









# **Brexit: reasons and possible implications**

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# THE HISTORY OF THE EU

The Treaty of Rome was signed in 1957 by six European countries:

-  Belgium
-  France
-  Italy
-  Luxemburg
-  Netherlands
-  West Germany

# The growth of the European Union

## 1973

The European Communities

The first expansion of the European Communities introduces three new member states:



Denmark



Ireland



United Kingdom



# The growth of the European Union

## 2016

The European Union

1958



1973



1981



1985



1995



2004



2007



2013



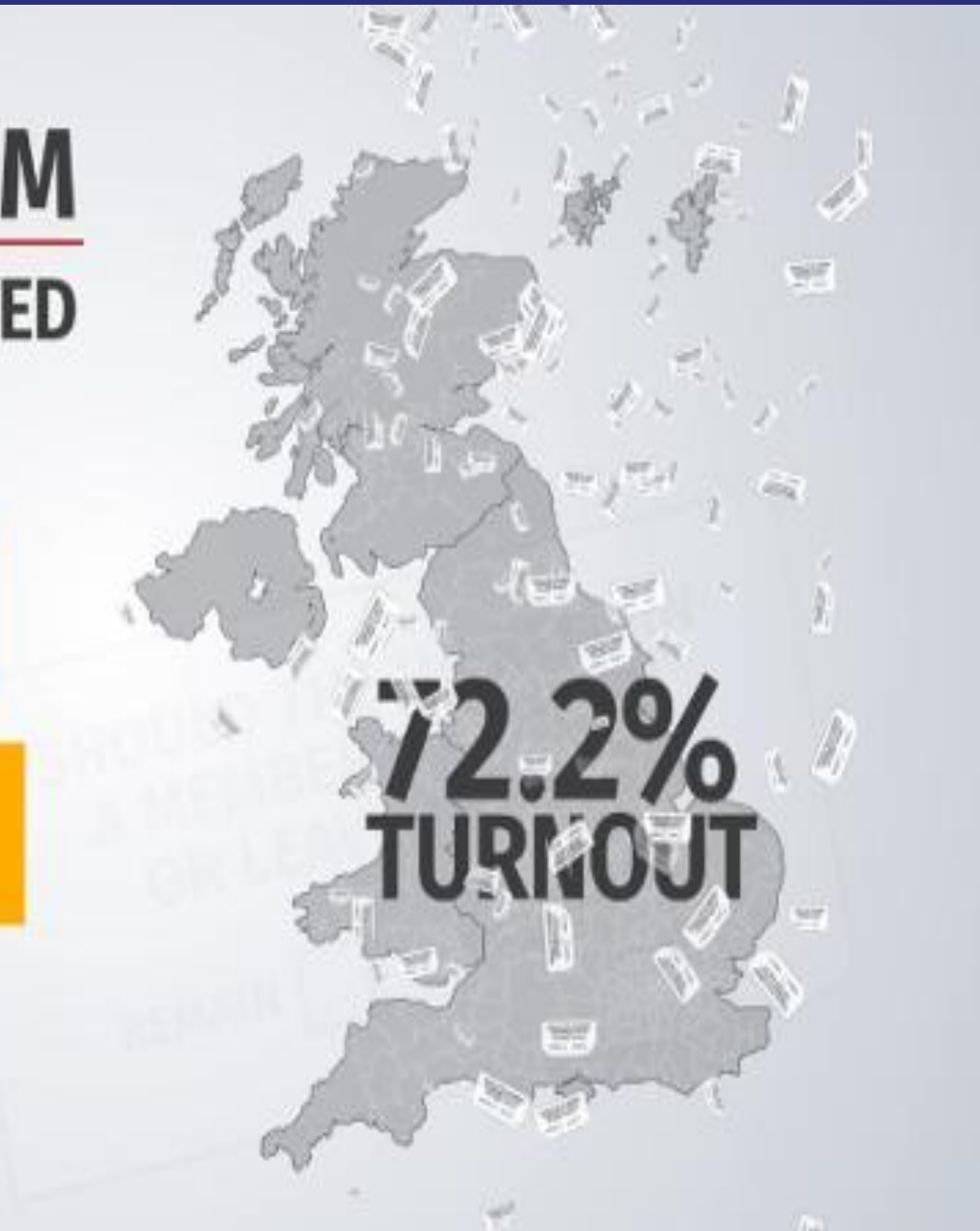
# EU REFERENDUM

## HOW THE NATION VOTED

48.1%  
REMAIN



51.9%  
LEAVE



# THE 7 MOST IMPORTANT REASONS FOR THE UK TO LEAVE THE EU

Reason 1: The EU threatens British sovereignty

Reason 2: The EU is strangling the UK in burdensome regulations

Reason 3: The EU entrenches corporate interests and prevents radical reforms

Reason 4: The EU was a good idea, but the euro is a disaster

Reason 5: The EU allows too many immigrants

Reason 6: The UK could have a more rational immigration system outside the EU

Reason 7: The UK could keep the money it currently sends to the EU

# BREXIT NEGOTIATIONS

Negotiation  
phase 1

- Withdrawal arrangements

Negotiation  
phase 2

- Transitional arrangements

Negotiation  
phase 3

- Trade relations with EU after Brexit

# NEGOTIATION PHASE 1

Three main aspects of withdrawal:

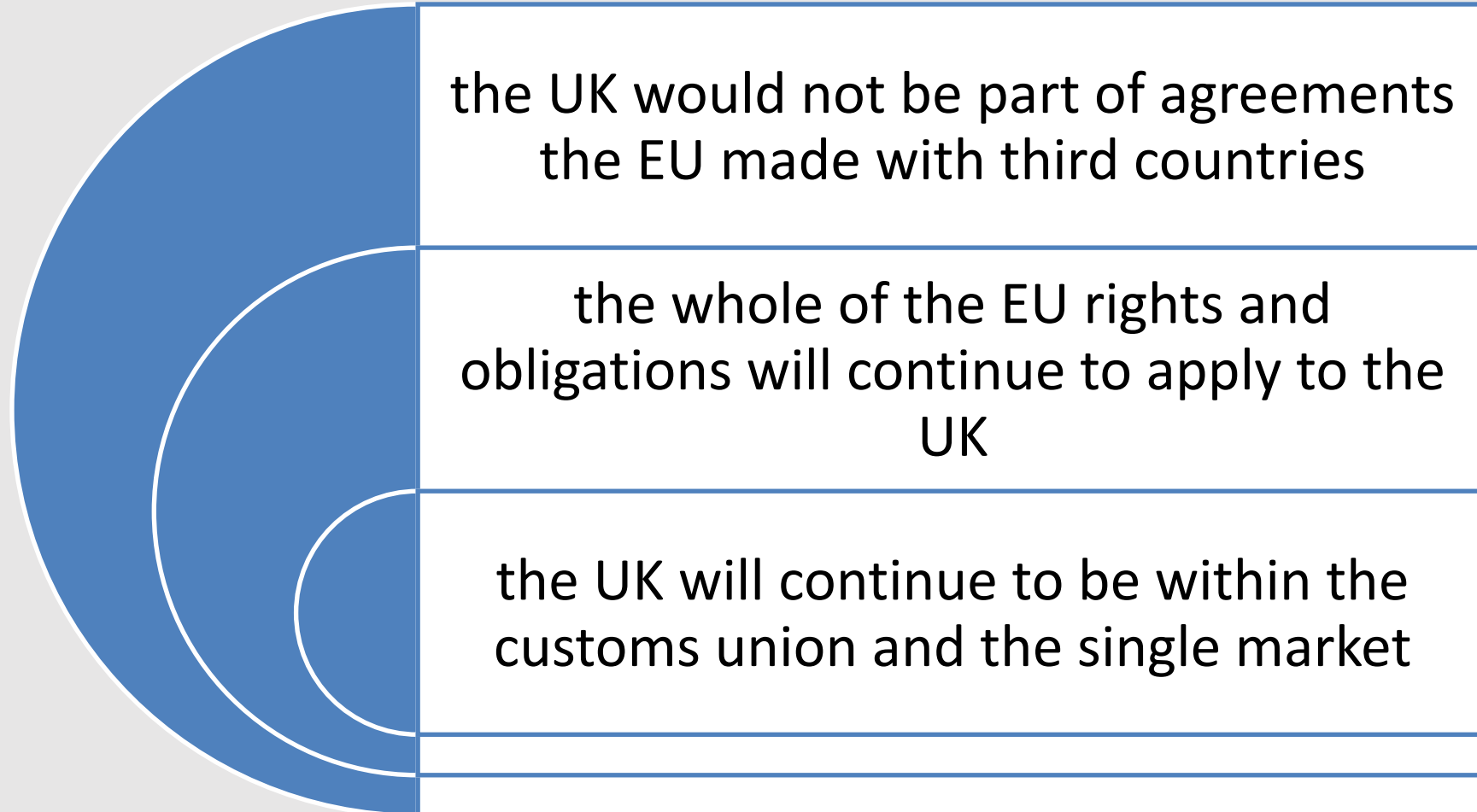
guaranteeing citizens' rights

settling the UK's financial commitments

Ireland and Northern Ireland specific border issues



# NEGOTIATION PHASE 2: TRANSITION



# NEGOTIATION PHASE 3

## The main disputes:

- May Cabinet proposal on a "UK-EU free trade area
- Linking of trade agreement between the EU and the UK to payment of financial settlements
- The border issue between Ireland and Northern Ireland

# POSSIBLE SOLUTIONS OF IRELAND AND NORTHERN IRELAND BORDER ISSUE

A future free-trade agreement between Britain and the EU

"Specific solutions," such as technological alternatives to a hard border

A "backstop solution" of effectively keeping Northern Ireland inside the EU's single market and customs union

# CONSEQUENCES FOR THE UK

## *Positive+*

- Prohibition the free flow of people from the EU
- No taxes according to EU guidelines
- Independent market
- Reversion to British pound



## *Negative-*

- Economic decline
- Tariff-free trade status loss
- High import prices
- No longer the base for companies
- Loss of EU's state-of-the-art technologies
- Loss of the ability to bid on public contracts in any EU country
- Complicated trade and travel relations with Ireland
- Loss of Scotland

# CONSEQUENCES FOR THE EU

*Negative*

- Disruption of the EU's internal equilibrium
- Germany's supremacy increase
- Destructibility of the EU's cohesion