



## **Position Medef Brexit**

***The French and British economies are intricately linked. Our primary trade surplus is with the United Kingdom. Around 400 000 French people work in the UK. Every sector, each individual company, has specific and unique interests regarding Brexit. Everything possible must be done in the forthcoming negotiation to avoid lessening the quality and the strength of this relationship. French companies must continue to be able to trade with the UK without supplementary costs or restrictions. A level playing field must be ensured so that French companies can continue to invest and create jobs.***

***Brexit will require the commitment of a huge amount of energy, talent and competences over several years. This topic could therefore overshadow the real emergencies that Europe needs to tackle today and on which its citizens demand action: the imperatives of growth and employment in Europe. More than ever, after the US elections, the priority for Europe is the competitiveness of its companies in a globalised world. Brexit will be a long story. The future of the internal market and of the Euro are matters that will play out in the coming months and are fundamental for the development of French and European companies.***

***For French companies, the post-Brexit context gives rise to three radical priorities:***

- 1) The need to strengthen the attractiveness of France.**
- 2) Delivering a comprehensive response to the European crises of which Brexit is a symptom (security, migration, youth unemployment...)**

Any solution found to the Brexit problem will be viable only if it forms part of a wider response to the questions facing Europeans: common security, border protection, managing migratory flows, youth unemployment...

For companies the priority remains the internal market. It is incomplete and under threat from the return of internal border controls, unilateral measures from certain countries penalising foreign companies, and more....

The euro is the necessary complement to the internal market.

It is necessary to:

- Reaffirm that the European construction based on the four indivisible freedoms is irreversible
- Find a tangible response to the democratic deficit
- Go further in building on the foundations of the common currency: many proposals have reached the table but an unequivocal political signal is needed.

The 60<sup>th</sup> anniversary of the signing of the Treaty of Rome in March 2017 represents an opportunity for Europeans to reaffirm their collective commitment.

### 3) Apply clear principles to the Brexit negotiation

**Brexit will be neither hard nor soft.** It will be the fruit of an unprecedented technical negotiation. The following key principles must however be respected:

- The UK must not enjoy a more favourable situation within the Union as a non-member with opt-ins than it did as a member with opt-outs. In particular, as regards financial services. *Brexit means Brexit.* Reciprocity is essential.
- Access to the single market cannot be granted unless all its rules are respected. This applies not only to market access for products and services but also to the conditions of production. That implies that the European Commission should be able to carry out checks in order to preserve the integrity of the internal market.
- No bilateral negotiations may be engaged before the formal launch of exit negotiations
- A clear calendar for the negotiations should be set out, chapter by chapter, from March 2017 / the launch of Article 50.
- A code of good practice must ensure that, during negotiation period, Britons in the Council and Parliament do not participate in the elaboration of legislation that will not affect them.
- The European negotiators must not have carte blanche for the duration of this long process, but must re-validate their mandates at regular intervals.
- An unprecedented negotiation demands a unique method. Aside from the general chapters, discussions of sectoral chapters must involve all relevant stakeholders in order to properly tackle customs duties and procedures, market access and regulatory convergence.
- The conclusion of an agreement is not the end. It is indispensable to make clear from the outset that any agreement will be necessarily temporary and subject to a permanent revision clause, in light of future evolutions of EU and British legislation. The Commission must 1) be charged with monitoring regulatory evolutions; and 2) be equipped with the legal means to modify, if necessary, the terms granted to the UK.