



# Keynote Address by Michel Barnier at the Institute of International and European Affairs

Dublin, 2 September 2020

Ladies and gentlemen,

Good afternoon, dia dhaoibh,

Thank you for tuning in.

I hope you are all safe and well despite the difficult circumstances.

Let me start by thanking the Institute for International and European Affairs –its Director-General, Michael Collins, and your team– for inviting me, and for the kind words of introduction.

- For many years already, your institute has played a key role in helping the public to better understand the implications of Brexit for Ireland.
- Your thoughtful analysis and recommendations have also been useful for us in Brussels, and in national capitals.

I would also like to thank the European Commission's Representation in Ireland – and its Head, Gerry Kiely – for helping to organise this event, as well as for all the support you have given our Task Force over the years.

I am happy for this new opportunity to interact with all of you today.

Even if only virtually.

The coronavirus pandemic continues to take lives around the world.

And dealing with the sanitary crisis, and its serious economic and social consequences, naturally remains the very first priority of governments and businesses.

This is also of course one of the main priorities of the European Commission, and its President Ursula von der Leyen.

And there are obviously other major projects and ambitions for the future of Europe, which President von der Leyen will present in her very important speech on the State of the Union on 16 September.

But as you all know: the pandemic does not stop the Brexit clock from ticking.

We are now less than four months away from 1 January 2021.

This is the date chosen by the UK itself for its “economic and commercial Brexit”, after the “political Brexit” in January this year.

Because, as you know, the UK refused any extension of the transition period.

We have no more time to lose.

We must have a final agreement by the end of October if we are to have a new partnership in place by 1 January 2021.

As I have already explained, this is the only way to give enough time to the European Parliament and the Council to have their say.

This is a legal and democratic necessity.

Everyone, everywhere must be realistic about this strict deadline.

Ladies and gentlemen,

The “economic Brexit” will in any case have negative consequences – many negative consequences.

But if we all act responsibly, we can contain some of those consequences.

Back in February, I mentioned three major tasks for this year:

1. Negotiating our future partnership;
2. Implementing the Withdrawal Agreement;
3. Getting ready for changes at the end of the transition.

These three tasks are closely interlinked.

Completing each of them is urgent.

I know this sense of urgency is strong in Ireland and in Northern Ireland.

Without a doubt, Ireland is the Member State most affected by Brexit.

And of course, for the island of Ireland, Brexit negotiations have not just been about trade and the economy.

But, more existentially, about maintaining peace and stability.

That is why, since the beginning of the Brexit negotiations, I have been very attentive to the concerns voiced by all the different parties and communities in Ireland and Northern Ireland.

I have worked closely with Ireland's successive Taoisigh – Enda Kenny, Leo Varadkar and, today, Micheál Martin – and with Minister Simon Coveney and other members of government.

I have exchanged views with the Dáil and Seanad, as well as all the Irish Members of the European Parliament.

Together, we carried forward the close relationship between Ireland and the rest of the EU, based on solidarity and respect.

Ladies and gentlemen,

In this context, I will miss Phil Hogan, on whom I could always count to relay any Irish concerns to me very directly over the last four years.

I would like to take this opportunity to thank him warmly for all the work he has done for Europe – as Commissioner for agriculture and rural development, and, more recently, as Commissioner for trade.

In particular in the context of the current negotiations with the UK, where he and his team of trade experts, including Sabine Weyand, have been of great value.

I used to meet him once a week as Trade Commissioner.

And I look forward to working with the future Commissioner of Irish nationality in the final stretch of the negotiations with the UK.

Ladies and gentlemen,

Before opening up the discussion, let me tell you where we stand on the three important tasks that I mentioned.

First of all, let's turn to our current negotiations with the UK on a future partnership.

We want a close partnership with the UK.

Provided the conditions are right.

This is in everybody's interest.

And in Ireland's interest in particular.

So far, the UK has not engaged constructively on those conditions.

And, as I have said before, I am particularly worried – and disappointed – by the UK's lack of engagement on three points:

- First point: Since the start of these negotiations, the UK has refused to engage on credible guarantees for open and fair competition.

Yet, the EU has been clear about this from the very beginning:

Any trade and economic partnership – between economies as close and interconnected as ours – must include robust and credible mechanisms to

avoid trade distortions and unfair competitive advantages.

This is particularly important in the area of state aid, where the potential to distort competition using subsidies is significant.

A Level Playing Field that ensures common high standards – in areas such as labour rights and the environment – and with effective domestic enforcement and dispute settlement mechanisms, is the only way to start a new relationship between the EU and the UK on a firm and sustainable footing.

And it is also what Prime Minister Johnson agreed to, explicitly, in the Political Declaration last year.

- Second point: Since the start of these negotiations, the UK has not shown any willingness to seek compromises on fisheries.

Contrary to media reports this week, the UK government's position has not evolved in past months.

No new legal texts have been tabled by UK negotiators.

Where the EU has shown openness to possible solutions, the UK has shunned our offers.

Yet the UK government's position would lock out Ireland's fishermen and women from waters they fished in long before Ireland or the UK joined the European Economic Community in 1973.

And of course, the fishermen and women of many other EU countries.

That is just not acceptable.

We fully understand and respect that the UK will become an independent coastal state, outside the Common Fisheries Policy.

But we will not accept that the work and the livelihoods of these men and women be used as a bargaining chip in these negotiations.

Any solution must ensure a balance:

- between further developing the activities of British fishermen and women;
- safeguarding the activities and livelihoods of European fishermen and women;
- and preserving natural resources.

Without a long-term, fair and sustainable solution on fisheries, there will simply be no new economic partnership with the UK.

- Finally, third point: Since the start of these negotiations, the UK has been extremely reluctant to include any meaningful horizontal dispute settlement mechanisms in our future agreement.

Yet, this is the only way to ensure that what we eventually agree on is respected.

On all these issues, we are simply asking to translate the political engagements taken in the Political Declaration into a legal text.

Nothing more. Nothing less.

Yet, on all these issues, the UK side continues to disappoint.

We know well the UK's argument:

- It wants a clean break from the EU.
- Full sovereignty.
- The freedom to set its own rules and spend its money as it wants, with no constraints from Europe.

For all these reasons, the UK insists it cannot commit to a level playing field or to basic safeguards for our future relationship.

Not even when it comes to fundamental rights!

And yet, the truth is that British negotiators are still seeking continuity in many areas.

Not a “clean break” at all!

- On transport or on energy trading;
- on its role for conformity assessments for goods;
- and on many aspects of police and judicial cooperation.

The UK government is still looking to keep the benefits of the EU and of the Single Market, without the obligations.

The UK often says it would be in the EU's interest to grant it a special status in these strategic areas of cooperation.

But, frankly speaking: Is it really in the EU's long-term economic interest?!

For instance:

- British proposals on rules of origin would help the UK to develop its role as an assembly hub for the EU!

They would allow the UK to source goods from around the world and export them, with very little alteration, to the EU, as British goods: tariff- and quota-free!

- British proposals on road transport would allow British truckers to drive on EU roads without having to comply with the same working conditions as EU drivers.
- The UK's proposals on air transport would allow British airlines to operate inside the EU without having to respect the same labour and environmental standards.
- In the area of energy, the UK is asking to facilitate electricity trade without committing its producers to equivalent carbon pricing and state aid controls.
- In this area, as in others: without a common framework on state aid, the UK government would be free to hand out subsidies at will.

Not just to support the green economy, but also polluting industries.

Not just to support industries of the future, but also traditional sectors, such as steel and automotive – before exporting these, tariff and quota-free, to our markets.

Ladies and gentlemen,

We have no wish to intervene in the UK's domestic affairs.

But how can we conclude a long-term economic partnership agreement – between sovereign partners –

- without knowing which system of state aid or subsidies the UK will put in place?
- without any assurances that the UK will not use its new regulatory autonomy to distort competition with us in the future?

I noted with interest a recent speech by the Chief Executive of the Environment Agency for England, Sir James Bevan.

He suggested that, after Brexit, water quality standards for English rivers, lakes and beaches should be less rigorous than under the EU's Water Framework Directive.

Of course this raises major environmental and health concerns.

But let us consider the economics too:

If English farmers and industrials are no longer bound by high standards on water pollution – wouldn't they gain a decisive – and unfair – cost advantage?

We have no issue with regulatory divergence.

It is normal that the UK wants to set its own standards and rules.

But if these serve to distort competition with us, then we have a problem.

And there are other areas where the UK insists on being able to diverge substantially from its current standards as of 1 January 2021.

I am thinking, for example, of the food sector.

Here, not only is the UK looking to go back on protections for Geographical Indications secured in the Withdrawal Agreement.

It has also given us no reassurance on the future sanitary and phyto-sanitary regime that the UK will apply after 1 January 2021.

How can we make progress on sanitary and phyto-sanitary issues when we have no idea how the UK's system will evolve?

Ladies and gentlemen,

These are not technocratic details.

They are essentials.

At stake are tens of thousands of European jobs and livelihoods – Irish jobs and livelihoods.

Our health, safety and wellbeing.

Our environment and climate.

Our fundamental rights.

Of course, Ireland's particularly close relationship with the UK makes these questions even more important.

Especially for businesses exporting to Great Britain or competing with British companies.

Ladies and gentlemen,

Thankfully, the Withdrawal Agreement means that we have a stable solution for goods traded between Ireland and Northern Ireland, without a hard border on the island.

This is essential to protect the all-island economy.

This is precisely why our second important task, before the end of the year, is to ensure the full and effective implementation of the Withdrawal Agreement – in particular as regards citizens' rights and the Protocol on Ireland and Northern Ireland.

This remains an absolute priority for the EU.

- It is the only way to protect the Good Friday (Belfast) Agreement in all its dimensions.

And therefore to protect the gains of the peace process, which people like David Trimble, John Hume, Seamus Mallon, Martin McGuinness and Ian Paisley worked so hard for – with the support, of course, of successive Irish and British governments, and of the EU.

- A precise implementation of the Withdrawal Agreement is also the only way to avoid a hard border on the island of Ireland and preserve the all-island economy.
- It is the only way to preserve the integrity of the Single Market, and all its guarantees for consumer protection, public and animal health, by ensuring all the necessary checks and controls for goods entering Northern Ireland.

And, of course, it is a precondition for us – the EU and the UK – to be able to forge a meaningful partnership built on trust.

In recent months, under the impetus of Michael Gove, the UK has started to make progress on the implementation of the Protocol. This is encouraging.

But important questions remain open.

- The EU needs to be sure that the Union Customs Code will be applied in its entirety for goods arriving in Northern Ireland.
- Similarly, we need to know that goods leaving Northern Ireland respect all applicable EU export procedures and formalities.
- And we need to be certain that all necessary controls are carried out on live animals or animal-derived products arriving in Northern Ireland from Great Britain and the rest of the world.

To ensure that this agreement works on the ground as of 1 January 2021, the UK still needs to complete many practical preparations – time-consuming and resource-intensive preparations.

And, of course, we will also continue to be extremely vigilant when it comes to ensuring the full respect of citizens' rights under the Withdrawal Agreement – both in the UK and in the 27 EU Member States.

Together with Vice-President Maroš Šefčovič, we continue to follow closely the UK's actions.

Ladies and gentlemen,

The rigorous implementation of the Protocol will serve to protect peace and stability on the island of Ireland.

And of course, an ambitious future partnership with the UK would help limit the negative impact of Brexit for Ireland, for the EU and for the UK.

But even with these two pillars in place, there will be big changes on 1 January 2021.

On that date, the UK will leave the Single Market, the Customs Union, all EU policies, and all of our international agreements.

This is its choice – not ours.

Let me mention just a few examples of what this means concretely:

- On that date, customs formalities will apply to all our imports and exports with the UK.
- On that date, the EU will no longer recognise UK type-approvals for cars.
- On that date, financial institutions established in the UK will lose the benefit of the EU's 'financial passports'.

No trade agreement – no matter how ambitious – can change this.

Businesses, public administrations and citizens must urgently get ready for these changes.

Here again, Ireland's unique geographical situation means that it will be particularly affected.

Many Irish importers and exporters rely on the UK as a key route to and from the rest of the EU; their 'land bridge' to and from the EU.

We have been working with Ireland, and relevant Member States, to ensure that this key connection to the Single Market remains effective.

The UK's participation in the Common Transit Convention will certainly help in this regard.

On the EU side, our major entry and exit points are ready.

But there are still concerns as to the readiness of some key UK ports.

And Irish businesses, transport operators, ports and shipping companies will all have to play their part in adapting to the new situation.

Many already have:

- Shipping companies have increased capacity on direct services to the continent.
- Businesses are reorganising their distribution chains and diversifying their markets.

More generally, Ireland has done very good preparatory work.

I particularly commend the Government's "Getting Ireland Brexit Ready" campaign. And I know this work is continuing.

I trust in your capacity to adapt to new times.

Finally, to help stakeholders across the EU to prepare, the Commission adopted a "Readiness Communication" on 9 July.

- We have also published more than 80 sectorial notices with more detailed guidance, which are being translated into all EU languages.
- And we are working with all 27 national administrations to make sure that these changes are communicated clearly and understood by all.

Ladies and gentlemen,

As we near the finish line, I still have hope that – despite current tensions – our common history with the UK, shared values and joint commitment towards multilateralism will prevail.

Seamus Heaney – who passed away seven years ago this week – liked to quote the words of another great European – Vaclav Havel:

"Hope is not optimism, which expects things to turn out well, but something rooted in the conviction that there is good worth working for."

I continue to think that Prime Minister Boris Johnson wants an agreement with the EU.

He confirmed this recently to your Taoiseach Micheál Martin.

This is also the wish of Presidents Ursula von der Leyen and Charles Michel, the European Parliament and the 27 Heads of State or government.

We will do everything in our power to reach an agreement.

Until the very end.

But, we will not sacrifice – never sacrifice – the EU's long-term economic and political interests for the sole benefit of the UK.

In past months, the EU has repeatedly shown flexibility and creativity to work with the UK's red lines: on the role of the European Court of Justice, on preserving the UK's legislative autonomy and on fisheries.

It is time for the UK to reciprocate on those issues that are fundamental for the EU.

I will be back in London next week for our eighth negotiating round, as planned.

And I sincerely hope to be able to tell you a new story after that round – a story of real, tangible progress in all areas.

Go raibh míle maith agaibh.

Thank you.

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