Topic: Brexit Trade and Cooperation Agreement - Discussion led by Jonathan Lucas

Summary

Christmas Eve brought us an agreed trade agreement between the EU and the UK, announced in triumphant tones by our PM Boris Johnson and (probably) with relief by European Commission President Ursula von der Leyen. The members discussed whether this agreement fulfilled all the promises of the referendum and the consequential benefits and shortfalls of the trade agreement.

Discussion

What promises were made in the Referendum in 2016 and were they fulfilled?

1. More money for the NHS

   It is true that huge amounts of money have recently been pumped into the NHS, necessitated by the coronavirus pandemic and probably not because of promises made (who can say?).

2. More money for the farmers

   The farming subsidies will be changed substantially in favour of environmental conservation. Some farmers will benefit but more are likely to see reduction in subsidy income. As to earnings Increased health and border inspections will cause delays in exporting to the EU and bring additional costs (and frustration).

3. Scrapping VAT on fuel bills and tampons

   VAT on tampons has been scrapped but VAT on fuel bills is unlikely to be eliminated having regard to enormous cost of support to businesses and individuals during the pandemic.

4. No short-term economic disruption

   It is difficult to envisage there not being any short-term (how long is short?) economic disruption.

5. Brand new trade deals all over the world

   To date there are approximately 63 new trade deals, some of them just run-ons of EU agreements but others of greater importance. The envisaged USA agreement appears to be still a long way off.

6. No damage to trade with the EU

   Three transition periods are put in place. The first is regarding UK waters' fishing rights (see later). The second is regarding car manufacture running for 4 years after which components have to be largely acquired from UK/EU sources. The third is in respect of the special treatment of Northern Ireland (see later).

7. No hindrance to UK citizens working in the EU

   There are no reciprocal agreements in place to recognise in the EU any professional qualifications obtained in the UK. Generally, UK citizens are not allowed to provide services in *the EU. There is at present no provision for equivalence in the provision of financial services (a major proportion of our GDP)*

8. No obligation to follow EU laws

The European Court of Justice has no role to play in adjudication within the UK except where the UK has elected to be part of an EU project, like Horizon.

9. We'll cut immigration and introduce Australian-style points-based immigration system which does not favour EU citizens over those from elsewhere.

Only time will tell whether we will cut immigration. It is true though that the UK will introduce the points-based immigration system.

10. Regain control over our borders including our fishing rights

We obtain complete control over our borders under the agreement. We have not gained an entitlement to a much greater proportion of the fish caught in our waters during the transition period of 5 and a half years from 1 January 2021. After that time, we do have complete control but enter into yearly negotiations with the EU.

11. No control over Northern Irish border with the EU

Northern Ireland is part of the EU customs union as well as the UK customs Union and although there are no physical border controls within the island of Ireland, the agreement has introduced controls in the Irish Sea over goods exported from Great Britain to Northern Ireland for onward transfer to the EU (including the Irish Republic). There seems to be more paperwork.

12. Union with Scotland will be stronger than ever

A great deal will depend on the outcome of the Scottish General Election to be held in May 2021. If there is a large SNP majority, no doubt First Minister Nicola Sturgeon will wish to hold to the stated SNP policy of another referendum on Scottish Independence. To counteract this, the Internal Market Legislation gives the power to the Central Government with regard to subsidising and supporting industries etc in all the devolved nations of the UK. This will allow the UK government to claim the Union is beneficial for all UK nations.

Conclusion

The trade agreement has not fulfilled all promises made. Further negotiation and agreement no doubt will continue over many more specific aspects, a normal process in international relations.

Whether or not the UK will benefit from the new relationship is too soon to say. The view from Europe appears to be that the UK has made its choice.