

# One month from Brexit Day (?)

***By Professor Alex de Ruyter, Director, Centre for Brexit Studies***

As I write this, waiting for my flight back to the UK from Melbourne, I was reminded of the adage about “you can run but you can’t hide”. Certainly apposite when it comes to Brexit, as I found when being interviewed on the ABC (Australian Broadcasting Corporation) Breakfast News about the prospects of deal vs no deal this morning.

What was striking afterwards, talking to some of the production staff, was that Australians had no particular view on Brexit (certainly no one was enthusing over the prospects of a trade “deal”), but simply loved the “drama” of it all. Quite.

And drama it has been, but of a production with no clear plot or indeed progression of episodes, unless one is thinking of “Groundhog Day”, with Parliament and Theresa May trapped in a repeat cycle of amendments to the soon to come “second meaningful vote” on whatever iteration of the withdrawal agreement she aspires to re-run come March 12th (the promised date).

Only now, when the lights and sound are about to be pulled from the whole show in the form of exiting the EU with no withdrawal agreement come 11pm GMT on March 29th do we see some belated movement from the key actors.

With the threat of more MPs potentially splitting away from the opposition Labour Party (to join “The Independent Group”) has Jeremy Corbyn come out more unequivocally endorsing another referendum should his preferred approach be rejected by Parliament (which the Labour amendment last night to endorse its “five tests” duly was).

Theresa May has also blinked at the last minute in now acknowledging that the Article 50 period will now have to be extended, although in her view this would only be for a couple of months, to give Parliament more time to stew over “her deal or no deal”.

Of course it is unlikely that Parliament will accept this and that the most probable outcome now would appear to be for pushing for a longer extension to Article 50 in order to enable another referendum, which Labour appears committed to including staying in the EU as being an option for people to vote for.

All this assumes of course that Parliament can find an option that it can agree on, and it would appear that putting Theresa May's deal to the populace or staying in the EU would be the most likely, if as expected the no deal scenario is voted down by Parliament if the PM's deal is rejected again on March 12th. Failing this (or we otherwise run out of time) the default scenario of No Deal looms.

It could be argued of course that whatever trajectory Brexit takes from here on, or even if it is reversed and the UK revokes Article 50, that the damage has been done to the economy either way. Moving beyond the over £4 billion that Government preparations for no deal have costed to date, companies now being forced to review production or investment decisions to redact from the UK are unlikely to reverse this should the UK "change its mind".

The decision of Honda to shut down its Swindon plant by 2021 is a clear example here – with the backdrop of a Japan trade deal with the EU meaning tariff-free exports from Japan to the EU by 2027 meaning that the Brexit factor might have been the tipping one. As commentators such as Will Hutton have argued, the decision to leave the Single Market has been seen as a breach of trust by the UK and this will not be (easily) regained, whatever we decide as a nation.

And in that sense, what the *process* of Brexit has done (before "B-Day" is even reached) has been to make companies review their operations in the UK in general. It is this that allows Honda to say in public that Brexit wasn't the driving factor – but of course commentary from the Japanese Government and companies such as Honda itself in the previous two years suggests that it was.

Similarly in other sectors of the economy, such as financial services, as Sir Mark Boleat of the City of London points out in our forthcoming book (*Brexit Negotiations After Article 50*) where Brexit has necessitated a review of the business model in general.

The upshot of all this, in my mind, is that should the UK revoke Article 50, or end up with a soft Brexit of continued customs union and single market membership, do not expect any of these companies to reverse their decisions and resume activities in the UK. The closure of Honda in Swindon alone means the demise of 3,500 jobs (and the same again in the supply chain) and it remains possible that others will follow.

On other matters of Brexit, we see that the rights of EU citizens in the UK continue to remain under a cloud in the event of a No Deal, and in this context we witnessed MP Albert Costa put forward a bill to guarantee their rights in the event thereof. That Mr Costa felt obliged to resign his junior ministerial post as a result – and then the farcical situation of Home Office Secretary Sajid Javid endorsing his motion would attest – the final moments of this drama are becoming ever more surreal.

Which only leaves me wondering what surprises will we have over the next 30 days?

**The Centre for Brexit Studies Annual Conference ‘B-Day: Making a Success of Brexit?’ takes place on March 29 2019 at The RSA in London. Speakers include Sir Vince Cable, Sir Bernard Jenkin, John Mills, Vicky Pryce, Professor Vernon Bogdanor CBE and many more. [Find out more and register for your FREE ticket here.](#)**