

# GC Collective Brexit seminar: summary of comments by Chambers of Commerce representatives from the UK, US and Germany

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On 9 May 2018, the GC Collective hosted a Brexit seminar that brought together representatives from the UK, the USA as well as Germany.

Speakers included:

- Dr Adam Marshall (Director General of the UK Chambers of Commerce);
- Susan Danger (CEO of the US Chamber of Commerce to the EU), and
- Prof Dr Wernicke (Chief Legal Officer, Association of German Chambers of Commerce and Industry, DIHK)

The event was chaired by Natalie Sarkic-Todd, Senior Director at Euractiv, Europe's largest independent EU policies media network.

Speaking with one voice, the panel members stressed that it is the practicalities of business and trade that matter most to all firms, regardless of size, sector, and view; and that the next six months must deliver clarity and certainty for businesses in the form of answers to their many practical questions.

## The UK business perspective

Adam Marshall pointed out that UK business is not monolithic - either in its views on Brexit or on the actions undertaken since the referendum vote. He also took the view that there has been too much focus on the 35,000-foot institutional framework - and not enough on the 'helicopter-level' issues facing firms.

There may be longer-term opportunities for change. However, most businesses would fear short-term change/upheaval more than compliance with what they've already adjusted to.

Commenting on the advantages and disadvantages of a customs union with the EU, he said that there, again, were no uniform views amongst UK businesses - those in highly-integrated supply chains see it as essential; whereas others worry about future competitive disadvantages.

According to Mr Marshall, there was no significant appetite amongst businesses for a 'no deal' outcome. However, there was increasing concern that a Hard Brexit could happen - without clarity on the potential consequences.

## The US business perspective

Speaking for US companies doing business in Europe, Susan Danger pointed out that US companies have benefited for decades from the ability to seamlessly move goods, services, capital and people across EU borders and under a common set of regulations, often using the UK as a launch pad.

For a relationship that benefits both sides and both society as well as business, US business would be putting forward five key recommendations:

1. **A clear roadmap for Brexit:** A final deal is key to avoiding a damaging 'no-deal' scenario. It should include a clear framework for the future relationship, using business input.
2. **Growth and stability:** Emotion continues to dominate the debate on both sides, harming prospects for the best possible deal. A flexible, neutral approach is essential to solving some of Brexit's most intractable issues.
3. **Transition:** A transition period between the EU and the UK should last as long as is necessary for both parties to agree on a deep and long-term partnership. Businesses must also be given appropriate time to adapt to new requirements to maintain continuity.
4. **Market access:** The EU and the UK should retain as far as possible common regulatory systems and the free flow of goods, services, people and capital across the Channel in the future. Maintaining the current level of market access with third countries is also crucial.
5. **Skills and talent:** The ability for companies to employ and use the right skills is critical to their success. The continued

availability of skills and talent for companies will be critical to investment and growth.

## The German business perspective

Stephan Wernicke presented a recent survey undertaken by the DIHK among German companies, revealing priorities for the Brexit-negotiations from a German business perspective.

According to this survey, German companies saw great danger in any future customs bureaucracy, including the 'immense' cost attached to this process. The same survey proved a growing tendency to shift investments from the UK to other countries in Europe.

Mr Wernicke emphasised how important the UK was for Germany, not only as its 5th most important trading partner, but also from a political point of view. He recalled his time as a Member of Cabinet of the then EU Commissioner for Enterprise and Industry, Mr Verheugen. In this context, he mentioned how important the UK has always been as Germany's ally in the EU Council. However, protection of the internal market would always have priority.

Many people in Germany would still believe or hope that the UK changes its mind about its membership in the EU.

Echoing the other speakers, Mr Wernicke confirmed that legal insecurity among German business was immense. This was in stark contrast to the urgent need to tackle the consequences of Brexit in everyday business (EU political decisions, regulation, contracts and choice of law, etc.) as soon as possible. The implications of competing legal systems would also have to be treated extremely carefully, so that Europe as a business forum suffers no harm.

The audience was asked to cast a vote on questions such as the opportunities and risks of Brexit before and after the discussion. [You can see the results here.](#)

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