

**Remarks by Katherine Licken, Secretary General of the Department of Arts Heritage, Regional, Rural and Gaeltacht Affairs, at stakeholder engagement event on Brexit**

**Hotel Kilmore 6 February 2017**

Go raibh maith agat.

Is mise Katherine Licken agus tá mé i m' Ard-Rúnaí ar an Roinn Ealaíon, Oidhreachta, Gnóthaí Réigiúnacha, Tuaithe agus Gaeltachta. Cloisfidh muid gan mhoill ó chúigear cainteoirí a réiteoidh an bealach do cheann dár gcúig théama do chruinniú an lae inniu. Sula gcloisfidh muid uathu, ba mhaith liom achoimre gairid a thabhairt daoibh ar chur chuige an Rialtais i ndul i ngleic le Breatimeacht.

The Government is very conscious that Brexit presents the most significant economic and social challenges that we have faced in Ireland since we joined the European Economic Community, as the European Union was then called, in 1973. The European Union has been instrumental in the economic and social progress made in Ireland in recent decades and it remains a very important part of our administrative set up. It is in all our interests that the best possible arrangements are in place at EU level to provide the most supportive context for Ireland's further development.

The UK decision to leave the EU has implications for everyone on this Island, North and South. For example, financial transfers from the EU to Northern Ireland are expected to be of the order of €3½bn. over the period 2014 – 2010. This is a very significant sum in the context of the Northern Ireland economy.

Brexit impacts will also be felt south of the Border. Our dependence on the UK as a trading partner has lessened significantly since we first joined the European Economic Community. However, while the proportion of our exports by value going to the UK has fallen from 55% in 1973 to 16% now, the UK is still a vitally important market. This is particularly the case for food and drink exports which are so important to rural Ireland and also for Irish-owned firms in general, as the UK is the most accessible foreign market for Irish-owned firms in all sectors.

Cross-border trading relationships are critically important, especially for people in Border counties. For example, some 10% of Irish milk for manufacturing is sourced in Northern Ireland while 14% of pigs produced in the South are slaughtered in the North. Overall,

Ireland is the UK's biggest export market, accounting for 17% of UK exports. Any disruption in these flows will be detrimental to both jurisdictions.

The Common Travel Area, which facilitates free movement of people across the Border and to and from Great Britain, is a vital under-pinning of economic and social relationships between Ireland and the UK. It pre-dates our membership of the European Union and is formally recognised in EU law. The Government is working to minimise any disruption that may flow from the new relationship to be negotiated with the UK in the context of Brexit.

As you know, the UK Government has indicated that it intends to trigger Article 50 of the Lisbon Treaty next month. While Prime Minister May has set out 12 priority issues that the UK will pursue in the forthcoming negotiations – one of which is to maintain the Common Travel Area – and the UK Government published a White paper on Brexit last week, the UK has not yet specified the nature of the future relationship they want with the EU. However, it is expected that these matters will be clarified shortly.

In the meantime, the Government has identified the following four key priority issues as it prepares for the forthcoming negotiations on Brexit:

- Our economy and trade
- Northern Ireland, including the consolidation of the peace process
- Common Travel Area
- Future of the European Union

In that context, substantial work has been undertaken across Government to identify key risks and opportunities. Prior to the UK referendum last June, a whole of Government Contingency Framework was developed. This brought together senior representatives from every Government Department to identify the key strategic and sectoral issues. A number of visits were undertaken by Ministers to Irish communities in the Britain.

Following the UK referendum, the Taoiseach established a Cabinet Committee on Brexit and a programme of engagement with other Member States, including the UK, and with the EU institutions was undertaken to ensure that Ireland's position and our priorities were understood. It is clear from our subsequent dealings both with other member States and with the EU institutions that this programme of engagement has been successful.

For example, European Commission's Chief Negotiator on Brexit, Michel Barnier, has said that he is personally aware of the importance of the border issues for Ireland and that the Commission will do its utmost "*to find a way to preserve the success of the Good Friday process and of course retain the dialogue there.*"

At Departmental level, each Government Department undertook an analysis of the impacts on the sectors for which it was responsible. The output of this work is reviewed by the Cabinet Committee.

As you know, the Government is also engaging with civil society groups that have an interest in Brexit. As the Minister said earlier, the first All-Island Civic Dialogue on Brexit was hosted by the Taoiseach last November and a second meeting will be held next week, on Friday 17<sup>th</sup> February. In between, Ministers are hosting a series of Sectoral Dialogue meetings, including today's here in Cavan.

The purpose of these sectoral consultations is twofold:

1. to provide an opportunity for Government to hear directly from interested parties in relation to the impact of Brexit in the particular sectors in which stakeholders have an interest; and
2. to inform the Government's analysis and preparations for the forthcoming negotiations on Brexit.

Again, the output of these meetings is reviewed by the Cabinet Committee.

The sectors served by the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs are diverse in nature but there are many linkages across those sectors. For example, cultural tourism is very important part to rural Ireland and visitors are interested both in Ireland's built and natural heritage and in Ireland's strengths in the arts and culture.

Up to now Ireland and the UK have been operating within the same regulatory framework for the most part, based on EU legislation. Following Brexit, it will be open to the UK to develop its own regulatory framework without reference to Ireland or other States. Should this happen over time, the practical issues that could arise would affect all of the sectors served by the Department. The application of inconsistent standards in Northern Ireland following Brexit would be of particular concern.

We have already seen some impacts from Brexit, for example in the weakening in the international value of sterling and some curtailment of investment because of the uncertainty about the future post-Brexit. These impacts are felt equally in the arts, heritage and rural economy sectors.

Today's Sectoral Dialogue meeting provides an opportunity to consider all of these issues in more detail. In particular, it provides an opportunity to contribute to the Government's analysis on how to respond to the impact of Brexit in those areas in which you have a particular interest. I would encourage you to focus on the specific issues that you wish to see considered by Government. Officials from the Department are on hand to note your contributions.

Finally, I wish to bring to your attention that the Government has a Brexit Information Service – details are on screen and I would encourage you to sign up for the Brexit email alert service.

Mar fhocal scoir, ba mhaith liom buíochas a ghabháil libh ar fad as teacht go dtí an Cabhán don chruinniú seo inniu. Tá an Rialtas ag tnúth go mór le tuairimí a chloisteáil ó gach duine ar suim leo an tionchar a d'fhéadfadh a bheith ag Breatimeacht ina réimsí spéise. Tugann cruinniú an lae inniu deis iontach dúinn na ceisteanna seo a phlé le daoine eile a bhfuil na spéiseanna agus na cúiseanna inní céanna acu agus tuairimí a léiriú. Cuirfear na tuairimí sin in iúl don Rialtas ansin. Guím gach rath oraibh le bhur gcomhráite inniu.

Thank you very much for your attention.