



WHERE KNOWLEDGE IS POWER

Economic Insights: Brexit

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28th January 2021



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Government response

General impact of Brexit

- The EU-UK trade deal was agreed on 24 December 2020 and came into effect on 1 January 2021.
- The deal is entirely tariff and quota free, saving billions on World Trade Organization trading terms.
- As the UK left the Customs Union and Single Market, non-tariff barriers have been erected
- Deal has been criticised for focus on trade in goods and lack of deal for services

Service sector

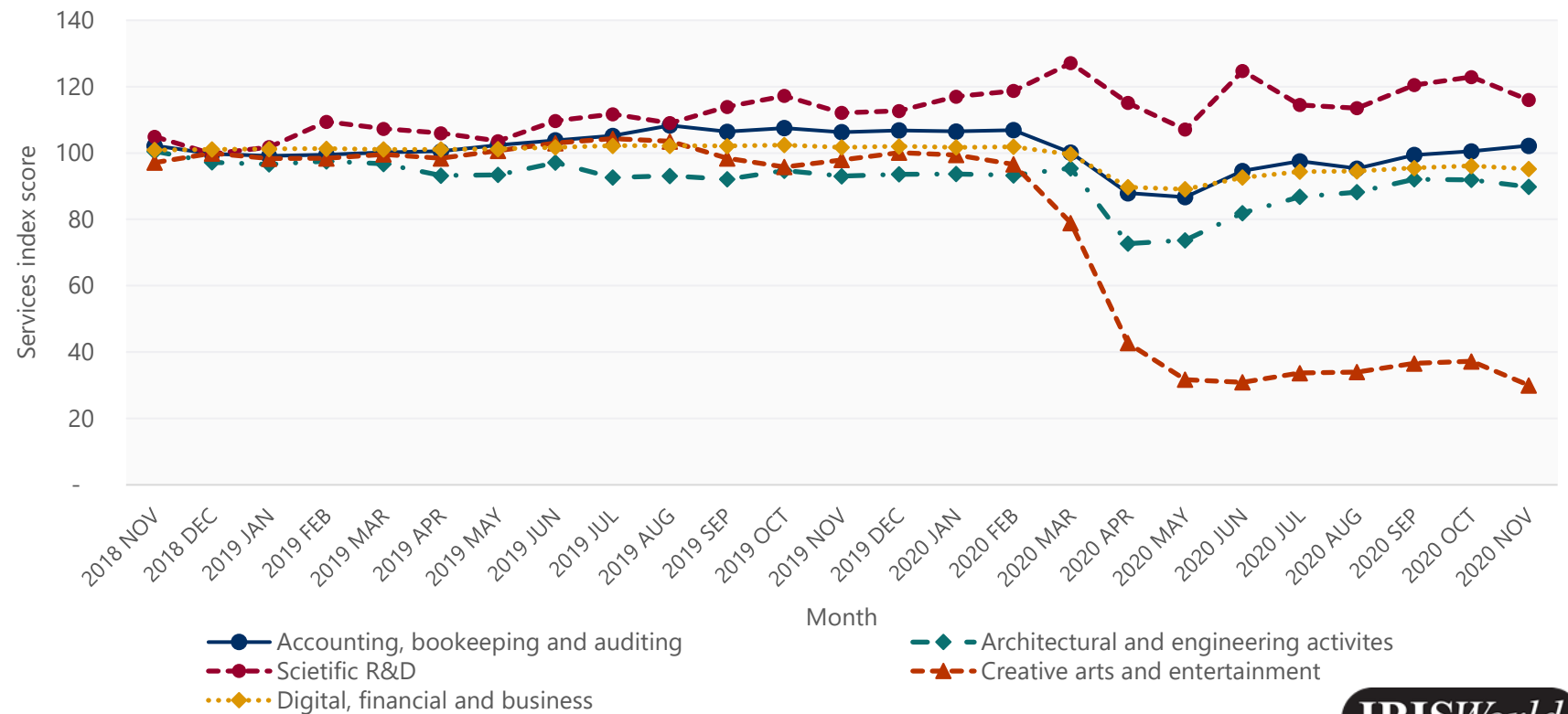
Services sector index

Key facts

- Scientific R&D has trended upwards throughout the pandemic proving its value on the international stage
- A continued recovery in financial services may rely on agreed equivalence between the EU and the UK
- The failure to determine an agreement for services will restrict the recovery of downtrodden arts and entertainment industries

Services index

The end of the UK transition period on the 31 December 2020 saw UK services approaching a new regulatory framework with



Office for National Statistics (ONS)

Labour market

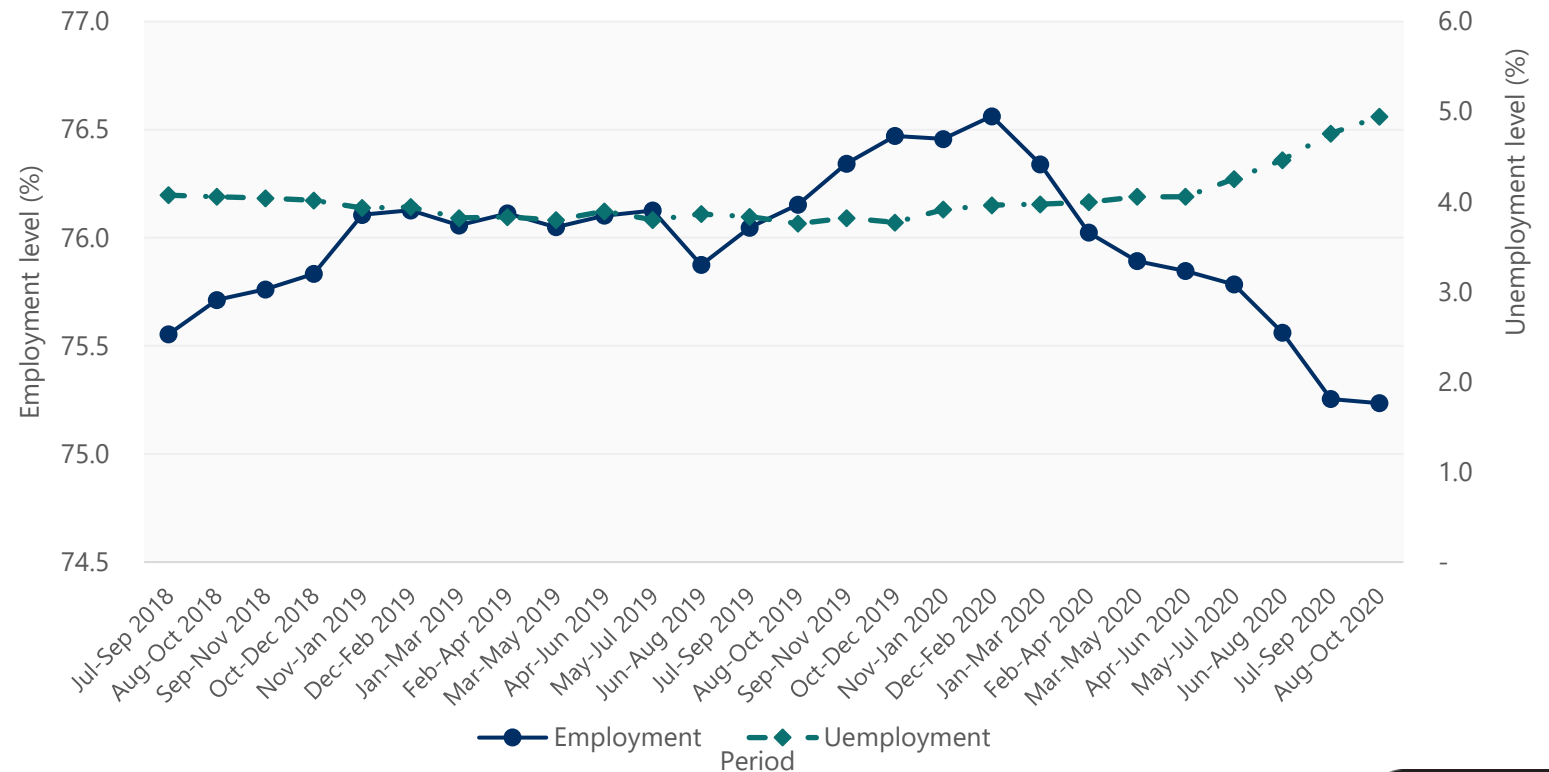
Labour market

Key facts

- ONS figures suggest labour market has weakened slightly over the past year
- Research shows exodus of 1.3 million foreign national in year through September 2020
- Sectors most affected include retail, manufacturing, hospitality, transport and construction
- New UK immigration regime could compound this shortage

Labour market breakdown

Employment and unemployment levels have broadly followed the impact of the COVID-19 outbreak



Source: Office for National Statistics

IBISWorld COVID-19 resources



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