



## **NI Protocol – UUP practical solutions paper**

The operation of the Northern Ireland Protocol has frustrated the Great Britain to Northern Ireland supply chain. Just weeks after the Protocol has come into operation, we are seeing a decrease in the availability of certain products on our shelves, some companies opting out of supplying to Northern Ireland altogether and hauliers are crying out for solutions to be found to barriers they are facing.

That this comes during the period of so called ‘soft touch’ arrangements is deeply concerning and we share the grave concerns of the sector that this will become unmanageable situation once they end. It is important to recognise that the problems being faced by many in the Great Britain to Northern Ireland supply chain are at a time when COVID-19 restrictions are in place which is masking the true scale of what the problems will be.

From the outset, the Ulster Unionist Party opposed the Northern Ireland Protocol and the imposition of an Irish Sea border. We view it as a direct challenge to the Belfast Agreement and have repeatedly raised our concerns at what the effects would be of placing a trade border between Northern Ireland and Great Britain. This is an issue that goes far beyond symbolism or identity. We are seeing the real time effects of what is proving to be an unworkable policy.

These are not teething problems. The entire Protocol is fundamentally flawed. We are seeing that with the ludicrous position that for the UK Armed Forces, any movement of materials and equipment from Great Britain to Northern Ireland will require 15 days’ notice and a completed customs declarations form. We have already called for an immediate derogation to be granted on this.

We cannot sit back and hope that these are issues that will be worked out with time. Rather than it being a case that business will adapt to the new regime; we fear that many will adapt by opting out of supplying their products to Northern Ireland altogether. The people of Northern Ireland

are being penalised due to the decision of the UK Government to place a regulatory border in the Irish Sea.

We want to see workable solutions found. By signing the TCA Boris Johnson agreed that the European Union has a right to want to see its Single Market protected, but this should have been achieved without Northern Ireland's place in the UK Internal Market being diminished as it currently is.

We are putting forward a series of pragmatic proposals that we believe can offer a way forward.

### **Extension of the grace period**

We are asking the UK Government to extend the current period of derogations to at least twelve months. The current period of three months will only allow for problems in the supply chain to be identified and is insufficient to allow businesses to put adaptive measures in place. We are rapidly heading towards the end of the period where softer touch measures are in place and given these are already causing delays in the supply chain we fear a move to full implementation of requirements would make the situation totally unmanageable and irrevocable.

If the EU/UK Partnership Council is to be a serious vehicle for maintaining peace and stability within Northern Ireland, bearing in mind the minuscule volume of trade involved compared to the overall size of EU/UK GDP, this should be readily granted under all sides commitment to 'Best Endeavours'.

If the EU refuses to agree to derogations, these should be applied unilaterally by the UK, and if necessary, the provisions laid under Article 16 of the Protocol must be invoked (which the EU has now already triggered over vaccines).

### **A UK Government Taskforce to engage with stakeholders**

Any extension of the grace period must be used constructively rather than simply making these problems for another day. We are calling for the establishment of a UK Government cross-departmental Taskforce to work with all stakeholders to identify where the problems are and have solutions in place by the end of the derogation period.

### **Extensive awareness campaign amongst GB supply chain**

While Northern Ireland has been preparing for all eventualities post-Brexit for years now, there is an imbalance in the levels of preparedness across the United Kingdom Internal Market. Accepting that the deal being finalised late in 2020 allowed little time to many businesses to act, we would call on the UK Government to ramp up engagement with the Great Britain supply chain to ensure that businesses know not just what is required of them, but what help is available to them in adapting to the new regime.

UK Trade, rather than encouraging GB firms to consider setting up subsidiaries in EU countries must first be encouraging the setting up of bases for GB companies in Northern Ireland. Both the Department for International Trade and Invest NI should be resourced to incentivise all British companies to invest primarily in Northern Ireland ahead of EU countries.

### **Package of legislation from the UK Government**

Consumers in Northern Ireland are being met with increased fees from online retailers and finding that increasing numbers are opting not to ship products here. The UK Government could legislate to put in place a requirement on companies based in Great Britain to ensure equality of provision to all regions of the UK Internal Market.

In an act of good faith to the EU, acknowledging their right to protect their Single Market, the United Kingdom could create a new offence to prohibit the use of our territory for the export of goods to the EU that are not compliant with EU regulations and standards, as required to maintain the integrity of the single market. The United Kingdom could further agree to indemnify the EU if it was found that UK territory had been used to export non-compliant goods to the EU via the land border on the island of Ireland.

### **All islands compliance body**

In addition to the creation of this new offence, we renew our call that an all-islands' body could be established within the existing North/South and East/West structures and believe it could resolve the issues with onward supply and EU Customs Officials at NI ports and other Irish Sea and airports. Not only could it provide an educational role on the island of Ireland ensuring manufacturers understand requirements on goods and the components of goods and their transport in the Single Market,

they could also carry out visits to premises and depots across the Island to ensure goods are compliant with EU Single Market Rules. Having a body that can operate seamlessly across these islands could be a pragmatic solution to the current situation of rotating customs officials from different EU nations.

It might be necessary to have an additional Treaty with the EU/Republic of Ireland. A new cross-border body will require an amendment to the existing 1999 Treaty setting up the current six bodies. Involvement of the EU in such a Treaty might be appropriate to give it confidence that arrangements were going to be honoured in a legal context. Furthermore, some modest devolution from Westminster to Stormont may be required to facilitate these new arrangements.