

GOVERNMENT

Stalled Brexit negotiations could lead to no deal by March deadline

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Theresa May's plans for Brexit are in disarray after public resignations. Image credit: Girl Summit

By DANNY PARISI

Turmoil in the government of the United Kingdom has made the possibility of no deal on Brexit with the European Union a likely reality.

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Two of the main architects of Brexit, Boris Johnson and David Davis, have resigned from their posts, citing disagreement with the handling of negotiations by Prime Minister Theresa May. With a firm deadline of March 29, 2019, the possibility that the U.K. may get no deal with the E.U. is looking all the more likely.

Public resignations

Ms. May's government was sent into turmoil this week as two of the most important names in Brexit negotiations publicly resigned, criticizing her handling of the withdrawal.

Mr. Johnson, who was one of the faces of Brexit before the referendum vote, and Mr. Davis both cited Ms. May's desire for a "softer" Brexit as one of the reasons they have no confidence in her ability to handle negotiations well.



British auto brands such as Jaguar will be affected by Brexit. Image credit: Jaguar Land Rover

Ms. May was forced to defend her Brexit strategy, rebuke Mr. Johnson's and reassert some of the authority that was undermined by his departure in an address to Parliament.

The public resignation of two major Brexit architects is putting a significant damper on the process of negotiation, further stalling an already slow process.

Regardless of whether or not negotiations follow through, the deadline for Brexit is firmly set for the end of March next year. If the U.K. is unable to negotiate a satisfactory deal by that time, the country will have to live with no deal.

No deal would mean that the fruitful economic relationship that has long been held between the U.K. and E.U. would no longer be available, leading to extra hardship for luxury brands based in the U.K. or non-U.K. brands looking to target U.K. consumers.

Alternatively, a harder Brexit is still on the table, which would see the country becoming even more isolationist and damaging trade relationships between the U.K. and the E.U.

Stalled negotiations

The slowness with which the negotiations for Brexit have proceeded has caused much consternation for luxury brands.

Automakers throughout the United Kingdom are concerned over the progress of Brexit negotiations, fearing that a stalling-out of the talks could reverse the progress the industry has made.

The Society of Motor Manufacturers and Traders has released a statement urging the British government to hurry along with negotiations of Brexit in light of the recent record revenues from British automotive companies. While the Brexit vote is now just over two years old, the full scope of what the U.K.'s exit from the E.U. is still unclear ([see story](#)).

Other organizations within the U.K. have expressed their desires for what they hope the ultimate Brexit plan will be.

British luxury alliance Walpole has made a statement urging the U.K. government to protect jobs in the nation post Brexit.



Helen Brocklebank CEO of Walpole makes a statement. Image credit: Walpole

The group is hoping to see a pro-business Brexit to protect the country's luxury business, which it says contributes 32.2 billion pounds, or \$42 billion, to its economy. Walpole states that British luxury brands are committed to keeping their businesses within the country despite fears of a hard Brexit ([see story](#)).

But ultimately none of these requests will be met if no deal can be reached between the U.K. and the E.U. While many were against the idea of Brexit in the first place and others have had competing visions of what the ultimate deal will look like, no deal at all may prove to leave no one happy.