

BREXIT

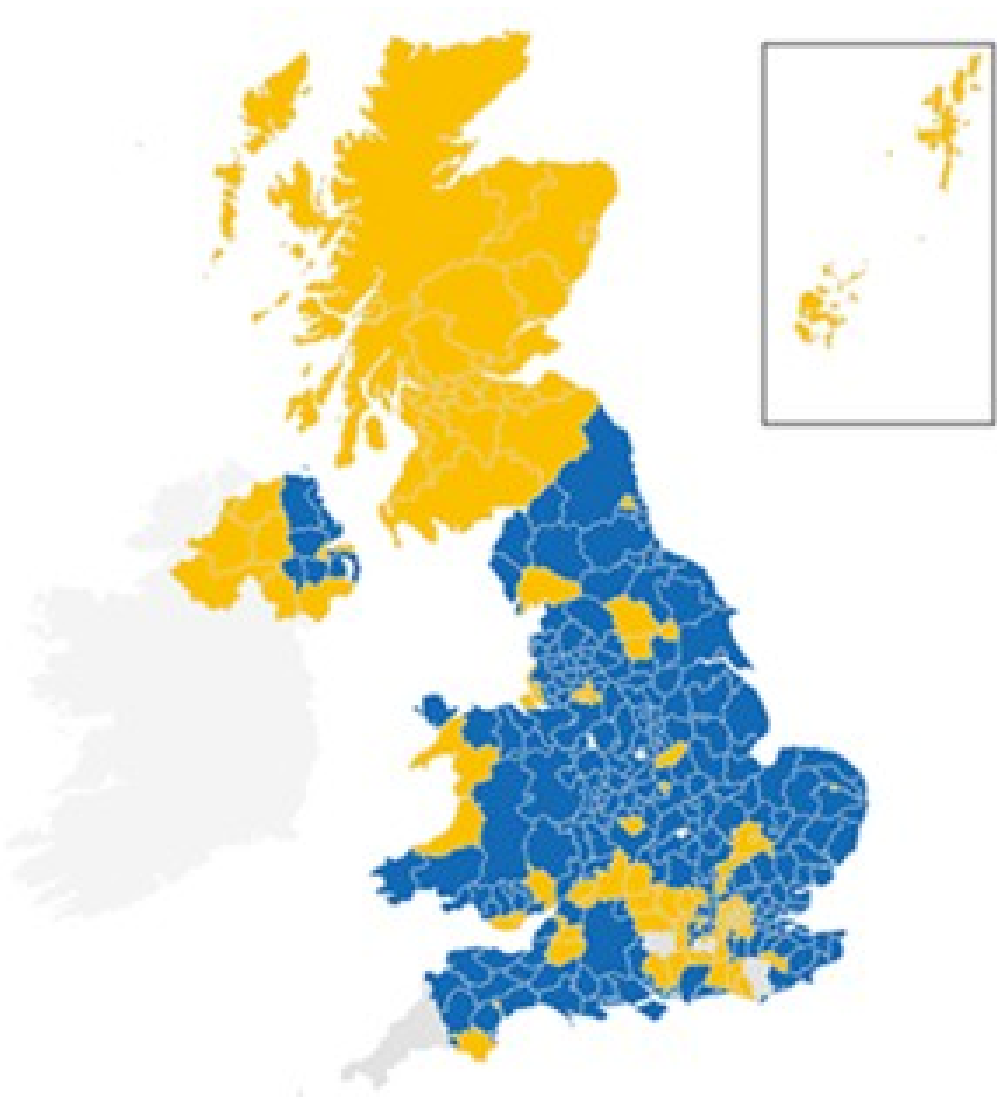
Seven alternatives to EU membership.



Referendum results

Local result

- Majority leave
- Majority remain
- Tie
- Undeclared

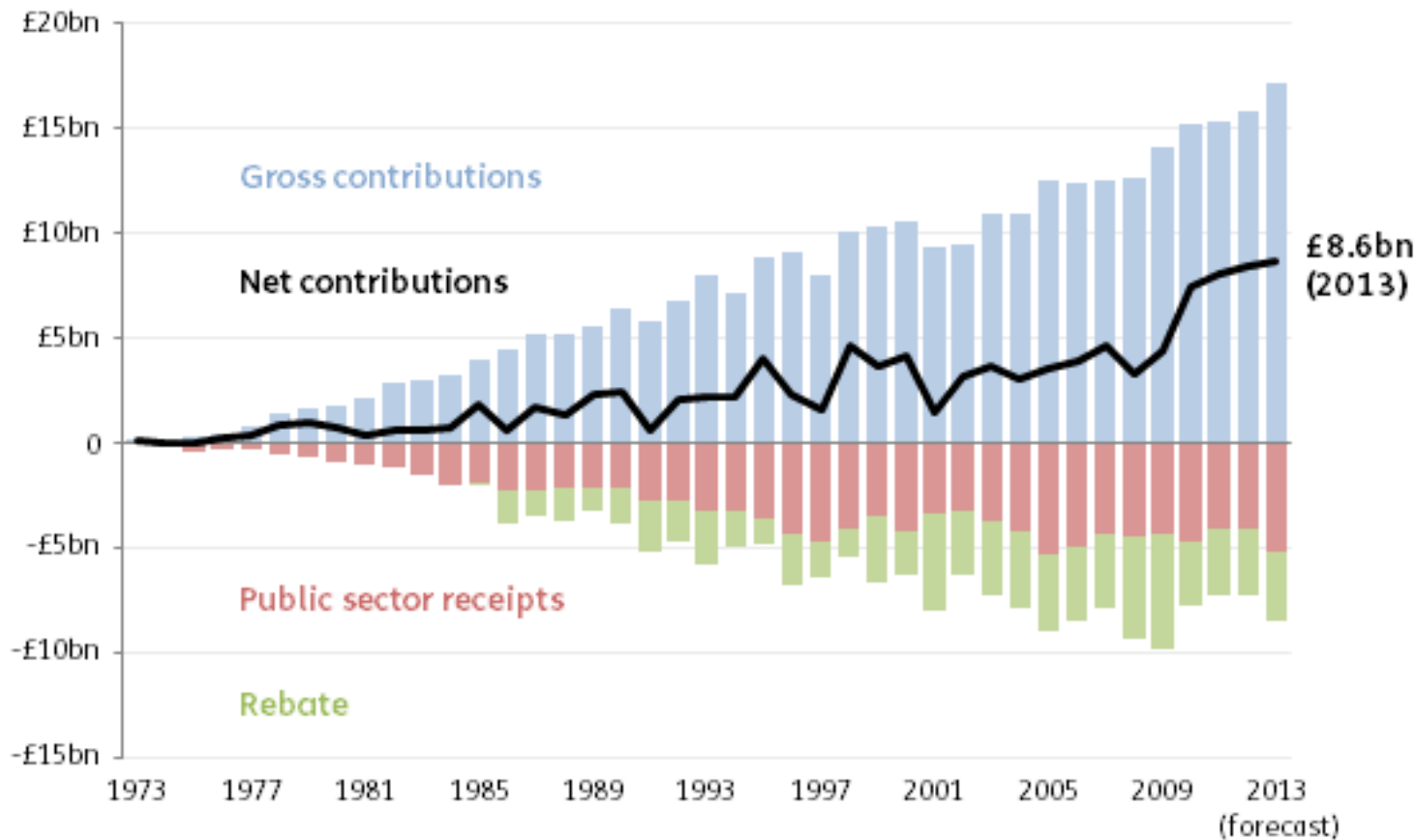


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UK budget contributions

UK government contributions to the EU budget

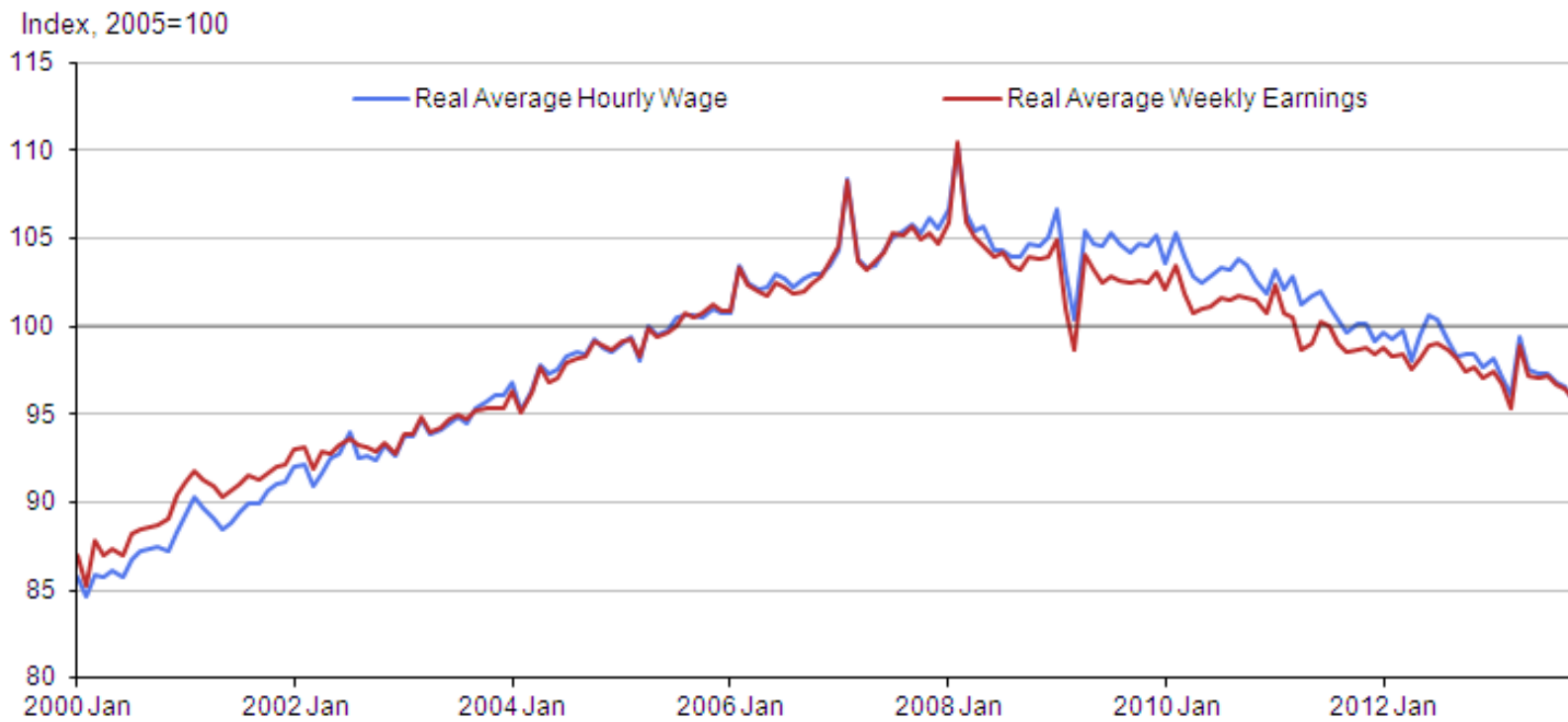
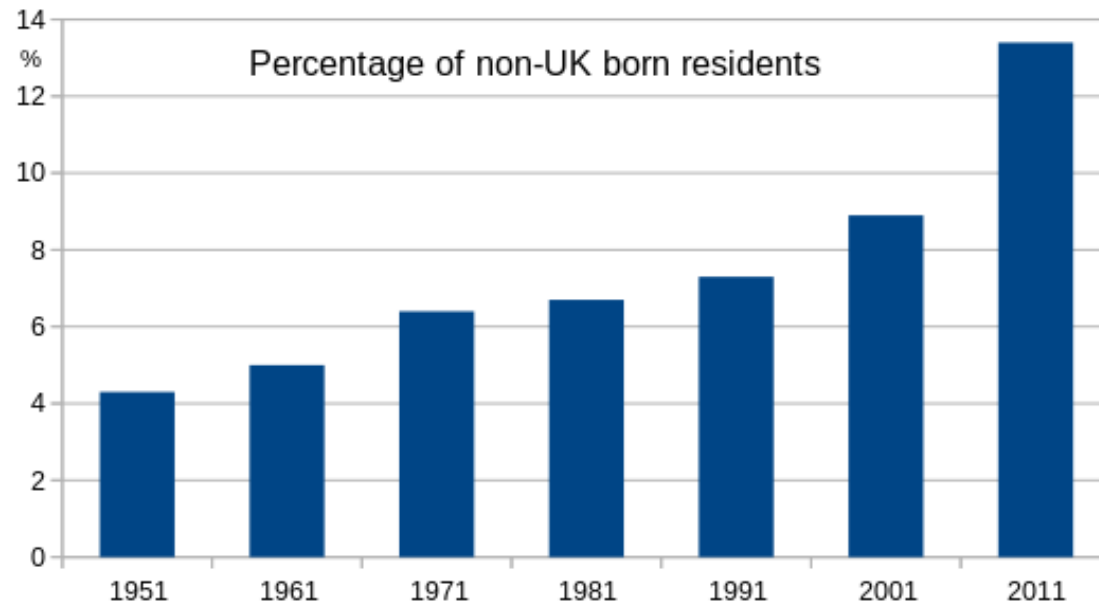
UK gross contributions to, rebate, and public sector receipts from the EU budget



By Full Fact using HM Treasury European Union Finances 2013 and House of Commons Library analysis: "The economic impact of EU membership on the UK"

Difficult to get agreement on data (CAP?)
See EU Commission figures

UK immigration and salaries



Option 1.

Customised relationship with the EU

Procedure: article 50(2) TEU. Intent to withdraw. Max. 2 years.

Pick and choose favoured / unfavoured policies.

e.g. maintain free trade but refuse immigration of EU workers

***EU Commission would oppose this approach –
one package; avoid the thin end of the wedge and
model for others***

Option 2. UK joins the EEA (European Economic Area)



Blue: EEA / EU member

***Green: EEA member
(Norway, Liechtenstein + Iceland)***

***Yellow: Provisional EEA member
(Croatia)***

***Red: Former EEA member
(Switzerland – left in 2014
- immigration disagreement)***

Option 2. UK joins the EEA (European Economic Area)

***To join the EEA, the UK must join EFTA.
Technically easy.***

Must pay (about the same as EU membership)

Not 'real' UK sovereignty

Access to the European Single Market

Doesn't have to accept other policies (agriculture, fisheries...)

UK would have to accept all single market laws

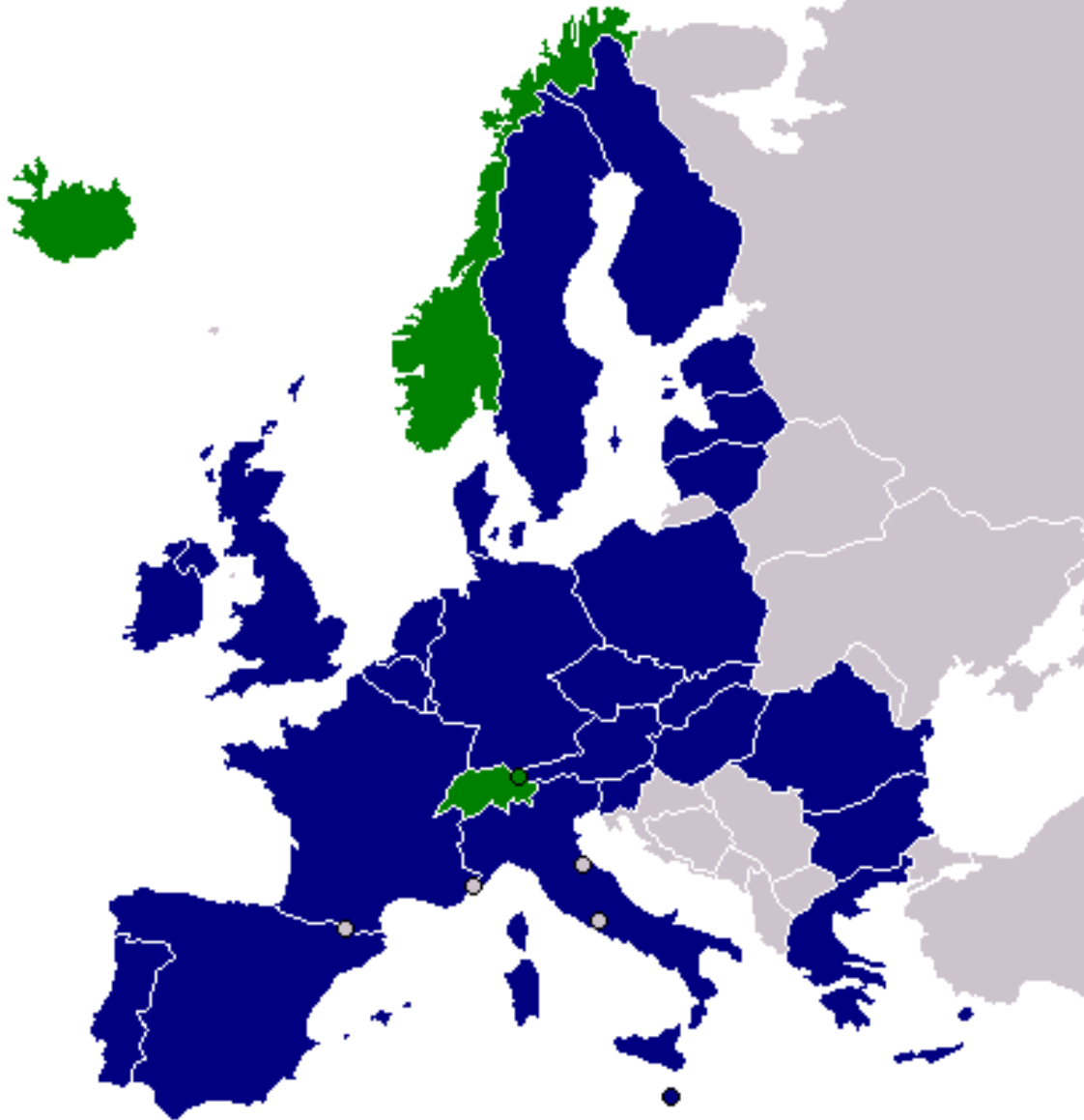
EEA/EFTA members speak with one voice

Must accept 'rules of origin'

Has to accept free movement of EU citizens

EEA membership has to be approved by all (30) EEA countries

Option 3. UK joins EFTA but not the EEA



Switzerland is in EFTA but not in the EEA. It has bilateral agreements with the EU.

EFTA covers trade for fish and some Agriculture, no services.

UK would be excluded from EU External Free-Trade agreements.

Not interesting as an option

Option 4. UK follows the Swiss model

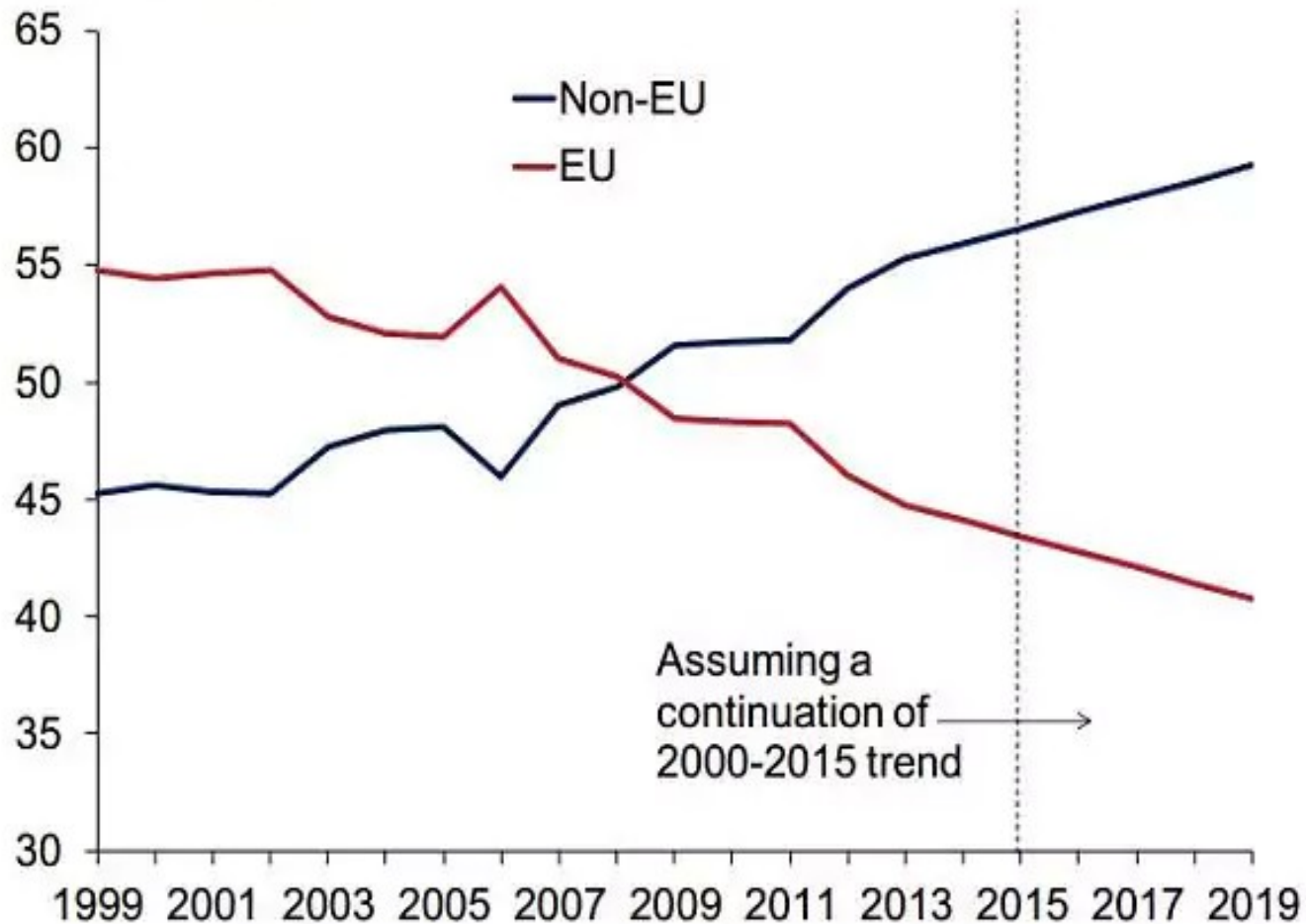


Switzerland has 120 sectorial agreements that took many years to negotiate. Services are not included (NB UK banking) EU is unhappy with Swiss agreement. Would be very difficult for the UK and not very beneficial. Must allow the free movement of EU citizens (Switzerland already fined) New tougher negotiations started in 2014.

Option 5. UK-EU Free Trade Agreement

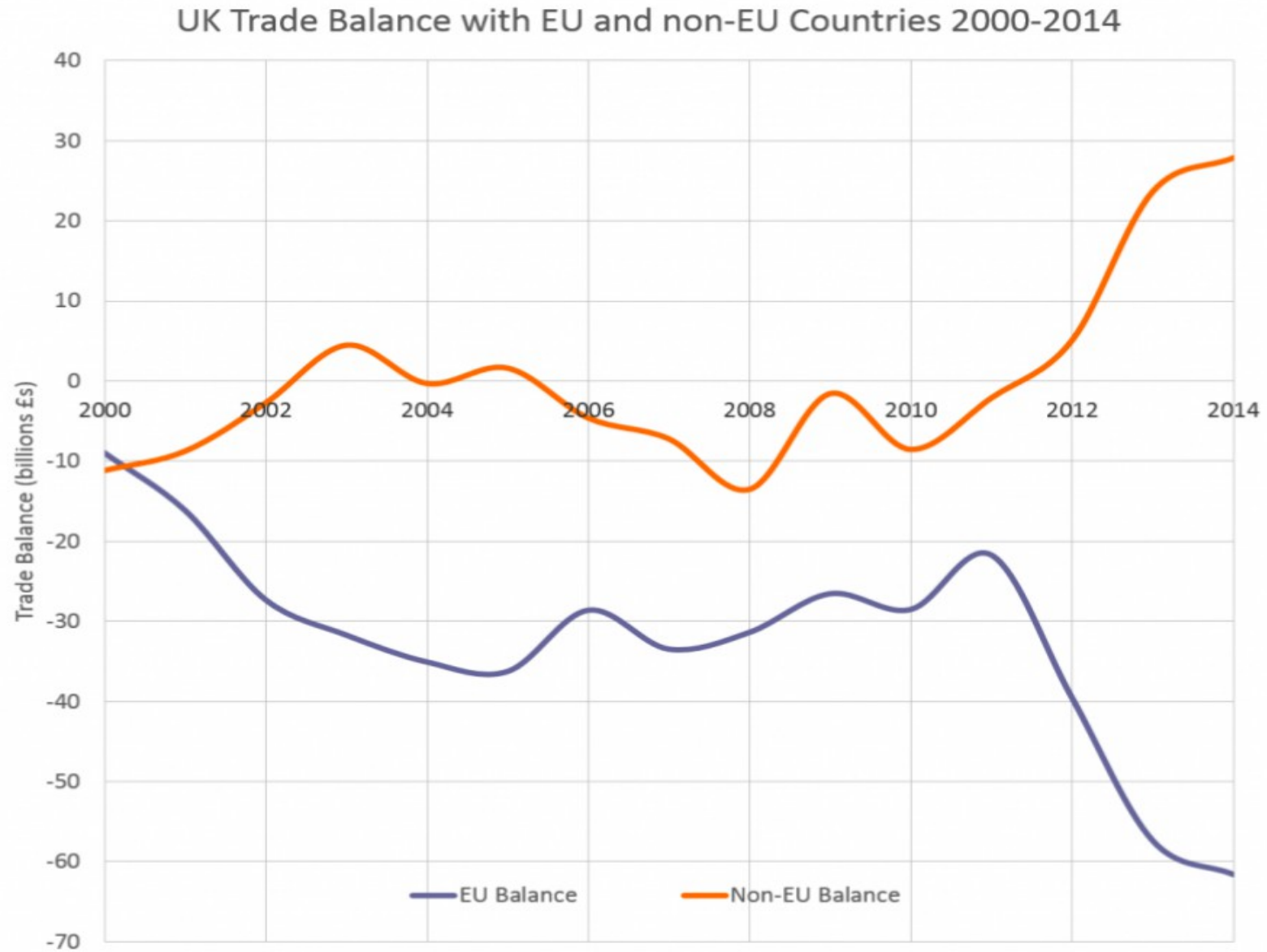
UK: Exports of goods & services

% of total value



Source : Oxford Economics/Haver Analytics

Option 5. UK-EU Free Trade Agreement



Option 5. UK-EU Free Trade Agreement

***Most likely option but takes time to negotiate.
UK government needs **negotiators*****

***UK would still be bound by EU Single Market regulations:
health and safety, competition policy, product standards
consumer protection, technical specifications...***

UK financial services faced with problem of potential Financial Transactions Tax

Option 6. A customs Union (like EU-Turkey)

Customs Union: Single Market (sectorial) with the same external customs duties. If the EU has an import tariff (eg 0€10/l ethanol), then Turkey has to apply the same tariff.

The UK would not be free to set any different tariffs, hence no trade sovereignty.

UK would have no intervention in EU trade negotiations - eg recent S. Korea / EU FTA means S. Korea has automatic access to Turkish market, but Turkey has no access to S. Korean market.

Option 7. Rely on WTO rules for trade



WORLD TRADE
ORGANIZATION

***The WTO sets limits on maximum tariffs.
The UK would have to establish customs controls (including Ireland)
UK goods would face EU import tariffs (eg car engines 10%)
WTO no longer works – bilateral FTAs are what happen (following
the breakdown of the Doha round of talks)
UK would be excluded from EU FTA agreements with about 60
non-EU countries.
UK has lost negotiation skills and people.
UK has much less bargaining power than the EU***

UK Parliament votes NO for 8 options (March 27, 2019)

B) Leave the EU on April 12 without a deal. DEFEATED 400-160

D) Common Market 2.0 – An enhanced Norway-style deal which would include membership of the EU's single market as well as a customs arrangement with the EU. DEFEATED 283-188

H) Remain a member of the European Economic Area (EEA) and reapply to join the European Free Trade Association (EFTA). DEFEATED 377-65

J) A Brexit deal which must include, as a minimum, a commitment to negotiate a permanent and comprehensive UK-wide customs Union with the EU. DEFEATED 272-264

K) Opposition Labour Party plan for a close economic relationship with the EU including a comprehensive customs union and close alignment with the Single Market. DEFEATED 307-237

L) Revocation to avoid no deal – Revoking Article 50 if parliament does not consent to leaving without a deal. DEFEATED 293-184

M) Confirmatory referendum to approve Brexit deal before it is ratified by parliament. DEFEATED 295-268

O) Contingent preferential arrangements — A managed 'no-deal' process in the event an exit agreement with the EU is not reached. DEFEATED 422-139

ALSO

British living / working in the EU (2m) would become non-EU citizens
EU citizens living/working in the UK would also change status
UK students would be deprived of ERASMUS
UK might be excluded from European research agreements
Defence agreements might change
External policing agreements might change

BUT

***Maybe the Brexit will wake up the EU Commission, Council and Parliament that there are serious problems in the EU.
The EU with 11% unemployment is not viable, hence the rise in nationalist parties and anti-European feelings.***

FINALLY

***What will be the situation of Great Britain (England, Wales and Scotland)
If **Scotland** quits GB to remain in the EU ?
What will be the situation of **Ireland and the N. Irish** – could they join up
with Ireland (despite their tragic past) ?
Would **Wales** then follow with a referendum and leave England
all alone?***