

German business condemns the EU's game of chicken

*We bring news from Germany, where German business representatives have criticised the EU's intransigence in negotiations and urged its leaders to come to an agreement with the UK. This briefing draws on a much longer report on the German website www.german-foreign-policy.com, with thanks to its editor **Horst Teubert**.*

The EU's apparent unwillingness to negotiate a mutually-beneficial agreement with the UK has understandably been much criticised in Britain, with their tactic of weaponising the Irish border a particular point of opprobrium.

What is less well known is the criticism that the EU's intransigence has drawn from business representatives on the continent – and Germany in particular.

German business representatives have recently stepped up their pressure on the EU to reach a mutually-agreed solution with the UK, fearing that a lack of an agreement could mean billions in losses.

“A hard Brexit would be a disaster that would bring great difficulties to tens of thousands of enterprises and hundreds of thousands of employees in Europe,” recently warned Joachim Lang, Director General of the Federation of German Industries (BDI). “A massive crisis would result.”

Lang called for “a greater amount of flexibility” from the EU, demanding that, “the political deadlock in negotiations must be overcome.”

The President of the Federal Association of Wholesale, Foreign Trade and Services (BGA), Holger Bingmann, echoed this demand, stating that the entire EU and its institutions' main task

must be “to finally come to an agreement.”

The EU's negotiating tactics have been strongly criticised in German business circles. Joerg Kraemer, head economist of Germany's fourth-largest bank, the Commerzbank, complained that Brussels is too inflexible. “They are sticklers for principles in the negotiations with Great Britain,” complained Kraemer, but the EU itself has “stretched the rules of monetary union to the point of being unrecognisable.”

Kraemer wrote that there is “ample leeway for finding common ground with Britain.” The insistence on a customs border between Northern Ireland and the British mainland is incomprehensible, he said. “No nation in the world would accept a customs border on its own territory.”

The German automobile sector would be particularly hard hit by a no-deal Brexit. The Cologne-based German Economic Institute has predicted a catastrophic scenario in which German exports to the UK would plummet to just 43% of present levels.

There have been occasions when the British negotiating stance has also left much to be desired. An arrogant attitude of “having our cake and eating it” was a pretty stupid negotiating ploy.

But we are now reaching the point on both sides where the posturing and points-scoring has got to stop. It is no longer an opportunity for politicians to turn clever phrases and strike attitudes.

German businessmen, bankers and industrialists are concerned that the EU authorities are using the negotiations to punish the UK for leaving. But, they point out, the effects of that punishment will rebound on their own people too. If such a thing comes to pass, it could only further discredit the EU itself amongst the German people.

For the UK, the fact that the EU's leadership is so obsessed

with its political agenda that they ignore the economic interests of their own peoples – even the usually highly-favoured German economy – provides further evidence of why it is essential that we leave.