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## BREXIT: UK 'READY TO PAY MORE TO THE EU'

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BBC (21 November 2017)

Brexit supporters in the cabinet have agreed the UK should offer to pay more money to the EU as it leaves.

But no formal offer will be made until the EU agrees to begin talking about a new trade deal with the UK.

No new figure has been given - but it is thought it could be up to £40bn, which would be double what the UK's offers so far add up to.

The UK and the EU have yet to agree on the so-called "divorce bill" with the UK due to leave the EU in March 2019.

Some Conservative MPs have reacted angrily to the possibility of the UK agreeing to pay more - yesterday one, Nigel Evans, said it would be like a "ransom payment" to the EU while another, Robert Halfon, said it would make voters "go bananas".

But despite this, BBC assistant political editor Norman Smith said leading Brexiteers in Theresa May's cabinet, like Boris Johnson and Michael Gove, had agreed to support her in paying a "much larger sum" - as long as the EU agrees to begin trade talks, which it has refused to do so far.

And no final figure will be agreed until a trade deal is agreed, he added.

Laura Kuenssberg: How May got cabinet onside

Brexit divorce bill: Reality Check asks what's happening

How did we get here?

The UK voted to leave the EU in June 2016, and served the EU with formal notice of Brexit in March 2017. This began a two-year countdown to the UK's departure day which will be in March 2019.

Before that the two sides have to agree all sorts of things - including what happens to EU citizens living in the UK and British people living in the EU, and how the Northern Ireland border will work.

So the two teams of negotiators have been meeting in Brussels every month.

But there has not been much of a breakthrough so far, with the "divorce bill" proving to be one of the key sticking points.

Part of the problem for Theresa May is that while the EU wants the UK to offer more money, some

of her MPs say this would be unacceptable and that the UK should just walk away and leave.

EU leaders are due to decide at a summit on 14 and 15 December whether to allow talks on a future trade relationship to begin.

All you need to know about Brexit

What did ministers talk about?

It was billed as a key meeting where Theresa May would try to get her ministers on side to support her in negotiating cash with the EU.

Downing Street has been tight-lipped about what was actually discussed at the Cabinet Exit and Trade (Strategy and Negotiations) sub-committee, chaired by Prime Minister Theresa May.

But the BBC understands ministers concluded there is the possibility that talks with the EU will move on to the next phase in December but "we are not going to move on our own".

There were also tensions over the future role of the European Court of Justice.

Some believe the court will need to supervise the trading rules between the UK and EU during a period of transition after Britain leaves.

Chancellor Philip Hammond has floated the idea of a tribunal, similar to the arrangements in place in European Economic Area countries such as Norway, to settle any disputes.

But the EU may insist on a continued role for the European Court of Justice.

Why does the UK owe anything?

[A view of the Royal Castle square in Warsaw] Getty Images Poland is one of the largest recipients of EU development funding

The EU says the UK needs to settle its accounts before it leaves. It says the UK has made financial commitments that have to be settled as part of an overall withdrawal agreement.

The UK accepts that it has some obligations. And it has promised not to leave any other country out of pocket in the current EU budget period from 2014-20.

But the devil is in the detail.

There are also issues like pensions for EU staff, and how the UK's contribution to these is calculated for years to come, and the question of what happens to building projects - for instance in Spain - that had funding agreed by all EU members including the UK but which will only begin construction after the UK has left.

Large amounts of the EU's budget are spent in two areas - agriculture and fisheries, and development of poorer areas.

Projects include business start-ups, roads and railways, education and health programmes and many others.

Here's what the BBC's Norman Smith makes of it

Loadsamoney? Norman Smith on the Brexit divorce bill

What about Germany?

While Theresa May is battling to get her party onside, over in Germany there's more upheaval, where coalition talks have broken down, plunging Chancellor Angela Merkel into a political crisis.

This has raised the prospect of more elections in Germany, the EU's largest economy.

How might this affect Brexit? Tory backbencher Andrew Bridgen told the BBC there could be "no meaningful negotiations" with the EU until it was resolved, adding: "Why would we want to make concessions now when we don't have to?"

Tory MPs Jacob Rees-Mogg and Iain Duncan Smith agree - Mr Duncan Smith told The Times the UK should "sit tight".

But on the BBC's Today programme, German minister Christian Schmidt warned Tory Brexiteers not to try to take advantage of the political turmoil in his country to drive a harder bargain.

"I would suggest to all not to count on such a scenario," he said, adding that if the UK leaves the EU without a deal it will be a "disaster" for its economy.

Brexit or Bake Off?

The Sports Minister Tracey Crouch thinks people have had enough of the "daily commentary" on the UK's EU departure.

She tells HuffPost UK people urge her in the street to "ask the BBC to stop reporting on Brexit".

"They want us to do it, they want us to get on with it. I'm not sure they necessarily want the daily commentary on it," she says.

With this in mind, she recently wrote her weekly newspaper column on The Great British Bake Off instead.

"The only Brexit they care about is getting the bread out of the oven in time," it said.

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