

## The EU mellows its negotiating position a bit

The formal statement from the EU 27 after their Brexit discussions this week had some sensible and positive points in it. They talk of their “wish to have the UK as a close partner in the future”. They ask for a single financial settlement but do not put any figures in it. They wish this to include sorting out the shareholdings we have in the European Investment Bank and the ECB which must be our credits. They say they are ready “to initiate an agreement on trade, to be finalised and concluded once the UK is no longer a member state”. They want agreements that go wider than trade, to include security. They seem to accept in principle reciprocal rights for EU citizens in the UK and UK citizens in the EU.

They make much of how unified the EU is and will be over their negotiating position. The UK is not trying to cause division, as we are well aware that it is easier if there is one negotiator for them and they will all sign up to anything the central team agree. They seem unsure that they can hold it together as single voice and view, so they tell the other member states that they are not to talk Brexit with the UK individually. This seems both petty and unenforceable. A willingness to talk to partners is important, but does not mean the EU position will automatically fall apart. It might just be better informed and better reflect its member states views.

There are still some less helpful statements from the EU point of view in the official words. We are told at the beginning “Citizens who have built their lives on the basis of rights flowing from the British membership of the EU face the prospect of losing their rights”. It is difficult to see how this can be true, as the UK has made clear it wishes to ensure full rights to stay and work in the UK for all EU citizens who have legally done so, as long as UK citizens get the same treatment. Further down the document it implies that will be the EU’s view. We are told a trade agreement cannot be discussed until the leaving agreement has been hammered out, yet they also say there can be talks about it in parallel to the second phase of the leaving Agreement. They also say nothing is agreed until all is agreed, so the UK could require preliminary agreement on trade or countries in the EU at risk of high farm tariffs might want the EU to sort that out. Clearly the EU wants to run the risk of damaging its exports to the UK by tariffs.

The language on Ireland, Cyprus and Gibraltar is not as inflammatory as some reports or interested parties seem to suggest.

All in all it seems to me to be a working document that the UK can respond to. Both sides accept the UK will be leaving the EU, its internal market and customs union. Of course the UK should pay its bills on leaving, but no-one has set out any bill with financial and legal credibility that goes beyond our regular contributions up to withdrawal date.