



BREXIT AND BUSINESSES: IN THEIR OWN WORDS





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INTRODUCTION

What is the European Movement UK?

The European Movement was founded by Winston Churchill in 1948 to promote European unity. For over 75 years, we have worked to build a closer relationship with our European neighbours.

The European Movement is a cross-party, single-issue organisation. We are powered by our 21,000 members, over 200,000 campaign supporters, over 100 local groups, and our strong networks in Westminster and the EU.

The European Movement President is Lord Heseltine, and our Chair is Dr Mike Galsworthy. The Movement's strategy is determined by our National Council – a 100 strong body of campaigners from across the UK. Sir Nick Harvey, CEO, leads the staff team and oversees operational delivery of the strategy.

Why focus on Brexit and businesses?

The UK lost access to the EU Single Market when the Brexit transition period ended in December 2020. Within a Single Market people, goods, services and capital can move around almost as freely as within a single country. To make that possible, the EU agrees common rules and standards, to remove the need for border checks and to protect workers, consumers and the environment. The EU Single Market covers all 27 EU member states as well as the three members of the European Economic Area: Liechtenstein, Iceland and Norway. In practice Switzerland is in most respects a 31st member of the Single Market, though this is in some jeopardy given the EU's requirement to replace Switzerland's 120 current sectoral agreements with an umbrella accord. The UK lost Customs Union access alongside Single Market access. The Customs Union allows members to trade with each other without tariffs and means each member imposes the same tariffs on non-member countries. Along with the Single Market, the Customs Union allows most goods to move across borders within the EU without checks or payments. Brexit has removed the mechanisms for trading freely with the continental market, creating wide-ranging consequences for UK businesses.

Almost all economists identify significant damage to the UK economy from Brexit. According to the Centre for European Research's 'doppelgänger' report on the UK economy (<https://www.cer.eu/insights/cost-brexit-october-2021>), Brexit has made us 5.5% poorer. In comparison with a UK that had remained in the EU, Brexit Britain has 7% less trade in goods and 11% less inward investment. The government's own Office of Budget Responsibility, meanwhile, estimates a 4% hit to GDP from Brexit. Britain's small and

medium enterprises have sustained a disproportionate amount of the damage, as they lack the clout and connections of larger businesses and struggle to make economies of scale. Their voices have been notable by their relative absence in the debate over our future trading relationship with the EU.

Our Survey and Methodology

This survey gives the UK's SMEs a platform to share their honest experiences of the post-Brexit Trade and Cooperation Agreement, more than two years after it took effect. It was designed to collect quantitative data on businesses' attitudes towards our current trading relationship with the EU, pandemic recovery and future growth prospects, and present them in a clear and comprehensible way to decision makers and the public. It also provides the opportunity for those profoundly affected by Brexit to share their stories, in their own words, and to suggest solutions to the problems they have faced due to Brexit.

A History of the Survey

The European Movement UK's activist group in Wandsworth and Merton developed and delivered a survey for the businesses in their boroughs in Summer 2021. They created a survey, printed business cards with a QR code, and delivered them to businesses across their boroughs. Their survey discovered that 65% of respondents felt ill-prepared for Brexit at the end of the transition period, and 91% felt that Brexit had been bad for business. They launched their report at a business round-table event in December 2021, you can read it at [wandsworth.eu/businessofbrexit](https://www.wandsworth.eu/businessofbrexit)

We designed our own, nationally focussed survey for businesses in February 2023, and launched it on 15th May for a three-month run. To ensure our data collection was statistically robust, we set a minimum target of 1,000 responses. Data collection took place between 15/5/2023 and 22/08/23, with a total 1774 respondents on the main survey and 30 on the Welsh language survey.

Due to the overwhelming response from the business community, we at the European Movement UK have prioritised the qualitative and quantitative analysis of our findings in our campaigning activities. Many of our local activist groups are planning outreach campaigns and events for businesses, as are the European Movement in Scotland and Wales for Europe.

Methodology

We used the Wandsworth and Merton survey as the basis for our questions and methodology, with additional and more detailed multiple-choice questions. As we wanted to strike a balance between gathering useful quantitative data and creating a platform for business owners to share their true thoughts on Brexit,

we were careful to ask multiple choice questions wherever possible, while providing open field answers for further analysis. All survey questions collecting quantitative data were compulsory, but the questions collecting qualitative data were optional, and not all respondents chose to comment further or share particulars of their story. For all respondents with Northern Irish postcodes, we included a set of questions on the Windsor Framework, which followed the same pattern. We also provided a Welsh language version of the main survey.

To collect accurate and useful qualitative and quantitative data, we created an environment in which entrepreneurs felt they could speak honestly and offered respondents the chance to remain anonymous, only collecting personal contact information from those who opted in to receive communication from us. Regardless of anonymity, we collected data on postcode area, sector and workforce size. All the case studies are from those who chose to share their data, but we have included some anonymous responses to qualitative questions, where permission has been given.

We targeted businesses in four ways; organic social media posts, paid social media ads, our activist base and our supporter list. We paid for advertising on Facebook and LinkedIn, with the latter targeting businesses in Northern Ireland. We sent three emails to our supporter list across the UK, with an additional email in Northern Ireland. Wales also received an additional Welsh language email. We distributed business cards with a QR code linking to the survey to groups across the UK, who in turn distributed them in their local areas to ensure that the widest possible variety of businesses had the opportunity to take part.

Due to a lack of robust demographic and geographic breakdown of UK business, we decided not to weigh the data used in the analysis of this report. We did, however, ensure that the size of the business, geographic location of the business and sectors were represented through detailed micro-targeting.

Hear from one of our activists about his involvement with the survey:

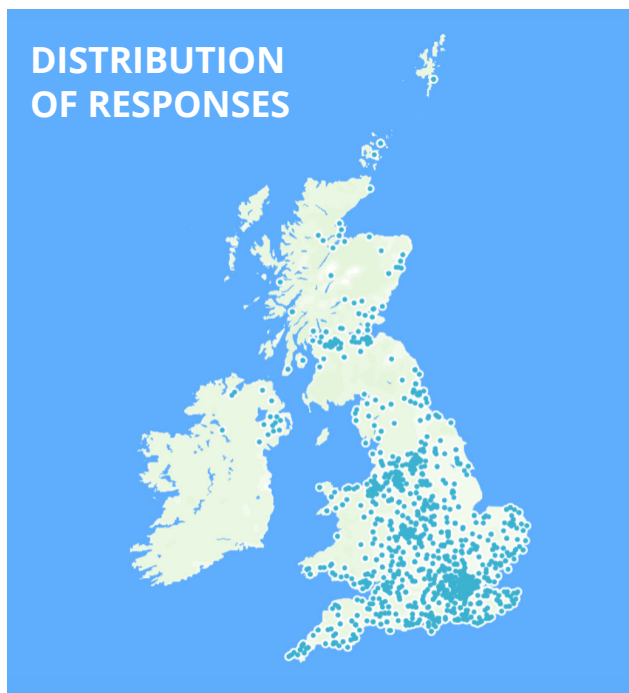
"In August, Cheltenham for Europe toured local businesses to encourage them to fill out the European Movement's survey. We heard dismay and despondency from many business owners. In fact, in one gents' outfitter I visited, the owner was both very angry and dismayed at what Brexit had done to his business, and particularly his trade with Germany, which had all but dried up. It was incredibly sad to listen to him because all we could do was sympathise and encourage him to have his say through the survey. The business owners we spoke to in Cheltenham valued the opportunity to speak their mind on Brexit."

- Neil McCart, Cheltenham for Europe

Results

We received 1,774 responses from every nation and region of the UK, and even from a small number of EU-based businesses run by UK nationals. 82.9% were based in England, with 6.3% in Scotland and 5.9% in Wales, in addition to 30 Welsh language replies. We struggled to engage more with Northern Irish businesses and 1.3% of our responses were from there, with a further 3.7% abroad, mostly in the EU. We allowed respondents to self-define their sector, but they cover all major UK industries, from finance to retail, entertainment, manufacturing, agriculture and technology.

Microbusinesses and sole traders account for 77.5% of respondents, businesses with 11-50 employees accounted for 11.4%, with 51-100 employees 4.2%, and with 100+ employees 6.9%. We are particularly proud of our response rate among Britain's smallest businesses, whose size can make adaptations to new trading relationships difficult.



Key findings

The sheer volume of responses to the survey and their geographical and sectoral diversity have given us much food for thought; we have distilled five key themes from the data.

These findings do not necessarily reflect the position of the European Movement UK but reflect the views of the business owners we spoke to, in their own words.

1. **This Brexit deal isn't working for Britain's SMEs.**

A striking 93.6% of respondents said that Brexit had affected them negatively, and only 3.2% felt positive about our break with the EU. This sentiment was felt across all sectors and geographical regions, from sole traders to large, established businesses. Even in Northern Ireland, which has more comprehensive access to the EU trading bloc, the uncertainty and additional paperwork needed for trading with the rest of the UK and the island

of Ireland complicate matters. Businesses feel dissatisfied regardless of the preparations they made prior to the end of the transition period in January 2021; when asked to rank their preparedness for Brexit out of 10, the average was 4.9, with 5 out of 10 the most popular number, but with an even split between all possible answers. Both highly prepared and under-prepared businesses voiced dissatisfaction with the outcomes of Brexit, and 2/3 do not feel that they are trading at pre-pandemic levels again.

The testimonies have been sobering. **Some businesses have already moved fully or partially to the EU, while others are considering a move or have been advised to do so by their customers and suppliers.** Other businesses have reduced workforce hours, made staff redundant or even closed entirely thanks to the barriers created by exiting the EU.

2. The single biggest obstacle for businesses is the paperwork needed to trade with the EU.

Over half of respondents (53.8%) told us that the volume and complexity of documentation now needed to trade with clients and suppliers in Europe made running their business harder. When asked what steps the Government could take to improve the deal for businesses, support for import and export came out top with nearly 1/3 of respondents selecting it. Of the 27.6% who proposed other solutions, most included some suggestion of rejoining the Single Market or Customs Union or removing trading obstacles. These statistics are supported by testimonies, with companies as diverse as lingerie manufacturers and motorsport vehicle renovators reporting that trade frictions linked to Brexit led to their businesses folding. Companies across sectors reported that they had lost business in the EU and been made uncompetitive by the paperwork and customs checks that importers and exporters now face, including a cider manufacturer that lost a contract with an EU-wide distribution company. Companies in the service sector are also affected, and sole traders from musicians to software engineers are struggling to compete with EU-based workers still benefiting from Freedom of Movement.

3. Labour shortages don't affect every business, but they have a major impact on the ones they do affect.

643 of the businesses we surveyed mentioned staffing as an issue, across sectors including engineering, agriculture, hospitality and finance. Making it easier to find working visas for EU nationals without settled status was the second most popular suggested change to the TCA, after help with import and export. Some firms reported that EU nationals in their staff were

choosing to return to their home countries after feeling 'unwelcome' in the UK after the referendum, and others paid for their staff to become naturalised UK citizens.

For one business, this was a third of their workforce. Specialist firms in engineering, science, and beyond have struggled to attract the skilled labour needed for their operations.

Effects have been felt beyond the high-skilled workforce. We heard from farmers, pub landlords, owners of manufacturing and logistics companies and many more about their struggles to hire entry-level staff, and how this has affected their capacity to do business. The hospitality sector seems to have been badly affected by this. Lack of access to the EU's Erasmus+ education and training programme and Horizon science programme has made it more difficult for British businesses in agriculture, engineering and tourism to stay up to date with the latest advances in research and innovation, which is having a knock-on effect on their sustainability efforts. Exclusion from the EU Single Market and from EU programmes has also closed vital markets for training and education companies.

4. Entrepreneurs believe that we will join the Single Market and Customs Union.

Given the dissatisfaction with Brexit, it is unsurprising that 95.5% of respondents told us they would benefit from regaining our former access to the EU Single Market and 92% said the same for the Customs Union. It is notable that 2/3 of respondents believe that we will end up rejoining both the Single Market and the Customs Union, with 1/4 respondents believing it to be 'likely'. In fact, only 6.5% anticipate that we will remain locked out of these trading blocs. There is scope for further investigation to understand why so many in the UK business community view a return to the Single Market and Customs Union as a likelihood.

5. Businesses want their voices heard on trade.

We set ourselves the target of 1,000 responses and ended up engaging with 1,774 businesses in our main survey and 30 in our Welsh language survey. 1,307 respondents in the main survey chose to explain the state of their business post-pandemic, 1,326 elaborated on the effect that Brexit has had on their business, and 1,256 commented further on the UK's trading relationship with the EU. 75.3% gave us permission to share their story with you, and their responses send a clear message that this Brexit deal has not delivered the prosperity Boris Johnson's government promised and has instead created harmful barriers between UK businesses and potential suppliers, customers and staff.

THE BIG PICTURE

What do businesses feel about Brexit?

Our respondents across the UK business community have given their verdict on the realities of Brexit, and it is damning. **More than 70% of respondents said that Brexit had affected their business very negatively, and more than 20% had been somewhat negatively affected. Only 3.4% have felt any benefit from Brexit.**

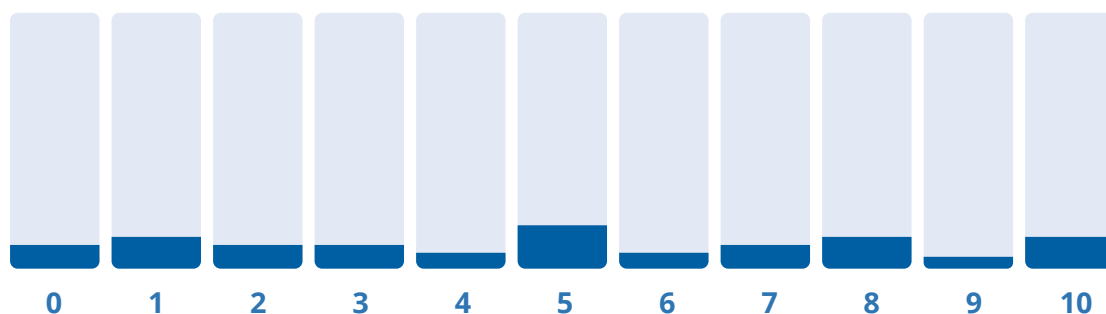
We found that businesses differed widely in their feeling of preparedness for the end of the Brexit transition period. **When asked to rank their preparedness out of 10, the most popular answer was 5 (17.4%), and the average was 4.9. Around 9.9% of respondents rated themselves as 1 out of 10 (not prepared) and a similar proportion, 10.5%, rated themselves as 10 out of 10 (very prepared).**

As negative sentiment towards Brexit pervades throughout the responses, even the most prepared businesses have reported adverse effects. In practice, there was little more that many businesses feel they could have done to protect themselves against the disruption of trade with Europe. Fault for the fallout of Brexit lies with the policy and its implementation rather than the actions of UK businesses.

In hindsight, on a scale between 1 (not prepared) and 10 (fully prepared), how well prepared was your business for the end of the Brexit transition period on 31st December 2020?

1774 out of 1774 answered
4.9 Average rating

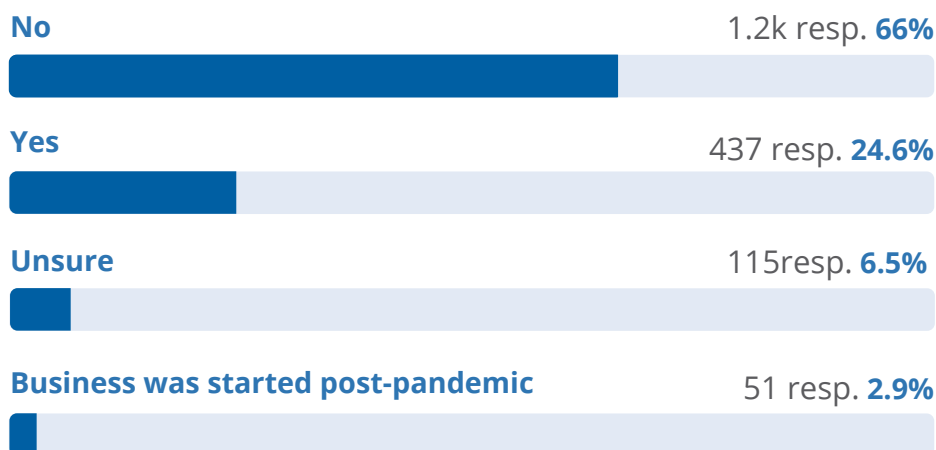
Rating	Percentage	Number of Responses
0	0.0%	0
1	9.9%	175 resp.
2	11.3%	200 resp.
3	7.8%	139 resp.
4	7.7%	136 resp.
5	4.5%	79 resp.
6	17.4%	308 resp.
7	6.5%	115 resp.
8	9.5%	169 resp.
9	11.3%	201 resp.
10	3.7%	65 resp.
10	10.5%	187 resp.



Brexit is not the only major national event affecting UK businesses. Respondents frequently raised high inflation, energy bills and reduced consumer income during the cost-of-living crisis as barriers to growth. Many still feel the effects of the pandemic, particularly those in the hospitality and services sectors. However, when asked to elaborate on why they may not be trading at pre-pandemic levels, they also raised **Brexit-specific issues such as staffing and customs barriers**. Furthermore, there is a wide consensus among economists that some of the more general economic problems – notably inflation – that were mentioned have been exacerbated by Brexit red tape and by Brexit-related downward pressure on sterling.

Do you feel that you are back trading to pre-pandemic levels?

1774 out of 1774 answered



Some reasons that respondents gave for not yet trading at pre-pandemic levels.

Note: the language of some responses has been edited for the sake of clarity

'Brexit has put up costs and complicated posting my products to Europe.'
Engineering Firm, Colchester

'Farming fortunes vary, not just through red tape, but through weather and the impact of foreign affairs in markets, for example Putin's War.'

Farmer, Royal Hillsborough, Northern Ireland

'We have been hit by visa costs for staff working in Europe and customs problems with equipment.'

Film and TV Production, Isle of Wight

'Customer demand has changed.'

Food Production, Sheffield

'Costs are much higher. We have difficulty in getting staff, and fewer overseas visitors.'

Tourist Accommodation, Cumbria

'We are affected by Brexit plus lack of business confidence due to the current economic situation'

Manufacturing, Motherwell

'We're facing a global electronic component supply chain situation'

Electronics, Deeside

'Prospective overseas buyers have complained about extra costs'

Retail, Pembrokeshire

'It is an early-stage business, but it is clear is that Brexit has massively impeded the growth and development of such businesses; especially important in view of the climate crisis'

Renewables, East Lothian

'Delivering to and orders from Europe too difficult/expensive'

Art Education, Caithness

Case studies

Hear from businesses in their own words

Name: Carol at Bloomin' Sexy

Location: Devon

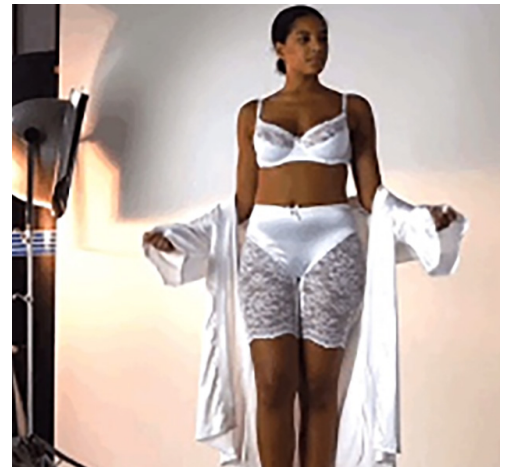
Industry: Clothing

About our business: I ran a small, niche lingerie business, selling to the public and bridal shops. We designed and sold anti-chafe shorts for women, made from fabrics such as satin, silk, lace and ribbon.

How prepared we felt for Brexit:

5 out of 10

Our Brexit story: We used satin from Italy, elastics from Spain and Germany, stretch lace from Germany and France and our manufacturer was in Bulgaria. I did all that was recommended by HMRC to prepare for Brexit. The reality of sending garments to the EU (ROI were my best customers) was a nightmare in terms of completing the correct customs paperwork, terms of origin etc. Despite double checking requirement codes, I still had goods that spent ages in transit and were then returned for 'incorrect customs information'. The business was losing money, so I decided to close and retire! Brexit was the final nail in the coffin of the business.



Name: Hugh Chapman at Long Mynd Cider

Location: Bishops Castle, Shropshire

Industry: Cider manufacturing

About our business: We are a craft cider producer making sustainable still and sparkling cider for national and international markets

How prepared we felt for Brexit: 5 out of 10

Our Brexit story: A Europe-wide organisation would have liked to buy my products, but the administration around Brexit meant they were no longer interested. It's economically impossible to trade with Europe at present.



Name: Nigel Craddock at NCD+A

Location: Kingston-upon-Thames

Industry: Architecture

About our business: We are a sustainable architecture consultancy business, focussing on ecological design and small architectural project and advisory consultancy for research labs.

How prepared we felt for Brexit: 5 out of 10

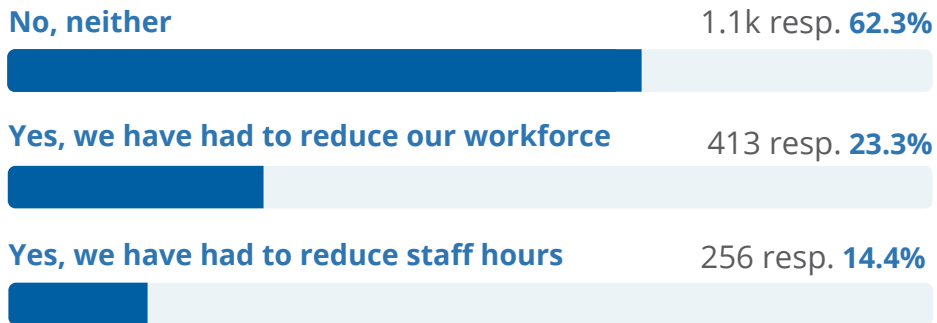
Our Brexit story: Around 80% of our building materials come from the EU, thanks to Brexit there are additional costs and delays. In addition, the decline in Sterling has created a significant cost for us. It isn't just material cost uplifts, but skills shortages, which are also adding to significant inflationary costs for buildings. It means projects are either being shelved, or the scope of the works reduced. Ultimately, this Brexit deal is having a negative impact upon the built environment, major infrastructure works and public sector buildings. Leaving the EU has been a disaster. None of the promises of the Leave campaign have come true. Without alignment with the EU, I worry that we will be a country in decline.

DIGGING DEEPER

Beneath our headline figures, we find that Brexit has had far-reaching implications for businesses and their local economies. Over 1/3 have had to reduce either their workforce or staff hours due to Brexit, which can mean job losses and smaller incomes in the areas where businesses operate. Reducing work hours could also create implications for the productivity of their businesses and the economy more broadly that warrant further investigation.

Have you faced layoffs or reduction of staff hours as a result of Brexit?

1774 out of 1774 answered



We gave respondents the opportunity to highlight as many problematic aspects of our new trading relationship with the EU as needed, as well as the chance to suggest their own. **By far the biggest impact – mentioned by 53.8% of respondents – has been the documentation required to trade with EU suppliers and customers.**

The second biggest impact (49.2%) has been EU partners choosing to work with other EU businesses rather than UK businesses, logistics issues with EU trade and/or logistics issues within the EU were mentioned by 43.7%, while 40.5% highlighted an issue with staffing since the loss of Freedom of Movement. Just over a quarter of respondents commented further, some with suggestions of their own, which are partially set out below.

Have any specific aspects of the new trading relationship made running your business harder?

1774 out of 1774 answered

Volume and/or complexity of documentation now required to trade with clients and/or suppliers in Europe

954 resp. **53.8%**



EU suppliers and/or clients opting to work with partners within the EU, rather than your company

872 resp. **49.2%**



Distribution/logistics issues in trading with EU, e.g. delays caused by vehicle queues and/or checks at EU entry points; problems complying with rules or origin requirements

776 resp. **43.7%**



Distribution/logistics issues inside the UK, e.g. lack of HGV drivers, issues acquiring components and raw materials

731 resp. **40.2%**



Departure of staff employed before Brexit from the UK

872 resp. **23.3%**



Difficulty in obtaining/length of time required to obtain working visas for EU nationals

306 resp. **17.2%**



Obstacles to trade between Northern Ireland and the rest of the UK

222 resp. **12.5%**



Other

463 resp. **26.1%**



Other ways that Brexit has made it harder for businesses to operate:

'EU customers are now charged their local VAT; I have de-registered in the UK and no longer pay UK VAT.'

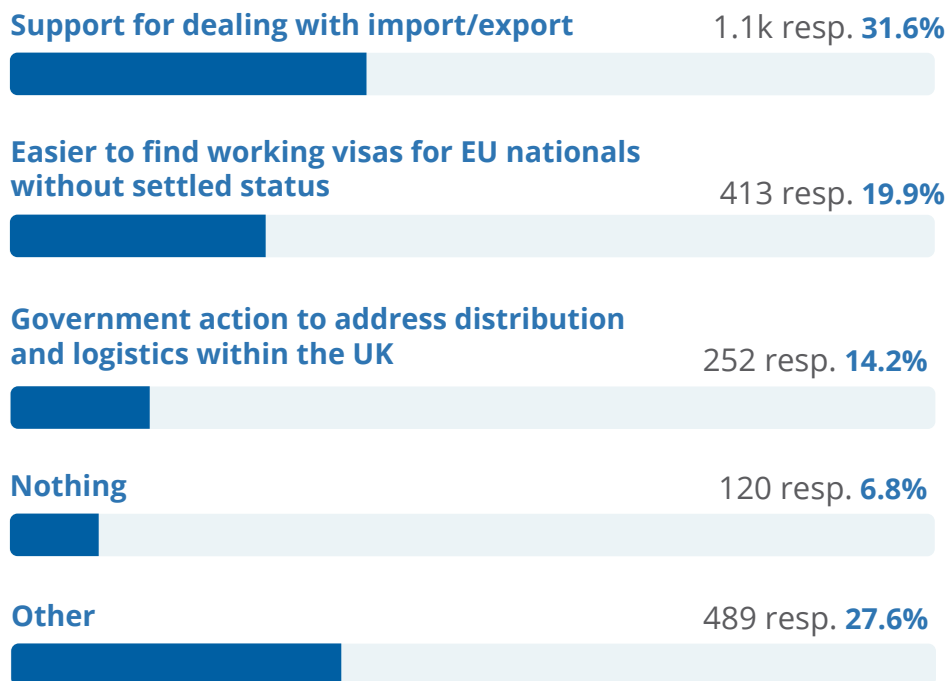
'High cost of living: a direct result of Brexit and this awful government.'

'Customs charges limiting the viability of smaller orders from suppliers in the EU'.

Unsurprisingly, respondents' suggestions for improving the TCA mirror the problems that they reported. **Help with importing and exporting comes top with 31.6%**, followed by visa system improvements at 19.9%, and support for logistics within the UK at 14.2%. **27.6% suggested their own improvements, many of which involved restoring access to the Single Market or the Customs Union.** Other suggestions included lowering the costs of temporary trade documents, a long-term musicians' visa, and joining Horizon (which happened on 7th Sep) and Erasmus + once again.

Is there a specific issue of the new trading arrangements that you think should be changed to make things easier?

1774 out of 1774 answered



Testimonies

Name: Darren Farrell at DARJAC Engineering

Location: Cornwall/Essex

Industry: Automotive

About our business: We specialised in motorsport vehicle renovation, testing, development, track support & vehicle transportation.

How prepared we felt for Brexit: 1 out of 10

Our Brexit story: Within 4-9 months of the UK Government signing the Trade and Co-operation Agreement with the EU, 7 out of 10 EU suppliers said that they can no longer support third country shipping & warranty. We can't move our customers' vehicles to race events on the EU mainland without huge cost, including temporary export permits that take many hours to raise on an antiquated system, carnet fees, 'Return to third country of origin' deposit of 40% of total vehicle value or insurance indemnity, and disputes over declared value of vehicles at the frontier. Two years on, we could no longer support the losses. Our business is finished.



Cosmetics and Health

Name: Raoul Perfitt at Herb UK Ltd and Bio-Health Ltd

Location: Lymington, Hampshire and Rochester, Kent

Industry: Cosmetics, Herbal Medicine

About our business: Herb UK is a natural and organic hair colour specialist with 30 years' experience making colour, care and styling products. Bio-Health has supplied licensed medicinal herbal products and supplements since 1981.

How prepared we felt for Brexit: 9 out of 10

Our Brexit story: We had been successfully exporting 80% of our goods for 30 years, but since we had a hard Brexit, it is more difficult to trade with our closest and largest trading partners as well as Northern Ireland. We had EU medicine licenses that are now only valid in the UK and have lost 30% of our exports in our health division. We have had to reduce our workforce.



Spotlight on: The Arts

Name: John Esplen at Overground Records

Location: Newcastle upon Tyne

Industry: Music

About our business: We are a punk rock record label established in 1987

How prepared we felt for Brexit: 8 out of 10

Our Brexit story: Exports to the EU are down 90%. Many customers no longer want to work with the UK and there are numerous problems with paperwork exporting. It's hopeless at the moment. The complexity of the paperwork to trade with us makes us less competitive.

Name: Nick Maiden at Maiden Marbling

Location: Chester

Industry: Arts and Crafts

About our business: We create unique marbled artwork for both businesses and the public.

How prepared we felt for Brexit: 2 out of 10

Our Brexit story: Our European business is slower because customs charge hikes have discouraged clients. Our trading relationship with the EU has been sabotaged by Brexit and we need to build bridges.



Name: Caroline Skinner at Caroline Skinner Art

Location: Merstham, Surrey

Industry: Visual Arts

About our business: I create colourful animal paintings and home decor items featuring my animal designs.

How prepared we felt for Brexit: 3 out of 10

My Brexit story: Registering for VAT in EU countries is not practical or cost-effective for my small art business, so I've had to stop trading there. Customs duties seem unpredictable, and I don't want unhappy customers. EU consumers are reluctant to buy from UK businesses, and this has affected USA sales as we no longer benefit from EU-wide agreements. Price increases across postage services and supplies have aggravated the problem. The Brexit agreement has been a disaster. This government has made UK trading with the EU more difficult, whilst trumpeting the unique position held by Northern Ireland. We need a government that understands just how ridiculous the whole situation has become for businesses and works with us to rectify it.



Name: Huw Owen

Location: Mynytho, Gwynedd

Industry: Art and architecture

About my business: I am a public art practitioner and architect

How prepared we felt for Brexit: 6 out of 10

Our Brexit story: Brexit has disrupted the commissioning space, and a shortage of skilled contractors means chaotic projects. We need to reduce our trade barriers with the EU as soon as we can to limit the impact of changes to the labour market.



NORTHERN IRELAND

We only received 23 responses to our survey in Northern Ireland, making it difficult to draw conclusions on the unique issues that affect them. We have included the answers to the Northern Ireland-specific questions from interest but will not be drawing detailed conclusions from such a small sample size. From the limited data at our disposal, we can see pessimism and uncertainty around the Windsor Framework, but from our follow-up discussions with respondents, we detected an overwhelming sense of frustration at the lack of a functioning government in Stormont and the implications that the political uncertainty has for their businesses and for the implementation of the Windsor Framework.

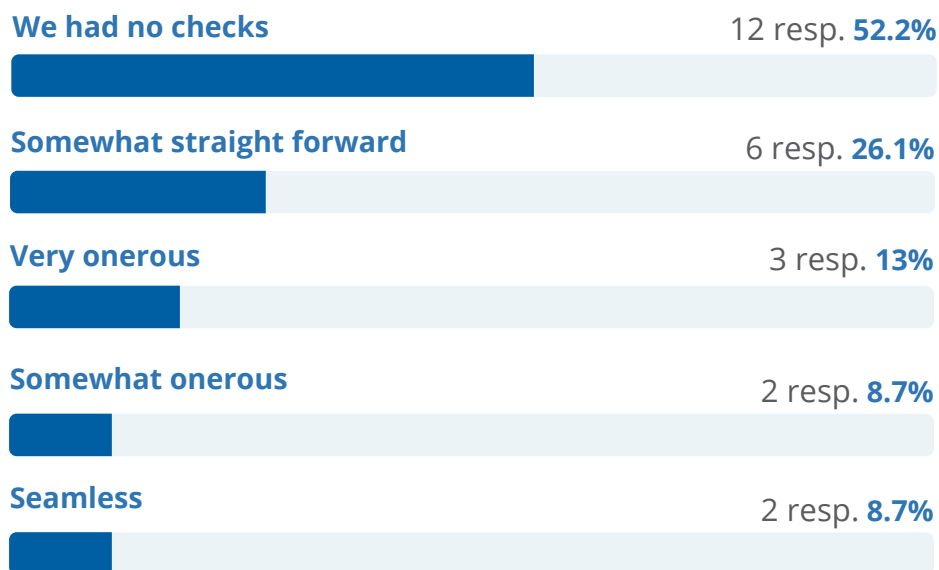
Since leaving the EU, have you found it easier to trade with the EU or the UK?

22 out of 1774 answered



How onerous have checks in the Irish Sea been for your business?

22 out of 1774 answered



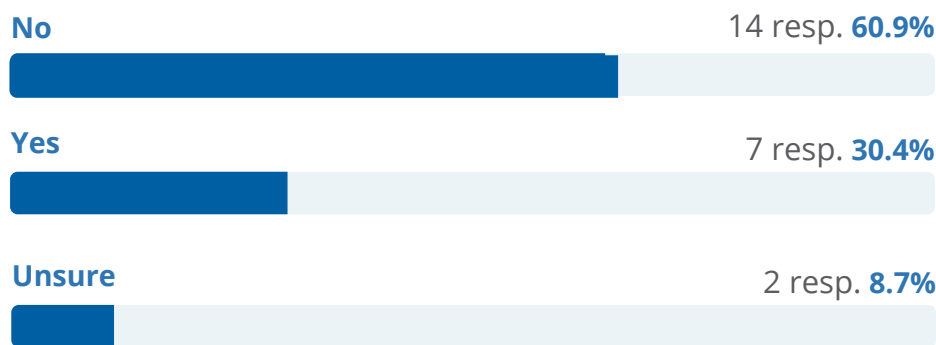
Have you noticed any changes or improvements since the Windsor Framework was agreed?

23 out of 1774 answered



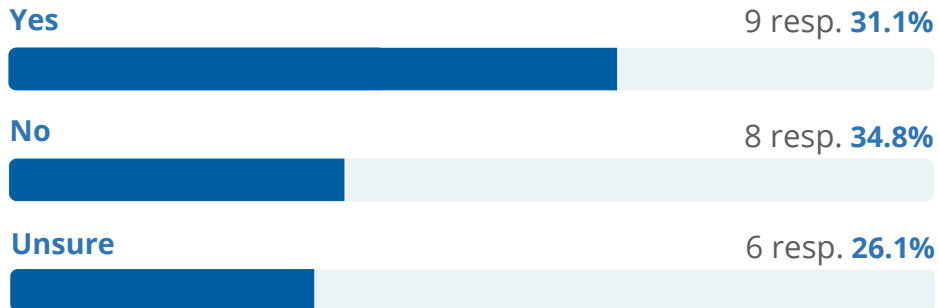
Are you expecting any changes or improvements as a result of the Windsor Framework?

23 out of 1774 answered



Are there any problems that the Windsor Framework won't solve?

23 out of 1774 answered



Are there circumstances under which you would support a land border on the island of Ireland?

23 out of 1774 answered



Testimonies

Name: Dr Paul Jourdan, CEO at Amati Global Investors

Location: Edinburgh

Industry: Finance

About our business: We are a fund management company managing specialist equity funds, including the UK Smaller Companies Fund and a Venture Capital Trust.

How prepared we felt for Brexit: 8 out of 10

Our Brexit story: The decline of the UK stock market impacts Amati's business directly and many others like us. We invest in companies in all sectors across the UK. Leaving the EU has left UK industry a great deal

weaker than it was, and this weakness compounds every year. Lower tax revenue as a result has already undermined the Government's ability to pay for the public services the country wants. The only real solution in the long run is to rejoin the Single Market, albeit politicians will probably try everything else first. Step one is to continue to improve relations with Europe. The fact that Northern Ireland has a separate legal relationship with the EU makes it difficult for the Government to renew the Enterprise Investment Scheme/Venture Capital Trust schemes, which have been a crucial source of funding for innovative companies in the UK for 28 years. These businesses provide an engine of growth for the future. These schemes constitute State Aid under EU law and, if Northern Ireland is not to be excluded, agreement with the EU is required.

Name: Hugh Marcus

Location: Co. Antrim

Industry: Agriculture

About our business: We breed Lleyn sheep on a low-input farm 750ft above sea level.

How prepared we felt for Brexit: 6 out of 10

Our Brexit story: These are the harsh realities of Brexit. The Windsor Framework helps smooth trade, especially agri-food, on the island of Ireland. However, the lack of free movement has had a real impact on some sectors, particularly food processing and construction. Both those sectors relied heavily on Eastern Europe for workers prior to Brexit. Initially, it was difficult to obtain supplies & spare parts from England. More companies were unsure of what to do, so just stopped supplying. This has eased, but with suggestions that areas of enforcement are being discussed again, new problems might emerge. Of course, the supply of pedigree breeding livestock continues to be a real issue. Depending on what is enforced, it may be more difficult to obtain supplies from GB, and the issue of veterinary medicines continues, albeit in the background.

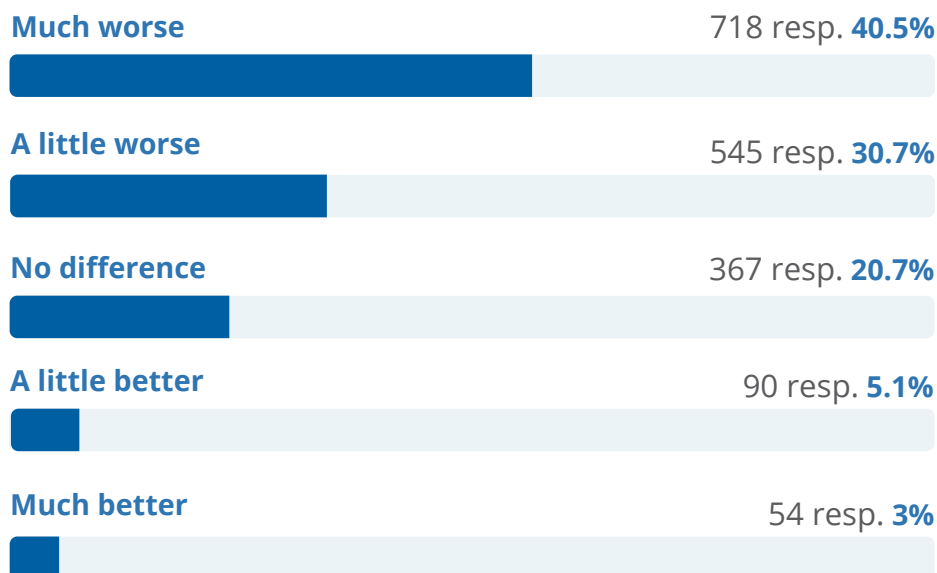
I hope reality is beginning to dawn in London, and that after the General Election, the UK Government will take a more constructive approach to dealing with the EU.

LOOKING FORWARD

We found a heartbreaking level of pessimism among entrepreneurs for their medium-term prospects, while the UK's relationship with the EU remains strained. Over 70% of respondents anticipate that their situation will worsen, with 40.5% worried that it will get 'much worse'. Only 8.1% feel positive about the future.

Assuming our trading relationship with Europe stays the same, do you anticipate that things will get better or worse for your business over the next three years?

1774 out of 1774 answered

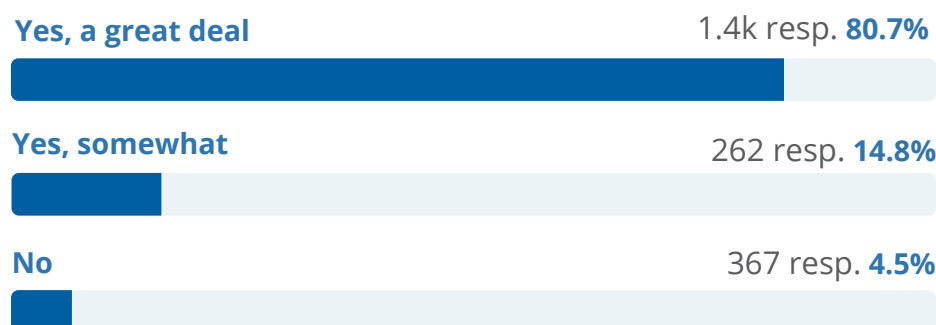


In contrast, 95.5% believe that restoring the UK's access to the EU Single Market would help their business, 80.7% greatly. Only 80 out of 1774 respondents did not feel that they would benefit from increased market access. When it comes to restoration of our EU Customs Union access, 91.9% believe it would help, 80.7% greatly. Only 8% would not anticipate a benefit for their business.

In qualitative questions throughout the survey, respondents frequently mentioned restoring the UK's place in the instruments that allow frictionless trade and movement with EU member states. They offered 'lack of access' as a problem with the deal, and the restoration of that access as a solution. Away from the polarising public debate forum, businesses across sectors have felt able to share their true regret at the UK Government's decision to pursue a hard Brexit and forego our previous frictionless trade with the EU.

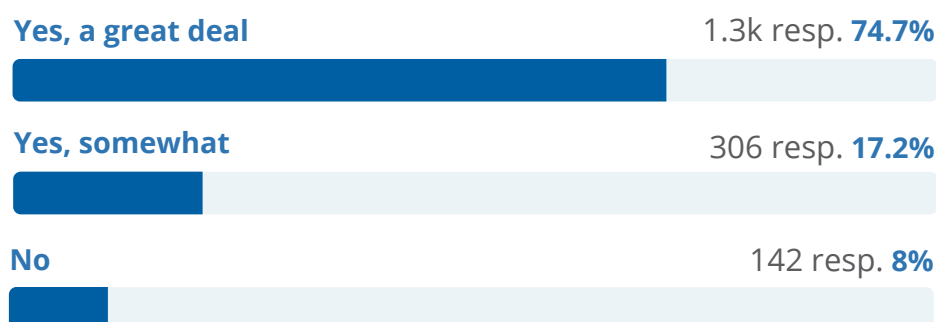
Would rejoining the EU Single Market help your business? People, good, services and money can move around the single market almost freely as within a single country. To make that possible, the EU agrees common rules and standards, to remove the need for border checks and to protect workers, consumers and the environment.

1774 out of 1774 answered



Would rejoining the Customs Union help your business? The Customs Union allows members to trade with each other without tariffs and to impose the same tariffs on non-member countries. Along with the single market, the CU allows most goods to move across borders within the EU without checks or payments.

1774 out of 1774 answered



One of our most striking results is the proportion of business owners surveyed who believe that the UK will ultimately join the Single Market and Customs Union again. 66.5% see rejoining as inevitable, and a further 27% view it as a possibility. In fact, only 6.5% believe that we are out for good.

Do you believe that the UK will ultimately rejoin the EU Single Market and Customs Union?

1774 out of 1774 answered



Our survey demonstrates the overwhelming pessimism of businesses towards the current arrangements, their enthusiasm for the previous relationship, and their widespread belief that things will change. A large majority of the SMEs who responded to our survey see the restoration of the UK's place in the EU Single Market and Customs' Union not just as something to hope for, but as a realistic prospect and therefore as a viable policy for a future government.

Testimonies

Agriculture and Aquaculture

Name: James Wilson at Deepdock Limited

Location: Menai Strait (between Anglesey and Gwynedd)

Industry: Marine Aquaculture

About our business: We are cultivators and exporters of live bivalve molluscs, mussels in the main, which we extensively cultivate on the seabed in the Menai Strait.

How prepared we felt for Brexit: 8 out of 10

Our Brexit story: Prior to Brexit, this was the single largest cultivated shellfish production area in the UK. Now, we barely register. Because in the UK we are not large consumers of live bivalve molluscs (LBMs), the demand for our output was always in mainland Europe, mostly the Netherlands, Belgium and France. We have been de facto locked out of our major market since the end of the transition period. The UK Government's failure in understanding the impacts of Brexit on the marine shellfish aquaculture sector was based on a profound displacement between aloof civil servants and an increasingly desperate industry that engages at all opportunity but is consistently sidelined. There is no

transparency, there is no curiosity, there is simply dismissal. And it's not just the trading relationship that is impacted adversely, it's the ability of UK - for me Welsh - universities to participate in well-funded research, it is the collective power of engaging on macro large ecosystem scale issues and challenges like climate change in a coherent and constructive manner.



Spotlight on: Tech

Name: Paul Welham at Cereproc Ltd.

Location: Edinburgh

Industry: Artificial Intelligence

About our business: We are an ethical company offering AI based synthetic voice solutions for all devices.

How prepared we felt for Brexit:

6 out of 10

Our Brexit story: We have been told by several of our customers in the EU, they want to trade within the EU, as it is easier for them. Our business with the EU is down about 40% since Brexit. We have a smaller workforce now, and Brexit has made it harder to deal with our EU customers in several ways, especially on occasions where a physical shipment is required. It seems that potential new customers based in the EU are less willing to deal with UK companies, as they don't understand the processes involved. Access to the Single Market will help re-establish UK companies as reliable partners for EU companies to do business with, and to build on the UK's past trading history with the EU, before Brexit.



Brexit was supposed to deliver a high-wage economy, but new charges to bring in qualified staff from the EU are a backdoor tax on our business. The Certificate of Sponsorship fee for an internship of less than 6 months is £750 plus VAT, and we need to pay an initial £250 plus VAT to register with GTI Intern Visa, then the intern needs to pay £259 to apply for the visa, and a £312 NHS surcharge. The fees are higher, and the NHS charge doubles if we go over 6 months.

Name: Dr Jayne Hamilton

Location: Newcastle-upon-Tyne

Industry: Software Engineering

About my business: I am a freelance software engineer and architect.

How prepared we felt for Brexit: 1 out of 10

Our Brexit story: Brexit removed mobility rights to work in Europe on site in many countries, so no more possibilities to work on payroll or agency models. The Swiss UK deal has also hurt me. I lost 80 percent of my market. We need to restore mobility frameworks which existed in the Single Market and fix problems with the TCA for onsite and remote work.



Name: Keith Gordon at Ten 47 Limited

Location: Dysart, Fife and Milan, Italy

Industry: Cable production

About our business: We are producers of connectors, cable protectors and cable assemblies for the entertainment, temporary power and rail markets.

How prepared we felt for Brexit: 7 out of 10

Our Brexit story: We were told by some EU customers to “move it or lose it” so we had to open an EU operation. We still supply from Scotland & import from the EU, but it’s more expensive & takes longer. Much more bureaucracy. Jobs, investment, taxes, opportunities lost due to Brexit.

GET INVOLVED WITH OUR NEXT STEPS

Brexit is doing huge harm to UK businesses and crippling our economy. We have overwhelming evidence that the UK's future prosperity depends on rebuilding ties with the European Union.

Together, we can expose and undo the damage of Brexit. The European Movement is home to everyone who wants to see the UK return to our rightful place at the heart of Europe.

We are grassroots and people powered. Every person who joins makes us stronger.

JOIN OUR MOVEMENT TODAY.



If you are an MP, AM, MSP, MS or peer

We would love to talk to you about our work with businesses. You can contact our Campaigns Manager Richard Kilpatrick, at richard.kilpatrick@europeanmovement.co.uk, or our Grassroots Campaigns Manager, Maura McKeon, at maura.mckeon@europeanmovement.co.uk.

If you are already a supporter

It's never been a better time to become a member. We need your support to continue with work like this survey, shining a light on the real effects of Brexit.

If you are a member

You can get more involved by reaching out to your local activist group. You can find a map of our groups and their contact details at our website: www.europeanmovement.co.uk/branches_emuk

If you are a business owner and would like to share your story

You can reach out to our Grassroots Campaigns, Manager Maura McKeon, at maura.mckeon@europeanmovement.co.uk

Become a member by scanning the QR code above.





**European
Movement**
United Kingdom