

Alert | Brexit



July 2019

Brexit Update: Impact of New UK Prime Minister

The UK's new prime minister, Boris Johnson, will take office on 24 July 2019, just over three months before the UK is due to leave the EU, on 31 October 2019.

When the UK voted to leave the EU in June 2016, few predicted that Brexit would not yet be achieved over three years later. But repeated failure to gain UK parliamentary approval of the draft withdrawal agreement terms negotiated by then-Prime Minister Theresa May in late 2018 resulted in the original 29 March 2019 Brexit date being postponed to the current 31 October 2019 deadline. This failure also led to Theresa May announcing her intention to stand down as leader of the governing Conservative Party and as prime minister.

In his first, brief speech as new leader of the Conservative Party, Mr Johnson has promised to “get Brexit done” on 31 October 2019 and to “take advantage of all the opportunities it will bring with a new spirit of can-do”. It is expected he will confirm his plans for Brexit and the post-Brexit free trade agreement between the EU and UK in more detail during his first few days in office. However, his campaign statements indicate his likely approach to Brexit itself.

Mr Johnson has stated he intends to negotiate a new withdrawal agreement with the EU. If there is no agreement by 31 October, he has indicated that the UK will leave the EU without agreed withdrawal terms – a “no-deal” Brexit.

In negotiating a new withdrawal agreement, Mr Johnson has said he will accept some aspects of the 2018 draft, such as citizens' rights, but eliminate others, such as the “Irish backstop” – the provision for the UK

to remain in a customs union with the EU for an unlimited period if a hard border between Northern Ireland and the Republic of Ireland cannot be avoided in the post-Brexit free trade agreement between the EU and UK. The open-ended nature of this provision was a major factor in Parliament's refusal to approve the 2018 withdrawal terms on three separate occasions. Mr Johnson's aim is to postpone addressing Irish border issues until after the UK has left the EU. This has met with resistance from the EU, whose reaction has been that the Irish backstop cannot be removed from the withdrawal agreement and that Irish border issues must be resolved before negotiations for a free trade agreement can start. If the two sides cannot compromise, a no-deal Brexit will likely result, with the loss of some important benefits in the 2018 draft terms, particularly the transitional period to December 2020.

To quell concerns about the cost to the UK economy of a no-deal Brexit, Mr Johnson has said that preparation work, much of which he believes has been done, will make exiting the EU without agreed terms "vanishingly inexpensive". His willingness to contemplate a no-deal Brexit has also met with resistance. A number of government ministers have resigned, and the principal EU negotiator, Michel Barnier, has reinforced the EU's adherence to the 2018 terms by tweeting that the EU "...looks forward to working constructively..." with Mr Johnson "...to facilitate the ratification of the Withdrawal Agreement and achieve an orderly #Brexit...". In addition, members of Parliament have in the past consistently voted against a no-deal Brexit, and on 9 July voted in favour of measures that will make it difficult for Mr Johnson to implement his suggestion that he might suspend Parliament in order to prevent it from blocking a no-deal Brexit on 31 October.

It is not yet clear to what extent the content of the 2018 EU/UK political declaration will survive under Mr Johnson's leadership. It was negotiated in late 2018, alongside the draft withdrawal terms, as the basis for a new EU/UK relationship under a free trade agreement, but the EU has expressed readiness to rework this in collaboration with the UK.

It remains to be seen how far Mr Johnson and his new team of ministers, yet to be announced, are able to overcome EU, parliamentary, and intra-party resistance to his Brexit plans, agree new withdrawal terms with the EU, and obtain formal parliamentary approval, all within the 100 or so days before 31 October. This is made more complicated by the Conservative Party's slim parliamentary majority, which could be further diluted as a result of the division of Brexit opinion within the party's ranks.

In the meantime, Brexit continues to create substantial uncertainty for businesses in the UK and the other 27 EU Member States.

For more on Brexit, click [here](#).

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