

A business friendly Brexit

I have good news for you all. Despite all the noise and disagreement, most people and political parties want the same things from Brexit. No-one wants it to damage business or lose us jobs. Most in the debate think more free trade rather than less free trade is a good idea. The Labour Manifesto spent time setting out the kind of free trade deals they would like a UK outside the single market and customs union to be able to negotiate.

Business has some legitimate questions of government that need answering. Where we currently receive grants and subsidies from the EU budget, business needs to know what the UK government will do back in control of the contribution money which currently funds those payments. This is particularly important to farming businesses where government payments and subsidies are an important part of farm incomes. IT is also important to those parts of the UK that qualify for extra grants for economic development. I look forward to more detail from the Treasury.

Business would like to know how and when the UK can expand its free trade agreements with non EU countries. The Department for International Trade is working away with options for early trade deals with a number of countries. The sooner we can make progress with these the better, bearing in mind we cannot sign the deals until we leave.

Business also of course wants to know what will be the basis of future trade with the rest of the EU. The UK is offering a continuation of current free trade with no new barriers. It is also saying it will translate into UK law all the present rules and regulations to allow continuity. The UK Parliament will in future be able to improve or repeal individual measures, but would not of course seek to block business being EU compliant for all their exports to the continent, which they are currently. Parliament will take into account the EU business needs when legislating in future, but may wish to allow different arrangements for non EU and domestic business.

The sooner we discuss the future relationship with the EU the sooner we will be able to clarify these matters. Whilst there will be more tough talk and posturing from some EU officials, many in the other member states will want easy access to the UK market and will see that has to be reciprocal.

Some say there is not time to negotiate a free trade agreement with the EU. That would be true if we had lots of barriers to remove and discuss. Instead we already have free trade with the EU, so it is simple to confirm it if there is the will on both sides to do so. If the EU really does want to impose barreirs on their trade with us they will need to set out what these are, and we can then consider what barriers we would need to place in return. All of course would have to be complaint with WTO rules, which limits the ability of the EU to do damage. The main sector which could end up with high tariffs is agriculture, where they sell us twice as much as we sell them. We also have the option on that scenario of sourcing much more food cheaper from outside the EU, where we could lower tariffs where it suited us, or produce

more at home where we can.

I note that after a media barrage about staying in the Customs Union the government has not changed the policy set out in the White Paper and approved overwhelmingly by the Commons to send the letter. I also note the Chancellor still supports government policy despite press briefings to the contrary. We will leave the single market and the Customs Union when we leave the EU, as the rest of the EU also intends and as the Conservative and Labour Manifestos made clear.