

Urgent proposal on the UK's withdrawal from the EU

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Keidanren (Japan Business Federation)
Japan Business Council in Europe (JBCE)

With the Brexit negotiations having commenced and to be accelerated going forward, we at Keidanren (Japan Business Federation) and the JBCE (Japan Business Council in Europe) have come together to urge the EU and the UK to put the economy first so that due attention be paid to the economic consequences of the negotiations and the adverse impact of the UK leaving the EU be limited to the least extent possible.

We firmly believe that it is in the interest of not only the two economies directly concerned, but also the global economy that the EU and the UK pursue mutually beneficial relations by maintaining as close economic relations as possible.

As we observe the present circumstances, we are concerned that a disorderly Brexit as the worst scenario cannot be ruled out, and would consequently lead to major disruptions in companies' supply chains developed across the Channel and regulatory diversion between the EU and the UK.

As the clock is ticking, the highest priority should be given to agreeing to the terms of transitional arrangements, which would maintain the economic benefits of the single market and the customs union and provide businesses with continuity and certainty until a final deal comes into force.

Reflecting the complexity of the issues involved in the future relations after a period of transition ends, both sides should show further flexibility in order to avoid the above-mentioned worst scenario. The UK in particular is encouraged to recalibrate its basic position so that the final deal should avoid damaging not only the economies on both sides of the Channel, but also the world economy as a whole.

We will continue to closely follow the negotiations and express our views collectively or individually on such as issues like customs procedures including rules of origin and regulatory equivalence.
