

EU Summit Brexit future relations: damage limitation is top priority for EU27 businesses

Prior to tomorrow's EU Summit discussion among the EU27 Heads of State on future relations with the United Kingdom, EUROCHAMBRES has stressed the importance of paying greater attention in this next phase to mitigating the damage to EU27 businesses, particularly SMEs.

Move businesses from the sidelines to centre stage

The UK Government's red lines have made EUROCHAMBRES' call for a 'trade-oriented Brexit' significantly more challenging, but Chambers stress the need for both parties to focus on minimizing the inevitable friction.

"EU27 businesses have been largely left on the sidelines watching a game of political Ping-Pong during the Article 50 and transition negotiations. It's critical that the discussions on future relations focus much more on limiting the damage to businesses with commercial links to the UK," said EUROCHAMBRES President, Christoph Leitl, following his intervention in yesterday's European Parliament Trade (INTA) Committee hearing on Brexit.

Minimizing non-tariff barriers, particularly customs requirements and regulatory divergence, will be significant factors in this. A new EUROCHAMBRES / Committee of the Regions survey published on 20 Marchⁱ underlines that some regional economies, notably those adjacent to the UK, are far more exposed to the impact of such barriers.

An SME inclusive approach

Many small businesses trading directly or indirectly with the UK are vulnerable to the effects of Brexit, but remain highly uncertain about the implications. SMEs generally do not have Brexit contingency plans in place either. *"Like any EU FTA, the agreement with the UK must be SME-inclusive if it is to prove effective. This approach must start from day 1 of negotiations and continue through to implementation,"* said President Leitl.

Mind the gap

Even without any further delays, the anticipated transition period is short in the context of an FTA negotiation and EUROCHAMBRES underlines the danger that businesses will find themselves left in limbo. *"History strongly suggests that the agreement with the UK will not be struck by December 2020, so Chambers want to work with the EU to ensure that traders know where they stand from 1 January 2021,"* concluded President Leitl.

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<http://cor.europa.eu/en/events/Documents/ECON/Final-Report-on-the-UK-withdrawal.pdf>