

## United Kingdom

### 'Brexit' uncertainty hurting over one-in-three companies

- 36% of firms reported a detrimental impact of Brexit uncertainty on business
- Large companies more affected than smaller firms
- Broad-based impact, but biggest hit in services

More than one-in-three companies report that uncertainty over the outcome of the EU referendum is having a detrimental effect on their business. One-in-twelve firms report a strongly detrimental impact.

The greatest harm is being done to firms' ability to make business decisions, while also damaging their sales, investment and expansion plans, as well as profits. The ability to hire suitable staff and firms' costs have also both been adversely affected, albeit to lesser extents.

The survey was conducted as part of the May Markit/CIPS PMI surveys of companies across manufacturing, services and construction. Responses to the 'Brexit' question were received from 998 companies, with data collected between 12-25 May.

Asked about the extent to which the issue of the UK's potential exit from the EU is currently affecting their business, 28% of firms reported a 'detrimental' impact on business in general, with a further 8% reporting a 'strongly detrimental' impact. Just over half (51%) reported no significant impact, and 9% did not know whether there had been any impact that could be ascribed to 'Brexit' worries. A beneficial impact was reported by 4% of companies.

Large firms (those with more than 250 employees) have been more adversely affected than smaller companies; the number of large firms reporting a detrimental impact on overall business rose to 41% (compared to 34% for SMEs).

By sector, service sector companies have been on average slightly more adversely affected than construction and manufacturing firms, although in each of the three sectors just over one-in-three companies reported a detrimental impact.

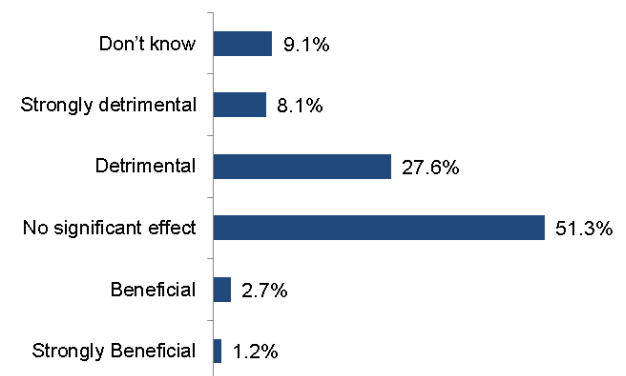
By region, firms in Northern Ireland have been the least adversely affected. While Scotland and England

have seen similar numbers of adversely affected firms, the proportion of companies reporting a strongly detrimental impact in England (8%) is double the proportion seen in Scotland. Although Wales has proportionally seen fewer adversely affected firms than Scotland and England, it has seen the highest proportion (one-in-eight) reporting a strongly detrimental impact.

### Overall impact of Brexit uncertainty

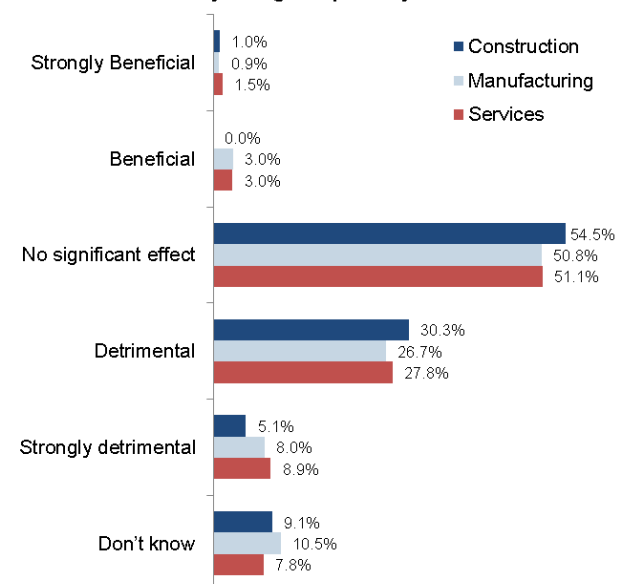
Please state the extent to which the issue of the UK's potential exit from the EU is currently having an impact on your business

(Sample = all companies)



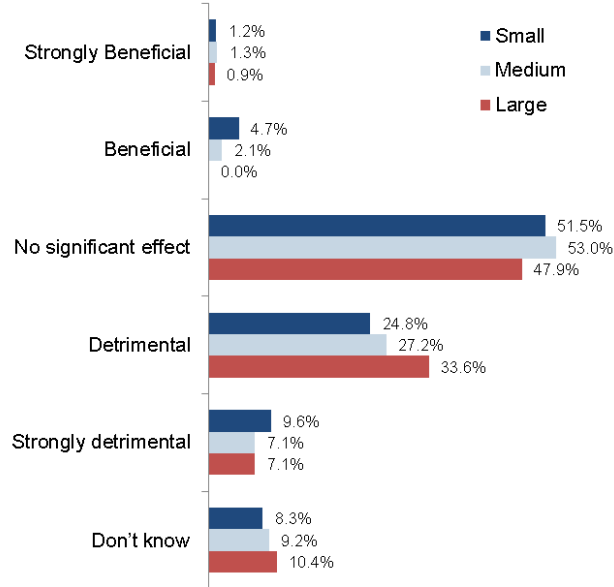
### Overall impact by sector

Please state the extent to which the issue of the UK's potential exit from the EU is currently having an impact on your business



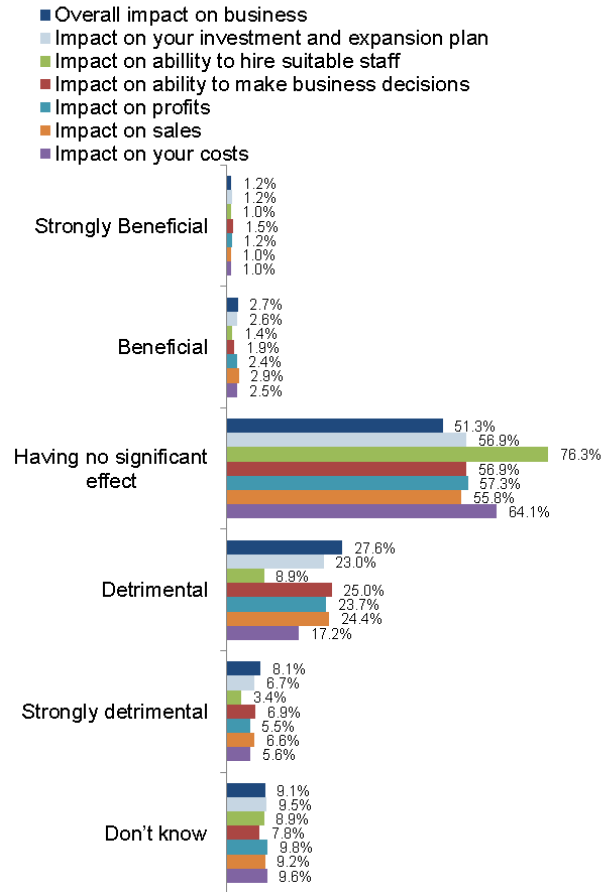
### Overall impact by company size

Please state the extent to which the issue of the UK's potential exit from the EU is currently having an impact on your business



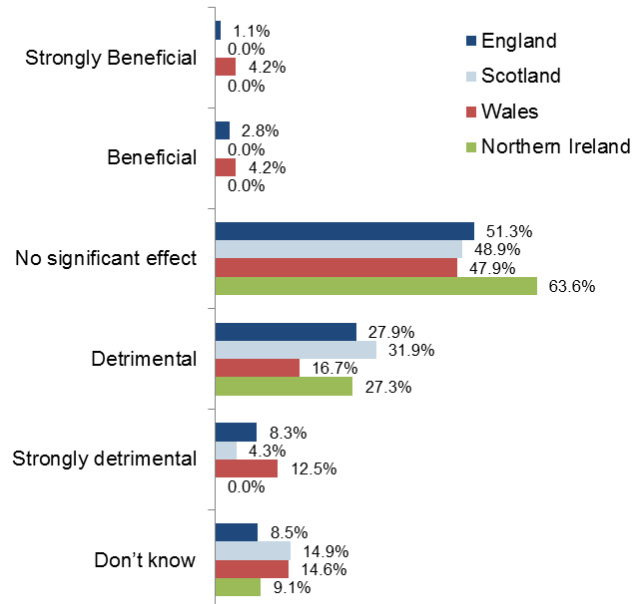
### Nature of impact (all companies)

Please state the extent to which the issue of the UK's potential exit from the EU is currently having an impact on your business



### Overall impact by region

Please state the extent to which the issue of the UK's potential exit from the EU is currently having an impact on your business



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