

Grassroots for Europe Round Table #53, Tuesday March 4th 2025

Could deep regulatory alignment enable major mitigations of Brexit?

A discussion with **James Coldwell** and **Tom Brufatto** [Best for Britain] of the report [*Quantifying the opportunities for economic growth. Modelling the effects of closer UK-EU cooperation and of US tariffs \[Frontier Economics\]*](#) commissioned by Best for Britain, and associated polling findings. The session was chaired by **Cecilia Jastrzemska**, President of Young European Movement UK.

Summary Report



James Coldwell [r] is Senior Manager, External Affairs at Best for Britain, where he engages parliamentarians, businesses, trade bodies and others on the relevance of Best for Britain's work. He has experience in various public affairs and campaign roles, including most recently as Public Affairs Lead for human rights charity Protection Approaches. He was an elected councillor from 2016-2022 and a parliamentary candidate in 2024.

Tom Brufatto [l] Tom was the founding chair of Bristol for Europe, and was the first national chair of Britain for Europe. He was a key player in building and leading the People's Vote campaign alliance, with politicians in Westminster and activists on the streets, which came close to achieving its aim in 2019. Since then Tom has been a senior figure in the internationalist think-tank Best for Britain, where he is Executive Director of Policy and Research, working with industry to expose and seek ways to rectify the harms of Brexit.

Launched in 2017, **Best for Britain** has been a founding stakeholder and participant at the GfE Round Table since its inception in 2020.

Background to this discussion.

This session was focussed on a recent piece of work commissioned by Best for Britain and its co-sponsors which has received serious attention from MPs and trade experts as a potentially ground-breaking option to achieve some significant mitigation of Brexit. The approach, which involves a systematic alignment of UK and EU trade and services regulation, has been suggested before but this report indicates that its capacity to deliver benefits while staying within Labour's current red lines may be considerably more than previously estimated.

Our Labour government has claimed it will make Brexit work, but it's been far from clear how we can eliminate most of the Brexit damage to our economy as long as our Government is committed to Keir Starmer's three red lines - no to the EU single market, the customs union and freedom of movement. Most commentators have agreed that under these constraints we can hope to achieve only minor and marginal overall economic improvements, tinkering at the edges of our massive and ongoing Brexit-generated costs.

However, this [newly launched report](#) from our friends at Best for Britain presented results from newly commissioned modelling suggesting a way out of this dilemma - a scheme of dynamic deep regulatory alignment of the UK and EU economies which respects the Labour red lines but which is predicted to potentially deliver trade benefits compensating for up to around half of Brexit's total negative impact on our economy.

In the week before this discussion, **Tom Brufatto, Best for Britain's Policy and Research director**, [presented these findings](#) to the House of Commons Business and Trade Select Committee. [There is a useful edited digest of Tom's presentation here](#). There was also been an [interesting discussion between Naomi Smith and Mike Galsworthy with Alex Andreou](#) on the podcast Quiet Riot about the Best for Britain report and their respective approaches as campaigning organisations.

These ideas were discussed in the [Sunday Times](#) and in the *Rest Is Politics* podcast [episode of 12 February](#) - which they titled "Starmer's Silver Bullet."

See also a number of comments in the *Independent* report on 09/02/2025 :

<https://www.independent.co.uk/news/uk/politics/brexit-reset-economic-growth-eu-goodwill-b2694983.html>

<<David Henig, director of the UK Trade Policy Project, told *The Independent*: “I believe results to be roughly the same numbers that the UK government itself has found. But there needs to be a lot of goodwill from the EU which as yet may not be there.

“It may be too early for the EU to trust the UK’s intentions I think. So the [Starmmer offering] defence is one of a few confidence-building measures.”

Marco Forgiione, director general of the Chartered Institute of Export and International Trade, said: “Alignment can certainly work. But the problem has been the UK exporting into the EU more than the EU exporting into the UK.”>>

<<**Naomi Smith**, chief executive of Best for Britain, said: “No other policy proposal or infrastructure investment has the potential to move the economic dial on this scale in this timeframe. It not only falls within the prime minister’s stated red lines for his Brexit reset, but appeals to the voters he won from the Conservatives at the last election and whose support he needs to keep.

“Deeper regulatory alignment with our largest market offers growth to every corner of the UK and is the change Britain has been waiting for. Voters want it, businesses need it, the time is right for the government to commit to it.>>

<<**Andrew Lewin MP**, chair of the cross-party UK Trade and Business Commission, said: “The Labour government is the first in more than a decade with a stated aim of negotiating a stronger and closer trading relationship with our allies in the EU. This timely new report shows the opportunity on offer, with an uplift to our economy worth tens of billions of pounds and benefits flowing to all parts of the country.

“The chancellor was right to say that when faced with policy choices about how we grow the economy, the answer can’t always be no. Now is the time to say yes to closer regulatory alignment with the European Union and start to undo the damage done by the failed deal of the last government.”>>

David Henig commented:

<<Much more important [than youth mobility] is the question of alignment with EU rules, which recent modelling suggests could be worth 1-2% in GDP, a boost simply not available from any other policy tool. To an extent this will be required to meet the manifesto commitment of an SPS agreement, which also featured in the story, and there has been talk of making a wider ‘bold offer’ to the EU, though this is currently undefined. >>

[UK-EU reset in the time of Trump: An Update on UK-EU Negotiations — UK Trade and Business Commission](#)

Chris Grey, *Brexit & Beyond*

Most of this instalment of Professor Grey's ***Brexit & Beyond*** blog on 21/02/2025 is devoted to the Best for Britain report and poll findings, starting at the second subsection headed “A new proposal for UK-EU relations”.

<https://chrisgreybrexitblog.blogspot.com/2025/02/how-can-brexit-britain-navigate-trumps.html>

Links cited: [https://assets.nationbuilder.com/Best for Britain/pages/9636/attachments/original/1739186134/Modelling_the_effects_of_closer_UK-EU_cooperation__and_of_US_tariffs.pdf?1739186134](https://assets.nationbuilder.com/Best%20for%20Britain/pages/9636/attachments/original/1739186134/Modelling_the_effects_of_closer_UK-EU_cooperation__and_of_US_tariffs.pdf?1739186134)

“It is a timely, important, and serious piece of work, and warrants serious attention, as a constructive proposal to move beyond **the current Brexit impasse** and to engage with some of the emerging realities of Trump’s new world order. ”

We anticipated that in this discussion we would want to ask, why have people apparently overlooked this previously, and do we know whether the EU will let us have this deal as a third country. Sir Nick Harvey, CEO of European Movement, asked the second question, and we report Tom Brufatto's response below.

Especially in the situation of the world right now, one key feature of this kind of deal which Tom has been pointing out to MPs is that it can not only offer the UK and EU benefits in terms of reduced obstacles to 2-way trade, but it would allow both UK and EU to significantly mitigate the effects of a major US tariff offensive.

In a recent podcast discussion, Mike Galsworthy of EM UK seemed to suggest the Best for

Britain approach focussed on maximising early opportunities could complement rather than conflict with EM's strategy of step-by-step progress towards final reversal of Brexit.

Since Trump's announcement of new trade tariffs, Best for Britain have released a [new poll showing public support for improved UK-EU trade links](#), and [queried Starmer's prioritisation of trade links with the USA](#).

Session Summary

1. **James Coldwell** screen-shared a three-part presentation which

(a) Summarised the headline findings of the 'Best for Britain' report which commissioned 'Frontier Economics' to research the effects of closer UK-EU alignment on the regulation of goods and services.

(b) Examined some key findings of the polling put out by Best for Britain in recent weeks.

(c) Shared *in strict confidence with Round Table [not reported here]* some unpublished polling.

(a) **Effects of closer UK-EU alignment on goods and services.**

'Best for Britain' commissioned 'Frontier Economics' to model the effects of UK-EU alignment on goods and services, accounting also for potential US tariffs, all while staying within the UK government's stated negotiating red lines. The economic headline findings concluded that deep goods alignment could add up to 1.5% to UK GDP: in monetary terms this is roughly one third of the 4% which the Office for Budget Responsibility (OBR) calculated the UK economy had lost as a result of leaving the EU Single Market and Customs Union. This amount is important when talking to our EU friends and partners. The monetary benefits are roughly equal for the UK and the EU. For deep goods alignment, the monetary benefits of exports are roughly 20 billion US dollars for both the UK and EU. With deep alignment on goods and services the benefits are even greater, adding up to 2.2% of UK GDP: that is roughly half of the OBR's estimated 4% hit to the UK economy after leaving the EU. Modelling deep alignment on both goods and services together indicates even greater monetary benefits, some 30 billion US dollars, more or less equally shared between the UK and the EU.

(b) The authors' findings on potential US tariffs showed that goods alignment alone with the EU would effectively cancel out any negative impact of US tariffs on the UK economy. Close alignment on both goods and services would reduce the impact on the EU economy by roughly one third. So there are strong benefits to both the UK and EU economies compared to the free trade agreements that others have held up as examples. James Coldwell screen-shared findings indicating that the effect of a US free trade agreement as calculated by the Boris Johnson government pales into insignificance compared to the effects of closer alignment with our closest trading partners. It is a similar picture with treaties already concluded with Australia, New Zealand, EFTA and the CPTPP as well. On the economic side 'Best for Britain' thus has an extremely positive story to tell, both for the UK and the EU and also in terms of a policy leader that could theoretically be polled. We don't know of anything else that delivers this short-term level of growth.

Some findings of the MRP polling commissioned by 'Best for Britain' have been published. 'YouGov' was asked to conduct polling of 15,000 GB adults representative of the population as a whole, followed by a series of MRP questions that allowed constituency level modelling for a series of questions related to a closer UK-EU relationship. Once again the headline findings on the public polling are very positive. People prefer closer alignment with the EU rather than opposing it by a margin of roughly two to one. However, support for a closer UK-EU trading relationship can decline according to which specific trade-offs are mentioned.

(c) *was confidential.*

Youth Mobility Schemes.

The polling conducted by 'YouGov' on behalf of 'Best for Britain' also found widespread support for youth mobility schemes (YMS). Support declined slightly when the duration of a YMS rose from one year to four but overall a very clear gap (54%-27%) exists between those for and those against. However, some interesting differences between voters of different political parties emerged. Very strong support (about 75%) is expressed by Labour and Liberal Democrat voters, but more Conservatives are opposed to a four-year scheme and Reform voters show a high level (64%) of opposition to a YMS. The very positive general level of support rises to fully two-thirds, with even stronger support from Labour and Liberal Democrat voters, when the length of the YMS is reduced to two years. The Conservative voters' position on a two-year YMS also switches, with more

Conservatives supporting than opposing. Reform voters are completely divided. So the economic aspect of the polling provides a largely positive picture.

2. **Tom Brufatto** said the polling questions about youth mobility were all framed as reciprocal rights, and it was made clear that questions about youth mobility included mobility for apprentices and workers, not just students. Ideally 'Best for Britain' would prefer a four-year scheme, but there was always the possibility of an extension to a two-year scheme, which would allow bachelor degrees to be completed. Presenting it as a two-year youth mobility visa scheme created a little extra support, even from those who voted Conservative in 2024. Polling on youth exchanges such as the 'Youth in Action' programmes was not done this time because previous MRP polling showed consistently favourable responses. It was decided to ask about youth mobility instead. Nor did the polling tell the respondents that we already have similar schemes with many other non-EU countries.

It was difficult to find adequate recent data about EU attitudes to alignment and youth mobility proposals because the biggest polling was only a 2000-person sample of EU member states on some policy proposals and may not have included questions on YMS. Tom Brufatto offered to find and share more details of that polling.

Potential impact of the Trump Presidency.

The massive new import tariffs announced by President Trump in early March 2025 were in line with what he said just after the election, and indeed are somewhat conservative compared to what he might put in place. 'Best for Britain' does not try to extract precise sector by sector results, but looks at the likely overall pattern of their effects, as it is so difficult to know what Trump will put in place and in what timeframe.

James Coldwell said action to resist Trump's tariffs was needed. It was particularly important for businesses to write in to government, especially Cabinet ministers and members of the Europe Cabinet Committee. Those who do write in could ideally mention and support the kind of approach set out in the 'Frontier Economics' report, but it was most important to talk about personal, factual experience of the impact on trading with the EU in recent years. The redistributive impact of deeper alignment suggests that the Midlands and the North would benefit more than London and the South East. The government is

obviously particularly concerned about these 'Red Wall' regions, which we know Reform UK is targeting.

The benefits in talking more openly about alignment depend on one's philosophy of campaigning. Broadly speaking, questions about some specific policy outcomes of alignment produce more positive answers. Specific, concrete examples of everyday things like standardising toy safety or aspects of cars – these explain the benefits of alignment more clearly than vague abstractions can, and means you are starting from a position of strength. More work is being done to determine exactly which are the more persuasive sectors.

Helen Johnston. Do you think the responses about trade alignment with the EU would be different if the survey was run this week?

James and Tom: they would be more positive. This was all carried out in the field in December 2024: so consider this a floor of where we are at, not the ceiling.

Seema Syeda: What has the UK Government given up to fend off US tariffs? And is that compatible with closer EU regulatory alignment.

Our understanding is that at the moment, the areas being discussed with the European Union and those discussed theoretically in terms of a deal with the USA don't actually overlap a huge amount.

We can always point out that actually, since signing the TCA and leaving the Single Market and Customs Union, we didn't diverge when it comes to food standards, and we did successfully sign a free trade agreement with Australia and New Zealand, and acceded to CPTPP all whilst maintaining our regulatory framework on those topics in line with Europe.

So actually the very free trade agreements that Brexiteers negotiated while they were in charge, kind of undermine their own argument when it comes to the dichotomy between the US and the EU.

Nick Harvey: Is there an example of the EU agreeing anything of this type and width with a third country? Would mutual recognition actually mean the UK aligning fully with EU

regulations and then sustaining that dynamically? If so, how does that differ from joining the single market?

Tom Brufatto: There are three main options. We have the option of doing what we are doing now, which is effectively passive divergence, ie. the EU passes a new law while our law remains frozen as it was when we left the European Union: that creates passive divergence. If we wanted to address that, we could update our rule and just keep up to pace with what the European Union is passing, and we could avoid the passive divergence. Broadly speaking, there hasn't been that much divergence up to where we are now, but the red tape has still reduced our GDP by 4%, which is a huge hit.

Option 2 is the mutual recognition agreements based on equivalence. That amounts to saying, we don't need to align our regulations. All the EU and the UK would do is say, we can see that the regulatory institutions that prove that your products are safe, have the same impact that ours do. So we can agree that the regulatory outcome is largely the same without having to follow the same rules.

That precedent exists on a very vast scale, both on the UK side and the EU side. The EU has got these mutual recognition of conformity assessment agreements littered throughout their free trade agreements. Most recently they were included in the EU-Canada CETA agreement that came into force in 2017. On our side, we've included them in pretty much every free trade agreement that we have agreed post Brexit. Boris Johnson decided that he really liked this policy and included it in the Australia and the New Zealand post-Brexit Free Trade agreements.

So this is not something that is contentious, really, as a policy proposal. When I recently gave evidence to the Business and Trade Select Committee alongside Dan Hannan, he confirmed live on air that he supported this policy proposal as well.

So there is broad support. There are the precedents. The slight complexity, when it comes to this policy proposal is that it was publicly requested by Theresa May, but it was rejected by the European Union at the time. Why? Because, of course, in the background there was the possibility of a Boris Johnson ripping up all our trade agreements and diverging actively. Which kind of did come to pass with the Northern Ireland Protocol Bill when they threatened to try and tear up some of the agreements. So they weren't wrong to reject

that. We say that the politics, both in the UK domestically and in the EU, has changed since then, the geopolitics globally is very different, and the fact that a former Conservative government proposed something that was rejected does not mean that the UK Government should not try again.

But the last, the third option is dynamic alignment by which the EU passes laws, and we agree to follow them, come what may, and that has the similar result on our economy as does the equivalence model for mutual recognition. The difference is that we would have to follow the rules, and that puts us in slightly more dangerous public opinion territory than say, equivalence.

That's not to say that it is not theoretically possible to enter into negotiation of sectoral dynamic alignment, such as, for example, on SPS or on, say, the car industry, aerospace, chemicals, medicines, you name it, you could theoretically do that. That would require the EU to undo a bit of the 'no cherry-picking' narrative and allow some cherry-picking, which in all honesty they already do themselves. For example, in the EU and Canada CETA agreement they do cherry-pick and have mutual recognition agreements as applied to automotive medicines, chemicals, and other specific sectors, but not on others. So, as usual with UK-EU relations, as is well known to us veterans on this call there are many very profitable options. It all depends on a bit of compromise, from both sides, when they get to sit around that table. At Best for Britain, we would be happy with dynamic alignment, in a number of sectors that are critical to our economy, or alternatively mutual recognition of conformity assessments. Both of them have a similar outcome. We'd be happy with that.

Peter Corr: Do you plan on doing any update to that November polling in terms of U.S.A. versus EU priorities polling? Because I really do think it'd be very interesting, especially given events this week.

Best for Britain: We might. I'm pleased to hear that it's useful, and if it is that useful, we'll probably look at doing it again at some point in the future. There are, of course, as you know, plenty of other organizations that are doing polling using not quite the same form of words. We will be watching the trends.

Cecilia Jastrzemska: Turning now to the most recent developments, we may now be looking at much bigger US tariffs and be faced with a choice of how to respond. How do you see this playing out? And how do you expect this could affect the polling findings?

James Coldwell: Broadly, there are, it seems to me, two ways that that could go. Given this changed world that we are now in and the imperative to focus on defence, talking about mutual recognition of conformity assessments doesn't fit with the enormity of the moment we find ourselves in, so this all gets parked. Another view would be to say that because everything has changed so drastically, but because the need for economic growth is still arguably even greater than it was, much of what we're talking about can and should be expedited.

We'll certainly be making the case that this is this is the common sense approach. Get the trade deal done and move on to the bigger picture geopolitics, stuff, but on the point of the choice and the priorities, when it comes to the United States, if you look at the polling that we mentioned earlier, and how we lose support when it comes to retaining our ability to do trade deals with non-EU countries, we know the public can't really name a country with which they would like to retain the ability to trade with if we had a closer relationship with the European Union. It's a proxy for the whole sovereignty issue, it's just saying, if in the future I ever wanted to be able to trade with a different country, I kind of kind of would like to have that option in my arsenal.

When it comes to the US, of course, we should be able to trade with the US if we wanted to. But the priority needs to be with the European Union. If the UK Government puts all of its efforts into the EU relationship reset and just pays to the goals of a very watered down US Trade deal, that might keep the coalition on side to get us over the line, for the closer trade deal with the European Union. While simply being on the front pages every day of the week, Trump polarizes the British public so that they trust the US less and less. That might not translate immediately to wanting a bigger role for the ECJ, if we ever get to that point in the negotiations, but it certainly allows us more space to discuss more policy options when it comes to the reset.

