#### **European Commission - Statement**





# Remarks by Michel Barnier at the European Commission Representation in Sweden

Stockholm, 9 January 2020

Good morning to all of you and thank you very much for taking time to participate in this dialogue.

First of all, I think it is still time to wish you all Happy New Year: Gott nytt år!

Ladies and Gentlemen,

2020 starts in a climate of geopolitical tensions and, unfortunately, tragedies – I think of the fires in Australia and of, of course, the tragic plane crash in Iran, which unfortunately involved several Swedish citizens and families.

## 2020 also marks a new beginning in the EU's relationship with the UK.

It is now clear that the UK will leave the EU at the end of this month.

Like many, I will be sad to see it go. I will always regret this vote. And respect it. And my job for the past three years has been to deliver the wish of the UK government.

But, more importantly, as we turn the page, **I look forward to forging a new partnership** with this great nation.

Ladies and gentlemen,

I am aware that **the UK's departure has important consequences for Sweden** – as for many other Member States.

It was important for me to come back to Stockholm today. And I am very grateful to **Katarina Areskoug** and the staff of the Commission's Representation here in Stockholm, for making it happen.

#### Sweden and the UK have a strong and longstanding friendship.

In fact, the first formal Anglo-Swedish alliance dates back some 365 years, when Queen Christina of Sweden signed a commercial treaty with the Commonwealth of England.

At the time, the British Ambassador to Sweden claimed that Sweden and England were a "perfect match": nations "at a perfect distance and situation, [...] neither so near as to cause jealousies; nor yet so far off, but that they may give [each other] timely assistance".

## Over the years, the friendship between Sweden and the UK has grown stronger and deeper:

- Both bilaterally particularly on defence and security matters;
- And within the EU where they held similar views on many policies: trade, enlargement, innovation or the digital single market, to name but a few.

So it is only logical that Brexit is an important subject here.

The **Withdrawal Agreement** that we have secured with the UK will protect the EU's – and Sweden's – core interests.

Let me just recall the main points of this agreement – 600 pages are not so easy to read.

- Thanks to this agreement, **the rights of all European citizens** residing in the UK among which 100,000 Swedes and British nationals living in the EU will be guaranteed for life. Also for their families. That concerns 4.5 million people.
- We have also **avoided a hard border on the island of Ireland**, where negotiations were about peace and stability, not just trade and the economy.
- And we have **protected the EU's Single Market**, along with all the guarantees it offers in terms of consumer protection, public and animal health, or combatting fraud and trafficking.

Those are the core points of the Withdrawal Agreement agreed with Prime Minister Johnson in October.

This agreement will be ratified in the next few days in London, in the House of Commons, and also on our side by the European Parliament at the end of the month – on 29 January.

The Withdrawal Agreement also provides us with at least 11 months of continuity.

Of course, because it will cease being an EU member at the end of the month, **the UK will no longer participate in the EU institutions**. This is not our choice. It is the UK's choice.

But it will remain in the Single Market and the Customs Union until the end of 2020.

During this transition period, free movement of people, goods, services and capital will continue to apply.

This gives us some time – a short time – to prepare for the future relationship.

It is important to understand that Brexit is a kind of divorce. We have now organised an orderly divorce. But now, the UK will automatically, mechanically, legally, leave 600 international agreements.

And we will have, together – EU and UK, and the UK for its part, alone – to rebuild everything. That is what is at stake for the next stage of the negotiations.

So we have a huge amount of work ahead of us if we are to secure an ambitious new partnership between the EU and the UK.

### The timeframe is hugely challenging. A new clock is ticking.

If Prime Minister Johnson does not want an extension of the transition period beyond the end of the year – and yesterday when we met him with Ursula von der Leyen, he told us very clearly that he does not want such an extension – **we will have less than 11 months to conclude a deal**.

## If we fail, the transition period will end on 1 January 2021 without any arrangements for a new future relationship in place.

- This would not affect the issues covered in the Withdrawal Agreement: the financial settlement, and, thankfully, the deal we have reached on the island of Ireland and on citizens would still stand.
- **But it would mean the return of tariffs and quotas**: a total anachronism for interconnected economies like ours.

Of course, this is not what the EU wants.

But it is nonetheless a scenario that everyone must continue to prepare for – at EU level, but also at national level, and here in Sweden.

On the EU side, we will be pushing for a good deal.

And we will give it our all. Never will it be the EU that fails on common ambition. Never.

We will strive for a partnership that goes well beyond trade and is unprecedented in scope: covering everything from services and fisheries, to climate action, energy, transport, space, security and defence.

But that is a huge agenda. And we simply cannot expect to agree on every single aspect of this new partnership in under a year.

Let me just show you this document: In the package of the Withdrawal Agreement, there are in fact two documents. The withdrawal treaty itself – the famous 600 pages – and a second document: the Political Declaration, which is about the future relationship.

The divorce on one side, and the future relationship on the other.

The Political Declaration is much easier to read: 36 pages, very concise, covering all aspects of the future relationship – the ones we agreed together.

If we want to agree on each and every point of this Political Declaration – which would lead to an unprecedented relationship – it will take more than 11 months.

So we are ready to do our best, to do the maximum, in the 11 months. To secure a basic agreement with the UK, but we will need more time to agree on each and every point of this Political Declaration, which is a public document if you want to read it.

The European Commission will propose, in the next few weeks, a comprehensive draft mandate for negotiations to the European Council, to the Council of Ministers and to the European Parliament.

But, as European Commission President Ursula von der Leyen stressed yesterday in London, we will have, for the reasons I mentioned, to prioritise on what we can do in 2020.

So, what do I think we should focus on over the coming year?

## Let me mention three points:

#### 1/ First, we must build up a new capacity that enables us to work together.

As you are all aware, a great Swede invented a great prize – one which the European Union was

awarded in 2012.

The **Nobel Peace Prize** recognised the EU's contribution to furthering peace, reconciliation, democracy and human rights across Europe and beyond its borders.

It recognised the EU as being much more than an economic project or 'super-market'.

It is in this spirit that we will continue to engage positively with the UK, both bilaterally and in global fora.

Of course, our cooperation will never match the benefits of EU membership.

But as fellow Europeans in an ever more interconnected world, we must continue to come together regularly to discuss joint challenges.

Only by joining forces can we find solutions to the world's most pressing challenges: from tackling climate change and promoting effective multilateralism, to defending our homelands and finding peaceful solutions in the Middle East.

Because if the EU and the UK – with our common history, our geographical proximity, and our shared values – cannot align on these critical issues, there is little hope that others around the globe will.

## 2/ Secondly, we need to build a very close security relationship.

After the wave of terrorist attacks that we witnessed across Europe – including the terrible truck attack in the heart of Stockholm in 2017 – the EU took decisive steps to shore up its collective security.

Under the oversight of the Court of Justice, we put in place more common rules, databases and supervision mechanisms.

Here too, **the UK's departure will have consequences**: the same degree of cooperation is simply not possible with a third country that is outside of Schengen.

And yet, it is also clear that both the EU and the UK can improve their security policy by looking beyond their borders and building alliances.

Tackling terrorism, cybercrime, disinformation and cross-border criminality will continue to call for coordinated responses and strong cooperation between the UK and the EU. As will responding to external security threats from countries seeking to destabilise our democracies or threaten our territorial integrity.

We must be able to count on each other. The lives of our citizens may depend on it.

That is why, ladies and gentlemen, there can be no trade-off on our mutual security.

Both sides should commit to this unconditionally.

Together with my colleagues, **Josep Borrell** – the EU's High Representative for Foreign Affairs and Security Policy – and **Yiva Johansson** – the European Commissioner for Sweden who is in charge of Home Affairs and internal security – we will work to build up a relationship that is as close as can be, given the circumstances.

That is therefore a second area of cooperation – mentioned already in the political declaration.

### 3/ Thirdly, we need an economic partnership based on a level playing field.

Europe is proud of its reputation as a global leader on labour rights, consumer protection and environmental sustainability.

Around the world, the EU has become a synonym of high-quality, safe and ethical products. An EU logo inspires trust and confidence.

And, as the world goes digital, there is growing demand for a `European way' of regulating new technologies.

Competing on social and environmental standards can only lead to a race to the bottom that puts workers, consumers and the planet on the losing side.

That is why we will insist on making our economic partnership subject to a level playing field on environmental and social standards, state aid and tax matters.

As one of the countries that has driven the creation of our ambitious common regulatory framework, I am sure that Sweden will agree.

## Yes, the UK represents 9% of all EU27 trade.

But more significantly, the EU27 accounts for 43% of all UK exports and 50% of its imports.

So, it is clear that if we fail to reach a deal, it will be more harmful for the UK than for the EU27.

All the more so because EU Member States can rely on each other or on the many other partners that the EU has free trade agreements with.

So we will insist on a trade partnership with zero tariffs, zero quotas, but also zero dumping.

**Zero tariffs, zero quotas, zero dumping**: This point was made very clear yesterday in the discussion between Prime Minister Boris Johnson and President Ursula von der Leyen.

Now, let me say a few words about the next steps.

Like I said earlier, the timetable ahead of us is extremely challenging.

That is why we will look to organise the negotiations to **make the most of the very short time** available.

By 1 February, the Commission will be ready to propose a **mandate for the negotiations to EU Member States**.

I hope that we can launch negotiations soon after. At the end of February or the first days of March.

Our aim will be to make as much progress as possible by June. This is when EU27 and UK leaders will meet to take stock of the negotiations.

As always, **my team**, **under the authority of European Commission President Ursula von der Leyen**, **will work in an open and transparent manner**. We will continue to regularly inform and engage with Member States and the European Parliament in particular, but also in each capital, with the business community, civil society, trade unions and all key stakeholders. I know this is a priority for Sweden – and rightly so.

Let me end, before answering your questions, on a more personal reflection.

I have always had a lot of respect and admiration for the United Kingdom.

This will not change.

I will approach the negotiations of this next phase with the same respect, the same objectivity, the same calm and the same patience. Brexit is a school of patience.

At the same time, nobody should doubt the determination of the Commission – and my determination – to continue to defend the interests of the EU 27's citizens and businesses and to defend the integrity of the Single Market. The Single Market is much more that a free trade zone. It is an ecosystem, with common laws, common standards for the environment, rights for workers and consumers, common regulations, common supervisions, and on the top of this, a common jurisdiction: the Court of Justice. This is the ecosystem we have built together, with Sweden, and also with the UK for the last 45 years.

To be clear, the integrity of the Single Market – the four freedoms – has never been, and will never be, negotiable.

This is the spirit in which I will work in the next 11 months, at least.

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