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The Rt Hon Theresa May MP
Prime Minister
10 Downing Street
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10 August 2016

Dear Theresa

We welcomed your visit to Belfast on 25 July to discuss the implications of the recent EU referendum result with us. It was a constructive engagement following on from the British Irish Council meeting in Cardiff on 22 July.

Since our meeting we have noted your stated intent to trigger Article 50 early in 2017 and we wish to reiterate our full commitment to achieving the best possible outcome for the people of Northern Ireland. In this context we are reassured by your commitment that we will be fully involved and represented in the negotiations on the terms of our future relationships with the EU and other countries. We regard this as a fundamental prerequisite of a meaningful and inclusive negotiation process.

In preparation for the negotiations we have conducted an initial assessment that has highlighted a number of issues which are of particular significance to us.

Firstly, and most obviously, this region is unique in that it is the only part of the UK which has a land border with an EU member state. There have been difficult issues relating to the border throughout our history and the peace process. We therefore appreciate your stated determination that the border will not become an impediment to the movement of people, goods and services. It must not become a catalyst for illegal activity or compromise in any way the arrangements relating to criminal justice and tackling organised crime. It is equally important that the border does not create an incentive for those who would wish to undermine the peace process and / or the political settlement. The border also has particular significance for the agri-food sector and animal health.

Secondly, it is critical to our economy that our businesses, both indigenous and FDI companies, retain their competitiveness and do not incur additional costs. We therefore need to retain as far as possible the ease with which we currently trade with EU member states and, also importantly retain access to labour. Policies need to be sufficiently flexible to allow access to unskilled as well as highly skilled labour. This

applies not only to businesses and the private sector but also to public sector employers who are heavily dependent on EU and other migrant labour. There is also the matter of the many thousands of people who commute each way across the border to work on a daily basis.

Thirdly, energy is a key priority, given that there are inherent cost and supply issues in a small, isolated market so we will need to ensure that nothing in the negotiation process undermines this vital aspect of our economy.

Fourthly, EU funds have been hugely important to our economy and the peace process. Since 1994, for example we have benefited to the tune of €13 billion of funding from Europe and during the period 2014-2020 we would expect to draw down over €3.5 billion. The current uncertainty around the ability to draw down a proportion of these funds, and the absence of EU programmes in the future is of real concern to a range of sectors.

A further key issue for us is the agri-food sector, including fisheries which represent a much more important component of our regional economy than it does for the UK as a whole. This is reflected in the fact that approximately 10% of UK receipts from the CAP accrue to Northern Ireland (accounting for the majority of our EU funding) and a large proportion of our food and agricultural output is exported to other EU and non-EU countries. Our agri-food sector, and hence our wider economy, is therefore uniquely vulnerable both to the loss of EU funding, and to potential tariff and non-tariff barriers to trade.

We have had constructive initial discussions with the Irish Government through the NSMC, and wish to play our part in the engagement between the two Governments on the unique aspects of negotiations that arise from the border, recognising the possibility that it cannot be guaranteed that outcomes that suit our common interests are ultimately deliverable. We wish to have full access to that intergovernmental process as the border issues affecting trade, employment, energy and potential criminality are of such high significance for us.

These are our initial thoughts and we look forward to further engagement with you on these matters. It will also be important to proactively seek out opportunities in any new arrangements that would be of benefit to the UK and its regions. No doubt each region will have its own priorities.

We are copying this letter to Boris Johnson, Amber Rudd, David Davis, Liam Fox, James Brokenshire, Greg Clark, Andrea Leadsom, Nicola Sturgeon and Carwyn Jones.

Yours sincerely



RT HON ARLENE FOSTER MLA
First Minister



MARTIN McGUINNESS MLA
deputy First Minister