



# BREXIT BOWL

Multi-tasking's the name of the game for today's European Union leaders. While Brexit might be one of the top issues for some EU officials, it's by no means the only challenge requiring political attention, causing uncertainty and unpredictability amongst business across Europe and beyond. A new US President openly questioning the validity of their 'project', forthcoming Dutch, French and German elections that are becoming more unpredictable by the day, and umpteen political and policy challenges ranging from migration to terrorism are all top of mind. The fallout from the UK's exit from the EU is not, therefore, the only plate that EU leaders must keep spinning.

Just weeks before UK Prime Minister Theresa May is due to trigger Article 50, this month's Brexit Bowl from FTI Consulting takes a look at the state of play in Brussels and London where politicians are not only getting prepared for the negotiations but also for life after Brexit. We look at the implications of the recent Supreme Court ruling in the UK and ask what the new political leadership in the European Parliament will mean. Ahead of the crunch French elections, we also assess what the contenders for the presidency have been saying about the EU and Brexit. What is clear is that no candidate is publicly willing to give the UK an easy ride in the negotiations.

For those Prime Ministers and Presidents of Europe who wished for a peaceful start to the year, 2017 will so far have proved to have been a big disappointment.

*Louise Harvey*

## View from Brussels

---

Unity remains the number one priority for the 27 Member States who will be remaining in the bloc. With the kick-off of turbulent Brexit negotiations fast approaching the past month has shown that, so far, the EU-27 are sticking together and getting prepared for life without their favourite Anglo-Saxon colleagues.

They need to. It's not just Brexit that has turbo-charged the EU's basic survival instinct.

According to EU Council President Donald Tusk, the EU faces three clear threats: geopolitical challenges from China, Russia, and the US; the rise of anti-EU, xenophobic and nationalistic sentiment within the EU; and thirdly, the threat emanating from the "state of mind of the pro-European elites", with a decline of faith in political integration and doubt in the fundamental values of liberal democracy.

The recent summit of EU leaders in Malta was partly aimed at orchestrating an EU 'fight back' against these threats and holding a firm line on unity. It forms part of the bloc's response to Brexit and its work to define the future of the EU without the UK. This will come to a head on 25 March in Rome when leaders gather to celebrate the 60th anniversary of the Treaty of Rome, the founding treaty of the EU. These aren't conversations that companies should dismiss as EU internal naval-gazing: fundamental questions will be asked about what this means for the EU's future approach to issues such international trade, investment, technological changes and social protection standards, all of which impact business' licence to operate in Europe and the general business environment.

Back in Brussels, the talk of the town was about the newly elected President of the European Parliament (EP), Antonio Tajani. He took over the role from German MEP Martin Schulz, who left Strasbourg to become the SPD party's candidate against current Chancellor Angela Merkel in the forthcoming elections. The rise of Tajani, a centre-right Italian, marked the end of the 'grand coalition' deal between the centre-right and centre-left parties in the EP which provided a degree of certainty and stability to law-making. The change is certain to make the EP legislative process (even) more complex and more unpredictable.

While an exhilarating few weeks for avid EP watchers, the development has wider significance, particularly for Brexit. It will be President Tajani's role to ensure that the political groups maintain a decent level of cooperation so that majorities can be found within a reasonable time-frame and political deadlocks avoided as much as possible. The most important vote of his mandate will be on the Brexit agreement and Tajani will face the challenging task of ensuring the EP delivers a view supported by a majority of the Parliament. Brexit will determine much, if not all of Tajani's Presidency: he will have to deal with the EP's vote of consent (or not) on the withdrawal agreement itself, but will also have to prepare for the departure of 73 UK MEPs, and for changes to the EP's internal organisation (and budget). Here lies Tajani's real challenge: how to reconcile a divided EP, an important legislative agenda and Brexit. He clearly has his work cut-out.

## View from London

---

The year began with a Brexit bang following the shock resignation of the UK's ambassador to the EU, Sir Ivan Rogers. Rogers' resignation was characterised by an email he sent to civil servants, that criticised the government's strategy on Brexit and encouraged civil servants to 'continue to challenge ill-founded arguments and muddled thinking' and to 'never be afraid to speak the truth to those in power'. It was speculated by many in power, that his resignation was the result of mounting tensions between No.10 and Sir Ivan over the government's Brexit strategy, in addition to a leaked memo in December wherein Sir Ivan warned that Brexit could take 10 years to conclude.

Sir Ivan's replacement, Tim Barrow, a career diplomat and former UK Ambassador to Moscow, was quickly appointed, drawing a warm welcome from some Conservative MPs who had long viewed the Brussels insider Sir Ivan with suspicion.

The Supreme Court concluded its Brexit case this month, brought before it by asset manager and Brexit campaigner Gina Miller. The Court ruled against the Government's appeal by 8 votes to 3, declaring they cannot trigger Article 50 without an Act of Parliament. What ensued was a flurry of activity from the Government, to draft a tightly worded Brexit Bill to push through Parliament (a total of only 130 words in length), to ensure they remained on track with the PM's promise to trigger Article 50 by the end of March.

After lengthy debate in the House of Commons, the Bill was approved by 498 MPs to 114, including 47 Labour MPs rebelling against Labour leader Jeremy Corbyn by voting against the Bill. As it progressed through Parliament, the Labour Party tabled a series of

amendments, seeking to delay the Government, or force its hand with amendments that compelled the government to give Parliament a vote on the final Brexit deal. Prime Minister May called their bluff, revealing that the Government would give Parliament a vote on the final deal, warning however that it would be a 'take it or leave it deal', making clear the government would not return to negotiations with Europe, if MPs were not satisfied by the draft deal.

Labour Shadow Brexit Secretary Keir Starmer hailed this a victory; however more seasoned politicians in the Labour and Conservative benches viewed the government's proposal as an insubstantial concession, given the government's accompanying remarks.

This month also saw the publication of May's hotly anticipated White Paper on Brexit. Overall, the paper gave little away about May's negotiating strategy, only building on her Lancaster House speech, thus drawing criticism from heads of industry, in particular the financial services sector. The paper did say the government wants to avoid a cliff-edge Brexit and considers an implementation phase to be in everyone's interest, in addition to outlining that the government wants to take in "elements of the current Single Market arrangement" in a bespoke new trade deal.

Against the backdrop of the White Paper and increasing Labour Party divisions on the issue of Europe (following several resignations), the Prime Minister is expected to press ahead with the formal triggering of Article 50 early next month.

## View from Paris

---

After the UK voted to leave the EU and three months before the presidential election, candidates have started sharing their views on Brexit.

Far-right candidate Marine Le Pen (Front National) is currently ahead in the polls for the first round. Describing Brexit as the most important thing to happen in Europe since the fall of the Berlin Wall, she commended the British people for initiating “the beginning of the end of the European Union”. She has promised to hold a referendum on France’s membership to the EU, hoping to bring down the “Brussels Wall”.

The right-wing candidate and former Prime Minister François Fillon (Les Républicains) has called for a fast and hard Brexit but remains open to deepening the bilateral defence agreement signed in 2010 between France and the UK. He has also clearly stated that the EU should not give away passporting rights to the UK’s financial services industry.

Emmanuel Macron and his ‘En Marche’ movement are gaining momentum, with a recent poll even featuring the candidate as the most popular politician in France (17 January). Macron has made the case for deeper integration in the name of sovereignty, which he defines as Europeans’ ability to act together to shape their common future. He has wrapped both his ambitions for the EU and his refusal to maintain passporting rights in the case of a hard Brexit within that paradigm. As to the way to proceed with the negotiations, he has argued that “a common approach between Member States” is necessary to avoid “a sector by sector or country by country approach”.

Benoît Hamon, the winner of the Socialist Party's primaries, has promised not to “break the European project”, although he blames the Brexit vote on the failure of French and German leadership. Hamon has remained vague about his plans for the EU and his

position regarding Brexit negotiations is still unknown. The party’s expected defeat in the election would mean the replacement of Philippe Leglise-Costa as Secretary General for European Affairs and head of France's Brexit taskforce. It would also involve the replacement of high-level figures of relevant inter-ministerial working groups.

Jean-Luc Mélenchon, the far-left candidate, has called for France to “leave the European treaties”. He has praised Brexit as “the refusal of the Troika” and of austerity measures.

As to Michel Barnier’s leadership over the Brexit negotiations, the European Commission’s Chief Brexit negotiator has shown no sign of favouritism towards the official position of France or that of any specific French presidential candidate (as a former centre-right minister). Although the symbolism of the appointment of an ardent federalist with a testy relationship with the City of London and a desire to conduct negotiations in French prompted some press headlines, Barnier has so far stuck to the ‘no negotiations without notification’ principle.

### Contact Details

Louise Harvey

Chair, FTI Consulting Brussels & Head of FTI Consulting Brexit Taskforce  
Strategic Communications, Brussels

[BrexitResponseTeam@FTIconsulting.com](mailto:BrexitResponseTeam@FTIconsulting.com)

[Louise.harvey@fticonsulting.com](mailto:Louise.harvey@fticonsulting.com)

+32.2.289.09.35 T | +32.477.68.5258

To read more about BREXIT, please visit our content hub  
[www.fticommunications.com/brexit](http://www.fticommunications.com/brexit)



EXPERTS WITH IMPACT

### About FTI Consulting

FTI Consulting is an independent global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. Connect with us on Twitter (@FTIConsulting), Facebook and LinkedIn. The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc. its management, its subsidiaries, its affiliates, or its other professionals, members of employees.