



# Brexit Briefing

December 2019

Welcome to our update on the latest Brexit developments and their potential impact on the careers guidance community from Euroguidance UK.

## Recent Developments

After the UK general election on 12<sup>th</sup> December, [the Conservative Party now holds a clear majority with 365 seats](#) (comfortably above the 326 seat threshold) which is 47 seats more than the previous election. With Boris Johnson's promise to 'get Brexit done' by the end of January, the next few weeks of negotiations will be important in determining the type of Brexit we get, as well as our long term relationship with the EU.

As a Brexit deal (or no-deal) is dependent on our new government's actions, Brexit discussions have until recently been related to more general policies, necessary regardless of the outcome of the election. At the forefront of these talks has been [cyber security: collaboration between the UK and EU will be crucial post-Brexit](#) to ensure that Europe can compete with current tech world leaders, the US and China, and that threats can be responded to quickly to ensure protection of both European and UK security and future trade deals.

## Impact on the Economy and Labour Market

With the Conservative electoral victory and consequently, a more likely departure from the EU on 31<sup>st</sup> January, [the value of the pound has soared, reaching its highest rate against the euro in 3.5 years and against the US dollar in 1.5 years.](#)

The realities of doing [business in a post-Brexit UK will be different due to a series of new requirements](#) the pre-election government put in place. Some of the main requirements are: UK agencies will need to take on the supervisory functions and responsibilities of European bodies for factories; UK manufacturers and services will require EU legal representation and similarly, EU organisations will require UK legal representation if they want to continue EU-UK business; however, EU-based banks, insurers and asset managers will be granted a three-year grace period before such legal representation is required.

If no-deal is reached, this form of [Brexit could cost the UK car industry £40 billion through a 1.5 million decrease in the amount of cars built here over the next five years](#), as well as tariff increases which would put thousands of jobs at risk. This is the result of firms moving vehicle production to other countries: [Tesla has cited Brexit uncertainty as the reason for choosing Germany](#) as the location for its new European motor production plant and Nissan has also stated that it would [consider moving its SUV production outside of the UK](#).

In the agricultural sector, [Brexit may weaken rules on antibiotic use in farming which could be a threat to human health](#). Once we leave the EU, we are free to diverge from their strict standards on antibiotic use in farming, increasing the risk of antibiotic resistance and therefore, posing a risk to health. Deviation has already been seen in the government's non-commitment to EU rules due to be

enforced in 2022. Furthermore, pressure from potential new trading partners may also force the UK to lower its current farming standards.

## Impact on Careers Guidance

Last month, British Steel announced [a rescue deal with Chinese company Jingye Group, which has the possibility of saving up to 4,000 direct jobs and 20,000 positions within the supply chain](#). The UK is committed to ensure that this deal works, with [some businesses even pledging to only use British Steel as their primary supplier](#).

With [UK manufacturing having experienced contraction for seven consecutive months, employment rates have been falling and job losses are at their fastest rate in seven years](#). This is due to a decrease in new orders, caused by Brexit uncertainty. This has left thousands of manufacturing staff out of work. However, manufacturing has also been declining more generally across Europe, albeit at a slower rate than in the UK.

In contrasting economic news, [Wetherspoons has recently announced that they plan to expand their business, creating 10,000 new jobs](#) across the UK over the next four years. They plan to invest over £200 million in opening new pubs and hotels, as well as expand their network of existing locations.

## Impact on Education

Studies show that 60% of Universities UK members have lost staff to overseas institutions and 55% have seen an impact on academic collaboration with other countries. Coupled with increasing numbers of EU academics departing from the UK over the past three years due to Brexit uncertainty, and a decreased demand in university applications from EU students, [the UK is now worried that it will lose out on academic talent](#).

There are also concerns that [vocational education in the UK will continue to be underfunded](#) and therefore, unable to be as successful as anticipated. Consequently, calls for the government to place greater importance on education funding have increased. This has also resulted in [worries about the ability to effectively and sufficiently deliver T-levels](#) (expected to be rolled out in September 2020) due to short timescales between specifications being published and course start dates, lack of student awareness and a lack of qualification recognition by universities.

There is good news for organisations currently involved in [EU-funded programmes \(such as Erasmus+, Horizon 2020 etc.\) as the HMG guarantee](#) will provide all UK funding in the event of a no-deal Brexit. This means that all registered projects funded by the EU will continue, and the Erasmus+ exchange programme for students has also been guaranteed until the end of 2020.

## December 2019 in 5 Brexit News Stories

- [Comedian 'pelted with bread' after making Brexit jokes at charity cricket lunch](#) (The Independent, 6<sup>th</sup> December)
- [What unites us: 10 reasons why we're not a divided nation](#) (BBC News, 9th December)
- [The Brexit stockpilers: 'I still have enough for three months'](#) (The Guardian, 11<sup>th</sup> December)
- [Brexit hits UK ski and holiday staff overseas](#) (Yahoo News, 11<sup>th</sup> December)
- [Brexit's Advance Opens a New Trade Era](#) (The New York Times, 14th December)