

## What the UK-EU Kerfuffle Means for American Businesses

This week, the United Kingdom and European Union are locked in the eighth round of negotiations over post-Brexit trade and investment ties. Both sides say they want a deal by mid-October, but enduring disputes have fueled concern that the UK will leave the EU Single Market and Customs Union on December 31 with no trade agreement in place.

### Why it matters:

- A no-deal Brexit would mean the UK immediately loses preferential access to EU markets. For U.S. companies, this would create significant new costs and a mountain of new paperwork. That's a major problem for both small businesses and larger companies whose investments span both the UK and the rest of Europe.
- The UK and EU will need to negotiate a deal that will ensure the free flow of cross-border data. A no-deal Brexit could undermine these talks and create new hurdles for the data flows between and within companies that drive commerce in a digital-first era.

**The twist:** The UK government further inflamed tensions this week by announcing [plans for legislation](#) that would change key elements of the treaty governing the terms of the UK's withdrawal from the EU. The most important change would impact trade on the border between Ireland, which will remain in the EU, and Northern Ireland, a part of the UK. [Major blowback](#) from European leaders, and even members of the UK's governing Conservative Party make it even more challenging to get a deal across the finish line in the next 6-8 weeks.

- **Did you know?** The U.S. played a pivotal role in mediating the peace process in Northern Ireland. Several U.S. Congressional members have emphasized that any moves that threaten that Good Friday Agreement would undermine the U.S.-UK trade agreement under negotiation, with Speaker Pelosi [declaring on Tuesday](#) that "there is absolutely no chance of a US-UK trade agreement passing the Congress" if Britain reneges on its international agreements.

**Bottom line:** A no-deal Brexit would hurt American exporters and investors, and harm both our largest foreign investor (the UK) and our largest international trade partner (the European Union). With the global economy already faltering amid the COVID-19 pandemic, the Chamber is pushing both sides to find a path forward and avoid a catastrophic shock.

**Learn more:** To see the Chamber's priorities for the UK-EU talks, [click here](#).

—Myron Brilliant, Executive Vice President and Head of International Affairs, U.S. Chamber of Commerce