

BREXIT AND UK AGRICULTURE – IMPLICATIONS FOR IRELAND

Michael Haverty

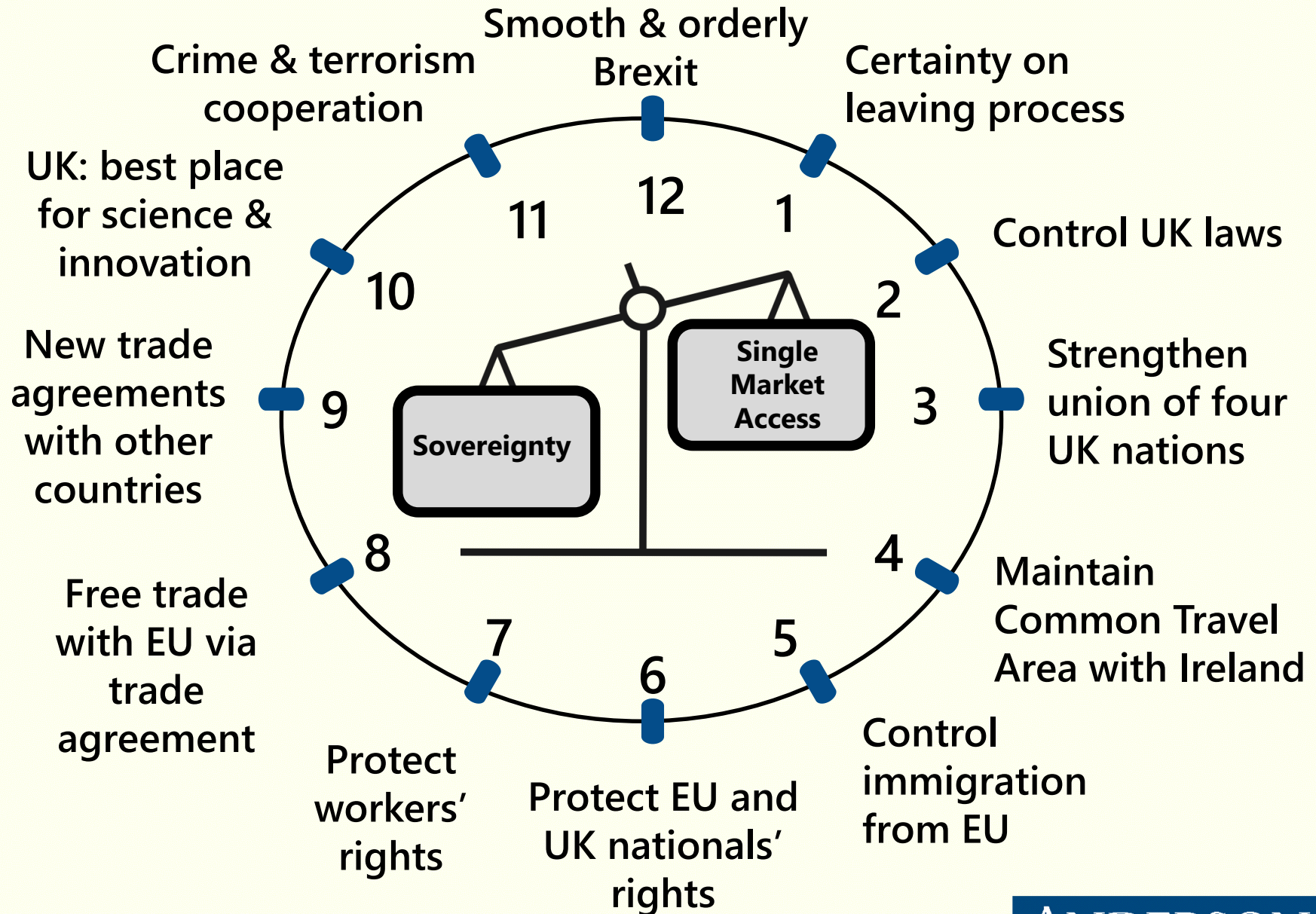
RDS, Dublin

January 2017



ANDERSONS
THE ANDERSONS CENTRE

UK PLAN: 12 NEGOTIATING OBJECTIVES



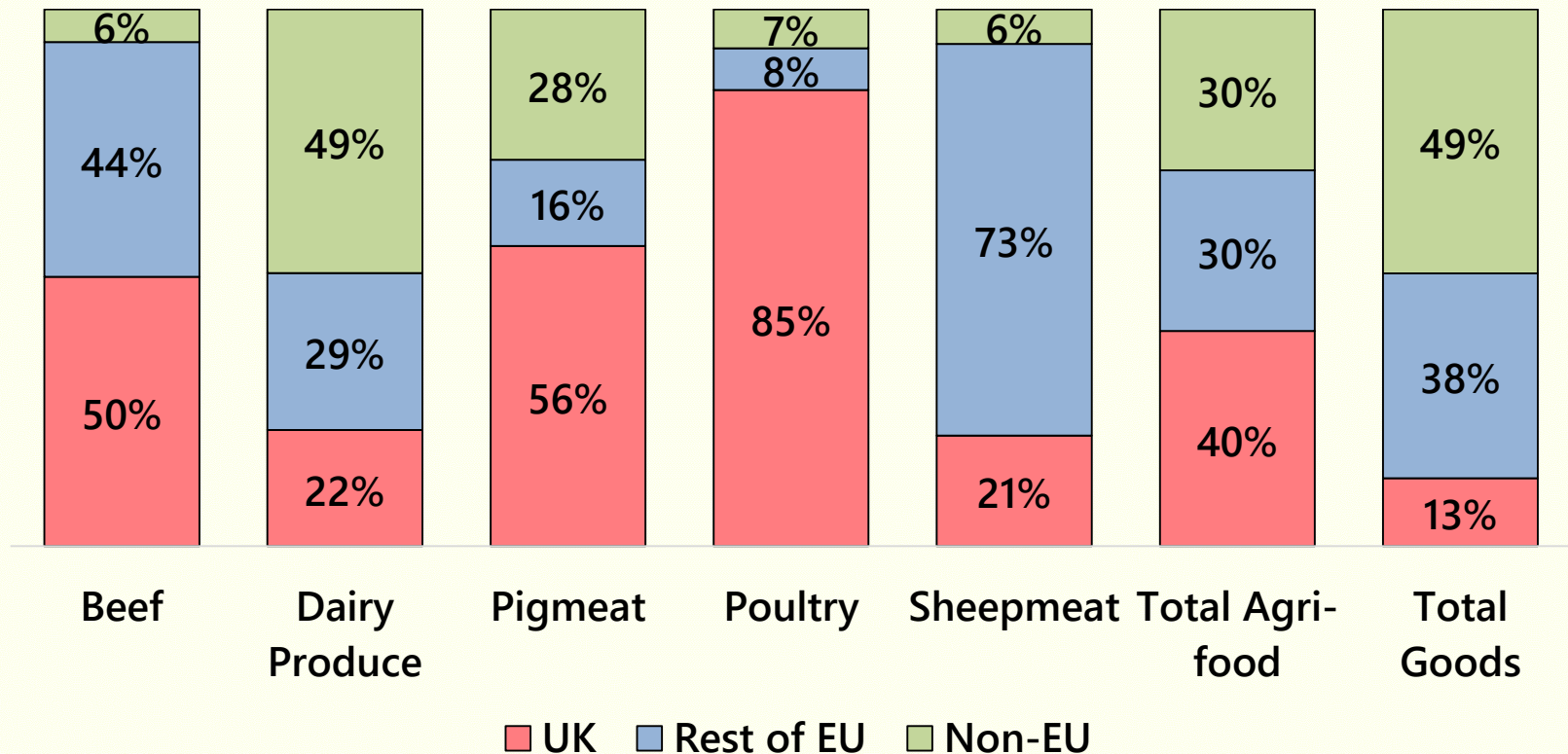
SHORT TERM BREXIT UPSIDE

Pound and €uro – 2005 to 2017



IRISH REPUBLIC'S TRADE WITH UK & EU

Export Destinations from Irish Republic – 2015/16*



Exp (€m)	2,240	3,899	720	262	272	12,125	116,343
Imp (€m)	107	691	290	463	21	8,217	70,526

FUTURE TRADE: UK AND EUROPE

'Soft
Brexit'

~~Single
Market~~

- + least ~~disruptive to trade~~
- EU migration, regulation & budget

Customs
Union

- + assists trade, migration control
- prevents trade deals with RoW

Free Trade
Agreement

- + bespoke, allows UK 'control'
- time to negotiate, goodwill?

'Hard
Brexit'

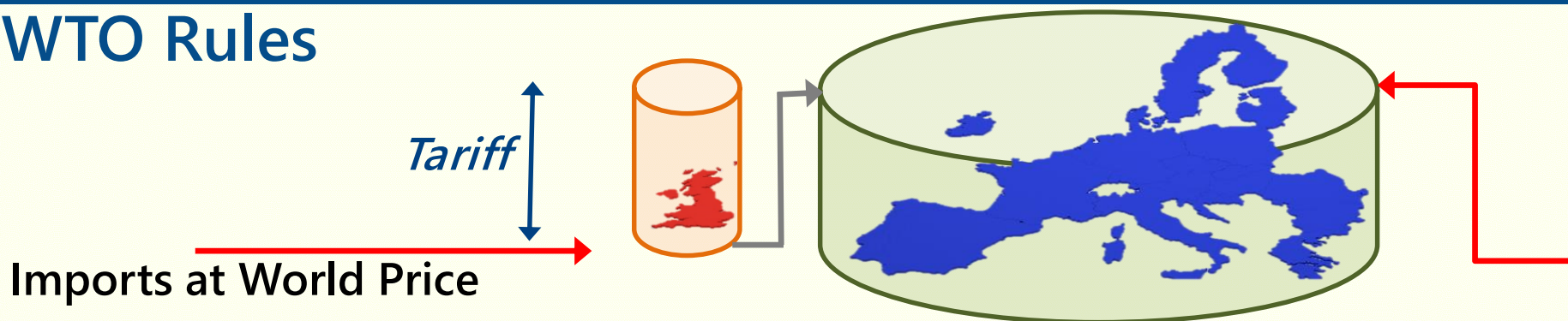
WTO
Rules

- + 'complete freedom'
- tariffs on EU trade, not simple

- Agriculture is *not* automatically covered by these
 - excluded from EEA and Turkish Customs Union
 - may not form part of FTA

TRADE OPTIONS AND WTO TARIFFS

WTO Rules



EU Tariff Examples

Standard Tariff

(€ per tonne)

Within TRQ Tariff

(€ per tonne; %)

Cheese (*cheddar*)

€1,671

€210

Lamb (*fresh/chill*)

12.8% + €1,710

€0

Beef (*fresh/chill*)

12.8% + €1,768

20% (frozen)

Pigmeat

€536

€268

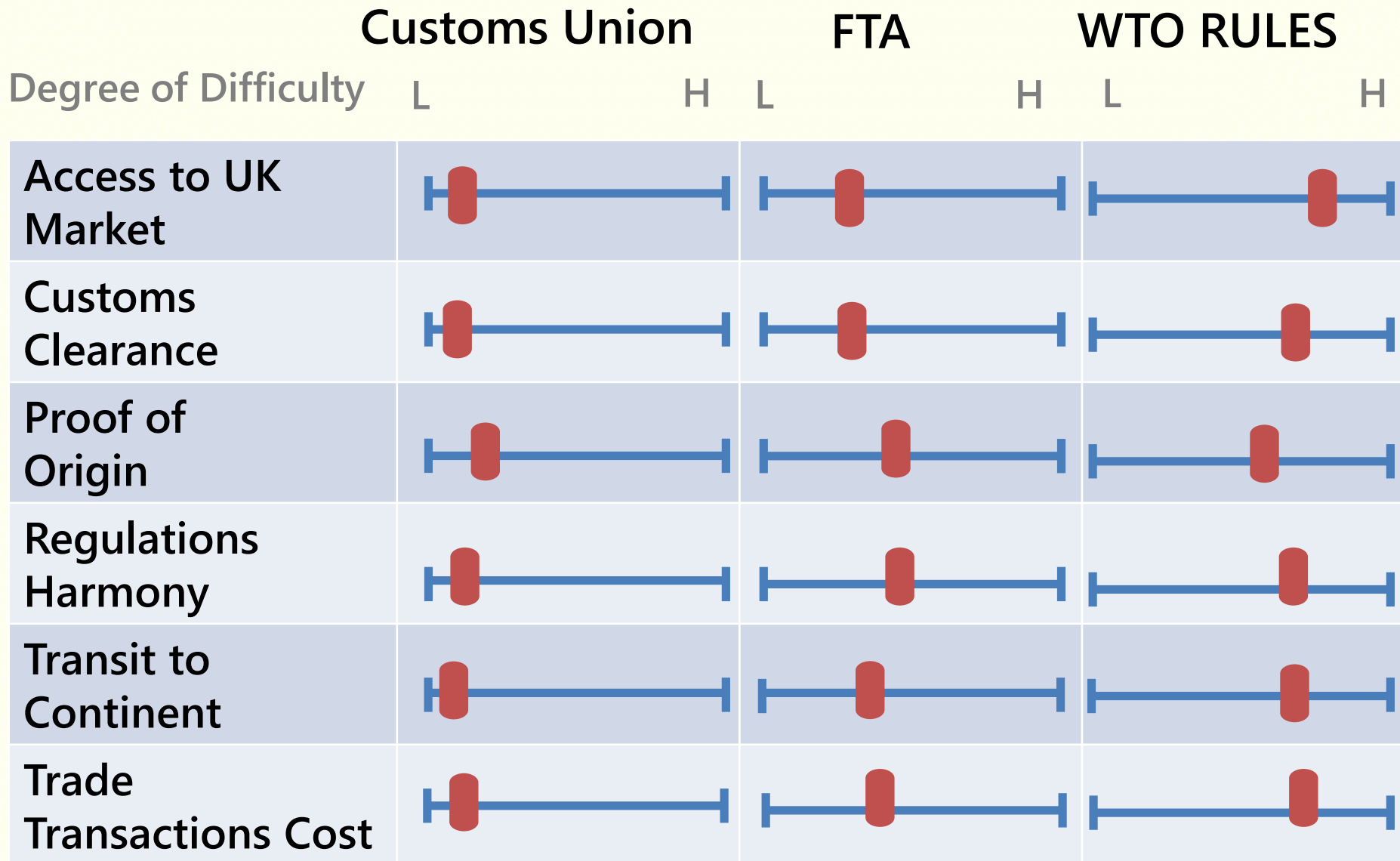
Poultry cuts (*fresh/chill*)

€512

€0

- Non-tariff barriers & trade transaction costs (circa 8-10%)
- 'Cascading tariffs' – further upheaval for processed goods

SUMMARY: IMPACT ON IRISH EXPORTS



OUR OPINION

- **UK and EU heavily inter-connected – deal will be done**
- **Not going to be concluded within two years**
 - a period where the UK is trading without an agreement?
 - 'bridging' (Customs Union) deal to extend current rules?
 - free trade deal in the long term?
 - special arrangements with Ireland.
- **Ireland must ensure agriculture forms part of a deal**
- **If WTO, set-up TRQs to permit "free-ish" trade**
 - base on historic average plus popn. growth allowance
- **Border arrangements based on Norway/Sweden model**
 - minimise impact on Irish trade when transiting to continent.
- **Trade with UK to continue; more competitive pressures**

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mhaverty@theandersonscentre.co.uk

Tel: +44 (0) 1664 503 200