**Brexit** 

## 'Like a light coming on': N Ireland business hails Brexit trade deal

Slashing of red tape in Windsor framework has lifted a cloud over doing business in region

Jude Webber in Comber and Daniel Thomas in London MARCH 4 2023

Martin Hamilton sits in the boardroom of his family vegetable processing company in Northern Ireland, black-and-white photographs of his ancestors planting potatoes lining the walls. A fifth-generation farmer, he is "thrilled" by the UK and EU's new Brexit trade deal.

The <u>Windsor framework</u> that Rishi Sunak and European Commission president Ursula von der Leyen triumphantly unveiled on Monday will slash the <u>Brexit</u> red tape for trade from Britain into the UK region.

The UK prime minister promised it would "remove any sense of a border in the Irish Sea" — a big bone of contention to the previous deal, the Northern Ireland protocol, which had incensed unionists, harassed retailers and threatened to starve Northern Irish consumers of British sausages by imposing customs checks on goods coming from mainland Britain.

Hamilton, founder of Mash Direct in County Down, which processes 1,000 tonnes of potatoes and 1,000 tonnes of other vegetables a month into prepared dishes, said suppliers in Britain would sigh at the onerous customs paperwork required to send goods into Northern Ireland.

The bureaucracy, delays and months of uncertainty around the protocol that the <u>Windsor framework</u> will replace, weighed on businesses such as Hamilton's, which imports a third of its potatoes and a quarter of its vegetables from Britain.

The framework "will be wonderful...it's such a release of time and effort", Hamilton said. "It's like a light coming on. Please do not touch the switch."

Others also feel a cloud over doing business in <u>Northern Ireland</u> was lifting. But many businesses were poring over the fine print and the government, acknowledging some confusion, said it would spell out more details soon.

"We are getting a lot of queries to try to understand the reality of the changes," said Roger Pollen, head of the Federation of Small Businesses, who said so far there were few answers from London.

Selling his deal to the region's business community, Sunak gushed about Northern Ireland as "the world's most exciting economic zone". Critics pointed out the entire UK enjoyed such privileges before Brexit.

Nevertheless, Mark O'Connell, head of consultancy OCO Global, believes there is a substantial dividend to be reaped in one of the UK's poorest regions.

Northern Ireland's gross domestic product per head currently ranks 10th out of the 12 UK regions, but O'Connell forecast that smooth operation of the new trading rules could help overall GDP grow as much as 50 per cent.

"This is the transformative opportunity our economy has been waiting for to address after 60 years of under-investment," he said.



Brian Murphy, chief executive of timber manufacturer Balcas, said the deal will bid 'good riddance to an unnecessary distraction' © Paul McErlane/FT

Brian Murphy, chief executive of timber manufacturer Balcas, near Enniskillen, echoed his enthusiasm. Protocol paperwork was costing him £250,000 a year and the Windsor deal will bid "good riddance to an unnecessary distraction," he said.

The protocol, which came into force in 2021, left Northern Ireland inside the EU's single **mark**et for goods. Anything produced or sold into it needed to comply with the bloc's rules.

But that raised practical problems and turned into a political tug of war.

Because of the "Troubles" from the late 1960s to the late 1990s, when republican paramilitaries fought to oust British rule and loyalist groups battled to remain British, erecting customs posts on Northern Ireland's land border with EU member Ireland after Brexit was considered too sensitive.

But so was creating a customs border in the Irish Sea. The Democratic Unionist Party, the region's biggest pro-UK force, says such checks treat Northern Irish unionists like foreigners in their own country.

The DUP has paralysed local politics over the issue since May and is assessing whether the Windsor deal delivers on its demands for sweeping change.

Sunak's deal will create a green lane for goods entering and remaining in Northern Ireland, and a red lane for those travelling on into the EU. Murphy's company will need to use the red lane because its supply chain and sales are in both the UK and EU.



Alan Mercer of Hillmount garden centre said the agreement 'will really help with plants, they will enter Northern Ireland with a bespoke label bearing a barcode' © Hillmount

Alan Mercer, managing director of Hillmount, one of Northern Ireland's biggest garden centres, will use the green lane to receive items such as seed potatoes that the protocol had made it impossible to import.

"This will really help with plants, they will enter Northern Ireland with a bespoke label bearing a barcode," said Mercer, who imported a third of his plants from England, especially rhododendrons, roses and climbers, before Brexit. Now, 99 per cent of his stock is from Ireland and the Netherlands.

But he fears it will be uneconomic for seed suppliers to put a special label on packets of seeds stipulating they will be sold only in Northern Ireland, a region that makes up only a fraction of their sales.

Simon Kenney, chief executive of Goodfellow, a Cambridge-based manufacturer and supplier of metals and materials for the British scientific sector, said the potential for better UK-EU relations was as important as the agreement itself.

Under the new agreement, the awkwardly long process of exporting to Northern Ireland will be streamlined, made cheaper and quicker.

"Brexit added a large amount of complexity," said Kenney. "What excites us is the chance for being more friendly with Europe."

But prospects for Northern Ireland itself could be pivotal. While the region boasts flourishing services, advanced manufacturing, fintech, film and cyber security industries, productivity remains among the worst in the UK.

The Windsor framework could help turn that around, said Stephen Kingon, a former chair of inward investment agency Invest NI. "We have a great story, particularly for the US... We've got a chance now — but political stability is imperative."

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