has gone under the bridge since then, not least that Mr. McGrane has a lot more hair and I have less hair than when that happened.

In any event, I particularly want to dwell on the positive message that is being sent here today. Party politics aside - with the DUP, Tories, Sinn Féin and the lot of it - we have to look at the positive message for business between the two jurisdictions, and between Britain and Ireland, in particular. One thing that I am very keen on, apart from the research co-operation agenda that has been spoken about by previous speakers, is the whole question of getting indigenious, as opposed to foreign direct investment, FDI, business firing on all cylinders. It occurs to me – and I am not making a party-political statement at all – that physical infrastructure and integration on this island could be hugely important in that regard. I know that we are talking about an east-west relationship primarily here, but we are also talking about integration on this island. The agreement that was negotiated with the European Union at the eleventh hour and 59th second last December was, in fact, a “best of both worlds” opportunity, both in the South and the North and on an east-west basis. Ireland and Britain, I think, are well-placed to do business together and to co-operate on business matters, in a way that the “hard Brexit” rhetoric that led up to that made us feel would not happen.

We hear about physical infrastructure. Mr. McGrane was asked about what could be done in the next budget. I see a lot of discussion about canals and greenways in the Border areas, as well as improving train connections from Dublin to Belfast. It seems to me that the infrastructure of the A5-N2 motorway to the north west and through the Border areas is a matter of huge importance. This is not an anti-green point. Roads are not being given the same degree of public support as they had when I was in government donkeys years ago. Trucks will be driven on hydrogen, goods will have to be moved from A to B, milk is not going to be moving down a fibroptic cable from one part of the country to another. We really do have to improve on that.

I think that we should not allow any “short-termism” to enter into this. There has to be a good deal of underlying economic infrastructure to maximise the kind of win-win aspect that we believe is there. I want to emphasise that I believe that Derry, Letterkenny, Strabane, Omagh, Dungannon - all that axis - has to be looked at as an area that the Irish government must take seriously.

Finally, I want to again say to our guests from the British Irish Chamber of Commerce here today that, as far as I am concerned, whatever the petty problems that have emerged – some of them were serious and some of them were petty – I agree completely with what Mr. McGrane said. They can be ironed out. I hope that the friction between the EU and the United Kingdom - which is probably going to play out on everything, from fish in Jersey to wherever - that Ireland in particular, as a society, takes on board what Mr. McGrane says. If the protocol is imperfect, it can be made perfect, to the advantage of unionists and nationalists in Northern Ireland, to the advantage of North and South, and to the advantage of east and west.

Mr. John McGrane: Go raibh maith agat, Senator. There is nothing in that with which we would take issue obviously.

We have particular credentials. We have talked about the higher education research sector. My colleague, Mr. Lynam, also leads extraordinary work across both islands, in terms of climate, environment and sustainability issues. We have to weigh these things up. I do not know of anybody who does not want the A5 to be finally done and built. It would be excellent

if we could get on with that project and things like that in a balanced, democratic way. At the end of the day, it is jobs that produce the well-being of communities and without links, there will not be jobs.

Chairman: I thank Mr. McGrane and Senator McDowell. Next, we have Senator Gallagher.

Senator Robbie Gallagher: Mr. McGrane, Mr. Lynam and Mr. Molloy are all very welcome. I found their presentation to be informative and positive.

At the outset, I was heartened to hear Mr. McGrane make the point about business between ourselves and the United Kingdom, that there is potential for that to flourish. In the part of the world from where I come, there is a perception that business with the UK is no basically no more, that it is too cumbersome and difficult and that businesses should be looking elsewhere, to mainland Europe, for new markets at the expense of the existing UK ones. It seems that businesses have a job to do in order to kill the perception that is out there, as far as I am concerned, to the effect that the UK is off the agenda. To my mind that would be very disappointing because, as he noted, we have built up contacts through the years and have so much in common.

Is there is a plan or should the Government have a plan? Do businesses need more information about how business with the UK can grow further, never mind retaining what we have? Senator McDowell also mentioned the N2-A5 and as someone who comes from that neck of the woods, I can confirm that we would dearly like to see that project advanced.

In addition to that, for the central Border counties, that is, for the likes of Monaghan, Cavan, across to Sligo and that region of the North, there is a need for development of road infrastructure because it is out on a limb there at present. As someone who comes from north Donegal originally, I can certainly testify for the need for a proper road linkage from Letterkenny, right through to the capital city. I can also see from living in Monaghan, and I am sure my colleague, Senator Joe O'Reilly, would agree with me, that there is a need to develop that central Border region as well. There is a big hinterland there that is very poorly serviced at the moment with road infrastructure.

Can Mr. McGrane state how aware, from a business perspective, are businesses located along the Border of the full potential that exists for them at present? Does he see their position in a positive light, or does he see their geographic location, basically Northern Ireland, as a negative one? If it is a positive one, how can we develop those businesses further along the Border region? In his view, what potential exists there to develop?

After listening to both witnesses this afternoon – and I am not patronising them by saying this – nobody is better placed than these gentlemen to advise policymakers on where we are now and what needs to be done going forward. Mr. McGrane made two or three proposals in his presentation. What kind of hearing is he getting at Government level for the practical solutions such as, for example, the one-stop shop, which seems to my mind to make perfect sense? Are agencies listening to that? Does he feel that more pressure needs to be applied in that regard? The old saying goes that “sometimes you have to walk to walk to talk the talk”. These gentleman are walking the walk each day of the week. They are perfectly placed to advise policymakers. I would like to think that we are not pushing a bus up a hill, so to speak, when it comes to that.

I would welcome their comments in that regard and I thank them for their contributions so

far.

Mr. John McGrane: Gabhaim buíochas leis an Seanadóir. I will let Mr. Lynam speak on the point on specific efficacy on specific items which the Senator mentioned. I will just take up an earlier point in the Senator's remarks, which we appreciate, about the UK market. Some 65 million people on our neighbouring island still have to eat. Irish food is their preferred imported food. They prefer Irish steak. They prefer meals made in Monaghan that are shipped overnight on a chill truck and placed on a supermarket shelf at exactly 8.08 a.m. the following morning before they lose their time slot, and at very good value pricing. That is their preference. It is somewhat discommoded for the time being. However, business does a remarkable thing. When something gets disrupted, the business environment assimilates that quickly and puts it all back together again.

One can be sure that great Irish business people, and great business people generally on these islands, are always looking at the ways and means to cope with what is put in front of them. They do not mind change at all, as long as they can plan for it. That is the only thing. Business is about change and about responding to change in consumers' habits, preferences and competition – all those great things that keep us keen. We just like to have a bit of notice that change is coming. That is what we fundamentally say about the protocol. The protocol can probably be helped by reaching an understanding, in some suitable way. If it is not alignment, then there can be a new word. Politics is great at creating words like, say, "consistency". We will not become inconsistent without giving reasonable notice to the businesses that have to adapt. Sin scéal eile.

I take the Senator's point about the underlying market. One of the best things Ireland has done in the last while is the opening of Enterprise Ireland's new office in Manchester. It serves the midlands, the north west, the Liverpool area and the north east - a thriving new area, being massively invested in by the British Government in the levelling up agenda. Now Ireland and Irish businesses, led by a wonderful agency like Enterprise Ireland, has an opportunity with boots on the ground to develop partnerships with British businesses. My colleague, Mr. Mollo, and the rest of our team hold an online trade mission event roughly every week. As a result of Covid-19, we can do stuff online that used to take three days, with flying over and back, planning, debriefing and all those things. We have numerous businesses from the north east of England now in contact with numerous businesses from all parts of Ireland. They are looking at how they can work together to jointly prosper from the levelling up agenda in the north of England. Although Enterprise Ireland of course encourages Irish businesses to expand into other markets, it is by no means losing interest in the UK. We absolutely encourage the work that it does and support it in every way that we can.

I refer to Border businesses, which was the Senator's second point. I come from County Louth which, as most of members will know, is the epicentre of modern civilisation but even allowing for lesser counties along the Border, the reality is that Border people have always traded across the Border. The bigger opportunity is actually for people a little bit further away to have a look at this new paradigm and to say that when all the noise dies down, Northern Ireland will have a special ticket. It will be able to trade pretty well unfettered, bar a few forms here and there, which I do not diminish, with the wonderful market of 60 million people that is Great Britain. It will be able to trade completely unfettered with the 450 million consumer market that is the EU. That is a phenomenal advantage. There is no other country in the world that has that type of joint opportunity to trade with two magnificently large and culturally easy-to-service markets.

Once the noise does die down, I expect we will see not only English businesses on the other island, but also businesses from Kerry, Cork and Galway, looking at the Northern Ireland story. They will say that it is in their joint interest to both invest in their home county and to look at the investment opportunity and the appropriate opportunity of Northern Ireland as a base for serving the market in Great Britain. These things remain to be coloured in in greater detail, but one can be sure that business abhors a vacuum. Once the conditions permit, we will be thinking very actively about people resuming investment into what could be a very interesting investment zone within these islands.

We, as an apolitical trade body, would love to see Northern Ireland win the opportunity that it so badly needs out of this. I might defer to Mr. Lynam, my senior colleague and our policy director, on the Senator's specific point on the processes by which we work with Government. We greatly appreciate the Government agencies and Department officials that we work with on our advocacy.

Mr. Paul Lynam: Senator Gallagher raised a few points that I would like to come back to. In terms of North-South trade, Senator McDowell started the ball rolling. First, we should say that North-South trade, unlike the overall UK figures that we gave earlier on, has increased quite significantly in the first number of months of Brexit. Northern Irish sales to the Republic are up 52% whereas in the opposite direction the trade figures have increased by 40% so there is potential to grow them. We should say that many North-South initiatives have worked very well. The single electricity market that operates on the island of Ireland is the only single electricity market between two jurisdictions in the world that operates as efficiently as it does. We know of the Enterprise service and the great success story that Tourism Ireland is in marketing the island of Ireland as a whole. Of course, we want to do more research. The planning system and funding need to be looked at. Funding will be debated in terms of the merits of every scheme. The Government has committed to doing a lot more on North-South infrastructure funding. We have two diverse planning systems and we would like to see better co-operation between the planning systems North and South so that perhaps they would meet more through a stakeholder forum in this regard. It is no good having planning approval in the Republic if it is not getting approved in the North to complete the project and *vice versa*. We would like to see a lot more in this area.

With regard to getting an airing of views, it is very important with Covid, and with Brexit being a reality, that we do not lose the spotlight on how important UK-Ireland trade is and the challenge Brexit will be to businesses. We hope we will still get the same airing as we have had previously. Something we have called for since 2017, which was realised in budget 2019, was the Brexit contingency or mitigation fund, which allows money for unexpected things that will happen due to Brexit. We would like to see this funding and these resources continue to protect our businesses. As has been said, agriculture has taken a disproportionate hit. We would also like to see more detail on the Brexit mitigation fund. We will get approximately €1 billion from the European Union and we would like to see exactly where it is going and the input business can have on it.

With regard to some of our asks, we have been raising these issues in the various forums we are on. We sit on the Brexit stakeholder forum of the Minister for Foreign Affairs, Deputy Coveney. Mr. McGrane sits on the trade forum of the Secretary of State for Northern Ireland, Brandon Lewis. I sit on the customs consultative forum. We feed into these but more needs to be done in these areas.

Something we would like to see is an investment council akin to what was recently estab-

lished in the UK, whereby various business representative groups feed into the Government process as opposed to a limited number of business representative groups. Different challenges face different groups. We offer a unique perspective because of how impacted our trade is. Perhaps the committee might consider looking at the UK model and adapting it. Of course it would not be like for like in terms of Ireland's success story with IDA Ireland. We are not looking for that but for something that would allow other representative groups to feed in, especially as we come out of these choppy waters.

Senator Joe O'Reilly: I must leave the meeting at 4 p.m. but I will see the responses that come after that on the record. I presume we will be discussing all of the responses in the context of our report later. I join colleagues in welcoming our guests and I thank them for their positive and interesting comments and answers. It is much appreciated. Without going into it again because they did it very elegantly, I concur with what my colleagues, Senators McDowell and Gallagher, said about the improvement of physical infrastructure North and South, access and all that goes with this. I will not repeat what was said but it is of crucial importance.

I will start with agriculture. As we all know, the UK was a major customer for our agricultural exports, notably in beef but throughout dairy and all sectors. Cheese has been mentioned and there is a controversy with this but we will not get into it here as it is *sub judice*. Agricultural exports are crucial. Consequently, the veterinary agreement on the movement of agricultural products and cheaper movement are important. I assume it is the view of Mr. McGrane and his colleagues that the veterinary agreement is a very likely outcome. I hope it is. I was going to ask whether there was any doubt about the fact that UK consumers would want our product, and in response to an earlier question Mr. McGrane said they would in preference to anything else. It is important that we are up there and in the market. I hope that with the veterinary agreement, smooth movement and the protocol sorted we will be fit to advantage the entire island.

Do the witnesses have further comments on agriculture? They made some comments about products in the Border area getting to the consumer the next morning. Any further comment they wish to make will be helpful. I am heartened by our discussion on agriculture and I would like to hear the witnesses say whether they believe the veterinary agreement is a likely outcome. I assume and pray it is.

Moving to the theme of green energy, we have great potential, as we all know, for wave energy. Do the witnesses see the UK as a net customer for our green energy? Do they see the reverse? There is a controversial North-South interconnector in the pipeline. Will the witnesses expand on its potential? With regard to how we should look at the climate change Bill in a domestic context as well as internationally, the green agenda does not have to be about impoverishing ourselves. There can be great opportunities in green energy.

With regard to the highly educated young English-speaking workforce, taking Senator McDowell's point that indigenous industry has to be a priority, at the same time it should be an attraction for UK businesses to locate in Ireland and for inward investment from the UK that we have such an educated English-speaking young workforce. Should this assist us in selling services to the UK? Any comment the witnesses have on this would be helpful.

With regard to the protocol, would the witnesses agree that when the protocol is enshrined in international law it is unlikely the UK will persist in its demolition? It would be ideal if we could reach a consensus on how to deal with it and that we could adapt the protocol and, with imaginative terminology and responses, make it work. As we know, it is critical to preventing a hard border between the North and the Republic and causing chaos on our island. It is very

important. I ask the witnesses to elaborate further on this.

I have found this meeting highly positive and very worthwhile. It is an exciting vista and it would be stupid of us not to focus very much on this agenda while seeking to break into further markets in Europe and elsewhere. Of course, we will do this but this obvious market in close proximity, with so many elements of kinship, a similar language and educational levels, is not one we can sensibly ignore.

Mr. John McGrane: I will bring in Mr. Lynam on the detail but I will take a couple of macro points. We also hope the veterinary agreement can be achieved. This is by no means certain and this is the difficulty at present. As I said, the enemy of investment, job sustainability and further job growth is uncertainty. The sooner we know this, the better and it is becoming urgent for major - and less major - Irish food-related businesses. I would caution against false comfort. The UK consumers love the product we send them today. They love its quality, prompt delivery, price competitiveness and the service bundle wrapped around it in terms of delivery. That should not be taken for granted by any of us. If we become uncompetitive on any of those matters, such as quality, delivery and readily available stuff like price points and content, the consumer may have no choice but to be shown other competing alternatives. We cannot hold our wonderfully achieved competitive position over 40 years in any kind of assumed continuity. It is at risk until we take the risk out of it. That is the position.

I will let Mr. Lynam talk a little bit more about the process towards an agreement. He will also elaborate on green energy. It is a little observed point and it may be uncomfortable for some, but Britain has moved from being somewhat in the laggard position nearly a decade ago in the energy space to being a world leader in technologies like offshore wind and in embracing the net-zero aim that we also share. We should not underestimate our British colleagues. What that means is opportunities to create business and jobs for Irish firms to work with British firms who really admire the skills in engineering and infrastructure development of Irish firms to partner up as these projects require because they are huge, to build offshore wind farms and connectors. We might have mentioned in passing that we work very closely with the people who favour the development of a further connector between Ireland and Britain in a shared energy space. It would all be built with private money and would require no recourse to the Exchequer at all, whereas a comparable connector to Europe, which we also favour, would require a lot of public sector money. There is room for everybody in this space. There is a very strong green partnering that is obvious here to people on these islands. The birds, bees, fish and most of all the wind do not know where the Border is, so it is natural to work across the Border.

In the context of the young English-speaking workforce in the services sector, the Chairman is right. The reality is that British firms are coming to Ireland as we speak. They are hiring in Ireland and they are identifying those issues because they have been well promoted by IDA Ireland and Enterprise Ireland and by people like us and others to say there is a market on the doorstep in England today that is highly compatible with its interests and where there are very talented people in a position to service it. We say that they should not close anything but they should open up additional operations on the island next door.

I will let Mr. Lynam speak more on the protocol, but our insight is that business tends to be quiet. It does not need to make a big fuss about things. Perhaps it should make a bigger fuss. Businesses in Northern Ireland are adapting to the necessities of the protocol, with some adaptation, and some more to come, which, when done, they can see gives them a wonderful opportunity to have faith in their own business franchises to invest further in them, to encourage investment from outside Britain and Ireland and to live up to the opportunity that is being given

to them now, which is something in respect of which they advocated for many years. I will ask Mr. Lynam to respond to the Senator's remarks on the winning of a veterinary agreement and some of the other observations.

Mr. Paul Lynam: The veterinary agreement will reduce the need for checks and the export declarations. The problem is that the EU is asking for dynamic alignment for the UK going forward, so it would have to align to future changes regardless of what they may be, while the UK just wants a mutual recognition to be put in place. There is a bit of a distance between both of those areas. What we have put into the mix regarding getting a regulatory agreement in advance of the TCA being established is a similar pathway, which is to agree on principles of high standards in both areas. It is a mixture of the UK's approach and the EU's approach. We agree a framework going forward on common high standards based on the existing standards that are in place. That could lead to a veterinary agreement. A veterinary agreement could solve a lot of the problems we have going forward, via easements and also in terms of the difficulties with the Northern Ireland protocol. The Senator is correct, it is a key piece of the puzzle to overcome.

Regarding the green agenda, it is possible, if we realise Ireland's ambition and the potential for offshore wind, that we could become a net exporter of energy. That would be a phenomenal achievement. I should preface that by stating that we would have to make some changes to our planning system, which is slowing down the development of many offshore and foreshore wind energy projects. We have a few asks with the Department that I am happy to share with the committee. In itself, offshore wind development between the UK and Ireland is also a multibillion euro supply chain. There is significant potential in the green energy agenda. I hope we will get a veterinary agreement, but it is not a certainty. Both sides will need to meet somewhat in the middle, as they did coming to the end of the TCA negotiations.

Senator Niall Ó Donnghaile: I thank the witnesses very much. I find myself increasingly engaging with Senator McDowell and it is always a cause of deep concern for me when I do that, but I must take issue with one point he made, which was lumping in my party with the DUP and the Tories on Brexit. He must not have heard my colleague, Conor Murphy, the Minister of Finance in the North, talk about maximising the outcomes for everyone in the current situation. While I accept there has been a huge level of politics at work, which has not been helpful to the British Irish Chamber of Commerce and the members it represents, it is part and parcel of the situation that some issues have been greatly exaggerated. There is a concerted determination to ensure any hiccups that businesses and other agencies encounter are smoothed over. It is also important that when we make that legitimate and fair point and observation, we also reaffirm that the protocol is there for a reason. The protocol is very important, and it is not going anywhere and should not go anywhere for all of the reasons we all know and do not need to rehash here.

The difficulty in coming to the meeting at this stage, which I am sure the witnesses understand, is that a lot of the big questions have been asked already so I do not want to force them into a place where they have to rehearse all of that. Has Mr. McGrane been involved with the Dublin-Belfast economic corridor initiative and where does he see his role within that work? Where I agree with Senator McDowell and others is the imminent need for improved infrastructure, whether it is the A5 or an improved frequency of rail connection between Belfast and Dublin and everything that goes with the economic corridor initiative. I would like to hear how Mr. McGrane sees that in terms of his work and how he is engaging with his members on it.

Mr. McGrane touched on the supply chains and companies reorientating here on the island in terms of companies from the South supplying into the North. Is he advising organisations

to do that and is he able to support them? This is a question we have asked of other organisations in terms of how best they can maximise the opportunities that come about as a result of the protocol.

Mr. John McGrane: I say “Yes” to all of those points. They are all cogent to the topic. There is no question about that. I will bring in my colleague, Mr. Molloy, in a moment to speak about the manner in which we engage very actively week on week with our like-minded organisations in Northern Ireland. Northern Ireland businesses and communities are blessed with some excellent representative bodies and we are working closer than ever with them now.

I go back to a time when I worked in an organisation where the chairman was George Quigley. He has passed, but he was the original author of the concept of a North-South economic corridor, specifically a Dublin-Belfast economic corridor. That is more than 30 years ago, perhaps almost 40 years ago, but the concept is as valid today as it has ever been. It is a frequently relaunched concept, but there is nothing wrong with that. We should relaunch it until it is done. We have been working very closely with our good friends in Dublin City University, the Northern Ireland Chamber of Commerce and Industry and others in the promotion of the concept and giving substance to it in terms of saying it is real, as people invest in it and as they open factories on it, and as they expand a job and a service company. In our work with Britain-based businesses to encourage them to invest on this island, we equally bring in people involved in organisations such as the Newry Chamber of Commerce & Trade, Northern Ireland Chamber of Commerce and Industry, Belfast Chamber, Manufacturing Northern Ireland, and the Fermanagh & Omagh District Council.

We are completely agnostic on where the jobs could be made to happen on this island and across these islands. They will most likely be made by people from some part of these two islands, whereas foreign direct investment may come and go because of taxation and other changes such as working from home. It is the people from this broad patch of earth that will promote the well-being of this broad patch of earth, and that North-South, Dublin-Belfast corridor has every potential if we can just get some investment into it in the weeks and months ahead. I ask Mr. Molloy to address Senator Ó Donnghaile’s comments regarding how we work with Northern Ireland organisations.

Mr. Cillian Molloy: I thank the Senator for his question. I have been in constant contact with businesses trading across the Border which are based in Northern Ireland, the Republic of Ireland and, indeed, Great Britain. These have included companies which are our members, partner business organisations we have spoken to or other chambers of commerce in the region. What struck me most is they are all fully committed to the protocol, as was said, and committed to making it work. What they want most is to depoliticise it. They are looking for practical solutions.

I reiterate what Mr. McGrane said in his opening remarks. We do not do politics and neither does business - we do solutions. That is all the organisations concerned want at the moment. I have been struck by the resilience with which Northern Irish businesses, across sectors and regions, have been able to face the dual challenges of Covid-19 and Brexit and its accompanying protocol. What they want now is the necessary support from politicians to help them continue to fight these challenges in future. I state that because they are not going away and they are real challenges which have added costs and increased time in respect of fulfilling deliveries and in exporting and importing etc. Those are real challenges, but businesses are learning to adapt to them. The largest businesses adapted the fastest, as we expected.

A concern now, which was pointed out to me by someone in Northern Ireland last week, is that the onset of Covid-19 meant some SMEs have been largely dormant and cocooning for the past six months. Therefore, they have not yet had to face the full challenge of the protocol or engage with it fully. To use a phrase which now has a different meaning, there is a second-wave risk we may be facing these challenges again in a few months, and we should be aware of that danger. While we are slowly working our way forward from the initial shock, there could be another one down the line. That goes for businesses in the Republic of Ireland as well as those in the North. We must bear in mind there will be a need, as was mentioned, for further supports to address this issue. We cannot ignore this aspect.

Fundamentally, however, there has been a very optimistic tone. Businesses fully recognise the opportunities that exist from being able to trade with the EU and UK markets. However, they will say it is harder to sell those opportunities when there is so much chaos and confusion concerning the present situation. The key to getting through this is, first, depoliticising the situation and then looking for practicable solutions. That is the work we in the chamber, and everyone else who wants to get on board with this message, have been championing. That is my initial reaction.

Chairman: I thank Mr. Molloy for his response, which was very good.

Senator Vincent P. Martin: I thank the witnesses for their presentations, the detail thereof and their comprehensive responses. As we near the end of this meeting, I raise two more general and newish points. It has been said Northern Ireland has the best of both worlds. I have been saying that, like so many others, for so long. It is a golden opportunity and the envy of the world. However, that message is not getting across. Mention was made of the need to depoliticise this aspect or to denude the political connotations in this regard. The political classes stand indicted because people's livelihoods are not being fully enhanced for the betterment of society. I am not saying that politics has failed, but it is failing.

Are the witnesses satisfied businesses are stepping up, slightly outside their safe remit, to become the great communicators of our decade and the great convincers? Business works on being psychologically upbeat and uplifting the story. It is difficult to understand at times, although I do get that when the discourse of politics, and narrow-minded politics in particular, takes over, people can feel there is a constitutional threat facing them, despite what is enshrined in and protected by the Good Friday Agreement. They are entitled to their opinion, but that false truth should not be allowed to win out. Does the British-Irish Chamber of Commerce have a strategy and policy to help get the truth out about the benefits and advantages that exist and to do so in a non-controversial way?

The second issue is the proposed Celtic crossing in the form of a bridge across the Irish Sea. I raise it because the British Prime Minister referred to it this year and indicated he was doing a scoping exercise. It was not April Fool's Day but a month beforehand. It has been called "a budget-busting fantasy tunnel", but the idea has not gone away. It has been spoken about for decades and the current Prime Minister obviously has a very open mind about it. Is the British-Irish Chamber of Commerce feeding into that scoping exercise to assist it? It would be a truly remarkable piece of infrastructure. It would also be culturally enriching and, as the old saying goes, a rising tide lifts all boats. A bridge crossing could also assure members of the Unionist community in future if they felt cut adrift in that they would be closer to their beloved mainland. The two islands working together is an exciting proposition. Has this proposal been considered or is it to be taken with a pinch of salt? I am hoping the witnesses will tell me everything is possible. The Prime Minister of Britain is saying it is possible. Can we help or nudge the issue

along?

Mr. John McGrane: On the golden opportunity for Northern Ireland, the Senator heard my remarks at the outset. Regarding the wider point concerning the quietness of the business voice, Senator Martin is not wrong. It is a puzzle to many folks that businesses that know so much about their operating environment are strangely quiet about it. To be fair, business people just go about their business and it falls to people like us in the representative organisations, the unique franchise which it is our privilege to have, to speak on behalf of businesses on both islands, north, south, east and west, about the investment they make in employment and well-being in their communities. It falls to people like us to give voice to that on their behalf.

In the modern era, the Senator will not need me to tell him that the public space can be an uncomfortable one, not least for public figures and politicians. Business people who look at social media and, frankly, the lack of manners shown in some quarters in response to the great work done by public officials and public representatives may decide they do not want to expose themselves to that, just for making a point. They correctly look to people like us to do that for them and it is our responsibility to aggregate their points of view and communicate the message. As Mr. Molloy just said, and as Mr. Lynam touched on in various ways earlier, we act as an aggregator of business opinion to get the message across.

We are not in the business of shouting at anybody. Life is too short. We are in the business of proposing solutions. I am glad to say that much of the work we have been doing during our ten years in existence, today being our tenth anniversary, has found its way into political discourse and departmental thinking. The proof point lies in whether we are invited back. We are privileged to be on a growing number of public body committees on both islands and we are invited back. That validates our view that we are saying things which are useful to the public policymaking process. We will continue to do that.

One of those public policymaking processes may be a bridge too far. We are not sure that a bridge between Northern Ireland and Scotland is the right solution to some problem that is not quite clear. It is potentially a minefield, and I mean that literally because the proposed route crosses the largest arms dump in this part of the world. It is literally in uncharted waters. I will spare the committee by not stretching my puns much further. We do not have businesses asking if we could please get this done. We have businesses telling us that they have pressing priorities, as Mr. Lynam alluded to earlier, concerning the planning process and that operating in a way that would be positive, constructive and for the benefit of all. They raise the national broadband plan, which would be very useful if it was finished, and the management of major infrastructural works, such as the national children's hospital. These are important projects and they deserve the very best treatment, including by businesses, to ensure they are brought to fruition for the benefit of all citizens. Perhaps in future there will be a bridge and perhaps new technologies will make the project more viable, but our 20th anniversary may have passed by the time that comes about.

Chairman: That was fairly comprehensively answered with a bit of humour thrown in as well, which is always welcome.

Senator Timmy Dooley: I might add to the humour before I start. I was taken by my colleague, Senator Martin, stating that if the Prime Minister says it is possible, we should go for it. I take the view that if the PM says it is possible, it generally is not.

I thank Mr. McGrane for his presentation and his work. Others have commented on it and

it has been a source of great importance throughout this debate. As he represents business across the divide, I am interested if he could share with us the thinking in businesses directly affected right now by continued discussion on the existence of the Northern Ireland protocol, more particularly the suggestion by some that it is a currency that will change dramatically in the not-too-distant future. The way in which the new leader of the Democratic Unionist Party, DUP, seems to be battenning down, has indicated right from the start that his focus will be - I am paraphrasing but this is my reading of it - dismantling that agreement. Taking into consideration that certainty is such an important part of investment, what is Mr. McGrane hearing from his members around their continued interest in investing in the relationship and business opportunity that is there? Has he seen any lack or hesitancy about proceeding with investment in those areas? That is the first issue.

At the beginning of Brexit coming into play with the agreement that was reached, there were some considerable difficulties in logistics, especially for some of the confectionary companies that have a rather interesting supply chain mechanism. They purchase in bulk in Europe, much of the product that comes to Ireland and is broken down, some gets utilised here and some gets re-exported back to the UK. That had a significant impact in the early stages. Is that still the case or have some of those issues been ironed out?

Mr. John McGrane: On both those points and the broad business response to the inevitable disruption, once Brexit was going to happen something was going to change. Over the course of almost five years, various versions of that change were debated on both islands and beyond but we got the resolution we got. From our point of view, as a business representative organisation representing businesses on both islands, we applauded and welcomed it. Absent this agreement there was no other way of getting business done, let alone addressing wider concerns about security and other such important matters.

Where are we? As I said earlier, businesses are pragmatic. They have no objection to change at all as long as it is well flagged and efficiently administered. We have been hearing from our members as currently as today, because we are privileged to be presenting to the committee and made sure we had our insights as up to date as possible. We have spoken to people who are major players in the food sector and who are hugely exposed in what is a very important industry. Of course, they have been sheltered to a degree because Britain, in some respects, has not really implemented Brexit thus far. The legitimate noise from surprising administrative disruption, shall we put it in those terms, even among the best-prepared, is fit to be repeated, I am afraid, as early as October when the next stage of food-related, animal health and phytosanitary regulation kicks in. It will happen again from early January next year when the fuller application of Brexit by Britain on the import side comes through.

Where does all that get us? First, from a business point of view, all of that increases costs. If an extra form has to be filled out than used to be the case, that is more expensive for the same piece of business. Something happens somewhere, ultimately. The consumer ends up paying more or, in a competitive market, the margin falls on that supply chain and somebody else has to cut costs or is replaced by somebody else operating off a lower price base. As I said at the top, business has no worries about competing. It just likes to know what is coming. It got most of that information - not all of it - in its real detail with barely a couple of weeks to go between Christmas and the new year. There is more still to come. On the constructive side, businesses North, South, east and west will greatly appreciate if the changes, which they acknowledge have to be accepted, are accompanied by efficiency processes such as the greater use of online. Mr. Lynam talked about a single clearing house, a forum and the ways and means of working

out how these rules can be best - that is, least obstructively - applied, consistent with the need to apply them in the first place.

There are many ways this can be done. Regarding the UK, I was present at Hillsborough House in Northern Ireland when Michael Gove announced the launch of the trader support scheme, which has the universal acclaim of businesses in Northern Ireland and which was broadly welcomed. This is because it is an online process that did not exist previously and was brought in to help people comply with, not object to, the engagements and obligations consistent with the protocol. I will not speak for the new leader of the Democratic Unionist Party, but I might observe that he has been the Minister with responsibility for some of the application of the protocol at port-side facilities in Northern Ireland. Notwithstanding legitimate observation from a political stance, those rules have been applied at the same time as working very closely with business to find better and better ways of applying them so they have the least disruptive impact.

We respect utterly the role of public representatives who have the toughest job of the lot, which is to stand out there on the hustings and take beatings from everybody and praise from few, while meantime the real work of politics, including Departmental supports, is to work out ways of dealing with the problem in the first place. We know that is going on in Northern Ireland. We wish people good political courage, strength and support to bring about the ultimate application of a protocol, which is more easily applied by all when they know they need to apply it because it is a much better solution than the alternatives.

Mr. Paul Lynam: I might come in on that. It is important to bear in mind that, unlike other trade agreements, the one between the EU and the UK will be an evolving one. It is not fully finalised. That is even more true in the context of the Northern Ireland protocol. When people talk about changing or rewriting the protocol, if one accepts the principle that the protocol should exist, and I appreciate that is not definitive across the board, it allows for efficiencies and changes to it. Our view is that there is a mechanism within the trade and co-operation agreement and the withdrawal agreement that established the protocol, through the EU-UK joint committee, to make sure the protocol is implemented efficiently.

From our reviews of our members, and Mr. Molloy touched on it, from a North-South, all-island perspective, the Northern Ireland protocol is working really well. It has allowed for the all-island supply chain to operate very efficiently. However, it is fair to say, that from Great Britain to Northern Ireland it is not working in the way that was envisaged. In theory, it should work, but it has not been working fully in practice and there is potential for more efficiencies. The stand-out point is that when all easements and grace periods end, this export health certificate will create a whole new layer of bureaucracy for British businesses and the island of Great Britain, which will feed into Northern Ireland. Put simply, importers and exporters will not be able to manifest so something has to be done there. Whether that is a veterinary agreement or a compromise, something has to be done and we should bear that in mind. The Northern Ireland protocol is not fully complete. It needs to be changed and made more efficient, but it needs to be maintained.

Mr. John McGrane: I misplaced my note on the Senator's second question.

Senator Timmy Dooley: The main question was on investment and certainty; the logistics piece was the other. Has there been any resolution of that issue?

Mr. John McGrane: The concerns currently are that, with the first phase of learnings on

the Ireland side, there is a much higher level of alertness to the disruption that will be caused when Britain applies the full rigour of its obligations and intentions on the rest of the Brexit deal between October and January next year. The earliest manifestations of that are in cost, which is a competitiveness factor. They are also manifest in delays. I noted earlier that the British consumer of Irish food and many other Irish products enjoys a wonderfully efficient complex of price competitiveness, product quality, delivery timeliness, and all the factors that make Irish produce an easy and a preferred purchase by the British consumer. We should not take that for granted. Any number of things could distort that competitive position in the months ahead, after years and years of building it up.

Companies do not win shelf space in a Marks & Spencer supermarket in Manchester overnight. It is done over years of working with Bord Bia and many other people. We virtually own those shelves today. We do not want to lose them because we are late arriving owing to a day being added to the supply chain, a form missing on a truck, a more cumbersome than necessary declaration system or the costs of administering these changes being done without State support, which would ultimately hit the consumer. In those circumstances, we would lose the precious ground that was made up over many years through the hard work of many people across these islands. British consumers have choice. They may ultimately decide this is not working for them and they may need to start thinking about alternatives. We cannot allow that to happen.

Chairman: I have gone right around the table, which leaves me to make a few comments and observations and ask a couple of questions. I was struck in Mr. McGrane's opening statement by the level of decline in imports and exports. The percentages are extremely high and a cause of grave concern. When we discussed this at other committee meetings, the stockpiling explanation was offered. Does Mr. McGrane have any indication as to the level that will persist once we move beyond the initial implementation period? Although it feels like we have been operating in a completely new trading environment for a couple of years, we are only five months into it. It is a credit to businesses that they have managed to minimise the impact on consumers as much as they have, given what they have had to deal with. When will the chamber of commerce have a clearer picture as to the true impact on import and export across the two islands?

Mr. McGrane said that business tends to be quiet in relation to the Northern Ireland protocol. I understand why that is the case. That is a political space that we do always want to tread in. This committee has previously expressed concern about this and I share those concerns. There will be a vote in Northern Ireland to maintain the protocol. We know this is pencilled in for four years' time. There would be a concern around practical solutions to some of the trading challenges but I believe that can be done. The approach taken by the DUP in particular is that the protocol somehow impacts on Northern Ireland's constitutional position within the United Kingdom. Even if we fixed all the practical problems, for example, we secured a veterinary agreement, as I hope we will, and streamlined the import and export process, I am concerned that the DUP would still have an issue with the protocol existing, no matter what it looks like or what it does. We might need the support of business to try to protect the protocol. This is the point I am making. I do not expect an answer on that directly. I just wanted to make the point.

Mr. McGrane made a very important point Irish products having space on UK shelves. We have been discussing Brexit for the past three years. We have learned how hard fought for that space is so that our products are placed on the middle shelf or at eye level and not on the bottom shelf, and that we compete with other products to get that space. Members of the public

were not aware of the importance of that and of maintaining supply chains and the just-in-time model. That is really important for us.

With regard to a political response, is there anything the committee should include in its report to support business on that issue? How do we protect that? The committee met last week with the HSE, Revenue and the Department of Agriculture, Food and the Marine to discuss the nuts and bolts of trading through the ports and the logistical nightmare this has been for traders, including the paperwork involved and having to go to multiple locations to get goods through. From a business perspective, what is the chamber of commerce hearing back on that? The HSE, Revenue and the Department tell us they have made a lot of improvements, have updated their systems, are working better together and are communicating with one another weekly. Are the witnesses hearing from their members that things have improved in recent months?

Mr. John McGrane: In one word, “Yes”. Things are improving, which is what happens in business life because businesses adapt. With regard to things being quiet, it is the same as not being noisy. Businesses work away with people like us and others to make sure people know these things are happening. They will comply and are complying in an environment that is not getting worse. We will, however, see a spike for the worse in October and again in January when, as we said, a new round of changes will come into force. The learnings of the first phase will be very valuable, as will creating forums that rapidly bring all the parties together, stay very close to developments and invest in some of the supports that can make these things easier to do, for example, a greater amount of online work and listening to businesses’ proposals in that regard.

The Chairman made a point about the decline in imports and exports. A key point is that there has been no drop-off in consumer demand. The people who bought Irish goods and the people in Ireland who bought British goods still like those products and services. They have not, to any great degree, scoured the planet to find new, cheaper or faster suppliers. They like what they are buying, the competitiveness of these goods and the fast delivery times. They just bemoan the fact that trade is more disrupted and hope some of the disruptions can be worked on in the ways we are talking about. We have everything to hold on to here. British consumers have not turned away from Irish produce, far from it. Consumers - north, south, east and west - still love what we make and sell. We just have to work very hard to make sure we do not discommode them so much that they change their minds.

On being heard, there is a key point to be made. As the season evolved, businesses in Northern Ireland told us that what they would really value is if the EU heard their plea more directly. We are glad to be able to say that we made it our business to ensure people were aware of that human need to be heard or, in this case, the business need to be heard by the EU directly, and that this has paid dividends. It proves the point that ní neart go cur le chéile. Get the people around the table talking about what is going on, listen and respond. All businesses will be reasonable and recognise that things cannot change overnight. The key point is that we appreciate being heard. We have our own responsibilities and obligations to deliver that voice channel.

With regard to the protocol, the answer is “Compared to what?” We know very few businesses, if any, that object to the protocol. They want time to implement it and genuine work on all sides to make it easy to implement. The alternative to the protocol deserves to be aired politically by people who are with people who say we just should not have it. We know what the alternatives are. They are all worse than having the protocol in terms of where a border might lie and the very significant other consequences of those choices and in the propensity of the various agencies, including in Great Britain, to be comfortable with formulas other than

the protocol, which they brought in. That is not a political point; it is a practical point. When people raise an objection to something, as they have the right to do, they have a responsibility to present an alternative, so that people and businesses can consider the alternative and give feedback to their public representatives accordingly.

Mr. Paul Lynam: The Chairman asked what specific programme could protect our market share in the UK. Three or four years ago, Bord Bia introduced a marketing intensification programme grant for agrifood exporters to the UK so they would have a bit more money to market their product. We suggested retaining and expanding that grant in order that Irish companies already exporting to the UK would have an additional grant to improve their marketing presence and try to get their product from the bottom shelf to the top shelf, for want of a better phrase.

On the single access window, I watched the discussion the committee had with Revenue and the ports representatives, which was quite detailed. They spoke about GDPR, confidentiality and working more closely together. I sit on the customs consultative forum and there is certainly better collaboration between the different Departments and Revenue, which is most welcome. The issue from businesses' perspective is that they have to deal with numerous agencies. A business would happily sign a GDPR waiver if it meant that it gave up its information once, so I do not necessarily think that has been a block. As an alternative, we have said that if one cannot have a single access window, then at least appoint some of the traders, especially larger traders, to a senior point of contact that they can deal with. One of the best things that we have had from a policy perspective for a business importing irregularly is the Brexit helpline, for want of a better term. One can email it and get a response to queries. That is not good for the truck that is held up at Dublin Port. It needs a point of contact that it can contact immediately to see what the issue is with paperwork and, if there was one, what the misunderstanding was between different Government agencies which are not passing it on.

A single access window is our first choice. If that cannot be done, can we have a senior official as the single point of contact for those businesses? They can contact that person straight away to say that their truck has been held up and it needs to be at Dunnes Stores in the next hour, what the given reasons are and that they do not accept it, or what the challenges and problems with the paperwork are. That is the feedback that we are getting from our members. If we cannot have a single access window, please give us a point of contact that we can work with.

Chairman: I thank Mr. Lynam. That is clear and quite a reasonable request. Everyone has spoken. I thank Mr. John McGrane, Mr. Paul Lynam and Mr. Cillian Molloy from the British Irish Chamber of Commerce for their time. We have had a robust, engaging debate. They have given us much to think about and to include in our report.

Our next public meeting will be on Monday, 24 May. The Irish Human Rights and Equality Commission, the Northern Ireland Human Rights Commission, the Equality Commission for Northern Ireland and the Committee on the Administration of Justice will attend.

The select committee adjourned at 4.42 p.m. until 3 p.m. on Monday, 24 May 2021.