

Proposed Brexit Transition Terms

Brexit negotiators have settled on a large proportion of proposed terms to put before the 27 Member States and President of the European Council, Donald Tusk, at the European Union Summit that is scheduled to take place over the next two days. This Summit is also referred to as the Spring European Council. These terms lay out a proposal allowing for a Transition Period directly after the UK exits the European Union lasting from 29th March 2019 to 31st December 2020.

There is good news for logistics and trade as this agreement means that the UK will now be able to start negotiating and finalising our own trade deals in this period. The UK also will be included on existing EU Trade Deals with other countries until the end of the Transition Period on 31st December 2020, but will be entitled to start negotiating trade deals with all other countries around the world which will not be allowed to start until the Transition period ends.

As the UK will continue to be included on the existing EU Trade Deals, it will provide an extended period of stability for businesses that trade and utilise logistics services. We are able to take stock and prepare ourselves more adequately for the 31st December 2020 as trade negotiations will soon start and we will be able to see what agreements will come into effect on this date once we have fully cut ties with Brussels.

Secretary of State for Exiting the European Union, David Davis, has promoted this positive outlook. He has also emphasised that businesses should be able to carry on as normal and make the relevant investment decisions thanks to this period of certainty immediately after the UK exits the EU. European Chief Negotiator for the United Kingdom Exiting the European Union, Michel Barnier, has recommended a more cautious approach by reiterating that the transition only becomes a certainty when the final withdrawal agreement is ratified.

Now that the UK has the ability to agree, sign and ratify trade deals during the Transition Period, David Davis is eager to start trade talks as early as April 2018, including discussing a free trade deal with the EU. Australia has voiced their opinion on this matter in a resoundingly optimistic fashion advising that “can’t be difficult’ for the UK and Australia to strike a post-Brexit trade deal.”

Both sides of negotiations have reiterated that more work is still required before this is all put before the European Parliament for ratification later this year. However this is a progressive step in the right direction which is good news for all.

Sources:

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