TWO AND A HALF ROUTES TO BREXIT INDEPENDENCE COMPARED

by

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	Route A	Route B	Route C
Name of proposed Agreement	Mrs May's Withdrawal plus Political Declaration (WA)	Canada Style Trade Agreement (CAN)	Clean Break Agreement (CB)
Net Cash payments to EU 2019-2025	£47 Billion	£35.5 Billion	(£13.5 Billion) Net cash flow to UK
Pinch-points	Difficult negotiations over fishing licences, Irish border, so-called "level playing fields" and non-EU imports. EU rules for State Aid will apply.	Rules of Origin for non-EU goods. EU rules for State Aid may apply. Fully on-line customs declara-tions at Channel ports and Irish land border by end of transition.	New Customs Code and New on-line Customs facilities needed. Trade negotiations with EU and non-EU can start April 2019. WTO rules for State Aid apply.

Important to recognise: No trade negotiations have started yet for Route A

Only B and C deliver full Independence:

A delivers only partial Independence

B gives least UK-EU customs for EU-UK goods,

but requires Rules of Origin for non-EU-UK goods.

C is the cheapest, and easiest for non-EU Free Trade Agreements

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WHAT BEING AN INDEPENDENT COUNTRY MEANS

An independent country is one whose laws are decided only by itself. Up to 1973, when Britain joined the EEC (as it then was) the elected Parliament at Westminster was the supreme source of Statute Law in Britain. From 1973 to the present the supreme source for all commercial and connected social matters is the European Court of Justice.

Independent states can make agreements with other states to do certain things, as do individuals, but such agreements are never for unlimited times, nor for undefined circumstances in the future. There are 194 members of the United Nations, but the 27 member-states of the EU (Britain excluded) are clearly not independent on this definition. Nor were the 9 states of Eastern and Baltic Europe (Warsaw Pact) until they physically broke away from the Soviet Union in 1989-90.

Britain's decision in the Referendum of 23rd June 2016 was to become independent again in the meaning above. Only British Laws and Regulations passed by the British Parliament would apply in Britain. It is insulting rubbish to assert as does the so-called "People's Vote" campaign, among others, that people voted in 2016 not knowing what they were voting for. The referendum question was perfectly clear, alternatives having been pored over by the Electoral Commission: "Do you wish Britain to **Remain** in the European Union or **Leave** the European Union?"

What United the Leavers?

As someone who canvassed in the streets, knocked on doors, fielded questions at public meetings and in the media, this writer can testify that what united "leave" voters was to use independence to be rid of four things in particular[3]:

1 the free movement of EU nationals to settle in Britain at will;

2 large compulsory annual payments to the EU budget;

3 the authority of a foreign court over large parts of British national life;

[3] Professor Stephen Bush in The Times of 25th October 2018.

4 in coastal parts especially, the unrestricted right of EU boats to fish in the UK's Exclusive Economic Zone[4].

Control over these matters are all routinely exercised even by the smallest of those 167 members of the United Nations who are *not* members of the European Union. They include big countries like Korea and Canada, with which the EU has concluded far-reaching trade agreements with none of those four things even mentioned, down to little countries like Barbados and Mauritius. Independence of the UK from the EU will thus bring back to the UK these same rights, as well as the right of making trade agreements with non-EU countries.

Prime Objective of May-Robbins[5] Negotiations NOT Consistent with British Independence

This should have been to secure the UK's legal, commercial and financial Independence from the EU.

Few foresaw that our negotiators would be led and encouraged by the Prime Minister to pursue getting a leaving agreement, *any* agreement, as its prime objective. This could not possibly lead to the independence of the United Kingdom, even in the middle term (up to 15 years ahead to 2034), let alone in the short term (2019-2024). After two and a half years of muddled negotiation, trade negotiations have not even begun.

A *direct result* of what has just been signed in Brussels (25th November 2018) is the absurd *proposal* for keeping Britain, through the so-called backstop, in effect a prisoner of the EU and the Republic of Ireland in their Customs Union for an indefinite period beyond the transition period ending on 31st December 2020.

By contrast the EU was crystal clear about its objectives which were spelled out by the European Council for all to see on April 27th 2017[6], four weeks after Britain triggered the famous Article 50 in the Lisbon Treaty[7]. From these three principles it has deviated not a jot – nor will it ever.

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[4] These are defined in the United Nations Convention, The Law of the Sea III (1985), as 200 miles on a perpendicular line from a country's coast to the Continental Shelf edge, or another country's line drawn similarly.
[5] Oliver Robbins is the ex-Treasury Civil Servant who was nominated to set up the Department for Exiting the EU under its political Head, David Davis. After falling out with Davis, Robbins, an ardent Remainer, was transferred to the Number 10 Policy Unit, from which he emerged as Mrs May's principal EU advisor and then, amazingly, as the UK's chief negotiator, with no experience of international negotiations at all.

THERE ARE ONLY TWO ALTERNATIVE DESTINATIONS FOR THE UK IN THE MIDDLE TERM 2025-34

Either Destination (1):

To be inside a goods free-movement zone (FMZ) with the EU

and whichever other countries the EU chooses to make agreements with, including Turkey, Canada and Korea. Essentially this will be in an EU-ruled Customs Union, the ultimate legal authority being the European Court of Justice (ECJ). Goods imported from outside the FMZ would bear *either* "rules of origin" tariffs according to the EU's Generalised System of Preference (GSP), *or* the EU's external tariffs set out in its Union Common Code (UCC).

Or Destination (2):

To be part of a network of world-wide trading partnerships

These partnerships include the 27-member EU itself, the 4-member European Free Trade Area (EFTA) [8], potentially the 10-member Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP)[9], and possibly a new 2-member UK-USA Partnership (UUP). By 2030 Britain should also have replicated the EU-Canada (2017), EU-Korea (2011) Free Trade Agreements and probably negotiated a UK-Japan FTA[10].

EXACTLY HOW MUCH HAS THE SINGLE MARKET "ACCESS" REALLY BEEN WORTH TO BRITAIN?

It is always assumed in every paper, speech, negotiation about the EU that tariff-free access is uniquely valuable to Britain. At present Britain, like Germany, pays no tariffs on goods sold in the rest of the EU's famous "Single Market", but both countries pay fees to belong to it. The

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[6] European Council 27th April 2017
[7] Stephen F Bush (2016) "Britain's Referendum Decision and its Effects", 268 pages, published by Technomica, available on Amazon and downloadable from www.stephenbush.net.
[8] EFTA members: Switzerland, Norway, Iceland, Lichtenstein.
[9] CPTTP members: Australia, Brunei, Canada, Chile, Japan, Malaysia, New Zealand, Peru, Singapore, Vietnam.
[10] FTA – nominally a "Free Trade" Agreement, but in practice (e.g. Korea, Canada) an agreement for mutual tariff reduction.

USA pays tariffs on its goods sold in the Single Market, but pays no fees. Who gets the better bargain?

Over the 7 years (2011-2017), Britain paid the EU an average of £11 billion net, after payments back to Britain under the Agricultural Policy and the Growth Funds[11], and the £3.5 billion Thatcher rebate (which the EU would in any case love to be rid of).

This fee bought tariff-free entry to the Single Market for an average of £146 billion worth of UK exports, of which food and cars were the biggest single items. In effect the British taxpayer paid an equivalent tariff[12] of £11 billion divided by £146 billion, i.e. 7.5%, actually for the benefit of British exporting companies.

On the same calculation, Germany paid an equivalent tariff averaged at about 3.2%. The USA paid an average tariff on its goods exports to the EU-27 of 4.2%[13].

Table 1: UK exports to EU-27 compared with US exports to EU-27 and UK exports to non-EU countries in billions of 2015 US dollars[14]

Year	**UK Exports in billions of 2015 dollars to:**		**US Exports in billions of 2015 dollars to:**
	EU-27	**Non-EU-27**	**EU-27**
1993	182	138	126
2000	234	159	173
2010	244	206	204
2016	215	237	210
Increases 1993-2016	18.1%	71.7%	66.7%
Average annual increases over the period	0.68%	2.3%	2.1%

[11] Formerly known as the ERDF – European Regional Development Fund. This offers cash to support R&D, plus some infrastructure, on a "matched-funding" basis.
[12] S F Bush, Daily Telegraph, 27th January 2016.
[13] WTO International Trade Statistics for years 2011 -2016. EU-27 means all present day EU states except the UK.
[14] Pound Sterling exports and $ dollars export of each year are adjusted to 2015 values so that inflation and £:$ exchange rate variations are factored out, i.e. these are true comparisons of the 3 categories from 1993-2016. Data sources: UK ONS Pink Book; US Dept of Commerce, International Trade Division; Eurostats.

Notes on Table 1

(i) UK exports to non-EU and US exports to the EU paid the WTO registered tariffs without any special deals.

(ii) Seeing that the real terms increase of UK exports to non-EU markets were more than three times the increase to the EU's Single Market over the same 24-year period, why does anyone advocate the UK's paying fees to belong to it?

THE THREE ROUTES TO INDEPENDENCE FROM NOVEMBER 25TH 2018

Route A	Route B	Route C
Mrs May's EU Withdrawal Agreement (WA) including Irish Backstop, plus the Political Declaration (PD)	Canada Type Free Trade Agreement (FTA) with the EU with zero tariffs, but rules of origin checks on non-EU goods	Clean Break Agreement (CBA): initially tariffed trade with the EU as with Australia, USA, and other WTO members followed by a series of FTAs with such countries including the EU

There are variants of A, B and C around, but I think these three capture most of their essential features, both as to immediate practical action (March 30th 2019 onwards) and the long-term position (2034 on) of the UK. The so-called "Norway" option (referred to in Norway itself as "government by email") is actually Mrs May's WA, if after the transition period the UK is kept indefinitely in the EU Customs Union (see below, page 13).

Rampant Defeatism among business leaders

Unlike the Falklands, when the senior admirals and most administrators, while fully aware of the risks, devoted themselves to winning, most corporate business leaders have devoted their public utterances to complaining about uncertainty to their media allies. They received a brisk rebuke when one of their successful number: Tim Martin, owner-manager of a major brewing and pub business, on 16th November 2018 on the BBC PM Programme, firmly maintained: "Business is full of uncertainty – that's what business is about."

Table 2: Routes and Time-lines to Brexit from March 30th 2019

Date			
1/3/19	Latest date to advise EU which route the UK is going to follow		
30/3/19	Start of Transition for all Routes		
	(A) **Withdrawal Agreement**	**(B)** **Canada Style Agreement**	**(C)** **Clean Break Agreement**
	Negotiations start on "deep" Trade Agreement. UK remains in Customs Union and applies CET[15].	Negotiations start on EU Trade Agreement. UK Customs Codes are established initially using CET values.	UK Customs Codes established and sent to WTO. Negotiations start on FTAs. UK initially uses EU's CET values in its Customs Codes.
30/3/20	New Customs Technology installed on Northern Ireland and Dover borders.		
31/3/20			Transition ends
31/12/20	Transition ends	Transition ends	First FTA activated
1/1/21-31/12/25	Backstop applies or Transition is extended. Negotiations continue, particularly on Rules of Origin. UK-EU trade deal finalised.	Free Trade Agreement concluded with EU. Negotiations start on FTAs with Australia, Canada, New Zealand, EFTA, Mexico.	Negotiations concluded with EU, Australia, New Zealand, Canada, EFTA, Mexico. UK selectively replaces EU CET with new values for each Standard International Trading Classification (SITC).
By 31/12/25	UK leaves EU Customs Union?	Free Trade Agreements with Canada, Australia, New Zealand, EFTA, Mexico concluded.	

Notes on Table 2

(i) **WTO:** World Trade Organisation sets the rules for international trade and adjudicates on any complaints. The EU is a member of the WTO and like the UK is bound by its rules.

(ii) **Withdrawal Agreement:** Mrs May's published Withdrawal Agreement and Political Declaration. Trade negotiations expected to start in April 2019.

(iii) **Canada Style:** Promoted by a significant number of Conservative MPs, based on the EU-Canada Trade Agreement of 2017. Negotiations to start in April 2019. Twenty-one month transition on the basis the UK is, like Canada, a single customs territory, but with zero tariffs between it and the EU from the beginning.

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[15] CET – EU's Common External Tariff is applied to all goods entering the EU according to its Generalised System of Preference (GSP).

(iv) **Clean Break:** The UK cancels its commitment to the provisions of the Withdrawal Agreement and negotiates a 12-month transition to an EU-UK tariffed trade system which will simply slot in to the non-EU system already in place at our borders.

Route A – Mrs May's Withdrawal Agreement Plus Political Declaration (WA + PD)

The Government's WA itself incredibly says nothing specific about which destination it is intended to end up at. The Political Declaration, cobbled together at the last moment, merely says in Part II "Economic Partnership" that its aim is :

- The EU and UK form a single customs territory with no tariffs, "fees" or quota restrictions, *and*, according to Mrs May's declaration in Buenos Aires on 29th November 2018, no Rules of Origin Checks. *This is an impossible combination of objectives*. No Free Trade Area could ever agree to this, especially when nearly *half* of Britain's imports come from outside the EU-UK putative customs territory.

- An intention to replace the legally binding "backstop" with "alternative arrangements for ensuring the absence of a hard border". The EU/Republic of Ireland have a veto as to when or if this would occur.
- Britain's negotiators should require the whole of the Irish border protocol to be removed from the WA, along with all the "backstop" nonsense, which no other member of the 167 UN non-EU members would tolerate for a moment.

- The Political Declaration says nothing about controls on the entry of non-EU goods into the UK

At best this can be called "Qualified Independence" sometime in the future. This is still further qualified in the PD by:

- An agreement for the EU to have "*inter alia* access to and quotas for fishing in UK waters"
- UK to follow EU in the areas of *inter alia* state aid, employment standards, climate taxes, to provide so-called "level playing fields".

Overall, Mrs May's WA and PD have the flavour of a surrender document imposed on an opponent after major defeats in the field, as the Allies imposed on Germany in 1919.

Route B - The Canada Style proposal (CAN)

The proponents of Canada Plus envisage the EU agreeing to the present EU-UK zero tariff continuing for British and EU goods, without specifying how the entry of non-EU goods from the UK will be controlled. At nearly £170 billion (2016) the total of these are almost as big as the £240 billion flows from the EU to the UK, bigger in fact than for any other EU member state.

In order for the EU to accept that the UK will wish to make trade agreements (FTAs) with non-EU countries, *the UK will have to adopt one of two rules of origin approaches for such FTAs:*

Either
(i) apply the EU's tariff, as set out in its Generalised System of Preferences, to the non-EU goods entering the UK (as it will through the transition period), and then offer the relevant importer a rebate of the difference between the EU's tariff and the UK's. This arrangement would mean the imported good will have free circulation in the EU thereafter.
Or
(ii) apply the UK's tariff at entry – "pay where you enter" (PWYE)[16], which clears the product to circulate in the UK, then the product pays the EU tariff if it were subsequently exported to the EU. If the importer declared at entry to the UK that the EU was its ultimate destination, then HMRC's transit reliefs would operate, so that the good wouldn't actually pay the UK tariff[17].

Route C – The Clean Break Proposal (CB)

This means that from March 30th 2019 the UK becomes a WTO trading partner of the EU, like its daughter country Australia. A simple 2-page agreement will be needed for the EU and UK to continue for a short transition period (of say 12 months) the present zero tariff regime between themselves, with the CET rates applying to non-EU imports to the UK pending new UK tariff rates being applied by a newly expanded UK Customs System.

[16] SF Bush letter to Daily Telegraph 17th May 2018.
[17] If it were a component in a finished product being exported, e.g. a Sat-Nav in a car, then this would be identified in its export ledgers like the VAT rebate.

The media should stop treating the no trade deal Brexit as somehow chaotic and disastrous for the British economy, or British business specifically. Trade negotiations break down all the time – that's why they take so long. A Canada style negotiation between two sovereign powers, the EU and the UK, could start any time after Brexit day.

All the technology needed for non-intrusive recording of tariffs due from traffic flows across the ROI-NI border is already available or discernible. It needs applying to all UK and EU borders anyway on grounds of speed and efficiency[18].

Table 3: Tracking Cash Debits and Credits on the Three Routes to Brexit Independence[19]

<table>
<tr><th>Item</th><th>Route A:
WA-PD
£ billion</th><th>Route B:
Canada Plus
£ billion</th><th colspan="2">Route C:
Clean Break
£ billion</th><th>For reference if Britain were to stay in EU (on current terms)
£ billion</th></tr>
<tr><td colspan="6">Transition Costs[20] £830 million per month</td></tr>
<tr><td>2019</td><td>8.0</td><td>8.0</td><td colspan="2">8.0</td><td>8.0</td></tr>
<tr><td>2020</td><td>10.0</td><td>10.0</td><td colspan="2">(transition ends)</td><td>10.0</td></tr>
<tr><td colspan="6">Reste à Liquider[21] plus FTA costs plus Tariff Debits & Credits</td></tr>
<tr><td>2021-2025</td><td>29.0</td><td>17.5</td><td>7.5</td><td>29.0</td><td>60.0</td></tr>
<tr><td>Estimated total payments 2019-2025</td><td>47.0</td><td>35.5</td><td colspan="2">13.5
(net credit)</td><td>78.0</td></tr>
<tr><td>Beyond 2025 (guesstimate)</td><td>5.0 per annum</td><td>2.0 per annum</td><td colspan="2">-</td><td>11.0 per annum</td></tr>
</table>

Notes on Table 3

(i) All figures are approximate.

[18] The Treasury estimate of border costs of 4% of trade value is wildly exaggerated. New technology will probably come out at less than 0.2%. The world's largest shipper reckons that the cost of clearance for a 20-tonne container is $46.

[19] These are actual cash in £/€ terms which Britain would have to pay. They are nothing to do with forecasts about future Gross Domestic Product results. Figures are in constant 2018 pounds at 1.13€ : £1.

[20] Based on estimates "The Brexit Bill", House of Commons Library Briefing Paper, 30th July 2018.

[21] Reste à liquider (RAL) EU term meaning approved cash for projects in member states, but not spent by December 2020, the end of the EU current 7-year budget.

(ii) Route A assumes that the humiliating so-called backstop has been removed and the EU/Republic of Ireland told that new customs technology (NCT), already being installed abroad, will apply on the British side of the ROI/Northern Ireland borders and the Calais/Dunkirk borders in the first instance[22].

The outstanding observation is that staying in the EU would be immensely costly, even when all Brexit routes allow for transition costs at the current rate of EU budget payments. The claimed unspent commitments in the 2014-20 EU budget (so-called RAL) payments from 1st January 2021 to 31st December 2025 are allowed at the full amount estimated by the OBR[23] for route A and half that amount for routes B and C treating them as debts incurred up to 29th March 2019, the exact amounts to be negotiated during the transition periods.

(iii) Route C (WTO but no FTA charges) has a *large net cash flow to the UK* because of the over £7 billion p.a. that would be collected from EU goods importers. There is a key point here. There will have to be a form of compensation to UK exporters – in the form of R&D and Apprentice credits of around £2 billion, while for the general consumer who pays for imports, the Government will need to increase benefits by around £5 billion (see State Aid below).

The Norway option and joining the European Economic Area (EEA)

This is simply a variant of staying in the EU, possibly a bit cheaper (Table 3). It has been described as "government by email" because it is closely bound to Brussels, and at £230 per person it is not much less than the gross figure of £290 which Britain has been paying of late to the EU. It is simply the EU Single Market and Customs Union for goods minus access to Norway's fishing grounds (which the *EU will not replicate for Britain*). Various sections of the Labour party, along with a small number of Conservatives are espousing this for some reason. It requires "Free Movement of persons" and is squarely aimed at Destination (1) and therefore would not, could not, deliver British independence. It would be more expensive than any of A, B, C and leads nowhere. It will not therefore be considered further in this paper[24]. It is also certain the EU would not want to enter another complex negotiation to limit free movement as some advocates seem to think.

[22] In all the discussion of what Britain has to do to please the Irish, not a word has been spoken of the need for the Republic's need to catch up on NCT.
[23] OBR Office of Budget Responsibility – an odd title for what is in effect a Treasury Checking Agency.
[24] Even further away from Independence than WA. Ex-politicians like Tony Blair and Michael Heseltine have been campaigning to reverse Brexit and go back to the EU.

UK INDUSTRY POLICY AND STATE AID

A country can only make good its political independence, if, like a private individual, it pays its way in the world. That means basically that the goods and services it *buys from* the rest of the world are paid for by the goods and services it *sells to* the rest of the world, not necessarily precisely every year, but over say a 5-year period. Where it sells less than it buys, it has to make up the difference by asset sales (quaintly classed by the Treasury as inward investment) or by secured loans from foreign banks.

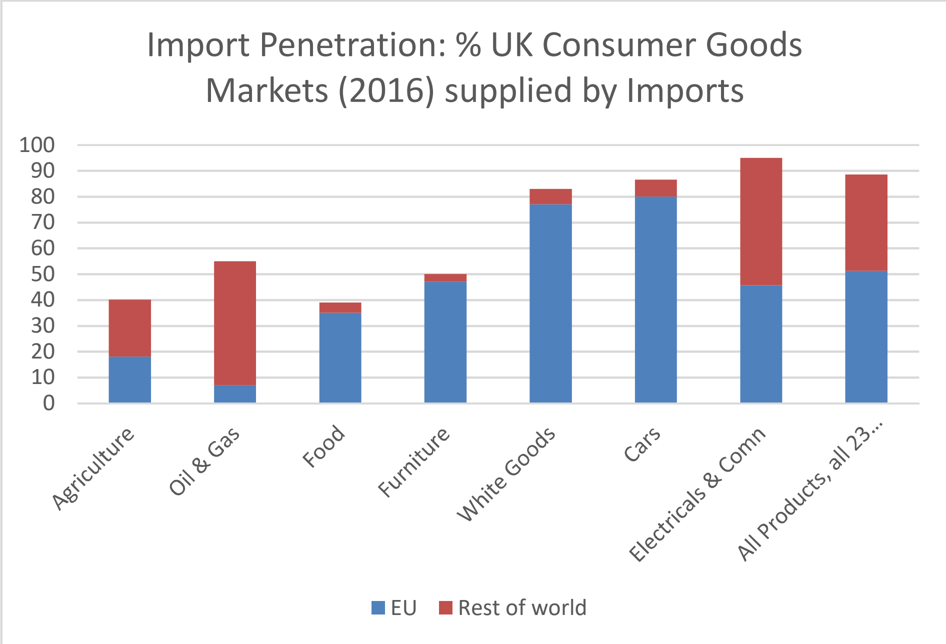
It has been the enduring failure of the British economy to balance its goods trade that has led to the long-term decline of the pound sterling against all the other major traded currencies: from 2.8 US Dollars, 12 Deutsche Marks (6.1€ equivalent), and 20 Swiss Francs in 1960, to 1.3 US Dollars, 1.12 Euros and 1.3 Swiss Francs in 2018.

In the 25 years of the Single Market, with the full force of the huge range of EU exports unleashed on it, the UK goods deficit with the EU has grown remorselessly from £5 billion in 1992 to £96 billion in 2016. In 2016, the UK ran up a deficit on goods trading of £134 billion with the whole world, similar to the cost of the National Health Service. After the positive balance on services and net income on the country's overseas investments are allowed for, the balance on our current account is around £70 billion in the red, which has to be paid for by assets sales and loans.

Figure 1 overleaf shows for 2016 the devastating effect which industrial decline has had in another equally tangible way – the share of seven of the largest British consumer markets, plus oil and gas, taken by foreign imports. There are all-told 23 internationally accepted main categories of production. In only two, food and furniture, do British products equal or outsell imports in their own home markets.

It is one thing to have free trade between countries which are broadly in value balance with each other over, say, 5-10 year periods, but when the goods trade deficit reaches 6.5% of GDP (2016 figure), a higher proportion than for any other member of the 36 member countries of the OECD, bigger even than the United States (4.7% in 2016), then it must be accepted that something is seriously, structurally wrong with the UK economy.

Figure 1: Percentage of UK Goods market supplied by EU and Rest of World



Notes on Figure 1

(i) This shows the 7 most prominent consumer goods categories. The average import penetration over all 23 industrial and consumer product classes is **88%**, actually more than for consumer goods alone.

(ii) Every major economic power built its export strength on its home market – as Britain itself did in the 18th and first half of the 19th centuries.

(iii) Only a long-term, dedicated, industrial regeneration programme based on a new generation of everyday products incorporating the latest minimum waste (sustainable) principles, manufactured using the latest equipment operated at the highest productivity, will be able to reduce those home-market penetration levels in Figure 1 to say an average of 78%, and provide Britain with a broader range of things to sell abroad[25, 26]. Worries over the supply of medicines and key medical equipment during the Brexit process in part reflect these terrible figures.

[25] Stephen F Bush, "Produce and Sustain: an Industrial Blueprint for Britain", Technomica Paper 7 (2018) shows how this can be tackled. It is available with other Technomica papers at http://britain-watch.com/external-relations/european-union/3/#technomica-papers/

[26] Chinese trade ministers have been known to remark that the reason for the £10 billion imbalance in China-UK trade is that "Britain does not have enough things to sell".

State Aid for producing more goods

To achieve the industrial regeneration outlined above, around £50 billion over 10 years is estimated to be necessary[25], all of which can comfortably be found by cancellation of HS2.

Mrs May's Withdrawal Agreement retains EU state aid rules. Canada Plus and Clean Break do not. Their state aid choices would be governed by WTO rules.

The principal difference between EU and WTO rules is that the EU works on an approvals basis, while the WTO is retrospective on a complaint basis. The EU imposes fines for breaching the rules. The WTO does not. The UK managed to invest only 0.5% of GDP as state aid in 2016. Germany spent 1.4%[27], so both the need and the scope for state aid, market-led investment (Figure 1) is huge.

Customs and borders

It is reliably reported[28] that around 23,000 heavy goods trucks cross the Swiss-EU borders every day without a hitch, compared with an average of about 100 crossing the Northern Ireland-Republic of Ireland border – mainly on the Belfast-Dublin main road. In total this traffic is around one half of one percent of total EU-UK trade. Over one third of this is accounted for by one firm – Guiness. It is plainly ridiculous that the Irish Republic's insistence, backed by the EU, on having no customs along its border with Northern Ireland, has effectively brought Mrs May's negotiations to a halt.

As provided for in the UK's CHIEF system, currently being replaced by the new CDS (Customs Declaration System) software, customs declarations and VAT payments will very soon all need to be made on-line. The UK system also provides bonded warehouses which are used for non-standard customs clearance issues. Importers of goods to Northern Ireland from non-EU countries may be expected to use these. The Swiss system allows customs clearance at offices throughout the country, remote from the border crossings themselves, with generous time allowed, dependent on whether goods come by road, rail or water.

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[27] European Commission State Aid Scoreboard 2017 page 3.
[28] Michael Ambühl at a Policy Exchange meeting on 19th April 2018 in London. He is the former chief Swiss negotiator with the EU.

It is up to the Republic of Ireland to make similar arrangements in their territory to handle UK goods coming from Northern Ireland and Great Britain.

While barely mentioned, illegal immigration is of far greater concern to the UK authorities than smuggled goods – an ancient activity. Up to now, EU immigration into the UK via the Republic of Ireland has been very small because of the short road, sea and air links from the EU to the South East of England. When EU nationals also become subject to UK immigration control, a completely open NI-ROI border will be unacceptable to the UK as the Republic of Ireland authorities know perfectly well. Britain can easily employ the same technology for customs checks – cameras, number-plate recognition - as they have used for checking the road tax and insurance status for years. The ROI must be asked what they intend to do to stop illegal immigrants and goods coming from their territory into the UK.

THE BASIC CHOICE

Since Mrs May's Withdrawal Agreement (Route A) can deliver at most only partial independence, the choice now in December 2018 comes down to Canada style (Route B) or Clean Break (Route C). Whichever route is chosen, henceforward it is vital that the present team of failed negotiators be replaced.

Treating the UK as a single national economic entity, as we should, Route C is far less costly than route B and trade negotiations with other countries can start more or less right away, but it requires increased customs checks at least in the medium term, 2020-34. Given that world-wide tariffs are likely in the long-term (2034 onwards) to reduce significantly, Routes B and C could eventually end up in the same place.

About the Author

Stephen Bush is Emeritus Professor of Process Manufacture and Polymer Engineering at the University of Manchester and director of Prosyma Research Ltd. Before Manchester, he served for 11 years as ICI's Group Manager for Process Technology in the United Kingdom and then ICI's Group Manager for Systems Technology on the European Continent. In 2014 he was a finalist in the IEA's international competition to provide a Blueprint for Brexit and in 2016 he published under the Technomica label "Britain's Referendum Decision and its Effects". It can be found on Amazon and at http://stephenbush.net.