

A quick summary of what has been happening this week on Brexit.

Headlines

- **EU and UK discussions stalled.** Disagreements over the Irish Backstop have led to a standstill in discussions on a potential resolution ahead of the second 'meaningful vote' next Tuesday.
- **PM attempts to win over Labour.** Government promises £1.6bn funding for leave-voting towns and commitments on workers' rights to secure Labour support for the Withdrawal Agreement.
- **Set of key Brexit votes to take place next week.** MPs to vote on the Withdrawal Agreement, and whether Parliament supports a No Deal Brexit or an extension to Article 50.

Summary

Slow progress on the Irish Backstop

- Following what appeared to be productive talks between the UK and EU on possible legally binding changes to the Irish Backstop, discussions have now become deadlocked. The Attorney General, Geoffrey Cox, returned this week from Brussels with little progress made.
- Today May has urged the EU to help her get the Brexit deal through the Commons by agreeing to legally binding changes to the backstop.
- Even if the EU do make concessions within the next few days, it is unlikely they will be able to get them approved by the EU27 ahead of the 'meaningful vote' on the 12 March.

Government makes announcements to gain Labour support

- Meanwhile, a number of announcements have been made this week to try and gain support from the Labour Party to get the Withdrawal Agreement over the line.
- On Wednesday the Prime Minister announced that workers' rights would be protected by UK law, with Parliament, trade unions and businesses given an enhanced role in shaping the future of worker's rights post-Brexit.
- This policy announcement will appeal to Labour who had prioritised protecting worker's rights in their own Brexit manifesto. However, the Labour frontbench and trade unions have dismissed this olive branch outright.
- A new 'Stronger Towns Fund' was announced, aimed at boosting growth in leave-voting constituencies. Many Labour MPs have questioned the value of the funding but it demonstrates that the Government is going to some length to win over Labour MPs.

Details of tariff schedules on hold

- In an International Trade Committee evidence session this week, International Trade Secretary, Liam Fox confirmed details of new tariff schedules and arrangements would not be released until after the Brexit deal vote on the 12 March.
- Reports have speculated that up to 90% of tariffs would be cut in the event of a no-deal, Liam Fox refused to comment until after the votes.

Next week's votes crucial to way forward on Brexit

- At this stage it doesn't look optimistic for the Government to get the Withdrawal Agreement through the House of Commons on Tuesday. With concessions on the Irish Backstop not yet forthcoming, crucial support from the DUP and Conservative backbenchers cannot be counted on.
- While there is expected to be some movement since the first 'meaningful vote' in January, turning around a 230 vote defeat is a tall order. The fact the clock is running down to 29 March and the possibility of an extension to Article 50 may indeed move some Conservatives (and Labour) MPs to voting in favour. But a decisive change in direction is unlikely.
- If the Government loses the vote on the 12 March, the Prime Minister has outlined there will be a vote on Wednesday 13 March on whether the Commons supports leaving the EU with No Deal.
- If the Commons rejects leaving the EU with No Deal, there will be further a vote, currently planned on Thursday 14 March on extending Article 50. Should this pass the PM will need to request an extension from the EU. Should MPs vote against extending Article 50, the legal default remains that the UK leaves the EU without a deal on the 29 March.
- Consensus in Westminster suggests that the Government will lose the 'meaningful vote', with MPs rejecting No Deal but approving an extension to Article 50. In this scenario discussions will quickly move to the length of any extension and when the EU would come to a decision on the way forward. The 21 March European Council summit is seen as a key moment.

ADS Brexit Hub

We are regularly updating the "Brexit Hub" on our website to help members preparing for Brexit, cutting through the political noise, and providing a single authoritative source of information on the impact of Brexit on the Aerospace, Defence, Security and Space sectors.

[You can access the Hub here to guide you through the current state of play on Brexit.](#)

- Each Brexit Bulletin and Snapshot will now be uploaded to the [Brexit Hub](#) each week to give you and your colleagues quick access to the most recent ADS analysis on Brexit.
- Further to this, in order to help our members prepare for Brexit; our ["Brexit Readiness" questionnaire](#) is available to help you in developing your Brexit plan.