

## Fox's call to scrap EU tariff deal would hike cost of Irish exports

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The Government's new Trade Minister is pushing an agenda that could be "detrimental" to trade in the Republic, Irish business leaders have said.

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Despite the Brexit result, it was believed that the UK would remain within the 'customs union' - but Mr Fox, who was central to the Leave campaign, has indicated that he wants the freedom to cut all existing ties with EU.

Such a move would impact dramatically on Anglo-Irish results, adding "significant" administrative costs and delays to trade crossing the border between Northern Ireland and the Republic.

Prior to the referendum, the UK Treasury warned that leaving the customs union would lead to cross-border transactions being subject to "various forms of customs control and their liability to duty determined according to complex rules or origin".

Mr Fox's approach has been described by the director of Corporate, Strategic and International Affairs at IBEC Mary Rose Burke as "madness".

"I was a bit staggered when I read it," she said.

Any additional barriers, even if the tariff is set at zero, would be a hindrance.

"The extra paperwork would be very challenging for Irish businesses."

Similarly Simon McKeever, chief executive of Irish Exporters' Association, said Britain leaving the tariff-free zone has "potential to get very messy for us".

"The EU is a trade unit and does negotiation on all of our behalves using just one external border.

"It would be detrimental to trade crossing the border between Northern Ireland and the Republic," he said.

Mr McKeever said it would result in companies having to account for the origins of each individual piece of a product assembled in Ireland.

"I've seen estimates that an importation of border and need to comply with all the rules and regulations and the extra paperwork which could mean hiring extra staff could add about 25% to the cost of trade."

During a visit to the United States this week, Mr Fox told the Wall Street Journal staying in the custom union could limit the UK's ability to negotiate lower tariffs with other trading partners.

While members of the European Union do not charge each other tariffs for most goods, they do impose a common external tariff on all goods coming from outside.