

Note on 6th ENTERPRISE FORUM ON BREXIT AND GLOBAL CHALLENGES

Thursday, 10th May 2018

Attendees:

DBEI: Dr Orlaigh Quinn (Chair), Philip Kelly, Pauline Mulligan, Jean Carberry, Conor Hand, Caoimhe Gavin, Sandra O'Reilly, Andrew Colgan, Scott Foley

Brian Corr, Department of Finance

Julie Sinnamon, Enterprise Ireland

Kieran Donoghue, IDA Ireland

Danny McCoy, Pat Ivory and Arnold Dillon - Ibec

Marc Coleman, Financial Services Ireland

Paul Kelly, FDII

Neil McDonnell, ISME

Brian Cotter, AmCham

Simon McKeever, Irish Exporters Association

Emma Kerins, Chambers Ireland

Thomas Burke, Retail Ireland

Lorraine Higgins, Retail Excellent Ireland

Tara Buckley, RGData

Item 1: Minutes from 5th meeting

- The minutes from meeting #5 were agreed.

Opening remarks: Dr Orlaigh Quinn, Secretary General, Department of Business, Enterprise and Innovation:

- Dr Orlaigh Quinn apologised for the absence of Minister Humphreys and welcomed the Forum members to the sixth meeting of the group and thanked them for their work to date.
- It was noted that, since the last meeting of the Forum, DBEI has published the Copenhagen Economics report "Strategic Implications for Ireland Arising from Changing EU-UK Trading Relations" along with the ITI study "Potential Impact of WTO Tariffs on Cross-Border Trade".
- At the last meeting of the Forum, the need for more focus on the Services sector was raised. In response, the group were informed that Sandra O'Reilly would make a presentation addressing this issue.

Item 2: Update from DBEI:

Update on Negotiations and State of Play

- Pauline Mulligan provided the group with an update on recent developments in relation to the negotiations and current state of play with regard to the Article 50 process, as well as the framework for the future EU-UK relationship including a summary of Ireland's priorities.

Access to Finance and State Aids

- Jean Carberry provided the group with an update on developments in relation to access to finance advising the Brexit Loan Scheme was launched at the end of March. The Strategic Banking Corporation of Ireland (SBCI), the entity delivering the scheme, have received a steady stream of applications for this scheme. Information packs have also been distributed detailing how companies could apply for loans. Active promotion of the loan scheme has just commenced including advertising on national radio.
- Jean advised the group that a longer-term loan scheme is in development at present.
- A State Aid working group has been established, comprised of representatives from Enterprise Ireland, DBEI and the Department of Agriculture, Food and the Marine.

- In late November 2017, DBEI received approval from the European Commission for its proposed 'rescue and restructuring scheme'. As part of the deliberations of the Working Group on State Aid, an extension of the Rescue and Restructuring scheme to include temporary restructuring aid to who experience acute liquidity needs was approved by the Commission in early May 2018.

Preparedness – Commission Notices

- Caoimhe Gavin gave a presentation to the group regarding the European Commission Notices on Brexit Preparedness. These notices, which are of a highly technical nature, outline the impact for a number of sectors in the event of a disorderly withdrawal. To date, the European Commission has issued 76 notices in respect of 63 different areas. To assist with raising awareness of these notices, Caoimhe encouraged the forum members to bring these Notices to the attention of their respective members.
- A discussion ensued between the forum members regarding the importance of these notices and the best approach to ensure that they are brought to the attention of their members and interpreted correctly.

Item 3: Discussion on Services in the Context of the Future EU-UK Relationship

- Sandra O'Reilly provided an overview of how services trade is dealt with in FTAs.
- Following the presentation, a number of discussion points were raised including the importance of trade in Financial Services between Ireland & UK – particularly in respect of domestic employment and the social agenda. The importance of achieving an international financial services outcome for the good of the whole of the EU was noted, while the need to ensure whatever approach emerges in the IFS area is as reliable, transparent and credible in place as possible was emphasised. The cumbersome nature of equivalence and the limited scope of the current approach were noted.

Item 4: Tour de Table – Updates from Forum Members

- Significant interest is being recorded amongst firms for all customs related training courses: the Irish Exporters Association will shortly launch AEO training courses on customs procedures, and there is an upcoming IEA course on dual use goods. EI noted that they could advertise the courses on their website.
 - Chambers Ireland are also running courses in relation to customs training.
 - EI noted that they have a series of workshops taking place around the country in relation to customs procedures and logistics. The workshops will assist companies in developing Brexit plans.
- Much of the recent evidence suggests that an increasing proportion of companies are more actively preparing for Brexit.
 - The results from a recent Ibec survey, for example, finds an increase in the number of companies that have developed Brexit plans, as well as companies in the process of developing such plans. In response to Brexit, such companies are focused on market diversification, the development of new products, and the exploration of alternate transit routes.
 - It was noted that in some sectors (such as Financial Services), larger firms have greater capacity to develop Brexit contingency plans than most SMEs. The importance of ensuring that all sub-sectors of the IFS sector are included in consultations (given the complexity and diversity of the sector) about the future of the sector was raised.
- The impact of Brexit on the retail sector was highlighted – many Irish companies are reliant on the UK in terms of supply chain and order fulfilment etc. The importance of eCommerce as both an opportunity and a mitigation measure was noted.
- The ongoing "town centre health check" programme is an important response in this regard – particularly at regional level - the current round of workshops are focused on border towns to assist companies and retailers identify challenges and opportunities arising from Brexit.

Item 5: Any other business

- The Forum will meet again in July.