

Speech by Michel Barnier at the EPC Breakfast

Brussels, 1 April 2019

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Good morning ladies and gentlemen,

You have entitled this breakfast discussion “**deal or no deal? The state of play of Brexit**”.

Let’s not forget that we already have an agreement!

It was concluded by Theresa May and the European Council on 25 November last year, both on the terms of the withdrawal and on the framework for the future relationship.

The EU put a lot of effort into concluding that agreement.

We have been respectful of the UK’s choices.

We tried to make sure that the UK could leave the EU in an orderly manner on 29 March, just as the UK had foreseen.

And, if the UK still wants to leave in an orderly fashion, this agreement is the best and only one possible.

However, **the package that we agreed is still being debated in the UK and the House of Commons.** There were a number of important votes again last night. And the debate continues.

Last Friday, 29 March, the House of Commons voted on the Withdrawal Agreement, separate from the political declaration.

A majority of MPs voted against it.

Some MPs have stated that they agree with the Withdrawal Agreement, but they cannot vote in favour of it, in the absence of a closer economic relationship.

The House of Commons also consistently rejected leaving the EU without an agreement.

However, the only way to avoid a “no-deal” Brexit is through a positive majority.

We should continue to make this point in the public debate.

Ladies and gentlemen,

Since there was no positive majority for the Withdrawal Agreement before 29 March, **the Article 50 period has been extended until 12 April.**

The European Council was clear: **the UK should now, more than ever, indicate a way forward.**

I see **three possible situations** in advance of the European Council called by President Tusk on 10 April:

1/ First, there is the possibility of a successful meaningful vote in the coming days.

The House of Commons did not manage to find a majority, again, last night in its second round of indicative votes.

We will continue to follow how the process unfolds in the UK.

On our side, we have always said that **we can accept a Customs Union, or a relationship similar to the Norway model.**

In fact, **the Political Declaration as it is today can accommodate all of these options already.**

It leaves the door open for a variety of outcomes.

But if the UK so wishes, we are ready to rework the Political Declaration, as long as the fundamental principles of the EU are respected.

In any case, **should the House of Commons vote in favour of the Withdrawal Agreement, this would not be the end of the process in the UK,** which would still have to formally ratify the Agreement.

I would expect that the European Council would not have too many difficulties in agreeing on a short extension for this process to take place. This is up to the EU leaders; it is not my decision.

On our side, the European Parliament also needs to ratify the Withdrawal Agreement. That is a necessary but also sufficient condition for the orderly withdrawal of the UK.

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Ladies and gentlemen,

If the UK Parliament does not vote in favour of the Withdrawal Agreement in the coming days, **only two options would remain**: leaving without an agreement or requesting a longer extension of the Article 50 period.

It would be the **responsibility of the UK government to choose** between these options.

2/ “No deal” was never our desired or intended scenario, but day by day it is becoming more likely. The EU27 is now prepared.

Since December 2017, **the Commission has reached out to all economic sectors and stakeholders.** In particular, we have published 90 notices to help all businesses and stakeholders prepare, in all sectors.

We have also worked with the Member States, and the Commission just completed a tour of the 27 to make sure that no question is left unanswered.

- National administrations recruited new customs officials.
- They created new Border Inspection Posts for sanitary and phyto-sanitary checks.
- They granted new licenses to financial services.

At EU level, we have tabled 19 legislative proposals. 17 have been approved.

The Union will be ready to manage any disruption for the public and businesses in the EU27.

All these measures are temporary, limited in scope and adopted unilaterally by the European Union.

The aim of these measures is to protect European interests, not to negotiate mini-deals with the United Kingdom.

For example, in order to avoid major disruption in **aviation**, the EU adopted a regulation allowing certain air services between the UK and the European Union, for a period of 12 months, and on the condition of reciprocity. This proposal ensures basic connectivity.

Another example: we also have now an approved EU regulation on **protecting social security rights** acquired before the withdrawal date.

Only two measures are still pending, on the 2019 budget, and on exempting British nationals from the requirement of having short-term visas.

Being prepared for “no deal” does not mean that there will be no disruption. Not everything will be smooth. There will be problems.

Being prepared means that all unforeseen problems should be manageable on the EU side.

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3/ Finally, the UK may ask for another extension.

Such an extension would carry **significant risks for the EU.**

Therefore, **a strong justification would be needed.**

Many businesses in the EU warn us against the **cost of extending uncertainty.**

There would also be a political cost.

In any case, if the UK is still a Member State on 23 May, it will have to organise the European elections. It will have to nominate a Member for the next European Commission.

The UK would stay longer as a “Member on its way out”.

At the same time, it would prepare its own future, for instance on global trade, on British agriculture, on financial services, to name but a few.

A long extension could have an impact on the EU’s “space to think” and pose a risk for our decision-making autonomy.

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Ladies and gentlemen,

Over the last days and weeks, the “no-deal” scenario has become more likely. But we can still hope to avoid it.

Our objective remains to ensure an orderly withdrawal, which will create the trust we need to build an ambitious future relationship.

In our Political Declaration, **we agreed on a broad future relationship** with a free trade area, sectorial cooperation – for instance in aviation –, police and judicial cooperation and cooperation in foreign policy, external security and defence.

In an unstable world, marked with new challenges and geopolitical tensions, **close cooperation is in our common interest.**

Ladies and gentlemen,

If we achieve this objective, we would have succeeded in managing the negative consequences of Brexit.

But we also need to draw lessons from Brexit.

It is a question I tried to answer in some more detail in **a speech at the College of Europe in Natolin** last Friday.

We must indeed ask ourselves **why in 2016, 52 % of the British people voted to leave the European Union.**

Why so many of the younger generations who are pro-Europeans did not come out to vote?

And why Europe was misunderstood and unpopular with an overall majority?

- Of course, there is the **ideological view** of those who argue, and will always argue, that one nation alone is better equipped to succeed in global competition than a Union of 500 million consumers and 22 million businesses.
- Of course, in the 2016 referendum campaign there was **misinformation**.
- There was also a terrible **lack of debate** on the consequences of leaving behind 45 years of cooperation and joint projects; we see the consequences of that today in the UK.
- There were **people who attacked core achievements of the EU**, such as free movement of people and EU citizenship.

But that is not all.

There is also the **feeling that Europe, its governments and institutions are not responding to legitimate concerns.**

- A Europe that does not **prepare for, and protect against, the excesses of globalisation.** That has for too long advocated economic freedoms without paying enough attention to the social and environmental consequences.
- A Europe that has not been able to fully control its **external borders** nor stand united in the face of migration and refugee crises.
- A Europe where we have often abandoned jobs and **industries** without creating the conditions for new ones.
- And above all, the feeling that **Europe does not respond to the dreams of Europeans or promise them a better future.**

This view is not unique to the UK.

We need to listen, understand where it comes from, and respond.

Acknowledge that Europe has sometimes been wrong.

Rediscover a Europe that allows each nation, people, and citizen to feel protected and part of a collective ambition.

Ladies and gentlemen,

The **history of the European project**, of where it has been successful, is in fact quite simple.

It is the story of when Europe chose to be **an actor rather than a spectator of the great, often brutal transformations of the world.**

It is when we have chosen to assert **a common sovereignty** where the nation state alone is not enough.

It is where we have pooled resources across the continent to **deliver on common European goods.**

Think back!

- The European coal and steel community in 1951 **consolidated peace and rebuilt our industry.**
- The Common Agricultural Policy, launched in 1962, helped regain **food sovereignty** and never relive hunger and ration books.
- Our **cohesion policy**, developed since 1988 brought new Member States into the fold with the promise of solidarity and shared prosperity. The reunification of our divided continent is one of our greatest achievements.
- The **Single Market** launched in 1993 enlarged markets beyond national markets and developed this shared prosperity.
- And since 1999, the **single currency** has facilitated trade and is also becoming an instrument of European sovereignty.

And last, let's not forget, at the foundation of all the above, since the very beginning, lies **a set of shared values**: human dignity, freedom, democracy, equality and the rule of law.

This is the heart of our Union, what unites us as Europeans.

We must be proud of all these achievements.

But also realise, that today, perhaps even more brutally than in the past, **we are facing major global challenges on which we must act together.**

Climate change, migration, industrial and technological disruptions, and terrorism are seismic challenges on which Member States cannot deliver alone.

Our Union must be an evolving project.

We must be ready to deliver on new European common goods:

- **A Green Europe**, with the objective to become the first carbon-neutral economy by 2050, making our economy more circular and leading the battle in protecting biodiversity.
- **A modern industrial strategy** to show that Europe is open but not naïve, ready to invest in digital and artificial intelligence, capable of addressing the fundamental challenges of skills and human capital.
- **European defence**, pooling our capabilities, as proposed by President Jean-Claude Juncker, and reinforcing our operational capacity to act together at home, in our neighbourhood and beyond.
- **An ambitious migration policy**, to take control of migration flows coming to Europe, combining the protection of our external borders, the fight against trafficking, the definition of legal avenues and common responsibilities on asylum.

These are just some examples of what we must now do at 27. Building on the unity acquired during the Brexit negotiations.

In reality, today is no time for regrets. The world is fast outpacing Europe.

Europe cannot remain obsessed by the past, when the rest of the world is looking to the future.

It's time to step up. What we do not do for Europe, nobody will do in our place.

Thank you for your attention.