

What a no-deal Brexit could look like



ECONOMY

Bank of England (BoE):

Says Brexit without transition will deliver "large negative shock" to economy, akin to 1970s oil crisis

■ **IMF:** Predicts economy will shrink without deal

■ **Think tank*:** Forecasts growth of **0.3%** in 2019 and 2020 without deal, as opposed to **1.9%** and **1.6%** with deal



TRADE

Barriers will go up, hurting companies in both Britain and European Union

■ Exporters will face EU import tariffs of **5%** – or **10%** for major exports like cars

■ Manufacturers worry about border delays hurting production times, but Brexiteers argue technology will ease border delays

■ Brexiteers say deals with U.S., India and China will aid UK more than remaining close to EU, but budget forecasters say benefits are likely to be small



BUDGET

UK finance minister has war chest to spend in case of Brexit shock to economy

■ Brexit supporters say leaving EU with no deal will bring immediate end to payments by London to Brussels

■ **BoE:** Warns investors not to assume it will rescue economy in event of no-deal Brexit shock



POUND

No-deal Brexit will likely push pound down, adding to losses against U.S. dollar of **13%** since 2016 referendum

■ Recent poll says Sterling will sink by over **6%** with no deal, but could rise by **5.5%** if deal is agreed



FTSE

Weaker pound could push up share prices of UK's biggest international companies, but could punish domestically focused FTSE 250 firms



BONDS

Shock of no-deal Brexit would normally encourage investors to seek safety of British government bonds, but gilt yields recently fell to lowest level since 2016

■ No-deal Brexit would damage Theresa May and could trigger general election. Opposition Labour party, ahead in some opinion polls, plans big public spending rises that could unsettle investors



STOCKPILING

Plan to turn two motorways and airport in southern England into lorry parks if required

■ France preparing customs controls and checks at ports in case of no Brexit deal

■ **CIPS[†]:** Says one in 10 UK firms fears bankruptcy if goods delayed by 10-30 minutes at customs

■ Many manufacturers stockpiling parts to keep production flowing. Drugmakers told to stockpile medicines for additional six weeks

*National Institute of Economic and Social Research †Chartered Institute of Procurement & Supply