

UNDER STRICT EMBARGO UNTIL: 29 March, 2.00 pm. CET (Central European Time).

Britain braces for Brexit as a 'cliff edge' scenario looks real, says KPMG

Discussing the triggering of Article 50, Karen Briggs - Head of Brexit at KPMG in the UK, said:

"Having spoken to UK businesses up and down the country, it's clear the majority of CEOs have Brexit plans and are already taking action. There is very little complacency around, now that the specter of a cliff edge Brexit has become a realistic scenario. Business leaders know the potential impact of such an outcome is huge and they need to act now to be prepared for any eventuality.

"Although individual companies have different levels of Brexit exposure, the majority are deep into scenario planning and some firms are beginning to reconfigure their businesses. This means talking to and reassuring staff, seeking new regulatory approvals, and shifting certain parts of their operations. UK PLC recognizes that we are at the point of no-return and key business decisions are now required. Similar patterns apply to businesses outside the UK where KPMG's Brexit experts are seeing a significant increase in companies - both EU based and global corporations - who are starting to gear up on contingency planning. Transatlantic businesses and Japanese corporates are amongst the most advanced in developing and executing Brexit plans.

"The organizations we're speaking to in the UK realize there needs to be more sectorial and public private collaboration, more infrastructure to support skills and trade, more ramping up of recruitment and training local staff. Companies can see a variety of different migration issues are already starting to bite and that supply chain difficulties may not be far down the road in certain scenarios.

"The current exchange rate means that the UK is now less attractive as a place to work for some economic migrants, and the supply of EU nationals is beginning to cool off - although the relatively weaker pound is good for overseas inbound investment. We've already seen some call centers manned by EU nationals in the UK being moved to EU countries. Universities have seen the number of EU nationals drop and expect that trend to worsen next year. Within the Life sciences sector, EU nationals are often staying away.

"However, amongst all this complexity, we've seen some wonderful examples of entrepreneurialism. Companies are making acquisitions to address potential changes in tariffs, cost pressures on imported components are being mitigated through new design, and businesses are rethinking their location strategy. Firms are calculating how to make Brexit, and the disruption it will cause, into a business opportunity rather than a managed risk.

"Collectively this adds up to a sharp uptick in demand for advisory services across immigration, customs, supply chain, deals support and strategy. Indeed, we're currently in the process of boosting the support we already offer around EU nationals, treasury, plus trade and exports. Our advice to business both in the UK and globally is that it has become untenable to not have a Brexit plan."

KPMG's approach

Recognizing that Brexit is a complex global issue that reaches far beyond Britain's shores, KPMG member firms are providing global insights and perspectives to their clients. The recently launched social media aggregator, [365BREXIT](#), is built on the same technology as the award-winning WEFLIVE.com platform. It monitors and visualizes the Twitter

conversation taking place globally using interactive and live infographics, heat maps, influencer rankings and lists of tweets. What topics will emerge as the most important as Brexit unfolds throughout the year? Follow the social media conversation on 365brexit.com – your window into the debate.

For further information, please contact:

Brian Bannister
Head of Global Communications
KPMG International
+44 7919 393753
Brian.Bannister@KPMG.co.uk

About KPMG International

KPMG is a global network of professional services firms providing Audit, Tax, and Advisory services. We operate in 152 countries and have 189,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. Each KPMG firm is a legally distinct and separate entity and describes itself as such.