

# Germans' nightmare: the UK's never-ending Brexit tangle

The Uncertain Kingdom; a closer watch over extremism; electric alliance. Here's our Daily Briefing for January 16, 2019.



*Golden age.* (Source: Bloomberg)

After Theresa May's record failure to push through her Brexit deal in Westminster, Germans are caught between sympathy and irritation. Either way, they're battenning down the hatches.

Germany's chancellor says it's up to London to say what should happen next. Other politicians are divided: Some Social Democrats, like Sigmar Gabriel, a former foreign minister, call for time and concessions for Britain, Heiko Maas, his party colleague and current foreign minister, says it's (still) time for the UK to move beyond what it doesn't want, to say what it does want.

Beyond a no-deal exit, Germans also dread a long, dragged-out delay. Politicians don't want Brexit to bleed into the European elections in mid-May. Leaders here are now stepping up their backup plans. Industry associations are warning again of the hundreds of thousands of jobs at risk in the case of a disorderly Brexit and

a recession. Companies are being advised afresh to prepare for a hard Brexit; so far, only the largest have done so. In the financial sector, more than 45 banks and institutes have shifted their businesses from London to Frankfurt, are beefing up operations in Germany or getting ready to do so. Smaller businesses meanwhile, like a local importer of British food in a Berlin neighborhood, are giving up already, managers intimidated by the prospect of stacks of paperwork and customs delays.

As Britain chases damaging Brexit dreams, it's easy to forget there are bigger global problems to worry about: from the changing international balance of power to the environment. For Europeans, it seems obvious it's better to address these together. Instead, the UK will be tied up for decades in this mess, at a huge opportunity cost to its people. And for Europeans in the UK, for Brits abroad, the limbo and angst continue. As a Brit in Germany, I hope for another referendum, though I won't be able to take part myself, having lived away too long to be able to vote there anymore. I know the danger of exacerbating the divisions in Britain: Emotions run so high that it's almost hard to imagine a debate based on discussion and facts. Still, the decision is too important not to try.

Germany is also finally addressing right-wing extremism in the Alternative for Germany. The domestic intelligence service will monitor the party of the populist far right. That means checking public statements for extremist content but falls short of monitoring emails and recruiting informants. The AfD started out as fringe opponents to the euro, gained momentum during the migrant crisis and has since seen leaders such as Björn Höcke criticize the Berlin Holocaust Memorial and call for Germany to make a "180 degree turn in remembrance policy." Will this step make potential voters think twice about whether to follow the party? Maybe for some; others, not necessarily. The bigger question for politicians is how to handle the AfD's appeal.

At least some folks are looking ahead and realigning accordingly: Ford and VW are cooperating, starting with vans and commercial pickups, and they're figuring out the how to work together on electric and self-driving technology. Even Trump's pleased. Carmakers' margins are so narrow that they can't afford to maintain the old competitive mindset, in the face of new rivals from China and internet giants who want to steal their lunch. Meet the future.

---

Source: <https://www.handelsblatt.com/today/opinion/daily-briefing-germans-nightmare-the-uks-never-ending-brexit-tangle/23872678.html?ticket=ST-113248-bsYXQ3kxAvxhRoGqoqsR-ap5>

[Disclaimer]