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PRESS RELEASE

Survey by KPMG in Germany
and the British Chamber of Commerce in Germany (BCCG)

Businesses call for improvements to the current EU-UK Trade and Cooperation Agreement (TCA)

- **Reform agenda:** 53 percent of companies say improving business mobility for business travellers and employees should be a priority in the upcoming TCA review, while 49 percent ask for more efficient customs and border procedures.
- **Business priorities:** 71 percent want the UK government to strengthen trade ties with the EU, while 73 percent want the German government to reduce bureaucracy in bilateral trade.
- **Impact of Brexit:** The volume of goods trade between Germany and the UK has fallen by more than one-third since the Brexit referendum.
- **Business outlook:** 81 percent of companies expect revenues to increase, while only 8 per cent anticipate a decline.
- **Investment:** 61 percent have no plans to invest in the United Kingdom in 2026; over the next five years, the figure is 49 percent.
- **Growth sectors:** Digitalisation, defence and the energy transition continue to gain momentum.

Berlin/London, 15 October 2026 – Ten years after the Brexit referendum, businesses are looking to the upcoming review of the EU-UK Trade and Cooperation Agreement (TCA) as an opportunity to remove barriers and improve cross-border trade. The review is seen as an opportunity to deliver tangible improvements in cross-border business, according to the new **German-British Business Outlook 2026** from KPMG in Germany and the British Chamber of Commerce in Germany (BCCG).

During the review of the agreement 53 percent of companies prioritize the mobility of business travellers and employees – including secondments, work permits and visas. 49 percent are calling for more efficient customs and border procedures. Other key priorities include the mutual recognition of product standards (32 percent) and better market access for services (31 percent).

“To unlock the full potential of the German-UK business relations, the review of the TCA must be treated as a priority. Existing trade barriers need to be removed and practical measures introduced to facilitate trade. Only then will the investment volume increase and growth opportunities be fully realised,” says **Andreas Glunz**, Managing Partner International Business at KPMG in Germany.

Overall, 71 percent of the companies surveyed would like to see the UK government improve trade relations with the EU. That is eleven percentage points more than in the previous year. 47 percent are calling for a reduction in trade barriers, while 32 percent want a simplified regulatory framework.

Businesses are also calling on the German government to take a more active role. 73 percent would like to see less bureaucracy in trade between the two countries, while 62 percent want strong support from Germany for a new trade agreement between the UK and the EU. 49 percent are in favor of closer bilateral cooperation at both the political and economic levels.

“Now is the time to turn closer ties into growth. Businesses need concrete action: simpler border procedures and predictable visa arrangements that work in practice. Only when political rapprochement translates into tangible business benefits will entrepreneurial optimism translate into sustainable growth,” says **Michael Schmidt**, President of the British Chamber of Commerce in Germany.

Business growth expectations remain strong despite reduced trade volumes

Calls for further improvements to the framework conditions reflect the mixed picture of German-British economic relations: while many companies are expecting positive growth in their business, the volume of trade remains well below pre-Brexit levels.

48 percent of companies reported higher revenues in 2025 than in the previous year, while 42 percent increased profits after taxes. For both only 11 percent recorded a decline. For 2026, 62 per cent anticipate an increase in revenue. Over a five-year period, as many as 81 percent expect their revenues to rise.

By contrast, trade volumes fell from 39.1 million tons in 2015 to 24.2 million tons in 2025, representing a decline of almost 40 percent. In terms of value, however, bilateral trade declined by just 9 billion euros (-7 percent) to 118.4 billion euros over the same period. Inflation and exceptionally high gold exports have partly masked the downward trend in physical trade.

Willingness to invest remains subdued

Despite the positive business outlook, investment intentions remain cautious. 61 percent of companies do not plan to invest in the United Kingdom this year (2025: 41 percent). Even over a five-year horizon, half of the companies (49 percent) do not plan to invest, and only 26 percent intend to invest more than five million euros.

35 percent cite political uncertainties in the UK as the main barrier to investment. This is likely to reflect the political developments of recent years: there have been seven prime ministers in the United Kingdom since the Brexit referendum. This is followed by customs procedures and trade frictions with the EU (30 percent) and weak demand prospects (25 percent).

Businesses identify significant opportunities for future collaboration

54 percent regard the growth prospects of the UK market as a key business opportunity. 44 percent cite transformative industries and new business areas. Companies see the greatest growth opportunities in digitalisation (57 percent), defence and security (50 percent) and the energy transition (43 percent). Collaborations with start-ups and in third markets are also gaining in importance.

"Ten years after the Brexit referendum, a growing number of UK businesses acknowledge that Brexit has increased trade frictions, raised operating costs and reduced growth opportunities. This is reflected in rising calls from the business community for closer economic cooperation with the European Union, particularly in strategic areas such as digitalization, defence and security, and energy transition," **says Andreas Glunz.**

Businesses believe in political rapprochement – but are more sceptical than last year

75 percent of the companies surveyed expect a rapprochement between the UK and the EU; 29 percent even expect a significant rapprochement. Last year, the figures stood at 85 percent and 40 percent respectively.

85 percent state that the UK's return to the EU would have a positive impact on their investment decisions. 58 percent even expect a strongly positive effect.

"Only when political rapprochement delivers tangible business benefits will entrepreneurial optimism translate into sustainable growth," summarises **Michael Schmidt**.

About the German British Business Outlook 2026:

KPMG in Germany and the British Chamber of Commerce in Germany (BCCG) surveyed German subsidiaries based in the United Kingdom and British subsidiaries based in Germany for this year's survey. A total of 103 companies took part. The survey took place between 11 June and 27 August 2026. 72 percent of the companies surveyed are headquartered in Germany, while 28 percent are based in the United Kingdom.

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