



Import/Export Division meeting

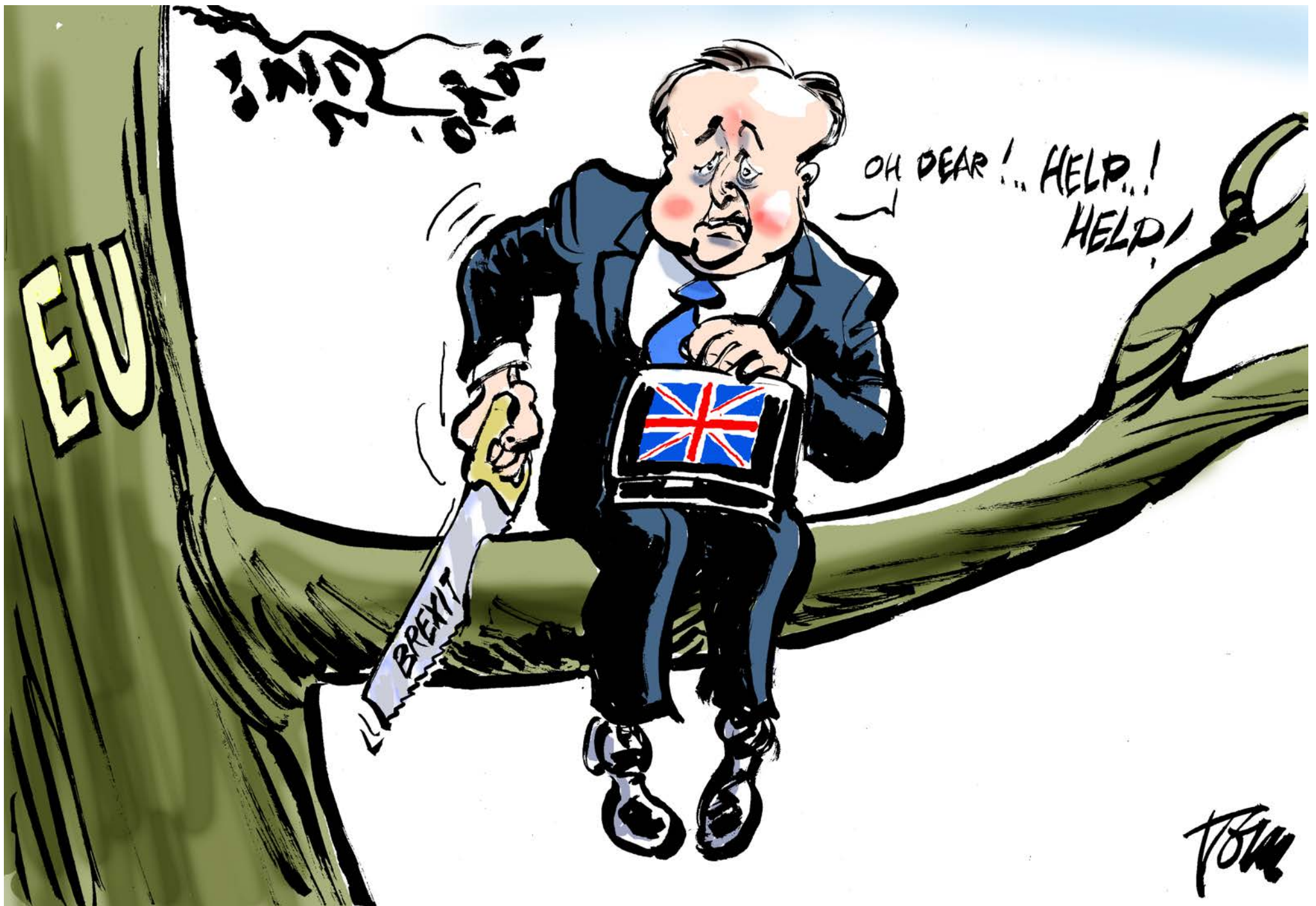
Berlin, Germany
7th February 2017



Brexit or not?



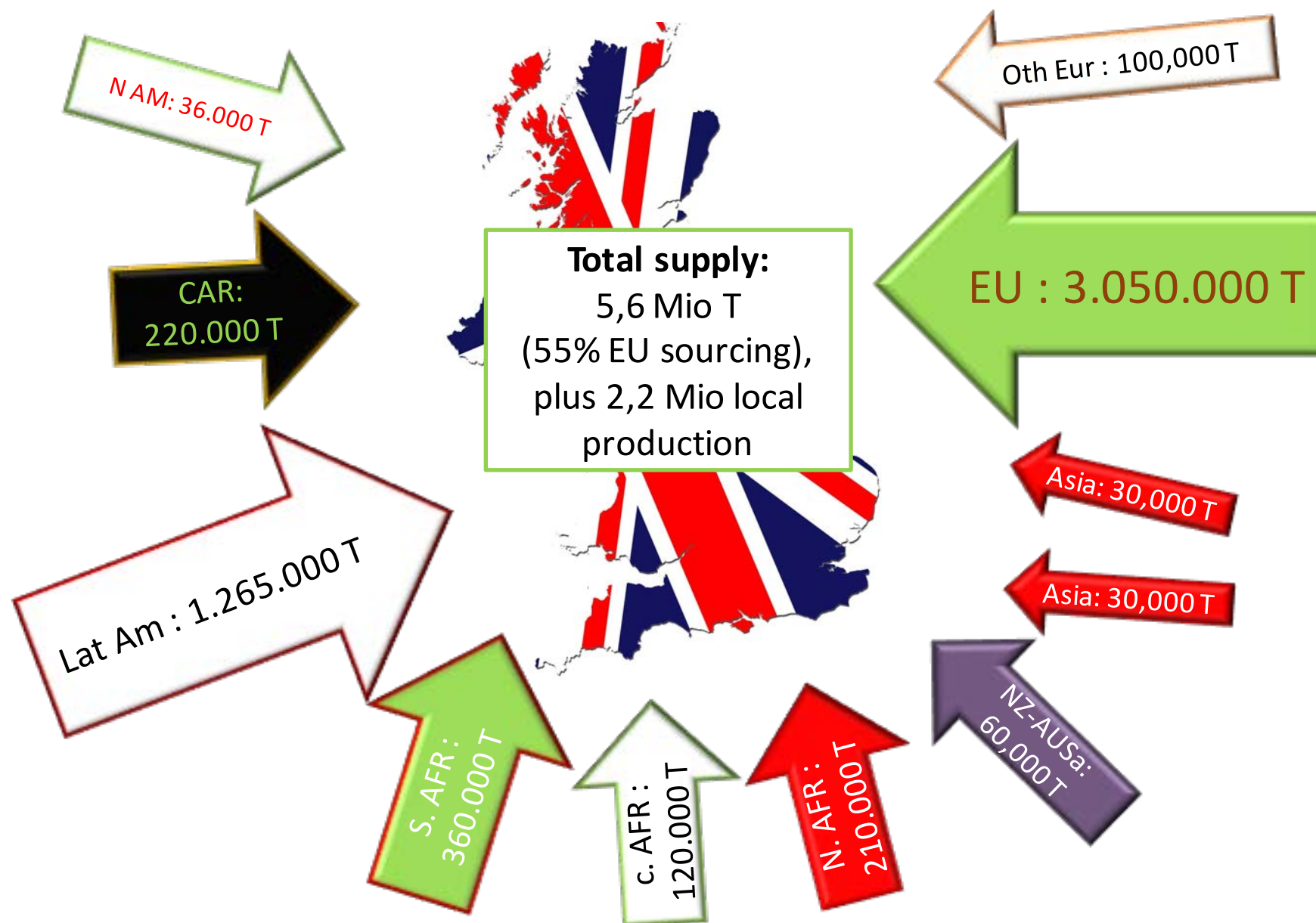




Immediate impact

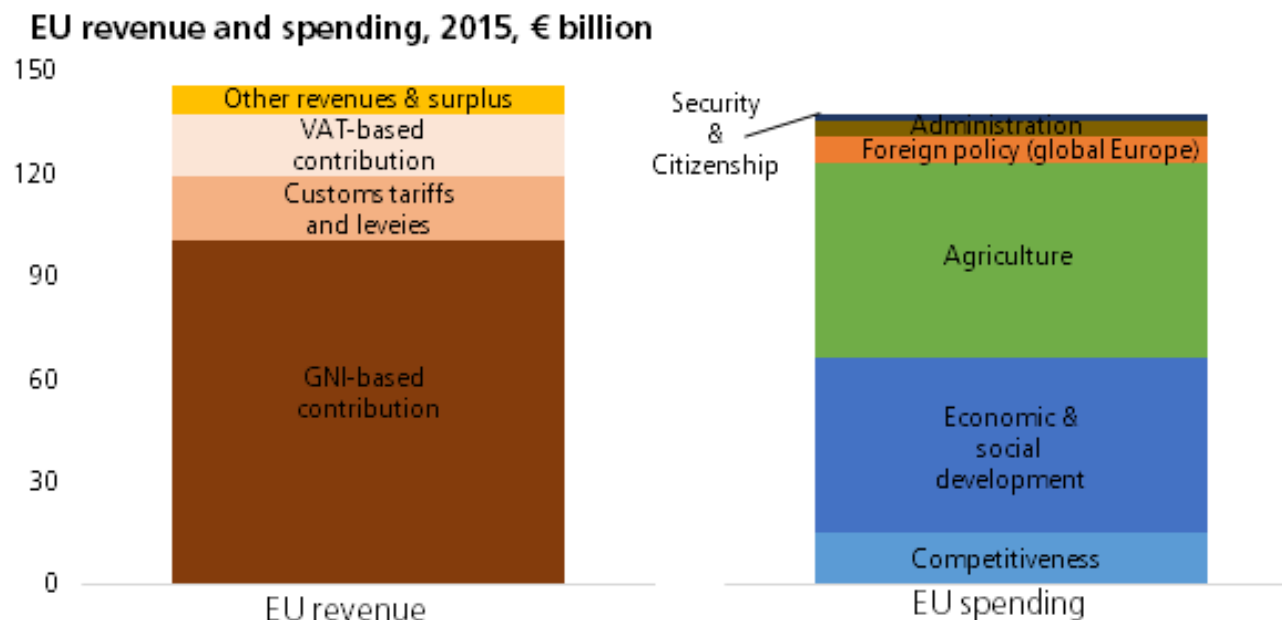


UK fresh produce trade



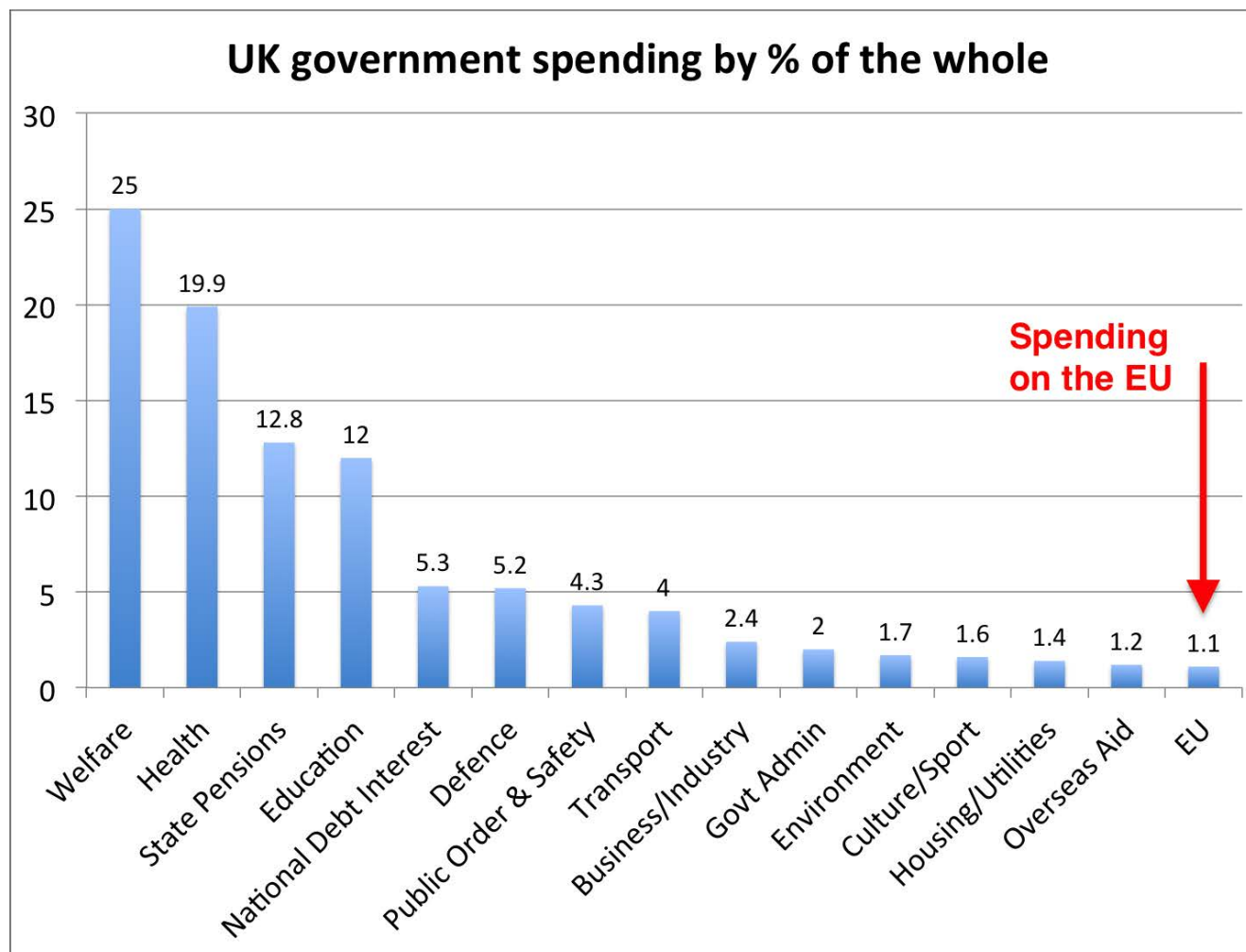
The EU and the UK: budget implications

- Population: 64 Mio out of total EU population of 505 Mio.
- EU budget: 140 billion € -out of which 12,1 billion € from the UK contribution (about 5,4 billion € returning to the UK for cohesion/employment and agriculture/environment).



The EU will loose the UK contribution and part of the customs tariffs levied by the UK on behalf on the EU, but critical negotiation expected on MFF 2014-2020 and beyond

UK spending more on overseas aid than on the EU



While saving 8,5 billion £
The UK will lose:
the return on investment
(5,2 billion £ of EU
projects/co -financing)
, might have to still pay
to take part to EU
projects , and pay
taxes/duties for going to
the EU :
David Davis is estimating
the burden for the UK to
be 22 billion `£

EU decision process

- Qualified majority based on:
 - 55% MS in favour (16 out of 28) => 15?
 - MS representing 65% of the population (from 328 Mio to 286 Mio?)
- Old rules (where UK accounted for 29 votes totally phased out end March 2017
- UK MEP: 73 out of 751 MEP
- European Commission: Julian Hill (Security Union)

Brexit challenges



General

- Multiple scenarios
- Businesses don't like uncertainties
- Legal complexity & legitimate expectation of entitlements
- Existing financial commitments beyond end date on negotiation (promotion, research, PO-OP, rural development...and the MFN)
- Fine tuning Eurostat trade data not easy
- Multiple level of negotiations:
 - Exit deal
 - New deal with EU27-UK : Mixed agreement and unknown UK MFN duty for the trade deal: Impact ECJ on Singapore FTA
 - Re-negotiations by EU27 of EU 46 existing FTA
 - Negotiations of UK with partners (unknown UK MFN)
- Status on English
- EU decision process. Qualified majority based on:
 - 55% MS in favour (16 out of 28) => 15?
 - MS representing 65% of the population (from 328 Mio to 286 Mio?)
- Still many uncertainties in the UK: business calling for staying in the Single Market, Scotland, Northern Ireland, etc. White Paper, no clear response on way forward
- What if the outcome is not satisfactory or not delivered in time?



Fruit and vegetables: main questions

- Freshness of product require swift shipment/customs procedure for more than 3 Mio T => logistics
- Would UK be protectionist for some crops?
- Status of PO embarked in multi annual plans & other long term contracts: promotion, R&I involving UK partners
- If Single market : application of EU rules (without UK voting on the rules): food and plant safety, organic, etc.
- Levels of EU TRQ within FTA, surveillance mechanisms, WTO quotas & entitlements of operators based in the UK (e.g. garlic TRQ)
- Impact on reporting to RASFF & EUROPHYT: UK solid contributors to data
- Adjustments of procedure and computers programme



EU funding stats for the UK

- Rank in budget share: 2nd largest beneficiary of H2020 funding
- Success rate: 14,8% > 13,3% EU-28 average
- Rank in number of participants signed contracts (EU-28): 1
- Top 5 beneficiaries: Uni Cambridge, UCL, Uni Oxford, Imperial & Uni Edinburgh
- Confusing message from authorities: in practice phase out started



UK scientists dropped from EU projects because of post-Brexit funding fears

Doubts over the UK's ability to win future project grants mean some EU partners are avoiding working with British researchers

Can Jeremy Corbyn stand? Follow today's Politics liveblog



The chemistry research building at Oxford University, whose chancellor, Lord Patten, raised concerns about effect of Brexit on research income. Photograph: View Pictures/UGC/Getty Images

Britain's vote to leave the EU has unleashed a wave of discrimination against UK researchers, with elite universities in the country coming under pressure to abandon collaborations with European partners.

It's not 'business as usual' until Brexit. UK scientists are already feeling the effects

The government must provide immediate assurance that UK scientists will be able to take part in EU funded research after Brexit - or risk being marginalised



The EU referendum result shows UK participation in Horizon 2020 research and innovation funding is at risk. Photograph: David Lead-Clayton/PA

The flagship research and innovation programme of the European Commission, Horizon 2020, is the eighth in a series spanning the last four decades. Taking part in such programmes has become an integral part of research and innovation in the UK, and universities have already expressed dismay about the effects of their potential exclusion from it post-Brexit. But it is not only universities that are worried. Horizon 2020 actively encourages involvement from industry, small companies and others in projects that directly address societal issues from healthcare and transport, to environment etc., or that support more competitive industry and help create jobs.



**In which direction will the wind blow ?
Normally from the Atlantic to the
continent, but story could be
different?**