

#### Analysis of today Assessment of tomorrow



By: Harvey Morris

# UK whispered to be dating Europe again after messy Brexit divorce



Political and economic realities are pushing the UK back into the arms of its European Union neighbour five years after their messy divorce.

With Washington seemingly in no hurry to deliver a bilateral trade deal that has eluded successive post-Brexit UK governments, Prime Minister Keir Starmer will this month host a summit of EU leaders to try to reset relations with the 27-member bloc.

Britain's ardent pro-Europeans should not hold their breath. There will be no reneging on the 2016 referendum vote to leave the EU, even if more than half of voters now believe it was the wrong choice.

There is room for manoeuvre, however, when it comes to fixing aspects of what is now widely regarded as the botched deal that led to the UK's formal departure in 2021.

Like so much else in the contemporary geopolitical landscape, the talks will inevitably reflect the impact of the erratic and hostile policies that the second Trump administration has launched in its first 100 days.

While Starmer's government has stuck stolidly to its golden rule of not prioritising relations with either Europe or the US, divergence with Washington on a range of issues, from tariffs to Ukraine, have pushed the UK towards the European camp.

The government in London has so far received little in return for cosying up to Donald Trump, and the strain may be starting to show.

## An apparent UK-EU rapprochement

In an almost throwaway aside last week, Chancellor Rachel Reeves told the BBC that UK trade with Europe was arguably even more important than its trade with the US.

It was a remark which, as Starmer's office later noted, was essentially a statement of the

obvious, given that EU states collectively account for more than 40 per cent of UK exports.

Reeves was speaking in Washington the day before a meeting with her US counterpart, Treasury Secretary Scott Bessant, and after attending meetings of the World Bank and International Monetary Fund (IMF).

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Strolling by the National Mall pool, she told the BBC she had met a number of EU finance ministers in the US capital "because it is so important that we rebuild those trading relationships with our nearest neighbours in Europe."

Welcoming an apparent UK-EU rapprochement, the IMF director Kristalina Georgieva described the two sides as divorcees who were now dating again.

Reeves left Washington without securing exemptions from Trump's tariffs, including a 25 per cent levy on car imports, and facing new demands that 10 per cent tariffs on US car exports to the UK be cut.

Retreating from previous optimism about an early agreement on trade, her cabinet colleague Pat McFadden conceded at the weekend that a deal with the US was possible but not certain. He said the government did not want a hasty deal but rather one that reflected UK interests.

## Ukraine, Paris Agreement, free trade

It is not all about tariffs and trade, of course. Britain and Europe have been sidelined in Trump's so far stalled attempt to reach a peace deal in Ukraine, while there are transatlantic rifts over issues such as green energy and online safety.

Despite its dogged refusal to criticise Trump directly, the UK government finds itself on the same side as Europe on much of the current international agenda.

A draft statement was circulating this week, ahead of the May 19 London summit, in which the UK proposes a broad statement of shared values with the EU. Reuters, among the media who had seen the draft, said it emphasised support for Ukraine's territorial integrity, the Paris Climate Agreement and open and free trade.

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The agency reported that, although the draft did not mention the Trump administration by name, elements of the text presented a striking contrast to current US policies.

The most pressing issue for the UK and its neighbours is defence in light of developments over Ukraine. The UK wants its defence companies to have greater access to a €150 billion EU rearmament fund. Agreement had previously been linked to changes in rules on fishing, a legacy of the 2021 Brexit deal.

Without commenting directly on the draft text, Starmer's spokesperson told the Guardian: "The prime minister's being clear that there are significant benefits to be had by having a better partnership with the EU in terms of jobs, British businesses, reducing trade barriers, driving growth and keeping us safe in an increasingly dangerous world."

### A bridge between the Americans and Europeans

The UK-EU reset is likely to start with relatively modest moves, including a youth programme that would allow EU citizens to

spend a year in Britain under a reciprocal programme that would not add to migration figures.

But even small steps are likely to provoke the ire of Eurosceptics in UK politics and the press. Look out for headlines that Labour is selling out to Europe and turning its back on the US.



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The pro-Brexit Telegraph already suggested this week that the draft statement risked damaging Starmer's attempt to act as a bridge between the Americans and Europeans and fuel criticism that he was choosing Europe over the US.

The challenge for the Eurosceptics is that almost everyone is now agreed that Brexit has not worked, although those who pushed to leave the EU tend to blame not the concept but rather the failings of the 2021 deal.

The UK has lost out in terms of national income and growth as it failed to turn into the outward-facing trading powerhouse promised by the Brexiteers.

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