

Statement to Parliament: PM statement on leaving the EU: 9 Oct 2017

With permission, Mr Speaker, I would like to update the House on our plans for leaving the European Union.

Today the fifth round of negotiations begins in Brussels and this government is getting on with the job of delivering the democratic will of the British people.

As I set out [in my speech in Florence](#) we want to take a creative and pragmatic approach to securing a new, deep and special partnership with the European Union which spans both a new economic relationship and a new security relationship.

So let me set out what each of these relationships could look like – before turning to how we get there.

Economic partnership

Mr Speaker, I have been clear that when we leave the European Union we will no longer be members of its single market or its customs union.

The British people voted for control of their borders, their laws and their money. And that is what this government is going to deliver.

At the same time we want to find a creative solution to a new economic relationship that can support prosperity for all our peoples.

We do not want to settle for adopting a model enjoyed by other countries.

So we have rejected the idea of something based on European Economic Area membership. For this would mean having to adopt – automatically and in their entirety – new EU rules over which, in future, we will have little influence and no vote.

Neither are we seeking a Canadian-style free trade agreement. For compared with what exists today, this would represent such a restriction on our mutual market access that it would benefit none of our economies.

Instead I am proposing a unique and ambitious economic partnership. It will reflect our unprecedented position of starting with the same rules and regulations. We will maintain our unequivocal commitment to free trade and high standards. And we will need a framework to manage where we continue to align and where we choose to differ.

There will be areas of policy and regulation which are outside the scope of our trade and economic relations where this should be straightforward.

There will be areas which do affect our economic relations where we and our

European friends may have different goals; or where we share the same goals but want to achieve them through different means.

And there will be areas where we want to achieve the same goals in the same ways, because it makes sense for our economies.

And because rights and obligations must be held in balance, the decisions we both take will have consequences for the UK's access to the EU market – and EU access to our market.

But this dynamic, creative and unique economic partnership will enable the UK and the EU to work side by side in bringing shared prosperity to our peoples.

Security relationship

Let me turn to the new security relationship.

As I said when I visited our troops serving on the NATO mission in Estonia last month, the United Kingdom is unconditionally committed to maintaining Europe's security.

And we will continue to offer aid and assistance to EU member states that are the victims of armed aggression, terrorism and natural or manmade disasters.

So we are proposing a bold new strategic agreement that provides a comprehensive framework for future security, law enforcement and criminal justice co-operation: a treaty between the UK and the EU.

We are also proposing a far reaching partnership on how together we protect Europe from the threats we face in the world today.

So this partnership will be unprecedented in its breadth and depth, taking in cooperation on diplomacy, defence and security, and development.

Implementation

Let me turn to how we build a bridge from where we are now to the new relationship that we want to see.

When we leave the European Union on 29th March 2019 neither the UK, nor the EU and its Members States, will be in a position to implement smoothly many of the detailed arrangements that will underpin this new relationship we seek.

Businesses will need time to adjust and governments will need to put new systems in place. And businesses want certainty about the position in the interim.

That is why I suggested in my speech at Lancaster House there should be a period of implementation – and why I proposed such a period in my speech in Florence last month.

During this strictly time-limited period, we will have left the EU and its

institutions, but we are proposing that for this period access to one another's markets should continue on current terms and Britain also should continue to take part in existing security measures.

The framework for this period, which can be agreed under Article 50, would be the existing structure of EU rules and regulations.

Now I know some people may have some concerns about this. But there are two reasons why it makes sense.

First, we want our departure from the EU to be as smooth as possible – it wouldn't make sense to make people and businesses plan for two sets of changes in the relationship between the UK and the EU.

Second, we should concentrate our negotiating time and capital on what really matters – the future long-term relationship we will have with the EU after this temporary period ends.

During the implementation period, people will continue to be able to come and live and work in the UK; but there will be a registration system – an essential preparation for the new immigration system required to re-take control of our borders.

And our intention is that new arrivals would be subject to new rules for EU citizens on long term settlement.

We will also push forward on our future independent trade policy, talking to trading partners across the globe and preparing to introduce those deals once this period is over.

How long the period is should be determined simply by how long it will take to prepare and implement the new systems we need.

As of today, these considerations point to an implementation period of around two years.

And as I said in Florence – because I don't believe that either the EU or the British people will want us to stay longer in the existing structures than necessary, we could also agree to bring forward aspects of that future framework, such as new dispute resolution mechanisms, more quickly if this can be done smoothly.

At the heart of these arrangements, there should be a clear double lock: guaranteeing a period of implementation giving businesses and people the certainty they will be able to prepare for the change; and guaranteeing this implementation period will be time-limited, giving everyone the certainty this will not go on forever.

Negotiations

Mr Speaker, the purpose of the Florence speech was to move the negotiations forward and that is exactly what has happened.

As Michel Barnier said after the last round, there is a “new dynamic” in the negotiations. And I want to pay tribute to my Rt Hon Friend the Secretary of State for Exiting the European Union for all he has done to drive through real and tangible progress on a number of vital areas.

On citizens’ rights, as I have said many times this government greatly values the contributions of all EU citizens who have made their lives in our country. We want them to stay.

In Florence, I gave further commitments that the rights of EU citizens in the UK – and UK citizens in the EU – will not diverge over time, committing to incorporate our agreement on citizens’ rights fully into UK law and making sure the UK courts can refer directly to it.

Since Florence there has been more progress including reaching agreement on reciprocal healthcare and pensions, and encouraging further alignment on a range of important social security rights.

So I hope our negotiating teams can now reach full agreement quickly.

On Northern Ireland, we have now begun drafting joint principles on preserving the Common Travel Area and associated rights. And we have both stated explicitly we will not accept any physical infrastructure at the border.

We owe it to the people of Northern Ireland – and indeed to everyone on the island of Ireland – to get this right.

Then there is the question of the EU budget.

As I have said, this can only be resolved as part of the settlement of all the issues that we are working through.

Still I do not want our partners to fear that they will need to pay more or receive less over the remainder of the current budget plan as a result of our decision to leave. The UK will honour commitments we have made during the period of our membership.

And as we move forwards, we will also want to continue working together in ways that promote the long-term economic development of our continent.

This includes continuing to take part in those specific policies and programmes which are greatly to our joint advantage, such as those that promote science, education and culture – and those that promote our mutual security.

And as I set out in my speech at Lancaster House, in doing so, we would want to make a contribution to cover our fair share of the costs involved.

Mr Speaker, I continued discussions on many of these issues when I met with European leaders in Tallinn at the end of last month.

And in the bi-lateral discussions I have had with Chancellor Merkel, Prime

Minister Szydło, President Tusk and the Taoiseach Leo Varadkar, they welcomed the tone set in Florence and the impact this was having on moving the negotiations forwards.

Legislation

Mr Speaker, preparing for life outside the EU is also about the legislative steps we take.

Our EU Withdrawal Bill will shortly enter Committee Stage, carrying over EU rules and regulations into our domestic law from the moment we leave the EU.

And today we are publishing two White Papers on trade and customs. These pave the way for legislation to allow the UK to operate as an independent trading nation and to create an innovative customs system that will help us achieve the greatest possible tariff and barrier-free trade as we leave the EU.

And while I believe it is profoundly in all our interests for the negotiations to succeed, it is also our responsibility as a government to prepare for every eventuality. So that is exactly what we are doing.

These White Papers also support that work, including setting out steps to minimise disruption for businesses and travellers.

Conclusion

Mr Speaker, a new, deep and special partnership between a sovereign United Kingdom and a strong and successful European Union is our ambition and our offer to our European friends.

Achieving that partnership will require leadership and flexibility, not just from us but from our friends, the 27 nations of the EU.

And as we look forward to the next stage, the ball is in their court. But I am optimistic it will receive a positive response.

Because what we are seeking is not just the best possible deal for us – but I believe that will also be the best possible deal for our European friends too.

So while, of course, progress will not always be smooth; by approaching these negotiations in a constructive way – in a spirit of friendship and co-operation and with our sights firmly set on the future – I believe we can prove the doomsayers wrong.

And I believe we can seize the opportunities of this defining moment in the history of our nation.

Mr Speaker, a lot of the day to day coverage is about process. But this, on the other hand, is vitally important.

I am determined to deliver what the British people voted for and to get it right.

That is my duty as Prime Minister.

It is our duty as a Government.

And it is what we will do.

And I commend this Statement to the House.