

**Britain left the European Union,  
what will happen next?**

Prof. Dr. Moustafa El-Abdallah Al Kafry

The agreement reached in Brussels is an important step, even if the final version is not reached.

On 17 October 2019, the Brexit negotiations reached another major milestone. After long discussions of the heads of delegations of negotiators from both sides - the UK government and the European Commission, representing the 27 EU countries - at the last minute, during a meeting of the European Council decided EU Heads of State and Government (27 countries) politically ratify the British Withdrawal Agreement and the Political Declaration on the Future Relationship between the EU and the UK.

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Britain's exit from the European Union is a reality:

Brexit has become a reality as of February 1, 2020. The United Kingdom is no longer a member of the European Union. What will remain the same, and what will change after withdrawal? What form will future relations between EU countries and the UK take?

The Withdrawal Agreement entered into force on 1 February 2020. However, leaving the UK EU will not change anything for citizens or companies of both sides (EU and UK). A transition period until 31 December 2020 is specified in the Withdrawal Agreement, which states that EU law continues to apply to the UK, and the UK will remain part of the EU's single market and EU customs union during the transition period and this includes:

- Freedom of movement in the EU, i.e., the right to live, work, study or receive social security coverage in the EU and in the UK continues to be fully applied during this period.
- The transition phase provides citizens and businesses in both the EU and the UK with everything needed for future activity and planning.
- Under the withdrawal agreement, the transition period can be extended once for up to two years; a decision must be made before 1 July 2020.

The Withdrawal Agreement also provides legal safeguards in key areas of the post-transition period, i.e., as of 1 January 2021 so that:

- You can continue to live, work, study and enjoy social security for EU citizens living in the UK and UK citizens living in the EU.
- EU citizens living in the UK and UK citizens living in the EU enjoy comprehensive lifelong protection of their rights.

The Northern Ireland Protocol guarantees the integrity of the EU single market. At the same time, it ensures that there are no border

controls between Ireland and Northern Ireland and that the Good Friday Agreement remains in full force.

The Protocol states that Northern Ireland will remain part of the UK's customs area, but all rules relevant to the EU Single Market in Northern Ireland as well as the EU Customs Act will apply. The resulting checks and customs duties will take place at points of entry to the island of Ireland in Northern Ireland.

The UK's financial obligations to the EU are one of the points set out in the Withdrawal Agreement.

Europe's Loss with the UK's Leave of the EU:

What will Europe lose as a result of the withdrawal? The British economy is a champion when it comes to services. In contrast, the EU, although based on four freedoms, has worse results in services. Poland exports a lot of them and loses its ally in terms of market development. The British contribution is also disappearing, and it was a contributing country to the financing of EU coffers, so there will be less money for Poland and the former Eastern European countries as well.

The EU loves to build its country in Paris or Frankfurt, but these are long processes that take even generations. In London, thanks to the accumulation of banks and financial institutions in a small area, they can easily exchange information or resources. This is a big advantage; the language of finance is English and we will not change it.

The EU and the UK are now taking full advantage of the transition period to negotiate their future relations. The European Union also wished to continue to establish a close partnership with the United Kingdom.

The Political Declaration sets out the future relationship agreed upon by the two sides with the withdrawal agreement as the framework for negotiations on future relations between the EU and

the UK. The Declaration essentially envisages an economic partnership and a security partnership.

The Economic Partnership:

The objective of the Economic Partnership is to conclude a comprehensive free trade agreement. Given the geographical proximity and close economic relations between the EU and the UK, wide-ranging agreements will be concluded to ensure equal opportunities.

Security Partnership:

The objective of the Security Partnership is comprehensive and close cooperation in the field of internal and external security on the basis of reciprocity. Through data exchange and effective cooperation in combating the financing of terrorism, we will continue to ensure the security of our citizens.

According to the Political Declaration, on 25 February 2020, the 27 EU Member States agreed that the European Commission, on behalf of the Member States, would negotiate with the United Kingdom on the future relationship between the EU and the UK.

Negotiations in all areas are scheduled to begin at the beginning of March 2020 in particular on:

- Common provisions of the Withdrawal Agreement.
- Agreement on the Rights of Citizens.
- Agreement on issues of withdrawal of the United Kingdom.
- Agreement on the administration of the withdrawal agreement.
- Agreement on financial settlement.
- Protocol relating to Ireland /Northern Ireland.
- What has been agreed on the sovereign base areas in Cyprus.

The two sides (the EU and the UK) will lose in Brexit, but we don't know the magnitude of the losses in Great Britain and Europe.

The loss of the United Kingdom after its exit from the European Union:

What will be the biggest loss in the UK after Brexit?

Britain officially leaves the EU, but still enjoys all the rights and obligations arising from membership, although it will lose the right to vote only in EU institutions. By the end of the year, there will be time to negotiate a free trade agreement, but the preparation of such agreements takes a very long time, and there are many issues where there can be a lot of disagreement. It is very easy to exceed this deadline. But it's hard to say what the scene will look like yet. Brexit, what difficulties will arise for British and European companies, and what formalities need to be adhered to when crossing borders. This is a zero-sum game; no country will win and everyone will lose. Great Britain is already losing: we are talking about slower growth rates of 1-2% of GDP. Although unemployment is low, wages are not rising. Companies don't want to pay more because of uncertainty. And because of This, investments decrease.

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growth rates of 1-2% of GDP. Although unemployment is low, wages are not rising. Companies don't want to pay more because of uncertainty. Because of this, investments are falling.

Will New York win?

Funders also talk about this, with great technical potential, the location of the premises will have secondary importance. In Europe, financial firms will open offices to obtain an EU passport for operations on the continent, but they can be small branches. The discussion begins, does the world need two financial centers London and New York, maybe New York is enough?

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