



BRIEFING PAPER

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The EU27: Internal Politics and Views on Brexit

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Summary

Unity of the EU27 and Single Market integrity

The EU27 Member States have maintained a largely united front in the Brexit negotiations, adopting joint negotiating guidelines in April 2017 following the UK Government's Article 50 notification the previous month and mandating Michel Barnier to lead negotiations on their behalf.

Examining the positions on Brexit taken by the EU27, a number of common themes emerge, notably insistence on the integrity of the EU Single Market and an unwillingness to divide the four market freedoms (relating to goods, services, capital and people) when it comes to negotiating the future UK-EU trading relationship. This has also come alongside concerns that the new trading relationship should not enable the UK to gain a competitive advantage by retaining participation in some elements of the Single Market while no longer being required to comply with all the requirements of membership, including regulations relating to competition, the environment and labour market.

The governments of the EU's two leading Member States, France and Germany, have been influential in promoting these lines. However, other EU governments have also stressed the importance of the Single Market and the need to balance trading access with certain obligations arising out of membership, including free movement of people.

Certain Member States, notably Poland, Hungary and Italy are for varying reasons currently at loggerheads with the EU. Both the Polish and Hungarian Governments face questions regarding their compliance with the EU's rule of law framework and (along with Slovakia) face European Commission infringement proceedings regarding non-compliance with the EU's refugee relocation plan. The new Italian Government has clashed with other EU governments over its calls for greater burden sharing in relation to migrant and refugee arrivals and its unwillingness to comply with Eurozone budget strictures. However, notwithstanding occasional criticisms of the EU's approach to negotiations from government figures in these countries, these differences have not translated into any major divergences from the principal EU lines in the negotiations. This partly relates to a preoccupation among these governments with their own national priorities and a lack of coincidence with those of the UK when it comes to the Brexit negotiations.

Maintaining trade and security co-operation

EU27 governments have expressed a wish to retain a close trading relationship with the UK and a desire to avoid a 'no deal' Brexit which would be harmful to EU economies as well the UK. Retaining strong trading links with the UK is a particular consideration for those Member States with a high proportion of trade with the UK, although this is secondary to preserving the Single Market. Table 1 identifies the level of trade each of the EU27 Member States undertakes with the UK, as well as the percentage of GDP to which trade with the UK is equivalent. It is notable that trade with the UK is equivalent to between 13% and 15% of GDP for Belgium, Cyprus, Luxembourg and the Netherlands, and more than 20% for Malta and Ireland. However, for the other 21 Member States trade with the UK is equivalent to less than 6% of GDP.

While agreement on the future economic and trading relationship has proved difficult, there has been a greater level of convergence between the UK and the EU27 over continuing security co-operation. Former Soviet bloc states, including Bulgaria, Romania, Poland and the Baltic countries, have been particularly concerned to ensure that Brexit does not undermine the UK contribution to European security.

Table 1 UK trade with EU member states, 2017 (£ millions)

	Goods			Services			Total			All trade with the UK as a % GDP ¹
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	
Austria	1,768	3,255	-1,487	1,320	1,462	-142	3,088	4,717	-1,629	2.7%
Belgium	14,060	25,478	-11,418	4,685	2,733	1,952	18,745	28,211	-9,466	13.5%
Bulgaria	334	389	-55	292	538	-246	626	927	-301	4.0%
Croatia	99	77	22	101	537	-436	200	614	-414	1.9%
Cyprus	268	113	155	739	1,304	-565	1,007	1,417	-410	14.5%
Czech Rep	2,021	5,602	-3,581	1,076	661	415	3,097	6,263	-3,166	5.9%
Denmark	2,657	4,865	-2,208	3,916	1,489	2,427	6,573	6,354	219	5.5%
Estonia	133	197	-64	77	33	44	210	230	-20	2.6%
Finland	1,262	2,466	-1,204	1,337	506	831	2,599	2,972	-373	3.2%
France	24,248	27,455	-3,207	16,130	13,359	2,771	40,378	40,814	-436	4.3%
Germany	37,135	68,722	-31,587	19,683	9,387	10,296	56,818	78,109	-21,291	5.3%
Greece	887	816	71	1,079	3,114	-2,035	1,966	3,930	-1,964	3.6%
Hungary	1,348	2,714	-1,366	770	770	0	2,118	3,484	-1,366	5.5%
Ireland	20,309	14,488	5,821	13,725	7,300	6,425	34,034	21,788	12,246	23.5%
Italy	10,365	18,562	-8,197	8,504	5,448	3,056	18,869	24,010	-5,141	3.1%
Latvia	247	557	-310	161	146	15	408	703	-295	5.6%
Lithuania	465	675	-210	212	227	-15	677	902	-225	5.0%
Luxembourg	187	339	-152	2,774	2,320	454	2,961	2,659	302	13.1%
Malta	403	111	292	394	874	-480	797	985	-188	21.3%
Netherlands	22,043	40,680	-18,637	17,003	6,251	10,752	39,046	46,931	-7,885	14.1%
Poland	4,991	10,457	-5,466	1,880	2,342	-462	6,871	12,799	-5,928	5.0%
Portugal	1,430	2,971	-1,541	940	2,941	-2,001	2,370	5,912	-3,542	5.3%
Romania	1,146	1,910	-764	894	827	67	2,040	2,737	-697	3.4%
Slovakia	470	2,451	-1,981	377	222	155	847	2,673	-1,826	4.9%
Slovenia	157	331	-174	215	116	99	372	447	-75	2.3%
Spain	10,367	16,436	-6,069	5,748	14,866	-9,118	16,115	31,302	-15,187	4.7%
Sweden	5,285	7,024	-1,739	5,849	2,072	3,777	11,134	9,096	2,038	5.3%

Source: ONS, Eurostat

¹ House of Commons Library Calculations

The first phase of negotiations

There has also been unity on the question of sequencing of the Brexit negotiations, and the need for agreement on the status and rights of EU citizens in the UK after Brexit, the UK's financial settlement with the EU, and the Ireland-Northern Ireland border, all of which were addressed by the Joint Report on progress in the first phase of Brexit negotiations in December 2017. The status of Member State nationals in the UK was a priority for several states with large numbers of their citizens living in the UK, notably Poland, Romania and other recent accession countries as well as Italy. Reaching agreement on the UK's financial settlement upon withdrawal from the EU was also critical, with net recipients from the EU budget concerned about a potential loss of funds and net contributors concerned about having to make up any shortfall. See Charts 1 and 2 outlining Member State contributions to the EU budget.

The Irish border

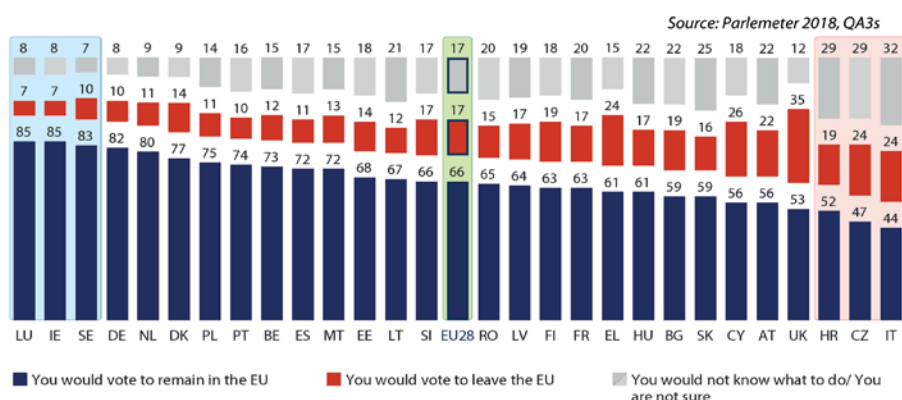
The critical sticking point as the negotiations on the withdrawal agreement drew to a close was the question of the Northern Ireland-Ireland border and the measures required to prevent a hard border re-emerging. Again, the EU27 have remained united on this front and supportive of Ireland's position in the negotiations. Smaller states have expressing their affinity with a fellow small state in the negotiations, while the German Government has expressed itself as a guarantor of the interests of smaller states.

Public Opinion

The EU27 governments have also been mindful of public opinion and have been boosted in this regard by increasing support for the EU in surveys. Support for EU membership has increased since the UK referendum in 2016 in countries with long-standing histories of Euro-scepticism such as Sweden and Denmark as well as more recently Euro-sceptic countries like Italy. A special Eurobarometer survey for the European Parliament published in October 2018 (based on a survey conducted in September 2018 of people aged 15+) showed majority support for EU membership in all EU Member States, although support was below 50% in both the Czech Republic and Italy (with large numbers of don't knows). See Table 2 below.

Table 2. Support for continuing EU Membership in the 28 Member States, September 2018.²

Q If a referendum was held tomorrow regarding (OUR COUNTRY)'s membership of the EU, how would you vote? (%)



² [Parlemeter 2018. Taking up the Challenge. From \(silent\) support to actual vote](#), Eurobarometer Survey 90 of the European Parliament, September 2018.

Chart 1. Member state contributions to the EU budget, receipts from the EU budget, and net contribution, 2017, € billion

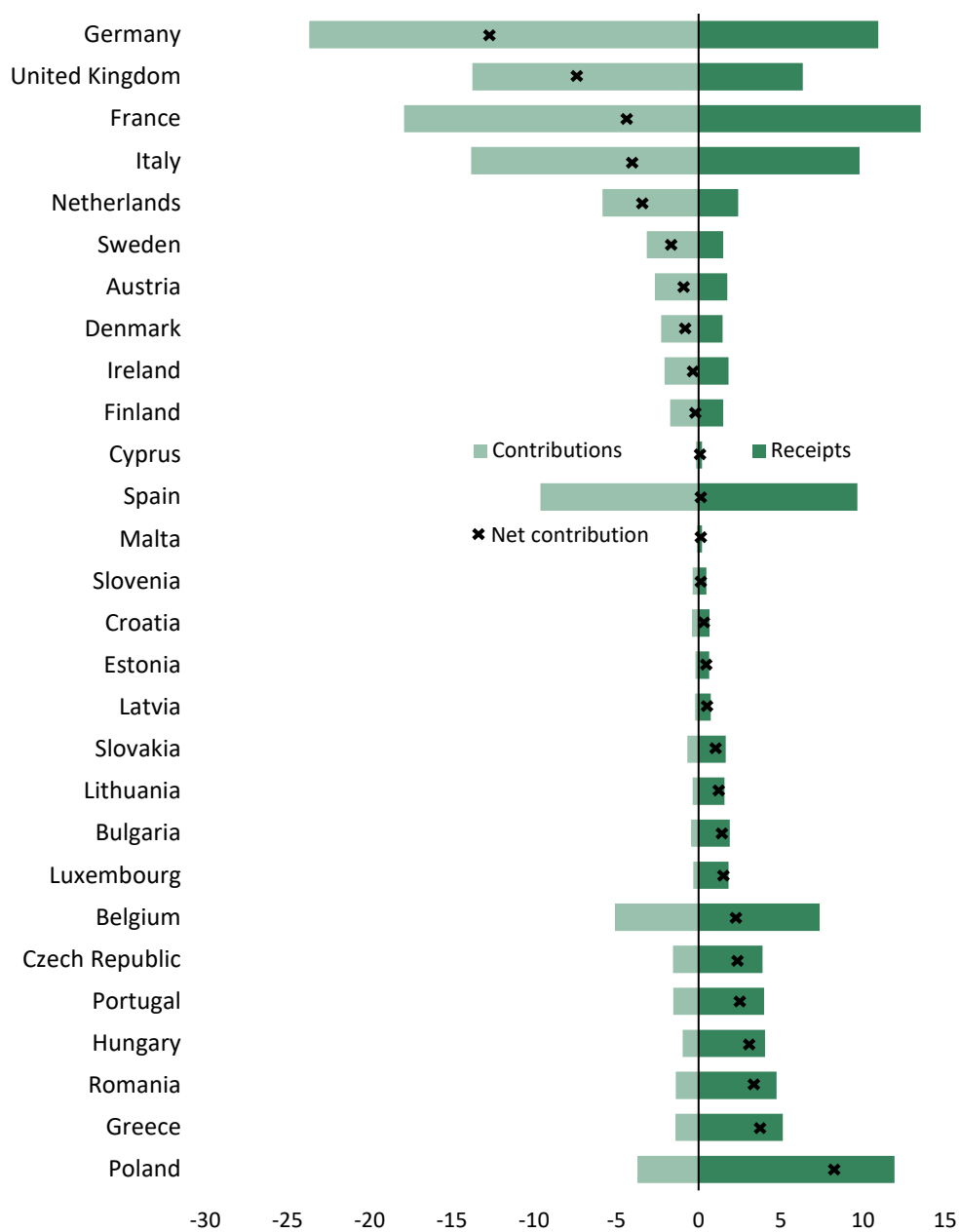
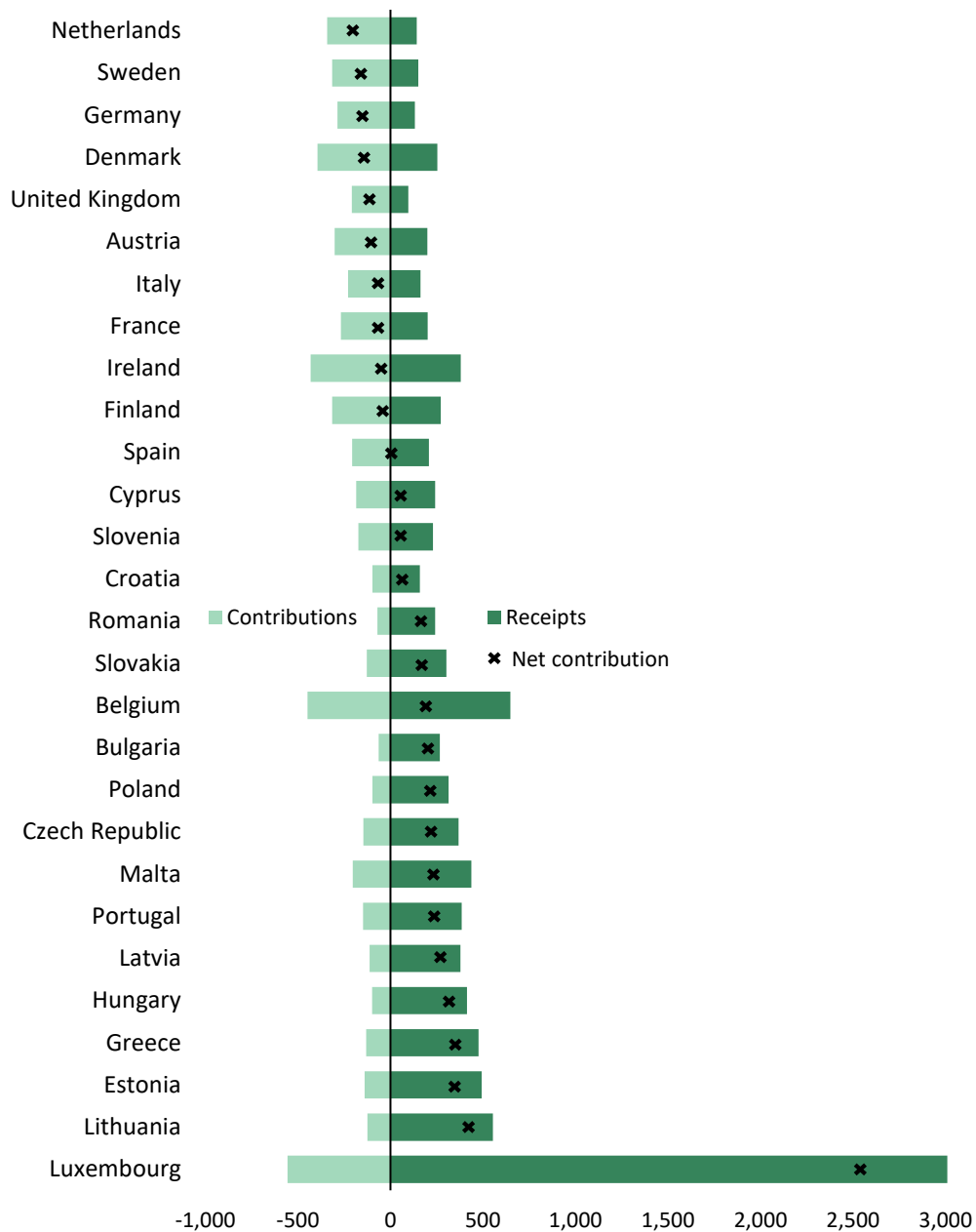


Chart 2. Member state contributions to the EU budget, receipts from the EU budget, and net contribution, 2017, € per head of population*



*Belgium and Luxembourg are home to EU institutions and therefore receive a much higher level of EU funding through the location of these institutions than they otherwise would given their level of GDP.

See also House of Commons Library Briefing Paper CBP 6455, [A guide to the EU budget](#), 7 September 2018

1. Austria

1.1 Key Facts³

1. Government and Politics

Head of State: Federal President Dr Alexander Van der Bellen

Head of Government: Federal Chancellor Sebastian Kurz

Last election: Legislative, 15 October 2017

Next election: Legislative, by October 2022

2. Finance and Economy

GDP (2017): €336 billion (GDP per head: €38,200)

GDP average growth 2013-2017: 1.6%

GDP growth 2018 (interim forecast, July 2018): 2.8%

Net contribution to EU budget per head: +€103

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 2.7%

UK trade with Austria, 2017			
£ millions			
	Exports	Imports	Balance
Goods	1,768	3,255	-1,487
Services	1,320	1,462	-142
Total	3,088	4,717	-1,629
Source: ONS Pink Book			

4. Views on the EU

36% of Austrians have a positive view of the EU (net positive: +11%)

54% of Austrians agree that their voice counts in the EU (net voice counts: +13%)

43% of Austrians trust the EU (net trust: -8%)

74% of Austrians are in favour of free movement

77% of Austrians feel like EU citizens

5. Austrian nationals in the UK

18,000 (ONS estimate for Jan to Dec 2017)

³ For all EU27 Member States, Key Facts Point 1 is taken from [Europa World Plus](#). Point 2 is taken from [Eurostat](#); [European Economic Forecast](#), European Commission, Spring 2018. Point 3 is taken from [ONS Pink Book](#) and library calculations. Point 4 is taken from European Commission [Eurobarometer](#) report 2018. Point 5 is taken from the Office for National Statistics: [Population of the UK by country of birth and nationality](#), May 2018.

1.2 Background

Austria after WWI and WWII

Austria dominated the Austro-Hungarian Empire until it fell in 1918 at the end of World War I. Its boundaries were reduced under the Treaty of St Germain in 1919 and the constitution of 1920 created the Republic of Austria. In the 1930s the Government crushed a socialist uprising and abolished all political parties except the nationalist Catholic 'Fatherland Front'. Austria was annexed by Germany in 1938 (*Anschluss*) and renamed *Ostmark* (Eastern March) by Hitler. In World War II Austria's Germany controlled armed forces fought on the Eastern Front. In 1945 Vienna was liberated by Soviet troops and Austria was occupied by Soviet, British, US and French forces, and elections resulted in a People's Party and Socialist Party coalition. In the following two years denazification laws were passed. In 1955 the State Treaty signed by the occupying Allies established an independent, "permanently neutral" Austria.

Austria joined the United Nations in 1955 and the EU in 1995, adopting the Euro in January 1999.

The far right enters post-War politics

There has been a move to the right in Austrian politics since 1999, when the far-right Freedom Party (FPÖ) led by Jörg Haider won 27% of the vote in national elections, coming second equal with the centre-right Austrian People's Party (ÖVP); the centre-left Social Democrats (SPÖ) remained the largest party. But in January 2000 coalition talks between the SPÖ and the ÖVP broke down and the ÖVP began talks with the FPÖ. This resulted in the ÖVP entering the government with a FPÖ member as Deputy Chancellor. After the collapse of the coalition in 2002 and new elections, the ÖVP made large gains and the FPÖ lost seats but was again included in the ensuing coalition ÖVP/FPÖ government.

In elections in 2006 the SPÖ narrowly defeated the ruling ÖVP and the two parties formed a coalition government in 2007. But the ÖVP withdrew in 2008, forcing an early election in which the SPÖ emerged as the largest party but with far-right parties taking 29% of the vote. In elections in 2013 the SPÖ again defeated the ÖVP and the 'grand coalition' was renewed.

The electoral system

The Federal President is elected by an absolute majority vote in a two-round system for a six-year term. The Federal Chancellor is appointed by the President. The members of the Federal Council (*Bundesrat*) are elected by the nine state legislatures. The Federal Council presidency is rotating on a six-month basis among the nine States.

Members of the National Council (*Nationalrat*) are elected by an open-list proportional representation system for five-year terms.

1.3 Current Government and Recent Political Developments

The migrant crisis

The migrant crisis in 2015, in which tens of thousands of migrants, largely from conflict areas in the Middle East, crossed into Austria, gave rise to the Government announcing it would erect barriers at a border crossing with Slovenia. In 2016 Austria imposed a cap on the number of migrants and refugees allowed into the country.

Elections in 2016 and 2017

In May 2016 presidential elections, a Green Party member narrowly beat the FPÖ candidate, but this result was annulled by the Constitutional Court. However, in December 2016 the Green Party's Alexander Van der Bellen (former professor of economics at the University of Vienna) defeated Norbert Hofer (FPÖ) in a re-run of the presidential election, with a larger majority.

In early elections in October 2017 there was another swing to the right. The SPÖ campaigned on reducing social inequality, while the ÖVP and FPÖ focused on concerns about immigration and Islam, calling for the securing of Austria's borders and swift deportations of failed asylum-seekers. A coalition of the ÖVP and the FPÖ took office in late December. The ÖVP leader Sebastian Kurz became chancellor.

The full results of the 2017 elections of 183 seats to the *Nationalrat* were as follows:

National Council (*Nationalrat*)⁴

General Election, 15 October 2017

Party	Votes	% of votes	Seats
Austrian People's Party (ÖVP)	1,595,526	31.5	62
Social Democratic Party of Austria (SPÖ)	1,361,746	26.9	52
Freedom Party of Austria (FPÖ)	1,316,442	26.0	51
NEOS – The New Austria (NEOS)	268,518	5.3	10
Peter Pilz List (PILZ)	223,543	4.4	8
The Greens (GRÜNE)	192,638	3.8	0
My Vote Counts! (G!LT)	48,234	1.0	0
Communist Party of Austria (KPÖ)	39,689	0.8	0
The Whites (Weiße)	9,167	0.2	0
Free List Austria (FLÖ)	8,889	0.2	0
Others	5,537	0.1	0
Total	5,069,929	100.0	183

Turnout was 80% of 6,400,998 eligible voters.

⁴ [National Council \(Austria\)](#), Europa World online. London, Routledge. Retrieved 3 October 2018

In December 2017 a group which included former Spanish Foreign Minister Miguel Ángel Moratinos, former French Foreign Minister Bernard Kouchner and former Canadian Prime Minister Kim Campbell called for a boycott of far-right members in Austria's government, referring to them as the "heirs of Nazism". In an open letter published in French newspaper [Le Monde](#), 28 December 2017, they urged European leaders to take action.

The Kurz Government

The new Austrian coalition government of the ÖVP and FPÖ was appointed on 18 December 2017. Sebastian Kurz (ÖVP) became the new and youngest Chancellor (31) and the far-right Heinz-Christian Strache (FPÖ) his vice-chancellor.⁵ The *EUObserver* reported that, in contrast with the last time the far-right entered government in 2000-2005, "This time, wisely enough and with few exceptions, such as commissioner Pierre Moscovici, they limited themselves to raising eyebrows".⁶

Results of the most recent Austrian elections

President⁷

Presidential Election, First Ballot, 24 April 2016

Candidate	Votes	% of valid votes
Norbert Hofer	1,499,971	35.05
Alexander Van der Bellen	913,218	21.34
Irmgard Griss	810,641	18.94
Rudolf Hundstorfer	482,790	11.28
Andreas Khol	475,767	11.12
Richard Lugner	96,783	2.26
Total	4,279,170	100.00

Second Ballot, 4 December 2016

Candidate	Votes	% of valid votes
Alexander Van der Bellen	2,472,892	53.79
Norbert Hofer	2,124,661	46.21
Total	4,597,553	100.00

Note: The results of the second ballot that took place on 22 May 2016, at which Alexander Van der Bellen secured 50.34% of votes and Norbert Hofer 49.66%, were annulled by the Constitutional Court.

Dr Alexander Van der Bellen was duly elected President.

Federal Council (*Bundesrat*)⁸

Election, July 2018

⁵ For details of the Austrian Government, see Federal Chancellery website, [Ministers and State Secretaries](#).

⁶ *EUObserver*, [New Austrian government is good news for EU project](#), 21 December 2017.

⁷ [President \(Austria\)](#), Europa World online. London, Routledge. Retrieved 3 October 2018

⁸ [Federal Council \(Austria\)](#), Europa World online. London, Routledge. Retrieved 3 October 2018

Provinces	ÖVP	SPÖ	FPÖ	Die Grünen	Total seats
Burgenland	1	2	0	0	3
Carinthia (Kärnten)	0	3	1	0	4
Lower Austria (Niederösterreich)	7	3	2	0	12
Upper Austria (Oberösterreich)	4	2	3	1	10
Salzburg	2	1	1	0	4
Styria (Steiermark)	3	3	3	0	9
Tyrol (Tirol)	3	1	1	0	5
Vorarlberg	2	0	1	0	3
Vienna (Wien)	0	6	4	1	11
Total	22	21	16	2	61

1.4 Views on Brexit

Austrian priorities

Austria holds the EU's six-monthly presidency until December 2018. Priorities for the Austrian Government have included securing the rights of its roughly 25,000 citizens living in the UK and ensuring Austria does not have to pay more into the EU budget as a result of Brexit. The Government would also like to make Brexit a catalyst for reforming the EU to make it more efficient. Outgoing President Christian Kern had been critical of EU bureaucracy:

... there's too much regulation in Brussels, the institutions work themselves to death in largely opaque decision-making processes, the balance of power among member states, Commission, Council and Parliament is badly calibrated...⁹

Alexander Van der Bellen, although pro-EU, also believes there is a need for structural changes in the EU and the coalition government Agreement "commits to Europe" but will act to "steer the EU back in the right direction towards its fundamental ideas".¹⁰

A potential Öxit?

Austria's shift to the right and its concerns about immigration led to some speculation that Austria might follow the UK in seeking to leave the EU. A blog by Dr Arnold Kammel (Director of the Austrian Institute for European and Security Policy) looked at Austria's position on Brexit in spring 2016:¹¹

In general, Austria favours continued membership of the UK in the EU. When it came to the UK-EU renegotiation earlier this year, the official Austrian position was best described as support for whatever might improve the quality of the European integration process without changing its core pillars.

⁹ [Repowering Europe: How To Combat Austerity, Alienation And Brexit](#), Social Europe, Christian Kern, 27 September 2016

¹⁰ See [report](#) on discussion with President Van der Bellen, 3 May 2018

¹¹ [Preparations for a Brexit IV: views from Austria, the Czech Republic, Finland, Greece, and Malta](#), LSE, 27 May 2016.

A study of Austrian views on EU membership in late 2016 showed “the [overall positive] benefits of EU membership” and the “potential chaos of a so-called ‘Öxit’ (Österreich-exit)”.¹² The report found that most Austrians (61%) would be opposed to leaving the EU.¹³ The in-coming chancellor, Sebastian Kurz, said the new government would not hold a referendum on EU membership.¹⁴

Van de Bellen - old-fashioned UK notions of sovereignty?

President Van der Bellen is reported to have said Britain “must be crazy to believe that the old fashioned national sovereignty of the 30s gains you more power for your own country than being a member of the union”.¹⁵ During a press conference with the European Commission, Van der Bellen also spoke of the “tragic and inappropriate decision of the majority of UK voters to vote for Brexit” and said the result had “woken a lot of people up in Austria”.¹⁶

Chancellor Kurz – an orderly Brexit and good future relations

In July 2018 Chancellor Kurz commented that Austria was “unhappy” about the UK leaving the EU, but that managing an “orderly departure” was more important.¹⁷ He wanted to make sure there is no ‘hard Brexit’,¹⁸ and hoped Austria and the EU would be able to maintain strong ties with the UK after Brexit.¹⁹

In his capacity as Council President, Mr Kurz has asked other EU leaders to support initiatives to prevent a hard Brexit,²⁰ but he has also said his government will “preserve the unity of the 27” on Brexit.²¹ At the Salzburg summit in September 2018 he said both sides in the Brexit negotiations would have to compromise.²²

Brexit planning

Sebastian Kurz would rather extend the negotiations than give in to a hard Brexit if a deal on the Irish border is not agreed.²³ According to [Bloomberg \(19 July\)](#), Austria does not anticipate customs problems “because the

¹² Euractiv Germany, [Austria unwilling to copy Brexit as study reveals EU membership benefits](#), 17 November 2016

¹³ Ibid

¹⁴ Euractiv, [EU silently accepts far-right in Austrian cabinet](#), 18 December 2017

¹⁵ Express, [Austrian president brands Brexit voters thick and crazy in extraordinary Brussels rant](#), 13 February 2017

¹⁶ Ibid

¹⁷ Reuters, [Brexit: We won't let Britain split the EU member states' united front in talks](#), 3 July 2018

¹⁸ See, e.g. BBC News, [Austria's Sebastian Kurz tells Theresa May to avoid 'hard Brexit'](#), 28 July 2018

¹⁹ Reuters, [Austria seeks to avoid hard Brexit, Kurz tells May](#), 27 July 2018

²⁰ Independent, [Austria and Germany will 'do all we can' to avoid no-deal Brexit, says chancellor Sebastian Kurz](#), 16 September 2018

²¹ Independent, [Brexit: We won't let Britain split the EU member states' united front in talks](#), Austrian PM says, 3 July 2018

²² See Guardian, ['Both sides need to compromise' on Brexit, says EU summit host– Politics live](#), 20 September 2018

²³ See Politico, 6 July 2018

current WTO regime could handle shipments to and from the UK". Austria is also "confident the country's banking industry is prepared for all scenarios".

2. Belgium

2.1 Key Facts

1. Government and Politics

Head of State: HM King Philippe

Head of Government: Prime Minister Charles Michel

Last election: Legislative, 25 May 2014

Next election: Legislative, 26 May 2019

2. Finance and the Economy

GDP (2017): €396 billion (GDP per head: €34,900)

GDP average growth 2013-2017: 1.5%

GDP growth 2018 (interim forecast, July 2018): 1.7%

Net contribution to EU budget per head: -€200

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 13.5%

UK trade with Belgium, 2017			
£ millions			
	Exports	Imports	Balance
Goods	14,060	25,478	-11,418
Services	4,685	2,733	1,952
Total	18,745	28,211	-9,466
Source: ONS Pink Book			

4. Views on EU

39% of Belgians have a positive view of the EU (net positive: +16%)

53% of Belgians agree that their voice counts in the EU (net voice counts: +8%)

47% of Belgians trust the EU (net trust: -2%)

84% of Belgians are in favour of free movement

74% of Belgians feel like EU citizens

5. Belgian nationals in the UK

25,000 (ONS estimate for Jan to Dec 2017)

2.2 Background

Belgium is a constitutional and hereditary monarchy, consisting of a federation of the largely autonomous regions of Brussels, Flanders and Wallonia and of the Dutch-, French- and German-speaking linguistic communities.

The Belgian Constitution, originally promulgated in 1831, was revised and consolidated in 1993 to provide for a federal structure of government. It

has been subsequently amended on a number of occasions to give more autonomy to the regions and communities, most recently in 2012.

The central legislature consists of a bicameral Parliament (the Chamber of Representatives and the Senate). The Chamber has 150 members, all directly elected for a term of five years by universal adult suffrage, on the basis of proportional representation.

Since May 2014 the Senate has been an entirely indirectly elected body, comprising a total of 60 members drawn from the autonomous Regions and Communities.

There are a complex set of regional and community institutions. The three regions and three linguistic communities are represented by the following directly elected legislative administrations: a combined administration for the Flemish Region and Community; administrations for the Walloon and Brussels-Capital Regions; and separate administrations for the French and German communities.

The regional administrations have sole responsibility for the environment, housing, transport and public works, while the language community administrations supervise education policy and culture. Under a constitutional amendment in June 2001, the regions were also granted greater autonomy over taxation and public expenditure, agriculture, and policies on foreign aid and trade. Further powers were devolved to the regions and communities in 2012.²⁴

The regional administrations also have responsibility for international relations, including the right to conclude international treaties, in those areas where they have domestic competence. This means that international treaties negotiated by the Belgian government must be approved by the regional parliaments where these relate to regional competences. A notable example occurred in 2016 when the Wallonian regional parliament [blocked](#) the Belgian parliament from ratifying the EU-Canada Comprehensive Economic and Trade Agreement (CETA - it later gave its approval following an addendum to the treaty).

2.3 Current Government and recent political developments²⁵

Prime Minister Charles Michel currently leads a coalition comprising his own francophone liberal Reformist Movement (MR), the Flemish nationalist N-VA, the Flemish Christian Democrats (CD&V) and the Flemish liberal Open VLD. The Government was formed in October 2014 after protracted coalition negotiations following the general election of May 2014.

²⁴ [Constitution and Government \(Belgium\)](#), Europa World online. London, Routledge. Retrieved 13 June 2018

²⁵ [Domestic Political Affairs \(Belgium\)](#), Europa World online. London, Routledge. Retrieved 14 June 2018; BBC Belgium Profile - [Timeline](#).

The N-VA, which calls for the eventual separation of Flanders from Belgium and has been the largest party in the Belgian Parliament since 2010, was included in the Belgian Government for the first time.

Divisions between the French- and Dutch-speaking parties over the rights of different communities and proposed constitutional reforms have caused instability and led to protracted and difficult coalition negotiations in recent years. The formation of the previous government, led by Elio Di Rupo of the francophone Socialists (PS), took 541 days from elections in June 2010 to the government being sworn in in December 2011.

Results of recent Belgian elections

Legislature

Belgium has a bicameral Parliament, comprising the Chamber of Representatives and the Senate.

Chamber of Representatives (*Chambre des Représentants/Kamer van Volksvertegenwoordigers*)²⁶

General Election, 25 May 2014

Party	Votes cast	% of votes	Seats
New Flemish Alliance (N-VA)	1,366,414	20.26	33
Socialist Party (PS)	787,165	11.67	23
Christian Democratic and Flemish (CD&V)	783,060	11.61	18
Open Flemish Liberals and Democrats (Open Vld)	659,582	9.78	14
Reformist Movement (MR)	650,290	9.64	20
Socialist Party - Differently (SP.A)	595,486	8.83	13
Green (Groen)	358,947	5.32	6
Humanist Democratis Centre (CDH)	336,281	4.99	9
Flemish Interest (Vlaams Belang)	247,746	3.67	3
Ecologist (Ecolo)	222,551	3.30	6
Workers' Party (PTB-Go!)*	132,956	1.97	2
Francophone Democratic Federalists (FDF)**	121,403	1.80	2
People's Party (Parti Populaire)	102,599	1.52	1
Others (each less than 1% of total vote)	380,579	5.64	0
Total (incl. others)	6,745,059	100.00	150

* Comprises PvdA/PTB (Workers' Party of Belgium), LCR (Revolutionary Communist League) and the PC (Communist Party).

** FDF was renamed DéFI (Démocrate Fédéraliste Indépendant) in November 2015.

Senate (*Sénat/Senaat*)²⁷

Distribution of seats, May 2018

Party	Members
New Flemish Alliance (N-VA)	12

²⁶ [Chamber of Representatives \(Chambre des Représentants/Kamer van Volksvertegenwoordigers\) \(Belgium\)](#), Europa World online. London, Routledge. Retrieved 9 October 2018

²⁷ [Senate \(Sénat/Senaat\) \(Belgium\)](#), Europa World online. London, Routledge. Retrieved 9 October 2018

Socialist Party (PS)	10
Reformist Movement (MR)	8
Christian Democratic and Flemish (CD&V)	8
Ecologist-Green parties (Ecolo-Groen)	6
Open Flemish Liberals and Democrats (Open Vld)	5
Socialist Party - Differently (SP.A)	5
Humanist Democratis Centre (CDH)	4
Flemist Interest (Vlaams Belang)	2
Total (incl. others)	60

Note: With effect from May 2014 the Senate became an indirectly elected body comprising 50 representatives of regional and community administrations (29 from Dutch-speaking, 20 from French-speaking and one from German-speaking regions), and an additional 10 co-opted members.

2.4 Views on Brexit

Prime Minister Charles Michel – no special treatment for UK

In various public statements on Brexit, Prime Minister Charles Michel has stressed the importance of maintaining unity among the EU27 and not allowing the UK to divide and rule. Like other EU leaders he warned that the UK cannot expect to have preferential access to the Single Market while assuming none of the obligations of membership and that the UK must fulfil its financial obligations to the EU during and after the withdrawal process.

The EU must play fair and stay united

Ahead of the EU leaders' meeting in Malta in February 2017, Mr Michel was quoted in [Time](#) as saying the EU should play fair with the UK, not be "naïve", and remain united against any UK attempts to divide and rule. He continued:

".. we also have capacities in the negotiations and we also have instruments in our hands for negotiations and I hope it will be possible to find a balance.

It will not be easy, and I know the UK will certainly try in these negotiations to have parallel negotiations and bilateral negotiations with a few countries [...] But you have to be strong and convince the 27 countries that our interests are to have a common negotiation".

UK must accept the consequences of Brexit

In an interview reported in the [Irish Independent](#) in May 2017, Mr Michel again emphasised that the UK must accept the financial and other consequences of Brexit: "those who think in Britain they can push the Brexit button and not have a bill to pay are seriously mistaken" and "In Britain ever more, they will realise that Brexit, well, has consequences - economic, commercial, partnerships". He welcomed the December 2017 agreement on phase one of the Brexit negotiations, tweeting that it was: "an important step forward. An intelligent agreement on Brexit is in the interest of our citizens and our businesses. The UK is and will remain our neighbor forever. But our work isn't over yet!" (see [The Brussels Times](#)).

The Whitehouse Consultancy's [profile](#) of the EU27's positions on Brexit (22 November 2016) highlighted the importance to Belgium of trade with the

UK (8.8% of all Belgian exports go to the UK) and of close co-operation with the UK on security and terrorism. It also confirmed that the Belgian Prime Minister supported the broad EU position on Brexit. He called for a “smart Brexit ... where economic interests are protected on both sides and where we are careful that Brexit is not a starting point of Europe’s dismantlement”.

Finance Minister comments on ‘no deal’ scenario

On 3 August Belgian Finance Minister Johan Van Overtveldt (N-VA) gave an interview with Belgian radio in which he commented on Governor of the Bank of England Mark Carney’s comments that the risk of a no deal Brexit was “uncomfortably high”. Mr Van Overtveldt said:

The general economic situation in England is not exactly great, but rather better than the major Brexit pessimists had expected, but you also have to look at the long term and if we have a no-deal scenario with a number of abrupt, unforeseen situations then we could have the situation whereby the British economy very quickly changes.²⁸

Different approaches in Belgian linguistic communities

Writing for *Europa World*, Professor Anthony Mughan pointed to different approaches to Brexit among Belgium’s linguistic communities:

In view of their region’s historically close and beneficial trading relationship with the UK, Flemish politicians are arguing that the UK should be allowed to retain close economic ties with Europe when the withdrawal is complete, whereas Walloon politicians support the EU’s position that a departed UK should be granted no special privileges in any subsequent trade deals that might be negotiated with the EU.²⁹

Brexit planning

The Belgian Government is reported to be hiring more agents for the port of Antwerp and looking into “the need for scanners, sniffer dogs, weapons and drones to beef up post-Brexit customs surveillance” to monitor its coastline and the North Sea.³⁰

Open Europe reported in August 2018:

The Belgian customs administration has also [set up](#) an internal committee which will be responsible for the extra infrastructure and for training the new staff. It has drawn up a list of potential items that may be needed after Brexit, which [reportedly](#) includes more luggage scanners, sniffer dogs, manual scanners, drones to survey the coastline, a submarine to examine ships in the North Sea, as well as vehicles, computers, work spaces, and uniforms. There are also plans to coordinate with neighbouring countries, the European Commission, Belgian ports and airports.

²⁸ See *BBC Monitoring*, 6 August 2018

²⁹ Mughan, Anthony. [History \(Belgium\)](#), *Europa World* online. London, Routledge. Retrieved 16 August 2018

³⁰ [New York Times, 19 July 2018](#); The Express, [Brexit no deal MAPPED: How EU countries are secretly preparing for no deal UK exit from EU](#), 20 July 2018

Special attention is being devoted to the ports of Zeebrugge and Antwerp, which are big re-exporters of goods to the UK. Together with the Dutch ports they [account](#) for the majority of total inbound and outbound traffic with Britain's ports. The CEO of Zeebrugge, which has 46% of its traffic with the UK, [has claimed](#) the port will be ready for Brexit. It is building a digital platform to speed up bureaucratic procedures, and [thinks](#) it may be better equipped than some competitors, because it specialises in people-free freight.³¹

³¹ Open Europe, [The view from Brussels: How are the EU27 preparing for a 'No Deal' Brexit?](#) Pieter Cleppe, 30 August 2018

3. Bulgaria

3.1 Key Facts

1. Government and Politics

Head of State: President Rumen Radev

Head of Government: Prime Minister Boyko Borisov

Last election: Legislative, 26 March 2017

Next election: Legislative, due in 2021

2. Finance and the Economy

GDP (2017): €105 billion (GDP per head: €14,700)

GDP average growth 2013-2017: 3.1%

GDP growth 2018 (interim forecast, July 2018): 3.8%

Net contribution to EU budget per head: -€203

Currency: new lev

3. Trade with UK

Trade with UK as % of GDP: 4.0%

UK trade with Bulgaria, 2017			
£ millions			
	Exports	Imports	Balance
Goods	334	389	-55
Services	292	538	-246
Total	626	927	-301
Source: ONS Pink Book			

4. Views on EU

56% of Bulgarians have a positive view of the EU (net positive: +43%)

40% of Bulgarians agree that their voice counts in the EU (net voice counts: -6%)

56% of Bulgarians trust the EU (net trust: +28%)

85% of Bulgarians are in favour of free movement

51% of Bulgarians feel like EU citizens

5. Bulgarian nationals in the UK

86,000 (ONS estimate for Jan to Dec 2017)

3.2 Background

The post-Communist constitution of the Republic of Bulgaria took effect in July 1991. This followed a process of political reform between 1989 and 1991 which put an end to the Communist-era People's Republic, with multi-party legislative elections taking place in 1990.

Legislative power is held by the unicameral National Assembly, comprising 240 members elected for four years by universal adult suffrage. The President of the Republic is head of state and is directly elected for a period of five years.³²

Bulgaria became a member of NATO in 2004 and of the EU in 2007. It is not in the Schengen common travel area, although it has asked to join and its membership has been supported in principle by the European Commission and European Parliament. The Commission [said](#) in 2017 that this would require further reforms.

Bulgaria has not adopted the Euro, but the Government has [said](#) it wishes to join the European Exchange Rate Mechanism (ERM) by the end of 2018 as a stepping stone to Eurozone membership. In July 2018 the Government agreed [measures](#) that will help it to progress to ERM membership.

Bulgaria has the [lowest](#) GDP per capita in the EU (49% of the EU average). It also has the highest level of public sector corruption in the EU, according to [Transparency International](#).

3.3 Current Government and recent political developments

The President of the Republic (since January 2017) is Rumen Radev. He ran as an independent candidate with the support of the Bulgarian Socialist Party (BSP – the successor to the Bulgarian Communist Party). Radev defeated Tsetska Tsacheva of the centre-right GERB (Citizens for the European Development of Bulgaria) in the second round of presidential elections in November 2016. In response to the defeat of his party's candidate, Prime Minister Boyko Borisov tendered the resignation of his Government. After various attempts at government formation failed, early legislative elections were held in March 2017.

In the elections, Borisov's GERB took 33.5% of the vote and 95 seats, although the BSP (at the head of an electoral alliance) with 27.9% of the votes increased its representation to 80 seats. The United Patriots (OP), a nationalist right-wing coalition of parties, obtained 9.3% of the vote and 27 seats.

A new government headed by Borisov took office in May 2017, heading a coalition of GERB, the OP and independents. Boyko Borisov has been Prime Minister at the head of GERB-led governments for most of the period since the July 2009 general election.

Results of the most recent Bulgarian elections

President³³

Presidential Election, First Round, 6 November 2016

Candidate	Votes	% of valid votes
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³² [Bulgaria](#), Europa World online. London, Routledge. Retrieved 15 June 2018

³³ [President \(Bulgaria\)](#), Europa World online. London, Routledge. Retrieved 9 October 2018

Rumen Radev (Independent)	973,754	25.44
Tsetska Tsacheva (GERB - Citizens for European Development of Bulgaria)	840,635	21.96
Krasimir Karakachanov (United Patriots)*	573,016	14.97
Veselin Mareshki (Independent)	427,660	11.17
Others	1,012,585	26.56
Total	3,827,650	100.00

* A coalition of the VMRO—Balgarsko Natsionalno Dvizhenie (IMRO—Bulgarian National Movement), the Natsionalen Front za Spasenie na Bulgaria (NFSB—National Front for the Salvation of Bulgaria) and the Partiya Ataka (Ataka—Attack Party)

Second Ballot, 11 January 2015

Candidate	Votes	% of valid votes
Rumen Radev (Independent)	2,063,032	59.37
Tsetska Tsacheva (GERB)	1,256,485	36.16
Neither candidate	155,411	4.47
Total	2,197,381	100.00

Rumen Radev was duly elected President.

National Assembly (*Narodno Sobranie*)³⁴

General Election, 26 March 2017

Party	Votes	% of votes	Seats
Citizens for European Development of Bulgaria (GERB)	1,147,292	33.54	95
BSP for Bulgaria (BSP)*	955,490	27.93	80
United Patriots**	318,513	9.31	27
Movement for Rights and Freedoms (DPS)	315,976	9.24	26
Will –formerly the Liberal Alliance (Volya)	145,637	4.26	12
Others	537,616	15.72	0
Total	3,420,524	100.00	240

* BSP for Bulgaria, a coalition led by the BSP.

** United Patriots, a coalition including the Bulgarian National Movement (VMRO), the National Front for the Salvation of Bulgaria (NFSB) and the Attack party (Partiya Ataka).

3.4 Views on Brexit

Bulgarian EU Presidency pessimistic

According to the Whitehouse Consultancy [profile](#) of EU27 positions on Brexit, Mr Borisov respected the UK vote, but thought it marked a “severe split” in the people of Europe. The EU, he said, would have to “show that it can do without Britain [...] and we have to start thinking about Europe without them. Any negotiations about a special status should not be held because they will break the union apart”.

³⁴ [National Assembly \(Narodno Sobranie\) \(Bulgaria\)](#), Europa World online. London, Routledge. Retrieved 9 October 2018

As Bulgaria prepared to take over the European Council Presidency at the end of 2017, Borisov was reported to be pessimistic: things were moving in the direction of a hard or no-deal Brexit (this was before the December summit agreement on the Joint Report). He thought Brexit would be bad for the EU and that the EU itself was not prepared for the implications of a hard Brexit.³⁵ Mr Borisov stressed the importance of maintaining the current levels of co-operation with the UK on security, policing and anti-terrorism. He did not think the EU27 were sufficiently prepared for a hard Brexit.³⁶

UK - Bulgaria relations

Bulgaria held the European Council Presidency in the first half of 2018. In March Borisov was [reported](#) to have said at a meeting with then Brexit Secretary David Davis that Bulgaria should maintain close relations with the UK in politics, the economy, tourism and security, “because they meet the interest of both countries and their strategic partnership in NATO”. But he also emphasised that “Europe must remain strong despite Brexit”.

Brexit preparations

Bloomberg reported in July that Bulgaria was preparing for the risks of three possible Brexit scenarios: a comprehensive agreement, a partial agreement, and no deal; in the autumn the Government would “develop a detailed action plan for the three scenarios”.³⁷

³⁵ *Euractiv*, [Borisov: My sentiment is there will be a hard Brexit](#), 24 November 2017

³⁶ *Ibid*

³⁷ *Bloomberg*, [How Europe Is Bracing for Messy Brexit: Dogs, Drones, Do Nothing](#), 19 July 2018

4. Croatia

4.1 Key Facts

1. Government and Politics

Head of State: President Kolinda Grabar-Kitarović

Head of Government: Prime Minister Andrej Plenković

Last election: Legislative, 11 September 2016

Next election: Presidential, due 2019

2. Finance and the Economy

GDP (2017): €76 billion (GDP per head: €18,400)

GDP average growth 2013-2017: 2.2%

GDP growth 2018 (interim forecast, July 2018): 2.6%

Net contribution to EU budget per head: -€62

Currency: kuna

3. Trade with UK

Trade with UK as % of GDP: 1.9%

UK trade with Croatia, 2017			
£ millions			
	Exports	Imports	Balance
Goods	99	77	22
Services	101	537	-436
Total	200	614	-414
Source: ONS Pink Book			

4. Views on EU

34% of Croatians have a positive view of the EU (net positive: +16%)

58% of Croatians agree that their voice counts in the EU (net voice counts: +23%)

44% of Croatians trust the EU (net trust: -5%)

80% of Croatians are in favour of free movement

63% of Croatians feel like EU citizens

5. Croatian nationals in the UK

6,000 (ONS estimate for Jan to Dec 2017)

4.2 Background³⁸

The Constitution of the Republic of Croatia took effect on 21 December 1990. The country issued a declaration of independence from Yugoslavia in June 1991, leading to the attempted succession of Serbian-dominated areas

³⁸ [Croatia](#), Europa World online. London, Routledge. Retrieved 30 August 2018

from Croatia and the intervention of the Yugoslav army. The brief war with Yugoslavia left 6,000 dead and 400,000 internally displaced in Croatia, before a United Nations-brokered ceasefire in January 1992. This was followed by Croatian involvement in the war in Bosnia-Herzegovina, in which more than 100,000 died. This was ended by the Dayton Peace Accord in 1995, of which Croatia was a signatory.

The then 12 European Community member states recognised Croatia on 15 January 1992, and Croatia was formally admitted to the United Nations in May 1992.

In August 1996 an agreement providing for the establishment of full diplomatic relations between Croatia and Yugoslavia was signed, and in October 1996 Croatia was accepted into the Council of Europe.

Croatia's Treaty of Accession with the EU was signed on 9 December 2011. A referendum on EU membership was held on 22 January 2012, in which 66.3% voted in favour of joining the EU (turnout was 43.5%).

Croatia became the EU's 28th Member State on 1 July 2013.

The Kuna continues to be the currency in Croatia. Prime Minister Andrej Plenkovic has indicated an intention to join the ERM within the next two years, before Croatia takes over the rotating EU presidency in 2020. The Government hopes to introduce the Euro by 2025.³⁹

4.3 Current Government and recent political developments

Under Croatia's Constitution legislative power is vested in the unicameral *Sabor* (Assembly), which consists of 151 seats with Members directly elected to serve four-year terms.

The head of state is the president, who is elected by popular vote to serve a five-year term. The conservative Croatian Democratic Union (HDZ) candidate Kolinda Grabar-Kiratovic, became the fourth President of Croatia on 15 February 2015 (following elections on 11 January 2015), the first female to hold the post. She narrowly beat Social Democrat incumbent Ivo Josipovic in a run-off vote.

Before her election as President, Grabar-Kiratovic served as Foreign Minister, Ambassador to the United States and Assistant Secretary-General of NATO.

Andrej Plenković, head of the conservative Croatian Democratic Union (HDZ) party, was sworn in as Prime Minister on 19 October 2016.⁴⁰ He heads a government comprising representatives of the HDZ, the Croatian People's Party-Liberal Democrats (HNS) and independents.

³⁹ Reuters, [Croatia wants to adopt euro within 7-8 years: prime minister](#), 30 October 2017

⁴⁰ [Andrej Plenković CV](#), Government of Croatia, accessed 17 July 2018

Results of the most recent Croatian elections

President⁴¹

Presidential Election, First Ballot, 28 December 2014

Candidate	Votes	% of votes
Ivo Josipović (SDP)	687,678	39.09
Kolinda Grabar-Kitarović (HDZ)	665,379	37.82
Ivan Sinčić (Živi Zid)	293,570	16.69
Dr Milan Kujundžić (Hrvatska Zora)	112,585	6.40
Total	1,759,212	100.00

Second Ballot, 11 January 2015

Candidate	Votes	% of valid votes
Kolinda Grabar-Kitarović (HDZ)	1,114,945	50.74
Ivo Josipović (SDP)	1,082,436	49.26
Total	2,197,381	100.00

Kolinda Grabar-Kitarovic was duly elected President.

Legislative Assembly (*Sabor*)⁴²

General Election, 11 September 2016

Parties/coalitions	% of votes	Seats
Croatian Democratic Union (HDZ)	40.40	61
People's Coalition (Narodna Koalicija)	35.76	54
Bridge of Independent Lists (MOST)	8.61	13
Human Shield (Živi Zid)	5.30	8
Istrian Democratic Assembly (IDS)	1.99	3
Milan Bandić 365—Party of Labour and Solidarity (Bandić 365)	1.32	2
Representatives of minority ethnic groups	5.30	8
Others	1.32	2
Total	100.00	151

Note: The General Election on 11 September 2016 was a result of a *Sabor* vote on 20 June 2016 to dissolve the legislature on 15 July that year, resulting in a snap election.

The next legislative elections are due to be held by December 2020.

4.4 Views on Brexit

Preserving EU unity a priority

On 11 October 2016 Theresa May met with President Grabar-Kitarovic in Downing Street. The Croatian President said the UK's decision to leave the EU was a "great shock" and a "wake-up call" to the remaining 27 Member

⁴¹ [President \(Croatia\)](#), Europa World online. London, Routledge. Retrieved 30 August 2018

⁴² [Assembly \(Sabor\) \(Croatia\)](#), Europa World online. London, Routledge. Retrieved 30 August 2018

States.⁴³ The final agreement between the UK and EU would be “a process like no other with far reaching consequences—its final scope no one can predict with absolute certainty”. It was not just about trading arrangements and Single Market access, but “about preserving our joint and unique culture, our decades of strategic partnership and our commitment to the same shared values. This relationship needs to be tailor-made”.⁴⁴

At a conference on the future of the EU on 22 March 2017 Prime Minister Andrej Plenkovic was cautious about the idea of a “multi-speed” Europe.⁴⁵ He cited Brexit analyses that showed “Croatia would be least affected by Brexit but it would nevertheless feel it just as all the countries will”.

Criticism of the UK referendum

Arriving at the June 2017 European Council meeting, Mr Plenkovic said the UK referendum “should never have taken place” and he regretted Brexit. He said the EU27 would “find specific measures for those who need them”.⁴⁶ He reiterated his criticism a week later:

Britons allowed manipulators, those who speak untruths, like Nigel Farage and the likes, to contaminate public space and convince most Britons that it is better to leave than to stay, and they had a very good status and many benefits. It was a big mistake and it will negatively affect Britain the most.⁴⁷

But at a World Economic Forum panel discussion on the future of Europe on 25 January 2018, Mr Plenkovic was more optimistic. He thought the EU had recovered from its shock of a year ago and was “trying to come to terms with this situation and manage it”.⁴⁸

Concerns about UK extending free movement restrictions

When Croatia joined the EU in 2013, the UK decided to restrict the access of Croatian citizens to its labour markets for five years. The UK (with Austria, Slovenia and the Netherlands) applied restrictive measures, which meant that unless an exemption applied, Croatians needed Home Office permission to work in the UK. The Croatian Government was keen that the UK should not extend restrictions for another two years and used the Brexit negotiations as an opportunity to assert equal status for Croatian nationals with those of other EU Members States. The five-year period ended in June 2018 and the UK Government concluded that there was “not enough

⁴³ *Reuters*, [Brexit to be Difficult Process Like No Other—Croatia President](#), 12 October 2016

⁴⁴ *Ibid*

⁴⁵ One of the possible future scenarios outlined by Commission President Jean-Claude Juncker in a ‘[White Paper](#)’, in which some Member States could integrate ahead of or without others. See Government of Croatia, [PM Plenkovic: We Must Not Fall into the Trap of Multi-speed Europe](#), 22 March 2017

⁴⁶ European Commission Audiovisual Services, [European Council – all arrivals](#), 22 June 2017. You can view Prime Minister Plenkovic’s comments in the video of [all arrivals](#) (jump to 12:10 in the video)

⁴⁷ Government of Croatia, [PM Plenkovic says Croatia to be least affected by Brexit](#), 29 June 2017

⁴⁸ Government of the Republic of Croatia, [“PM Plenkovic: It would be good for Croatia to be in “closer circle of the European project”](#)”, 26 January 2018.

evidence to satisfy the legal requirements to extend the controls for the final 2 year period".⁴⁹

More clarity needed about future relations

After talks with the Irish Taoiseach on 23 July 2018, the Croatian Prime Minister said the UK's withdrawal from the EU has been "a lose-lose-lose situation" from the start and called for "a clear picture of the future agreement and relationship with the UK".⁵⁰

In an interview with *Good Morning Britain* on 7 August 2018, President Grabar-Kitarovic said she wanted a "soft Brexit" and for Croatia and the UK "to remain as close as possible". She respected the UK's decision but was "hoping secretly" that the UK would come back again.⁵¹

⁴⁹ [Croatia: Written statement](#) - HCWS560, 19 March 2018

⁵⁰ *Irish Times*, [Brexit a 'lose-lose-lose situation' – Croatia's prime minister](#), 24 July 2018.

⁵¹ *Daily Express*, [ITV Good Morning Britain: Kate Garraway DEMANDS to know why Croatia want SOFT Brexit](#), 7 August 2018.

5. Cyprus

5.1 Key Facts

1. Government and Politics

Head of State: President Nikos Anastasiades

Head of Government: President Nikos Anastasiades

Last election: Legislative, 22 May 2016

Next election: Presidential, 28 January 2018

2. Finance and the Economy

GDP (2017): €22 billion (GDP per head: €25,100)

GDP average growth 2013-2017: 1.9%

GDP growth 2018 (interim forecast, July 2018): 3.6%

Net contribution to EU budget per head: minus €56

Currency: euro (Turkish lira in the 'Turkish Republic of Northern Cyprus')

3. Trade with UK

Trade with UK as % of GDP: 14.5%

UK trade with Cyprus, 2017			
£ millions			
	Exports	Imports	Balance
Goods	268	113	155
Services	739	1,304	-565
Total	1,007	1,417	-410
Source: ONS Pink Book			

4. Views on EU

34% of Cypriots have a positive view of the EU (net positive: +9%)

30% of Cypriots agree that their voice counts in the EU (net voice counts: minus 32%)

37% of Cypriots trust the EU (net trust: minus 18%)

91% of Cypriots are in favour of free movement

72% of Cypriots feel like a citizen of the EU

5. Cypriot nationals in the UK

19,000 (ONS estimate for Jan to Dec 2017)

5.2 Background⁵²

Cyprus was a dominion of the British Empire, administered from 1878 to 1914 as a British protectorate, under military occupation from 1914 to 1922

⁵² See [Cyprus](#), Europa World online. London, Routledge. Retrieved 15 June 2018.

and as a Crown Colony from 1922 to 1960. The UK granted independence to Cyprus on 16 August 1960 and formed the Republic of Cyprus. The 1960 Constitution provided for a system of government in which power would be shared by the Greek and Turkish communities. There would be a Greek Cypriot president and a Turkish Cypriot vice-president.

A *coup d'état* by the Greek military junta in 1974 was followed by Turkey's invasion of Cyprus and the occupation of the northern part of the island.

Although the 1960 Constitution remains in force, each community administers its own affairs. The Greek Cypriot administration of Cyprus is internationally recognised as governing the whole of Cyprus, but it has no *de facto* control of the northern part of the island (since 1983 the Turkish Republic of Northern Cyprus – TRNC - which is recognised only by Turkey).

Cyprus's Treaty of Accession with the EU was signed in April 2003, with a protocol specifying that the EU *acquis communautaire* would not apply in the area administered by the TRNC. Cyprus joined the EU on 1 May 2004 and adopted the Euro on 1 January 2008.

In June 2012 the Government confirmed that it needed to apply for financial assistance to save the struggling banking sector. In March 2013 an agreement was reached with the EU and the International Monetary Fund (IMF) on a €10 billion rescue package to avert financial collapse and to keep Cyprus in the single currency.

5.3 Current Government and recent political developments

Cyprus has a unicameral legislature, the *Vouli Antiprosopon* (House of Representatives). This consists of 80 seats: 56 assigned to Greek Cypriots and 24 to Turkish Cypriots. Only those seats assigned to Greek Cypriots are filled. Members are directly elected for five-year terms.

In the TRNC the unicameral *Cumhuriyet Meclisi* (Assembly of the Republic) has 50 seats with members directly elected for five-year terms.

The Cypriot President is both the head of state and head of government. Presidents are elected by an absolute majority of the popular vote (with two rounds if necessary) and serve a five-year term.

Conservative Democrat Nicos Anastasiades was first elected President in 2013, just before Cyprus agreed to the EU and IMF bailout. He was re-elected President in the second-round run-off vote on 4 February 2018 and heads a coalition government formed by the Democratic Rally (DISY) and independents.

Although the position of vice president is reserved for a Turkish Cypriot, as Turkish Cypriots do not participate in the Cyprus Government, this post has remained vacant.

The TRNC held elections in April 2015 and Social Democrat Mustafa Akinci was elected President.⁵³

Results of the most recent Cypriot elections

President⁵⁴

Presidential Election, First Ballot, 28 January 2018

Candidate	Votes	% of votes
Nikos Anastasiades (DISY)	137,268	35.51
Stavros Malas (Ind., with AKEL support)	116,920	30.24
Nicolas Papadopoulos (DIKO)	99,508	25.74
Christos Christou (ELAM)	21,846	5.65
Giorgos Lillikas (Citizens' Alliance)	8,419	2.18
Andreas Efstratiou (Ind.)	845	0.22
Charis Aristidou (Ind.)	752	0.19
Michalis Minas (Justice Party)	662	0.17
Christakis Kapiliotis (Ind.)	391	0.10
Total*	386,611	100.00

* Excluding 9,338 abstentions and blank or invalid votes (2.36% of the total votes cast)

Second Ballot, 4 February 2018

Candidate	Votes	% of votes
Nikos Anastasiades (DISY)	215,281	55.99
Stavros Malas (Ind., with AKEL support)	169,243	44.01
Total*	407,475	100.00

* Excluding 22,951 abstentions, and blank or invalid votes (5.63% of total votes cast).

Nikos Anastasiades was duly re-elected President.

The next elections are to be held in February 2023.

Legislative Assembly (House of Representatives)⁵⁵

General Election, 11 September 2016

Elections for the House of Representatives, 22 May 2016

Party	Votes	% of votes	Seats
Democratic Rally (DISY)	107,825	30.69	18
Progressive Party of the Working People (AKEL)	90,204	25.67	16
Democratic Party (DIKO)	50,923	14.49	9
Movement of Social Democrats EDEK (KISOS)	21,732	6.18	3
Citizen's Alliance	21,114	6.01	3
Solidarity Movement	18,424	5.24	3
Cyprus Green Party (KOP)	16,909	4.81	2
National People's Front (ELAM)	13,041	3.71	2
Total (incl. others)*	351,389	100.00	56

⁵³ See *BBC News*, [Cyprus country profile](#), 7 February 2018

⁵⁴ [President \(Cyprus\)](#), Europa World online. London, Routledge. Retrieved 2 October 2018

⁵⁵ [Legislature \(Cyprus\)](#), Europa World online. London, Routledge. Retrieved 2 October 2018

* Excluding 7,675 invalid votes and 3,478 blank votes.

The next legislative elections are due to be held in May 2021.

5.4 Views on Brexit

Strong UK – Cyprus relationship

The UK and Cyprus have strong historical ties,⁵⁶ which the Cyprus High Commissioner to the UK, Euripides Evriviades, recalled before the UK referendum:

Our position is clear: the UK should remain in the EU. We need a strong UK in a stronger EU to address collectively the multitudes of challenges facing us. In a globalised world, we are joined at the hip. And we are all in the same strategic boat.⁵⁷

He continued:

Cyprus and the UK have a strong bilateral historical if not an umbilical relationship. Approximately 250,000-300,000 British citizens of Cypriot origin live in the UK; thousands of Cypriot students and others study/work in the country; tens of thousands of Britons live as permanent residents in Cyprus. Almost every Cypriot I know has lived or studied in the UK, or has children or relatives living here. Millions of Britons have visited Cyprus as tourists or lived and worked there for a period of time. All these will be affected one way or another with a possible Brexit.

According to the electoral procedure, all Cypriots living in the UK are eligible to vote since Cyprus is a member of the Commonwealth. We are not hiding. We are openly calling for all Cypriots living in the UK to make their voice heard by registering and voting.

The High Commissioner went on to quote Cypriot Foreign Minister, Ioannis Kasoulides who emphasised Brexit's potentially damaging effects on Cyprus and the EU :

It is not in the interest of Cyprus for the UK to leave the EU for many reasons, mainly financial but other ones as well. It is neither in the interest of the Commonwealth to have a Brexit, because the Commonwealth benefits from the British presence in the EU, as the UK is in the forefront of policies such as tackling climate change, pursuing sustainable growth etc. Therefore, I call upon our compatriots in the UK to seriously support the UK remaining in the EU. The EU which is facing so many challenges must be reinforced and not weakened by exits.

Following the referendum, a Cypriot Government spokesman said the EU's aim should be to facilitate "the smoothest possible exit" of the UK from the

⁵⁶ Cyprus was a dominion of the British Empire, administered from 1878 to 1914 as a British protectorate, under military occupation from 1914 to 1922 and as a Crown Colony from 1922 to 1960.

⁵⁷ London School of Economics and Political Science blog, [High Commissioner for the Republic of Cyprus to the UK: "A Brexit would not be in the interests of the Commonwealth"](#), 7 June 2016

EU.⁵⁸ On bilateral UK – Cyprus relations, the Cypriot Government recalled their “excellent bilateral relations and the unbreakable friendly ties [... that] existed before the accession of the two countries to the EU” and through their membership of the Commonwealth. He said Cyprus would “work to further enhance and deepen its relations” with the UK and looked forward to “strengthening our existing close cooperation, so that the interests of the two countries and their peoples are, inter alia, fully ensured, on the basis of the new conditions created”.⁵⁹

UK Sovereign Bases a priority

The reality of Brexit and the possibility of a hard Brexit replaced the rhetoric of historic friendship in 2017. Ahead of UK - Cyprus talks in October 2017, Foreign Minister Kasoulides said a hard or soft Brexit “mattered” for Cyprus.⁶⁰ An article in *Bloomberg* provided made clear that the future status of the UK’s two Sovereign Bases in Cyprus were a priority for the Cypriot Government:

The two sovereign bases, which cover 3 percent of the geographically strategic island, are home to Cypriot citizens as well as U.K. soldiers. If the U.K. walks away from Brexit talks without a deal, any agreement between Cyprus and Britain won’t go into effect, leaving the status of the bases unclear and the residency rights of Cypriots living there in question, Kasoulides said.

[...]

In the case of Cyprus, if there’s no overall Brexit deal, Cypriot farmers producing goods in the base areas may find themselves stranded beyond the reach of EU agricultural policy, with implications for exports. Cypriots who work and own property on the bases may find their rights on the bases in doubt.

Cyprus wants to protect the rights of its citizens on the bases by maintaining the status quo that was agreed when the country joined the EU in 2004, and is optimistic the U.K. will agree, Kasoulides said.

U.K. retained two sovereign base areas on Cyprus under the 1960 treaty of independence granted to its former colony, and the zones have British Overseas Territory status.

If the two countries fail to reach agreement, then they may have to revert to the status of the bases under the 1960 treaty. That wouldn’t cover issues such as EU agricultural policy, as the treaty pre-dates EU membership.⁶¹

On 17 April 2018, Prime Minister Anastasiades met with Theresa May in Downing Street. A joint press release stated that they had “agreed on the need to maintain the close relationship on defence and security”; they

⁵⁸ Cypriot Government’s Press and Information Office, ‘Written Statement of the Government Spokesman on the Result of the British Referendum’, 24 June 2016 [as quoted in House of Lords Library Note: [Leaving the European Union: Profile of the EU27](#)]

⁵⁹ Ibid

⁶⁰ *Bloomberg*, [Brexit Raises Questions About U.K. Sovereign Bases on Cyprus](#), 5 October 2017

⁶¹ Ibid

wanted “greater co-operation across a range of activities, including military training and search and rescue” and an agreement on the legal framework for the Sovereign Base Areas “to avoid any negative impact on Cypriots living and working on the bases”.⁶² Mr Anastasiades described the meeting as “very useful” and noted that they were “on the right track” towards an agreement between Cyprus, the UK and the EU.⁶³

In October 2018 the UK Government announced that a protocol relating to the UK sovereign base areas in Cyprus had been “developed”.⁶⁴ The aim is for the withdrawal agreement to establish a specialised committee of UK and EU officials on the Sovereign Base Areas to oversee implementation of the Protocol when it is agreed and after ratification of the overall Agreement.⁶⁵

On 30 October 2018 Foreign Minister Nicos Christodoulides announced that Cyprus and Britain were very close to reaching agreement on the status of the British Bases. He said that in addition to residents’ rights, “Cyprus and Britain will still have to agree on ‘border’ arrangements regarding supplies for the bases imported through Cypriot ports”, but that this would be discussed as part of the future relations discussions.⁶⁶

The UK Government has outlined that the protocol on the sovereign base areas (like that on Gibraltar) “will be part of the international treaty which we will sign with the withdrawal agreement and the implementation period. The long-term future relationship will supersede that once we have that partnership”.

Cyprus outlines post-Brexit residency plans

On 1 September 2018, the Cyprus Interior Ministry published a document explaining how, under the draft withdrawal agreement, Cyprus intended to implement post-Brexit residency rights for UK nationals and their family members:

- UK nationals and their family members who, by 31 December 2020, have been continuously resident in Cyprus for five years will be eligible for permanent residence.
- UK nationals and their family members who already reside in Cyprus or arrive by 31 December 2020, but will not yet have been continuously resident in Cyprus for five years, will be eligible for residence, enabling them to stay until they have

⁶² Prime Minister’s Office, [PM meeting with President of Cyprus: 17 April 2018](#), 10 Downing St, 17 April 2018

⁶³ *Cyprus Mail*, [Anastasiades has ‘very useful’ meeting with Theresa May](#), 17 April 2018.

⁶⁴ Theresa May, [statement on October EU Council](#), 22 October 2018

⁶⁵ European Scrutiny Committee, [Cyprus: Brexit and UK Sovereign Base Areas](#), 18 July 2018

⁶⁶ Ekathimerini.com, [Cyprus says close to Brexit agreement with Britain on status of bases’ residents](#), 31 October 2018. The UK Government has outlined that the protocol on the sovereign base areas (like that on Gibraltar) “will be part of the international treaty which we will sign with the withdrawal agreement and the implementation period. The long-term future relationship will supersede that once we have that partnership”, Baroness Evans of Bowes Park, [debate on October European Council](#), 22 October 2018 c 698

reached the five-year threshold, allowing them to apply for permanent residence.

- UK nationals and their family members who are covered by the Withdrawal Agreement, will be able to continue their lives in Cyprus, with the same access to work, study, benefits and public services that they enjoy now, subject to the specific provisions provided for in Withdrawal Agreement.⁶⁷

Brexit preparations

Foreign Minister Nikos Christodoulides has said “all relevant government services” are following European Commission guidance on contingency planning.⁶⁸ According to *The Times* UK ministers are considering expanding the port at Akrotiri to keep the base supplied if access to commercial ports in Cyprus is disrupted.⁶⁹

⁶⁷ Cyprus Ministry of Interior, [Implementing \[the withdrawal agreement\] : Residence rights and residence documents in the Republic of Cyprus](#), 1 September 2018

⁶⁸ *Bloomberg*, How Europe Is Bracing for Messy Brexit: Dogs, Drones, Do Nothing, 19 July 2018

⁶⁹ *The Times*, [Brexit: MoD fears need for new port in Cyprus to serve RAF Akrotiri](#), 30 August 2018

6. Czech Republic

6.1 Key Facts

1. Government and Politics

Head of State: President Miloš Zeman

Head of Government: Prime Minister Andrej Babiš

Last election: Presidential, 12–13 and 26–27 January 2018

Next election: Legislative, due in 2021

2. Finance and the Economy

GDP (2017): €280 billion (GDP per head: €26,400)

GDP average growth 2013-2017: 3.7%

GDP growth 2018 (interim forecast, July 2018): 3.0%

Net contribution to EU budget per head: -€222

Currency: koruna

3. Trade with UK

Trade with UK as % of GDP: 5.9%

UK trade with Czech Republic, 2017			
£ millions			
	Exports	Imports	Balance
Goods	2,021	5,602	-3,581
Services	1,076	661	415
Total	3,097	6,263	-3,166

Source: ONS Pink Book

4. Views on EU

31% of Czechs have a positive view of the EU (net positive: +1%)

29% of Czechs agree that their voice counts in the EU (net voice counts: -38%)

37% of Czechs trust the EU (net trust: -19%)

82% of Czechs are in favour of free movement

59% of Czechs feel like EU citizens

5. Czech nationals in the UK

49,000 (ONS estimate for Jan to Dec 2017)

6.2 Background

The Czech Republic was established in January 1993 after the dissolution of the Czech and Slovak Federative Republic which had been established in 1990, a year after Communist rule in Czechoslovakia was peacefully brought to an end by the so-called 'velvet revolution'.

Under the Czech Constitution, which entered into force in January 1993 and has subsequently been revised, legislative power is vested in the 200-

member Chamber of Deputies and the 81-member Senate. Members of the Chamber of Deputies and the Senate are elected for terms of four and six years respectively by universal adult suffrage (one-third of the seats in the Senate are renewable every two years).

Since 2013 the President of the Republic (head of state) has been directly elected by popular vote for a term of five years for no more than two consecutive terms (previously the position was elected by a joint session of the legislature). The President appoints the Prime Minister and, on the latter's recommendation, the other members of the Council of Ministers.⁷⁰

The Czech Republic became a full member of NATO in 1999 and of the EU in 2004. In 2016 'Czechia' was officially confirmed as the alternative short English name for the Czech Republic.

6.3 Current Government and recent political developments

At legislative elections held on 20-21 October 2017, the populist anti-corruption ANO (Movement of Dissatisfied Citizens) party founded by billionaire Andrej Babiš in 2012 emerged as the leading party, with 29.6% of the votes and 78 seats.

The centre-right Civic Democrats (ODS) came second with 11.3% of the vote and 25 seats. The pro-EU Czech Pirate Party obtained 10.8% and 22 seats. The right-wing populist SPD - Freedom and Direct Democracy (established in 2015) got 10.6% and 22 seats, securing parliamentary representation for the first time. The Communist KSČM won 7.8% of the vote and 15 seats.

The Social Democrats declined to 7.3% and 15 seats, their worst result since the formation of the Republic in 1993. They were the leading party in 2013 with 20.5% of the vote and 50 seats, and had led the outgoing coalition of the ANO and the Christian Democrat KDU-ČSL.

ANO's emergence ended the dominance of the two leading parties, the centre-right Civic Democrats (ODS) and the centre-left Social Democrats (ČSSD), which have alternated in government since the establishment of the Czech Republic.

ANO fought its first election in 2013, winning 18.6% of the vote, after which it joined an acrimonious coalition government with the ČSSD and the smaller KDU-ČSL. Babiš held the role of finance minister until he was dismissed in May 2017 over allegations of tax evasion.

In December 2017, Andrej Babiš formed a minority government of ANO and independents. The other main parties refused to join a coalition

⁷⁰ The Czech Republic, in Europa World online. London, Routledge. House of Commons. Retrieved 15 June 2018 from <http://www.europaworld.com/entry/cz>.

government with Babiš while criminal investigations were ongoing against him about the alleged misuse of EU subsidies by his business interests.⁷¹

The Government lost a delayed parliamentary vote of confidence on 16 January 2018 and Andrej Babiš subsequently tendered the resignation of his administration. However, he remained in office in an interim capacity pending further coalition negotiations, after President Milos Zeman granted him a new mandate.

Later in January Milos Zeman was re-elected as President, defeating Jiří Drahoš, a former Chairman of the Czech Academy of Sciences, in a second-round run-off with 51.4% of the votes cast.

Zeman was previously a social democrat Prime Minister but in recent years had shifted to the right, making strong anti-immigration and anti-Muslim comments, opposing EU refugee quotas and EU sanctions against Russia. He also backed Donald Trump in the US Presidential election.

Babiš backed Zeman in the presidential election and shares his opposition to EU refugee quotas. In an interview with *Politico* in January, Babiš repeatedly stated that euroscepticism would grow in the Czech Republic if the EU did not respect opposition to policies such as migrant quotas, which the Czech and other Central European governments had rejected. However, he said he saw himself as a defender of the EU in the Czech Republic.

In July 2018 a new governing coalition headed by Babiš, bringing together ANO and the Social Democrat ČSSD, and with external parliamentary support from the Communist KSČM, won a parliamentary vote of confidence.

Prime Minister Babiš [said](#) in August that it was important for the Czech Republic to remain a reliable and active partner in the EU and NATO, although it would push for reforms in areas where it disagreed with the direction of the EU.⁷² He thought the EU should focus primarily on its essential role of securing European stability and a smoothly functioning Single Market; Czech membership of the Euro was not on the agenda at present, and the Eurozone needed to reform before the Government would consider joining. He also reiterated the Government's opposition to EU refugee/migrant quotas.

Results of the most recent Czech elections

President⁷³

Presidential Election, First Ballot, 12-13 January 2018

Candidate	Votes	% of votes
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⁷¹ Sources: [Recent developments: ANO election victory and government resignation \(The Czech Republic\)](#), Europa World online. London, Routledge. Retrieved 15 June 2018; LSE Europ blog: "[Three lessons from the Czech presidential election](#)" and [Czech election preview: Is Andrej Babiš heading for a Pyrrhic victory?](#); *BBC News*, [Czech election: Zeman beats Drahoš to win second term](#).

⁷² *Radio Praha*, [Czech PM: Cexit would threaten country's future](#), 27 August 2018

⁷³ [President \(The Czech Republic\)](#), Europa World online. London, Routledge. Retrieved 9 October 2018

Miloš Zeman (Party of Citizens' Rights – SPO)	1,985,547	38.57
Jiří Drahoš (Independent)	1,369,601	26.60
Pavel Fischer (Independent)	526,694	10.23
Michal Horáček (Independent)	472,643	9.18
Marek Hilšer (Independent)	454,949	8.84
Others	338,707	6.58
Total	5,148,141	100.00

Second Ballot, 26-27 January 2018

Candidate	Votes	% of votes
Miloš Zeman (Party of Citizens' Rights – SPO)	2,853,390	51.36
Jiří Drahoš (Independent)	2,701,206	48.63
Total	5,554,596	100.00

Miloš Zeman was duly elected President.

Legislature

The Czech Republic has a bicameral legislature, comprising the Chamber of Deputies and the Senate.

Chamber of Deputies (*Poslanecká Sněmovna*)⁷⁴

General Election, 20-21 October 2017

Party	Votes	% of votes	Seats
Movement of Dissatisfied Citizens (ANO)	1,500,113	29.64	78
Civic Democratic Party (ODS)	572,962	11.32	25
Czech Pirate Party (Piráti)	546,393	10.79	22
Freedom and Direct Democracy (SPD)	538,574	10.64	22
Communist Party of Bohemia and Moravia (KSČM)	393,100	7.76	15
Czech Social Democratic Party (ČSSD)	368,347	7.27	15
Christian Democratic Union-Czechoslovak People's Party (KDU-ČSL)	293,643	5.80	10
Tradition, Responsibility, Prosperity 09 (TOP 09)	268,811	5.31	7
Mayors and Independents (STAN)	262,157	5.18	6
Others	316,659	6.29	0
Total	5,060,759	100.00	200

Senate (*Senát*)⁷⁵

Partial election, 7-8 October and 14-14 October 2016⁷⁶

Party	Seats
Czech Social Democratic Party (ČSSD)	25
Christian Democratic Union-Czechoslovak People's Party (KDU-ČSL)	11

⁷⁴ [Chamber of Deputies \(Poslanecká Sněmovna\) \(The Czech Republic\)](#), Europa World online. London, Routledge. Retrieved 9 October 2018

⁷⁵ [Senate \(Senát\) \(The Czech Republic\)](#), Europa World online. London, Routledge. Retrieved 9 October 2018

⁷⁶ Senators serve a six-year term, with one-third of seats up for election every two years.

Civic Democratic Party (ODS)	7
Movement of Dissatisfied Citizens (ANO)	7
Others	31
Total*	81

* Results in one municipality were annulled and the election repeated in January 2017.

6.4 Views on Brexit

Visegrad Group solidarity

A chapter on the previous Czech Government's approach to Brexit in a [report](#) on EU27 positions by the academic 'Negotiating Brexit' project⁷⁷ referred to the positions of the Government both before and after the UK referendum. The Czech Government rejected David Cameron's attempts to limit free movement as part of UK-EU arrangements agreed in February 2016 (although supporting his other objectives relating to deepening of the internal market, increasing competitiveness and equal treatment of Eurozone and non-Eurozone countries).

After the UK referendum, the Czech government signed a joint declaration of the Visegrad Group (the Czech Republic, Hungary, Poland and Slovakia) underlining their key demand: protection of EU citizens in the UK and their equal treatment. The Government also stressed the "indivisibility of the four freedoms," while advocating a constructive approach to the negotiations and warning against any punitive approach towards the UK.

President Zeman: Czech referendum on EU membership?

Shortly after the UK referendum, President Zeman [suggested](#) the Czech Republic should also hold a referendum on EU and NATO membership, although he himself was against leaving the EU. The Czech Government later said it had no intention of holding a referendum on either matter.

In an [interview](#) with Czech TV after the Brexit vote, Zeman said the UK vote was "bad for both sides" and that it would not have happened if the EU had been headed by "forceful personalities". He thought the UK vote meant the EU would not be an equal partner in dialogue with China, Russia and the US, as he had hoped. He also predicted that the vote would lead to Scotland leaving the UK, and the UK being undermined economically.

Don't punish the UK

In some respects the former and current Czech governments' views on the EU indicate some sympathy with the UK. Former Prime Minister Bohuslav Sobotka was reported as saying after the UK referendum that the EU "must change quickly" and "be more ready to act, be flexible, less bureaucratic and much more sensible to the diversity that the 27 member states represent".⁷⁸ The then Foreign Minister Lubomír Zaorálek in March 2017 warned the EU against a punitive approach towards the UK:

⁷⁷ Co-ordinated by academics at the University of East Anglia and University of Surrey.

⁷⁸ See House of Lords Library Note [Leaving the EU: Profile of the EU27](#), 31 March 2017.

I absolutely disagree with those statements suggesting ‘now we will make life tough for Britain’. Because we need the best economic, political, strategic and defence relationship with the UK. Besides, the EU should not be held together on the basis of threats about what happens if you leave, but rather by the positives, and the things that make membership of the EU feel like a definite.⁷⁹

But in January 2017, then Finance Minister Andrej Babiš said in an [interview](#) with *Bloomberg* that it was important for the EU to negotiate together as one bloc with the UK, and he dismissed an idea put forward by the Czech [interior minister](#)⁸⁰ that the Czech Government negotiate a separate deal with the UK on the status of Czech citizens post-Brexit (suggesting this was motivated by electioneering). In October 2017 Babiš was [reported](#) as warning that the EU would fail “unless leaders learn Brexit lessons” – that pursuing a federalist agenda was not what most EU Member States wanted.

Brexit priorities

In the January 2017 interview Andrej Babiš stressed that it was a Government priority to safeguard the status of its citizens in the UK after Brexit, as well as to maintain important trading relations.

Babiš was surprised by Theresa May’s Lancaster House speech the previous week, which he characterised as a “hard Brexit”. He said it was important for the EU that the UK fulfilled its financial obligations and he hoped a solution could be found on trade that was similar to that of Switzerland or Norway. Like others in the EU27, he was anxious for the UK to get on with the negotiations because the uncertainty was unsettling for markets.

An LSE [blog](#) in June 2017 by Dr Monika Brusenbauch Meislová (Palacký University, Olomouc) highlighted the following Czech Government priorities with regard to Brexit:

- The Czech Republic is keen to minimise post-Brexit disruption to its economic links with the UK, and is seeking to safeguard the interests of its exporting firms and stimulate further inflow of British investment. She cites the words of the previous Prime Minister Social Democrat Bohuslav Sobotka:

“We would like future relations between Britain and Europe to exist in such a way as to not threaten our exports to the UK, and for Czech jobs not to be threatened. So that is the spirit in which we intend to negotiate.”
- Ensuring that the UK delivers on its financial commitments to the EU. As a net recipient from the EU budget, the Czech Republic has already made plans on the grounds of current EU funding and does not want to see it cut.
- Protecting Czech citizens living, working and studying in the UK. The Czech Republic has been very vocal in making it clear that it will seek guarantees for its nationals and make sure

⁷⁹ Whitehouse consultancy’s [profile](#) of the EU27’s positions on Brexit

⁸⁰ The suggestion was made by Milan Chovanec, a prominent Social Democrat, who later served as interim leader of the ČSSD from June 2017 to March 2018.

that they retain their privileges in terms of social, health and unemployment benefits.

- Retaining strong links in security and defence policies, ensuring that the UK remains a close partner in these areas.

Brexit lessons – no more federalism?

Following the December 2017 European Council agreement on phase one of the negotiations, a Czech Government [press notice](#) reported a statement from Mr Babiš about the need for good EU-UK relations:

It is good that we have succeeded in moving to the next stage of the Brexit negotiations today. We do not take Brexit lightly, but European politics must not shrink only to talks about negotiations of the Great Britain's exit. Great Britain will always be an ally for us and it is important to maintain the best possible relations with it and to protect the rights of our citizens working in the Great Britain. Beyond a trade agreement, cooperation in the area of security and defence will be crucial.

Babiš rejects Chequers 'customs partnership'

Ahead of a meeting with Theresa May in July 2018, Mr Babiš indicated in a BBC [interview](#) that he supported the European Commission's position in rejecting the UK's Chequers proposal for a customs partnership in which the UK would collect tariffs on behalf of the EU. He told the BBC why he thought this would not work:

There is a clear problem with the fact that the EU will not have a mechanism to control its borders and it would be delegated – without any EU control – to a third country, which would be Britain after March.

He also said that the UK proposals on Single Market regulations lacked “a certain balance between the rights and obligations”.

Babiš hopes for a 'soft' Brexit and a second UK referendum

In an [interview](#) with the *BBC Today programme* on 20 September 2018, coinciding with the Salzburg EU leaders meeting, Prime Minister Babiš, said he hoped for a deal between the EU and the UK but also for a second UK referendum on EU membership and a different result. He [told](#) reporters at the summit that he felt “sorry” for the UK.

In an [interview](#) with the Czech News Agency CTK in July 2018, President Zeman said he hoped that the UK and EU would reach agreement on a “soft Brexit” involving free movement of people, goods, capital and services. He believed “in soft Brexit that will create no substantial obstacles to the four freedoms” and wished that “except for the English Channel, there would be no significant barriers between Britain and the EU to worsen the mutual situation”.

7. Denmark

7.1 Key Facts

1. Government and Politics

Head of State: HM Queen Margrethe II

Head of Government: Prime Minister Lars Løkke Rasmussen

Last election: Legislative, 18 June 2015

Next election: Legislative, due by June 2019

2. Finance and the Economy

GDP (2017): €216 billion (GDP per head: €37,500)

GDP average growth 2013-2017: 1.9%

GDP growth 2018 (interim forecast, July 2018): 1.6%

Net contribution to EU budget per head: +€141

Currency: krone

3. Trade with UK

Trade with UK as % of GDP: 5.5%

UK trade with Denmark, 2017			
£ millions			
	Exports	Imports	Balance
Goods	2,657	4,865	-2,208
Services	3,916	1,489	2,427
Total	6,573	6,354	219
Source: ONS Pink Book			

4. Views on EU

43% of Danes have a positive view of the EU (net positive: +29%)

66% of Danes agree that their voice counts in the EU (net voice counts: +37%)

57% of Danes trust the EU (net trust: +26%)

78% of Danes are in favour of free movement

80% of Danes feel like a citizen of the EU

5. Danish nationals in the UK

32,000 (ONS estimate for Jan to Dec 2017)

7.2 Background⁸¹

Denmark is a constitutional monarchy organised as a parliamentary democracy. Legislative power is held jointly by the hereditary monarch

⁸¹ [Denmark](#), Europa World online. London, Routledge. Retrieved 4 September 2018

(currently Queen Margrethe II, who has no personal political power) and the unicameral *Folketing* (Parliament).

Denmark joined the EEC in 1973 after a long and divisive campaign leading to a Danish referendum on EEC membership in October 1972. The Danes voted 63.2% in favour of joining.

Significant developments on the national political scene coincided with the ratification of the *Treaty on European Union* (TEU - the Maastricht Treaty). All parties in the *Folketing*, with the exception of the *Socialistisk Folkeparti* (Socialist Peoples' Party – SF) and *Fremskridtspartiet* (the populist right Progress Party) supported the Treaty, but in the national referendum held in June 1992, which was mandatory under the Danish Constitution, the TEU was narrowly rejected (50.7% of the votes cast were against ratification). The 'no' vote showed that, even though support for membership of the European Community (EC) had increased during the 1980s, many voters - especially those on the left - were still opposed to any suggestion of a federal Europe.

As the support of the SF was seen as essential to winning a second referendum on the TEU, the party was included in negotiations on conditions for Danish ratification of the Treaty. In the end, the SF, *Socialdemokraterne* (Social Democrats) and *Det Radikale Venstre* (the social liberal Radical Left Party – RV) proposed an amendment to the Treaty in the form of four opt-outs on: European citizenship, defence and security policy, justice and home affairs and the third stage of Economic and Monetary Union (EMU). The Government secured acceptance of the opt-outs by the other EC governments at the Edinburgh Summit in December 1992.

The then Prime Minister Schlüter resigned soon afterwards.

The most urgent task facing the new Government was to arrange a referendum on the Edinburgh Agreement amending the Maastricht Treaty with the four opt-outs. The amended TEU was adopted by the *Folketing* and was approved in a referendum in May 1993 with a safe majority (56.7% voted in favour). However, the results indicated that many on the left still opposed the widening and deepening of co-operation within the EC.

In 2000 the Government suffered another defeat. The EU's Treaty of Amsterdam had been approved in a referendum in May 1998, with 55.1% of votes in favour. In early 2000 polls showed that a majority of voters might support the adoption of the Euro, and in March Prime Minister Poul Nyrup Rasmussen announced that a referendum on full EMU membership would be held in late September.

The Government and the other parties supporting full EMU membership argued that by continuing to stay outside the Eurozone Denmark would lose influence in the EU and the Danish economy would suffer from higher rates and lower growth. Opponents argued that full membership of EMU would pose a threat to the Danish welfare state and that the EU wanted to intervene in the internal politics of Member States.

The Government's expert council on economic policy undermined the 'yes' campaign when it published a report arguing that the Danish economy had not suffered as a result of the opt-out and was unlikely to do so in the

future. This meant that the referendum was framed as an issue of further integration in the EU rather than one of economic policy. The opt-out stayed in force, with 53.2% voting against full EMU membership. Voter turnout, at 87.6%, was the highest for any referendum since the 1972 referendum on EC accession. Denmark continues to use the *krone* as its currency today.

7.3 Current Government and recent political developments

Denmark has a unicameral legislature – the *Folketing* (People’s Assembly) – an assembly consisting of not more than 179 members, two of whom are elected in the Faroe Islands and two in Greenland, an autonomous Danish territory. Members are directly elected in multi-seat constituencies by proportional representation, with Members serving four-year terms unless the *Folketing* is dissolved earlier.

Following the 2015 general election, the centre-left government of Helle Thorning Schmidt was replaced by a minority government led by Lars Lokke Rasmussen of the *Venstre* (Liberal) Party. Mr Rasmussen had previously served as prime minister from 2009 to 2011, before the centre-left’s narrow victory in 2011.

Although Thorning-Schmidt’s Social Democrat Party increased its share of the vote in 2015 and was the leading party at the election, its coalition partners the social liberal Radical Left had lost ground. The Socialist People’s Party had also been part of Thorning-Schmidt’s ruling coalition but had pulled out in January 2014, also losing ground at the 2015 election.

Rasmussen’s minority government initially sought parliamentary support from other parties on a vote-by-vote basis. However, in November 2016 he formed a new coalition involving the Liberal Alliance and the Conservative People’s Party as well as *Venstre* and was also reliant on the parliamentary support of the anti-immigrant populist Danish People’s Party (DPP). The DPP had been the biggest gainer at the 2015 election, increasing its vote share from 12.3% to 21.1%. It had previously provided parliamentary support to the centre-right governments of Anders Fogh Rasmussen from 2001 to 2009 and of Lars Lokke Rasmussen from 2009 to 2011.⁸²

Results of the most recent Danish elections

Legislature (*Folketing*)⁸³

General Election, 18 June 2015

Party	Votes	% of votes	Seats
Social Democratic Party	924,940	26.28	47
Danish People’s Party	741,746	21.08	37

⁸² [Domestic Political Affairs \(Denmark\)](#), in Europa World online. London, Routledge. House of Commons. Retrieved 06 November 2018.

⁸³ [Folketing \(Denmark\)](#), Europa World online. London, Routledge. Retrieved 3 October 2018

Liberal Party of Denmark (Venstre)	685,188	19.47	34
Red-Green Alliance	274,463	7.80	14
Liberal Alliance	265,129	7.53	13
The Alternative	168,788	4.80	9
Radical Left	161,009	4.58	8
Socialist People's Party	147,578	4.19	7
Conservative People's Party	118,003	3.35	6
Christian Democrats	29,077	0.33	0
Total (incl. others)	3,518,987*	100.00	179**

* Metropolitan Denmark only.

** Includes two members from the Faroe Islands and two from Greenland.

The next legislative elections are due to be held by June 2019.

7.4 Views on Brexit

Denmark 'disappointed'

Denmark has often sided with the UK in the EU institutions on law-making and Treaty amendments. Like the UK, it has secured Treaty opt-outs - from security and defence, citizenship, police and justice provisions and the adoption of the Euro. So for Denmark Brexit represents to a certain extent the loss of an important political ally. The morning after the UK Brexit referendum, Prime Minister Rasmussen expressed his disappointment:

We must respect the choice that a majority of the British people have made. At the same time, I won't hide the fact that I think it is a very sad result for Europe and for Denmark.⁸⁴

In an event on 8 September 2016, having come to terms with the UK referendum decision, Mr Rasmussen cautioned:

We need to be extremely careful that the side that leaves doesn't get particular competitive advantages on its way out. We all want a peaceful divorce, but when you agree to part ways — and in this situation, only one side wants to part ways — then we need to protect our own interests first.⁸⁵

In response to Theresa May's [Lancaster House speech](#) in January 2017 on the UK's priorities for the Brexit negotiations, the Danish Prime Minister said Denmark wanted to be constructive and cooperate with the UK in negotiating a new agreement with the EU.⁸⁶

Danish criticism and support

In a period of UK-Danish tension in June 2017, the *Guardian* reported on a public row that erupted when the Danish finance minister, Kristian Jensen, warned that the UK needed to be realistic about its importance when it stands alone on the global stage. But the British Ambassador to Denmark,

⁸⁴ AFP / *The Local DK*, [Danish PM: Brexit 'very sad' for Denmark and EU](#), 24 June 2016.

⁸⁵ *Gulf News*, [UK mustn't get competitive edge after Brexit, Danish PM says](#), 11 September 2016.

⁸⁶ *The Local DK*, [Danish PM urges 'constructive' approach to UK's hard Brexit](#), 17 January 2017.

Dominic Schroeder, insisted he saw no sign “of a diminished or diminishing power”.⁸⁷

Mr Jensen later said he hoped the UK would general election would “mean a time out, a pause in their direction they are taking and a chance to rethink the UK and EU27 go on forward”. Brexit, he thought, would be “a disaster” for Europe and the UK.⁸⁸ In an interview with *The Guardian* in October 2017 he expressed Denmark’s readiness to help secure a swift trade deal:

In any political negotiations, there is not enough time, not enough money, not enough this, not enough that. This is part of the game. Because what we are dealing with here is not rocket science. We are not speaking about putting a man on Mars or solving the problem of CO2 emissions.

We are now on the same page ... In my view it is rather important we get into a more close and more speedy process on concluding some of the issues.

The UK is a great trading partner of EU27, a strong ally in defence and security, so we need to find out how we can have a good and close relationship post-Brexit.⁸⁹

Jensen supported a transition period but had concerns about its length:

I think it is in our interest to have a transition period. We will find common ground on that. The difficult part will be the length of the transition period, what are the issues of cooperation afterwards, and that’s why it is important we keep momentum in the negotiations, and both sides are ready and able to negotiate fast.⁹⁰

In April 2018, Prime Minister Rasmussen told Theresa May that leaving the Single Market had a “price tag” not just for Britain but for Denmark; there would be “more bureaucracy in future, unfortunately”. He continued: “Of course we will have to balance rights and obligations. The UK are leaving the EU and not Europe and from the Danish point of view we want as close a relationship with the UK as possible”.⁹¹

Response to Chequers plan

On 17 August 2018, *Politico* reported on an interview with Finance Minister Jensen in BBC Radio 4’s ‘Today programme’, in which he described the Government’s Chequers proposal as “a positive step forward and good basis for further negotiations”.⁹² Referring to an earlier meeting with UK Foreign Secretary Jeremy Hunt, Mr Jensen said Denmark wanted “a deal

⁸⁷ *The Guardian*, [Theresa May confirms start date for Brexit talks after pressure from EU](#), 13 June 2017.

⁸⁸ Ibid

⁸⁹ *The Guardian*, [Brexit: stop the 'games' over the bill and get on with EU deal, says Denmark](#), 8 October 2017

⁹⁰ Ibid

⁹¹ *The Independent*, [Danish prime minister tells Theresa May Brexit will cause more bureaucracy and has a 'price tag'](#), 9 April 2018

⁹² *Politico*, [Danish finance minister puts risk of 'no deal' Brexit at 50-50](#), 17 August 2018

that is as good and as solid as possible". However, he warned that the negotiators were running out of time.

In a chapter of Denmark in the *Negotiating Brexit: Where Now?* report released in October 2018,⁹³ Professors Mads Dagnis Jensen and Jesper Dahl Kelstrup of Roskilde University said that the key position for Denmark in the Brexit negotiation was that the UK "cannot continue to fudge", and there must be "a balance between rights and obligations". However, the Chequers proposal was interpreted as one such "fudge" in the sense that the UK wanted to be in parts of the Single Market for goods without being subject to the full set of obligations.

Jensen and Kelstrup explained that Danish business supported the Government's position, and that Danish support for the integrity of the Single Market trumped any concern about loss of trade with the UK:

From Denmark's perspective, it is important to make sure that Danish companies are not at risk of being outcompeted in the future because British firms have been allowed to play by rules other than those of the EU's single market. As other countries in the single market account for roughly 50% of Danish exports a simple cost-benefit analysis suggests that the single market will remain more important than exports to the UK market, which accounts for some 5-8% of Danish exports. Although Danish agriculture will be among the industries most adversely impacted by Brexit, there is broad recognition among Danish stakeholders, including the Danish Farmers Association, that the rights and obligations in the Single Market must go hand in hand.

Brexit planning

Denmark has been making contingency plans for a no-deal Brexit, including setting aside 700 million kroner to cover extra payments to the EU. Finance Minister Jensen said:

We don't expect Brexit to materially impact the 2019 budget structurally, so the budget will be stable and reliable. But what actually will happen is that our payment to the EU may change if we get a hard Brexit.

Through 2019 and maybe into 2020 we'll be negotiating the EU budget for years to come and we'll be missing the voice of the U.K. when advocating fiscally responsible spending.⁹⁴

On 2 October 2018 Prime Minister Rasmussen told the new Danish Parliament "We are employing customs officers and preparing the system". He also assured British citizens living in Denmark that "no matter the end result of the negotiations", they would be looked after.⁹⁵

⁹³ *Negotiating Brexit: Where Now?*, 23 October 2018, produced by the "Negotiating Brexit" project examining the positions of the EU27 Governments, co-ordinated by Professor Hussein Kassim of the University of East Anglia and Dr Simon Usherwood of the University of Surrey.

⁹⁴ *Bloomberg*, [Hard Brexit? Denmark Prepares for Worst with Budget Reserve](#), 30 August 2018

⁹⁵ *The local.dk*, [Brexit is 'tragedy', Danish government will 'look after' Brits in Denmark: PM](#), 2 October 2018; [YouTube](#), 2 October 2018

In their *Negotiating Brexit* chapter, Jensen and Kelstrup reported that the Danish Government's Brexit task force is collecting intelligence from ministries and stakeholders on areas that will be affected by a no-deal Brexit and preparing contingency plans. 50 new customs officers have been hired to cope with trade with the UK post-Brexit.

8. Estonia

8.1 Key Facts

1. Government and Politics

Head of State: President Kersti Kaljulaid

Head of Government: Prime Minister Jüri Ratas

Last election: Legislative, 1 March 2015

Next election: Legislative, 3 March 2019

2. Finance and the Economy

GDP (2017): €31 billion (GDP per head: €23,700)

GDP average growth 2013-2017: 3.3%

GDP growth 2018 (interim forecast, July 2018): 3.5%

Net contribution to EU budget per head: -€352

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 2.6%

UK trade with Estonia, 2017			
£ millions			
	Exports	Imports	Balance
Goods	133	197	-64
Services	77	33	44
Total	210	230	-20
Source: ONS Pink Book			

4. Views on EU

42% of Estonians have a positive view of the EU (net positive: +32%)

20% of Estonians agree that their voice counts in the EU (net voice counts: -50%)

53% of Estonians trust the EU (net trust: +28%)

95% of Estonians are in favour of free movement

78% of Estonians feel like EU citizens

5. Estonian nationals in the UK

10,000 (ONS estimate for Jan to Dec 2017)

8.2 Background

Estonian independence was proclaimed in February 1918 in the wake of the 1917 Russian Revolution. Estonia was annexed by the Soviet Union in 1940. The changing political environment of 'perestroika' and 'glasnost' in the Soviet Union in the late 1980s allowed pro-independence and reform groups to come to the fore in the so-called 'Singing Revolution'. In March 1990 these groups assumed control of government. Independence was

restored on 20 August 1991 and was recognised by the UK and the rest of the EU on 27 August 1991.

After independence Estonia's main foreign policy objective was to integrate into European and transatlantic institutions. Estonia joined the United Nations in September 1991 and the Council of Europe in May 1993. Its focus then turned to membership of the EU and NATO.

Estonia started EU membership negotiations in 1998 and joined the EU on 1 May 2004, together with nine other countries. In March 2004 Estonia joined NATO and in December 2007 the Schengen area.

Under the 1992 Constitution, Estonia is an independent, sovereign democratic parliamentary republic. The *Riigikogu*, the unicameral parliament of Estonia, is composed of 101 members who are elected for four years according to the principle of proportionality. In addition to adopting legislation, the *Riigikogu* elects the President (head of state) for a term of five years. Executive power is held by the Council of Ministers, which is headed by the Prime Minister, who is nominated by the President.⁹⁶

8.3 Current Government and recent political developments

On 1 March 2015 there were elections for the 13th *Riigikogu*. The *Riigikogu* elected Kersti Kaljulaid to be Estonia's first female president in October 2016. The President has a largely representative function.

The Estonian Centre Party leader, Juri Ratas, heads a coalition government which took office in November 2016. Mr Ratas's party, which had been in opposition for a decade, has coalition partners the *Sotsiaaldemokraatlik Erakond* (SDE—Estonian Social Democratic Party) and the *Isamaa ja Res Publica Liit* (IRL—Union of Pro Patria and Res Publica).

Results of the most recent Estonian elections

State Assembly (*Riigikogu*)⁹⁷

General Election, 1 March 2015

Party	Votes	% of votes	Seats
Estonian Reform Party	158,970	27.7	30
Estonian Centre Party	142,458	24.8	27
Social Democratic Party	87,189	15.2	15
Union of Pro Patria and Res Publica	78,699	13.7	14
Estonian Free Party	49,882	8.7	8
Conservative People's Party of Estonia	46,772	8.1	7
Other parties	9,293	1.6	0
Individual candidates	887	0.2	0

⁹⁶ [Constitution and Government \(Estonia\)](#), Europa World online. London, Routledge. Retrieved 5 November 2018

⁹⁷ [State Assembly \(Riigikogu\) \(Estonia\)](#), in Europa World online. London, Routledge. Retrieved 9 October 2018

Total (incl. others)	574,150	100.0	101
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8.4 Views on Brexit

Respect for referendum result but no hard Brexit

After the UK referendum Estonia's EU Affairs Committee Chairman Kalle Palling spoke of his sadness at the result, but stressed that it was a decision that should be respected:

We must respect the decision of the British nation, although we hoped that the UK would remain in the EU, being an important partner for Estonia. For Estonia, Brexit means that we will lose an important economic and security partner.⁹⁸

This sentiment was echoed in February 2017 by the Chair of the Foreign Affairs Committee Marko Mihkelson on his meeting with David Davis.⁹⁹ He also emphasised that it was in the interests of Estonia and the whole EU to find a solution that would not weaken the “unity of the western world”. He was concerned about the possibility of a ‘hard Brexit’.¹⁰⁰

In the same month *Riigikogu* Vice-President Taavi Rõivas met David Davis and emphasised the importance of continuing cooperation between the EU and UK after Brexit.¹⁰¹

Unity of the EU27 and no hard border with Ireland

Estonia wants to preserve the unity of the EU27 and maintain good relations with the UK, which *Riigikogu* President Eiki Nestor stressed in November 2017.¹⁰²

Estonia agrees that there should be no hard Irish border and in January 2018 Prime Minister Ratas was optimistic that this could be avoided: “No ghosts of the past should return as a result of this process. I am sure that detailed arrangements giving effect to this promise will be found during the second phase of negotiations”.¹⁰³

Brexit preparations

The Estonian Government has created a [website](#), “What do you need to know with regard to Brexit?” which advises citizens and businesses on how to prepare for Brexit. It states that “Various authorities in Estonia are also making the necessary preparations for the UK's withdrawal from the EU”.

⁹⁸ Parliament of Estonia, [Palling is saddened by the British decision to leave the European Union](#), June 2016

⁹⁹ Parliament of Estonia, [Mihkelson to Davis: Brexit will give experience to both sides](#), February 2017

¹⁰⁰ Parliament of Estonia, [Mihkelson: Unity of the Western world is more important than Brexit](#), November 2017

¹⁰¹ Parliament of Estonia, [Rõivas: Estonia is interested in close relationship between Great Britain and the EU](#), February 2017

¹⁰² Parliament of Estonia, [Nestor and Barnier think the EU countries should be of one mind at the Brexit negotiations](#), November 2017

¹⁰³ Government of Estonia, [Prime Minister Ratas's presentation at the Institute of International and European Affairs titled “Will hope and history rhyme again for Europe?”](#) January 2018

9. Finland

9.1 Key Facts

1. Government and Politics

Head of State: President Sauli Niinistö

Head of Government: Prime Minister Juha Sipilä

Last election: Presidential, 28 January 2018

Next election: Legislative, due by April 2019

2. Finance and the Economy

GDP (2017): €180 billion (GDP per head: €32,700)

GDP average growth 2013-2017: 1.2%

GDP growth 2018 (interim forecast, July 2018): 2.8%

Net contribution to EU budget per head: +€43

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 3.2%

UK trade with Finland, 2017			
£ millions			
	Exports	Imports	Balance
Goods	1,262	2,466	-1,204
Services	1,337	506	831
Total	2,599	2,972	-373
Source: ONS Pink Book			

4. Views on EU

40% of Finns have a positive view of the EU (net positive: +24%)

51% of Finns agree that their voice counts in the EU (net voice counts: +7%)

53% of Finns trust the EU (net trust: +18%)

86% of Finns are in favour of free movement

79% of Finns feel like EU citizens

5. Finnish nationals in the UK

16,000 (ONS estimate for Jan to Dec 2017)

9.2 Background

On 6 December 1917 Finland declared its independence. In the civil war of 1918 a Finnish-German alliance defeated the Finnish Communists and drove out the Russians. In 1919 the Finnish Republic was established and a new constitution introduced. In November 1939 the Soviet Union invaded Finland, starting the 'Winter War' that ended with the *Treaty of Moscow* in March 1940. In 1944 Finland signed an Armistice with the USSR. It ceded 12% of its territory to the Soviet Union, agreed to pay heavy reparations and to rid Finland of German troops still in its territory. In 1947 Finland

concluded a peace treaty with the Allied Powers and in 1948 the Treaty of Friendship, Co-operation and Mutual Assistance with the USSR (the FCMA). This committed Finland to repelling attacks by Germany or its allies on Finnish territory or on the Soviet Union through Finnish territory.

In 1955 Finland joined the Nordic Council and the UN. In 1956 Urho Kekkonen succeeded Juho Kusti Paasikivi as Finland's President, continuing his foreign policy of combining Finnish neutrality with special relations with the USSR (the 'Paasikivi-Kekkonen Line'). In 1961 Finland became an associate member of the European Free Trade Association (EFTA) and joined the Organisation for Economic Cooperation and Development (OECD) in 1967.

In 1982 Mauno Koivisto became President and committed to maintaining the 'Paasikivi-Kekkonen Line' in foreign policy. Finland became a full member of EFTA in 1986 and joined the Council of Europe in 1989. Finland joined the European Union in 1995.

A new Constitution of Finland entered into force on 1 March 2000, amending the 1919 Constitution. Further amendments came into force in 2012. Under the new Constitution, the executive power of the President was significantly reduced while the authority of the *Eduskunta* was increased, with the power of decision-making being divided more equally between the *Eduskunta*, the *Valtioneuvosto* (Cabinet) and the President. In addition, the President was to co-operate more closely with the Cabinet on foreign policy issues. In domestic policy the President's role became more ceremonial.

The *Eduskunta* has two hundred members, who are elected for a four-year term. The President is elected for six years by direct popular vote. The *Eduskunta* elects the Prime Minister, who is then appointed by the President. The other government ministers are appointed by the President on the basis of nominations by the Prime Minister.¹⁰⁴

9.3 Current Government and recent political developments

Post-war politics in Finland was dominated by the liberal centrist Centre Party (KESK) and the Social Democratic Party (SDP). The SPD has suffered a declining vote share in recent decades while the centre-right National Coalition Party (NCP) has played a more prominent role as a coalition partner.

Sauli Niinistö of the NCP won the presidential election in 2012 to become the country's first conservative head of state since 1956. Niinistö won a second term in the January 2018 election.

In the 2015 parliamentary elections, KESK emerged as the leading party with 21.1% of the vote, followed by the NCP with 18.2% and the nationalist

¹⁰⁴ [Constitution and Government \(Finland\)](#), in Europa World online. London, Routledge. Retrieved 5 November 2018

populist Finns Party with 17.65%. However, the Finns finished second, ahead of the NCP, in terms of parliamentary seats.

KESK leader Juha Sipilä became Prime Minister, heading a coalition which as well as the KESK and NCP, included the Finns for the first time. The Finns had previously been known as the True Finns, making a breakthrough at the 2011 election with 19.1% of the vote.

In June 2017, Jussi Halla-aho, a hardline critic of immigration and multiculturalism, was elected as the new chair of the Finns Party, defeating a more moderate candidate Sampo Terho. Prime Minister Sipilä and NCP leader Petteri Orpo both said they would no longer work in government with the Finns Party led by Halla-aho. There were indications that Sipilä was about to resign as Prime Minister. However, 20 of the Finns Party MPs including Terho then left the party to form a new parliamentary group, New Alternative (later becoming Blue Reform), and formed a new government coalition with KESK and NCP.¹⁰⁵

Results of the most recent Finnish elections

President¹⁰⁶

Presidential Election, 28 January 2018*

Candidate	Votes	% of votes
Sauli Niinistö (Independent)	1,875,342	62.7
Pekka Haavisto (Green League)	371,254	12.4
Laura Huhtasaari (Finns Party)	207,337	6.9
Paavo Väyrynen (Independent)	185,305	6.2
Matti Vanhanen (Finnish Centre Party)	122,383	4.1
Tuula Haatainen (Finnish Social Democratic Party)	97,294	3.3
Merja Kyllönen (Left Alliance)	89,977	3.0
Nils Torvalds (Swedish People's Party)	44,776	1.5
Total	2,993,668	100.0

* There was no second round of voting as Sauli Niinistö won an outright majority.

*Suomen Eduskunta (Parliament)*¹⁰⁷

General Election, 19 April 2015

Party	Votes	% of votes	Seats
Finnish Centre Party	626,218	21.10	49
Finns Party*	524,054	17.65	38
National Coalition Party	540,212	18.20	37
Finnish Social Democratic Party	490,102	16.51	34
Green League	253,102	8.53	15
Left Alliance	211,702	7.13	12
Swedish People's Party	144,802	4.88	9
Finnish Christian Democrats	105,134	3.54	5

¹⁰⁵ [Recent developments: the 2015 general election and the 2018 presidential election \(Finland\)](#), in Europa World online. London, Routledge. House of Commons.

¹⁰⁶ [President \(Finland\)](#), Europa World online. London, Routledge. Retrieved 9 October 2018

¹⁰⁷ [Parliament \(Finland\)](#), Europa World online. London, Routledge. Retrieved 9 October 2018

Others**	73,133	2.46	1
Total	2,968,459	100.00	200

* The Finns Party parliamentary group split into two factions in June 2017. The Speaker, all Finns Party ministers in the coalition and about one-half of the Finns Party deputies in the Eduskunta joined New Alternative, which was later renamed Blue Reform.

** Including a representative of the Åland Islands.

9.4 Views on Brexit

Disappointment and shock

In an announcement to Parliament after the UK referendum, Prime Minister Juha Sipilä voiced disappointment and shock at the UK vote:

Last Friday many Finns, too, couldn't believe it when they read the result of the United Kingdom's EU referendum. The British people had voted to leave the EU. Few believed beforehand that this could really happen.

The UK's referendum outcome was a disappointment for Finland and the entire European Union. The UK is an important partner for Finland both in terms of the economy and security. The UK, like Finland, has been taking the EU in a more transparent, more effective direction that also emphasises the Single Market. It is, nevertheless, beyond doubt that the referendum result will be respected.¹⁰⁸

EU is stronger now

In a speech in November 2017 Sipilä thought the EU had become stronger since the referendum, and pointed out that contrary to some speculation, “Brexit did not lead to the disintegration of the European Union; rather it drew the Union closer together”.¹⁰⁹

In a speech at the Europe Forum Turku in August 2018 Sipilä made the point that the EU was stronger together rather than divided:

Everyone who follows the discussion on Brexit in Great Britain is beginning to understand the true meaning of being apart. Being apart leads to a great deal of uncertainty both in Member States and the whole Europe. It is better to work together and achieve more than stay alone and achieve less — our place is in the front line of influencing what happens in the world.¹¹⁰

UK – Finnish ties will stay strong

In August 2018, on a visit to Finland, Foreign Secretary Jeremy Hunt said that the UK's “strong ties” with Finland would “not diminish” after Brexit.¹¹¹ Foreign Affairs Minister Timo Soini said Finland would continue to be close

¹⁰⁸ Finnish Government, [Prime Minister's announcement to Parliament following the United Kingdom's EU referendum](#), July 2016

¹⁰⁹ Finnish Government, [Prime Minister Juha Sipilä's announcement on Current EU agenda](#), November 2017

¹¹⁰ Finnish Government, [Prime Minister Juha Sipilä's speech at the Europe Forum Turku](#), August 2018

¹¹¹ FCO, [Foreign Secretary to discuss Brexit with 4 European allies](#), August 2018.

partners and friends with the UK and hoped for a fair and good deal in the Brexit negotiations.¹¹²

Brexit preparations

The Finnish Government has instructed ministries to prepare for any outcome in the Brexit negotiations. It is concerned mainly about the aviation industry, “but no concrete contingency preparations have started”.¹¹³

A report on the fate of UK nationals living in Finland said that according to officials at the Interior Ministry, “up to now, not much thought has gone into the scenario of what should happen to more than five thousand British passport holders who currently live and work in Finland”.¹¹⁴

¹¹² Finland Ministry for Foreign Affairs, Twitter [@Ulkoministerio](#), 14 August 2018

¹¹³ *Bloomberg*, [How Europe Is Bracing for Messy Brexit: Dogs, Drones, Do Nothing](#), 19 July 2018

¹¹⁴ *Newsnowfinland*, [Interior Minister: No guarantees for Brits in Finland if Brexit deal fails](#), 17 October 2018

10. France

10.1 Key facts

1. Government and Politics

Head of State: President Emmanuel Macron

Head of Government: Prime Minister Edouard Philippe

Last election: Legislative, 11 and 18 June 2017

Next election: Presidential, April 2022

2. Finance and economy

GDP (2017): €2,092 billion 2017 (€31,200 per head, 2017)

GDP average growth 2013-2017: 1.3%

GDP growth 2018 (interim forecast, July 2018): 1.7%

Net contribution to EU budget per head: +€66

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 4.3%

UK trade with France, 2017			
£ millions			
	Exports	Imports	Balance
Goods	24,248	27,455	-3,207
Services	16,130	13,359	2,771
Total	40,378	40,814	-436
Source: ONS Pink Book			

4. Views on EU

36% of French citizens have a positive view of the EU (net positive: +11%)

39% of French citizens agree that their voice counts in the EU (net voice counts: -15%)

34% of French citizens trust the EU (net trust: -21%)

76% of French citizens are in favour of free movement

61% of French citizens feel like EU citizens

5. French nationals in the UK

181,000 (ONS estimate for Jan to Dec 2017)

10.2 Background

The French 5th Republic established in 1958 created a semi-presidential system. Executive power is held by the President, originally elected for a seven-year term, amended to a five-year term before the 2002 election.

The President appoints the Prime Minister, who directs the operation of the Government and needs to command majority support in the National

Assembly. Ministers are constitutionally prohibited from being members of Parliament.

The bicameral Parliament comprises the *Sénat* (Senate) and the *Assemblée Nationale* (National Assembly). 348 Senate Members are elected for six years by an electoral college (326 for Departments in Metropolitan France and the Overseas Departments, 10 for Overseas Territories and 12 for French nationals abroad). The National Assembly has 577 Members elected for five years by universal adult suffrage (555 for metropolitan France and 22 for the overseas territories).

France was a founder member of the European Economic Community, Schengen and the Eurozone, and hosts the European Space Agency.

10.3 Current Government and recent political developments

Presidential elections May-June 2017

Emmanuel Macron won the 7 May 2017 presidential election, defeating the National Front candidate Marine Le Pen in the second round, and was inaugurated on 14 May 2017.

Mr Macron was previously Minister for the Economy, Industry and the Digital Sector during his predecessor François Hollande's Presidency. He left the Socialist-led Government in August 2016, having launched his own '*En Marche!*' (Forwards!) movement in July that year.

After winning the Presidency, Mr Macron named Edouard Philippe from the centre-right *les Républicains* as his Prime Minister. The full results of the first and second election rounds were as follows:

President¹¹⁵

Presidential Election, First Ballot, 23 April 2017

Candidates	Votes	% of votes
Emmanuel Macron (REM)	8,656,346	24.01
Marine Le Pen (FN)	7,678,491	21.30
François Fillon (LR)	7,212,995	20.01
Jean-Luc Mélenchon (FI)	7,059,951	19.58
Benoît Hamon (PS)	2,291,288	6.36
Nicolas Dupont-Aignan (DLF)	1,695,000	4.70
Jean Lassalle (Résistons!)	435,301	1.21
Philippe Poutou (NPA)	394,505	1.09
François Asselineau (UPR)	332,547	0.92
Nathalie Arthaud (LO)	232,384	0.64
Jacques Cheminade (S&P)	65,586	0.18
Total	36,054,394	100.00

¹¹⁵ [President \(France\)](#), in Europa World online. London, Routledge. Retrieved 9 October 2018

Second Ballot, 7 May 2017

Candidates	Votes	% of votes
Emmanuel Macron (REM)	20,743,128	66.10
Marine Le Pen (FN)	10,638,475	33.90
Total	31,381,603	100.00

Emmanuel Macron was duly elected President.

Legislative elections

In legislative elections on 11 June 2017 Macron's renamed *La République en Marche* (Republic on the Move - REM) and its allies won 32.3% in the first round. After the second round on 18 June, REM had an overall majority of 308 of the 577 seats. The full results were as follows:

National Assembly (*Assemblée Nationale*)¹¹⁶

General Election, 11 and 18 June 2017

Party	% of votes		Seats
	First ballot	Second ballot*	
Forwards! - En Marche! (REM)	28.21	43.06	308
The Republicans (LR)	15.77	22.23	112
Democratic Movement (MoDem)	4.12	6.06	42
Socialist Party (PS)	7.44	5.68	30
Union of Democrats and Independents (UDI)	3.03	3.04	18
Indomitable France (FI)	11.03	4.86	17
Various left-wing candidates	1.60	1.45	12
French Communist Party (PCF)	2.72	1.20	10
National Front (FN)**	13.20	8.75	8
Various right-wing candidates	2.76	1.68	6
Regionalist candidates	0.90	0.76	5
Various candidates	2.21	0.55	3
Radical Party of the Left (PRG)***	0.47	0.36	3
Ecologist candidates	4.30	0.13	1
France Arise (DLF)	1.17	0.10	1
Various far-right candidates	0.30	0.10	1
Various far-left candidates	0.77	—	—
Total	100.00	100.00	577

* Held where no candidate had won the requisite overall majority in the first ballot, between candidates who had received at least 12.5% of the votes in that round. The total number of valid votes cast was 22,654,164 in the first round, and 18,176,066 in the second round.

** The Front National changed its name to Rassemblement National in June 2018.

*** The Parti Radical de Gauche merged with the Parti Radical (which stood candidates as part of the UDI) in December 2017 to form the Mouvement Radical (Social Libéral).

¹¹⁶ [National Assembly \(*Assemblée Nationale*\) \(France\)](#), in Europa World online. London, Routledge. Retrieved 9 October 2018

Senate (*Sénat*)¹¹⁷

Senators are elected for a term of six years, with half of the seats renewable every three years. Seats are allocated through a combination of majority voting and proportional representation. A partial election to the Senate took place on 25 September 2011, when the number of senators was increased to 348. Partial elections were held in September 2014 and September 2017. The strength of the parties at September 2018 was as follows:

Grouping	Seats
The Republicans group	146
Socialist and Republican group	75
Centrist Union group	51
European Democratic and Social Rally group	23
Forwards! - En Marche! Group	22
Communist, Republican, Citizen and Ecologist group	15
The Independents – Republic and Territories group	11
Non-affiliated	5
Total	348

Domestic pressures

Since his election in May 2017, President Macron has faced scandal in connection with a presidential aide who attacked demonstrators at a May Day protest; pressure from the populist right who oppose (among other things) his suggested Eurozone reforms, and falling ratings of his presidency as a result of his economic and social reforms.¹¹⁸

10.4 Views on Brexit**No punishment but there are consequences**

President Emmanuel Macron appears to have distanced himself from his predecessor, François Hollande's, 'punishment' line on Brexit in 2016 that "there must be a threat, there must be a risk, there must be a price" to be paid for choosing to leave the EU. But Macron's tough stance on Brexit was articulated even before he became President of France. He told the *Times* in April 2017:

My hope is that we can bring a lot of rigour to managing Brexit, anchoring Britain in a strategic partnership — in particular in the military dimension — while allowing no weakness when it touches on matters affecting the integrity of the union or the durability of the project.¹¹⁹

¹¹⁷ [Senate \(*Sénat*\) \(France\)](#), Europa World online. London, Routledge. Retrieved 9 October 2018.

¹¹⁸ See *Politico*, [Macron's approval ratings hit record low: poll](#), 23 March 2018; and *Business Insider*, [French President Emmanuel Macron's job-approval rating hits its lowest point yet](#), 5 September 2018.

¹¹⁹ *The Times*, [Exclusive interview: Emmanuel Macron on Brexit, Le Pen and the teacher who became his wife](#), 2 April 2017

Macron ‘passionately’ Pro-EU

Widely described as passionately pro-European, Mr Macron has made EU27 unity and preserving EU ‘red lines’ priorities in the Brexit negotiations. In an interview with Andrew Marr in January 2018, Mr Macron firmly upheld the European Commission’s line: yes, the UK could secure a bespoke trade deal with the EU, but “this special way should be consistent with the preservation of the Single Market and our collective interests”; also that “[t]here should be no cherry picking in the single market...because that is dismantling of the single market...As soon as you decide not to join the [EU’s] preconditions, it’s not full access”.¹²⁰

Macron ‘tougher’ than Barnier?

Mr Macron is in some respects tougher than the Brexit negotiator Michel Barnier, having said that if the UK leaves the EU, it should leave completely and not retain any privileged access to the Single Market. In his view, the Chequers proposals for future EU-UK relations sought to avoid the hard choices between a simple free trade agreement and remaining in the Single Market with freedom of movement. He has also described the future UK-EU relationship as “something perhaps between this full access [to the Single Market] and a trade agreement”, but that “[f]ull access for financial services to the single market is not feasible, given the functioning of the Single Market”. As an alternative to full access, he referred to an ambitious trade agreement of the type negotiated with Canada, “but not a cherry-picking approach whereby the UK would have the advantages of access to the European single market without what is required in return”.¹²¹

Politico commented on Mr Macron’s Brexit position:

Domestically, there is no political benefit to the French president from going soft on the Brits in a deal on their future relationship with the EU. Marine Le Pen’s National Rally has edged ahead of Macron’s En Marche in polling for the European election.

The far-right leader talks less about “Frexit” these days but if the U.K. were to walk away from the EU with a cushy deal that gives it many of the benefits without the responsibilities of membership then it will surely embolden Macron’s Euroskeptic opponents at home and farther afield.¹²²

‘Le Touquet’

In January 2018 President Macron raised the Brexit stakes with regard to migrants in Calais, asking the UK Prime Minister for more money¹²³ and support in return for maintaining the *Le Touquet* border agreement.¹²⁴ He

¹²⁰ *Open Europe*, [UK could have a bespoke arrangement between full single market access and a free trade deal, says Emmanuel Macron](#), 22 January 2018

¹²¹ Ibid

¹²² *Politico*, [The Brexit playbook in the 11 EU countries that will shape a deal](#), 9 November 2018

¹²³ £44.5m according to [Guardian](#), 18 January 2018.

¹²⁴ ‘Le Touquet’ was signed at a summit between President Chirac and Tony Blair in 2003. It provided for France and the UK to erect border controls in Channel ports, effectively moving the French border to Kent and the UK Border to Calais.

wanted to update the agreement so that the UK would accelerate procedures to take more adult migrants with family ties, and accept more unaccompanied minors.¹²⁵ Some reports maintained that France's approval of a post-Brexit EU-UK trade agreement was conditional on the UK taking in more migrants, but Home Office Minister Caroline Nokes [said in January](#) that both countries had "reaffirmed their commitment to the agreement and to the continued effective management of our shared border in Northern France".

Warning about populism

Commentators describe President Macron's defence of the EU's red lines as a 'warning' to others - in France (Marine Le Pen's 'National Rally') and elsewhere in the EU - who might be seeking to undermine the EU. They suggest his fight to protect the EU against such populist forces has made him less likely to compromise on Brexit. The BBC summarised his position as follows:

Mr Macron is a pragmatic man, but he has staked his presidency on a strong EU, and has so far stuck fast to core principles on the single market.

France may show a little flexibility later in the game, one former French official told me, but not the kind of flexibility on which Britain is currently banking.¹²⁶

EU unity is paramount

Theresa May and President Macron met in early August 2018 in what the French press described as a "cry for help"¹²⁷ (it was in fact one of many bilateral meetings the Prime Minister held with other EU leaders over the summer). At the end of August Mr Macron said preserving EU unity was more important than forging a close relationship with the UK after Brexit. But there were also reports that he was "preparing to throw Theresa May a lifeline by pushing other EU leaders to agree a close relationship with Britain after Brexit as part of his vision for a united Europe";¹²⁸ that at the Salzburg summit in September he wanted to suggest a new structure for European alliances based on "concentric circles ... with the EU and the euro at its core and Britain in a second ring".¹²⁹ This idea, which is not new, is unlikely to be universally accepted now, any more than it was in the past. The Netherlands and Poland, for example, are reported to be concerned about an inner EU core dominated by France and Germany.

Macron rejects Chequers

After the Salzburg meeting Mr Macron described the Prime Minister's Chequers proposal as a "courageous step", but one that EU leaders had found "not acceptable, especially in the economic area"; the coherence of

¹²⁵ [Le Monde, 18 January 2018](#).

¹²⁶ [BBC News, Brexit: Theresa May and Emmanuel Macron hold talks](#), 3 August 2018.

¹²⁷ See [Les Echos.fr, Brexit : May appelle Macron à l'aide](#), 4 August 2018.

¹²⁸ [The Times, Emmanuel Macron tells EU leaders to make a deal with Britain](#), 30 August 2018.

¹²⁹ [Ibid.](#)

the Single Market had to be defended. He was reported to have appealed to other EU leaders to “maintain their tough approach to Brexit in response to Theresa May’s demand for compromise”.¹³⁰ Mr Macron, together with European Council President Donald Tusk and German Chancellor Angela Merkel, insisted the EU would not agree to a single market for goods but not services.

At a press conference following the summit, President Macron criticised the pre-referendum Brexit campaigners, calling them “liars, they left the next day so they didn’t have to manage it”. He added that Brexit shows “it’s not so easy to leave the EU, it’s not without a cost, it’s not without consequences”.

Mr Macron also finds the Irish backstop plan “very convincing” because it respects “citizens and companies while protecting borders and the integrity of the single market”.¹³¹

Preparing for Brexit

France is reported to have been preparing for Brexit for almost two years in sectors ranging from fisheries and borders to financial services.¹³²

Prime Minister Édouard Philippe said on 27 August that France would be ready in the event of a ‘cliff edge’ exit. He has “tasked ministers to prepare contingency measures that would be necessary... to mitigate the difficulties linked with this unprecedented challenge”.¹³³ Mr Philippe has appointed a ‘Brexit ministerial coordinator’ to manage the impact of Brexit on ports and France’s northern coast. *Le Monde* reported that the transport ministry has listed measures to be taken in case of a no-deal outcome so that train drivers’ licences remain valid in France.¹³⁴

According to *The Guardian*, Xavier Bertrand, a former French minister and president of Hauts-de-France, has said that “Calais was prepared to solve the problem of space for checks in Dover”. The port had acquired 17 hectares (42 acres) of land, which could be used for customs inspection posts and storage. France is also reported to be planning to recruit new customs officials for Calais and other northern ports.¹³⁵ An additional 250 members of staff have been recruited in 2018, rising to around 700 by the end of 2020.¹³⁶ Calais also wants to test a new ‘Fastpass’ virtual queuing

¹³⁰ *The Guardian*, [Macron urges EU leaders to stand firm against Theresa May](#), 20 September 2018.

¹³¹ *Politico*, [Emmanuel Macron says leading Brexiteers are ‘liars’](#), 20 September 2018.

¹³² *The Express*, [Brexit no deal MAPPED: How EU countries are secretly preparing for no deal UK exit from EU](#), 20 July 2018

¹³³ *France24*, [France and Germany are making contingency plans for a no-deal Brexit, with Paris looking at residency issues and Berlin examining medical supply chains with the UK](#), 29 August 2018

¹³⁴ *Le Monde*, [Brexit : la France envisage toutes les hypotheses](#), 3 October 2018

¹³⁵ *Politico*, [Brexit playbook in the 11 EU countries that will shape a deal](#), 9 November 2018

¹³⁶ The French customs authority has produced [detailed online information \(in French\)](#) for businesses on how to prepare for Brexit.

system, whereby preloading passport and cargo information would speed up border inspections.¹³⁷

Speaking at Chatham House on 13 September 2018, Europe Minister Nathalie Loiseau [said](#) the French Government would introduce emergency legislation to protect its citizens from the impact of a no-deal Brexit (see below). She warned that in the absence of any contingency plans, Eurostar trains could be stopped on reaching French territory, and planes from the UK could be prevented from entering French airspace.¹³⁸ France was against a “blindfold Brexit” in which there would be a withdrawal agreement but key details of the future UK-EU relationship would be deferred until the UK had left the EU:

We have to have a clear sense of the balance of rights and obligations on the future relations between the UK and the EU27. Details will be worked out afterwards, but it would be to the benefit of neither the UK or the EU27 to remain vague on what is going to be our future relations at the moment of leaving.

Loiseau also thought those who suggested the significance of the Irish border was being exaggerated were irresponsible; a legal backstop was essential to avoid a hard border in Ireland: “we cannot wake up on 30 March to tell our Irish colleagues we don’t have a solution and we must go back to a hard border”.¹³⁹

Bill on status of UK citizens in France and border controls

France is preparing to adopt legislation on the status of around 150,000 UK citizens living in France and ensure fluid border controls in the event of no deal.¹⁴⁰ In October the Government published a [draft bill](#) providing for measures to be taken if there is no deal to reinstate checks on goods and passengers going to and from the UK, and inspections of food, plants and live animals. *BBC News* summarised the Bill as follows:

The draft bill would give the government (rather than parliament) the power to introduce new measures by emergency decree if it needed to avoid or mitigate the consequences of a hard or no-deal Brexit.

But politicians representing channel ports are warning that chaos and long queues would be unavoidable and both the French government and the EU need to take further steps to avoid that happening.

The draft bill also focuses on citizens' rights in the event of no deal, including what would be the legal situation of UK nationals resident in France. The bill also raises the possibility of other UK nationals needing visas to visit France.

¹³⁷ [‘Dover-Calais ‘facing economic catastrophe’ due to Brexit’](#), *Guardian*, 17 July 2018

¹³⁸ See also *Independent*, [Eurostar will not run if there is a no-deal Brexit, French Europe minister warns](#), 13 September 2018; *EurActiv*, [Hard Brexit may stop Eurostar trains entering France: French minister](#), 14 September 2018

¹³⁹ *The Guardian*, [France may stop trains and planes from UK under no-deal Brexit](#), 13 September 2018.

¹⁴⁰ *The Guardian* *ibid* and *The Local Fr*, [No-deal Brexit: French government makes contingency plans for Brits living in France](#), 28 August 2018

Any emergency legal measures introduced to ease the situation would, the bill says, depend on the UK taking reciprocal steps, which the UK government has already indicated that it would do.¹⁴¹

The Senate adopted the Bill on 6 November; it will now be debated in the National Assembly.

¹⁴¹ *BBC News*, [Reality Check: What are EU countries doing to prepare for a no-deal Brexit?](#) 6 November 2018

11. Germany

11.1 Key facts

1. Government and Politics

Head of State: Federal President Frank-Walter Steinmeier

Head of Government: Federal Chancellor Angela Merkel

Last election: Legislative, 24 September 2017

Next election: Legislative, September 2021

2. Finance and economy

GDP (2017): €3,059 billion (GDP per head: €37,000)

GDP average growth 2013-2017: 2.1%

GDP growth 2018 (interim forecast, July 2018): 1.9%

Net contribution to EU budget per head: +€155

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 5.3%

UK trade with Germany, 2017			
£ millions			
	Exports	Imports	Balance
Goods	37,135	68,722	-31,587
Services	19,683	9,387	10,296
Total	56,818	78,109	-21,291
Source: ONS Pink Book			

4. Views on EU

49% of Germans have a positive view of the EU (net positive: +32%)

65% of Germans agree that their voice counts in the EU (net voice counts: +33%)

49% of Germans trust the EU (net trust: +7%)

92% of Germans are in favour of free movement

84% of Germans feel like EU citizens

5. German nationals in the UK

154,000 (ONS estimate for Jan to Dec 2017)

11.2 Background

Political structure

Germany is a democratic, federal parliamentary republic, where federal legislative power is vested in the *Bundestag* (Lower House) and the *Bundesrat* (Upper House). Germany has 16 *Länder* or states, each with its own legislature, whose interests are represented in the *Bundesrat*. The *Bundestag* has around 600 members (the exact number varies depending

on election results) and the *Bundesrat* has 69 members. The Bundestag is elected every four years in general, direct, free elections by secret ballot. Voters can cast two votes; the first is to select candidates in one of the 299 constituencies, and the second is cast for a party list.

The head of state is the president, who is chosen for a five-year term by a specially convened assembly. The President signs all federal legislation and treaties, nominates federal judges, the federal chancellor and the chancellor's cabinet. The Chancellor is elected by the *Bundestag*.

End of WWII – present

The Federal Republic of Germany (West Germany) was officially founded in May 1949 and the German Democratic Republic (East Germany) in October 1949. In the first West German elections that year, the CDU and its sister party the Bavarian Christian Social Union (CSU) won a narrow majority in the new *Bundestag*. In September Konrad Adenauer became the Chancellor of West Germany. In 1950 the term *Wirtschaftswunder* ('economic miracle') was used to describe West Germany's rapid post-War economic growth.

From 1949 to 1990 Bonn was the provisional capital of West Germany, and Germany's constitution, the Basic Law, was declared there in 1949.

On 3 October 1990, at the end of the Cold War, East and West Germany were reunited and Berlin was reinstated as the capital of Germany, although from 1990 to 1999 Bonn remained the seat of government.

Germany is now Europe's most industrialised and most populous country (around 82 million). Having recovered from two world wars in the 20th century, Germany has become Europe's biggest economy and is at the forefront of European integration and cooperation.

From 1969 Germany had a succession of mostly SPD-led governments: Willy Brandt (SPD 1969–74), Helmut Schmidt (SPD 1974–82), Helmut Kohl (CDU 1982–98) and Gerhard Schröder (SPD 1998–2005). Angela Merkel (Christian Democrat Party - CDU) became Germany's first female Chancellor and has led German coalition governments since 2005.

11.3 Current Government and recent political developments

Legislative elections, 24 September 2017

In the 2017 elections the two largest parties, the CDU/CSU and SPD, suffered heavy losses, while the far right, anti-immigration *Alternative für Deutschland* (AfD) took seats in the *Bundestag*. The CDU losses and AfD gains were widely attributed to disapproval of Chancellor Merkel's open-door refugee policy in 2015–16. The CDU/CSU won 33% of votes and 246 seats (a loss of 65 seats compared with the 2013 elections). The SPD won 20.5% and 153 seats (a loss of 40 seats from 2013). The AfD won 94 seats with 12.6% of votes. The FDP re-entered the Bundestag with 10.7% of votes

and 80 seats, and the far-left *Die Linke* took 69 seats (9.2% of votes). *Bündnis 90/Die Grünen* (Alliance 90/The Greens) won 67 seats (8.9%).¹⁴²

The election endorsed a fourth term for Angela Merkel as Chancellor but forming a new governing coalition proved difficult. Coalition talks collapsed in November 2017. The SPD initially refused but then agreed to a coalition agreement and joined a CDU/CSU/SPD ‘grand coalition’ government in March 2018.

Federal Assembly (Bundestag)¹⁴³

General Election, 24 September 2017

Parties and Groups	Votes*	% of votes*	Seats
Christian Democratic Union of Germany (CDU) / Christian Social Union in Bavaria (CSU)**	15,317,344	33.0	246
Social Democratic Party of Germany (SPD)	9,539,381	20.5	153
Alternative for Germany (AfD)***	5,878,115	12.6	94
Free Democratic Party (FDP)	4,999,449	10.7	80
The Left (Linke)	4,297,270	9.2	69
Alliance 90 / The Greens	4,158,400	8.9	67
Others	2,325,533	5.0	0
Total	46,515,492	100.0	709

* Figures refer to valid second votes (i.e. for state party lists). The total number of valid first votes (for individual candidates) was 46,389,615. In addition, there were 586,726 invalid first votes and 460,849 invalid second votes.

** Of which the CDU received 12,447,656 votes (26.8%—200 seats) and the CSU received 2,869,688 votes (6.2%—46 seats).

*** Although the AfD secured 94 seats, two legislators elected on the party’s list opted to sit as independents.

A fragile coalition government

Although the main political parties in Germany have always been different shades of pro-EU,¹⁴⁴ the AfD has brought a eurosceptic dimension to the *Bundestag*. *Politico* reported in April 2018, the AfD “is competing with the conservative wing of the CDU to promise German taxpayers their money won’t be used to finance spendthrift Southern Europe”.¹⁴⁵

The pressures on Chancellor Merkel’s coalition government have continued, including criticism from her CSU interior minister Horst Seehofer over immigration policy. In state elections in Bavaria and Hesse in October 2018 both the CDU and the SPD lost votes to the Greens and the AfD – which will enter the two regional assemblies for the first time.

¹⁴² For a summary of German political parties in the 2017 election, see *Deutsche Welle* piece, [Germany's political parties CDU, CSU, SPD, AfD, FDP, Left party, Greens - what you need to know](#), 23 October 2017.

¹⁴³ [Federal Assembly \(Bundestag\) \(Germany\)](#), Europa World online. London, Routledge. Retrieved 13 October 2018

¹⁴⁴ Centre for European Reform, [Berlin to the rescue? A closer look at Germany's position on Brexit](#), Sophia Besch and Christian Odendahl, March 2017

¹⁴⁵ *Politico*, [Macron's eurozone reforms meet German 'duvet diplomacy'](#), 18 April 2018

Chancellor Merkel announced she would stand down as CDU party Chair in December 2018 and would not seek a fifth term as chancellor or any political post after her term ends in 2021.¹⁴⁶

More fragile Franco-German relations

The long-standing Franco-German 'motor' in the EU has also looked a little more fragile in recent months, with the Merkel Government unwilling to endorse all of President Macron's proposed Eurozone reforms.¹⁴⁷

Chancellor Merkel agreed that the EU needed "quicker economic convergence" but stopped short of Mr Macron's vision of a major investment budget.¹⁴⁸

At the end of July 2018 Jeremy Hunt called on France and Germany "to send a strong signal to the Commission that we need to negotiate a pragmatic and sensible [Brexit] outcome that protects jobs on both sides of the Channel, because for every job lost in the UK, there will be jobs lost in Europe as well if Brexit goes wrong".¹⁴⁹

11.4 Views on Brexit

Not a major issue for Germany?

Brexit was not a major issue for the German Government during the election campaign or in the period of internal political uncertainty in the weeks after the election. The coalition agreement reached in February made only passing mention of Brexit and called for "trusting cooperation" between Germany and the UK.

A poll in April 2018 found that for most Germans Brexit was still not a major issue; indeed, that there was "quite some Brexit-fatigue":

We deem other foreign-policy challenges more urgent. Only a minority of 39 percent are actually very concerned about Brexit. Germans have much more Angst about the US-presidency of Donald Trump (82 percent), the crises in the Middle East (75 percent), the nuclear situation in North Korea (71 percent), and tensions between Europe and Russia (66 percent).¹⁵⁰

German priorities

In a presentation to the 'UK in a Changing Europe, Negotiating Brexit: Where Now' conference in October 2018, Dr Nicolai von Ondarza of the Berlin-based *Stiftung Wissenschaft und Politik*, identified the following principles that have guided Germany's approach to the Brexit negotiations:

¹⁴⁶ *Spiegel online*, [Merkel will nicht mehr für Parteivorsitz kandidieren](#), 29 October 2018

¹⁴⁷ Wolfgang Munchau in [the Financial Times](#) spells out what parts of Macron's reform package are acceptable to the CDU/CSU. See also *Deutsche Welle*, [German economists slam Macron's eurozone reform agenda](#), 22 May 2018

¹⁴⁸ *Deutsche Welle*, [Paris welcomes Merkel's 'first answer' to Macron's EU reform plan](#), 4 June 2018

¹⁴⁹ *Evening Standard*, [Foreign Secretary Jeremy Hunt in plea to Merkel and Macron to strike 'sensible' pro-jobs Brexit deal](#), 31 July 2018

¹⁵⁰ *Handelsblatt*, [Germans don't really worry about Brexit and want EU to be uncompromising](#), 30 April 2018.

- i) The importance of the unity of the EU27 Member States in the negotiations, meaning no bilateral discussions between Germany and the UK would take place, and ensuring that the integrity of the Single Market and the indivisibility of the four freedoms are maintained;
- ii) An emphasis on the protection of the interests of the smaller EU states, notably Ireland;
- iii) The need for an orderly Brexit process, with sequenced negotiations that could only start once the UK had issued the Article 50 notification. However, this does not mean achieving a deal at any cost (the integrity of the Single Market and the unity of EU27 being more important);
- iv) The UK to be treated as a normal third country in its future partnership with the EU, meaning other third country partnerships such as the agreement with Canada or the European Economic Area agreement should be referred to as potential models. This is a position strongly supported by industry;
- v) A desire for a continued strong EU partnership with the UK in security and foreign affairs, going beyond existing third country precedents.

Dr von Ondarza said Germany was insistent on the need for a backstop relating to the Irish border covering customs and Single Market regulations, but that this arrangement could not apply to the whole of the UK. However, the German government is prepared to be more flexible about a customs union backstop applying to the whole of the UK than it would be with regard to allowing the UK to remain part of the Single Market through the backstop.

Dr von Ondarza said German political leaders and business rejected the UK proposals set out in the Chequers plan and had made this position clear before the Salzburg summit in September. The German position in the negotiations has been consistent over time and is substantially similar to that of France, but Germany is perhaps “more polite” than France, he said.

German preparations for a ‘no deal’ are also developing, reflecting a growing sentiment that such a scenario is a possibility. However, the German view is that there will be no side deals with the UK in the event of no deal being reached; there will only be unilateral actions to address the consequences.

Preserving the integrity of the EU

The German Government’s priority has been consistently to preserve the integrity of the EU and Germany has led the EU27 in urging Michel Barnier to maintain a tough line in preserving the EU’s Brexit ‘red lines’. Any UK hopes that Germany might “soften” the EU27’s position in the Brexit

negotiations have not been realised and were probably “misplaced”, according to a CER report in March 2017.¹⁵¹ The report continued:

Germany’s commercial interests on Brexit are largely aligned with its politics: German businesses are deeply connected to the EU through a network of supply chains, and rely on Europe and the rest of the world for their exports. They have more interest in preserving the EU’s single market and the EU’s clout in international trade negotiations than they have in tariff-free access to the British market.

At her meeting with Theresa May in July, Angela Merkel emphasised that it was the European Commission leading the Brexit negotiations, not individual Member States.¹⁵² The *Financial Times* noted German “dismay” and “puzzlement” at a perceived UK expectation that Germany would help the UK to “achieve good deals on withdrawal and the future UK-EU relationship”.¹⁵³

The German and EU position are closely aligned on Brexit, and after a meeting between Michel Barnier and German Foreign Minister Heiko Maas at the end of August, the two agreed that a deal could still be reached in order to avoid a “disorganised Brexit”. For Maas the “last big hurdle” was the Northern Ireland border question. Chancellor Merkel supports the Irish Government’s position on Irish border issues and has emphasised the importance of finding a solution.¹⁵⁴

German contributions to the EU budget

The EU Budget Commissioner, Günther Oettinger, said in February 2018 that Germany should pay around €3 - €3.5 billion more to the EU budget than at present to help close the gap left by Brexit, particularly in the protection of the EU’s external borders and the fight against terrorism. He said this would mean only 10 cents more per day per head for Germans.¹⁵⁵ Chancellor Merkel’s CDU party and the opposition SPD said they were willing in principle to increase Germany’s contribution to the EU budget. But with no coalition government in place at the time, it was not clear what amount would be acceptable.

Business concerns

German business leaders have been concerned about the state of Brexit negotiations and asked the UK Government to soften its position as they entered a “critical phase”. Joachim Lang, director general of Germany’s BDI industry federation, told the *Financial Times* that if there was no agreement

¹⁵¹ See, e.g. [Berlin to the rescue? A closer look at Germany’s position on Brexit](#), Sophia Besch and Christian Odendahl, Centre for European Reform, March 2017.

¹⁵² See *Deutsche Welle*, [Where Germany stands on Brexit](#), 5 July 2018.

¹⁵³ *Financial Times*, [Germans see Brexit as a UK own goal](#), 1 May 2018. See also, Johnny Pring (Public Affairs Manager at McKesson Europe), *Europe’s World*, [Looking across the North Sea: a German view of Brexit](#), 20 April 2018.

¹⁵⁴ See *Handelsblatt*, [Merkel will keine harte Grenze zwischen Irland und Großbritannien](#), 20 March 2018.

¹⁵⁵ *Deutsche Welle*, [EU budget chief wants billions more from Germany post-Brexit](#), 16 February 2018.

by mid-November 2018, “German companies will start implementing their emergency plans for a no-deal Brexit”.¹⁵⁶

Mr Lang’s concerns were that no deal and no transition phase would mean “a border and customs regime that no one is prepared for”, “considerable uncertainty” and “interruptions to supply chains”. He also criticised the UK’s Chequers proposals on trade, in which the UK would remain part of a single market for goods but not the free movement of services, capital and people.¹⁵⁷

Defence and security matters

The UK wants to continue to contribute to defence and security in Europe, but if the UK Government thought this would give it leverage in the Brexit negotiations, the German Government might beg to differ. However, the CER thinks the UK might still have some bargaining power:

Looked at through these traditional lenses of German foreign policy, Britain’s security card is just not as strong in Germany as London assumes. However, given more recent security challenges, the British do have some leverage in Berlin, if Theresa May plays her cards right. The acute threat of terrorism in Europe, a belligerent Russia, an unstable southern neighbourhood, and the weakening of transatlantic relations and American security guarantees under President Trump are all challenges in response to which Berlin to some degree depends on the UK.

Brexit preparations

Like France, Germany is preparing for Brexit, “including the recruitment of additional personnel to deal with a less open economic relationship with the UK”.¹⁵⁸ Although traditionally it is the Chancellor’s office that deals with EU policy, there is a cross-ministerial Brexit Task Force headed by the Foreign Ministry and a dedicated Brexit team in the Finance Ministry. The Foreign Ministry [website](#) sets out German Government preparations for Brexit.

In 2017 the *Deutscher Industrie und Handelskammertag* (Association of German Chambers of Industry and Commerce) looked at the possible impact of Brexit on German business:

In the estimation of German companies, the withdrawal of the United Kingdom from the European Union will represent a significant drag on the trade of goods and services. The business outlook of companies which are engaged in trade with the United Kingdom is worsening significantly, as expected cost burdens due to taxes and tariffs and increasing bureaucratic hurdles at Europe’s new borders will negatively affect business on both sides. The magnitude of this effect largely depends on negotiations between the United Kingdom

¹⁵⁶ *Financial Times*, [German business leaders raise alarm over Brexit progress](#), 2 September 2018.

¹⁵⁷ For further information on the Brexit White Paper, see Commons Briefing Paper 8387, [The Brexit White Paper on future relations and alternative proposals](#), 28 August 2018.

¹⁵⁸ *BBC News*, [Reality Check: What are EU countries doing to prepare for a no-deal Brexit?](#) 6 November 2018

and the EU. Regardless of the specific outcome of these negotiations, almost one in every ten companies is already planning to shift investments away from the UK because of Brexit and towards Germany or other countries within the EU internal market.¹⁵⁹

Many German businesses have been preparing for Brexit, including for the possibility of a no-deal Brexit. *Deutsche Welle* looked at some of their “worst scenario” planning:

Among other measures companies are setting up new facilities, looking for other suppliers that operate within the single market and are hiring people in order to process goods through customs [...]. They are even setting up new servers because they are uncertain about “whether the free flow of data is still possible with the UK and the EU”.¹⁶⁰

By contrast, the *Financial Times* commented in May 2018 that Germany did not think much of the UK’s preparations:

Certain themes crop up regularly in such articles and conversations with Germans about Brexit. The first is sheer amazement at how ill-prepared British politicians were for the talks, how ignorant they were of basic facts about how the EU works and, consequently, how unrealistic their negotiating positions have been.¹⁶¹

Draft Brexit transition law

Preparations for Brexit include managing the status of the estimated 100,000 British citizens living in Germany and Germans living in the UK.

In July 2018 Germany published a draft law, the [*Brexit-Übergangsgesetz*](#) (Brexit Transition Act), which provides that during the transition period the UK is deemed to be an EU Member State for all purposes of German Federal Law (though not state law). In May there were reports of record numbers of Britons applying for German citizenship,¹⁶² and the new law would also allow qualifying Britons living in Germany to become German citizens during the post-Brexit transition period.¹⁶³ The German Cabinet approved the bill on 5 September 2018 and it will go to the *Bundestag*.¹⁶⁴ The German Foreign Ministry outlines the wider purpose of the Bill and the citizenship provisions as follows:

The main aim of the bill is to create legal clarity for the transition period as regards provisions of federal law that refer to membership of the EU. The bill contains a clear and simple transitional rule for the transition period: wherever federal law refers to the EU Member

¹⁵⁹ [The Impact of Brexit on German Businesses. Results of the IHK Business Survey](#), Going International 2017, March 2017

¹⁶⁰ *Deutsche Welle*, [Growing unease over Brexit in German business community](#), 28 June 2018

¹⁶¹ *Financial Times*, [Germans see Brexit as a UK own goal](#), 1 May 2018

¹⁶² See, for example, *Deutsche Welle*, [Brexit causes record number of Britons to be granted German citizenship](#), 23 May 2018

¹⁶³ See *Brexit Legal*, [Germany Provides Draft of Brexit Implementation Act](#), Jens Rinze, 26 July 2018

¹⁶⁴ The act must be approved by the Bundestag with the consent of the Bundesrat.

States, this will also include the United Kingdom as long as none of the stated exceptions apply.

The bill also includes a provision to help British and German citizens who apply for citizenship of the other country before the end of the transition period. Under this provision, they will be allowed to retain their original citizenship even if the decision on their naturalisation is made after the end of the transition period. In such cases, dual citizenship will be tolerated under certain conditions.¹⁶⁵

The Bill is intended to enter into force on the same date as the withdrawal agreement, so its provisions will not apply if there is no withdrawal agreement.

Will the end of the Merkel era affect Brexit?

The announcement that Angela Merkel was stepping down came as a surprise to many commentators, even though the CDU had lost votes in two recent state elections. Tony Barber, writing in the *Financial Times*, 30 October 2018, thought Chancellor Merkel's commitment to maintaining the integrity of the Single Market and the EU's legal order was "deeply ingrained in German policymakers and will shape any future government's stance on the post-Brexit EU-UK relationship".

Barber comments further that "as time passes, Ms Merkel's lame-duck status and exit from German politics will make a difference. Here what matters is not so much Brexit as the many daunting challenges that will confront the EU and eurozone in coming years". In the run-up to the post-Merkel era and beyond Germany will not be concerned with helping the UK to secure a favourable Brexit:

Ms Merkel's successor, whoever that may be, will need time to consolidate his or her power. Meanwhile, the overriding concern of any German government will be to protect the EU against the storms that lie ahead, not to do favours to the UK, whose exit from the bloc is seen as part of the problem.

James Kirkup, writing in *The Spectator*, thought the announcement would "reduce [her] scope for showing personal flexibility towards the UK", but that German 'concessions' to the UK had been over-estimated in any case.¹⁶⁶ Charles Grant, director of the Centre for European Reform, writing in the *Guardian*, 30 October 2018, thought Ms Merkel's departure from the party leadership "would make little difference to the Brexit negotiations"; that Germany would continue to support Michel Barnier and seek to maintain solidarity among the EU27. Grant concluded:

Brexiters have often claimed that German industrialists would intervene in favour of a deal that suited businesses in Germany and the UK. But that hasn't happened. Although industrialists are fearful of no deal, they have put very little pressure on their government to seek a softer Brexit, for example by allowing the UK to stay in the single market for goods. Many of them echo the politicians, saying

¹⁶⁵ *Auswärtiges Amt*, [Brexit transition act](#), 5 September 2018

¹⁶⁶ *The Spectator*, [How Cameron's misreading of Merkel led to Brexit](#), 29 October 2018

that if the British are allowed to pick holes in the single market, others will follow suit, weakening one of the EU's greatest achievements as well as its institutions. Unwilling to rescue the Chequers plan, Germany – with or without Merkel – will push Britain towards the relatively hard Brexit of a [Canada-style free trade agreement](#).

12. Greece

12.1 Key Facts

1. Government and Politics

Head of State: President Prokopis Pavlopoulos

Head of Government: Prime Minister Alexis Tsipras

Last election: Legislative, 20 September 2015

Next election: Legislative, due October 2019

2. Finance and the Economy

GDP (2017): €216 billion (GDP per head: €20,100)

GDP average growth 2013-2017: 0.4%

GDP growth 2018 (interim forecast, July 2018): 1.9%

Net contribution to EU budget per head 2017: -€346

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 3.6%

UK trade with Greece, 2017			
£ millions			
	Exports	Imports	Balance
Goods	887	816	71
Services	1,079	3,114	-2,035
Total	1,966	3,930	-1,964

Source: ONS Pink Book

4. Views on EU

27% of Greeks have a positive view of the EU (net positive: -10%)

24% of Greeks agree that their voice counts in the EU (net voice counts: -49%)

27% of Greeks trust the EU (net trust: +42%)

89% of Greeks are in favour of free movement

51% of Greeks feel like EU citizens

5. Greek nationals in the UK

70,000 (ONS estimate for Jan to Dec 2017)

12.2 Background¹⁶⁷

In 1967 Greece's constitutional monarchy was overthrown by army officers. The new regime under Colonel Georgios Papadopoulos banned all political

¹⁶⁷ [Greece](#), Europa World online. London, Routledge. Retrieved 13 October 2018

activity. In 1973 Papadopoulos became President of a newly declared republic but was overthrown in a coup. Civilian rule resumed in 1974.

Under the new Constitution for the Hellenic Republic, which came into force on 11 June 1975, Greece is a parliamentary democracy with a president as Head of State. The president is elected by the *Vouli* (Parliament) for five years; re-election is permitted only once. The president appoints the prime minister and, on his/her recommendation, the other members of the government. The prime minister is the leader of the party with an absolute majority in Parliament or, if no such party exists, the leader of the party with a relative majority.

Greece signed a Treaty of Accession in 1979 and became a full member of the European Community in 1981.

12.3 Current Government and recent political developments¹⁶⁸

Amid a deep financial crisis and years of stringent austerity measures, legislative elections were held in January 2015, at which *Synaspismos Rizospastikis Aristeras* (SYRIZA — the Coalition of the Radical Left) was elected to government. A SYRIZA-led Government was re-elected in September 2015.

The subject of debt relief, repeatedly broached by Prime Minister Alexis Tsipras and hitherto categorically rejected by the EU (but considered essential by the IMF), entered discussions in 2017. Shortly before Greece's anticipated exit from the third bailout programme in August 2018, a substantive debt-relief agreement was announced in late June under which maturities on major parts of Greece's debt obligations would be extended for 10 years.

Results of the most recent Greek elections

House of Representatives¹⁶⁹

General Election, 20 September 2015

Party	Votes	% of votes	Seats
Coalition of the Radical Left (SYRIZA)	1,926,526	35.46	145
New Democracy (ND)	1,526,400	28.09	75
Golden Dawn (XA)	379,722	6.99	18
Democratic Coalition (PASOK-DIMAR)	341,732	6.29	17
Communist Party of Greece (KKE)	301,684	5.55	15
The River (Potami)	222,349	4.09	11
Independent Greeks – National Patriotic Alliance (ANEL)	200,532	3.69	10
Union of Centrists (EK)	186,644	3.44	9
Others	347,787	6.40	0

¹⁶⁸ Ibid

¹⁶⁹ [Parliament \(Vouli\) \(Greece\)](#), Europa World online. London, Routledge. Retrieved 5 October 2018

Total (incl. others)*	351,389	100.00	300
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12.4 Views on Brexit

Prime Minister Tsipras blames EU

Following the UK referendum, Prime Minister Tsipras, blamed the UK electorate's decision on "chronic deficiencies" of EU leaders and their policies on austerity. In a statement to his party's central committee on 26 June 2016, Mr Tsipras contended: "We must not put the blame on the British people [...] when the borders remain open on austerity policies but stay closed for people".¹⁷⁰

Europe Minister upholds EU unity and need for compromise

In an [interview](#) with the BBC *Today Programme* on 19 September 2018, coinciding with the Salzburg EU Leaders' meeting, Europe Minister George Katrougkalos reaffirmed that the EU27 were united behind the position taken by Michel Barnier. He said the UK's Chequers proposals were not feasible, and asked if he wanted to see Mr Barnier shift his position on the Irish backstop, he defended the EU negotiator, saying it was "the collective will of the 27". A compromise was needed on both sides.

Mr Katrougkalos emphasised that a no-deal outcome "would be a very, very bad conclusion of the negotiations" and must be avoided. He also referred to comparisons between the UK's position in the Brexit negotiations and that between Greece and the EU in relation to the Greek bail-out in 2015:

You know from the beginning we have said, being ourselves victims of a very asymmetric negotiation, that we would not want the negotiation to be either punitive or a punishment for the UK, but it was much easier for us to conserve our unity during the negotiations than for the British government to keep its internal cohesion ... We had our problems too, but at least we knew very well what we wanted and what we didn't and it was not very clear, at least until Chequers, what exactly was the kind of Brexit wanted by the UK.

Asked about the UK's large contribution to the EU budget being used as leverage in the negotiations, Mr Katrougkalos said:

... it depends on how you see it, because the UK itself has profited a lot from its membership of the EU, not just what Britain was receiving from the budget but from the general economic atmosphere. I don't think however that the budget is the main issue. For instance, for the future partnership Ireland is a much hotter issue.

Brexit priorities

The Whitehouse Consultancy [profile](#) of the EU27's positions on Brexit summarised Greece's priorities as follows:

With a fragile economy, Greece is mostly concerned with what the economic impact of Brexit will be. Fluctuations of both the euro and the pound can have great consequences for foreign investment in Greece. Tourism is the country's most important industry and with

¹⁷⁰ Reuters, [Tsipras blames Brexit on austerity, deficiencies in EU leadership](#), 26 June 2016

two million British tourists visiting the country yearly, it will be vital for Greece to maintain steady currencies and good relations with the UK. Greece also wants to maintain tuition costs for Greek students studying in Britain. The Bank of Greece has estimated that the cost of Brexit for Greece ranges from 0.4% to 0.8% of Greek GDP.

The UK and Greece also have common interest in getting an agreement on the unification of Cyprus, an EU country with three guarantor powers: the UK, Greece and Turkey.

Brexit preparations

In July 2018 Georgios Katrougkalos said the Government was studying the “improbable” scenario of no deal, was trying to estimate the possible consequences and taking the necessary measures.¹⁷¹ A Greek Government working paper has warned that in the event of a no-deal Brexit, the financial fallout from a shortfall in the EU budget up to 2020 could leave Greece facing “increased financial and political instability”. The paper proposed that in the event of no deal, Greece should seek a special agreement with the EU, as it would be unable to finance a budgetary shortfall through national funding.¹⁷²

¹⁷¹ *Bloomberg*, [How Europe Is Bracing for Messy Brexit: Dogs, Drones, Do Nothing](#), 19 July 2018

¹⁷² *Daily Telegraph*, [Greece warns 'no-deal' Brexit would plunge country into 'financial and political instability'](#), 17 August 2018

13. Hungary

13.1 Key Facts

1. Government and Politics

Head of State: President János Áder

Head of Government: Prime Minister Viktor Orbán

Last election: Legislative, 8 April 2018

Next election: Legislative, due in 2022

2. Finance and Economy

GDP (2017): €200 billion (GDP per head: €20,400)

GDP average growth 2013-2017: 3.4%

GDP growth 2018 (interim forecast, July 2018): 4.0%

Net contribution to EU budget per head: -€314

Currency: forint

3. Trade with UK

Trade with UK as % of GDP: 5.5%

UK trade with Hungary, 2017			
£ millions			
	Exports	Imports	Balance
Goods	1,348	2,714	-1,366
Services	770	770	0
Total	2,118	3,484	-1,366

Source: ONS Pink Book

4. Views on EU

41% of Hungarians have a positive image of the EU (net positive: +21%)

43% of Hungarians agree that their voice counts in the EU (net voice counts: -10%)

44% of Hungarians trust the EU (net trust: -6%)

85% of Hungarians are in favour of free movement

77% of Hungarians feel like EU citizens

5. Hungarian nationals in the UK

98,000 (ONS estimate for Jan to Dec 2017)

13.2 Background

The Communist state structure was abandoned in Hungary in 1989, with major constitutional reforms leading to the first multi-party elections in 1990. Under a new Constitution a unicameral legislature, the *Országgyűlés* (National Assembly), would be elected via a mixed (two-round) majoritarian-proportional electoral system. It also provided for a president with limited powers, elected by Parliament.

The first multi-party elections resulted in a centre-right coalition government led by the Hungarian Democratic Forum from 1990 to 1994. This was followed from 1994 to 1998 by a centre-left government led by the Hungarian Socialist Party (MSzP), which had evolved out of the former ruling Communist party.

In 1998 Viktor Orbán came to power for the first time at the head of a centre-right coalition. Orbán's *Fidesz* party (Alliance of Young Democrats – Hungarian Civil Alliance) was originally a liberal party, but has shifted to a conservative nationalist position under his leadership since the 1990s.

Under the first Orbán government, the 'Status Law' was adopted in 2001, causing consternation in neighbouring states by providing for travel and health care benefits and work permits for ethnic Hungarians in these states. The centre-left coalition led by the MSzP then won two successive general elections in 2002 and 2006 before *Fidesz* returned to power following the 2010 election.¹⁷³

The Orbán Government then pushed through extensive changes to the Hungarian Constitution. A new electoral law was also adopted in 2011, reducing the number of members of the National Assembly from 386 to 199. A new [electoral system](#) was introduced which retained a mix of majoritarian and proportional elements but with a first-past-the-post system without a second round for just over half of seats. Voting rights were also given to ethnic Hungarians living abroad.

Hungary joined NATO in 1999 and the EU in 2004 after referendums in favour.

13.3 Current Government and recent political developments

Hungary has been led by Prime Minister Viktor Orbán since 2010. His *Fidesz* party has won three successive general elections, most recently in April 2018.

Following the 2010 election, together with its coalition partners, the Christian Democratic People's Party (KDNP), *Fidesz* commanded a majority of over two-thirds in the National Assembly, enabling it to make wide-ranging changes to the Hungarian Constitution.

A new Hungarian [Constitution](#) came into effect from January 2012, with further [amendments](#) made since. The new constitution limited the powers of the Constitutional Court, placed restrictions on political campaigning outside of state media and emphasised traditional Christian values, giving preference to traditional family (heterosexual) relationships. In 2012 the European Commission launched [infringement proceedings](#) against Hungary in relation to legislation adopted under the Constitution which it viewed as

¹⁷³ Cox, Terry. [History \(Hungary\)](#), Europa World online. London, Routledge. Retrieved 18 September 2018

compromising the independence of the national central bank, the judiciary and the data protection supervision authority.

Under the new electoral system introduced in 2012, *Fidesz* and its allies have secured two-thirds majorities in the National Assembly at both the 2014 and 2018 general elections, enabling the Government to make further constitutional changes.

During the international migration crisis in 2015, the Government erected a barbed wire fence on Hungary's border with Serbia to prevent refugees and migrants from entering the country. The Orbán Government has strongly opposed EU attempts to establish mandatory quotas for the resettlement of refugees. In October 2016, it held a referendum on whether the EU should be able to impose such quotas. 98.4% of the votes cast supported the Government's view, although the turn-out in the referendum was only 44% after opposition parties urged a boycott. This meant the results were not legally binding.

In January 2017, the Government announced plans to ban the activities of the Open Society Foundation owned by the Hungarian-born business magnate George Soros (believed to finance some 60 Hungarian non-governmental organisations). In April 2017 the National Assembly adopted amendments to higher education legislation, imposing conditions on the operation of foreign universities in Hungary, including the requirement to maintain a campus in their home country. This was believed to target the Central European University established and partially funded by Soros.¹⁷⁴

In June 2017, the European Commission launched infringement procedures against Hungary (and the Czech Republic and Poland), in response to their refusal to accept refugees under the EU's relocation plan. This was followed up by a [referral](#) in December to the Court of Justice of the EU (CJEU) for non-compliance with the scheme. The Commission also referred Hungary to the CJEU over its [higher education law](#) and restrictions on [foreign-funded NGOs](#), after the Government had failed to comply with Commission deadlines to amend these measures.

In the April 2018 National Assembly elections, *Fidesz* and its *KDNP* allies won 49.3% of the vote and 133 of the 199 parliamentary seats. The second-placed party was the far right *Jobbik* (Movement for a Better Hungary).

In June 2018, the National Assembly passed new legislation described as a '[Stop Soros](#)' law by Orbán, under which individuals or groups who help undocumented migrants to gain status to stay in Hungary can be imprisoned. This was condemned by the United Nations High Commissioner for Refugees. The National Assembly also passed a constitutional amendment stating that an 'alien population' cannot be settled in Hungary. The Government said it is also planning to introduce a 25% tax on NGOs that support migration.

¹⁷⁴ [Recent developments: EU infringement proceedings \(Hungary\)](#), Europa World online. London, Routledge. Retrieved 18 September 2018

In July 2018 the European Commission sent a letter of [notice](#) as a first step towards further infringement proceedings in relation to the law outlawing assistance to those wishing to apply for asylum or for a residence permit in Hungary. The Commission said it had concluded that Hungary is failing to fulfil its obligations under the EU Treaties, EU laws and the EU's Charter of Fundamental Rights.

In September 2018, the European Parliament adopted a [resolution](#) calling on the Council of the EU to trigger Article 7 of the Treaty on European Union (TEU) determining the existence of a clear risk of a breach by Hungary of EU values (this could ultimately lead to the suspension of its EU membership rights). The EP referred to concerns related to the following:

the functioning of the constitutional and electoral system, the independence of the judiciary and of other institutions, the rights of judges, corruption and conflicts of interest, privacy and data protection, freedom of expression, academic freedom, freedom of religion, freedom of association, the right to equal treatment, the rights of persons belonging to minorities, including Roma and Jews, and protection against hateful statements against such minorities, the fundamental rights of migrants, asylum seekers and refugees, and economic and social rights.

Results of the most recent Hungarian elections

National Assembly (*Országgyűlés*)¹⁷⁵

General Election, 8 April 2018

Parties and blocs	Seats		Total
	A*	B*	
Federation of Young Democrats – Christian Democratic People's Party (Fidesz-KDNP coalition)	91	42	133
Movement for a Better Hungary (Jobbik)	1	25	26
Hungarian Socialist Party – Dialogue for Hungary (MSzP-PM)	8	12	20
Democratic Coalition (DK)	3	6	9
Politics Can Be Different! (LMP!)	1	7	8
Together (Együtt)	1	0	1
Independent	1	0	1
National Authority of Germans—Hungary (MNOÖ)	0	1	1
Total	106	93	199

* The 199 seats comprise 106 (A) elected in single-member constituencies and 93 (B) elected on the basis of national lists

13.4 Views on Brexit

Hungary tries to persuade UK electorate to vote remain

In the run-up to the UK referendum in 2016, the Hungarian Government placed an advert in the *Daily Mail* with a personal message from Prime Minister Viktor Orbán in an attempt to persuade the UK to vote to remain. The [message](#) stated: "The decision is yours, but I would like you to know

¹⁷⁵ [National Assembly \(Országgyűlés\) \(Hungary\)](#), Europa World online. London, Routledge. Retrieved 15 October 2018

that Hungary is proud to stand with you as a member of the European Union”.

In an [interview](#) with the *Daily Telegraph* in November 2016, Mr Orbán wished the British success and said “one of the countries who will lose most from the British departure from the EU is Hungary”. He continued:

The British were strategic partners on many issues inside the EU, so we are weaker now [post Brexit] than we were. So we're sad about that, but at the same time I think there is obviously a life outside the European Union and if a sovereign nation is so brave as to make that decision, then we wish them good luck. We see that you have a better than even chance of being successful outside, so we are not looking for a relationship with the British where it's good for us, but you suffer, because you 'deserve it' - which is the general approach of many countries - we want a relationship that is good for us, and makes a success of Britain.

Victor Orbán sets out his Brexit priorities

Mr Orbán referred to the size of the UK economy, the UK army and its role as a nuclear power, said the UK had “everything that could create a well-founded self-confidence”, and further:

And you are a brave nation. It's a great move. I said already, we lost a strategic partner inside the European Union, but we respect your decision. Not just accept it, but we say 'no', that's a great nation, making its own decision.¹⁷⁶

Mr Orbán referred to the need to maintain the existing rights of Hungarians living in the UK post-Brexit, and said these arrangements should be reciprocal: “If it is reciprocal, then it can work [...] if British citizens get the same treatment, then there is no reason to raise question of acquired rights”.¹⁷⁷

Orbán also stressed the importance of free trade between the UK and Hungary, referring to around 50,000 workers employed by British companies in Hungary, and improving trade between the two countries:

So we're not just interested on the side of the coin that relates to free movement but on free trade also. We are interested in finding an equilibrium. That could be the basis of the [future] partnership. My concept on this whole thing is that we don't need a 'soft' or 'hard' Brexit, but a 'fair' Brexit. We Hungarians are in favour of a 'fair' Brexit.¹⁷⁸

On the Single Market, Mr Orbán referred to the “equilibrium” of the four freedoms, but said “the level of that equilibrium must be decided by the British, not by us”.¹⁷⁹

Hungary's main concerns: citizens' rights and business stability

¹⁷⁶ *Daily Telegraph*, [Viktor Orban interview: Full transcript](#), 11 November 2016

¹⁷⁷ Ibid

¹⁷⁸ Ibid

¹⁷⁹ Ibid

In December 2016, the website of the Prime Minister [reported](#) on a meeting between Prime Minister Orbán and Michel Barnier, at which Mr Orbán said Hungary had a vested interest in a Brexit which was fair and not punitive. He outlined the Hungarian position, the essence of which was “to ensure that the rights acquired by Hungarians studying and working in the United Kingdom are not curtailed in the future”. He also stressed the importance of continued stability for Hungarian employees of British businesses in Hungary.

But Mr Orbán also emphasised that “the EU’s four fundamental freedoms must be enforced equitably on both sides after the UK’s withdrawal”.

A more detailed discussion of Hungary’s position on the Brexit negotiations can be found in the chapter on Hungary in the [report](#) on EU27 positions published in October 2017 by the [Negotiating Brexit](#) project. It explains that Hungary has seen the UK as an ally in its push to reassert the powers of Member States within the EU and resist interference from the EU. However, while strongly opposing migration from outside the EU, Mr Orbán did not support UK attempts to restrict freedom of movement within the EU or to curtail the rights of EU citizens in the UK. Following the referendum, the chapter explains how the Hungarian Government interpreted the result:

It was argued that the Leave vote won because of the migration issue. Orbán claimed that the results were a clear indication that the British people wanted to take back control, that they had had enough of the uncertainty caused by the migrant crisis, which the EU seemed unable to manage, and that the UK was fed up with endless lecturing from Brussels. Orbán claimed that the EU lost a major player with the UK and therefore, needed to reevaluate the rules, which could only come in the form of institutional and procedural changes of European politics and policy-making. The government argued that the Commission should consider the position of member states much more.

Hungary justifies anti-Soros stand

In February 2018, a [blog](#) by Hungarian Cabinet Office spokesman Zoltán Kovács was published on the ‘About Hungary’ website. It sought to justify the Government’s anti-George Soros policies by referring to Mr Soros’s alleged interference in the Brexit referendum. The blog referred to a *Daily Telegraph* report claiming that Soros was backing a plot to thwart Brexit (referring to Soros’s financial backing for the ‘Best for Britain’ anti-Brexit campaign group). Soros, Kovács said, was “funding groups that are working to overturn Brexit, to reverse a decision taken at the request of UK voters, and to possibly topple the democratically elected government of Theresa May in the process”. He pointed to perceived UK support for the Hungarian position on George Soros:

Soros is not a philanthropist and his Open Society network is not a charity. He is a brazen political actor who uses his foundation to drive a radical political agenda around the world, often opposing the will of local citizens if they don’t agree with his open society ideology. Yet, he has no democratic mandate. He represents nobody. Why do we say “Stop Soros”? Just ask the people of the United Kingdom.

Support for a comprehensive free trade agreement with UK

In June 2018, the same website also [reported](#) comments from Hungary's Minister for Foreign Affairs and Trade, Péter Szijjártó, that Hungary supported a "thorough and comprehensive free trade agreement" with the UK. The minister thought it was especially important to maintain security cooperation with the UK, that the EU was facing serious security challenges and Britain's intelligence-defence capacities should not be disregarded in this respect". Szijjártó said Europe could "not afford to not utilize these capacities". He referred to direct UK participation in 12 of the 15 foreign EU missions carried out under the auspices of the Common Security and Defence Policy (CSDP) and said that if the UK withdrew from these, the missions would either discontinue or their capacities would drop drastically.

Szijjártó added that the British are present in a number of international missions that are important for Hungary, including in the Western Balkans; that British and Hungarian soldiers had participated in several joint exercises and Hungary would like to continue this cooperation.

A fair Brexit, Szijjártó emphasised, would also involve the protection of the rights of Hungarian citizens living, working and studying in Britain.

Hungary calls for a 'special status' for UK after Brexit

In July 2018, the Hungarian Government's 'About Hungary' website [stated](#) that the Government wanted the UK to enjoy a special status in the EU after Brexit "as it has common roots and historical, economic and social ties with the European Union". It cited the State Secretary for EU affairs, Szabolcs Takács, who said that the UK will not be "a simple non-EU state" after Brexit. But Takács also said "special solutions" for the UK could not set a precedent for other Member States.

Takács reiterated the view that the acquired rights of EU citizens in the UK should be preserved after Brexit, and Hungary wanted the "strongest possible cooperation" with the UK in defence, the economy, security, innovation and cultural affairs. He thought that although it was reasonable to prepare for several scenarios, the talks should strive for a "good, rational, progressive agreement that is in line with the interests of Hungary".

He also commented that preserving Ireland's political and economic stability was in the interests of both Hungary and the EU, adding that strict checks on the inter-Irish border should be avoided.

Orbán: don't punish the UK

At the Salzburg summit on 19-20 September 2018, Prime Minister Orbán [told](#) reporters that he was close to building a majority of Member States who were opposed to "a camp of prime ministers" who believed the "British must suffer" because they voted to leave. He [did not support](#) those who thought the UK "must be punished"; what was needed was "a fair Brexit and a good cooperation between the UK and the European Union in the future".

14. Ireland

14.1 Key Facts

1. Government and Politics

Head of State: President Michael D. Higgins

Head of Government: Prime Minister Leo Varadkar

Last election: Legislative, 26 February 2016

Next election: Presidential, by November 2025

2. Finance and the Economy

GDP (2017): €263 billion (GDP per head: €54,800)

GDP average growth 2013-2017: 11.3%

GDP growth 2018 (interim forecast, July 2018): 5.6%

Net contribution to EU budget per head: +€51

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 23.5% (the highest of the EU27)

UK trade with Ireland, 2017			
£ millions			
	Exports	Imports	Balance
Goods	20,309	14,488	5,821
Services	13,725	7,300	6,425
Total	34,034	21,788	12,246
Source: ONS Pink Book			

4. Views on EU

64% of Irish citizens have a positive view of the EU (net positive: +56%)

58% of Irish citizens agree that their voice counts in the EU (net voice counts: +23%)

54% of Irish citizens trust the EU (net trust: +19%)

90% of Irish citizens are in favour of free movement

85% of Irish citizens feel like a citizen of the EU

5. Irish nationals in the UK

350,000 (ONS estimate for Jan to Dec 2017)

14.2 Background¹⁸⁰

The Irish Constitution took effect in 1937. Legislative power is vested in the bicameral *Oireachtas* (National Parliament), comprising the *Seanad Éireann* (Senate) and the *Dáil Éireann* (House of Representatives).

The *Uachtarán* (President) is the constitutional head of state, elected by direct popular vote for seven years, with re-election permitted once.

Ireland acceded to the EEC in 1973. In referendums since, Irish citizens initially rejected the Nice Treaty (2001) and the Lisbon Treaty (2008), but these outcomes were later reversed. Ireland was an original member of the single currency, adopting the Euro from its launch on 1 January 1999.

14.3 Current Government and recent political developments

Michael D Higgins, a veteran left-wing politician, university lecturer, Irish speaker, poet and human rights activist, was elected President on 11 November 2011 and re-elected for a second term on 26 October 2018. He has dedicated his four-decade political career to championing Irish culture and left-wing causes worldwide.

The president wields little power beyond the ability to refer potentially unconstitutional legislation to the Supreme Court, but has an important symbolic role in representing Ireland at the national and international level.

The *Taoiseach* (prime minister), Leo Varadkar, a doctor of part-Indian parentage, was elected leader of the centre-right Fine Gael party in June 2017, on the resignation of Enda Kenny. He succeeded Mr Kenny as head of a minority government later that month.

Mr Varadkar, born in 1979, is Ireland's youngest prime minister, and is also the country's first openly gay party leader and the first of Indian heritage.

Results of the most recent Irish elections

Legislature – *Dáil Éireann* (House of Representatives)¹⁸¹

General Election, 26 February 2016

Party	Votes*	% of votes*	Seats
Fine Gael	544,230	25.52	50**
Fianna Fáil	519,353	24.35	44
Sinn Féin	295,313	13.85	23
Independents	334,814	15.7	19
Labour Party	140,893	6.61	7
Anti-Austerity Alliance-People Before Profit	84,168	3.95	6
Independents 4 Change***	31,365	1.47	4
Social Democrats	64,094	3.01	3

¹⁸⁰ See [Ireland](#), Europa World online. London, Routledge. Retrieved 4 September 2018

¹⁸¹ [Dáil Éireann \(Ireland\)](#), Europa World online. London, Routledge. Retrieved 3 October 2018

Green Party	57,997	2.72	2
Total (incl. others)	2,132,895	100	158

The election was conducted by means of the single transferable vote. Figures refer to first-preference votes.

** Including the outgoing Ceann Comhairle (Chairman), who is automatically re-elected.

*** Independent grouping.

The next elections to the Dáil are next to be held no later than 2021.

Legislature – *Seanad Éireann* (Senate)¹⁸²

Elections to the *Seanad Éireann* were held in April 2016 and the strength of the parties was as follows:

Party	Elected	Appointed	Seats
Fine Gael	13	6	19
Fianna Fáil	14	0	14
Sinn Féin	7	0	7
Labour Party	5	0	5
Green Party	1	0	1
Independents	9	5	14
Total	49	11	60

The next elections to the Seanad are to be held no later than 2021.

14.4 Views on Brexit

Enda Kenny outlines Irish concerns about Brexit

Ahead of the UK referendum in June 2016, the then *Taoiseach* Enda Kenny wrote an article for the *Guardian* in which he outlined why Ireland was fearful of the UK leaving the EU:

While I respect that the referendum on 23 June is one to be decided by the UK electorate alone, many Irish citizens living and working in Britain form part of that electorate. Ireland is also the UK's nearest neighbour and our relationship with Britain is closer than with any other EU member state.

Ireland has a unique perspective on the outcome of the referendum, given the close and multi-layered nature of our relationship with the UK. These ties find their political expression in the relationship between the two governments, and between the Irish government and the Northern Ireland executive, including through the north/south ministerial council and the British-Irish council. Crucially, for more than 40 years they have also been expressed through our common membership of the European Union.¹⁸³

He outlined the four main reasons why Ireland wanted the UK to stay in the EU:

¹⁸² [Seanad Éireann \(Ireland\)](#), Europa World online. London, Routledge. Retrieved 3 October 2018

¹⁸³ *The Guardian*, [Why Ireland is so fearful of our closest neighbour leaving the EU](#), Enda Kenny, 20 June 2016.

There are four main reasons why we want Britain to remain in the EU. There's the economy – we want to sustain our mutual economic growth. We trade around €1.2bn (£900m) of goods and services each week between our two countries. Anything that gets in the way of that flow of trade will add costs and be damaging. There are 200,000 jobs in Ireland and another 200,000 jobs in the UK that are directly supported by our trade. More people work in the UK for Irish food companies than work for Nissan in Sunderland. World-leading Irish employers such as Greencore, Kerry, Glanbia and ABP all employ more local UK workers today because they have the EU rights of free movement of labour, raw materials and their finished products, without the costs of tariffs or barriers.

There's the EU itself. The EU needs renewal and we need a strong UK at the table to help to drive the reform agenda that can help the union regain competitiveness and growth. The UK and Ireland are like-minded on EU matters, and the process of working together in Brussels has built an immense store of knowledge, personal relationships and trust between our governments. The prospect of this resource being diminished by the absence of the UK in Brussels is not welcomed by me or my government.

There is the relationship between Britain and Ireland. Preserving that strong relationship would be more challenging if the UK left the EU, including with regard to the common travel area, which allows for the passport-free movement of people between these islands.

And there's Northern Ireland. Our common membership of the EU provided an important backdrop to the Irish and UK governments working together to secure peace in Northern Ireland. The peace process was built by the people of this island coming together, and that will of course continue. When the Good Friday agreement was concluded 18 years ago, the detail of the negotiations and the agreement itself were brought about as a result of intensive engagement by the British and Irish governments in conjunction with the Northern Irish political parties. But often underestimated was the international support for the process, not least that of the European Union. The EU directly provides, and will continue to provide, much-needed funding to Northern Ireland – almost €3bn in the six years to 2020, helping the Northern Irish economy and supporting new sustainable jobs.

We share the UK's only land border with another EU member state. Those many thousands of UK visitors to Ireland in recent years know that the border between both parts of Ireland is barely visible. There is a seamless flow of people crossing that border.

If the UK's decision is to leave the EU, this will no longer be a border between two countries. It will be a border between the UK and the remaining 27 member states of the EU. It will be the EU's western boundary running from Derry to Dundalk.

New administrative arrangements could be worked out, but there is no possible version of such a development that would avoid extra costs to governments, to business, to consumers and to the convenience of tourists and citizens travelling between our two countries.

What is not easy to quantify and mitigate is the psychological effect of a hardening border on the island. My fear is that it would play into an old narrative – one of division, isolation and difference.

Our two governments and the great majority of people across these islands have worked in partnership to promote peace and reconciliation in Northern Ireland. In the process, British-Irish relations have been transformed. This was marked by the historic visit of Queen Elizabeth to Ireland in 2011 and the reciprocal first ever state visit to the UK by our head of state, President Michael D Higgins in 2014.

The re-establishment of a hard border on the island of Ireland would be a step backwards and present an opportunity for others, with malign agendas, to exploit for destructive purposes.

In stating the Irish government's position, we do so as a close neighbour of the UK, a European partner and a co-guarantor of peace in Northern Ireland. And as a friend. Our common membership of the EU provided an important external context to the Irish and UK governments working together for peace. It should not be discounted lightly.

Voters have many issues to weigh up and the Irish perspective may not be foremost in their calculations. I hope, however, that some consideration will be given to that perspective, and that everyone who has an interest in Ireland will reflect on how best to use their vote.

The Irish border issue

On 9 February 2017, Ireland's then Foreign Affairs Minister, Charlie Flanagan, met with Michel Barnier and the EP Brexit representative, Guy Verhofstadt. Flanagan said they had recognised the unique nature and special status of the UK-Ireland border – the EU's only land border with the UK. He also hit back at suggestions that Ireland's close relationship and shared history with Britain made it a weak link in EU27 unity, commenting: "We are firmly on the side of the EU-27".¹⁸⁴ He also pointed out that Northern Ireland had largely voted to remain and that its citizens qualified for Irish and therefore EU citizenship. He added: "We don't subscribe to the view that punishment should be exacted [on the UK]", but conceded: "I don't see any positives in the withdrawal from the EU of the UK, for the EU or for the UK".¹⁸⁵

In a *Newsnight* interview on 6 April 2017, Mr Flanagan said Brexit had been "a bad decision", but that the will and wishes of the British people had to be respected. The outcome of the Article 50 process should be "as close as possible a relationship between the European Union and the United Kingdom, albeit with the UK gone".¹⁸⁶

Both Enda Kenny and his successor as *Taoiseach* Leo Varadkar have been adamant that there should be no hard Irish border. After he had talks with Theresa May on 19 June 2017, Mr Varadkar said that while there would be a "political border" between the two countries, "there should not be an economic one and any border that does exist should be invisible".¹⁸⁷ But a

¹⁸⁴ *EurActiv*, [Ireland tells EU Brexit bosses 'we are firmly on your side'](#), 10 February 2017

¹⁸⁵ *Ibid*

¹⁸⁶ *BBC News Online*, [Brexit vote a 'bad decision', says Irish minister](#), 6 April 2017

¹⁸⁷ *BBC News Online*, [Leo Varadkar 'reassured' about DUP-Tory deal](#), 19 June 2017

week later, Varadkar said it would be practically and legally “extremely difficult” to find ways to maintain an open border with Northern Ireland after Brexit, even with the sympathy and goodwill of the EU behind it. He told a conference:

From my meetings in Brussels and elsewhere, there is a real understanding of the issues that are unique to Ireland, a sympathy for us and a lot of goodwill. But turning those into practical solutions that will be written in law is going to be extremely difficult ... The Irish issues, including avoiding an economic border, will not be easy to solve.

The level of uncertainty as to the outcome of the negotiations remains very high, and it's clear that Brexit is a fundamental economic risk for Ireland if it results in a permanent change to the rules of trade between our two countries.

We will make a strong case at the EU level that Ireland will require support that recognises Brexit as a serious disturbance to our economy, once we've a better understanding of what that disturbance is going to be.¹⁸⁸

In September 2017, at the third meeting between May and Varadkar, he praised Mrs May's commitment on the border, adding that the best way to achieve that was for the UK, including Northern Ireland, “to stay in some form of customs union and some form of single market with the European Union”.¹⁸⁹

Varadkar: frustration at lack of progress and fears of no deal

The Taoiseach has been frustrated by the failure of the two sides to find a solution to the Irish border issue. After a summit in Sweden in November 2017, in an interview with *Sky News*, Leo Varadkar's earlier rhetoric on the UK commitment was much less generous; he laid the blame for the impasse firmly on the UK Government:

I can't say in any honesty that it's close, either on the Irish issue of the financial settlement. Brexit is a British policy, it's also one that Britain has imposed on the rest of Europe.

It's causing enormous difficulties for the whole of Europe and Ireland in particular and to me it seems that after 40 years of marriage, most of them good, Britain wants a divorce and wants an open relationship that day after.¹⁹⁰

In May 2018 at an EU summit in Bulgaria, Mr Varadkar raised the prospect of the UK crashing out of the EU without a deal if “substantial progress” had not been made by June. The ‘backstop’ assurance was essential for any withdrawal agreement, but he had yet to see anything in writing from the UK Government. He continued:

¹⁸⁸ Reuters, [Turning goodwill into EU/UK border solution "extremely difficult" - Irish PM](#), 28 June 2017

¹⁸⁹ *The Irish Times*, [Taoiseach welcomes Theresa May's promise on Border](#), 25 September 2017

¹⁹⁰ *Sky News*, [Irish PM Leo Varadkar throws a spanner in Brexit works](#), 18 November 2017

If the UK wants to put forward alternatives ... we're willing to examine that. But we need to see it written down in black and white and know that its workable and legally operable. And we've yet to see anything that remotely approaches that.¹⁹¹

Mr Varadkar's mounting pessimism was evident in July 2018, ahead of a visit to Northern Ireland by Theresa May, when he commented that assumptions could not be made that a withdrawal agreement would get through Westminster.¹⁹² On 3 September 2018, before a visit to Ireland by US President Donald Trump, Leo Varadkar said he would use the opportunity to counter Mr Trump's initial reaction that Brexit was right for the UK, to explain why Brexit was bad for Europe and the US.¹⁹³

Brexit preparations

Ireland will be affected more than most others in the EU27 and its preparations have been extensive. The cost to the Irish economy of a no-deal Brexit, according to a Government commissioned report, would be around €18 billion.¹⁹⁴

After the UK vote the Irish Government announced a range of contingency plans to address the potential impacts of the withdrawal process.¹⁹⁵ These included prioritising British-Irish relations (but not at the expense of relations with the EU), Northern Ireland, trade, investment, North-South border impacts, competitiveness and macro-economic issues, research/innovation funding and energy.

In January 2017, the Irish Government said it was "acutely" aware of the possible risks to the Irish economy, but also of potential "economic opportunities", including in mobile investment:

Bids for the EU agencies currently located in London—the European Medicines Board and the European Banking Authority have already been announced and the State enterprise agencies are actively pursuing opportunities for increased investment, business and job creation in Ireland.¹⁹⁶

On 23 January 2017, the *Guardian* reported comments from Enda Kenny that Ireland wanted a special provision in any Brexit deal to allow Northern Ireland "ease of access" to rejoining the EU should the North be united with the Republic of Ireland.¹⁹⁷

¹⁹¹ *The Guardian*, [Irish PM warns UK could crash out of EU without Brexit deal if no progress soon](#), 17 May 2018

¹⁹² *The Guardian*, [Varadkar says Ireland is stepping up plans for no-deal Brexit](#), 18 July 2018

¹⁹³ *Daily Express*, [Varadkar vows to TEACH Trump about Brexit - 'I'll explain why he SHOULDN'T support it!'](#), 3 September 2018

¹⁹⁴ See also House of Lords European Union Committee 6th Report, 2016–17, HL Paper 76, [Brexit: UK-Irish relations](#), 12 December 2016.

¹⁹⁵ Department of the Taoiseach, *Irish Government Brexit Contingency Plans Announced*, 24 June 2016

¹⁹⁶ Department of the Taoiseach, [Government Statement on Brexit](#), 17 January 2017

¹⁹⁷ *The Guardian*, [Irish Leader Calls for United Ireland Provision in Brexit Deal](#), 23 February 2017

The Irish Government's [2018 National Risk Assessment – Overview of Strategic Risks](#) analysed a range of Brexit-related risks for Ireland and concluded:

While the Irish Government will continue to do all in its power on both a domestic and European front to work for a Brexit agreement in line with Irish interests, the risks to our interests, our trade, our economy at both the macro and micro level⁸, and our relationship with Northern Ireland, and the UK which could emerge from potential Brexits are manifold and significant, and it is likely that Brexit will remain one of the most significant risks facing this country over the coming years.

The Government is making contingency plans for a no-deal Brexit, including 1,000 customs and veterinary/agricultural inspectors by 2021.¹⁹⁸ Ireland has also been considering whether to relocate part of the emergency oil stocks that it stores at UK refineries back to Ireland or to other EU countries.¹⁹⁹ The Government was also reported to be drawing up plans to stockpile insulin, vaccinations and other medical supplies.²⁰⁰

Simon Coveney, Foreign Affairs Minister since June 2017 (and deputy-Prime Minister since November 2017), presented Brexit contingency plans to the Cabinet on 18 July 2018.²⁰¹ Speaking after the Cabinet meeting, Leo Varadkar said:

The key decisions are particularly focused on areas where the Government has direct responsibility and on measures that need to be taken on an East-West basis, such as customs and veterinary controls at ports and airports. The Government also reiterated its position today that it would not countenance a return of a border on the island under any circumstances, including in the event of a hard Brexit.²⁰²

Coveney confirmed that a “huge amount of work has been underway across Government and its agencies for many months”, and the Government would also be carrying out preparations “on an EU-wide basis, in cooperation with our EU partners”.²⁰³ The Government is holding public events and roadshows on Brexit. The Department for Foreign Affairs and Trade has a dedicated website called ‘[Getting Ireland Brexit Ready](#)’, which provides advice to citizens on travel, study and work in the UK after Brexit, and to businesses on loans and grants that are available to help with Brexit preparations.

¹⁹⁸ See *The Telegraph*, [Brussels warns EU countries: get ready for a no-deal Brexit](#), 19 July 2018; RTÉ, [1,000 new customs and veterinary inspectors to be hired](#), 20 July 2018.

¹⁹⁹ *Sunday Independent*, [Ireland set to remove oil reserves from Britain as Brexit deadline looms closer](#), 15 July 2018, and [Cabinet to move Irish oil reserve from UK](#), 15 July 2018

²⁰⁰ Irish World, [‘No deal’ will mean ‘no drugs’](#), 1 August 2018

²⁰¹ See RTÉ, [1,000 new customs and veterinary inspectors to be hired](#), 20 July 2018

²⁰² Irish Government News Service, [Cabinet Agrees Brexit Preparedness Measures](#), 18 July 2018

²⁰³ Ibid

Finance Minister Paschal Donohoe made several [announcements](#) in the Budget, “including investing 300m euros (£260m) in training schemes for sectors that could be hit by Brexit”.²⁰⁴ Open Europe reported in August 2018:

Other measures include setting up a new system on the Irish stock exchange to settle shares and securities, [lobby](#) the EU Commission to relax state aid rules, [offer](#) businesses a ‘Be Prepared’ grant of up to €5,000 and [making sure](#) Irish pensioners with a UK pension continue to receive it.²⁰⁵

In the *Oireachtas* on 4 October Deputy Maurice Quinlivan (Sinn Féin) asked the Minister for Foreign Affairs and Trade about contingency plans “for businesses for a situation in which the landbridge through Britain becomes unusable for Irish lorries travelling to and from the Continent”[30826/18]. Simon Coveney [replied](#) in some detail about the work of the Government’s Landbridge Project Group, concluding.

Our work on the landbridge must also include the possibility of a no-deal or worse-case outcome.

To this end, relevant Departments have now been tasked by the Government to roll out detailed Action Plans with a view to advancing, as appropriate, the mitigating measures which have been identified in the areas of their responsibility from the planning to the implementation phase. In line with this approach, the Government has already approved a number of key Brexit preparedness measures focused on East-West trade which will also take account of the continued use of the landbridge.

²⁰⁴ *BBC News*, Reality Check: What are EU countries doing to prepare for a no-deal Brexit? 6 November 2018

²⁰⁵ Open Europe, [The view from Brussels: How are the EU27 preparing for a ‘No Deal’ Brexit?](#) Pieter Cleppe, 30 August 2018

15. Italy

15.1 Key Facts

1. Government and Politics

Head of State: President Sergio Mattarella

Head of Government: Prime Minister Giuseppe Conte

Last election: Legislative, 4 March 2018

Next election: Legislative, 2023

2. Finance and Economy

GDP (2017): €1,736 billion (GDP per head: €28,700)

GDP average growth 2013-2017: 0.9%

GDP growth 2018 (interim forecast, July 2018): 1.3%

Net contribution to EU budget per head: +€67

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 3.1%

UK trade with Italy, 2017			
£ millions			
	Exports	Imports	Balance
Goods	10,365	18,562	-8,197
Services	8,504	5,448	3,056
Total	18,869	24,010	-5,141
Source: ONS Pink Book			

4. Views on EU

35% of Italians have a positive view of the EU (net positive: +12%)

27% of Italians agree that their voice counts in the EU (net voice counts: -39%)

36% of Italians trust the EU (net trust: -15%)

70% of Italians are in favour of free movement

56% of Italians feel like EU citizens

5. Italian nationals in the UK

297,000 (ONS estimate for Jan to Dec 2017)

15.2 Background

The Italian Constitution, established in 1948, provides for a system of perfect bicameralism in which the two houses of Parliament, the Chamber of Deputies and the Senate have identical legislative powers. Both are directly elected, although eligibility to vote and stand for the Senate is set at a [higher age threshold](#). The Senate also includes a small number of senators for life, comprising former Presidents of the Republic and up to five life senators appointed by the President.

The President of the Republic is a constitutional head of state elected for seven years by an electoral college comprising both houses of Parliament and 58 regional representatives. Executive power is exercised by the Council of Ministers (Government). The head of state appoints the President of the Council (Prime Minister) and, on the latter's recommendation, other ministers (enabling the President of the Republic to occasionally veto ministerial nominations). The Council is responsible to Parliament and needs majority support in both Houses.²⁰⁶

Both Houses of Parliament were initially elected by a system of proportional representation. There has been a series of changes to the electoral system since 1993 involving an initial move to a predominantly first-past-the-post system (with a proportional top up), and then changes to more proportional systems. The first change coincided with a corruption scandal that brought down the leading post-war party, the Christian Democrats (DC) and its government allies, leading to talk of a "Second Republic". The DC had held government office continuously, usually in coalition with smaller parties, since 1947, while the second largest party, the Italian Communist party (PCI), had been excluded from government.

From 1994 to 2013 Italy experienced a degree of alternation in government between a new centre-right bloc led by Silvio Berlusconi (incorporating his own *Forza Italia*, the regionalist-populist Northern League and the "post-fascist" National Alliance), and a centre-left bloc grouped around the Democratic Left (DS) party (which emerged out of the PCI), and then the Democratic Party (PD - a merger of the DS and centrist forces).

Italy was a founder member of NATO and the European Community. It has also been a member of the Eurozone since its launch.

Italy has been strongly affected by the global slowdown of 2008–09 and the ensuing sovereign debt crisis, following which it suffered a triple dip recession. Between 1999 and 2016 the average annual growth rate in Italy was zero. The current growth rate remains low and is predicted to be the lowest in the EU in 2018. Italian Government debt stands at 132% of GDP, the highest in absolute terms within the EU.

Italy is the main port of entry for irregular migration to the EU. Around 630,000 migrants and refugees arrived via the precarious Mediterranean Sea crossing from North Africa (and with many perishing at sea) between 2014 and 2017. Italian political leaders have complained about the lack of EU attention to and assistance in dealing with these arrivals. There has been a marked reduction in the number of arrivals since 2017, following an agreement which provides for Italian assistance to the Libyan authorities to prevent migrants making the crossing.

Previously one of the most Europhile countries in the EU, Euro-scepticism has increased in Italy, with analysts attributing this to the perceived impact of Euro membership and associated Eurozone rules, and a perception that

²⁰⁶ See [Constitution and Government \(Italy\)](#), Europa World online. London, Routledge. Retrieved 13 September 2018

Italy has been left to bear the brunt of the migration crisis without adequate assistance from its EU partners.

Although Italian opinion polls show low levels of confidence in the EU, there is still majority support for remaining in the EU and for continued participation in the Eurozone.

15.3 Current Government and recent political developments²⁰⁷

In 2013 the populist anti-establishment Five Star Movement became a leading electoral force at the national level (winning over 25% of the vote at its first general election). Its emergence has meant that neither the centre-left nor the centre-right coalitions have subsequently been able to command a parliamentary majority.

Following the 2013 election a grand coalition was initially formed, led by Enrico Letta of the centre-left PD and with the support of part of the centre-right (not including the Northern League). Although Silvio Berlusconi later withdrew support, a smaller centre-right grouping continued to support the government, enabling it to retain its majority.

Letta was replaced by Matteo Renzi, the new leader of the PD, in February 2014 but Renzi was forced to resign at the end of 2016 after his proposed constitutional reform²⁰⁸ was defeated in a popular referendum. His replacement, Paolo Gentiloni (previously Foreign Minister), remained as Prime Minister until June 2018.

In the general election in March 2018, the centre-right emerged as the leading coalition with 37% of the vote, and the Five Star Movement the leading party. The vote share for the DS fell from 27.4% to 18.8%. The League finished ahead of *Forza Italia* for the first time since the latter's foundation.

The League was formerly known as the Northern League, a regionalist movement calling for greater autonomy (sometimes independence) for the North of Italy. It has been rebranded as a national force by its leader since 2013, Matteo Salvini, stressing its anti-immigrant and anti-EU positions and using the slogan "Italians first".

Under Salvini's leadership the League has joined the far-right Europe of Nations and Freedoms group in the European Parliament. Salvini has called the Euro a "crime against humanity", said that Islam is incompatible with European values, and referred to a migrant "invasion" of Italy. He has blamed violence against migrants in Italy "on those who have filled it with illegal immigrants". Among the League's election campaign pledges, Salvini said that the League would implement a plan to deport 100,000

²⁰⁷ For a more detailed and referenced examination of the Italian government and recent political developments see House of Commons Briefing Paper 8357, [The New Italian Government](#), 29 June 2018.

²⁰⁸ The reform would have increased the executive powers of the government and reduced the powers of the Senate (ending the current model of perfect bicameralism).

undocumented migrants a year over five years. However, the League's previous calls to take Italy out of the Euro were played down.

The M5S has campaigned against political corruption and has made strong attacks against Italian and EU ruling elites. It espouses direct democracy and has previously called for a referendum on Italy's membership of the Eurozone. However, this pledge was dropped prior to the election. Unlike in 2013, the Five Star Movement (M5S) indicated it was willing to enter into coalition negotiations with other forces, and after a period of deadlock the League broke from its centre-right allies and, in May 2018, a coalition agreement was announced for a M5S-League government, with Giuseppe Conte as Prime Minister (a M5S nominee who had not been a candidate in the election).

The M5S-League Government

The coalition agreement indicated a more critical approach towards the EU, a tougher approach on migration involving the repatriation of failed asylum seekers and undocumented migrants, and an 'opening' to Russia (calling for Russia to be treated as a "partner" rather than a "threat").

On EU policy it called for a revision of Eurozone governance rules to give greater attention to the wider social and economic impact of policies, and a revision of the EU 'Dublin regulation' currently providing for asylum seekers to be returned to their first country of entry to the EU. This would involve a quota system reallocating asylum-seekers across the EU with all Member States obliged to host them.

Since taking office Prime Minister Conte and Finance Minister Giovanni Tria have asserted that an Italian exit from the Euro is not on the agenda. Conte has called for EU sanctions against Russia to be reviewed and supported President Trump's call (rejected by other G7 members) for Russia to be readmitted to the bloc.

Salvini, who combines the role of deputy Prime Minister with that of Interior Minister, has refused to allow a number of boats bringing migrants and refugees rescued in the Mediterranean to dock at Italian ports. Since taking government office he has stated that undocumented migrants should get ready to "pack their bags" and has also proposed a census of all Roma present in Italy, with those found to have irregular status expelled from Italy.

At the European Council on 28-29 June 2018, the new Government proposed a new EU system requiring each Member State to take a share of asylum-seekers, and docking EU funds from countries that refuse to do so. It was reported that Prime Minister Conte had initially blocked the adoption of the Council's conclusions until Italian concerns were addressed. However, agreement was eventually reached on a plan which would involve some Member States voluntarily taking asylum-seekers arriving in Italy.

The Government has however continued to threaten to withhold EU budget contributions without a shift in EU migration policy. It has also indicated that it will ask Parliament not to ratify the EU-Canada (CETA) trade agreement and similar treaties because they provide insufficient protection for Italian food products.

Salvini has made a number of disparaging remarks about French President Macron (who has been critical of Italy's approach to migration). In a joint press conference with Hungarian Prime Minister Victor Orbán in August, Salvini accused Macron of hypocrisy for "giving lessons" to other countries when France was preventing undocumented migrants from entering at the Italian border. Salvini also [said](#) he wanted to work with Orbán on a common agenda ahead of the 2019 European elections. However, M5S leader Luigi Di Maio (also deputy Prime Minister) criticised Orbán for rejecting EU migrant quotas, [suggesting](#) that Hungary and other countries that refuse an allocation of migrants should be denied EU funding.

In October 2018, the European Commission [requested](#) that the Italian Government revise its draft budgetary plan for 2019 (involving a budget deficit of 2.4%) as it did not comply with a previous fiscal recommendation by the Council of the EU and deviated from budgetary objectives set down within the EU Stability and Growth Pact. Prime Minister Conte [said](#) the plan would boost economic growth in Italy and there was no alternative to it. Salvini [said](#) that "Italy no longer wants to be a servant to silly rules" and [would not](#) subtract "one single euro" from the budget.

Results of the most recent Italian elections

President

To be elected President, a candidate must receive the support of at least two-thirds of the votes cast in the first three rounds of voting of the electoral college (the two chambers of parliament and 58 regional representatives), or a simple majority thereafter.

Sergio Mattarella, a former Christian Democrat Minister and member of the PD, was elected President in a fourth round of voting in January 2015.

General Election, 4 March 2018

Chamber of Deputies (*Camera dei Deputati*)²⁰⁹

Parties/Alliances	Constituency seats	Party list seats	Total seats	Vote Share
Centre-right coalition	111	154	265	37.0%
Northern League (Lega Nord)	49	75	124	17.4%
Go Italy (Forza Italia)	46	60	106	14.0%
Brothers of Italy (Fdi)	13	19	32	4.3%
Us with Italy (UdC)	3	—	3	1.3%
Five Star Movement (M5S)	93	134	227	32.7%
Centre-left coalition	28	94	122	22.8%
Democratic Party (PD)	21	91	112	18.8%
South Tyrolean People's Party (SVP)	2	2	4	0.4%
More Europe (+E)	2	1	3	2.6%
Popular Civic List (CP)	2	0	2	0.5%
Italy Europe Together (Insieme)	1	0	1	0.6%

²⁰⁹ [Chamber of Deputies \(Camera dei Deputati\) \(Italy\)](#), Europa World online. London, Routledge (retrieved 13 October 2018) and Italian Interior Ministry [data](#). There are discrepancies in seat allocations according to different sources consulted.

Free and Equal (LeU)	0	14	14	3.4%
Others**	0	2	2	
Total	232	398*	630	

* Including 12 seats reserved for overseas constituencies.

** Overseas party lists

Senate (*Senato*)²¹⁰

Parties/Alliances	Elective seats
Centre-right coalition	137
Northern League (Lega)	58
Go Italy (Forza Italy)	58
Brothers of Italy (Fdi)	16
Us with Italy (UdC)	5
Five Star Movement (M5S)	112
Centre-left coalition	60
Democratic Party (PD)	54
South Tyrolean People's Party (SVP)	3
More Europe (+E)	1
Popular Civic List (CP)	1
Italy Europe Together (Insieme)	1
Free and Equal (LeU)	4
Associate Movement Italians Abroad (MAIE)	1
South American Union Italian Emigrants (USEI)	1
Total*	315

* In addition to the 315 elected members, there were, as at April 2018, six life members.

15.4 Views on Brexit

Praise for the UK referendum

Matteo Salvini initially praised the Brexit vote and indicated that he wanted Italy to follow suit. In the hours following the confirmation of the UK referendum result in 2016, Salvini wrote on [Facebook](#):

Hooray for the courage of free citizens!!!. Heart, head and pride beat lies, threats and blackmail. Thank you UK. Now Europe will finally change. Now it is our turn.

Salvini said on the radio that it was a “beautiful day”, that it was time for Europe to free itself from an EU of bankers, and that it was a shame Italy’s “undemocratic” constitution forbade referendums on international treaties. In another [interview](#) he said the League was working to ensure that Italians were “not the last to abandon the sinking ship”, and that the League was proposing to change the Italian Constitution so that Italians could take a decision on EU membership.

²¹⁰ [Senate \(Senato\) \(Italy\)](#), Europa World online. London, Routledge. Retrieved 13 October 2018

Five Star was less celebratory in its response. However, M5S leader Luigi Di Maio [said](#) that the EU needed “to change, or otherwise die”. He was critical of the EU institutions:

The EU institutions and in particular the Troika (the IMF, ECB and European Commission) need to ask themselves how they have failed and how they can resolve the enormous problems they have created.

Five star founder Beppe Grillo stressed the importance of allowing the people to decide on such matters, referring to the signatures Five Star had collected in favour of a referendum on Italian membership of the Euro. In the days before the UK referendum Grillo had [said](#): “The mere fact that a country like Great Britain is holding a referendum on whether to leave the EU signals the failure of the European Union”.

Position of centre-left governments

The chapter on Italy in the [report](#) on EU27 positions published in October 2017 by the [Negotiating Brexit](#) project²¹¹ provides an overview of the positions taken by the Italian governments of Matteo Renzi and Paolo Gentiloni in the aftermath of the UK decision to leave the EU.

Professor Marco Brunazzo and Professor Vincent Della Sala of the University of Trento explain that the Renzi government presented the UK decision as an opportunity to push for major changes in EU institutions and policies, in order to convince the Italian public that EU policies could change “to meet Italian demands for greater solidarity in dealing with migration and stimulating economic demand; and that it can change with Italy playing a leading role”.

At the same time, the Italian Government position was also to remain united behind the line agreed by the European Council “even if this means a hard Brexit”, while hoping “that the divorce will be amicable and beneficial for everyone”. Both the Renzi and Gentiloni governments took the position that “a constructive rather than a punitive approach” should be taken in the negotiations.

Brunazzo and Della Sala explain that the Gentiloni government identified the most important area where Italian interests needed to be protected in the Brexit negotiations as protecting the rights of Italian nationals in the UK post-Brexit. Another important and related issue was ensuring respect for the rules of the Single Market if any State wanted to enjoy its benefits.

In a joint [press conference](#) with Theresa May following a meeting at Downing Street in February 2017, Prime Minister Gentiloni said the UK decision to leave the EU was one that Italy respected fully, although “we are aware of the fact that negotiations will not be easy”. He underlined that he did not favour a punitive approach towards the UK, but also stressed the importance of unity among the EU27 and reiterated the need to guarantee the rights of Italians in the UK:

²¹¹ Co-ordinated by Professor Hussein Kassim of the University of East Anglia, and Dr Simon Usherwood of the University of Surrey.

There is absolutely no point at having a destructive negotiation between the EU and the UK. So, obviously, we will do this in the hope of fostering the unity of the 27 countries, because, without the unity of the 27 countries it will be difficult to come to some agreement. We must ensure this unity will result in the best possible agreement with the UK.

We also have a very specific interest in reassuring our citizens, I'm thinking about the Italians that live in the UK and the British citizens that live in Italy, about the fact that their acquired rights will be respected and there will be reciprocity, so there will be very fair treatment.

Gentiloni also emphasised the importance of continued UK-Italian cooperation on international issues, including with regard to NATO, and issues such as Libya and the migration crisis in the Mediterranean.

The EU should not punish the UK

In February 2018, Five Star Movement leader Luigi Di Maio [said](#) the EU should stop punishing the UK for choosing Brexit. However, he also spoke of the need to “protect the hundreds of thousands of Italians currently living in the UK” and referred to the “advantages of being in the Single Market”:

Di Maio wanted the EU to “safeguard” its investments and “give continuity to the economic relationships”, which “must also be the case for the UK”.

Referring to Theresa May's speech in Florence in September 2017, Di Maio said he was pleased Mrs May had sought to reassure the Italian community in the UK and that the UK hoped to have future economic relations “that are increasingly advantageous”.

The new Italian Government

Following the March 2018 elections, a report in *The Daily Telegraph* suggested that both the League and Five Star would take a sympathetic approach to the UK in the Brexit negotiations, carrying quotes from both their leaders. Matteo Salvini told [The Daily Telegraph](#):

Great Britain is a friendly country with a long tradition of trading with Italy . . . You made a free choice with Brexit and I very much hope that it will be possible to maintain completely open trade with the EU without any penalties.

The Telegraph also reported that the League's economics chief, Claudio Borghi (a strong opponent of the Euro), had said that a League government would promote an open trade deal with the UK:

There will be no blind trust in what Germany wants. Punishment or anything of the kind would be sheer stupidity. We export more to the UK than we import back and we certainly don't want to hurt our own client.

In a speech to the Chamber of Deputies on 27 June outlining the Government's position on the European Council meeting the following day, Prime Minister Conte [said](#) that in Brexit talks Italy would seek to defend the rights of its citizens in the UK, but was also striving for “continuity” both in security policy and commercial ties.

In an [interview](#) with *The Sunday Times* in July 2018, Matteo Salvini reportedly advised Theresa May to adopt a tougher stance in the Brexit

negotiations, warned her that the EU may try to “swindle” the UK, and said she should be prepared to walk away without a deal: “Because on some principles there is no need to be flexible and you should not go backwards”.

He has continued to be critical of the EU in the Brexit negotiations, saying there was “no objectivity or good faith from the European side”. *The Sunday Times* reported him as saying Italy would be a friend to the UK in the Brexit talks and “definitely” wanted the UK Prime Minister to come away with a good deal “to serve as an example of the people coming out on top of the EU”.

Salvini said the UK referendum had been “an example of participation and freedom” and he hoped it could be “an opportunity for the British”. He added that the Italian government would welcome one-to-one talks with Mrs May.

More eurosceptic undertones came out in an interview with the BBC’s *Today programme* on 19 September 2018, coinciding with the Salzburg EU Leaders’ meeting, when Guglielmo Pichi, Under Secretary of State for Foreign Affairs, said the Italian Government thought the Chequers proposal was “a good one” and that it “would like to see more willingness on the EU side”. Asked about the warning previously issued by Matteo Salvini to Theresa May that the UK would need to stand firm with the EU “if not they will swindle you”, Mr Pichi agreed, stating:

Well it is exactly what happened to our government on migration, so yes it is the position that some governments have to take in the EU Council and in the EU in general that either you speak with a very loud voice or they will ignore you.

But Mr Pichi also made clear that any agreement on the future UK- EU relationship must be clear about the precise form this would take:

We should not allow to have a blind Brexit. We should have a clear path ahead so that the two-year transition period, even a 3 year transition period could be something necessary. I always remember that the EU is the biggest trading partner of the UK so it is in the interests of not only the governments but of the people of both side of the channel to have a clear way ahead.

Asked about the prospect of a no-deal Brexit, Mr Pichi thought there would be a deal “because it is the interest of both parties”.

In their chapter in an updated report from the Negotiating Brexit project published in October 2018²¹², Professors Brunazzo and Della Sala note that the new Italian Government has “not produced any cracks” in the united EU27 front, and has not taken any concrete measures “to be seen as standing alone in defence of Brexit”. They suggest that: “As with many other issues, there is always a distance between what leading ministers and party leaders say and what the government does”. The primary reason for this, they explain, is that the Italian Government is focused on “high stakes negotiation” with the EU on two issues that figure prominently on their domestic political agenda: migration and Eurozone rules on fiscal discipline.

²¹² [Negotiating Brexit: Where Now](#), 23 October 2018

Italy's commercial ties with the UK are therefore "not important enough to risk losing political capital on other issues". While coverage of the September 2018 Salzburg summit in the UK was focused on the EU27's rejection of the UK's Chequers proposals, in Italy it was focused on a failure to reach agreement on the migration question.

Brunazzo and Della Sala also refer to concerns about Italian isolation within the EU and the undesirability for the Conte Government of "losing the little influence it has on an issue such as Brexit that is not politically salient nor a priority for its electoral base". In this regard they point out that support for the EU and the Euro has actually increased in Italy since June 2016, "so Eurosceptics have to tread lightly and have little to gain in seeing negotiations with London end badly". Furthermore, the economic costs of Brexit for Italian exporters and industry have crept into public discussion in Italy, meaning that the Five Star-League Government "has tried to ensure that those interests, along with the costs to the EU budget and protection of Italian nationals, have priority over any ideological affinity towards what Brexit represents to Eurosceptics".

16. Latvia

16.1 Key Facts

1. Government and Politics

Head of State: President Raimonds Vējonis

Head of Government: Prime Minister Māris Kučinskis

Last election: Legislative, 6 October 2018

Next election: Legislative, October 2022

2. Finance and the Economy

GDP (2017): €39 billion (GDP per head: €20,100)

GDP average growth 2013-2017: 2.9%

GDP growth 2018 (interim forecast, July 2018): 3.3%

Net contribution to EU budget per head: minus €266

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 5.6%

UK trade with Latvia, 2017			
£ millions			
	Exports	Imports	Balance
Goods	247	557	-310
Services	161	146	15
Total	408	703	-295
Source: ONS Pink Book			

4. Views on EU

38% of Latvians have a positive view of the EU (net positive: +25%)

25% of Latvians agree that their voice counts in the EU (net voice counts: minus 40%)

49% of Latvians trust the EU (net trust: +14%)

95% of Latvians are in favour of free movement

74% of Latvians feel like a citizen of the EU

5. Latvian nationals in the UK

117,000 (ONS estimate for Jan to Dec 2017)

16.2 Background²¹³

Under the terms of the 1922 Constitution, which was restored in July 1993 and subsequently amended, Latvia is an independent democratic

²¹³ See [Latvia](#), Europa World online. London, Routledge. Retrieved 25 September 2018

parliamentary republic. Latvia's President is the head of state and the legislature is the unicameral *Saeima* (Parliament). The *Saeima* consists of 100 members, directly elected in multi-seat constituencies by proportional representation. Members serve four-year terms.

The President of Latvia is elected by a secret ballot of Parliament, also for a period of four years. On 20 September 2003, Latvia held a referendum on joining the EU. Voter turnout was 72% with two-thirds of Latvians voting in favour of joining.²¹⁴

Latvia acceded to the EU on 1 May 2004 and adopted the Euro on 1 January 2014.

16.3 Current Government and recent political developments

In both the 2011 and 2014 legislative elections, the pro-Russian *Saskana* (Harmony – Social Democratic Party) emerged as the largest party (winning 28.4% of the vote in 2011 and 23% in 2014). It is the main party of Latvia's Russian-speaking minority (26% of Latvian population are ethnic Russian).

Harmony has however been excluded from power, with governments in Latvia being formed of coalitions of conservative and liberal parties from the ethnic Latvian majority. The 2011 election was held just a year after the previous legislative election. This followed a referendum on the dissolution of the previous Parliament amidst allegations that it was obstructing anti-corruption investigations. Valdis Dombrovskis served as Prime Minister from 2009 until the end of 2013 and was appointed as a European Commissioner the following year. He was succeeded as Prime Minister by Laimdota Straujuma. Following the October 2014 election, Straujuma formed a new coalition government bringing together her own Unity grouping, the Union of Greens and Farmers and the conservative National Alliance.

Raimonds Vejonis of the Green Party was elected President on 3 June 2015 after five rounds of voting in the *Saeima*. Maris Kucinskis of the Union of Greens and Farmers took over as Prime Minister in February 2016, following Straujuma's resignation.

In the October 2018 election, Harmony was the leading party again, winning 19.8% of the vote despite a fall in its vote share. A new anti-establishment populist party, 'Who Owns the State'? (KPV LV) came second with 14.25%. Another new populist party, the New Conservative Party (JKP), led by a former member of the National Alliance, came third with 13.59%. An alliance of three liberal parties, 'Development/For!', came fourth with 12.04%. The three governing parties won less than 28% of the vote

²¹⁴ Election Guide, [Republic of Latvia referendum](#), 20 September 2003

between them. Since the election, President Vejonis has held government formation talks with the leaders of KPV, JKP and Development/For!.²¹⁵

In November 2018, talks on the formation of a new government to be led by JKP leader Janis Bordans broke down after three of the four other parties (For Development/For, NA and New Unity) involved withdrew. KPV LV was also involved in the discussions.

Results of the most recent Latvian elections

Parliament (*Saeima*)²¹⁶

General Election, 6 October 2018

Parties/Coalitions	Votes	% of votes	Seats
"Harmony" Social Democratic Party (SPDS)	167,117	19.80	23
Who Owns The State? (KPV LV)	120,264	14.25	16
New Conservative Party (JKP)	114,694	13.59	16
Development–For (LA-Par!)*	101,685	12.04	13
National Alliance (NA)	92,963	11.01	13
Union of Greens and Farmers Union (ZZS)**	83,675	9.91	11
Unity (Vienotība)	56,542	6.69	8
Others	102,060	12.71	0
Total***	839,000	100.00	100

* Comprising Kustība Par! (Movement For!), Latvijas Attīstībai (Latvia's Development) and Izaugsme (Growth).

** Primarily comprising the Latvijas Zaļā Partija (Latvian Green Party) and the Centriskā Partija Latvijas Zemnieku Savienība (Centre Party Latvian Farmers' Union).

*** Excluding invalid votes.

16.4 Views on Brexit

Brexit priorities

A section on Latvia in 'Europe's Brexit',²¹⁷ highlights concerns about the status of Latvian nationals in the UK and the significant contribution their remittances make to Latvian GDP, as well as Latvia's trading relationship with the UK (the UK being Latvia's eight largest trading partner and investor). But this is set against Latvia's links with the rest of the EU and the importance it attaches to EU membership. The unity of the EU27 has therefore been a primary concern for the Latvian government while Latvia's strong demographic links to the UK "mean that Riga took a hard line on citizens' rights as the Brexit negotiations approached". There was also a similar stance with regards to the UK's financial settlement with the EU, given the significant levels of funding Latvia receives from the EU budget.

²¹⁵ *Politico*, [Pro-Russian, populist parties garner most votes in Latvian election](#), 8 October 2018. See also See Foreign Policy Research Institute, [Why Latvian elections matter for Europe](#), 26 September 2018.

²¹⁶ [Parliament \(Saeima\) \(Latvia\)](#), Europa World online. London, Routledge. Retrieved 15 October 2018

²¹⁷ James Dennison, Ieva Grumbinaitė and Tim Oliver, "Baltic Member States: Estonia, Latvia and Lithuania" in Tim Oliver (ed), *Europe's Brexit – EU Perspectives on Britain's Vote to leave*, Agenda Publishing, 2018

Nevertheless, Latvia's desire to retain a UK commitment to the defence of the Baltic states means that the Latvian Government is more open to a continuing UK involvement in EU foreign, security and defence matters.

Prime Minister optimistic

On 3 February 2017, in an interview with *Sky News*, Latvia's Prime Minister Māris Kučinskis said the EU was looking for the best possible trade deal with the UK and that differences could be overcome:

What is most important is to think about a beneficial partnership (and) find an amicable solution to all of this.

There are negotiators who are taking care of the best possible deal for both sides so that's the top priority at the moment.

Every member state is looking to build the best possible trading relationship with the UK and I think that the whole union will also benefit from a strong trading relationship with the UK.²¹⁸

Later that month Mr Kučinskis met with David Davis. A Latvian Government press release stated that Latvia hoped for further good relations with the UK by strengthening bilateral cooperation and continuing to cooperate in multilateral formats. The statement added that Latvia was also interested "in close cooperation between the Baltic, Nordic countries and the United Kingdom, including within the framework of the Northern Future Forum".²¹⁹ With regard to the rights of citizens, they had "agreed that interests of the people who have left to work in the United Kingdom cannot be affected [by Brexit]".²²⁰ The press release concluded by highlighting the importance of trade between the UK and Latvia.

Foreign Minister emphasises citizens' rights

In an interview with the *Irish Times* in June 2017, Latvia's Foreign Minister, Edgars Rinkevics, expressed his hopes for an amicable resolution to the Brexit talks, emphasising the importance of citizens' rights: "We want a deal that is fair to both sides... and the status of EU nationals in the UK and UK nationals in the EU is very important to us, and it would be very sad if it became hostage to political games".²²¹

Rinkevics added there was "still a temptation to punish Britain in some quarters of the EU", and that there were signs of possible "naiveté" from the UK in imagining how good a deal it could get:

Some seem to think they can live as they did in the EU, taking all the benefits but not doing what they don't like – choosing opt-outs – which is not the case.

²¹⁸ *Sky News*, [UK-EU trade deal 'is possible' by end of Brexit negotiations](#), 4 February 2017

²¹⁹ Latvian Cabinet of Ministers, [M. Kučinskis and Brexit Minister agree on inviolability of interests of Latvia's residents working in UK](#), 21 February 2017

²²⁰ Ibid

²²¹ *Irish Times*, [Eastern Europe seeks soft Brexit to safeguard citizens, economies and security](#), 22 June 2017

We hope for a very pragmatic approach but the risks are increasing and, the more we get into the nitty-gritty, the more pessimism there is. The negotiations may change a lot, but Brexit is more complex and difficult than it seemed.²²²

Brexit high on the agenda

In February 2018 the Latvian Ministry of Foreign Affairs set out the EU issues of priority for Latvia in 2018. A section on “Other issues on the EU agenda that are important for Latvia in 2018” featured just one subject: Brexit. The policy stated:

Although sufficient progress was achieved in December 2017 in the first phase of talks on the withdrawal of the United Kingdom from the EU, complicated negotiations are expected in 2018 on several outstanding issues concerning the withdrawal, the possible transition period, and the framework for future relationship. No effort should be spared to ensure that the political agreements achieved are correctly reflected in Withdrawal Agreement between the UK and the EU in order to ensure legal certainty for citizens. It is vital for the 27 EU Member States to also maintain unity in the next phases of negotiations.

The United Kingdom is an important ally and international partner to Latvia: it is still in Latvia’s interests to also ensure close cooperation with the United Kingdom in the future, notably in trade, foreign policy, security and defence, as well as home affairs and justice.²²³

Later that month Latvia joined its fellow Baltic states in backing a proposal for EU Member States to pay more into the EU budget from 2020, to fill the gap left by Brexit.

Latvia worried about no deal

Ahead of talks with Jeremy Hunt in August 2018, Latvia’s Foreign Minister said the chances of the UK leaving the EU with a deal was only ‘50-50’, warning of a “very considerable risk” of Britain crashing out without an agreement. Edgars Rinkevics said:

We are at a very critical point. I believe that both the EU and UK need to have extra effort to reach some kind of deal by October because I believe it is in the best interests of both the EU and UK.

I think it is only now the British public and British government understand how complex, how difficult this kind of Brexit is, and that it is very difficult to build the future relationship.²²⁴

He too confirmed Latvia’s solidarity with the EU27:

From our point of view the EU is united as 27 [countries]. We are also satisfied to see that there is a more detailed position of the British government that constitutes good ground for really trying hard to

²²² Ibid

²²³ Ministry of Foreign Affairs of Latvia, [European Union issues of priority for Latvia in 2018](#), 6 February 2018

²²⁴ *The Independent*, [Brexit: Chances of UK leaving EU with a deal only '50:50', says Latvian foreign minister](#), 15 August 2018

reach a deal. So having said 50:50, I would say I am remaining optimistic.²²⁵

17. Lithuania

17.1 Key Facts

1. Government and Politics

Head of State: President Dalia Grybauskaitė

Head of Government: Prime Minister Saulius Skvernelis

Last election: Legislative, 9 and 23 October 2016

Next election: Presidential, due in 2019

2. Finance and the Economy

GDP (2017): €66 billion (GDP per head: €23,400)

GDP average growth 2013-2017: 2.9%

GDP growth 2018 (interim forecast, July 2018): 3.1%

Net contribution to EU budget per head: -€429

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 5.0%

UK trade with Lithuania, 2017			
£ millions			
	Exports	Imports	Balance
Goods	465	675	-210
Services	212	227	-15
Total	677	902	-225
Source: ONS Pink Book			

4. Views on EU

47% of Lithuanians have a positive view of the EU (net positive: +40%)

37% of Lithuanians agree that their voice counts in the EU (net voice counts: -15%)

66% of Lithuanians trust the EU (net trust: +47%)

94% of Lithuanians are in favour of free movement

78% of Lithuanians feel like a citizen of the EU

5. Lithuanian nationals in the UK

199,000 (ONS estimate for Jan to Dec 2017)

17.2 Background²²⁶

Lithuania's Constitution was approved in a national referendum on 25 October 1992. Supreme legislative authority resides with the unicameral

²²⁶ See [Lithuania](#), Europa World online. London, Routledge. Retrieved 25 September 2018

Seimas (Parliament), which has 141 members elected to serve a four-year term.

The President is the head of state. Executive power is vested in the Council of Ministers, headed by the Prime Minister, who is appointed by the President with the approval of Parliament.

On 10-11 May 2003, Lithuania held a referendum on joining the EU. Voter turnout was 63%, and 91% voted in favour of joining.²²⁷ Lithuania acceded to the EU on 1 May 2004 and adopted the Euro on 1 January 2015.

17.3 Current Government and recent political developments

President Dalia Grybauskaitė, Lithuania's head of state, was voted in as its first female President in May 2009. She was re-elected in May 2014 in a presidential run-off held amid widespread fears of a resurgent Russia. Ms Grybauskaitė, sometimes referred to as the 'Iron Lady', is a forthright free-marketier who describes former UK Prime Minister Margaret Thatcher as one of her political models.

Former national police chief Saulius Skvernelis became Prime Minister after his centrist Peasant and Green Union (LVZS) party won parliamentary elections in 2016. Mr Skvernelis formed a coalition with the Social Democrats of outgoing Prime Minister Algirdas Butkevicius, and promised to reduce social inequality, boost slow growth, limit emigration to Western Europe, and boost defence spending.

The LVZS had been a minor agrarian party led by farming tycoon Ramunas Karbauskis. It promoted Mr Skvernelis's reputation as a fighter against corruption and promised a more interventionist economic policy.

Results of the most recent Lithuanian elections

President²²⁸

Presidential Election, First Ballot, 11 May 2014

Candidates	Votes	% of votes
Dalia Grybauskaitė (Independent)	612,485	46.64
Zigmantas Balčytis (LSDP)	181,659	13.83
Artūras Paulauskas (DP)	160,139	12.19
Naglis Puteikis (LCP)	124,333	9.47
Valdemar Tomaševski (LLRA)	109,659	8.35
Artūras Zuokas (TAIP)	69,677	5.31
Bronis Ropė (LVŽS)	55,263	4.21
Total	1,313,215	100

Second Ballot, 25 May 2014

²²⁷ Election Guide: [Republic of Lithuania referendum](#), 10 May 2003

²²⁸ [President \(Lithuania\)](#), Europa World online. London, Routledge. Retrieved 3 October 2018

Candidates	Votes	% of votes
Dalia Grybauskaitė (Independent)	700,647	59.05
Zigmantas Balčytis (LSDP)	485,968	40.95
Total	1,186,615	100

Dalia Grybauskaite was duly elected President. The next presidential elections are due to be held in May 2019.

Legislative Assembly (*Seimas*)²²⁹

General Election, 9 and 23 October 2016

Parties and blocs	Seats		Total
	A*	B*	
Lithuanian Farmers and Greens Union (LVŽS)	19	35	54
Homeland Union (TS-LKD)	20	11	31
Social Democratic Party of Lithuania (LSDP)	13	4	17
Liberal Movement (LRLS)	8	6	14
Electoral Action of Poles in Lithuania – Christian Families Alliance (LLRA-KŠS)	5	3	8
Order and Justice Party (PTT)	5	3	8
Labour Party (DP)	0	2	2
Lithuanian Green Party (LŽP)	0	1	1
Lithuanian List (LS)	0	1	1
Lithuanian Centre Party (LCP)	0	1	1
Independent candidates	0	4	4
Total	70	71	141

* Of the 141 seats in the Seimas, 70 (A) are awarded according to proportional representation on the basis of party lists, and 71 (B) are elected in single-mandate constituencies.

17.4 Views on Brexit

Limited impact of Brexit?

Shortly after the UK referendum the *Economist Intelligence Unit* (EIU) reported that the impact on Lithuania (and other Baltic countries) would be limited. The EIU noted:

The governments of the three Baltic states of Estonia, Latvia and Lithuania are united in their regret at Britain's vote to leave the EU. The UK has long been seen as a close partner in managing EU-Russia relations as well as promoting an economically liberal agenda. The immediate reaction was one of disbelief, followed by fears that Brexit would have a negative economic effect on the region while also removing a prominent Russia hawk from the EU negotiating table. However, the Baltic states are now increasingly focused on the economic and political opportunities of Brexit.²³⁰

²²⁹ [Parliament \(Seimas\) \(Lithuania\)](#), Europa World online. London, Routledge. Retrieved 3 October 2018

²³⁰ *Economist Intelligence Unit*, [Impact of Brexit on Baltics will be limited](#), 1 July 2016

The report explained that Lithuania could benefit from the return of its migrants living in the UK, post-Brexit, and that there might also be further opportunities for Lithuanian representation in the EU institutions, possibly to fill high-level positions vacated by the UK.

Fears about the economy

Lithuania's main fears are of a negative economic effect on the region and the loss of the UK as an important Russia 'hawk'. The EIU stated:

Brexit touches upon both Baltic security fears and concerns about the future of European integration. The Baltic states fear that Brexit could set off a wave of potential "exits from the EU", votes that would strengthen Russia's hand in dealing with a more fragmented Europe. There are also concerns about the fact that the departure of the UK will mean the loss of a prominent hawk on policy towards Russia, which may give the more dovish states, such as France and Germany, increased influence in foreign and security policy-making.²³¹

On 15 December 2016, President Grybauskaitė referred to the UK as a very important economic and security partner. In light of this, and a shared approach on "a number of key foreign policy issues", a press release from the President's office stated that a model of cooperation between the EU and the UK had to be developed which would meet the interests of nationals of both parties.²³² Dalia Grybauskaitė also said that Lithuania would act to protect the interests of its citizens:

The most important thing is to ensure fundamental freedoms and guarantees: the free movement of persons, the right to work and health care, social guarantees, and a possibility to study and work in the UK.²³³

Optimism about a trade deal

Arriving for the December 2016 European Council summit, President Grybauskaitė was optimistic about prospects for a trade deal:

10 years? I hope it will be a lot less. I understand how difficult it will be for her [Theresa May] to negotiate because, of course, she will be negotiating practically against 27.

But having in mind that Britain is important from an economic and security point of view. I don't expect it [the negotiations] will be rivals, it will be... partners talking about British and EU relations for future.²³⁴

When David Davis met Saulius Skvernelis in Vilnius in February 2017, the Prime Minister had misplaced optimism that the Brexit process would run smoothly, because, unlike the EU-Canada free trade negotiations, "many

²³¹ Ibid

²³² President of Lithuania, [Lithuania will defend the interests of its people in Brexit negotiations](#), 15 December 2016

²³³ Ibid

²³⁴ *Daily Express*, ['It's in Europe's interests' to WORK with Britain: Theresa May shrugs off EU dinner snub](#), 15 December 2016.

things are already harmonized” and after Brexit, the “main things should remain as they are now”.²³⁵

Brexit priorities

Ahead of an EU27 meeting on 29 April 2017, President Grybauskaitė’s office issued a press release on Lithuania’s objectives for the Brexit negotiations. A priority was “to ensure that Lithuanian nationals living in the UK continue to enjoy non-discriminatory rights after Brexit”.²³⁶

As Lithuania woke up to the slow pace of negotiations, before a meeting in Tallinn in September 2017 the President warned that the negotiations were “a little bit behind schedule” and that EU leaders needed to acknowledge they were probably “already facing the need for a transitional or additional period for Brexit”.²³⁷

On 4 July 2018, after a meeting with Michel Barnier, President Grybauskaitė issued a press release on Brexit:

Everybody would lose in case of uncontrolled Brexit. Therefore, faster progress is needed in Brexit negotiations in addressing the remaining issues of the U.K.’s withdrawal and establishing a model of future relations that is favorable for both parties.

For Lithuania, it is paramount to preserve defense and trade relations with the United Kingdom in the future. Despite Brexit, the United Kingdom will remain our NATO ally with which we will continue enhancing regional and transatlantic security. Nevertheless, it is important to preserve cooperation on security at the EU level as well. High-principled United Kingdom’s position on sanctions to Russia, accumulated experience in fighting against propaganda, cyber-attacks and other hybrid threats is necessary for the entire Europe.

With the risk of transatlantic trade wars ongoing, it is topical for both parties to achieve the most extensive free trade agreement. The United Kingdom is the seventh largest export market of Lithuania; therefore, avoiding trade barriers with the United Kingdom is in the economic interests of Lithuania.²³⁸

After the Salzburg summit in September 2018 the President commented on the negotiations: “At this stage, it’s a standstill. There is no progress”.²³⁹

²³⁵ Algirdas Acus, [Brexit minister in Vilnius](#), Lithuanian National Radio and Television (LRT), 22 February 2017

²³⁶ President of the Republic of Lithuania, [Lithuania's interests included in Brexit negotiation guidelines](#), 29 April 2017

²³⁷ *Financial Times*, [Lithuania president says Brexit talks ‘a little bit behind’](#), 29 September 2017

²³⁸ President of Lithuania, [Brexit negotiations need faster progress](#), 4 July 2018

²³⁹ *Reuters*, [No progress seen after May speech on Brexit - Lithuania, Slovakia](#), 19 September 2018

18. Luxembourg

18.1 Key Facts

1. Government and Politics

Head of State: HRH Grand Duke Henri

Head of Government: Prime Minister Xavier Bettel

Last election: Legislative, 14 October 2018

Next election: Legislative, October 2023

2. Finance and the Economy

GDP (2017): €45 billion (GDP per head: €75,800)

GDP average growth 2013-2017: 3.5%

GDP growth 2018 (interim forecast, July 2018): 3.5%

Net contribution to EU budget per head: -€2,536

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 13.1%

UK trade with Luxembourg, 2017			
£ millions			
	Exports	Imports	Balance
Goods	187	339	-152
Services	2,774	2,320	454
Total	2,961	2,659	302

Source: ONS Pink Book

4. Views on EU

54% of Luxembourgish have a positive view of the EU (net positive: +41%)

52% of Luxembourgish agree that their voice counts in the EU (net voice counts: +12%)

56% of Luxembourgish trust the EU (net trust: +25%)

89% of Luxembourgish are in favour of free movement

93% of Luxembourgish feel like a citizen of the EU

5. Luxembourgish nationals in the UK

1,000 (ONS estimate for Jan to Dec 2017)

18.2 Background

Luxembourg's independence was affirmed under the First Treaty of London in 1839, when it joined the German Customs Union (*Zollverein*), to counter French and Belgian influence. To prevent war between Prussia and France over the political status of Luxembourg, its independence and neutrality were reaffirmed under the Second Treaty of London in 1867. Luxembourg remained a member of the German Customs Union until 1919. The King of

the Netherlands continued as head of state of Luxembourg until 1890, when the Dutch throne passed to his daughter, while he was succeeded as Grand Duke of Luxembourg by Adolphe I, the last Duke of Nassau.

The Constitution dates back to 1868, but in 1919 a constituent assembly introduced some important changes, declaring that sovereign power resided in the nation, that all secret treaties were denounced and that deputies were to be elected by a list system by proportional representation on the basis of universal adult suffrage.

Luxembourg is a hereditary and constitutional monarchy. Legislative power is exercised by the unicameral *Chambre des Députés* (Chamber of Deputies), with 60 members elected by universal adult suffrage for five years (subject to dissolution). Some legislative functions are also entrusted to the advisory *Conseil d'Etat* (State Council), with 21 members appointed for life by the Grand Duke; however, decisions made by this body can be overruled by the legislature.

Executive power is vested in the Grand Duke, but is normally exercised by the Council of Ministers, led by the President of the Government (Prime Minister). The Grand Duke appoints ministers, who are responsible to the legislature.

Luxembourg is divided into 12 cantons and 102 communes; the district level of government (comprising the three former districts of Luxembourg, Diekirch and Grevenmacher) was abolished in October 2015. City status is held by 12 of the communes, the largest of which is the city of Luxembourg.

Luxembourg has the [highest](#) GDP per capita in the EU (253% of the EU average).

After the Second World War Luxembourg became a founder member of the United Nations in 1946, NATO in 1949, the European Community in 1957, and later Schengen and the Euro.

18.3 Current Government and recent political developments

In the wake of the revelation in July 2013 of a scandal involving illegal telephone recordings made by the *Service de Renseignement de l'Etat Luxembourgeois* (SREL- the State Intelligence Service), the LSAP (Socialist Workers' Party of Luxembourg) withdrew its support for Prime Minister Jean-Claude Juncker. A parliamentary inquiry found that he had failed adequately to supervise the SREL and inform the Chamber of Deputies of the Service's alleged past misdeeds. The inquiry demanded a fresh election. Juncker, while denying any wrongdoing on his part, submitted his resignation on 11 July after more than 18 years in office. An early general election (the first such since the 1960s) was called for 20 October.

Following the election, which attracted a turnout of 85%, the CSV (Christian Social People's Party) representation in the legislature declined to 23 seats, while the LSAP retained 13 seats, the DP (Democratic Party) tally rose to 13 and *Déi Gréng* (the Greens) secured six.

Luxembourg's first liberal administration for decades was appointed in early December 2013 in the form of a coalition led by the DP, supported by the LSAP and the Greens. The new Government was headed by the leader of the DP and mayor of the city of Luxembourg, Xavier Bettel. The LSAP's Étienne Schneider became Deputy Prime Minister (as well as taking on the economy, internal security and defence portfolios).²⁴⁰

Bettel's coalition looked set to remain in power following the general election on 14 October 2018. The three governing parties together won 31 of the 60 seats in the Chamber of Deputies, compared to 32 in 2013. The CSV remained the largest party, although its vote share fell to 28.31% (from 33.7% in 2013). Of the governing parties, the DP and LSAP also saw their vote share decline, while the Greens increased their vote share from 10.1% to 15.1%.²⁴¹

Results of the most recent elections

Chamber of Deputies²⁴²

General Election, 14 October 2018

Party	Vote share	Seats
Christian Social People's Party (CSV)	28.31%	21
Luxembourg Socialist Workers' Party (LSAP)	17.60%	10
Democratic Party (DP)	16.91%	12
The Greens (Déi gréng)	15.12%	9
Alternative Democratic Reform Party (ADR)	8.28%	4
Pirate Party Luxembourg (Piraterpartei Lëtzebuerg)	6.45%	2
The Left (Déi Lénk)	5.48%	2
Communist Party of Luxembourg (KPL)	1.27%	0
Party for Complete Democracy (PID)	0.29%	0
Total		60

18.4 Views on Brexit

Finance Minister Gramegna: good relations with UK essential

One of the most vocal members of the Luxembourg Government on Brexit is Finance Minister Pierre Gramegna. At a lecture at the LSE on 22 October 2017, he said:

I think that it is key for Europe – and I mean Europe with the UK – that the number one financial centre in the world remains in Europe. And in order to achieve that, we must make sure that we harness the City of London to Europe, to the continent. ... And by doing so we will make sure that London can continue to perform well. ... We want a co-operative approach with London as a financial centre... My guess

²⁴⁰ [Domestic Political Affairs \(Luxembourg\)](#), Europa World online. London, Routledge. Retrieved 4 July 2018

²⁴¹ *Politico*, [Xavier Bettel: His government 'confirmed' after Luxembourg vote](#), 15 October 2018.

²⁴² [Chamber of Deputies \(Luxembourg\)](#), Europa World online. London, Routledge. Retrieved 5 November 2018

is that in many areas we might be able with no deal to weaken London. But it is not the European financial centres that are going to benefit from it. It is going to be others outside the EU and what we are going to see London drift away into the Atlantic.

After an interview on [CNBC](#) on 2 May 2018 he said:

We've been discussing the issue of Brexit and concurring on the fact that it is good and it is also high time that we address the future relationship between the United Kingdom and the EU27 and these discussions have started now.

It's a good sign that the European Central Bank and the Bank of England announced that they're going to have a technical group coming together to really look into the impact of Brexit on financial services.

On markets, there's a lot to discuss and it's in the interest of both sides that we ensure financial stability and we protect the customers, so this is a good evolution. I think the British side and in fact, Minister Hammond himself has put alignment on the table as a possibility.

On the EU side we are exploring the possibility of an enhanced equivalence and as another way of reaching smart results in the end and avoid a cliff edge that would be bad for both sides. So I think a lot of work needs to be done, also at a technical level.

And we must also avoid that after Brexit or because of Brexit we're going to ring-fence the EU single market. We need to have a relationship that has some openness.

Prime Minister Bettel: Brexit is 'damage limitation'

Prime Minister Xavier Bettel has also been outspoken on Brexit. In November 2016 Mr Bettel questioned the idea of an interim or transitional deal:

What would interim mean? [...] That we are going make a hybrid status now? Either you're a member or you're not a member of the European Union ... There is no in-between status, there is no hybrid status between the two.²⁴³

In January 2018 he was reported as being more flexible than other governments on offering the UK a bespoke deal. While he supported the principle of 'no cherry-picking', he thought the EU "should refrain from an orthodox or binary thinking". His "top priority would be to limit the negative impact for both sides. Pragmatism will be needed in these negotiations on both sides".²⁴⁴

More recently, on 7 March 2018, he [referred](#) to Brexit as a "damage-limitation exercise ... Both sides will be losing. Minimizing the losses and limiting the negative impacts as much as possible ... is the challenge we all face around the table".

²⁴³ Whitehouse Consultancy, [Project Brexit](#) study, 2017

²⁴⁴ Ibid

On 29 June 2018 at the June European Council Summit, Mr Bettel [said](#) no deal would be worse for the UK than for the EU, but that “We shouldn’t have escalation on who will be the biggest loser in this”.

Brexit priorities

The Whitehouse Consultancy, as part of its [Project Brexit](#) study, identified the following as Luxembourg’s Brexit priorities:

As a founding father of the European Union, Luxembourg is known to be a pro-European country, which in the negotiations will seek a united European approach and avoid other countries leaving the bloc. Due to its favourable tax system, Luxembourg in the past has attracted many companies to make the move to Luxembourg. As the UK wants to leave the single market, it might seek to become the EU’s new financial hub, which could prompt companies to leave London to move to a more stable economic environment in Luxembourg.

To protect its own financial centre – which manages over \$400 bn in assets – one of Luxembourg’s main priorities will be to ensure that there are mutually agreed regulatory standards that maintain competitiveness among businesses and guarantee financial services can continue to access the EU market.

For a more in-depth analysis, the University of East Anglia – in conjunction with other organisations – published a report in 2017 on what the UK’s partners want from the Brexit negotiations. This includes a section on Luxembourg: [Brexit through the Eyes of Luxembourg](#).

19. Malta

19.1 Key facts

1. Government and Politics

Head of State: President Marie-Louise Coleiro Preca

Head of Government: Prime Minister Dr Joseph Muscat

Last election: Legislative, 03 June 2017

Next election: Legislative, due 2022

2. Finance and the Economy

GDP (2017): €13 billion (GDP per head: €28,700)

GDP average growth 2013-2017: 7.3%

GDP growth 2018 (interim forecast, July 2018): 5.4%

Net contribution to EU budget per head 2017: -€233

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 21.3%

UK trade with Malta, 2017			
£ millions			
	Exports	Imports	Balance
Goods	403	111	292
Services	394	874	-480
Total	797	985	-188

Source: ONS Pink Book

4. Views on EU

50% of Maltese have a positive view of the EU (net positive: +41%)

53% of Maltese agree that their voice counts in the EU (net voice counts: +15%)

52% of Maltese trust the EU (net trust: +23%)

78% of Maltese are in favour of free movement

82% of Maltese feel like a citizen of the EU

5. Malta nationals in the UK

9,000 (ONS estimate for Jan to Dec 2017)

19.2 Background²⁴⁵

Malta, a UK Crown Colony since 1814, became an independent sovereign state within the Commonwealth in 1964. On 13 December 1974, the Independence Constitution of 1964 was substantially amended to bring into

²⁴⁵ See [Malta](#), Europa World online. London, Routledge. Retrieved 5 October 2018

effect a republican constitution under the terms of which Malta became a democratic republic within the Commonwealth.

The new Constitution replaced the office of Governor-General with that of President, to be appointed by resolution of the Parliament, the House of Representatives, for a five-year term. The President appoints the Prime Minister and on his/her advice the other ministers, the Chief Justice, the judges and the Attorney-General.

The normal term of the House of Representatives is five years. The Labour Party and the Nationalist Party are the dominant political parties.

Malta acceded to the EU in May 2004 and adopted the Euro in January 2008.

19.3 Current Government and recent political developments²⁴⁶

On 1 May 2017, Prime Minister Muscat called an early general election, claiming that recent financial allegations linked to the 'Panama Papers' risked undermining the economy. At the elections on 3 June, the ruling *Partit Laburista* lost one seat to secure a total of 37 and the *Partit Nazzjonalista* won 30. Muscat described the result as a vindication for his administration.

Results of the most recent Maltese elections

House of Representatives²⁴⁷

General Election, 3 June 2017

Party	Votes	% of votes	Seats
Partit Laburista (Labour Party)	170,976	55.04	37
Partit Nazzjonalista (Nationalist Party)*	135,696	43.68	30
Alternattiva Demokratika (Green Party)	2,564	0.83	0
Others	1,429	0.46	0
Total	310,665	100	67**

* Including the Partit Demokratiku, which won two seats.

** There are 65 constituency seats. A variable number of seats are subsequently allocated to ensure proportionality with the first-preference votes cast in the election. Two seats were awarded to the Partit Nazzjonalista following the 2017 election.

19.4 Views on Brexit

Brexit - good and bad for Malta

The Whitehouse Consultancy [profile](#) of EU27 positions on Brexit summarised Malta's priorities as follows:

As a member of the Commonwealth Malta has a long history with the UK. Therefore, the countries' ties are strong and Malta will be losing

²⁴⁶ Ibid

²⁴⁷ [House of Representatives \(Malta\)](#), Europa World online. London, Routledge. Retrieved 5 October 2018

a strong ally in the EU when the UK leaves. However, Malta also sees opportunities in Brexit. As English is widely spoken and the country has a favourable business climate, Malta will be looking to attract companies that are currently based in London and want to move to an EU country to open subsidiaries. Firms dealing with financial services are of particular interest to Malta, as these could really boost its economy.²⁴⁸

Malta's Minister for European Affairs Louis Grech said in September 2016 that while Malta regretted the UK's decision, it was determined to continue to have "excellent bilateral relations on many fronts"; also that "both countries knew that there would be consequences to the exit of the UK from the European Union, but the UK will always have a strong relationship with the EU".²⁴⁹

In October 2016 the Minister for Home Affairs and National Security, Carmelo Abela, stated that the "excellent relations" between Malta and the UK in home affairs and defence would be further strengthened "irrespective of the decision taken by the British people to relinquish their EU membership".²⁵⁰

Maltese EU Presidency warning to UK

In January 2017, at the beginning of Malta's Presidency of the EU, Prime Minister Joseph Muscat emphasised the EU position that the UK could not expect a better deal outside the EU than inside:

We are saying two things: that we want a fair deal, but that fair deal needs to be inferior to membership. Honestly, I cannot see a situation where someone gets out of a club and then expects that the new relationship is even better than being a member.

The new relationship might be better for that country on the global aspect, because it might be freer to have different relationships with other parts of the world, and more flexibility, but you cannot imagine a situation where you leave a club, you leave Europe and you expect Europe to give you a better deal than the one you had.

Muscat compared the EU to a sports club in terms of the benefits which an ex-member might expect to be granted, referring to such membership as "an inferior type of relationship". He stressed the unity of the EU27 on this point, stating: "We need to stick together. I see an extremely united front".

More recently, Prime Minister Muscat has also said that the EU is almost unanimous in wanting the UK to hold a second referendum.²⁵¹

Remember the European Parliament

²⁴⁸ The Whitehouse Consultancy, [Project Brexit: What do other countries think? – Malta](#)

²⁴⁹ Government of Malta press release, [Ministry for European Affairs and Implementation of the Electoral Manifesto](#), 28 September 2016.

²⁵⁰ Government of Malta press release, [Ministry for Home Affairs and National Security](#), 1 October 2016.

²⁵¹ *Times of Malta*, Muscat: [Almost all EU leaders would like a second Brexit referendum](#), 20 September 2018

Mr Muscat expressed concerns about the ratification of an eventual UK-EU agreement, particularly the need to keep the European Parliament on board:

People are focusing too much on divisions between member states which at this point I don't see.

My main concern is the role of the European parliament. It has to have a role which does not underestimate it. If we keep to the ambitious timetable and all goes according to plan it will still need parliament to endorse this in the runup to the next European parliament election in May 2019. And I think this is the worst time.

For different reasons there might be a cross-party alliance some members of which would want to punish the UK, some who would just want to trip up Europe, and others who think this deal is not European enough. I fear an unholy alliance that could be tempted to scupper it.²⁵²

The EU would welcome another UK referendum?

In an interview with the BBC *Today Programme* on 20 September 2018, the second day of the Salzburg meeting, Mr Muscat said EU leaders would probably welcome another referendum in the UK:

My experience so far within the context of the European Council is that irrespective of one's political allegiances, there is a lot of respect [for the UK's decision]. Having said that there is a unanimous or almost unanimous point of view around the table that we would like the almost impossible to happen that the UK has another referendum.

I think most of us would welcome a situation where there is the possibility of the British people putting things into perspective, seeing what has been negotiated, seeing the options and then deciding once and for all.²⁵³

Brexit preparations

The Government has set up a Brexit task force which includes the Opposition to coordinate Malta's Brexit preparations. The *Times of Malta* reported:

Dr Muscat said the government did not want to be fatalistic about Brexit, but was already preparing for worst case scenarios.

"Even in the worst possible case, our health agreement with the UK will remain," he said, adding that Malta was not only an EU member state, but also a member of the Commonwealth.

The Customs Department, Dr Muscat said, was among the most prepared to deal with a Brexit, and so he was confident in its ability to manage such a transition.²⁵⁴

²⁵² *The Guardian*, [No special favours for UK in Brexit deal says Malta Prime Minister](#), 29 January 2017

²⁵³ *The Independent*, [EU leaders call for UK public to have final say on Brexit outcome with new referendum](#), 20 September 2018

²⁵⁴ *Times of Malta*, [Muscat confident of post-Brexit agreement between Malta and the UK](#), 23 October 2018

20. Netherlands

20.1 Key facts

1. Government and Politics

Head of State: HM King Willem-Alexander

Head of Government: Prime Minister Mark Rutte

Last election: Legislative, 15 March 2017

Next election: Legislative, March or May 2021

2. Finance and Economy

GDP (2017): €658 billion (GDP per head: €38,400)

GDP average growth 2013-2017: 2.1%

GDP growth 2018 (interim forecast, July 2018): 2.8%

Net contribution to EU budget per head: +€201

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 14.1%

UK trade with the Netherlands, 2017			
£ millions			
	Exports	Imports	Balance
Goods	22,043	40,680	-18,637
Services	17,003	6,251	10,752
Total	39,046	46,931	-7,885
Source: ONS Pink Book			

4. Views on EU

42% of Dutch citizens have a positive view of the EU (net positive: +19%)

55% of Dutch citizens agree that their voice counts in the EU (net voice counts: +15%)

50% of Dutch citizens trust the EU (net trust: +8%)

85% of Dutch citizens are in favour of free movement

70% of Dutch citizens feel like EU citizens

5. Dutch nationals in the UK

97,000 (ONS estimate for Jan to Dec 2017)

20.2 Background

The Netherlands is a constitutional and hereditary monarchy. In April 2013, King Willem-Alexander succeeded his mother Beatrix as monarch after she abdicated, ending a 33-year reign.

Executive power is exercised by the Council of Ministers, which is led by the Prime Minister and is responsible to the *Staten-Generaal* (States-General - Parliament).

Legislative power is held by the bicameral *Staten-Generaal*. The *Eerste Kamer* (First Chamber) or *Senaat* (Senate) has 75 members and is indirectly elected for four years by members of the 12 Provincial Councils. The *Tweede Kamer* (Second Chamber) or House of Representatives comprises 150 members and is directly elected by universal adult suffrage for four years (subject to dissolution) on the basis of proportional representation.²⁵⁵

The Netherlands was a founder member of the European Community, Schengen and the Eurozone.

20.3 Current Government and recent political developments

In the March 2017 elections Mark Rutte's conservative *Volkspartij voor Vrijheid en Democratie* (VVD, People's Party for Freedom and Democracy) was the leading party with 21% of the votes, followed by Geert Wilders' right-wing populist *Partij voor de Vrijheid* (PVV, Party for Freedom) with 13%. The other leading parties had declared they would not enter a coalition with the PVV.

A new centre-right four-party coalition was sworn in in October 2017, 225 days after the election. This comprised the VVD, *Christen Democratisch Appèl* (CDA, Christian Democratic Appeal), *ChristenUnie* (CU, Christian Union) and *Democraten 66* (D66, Democrats 66).

Results of the most recent Dutch elections

Elections to the bicameral legislature, the *Staten Generaal*.

First Chamber (*Eerste Kamer*)

Election, 26 May 2015

Party	Seats
People's Party for Freedom and Democracy (VVD)	13
Christian Democratic Appeal (CDA)	12
Democrats 66 (D66)	10
Socialist Party (SP)	9
Party for Freedom (PVV)	9
Labour Party (PvdA)	8
Green Left (GL)	4
Christian Union (CU)	3
Party for the Animals (PvdD)	2
Reformed Political Party (SGP)	2
50Plus (50+)	2
Independent	1
Total	75

²⁵⁵ [Constitution and Government \(The Netherlands\)](#), Europa World online. London, Routledge. Retrieved 5 September 2018

Second Chamber (*Tweede Kamer*)

General Election, 15 March 2017

Party	Votes	%	Seats
People's Party for Freedom and Democracy (VVD)	2,238,351	21.29	33
Party for Freedom (PVV)	1,372,941	13.06	20
Christian Democratic Appeal (CDA)	1,301,796	12.38	19
Democrats 66 (D66)	1,285,819	12.23	19
Green Left (GL)	959,600	9.13	14
Socialist Party (SP)	955,633	9.09	14
Labour Party (PvdA)	599,699	5.7	9
Christian Union (CU)	356,271	3.39	5
Party for the Animals (PvdD)	335,214	3.19	5
50Plus (50+)	327,131	3.11	4
Reformed Political Party (SGP)	218,950	2.08	3
Think (Denk)	216,147	2.06	3
Forum voor Democratie (FvD)	187,162	1.78	2
Others	161,327	1.53	0
Total	10,516,041	100	150

20.4 Views on Brexit

Brexit – a shock for the EU and a great cost to the Netherlands

On 5 July 2016 Prime Minister Mark Rutte was shocked and pessimistic about Brexit in a speech to the European Parliament:

Brexit has created a shockwave, and we don't yet know exactly what the consequences will be. We are in uncharted territory. And we must be honest: even if we find the perfect way to handle this 'divorce', our problems won't simply melt away.²⁵⁶

In April 2017 David Davis met with Dutch Foreign Minister Bert Koenders, who stressed that although the UK had decided to leave of its own accord, the Netherlands “wishes to continue working closely with the UK, in so far as its departure from the EU allows”.²⁵⁷

The UK is one of the Netherlands' biggest trading partners and a report by CPB Netherlands Bureau for Economic Policy Analysis calculated that Brexit could cost the Netherlands €10 billion.²⁵⁸ The Netherlands are committed to the principle that there can be no 'cherry picking' on the UK's part when it comes to access to the Single Market.²⁵⁹

²⁵⁶ Government of the Netherlands, [Address by Prime Minister Mark Rutte of the Netherlands to the European Parliament in Strasbourg](#), 5 July 2016

²⁵⁷ Government of the Netherlands, [Koenders promotes interests of Dutch nationals living in UK in Brexit meeting with David Davis](#), 28 April 2017

²⁵⁸ CPB Netherlands Bureau for Economic Policy Analysis, [Brexit costs for the Netherlands arise from reduced trade](#), June 2016

²⁵⁹ Government of the Netherlands, [Koenders responds to Brexit notification: 'Keep calm, be realistic and negotiate'](#), 29 March 2017

A speech by Foreign Affairs Minister Stef Blok to EU Ambassadors on 16 May 2017 reiterated the Dutch Government's view that Brexit was not to be welcomed and it should not disadvantage the EU27:

...it's a decision I regret deeply. I believe it's bad for the UK, bad for the EU and bad for the Netherlands. But we must respect it. The focus now must be on minimising the pain. Because there will be pain, for all of us. So we need to ensure the exit process is as civilised, orderly and fair as possible.

But if I may: there is also a silver lining to this unlucky event. The realisation, in 27 other capitals: 'let's not try this at home.' Coupled with a sense of urgency: we need to make it work for the remaining 27. Recommit, in solidarity. But above all: responsibly.²⁶⁰

British expats in the Netherlands appeal to court

In January 2018 a case was taken to the Amsterdam District Court by five British nationals living in the Netherlands and supported by the group [Brexpats – hear our voice](#) (BHOV). The group argued that their EU citizenship should not be removed after the UK leaves the EU. On 19 June 2018 the Amsterdam Appeal Court decided not to refer the case to the CJEU as the questions were declared “insufficiently concrete”.²⁶¹

UK and Netherlands remain friends

On 3 July 2018 Theresa May met Mark Rutte at the *Catshuis* (the Prime Minister's official residence) in The Hague. They discussed the importance of the trading relationship and the need to ensure that UK-Netherlands trade remained as frictionless as possible after Brexit. Rutte later tweeted: “Had a good meeting with [@theresa_may](#) in The Hague about [#Brexit](#) state of play. The UK continues to be a valued friend”.²⁶²

Dutch view of Chequers

Speaking after the September 2018 Salzburg meeting, Mr Rutte called the Chequers White Paper a “positive development” and stressed the need to avoid a

[http://www.europaworld.com/external?url=http://www.europaworld.com/entry/nl.is.29no-deal Brexit](http://www.europaworld.com/external?url=http://www.europaworld.com/entry/nl.is.29no-deal%20Brexit):

The UK's white paper on exiting the EU and our future relationship is a positive development. But much remains to be done. The challenge ahead of us will be to reach an as ambitious an agreement as possible without infringing the conditions set by the EU, including the integrity of the single market. It's in everyone's interest that we reach an

²⁶⁰ Government of the Netherlands, [Speech by foreign minister Stef Blok to EU ambassadors](#), 16 May 2018

²⁶¹ *EU Law Analysis*, [Does Member State Withdrawal from the European Union Extinguish EU Citizenship? C/13/640244 / KG ZA 17-1327 of the Rechtbank Amsterdam \('The Amsterdam Case'\)](#), 19 June 2018

²⁶² Mark Rutte's Twitter account, [@MinPres](#), 3 July 2018

agreement and that we avoid a no-deal Brexit. Mr Barnier has our full backing in that regard.²⁶³

The King regrets Brexit

Addressing journalists in October 2018 ahead of his State Visit to the UK, King Willem-Alexander said he and his Government regretted Brexit and would have liked the EU referendum result to have gone the other way.²⁶⁴ The King expected to see an impact on trade between the two nations and he said his royal household supported Michel Barnier.²⁶⁵

Prime Minister Rutte “cautiously optimistic”

Following the European Council meeting of 17 October 2018 at which Theresa May addressed EU27 leaders on the Brexit negotiations, Prime Minister Rutte told reporters:

The mood was good, we are cordial and respect each other and Theresa May is a formidable politician.

I am still cautiously optimistic [about the deal]. But the problem is we cannot have a border in Ireland between the Republic and the province [of Northern Ireland]. Nobody wants that and the UK doesn't want a border in the Irish sea.

Rutte also reiterated that the EU wants a close relationship with the UK, but not at the expense of the Single Market.²⁶⁶

Brexit preparations

The Dutch Government has carried out several assessments of the impact of Brexit on the Netherlands, including the rights of Dutch citizens, the economy and the medical sector.²⁶⁷ In the State Opening of Parliament in September 2017, Bert Koenders emphasised that in the negotiations, “the main priority should be to clarify the rights of EU citizens, eliminate uncertainty for businesses and ensure that existing financial obligations are met”.²⁶⁸

The Government has planned for extra officials, mostly in the port of Rotterdam, “to prepare for the extra bureaucracy required for British goods to go through customs before entering the EU after Brexit”.²⁶⁹ As the UK is the Netherlands’ third largest trading partner, the Dutch customs authorities are expecting an increase in the number of customs operations by a third and are expanding the staff capacity by 20%.²⁷⁰ According to the

²⁶³ Government of the Netherlands, [Statement Prime Minister Rutte after the informal European Council in Salzburg](#), 20 September 2018

²⁶⁴ *BBC News*, [Dutch King Willem-Alexander regrets Brexit turbulence](#), October 2018

²⁶⁵ *The Guardian*, [Dutch king bemoans Brexit before UK state visit](#), October 2018

²⁶⁶ *EUObserver*, [No progress at Brexit summit, talks continue](#), 17 October 2018

²⁶⁷ Government of the Netherlands, [What impact will Brexit have?](#) [accessed 2 October 2018]

²⁶⁸ Government of the Netherlands, [Foreign Affairs Budget 2018](#) [accessed 2 October 2018]

²⁶⁹ *Reuters*, [Dutch cabinet drafting 'playbook' for chaotic Brexit: parliament](#), 9 July 2018

²⁷⁰

[New York Times \(19 July\)](#), the Government “is hiring nearly 1,000 customs officials”. It is also recruiting up to 90 veterinarians for animal and food inspections, and warehouses for inspection are being considered.²⁷¹

The Government’s web-based 'Brexit impact scanner' can be used by SMEs to assess their exposure to potential Brexit-related problems, and it offers [€2,500 'vouchers'](#) for small companies to obtain independent advice about the Brexit implications for their business.

MLex [reported](#) (4 September 2018) on research for the Dutch Government by Kantar Public which concluded that around 18% of Dutch companies doing business with the UK are “actively preparing for Brexit”, up from 10% in 2017. The study was carried out in the period 28 June – 3 July among 245 companies doing business with the UK.²⁷²

A [letter from the Minister of Foreign Affairs](#) to the House of Representatives, 7 September 2018, sets out the state of preparation for Brexit (contingency planning and preparedness at national and EU level). The [Government website](#) provides information for citizens and businesses on how to prepare for Brexit.

[‘Nederlandse Douane nog niet klaar voor Brexit, honderden extra mensen nodig: 'Het effect is echt groot'](#), (The Netherlands Customs administration not yet ready for Brexit, need more people: ‘The effects are major’), *De Volkskrant*, 16 February 2018

²⁷¹ *New York Times*, [How E.U. Is Getting Ready for Chaos in a Worst-Case Brexit](#), 19 July 2018

²⁷² See also *DutchNews*, [Just one in five Dutch firms are ready for Brexit, ministry says](#), 4 September 2018

21. Poland

21.1 Key Facts

1. Government and Politics

Head of State: President Andrzej Duda

Head of Government: Prime Minister Mateusz Morawiecki

Last election: Legislative, 25 October 2015

Next election: Legislative, due 2019

2. Finance and the Economy

GDP (2017): €802 billion (GDP per head: €20,900)

GDP average growth 2013-2017: 3.7%

GDP growth 2018 (interim forecast, July 2018): 4.6%

Net contribution to EU budget per head: -€216

Currency: new złoty

3. Trade with UK

Trade with UK as % of GDP: 5.0%

UK trade with Poland, 2017			
£ millions			
	Exports	Imports	Balance
Goods	4,991	10,457	-5,466
Services	1,880	2,342	-462
Total	6,871	12,799	-5,928

Source: ONS Pink Book

4. Views on the EU

50% of Poles have a positive view of the EU (net positive: +38%)

53% of Poles agree that their voice counts in the EU (net voice counts: +17%)

46% of Poles trust the EU (net trust: +5%)

83% of Poles are in favour of free movement

80% of Poles feel like a citizen of the EU

5. Polish nationals in the UK

1.021 million (ONS estimate for Jan to Dec 2017)

21.2 Background

The Communist system was abandoned in Poland following partially free democratic elections to the new bicameral National Assembly in 1989. The head of the Solidarity trade union, Lech Walesa, won the first direct presidential election in 1990, which was followed by fully democratic elections to the National Assembly in 1991.

A new Polish Constitution was adopted in 1997 and implemented following endorsement in a popular referendum. Under the Constitution, which came into force in October 1997, legislative power is vested in the bicameral *Zgromadzenie Narodowe* (National Assembly), which is elected for a four-year term and comprises the 100-member *Senat* (Senate, upper chamber) and the 460-member *Sejm* (Assembly, lower chamber). The Senate reviews legislation adopted by the Assembly and may propose its rejection.

Senators and deputies are elected by universal, direct suffrage. In the Assembly, deputies are elected by a system of proportional representation. Executive power is vested in the President of the Republic, who is directly elected for a five-year term and may be re-elected once, and in the appointed Council of Ministers, led by the Prime Minister. The Council of Ministers is responsible to the Assembly.²⁷³

The President appoints the Prime Minister, and the Prime Minister appoints cabinet members, who must be approved by the Sejm.

Poland joined NATO in 1999 and the EU in 2004.

21.3 Current Government and recent political developments

The national conservative Law and Justice party (*Prawo i Sprawiedliwość* - PiS) has led the Polish Government since winning a majority of seats (with 37% of the vote) at the 2015 National Assembly elections. The PiS candidate, Andrzej Duda, also won the 2015 presidential election.

PiS was founded in 2001 by the Kaczyński twins. Lech Kaczyński was elected as President in 2005 but was killed in an air crash in Russia in April 2010. His identical twin brother, Jarosław Kaczyński, was Prime Minister between 2006 and 2007, in a PiS-led coalition government. He has been the chair of PiS since 2003 and was the defeated PiS candidate in the 2010 presidential election.

PiS was defeated in the 2007 National Assembly election by the liberal conservative Civic Platform. Civic Platform's leader Donald Tusk was Prime Minister from 2007 until the end of 2014 (when he became European Council President).

Tusk's replacement as Prime Minister, Ewa Kopacz, remained in office until PiS was returned to power in the October 2015 elections.

The new Government annulled the appointment of five judges by the outgoing government and declined to comply with a Constitutional Court ruling on the reinstatement of some of the judges. The National Assembly subsequently approved changes increasing the quorum for Constitutional Court decisions and required a two-thirds majority rather than a simple majority vote. This and other legislation affecting the judiciary and media led to human rights objections from the European Commission.

²⁷³ [Constitution and Government \(Poland\)](#), Europa World online. London, Routledge. Retrieved 11 October 2018

Prime Minister Beata Szydło resigned in December 2017, even though she had survived a no-confidence motion, and she was replaced by Mateusz Morawiecki. Also in December 2017, the European Commission referred Poland (as well as the Czech Republic and Hungary) to the CJEU over non-compliance with the EU's refugee reallocation scheme.

Later in December the Commission invoked the Article 7 TEU procedure, seeking a decision from the Council of the EU as to whether there had been a clear risk of a serious breach of the rule of law by Poland. The Commission asked Poland to abandon plans to introduce a lower retirement age for judges, to remove from the President the discretionary power to extend the mandate of judges at the Supreme Court, and restore the independence of the Constitutional Court.

In September 2018, the Commission made a further referral to the CJEU over the lowering of the retirement age for Supreme Court judges (to 65), meaning that around a third of judges would be required to retire. The Commission said Poland was “creating a risk of serious and irreparable damage to judicial independence in Poland, and therefore of the EU legal order”.²⁷⁴

Results of the most recent Polish elections

President²⁷⁵

Presidential Election, First Ballot, 10 May 2015

Candidate	Votes	% of valid votes
Andrzej Duda (PiS)	5,179,092	34.76
Bronisław Komorowski (Ind.)	5,031,060	33.77
Paweł Kukiz (Ind.)	3,099,079	20.80
Janusz Korwin-Mikke (Wolność)	486,084	3.26
Magdalena Ogórek (Ind.)	353,883	2.38
Adam Jarubas (PSL)	238,761	1.60
Janusz Palikot (TR)	211,242	1.42
Others	299,733	2.01
Total	14,898,934	100.00

Second Ballot, 24 May 2015

Candidate	Votes	% of valid votes
Andrzej Duda (PiS)	8,630,627	51.55
Bronisław Komorowski (Ind.)	8,112,311	48.45
Total	16,742,938	100.00

²⁷⁴ See [Recent developments: New Government \(Poland\)](#), Europa World online. London, Routledge. Retrieved 11 October 2018; European Commission press release, [Rule of Law: European Commission takes next step in infringement procedure to protect the independence of the Polish Supreme Court](#), 14 August 2018; *BBC News*, [Poland referred to European court over judges' forced retirement](#), 24 September 2018

²⁷⁵ [President \(Poland\)](#), Europa World online. London, Routledge. Retrieved 16 October 2018.

Andrzej Duda was duly elected President.

Legislature

Poland has a bicameral legislature, comprising the Assembly and the Senate.

Sejm (Assembly)²⁷⁶

General Election, 25 October 2015

Party	Votes	% of votes	Seats
Law and Justice (PiS)	5,711,687	37.58	235
Civic Platform (PO)	3,661,474	24.09	138
Kukiz'15 (K'15)	1,339,094	8.81	42
Modern (.N)	1,155,370	7.60	28
Polish People's Party (PSL)	779,875	5.13	16
German Minority (MN)	27,530	0.18	1
Others	2,525,641	16.61	0
Total	15,200,671	100.00	460

Senat (Senate)²⁷⁷

Election, 25 October 2015

Party	Members
Law and Justice (PiS)	61
Civic Platform (PO)	34
Polish People's Party (PSL)	1
Independent	4
Total	100

21.4 Views on Brexit

The day after the UK referendum the BBC cited President Andrzej Duda as saying: "everything possible must be done to prevent other countries leaving".²⁷⁸

Brexit priorities

In November 2016 the then Prime Minister, Beata Szydło, met Theresa May for bilateral talks. Commenting afterwards, Mrs Szydło said the "most important" matter from Poland's perspective was guaranteeing rights for Polish citizens who live and work in the UK. She added that Poland saw the UK as a strategic partner, and regardless of the UK leaving the EU, bilateral

²⁷⁶ [Sejm \(Assembly\) \(Poland\)](#), Europa World online. London, Routledge. Retrieved 16 October 2018

²⁷⁷ [Senat \(Senate\) \(Poland\)](#), Europa World online. London, Routledge. Retrieved 16 October 2018

²⁷⁸ [BBC News, EU Brexit referendum: UK 'must not delay leaving'](#), 24 June 2016

relations between the two countries would “flourish”; Poland would seek to “broaden and deepen these relations in the future”.²⁷⁹

In a *Daily Telegraph* article on 27 November 2016, Prime Minister Szydło regretted the loss of the UK’s pragmatic influence in the EU:

... Poland was saddened, probably more than any other country, with the result of the British referendum. For us, Brexit means that supporters of reforming the EU into a more economically pragmatic organisation will soon lose an important strategic partner. But we understand and respect this decision.²⁸⁰

She said Poland’s approach to the Brexit negotiations would be “constructive and down-to-earth” and would focus on the UK’s future relationship with Europe after Brexit:

In our understanding, the United Kingdom is leaving the EU, but it is not leaving Europe. Regardless of Brexit, our political fates as well as our security and economic interests are intertwined. We hope that this approach will be the cornerstone of the future relationship between the EU and Britain.²⁸¹

She again emphasised the importance of citizens’ rights guarantees:

One thing is certain: millions of UK citizens living across the EU, and millions of EU-27 citizens living in the United Kingdom, should not be made to feel like hostages. Our common duty should be to ensure their maximum security and prosperity, wherever they have chosen to live.

That means we have to guarantee not only their right of residence but also the proper coordination of social security systems on both sides of the English Channel.²⁸²

In an interview with the *Daily Telegraph* in February 2017, PiS chair Jarosław Kaczyński’s summarised Poland’s position on Brexit:

Officially everyone loves the United Kingdom and doesn't want to give them a hard time, but some people really want to make it as tough as possible for the United Kingdom.

Meanwhile some of us would like to sustain a kind of partnership with the United Kingdom. Not within Europe - since you do not wish to remain inside - but very close and friendly relations from outside the European Union. Poland belongs to the second category of voices.²⁸³

In its [Project Brexit](#) study of the positions of the EU27, the Whitehouse Consultancy identified Poland’s Brexit priorities as follows:

Poland has urged London to protect its 831,000 nationals in the UK following the murder of a 40-year-old Polish man. The country’s

²⁷⁹ Prime Minister’s Office, [PM and Prime Minister Beata Szydło Statements: 28 November 2016](#), 28 November 2016. Accessed 26 July 2018

²⁸⁰ *Daily Telegraph*, [Poland stands ready to help its old friend Britain reach the best possible Brexit deal](#), 27 November 2016

²⁸¹ Ibid.

²⁸² Ibid.

²⁸³ *Daily Telegraph*, [Warsaw will make pact against EU states that seek to punish Britain over Brexit, says Polish leader](#), 7 February 2017

priority will be to secure the rights of those citizens currently residing in the UK.

Furthermore, Poland sees the UK as its key ally in pushing a tough line on Russia over its conflict with Ukraine and in defence cooperation. Poland wants to maintain its relationship with the UK as a powerful NATO partner.

As a recipient of EU funds, Poland's concern will also be what happens to the EU budget after the UK – a large contributor – leaves.

The UK and Poland have been close allies in the EU for many years and very often saw eye to eye on issues related to the EU's competences and the transition of powers from Member States to Brussels.²⁸⁴

In a Chancellery press release in December 2017 Prime Minister Morawiecki welcomed agreement on the first phase of negotiations “in a form which is very favourable to us”. He said Polish interests in the UK and the rights of Poles in the UK had been secured.²⁸⁵

Prime Minister Morawiecki: UK can't have cake and eat it

Speaking to the BBC at the Davos World Economic Forum on 24 January 2018, Morawiecki stressed that the UK would need to fulfil certain obligations if it wished to retain “privileged access to the single market”:

There has to be some price for full access and to what extent this access is going to be available has to be made dependent on some other contributions, potentially including this financial contribution.

He reminded the UK that it could not “have ... and eat the same cake”. He thought “there was a small chance that Britain could remain in the EU” and that although he respected the referendum decision, “maybe there will be other ways for the UK [to remain] as part of the EU”. However, if this was not the case, he hoped “the deal between the UK and EU will be as positive for both parties as possible, because I don't want to punish anybody”.

The future relationship

On future UK-EU relationship, Mr Morawiecki referred to the relationships Norway and Switzerland have with the EU as possible models to follow:

I would like to indicate two other nations and countries which are [in a different position] - one of them is part of the EEA [the European Economic Area] like Norway, and they do have some financial contribution for the whole of the EU. The other one is where we are today, Switzerland, which has a series of bilateral agreements.

So I think there are examples of how the new agreement can be shaped so that there is a real convergence, a real integration between the UK and the EU, despite Brexit.

²⁸⁴ Whitehouse Consultancy – Project Brexit [Poland](#) web. Accessed 17 July 2018

²⁸⁵ Prime Minister's website (English version), [Prime Minister Morawiecki: on Brexit, Polish interests have been secured, and the voice of Polish government on migration has become to be heard better](#), 15 December 2017.

Mr Morawiecki concluded that there were examples of how a new agreement could be “shaped so that there is a real convergence, a real integration between the UK and the EU, despite Brexit”.²⁸⁶

In September 2018, *The Times* reported that Poland was among a group of countries (including Hungary, Sweden, Denmark, the Netherlands and Belgium) at the Salzburg summit pushing for the EU to engage with the UK’s Chequers proposals.²⁸⁷

Brexit preparations

Several ministries have been analysing the potential impact of no deal. “The government is determining how many additional customs agents will be required and is investigating measures to limit the risks to business”.²⁸⁸

Deputy Foreign Minister Szymański said in July that Poland had been “making preparations to assess a ‘no deal’ Brexit both from a financial point of view, as well as with regard to business, administration and citizens’ rights”.²⁸⁹

The Visegrad Group website reported on the Government’s preparations for business:

Poland’s Ministry of Entrepreneurship and Technology (MPiT) wants to prepare companies, accountants and tax advisors for the UK’s departure from the EU. It has started a mailing campaign to help them adapt to Brexit-related changes. “The results of the negotiations concerning the exit of Great Britain from the EU are still unknown”, the ministry noted. “Polish businesspeople should therefore prepare for several possible scenarios. Each of the variants means great changes for businesses that import and export goods and services to and from Great Britain or are part of the production-delivery chain which ends there”, it added.²⁹⁰

²⁸⁶ *BBC News*, [Polish PM says UK must pay for EU access](#), 24 January 2018

²⁸⁷ *The Times*, [Discord in Salzburg after Theresa May hits all the wrong Brexit notes](#), 21 September 2018

²⁸⁸ *Bloomberg*, [How Europe Is Bracing for Messy Brexit: Dogs, Drones, Do Nothing](#), 19 July 2018

²⁸⁹ *Poland in English*, [Poland preparing for ‘no deal’ Brexit: deputy minister](#), 20 July 2018

²⁹⁰ Visegrad Group, [Ministry aims to ready firms, accountants and tax advisors for Brexit](#), 25 October 2018

22. Portugal

22.1 Key facts

1. Government and Politics

Head of State: President Marcelo Rebelo de Sousa

Head of Government: Prime Minister António Costa

Last election: Presidential, 24 January 2016

Next election: Legislative, by October 2019

2. Finance and the Economy

GDP (2017): €237 billion (GDP per head: €23,000)

GDP average growth 2013-2017: 1.8%

GDP growth 2018 (interim forecast, July 2018): 2.2%

Net contribution to EU budget per head 2017: -€237

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 5.3%

UK trade with Portugal, 2017			
£ millions			
	Exports	Imports	Balance
Goods	1,430	2,971	-1,541
Services	940	2,941	-2,001
Total	2,370	5,912	-3,542
Source: ONS Pink Book			

4. Views on EU

56% of Portuguese have a positive view of the EU (net positive: +45%)

50% of Portuguese agree that their voice counts in the EU (net voice counts: -5%)

57% of Portuguese trust the EU (net trust: +22%)

88% of Portuguese are in favour of free movement

83% of Portuguese feel like a citizen of the EU

5. Portuguese nationals in the UK

235,000 (ONS estimate for Jan to Dec 2017)

22.2 Background²⁹¹

The authoritarian regime established by António de Oliveira Salazar was overthrown in 1974 in a coup initiated by military officers in the Armed Forces Movement, deposing Salazar's successor Marcello Caetano. In 1975

²⁹¹ [Portugal](#), Europa World online. London, Routledge. Retrieved 15 October 2018

a transition to civilian government commenced and in 1986 the first civilian President, Mário Lopes Soares, was elected.

The President is elected by popular vote for a five-year term. The President appoints the Prime Minister and, on the latter's proposal, other members of the Government in the Council of Ministers.

Portugal has a unicameral Parliament, the *Assembleia da República* (Assembly of the Republic), which has a minimum of 180 and a maximum of 230 members, elected under a system of proportional representation by the electoral constituencies for four years.

Portugal joined the EC on 1 January 1986 and adopted the Euro in 1999.

22.3 Current Government and recent political developments²⁹²

The Socialist Party (*Partido Socialista* - PS), led by José Sócrates, won legislative elections in February 2005; it was re-elected as a minority Government in September 2009, but Sócrates resigned in March 2011. At the general election in June 2011, the centre-right Social Democratic Party (*Partido Social Democrata* - PSD) led by Pedro Passos Coelho won the largest number of seats and formed a government with the conservative Social Democratic Centre- People's Party (*Centro Democrático Social-Partido Popular* - CDS-PP).

Following elections in October 2015, Passos Coelho was reappointed Prime Minister at the head of a minority PSD/CDS-PP Government which collapsed less than two weeks after its formation. At the end of November 2015, a coalition of the PS and independents took office under António Luís Santos da Costa (PS).

Results of the most recent Portuguese elections

President²⁹³

Presidential Election, 24 January 2016

Candidate	Votes	% of votes
Marcelo Rebelo de Sousa (PSD)	2,411,925	52.00
António Sampaio da Nóvoa (Ind.)	1,061,390	22.88
Marisa Matias (BE)	469,582	10.12
Maria de Belém (PS)	196,720	4.24
Edgar Silva (PCP)	183,009	3.95
Vitorino Silva (Ind.)	152,094	3.28
Paulo de Moraes (Ind.)	100,008	2.16
Henrique Neto (PS)	38,982	0.84
Jorge Sequeira (Ind.)	13,771	0.30
Cândido Ferreira (Ind.)	10,585	0.23

²⁹² Ibid

²⁹³ [President \(Portugal\)](#), Europa World online. London, Routledge. Retrieved 15 October 2018

Candidate	Votes	% of votes
Total*	4,638,066	100.00

* Excluding 58,714 blank and 43,778 spoiled votes.

Legislature

Assembly of the Republic (*Assembleia da República*)²⁹⁴

General Election, 4 October 2015

Party	Votes	% of votes	Seats
Portugal Ahead alliance*	1,993,921	36.86	102
Social Party (PS)	1,747,685	32.31	86
Left Bloc (BE)	550,892	10.19	19
Unity Democratic Coalition (PCP-PEV)	445,980	8.25	17
Social Democratic Party (PSD)**	81,054	1.50	5
People-Animals-Nature (PAN)	75,140	1.39	1
Others	514,133	9.52	0
Total***	5,408,805	100.00	230

* An alliance of the Social Democratic Party (PSD) and the People's Party CDS-PP).

**Madeira and the Azores, where the PSD/CDS-PP alliance does not operate.

*** Including 112,851 blank and 89,544 spoiled votes.

22.4 Views on Brexit

Portugal wants a close relationship with its old ally²⁹⁵

In October 2016, the Portuguese Prime Minister said Portugal wanted a close relationship with the UK both bilaterally and in terms of the UK's relations with the EU. But Mr Costa warned that restricting freedom of movement would mean the UK not being granted access to the Single Market. Portugal hoped for a "separation [which] is amicable" but was looking to attract companies because of its geographic location, English-speaking talent pool and proximity to London.²⁹⁶

Brexit priorities

The Whitehouse Consultancy [profile](#) of the EU27's positions on Brexit summed up Portugal's priorities as follows:

The Prime Minister is confident Portugal will maintain a good relationship with the UK after Brexit. However, as a pro-European country, the main priority for the Portuguese is to ensure unity among the EU27.

²⁹⁴ [Assembly of the Republic \(Assembleia da República\) \(Portugal\)](#), Europa World online. London, Routledge. Retrieved 15 October 2018

²⁹⁵ The Anglo-Portuguese Treaty of Windsor between King Richard II of England and King John I of Portugal was ratified at Windsor on 9 May 1386. It is often described as the oldest alliance in the world that is still in force.

²⁹⁶ [Bloomberg, Portuguese Prime Minister says U.K. ties will weather Brexit](#), 11 October 2016

For Portugal it will be important to protect the rights of British citizens in the country as many Brits own properties (in) Portugal and yearly provide an economic boost to the tourism industry.

The Portuguese Government insists the UK will have to pay a Brexit bill that reflects the commitments the UK has made until 2020. With a vulnerable economy, Portugal wants to avoid any economic setbacks as a result of Brexit.²⁹⁷

In the closing speech of the Portugal-UK business forum at Bloomberg's London headquarters in April 2018, Prime Minister Costa said:

We need to make Brexit an opportunity for our two countries to deepen our special relationships, both politically and economically. What is important now is to minimise the negative consequences [of Brexit] and develop a relationship as close as possible to the United Kingdom.²⁹⁸

Brexit preparations

According to *Bloomberg*, Portugal is not expecting major changes or increases in staff at the ports of Sines and Lisbon from any kind of Brexit: "Almost three-quarters of goods trading at the port of Sines -- the nation's largest -- is with countries outside the EU, so it's already well equipped to deal with shipments to and from non-EU nations".²⁹⁹

Reuters reported: "Portugal is actively courting wealthy British to move and invest there in the run up to Brexit".³⁰⁰ There have also been bilateral initiatives, such as consolidating an Anglo-Portuguese science partnership involving Imperial College.³⁰¹

A report by the Confederation of Portuguese Business (CIP) estimated that Portuguese exports to the UK could fall by more than 25%. It recommended that the Government and industry "step up efforts to promote Portugal in the British market, particularly for sectors most at risk such as tourism, electronics and the auto industry".³⁰² It is not clear to what extent efforts have increased in these industries.

²⁹⁷ Whitehouse Consultancy, [Project Brexit: What do other countries think? – Portugal](#)

²⁹⁸ *Portugal News Online*, [Brexit an opportunity for Portugal](#), 12 April 2018

²⁹⁹ *Bloomberg*, How Europe Is Bracing for Messy Brexit: Dogs, Drones, Do Nothing, 19 July 2018

³⁰⁰ *Reuters*, [Portugal wants Britain to welcome all EU migrants after Brexit](#), 26 July 2018

³⁰¹ Portugal resident.com, [Portugal and UK "prepare to reinforce scientific collaboration" ahead of Brexit](#), 24 April 2018

³⁰² Politico, [Portuguese business pushes for Brexit deal](#), 31 October 2018

23. Romania

23.1 Key Facts

1. Government and Politics

Head of State: President Klaus Iohannis

Head of Government: Prime Minister Vasilica-Viorica Dăncilă

Last election: Legislative, 11 December 2016

Next election: Presidential, due in 2018

2. Finance and the Economy

GDP (2017): €368 billion (GDP per head: €18,700)

GDP average growth 2013-2017: 4.8%

GDP growth 2018 (interim forecast, July 2018): 4.1%

Net contribution to EU budget per head 2017: -€171

Currency: leu

3. Trade with UK

Trade with UK as % of GDP: 3.4%

UK trade with Romania, 2017			
£ millions			
	Exports	Imports	Balance
Goods	1,146	1,910	-764
Services	894	827	67
Total	2,040	2,737	-697

Source: ONS Pink Book

4. Views on EU

50% of Romanians have a positive view of the EU (net positive: +35%)

47% of Romanians agree that their voice counts in the EU (net voice counts: +1%)

52% of Romanians trust the EU (net trust: +11%)

80% of Romanians are in favour of free movement

64% of Romanians feel like a citizen of the EU

5. Romanian nationals in the UK

411,000 (ONS estimate for Jan to Dec 2017)

23.2 Background

Following the overthrow of the Communist regime in December 1989, a new Parliament was elected in 1990 with the combined legislatures acting as a constituent assembly to draft a new constitution approved by referendum in December 1991.

Under the 1991 Constitution (as amended in 2003), legislative power is vested in the bicameral Parliament, comprising the Chamber of Deputies

(the lower house), which has 329 seats, and the Senate (the upper house), which has 136 seats. Parliament is elected by universal adult suffrage using a system of proportional representation and party lists for both chambers. Both chambers are elected for four-year terms.³⁰³

Executive power is vested in the President of the Republic, who may serve a maximum of two five-year terms and who is directly elected by universal adult suffrage. The President appoints the Prime Minister, who in turn appoints the Council of Ministers.³⁰⁴

Romania joined NATO in 2004 and the EU in 2007.

23.3 Current Government and recent political developments

Romania has undergone a period of political turmoil in recent years. Mass demonstrations after the deaths of 32 people in a nightclub fire led to the resignation of the coalition government of Prime Minister Victor Ponta (comprising Social Democrats, the Conservative Party and the Liberal Reformist Party) at the end of 2015.

The President then appointed former European Commissioner Dacian Cioloş to lead a non-party government supported by the Social Democrats and National Liberal party, which remained in place until legislative elections in December 2016. The Social Democratic Party then formed a government coalition with the Alliance of Liberals and Democrats (a merger of the Conservative Party and the Liberal Reformist Party).

Since then tensions over allegations of government corruption have led to the resignation of another two Prime Ministers (both Social Democrats), Sorin Grindeanu in June 2017 and Mihai Tudose in January 2018. Both had clashed with Social Democrat Party leader Liviu Dragnea and then lost the support of the party.

In January 2018 Viorica Dăncilă (Social Democrat) became Romania's first woman Prime Minister.

The political tensions stem from divisions between two camps. One supports the anti-corruption investigations led until recently by Laura Codruta Kovesi. This camp includes Klaus Iohannis (then leader of the National Liberal Party), who was elected President in November 2014 after defeating Victor Ponta in the second-round run-off.

The other camp is led by Liviu Dragnea, who was convicted of electoral fraud in 2016 and is under investigation for other offences. The 2016 conviction bars him from holding the office of Prime Minister, but he still has substantial influence in the ruling party and is reported to be behind

³⁰³ *Economist Intelligence Unit*, Romania: Political structure, 17 October 2017

³⁰⁴ [Constitution and Government \(Romania\)](#), Europa World online. London, Routledge. Retrieved 15 October 2018

the Government's efforts to weaken the anti-corruption investigations and reform the judiciary.³⁰⁵

The EU has become involved in the dispute under the Corruption and Verification Mechanism, which both Romania and Bulgaria had to sign up to when they joined the EU in 2007. A European Commission report in November 2017 raised concerns about proposed judicial reforms in Romania and Prime Minister Dăncilă has criticised Commission requests which she says are "inappropriate and not in line" with the verification mechanism.³⁰⁶ The Council of Europe's anti-corruption body also heavily criticised the planned judicial reforms in a report published in April 2018.³⁰⁷

Laura Kovesi was sacked from her role as chief anti-corruption prosecutor in July, after the Constitutional Court ruled that the President did not have the power to prevent her dismissal. Kovesi had previously secured the convictions of several dozen ministers, former ministers and members of parliament.³⁰⁸

There have been several protests against government corruption, as well as pro-Government rallies. In August 2018 over 400 people were [reported](#) injured in Bucharest by police using tear gas and water cannon.

Results of the most recent Romanian elections

President³⁰⁹

Presidential Election, First Ballot, 2 November 2014

Candidate	Votes	% of votes
Victor Ponta (PSD*)	3,836,093	40.44
Klaus Iohannis (ACL**)	2,881,406	30.38
Călin Popescu-Tăriceanu (Independent)	508,572	5.36
Elena Udrea (PMP)	493,376	5.20
Monica Macovei (Independent)	421,648	4.45
Cristian Dan Diaconescu (PP-DD)	382,526	4.03
Corneliu Vadim Tudor (PRM)	349,416	3.68
Hunor Kelemen (RMDSZ)	329,727	3.48
Others	282,576	2.98
Total	9,485,340	100.00

* In coalition with the Conservative Party (PC) and the National Union for the Progress of Romania Party (UNPR).

** An electoral alliance of the Democratic Liberal Party (PDL) and the National Liberal Party (PNL).

³⁰⁵ *Financial Times*, [Romania anti-corruption chief hits out at critics](#), 15 February 2018

³⁰⁶ *Politico*, [Commission chiefs warn Romania against justice law changes](#), 24 January 2018, and *Politico*, [Commission chiefs warn Romania against justice law changes](#), 21 March 2018

³⁰⁷ Group of States against Corruption, [Ad Hoc Report on Romania \(Rule 34\)](#), Council of Europe, adopted 23 March 2018, published 11 April 2018

³⁰⁸ *Financial Times*, [Spectre of corruption heightens EU fears over rule of law in Romania](#), 16 August 2018

³⁰⁹ [President \(Romania\)](#), Europa World online. London, Routledge. Retrieved 15 October 2018

Second Ballot, 16 November 2014

Candidate	Votes	% of valid votes
Klaus Iohannis (ACL)	6,288,769	54.43
Victor Ponta (PSD)	5,264,383	45.56
Total	11,553,152	100.00

Klaus Iohannis was duly elected President.

Legislature

Romania has a bicameral Parliament, comprising the Chamber of Deputies and the Senate.

Chamber of Deputies (*Camera Deputaților*)³¹⁰

General Election, 11 December 2016

Party	Votes	% of votes	Seats
Social Democratic Party (PSD)	3,204,864	45.48	154
National Liberal Party (PNL)	1,412,377	20.04	69
Save Romania Union (USR)	625,154	8.87	30
Democratic Alliance of Hungarians in Romania (RMDSZ)	435,969	6.19	21
Alliance of Liberals and Democrats (ALDE)	396,386	5.62	20
People's Movement Party (PMP)	376,891	5.35	18
Others	595,743	8.45	17
Total	7,047,384	100.00	329

Senate (*Senatul*)³¹¹

Party	Votes	% of votes	Seats
Social Democratic Party (PSD)	3,221,786	45.68	67
National Liberal Party (PNL)	1,440,193	20.42	30
Save Romania Union (USR)	629,375	8.92	13
Democratic Alliance of Hungarians in Romania (RMDSZ)	440,409	6.24	9
Alliance of Liberals and Democrats (ALDE)	423,728	6.01	9
People's Movement Party (PMP)	398,791	5.65	8
Others	498,684	7.08	0
Total	7,052,966	100.00	136

23.4 Views on Brexit

The EU's four freedoms

In a [speech](#) at the Romanian Embassy in November 2016, Ambassador to the UK Dan Mihalache said that Romania “promotes the importance of

³¹⁰ [Chamber of Deputies \(Camera Deputaților\) \(Romania\)](#), Europa World online. London, Routledge. Retrieved 15 October 2018

³¹¹ [The Senate \(Senatul\) \(Romania\)](#), Europa World online. London, Routledge. Retrieved 15 October 2018

maintaining the integral and inseparable four main principles on which the EU is based". Assuring the rights of Romanian citizens in the UK remained "an unconditional priority" for the Government and "any sort of collaboration with London will not be done to their detriment".

Economic and security concerns

In May 2017 Foreign Minister Teodor Melescanu said Romania wanted "a post-Brexit accord with UK that keeps them as close as possible to the European Union". A Brexit deal was important for Romania for financial reasons but also because of the UK's potential contribution to European security and defence.³¹² In July 2018 President Iohannis [was confident](#) the probability of not reaching a Brexit agreement was "very low" and that the EU27 all wanted to avoid a hard Brexit.

Brexit priorities

In October 2017 Minister Delegate for European Affairs Victor Negrescu emphasised the importance of protecting the rights of Romanian citizens and their families in the UK. Romania's other priorities, according to a [press release](#) from the Romanian Embassy in London were:

... safeguarding the European budgetary provisions for the Cohesion Policy and the Common Agricultural Policy corresponding to the current multiannual financial framework; to strengthen cooperation between the European Union and the UK after the conclusion of the Brexit process in the field of security and foreign relations.

EU reform needed

These principles were also set out in a [statement](#) from the then Prime Minister, Sorin Grindeanu, in March 2017. He also called for further EU reforms to bring more cohesion among Member States and greater democratic legitimacy:

The European Union needs a new breath, a reform in order to cope with the current challenges, one to secure economic development, more cohesion and to bridge the gaps between the member states, which therefore would bring it more legitimacy in front of its own citizens. EU cannot continue without the support of its own citizens. Domestically, we need ourselves the support of all citizens to efficiently promote Romania's interests in the European project. I think there is no alternative to this road.

Cohesion funding must continue

The Romanian Government has emphasised the need to maintain EU Cohesion Funding and strong co-operation between the UK and the EU in security and foreign relations, as well as the integrity of the Single Market.

³¹² *Reuters*, [East Europeans push for soft Brexit deal, say UK must not be punished](#), 26 May 2017

24. Slovakia

24.1 Key Facts

1. Government and Politics

Head of State: President Andrej Kiska

Head of Government: Prime Minister Peter Pellegrini

Last election: Legislative, 5 March 2016

Next election: Presidential, due in March 2019

2. Finance and the Economy

GDP (2017): €125 billion (GDP per head: €23,000)

GDP average growth 2013-2017: 3.3%

GDP growth 2018 (interim forecast, July 2018): 3.9%

Net contribution to EU budget per head 2017: -€175

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 4.9%

UK trade with Slovakia, 2017			
£ millions			
	Exports	Imports	Balance
Goods	470	2,451	-1,981
Services	377	222	155
Total	847	2,673	-1,826
Source: ONS Pink Book			

4. Views on EU

33% of Slovaks have a positive view of the EU (net positive: +15%)

45% of Slovaks agree that their voice counts in the EU (net voice counts: -3%)

44% of Slovaks trust the EU (net trust: -1%)

83% of Slovaks are in favour of free movement

80% of Slovaks feel like a citizen of the EU

5. Slovakian nationals in the UK

82,000 (ONS estimate for Jan to Dec 2017)

24.2 Background

After the end of Communism in Czechoslovakia and the establishment of the Czech and Slovak Federative Republic (CzSFR) in 1990, pressure for Slovak secession led to a declaration of Slovak sovereignty by the Slovak National Council in 1992 and the establishment of separate Czech and Slovak Republics in 1993.

Under the 1993 Constitution, supreme legislative power is vested in the *Národná rada Slovenskej republiky* (National Council of the Slovak Republic), which has 150 members elected for a term of four years. The President of the Republic (head of state) was originally appointed by the National Assembly, but this became a directly-elected office following a constitutional amendment in 1999.

The President appoints the Prime Minister and, on the latter's recommendation, the other members of the Government. The Government is responsible to the National Council.

Slovakia joined both NATO and the EU in 2004, adopting the Euro in 2009.

24.3 Current Government and recent political developments

The centre-left Direction - Social Democracy (*Smer-Sociálna demokracia*), led by Robert Fico, has been the main governing party in Slovakia since 2012. It won an outright majority of seats with 44.4% of the vote in the 2012 legislative elections. Following the 2016 elections, despite its vote share falling to 28.3%, it remained the largest party and formed a governing coalition with the Slovak National Party (SNS) and two other smaller parties.

Robert Fico was Prime Minister from 2012 until March 2018. He also stood in the 2014 Presidential election but was defeated in the second round by independent candidate Andrej Kiska.

National Council of the Slovak Republic (*Národná Rada Slovenskej republiky*)³¹³

General Election, 5 March 2016

Party	Votes	% of votes	Seats
Direction – Social Democracy (Smer-SD)	737,481	28.28	48
Freedom and Solidarity (SaS)	315,558	12.10	21
Ordinary People and Independent Personalities (OL'aNO)	287,611	11.03	19
Slovak National Party (SNS)	225,386	8.64	15
People's Party – Our Slovakia (Kotleba)	209,779	8.04	14
We Are Family (Sme Rodina)	172,860	6.63	11
Bridge (Most/Híd)	169,593	6.50	11
Network (SIEŤ)	146,205	5.61	10
Others	343,277	13.16	0
Total valid votes	2,607,750	100.00	150

Mr Fico resigned as Prime Minister in March 2018, following the murder of a journalist investigating links between Italian organised crime and Slovakian Government officials, which led to mass anti-government demonstrations.

³¹³ [National Council of the Slovak Republic \(*Národná Rada Slovenskej republiky*\) \(Slovakia\)](#), Europa World online. London, Routledge. Retrieved 16 October 2018

Peter Pellegrini, previously deputy Prime Minister, was appointed Prime Minister. Pellegrini formed a new government based on the same four-party coalition. Fico has remained as leader of the *Smer* party. Anti-government protests have continued since the formation of the new government, with calls for fresh elections.³¹⁴

Further results of the recent Slovakian elections

President³¹⁵

Presidential Election, First Ballot, 15 March 2014

Candidate	Votes	% of valid votes
Robert Fico (Smer-SD)	531,919	28.01
Andrej Kiska (Ind.)	455,996	24.01
Radoslav Procházka (Ind.)	403,548	21.25
Milan Kňažko (Ind.)	244,401	12.87
Gyula Bárdos (SMK-MKP)	97,035	5.11
Pavol Hrušovský (KDH)	63,298	3.33
Helena Mezenská (Ind.)	45,180	2.38
Others	57,955	3.05
Total	1,899,332	100.00

Second Ballot, 29 March 2014

Candidate	Votes	% of valid votes
Andrej Kiska (Ind.)	1,307,065	59.39
Robert Fico (Smer-SD)	893,841	40.61
Total	2,200,906	100.00

Andrzej Duda was duly elected President.

24.4 Views on Brexit

Slovakian EU Presidency – recent EU Members must be involved

The then Prime Minister Robert Fico said after a meeting of the leaders of France, Germany and Italy in June 2016 that “[c]rucial decisions about the future of Europe cannot be defined by two, three member states, or the founding states of the EU”, and that “[t]he future of the EU can no longer be defined without active involvement of the states that joined after 2004”.³¹⁶

Slovakia took over the EU Presidency on 1 July 2016. In July 2016 Robert Fico made a plea for EU reform: the EU should use the time waiting for the UK Government to trigger Article 50 to reconsider its role: “We simply have

³¹⁴ [Recent developments: political crisis and new Government \(Slovakia\)](#), Europa World online. London, Routledge. Retrieved 12 October 2018

³¹⁵ [President \(Slovakia\)](#), Europa World online. London, Routledge. Retrieved 16 October 2018

³¹⁶ *Euro News*, [Slovakia attacks EU post-Brexit direction on eve of taking over presidency](#), 30 June 2016

to author a new vision for our people, otherwise we will see further fragmentation and destabilisation of European political systems".³¹⁷

In September 2016, at an EU Leaders' meeting in Bratislava, Mr Fico warned that the Visegrad Group would veto a Brexit agreement unless the rights of their citizens in the UK post-Brexit were guaranteed; the V4 would be "uncompromising".³¹⁸ He supported the EU position of opposing any UK 'cherry-picking' in the negotiations, insisting that the EU's founding freedoms must remain.³¹⁹

Fico – the EU will make Brexit 'painful'

In an interview with the *Financial Times* in September 2016, Mr Fico, in contrast to many other EU leaders, said the EU would make Brexit "very painful" and would ensure the UK is worse off outside the EU.³²⁰ Britain would not be allowed to make EU workers "second class citizens" while continuing to enjoy the benefits of the Single Market.³²¹ He appeared to emphasise that the EU's stance in the negotiations would be to 'punish' the UK to deter other potential leavers:

It will be very difficult for the UK, very difficult... The EU will take this opportunity to show the public: "listen guys, now you will see why it is important to stay in the EU". This will be the [EU] position.

The Visegrad Four have also been concerned about France and Germany setting the Brexit agenda.³²²

Citizens' rights a priority

While expressing respect for Theresa May, Mr Fico said he "pitied" her predicament and dismissed the idea that the allure of Britain's economy would make the EU bend to UK Brexit demands.³²³ He also commented on the "nervousness and fear" in eastern Europe over the UK's free movement demands, and said the "equal treatment" of his citizens in the UK would be his "most important" demand if Britain wanted access to the Single Market:

All we want is to be treated the same [as British workers], he said. If that happens, then this divorce could be a success. But even then it will be more painful for the UK.³²⁴

Mr Fico said European leaders would not "send Britain to hell as soon as possible", adding:

We are patient. We are fine because we know what we want ... The question is whether Britons know what they want? That is the

³¹⁷ *Euractiv*, [Britain wants bespoke Brexit that deals with immigration](#), 28 July 2016

³¹⁸ *Daily Telegraph*, [Brexit deal threatened with veto by four countries unless Theresa May guarantees their citizens right to work in Britain](#), 17 September 2016

³¹⁹ *Ibid*

³²⁰ *Financial Times*, [Slovakia says Europe will make Brexit 'very painful' for UK](#), 18 September 2016

³²¹ *Ibid*

³²² *Euractiv*, [ECR chief: EU27 Brexit unity only on the outside](#), 28 September 2018

³²³ *Ibid*

³²⁴ *ibid*

mystery. Is it an issue of unpreparedness? Or tactics? It seems to me like unpreparedness. They are still in shock.³²⁵

Fico welcomes Theresa May's Lancaster House speech

At an event marking the end of the Slovak EU Presidency in January 2017 and following Theresa May's Lancaster House speech on the UK's approach to the Brexit negotiations, Prime Minister Fico said he welcomed the clarification of the UK position. He said:

This sends a long-needed signal on the orientation of the British government's thinking. I hope that it will calm down the markets and also bring real hope that the long uncertainty surrounding Brexit will start to dissipate soon. Of course, we acknowledge decisions on preferences of the British government and will adopt stances on them in the next phases accordingly.

Prime Minister Fico also stressed that his government would put the interests of its citizens first as well as the wider EU project. He said: "If Great Britain talks about its citizens and its country, we will talk about our citizens and our country and the project we care so much about – the project of the EU".

Brexit must not weaken the EU

Robert Fico again asserted that leaving the EU should not weaken the EU or strengthen Britain – this would be "the worst example set for each and every single country for EU, where public pressure to leave the EU might be felt".³²⁶ In March 2017 the Prime Minister made this point more strongly to the Slovak state broadcaster RTVS:

This 'divorce' between the United Kingdom and the European Union should result in a victory of the European Union. If the United Kingdom reaches more beneficial conditions during the talks, it will be a bad example for people, who want to leave the European Union. That's why I believe that we will secure conditions that would be more beneficial for us than for the United Kingdom. Otherwise it would be an absolute political defeat (of the EU).³²⁷

Slovak Government objectives are aligned with the EU's

Following agreement of the EU27 Guidelines for the Brexit negotiations in April 2017, Foreign Minister Miroslav Lajčák confirmed that they reflected Slovakian objectives, primarily the interests of Slovak citizens in the UK and the need for the UK to observe its financial commitments towards the EU up to 2020.³²⁸ He also said the status of Slovak citizens and entrepreneurs in the UK was likely to worsen, but that the EU was committed to minimising the changes.

³²⁵ Ibid

³²⁶ *The Slovak Spectator*, [Fico: EU should not emerge from Brexit talks weakened and UK strengthened](#), 19 January 2017.

³²⁷ *Sputnik News*, [EU-UK 'Divorce' Should Result in Brussels' Victory - Slovak PM](#), 29 April 2018.

³²⁸ *The Slovak Spectator*, [Lajčák: Brexit guidelines are in line with Slovak interests](#), 27 April 2017

Lajčák, like so many other EU27 governments, stressed the unity of the EU27 in agreeing the guidelines for negotiations and the negative impact of Brexit on UK-EU relations:

We all pledged our support to chief negotiator Michel Barnier and I'd like this spirit of unity to last during the Brexit negotiations.

Even if a possible deal on collaboration between the EU and the UK is hammered out, mutual relations will never match those seen before the Brexit.³²⁹

The President, Andrej Kiska, addressed the European Parliament in November 2017, stressing the importance of “solidarity and mutual trust” in the EU and rejecting “the idea that there are some fundamental flaws in the architecture of the EU that will lead us to a bleak future”.³³⁰

President Kiska refused to play the “popular game of ‘Blame-it-on-Brussels’ whenever it serves to cover some pressing domestic political issue”. However, he would not “downplay dangers of populism, nationalism and extremism fuelled by dissatisfaction in our societies and amplified by professionally orchestrated propaganda” or “underestimate the consequences of Brexit or real challenges we need to address in the monetary union, border protection or elsewhere”.

Kiska: the EU is a success story

Kiska said the EU was not “a sinking ship” and did not have to “radically reform the way we operate” but rather there was a need “to focus on what the EU members have mastered during 60 years of integration — solving the issues together, helping each other and learning from each other”.³³¹

President Kiska also described the enlargement of the EU “as the most successful EU policy since the fall of the Berlin wall” and “the most important contribution of European politicians of the past three decades to keep the continent peaceful, free and prosperous”.³³²

Brexit could bring home Slovaks

In March 2018, the *Central European Financial Observer* reported that a meeting of the Inter-ministerial Coordination Group for Brexit and representatives of employers and the non-governmental sector had concluded that Brexit provided an opportunity for Slovakia to attract back home Slovaks living in the UK. The President of the Association of Employers Unions, Tomas Malatinsky, saw it as an opportunity to get back a “workforce of great quality”.³³³

Pellegrini confirms solidarity with EU except on refugee quotas

³²⁹ Ibid

³³⁰ [President Kiska addressed the European Parliament](#), President of the Slovak Republic, press release, 15 November 2017.

³³¹ Ibid

³³² Ibid

³³³ *Central European Financial Observer*, [Brexit may help alleviate increasing labor shortages in Slovakia](#), 14 March 2018

At his first EU Leaders' summit in Brussels in March 2018, new Prime Minister Peter Pellegrini reassured EU partners that his Government would "maintain a pro-European course".³³⁴ At his first meeting with Commission President Jean-Claude Juncker in April 2018, Mr Pellegrini said Slovakia was prepared to contribute more to the EU's budget if required after the loss of the UK contribution. However, he reiterated his Government's rejection of the EU's refugee quotas and said Slovakia would relocate only Christian Syrians for the time being.³³⁵

In a section on Slovakia in 'Europe's Brexit',³³⁶ Vladimír Bilčík of Comenius University, Bratislava, thought that despite intra-EU clashes over the refugee crisis, "Slovakia's longstanding goal has been to solidify its place at the Union's political core so as to help preserve the EU's broader political cohesion against its growing problems". The Brexit decision "was a challenge that could undermine the strength of the EU's liberal economic unity and voice".

Pellegrini was critical of the UK's Chequers Plan: "Britain's notion of keeping for itself only the free movement of goods is unacceptable for other EU members"; the EU, he said, wanted respect for all four key freedoms - goods, services, people and capital.³³⁷

Slovak concerns: trade, exports, economic and political damage

Vladimír Bilčík explained that Slovakia's main objective was to minimise the costs of Brexit (in terms of rights and financial position) to its 80,000 to 90,000 citizens resident in the UK. Maintaining free trade in goods was also important, with Slovak exports to the UK accounting for 5% of its exports (making the UK Slovakia's eighth largest export market).

Bilčík referred to Slovak fears "that Brexit might herald a new era for the EU marked by disintegration", explaining that:

A hard and chaotic Brexit for the UK and the EU would challenge Slovakia's aims for the EU's future by undermining the strength of the EU's unity and its liberal economic voice. In anticipation of this, Slovakia approached intra-EU talks on future EU-UK relations with a strong interest in minimizing the political and economic damage to the Union from any unintended consequences of Britain's decision to leave.

³³⁴ Reuters, [Breathless in Brussels, new Slovak PM vows loyalty to EU](#), 22 March 2018

³³⁵ *New Europe*, [Pellegrini offers more contributions to EU budget during debut meeting with Juncker](#), 13 April 2018

³³⁶ Tim Oliver (ed), *Europe's Brexit – EU Perspectives on Britain's Vote to leave*, Agenda Publishing, 2018

³³⁷ [Slovakia supports extraordinary summit on Brexit](#), Visegrad Group website, 20 September 2018

25. Slovenia

25.1 Key Facts

1. Government and Politics

Head of State: President Dr Borut Pahor

Head of Government: Prime Minister Marjan Šarec

Last election: Legislative, 3 June 2018

Next election: Legislative and presidential, due in 2022

2. Finance and the Economy

GDP (2017): €52 billion (GDP per head: €25,400)

GDP average growth 2013-2017: 3.3%

GDP growth 2018 (interim forecast, July 2018): 4.4%

Net contribution to EU budget per head 2017: -€56

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 2.3%

UK trade with Slovenia, 2017			
£ millions			
	Exports	Imports	Balance
Goods	157	331	-174
Services	215	116	99
Total	372	447	-75
Source: ONS Pink Book			

4. Views on EU

36% of Slovenians have a positive view of the EU (net positive: +19%)

45% of Slovenians agree that their voice counts in the EU (net voice counts: -5%)

44% of Slovenians trust the EU (net trust: -6%)

84% of Slovenians are in favour of free movement

73% of Slovenians feel like a citizen of the EU

5. Slovenian nationals in the UK

5,000 (ONS estimate for Jan to Dec 2017)

25.2 Background

In World War II Slovenia was occupied and annexed by Germany, Italy and Hungary, and a small area was transferred to the Independent State of Croatia. Slovenia was a founding member of the Federal People's Republic of Yugoslavia, which was later renamed the Socialist Federal Republic of Yugoslavia. It was a Communist state initially allied with the Eastern Bloc, but it later founded the Non-Aligned Movement.

In September 1989 constitutional amendments were adopted which introduced parliamentary democracy to Slovenia prior to independence. In March 1990 it became the 'Republic of Slovenia' and democratic elections took place in April 1990, which were won by the united opposition movement DEMOS, led by Jože Pučnik. In December 1990 over 88% of the electorate voted for a sovereign, independent Slovenia, and on 25 June 1991 Slovenia declared its independence. On 27 June the Yugoslav People's Army tried to stop further moves towards independence, which led to the 'Ten-Day War'. The 'Brijuni Agreement' was signed on 7 July 1991, implementing a truce and a three-month halt to further measures on Slovenian independence. The Yugoslav Army withdrawal began in July and was completed by 26 October.

In June 1991 Slovenia split from Yugoslavia and became an independent state. It joined NATO and the EU in 2004 and in 2007 became the first former communist country to join the Eurozone.

25.3 Current Government and recent political developments

Recent political developments

Slovenia is a parliamentary republic in southern central Europe and is a successor state of the former Yugoslavia. The country is divided into 212 municipalities, 11 of which are designated as city municipalities.

The Prime Minister is elected by the National Assembly and nominates the Government (subject to the approval of the legislature). The 90-members of the *Državni Zbor* (National Assembly) serve a term of four years. 88 are elected on the basis of proportional representation and two are representatives of the Hungarian and Italian minorities.

The *Državni Svet* (National Council) is elected for five years; it comprises 22 directly elected members and 18 members chosen by an electoral college to represent various social, economic, trade, political and local interest groups. The Council's role is mainly advisory but it can veto decisions of the National Assembly.

Prime Minister Miro Cerar announced his resignation in March 2018, but the governing coalition remained in place in a caretaker capacity pending legislative elections on 3 June 2018. In the June elections there was a swing to right-wing anti-immigrant parties. President Borut Pahor said he would invite Janez Jansa of the anti-immigrant Slovenian Democratic Party (SDS),³³⁸ and reported to be an ally of Hungary's right-wing, anti-immigration Prime Minister Viktor Orban,³³⁹ to form a government.

The election results were as follows:

³³⁸ According to [The Times, 10 June 2018](#), "while much of Europe's 2015 migration influx passed through Slovenia, it has accepted only 200 refugees".

³³⁹ [Deutsche Welle, Anti-immigration leader Janez Jansa to form Slovenia government](#), 4 June 2018

National Assembly (Državni Zbor)³⁴⁰

General Election, 3 June 2018

Party	Votes cast	% of votes	Seats
Slovenian Democratic Party (SDS)	222,042	24.92	25
List of Marjan Šarec (LMŠ)	112,250	12.60	13
Social Democrats (SD)	88,524	9.93	10
Modern Centre Party (SMC)	86,868	9.75	10
The Left (Levica)	83,108	9.33	9
New Slovenia-Christian Democrats (N.Si)	63,792	7.16	7
Party of Alenka Bratušek (SAB)	45,492	5.11	5
Democratic Party of Pensioners of Slovenia (DeSUS)	43,889	4.93	5
Slovenian National Party (SNS)	37,182	4.17	4
Total votes (incl. others)*	891,097	100.00	90

* Including two seats reserved for representatives of the Italian and Hungarian minorities.

The SDS was unable to form a coalition and remained in opposition. The [Economist reported](#) (23 August 2018):

Many parties refused even to talk to [the SDS]. Instead, five smaller centre-left parties banded together to form a minority government with outside support from the hard left. Other politicians justify their decision to exclude the SDS by arguing that Mr Jansa is a divisive bully.

On 13 September the 13th government of Slovenia was elected by 45 votes to 34 after nine hours of debate by the 8th National Assembly, and sworn in immediately, more than three months after the elections. With 43 of the 90 parliamentary seats, it is Slovenia's first minority government. The governing coalition is composed of five parties: List of Marjan Šarec, Social Democrats, Modern Centre Party, Party of Alenka Bratušek and the Democratic Party of Pensioners of Slovenia, with additional parliamentary support from The Left.

Prime Minister Marjan Šarec (a former comedian and twice mayor of Kamnik, a town north of the capital Ljubljana) said the Government's priorities were the economy, healthcare, defence and security.³⁴¹

Further results of the recent Slovenian elections**President³⁴²**

Presidential Election, First Ballot, 22 October 2017

Candidate	Votes	% of valid votes
Borut Pahor (Independent)	355,117	47.21
Marjan Šarec (LMŠ)	186,235	24.76
Romana Tomc (SDS)	102,925	13.68

³⁴⁰ National Assembly (Državni Zbor) (Slovenia), in Europa World online. London, Routledge. House of Commons. Retrieved 16 October 2018 from <http://www.europaworld.com/entry/si.dir.7612126735135>.

³⁴¹ *Total-Slovenia*, [Slovenia's First Minority Govt. Takes Power](#), 14 September 2018

³⁴² [President \(Slovenia\)](#), Europa World online. London, Routledge. Retrieved 16 October 2018

Candidate	Votes	% of valid votes
Ljudmila Novak (N.Si)	54,437	7.24
Others	53,550	7.11
Total	752,264	100.00

Second Ballot, 12 November 2017

Candidate	Votes	% of valid votes
Borut Pahor (Independent)	378,307	53.09
Marjan Šarec (LMŠ)	334,239	46.91
Total	712,546	100.00

Dr Borut Pahor was duly elected President.

25.4 Views on Brexit

President Borut Pahor told the Bled Strategic Forum conference on 12 September 2018 that the EU had been weakened by Brexit and might need to postpone plans to expand into the Western Balkans.³⁴³

It is still early days for the new Slovenian Government, but the Prime Minister has already demonstrated his support for the majority EU27 view that the UK needs to compromise if it wants a deal.³⁴⁴ In Berlin on 12 October he said in a joint statement with Chancellor Merkel that all EU leaders expected “a constructive and realistic approach from Britain”.³⁴⁵ After the October European Council meeting, Marjan Šarec was reported as saying the problem was not the relationship between the EU and the UK but “the core of the problem [was] in the British Parliament”.³⁴⁶ He did not think extending the transition period would make sense and doubted it would bring a breakthrough in the already protracted negotiations. He thought there was “still time for an orderly Brexit deal, but he added that Slovenia was ready for the worst-case scenario”.³⁴⁷

³⁴³ *NI (English edition)*, [Slovenian president says EU should postpone expansion](#), 12 September 2018

³⁴⁴ E.g. see *Reuters*, [Slovenia PM: chance of autumn Brexit deal if Britain backs it](#), 19 September 2018

³⁴⁵ *New York Times*, [Britain Must Take Realistic Approach to Brexit Talks: Slovenian PM](#), 12 October 2018

³⁴⁶ *Total-Slovenia*, [Šarec in Brussels, meets Macron & talks EU, migration, populism & Euro](#), 19 October 2018

³⁴⁷ *STA*, [Šarec: Still time for Brexit deal, but plan B ready](#), 17 October 2018

26. Spain

26.1 Key facts

1. Government and Politics

Head of State: HM King Felipe VI

Head of Government: Prime Minister Pedro Sánchez Pérez-Castejón

Last election: Legislative, 26 June 2016

Next election: Legislative, due by July 2020

2. Finance and the Economy

GDP (2017): €1,287 billion (GDP per head: €27,700)

GDP average growth 2013-2017: 2.8%

GDP growth 2018 (interim forecast, July 2018): 2.8%

Net contribution to EU budget per head 2017: -€1

Currency: euro

3. Trade with UK

Trade with UK as % of GDP: 4.7%

UK trade with Spain, 2017			
£ millions			
	Exports	Imports	Balance
Goods	10,367	16,436	-6,069
Services	5,748	14,866	-9,118
Total	16,115	31,302	-15,187

Source: ONS Pink Book

4. Views on EU

33% of Spanish have a positive view of the EU (net positive: +18%)

37% of Spanish agree that their voice counts in the EU (net voice counts: -19%)

42% of Spanish trust the EU (net trust: -7%)

90% of Spanish are in favour of free movement

82% of Spanish feel like a citizen of the EU

5. Spanish nationals in the UK

182,000 (ONS estimate for Jan to Dec 2017)

26.2 Background³⁴⁸

Following the civil war of 1936–39, the authoritarian regime established by General Francisco Franco y Bahamonde continued until his death in 1975.

³⁴⁸ See Spain in [Europa World online](#), retrieved 3 September 2018

He was succeeded as Head of State by King Juan Carlos, after which democratic government was introduced.

The bicameral legislature, the *Cortes Generales*, comprises the *Congreso de los Diputados* (Congress of Deputies - lower house) and the *Senado* (Senate - upper house). The Congress has a minimum of 300 deputies and a maximum of 400, elected by universal, free, equal, direct and secret suffrage. Each province forms one constituency, the number of deputies in each one being determined according to population and elected by proportional representation for four years; enclaves Ceuta and Melilla have one deputy each. Elections must be held between 30 and 60 days after the end of each parliamentary term and the Congress convened within 25 days of the elections.

The Senate is based on territorial representation and comprises 266 members, 208 of whom are directly elected for a term of four years. The remaining 58 regional representatives are chosen by the assemblies of the Autonomous Communities (ACs) and are renewed following legislative elections in those regions. Each province elects four senators for four years. Each island or group of islands forms one constituency. Gran Canaria, Mallorca and Tenerife return three senators each, the others one each. The ACs return in addition one senator plus one more for each million inhabitants, appointed by the legislative assembly of the Autonomous Community.

The Government, composed of a President proposed by the King on the Cortes' approval, is voted into office by the Congress by an absolute majority. If no President is elected within two months, the King dissolves the Cortes and convenes new elections with the approval of the President of the Congress.

Spain joined the EU on 1 January 1986 and adopted the Euro on 1 January 1999.

26.3 Current Government and recent political developments³⁴⁹

At an early general election in November 2011 precipitated by the economic and financial crisis, the Popular Party (*Partido Popular* - PP) led by Mariano Rajoy defeated the Spanish Socialist Workers' Party (*Partido Socialista Obrero Español* – PSOE)). At a general election held in December 2015, the PP won the largest number of seats in the Congress of Deputies but lost its overall majority. As no viable government could be formed, fresh elections were held in June 2016 when the PP again emerged as the largest party but without an overall majority. Rajoy was re-elected Prime Minister by the Congress of Deputies in October 2016. He was replaced by PSOE leader Pedro Sánchez in June 2018 after losing a vote of confidence.

Results of the most recent Spanish elections

³⁴⁹ Ibid

Legislature

Spain has a bicameral legislature, comprising the Congress of Deputies and the Senate.

Congress of Deputies (*Congreso de los Diputados*)³⁵⁰

General Election, 26 June 2016

Party	Votes cast	% of votes	Seats
People's Party (PP)	7,906,185	33.03	137
Spanish Socialist Workers' Party (PSOE)	5,424,709	22.66	85
United We Can (Unidos Podemos)	3,201,170	13.37	45
In Common We Can	848,526	3.55	12
It Is Time	655,895	2.74	9
En Masse	344,143	1.44	5
Citizens (C's)	3,123,769	13.05	32
Republican Left of Catalonia–Catalonia Yes (ERC-CAT Sí)	629,294	2.63	9
Democratic Convergence of Catalonia (CDC)*	481,839	2.01	8
Basque Nationalist Party (EAJ-PNV)	286,215	1.20	5
Basque Country Unite (EHB)	184,092	0.77	2
Canarian Coalition (CC)	78,080	0.33	1
Total (incl. others)	23,756,674	100.00	350

* The CDC refounded itself as the Catalan Democratic Party in June 2016; following objections from the Ministry of Home Affairs, it subsequently registered as the Catalan European Democratic Party.

Senate (*Senado*)³⁵¹

The Senate comprises 266 members, 208 of whom are directly elected for a term of four years. The remaining 58 regional representatives are chosen by the assemblies of the Autonomous Communities and are renewed after legislative elections in those regions.

At May 2018 the composition of the Senate by legislative grouping was as follows:

Parties and blocs	Seats		Total
	Directly elected	Appointed	
People's Party group (PP)	127	20	147
Spanish Socialist Workers' Party (PSOE)	42	20	62
United We Can – In Common We Can – En Masse group	14	6	20
Republican Left of Catalonia group (ERC)	10	2	12
Basque National Party group (EAJ-PNV)	5	1	6
Nationalist Parties Group*	3	3	6
Mixed Group**	7	6	13
Total	208	58	266

³⁵⁰ [Congress of Deputies \(Congreso de los Diputados\) \(Spain\)](#), Europa World online. London, Routledge. Retrieved 15 October 2018

³⁵¹ [Senate \(Senado\) \(Spain\)](#), Europa World online. London, Routledge. Retrieved 15 October 2018

* The Catalan Democratic Party (which refounded itself in 2016 as the Catalan European Democratic Party) has four seats, and Canarian Coalition and Independent Herrenian Group each have one seat.

** The Citizens party has four seats, Compromise Coalition has two seats, and the Navarrese People's Union, Asturias Forum, New Canaries, Gomera Socialist Group, and Basque Country Unite each have one seat; one independent and one PP member also sit in the Mixed Group.

26.4 Views on Brexit

Brexit priorities

The Whitehouse Consultancy [profile](#) of the EU27's positions on Brexit summed up Spain's priorities as follows:

As a pro-European country, Spain's main priority will be to keep the EU27 united throughout and after the Brexit negotiations and avoid any further disintegration.

A key issue between the two countries is immigration, with around 300,000 British expatriates living in Spain and investing in the economy. Spain will seek to defend the interests of these citizens as well as British companies operating in Spain. It also wants to protect the tourist industry which sees around 18 million British people visit the country every year.

Concluding a trade deal between the UK and the EU will also be high on Spain's agenda. The UK is Spain's fourth largest trading partner and the most important recipient of Spanish foreign investments.

Furthermore, the Spanish Government has a particular interest in what happens to Gibraltar after Brexit. The Spanish Government has called for joint sovereignty of the island, which is currently British territory and voted overwhelmingly to remain in the EU.³⁵²

Spain is committed to the EU

After the UK referendum, then Prime Minister Rajoy said Spain would "remain committed to the EU":

The EU is the area of greatest prosperity and wellbeing; we will continue building a better future between us. We need stability. Above all we will continue defending Spaniards' interests and greater European integration.

Spain now has a solid economic base in order to weather the financial turbulence which Brexit could cause. We are prepared.³⁵³

At a news conference in January 2017, Mr Rajoy said the UK withdrawal from the EU was a "serious threat" because of its direct economic impact on relations between the UK and Spain. However, he also said the Spanish Government would work to ensure that Brexit created the "fewest number of problems to British and Spanish citizens and takes place in the most orderly fashion possible".³⁵⁴

³⁵² The Whitehouse Consultancy, [Project Brexit: What do other countries think? – Spain](#)

³⁵³ *BBC News*, [Brexit: World reaction as UK votes to leave EU](#), 24 June 2016

³⁵⁴ Government of Spain, [Dialogue is a political imperative and an unavoidable necessity" says Mariano Rajoy](#), 24 January 2017

In June 2018 the BBC reported that Spain's new Prime Minister, Pedro Sánchez, had made clear he intends to respect Spanish commitments to the EU and the European project in general. The report referred to other issues on his agenda, “particularly increasing numbers of migrants reaching Spanish shores and tensions in Catalonia”. Brexit was therefore not a priority for Mr Sánchez, although “he will not be able to ignore the impact the UK's exit could have on Gibraltar”.³⁵⁵

Gibraltar

El País reported in September 2018 that the Spanish Government was seeking to include an annex/protocol/chapter on Gibraltar in the withdrawal agreement, viewing Brexit as a good moment to make progress on long-standing issues arising from Gibraltar's special status in the EU (e.g., it is not part of the customs union, is exempted from the CAP and does not apply VAT). According to *El País* Spain is particularly interested in improving conditions for the area's cross-border workers, reducing tobacco smuggling and cracking down on tax abuses. The Government also wanted to address environmental concerns over the dumping of pollutants around the territory. Perhaps most controversially, it wanted joint use of the airport, which it claims was built illegally outside the territorial limits set by the Treaty of Utrecht (which ceded sovereignty of Gibraltar to Britain in 1713).³⁵⁶

But *El País* reported that Spain would not be bringing up the matter of sovereignty over Gibraltar, with Foreign Minister Josep Borrell saying: “The issue of sovereignty is not on the table”.

Michel Barnier discussed Spain's request for a protocol on Gibraltar with Prime Minister Sanchez and Foreign Minister Borrell in talks on 17 September 2018. The *Financial Times* reported that the proposed protocol appears to go beyond the original plans of EU negotiators. After his meeting with Mr Sanchez, Michel Barnier [tweeted](#) “full support for Spain in its negotiations w/ UK on #Gibraltar, which need to conclude asap”.

According to a *Financial Times* report, EU and UK officials are aware of the dangers of seeking detailed, binding agreements over Gibraltar, with some EU diplomats remaining “wary of being dragged into the detail of the dispute or making Gibraltar a make-or-break topic in the UK-EU divorce negotiations”.³⁵⁷ The report cited one EU diplomat involved in Brexit talks as saying a protocol ultimately “may not be needed”, while another stressed that “while the London-Madrid discussions may be difficult, they did not expect Gibraltar to ‘hold up’ a general agreement on the UK's withdrawal”.

³⁵⁵ BBC News, [What do European governments want from the EU Summit?](#) 28 June 2018

³⁵⁶ *El País*, [Spain wants a special chapter on Gibraltar in Brexit agreement](#), 17 September 2018

³⁵⁷ *Financial Times*, [Spain seeks tougher legal guarantees on Gibraltar in Brexit deal](#), 17 September 2018

The article pointed to the relatively accommodating stance taken by the Sanchez Government since coming to power in June, with ministers indicating that they do not wish to hold up the wider talks and will not use Brexit to press their claim to sovereignty over the territory.³⁵⁸

Brexit preparations

An *Elcano* policy paper in May 2018 stated that in preparation for a possible no deal:

... it is important for Spanish companies to design contingency plans for coping with a reduction in business, whether in terms of preparing for changes in the regulatory framework or seeking alternative customers and suppliers in other markets, both within and beyond the EU.³⁵⁹

It also noted the possible effects on the Spanish tourism industry ("Spain receives millions of British tourists every year, accounting for almost a quarter of visitors to the country"):

it is important that the Spanish tourism industry prepares for a possible reduction in British visits and draws up contingency plans both with the Spanish authorities and with British tour operators, who are equally dependent on tourism to Spain.

Fears about the effects on tourism have continued.³⁶⁰ On 6 November 2018 the *Independent* reported that Spanish tourism Minister Reyes Maroto was meeting UK tour operators "to discuss contingency plans to ensure millions of British tourists can still visit her country in the event of a no-deal Brexit".³⁶¹

According to *BBC News*, "Spain is taking the mañana approach to planning for a no-deal Brexit".³⁶² Economy Minister Nadia Calvino said on 29 October in London that "for the time being, nothing was being done to prepare for no deal. There is no written plan or anything formal and [...] the government was waiting another few weeks before planning for a no-deal scenario".

But the Government is alert to the need for Brexit planning, including contingency planning for a possible no-deal outcome. Open Europe reported:

Spain's government has been [running](#) an analysis of the different potential outcomes of the Brexit talks, including the 'cliff-edge' scenario, based on input from companies and business groups. It has also been [working on](#) a plan to shield its tourism industry from any

³⁵⁸ *Financial Times*, [Spain seeks tougher legal guarantees on Gibraltar in Brexit deal](#), 17 September 2018.

³⁵⁹ [Spain and the prospect of Brexit](#), Salvador Llaudes, Ignacio Molina, Miguel Otero Iglesias & Federico Steinberg, May 2018

³⁶⁰ See, e.g. *The Express*, ['UK is our main market!' Spain in Brexit PANIC as tourist boss warns of no deal DISASTER](#), 11 October 2018

³⁶¹ *The Independent*, [Spain seeks contingency plans with UK tour operators over fears of no-deal Brexit](#), 6 November 2018

³⁶² *BBC News*, Reality Check: What are EU countries doing to prepare for a no-deal Brexit? 6 November 2018

disruption to air travel and will allow UK citizens to use their existing Spanish ID as a post-Brexit entitlement paper, which is a more flexible arrangement than the one France has in mind.³⁶³

Politico reported on 2 November 2018 that “Only 31 percent of Spanish companies have made contingency plans for Brexit, and just 19 percent have started implementing those plans, [according to a survey](#) of 2,000 executives conducted by KPMG in coordination with the CEOE, Spain’s biggest business lobby”.³⁶⁴ But the report went on to outline Government initiatives to help business to prepare for Brexit:

Industry and Commerce Minister Reyes Maroto this week announced a series of actions aimed at “helping companies prepare contingency plans” for Brexit, including informational meetings with business leaders and a public website.

“We have to inform companies that any scenario can occur,” she told reporters. “Some [companies] still convey to us hopes that nothing will happen, and the reality is that something is going to happen.”

In the Spanish Parliament Prime Minister Sánchez and Foreign Minister Borrell have emphasised the need for public administration and business leaders to make “their own contingency plans” to face “any kind of scenario that can occur after March 29, 2019”. Deputy Prime Minister Carmen Calvo has been “coordinating plans across all government departments”, preparing to hire extra customs officers and “laying out urgent regulations on trade protocols or phytosanitary standards”.³⁶⁵

³⁶³ Open Europe, [The view from Brussels: How are the EU27 preparing for a ‘No Deal’ Brexit?](#) 30 August 2018

³⁶⁴ *Politico*, [Madrid tells businesses to get ready for \(any\) Brexit](#), 2 November 2018

³⁶⁵ *Ibid*

27. Sweden

27.1 Key Facts

1. Government and Politics

Head of State: HM King Carl XVI Gustaf

Head of Government: Prime Minister Stefan Löfven

Last election: Legislative, 9 September 2018

Next election: Legislative, September 2022

2. Finance and the Economy

GDP (2017): €368 billion (GDP per head: €36,500)

GDP average growth 2013-2017: 3.2%

GDP growth 2018 (interim forecast, July 2018): 2.4%

Net contribution to EU budget per head: +€165

Currency: krona

3. Trade with UK

Trade with UK as % of GDP: 5.3%

UK trade with Sweden, 2017			
£ millions			
	Exports	Imports	Balance
Goods	5,285	7,024	-1,739
Services	5,849	2,072	3,777
Total	11,134	9,096	2,038
Source: ONS Pink Book			

4. Views on EU

42% of Swedes have a positive view of the EU (net positive: +17%)

65% of Swedes agree that their voice counts in the EU (net voice counts: +33%)

51% of Swedes trust the EU (net trust: +11%)

87% of Swedes are in favour of free movement

76% of Swedes feel like a citizen of the EU

5. Swedish nationals in the UK

43,000 (ONS estimate for Jan to Dec 2017)

27.2 Background

The Swedish Constitution is based on four fundamental laws and the *Riksdag Act* of 1974. The four fundamental laws are the Instrument of Government (originally dating from 6 June 1809), the Act of Succession (1810), the Freedom of the Press Act (1949) and the Fundamental Law on Freedom of Expression (1992).

Sweden's Head of State, King Carl XVI Gustaf, ascended the throne on 15 September 1973. Constitutional changes in 1974 deprived the king of all but ceremonial duties, such as opening parliament and representing Sweden at the diplomatic level.

The unicameral *Riksdag* is Sweden's legislature. It has 349 members, elected for four years. 310 members are directly elected in multi-seat constituencies by proportional representation, with 39 members in 'adjustment' seats.³⁶⁶ Members serve four-year terms.

Traditionally, the work of the *Riksdag* is largely carried out in committees, which are elected by the *Riksdag* on a proportional basis.

When the EEC was established, the then Swedish Government considered that the country's policy of neutrality excluded EEC membership. This remained the case for three decades until Sweden reviewed its position in the early 1990s and joined the EC in 1995.

In a referendum on 14 September 2003 on whether to adopt the Euro, Swedes voted against by 56% to 42%. The Krona continues to be Sweden's currency and there are no plans to adopt the Euro.

27.3 Current Government and recent political developments

Following parliamentary elections in September 2014, Stefan Löfven, a former head of the Metalworkers' Union and leader of the Social Democrats (SAP), formed a minority centre-left coalition government also involving the Green Party.

The September 2018 elections resulted in neither the centre-left nor centre-right being able to form a coalition. The far-right Sweden Democrats (SD) increased their share of the vote to 17.53% (up from 12.9% in 2014). The SD previously had links with neo-Nazi and white supremacist groups but has sought to moderate its image in line with other right-wing populist parties in Europe. The other main parties have said they will not co-operate with the SD in any future government.

While it remained the leading party with 28.6% of the vote, the SAP received its lowest vote share at a general election since 2011. The centre-right Moderates, operating as part of an alliance of four centre-right parties, also lost votes. The other parties in the centre-right alliance - the Centre Party, the Christian Democrats and the Liberals - all made gains but the alliance parties between them did not win enough votes to form a majority.³⁶⁷

Following the election, Mr Löfven lost a vote of confidence in Parliament and subsequently, in October, both Moderate Party leader Ulf Kristersson

³⁶⁶ For detailed information on the electoral system, see Sveriges Riksdag, [Elections to the Riksdag. How the seats are distributed in the Riksdag](#).

³⁶⁷ *Euractiv*, [Sweden's ruling Social Democrats lead election, far right make gains](#), 10 September 2018.

and Mr Löfven made unsuccessful attempts at winning support in Parliament for a new government.³⁶⁸

Results of the most recent Swedish elections

Sveriges Riksdag³⁶⁹

General Election, 9 September 2018

Party	Votes	% of votes	Seats
Swedish Social Democratic Party (SAP)*	1,830,386	28.26	100
Moderate Party (M)**	1,284,698	19.84	70
Sweden Democrats (SD)	1,135,627	17.53	62
Centre Party (C)**	557,500	8.61	31
Left Party (V)	518,454	8.00	28
Christian Democrats (KD)**	409,478	6.32	22
Liberals (L)**	355,546	5.49	20
Green Party (MP)	285,899	4.41	16
Others	99,137	4.53	0
Total	6,476,725	100.00	349

* Contested the election under the name Arbetarepartiet-Socialdemokraterna.

** Contested the election as part of Alliansen (the Alliance).

27.4 Views on Brexit

Speaking the day after the UK referendum, Prime Minister Stefan Löfven said Sweden respected the UK's decision and the UK would remain an important partner for Sweden "in its new role outside the EU".³⁷⁰

Warning to UK about negotiations

In comments to *Bloomberg* on 23 August 2016, Mr Löfven warned Theresa May that handing a tax cut to businesses would make Brexit negotiations "more difficult". Warning that Britain's talks over leaving the EU "shouldn't take longer than necessary", he continued:

But if the UK wants some time to think about the situation, this will also give EU countries some time.

On the other hand, you hear about plans in the UK to, for example, lower corporate taxes considerably. If they, during this time, begin that kind of race, that will make discussions more difficult.

Aggressiveness from Britain in those types of issues — that doesn't improve the relationship.³⁷¹

Solidarity with the EU

³⁶⁸ *Politico*, [Sweden fails again to form new government](#), 29 October 2018.

³⁶⁹ [Sveriges Riksdag \(Sweden\)](#), Europa World online. London, Routledge. Retrieved 16 October 2018

³⁷⁰ Government of Sweden, [Prime Minister Stefan Löfven on the Results of the Referendum in the United Kingdom](#), 24 June 2016

³⁷¹ *The Times*, [Swedish PM warns May tax cuts would complicate Brexit talks](#), 23 August 2016

On 29 November 2016, the Minister for EU Affairs and Trade, Ann Linde, said Sweden supported the EU27 in the Brexit negotiations, ending any hope that the UK would get any special favours from one of its closest EU allies. She told *Reuters*:

For us, as close as possible relations with the UK is what we prefer. But it is more important that the EU as such is functioning at its absolute best and effective way.

If the UK will ask to let go of freedom of movement of persons, not pay to the EU budget and not follow the EU court, that will not be a feasible way to conduct negotiations.

We will not step outside the EU 27 and say - yes, that's a good idea. I've actually been surprised that the solidarity among the 27 is so strong. It's really strong. I think there is a common view among the 27 how we will do it. Our goal is to keep EU27 as effective as it possibly can be. That is our main goal with these negotiations.³⁷²

On the rights of EU citizens in the UK, the Swedish Prime Minister has acknowledged that "Britain does not want to complicate life for all these people".³⁷³

Prime Minister Löfven - we want good relations with the UK

At a meeting in January 2017 with Chancellor Merkel, Mr Löfven said Sweden needed to safeguard the future of the EU but also to "ensure good relations with the UK".³⁷⁴ The following month, he said a UK-EU deal within two years was "optimistic", striking a good agreement would be a struggle and the UK would have to pay its commitments: "you first negotiate on how to make the exit, and then you have the other discussions".³⁷⁵ However, he felt that security cooperation remained important: "we need to look into the security issue - combating terrorism, but also military, to see what we can do to increase our security in this rather difficult times now".

On 29 March 2017, as the UK triggered the Article 50 process, Löfven issued a statement, saying:

The UK has been a close and valuable partner in the EU. We regret the UK's decision to leave the EU, but it's good that the negotiation process can now begin after quite a long waiting period. I welcome the constructive approach in Prime Minister May's letter. I would like to see orderly and results-oriented negotiations, and want our relationship with the UK to be as positive and mutually beneficial as possible even after the withdrawal. This is important for the UK, the EU and for Sweden.

Sweden's key priorities are a good financial agreement where the UK pays for commitments made, and a good solution for the EU citizens

³⁷² *Reuters*, [Britain's long-time ally Sweden sides with EU on Brexit](#), 29 November 2016.

³⁷³ The Whitehouse Consultancy, [Project Brexit: What do other countries think?](#); *Financial Times*, [May seeks 'early' deal to protect expats' rights after Brexit](#), 16 December 2016

³⁷⁴ Government of Sweden, [Hopes of Stronger EU Cooperation on Security, Climate and Migration](#), 26 January 2017

³⁷⁵ *AP News*, [AP Interview: Sweden PM: Brexit Deal in 2 years 'Very Tough'](#), 17 February 2017

who have exercised their right to settle in the UK, and vice versa. In the future relationship between the EU and the UK, we want trade relations to be as favourable as possible, and we want effective cooperation to continue in other areas, including security.³⁷⁶

Towards the end of 2017, Sweden proposed an extensive EU-UK free-trade agreement that included financial services. Ann Linde said: “I think we are looking at something like ‘Canada plus plus plus...far more reaching than the Canadian trade agreement’”.³⁷⁷

Brexit priorities

On 23 February 2018, the Swedish National Board of Trade published [Recommendations for Swedish priorities in upcoming Brexit negotiations](#).

The main conclusions were:

- A first conclusion is that some businesses and sectors are more sensitive to Brexit than others. Based on a range of factors, from trade statistics to number of jobs supported by trade, we have identified the sectors that are particularly important for Sweden in the upcoming Brexit negotiations. Among others, we single out the car industry, wood and paper sectors as well as business services (a sector that stretches from licensed professionals to IT services).
- With regards to these sectors, it is clear that even the most ambitious and comprehensive trade agreement or partnership will not even come close to what we have today. There is simply no magic solution to replace the EU internal market and customs union. Furthermore, we find that trade in these essential sectors is not only dependent on sector-specific rules such as those on cars, paper or business services. Horizontal issues such as the movement of goods and services, as well as the possibility to move persons or data are also crucial.
- This is our main message to the Swedish Government: yes, specific sectors may be more negatively impacted than others, but in order to limit the negative effects of Brexit we need to focus on finding solutions to the broader issues. When it becomes more difficult to move people and data and to deliver services or to trust that mutually agreed rules are actually followed – trade in general, regardless of sector, is challenged.³⁷⁸

On 9 April 2018, Theresa May visited Sweden and met with Prime Minister Löfven, who commented after their meeting:

It is positive that the negotiations between the EU and the UK so far have developed quite well. This is most welcome because it is another step towards an orderly Brexit. We should approach these talks with a positive and practical mindset.³⁷⁹

³⁷⁶ Government of Sweden, [Statement by Prime Minister Stefan Löfven on the UK's intention to withdraw from the EU](#), 29 March 2017

³⁷⁷ *Bloomberg*, [Sweden Extends Post-Brexit Trade-Deal Olive Branch to the U.K.](#), 1 December 2017

³⁷⁸ National Board of Trade Sweden, [Recommendations for Swedish priorities in upcoming Brexit negotiations](#), 23 February 2018

³⁷⁹ *The Local Sweden*, [Swedish PM upbeat on Brexit talks after May visit](#), 9 April 2018

In late August 2018 Ann Linde commented that it was for the UK to find solutions to the UK-Ireland border issue:

As it looks now, we try to find what if there is any way for a soft border. I think this is for Britain to find out. Britain is leaving and it wants to make use of the single market, that's in the white paper.

The British have been talking about the technical solutions but little detail on the backstop.³⁸⁰

Response to Chequers proposal

In a chapter on Sweden in the *Negotiating Brexit: Where Now?* report³⁸¹ released in October 2018, Professor Mats Braun of Södertörn University, reported that the UK's Chequers proposal had been criticised in Sweden for its 'cherry-picking' approach. While the proposal was initially welcomed by the Swedish Government as a starting point for the negotiations, it was viewed as "too narrow" and "an attempt to breach the integrity of the single market". From the Swedish perspective, it is not possible to extricate goods from other elements of the Single Market, and it is particularly important that services are covered given that the UK is Sweden's third biggest market for services. The Swedish view is that the UK needs to come up with concrete proposals with "too much valuable time" having been lost waiting for these to emerge.

Professor Braun noted that whereas Swedish diplomats previously saw their interests closely aligned with the UK, often consulting their UK counterparts before those of other Member States, the Swedish Government view is that the unity of the EU27 and the integrity of the Single Market are paramount considerations in the Brexit negotiations.

Brexit preparations

In 2017 the Swedish Government asked four expert agencies to analyse the consequences of Brexit in specific areas. Their conclusions are summarised on the [Swedish Government website](#). It has established a 'preparedness group' to look into the potential consequences of no deal, but is hopeful of a deal.³⁸²

Sweden's financial regulator, *Finansinspektionen* (FI), has called on "investors clearing derivatives through London" to prepare for their counterparties to be considered unauthorised after the UK leaves the EU in March".³⁸³ The FI analysis, [Consequences of Brexit for the Swedish Financial Market](#) (21 June 2018) recommended that investors "assess the likely consequences for liquidity and solvency, and take capital and liquidity

³⁸⁰ *The Guardian*, [Irish border question must be solved by UK, not EU, says Sweden](#), 28 August 2018

³⁸¹ [Negotiating Brexit: Where Now?](#), 23 October 2018, produced by the "Negotiating Brexit" project examining the positions of the EU27 Governments, co-ordinated by Professor Hussein Kassim of the University of East Anglia and Dr Simon Usherwood of the University of Surrey.

³⁸² *The Guardian*, *ibid*

³⁸³ IPE, [Swedish watchdog urges preparation for 'hard' Brexit](#), 24 October 2018

planning into account”, and that companies should assess the possible effects of Brexit on their business models and strategies, and how to “manage potential adverse effects”.³⁸⁴ The Swedish Chamber of Commerce for the UK has issued guidance, [Brexit – what is it, and how will it affect my business?](#) (30 October 2018) on its website.

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