Changing Scotland: Growing Scotland's Economy

Discussion Paper – The Implications of the UK Vote to Leave the EU for Scotland's Economic Prosperity and Future Trade

Background:

- 1. Following the UK vote to leave the EU on 23 June there have been a range of policy proposals put forward, and since the triggering of Article 50 in March the very early stages of negotiating positions beginning to be set out. The Scottish Government was the first administration in the UK to set out a comprehensive position in <u>Scotland's Place in Europe</u> published in December 2016. This was followed by the <u>Lancaster House speech</u> by the Prime Minister in January and the UK Government's <u>White Paper</u> shortly afterwards.
- 2. The <u>Article 50 letter</u> sent by the Prime Minister to the EU triggered the beginning of the formal two year period of negotiations and on 29 April the EU set out their <u>guidelines</u> for the coming negotiations.
- 3. All of these documents will provide the parameters of the eventual deal between the UK and the EU. Whilst the UK Government has not agreed to negotiate for the package of proposals as whole which the Scottish Government put forwards in Scotland's Place in Europe, the individual policy positions within the paper remain valid compromise positions from the Scottish Government's position of continued EU membership for Scotland.
- 4. For the economy and trade this means maintaining membership of the EU single market and the continuation of full participation in that market free of tariff and nontariff barriers and the requirement for customs checks as goods move within it. It also means continued full participation in freedom of movement.

Discussion Questions

Please read the documents linked above and consider the following questions ahead of the discussion session itself which will focus both on implications for business and opportunities to mitigate these drawing on policy proposals so far:

- What are your key market interdependencies and connections to other businesses and organisations? How might changes to these markets effect your business?
- How important is the EU single market to your business and what actions are you taking as a business leader to mitigate the risks of Brexit?
- How will Brexit affect your ability to access labour and provide attractive working conditions?
- Will Brexit have an impact on your consideration of social and environmental issues in relation to your business?

- What kind of regulatory environment would support your business post Brexit?
- If you operate in the tourism sectors, is Brexit already having an effect and what will the longer term implications be for your business?
- What would the implications of tariffs be for your business and have you been able to identify what tariffs may apply?
- What would the implications of non-tariff barriers be for your business and what are the barriers you may face?
- How can customs controls be reconciled with continued participation in 'just in time delivery'?