

BREXIT

Whether by design or disarray, the UK government must avoid a messy and disorderly Brexit.

WHERE ARE WE NOW?

For more than three years, UK businesses have faced unprecedented levels of uncertainty.

As a result, investment decisions have been put on hold, expensive contingency plans have been activated, competitiveness and confidence has been sapped, money has been moved to other countries, contracts and supply chains have been affected and so too has cross-border trade.

One in two internationally active UK businesses cite uncertainty around Brexit as a barrier to growing their exports.¹ Tariffs and exchange rate volatility – both which relate to Brexit – are considered a barrier for 35 and 33 per cent of internationally active businesses respectively.²

These are the real-world issues for businesses today.

Without action to avoid a messy and disorderly Brexit, they will only get worse.

WHERE DO WE NEED TO BE?

- **Avoiding a messy and disorderly Brexit on 31 January 2020 – with a negotiated settlement that avoids further cliff edges thereafter.**
- **Delivering a future UK-European Union trading relationship that minimises frictions and maximises the potential for trade.**
- **Maintaining smooth trading relationships with countries where UK businesses could lose existing market access.**

Delivering the smoothest possible future trading relationship with our nearest and biggest trading partner – the European Union – needs to be priority number one.

Priority number two needs to be maintaining smooth trading relationships with countries where UK businesses could lose existing market access, such as Canada and Turkey, because they will not have access to European Union trade agreements.

Some believe that leaving the European Union without a deal means certainty for businesses – but, the truth is very different. It would mean uncertainty would reign supreme – and it must be averted. >

1 in 2

internationally active UK businesses consider uncertainty around Brexit a barrier to export.

24%

of businesses say they would revise investment plans down in the event of a no-deal Brexit, while just

4%

would revise plans up.³

1 in 5

businesses say that they would move some or all of their business overseas in the event of a no-deal Brexit.⁴

^{1,2,3,4} BCC Trade Survey 2019

BREXIT CONTINUED

HOW DO WE GET THERE?

Priority actions for the next UK government

- Do not leave the European Union without a deal.
- Close remaining information gaps for all Brexit scenarios.
- Ensure the smoothest possible shift from a transition period to the future UK-European Union relationship, allowing enough time for businesses to plan.
- Clarify the future direction of devolution to the nations and regions, as each stand to be affected as powers and regional development funding return to the UK.

On people

Introduce a simple, fast, flexible and affordable immigration system that minimises the administrative burden on businesses.

Allow access within the immigration system to all skill levels – including temporary, seasonal and permanent roles – with recognition of professional qualifications.

On infrastructure

Clarify the UK Shared Prosperity Fund – and how it will deliver a UK regional funding system that has maximum local autonomy when European structural and investment funds cease in the UK.

On international trade

Secure the future of the UK-European Union trading relationship, minimising cross-border trade frictions and avoiding a hard border with Ireland.

Ensure continuity of trading conditions with third countries so that businesses can continue to benefit from the levels of market access that they have had under European Union free trade agreements.

On business investment and costs

Introduce a temporary SME Brexit tax credit to support businesses that need to undertake specific activity to adjust to changes in trading conditions.

Upscale HMRC Time To Pay arrangements to deal with the expected increase in applications.