



**Flanders**  
State of  
the Art

# Future EU – UK partnership

## Principles of Flanders

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In the event the British Government does not request an extension of the transition period, the European Union and the United Kingdom should reach an agreement on their future partnership by 31 December 2020 if both sides are to avoid a no-deal Brexit.

On 7 February 2020, the Government of Flanders adopted the memorandum on Flanders' principles concerning this future partnership.

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## 1 GENERAL PRINCIPLES

In the negotiations on the future relationship with the UK, there will be a lot at stake for Flanders. If the negotiations fail or do not lead to a sufficiently ambitious partnership, the economic, cultural, security, and political consequences for Flanders will be considerable. As a neighbouring region, Flanders is strongly intertwined with the UK in many areas, ranging from comprehensive trade relations to strong partnerships between our research and cultural institutions.

It is therefore regrettable that, after 45 years of EU membership, the UK has decided to leave the EU. Flanders nevertheless respects this choice and will act as a constructive partner in the development of a close future relationship.

For this reason, the Government of Flanders is putting its weight behind an ambitious future EU-UK partnership in accordance with the Policy Note on Foreign Policy. Flanders seeks to influence this dossier proactively, putting forward the following principles:

- For Flanders, it is our priority that **a no-deal scenario averted**. A no-deal Brexit would lead to an economic loss of 2.5% of Flanders' GDP and cost 28,000 jobs.
- Flanders has already taken the necessary measures to prepare public authorities, businesses and citizens for a no-deal Brexit by releasing additional funds, launching awareness and information campaigns and adopting a Brexit Emergency Decree. The Government of Flanders will continue to prepare for a hard Brexit in the coming months by evaluating these measures on a regular basis and adjusting them whenever necessary. While doing so, the necessary attention will also be paid to timely communication within the Brexit Task Force and sound coordination with federal customs and police services. The Government asks all public authorities, businesses and citizens to continue to take the necessary preparations themselves. After all, a no-deal scenario can never be entirely ruled out.
- In addition, the Government of Flanders stresses that even a scenario in which the UK leaves the Union with an agreement would have harmful consequences for the Flemish economy. Studies estimate that, even in the event of a traditional **free trade agreement**, the Flemish economy would still face **a 1.8% loss** of its GDP.
- In view of the above, Flanders advocates for **a Brexit adjustment fund** at EU level that limits the negative socio-economic consequences of Brexit for the most affected EU regions and for **temporary flexibility**, especially in the application of state aid rules.
- For Flanders, the negotiations should lead to the most ambitious possible model, ideally **without tariff and non-tariff barriers** to trade in goods and services. It is the ambition of the Government of Flanders to arrive, in order of priority, at a Norwegian model (EEA), a customs union or a CETA+ model.
- In the negotiations on the economic relationship, the Government of Flanders argues in favour of maintaining the existing **reciprocal access to fishing waters** (territorial waters and Exclusive Economic Zone) and **the existing fishing opportunities** (in the case of quota species and non-quota species). Reaching an agreement on fisheries is a precondition for concluding a free trade agreement with the United Kingdom.

- Flanders is also striving for a **broad "PLUS" cooperation** with the UK in fields such as agriculture, fisheries, research, education, mobility, transport, environment, energy, culture and security.
- In the future relationship, Flanders aims for extensive **information sharing** with regard to, inter alia, **security, strategic goods and investments**.
- In accordance with the provisions set out in the Multiannual Financial Framework, the **UK can continue to participate to the maximum extent in the various EU programmes** with a view to continuing the valuable partnerships with the country. This is subject, however, to a fair contribution to the Union budget and must be in line with the level of ambition of the future partnership.
- Extensive economic cooperation should be accompanied by clear and operational agreements to maintain a **level playing field**, in particular with regard to state aid, environmental regulations, climate change, product standards and quality, labour and social standards and tax matters. Regulatory divergence should be avoided insofar this leads to unfair competition. The integrity of the single market should be safeguarded.
- Given the importance of the future relationship with the UK and **the need for legal certainty** for our businesses, due attention must also be paid to enforcement through an appropriate set of instruments that will allow the agreements made to be effectively enforced. To that end, we should build upon existing instruments.
- Regardless of the outcome of the ongoing negotiations, Europe should continue to show the necessary flexibility to cooperate with the UK on a more extensive and ambitious scale in the future.
- Flanders calls on the European Commission to conduct the negotiations in full transparency vis-à-vis the EU Member States at all times.
- Flanders reaffirms that the federated states play a key role in decision-making within Belgium. In Belgium, the impact of Brexit will mainly be felt in Flanders. That is why the Government of Flanders is urging that its General Representative to the EU be part of the Belgian delegation for all European Councils dedicated to Brexit. In addition, the Government of Flanders expects **the agreements made with regard to Belgian representation at EU level to be respected in all European and bilateral Brexit contacts**.
- Flanders calls on the British negotiators, the European Commission and the Member States to prioritise the quality of a sustainable future relationship over considerations of time.
- During the negotiations, the Government of Flanders will on a regular basis enter into dialogue with - and feed back to - its various stakeholders. Moreover, it will continue its interregional and inter-federal cooperation in a constructive way.
- Given Flanders' position as a transport hub and the strategic role of our ports, the Government of Flanders asks the federal government to make further investments in customs technology, infrastructure and personnel.
- During the negotiations, Flanders will keep both export and import interests in mind.

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## 2 EU-UK ECONOMIC PARTNERSHIP

## 2.1 MARKET ACCESS

Flanders wants to pursue a free trade agreement that is as ambitious as possible and that does not create any **tariff or non-tariff barriers** between the EU and the UK.

### 2.1.1 Goods

Trade in goods between Flanders and the UK is substantial. Flemish companies are fully integrated into the European value chains (supply chains). The Government of Flanders asks the European Commission **to protect these goods flows** to the maximum extent.

**Our Flemish ports are crucial links** in these value chains between the UK and the European continent. Any trade barrier at the ports would trigger substantial domino effects for every subsequent link in the value chain and must therefore be avoided.

For Flanders, the following categories of goods are of particular importance:

- Transport equipment
- Chemicals and pharmaceuticals
- Machinery
- Plastics
- Food and beverages
- Mineral products
- Textiles
- Specific agricultural and fishery products

<b>Exports (2018)</b>	€26.84 billion	<b>Imports (2018)</b>	€15.7 billion
<b>UK share in total exports of Flanders (2018)</b>			4 <sup>th</sup> export market (8.15%)
<b>UK share in total imports of Flanders (2018)</b>			5 <sup>th</sup> supplier (4.91%)
<b>Flanders' share in total Belgian exports to the UK</b>			85.80 %

Main export sectors from FL to UK 2018: (% share and absolute figures)		
Transport equipment	29.07%	€7.87 billion
Chemicals and pharmaceuticals	17.89%	€4.84 billion
Mineral products	8.67%	€2.35 billion
Machinery	8.31%	€2.25 billion
Plastics	7.44%	€2.01 billion
Food and beverages	6.92%	€1.87 billion
Textiles	4.81%	€1.30 billion



### 2.2.2 SMEs

Small and medium-sized enterprises are likely to be affected the most by Brexit. The Government of Flanders therefore calls on the European Commission to take the specific interests of SMEs into consideration. The Government of Flanders welcomes the fact that the Commission has included this ambition in the negotiating mandate and advocates for a separate chapter on SMEs.

## 2.3 LEVEL PLAYING FIELD

After Brexit, the UK may choose to gain a competitive advantage over the European Union at the expense of current standards. Given the UK's economic weight and geographical proximity, this is a risk. That is why Flanders wants to maintain a level playing field with the UK in a dynamic manner, especially in the fields of state aid, environmental regulations, climate change, social and employment standards and tax matters. The purpose is to safeguard the integrity of the single market.

### 3 GOVERNANCE

The Government of Flanders attaches considerable importance to **a strong dispute settlement body** that efficiently monitors the implementation of the agreement with particular attention to the provisions ensuring a level playing field.



## 4 PLUS ELEMENTS

## 4.1 BROAD BILATERAL RELATIONS

The future partnership between the Union and the UK will not be limited to economic and trade cooperation. In order to further develop our broad bilateral relations, a comprehensive partnership is necessary.

The Political Declaration which was previously adopted lays the foundations for thematic cooperation in the areas of security, defence and foreign policy, transport, energy, fisheries, movement of natural persons and global challenges such as climate change, sustainable development and cross-border pollution. The UK's participation in Union programmes is also mentioned in areas such as science and innovation and education and culture.

Based on its competences and interests, the Government of Flanders will in particular ensure that these intentions are transposed into legally binding agreements.

## 4.2 MOBILITY AND TRANSPORT

The future partnership should ensure continued connectivity between the UK and the EU. Provided there is sufficient certainty about the level playing field, the Government of Flanders argues in favour of:

- introducing an equivalent system of the existing Community authorisation;
- continuing to provide information within EMSA (European Maritime Safety Agency) to ensure maritime safety;
- continuing the UK's membership of the ECAA (European Common Aviation Area).

### 4.3 EDUCATION AND RESEARCH

Given the close cooperation in the areas of education, research and innovation between Flanders and the UK, the Government of Flanders advocates:

- protecting the cooperation with British universities and knowledge institutions and opportunities for researchers and students (e.g. in terms of mobility) on the basis of reciprocity;
- maintaining preferential rates for access to British knowledge institutions;
- continuing cooperation with the UK under the EU Framework Programme (Horizon Europe) and Erasmus+, with preference for an associate membership for the UK, subject to payment of a fair contribution.



## 4.4 FISHERIES

From the point of view of the viability of fisheries in Flanders, the Government of Flanders attaches great importance to the objective of maintaining, in the general context of the Free Trade Agreement, the existing reciprocal access to fishing waters (territorial waters and Exclusive Economic Zone) and the existing fishing opportunities (in the case of quota and non-quota species).

Furthermore, the Government argues for:

- maintaining the absolute status quo of the current quota allocation;
- maintaining a level playing field in terms of technical measures and control;
- concluding agreements with the UK on all aspects (both ecologically and socio-economically) of joint sustainable management.

## 4.5 ENVIRONMENT AND ENERGY

As far as this area is concerned, the Government of Flanders will ensure that the Future Partnership:

- guarantees a level playing field for economic sectors (especially product standardisation and industrial emissions, in terms of both standardisation and enforcement), for existing installations as well as for attracting new investment;
- with a view to safeguarding a level playing field, offers guarantees for compliance with environmental and energy objectives, including ETS, established at international and EU level, without, however, imposing additional taxes on companies in the EU and Flanders for existing installations;
- promotes new investments and agreements regarding interconnections of energy networks between the UK and the EU.

## 4.6 ECONOMIC MIGRATION

Attention to the mobility of natural persons with specific focus on business purposes mode 4 categories (in particular highly educated and qualified/skilled workers).

## 4.7 CULTURE

The Government of Flanders supports further UK participation in the Creative Europe programme, provided that it makes a fair contribution to the Union budget.

