

Hard Brexit will devastate small businesses warns Green MEP



25 January 2017

South West Green MEP, Molly Scott Cato, who is Green Party economics and finance speaker, has warned that the hard Brexit being pursued by the Conservative government will prove disastrous for small businesses in the UK. Dr Scott Cato says that exiting the single market, leaving the customs union and ending free movement will all hit small businesses hard.

A new report by the Federation of Small Business (FSB) [1] paints a mixed picture of the potential impacts for small businesses of leaving the EU. However, the FSB recognises that 92% of small business exports go to the EU, but a third of small businesses surveyed for the report expect a decrease in their exports as a result of the UK leaving the EU. Around 1 in 5 of FSB members employ at least one or more non-UK EU citizens and the organisation acknowledges the importance of being able to continue accessing appropriately skilled workers for jobs that they create. Molly Scott Cato said:

"Small businesses are the bedrock of the local and regional economy. They account for more than 99% of all businesses in the UK and small and medium sized businesses (SMEs) between them employ almost 16 million people; 60% of the private sector workforce [2]. With such a huge percentage of their exports going into the EU single market, withdrawal from this market is clearly going to have a massive impact on thousands of UK workers.

"Many small firms are also heavily reliant on mid-skill and unskilled workers; the very people who will not be covered by agreements over employment quotas if we lose freedom of movement.

"Furthermore, the costs of meeting new bureaucratic requirements if we leave the customs union will make exports unviable at a small scale.

"So, the extreme form of Brexit that the government is pushing for will have hugely negative impacts on thousands of small businesses and millions of

workers. But this is not what we were told would happen as a result of leaving the EU. No one voted for a decline in our exports and loss of jobs. It is clear that the Tories can no longer claim to be the Party of business”.

Earlier today, Dr Scott Cato met with the EU and International chair of the FSB, Ken Moon, to discuss concerns his members have about the UK leaving the EU, the single market and the customs union.

[1]

<http://www.fsb.org.uk/docs/default-source/fsb-org-uk/fsb-brexit-interim-survey-exec-summary-jan-25-2017.pdf?sfvrsn=0>

[2] <http://www.fsb.org.uk/media-centre/small-business-statistics>

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