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BCC comments on Theresa May Brexit speech: positive ambition – now for the detail

Commenting on the Prime Minister's speech at the Mansion House today (Friday) outlining the government's Brexit objectives, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

"Businesses will appreciate the Prime Minister's ambition and her determination to secure a wide-ranging agreement in the next phase of negotiations with the EU. Theresa May's commitment to supporting the interests of business and enterprise will reassure firms that their needs will be front and centre in the negotiations ahead.

"Businesses will still have to wait for some of the detail they need to plan ahead with confidence, but the Prime Minister was clearer and more realistic than ever before on the political choices and economic trade-offs ahead.

"The practical issues that matter for business and trade must now become the absolute priority. The time for high-level statements is over, and attention must now turn to the painstaking process of getting the details right.

"Over the next fortnight, it is imperative for both sides to come to a swift agreement on transitional arrangements, to give businesses further certainty over short-term trading conditions, and to move swiftly on to detailed and constructive discussions about the future UK-EU relationship. Businesses on both sides of the Channel will be dismayed if the parties opt for high-volume megaphone blasts over pragmatic and practical concerns."

Commenting further on aspects of the Prime Minister's speech, Anastassia Beliakova, Head of Trade Policy at the British Chambers of Commerce, added:

On tariffs and mutual recognition, she said:

"Although some barriers to trade are inevitable as the UK leaves the EU, there are some that can and must be avoided. The Prime Minister's commitment to seek a tariff-free trading arrangement, and to aim to minimise costs and red tape behind the border, will be welcomed by businesses on both sides."

On customs and border management, she said:

“Much of the debate has been focussed on the merits and drawbacks of whether the UK should be part of a customs union with the European Union, but there are many other issues related to cross-border trade that need as much, if not more, attention.

“Transit of vehicles, validity of licences, inland health and safety checks on goods, and the waiving of unnecessary declarations are all critical areas for negotiations – and would significantly ease future burdens on businesses. This is the sort of the detail that needs to be addressed, and swiftly, to give businesses greater confidence.

“Having reiterated the proposal for a customs partnership with the EU, whereby the UK collects two different sets of tariffs, the Prime Minister must now outline how this could work in practice – as this could potentially be very challenging for businesses to implement. The ‘highly streamlined option’ would also require a significant amount of investment, work and cooperation from customs on both sides – and if this is the preferred approach, the UK and the EU must agree next steps without delay.”

On future regulatory cooperation, she said:

“The Prime Minister is right to highlight sectors like aviation, chemicals and pharmaceuticals, where future co-operation between the UK and the EU is both desired by industry and eminently sensible. A pragmatic approach would seek to avoid the replication of processes and agencies, where a joint approach makes clear business sense.”

On the maintenance of a unified market within the United Kingdom, she added:

“We welcome the Prime Minister’s steadfast commitment to maintaining the integrity of the United Kingdom as a unified market for business. The ability to trade between the nations of the UK without expensive, unnecessary additional compliance measures is absolutely crucial.”

On immigration and labour markets, Beliakova said:

“At a time of critical labour shortages in many parts of the UK, a pragmatic approach to immigration is sorely needed. Business welcomed the recent clarity from government around the rules for EU nationals arriving during the transition period, but will want to see an ambitious agreement between the UK and the EU that allows businesses across the continent to get the skills they need in future.”

Ends