

EU referendum

German business in UK warns against Brexit

Companies with 220,000 workers in Britain back Cameron's call for reforms

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German companies operating in Britain have written to the prime minister, chancellor and business secretary, calling on the UK not to leave the EU.

"We would urge the prime minister to convince the British people of the financial, economic and social benefits of the EU for the UK and give a firm commitment to remain in the EU," said Bernd Atenstaedt, chairman of German Industry UK, which represents 100 chief executives of industrial companies in Britain with a German majority shareholding.

His comments were based on a survey of 90 companies, 23 of them small or medium-size enterprises, which

employ more than 220,000 people in the UK and 4.4m worldwide.

Mr Atenstaedt said German business in the UK "strongly" agreed with David Cameron that there must be significant reductions in EU costs, bureaucracy and regulations. But he said that, after achieving the "necessary reforms", the government should ensure that the UK remained in the trading bloc.

"We believe it is in the UK's best interest to stay in the EU for the benefit of our employees and, ultimately, the general public," Mr Atenstaedt said.

German companies in total have 500,000 British employees in 2,500 companies in the UK in energy, financial services, manufacturing, retail, transport and others, according to the trade body. In 2014, Germany was the UK's biggest trading partner in goods, exporting €92bn to the country, and importing €44bn.

Last week German carmakers said a British exit from the EU would cause

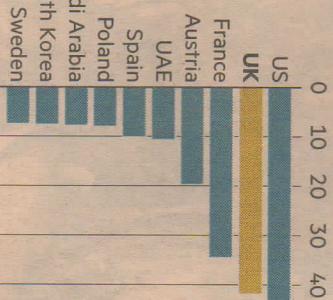
more economic harm than a Greek exit from the single currency, hitting German exports to Britain, and disrupting international supply chains. About a fifth of all cars produced in Germany last year, or about 820,000 vehicles,

were exported to the UK, making it the single biggest destination by volume.

Matthias Wismann, president of the VDA, Germany's automotive industry association, said in Berlin last Thursday: "Keeping Britain in the EU is more sig-

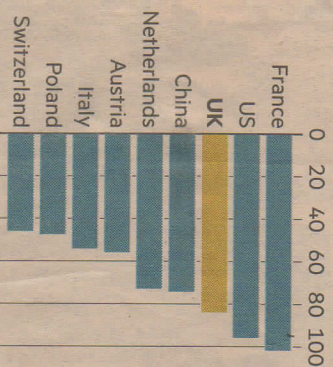
German trade balance

Top partners, 2014 (€bn)



German exports

Top partners, 2014 (€bn)



Source: German Statistical Office

nificant than keeping Greece in the euro."

In May, Chuka Umuuna, Labour's business spokesman, claimed that some big multinationals had muzzled their UK managers, fearing reputational damage if they were drawn into what is expected to be a tightly fought EU referendum campaign.

"There is undoubtedly a problem of multinationals situated in the UK being unwilling to authorise their senior UK management to enter into the fray of the referendum debate," Mr Umuuna said. "It is imperative that the chairmen and chief executives of these companies empower their boards to speak out on these issues."

Juergen Maier, chief executive of Siemens UK and a non-executive director at the government's business department, has been one of the few to speak out publicly, saying earlier this year that companies had a responsibility to voice their concerns.