

Ireland reaps €700m Brexit bonanza from customs duties

Ireland has landed a €700m (£600m) Brexit bonanza with a steep increase in tax revenues flowing from customs duties now applicable to imports of clothing, food and other goods from Great Britain.

Before **Brexit**, Britain enjoyed customs-free exports to Ireland and the rest of the EU because it was part of the single market and customs union. But when Boris Johnson sealed a hard Brexit and quit the single market, it meant fresh controls, checks and duties would be payable on exports to the EU.

New data in Ireland shows a 90% jump in customs duty receipts in Ireland between 2020 and 2021 when Brexit came into force. (...)

In 2021, there was a €178m increase or 52% rise in customs revenues compared with 2019. In the following year, receipts were an extra €617m, and in 2023 the Irish exchequer scooped a 72% increase. The report released by the Irish Revenue Commissioners noted that a significant amount of customs duty came from imports from China, but it attributed the scale of change to Brexit. (...) Customs duties collected on imports from Great Britain made up almost half (45%) of Ireland's total last year – equivalent to about €264m.

Figures compiled from preliminary revenue reports suggest that almost all of the increase in custom revenues over the past three years has been due to Brexit.

David Henig, the director of the UK Trade Policy Project at the European Centre for International Political Economy, said: "It could be seen as good news for Ireland. But there is a bit of bad news there which points to the costs of Brexit, and the question of who is paying for the customs duties – is it coming off profits of exporters or is it being passed on to the consumer in the price of clothing and food?"

Henig said he thought some of the tariff revenues enjoyed by Ireland came from non-EU goods being held in Great Britain for distribution in the UK and Ireland, such as clothes made in India, Bangladesh or Morocco and sold in high street stores such as Penneys or Primark.

"Prior to the UK's departure from the EU, a significant proportion of goods destined for Ireland came via distribution centres in the UK ... and the UK would have collected the customs duties on behalf of the EU."

Since Brexit, "Ireland is now required to collect those customs duties".

According to the data, the largest customs income in 2023 was from articles of apparel and clothing accessories at about €146m, followed by plastics, vehicles, and "footwear, gaiters and the like".

Electrical machinery came next, followed by preparations of meat, fish, crustaceans, molluscs or other aquatic invertebrates.

The Brexit bonanza is likely to be reflected across the EU but is particularly felt in Ireland because Great Britain is one of its biggest trading partners, with exports worth £57.6bn to the country in 2023, according to data released by HMRC on 19 April, making Ireland the UK's sixth-largest trading partner.

Lisa O'Carroll and Michael Goodier, *The Guardian*, Monday 29 April 2024

bonzana: a situation which creates a sudden increase in wealth, good fortune, or profits
