## <u>The German election and the collapse</u> <u>in support for Mrs Merkel</u>

Mrs Merkel lost a lot of ground in the German election, plunging from 41.5 % to 33% . She lost around 93 seats. In her place the anti Euro AFD soared to 13% to give it 88 seats, where it had none before. This is a contrast to the UK Conservatives rising from 36% to 42 % for their share of the vote in the last election.

Mrs Merkel may be able to soldier on at the head of a difficult coalition, but she has lost substantial authority for her EU policies as a result of this voting collapse. If she and the potential alternative left of centre coalition both refuse to include the AFD one of them would have to govern as a minority. Only a further CDU/SDP coalition can get her to a majority. This Grand coalition between the two main rivals is not easy, especially now both parties see how damaging it is for them electorally.So far indeed the SPD have said no deal. Germany has voted itself into weak and unstable government. The BBC calls this a Merkel win!

The UK government has to see this is a further strengthening of its negotiating position. It looks as if the EU has rejected Mrs May's generous offer and suggestions in her Florence speech, as appears to be the case from Mr Macrons words and from the reactions of the EU Commission. The UK government should in the event that the EU does confirm it refuses to widen talks and seek a positive future agreement soon make clear the offer is withdrawn given the lack of any positive response. The position anyway should be being reconsidered in the light of the German election.

The Prime Minister made a very generous offer but made clear all had to be agreed before any offer is confirmed. Circumstances are now different so the UK needs to firm up its position and intensify its preparations for no deal to show it is serious. Then the EU may start to talk about the things that matter to both sides. If they continue in saying they will not even talk about trade and the future relationship there is no point in being generous. We should neither pay to get talks started nor pay for a trade deal.