
a final address on Brexit and British-Irish Relations



Irish Ambassador to Great Britain Dan Mulhall addressed the European-Atlantic Group in his final week of office in London. He used this opportunity to voice his opinions on Brexit and British-Irish Relations.

Read the Ambassador's full speech here:

It is a pleasure for me to be here with you this afternoon and I thank Charles Bennett and the European-Atlantic Group for the invitation.

I value this opportunity to reflect on the UK's impending departure from the EU and its implications for Ireland and for British-Irish relations, in what will be one of my last engagements as Ireland's Ambassador in London.

I have spent an enjoyable and eventful four years here and will transfer to Washington next month. I will depart with many wonderful memories of my time here, but also with a sense of sadness and regret about developments this past year.

While we naturally accept the decision of the British people, the UK's move to leave the European Union is a seriously unwelcome development for Ireland on account of our unique relationship with the UK. We have valued our partnership within the EU this past 44 years, which has bolstered Irish-UK relations very considerably.

The UK's exit will pose problems for the EU which will lose an important, influential Member State. The EU is of course an imperfect institution, but it has been a bastion of peace and prosperity for more than six decades, and it continues to have a vital role of play in today's troubled world.

I offer no judgement about the ultimate impact of Brexit on the UK, but it is fairly clear that this country has benefited economically from EU membership and that the future is now somewhat uncertain.

Moreover, the prospect of leaving the EU has divided people here quite deeply and the debate about this country's future direction post-Brexit seems to me to have become all-consuming. The many other issues on the agenda risk getting squeezed out.

And, as the complexities involved in reversing four decades of coordination and regulation at EU level hit home, things are not going to get any easier. In fact the choices that will need to be made down the road seem set to become quite testing.

In Ireland, we observe these developments with frustration and a degree of foreboding. There is an irony in the fact that Britain's move to leave the EU has come at a time when bilateral relations between Ireland and the UK have never been better.

Whatever view one takes of Brexit, it must be acknowledged that the horizon is unfortunately now clouded by the uncertainties it has generated. That is clearly the case for Ireland.

Our ambition at this stage is to make the best of what we see as a bad situation. We will seek to minimise the negative effects of Brexit for Ireland, for Irish-UK relations, and for the EU of which Ireland will continue to be a committed member.

Let me be clear. We want Britain to succeed as we have a big stake in a Britain that is prosperous, outward-looking and on good terms with its neighbours. We will do what lies within our power to facilitate a good outcome to the coming negotiations.

But this result will not be easy to achieve and an agreeable outcome is not within Ireland's gift. It will require a willingness on the UK's part to explore compromise solutions that will not please everyone in this country.

Ireland and the European Union:

Attitudes towards the EU in Ireland have over the years tended to differ markedly from those found in the UK.

We simply do not have a persistent and dedicated anti-EU faction in politics and in the media of a kind that is so visible here. There are many reasons for this, but allow me to list just two.

The first is the manner in which EU membership has manifestly benefited Ireland. In 1973, our wealth levels were not much more than 60% of the EU average. Today, albeit in a much larger EU, we are comfortably above the EU wealth average. Of course, the UK has also benefited significantly from EU membership, but not as dramatically as in the case of Ireland.

Before we joined the EU, we were unhealthily dependent on the UK market and on a fairly narrow range of export products. Today, ours is one of the most open economies on the planet and we have diversified our trade ties with the EU27 (roughly 40% of our exports), the US (20%), the UK (20%) and the rest of the world (20%).

The second factor that endears us to the EU is our desire to be part of a rules-based organisation in which we play a part in setting those rules. This means that we are comfortable with the principle of shared sovereignty.



We are quite comfortable about being subject to the rules of the single market because we recognise the added value to Ireland of having untrammelled access to such a large market of 500 million Europeans. We realise that we are a small country that benefits from working with others.

In Ireland, we have embraced the four freedoms of the single market and, for the first time in our history, we now play host to significant numbers of nationals of other EU Member States – in percentage terms at least as many as in the UK – and to many people from outside the EU as well.

This has not given rise to any significant public resistance and, perhaps because of our own national experience, immigration is not a major subject of political debate as it has clearly become elsewhere in Europe. We do not have any Eurosceptic or anti-immigrant party. In the latest opinion poll on the subject, some 88% of our population favoured continued EU membership even after the UK leaves.

Our Approach to the UK-EU Negotiations:

We approach these vital negotiations between the EU and the UK with a lot at stake. Our Government has acknowledged that the impact of Brexit on Ireland is larger than for any other EU Member State and that it therefore poses ‘unprecedented economic, political and diplomatic challenges’ for us.

Let me be clear: Ireland will be part of the EU team in the UK-EU negotiations. We will line up as one of the 27 EU Member States who will constitute the EU after the UK's departure. We will, of course, have our own interests to protect and we will want the negotiations to arrive at a sensible set of arrangements between the UK and the EU that will minimise disruption for us.

Our EU partners have taken our views on board. In the negotiating directives, our interests in relation to the Good Friday Agreement and the border are fully reflected. Issues to do with the island of Ireland are among a handful of topics being addressed in the first phase of the negotiations and on which ‘sufficient progress’ needs to be made before the negotiations can move on to deal with future relations between the UK and the EU.

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This comprehensive endorsement of Ireland's concerns gives the lie to those who suggest that our interests are set to be overridden by the Commission or the other Member States. Ireland's unique exposure to Brexit is recognised by our partners and they stand beside us in our determination to manage these successfully.

Ireland's Interests:

For the past 44 years, Ireland has been an EU member alongside the UK. It will be a wrench for us when our nearest neighbour no longer shares our experience of EU membership. This will put a wedge of sorts between us and we will need to work hard to avoid adverse effects from this separation.

Geographic proximity means that we have a very intensive set of connections with Britain. There are 700,000 Irish-born people in Britain and millions of Irish descent. I welcome the British Government's recent confirmation that the status of Irish people in Britain, based on the 1949 Ireland Act, will be unaffected by the UK's departure from the EU.

While the British market now accounts for less than 20% of our goods and services exports, for Irish-owned companies it is our number 1 market, accounting for 40% of those companies' exports.

For some firms in the agri-food sector more than 80% of what they produce goes to the UK. Moreover, almost half of all our food exports are destined for the UK while some 40% of the food we import is sourced from Britain.

All of this will give some indication of the extent of Ireland's interest in a positive outcome to these negotiations.

Economic Interests:

We have a major interest in maintaining our mutually-beneficial trading relationship with the UK. The intensity of our trade with the UK underlines the importance of geography as a facilitator of trade flows.

While faraway markets of course have their appeal, there is nothing like proximity as illustrated by the fact that Ireland is a more important export market for British firms than China or India.

It is therefore vital for Ireland that the UK should manage to create a close trading relationship with the EU after it ceases to be a Member State. One way of achieving this would be for the UK to remain in the customs union, which would serve to minimise potential disruption to our bilateral trade. I am aware that this issue is a source of renewed debate here, one we will be watching with keen interest.

We have also noticed an increased interest, especially on the part of the business community, in a transition period after the UK formally leaves the EU, aimed at avoiding disruptive impacts on trade. This seems to us to be a sensible proposition. It seems evident that a new partnership cannot be constructed within the Art 50 timeframe and I do not see how anyone can gain from an unnecessary disruption to trade flows. But of course the details of a transition agreement will have to be agreed between the two sides.

To those who yearn for a network of free trade agreements, I ask can these balance losses in trade with near neighbours such as Ireland? It is difficult to see how the UK can expect to retain its full access to the EU market while at the same time engaging in opportunistic trade agreements with others that will serve to curtail EU exports to the UK. Trade deals must be based on mutual advantage and cannot be a zero sum game to the benefit of one side.

Northern Ireland:

Ireland's uniqueness with regard to Brexit is best illustrated by the situation in Northern Ireland where, under the Good Friday Agreement, everyone born there to a legally-resident parent, or with one Irish-born grandparent, is entitled to be an Irish citizen and thus an EU citizen. The border in Ireland will be the only land border between the UK and the EU. Moreover, the openness of that border is one of the achievements of the NI peace process.

Our Government is determined to protect all the provisions of the Good Friday Agreement and to avoid any hardening of that border. They have the full support of our EU partners in that aim, one that is shared by the British Government.

But Brexit poses undeniable challenges in respect of Northern Ireland and relations between North and South in Ireland, for at some point in the future that border will connect an EU country with a non-EU one.

There are important economic links between Ireland, north and south, although these have some way to go to achieve their full potential. North-South trade is especially important for Northern Ireland where cross-border trade accounts for 36% of its exports.

24% of trade within the island of Ireland is accounted for by the food and drink sector. For example, 10% of the milk we process is sourced in Northern Ireland. This means that there are lots of Northern dairy farmers who send their milk 'down the road' for processing at a creamery south of the border. It would be a travesty of such transactions were to become subject to customs controls. That is why, as I have already said, we would like the UK to remain in the customs union which, aside from its other advantages, would go a long way to resolving potential

problems on the border in Ireland.

It seems to me to be a great pity that implications for Northern Ireland did not loom larger during last year's referendum campaign. Assurances given by those who argued for Brexit that 'everything will be fine', that 'nothing will change' in Northern Ireland now need to be borne out.

I hope that the negotiations will succeed to devising special arrangements for Northern Ireland that reflect its unique circumstances including facilitating its continued participation in particular EU programmes of special relevance to the unique situation there. These would include the INTERREG and PEACE programmes which support North-South cooperation and the peace process.

Conclusions:

The EU-UK negotiations are now up and running. For Ireland, these negotiations represent a deadly serious challenge in protecting our economic interests, preserving the gains of the Northern Ireland peace process and securing Ireland's future within the EU as it evolves post-Brexit. Aside from the UK, no other EU country is as exposed as we are to the chill winds of Brexit.

Ireland will remain an EU member, which is by far the best option for us, but we will also want to retain our close, mutually advantageous ties with the UK. That is achievable, but it is not straightforward, because there will come a time when Ireland will be an EU member and the UK will not be.

Brexit obliges us to find new ways of retaining what we currently enjoy, a close partnership with our nearest neighbours in a friendly, peaceful and prosperous Europe.

Our hope is that we will end up with the UK closely connected to the EU, as close as possible to where it is today. Such an outcome would, among other advantages, minimise the threat to the island of Ireland and to British-Irish relations. I hope that the current British debate about the shape of the UK's future relationship with the EU will take full account of the Irish and British-Irish implications of this most complex, contested issue.

Daniel Mulhall is Ireland's Ambassador in London