Business Brexit Survey

Hoping for the best, preparing for the worst

LONDON FIRST

Survey based on 869 senior decision makers from UK businesses, turnover of ≥£1 million. Fieldwork: 23.October – 7 November 2018 by YouGov Plc

Most businesses are not prepared for a no-deal outcome

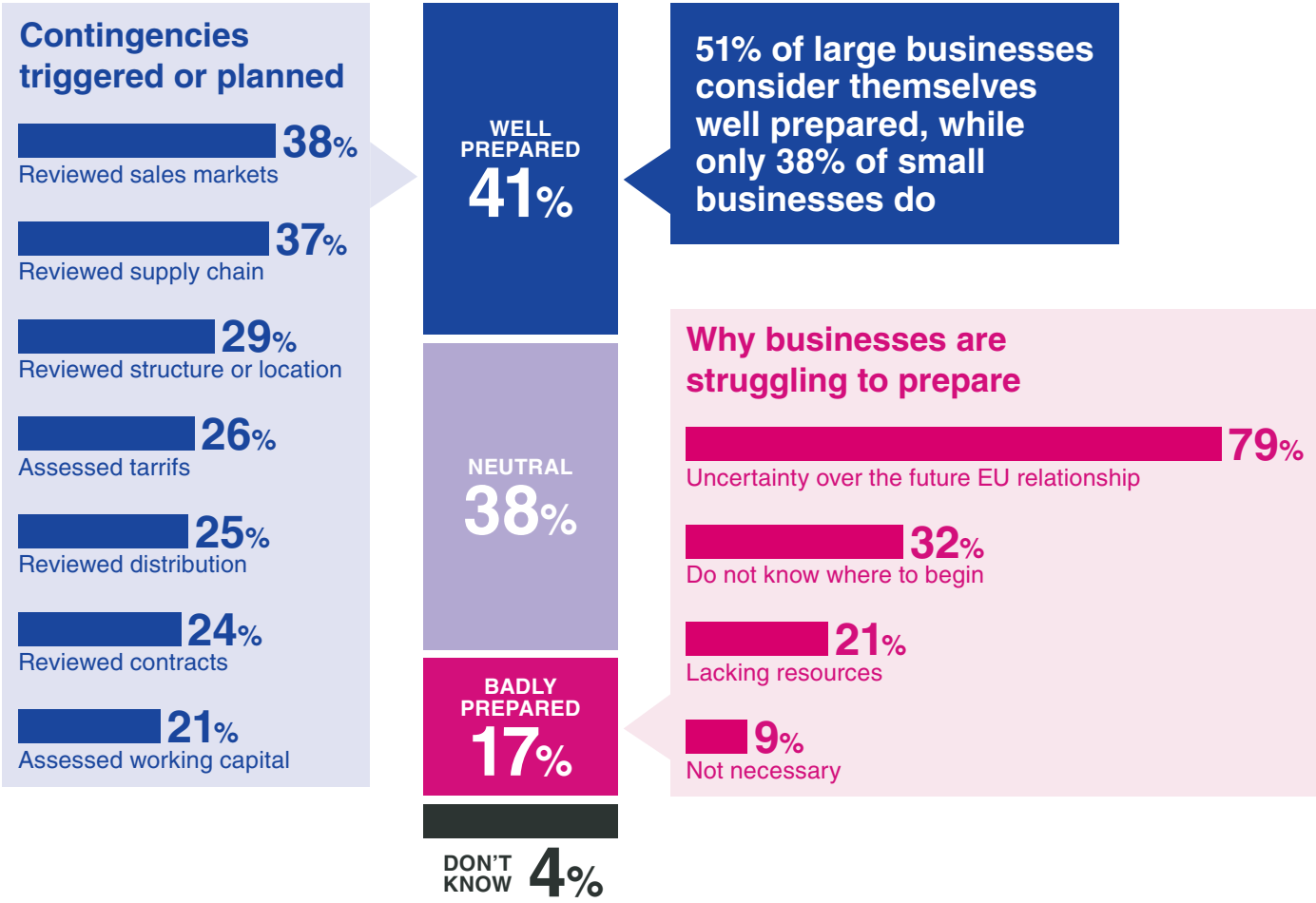
Less than half (41%) of businesses think that they are well prepared, with 17% saying they are badly prepared

There is a significant difference between big and small firms: 51% of large businesses consider themselves well prepared, while only 38% of small businesses do.

79% of businesses that report being unprepared say that uncertainty about the final outcome is holding them back from making plans.

Firms reported changes to their customer base (38%) and supply chains (37%), with 29% saying they have considered restructuring or relocating from the UK.

How businesses rate their Brexit preparedness

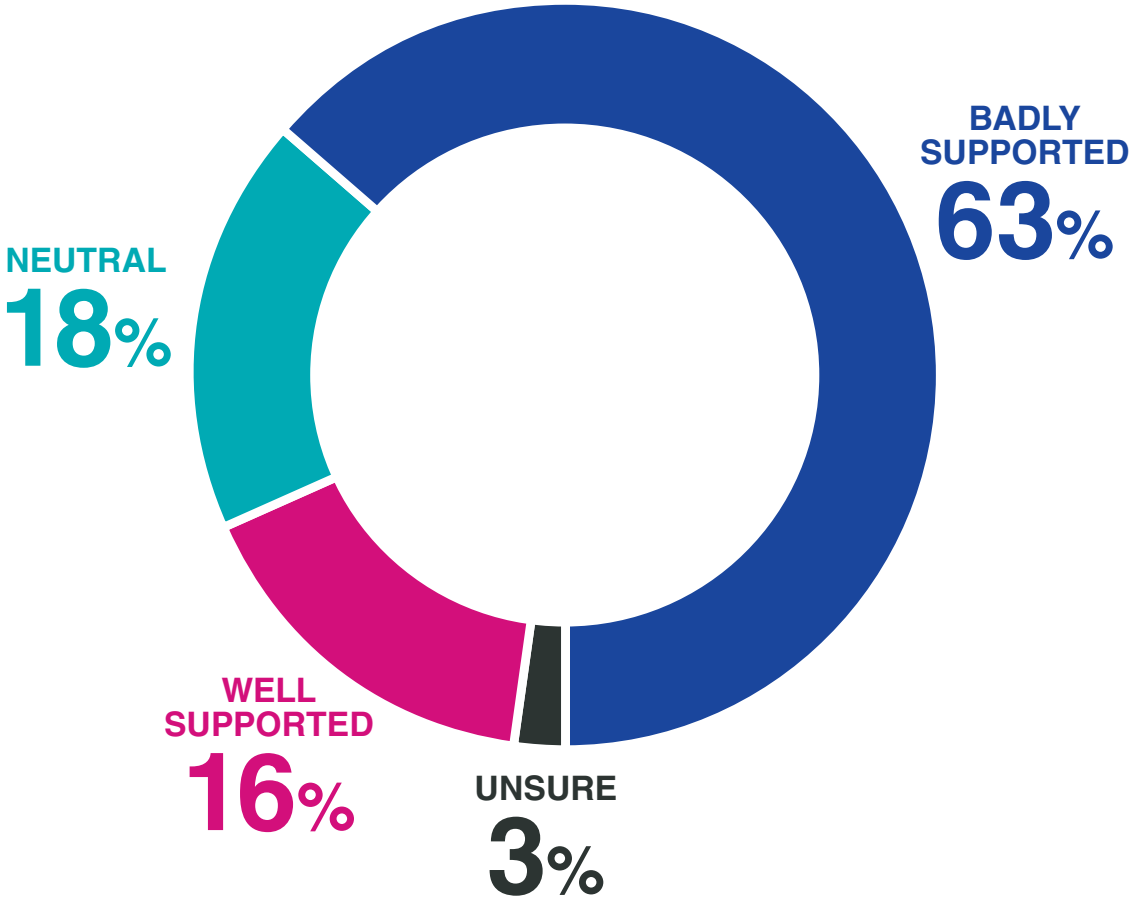


Planning for Brexit

The majority of business (63%) are unhappy with how Government is preparing for Brexit

For small businesses the number increases to 68% of businesses that say guidance from Government is not sufficient for them to properly prepare. Only 10% of small businesses feel well supported in their Brexit preparations.

How do businesses feel Government has supported them with Brexit preparations?



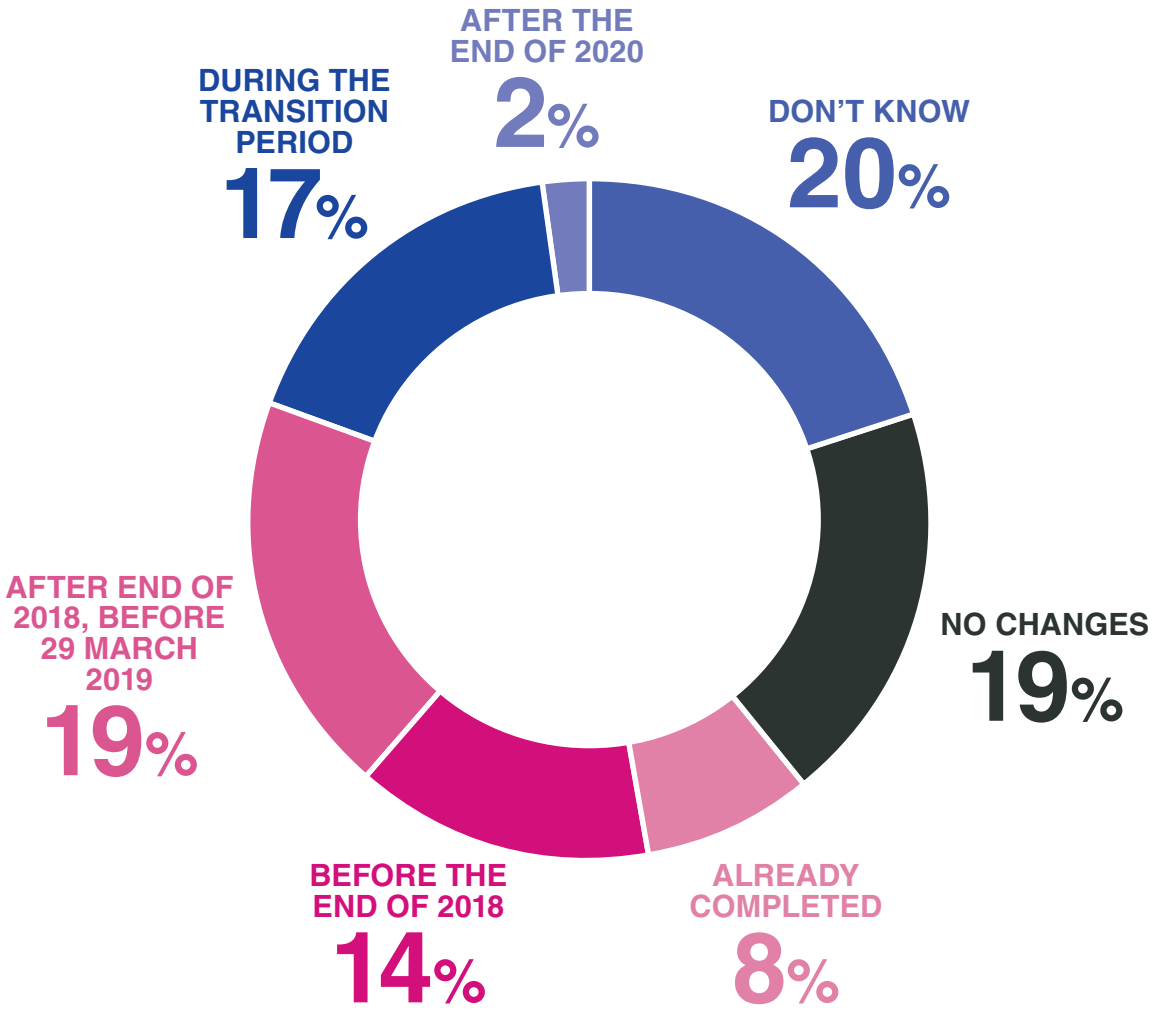
Contingency planning

41% have already implemented, or intend to implement their contingency plans by 29 March 2019

39% of businesses are waiting for more clarity and plan to start making changes during or after the transition period in 2020/22. These businesses would be hit hardest by a no deal scenario, where the UK leaves the EU without a transition phase.

1 in 5 businesses do not yet know how to change and are also in a waiting position.

When businesses expect to implement contingency plans



Uncertainty is slowing growth

Uncertainty is having a negative impact on business activity

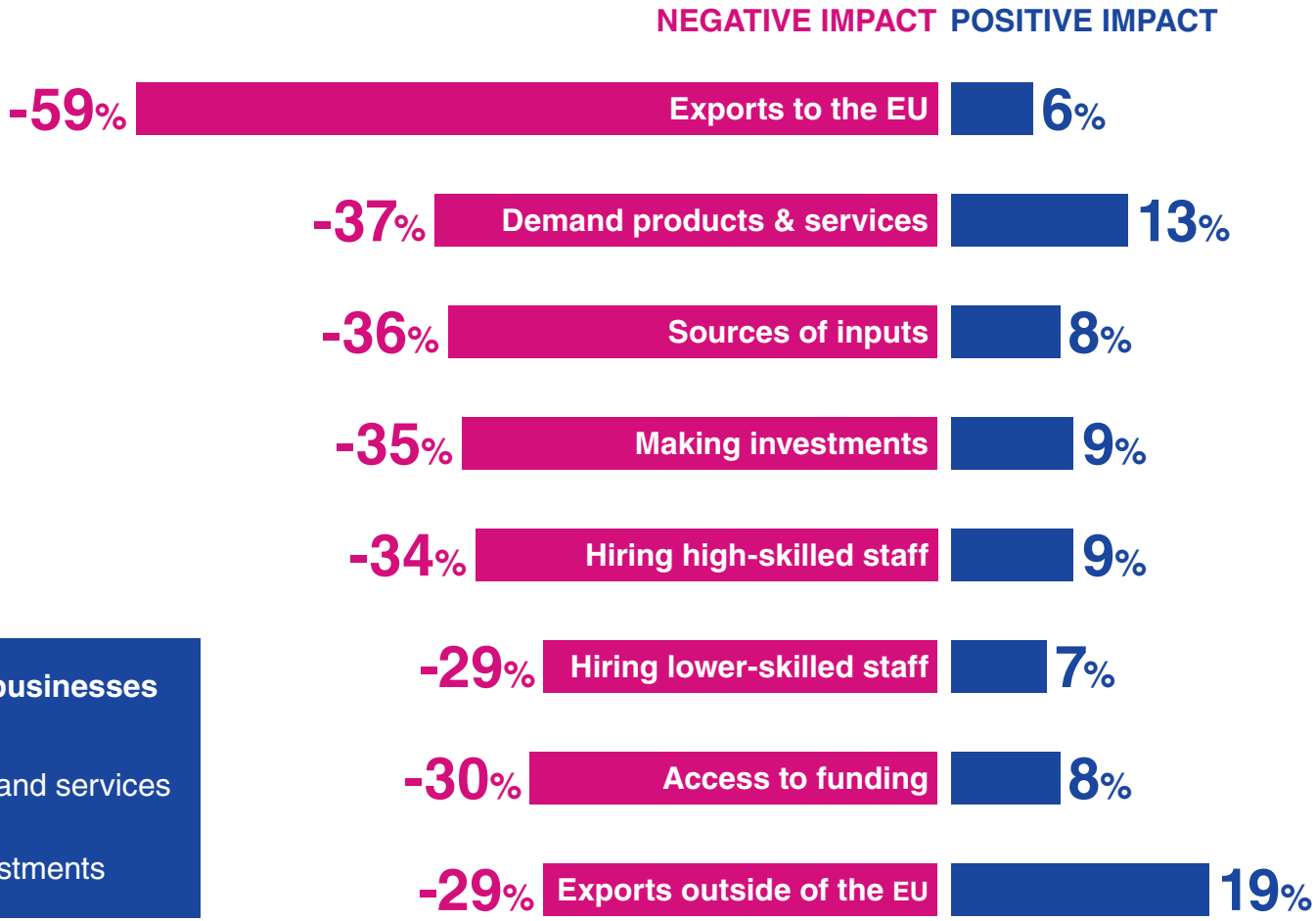
Decisions on investment, employment and exports are expected to be especially negatively affected.

Business is concerned that Brexit will have an adverse effect on exports to the EU (59%), sourcing supplies and materials (36%), demand for products and services (37%), investment decisions (35%) and hiring staff (34% high-skilled and 29% low-skilled staff).

The situation is even more pronounced for businesses trading internationally.

- 43% fear a negative impact on their products and services
- 42% expect difficulties hiring high-skilled staff
- 41% expect a negative impact on making investments

Expected impact of Brexit on business activities



What does good look like?

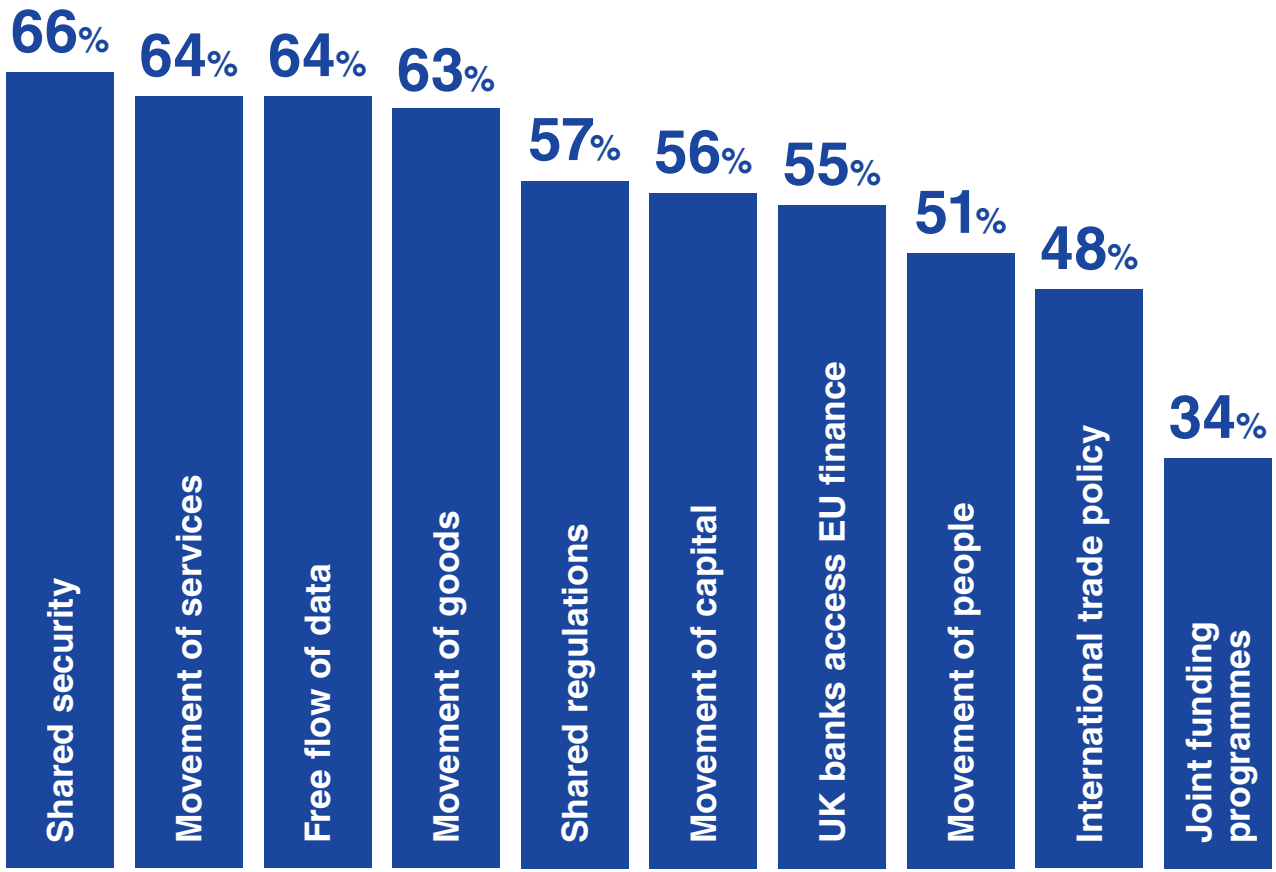
THE FUTURE TRADE DEAL

After the end of the transition period business wants a comprehensive and robust trading relationship between the UK and the EU

The aspirations of business for the future framework strongly reflects the current features of our trading relationship with the EU.

In total, 66% of businesses want to see close cooperation on security. 64% would like to see the continuation of the free flow of services and data between the UK and the EU, and continuation of free movement of goods (63%). More than half (57%) want a common regulatory framework between the EU and the UK. The free flow of capital and access to EU financial services were also important to most (55%) businesses. Half of all businesses (51%), think free movement of people is important.

Which features of a future EU-UK trade deal do businesses value?

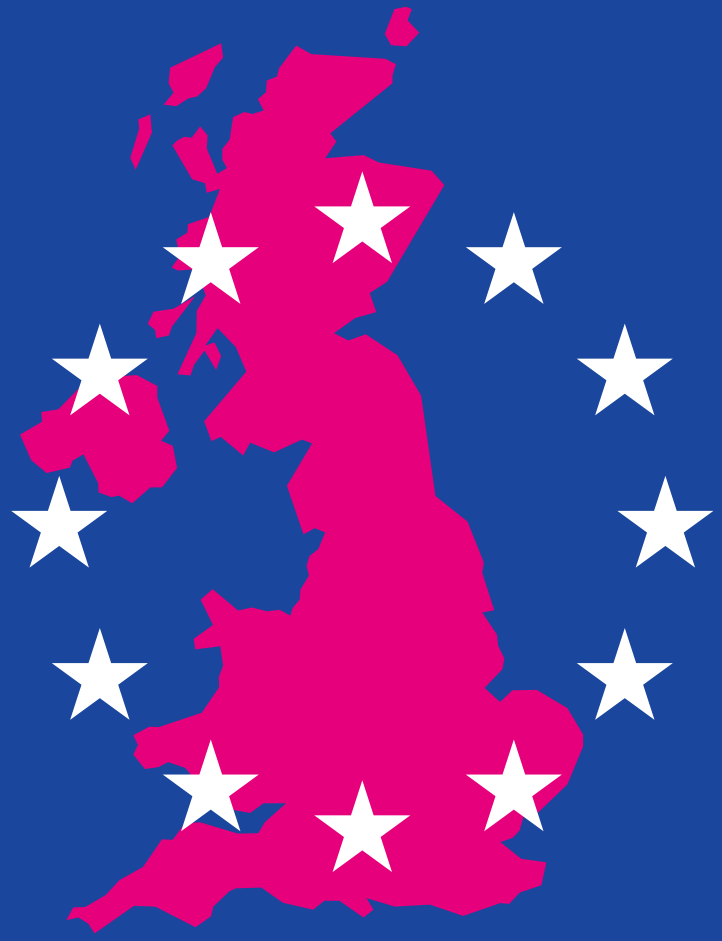


London First is a business campaigning group with a mission to make London the best city in the world to do business.

We've galvanised the business community to bring pragmatic solutions to London's challenges over the years.

We have been instrumental in establishing the **Mayor of London**, pioneered **Teach First**, driven the campaign for **Crossrail** and, most recently, lobbied for government action on airport capacity, leading to the approval of a new **Heathrow** runway.

Now, we are working on solutions to what our business leaders see as the top priorities for our capital: people, homes and transport.



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