

The Irish protocol and state aids

Two highly qualified and experienced lawyers told the Conference (held before the virus restrictions but the comment held over here owing to virus news) that the UK needs to get rid of the Irish protocol one way or another. The current protocol seeks to treat Northern Ireland differently from the rest of the UK, and in default of a comprehensive borders and trade agreement seeks to lock Northern Ireland into the rules and customs of the EU.

The UK government is right to say it will not place a trade border between GB and Northern Ireland. This could be the result of the negotiations achieving a free trade and trade facilitation package that avoids any need for one. Alternatively if there is no trade deal, the UK government could simply refuse to impose one.

Sammy Wilson for the DUP pointed out that most trade flowing between NI and GB stays within the UK so there is absolutely no need for checks and tariffs as it moves across the Irish Sea between the two parts of the UK. He also pointed out we have a complex Northern Ireland/ Republic of Ireland border today, with the need to calculate VAT and Excise payments. This is all done with an invisible border, with the tax calculations and payments being made by computer from the truck manifests. There is no need for a person at a border post with a calculating machine taking fivers. It should similarly be possible to handle international trade crossing the North Sea within the UK by electronic means and by payments at international borders.

The general mood of the conference was the government must keep its word of no new physical customs border between GB and NI, whether by agreement or not. It is difficult to see how the EU could enforce any interpretation they might place on the Withdrawal Agreement to require a GB/NI border in the event of no agreement. This would be an internal matter for a sovereign UK.