Consumer Countries/Markets

**EIU: Mapping The Impact Of Brexit**

The UK is the biggest South African wine export market and represents 25.5% in volume and 20.5% in value.

Leaving the EU would trigger a recession and set real GDP back by 6% by 2020. This is one of the key findings from a report by the Economist Intelligence Unit. The report, which explores a post-Brexit landscape and its impact on key industrial sectors, suggests that the impact on specific UK industries would vary by sector and would be largely negative—although some sectors will find themselves more insulated than others.

Other findings include:
- The uncertainty caused by a "Leave" vote would upset consumer and market sentiment, causing a 14-15% devaluation of the pound against the US dollar.
- Delayed investment and spending decisions would hit real GDP growth most in 2017.
- Weaker trade ties would exacerbate this decline from 2018 onwards, therefore, in real terms the UK economy would be 6%—or £106bn—worse off in 2020.
- Pharmaceutical exports, access to medicines and research grants could all be at risk. Any economic downturn would also affect NHS funding.
- London's financial sector could experience a "brain drain", as European nationals return home.

A related article - Drink up: Brexit could threaten the UK wine industry's export markets - appeared in the BI Daily 27 May 2016

Britain's place in the international wine industry supply chain could be drained out if the UK votes for Brexit, an industry body has warned.

Wine manufactured in the UK can currently travel as freely to Amsterdam as it can to Aberdeen and the UK plays a prominent role in the supply chain for international wine companies who often choose the UK to bottle, label, transport and sell their products across Europe.

The loss of access to the Single Market could mean the reintroduction of customs controls and trading barriers which could add additional costs to businesses operating here and make the UK a less attractive place to include in global supply chains.

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