

BREXIT: HEARING THE VOICE OF BUSINESS



I write this in the immediate aftermath of the October European Council. It has been a hectic few weeks for us, following the publication of fourteen UK government position papers over the summer. Many of these respond to things that German business, and in particular the BCCG, have said. So thank you for your help in our efforts to give businesses the certainty they need during the Brexit process. I hope the papers go some way to doing that. If you haven't read them already, you can do so at www.gov.uk. Please do send us, and the BCCG, your comments and further questions.

As Angela Merkel said in Brussels, the "process is moving ahead step by step". The Prime Minister's speech in Florence gave a new dynamic to the talks, which continue to take place in a constructive and friendly spirit of partnership, "and now both sides must move". The UK government has listened to the voice of business about the importance of avoiding a "cliff edge" in March 2019, to allow it to plan. The Prime Minister therefore said, in her Florence speech, that there will need to be a transition period in which the EU *acquis* continues to apply. This is a formulation originally adopted by the EU27 in their Guidelines, so there is now good convergence between the two sides on this point. We hope to negotiate the details after the December European Council. But it gives you a good degree of certainty about the trading conditions between the UK and Germany for the next three and a half years.

And many of you have asked about Brits living in the EU, or EU nationals living in the UK. Protecting the rights of UK nationals in the EU27 and EU citizens in the UK has been the Prime Minister's priority from the very beginning. We have reached agreement with our European partners on the broad framework for granting residence, the rights of frontier workers, social security rights,

and reciprocal healthcare and will be working hard in the coming weeks to finalise this chapter of the Withdrawal Agreement.

I appreciate that you also want to know how the final relationship will look. The UK's papers make clear that we will seek a close "deep and special" partnership with our EU friends and allies. UK support for European security will be unconditional. We do not envisage a competitive model, cutting regulation and tax, but instead the closest possible economic partnership, involving cooperation on standards and dispute resolution. We know there will need to be a new balance of rights and responsibilities, so that the single market is not undermined by Britain's status. We are keen to negotiate the details with our EU partners, to create more clarity for business, families and other stakeholders as quickly as possible.

The exact details will take time to negotiate, of course. In the next phase, the UK government will want to refine the positions outlined in the summer papers, and the EU27 side has finally begun its own preparations to develop its position.

Both sides will want to hear from business about what they want, and the BCCG is a great vehicle to use to get points of view across. Once negotiations start, it is inevitable that negotiators focus on the texts and issues in front of them, so we will need constant reminding about the big picture and the value of the relationships we have. These go beyond trade, of course, but €176 billion of annual trade between the UK and Germany, and 600,000 jobs in both countries depending on investment from the other, are worth prioritising in these talks. I expect you to hold us, and German and EU negotiators, to account to deliver you an outcome that allows you to carry on and expand the fantastic trade and investment relationships that exist between the UK and Germany, and I look forward to further discussions with BCCG members at events across the country.



Nick Leake
British Deputy Ambassador