



**Chambers
Ireland**
Advancing business together



Submission to the Department of Enterprise, Trade and Employment regarding priority trade policy issues

March 2024

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About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

About ICC Ireland

ICC Ireland is the Irish branch of the International Chamber of Commerce (ICC), the world's business organisation. Our organisation has a 100-year track record of fostering open, cross border trade, resolving cross-border commercial disputes and setting best practice international rules for business at the highest levels of global governance. The ICC is the only business organisation which has UN Observer Status.

Key priorities

General

In a period marked by growing trade protectionism and geopolitical tensions, almost thirty years after its creation, the World Trade Organisation (WTO) remains a critical forum for creating modern trade rules, providing transparency for government actions that promote and hinder trade, and resolving disputes between Member States.

At a high level, we are in favour of turning the tide on rising protectionism, reforming the three organisational pillars of the WTO and addressing issues related to environmental sustainability. At ICC Ireland, we stand for delivering ambitious outcomes for the digital economy, as well as accelerating trade facilitation reforms, which we believe would benefit all businesses and level the playing field for micro, small and medium size enterprises who are disproportionately impacted by tariff and non-tariff barriers and risk being left out of trade altogether. We believe that making trade as inclusive as possible will contribute to jobs, development and prosperity.

Allowing digital trade to thrive

The main disappointing outcome of the recent ministerial is not a failure of the WTO – it is rather a failure on the part of governments to make the common-sense compromises needed to get trade- and welfare-enhancing deals over the line. We were hence disappointed that domestic politics trumped effective international cooperation in this regard. Additionally, placing tariffs on data flows is not an effective means to tax the digital economy and in our opinion is an additional, needless barrier to trade.

We are particularly concerned by the decision not to renew the WTO's moratorium on the application of tariffs to cross-border data flows. Though preserving the protections it offers until the next ministerial conference is a welcome move to avoid a cliff-edge scenario, the

decision not to make this permanent introduces a degree of uncertainty that risks chilling investment in an already fragile economic environment.

The Moratorium on customs duties on electronic transmissions has enabled digital trade to flourish since 1998, preventing the imposition of burdensome tariffs and non-tariff barriers. Our position has consistently been in favour of a permanent prohibition on customs duties on electronic transmissions. Building on this critical and fundamental safeguard, we support the substantive progress made by the WTO E-commerce Joint Statement Initiative on E-Commerce and for having reached consensus on several disciplines relating to digital trade facilitation.

We would now like to see those disciplines integrated into WTO architecture, to accelerate progress and ensure a high standard outcome on other key provisions, including cross-border data flows and localisation. It is imperative that the provisions apply to all sectors, including financial services, and for common rules to ensure open, non-discriminatory access to digital and digitally enabled markets.

Market access as a priority

Since the Covid-19 pandemic, trade restrictions, including subsidies, export controls and investment restrictions, have been proliferating on grounds of national security, resilience, domestic competitiveness and environmental concerns. On average, there were 4,409 new trade restrictions on goods, investments, and services per year between 2020-2023, compared to an average of 2,845 new trade restrictions in the 2009-2019 period, representing an increase of 55%. As a result, trade is becoming more complex and costly for businesses.¹

¹ https://www.globaltradealert.org/global_dynamics

The negative impacts of protectionism is unequivocal and the WTO was designed to counter such measures. Accordingly it is crucial that market access is back on the agenda – for companies, diversifying export markets is not a luxury, rather it is a matter of resiliency. We therefore believe it is crucial that WTO members reaffirm their commitment to the foundational principles of the WTO as laid out in the Marrakesh Agreement and in existing WTO agreements, including the Subsidies and Countervailing Measures Agreement.

The upcoming patent referendum

We are in favour of a ‘yes’ vote in the upcoming referendum on ratifying the Unified Patent Court Agreement. Ultimately, this will save businesses money, help create more jobs, attract further investment and allow Irish businesses to enjoy greater protections. Every effort ought to be made to ensure that the public appreciates the value a yes vote will bring to businesses and the Irish economy.

At present there is no single European patent valid in all Member States and instead, individual patents must be held in each country where the patent is to be applied. The result is that patents must be litigated separately in the national courts of each country, which leads to fragmentation in terms of outcomes. It also necessitates an increase in costs for applicants, which is not feasible for SMEs.² Consequently, only larger firms are able to absorb the costs required, leading to a competitive advantage. Therefore, among the core advantages are the notable financial gains to be made, along with the opportunities for Irish companies in protecting their IP. There is also the strategic opportunity Ireland has as an English-speaking Member State, to leverage this fact to attract investment as a hub of the patent industry.

² <https://www.oireachtas.ie/en/debates/debate/dail/2024-02-29/36/> recognised by Minister Richmond as being substantial: ‘The cost savings under the new unitary patent system are significant. It will cost less than €4,700 to maintain a unitary patent for an average of ten years, down from a current €30,000 today, if this agreement is validated in all 24 member states.’

Support for Free Trade Agreements

As an organisation we help facilitate non-preferential trade and our Network is at the forefront of helping Irish companies export to other markets, not only in their day-to-day operations but in terms of facilitating trade missions and networking opportunities as well. We would like to see a greater number of Irish businesses – SMEs in particular - utilise the numerous FTAs available to them, and take advantage of their preferential tariffs. We believe that the following is important to empower Irish businesses to make use of FTAs:

- Ensuring that all Irish firms have easy access to export promotion services;
- Ensuring additional funding for training in customs procedures. SMEs often do not have the capacity or knowledge to determine the complex rules of origin for preferential trade. This excludes them from taking advantage of preferential tariffs.
- Facilitating trade promotion, including trade missions;
- Ensuring funding for training in market diversification skills;
- Trade facilitation initiatives to reduce costs of border procedures.

Consistent with our statement elsewhere in our submission regarding resiliency, utilising FTAs is vital considering the increased geopolitical tensions which risk undermining our economic interests. With the centre of economic activity shifting to the Asia-Pacific, the EU's share of global trade is declining, making FTAs all the more important. At a high level, we believe the EU should prioritise free trade agreements, especially considering the fragmentation of supply chains, and the broader systemic competition between liberal democracies and autocratic regimes. We are therefore strong supporters of the EU's Free Trade agenda and have consistently advocated for FTAs which can benefit Ireland.

In this regard, we were disappointed to see the recent pushback against CETA by the French senate and the potential knock-on effects this may have on public acceptance in Ireland. As we stated in our previous stakeholder roundtable with the Department of Enterprise, Trade and

Employment, our view regarding CETA, is one of a modern, progressive agreement that applies binding obligations on workers' rights, environmental protection and climate action. We remain hopeful that outstanding issues may be resolved to ensure that Irish companies can avail of the opportunities for growth that CETA offers.