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## WHAT TO EXPECT FROM THE EU BREXIT SUMMIT TODAY

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- Heated discussion, with limited EU27 sympathy for the predicament Theresa May has brought onto herself
- EU27 leaders likely to adopt Council President [Donald Tusk's proposal](#) that Brexit can be delayed if the UK parliament endorses the "Withdrawal Agreement" next week
- Brexit would then be delayed until 22 May, just ahead of the EU elections 23-26 May; a delay until 30 June is possible but less likely
- EU27 leaders to formally approve the "Strasbourg" declaration stating that EU does not intend to use the "Irish backstop" as a means to tie the UK indefinitely to the EU single market

An EU27 approval of the Strasbourg agreement and/or a clear statement from the EU27 what they expect before granting a Brexit delay may – possibly – change the situation for the UK by enough to let House of Commons speaker John Bercow allow a third vote on May's deal next week.

The EU's insistence that the UK must first pass the Withdrawal Agreement before a delay is granted does not mean that it has to be May's deal, in our view. With changes to the separate declaration on future relations, the Withdrawal Agreement could still be made consistent with softer variants of Brexit, that is an augmented customs union for goods or full UK single market membership, in our view. See also [Brexit mess: what can the EU do?](#).

UK parliament may well try to force May to offer indicative votes on such alternatives if it rejects the prime minister's deal next week for a third time. While this would add to uncertainty, it might prove to be a necessary step for the UK parliament to finally make up its mind about what Brexit it wants.

If the UK has not clarified its intentions by the end of next week, we would still expect the EU27 to grudgingly grant a Brexit delay at a special summit which would then have to be called for that purpose at the end of next week. But the EU27 would then probably suggest a longer delay so that the UK has time to fundamentally re-think its Brexit approach – or perhaps Brexit itself – in a new "political process". The risk of a political accident resulting in a hard Brexit on 29 March 2019 is not yet very high, but it is not negligible either. We put the overall risk for a hard Brexit at 15%. See [Brexit probabilities](#).

The summit starts at 14:00h GMT today. A press conference is scheduled for 18:00h GMT but may well be delayed



## MACRO NEWS

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2/2

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