

Brexit

Ireland's Priorities



Future of
the European
Union



The Common
Travel Area



Economy &
Trade



The Northern
Ireland Peace
Process



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The challenges of Brexit

The decision of the United Kingdom to leave the European Union presents unprecedented political, economic and diplomatic challenges for Ireland.

Challenges to our peace, and challenges to our prosperity. How we deal with it in the months and years ahead will define the future of our island for decades to come.

Those challenges extend right across the policy spectrum, where so many areas are now the subject of common approaches and standards at EU level.

Ireland has undertaken extensive internal analysis and external consultation to prepare for Brexit. Along with our own Governmental analyses, the All-Island Civic Dialogue process has seen a range of stakeholders and representatives, North and South, meet regularly to share concerns and real life experiences. This has been an invaluable contribution to our Brexit preparations.

The analysis undertaken confirms that membership of the European Union has underpinned our national values, helped our economy to prosper, not least by unhindered access to a vast single market, and assisted our transition to a modern society. It also underscores the unequivocal conclusion that Ireland's future interests are best served by remaining a fully committed Member of the European Union, notwithstanding the departure of the UK.

Arising from the extensive work done to date, four headline challenges have been identified and prioritised by the Government as major political issues that will need to be addressed.

Each of these areas will have to be addressed to ensure the best possible outcome following Brexit, through the negotiation process between the EU and the UK and, where appropriate, continuation of important bilateral arrangements between Ireland and the UK.

This document provides greater detail as to why these four areas are top of Ireland's Brexit agenda.

Brexit could damage the Northern Ireland Peace Process

To mitigate these risks we need to:

- **Protect** all provisions of the Good Friday Agreement
- **Maintain** EU support for the Peace Process
- **Avoid** a hard border on the island
- **Support** continued North-South cooperation

Brexit could impede trade and the economy

To mitigate these risks we need to:

- **Maintain** close trade between UK and EU/Ireland
- **Minimise** regulatory burden for goods transiting UK
- **Improve** business environment – more competitive, diversified markets, better infrastructure
- **Pursue** trade and investment opportunities from Brexit

Brexit could inhibit the Common Travel Area

To mitigate these risks we need to:

- **Commit** jointly with UK to maintain the CTA
- **Confirm** rights and benefits under the CTA
- **Build** awareness and understanding amongst EU partners
- **Uphold** free movement of EU citizens within the EU

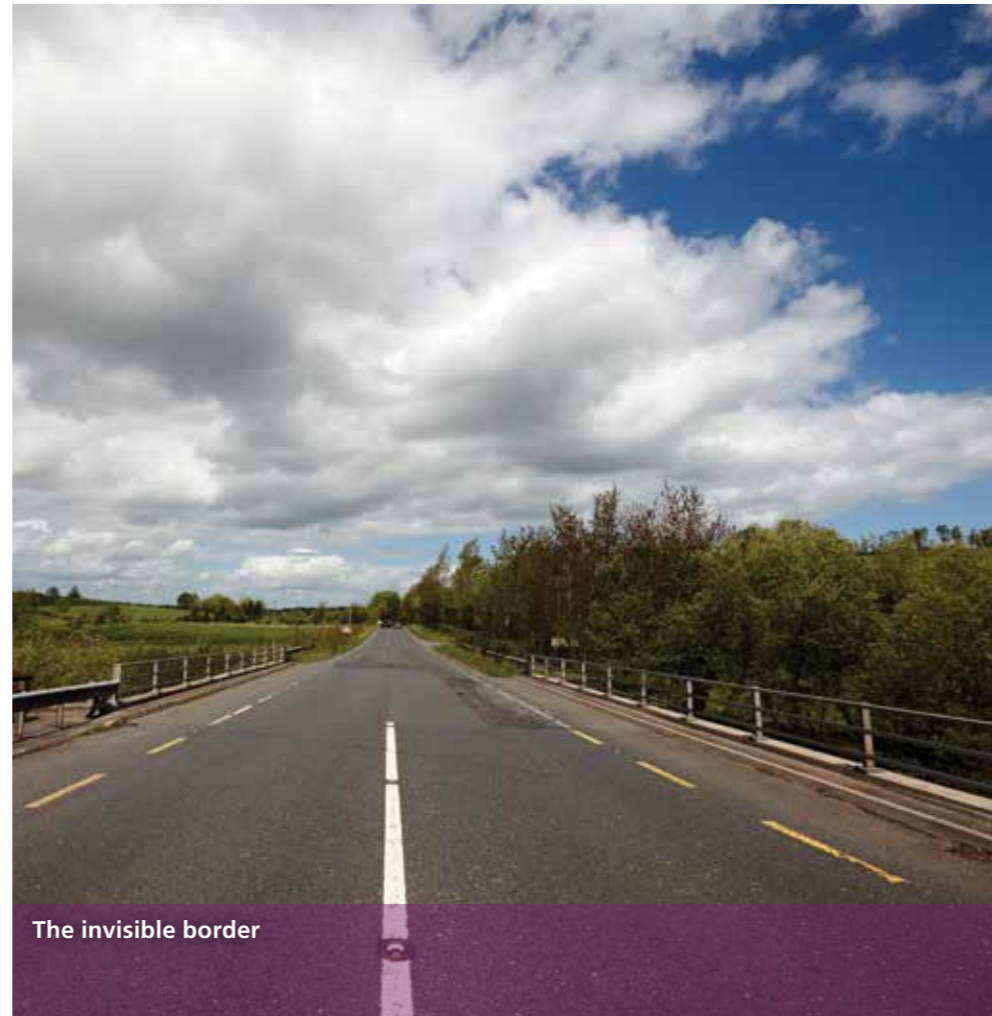
Brexit could weaken the EU and/or Irish influence in it

To mitigate these risks we need to:

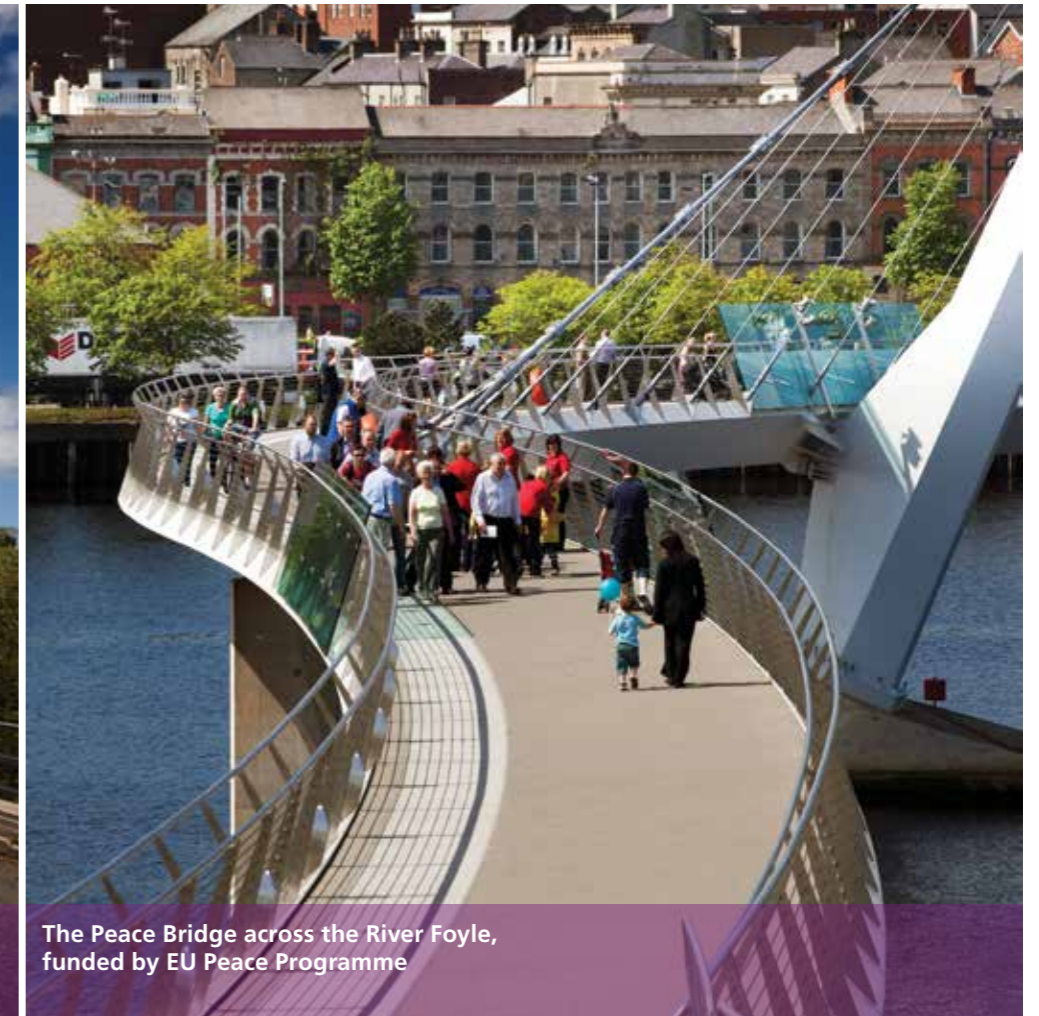
- **Strengthen** existing alliances in EU and build new ones
 - **Influence** future direction of European Union
 - **Promote** better awareness of EU role, values and achievements
 - **Maintain** strong UK-Ireland and UK-EU relations
-

Northern Ireland & the Peace Process

The Good Friday Agreement (also known as the Belfast Agreement) of 1998 remains the foundation of the Northern Ireland Peace Process and brought an end to more than 30 years of violent conflict. British and Irish common membership of the EU was a significant enabling factor in securing peace, and the European Union has played an important role in consolidating that peace and supporting reconciliation. Protecting the gains of the Peace Process and reflecting the unique circumstances of Northern Ireland throughout the Brexit negotiations are clearly in the interests of both the EU27 and the UK.



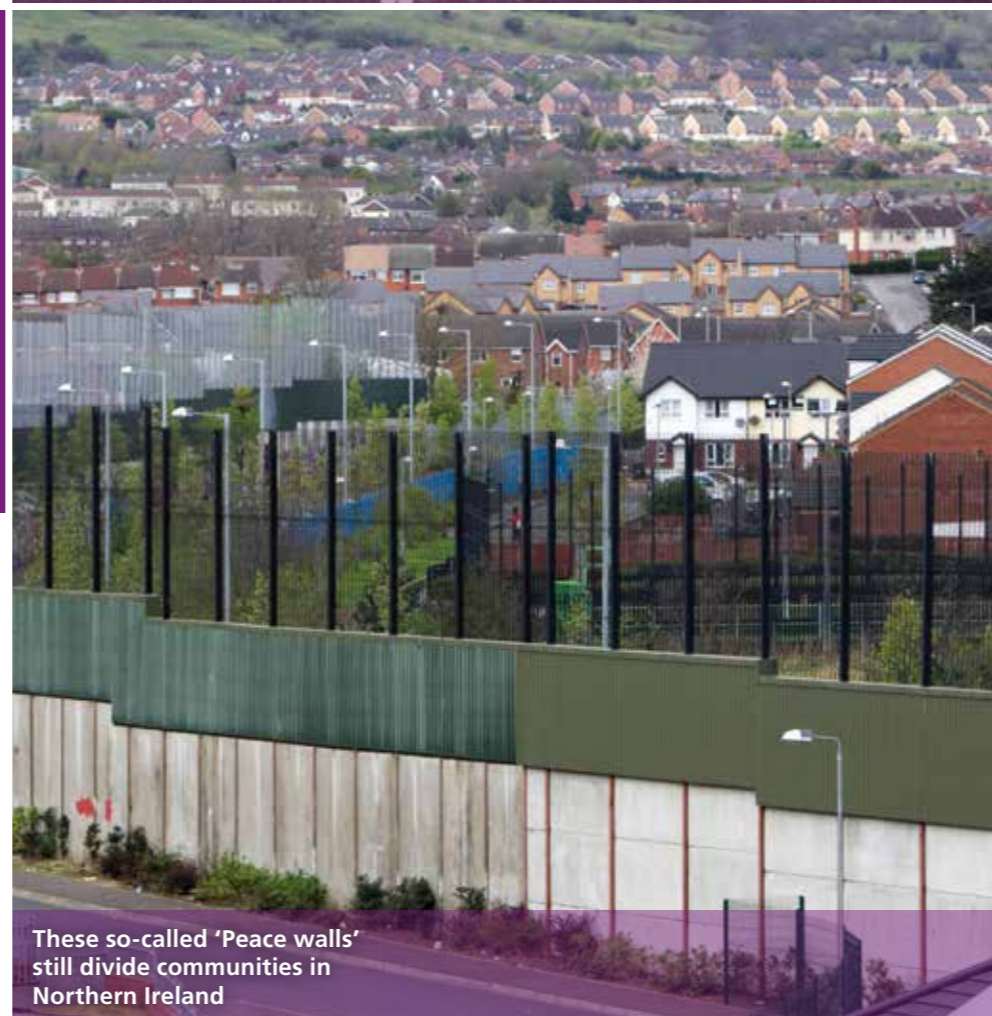
The invisible border



The Peace Bridge across the River Foyle, funded by EU Peace Programme

1.8M

People in Northern Ireland entitled to Irish citizenship



These so-called 'Peace walls' still divide communities in Northern Ireland

30

Years of violent conflict



The Good Friday Agreement

A difficult past

Brexit presents particularly difficult challenges in respect of Northern Ireland and relations between north and south on the island of Ireland. Northern Ireland has had a troubled history (see details overleaf). Over 30 years of violent conflict, starting in the late 1960s, saw over 3,600 people killed and many thousands more injured.

The Good Friday Agreement (also known as the Belfast Agreement) of 1998 is the foundation of the Northern Ireland Peace Process, having been approved by referendum on both parts of the island of Ireland.

This comprehensive settlement is enshrined in an international treaty between the Government of Ireland and the Government of the UK and registered with the United Nations. It aims to transform three sets of relationships: between both parts of the divided community within Northern Ireland; between North and South on the island of Ireland; between Ireland and Britain.

The Good Friday Agreement

The provisions of the Good Friday Agreement, together with the particular history and geography of the island of Ireland, mean that Northern Ireland is unlike anywhere else in Europe.

A central element to the Agreement is the principle of consent, which places the constitutional status of Northern Ireland in the hands of the people. This means that, while all sides accepted that Northern Ireland is part of the United Kingdom and that this reflected the will of a majority in Northern Ireland at the time, there is also a specific, agreed, mechanism to allow a potential change to this position in the future: should a majority of the people decide by referendum to opt for a united Ireland, this decision will be accepted by both the British and Irish Governments.

Identity and consent

Under the Agreement, the people of Northern Ireland have a right to identify themselves and be accepted as Irish or British, or both. In practical terms this means almost all of the 1.8 million residents of Northern Ireland are entitled to Irish, and therefore EU, citizenship regardless of Brexit.

Therefore, subject to the principle of consent, Northern Ireland is a region which has a lawfully agreed and direct pathway to become part of a continuing Member State – Ireland – and one where almost every person residing there will have a continuing right to EU citizenship.

Our Brexit priorities for Northern Ireland and the Peace Process

Protect all provisions of the Good Friday Agreement

Maintain EU support for the Peace Process

Avoid a hard border on the island

Support continued North-South cooperation

A landscape transformed

The Good Friday Agreement and the ongoing Peace Process have transformed the landscape of Northern Ireland. The removal of security infrastructure as part of post conflict normalisation, combined with shared membership of the European Union including participation in the Single Market, have resulted in the effective disappearance of any border on the island of Ireland.

This, most tangible, gain from the Peace Process has allowed commercial, political and social relationships to develop and thrive across the island.

An improved investment climate and new-found confidence for businesses, employers and exporters have both grown from, and contributed to, the gradually improving economic conditions.

A fragile peace

The crucial task of building true reconciliation within a still divided Northern Ireland, as well as across the islands of Ireland and Britain, has received enormous political and financial support from the European Union, including in particular through the PEACE and INTERREG funding programmes.

The continued involvement and support of the European Union are hugely important for the still fragile Peace Process and the power-sharing political institutions in Northern Ireland.

Although the transformational Good Friday Agreement in 1998 brought an end to violent conflict, underlying issues of sectarianism persist right through to the present day. One manifestation of this division is evidenced by the continued existence of ‘Peace Walls’, which act as a barrier between interface communities in Northern Ireland. A total of 72 Peace walls, mainly in Belfast, remain (see picture overleaf).

Political stability is not assured – as recently as January 2017, the devolved government collapsed.

It is a matter of vital national interest for Ireland that we do not return to the days of a hard border or create a new one in the future.

The Government is determined to work with our EU partners and with the UK to find a creative and innovative way to avoid changes which would have damaging political, community and security implications.

The Government will also work as part of the EU27 to ensure that the role and contribution of the EU can continue and be built upon in Northern Ireland in a way which reflects the core values of the EU, itself the world’s most successful peace project.

The Border

500km North South border is 500km long

300 Almost 300 formal and numerous informal crossing points

1,852,000 Car crossings per month



A short history

1916

The Easter Rising which proclaimed an Irish Republic is defeated but proves a crucial moment on the path to independence.

1919–1921

A War of Independence leads to political talks with the British Government. The Anglo-Irish Treaty is agreed and signed, establishing the Irish Free State, with 6 northern counties remaining part of the United Kingdom.

1922–1923

Provisions in the Anglo-Irish Treaty, particularly around partition and the residual links with Britain, divide nationalism and lead to a civil war across the island.

1937

A new Irish constitution is adopted by referendum. The Irish Free State becomes Ireland.

1949

Ireland declares itself a republic, breaking the last formal link with Britain by leaving the Commonwealth.

1966

Outbreak of violent incidents and rise of tensions in Northern Ireland.

1967–1969

Northern Ireland Civil Rights movement begins. Civil Rights marches are attacked. Rioting spreads and deteriorates into open sectarian conflict. British Troops are deployed to Northern Ireland in August 1969.

1972

470 people die as a result of the conflict – the most violent year of the Troubles.

1973

Ireland and the UK (and Denmark) join the EEC. A first attempt at a power-sharing executive in Northern Ireland (known as Sunningdale) is made but it collapses by end May 1974.

1985

The Anglo-Irish Agreement is signed by the British and Irish Governments. The Agreement gives the Irish Government a formal say in Northern Ireland affairs for the first time.

1989

EU financial support to the Peace Process begins through both EU Regional Policy and contributions to the International Fund for Ireland (IFI).

1990–1993

Following a lengthy series of talks, the Irish and British Governments agree the Downing Street Declaration in December 1993, helping to bring about ceasefires in 1994 by both republican and loyalist paramilitaries.

1994

The EU establishes a Special Programme for Peace and Reconciliation in Northern Ireland and the Border Region.

1997

The IRA ceasefire is re-established and multi-party talks chaired by US Senator George Mitchell resume. An arms decommissioning process begins – it will take until 2005 until IRA decommissioning concludes.

1998

The Good Friday Agreement is signed on 10 April and is approved by referendums in both parts of the island. It transforms relationships and establishes the principles and political institutions on which the Peace Process is founded. Northern Ireland political leaders John Hume and David Trimble are awarded the Nobel Peace Prize.

2000–2002

The newly established power-sharing Government (devolved administration) falters amid disagreements over decommissioning and collapses in October 2002.

2002–2006

Talks between the two Governments and all parties continue in an effort to reinstate the power-sharing administration.

2007

Devolved power is restored and a new power sharing executive is sworn in.

2007–2017

There has been continuous devolved power sharing Government in Northern Ireland supported by the Irish and British Governments and, where necessary, talks processes to resolve specific issues leading to Hillsborough Castle Agreement (2010), Stormont House Agreement (2014) and The Fresh Start Agreement (2015).

2016

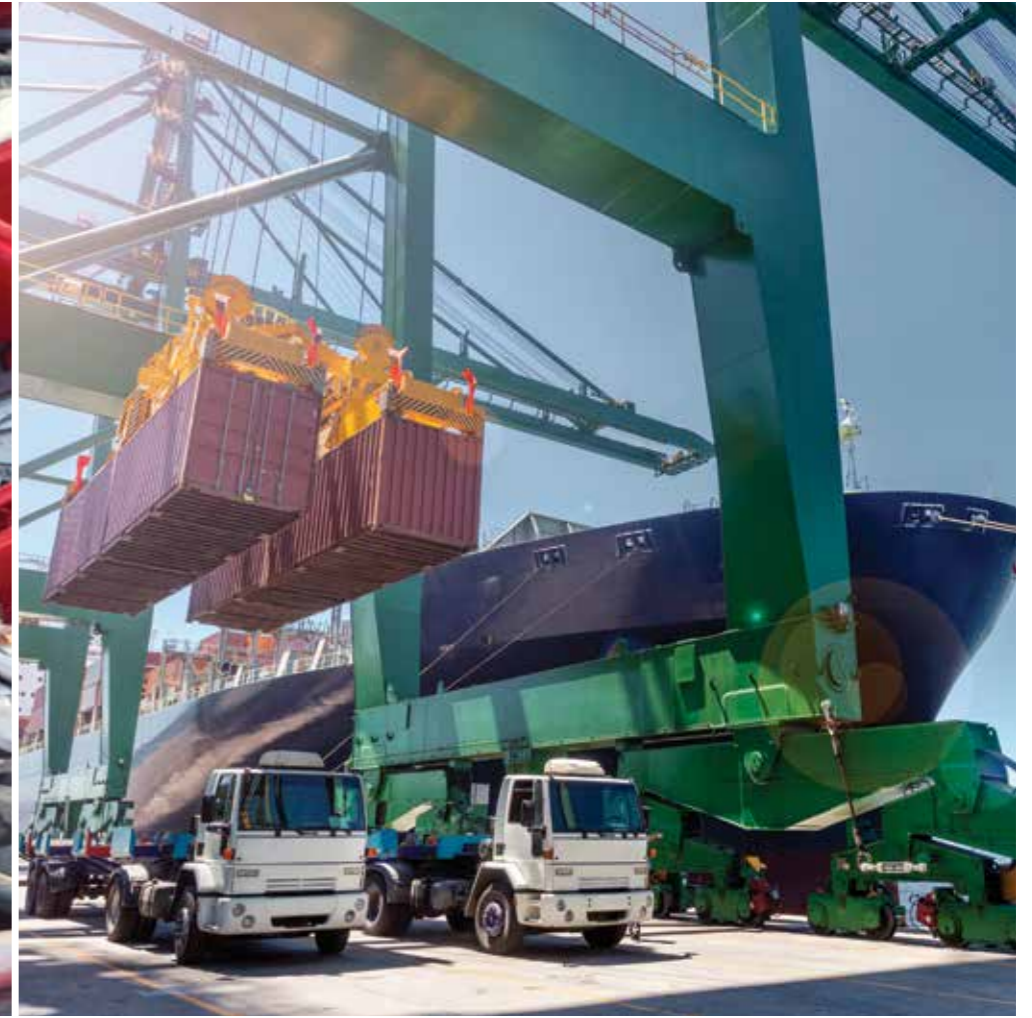
UK votes in referendum to leave the European Union. The vote in Northern Ireland is 55.8% “remain”.

2017

Northern Ireland Executive collapses, triggering early elections (2nd March).

Economy & Trade

Ireland is among the most globalised economies in the world. We are an open trading nation, due to the small size of our domestic market. Exports of goods and services are therefore far more important to Ireland's economy compared to other countries, including larger EU partners. While Ireland has been successful in diversifying exports across international markets, our geographical connection and the composition of our trade with the UK mean that certain key sectors in the Irish economy will be very heavily impacted by the UK's departure from the EU.



88%
of our energy needs
come from abroad



86%
of truck freight at Irish
ports arrives from
the UK



45.6%
of our food and live
animal exports go
to Great Britain or
Northern Ireland

Our globalised economy

Ireland is among the most globalised economies in the world. With the legacy of economic protectionist policies from the 1950s, Ireland began the journey towards opening the economy to international trade and investment, a journey our membership of the European Union and participation in the Single Market strongly reinforced and enabled.

The small size of our domestic market means that exports of goods and services are far more economically significant for Ireland compared to other countries, including larger EU partners.

The economy has also expanded through significant promotion of Ireland as a location for foreign direct investment directly creating almost 200,000 jobs (9.8% of overall employment). Many of the most innovative international companies have located part of their global operations in Ireland – generating an estimated 140,000 additional jobs across the wider economy.

Importance of the UK Market

A result of Ireland's history, geography and culture, a large share of our trade has always been with the UK. While in recent years we have been diversifying increasingly to other markets, 13.9% of our exports in goods and 19.4% of our exports in services still went to the UK in 2015.

Significant as the goods exports figures are in themselves, such exports come predominantly from the indigenous sectors of the economy; these are employment intensive sectors and have the greatest regional spread both at firm and farm level.

For food and live animals, which made up 9% of all goods exported, almost half (45.6%) went to the UK, making this sector particularly vulnerable to any disruption in currency or in terms of trade. And at a more granular level, individual firms in the agri-food sector export more than 80% of their output to the UK.

Similarly, imports into Ireland from Great Britain accounted for 24% of total goods imported in 2015. Again, this is not evenly spread across sectors. Of the fuel that we import, 55% comes from Great Britain, along with 41% of our food imports.

Impact of Brexit on key sectors

The impacts of the UK's decision to leave the EU are already being felt in key sectors like food, retail and tourism. For example, Ireland saw a decrease of over €500m in food exports alone to the UK in the second half of 2016, due to the fall in Sterling.

Other critical sectors that face specific risks and challenges include fishing and seafood, where access to the waters around Britain is particularly important, and energy, where we have established an all-island electricity market and operate critical energy interconnectors between Ireland and Britain.

Some 4.9 million British visitors came to the island of Ireland in 2016. With UK visitors constituting 40% of our tourists, research in the UK showing a reduced propensity to travel and an intention to stay for shorter periods and spend less indicates a growing challenge to this regionally dispersed and jobs intensive sector when coupled with the currency differential that has emerged already.

Peace has brought trade and tourism to Northern Ireland and in turn trade and tourism have reinforced the Peace Process. Deepening North-South trade and economic ties, and the consequent deepening of societal relations are of paramount importance. Any restrictions on trade will have profound impacts on all-island relations. The impacts on trade are magnified substantially when North South trade is examined, due to the much greater agri-food concentration in trade flows in both directions. (The top 100 products account for 59% of goods going northwards and for 64% of goods southwards).

About 80% of our total goods exports are transported to the UK – either for their direct use or for onward transit. About 60% of our trade in goods in and out of Dublin Port goes to or from the UK, while 46.5% of international commercial flight arrivals into Ireland arrive from the UK. Consequently, smooth transit arrangements for goods passing through the UK en route to or from Ireland will be especially important.

Given the composition of Irish goods exports to the UK, Ireland would be severely impacted by the imposition of tariffs by the UK. For example, while Ireland represents 5% of the UK's goods imports, such imports would bear close to 20% of the total tariffs imposed by the UK. Germany, on the other hand, would be liable for just under 18% of the tariffs imposed by the UK, despite accounting for over 28% of imports.

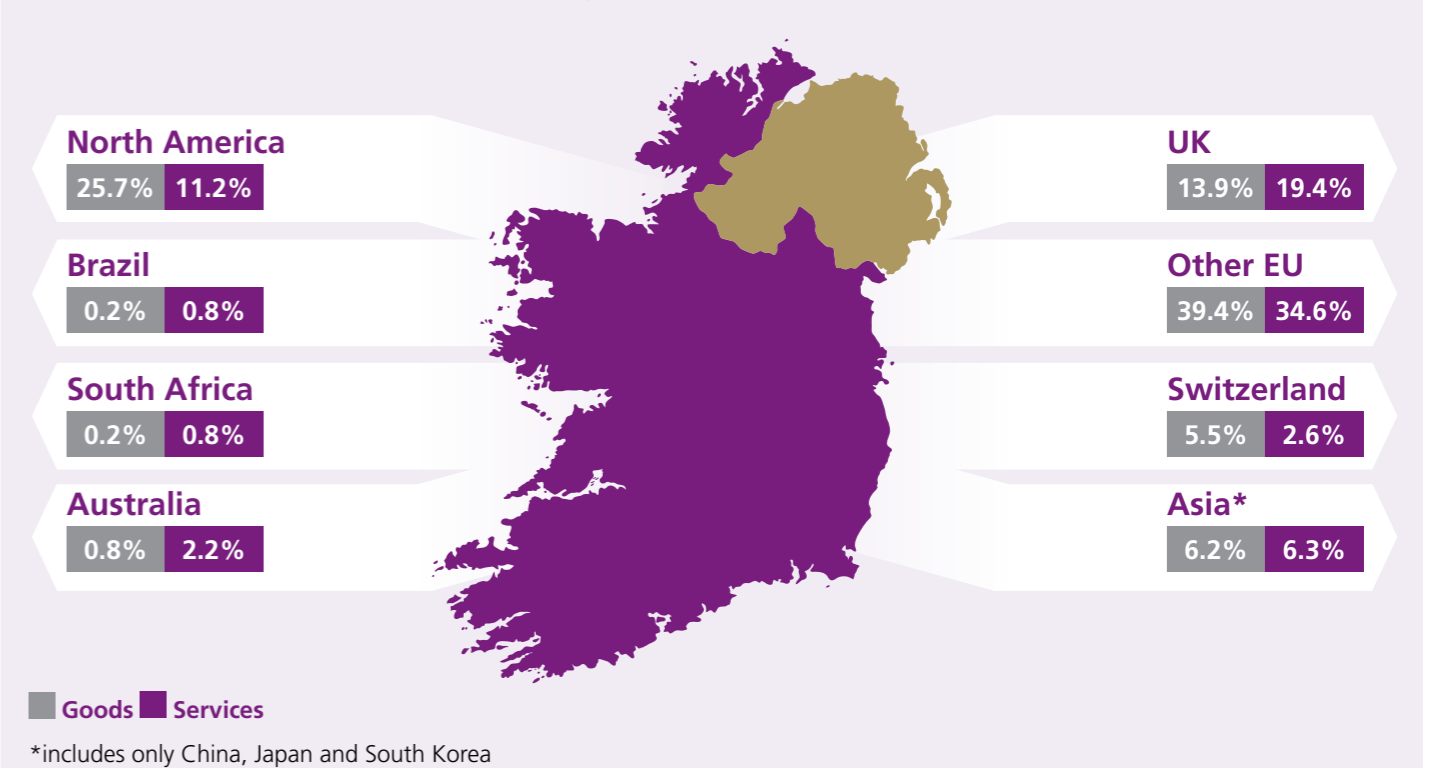
Future Trading

While we want to see the closest possible trading relationship between the EU and the UK based on a level playing field, we must also ensure that we are resilient and prepared for a variety of possible outcomes:

- Budget 2017 provided for a new €150m loan fund, enabling farmers to access low-cost loans of up to €150,000 to help them manage their cash flow.
- Enterprise Ireland is working with firms to support product and service innovation, the adoption of lean systems, smarter sourcing strategies and, crucially, the identification of new overseas markets.
- In addition, the Government is engaging with companies to help them adapt to currency fluctuations and to support product and market diversification.
- Our new trade and investment strategy will be backed up by an intensified programme of trade missions.
- Almost 50 additional staff are being deployed to our state enterprise agencies to support firms to enter new markets and to attract new investment.

There will also be economic opportunities for Ireland arising from Brexit. We will continue to promote the attractiveness of Ireland as a location of choice for those companies and talented people who are looking to establish or expand operations within the EU.

Ireland's markets continue to diversify...



...though we remain heavily reliant on the UK for key sectors



Our Brexit priorities for Economy and Trade

Maintain close trade between UK and EU/Ireland

Minimise regulatory burden for goods transiting UK

Improve business environment – more competitive, diversified markets, better infrastructure

Pursue trade and investment opportunities from Brexit

The Common Travel Area

Reflecting the particular history of the two countries and the intertwining of their populations, a Common Travel Area has existed between Ireland and the United Kingdom since 1922. This allows for free movement of people across the islands. It also allows Irish and UK citizens to access various services and benefits in each country such as to reside, to work, to access public services and to vote in certain elections. In many cases the benefits have subsequently been subsumed within or overtaken by rights conferred under EU law.

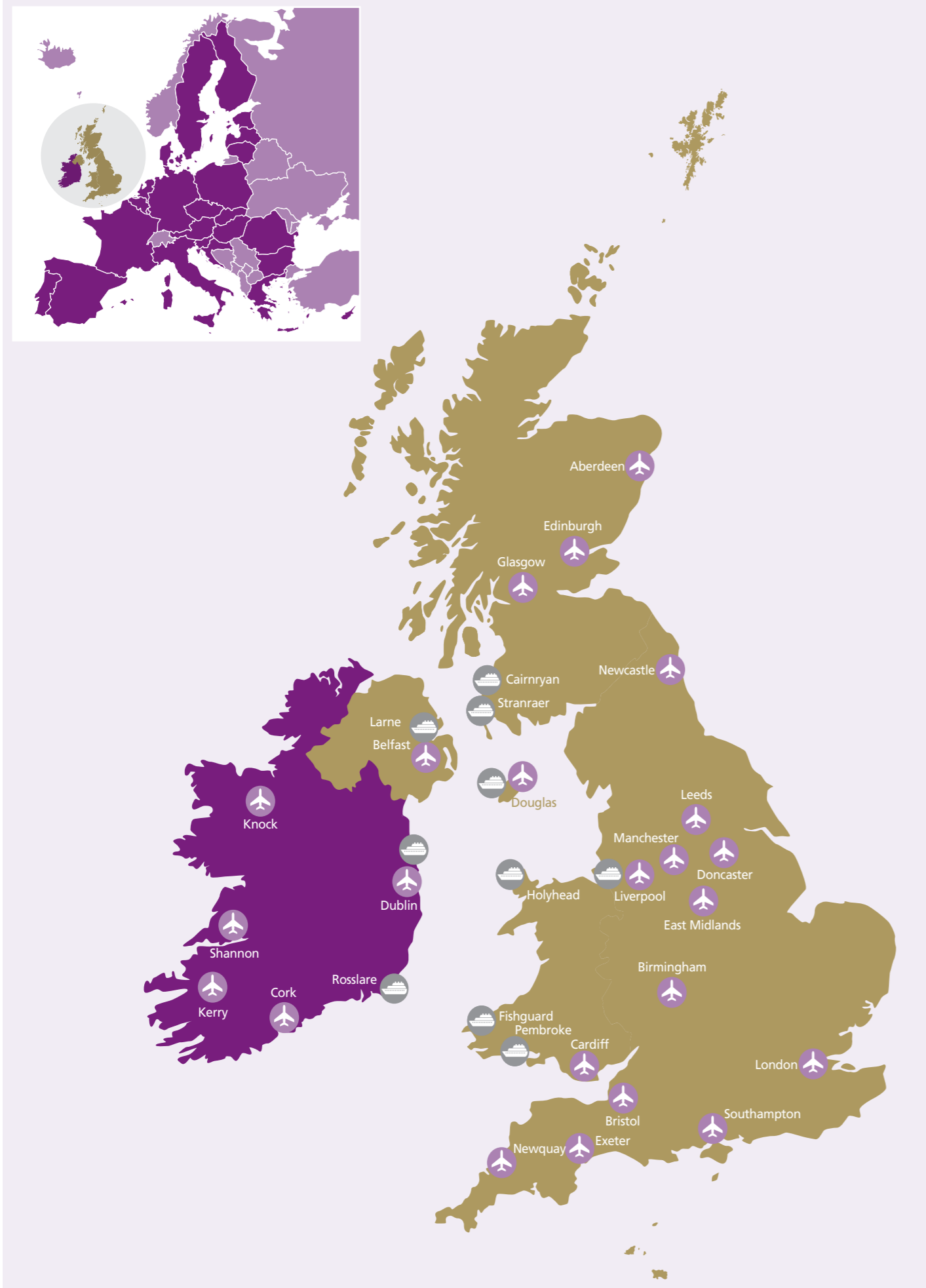


1ST
Dublin–London is the busiest international flight route in Europe



The Common Travel Area has existed since
1922

Geography of the Common Travel Area



Living and Visiting

41% of tourists visiting Ireland in 2015 came from Britain.

32% of Irish trips abroad in 2015 were to the UK.

Travel and Transport

1st Dublin London is busiest international flight route in Europe

87 Air routes and 8 airlines

9 Scheduled ferry routes and 4 ferry operators

British-Irish relations

Reflecting the particular history of the two countries and the intertwining of their populations, a Common Travel Area has existed between Ireland and the United Kingdom (together with the Isle of Man and the Channel Islands) since 1922.

This allows for free movement of people across the islands. It also allows Irish and UK citizens to access various services and benefits in each country such as to reside, to work, to access public services and to vote in certain elections.

In many cases the benefits have subsequently been matched, subsumed within or overtaken by rights conferred under EU law.

A 'mini-Schengen'

Most EU Member States, and a small number of other countries, are members of the Schengen Area, which enables the crossing of borders within the Area without being subject to checks. As Ireland and the United Kingdom are both outside the Schengen Area, border checks still apply to persons moving between the rest of the EU and Ireland or the United Kingdom. In this context, the Common Travel Area can be said to function as a 'mini-Schengen', by not requiring checks on movements between Ireland and the United Kingdom.

The Common Travel Area has been an important feature of life in Ireland and the UK for almost a century. It was in place before Ireland and the UK joined the EEC in 1973, and has continued in existence ever since.

Reflected in EU law

Protocol 20 to the Treaty on European Union and Treaty on the Functioning of the European Union provides that *"The United Kingdom and Ireland may continue to make arrangements between themselves relating to the movement of persons between their territories ('the Common Travel Area')..."*. This Protocol was first agreed as part of the Treaty of Amsterdam which was signed in 1997, taking effect in 1999.

Our objective is to ensure that the current CTA arrangements continue in the event of the UK leaving the EU.

Northern Ireland

The Common Travel Area is particularly important in the context of the Northern Ireland Peace Process and relations on the island of Ireland.

Given our specific history, and the deep economic and societal interconnectedness between North and South, the existence of the Common Travel Area arrangements is a vital feature of everyday life on both parts of the island.

Any diminution of the Common Travel Area could have a destabilising impact on the Northern Ireland Peace Process and on North-South relations.

Common agreement

Both the Irish and British Governments have indicated their strong desire to maintain operation of the Common Travel Area following the UK's withdrawal from the EU. While, at that point the UK will be free to establish its own rules and procedures, Ireland will continue to fully uphold its obligations as an EU Member State, including as regards the free movement of EU citizens within the EU.

Our Brexit priorities for the Common Travel Area

Commit jointly with UK to maintain the CTA

Confirm rights and benefits under the CTA

Build awareness and understanding amongst EU partners

Uphold free movement of EU citizens within the EU

Future of the European Union

The European Union is a unique structure. It has brought peace, justice and prosperity to the continent and it remains an indispensable source of stability in this turbulent world. Our core values – democracy, rule of law, human rights, equality and tolerance – are more important than ever: they are vital to withstanding the many challenges we face and are central to our future peace and prosperity.



EU27

We will be entering these negotiations, as a member of the EU27 team

Ireland at the heart of Europe

To succeed as an open economy and a welcoming society, Ireland must remain at the heart of Europe. The foundation of Ireland's prosperity and the bedrock of our modern society is our membership of the European Union.

Since we joined the European Economic Community in 1973, our membership of the various iterations of the European Union has brought us enormous benefits, and the Irish people have consistently endorsed that membership.

It has been central to the success of our open, competitive economy. Ireland's membership of the Single Market and the Customs Union are absolutely fundamental to our economic strategy – EU membership allows us to sell Irish goods and services anywhere within the Union today of over 500 million people without restrictions. It gives us the opportunity to buy goods of high quality, with the reassurances of proper standards.

It provides the freedom to transact business with strong protections for the rights of consumers and the intellectual property of our artists, scientists and businesses. It gives us full access to EU trade agreements with other major markets, and a capacity to engage in global free trade that we could not possibly have on our own.

It allows our people to travel, work and live freely in all Member States if they choose to do so.

The EU has also been the cornerstone of much of the social progress which Ireland has experienced over the last generation. The social dimension of the EU – respect for human rights, workers' rights, and equality – reflects a distinctly European set of values which we share here in Ireland.

Membership of the Union also allows us to address shared problems – such as international peace and security, climate change, terrorism and migration – in an integrated way.

As members of a Union with other like-minded democracies who share our values and interests, we have a much more powerful voice and much greater influence on the global stage.

Ireland will participate in the EU-UK negotiations as one of the remaining 27 Member States, disappointed that the UK is leaving but unequivocally on the side of the negotiating table with our 26 partners.

Britain's decision to leave is, in our view, disappointing for the EU. It is also regrettable from an Irish perspective as it will mean the loss of an important ally on many issues at the EU table. However, Ireland has a broad range of allies within the EU across the policy spectrum, and we will strengthen and deepen our alliances in the period ahead.

We will also work to maintain a strong and close bilateral relationship with the United Kingdom following Brexit, recognising our unique historical relationship and the particular linkages and ties between our two countries.

EU Response to new challenges

The Union and its Member States have been reflecting on how best to respond to the challenges we face, including those posed by Brexit, terrorism, large-scale immigration and a shifting international balance.

Ireland is taking part actively in this debate about the European Union. We will continue to underline its core values, celebrate its political, economic and social achievements, and work to ensure that all our citizens understand that our future peace and prosperity is best preserved and promoted through the European Union and our membership of it.

At a time when the values and purpose of the European Union are being questioned externally, we should focus more than ever on demonstrating a unity of purpose and a commitment to rapid and effective implementation of what has already been agreed, in areas that have a concrete and positive effect on peoples' lives.

Impact of EU membership on Ireland



As EU citizens, Irish people can live and work freely in any Member State.



Being part of the EU's Single Market makes it easier for Irish businesses to trade on both European and international markets.



Ireland has received over €42billion (net) of European funds since we joined the EU.



EU membership has helped Ireland attract billions of euro in direct foreign investment, creating thousands of job opportunities for Irish people.



An estimated 700,000 jobs have been created in Ireland since joining the EU in 1973, and trade has increased 90 fold.



Irish farmers benefit from direct payments paid out under the CAP. Currently, Irish farmers receive EU funding of €1.2 billion every year through CAP funding.



European legislation on equality in the workplace has ensured that Irish men and women are entitled to equal pay for doing the same job.



Around 50,000 students from Ireland have participated in Erasmus+ since 1987.



Irish citizens choosing to work or study abroad can have their Irish qualifications recognised throughout the EU, under the European Qualifications Framework.



EU membership has supported the Peace Process in Northern Ireland through investment in cross-border programmes and the creation of the Northern Ireland Task Force (NITF) and the PEACE Programmes. Since 1995 the programmes have committed approximately €2.26 billion worth of funding to Northern Ireland and the Border Region of Ireland.



The European Health Insurance Card provides cover and access to care to all Irish citizens if they fall sick or have an accident while travelling in the EU.



Thanks to EU legislation liberalising transport sectors it has also become far cheaper for EU citizens to travel within the EU.



The EU provides protection for EU consumers shopping across European borders.



Ireland is part of the European Research Area, which means we can both participate in and benefit from global research and development.



The European Arrest Warrant means that Irish criminals can no longer escape justice by fleeing to another EU Member State.

Ireland's contribution to the EU

7 Ireland has successfully held the EU Presidency seven times. Our 2004 Presidency oversaw the Union's largest-ever enlargement, with the accession of ten new Member States.

2 To date the European Commission has had only six Secretaries-General – two of them have been Irish.

1st Former Irish Commissioner Peter Sutherland initiated the Erasmus programme for higher level education student exchange.

1st Former Irish Commissioner Ray MacSharry oversaw the first major reforms of the Common Agricultural Policy (CAP).

2 For two years (2002–2004) Irish MEP Pat Cox was President of the European Parliament. Irish MEPs have had a disproportionate impact in the Parliament through their active contribution to Parliamentary committees and delegations.

Our Brexit priorities for the Future of the European Union

Strengthen existing alliances in EU and build new ones

Influence future direction of European Union

Promote better awareness of EU role, values and achievements

Maintain strong UK-Ireland and UK-EU relations

For more information

To find out the latest Irish Government developments on the UK's decision to leave the EU, do check out:

www.merrionstreet.ie/brexit

