

ANDREW MARR SHOW

LATVIAN PRIME MINISTER – KRISJANIS KARINS

PM: I think it's a basis for negotiations. I think everyone, certainly our country, is also interested in finding a deal, finding a compromise, finding a way for Europe and Great Britain to move forward. So the proposal is a basis to negotiate.

AM: And what in specific terms, Prime Minister, do you want to see from the British that would move it from the basis of negotiation to an actual agreement?

PM: Without going into all the specifics it gets a little complicated. For us in Latvia what's important is that the single market, the integrity of the single market remains. That Ireland is within the single market and any arrangements don't threaten that. So the big contentious issue is on how to handle Northern Ireland and the trade between Northern Ireland and Ireland and Northern Ireland and the rest of the UK. These are the details, the devil is often in the details. I have full trust in the Commission as our negotiator to try to find a good compromise with the UK. If Mr Johnson is willing to negotiate that's a very good sign, certainly from Europe's side. We're always looking for a deal that works for everyone.

AM: Can you explain to us in simple terms, Prime Minister, because a lot of people in Britain don't understand why the EU is so against customs checks in other parts, away from the border of Ireland?

PM: It's again, it's a question of the single market. So in Europe, from Latvia we're on the far eastern side of Europe, through Ireland far on the western end of Europe. We don't have any checks or controls between our countries and certainly after Brexit it's important that there are no checks and controls between

Ireland and the rest of Europe. So it's a big question and I understand that for the British government there is a wish not to have a customs union, yet also to have open borders. We're all for open borders but at some level, just imagine from the European side if there are goods say coming from the UK, moving through Northern Ireland to Ireland into the EU that are somehow not adhering to shall we say the EU rules of the game, then that could be a problem in terms of the integrity of the single market.

AM: Given what you know now, in percentage terms, what do you think the chances of a deal are in the next couple of weeks?

PM: Now I think it's fully dependent on the will of Mr Johnson, because from the European side we're always open and looking towards a deal. If a deal can be found that keeps the single market intact and is not bad for the Republic of Ireland I think it would work for the rest of the EU as well.

AM; But for there to be a deal the EU is also going to have to move a bit. Do you see any chance of the EU going further?

PM: Remember the EU is 27 member states in this case. Even to get a big change in view among 27 member states that would be very, very difficult. So it has to be something quite close. I understand that actually the Withdrawal Agreement as such is not being put under question, it's the special case of Northern Ireland. There's some tweaks which are possible but the EU doesn't have a whole lot of wiggle room, because to open up the entire agreement I think that is very unrealistic, certainly in the short time frame.

AM: If there is not a deal, then this new British law means that Boris Johnson must come to the EU and ask for another extension. Do you think he's going to get it?

PM: If Mr Johnson asks for an extension, and it looks like that could help us to hammer out a deal which is good for everyone, I think that probably he could get it. But just extending for the sake of extension I think that there would be quite a bit of debate within the EU. But again, no one is interested in a no deal Brexit, certainly not on the European side. That's bad for the UK economy, it's bad for the European economy. So I think all minds are interested on finding a deal. If it means at the end that we need a little more time and the UK asks for that I don't think that there will be massive resistance to that because again, everyone is looking for the light at the end of the tunnel.

AM: Of course if the UK does stay in the EU it may not be pleasant for either side. Boris Johnson has said if Britain is forced to stay in it would be a truculent and mutinous member and he also says other EU countries want this to be over. He's right about that, isn't he?

PM: This issue is taking a lot of everyone's time. It's an important issue and no one is sorry for the time spent, but certainly we do need to move on to speak about the real things, how we can deliver to our citizens, how we can get in the EU the single market to be deeper and stronger and to ensure jobs and growth into the future as well.

AM: Now you've said, Prime Minister that you don't want no deal. Boris Johnson has said that he will not ask for an extension. If there is no deal what is the effect of that on your country?

PM: The effect for everyone in a no deal situation is bad. I think it will be worse for the UK and probably Republic of Ireland, but it would be bad for everyone, because also my country does a fair bit of trade with the UK. If there are now new border checks and controls or tariffs it would simply mean a lower trade, less money moving around. We have lots of citizens, Latvian citizens, living

and working in the UK so I think there will be a lot of individual uncertainty, which is not in anyone's interests. It will be bad all around. So of course from my point of view and I think all of my colleagues around the Council table in the EU we're interested in a deal.

AM: And is that kind of exit still possible?

PM: Yes. I am a politician and I think most of us are actually quite optimistic and always looking to the bright side. We have to work towards a deal. We have to work towards an agreement. The default, and it's easy just to have everything fall apart. Where politicians are useful is in finding a compromise and from our side we are open to looking for a real compromise that could work not only for the UK but for the EU as well.

AM: What is the EU worried about with a Britain outside the European Union? Is it the case that you fear a Britain that has different, perhaps lower regulations, lower rates of taxation. What the French Foreign Minister has described as a tax haven on the edges of Europe. Is that the real worry from the EU side?

PM: It's certainly not my worry. My worry or concern with the UK out of the EU is that for years the UK has been one of the strongest defenders and promoters of the single market. Now from my point of view, ironically, the champion of the single market is apparently leaving the single market, which is just a bad sign I suppose for business and investment as a whole, because the EU as a whole, including the UK on a global scale we are meaningful when we work together. If the UK now leaves the EU the UK will be another small or medium sized country among many around the world and our strength for many many years has been in the fact that we are together. That's my concern, is that we're actually weakening our position in the world economy because the world economy is a lot about competition and

competition is easier when you have a large united voice and a large and united market.

AM: But there's an awful lot of people in Britain, 17.4 million people voted to leave the EU and you know, we were always told that this was a voluntary club, you know if you wanted to be a member you could be a member and if you didn't you didn't need to be. And now it feels to a lot of British people as if the EU is making it really really hard to leave and that is already inflaming tempers and attitudes in Britain. What is your message to people who feel like that?

PM: My message is that this is a club where it's a little difficult to get in and it seems to be also difficult to find a way to properly go out. The easiest way to go out is with no deal, but no deal is actually a bad deal for everyone, both within the UK and within the EU. And the difficulty is that it is objectively speaking difficult to find that deal, but the British government and the EU member states have been working towards that for a couple of years. A Withdrawal Agreement was agreed upon, which for various reasons has not been acceptable to date to the UK parliament. We fully respect that. The easy or the quick thing to do is to simply no deal, hard out. But if you want to do it right, it simply takes time and I think maybe no one around the table, either in the UK or in the EU actually appreciated how difficult this would be, because the UK has been fully and deeply integrated into the structure for the past 40 years. To undo 40 years is apparently a very difficult thing, but it's not the case that there's any wish to not let it happen. It's just that to let it happen with an agreement is apparently difficult because the agreement which has been negotiated took more than two years, was a no go for the UK parliament. So the work continues. But it's a very very thorny and objectively thorny issue.

AM: Finally, do you think it's actually possible for the EU and the UK to do a proper deal in the time that's left?

PM: If we consider that the bulk of the Withdrawal Agreement has already been agreed upon and we are now fine tuning one issue, albeit a very important issue, but fine tuning one issue, it conceivably is possible. I'm not a gambling man so I won't say what I think the odds are. Probably there's some bookies who would tell us what the odds could be. It may be a little bit of a long shot. It certainly is possible but it depends upon one crucial element. That also Mr Johnson, as well as the EU are willing and ready to move on a compromise manner. If the offer from the UK turns out to be a sort of take it or leave it, it's going to be very difficult I see in agreeing. But if it's a proposal that is open for more negotiation, well the time frame is very short but as we know sometimes when you're down to the wire some decisions can be made more quickly than when you're not down to the wire.

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