

CHECK AGAINST DELIVERY

2021.07.21 - Secretary of State for Northern Ireland (repeating a statement from Lord Frost) - Update on the Northern Ireland Protocol

Mr Speaker, with the leave of the House, I will now make a statement on the Government's approach to the Northern Ireland Protocol, which is being simultaneously made in the other place by my noble Friend Lord Frost.

The Northern Ireland Protocol was designed to achieve a delicate balance between a number of different aims.

It reflected a truly extraordinary compromise by the Government in 2019 - driven by our steadfast commitment to the Belfast (Good Friday) Agreement in all of its dimensions.

Just over a year afterwards, we also agreed the Trade and Cooperation Agreement: the broadest and most far-reaching such agreement ever struck.

Together, these offered the building blocks of a strong, constructive partnership between the UK and EU, as sovereign equals.

And yet we have not been able to unlock the potential of that new partnership - and the impact of the current Protocol is at the heart of that.

There is no doubt that we have tried to operate the Protocol in good faith.

We worked throughout 2020 to finalise the areas left open by the Protocol text, without of course knowing what the real-world impacts on the ground would be.

We are planning to invest around £500m in delivering systems and support services.

We have worked with business to help their preparations for the new trading arrangements...

But as we have sought to operate the Protocol, it is clear that its burdens have been the source of considerable - and ongoing - disruption to lives and livelihoods.

We have seen reductions in supermarket product lines. We have seen more than 200 suppliers decide they would no longer sell to Northern Ireland. We have seen difficulties not just on the famous chilled meats but also on medicines, on pets, on movements of live animals, on seeds and plants.

Nowhere is this more visible than in the fact that the Northern Ireland Executive conducts 20% of all the EU documentary checks on products of animal origin - despite a population of only 1.8 million people.

What is worse, these burdens will worsen, not improve over time, as grace periods expire – leaving businesses facing ever more unsustainable burdens.

CHECK AGAINST DELIVERY

These impacts risk being felt in the fabric of our Union too.

All dimensions of the Belfast (Good Friday) Agreement need to be respected - Northern Ireland's integral place in our United Kingdom, just as much as the North-South dimension.

Yet there is a growing sense in Northern Ireland that we have not found this balance - seen in an ongoing febrile political climate, protests and regrettable instances of disorder, and strains within a power-sharing Executive already dealing with an unprecedented pandemic. We have worked with the EU to try to address these challenges. Some

avenues for progress have been identified in certain areas. But overall those discussions have not got to the heart of the problem.

Put simply, we cannot go on as we are.

We have therefore had to consider all our options. In particular, we have looked carefully at the safeguards provided by Article 16 of the Protocol.

They exist to deal with significant societal and economic difficulties, as well as trade diversion.

There has been significant disruption to East-West trade, a significant increase in trade on the island of Ireland as companies change supply chains, and considerable disruption to everyday lives.

There has also been societal instability, seen most regrettably with the disorder across Northern Ireland at Easter. Indeed the false, but raw, perception in the unionist community of separation from the rest of the United Kingdom has had profound political consequences.

These are very serious effects which have put people, businesses and the institutions of the Belfast (Good Friday) Agreement under strain. It is plainly clear that the circumstances exist to justify the use of Article 16.

Nevertheless we have concluded that it is not the right moment to do so. Instead, we see an opportunity to proceed differently, to find a new path.

To seek to agree with the EU through negotiations a new balance in our arrangements covering Northern Ireland, to the benefit of all.

It is in that spirit that today's Command Paper outlines the new balance we wish to find.

It is a balance which needs to ensure that goods can circulate much more freely within the UK customs territory, while ensuring that full processes are applied to goods destined for the EU.

CHECK AGAINST DELIVERY

It is a balance which needs to enable all in Northern Ireland to continue to have normal access to goods from the rest of the UK, by allowing goods meeting both UK and EU standards to circulate there.

And it is a balance which needs to normalise the basis of the Protocol's governance, so that the relationship between us and the EU is no longer policed by the EU institutions and the Court of Justice. We should return to a normal Treaty framework, similar to other international agreements, that is more conducive to the sense of genuine and equitable partnership we seek.

We also recognise our share of responsibility in helping the EU protect its single market. We are willing to explore exceptional arrangements around data-sharing and cooperation; and penalties in legislation to deter those looking to move non-compliant products from Northern Ireland to Ireland.

And I repeat – all of this is entirely consistent with maintaining an open border, without infrastructure or checks, between Ireland and Northern Ireland.

These proposals will require significant change to the Northern Ireland Protocol. We do not shy away from that. We believe such change is necessary to deal with the situation we now face.

We look to open a discussion on these proposals urgently. At the same time, we must provide certainty and stability for businesses as we do so. So we believe we should also quickly agree a “standstill” period, including maintaining the operation of grace periods in force, and a freeze on existing legal actions and processes, to ensure there is room to negotiate and to provide a genuine signal of good intent to find ways forward.

Mr Speaker, the difficulties we have in operating the Northern Ireland Protocol are now the main obstacle to building a relationship with the EU that reflects our strong common interests and values. Instead of that, we are seeing a relationship which is punctuated with legal challenges and characterised by disagreement and mistrust.

We do not want that pattern to be set – not least because it does not support stability in Northern Ireland.

It is now the time to work to establish a new balance, which both the UK and EU can invest in - to provide a platform for peace and prosperity in Northern Ireland, and allow us to set out on a new path of partnership with the EU.

We have today set out an approach which we believe can do just that. We urge the EU to look at it with fresh eyes, and work with us to seize this opportunity and put our relations on a better footing. We stand ready to deliver the brighter future that is within reach.

(1175 words)