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Negotiations on UK's Brexit Deadline

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Why in News

Recently, the **UK** and the **European Union (EU)** have **agreed to continue Brexit trade deal talks** and **abandon the 31st December deadline**, end of the transition period for a **post-Brexit trade agreement**.

Under the **Withdrawal agreement** between the UK and the EU, a transition period of 11 months was finalised until 31st December 2020.

- During this period, the UK continues to **participate in the EU's Customs Union** and in the **Single Market**.
- The transition period makes sure that there is **not a sudden shock but a degree of continuity that allows both parties to secure an orderly Brexit**, minimising disruption for the citizens, businesses, public administrations, as well as for the international partners.

Key Points

- In the negotiations on the post-Brexit trade agreement, significant differences remain on **three critical issues: level playing field, governance and fisheries**.
- **Level Playing Field:**
 - What measures there should be to ensure a “level playing field” for businesses between the UK and the EU and the role of the European Court of Justice.
 - Deadlock over **the EU's demands for a mechanism that would make tariff-free trade with the both sides maintaining fair competition** for business through a regulatory “level playing field”.
 - **The UK rejected “evolution mechanism” or “equivalence mechanism”**. This mechanism **intends to deter the UK from undercutting the EU** if the bloc decides to raise its standards in areas such as environmental rules or workers' rights.
 - The UK **could not accept a deal that left it bound to EU rules** in the future.

- **Governance:**
 - The UK **wants to strike out a deal through bilateral talks with EU leaders.**
 - However, the EU had already proposed that the **mechanism should be administered by a joint committee of EU-UK officials**, with the arbitration in case of disputes and the **negotiations must be conducted** on behalf of all of the bloc's 27 member states **by the committee.**
- **Fisheries:**
 - The key focus is over **access to UK waters by the EU's fishing fleets.**
 - According to reports, **France is leading the charge in this area** and demanding access rights for at least 10 years, a demand the UK is unwilling to give in to, claiming it **fails to meet its take back control criteria** for leaving the bloc.
- **Possibilities After Failed Negotiations:**
 - If a deal is not reached before the December-end deadline, the "most likely" outcome remains a **no-deal Brexit** on **World Trade Organization** (WTO) terms on 1st January.
 - In a no-deal situation, **the UK would immediately leave the EU with no agreement about the divorce process** (term used for the UK's separation from the EU), **leave the single market and customs union arrangements** overnight.
 - The UK will have to **immediately leave EU institutes** and other bodies like the European Court of Justice and Europol, its law enforcement body and will **no longer contribute to the EU budget.**
 - Without a trade deal, **cross-Channel trade will revert to WTO rules**, with **tariffs driving up prices and generating paperwork** for importers and **border checks and taxes will be introduced for goods travelling** between the UK and the EU.
 - It would have a far-reaching impact on the way business and trade is conducted in Europe and could **spoil the relations between the UK and the EU.**

Way Forward

- There is a soft Brexit and there is a hard Brexit but the UK needs to find a way for a semi-soft Brexit so that people do not bear the sudden shock of leaving the EU at once.
- The EU's core idea is that the member nations are stronger together and pooling the resources and initiatives is the best way of achieving common goals. Even if the UK has moved out of the EU, it will continue to move forward as a bloc of the 27 countries. Meanwhile, other nations of the world will have to accommodate themselves according to the shifting balance of power and politics.