

26 March 2020

## Why a Brexit transition extension should be a UK economic priority



**Steve Earl** is Managing Director for APCO Worldwide's London office. He began his career as a journalist, and has worked on UK, European and global clients on corporate, digital, technology, healthcare and consumer assignments for nearly 25 years. He founded his own agency with a partner and grew it to be one of the UK's most-awarded progressive integrated communications agencies, before launching Edelman sister agency Zeno in Europe and developing it over six years to be an integral part of that global network. Steve has consistently been named for the past eight years to PRWeek's UK PowerBook of Top 150 Professionals and has co-written two books on corporate reputation and digital crisis management, "Brand Anarchy" and "#brandvandals," both published by Bloomsbury.

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When APCO arranged with the Ambassador Partnership a panel debate on new priorities for business given the likely global perception of the UK post-Brexit, we could not have foretold quite how acute or profound those new priorities would become.

In the weeks since invitations for this Wednesday's event went out, the UK has gone from a sense of some greater economic certainty over Brexit with growing concerns over the Coronavirus spread in China and then Italy, to a country – like many worldwide – now facing the commercial and societal impact of COVID-19, and unprecedented measures adopted practically daily to tackle it.

In recent days, markets have tumbled, pressures on many industry sectors have come into the sharpest focus and we all stare into the coming months knowing that finding clarity and getting through the setbacks is a highly-complex challenge, to say the least.

This was the stark backdrop against which we asked a high-level international panel - by webinar - about what the world now thinks of the UK, and how Brexit will impact its standing and fortunes. We weren't in the same room, but there was undoubtedly an 'elephant in the room'.

Our expert speakers were brought together in collaboration with The Ambassador Partnership:

- Peter Collecott, former UK Ambassador to Brazil, and co-chair of The Ambassador Partnership
- Lars Petersson, former CEO of IKEA US, who spent 30+ years with the retailer and is now an APCO International Advisory Council member
- Nestor Osorio, former Colombian Ambassador to the UK and his country's former World Trade Organisation representative
- Yves Bertoncini, senior advisor at APCO and former director of the Jacques Delors Institute

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- Zoe Thorogood, senior director at APCO and former director of external relations for Conservative Party Central HQ in the UK

Opinions on what the UK Government should prioritise in the current situation and outbreak aftermath, how new trade relationships should best be negotiated and what non-UK businesses want to see from its Government varied.

Yet on the question of what can now realistically be achieved in European Union negotiations before the 31<sup>st</sup> December Brexit transition period deadline, all were agreed: an extension is the only logical way to protect British interests, given the scale of economic impact Coronavirus is likely to have.

“It has become an economy of survival,” said Nestor Osorio, as trade agreements first need legal concepts to be established, and the practicalities of getting around meeting tables to hammer that out would now add many more months to the process.

Lars Petersson pointed to a need for standardisation in how businesses operate, offer goods and manage logistics, which would need to be a greater priority in UK-EU trade negotiations to assist the rebound from Coronavirus, and that would take more than the remainder of this year to get right.

In the aftermath of the virus, public sentiment and political pressure may lean towards increased hesitancy over the mechanics of globalisation, but the reality was that the UK would need to establish new trading arrangements with many countries, and many national economies would need to increase their reliance on the Chinese supply chain in order to get back on track economically, in Peter Collecott’s view.

Sharing a pragmatic perspective on how Europe likely would and wouldn’t play ball with the UK during prioritised negotiations, Yves Bertoncini believed that any UK move to fast-track food safety and environmental standards legislation that varied widely from EU approaches could be “terrible” for British businesses from public confidence and sustainability standpoints and would then have a negative impact in terms of access to the continental markets.

Above all though, all believed that the UK must now seek an extension to the current transition period deadline beyond 31<sup>st</sup> December, given the severe change in the economic outlook and the practicality of negotiations.

“Politicians may be able to provide UK businesses with a ‘ventilator’ for now, but they will have to postpone the deadline,” summarised Nestor Osorio.

Our sincere thanks to all of our panellists for giving up their time to take part in the debate, which can be downloaded in full [here](#). We also appreciate the time of everyone who joined the webinar to listen and ask questions, particularly at this incredibly challenging time.

We will look to bring you more discussion and expert viewpoints as the situation unfolds.

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