

UK-EU Trade and Cooperation Agreement: open letter from Ambassador Johnston to business in Ireland

On Christmas Eve, we all got an early present: the conclusion, after 9 months, of a [Trade and Co-operation Agreement between the UK and the EU](#), and the conclusion, after four and a half years – almost to the day – of the process begun with the UK's referendum vote to leave the EU.

At the end of this year, I'd like to thank the business community in Ireland for your engagement, support and all the contributions you have made during this period, and I want to set out how the UK government sees the prospects for the new year and beyond.

I've been delighted to see that government, political leaders and business groups across Ireland have welcomed the Agreement, while recognising that business will need ongoing advice and support to adapt to the new circumstances.

Agreeing the deal involved compromise on both sides and both sides had to accept outcomes different from those they initially wanted. In other words, it was like any negotiation, or indeed any business deal: give and take prevailed.

It's a good deal for the UK and the EU, and in particular for the UK and Ireland. It will enable strong business to business and people to people connections to flourish North-South and East-West. And it confirms the particular arrangements and advantages to be enjoyed by Northern Ireland from the Withdrawal Agreement last year, reflecting the commitments both the UK and Ireland have given with regard to the Belfast/Good Friday Agreement. This also recognises and supports the depth and importance of the supply chains between Northern Ireland and Ireland, especially in the agri-food sector.

More broadly, the new UK/EU agreement enables the enormous trading and economic relationship between the UK and our European partners and friends. It provides an important degree of continuity for both the UK and EU economies by enabling businesses on both sides of the Channel – and the Irish Sea – to continue a deep and close trading relationship.

Given the huge scale of trade between the UK and Ireland – €1.4 billion a week in both directions – that really matters.

This deal delivers important outcomes for the business world in both countries. It secures:

- 100% tariff liberalisation. This is the first time the EU has agreed a zero tariff zero quota deal with another trading partner and this is the largest bilateral trade deal in the world (by volume of goods)

- continued market access across a broad scope of key service sectors, including professional and business services, supporting new and continued investment between businesses. It also means that business travellers will be able to easily move between the EU and the UK for short-term visits, and the agreement on financial services ensures financial stability and consumer protection

Beyond business, but just as important, the deal allows the UK, Ireland and the EU as a whole to work together on a range of challenges. It provides for:

- future cooperation between the UK and EU on law enforcement and judicial cooperation to help protect the public and bring criminals to justice. As well as cooperation on emerging security challenges, such as security of information, cyber security and health security, including continuing to work together on tackling the spread of COVID-19. We will build on all this in our bilateral work with Ireland
- continued partnerships between UK and European research and science experts – through not only Horizon Europe, but also the Euratom Research and Training programme, and the space programme, Copernicus

I know businesses in Ireland are well aware, not least because of the excellent work of the Irish Government, Ibec, the British Irish Chamber of Commerce, the Irish Exporters Association and, I hope, our own Embassy efforts, of the changes that are nevertheless occurring at the end of 2020 as we leave the Single Market and Customs Union.

It's important to recognise that those changes still apply even with this FTA and we will continue to work with you to support businesses and citizens adapt to them. The Embassy team are here to help with any queries and please do make us aware of any outstanding issues or concerns related to this transition that businesses are facing.

With the framework of the new UK/EU Agreement we can look forward to a new phase in our co-operation.

For reasons not only of history and geography but also of people, society, security, economics and peace, the UK/Ireland relationship is critical to us. The Prime Minister and Taoiseach have talked already of the need to develop our bilateral co-operation as we enter this new period.

That will be a big task for me and the Embassy team in 2021, and one to which I hugely look forward.

As both countries emerge from the pandemic, we can look forward to tackling new challenges and opportunities together. Everything from conflict prevention and peacebuilding as partners on the UN Security Council, to the fight for our planet's future as the UK prepares to host the historic UN conference in Glasgow in November 2021, plus building on the Embassy's

'Joining the Dots' programme to support regional economic development and our respective 'levelling-up' strategies.

Finally, and to return to the immediate business agenda, the Irish market will remain hugely important for the UK as will the UK market to Ireland, given our proximity, the depth of integration of business ties and our shared ambitions in clean and emerging technologies and sectors. From floating offshore wind to biotech, electric vehicles to the next generation of construction, there are huge opportunities for Irish and UK businesses, and my team stands ready to support you in this.

With every best wish to you and your loved ones for a happy, healthy, peace and prosperous New Year.

Yours sincerely,

Paul Johnston