

BREXIT: BUSINESS OPPORTUNITIES



STATUS AND OUTLOOK

- Assume “hard BREXIT” first half 2019
- No FMP and outside “single market” (tariff free trade, customs union/external trade, level playing field)
- Transitional agreements (NB: Great Repeal Bill)?
- Bespoke UK deal in due course (“Canada Plus FTA”; but no FMP)

THE UNCERTAINTY IS AN OPPORTUNITY

- Do a risk assessment and audit of your business (e.g. Nissan, EasyJet)
- Consider competitors, customers, suppliers, staff
- Competitive advantage from concerns about:
 - supply chains
 - freedom to provide services/establishment
 - staffing
 - customs/origin issues even with FTA
 - tariffs
 - living in the UK (brain drain)
 - protection from dumping

OTHER OPPORTUNITIES

- Take advantage of EU funding opportunities (e.g. Horizon 2020 research and innovation scheme, Fast Track to Innovation Pilot)
- Take advantage of BE funding and incentives, inc. tax
- Foreign Direct Investment (FDI) opportunities (UK reliability?)
- Re-direction of VC funding from UK
- New products for UK citizens and vice versa
- UK staffing shortages
- EU public procurement rules
- BE as a location for business services centres (but language!)
- UK businesses which will suffer (e.g. fruit and veg?)
- Extra-EU trade opportunities that UK does not have (e.g. WTO access rules, TTIP, EU/Korea, CETA)
- Cooperation opportunities that UK does not have (e.g. Japan-EU joint research)
- Location of institutions which will move (e.g. EMA)?

STEPS TO CONSIDER

- Be prepared (impact on data protection, IP, contracts, regulatory) (Nissan, Lloyd's of London etc.)
- Stay abreast/find allies/mobilise, particularly transitional arrangements
- What do you want?
 - David Davis's 50 sectoral groups
 - Liam Fox's trade deals
 - Kris Peeters's Brexit group (chair Paul Buysse) and help desk
- English-speaking support!

A VIEW FROM JAPAN

“In light of the fact that a number of Japanese businesses, invited by the Government in some cases, have invested actively to the UK, which was seen to be a gateway to Europe, and have established value-chains across Europe, we strongly request that the UK will consider this fact seriously and respond in a responsible manner to minimise any harmful effects on these businesses.”

“Some Japanese businesses have their bases in the UK to oversee their activities in the EU ... Japanese businesses with their European headquarters in the UK may decide to transfer their head-office function to Continental Europe if EU laws cease to be applicable in the UK after its withdrawal.”

Source: Japan's Message to the United Kingdom and the European Union, September 2016, available at <http://www.mofa.go.jp/files/000185466.pdf>

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