

# Brexit

## Quelles conséquences pour notre économie ?

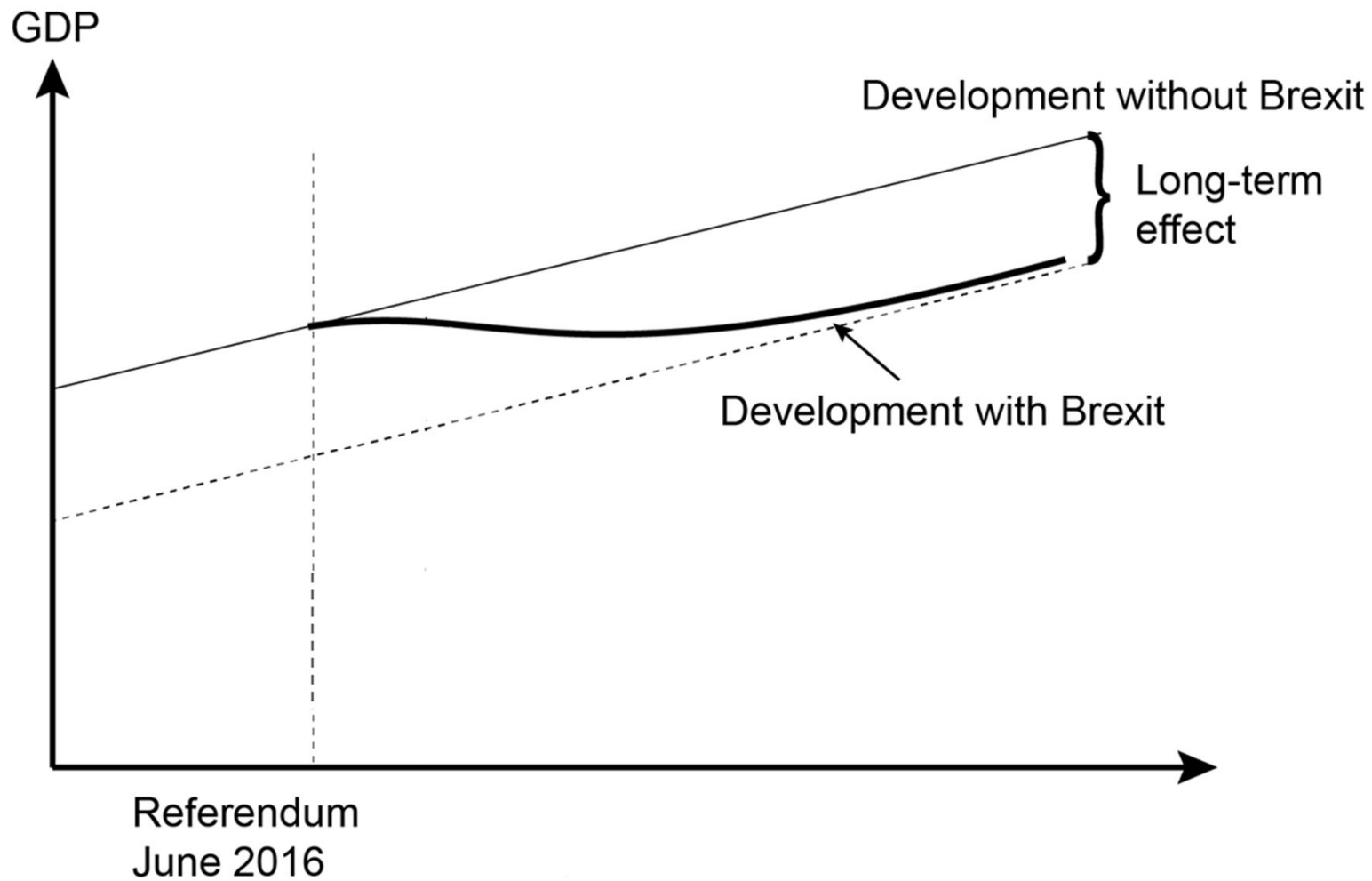
Forum financier, Louvain-la-Neuve

24 septembre 2019

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The opinions are those of the author and do not necessarily reflect the views of the Bank.

## What is the cost of Brexit?



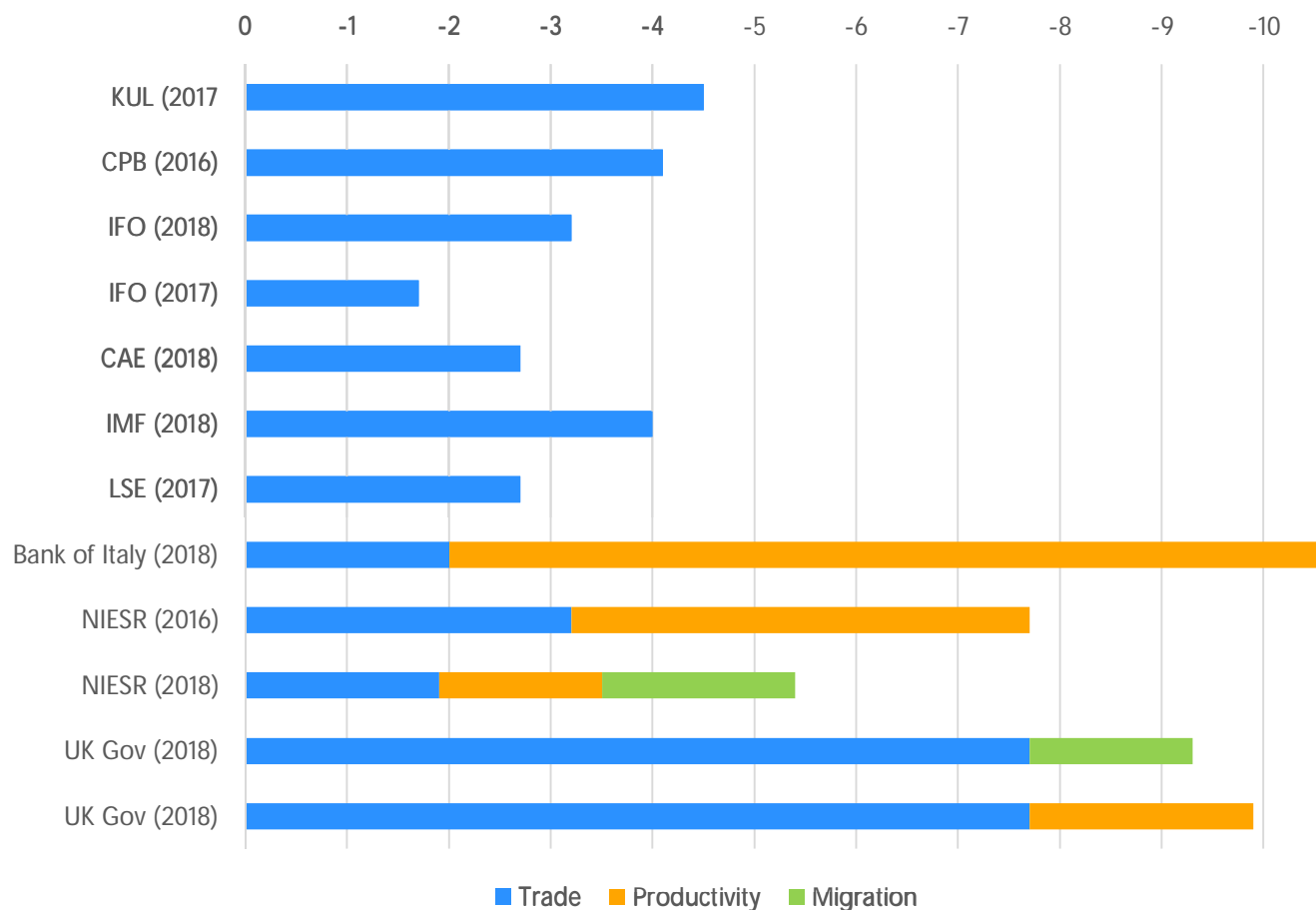
# Canaux de transmission d'un scénario OMC

## Pour les pays de l'UE 27

	Impact	+ OU =	-
	+ OU =		Budget UE Dérégulation UK
Pour UK	-	FDI Migration Productivité	Commerce

# Impact of a WTO scenario on UK GDP

(percentage point, deviation from an EU-like scenario)



Source: Bisciari P. (2019), A survey of the long-term impact of Brexit on the UK and on the EU27 economies, NBB, Working Paper 366.

## Trade-related impact of a WTO scenario

(percentage point of GDP/welfare deviation from an EU-like scenario)

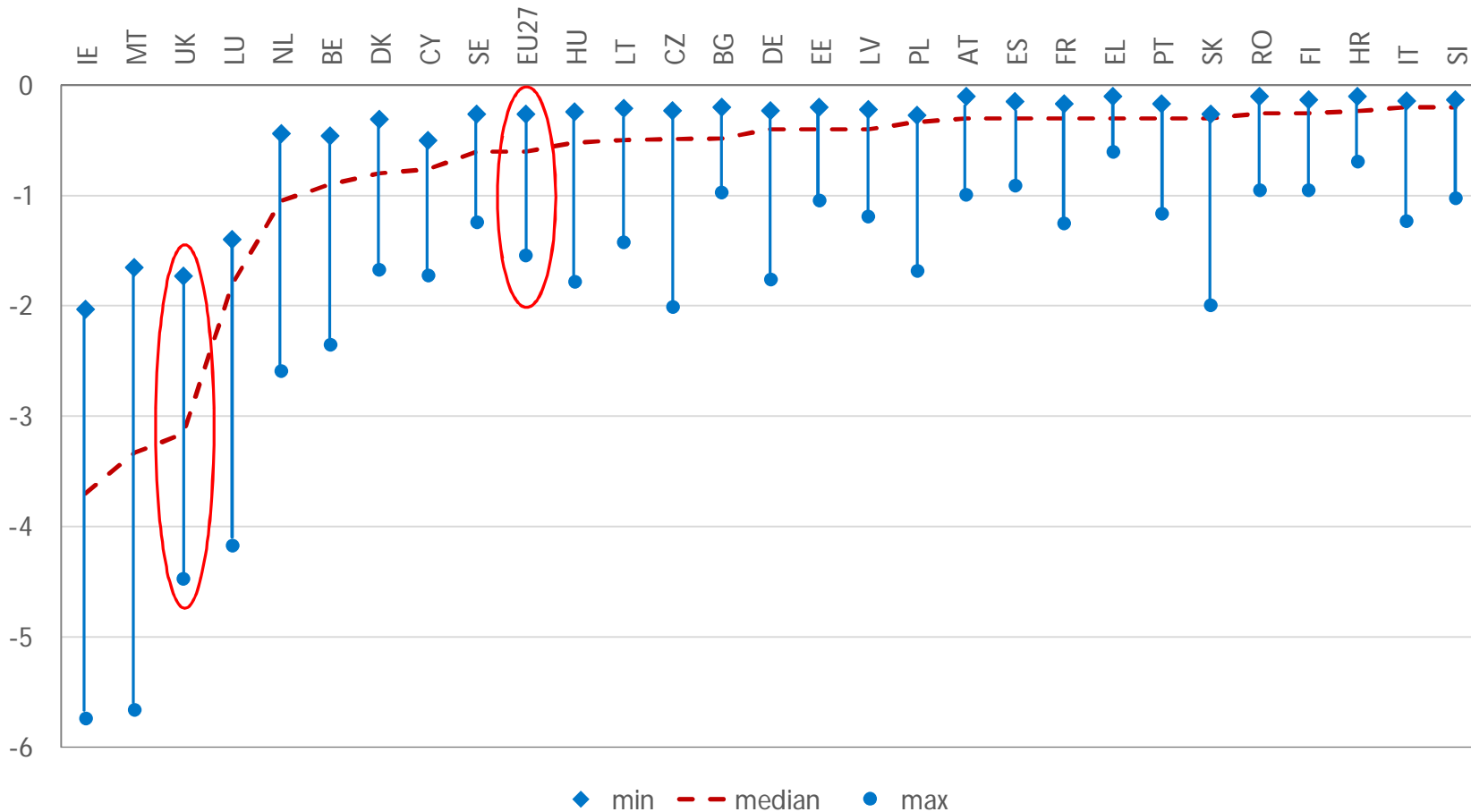
### GDP losses for

	UK	BE	EU27
IFO (2017, DE)	-1.7	-0.5	-0.3
LSE (2017, UK)	-2.7	-0.6	-0.3
CAE (2018, FR)	-2.7	-0.7	-0.8
IMF (2018)	-4.0	-0.9	-0.5
IFO (2018, DE)	-3.2	-1.4	-0.6
CPB (2016, NL)	-4.1	-2.1	-0.8
KUL (2017, BE)	-4.5	-2.3	-1.5

Source: Bisciari P. (2019), A survey of the long-term impact of Brexit on the UK and on the EU27 economies, NBB, Working Paper 366.

# Wide dispersion across studies and countries

(WTO losses, percentage points of GDP/welfare deviation from an EU-like scenario)

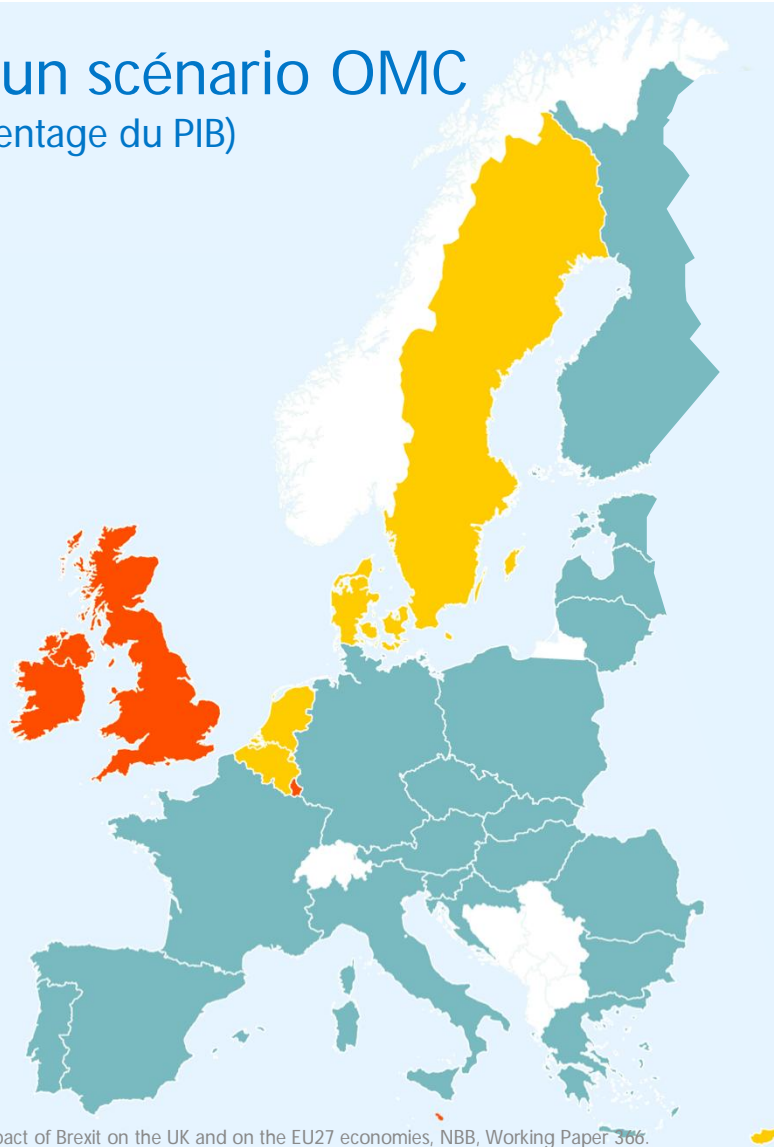


Source: Bisciari P. (2019), A survey of the long-term impact of Brexit on the UK and on the EU27 economies, NBB, Working Paper 366.

# Coûts à long terme d'un scénario OMC

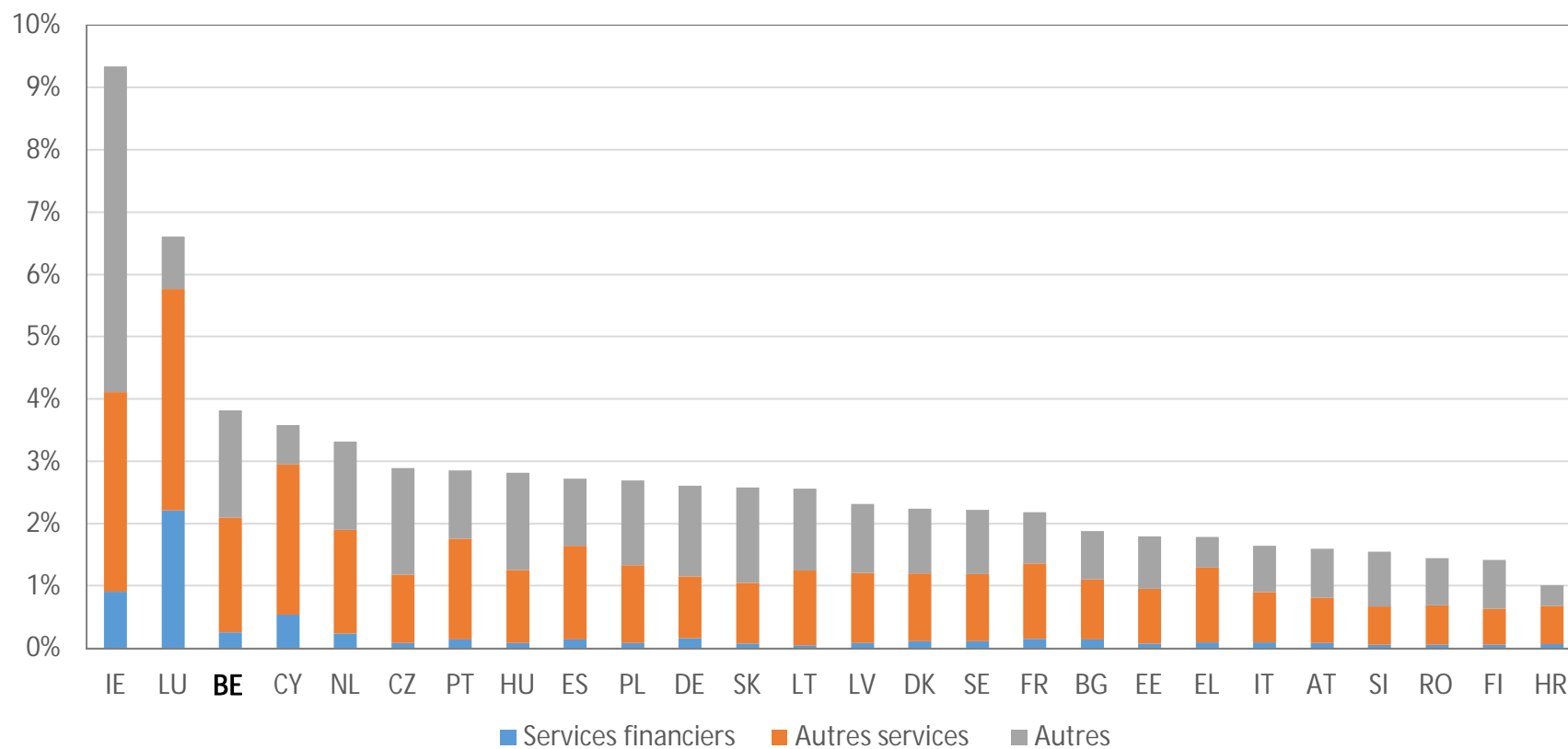
(perte médiane en points de pourcentage du PIB)

- Perte supérieure à 1,2
- Perte entre 0,6 et 1,2
- Perte inférieure à 0,6



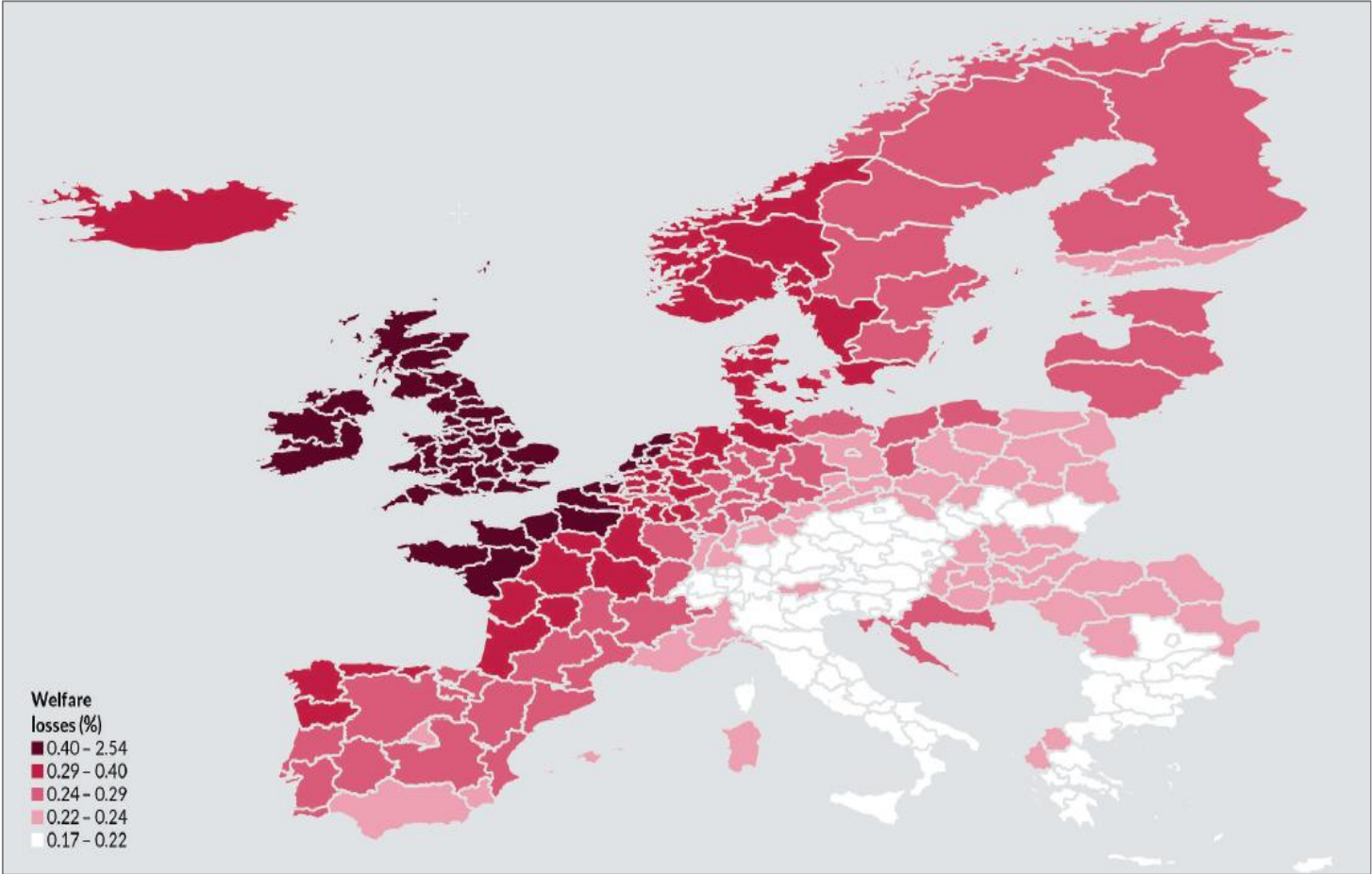
# Une exposition élevée à l'économie britannique

(part du PIB exportée vers le Royaume-Uni, 2015)








# Regions closer to the UK are more affected by (a hard) Brexit



Source: Mion G. and D. Ponattu (2019), "Estimating the impact of Brexit on European countries and regions", Bertelsmann Stiftung Policy Paper, March.

## Le Brexit concerne beaucoup d'entreprises

 + de 41 000 entreprises (quasi 9 000 ) **directement** exportatrices et/ou importatrices vers 

 Parmi les 18 500 entreprises qui exportent vers  (2 500 )

§ 6 000 n'ont **pas d'expérience antérieure** d'exportation hors UE (750 )

§  représente **au moins 50 %** des exportations vers l'UE pour plus de 6 000 firmes (800 )

§  représente **au moins 50 %** de leur chiffre d'affaires pour 2 500 firmes (plus de 300 )

 + relations indirectes via fournisseurs

# Scenarios

Soft Brexit      Grey Zone      Hard Brexit

Deal      No-deal


Orderly      Disorderly



WTO

## A deal mitigates substantially GDP losses

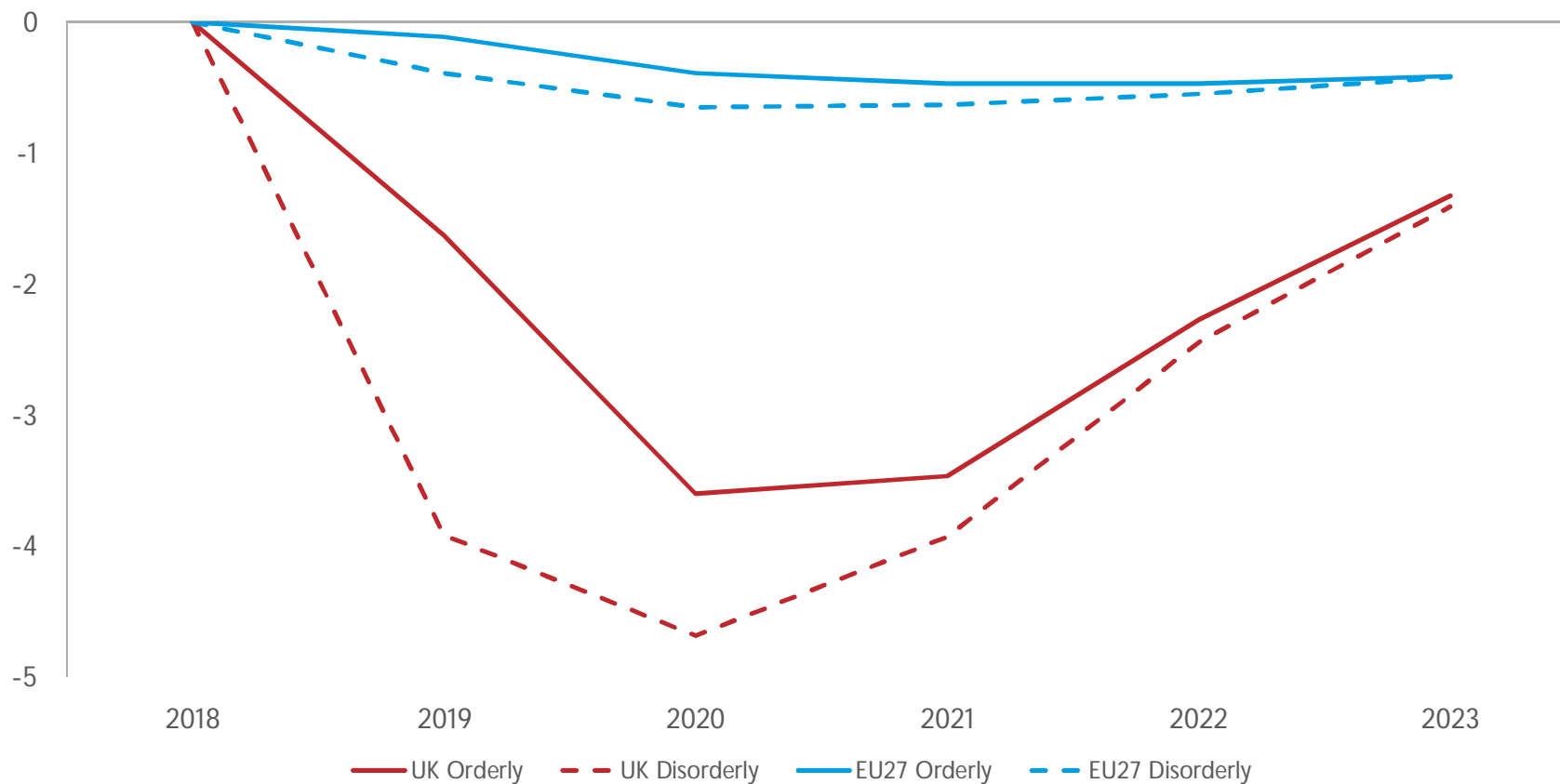
(deviation from EU-like scenario, in percentage points)

	WTO	Canada-like FTA	FTA and a Customs union	EEA
Ireland	-2.0	-0.9	-0.8	-0.5
 United Kingdom	-1.7	-0.6	-0.4	-0.4
Belgium	-0.5	-0.2	-0.1	-0.1
Netherlands	-0.4	-0.2	-0.1	-0.1
Poland	-0.3	-0.1	-0.1	-0.1
<b>EU27</b>	<b>-0.3</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>
Germany	-0.2	-0.1	-0.1	-0.1
France	-0.2	-0.1	-0.1	-0.1
Spain	-0.2	-0.1	-0.1	-0.0
Italy	-0.1	-0.1	-0.1	-0.0

Source: IFO (2017).

# Additional GDP loss from a disorderly no-deal Brexit

(percentage point deviation from baseline<sup>1</sup>)



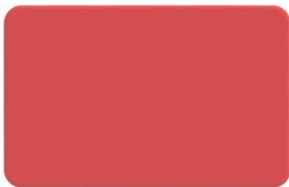
IMF (WEO, April 2019).

<sup>1</sup> Gradual transition towards a CETA-like FTA.

# Conclusion



**Uncertainties**



**Lose-lose situation**

The UK and Ireland: supply shock dominant



**A deal is good for all...**

**but** has a cost in terms of autonomy



**Additional costs** from a  
**(disorderly) no-deal Brexit**

# Thank you for your attention

## For further information

Bisciari P. (2019), A survey of the long-term impact of Brexit on the UK and on the EU27 economies, National Bank of Belgium, [Working Paper 366](#).

Bisciari P. (2019), Main findings from a survey of the long-term impact of Brexit on the UK and on the EU economies, SUERF, [Policy note 84](#).