

Oil Market Developments & Brexit

Thursday 22nd September 2016

The Impact of Brexit on the Relations between the U.K. & its Middle East Trade Partners

Lord Howell of Guildford

President of the U.K. Energy Industries Council & Chairman of the Windsor Energy Group

Brexit is part of a wide global phenomenon reflecting the dispersion of government power and opposition to mainstream politics.

To the puzzlement of Brexit enthusiasts, the British Government machine is now facing the prospect of being drawn even more into European affairs than before the vote to leave.

This is because the Prime Minister's firm injunction that Britain must now move closer to Europe, not further away - although within a new relationship, - actually means that British officials must now open up closer bilateral relations with *all 27* other members, on a more detailed range of issues and items, than ever before. This is what Britain's new policy for Europe is bound to lead to.

This applies whatever Brexit route the British now take – whether via a short, sharp clean break divorce, followed by various discussions of mutual advantage and maybe a Free Trade Area agreement with the remaining EU in due course; *or* whether instead they plump for a prolonged negotiation in the hope of getting some grand overall special deal. On this Teresa May's Cabinet is divided.

Either way there is going to be a lot more Europe on Whitehall's plate.

In the turbulent Middle East, now taking new shape with new lead players amidst all the violence, none of these Brexit issues will have much impact.

Brexit to them, and most of the world is just one more striking example of the rejection of central authority and remote governance in favour of more local and personal authority going on everywhere in the empower digital age.

In the medium term, Brexit could mean less influence by Europe as a whole in the region – which anyway is increasingly looking eastwards in the 21st century, and responding to possibilities opened up by the new Silk roads and other routes to rising Asia and China in particular.



Overall, neither Britain, nor the rest of Europe nor America are coming to see the Middle East as any longer the lifeline energy source. Instead of fear of oil disruption, the new threats are spreading jihadist terror to Western city heartlands and overwhelming migrant flows. These new threats require new remedies – which Britain will have to develop –in concert with European neighbours where possible, but on its own where necessary.

For more information contact: wie@crystolenergy.com