

A Better Deal for the United Kingdom

Toplines

- “A Better Deal” is a revised Withdrawal Agreement (WA) which can be negotiated with the EU, thus avoiding No Deal and honouring the referendum result, whilst protecting the national interest.
- Our proposed deal would guarantee departure from the Customs Union, Single Market and all EU rule-making for the entire UK.
- It can be negotiated because it builds on the EU’s own offer (rather than asking them to compromise the single market) and the concept has already been positively received by the EU privately (they will not publicly back it whilst a permanent customs union is on the table).
- It retains the vast majority of the draft WA but crucially removes the four poison pills that have prevented the draft WA from finding widespread support in Parliament and the country at large.
- One of the reasons that Parliament is hostile to the Prime Minister’s current proposal is that it would place the UK in a “single customs territory” by virtue of the backstop, giving the EU no incentive to make concessions in future trade negotiations (thereby putting UK interests such as fishing at great risk).
- This alternative WA proposes a new Free Trade Agreement (FTA) with zero tariffs and no quantitative import restrictions, and a Customs and Trade Facilitation Chapter that will deploy advanced customs and trade facilitation measures which include specific solutions for the Irish border, so the leverage would be the same on both sides
- The new backstop does not imperil the Union as it represents a permanent solution to the Northern Ireland / Ireland border making it both a backstop and a frontstop. It does not require any differences between NI and GB beyond those that exist today.
- The new backstop will include a Free Trade Agreement in Goods, a Customs and Trade Facilitation Chapter, as well as: commitment by all parties not to place infrastructure on the Northern Ireland border; the UK adopting EU rules of origin; regulatory recognition such as in sanitary and phytosanitary (SPS) measures; and level playing field provisions on areas such as labour – in other words normal practice in FTAs.
- Our Withdrawal Agreement would use the £39bn payment to the EU for leverage, paying in return for a good deal, not one that gives us EU regulatory control and a divided UK.
- This reformed WA is likely to command a majority in the House of Commons - it is already supported by both leave-backing and remain-backing MPs and, crucially, the DUP.
- “A Better Deal” has been written by international trade policy experts Shanker Singham, Dr Robert MacLean, Victoria Hewson and Hans Maessen.
- The full legal text of “A Better Deal” is available at <https://competere.co.uk/a-better-deal>.

Four main changes to Withdrawal Agreement:

1. **No “single customs territory” between the UK and the EU**, allowing the UK to regain control over its tariffs and regulations which are required to carry out negotiations for trade agreements with other countries. This makes the UK a credible trade partner for third countries after 29th March 2019.
2. **A new backstop to replace the Northern Ireland Protocol which is based on what the permanent solution to the Irish border should be.** This maintains the territorial integrity of the UK and allows the UK to regain control over its tariffs and regulation. This restores the UK’s leverage

for future trade talk with the EU. It would not in itself be a negative outcome and it could quite legitimately become the frontstop (i.e. the permanent solution). It includes:

- **a free trade agreement in goods:** zero tariffs and no quantitative restrictions, providing for tariff-free trade in goods plus UK-EU regulatory cooperation.
- **no infrastructure on the Irish border:** a commitment by all parties not to place infrastructure on the border.
- **regulatory recognition based on deemed equivalence because we will be identical on day one of Brexit:** on sanitary and phytosanitary (SPS) and animal health measures and mutual recognition of conformity assessment, with measures to ensure that the animal health and disease control zone on the island of Ireland can be maintained.
- **level playing field provisions:** on labour, the environment, competition and state aid, consistent with normal practice in FTAs, as opposed to the highly one-sided commitments in the Withdrawal Agreement.
- **a Customs and Trade Facilitation Chapter with an Irish border protocol:** an agreement to deploy advanced customs and trade facilitation measures, including specific solutions for the Irish border.

This will allow us to use a range of proven technical and process solutions for our customs procedures, while reducing the burden of formalities on traders and avoiding congestion at ports, and include the principle that any necessary formalities and inspections are carried out with the minimum of delay and, to the maximum extent possible, away from the border. This will employ:

- Inter-agency cooperation and information sharing, and recognition of the other party's inspections and documents for certification of conformity with country or import or export
- Simplified procedures and data processing at departure and destination for the import, export and transit of goods
- Expedited procedures for qualifying operators, with mutual recognition of trusted trader schemes like authorised economic operator (AEO) programmes, and making them available to as many traders as possible
- Self-assessment for importers to declare imports periodically and account for duties payable, plus support to encourage uptake
- Physical inspection of goods by random checks
- Adherence to international standards of the WTO and other appropriate bodies
- Special facilitations for specific sectors like agriculture.

3. The removal of Geographical Indications provisions (GIs): Geographical Indications (GIs) show a product is from a specific place. But these are applied broadly, and as a protectionist measure, by the EU. Very few of them benefit UK producers. It uses over 3,000 GIs, which often prevent products of equal quality being marketed in the UK, simply because they are not from a given country – for example, only Greek Feta cheese can be called Feta. These should not be part of the WA as they are a controversial aspect of trade policy for UK's other trading partners and should be negotiated as part of our wider FTA with the EU.

4. Remove language on WTO collaboration in the UK's modification. The current WA prevents us from directly negotiating our terms at the WTO. This ties our hands and makes us reliant on the EU, who have already damaged our WTO process.

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