<u>Statement to Parliament: PM Commons</u> <u>statement on European Council: 18</u> <u>December 2017</u>

With permission, Mr Speaker, I would like to make a statement on last week's European Council.

Before turning to the progress on our negotiations to leave the EU, let me briefly cover the discussions on Russia, Jerusalem, migration and education.

In each case the UK made a substantive contribution — both as a current member of the EU and in the spirit of the new, deep and special partnership we want to build with our European neighbours.

Russia

Mr Speaker, Russia's illegal annexation of Crimea was the first time since the Second World War that one sovereign nation has forcibly taken territory from another in Europe.

Since then human rights have worsened; Russia has fomented conflict in the Donbas and the peace process in Ukraine has stalled.

As I said at the Lord Mayor's Banquet, the UK will do what is necessary to protect ourselves, and to work with our allies to do likewise – both now and after we have left the EU.

So we were at the forefront of the original call for EU sanctions. And at this Council we agreed to extend those sanctions for a further six months.

Jerusalem

On Jerusalem, I made it clear that we disagree with the United States' decision to move its embassy and recognise Jerusalem as the Israeli capital before a final status agreement. And like our EU partners, we will not be following suit.

But it is vital that we continue to work with the United States to encourage them to bring forward proposals that will reenergise the peace process.

And this must be based around support for a two state solution – and an acknowledgement that the final status of Jerusalem must be subject to negotiations between the Israelis and Palestinians.

Migration

On migration, when we leave the European Union we will be taking back control of our own borders and laws, so we will be free to decide our own approach independently of the EU. But as part of the new partnership we want to build, I made it clear at this Council that we will continue to play our full part in working with the EU on this shared challenge.

So we will retain our maritime presence in the Mediterranean for as long as necessary.

We will work with Libyan law enforcement to enhance their capability to tackle people smuggling networks.

And we will continue to address the root causes of the problem by investing for the long term in education, jobs and services — both in countries of origin and transit.

Education

When it comes to education, Mr Speaker, our world-leading universities remain a highly attractive destination for students from across the EU, while UK students also benefit from studying overseas.

UK and EU universities will still want to work together after we leave the EU. And indeed to cooperate with other universities from around the world. We will discuss how to achieve this in the long term as part of the negotiations on our future deep and special partnership.

But in the meantime I was pleased to confirm at this Council that UK students will be able to continue to participate in the Erasmus student exchange programme for at least another three years — until the end of this budget period.

Brexit Negotiations

Turning to Brexit, the European Council formally agreed on Friday that sufficient progress has been made to move on to the second stage of the negotiations.

This is an important step on the road to delivering the smooth and orderly Brexit that people voted for in June last year.

And I want to thank Jean-Claude Juncker for his personal efforts, and Donald Tusk and my fellow leaders for the constructive way they have approached this process.

With Friday's Council, we have now achieved my first priority of a reciprocal agreement on citizens' rights.

EU Citizens living in the UK will have their rights enshrined in UK law and enforced by British courts. And UK citizens living in the EU will also have their rights protected.

Mr Speaker, we needed both and that is what we have got – providing vital reassurance to all these citizens and their families in the run-up to Christmas.

On the financial settlement, I set out the principles for the House last week and the negotiations that have brought this settlement down by a substantial amount.

Based on reasonable assumptions, the settlement is estimated to stand at between £35 billion and £39 billion in current terms.

This is the equivalent of around four years of our current budget contribution, around two of which we expect will be covered by the implementation period.

And it is far removed from some of the figures that had been bandied around.

On Northern Ireland, as I set out in detail for the House last week, we have committed to maintain the Common Travel Area with Ireland; to uphold the Belfast Agreement in full; and to avoid a hard border between Northern Ireland and Ireland while upholding the constitutional and economic integrity of the whole United Kingdom.

And we will work closer than ever with all Northern Irish parties and the Irish government as we now enter the second phase of the negotiations.

Mr Speaker, the guidelines published by President Tusk on Friday point to the shared desire of the EU and the UK to make rapid progress on an implementation period, with formal talks beginning very soon.

This will help give certainty to employers and families that we are going to deliver a smooth Brexit.

As I proposed in Florence, during this strictly time-limited implementation period which we will now begin to negotiate, we would not be in the Single Market or the Customs Union, as we will have left the European Union. But we would propose that our access to one another's markets would continue as now, while we prepare and implement the new processes and new systems that will underpin our future partnership.

During this period we intend to register new arrivals from the EU as preparation for our future immigration system. And we will prepare for our future independent trade policy by negotiating — and where possible signing trade deals with third countries, which could come into force after the conclusion of the implementation period.

Finally, the Council also confirmed on Friday that discussions will now begin on trade and the future security partnership.

I set out the framework for our approach to these discussions in my speeches at Lancaster House and in Florence.

We will now work with our European partners with ambition and creativity to develop the details of a partnership that I firmly believe will be in the best interests of both the UK and the EU.

Conclusion

Mr Speaker, since my Lancaster House speech in January we have triggered Article 50 and begun and closed negotiations on the first phase.

We have done what many said could not be done – demonstrating what can be achieved with commitment and perseverance on both sides.

And I will not be derailed from delivering the democratic will of the British people.

We are well on our way to delivering a smooth and orderly Brexit.

That is good news for those who voted leave, who were worried the negotiations were so complicated it was never going to happen.

And it is good news for those who voted remain, who were worried that we might leave without being able to reach an agreement.

We will now move on with building a bold new economic relationship — which together with the new trade deals we strike across the world — can support generations of new jobs for our people, open up new markets for our exporters and drive new growth for our economy.

We will build a new security relationship that promotes our values in the world and keeps our families safe from threats that increasingly do not recognise geographical boundaries.

And we will bring our country together — stronger, fairer, and once again back in control of our borders, our money and our laws.

Finally, Mr Speaker, let me say this.

We are dealing with questions of great significance to our country's future, so it is natural that there are many strongly held views on all sides of this Chamber.

And it is right and proper that we should debate them — and do so with all the passion and conviction that makes our democracy what it is.

But there can never be a place for the threats of violence and intimidation against some Members that we have seen in recent days.

Our politics must be better than that.

And on that note, I commend this Statement to the House.