



## THE MEET-YOUR-EU-NEIGHBOUR BREXIT DEBATE

pecially in Germany, and how companies are planning to cope with Britain's exit from the EU.

Besides a general feeling of uncertainty, most businesses are, at best, in the very early stages of planning for the Brexit contingency apart from the large multinationals. Some German manufacturers are known to be realigning their supply chain to replace UK companies with suppliers from the EU 27 countries to reduce their exposure to the risks of Brexit. Some companies are also holding back on expansion plans and investments in the UK.

For UK companies with an international role and many foreign companies based in the UK and using the UK as a hub to access the rest of European Union member states, there are ongoing plans to find a continental location to avoid disrupting existing supply chains. It was noted that once these plans are finalised, these businesses will move out of the UK and are very unlikely to return.

Parallels can be drawn with the situation that has hit Catalonia, where some 1,700 SMEs and large corporations quickly relocated their registered headquarters elsewhere in Spain to avoid being caught in an independent Catalonia with a sudden loss of access to the rest of Europe.

It was the general feeling of the audience that there was much too little communication between industry, businesses and government. There was also a perceived lack of awareness concerning the necessity of EU workers being employed in the UK. Some 35% of harvesting farm labour is delivered by workers from the eastern EU members and the wider sourcing of EU workers across the 48% in the fruit and vegetable process industry. Both of these sectors are already showing a decrease of EU worker availability of around 17%, as demand is markedly picking up in the farming sector. A comment from the floor maintained that labour from the EU has never been and never will be a problem as wrongly claimed by Leavers, who insisted that EU labour was taking jobs away from UK nationals. Most of these workers took jobs for which no British workers could be

A podium discussion organised by the Hull & Humber Chamber of Commerce in conjunction with the British Chamber of Commerce in Germany with Rolf Fyne, BCCG UK Committee, and Rainer M. Giersch, BCCG Committee Northern Germany, on the podium, besides Phil Ascough, President of the Hull & Humber Chamber of Commerce, international lawyer Dominic Ward, Partner at Andrew Jackson LLP, James McCulloch, OBE, Director at Agrimin Ltd., and Colin Moody, Managing Director of Neill & Brown, Global Logistics.

The meeting took place at the offices of Andrew Jackson, Solicitors LLP, located right next to the picturesque Hull Marina, but, with such a significant and pivotal topic at hand, a spectacular view was not top of mind.

From the start all participants knew that the meeting would not provide a set of solutions to burning questions but could possibly give some background on how businesses are experiencing and maybe coping with the UK's looming exit from the European Union and all its ramifications, such as the envisaged step of leaving the customs union.

Those on the podium gave their views on the current Brexit proceedings and then opened the discussion to the audience. Notably, some in the audience were interested in knowing something of the state of public opinion on the Continent, es-

found. Moreover these foreign nationals were earning wages and paying taxes contributing to the UK's economy.

There is also an underlying concern that since the 1980's the United Kingdom had embarked on a route to de-industrialisation. With the UK's very liberal industrial policy over the years most of major British industry is nowadays foreign owned with very little political influence. It would be difficult to prevent or discourage foreign owners relocating existing UK operations from the UK to one of the EU27, should they so decide.

With just 12% of the European Union's population of the 28, the United Kingdom still attracts over 25% of foreign direct investment (FDI) into the EU. And it is common knowledge that this FDI is not aimed at the UK markets alone. The UK has always also been used as a springboard into the common market of the European Union. It is doubtful whether past volumes of FDI will continue to flow into the UK if other European states will not directly be accessible. In addition, the low propensity of UK

SMEs to export will additionally be curtailed by potential barriers. About 50% of all UK exports go to the EU, with Germany being the second largest country for UK exports after the US.

In general it was felt that Brexit negotiations were proceeding much too slowly, and had little as yet to show. As an example, the Canadian government employed more than 200 negotiators for the CETA deliberations tasking them to intrinsically discuss with businesses across all sectors and to rank views, concerns and comments by relevance. Closer contact with active businesses in the UK is definitely called for to mitigate the state of uncertainty and to find ways and means to cater to the concerns of businesses and industries.

Hopefully, it won't come too late.

*Dr. Rainer M. Giersch*

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## REGION BAVARIA BREAKFAST MEETING WITH CARL-PETER FORSTER

One of the icons of the automotive industry visited the BCCG in Bavaria on Thursday, 12 October. Carl-Peter Forster spoke at a breakfast event hosted by the Bavarian Regional Committee and the Munich office of the international law firm Pinsent Masons. Carl-Peter Forster worked in leading positions in the automotive industry as a board member of BMW, CEO of Opel/Vauxhall, Tata Motors and JLR. He is currently chairman of the London Taxi Company and sits on a number of boards, including those of Geely and Volvo.

Guests were greeted by Christian Schulz, head of M&A GSA at EY and chairman of the Regional Committee, as well as Eike Fietz, partner at Pinsent Masons and regional board member in Bavaria. Carl-Peter Forster gave his views on the causes of Brexit, the current political situation and negotiation positions, as well as what it means for automotive businesses.



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