LSE Brexit: No deal all over again?

No deal all over again?

While the UK economy is on course to suffer the worst COVID-19 damage of any OECD country, the prospect of a no-deal Brexit has re-emerged after four rounds of negotiation have stalled, write **Ros Taylor** and **Roch Dunin-Wąsowicz (LSE)**.



There's no sign of the government countenancing a Brexit extension yet – but full border checks when the transition period ends will now be <u>scaled down</u>. This will make for a 'pragmatic and flexible approach'.

Welcome to the Britain's self-inflicted post-Brexit unlevel playing field. Not so much take back control but abandon control and expose UK business to one-way free movement of goods. Telling that this is what now passes for good news. https://t.co/Fa7uoZloTR

— Simon Nixon (@Simon_Nixon) June 12, 2020

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The UK economy shrank 20.4% in April and the OECD predicts a decrease in the UK's national income of 11.5% this year, which will outstrip the falls in all other western economies. Despite these forecasts, the lack of progress between the negotiating parties means no deal is a possibility. This would mean that more than half of the UK's current imports from the EU would incur a 5.7 per cent tariff.

Talks will now be 'intensified' and Boris Johnson will meet EU leaders on Monday 15 June. 'Not met anyone EU-side who expects a breakthrough at the moment,' says the BBC's Katya Adler.

However, Whitehall and Berlaymont are not the only players in the game:

The European parliament could veto UK-EU trade deal, according to leaked resolution.

I know you've heard this one before, but here's the twist...(thread)https://t.co/SPvFbUbUqk

— Jennifer Rankin (@JenniferMerode) June 10, 2020

However, as <u>reported last week</u> a compromise will probably be reached during Germany's EU Council presidency – 'when the cost of failure will become significantly more tangible', as Sam Lowe <u>writes</u> for the CEU. In the meantime, some of the EU members most vulnerable to no deal, such as Ireland and Belgium, are pressing the European Commission to update its COVID-19 tumults to <u>take account of Brexit</u>.

The UK in a Changing Europe has a meaty new report about fisheries and Brexit. Cod be a good read.

On LSE Brexit

The Brexit divide may have an indirect effect on the phenomenon of lockdown scepticism, writes Patrick Sturgis, Jonathan Jackson and Jouni Kuha:

Lockdown scepticism is part of the Brexit divide

'It means Europeans aren't at the front of the queue': beyond the liberal/ cosmopolitan divide

Brexit thinking, and indeed the immediate material consequences of that decision, stymied the government's response to the virus, at a great human cost, writes Jonathan Hopkin:

Brexit thinking poisoned the government's response to COVID-19

Finally, a reminder of happier days:

Brexit will not affect your summer holiday to the EU, Britons told https://t.co/8LOggpLUDf

— SkyNews (@SkyNews) January 17, 2020

Image: "European Commission – Berlaymont" (CC BY 2.0) by libereurope.

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