

# News from the Brexit Cliff Edge

## 19th Feb 2019

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### News Highlights

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#### Welcome to the Brexit Cliff Edge

- Honda announced plans to shut its Swindon factory in 2022 putting 3,500 jobs at risk
- Birds Eye`s Wayne Hudson said a disorderly Brexit could lead to a 20% rise in food prices
- Travellers with booked flights could be hit with a Brexit surcharge in the event of No Deal
- EY is shifting its HQ from the UK to Brussels
- Without an equivalency trading deal, the government No Deal stance means organic food exports to the EU are dead in the water
- Investment firms are telling British colleagues that to be able to pitch M&A deals to EU businesses they`ll need EU-based chaperones
- Mercedes boss Toto Wolff sees imminent chaos for Formula One teams in the event of a No Deal Brexit
- Germany is questioning whether it will extradite its citizens to the UK in the event of a No Deal, as the current European Arrest Warrant lapses
- A Parliamentary report on Fake news slammed Facebook for its actions in facilitating misuse of personal data, infringements of personal privacy and inadvertently aiding bad actors in attempts to subvert democratic institutions and processes
- Tories Sarah Wollaston and Sir Alan Duncan are now also facing deselection meetings from Eurosceptic hardliners
- The breakaway group of seven Labour rebels announced the formation of a new independent group in Parliament
- A Tory minister and four Tory MPs are said to be actively considering joining the rebel group of seven former Labour MPs
- Irish minister Simon Coveney confirmed there would be no keyhole surgery on the UK withdrawal agreement at the expenses of the Irish backstop
- UK-Japan trade talks almost, stalled before they started, as the UK issued a tersely worded letter that the Japanese found patronising

### Jobs at Risk

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#### **‘Shattering body blow’ as Honda plans to close Swindon factory**

Honda is planning to close its factory in Swindon, dealing what trade unions called a “shattering body blow” to the UK automotive sector, which is already wrestling with the effects of Brexit-related uncertainty. The Japanese carmaker is expected to announce as early as Tuesday that it is planning to shut its Swindon plant in 2022, in a move that would put 3,500 jobs at its only European production site at risk and threaten many more in its supply chain.

<https://www.theguardian.com/business/2019/feb/18/carmaker-honda-plans-to-close-swindon-factory-reports>

*Additional sources: (The Guardian) (Sky News) (The Guardian) (The Irish Times) (Reuters) (Swindon Business News)*

#### **Honda: Is Japan losing faith in the UK?**

Since the referendum, the Japanese government, its UK ambassador and company managements have repeatedly warned about the corrosive effect of Brexit uncertainty and the possibility of losing frictionless trade with the EU. Honda is not alone in pulling investment from the UK. Nissan reversed

its decision to build the X-Trail SUV in Sunderland, while Sony and Panasonic moved their European HQs to the EU. In each case, the rationale was slightly different, but many in Japan feel that failure to provide Brexit certainty counts as a broken promise, permitting the loosening of ties that used to bind the two countries.

[https://www.bbc.co.uk/news/business-47285076?ocid=socialflow\\_twitter](https://www.bbc.co.uk/news/business-47285076?ocid=socialflow_twitter)

### **Workers blame Brexit for demise of Honda's Swindon plant**

Honda workers in Swindon expressed their anger and fears for the future on Monday over the expected closure of the plant, blaming Brexit for a loss that they said would send shockwaves through the town. After news broke of the likely closure in 2022, with the loss of 3,500 jobs, one worker leaving the plant said the atmosphere inside was “clearly not very happy”. The man, who like most workers absorbing the news did not wish to be named, has been with the company for 24 years. He blamed Brexit for the car giant’s decision. He said he had voted remain in the EU referendum and condemned the local Conservative MP Justin Tomlinson for campaigning for Brexit.

[https://www.theguardian.com/business/2019/feb/18/workers-blame-brexit-for-demise-of-hondas-swindon-plant?CMP=share\\_btn\\_tw](https://www.theguardian.com/business/2019/feb/18/workers-blame-brexit-for-demise-of-hondas-swindon-plant?CMP=share_btn_tw)

### **Blame Brexit? UK faces threat of 8,000 lost car manufacturing jobs**

Oxford professor Matthias Holweg, who specialises in manufacturing and operations management, told Yahoo Finance UK earlier this month that the industry could see “death by a thousand cuts.” “The real danger is, in the long run, we’re going to see ‘death by a thousand cuts’ and the industry becomes, essentially smaller and smaller, and thereby loses scale and competitiveness,” Holweg warned. “It’s an immediate, logical consequence of the continued uncertainty surrounding Brexit.” The British car industry directly employs roughly 186,000 people in the UK, with a total of 856,000 jobs dependent on the sector, according to recent SMMT data.

<https://uk.finance.yahoo.com/news/blame-brexit-uk-faces-threat-8000-lost-car-manufacturing-jobs-170615558.html>

### **Brexit: Thousands of UK financial jobs secured after EU regulator recognises London clearing houses**

A vital part of the City of London supporting tens of thousands of jobs has been spared the worst effects of a cliff-edge Brexit after European regulators recognised clearing houses, which process trillions of pounds worth of transactions each year.

<https://www.independent.co.uk/news/business/news/brexit-city-of-london-jobs-saved-clearing-houses-esma-a8785521.html>

## **Economic Impact**

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### **Brexit donor Odey renews sterling 'short' position, does not see hard Brexit**

British hedge fund manager and Brexit supporter Crispin Odey said on Monday he was again positioning for sterling to weaken, calling the currency “mortally damaged”. “The market is basically believing we won’t have a hard Brexit and I think they’re probably right....The truth is there will either be a delay or (Prime Minister Theresa May) will get her way,” Odey told Reuters,

<https://uk.news.yahoo.com/brexit-donor-odey-renews-sterling-short-position-does-163617073--sector.html>

## **Administrative Fall Out**

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### **A digital gangster destroying democracy: the damning verdict on Facebook**

Facebook is an out-of-control train wreck that is destroying democracy and must be brought under control. The final report of parliament’s inquiry into fake news and disinformation does not use this language, precisely, but it is, nonetheless, the report’s central message. And the language it does use is no less damning. Facebook behaves like a “digital gangster”. It considers itself to be “ahead of and beyond the law”. It “misled” parliament. It gave statements that were “not true”. Its CEO, Mark Zuckerberg, has treated British lawmakers with “contempt”. It has pursued a “deliberate”

strategy to deceive parliament.

<https://www.theguardian.com/technology/2019/feb/18/a-digital-gangster-destroying-democracy-the-damning-verdict-on-facebook>

Additional sources: ([BBC](#))

### **Key points from parliamentary inquiry into disinformation**

The UK government should define digital political campaigning and online political advertising and reform electoral law, which is described as “unfit for purpose”, to make the sources of online political adverts clear. It specifically cites the case of Mainstream Network, a pro-Brexit campaign run by unknown individuals that spent £257,000 over 2018 promoting dozens of adverts targeted at specific constituents, encouraging them to write to their MP criticising Theresa May’s Chequers proposal. It complains that Facebook promised answers as to who was behind the campaign, but has thus far failed to provide them.

<https://www.theguardian.com/technology/2019/feb/18/key-points-from-parliamentary-inquiry-into-disinformation>

### **London bankers will need 'chaperones' for EU clients**

Investment banks have warned merger and acquisition teams in Britain they cannot pitch business to clients in the European Union if there is a no-deal Brexit without an EU "chaperone" sitting in on their meeting. This is according to sources familiar with the matter. Banks including Nomura and Credit Suisse have told dealmakers in London that in a no-deal Brexit scenario they would have to loop in EU colleagues when talking to customers in continental Europe about specific advisory work and regulated products like loans or bonds. Even cold-calling of company executives to pitch for new business out of London could raise eyebrows among EU regulators if Britain crashes out of the EU without a deal, the sources said.

<https://www.rte.ie/news/business/2019/0218/1031216-merger-and-acquisitions-brexit/>

### **City relief as EU gives no-deal green light for clearing houses**

Europe stepped up preparations for a no-deal Brexit on Monday after giving key parts of the City of London temporary access to EU customers in the event of a cliff-edge departure. The European Securities and Markets Authority, the EU financial regulator, has granted three UK-based clearing houses — LCH, ICE Clear Europe and LME Clear — licences to carry on doing business with European-based customers over the next 12 months even if politicians fail to strike an agreement.

<https://www.standard.co.uk/business/city-relief-as-eu-gives-nodeal-green-light-for-clearing-houses-a4069421.html>

### **Honda closure may not be about Brexit, but it is about Brexports**

Honda production is returning to Japan for the same reason Nissan production is returning, and Dyson production is heading to Singapore: these countries have new free trade deals with the EU. Japan’s deal will slash tariffs on cars exported to the EU from 10 per cent to zero by 2027. Politicians knew Japanese carmakers were in talks to make tariff-free EU trade possible but did absolutely nothing to counter it

<https://www.ft.com/content/8f1e39b0-338b-11e9-bd3a-8b2a211d90d5>

### **Mercedes boss Toto Wolff says no-deal Brexit could cause 'mother of all messes' for Formula One**

With only 38 days until Brexit, Toto Wolff, team principal of reigning five-time world champions Mercedes, has predicted that a no-deal scenario could create the “mother of all messes” for Formula One. While Wolff stopped short of suggesting that Mercedes had any contingencies to abandon the UK, he signalled that a crisis was mounting.

<https://www.telegraph.co.uk/formula-1/2019/02/18/mercedes-boss-toto-wolff-says-no-deal-brexit-could-cause-mother/>

### **Fleets reminded of no deal Brexit driving licence implications**

Fleets are being reminded that drivers may need an international driving permit (IDP) if they are

going to drive abroad in the event of a no deal Brexit on March 29. Currently, drivers can use their Great Britain or Northern Ireland in all EU or European Economic Area (EEA) countries and Switzerland, but may need an international driving permit (IDP) to drive outside the EU or EEA. However, the DVLA says if the UK leaves the UK without a deal, people might need an IDP to drive in all EU and EEA countries, apart from Ireland.

<https://www.fleetnews.co.uk/news/fleet-industry-news/2019/02/18/fleets-reminded-of-no-deal-brexit-driving-licence-implications>

### **'We're going back in time': Brexit and the customs broker**

When the Revenue Commissioners warned last month that the number of customs declaration forms filed a year could surge from almost 1.7 million to 20 million after the UK leaves the European Union, O'Hare was listening. He and brokers like him will, for the most part, be the ones helping traders to prepare the declarations. "I can see huge problems if it comes to a cliff-edge Brexit," says O'Hare, whose Dundalk-based office is located just 6km (3.7miles) south of the Border.

<https://www.irishtimes.com/business/we-re-going-back-in-time-brexit-and-the-customs-broker-1.3797053>

### **'A bit messy on the other side': Dutch economy braces for Brexit shockwave**

The Dutch government says it's been in talks with 250 foreign firms considering moving or expanding operations into the Netherlands in the wake of Brexit. At least 42 made the move in 2018, according to figures recently published by a Dutch foreign investment organization. The European Medicines Agency is in the process of relocating from London to Amsterdam. Electronics giants Sony and Panasonic have announced plans to move their European hubs from Britain to the Netherlands.

<https://www.cbc.ca/news/world/brexit-united-kingdom-netherlands-economic-impact-1.5021575>

### **Commission adopts 'no-deal' Brexit contingency measures for rail**

The European Commission has adopted proposals designed to help avoid major disruption to cross-border rail services between the UK and the European Union in the event of a 'no deal' Brexit. The Commission is working with the European Parliament and Council to ensure the legislative measures can be in force ready for when the UK is scheduled to leave the EU on March 29/30. The proposals would ensure that safety authorisations for certain rail infrastructure, in particular the Channel Tunnel, can remain valid for a 'strictly limited' period of three months 'to allow long-term solutions in line with EU law to be put in place'. This would be conditional on the UK maintaining safety standards identical to EU requirements, which the UK has already said it intends to do.

<https://www.railwaygazette.com/news/policy/single-view/view/commission-adopts-no-deal-brexit-contingency-measures-for-rail.html>

### **New Cross Hospital chiefs draw up plans for 'no deal' Brexit**

Talks are under way to ensure there are no disruptions to supplies of medicines and vaccines if the UK crashes out of the EU without a deal next month. The Royal Wolverhampton NHS Trust, which runs New Cross Hospital in the city, said there were three suppliers considered to be "high risk". But health bosses said they were not likely to stockpile medicine, on guidance from the Department of Health.

<https://www.expressandstar.com/news/health/2019/02/18/new-cross-hospital-chiefs-draw-up-plans-for-no-deal-brexit/>

### **Brexit: Food prices to rise up to 20% 'virtually instantaneously' after leaving EU, warns Birds Eye boss**

Fans of fish fingers could see the prices of their favourite food shoot up "virtually instantaneously" should Britain crash out of the EU without a deal, the head of Birds Eye in the UK has warned. The frozen food specialist's managing director for the UK and Ireland, Wayne Hudson, said many food products would be affected by a disorderly Brexit. Manufacturers would have to pass tariffs of up to 20 per cent on to retailers, who would themselves have to decide how much of the extra cost to

pass on to shoppers, he cautioned.

<https://www.independent.co.uk/news/business/news/brexit-food-price-rise-birds-eye-warning-wto-tariffs-a8784246.html>

Additional sources: ([Daily Mail](#))

### **Brexit: Will Britons living in the EU still get healthcare?**

"We are in a situation now where many of our fellow-citizens living in Spain or France do not know in just over 40 days time whether they will have any health cover," Sarah Wollaston, the Conservative chair of the House of Commons health select committee told BBC News. We'll look at the situation in those two countries and Ireland. There is considerable uncertainty about what would happen if there is no deal but the government says it is in "close discussions" with EU member states and will do all it can to ensure patients can continue to access healthcare, whatever the outcome.

<https://www.bbc.co.uk/news/health-47213212>

### **Chemicals companies shift to EU regulation in no-deal survival plan**

The threat of a no-deal Brexit has prompted more than 50 chemicals companies to move regulatory approvals from the UK to the EU. The companies, which have operations in the UK, have applied to use European Union regulators for critical authorisations to protect their ability to do business legally. Their current authorisations will become worthless if there is no transition arrangement following 29 March, the planned date of Brexit, according to data provided to the Guardian by the European Commission.

<https://www.theguardian.com/business/2019/feb/17/chemicals-firms-move-regulation-to-eu-in-case-of-no-deal-brexit>

### **Brexit: Violence if hard Irish border returns report claims**

There would be a return to violence in Northern Ireland if there was a hard Irish border due to a no-deal Brexit or a rushed border poll, claims a report. The new research was conducted by Irish Senator Mark Daly in conjunction with two UNESCO chairmen. Mr Daly said the report "highlights the responsibility of the UK government to stand by the backstop". Both the EU and the UK government have said they are committed to avoiding the return of a hard border after Brexit.

<https://www.bbc.co.uk/news/uk-northern-ireland-47272124>

### **What are Brexit contingency plans for aerospace and defence?**

The British aerospace sector is bracing for a no-deal Brexit, which it estimates could mean billions of pounds in extra costs. The impact on some goods could equate to 38% of their sale value, according to one no-deal Brexit scenario modelled by ADS, a lobby group for the aerospace and defence sectors. The group estimates that new customs checks alone will cost an extra £1.5bn per year. While tariffs are less of an issue for the sector, as most finished aerospace parts are not caught by the levies, import VAT and tariffs on generic parts and raw materials could still add significant costs.

<https://www.theguardian.com/politics/2019/feb/18/what-are-brexit-contingency-plans-for-aerospace-and-defence>

### **Inside the London tech scene's frantic plan to stop Brexit**

The Tech For UK crowd is mostly comprised of startup founders, developers, recruiters, marketing experts, social media strategists. They might have joined out of simple pro-EU sentiments, and/or out of worry for Brexit's impact not only on their lives, but on their livelihoods and businesses. They have seen how VCs stopped liking the UK; they are fretting about European innovation grants drying up, or European tech workers talk about moving somewhere else; some of them, of course, are European citizens themselves. Dismayed by the fatalistic comportment of official trade organisations, these people eventually congealed into an unofficial pro-Remain guerrilla operation, determined to use their skills to make the Brexit train stall before it goes flying over the white cliffs of Dover. As Butcher puts it, this is an exercise in "civic technology."

<https://www.wired.co.uk/article/techforuk-techuk-startups-brexit-eloise-todd-gina-miller-nodeal>

### **Brexit news: Travellers with booked flights could be hit with 'Brexit surcharge'**

Brexit is proving a headache for travellers, with ongoing negotiations and political uncertainty prompting huge confusion prior to the UK's departure from the EU on March 29. A new warning has now been issued by experts for those who have already organised and stumped up the cash for their post-Brexit break.

<https://www.express.co.uk/travel/articles/1088879/brexit-news-latest-uk-flights-brexit-surcharge-money-saving-expert>

### **Maintain EU electrical safety standards after Brexit, ministers urged**

The government is being urged to prevent consumer safety standards from slipping after Brexit, to avoid putting lives at risk from the growing number of potentially dangerous counterfeit electrical goods coming into the UK. As the country edges closer to leaving the EU, the charity Electrical Safety First (ESF) wants the government to prioritise consumer safety and protection, regardless of the outcome of the Brexit negotiations, which could be the UK crashing out without a deal.

<https://www.theguardian.com/money/2019/feb/18/electrical-goods-eu-safety-standards-consumer-legislation-brexit>

### **Britons stockpiling euros as Brexit day draws nearer**

Britons have been stockpiling euros as the UK's departure from the European Union draws nearer, new figures suggest. Sales of euros have been up on the previous year for each of November, December and January. While the numbers show British appetites for holidays on the continent have not been diminished by Brexit, they could also illustrate fears the pound could slump if the UK crashes out without a deal on 29 March. Post Office Travel Money, which handles one in four of all foreign exchange transactions, said there had been "strong demand" for euros in recent months.

<https://www.independent.co.uk/news/uk/home-news/euros-pounds-sterling-currency-brexit-no-deal-29-march-a8783591.html>

### **Airbus warns of 'catastrophic' no-deal Brexit**

A top Airbus executive warned today that a no-deal Brexit would be "catastrophic" for the industry, adding that the company has already spent tens of millions of euros preparing for such a scenario. "There is no such thing as a managed 'no deal,' it's absolutely catastrophic for us," Airbus' Senior Vice President Katherine Bennett told the BBC's Andrew Marr Show. "Some difficult decisions will have to be made if there's no deal ... We will have to look at future investments," she added.

<https://www.politico.eu/article/brexit-airbus-katherine-bennett-warns-of-catastrophic-no-deal-brexit/>

### **EY Europe abandons London for Brussels before Brexit**

Big Four firm EY has announced that it is shifting its legal entity from London to Brussels, ahead of Britain's exit from the European Union. The move will bring the entity in line with continental auditing rules, while shielding it from changes in the recognition of professional qualifications between the UK and EU.

<https://www.consultancy.uk/news/20369/ey-europe-abandons-london-for-brussels-before-brexit>

### **Firms urged to step up Brexit plans as concerns mount**

Brexit pressure is starting to grow on small and medium sized businesses (SMEs) here, new research has found, with two out of every five saying they are concerned about the issue. According to the latest InterTrade Ireland Business Monitor covering the fourth quarter of last year, rising costs are also a worry for a third of Irish SMEs. As the economy approaches full employment, attracting and recruiting the right employees remains an ongoing problem for smaller firms with more than ten staff, with one in every five saying it is a struggle.

<https://www.rte.ie/news/brexit/2019/0218/1031200-brexit-businesses-government/>

### **The Government has just admitted organic food exports are DEAD after a no deal Brexit**

The Government has just admitted organic food exports are DEAD after a no deal Brexit: "Unless an

equivalency deal is reached with the EU, or your UK control body is recognised by the EU, you will not be able to export organic food or feed to the EU."

<https://www.gov.uk/guidance/trading-and-labelling-organic-food-if-theres-no-brexite-deal>

### **UK manufacturers warn of 'catastrophic' no-deal Brexit**

Britain faces the "catastrophic prospect" of a no-deal Brexit next month due to the selfishness of some politicians and chaotic parliamentary proceedings, the head of the country's main manufacturing association said on Tuesday. The strong warning from Make UK, previously known as the EEF, comes as Japanese carmaker Honda is expected to say it is preparing to shut its main UK plant with a loss of 3,500 jobs. Nissan earlier this month canceled plans to build its X-Trail sport utility vehicle in Britain, mostly blaming "business reasons" but also citing Brexit uncertainty.

<https://uk.reuters.com/article/us-britain-eu-manufacturers/uk-manufacturers-warn-of-catastrophic-no-deal-brexite-idUKKCN1Q800X>

### **Berlin warns it will stop extradition of Germans to UK after Brexit**

Under its constitution, Germany has strict limits to the extradition of its nationals. The only potential exceptions permitted are for requests from other EU countries, which are made via the European Arrest Warrant, or to an international court. This means Berlin will reject any British requests to arrest German nationals after Brexit, even if a planned 21-month transition period comes into force. During the transition period — an integral part of Theresa May's deal with Brussels that can be extended to the end of 2022 — the UK would still apply EU law in full and stay under European Court of Justice jurisdiction.

<https://www.ft.com/content/8facc77a-32af-11e9-bb0c-42459962a812>

## **Political Shenanigans**

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### **No 'key-hole surgery' on Withdrawal Agreement - Coveney**

Tánaiste and Minister for Foreign Affairs Simon Coveney has said Ireland is ruling out any "key-hole surgery" on the Withdrawal Agreement and that the Irish Government would reject any unilateral exit clause or expiry date to the Irish backstop. He added that Ireland would not be "steamrolled" as the Brexit process nears a potential no-deal scenario at the end of March...

<https://www.rte.ie/news/2019/0218/1031193-brexite-barclay-brussels/>

*Additional sources: ([The Guardian](#))*

### **Theresa May must investigate 'foreign influence and voter manipulation' in Brexit vote, say MPs**

Theresa May must launch an independent investigation into "foreign influence and voter manipulation" in the Brexit vote, a committee of MPs says today, amid growing evidence of lawbreaking by Leave campaigners. A highly critical report — which warns "democracy is at risk" from rogue practices on social media — turns its fire on the prime minister for the failure to probe their effect on the referendum result. No wide-ranging investigation has taken place, despite the main Vote Leave campaign, fronted by Boris Johnson and Michael Gove, being found by the Electoral Commission to have broken the law.

<https://www.independent.co.uk/news/uk/politics/brexite-vote-investigate-law-breaking-influence-manipulation-theresa-may-facebook-a8783746.html>

### **Michael Gove vows to uphold food standards after Brexit**

The environment secretary, Michael Gove, is to pledge that British food standards will not be lowered "in pursuit of trade deals". In an address to the National Farmers' Union annual conference on Tuesday he is expected to also vow to minimise the risk that food producers will be left at "competitive disadvantage" in the face of cheaper imports that are below EU standards. His words follow a recent warning from senior figures in the US that if the UK chooses after Brexit to adhere to

EU regulations, which ban chlorinated chicken and hormone-fed beef, then trade talks will be difficult.

<https://www.theguardian.com/politics/2019/feb/19/michael-gove-vows-to-uphold-food-standards-after-brexite>

### **Can a general election be a way out of the Brexit conundrum?**

Prime Minister Theresa May is lacking authority and credibility, unable to listen or lead. Indeed, having led the first government to be found in contempt of parliament, May now finds herself in contempt of the people: is her intransigence paralysing the country, the economy, the political system the country and its economy perhaps for years to come. Now the endgame threatens the preservation not simply of the British government, but of modern Britain. The Brexit process revealed the weakness of Westminster's insular politics. The UK Parliament is seemingly incapable of running a modern economy and society. Westminster's politics are becoming more not less dysfunctional. Whether a general election could provide a way out of this mess, hangs in the balance.

<https://blogs.lse.ac.uk/brexit/2019/02/18/can-a-general-election-be-a-way-out-of-the-brexite-conundrum/>

### **More EU-UK Brexit talks set after Cox sets out backstop changes**

Brexit Secretary Stephen Barclay said on Monday he would hold more talks with EU chief negotiator Michel Barnier at mid-week after British Attorney General Geoffrey Cox sets out proposed amendments to the tricky Irish border backstop.

<https://uk.reuters.com/article/uk-britain-eu-barclay/more-eu-uk-brexit-talks-set-after-cox-sets-out-backstop-changes-idUKKCN1Q71PN>

### **'We are in God's hands' Juncker says of Brexit**

"If you are asking for how long the withdrawal can be postponed, I have no timeframe in mind. With Brexit so many timetables have already gone by the wayside." "But I find it hard to imagine that British voters would again vote in the European elections. That to my mind would be an irony of history. Yet I cannot rule it out." (Jean-Claude Juncker)

<https://www.ft.com/content/7870eac4-33b2-11e9-bb0c-42459962a812>

### **Brexit won't necessarily lead to an EU army**

There is no consensus on what constitutes a European army. It remains ambiguous whether it would be a centralized institution operating like traditional armed forces, or a looser integration of European military personnel. European nations would have to forego an unprecedented level of autonomy, something which they have rejected once before. With most EU members also being members of NATO, a European Army may find it difficult to attain enough funding to justify its existence, especially if states are considering their defense spending alongside NATO's security contributions.

<https://www.cnn.com/2019/02/18/brexit-wont-necessarily-lead-to-an-eu-army.html>

### **Brexit: 'More and more people are trying to stop it,' says MP**

"More and more people are trying to stop Brexit" and ensure the UK stays in the EU, a Welsh MP has said. David Jones said those calling for a second referendum or more negotiating time had no plan for leaving. The Tory MP for Clwyd West, a former Brexit minister, predicted a deal will not be agreed until "a few days" before the UK's departure on 29 March. It comes as Labour's Anna McMorrin said a General Election or final say vote were the only ways to avoid "chaos".

<https://www.bbc.com/news/uk-wales-politics-47264002>

### **Brexit: Theresa May 'must talk to Labour' - John McDonnell**

Theresa May must approach Labour for a "serious discussion" over Brexit by the end of the month, the shadow chancellor has said. John McDonnell told BBC One's Andrew Marr Show that the prime minister can secure parliamentary approval for a deal, but only if she is prepared to negotiate with

Labour over its approach.

<https://www.bbc.co.uk/news/av/uk-politics-47272145/brexit-theresa-may-must-talk-to-labour-john-mcdonnell>

### **Tory minister and four Conservative backbench MPs poised to join new Labour splinter group**

A Tory minister and four Conservative backbenchers appear poised to defect to the new Independent Group set up by disgruntled Labour MPs, it has been claimed. Describing the breakaway group as “remarkably sensible people”, the minister told the Telegraph he was prepared to join the new party if the Government presses ahead with a no-deal Brexit.

[https://www.telegraph.co.uk/politics/2019/02/18/tory-minister-four-conservative-backbench-mps-poised-join-new/?li\\_source=LI&li\\_medium=li-recommendation-widget](https://www.telegraph.co.uk/politics/2019/02/18/tory-minister-four-conservative-backbench-mps-poised-join-new/?li_source=LI&li_medium=li-recommendation-widget)

### **We'll back the deal if the people are allowed a final say**

This is our compromise: we are prepared to facilitate the passage of the prime minister's deal through the House of Commons if the deal is put to a confirmatory ballot of the British people. We believe this is the way forward because Brexit started with the people and therefore should end with the people. We are preparing to lay an amendment in parliament to this effect at the appropriate time. There is precedent for our approach. The Good Friday agreement was enacted automatically after a ballot of the electorate on both sides of the Irish border. The people decided with the facts before them. The same with the 2011 AV referendum on the proposed changes to the electoral system. Again, the people had the facts before them. Both pieces of legislation meant there was no need for a return to parliament. And no third, fourth or fifth referendum. Our approach confines the theory of “neverendum” to the bin.

<https://www.thetimes.co.uk/edition/news/we-ll-back-the-deal-if-the-people-are-allowed-a-final-say-8dktk2pg7>

### **What's the Plan for Brexit? There Is No Plan**

The way the process has been going, counting on a reasonable vote at the last minute is seriously tempting disaster. There are several sites already displaying a countdown to Brexit, and their message seems to be that the 11th hour has struck, and getting an extension now might not be the worst idea.

<https://www.nytimes.com/2019/02/17/opinion/brexit-theresa-may.html>

## **Political Setbacks**

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### **Labour breakaway's Brexit impact**

All seven are supporters of a second referendum and frustration with leader Jeremy Corbyn's reluctance to take that path contributed to their decision to leave. And while it would be wrong to see the split as a solely Brexit-driven event (anger at anti-Semitism in Labour ranks and wider political and ideological differences with Corbyn also played their part) the timing, 39 days before the day the U.K. is scheduled to leave, means that Brexit will utterly dominate the agenda of this new parliamentary group.

<https://www.politico.eu/article/labour-breakaways-brexit-impact-independent-group-second-referendum-no-deal/>

*Additional sources: (Huffington Post UK) (Sky News)*

### **Nigel Farage's 'purple Momentum' gaining strength as MORE Tory MPs face DESELECTION**

Arron Banks, the former Ukip donor behind the campaign, said: “In the coming weeks these new members will have a direct say in adoption of these MPs or not - stop Brexit and we will do everything to stop you, now or at the next General Election.”

<https://www.express.co.uk/news/politics/1088642/brexit-news-nigel-farage-purple-momentum-conservative-party-sarah-wollaston-deselection>

*Additional sources: (Politics Home)*

### **UK Government accused of 'feckless and reckless' approach to Brexit**

The Secretary of State for Environment, Food and Rural Affairs was urged to take no deal off the table by Fergus Ewing, Scotland's Rural Economy Secretary, as the pair attended a public question-and-answer session in Edinburgh on Monday. Mr Ewing told an audience at the Science and Advice for Scottish Agriculture (SASA) headquarters: "Unless we take a no deal off the table there will be irreparable harm, particularly to our sheep, our lamb sector that is so reliant on exports to the EU that a collapse in the lamb price would be an inevitable consequence."

<https://www.irishexaminer.com/breakingnews/world/uk-government-accused-of-feckless-and-reckless-approach-to-br-exit-905262.html>

### **If we strike a decent Brexit deal, it will be DESPITE Theresa May's botched negotiations**

It will show the unnecessary crisis engulfing Britain as we stumble unprepared towards a No Deal Brexit was entirely made in Downing Street. It was created by a stubborn, inflexible Remainer who ignored the clearly stated instructions of the British people — especially those in her own party — to leave the European Union. This failure of imagination is characteristic of a leader who defied advice, triggered Brexit without a plan and lost her majority in a catastrophic snap election along the way. Now she wants to revive her universally detested Chequers deal — famously branded "a polished turd" by Boris Johnson — and ram it down the throats of Brexiteers.

<https://www.thesun.co.uk/news/8448498/if-we-strike-a-decent-brexit-deal-it-will-be-despite-theresa-mays-botched-ne-gotiations/>

### **Brexit: Labour will only back a fresh referendum 'in extremis', John McDonnell says**

Labour will only back a fresh Brexit referendum "in extremis" and is determined to "get a deal done", John McDonnell says. The shadow chancellor cooled hopes that Jeremy Corbyn is moving towards backing another public vote, stating it was still "not the best option". "Let's get a deal done - that's the most important thing for me," Mr McDonnell told the BBC's Andrew Marr Show. Insisting Labour would continue to push its softer Brexit plan - despite Theresa May rejecting it - he added: "You would only go back to the people in extremis if can't get a deal agreed through parliament.

<https://www.independent.co.uk/news/uk/politics/brexit-second-referendum-labour-back-john-mcdonnell-a8783271.html>

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<https://www.irishexaminer.com/breakingnews/world/uk-government-accused-of-feckless-and-reckless-approach-to-br-exit-905262.html>

### **Derek Hatton has been allowed back into Labour - 34 years after being kicked out**

Derek "Degsy" Hatton has been allowed back into Labour - 34 years after being kicked out for belonging to the hard-left Militant faction. The former deputy leader of Liverpool's City Council triggered a national outcry in the 1980s by setting an illegal budget and was blasted for sending redundancy notices by taxi to thousands of council workers. However, the Mirror understands his membership was rubber-stamped last week following a meeting of the party's disputes panel, which is overseen by its ruling national executive committee.

<https://www.mirror.co.uk/news/politics/derek-hatton-been-allowed-back-14017366>

### **You get the heroes you deserve. And Brexit Britain has Gavin Williamson**

Keen to turn back the clock to the days when Britain's men in uniform could brutally quash a native

uprising in the morning, appropriate half of India's wealth in the afternoon and enjoy a G&T or seven in the evening, the man who once kept a pet tarantula in his office to cultivate an air of ruthless cunning has appropriated an image befitting his new role: action man.

<https://www.theguardian.com/commentisfree/2019/feb/18/brexit-britain-gavin-williamson>

### **MPs blast Facebook boss Mark Zuckerberg and call for tough regulation to tackle fake news**

The DCMS committee has spent months looking into targeted advertising on social media, fake news, disinformation and foreign interference in elections. It has probed the secretive data firms that played a pivotal role in the EU referendum and looked at how their wares have been used to target voters away from the scrutiny of the public eye. In its conclusions it called for a compulsory code of ethics for tech firms overseen by an independent regulator with the powers to take legal action when rules are breached. It also said electoral laws were "not fit for purpose" and demanded major reform by Government - including over foreign meddling in elections from states like Russia. But it trained its most damning fire on Facebook, which it said "intentionally and knowingly violated both data privacy and anti-competition laws" by handing masses of user information over to app developers.

<https://www.politicshome.com/news/uk/technology/data/news/101902/mps-blast-facebook-boss-mark-zuckerberg-and-call-tough>

### **Britain needs a day of reckoning. Brexit will provide it**

Britain's global profile has diminished its ability to focus on internal nation-building. "The British state is a machine for running and exploring the world," he said. "It doesn't work very well when it comes to the business of the modern nation." It's a country paralysed, polarised and falling apart, yet deluded about its global status. A humbling must come to pass

[https://www.theguardian.com/commentisfree/2019/feb/18/britain-brexit?utm\\_source=dlvr.it&utm\\_medium=twitter](https://www.theguardian.com/commentisfree/2019/feb/18/britain-brexit?utm_source=dlvr.it&utm_medium=twitter)

### **UK's Labour urges government to back customs union Brexit plan ahead of Brussels visit**

British opposition Labour leader Jeremy Corbyn will on Tuesday urge the government to adopt his party's Brexit plan for a permanent customs union with the European Union, ahead of a visit to Brussels. With just six weeks until Britain is due to leave the bloc, Prime Minister Theresa May is yet to win ratification of British lawmakers for her Brexit deal.

<https://uk.reuters.com/article/uk-britain-eu-corbyn-idUKKCN1Q71YN>

### **@PolHomeEditor Jeremy Corbyn emails Labour MPs urging them to remain united.**

Jeremy Corbyn emails Labour MPs urging them to remain united. One says: "This is absolutely incredible. The leadership just don't get it. Within hours of the 7 leaving they send out this. This is their problem. Cloth eared and making matters worse."

<https://twitter.com/PolhomeEditor/status/1097506830526357507>

## **Trade Deals/Negotiations**

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### **Japan almost cancelled Brexit talks due to 'high-handed' letter - report**

Japanese officials have reportedly accused Jeremy Hunt and Liam Fox of taking a "high-handed" approach towards a post-Brexit free trade deal, and briefly considered cancelling bilateral talks due to take place this week. The Financial Times cited unnamed officials in Tokyo who reacted with dismay to a letter sent on 8 February in which Hunt, the foreign secretary, and Fox, the international trade secretary, insisted that "time is of the essence" in securing a trade deal with Japan, the world's third-biggest economy.

<https://www.theguardian.com/world/2019/feb/18/japan-almost-cancelled-brexit-talks-high-handed-letter-liam-fox-jeremy-hunt>

### **UK-Japan trade talks sour after letter from Hunt and Fox**

Relations with Japan have soured as a result of a letter from the UK foreign secretary, Jeremy Hunt and international trade secretary Liam Fox which told their Japanese counterparts that “time is of the essence” and said flexibility would be required on both sides. Although UK officials insisted that the letter, sent on February 8, had been couched in standard diplomatic language, Japanese officials believe that it reflected an increasingly high-handed approach from the British side. In response, officials in Tokyo briefly considered cancelling a round of trade talks this week.

<https://www.ft.com/content/9cd62bde-32ba-11e9-bd3a-8b2a211d90d5>

### **Theresa May sets course for Brexit disaster**

The emergency sirens are whirring for a no-deal Brexit — only this time it’s not a drill. In European capitals there is now mounting alarm that Theresa May has set Britain on course for a diplomatic disaster, by fundamentally misjudging how far EU leaders are prepared to bend at the last minute in their summit just a week before Britain’s EU departure date.

<https://www.politico.eu/article/theresa-may-sets-course-for-brexit-disaster-no-deal-withdrawal-treaty/>

### **Brexit negotiations settle for legal concessions ahead of EU showdown**

Brexit Secretary Stephen Barclay and Attorney-General Geoffrey Cox will present EU officials with a “legal way forward” that aims to calm the nerves of Brexiteers over the controversial Irish backstop. Mr Cox will aim to secure fresh legal text that allows him to reverse his previous warnings that Britain could be locked in an indefinite custom union backstop by the EU. In a move that will enrage Brexiteers, Theresa May’s new-look negotiation team will sideline the hunt for “alternative arrangements” in favour of legal assurances.

<https://www.express.co.uk/news/uk/1089051/Brexit-news-UK-EU-Theresa-May-Ireland-backstop-deal-latest>

### **Another deal signed! Liam Fox secures trade with Israel - 'An important step'**

The continuity agreement with Israel effectively rolls over the current trading terms the UK has as a member of the EU with the country. The deal will protect trade worth £4 billion between the two countries, according to the Department for International Trade.

<https://www.express.co.uk/news/politics/1088712/brexit-news-theresa-may-withdrawal-agreement-european-union-br-exit-latest>