

BCC and DIHK: Joint UK-German call to put shared economic interests first in Brexit negotiations

The British Chambers of Commerce (BCC), and the Association of German Chambers of Commerce (DIHK) have called for UK and EU negotiators to put a clear focus on our shared economic interests as Brexit talks reconvene in Brussels.

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The leading German and UK business organisations are challenging political leaders to build an atmosphere of mutual trust and constructive dialogue, to deliver clarity and certainty for trading businesses across Europe.

With the third round of Brexit negotiations underway, a number of business-critical areas that form part of the withdrawal agreement are yet to be resolved, including the rights of EU workers in the UK and UK workers in the EU27. Additionally, there are hundreds of practical and technical issues, including customs arrangements and tax procedures, that need to be negotiated as part of the future EU-UK relationship during later stages of the negotiations. Businesses in both the UK and Germany want to see talks move on to these fundamental issues – and particularly customs concerns – as soon as possible.

There is great uncertainty in the business community all across Europe. A DIHK survey has found out that the business outlook of companies that are engaged in trade with the United Kingdom is worsening, due to the expectation of cost burdens from limits on free movement of workers, taxes, tariffs and increasing bureaucratic hurdles at Europe's new borders negatively affecting business on both sides.

Meanwhile, respondents to a recent British Chambers of Commerce survey have expressed their preference for a substantial transition period, with 68% saying they seek a transition period of at least three years. Both German and British businesses also want clarity at the start on the overall shape of the final destination settlement.

The United Kingdom is the third-largest market for German goods exports; in turn, Germany is the UK's second-largest goods and services exports destination. German companies maintain about 2,500 branch offices in the UK, which employ nearly 400,000 workers. British companies have 1,200 branch offices in Germany, which employ about 220,000 workers.

Dr Adam Marshall, Director General of the British Chambers of Commerce, said:

“As Brexit talks continue, it's clear that companies in the UK and on the Continent all want economic issues to rise to the top of the negotiations

agenda. There is real business appetite from both sides for a focus on practical, day-to-day business concerns, and a desire for clarity on future trading arrangements.

“The UK and the EU must begin work on transitional arrangements, particularly on customs, so that firms on both sides of the Channel have the confidence to make investment decisions.

“Chambers of Commerce in the UK and in Germany want to see thriving trade continue between our firms, both now and into the future. Politicians must do everything in their power to help this happen.”

Dr Martin Wansleben, Chief Executive Officer of the Association of German Chambers of Industry and Commerce (DIHK):

“Businesses are very concerned that Brexit will have a major negative impact. Not only it could lead to more trade barriers – additional bureaucracy, increased waiting time and stricter border controls resulting in higher costs. The terms of exit are still completely unclear. Many of our members are reporting that they are already shifting investments away from the UK in anticipation of these barriers.

“The first effects of the Brexit vote are already being observed: German exports to the United Kingdom were down by 3 percent in the first half of this year compared to the first half of last year, whilst exports to the EU increased with 6 percent in the same period.

“A transitional period would be helpful for business, but it is important to businesses on both sides that the contours of a future trading relationship are becoming clearer over the next months.”

ENDS

The **British Chambers of Commerce** (BCC) sits at the heart of a powerful network of 52 Accredited Chambers of Commerce across the UK, representing 75,000 businesses of all sizes and within all sectors, who employ 5 million people around the UK. Our Global Business Network connects exporters with nearly 40 markets around the world. For more information, visit: www.britishchambers.org.uk

The **Association of German Chambers of Industry and Commerce** (Deutscher Industrie- und Handelskammertag – DIHK) is the umbrella organisation of 79 Chambers in Germany (IHKs) and the worldwide network of 130 business representations abroad. All companies registered in Germany, with the exception of handicraft businesses, the liberal professions and farms, are required by law to join a Chamber. Thus, the DIHK speaks for more than 3.6 million enterprises: www.dihk.de

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