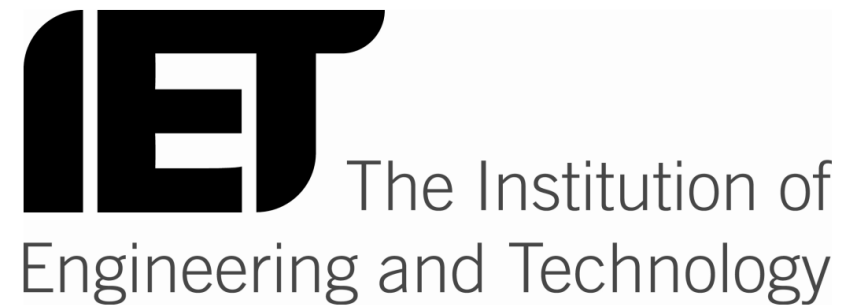




The Institution of  
Engineering and Technology

Brexit and  
the Irish  
Border



ENGINEERING POLICY GROUP FOR  
NORTHERN IRELAND (EPGNI)



engage

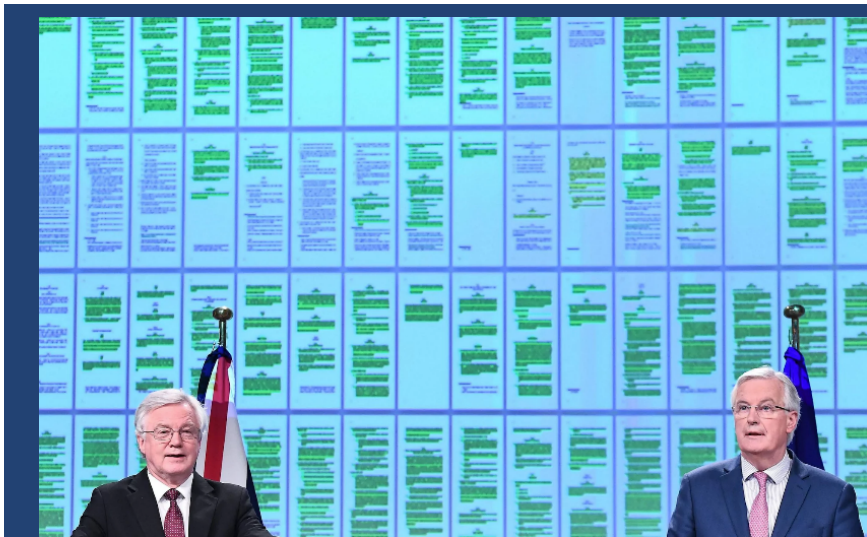
Dr Katy Hayward  
Queen's University Belfast

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# THE POST-BREXIT BORDER: WHAT WE KNOW SO FAR

KATY HAYWARD & MAURICE CAMPBELL

QUEEN'S UNIVERSITY BELFAST



**Brexit and the Irish Border**

21<sup>st</sup> March 2018

IET

Titanic, Belfast

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[Maurice.Campbell@qub.ac.uk](mailto:Maurice.Campbell@qub.ac.uk)



# WHAT AN ORDERLY BREXIT SHOULD LOOK LIKE

## Article 50

### Withdrawal

- Extraction
  - Phase I
- Framework for future
  - Phase II

### **WITHDRAWAL TREATY**

*[Process then moves  
to Art.218]*

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*[Process then moves  
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### Interim (Transition period)

\*Shadow  
Membership

\*FTA  
negotiations

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### Free Trade Agreement

#### **TREATY**

(needs unanimous EU27  
ratification)

Also: need FTAs with others  
EU has deals with

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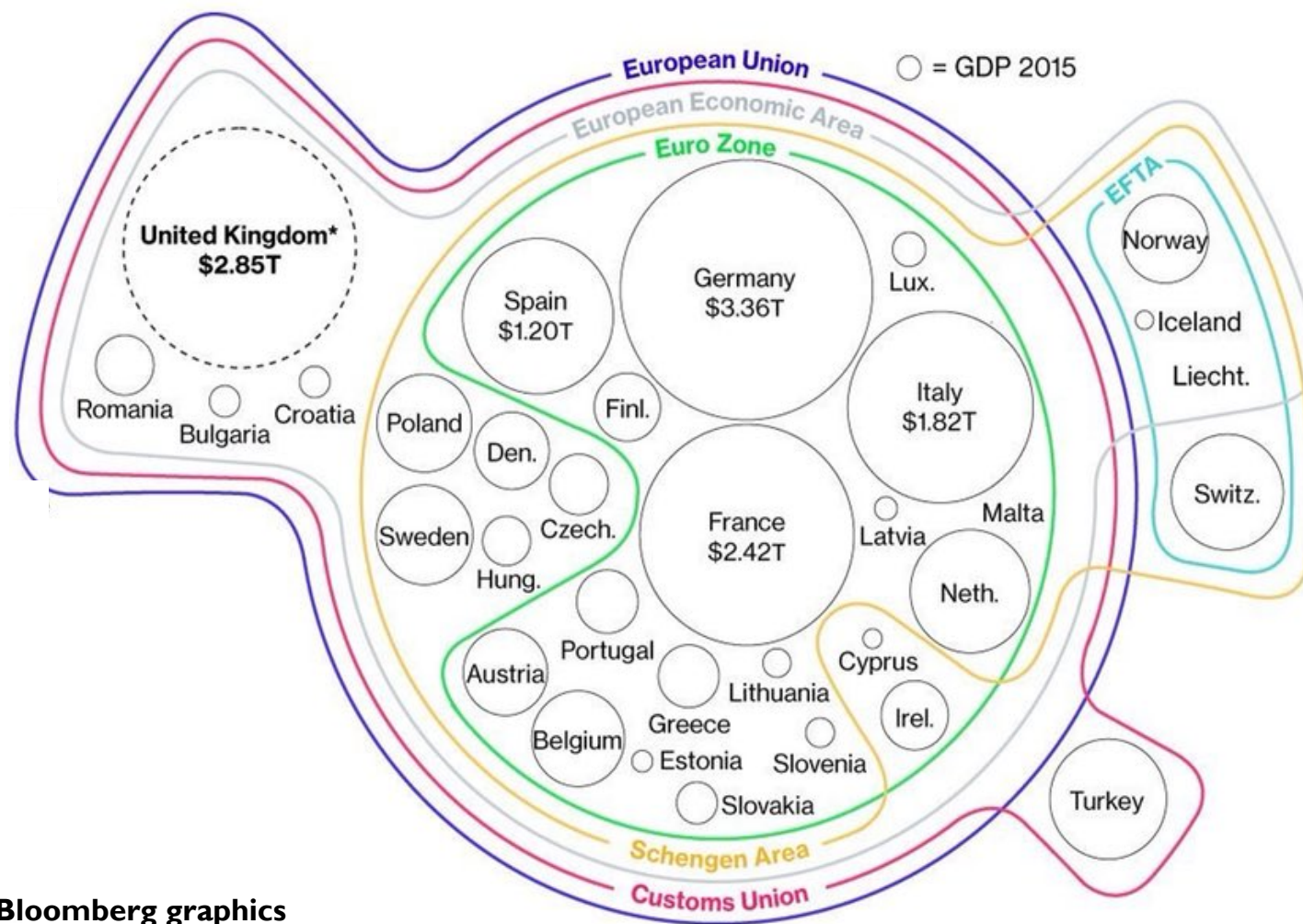
Also: need FTAs  
with others EU has  
deals with

### Implementation

Transition into  
new  
arrangements

## WHY BREXIT MEANS BORDERS

**In** with opt-outs...  
**To out** with opt-ins...?



Bloomberg graphics



NORTHERN IRELAND/IRELAND

# THE JOINT REPORT

## 8 DECEMBER 2017

8 December 2017

TF50 (2017) 19 – Commission to EU 27

**Subject:** Joint report from the **negotiators of the European Union and the United Kingdom Government** on progress during phase 1 of negotiations under Article 50 TEU on the United Kingdom's orderly withdrawal from the European Union.

**Origin:** Presented jointly by the **negotiators of the European Union and the United Kingdom Government**.

**Remarks:** This report is put forward with a view to the meeting of the European Council (Article 50) of 14-15 December 2017. Under the caveat that nothing is agreed until everything is agreed, the joint commitments set out in this joint report shall be reflected in the Withdrawal Agreement in full detail. This does not prejudice any adaptations that might be appropriate in case transitional arrangements were to be agreed in the second phase of the negotiations, and is without prejudice to discussions on the framework of the future relationship.

Published on the TF50 website on 8 December 2017



# THE JOINT REPORT

## 8 DECEMBER 2017

- The commitments:
  - UK will leave Single Market and Customs Union
  - Guarantees 'no hard border' between NI/IRL and GB/NI
  - to support North-South cooperation, the all-island economy and the protection of the 1998 Agreement

43. The United Kingdom's withdrawal from the European Union presents a significant and unique challenge in relation to the island of Ireland. The United Kingdom recalls its commitment to protecting the operation of the 1998 Agreement, including its subsequent implementation agreements and arrangements, and to the effective operation of each of the institutions and bodies established under them. The United Kingdom also recalls its commitment to the avoidance of a hard border, including any physical infrastructure or related checks and controls.



# THE JOINT REPORT

## 8 DECEMBER 2017

- The scenarios

1. UK/EU FTA that enables this no hard border
2. 'Agreed solutions' (specific for NI)
3. 'Full alignment' with SM and CU rules

49. The United Kingdom remains committed to protecting North-South cooperation and to its guarantee of avoiding a hard border. Any future arrangements must be compatible with these overarching requirements. The United Kingdom's intention is to achieve these objectives through the overall EU-UK relationship. Should this not be possible, the United Kingdom will propose specific solutions to address the unique circumstances of the island of Ireland. In the absence of agreed solutions, the United Kingdom will maintain full alignment with those rules of the Internal Market and the Customs Union which, now or in the future, support North-South cooperation, the all-island economy and the protection of the 1998 Agreement.

# PROTOCOL IN DRAFT WITHDRAWAL

With respect to the **DRAFT PROTOCOL ON IRELAND/NORTHERN IRELAND**, the negotiators agree that a legally operative version of the “backstop” solution for the border between Northern Ireland and Ireland, in line with paragraph 49 of the Joint Report, should be agreed as part of the legal text of the Withdrawal Agreement, to apply unless and until another solution is found.

The negotiators have reached agreement on some elements of the draft Protocol. They further agree that the full set of issues related to avoiding a hard border covered in the draft reflect those that need to be addressed in any solution. There is as yet no agreement on the right operational approach, but the negotiators agree to engage urgently in the process of examination of all relevant matters announced on 14 March and now under way.

rebalancing measures as are strictly necessary to remedy the imbalance. Priority shall be given to such measures as will least disturb the functioning of this Protocol.

3. Safeguard and rebalancing measures taken in accordance with paragraphs 1 and 2 shall be governed by the procedures and dispute settlement arrangements set out in Annex 3 to this Protocol.

## Article 14

### Protection of financial interests

The Union and the United Kingdom shall counter fraud and any other illegal activities affecting the financial interests of the Union or of the United Kingdom in respect of Northern Ireland.

## Article 15

### Subsequent agreement

Should a subsequent agreement between the Union and the United Kingdom which addresses the unique circumstances on the island of Ireland, avoids a hard border and protects the 1998 Agreement in all its dimensions, become applicable after the entry into force of the Withdrawal Agreement, this Protocol shall not apply or shall cease to apply, as the case may be, in whole or in part, from the date of application of such subsequent agreement and in accordance with that agreement.

## Article 16

### Annexes

Annexes 1 to 3 shall form an integral part of this Protocol.

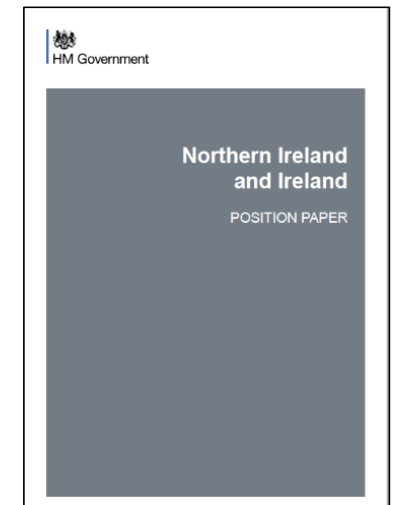
# CUSTOMS: THE UK'S PROPOSAL

- “A new customs partnership with the EU, aligning our approach to the customs union in a way that removes the need for a UK-EU customs border”



## MANSION HOUSE SPEECH

- *“And recognising the unique circumstances in Northern Ireland, and our shared commitments to avoiding a hard border, we should consider further specific measures.*
- *...So for smaller traders -...we would allow them to continue to operate as they do currently, with no new restrictions.*
- *And for larger traders we would introduce streamlined processes, including a trusted trader scheme that would be consistent with our commitments.*
- *Both of these options for our future customs arrangement would leave the UK free to determine its own tariffs with third countries - which would simply not be possible in a customs union.*
- *I recognise that some of these ideas depend on technology, robust systems to ensure trust and confidence, as well as goodwill - but they are serious and merit consideration by all sides.”*



We have, however, had no visibility of any technical solutions, anywhere in the world, beyond the aspirational, that would remove the need for physical infrastructure at the border. We recommend the Government bring forward detailed proposals, without further delay, that set out how it will maintain an open and invisible border. These proposals should provide detail about how customs compliance will be enforced if there is regulatory and tariff divergence between the UK and Ireland.



House of Commons  
Northern Ireland Affairs  
Committee

**The land border  
between Northern  
Ireland and Ireland**

Second Report of Session 2017-19

## ASK THE CUSTOMS EXPERT

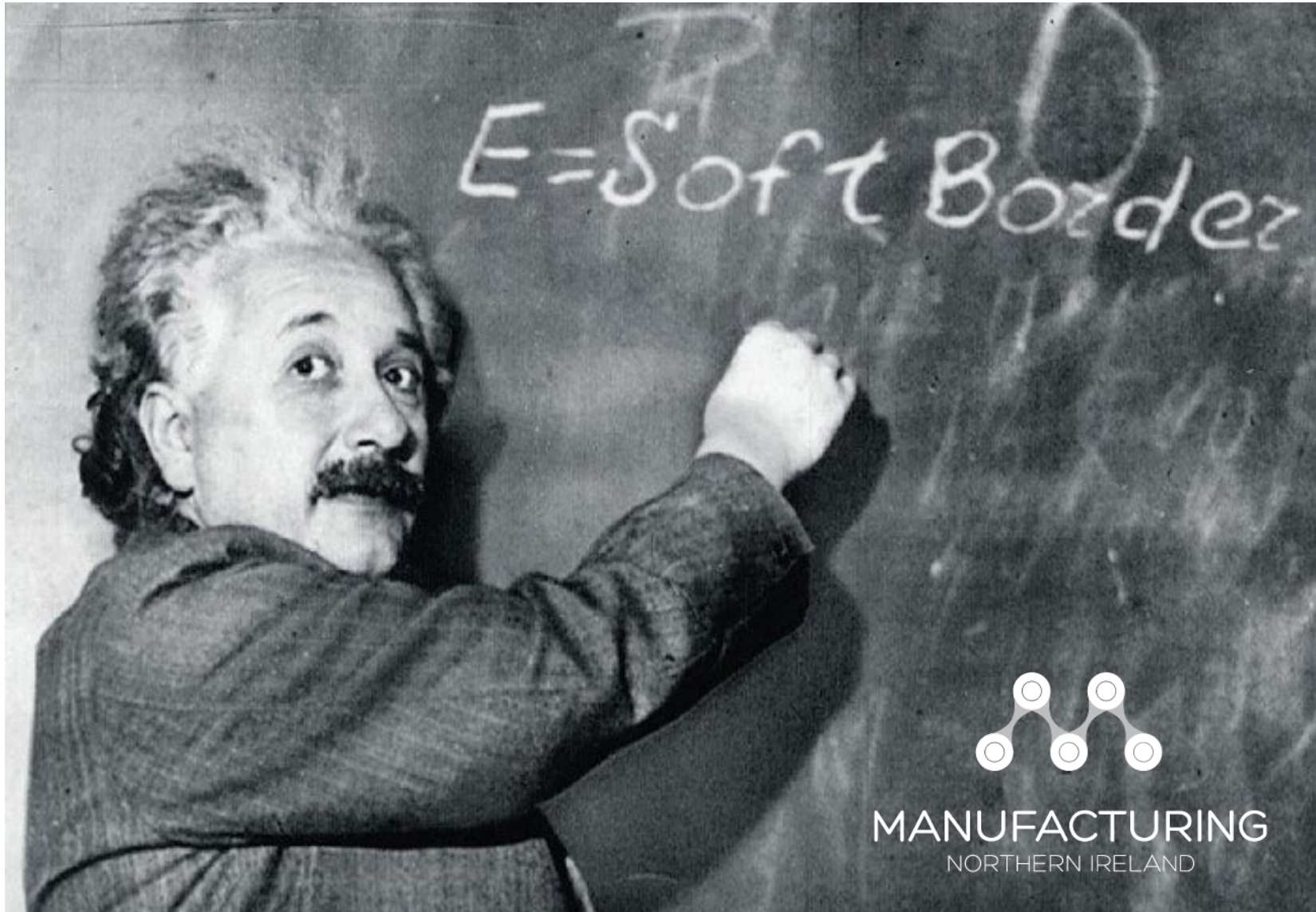
- Why have a customs border?
- Can you have an invisible customs border?
- Can the UK decide just to not to have a customs border?



Stephen Kelly  
CEO, Manufacturing NI

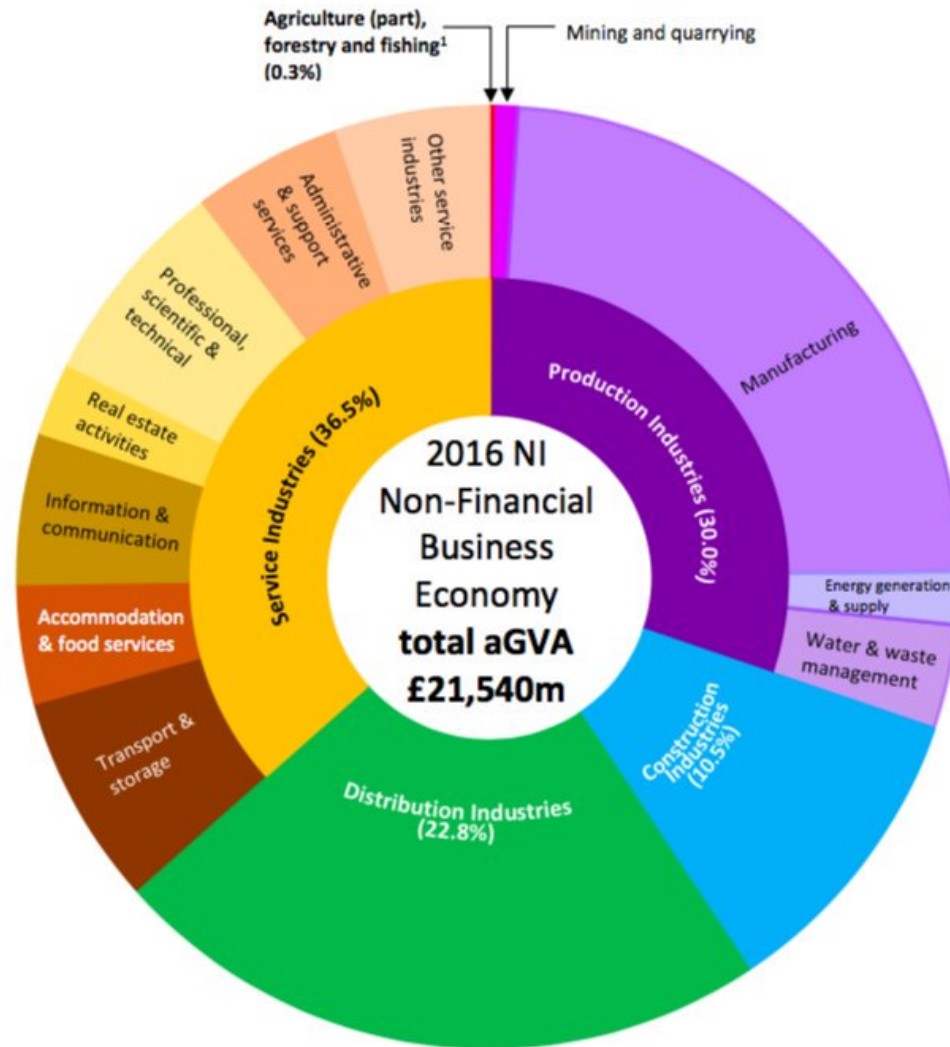
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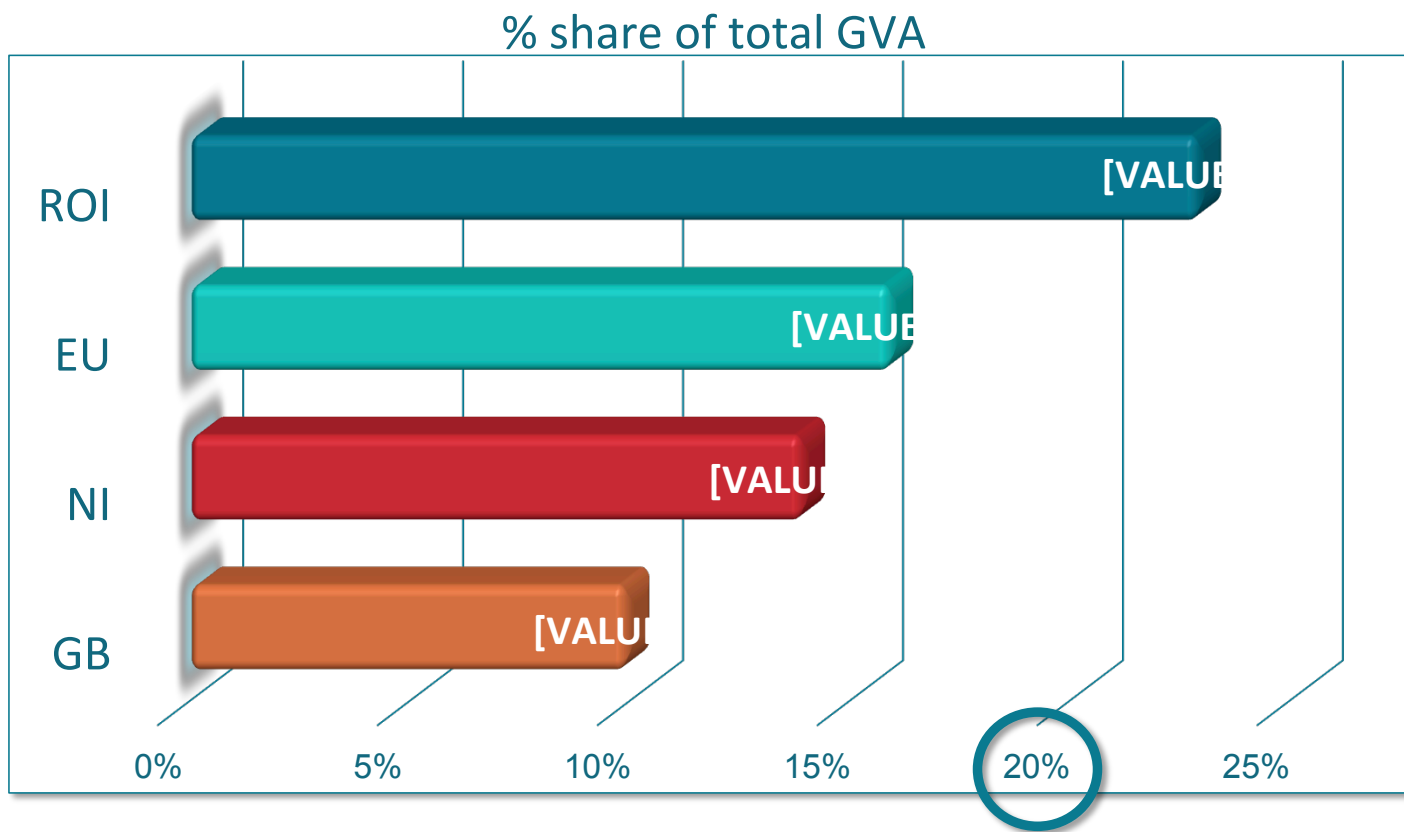


MANUFACTURING  
NORTHERN IRELAND

Figure 1: NI Non-financial business economy: aGVA 2016 and trends by broad industry 2008-2016







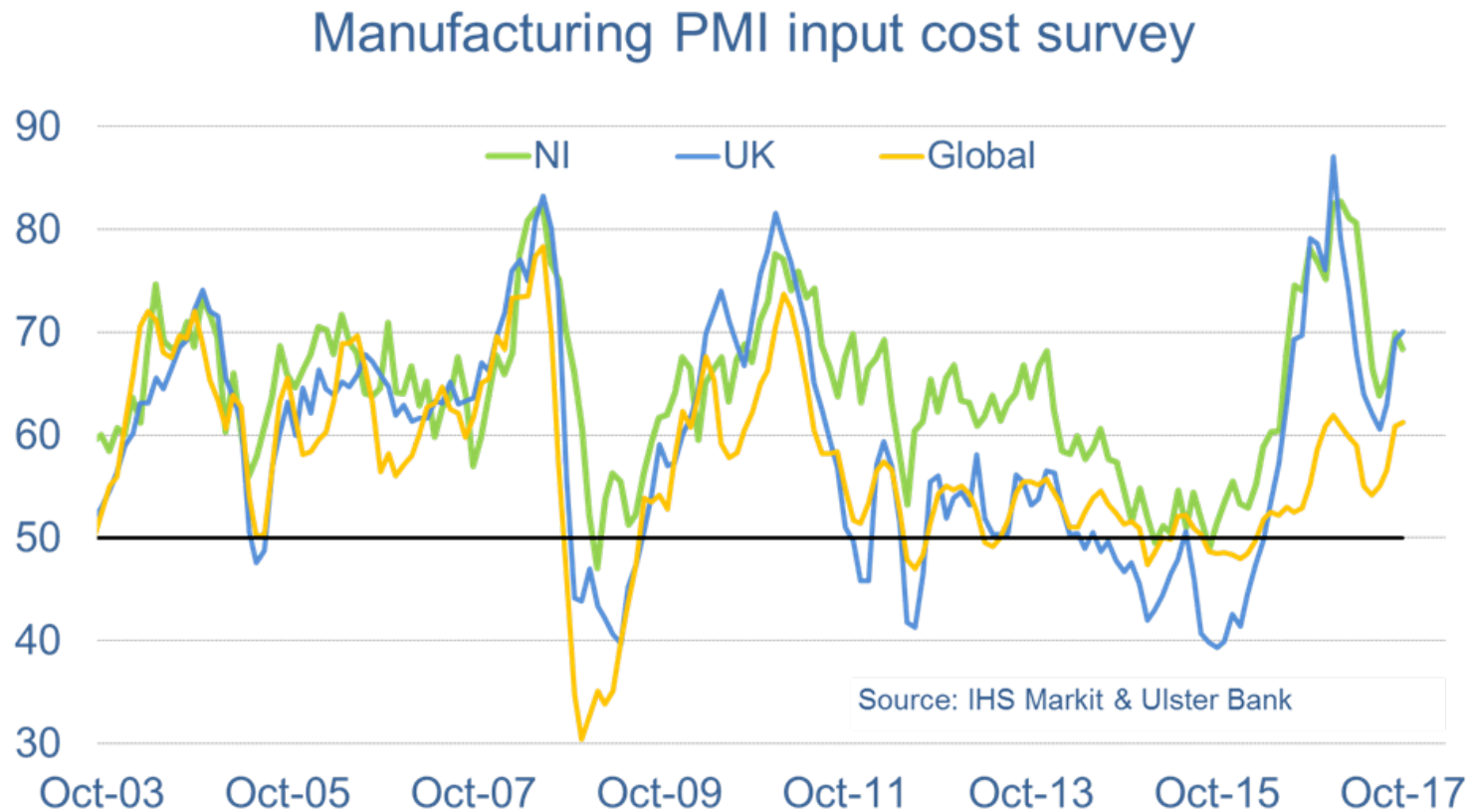
**EU  
Target**

Our roadmap to manufacturing success is built on...

Create the most competitive  
region in Europe in which to  
start, sustain and grow a  
manufacturing business, thus  
creating wealth and work.

“... when manufacturing  
grows, the whole economy  
grows with it.”

Northern Ireland's cost base has been rising higher relative to manufactures across the world



What's happened since the referendum?



- Lots of hedging
- 7 out of 10 top food buyers moving to UK supply – import substitution
- 38% of manufacturers planning on moving production from NI
- Corporates making firm plans, SMEs working hard to secure new customers
- All desperately looking for firm commitments to make investments

Regardless of a good, bad or no deal, 3 out of 4 manufacturers believe they will be worse off post-Brexit.

The burden of Brexit will be borne by the sector – tariffs, NTBs, regulation.

There will be added cost and complexity.  
There will create casualties.

We should be pitching in  
the Boyne, Liffey, Shannon  
and not just Silicon Valley!





**The most honest man in the UK**

Outside of the Customs Union  
and Single Market...  
there must be controls.

- A UK / EU Trade Agreement will have less access, more checks than currently enjoyed
- Treasury analysis shows the UK economy being smaller – worst case, UK -3% (£80bn) and NI economy -12% than it would have been.
- NICS analysis said to have a worse outcome than Treasury's analysis

- Non-Tariff Barriers will be established between UK and EU
- Potential for added Customs cost and complexity
- Potential for Tariffs on goods sales to EU

Whilst UK focus is on tariffs, little commitment is given on non-tariff barriers.

FULL cost of each Country of Origin certificate is **£478!**

## Full COO admin costs (based on SA sale)

### INSURANCE

3 ORIGINAL CERTIFICATES	0.25% TOTAL VALUE	£100.00
3 COPIES		£7.50
3 SAUDI REPRESENTATION LETTERS		£15.00
LETTER OF CREDIT NSURANCE SHOULD COVER (110%)		£175.00
STAFF TIME PREPARING DOCUMENTATION	2 HOURS AT £20PH	£40.00

### CHAMBER OF COMMERCE COSTS

LETTER OF CREDIT REQUIRED INVOICE ATTESTED BY N IRELAND CHAMBER OF COMMERCE	1 ORIGINAL 3 COPIES	£35.00 £7.50
LETTER OF CREDIT REQUIRED CERTIFICATE OF ORIGIN ATTESTED BY CHAMBER OF COMMERCE	1 ORIGINAL 1 COPY	£35.00 £2.50
MILES TO BELFAST RETURN DOOR TO DOOR	60 MILES	£27.00
HOURS TRAVELLING DOOR TO DOOR	2 HRS	£30.00
PARKING		£3.00
	<b>TOTAL</b>	<b>£478</b>
	<b>FIRST TIME</b>	<b>£300</b>
	<b>AMENDMENTS</b>	<b>£100</b>
	<b>SASO - PER SHIPMENT</b>	<b>£240</b>

Political agreement between EU and UK Government on 8 December and again on 19 March.

A 'fudge' to keep things moving.

Business Size	Value (£m)		Count	
No. of employees	GB	IE	GB	IE
0-9	£1,185	£523	4,450	4,393
10-49	£2,084	£1,055	2,125	2,755
50-249	£2,545	£1,226	382	414
250+	£8,194	£597	88	97
<b>Total</b>	<b>£14,008</b>	<b>£3,401</b>	<b>7,046</b>	<b>7,659</b>

More firms trade cross border than across the Irish Sea, but that trade is worth more.



- However, 74% of NI imports come via GB.
- But, what is it? Fuel oil, electricity, cars, white goods, Tesco?
- How much of it would be subject to Customs checks?
- A Veterinary border already exists.

**A Bridge rather  
than the Border?**



- There will be a unique settlement, should we not make the most of it?
- EU offering NI to remain in SM and CU – there is no risk to NI to GB Trade, so can we ensure no risk to GB to NI Trade?
- UK, for now, say no to that, but will that position be held? First the fishermen...
- Should we really be worried about the 'Backstop' option?


Downing Street have been very keen to provide early clarity, certainty for business to stall contingency plans.

However, despite being more likely to be mobile, we must wait (perhaps until it's too late - October).

So, plans will be hardening.

We continues to be used by both sides to either blunt Brexit or achieve the impossible deal.

Both side keen to appear to care, but are our interests really that important to either side?



**What do you want from  
these negotiations?**

**What are you doing to  
get it?**



**MANUFACTURING**  
NORTHERN IRELAND

Dr Eoin Magennis  
Ulster University, Economic  
Policy Centre

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# Brexit and the Border Corridor

**Dr Eoin Magennis**  
**Senior Economist and Local Government Lead**

**Institute of Engineering & Technology (NI) Brexit workshop**  
**Belfast, 21 March 2018**



# Contents

- Socio-economic profile of the Border Corridor
- An integrated island economy or Border Corridor? Where might Brexit matter?
- Forecasts out to 2027/2030
- Final thoughts



# Economic Profile of the Border Corridor

# What makes up the Border Corridor?

## NI Council areas

Armagh, Banbridge &  
Craigavon  
Causeway Coast & Glens  
Derry City & Strabane  
Fermanagh & Omagh  
Mid Ulster  
Newry, Mourne & Down

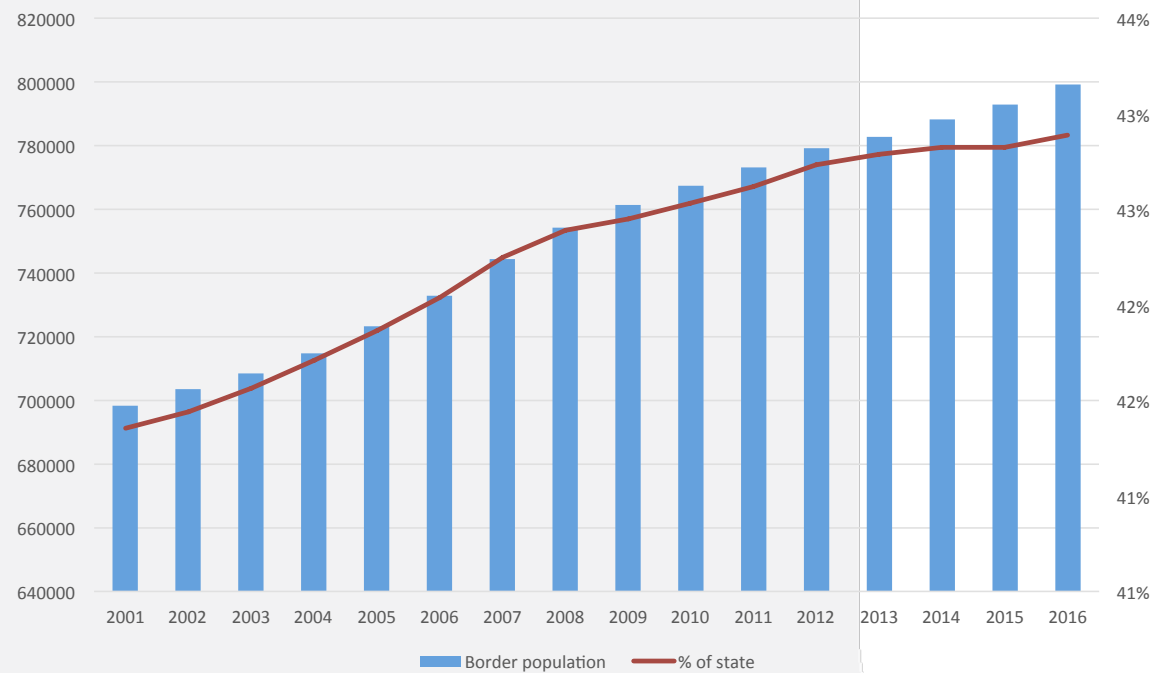
## Republic of Ireland Counties

Cavan  
Donegal  
Leitrim  
Louth  
Monaghan  
Sligo

# NI Border Councils – increasing population continues

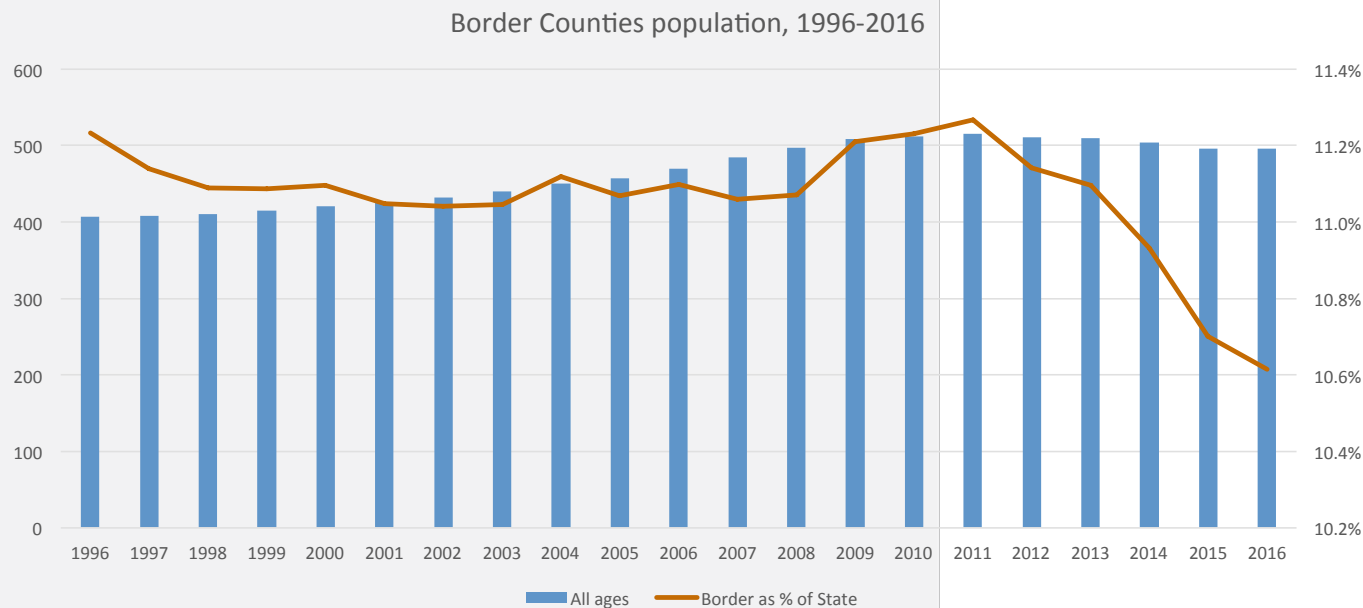
## Growth varies across the Council areas

Population trends in NI Border Council areas, 2001-2016

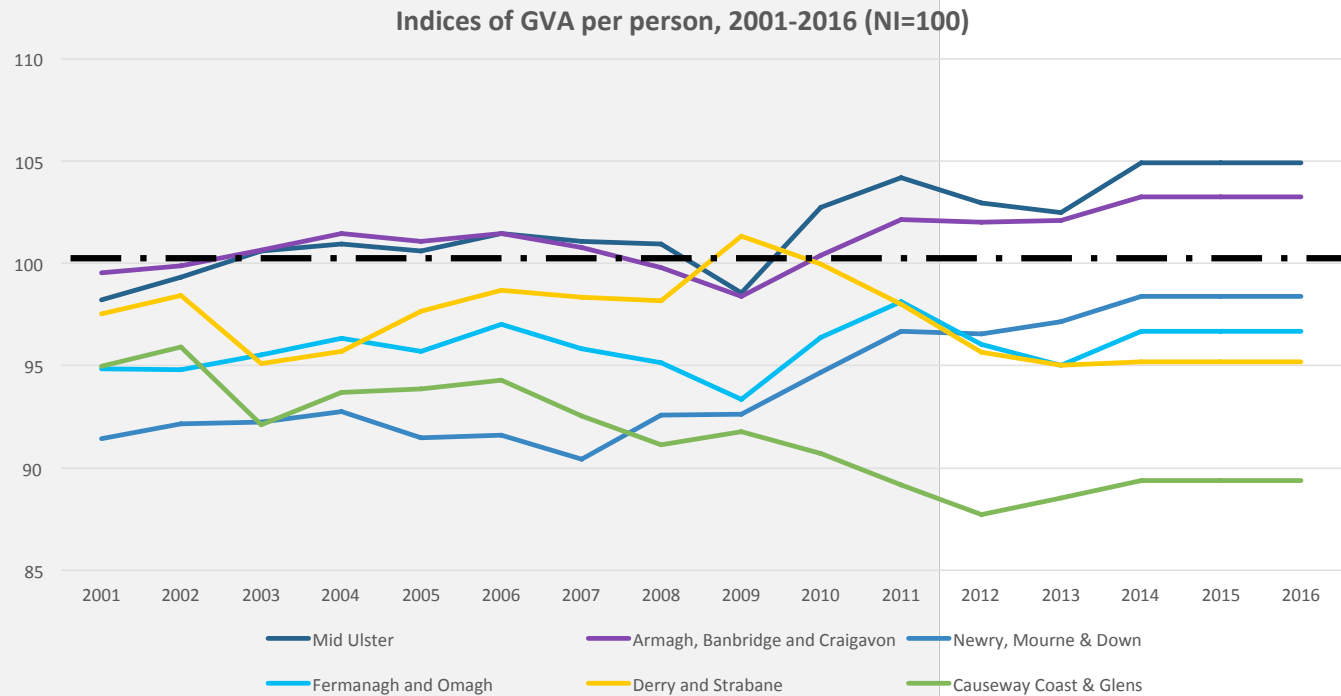


# Rol Border Counties – trend of increasing population reversed

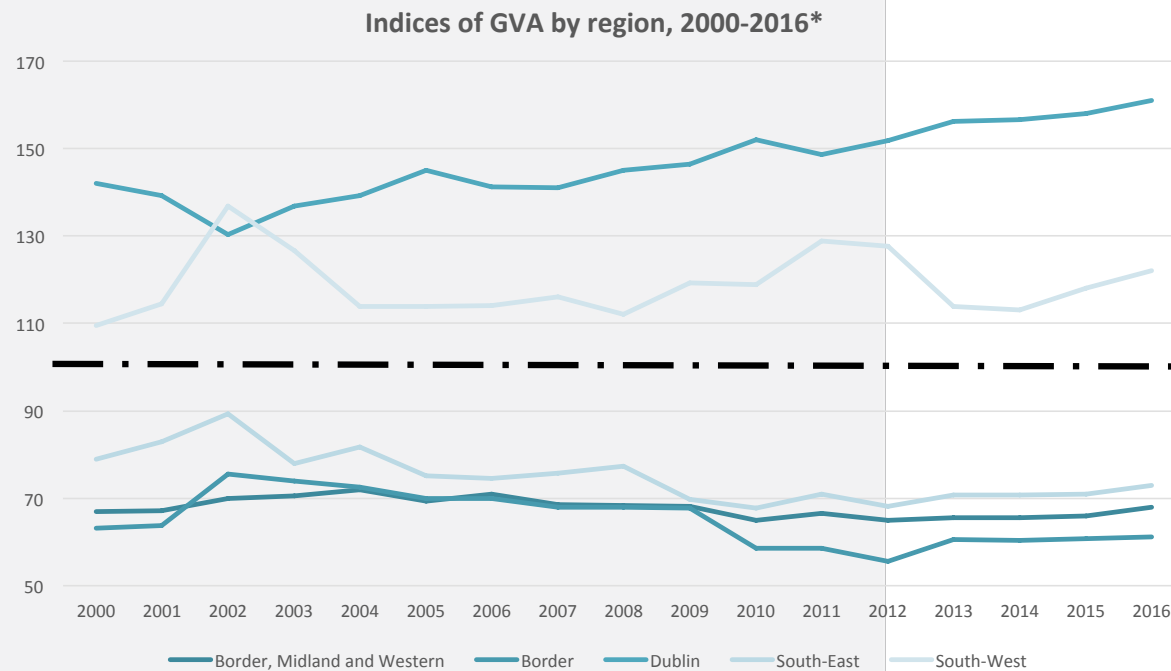
Older population in area (15% of total)



# Productivity in Border Councils has lagged a poor NI average...



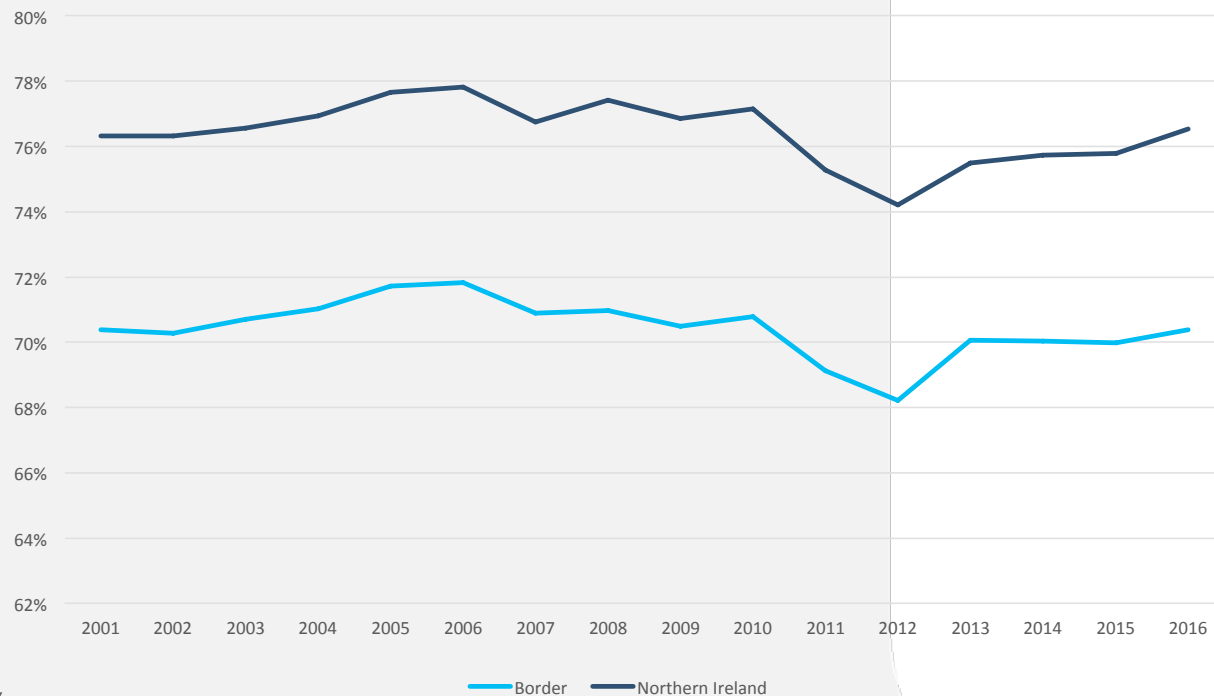
## ... similar lag in Rol Border Counties though behind a stronger national average



# Lower than average participation rates in NI Border Councils...

## A gender and older males issue?

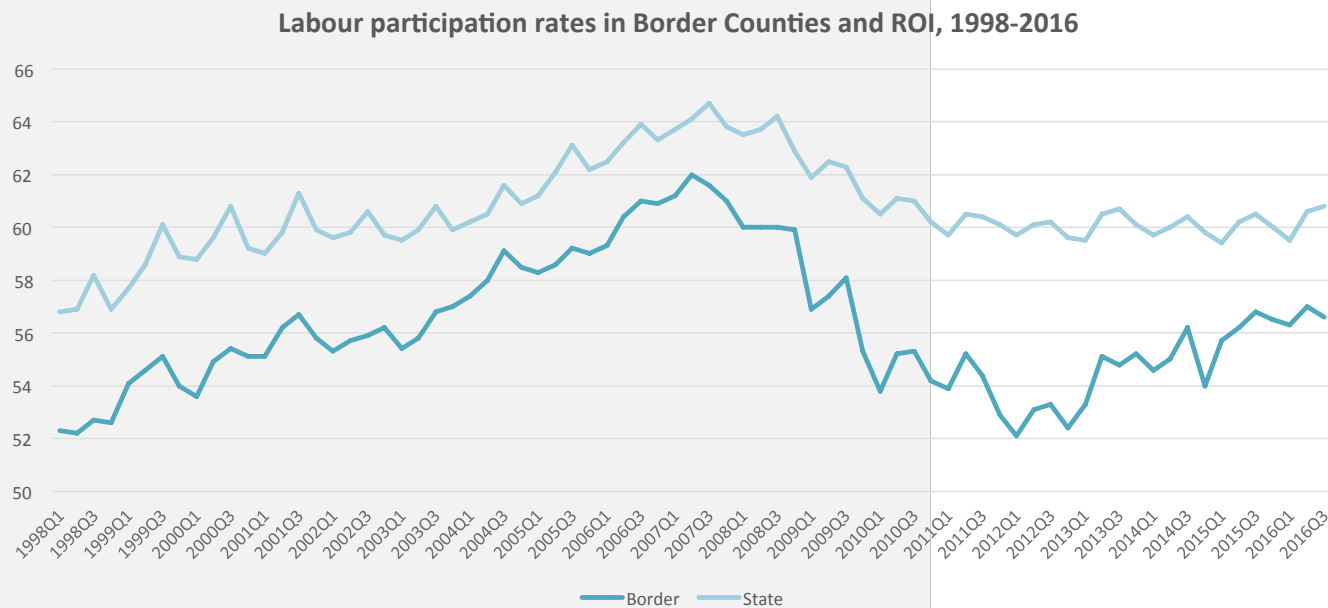
Labour participation rates in Border Councils and NI, 2001 - 2016



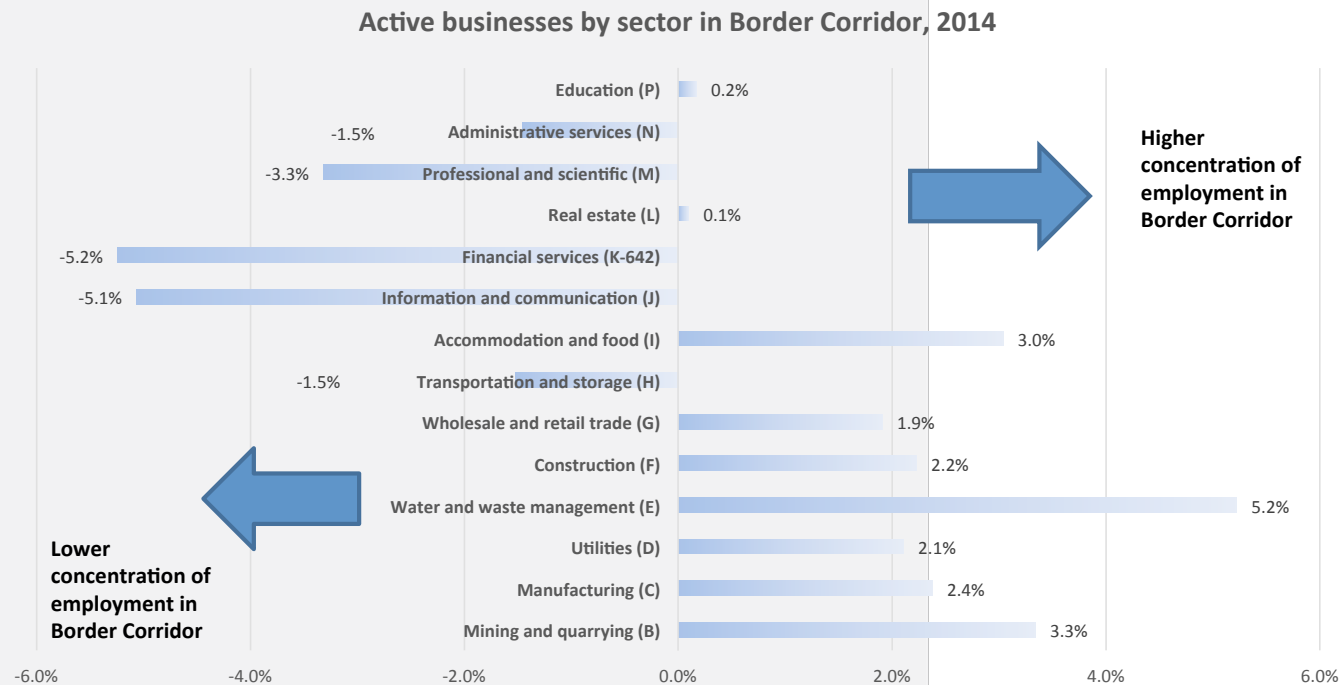


## ...similar story in the Border Counties even with the recovery

### Across all age and gender cohorts



# Firms sectorally mixed in the Border Corridor with more product-based than services



# What an economic profile of the Border Corridor tells us

- Border councils in NI and RoI tend to lag their national or regional averages across many measures including: productivity, labour participation rates, household incomes.
- Some of this can be explained by the economic structure across the corridor – sectors in which firms operate, size and ownership of firms, extent of innovation and export activity, etc.
- However, variability across the Border Corridor – eg: productivity levels higher in some places than in others.
- Brexit – local fears dominate, sometimes asymmetrical ones, and the sense of being ‘bypassed places’ continues.

# **An integrated island economy or Border Corridor? Where might Brexit matter?**

## ‘...protecting North/South areas for cooperation...’

### Real or rhetorical?

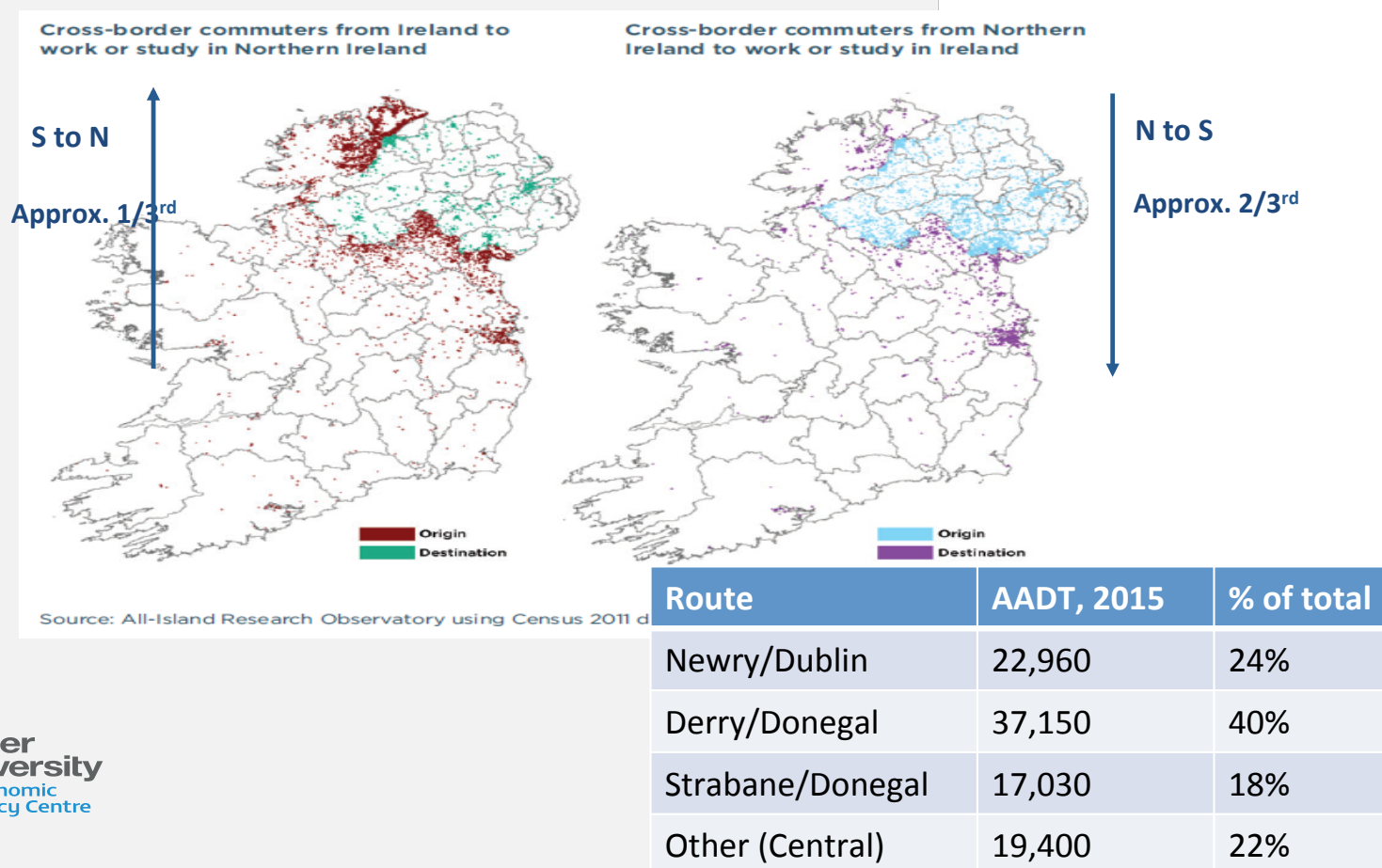
- List of 144 ‘areas of cooperation’ compiled by (for) Barnier Taskforce in Autumn 2017 covering the Good Friday Agreement sectors (12) and the many outworkings of these
- Strong emphasis here on two things – access to services and regulation of living conditions/environment – which are critical to the Border Corridor
- Cooperation has developed from ground up rather than from policy entrepreneurship and role of the EU (funding) has been important – perhaps equal to NSMC

# Areas in which Brexit might impact



# Cross-border commuting and traffic flows

25-30,000 commuters cross the border daily and another 70,000 journeys



## Migration – internal and external issue

Border Corridor received a third of the island's new migrants since 2002

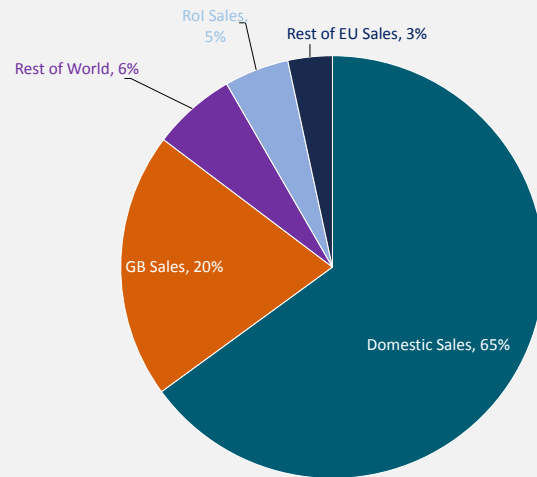
- Since 2002 over 300,000 non-UK/ RoI nationals based in the Border Corridor have applied for a NI/PPS number:
  - 47% of the total NI applications
  - 18% of the total RoI applications
- Manufacturing and Hospitality highly reliant (25%+ of workforce) on migrant labour and concentrated in the Corridor.
- Recruitment issues for employers and their ability to fill vacancies from the local labour market.



# GB and Ireland dominate 75% of sales outside NI

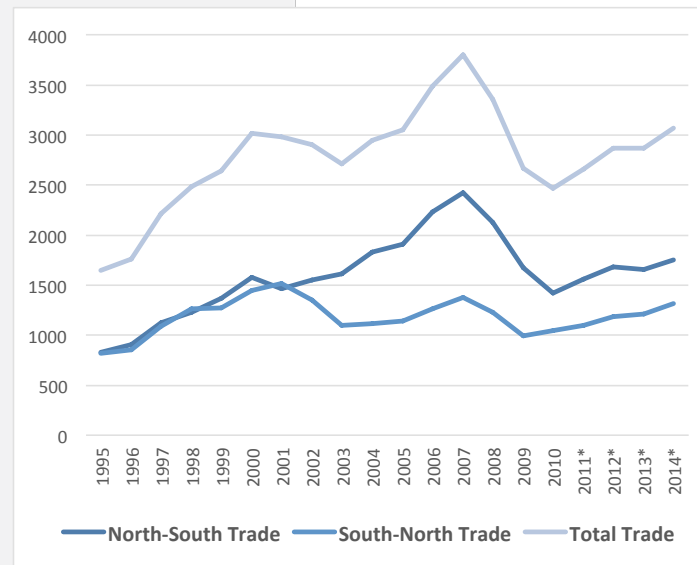
## ...but different balance in the Border Corridor

% of External Sales by location, NI, 2016



Source: BESES, NISRA & UUEPC Analysis

Cross-Border Goods Trade, 1995-2014

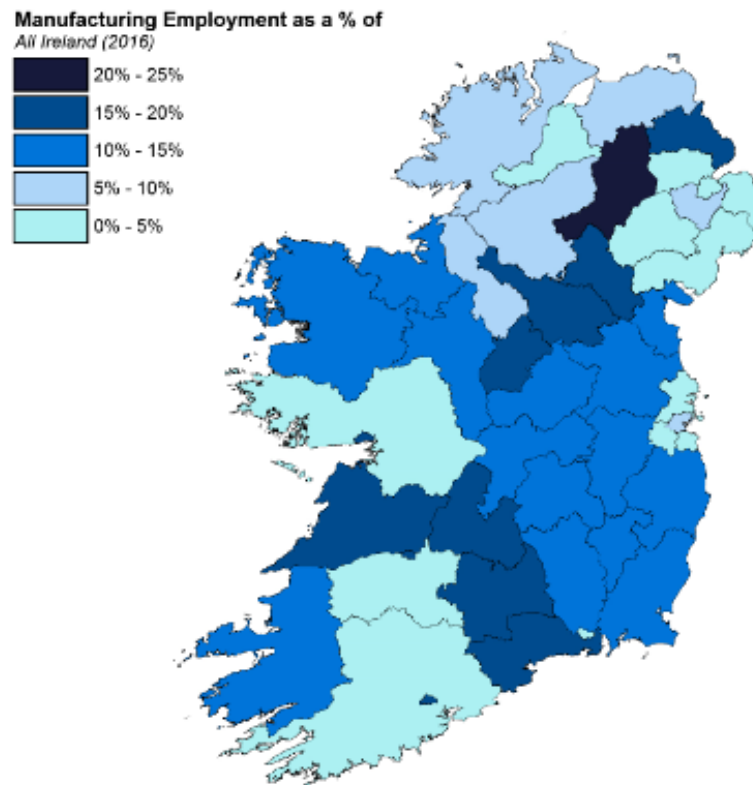


- 33% of goods and services from the RoI Border Counties go to UK markets, twice the RoI average
- 18% of external sales from the NI Border Councils go to RoI, 5pp higher than NI average

# Emphasis on trade shares and tariffs...

## A Manufacturing story?

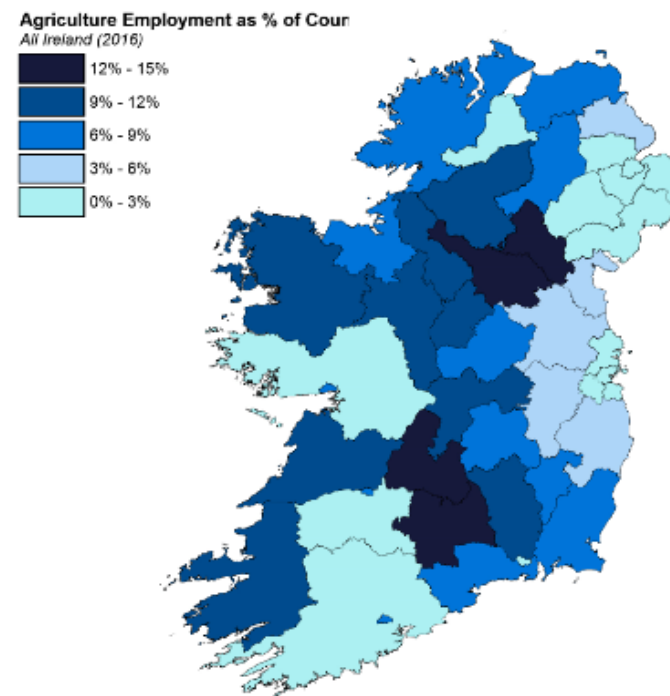
Manufacturing Employment as a % of County Total, All-Ireland, 2016



## ... and an agri-food one given unique levels of integration...

Strong concentrations in processing across the Corridor

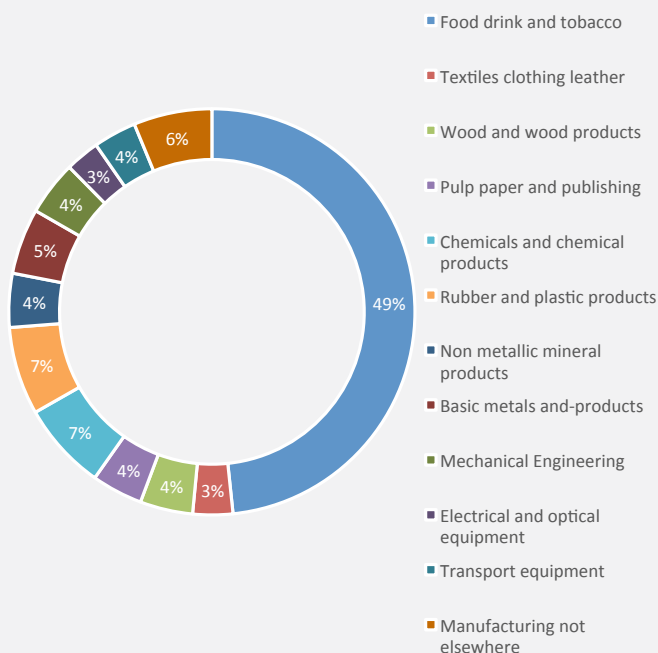
Agriculture Employment as a % of County Total, All-Ireland, 2016



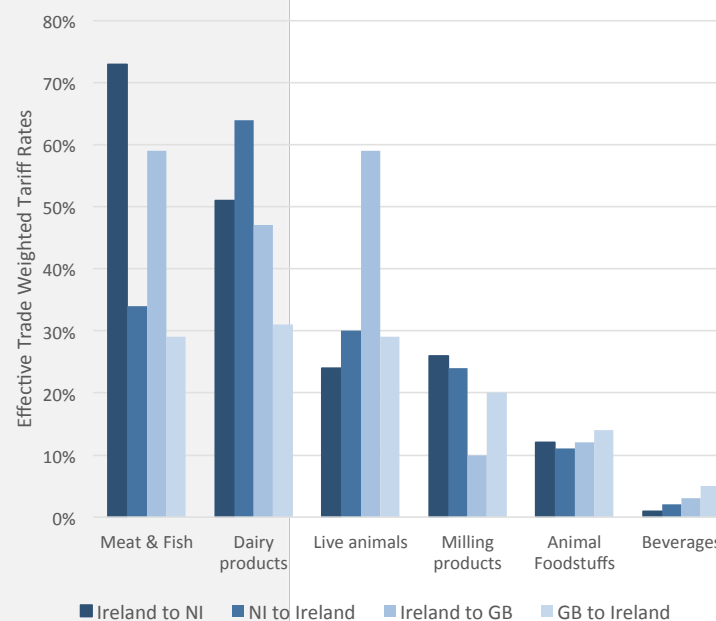
# ...uniquely exposed to Brexit risk?

Are the risks on the processing/market side rather than production/ extraction?

Sectoral share of cross-border goods trade



Sector Level Effective Tariff Rates on Agri-Food products by Trade Direction



- Application of WTO tariffs would reduce 2016 cross-border trade by 9%
- NI to Ireland trade reduction falls from 19% to 11% with 10% Sterling devaluation.
- Largest impact on dairy and meat.

## Importance goes beyond shares of trade given the non-tariff barriers

- Need to consider numbers, size of firms and their supply chains
- CSO record 880 businesses in Ireland engaged in cross-border exporting and importing worth >€650k p.a. with most exporting more than half their output to NI
- NISRA estimate almost twice as many firms (c.4,280) selling goods to the South than do to GB. Half of the value is sold by firms of <50 employees.
- Most cross-border goods trade is in 'intermediates', the shares higher in almost every sector than in trade with GB

# How prepared are businesses?

Informality becoming increasingly important

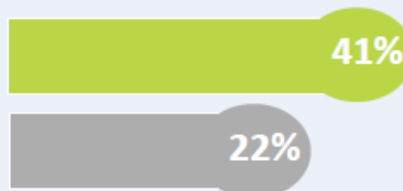
## ✓ PLANS FOR BREXIT

Businesses were asked about their plans to deal with Brexit

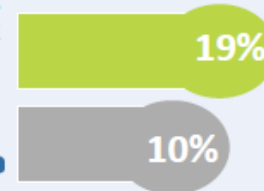


Whilst just **8%** of cross border businesses have made formal plans in preparation of Brexit, the survey shows **informal planning activities have increased**

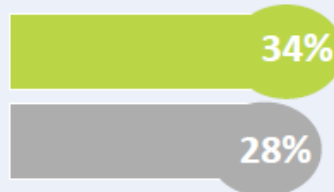
DISCUSSED WITH OTHER BUSINESSES



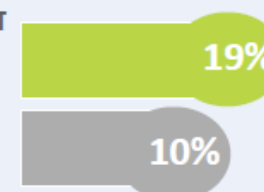
SOUGHT ADVICE FROM FINANCIAL ADVISOR



HELD INTERNAL MEETING



SOUGHT ADVICE FROM TRADE ASSOCIATIONS/GOVERNMENT

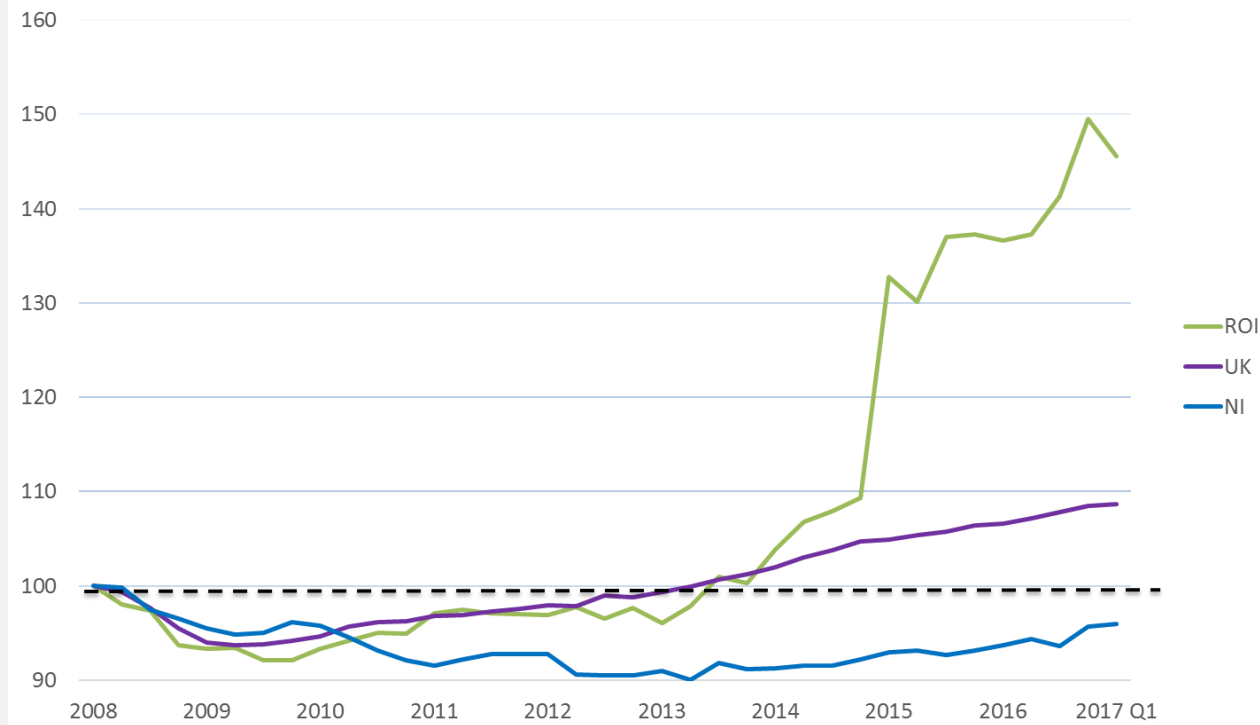


■ Q4 ■ Q3

# Forecasts to 2026

## NI currently lagging behind UK and RoI growth

Economic Activity UK, RoI GDP and NICEI, 2008-2017 (2008 Q1 =100)





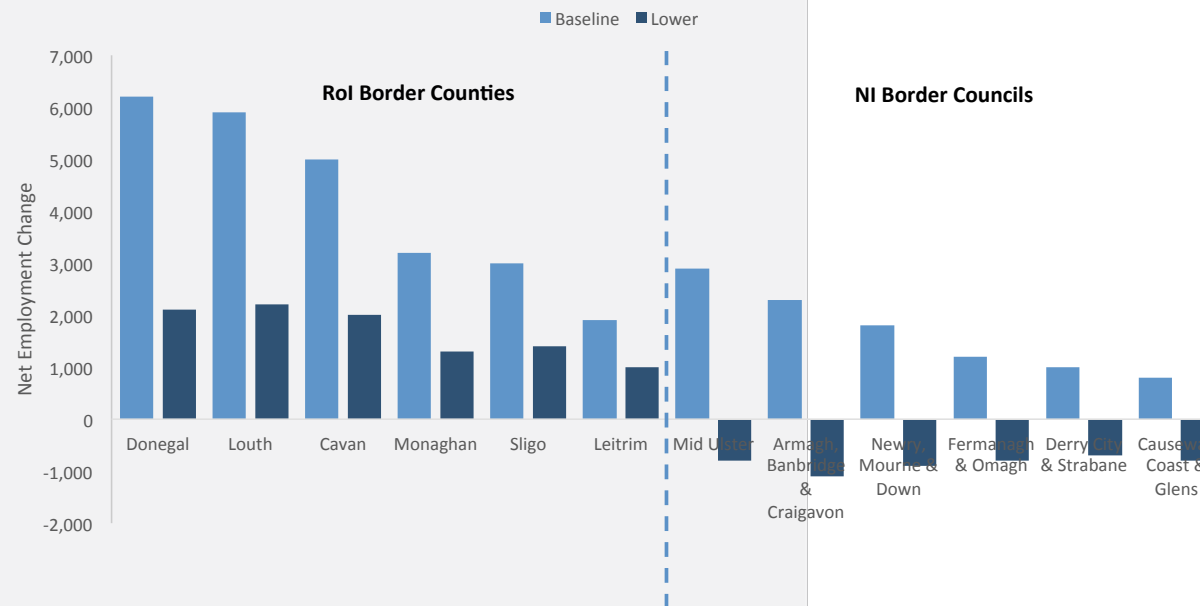
# What are the forecasts telling us for NI, UK and Ireland?

## Consensus of 'lost growth' under any Brexit scenario\*

- Broadly accepted that NI is likely to be the 'worst impacted' of the UK regions – perhaps 1-2% of GDP less than the UK position
- Variety of forecasts for the UK economy under Brexit (GDP to be 3% and 7% less by 2030 than it would have been) – even the moderate forecasts result in a employment losses in NI over the decade
- In the same timeframe the Irish economy would see GDP between 2.8% and 7% less than it would have been.
- Hard to escape the conclusion that minimising the impact is key

# What are the job forecasts for the Border Corridor?

Growth depends on an 'orderly' Brexit





# Final thoughts on Brexit and the Border Corridor

## The Border Corridor has been the key site for a quiet story of integration and cooperation

...which has ebbed and flowed with the history of the Border

- However, Brexit was always about much more than economics...
- And nowhere is this truer than at the Irish border where the 'five freedoms' have a deeper meaning
- Current debates around the Irish border centre on various solutions (exemptions, technology and alignment)
- None (bar a full interpretation of the last) will avoid a return of borders



# Thank you ... Questions

**Dr Eoin Magennis**

**E: [e.magennis@ulster.ac.uk](mailto:e.magennis@ulster.ac.uk)**

Allie Renison  
Head of Europe Trade and Policy  
Institute of Directors

---

***“Brexit and the Irish Border” Conference***



**Can we have a Smart Border?**

**21<sup>st</sup> March 2018**

***Allie Renison, Head of Europe and Trade Policy  
Institute of Directors***

## SETTING THE SCENE – HARD BORDERS, SMART BORDERS

**\*\*A HARD BORDER IS USUALLY DENOTED BY PHYSICAL CONTROLS AND INFRASTRUCTURE, USUALLY WITH SOME PROVISION FOR CHECKS AT OR SHORTLY BEFORE/AFTER A BORDER CROSSING ON PEOPLE AND/OR GOODS**

**\*\*THE EU'S EXTERNAL FRONTIERS ARE DELINEATED BY THE OUTER BOUNDARIES OF ITS CUSTOMS UNION – NORWAY AND TURKEY AREN'T INCLUDED**

**\*\*THERE ARE TWO DIMENSIONS TO CHECKS THAT CAN OCCUR AT THE EU'S EXTERNAL FRONTIERS – SECURITY/SAFETY AND CUSTOMS/REGULATORY COMPLIANCE**



## SMART BORDER EXAMPLE #1 – NORWAY/SWEDEN

**\*\*PRE-EXISTING BILATERAL BORDER COOPERATION AGREEMENT (1959) THAT HAS DEEPENED/STRENGTHENED OVER TIME – WITH SOME INFREQUENT COMPLICATIONS**

**\*\*NO CUSTOMS UNION, BUT SCHENGEN AND SINGLE MARKET LINK**

**\*\*CONTRAST TO NORWEGIAN-RUSSIAN BORDER – UNDERSTANDING OF EACH OTHER'S REGULATORY SYSTEMS VERY LIMITED**

**\*\*PERSONNEL STILL REQUIRED EVEN WITH TECHNOLOGY TO SPOTCHECK SUSPICIOUS VEHICLES (CUSTOMS NON-DECLARATION ISSUES)**

**\*\*EU AGREEMENT WITH NORWAY ON SAFETY/SECURITY – WAVES ADVANCE ENTRY SUMMARY DECLARATION REQUIREMENTS**

## SMART BORDER EXAMPLE #2 – SWISS/EU BORDERS

- SWITZERLAND NEITHER IN CUSTOMS UNION NOR SINGLE MARKET, ALTHOUGH IN SCHENGEN + HAVE FREE MOVEMENT (SWISS ARE PART OF EU'S COMMON VETERINARY SPACE + EFFECTIVELY IMPORT MOST OF EU ACQUIS ON GOODS REGULATIONS – TRUST/LOW RISK)
- WHILE CUSTOMS INFRASTRUCTURE FOR COMMERCIAL BORDER CROSSINGS EXISTS, EXTENSIVE COLLABORATION BETWEEN SWISS + BORDERING MEMBER STATE CUSTOMS/BORDER FORCE – COMMON OPERATIONS AND WORK UNDERTAKEN INSIDE BORDER OF NEIGHBOURING COUNTRIES
- SWISS ALSO HAVE A SAFETY/SECURITY AGREEMENT WITH THE EU
- FOR THE MANY UNMANNED BORDER CROSSINGS, CAMERAS ARE USED. SWISS CUSTOMS DG – EITHER CAMERAS OR PEOPLE REQUIRED

## SMART(ISH) BORDER EXAMPLE #3 – USA/CANADA

- ✓ Possibly the most relevant policy-wise to Brexit (“managed divergence” rather than progressive convergence), this border separates two clearly different customs territories with comparatively little regulatory alignment
- ✓ No experience of free flow of people as in Europe, and the trend since 9/11 has been to increase security checks (from US) rather than decrease
- ✓ Beyond people, every commercial vehicle stopped – one set of documents check and then secondary inspection for those deemed necessary
- ✓ FAST programme acts as a quasi-trusted trader scheme
- ✓ US and Canada still in pilot stage of pre-border inspections scheme (some ways behind EU and neighbouring third countries)

## A SMART IRISH BORDER – WHERE POLICY + TECHNOLOGY INTERSECT

- The easiest way on paper of avoiding a hard land border post-Brexit would clearly be for the UK to stay a member of the EU's Internal Market and in a customs union with it (*per EU – “considered part of the Union customs territory”*), or for Northern Ireland to do so
- Similar option would be the backstop Option C outlined in the Joint Report, although alignment could apply in different ways. Clear political feasibility issues either way however
- Options A + B (trade agreement and technology/facilitating solutions) are more complementary than mutually exclusive
- The final mix will likely take from both – the more policy alignment (including on VAT) there is, the less lifting is required from an Option B standpoint
- Sequencing issue – how much can be planned/prepared in advance relying on Option B without knowing the outline of Option A? (BIPs)

## A Smart Irish Border – Practicalities and Sensitivities (on all sides)

- ❑ Difficult to assess full extent of what would be needed without knowing policy outcome/direction – some considerations below
- ❑ Alignment to EU's SPS regime arguably most important to avoid/minimise potential for physical controls – mutual recognition and equivalence will be hard to achieve in this space
- ❑ ANPR + unmanned border crossings – can this join-up be done remotely without the need for posts/people at the border? Tracking-based spotchecks then processed once vehicles have crossed well beyond the border. Data-sharing/intelligence-gathering agreement between Irish/EU + UK authorities needed, otherwise juxtaposed controls possibly needed at inland clearance facilities inland away from the border
- ❑ UK's continued participation in the EU's Safety & Security Area, via an agreement similar to Norway and Switzerland

## A Smart Irish Border – Practicalities and Sensitivities (contd)

- ❑ In-land clearance facilities and any necessary checks at commercial premises, such as origin and duty-related (on a much larger scale than currently though – cost to companies?)
- ❑ AEO as currently constituted would not be sufficient – Union Customs Code under which AEO provisions would need to be amended (or UK's new AEO classification systems mutually recognised) to allow those without any prior history of customs declarations to qualify. Not appropriate for many SMEs currently
- ❑ Other trusted trader schemes would be more useful for some traders – e.g. Approved Exporter
- ❑ UK to continue legislative alignment to Union Customs Code as it is implemented and develops – facilitated by associate/observer status in EU's Customs Policy Group?

## CONCLUSIONS

- 1) Technology will assist with implementing and facilitating future economic partnership. Not either/or situation
- 2) Sequencing issue likely to mean longer transition/adjustment period for some areas and sectors
- 3) Closer policy alignment/agreement will likely reduce implementation complexities and timescales
- 4) Avoiding a hard land border, with no physical infrastructure, will almost certainly require more heavy lifting and higher cost burden borne by businesses if UK maintains current 'red lines'