

Liam Fox's future in doubt as Theresa May prepares for the 'softest possible' Brexit

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WPA Pool / GettyInternational Trade Secretary Liam Fox.

- **Exclusive: Civil servants and industry analysts tell Business Insider that the International Trade Secretary Liam Fox and his department could to be downgraded to a "promotional" role as May shifts towards a softer Brexit.**
- **One source in Fox's department told BI that Fox could resign if his role is stripped by May**
- **The new Brexit model being pushed by May would prevent the UK from having a fully independent trade policy, severely diminishing Fox's capacity.**
- **Other sources expect Fox to stay in order to fulfil his ambition to replace Boris Johnson as foreign secretary.**

LONDON - The future of Liam Fox's Department for International Trade is in doubt amid reports that Theresa May is preparing to push her Cabinet towards the "softest possible" Brexit.

Prime Minister May is [reportedly](#) planning to steer the United Kingdom towards retaining close customs ties with the European Union, when the Cabinet meets at her official retreat in Chequers on Friday.

May's shift is designed to unlock Brexit negotiations, which are currently stalled over the issue of checks on the Northern Ireland border.

However, any shift towards maintaining close customs ties with the EU would leave Fox, who has promised to sign dozens of new trade deals with countries around the world once the UK leaves the EU, with a significantly diminished role.

One source within the trade department told Business Insider that Fox, who is one of the leading Brexiteers in May's government, could resign if he is not handed a totally independent trade policy.

"I imagine he would [resign] for the sole reason that the Department is defunct if there's a Customs Union," the source said.

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One industry analyst who has close dealings with the department echoed this sentiment, telling BI: "I know at DIT are obviously concerned about it playing out that way, and indeed you have to wonder whether Fox could stay in Cabinet under those circumstances."

In a meeting with her ministers on Friday, May is set to unveil a new post-Brexit customs policy dubbed the "Facilitated Customs Arrangement," in which the UK would collect EU tariffs on the bloc's behalf, according to multiple reports.

However, the EU does not like the proposal, as it would involve outsourcing its customs collections to a non-EU member state, and is likely to try and push the UK into accepting something much closer to the existing customs union.

Because of this stand-off, UK government officials believe May could surrender an independent trade policy in order to get a Brexit deal, stripping Fox of his job to sign new trade deals.

[Fox's role would be "symbolic"](#)

GettyPrime Minister Theresa May and Liam Fox

Other well-placed sources downplayed the possibility of a resignation, with one of Fox's former colleagues telling BI that doing so would scupper his long-term ambition of being Foreign Secretary.

Trade department insiders and industry analysts BI spoke to were united in predicting that Fox's department could be downgraded to a mere "promotional" role.

A former senior government official told BI: "It'll be kept. Symbolic, promotional. We'll still have to do trade policy, but without trade agreements." This viewpoint was repeated by current staffers of DIT, who maintained a Department for International Trade is largely unworkable within a customs union.

This was supported by Alex Stojanovic of the Institute for Government, who told BI: "There will still be a role for trade policy in Government but it will be diminished. Where it sits is up for question.

"Countries like Canada and New Zealand don't have a separate department for trade even with a fully autonomous trade policy."

A spokesperson for the trade department declined to comment.

A spokesperson for the prime minister told BI: "We are leaving the customs union, and the Prime Minister will be publishing a white paper on it next week."

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