

Chambers Ireland Submission to Oireachtas Committee on Business, Enterprise and Innovation

Preparing for Brexit- October 2019

Chambers Ireland is the largest business network in the State. With 42 member chambers in every geographic region and economic sector in Ireland, we are well positioned to represent the views of businesses and understand their concerns.

Chambers Ireland is pleased to have the opportunity to make a submission to the Committee on the ongoing Brexit negotiations and the state of readiness in the business community.

Preparing Our Network for Brexit

From as far back as 2015, when the referendum on EU membership was announced by the British Government, we have been working closely with our member chambers which involved us facilitating regular dialogues, at our various Chamber Executive forums and policy forums for example, so we could hear about their own concerns and priorities. These dialogues were also used to keep them informed of developments, how these developments impact Irish business and how the UK's exit may impact the wider economy.

Like many other representative bodies, we regularly meet with key officials in national stakeholder forums, such as the groups hosted by Minister Humphreys in DBEI and the Tánaiste in the DFAT. During these meetings, we profile our members concerns and take relevant updates from Government officials back to our own network.

Throughout the Brexit negotiation process, we have also kept in regular contact with our Chamber counterparts in Northern Ireland, in Britain and in the wider European Union, for example the Northern European Coastal Chamber Alliance. The objective of these alliances is to maintain strong relationships with the business community in neighbouring countries and it has helped us form joint positions on the priorities of business for the withdrawal negotiations and that of the future relationship.

We are also members of Eurochambres- the European Chamber of Commerce and Industry, and through this relationship, we work with the Eurochambres Brexit Working Group and have had regular engagements with the Taskforce 50 negotiating team, giving us the opportunity to highlight Irish concerns and priorities to the EU's negotiating team.

In the past twelve months, where the chances of a no-deal exit for the UK has become more likely, we have focused our efforts on getting the right advice and information out to all our chamber members, emphasising the need to "prepare for the worst". We hosted a seminar in January with key officials from several

Government departments and state agencies, where experts explained to our members how business could prepare for No-Deal, and what steps they should take. Many of our member chambers also offer export services and certify trade documents for non-preferential trade called Certificates of Origin. These chambers are at the frontline in their regions and are often the first port of call for local businesses with queries on exports and trade. It is for this reason that we have focused our attention on upskilling the staff in these chambers so they can answer Brexit related queries, redirect businesses as appropriate and assist in helping business to prepare. In August of this year we held a seminar for chamber staff which included customs and logistics experts, along with representatives from InterTrade Ireland. Briefings and seminars like the above have been replicated throughout our network of chamber over the past three years, with many of our members hosting customs trainings, briefings on new markets and information seminars in conjunction with state agencies.

Last of all, we also created a section [on our own website](#) where we have consolidated our own resources, Irish state agencies and Government resources and updates from the European Commission on Brexit preparedness. By consolidating all resources in one place, it helps businesses access the information they need quickly. We have also been supporting Government campaigns and regularly profiling advice to business across our social media channels.

Feedback on State Resources

The feedback from our members on the resources provided by Government and the various state agencies has been largely positive. The customs trainings, grants and informative resources have been well received. While demand for the Brexit loan scheme has been lower than would have been expected, applications for approval have been increasing. Although businesses are reluctant to draw-down finance while the path to the UK's exit from the EU continues to be unclear, access to this finance will be crucial once there is more clarity.

To add to the above, Chambers Ireland and one of our members has worked with Intertrade Ireland to launch a [new training on Incoterms](#). Following Brexit exporters may need different contractual arrangements, requiring the use of Incoterms, with existing customers, a wider customer base or when exporting to new markets. A key element when negotiating new contracts in International Trade is which Incoterm (Trade Term) should be used. This online training course has been developed for use by the International Chamber of Commerce and in use globally provides detailed training explaining the obligations of the seller and buyer under each Incoterm rule

Chambers Ireland recommendations for additional supports

While feedback on existing supports has been broadly positive, the longer there is uncertainty on the outcome of Brexit, the more questions businesses have. One of our recommendations for Government was to offer grants for specific services, rather than broader consultancy advice. At this stage, many businesses will know

how they might be impacted by Brexit, but will need support in securing the specific financial, customs or regulatory advice that will help them prepare.

In addition, there has been a sense that many of the existing supports target exporters, as opposed to exporters and importers. We have highlighted to our members that Brexit also means that importers must take steps, but who would also recommend that additional reminders are profiled in Government-led national campaigns.

This is also relevant to the services sector who have informed us that they are struggling to find tailored information for their various sectors

Further, we would recommend that Government and state agencies broaden their messages at this point to include businesses who are not directly involved in trade. In the event of a no-deal, the economy will be impacted across the board, but businesses who are not directly involved in trade are not taking steps to improve their financial flexibility or working capital in the event of a down-turn.

Last of all, we would recommend that Government add to its already extensive range of resources additional fact-sheets on Rules of Origin. Chambers who deliver the Certificates of Origin service regularly provide explainers on Rules of Origin. However, following on from Brexit, regardless of whether there is a deal, greater knowledge and understanding of Rules of Origin will be required by far more businesses.

Supporting business post-Brexit

Once the UK leaves the EU, we have recommended to Government that a more strategic approach to supporting businesses to diversify into new markets will be necessary. The Enterprise Europe Network, which supports businesses to trade in the Single Market, will need more investment. Further, Irish engagement, particularly Irish SMEs, with EU Free Trade Agreements is comparatively poor. While the UK, as our nearest neighbour, will always be a close trading partner, there are opportunities for Irish companies in Canada, South Korea and Japan. We recommend that Government publish an Action Plan for Trade Implementation to support Irish businesses to engage with and access new markets that have trade agreements with the EU.

Concerns in Event of No-Deal

In the event of a no-deal, increased investment in additional supports for businesses will be required. In particular, the tourism and retail sectors are likely to be negatively impacted and so will require extra support to help them navigate difficult trading periods.

We have also called on the Minister for Finance collect VAT, PAYE and PRSI from all entities on the last possible working day of each month, instead of the 25th day of each month; businesses across the country will benefit from the extra working capital.

Regarding the concerns that have been raised by our members, there continues to be uncertainty as to the use of the land-bridge and readiness of ports, namely UK ports, when it comes to transporting goods to the UK or to mainland Europe.

The importance of maintaining the status quo and frictionless border with Northern Ireland continue to be a priority of our member chambers, and with the shift in tone in negotiations over the summer months, our members are more concerned about the possibility of a hard border.

Last of all, our member chambers who issue export documentation have highlighted concerns and sought clarification on several issues, including the use of ATA Carnet about good that are already in the UK on a temporary basis when the UK leaves. For example, we see additional clarity on whether a temporary amnesty period be allowed for Irish goods owners to get their goods back into the country. We note that the European Commission has provided clarification on “returned goods” in its own preparedness notices, but questions remain, and our members would welcome closer dialogues with customs authorities on this point.