

News from the Brexit Cliff Edge

20th Feb 2019

News Highlights

Welcome to the Brexit Cliff Edge

- The World Health Organization says counterfeit medicine smugglers sense an opportunity to make money from any potential No Deal Brexit chaos
- The UK courts have Aviva's £8.8bn transfer of contingency funds to the Irish Republic as part of its relocation and restructuring
- UN survey says Brexit will cause a palpable loss of UK influence on the world's stage
- Michael Gove promised to apply tariffs to food imports in the event of a chaotic Brexit to protect British farmers from cheaper imports
- Two German economists, Marc Friedrich and Matthiaas Welk, told Focus Magazine that the UK will become a huge tax haven at the edge of Europe, after it recovers from the bout of economic disruption it will suffer post Brexit
- NFU President Minette Batters told her conference delegates that a No Deal Brexit would be catastrophic for the farming industry
- Labour's John McDonnell called for dialogue with the new Independent Groups of MPs and said there won't be up to 30 leaving his party
- David Liddington, Deputy PM, said a No Deal Brexit risks breaking up the UK as a whole
- Tory Minister Tobias Ellwood attacked the ERG group inside his party and said they were poisoning Conservatism
- Former PM John Major accused the Tories of being manipulated by Brexit zealots
- Labour's Ruth George accused the new Independent Group of being funded by Israel, only to have to retract these controversial comments later in the day
- A Royal United Services report said a No Deal Brexit makes the UK more vulnerable to manipulation from the Chinese
- Conflicting reports that suggest Theresa May could have abandoned the Malthouse Compromise for the Irish backstop, while the ERG seem to believe she has not
- Talk that up to 3 Tory MPs are planning to breakaway and join the new Independent Group in parliament
- The UK has signed only 6 trade continuity deals so far, out of 40 needed, representing little more than 11% of existing EU trade

Jobs at Risk

@Channel4News "I make no apology for saying that leaving the EU without a deal would be a catastrophe for British farming." National Farmers' Union President Minette Batters says a no-deal Brexit is "the stuff of nightmares".

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<https://twitter.com/Channel4News/status/1097841785173393409>

Aviva, NatWest to join 'Brexodus' of business to EU

England's High Court on Tuesday gave Aviva, Britain's second largest insurer, approval to transfer around £9 billion in assets to a new Irish company just before the starting gun is fired on Brexit. The move, timed for 2259 GMT on March 29, is part of a wider withdrawal of business and money by financial companies seeking to keep contracts and policies within the European Union even after Britain departs. Brexit formally takes effect at 2300 GMT on March 29.

<https://uk.reuters.com/article/uk-britain-eu/aviva-natwest-to-join-brexodus-of-business-to-eu-idUKKCN1Q81YW>

UK will apply food tariffs in case of no deal, Michael Gove says

Michael Gove warned that delays were likely in Calais because of mandatory EU checks on food imports on the French side of the channel. The tariff regime Britain would like to apply in the event of no deal will be revealed in the "next few days". He told the National Farmers' Union's annual conference in Birmingham that reports that Britain would operate a zero tariff regime in order to secure frictionless trade in a no-deal scenario were "not accurate". "We can expect, at least in the short term, that those delays in Calais will impede the loading of ferries, constricting supply routes back into Britain and furring up the arteries of commerce on which we all rely," said Gove. The NFU recently warned that health and safety audits required on individual food processing plants required by the EU could take up to six months to complete, effectively locking British farming exporters out of the bloc. On Tuesday Gove confirmed this by pointing out the EU had not yet classified the UK as a "third country", which will only happen after health and safety audits are complete. "The EU still have not listed the UK as a full third country ... As I speak there is no absolute guarantee we will continue to be able to export to the EU," he told farmers.

<https://www.theguardian.com/politics/2019/feb/19/brexit-uk-will-apply-food-tariffs-in-case-of-no-deal-michael-gove-says>

Japan/EU trade deal likely the biggest factor in Honda move from Swindon

Sky's economics editor says Brexit consequences, rather than Brexit itself, have driven Honda's looming exit from Swindon.

<https://news.sky.com/story/japan-eu-trade-deal-likely-the-biggest-factor-in-honda-move-11641288>

Honda confirms Swindon closure

Honda has confirmed it will close its Swindon car plant in 2021, with the loss of about 3,500 jobs. The Japanese company builds 160,000 Honda Civics a year in Swindon, its only car factory in the EU. Honda said the move was due to global changes in the car industry and the need to launch electric vehicles, and it had nothing to do with Brexit. Business Secretary Greg Clark said the decision was "devastating" for Swindon and the UK.

<https://www.bbc.co.uk/news/business-47287386>

Michael Gove promises farmers safeguards against no-deal Brexit

Michael Gove, the environment secretary, will seek to reassure British farmers in a speech to be delivered on Tuesday that the government will act to protect them as Brexit looms, including if no deal can be reached for an orderly departure from Europe. Mr Gove, who will make the remarks at the National Farmers' Union annual conference in Birmingham, is also expected to reiterate earlier pledges that Brexit will not cause the UK to lower its food standards in any way.

<https://www.ft.com/content/0fb44486-33c1-11e9-bb0c-42459962a812>

For Wall Street Banks in London, It's Moving Time

The financial landscape of Europe is changing as banks shift employees and hundreds of billions of dollars' worth of assets from London to new subsidiaries across the bloc in time for Britain's divorce from the European Union, a process known as Brexit, on March 29. Banks are adjusting contracts with "Brexit clauses" to protect themselves if the separation is chaotic. Lawyers are checking regulations, jurisdiction by jurisdiction, to gird for possible future contractual disputes.

<https://www.nytimes.com/2019/02/17/business/brexit-banks-wall-street-london.html>

Honda's departure is bad news for Brexiteers - and Remainers

The Honda decision is about scale. A global company has to focus its resources in the places where it can a) produce most cheaply, but more importantly b) sell most profitably. For Honda and similar firms, that means the world can be seen as a handful of mega-markets, places where it is possible to make things and sell them to hundreds of millions of potential buyers. For Honda, that means a future focus on North America and Asia.

<https://blogs.spectator.co.uk/2019/02/hondas-departure-is-bad-news-for-brexiteers-and-remainers/>

Economic Impact

Brexit Britain will be 'huge tax haven in middle of Europe' - 'UK will prosper

Economists Marc Friedrich and Matthiaas Welk believe the UK will become a tax haven "soon" after Brexit if the country leaves the EU without a deal. Speaking to Focus in Germany, the experts said: "In the case of a hard Brexit, we expect to soon have the largest tax haven in the middle of Europe - Britain. "The International Monetary Fund expects growth losses of four percentage points in five years for the UK economy. "In the short term, foreign trade will get into a pickle. "The pound will depreciate significantly again and inflation will rise. "Yields on British government bonds will also rise, with consequences for the state budget. The stock markets will significantly lower downwards.

<https://www.express.co.uk/news/politics/1089498/brexit-news-latest-no-deal-brexit-consequences-brexit-negotiations>

UK labour market bucks growth slowdown and Brexit fears

There were 167,000 more people in employment during the final quarter of 2018 than over the previous three-month period, the UK's Office for National Statistics reported on Tuesday. The employment rate remained stable at a record high of 75.8 per cent. The data suggest that Britain's jobs market has so far been insulated from the effects of uncertainty over the outcome of the Brexit negotiations — even as overall economic growth last year fell to its lowest level since 2012 because of a drop in business investment.

<https://www.ft.com/content/f5249de6-3429-11e9-bb0c-42459962a812>

Administrative Fall Out

Stormont bonuses for no-deal Brexit staff worth £1.2m

Stormont chiefs could hand out more than £1.2 million in bonuses to staff under plans to entice more civil servants to join coordination teams for a no-deal Brexit. Civil servants are being offered a bonus of up to £1,500 to join the contingency proposals which would come into force if the UK crashes out of the EU without a deal, The Irish News yesterday revealed. The "Command, Control and Coordination" (C3) structures may involve staff moving onto a 24/7 rota for up to six months and a 'central hub' being established to handle a no-deal Brexit.

<http://www.irishnews.com/news/northernirelandnews/2019/02/20/news/stormont-bonuses-for-no-deal-brexit-staff-worth-1-2m-1555651/>

Brexit causing 'palpable decline' in UK influence at the UN

Brexit is already leading to a "palpable decline" in British influence at the UN, and that influence would be in freefall but for the UK's commitment to spend 0.7 % of gross national income on overseas aid, a study has found. The report by the UK branch of the United Nations Association suggests Britain will lose political capital on the 15-member UN security council and the larger general assembly in New York because its campaigns will no longer be automatically aligned with those of the EU.

<https://www.theguardian.com/politics/2019/feb/19/brexit-deline-uk-influence-un>

Brexit uncertainty cannot be an excuse for inaction in public sector says Wales Audit Office

Planning for a 'no-deal' Brexit is being taken seriously across Wales but the picture varies across the

country the Auditor General for Wales has said, although locally the efforts will be scrutinised quite close to Brexit itself.

<http://www.wrexham.com/news/brexit-uncertainty-cannot-be-an-excuse-for-inaction-in-public-sector-says-wales-audit-office-164094.html>

Storm Brexit keeps up the high pressure

As dwellers on this island observed the Brexit storm-clouds on the horizon, there was an underlying belief that while Storm Brexit would be turbulent, it would never evolve into a full-blown no-deal disaster. There was an assumption that the British political establishment was undergoing some form of PRSD — post-referendum stress disorder — that would make them all crazy for a while, but that eventually common sense would be restored. Instead, the theatre of the absurd took up permanent residence in Westminster. Internecine war in the Tory and Labour parties has, if anything, got worse, while in Northern Ireland Sinn Féin and the DUP squatted in their partisan trenches.

<https://www.thetimes.co.uk/article/storm-brexit-keeps-up-the-high-pressure-dmbmxrhkx>

People didn't vote leave for my son to be separated from his mother

Deal or no deal, that's the question on everyone's lips right now. But for me and the 140,000 other European carers and stay-at-home parents living in the UK, it makes no odds. Either way we are being faced with separation from the people we love. Either way I am being told that I am unworthy of citizenship, unworthy of my family. All because I chose to do what any mother would do in my circumstances and give my son the specialised care he needed.

<https://www.theguardian.com/society/2019/feb/19/brexit-britain-disabled-son-separated-mother-settled-status>

'Brexit gap' over wildlife protection is looming

Wales risks losing 80% of the laws that protect its environment after Brexit with no plans in place yet to replace them, nature charities have warned. Wildlife, habitats, air and water quality could all be affected, they have claimed. One organisation - WWF Cymru - has written to Environment Minister Lesley Griffiths calling for "urgent action". The Welsh Government said it was developing proposals and looking forward to taking them forward. But with less than 40 days to go until the UK is set to leave the EU, WWF Cymru's director Anne Meikle warned "the rug will be pulled out from our existing environmental protections".

<https://www.bbc.co.uk/news/uk-wales-47295400>

HSBC sees UK business weaken amid Brexit uncertainty

Banking giant HSBC has reported tougher conditions in the UK in the run ... but we are still going to see a growth rate." On Brexit, he said: "The longer we have the uncertainty the worse it is going to be

<https://news.sky.com/story/hsbc-sees-uk-business-weaken-amid-brexit-uncertainty-11641700>

What are Brexit contingency plans for pharmaceutical industry?

AstraZeneca and other companies have frozen all manufacturing investments. Britain's second-biggest drugmaker decided to halt further investments at its Macclesfield site in the summer of 2017. Its chairman, Leif Johansson, has said the UK needs to make sure it "does not become an isolated island in the middle of the Atlantic Ocean". David Jefferys, a senior executive at the European arm of the Japanese company Eisai, which makes treatments for Alzheimer's disease, epilepsy and breast cancer, told the Guardian: "Nobody likes uncertainty. We are not making any new investments in the UK until there is clarity." Other major drugmakers, such as Novartis and the Viagra maker Pfizer, have announced plans to close UK manufacturing or packaging sites by 2020. Both decisions were made after the June 2016 referendum but the companies said they were not linked to Brexit.

<https://www.theguardian.com/politics/2019/feb/19/what-are-brexit-contingency-plans-for-pharmaceutical-industry>

Carmakers quitting Britain won't blame Brexit - it's not in their interest

In the months before the Brexit vote, Japan's government warned that a victory for the leave campaign could have a negative impact on investments in Britain. The Japan Business Federation, noting that more than 1,000 Japanese firms have a presence in Britain, joined the Japanese prime minister, Shinzo Abe, in pleading with Britain to remain in the EU. Since the referendum vote, Japanese companies have stayed largely silent. Like all major employers, they have broken cover in recent weeks to talk about the huge cost of a no-deal Brexit. But there have been precious few stories of companies, and especially those that sell directly to consumers, blaming factory closures or office relocations on the UK's decision to leave the European Union.

https://www.theguardian.com/commentisfree/2019/feb/19/carmakers-quitting-britain-wont-blame-brexit-its-not-in-the-ir-interest?CMP=tw_t_gu

Aviva to move €10.1bn in assets to Dublin as Brexit looms

Aviva has been given the green light to transfer €10.1bn (£8.8bn) worth of assets to Ireland as the insurance giant ramps up its Brexit contingency planning. The group, one of Britain's biggest life insurance and pensions companies with 14.5 million policyholders, received approval from the High Court today to transfer €9bn (£7.8 billion). It follows approval earlier this month to transfer €1.1bn (£1bn) to Dublin. The relocation is designed to deal with the consequences of a no-deal hard Brexit, in which UK based financial services firms will lose passporting rights that allow them to function in the EU's single market, the world's richest trading bloc.

<https://www.irishexaminer.com/breakingnews/business/aviva-to-move-101bn-in-assets-to-dublin-as-brexit-looms-905618.html#.XGw6NZ0Z2EU.twitter>

Investment paused and cancelled by Brexit, says Skates

Business investment in Wales is being "paused and cancelled" due to Brexit uncertainty, a Welsh minister has said. Ken Skates said an unnamed manufacturer has put on hold investment in north-east Wales "because of Brexit". The minister said the investment, which would create 250 jobs, "will be lost" in the event of a no-deal Brexit. He said ministers could possibly spend money on school and road building projects "to stimulate economic growth" if the UK leaves the EU without a deal.

<https://www.bbc.co.uk/news/uk-wales-politics-47294337>

Brexit: UK will apply food tariffs in case of no deal

Environment Secretary Michael Gove has promised that the government will apply tariffs to food imports in the event of a no-deal Brexit, to provide "specific and robust protections" for farmers. His remarks come as the government is poised to release details of tariffs (taxes on imports) that would apply to thousands of products coming in from around the world, if the UK leaves the EU without a deal. Many supporters of Brexit argue that tariffs on food and other items should be scrapped in order to lower prices for consumers. But farmers fear that cheap imports and lower standards would destroy many parts of British agriculture.

<https://www.bbc.co.uk/news/uk-47291378>

Leave to remain? The voters who have changed their minds over Brexit

In my opinion, it is too late to stop Brexit. Businesses are already leaving and the damage is done. Faith in politicians is so low that seeing this through is very important to stop the rise of populism. In a way, I think it would be good to leave so that people realise we're better off being part of the "club" rather than out of it. If we leave with no deal, in 12 months' time, we may be begging the EU to take us back.

<https://www.theguardian.com/politics/2019/feb/19/leave-to-remain-the-voters-who-have-changed-their-minds-over-brexit>

Parts of public sector 'not ready' for no-deal Brexit

Some parts of the Welsh public sector have only made limited plans for a potential no-deal Brexit, a

public spending watchdog has warned. The Wales Audit Office (WAO) said councils in particular have not spent money because of the political uncertainty. Risks highlighted by public bodies include the disruption of food supplies to hospitals, schools and care homes.

<https://www.bbc.co.uk/news/uk-wales-politics-47280899>

Sturgeon urges EU citizens to stay in Scotland after Brexit

Efforts to encourage EU citizens to stay in Scotland after Brexit are to be stepped up, Nicola Sturgeon has told members of the French parliament. The Scottish first minister addressed a committee of the Assemblée Nationale during a visit to Paris. She said she would "always make it clear that EU citizens are welcome". The Home Office is currently testing an application system for settled status in the UK, which it said 100,000 people had successfully taken part in so far. In January, Prime Minister Theresa May announced that fees for EU nationals to apply to stay in the UK after Brexit had been scrapped - although Ms Sturgeon said this was only after lobbying from other parties.

<https://www.bbc.co.uk/news/uk-scotland-scotland-politics-47283886>

Brexit: NI Water stockpiles purification chemicals

Northern Ireland Water is stockpiling purification chemicals as part of its Brexit plan, it is understood. There have been concerns that disruption in trade with the EU, as a result of a hard Brexit, could lead to shortages of some chemicals. Most of the chemicals that NI Water uses are manufactured in the UK or Ireland. It will nonetheless hold months worth of additional stocks at its own premises and at supplier warehouses.

<https://www.bbc.com/news/uk-northern-ireland-47298682>

A ship has left the UK for Japan with no guarantee of unloading its cargo due to Brexit

The U.K. business minister has confirmed that a trade agreement with Japan won't be in place by the time Britain leaves the European Union. Cargo leaving Britain by sea will now be arriving at some ports after March 29th.

<https://www.cnn.com/2019/02/19/due-to-brexit-uk-ship-heads-to-japan-with-no-guarantee-of-unloading-cargo.html>

At last, a Brexit dividend - shame it's for the pedlars of fake medicine

The World Health Organization reported earlier this month that fake leukaemia medicine, packaged for the UK market to look like the genuine drug Iclusig, was circulating in Europe and the Americas. On all counts, people in the UK are vulnerable right now. The criminals' business model depends on patients taking risks. And desperate patients will buy medicines from dodgy sources for lots of reasons, our research shows. If the medicine you need isn't covered by your insurance or health service, you turn to the internet (think of the HIV-prevention pill PrEP in England and Wales, for example).

<https://www.theguardian.com/commentisfree/2019/feb/19/brexit-fake-medicines-counterfeit-drugs>

Blue in the face: Dutch businesses heed furry Brexit monster

A furry blue monster aimed at spurring companies in the Netherlands to take Brexit seriously may look slightly odd but seems to be doing a good job, the Dutch government has said. The enormous Muppet-like creature, unveiled in a tweet last week showing it sprawling unhelpfully across the desk of the foreign minister, Stef Blok, had prompted 10 times more companies to take an official "Brexit scan", the foreign affairs ministry said. A spokesman said on Tuesday that on the day Blok launched the campaign, 6,832 companies assessed the impact upon their businesses of Britain's forthcoming departure from the EU at the brexitloket.nl website, compared with 691 the previous day.

<https://www.theguardian.com/world/2019/feb/19/blue-brexit-monster-dutch-businesses>

Irish government assured over power outage fears from no-deal Brexit

The Irish Environment Minister has assured a government committee that they are not anticipating

blackouts or power outages on either side of the border in the event of a no-deal Brexit.

<https://www.belfasttelegraph.co.uk/news/northern-ireland/irish-government-assured-over-power-outage-fears-from-no-deal-brex-37832414.html>

'It's the only life I've ever known'

Karin was born in Germany. After 35 years of living and working in Scotland, she is now worried about her citizenship after Brexit. Charity the Fife Migrants Forum say concerns may lead many EU nationals to avoid signing up for so-called Settled Status. The Home Office insists the scheme is a simple and straightforward way of protecting the rights of those EU citizens living and working in the UK.

<https://www.bbc.co.uk/news/av/uk-scotland-47285526/karin-worries-about-her-citizenship-after-brex-it-s-the-only-life-i-ve-ever-known>

Simon Coveney says people shouldn't stockpile medicines because of Brexit

Irish Minister for Foreign Affairs Simon Coveney has said that there is enough medicine in Ireland for 8 to 12 weeks in the event of a no-deal Brexit, and that people should not be stockpiling medicines, as it may cause issues later on.

<https://www.thejournal.ie/simon-coveney-medicines-4500979-Feb2019/>

Brexit food shortages: Britons told to prepare for spam, canned peaches, and 'a tonne of leeks' in no-deal scenario

With a no-deal Brexit looming, supermarket bosses have again warned of the adverse impact it will have. Stockpiling can only prepare the UK for so much as there's limited space and fresh food has a short shelf life. One retail chief said it may well be that we all have to get used to canned goods like Spam.

<https://inews.co.uk/news/brexit/brexit-food-shortages-no-deal-spam-canned-peaches-leeks/>

Hub set up in Belgium to ship critical NHS supplies under No Deal Brexit

Ministers have set up a "logistics hub" in Belgium to ship critical NHS supplies under a no-deal Brexit. The Department of Health has also reserved its own dedicated shipping channel from mainland Europe to the UK to ensure vital medical products get through.

<https://www.thesun.co.uk/news/brexit/8465486/medical-hub-shipping-brexit-no-deal/>

Britain's EU workforce in decline as numbers from elsewhere soar

The number of workers in the UK from elsewhere in the EU fell by 61,000 at a time when the number of British and non-EU workers soared, official figures show. It contrasted with an increase in the number of non-EU workers in the UK, rising from 1.16 million to 1.29 million in the same period. This was an increase of 130,000 compared with the equivalent period 12 months earlier, and the highest number since records began in 1997.

https://www.theguardian.com/uk-news/2019/feb/19/britain-eu-workforce-decline-numbers-elsewhere-soar-brexit?CMP=share_btn_tw

@KnoxTony "Dublin is our headquarters for our European bank now, full stop," said Anne M. Finucane, vice chairwoman of Bank of America...

One big Brexit beneficiary is Dublin, where Bank of America, Citigroup and Barclays are expanding their ranks. "Dublin is our headquarters for our European bank now, full stop," said Anne M. Finucane, vice chairwoman of Bank of America...

<https://twitter.com/KnoxTony/status/1097412529641410560>

Political Shenanigans

UK will push options to Brexit backstop for future trading

Earlier on Tuesday, reports said the Malthouse Compromise would not be included in Brexit talks.

between British Prime Minister May and European Commission President Jean-Claude Juncker on Wednesday. However, Steve Baker, a member of a eurosceptic group in May's ruling Conservative Party, said the Malthouse Compromise was "alive and kicking" after a meeting with May on Tuesday. <https://uk.reuters.com/article/uk-britain-eu-compromise/uk-will-push-options-to-brexit-backstop-for-future-trading-idUKCN1Q826U>

Brexit backstop: Theresa May to put new proposals to EU

Theresa May will present the EU with new legal proposals to solve the Irish backstop issue on Wednesday, which Downing Street hopes will be enough to convince Eurosceptics to back her Brexit deal. The prime minister is travelling to Brussels to meet Jean-Claude Juncker, the European commission president, with a plan to secure legal assurances that the backstop would not permanently bind the UK into a customs union.

<https://www.theguardian.com/politics/2019/feb/19/brexit-backstop-may-rules-out-malthouse-compromise>

Brexit: Robert Buckland cautious over 'sensitive talks'

It would be "reckless and irresponsible" to give a running commentary on changes the UK is seeking to the Northern Ireland backstop, a government minister has said. Solicitor General Robert Buckland was answering MPs on "sensitive" Brexit negotiations taking place with the EU.

<https://www.bbc.co.uk/news/uk-northern-ireland-47295991>

Breakaway Labour MPs picked their moment for maximum impact

On January 16 — the day Theresa May saw off a vote of no confidence in her government and the one after her Brexit deal was defeated by a historic margin — Mr Shaker registered a company called Gemini A Ltd, which will support the Independent Group. He told friends that the company name was "deliberately meant to sound like a Bond villain's lair to annoy the conspiracy theorists". On February 10 the group registered a website and the venue for yesterday's launch was booked within the past week. "If you're going to build a new politics it's got to be the people who are currently on the field," one of the MPs said. "This has to be a project for current politicians and activists and people who want to build a new politics."

https://www.thetimes.co.uk/edition/news/labour-splitters-picked-their-moment-for-maximum-impact-lht59n8nm?utm_source=Twitter&utm_campaign=confirm_brand_twitter&utm_medium=paid_social&utm_term=Henry_Zeffman&dclid=CjkKEQIA767jBRClIT7mYjAwJUBEiQA7fAah6Ue3y4nHKYSwjWIFJ90dGlaLJmdARzAV3_yDla6cSfw_wcB

@MrHarryCole Cabinet ministers explicitly told Malthouse Compromise won't be part of the measures put to the EU this week.

Cabinet ministers explicitly told Malthouse Compromise won't be part of the measures put to the EU this week.

<https://twitter.com/MrHarryCole/status/1097875643423956992>

EU not prepared to re-open the Withdrawal Agreement ahead of Theresa May visit

Theresa May will meet European Commission president Jean-Claude Juncker in Brussels on Wednesday, commission spokesman Margaritis Schinas has said. Mr Schinas told the daily briefing for journalists in Brussels that the talks would aim to find a way through the current impasse over the Northern Ireland backstop but said the EU was not prepared to re-open the Withdrawal Agreement.

<https://www.heraldscotland.com/news/17443736.eu-not-prepared-to-re-open-the-withdrawal-agreement-ahead-of-the-resa-may-visit/?ref=twtr>

UK will probably delay Brexit, says former EU chief Jose Manuel Barroso

Britain is likely to delay Brexit because of the lack of a deal, former EU Commission President Jose Manuel Barroso has said. Mr Barroso, who ran the bloc's executive from 2004 to 2014, said it would be right for the EU27 to accept any request for an extension. Theresa May has repeatedly said she

would not extend the Article 50 period – which expires on 29 March – and that “no-deal is better than a bad deal”. MPs have however voted in principle

<https://www.independent.co.uk/news/uk/politics/uk-brexite-delay-article-50-eu-talks-trade-deal-jose-manuel-barroso-a8786776.html>

Health secretary urged to quit to block no-deal Brexit

Matt Hancock sidestepped calls to confirm he would resign to block a no-deal Brexit, as he revealed the cost of NHS contingency planning. The health secretary said around £11 million of taxpayers' cash has been spent so far, adding there have been costs to the pharmaceutical industry due to stockpiling of medicines. Hancock also attempted to reassure people with diabetes after insisting the two major providers of insulin have made stockpiles of at least 12 weeks - double that requested by the Government for other medicines

<https://www.theneweuropean.co.uk/top-stories/health-secretary-matt-hancock-asked-to-quit-to-block-no-deal-brexite-1-5898422>

Theresa May axes hi-tech plans to solve Brexit deadlock amid hopes of imminent breakthrough with Brussels

Theresa May last night dumped hi-tech plans to solve the Brexit deadlock amid hopes of an imminent breakthrough with Brussels. The PM told Cabinet it was not plausible to pursue the so-called Malthouse Compromise pushing for alternative arrangements to the hated Irish backstop by March 29. Sources claimed a new agreement on the backstop such as a time-limit could even be struck with the EU this weekend following talks between Theresa May and Commission boss Jean Claude Juncker on Wednesday night.

<https://www.thesun.co.uk/news/brexite/8464122/theresa-may-ditches-hi-tech-brexite-plans/>

Mainland councils predicting traffic misery at ports in no-deal Brexit plans. What about IWC?

Two of the Hampshire's biggest councils are preparing for the impacts of Brexit, with traffic misery forecast if no deal is reached. This, it has been predicted, will come from disruptions at both Southampton's and Portsmouth's ports. Last week the no-deal Brexit plans for Portsmouth were likened to a 'Dad's Army comedy. This week Southampton City Council will consider the impact of a no-deal Brexit.

<https://onthewight.com/mainland-councils-predicting-traffic-misery-at-ports-in-their-no-deal-brexite-plans-what-about-iwc/>

Up to three Tories preparing to join new Independent Group of MPs

Up to three Conservative MPs are preparing to cross the floor to join the new Independent Group of MPs, it emerged today. The bombshell could come as early as tomorrow morning, the day of Tory leader Theresa May's weekly Prime Minister's Questions appearance. Chuka Umunna, one of the seven MPs who quit Labour to form the new centre-ground group yesterday, issued a rallying cry to Tories “demoralised by the Ukip-isation, if you like, of the Conservative Party”.

<https://www.standard.co.uk/news/politics/up-to-three-tories-could-join-new-independent-group-of-mps-a4070431.html>

Political Setbacks

Post-Brexit Britain will be more vulnerable to Chinese interference, report warns

Economic uncertainties after Brexit could make the UK more vulnerable to Chinese interference, with Beijing using a variety of means to infiltrate Britain's power structures, a leading think-tank has warned. There has been little focus in Britain on how China preys on targeted countries and there is a need for a cohesive programme to counter it, according to a report by the Royal United Services Institute, which charts the tactics used by the ruling Chinese Communist Party (CCP) to achieve its aims.

<https://www.independent.co.uk/news/uk/politics/uk-china-interference-counter-intelligence-security-service-brexiteers-eu-asia-africa-tech-huawei-a8786876.html>

Labour split: John McDonnell denies further defections could be as high as 30

The shadow chancellor called for "dialogue" with the newly-formed independent group, as questions abound of more Labour MPs jumping ship over the party's Brexit policy and antisemitism

<https://news.sky.com/story/labour-split-john-mcdonnell-denies-further-defections-could-be-as-high-as-30-11641781>

BBC Scotland director defends Question Time against bias criticisms

The director of BBC Scotland, Donalda MacKinnon, has said she wants to convince critics the corporation has no agenda, as a row about pro-union bias on Question Time escalated. Speaking before the launch of a £32m dedicated television channel in Scotland, the cornerstone of the BBC's efforts to address complaints from SNP politicians, TV companies and viewers that it has neglected Scottish audiences, MacKinnon acknowledged that "despite high consumption of BBC content in Scotland, higher than anywhere else in the UK, perceptions remain lower"

<https://www.theguardian.com/media/2019/feb/18/bbc-scotland-director-donalda-mackinnon-question-time>

Conservatives being 'manipulated by Brexit zealots', ex-PM Major to warn

The Conservative Party is being "manipulated" by Brexit "zealots" and the "mainstream majority" of MPs must reassert itself to stop a damaging EU exit, Sir John Major is to argue. In a lecture in Glasgow, the former prime minister will urge Parliament to "dig deep into its soul" and act before the scheduled departure, on 29 March. Brexit will cost billions and risk the break-up of the UK, he will say.

<https://www.bbc.co.uk/news/uk-politics-47296593>

Brexit news latest: No-deal could break up UK, deputy PM tells hard Brexiteers

Theresa May's de facto deputy warned today that a no-deal Brexit could encourage the break-up of the UK — piling pressure on Right-wingers to back the Prime Minister's plans if Brussels makes a concession on the Northern Ireland border "backstop". Cabinet Office minister David Lidington raised expectations that Tory MPs will be urged to support Mrs May's Brexit blueprint if the European Union offers limited legal assurances on the backstop. A codicil or addendum to the withdrawal agreement might enable Attorney General Geoffrey Cox to argue that the threat of the UK being indefinitely subject to EU rules has been curtailed.

<https://www.standard.co.uk/news/politics/nodeal-could-break-up-uk-deputy-pm-tells-hard-brexiteers-a4069701.html>

'It's like Pompeii again if Pompeii voted for the volcano' - US show takes down Brexit

Beginning the feature on Brexit he explained: "It's now been two-and-a-half years since the UK voted to leave the EU. The long story short of it is there was a bus with a lie on it, people made a massively consequential decision by a narrow margin, and the subject of the impending Brexit has dominated every waking moment in British life." "People in Britain are completely exhausted by Brexit talk, and the crazy thing is it hasn't even happened yet. Although it has had big effects on the British economy. In the wake of the Brexit vote the UK has become one of the worst performing economies in the G7, major companies like Nissan and Dyson are moving operations out of Britain, and the pound has dropped by almost by 14%."

<https://www.theneweuropean.co.uk/top-stories/hbos-john-oliver-takes-down-brexiteers-1-5897828>

Tory minister blasts Brexiteers for 'tarnishing' party amid claims Conservative MPs could quit

A Conservative minister has warned Tory eurosceptics they are "tarnishing" the party, amid reports a trio of MPs could quit and join a new independent grouping in parliament. Defence minister Tobias Ellwood attacked the European Research Group (ERG) of Conservative Brexiteers for their actions, which he claimed were threatening to "poison" the party. He also added to speculation Tory MPs

could join a group of seven former Labour MPs, who this week walked out of their party and formed a new group in the House of Commons.

<https://news.sky.com/story/tory-minister-blasts-brexiters-for-tarnishing-party-amid-claims-conservative-mps-could-quit-11642101>

Labour split: Antisemitism row over MP Ruth George's Israel funding claim

A Labour MP has come under attack after suggesting that the seven MPs who quit the party might be secretly funded by Israel. The group, including Luciana Berger, the MP for Liverpool Wavertree, who is Jewish, announced yesterday that they were resigning over Jeremy Corbyn's handling of antisemitism in the party as well as Brexit. Ruth George, the MP for High Peak, today posted on social media that "support from the State of Israel, which supports both Conservative and Labour Friends of Israel, of which Luciana was chair, is possible".

https://www.thetimes.co.uk/article/labour-split-antisemitism-row-over-mp-ruth-george-s-israel-funding-comments-mrk8cr5hd?utm_medium=Social&utm_source=Twitter#Echobox=1550596557

Brexit: Labour rift proves it cannot be relied on, Hunt tells EU

Jeremy Hunt has seized on Labour's split, claiming to European foreign ministers it proved that only concessions to win round Conservative rightwingers will get the Brexit deal through the Commons. During a frenetic day of lobbying in Brussels, the foreign secretary privately counselled his EU counterparts that the opposition could not be relied upon, even if the government pivoted to backing a customs union.

<https://www.theguardian.com/politics/2019/feb/19/brexit-labour-jeremy-hunt-eu>

Brexit: Michael Gove admits farmers may never recover from no-deal

A no-deal Brexit would seriously harm the UK's farmers, Michael Gove has admitted. The Environment Secretary told the National Farmer's Union (NFU) conference that there was "no absolute guarantee" that British farmers could export any of their produce to the EU in a no-deal scenario, and would face punishing tariffs even if they could. Mr Gove also dismissed speculation that the UK Government could slash tariffs on food imports after Brexit, an idea hinted at by International Trade Secretary Liam Fox

<https://www.scotsman.com/news/politics/brexit-michael-gove-admits-farmers-may-never-recover-from-no-deal-1-4875463>

Sheffield MP apologises after comments on skin colour spark racism row

One of Sheffield's MPs has been forced to apologise after sparking a racism row on the day she left the Labour party. Angela Smith, who represents Penistone and Stocksbridge, quit Labour along with six more of the party's members of parliament in a major blow for leader Jeremy Corbyn.

<https://www.thestar.co.uk/news/politics/sheffield-mp-apologises-after-comments-on-skin-colour-spark-racism-row-1-9602268>

Trade Deals/Negotiations

Brexit: What trade deals has the UK done so far?

The UK has (so far) only agreed six deals. These include relaxing certain rules, reducing taxes (tariffs) on imports and exports, or granting easier market access. The government estimates that about 11% of UK trade relies on the EU's agreements with 70 countries. The "continuity" agreements the UK has struck are: Israel (18 February) - Palestinian Authority (18 February) - Switzerland (signed 11 February) - The Faroe Islands (1 February) - Eastern and Southern Africa (31 January)- Chile (30 January)

<https://www.bbc.co.uk/news/uk-47213842>

EU says UK will struggle to match its free trade deals

The UK will struggle to conclude the same high quality free trade deals as the European Union due

to its small size and continuing uncertainty over Brexit, the EU's agriculture commissioner has said. Phil Hogan, who was visiting Australia for talks on an EU-Australia free trade agreement, also warned that a no-deal Brexit would result in a big jump in food prices in the UK, a move that would cause the public to punish those responsible at the ballot box. "Size matters in trade," Phil Hogan told the FT in an interview. "Five hundred million customers will always resonate more with a third country when they want to do a trade deal with the EU, rather than 65m. This is what Mr [Liam] Fox is finding out as he travels around the world. Japan recently told him: 'Come back to us when we see the implementation of the EU deal'."

<https://www.ft.com/content/1f8cbbf2-334b-11e9-bd3a-8b2a211d90d5?segmentId=92536be1-65e9-397d-a4d5-a385d985496e>

UK secures a trade continuity deal with Palestine

Our trade continuity agreement with the Palestinian Authority will help give UK and Palestinian businesses, exporters and consumers the certainty they need to continue trading freely as the UK prepares to leave the EU. @AbeerOdeh11

<https://twitter.com/LiamFox/status/1097919464245465089>