

Brexit talks reach impasse as Theresa May issues EU with ultimatum

The prospect of Britain crashing out of the EU without a deal on trade or customs has intensified after Theresa May admitted yesterday that negotiations are at an “impasse” and accused European leaders of a lack of respect.

In a bullish statement delivered the day after her humiliating rebuff from EU leaders in Salzburg, the Prime Minister warned that EU officials must now come forward with fresh proposals before any progress can resume.



Theresa May speaks in Downing Street in the aftermath of the Salzburg summit, saying European leaders lack respect. Picture: PA

After her address, the Conservative leader faced claims her negotiating strategy was “collapsing around her” and that she was in denial over the shortcomings in her own so-called Chequers compromise deal.

Scotland’s First Minister Nicola Sturgeon warned a no deal Brexit will mean “huge damage” for the UK and result in a “heavy political price” for the Tories north of the Border.

But Mrs May insisted that EU proposals for a post-Brexit economic deal could lead to the “break up” of the UK and said this was “unacceptable” during the defiant seven-minute address. The Prime Minister cut a beleaguered figure after EU leaders dismissed her “Chequers proposal” as unworkable at a flagship summit in Austria on Thursday.

Yesterday Mrs May warned: “The EU should be clear: I will not overturn the result of the referendum – nor will I break up my country.”

The pound plummeted following Mrs May’s speech, giving up four days of gains on the US dollar to shed 1.5 per cent and close at 1.30 in London. Versus the euro, the British currency was down over 1 per cent at 1.11.

A no deal Brexit would mean costly tariffs on the import of goods to the EU and has prompted warnings that it could cost up to 80,000 jobs in Scotland alone and cost the economy billions of pounds.

But such a scenario seems increasingly likely as relations between the EU and UK appear to have hit rock bottom just six months ahead of the UK's scheduled departure from the Brussels bloc next March.

Mrs May dismissed EU suggestions that the onus is on Britain to shift its stance, insisting that the ball is now in the European Union's court.

The key barriers to a deal are the future economic arrangements and the Irish border problem. If the UK remains in the European Economic area (EEA), or single market, it loses the freedom to restrict immigration from the EU and to sign global trade deals. Alternatively, a free trade deal outside the EEA would see an effective border created in the Irish Sea, effectively segregating the UK from Northern Ireland, according to Mrs May.

"Neither side should demand the unacceptable of the other," she warned.

"We cannot accept anything that threatens the integrity of our union, just as they cannot accept anything that threatens the integrity of theirs.

"We cannot accept anything that does not respect the result of the referendum, just as they cannot accept anything that is not in the interest of their citizens. Throughout this process, I have treated the EU with nothing but respect. The UK expects the same."

The UK is ready to come forward with "new ideas" on unblocking the disagreement over future arrangements at the Irish border, Mrs May insisted.

Her position was welcomed by Democratic Unionist Party (DUP) leader Arlene Foster, who said: "The Prime Minister is right to stand firm in the face of disrespectful, intransigent and disgraceful behaviour by the European Union. The United Kingdom will not be treated in such a manner."

But Sinn Fein President Mary-Lou McDonald said: "Rather than accepting that her so-called 'Chequers Plan' fails to resolve fundamental issues, Theresa May has engaged in deflection.

“Her focus has unfortunately remained on infighting within her own party and her pact with the DUP, instead of coming to an acceptable negotiating position.”

European Council President Donald Tusk’s assertion last week that the Chequers plan “will not work” also met with a stinging rebuke from the UK Prime Minister.

“At this late stage in the negotiations, it is not acceptable to simply reject the other side’s proposals without a detailed explanation and new proposals,” she said.

“So we now need to hear from the European Union what the real issues are and what their proposals are so we can discuss them.

“Until we do, we can’t make progress.”

The UK government will now continue the work of “preparing ourselves for no deal,” The Prime Minister added.

The three million EU citizens living in the UK will have their rights protected, Mrs May added, with a pledge that she will seek to avoid a return to a hard border in Ireland under such a scenario.

But opponents insisted that Mrs May has placed too much faith in her own Chequers deal which sought to allow frictionless trade, but would leave Britain to have control over EU immigration and make its own laws.

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