

# **Prime Minister Theresa May's Commons statement following last week's European Council**

*22 October 2018*

Mr Speaker, before I turn to the European Council, I am sure the whole House will join me in condemning the killing of Jamal Khashoggi in the strongest possible terms.

We must get to the truth of what happened – and my Rt Hon Friend the Foreign Secretary will be making a statement shortly.

Mr Speaker, on the European Council, in addition to Brexit, there were important discussions on security and migration.

First, at last Monday's Foreign Ministers meeting my Rt Hon Friend the Foreign Secretary and his French counterpart secured agreement on a new EU sanctions regime on the use of chemical weapons.

At this Council, I argued along with Dutch Prime Minister Rutte that we should also accelerate work on further measures – including sanctions - to respond to and deter cyber-attacks.

The attempted hacking of the Organisation for the Prohibition of Chemical Weapons in The Hague earlier this year was a stark example of the very real threats we face.

We must impose costs on all those who seek to do us harm, regardless of the means they use. And this Council agreed to take that work forward.

Second, in marking anti-slavery day, I welcomed the continued commitment of all EU leaders in working together to eliminate the barbaric crime of people trafficking.

We reaffirmed our shared commitments to doing more to tackle the challenges of migration upstream.

Following the Council, I met Premier Li of China, President Moon of South Korea and Prime Minister Lee of Singapore at the ASEM Summit.

Since 2010, our trade with Asia has grown by almost 50 per cent – more than with any other continent in the world. I want to develop that even further.

Indeed, Mr Speaker, the ability to develop our own new trade deals is one of the great opportunities of Brexit.

So at this Summit we discussed how the UK can build the most ambitious economic partnerships with all our Asian partners as we leave the European Union. And we also agreed to deepen our co-operation across shared threats to our security.

Turning to Brexit, Mr Speaker, let me begin with the progress we have made on both the Withdrawal Agreement and the political declaration on our future relationship.

As I reported to the House last Monday, the shape of the deal across the vast majority of the Withdrawal Agreement is now clear.

Since Salzburg we have agreed the broad scope of provisions that set out the governance and dispute resolution arrangements for our Withdrawal Agreement.

We have developed a Protocol relating to the UK Sovereign Base Areas in Cyprus.

Following discussions with Spain – and in close co-operation with the Government of Gibraltar - we have also developed a Protocol and a set of underlying memoranda relating to Gibraltar, heralding a new era in our relations.

And we have broad agreement on the structure and scope of the future relationship, with important progress made on issues like security, transport and services.

And this progress in the last three weeks builds on the areas where we have already reached agreement - on citizens' rights, on the financial settlement, on the Implementation Period, and in Northern Ireland, agreement on the preservation of the particular rights for UK and Irish citizens - and on the special arrangements between us such as the Common Travel Area, which has existed since before either the UK or Ireland ever became members of the European Economic Community.

Mr Speaker, taking all of this together, 95 per cent of the Withdrawal Agreement and its protocols are now settled.

There is one real sticking point left, but a considerable one, which is how we guarantee that - in the unlikely event our future relationship is not in place by the end of the Implementation Period - there is no return to a hard border between Northern Ireland and Ireland.

The commitment to avoiding a hard border is one this House emphatically endorsed and enshrined in law in the Withdrawal Act earlier this year.

As I set out last week, the original backstop proposal from the EU was one we could not accept, as it would mean creating a customs border down the Irish Sea and breaking up the integrity of our United Kingdom.

I do not believe that any UK Prime Minister could ever accept this.

And I certainly will not.

But as I said in my Mansion House speech: We chose to leave; we have a responsibility to help find a solution. So earlier this year, we put forward a counter-proposal for a temporary UK-EU joint customs territory for the backstop.

And in a substantial shift in their position since Salzburg, the EU are now actively working with us on this proposal.

But a number of issues remain.

The EU argue that they cannot give a legally binding commitment to a UK-wide customs arrangement in the Withdrawal Agreement, so their original proposal must remain a possibility.

Furthermore, Mr Speaker, people are understandably worried that we could get stuck in a backstop that is designed only to be temporary.

And there are also concerns that Northern Ireland could be cut off from accessing its most important market - Great Britain.

During last week's Council, I had good discussions with Presidents Juncker, Tusk and Macron, Chancellor Merkel and Taoiseach Varadkar and others about how to break this impasse.

I believe there are four steps we need to take.

First, we must make the commitment to a temporary UK-EU joint customs territory legally binding, so the Northern Ireland only proposal is no longer needed.

This would not only protect relations North-South, but also, vitally, East-West.

This is critical: the relationship between Northern Ireland and the rest of the UK is an integral strand of the Belfast Good Friday Agreement. So to protect that Agreement we need to preserve the totality of relationships it sets out.

Nothing we agree with the EU under Article 50 should risk a return to a hard border, or threaten the delicate constitutional and political arrangements underpinned by the Belfast Good Friday Agreement.

The second step, is to create an option to extend the Implementation Period as an alternative to the backstop.

Mr Speaker, I have not committed to extending the Implementation Period.

I do not want to extend the Implementation Period – and I do not believe that extending it will be necessary.

I see any extension - or being in any form of backstop - as undesirable. By far the best outcome for the UK, for Ireland and for the EU – is that our future relationship is agreed and in place by 1st January 2021.

I have every confidence that it will be. And the European Union have said they will show equal commitment to this timetable.

But the impasse we are trying to resolve is about the insurance policy if this does not happen.

So what I am saying is that – if at the end of 2020 our future relationship was not quite ready - the proposal is that the UK would be able to make a sovereign choice between the UK-wide customs backstop or a short extension of the Implementation Period.

And Mr Speaker, there are some limited circumstances in which it could be argued that an extension to the Implementation Period might be preferable, if we were certain it was only for a short time

For example, a short extension to the Implementation Period would mean only one set of changes for businesses - at the point we move to the future relationship.

But in any such scenario we would have to be out of this Implementation Period well before the end of this Parliament.

The third step, Mr Speaker, is to ensure that were we to need either of these insurance policies – whether the backstop or a short extension to the Implementation Period – we could not be kept in either arrangement indefinitely.

We would not accept a position in which the UK, having negotiated in good faith an agreement which prevents a hard border in Northern Ireland, nonetheless finds itself locked into an alternative, inferior arrangement against our will.

The fourth step, Mr Speaker, is for the Government to deliver the commitment we have made to ensure full continued access for Northern Ireland's businesses to the whole of the UK internal market.

Northern Ireland's businesses rely heavily on trade with their largest market - Great Britain - and we must protect this in any scenario.

Mr Speaker, let us remember that all of these steps are about insurance policies that no-one in the UK or the EU wants or expects to use.

So we cannot let this become the barrier to reaching the future partnership we all want to see.

We have to explore every possible option to break the impasse and that is what I am doing.

When I stood in Downing Street and addressed the nation for the first time, I pledged that the government I lead will not be driven by the interests of the privileged few but of ordinary working families.

And that is what guides me every day in these negotiations.

Before any decision, I ask: how do I best deliver the Brexit that the British people voted for.

How do I best take back control of our money, borders and laws.

How do I best protect jobs and make sure nothing gets in the way of our brilliant entrepreneurs and small businesses.

And how do I best protect the integrity of our precious United Kingdom, and protect the historic progress we have made in Northern Ireland.

And, if doing those things means I get difficult days in Brussels, then so be it. The Brexit talks are not about my interests. They are about the national interest – and the interests of the whole of our United Kingdom.

Serving our national interest will demand that we hold our nerve through these last stages of the negotiations, the hardest part of all.

It will mean not giving in to those who want to stop Brexit with a politicians vote – politicians telling the people they got it wrong the first time and should try again.

And it will mean focusing on the prize that lies before us: the great opportunities that we can open up for our country when we clear these final hurdles in the negotiations.

That is what I am working to achieve. And I commend this Statement to the House.