

Theresa May's Brexit Speech 2nd March 2018 - Special Briefing

'Let's get on with it'

- First, the Prime Minister laid five tests for our future partnership with the EU:
 1. Respect the result of the referendum;
 2. Be an enduring agreement;
 3. Protect people's jobs and security;
 4. Deliver an outcome consistent with the kind of country we want to be;
 5. Strengthen our Union of nations and bring our country back together.
- The existing models for co-operation between the EU and a third country would not pass these tests, and therefore would not work for the UK or the EU. **The UK will instead seek the broadest and deepest possible agreement** - covering more sectors and co-operating more fully than any Free Trade Agreement anywhere in the world today.
- Our vision is of a UK that is a '**champion of free trade based on high standards**' - **thriving as a Global Britain which forges 'a bold and comprehensive economic partnership** with our neighbours in the EU, and reaches out beyond to foster trade agreements with nations across the globe.'
- **The PM was clear that we all need to face up to some hard facts:** in certain ways, our access to each other's markets will be less than it is now; after we have left the jurisdiction of the ECJ, EU law and the decisions of the ECJ will continue to affect us, including respecting its remit where we agree that the UK should continue to participate in an EU agency; as with any trade agreement, we must accept the need for binding commitments; and we need to resolve the tensions between some of our key objectives- negotiating trade agreements with other countries, taking back control of our laws, not damaging integrated supply chains and not having a hard border between Northern Ireland and Ireland. **Both the UK and the EU also need to face the fact that this is a negotiation and neither of us can have exactly what we want.**
- **And we are not going to let our departure from the European Union do anything to set back the historic progress that we have made in Northern Ireland.** Our departure from the EU causes particular challenges, which is why we have consistently put the Belfast Agreement at the heart of our approach. We have ruled out any physical infrastructure at the border or any related checks and controls. It is not good enough to say, 'we won't introduce a hard border; if the EU forces Ireland to do it, that's down to them'. We chose to leave and have a responsibility to help find a solution. It is for all of us to work together, and the Taoiseach and the Prime Minister agreed that their teams and the Commission should do just that. But it would be just as unacceptable to break up the United Kingdom's own common market.
- To realise this ambition there are five foundations that must underpin our trading relationship:
 1. Reciprocal binding commitments to ensure fair and open competition;
 2. A completely independent arbitration mechanism;
 3. Ongoing dialogue with the EU, in particular between our regulators;
 4. An arrangement for data protection that goes beyond an adequacy agreement;
 5. Maintaining the links between our people.
- **On goods, a fundamental principle is that the UK-EU border should be as frictionless as possible.** So we are seeking a comprehensive system of mutual recognition to ensure that, as now, products only need to undergo one series of approvals in one country. This can be achieved via a commitment to ensure that the relevant UK regulatory standards remain as high as the EU's which, in practice, means that UK and EU regulatory standards will remain substantially similar in the future. Our default is that UK law may not necessarily be identical to EU law but should achieve the same outcomes. In some cases, parliament might choose to pass an identical law. The parliament of the day could decide not to achieve the same outcomes as EU law but it would be knowing that there may be consequences for our market access.

- We will also explore the terms on which **the UK could opt to remain part of EU agencies**, such as those for the chemicals, medicines and aerospace industries. This is the only way to meet our objective of ensuring that these products only need to undergo one series of approvals.
- **Parliament could decide not to accept the rules of agencies**, but with consequences for our membership of the relevant agency and linked market access rights.
- So a fundamental principle in our approach on goods is that **trade at the border should be as frictionless as possible, with no hard border between Northern Ireland and Ireland**. We believe this can be achieved via a commitment to ensure that the relevant UK regulatory standards remain at least as high as the EU's and a customs arrangement. We realise that this would constrain our ability to lower regulatory standards for industrial goods. But, as the Prime Minister set out, in practice we are unlikely to want to reduce our standards.
- **The Prime Minister also set out two potential options for our future customs relationship with the EU**: a customs partnership and a highly streamlined customs arrangement, as well as some specific provisions for the unique situation in Northern Ireland. We recognise that some of these ideas depend on technology, robust systems to ensure trust and confidence, as well as goodwill - but they are serious and merit consideration.
- This approach to trade in goods is important for agriculture, foods and drinks - but here other considerations also apply. **We are leaving the Common Agricultural Policy** and will want to take the opportunity to reform our agriculture and fisheries management. The UK has some of the highest environmental and animal welfare standards of any nation. We fully expect that our standards will remain at least as high as the EU's. **We are also leaving the Common Fisheries Policy**. The UK will regain control over our domestic fisheries management rules and access to our waters. But, as part of our economic partnership, we will want to continue to work together to manage shared stocks in a sustainable way and to agree reciprocal access to waters and a fairer allocation of fishing opportunities for the UK fishing industry.
- **On services, we have the opportunity to establish a broader agreement than ever before**, including a labour mobility framework that enables travel to provide services to clients in person, and continued recognition of professional qualifications. **Two areas have never been covered in free trade agreements in any meaningful way before: financial services and broadcasting**. We recognise that we cannot have the rights of membership of the single market, such as 'passporting' in financial services and 'country of origin' in broadcasting. But we should not be bound by existing precedent and we have set out creative proposals. **The PM also set out other areas our agreement will need to cover, including energy, transport, digital, civil judicial cooperation, a far-reaching science and innovation pact, and educational and cultural programmes**.
- The PM concluded by saying: **'My message to our friends in Europe is clear. We know what we want. We understand your principles. We have a shared interest in getting this right. Let's get on with it.'**