

# **BREXIT**

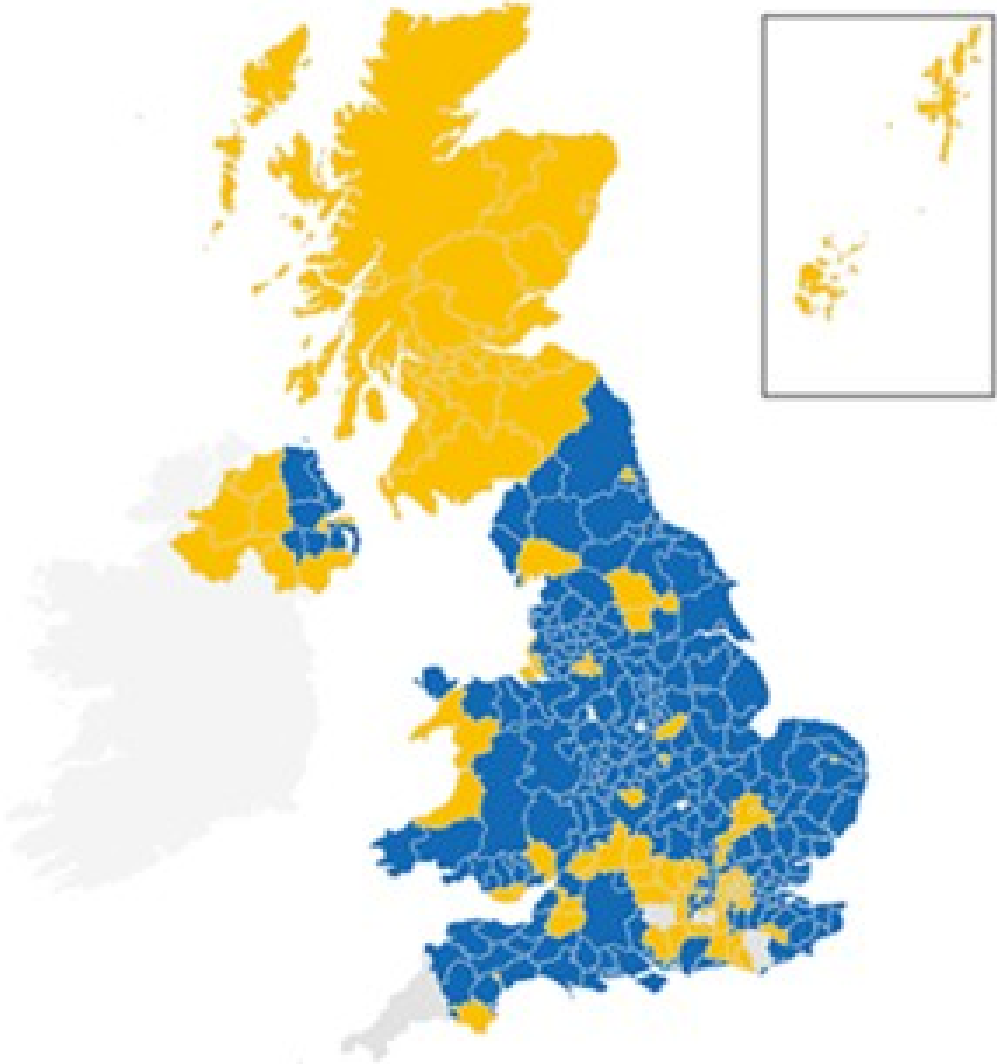
*Seven alternatives to EU membership.*



# Referendum results

## Local result

- Majority leave
- Majority remain
- Tie
- Undeclared

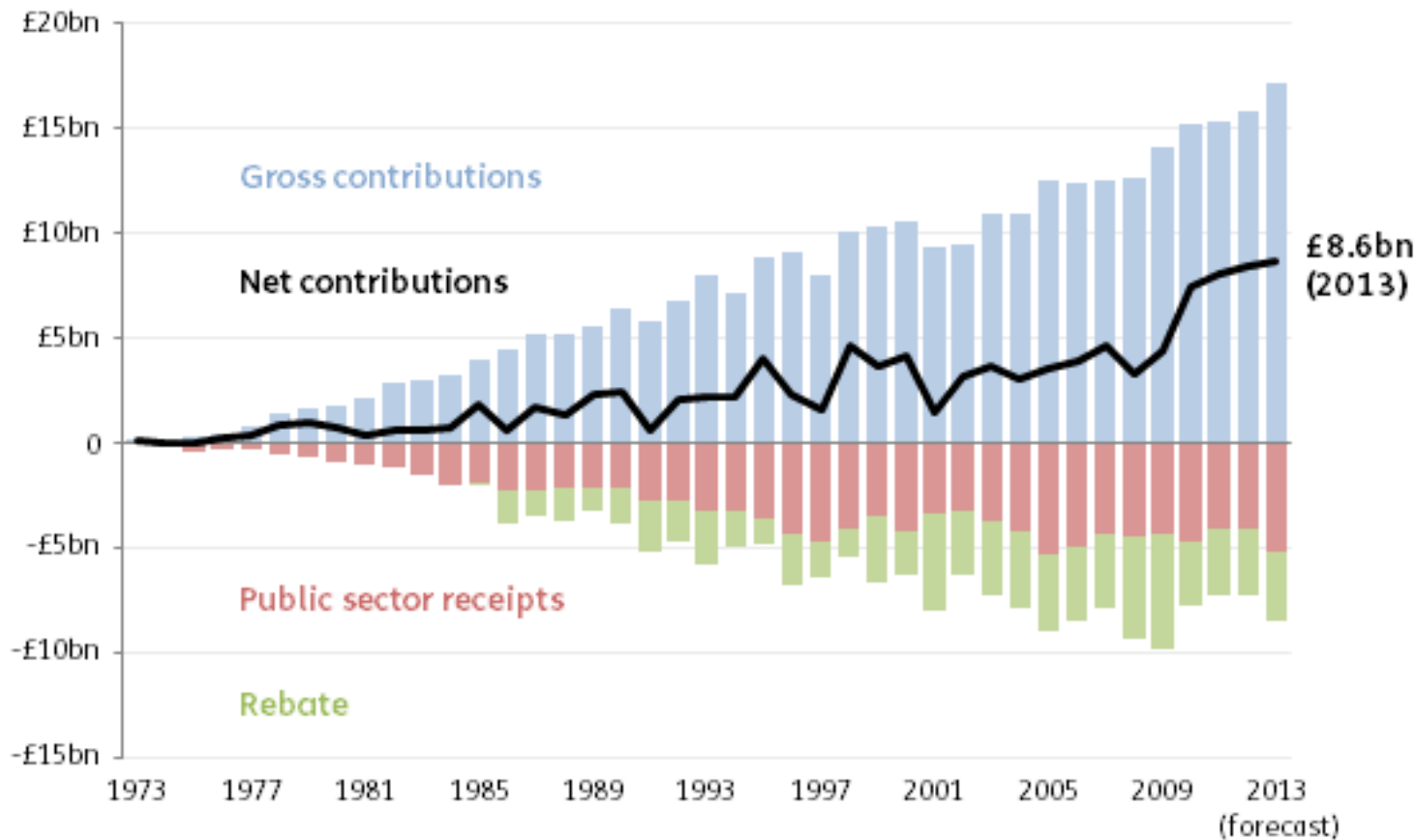


 [View fullscreen](#)

# UK budget contributions

## UK government contributions to the EU budget

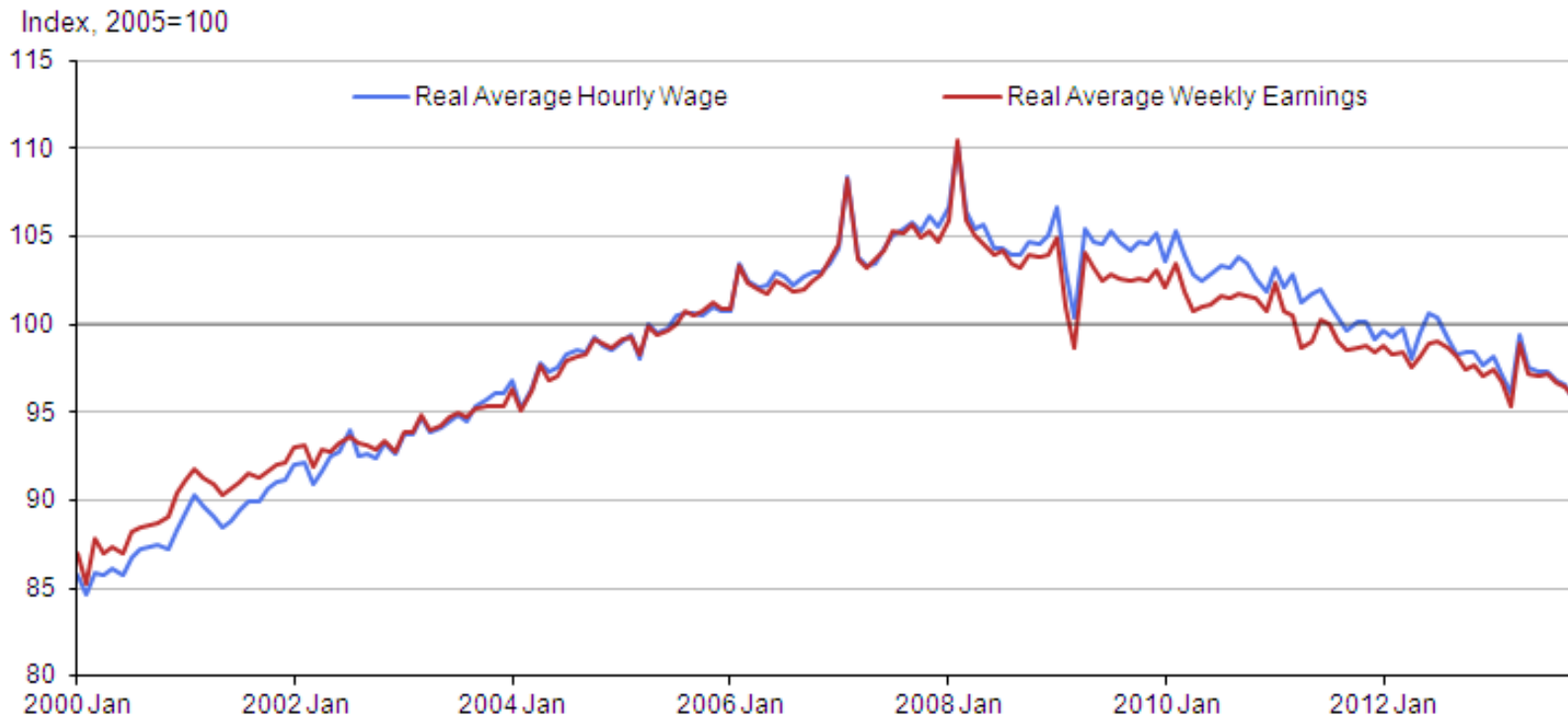
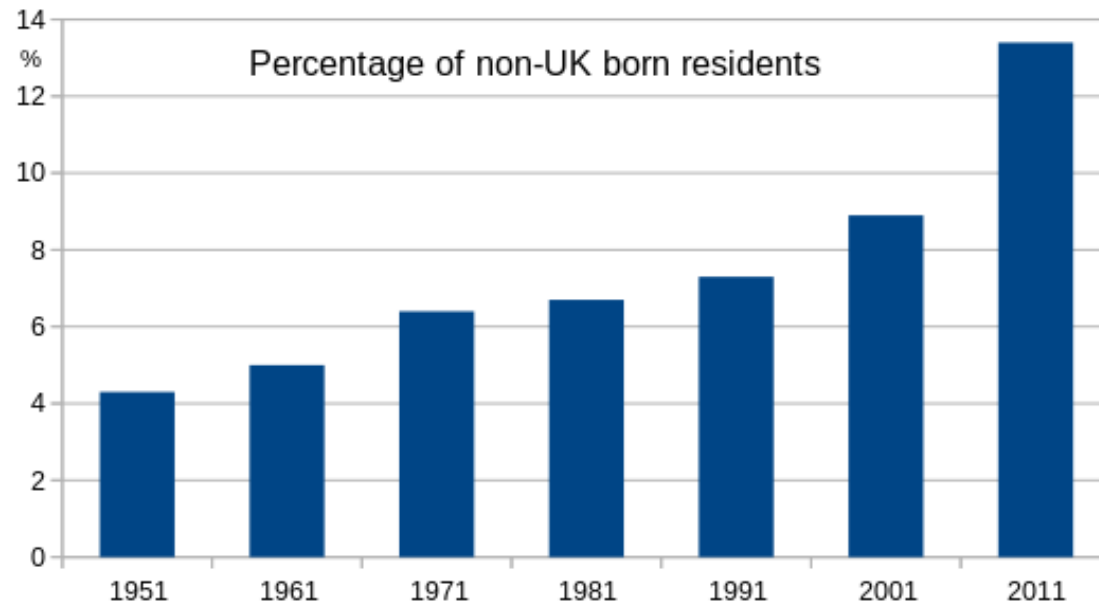
UK gross contributions to, rebate, and public sector receipts from the EU budget



By Full Fact using HM Treasury European Union Finances 2013 and House of Commons Library analysis: "The economic impact of EU membership on the UK"

**Difficult to get agreement on data (CAP?)**  
See EU Commission figures

# UK immigration and salaries



## ***Option 1.***

### ***Customised relationship with the EU***

***Procedure: article 50(2) TEU. Intent to withdraw. Max. 2 years.***

***Pick and choose favoured / unfavoured policies.***

***e.g. maintain free trade but refuse immigration of EU workers***

***EU Commission would oppose this approach –  
one package; avoid the thin end of the wedge and  
model for others***

## ***Option 2. UK joins the EEA (European Economic Area)***



***Blue: EEA / EU member***

***Green: EEA member  
(Norway, Liechtenstein + Iceland)***

***Yellow: Provisional EEA member  
(Croatia)***

***Red: Former EEA member  
(Switzerland – left in 2014  
- immigration disagreement)***



## ***Option 2. UK joins the EEA (European Economic Area)***

***To join the EEA, the UK must join EFTA.  
Technically easy.***

***Must pay (about the same as EU membership)***

***Not 'real' UK sovereignty***

***Access to the European Single Market***

***Doesn't have to accept other policies (agriculture, fisheries...)***

***UK would have to accept all single market laws***

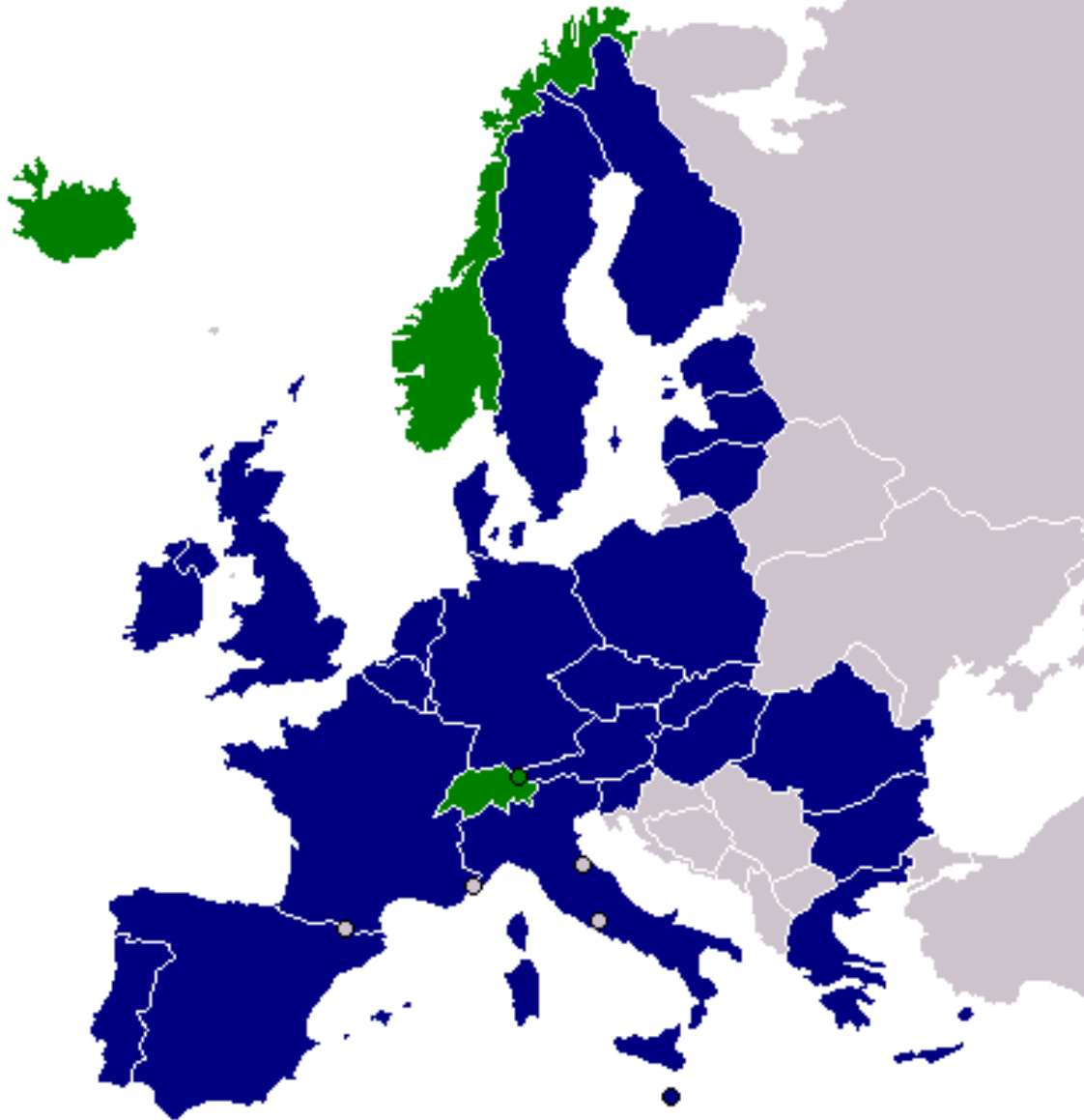
***EEA/EFTA members speak with one voice***

***Must accept 'rules of origin'***

***Has to accept free movement of EU citizens***

***EEA membership has to be approved by all (30) EEA countries***

### ***Option 3. UK joins EFTA but not the EEA***



***Switzerland is in EFTA but not in the EEA. It has bilateral agreements with the EU.***

***EFTA covers trade for fish and some Agriculture, no services.***

***UK would be excluded from EU External Free-Trade agreements.***

***Not interesting as an option***



## ***Option 4. UK follows the Swiss model***

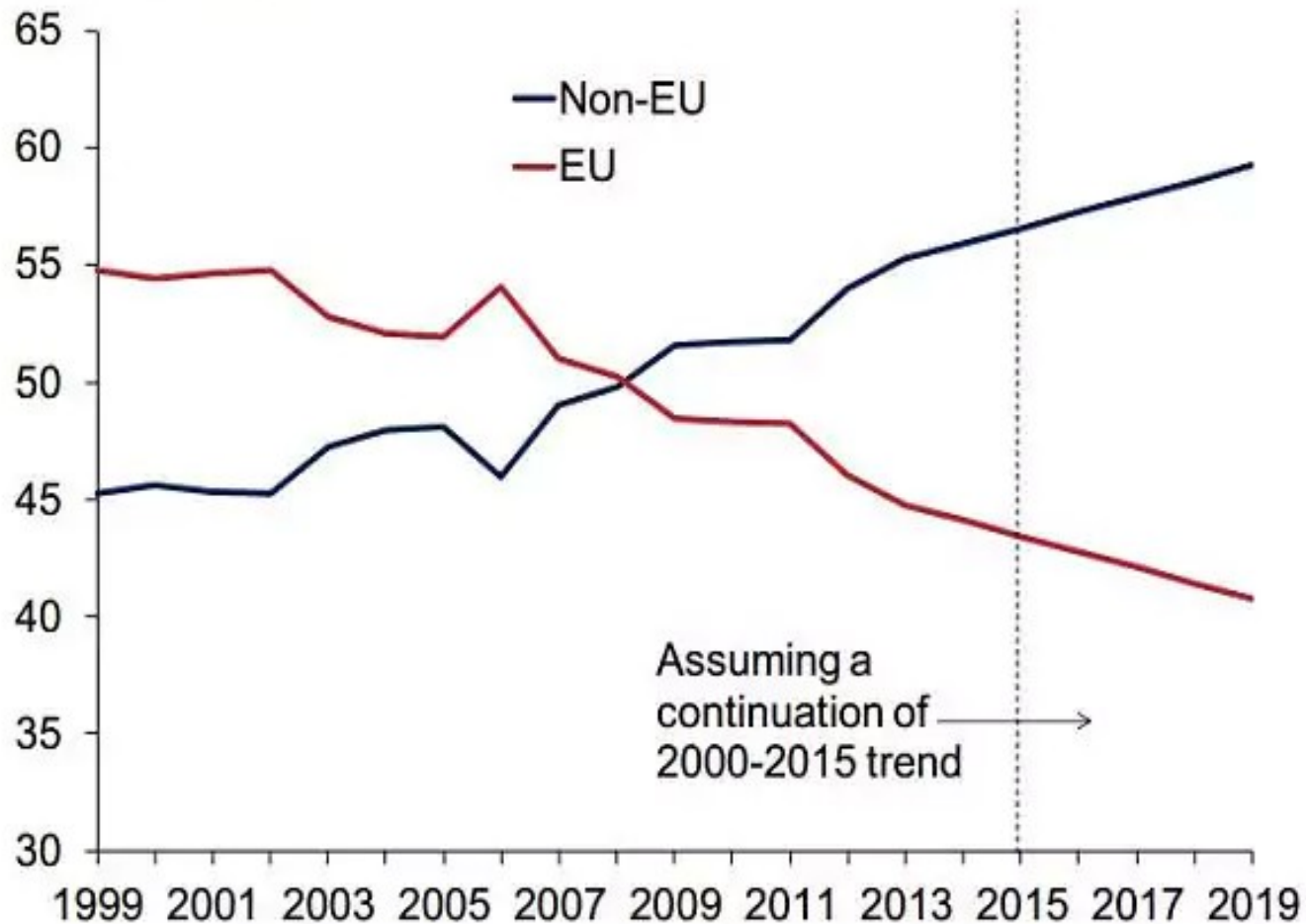


***Switzerland has 120 sectorial agreements that took many years to negotiate. Services are not included (NB UK banking) EU is unhappy with Swiss agreement. Would be very difficult for the UK and not very beneficial. Must allow the free movement of EU citizens (Switzerland already fined) New tougher negotiations started in 2014.***

## Option 5. UK-EU Free Trade Agreement

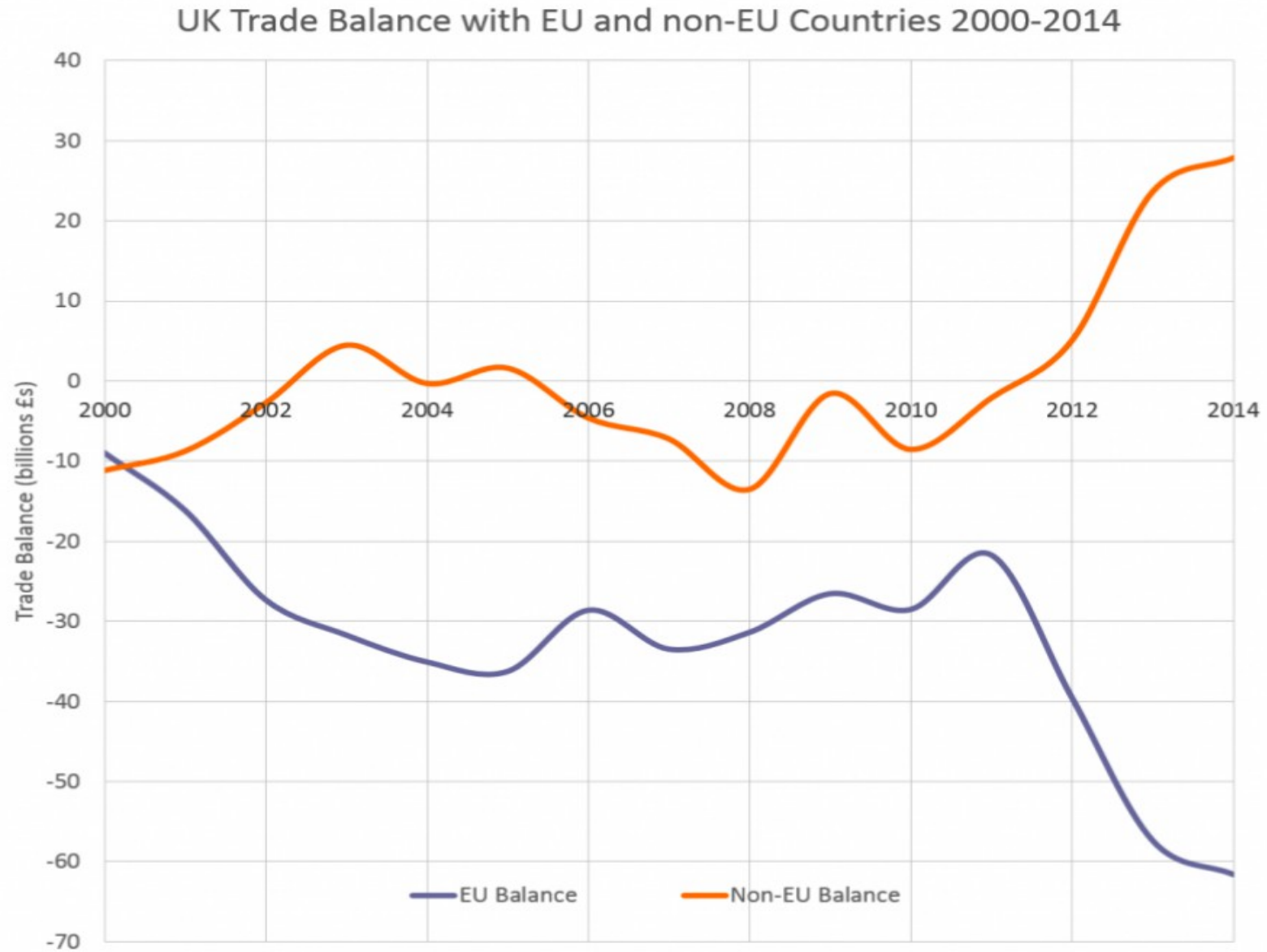
### UK: Exports of goods & services

% of total value



Source : Oxford Economics/Haver Analytics

## Option 5. UK-EU Free Trade Agreement



## ***Option 5. UK-EU Free Trade Agreement***

***Most likely option but takes time to negotiate.  
UK government needs **negotiators*****

***UK would still be bound by EU Single Market regulations:  
health and safety, competition policy, product standards  
consumer protection, technical specifications...***

***UK financial services faced with problem of potential Financial Transactions Tax***

## ***Option 6. A customs Union (like EU-Turkey)***

***Customs Union: Single Market (sectorial) with the same external customs duties. If the EU has an import tariff (eg 0€10/l ethanol), then Turkey has to apply the same tariff.***

***The UK would not be free to set any different tariffs, hence no trade sovereignty.***

***UK would have no intervention in EU trade negotiations - eg recent S. Korea / EU FTA means S. Korea has automatic access to Turkish market, but Turkey has no access to S. Korean market.***

## ***Option 7. Rely on WTO rules for trade***



WORLD TRADE  
ORGANIZATION

***The WTO sets limits on maximum tariffs.  
The UK would have to establish customs controls (including Ireland)  
UK goods would face EU import tariffs (eg car engines 10%)  
WTO no longer works – bilateral FTAs are what happen (following  
the breakdown of the Doha round of talks)  
UK would be excluded from EU FTA agreements with about 60  
non-EU countries.  
UK has lost negotiation skills and people.  
UK has much less bargaining power than the EU***

## **ALSO**

***British living / working in the EU (2m) would become non-EU citizens***  
***EU citizens living/working in the UK would also change status***  
***UK students would be deprived of ERASMUS***  
***UK might be excluded from European research agreements***  
***Defence agreements might change***  
***External policing agreements might change***



***BUT***

***Maybe the Brexit will wake up the EU Commission, Council and Parliament that there are serious problems in the EU.  
The EU with 11% unemployment is not viable, hence the rise in nationalist parties and anti-European feelings.***

# **FINALLY**

***What will be the situation of Great Britain (England, Wales and Scotland)  
If **Scotland** quits GB to remain in the EU ?  
What will be the situation of **Ireland and the N. Irish** – could they join up  
with Ireland (despite their tragic past) ?  
Would **Wales** then follow with a referendum and leave England  
**all alone?*****