

## Note on 7<sup>th</sup> ENTERPRISE FORUM ON BREXIT AND GLOBAL CHALLENGES

Wednesday 4<sup>th</sup> July 2018

### Attendees:

Minister Heather Humphreys TD, Minister for Business, Enterprise & Innovation

DBEI: Dr Orlaigh Quinn, Philip Kelly, John Hughes, Pauline Mulligan, Conor Hand, Andrew Colgan, Pauric McPhillips

Julie Sinnamon, Enterprise Ireland

Breda O'Sullivan, IDA Ireland

Mark Ferguson, SFI

Patricia Callan, Alcohol Beverage Federation of Ireland

Marc Coleman, Kathryn O'Donovan, Ibec

Paul Kelly, Food & Drink Industry Ireland

Brian Cotter, AmCham

Simon McKeever, Irish Exporters Association

Emma Kerins, Chambers Ireland

Thomas Burke, Retail Ireland

Tara Buckley, RGData

Paul Sweetman, Financial Services Ireland

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### **Item 1: Minutes from 6<sup>th</sup> meeting**

- The Minister welcomed all attendees.
- The minutes from meeting #6 were agreed.

### **Items 2 and 3: US Tariffs on Steel and Aluminium; EU Response to Date and Proposed Actions**

- John Hughes, Trade Policy Unit, made a presentation on recent escalation of trade tensions, focusing primarily on US Tariffs on Steel and Aluminium and the EU response, including counter balancing and safeguarding measures. The presentation included an analysis of the impact on the affected product lines for imports and exports from Ireland.
- The Minister invited members to comment on the presentation. It was queried if there is potential to seek removal of specific products from the EU's counterbalancing product list, particularly bourbon, with the concern being future escalation by the US targeting Irish Whiskey. It was underlined that the list had been developed strategically to maximise political pressure within the US. The Minister noted that, while Irish interests regarding specific products are being articulated at EU level, it is important that the Union as a bloc remain united in agreement. The EU position is that talks with the US can be opened once the EU is exempted from the tariffs. It was also pointed out that the EU is seeking to lead the reform agenda at WTO to help improve dispute resolution mechanisms.
- The retail sector expressed concern about the price impacts on tariffs on imports on affected US goods. There was also concern raised about the threat of future tariffs on the automotive sector due to a new section 232 investigation. This could have significant implications for specific Irish manufacturers, including those that are involved in sub-supply to car manufacturers, including in the UK, Germany and China.
- The Minister stated that Government would be making all efforts to de-escalate tensions in the trade environment through its diplomatic channels and encouraged members to use their influence in the US and Europe where possible to generate a strong message from Ireland.

#### **Item 4: Investment Screening**

- John Hughes, Trade Policy Unit, made a presentation on current proposals at EU to develop investment screening mechanisms, including an outline of the proposal, progress to date, implications for the Department and the Agencies, and current state of play.
- It was emphasised that the Irish position is to ensure the principle of subsidiarity applies, ensuring the right of MS to determine whether to have a mechanism; the right of MS to decide what investments it might screen; and the right of MS to determine what, if any, resultant action to take. Ireland is particularly concerned regarding the potential scope of the Commission's or other Member States' role in Investment Screening in Ireland and is working with Like Minded MS to develop a strong position.
- The Minister invited members to comment on the presentation. Members raised the importance of the subsidiarity principle and for MS to have as much control over the implementation of IS measures if required. Ireland is already compliant with the WTO rules for investment. It was questioned whether IS measures might hold up FDI decisions and therefore threaten the viability of projects. It was also stressed that there is an absolute need for confidentiality in any information that may be shared with other MS or the Commission. There have also been questions from the US about what Ireland is doing to screen investment activity.
- The Department noted that it is a high priority issue within Trade Policy at present and that continuous engagement is required as it progresses to dialogues is required.

#### **Item 5: Update on Brexit from DBEI:**

- The Minister noted that since the last meeting, the Department have published a number of pieces of Brexit research.
  - The Expert Group on Future Skills Needs published "Addressing the skills needs arising from the potential trade implications of Brexit". This study identifies the skills needs required for enterprise to mitigate the impacts of Brexit on Irish goods trade, and outlines a suite of recommendations that can be drawn upon to meet this objective.
  - A report on "The firm-level impact of Brexit on most exposed sectors" was also published which details the findings and insights of the firm-level impact of Brexit on Ireland's most exposed sectors,
  - A number of the findings – particularly in relation to the meat sector were discussed.
- The Minister then noted the limited progress in negotiations since the last meeting and emphasised that while we all need to "prepare for the worst", Ireland will "negotiate for the best possible outcome".
- 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, noting in particular the Joint Statement on the Withdrawal Agreement and the European Council conclusions which serve to highlight the lack of progress to date on key issues such as the backstop, and the need to intensify negotiation efforts.
- The recent series of statements and press releases from various UK business and employee representative bodies calling for expedited progress etc. was noted.

#### **Item 6: Any other business**

- The Forum will meet again in September/October.