

# Squaring the circle

Britain will need to make uncomfortable compromises as it negotiates its way out of the EU and into a new trade deal, writes Euromat general secretary *Kieran O'Keeffe*

ON March 29 the UK finally triggered Article 50. The starting gun on a two-year exit process has now been fired. The talk of the town in Brussels has been the time-limited negotiation that is about to start and how UK Prime Minister Theresa May can square the circle of achieving a new deal with Europe that doesn't involve politically unacceptable compromises for the UK.

If there is to be a deep free-trade EU/UK relationship in the future then some uncomfortable compromises look unavoidable. From a technical point of view a deal is feasible but the guidelines for this process, set out by the EU's remaining 27 member states, make clear that the decision as to how quickly and on what terms this proceeds will be highly political.

The EU will push a two-phased approach. The European Council wants "sufficient progress" made on citizens' rights, the exit bill that the UK will pay and the Irish border, before giving Michel Barnier (the European chief negotiator for Brexit) a new mandate to look at the framework for a future relationship.

May wants the terms of the future partnership discussed "alongside" the exit talks. She's unlikely to get her way and it is in EU leaders' hands to determine what "sufficient progress" means. The carrot will be: deal with the exit arrangements quickly, don't play politics with the exit bill and we'll get onto the future partnership quicker.

The UK accepts the need for a "fair settlement" of the UK's rights and obligations "in accordance with the law and in the spirit of the UK's continuing

partnership with the EU." There seems little difference between them on citizens' rights and the Irish border but the exit bill has the potential to sour the talks. Take, for example, the position of the main centre-right grouping in Europe, the European People's Party: "Why should a Croatian nurse, whose country has only been a member since 2013, pay the bill for the UK's liabilities since 1973 so as to make a tax cut for a London city banker possible?"

May will need to use all her political skills to emerge from this process having extracted a new deal for Britain while maintaining her political credibility at home.

