Long-term economic considerations of Brexit

- Trading relationships – with EU and non-EU countries
- International investment – access to EU capital markets & international investment
- Population & Labour Market – future migration trends & regulation
- Fiscal Contributions – gross & net contributions
- Dynamic Effects - productivity, competition, innovation

On balance, most independent economists concluded that leaving the EU would – in the long-run – have a negative impact on output and jobs all else being equal.
Short-term economic considerations of Brexit

• Economic uncertainty – immediate reaction by businesses and households to uncertain times is usually to postpone major economic decisions

• Policy uncertainty – lack of clarity around ‘end-game’ for policy can fuel economic uncertainty

• Financial volatility – market reactions themselves can have an impact (e.g. risk premium on borrowing)

• Gradual adjustment to new relationship outside the EU – e.g. re-organizing business models etc

Overall, the short-run dynamics are more complex and uncertain