Twitter Thread by Joe Mayes

Joe Mayes
@Joe_Mayes

New: the U.K. is claiming victory over the EU in the Brexit talks. Let's take a closer look... 1/

.@EuroGuido has shared a `scorecard' of the negotiations, claiming Britain `won' 43% of the issues in the talks. EU won 17%, 40% were mutual compromise. Bear in mind, this is the British negotiating team marking its own work.. 2/ https://t.co/R4OitKqy3F

The key q is *how important* are the issues. Just tallying them up doesn't say much. If you won lots of small, low-impact areas, but lost in big areas important to your economy, that's what matters 3/

And at first glance, there are some important things missing for the UK. 1) No mutual recognition of conformity assessment. This means companies will have to pay to certify their products in both the UK and EU. Double regulation = double the cost 4/

Mutual recognition of conformity assessment	A Protocol on the mutual recognition of conformity assessment (product testing) results to facilitate trade in goods that are subject to third party conformity assessment processes, consistent with provisions found in CETA and applying to all relevant sectors.	The EU resisted an MRA agreement, insisting that it was not in their interest to agree an MRA which they felt would allow the UK to continue acting as an EU "certification hub".	**EU WIN** - There is no MRA

We discussed the cost of bureaucracy duplication due to Brexit here 5/ https://t.co/VkBrwDZfM5

Also - no automatic recognition of professional qualifications. This is big for the services industry - 80% of UK economy - and means if you're an architect, accountant or consultant, it'll be harder for you to sell your services in the EU 6/

MRPQ	A pathway to recognition with comprehensive coverage, while respecting regulatory autonomy.	Include a framework for negotiations on the conditions for the competent domestic authorities to recognise professional qualifications necessary to the pursuit of specific regulated professions, where in the Union's interest	**EU WIN** – The Agreement will establish a framework for qualification recognition, in line with CETA. On the plus side, the UK extracted concessions including (a) making clear in the agreement that other non-FTA routes exist for recognition and (b) introducing the possibility of opening up more tailored approaches.

Financial services - ~7% of UK economy - is deemed an EU win. UK wanted something ambitious, covering new areas and with provisions on regulatory cooperation. But the end result is what we normally see in EU FTAs 7/

Financial Services	A chapter that builds on EU-JPN in areas like new financial services. As well as (annexed) provisions on regulatory cooperation.	A chapter only reflecting standard EU precedent and no annex.	**EU WIN** - The FS chapter text is very heavily precedented. There is no regulatory cooperation annex although there is a short Joint Declaration which says both parties will agree by March 2021 a Memorandum of Understanding establishing the framework for structured regulatory cooperation on financial services, based on a shared commitment to preserve financial stability.

And some of the claimed `wins' don't accurately reflect the opening negotiating positions. The UK claims bilateral cumulation on rules of origin is a win - but its opening ask was actually more ambitious, it wanted diagonal cumulation 8/

Cumulation	Cumulation between the UK and EU, allowing EU inputs and processing to be counted as UK input in UK products exported to the EU, and vice versa	Bilateral cumulation of materials only.	**UK WIN** – full bilateral cumulation of both materials and processing included, encouraging trade between both markets, including complex supply chains

To get up to speed on rules of origin and Brexit (it's critical to understanding how trade will work from 2021), we covered the issues here 9/ https://t.co/MS0jJu9EV2

The U.K. seems to have got what it wanted in removing any role for the ECJ, and it won't have to dynamically align with EU laws. So, good on the sovereignty account - but we still need to see the full text. Watch this space.. ends/ https://t.co/VWZRQ3hM6I