



# Europe and the Brexit



Baltic Sea Parliamentary  
Conference

-

Standing Committee Meeting

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EVP-Fraktion



# How it began BREXIT - Campaigns

## Leave

- „Vote to leave – We want our country back“



Nigel Farage



Royal House neutral

## Remain

- „Britain stronger in Europe“



David Cameron



## The debate

Arguments for and against Brexit, according to the main campaigns

**IN**



**TRADE**

Britain avoids exporter tariffs and red tape, important as 45% of British exports go to the EU. As a member, Britain can obtain better trade terms because of the EU's size.



**OUT**

Britain will negotiate a new EU relationship without being bound by EU law. It can secure trade deals with other important countries such as China, India and America.

**EU BUDGET**

Britain pays the EU £340 a year per household, compared with an estimated £3,000 yearly benefit of membership. In or out, payment is needed to access the single market.



Britain can stop sending £350m, equivalent to half England's schools budget, to Brussels every week. This money could be spent on scientific research and new industries.

**REGULATION**

Most EU regulation collapses 28 national standards into one European standard, reducing red tape and benefiting business. In, Britain can fight for better regulation.



Leaving will return control over areas like employment law and health and safety, measures that a recent Business for Britain poll found businesses favoured.

**IMMIGRATION**

Leaving doesn't mean reduced immigration. Countries that trade with the EU from outside have higher rates of immigration, including from EU countries, than Britain.



Britain can change the "expensive and out-of-control" system that offers an open door to the EU and blocks non-EU immigrants who could contribute to the UK.

**INFLUENCE**

At international summits, Britain is represented twice – by the foreign secretary and the EU high representative. Co-operation has helped fight Ebola and piracy in Africa.



Britain has little influence within the EU. From outside, it can retake seats on international institutions and be a stronger influence for free trade and co-operation.

Sources: Britain Stronger in Europe; Vote Leave

Economist.com

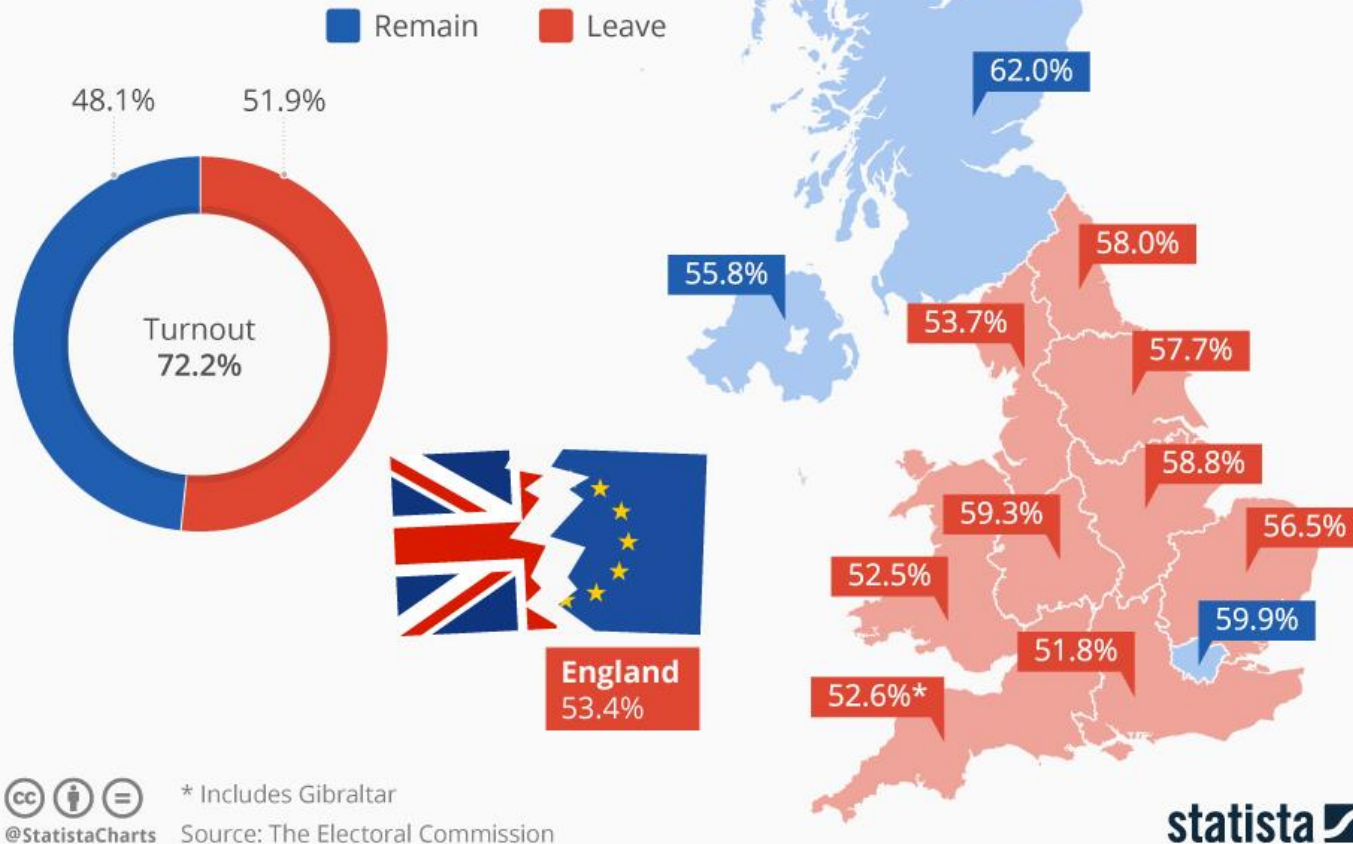




# Brexit – results of the referendum

## UK chooses Brexit

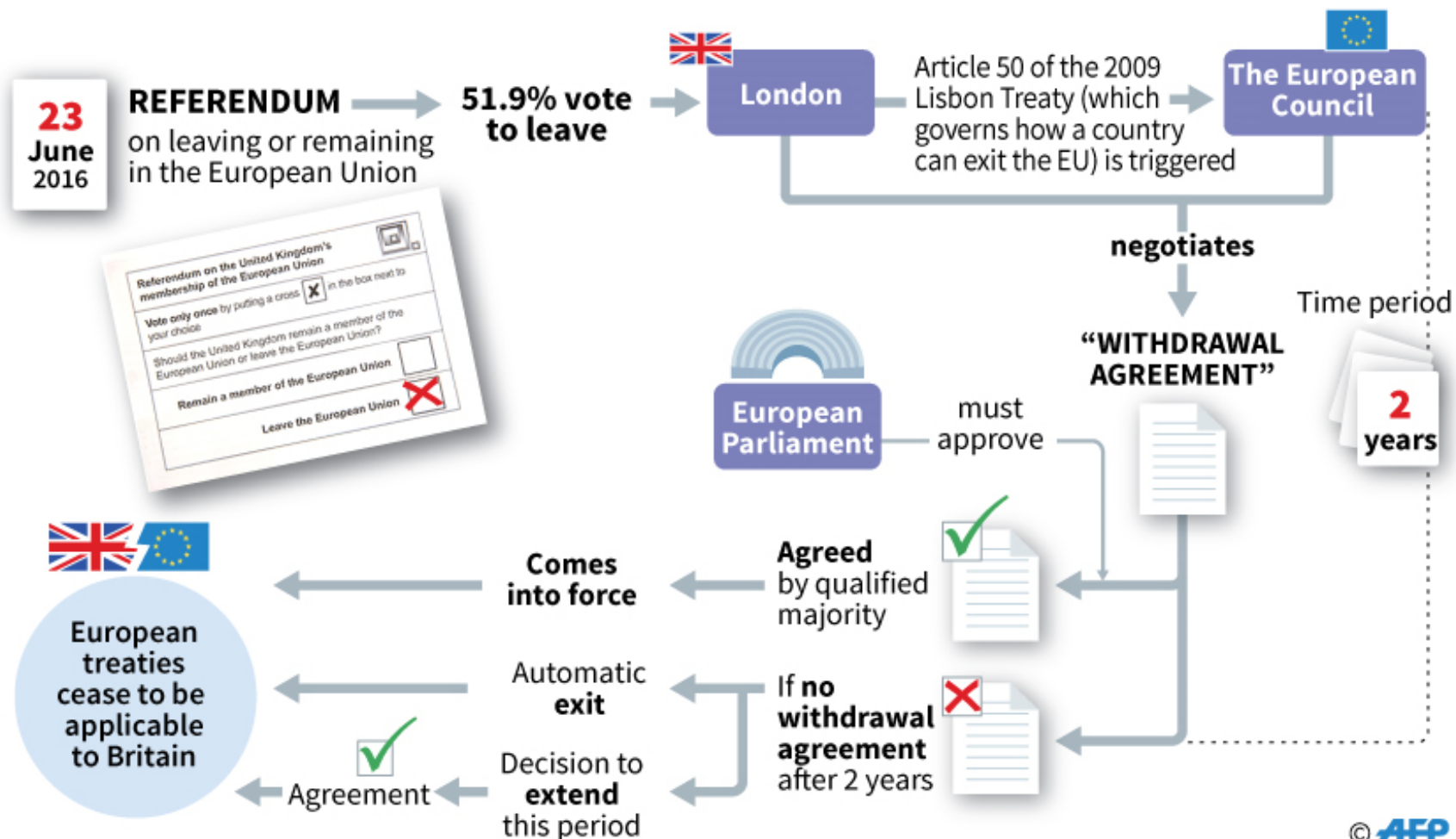
EU referendum results by region






# Britain to leave the EU: what happens next?

The official British divorce from Europe would take at least two years




# Brexit Timeline




 **June 23, 2016**  
UK votes to leave EU



 **March 29, 2017**  
PM Theresa May triggers  
Article 50 of Lisbon Treaty




 **April 29, 2017**  
EU 27 meet to discuss  
Brexit




 **May 2017 - October 2018**  
Brexit negotiations begin  
between UK and EU



 **March 2019**  
UK expected to leave EU



 If UK wants back in  
it has to apply like any  
other country



Draft deal put to  
European Council  
(27 leaders)



Needs approval from at  
least 20 countries with  
65% of the population



Ratification by  
European  
Parliament

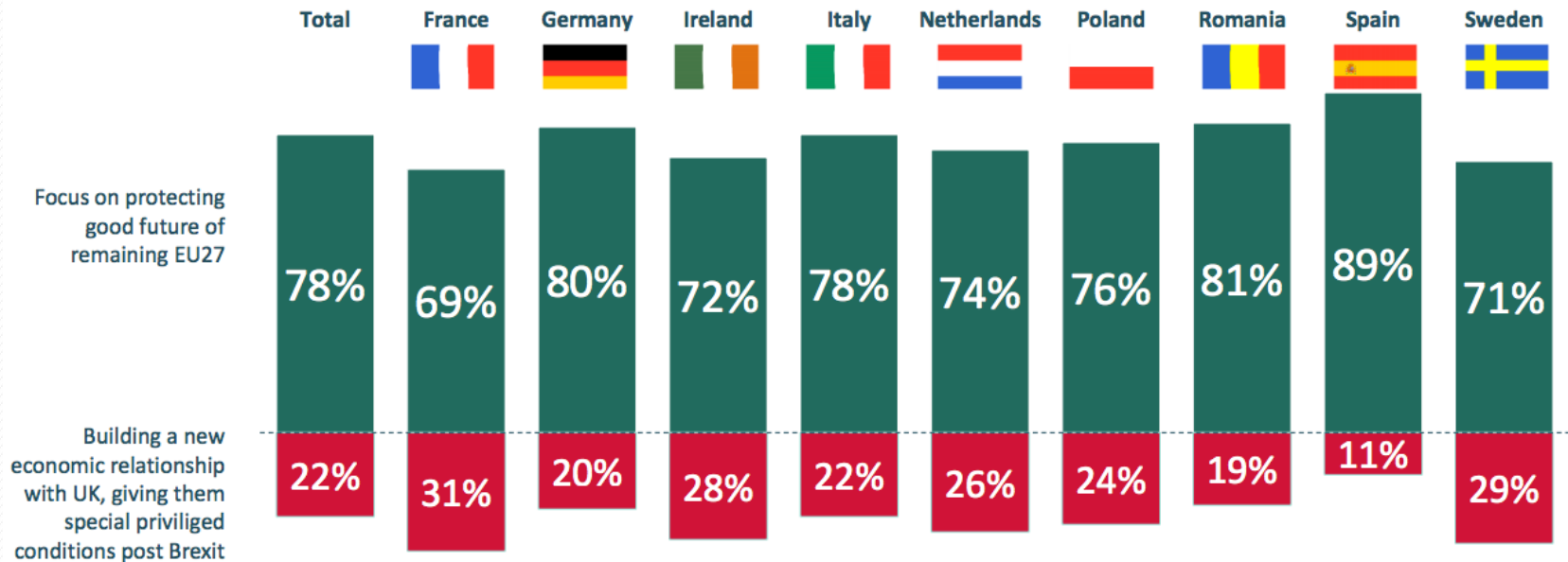
Source: APA

© DW



## Primary objective for Brexit negotiations

(Base: All Adults 18+ in each country)



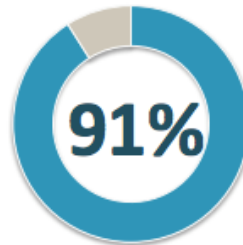
<https://www.express.co.uk/news>



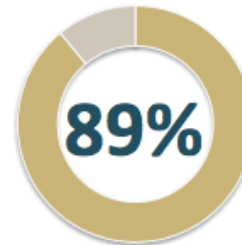
## Citizens Priorities for the Negotiations



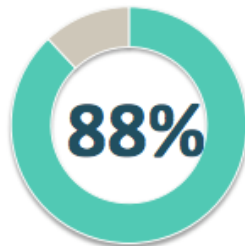
To **protect the future economies of the remaining EU member states**



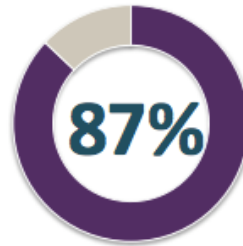
To **enhance the financial markets** in the remaining EU27 states, in order to ensure financial stability



To focus on **the longer term interest of the remaining EU27 states**, rather than any short term economic gains



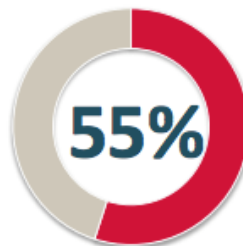
To **ensure that the UK pays any outstanding financial obligations to the EU**



To ensure **that there is no introduction of second class EU citizens**



To **protect the rights of EU citizens** who are living in the UK



To ensure **the future wellbeing of the UK economy**

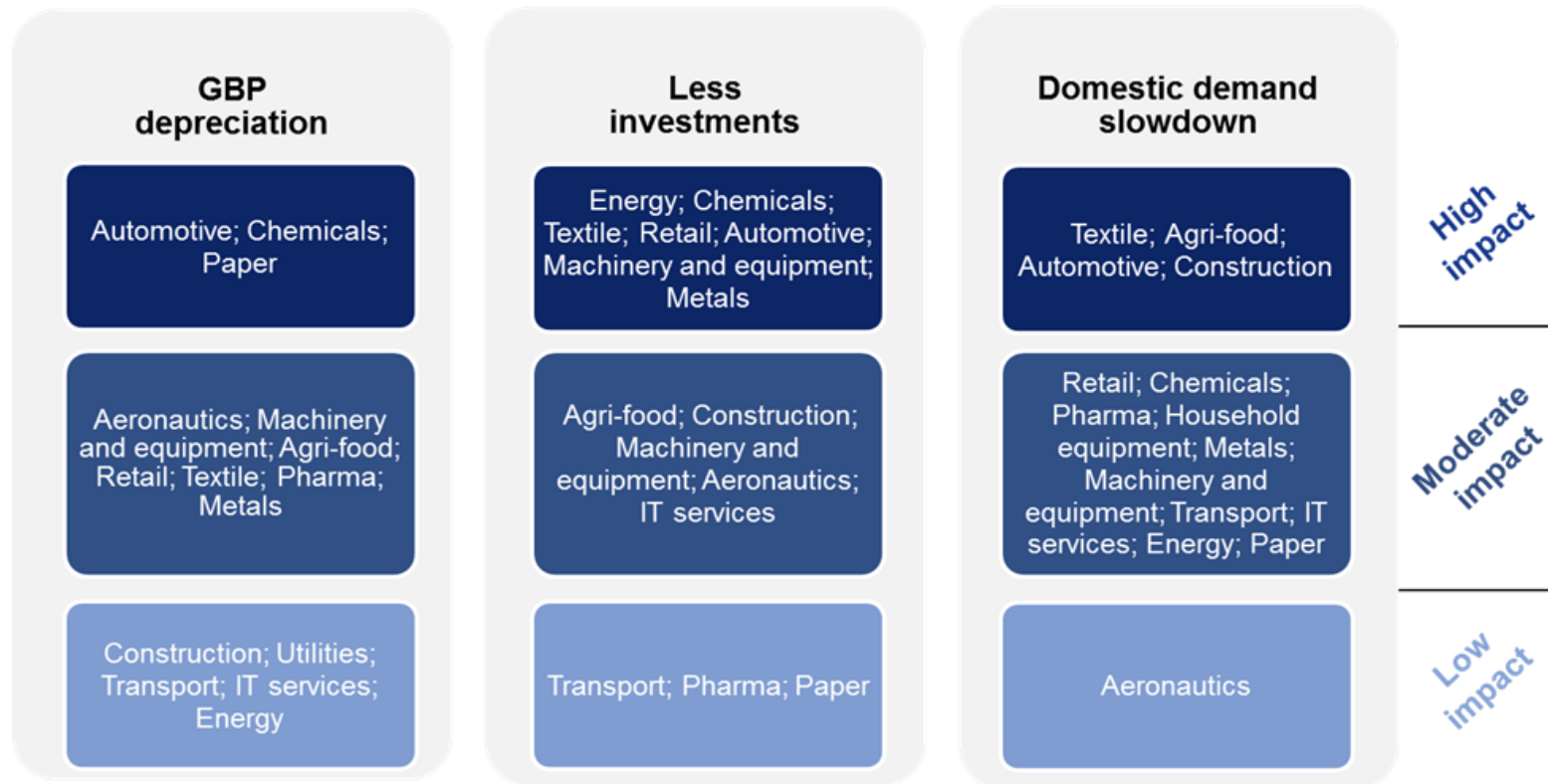


<https://www.express.co.uk/news>





# BREXIT- Impact on the industrial sector



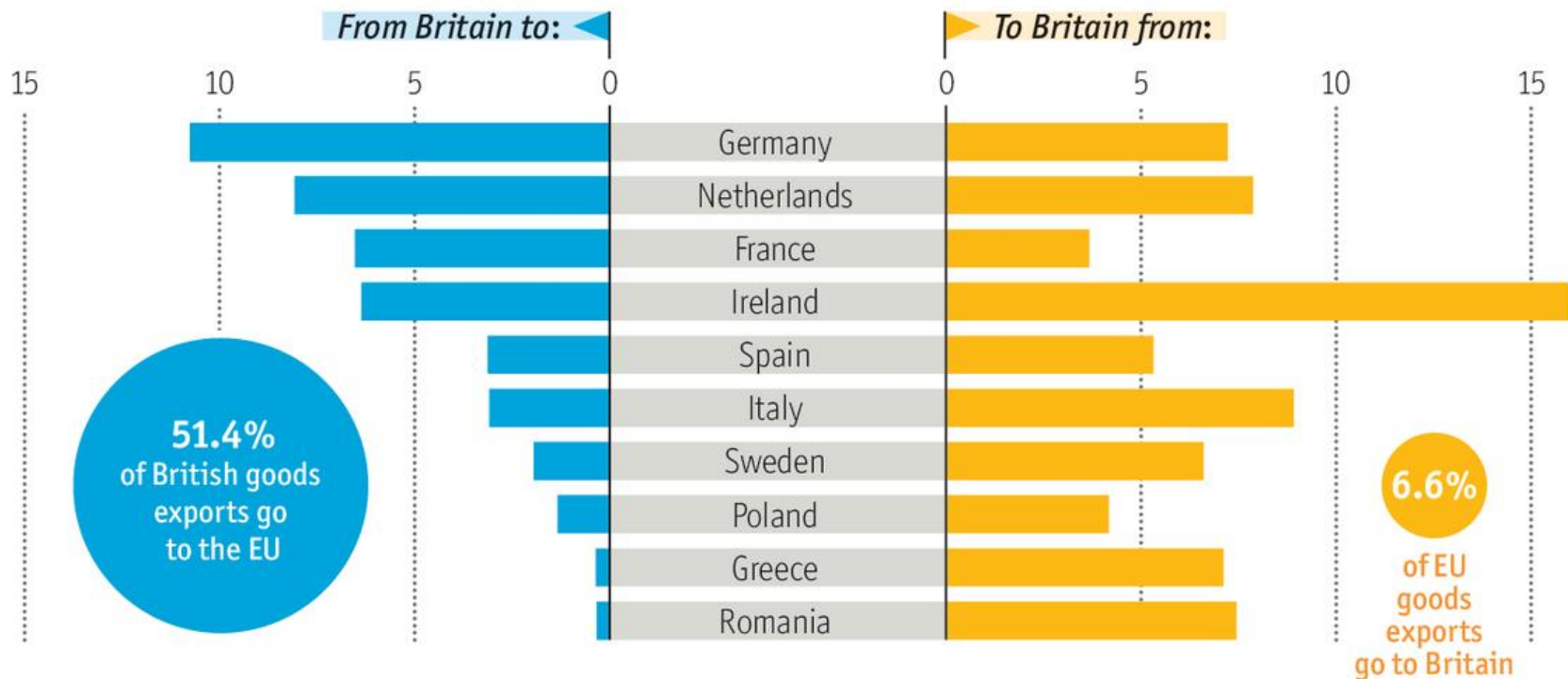
Source: Euler Hermes



# BREXIT- Impact on the industrial sector

## They need each other

Exports of goods between Britain and EU, 2014, % of national totals

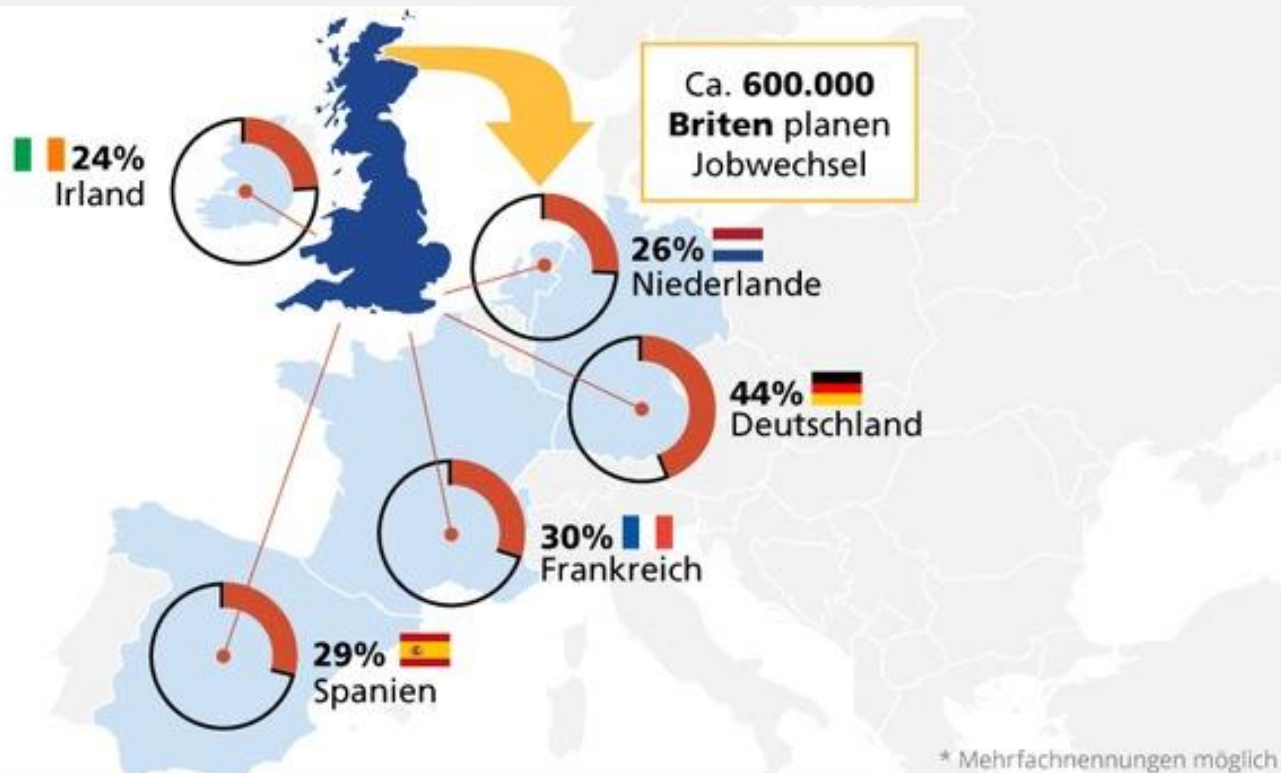


Source: IMF Direction of Trade Statistics  
Economist.com



# BREXIT- Migration of skilled employees

**UK: 600.000 skilled workers plan to brain drain out of UK**  
**Most with view to go to Germany**

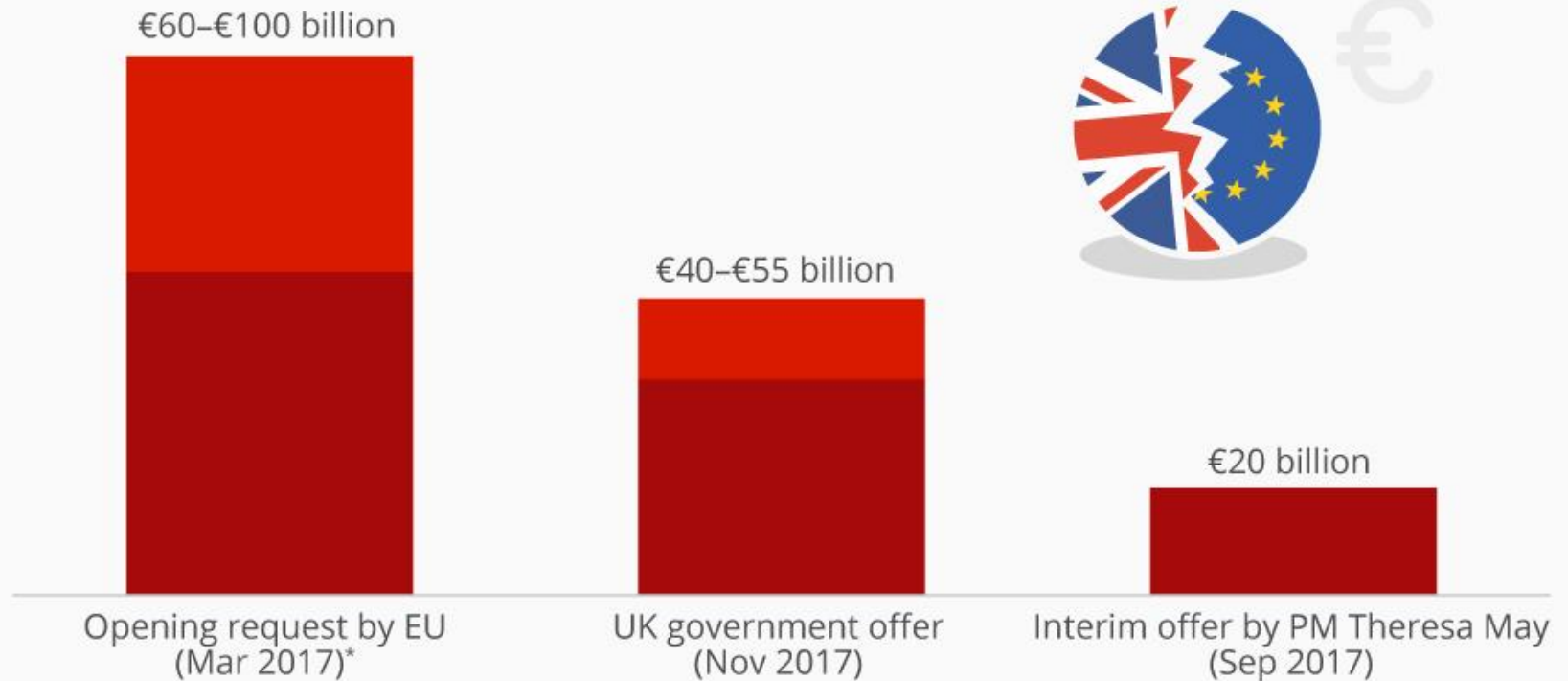


Quelle: Große Brexit-Arbeitsmarktbefragung unter rund 40.000 Fach- und Führungskräften in Deutschland, UK und Irland, durchgeführt im Juli 2016 von der führenden Online-Jobbörse StepStone in Zusammenarbeit mit weiteren Jobbörsen der StepStone Gruppe (Jobsite.co.uk, Irishjobs.ie, Jobs.ie und Niljobs.ie).



# Unclear Brexit Divorce Bill

Payments requested and offered in connection with the UK leaving the EU







# DEVELOPMENT OF BREXIT NEGOTIATIONS

- **phase 1** – three main issues

- UKs outstanding financial obligations – „the UK bill“
- rights of EU27 citizens in the UK / rights of UK citizens in the EU27
- Northern-Ireland / Rep. Irland boarder

- **conclusions of phase 1**

- „sufficiant progress“ had been made in phase 1 to start phase 2

- **phase 2**

- negotiations on future relationship of EU27 -UK



*Michel Barnier, European Chief Negotiator for BREXIT and Werner Kuhn*



# Internal UE27 preparatory discussions for a future relationship

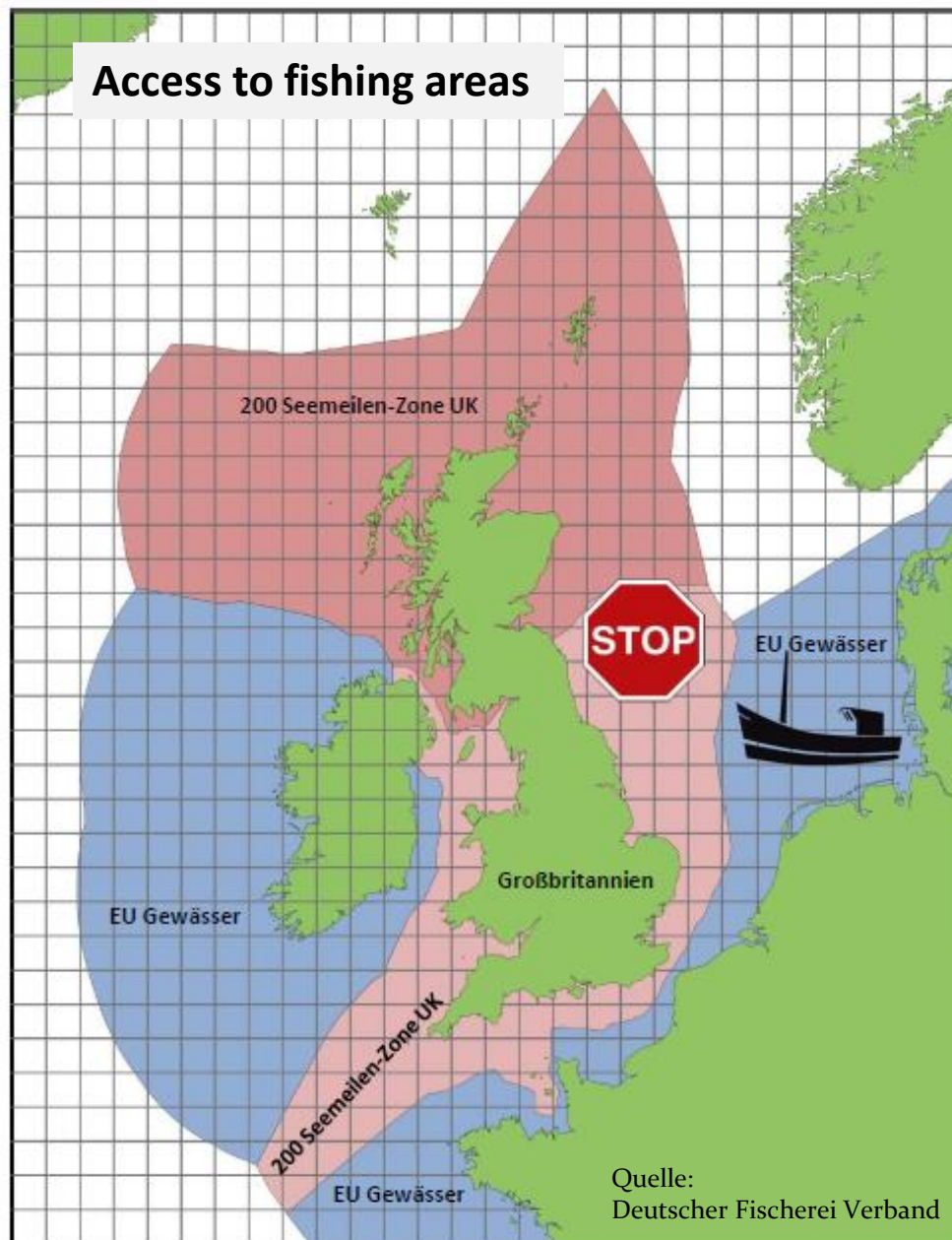
## ➔ thematic structure (presentation at the december council):

- Level playing field
- Governance
- International agreements and trade policy
- Services
- Policy and judicial coopration in criminal matters
- Security, defence and foreign policy
- Aviation
- Fisheries





## Access to fishing areas



# Fisheries

## *Consequences of Brexit on EU-fisheries*



# Fisheries

## *Consequences of Brexit*

- ➔ **EU-UK relations governed by international law**
  - **UNCLOS** (United Nations Convention of the Law of the Sea – 1982)
  - **UNFSA** (United Nation Fish Stocks Agreement – 1995)
    - control over territorial waters (200 nautical miles)
    - shared stock management
    - settlement provisions
- ➔ **EU-UK trade relations on WTO terms**
- ➔ **consequences on the Northern Agreements (Norway, Iceland, Faroe Islands)**





## Future EU-UK fisheries agreement

### ➔ **challenges:**

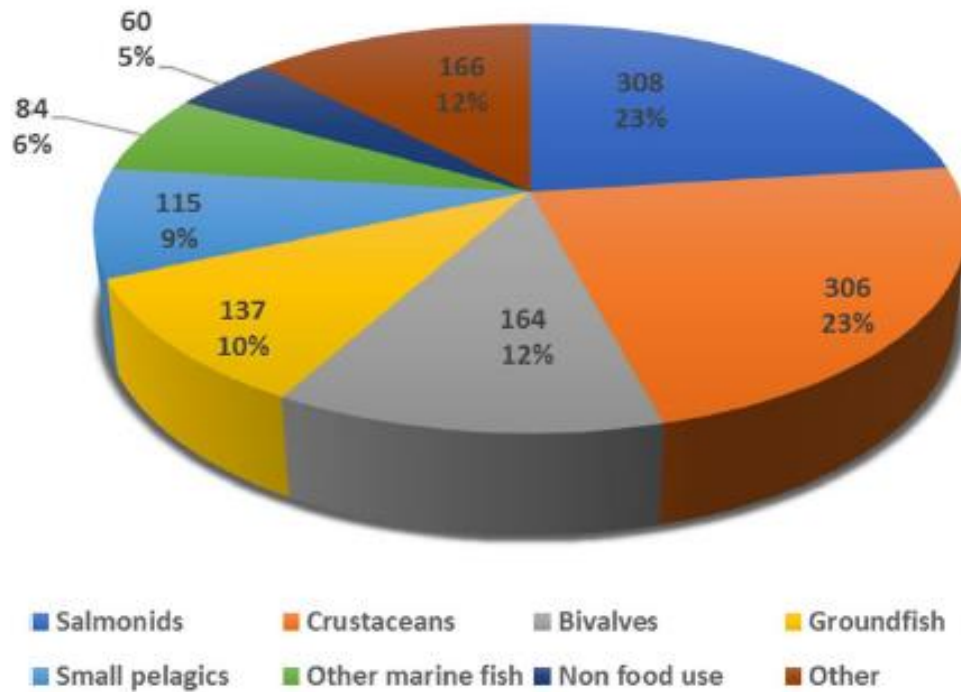
- around 100 shared fish stocks (joint management)
- reciprocal access to waters and resources
  - EU landings from UK waters (585 mio. €)
  - UK landings from EU waters (127 mio. €)
- market for fish and seafood
  - UK imports from EU27 (2015) = 1,31 bln € (=34% of UK seafood imports = only 6,7% of EU exports)
  - UK exports to EU27 (2015) = 1.34 bln € (68% of UK exports)

➔ **UK-EU fisheries relationship is very intensive - each other's most important partners**



# Fisheries

## Proportion of species



(value in mio € and percentage)

Quelle: EUMOFA

## UK-dependency to EU-export

- value: € 1,34 billion
- 68,4 % dependency



# Fisheries

## Transition

### ➔ **European Council (Art. 50) guidelines (Dec. 15):**

- cover the whole EU acquis
  - guaranteed access to waters and resources
  - stability of the quotas
- 
- no change in the current modalities >>> **“status quo transition”**
  - but: UK will no longer participate in the decision making of the EU bodies
  - however: consultations with UK on fishing opportunities and international consultations (EU-Norway, coastal states)

# Fisheries



## Future EU-UK fisheries agreement

### ➔ possible fisheries relation frameworks

- **SFPA** (Sustainable Fisheries Partnership agreement) - buying access, technical assistance
- **Northern agreement** (Norway, Iceland, Faroe Islands) - loose framework, legal basis enabling informal negotiations
- **Costal State consultations** - very informal

### ➔ maybe none of the existing EU fisheries agreements would be suitable ?





# Fisheries



## Objectives of a future relationship

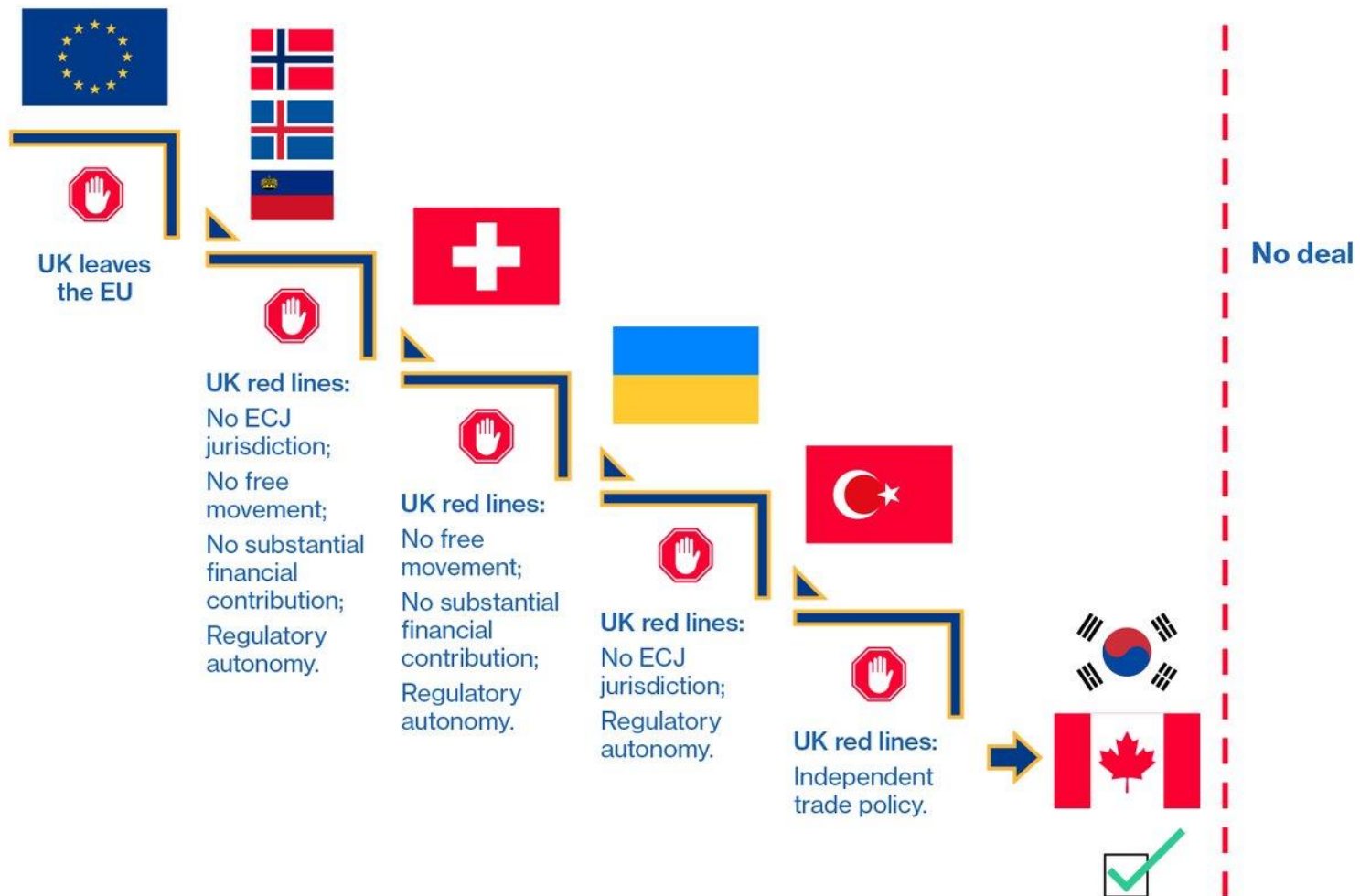
- reciprocal access to waters, resources and markets
- fishing opportunities with regard to historic fishing patterns (relative stability) and past records activities
- management of trans-boundary stocks
- highest level of convergence in management regimes

# Future relationship



## Barnier's Stairway to Brexit

EU's negotiator says the U.K.'s red lines mean that only a dry trade deal is possible





???





# Thank you very much for your attention ...

Werner Kuhn  
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