Full text of Turkey-Libya maritime agreement revealed

Nordic Monitor has obtained a copy of a recent maritime agreement between Turkey and Libya that determines the Turkish-Libyan continental shelf and exclusive economic zone coordinates.

The agreement, officially titled “Memorandum of Understanding Between Turkey and Libya on Delimitation of the Maritime Jurisdiction Areas in the Mediterranean,” has been the subject of criticism, especially by countries such as Egypt, Greece and Cyprus in the Mediterranean region.

The agreement states that both Turkey and Libya have determined a precise and equitable delimitation of their respective maritime areas in the Mediterranean in which the parties exercise sovereignty and sovereign rights and/or jurisdiction in accordance with the applicable rules of international law, taking into account all relevant circumstances.

It refers to achieving equitable and mutually acceptable solutions to the above-mentioned issues through constructive negotiations and in the spirit of good and friendly relations and says that the memorandum of understanding will contribute to the strengthening of relations and encourage further cooperation between the parties in the interest of the two brotherly countries.

The agreement, which was signed in Istanbul on November 27, 2019, includes the following provisions:

According to Article 1, the parties have agreed on these boundaries:

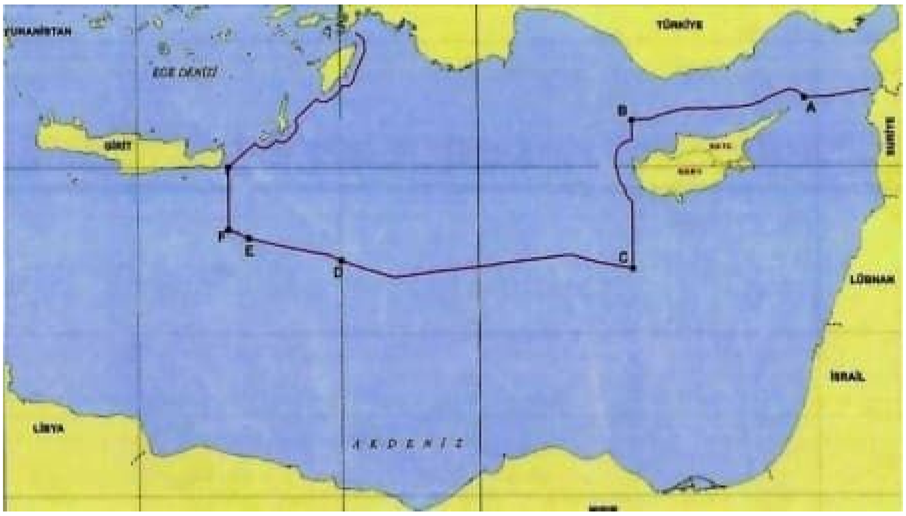
“The boundaries of the Continental Shelf and the Exclusive Economic Zone in the Mediterranean between the Republic of Turkey and the Government of National Accord-State of Libya begins at “Point A” (34° 16′ 13.720″N -026° 19′ 11.640″E) and ends at the Point B (34° 09′ 07.9″N -026° 39′ 06.3″E).

“The boundaries of the Continental Shelf and the Exclusive Economic Zone determined in ARTICLE I, paragraph 1 of this Memorandum of Understanding are shown on the Maritime Chart INT 308 (Data Source: BA Chart Edition 1992), scale 1: 1 102 000 (Annex 1). The coordinates are shown in the chart at Annex 1 in its coordinate system. The geographical coordinates referred to in ARTICLE I of this Memorandum of Understanding are expressed in terms of the World Geodetic System 1984 (WGS’84).

“Base points coordinates that are used to determine the equidistance line are shown in Annex.”

libya_MOU

Diplomat Leaks Map Confirming Turkey's Real Territorial Claims



A Turkish diplomat has revealed a map which delineates waters in the Mediterranean claimed by Turkey, amid an ongoing months-long standoff with Cyprus and Greece over Turkish oil and gas exploration and drilling inside Cyprus' Exclusive Economic Zone (EEZ).

"After signing deals with its own puppet state in occupied northern Cyprus and with the pseudo-government in Libya's Tripoli, Turkey declares that it owns half of the eastern Mediterranean," Aron Lund, an analyst at The Century Foundation, observes of the newly published map.

New map outlining Turkey’s claimed continental shelf and the borders of its Exclusive Economic Zone (EEZ), via Hurriyet Daily.

Meanwhile the entire eastern side of Cyprus is claimed by the internationally disputed “Turkish Republic of Northern Cyprus.”

And Turkey’s Hurriyet Daily explains: “With the chart, Ça?atay Erciyes showed the outer boundaries of Turkey’s continental shelf and EEZ, designated in a 2011 agreement between Turkey and the Turkish Republic of Northern Cyprus (TRNC), the median line between Egypt and Turkey’s mainlands and a recent memorandum with Libya.”

Over the past year Turkey has sent both oil and gas exploration ships, as well as military transport vessels, into Cypriot waters in the East Mediterranean related to expanded claims based on the Turkish occupation of northern Cyprus (since 1974), earning the condemnation of both Nicosia and top EU officials, who have defended EU-Cyprus’ interpretation of the conflict.
Turkey claims western waters off Cyprus, with the so-called TRNC eastern waters; and now Erdogan is cutting deals with Libya to expand from the southern Mediterranean.

In nearby Libya, as Turkish military advisers continue to play a key role in support of the Tripoli-based Government of National Accord (GNA) against an offensive led by Gen. Khalifa Haftar’s Libyan National Army (LNA), Turkey is also busy expanding maritime defensive operations off North Africa.

“On Nov. 27, Turkish President Recep Tayyip Erdo?an held a closed meeting in Istanbul that lasted over two hours with Fayez al-Sarraj, chairman of the Presidential Council of Libya,” Hurriyet Daily reports further.

In that meeting the two leaders reportedly struck a deal which is seen as key to expanding Turkey’s maritime claims:

Europe loan market in limbo as access woes on Brexit haunt banks

Lenders in the UK loan market are gripped by uncertainty as the failure to move ahead on Brexit this week leaves them with little visibility on how long they'll be able to keep their preferential access to the European market. Banks and loan managers say the lack of clarity on "passporting rights" that allow them to seamlessly market products and services across the European Union is making planning diff icult, compelling some of them to insert clauses in their documents to minimise disruption. The passage of the Withdrawal Agreement Bill would have set the end of 2020 as the deadline for a transition but now the focus is on the length of any EU exten- sion beyond

October 31. Nicholas Voisey, managing director of the Loan Market Association, said the market is trying to make their deals as “Brexit-proof” as possible, including by adding terms that would permit the transfer of loan commitments to other booking off ices. If Brexit were to happen in the immediate future “Much of the decision-making and discussions will still need to be ironed out – particularly relating to financial services,” he said. A prolonged ambivalence on the Brexit front could force more participants in the €400bn ($445bn) per year loan market to build safeguards, which could increase their cost of doing business. Some UK lenders, including global banks’ London off ices, have already shifted assets to other EU nations to help prepare for the loss of passporting rights. Nicola Wherity, London-based partner at law firm Cliff ord Chance LLP, said steps taken by lenders to overcome Brexit-related hurdles include setting up new EU hubs, seeking local licences and on-going process of shifting loans to these new branches. The financial markets rely on nine dif- ferent passports for carrying out core banking activity and non-EU firms face significant regulatory barriers to provid- ing cross-border services to EU clients without these rights, lobby group UK Finance says in its website.

QP wins exploration rights in three Brazil offshore blocks

SOCHI, Russia—Russian President Vladimir Putin on Thursday promised support to Philippine President Rodrigo Duterte in fighting terrorism.

“Mr. President [Duterte], we are ready to continue to develop our partnership and to share our experience and achievements in the field of counterterrorism,” he said during their bilateral meeting in the resort city of Sochi.

The Philippine government under the Duterte administration, Putin said, was able to reduce terror threats and enhance the capabilities of its security forces.

“I recall how you had to fly back home during your previous visit to Russia in May 2017 because of the terrorist attacks staged by ISIS,” he said.
The Russian government also expressed interest to further expand its cooperation with the Philippines.

“Russian companies are willing to increase the export of energy, aircraft, motor transport and special vehicles to the Philippines. We are interested in promoting industrial cooperation and joint projects in the peaceful use of nuclear energy, space exploration and digital technology,” Putin said.

On his part, Duterte reaffirmed Philippines' commitment to build a comprehensive partnership with Russia.

"In the past 2 years we have seen a dramatic increase in bilateral activities across many areas of cooperation at various levels of government. We have also made historic firsts in the key strategic areas, from economic defense, security and military technical cooperation," he said.

Meanwhile, in the Valdai Discussion Club where Duterte delivered a speech, he stressed the need to explore new partnerships with non-traditional allies, such as Russia.

He also used the forum to lash out against countries critical of his administration's campaign against illegal drugs.

"We want unimpeded freedom guaranteed by our constitution to exercise the right to govern ourselves as a people and as we saw it fit," he said.

He added, "I want our friends and partners to respect our independence to make sovereign decisions just as we respect theirs."

With 3 years left before his term ends, Duterte said he would sought engagement in Latin America, Africa and the Middle East.

"I want the Filipino people to broaden their worldwide view, to be enriched by the cultures and intellectual traditions of the old civilizations of the Americas, Africa, Central Asia, and the Middle East," he said.

How Germany Deflected Pressure to Spend and Even Won an Ally

Explore what's moving the global economy in the new season of the Stephanomics podcast. Subscribe via Pocket Cast or iTunes.

Germany backed further off a full-scale economic stimulus at a meeting of global finance chiefs, a remarkable outcome given relentless calls for action from Europe, the U.S. and international institutions.

Germany's success in deflecting the pressure suggests that Finance Minister Olaf Scholz, who came to Washington with a list of counter-arguments, got off lightly from his Group of 20 colleagues at the annual International Monetary Fund conference ending Sunday.

U.S. Treasury Secretary Steven Mnuchin, who publicly suggested Germany and China should enact growth-boosting policy measures, avoided singling out Europe's biggest economy behind closed doors, according to two people familiar with the private discussion who asked not to be identified.

Some other G-20 delegates repeated the IMF’s general stance that governments with fiscal leeway should do more to strengthen the global economy. The Treasury didn’t immediately respond to a request for comment.

“The chorus here in town is especially heavy on Germany to use its fiscal space,” said Robin Brooks, chief economist at the Institute of International Finance, a Washington-based trade group for the financial industry.

German officials had prepared a detailed line of defense: that Chancellor Angela Merkel’s government is already investing extensively, including an extra 54 billion euros ($60 billion) in spending through 2032 to counter climate change.

‘Very Positive’

Those arguments appeared to win some converts. IMF Managing Director Kristalina Georgieva said governments that have room to spend more used the meetings in Washington to make their case.

”What was very positive to hear during the meetings is countries with fiscal space are actually taking measures to stimulate the economy,” Georgieva told reporters on Saturday. “Germany for example is putting forward a very sizable climate investment strategy that would bring significant growth and investment. They are also looking into what more could be done if necessary.”

With a partial U.S.-Chinese trade agreement in sight and a Brexit deal on the horizon, Scholz was emboldened in his defense of a decade of fiscal prudence in Germany. He expressed growing confidence in the government’s projection that Germany’s slowdown will be moderate and temporary.

“I think we did a lot,” he said in a Bloomberg Television interview. “The more important question is what will happen to the global economy.”

Don’t Rush It

A “rushed fiscal response” isn’t warranted as growth is expected to revive at the end of the year and success in China-U.S. talks would deliver an “immediate boost” to the economy, Scholz told reporters.

For all the artful dodging, Scholz faced a broad front of finance ministers, central bankers and economists pointing at Germany to do more. On Thursday, the government in Berlin cut its 2020 growth forecast to 1% from the previous 1.5%. Data due next month may show the economy slipped into recession.

To shift the blame game on slow growth and inflation away from central banks, former European Central Bank official Lorenzo Bini Smaghi said governments, including Germany, have a role to play in stepping up borrowing and spending to support growth.

“If fiscal policy in Germany and other countries are not willing to do that job, it is too easy to blame the central bank,” he said on a panel.

Low or negative interest rates in many countries leave little room for monetary policy, South African Reserve Bank Governor Lesetja Kganyago said in an interview.

“Countries with fiscal space must utilize the fiscal space,” he said.

EU states delay 'green' finance guide, leave it open to nuclear power

BRUSSELS (Reuters) – A set of European Union standards to determine which financial products qualify as "green" should be delayed until the end of 2022, EU governments agreed on Wednesday, stirring concern because the guidelines might end up including investments in nuclear power.

The delay, if confirmed by EU lawmakers, could slow the growth of the $200 billion market for green bonds, by pushing back clearer standards that many investors wanted. Proponents of green investment condemned the postponement.

"We don't need to waste two more years," said Luca Bonaccorsi, an activist with the Transport and Environment campaign group. Clearer standards were urgently needed to fund a sustainable economy, he said.

Deciding which investments could be called green was part of a legislative proposal put forward last year by the European Commission, the EU’s executive arm. Its goal was to encourage private investment in environmentally sustainable businesses.

The proposal laid out a taxonomy — a set of criteria and procedures for deciding what made an investment green — that was due to take effect in 2020. But many EU members objected, fearing damage to their national industries.

Diplomats agreed to postpone introduction of the taxonomy by more than two years. They also agreed to grant governments more powers to decide which investments are green, amending procedures proposed by the commission that would have given independent experts more say.

NUCLEAR CONCERNS

EU governments’ compromise does not exclude any economic activity from being listed as green. That could pave the way for declaring as green investments meant to reduce the environmental impact of nuclear reactors or plants seen as highly polluting.

The decision runs counter to recommendations from an EU expert group, which had advised in June excluding nuclear and coal-fired plants from the EU taxonomy. Their environmental impact was seen as going against EU targets to cut carbon emissions and reduce hazardous waste.

The text agreed by EU governments needs the approval of the European Parliament, which also wanted to rule out nuclear and coal investments from projects deemed green.

“This is a disaster,” Green European lawmaker Sven Giegold said. Parliament will do all it can to apply the new standards earlier and to exclude nuclear and polluting activities from the taxonomy, he said.

By setting criteria on what investment is sustainable, the EU hoped to avoid different standards in its 28 states and increase the confidence of climate-conscious investors. Proliferating standards let companies “greenwash” their activities, claiming green credential they not deserve.

However, the EU taxonomy’s broad criteria could divert money to technologies that “cannot be considered either safe or sustainable,” Germany said in a statement appended to the compromise text and also signed by Austria and Luxembourg.

The compromise ignored those concerns and tried instead to allay opposing fears of countries such as France, which relies on nuclear energy, and eastern European nations, which still depend on coal.

Attacks on Saudi Oil Plants Risk Lowering Aramco IPO Valuation

(Bloomberg) — As bankers discussed Saudi Aramco’s initial public offering at the Ritz Carlton hotel in Dubai last week, a drone attack was being planned to hit the heart of its operations over the weekend. It caused Saudi Arabia to halve its oil output and may cut the valuation of Aramco’s milestone deal.

The giant oil producer has accelerated preparations for a share sale that could happen as soon as November in Riyadh. Dozens of bankers from Citigroup Inc (NYSE:C). to JPMorgan Chase (NYSE:JPM) & Co. met last week to work on the deal, with analyst presentations scheduled for Sept. 22, people familiar with the matter have said.

“Crown Prince Mohammed bin Salman will push the company to demonstrate that it can effectively tackle terrorism or war challenges,” analysts led by Ayham Kamel, head of Middle East and North Africa research at the Eurasia Group, said in a report. “The attacks could complicate Aramco’s IPO plans.”

In an attack blamed by the U.S. on Iran, a swarm of drones laden with explosives set the world’s biggest crude-processing plant ablaze. Floating a minority stake of the oil giant, officially known as Saudi Arabian Oil Co., is part of Prince Mohammed's efforts to modernize and diversify the economy.

The attacks underscored geopolitical tensions in the region. Iran denied responsibility, which was instead claimed by Iranian-backed Houthi rebels in Yemen.

Oil prices surged by the most on record to more than $71 a barrel after the strike removed about 5% of global supplies. The main Saudi stock index Sunday fell as much as 3.1%, leading losses in the Gulf.

Back in 2017, investors suspected that Saudi government-related funds swooped in to support the market after the imprisonment of local billionaires at the Ritz-Carlton in Riyadh. That also happened amid the international crisis following columnist Jamal Khashoggi's murder at the Saudi consulate in Istanbul.

Here's more from analysts and investors:

Eurasia

- "The latest attack on Aramco facilities will have only a limited impact on interest in Aramco shares as the first stage of the IPO will be local. The international component of the sale would be more sensitive to geopolitical risks"
- Current valuation estimates for Aramco and its assets might not fully account for geopolitical risks
    - NOTE: Prince Mohammed, the architect of the IPO, has said he expects Aramco to be valued at over $2 trillion, but analysts see $1.5 trillion as more realistic

Al Dhabi Capital, Mohammed Ali Yasin

- "I think this attack may delay the IPO even on the local

exchange, and could affect the valuation negatively, as the investors have seen a live demonstration of the risk levels of the future revenues and business of the company. That was very low prior to this weekend attack”
- “Aramco has one main source of revenue, oil. That is its strength, but now it is becoming its biggest weakness if it gets disrupted”

United Securities, Joice Mathew

- This “will force investors to go back to the drawing board and re-evaluate their risk models on Aramco”
- “Even though this is a rare event, which could be potentially categorized as 4 or 6 sigma levels, the geopolitical risk premium on Aramco’s valuation model would show a sharp increase”
- “As far as the pricing is concerned, my view is that there may not be much of an impact if the government is contemplating a 1% listing on the Tadawul. I think the government has the power and ability to influence the decisions of anchor investors there”

Tellimer, Hasnain Malik

- “Ultimately the security risk is not so acute that it outweighs oil price, oil output and free float drivers of the valuation”
- This attack “also provides an opportunity for Aramco to demonstrate the redundancy and resilience of its supply chain by minimizing disruption to customers and thereby helping to mitigate the valuation impact of this risk”

Qamar Energy, Robin Mills

- “It will be all but impossible to proceed with the IPO if there are ongoing attacks”
- “Valuing Aramco like Shell (LON:RDSa) or ExxonMobil (NYSE:XOM) gets us to about $1.2-1.4 trillion. But that would drop significantly if we apply company-specific

risk factors”

Al Ramz Capital, Marwan Shurrab

- “The attacks could impact foreign sentiment for the IPO, but I don’t see a substantial hit to the valuation at this stage”
- “Geopolitical risk has always been an important factor for valuations across the Middle East region. Aramco will have to demonstrate its financial resilience toward such incidences to gain investors confidence”

Europe looks on with dismay as Brexit disarray deepens

By Laura King /London

Friday، 13 September 2019 12:19 AM

Watching the growing disarray unfolding in Britain, the rest of Europe is worried.
With British Prime Minister Boris Johnson battling his own party and parliament over Brexit, smashing political norms as he goes, the prospect of Britain “crashing out” of the European Union on October 31 is still seen by many as a real possibility — even though British lawmakers have passed a bill meant to preclude that scenario.

Britain’s parliament — suspended early Tuesday by Johnson amid a raucous outcry from the opposition — is now in a five-week hiatus that ends just two weeks before the Brexit deadline.
The prime minister says he still wants to make a deal with the EU, but there’s been no sign of significant progress on the major points of contention, including how to deal with what will be a new EU-UK land border on the island of Ireland.
Economists generally agree that if Britain departs the 28-nation bloc with no withdrawal accord, the British economy will suffer a far greater shock than will its European counterparts.
But repercussions will be felt across Europe and beyond, with fears in several EU states that Brexit could help nudge a prospective economic slowdown towards full-blown recession.
The EU, which never wanted Britain to leave, is still likely to grant an extension of the October 31 deadline, although Johnson swears he won’t seek one, and the bloc is increasingly pessimistic that Britain can find a way out of its conundrum.
The EU is also unsettled over continuing uncertainty about the fate of its 3.6mn nationals living in Britain, many of whom are discovering, to their dismay, that decades of working and paying taxes in the UK are no guarantee they will be allowed to stay.
And while Brussels is accustomed to worrying about anti-democratic tendencies in member states like Hungary and Poland, and about far-right inroads being made there and elsewhere, EU officials have been alarmed by the spectacle of emerging constitutional stresses and strains in Britain, one of the traditional pillars of the postwar order.
Here’s a look at some of the major EU players and how they view the latest developments:
* IRELAND
Ireland might have the most to lose. It views Brexit — especially a no-deal departure — as a threat to both peace and prosperity.
For nearly two decades, the border with Northern Ireland has been open, and that invisibility is considered a crucial

element in reversing decades of sectarian strife that killed thousands in the three decades leading up to 1998’s Good Friday accord.

With the looming prospect of a “hard” frontier between EU member Ireland and Northern Ireland, which is part of the UK, there are worries that barriers and checkpoints would become a magnet for extremist attacks.

The EU has been adamant in its insistence that the border stay open; Johnson has demanded the scrapping of a withdrawal-accord provision meant to ensure that.

The prime minister travelled to Dublin on Monday, where his Irish counterpart, Leo Varadkar, said he hasn’t yet seen any concrete British proposals to address the border quandary — and added pointedly that a no-deal departure would only be the beginning of tortuous new negotiations over the Irish frontier.

“There is no such thing as a clean break,” he told Johnson.

* GERMANY

As the continent’s economic powerhouse — but one seeing fiscal storm clouds on the horizon — Germany wants to help ease Britain’s path out of the EU, if it insists on going.

Chancellor Angela Merkel last month appeared to try to throw Johnson a lifeline when she suggested during a Berlin meeting with him that Britain try in the next 30 days to come up with some concrete new proposals for an accord that the EU previously said was not open to renegotiation.

But three weeks have already elapsed, with no new Johnson talking points disclosed.

Germany’s Foreign Minister Heiko Maas said this week that “we remain in principle ready to talk” about Brexit terms, but that that “ultimately requires clear decisions and proposals from London.”

Brexit is already depressing German economic projections.

The Federation of German Industries, the main umbrella group for industrial trade associations, says a no-deal departure by Britain would bring already weak growth forecasts for the year down to zero.

But business uncertainty brought on by a new delay would also dampen economic prospects, said the head of the German Institute for Economic Research, an independent research group. Meanwhile, powerful German companies are already preparing for the possibility of a no-deal break with plans to reduce their footprint in the UK.

BMW, the automaking giant, said it would curtail production at its plant in Oxford as the deadline approaches.

* FRANCE

French President Emmanuel Macron has shown some willingness to play the EU’s disciplinarian in dealings with Britain, while remaining supportive of an orderly departure if one must take place.

This week, Foreign Minister Jean-Yves Le Drian signalled impatience with Britain’s inability to either move towards a definitive break with the EU, strike a deal with the bloc or call the whole thing off.

“The British must tell us what they want,” Le Drian said exasperatedly in a weekend radio interview, referring to the polarisation and deadlock that have prevailed since the 2016 Brexit referendum, which won narrow approval.

“For three years, the UK… has found no way forward.”

Any Brexit extension requires unanimous approval by EU members, and France is unlikely to use its veto power. But the country is preparing for no-deal contingencies, getting ready for a weeks-long “rehearsal” by customs authorities at airports, train terminus points and ports, especially Calais, the gateway to the tunnel under the English Channel.

France, like Germany, has been taken aback by Johnson’s take-no-prisoners style on Brexit, but has stressed that Britain, not France or the EU, would bear the economic brunt of a no-deal departure.

However, Macron has already seen his popularity dented by months of “yellow vest” populist protests, and can ill afford bad economic news.

* THE NETHERLANDS

Holland is a relatively small player among European economies, but Britain looms large in its financial relationships as a main trading partner and its biggest international investor.

The Dutch port of Rotterdam, Europe's largest, now enjoys seamless intra-EU trade with Britain, but will be burdened by the need for customs checks and goods inspections if Brexit goes ahead as scheduled.

Still, the Dutch position on Brexit is hardening.

Holland is working to woo companies that are abandoning Britain to relocate operations within the EU.

Dutch Minister for Trade Sigrid Kaag told the financial newspaper Het Financieele Dagblad last week that there would need to be a "good reason" for granting a new Brexit delay.

The Netherlands, like Britain, once bestrode a far-flung empire.

As the Brexit crisis intensified earlier this year, Dutch Prime Minister Mark Rutte offered some succinct advice about the global standing of former colonial powers.

Britain, he told the Guardian newspaper, "is going to become an economy of middling size in the Atlantic Ocean. It is neither the US nor the EU. It is too small to appear on the world stage on its own."

Policymaking in the Netherlands tends to be influenced by a strong pragmatic streak, but Johnson's seeming loss of control over the Brexit process has dumbfounded some influential Dutch politicians.

"We thought the Brits were rational pragmatists," said Anne Mulder, a Dutch lawmaker who leads the country's Brexit planning in parliament, told the Financial Times.

"Well, they aren't." — Tribune News Service

Britain’s Brexit breakdown

British democracy was once widely seen as a model for others to follow. But it has now sunk into its deepest crisis in living memory. At stake is not only whether the United Kingdom crashes out of the European Union without an exit deal, but also how far a country once famed for stability and moderation descends into political civil war. Prime Minister Boris Johnson seems determined to take the UK out of the EU on October 31 at any cost. The chances of a chaotic no-deal Brexit increased dramatically on August 28, when Johnson moved to suspend the UK parliament for fi ve weeks between mid-September and October 14.

It will now be much harder – but not impossible – for his parliamentary opponents to thwart him. Johnson claims that he wants a deal, but that the threat of leaving without one is needed to force the EU to compromise. In his view, curtailing parliament’s ability to block a no-deal Brexit was necessary to make the threat credible. It is not inconceivable that EU leaders, who meet as the European Council on October 17-18, might agree on a revised deal that British MPs would then rubberstamp, for fear of the alternative. But Johnson’s demands are extreme. In particular, he wants to scrap, not just modify, the “backstop” designed to keep the Irish border open – and to preserve the fragile peace in Northern Ireland – after Brexit. That suggests his real aim is to blame EU intransigence for the failure of renegotiations and to provoke his parliamentary opponents into forcing a general election, for which he is already preparing with a blizzard of spending promises and catchy policy announcements. In the election campaign, Johnson would accuse parliament of thwarting “the will of the people,” meaning the narrow 2016 vote to leave the EU. This tactic might erode support for Nigel Farage’s Brexit Party and rally most Leave voters under Johnson’s Conservative banner. With Remainers divided, Johnson might win the sizeable parliamentary majority that eluded his predecessor, Theresa May, in the 2017 general election. But for now, there is no democratic mandate for a no-deal Brexit. The 2016 referendum did not specify how the UK would leave; the Leave campaign simply promised that doing so would be easy, painless, and by agreement. A no-deal Brexit would be none of those things. The government’s own planning envisages ports seizing up and businesses going bust as tariff s on UK exports to the EU go up overnight. Food, medicines, and fuel could run short. Civil unrest would be likely. And a painful recession would doubtless ensue. Worse, such an outcome would cut the UK adrift from its European neighbours. A post-Brexit trade deal with the EU, with which the UK does nearly half its trade, would be postponed indefi nitely; even starting talks would require Britain to swallow the terms of the rejected withdrawal agreement. Bad blood would also jeopardise security and foreign- policy co-operation. No wonder US President Donald Trump, who hates the EU because it enables Europeans to stand up to him together, is cheering Johnson on. A no-deal

Brexit also would be painful for the EU, and especially Ireland. The fragile eurozone economy, which already is grappling with China's slowdown and the uncertainty created by Trump's trade wars, could plunge into recession. And given the limited scope for European monetary or fi scal stimulus, the damage could be more severe than expected. How, then, might a no-deal Brexit still be stopped? Rebel MPs' preferred option had been to pass legislation instructing Johnson to seek a further extension to the UK's exit deadline. They might still do so next week, or even just after the October European Council meeting. But the timing is very tight, and government delaying tactics could stymie the rebels. Moreover, Johnson might ignore such an instruction; the EU could reject an extension request; or, more plausibly, it might impose conditions on the extension that Johnson would reject. The rebels' second choice – a no-confidence vote – now seems likely next week. With his allies from Northern Ireland's Democratic Unionist Party, Johnson has a parliamentary majority of just one. And because his suspension of parliament has outraged rebel Conservatives who had previously balked at bringing down their own government, a no-confi dence vote now stands a greater chance of success.

But bringing down the government would not be suffi cient to stop a no-deal Brexit. The motley crew of rebels also would need to support the formation of a caretaker government that would seek a Brexit extension, call a general election, and perhaps also legislate for a second referendum. Moreover, Labour Party leader Jeremy Corbyn, a hardline socialist and closet Brexiteer, insists on leading such a government. That would require Conservative rebels, opposition Liberal Democrats, and also MPs who quit Labour in protest over Corbyn's leadership to rally behind him – a tall order.

Alternatively, if Corbyn failed to muster a majority, he could give Labour's backing to a caretaker government led by someone less controversial – but that is also unlikely. If an alternative government could not be formed within two weeks of a successful no-confi dence vote, rebels would need to hope that Johnson called – and lost – an election before October 31. Johnson might calculate that it would be easier for him to win an election before no-deal chaos materialises; for now, at least, he says he won't trigger a pre-Brexit poll. That leaves the nuclear option of parliament voting to revoke unilaterally Britain's notifi cation of its intention to leave the EU under Article 50 of the Treaty on European Union. This is the only surefi re way to thwart a no-deal Brexit. But it would be an incendiary move. Many Leavers would see it as an anti-democratic coup. And because it would reverse the 2016 referendum result, such a step would necessitate a new plebiscite pitching Remain against No Deal. With luck, Johnson's scorched- earth tactics will spur his disparate opponents into overcoming their differences to stop a no-deal Brexit. But whatever happens, the pragmatic centre is being squeezed out of British politics. Both hardline Brexiteers and diehard Remainers have rejected the only available exit deal. As each side ups the ante, Brexit is now an all-or-nothing fi ght to the death among absolutists. – Project Syndicate O Philippe Legrain, a former economic adviser to the president of the European Commission, is a visiting senior fellow at the London School of Economics' European Institute and the author of European Spring: Why Our Economies and Politics are in a Mess – and How to Put Them Right.

Britain and Italy are now the terrible twins of Europe

By Martin Kettle London

For most of the time since 1945, the politics and government of Britain and Italy have seemed like polar opposites. True, both were important European powers. True too, each had a place among the world’s major economies. Even now, Britain and Italy will be among the select group of economically powerful nations whose leaders will gather in the Second Empire splendour of Biarritz’s Hotel du Palais this weekend for the latest G7 summit.

In the past, that was where the similarities began to ebb away. In politics, Britain was famously stable while Italy was infamously not. British governments were domestically strong, while Italian governments were weak and short-lived.

In Britain, leftwing politics was rooted in industrial unionism, while Italy possessed the largest, most modern-minded and most alluring communist party in the West. When Britain looked in the mirror it saw the embodiment of probity and practicality, while Italy was all too often synonymous with crime and corruption. While Britain maintained its autonomy by refusing to join the eurozone, Italy enthusiastically embraced its upper mid-table place in the EU and its membership of the single currency was shamelessly

engineered.
Today, the political comparison is marked not by divergence but by an increasing convergence. Politically, Britain is becoming more like Italy. Like Italy, Britain is an increasingly hard to govern country that makes less and less effort to address its underlying economic, social and political problems. Instead, like Italy, Britain appears to be drifting steadily to the right under skilful populist leaders whom the political institutions are proving unable to control.
The collapse of Italy’s populist coalition this week is not, at first sight, an event with many British resonances. Both parties in the coalition are recent creations, a far cry from a Conservative party that traces its history deep into the 19th century. The rightwing Lega is the latest iteration of the old anti-migrant Lega Nord, which dated from only 1991, while the Five Star Movement is more recent still, a root-and-branch anti-establishment party. Yet the division that brought down the coalition and led to prime minister Giuseppe Conte’s resignation on Tuesday has real echoes of the battles in the Conservative party.
Like Theresa May, Conte was forced to quit because the Lega, under Matteo Salvini, has created a position in which it thinks it can win an election. That is precisely the belief that fires Boris Johnson. Salvini’s mix of anti-immigrant braggadocio, confrontational hostility to the EU in general, and to Germany in particular, plus his readiness to borrow and increase the deficit, and his intention, if elected, to slash taxes, has its reflections in Priti Patel’s potentially brutal migration controls, Johnson’s sabre-rattling approach to May’s withdrawal agreement and the UK government’s election-mode fiscal liberality.
None of this is to pretend that Britain and Italy are marching to exactly the same political drum. But if Angela Merkel, who hosted Johnson’s first European trip as prime minister on Wednesday, were to be asked privately to nominate her most unwelcome EU leader colleagues, it is a fair bet that Johnson and Salvini would come top of her current list, above even

Hungary’s Viktor Orbán.

The Italian and British rightwing populist leaders, egged on by Donald Trump’s administration in Washington, represent a deliberate challenge to traditional politics in general and to the EU’s future in particular. Until recently, the visit of a British prime minister to the German chancellor was a ritual reaffirmation of commitment to stability. Not any more, and not on Wednesday. It is an alarming thought – though it should not be overplayed either – that Wednesday‘s was almost certainly the most destabilising Anglo-German summit since Munich in 1938.

To add the words “except Italy” to every generalisation about Europe would become tiresome, historian AJP Taylor once said. From now on, he added, the words should therefore be taken as read. Many of us grew up looking at Italy’s place in Europe in that way. Cooler and more stylish than us, certainly, but also more corrupt and more unshakeably right wing, Italy seemed to follow its own unique and inimitable route through European modernity.

For much of the postwar era, this way of looking at Italy made some sense. Compared with centralised France and Britain, Italy was a devolved state. Power lay in the cities and the regions, where Rome’s writ did not run. Compared with Germany and Scandinavia, Italy was economically protectionist, inefficient and institutionally rotten. While the citizens of most countries in Europe liked to think that they obeyed the laws, paid their taxes and provided for their poor, many Italians picked and chose which rules to follow, joked about paying their taxes and were often overtly hostile to the impoverished south of the country, as Salvini is today to African and Arab migrants.

For a while, it was possible to believe that, if there were convergence between the two, it would be Italy that managed to change, adapting itself to the liberal democratic capitalist habits of the EU. But that hasn’t happened. Italy’s exceptionalism is now, if anything, more pronounced. Under Johnson, Britain is accelerating in a similar direction of its own. Since the fall of the Syriza government in Greece, Italy and Brexit Britain together pose the most direct challenges to the EU’s legal, budgetary and human rights underpinnings.

For the avoidance of doubt, precise parallels between Italy and Britain, or Salvini and Johnson, should not be pushed too far. There remain many profound differences between the two national conjunctures. But their rightward trajectories, their preoccupation with winning votes on the right not the centre, and their mastery of the black arts of political campaigning in the digital age all come from the same soil. Those who have argued for many years for Britain to become more like Germany or Sweden have to wake up to what is happening. Italy and Britain, an improbable political duo if ever there was one, have become the terrible twins of Europe. – Guardian News and Media