



Newington

Brexit – situation update

28 March



Where are we?

- UK no longer leaving EU on 29th March – EU extended deadline:
 - **22nd May** – IF the existing Withdrawal Agreement is passed – requires Meaningful Vote and EU Withdrawal Implementation Bill to receive Royal Assent
 - **12th April** – If the deal does NOT pass, UK must decide next steps
- Should the UK **fail to pass the deal** or **fail to agree on next steps** the UK will exit the EU on no deal terms on 12th April





How did we get here?





MPs take control



No MV3?

The Speaker has ruled that the Government cannot bring back an identical motion to the Commons



MPs take control

For 140 years the Government has controlled what business is up for consideration

On Monday MPs voted to put backbenchers in charge – held indicative votes yesterday





How MPs voted on different Brexit options in indicative votes

IfG



Source: Institute for Government analysis of Commons Divisions from Parliament Data (explore.data.parliament.uk/).



What happens next?



Government will try to overrule Speaker and vote tomorrow

Could use a technical motion, or separate the Withdrawal Agreement from the Political Declaration

Deal currently doesn't have the numbers – 30 Tory MPs and 10 DUP won't vote for it



MPs will have another go at narrowing the options

This will happen on Monday – of all the options, only Customs Union seems to have most support



Does Customs Union have stable majority to pass legislation?

Any deal with the EU requires a Withdrawal Agreement – that **must go through Parliament in the form of legislation**



Sectors most affected by Brexit

Hospitality

- Research by YouGov suggests shortage of 60,000 hospitality workers
- Brexit may also hit consumer budgets, leading to knock on effect

Chemicals and plastics

- Chemical Industries Association warned of disengagement from European Chemicals Agency
- Separate UK agency could take years at significant cost
- Access to skills a concern – 10% of workforce is from EU

Agriculture

- After transition, UK farmers will operate outside of the CAP – new domestic agriculture policy needed.
- NFU has warned of no deal concerns and tariffs

Financial Services

- Many banks making contingency plans about moving to Europe
- European centres like Paris and Frankfurt making overtures to big financial institutions in UK
- JP Morgan asked staff to sign contracts committing them to move to Europe if no deal

Automotive

- Serious concerns over JIT supply chain
- CEO of JLR warned that hard Brexit could cost company £1.2bn in tariffs