

# Talks about trade

I have in the past said trade talks between the UK and the EU could be relatively short and straight forward. I have never said they would be. I have always acknowledged that if the EU wants to make them long and complex they can do so.

The first question the UK must ask when the talks begin is the simple one. Does the EU want a comprehensive free trade Agreement with us or not?

If the answer is yes, we can get on with translating our current tariff free arrangements on goods into a WTO registerable Free Trade Agreement, along with the access methods for service covered by current EU arrangements. This is largely a scissors and paste job, ensuring continuity of trade. As I understand it the UK is happy to offer this.

If the answer is No, then the UK needs to ask the second question. What new tariffs and barriers does the EU wish to impose on our exports to them, given that we will likely impose identical barriers on their exports to us?

If we take goods, the EU could if it wishes impose the same tariffs on our goods and food exports as they do to other non EU countries under WTO rules which govern us both. This would mean they would face high tariffs on their large farm exports to us, where they run a £20 bn surplus. We have a year to source alternative cheaper food from around the world and for our farms to gear up to produce more at home behind the tariff wall. If the EU for example wants a high tariff on meat there are plenty of other suppliers who would like to sell us more.

There is then the question of what impediments they would want to place on services. They have never completed a proper single market in services. There are still many national regulatory, language and qualification barriers around. The UK allows considerable access to its markets that helps continental business.

If the EU wanted zero tariffs on goods but more restrictions on services the UK could say it sees a trade off between the two.