

NO NEW SPECIAL DEAL FOR THE UK; RAAB-BARNIER TALKS BEAR OUT SINGLE MARKET SACROSANCT

By Gill Bentley, Visiting Fellow at the Centre for Brexit Studies, Birmingham City University

1st September 2018

It was hinted on Wednesday in a visit to Berlin, that Barnier would offer the UK a ‘special deal’ on EU-UK trade relations post-Brexit that was “unlike anything it has struck with any country outside the bloc”. [1] It was speculated what this might be; a best guess being a mix of the Canada and Norway deals. The market however took this to mean Brussels was prepared to accede to the Chequers proposals, under which the UK would gain single market access for agricultural and industrial goods, and a customs agreement which provides for friction-free trade – the backstop – in particular, to avoid a hard border between Northern Ireland and the Republic of Ireland.

Whichever, it led to 0.8 % rise in the value of sterling against the dollar. However, the idea that Barnier was offering something new, still less agreeing to the Chequers proposals, was swiftly refuted, with Barnier saying that he has always said that the UK would get a special deal, which would cover more than a mere agreement on tariff-free trade, and would take in areas from “aviation to university and research cooperation, to internal and external security and foreign policy”. [2]

Despite the EU and Brexiteers disavowing the Chequers proposals, Liddington has said that they stand; the UK wants access to the single market for goods through the adoption of a ‘common rulebook’, where the EJC would have jurisdiction. To avoid customs checks, it wants a ‘Facilitated Customs Agreement’ which would enable the UK to set external tariffs but would entail the UK collecting tariffs on behalf of the EU, on imports intended for the EU. This is unacceptable to the EU, because it cannot delegate its customs controls to a non-member state. Barnier says, “the internal market, the home market, is indeed our most important asset ... We respect all the red lines of the United Kingdom. They do not want to abide by the rules of the court of justice, they do not want to follow our legal framework, they do not want to pay, and they do not want freedom of movement. All of these are the cornerstones of the single market and the EU ... we have to preserve and protect what makes us.” [3]

It seems that the talks between Raab and Barnier yesterday have seen progress on matters of security, judicial and defence co-operation [4]. But, the stumbling block continues to be terms of trade and, with it, how to avoid a hard border in Ireland. The proposals mean that the UK is in a customs union and the single market with regard to some goods and services and not others. Given this mishmash of arrangements, it appears that an agreement will not be achieved before the summit of EU leaders on 17 October; it will take longer.



So, the talks produced no breakthrough on a workable trade deal. Clearly, this outcome demonstrates that the single market is sacrosanct.

End Notes

1. EU says it will offer UK post-Brexit deal 'unlike any it has given another country'
Independent 29 August 2018
<https://www.independent.co.uk/news/uk/politics/brexit-latest-barnier-raab-lidington-no-deal-eu-berlin-pound-sterling-spike-jump-a8513226.html>
2. Calm down. Barnier's words were not a green light for Brexit deal; The EU negotiator's remarks about an unprecedented partnership were nothing new
Guardian 30 Aug 2018 <https://www.theguardian.com/politics/2018/aug/30/calm-down-barniers-words-were-not-a-brexit-deal-green-light>
3. Ibid
4. Brexit: Raab and Barnier claim progress but no Irish breakthrough *BBC News* 31 August 2018 <https://www.bbc.co.uk/news/uk-politics-45363827>