

Can it really be done?

In just over 21 months time, we will hopefully be leaving the EU. With the exception of military matters and the European Arrest Warrant, Mrs May's objective appears to be for the UK to enjoy a looser relationship with the EU than that of any other European country which is not a member state, apart from countries like Belarus and Russia.

After all, all four EFTA countries (Switzerland, Norway, Iceland and Liechtenstein) are part of the Schengen area while several micro-states including Monaco, San Marino and the Vatican City use the Euro. Turkey is part of the EU's Customs Union while Norway, Iceland and Liechtenstein are, of course, part of the European Economic Area.

Can we realistically expect to reach a greater degree of detachment than these countries by March 2019? The Government has not gone into any detail about how it proposes to achieve such a radical divorce in a very short space of time, but the Bruges Group published a booklet earlier this year, entitled What will it look like? How leaving the single market can be made to work for Britain. Two of the authors, Robert Oulds and Dr Lee Rotherham, are CIB Committee members.

The problem with staying in the European Economic Area by rejoining EFTA is that it would not resolve the customs clearance issue. We do need a customs agreement with the EU, as a lack of a deal in this area is the biggest problem which our trade with the EU would face. (Just to reiterate, a customs agreement is totally different from remaining in the customs union which, as we have pointed out, is irrelevant as far as Brexit is concerned.)

By contrast, standards compliance rarely causes delays. Another red herring is the issue of access to the EU's financial services market. It can be accessed from outside the

EEA, as the authors explain.

The key to a successful trade deal lies in identifying the potential problems early on, which the authors seek to do in this publication.

With the terms “Hard” and “Soft” Brexit bandied about without everyone being agreed on what this means, the authors claim that there is no such thing as a truly “Hard” Brexit. but there are significant obstacles to be overcome. Nonetheless, a trade agreement between the EU and the UK, focused on tariff reduction and clearing customs, could take just 18 months to complete.

The authors explain why UK’s bargaining position is stronger than many commentators believe. Given that David Davis has already had to concede to his EU counterpart’s demands that talks on a trade deal cannot begin until other exit arrangements have been agreed, any strong cards in his hand will, I am sure, be most appreciated.