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Over the last couple of years, many people have said how disappointing it has been that businesses have had so little to say on Brexit. I've felt uncomfortable about that myself but I have also been aware of why – we're not politicians and this whole debate about how the UK should leave the EU has become the most political debate that we've seen in a generation.

However, it's not just business people who have avoided the debate; it's something that most people in the country have become increasingly disengaged from too. Of course we pay attention to what's going on in the political world, but most of us are neither ardent Europhiles nor committed Eurosceptics and when an issue goes on for as long as this has and seems as intractable and confusing, most of us concentrate on playing the cards we're dealt and leave the politics to the politicians.

What we all do care about are living standards and having the opportunity to develop and to grow. So while it's tempting to hunker down and hope this will resolve itself, the need to secure a good Brexit - one that provides as much economic certainty as possible - is too important to simply bury our heads and hope. Nor can we in all conscience, vacate the pitch and ignore increasing rhetoric about the apparent acceptability of some of the solutions and outcomes proposed – or worse still, a no-deal outcome.

With just nine months to go and ideological rows still dominating the headlines, there's an urgent need for an injection of practical reality into the debate on how the UK should leave the EU, not least because there's another game in town that we should be paying more attention to – getting match fit to compete in the world.

In that spirit of realism and decisiveness, our focus must be on ensuring that we deliver a 'sensible' Brexit, one that works best for consumers, for businesses and for society at large.

So what does this mean and how do we secure it?

In absolutely no circumstance does falling back on WTO tariffs constitute a sensible Brexit. So my first point is that we should not countenance the suggestion of walking away from the EU without a deal in place.

Why? Because we're completely unprepared to do so. No country has ever left a union like the EU and unravelling a relationship that's become more and more intertwined over 50 years, in a world which is itself more connected than ever, will take years - and as a result, without much more preparation than is possible in the next five years, we would suffer a level of chaos that would have a serious negative effect on everyday lives and livelihoods. It's a prospect that I don't think any responsible person should countenance imposing on their own people.

Encouragingly as realism comes more clearly into view, there's less and less talk of 'no deal' and most people, on all sides, agree there should be frictionless trade with the EU.

The question therefore becomes, how do we achieve this and what trade-offs are worth making to get it?

First, securing a frictionless trade deal with the EU is a priority and it's worth accepting limitations on our ability to strike trade deals around the world to get the one we want with the EU.

This is not about any ideological preferences for trade with one country over another. It simply reflects the commercial realities of existing trading relationships. The EU is our biggest and closest market – providing not only free trade with EU countries but also with countries with which it has preferential trade agreements. These cover just over 60% of UK exports<sup>1</sup> and nearly 90% of our food imports<sup>2</sup>. Our first, second and third priority for a trade deal should therefore be with the EU before anyone else.

Even if we did get those trade deals elsewhere, we must ask ourselves - honestly - why the likes of India or China, would offer a better trade deal to the UK than they would to the EU (the world's largest single market).

And if they did, how long would they take to put in place and what costs would be attached? In any event I suspect such deals would be anything but 'free'. Countries like India would most probably want access for their citizens, China for steel and aluminium and the US to our agriculture. There would be winners and losers in the UK. There always are.

And in the meantime, let's realise that the absence of these fabled trade deals does not stop us from trading with the rest of the world. Far from it. We already export more to the US than to any other country and Germany exports five times what we do to China, both without a trade deal and from within the EU.

Second, it is essential that we agree customs arrangements that ensure our continued trade with the EU really is frictionless, if necessary this should extend to forgoing what might be gained from any trade deals outside of the EU to secure frictionless trade with it.

Most people don't realise just how lean and interconnected modern supply chains have become in order to be internationally competitive. Supermarkets typically only carry three days of perishable food stocks and automotive firms importing parts from Belgium or Germany allow just 15 minutes for delays<sup>3</sup>.

This isn't about tariffs. Tariffs on most non-food products from outside the EU are already low – in part due to EU trade deals I mentioned. This is about the friction caused by non-tariff barriers. We should be under no illusions as to the effects of even modest delays at our ports, and as a retailer I can assure you there is a big difference between 'frictionless' and 'low friction' when importing products:

- Frictionless is the current 'roll-on, roll-off' arrangement at Dover. But if a low friction alternative adds even only 2 minutes extra per truck, that equals to 17 miles of tailbacks, on every day that it takes a bit longer to cross the border – after a few days that could stretch to the M25.
- Frictionless trade is the salad leaves which can today be loaded onto lorries in Spain and delivered to our stores across the UK - without border checks - and still have five days shelf life. Friction comes when failure to agree arrangements with the EU results in animal and plant checks on such products taking up to two days and almost halving that shelf-life.

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<sup>1</sup> CBI report 'Eyes wide open: the importance of a smooth transition to a new EU deal' - July 2017

<sup>2</sup> BRC 'A Fair Brexit for Consumers' report

<sup>3</sup> CBI report 'Eyes wide open: the importance of a smooth transition to a new EU deal' - July 2017

Our businesses have become more and more intertwined with the EU. Parts and products can pass between EU countries several times and continuous supply depends on smooth trade.

Current disagreements debating the relative merits of one customs arrangement over another, is the wrong way to approach this. It's better to start from the relationships that we want and then decide what it's worth trading off to get those.

I would suggest that the border with the EU matters more than borders with anyone else. Even a little friction there will cost us competitiveness that we will pay for in higher prices or fewer jobs and quite possibly both.

Third, isolationism and 'going it alone' in the world benefits nobody and is not the best way for 'Global Britain' to project its influence. We should therefore accept the necessity of multilateral agreements and the appropriate jurisdiction and oversight of courts to secure our ability to compete successfully in the world.

Take the topical example of GDPR – last month, everyone's in-boxes will have been filled with emails seeking permission or confirming the way x, y or z company will use, manage and protect our personal data. Many will have come from companies that aren't headquartered in the UK. The truth is there are essentially three regimes when it comes to data and being able to interact with customers and companies globally – the US, China and the EU – it's pretty clear which we're going to choose.

Standards like these are becoming more important in a world that's more and more connected. While it's possible that the current or a future UK government might want to develop our own rules, in an area like data protection, UK businesses trading with other countries would continue to comply with their rules, even if we (the UK) didn't set them.

There are also large gains from cooperation. We've seen those in areas ranging from the greater security we have gained through membership of NATO, to the Paris Accord on climate change. Take an example like plastic. Tackling plastic in the oceans on our own might make us feel better, we might even lead the way. But, as with almost all of the biggest challenges we face, the real difference will come only from coordinated action across the world, not by acting alone.

With just nine months to go until we leave the EU, we urgently need a clear, unambiguous decision on our direction of travel, partly to break the impasse, but just as much because it's crucial to getting us onto a trajectory after Brexit which starts to address what really matters to people.

To some extent, maybe to a considerable degree, at the heart of people's decision to leave the EU was a cry for better livelihoods, better opportunities and better standards of living. For some it was perhaps a concern for what was being or might be lost, for example in the state of public services, particularly critical services like the NHS.

It's no coincidence that these issues have become pressing concerns. Wages have stagnated since 2007. In the 10 years from 1997 to 2007, average disposable incomes increased by 29%. In the 10 years since 2007, the increase has been a measly 3.5%. Standards of living have declined. These are the cards we're being dealt by no increase in productivity.

But if we feel powerless in relation to Brexit then on productivity these are at least cards we can play. The game on the table is called getting match fit. It doesn't require multinational trade negotiations, referendums or tortured debates. And the potential prize is great. Greater even than what is at stake with Brexit.

Getting match fit means making modest improvements in the productivity of lots of businesses to unlock more than £100bn for our economy. That's a big chunk of the £144bn we spend on the NHS each year and two and a half times the amount of money the government has agreed to pay to the EU as part of the Withdrawal Agreement. If we want better living standards, that's what we need to get them.

But Brexit will influence whether that happens and how soon.

The chaos of a no deal certainly won't get us there. And failing to get frictionless trade would push us back in the wrong direction. Greater costs or delays in the flow of goods across our borders will damage long fought for gains in manufacturing and food. More complexity in standards and regulatory requirements, won't help either.

We can play these cards. But the form of Brexit will determine whether we're throwing them on the floor or playing on a higher table.

A sensible Brexit, agreed soon, has the potential to renew confidence, to unlock investment and drive growth at exactly the right time. With employment at record levels, our capacity to grow through more people in employment has peaked. Only investment in people and capital can drive up productivity to give us the growth, competitiveness and standards of living we need.

As EU negotiations continue, we urgently need a pragmatic approach from our political leaders to deliver a sensible deal with the EU that allows us to focus on making Britain match fit to compete globally through Brexit and beyond.

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