



# Library Note

## Leaving the European Union: The UK and Ireland

There has been speculation about the impact of the UK leaving the European Union on Northern Ireland, in particular in terms of peace and security, and trade. Questions raised include whether the peace process will survive, whether cross-border peace programmes will remain and whether border controls will need to change. For example, according to Northern Ireland's Deputy First Minister, Martin McGuinness, leaving the EU "will undermine all-Ireland bodies and cooperation created by the peace process and it will harden partition". Others dispute this, arguing that there will be little or no impact. This view has been expressed, for example, by the House of Commons Northern Ireland Affairs Committee, who observed before the referendum that "the peace process has ultimately been successful because of the commitment of successive UK and Irish governments and the willingness of politicians and the communities they represent to put aside past differences sufficiently to allow Northern Ireland to be governed peacefully". In July 2016, the Irish Prime Minister, Enda Kenny, and the UK Prime Minister, Theresa May, reaffirmed "the importance of the partnership between our two governments as co-guarantors of the Good Friday Agreement, and in supporting the peace process, and in contributing to stability and continued progress in Northern Ireland". However, Professor Dagmar Schiek has suggested that the UK's withdrawal from the EU would "add to the considerable hurdles to be overcome for driving forward the peace process".

In terms of trading in both goods and services between the UK and Ireland, the Office for National Statistics reported that 5 percent of the UK's exports in 2014 went to Ireland, worth £28 billion, whilst 3 percent of the UK's imports came from Ireland, worth £17 billion. Some commentators and organisations, such as IBEC, who represent businesses in Ireland, have argued that the decision to leave the EU would be a "major blow to Ireland and the EU". Supporting this view, Martin McGuinness has warned against the UK leaving the EU customs union. Others including Northern Ireland's First Minister, Arlene Foster, disagree. Mrs Foster has argued that "there is no evidence to support the case that either Scotland or Northern Ireland should stay in the EU for the sake of trade with the rest of the EU".

This House of Lords Library briefing provides background to two key areas identified as being potentially affected by the UK's withdrawal from the EU. The first area is peace and security, which encompasses the peace process signed following the 30 year conflict in Northern Ireland (commonly referred to as 'the Troubles'), border controls and the Common Travel Area. The second area is trade, particularly the bilateral trade relationship between UK and Ireland. This briefing examines the current peace and security, and trade situation, and discusses the potential implications of the UK leaving the EU, drawing upon commentary from UK and Irish heads of governments, political parties, think tanks and organisations.

**Table of Contents**

- I. Peace and Security..... 1
  - I.1 Background..... 1
  - I.2 Potential Impact..... 2
- 2. Trade..... 9
  - 2.1 Background..... 9
  - 2.2 Potential Impact..... 10
- 3. Further Reading..... 12

## I. Peace and Security

In order to examine any potential implications of the UK leaving the EU for peace and security in Northern Ireland, this briefing provides an overview of the security situation in Northern Ireland between 1968 and 1998 and the subsequent peace process, covering the period between the start of ‘the Troubles’ and the Belfast Agreement (also known as the Good Friday Agreement). It then discusses the future of the peace process and cross-border peace programmes; the possibility of a return to border controls; and whether the Common Travel Area will remain.

### I.1 Background

#### ‘The Troubles’ and the Belfast Agreement

‘The Troubles’ is the term commonly used to refer to the period of violence in Northern Ireland that began in the late 1960s and ended with the Belfast Agreement, which was signed on 10 April 1998 by the British and Irish governments, and by the majority of Northern Irish political parties.<sup>1</sup> The Belfast Agreement explicitly reaffirmed the signatories “total and absolute commitment to exclusively democratic and peaceful means of resolving differences on political issues”.<sup>2</sup> The Agreement included a framework for the establishment of key political institutions, including the Northern Ireland Executive and the Northern Ireland Assembly, set up so that the elected political parties could share power; the North South Ministerial Council, created to “develop cooperation between both parts of Ireland”; and the British-Irish Council, which sought to “promote the relationship between Ireland and Britain”.<sup>3</sup> In May 1998, the Agreement was approved in referendums in both parts of Ireland.<sup>4</sup> The signing of the Belfast Agreement changed the scale of the border controls from a ‘hard’ border most apparent during the Troubles, to a ‘soft’ border.

#### Border Controls 1968–98 and Today

During the Troubles, the British military closed many roads along the Irish-Northern Irish border, establishing checkpoints and watch towers. Researchers at the [Irish Borderlands Project](#) spent three years exploring the Irish-Northern Irish border—from the creation of the border in the 1920s to the project’s completion in 2008—and the effect of the ‘hard’ border on people’s lives.<sup>5</sup> They observed that as the Troubles escalated in the 1970s, the border became subject to a systematic attempt to make it impossible to cross it by road except at approved routes where army and police checkpoints were installed near the border in Northern Ireland.<sup>6</sup> In addition, they noted that all roads, other than ones approved by the army were made impassable by the British army and security forces, with craters dug into the road, concrete blocks installed and bridges blown up that crossed the border. Such checks were imposed and actions taken in order to “restrict the movement of paramilitaries into Northern Ireland from

---

<sup>1</sup> For more information about this period see Jonathan Tonge, *Northern Ireland: Conflict and Change*, 2002, 2nd edition.

<sup>2</sup> Northern Ireland Office, ‘[The Belfast Agreement](#)’, 10 April 1998.

<sup>3</sup> Northern Ireland’s Department of Foreign Affairs and Trade, ‘[The Good Friday Agreement and Today](#)’, accessed 26 October 2016.

<sup>4</sup> *ibid.*

<sup>5</sup> Irish Borderlands Project, ‘[Road Closures and Checkpoints](#)’, accessed 28 October 2016. The Irish Borderlands Project was jointly led by Professor Brian Graham (University of Ulster) and Professor Catherine Nash (Queen Mary, University of London), and was funded by the [Arts and Humanities Research Council](#).

<sup>6</sup> Irish Borderlands Project, ‘[Road Closures and Checkpoints](#)’, accessed 28 October 2016.

the border counties of the south and to prevent the easy escape of paramilitaries across the border into Ireland”.<sup>7</sup> This, in turn, meant that “life along the border was shaped by the army and paramilitary violence”, with the researchers noting that areas along the border “experienced the greatest number of bombings, deaths and injuries [in Northern Ireland] apart from parts of Belfast”, with attempts to “seal the border” dependent on “a very heavy military presence”.<sup>8</sup>

Since the signing of the Belfast Agreement, there has been a ‘soft’ border in place along the Irish-Northern Irish border, with many features of the border during the Troubles having now disappeared. This includes previously closed border roads reopening and military checkpoints now removed.<sup>9</sup> Citizens of the UK and Ireland are able to travel between the two countries freely.

### Common Travel Area

The Common Travel Area (CTA) is an open borders travel zone between Ireland and the United Kingdom—including the Channel Islands and the Isle of Man—and has been in operation since the 1920s. At present, Irish and UK citizens can travel freely within countries in the CTA, with citizens not requiring passports in order to enter the area.<sup>10</sup> As part of the CTA, the UK and Ireland also cooperate on matters relating to immigration, however, Ireland reserves the right to check people coming into the country. For example, the Irish Citizens Information Board notes that immigration officers in Ireland possess powers to carry out checks on people arriving to the country from the UK and if necessary, refuse them entry “on the same grounds as apply to people arriving from outside the Common Travel Area”.<sup>11</sup>

The CTA is not provided for in either UK or Irish legislation. However, it is referenced in both domestic legislation and bilateral agreements between the two countries.<sup>12</sup> On 20 December 2011, the Irish and UK governments signed an agreement reinforcing their commitment to the CTA and agreed measures to crackdown on illegal immigration, such as exchanging biometric and biographical details “as part of the visa issuing process”.<sup>13</sup>

## 1.2 Potential Impact

Following the UK referendum outcome, there has been speculation as to the impact that leaving the EU could have on the future of peace and security in Northern Ireland. For some, the implications include a danger of the peace process unravelling, the cessation of cross-border peace programmes and a return to the ‘hard’ border that featured so prominently during the Troubles. In contrast, others have suggested that there will be little or no impact. This section examines some of these perspectives.

<sup>7</sup> Irish Borderlands Project, [‘Road Closures and Checkpoints’](#), accessed 28 October 2016.

<sup>8</sup> Irish Borderlands Project, [‘The Troubles and Borderland Life’](#), accessed 28 October 2016.

<sup>9</sup> Irish Borderlands Project, [‘Living with the Border Today’](#), accessed 28 October 2016.

<sup>10</sup> Citizens Information Board, [‘Common Travel Area between Ireland and the United Kingdom’](#), accessed 25 October 2016.

<sup>11</sup> *ibid.*

<sup>12</sup> Institute of International and European Affairs, [‘What Would Happen to the Northern Irish Border in the Event of Brexit?’](#), 22 June 2016.

<sup>13</sup> Irish Naturalisation and Immigration Service, [‘Ireland-UK Accord to Further Secure the Common Travel Area’](#), 20 December 2011.

## Peace Process and Cross-Border Peace Programmes

Prior to the referendum, Dagmar Schiek, Professor of Law at Queen’s University in Belfast, examined the role of the EU in the Northern Ireland peace process. Writing for the University’s Public Policy Blog, Professor Schiek noted that the Belfast Agreement “in its specific sections, partly makes reference to the shared EU membership of both partners”, and that as a result, “if the UK chooses not to remain bound by EU law after withdrawing from the EU, these agreements would have to be renegotiated”.<sup>14</sup> She argued that this “would not be a matter for the UK and Ireland alone” and that “in the immediate aftermath of an announcement by the UK to withdraw from the EU [...] the EU would, in the first place, negotiate the conditions of the UK’s future relation to the remainder of the EU [in accordance with Article 50]”. Professor Schiek further suggested that under Article 50, Ireland “would be barred from entering into negotiations on bilateral relationships with the UK about the overhaul of the Belfast Agreement immediately after the UK has declared its intention of withdrawal”.<sup>15</sup>

In terms of cross-border peace programmes, Professor Schiek also noted that “EU funding has supported the various stages of the peace process”.<sup>16</sup> The European Parliament report that since 1995, there have been four cross-border peace programmes, with a financial contribution of 1.5 billion Euros.<sup>17</sup> However, Professor Schiek warned that were the UK to decide to leave the EU, “the prospect of discontinuing these programmes would be a concern for continuing the peace process”.<sup>18</sup> She concluded that, as a result, “the UK’s withdrawal from the EU would add to the considerable hurdles to be overcome for driving forward the peace process”.<sup>19</sup>

Similarly, writing in the *Royal United Service Institute Journal* ahead of the referendum, Dr Edward Burke of Portsmouth University, agreed that there could be an impact on funding programmes for peace in Northern Ireland were the UK to leave the EU. Dr Burke contended that “much of Northern Ireland’s ‘peace dividend’ has come from the EU” through specialised programmes and funding “designed to reinforce the peace process”.<sup>20</sup> He also argued that leaving the EU could leave Northern Ireland “re-emerging as a major political, security and economic crisis for future governments in London”, and that it “will be severely exposed to any potential fallout from a vote to quit the EU”.<sup>21</sup>

Northern Ireland’s Deputy First Minister, Martin McGuinness, also expressed his worry for the future of peace and security in Northern Ireland following the referendum result. In an article in the *Irish Times*, Mr McGuinness wrote that:

The Good Friday (or Belfast) Agreement, as it became known, was endorsed by 94 percent of the voters in the Republic and 71 percent in the North. [...] Brexit will undermine all-Ireland bodies and cooperation created by the peace process and it will

---

<sup>14</sup> Dagmar Schiek, [‘What Does the 23 June Mean for Northern Ireland Specifically? Legal Perspectives Number 2: Peace’](#), Queen’s University Belfast Public Policy Blog, 7 June 2016.

<sup>15</sup> *ibid.*

<sup>16</sup> *ibid.*

<sup>17</sup> European Parliament, [‘Northern Ireland PEACE Programme’](#), accessed 31 October 2016.

<sup>18</sup> Dagmar Schiek, [‘What Does the 23 June Mean for Northern Ireland Specifically? Legal Perspectives Number 2: Peace’](#), Queen’s University Belfast Public Policy Blog, 7 June 2016.

<sup>19</sup> *ibid.*

<sup>20</sup> Edward Burke, [‘Who Will Speak for Northern Ireland? The Looming Danger of an Ulster Brexit’](#), *Royal United Service Institute Journal*, 28 April 2016.

<sup>21</sup> *ibid.*

harden partition. It will have consequences for human rights legislation which, again, is specifically referred to in the Belfast and subsequent agreements.<sup>22</sup>

In its May 2016 report, the House of Commons Northern Ireland Affairs Committee, examined the possible implications of the referendum on Northern Ireland. In contrast to Mr McGuinness' statement, the Committee suggested that were the UK to leave the EU it would not have a negative effect on the peace process. It reported that:

The peace process has ultimately been successful because of the commitment of successive UK and Irish governments and the willingness of politicians and the communities they represent to put aside past differences sufficiently to allow Northern Ireland to be governed peacefully. It is clear that the relationships that both the Northern Ireland Executive and the UK Government have with the Irish Government continue to be very strong, and we expect that would continue to be the case regardless of the outcome of the referendum.<sup>23</sup>

On 26 July 2016, the Prime Minister, Theresa May met the Irish Prime Minister, Enda Kenny in Downing Street, to discuss UK-Ireland relations following the referendum. In their subsequent press conference, Mrs May said with regard to peace and security:

We are both fully committed to working together in support of the Northern Ireland Executive to build a better, stronger, safer future for the people of Northern Ireland. Indeed, it is vital that that we keep up the momentum on tackling paramilitary groups and building a shared future. And today we have reaffirmed our commitment to establishing a new Independent Reporting Commission by the end of this year, which will support these efforts.<sup>24</sup>

Provision for the Independent Reporting Commission—to be established by agreement between the UK and Irish governments—was included in the Northern Ireland (Stormont Agreement and Implementation Plan) Act 2016. The agreement was signed on 13 September 2016. According to the Secretary of State for Northern Ireland, James Brokenshire, the role of the Commission is to report on progress towards ending paramilitary activity connected with Northern Ireland and “provide assessments of the implementation of the relevant measures of the UK Government, the Government of Ireland and the Northern Ireland Executive”.<sup>25</sup>

Mrs May's view was affirmed by Mr Kenny, who said the meeting:

[...] did repeat and reiterate the importance of the partnership between our two governments as co-guarantors of the Good Friday Agreement, and in supporting the peace process, and in contributing to stability and continued progress in Northern Ireland.<sup>26</sup>

---

<sup>22</sup> Martin McGuinness, '[Remain Must Mean Remain: Why We Need an All-Ireland Response to Brexit](#)', *Irish Times*, 19 August 2016.

<sup>23</sup> House of Commons Northern Ireland Affairs Committee, '[Northern Ireland and the EU Referendum](#)', 26 May 2016, HC 48 of session 2016–17, p 29.

<sup>24</sup> Prime Minister's Office, '[PM and Taoiseach Enda Kenny Statements](#)', 26 July 2016.

<sup>25</sup> House of Commons, '[Written Statement: Independent Reporting Commission](#)', 14 September 2016, HCWS148.

<sup>26</sup> Prime Minister's Office, '[PM and Taoiseach Enda Kenny Statements](#)', 26 July 2016.

## A Return to Border Controls?

Prior to the referendum, the House of Commons Northern Ireland Affairs Committee warned that were the UK leave to the EU, it was vital that the ‘soft’ border between Ireland and the UK remained:

Imposing security checks for those travelling between parts of the UK would [...] be highly undesirable. In the event of a Brexit, an arrangement that maintains a soft land border between Northern Ireland and the Republic [...] would need to be a priority.<sup>27</sup>

In July 2016, Deputy First Minister for Northern Ireland, Martin McGuinness, expressed his concern that the border could change, and the wider implications that it could have on peace and security. He said:

Anything that resembled a return to border checkpoints would represent a grievous undermining of the Good Friday Agreement.<sup>28</sup>

The Ulster Unionist Party has also stated its opposition to any return to hard borders and has previously called on both the Northern Ireland Executive and UK Government to “confirm that Northern Ireland’s citizens will not face a hard border at Great Britain’s ports and airports” once the UK leaves the EU.<sup>29</sup> They also argued that “given the commitment from both the British and Irish governments to maintaining the Common Travel Area in the post-Brexit environment, there is a valid concern that Northern Ireland’s citizens could face a security regime similar to that applied during the worst of the Troubles when travelling to England, Scotland or Wales”.<sup>30</sup>

Examining the likelihood of a return to border controls, the former Prime Minister of Ireland, John Bruton, argued that the “scale of controls at the land border in Ireland, will depend on the deal Britain makes with the EU”.<sup>31</sup> Writing in the *Financial Times*, Mr Bruton contended that it was “difficult to see how the UK can claim to control its borders with the EU if it does not apply the same controls on its land border with the EU in Ireland”.<sup>32</sup>

However, the heads of the governments of the UK and Ireland have insisted that they do not want to see a return to the border of the past. On 22 July 2016, representatives from the regional governments of the UK and Ireland convened at a meeting of the British-Irish Council in Cardiff to discuss the implications of leaving the European Union on the UK and Ireland. Following the meeting, Irish Prime Minister, Enda Kenny, dismissed the idea of a hard border returning to Ireland. In a press conference, Mr Kenny stated that the Irish Government “do[es] not want to see a European border internally on the island of Ireland” and that “there will not be a hard border from Dundalk to Derry”.<sup>33</sup>

On 25 July 2016, Northern Ireland’s First Minister, Arlene Foster, met the Prime Minister, Theresa May in Belfast. After the meeting, Mrs Foster spoke to journalists about the nature of

<sup>27</sup> House of Commons Northern Ireland Affairs Committee, [Northern Ireland and the EU Referendum](#), 26 May 2016, HC 48 of session 2016–17, p 27.

<sup>28</sup> BBC News, [‘Brexit: McGuinness ‘Cannot See How Common Travel Area Can Survive’](#), 22 July 2016.

<sup>29</sup> Ulster Unionist Party, [A Vision for Northern Ireland Outside the EU](#), September 2016.

<sup>30</sup> *ibid.*

<sup>31</sup> John Bruton, ‘Peace and Prosperity in Ireland are Threatened by Brexit’, *Financial Times*, 14 September 2016.

<sup>32</sup> *ibid.*

<sup>33</sup> BBC News, [‘Brexit: ‘No Hard Irish Border’, says Taoiseach Enda Kenny’](#), 22 July 2016.

the talks with the Prime Minister. Mrs Foster said that “there must be no internal borders within the United Kingdom”, and that the Prime Minister had “responded positively to that”.<sup>34</sup> This view was apparently endorsed by the Secretary of State for Exiting the European Union, David Davis. In an article for the *Belfast Telegraph* in September 2016, he said that the Government “do[es] not want a hard border” or a “return to the past”.<sup>35</sup>

### Common Travel Area

The result of the referendum on the UK’s membership of the European Union has led to some questioning the future of the Common Travel Area (CTA). In particular, whether the Irish-Northern Irish border could subsequently become the UK’s external border with the EU.

In May 2016, the House of Commons Northern Ireland Affairs Committee noted that were the UK to vote to leave the EU it would arguably raise questions about the future status of the CTA. The Committee reported that:

As the CTA is an agreement between two EU members and protected by EU Protocol (it is currently included in an annex to the Lisbon Treaty), it would no longer apply if the UK was outside the EU. Whilst the CTA predates British and Irish membership of the EU, it is not clear that its status in international law is sufficiently robust for it to bind EU members beyond their mutual obligations to each other in the event of a Brexit.<sup>36</sup>

The think tank the Institute of International and European Affairs has also warned that the future of the CTA is not certain. On the day after the referendum, it reported that “there is no precedent for the UK and Ireland Common Travel Area to exist half-in and half-out of the EU and its continued existence may now be in doubt”.<sup>37</sup> As a result, any changes to the current arrangement could “have repercussions for migration, employment and social welfare”.<sup>38</sup> The Ulster Unionist Party has called on the Northern Ireland Executive and UK Government to “safeguard the Common Travel Area, to ensure Northern Ireland’s people retain the right to unfettered access to all areas of the island of Ireland”.<sup>39</sup> On 22 July 2016, Deputy First Minister for Northern Ireland, Martin McGuinness, expressed his concerns, saying “I don’t see how Common Travel Area could survive the negotiations”.<sup>40</sup>

Others have also argued that the future of the CTA will depend on negotiations between the UK and EU, once Article 50 is triggered. The UK in a Changing Europe, an initiative funded by the Economic and Social Research Council and based at King’s College London, has argued that “if a post-Brexit UK opts out of the free movement of people then the Irish border becomes the external border of the EU. This poses serious questions for the CTA with all the economic, political and social consequences that may entail”.<sup>41</sup>

<sup>34</sup> BBC News, [‘Brexit: ‘No Hard Irish Border’, says Taoiseach Enda Kenny](#), 22 July 2016.

<sup>35</sup> Department for Exiting the European Union, [‘David Davis Op-Ed: I Will Ensure that Northern Ireland’s Voice is Heard in Negotiations](#)’, 1 September 2016.

<sup>36</sup> House of Commons Northern Ireland Affairs Committee, [Northern Ireland and the EU Referendum](#), 26 May 2016, HC 48 of session 2016–17, p 27.

<sup>37</sup> Institute of International and European Affairs, [‘Brexit: What Does it Mean for Ireland?’](#), 24 June 2016.

<sup>38</sup> *ibid.*

<sup>39</sup> Ulster Unionist Party, [A Vision for Northern Ireland Outside the EU](#), September 2016.

<sup>40</sup> BBC News, [‘Brexit: McGuinness ‘Cannot See How Common Travel Area Can Survive’](#), 22 July 2016.

<sup>41</sup> UK in a Changing Europe, [After the EU Referendum: Establishing the Best Outcome for Northern Ireland](#), 2 September 2016.

In contrast, heads of governments in the United Kingdom and Ireland have publicly stated their intentions to ensure that the CTA remains once the UK leaves the EU, with the UK Government noting that this could result in moving frontline immigration controls to Ireland. According to Northern Ireland's First Minister, Arlene Foster, "our colleagues in the Republic of Ireland have said very clearly they want to make the Common Travel Area work [...] there are ways to deal with this that we can be creative and flexible about".<sup>42</sup> Similarly, on 25 July 2016, the Prime Minister, Theresa May, visited Northern Ireland to meet with Arlene Foster to discuss the impact of the referendum vote. When asked in a press conference about whether she envisioned changes to the border in the wake of the UK leaving the EU, she responded:

Northern Ireland will have a border with the Republic of Ireland, which will remain a member of the EU. But we'd had a common travel area between the UK and the Republic of Ireland for many years before either country was a member of the EU.<sup>43</sup>

The Irish Prime Minister, Enda Kenny, has also announced his commitment to maintain the CTA in future, stating that the Irish Government would do its "utmost in upcoming discussions to maintain the Common Travel Area and minimise any possible disruptions to the flow of people, goods and services between these islands".<sup>44</sup>

Following the referendum outcome, the Irish Government published its [Contingency Framework](#) identifying key policy issues. Regarding the future of the CTA, the Irish Government stated that:

There is no immediate change to the Common Travel Area. People can still travel as normal between Ireland and the UK, including Northern Ireland. The Common Travel Area has been in existence since Irish Independence. It is an important feature of the close relationship between Ireland and the UK with long-established benefits for trade and tourism between our two countries. It operates across a range of areas including allowing for free movement between Ireland and the UK, and access to social welfare.

Both the Irish and British Government value the Common Travel Area and will work to keep this in place to the greatest extent possible as part of future arrangements. There is no desire to limit the freedom of people on both sides of the Irish Sea to live, work and travel freely across these islands.<sup>45</sup>

The Irish Government also noted that the CTA has "only ever operated where both Ireland and the UK were either outside of the EU, or within it" and subsequently, would be a "key issue for Ireland in the context of negotiating new terms and conditions for the EU's relationship with the UK".<sup>46</sup>

UK Government ministers have stated that once the UK leaves the EU they might seek to move some UK immigration controls to Ireland. On 9 October 2016, Secretary of State for Northern Ireland, James Brokenshire, told the *Guardian* that the Government would work to "strengthen the external border of the common travel area [CTA]" by moving frontline immigration controls to Ireland's ports and airports. He stated that "we are already working closely with the Irish Government and other members of the common travel area to prevent

<sup>42</sup> BBC News, '[Brexit: McGuinness 'Cannot See How Common Travel Area Can Survive'](#)', 22 July 2016.

<sup>43</sup> Prime Minister's Office, '[PM Statement in Northern Ireland: 25 July 2016](#)', 25 July 2016.

<sup>44</sup> BBC News, '[EU Referendum: UK Vote on EU 'Very Significant' for Republic of Ireland](#)', 24 June 2016.

<sup>45</sup> Irish Government News Service, '[Frequently Asked Questions](#)', accessed 26 October 2016.

<sup>46</sup> *ibid.*

people from seeking to evade UK immigration controls from entering via another part of the CTA".<sup>47</sup> Mr Brokenshire also noted that there was a "high level of collaboration" between the UK and Irish governments on a joint programme of work including: investment in border procedures; increased data sharing to inform immigration and border security decisions; passenger data systems enabling the collection and processing of advance passenger information; and harmonised visa processes.<sup>48</sup>

The announcement was met with opposition from parties in Ireland. According to Fianna Fáil's foreign affairs spokesman, Darragh O'Brien, the proposal was "highly implausible" and "not grounded in any reality".<sup>49</sup> In addition, Sinn Féin MEP, Matt Carthy, argued that the proposals were "unacceptable" and that the people of Ireland "need to see the Irish Government take up their responsibilities to the Irish people, north and south".<sup>50</sup>

On 26 October 2016, Irish Prime Minister, Enda Kenny told politicians in the Dáil that in contrast to Mr Brokenshire's comments, he was not aware of what the UK Government was planning in relation to border controls. Discussing the UK Government's future plans for when the UK leaves the EU, Mr Kenny asked "is it a hard Brexit exit from the customs union and the single market and control at their own borders, or is it something else?"<sup>51</sup>

On 2 November 2016, Mr Kenny hosted an All-Island Civic Dialogue in Dublin. The Dialogue saw approximately 300 representatives from Northern Ireland and Ireland meet "to discuss the challenges posed by the UK's decision to leave the EU", such as the Common Travel Area and borders.<sup>52</sup> However, First Minister of Northern Ireland, Arlene Foster, and party members from unionist parties in Northern Ireland declined an invitation to attend.<sup>53</sup> Following the meeting, Mr Kenny reaffirmed the Irish Government's position that the Common Travel Area would continue once the UK leaves the EU. He stated that:

Neither I nor the [UK] Prime Minister desire to limit the freedom of people on both sides of the Irish Sea to trade, live, work and travel freely across these islands [...]. Therefore we have agreed that the benefits of the common travel area be preserved.<sup>54</sup>

---

<sup>47</sup> Henry McDonald, '[Britain to Push Post-Brexit UK Immigration Controls Back to Irish Border](#)', *Guardian*, 9 October 2016.

<sup>48</sup> *ibid.*

<sup>49</sup> John Manley, '[Cool Response to James Brokenshire's Plan to Shift Immigration Controls After Brexit](#)', *Irish News*, 11 October 2016.

<sup>50</sup> *ibid.*

<sup>51</sup> Daniel McConnell, '[Enda Kenny: No Brexit Deal on Use of Irish Ports as Border Control Points](#)', *Irish Examiner*, 26 October 2016.

<sup>52</sup> Department of the Taoiseach, '[Taoiseach Hosts the All-Island Civic Dialogue on Brexit](#)', accessed 3 November 2016.

<sup>53</sup> *Irish Examiner*, '[Taoiseach to Host All-Island Brexit Talks Minus the DUP](#)', 2 November 2016.

<sup>54</sup> Jessica Elgot and Henry McDonald, '[Irish PM Warns Brexit Talks between UK and EU Could Turn Vicious](#)', *Guardian*, 2 November 2016.

## 2. Trade

### 2.1 Background

According to the HM Revenues and Customs Trade Statistics Unit, in 2015, the value of trade in exports to Ireland from the UK was £15.1 billion, whilst the value of trade in imports from Ireland to the UK was £11.2 billion.<sup>55</sup> The table below shows the value of trade in imported and exported goods since 1996.

#### Value of Goods Imports and Exports between the UK and the Republic of Ireland 1996–2015

Year	Dispatch (Export to Ireland)—GBP	EURO Equivalent	Arrival (Imported from Ireland)—GBP	EURO Equivalent
2015	15.1 billion	19.9 billion	11.2 billion	14.7 billion
2014	17.8 billion	23.4 billion	11.7 billion	15.5 billion
2013	18.1 billion	23.9 billion	11.8 billion	15.6 billion
2012	16.8 billion	22.2 billion	12.7 billion	16.8 billion
2011	17.3 billion	22.8 billion	12.9 billion	17.1 billion
2010	16.3 billion	21.5 billion	12.7 billion	16.8 billion
2009	15.4 billion	20.4 billion	12.2 billion	16.1 billion
2008	18.5 billion	24.4 billion	12 billion	15.8 billion
2007	17.6 billion	23.2 billion	11.2 billion	14.8 billion
2006	17.2 billion	22.6 billion	10.4 billion	13.7 billion
2005	16.2 billion	21.3 billion	10 billion	13.1 billion
2004	14 billion	18.4 billion	10.1 billion	13.3 billion
2003	12.7 billion	16.8 billion	10 billion	13.2 billion
2002	15 billion	20.7 billion	9.5 billion	12.5 billion
2001	14.2 billion	18.7 billion	9.4 billion	12.4 billion
2000	12.6 billion	16.7 billion	9.7 billion	12.8 billion
1999	11.1 billion	14.7 billion	8.5 billion	11.2 billion
1998	9.8 billion	12.9 billion	7.9 billion	10.4 billion
1997	6.57 billion	8.65 billion	5.1 billion	6.7 billion
1996	6.53 billion	8.6 billion	4.7 billion	6.2 billion

Source: British-Irish Chamber of Commerce, '[Value of Goods Imports and Exports between the UK and the Republic of Ireland 1996–2015](#)', accessed 7 November 2016.

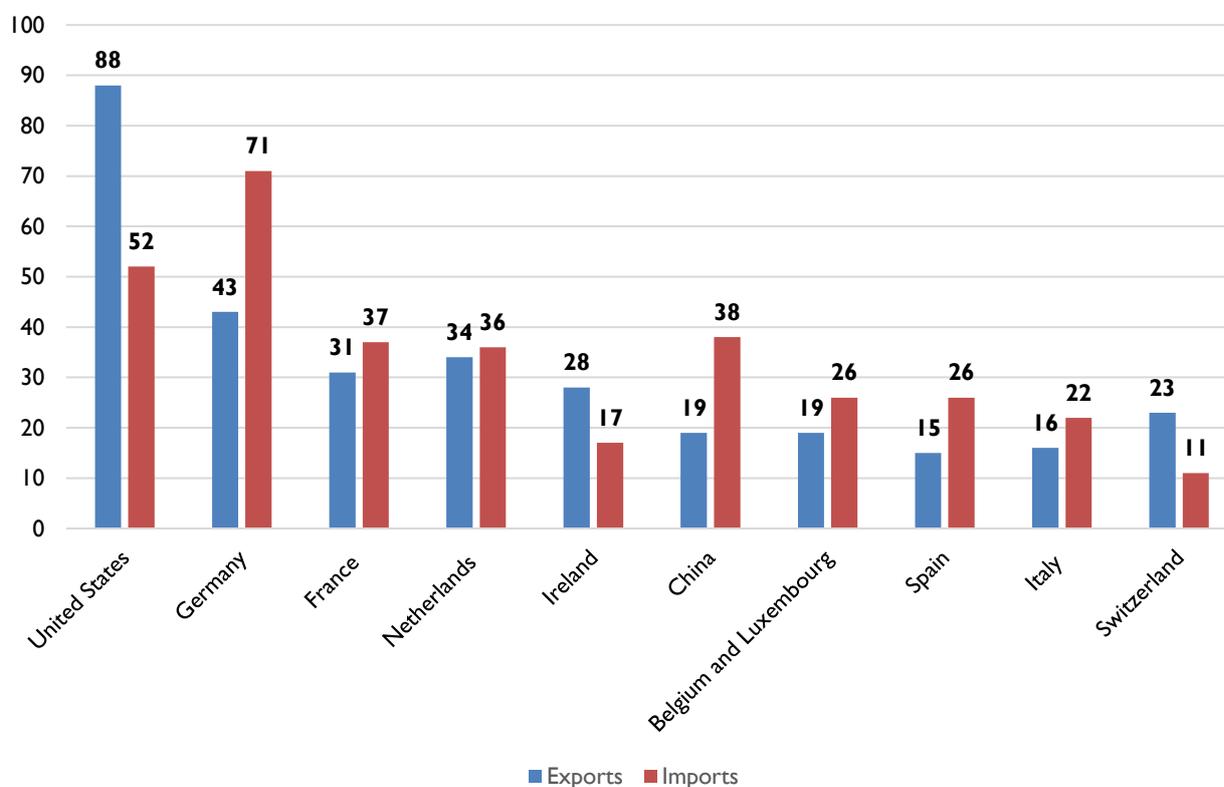
In terms of trading partnerships in both goods and services between the UK and Ireland, the Office for National Statistics report that 5 percent of the UK's exports in 2014 went to Ireland, worth £28 billion, whilst 3 percent of the UK's imports came from Ireland, worth £17 billion.<sup>56</sup>

<sup>55</sup> British-Irish Chamber of Commerce, '[Value of Goods Imports and Exports between the UK and the Republic of Ireland 1996–2015](#)', accessed 7 November 2016.

<sup>56</sup> Office for National Statistics, '[UK Perspectives 2016: Trade with the EU and Beyond](#)', 25 May 2016.

The following chart reveals the UK's top trading partners in imports and exports, according to 2014 figures.

### UK Top Ten Trading Partners in Goods and Services, Current Prices, 2014 (£ billion)



Source: Office for National Statistics, [‘UK Perspectives 2016: Trade with the EU and Beyond’](#), 25 May 2016.

## 2.2 Potential Impact

The result of the referendum on the UK's membership of the European Union has a number of potential implications for its future trade with Ireland. Some commentators and politicians have suggested that current levels of trade stand to be negatively affected, whilst others are more optimistic about the prospects that leaving the EU could bring.

In 2015, the Economic and Social Research Institute, a think-tank partly funded by Ireland's Department of Finance, suggested that were the UK to decide to leave the EU estimates “suggest that a Brexit is likely to significantly reduce bilateral trade flows between Ireland and the UK”, and that “the impact could be 20 percent or more”.<sup>57</sup> It also noted that “whilst the 20 percent estimate is an average figure, the impact would differ significantly across sectors and products”, such as in merchandise, where “increased trade barriers for the most important products would have a particularly significant impact on total trade volumes”.<sup>58</sup>

<sup>57</sup> Economic and Social Research Institute, [Scoping the Possible Economic Implications of Brexit on Ireland](#), November 2015.

<sup>58</sup> *ibid.*

Similarly IBEC, an organisation who represent businesses in Ireland, argued that the decision for the UK to leave the EU was “a major blow to Ireland and the EU”.<sup>59</sup> According to IBEC Chief Executive Officer, Danny McCoy:

Ireland will be impacted more than other countries by the UK’s decision to leave. It is vital we [Ireland] play a central role in exit negotiations. Our unique economic concerns need to be heard and fully understood, and our interests fully safeguarded in any final agreement. It is important that acrimony quickly gives way to pragmatism and that a speedy, mutually beneficially arrangement between the EU and UK is reached.<sup>60</sup>

In an article with the *Guardian* on 17 October 2016, Deputy First Minister of Northern Ireland, Martin McGuinness warned against the UK leaving the EU customs union, stating that “any removal from the customs union effectively means we are cut out of a market of 500 million people, yet half an hour down the road they will be able to trade freely with the EU. It would be a devastating blow”.<sup>61</sup>

However, supporters of the decision for the UK to leave the EU have maintained that the decision presents new opportunities to negotiate trade agreements outside of the EU. First Minister for Northern Ireland, Arlene Foster, writing in an article for the *Guardian*, contended that:

There is no evidence to support the case that either Scotland or Northern Ireland should stay in the EU “for the sake of” trade with the rest of the EU. The reality is that trade with the EU won’t stop when we’re out of it, any more than it does for those who have never been in it. Just like the US, China, and Australia, the Brexited UK will quite capably conduct trade with the EU.<sup>62</sup>

Similarly, on 24 October 2016, the Prime Minister, Theresa May, made a statement to the House of Commons following her first attendance at a meeting of the European Council. Discussing trade relations once the UK leaves the EU, Mrs May stated:

I am determined that as we leave the EU, Britain will be the most passionate, the most consistent and the most convincing advocate of free trade anywhere in the world, so as we look beyond our continent, we will seize the opportunities of Brexit to forge an ambitious and optimistic new role for Britain in the world. As part of this, I have been clear that the UK is already discussing our future trading relationships with third countries.<sup>63</sup>

On 26 October 2016, Secretary of State for Northern Ireland, James Brokenshire was asked a question in the House of Commons on the continuing of cross-border trade with Ireland. He responded that he wanted to “underline the fact that Northern Ireland remains open for business” and that “a number of firms are continuing to invest and create jobs, which we will continue to welcome”.<sup>64</sup>

---

<sup>59</sup> IBEC, ‘[UK Vote to Leave a Major Blow to Ireland and Wider EU](#)’, 24 June 2016.

<sup>60</sup> *ibid.*

<sup>61</sup> Patrick Wintour, ‘[Northern Ireland Should Push for Special EU Status, Says Martin McGuinness](#)’, *Guardian*, 17 October 2016.

<sup>62</sup> Arlene Foster, ‘[The UK Joined Europe as One Nation, and That’s How We’ll Leave](#)’, *Guardian*, 28 October 2016.

<sup>63</sup> Statement by the Prime Minister, Theresa May, on the ‘European Council’, [HC Hansard, 24 October 2016, cols 26–28](#).

<sup>64</sup> Oral Question on ‘Leaving the EU: Northern Ireland Economy’, [HC Hansard, 26 October 2016, col 270](#).

### 3. Further Reading

The subject of the UK/Irish border involves a wide range of subjects, such as peace and security, border control and trade. The following resources provide further reading on aspects of these subjects:

- House of Commons Northern Ireland Affairs Committee, [Northern Ireland and the EU Referendum](#), 26 May 2016, HC 48 of session 2016–17
- House of Commons Library, [Brexit: Impact across Policy Areas](#), 26 August 2016
- House of Commons Library, [The Common Travel Area, and the Special Status of Irish Nationals in UK Law](#), 15 July 2016
- Northern Ireland Assembly Research and Information Service, [The EU Referendum and Northern Ireland: Information Resources](#), 20 May 2016
- Northern Ireland Assembly Research and Information Service, [The EU Referendum and Potential Implications for Northern Ireland](#), 21 January 2016
- Institute of International and European Affairs, [What Would Happen to the Northern Irish Border in the Event of Brexit?](#), 22 June 2016
- Aoife O'Donoghue et al, [Brexit-ing Northern Ireland: The Challenges Ahead](#), Oxford Law Faculty Blog, 6 July 2016

House of Lords Library Notes are compiled for the benefit of Members of the House of Lords and their personal staff, to provide impartial, politically balanced briefing on subjects likely to be of interest to Members of the Lords. Authors are available to discuss the contents of the Notes with the Members and their staff but cannot advise members of the general public.

Any comments on Library Notes should be sent to the Head of Research Services, House of Lords Library, London SW1A 0PW or emailed to [purvism@parliament.uk](mailto:purvism@parliament.uk).