

# WHAT IS NEXT FOR BREXIT?

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Bernardine Adkins took part in a debate chaired by Adam Boulton on Sky News on what is next for Brexit - and provided some great clarity where business concerns and Brexit related timings are concerned!

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## Transcript

**Adam Boulton:** This is All About Politics, news debate and opinion from the heart of Westminster. Now, the Withdrawal Bill has passed through Parliament and it's going to become an Act, so what next for Brexit? Joining me are the EU Trade & Competition Lawyer, Bernardine Adkins, Sir Andrew Cahn, former Chief Executive of the government

department, UK Trade & Investment, and Shanker Singham, who's Director of the International Trade & Competition Unit at the Institute of Economic Affairs. Also here is the Conservative MP and Vice Chair of the Conservative Party, Andrew Bowie, of course marking this moment. Have the government got Brexit done, because a lot of critics are saying Brexit's not over?

**Andrew Bowie:** Yeah, absolutely, Brexit is done! Brexit will be done anyway on the 31st January. This is a moment, I think, that a lot of people never expected to pass! We have passed the Withdrawal Agreement Bill, it's gone through the Lords and now is on its way to the European Parliament for ratification next week and I think it's a moment where we can all breathe a deep sigh of relief that we've got across this incredibly complex issue, we've brought an end to the interminable debate that's swallowed up everything suddenly in Westminster for the last three years and we're moving on now to deal with all the other issues we need to be dealing with.

**Adam Boulton:** And just factually, we leave on October 31st but in practical terms nothing's going to change for anyone or for any businesses until the end of this year?

**Andrew Bowie:** Absolutely right. We're moving now into the transition period and as we negotiate our Free Trade Agreement with the European Union over the course of the next year but we will leave the European Union on the 31st January and nobody should be in any doubt about that.

**Adam Boulton:** So what are the priorities now of government business in dealing with ... because obviously Europe is our largest trading partner? ...

**Andrew Bowie:** Absolutely.

**Adam Boulton:** ... and we've got a whole load of other issues to do with citizens' rights, what's the priority, the phasing now, for the government, in dealing with those matters?

**Andrew Bowie:** Well, the government's very focused on delivering on all of the commitments that it had in the Manifesto and in terms of delivering on our relationship with the European Union, our priority is developing a close and strong relationship with our closest partners across the Channel, so we can move into this next period of a relationship with people that we've been very close to for an incredibly long time.

**Adam Boulton:** There is this deadline in mid summer when we could ask for a further extension?

**Andrew Bowie:** Yes.

**Adam Boulton:** Is that a possibility?

**Andrew Bowie:** The Prime Minister has ruled that out, he doesn't see there to be any need to ask for an extension, we are absolutely committed to getting this deal done and to be fully on the road to achieving that by summer, so that we can get this agreement in place by the end of the year.

**Adam Boulton:** Okay, Mr Bowie, thank you very much indeed. Now, from your point of view, in trade and everything else, Bernardine Adkins, what are the actual real priorities for the government, what do we need to be getting on with and are we getting on with it?

**Bernardine Adkins:** Yes, I think, certainly looking at it from the perspective of business; business needs clarity because business likes certainty, it likes clarity, it likes stability and it needs to see some of that. So we still don't know, business still does not know what the future relationship is going to look like it needs that sooner rather than later.

**Adam Boulton:** It's still under negotiation, so you couldn't really know, could you?

**Bernardine Adkins:** Yes, but you can't help but contrast the situation with the EU and we saw it before the negotiations, the EU, very early on, sets out its Mandate, saying, 'This is where we're going to' and it's open, it's transparent because it's public and I think this is a lesson that the government needs to take on board and it was an important lesson that you had; they need to be transparent with business, as to where it is moving towards and get that consensus early on, so business can prepare. And I would certainly say, and we're certainly saying to clients, I know everyone's breathing a sigh of relief, 'Brexit, yes, we have left on the 31st' but now the hard yard starts, the work starts, as business needs to prepare themselves for what they're going to be entering into. It's a very different regulatory system - so, for example, people who are exporting goods to the EU, they need to look at getting authorised economic operators' Trusted Trader status, that takes many, many months to gain. Also, HMRC obviously needs to think about how it's going to be dealing with things come January of next year because easements were put in place to be ready for the no deal, those have now been removed because the UK has made it very clear it's going to have its own independent Trade policy but we still don't know what it looks like and it takes business months to line up, as it would take the government months to line up.

**Adam Boulton:** Okay, Shanker Singham, one thing we do know now, as a result of what the Chancellor said yesterday, is, "It's not going to be playing Europe off against the United States, it's going to be Europe first", those are his words.

**Shanker Singham:** Well, no, no, I think, you know, erm ...

**Adam Boulton:** That's what the Chancellor said, isn't it?

**Shanker Singham:** ... the reference to the Tory Manifesto, concurrent negotiations is one of the things in the Manifesto and I think that nothing has changed ...

**Adam Boulton:** In spite of him saying that Europe comes first?

**Shanker Singham:** ... well, that doesn't mean you sequence the negotiations that way, we are going to have concurrent negotiations, we will negotiate with the US and the European Union at the same time but those negotiations will have a rhythm of their own and that will depend, and no-one can know how they will proceed, but that will depend on our negotiating position, it will depend on the European negotiating position. What I would say is that what's really important now is that the UK is ready by March, when the European Union will re-engage on the negotiations. We need to have a proposal, the sensible proposal, we need to have text on the table, we need to be able to back that with argumentation and evidence and leverage from other negotiations and so on and if we do that we'll be in a slightly better position than we were before.

**Adam Boulton:** Does it look to you as if we are going to be ready? I mean, we're shutting down the Brexit Department, as I understand that's right, at the end of this month ...

**Shanker Singham:** Yes.

**Adam Boulton:** ... so we've now got David Frost carrying on doing it but as an agent of the Prime Minister, effectively, is that enough?

**Shanker Singham:** Well, with many of those people who are negotiators from the Brexit Department in Number 10, with a very big team in DiT - I would point out that the Trade Policy Team in DiT is bigger than the entire United States' Trade Representatives Office - so we are ready to do it, we need to have the will to do it and with respect to what the Mandates will be and so on, actually the political declaration is very, very clear about a Free Trade Agreement and it spells out exactly what the UK is going to seek in terms of that Free Trade Agreement and I would say what business needs to do, assuming the government has that sensible proposal on the table, what business needs to do is stop lobbying only London, use the sister organisations to lobby Brussels because it's Brussels that is going to be preventing those reasonable proposals from coming to the table.

**Adam Boulton:** Andrew Cahn, you've been on the inside of this, are we in a position to embark on the next phase of establishing our future relationship with Europe and, indeed,

the rest of the world, as an independent nation?

**Sir Andrew Cahn:** Well, Adam, lots of mistakes were made last time we tried to do a negotiation and I think everybody accepts that really it wasn't done very well. What the government hasn't yet done is to decide what the structure is going to be in Whitehall and that's very important. My own view and something the Institute for Government has said very clearly is the best way of doing it is to have the Cabinet Office in charge, coordinating things, and then different government departments come in when they need to ...

**Adam Boulton:** Is that your understanding of how it's going to move forward?

**Sir Andrew Cahn:** ... but who knows!? I mean, we'll discover this, I guess, in the reshuffle.

**Andrew Bowie:** Precisely, all of this will become clear in the next few weeks, as the government moves on, but the Prime Minister will be ultimately in charge of the negotiation.

**Sir Andrew Cahn:** Of course, and that's how it should be but in any big, big negotiation you don't want your top guy to come in except at the very end.

**Adam Boulton:** In practical terms, you know, past precedent, what do you think can be achieved, both in terms of relations with the EU and with the rest of the world on this tight deadline of one year?

**Sir Andrew Cahn:** Well, it's clear that the Trade Agreement with the EU is by far the most important thing and I think that's probably what the Chancellor meant when he said it has to have priority, in the sense it is more important than everything else. We can go on trading with America without the Trade Agreement, with the EU, if we don't have an agreement, things really do start falling apart. I don't believe it's possible to have a comprehensive agreement with the EU by the end of this year, it's just too complicated, too much detail but I'm sure we can have some sort of agreement and although Mr Bowie stated very properly, we won't in any way extend the transition period, in reality we're going to have some further implementation arrangements and transition arrangements, I mean, that's just inevitable, that's practical.

**Adam Boulton:** But I presume it would come with a price? ...

**Sir Andrew Cahn:** There will always be a price, all trade negotiations have a price!

**Adam Boulton:** ... no, I'm saying if we continue arrangements, we'll continue making payments to the EU, won't we?

**Sir Andrew Cahn:** Erm, that would be for negotiations, the EU will say, 'Yes', we'll say, 'No.'

**Shanker Singham:** I would say, the transition period, I mean, Andrew very rightly said that the previous negotiations were not handled very well by the UK side and we need to learn lessons from those previous negotiations, not repeat the mistakes. The transition period was a result of the previous negotiation, it's very much a transition period on the EU terms. I don't think it will be a good idea to extend that transition period because it is very much, you know, the UK, as a rule taker, we're in a very vulnerable position until the end of that transition period.

**Adam Boulton:** Mr Bowie, the government de-cluttered the Bill, if you like, it took out things relating to workers' rights, relating to the rights of refugee children and other matters, now, is that because the government simply thinks those were all a bad idea or is it because they just don't think it was appropriate to bring in that Bill. In other words, are they going to bring those back as well.

**Andrew Bowie:** Well, we absolutely do not think they were a bad idea! This government is absolutely committed to having the best set of workers' rights of any developed country, in fact, we already do, and we're absolutely committed to doing even more than we are already, which is a lot for unaccompanied child refugees but the fact is that this was the Withdrawal Agreement Bill, this bill was simply a vehicle to enable us to leave the European union, so this Bill was not the place to have those aspects in it. We will go on over the course of this year to produce our plans for dealing with all of these other issues but the place for them is not in the Withdrawal Agreement Bill.

**Adam Boulton:** And the immediate issue on citizens' rights, where does that stand now?

**Andrew Bowie:** Well, of course the citizens' rights is at the forefront of the government's mind, we're working very, very hard to make sure that we have a scheme in place. I mean, we've given EU citizens here guarantees that they will be able to work and live here, through our Settle Status Scheme, I mean, we wish the European Union countries actually offered British citizens in the European Union the same deal that we've offered European Union citizens that are living here!

**Adam Boulton:** Are you satisfied at all with what you've heard?

**Bernadine Adkins:** As they say in Ireland, 'Time will tell' and 'Frost will try the potatoes'!

**Adam Boulton:** Thank you all very much indeed.

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