

Why No deal will work fine

The latest scare stories doing the rounds seek to suggest that the UK could not trade successfully with the rest of the EU from outside the single market and customs union if there is no deal. I have explained in general terms why I think this is wrong, but there is still some demand for more detail. I will supply it. It is always difficult tackling nonsense, as there are no limits to the amount of nonsense you have to tackle. I am choosing the most common examples.

1. "Planes will not be able to fly to and from the continent and the UK the day after we leave, as there will be no Air Services Agreement in place" say some gloom mongers. Many air travel routes carry on daily around the world without a formal Air Services Agreement. All you need is a landing permission in the airport you are going to, and you need to get a flight path from air traffic control in controlled space. If there is no deal then the UK will of course allow EU carriers to continue with the landing slots they currently have, and the rest of the EU will do the same for UK carriers. The EU will not want to ban plane loads of UK tourists and other visitors from going to their countries and will not want to lose the landing revenues at their airports.

2. "The need for customs clearance will mean massive queues at our borders, with disruption to the supply system for the UK" argue some pessimists. Both the EU and the UK as a member of the EU are currently putting in new streamlined customs procedures to handle third party imports. These will work fine for rest of EU goods as well if necessary. Under customs simplified procedures for freight there is already a system of electronic registration of consignments, with the ability to undertake customs clearance at the importers premises once the goods have been successfully delivered. The EU will want decent procedures on the UK side of the channel as they export so much to us, including big volumes of perishable agricultural products.

3. "The need for products to comply with EU rules will hold up movements of goods" say some negative commentators. At the moment all UK goods exported to the EU conform with EU rules anyway. In future there is likely to be mutual recognition of each other's standard granting bodies, as with non EU country trade. There can also be continuity of the current system of self certification by manufacturers of the standards and specifications of their products. The EU will want this for their exports to the UK. None of this need physically hold up goods crossing borders, where electronic documentation will have been filed in advance and cover all necessary details about consignments.

4. "Complex supply chains will incur tariffs that make Assembly of components from different sides of the Channel uneconomic" say those who often have never run complex supply chains. Most components are zero rated for tariff if they are included in a good which attracts a tariff on final sale, or of course for a good which is rated at zero tariff. Some components do attract low level tariffs which are more than offset by the fall in sterling against

the Euro. I have never experienced difficulties in bringing in components from non Eu sources in my past life with manufacturing companies.

5. "Rules of origin" will be too difficult to sort out in time" say some anti Brexit people. Rules of origin work fine for non EU trade, with a system of self certification of origin available.