

Post-BREXIT Deal: Its consequences

January 1, 2021

In news

United Kingdom completed its separation from the European Union(EU) on 31st December 2020

What will change after the UK's exit from the EU?

- On December 31, 2020, the 11-month transition period during which the UK and the European Union were supposed to negotiate the nature of their post-Brexit economic relationship has come to an end
- Before this, the two sides struck a trade and co-operation deal—which will affect the relationship between the two parties in the years to come—after months of negotiations
- The new agreement which was unanimously approved by the EU nations will come into effect from January 1.
- With this, the UK will leave the EU Single Market and Customs Union (under the customs union the UK could not negotiate with other member nations of the EU separately), all EU policies and international agreements.
- the free movement of goods, people, services and capital will stop from January 1 onwards as the EU and UK will become two separate market spaces, with distinct regulations.
- When the UK was a member of the EU, it could not hold trade negotiations with countries such as the US and Australia, but now it will be able to set its own trade policy.
- As part of the agreement, which is a free trade agreement the UK and EU have agreed to a 100 per cent

tariff liberalisation, which means that there will be no tariffs or quotas on goods that move between the UK and EU

- Barriers to trade: Despite these benefits, from January 1 onwards there will still be barriers to trade in goods and services, something that did not exist before.
- Restricted movement of people: For people travelling between the UK and EU, it means that while their entry will still be visa-free, they may be subject to screening and will no longer be able to use the biometric passports.
- **UK's sovereignty: The UK will have sovereignty over its fishing waters, one of the major sticking points during negotiations.**
- **Though UK will leave the EU's Common Fisheries Policy on December 31, the current rules will remain largely in place during the transition period that will last over five years**
- **Pay for mobile roaming:** People travelling to EU countries and vice versa may have to pay roaming charges if their mobile network operators choose to do so. The agreement mentions that operators should charge reasonable roaming rates
- **No pet passport: From January 1 onwards tax-free airport sales of electronics and clothing will stop, pet passports issued in Great Britain will not be valid in the EU and travellers from the UK will be subject to travel restrictions imposed on passengers coming from non-EU countries**
- European Court of Justice can no longer play a role and the UK does not have to follow EU law.

Background: Brexit story so far

- The first public vote on Brexit happened on June 23, 2016, when 52 per cent of voters chose to leave the EU.
- **David Cameron**, who was the prime minister at the time,

had announced he will hold a referendum on the UK's membership of the EU if his party won the 2013 general elections. But he did get good results, hence resigned. He was succeeded by Theresa May.

- **Under Theresa May:** Brexit was meant to happen on March 29, 2019, two years after May had triggered Article 50, which officially signified the decision of the UK to leave the EU.
- **MPs opposition:** The March 29 deadline was delayed twice after MPs rejected the withdrawal deal negotiated by May with the EU. After the MPs rejected the deal for a third time, May resigned and was succeeded by Boris Johnson.
- **Irish backstops:** One of the most crucial sticking points for MPs was the Irish backstops that govern the nature of the border between Northern Ireland (which is a part of the UK) and the Republic of Ireland (part of EU).
- **Under Johnson,** the backstops were removed and instead, an Irish Sea border was created.
- **January 1, 2021,** now there will be a new trade border between Northern Ireland and the rest of the UK, which means that the former will still be under the EU's single market and will follow EU's customs rules.