

Media Release

Date: **June 2016**

Guernsey comments on the UK's referendum result to leave the EU

In its EU referendum the UK has voted to leave the EU. A decision to leave the EU will take a number of years to take effect. Guernsey is well placed to ensure that any impact that this might have on its trading relationships is minimised, and will put in place any required alternative trading agreements. The UK decision to leave the EU should not directly impact Guernsey's historic relationship with the UK, which predates its relationship with the EU.

Guernsey is not a member of the EU and not part of the UK. Under its Protocol 3 relationship with the EU Guernsey is part of the customs territory which allows for the free movement of goods. For most purposes the islands are treated as third countries and outside of the EU. Guernsey has negotiated market access, or equivalence, with the EU in a number of areas, including the trade in services. Guernsey's long standing policy has been that it is not seeking to change its formal relationship with the EU.

Guernsey was a third country to the EU before the vote, it remains a third country to the EU now, and, it will remain a third country and outside the EU when the UK eventually leaves the Union. However, Guernsey's Protocol 3 relationship, shared with the other Channel Islands and the Isle of Man, will fall away when the UK leaves the EU and will need to be replaced by new trade in goods arrangements.

The majority of Guernsey's trade is through the UK and this trading relationship is not in question. However, in order to remain as stable as possible Guernsey will need to seek to replace the current trading relationship in goods with the EU with some other arrangements. This will be dependent on the new relationship that the UK seeks with the EU.

A Policy Letter will be published shortly to seek a mandate from the States of Deliberation to negotiate with the UK and to protect the interests of the islands. The negotiations with the UK will aim to:

- protect Guernsey's interest in the UK exit agreement with the EU
- replace Protocol 3 in the new UK / EU relationship

- safeguard the longstanding constitutional relationship with the UK
- seek new opportunities as the UK establishes new trading relationships with the rest of the world

Deputy St Pier, President, Policy & Resources Committee said:

“Following the UK decision to leave the EU in this referendum nothing will change overnight in the relationships that Guernsey has with the EU, or the UK for that matter. I welcome the opportunity for debate in the States on how we will manage this transition to ensure Guernsey can seek to remain the same. We will be monitoring the economic impact of this significant constitutional change for the UK and we will be engaging with business, with the Committee *for* Economic Development, to understand this knock on effect to our economy.”

Deputy Trott, Vice President and lead for international business affairs, Policy & Resources Committee said:

“The most important part of our external relations has always been to protect and promote our economic interests. Whilst we have our own interests and a different relationship with the EU, the identify framework document we signed with the UK when I was Chief Minister provides a platform on which we can work together to position Guernsey when the UK leaves the EU, to replace Protocol 3 and to secure new trading relationships and access to markets. The trading relationship we have are of a wide strategic importance to our economic interests. This need to be front and centre of the work we do in the coming months.”

Deputy Le Tocq, lead for external relations, Policy & Resources Committee said:

“The States of Guernsey, alongside the States of Jersey, have been working with the Channel Islands Brussels Office in the run up to the referendum since 2012. We understand our relationships with the EU much more clearly and we have strengthened our relationships with the UK Government in this area. This places us in a good position to ensure that the best interests of the islands and its residents are taken into account during the months and years of negotiations that lie ahead. Whilst there will not be major change for Guernsey, in order to safeguard the best interests of the islands the States will need to ensure we give priority to this work and ensure adequate resources are available to support our engagement with the UK as it leaves the EU.”

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Notes to Media

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