

# CDL Commons statement on Brexit preparations: 8 October 2019

Mr Speaker, with your permission I would like to make a statement on our preparations to leave the European Union on 31 October and the steps we are taking to get ready.

## **Our desire for a deal**

It is the strong desire of this Government to leave the EU with a deal.

Our proposals to replace the backstop were published last week. I commend the Prime Minister and the Exit Secretary for their continued efforts to ensure that we can leave the EU with a withdrawal agreement in place.

We have put forward a fair and reasonable compromise for all sides that respects the historic referendum result and we hope that the EU will engage with us seriously.

In setting out these proposals, we have moved – it is now time for the EU to move too. If it does, then there is still every chance we will leave with a new deal.

## **Preparing for every eventuality**

However, if the EU does not move, this government is prepared to leave without a deal on the 31st .

We must get Brexit done so the country can move on and focus on improving the NHS, cutting crime, helping families with the cost of living and further improving school standards

Now, In preparing for every eventuality, we are today publishing our No Deal Readiness Report.

This document is a comprehensive summary of the UK's preparedness for leaving the EU without a deal.

It sets out the preparations that the Government has made, how these have been intensified under the determined leadership of my Rt Hon Friend the Prime Minister, and also it outlines the steps that third party organisations need to take in order to get ready.

## **Government preparations**

Mr Speaker, the actions in this report reflect our top priority: ensuring we maintain the smooth and efficient flow of goods and people from the UK into the EU, and vice versa. The actions are also aimed at ensuring that we continue to support citizens – upholding their rights and helping them to prepare for the changes ahead.

My Rt Hon Friend the Chancellor in order to prepare for Brexit has doubled funding from £4bn to £8bn.

And we have also published a significant volume of material relating to no deal planning, including 750 pieces of guidance setting out the steps that businesses, traders and citizens should take in order to prepare.

We have also published 31 country guides for all EU/EFTA states, setting out what UK nationals living there need to do in order to get ready for Brexit.

And this morning, my Rt Hon Friend the Trade Secretary has published the Temporary Tariff Regime which will apply from the 1 November. In all, it liberalises tariffs on 88% of goods entering the UK by value. It maintains a mixture of tariffs and quotas on 12% of goods, such as beef, lamb, pork, poultry and some dairy products to support farms and producers who have historically been protected through high EU tariffs in the past. I should say that as a result of cutting these tariffs we should see a 15% reduction in the cost of honey from New Zealand, a 9% cut in the cost of grapes from South America and of course a 7% reduction in the cost of wine from Argentina.

Now Businesses have raised a number of points in response to the publication of the original tariff schedule in March. Government listened carefully to these representations and has made three specific changes as a result: we're reducing tariffs on HGVs entering the UK; we're adjusting tariffs on bioethanol to retain support for UK producers; and we're also applying tariffs to additional clothing products to ensure that developing countries continue to have preferential access.

### **Third party readiness**

But it is not enough just for government to get ready; we need businesses and citizens to get ready too. And even with every government project complete and necessary IT systems in place, flow at the border would still be affected if hauliers don't have the right paperwork.

If companies do not prepare, they will face challenges in trading their goods and services with the EU.

And while the Government can of course lobby EU member states to improve their offer to UK nationals who are living in their countries, we need individuals to act as well, to register for residency and to make arrangements for continued access to healthcare.

For that reason, the Government is investing £100 million in one of the largest Public Information Campaigns in peacetime. Through both mass market and targeted advertising, we are alerting businesses and citizens to the actions they need to take to get ready.

And we are also providing a further £108 million to support businesses in accessing the information and advice they need.

My Rt Hon Friend the Business Secretary is overseeing a series of events with businesses around the country, designed to provide information on all the

steps they need to take to get ready, including actions which will support the flow of trade through the short straits..

My Rt Hon Friend the Health Secretary has also today established a trader readiness support unit for suppliers of medical products.

And this week, HMRC is writing to 180,000 businesses setting out the full range of steps they need to take in order to import and export with the EU after we leave.

And of course in advance of 31 October, we will continue to use every means at our disposal to communicate to business the need to get ready.

I want to pay particular tribute to the automotive, retail and transport sectors, including authorities at the Port of Dover and Calais, as well as Eurotunnel, for the extent of their Brexit preparations.

On a recent visit to the West Midlands, the heartland of our automotive industry, I was impressed by the steps that manufacturers are taking to prepare.

And Retail businesses have also made significant strides: Morrisons, for example, now reports it is "prepared for all eventualities" in the UK, while the Co-op says it is "prepared for the worst case".

Of course, risks remain and challenges for some businesses cannot be entirely mitigated, even with every possible preparation in place. But the UK economy is in a much better position to meet those risks and challenges thanks to the efforts of these sectors and companies and my Rt Hon friend the Chancellor .

It is also the case, Mr Speaker, that the impact of no deal on both the UK and the EU will depend on decisions taken by the EU and its member states.

On citizens' rights, internal security, data protection and of course the vital position of Northern Ireland in the United Kingdom , we have taken decisions which will benefit UK nationals as well as EU citizens, I hope the EU will match the generosity and flexibility that we have shown.

Through the EU Settlement Scheme, we have ensured that every EU citizen resident here by the 31 October can acquire a formal UK immigration status, protecting their right to live and work in the UK.

To date, 1.7 million citizens have applied and 1.5 million have been granted a status. Those who have not yet applied have until the end of December 2020 to do so.

So far, very few EU member states have made as generous an offer to UK nationals as the UK has made to EU citizens.

We don't believe that citizens' rights should be used as a bargaining chip in any scenario. EU citizens in the UK are our friends and family – we want them to stay. We now hope the EU extends the same hand of friendship towards UK nationals as we have to EU Nationals.

At the same time, keeping our fellow citizens safe should be a priority. My Rt Hon Friend the Home Secretary has written to Commission Vice President Frans Timmermans to ensure effective arrangements are in place on the exchange of Passenger Name Record data, disconnection from SIS II, and working arrangements with Europol, as well as the transfer of law enforcement data. We hope the EU will respond positively, in the interests of the shared security of us all.

And We have also unilaterally ensured that personal data can continue to flow freely – and legally – from the UK to the EU and the EEA. A swift adequacy decision from the EU would reciprocate this arrangement, providing legal certainty to EU entities and companies.

And of course with respect to Northern Ireland, in order to avoid a hard border, we have committed not to introduce any checks at the border between Northern Ireland and Ireland. The limited number of checks which do need to take place, due to international obligations, will all be carried out well away from the border and only will affect a very small number of businesses.

Now The Irish Government and the EU have not yet set out how they will manage the Irish border if we leave without a deal – we urge them now to match our commitment.

### **Opportunities from Brexit**

Mr Speaker, let me finally turn to the opportunities from Brexit as laid out in the report.

For the first time in 50 years, the UK will have an independent trade policy; we'll be able to take our own seat at the WTO.

We will be able to introduce a points-based immigration system which prioritises the skills we need as a country, We will have autonomy over the rules governing our world-leading services sector, and continue our leading role in setting global standards for financial services.

We can be a beacon for the world in setting progressive policies on farming, fishing and the wider environment.

And, outside the jurisdiction of the European Court of Justice, we will set our own rules, putting in place smarter, more responsive regulation.

Of course, no deal will bring challenges – I have been open about that today, as I have been in the past. It is not my preferred outcome, nor the government's. We want a good deal.

But whatever challenges no deal may create in the short term, and they are significant, these can and will be overcome.

Far worse than the disruption of no deal would be the damage to democracy caused by dishonouring the referendum result.

17.4 million people voted to leave – many of them turning up to vote for the

first time in their lives.

They voted to ensure the laws by which we are governed are set by the politicians in this place whom they elect.

They voted for a fairer immigration system, which attracts the brightest and the best

They voted to end vast financial contributions to the EU budget, and instead invest in the people's priorities – such as the NHS and our brave police service.

That is what the British people voted for and that is what this government will deliver.

And I commend this statement to the House.