

EU negotiations

There may be EU negotiations for most or even all of this year. Those who want me to write about this and nothing else for the rest of the year will be disappointed. I have not written about them recently as there were no formal negotiations underway over the Christmas and New Year period. The next big event will be the March EU Council.

Some of you think I am not writing about it because I have changed my mind of what we should offer and how we should proceed. Let me assure you that is not the case. I remain strongly of the view that whilst the government would like a comprehensive free trade deal the base case is leaving with the WTO option for trade with the rest of the EU, just as we do with the rest of the world today. This option would mean no extra payments to the EU. It means we would take back control of our laws, our borders and our trade negotiations from March 30 2019. I am happy for the government to go on negotiating to see if it can produce a better outcome than this. If it does then that is good news. If it does not, then under the government's rubric that no deal is better than bad deal it should politely decline the EU offer.

I do not see the need for any additional transitional period after March 2019 if we are simply leaving. I read that we can be ready for trade under WTO rules by March 2019 if that is what happens. As the PM has said, if we do secure a better deal then there might be some need for a variable implementation period for parts of that deal which can be settled when we know the deal. What we should want to avoid is negotiating a 2 year further transitional period after March 2019 which turns into a prolonged negotiation again. I don't see how it is more likely we can do a good deal in 2020 if we have been unable to secure one in 2017 and 2018. To try would simply extend the uncertainty further which is a bad idea.

Time will tell what the government wish to recommend. We do know that the government agrees we will not remain in the single market or customs union, that we do need to end the uncertainty as soon as possible, and that no deal is better than a bad deal. They also agree that we need to take back control of our borders and our laws and need to be able to enter our own new trade agreements on leaving. We also know that they have indicated money will be paid in addition to our contributions up to leaving date. They will need to show that they are getting something for such a generous offer. Any deal they accept will need primary legislation to go through both Houses of Parliament to provide the authority to implement it.