TaPP Insight

UK-EU Reset Summit

Defining Progress, Navigating Challenges

Summary

Since the labour government declared its commitment to a "Reset" with the EU, what this means in practice has been slow to come into focus. What does a pragmatic reset in UK-EU relations look like? What are the quick wins and what tangible progress is within reach? How are global dynamics reshaping the UK's strategic options in Europe? And perhaps most importantly, how can constructive, evidence-based dialogue guide both sides toward a more stable and mutually beneficial relationship?
The TaPP network discussion on 9th May 2025, hosted by Jun Du, Director of the Centre for Business Prosperity, brought together our four speakers: Anton Spisak and John Springford, Associate fellows at the Centre for European Reform, John Alty CB, Visiting Professor and former Director-General for Trade Policy, and Richard Collin, External Affairs Director at the UK Accreditation Service discussed pathways for a refreshed UK-EU relationship, who set about to answer these questions to explore progress so far and expectations for the upcoming summit.

1. **A gradual political thaw** - *Anton Spisak*

Since the most recent general election, Britain's new administration has taken clear steps to reset its tone with Brussels. After years of acrimony, relations between the UK and the EU have entered a more constructive phase—at least diplomatically. Yet beneath the surface, the substance of the relationship remains largely unchanged.

There has been little in the way of policy shifts. The forthcoming UK-EU summit is expected to clarify the direction of travel, but few are anticipating major breakthroughs. The clearest signs of progress may come in the area of security and defence. Hopes are high for a non-binding agreement that would lay the groundwork for structured cooperation in these domains. Such a framework would represent a modest but meaningful step, creating space for deeper engagement over time. But even here, expectations are tempered: the likely outcome is not action, but language signalling openness to future collaboration.

Elsewhere, the outlook is similarly cautious. Trade relations remain in a state of managed peace, with the UK pursuing limited technical improvements—such as an agreement on sanitary and phytosanitary (SPS) standards, mobility arrangements under the Trade and Cooperation Agreement (notably for touring artists), and energy cooperation. These efforts are incremental, not transformative.

EU officials feel that the UK has yet to offer clarity about its longer-term ambitions—either publicly or in private. On the European side, there has been no discernible policy shift – with the common refrain continuing to signal that privileged access to the single market comes only with corresponding obligations.

This stasis is somewhat troubling. UK-EU goods trade has suffered a marked decline since Brexit, yet the political response has been cautious at best. If Britain is serious about improving its post-Brexit relationship with the EU, it must do more than merely shift the tone. The upcoming summit must shape the space for a fresh post-Brexit discussion that creates substantive, long-term cooperation. That, at least, should be the priority.

2. **Hoping for a stroke of luck** - *John Springford*

Britain's economic future is delicately poised. As the government looks to its renewed dialogue with the European Union, hopes are being pinned on a set of outcomes that may offer modest gains. Yet in the broader picture of the UK's economic trajectory, such agreements are more helpful nudge than game-changer. For now, the UK remains locked out of the single market, and rejoining is off the table for this parliament at least. The government has limited levers to pull. Instead, it is relying on good fortune—global trends breaking in its favour—to lift the economy out of its post-Brexit slump.

The proposed agreements with the EU, though small in scope, could punch above their weight relative to recent trade agreements. Back-of-the-envelope calculations suggest that the current proposals pursued by the government, i.e. improvements to mobility arrangements (such as for touring musicians), and an SPS deal, could raise long-run GDP by 0.15–0.2%. If the EU's asks for broader youth and student mobility schemes are included, the gain could climb to about 0.5% - though such net immigration measures face resistance from the Home Office. While small in absolute terms, this would eclipse the estimated economic impact of recent FTAs signed with the CPTPP or even, in all likelihood, a fully developed US deal.

Beyond Brussels, the economic backdrop remains challenging. The deal with the US is essentially damage limitation. Tariffs and lingering uncertainty have already chilled investment. The fall in energy prices and a surge in Chinese imports diverted from the US should offer some relief, though curtailed UK exports to the US and uncertainty could curb growth, 0.3% impact on growth, according to the Bank of England.

At home, efforts at economic reform have met with familiar limitations. Planning reform could, according to the Office for Budget Responsibility (OBR), raise GDP by 0.2%. The Net Zero transition should bring down energy costs, but the upfront investment costs are high, and the benefits distant, with the period of investment feeling more like a hit to consumption in the short term. Britain's services-heavy economy remains structurally ill-suited to top-down industrial policy. On fiscal policy, the room for manoeuvre has shrunk. Growth has slowed, tax revenues are under pressure, and the ability to stimulate demand through spending is increasingly constrained. The longer-term outlook is clouded. Productivity growth has been weak since the global financial crisis, and successive OBR forecasts have proven overly optimistic. Trump's presidency creates dramatic geopolitical and economic turbulence.

Yet there are reasons for cautious optimism. Germany's pivot toward fiscal expansion may help lift broader European demand, with benefits for the UK. The UK retains strength in frontier sectors such as AI and digital services. With energy costs falling, and Brexit disruptions fading into memories, the economy may be poised to benefit from structural changes already underway.

Nevertheless, the UK's own capacity to fundamentally shift its economic course is limited. With few levers left to pull, the government is left hoping for a stroke of luck.

3. **Static institutions need political will** - *John Alty CB*

The Trade and Cooperation Agreement (TCA) remains trade-related at its core, in a structure that mirrors that of a standard free-trade agreement: a set of committees tasked with monitoring compliance and resolving disputes. These committees are useful, but fundamentally limited. They offer a technocratic mechanism for troubleshooting but were not built to recalibrate the UK-EU partnership or initiate ambitious policy shifts.

This means that for a "reset" in the bilateral relationship, any real impetus for change must come from the top. Institutional mechanisms alone will not reshape ties; political leadership will be needed to set the tone and direction.

That said, with a shift in mindset, improvements in the institutional relationship could be leveraged more creatively. A more proactive approach to regulatory cooperation could open new pathways for engagement. One potential model comes from the Canada-US Regulatory Cooperation Council, established under the Obama administration. It sought to preempt regulatory divergence—not just in substance, but in timing—across a range of sectors. The UK-EU relationship, currently lacking such a systematic approach, has seen regulatory coordination happen only sporadically. (For example, the UK is handling the EU's Carbon Border Adjustment Mechanism (CBAM) on an ad hoc basis.)

Could such institutional deepening work in the UK-EU context? Perhaps, but only if both sides see value in it. Regulatory cooperation cannot function one-sidedly, with the larger economic party handing down a set of decisions; it requires mutual respect and genuine dialogue. The EU is unlikely to alter its policies to accommodate British preferences, but there may be room for technical discussions on implementation and timing—particularly if they benefit both parties economically.

Some limited alignment is already on the table. The sanitary and phytosanitary (SPS) regime is a prime example. The EU has made clear that the removal of SPS barriers requires full alignment with its rules and acceptance of European Court of Justice jurisdiction. The UK appears willing to consider this, and could extend similar arrangements to sectors such as chemicals. But this would be politically delicate. Critics in Britain would see it as a drift back into rule-taking and a subordination of the sovereignty that Brexit sought to create.

For its part, the EU remains unwilling to share the benefits of the single market without the burdens. Even dynamic alignment on SPS standards, if not accompanied by broader commitments, could be seen in Brussels as cherry-picking.

With a static institutional framework, the future depends on political will. The upcoming summit offers no guarantee – but an opportunity of moving the dialogue forward that should be grasped with both hands.

4. **Reducing market barriers** - *Richard Collin*

The United Kingdom Accreditation Service (UKAS) functions as the national body appointed by government to ensure that those who test, inspect, certify and verify are themselves up to standard. In effect, UKAS checks the checkers. Its assessments underpin trust in goods and services across both regulated and unregulated markets, aligning domestic quality assurance with international norms.

The principle that guides this system: "one standard, one test, accepted everywhere" remains an ideal, not a reality. In practice, global trade often stumbles over mismatched requirements and incompatible regulatory frameworks. The key to overcoming that friction lies in the mutual recognition of conformity assessment—where countries agree to accept each other's testing and certification results.

However, accreditation has become a growing concern in the post-Brexit environment. In unregulated sectors, UKAS-accredited assessments are generally accepted across borders. But in regulated domain, the

UK has found itself increasingly cut off from the EU. Since leaving the EU, British conformity assessment bodies can no longer automatically certify products for the EU market under EU law. Recognition of EU bodies continues, but the reverse is not true. That asymmetry adds cost, complexity, and uncertainty for businesses.

The impact is already visible. The number of conformity assessment bodies looking to provide services for product evaluation in the UK has declined. Over time, this could lead to a scenario where even British SMEs serving only the domestic market may be forced to seek certification from EU-based assessors—an ironic twist in the logic of post-Brexit sovereignty.

The obvious solution—setting politics aside—would be a mutual recognition agreement (MRA) between the UK and the EU for conformity assessment. Such agreements are not new. The UK already has them with other countries; so does the EU. An MRA would allow UK businesses to be certified at home, for sale abroad, restoring a layer of efficiency lost since Brexit.

Getting there requires regulatory trust, technical coordination, and—most of all—political will. But strong signals from industry suggest that this is a priority worth pursuing. The upcoming summit should aim for a first step, to create headroom for deeper regulatory cooperation in future.

Discussion

1. Why, under WTO rules—specifically Article 6.1 of the Agreement on Technical Barriers to Trade (TBT)—is the EU reluctant to recognise UK-based conformity assessment, despite granting similar arrangements to non-member states? Is this not low-hanging legal fruit?

In theory, yes. But in practice, perhaps less so. The UK's shift from insider to outsider status changes the political calculus, even if the legal framework appears unchanged. The same arguments were made *by* the EU *against* the US when the UK was still a supportive member state. Legal consistency has its limits when filtered through geopolitics and sovereignty anxieties.

2. So… what should observers realistically expect from the May summit?

Not sweeping breakthroughs, but rather a constructive agenda. The most favourable outcome would be a joint roadmap: a document setting out priority areas such as trade in food and agricultural products (including SPS standards), electricity market integration, CBAM-ETS alignment, and youth or professional mobility schemes. Such a text wouldn't rewrite the terms of trade, but it could inject structure and momentum into currently scattered dialogues.

France reportedly favours a package approach—seeking progress on fisheries in return for concessions elsewhere—while other EU member states bring their own priorities. Looming deadlines in June 2026 on fisheries and energy will require some kind of political choreography in the interim. An outline of a UK-EU defence cooperation agreement is widely expected, and announcements on electricity trading could follow. Industry groups are pressing for signals on carbon pricing coordination, especially as CBAM takes hold. A technical working group on SPS could pave the way for dynamic alignment—an outcome with more political weight than its name suggests.

Still, the atmosphere is cautious. The main driver of this summit is, arguably, not trade at all, but defence—particularly UK access to EU procurement frameworks in the context of Ukraine. Against this backdrop, wider economic and geopolitical turbulence – much created by Trump - complicates things.

3. How has the US-UK "trade deal" played in the EU? Has the UK undercut the EU by striking a deal with Washington first?

No. Few in Brussels are genuinely surprised. The UK has been transparent about its intentions—not to confront the United States, but to remain broadly aligned with it, even in an era of transactional diplomacy. The mini-deal itself does not obviously disadvantage the EU, nor does it break from what the UK has signalled it would pursue.

Indeed, the EU is likely to see elements of the deal as reassuring. Earlier fears that the US would press for sweeping concessions—particularly on agriculture and services—have not materialised. Instead, what London secured appears modest, and may even help Brussels by demonstrating that Washington is prepared to negotiate with a lighter touch than initially expected.

There is, however, a potential legal concern. By offering the US preferential tariff treatment in exchange for improved access, Britain may be straining its commitments under the World Trade Organization's principle of non-discrimination. Such arrangements are typically justified under Article XXIV of the GATT—but that requires a full free trade agreement or a clearly laid out plan toward one. Whether this mini-deal qualifies is uncertain. Preferential terms in the UK-US deal may undercut EU carmakers in the American market. But, unless a trading partner lodges a formal complaint, it is unlikely to escalate and Brussels is unlikely to cry foul just yet. Yet with the US itself bulldozing WTO norms, so there isn't clear logic in singling out Britain.

Where the deal may have more concrete effects is in Northern Ireland. The Windsor Framework delicately balances tariff regimes between Great Britain, Northern Ireland and the EU single market. If the new UK-US arrangement introduces diverging rates or treatment, particularly for goods transiting through the UK, it could upset that balance. Brussels will be watching closely. The framework resolved some of the most immediate frictions, but it did not erase the structural complexity of post-Brexit trade within the UK's own borders.

In short, the deal is unlikely to sour relations in Brussels. But it does highlight the ongoing tension between Britain's post-Brexit global ambitions and the need to manage delicate institutional arrangements at home and with its nearest neighbour. As ever, the devil will be in the details—and in the enforcement.

4. What would be the best policy move the needle for the UK's EU Reset?

The answer depends on the metric. To lift GDP, a broad youth mobility scheme could deliver immediate economic dividends. To boost GDP per capita and regional welfare, a sanitary and phytosanitary (SPS) deal would help—agri-food exports have been among the hardest hit post-Brexit, with pain felt unevenly across the UK.But the biggest looming cost lies in regulatory divergence, especially in electricity and carbon pricing. CBAM, once fully operational, will exacerbate the economic drag of decoupling.

The deeper question is strategic: how close does the UK want to get to the EU's single market in goods? The decline in exports has hurt growth. A credible ambition to align more closely—signalled at the highest political level—would be both economically sound and diplomatically catalytic. But it would require political courage that has so far been in short supply.

5. *Taking politics into account, what would you advise the labour government?*

Be bigger and bolder. The government's approach—cautious, piecemeal, and overly tactical—is falling short. The youth mobility reversal was surprising to see- a broadly supported, low-cost initiative abandoned without explanation. Getting closer to the single market won't happen by tinkering around the edges. On issues like SPS alignment, real progress means openly acknowledging the benefits of cooperation with the EU—and having the political courage to pursue it. Voters are more open to this than the government appears to be, and public opinion has already moved strongly against Brexit. The US deal may have been a temporary success, but ambition will have to return to the EU relationship if the UK wants to truly reverse Brexit's drag on the economy.

Conclusions

Despite the quiet thaw in UK-EU relations, the political space for significant economic rapprochement remains tightly constrained. The immediate political priority for Labour, to prevent Nigel Farage and Reform UK from making inroads, narrows the room for any public discussion of closer ties to the single market, even if the economic case is compelling. Within the EU, there is also limited appetite at the highest levels for a broader reset—at least in the economic sphere. But there may be more scope on defence-industrial matters. Could progress in that domain catalyse a wider economic re-engagement?

The context of this is the wider global trade environment that is shifting. Supply chain fragmentation, China's assertiveness, Trump's chaos and the erosion of multilateral norms mean that simply waiting for accretion in the UK-EU relationship may not be viable: progress will require deliberate political investment. The key question for the government is whether it is willing to expend that capital in order to build up what is needed.

Of course, geopolitical volatility may yet provide a lever. The US's security unpredictability and the ongoing war in Ukraine are forcing European leaders to reassess old assumptions. If anything is likely to dislodge long-standing policy inertia, it will be these external pressures—not a spontaneous change of heart in Westminster or Brussels.

Yet, while technocratic wins may not capture headlines, they can lay the foundation for progress. The role of evidence is not diminished, and those hoping for renewed cooperation must arm policymakers with tools to make the case. By proving the value of small, targeted steps—whether on conformity assessment, electricity trading or youth mobility—the UK can slowly shift the conversation, with a goal is not just to rebuild relations, but to make ambition politically thinkable again.