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BREXIT: HOW IT AFFECTS UK BUSINESS

It seems to be a never ending story: Brexit. Almost three years ago the UK citizens voted to leave the European Union. The deadline for the exit is 29 March of this year. The main question right now is whether the UK will leave the EU with or without a deal? As a result of that it is not clear what would be the outcome of the Brexit and how this affects UK business.

Effects

One thing is for sure, the UK will leave the EU. As a result of that, the UK will be considered as a so-called 'third country'. If there will be no deal, there will be a lot of consequences for UK businesses.

UK firms may not be able to transport goods between European countries as this requires a 'Community Licence'. Community licences issued by the UK may not be accepted by the EU after 29 March. The impact is immense for UK businesses which rely on road transport for their supply chain.

Further, a Brexit without a trade agreement will re-introduce trade tariffs, which will result in higher export prices. The same goes for prices of import into the UK, which would lead to inflation and lower the standard of living for UK residents. Not being part of the EU, UK companies could lose the ability to bid on public EU contracts.

The above are just a few examples that a hard Brexit would have a huge impact on UK firms. The impact can be mitigated or circumvented by becoming permanently established in the EU.

The Netherlands – Gateway to Europe

For decades, The Netherlands has been considered the Gateway to Europe for foreign investors to operate in the EU. Being part of the EU, the advantageous of the EU membership are within reach. The fact that The Netherlands

have concluded 127 Tax Treaties to prevent double taxation, gives you the opportunity to expand your business even globally.

Next to that The Netherlands provide access to Europe through its excellent infrastructure (road, train and boat), the presence of Schiphol Airport (Europe's #3) and the Port of Rotterdam (Europe's #1). Because of the strategic location of The Netherlands in Europe you have access to 95 percent of Europe's most lucrative consumer markets within 24 hours of Amsterdam or Rotterdam.

The Netherlands has also a growing and active economy with highly innovative industries like Life Sciences and Health (proud new home of the European Medicine Authority), electronics, medical and agriculture. The World Economic Forum recently ranked The Netherlands as the 6th most competitive economy of the world. According to the Global Innovation Index 2018 The Netherlands is the second most innovative country in the world. Residing in The Netherlands provides you also access to highly qualified and skilled English speaking personnel.

These reasons added up means that The Netherlands is an excellent place for business.

If you would like to know more?

Are you considering to establish your company to the EU and are The Netherlands an option? Please contact your trusted RSM advisor.