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For Immediate Publication

Survey Reveals European Business Confident of Soft Brexit

Are Business Leaders Overly Complacent in Preparing for Brexit as trade negotiations begin?

Top highlights:

1. 75% of firms expect clarity on the UK/EU relationship by June 2018 at which point '*irreversible changes*' will be made to their business planning.
2. Optimism prevails with 66% of businesses anticipating an increase in turnover – only 12% expect a decrease. 64% of all firms expect to see some increase in employees following Brexit. Only 10% anticipate a decrease.
3. 65% of all businesses believe UK will retain tariff free access for goods, 59% that free movement will remain and 52% that ECJ jurisdiction will continue.
4. Bigger margins exist over financial passporting rights with 71% of UK financial services firms believing they will be retained compared with 59% in Germany, 56% in Spain and only 51% in France.
5. 85% of UK firms have established Brexit response structures, with 84% in Spain, 82% in France and 80% in Germany. However only 40% are focused on dealing with supply chain issues and just 24% are planning to influence policy makers.

London, Feb 12, 2018 — Despite continued political uncertainty about Brexit, the majority of businesses from the United Kingdom, France, Germany and Spain are prepared for the UK's departure and are confident of an upturn in turnover, employment and customers.

These findings are published today by [FTI Consulting](#), the international business advisory firm, in a new survey of over 2,500 senior decision makers undertaken by its Brexit taskforce.

Confidence remains robust with business expecting the UK to retain tariff free access for goods, free movement of people and ECJ jurisdiction. Greater uncertainty exists over whether the UK will retain financial passporting rights. However the next few months will be critical. Business expect clarity by the summer to be able to make key commercial and investment decisions as they plan for the future.

The survey, which points to an expectation of a 'soft Brexit', covers what business think will happen in the negotiations, the expected impact and how they are preparing themselves for the outcome. Eight out of ten respondents said their company had established a dedicated Brexit team to manage the consequences and identify the opportunities.

[John Maloney](#), Head of FTI Consulting's Brexit taskforce said: *'We see fluctuations between countries and sectors but on the whole this is a surprisingly upbeat response. This creates a paradox: business remain confident of a good outcome despite the level of uncertainty. It's surprising since trade negotiations have yet to start and we have no confirmation as to what the transition will look like. Given the low level of outreach to policymakers who will represent businesses' interests in a challenging series of negotiations, is this confidence misplaced?'*

While the survey shows that 68% of firms feel prepared for Brexit, with 85% of respondents either 'very satisfied' or 'slightly satisfied' regarding their Brexit response to date, only 40% said they were dealing with supply chain issues. Surprisingly only 24% were focused on engagement with policymakers. This suggests that far too few are preparing sufficiently in a process that could become quite bruising as both sides seek a robust and comprehensive trade deal.

[Hans Hack](#), FTI Consulting Brexit taskforce member and former Dutch diplomat said: *'The results hint at a misreading of the political reality. Certainty remains in short supply, with little prospect of companies getting comfort on the future trade agreement any time soon. The British Government has clearly stated that nothing is agreed until everything is agreed, and the EU has clearly stated it will not let the UK cherry pick a trade deal. There will be some winners and some losers, assuming we even come to a deal. This could hit some sectors quite hard.'*

Other highlights:

1. Majority of European business believe Brexit will happen. French leads certainty with 72%, followed by UK (68%), Germany (66%) and Spain (65%).
2. 74% of UK business expressed concerns about Brexit's potential impact compared to an average of 61% for German, French and Spanish firms.
3. In terms of sectors, financial services expressed the most concern about Brexit's potential impact at 70% of respondents, against 65% for both manufacturing and professional services.
4. 68% of all firms feel prepared for Brexit. However there is significant discrepancy in understanding the potential impact: French firms display the most confidence with 90% satisfied they understand the regulatory issues. German business believe they understand the implications least well.

Notes to Editors:

Research was conducted online from 4th to 19th December 2017 and included responses from 2,568 senior decision makers in large corporates in the UK (642), Germany (632), France (646) and Spain (648). For more information on the research methodology, please contact dan.healy@fticonsulting.com

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. With more than 4,600 employees located in 28 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities. The Company generated \$1.81 billion in revenues during fiscal year 2016. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

FTI Consulting's Brexit taskforce helps companies keep track at each step of this evolving process, to understand how it could impact core business activities and help secure the trading, regulatory and operating environment.