<u>Statement to Parliament: Exiting the</u> <u>European Union: Ministerial statement</u> <u>2 February 2017</u>

With permission, Mr Speaker, I wish to make a statement on the government's plans for exiting the European Union.

Today we are publishing a government White Paper on the UK's exit from, and new partnership with, the European Union.

The government has made clear that it will honour the choice made by the people of the UK on 23 June 2016 to leave the European Union.

This House is currently considering a straightforward Bill that will give the Prime Minister the authority to trigger Article 50 of the Treaty of the European Union and begin the negotiation over our exit.

That is not a Bill about whether or not we leave the EU, or even how we do so, but about implementing a decision already taken by the people of the UK in last year's referendum.

But we have always said we would detail our strategic aims for the negotiation, and seek to build a national consensus wherever possible.

This White Paper sets out those aims and the thinking behind them.

It confirms the Prime Minister's vision of an independent, truly global UK and an ambitious future relationship with the EU.

This is based on the 12 principles that will guide the government in fulfilling the democratic will of the people of the UK. These are:

• providing certainty and clarity where we can as we approach the negotiations

• taking control of our own laws and statute book

- strengthening the Union by securing a deal that works for the whole of the $\mathsf{U}\mathsf{K}$

• maintaining the common travel area and protecting our strong historic ties with Ireland

• controlling immigration from the European Union

• securing the rights for European Union citizens already living in the UK and the rights of UK nationals living in the European Union

protecting and enhancing existing workers' rights

• ensuring free trade with European markets, forging a new strategic partnership with the EU including a bold and ambitious free trade agreement and mutually beneficial new customs agreement

• forging ambitious free trade agreements with other countries across the world

• ensuring the United Kingdom remains the best place for science and innovation

• co-operating in the fight against crime and terrorism

• and, finally, delivering a smooth, orderly exit from the European Union

These 12 objectives amount to one goal: a new, positive and constructive partnership between Britain and the European Union, that works in our mutual interest.

All of them are key. But let me highlight some of the specific issues in the White Paper.

It reiterates our firm view that it is in the UK's interest for the European Union to succeed politically and economically. I can't say too firmly, we want the EU to succeed politically and economically.

And so we approach the negotiation to come in a spirit of goodwill and working to an outcome in our mutual benefit.

We recognise the EU's principle of the 4 freedoms, and so the UK will leave the single market.

Instead we seek a new strategic partnership. A bold and ambitious free trade and customs agreement that should ensure the most free and frictionless trade in goods and services that is possible.

That will be to our mutual benefit. As the White Paper notes, we export £230 billion worth of goods and services to the EU, while importing £290 billion worth of goods and services from the EU every year.

It also sets out how after we leave the European Union, the UK will look to significantly increase its trade with the fastest growing export markets in the world.

While we cannot sign new trade deals while still members, we can and are preparing the ground for them. This means updating the terms of our membership of the World Trade Organisation, of which the UK was a founding member — as GAC in the first instance.

Modern free trade agreements require mechanisms to resolve disputes and to provide certainty for businesses on both sides. So the White Paper examines precedents in this area, and makes clear that we will negotiate an arrangement that respects UK sovereignty. In terms of clarity and certainty, we recognise the need to provide it wherever we can during a period when some uncertainty is inevitable.

So we will bring forward another White Paper, on the Great Repeal Bill, which will lay out our approach in detail.

This legislation will mean the repeal of the European Communities Act and end the authority of EU law and convert it into domestic law at the point of exit.

That means that the position we start from, a common regulatory framework with the EU Single Market, is unprecedented.

The negotiation will not be about bringing together 2 divergent systems. It is about finding the best way for the benefits of the common systems and frameworks that currently enable the UK and EU businesses to trade with and operate in each other's markets to continue when we leave the EU.

The White Paper also sets out that we will take control of our own laws, so that they are made in London, Edinburgh, Cardiff and Belfast, and ensure that we can control the number of people coming to the UK from the European Union.

And the jurisdiction of the Court of Justice of the European Union in the UK will come to an end.

It will be for Parliament and the devolved legislatures to determine significant changes to reflect our new position.

I have said at this dispatch box before that there will be any number of votes on substantive policy choices. To that end, the White Paper makes clear that we expect to bring forward separate legislation in areas such as customs and immigration.

Delivering a smooth, mutually beneficial exit, avoiding a disruptive cliffedge, will be the key.

A never-ending transitional status is emphatically not what we seek. But a phased process of implementation of new arrangements — whether immigration controls, customs systems, the way we cooperate on criminal and civil justice matters, or future regulatory and legal frameworks for business — will be necessary for both sides.

As the White Paper says, the time needed to phase in new arrangements in different areas may vary.

As one of the most important actors in global affairs, we will continue to work with the EU to preserve UK and European security, fight crime and terrorism and uphold justice. We must work more closely, not less, in these areas.

We will continue to seek to build a national consensus around our negotiating position.

So we are talking all the time to business, civil society, the public sector, representatives of the regions.

We have engaged the devolved administrations in this process and, while no part of the UK can have a veto, are determined to deliver an outcome that works for the whole of our country.

We continue to analyse the impact of our exit across the breadth of the UK economy, covering more than 50 sectors, 58 at last count, to shape our negotiating position.

To conclude, the referendum result was not a vote to turn our back on Europe. It was a vote of confidence in the UK's ability to succeed in the world and an expression of optimism that our best days are still to come.

Whatever the outcome of our negotiations, we seek a more open, outwardlooking, confident and fairer UK that works for everyone.

The White Paper is available on the government website. I have arranged for copies to be placed in the Libraries of both Houses.

Read the White Paper.