

European Affairs Committee

Corrected oral evidence: The future UK-EU relationship

Tuesday 8 November 2022

4 pm

Watch the meeting

Members present: The Earl of Kinnoull (The Chair); Lord Faulkner of Worcester; Lord Foulkes of Cumnock; Lord Hannay of Chiswick; Lord Jay of Ewelme; Lord Lamont of Lerwick; Lord Liddle; Lord Purvis of Tweed; Baroness Scott of Needham Market; Viscount Trenchard; Lord Tugendhat; Lord Wood of Anfield.

Evidence Session No. 5

Heard in Public

Questions 64 - 74

Witnesses

I: Sylvie Bermann, former French Ambassador; Dr Peter Ammon, former German Ambassador.

USE OF THE TRANSCRIPT

1. This is an uncorrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.
2. Any public use of, or reference to, the contents should make clear that neither Members nor witnesses have had the opportunity to correct the record. If in doubt as to the propriety of using the transcript, please contact the Clerk of the Committee.
3. Members and witnesses are asked to send corrections to the Clerk of the Committee within 14 days of receipt.

Examination of witnesses

Sylvie Bermann, and Dr Peter Ammon.

64. **The Chair:** Welcome, everybody who is watching and welcome here to the hybrid House of Lords and the European Affairs Committee. We are in the

middle of our inquiry into the future of UK-EU relations, and this is the fifth evidence session.

We are very pleased this afternoon to have two outstanding witnesses who are beaming in from overseas. The first is Sylvie Bermann, who was the ambassador here in the UK from the Republic of France between 2014 and 2017 and then graduated to being the ambassador in Russia from 2017 to 2019—a very interesting pair of postings.

We also have from Germany Dr Peter Ammon, who after being state secretary at the German Foreign Office, which of course is the equivalent of Permanent Secretary in UK-speak, went to be the ambassador in the USA between 2011 and 2014, and then was ambassador here in the UK from the Federal Republic of Germany between 2014 and 2018. The two of you were here together, in fact, and it is very nice to at least virtually welcome you back.

This is a public evidence session, so it is being broadcast, and we will send you a transcript shortly afterwards. We would be grateful if you could check the transcript and notify us of any corrections that need to be made. We will be using the transcript in our report, or bits of it I hope, and we expect to report in the new year on this very important topic.

I am going to kick off proceedings with a high-level question, knowing that we will get down into the detail later on. I should have said that I would be grateful if both questioners and answerers could try to keep their questions and answers relatively short and crisp, as we have quite a bit to get through.

How do you characterise the overall state of the relationship post Brexit between the UK and the EU, and what are the primary factors that affect this relationship today? I will begin with Sylvie Bermann.

Sylvie Bermann: Thank you very much for inviting me. I am glad to be back.

I must say that those relations have been very acrimonious since Brexit between the EU and the UK, and the main factor is the refusal to implement the Northern Ireland protocol. It is the main factor, in a way, but also because there was no trust between EU members, EU institutions and the UK. I think it is changing now but for a long time it has been very tense.

The Chair: Admirably crisp.

Sylvie Bermann: I could go longer, but you wanted short and crisp.

The Chair: There will be plenty of chances to come back on some of the issues you have touched on later.

Dr Peter Ammon: I will follow up on what Sylvie was saying. The famous trilemma of the Northern Ireland protocol is casting a long shadow on the relationship. I hope we can all agree that it is necessary to search for a pragmatic landing zone that would allow day-to-day trade with Northern Ireland without too much complication on one side and not set dangerous precedents that would undermine the secured consistency of the single market on the other side. I know this of course is easier said

than done, with complex supply chains making labelling the origin of goods difficult, and possibly conflicting veterinary standards or possibly incompatible future free trade agreements with third countries.

However, I believe that pragmatic technical solutions could be found in principle, provided both sides negotiate in good faith. Here I come back to what Sylvie was saying: I am afraid to state that the UK domestic debate of late has not done much good to enhance London's reputation as a predictable partner. I am sorry, but let me be frank: the Northern Ireland Protocol Bill, which was tabled I think in June, has damaged trust and the fear is that any practical proposals for a solution to this trilemma could become a political football in the domestic arena in the UK, and with the upcoming election campaign in Northern Ireland in particular.

I am afraid that any new concession from the EU side offered before the Stormont elections would be consumed immediately and become the basis for fresh demands. So in my view it does not make much sense to come forward with new ideas now.

The German position here is obvious: Berlin does not want a trade war with Great Britain, but safeguarding the integrity of the single market is paramount.

The Chair: Thank you very much. We are going to head off into the future and a future I hope where the Northern Ireland protocol trilemma has been grappled with all round. In the meantime, we will move to Baroness Scott for the next question.

65. **Baroness Scott of Needham Market:** Good afternoon and thank you both very much for coming.

I want to turn the coin on to the other side and ask you both to comment on how you see the bilateral relationship between the UK Government and Germany on the one hand and France on the other, and perhaps to reflect on what the future relationship might look like, and whether the Government's notion of focusing on bilateral rather than engaging with the Commission is going to work out. Perhaps Peter Ammon could speak first about Germany.

Dr Peter Ammon: There are various levels of our bilateral relationship. There is the level of people-to-people relationships which I think is doing extraordinarily well, despite the many problems we have been facing recently: I am thinking of these long queues at immigration that seem to have doubled waiting times without discernible benefit for security. Or frustration when you want to send a Christmas packet to your friends across the Channel and you find that you are required to fill out lengthy

forms, pay tax and much higher postage and accept much longer delivery time now. But apart from all these inconveniences that come from new layers of bureaucracy, the people-to-people relationship is very close and that is very encouraging for me to see.

Shall I go on speaking on the economic and political relationship, I do not want to be too long?

Baroness Scott of Needham Market: Yes, please do.

Dr Peter Ammon: For German companies, in particular the „Mittelstand“ companies, Brexit has become a turning point. If you look at the figures, you will find that they are quite shocking: The UK was Germany's fifth biggest trading partner before 2016, and now it is down the list to 11th. To describe the situation in a bit more of detail: usually attention is focussed on the big companies only: you may remember for example that BMW recently said it would move the production of the electric Mini from Oxford to China. But we should not overlook the fact that it is in particular among the middle sized German companies where we see many swapping out British suppliers off their chain of production. It is also remarkable to note that recent figures show that British exporters were much harder hit by this trend than their German counterparts: Exports from Britain to Germany fell much steeper than the imports from Germany to Britain.

It is worth giving some thought to the question of what we could do to stop this decoupling of our economies. I heard entrepreneurs on both sides of the channel complaining that logistic issues are their main impediment, followed by the freedom of movement of specialised workers. I often hear that they see little interest from the British Government to find pragmatic solutions, because that would be in conflict with Brexit ideology, which focuses on emerging markets rather than European partners. I also hear these entrepreneurs add as an afterthought that the emerging markets are not doing so well quite recently as many had expected.

In foreign policy, I think the German Government would be willing to take a fresh look at the partnership with the UK now. The reason simply is that with the resurgence of great power rivalry in the world, Berlin must look with priority for those partners that share their values and interests, and the UK and Germany find themselves in the same boat when looking f. ex. at Russia and China these days. And we share of course the interest to keep the West united in the Ukraine conflict.

If we look ahead into the future, many are thinking about the possibility of another Trump presidency. If he -or a lookalike Trump- happens to come back as the President in the US, the strategic outlook could change and it would be good if Germany and Britain could discuss their strategies vis a vis a new US leadership and hopefully would find a unified approach.

All this, and I come back to what Sylvie said in the beginning, requires the restoration of trust which has, I am sorry to say, been damaged in some of the political battles recently.

Sylvie Bermann: I think we had an excellent relationship before Brexit and in particular in the field of defence and security. I think we were the closest partners. Unfortunately, it has almost stopped in particular avgas projects, but some other projects as well. It is a pity, and I hope we will resume that because we had the Lancaster House agreement and there were a lot of projects. I think it is very important, considering that we are very similar countries in this field, that we resume that.

It is not a secret that the relationship has been very difficult because of the question of the implementation of Brexit and in particular. as I referred to before, the Northern Ireland protocol, because for us the EU is a priority, of course. The second difficult issue was the question of fisheries and I think it has been more political than it should have been, maybe from both sides, but for the time being we are not talking about that any more.

There is also a very difficult question, which is the question of illegal migration. As you know there is something new which is very positive. It is the meeting between Rishi Sunak and Emmanuel Macron in Cairo and their discussion of an agreement. It used to be a problem. When I was ambassador to the UK we had many crises, but at that time we had very good co-operation between the two home secretaries and also Heads of Government, so we managed to find an issue and that is the reason why we were able to close the tunnel and the port of Calais, and we closed the Jungle as well. Unfortunately, because those people are coming from English-speaking countries, they do not want to stay in France, even though we have more asylum seekers in France than in the UK, so they continue to try. There is a very long border between France and the UK—a maritime border—so they try with small gangs, there are lots of traffickers, and we have to fight against that together instead of blaming each other.

What we managed before, meaning the agreement between Theresa May and Bernard Cazeneuve, can be replicated now, and that is what we are up to now, after the discussion between Rishi Sunak and our President. It is useless to accuse us or to say we are not doing the job. That is not so easy to do, but I understand that we managed to lower not the numbers maybe but the percentage of people trying to go to the UK. I think it is a priority and it is a priority also because we are the closest neighbour.

We have other important fields of co-operation—civil nuclear at Hinkley Point for instance, and so many others—and I think we should continue to work on defence and security issues. There is an incredible relationship on the operational level, and we continue to exchange officers, which is very good, but I think there should be more discussion on all the

challenges that we have now in Europe. Peter mentioned Ukraine and some other issues as well, and of course terrorism is important. We have a lot to do, but it is a question, as Peter and I said before, of trust. If trust is resumed it will be easier of course.

66. **Lord Liddle:** You have both painted a very gloomy picture of the relationship between Britain and France and Germany, which I, for one, have always believed was absolutely fundamental to European unity and strength.

The Government here says they prefer this sort of bilateral or trilateral approach to dealing with the European institutions. They prefer to deal with member states individually. What do you see as where Britain stands in relative terms to the European institutions and to France and Germany? Do you think the relationship between France and Germany has deteriorated in terms of a regular working relationship, the meetings below ministerial level that used to take place but no longer take place? If the Government want to prioritise the relationship with France and Germany, what should they be doing about it? Sylvie?

Sylvie Bermann: I think it is important also to resume those meetings we used to have. When I was in London as ambassador, we received almost every week a Minister and other delegations. This is not the case any more and even the summit meetings stopped in 2018. I know another one is planned for 2023, which is very good, and I think we should resume. It does not mean that you should not discuss with the EU, because it is the biggest trade bloc in the world, and also being a member of the EU is part of our identity, but there are a lot of bilateral projects that we can do together. I mentioned that in my previous intervention—as I said, nuclear issues, terrorism and all the defence and security issues. I think this is very important, apart from the question of immigration, which will still be problematic in the future, I am sure, because it is the problem in itself. We must co-operate more and stop blaming each other sometimes.

I know for instance, for France, the British press, or at least some, says that France wants to punish the UK for Brexit. It is not the case at all, and people in France are not thinking at all about Brexit any more. For them, it is totally finished and that is not the point: look at the future and try to build on all those issues where we have common interests.

We will mention later on the question of the European Political Community, and I think it is important because it is a way for the UK to be back in those forums.

Dr Peter Ammon: Given the state of the world as it is, it would be foolish not to try for a better and more harmonious relationship between Germany and the UK and I think there is a strong desire for that in Berlin.

On the other hand, you must keep in mind that whatever initiatives London and Berlin take bilaterally could lead to the suspicion, justified or not, by the other members—in particular the smaller members of the EU and of course the Brussels institutions—that the British side is trying to

split the EU when working with the two big countries bilaterally only. It may be worth to keep this in mind.

Generally speaking, people on the continent have been watching the domestic debate in Britain quite intensely and what many take from this debate is that Britain wants to prioritize third countries outside of the EU not only in its future economic relationships but also sees more gain for its political relationships with these countries rather than with Europe. This is taken note of and many people are sitting back thinking, "Okay, let us wait and find out what the Brits really want."

67. **Lord Wood of Anfield:** I want to turn to the European Political Community, and everyone I think was pleased to see that Liz Truss, the Prime Minister at the time, attended the first meeting. I am interested from a German and French point of view in how you see the role of the European Political Community—in particular, whether there is an alignment between how the British might see their contribution in this looser but broader organisation going forward, and how Paris and Berlin see it. Can we start with Sylvie Bermann on the French side? How do you think President Macron and the wider French political establishment see it?

Sylvie Bermann: As you know it was an idea from President Macron and a lot of people were sceptical about it because they thought it was a way to avoid the addition to the EU for some members, when there have been some candidates who have been waiting for a long time. In fact, it was to create a new forum, more flexible and to engage not only with candidates, but also as he said it was his proposal for a country that has left the EU, meaning the UK. I was glad that Liz Truss participated in it, and I think it is very important.

We are facing new challenges now in particular with the war of aggression by Russia against Ukraine and we really must co-operate and discuss these issues together. It is not institutional. It must remain like it is, very informal, meeting every six months, but we think it is very important that the UK is participating in those discussions.

Dr Peter Ammon: Germany clearly welcomed the participation of the British Prime Minister at the first summit in Prague and also the offer to host one of the next summits in the UK, which underlines the interest you have. I think I can say that Germany saw this as a signal from London that the UK wants to keep channels of communication with European countries open, which are countries that share the same values.

Sylvie said something about the philosophy of the idea behind the EPC. I would like to add that the intention -as I see it- is to create a platform for

dialogue with countries beyond the EU in order to create a united front in Europe against the autocracies, which are now springing up everywhere.

In the end, I expect the European Political Community will remain a fairly loose ad-hoc structure and not develop into another European institution with well-defined competences.

Lord Wood of Anfield: You both sound as if you favour a more informal, less bureaucratic organisation, a chance to chat and exchange views, rather than anything that has papers being prepared for it, or long-term pieces of work associated with it. Is that right, or even a secretariat? Is that how you both see it?

Dr Peter Ammon: I am not saying this is my preference, but this is my prediction. The European Political Community will remain something less formal, less structured than the EU and in this way may probably be more acceptable to the UK.

68. **Lord Tugendhat:** In light of what the two ambassadors said about the bilateral relationship between the UK and their own countries, would a structured framework of UK-EU foreign policy, security and co-operation of the type envisaged in the political declaration published alongside the withdrawal agreement help? If you think it would help, what form would such a framework take, if it is to be successful? I will ask Dr Ammon if he would speak first.

Dr Peter Ammon: Lord Tugendhat, it is very nice to see you again after such a long time. The general attitude in Germany now on these sorts of questions is wait and see— how the political debate inside the UK will go, and if it will lead London to work constructively with Brussels. But when I see examples such as the Joint Expeditionary Force, which the UK has launched with some Scandinavian countries and the Baltic states, there is always the concern in Berlin that such initiatives might carry the risk of duplicating existing structures, and -in particular- that they could undermine hard-won European unified positions that become blurred when new structures are created in parallel. Despite my desire to see our relationship flourish in the future, I am a bit sceptical how far a bilateral strategy of pick and choose can take us .

Sylvie Bermann: This kind of co-operation seemed to be obvious in the past, but it is the UK who refused it. It was a proposal by the EU and then it has been refused, and now it is more difficult to come back to it. Of course, while in the field of security and defence or even foreign policy, there would be a possibility for an association of third states. It could be different of course because it is the UK, and the UK has not only more means but also more experience of the EU; I am not sure if it is mature enough now. I do not know if it can be done in the future, to allow the UK to participate in some operations. We are in a very different period now with this war, because it is not the same kind of operation that the EU is launching, but we will come back to that. I think some participation from the UK would be good for the EU.

69. **Lord Hannay of Chiswick:** Some of our earlier witnesses talked on this same question about, for example, the very rapid expansion in sanctions

policy, by the European Union, by the UK, and by the United States in the Ukraine context—but not only, because there are sanctions also involved with Iran and there could be with regard to China, depending slightly on action that both Europeans and British and Americans take in the context of the Uighurs. What our previous witnesses suggested was that both sides, Britain and the EU, ought to be able to work together very closely on the implementation of the sanctions that they agree at the political level, and that they would benefit from much closer working on this, because the alternative of course is that the people being sanctioned find ways of playing games with the different countries that are placing the sanctions. What do you think of that? Is that an example of where there could be a much closer working relationship?

Dr Peter Ammon: I am a free trader by conviction and I tried to support free trade all my life in office, but unfortunately the general trend now is one of de-globalisation, which is very bad for Germany, because we built our wealth on globalisation and free trade.

However, as the situation in the world is as you described it, it is not surprising that financial sanctions and trade restrictions have become an element of foreign policy, maybe one of the most effective and easiest-to-use instruments of foreign policy today.

Some people say that we now face an overly complex spaghetti bowl of such regulations that sometimes are not compatible with each other, and this makes it very difficult for companies to trade, because you can never know if you are not inadvertently in violation of a sanction or regulation that might bring companies into hot water in a third country.

Yes, of course, I think it goes without saying that untangling this spaghetti bowl of sanctions would be useful and good, and we should work together on streamlining it so we are not played against each other by hostile states. Therefore, I fully agree when you ask for more cooperation in this field but I think we should also keep in mind that there is one country in the world that is standing out as the dominant player, and that is the US. The US is calling the shots in global sanctions policies and also in those cases where we are not happy with some of the regulations that come out of Washington, it makes sense to liaise among ourselves, too.

Sylvie Bermann: I agree with Peter concerning the US. I think it would be logical to work together, meaning the EU and the UK, provided you have not already aligned with the Americans. It does not mean that what they are doing is not necessarily good, but if you immediately align with the Americans what would be the point of co-operating with the EU? I

would favour this co-operation between the EU and the UK, because we are closer in Europe and in fact we are more concerned by these new challenges in Europe, because the US is very far away, very prone to adopt sanctions and I think it would be better to work together and to be more efficient, of course, because if there are some gaps it does not work.

The Chair: Thank you very much. An interesting area. We move now to Lord Trenchard.

70. **Viscount Trenchard:** Could I start, please, with Madame Bermann this time? Some argue that the UK's response to the Russian invasion of Ukraine was faster and fiercer than it might have been if the UK had been a member of the EU's defence and security structures and institutions. How effective do you think that co-operation between the UK and the EU has been in response to the Russian invasion? Which areas of co-operation have worked and are working well in the context of the Ukraine crisis, and which are working less well? How might the UK and the EU build on the experience of this co-operation?

Sylvie Bermann: I am not sure there has been a lot of co-operation. There has been a lot of information, but after decisions were taken. Maybe the UK was faster for many reasons, but at the same time, I think we are stronger when we are acting together, even if it takes a few more days. I think it has been more information than co-operation, unless there are some things I do not know.

Dr Peter Ammon: Please note that Germany has been in a state of shock after 24 February: This date marks the collapse of our Russia policy. We were not very fast coming out of this shock, but now I think we are moving in the same direction as everyone else.

You were asking what kind of lessons we can draw for our future cooperation. The UK is working with PESCO now on a project that aims at facilitating the mobility of military equipment, across the borders in Europe; I think "military mobility" is the term used for this project. This is already a good first step. As we are all striving now to equip Ukraine militarily and support it financially, I believe we will share lessons learnt from our experiences of the last months for future projects.

I can imagine that we may also learn from the military developments on the ground in Ukraine, in the sense that new joint military projects and new ideas might emerge from this.

Again, with tough times something good may grow out of them and a new element of trust may emerge from the experience of us working together in the Ukraine conflict.

Sylvie Bermann: I think there has been a very interesting collective decision by the EU, which is to use the peace facility to provide Ukraine with weapons. I think this is good; this is €2.5 billion. It has been decided very quickly and it is a high sum of money. At the same time what is happening now in Ukraine is that each country is providing some weapons, because it has these weapons, and it is not only the same

countries. I am not sure frankly there is much co-ordination. It is more bilateral relations with Ukraine when Ukraine requests some special weapons and so on. It will be lessons learned in the future, but for the time being, I am not sure we can talk of real co-operation, except that there has been this decision on the peace facility instruments.

The Chair: Thank you very much. The third leg of this particular stool comes from Lord Faulkner.

71. **Lord Faulkner of Worcester:** Staying with the European response to the Russian invasion of Ukraine, I would like you to give me your view about the closer working relationship that has developed between the EU and NATO and the consequences for the United Kingdom from being effectively excluded from this process. What could we do in Britain to redress that, and does it matter? Sylvie first.

Sylvie Bermann: Of course there has been a co-operation between the EU and NATO because in this case we have the same objectives. In fact, it is more NATO or the US, because there was the Ramstein process that provided Ukraine with some weapons, and it is more American coordination. Apart from that, being a member of NATO of course, the EU has also a role to play in NATO for this co-ordination. I think there has been a clarification of the relationship between the EU and NATO because there was a lack of trust before. Some thought the aim was decoupling with the US, which was not the case. By the way, there was a joint communique between Joe Biden and Emmanuel Macron after the AUKUS problem and the US said that it was supporting European defence alongside NATO.

Lord Faulkner of Worcester: Before I go to Peter, do you cover this area in your book, *Au Revoir Britannia*? It is a great title and I suspect it should be required reading for members of this committee.

Sylvie Bermann: Thank you very much. Yes, I talked about that and I talked about the incredible co-operation we had in the past on this, and, since Peter mentioned the Joint Expeditionary Force, we have one between the UK and France, which is 10,000 men, and we are not using it.

Lord Faulkner of Worcester: Could I ask Peter about the wider issue of the NATO-EU axis and the exclusion of the United Kingdom?

Dr Peter Ammon: I think everything is developing very fast now. For me, from a German perspective, it is amazing how the perception of NATO has changed. It is not so long ago that people spoke about NATO

as braindead or used the famous phrase „out of area or out of business“. NATO is far from being out of business now from our viewpoint.

[Connection with Dr Peter Ammon lost.]

Lord Faulkner of Worcester: Sylvie, are you still with us?

Sylvie Bermann: I am still with you, yes.

Lord Faulkner of Worcester: Can I ask about NATO 2022's strategic concept, which talks about the development of a strategic partnership between NATO and the EU and the involvement of non-EU allies in EU defence efforts and how essential that is? What forms do you think that greater UK involvement in EU defence efforts could take, and would that be welcomed by your government in France?

Sylvie Bermann: Yes, I am sure it would be welcomed, because when we decided to create this European defence initiative, we did it with the UK, so we would welcome participation by your country.

The Chair: While we are waiting for Dr Ammon to come back, I call Lord Hannay.

Lord Hannay of Chiswick: Carrying on, on the same line, the new strategic concept urges non-EU members of NATO to help the EU members of NATO in the work that they are doing to co-operate more in defence and security issues. If you had a wish from the French point of view of a British Government making some contribution to this, what would it be?

Sylvie Bermann: Of course you have a lot of experience in the military field and also in the EU and know how it works, so I think your contribution would be very valuable, but a contribution also with some means and projection for capabilities that the UK has. I think in the future it will be very important to include the UK in projects. It was not possible, the situation was not right for that, because there was a lot of suspicion and mistrust, but I think in the future it will be possible. Of course, France would welcome it. I talk a lot with some military people in France; they miss this co-operation, and they think it is a high priority to include the UK in this field.

[Connection with Dr Peter Ammon resumed.]

Lord Faulkner of Worcester: Now that Peter has come back, can I ask what the view of the German Government would be about greater British involvement in EU defence efforts? It is something that is being proposed in a NATO strategic concept. Is that something your government would welcome?

Dr Peter Ammon: I think there is a great readiness on the German side to look for new avenues of co-operation with Britain. The only risk that I think you should all have in mind is that, as we have experienced in the past, sometimes there is a certain suspicion on the continent vis a vis initiatives that possibly aim to split the European Union and weaken the Brussels institutions.

We should, however, not let this suspicion drive us to an attitude that makes it impossible to co-operate. We must of course co-operate and we will have to co-operate more than before, given the state of the world, which now has a totally different outlook. Again, let me point to the situation in the US, where we may have someone like Trump or a lookalike Trump as the American President in two years time, and this of course would probably create a huge challenge to NATO, to our structures, to the way we position ourselves. I would love to see more cooperation with the UK here, given its deep knowledge and its strong ties with America that could help us to prevent damage to the transatlantic relations that would be very costly for us all.

72. **Lord Jay of Ewelme:** Good to see you both again. This is a question for Sylvie Bermann. When I look back at my own experience as an ambassador in Paris, even though we were both members of the European Union, there were from time to time quite difficult relationships. I am thinking of Iraq, foot and mouth, and BSE, as examples. As you said, they have been particularly difficult at the moment because of the consequences of Brexit and not least the Northern Ireland protocol.

If you look ahead five to 10 years, can you see a time when the traditional good strength of the relationship, particularly foreign policy, security and defence, become once again predominant and the fact that we are not a member of the European Union or will not be a member becomes less important and the old relationships re-establish?

Sylvie Bermann: I think on a bilateral basis it is possible. On an EU basis, it is possible to have a better relationship also, but the problem is, considering your capabilities, that other members who have fewer capabilities do not feel excluded from that. It is going to be a difficult balance, but bilaterally, yes, it is obvious. As I said there are a lot of people in France who are looking forward to it and regret the present situation, of course.

Lord Foulkes of Cumnock: I go just one stage further than Michael. You both seem very sad that Britain has left the European Union. Do you see any way back in five, 10, or 15 years and what would be the reaction in both France and Germany? Sylvie?

Sylvie Bermann: Of course I am sad. I think we really miss you in the EU and if I can speak frankly, also I think it is better to have this kind of triangle between London, Paris and Berlin than have only this double relationship between Paris and Berlin because it is more balanced. The situation is as it is, and the question is not up to us, of course. It is up to the British public. I am afraid it is going to be difficult because it is six

years now after Brexit and the situation is not solved. It is not solved in the relationship with the EU and it is not solved domestically, because of Covid, because of Ukraine and it could have been said that all the difficulties were not with Brexit—and it was difficult even to pronounce this word—so lessons should be learned also. It is a decision of the British people of course and the British Government. What would be difficult is, if you ask to join again, there will be some worries that after five or 10 years you decide to leave again. It would be rather complicated and that is the reason why for the time being we think it is better to try to find some more flexible and looser co-operation.

You say we are both very sad, yes, and I think we are stronger when we are together. Frankly, when it is Paris, London, and Berlin, it is more influential in the world, considering that there are another 25 members. I think we were stronger when we had those initiatives at our level.

Dr Peter Ammon: As Sylvie has said, we miss you. That is perfectly true, but I think you should keep in mind that the EU is changing as well, so if you talk about a future, five or 10 years from now, the EU might be quite different from what it looks like today. Much would depend on how the terms of a possible re-accession would be discussed in the UK. I think the continent would be the easier partner to accommodate than the other way round. So the question of a return of the UK to the EU is more for you to answer than for us.

Honestly, I would not dare today to hope for a full return of the UK to the EU. But I always ask myself why the Norwegian solution, which was discussed during the Brexit process, with the UK remaining a member of the Single Market, or the Customs Union, was discarded so easily. The most important argument against it was that UK free trade agreements with third countries would stand in the way, but since then we have seen that negotiations on free trade agreements with third countries have not produced results that are very different from what the EU has agreed with the same countries: The EU-Japan agreement f.ex. is very similar to the British agreement with Tokyo, and so on. Another example: Neither the EU nor the UK could reach an FT agreement with the USA as the problems this brings for the UK and the EU are more or less identical.

All things considered, in my view an intermediate solution like the Norwegian-type relationship seems to be much easier to attain than full membership.

Lord Foulkes of Cumnock: Or maybe the Swiss.

The Chair: I am sorry to interrupt you, Lord Foulkes, but we do have a couple of colleagues who are very keen to come in here and in particular Lord Lamont, who has been very patient.

73. **Lord Lamont of Lerwick:** Could I go back to the very beginning, when Dr Ammon wanted to know what Britain wanted, and Sylvie Bermann talked about trust, both of them I think possibly referring to the Northern Ireland protocol? I wonder whether the EU fully appreciates how important and damaging the NIP has been to Britain because it threatens the integrity of the United Kingdom in two ways: first, by causing a

degree of instability in Northern Ireland; and secondly, with an artificial diversion of trade, which itself reinforces the trend towards separatism. We are talking about the integrity of our country, and the way in which it is interpreted is obviously a matter of extreme importance.

I understand there is a threat to the integrity of the single market, but that seems to me to be a less concrete and less real threat. Can you not understand how very vital this is to the UK? I do not get the impression that the EU appreciates that. Perhaps Sylvie Bermann first.

Sylvie Bermann: Yes. It has been negotiated, it has been accepted by the UK and it is considered as a fantastic agreement. Since you became a third country it is necessary to have some kind of control and to preserve the integrity of the European market, and the first proposal was to have it between Northern Ireland and the Republic of Ireland. That was dangerous, so that is the reason why the decision to have the maritime border was not only renegotiated but accepted—and even accepted with enthusiasm. The problem for the EU is that after being accepted it is not implemented, and the EU has considered the difficulties and had made some proposals that were refused by the UK. Again, when you sign an agreement, you implement it and when you have difficulties you find solutions, not just say that you will not implement it. That is the reason why this is a problem of trust. By the way, I remember we celebrated the anniversary of the Magna Carta when I was there, and the UK is one of the templates in the world for the implementation of agreements and the laws. That is how it is perceived in the institutions and our countries as well.

Dr Peter Ammon: As I said at the beginning, there is a trilemma that appears unsolvable in principle. You either have a maritime border across the Irish Sea or you have one across the island of Ireland. Solutions can only be found if you are ready to accept pragmatism, and the British have a reputation for being pragmatists. That is why I said I am optimistic that a solution can be found in the end, provided all sides negotiate in good faith. But: breaking an existing agreement is not something that is prone to create trust. We also will probably have elections in Northern Ireland in the next months, which makes it difficult to negotiate in good faith.

Altogether, I believe we could reach an agreement, but all sides will have to make an effort.

74. **Lord Hannay of Chiswick:** We have not spoken about the rather large gorilla in the room called China, and I do not think we should leave the expertise that Sylvie certainly has as a former ambassador for France to China—I do not know whether, Peter, you had any Chinese experience.

Could you just say a word or two about the approach of the French and German Governments to the shifting relationship with China and how much you think that fits with Britain's approach to China, both in the trade and in the foreign policy and security spheres, and of course in the relationship with the United States?

Sylvie Bermann: Yes, the perception of China is tremendously challenging; it has been worse for Europe since Covid. Of course we have to defend our interests. I think our basis is the proposition formulated by the UN in the security strategy, which is three points. It is systemic rivalry, an economic competitor and it is about other issues—for instance, climate change, health and so on.

I think it is important to stick to that and not necessarily follow the kind of crusade made by the US, because there is a more systematic rivalry between the US and China because China wants to be number 1 and, of course, that is unacceptable for the US. That is the reason why there has been this technological war and blockade but we should try to find—I know this is difficult, in particular for the time being—a kind of third way between the US and China, Europe being more balanced in a way. It might be difficult because of China, but nevertheless we should try to find some possibilities of co-operation on some issues with China, defending our own interests and trade interests, of course, and other interests while not going to war with China.

We will see about Taiwan. On Taiwan, the opposition is very clear; it is the respect of the status quo and it means, of course, no intervention by the Chinese and also freedom of navigation. At the same time, there should not be a declaration of independence by Taiwan. So the status quo is the best thing that we should aim for.

Dr Peter Ammon: Shall I follow up? Well, I think Germany is much more vulnerable, economically vulnerable, in this situation than Britain or France is. China is our biggest trading partner and second biggest export market in the world. A new cold War in the Pacific would be economically extremely damaging and could easily escalate into a hot war, which we would find a nightmare scenario.

Scholz, our Chancellor, has been in Beijing just a few days ago and I think the objective of his trip, apart from discouraging China from taking the Russian side in the Ukraine conflict, was to convey the German interest in China abstaining from an aggressive policy in the region, which would unavoidable exacerbate the sanctions and export controls that were mentioned earlier in this debate.

In the long term, or middle-to-long term, I think German companies are now trying to second-source goods that used to originate in China and instead are trying to build new chains of productions involving other Asian countries, thus becoming more independent from China.

The Chair: Thank you very much. We must leave it there and thank you both for spending time with us this afternoon. It has been absorbing and

thoroughly interesting. I am glad we managed to reunite two old colleagues here online. You have left us quite a lot to consider for our report. That said, and with the thanks of all those people online, members of the committee and here, I declare the first panel session over.