
UK GENERAL ELECTION 2019: EU PREPARES FOR BREXIT HARDBALL

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BBC (13 December 2019)

"Friday the 13th really has lived up to its hype," an EU diplomat texted me this morning. The same diplomat who mournfully noted as soon as the first exit polls were published: "This means bye-bye to our British friends."

There was a heaviness of heart about Europe's leaders as they gathered in Brussels for the second day of an EU summit. They have never hidden their sadness at the UK vote to leave.

But at the same time there was a distinct sense of European relief. Dutch Prime Minister Mark Rutte noted the election result meant "on the British side they can speed up the process (of Brexit)".

Three years of Brexit uncertainty has been corrosive - not just in the UK, but in the EU too. It has overshadowed the workings of the bloc and been costly for European business.

EU Council President Charles Michel comments on the UK election

EU leaders' sigh of relief at a comfortable majority for Boris Johnson has nothing to do with their political affiliations and a lot to do with "getting Brexit done", as the prime minister has so loved to repeat on a loop.

Except that - as Brussels is all too aware - Mr Johnson's intention to ratify the Brexit divorce deal in parliament next month, legally ending the UK's EU membership, only means getting Phase One of Brexit done.

What sort of trade deal?

Phase Two will see the arduous task of agreeing the future relationship between the two sides. Something Boris Johnson promised voters would be signed, sealed and delivered by this time next year.

EU leaders were expected to call later on Friday for a broad, ambitious, comprehensive trade deal with post-Brexit UK. But I've not met anyone in EU circles who believes that that will be possible by December 2020.

The hope in Europe is that Boris Johnson's strong majority in parliament will allow him room to manoeuvre.

He will no longer be beholden to any particular faction of his party, including hardline Brexiteers, so fingers are crossed in Brussels that Mr Johnson will use that political freedom to work towards a softer Brexit - a closer relationship with the EU - carefully negotiated over time, rather than in haste over the next few months.

But the truth is no-one knows if that might be an attractive prospect for the prime minister. "Which Boris Johnson is Europe going to get?" asks one prominent headline in Germany's Die Welt newspaper.

Whichever direction the new UK government chooses, EU leaders' main message today will be "We are ready".

If Boris Johnson sticks to his December 2020 timetable, the EU is preparing to offer him a bare-bones Free Trade Agreement (FTA). It says that is the most both sides could aspire to in a matter of a few months.

But plain sailing this is unlikely to be. Brussels plans to insist that in order to get that "quick and dirty" deal, the prime minister would have to sign up to EU conditions: alignment with EU environmental, state aid and tax regulations for example.

Pressure for alignment

On Friday, European Council President Charles Michel reiterated that these so-called level playing field rules are an absolute priority for the EU.

Would Boris Johnson be willing to countenance that?

If he did, voters could well ask him about the post-Brexit national sovereignty and taking back of control from the EU that he promised them.

There would also be the real risk of no deal being agreed at all. Meaning that after December 2020, the EU and UK would be trading under World Trade Organization (WTO) rules, meaning eye-watering tariffs for both sides and no agreement in place on services (which make up 80% of the UK economy), or on security co-operation (which the EU dearly hopes for).

Complex partnership

When it comes to trade, as was the case during the divorce talks, EU leaders believe they hold most of the cards.

The UK market is important, of course, but it is less of a priority for Brussels than the sum total of their single market.

EU leaders will not want to break rules in trade negotiations with the UK that could lead to the untangling or devaluing of their single market, or set an unfavourable precedent for them in trade talks with other countries.

That said, the EU members, and Germany in particular, are anxious that UK-EU relations should not turn sour.

Chancellor Angela Merkel is focused on the bigger picture. She too does not want to harm the single market - Germany is a huge beneficiary - but she is also keen not to alienate the UK.

The EU will be undeniably weaker after it loses one of its biggest and most influential members.

With an unpredictable Donald Trump in the White House, relations volatile with Russia and a growing EU wariness vis-a-vis an ambitious, autocratic China, Mrs Merkel and other EU leaders hope the UK will remain onside on the world stage, even after Brexit.

Kaynak/Source: