

Brexit: ‘Strong possibility’ of no trade deal with EU - PM

Boris Johnson says there is a “strong possibility” the UK will fail to strike a post-Brexit trade deal with the EU.

Speaking for the first time since a crunch meeting in Brussels, the PM said “now is the time” for firms and people to prepare for a no-deal outcome.

Talks continue between the two sides but Mr. Johnson said they were “not yet there at all” in securing a deal.

Time is running out to reach an agreement before the UK stops following EU trade rules on 31 December.

Weeks of intensive talks between officials have failed to overcome obstacles in key areas, including competition rules and fishing rights.

Mr. Johnson met European Commission President Ursula von der Leyen on Wednesday, but the pair failed to make a breakthrough.

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Mr. Johnson pledged British negotiators, who earlier resumed talks with their EU counterparts in Brussels, would “go the extra mile” to reach a deal.

But he said the EU wanted to keep the UK “locked” into its legal system or face punishments such as taxes on imports, which had “made things much more difficult”.

The PM added that the EU’s proposals would mean, despite leaving the bloc earlier this year, the UK would be forced to remain a “twin” of the 27-country organization.

“At the moment, I have to tell you in all candor, the treaty is not there yet and

that was the strong view of our cabinet,” he said.

‘Large barriers’

Mr. Johnson said that “looking at where we are,” it was vital the UK prepares for the “Australian-style option” of not having a free trade deal with the EU.

“There’s a strong possibility that we will have a solution much more like Australian relationship with the EU than a Canadian relationship with the EU,” he said.

Mr. Johnson has insisted the country will “prosper” on these terms, but former Australian Prime Minister Malcolm said the UK should be “careful what you wish for”.

Mr. Turnbull told BBC’s Question Time there were some “very large barriers to Australian trade with Europe”, adding: “Australians would not regard our trade relationship with Europe as being a satisfactory one.”



Analysis
By Laura Kuenssberg
Political editor

Will there be no deal? Right now it is just too hard to say.

But is Boris Johnson only trying to send messages to his opposite numbers? The answer is no.

On Wednesday we saw this whole saga move closer to what both sides would consider a failure – an inability to agree on a trade deal that had been in reach and is still in their mutual interest.

It may yet come to pass that the prime minister or the EU leadership will have a change of heart.

Of course the rhetoric does not tell us everything that’s going on.

But the PM’s warning tonight is far from just a message designed to be heard in

EU capitals – whatever the merits of the decision he may take, Downing Street is preparing the ground for a choice to leave the status quo without firm arrangements in place.

Australia is negotiating a free trade deal with the EU but currently does not have one.

It largely does business with the EU on World Trade Organization (WTO) rules but has a few arrangements in place, such as co-operation on science and trade on wine.

Moving to WTO rules on 31 December could result in tariffs being imposed leading to higher prices for the goods the UK buys and sells from and to the EU, among other changes.

Canada finalised a deal with the EU in 2017.

Mr Johnson said he “tried very hard to make progress” at his dinner with Mrs von der Leyen, but the EU was making things “unnecessarily difficult”.

Meanwhile, the EU has set out the contingency measures it would take in the event of no trade agreement being reached with the UK.

The plans aim to ensure that UK and EU air and road connections still run after the post-Brexit transition period ends on 31 December.

They also allow the possibility of fishing access to each other’s waters for up to a year, or until an agreement is reached.

Brexit - The basics

- **Brexit happened but rules didn’t change at once:** The UK left the European Union on 31 January 2020, but leaders needed time to negotiate a deal for life afterwards – they got 11 months.
- **Talks are happening:** The UK and the EU have until 31 December 2020 to agree a trade deal as well as other things, such as fishing rights.

- **If there is no deal:** Border checks and taxes will be introduced for goods travelling between the UK and the EU. But deal or no deal, we will still see changes.
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‘Balance of fairness’

EU leaders are meeting in the Belgian capital for a two day-summit of their own, although Brexit will not be the main focus.

A spokesman said they discussed the situation on Friday morning, but only for 10 minutes.

Arriving at the summit, Mrs von der Leyen said the conditions for a trade deal would have to be “fair for our workers and our companies.”

“This fine balance of fairness has not been achieved so far,” she said, adding that a decision would be taken on Sunday.

BBC Europe correspondent Kevin Connolly said the EU leaders had been preoccupied with disputes about their own budget, a maritime row with Turkey in the Mediterranean and coronavirus as they talked into the early hours of Friday morning.

“Brexit has not been the only priority here – perhaps not even the main one,” he said.

Before the PM’s remarks, Labour leader Sir Keir Starmer urged Mr Johnson to “get on and deliver” a deal, adding the outstanding issues “are capable of resolution”.

Asked whether his party would back a deal in a vote in the Commons, he said: “We will look at it – and we will act in the national interest.”

“But on a straight choice between no deal and deal, then deal is clearly in the national interest,” he added.

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