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## Remarks to the Conservative Peers House of Lords

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# Ambassador Mulhall's remarks to the Conservative Peers Association at the House of Lords, 12 July 2017

## The implications of Brexit for Ireland and for British-Irish relations

### Opening Remarks:

It is a pleasure for me to be here with you this afternoon for what will be my last visit to this parliament as Ambassador of Ireland in London before I leave for Washington next month. It has been a pleasure to come to the House of Lords on a regular basis this past four years and to get to know so many Peers during that time.

I want to make a few points about on the UK's impending departure from the EU, and on its implications for Ireland and for British-Irish relations. I will be happy to take your questions and to elaborate on particular points of particular interest.

I will leave with many wonderful memories of my time here, but also with a sense of sadness and regret about developments this past year.

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. Buoyed by the success of the Good Friday Agreement and our close partnership within the EU, a friendly relationship has evolved between our two neighbouring countries in recent decades. Political and economic ties have been strengthened with considerable interaction between our two Governments and substantial two-way flows of trade, investment and tourism between us.

Sadly, whether we like it or not, the horizon is now clouded by the prospect of our closest partner leaving the EU.

In Ireland, our ambition at this stage is to make the best of what is, from our perspective, an unfortunate situation. We accept that you have made a decision to leave and we must cope with its effects. Our strategy is to 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. Given the range and intensity of our relations, we have a big stake in a Britain that is prosperous, outward-looking and on good terms with its neighbours.

But this result will not be easy to achieve and an agreeable outcome is not within Ireland's gift, although we will do everything we can to facilitate continued good relations between the UK and the EU. Achieving the outcome we desire will require a major exercise of give and take on both sides. There will need to be a willingness on the UK's part to explore compromise solutions that will not necessarily appeal to everyone in this country. The future arrangements we devise will need to benefit both sides. There can be no one-sided zero sum game.

From our point of view, it is unfortunate that the UK now finds itself unwilling to accept the full obligations of EU membership. We hope that you will be successful in forging the 'deep and special partnership' you desire, but there is no guarantee that this can be achieved.

Incidentally, we think that such a new partnership, replicating as many as possible of the advantages of membership, will take longer to achieve than the Art. 50 timetable allows, and it will, in our view, be desirable to allow for an adequate transition period in order to avoid disruptive effects on our trade.

### Our approach to the UK-EU negotiations:

We approach these vital negotiations between the EU and the UK with a lot at stake.

Ireland will be part of the EU team in the UK-EU negotiations. We will, of course, have our own interests to protect and will want the negotiations to arrive at a sensible set of arrangements between the UK and the EU that will minimise disruption for us.

Following intensive engagement with them over the past twelve months, our EU partners have taken Ireland's views on board. In the negotiating directives, Ireland's interests are fully reflected. The directives contain a commitment to the Good Friday Agreement and acknowledge that the unique circumstances on the island of Ireland 'will require flexible and imaginative solutions' so as to avoid a hard border in Ireland. The EU document also acknowledges the Common Travel Area and Ireland's 'unique geographical situation.'

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:**

Ireland has benefited greatly from EU membership and we are determined to continue to do so in the years ahead. 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. We will need to work hard to avoid adverse effects from this separation. This is where institutions like the British-Irish Council and the British-Irish Parliamentary Assembly may need to play a bigger role in compensating for the loss of regular bilateral contact within the EU framework.

Geographical 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.

### **Economic Interests:**

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.

Naturally, we have a major interest in maintaining our mutually-beneficial trading relationship with the UK.

The intensity of our trading ties with the UK underlines the importance of geography as a facilitator of trade flows. While faraway markets of course have great appeal, there is nothing like proximity as a facilitator of productive business ties. This is 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 succeed in forging a special 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 minimise disruption to our bilateral trade. I note that there is now a greater openness here on this issue and indeed that continued UK involvement in the single market also has its advocates in the ongoing British debate about the shape of the UK's future relationship with the EU.

### **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 keep that border invisible. They have the full support of our EU partners in that aim, one that is, I should add, fully shared by the British Government.

Our EU partners and the EU Commission are highly conscious of the difficulties we face and are committed to finding 'flexible and imaginative solutions.' 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.

The European Union has played an important role in consolidating peace and supporting reconciliation. Protecting the gains of the peace process and reflecting Northern Ireland's unique circumstances is clearly in the interests of the EU27 and the UK. I hope that the negotiations will succeed in 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 such as the Interreg and Peace programmes as well as Erasmus and the EU research programme.

### **Conclusions:**

For Ireland, the UK-EU talks 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. The EU has a good track record in finding negotiated solutions to seemingly intractable problems, but nothing can be taken for granted.

We will remain an EU member, but will also want to retain our close, mutually advantageous ties with the UK. The advent of 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. It will take a lot of doing to untangle the knots created by the referendum result, but this needs to be done. Our hope is that it will all end up the UK closely connected with the EU, but it may be a hard road ahead to get us to the amicable, soft separation that we in Ireland certainly desire.

