
EU CUSTOMS UNION, SINGLE MARKET, BREXIT — WHAT YOU NEED TO KNOW

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The EU Customs Union

- What is the EU Customs Union? It is a trade agreement between member states to abolish tariffs on the goods they trade with each other and create a common tariff on products that enter from non-EU countries that aren't in the customs union.
- Who is a member of the EU Customs Union? All 28 EU member states are in the Customs Union. Turkey, Andorra and San Marino are partial members. They have separate agreements with the EU that do not cover trade in certain areas such as agriculture or services.
- When was the Customs Union created? The six founding members of the EU — Belgium, France, Germany, Italy, Luxembourg and the Netherlands — agreed to form a customs union in the 1957 Treaty of Rome. They completed it in 1968.
- What makes the Customs Union different from a standard free trade agreement? Free trade deals do not include an agreement on a common tariff on third-country goods.
- Do customs unions in other regions exist? Yes. Uganda, Tanzania and Kenya formed an East African customs union in 2005. Russia, Belarus and Kazakhstan formed a Eurasian customs union in 2010.

The European Single Market

- What is the European Single Market? In the Single Market, members agree to reduce and eventually eliminate all barriers to the "four freedoms" — free movement of goods, services, capital and people. This means they not only eliminate tariffs, but also more indirect trade

restrictions, and allow citizens from all member countries to move and work freely across the bloc.

- Who is a member of the Single Market? All 28 EU member states are automatically members. Countries in the European Economic Area (EEA) – Norway, Iceland and Liechtenstein – and Switzerland are partial members who have opted out of certain parts of the market.

- When was the Single Market created? The founding members of the EU paved the way for the modern Single Market in the 1957 Treaty of Rome. Since then, the bloc has taken consistent steps to eliminating restrictions to the "four freedoms."

- Do other regional single markets exist? Yes, but none are as developed as the European Single Market. The member countries of the Eurasian Economic Union – Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia – have also set themselves the goal of eliminating internal barriers to goods, services, capital and people. Likewise the Caribbean Single Market and Economy (CSME) aims to provide an enlarged economic space through the removal of restrictions on trade, services and people.

Brexit Factor

- What does this all have to do with Brexit? The EU has said Britain could remain within the Customs Union and Single Market after it leaves the EU in March 2019. But British politicians on both sides of the political spectrum disagree on whether the country should remain in either.

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- What would happen if Britain left the Customs Union? Britain would become a third-country and the common EU tariff would apply to British imports. That would harm many British exporters. Outside the Customs Union, Britain would also be exempt from the common EU tariff on third-country goods. That means it could start negotiating trade deals with non-EU countries – a right many pro-Brexit politicians want.

- Could Britain remain in the Customs Union and negotiate independent trade deals? No. The EU has consistently ruled this out. Non-EU countries with a free trade deal with Britain could get around the EU common tariff by selling their goods via Britain.

After a shrill referendum campaign, nearly 52 percent of British voters opted to leave the EU on June 24. Polls had shown a close race before the vote with a slight lead for those favoring remaining in the EU. Conservative British Prime Minister David Cameron, who had campaigned for Britain to stay, acknowledged the 'will of the British people' and resigned the following morning.

- What would happen if Britain left the Single Market? British goods, services, capital and citizens may have a hard time moving freely in the remaining 27 member states if the EU decides they do not meet EU regulations or standards. The same goes for EU goods, services, capital and citizens in Britain. At the same time, Britain could cut, change or create regulations and standards as it pleased and restrict migration from the rest of the EU. Many Brexiteers have cited those controls as key benefits to leaving.

- Could Britain remain in the Single Market and have control over regulations and migration? No. The EU has also repeatedly ruled this out. Differences in British and EU rules would undermine the

EU's ambition to maintain the "four freedoms." London could also slash its standards to make British goods cheaper to produce than comparable EU ones or restrict the rights of EU citizens living in Britain.

- What has Ireland got to do with this? Britain and the Republic of Ireland are members of the Customs Union and Single Market. That means there are no customs checks at the border between Northern Ireland, a British territory, and the Republic. The Republic, Britain and the EU have all said they do not want a "hard" border to reappear, but if Britain leaves the Customs Union or Single Market, border checks will be difficult to avoid.

Kaynak/Source: