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PRESS RELEASE

BREXIT quo vadis?

The UK has long been one of Germany's most important investment locations and markets worldwide. More than 15,000 German businesses trade with the UK today selling goods and services to the value of £93 billion to the UK last year. Some 2,500 German businesses now operate here, employing 400,000 people.

German business is concerned about the outcome of the trade negotiations between the UK and the EU which have now at long last started.

After Brexit, German business would like continued free access without tariff and non-tariff barriers to the UK market and to the EU for our exports from the UK. We would also hope for continued free movement of skilled people to and from the EU.

According to a new survey amongst German business in the UK just published by GIUK *

- 1. The majority said their business has already been affected following the Referendum in June 2016. The biggest impact has been on the exchange rate and there is now some reluctance to invest in the UK, with projects on hold because of the uncertainty about the future. Only a few said that they will definitely remain in the UK whatever the outcome.**
- 2. The majority said that they are actively preparing for Brexit and for all possible scenarios.**
- 3. Only a minority see opportunities post Brexit.**
- 4. Key areas of concern include customs and border issues, in addition to the exchange rate.**

The British Government has articulated its wish to leave both the Single Market and the Customs Union and would like a comprehensive Free Trade Agreement with the EU after that, which may include a completely new customs agreement.

The Labour Party favours a long-term customs union with the EU after Brexit.

The Confederation of British Industry (CBI) has been calling for the UK to remain in a form of customs union with the EU until there is sufficient evidence that new deals with third countries will outweigh a potential loss of business with the EU.

Dr Bernd Atenstaedt, Chairman and Chief Executive of GIUK, welcomes these statements: 'A customs agreement between the UK and the EU after Brexit would be in the interest of German business operating in the UK, with minimum customs declarations and quota restrictions together with free movement of skilled labour.

We hope and expect that the best deal for all sides, a smooth exit with a minimum disruption to business, will prevail.'

End

Note to Editors:

GERMAN INDUSTRY UK, the voice of German business in this country, is a private organisation of some 100 members of the board of German companies and banks in the UK with a German majority shareholding, employing some 250,000 people here.

*50 German companies and 5 German banks, employing some 100,000 people in the UK and 3 million worldwide took part in the our **'Survey amongst German business in the UK - After Brexit: much uncertainty'** conducted between January and March this year.

For a free copy of the Survey and further details please contact GIUK

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