

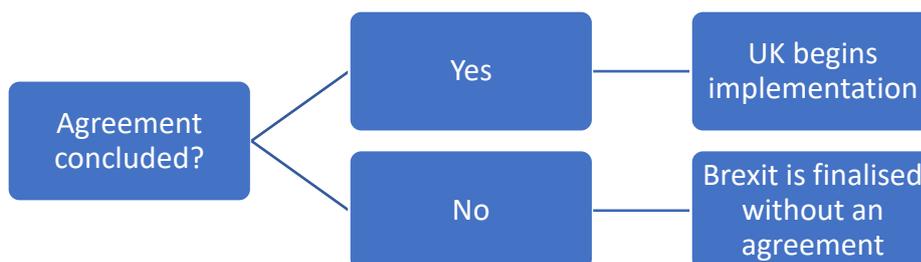
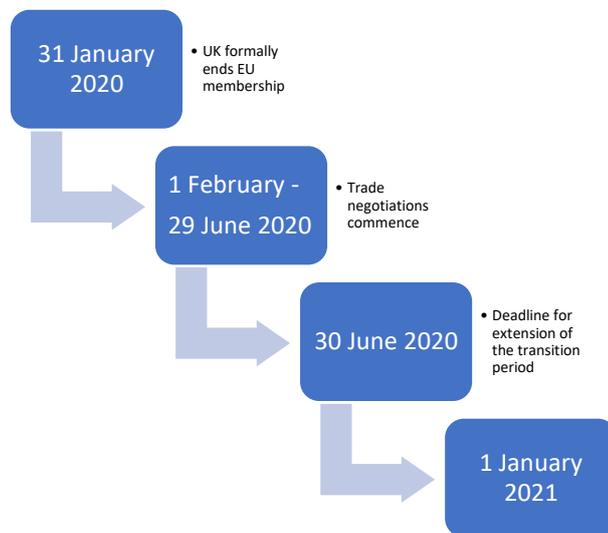
Brexit Update

By Stephanie van der Walt
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With British Prime Minister, Boris Johnson's Conservative Party taking an overwhelming majority in the December 2019 election, uncertainty about the United Kingdom's exit from the European Union has been laid to rest. It's no longer a question of whether Brexit will happen, but a question of process.

PM Johnson's government wasted no time in bringing what has become informally known as the Brexit "Divorce Bill" before parliament a brief ten days after the election, undoubtedly in order to meet the deadline of 31 January 2020 negotiated with the EU back in October. On 20 December 2019, the EU Withdrawal Agreement Bill passed its first hurdle with a vote of 358 Ministers in favour to 234 opposed. On 9 January 2020, the House of Commons voted 330 to 231 in favour of the Withdrawal Agreement Bill and yesterday, on 16 January, the Bill was presented before the House of Lords for examination.

If the Lords vote to amend the Bill, it will be returned to Parliament. If the Bill passes, and the European Parliament approves, the current Brexit deadline of 31 January 2020 will mark the UK's formal departure from the EU. Once this happens, the UK and EU will enter into an interim stage of negotiations to formalize a new trade agreement between the UK and the EU. Broadly speaking, the timeline is expected to develop as follows:



South Africa, along with Lesotho, eSwatini, Namibia, Botswana and Mozambique, concluded an interim trade agreement with the UK in September 2019, ensuring that trade will continue to flow uninterrupted between these six countries and the UK independently of the developments between the latter and the EU. The continuity agreement essentially upholds the terms of the SADC-EU Economic Partnership Agreement concluded in 2016.

Between this agreement and the EU-UK transition period, disruption from the Brexit process is expected to be minimal. The UK is an important market for South African fruit exports, particularly table grapes, stone fruit and blueberries. These recent developments mark the end of a protracted period of uncertainty about the stability of this market.