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## German industry leader says EU is forcing Britain into no-deal exit

By James Rothwell

BRUSSELS risks forcing Theresa May into a no-deal Brexit scenario unless it offers more flexibility on the Chequers proposal, the head of German Industry UK has warned.

Dr Bernd Atenstaedt, whose trade body represents more than 100 UK-based German firms, including Airbus – which is partially German – and BMW, said he was “very disappointed” by the EU’s flat rejection of the Chequers blueprint at a summit in Austria last week.

“We were very happy with Chequers as it proposed a common rule book and would permit some free movement of skilled workers. We even issued a statement at the time welcoming it,” Dr Atenstaedt told *The Daily Telegraph*.

“But now it’s out the window. We do see the other side, the EU’s four red lines, but Brussels is not showing any flexibility at all on this, while the UK Government is trying so hard to propose a deal that works and keeps running up against a wall.

“I go up and down the country to visit our companies and they are saying they’re preparing for no deal because that seems to be where this is going ... unless there is more flexibility.”

He also urged the EU not to push Mrs May too hard in its demands for avoiding a hard border in Ireland after Brexit by adopting the so-called Irish backstop.

Mrs May has said that “no UK prime minister” could accept this proposal as it would effectively break up the country by creating a customs border between Northern Ireland and Great

Britain. “I would say ‘no’ to that as well if I were a British prime minister,” said Dr Atenstaedt.

“But many Europeans will say: ‘What’s the big deal?’ I am pretty sure Brussels wants a united Ireland as well but of course that is up to the people of Ireland.”

The industry leader also disclosed that the UK was no longer German Industry UK members’ third-largest trading partner, behind the US and France.

Since the referendum, he said, the UK is now only the fifth-largest, as it has been leapfrogged by the Netherlands and China.

“We said after the referendum that the UK was leaving the EU, but German business is not because it’s such an important market. But unfortunately trade has gone down because of all the insecurity,” added Dr Atenstaedt.

The EU’s strong rejection of the Chequers proposal sent shock waves across Westminster last week, as British officials had been privately assured it would receive a cautiously positive response.

Instead Donald Tusk, the president of the European Council, flatly stated on behalf of the EU27 that the Chequers plan “will not work”.

Mrs May has responded by insisting her Chequers plan for the future relationship between Britain and the EU is the only alternative to crashing out without a deal.

A group of Brexiteers led by Conservative MPs Jacob Rees-Mogg and David Davis has outlined an alternative trade model to Chequers, known as Canada Plus, but Mrs May says this option is even worse than no deal.