



# Center for Mellemøststudier

News Analysis

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## Brexit, the EU and the Middle East

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### News

The British Prime Minister Theresa May's visit to Saudi Arabia in April 2017 has resulted in a heated debate in the British media, reigniting the feuds from the Brexit discussions leading up to the 23 June 2016 referendum. Some of the issues have been international trade, the migration crisis and the relationships between the EU, the UK and the Middle East. Obviously the financial perspectives in the United Kingdom's vote to leave the European Union look threatening, as 44 percent of British exports goes to EU countries. It therefore seems logical to seek other markets. Added to that the timing of Brexit could hardly be much worse; challenges related to the low growth in international trade and the migration crisis affect both the Middle East and the EU – and the UK. The UK will have to maneuver in these complex realities and cannot count on a helpful EU, which has its own internal challenges, with or without Brexit.

### Summary

Following the Brexit referendum the UK is leaving the EU and this means that the UK no longer stands together with the EU on the international scene. The British Prime Minister Theresa May has recently invoked the EU Treaty Article 50 initiating the Brexit process and obviously the UK leaders know they will face severe challenges securing the best foreign policy agreements possible. In the Middle East the UK hopes to renew old trade agreements, some of which are related to arms sales back from the times of Margaret Thatcher, but also to take care of more recent security interests related to the fight against ISIS and the migration crisis.

### Key Words

Brexit, EU, the Middle East, Saudi Arabia, foreign trade, migration.

### About the Author

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## Analysis:

### *British foreign trade in the Middle East*

At the same time as the British Prime Minister Theresa May, by invoking Article 50 of the Treaty on European Union,<sup>1</sup> has initiated the UK's withdrawal from the EU, she has to start political processes related to the tasks made necessary as a result of the result of the referendum 23 June 2016. The British leaders will have to negotiate a new deal with the EU, making it possible to continue the cooperation with the 27 remaining EU member states. Following the implementation of the new deal a significant legal and institutional effort will be necessary in order to revise the UK's own governance as EU law recedes.<sup>2</sup> And finally the UK has to enter into new bilateral trade agreements with partners around the world. It is of course necessary not to wait until the Brexit process is supposed to be finalized in April 2019 – otherwise problematic interruptions might occur in the British foreign trade.<sup>3</sup>

The Middle East with a population of more than 400 million people is a large market, even though several parts of the region might not be characterized by strong purchasing power and well-functioning infrastructure. Beyond Brexit a new situation might be expected to appear, where the EU no longer will represent British economic interests. The question is how this will work out. Brexit is without precedent and in principle the EU and the UK will be competitors on the global market. The EU has, on behalf of its member states negotiated agreements allowing free trade with several countries around the globe, and the UK will have to seek similar or novel forms of agreements – obviously without the assistance of the EU's European External Action Service offices and the existence of negotiation frameworks in the form of the Association Agreements between the EU and the Middle Eastern countries, the Neighbourhood Policy Action Plans etc.

The UK will probably face more difficult terms when negotiating trading conditions with the Middle Eastern countries (as well as with other parts of the world) both before and after the final British exit from the EU in 2019. It has furthermore been mentioned in the British discussions that the UK might expect problems negotiating deals with third countries, who maybe will want to see what terms the UK receives from the EU before committing to their own deals.<sup>4</sup> To what extent this will be the case in the context on the Middle Eastern markets is impossible to say at this stage, but there is no doubt that the British Foreign Office must be aware of the possible problems and have to start preparing for the coming challenges. This is where the visit to Saudi Arabia becomes relevant.

<sup>1</sup> A short introduction to the Article 50, triggered by Theresa May 29 March 2017, can be found here: EU-Commission, "Article 50 of the Treaty on European Union – Q&A," (Brussels: European Commission, 2017).

<sup>2</sup> For a discussion of federalist tendencies in the EU in the context of the Brexit debates, see John Erik Fossum and Markus Jachtenfuchs, "Federal Challenges and Challenges to Federalism. Insights from the Eu and Federal States," *Journal of European Public Policy* 24, no. 4 (2017).

<sup>3</sup> See Matthijs Matthias, "Europe after Brexit: A Less Perfect Union," *Foreign Affairs* 96, no. 1 (2017).

<sup>4</sup> This argument has been brought forward on several occasions, both in the British parliament and in the British media, see Peter Foster and James Kirkup, "What Will Brexit Mean for British Trade?," *The Telegraph*, 24 February 2017.

### *Brexit and the migration crisis*

The EU has over the last years been hit by severe internal disagreements, not least in connection with the refugee crisis related to the war in Syria. The crisis played an indirect role in connection with the Brexit campaigns, firstly because migration in general was a significant theme in the British debates before the referendum, secondly because some of the refugees from Syria were part of the refugees and migrants attempting illegally to come to the UK via the tunnels across the English Channel. In addition to that the UK took part in the EU discussions about the migration crisis, which during 2015 created a chaotic situation in particular in Greece, where hundreds of thousands of refugees tried to enter Europe via the Aegean Sea.

It was dealt with via the so-called 18 March 2016 statement, a bilateral agreement between the EU and Turkey, according to which Turkey accepted the return of all refugees and migrants arriving to Greece, while the EU accepted to take one Syrian refugee from Turkey for each Syrian refugee arriving to Turkey from Greece. A problem related to the 18 March 2016 statement is the time factor. The implementation of the resettlement procedures inherent in the statement has proven to be very slow. Koenig and Walter-Franke has calculated that it will take 13 years to resettle the 54,000 Syrians, less than 2 percent of the Syrian refugees living in Turkey, initially promised by the EU.<sup>5</sup>

This is yet another issue where the problems for the EU as a whole affect the UK, a concern, which became an important question in the Brexit discussions. The question of resettlement is not directly relevant in the British context, since the UK, which can opt out on parts of European asylum policy, already in 2015 decided not to participate in the EU resettlement schemes related to the refugee crisis.<sup>6</sup> Nevertheless the refugee crisis was utilized rhetorically by the “Leave-side”, because it could be used as an argument in the Brexit-debates touching upon issues like migration to the UK, strain on public services, national identity etc. After the referendum there have been discussions in the UK about how Brexit actually should be understood. Prime Minister Theresa May has emphasized that she wants to have a Brexit deal that “will ensure we can control immigration to Britain from Europe,” but also that the deal makes free trade agreements with the EU and beyond possible.<sup>7</sup> A model like the Norwegian have been discussed in the Brexit debate – but given this will turn out to be impossible the free trade agreements with other parts of the world will be extremely important substitutes for free access to the European markets.

<sup>5</sup> Nicole Koenig and Marie Walter-Franke, "One Year On: What Lessons from the Eu-Turkey 'Deal'?", *Jacques Delors Institut, blog post*, no. 17 March (2017)., p. 5.

<sup>6</sup> Jennifer Rankin, "Eu Met Only 5% of Target for Relocating Refugees from Greece and Italy," *The Guardian*, 8 December 2016.

<sup>7</sup> Krishnadev Calamur, "What 'Brexit Means Brexit' Means. Theresa May Tries to Explain," *The Atlantic*, 17 January 2017.

## Perspectives and conclusion

Brexit is a historical novelty. For once in the sixty year history of the EU a member state is leaving the union. It comes at a time for the EU, where the European cooperation with the Middle East is burdened by a general low growth in international trade and an unstable security situation in the Middle East, where in particular the Syrian refugee crisis has turned better control of migration movements into an urgent need. For the UK the upcoming negotiations following the Brexit referendum are going to be difficult. As mentioned Theresa May has made it clear that she on behalf of the UK prioritizes the control of immigration towards the British Isles – thereby indicating that the UK will step out of the European Single Market, where the free movement of labour is a reality.

Summing up, when it comes to foreign relations leaving the EU the UK no longer stands together with the EU on the international scene. The visit to Saudi Arabia, which came only a few days after Theresa May invoked the EU Treaty, can be explained by the fact that the UK knows that it is necessary in a post-Brexit context to act swiftly and efficiently in order to secure the best foreign policy agreements possible. Saudi Arabia is in itself an important market and the UK also hopes to maintain significant arms sales contracts established decades ago – under Margaret Thatcher. In connection with the visit to Saudi Arabia the British Prime Minister also visited Jordan, obviously with similar interests. Supporting the armed forces of both will benefit the British arms industry and help taking care of the security interests of the UK in the Middle East. This means also that the UK will continue being part of the coalition against ISIS, and in this way there is an indirect connection between the UK's international trade interests and the interest in being able to control immigration towards the UK.

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